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Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, SECOND SESSION

SENATE

MONDAY, MARCH 6, 1950

(Legislative day of Wednesday, February 22, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Father, in a world that lieth in darkness, swept by fitful winds of despair and doubt, for this hallowed moment we pause at this sheltered sanctuary of Thy grace to make sure that the light within is not dimmed. We lift our soiled and shadowed faces to the one true light, knowing that if we keep our hearts with Thee there is no darkness from without that can quench the light within. In this desperate hour when the world's hope of a bright tomorrow is committed to our frail hands, join us to the great company of unconquered spirits who in evil times have stood their ground, preserving the heritage of man's best, and whose flaming faith has made them as lighted windows amid the encircling gloom. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, March 4, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 2, 1950:

S. 481. An act for the relief of the legal guardian of Clarence Herbert Hartman, a minor;

S. 563. An act for the relief of the P. S. Cook Co.;

S. 914. An act for the relief of Gladys Inez Greenwood; and

S. 2520. An act to authorize the sale of certain allotted devised land on the Winnebago Reservation, Nebr.

On March 3, 1950:

S. 229. An act for the relief of E. W. Eaton Coal Co.; and

S. 321. An act for the relief of Lloyd D. Lyles.

On March 4, 1950:

S. 2328. An act to amend section 482 of the Revised Statutes relating to the Board of Appeals in the United States Patent Office.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hoey	Maybank
Brewster	Holland	Millikin
Bricker	Humphrey	Morse
Butler	Hunt	Murray
Byrd	Ives	Myers
Cain	Jenner	Neely
Capehart	Johnson, Colo.	O'Conor
Chapman	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Saltonstall
Darby	Kem	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Kilgore	Smith, N. J.
Dworshak	Knowland	Sparkman
Eastland	Langer	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Magnuson	Withers
Hendrickson	Malone	Young

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] is absent because of illness.

The Senator from California [Mr. DOWNEY] and the Senator from Rhode Island [Mr. LEAHY] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. GRAHAM], the Senator from Alabama [Mr. HILL], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Virginia [Mr. ROBERTSON] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. MUNDT] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is absent because of illness.

The VICE PRESIDENT. A quorum is present.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. O'MAHONEY, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet this afternoon during the session of the Senate.

LIQUIDATION OF TRUSTS UNDER RURAL REHABILITATION PROGRAM

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 930) to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes, which was, to strike out all after the enacting clause and insert:

That this act may be cited as the "Rural Rehabilitation Corporation Trust Liquidation Act."

SEC. 2. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to take such action as may be appropriate and necessary to liquidate, as expeditiously as possible but within 3 years from the effective date of this act, trusts under the transfer agreements with the several State rural rehabilitation corporations, and is hereby authorized and directed to negotiate with responsible officials to that end.

(b) The Secretary, insofar as is necessary to protect the interests of the United States and the corporations shall proceed forthwith to the conversion to cash of investments constituting the trust assets by sale of real and personal properties, and by collection of loans and accounts receivable according to the tenor of such obligations.

(c) An application for the return of such properties may be made to the Secretary by the State rural rehabilitation corporation pursuant to appropriate resolution of its board of directors. The application shall contain a covenant, binding up the corporation when accepted by the Secretary on behalf of the United States, that the corporation will abide by the determinations and apportionments of the Secretary provided for in this act and the payments made by the Secretary pursuant to this act, that the returned assets and the income therefrom will be used only for such of the rural rehabilitation purposes permissible under the corporation's charter as may from time to time be agreed upon by the corporation and the Secretary; and that not to exceed 3 percent of the book value of the corporation's assets will be expended by the corporation for administrative purposes during any year, without the approval of the Secretary of Agriculture. If the rural rehabilitation corporation of any State has been dissolved and is not revived or reincorporated or, for any other reason, is unable to make such application or to accept and administer such properties, the application and subsequent agreements may be made by such other agency or official of that State as may be designated by the State legislature. The Secretary may transfer the trust funds or properties of such corporation to such successor agency or official if adequate provisions are made by the State legislature for holding the United States and the Secretary free from liability by virtue of the transfer to such successor agency or official.

(d) Except as hereinafter provided, upon receipt of appropriate application meeting the requirements of this act, the Secretary shall do all things necessary to return to each such applicant all right, title, and interest of the United States in and to all cash, real and personal property, or the proceeds thereof, held on the date of the approval of this act

by the Secretary as trustee for the account of such State corporation, except that the Secretary may deduct from the funds of each such State corporation the expenses incident to completion of such transfer: *Provided,* That such transfer shall, insofar as possible, be accomplished in a manner consistent with the provisions of the trust agreement with each State rural rehabilitation corporation.

(e) In the event no application is made, as provided for in this act, within 3 years from the effective date hereof or upon receipt of a disclaimer or release of interest under the trust transfer agreement by any State through its legislature, the Secretary shall cause all proceeds from assets held under or for the account of the transfer agreement with that State to be covered into the Treasury of the United States as a revolving fund to be used by the Secretary only within that State for the purposes of and subject to all the provisions of title I, II, and IV of the Bankhead-Jones farm tenant act, as amended.

SEC. 3. The provisions of this act shall apply also to all properties and assets of State rural rehabilitation corporations held by Federal agencies other than the Department of Agriculture under the provisions of Executive Order No. 9070, or otherwise. For the purposes of this act the assets of other corporations, derived through the use of Federal Emergency Relief Administration funds, and made available to them through State rural rehabilitation corporations or otherwise acquired by them for rural rehabilitation purposes, shall be considered as a part of the trust property of the State rural rehabilitation corporations in their respective States.

SEC. 4. For the purposes of this act, the Secretary shall have the power to—

(a) employ on a contract basis (without regard to the provisions of the civil-service laws or the Classification Act of 1923, as amended, but the contract shall in each case specify what civil service and related laws, if any, shall be applicable to the employment after it has been made) such appraisers, accountants, attorneys, and other personnel as he may deem necessary, in the District of Columbia and elsewhere, to aid in the liquidation and transfer of the properties and assets pursuant to this act, and in the entering into of agreements with the corporations, or other agencies or officials designated pursuant to section 2 (c) hereof, regarding the rural rehabilitation purposes for which the property and assets shall thereafter be used by them, and in determining that such agreed purposes are being carried out. The fees, salaries, and expenses of such appraisers, accountants, attorneys, and other personnel shall be equitably apportioned by the Secretary among the respective corporations and the amount so determined to be applicable to each such corporation shall be paid by the Secretary from the trust fund of such corporation until the trust is liquidated, and thereafter by the corporation or other agency or official designated pursuant to section 2 (c) hereof. Attorneys so employed, and their fees and expenses, shall be subject to the approval and under the supervision of the Solicitor of the Department of Agriculture;

(b) accept and utilize voluntary and uncompensated services, and with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision;

(c) make such rules and regulations and such delegations of authority as he deems necessary to carry out the purposes of this act.

SEC. 5. None of the properties or assets held on the date of the approval of this act by the Secretary as trustee pursuant to trust agreements with the various State rural rehabilitation corporations may be used by the Secretary for any purpose after the effective date of this act, except for the purposes authorized under section 2 (d) of this act, and for loans made prior to July 1, 1949, and to be repaid in full no later than May 1, 1952, but otherwise consistent with the provisions of title II of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. A. 1007), where necessary to supplement credit already extended to borrowers from corporation trust funds.

SEC. 6. The determination of the Secretary with respect to the assets to be returned to each State rural rehabilitation corporation or other agency or official designated pursuant to section 2 (c) hereof including, but not limited to interests in properties held jointly for such corporation and the United States, the partition of real property, the expenses incident to each transfer, the liabilities applicable to such properties, and all other phases of the transfer shall be final and conclusive upon each State rural rehabilitation corporation or such successor agency or official designated pursuant to section 2 (c) hereof, and upon all officers and agencies of the United States.

(b) The secretary shall be saved harmless against any personal liability he may incur in carrying out the provisions of this act.

SEC. 7. Section 2 (f) of the act of August 14, 1946 (60 Stat. 1062), is hereby repealed.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate accept the amendment of the House.

The motion was agreed to.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators may be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PETITION

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from N. H. Edwards, of Washington, D. C., relating to the filling of the position of apprentice plate printer in the Bureau of Engraving and Printing, which was referred to the Committee on Post Office and Civil Service.

SALARIES OF BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM—RESOLUTION OF BOARD OF DIRECTORS OF MINNEAPOLIS FEDERAL RESERVE BANK

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Board of Directors of the Federal Reserve Bank of Minneapolis, Minn., relating to the salaries of members of the Board of Governors of the Federal Reserve System.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY BOARD OF DIRECTORS OF FEDERAL RESERVE BANK OF MINNEAPOLIS

The Board of Governors of the Federal Reserve System has been created by Congress as the central authority of the Federal Reserve System to coordinate and direct the duties given by Congress in the field of inflation control, stabilization of the economy through sound monetary and banking policies, and the administration of numerous other important tasks. Wise decisions and capable administration in the field of monetary and banking policy are indispensable to the welfare of the Nation.

It is essential that the Board of Governors of the Federal Reserve System should be composed of men of tested and outstanding capabilities. The prestige of the Board should be such that men of this caliber will be willing and eager to accept appointments for 14-year terms, which will in most cases constitute the most fruitful years of their business lives.

Although salary is not the major factor in the decision of a man who assumes the heavy responsibilities of public service, nevertheless salary is one of the bench marks by which Congress measures the importance of the position. The Board of Governors of the Federal Reserve System should rank at the very top level of executive positions created by Congress: Therefore it is

Resolved, That the board of directors of the Federal Reserve Bank of Minneapolis respectfully petition the Congress to review the question of salaries for members of the Board of Governors of the Federal Reserve System and to establish their annual salaries at levels commensurate with the responsibilities of their positions, with a view to achieving the highest type of public service in the field of monetary and banking policy; it is further

Resolved, That copies of this resolution be transmitted to the members of the appropriate congressional committees, to the Members of the Congress representing the States lying wholly or in part within the Ninth Federal Reserve District, to the Board of Governors of the Federal Reserve System, to all of the Federal Reserve banks, and to the American Bankers Association.

A true copy of a resolution unanimously adopted by the board of directors of the Federal Reserve Bank of Minneapolis.

Attest:

[SEAL] SIGURD UELAND,
Secretary.

Board of directors: Chairman of the board, Roger B. Shepard, St. Paul Minn.; deputy chairman of the board, William D. Cochran, GMC truck distributor, Iron Mountain, Mich.; Henry E. Atwood, president, First National Bank, Minneapolis, Minn.; Charles W. Burges, vice president and cashier, Security National Bank, Edgeley, N. Dak.; Homer P. Clark, honorary chairman of the board, West Publishing Co., St. Paul, Minn.; Ray C. Lange, president, Chippewa Canning Co., Chippewa Falls, Wis.; James R. McKnight, chairman of the board, Pierre National Bank, Pierre, S. Dak.; Walter H. McLeod, president, Missoula, Mercantile Co., Missoula, Mont.; Paul E. Miller, director of agricultural extension division, University of Minnesota, St. Paul, Minn.

COMPULSORY HEALTH INSURANCE

Mr. BUTLER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, resolutions adopted by Otto V. Johnson Post, No. 208, of Sutherland, and auxiliary 51, of Butte, both of the American Legion, in the State of Nebraska, protesting against the enactment of legislation providing compulsory health insurance.

There being no objection, the resolutions were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the preamble to the constitution of the American Legion has always had as one of its clauses the fostering of and perpetuation of 100 percent Americanism and to safeguard our liberties and freedom as opposed to any form of compulsion and regimentation; and

Whereas there is now before the Congress of the United States the question of com-

pulsory health insurance which in itself is a threat to our freedom; and

Whereas it appears that this is the opening wedge into the total socialism of our country for which the veterans of both World Wars have fought to keep free: Now, therefore, be it

Resolved, That the Otto V. Johnson Post, No. 208, of the American Legion, Department of Nebraska, at a regular meeting called February 15, 1950, at Sutherland, Nebr., that this organization go on record as opposing any form of compulsory health insurance or socialized medicine.

DALE M. GODWIN,
Post Commander.
LOUIS C. MCNEEL,
Post Adjutant.

Dated this 20th day of February 1950, at Sutherland, Nebr.

Whereas the American veteran in two world wars has defended the American free enterprise system, which has made possible the development in this country of the highest standards of medical care and the finest medical institutions attained by any major country in the world; and

Whereas having experienced the shortcomings of impersonal, assembly-line medical care inherent in the form of Government-controlled medicine necessary in time of war, the veteran understands the dangers of imposing such a system permanently on the entire population; and

Whereas compulsory health insurance would impose an unjust tax on the veteran's pay check for medical care to which he is now entitled free of charge as a reward for his service to his country; and

Whereas compulsory health insurance would force a tax of 3 percent on the income of the employed veteran, rising to a tax of at least 6 percent within a few years, creating new financial burdens which would increase the costs of necessities of life and lower the standard of living for veterans and other citizens: Now, therefore, be it

Resolved, That the American Legion Auxiliary 51 does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to each Senator from the State of Nebraska, and the Representative from our district, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

MRS. ELVA MATHRE,
President.
MRS. CELESTINE KOENIG,
Secretary.

Butte, Nebr., dated this 2d day of March, 1950.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MCCARRAN, from the Committee on the Judiciary:

S. 503. A bill for the relief of Solly Manasse; without amendment (Rept. No. 1322).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 6, 1950, he presented to the President of the United States the enrolled bill (S. 204) for the relief of Eugenio Maisterrena Barreneche.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LUCAS:

S. 3189. A bill to provide that the United States District Court for the Southern District of Illinois, Northern Division, shall sit at Peoria and Rock Island; to the Committee on the Judiciary.

By Mr. GREEN:

S. 3190. A bill to amend section 602 (n) of the National Service Life Insurance Act of 1940, as amended, so as to extend the time within which application may be filed in connection with waiver of premiums during continuous total disability; to the Committee on Finance.

By Mr. SCHOEPPEL:

S. 3191. A bill for the relief of Sheldon J. Coffman; to the Committee on the Judiciary.

S. 3192. A bill for the relief of certain pharmacists employed in the Veterans' Administration; to the Committee on Post Office and Civil Service.

By Mr. MCCARRAN:

S. 3193. A bill to grant a renewal of Patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War; to the Committee on the Judiciary.

By Mr. GILLETTE:

S. J. Res. 158. Joint resolution to change the name of the dam to be located on the Missouri River near Yanktown, S. Dak., and known as Gavins Point Dam, to Vincent Harrington Dam; to the Committee on Public Works.

AMENDMENT OF ECONOMIC COOPERATION ACT—AMENDMENTS

Mr. FULBRIGHT submitted amendments intended to be proposed by him to the bill (S. 3101) to amend the Economic Cooperation Act of 1948, as amended, which were referred to the Committee on Foreign Relations and ordered to be printed.

WORLD DISARMAMENT CONFERENCE

Mr. TYDINGS. Mr. President, I submit a resolution having to do with disarmament. I submitted similar resolutions in 1946, 1947, and 1949, requesting the President to call a world conference for the purpose of securing disarmament on land, sea, and in the air. Since submitting the resolutions, there have been a number of suggestions from persons in high places in the Government that the matter should be handled in the United Nations. So I have amended my resolution, requesting the President to call it, in this respect, by asking that the United Nations call a world disarmament conference.

In order that both propositions may be before the Foreign Relations Committee in the two forms which have been recommended, the resolution I am submitting today is identical with one I have previously submitted at this session, proposing that the United Nations, rather than the President, take charge of it. The other resolution already is pending. So both proposals will be before the Foreign Relations Committee.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield for a question.

Mr. WHERRY. Does the Senator expect to have the resolutions up for consideration immediately in the Foreign Relations Committee?

Mr. TYDINGS. I do not think they could be considered immediately, on account of the ECA legislation. But I hope that at some time in the future both resolutions will be considered, and one or the other of them acted upon.

The resolution (S. Res. 236) submitted by Mr. TYDINGS was referred to the Committee on Foreign Relations, as follows:

Resolved, That the United Nations is hereby requested to invite the representatives of the governments of all nations to enter into an understanding and agreement to achieve world disarmament on land, on sea, and in the air, including bacteriological warfare, poison-gas warfare, etc., by January 1, 1954, except only for such actual occupying forces, with appropriate weapons, and for such agreed period of time, as will be necessary to police the defeated and occupied nations as a result of the recent war, and except only for such armed forces and for such weapons as are to be placed exclusively under the jurisdiction of the Security Council of the United Nations Organization, and except only for such limited forces and limited small arms as are needed to keep law and order within each country, and directly prohibiting the manufacture, storage, and possession of all other weapons, ammunition, and munitions of war, and providing further for the international inspection force authorized and instructed to see that the terms of such world disarmament are rigidly adhered to and carried out, and thereafter maintained by all the countries of the earth.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Martin A. Hutchinson, of Virginia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1946, vice Ewin Lamar Davis, deceased, which was referred to the Committee on Interstate and Foreign Commerce.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MCCARRAN, from the Committee on the Judiciary:

Abraham J. Harris, of Illinois, to be Assistant Solicitor General, vice George T. Washington, resigned;

Patrick J. Gilmore, Jr., of Alaska, to be United States attorney for division No. 1, district of Alaska; and

Whitfield Y. Mauzy, of Oklahoma, to be United States attorney for the northern district of Oklahoma.

NEWS LETTERS BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD his news letters for January 12, February 9, and February 23, 1950, which appear in the Appendix.]

SENATOR WALTER F. GEORGE—ARTICLE FROM THE WASHINGTON TIMES-HERALD

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an article entitled "Senator WALTER GEORGE," under the caption "Did you happen to see," written by John White and published in the Washington Times-Herald of March 3, 1950, which appears in the Appendix.]

MESSAGE OF LUIS MUÑOZ MARÍN, GOVERNOR OF PUERTO RICO, TO THE SEVENTEENTH LEGISLATURE

[Mr. BUTLER asked and obtained leave to have printed in the RECORD the message delivered by Luis Muñoz Marín, Governor of Puerto Rico, to the seventeenth legislature, at its second regular session, February 23, 1950, which appears in the Appendix.]

UNEMPLOYMENT INSURANCE—MESSAGE FROM GOVERNOR DEWEY TO THE NEW YORK LEGISLATURE

[Mr. IVES asked and obtained leave to have printed in the RECORD a message from Gov. Thomas E. Dewey to the Legislature of the State of New York, dated March 3, 1950, and relating to the subject of unemployment insurance, which appears in the Appendix.]

TORTURE OF OFFENDERS AGAINST COMMUNIST REGIMES—STATEMENT BY STATE DEPARTMENT ON MICHAEL SHIPKOV CASE

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD the statement by Michael Shipkov on his interrogation in Bulgaria, published in the New York Times of March 5, 1950, which appears in the Appendix.]

CORPORATE PROFITS, TAXES—EDITORIAL FROM THE EVENING STAR-NEWS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "Corporate Profits, Taxes," published in the Evening Star-News, of Culver City, Calif., February 27, 1950, which appears in the Appendix.]

WIRE TAPPING—EDITORIAL FROM THE ST. LOUIS STAR-TIMES

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Clarification Needed on Wire Tappings," from the St. Louis Star-Times of January 18, 1950, which appears in the Appendix.]

TAXES—EDITORIAL FROM THE CAVALIER CHRONICLE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Taxes!!" from the Cavalier (N. Dak.) Chronicle of January 12, 1950, which appears in the Appendix.]

THE FEDERAL DEPOSIT INSURANCE CORPORATION—ARTICLE FROM THE UNITED STATES INVESTOR

[Mr. MYERS asked and obtained leave to have printed in the RECORD an article entitled "The FDIC Itself," published in the United States Investor for February 18, 1950, which appears in the Appendix.]

THE OKLAHOMA LEOPARD—ARTICLE BY JOHN M. CUMMINGS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an article entitled "Sad Story of the Leopard Stirs Philosophic Musings," by John M. Cummings, from the Philadelphia Inquirer of March 3, 1950, which appears in the Appendix.]

REPUBLICAN POLICIES—ARTICLE FROM THE EXETER NEWS LETTER

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an article entitled "More Advice to the Republican Party," by Dr. Henry Phillips, from the Exeter News Letter of March 2, 1950, which appears in the Appendix.]

BIPARTISAN APPROACH TO THE FARM PROBLEM—ARTICLE FROM THE MINNEAPOLIS (MINN.) STAR-JOURNAL

[Mr. THYE asked and obtained leave to have printed in the RECORD an article entitled "Pillsbury Raps Food in Politics," from the Minneapolis Star-Journal, which appears in the Appendix.]

PROPOSED AMENDMENT OF NATURAL GAS ACT

Mr. GILLETTE. Mr. President, on February 16 I wrote to the Federal Power Commission for certain factual material on S. 1498, a bill to amend the Natural Gas Act of 1938. In response to my letter of inquiry, the Federal Power Commission replied in a series of letters enclosing figures which I believe will be of interest to every Senator when the bill comes before us. I have numbered the letters and tables as exhibits 1 through 7.

I ask unanimous consent to have the letters and attached tables of figures inserted as part of my remarks in the RECORD at this point.

There being no objection, the letters and tables were ordered to be printed in the RECORD, as follows:

EXHIBIT 1

FEDERAL POWER COMMISSION,
Washington, February 17, 1950.

Hon. GUY M. GILLETTE,
United States Senate,
Washington, D. C.

DEAR SENATOR GILLETTE: This will acknowledge receipt of a copy of your letter, dated February 16, 1950, addressed to the Federal Power Commission.

In order that you may have the data available to you at the earliest moment, I am attaching hereto a staff report which contains the information desired to the extent that we can supply it.

If I can be of further assistance, please call upon me.

Sincerely yours,

THOMAS C. BUCHANAN,
Commissioner.

EXHIBIT 2

Sales of natural gas by public utilities, year 1948, showing effect of increases in field prices of 1 and 5 cents per thousand cubic feet

State	Millions of cubic feet	Increase of 1 cent per 1,000 cubic feet	Increase of 5 cents per 1,000 cubic feet
Middle Atlantic:			
New York*	29,911	$299,110	$1,495,550
Pennsylvania*	171,125	1,711,250	8,556,250
East North Central:			
Illinois*	95,376	953,760	4,768,800
Indiana*	38,885	388,850	1,944,250
Michigan*	74,890	748,900	3,744,500
Ohio*	228,820	2,288,200	11,441,000
West North Central:			
Iowa*	31,955	319,550	1,597,750
Kansas	150,418	1,504,180	7,520,900
Minnesota*	42,980	429,800	2,149,000
Missouri*	73,108	731,080	3,655,400
Nebraska*	46,767	467,670	2,338,350
North Dakota*	2,899	28,990	144,950
South Dakota*	8,799	87,990	439,950
South Atlantic:			
District of Columbia*	9,344	93,440	467,200
Florida*	8,788	87,880	439,400
Georgia*	45,754	457,540	2,287,700
Maryland*	4,237	42,370	211,850
Virginia*	3,656	36,560	182,800
West Virginia	81,055	810,550	4,052,750
East South Central:			
Alabama*	59,305	593,050	2,965,250
Kentucky*	26,792	267,920	1,339,600
Mississippi	47,833	478,330	2,391,650
Tennessee*	35,316	353,160	1,765,800

EXHIBIT 2—Continued

Sales of natural gas by public utilities, year 1948, showing effect of increases in field prices of 1 and 5 cents per thousand cubic feet—Continued

State	Millions of cubic feet	Increase of 1 cent per 1,000 cubic feet	Increase of cents per 1,000 cubic feet
West South Central:			
Arkansas	85,866	$858,660	$4,293,300
Louisiana	216,848	2,168,480	10,842,400
Oklahoma	146,927	1,469,270	7,346,350
Texas	516,181	5,161,810	25,809,050
Mountain:			
Arizona*	32,824	$328,240	$1,641,200
Colorado*	55,654	556,540	2,782,700
Montana	28,821	288,210	1,441,050
New Mexico	26,989	269,890	1,349,450
Utah*	22,158	221,580	1,107,900
Wyoming*	21,261	212,610	1,063,050
Pacific: California	422,733	4,227,330	21,136,650
Total	2,894,275	28,942,750	144,713,750

NOTES.—In some States a portion or all of the volumes shown is produced locally and not transported through interstate pipe lines. States designated (*) are those where all or most of gas is received through interstate pipe lines.

The table does not include sales of mixed gas where natural gas is a component part in varying degrees. New York, Pennsylvania, Illinois, Indiana, Kentucky, and Missouri had large sales of mixed gas in 1948 which would likewise be affected by increase in field price of natural gas.

Important areas such as New England, the South Atlantic States of North Carolina and South Carolina, and Wisconsin had no natural gas in 1948 but projects to bring gas to these areas are in various stages of completion. Many of the States listed above such as Maryland, California, New York, and Virginia will greatly expand their use of natural gas under expansion programs authorized by the Commission or now pending.

The National Security Resources Board has estimated that in 1952 natural gas sales by utilities will total 3,903,000 million cubic feet.

Source of volumes, American Gas Association, Gas Facts, 1948.

EXHIBIT 3

FEDERAL POWER COMMISSION,
Washington, February 20, 1950.

Hon. GUY M. GILLETTE,
United States Senate,
Washington, D. C.

DEAR SENATOR GILLETTE: In further response to your letter of February 16, I wish to elaborate upon the data submitted in answer thereto.

First, your attention is called to the fact that consumption shown on the table, submitted with my last letter, includes gas produced by certain natural gas pipe-line companies as well as that which was purchased by natural gas pipe-line companies from independent producers. The 1948 information as to the relative proportions was not readily available, but is being compiled and will be made available to you in due course. The 1947 studies which were made indicate that about 42 percent of the total handled by interstate pipe lines was produced by the companies from their own reserves, however, the proportion is changing and it is expected that the percentage produced by the companies will be somewhat less than the 42 percent for the year 1948.

The gas produced by pipe-line companies subject to Federal Power Commission jurisdiction will not be affected by the so-called Kerr bill as it is presently written. However, if certain amendments proposed during the hearings are added to the bill, production of such pipe-line companies would be required to be priced on the current field price and to that extent would be taken from our jurisdiction and the data as submitted would apply. In other words, it is proposed by some to expand the Kerr bill to be identical with the Moore-Rizley bill of 1947.

Second, the data also contain gas produced and sold in intrastate commerce. The price

of such gas, it is believed, will increase to the price level of gas produced for interstate commerce and therefore the data in that respect are useful. The Commission has actual knowledge that the Kansas-Nebraska Natural Gas Co.'s gas rates in Kansas were increased for intrastate sales because of the increase in field price ordered by the Kansas Corporation Commission for gas sold from the Hugoton field to interstate pipe-line companies.

Such a situation poses a real question as to the possible effect of the Kerr bill. Will there be discrimination between field prices of natural gas for local use as opposed to field prices of gas for use in interstate commerce, or will the State commissions arbitrarily fix a common level for both with the resulting excessive profits to producers at the expense of the consuming public, as was done in Oklahoma and Kansas?

If I can be of further assistance, please call upon me.

Sincerely yours,

THOMAS C. BUCHANAN,
Commissioner.

EXHIBIT 4

FEDERAL POWER COMMISSION,
Washington, February 21, 1950.

Hon. GUY M. GILLETTE,
United States Senate,
Washington, D. C.

DEAR SENATOR GILLETTE: In partial response to your letter of February 18, there is enclosed a tabulation showing the total production and purchases of natural gas for the year 1948 for 38 major interstate pipe-line companies. Based upon complete data previously prepared for the year 1947 it appears that the 38 companies listed in the tabulation account for approximately 86 percent of the total interstate pipe-line company gas supply.

The balance of the requested information concerning the consumption by States is being complied as expeditiously as possible and will be transmitted to you immediately upon completion.

Sincerely yours,

NELSON LEE SMITH,
Chairman.

EXHIBIT 5

Production and purchases of natural gas by selected natural-gas companies, 1948

[Thousands of cubic feet]

Company	Produced by company and purchased from affiliate producers	Purchased from independent producers	Total produced and purchased
Arkansas-Louisiana Gas Co	60,135,932	66,020,976	126,156,908
Arkansas-Oklahoma Gas Co	6,341,584	85,776	6,427,360
Canadian River Gas Co	82,958,882		82,958,882
Cities Service Gas Co	70,474,044	96,556,140	167,030,184
Colorado Interstate Gas Co		16,836,653	16,836,653
Consolidated Gas Utilities Corp	11,757,319	26,798,650	38,555,969
El Paso Natural Gas Co	15,781,324	101,247,917	117,029,241
Equitable Gas Co	2,665,634	2,100,532	4,766,166
Hope Natural Gas Co	40,274,221	32,183,279	72,457,500
Hope Producing Co	7,691,787		7,691,787
Independent Natural Gas Co	15,745,904	2,867,984	18,613,888
Interstate Natural Gas Co., Inc	71,259,665	37,728,445	108,988,110
Kansas-Colorado Utilities Co	702,588	1,208,964	1,911,552
Kansas-Nebraska Natural Gas Co., Inc	1,012,683	22,956,340	23,969,023
Kansas Power & Light Co., The	193,623	24,491,496	24,685,119
Kentucky-West Virginia Gas Co	28,588,063	3,128,865	31,716,928
Lone Star Gas Co	21,568,434	89,828,548	111,396,982
Manufacturers Light & Heat Co., The	7,217,249	6,638,033	13,855,282
Mississippi River Fuel Corp		24,060,635	24,060,635
Montana-Dakota Utilities Co	10,228,046	8,238,618	18,466,664
Mountain Fuel Supply Co	20,038,384	3,499,204	23,537,588
Natural Gas Pipeline Co. of America		3,919,650	3,919,650
Northern Natural Gas Co	21,666,719	86,758,337	108,425,056
Ohio Fuel Gas Co	17,779,342	13,047,550	30,826,892
Panhandle Eastern Pipe Line Co	51,590,706	120,624,857	172,215,563
Pennsylvania Gas Co	4,335,727	786,557	5,122,284
Pittsburgh & West Virginia Gas Co	8,592,262	3,046,378	11,638,640
South Penn Natural Gas Co	5,773,395	6,671,948	12,445,343
Southern Natural Gas Co	9,275,529	51,528,839	60,804,368
Southern Union Gas Co	10,324,357	4,649,331	14,973,688
Southwestern Public Service Co	646,193	2,120,249	2,766,442
Tennessee Gas Transmission Co		166,728,546	166,728,546
Texas Eastern Transmission Corp		71,638,207	71,638,207
Texas Gas Transmission Corp	24,417	14,602,749	14,627,166
Texoma Natural Gas Co	98,109,955	2,748,614	100,858,569
United Fuel Gas Co	46,702,276	35,333,993	82,036,269
United Gas Pipe Line Co	127,495,354	302,529,863	430,025,217
United Natural Gas Co	9,266,239	1,646,306	10,912,545
Total	886,217,837	1,454,859,029	2,341,076,866

EXHIBIT 6

FEDERAL POWER COMMISSION,
Washington, February 24, 1950.

Hon. GUY M. GILLETTE,
United States Senate,
Washington, D. C.

DEAR SENATOR GILLETTE: In further response to your letter of February 16, there is attached a tabulation entitled, "Natural Gas Purchased by 38 Interstate Pipe-Line Companies From Independent Producers Showing States in Which Consumed and Effect of 1- and 5-Cent Increases in Field Price."

It is to be particularly noted that the tabulation does not go beyond the year 1948, that being the last available data which shows consumption of natural gas.

Important consuming areas such as the New England States, North Carolina, South Carolina, Delaware, and New Jersey, did not receive any natural gas in 1948 but projects to bring natural gas to these areas are under way or pending before the Federal Power Commission. Likewise, many of the States listed above, such as Maryland, New York, Virginia, Alabama, Georgia, Wisconsin, and California would receive much larger volumes of natural gas in the future under expansion programs authorized by the Commission or now pending before it.

In this connection, attention is called to the fact that interstate pipe-line companies purchase natural gas on long-term contracts from producers. These contracts usually run for 20-year periods but generally in recent years they contain escalator clauses which provide for increases, usually 1 cent per thousand cubic feet, at the end of each 5-year period, with renegotiation as to price at the end of 15 years. They have been regarded as binding contracts, the terms of which cannot be changed except by agreement of the contracting parties, or as the result of the exercise of regulatory authority.

If any further information is desired with respect to this tabulation, the Commission will endeavor to supply it.

Sincerely yours,

NELSON LEE SMITH,
Chairman.

EXHIBIT 7

Natural gas purchased by 38 interstate pipe-line companies from independent producers showing States in which consumed and effect of 1- and 5-cent increases in field price

State and region	Thousands of cubic feet	Increase of 1 cent per 1,000 cubic feet	Increase of 5 cents per 1,000 cubic feet
Middle Atlantic:			
New York	12,683,588	$126,835	$634,175
Pennsylvania	92,160,540	921,605	4,608,025
East North Central:			
Illinois	43,186,683	431,866	2,159,330
Indiana	23,599,370	235,993	1,179,965
Michigan	52,338,334	523,383	2,616,915
Ohio	149,334,781	1,493,347	7,466,735
Wisconsin	40,487	404	2,020
West North Central:			
Iowa	28,928,734	289,287	1,446,435
Kansas	104,936,041	1,049,360	5,246,800
Minnesota	39,184,905	391,849	1,959,245
Missouri	58,746,939	587,469	2,937,345
Nebraska	36,337,571	363,375	1,816,875
North Dakota	1,307,232	13,072	65,360
South Dakota	4,339,263	43,392	216,960
South Atlantic:			
District of Columbia	6,928,370	69,283	346,415
Florida	6,053,391	60,533	302,665
Georgia	35,348,806	353,488	1,767,440
Maryland	2,375,286	23,752	118,760
Virginia	2,958,414	29,584	147,920
West Virginia	64,315,315	643,153	3,215,765
East South Central:			
Alabama	43,343,652	433,436	2,167,180
Kentucky	17,831,972	178,319	891,595
Mississippi	35,543,981	355,439	1,777,195
Tennessee	31,022,038	310,220	1,551,100
West South Central:			
Arkansas	40,004,671	400,046	2,000,230
Louisiana	111,278,897	1,112,788	5,563,940
Oklahoma	25,332,877	253,328	1,266,640
Texas	255,053,872	2,550,538	12,752,690
Mountain:			
Arizona	34,774,693	347,746	1,738,730
Colorado	12,170,804	121,708	608,540
Montana	4,162,639	41,626	208,130
New Mexico	20,696,533	206,965	1,034,825
Utah	3,798,271	37,982	189,910
Wyoming	828,528	8,285	41,425
Pacific: California	53,911,551	539,115	2,695,575
Total	1,454,859,029	14,548,571	72,742,855

NOTE.—The purchases of natural gas from independent producers by the 38 pipe-line companies included in the above tabulation would represent approximately 86 percent of such purchases in 1948 by all interstate pipeline companies subject to the Commission's jurisdiction.

Mr. GILLETTE. Mr. President, seeking further information on the same proposal, I sent a telegram to the Federal Power Commission asking for data on a rate-increase proposal by the Northern Natural Gas Co. which I understand is intended to be filed by that company in the near future. I have received an answer to the telegram, accompanied by a table of figures estimating how the proposed rate increase would affect natural-gas consumers in a number of States. I have numbered these as exhibits 8 and 9.

I ask unanimous consent that this letter and table of figures from the Federal Power Commission be included at this point in the RECORD as part of my remarks.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

EXHIBIT 8

FEDERAL POWER COMMISSION,
Washington, February 24, 1950.

Hon. GUY M. GILLETTE,
United States Senate,
Washington, D. C.

DEAR SENATOR GILLETTE: This is in reply to your telegram of February 23, 1950, concerning a rate increase proposal of Northern Natural Gas Co. The company has not yet filed any increase; it has discussed informally with the staff its plans for filing such an increase. The following data are, therefore, tentative.

The total amount of the increase tentatively discussed informally is $4,210,000 per year. Data showing the distribution of the proposed increase by States and by communities have not been furnished by the company and are not readily available at this time. Such information will be requested when the proposed increase is formally filed by the company if not furnished at that time. The company has submitted the amount of increase to individual gas utility customers and a table showing this distribution of the increase together with the general service areas of the distributing companies is enclosed.

The company attributes $1,100,000 of the increase to the order of the Kansas State Corporation Commission establishing 8 cents per thousand cubic feet as a minimum price for gas purchased in the Hugoton field in Kansas. The company has also advised the staff that approximately $500,000 additional of the total proposed increase would result from a new contract entered into with Phillips Petroleum Co. for the purchase of approximately 11,000,000 cubic feet of natural gas per year which is to replace an existing contract for the same quantity of gas with Independent Natural Gas Co. The latter is a subsidiary of Phillips Petroleum Co., has been held to be a natural gas company, and is therefore subject to all the provisions of the Natural Gas Act.

You will be advised immediately when the rate-increase proposal is filed formally.

Sincerely yours,

NELSON LEE SMITH,
Chairman.

EXHIBIT 9

Northern Natural Gas Co.—Tentative estimated revenue increase due to new rates, estimated, 12 months ended Oct. 26, 1950

Name of gas utility customer	States in which operating	Estimated total increase
Austin, Municipal (B. W. E. G. & P. C.).	Minnesota	$44,685
Central Electric & Gas Co.	Nebraska, South Dakota.	502,954
Central Natural Gas Co.	South Dakota	15,075
Central States Electric Co.	Iowa, Minnesota.	46,666
Council Bluffs Gas Co.	Iowa	62,694
Elkhorn Valley Gas Co.	Nebraska	2,499
Hastings Gas Co.	Minnesota	9,308
Interstate Power Co.	do	137,134
Iowa Electric Co.	Iowa	11,965
Iowa Electric Light & Power Co.	do	51,959
Iowa-Illinois Gas & Electric Co.	Iowa, Illinois	153,848
Iowa Power & Light Co.	Iowa	454,569
Iowa Public Service Co.	Iowa, Nebraska, South Dakota.	286,085
Kansas Power & Light Co.	Kansas	21,002
Omaha, Municipal (MUD).	Nebraska	135,485
Minneapolis Gas Co.	Minnesota	691,189
Minnesota Natural Gas Co.	do	22,773
Minnesota Valley Natural Gas Co.	do	152,541
Owatonna, Municipal (MUS).	do	32,366
Nebraska Natural Gas Co.	Nebraska	42,509
Northern States Power Co.	Minnesota	540,736
Northwestern Light & Power Co.	Iowa	6,661

EXHIBIT 9—Continued

Northern Natural Gas Co.—Tentative estimated revenue increase due to new rates, estimated, 12 months ended Oct. 26, 1950—Continued

Name of gas utility customer	States in which operating	Estimated total increase
Pender, Village of	Nebraska	$2,564
Peoples Gas & Electric Co.	Iowa	307,642
Peoples Natural Gas Co.	Iowa, Minnesota, Nebraska.	361,563
Perry Gas Co.	Iowa	7,723
New Ulm, Municipal (PUC).	Minnesota	26,904
Western States Utilities Co.	do	9,186
Total utilities under CD-1 rate schedule.		4,140,285
Peoples Natural Gas Co., southwestern Kansas towns.		70,210
Total		4,210,495

DISPLACED PERSONS

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD certain telegrams, letters, resolutions, and other communications on the subject of displaced persons.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *February 28, 1950.*

Hon. PATRICK MCCARRAN,
Senate Office Building,
Washington, D. C.:

This organization of Nation-wide membership urges you to support unreservedly McCarran displaced-persons bill, which, despite some obvious faults, removes rank discrimination against displaced persons of German ethnic origin. We are strongly opposed to the Kilgore substitute, which would perpetuate this discrimination. This is the time for speedy action and not further study and investigation. Immediate direct steps are mandatory to solve a problem to which we contributed at Potsdam and to put both displaced persons and expellees on equal legal basis. Case of 12,000,000 expellees and not 8,000,000, as Kilgore committee claims, constitutes attempted genocide and is on par with all the horrors of Nazi camps. In the name of world peace and in the name of the American taxpayer, tackle problem immediately by supporting McCarran bill.

THEODORE H. HOFFMANN,
National Chairman, Steuben Society of America.

THE AMERICAN LEGION,
DEPARTMENT OF DISTRICT OF COLUMBIA,
Washington, D. C., February 28, 1950.

Senator PAT MCCARRAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR MCCARRAN: This has reference to your letter dated January 20, 1950, addressed to Adjutant, Department of the District of Columbia, American Legion.

At the regular monthly meeting of the executive committee of the department held February 23, 1950, it was unanimously voted to reaffirm Resolution 554, adopted by the American Legion in national convention assembled in Philadelphia, Pa., August 29, 30, 31, and September 1, 1949.

The action of the executive committee reflects the attitude of the department relative to existing laws and quotas for immigration and displaced persons.

With kindest regards and best wishes, I am,

Respectfully yours,

J. FRED BURNS,
Chairman, Legislative Committee.

STATEMENT OF THE NATIONAL COUNCIL FOR THE PREVENTION OF WAR, WASHINGTON, D. C.

WASHINGTON, March 1.—"The Kilgore displaced persons bill is unfair, discriminatory, and alien in its philosophy and may stir up intolerance in the United States," Frederick J. Libby, executive secretary of the National Council for Prevention of War, charged today. He urged support instead of the McCarran DP bill, because it grants equal rights to the expellees.

Mr. Libby made his characterization as part of a brief analysis issued by the council in clarification of the Senate debate on DP's which began yesterday.

Mr. Libby explained that the Kilgore bill, which continues the anti-German exclusion features of the present DP law, would cast stumbling blocks in the road to peace by seeming to give approval to a continuation in America's legislation of Europe's ancient international animosities.

The analysis follows:

One thing is clear. The present displaced persons law, the Celler bill approved by the House last session, and the Kilgore bill, all carry signs: "Germans, keep out." All three conceal their bias through using the International Refugee Organization definition of a displaced person, which specifically excludes persons of German ethnic origin.

This definition made by a group of victorious United Nations representatives a few months after the end of a bitter war was understandable at the time it was made. But there is no reason for the United States to be bound by it years after the passions of war have cooled. Particularly is it unreasonable for the United States to let a minority of its own citizens distort the conduct of one phase of its national immigration policy, the displaced persons program, on the basis of an obsolete technicality.

Senate report 1237, part 2, accompanying the bill submitted this week by Senator HARLEY M. KILGORE, Democrat, of West Virginia, apologizes for excluding the German expellees by saying that to include them as DP's would make the whole program unworkable. The Kilgore bill contradicts its own report on this particular in section 9 by recommending that 54,000 German expellees be brought into the United States under a virtual Jim Crow arrangement, and specifying how.

Mystified by experts in a complex field, and terrorized by political hatchet-welders, a number of normally liberal Senators, such as Senator KILGORE, have gone astray on this anti-German proposal. Even some representatives of private United States welfare organizations, under the same pressures, have let themselves be quoted as approving this racist segregation of Germans as Germans. They have been given the assurance that the German expellees will be taken care of later.

This is a delusion. Once Congress has played Santa Claus for the DP's, as it sees it, it will be done playing Santa Claus for any more immigrants this year; perhaps for good. The expellees can then start from scratch, on the same footing with the Chinese.

As for the 54,744 expellees to be admitted by the proposed bill, it is a most unsatisfactory sop thrown to the expellees at the expense of the nonexpellee Germans, who might otherwise use their own normal, full quota. The bill provides that the 54,000 expellees shall be deducted from the German quota although the expellees are mostly Czechs, Poles, and other nationalities, by country of origin.

The only bill, and it is not perfect, which offers equal treatment for the expellees, without bias because of national or racial origin, is the McCarran bill. Smoke screens of misrepresentation cannot conceal this fact.

Enemies of MCCARRAN's fair definition say we should exclude the Germans because they were our enemies. This is, as applied to mil-

lions of individual Germans, inaccurate. It is, as applied to human beings needing help regardless of their political past, un-Christian.

Senator MCCARRAN deserves encouragement and support for his definition.

The McCarran bill should be improved by reshaping certain clauses which, as now written, might lead to the exclusion from the United States of persons of no more than moderately liberal tendencies, and former soldiers in the Wehrmacht, as well as merely nominal members of the Nazi Party.

The outcome of the debate now shaping up will probably be a compromise bill that will include some features of all the bills mentioned.

Therefore, politically speaking, the sagacious course for every friend of the expellees is to:

1. Get votes for Senator MCCARRAN'S bill, and

2. Make clear that the support is being offered because the bill provides equal rights for German expellees.

PHILADELPHIA COUNCIL,
UNITED WAR VETERANS,
Philadelphia, Pa., March 3, 1950.

Hon. PAT MCCARRAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MCCARRAN: At a meeting of the United War Veterans, Philadelphia Council, held Thursday evening, March 2, 1950, the attached resolution was adopted with regard to displaced-persons legislation.

Our group went on record as favoring the elimination of the bias against persons of German ethnic origin, displaced by America's action at Potsdam.

We commend the members of the Senate Judiciary Committee in reporting to the Senate the only bill now existing which places persons of German ethnic origin on the same level and plane with other displaced persons.

We congratulate you and the members of your committee in bringing before the American public the chicanery and fraud used in admitting persons of doubtful character to our shores, while deserving persons of German ethnic origin—the 12,000,000 expellees—are discriminated against while their anxious relatives here in America, willing to receive them, have put up their own money to pay their passage, but cannot get them admitted.

Meanwhile the DP's, the "teachers' pets," are being admitted through connivance and underhanded tactics.

You are free to use this letter and attached resolution to further the cause of the expellees.

We remain,
Respectfully yours,
W. MICHAEL TRENT,
Commander.
M. A. FOX, *Adjutant.*

RESOLUTION RE DISPLACED PERSONS LEGISLATION ADOPTED BY UNITED WAR VETERANS, PHILADELPHIA COUNCIL, MARCH 2, 1950

Whereas the discrimination against persons of German ethnic origin, as taken over from the IRO constitution, is an un-American and intolerable defect in the existing DP law; and

Whereas persons of German ethnic origin should be given immigration opportunities on the same basis as the so-called DP's, if they are in fact displaced persons who, whether as former German nationals or as German minorities in several eastern and southeastern European countries, were forcibly deported or were forced to flee into Germany and Austria; and

Whereas at least 100,000 visas should be assured to these expellees or displaced persons of German ethnic origin; and

Whereas the McCarran Senate Judiciary Committee bill for displaced persons meets the demands of a just and practical displaced persons policy: Be it therefore

Resolved, That this meeting go on record as urging the immediate enactment into law of the McCarran Senate Judiciary Committee bill for displaced persons.

W. MICHAEL TRENT,
Commander.

MARVEL TRAVEL BUREAU,
Waukegan, Ill., March 1, 1950.

Hon. PAT MCCARRAN,
United States Senator from Nevada,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am not from your State, nor of your political party or religion, but I am taking the liberty of dropping you a line to say that I wish there were more PAT MCCARRANS in the United States Senate.

I have been watching your stand on immigration and I am heartily in accord with you. I think this DP thing has been abused to a frazzle. Making observations from what one sees from Miami Beach to points north and west I can't be too sympathetic with the hue and cry that certain racial elements are being discriminated against.

Fact is, as I see it, good honest people—hard-working technicians and tradesmen—people who would be a definite asset to our country, are the ones being discriminated against.

Just recently my family physician had his sister here from Finland on a visitor's visa. She was an accomplished chemist and would have had excellent opportunities here and would very much have liked to gotten out from under the Russian heel, but no, she was chased back. I have a cousin in Finland, a man in his thirties, good health, single, an excellent carpenter and cabinetmaker, who wrote me a couple of years ago that he would like to come over. I furnished affidavits of support and wrote our consul in Helsinki that I could use him to advantage on a building project I had under way at that time. He replied with reference to some law against contract labor which didn't exactly make sense to me. This man is still marking time. This is but two of a number of cases I have noticed where good citizenship material was sidetracked while multitudes of material not so good were admitted.

While I am not overanxious to fill the country with foreigners, I would think, if we are going to admit any at all, why not the ones who are willing to work and make good citizens?

Very respectfully yours,
JOHN J. KOSKI,
Assistant Supervisor, Waukegan Township.

MCALLEN, TEX., *March 1, 1950.*

Senator PAT MCCARRAN,
Chairman of the Judiciary Committee,
Washington, D. C.

DEAR SENATOR: "New law to bring in 300,000 displaced persons from Europe."

To our people who live and work in the Rio Grande Valley headings like this seem almost humorous if the immigration situation in this valley were not so pathetic.

Here thousands of Mexicans who have United States-born children or spouses (or legal alien spouses) and parents have been and are being summarily deported to Mexico. What we are doing here is to displace American citizens instead of placing their rights as United States citizens first. I always thought there was a premium given away free to all who are privileged to be born in the United States of America, but we here are beginning to think that this premium is being transferred along with everything else to certain Europeans.

Yes, we have immigration laws of 1917 with its 19 (C) and the nonquota laws in favor of Mexico in the laws of 1924, but they are not protecting those who have a right to live in the United States of America. A Mexican who has three United States-born children will be sent back to Mexico by force, threat, or representation that they can easily come back via the visa route which is closed to 90 percent.

We who live here know that the economic detriment to these United States children is 15 to 30 times greater if these children and their parents are sent back to Mexico. We think that it is only justice that these children be allowed to stay here under 19 (C) and the other available methods.

Very truly yours,
R. F. BOWMAN.

WELCOME ACCORDED THE JAPANESE DIET DELEGATION—LETTER FROM GEN. DOUGLAS MACARTHUR AND EDITORIAL FROM THE NIPPON TIMES

Mr. LUCAS. Mr. President, I ask unanimous consent that I may read a short letter from Gen. Douglas MacArthur, Supreme Commander for the Allied Powers in the Orient.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. LUCAS. The letter is as follows:

GENERAL HEADQUARTERS,
SUPREME COMMANDER
FOR THE ALLIED POWERS,
OFFICE OF THE SUPREME COMMANDER,
Tokyo, Japan, February 28, 1950.

Hon. SCOTT W. LUCAS,
United States Senate,
Washington, D. C.

DEAR SENATOR LUCAS: Thank you so much for your letter of January 26.

I was deeply gratified to read from the CONGRESSIONAL RECORD of the fine reception accorded the visiting Diet delegation by Members of the Congress. It exemplified to them and to the Japanese people the forward-looking approach we take as a Nation to the contemporary problems of other peoples, and the vision of our statesmanship which looks to the future rather than to the past. It affords particular encouragement in their efforts to build in new Japan a nation dedicated to those same immutable concepts of freedom and human dignity to which we ourselves adhere, despite the predatory forces which threaten their suppression and destruction throughout the rest of Asia. It will indeed prove a source of great strength and inspiration as the Japanese move forward, in the spirituality captured in the wake of military defeat, to establish a political, economic, and social order which will not only bulwark the western frontiers of freedom but encourage all of the peoples of Asia in the struggle similarly to be free.

The enclosed clipping of an editorial contained in today's issue of the Nippon Times accurately expresses the Japanese view of this highly important development in American-Japanese relations.

With cordial personal regards, I am,
Most faithfully,
DOUGLAS MACARTHUR.

Mr. President, I ask unanimous consent that following the reading of the letter from General MacArthur, there be printed in the RECORD an editorial under the caption, "Welcomed as friends," from the Nippon Times, Tokyo, Japan, Tuesday, February 28, 1950, to which General MacArthur referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WELCOMED AS FRIENDS

The warm welcome being accorded the Japanese diet delegation to the United

States is indicative of the magnanimity of a great democracy. Especially touching to the Japanese everywhere was the greeting of Vice-President BARKLEY that the United States "welcomes them as friends," not as former enemies.

Such generous words must be interpreted as a tribute to the tremendous progress achieved in the path of peace by the Japanese under the able guidance of General MacArthur. More than that, Vice President BARKLEY's statement is a sincere warmhearted encouragement to the Japanese people to continue their present efforts toward building here a new nation devoted to the highest principles of democracy.

The kind reception of the diet delegation as well as of the other Japanese who have crossed the Pacific is giving the people a spiritual boost in their daily activities toward completing their national reconstruction. Having repented their past, the Japanese are in need of friends who have common beliefs and common interests in building a world of peace and at peace. They hope that such friends will be able to offer them valuable lessons in practical democracy, for democracy is synonymous with peace.

It must be borne in mind that democracy is still in its infancy in Japan. While the majority of the people will want no return to the totalitarian past, there still exists a small minority who would desire to deprive the Japanese of their new-found freedom. The existence of even a minute number of such people would be enough to make mockery of the sincere welcome being given the Japanese representatives in the United States. It would thus be extremely unwise for the Japanese people themselves to forget the past, or to expect other peoples to erase from their memories the Japanese record of war and aggression.

The recent action of the Boston City Council in barring the Japanese from its chamber in many ways served as a valuable reminder to the people here that the path of penitence is not easy. It is good to be reminded of the past, especially when that past was written in blood and war and human enslavement. It is good because the Japanese want no more of it. Their resistance to the forces believing in the false doctrines will be that much stronger if their folly of the past is brought to mind from time to time.

At the same time, the picture of the militaristic Japanese of former days will contrast sharply with the Japanese as they are now with their new vigor and new resolve to win a place among the peaceful, friendly, and democratic nations of the world.

It is good to be regarded as "friends." The Japanese must now prove they deserve to be called that by exerting every effort toward the goal of universal peace.

JOHN STRACHEY, WAR MINISTER OF GREAT BRITAIN

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD certain paragraphs from the book by John Strachey called The Coming Struggle for Power. Mr. Strachey has just been named as War Minister of Great Britain. Some of the paragraphs are in the introduction, as indicated, and some on pages 357, 358, and 406.

I merely wish to say I do not think it is ordinarily of concern to the United States Senate whom the Government of Great Britain appoints as a War Minister, but I do think it is of great importance to the Senate in a situation where we are being called upon to give substantial sums for the arms implementation program, that our Joint Chiefs of Staff will be sitting to discuss the most vital war secrets of this Government with a man who, according to his book written in 1933 and brought up to date in 1935, is an opponent of free enterprise and an avowed exponent of communism in Great Britain and throughout the world. One can be an exponent of communism without being a card-carrying member of the party.

There being no objection, the paragraphs referred to were ordered to be printed in the RECORD, as follows:

So far I have sought to demonstrate two simple propositions. First, that the spokesmen of the capitalists paint a preposterously misleading picture of the world when they accuse the Communists of disturbing a peaceful and harmonious scene with the advocacy of violence. Second, that the very men who make this accusation are themselves engaged not, indeed, in the advocacy of violence but in its ceaseless practice.

* * * * *

The Communist is, and always must be, the champion of civilization against all and every form of barbarism. He actively works for the banishment of all forms of force and violence from human affairs. He must desire, above everything, the establishment of a form of society in which social and international peace becomes, for the first time, possible. But he knows that such a harmonious society is not possible till the factories, the fields, and the mines have been taken out of the ownership of a numerically small class and made the common heritage of man. Hence, in working for the abolition of capitalism, he is convinced that he is attempting to achieve the one thing which can make peace possible (Introduction, pp. x, xi).

Communism is best regarded as a method by which human civilization can be maintained and developed. Communism is indeed the only method by which it can be maintained at all. For capitalist imperialism is in an evident and acute stage of disintegration and would sooner or later, if left unchallenged, physically overwhelm civilization in a tornado of high explosives. It is this consideration which makes so pathetically irrelevant the protests of well-circumstanced intellectuals against the very real difficulties and ardors which must for many decades characterize a Communist system. Western intellectuals are continually proving that communism would be unlikely to provide them with the economic advantages, the leisure, the physical and mental comforts which, in one or two of the most favored empires of the world, they enjoy today. They are quite right. But to deduce from this fact that their interest—even on the most rigidly personal grounds—is to prevent the coming of communism is as ill-advised as it would have been for a passenger on the sinking *Lusitania* to have pointed out to a ship's officer who offered him a place in a boat that the deck chair in which he was seated was much more comfortable. Communism offers no one of this generation a ticket to utopia. But it does offer to intellectual workers of every kind the one road of escape out of a paralyzing atmosphere of capitalist decay, into a social environment which will give a limitless stimulus to the achievements of the mind of man (pp. 357, 358).

The American people are, of course, bound to exhaust all the possibilities of the system before they overthrow it. They are doing so with unparalleled rapidity. Only one more possibility remains after the inflation of the New Deal has run its course; and that last possibility is extreme imperialism.

This bloody road, too, must no doubt be traveled. But as each of the concluding scenes of the last act of the tragedy of capitalism is played out more and more millions of the American people will grasp the support of the whole play. More and more millions of Americans, with their characteristically direct approach to reality, will see that they have only to take back the mighty instruments of production, which they themselves have built, in order to break forever the chain of destiny which now imprisons them. They have only to take the fields, the factories, the railroads, and the mines from the tiny gang of millionaires which now controls them and apply them to their own use. They have ready to hand incomparable technical skill. They lack nothing on earth for the building up of an incomparable civilization upon the American continent. For them there is no question of undertaking the desperate, if heroic, process of laying the foundations of the industrialization of a continent—the task which the Russian workers are accomplishing (p. 406).

DISPLACED PERSONS

The Senate resumed the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. O'CONOR obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'CONOR. I yield.

Mr. LUCAS. I should like to talk for just a moment with respect to the unfinished business, the Displaced Persons Act, which we have been discussing for a week. The distinguished minority leader, the Senator from Nebraska [Mr. WHERRY], and I have talked at various times with members of the committee about entering into a unanimous-consent agreement to vote on the bill and all amendments thereto. Thus far we have not reached a definite understanding as to the exact time for a vote. I should like to explore the question a little at this time, to see whether an agreement may be possible, to get a vote tomorrow, or not later, certainly, than Wednesday.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from New Hampshire.

Mr. TOBEY. I suggest the majority leader page the Senator from North Dakota on that point.

Mr. LUCAS. The Senator from North Dakota is present; I do not have to page him.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from North Dakota.

Mr. LANGER. I may say that as far as I am concerned, I have no objection to voting on the substitute at any time. I shall object to any unanimous-consent agreement which is going to take in all the amendments, the substitute, and the McCarran bill itself.

Mr. LUCAS. Mr. President, will the Senator entertain a suggestion at this time of giving the Senate an opportunity to discuss and debate each amendment for 15 or 20 minutes before we vote on any one of them?

Mr. LANGER. No, Mr. President, I have no objection to voting on the substitute, because, if the substitute is adopted, I intend then to offer a great many amendments to the substitute. It, however, is different from the McCarran bill.

The VICE PRESIDENT. The Chair would suggest to the Senator from North Dakota that in the ordinary course, a substitute is the last thing voted on.

Mr. LUCAS. We must perfect the bill, first.

Mr. LANGER. Then I am sorry, but I shall certainly have to object.

Mr. McCARRAN. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the distinguished chairman of the committee, the Senator from Nevada.

Mr. McCARRAN. I am exceedingly anxious to conclude the matter speedily. I hope we may get a vote on the bill at least not later than Wednesday. I thought we might be able to——

Mr. LUCAS. Mr. President, may we have order? I think what the Senator from Nevada is saying is important, and the Senator from North Dakota should be able to hear it.

Mr. McCARRAN. I had hoped we might be able to get a unanimous-consent agreement to limit debate on the amendments, to take them up commencing tomorrow, and to go through with them, with a limit on debate of, perhaps, 15 minutes on a side, on each amendment, which I think would be satisfactory; it would be, as far as I am concerned—and then to treat the substitute as an amendment. As it comes last, it would give every Senator on each side an opportunity to be heard for 15 minutes on each amendment. I have not worked the thought into language, but I am advancing it as a suggestion.

Mr. LUCAS. I hope we may be able to reach some kind of agreement, so we can vote not later than Wednesday. The distinguished Senator from Nevada has been attempting to get a vote for some time. He is required to leave the Capital to return to his home on important business, and I should like to have Senators accommodate him, if possible.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I should like to assure the majority leader that I believe all Senators are anxious to get to a vote on the subject as quickly as possible. I think no time has been lost yet in the debate on this very important question. I am hopeful we can finish the debate even before Wednesday. I should like to ask the distinguished Senator from Nevada a question if the majority leader will permit.

Mr. LUCAS. It is agreeable to me.

Mr. WHERRY. Could the distinguished senior Senator from Nevada suggest that more time be given for discussion of amendments offered? I ask that, not because I think any more time will be needed on the committee bill and committee amendments, but that, in the event amendments are offered to the substitute—the question raised by the Senator from North Dakota—a certain amount of time be allowed, say 30 minutes. I am not attempting to get the matter settled on the floor at the moment, but later on, perhaps today, if the majority leader will propound another unanimous-consent request, we will know more about the status of the debate. But I am suggesting to the Senator from Nevada that more time be given to the discussion of amendments, and, if more time is needed, whether the committee amendments are adopted or not, it will make a difference in the amount of time that may be desired for discussion of the substitute. I suggest that instead of 15 minutes being allowed for discussion of each amendment, possibly 30 minutes be permitted. My only reason for the suggestion is that when the Senate starts to vote, I doubt very much that the time will be utilized to the full in the consideration of amendments to the committee bill. But there might be Senators who would like to use more time on an amendment, for instance, that might be offered to the substitute. I ask the Senator from North Dakota to consider the suggestion. I believe the majority leader would be willing to consider it also. I feel that it might accomplish its purpose, and, in the end, would not take too much time.

Mr. McCARRAN. I say to the Senator that I shall confer with all interested Senators this afternoon, to try to work out a solution.

Mr. LUCAS. I hope that may be done, Mr. President. A number of emergency matters are pending before the Senate at the present time, and it is the desire of the majority leader to take up certain of those matters, as fast as possible.

Mr. O'CONOR. Mr. President, in debating the pending bill, which is designed to amend the Displaced Persons Act of 1948, it would appear that we might well bear in mind the tragic circumstances which made necessary the enactment of this legislation. It is my desire, at this time, to review these circumstances for the RECORD in order that we may focus our attention upon some of the basic issues which confront us.

The termination of hostilities found the Allied occupation authorities in western Europe faced with the problem of caring for, repatriating, and resettling approximately 8,000,000 displaced persons and refugees who had been living under subhuman conditions in a virtual state of slavery for many years. They were made up of foreign workers, those who were impressed as laborers into the Nazi war machine, prisoners of war, and civilian deportees.

Efforts to repatriate these persons were begun immediately; and between the summer of 1945 and the summer of 1947, the Allied occupation authorities in the western zones of Germany succeeded in returning approximately 7,000,000 persons to their homes. This task was a tremendous one, involving, among other things, the problem of transporting those who were fortunate enough to feel free to return to their native lands, without fear of persecution because of race, religion, or political belief.

By June 1947, there remained in Germany, Austria, and Italy a little more than 1,000,000 victims of aggression and totalitarianism who were unwilling or unable to return to their places of origin because of a new scourge of terror which had arisen from the east. It is most important that we, at this time, remind ourselves that the vast majority of those who did repatriate went west—to France, Belgium, Holland, Luxemburg, or Italy.

Who were those still remaining in the displaced-persons camps and assembly centers? What countries were they from? They were natives of Poland, Lithuania, Estonia, Latvia, the Ukraine, Czechoslovakia, Hungary, Rumania, or Yugoslavia. What were their reasons for not returning home? All of them gave as their reason persecution or fear of persecution because of race, religion, or political belief.

Looking back but a few years, it is safe to say that some persons might have wondered whether their claims were valid, whether there was good reason for them to fear for their lives or liberty should they return to their native lands. Today, anyone who but reads the events and happenings in these countries, as reported in the daily press, must agree there was good and substantial basis for these fears.

In 1947, when the problems of the displaced persons were being considered by the Congress, several alternatives were offered as solutions. They were as follows:

First. We could forcibly repatriate all the displaced persons remaining in the western zones. We would have had to use force in every sense of the word, if this alternative were to have any practical value. Fortunately, this was rejected as being thoroughly alien to the best traditions of western civilization.

Second. The displaced-persons camps and assembly centers could be abruptly closed, and these people could be thrown upon the German economy to shift for themselves. This alternative was rejected because there was strong feeling that severe problems would thereby be created for the occupational authorities, and the bare economy of Germany could not absorb them.

Third. The displaced persons could be maintained indefinitely in the camps and assembly centers. It was considered that to keep these unfortunate people in a continued state of idleness and in an unnatural setting of the camps would do little more than to reduce what small hope they had of rebuilding their family lives in a new homeland.

Then there was the question of the American taxpayer, and of just how long he would be expected to contribute to the upkeep of the displaced persons being maintained in the camps. Today there certainly should be no question on this alternative, for the American taxpayer wants this problem solved in a way

which will relieve him of an already heavy burden.

Fourth. That new homelands be found for displaced persons in countries willing and able to receive them. The Congress elected this alternative as the problem's only possible solution which would be consistent with the traditions of western civilization.

Concerned, as we have always been, for the welfare of oppressed and homeless people, the United States took the lead, in concert with a number of other nations, in establishing the International Refugee Organization. The specific responsibility of this Organization was to effect the ultimate resettlement of these unfortunate men, women, and children in new homes throughout the world, and to provide for their care and maintenance until such resettlement could be accomplished. As a member nation of the International Refugee Organization, and along with the other member nations, we are dedicated to the purpose of resettling the remainder of the displaced persons in countries where once again they can become independent and self-supporting. We have long urged other countries of the western world to take their fair share of these people. Surely, Mr. President, others look to us to continue the leadership in terminating this problem; and certainly we, if any nation is, are in a position to take our fair share of these unfortunate people.

From the outset, however, it was apparent that the measure of success which could be achieved by the IRO in connection with its very difficult task would be determined almost entirely by the extent to which the nations of the world would be willing to open their doors and accept displaced persons and refugees for permanent resettlement.

Between July 1, 1947, when the IRO began its operations, and December 31, 1949, that Organization has succeeded in effecting the permanent resettlement of approximately 760,600 persons. Perhaps it would be well to look at the record of what all the countries participating in the International Refugee Organization program have done in providing new homelands for the displaced persons.

As of December 31, 1949, however, there still remained approximately 417,800 men, women, and children to be resettled. It is with the ultimate fate of these persons that we are concerned today.

In this connection, we may well ask ourselves whether we are doing our share toward solving this vital human problem and toward alleviating the sufferings of our fellow men by affording them an opportunity for a new life in a free land.

Mr. President, I have here a statement regarding the resettlement of IRO eligibles by the countries of their destination, and I think these particular facts and figures would be of interest. Therefore, without reading them all, I ask unanimous consent that they be inserted at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Resettlements of IRO eligibles by country of destination

(From: (1) Italy and the western areas of Germany and Austria since the end of World War II (when and wherever Allied armies came into control); (2) all countries since July 1, 1947)

ESTIMATES

Country of destination	Total by Dec. 31, 1949	
	Percent	Number
All countries	100.0	760,600
United States	21.0	159,700
Israel	17.4	132,000
Australia	13.6	103,800
United Kingdom	13.2	100,000
Canada	10.3	78,600
France	5.4	41,000
Belgium	4.7	35,400
Argentina	3.9	29,600
Brazil	3.6	27,300
Venezuela	1.9	14,600
Paraguay	1.1	8,200
Netherlands	.5	[1] 4,100
Chile	.5	[1] 3,700
Sweden	.5	3,500
Peru	.3	2,600
Turkey	.3	2,300
French North Africa	.3	[1] 2,000
New Zealand	.1	[1] 1,100
Uruguay	.1	[1] 1,000
Bolivia	.1	[1] 800
Dominican Republic	.1	[1] 700
Norway	.1	[1] 700
Colombia	.1	[1] 500
Cuba	[2]	[1] 400
Ecuador	[2]	[1] 300
Union of South Africa	[2]	[1] 300
Mexico	[2]	[1] 300
Switzerland	[2]	[1] 300
Italy	[2]	[1] 300
Northern Rhodesia	[2]	[1] 300
Tanganyika	[2]	[1] 300
Syria	[2]	[1] 300
Guatemala	[2]	[1] 300
Germany	[2]	[1] 200
Luxemburg	[2]	[1] 200
Kenya	[2]	[1] 200
Costa Rica	[2]	[1] 200
Egypt	[2]	[1] 100
Southern Rhodesia	[2]	[1] 100
Panama	[2]	[1] 100
Miscellaneous [3]		[1] 400
Not reported	.4	2,800

[1] Since July 1, 1947; indicates either (*a*) lack of resettlement prior to that date, or (*b*) lack of statistics concerning such resettlement.

[2] Less than 1/10 of 1 percent.

[3] Includes countries in which small numbers of refugees have resettled.

Source: IRO and Department of State.

Mr. O'CONOR. Mr. President, by June 30, 1950, this Government will have contributed more than $212,000,000 to the International Refugee Organization in an effort to provide a solution to the refugee problem. Furthermore, it appears that we shall be called upon to contribute an additional $25,000,000 between July 1, 1950, and March 31, 1951. In terms of money, we have clearly done more than our part.

However, it is quite evident that here is one problem which cannot be solved by money alone. American taxpayers have been subjected to a staggering financial burden during the past 2½ years, yet more than 400,000 displaced persons and refugees still remain. The answer lies in the willingness of the nations of the world, our own included, to assume the responsibility for these persons by accepting them for permanent resettlement.

Let us examine what this country has done with respect to the admission of displaced persons and refugees. Between the end of the war and February 17, 1950, the United States has accepted a total of 178,563 persons for permanent resettlement. Of this number, approximately 44,000 were admitted pursuant to Executive action, prior to the enactment of the Displaced Persons Act of 1948. This means that to date, only 134,563 persons have actually come in under the act. Of the total number of 760,000 persons who have been resettled by the IRO between July 1, 1947, and December 31, 1949, the United States has accepted for permanent resettlement only 159,700.

Mr. President, ours is a great Nation with a glorious tradition as a refuge for the downtrodden and the oppressed. Providence has favored us with a land of plenty. Can we, in good conscience, say that by accepting for permanent resettlement a grand total of 178,563 men, women, and children over a period of 4 years, we have done our share? When one considers that we have a population of well over 150,000,000 and that the displaced persons who have reached our shores have settled in all the 48 States, largely in nonmetropolitan areas, it may well be questioned whether we have done our share.

Compare the United States figure, if you will, with the record of the little State of Israel, which today has a population of approximately 1,000,000 but which in May 1948, had a population of only 650,000. Although torn by war and beset with the domestic problems involved in organizing a new nation, she has nevertheless accepted a total of 132,000 displaced persons from Germany, Austria, and Italy between July 1, 1947, and December 31, 1949. To its everlasting credit let it be said that Israel has entered into an agreement with the IRO whereby she will ultimately accept all Jewish cases of the so-called hard core—persons who are either institutional or are otherwise unacceptable, and their dependents. By June 30, 1950, under a program worked out with the IRO, this little newly born State will have accepted 3,000 of these cases, of which 1,600 are institutional cases and the balance of 1,400 are dependents of these unfortunates. This record is highly creditable to Israel and that infant Nation's example to the world stamps it as a leader in humanitarianism and brotherly love.

Mr. President, according to the best estimates, some 243,500 displaced persons will remain in Germany, Austria, and Italy on June 30, 1950. The end is now in sight. Let us take action in keeping with our traditions of humanitarianism by enacting an effective measure, free from unfair and discriminatory provisions. Such legislation will not only solve the problem which confronts us for all time, but will also relieve American taxpayers from further burdens in connection with this problem.

The matter has been discussed over and over again; it has had its full measure of debate in the Congress; everyone

conversant with the problem and its international implications is anxious to see it resolved once and for all. It can be resolved if we are willing to take action consistent with our position of leadership in world affairs, action for which the western world is looking to us.

The solution can be resolved in the legislation now before us. I sincerely hope there will be no further delay on our part and am confident that, once we have shouldered our proper responsibility, the other nations of the western world will play their part in meeting one of the most human problems ever faced by mankind.

In undertaking a comparison between or among the bills under discussion it is interesting to note that there are 15 outstanding features upon which such comparison might be based. That is to say, there are 15 main points or provisions included in the different measures in one form or another.

However, an analysis of the bill reported from the Judiciary Committee by the able senior Senator from Nevada [Mr. McCARRAN] and the proposed substitute bill, sponsored by numerous Senators, reveals that they are identical or generally similar in 11 of the 15 features. There are just four remaining provisions which are more or less different in the two bills.

Before enumerating the differences, I must state that the bill as reported out by the Judiciary Committee, under the chairmanship of the Senator from Nevada, is a vast improvement over the existing law. Throughout the past 2 years, since the enactment of the present statute, continuous criticism has centered upon two provisions, first, the date line and, second, the numbers provisions. Both of these alleged discriminatory sections of the old law have been changed by the committee bill and changed for the better.

As a matter of fact, interested groups, when asked which sections of the present law they were most anxious to have changed, pointed out these two sections as the ones which they felt were the most oppressed and hurtful. The McCarran bill undertook to correct both, and I repeat, the changes represented an improvement over the existing law.

To return to a comparison of the salient points in the legislation. The two bills, the McCarran bill and the substitute bill, are identical or generally similar in the following particulars:

To return to a comparison of the salient points in the proposed legislation—and for convenience I shall refer to the measures as the McCarran bill and the substitute bill—the two bills are identical or generally similar in the following points:

First. Date line.

Second. Numbers—with later comment.

Third. Abolition of in-camp priority.

Fourth. Extension of category coverage.

Fifth. Inland transportation.

Sixth. Provision for adoptees and stepchildren.

Seventh. Provision for orphan adoption.

Eighth. Expellee-problem study.

Ninth. Mortgaging of quotas.

Tenth. Bars arms-bearing enemies.

Eleventh. Excludes subversives and those with undemocratic principles.

Thus in 11 respects the 2 bills are in the main similar. Parenthetically it might be added that the McCarran bill for the first time laid down the desirable premise that transportation of displaced persons to the United States should be in American flag ships, a policy too often neglected and omitted in these days, when our merchant seamen and merchant marine are being replaced by those of foreign registry.

I may add, in that connection, that among other members of the committee the senior Senator from Washington [Mr. MAGNUSON] has been most active and attentive to such a requirement.

There are left four remaining features in which the two measures differ. They are:

First. Definition of displaced persons.

Second. Percentage requirements—Baltic or farm.

Third. Administration.

Fourth. Expellee provisions.

Now, a word as to each of these disputed provisions.

1. THE DEFINITION OF DISPLACED PERSONS

Under the terms of existing law the definition of a displaced person is identical with that contained in the constitution of the IRO. The substitute bill would retain this provision but the committee bill would substitute a new statutory definition to include not only the displaced persons for whom the IRO have responsibility, but also approximately 8,000,000 expellees. Under IRO procedures, displaced persons are cared for in IRO camps and staging areas prior to their departure for various countries for resettlement. Their transportation is paid by the Organization from point of departure in Europe to point of debarkation in the United States. All of the expenses entailed in this operation are paid for by the IRO.

However, German ethnics are specifically excluded from the benefits of the IRO under the terms of its constitution. Thus, if we accept the committee definition, the United States will be required to establish camps and staging areas in various parts of Germany and Austria, at tremendous expense, in order to arrange for the admission of these persons to the country. In addition, all transportation costs from Europe to the United States will have to be paid for by this Government. Finally, there are only a limited number of visas available for displaced persons. If expellees are to be included as displaced persons, the number of visas available will be watered down considerably, since every expellee who is admitted to the United States as a displaced person will result in the admission of one less IRO displaced person. I favor admission of a substantial number of expellees by way of special provisions but not through the exclusion of displaced persons.

2. THE EXPELLEE PROBLEM

The problem of expellees is certainly a meritorious one, deserving our earnest consideration. However, we are doing these unfortunate persons, in my humble opinion, a disservice if we attempt to include them as displaced persons under the pending legislation. The substitute bill provides for the admission of 54,744 ethnic Germans under the same terms and benefits as those which apply to the displaced persons. Their problem is one of international concern and I am, therefore, constrained to support the substitute bill which would also provide for an international conference to solve this problem.

3. THE BALTIC AND AGRICULTURAL PERCENTAGE REQUIREMENTS

The committee bill retains the 40 percent preference for Balts and the 30 percent preference for farmers. These restrictive features have been widely criticized. The number of remaining Balts is relatively small. If the Balt preference is retained, 40 out of every 100 visas issued must go to that group. When there are insufficient Balts left, there is a serious possibility that the entire program will be adversely affected. Furthermore, since the majority of displaced persons and expellees are not Balts, the retention of this preference would act only to exclude displaced persons for admission to the United States, thus interfering with the over-all program. With respect to the agricultural preference, it is established that only a lesser percentage of the remaining displaced persons are farmers. Here again we might be seriously interfering with the progress of the program to retain this provision. There are still many persons with valuable skills among the displaced persons. A 30 percent preference to farmers will act only to exclude them from admission to the United States and their talents will be forever lost to this Nation.

4. ADMINISTRATION

Under existing law and under the substitute bill the determination of preliminary eligibility is made by the Displaced Persons Commission. However, under the Committee bill this determination would be vested exclusively in the Immigration Service and in the Consular Service. I concede the fact, Mr. President, that these agencies are highly efficient but they would require additional trained personnel to handle this work. The Displaced Persons Commission has been performing a difficult task in a satisfactory manner. The Consular and Immigration Services have the final word, in any event, before a single person can be admitted to the United States. Under existing practice, if the Displaced Persons Commission decides that a displaced person is not eligible, his case is closed.

On the other hand, if the committee bill should be adopted, the Commission's determination would have no

binding effect, and the responsibility would not be divided.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. O'CONOR. I yield.

Mr. KILGORE. I believe "eligibility" is a word which has been much misused. I think we should be clear as to its meaning. Is it not the Senator's understanding that eligibility means eligible to be classed as a displaced person within the meaning of the act; that it does not mean eligibility for immigration purposes, as such, but merely for the purpose of obtaining priority as a displaced person under existing quotas of the country of origin of the displaced person?

Mr. O'CONOR. The Senator from West Virginia states the definition accurately. Upon such determination, subsequent action is not only required by the Displaced Persons Commission affirmatively to accept the individual, but it must also be succeeded by other affirmative action on the part of the Immigration and Naturalization Service and the Foreign Service.

Mr. KILGORE. Is it not also a fact that testimony shows that in the event something is developed which reflects on a person's eligibility, the case may be referred back by the subsequently interested agencies, such as the Foreign Service, or the Immigration and Naturalization Service, to the Displaced Persons Commission, and they may act on that information and determine whether or not the person is eligible? So, while the determination of eligibility as a displaced person is vested in the Commission, the Commission constantly waives its right in favor of the other services whenever a question is raised.

Mr. O'CONOR. I agree with the statement of the Senator. I consider it not only to be possible, but it is the bounden duty of the other official representatives to refer a case back for further action if subsequent pertinent information is developed.

If the committee bill should be passed, we would be substituting a three-pronged procedure for a two-pronged method. This would act only to further burden the already overburdened facilities of both of these important services.

Apparently many of our citizens are under the mistaken impression that displaced persons admitted to the United States come in without any relationship to the long-standing quota system. Nothing could be further from the truth. Every displaced person who enters the United States under this program is charged against the quota of his country of origin or nationality. The determination of the country of origin or nationality of each displaced person is made by the Foreign Service or consular officer of the Department of State at the time of his determination with respect to the admissibility of the displaced person under the regular immigration laws. The effect of charging all displaced persons to the quotas of their countries of origin or nationality is for all practical purposes a reduction of all future immigration to the United States for many years to come to an appreciable degree.

However, it should be noted that practically every bill which has come before either House of the Congress—and that includes the pending proposals—contains a provision for the admission of a small number of war orphans. This group consists of those unfortunate children who have lost both parents during the tragic war period, and who today are sought by many of the finest of our citizens who seek to have their homes brightened and their hearts warmed by the laughter of little children made happy by knowing that they are loved and wanted. These homeless and parentless children constitute the only group admitted to the United States under both of the pending bills without charging them against one of the existing quotas.

Because there is particular interest to one speaking of his own State, I now refer to certain facts concerning the experience in Maryland under the displaced-persons program which might be of particular interest.

Up until January 1, 1950, the number of displaced persons located in Maryland reached the total of 3,654. This figure represented only one-fifth of 1 percent of the population of our State. Many of these displaced persons were admitted into the country upon assurances given by farmers who not only had expressed willingness to afford homes but also needed the services of displaced persons in their agricultural pursuits.

Candor compels the statement that there has not been entire satisfaction under the program. Furthermore, I think it is fair to assert that more complaints have been voiced by the farmers against displaced persons than vice versa in those cases which have not worked out satisfactorily.

In the administration and operation of such a vast program as is involved in the resettlement in this country of some thousands of displaced persons from abroad, it is inevitable that there will arise misunderstandings and, in some cases, dissatisfaction with the actual workings of the program.

In Maryland, instances have been cited where families of displaced persons who arrived in the country under the agricultural priorities of the act have left the farms within a matter of weeks or several months. I am told such happenings have occurred in other States as well.

As I say, this was to be expected. In fact, it would have been extraordinary had there not been some such occurrences. In the case of some of the farm families, they had been used to farming under the conditions existing in their own homelands, where the modern farm appliances available to the great proportion of American farmers were unknown.

In any case, and while depreciating the disappointments and unsatisfactory incidents which have occurred, it would hardly be reasonable to attempt to discredit the whole program because of these relatively few incidents. Nor should we deny, therefore, to thousands of honest, hard-working persons and families now held almost in captivity, you might say, in the displaced persons camps, the opportunities which as human beings they deserve, to live their own life in this land of opportunity.

At the same time, it would be folly to accept a continuation of such unfortunate incidents as inevitable, and conclude there was nothing to be done about it. Of course, something can be done about it, and something should be done about it. Every effort must be made to prevent disappointment and annoyance to American farmers and others who are humane enough to want to give these displaced persons a chance for a new life here.

With this in mind I have sent to the desk an amendment which seeks to guarantee, as far as possible, that displaced persons who come here under any particular category or under a guaranty as to employment, of whatever nature, should fulfill their obligations.

This is a reasonable condition to establish. The displaced persons who are accepted for admission are being given a real privilege. In return they are asked little enough when it is required of them that they remain on the farm or in their particular occupation for sufficient time to justify the expenses and the trouble which their prospective employer has gone to in order to bring them here.

I believe that, with proper publicity in the displaced persons area in Europe concerning such a requirement, the prospective newcomers to this country will be more careful in their statements and their commitments prior to admission, and more ready to fulfill these obligations after their arrival in this country.

The United States is faced with a practical and serious question. Are we to continue huge contributions to the IRO for the maintenance and care of the great number of displaced persons still under the protection of that international organization? Does it not seem preferable for the United States and other like-minded nations to extend themselves further and to make a greater and, we hope, final effort to solve this challenging problem? Apparently, the people of the United States want to admit greater numbers of displaced persons. This is proven by the fact that assurances have been filed by our citizens for the sponsorship of 375,000 displaced persons. Thus, many more are being sought than will be admitted under the pending proposal.

It seems also certain that there is little or no likelihood that the admission of the desired number will have any appreciable effect upon our unemployment situation. The American Federation of Labor and the CIO at their annual conventions have not only given definite statements to the effect that such increased admissions would not undermine the job security of our workers but these labor organizations have gone further and suggested that the number of displaced persons be increased.

While I urge the inclusion of provisions and procedures which will call for the most careful screening and selection of displaced persons and urge the deportation of those who through fraudulent means, have come into our country,

I am of the opinion that the United States will not discharge its obligations and its responsibilities unless we adopt the more liberal measure being discussed in this debate. Accordingly, I favor the substitute proposed by the senior Senator from West Virginia [Mr. KILGORE] and other Senators, and shall vote in favor of its provisions.

Finally, I may say, Mr. President, that the eyes and hearts of many unfortunate persons today are turned in the direction of the United States as we proceed finally to debate what action to take toward final settlement of the displaced-persons problem. The old adage that "No question is ever settled until it is settled right" holds as truly in this matter as it has held from the beginning of time.

Let us do our utmost, without favor or rancor, to enact a measure worthy of the United States Senate and worthy of the American people. As a nation we have never failed to heed a cry of distress anywhere in the world. We must not fail now.

Mr. SMITH of New Jersey. Mr. President, I am very happy to express my appreciation of the very able address delivered by my colleague from Maryland, and to express my own satisfaction that I find myself on the same side of the debate on which he and many other Senators are.

Mr. O'CONOR. I thank the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, it is with a feeling of strong conviction that I joined a few days ago in sponsoring the substitute bill for displaced persons submitted by the Senator from West Virginia [Mr. KILGORE], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Michigan [Mr. FERGUSON]. In my judgment this measure is the most fair and adequate over-all displaced-persons legislation yet presented to the Senate for action.

I may say at that point, Mr. President, that since the beginning of consideration of legislation in this field, I have been one of those who have been active in studying the various approaches, so I say with sincere conviction that the substitute bill comes nearer to covering the over-all field of the study than any other with which I have had the experience to deal, and more nearly meets the difficulties we have before us.

Mr. President, let me stress the tremendous importance of this legislation to people all over the world. It affects not only certain individual displaced persons, who somehow have retained pride and hope through years of struggle and despair, but also all people everywhere who believe in the democratic ideal, and whose hope for the future is brightened by the existence of America—a stronghold of freedom where peoples of many races have a common heritage. Our responsibility to take effective action stems from our moral obligation not to turn our backs on those left stranded by the war. It stems also from our commitment, as a member of the International Refugee Organization, to help carry out the resettlement of displaced persons for whose care the IRO is responsible. And there is the additional factor that it is to our own immediate financial self-interest to take action which will enable us to close the camps we are now maintaining at considerable expense in the American zone in Germany.

I wish to emphasize that point, because in some of the discussions I have had with my friends on this subject I have found that they have not realized that since the close of the war, since VE-day in Europe, we have had the responsibility and we have had the cost of taking care of these camps where so many thousands of displaced persons have been taken care of.

As a member of the Foreign Relations Committee and as one who feels that the United States has a responsibility for positive moral leadership in the postwar world, I have taken a keen interest in the problem of displaced persons from the beginning. In the summer of 1947 I visited Europe and saw some of these people in the camps in Germany. I was impressed not only with their unfortunate condition but with the fortitude and strong character displayed by them. I feel that these people have special and compelling reasons for supporting the democratic ideals in which we believe, and that a large proportion of them are the sort of material out of which loyal, self-reliant American citizens have been and can be made. I think America should be glad to count among her citizens people who have made such great sacrifices for freedom.

Ever since the Displaced Persons Act of 1948 was being formulated I have been one of those who sought to liberalize it. I supported amendments which covered much the same ground as the substitute bill I am now supporting. It is my conviction that the 1948 act is not only inadequate to the size of the displaced persons problem but also contains certain provisions which hamper its operation and raise unreasonable barriers against large numbers of worthy displaced persons.

The House of Representatives passed a satisfactory bill last June, and ever since that time I have been actively urging early action by the Senate. Unfortunately the bill finally reported by the Senate Judiciary Committee after long delay is in some respects even more unsatisfactory than the original law. If it were to pass in its present form, I am convinced that injustice would be done and the final solution of the displaced persons problem would be set back several years.

I do not intend to discuss in detail the features which I consider to be objectionable in the committee bill, or the provisions of the substitute bill. The debate of the last few days has covered the details of both bills. I propose, however, to comment briefly on certain points which I consider to be especially significant.

By changing the definition of displaced persons in such a way as to include millions of persons of German ethnic origin who formerly lived in other parts of Europe, and who have been expelled from their homelands since the war, the committee bill in my judgment would change fundamentally the nature and original objective of the displaced persons program. The practical effect would be that the pool of eligible displaced persons would be so greatly enlarged that probably very few additional of the original displaced persons could be admitted to the United States.

Let me expand that point a little further, Mr. President. It seems to me that our original responsibility was to the persons who, because of the war, were driven out of their homes and were forced to flee, and ultimately arrived in the western zone of Germany, which is our primary responsibility. There was a moment of time when we knew practically what the coverage of those camps was and what our primary responsibility was—for example, what the priority of the problem was. The reason why I made a strong plea, a year or so ago, to have the date which determined eligibility changed from 1945 to 1947 was because in 1947 General Clay issued a directive that from that time on, the camps would be closed. That enabled us to consider the persons then occuying the camps, as recognized by our military authorities, as the complete package of our responsibility.

I realize that since that time there has been an enlargement of the need so as to include other persons; but I still maintain that our original responsibility was to the camps which were in our western zone of Germany, which we were paying for; and we had investigated the occupants of the camps and we had a record of them. The first director of the International Refugee Organization, Mr. W. Hallam Tuck, who did such a wonderful job, talked over the problems with us when we were in Germany, and pointed out that they were carefully going over the case of every person in the camps, to determine that they were properly there, and to properly screen them, and to determine whether they were properly chargeable to the United States.

So I feel that they were the ones for whom we had the first responsibility. I believe that the enlargement of the number, by means of the McCarran bill, or the so-called committee bill, to include the larger group, simply confuses the issues and makes it likely that there will be delay in carrying out the program, and that proper attention will not be given to those for whom we have primary responsibility.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Does the Senator from New Jersey yield to the Senator from Indiana?

Mr. SMITH of New Jersey. I prefer not to yield until the end of my remarks.

Mr. JENNER. I thought that I might be able to clear up, for the benefit of the Senator from New Jersey, the point he has just been discussing.

Mr. SMITH of New Jersey. Very well, I yield.

Mr. JENNER. As a matter of fact, practically all the displaced persons who now are displaced war persons in Europe, will be taken care of under the present law. So if the number is increased,

provision will have to be made to take care of additional persons. As a matter of fact, the problem goes back to the agreements made at Potsdam, where our Government made possible, by means of the agreement with Russia, the driving of persons of German ethnic origin from their homes, with the result that they have no homes at all.

So I say to the Senator that if we are going to increase the number of displaced persons who will be admitted to the United States, we might as well include among them those whom our Government caused to be displaced persons, because all the others—except for the hard core, who will not be taken care of anyway—will be taken care of under the present law.

Mr. SMITH of New Jersey. Mr. President, I appreciate the distinguished Senator's statement, and I do not wish to minimize our responsibility for the group of persons about whom he has spoken. I simply do not wish to confuse the two problems. That is why I feel that the McCarran bill would lead us astray, and would lead us into dealing with a much larger group, a group of millions of other persons.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I prefer not to yield until I conclude my remarks.

Mr. LEHMAN. I should like to ask a question at this point.

Mr. SMITH of New Jersey. Very well, I yield.

Mr. LEHMAN. First, I wonder whether the Senator will agree that it is a fact that the displaced-persons bill was passed originally to help those who were displaced persons due to the brutality and cruelty of Hitler and his lieutenants; and, second, I wish to ask the Senator whether it is a fact that if 8,000,000 expellees are included, without limitation, under the definition of the committee bill, they might so greatly dilute the number of really deserving displaced persons who could come into the United States that the latter group would be greatly handicapped.

Mr. SMITH of New Jersey. That is the point of view I am taking in my support of the substitute bill. I consider both groups to be deserving; but I think they present totally different problems and should be handled in different ways, as we have attempted to do in the substitute bill.

Mr. LEHMAN. I agree as to that.

Mr. SMITH of New Jersey. Mr. President, there is no question but that the millions of expellees pose a serious problem; and I feel that their plight deserves serious, sympathetic, and prompt study. But that problem is essentially a different one from the problem of the original displaced persons, and it would be confusing and complicating to mix the two programs. The substitute bill recognizes the problem of the expellees in two ways: It provides for the emergency admission of over 54,000 of these people in their own right, without throwing them into competition with the original displaced-persons groups; and it provides for United States participation in an International Conference to work out a solution for the over-all problem of expellees.

The substitute bill retains the IRO definition of displaced person and the present administrative framework for processing displaced persons. In that respect the substitute bill differs from the so-called committee bill or the McCarran bill.

The Displaced Persons Commission would continue to perform the basic function of determining the displaced-person status of prospective immigrants; and the Immigration and Naturalization Service and the consular service would continue to check for conformity with all normal immigration regulations. I agree that great care should be taken in the screening of prospective displaced-person immigrants, and I believe the Displaced Persons Commission is alert to the importance of such screening. The substitute bill strengthens the prohibitions against the admission of Communists, revolutionaries, and subversives.

The substitute bill also eliminates the two unfair and unworkable requirements that 40 percent of those admitted be from areas de facto annexed by the Soviet Union, and that 30 percent of them be agricultural workers. These requirements, which not only are retained, but are further strengthened in the committee bill, have caused unfair discrimination against religious and national groups, have made for great administrative difficulties, and have set unnecessary limits on the total number of displaced persons who could be admitted.

It might be well to state unequivocably at this point that the purpose of this legislation should be to solve the problem of displaced persons in the most fair and equitable manner, and not to delay and perhaps jeopardize its solution by restrictions designed for other purposes.

Mr. President, I should like to digress briefly at this point to call special attention to one provision of the substitute bill which is clearly necessary in order to do justice to a particularly worthy group of displaced persons. On January 1, 1949, the United States Army Graves Registration Command had in its employ a group of some 1,200 displaced persons in France and Belgium to expedite its mission of returning to the United States the remains of many of our war dead, as directed by Congress. These displaced persons were carefully screened by the Army before being employed, and were promised that their temporary removal from Germany would in no way affect their eligibility under the Displaced Persons Act.

I understand that the Displaced Persons Commission was compelled to rule last November that such individuals were not to be processed as displaced persons, since the present law apparently requires physical presence in the designated zones as of January 1, 1948. The substitute bill contains the necessary language to correct this inequity.

When this matter was called to my attention, Mr. President, I sent a letter of inquiry to the Secretary of the Army, the Honorable Gordon Gray, and received in reply a very enlightening summary of the situation, which I commend to the attention of the Senate. I ask unanimous consent that my letter to Mr. Gray, dated February 17, and his reply of February 20, be printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 17, 1950.

Hon. GORDON GRAY,
Secretary of the Army,
Department of the Army,
Washington, D. C.

MY DEAR MR. SECRETARY: Within the next few weeks the Senate is expected to consider various proposals to amend Public Law 774, the Displaced Persons Act of 1948. Among such proposals are:

1. An amended version of H. R. 4567 reported to the Senate on January 25 by the Judiciary Committee, and

2. An amended version of H. R. 4567 sponsored by various Members of the Senate.

It is anticipated that the problems encountered in the operation of the present act will be of real interest to the Senate in its consideration of the above proposals. In this connection, the Senate presumably will be concerned with the operation of the present act as regards the eligibility for admission to the United States of displaced persons temporarily absent from the specified areas on January 1, 1948. It is my understanding that by reason of doubt on the part of the Displaced Persons Commission as to the meaning of section 2 (c) (1) of Public Law 774, a group of displaced persons employed by the Army in connection with the return to the United States of the World War II dead, and temporarily absent from Germany on January 1, 1948, are currently not being processed for immigration under the act. This is a matter of concern to me and I would be deeply appreciative if you would forward information relative to this situation for my use in connection with Senate consideration of the above proposals.

With kindest personal regards and best wishes, I remain,

Always cordially yours,

H. ALEXANDER SMITH.

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., February 20, 1950.

Hon. H. ALEXANDER SMITH,
United States Senate,
Washington, D. C.

DEAR SENATOR SMITH: Reference is made to your letter of February 17, 1950, requesting information concerning the exclusion from immigration eligibility of displaced persons temporarily absent on Army assigned duties from the occupied areas on January 1, 1948, as specified in section 2 (c) (1) of Public Law 774, the Displaced Persons Act of 1948.

On November 16, 1949, the Displaced Persons Commission issued an instruction to its field personnel which, in part, reads as follows: "Effective immediately processing will be stopped on all cases where principal applicant was not physically present in one of the required areas on January 1, 1948. This will apply particularly to members of the United States Army labor-service units which are stationed outside of Germany.

The reference to the United States Army labor service units in the above instruction pertains to displaced persons employed by the United States Army. The extensive redeployment of Army personnel from Europe following VE-day in May 1945 produced a serious manpower shortage for the European command. This problem was resolved in part through the careful selection and employment of considerable numbers of displaced persons. To assure that only able-bodied men, willing to work and with good general ability and character were employed, a careful selection and screening program was initiated and maintained by the Army.

A special school was established where those selected were given orientation training in the duties they were to perform and where they were organized into labor units of 200 to 250 men each and assigned under United States Army orders to the various commands and services to perform specified functions. At one time the number of displaced persons employed in these units reached the total of more than 37,000. The number currently so employed is approximately 9,000. While in these units, these displaced persons are clothed, housed and fed by the Army and remain under its direct control and administration. Wives and families remain in displaced persons camps and receive IRO care and maintenance. Upon discharge from employment with the Army, the members of these units themselves again revert to IRO care and maintenance in the displaced persons camps.

These organized labor service units assist the United States forces in virtually every manual task of the occupation. Quartermaster labor units handle food for the Army, maintain food depots, stock piles, and check out inventories. Ordnance maintenance units maintain and help repair Army vehicles. Engineer construction units do all kinds of construction, rebuild housing, lay railroad tracks, level airports and keep Army installations in repair. Guard units guard Army installations, gas dumps, ammunition dumps, Quartermaster depots and German war criminals. Some 2,500 members of these organized units stationed at the Wiesbaden and Rhine-Main airfields were used throughout the operation of the Berlin airlift program and contributed greatly to the success of that vital project.

A further example of important contributions which these labor service units render to our forces is the assistance afforded the Graves Registration Command. Public Law 383 of the Seventy-ninth Congress, as amended by Public Law 368 of the Eightieth Congress, authorizes and directs the permanent burial or the return to the United States of certain World War II dead buried in foreign lands. Large numbers of such dead were buried in France and Belgium. To implement this law, the employment of a considerable force of workers by the Army has been required. Indigenous workers for this purpose were not available in France and Belgium when this program was instituted. Consequently, some 1,500 to 2,000 displaced persons, labor service personnel were sent under Army orders from Germany to our Graves Registration Command in France. By agreement with France and Belgium these persons while in these countries were to be the responsibility of the United States Army and would remain under its control and direction. Furthermore, it was agreed that such persons would be returned to Germany by the Army upon the completion of this assigned duty.

The effect of the instruction issued by the Displaced Persons Commission is to suspend the processing for immigration under the Displaced Persons Act of the latter group of displaced persons for whom the Army feels a special responsibility. The fact that the Army had these 1,500 to 2,000 displaced persons outside Germany on this most important work on January 1, 1948, excludes them for immigration consideration. Had these displaced persons not been willing to work for the Army, they would have remained under gratuitous care in camps in Germany and would not have lost their coveted opportunity for immigration to the United States, nor would the Army have been able to return home the American World War II dead without a considerable delay.

In addition to leaving the occupied zone under Army orders, the displaced persons in these labor-service units departed therefrom with the Army's assurance that such departure under the circumstances would not affect their opportunity to emigrate to the United States. This assurance was given prior to the passage of Public Law 774 and on the assumption that these persons would not be considered as being absent from the occupied zone merely by reason of their temporary employment elsewhere under military orders. In view of the fact that the courts and administrative officers of the Government have held that soldiers are inhabitants of a place even though they have been absent therefrom under military orders (*Mead* v. *Carrol* (6 D. C. 338 (1868)); Ex parte White, (228 Fed. 88 (D. N. H. (1915))), and that dependents temporarily absent from the households of military personnel are considered, under the provisions of the Career Compensation Act of 1949 (Public Law 351, 81st Cong.), to be actually residing in those households (Ms. Comp. Gen. B-90278, 19 December 1949), this assumption does not appear to have been an unreasonable one.

Section 7 of H. R. 4567 and similar sections of the two listed amendatory bills mentioned in your letter generously recognize the services of the labor-service units by providing:

"SEC. 7. Within the preferences provided in section 6, priority in the issuance of visas shall be given to eligible displaced persons who during World War II bore arms against the enemies of the United States or who served honorably in the labor service or guard units of the United States Army, and their family dependents who are the spouse or the unmarried dependent child or children under 21 years of age, including adopted children and stepchildren."

In response to inquiry from this office as to why such a restrictive interpretation of section 2 (c) (1) of the Displaced Persons Act was promulgated, the Displaced Persons Commission explained the action was taken by reason of doubt as to the legality of the interpretation of constructive presence, and by expression of certain members of the Senate Committee on the Judiciary to the effect that presence in the specified areas on January 1, 1948, had to be physical. About 2 months ago members of the Commission with representatives of the Army called upon the Senate committee staff in this connection. According to the recollection of the Army staff officers, the committee staff expressed no opinion on the question except to indicate that the particular problem was not raised nor considered at the time the law was drafted. Since that time, the Senate Committee on the Judiciary has reported H. R. 4567 with a deletion of a House provision which expressly recognizes the validity of temporary absence on the specified date. We are unaware whether this means that the committee does not approve of the sufficiency of constructive presence or whether it means that the constructive presence is included and an express provision, therefore, is unnecessary.

As indicated above, the uncertainty that exists over the interpretation of section 2 (c) (1) of Public Law 774, has resulted in the suspension of admission to the United States of a particularly worthy and desirable group of displaced persons. It is noted that the language of section 1 (c) (1) of the amendment (in the nature of a substitute) to the bill (H. R. 4567) proposed on February 14, 1950, by Mr. KILGORE and various Members of the Senate appears to resolve this question by specifically providing for temporary absence under certain authorized and controlled conditions. On the other hand, the language of section 1 (b) (1) of amended H. R. 4567 reported by the Committee on the Judiciary retains language similar to that of Public Law 774, and would appear, therefore, to leave in doubt the eligibility for immigration of some 1,200 displaced persons employed by the Army and temporarily absent from Germany on such employment on January 1, 1949.

I trust that the above information sufficiently meets your request. Please be assured I shall be happy to furnish any additional material you may desire. I am taking the liberty of transmitting a copy of this letter to the chairman of the Senate Committee on the Judiciary.

Sincerely yours,

GORDON GRAY,
Secretary of the Army.

Mr. SMITH of New Jersey. Mr. President, I may say that the Secretary of the Army recognized this problem, and in his letter points out that the substitute bill which I am supporting covers the inequity which might otherwise be brought about. I think this matter probably arose because of oversight by the committee. In any event, the matter is covered by the substitute bill.

Mr. President, in summarizing my position on this proposed legislation, let me point out that the substitute bill provides for the admission of a total of 339,000 displaced persons under arrangements that both protect this country from undesirables and carry out our commitments as the leading member of the IRO. This bill provides reasonable hope for an early liquidation of the original European displaced persons problem, and lays the foundation for adequate international cooperation concerning the problem of expellees.

Mr. President, the basic question before us is a simple one, and should not be complicated by technicalities. That question is: Are we or are we not ready to open our doors to our fair share of the unfortunate displaced persons who are eager to live again and are anxious to become loyal American citizens? The passage of the substitute bill would answer that question in the affirmative. It would be an effective and inspiring demonstration of our American ideals of human brotherhood. It would be a most effective proof of our traditional convictions that all courageous and deserving men and women, without regard to their race, creed, or color, should have equality of opportunity in the quest for liberty, in the pursuit of happiness, and in the worship of their Creator.

Mr. President, I ask unanimous consent that at the conclusion of my remarks there be inserted in the RECORD a memorandum which I have had prepared, which includes: First, a comparison of the McCarran or committee bill and the substitute bill; and second, an analysis of categories included within the provisions of both bills.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

COMPARISON OF MCCARRAN BILL AND SUBSTITUTE BILL

1. SIMILARITIES

A. Both provide for following features included in H. R. 4567:

(1) January 1, 1949, date line.

(2) Fifty-four thousand expellees under section 12.

(3) Eighteen thousand Anders Poles in England.

(4) Five thousand nonquota orphans.

(5) Elimination of in-camp priority.

(6) Loans to finance inland transportation (McCarran bill charges interest).

(7) Subversives barred. Oath required upon arrival.

(8) Section 4 date line extended from April 1, 1948, to April 30, 1949.

B. Both provide for following features not included in H. R. 4567:

(1) Ten thousand Greek refugees.

(2) Five thousand adopted orphans (McCarran bill: By members of armed forces or United States Government employees. Substitute bill: By any United States citizen).

(3) Adopted and stepchildren included as family unit.

C. Both omit from H. R. 4567:

(1) Authority for 15,000 visas to recent iron-curtain refugees.

2. DIFFERENCES

A. Numbers:

McCarran bill: 330,000 IRO DP's and expellees plus 54,000 expellees.

Substitute and H. R. 4567: 339,000 IRO DP's plus 54,000 expellees.

B. Eligibility:

McCarran bill: Abandons IRO definition of DP.

Substitute and H. R. 4567: Retains IRO definition of DP.

C. Preferences:

McCarran bill: Retains 40 percent de facto and 30 percent agricultural preferences.

Substitute and H. R. 4567: Eliminates above, but retains agriculture in preference class without numerical percentage.

D. Czechs:

McCarran bill: 2,000 Czechs who fled until June 25, 1948.

Substitute and H. R. 4567: No limit on Czechs; date line until January 1, 1949.

E. Shanghai refugees:

McCarran bill: Eliminated.

Substitute and H. R. 4567: Included.

F. Administrative:

McCarran bill: Determination of eligibility vested exclusively in Immigration Service and American Foreign Service.

Substitute and H. R. 4567: Same as present law.

G. Security:

McCarran bill: Bars "Marxists."

Substitute and H. R. 4567: Bars those who advocate destruction of competitive enterprise and revolutionary overthrow of the Government.

ANALYSIS OF CATEGORIES INCLUDED WITHIN PROVISIONS OF THE DISPLACED PERSONS BILLS NOW UNDER CONSIDERATION

1. Acknowledging that there are millions of qualified people who would like to emigrate to the United States if given a chance, the problem has been to concentrate primarily on those for whom we have a special responsibility.

2. Major criteria for evaluating the extent of that responsibility have been (a) burden to United States taxpayers, through cost of military government of occupied areas and contributions to international organizations supporting persons in question, (b) policies and standards established by the United Nations, (c) advancement of United States foreign policy by supporting anti-Communist, prodemocratic elements and by eliminating tensions resulting from presence of persons in question, (d) likelihood that action taken will materially contribute to a solution of the problem, and (e) unusual humanitarian or sentimental considerations.

3. The Displaced Persons Act of 1948 confined eligibility to IRO displaced persons in western Germany and Austria, and Italy, who had arrived by December 22, 1945. A special exception was made for 2,000 Czechs who arrived between January 1, 1948, and June 25, 1948. All of those included in the Displaced Persons Act were displaced persons in whom the United States had a special interest: All three countries had been occupied by our troops and at our expense. The displaced persons in each country were being supported largely by the United States taxpayer. Grave internal and international tensions had developed around these displaced persons. And the international community had expressed a special interest in the problem of these displaced persons by various resolutions in the United Nations and by establishment of the International Refugee Organization.

4. Nevertheless, when the Displaced Persons Act was debated in 1948, a strong effort was made to extend eligibility as well to others who met the same criteria—i. e., IRO eligibles in western Germany and Austria, and in Italy as of April 21, 1947. The latter date was advocated because it marked the time when the camps in the United States zones had been closed to new arrivals. Unfortunately, this effort failed. All of these groups are now included in H. R. 4567, the McCarran bill, and the substitute bill.

5. By the time the House debated the amendments to the Displaced Persons Act of 1948 (H. R. 4567) in June 1949, a few new categories of special interest had been added:

(a) Intensified Communist persecution behind the iron curtain had forced a new group of anti-Communist refugees to flee. These were accepted as eligible by IRO and were admitted to occupied areas under our control. Most of these are now included in the House bill, the McCarran bill, and the substitute bill as a result of extension of the date line to January 1, 1949. This is highly desirable not only to take a burden off our hands, but also to lend encouragement to anti-Communist, prodemocratic elements.

(b) The IRO rescued over 10,000 European refugees just before Shanghai fell to the Communists. Of this number, all but about 4,000 have been resettled in Australia, Israel, Canada, and so forth. The remainder are White Russians who were granted temporary emergency asylum by the Philippine Republic, which has very generously extended the period of asylum upon the urgent representations of IRO. The IRO has a strong moral obligation to the Philippine Republic to remove these people as soon as possible. Their support has been very expensive. They are strongly anti-Communist, and many have close ties in the United States. As a member of IRO, we should help resettle this group. This group is included in the substitute bill and H. R. 4567, but omitted in the McCarran bill.

(c) Eighteen thousand Anders Poles in England have been included in all three bills. Our interest in this group is primarily sentimental—they performed valiantly as our allies and they are strongly anti-Communist. While England has borne the brunt of caring for the entire group of about 200,000, it has been felt that we should at least be generous to the point of taking in those who have close ties in the United States. The 18,000 had registered to emigrate to the United States.

6. (a) It has been proposed in the McCarran bill and substitute bills to include 10,000 internally displaced Greeks among those eligible. This is a fine gesture to the millions of Greeks who suffered untold hardship and misery at the hands of the Communist guerrillas. However, it should be pointed out that the Greek Government has made remarkable progress in rehabilitating and resettling the 700,000 internally displaced Greeks. In order not to disrupt this orderly process, now almost completed, it would be preferable to give the 10,000 visas to Greeks who long ago registered to come to the United States and to Greek orphans who lost both parents.

(b) There are between eight to ten million Volksdeutsche in western Germany. They are persons of German origin who were expelled or transferred, or fled from eastern Europe into western Germany. An appalling number are in a miserable condition in Germany. Efforts are being made, and should be made, to better their lot. They should be placed on a basis of complete equality with native Germans—and this accounts for the provision in section 12 of the Displaced Persons Act reserving half of the German and Austrian quotas for such persons. The three bills all extend section 4, 2 years beyond the original period. This is desirable. But it is a grave mistake to confuse the IRO displaced-persons problem by making the eight to ten million Volksdeutsche eligible on the same basis as IRO displaced persons. The greatest single defect of the McCarran bill is this attempt to disregard the IRO standard of eligibility and to substitute such a broad one that the Volksdeutsche would also be eligible.

The United Nations specifically barred the Volksdeutsche from the benefits of the IRO constitution. If we take some thousands of them under the non-section-12 provision of the Displaced Persons Act, we will not materially solve their vast problem, but we would so dilute the relief to the IRO displaced persons that we would still be left with their problem as well. On the other hand, by concentrating on the IRO displaced persons, we would help clean up the entire problem by the time IRO is scheduled to terminate its activites. The substitute bill and H. R. 4567, therefore, use the IRO definition of a displaced person. It should also be pointed out that under the McCarran bill the promised relief to the Volksdeutsche would be illusory because no provision is made for their transportation to the United States. The IRO arranges for transportation of its eligibles to the United States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 2364. An act to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.;

S. 2436. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska"; and

S. 2541. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as amended, to extend the period for which employees may be detailed for training and research, and for other purposes.

DISPLACED PERSONS

The Senate resumed the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. JENNER obtained the floor.

Mr. SPARKMAN. Mr. President, will the Senator yield, to permit me to suggest the absence of a quorum?

Mr. JENNER. I yield.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER (Mr. FREAR in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. JENNER. Mr. President, at the beginning of the first session of the

Eighty-first Congress I accepted an assignment as a member of a subcommittee of the Senate Committee on the Judiciary which was charged under a resolution of the Senate with an investigation and study of the displaced persons problem. At the time I commenced my service as a member of the subcommittee, I had little comprehension of the scope of the problem of displaced persons and of the many complicated and controversial issues involved. Like most of the Senators, I had not had occasion to become thoroughly acquainted with the facts as distinguished from the fiction and propaganda with reference to the problem of displaced persons.

Mr. President, from hearing the discussion of the subject on the floor, and from talking to my colleagues, I find that, while this body does not seem to know what the problems are concerning displaced persons, we hear it said that this Nation must do its full and fair share, that we must take the lead in caring for displaced persons. As an example, a statement is cited to the effect that 174,000 displaced persons have entered this country. Actually, since the beginning of the war, the refugees classified as displaced persons who have come to this country number between 600,000 and 700,000, showing that more refugees have been admitted by the United States than have been admitted by all the other nations of the world, taken together.

The propaganda is backed up by an expensive lobby. My impression at the time was that the problem of displaced persons involved only some few hundred thousand persons in central Europe, who were the survivors of the concentration camps or who constituted the backwash of the war. I had read vivid descriptions of the displaced persons, in which they were portrayed as suffering humanity, behind barbed-wire fences, who could neither be repatriated to their homelands nor settled in the occupied areas of Germany or Austria. I had read, too, the charges that the United States had not received a fair share of the displaced persons; that the present law was discriminatory and that each of some two dozen amendments to the displaced persons law which were then pending before the Senate Committee on the Judiciary would solve the problem of displaced persons.

After months of intensive study of the facts which have been developed by the subcommittee under the able leadership of the senior Senator from Nevada [Mr. McCARRAN] I am convinced beyond the shadow of a doubt that the appealing term, "displaced person," is being used for the perpetration of a gigantic fraud on the American people by those who would destroy our protective immigration system to the end that our country may be inundated with a flood of aliens who are storming our portals from the turbulent populations of the entire world. May I hasten to add, Mr. President, that I do not question in the slightest the motives of the proponents of the so-called liberalizing substitute bill which is pending in the Senate under the sponsorship of the Senator from West Virginia [Mr. KILGORE] and 17 other Senators, because if the facts were as they have been so dramatically portrayed by those who have expended $1,000,000 in perverting a great humanitarian problem to their own designs, then I, too, would join as a sponsor of the substitute bill.

I may say in passing that I have checked the committee service records of the 18 Senators who are sponsoring the substitute bill, and not a single one of those distinguished Senators has ever served in either House of the Congress on a regular immigration committee or a regular immigration subcommittee. I hazard the assertion that the sponsors of the substitute bill do not know the significance or the operative effect of a substantial number of the provisions of the bill which they have sponsored. This was clearly demonstrated on the floor of the Senate a day or so ago when the senior Senator from Mississippi [Mr. EASTLAND] was engaged in a colloquy with the proponents of the substitute bill. The Senator made reference to certain language contained in the present law, in which a displaced person is defined, but which is omitted from the substitute bill. The net effect of the omission of this language in the substitute bill would be to permit certain groups of displaced persons who have been received by other countries of the world to return to Germany or Austria from all over the world and gain eligibility for immigration to the United States as displaced persons.

Already, Mr. President, we know of 500 persons who have been in Italy, France, and Spain and who are not displaced persons at all, under any definition, but they have gone back into this area of Germany, Austria, and Italy, and have been declared to be displaced persons. In other words, Mr. President, this is not so much a displaced-persons law as it is a "displeased persons" law.

Mr. President, in spite of the plausible dramatic propaganda, in spite of the high-pressure tactics of a determined, well-knit lobby crop which has enlisted the support of many well-meaning individuals and organizations, the unassailable facts are these:

First. By the expiration of our present displaced-persons law on June 30 of this year all of the war-displaced persons will be either repatriated or resettled except a relatively small "hard core" who cannot be resettled because they constitute the political, social, or moral unfits.

That is a fact, Mr. President.

Second. Aside from the problem of the war-displaced persons in central Europe who have been the object of our concern, the entire problem of displaced persons involves tens of millions of people all over the world whose ranks are constantly being swelled at an alarming rate.

They are pouring into the same areas of Europe today just as fast as they did 2 years ago. Mr. McCloy told me, on his last visit to this country, that he was still getting over a thousand a day in the western section of Germany. Displaced persons? If we want to break down our immigration law, that is one thing; if we want to talk about displaced persons, that is another thing; if we want to talk about displeased persons, that is another thing. There are a million of them in Palestine. There are 8,000,000 to 12,000,000 German expellees who are not considered under the substitute bill at all. They are not considered by the IRO as displaced persons. Yet, by the agreement at Potsdam, our Government has caused 8,000,000 to 12,000,000 persons to be kicked out of their homes, and they are displaced. Our Government's own agreement made that possible. Yet we do not want to consider them. There are 10,000,000 to 12,000,000 persons in Pakistan. I was over there in November, and saw them. The figures run into the millions. Twenty million persons would be a conservative figure for displaced persons as the result of the war.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LANGER. In addition to those persons in Pakistan, are there some in Burma and in Malaya?

Mr. JENNER. Yes; in fact, they are in every country.

Mr. LANGER. At the present time they are barred is that correct?

Mr. JENNER. Oh, yes.

Mr. LANGER. At the present time they have no quota?

Mr. JENNER. No quota at all.

Mr. LANGER. The result is that when the United Nations meets, and the members sit around the table and talk to the various groups, nations are involved from which not a single, solitary person, under our immigration laws, can come to this country. Is that correct?

Mr. JENNER. That is exactly correct.

Third. Notwithstanding the provisions of the present law which were designed to assure fairness and to protect the security interests of the United States of America—those provisions which have been falsely attacked as discriminatory—there have been wholesale violations of the law which have been fostered by those who are sworn to enforce the law, with a net result that substantial numbers of black marketeers, criminals, subversives, and perpetrators of fraud have been gaining admission into the United States under the guise of displaced persons.

What is more shocking, Mr. President, is that the members of the United States Displaced Persons Commission who have their headquarters here in the United States have not only closed their eyes to the revelations of the facts but are working furiously night and day toward the same objective as the professional lobbyists, namely, to eliminate even the present safeguards of our present law and to defeat those provisions of the committee bill which would strengthen the administration of the law and protect the security interests of this Nation.

Mr. President, these are conclusions to which I have come reluctantly; they are conclusions which are compelled by the facts; they are conclusions which would be reached by any fair-minded citizen who would heed the facts as distinguished from the fiction and propaganda which have been disseminated over the length and breadth of this land by paid publicists, lobbyists, and professional organizers.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LANGER. The Senator said he had arrived at his conclusions. Would he mind stating how he arrived at them, upon what basis, and whether witnesses were called before the subcommittee?

Mr. JENNER. Upon the basis of the facts from our immigration officials, our consular officials, the directors of the Displaced Persons Commission in Europe, the selectors, the field men actually working in the field in Europe, employees of the Displaced Persons Commission in Europe, facts gathered from the Army Intelligence Service, and facts gathered on every possible phase of the subject, together with first-hand observation by the chairman of the Judiciary Committee, who made a special trip to ascertain what was going on.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. JENNER. I yield for a further question.

Mr. LANGER. Would the Senator say whether, in his opinion, the subcommittee is perhaps the best informed group in the entire United States as to what has actually taken place?

Mr. JENNER. I should think so. The subcommittee certainly has gone into the subject thoroughly. It spent, literally, months in hearing witnesses and in bringing the evidence and the facts together. It has not done as well in publicizing the facts as has the million-dollar lobby in the United States.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. JENNER. I shall be glad to yield.

Mr. LANGER. Will the Senator say that he attended practically all of the subcommittee hearings?

Mr. JENNER. Yes; I attended most of them.

Mr. LANGER. Were all the Senators who are sponsoring the substitute bill present at the hearings, and did they interrogate witnesses?

Mr. JENNER. At a few of the hearings one or two of the 18 Senators sponsoring the substitute bill were present. None of them served on the Subcommittee on Immigration. They attended mostly for the purpose of protesting for other persons.

Mr. LANGER. Did the one or two Senators who appeared interrogate witnesses? Did they remain there a little while and then go away, or what was the procedure?

Mr. JENNER. One of the Senators at one or two of the sessions interrogated witnesses.

Mr. LANGER. I thank the distinguished Senator.

Mr. JENNER. Mr. President, may I pay tribute to the chairman of the subcommittee, the senior Senator from Nevada who has courageously withstood an unprecedented barrage of slander and vilification. Those of us who have served with him on the subcommittee over the course of the last several months might remain silent at this hour. I expect that from a political standpoint it would be best, if we were interested in our office, to remain silent, because these propagandists have done a fine job, and I am sure they will not forget those who opposed them.

However, Mr. President, we have studied the facts. We have had available to us voluminous and detailed reports of security agencies of the Government. Oh, no; the reports are not in the RECORD. They cannot be put in the RECORD. They are secret documents. They cannot be released. We have tried to get them released. We have read those documents, and we know the facts. We have heard numerous witnesses, in executive and public session, who have been engaged in the administrative work of our displaced persons program at the field level. They are men who are on the firing line.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. JENNER. I am glad to yield.

Mr. EASTLAND. Has the Senator heard any field officer or any man who is actually doing work in the field testify, or has the Senator seen any record of such testimony, to the effect that an adequate job of screening for the protection of this country is being done?

Mr. JENNER. I have not. To the contrary, they all say that a very bad job is being done, and that the interests of America are not being protected.

Mr. Alamanza Tripp, who is in charge of the immigration detail in Europe, said that at least 30,000 of the 134,000 persons who have already come to this country are of doubtful reputation and eligibility.

Mr. EASTLAND. Is it not a fact that officials abroad who are actually doing the work in the field have come to members of the Immigration Subcommittee and have protested on what is happening in Europe?

Mr. JENNER. That is the fact. Furthermore, some of them have been transferred because they made such protests.

The members of the subcommittee have talked to the men who are on the firing line, in the Immigration and Consular Service, and, indeed, to field offiers employed by the Displaced Persons Commission itself. In the face of this factual material we would be unworthy of our trust if we should remain silent, notwithstanding the threats of political reprisal and notwithstanding the vilification and abuse to which we have been subjected.

I want to say right here and now, Mr. President, that even though the Congress does enact those provisions of the committee bill which provide for strengthening of the administration of the law, on the basis of the past performance of those charged with administering the law, the provisions of the law will be but idle gestures. They will be but recommendations, and will not be deemed binding on the administrators of the law. That is not a reckless statement, Mr. President, as I shall now demonstrate by three typical illustrations.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. EASTLAND. The Senator is making an excellent speech, and I believe he ought to yield so that I might suggest the absence of a quorum, provided he does not lose his right to the floor. I believe it is unfair not to give the absent Senators an opportunity to hear what the Senator is saying. He is making a very able speech.

The PRESIDING OFFICER. The absence of a quorum was suggested, and the order for a quorum call was rescinded. No business has been conducted since then.

Mr. JENNER. Mr. President, we are getting into a sorry state of affairs. Let me repeat, even though Congress does enact those provisions of the committee bill which provide for strengthening of the administration of the law, on the basis of past performances of those charged with administering the law, the provisions of the law will be but idle jests. They will be but recommendations, and will not be deemed binding on the administrators of the law. This is not a reckless statement, Mr. President, as I shall now demonstrate by three typical illustrations.

(At this point Mr. JENNER yielded to Mr. LANGER, who asked and obtained leave to have printed in the RECORD a news release, which on request of Mr. JENNER and by unanimous consent, was ordered to be printed at the end of his remarks.)

Mr. EASTLAND. Mr. President, will the Senator yield provided he does not prejudice his right to the floor?

Mr. JENNER. I yield with that understanding.

Mr. EASTLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hoey	Maybank
Brewster	Holland	Millikin
Bricker	Humphrey	Morse
Butler	Hunt	Murray
Byrd	Ives	Myers
Cain	Jenner	Neely
Capehart	Johnson, Colo.	O'Conor
Chapman	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Saltonstall
Darby	Kem	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Kilgore	Smith, N. J.
Dworshak	Knowland	Sparkman
Eastland	Langer	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Magnuson	Withers
Hendrickson	Malone	Young

The PRESIDING OFFICER. A quorum is present.

Mr. JENNER. Mr. President, the language of the present law and the clear congressional intent, as manifested in the debates at the time when the present law was under consideration by the Senate, clearly vest the administration of the displaced persons law in the trained immigration officials and consular officials. The law provides that the duty of the Displaced Persons Commission shall be to promulgate rules and regulations governing job and housing assurances and to perform certain duties incident thereto, but that the administra-

tion of the law is to be by the trained immigration and consular officers.

Mr. EASTLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. JENNER. I am glad to yield for a question.

Mr. EASTLAND. What the Senator has just stated is the law; is it not?

Mr. JENNER. Yes; that is the law.

Mr. EASTLAND. Is it being administered in that way?

Mr. JENNER. No; the law is not being administered in that way. By administrative agreement, the State Department and the Department of Justice have given away not only their rights in the matter but their duty to protect the security of this country. They have given that to the Displaced Persons Commission. By the administrative agreement, that Commission is the agency which is processing this whole thing; and the IRO, using displaced persons, is preparing the files. The result is that in many cases the persons who come into this country never see an American official of any kind until they reach the consul's office to get a visa.

Mr. EASTLAND. Do I correctly understand the Senator from Indiana to say that the file is initiated by the IRO, an international organization?

Mr. JENNER. That is correct.

Mr. EASTLAND. Is not the IRO made up of employees who are displaced persons?

Mr. JENNER. That is correct.

Mr. EASTLAND. And regardless of how qualified or how meritorious a man may be, the Displaced Persons Commission does not go beyond the list of those who are certified to it by the Displaced Persons Commission for its care?

Mr. JENNER. That is correct.

Mr. EASTLAND. So as a matter of fact, under the practice the decision of the IRO is conclusive; is it?

Mr. JENNER. That is correct, under the administrative agreement.

Mr. EASTLAND. And although the Consular Service and the Immigration and Naturalization Service can, under the immigration law, veto an application for admission to the United States——

Mr. JENNER. Yes.

Mr. EASTLAND. Yet under the practice they are limited by the file which comes to them from the IRO, the international organization; is that correct?

Mr. JENNER. That is correct. So the consular service, under the State Department, and the Immigration and Naturalization Service, under the Department of Justice, are violating the law, as a result of the administrative agreement.

Mr. EASTLAND. Let me read from the rule which is being followed under the administrative agreement:

> The report shall be deemed to establish prima facie an applicant's character, history, and eligibility under the act, and shall be deemed to establish, as conclusive—

And I call the Senator's particular attention to the word "conclusive"—

> the existence of all factors relating to eligibility to enter the United States, except existence of those factors required in applicable immigration laws other than the Displaced Persons Act.

Mr. JENNER. That is right; and that is a direct violation of the law, and that is the particular in which the security of this Nation is being imperiled every second of each day and each night.

Mr. EASTLAND. So when Senators say, as was argued on the floor by the proponents of the Kilgore substitute, that the legal authority to veto an application is in the hands of the Immigration and Naturalization Service, they are stating what was the intent of Congress when it passed the law; is that correct?

Mr. JENNER. Yes, and they are stating what actually is the law. But they know—if they do not know it, I am here to tell them—that by this administrative agreement, the officials of the Immigration and Naturalization Service and the officials of the consular service have given to the Displaced Persons Commission their duty under the law to handle the whole process; and that is the way in which we get black marketeers, and that is the source of the fraud, and that is how gangsters and subversives are getting into this country.

Those agencies of the State Department and the Department of Justice know how the program is operating. Of course, they have the veto power, but they do not exercise it. They do not follow the law.

Mr. EASTLAND. As the law is interpreted and administered, they do not have authority to veto, under the Displaced Persons Act; is that true?

Mr. JENNER. That is how they interpret the law. But they interpret the law in exactly the wrong way.

Mr. EASTLAND. That is the sole reason why the committee is attempting to strengthen the act—so that the original intent of Congress will be carried out; is that true?

Mr. JENNER. That is exactly true.

Mr. EASTLAND. If that is already the law, as the proponents of the Kilgore substitute state, then why do they object to having it written in iron-clad fashion in the committee bill?

Mr. JENNER. Because they know that if the true intent of Congress is followed, and if the law of the United States in that respect is followed, there will be no way in the world for the International Refugee Organization to send a bunch of perjurers, liars, black marketeers, and subversives into this country.

Mr. President, it is one thing for the Congress to spend $4,000,000 or $5,000,000 in repairing the White House, which is falling down because of usage, old age, and the disintegration of the materials in it; but it is quite another thing to let a gang of the State Department's little termites who are in charge of the Consular Division, and a lot of other little termites who are in charge of the immigration laws, in the Department of Justice, eat away the vital security of this great Nation at a time like this.

Dean Acheson is even opposed to a bill which would exclude subversives from this country. He wrote an unsolicited letter to the chairman of our subcommittee, the Senator from Nevada [Mr. MCCARRAN], so stating. What is happening in this country? Dean Acheson said in that letter he was afraid the passage of a bill which would exclude subversives from this country might offend the Russians. Is it not too bad if we offend the Russians, I ask Mr. Acheson. "Offend the Russians," indeed! Mr. President, what is happening in our country?

I am stating now that it makes no difference whether the Congress passes the substitute of the Senator from West Virginia or the committee bill; in either case, unless the State Department and the Department of Justice insist upon performing their proper functions under the immigration and naturalization laws and in connection with the consular service, there still will be the same result. Unless they become interested in the security of this Nation, its security will be gravely imperiled. Before I conclude my remarks, I will prove what kind of people we will get under this program. If we get many persons of that sort, in a few years all we shall need to do will be to read the headlines of the newspapers, and there we will see the names of many of the Lucky Lucianos and many of the other gangsters and many of the Dr. Fuchs who will have been brought into the United States under this program.

Mr. Tripp, who is in charge of the displaced persons program in Europe, has said that among the 134,000 displaced persons brought in under the displaced persons law, 30 percent are of doubtful eligibility.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. EASTLAND. Is it not true that the substitute proposed by the distinguished Senator from West Virginia and other Senators is founded on racial discrimination and racism in its worst form, because it provides that all displaced persons may benefit, except those of Germanic origin?

Mr. JENNER. That is true, of course. I shall prove that conclusively before I finish my remarks.

In addition, the substitute condones what has been going on, gives those who have been handling the program a pat on the back, and says to them, "Boys, go right ahead and continue to do it."

On the other hand, the committee bill tries to get the Department of Justice and the State Department to carry out the intent of Congress and to enforce the laws of this Nation to protect the security of our country. That is the difference between the two bills.

There is no difference between the two bills so far as numbers of displaced persons are concerned; in that respect, one is tweedle-dee and the other is tweedle-dum; one provides for the admission of 320,000 and the other provides for the admission of 339,000. Similarly, there is no difference between the two bills so far as the date is concerned. That propaganda scheme is all ended.

So what I have stated is actually the difference between the two bills. The purpose of one is to try to make the Secretary of State and the State Department and the Department of Justice follow the law and protect the security of our country. The other—the substitute bill—would condone the practice which

has been engaged in by administrative agreement, and would say, "Just let the Displaced Persons Commission boys handle this program over there." Of course, Mr. President, that would be the same as having UNRRA handle it, because the UNRRA influence was just shifted into the IRO, as I shall prove before I conclude my remarks. All of us know what a joke UNRRA was.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. EASTLAND. We were discussing the provisions of the Kilgore substitute. Does the Senator agree that it is a fundamental tenet of Americanism that every man stands on his own character and his own ability and is responsible solely for his own acts, rather than that a whole race or a whole class be condemned because of the acts of one individual; and does the Senator also agree that the latter principle is carried forward in the Kilgore substitute?

Mr. JENNER. That is correct.

Mr. EASTLAND. Because of the criminal acts of a few people of Germanic origin, the Kilgore substitute would punish persons of Germanic origin who have not lived in Germany, and whose ancestors have not lived in Germany for a thousand years, in some cases.

Mr. JENNER. Yes; that would be the fate of many persons who—and what a shameful thing it was—were caused to be displaced persons by the action of our own Government at Potsdam. Potsdam made that possible. But for Potsdam, those persons would not be in the position they are in today. Our country, our Government, is responsible for Potsdam.

Mr. EASTLAND. How could a little child, a baby, be held responsible for having lived in Poland or the Ukraine or Rumania, or Czechoslovakia, and for being of Germanic origin? How could such a child be held responsible for what a few beasts in Germany did a few years ago? Is there any justice in such a proposition as that?

Mr. JENNER. No.

Mr. EASTLAND. Does not the Senator know that the substitute is a monstrous thing, when it attempts to get the American Congress to recognize the doctrine of race guilt or national guilt as the result of acts of a few individuals?

Mr. JENNER. That is correct; and let me tell the Senator about its unusual basis. Already, under the operation of the present law, under the administrative-agreement system, and under the so-called calculated-risk system, whereby the intent of Congress is being disregarded, as well as the laws of the United States, SS storm troopers of Nazi Germany have been brought into the country. I do not think there would be any great risk in bringing into the country a little German orphan, or people of German ethnic origin, descendants of people who have not seen Germany for perhaps 200 years, who have been living in Hungary, Poland, or Czechoslovakia; or in allowing to come into our country all those who are displaced, except that our Government at Potsdam displaced 8,000,000 to 12,000,000 persons.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. JENNER. I am glad to yield.

Mr. EASTLAND. Our desire is to exclude Nazis and Communists, is it not?

Mr. JENNER. We desire to do that, but our primary duty is to protect the security of the Nation. It is not being protected today. However, in spite of the law, by administrative agreement, the power of the immigration officials and the consular officers to make determinations of the eligibility of applicants under the act is exercised exclusively by the Displaced Persons Commission.

The Senator from New York has suggested, "But they have the veto power." Of course, they have. But, through executive agreement, through administrative agreement, men who have taken an oath to support the laws of this country are not looking to the security of the country, and they have said to the Displaced Persons Commission, "You handle it." That is the situation. That is all that is involved here. So in that situation a new law is not going to help. Unless we have officials in the departments of the Government who are more interested in America than are the present officials, we shall not be able to effect any change.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. JENNER. I yield.

Mr. WHERRY. Before the Senator takes up his next observation, I should like to ask a question. Does the Senator mean that the Displaced Persons Commission has in reality surrendered the veto power by designating the IRO, and by delegating to it authority, which the Commission itself should assume, of vetoing an applicant who might not be eligible to enter the country as a displaced person?

Mr. JENNER. That is the next step. As the result of the administrative agreement, whereby consular officials and immigration officials have allowed the Displaced Persons Commission to take over, the next step is to turn the matter over to the International Refugee Organization, which relies principally on displaced persons. The result is that we have displaced persons sending other displaced persons to America, with no one interested in the security of our Nation. The International Refugee Organization maintains a legal division for the purpose of getting pardons for criminals, so they may be classified as displaced persons, for admission to America.

Mr. WHERRY. Is there not a board of some kind organized to handle deportation cases?

Mr. JENNER. Until now, not a single displaced person has been ordered deported, in spite of the figure of 30,000 ineligible persons who have been admitted, according to Mr. Tripp, and although criminals have been admitted and are now in this country, according to Mr. Squadrilli's recent admission. Mr. Squadrilli is the chief coordinator in Europe. He says, "If there are criminals in America, send them back." There are instances in which criminals have already been caught. They had been sent to the Displaced Persons Commission. When its representatives came here to check on the matter, the immigration officials refused even to let them be interviewed by American officials. They are still in this country.

Mr. WHERRY. Mr. President, if the Senator will yield further, in order that the junior Senator from Nebraska may understand the mechanics of the bill, it is my understanding that the junior Senator from Indiana, in his introductory remarks, made it plain that what the bill does is to write a new definition of a displaced person; a definition which, if enforced, will require the State Department and the Justice Department to screen the applicants properly, and to set up a procedure whereby applicants for admission as displaced persons will be judged by those two bodies, or by one of them, instead of by IRO.

Mr. JENNER. That is exactly true. In other words, it really is as simple as this: What the committee bill seeks to do is to get American officials to enforce the laws now in existence.

Mr. WHERRY. It is perhaps a little embarrassing, but I should like to ask the distinguished Senator this question: Even though we adopt the committee definition, unless there is a will to comply with it, and unless the law is enforced, what assurance can the distinguished Senator give Members of the Senate that displaced persons will not continue to enter the country on the basis described by the Senator?

Mr. JENNER. I am sorry to say that unless the officials of the Government have the will to enforce the laws, and to protect our security, it will not make any difference whether we enact the committee bill, the substitute bill, or something else.

Mr. EASTLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. JENNER. I yield.

Mr. EASTLAND. Is this not a complete answer to what the Senator from Nebraska says, that if the bill is passed, we will take IRO out of the picture?

Mr. JENNER. Yes.

Mr. EASTLAND. That is where the trouble is.

Mr. JENNER. The Senator is correct.

Mr. EASTLAND. IRO will not survive, anyway.

Mr. JENNER. That is correct.

Mr. EASTLAND. IRO will not make up the file; it will have nothing to do with it.

Mr. JENNER. In other words, it will be left to Americans to initiate such investigations. It will be unnecessary to accept the services of IRO, which has a legal division for the purpose of getting criminals out of jail. Criminals will not have to be admitted as displaced persons, because we will have American officials screening the displaced persons' applications. This will become clear as I proceed.

Mr. EASTLAND rose.

Mr. JENNER. I should like to continue.

Mr. EASTLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. JENNER. I yield.

Mr. EASTLAND. Did the Senator hear the testimony of Mr. Squadrilli?

Mr. JENNER. I was not present when he testified, but I have read his testimony.

Mr. EASTLAND. Will the Senator tell me whether Mr. Squadrilli admitted that when it came to screening applicants, a calculated risk was taken, they did not wait for a report regarding fingerprints from either the Berlin Document Center or the United States Provost Marshal?

Mr. JENNER. That is entirely correct. He said they had adopted the theory of taking a calculated risk, and that the whole idea was to speed up the program and to get the displaced persons into the country.

Mr. EASTLAND. Does not that leave this country wide open?

Mr. JENNER. This country is not only left wide open—this country is wide open.

Just at this point, may I invite the attention of Senators to the fact that when the present law was under debate in the Senate, the junior Senator from Michigan [Mr. FERGUSON] offered an amendment which would have vested the administration of the act in the Displaced Persons Commission. In other words, at the time the original bill was passed, the Senator from Michigan wanted to secure the adoption of an amendment placing the power in the Displaced Persons Commission. I desire now to discuss briefly the legislative history of this subject.

In the course of the debate on the Ferguson amendment, the senior Senator from Missouri [Mr. DONNELL] expressed himself, in part, as follows:

> Is it not true that the amendment might reasonably be expected to bring about a great duplication of personnel, because we already have in the Immigration Service men who are acquainted with this general type of work, and they would remain employed by the Immigration Service; yet we would build up under the new Commission a great number of inexperienced employees, as the Senator has said, or a number of persons from UNRRA whose experience might or might not qualify them for this new work.

In support of his amendment the junior Senator from Michigan, among other things, said:

> It is also said at this time, on the floor of the Senate, that persons who probably were employed by UNRRA or persons of that caliber will be employed by the new Commission. Mr. President, if I thought the same kind of employees would be used by the proposed Commission as were used by UNRRA, I would not favor the pending bill. There is nothing before the Senate to show that the new Commission will employ the same type of employees that were employed by UNRRA.

The Senator from Michigan [Mr. FERGUSON] wanted to place the power in the Displaced Persons Commission, through an amendment. His amendment was defeated. So the Congress voted, with clear intent, what it wanted, namely, a provision that the law should be administered by immigration and consular officials. It was so provided in the act.

They flouted the Congress so they could take the word of IRO for their definition of a displaced person eligible to come to America. For the benefit of the junior Senator from Michigan, let me say that UNRRA employees are in IRO, and, furthermore, worse than that, UNRRA employees are in the Displaced Persons Commission in Europe.

But what happened, Mr. President? In spite of the law which vests the administration of the act in the trained immigration and consular officers, by the administrative agreement to which I have referred the Displaced Persons Commission has taken over the administration of the act.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. WHERRY. I am very much interested in knowing to what extent former employees of UNRRA are in official positions in the Displaced Persons Commission and the IRO. Can the Senator tell me, for example, how many of those persons are entrusted with the administration of the Displaced Persons Commission?

Mr. JENNER. I really do not know, except that Mr. Squadrilli, who is the European coordinator, the big boss in Europe, came from UNRRA. The UNRRA officials do not even perform the job; they turn the processing job over to displaced persons themselves. That is the way it operates. I shall bring it out a little later on.

Mr. WHERRY. The Senator has answered one question. Of those who head the Displaced Persons Commission, how many were formerly UNRRA officials and how many are from the United States of America operating the veto power as to applicants?

Mr. JENNER. I am afraid the Senator misunderstands. The Displaced Persons Commission sits in Washington; it does not go to Europe. It turns the job over to Mr. Squadrilli. The members of the Commission remain here to lobby and to write notes in the galleries to send down to Senators to enter into colloquies.

Mr. WHERRY. How many administrative officers of that organization were formerly with the UNRRA?

Mr. JENNER. Of course, I do not know them all. Several of the key men were UNRRA officials; I do not know exactly how many. I can point out some of them as I go through with my remarks.

What has the Displaced Persons Commission done? Not one of the three members of the Displaced Persons Commission has stationed himself in Europe, but they have abdicated in favor of former UNRRA employees and former employees of those voluntary agencies which are engaged in promoting the immigration of displaced persons to this country. They are the keymen, Mr. President, former UNRRA officials and former employees of the voluntary organizations whose sole purpose is to get immigrants into America. These are the people who run the program in Europe while the three Commissioners repose in their Washington office or lobby here in the Halls of the Congress to defeat the safeguards of the pending bill.

Mr. Alex Squadrilli, the European Coordinator for the Displaced Persons Commission, was formerly with UNRRA.

Mr. Ben Kaplan, who is Mr. Squadrilli's executive assistant, was previously with a large voluntary agency which is engaged in fostering the movement of displaced persons to the United States.

Three of the area directors—and there are only seven—were formerly associated with one of the voluntary agencies which is engaged in fostering the movement of displaced persons to the United States. Only 1 of the 10 senior officers in the organization of the Displaced Persons Commission in Europe has a background of immigration enforcement.

Mr. Alamanza Tripp, who is the officer in charge of the immigration detail stationed in Europe to examine displaced persons, testified in public session before the Senate Committee on the Judiciary on February 15, 1950, as follows:

> Question. I want to get this crystal clear for the record. On the basis of your observation and experience and the work over there as Chief of the Immigration Service in Europe, is it not a fact that the administration of the Displaced Persons Commission, the people in the positions over there are people who have either been formerly associated with UNRRA or with voluntary agencies?
>
> Mr. TRIPP. The majority of them are.
>
> Question. Which voluntary agencies are themselves trying to get displaced persons over here in this country, is that correct?
>
> Mr. TRIPP. That is correct.

Mr. Tripp further testified that the officials of the Displaced Persons Commission requested him to cause his immigration officials in Europe to refrain from even questioning displaced persons regarding their eligibility because if they did so it would slow down the program. He was requested not even to interview them. He was told, "Do not even talk to them, do not question their eligibility, because it would slow down the program."

Mr. President, let us look at a second instance of a direct violation of the law by those who have been sworn to enforce it. The present law provides that no eligible displaced person shall be admitted into the United States unless there shall have first been a thorough investigation and written report made and prepared by such agency of the Government as the President shall designate regarding such person's character, history, and eligibility under the act.

It was, of course, contemplated that the President would designate an investigative agency of the Government to make the investigation and prepare the report by the Displaced Persons Commission, but the Displaced Persons Commission was designated to make this investigation and report so that they would have at least a color of authority for operating in Europe. But the fact is that, notwithstanding the designation of

the Displaced Persons Commission by the President to make the investigation and to prepare the report, most of the report is prepared by the International Refugee Organization and the investigation is made by the Counter Intelligence Corps.

Mr. President, notwithstanding the provision of the law that no eligible displaced person shall be admitted into the United States unless there shall have first been a thorough investigation and written report on the person's character, history, and eligibility, the Displaced Persons Commission which has, by this administrative agreement, taken over the functions of the Immigration Service and the American Foreign Service, has established a policy which they define as a calculated risk—oh, how many times have we heard that expression?—whereby they do not wait for the report from the Berlin document center or from the provost marshal's files before sending the displaced person to this country.

It is as a result of that policy that we have been getting storm troopers into America. They do not wait for even a security check at the only place in Germany at which it could be found whether a man was a criminal, the Army military records, in which he might be recorded as a criminal. The facts which I have just stated come from the man who runs the program in Europe—Mr. Alex Squadrilli.

Mr. Squadrilli, who is the European coordinator for the Displaced Persons Commission and a former employee of UNRRA, testified just a few days ago before the subcommittee. Although he admitted that a number of people have already gained admission into the United States as to whom the files of the Provost Marshal's office and the Berlin Document Center show criminal records, he stated that these people could always be deported. The fact is, however, Mr. President, that not a single displaced person who has thus far gained admission into the United States has been deported.

And now, Mr. President, let us look at a third instance of a direct violation of the law by those who have been sworn to enforce it. The present law provides that before a displaced person can be eligible to come to this country, assurances must be given, in accordance with the regulations of the Commission, that the displaced person will be suitably employed without displacing some other person in employment and that the displaced person and the members of his family will have safe and sanitary housing without displacing some other person from such housing.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. WHERRY. Of course, I would not want to take advantage of the situation, but it might be that we could even pass the committee bill without any trouble right now, if we wanted to secure unanimous consent to do it. I wonder if a quorum call has been had during the time the Senator has been speaking.

Mr. JENNER. Oh, yes. I would rather not have another quorum call. I should like to finish, if I may.

Mr. Ugo Carusi stated, in testimony before the immigration subcommittee with reference to assurances, among other things as follows:

> Question. What investigation is made by the Commission or by any agency of the Government of the United States with reference to a particular applicant to ascertain whether or not there is a specified job or a specified house available without displacing some other person from that job or from that house?

This was their job. In other words, the Displaced Persons Commission, according to the intention of Congress, was to look after jobs, housing, authorizations, and assurances. It was anticipated that the immigration and consular people would look after the administration of the immigration law and thus protect our people against unfit persons coming to this country from Europe.

Mr. Carusi, when asked about what investigation was being made respecting jobs and housing, said, "None."

Do Senators see what is thought of the law which Congress passed? When asked what investigation is made, the answer is "None." They are bureaucrats. They run the country. Senators do not know what they are doing here.

Between 80 and 90 percent of the assurances are so-called blanket assurances, submitted by voluntary agencies, and the Displaced Persons Commission has issued a regulation which reads, in part, as follows—and note this:

> Assurances of suitable employment and safe and sanitary housing provided by a public agency or a voluntary agency recognized by the Commission for this purpose need not be assurances of a specifically identified job and housing accommodation.

Here, Mr. President, is another instance of complete abdication of their duty by the administrators of the law. The Displaced Persons Commission has validated assurances for 174,853 families, or for an estimated 345,000 persons, as of December 31, 1949, although the present law provides for the admission of 205,000 displaced persons.

In other words, the bureaucracy downtown has already taken assurances for 345,000 persons as of December 31, 1950, when under the terms of the present law, if they are going to follow the law, they could not possibly have taken assurances for more than a total of 205,000 displaced persons. They do not follow the law. They do not care about the intent of Congress. They do not care what Congress says.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JENNER. I am glad to yield for a question.

Mr. WHERRY. Have any objections been made by interested agencies that apparently they have been bypassed, or have any objections been made by the legislative branch, or by any organizations, relative to the way the law has been administered?

Mr. JENNER. That would be like having Baby Face Nelson tell Dillinger to straighten up and conduct himself properly.

Mr. WHERRY. It would be about to the same effect?

Mr. JENNER. Yes; about to the same effect.

Mr. WHERRY. No matter what has been said, they have been treated in the fashion stated by the Senator?

Mr. JENNER. Yes.

Mr. WHERRY. I did not want to bother the Senator at the time, and I do not wish to take too much time now, but I believe the Senator said that there was one man on the Displaced Persons Commission, and only one man, who had had any immigration background.

Mr. JENNER. No. Of the 10 key men in Europe, there is only 1 man who has had any immigration experience.

Mr. WHERRY. Has he made any protest about the way the situation has been handled over there?

Mr. JENNER. Yes; he has protested. He has protested even to our committee. However, it does not do any good. He knows he is violating the law, but he cannot do anything about it, because, after all, he is just an underling. He works for the Justice Department.

Note this:

The Displaced Persons Commission is supposed to see that displaced persons are properly sponsored, that they have jobs, that they have housing available, and that they will not displace any other people or housing, and so forth; but the Displaced Persons Commission has even validated assurances for displaced persons who were sponsored by other displaced persons who had themselves just recently been admitted into the United States.

Displaced persons who are subversives, black-market racketeers, thugs, gangsters are brought here. As soon as one of them gets over here he makes application and says that he will take care of another displaced person. He gives assurances. He says, "Send him over here. I will look after him." The Displaced Persons Commission lets him get by with it. Oh, it is wonderful. It is wonderful.

In view of this system, Mr. President, is there any wonder that notwithstanding the rising tide of unemployment and notwithstanding the fact that over 2,000,000 of our own American citizens are doubled up in housing accommodations, the displaced persons have been pouring into this country at the rate of 15,000 a month?

Is there any wonder that thousands of displaced persons have been brought into this country as farmers, who had never seen a plow, and who shortly after their arrival leave the rural areas to congregate in the congested cities?

Is there any wonder that in the course of just the last several days representatives from two States that border on the District of Columbia came to Washington and protested before our subcommittee the lax administration?

Is there any wonder, Mr. President, that just recently the Governor of the great State of Maryland, who, like most of us, had done all in his power to cooperate in what was to be a great humanitarian cause, has been compelled, in the face of the facts, to publicly condemn the whole business?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JENNER. I yield to the Senator from Nebraska.

Mr. WHERRY. Did the Governor of Maryland come to the State Department, or to the Department of Justice, or to whatever subdivision has charge of the enforcement of the displaced-persons law, and protest over the way the law was being administered?

Mr. JENNER. I do not know whether the Governor did or not, but it would not have done him any good, even if he had.

During the delivery of Mr. JENNER's address the following occurred:

Mr. LANGER. Mr. President, will the Senator yield so that I may make an insertion in the RECORD?

Mr. JENNER. I shall be glad to yield, provided I do not prejudice my right to the floor.

Mr. LANGER. I ask unanimous consent to have printed in the body of the RECORD a news item dealing with the subject of displaced persons, particularly expellees from Polish-occupied eastern Germany. I ask that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The news release is as follows:

BONN, GERMANY.—The Allied High Commission ordered the west German federal government today to bar all but 25,000 of the 125,000 refugees being expelled from Polish-occupied eastern Germany.

The letter containing the instructions said information given by the Polish Government to the British Embassy in Warsaw indicates "That the Polish Government proposes to proceed with the expulsion to the Federal territory (west Germany) of the entire German population still remaining east of the Oder-Neisse line." This is the boundary line drawn by Russia, giving all east of it to Poland.

Officials in Berlin said yesterday that about 125,000 Germans remain, of the 8,000,000 who once lived there, and that 25,000 of these were to settle in the western zones, the remainder in the Russian zone. The high commission said there was not room in west Germany for more than the specified 25,000 and that to admit more would be to cause hardship and misery.

The 25,000 to be admitted are those which have relatives in the west willing and able to receive and support them.

The Polish purpose is to make the territory east of the Oder-Neisse line wholly Polish in population, language and culture.

RECESS

Mr. LANGER. Mr. President, I ask unanimous consent that without losing the floor the Senator from Indiana may yield to me to make a motion.

Mr. JENNER. If I do not lose the floor, I yield.

Mr. LANGER. I move that the Senate take a recess until 12 o'clock tomorrow.

Mr. JENNER. I yield for that motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota.

The motion was agreed to; and (at 3 o'clock and 9 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 7, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 6 (legislative day of February 22), 1950:

FEDERAL TRADE COMMISSION

Martin A. Hutchinson, of Virginia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1946, vice Ewin Lamar Davis, deceased.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 6, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who hast placed at our disposal the inexhaustible resources of Thy grace, guide us by Thy spirit in finding practical and promising ways of mediating to struggling humanity the Master's blessings of the more abundant life.

Deliver us from every selfish propensity and inspire us to labor faithfully for the welfare and happiness of all mankind.

Fortify us against those specters of fear which haunt us in our times of perplexity.

May our faith in the glorious triumph of the Christ and His kingdom never be eclipsed by doubt or cynical tempers of mind.

With a humble spirit and a contrite heart we present our petitions. Amen.

The Journal of the proceedings of Saturday, March 4, 1950, was read and approved.

EXTENSION OF REMARKS

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Buffalo CIO.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. PRICE asked and was given permission to extend his remarks in the RECORD and include an article from the Collinsville (Ill.) Herald.

VETERANS' ADMINISTRATION

Mr. TAURIELLO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TAURIELLO. Mr. Speaker, I am wondering how many Members of the House read in Friday's Times-Herald an article on the intent of the Veterans' Administration to fire 7,800 employees over the Nation. I ask at this time if the Veterans' Administration has made honest efforts to go to the real sources where the Veterans' Administration could save money, rather than pick on the poor stenographers and clerks, who are dependent for their livelihood on employment by the Veterans' Administration. I am sure that if an honest effort were made, they could find ways and means by going to the right sources to save hundreds of thousands of dollars in the affairs of the Veterans' Administration. In my opinion there are many sources they could put their finger on if they want to save money for the United States Government.

I am for economy and have supported all economy measures but it would seem to me that it should not be brought about at the expense of the little fellow all the time.

PERSONAL ANNOUNCEMENT

Mr. O'HARA of Illinois. Mr. Speaker, on Friday last, when my colleague the gentleman from Illinois [Mr. MACK] was unexpectedly called away on official business, he requested me to pair him as voting for the Alaska statehood bill. However, they had run out of pairs, so the RECORD does not show it. I make this statement so that the RECORD may be clear as to how the gentleman from Illinois would have voted had he been able to be here.

EXTENSION OF REMARKS

Mr. McCARTHY asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal.

Mr. KIRWAN asked and was given permission to extend his remarks in the RECORD and include an article from the Boston Star.

Mr. BARING asked and was given permission to extend his remarks in the RECORD.

Mr. STAGGERS asked and was given permission to extend his remarks in the RECORD and include a statement.

HENRY OUTEN COLE: A BUILDER OF THE PANAMA CANAL

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, on the 13th of last month, at his home in Morgantown, W. Va., within my congressional district, death came quietly and unexpectedly to one of the State's finest and most useful citizens, Harry Outen Cole. He was my friend and constituent, and I join all those who knew him in mourning his loss. To his surviving wife and daughter, and to others near him, are extended the assurances of our deepest sympathy.

In a life in which, as a highly competent and active engineer, he performed services of the highest character, perhaps his connection with the building of the Panama Canal claimed his greatest love and interest. It is, therefore, historically fitting that another distinguished figure in the construction of that great project, surviving member of the Isthmian Canal Commission—having charge of the work—and former

Governor of the Canal Zone, and afterward an able and effective Member of this body, as Representative from the Louisville district in Kentucky, should speak some words of eulogy touching the life and achievements of his long-time friend, this distinguished man whose departure we deplore. The fine tribute thus paid is herewith included as a part of these remarks, under leave granted. I may add that the stanza concluding the tribute is from Governor Thatcher's well-known poem, Builders of the Panama Canal.

THE LIFE, CHARACTER, AND DEEDS OF HARRY CUTEN COLE

(By Maurice H. Thatcher)

In the death of Harry Outen Cole, of Morgantown, W. Va., which occurred on the 13th of February 1950, another old-timer has passed into the Great Beyond. During the construction of the Panama Canal he was one of the outstanding engineers of that vast undertaking. From 1908 to 1914 he was engaged in the work of building the locks, dams, and other features of the Pacific division of the Canal set-up, from 1908 to 1912 as assistant resident engineer; and from 1912 to 1914 as resident engineer of the division, succeeding the late Sydney B. Williamson in that post, and thus serving until the work of the division was completed and the entire Canal job fiinshed.

It was my privilege to serve as a member of the Isthmian Canal Commission and head of the Department of the Civil Administration of the Canal Zone during the years 1910, 1911, 1912, and 1913. My headquarters and residence were in Ancon on the Pacific side. Throughout my Isthmian tenure I saw Harry Cole thus employed and I can bear witness to his faithful and highly efficient services. Skilled and widely experienced in his profession, in the full vigor of health and enthusiasm, of boundless energy, resourceful, tireless, and clear visioned, he performed his difficult tasks in superb fashion. He wrought enduringly. Whatever he did in the building of the great interocean link has stood the tests of time and use; and his name is imperishably written into the history of the Canal.

Those who were employed in this work of construction—in whatsoever branch—have been known as old-timers. Their ranks have been greatly depleted by the passage of the years. Perhaps less than a half dozen of the engineers of that period yet survive; and what is true of the engineers is largely true of every other group thus participating.

A native of West Virginia, Harry Cole—as we always called him—was born near Morgantown April 3, 1874, the son of Nimrod Cole and Sara Jane (Lough) Cole. In the schools of his State he received his education, graduating from the West Virginia State University in 1898, with the degrees of B. S. and C. E., and with membership in the Phi Kappa Sigma. He was married twice: first, in 1901, to Mabel Wilson, whose death occurred in 1921, and who was survived by their one child, a daughter, Catherine, yet living, and married. His second marriage was in 1929, to Margaret Buchanan, no issue resulting, and who survives him. He was draftsman and designer, 1898–1904; bridge designer for several railroad companies, 1904–08; designer, assistant resident engineer, and resident engineer, Pacific Division of the Panama Canal, from 1908 to 1914, as already stated. After completing his work on the Canal he rendered important service in Chile for the Chile Exploration Co. and Braden Copper Co. developments. From 1920 to 1945 he headed, as president, the Cole Bros. Construction Co., engaged in the building of highways, bridges, and other works, chiefly in West Virginia—in which activities he was greatly interested because of his ardent desire to serve the State of his nativity. Since 1945, up to the time of his death, he considered himself in retirement, though his concern for whatever affected the Panama Canal and West Virginia was deep and abiding. Among his varied services might be mentioned his membership on the National Panel of Arbitrators and the American Arbitration Association. He was, also, a life member of the American Society of Engineers, and was accounted one of the ablest members of that important organization. In addition he was a life member of several Masonic bodies, and had membership with the Elks, Kiwanis, and other fraternal groups.

All in all Harry Cole was one of the Nation's most eminent civil and construction engineers, and his work in the two American Continents—including that on the Isthmus of Panama—bears eloquent testimony of his skill and enterprise. Collectively, his achievements, constitute an outstanding and lasting monument to his memory. He was a man of character. In addition to his eminence in his chosen field, he was possessed of the finest qualities of forthrightness, courage, sound judgment, diligence, and simplicity; and he had an undoubted capacity for friendship. He never failed to measure up to whatever came to him in ths way of responsibility; and whatsoever he undertook, he accomplished with skill and dispatch. While the loyalty and affection for the Panama Canal, on the part of all its builders, have been proverbial, with him it was especially true. As regards the various important enterprises with which, in a long, full life, he had been connected, undoubtedly that of the construction of the Canal held first place in his heart of hearts. The difficult problems encountered and mastered in that work; the vast value and significance of the mightiest of all water-links, owned, maintained, and operated by the great country of which he was a son and citizen; and the fact that he was privileged to perform such an important role in such a vital enterprise, all united to create in him, in marked degree, the sentiment of attachment just named.

In all his domestic and public relationships his conduct was altogether praiseworthy. The world is immeasurably better for his life; and his example, professional and private, will serve to light the way of those who, in their day, strive to walk the ways that he knew. Unfailingly he bore a torch. Of optimistic spirit and outlook, he was ever active, and in apparent health until almost the moment of his death. His widow and those of his blood have the general sympathy; and they will find comfort in the memory of what he was, and did. The Nation is made poorer by his passing, but has been greatly enriched because of his achievements.

I know that I voice the sentiment of the surviving "old timers"—wherever they may be—in what I have thus said. All of us who knew him on the Isthmus, and were associated with him there, realize that they have lost a true and faithful friend. Of him, and of all those who there labored to bring to fruition one of the mightiest, noblest dreams of history, it may be well said that—

All were as one; and they strove and wrought
To shape the passage to the Ind;
In terms of life it was dearly brought;
In money, cheap. The ranks are thinned
By time and death; but the deed they did
Excels all others of like and kind;
Its strength and virtue cannot be hid:
It lives—all tongues and lands to bind.

SPECIAL ORDER GRANTED

Mr. CHRISTOPHER asked and was given permission to address the House for 10 minutes today, following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

EXTENSION OF REMARKS

Mr. GORE asked and was given permission to extend his remarks in the RECORD and include an article by Edward J. Meeman.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include an article from the Waterbury American.

WORKERS AT 65 EXCUSED FROM SOCIAL SECURITY PAYMENTS

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GOODWIN. Mr. Speaker, I am filing a bill to provide that an individual attaining the age of 65 and choosing to continue to work be relieved from taxes imposed by the Federal Insurance Contributions Act. If he has the courage to keep on working and relieve the Government of paying social-security benefits, he ought to be excused from further old-age security payments. Such legislation should not only result in economy in administration of the Social Security Act, but achieve for very many individual workers at 65 an added sense of dignity and high patriotic purpose. A companion bill is being filed in the other body by the senior Senator from New Hampshire [Mr. BRIDGES].

EXTENSION OF REMARKS

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the RECORD and include a very thought-provoking editorial from the February 24 issue of the Dayton Press, of Dayton, Ohio.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include a resolution of the Southern Illinois Fruit Growers Exchange.

VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include certain other material.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Veterans' Administration is planning to notify within a few days about 7,800 employees that their services are no longer required. About 3,000 of these employees are in services other than medical and deal with veterans' pensions, claims, insurance dividends, and other direct benefits, as well as a number who are in the so-called administrative services. The effect of the reduction of these 3,000 employees will be that veterans will have to wait longer to get the insurance, pensions and claims,

and other benefits to which the laws of this country have said they are entitled.

Serious as the loss of these employees is to the Veterans' Administration, an even greater problem is the loss of 4,800 employees from the entire medical program. About 1,800 of these employees are to be lost from regional-office outpatient medical clinics. The effect of this, of course, is to require veterans suffering from service-connected disabilities to wait longer for their care. It is impossible to predict the tragedies that can result if any individual needing medical care cannot be provided it promptly.

Also, I am completely at a loss to understand how the Medical Department can expect to withstand the loss of 3,000 employees from their hospitals, particularly when I am informed that this number will include doctors, nurses, technicians, and other personnel whom the Veterans' Administration has been trying desperately to recruit ever since the end of World War II. Not only will veterans admitted to these hospitals get a lesser type of care than the Department of Medicine and Surgery has been trying to give them, but it will undoubtedly be necessary to close beds, and the numbers of veterans waiting admission to hospitals will increase even further.

It is particularly difficult for me to understand this reduction in hospital employees coming at a time when the Veterans' Administration is opening new hospitals. The Veterans' Administration has up to now been striving ceaselessly to find the doctors, nurses, and other skilled technicians they need to give proper care to veterans. These people who are in demand everywhere do not lightly give up their places in private practice to enter Government service, and any action such as this, which results in their services being terminated on short notice at a time when it is obvious to everyone that they are needed more than ever if the new hospitals are to be staffed, will not only result in their being lost forever to the Veterans' Administration but will prevent other people who might have been considering joining the Department of Medicine and Surgery from ever doing so.

Not only does the Veterans' Administration now have beds already built which are closed because of lack of personnel but new hospitals are being completed at frequent intervals, and it seems to me that an action as ill-advised as this one will result in these beds on which millions of dollars have been spent being a total loss forever because of the lack of staff. This is an even greater tragedy when we remember that even now veterans are daily seeking care from the Veterans' Administration and are being denied it because beds are not available for them.

I cannot believe that the economy of this country, which every day sends millions of dollars overseas, will suffer one bit if the comparatively few dollars necessary to open these empty beds and new hospitals, and to provide the staff needed to give good medical care to our veterans is spent for this purpose.

EQUAL RIGHTS FOR MEN AND WOMEN

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, I have placed on the desk discharge petition 26 which I hope 218 Members will sign.

This petition would discharge the Committee on the Judiciary from any further consideration of House Joint Resolution 68, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

I am satisfied that as this amendment to the Constitution is simply one more step along the slow but inevitable road of human progress it will eventually become a part of our law.

Mr. Speaker, you are going to hear exactly the same arguments against this amendment as were heard 25 years ago against woman suffrage. The same privileged groups are saying the same things and to hear them you would think the world would come to an end as far as any courtesy or fairness to women is concerned.

One distinguished Member of the other body has even suggested that if the amendment is adopted rape will no longer be a crime, but will become the order of the day. Mr. Speaker, I think this distinguished gentleman has been carried away by his own enthusiasm. I take a more moderate view. I think this amendment is simple and just and will not make crime right, nor, we hope, turn women into men.

Every modern constitution and the UN give all persons equality regardless of race creed, color, or sex, and if our Constitution had been written in the last 25 years we undoubtedly would have had that same wording.

As it seems impossible to get the amendment to the floor of the House save through a discharge petition, I have finally had to resort to this method.

I earnestly entreat you all to help bring House Joint Resolution 68 to the floor for debate. It has been in both major platforms since 1944, was first in the Republican platform in 1940 and was in the Republican, Democratic, and Progressive platforms in 1948.

The SPEAKER. The time of the gentlewoman from New York has expired.

EXTENSION OF REMARKS

Mr. GOLDEN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD and include an address by one of his constituents.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a letter and an editorial.

THE VETERANS' ADMINISTRATION

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, I read that article in the newspaper about the Veterans' Administration proposing to cut off some 7,800 employees. I approve that action on the part of the Veterans' Administration because of the amount of dead timber that is employed in the Veterans' Administration. I figured it out to mean that there would be some $23,000,000 saved to apply to the needs of the veterans themselves, instead of to employees of the Veterans' Administration. The amount we appropriate for the Veterans' Administration should go as directly as possible into the hands of the veterans themselves, because that is what the Veterans' Administration is for. It is not for the employees of the Veterans' Administration.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from New York [Mr. TAURIELLO], a Democrat, and the lady from Massachusetts [Mrs. ROGERS], a Republican, both complain this morning because General Gray, who I assume saw some service and I assume is a friend of the veteran, evidently, in the interest of economy and efficiency, and to save some money which eventually will be used for veterans benefits, thought he could dispense with some employees in the Veterans' Administration, because he cut some off the pay roll. The gentleman from New York said there were many ways where we could economize in the Administration but he did not name any of them. As far as I heard, neither did the lady from Massachusetts. I assume that both Members like everybody wants over-all economy but never is for economy when an attempt is made to practice it. If we could and if we did pass a law which would prevent the Devil and all of his helpers from shoveling coal in hell, somebody would get up here and yell against it. The argument would be that the Devil and all his helpers would be out of a job. How can we ever get economy if we always vote against any attempt to bring it about?

The SPEAKER. The time of the gentleman from Michigan has expired.

SPECIAL ORDER GRANTED

By unanimous consent permission was granted to Mr. PLUMLEY to address the House for 20 minutes on Wednesday, March 8, after the legislative business of the day.

EQUAL RIGHTS FOR MEN AND WOMEN

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I rise to support the gentlewoman from New York in raising my voice in behalf of the women of America. I trust that the discharge petition for the equal-rights resolution will receive the required 218 signatures. But when the resolution reaches the House, should the discharge petition prevail, I shall support the Senate amendment which provides that there shall not be under the Equal Rights Act any impairment of any rights, benefits, or exemptions conferred by law upon the persons of the female sex. With this amendment I am informed the equal-rights resolution will meet objections which otherwise might be raised by the workingwomen in the ranks of organized labor. I have had for too long a time, and with too great an ardor, interest in and concern for the welfare of the workingwomen of America not to be mindful that protection must always be taken to prevent any impairment of the hard-acquired benefits that have come to workingwomen in their long climb upward. I am for the equal-rights resolution, so amended, as well as the equal-status resolution, so amended, because not to give my full and sincere support would be to act inconsistently with the pattern of my public life. As a young man, when women's suffrage was what seemed to be a lost cause, I presented my candidacy for high office on a platform which contained a woman's suffrage plank. A few months thereafter, when the partial Equal Suffrage Act was before the State Senate of Illinois, over which I was privileged to preside, I am happy to say that I was not without influence in the final vote by which the bill was passed by a majority of one vote. The enactment of that partial suffrage act in Illinois in 1913 gave a tremendous lift to the fight for full suffrage.

EXTENSION OF REMARKS

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. BARTLETT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the New York Times.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, and I do not intend to, this measure has been on the Consent Calendar since June of 1949. It would require the expenditure of a greater sum of money than we normally allow in a bill on the Consent Calendar. It is a measure, however, which if it came to the floor under a rule or under suspension of the rules would receive overwhelming support. It has been on the Consent Calendar long enough for every Member to be fully informed of its contents.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

MUSEUM AT KLUKWAN, ALASKA

The Clerk called the bill (H. R. 2012) to authorize the erection and operation of a museum at Klukwan, Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD, Mr. CUNNINGHAM, and Mr. BYRNES of Wisconsin objected.

NATIONAL CEMETERY, FORT LOGAN, COLO.

The Clerk called the bill (H. R. 4548) to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if the chairman of the committee is here. I had some correspondence with him with regard to amendments and the substitution of a bill in this instance.

Mr. PETERSON. Yes; the committee has met and has agreed to an amendment which will make the House bill conform to the Senate bill, which has already been passed, to reduce the acreage from 640 to 160. This reduces the cost materially. The land is already owned by the Government.

When the House bill passes, it is our intention to ask that a similar Senate bill be substituted.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That when the Secretary of the Army determines that there is need for an additional cemetery or cemeteries for the burial of members of the armed forces of the United States dying in the service or former members whose last discharge therefrom was honorable and certain other persons as provided for by law, he is authorized to utilize such of the federally owned lands under the jurisdiction of the Department of the Army at Fort Logan, Colo., as are not needed for military purposes for the establishment thereon of a national cemetery.

SEC. 2. Upon the selection by the Secretary of the Army of any lands, as provided in section 1 hereof, he is authorized and directed to establish thereon a national cemetery and to provide for the care and maintenance of such cemetery. No national cemetery established pursuant to this act shall have an area in excess of 640 acres.

SEC. 3. The Secretary of the Army is authorized to prescribe such regulations as he may deem necessary for the administration of this act.

SEC. 4. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry into effect the purposes of this act.

Mr. ASPINALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: On page 2, line 8, strike out "640" and insert "160."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2364) to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo., which is identical with the House bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That when the Secretary of the Army determines that there is need for an additional cemetery or cemeteries for the burial of members of the armed forces of the United States dying in the service or former members whose last discharge therefrom was honorable and certain other persons as provided for by law, he is authorized to utilize such of the federally owned lands under the jurisdiction of the Department of the Army at Fort Logan, Colo., as are not needed for military purposes for the establishment thereon of a national cemetery.

SEC. 2. Upon the selection by the Secretary of the Army of any lands, as provided in section 1 hereof, he is authorized and directed to establish thereon a national cemetery and to provide for the care and maintenance of such cemetery. No national cemetery established pursuant to this act shall have an area in excess of 160 acres.

SEC. 3 The Secretary of the Army is authorized to prescribe such regulations as he may deem necessary for the administration of this act.

SEC. 4. There are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated such sums as may be necessary to carry into effect the purposes of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the proceedings whereby the bill (H. R. 4548) to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo., was passed were vacated, and that bill was laid on the table.

PUBLIC AIRPORTS SERVING NATIONAL PARKS, NATIONAL MONUMENTS, AND NATIONAL RECREATION AREAS

The Clerk called the bill (S. 1283) to authorize the Secretary of the Interior

to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

FOREST RECREATIONAL RESOURCES

The Clerk called the bill (H. R. 2419) relating to the disposition of moneys received from the national forests.

Mr. TACKETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TACKETT. Mr. Speaker, this bill has been on the Consent Calendar since away back in midsession last year. If we can ever get a roll call on the bill it will pass; there is no question in anyone's mind about that. If there is going to be continuous objection to it, being a new Member of Congress I do not know how to get the bill on the floor of the House.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I feel about the bill as the gentleman does, but the whole trouble is it should not have been placed on the Consent Calendar in the first place. But that is not the gentleman's fault or the fault of Members of the objector's committee.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Mississippi.

Mr. RANKIN. Just keep objecting to dispensing with Calendar Wednesday business and the next time the Committee on Agriculture is called on Calendar Wednesday it can call the bill up and pass it.

Mr. TACKETT. Mr. Speaker, I ask unanimous consent that the bill be removed from the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CONSTRUCTION OF CERTAIN VETERANS' ADMINISTRATION HOSPITALS

The Clerk called the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SETTLEMENT OF CERTAIN PARTS OF ALASKA BY WAR VETERANS

The Clerk called the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans.

Mr. LEMKE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

ALASKA AIRPORTS

The Clerk called the bill (S. 2436) to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 10 of the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska," approved May 28, 1948, (Public Law 562, 80th Cong.), is amended by striking out the figures "$13,000,000" and inserting in lieu thereof the figures "$17,000,000."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDUCATION OR TRAINING OF VETERANS

The Clerk called the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944).

Mr. TRIMBLE. Mr. Speaker, I understand a rule has been granted on this bill. I therefore ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CIVIL GOVERNMENT FOR GUAM

The Clerk called the bill (H. R. 4499) to provide a civil government for Guam, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, this bill is entirely too controversial to be on the Consent Calendar, therefore I object.

EXTENDING CERTAIN VETERANS' BENEFITS

The Clerk called the bill (H. R. 6561) to extend certain veterans' benefits to or on behalf of dependent husbands and widowers of female veterans.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDING SUBSECTION (C) OF SECTION 19 OF THE IMMIGRATION ACT OF 1917

The Clerk called the bill (H. R. 4684) to amend subsection (c) of section 19 of the Immigration Act of 1917 and subsection (a) of section 338 of the Nationality Act of 1940.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. WALTER. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (c) of section 19 of the Immigration Act of 1917, as amended (54 Stat. 671, 56 Stat. 1044, Public Law 863, 80th Cong.; 8 U. S. C. 155 (c)), is further amended by adding at the end of that subsection the following: "If at any time within 5 years following termination of the session of the Congress during which cancellation of deportation proceedings was authorized as provided in this subsection it appears to the satisfaction of the Attorney General, upon the basis of after discovered evidence, that the alien was not in fact eligible under this subsection for suspension of deportation, the Attorney General shall cancel the order suspending deportation (and the record of the alien's admission for permanent residence, if such record was made) and may thereafter proceed against the alien as if suspension of deportation had not previously been ordered. The Secretary of State shall remove the charge, if any, previously made against the quota for the country of the alien's nationality, but no refund of the fee of $18 prescribed herein may be made."

SEC. 2. That subsection (a) of section 338 of the Nationality Act of 1940 (54 Stat. 1158; 8 U. S. C. 738 (a)), is hereby amended by inserting the following language before the period at the end thereof: "or on the ground that the order of the Attorney General suspending deportation pursuant to the provisions of section 19 (c) of the Immigration Act of 1917 as amended (56 Stat. 1044; 8 U. S. C. 155 (c)) has been canceled."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND SECTION 81 OF THE NATIONAL DEFENSE ACT

The Clerk called the bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second sentence of the second paragraph of section 81, National Defense Act (48 Stat. 159), as amended, be amended to read as follows:

"The President may also order, with their consent, to active duty in the National Guard Bureau, officers who at the time of their initial assignments hold appointments in the National Guard of the United States, and all such National Guard of the United States officers while so assigned shall receive the pay and allowances provided by law: *Provided*, That the number of the National Guard of the United States officers below the grade of General Officer ordered to such duty shall not exceed 40 percent of the number of officers authorized in each grade for duty in that Bureau."

With the following committee amendments:

On page 1, line 9, following the words "National Guard of the United States", insert "or the Air National Guard of the United States."

On page 2, line 1, after the words "United States", insert "and Air National Guard of the United States."

On page 2, line 4, after the word "States", insert the words "and Air National Guard of the United States."

On page 2, line 6, following the word "officers", insert "of their respective services."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States and the Air National Guard of the United States on active duty in the National Guard Bureau."

A motion to reconsider was laid on the table.

LANDS IN TRUST FOR STOCKBRIDGE-MUNSEE COMMUNITY, INC.

The Clerk called the bill (H. R. 3843) to declare that the United States holds certain lands in trust for the Stockbridge-Munsee Community, Inc., of the State of Wisconsin.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DONDERO. Mr. Speaker, reserving the right to object, will the author of the bill or some one on the committee explain what this bill proposes?

Mr. MORRIS. Mr. Speaker, if the gentleman will yield, I will say that this proposed legislation is like what lawyers usually refer to when a lawsuit of similar nature is involved as a suit to quiet title. The land involved here is already being used by the Indians. It was purchased for their use and benefit originally, but technically title has just never been taken by the United States Government in trust for them, and this bill seeks to do that.

Mr. DONDERO. It is the title under which this property is held that deceives a number of the Members, because it does not even indicate that it is Indian land.

Mr. MORRIS. May I make this statement, and I am reading now from the report:

No expenditure of Federal funds is required under this legislation. The land originally was obtained by the Federal Government in the 1930's when emergency funds were made available to purchase certain lands for Indian use. The acreage covered by H. R. 3843 was acquired with the aim of contributing to the rehabilitation of the Stockbridge Indians, of properly utilizing the land, and of eliminating potential forest-fire hazards and soil erosion. Only a small part of the land is suitable for farming or grazing.

Mr. DONDERO. And this will be beneficial to the Indians?

Mr. MORRIS. Yes, sir; and I thank the distinguished gentleman for his contribution.

Mr. DONDERO. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title to the lands and interest in lands, together with the improvements thereon and proceeds from rents and sales therefrom, which have been acquired by the United States under authority of title 11 of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), and subsequent acts, lying and situated within the Stockbridge-Munsee Indian Reservation, Wis., administrative jurisdiction over which has heretofore been transferred by the President from the Secretary of Agriculture to the Secretary of the Interior by Executive Order No. 7868, dated April 15, 1938, is hereby declared to be held in trust by the United States of America for the use and benefit of the Stockbridge-Munsee Community, Inc., of the State of Wisconsin, and the Secretary of the Interior is hereby authorized to proclaim such lands as an addition to the Stockbridge-Munsee Indian Reservation.

With the following committee amendments:

Page 1, line 4, strike out the following words: "and proceeds from rents and sales."

Page 1, line 5, strike out the word "therefrom,".

Page 2, line 8, strike out the period and insert in lieu thereof a comma and add the following: "and may, in his discretion, with the consent of the governing body of the Stockbridge-Munsee Community, Inc., make such allotments as deemed advisable."

Page 2, add a new section II to read as follows:

"Any proceeds from rents and sales heretofore or hereafter received from such land shall be available to the community for use and expenditure in accordance with the charter and constitution of such community."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS FOR PAYMENT OF CERTAIN POSTAL NOTES

The Clerk called the bill (H. R. 6475) to amend the Postal Rate Revision and Federal Employees Salary Act of 1948 to provide for the consideration of claims for the payment of certain postal notes filed later than 1 year from the last day of the month of issue.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the proviso in section 207 (b) of the Postal Rate Revision and Federal Employees Salary Act of 1948 is amended to read as follows: "*Provided*, That no claim for the amount of a postal note which is filed later than 1 year from the last day of the month of issue will be considered unless the original postal note is presented with such claim and no duplicate postal note has been issued therefor."

SEC. 2. The amendment made by the first section of this act shall take effect as of January 1, 1949.

With the following committee amendment:

Page 1, line 3, strike out the word "in" and insert "contained in the first sentence."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMISSIONED OFFICERS TO ADMINISTER CERTAIN OATHS

The Clerk called the bill (H. R. 6171) to authorize commissioned officers of the Army, Navy, Air Force, and Marine Corps to administer certain oaths, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any commissioned officer of any component of the Army of the United States, the United States Navy, and Marine Corps (including the reserve components thereof), or any component of the Air Force of the United States, whether or not on active duty, is hereby authorized to administer the oath required for the enlistment of any person, the oath required for the appointment of any person to commissioned or warrant officer grade, and any other oath required by law in connection with the enlistment or appointment of any person in any of the aforesaid services.

SEC. 2. Any officer of the United States Navy and Marine Corps, including the reserve components thereof, who shall have subscribed to the oath of office required by section 1757, Revised Statutes, shall not be required to renew such oath or to take a new oath upon his promotion to a higher grade if his service after taking such oath shall have been continuous.

SEC. 3. The act of July 24, 1941 (55 Stat. 603), as amended, is hereby further amended by adding at the end thereof the following new section:

"SEC. 12. Personnel temporarily appointed pursuant to this act shall be entitled to the pay and allowances of the grade to which so appointed from the dates on which such appointments are made by the President, and their appointments, unless expressly declined, shall be regarded for all purposes as having been accepted on the date made, without formal acceptance or oath of office."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVISE TITLE 18, UNITED STATES CODE

The Clerk called the bill (H. R. 6480) to revise title 18, United States Code, entitled "Crimes and Criminal Procedure."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title 18, United States Code, is amended by inserting immediately following section 709 of such title, a new section, to be designated as section 710, as follows:

"SEC. 710. Cremation urns for military use.

"Whoever knowingly uses, manufactures, or sells any cremation urn of a design approved by the Secretary of Defense for use to retain the cremated remains of deceased members of the armed forces or an urn which is a colorable imitation of the approved design, except when authorized under regulation made pursuant to law, shall be fined not more than $250 or imprisoned for not more than 6 months, or both."

With the following committee amendment.

Beginning on page 1, line 7, delete the entire section, ending on page 2, line 3, and substitute the following:

"Whoever uses, manufactures, or sells any cremation urn of the design approved by the Secretary of Defense or any cremation urn which is a colorable imitation of the approved design, after publication in the Federal Register and except when authorized under regulations made pursuant to law, shall be fined not more than $250 or imprisoned for not more than 6 months, or both."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE WASHINGTON CARVER NATIONAL MONUMENT

The Clerk called the bill (H. R. 7302) to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to permit the acquisition of the necessary land for establishment of the George Washington Carver National Monument, section 4 of the act of July 14, 1943 (57 Stat. 563), is hereby amended to read as follows:

"SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act, including an amount not to exceed $80,000 to be used in payment for land to be acquired pursuant to this act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARKETING OF PERISHABLE AGRICULTURAL COMMODITIES

The Clerk called the bill (H. R. 5511) to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

Mr. RICH. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

VETERANS' ADMINISTRATION

The Clerk called the bill (S. 2541) to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as amended, to extend the period for which employees may be detailed for training and research, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, Mr. Speaker, what does this bill do?

Mr. RANKIN. This bill extends from 90 to 280 days the length of time during which the Veterans' Administration medical employees may be detailed for medical research and training in medical institutions. It is requested by the Veterans' Administration. The committee believes it will improve the professional skill of the Veterans' Administration medical employees. There is no additional cost for the year 1950.

Mr. RICH. Does this have the unanimous report of the committee?

Mr. RANKIN. Yes.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. This bill is in the interest of greater efficiency among the doctors of the Veterans' Administration by enabling better training and the establishment of a career service. Is my understanding, in general, correct?

Mr. RANKIN. That is right.

Mr. McCORMACK. I have studied it very closely. It is a most desirable bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 13 (b) (1) of the act of January 3, 1946, as amended (59 Stat. 678; 38 U. S. C. 151), is amended to read as follows:

"(b) (1) The Administrator is authorized to place in schools of the Army, Navy, and Public Health Service, and in civil institutions of learning, with the consent of the authorities concerned, full-time professional, technical, and medical administrative employees of outstanding ability employed in the Department of Medicine and Surgery, other than temporary employees appointed under section 14 (a) of this act, on duty for a period not to exceed 280 days in a year, for the purpose of increasing their professional knowledge or technical training in fields of medical education, research, and related sciences and occupations or their proficiency in medical administrative techniques and which will materially contribute to the medical care and treatment of veterans and the more effective functioning of the Department of Medicine and Surgery: *Provided*, That the number of any one class of employees placed upon such duty at any one time shall not exceed 5 percent of full-time personnel of such class employed in the Department: *And provided further*, That no full-time employee with less than 2 years of experience in the service of the Veterans' Administration shall be placed upon such duty for a full academic year or the equivalent thereof."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTINUANCE OF VETERANS' ADMINISTRATION OFFICE IN THE REPUBLIC OF THE PHILIPPINES

The Clerk called the bill (H. R. 6632) to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Reserving the right to object, Mr. Speaker, I can certainly see the need at the present time for maintaining a Veterans' Administration office in the Philippines, even though the Philippines are independent, but I wonder as to the feasibility of establishing a policy of maintaining an office there indefinitely. Previous to this time we have had an expiration date in the law, so that when that date was reached the office would have to be abandoned and the activities turned over to the State Department, as is done in other countries. I wonder if the chairman of the committee can tell me if there is any good reason for the committee amendment to this bill which would strike out the condition presently in the bill that we would maintain this office only until June 30, 1952, and then have another look at it.

Mr. RANKIN. I introduced this bill at the request of the Veterans' Administration, but I had a provision in there that it was to extend only until June 30, 1952.

Someone in the committee offered an amendment to strike that provision out. As far as I am individually concerned, and speaking for myself only, I would prefer it out and I do not think there would be any particular objection if you want to vote down that amendment and just leave it 1952.

Mr. WHEELER. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. WHEELER. The reason the date was stricken is that with the July 25, 1951, dead-line date on certain phases of education and training of the so-called GI bill, assuming that a veteran entered training with 3 years of entitlement immediately prior to the July 25, 1951, date, he would still be training and require instruction as of the date that was in the bill originally. For that reason, and for the further reason that this has come up time and time again we, in the committee, decided it would probably be best to strike the date and leave it up to the Administrator of Veterans' Affairs as to when he thought the activities of the Veterans' Administration in the Philippines should cease.

Personally I have no objection. I served as chairman of the subcommittee which held hearings on the bill. I have no objection to leaving the date in the bill except that next year and the year after next you will be faced with the same problem again.

Mr. BYRNES of Wisconsin. In other words there would be no objection if the House should turn down the committee amendment which is being offered as part of the bill.

Mr. WHEELER. Certainly not, but the only thing I would say to that point is that you would be faced with the same problem 2 years from now.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. CUNNINGHAM. May I ask either the gentleman from Georgia or the gentleman from Mississippi a question about the bill. According to my information the Bureau of the Budget has no objection to it for the reason that it would not cost the United States Government any money. Certainly it costs some government some money. Who pays for it, the government of the Philippines or the United States Government?

Mr. WHEELER. Actually, part of the expense is borne by the Republic of the Philippines. The administration of the office itself and the various facilities that are administered by the Veterans' Administration is actually administered from Washington as all other regional offices are.

Mr. CUNNINGHAM. Then it would actually cost the taxpayers of the United States some money.

Mr. WHEELER. Some money, yes.

Mr. CUNNINGHAM. Does the gentleman from Georgia have any idea how much?

Mr. WHEELER. I do not have any figures on that.

Mr. RANKIN. It would cost no more than it is costing now.

Mr. CUNNINGHAM. Does the gentleman from Mississippi know how much it is costing now?

Mr. RANKIN. It would not cost any additional money.

Mr. WHEELER. It would not cost any additional money.

Mr. BYRNES of Wisconsin. As I understand, the State Department would have to operate a similar office, if it was not done by the Veterans' Administration; so, in reality, it is going to cost money no matter what department

operates it. The only thing that occurred to me was that the Congress ought to take another look at it in another couple of years or 4 years, or after some specific period of time to determine whether or not we should continue to have an office of the Veterans' Administration in this independent republic.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. KEARNEY. Following the statement of the gentleman from Georgia [Mr. WHEELER], may I say that I served on the subcommittee with the gentleman, and the only reason for the recommendation by the subcommittee to change the original bill as introduced by the chairman, the gentleman from Mississippi [Mr. RANKIN], was the fact that we would only be coming back here in another 2 years to ask that the law be extended for two more years. For that reason we thought it might be a better policy to allow the office to fall within the discretion of the Veterans' Administrator. But none of us have any objection to going back to the original bill.

Mr. BYRNES of Wisconsin. Would the gentleman agree to a substitute which, instead of making it expire in 1952, would make it expire in 1954? Then we would have a look at it at that time instead of in the shorter period.

Mr. RANKIN. That would be all right with us.

Mr. KEARNEY. Yes; that would be all right.

Mr. BYRNES of Wisconsin. Under those circumstances, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 14, 1947, as amended (38 U. S. C. 693a note), is hereby amended to read as follows:

"That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a), to establish and continue regional offices, suboffices, contact units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary, but in no event after June 30, 1952."

With the following committee amendment:

Page 2, line 3, strike out the comma after the word "necessary" and insert a period. Strike out the remainder of line 3 and all of line 4.

Mr. BYRNES of Wisconsin. Mr. Speaker, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin as a substitute for the committee amendment:

Page 2, line 3, after the word "necessary", insert a comma and the words "but in no event after June 30, 1954."

The substitute amendment was agreed to.

The committee amendment, as amended by the substitute, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIFORM PENSIONS FOR SPANISH-AMERICAN WAR VETERANS

The Clerk called the bill (H. R. 6374) to liberalize the service pension laws relating to veterans of the war with Spain, the Philippine Insurrection, or the Boxer Rebellion, and their dependents.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, I would like to inquire what is the necessity for this bill and its purpose.

Mr. RANKIN. The gentleman from Tennessee [Mr. EVINS] was chairman of the subcommittee that conducted the hearings on this measure. The present rates are $60, $78, $90, and $120 for the 15 rates of pension which now apply to veterans of the Spanish War. Some 1,800 veterans now on the rolls would benefit by this bill, plus 180 dependents, and the cost would be $530,000 for the first year, which is expected to be the peak.

Mr. COLE of New York. This bill applies only to Spanish War veterans who are now eligible for pensions?

Mr. RANKIN. That is right.

Mr. COLE of New York. It does not enlarge eligibility of Spanish War veterans?

Mr. RANKIN. No.

Mr. COLE of New York. It is in that connection I should like to make inquiry. As I understand, the present law specifies that the minimum period of 90 days, which makes a veteran eligible to apply for a pension, must have occurred entirely prior to the end of hostilities, which is not the same type of minimum formula that is applied to World War I and World War II veterans.

I would like to inquire if this bill changes the 90-day period in any instance.

Mr. RANKIN. We use the same formula that applies to World War I and World War II veterans today. These old men are all above an average age of 74 years and they are dying very rapidly.

Mr. COLE of New York. My argument is that with respect to Spanish War veterans the minimum 90-day period must have occurred prior to the suspension of hostilities. That is not true with respect to World War I and II veterans.

Mr. RANKIN. That is correct.

Mr. COLE of New York. I cannot understand why a person who volunteered for service and went to the Philippines and engaged in combat for 60 days is denied a pension even though he may have served much longer than the 90-day minimum period.

Mr. RANKIN. This bill corrects that. That is what it is for. That is one of the objects of the bill.

Mr. COLE of New York. That is why I raised the question, but the gentleman said it did not change the eligibility of Spanish War veterans with respect to pensions.

Mr. RANKIN. Let me say to the gentleman from New York that when I was chairman of the Veterans' Committee before, we did not have jurisdiction of Spanish War pensions. That was under the Pensions Committee until the reorganization bill was passed. So this is the first time that the committee over which I preside has had an opportunity to go into this proposition and correct what we think is an injustice to these old men.

Mr. COLE of New York. Can the gentleman tell us what this bill does with respect to the time when the 90-day minimum period must have occurred in order for the veteran to be eligible for a pension.

Mr. RANKIN. We take the 90-day period, the same as for World War II veterans, which would take it up to the point where war was ended by Congress.

Mr. COLE of New York. Then do I understand this bill would make eligible for pension a Spanish-American War veteran who had served a period of 90 days, even though a part of that 90 days might have occurred after the cessation of the war?

Mr. RANKIN. That is right.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in determining eligibility to service pension for veterans of the war with Spain, the Philippine Insurrection, or the Boxer Rebellion, and dependents of such veterans, which are payable under the laws reenacted by the act of August 13, 1935 (49 Stat. 614; 38 U. S. C. 368, 369), or under acts amendatory or supplemental to such laws, the following additional rules shall obtain:

(a) The delimiting dates of the war with Spain, the Philippine Insurrection, or the Boxer Rebellion shall be from April 26, 1898, to July 4, 1902, inclusive: *Provided*, That if the person was serving with the United States military forces engaged in the hostilities in the Moro Province the period herein stated shall extend to July 15, 1903.

(b) In computing active service there shall be counted continuous active service which commenced prior to and extended into the applicable period specified in (a) hereof or which commenced within such applicable period.

(c) A discharge or release from active service under conditions other than dishonorable shall be a prerequisite to entitlement to service pension.

SEC. 2. The minimum monthly rates of pension payable to veterans by virtue of the laws referred to in section 1 as modified by this act shall be $90 in cases where the veterans served 90 days or more or was discharged for disability incurred in service in line of duty unless such veteran is now or hereafter becomes on account of age or physical or mental disabilities, helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, the monthly rate shall be $120; and $60 in cases where the veteran served 70 days or more unless such veteran is now or hereafter becomes on account of age or physical or mental disabilities, helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, the monthly rate shall be $78.

SEC. 3. Except as provided in section 4 hereof, where eligibility for pension or increase of pension is established by virtue of this act, pension shall be paid from date of receipt of application therefor in the Veterans' Administration, but in no event prior to the first day of the second calendar month following the enactment of this act: *Provided,* That payment of death pension may be made from date of death of a veteran where claim therefor is filed within one year after date of death of the veteran, but no payment shall cover a period prior to the first day of the second calendar month following the enactment of this act.

SEC. 4. All persons receiving pensions on the day prior to the effective date of this act under the laws referred to in sections 1 and 5 of this act shall, effective the first day of the second calendar month following the enactment of this act, receive the benefits of this act without the necessity of filing a claim therefor.

SEC. 5. Subparagraphs I (g), I (h), and III (a) of part III, Veterans Regulation Numbered 1 (a), as amended (38 U. S. C., ch. 12), are hereby repealed: *Provided,* That in the event any person receiving pension on the day prior to the effective date of this act under the provisions of any of the laws mentioned in this section is not entitled to receive a higher rate of pension by reason of the enactment of this act, pension shall continue to be paid to such person under such laws.

SEC. 6. The provisions of this act shall be effective the first day of the second calendar month following its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEDUCTIONS BY LAND-GRANT COLLEGES IN CERTAIN ESTIMATES OF COST PRESENTED TO THE VETERANS' ADMINISTRATION

The Clerk called the bill (H. R. 7057) to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KARSTEN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. RANKIN. I hope the gentleman will not do that.

Mr. KARSTEN. I would like an opportunity to study this bill. I do not know what it contains. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDMENT OF VETERANS REGULATIONS REGARDING PRESUMPTION OF SERVICE CONNECTION FOR ACTIVE PULMONARY TUBERCULOSIS

The Clerk called the bill (H. R. 7440) to amend Veterans Regulations to establish for persons who served in the armed forces during World II a further presumption of service-connection for active pulmonary tuberculosis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subparagraph (c) of paragraph I, part I, Veterans Regulation No. 1 (a), as amended, is hereby amended by adding after the words "tuberculosis, active", the following: "(other than pulmonary)"; and by adding after the words "may add to this list:", the following: *"Provided further,* That active pulmonary tuberculosis developing a 10 percent degree of disability or more within 3 years from the date of separation from active service, shall, in the absence of affirmative evidence to the contrary, be deemed to have been incurred in or aggravated by active service:".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN INDIAN LANDS IN UTAH

Mr. MORRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 576) to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Uintah and Ouray Tribal Business Committee of the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah for and on behalf of said tribe is hereby authorized, subject to the approval of the Secretary of the Interior or his authorized representative, to sell and convey to any purchaser deemed satisfactory to said committee any of the lands of said tribe situated within the town-site limits of Duchesne, Randlett, and Myton, Utah, and any of the following-described lands situated adjacent to the town site of Myton, Utah, to wit, the north half of the northwest quarter of section 29; lot 1 and the northeast quarter of the northwest quarter and the northeast quarter of section 30; the southwest quarter of the southwest quarter or lot 4 of section 19, of township 3 south, range 1 west, of the Uintah special meridian. Title shall be conveyed by issuance of patent in fee to the purchaser where approved surveys have been made and, in the absence of such surveys, by deed signed by the chairman and the secretary of said committee and approved by the Secretary of the Interior or his authorized representative.

All such sales shall be made upon such terms as said committee shall deem satisfactory and may be made pursuant to bids or at private sale and all funds derived from such sales shall be subject to disposition of said tribe.

Mr. MORRIS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS: On page 2, after the last word in the Senate bill, insert "Consent of tribal business committee, sale or other disposal of the lands herein described shall relieve the United States of any claim or liability caused by such sale or other disposition."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. COUDERT (at the request of Mrs. ST. GEORGE) was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

STATEHOOD FOR HAWAII

Mr. PETERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 49, with Mr. HARDY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, March 3, the gentleman from Florida [Mr. PETERSON] had remaining 57 minutes and the gentleman from Michigan [Mr. CRAWFORD] 55.

Mr. PETERSON. Mr. Chairman, I yield to the gentleman from Louisiana [Mr. LARCADE] 13 minutes.

Mr. LARCADE. Mr. Chairman, the Congress of the United States has heretofore taken into consideration certain factors in determining the readiness of a Territory for statehood. Among these are the area of the Territory, its population, its economic resources and state of development, and the ability of its people to maintain stable and orderly government.

Three very complete and thorough investigations of Hawaii's readiness for statehood have been made in the past 12 years by our Congress. It is my firm belief and conviction that these investigations show without a doubt that the Territory of Hawaii fully meets, and in most instances, far surpasses the requirements for statehood heretofore exacted of Territories.

The first congressional Committee on the Territories to hold hearings in Hawaii on the question of admitting Hawaii to statehood traveled to the islands in October 1935. The six members of the committee visited various parts of the Territory and endeavored to obtain the views of its residents in regard to the question of statehood.

The committee made a thorough investigation and study of all phases of the question of statehood for Hawaii. Exhaustive hearings were held on all of the five principal islands. Two members of the committee remained in Honolulu after the formal hearings had been completed, and made individual research into the subject.

In all, there were 105 witnesses heard; 90 of these witnesses testified in favor of changing from a Territorial status to that of a State.

The committee reported:

The Territory of Hawaii to be a modern unit of the American Commonwealth, with a political, social, and economic structure of the highest type.

Its educational program is an advanced one, with a large proportion of the tax dollar being spent for the training of its youth. Even during the period of the depression this program was neither relaxed nor reduced, and its school facilities compare favorably with those of the most advanced States.

Hawaii's economic standards are high, with an industrial and agricultural development forming a sound basis for the continued growth of the Territory.

Nevertheless the committee concluded that considerable further study was necessary before a favorable report might be made on a proposal to admit Hawaii as a State.

In October 1937, pursuant to a concurrent resolution of the Senate and House of Representatives, a joint congressional committee visited the Territory of Hawaii.

Sixty-seven witnesses appeared before the joint committee of 12 in Hawaii. Although the majority of the witnesses favored statehood, and the testimony received by the committee afforded substantial reasons in support of statehood, the report of the committee recommended that the question of statehood, because of the disturbed international conditions, should again be deferred until further study and consideration could be given.

It was the committee's view also "that unmistakable evidence that a substantial majority desire statehood should precede affirmative action by Congress."

The committee indicated that their failure to act affirmatively upon the question of statehood would not prevent further consideration of the subject, particularly after the sentiment of the people of Hawaii had been fully determined.

A plebiscite to determine the wishes of the people of Hawaii was authorized by the legislature of the Territory in 1939. The vote for statehood was in the majority in the ratio of 2 to 1 at the general election in Hawaii in 1940.

The first Gallup poll on statehood held on the mainland in 1941 revealed that opinion in the continental United States for and against statehood for Hawaii was in almost the same proportion as the Territorial view expressed in the plebiscite.

Mr. Chairman, since that time at least 90 percent of the leading newspapers of the United States have editorially endorsed statehood for Hawaii.

During the war years Congress was not able to give renewed consideration to Hawaii's statehood ambition. But with the end of the war in sight the duly elected representatives of the people of Hawaii in the Territorial house and senate adopted in 1945 by overwhelming vote in each house, resolutions that the Congress of the United States take immediate action on admitting Hawaii to statehood.

Up to this point the Legislature of Hawaii had petitioned Congress 14 times for admission to the Union and had made 11 appropriations for congressional investigations of statehood.

It was my assignment and distinct honor to act as the chairman of the Subcommittee of the Committee on Territories which investigated statehood for Hawaii in January of last year. Along with five other Members of Congress, I traveled extensively throughout Hawaii for a period of nearly 2 weeks. Our committee heard more than a hundred witnesses. The testimony heard by the committee amounted to more than 500 printed pages. Statements presented by interested citizens of Hawaii and the exhibits offered in support of the sound operation of the government of Hawaii as a modern American community were compiled and printed along with the comprehensive testimony taken, for the record.

In all due humility, and with the greatest respect for the untiring efforts of every member of the Subcommittee on Statehood, I would like to indicate that the data collected by our committee is said to be a most complete and searching record of the Territory of Hawaii, and that it clearly shows the readiness of Hawaii to assume the role of a State.

On the basis of the data collected, and our own investigations of Hawaii's readiness for statehood, our committee unanimously recommended, in January 1946, that the Committee on the Territories give immediate consideration to legislation to admit Hawaii to statehood.

I am very glad to note that the case for statehood made by our group last year received further confirmation in the overwhelmingly favorable action of the House last year.

This, Mr. Chairman, is the gratifying indication of the completely bipartisan and unanimous support which is being given to the movement for Hawaiian statehood. I also note that not a single person in the entire Nation testified against the bill now before us.

Congressional committees of the House have thoroughly investigated Hawaii's readiness for statehood, and documentary evidence gathered by Congress has proven Hawaii has earned the right to be admitted to the Union as a State.

Hawaii has an area larger than three of our States. Her population at present is larger than the combined total of eight of the States when they were admitted to statehood. Normally, her resources make her our fifth best customer, and she more than pays her own way on the financing of the National Government. Her apprenticeship under American principles of constitutional government for 50 years, and the distinctly American pattern of Hawaii's way of life, have eminently fitted the islands for statehood.

Hawaii and its people are entitled to an affirmative vote by this Congress on their petition for acceptance as the forty-ninth State in the Union.

Mr. Chairman, statehood for Hawaii has been approved by the majority of the people of the United States, as indicated by the Gallup poll. Statehood for Hawaii has been almost unanimously endorsed editorially by all of the leading newspapers of the United States, by all of the officials of the Army and Navy, by former Secretary of the Interior Ickes, by present Secretary of the Interior Krug, and by both political parties of the United States. Both the Democratic and Republican Parties made statehood for Hawaii a part of their platform. Last, but not least, statehood has been endorsed by the present President of the United States, Harry S. Truman.

Hawaii is an integral part of the United States. Its people are as much American citizens as citizens from any other State of the Union. They enjoy the same rights and privileges as any other American citizen. We are responsible for the protection and welfare of the Territory of Hawaii just as we are for any other State.

In my opinion, Mr. Chairman, Hawaii should be admitted into the Union as the forty-ninth State.

We subpenaed witnesses from throughout the Territory. We had before us representatives of the FBI, who testified that notwithstanding the reports and the propaganda that was spread in regard to sabotage and espionage in Hawaii by citizens of Japanese ancestry, before, during, and after the war, their investigations disclosed that there was no such espionage or sabotage on the part of any citizens of Japanese ancestry or any other citizens of the Territory of Hawaii. The committee made a most exhaustive and thorough study of this question. The record of the hearings will disclose that dozens of people testified as to this question. Other speakers here today will bring out this point when they address the Committee. I would like to make this further statement to the Committee that practically all of the first generation of Japanese who had migrated to Hawaii have practically all died and that most of the Japanese now in Hawaii are native-born. As a matter of fact, 85 percent of the present population of Hawaii are native-born people of the Territory.

Aside from the hearings of the committee where we had the benefit of testimony by all the high-ranking Army and Navy officers, I have, since the investigation by the committee, had an opportunity to speak to many Army and Navy officers who were stationed in Hawaii from 1 to 4, 5, and 6 years, and on various occasions they told me that they approved of statehood for Hawaii unqualifiedly.

Mr. Chairman, I have read the entire debate in the House and Senate when Hawaii was admitted into the Union as a Territory, and reference thereto will disclose that there was no question but that Hawaii would be granted statehood after being admitted as a Territory. As a matter of fact, the then distinguished Senator Caffery, from Louisiana, who opposed the admission of Hawaii into the Union as a Territory, made the point that if Hawaii was admitted as a Territory, from the law and precedent quoted in the argument that Hawaii must be admitted into the Union as a State. The entire debate and argument bears this out, and I think that this country and Government assumed this obligation

when Hawaii was admitted into the Union as a Territory, and in view of the fact that Hawaii is prepared to assume all of the responsibilities of statehood that Hawaii is now entitled to be admitted to statehood.

Therefore, the issue of whether or not Hawaii should be granted statehood is not the issue. This issue was closed when Hawaii was admitted as a Territory.

The only issue here is whether or not Hawaii will be granted home rule or self-government and be entitled to representation in the Congress of the United States, or, as our forefathers claimed, the issue in the American Revolution—whether Hawaii shall have "taxation without representation."

Our flag flies over every public building and over the islands of Hawaii, and Hawaii is our first line of defense in the Pacific, and this is the only part of the United States that was actually attacked during the last World War II.

Mr. Chairman, is there any question that Hawaii is part of the United States now?

In conclusion, Mr. Chairman, I know that some of my distinguished colleagues from the South have asked me why I have given my approval to the admission of Hawaii into the Union because of the racial issue which has been raised in this debate due to the large Asiatic and Mongolian population of Hawaii.

Mr. Chairman, every Member of this House is aware of my position on this question, as I have stated same here on the floor of the House, and I do not think that I am inconsistent in my position in regard to this question in approving the admittance of Hawaii into the Union.

As I have stated here, my people, the South, and myself have definite opinions in regard to the racial question; however, on my visit to Hawaii I observed men and women and children of all races intermingling and assimilating in perfect peace and harmony. If that is their way of life, that is their business, and they are entitled to their way of life.

In the South we do not approve of this way of life, and this should be our business; and, like Hawaii, all that we ask is that we be given the same privilege to make our own determination in this respect.

Mr. Chairman, I have no fears for the future of Hawaii, and I am of the opinion that when Hawaii is admitted into the Union that there will be another shining star added to the constellation in our flag, and that we may depend upon Hawaii exercising the fullest realization of a glorious, patriotic, and peaceful State.

Mr. PETERSON. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, first I would like to congratulate the gentleman who has just preceded me on the fine and sound argument that he has made in favor of this legislation. Like the gentleman from Louisiana [Mr. LARCADE] I am wholeheartedly in favor of the legislation before the House at this time, but I intend to direct my remarks particularly to the military importance of Hawaii.

I wish to point out to the membership of this body that the annexation of Hawaii was a defense measure taken in the interest of national security at the turn of the century.

When we annexed Hawaii in 1898, our Nation was locked in mortal combat in both the Atlantic and the Pacific with what was then one of the world's great imperialistic powers. Today, as we sit here and debate statehood, our Nation is again locked in combat with an imperialistic power far more dangerous than was the now defunct Kingdom of Spain.

On January 17, 1893, the troubled and tottering Kingdom of Hawaii finally came to an end. For some 50 years it had struggled to survive against odds which steadily multiplied both at home and abroad. It was succeeded by a provisional government under the Presidency of Sanford B. Dole. Within 2 days after Dole's acceptance of the Presidency of Hawaii, a statement was dispatched to the mainland carrying five commissioners with full powers to negotiate a treaty of union with the United States.

The commissioners of the provisional government of Hawaii were favorably received by President Harrison on February 3, 1893. Within 11 days after their arrival in Washington a treaty of annexation was drafted and signed. Three days later the treaty was laid before the United States Senate for ratification.

President Grover Cleveland, who was inaugurated on March 4, 1893, did not share the annexation enthusiasm which had characterized the last actions of his predecessor in office. On the 9th of March, just 5 days after his inauguration, President Cleveland withdrew the proposed treaty for the annexation of Hawaii from the Senate. On March 31, 1893, the flag of the United States, which had been raised in Hawaii on February 1, 1893, was hauled down.

President Cleveland promptly dispatched a United States Minister to Honolulu who made a formal demand on the provisional government that it restore the deposed Queen to her throne.

The majority of the people of Hawaii were determined, however, that they had had enough of monarchy. A constitutional convention was called. The convention consisted of the President of the Republic and 18 members of his Government, plus 18 delegates chosen at large by qualified voters. Of the 18 elected delegates, 13 were Hawaiian born and 5 were native Hawaiians. On July 3, 1894, the constitutional convention completed its labors and the next day, July 4, 1894, the Republic of Hawaii was proclaimed.

The new government was promptly recognized by all of the foreign powers with whom Hawaii had diplomatic relations. Everyone was anxious that Hawaii remain an independent nation. Germany, France, England, and to a lesser degree, Japan, were most anxious that the islands not become a part of the United States.

On June 16, 1897, a new treaty of annexation was signed in Washington and was on the same day transmitted to the Senate by President McKinley. The treaty was approved in Hawaii by the Hawaiian Senate and signed by Hawaii's President Dole on September 10, 1897. Action lagged, however, in the United States Senate.

Almost immediately after the signing of the treaty on annexation in Washington, the Government of Imperial Japan formally protested against the proposed annexation. Japan had just won the Sino-Japanese War. She was fearful that the annexation of Hawaii by the United States would endanger the status quo in the Pacific. The United States denied that Japan's interests would be jeopardized and gave assurances that Japan's rights in Hawaii would be respected.

The British, the French, and the Germans expressed their concern for the continued independence of the islands.

Then, in 1898, came the Spanish-American War. Honolulu became a mid-Pacific food and fuel stop-over for our ships on their way to the Philippines. Our boys in blue were welcomed in Hawaii. Hawaii founded its first Red Cross group to entertain and give service to our troops. Thus, at the turn of the century, the value of the Hawaiian Islands became apparent even to the most rabid antiannexationists.

On June 15, 1898, the House of Representatives, by a vote of 209 to 91, passed a joint resolution for the annexation of the Republic of Hawaii. On July 6, by a vote of 42 to 21, it was passed by the Senate and on the very next day, July 7, 1898, the so-called Newlands resolution was signed by President McKinley. On August 12, 1898, the flag of the United States was raised in Hawaii—this time to stay.

Before the close of the year 1898, a bill to provide a government for the Territory of Hawaii had been drafted and introduced in both Houses of Congress. Congressional action was somewhat delayed, however, and it was not until April 30, 1900, upon signature by President McKinley, that it became law. Sanford B. Dole, the President of the Republic of Hawaii, was appointed the first Governor of the Territory of Hawaii.

In the 50 years that Hawaii has been an organized incorporated Territory of of the United States, we have fought two world wars. Hawaii's role in those wars is known to all Americans. Her value to the United States cannot be reduced to figures. Her contributions to ultimate victory cannot be stated in words.

Today, as in 1898, as in 1917 and as in 1941, the United States needs Hawaii. Without Hawaii our very existence as a nation would be threatened. It is unthinkable that Hawaii be anything but American.

Annexation of Hawaii in 1898 was necessary to the defense of the United States. In my view, statehood for Hawaii in 1950 is equally vital to the defense of the United States.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. JONAS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] A quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 79]

Abbitt	Hall,	Pfeiffer,
Allen, La.	Leonard, W.	William L.
Bailey	Hand	Plumley
Barden	Hedrick	Powell
Barrett, Pa.	Herter	Quinn
Bennett, Fla.	Hoffman, Ill.	Reed, N. Y.
Bentsen	Hope	Richards
Blackney	Jennings	Sadlak
Blatnik	Kunkel	Sadowski
Bonner	Lane	Scott, Hardie
Bosone	Latham	Scudder
Buckley, N. Y.	LeFevre	Shafer
Bulwinkle	Lesinski	Sheppard
Burdick	Lichtenwalter	Simpson, Pa.
Byrne, N. Y.	Lodge	Sims
Chatham	Lyle	Smathers
Clemente	McConnell	Smith, Ohio
Colmer	McCulloch	Stanley
Corbett	Mack, Ill.	Steed
Coudert	Magee	Stigler
Davenport	Martin, Mass.	Taylor
Davies, N. Y.	Meyer	Teague
Dawson	Miller, Md.	Wadsworth
Deane	Morgan	Whitaker
Douglas	Morrison	White, Idaho
Durham	Multer	Whittington
Ellsworth	Murphy	Withrow
Fellows	Norton	Wolverton
Fisher	Pace	Woodhouse
Fulton	Patten	Worley
Gilmer		

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARDY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 49, and finding itself without a quorum, he had directed the roll to be called, when 343 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. LEMKE. Mr. Chairman, I favor statehood for Hawaii. For years I have advocated statehood for Hawaii. On many occasions I suggested to former Hawaiian Delegate King to introduce a bill to that effect.

I feel that any people who are good enough to be citizens of the United States are good enough to have a place in the union—a star in our flag. I feel that statehood for Hawaii has been delayed altogether too long. Hawaii is the outpost of culture and amalgamation of races. There is no racial prejudice in Hawaii. It is the true melting pot of various races into real Americans.

Hawaii's university is the educational center of the far west—of the Orient. It is the educational center of our far-flung island possessions, as well as our trust Territories. On our recent inspection tour of these remote islands, we met teachers who were educated in the University of Hawaii.

In addition to the Hawaiian University, Hawaii has a splendid public school system equal to that of many in our States. Here also is located one of the best private schools for Hawaiian girls, and a similar private school for boys. The training the boys and girls get at these institutions is second to none. The actual training for useful life received by the girls and boys in these schools is unsurpassed if equaled by any on the mainland.

Hawaii's population is alert and intelligent and is as capable of self government as in our States. If you need physical proof of that just take a look at their former Delegate King and their present Delegate FARRINGTON. These are examples of the ability of the Hawaiian people. These Delegates have shown themselves as competent and able as the rest of us.

While in Hawaii we met with many members of the Hawaii State Legislature. That again convinced us that they are as capable and patriotic as members of our own State legislature. I repeat there is no reason for delaying statehood any longer, it is overdue.

May I call your attention that in connection with our trust Territories, the former Japanese mandated islands, there are many and serious problems that we will have to solve. We are in possession of these islands under certain terms and conditions laid down by the UN. These terms and conditions can best be met when Hawaii is a State. A State that will be closer to them and whose American culture and ideals they will more readily absorb than those from the mainland.

Hawaii is a place where all are equal and where the Declaration of Independence and our Constitution are more strictly observed than in the mainland. A few years ago Admiral Nimitz appeared before our Public Lands Committee and advocated statehood for Hawaii. He was asked whether there was any danger of the lack of patriotism on the part of the Japanese. He answered emphatically that there was not. He said there was less trouble with the Japanese in Hawaii than there was with some other races on the mainland. He was asked why he proclaimed martial law. He answered "because our hindsight is better than our foresight."

In conclusion not only will Hawaii, when it becomes a State, be our western outpost for American ideals and education, but it will also be our most western State to spread the ideals of free government to the Orient. They will convince China and Asia that free government is preferable and better than totalitarianism and liquidation.

Mr. JONAS. Mr. Chairman, will the gentleman yield for a question?

Mr. LEMKE. I yield.

Mr. JONAS. Can the gentleman explain at this time on what basis the educational system is operating in Hawaii under Territorial law? Is the board elected, or do they appoint the school superintendents, or is he elected? How do they operate?

Mr. LEMKE. They operate about the same as in the States, and the system is modeled largely after that which exists in the United States. The Hawaiian Territorial legislature is elected by the people and it has considerable to do with the public education and its school system.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. JONAS. Mr. Chairman, will the gentleman yield for another question?

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman from North Dakota an additional minute.

Mr. JONAS. Has the gentleman information upon which to base that statement? Is the superintendent of public instruction elected?

Mr. LEMKE. I was in the Hawaiian Islands. But I will leave that to the Delegate from Hawaii [Mr. FARRINGTON], to say whether he is elected or appointed. I visited the University of Hawaii and never saw a more patriotic or more intelligent group of young people anywhere than I did there.

Mr. JONAS. I am inclined to be for this legislation. I am committed to it. But I would like to have another question cleared up. Was the gentleman present the other day when the distinguished gentleman from Georgia made the statement on the floor that the population throughout the islands was shot through with communistic leanings and commitments?

Have you any information to that effect?

Mr. LEMKE. I will say I believe there are less Communists per square mile in Hawaii than there are in the State of Georgia or any other State in the Union.

Let us bear in mind that Americans have settled, and are continuing to settle in Hawaii. That when the form of government was overthrown it was by Americans, and American ideals and culture have been and are predominant in Hawaii. The large majority of the business is transacted by Americans or people who came originally from America. There is little or no want in the island. Communism succeeds only where there is poverty, want, and filth. On none of the islands that we have visited was there any evidence or signs of communistic activity.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman, I am very glad the gentleman from Illinois raised the question of education in Hawaii, as I am going to speak definitely on matters pertaining to education.

I want to state definitely, if I did not approve of the present status of education in the island of Hawaii, I would not be able to support this legislation.

Education is one of the most important considerations in determining the readiness of a Territory for statehood.

On that score the Territory of Hawaii is more than ready for admission into the Union.

Hawaii's system of public instruction was born in the 1820's, a hundred and thirty years ago. It was started by American missionaries from New England. By 1824 there were more than 2,000 pupils in attendance in the missionary schools, and by 1831 the missionaries had organized 1,100 schools in the islands with an attendance of 52,000 pupils, and records were kept.

I wish you would take that very significantly today, because records of attendance were kept at that time, and we have States in the Union today where records of attendance are not kept.

It was in that same year, 1831, that Hawaii's first high school was established. In 1832, a little more than a decade after the arrival of the American missionaries,

more than half of the population of the islands had been taught to read.

These early missionary schools were intended only to make the Hawaiians literate in their own language which the missionaries almost immediately reduced to writing. The alphabet, spelling, and simple reading were taught. The missionaries were interested in teaching the people to read the Bible.

In 1840 the Government of Hawaii, then a kingdom, took over the direction and the support of the elementary schools. A law was enacted in that year to require that a school be maintained in every community where there were 15 or more children of school age. Communities with fewer than 15 children were required to combine their school population with some neighboring community. Consolidation really practiced during the early development of this country.

The community school was made the responsibility of the local citizenry. The male parents elected a board of three trustees to oversee the running of the school. The teacher received no salary. He was assigned a tract of land to be worked for his support, and he and his wife were exempted from both the labor and poll tax.

During the period of the constitutional monarchy, on September 10, 1846, the legislature passed and the King proclaimed a law which established a department of public instruction and placed over it a cabinet officer with the title of Minister of Public Instruction. The kingdom was divided into 21 districts and a general superintendent of schools was appointed for each district. The Rev. William Richards, chaplain, teacher, and translator for the King, who had arrived in Hawaii from New England in 1823, was appointed Minister of Public Instruction.

I point out these rather sketchy historical facts merely to show the early beginnings of organized public instruction in Hawaii. Hawaii had a public-school system before the California and Oregon Territories had even been acquired by the United States. In fact, the first American high school west of the Rockies was in Hawaii.

The Territory's public-school system today is somewhat unique in respect to the degree of centralization at the Territorial level. The entire charge, control, and responsibility for all matters pertaining to public instruction in Hawaii is centered in the Commission of Public Instruction, an instrumentality of the Territorial Government. The eight Commissioners are appointed by the Governor, with the advice and the consent of the Territorial Senate. The director of the Department of Public Instruction, whose duties are prescribed by the Commission, is an ex officio member of the Commission. Like the Commissioners, he is appointed by the Governor with the advice and consent of Hawaii's Senate.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield.

Mr. WILSON of Indiana. Will you please tell the membership how the Governor gets his position? He is appointed by the President of the United States; is that not correct?

Mr. KEARNS. That is correct.

Mr. WILSON of Indiana. Therefore, the people of Hawaii do not have control over their Governor nor over their Ambassador or heads of departments; for instance, the superintendent of instruction. They have had wonderful school system. Why not leave it like it is? Why not let them continue to have their wonderful public education system under a governor appointed by the States? Let them carry on. I do not think that is any argument in behalf of giving them a vote, in praising their school system. The gentleman did not tell the whole story when he spoke about these early missionaries who went out there. What did they do about the land? They took it all unto themselves, and even to this date you cannot buy land in Hawaii. You may be able to rent land on a lease of from 50 to 70 years, but at the expiration of the lease it goes back to the missionaries.

Mr. KEARNS. The director of the department of public instruction, in contrast to the remarks made here by the gentleman, whose duties are prescribed by the Commission is an ex-officio member of the committee which helps solve that situation.

Under this system of Territorial-wide school administration, Hawaii has achieved an equality of educational opportunity unmatched anywhere under the flag of the United States. Every Hawaiian child, whether he live in a rural or an urban area, has an expectancy of no less than 12 years of public instruction. Children in rural communities have the same educational opportunties as do children in Hawaii's cities. The length of the school year is the same in all areas of the Territory. The standard of instruction is identical throughout the Territory even in such subjects as music appreciation and elementary art. Library service is the same. The expenditure for supply and equipment items for each pupil is the same throughout the Territory.

The quality of the teachers in Hawaii's schools is high. The standard for teacher certification is the same throughout the Territory, 5 years of college preparation.

One salary schedule for teachers applies throughout Hawaii. Almost 10 years ago, in 1941–42, the annual salary of Hawaii's school teachers averaged $2,014. At that time, the average annual salary for Hawaii's teachers exceeded the average annual salary for teachers in 43 States.

As of January 1948, 2 years ago, the minimum salary for a fully qualified teacher in the schools of Hawaii was $2,784 per annum.

For the school year ending in 1947, the United States Office of Education reported the average teacher salary for the whole United States as only $2,254. The average annual salary for teachers in Hawaii's schools for that same year was $3,174.

In the field of higher education, Hawaii is proud of its university, the University of Hawaii, a land-grant college. It was founded by endowment in 1907.

In 1949, the University of Hawaii had an enrollment of 4,905 students and it granted 537 degrees. Its budget in the year 1949 showed an expenditure of $3,434,135.

I suggest that those of us who are today sitting in judgment on the Territory of Hawaii compare Hawaii's record on public education with that of our own States.

One of the most tragic conditions in most of our school systems is the difference between the educational opportunity provided for city pupils and that provided for rural children. You will note that in the Territory of Hawaii pupils in rural communities are provided the same educational opportunities as are provided for city children.

In our mainland schools it is often the case that rural teachers are poorly paid and frequently less trained and less experienced than their counterparts in city schools. That is not the case in Hawaii. Requirements as to training and qualifications for rural teachers are the same as those for city teachers. As I have stated, one salary schedule applies to rural and city teachers alike.

In our mainland schools, it is frequently true that while the same textbooks may be in use in both rural and urban schools little use of supplementary materials to give vitality and interest to teaching is available in rural schools. That is not, in general, the case in Hawaii. Hawaii's rural teachers are provided the same supplementary teaching materials as are provided in city schools.

In many States, the length of the school term is shorter in rural schools than it is in city schools. The farm boy receives less education each year than does the boy in the city. Not so in Hawaii. The number of days in the school term in the Territory of Hawaii is the same throughout the length and breadth of the islands.

It is a known fact that in many of our States the rural schools do not receive the health and welfare guidance that children of school age often need in addition to classroom work. That situation does not exist in the schools of Hawaii. Hawaii's rural school children get the same health, welfare, and other social attention as is given city school children.

Hawaii may well be proud of its achievement in public education. In 1946, a subcommittee of the Committee on Territories found that illiteracy in Hawaii "among native-born citizens is almost nonexistent." If there were no other reason for granting Hawaii statehood, I would vote for it on her record of public education alone.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, in the statehood bill for Alaska which we have passed and the statehood bill for Hawaii which I anticipate we will pass, a new pattern is being laid for that association of sovereign States formed at the beginning of the Republic to attain

through union the highest measure of welfare for the citizen and of security for the Nation.

For the first time we are accepting into the family of sister States those Territories that are outside of continental United States and not contiguous thereto. Where this will end, to what extent conceivably the pattern may be carried in the realization of the dream of our generation of a permanent peace through a world union of states, only the future can tell.

I think it is proper here to place emphasis on the fact that the step we are taking has not been decided upon hastily. It is altogether too important a step to be left for decision alone to the Members of this body. However able and conscientious they may be, nevertheless in common with all humankind their judgment cannot be infallible. What we are doing is merely making effective the decision arrived at by the American people. That is the way democracy functions with us. The question of statehood for an island in the Pacific and for a mainland not contiguous to continental United States, with a long stretch of islands running into the Orient, has deen discussed for a long time in every city, hamlet, and crossroads in the country. My colleagues and I must accept it as the judgment of the American people as a whole—or that substantial majority which under our democratic system controls—that this step should be taken and in a new world, bound much closer by radio transmission of the thoughts of men and aerial transportation of persons and products, the pattern of the old world of the horse and buggy should be modernized even in the matter of selecting Territories to be taken into the Union as States. I say we must accept this as the judgment of the American people because when the delegates met at the national conventions of the two major political parties, with scarcely a dissenting note, they pledged the support of their respective parties to Alaska-Hawaii statehood. We Democrats and Republicans may differ in our interpretation of how far the majority vote in a closely contested election is to be construed as a mandate. There can be no question, however, about the validity of the mandate when it emanates from the voters of the two major parties.

I respectfully suggest to my colleagues, with no desire to pose as a prophet, that the new pattern we are setting up may prove a more vital factor than we imagine in bringing the world closer together in peace and the common pursuit of human happiness. Many in this Chamber, in their ardent desire to advance the cause of understanding and of permanent peace, have sponsored the World Federation resolution. It at least is worthy of note that what we are now doing, although certainly it is not in the minds of any of us here, may furnish in the future the basis for a United States of America expanded, on the petition of other peoples, into a United States of the World.

I am not advancing this thought with the idea that having moved in the direction of taking in territory far from continental United States we actually may, as the world grows closer and closer together, add to our sisterhood of States territories still farther removed. For one thing there is the difference in languages and in customs, which even if distances were annihilated would still present a formidable barrier. But there is no escaping the import of the departure we are approaching. Considered in connection with the development of the backward areas of the world under point 4 of President Truman's plan—an undertaking the success of which hangs on the removal of trade barriers—it at least should furnish the subject for intriguing speculation and lively discussion in the way the American people have of thinking and talking things over even when such things are still in the realm of the improbable and the unexpected.

That we are making history today I think there can be no doubt. The CONGRESSIONAL RECORD of these days of the Alaska-Hawaii statehood debates very likely will be consulted by historical researchers long after the last of those participating in these debates has had his hour in the traditional memorial services in this Chamber. For that reason I am putting in the record, with especial emphasis, that the pattern for the future admission of States, when no longer required to be of contiguous territory or a part of continental United States, came to us from the sound judgment of the American people arrived at after long discussion and deliberation and so wholly on a bipartisan level that both major political parties incorporated in their respective platforms expression of that judgment arrived at by the American people.

On the occasion of the *Maine* memorial anniversary, I called attention to the fact, sometimes overlooked, that the explosion in Habana Harbor on February 15, 1898, started the United States of America on the road to world leadership. I ventured the suggestion that future historians would term the period of the Spanish-American War, World War I and World War II—the half century or so from the destruction of the *Maine* to the bomb of Hiroshima—as the 50-year war that ushered in the golden era of American world influence.

Now that Hawaii is on the threshold of statehood and a new pattern is being adopted in conformance with the unquestioned mandate of the American people, I think my colleagues will be interested in the remarks of Senator Teller in the United States Senate on February 16, 1898, the day following the sinking of the *Maine*. I am quoting from the CONGRESSIONAL RECORD of that day:

Mr. TELLER. Mr. President, there has been some interest manifested throughout the world over the question whether or not this Government was about to take the Hawaiian Islands and make them part of the United States * * *. The people of all the world have been looking to see what we are about to do. I picked up the other day a copy of the London Globe of last June * * *. The article was commenting on our desire to annex the Hawaiian Islands, if they should become ours: * * * it was very apparent that the Globe was not friendly to that movement on our part. This is what the Globe said, and it is so truthful that I think it may be worth while to read it:

"The American Navy is absolutely unfit to protect the islands (Hawaiian) which lie at the mercy of any Spanish ships appearing at Honolulu while Japan's sea power is so immeasurably superior to that of the United States that a Japanese naval demonstration would place President McKinley in a difficult and perilous position * * *.

"Viewing the great strategic value of the group to England, it is a matter of regret that the islands were not added to the British Empire long ago. Lord Salisbury should stiffen his back and tell McKinley plainly that Great Britain claims the right to be consulted before the matter of annexation is decided."

Mr. President, Japan is a small power. Small, I mean, when compared to the United States, small in resources compared with the United States, though it is strong in its navy when you consider the results it might accomplish as a nation. Yet, when there was a note of protest from Japan against the annexation of Hawaii, it was urged by a great many people in this country as a bar to annexation that we were not free to exercise our own judgment because it would not do to get into a quarrel with Japan.

Mr. Chairman, I am voting for statehood for Hawaii as I voted for statehood for Alaska. With every new State that joins up with us, to share under free government, the benefits and the responsibilities of joint effort in advancing human welfare, greater strength is given us to carry on. My faith is in my country and the purity of its purpose to ask nothing for its own people that it does not seek to make possible for all men to attain in a world of brotherhood. My faith is in the people of the United States and when after discussion and deliberation they have reached a judgment, by that judgment I will abide.

Mr. PETERSON. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, Hawaii is the paradise of the Pacific. It is the land of romance and music, of sunshine and flowers—yes; it is the land of hospitality and happy hearts. A beautiful land of friendly people.

From the lofty peaks of Maunaloa to the white-capped surf at Waikiki both fields and factories are flourishing and flowers are blooming everywhere. No one can describe its beauty, but all of us can remember the great tragedy that occurred there a few years ago—a tragedy which will live in the history and in the hearts of men until the end of time. There the spark was lighted that set the world on fire.

If I were only influenced by sentiment, I would not take the position I am now about to take on this question of statehood for Hawaii. In deciding an issue of such importance as that which now confronts us, I must follow my conscientious convictions and be governed by my head rather than by my heart.

No one questions the military importance of Hawaii, and I certainly do not question the patriotism of the people who there live beneath our flag. If by granting statehood we would add strength to the defenses of Hawaii, I should, of course, be constrained to vote for statehood, but after the tragedy of Pearl Harbor what more defense could have been

provided than that which was provided by the 48 States of this Union? When the news of that dastardly attack reached Washington and the capitals of the States, America, like a sleeping giant, was aroused and the manhood of America everywhere took up arms. The entire population fortified by all the rich resources of this Republic came to the defense of that Territory. Did any true American say then, "Halt; we cannot go there because Hawaii is not a State?" Did anyone say we cannot defend Hawaii because it does not have two Senators and a Congressman to represent them in Washington? No; thoughts of this kind were not entertained, and no such utterances were ever made. Every man, woman, and child in America was outraged and aroused and willing to do and to die in avenging that murderous assault. Not even the most angry volcano on the island of Hawaii could ever have been more disturbed than were the American people in every part of this great Nation. Americans fought around the world and by their victories vindicated our people and avenged Pearl Harbor. As they did it then they still will do it now, and statehood or lack of statehood has nothing at all to do with our defense of Hawaii. Frankly, Mr. Chairman, I am somewhat embarrassed in taking a position in oppositon to the position of my friend, the Delegate from Hawaii. I remember the very sincere and cordial hospitality of the people of Hawaii, and I am grateful to them for all that they did to contribute to my comfort and pleasure during my brief visits to those beautiful islands in the Pacific.

I appreciate the fact that the advocates of statehood for Alaska and Hawaii have already in this House won on their weakest issue. Certainly if Alaska is entitled to statehood, Hawaii is likewise entitled to statehood, but in my opinion neither is ready for statehood or entitled to statehood.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. COOLEY. Mr. Chairman, in conclusion may I say that I have great admiration for both the Delegates from these Territories. They have been unusually nice and friendly to me, both here and in their own homes. Likewise, Mr. Chairman, the very distinguished and able chairman of this committee, is my friend and I have a great affection for him. I realize the fact I was lashed a little the other day because I did not follow the leadership of the distinguished gentleman from Florida, but certainly it was not due to any personal feeling because he is my friend and I admire him very much. However, I do not believe I should follow my heart rather than my head. In trying to decide an issue of this importance I do not believe that either Alaska or Hawaii is now ready for statehood. I do not believe we will be doing them such a great service by giving them statehood at this time. They are far removed from the mainland and however far they may be they are still flying our flag and singing the Star-Spangled Banner and when the integrity of our territory is attacked, either in Alaska or Hawaii, the manhood and the might of this great Nation will be there to avenge every wrong and to vindicate every principle for which they stand.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. PETERSON. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I am delighted to have this opportunity to speak in behalf of statehood for Hawaii. I want at this time to personally compliment the distinguished Delegate from Alaska [Mr. BARTLETT] and the distinguished Delegate from Hawaii [Mr. FARRINGTON] for the great work they have done in behalf of the Territories which they represent so ably and so well. The people whom they have the honor to represent should be, and are, proud of the efforts their Delegates have made.

The distinguished gentleman from North Carolina in his unalterable opposition to statehood for both Alaska and Hawaii has referred to Hawaii as a land of flowers and smiles. But he should recognize the fact as well as anyone else that Hawaii is also a land of people, a people who would like to become full-fledged American citizens, a people who have borne their full share of responsibility in a Territorial sense, but who have not been accorded, despite the many investigation trips made by congressional committees to Hawaii, the right to statehood which is theirs. They have made numerous requests that they be granted this consideration, and only in the Eighty-eighth Congress for the first time did we give them an opportunity to be heard on the floor of this Chamber.

You know, Hawaii is not very far from the United States. It is less than a day from the Capital of the United States to the capital of the Pacific, and the people in the Pacific outside of Hawaii, the people in Guam, Samoa, and the former mandates, now trust territory, do not look as much to Washington as they do Honolulu for help and guidance. I feel, in view of the splendid record of the people of Hawaii, of all races, during the war and during the period prior and since the war, that they are entitled to this consideration by the American Congress. It is my hope that this body will, by an overwhelming vote, show its approval of the request of the Hawaiians today.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I favor statehood for Hawaii exactly as I favored statehood for Alaska at our last week session. In my study of American history and the expansion of the American people, I have been impressed with the wisdom and the generosity of the founding fathers in providing that new States may be admitted to this Union on terms of equality with the other States of the Union. This is the constitutional explanation of our national growth.

I recognize that even the King of England could not stop the westward movement of early Anglo-Americans as they faced toward the West, even though the King by proclamation attempted to check the westward movement along the crest of our eastern mountains. Even the great Mississippi River, which was our western boundary for a period and beyond which was foreign soil, could not check men like Daniel Boone and others of like spirit from moving farther west. Nor could the great plains and the hostile higher Rock, Mountains stop that westward movement until it rolled on to the very shores of the Pacific Ocean. Not even the largest ocean on this planet could stop our adventurous people in their movement toward the West, and for that reason many have come to make their homes in Alaska, in Hawaii, or on islands of the sea. The spirit of the founding fathers certainly intended to give these new communities the same part in our political heritage as was offered to Ohio, or Missouri, or California. By granting statehood, we will be but furthering the policy of expansion approved by the Constitution itself.

When the Delegate from Hawaii was before the Public Lands Committee of the House, he spoke of the long period of tutelage through which Hawaii had passed, and I tried to comfort him by declaring that the youngest State, Arizona, had knocked on the door of the Union for 49 years before obtaining statehood. I asked the Delegate from Hawaii whether the pending legislation granting statehood to Hawaii contained any conditions, as a price of admission to statehood and which might later prove restrictive or obnoxious. He declared that there were no such conditions embodied in this legislation.

The Constitution provides that new States may be admitted into this Union on terms of equality with the other member States. For that reason I would take a second look at any condition imposed on a prospective new State in the enabling act. My reason for this is that I have had it drawn forcibly to mind that the State of Arizona had in its Enabling Act of June 20, 1910, one condition written into it which has been a thorn in the flesh and a great impediment to Arizona's growth and development. What was that condition?

The Federal Government in Arizona's enabling act reserved dam sites and power sites on the Colorado River and reserved a strip of land in Arizona all along the Colorado River as Federal land, thus fencing off the people of Arizona from access to the Colorado River. Since the Colorado River is Arizona's greatest natural resource, that legal fact has been tremendously significant and not always favorable to the State of Arizona in her attempts to utilize the benefits of that great river. I find that few of my colleagues are aware of the fact that this condition imposed upon Arizona does effectively fence Arizona out of the benefits of the Colorado River except as Congress by legislative enactments sees fit to admit Arizona to those benefits. There was no such exclusion from the river imposed on any other of the Colorado River Basin States, except as all seven of the States have limited themselves by compact in 1922.

Yes, I favor statehood for Hawaii and for Alaska, but I want both to be as every other State of the Union should be, free to attain their greatest growth and development through the enterprise and initiative of their citizens, subject only to the general welfare and national security.

Mr. CRAWFORD. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. POULSON].

Mr. POULSON. Mr. Chairman, I, too, agree with the gentleman from North Carolina [Mr. COOLEY] in one of the statements that he made, and that is, if Alaska is entitled to statehood, certainly Hawaii is. The only difference is that the gentleman from North Carolina did not vote for statehood for Alaska, and I did. I also agree with him as to the matter of defense, that that does not enter into the argument, for this reason: We will defend Hawaii whether she is a State or a Territory.

The real issue then resolves itself into whether or not, economically speaking, Hawaii is full grown to the extent that she should be taken into statehood. I might state that Alaska might be looked upon as a young child, but Hawaii absolutely is the equal of practically any State we have, and in some ways she excels many of the States from an economic standpoint. She is not only able to take care of herself, but she is contributing more to the Federal Treasury than we have been expending in behalf of Hawaii. That certainly is a great asset, especially during the present time.

Now, there is another argument that some have used against Hawaii, and that is the matter of the racial problem. I think that in Hawaii they have gone further in finding the solution to that problem in that they do not recognize it as being a problem. I think that we have all of the arguments as to why we should accept Hawaii into statehood, and I trust that the House of Representatives will give an overwhelming vote for statehood for Hawaii.

Mr. CRAWFORD. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I, too, have beautiful memories of Hawaii, as does the gentleman from North Carolina. I was there for a short time on Army duty during the war, and it was a very pleasant place to be as contrasted with so many other islands in the Pacific. But that is not why I favor statehood for Hawaii. I favor statehood for Hawaii on foreign-affairs grounds, if on no other, and there are many others. But I should like to make two other points known which, from my particular experience on the Committee on Foreign Affairs, are of real concern. We are today asking the people of the Philippines and the people of Asia, among them the people of Korea, Indonesia, Indochina, Burma, and India to follow the leadership of the United States. We are saying that the leadership of the United States means freedom, it means independence, it means an opportunity for people who have been under tutelage of other powers for centuries to find their place of equality among the other free nations of the world.

Almost everybody admits that Hawaii is ready for statehood. Now how can we make good this claim to the principles of freedom to all of the teeming millions of the Pacific unless we eloquently and honestly perform our pledge and admit Hawaii to statehood? Mr. Chairman, that is the important thing that is before us today, whether or not we are going to recognize a Pacific people on terms of complete equality with us, when it is generally admitted they are completely ready for it.

The second point, which is very important, is that if Hawaii is a part of the body, the very bone and sinew of the United States, as it will be when it is a State, no nation in the Pacific, no people in the Pacific, will doubt that we are in the Pacific to stay. They will not doubt whatever the air age or the atomic age dictates for strategic reasons, as far as Hawaii is concerned, it is a State of the United States, as important as New York, California, or Illinois, and hence that our Nation intends to stay there in the Pacific in perpetuity. That is what the people of the Pacific need if we are to give them the kind of leadership to which they are entitled. I think, therefore, confining myself to one phase of the subject, that it is a critically important phase of the foreign policy of the United States in an area where our foreign policy has been very weak, in the Pacific, to admit Hawaii to statehood now.

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. ENGLE].

Mr. ENGLE of California. Mr. Chairman, Hawaii has long been promised statehood both by implication and by official action of the Government of the United States.

I was sorry to hear the remarks just made by the gentleman from North Carolina, for whom I have great respect. The arguments in favor of statehood for Hawaii do not necessarily turn upon Hawaii's position in our western defense, although that is a vital consideration. They turn upon the proposition that the entire history of our dealings with Hawaii have assured the Hawaiian people that we intend statehood for them. Our Government in order to maintain its respect throughout the world must keep its promises.

Fifty years ago Hawaii voluntarily surrendered its independence at the urgent invitation of this country. This action between two governments took place in order that Hawaii might be, as officially stated, "incorporated into the United States as an integral part thereof." It was understood that the language used and the action taken was an assurance that when Hawaii was able to meet the requirements, it would be granted Statehood. This action of Congress incorporating Hawaii into the Union was an implied promise of State government for Hawaii.

Statements made on a number of occasions by prominent leaders of our Government have also led the people of Hawaii to believe that they would be granted statehood.

Almost a hundred years ago, in 1854, President Franklin Pierce authorized negotiations to annex Hawaii to the United States. This proposed treaty of 1854 stated that—

> The Hawaiian Islands shall be incorporated into the American Union as a State, enjoying the same degree of sovereignty as other States, and admitted as such as soon as it can be done in consistency with the principles and requirements of the Federal Constitution, to all the rights, privileges, and immunity of a State as aforesaid on a perfect equality with other States of the Union.

Though the negotiations were not consummated, their discussion in official circles caused the people of Hawaii to believe statehood was their destiny.

President Andrew Johnson, in his annual message to the Fortieth Congress on December 19, 1868, in speaking of a reciprocity treaty with Hawaii said:

> It would be a guaranty of the good will and forbearance of all nations until the people of the islands shall of themselves, at no distant day, voluntarily apply for admission into the Union.

Twenty-two years later, Hawaii was incorporated into the Union. Since then, Hawaii has applied by petitioning Congress for statehood on 16 different occasions.

Our own President, Harry S. Truman, as long ago as January 21, 1946, recommended statehood for Hawaii in his annual message on the state of the Union. The President again recommended to Congress that Hawaii be granted statehood when the Eighty-first Congress reconvened this year.

When the elected leaders of democratic America throughout nearly a hundred-year period officially recommend that Hawaii should be granted State government, it is time the recommendation is fulfilled.

In statements of its Members and by action of its committees, Congress itself has caused the people of Hawaii to believe that State government would soon be achieved.

The action taken by Congress is much more than an implied promise—it is the continuation of a policy firmly established by Congress on 29 other occasions when States have been brought from territoriality to statehood.

It has been recognized historically that when Congress actively recognizes a Territory as a part of the United States and incorporates it into the Union as such that in itself is a prerequisite to any step in the direction of statehood.

As long ago as 1900 Congress rejected an amendment to the proposed Organic Act for Hawaii which would have provided that Hawaii should not at any time in the future be admitted to statehood. It was during the Fifty-sixth Congress, first session, that Congressman Ebenezer J. Hill, Republican, of Connecticut, during debate on the proposed Organic Act for Hawaii, moved to add an amendment, as follows:

> Nothing in this act shall be construed, taken, or held to imply a pledge or promise that the Territory of Hawaii will at any future time be admitted as a State or attached to any State.

When questioned by a colleague, Congressman Joseph G. Cannon, of Illinois, as to whether or not there was anything

in the bill providing a government for Hawaii which committed Congress to admit Hawaii to statehood, Congressman Hill replied:

> I think there is. * * * The American people look upon the authorization and full organization of a Territory as the first step toward statehood. It has always been so construed; it always will be so construed.

The amendment was rejected. But Congressman Hill was correct when he stated:

> The American people look upon the authorization and full organization of a Territory as the first step toward statehood.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. CRAWFORD. When a territory is once incorporated into the union, is it not a fact that thereafter the United States can never deny those people a chance to ask for statehood?

Mr. ENGLE of California. That is correct. That has been the historical precedent in the Congress and the country. We only have two such situations now in existence. Hawaii and Alaska are the only incorporated Territories. The gentleman from Michigan will recall the other day when our committee had before it the question of an organic act for Guam, we were very particular to make it plain that in granting an organic act for Guam we were not incorporating it as a Territory of the United States in such a way as to carry any implication that statehood was promised or implied.

Mr. CRAWFORD. Furthermore, the Philippines were never incorporated into the Union through that kind of mechanism. Cuba was never incorporated into the Union. Puerto Rico has never been incorporated into the Union that way. Samoa has never been incorporated. The Virgin Islands was never so incorporated. In the case of Cuba and the Philippines we gave them their independence and by not having incorporated the Virgin Islands and Puerto Rico, this Congress or any Congress could some day, if the American people chose, grant to Puerto Rico and the Virgin Islands their independence, could they not?

Mr. ENGLE of California. That is correct.

Mr. CRAWFORD. But not in the case of Hawaii and Alaska.

Mr. ENGLE of California. That is true. But after we promised statehood for a period of half a century and after a Territory such as Hawaii has reached economic and political maturity, if we are going to continue to deny statehood, we are then violating the promise which we made to Hawaii and Hawaii may very well say to us sometime, "Either give us what we were promised, or give us back the money that we have paid in taxes, and give us our independence."

Mr. CRAWFORD. Would we not also be denying the very principle set forth in our Declaration of Independence against Great Britain, at which time we declared that we would not be taxed without representation?

Mr. ENGLE of California. We fought a war over it, and I intend to mention it in just a minute.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. KEATING. I note in the report that in this plebiscite held in 1940 what is spoken of as "an overwhelming majority voted for statehood." Can you tell me roughly what that percentage was?

Mr. ENGLE of California. I yield to the gentleman from Hawaii to answer that question.

Mr. FARRINGTON. In the plebiscite held in 1940 it was 2 to 1 in favor of statehood.

Mr. ENGLE of California. On February 20, 1900, Senator Morgan, of Alabama, during debate on Hawaii's Organic Act in the Senate, said that when he was in Hawaii as a member of the McKinley Commission to draft a form of government for Hawaii, he had made a study of Hawaii's experiences in government. Following his two visits to Hawaii he said:

> I became satisfied that those people had built up a government that was at least equal in all respects to any government in the American Union.

He then told the United States Senate his first proposition to the members of the Commission meeting in Honolulu was that—

> We should recommend that the people of the Hawaiian Islands should hold a convention, adopt a constitution, and apply for admission into the American Union.

The only living survivor of that historical group, Justice Frear, wrote not long ago to Hawaii's Delegate to Congress, the Honorable JOSEPH R. FARRINGTON, that the five-man Commission "did recognize and realize at the time that they were recommending for Hawaii a status which was regarded as leading to statehood."

During the past 15 years Congress has, on a number of occasions, sent its committees to Hawaii to investigate the readiness of Hawaii to attain statehood. Several of these congressional committees have also held statehood hearings in our National Capital. Every year since the end of the war, a congressional committee has recommended immediate statehood for Hawaii. No wonder the half million people in Hawaii feel that statehood has been promised to them. Yet the nearest to actual attainment of their goal came in 1947—nearly 3 years ago—when the House of Representatives passed a statehood bill for Hawaii.

From every historical precedent in our dealings with former Territories which are now States, the people of Hawaii have had every reason to believe that they would one day attain State government. Statehood for Hawaii has been promised by implication ever since our Nation began to function.

The Continental Congress provided in the ordinance of 1787 for the admission of States. In those days when a Territory had 5,000 free male inhabitants it was granted legislative powers and allowed to have a Delegate to Congress; when it had 60,000 inhabitants it was eligible for statehood. Hawaii, today, has a half million inhabitants—more than any of the other 29 Territories had when they attained statehood, excepting only Oklahoma. Yet Hawaii, which has served an apprenticeship of half a century, in contrast to the average of 20 years for all other former Territories now States, still lives on in hopes of having the promises of statehood fulfilled.

The promises of statehood have not only been held out to Hawaii by action of our Government, and by statements of our Presidents, but by the two major political parties of the United States. Both the Democratic and Republican Parties endorse statehood for Hawaii. Ten years ago the Democratic Party platform announced it favored a larger measure of self-government leading to statehood for Hawaii. In 1944, the Republican Party said that "Hawaii is entitled to the fullest measure of home rule looking toward statehood"; in this same year the Democratic Party endorsed eventual statehood for Hawaii.

Two years ago the Republican platform supported eventual statehood for Hawaii, while the Democratic Party urged immediate statehood for Hawaii. These promises to the people of Hawaii must be kept. We must give increasing evidence to the teeming millions of people the world over that democracy works.

The United States Congress has a direct obligation to the citizens of Hawaii to grant them statehood. Hawaii was annexed by act of Congress nearly 52 years ago as a part of the Territory of the United States. Congress, in 1900, by enactment of an organic act—in reality a pattern of a State constitution—completed the incorporation of Hawaii as an integral part of the Union. Based on historical precedent, Hawaii has been promised statehood.

Our Supreme Court recognizes the temporary character of Territorial status. The Court, in one case before it, concluded that "the organization of governments for the Territories was but temporary, and would be superseded when the Territories becames States of the Union."

The three branches of government under our Constitution have by their actions implied or promised State government to Hawaii: Congress has already enacted legislation to admit as States 29 former Territories; a number of our executives, including President Truman, have endorsed State government for Hawaii; Supreme Court decisions have pointed out that Territorial government was necessarily limited to a period of pupilage.

Let us keep our promises to the people of the Territory of Hawaii that with maturity will come responsibility. In this modern world of ours Hawaii needs voting representation in Congress. Let us not be contrary to American principles of democracy. "No taxation without representation" and "no government without the consent of the governed," are axioms as much alive and as important to the people of Hawaii as they were to our forefathers who first conceived them.

Mr. PETERSON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman one additional minute.

Mr. ENGLE of California. From what has been said, I think it is perfectly apparent that Hawaii has been promised statehood time and again by the legislative committees of this Congress, by political parties, and by the executives of our Government.

Let me go a step farther and say to you that Hawaii has relied upon those promises by paying into the United States Treasury over a billion dollars in taxes. We fought a war over the propositions of no taxation without representation and no government without the consent of the governed. For all of these years we have been collecting these taxes from Hawaii. Hawaii has had no voting representative in the Congress of the United States. I say to you it is time that we kept the obligation which we committed ourselves to when we incorporated Hawaii as a Territory of the United States.

Mr. FARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. FARRINGTON. The gentleman will recall that I was in his company in January of 1947 when we discussed this problem in Tokyo with Gen. Douglas MacArthur. I would like to ask him to tell the House, as he has told the committee previously, what General MacArthur's sentiments on this question are.

Mr. ENGLE of California. He was unequivocally for statehood for Hawaii, for two reasons: First, because it would demonstrate the keeping of agreements in the democratic tradition, followed by the American Government in the Pacific; and, second, because, for all practical purposes, Hawaii is a part of the Pacific coast from the standpoint of defense.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, it is very obvious from what has been said that Hawaii was promised statehood at the time it became a part of the American Nation. I am a believer in governments, as well as individuals, keeping their commitments. By passing this bill we will keep the commitment to Hawaii to grant them statehood. The only issue involved, that I can see, is this: Is the particular area, in this case Hawaii, ready for statehood? I think every single question that you can ask as to whether Hawaii is ready for statehood has been answered.

First, they have a tremendous population, 530,000 people. Hawaii has the second largest population of any State to enter the Union. Second, they have the financial resources and possibilities to maintain not only their statehood but to maintain it more lavishly than many of the States of the Union. Third, they have a very fine educational system, one of the best in the Union. As has been pointed out, the educational system goes from the elementary schools clear up through the university, and in every single bracket of their educational system they perform par excellence.

Another thing that I think is very important is that Hawaii, in my humble opinion, has solved its racial problems better than any other part of the world that I know of. They have a conglomeration of races there that you find in very few parts of the world. Those people have gotten along together; they have tolerance; they are generous with each other; they are kind towards each other; they have none of the frictions that are manifested in various parts of our country between the colored and the white races. As I see it, one of the most important problems of the present small and shrinking world is to get understanding among the races of men, and I know of no better example of the accomplishment of that fact than what we have in Hawaii. If understanding and tolerance prevail in the world, peace will be more certain to come. Hawaii has set a good example for us to follow.

I might say that 30 years ago I thought Hawaii was a Japanese outpost, but in the intervening time I have learned that it never was a Japanese outpost; it has been an American outpost. For that reason, and the other reasons mentioned, I am heartily in favor of statehood for Hawaii.

I want to call your attention to one very important thing: When the Pacific war suddenly broke upon us and the full impact fell upon Hawaii, there were many men who were doubtful as to the reaction that Hawaii would make, especially that part of the population of Japanese extraction. Not one single case of sabotage was uncovered by anybody living in Hawaii. I will put into the RECORD pursuant to permission I secured earlier in the day to extend my remarks, several statements of military men who were familiar with the conduct of the Hawaiians during the war. While we are on that subject, here is what two military men who were in Hawaii during the late war, said:

On September 3, 1945, Lt. Gen. Robert C. Richardson, Jr., said:

> For many months Hawaii was America's last outpost in the Pacific, its people under constant threat of attack as fierce as the onslaught which opened the war on December 7, 1941. Yet the people never faltered. Patiently, courageously, they went about their tasks, supporting the armed forces by every means in their power—doing war production work, buying war bonds, donating blood, providing comforts for those in service.
>
> Even more, they gave their sons and daughters to the services, in which enviable records were established. In many homes today the joy that peace has come is saddened by the memory that a son or brother will not return, because he paid the full price of freedom on some Pacific island or European hilltop.
>
> I am, therefore, very deeply grateful to the people of Hawaii for their unfailing support of the Army and of me as their commander in the discharge of my responsibilities.

Earlier in the war, Gen. Delos C. Emmons, in a message of aloha to the people of Hawaii on May 28, 1943, paid high tribute to the people of Hawaii when he said of their efforts to help in the common cause:

> The people of Hawaii have set an example for the Nation to follow.

A member of the FBI testified that not a single act of unpatriotic or subversive conduct was committed by the people of Hawaii.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON. I yield.

Mr. McCORMACK. I forget his name, but the agent in charge of the FBI bureau in Hawaii testified, and the evidence so shows, either in connection with the hearings this year or the hearings before the subcommittee of which the gentleman from Louisiana [Mr. LARCADE] is a member that the Hawaiians were loyal.

Mr. JOHNSON. That agent was Robert L. Shivers. He stated that—

> Hawaii's people of all racial ancestries did cooperate with the constituted authorities in preparing for and prosecuting the war against Japan.

In his appearance before the Committee on Public Lands of this House 3 years ago, Admiral Chester W. Nimitz also testified that—

> During my period as commander in chief of the Pacific Fleet and Pacific Ocean areas, I had the opportunity to observe the people of the Hawaiian Islands, and I have great admiration and appreciation of the complete and wholehearted cooperation they gave to the war effort.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON. I yield.

Mr. KEATING. I recall that the gentleman made an argument in opposition to statehood for Alaska, a very effective argument. Does not the gentleman feel that the situation in Hawaii, both as regards population and economic conditions, commitments, and many other factors, is quite different from the one with which we were confronted in the Alaska bill?

Mr. JOHNSON. I think so very emphatically, because Hawaii has the required population. The population in Hawaii compared with that of the United States mainland is 1 to 280, whereas in the case of Alaska it was 1 to 1,582. The Hawaiians have a fine record in the handling of their own municipal affairs and in raising their own money for governmental affairs. They have proved conclusively to me that they know how to govern themselves, and have the taxing capacity to do so. The record in handling their own affairs is excellent. They have demonstrated their capacity for statehood.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. Mr. Chairman, I yield to the gentleman from California one additional minute.

The CHAIRMAN. The gentleman from California is recognized for one additional minute.

Mr. JOHNSON. I yield to the gentleman from Illinois.

Mr. JONAS. Is the gentleman able to tell us whether the crafts in the Hawaiian Islands are unionized? And, if so, what is the dominant union in control?

Mr. JOHNSON. I understand they are unionized and I assume they belong to the CIO because Mr. Bridges is the head of the labor organization.

Mr. JONAS. Is it still true that Mr. Bridges wields influence over there?

Mr. JOHNSON. I can answer that in this way: Mr. Bridges does wield an in-

fluence in the labor field. He wields and influence in California, my State, but I think Hawaii is large enough and big enough to handle that situation as well as any State could handle it.

Mr. JONAS. In the opinion of the gentleman from California, will the influence that Bridges wields in the Hawaiian Islands now in any way directly or indirectly influence the election of Senators or a Congressman for the purpose of complying with the constitutional provisions?

Mr. JOHNSON. He may influence them, but I cannot appraise what influence Mr. Bridges will have in Hawaii in the direction of electing Representatives and Senators, in the event Hawaii becomes a state. I doubt that it will be a dominant influence.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I had the privilege of being a member of the Larcade Committee which investigated statehood for Hawaii in January 1946. We worked very hard, we held extensive hearings throughout the islands. We visted every island in the group. I commend the reading of the report of the Larcade Committee to any and all of you who are interested in this subject.

Some of the information given you by my colleague Mr. ENGLE of California as to the statements by Mr. Shivers, head of the FBI in Hawaii at the time of Pearl Harbor, was brought out in this report. Not one of the alleged instances of disloyalty that were published throughout this country during the war were found to be based upon fact. He denied them summarily and he denied them without reservation.

In 1937 an investigation had been made by a committee of Congress as to statehood for Hawaii. The committee reported back that there were two impediments at that time to fulfilling the ambitions of Hawaii. One of those was: Did the people of Hawaii desire statehood? And the other was based on the loyalty of a minority group within the Hawaiian Islands. In 1940 the people of Hawaii spoke and spoke very definitely as to their desire for statehood in the plebiscite referred to earlier in the debate when they voted overwhelmingly for statehood.

In 1941 and thereafter for 5 years we had an opportunity of testing in the crucible of war the loyalty of American citizens of Japanese extraction and they were not found wanting. We started with the assumption made by Mr. Shivers and we can carry the war effort of these people into Europe where the most decorated unit in the American Army, the One Hundredth Battalion, composed of Japanese Nisei, 95 percent of whom came from Hawaii. Where did we get the intelligence people who were used in Japan and who were attached to the American Army? They were the Nisei that came out of Hawaii and beyond any question of doubt they resolved that impediment in favor of statehood. They have proven their loyalty to this country.

Mr. Chairman, Hawaii pays more taxes than 10 other States. Hawaii has built up, just as Florida and my own State of California, a great reputation as a playground; but let me assure you there are no more people living in grass shacks in Hawaii than there are in the city of Washington.

Taken as a whole, I think the housing conditions for the people in Hawaii are perhaps better than the housing conditions of many of the people here in the city of Washington. Hawaii has served her period of tutelage. She is governed by the same laws relative to immigration as is the rest of the United States, and that question has been raised. There has been no great influx of people into Hawaii or no greater influx of people into Hawaii than there have been into any other section of the United States since the passage of the immigration laws, and the assimilation of those people has proceeded perhaps more rapidly than the assimilation of other races has taken place in some of our great metropolitan centers. Hawaii is the catalyst that helps mold and draw together the peoples from the East and the peoples from the West. The future of this country lies in the Pacific Basin, and Hawaii is important to the development of the Pacific Basin.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, the debate on this proposal and on the Alaska bill of last week reflects no credit upon the soundness of the thinking of this body. When this House voted to admit Alaska to statehood it voted for the creation of a pauper State which, from the standpoint of wealth and population, cannot support itself, and knew that this was so when the vote was cast. We have been doing a lot of talking and a lot of thinking and a lot of worrying for the past several years about the type of people that serve in the different departments of Government. We have been talking about the Communists and the Reds in the different departments of the Government and wondering as to how we could get them out and keep them out. Here, insofar as Hawaii is concerned, we are creating a State that we know is Communist controlled and, Mr. Majority Leader, you know that is so. When you admit Hawaii you will have accepted into the sisterhood of States a community that Harry Bridges dominates as completely as if it were his child and, Mr. Majority Leader, you know that is so.

Here you take an island more than 2,000 miles from anywhere and you admit it as a State. When you admit Alaska and when you admit Hawaii you are obliged to admit the Virgin Islands, Guam, and all other island possessions over which the American flag flies. You people who are talking about bringing in Hawaii, are you prepared also to bring in Guam and the Virgin Islands simply because they claim that they are able to maintain themselves and say that they want to come in? What about other countries that might want to enter? Suppose the Philippines would like to have you admit them as a State. Suppose Korea should want to come in as a State. Suppose some of the countries in Europe should want to come in as a State. Would you admit them? Do you think that it would strengthen the American Union? Following the line of reasoning that you make here upon this particular bill you would take them in simply because they want to come in. Is this sound legislation? Does it make sense?

You have taken a lot of pains, you have consumed a lot of time in the making of elaborate statements as to why this Congress should do a very foolish thing, that is, spread out the governmental control of our country over the entire world, taking in all the islands and all of the peoples in the Pacific and everywhere who want to come in. Is it statesmanship? Are you doing the good, the wise, and the right thing for your country?

Mr. Chairman, I am persuaded that we are acting in a foolish manner. I am persuaded that we are rendering no service to the flag. I make no arguments against the patriotism of the people of Alaska. I know that as far as devotion to the principles for which our country stands is concerned they are all right, but they cannot support themselves, and we know it. As to Hawaii, I insist that while it may be capable of self-government, it is not in any respect suited for statehood. Its pure Hawaiian population is but 3.4 percent of the total population of around 425,000. The Caucasian population is put at 25.5 percent, and that of the Japanese at 37.3 percent.

Mr. Chairman, I say that this House ought not to act favorably upon this bill, and the Alaskan bill should be abandoned. To me the entire proposal is the height of folly.

Mr. CRAWFORD. Mr. Chairman, I yield 4 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I have never had the privilege of being in Hawaii but I think I have given as much time and thought to the study of this question as many Members of the House.

I very much deplore the speech just made by the gentleman from Georgia. His statement in particular that Hawaii is Communist-controlled, is a statement made, so far as I know, without any evidence whatever. It is untrue, and of course it would be very prejudicial if it were true. It was made to prejudice and inflame you.

From my point of view, I have always conceived that the territorial status under our Constitution was a probationary status. It is a status which implies a later admission to the Union. The only territories we now have are Alaska, which we voted last week to admit into the Union, and Hawaii. All that has been said about Puerto Rico and the Virgin Islands and Guam and what not is quite beside the point.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield to the gentleman from Florida.

Mr. PETERSON. The gentleman is eminently correct, because when we took

them in under the Constitution as a Territory we held out to them the hope and promise of statehood. That has not been done in the case of unincorporated territories such as Guam and Samoa.

Mr. HALE. It seems to me that Hawaii meets every possible requisite for statehood. It has a population more than five times as large as that of Alaska. Hawaii would presumably be entitled to two Representatives in this body, yet there are now four States which have only one Representative.

With the climate of Hawaii, which even the gentleman from North Carolina admits to be ideal, it seems very likely that within the next 10 years the population there may come to exceed that of several other States in the Union.

So far as the educational system is concerned, Hawaii has a superior system. The people have a democratic spirit and a capacity for harmonious cooperation among the various racial groups which I think may well be the envy and model of the world. If it be our desire, as I think it should be, to bid for the good will of the Asiatic peoples, a good will which our conduct has very seriously impaired in recent years, I think there is no better way to start rebuilding that good will than by admitting Hawaii to the Union.

Actually, the only argument against the admission of Hawaii into the Union is based on what seems to me a fairly low form of racism because a good many of the people of Hawaii are not pure-blooded Caucasians. Everybody admits they are loyal Americans. Everybody admits the record of Hawaii during the war. If we are going to take the position that the United States is a country which cannot get along with anybody but pure-blooded Caucasians, then we ought to start right now to deport about a third of our present population in the continental United States.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, the reason I am taking the floor to discuss this issue is that I had the opportunity to serve on our Territories Committee for a number of years. While a member of that committee we made an extensive examination of the Territory. We held hearings in most of the islands. We had an opportunity to interview many of the citizens of the Hawaiian Islands; not only public officials and those who occupied positions in the legislature, and other Territorial officers, but also the people on the streets and on the plantations and farms.

As I said we visited all of the inhabited islands while we were on this examination. I think it was almost the unanimous feeling of the committee after that examination and even on the part of those who were opposed to statehood for Hawaii originally that the islands had justified their claim to statehood. Much of what I said here on Friday with reference to the Territory of Alaska applies equally to this Territory. As was said by the previous speaker, the Hawaiian Islands have demonstrated that they have met a very serious problem in solving the racial question. Perhaps no portion of continental United States presents the problem which existed in the Hawaiian Islands by reason of so many different types of racial groups and racial origins. But our findings on the islands were that these various groups of different racial origins are now all working together socially and commercially and living in the same cities and communities in peace. They have solved that problem which is causing considerable trouble here on the mainland. I think they have done a remarkably fine job in that respect. I do not believe the racial question in any way militates against the admission of the Hawaiian Islands into the Union as a State.

Furthermore, it was our feeling and it is my feeling that the Red question, the question of communism, so-called, presents no more serious problem there in the islands than it does here on the mainland. I doubt, in fact, in some respects that it is as much a problem there as it is here. Coming from the Pacific coast, as I do, you know we have the problem rather intensified there. We are attempting to solve it. The Nation is attempting to solve it. We are making some headway with it. We perhaps are not entitled to too much patting on the back with respect to it. But in the islands they are doing a fairly good job.

We found in the islands, so far as their schooling and educational system is concerned, that they are doing a better job than we are. A larger percentage of their youngsters are in school than here on the mainland. During the war we found there was a large number of American citizens from the mainland old enough to be inducted into the Army, but who could not read nor write, and they were kept out of the Army by reason of such lack of education. That does not exist to such an extent in Hawaii.

Mr. Chairman, as I have already said, I was one of the subcommittee on the Territories Committee of the Seventy-ninth Congress that visited the Hawaiian Islands, and we had an opportunity at that time to make a rather extensive examination of the islands and their peoples.

We held hearings at most of the important places on the islands, and we interviewed many of the citizens, those in prominent positions as well as men and women in all walks of life, and I think it was the unanimous view of the subcommittee that made those examinations that statehood should be granted to the islands.

In view of that, I introduced one of the companion bills in the Eightieth Congress, seeking the admission of the Hawaiian Islands as a State of the Union on a par with other States. In the Eighty-first Congress, on January 3, 1949, I introduced H. R. 26, which is identical with my former bill.

The committee found from examinations and interviews and hearings that the islands have developed economically to a position which certainly would entitle them to admission as a State of the Union. Their economic development, industries, agriculture have proceeded certainly to a far greater extent than, I believe, any other of the Territories that have been admitted to this Union.

From the social and cultural standpoint, I believe they have developed to a position which, in my judgment, and I believe in the subcommittee's judgment, is on a par if not higher in some respects than the various States of the continental United States. They have a very healthy view of the political and social demands upon citizens. They take an active part in the political affairs of the islands.

The racial standpoint is another problem that our committee went into quite thoroughly because there have been some charges that the racial issue is such there that it might militate against the admission of the islands to the Union as a State. The committee, after its examination, had an opportunity to discuss the problem with the residents of all racial mixtures and felt that that was not a deterrent. We felt that the islanders have handled the racial question perhaps better than we have in many respects. The various groups of racial origin there in the islands seem to cooperate and get along well socially and politically, and in their business relationships so that in our judgment that is not a factor that would militate against the admission of the islands as a State.

We found many residents of the islands who were of foreign origin but were exceptionally well educated. They used excellent English and showed themselves to be fully posted on civic, social, political and public affairs, and were possessed of the faculties, education, and loyalty to exercise full citizenship.

When a territory has remained in a tutelage status for as long as Hawaii has, with its people required to pay taxes to the Federal Treasury just as mainland citizens do, but denied the right to elect representatives with power to represent effectively, by voting, Hawaii's position on the legislation that sets up the taxing system, then I am of the opinion that such an area should be admitted as a State if that is what its citizens wish and if the area is otherwise qualified.

We know that Hawaiians want statehood. They indicated in their 1940 plebiscite, and when the House subcommittee, in 1946, held hearings in Hawaii, almost every witness favored statehood. Full opportunity and encouragement was given to the opponents of statehood to come before us with their objections, but only a few appeared and there was no organized opposition. What did appear plainly from the testimony and exhibits filed with the committee was that Hawaii has conducted its affairs in a highly intelligent and efficient manner, that its revenue-producing structure is sound, its businesses diversified, and its electorate politically conscious. I was particularly impressed by the high percentage of its qualified voters who exercised their franchise and by the excellent representation among the voters of the various racial groups in the Territory. The evidence before us showed that "bloc voting," a reference to which so frequently is made in discussions of Hawaii statehood, was not prevalent to anything like the extent one might suppose, and our subcommittee

concluded that while some bloc voting was inevitable, it was not likely to assume serious proportions, since the racial groups are divided within themselves by differences in economic, social, and political outlook which transcend their common racial backgrounds.

Hawaii's legislature, like its electorate, is composed of members of a great many racial groups and, in no small measure, due to the intelligence and interest of the voters, has consistently enacted legislation which, for progressiveness and social policy, ranks favorably with our leading States. The Territory has adopted many of the uniform laws enacted by our States in such fields as partnerships, sales, negotiable instruments, workmen's compensation, and criminal extradition. It has a Territorial retirement system, comprehensive public health laws, progressive labor legislation, including a child labor, a workmen's compensation act, and wage-and-hour law and an unemployment compensation law which provides more liberal benefits than the laws of any State except New York. Labor organization has penetrated all industries, including sugar and pineapple, and Hawaii has extended collective bargaining to agricultural labor.

The stature of the United States can only be increased by incorporating such a forward-looking community into the Union in the fullest sense.

While the advantages of statehood to Hawaii are great—permitting its people to elect their governor, send voting representatives to the Congress, and vote in presidential elections—the advantages to the United States are no less great, militarily and economically. The strategic importance to the United States of Hawaii's geographic location is surely obvious by now. Hawaii has been called the crossroads of the Pacific, lying, as it does, closer to North America than to any other large land area. America's interest in the Pacific has grown enormously as a result of the war and it would be of distinct advantage to the United States to have in the Senate and House representatives from Hawaii who know the history and problems of the Pacific area. Its nearness to the Orient, in effect, brings the United States coast line 2,400 miles nearer the oriental markets. Tourists from the mainland, particularly from the western coast States, knew Hawaii well before the war, and now that air transportation is becoming more readily available, through frequency of service and lowered costs, tourists from the Eastern States are brought within reach of Hawaii. It can no longer be argued that distance militates against Hawaiian statehood. The Pacific Northwest area, and Oregon in particular, has close commercial ties with Hawaii and would welcome Hawaii's entry as a State. Over 800 firms in that area are doing business with Hawaii and much of Hawaii's lumber comes from Washington and Oregon, 94,000,000 board feet having been shipped in 1940. The potentialities of future expansion of commerce between the two areas, especially if Hawaii should become a State, are great.

Hawaii is a modern American community, maintaining to a high degree of efficiency the same type of educational, health, and welfare facilities to be found in our highly organized State jurisdictions. Hawaii has well-equipped schools for its 81,000 school children, more than 99 percent of whom are American citizens. The schools are better attended than the schools of any State except Maine and Michigan. To an unusual degree, rural schools in Hawaii are on a par with city schools. Teachers are higher paid on an average and have a lighter pupil load than the teachers in mainland schools.

This equality of educational opportunity in Hawaii is maintained because of Hawaii's unique school organization. Although Hawaii's public-school program is controlled in the typical American practice under a lay board of education, the largest city or the smallest village in Hawaii, regardless of the degree of wealth of the area, is provided with comparable school facilities. All schools in Hawaii, both large and small, are comparable in their organization, the 5-year certification requirement for the teaching personnel, the salaries paid, and the educational supplies and equipment made available.

Only one State, Delaware, has a comparable centralized school system, although such States as North Carolina and California, in their financing of education, have moved forward in bringing about the type of equalization of educational opportunity maintained by Hawaii for nearly 50 years. Under statehood, Hawaii hopes to improve, yet maintain, the centralized feature of its educational system.

Hawaii's educational system was inspired by American missionaries from New England early in the 1820's. One school organized by these Americans in Hawaii celebrated its one hundredth anniversary in 1940. Californians used to send their children to school in Hawaii because boat travel to the islands was safer than coach travel to New England.

The public schools of Hawaii have been surveyed at least once every decade since 1920. The opening paragraph of the 1946 report on education in the Hawaiian Islands, made by the American Council on Education, states:

> The Territory of Hawaii has convincing evidence in the days which followed December 7, 1941, that its educational program has faced a critical test, and that the objectives and ideals of democratic citizenship had become a part of the lives of a people of many races and backgrounds. Every American citizen owes a debt of gratitude to those people in the Territory who had the vision to plan and develop a democratic school program. Few other communities can boast of having done so much educationally in such a short period of time.

Hawaii's school system is patterned after the best in American tradition. Modern dental hygiene facilities, hearing and vision testing is a part of the regular program. Its nutrition program and its cafeteria service are exemplary.

Health education and service is another well-developed phase of Hawaii's educational system. That is not surprising, for an official board of health in Hawaii preceded that of any State in the Union. King Kamehameha III in 1839 created, by royal proclamation, a board of health. The first State board of health was created by the State of Massachusetts in 1869.

During the fiscal year 1945, 90 percent of all births in Hawaii were attended by physicians.

A bureau of mental hygiene has been in operation since 1939, when it was created by Hawaii's legislature.

No individual in Hawaii need go without medical care if he is ill. In the rural sections of the Territory, a county health unit is maintained, and a physician paid a salary by the board of health. Funds for certain types of health care of medically indigent persons are also provided through the county governments and the Territory's department of public welfare.

According to statistics published in 1945, no State or State health department, but only the District of Columbia and the Virgin Islands, exceed Hawaii in per capita expenditures of funds for public health. Two-thirds to three-fourths of the funds for public health spent in Hawaii are appropriated by the Territorial legislature.

Public health developments in Hawaii include maternal and child-health activities, a program for the aid of crippled children, certain sanitary procedures, and efforts to lower venereal diseases. The decline of infant and maternal mortality rates and venereal disease rates has been more propitious in Hawaii than in the continental United States as a whole.

Although Hawaii is world famous as an unusually healthful place in which to live, the Territory's health record has been reached over a period of years not by accident, but by the application of sound principles of public health.

The Territorial department of public welfare has developed a modern program of public assistance. Relief is extended in the fields of old-age assistance, aid to the blind, to dependent children, and general assistance for those needing medical and dental care, hospitalization, and burial service.

A summary made by the United States Social Security Board of the Welfare Department's personnel requirements and salaries showed Hawaii's standards in this regard are the highest in the United States.

All told, Hawaii has been successful in instilling into her citizens the objectives and ideals of our democracy. By having the American pattern of high standards in public education, health, and welfare as a primary objective during her 50 years of apprenticeship under the American flag, Hawaii has unqualifiedly been fitted for statehood.

Mr. Chairman, support throughout the Nation for State government for Hawaii and Alaska is both widespread and sincere. Our constituents back home give such ample evidence of their grass-roots interest in statehood for our two Territories that we should vote favorably on this legislation.

One of the categories of national enthusiasm for the extension of the privileges of full American citizenship to Hawaii, for example, is that of the editors of the press.

A recent survey of 1 years' editorial opinion on statehood for Hawaii covered

all 48 States. The survey was compiled from 282 newspapers with a combined daily circulation of 25,000,000. Of the 733 editorials collated, 691, or 94 percent, favored statehood for Hawaii. Each State had at least one editorial endorsing statehood, and several had many.

Just since this second session of Congress has convened many editors have cried out their enthusiasm for affirmative action on the statehood bills. These editorials want to see justice done. They want a positive expression of the workability of our democracy.

May I call your attention to pertinent excerpts from a few of these recent editorials.

My home-town paper, the Portland (Oreg.) Journal, on January 26, editorialized:

What puzzles most Americans is why statehood for these two important Territories has been so long delayed.

Across the breadth of the continent the New York Journal-American on January 22 commented:

For some reasons that are identical, and for other reasons that differ, both Alaska and Hawaii should receive statehood at once.

Our largest State, the Lone Star State of Texas supports statehood editorially. On January 29 the Houston (Tex.) Chronicle speaks out for its citizens:

Alaska and Hawaii are of tremendous importance to the United States in terms of national security. They will grow in trade importance. Their people deserve the measures of local self-government through State and county administration as much as do the people of the oldest States and the newest.

Out west the Santa Rosa Press-Democrat concluded on January 27:

We can see no possible excuse for further delay by Congress in granting statehood to the two Territories.

There is no valid excuse for further delay. As the Great Falls (Mont.) Tribune said on January 26:

Extensive investigation of the statehood qualifications of both Alaska and Hawaii have been made by regular congressional committees and special subcommittees. And investigations have also been made by departments of the administrative branches of government most actively concerned. All of these investigating groups and agencies are now on record in favor of the statehood proposals.

The New Orleans (La.) Item strikes a chord dear to all of us:

As a matter of simple fairness, Hawaiians pay Federal taxes—$90,000,000 last year—and so deserve representation.

On January 29 the St. Louis (Mo.) Post-Dispatch reiterated this, too:

The people of Hawaii could raise an historic cry if they felt like it. They could remind Congress of what the colonists called taxation without representation.

In the deep South the sentiment for statehood is likewise favorable. The Durham (N. C.) Herald on February 4, editorialized:

Admission of Alaska and Hawaii as States of the Union would be significant message to the world that the United States disclaims imperialism as a policy.

Mr. Chairman, the following are some of the editorials which have appeared in the press throughout the Nation urging statehood for the Hawaiian Islands:

[From the Los Angeles (Calif.) Herald and Express of January 13, 1950]

HAWAII STATEHOOD

It is gratifying to note that a special House Public Lands Subcommittee has recommended immediate statehood for the Territory of Hawaii. The seven members of this committee have visited Hawaii; they have talked with business leaders, civic leaders, and public officials; they are cognizant of Hawaii's needs, and it is their unanimous belief that the United States should act at once to make Hawaii a State.

We do not want another Pearl Harbor incident—and we are far less liable to have such a surprise attack if Hawaii is a State rather than a Territory.

[From the Salt Lake City (Utah) Tribune of February 9, 1950]

HAWAII HAS ARGUMENTS GALORE FOR STATEHOOD

The Territory of Hawaii, which has been seeking to become a State of the Union since 1894, is planning a constitutional convention. Its people want to be prepared when and if their petition for statehood is accepted.

Socially, economically, and politically the island Territory is ready for statehood, according to a report of the House Public Lands Committee. Hawaii is a "crossroads of the Pacific," a center of trade and cultural relations between all peoples of the Pacific area. Some opponents of statehood point to the paralyzing dock strike last summer and fall and hint of subversive influences there. Is the record against irresponsibility and greed, breaking down management-labor relations, any better on the mainland?

Hawaii has a population of more than half a million, exceeding that of six States and almost equaling that of four others. It has a larger population than any Territory when admitted, except Oklahoma. More than 85 percent of the residents are American citizens.

Hawaii contains 6,540 square miles, a larger area than Delaware, Connecticut, or Rhode Island. It has had a constitutional form of government since 1840, and as a Territory since 1900 it had undergone training for statehood.

Last year the Territory paid into the United States Treasury $90,824,693.66. This was more than was collected in Federal taxes in any one of 11 States—Utah, Arizona, Idaho, Montana, Nevada, Wyoming, New Mexico, North Dakota, South Dakota, New Hampshire, or Vermont.

On the taxation point alone, Hawaii has a potent argument for congressional action in its favor. The historic cries of "taxation without representation" and "government without consent of the governed" date back to the days when the Thirteen Colonies were struggling for something like statehood.

[From the Cheyenne (Wyo.) State Tribune of January 29, 1950]

IT WOULD AID THE WEST

If Wyoming and other Western States desire a more influential regional voice at Washington—and that's exactly what a lot of us have been hollerin' for these many years—we should extend more than vocal support to the pleas of Alaska and Hawaii for statehood.

Powerful interests must be working against the two statehood bills, and they must be doing it more or less behind the scenes. On the record the two Territories have been recommended for statehood by the platforms of both major political parties, President Truman, the western congressional delegations, and most other public leaders.

If Alaska and Hawaii should become States, they will be Western States, lending strong support to the ever-present battle of the West against the eastern philosophy that the West is but a distant province that must be quieted from time to time with a sop of one kind or another.

[From the San Antonio (Tex.) Light of January 22, 1950]

For some reasons that are identical, and for other reasons that differ, both Alaska and Hawaii should receive statehood at once.

Suitable bills for the purpose are pending in Congress.

Ample hearings at Washington have put the facts upon public record.

Primarily, perhaps, our own national security is the prevailing motive that should bring immediate and favorable action in the two Houses of Congress.

But in respect to both Territories, other considerations are of almost equal importance.

During the congressional recess a subcommittee of the House of Representatives visited Hawaii on an inspection tour of our possessions and mandated islands in the Pacific.

Recommending that the promise of statehood long held out to the people of Hawaii be promptly fulfilled, the subcommittee report said:

"Your committee believes that action at this time is in the national interest."

With our great responsibilities in the Pacific—the subcommittee further found—Hawaii is a strategic area for moral as well as for military purposes.

The people of the Pacific fear communism; they look to our strength in Hawaii to guard them; and they also look to Hawaii for leadership and guidance in education, science, and agriculture.

Hawaii, in brief, is the Paris of the Pacific.

Consequently, the report declared, "Hawaiian statehood will be reassuring to the friends of democracy."

[From the New Orleans (La.) Item of February 4, 1950]

PUT UP OR ELSE

If this country doesn't want to admit Hawaii as the forty-ninth State, we should tell the Hawaiians that as a matter of human decency. If we do want Hawaii, we ought to pass the bill inviting her in.

For 30 years the Hawaiians have been asking for statehood. United States political leaders have been promising statehood.

Practically everybody agrees on the economic, military, and cultural advantages of closer ties between half a million loyal and intelligent Hawaiians and the United States.

Statehood for Hawaii would reaffirm American leadership in the Pacific, provide an example of democratic good intentions for the Far East and thus counter Communist propaganda that this country has set up barriers against orientals.

As a matter of simple fairness, Hawaiians pay Federal taxes—$90,000,000 last year—and so deserve representation.

But Congress has received 26 bills and conducted 6 investigations without ever taking any action. Now a thirty-seventh statehood bill is before the House.

Once again we urge action in the House and the Senate on admitting Hawaii as a State. We don't believe it makes sense in any way to keep a good friend waiting on the doorstep.

[From the St. Louis (Mo.) Globe-Democrat of January 29, 1950]

STATEHOOD FOR HAWAII

While Washington debates what can be done, if anything, to halt the spread of communism in the Pacific, Congress has at hand the opportunity to take a positive step toward strengthening the cause of democracy in that area. Prompt enactment of H. R. 49, granting statehood to Hawaii, is a basic requisite to the development of a sound Pacific policy.

The importance of admitting Hawaii to the Union was emphasized in the report of a subcommittee of the House Committee on Public Lands on January 10. In that report the subcommittee said:

"Enactment of H. R. 49 will strengthen the position of this country among the people of the Pacific islands and the Far East. The advance of communism and the uncertainties as to what course this country might pursue to meet these advances in the Pacific has filled them with grave doubts. They look to the United States for leadership in meeting this problem and all of the threat it holds for the freedoms inherent in the democratic way of life. * * * The prompt admission of Hawaii to the Union will be notice to the people of the Pacific, and to the world, that this country intends in no sense to retreat from its position of leadership in the Pacific."

One of the effective arguments of communist propaganda in the Far East is that there are racial barriers in our Government which militate against people of Oriental origin. The admission of Hawaii would be a convincing answer to this propaganda.

H. R. 49 was reported by the Public Lands Committee in March 1949. Its enactment was urged by President Truman in his State of the Union message to Congress. The bottleneck now is the House Rules Committee. In view of the bill's importance to our position in the Pacific, as well as in justice to Hawaii, the Rules Committee should act now to bring the measure to a vote in the House.

At the same time there is no reason why the bill to admit Alaska to the Union should not be considered also. Both are of importance to America's future in the Pacific.

[From the Milwaukee (Wis.) Journal of January 29, 1950]

QUIT STALLING ON HAWAII

What has the United States to gain by admitting Hawaii to the Union as the forty-ninth State?

A permanent military bastion in the Pacific, of course. A vacation paradise. An area greater than the States of Delaware, Connecticut and Rhode Island. A sturdy economic unit that last year paid $90,000,000 in Federal taxes, more than each of 11 States. And a loyal, intelligent, democratic population of 527,000.

What else would Hawaiian statehood do for us?

Read what a special committee of the House of Representatives, after visiting the islands, has reported to the Committee on Public Lands:

"Admission of Hawaii will be notice to the people of the Pacific and to the world that this country intends in no sense to retreat from its position of leadership in the Pacific. * * *

"It will be reassuring to the friends of democracy. The United States will give them a practical demonstration of its belief in the democratic system of government by admitting Hawaii to the Union as a State and its people, thereby, to the full privileges of American citizenship. This example will be of far-reaching influence. * * *

"It will provide an effective answer to Communist propaganda that is undertaking to persuade the people of the Pacific, and particularly of the Far East, that there are racial barriers in the American system of government that militate against people of oriental origin.

"It will serve to bring the people of Hawaii into closer relationship to the people of the rest of the country and the latter to a fuller appreciation of our responsibilities in the Pacific."

This country has dallied too long with the affections of the Hawaiian people.

Since 1920 they have been asking for the statehood that they have earned and the representation to which they are entitled. Thirty-six statehood bills have been introduced in the Congress.

There have been at least six congressional investigations in Hawaii. There has never been any serious opposition to statehood, yet the final step is never taken.

Another statehood bill is now before the House.

It should be passed there and it should be passed in the Senate.

This is not only a matter of party pledges or of keeping the promises long held out to the people of Hawaii.

It is, as the House committee said tersely, "In the national interest."

[From the Gary (Ind.) Post-Tribune of January 28, 1950]

STATEHOOD FOR HAWAII

The year 1950 might be a good one in which to increase to 50 the number of States in our Federal Union. But at a minimum, Congress ought to bring to a final vote the statehood proposals in behalf of both Hawaii and Alaska.

There are sound arguments in favor of admitting both Territories to statehood. The claims made in behalf of Hawaii are particularly impressive, however, and it's hard to understand how Congress can delay much longer.

Hawaii is of considerable population—more than half a million. No other Territory had as many, except Oklahoma, when it was admitted to the Union. Hawaii is a sizable economic unit; it paid more Federal taxes last year than did 11 States. It has had a functioning, orderly system of local government ever since 1840.

The Territory is going ahead with statehood plans in a way that should get a favorable reaction in Congress. A constitutional convention has been called for April 4, with delegates to be elected in March. If statehood is granted, Hawaii hopes to have a constitution ready for submission to Congress at once, so that formal admission can be achieved quickly.

Six congressional investigations have been made of Hawaii's fitness for admission as a State. They've all been favorable, including the last one which has just filed its report with the House of Representatives this month. Its report concludes: "The promise of statehood long held out to the people of Hawaii (should) be promptly fulfilled * * * Action at this time is in the national interest."

[From the Durham (N. C.) Herald of February 4, 1950]

ALASKA AND HAWAII AS NEW STATES OF THE UNION

Admission of Alaska and Hawaii as States of the Union would be significant message to the world that the United States disclaims imperialism as a policy. It would confirm the position that it is the aim of this Nation to prepare all people within ts jursdicton for full citizenship.

When the United States granted to the Philippine Islands independence, it gave support to the cause of nationalism in Asia, recognized now as the most powerful force among the people of that continent and the basis for the developing Asiatic policy of the Truman administration. The loyalty of the Filipinos to the United States and its allies during World War II is sufficient proof of the wisdom of that act which did more than a million speeches to convince Asia that the United States has no imperialistic designs.

The opportunity to admit Alaska and Hawaii to statehood gives this Nation another chance to show its sincere democracy. The people of these Territories prefer full United States citizenship to independence, and wisely. The United States has indicated, by making these areas Territories, that statehood might be considered the ultimate goal.

One can communicate with and reach both these Territories from Washington sooner than one could communicate with and reach North Carolina from Washington when that city became the capital of the Nation. Distance, then, is no longer an effective argument against admission.

Alaska's population is comparable to Nevada's, and Hawaii's exceeds that of Arizona, Delaware, Nevada, New Hampshire, and Vermont and may be compared with that of Idaho, Montana, New Mexico, and Utah. Statistics, then, should answer the objection that the population does not justify two Senators and one Representative for these proposed States.

[From the Oswego (N. Y.) Palladium-Times of January 23, 1950]

MERITED

Residents of the Territory of Alaska are making another appeal to Congress, at the present session, for admission to statehood, just as residents of Hawaii bring forward their claims to become the forty-ninth State and bring another star to the field of the national ensign. The situation relative to Alaska is somewhat different from that of Hawaii, and while both are on frontiers of the Nation, and both are Territories, Alaska lacks the population and financial background to meet the Hawaiian claims on equal terms. But of the two, potentialities as to the future favor Alaska, for Hawaii is now practically fully developed, while the tremendous natural resources of Alaska have scarcely been scratched.

The national defense angle, with Alaska likely to be the bulwark and rampart defending northern border of the continent also looms large in Alaskan claims for statehood, for the United States is now expending hundreds of millions of dollars in military, naval, and air projects in the Territory and exploiting fields for oil. There are also paper companies developing some of the timber resources and planning hydroelectric developments on a large scale. Once, a Delegate to Congress from Alaska said that he was virtually unrecognized although he represented more coal than the 2 Senators and 36 Representatives from Pennsylvania; more gold than the 2 Senators and 13 Representatives (then) from California; more fisheries than all the Atlantic coast Senators and Representatives; and more copper than Montana representation in Congress. All of which was true. The possibilities of Alaskan development are great, although United States controlled in the setting aside of the tremendous areas in national forests which cover the major mineral deposits. But the way has been started to make Alaska more than a dependent on the mother country. Once the natural resources are made available for development, there will be a greater population and a more prosperous country, and development will bring highways, railroads, and improved water transportation, three facilities which are needed.

Alaska has earned statehood, clearly.

Mr. Chairman, I could quote from every section of the country editorials

supporting statehood for our only two remaining incorporated Territories. There is no opposition in the minds of thoughtful people to this legislation. I most respectfully and sincerely urge that H. R. 49 receive the support of this Congress to grant statehood to the Territory of Hawaii. In doing so we are only keeping our commitment with Hawaii when we admitted the islands as a Territory.

Mr. CRAWFORD. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I wish to briefly discuss two propositions that have been raised. One, on the question of Hawaiian communism, and the other on the question of small population.

In the city of Detroit, the industrial heartbeat of my great State, we have something like 86 different nationalities. I had a chance to live in the city for about 10 years and see it transformed from a rather small so-called Caucasian city of beautiful streets and home sections into a great thriving industrial area. I saw those nationalities come in and settle. I saw how they were somewhat assimilated and how they were not assimilated.

That great population in the city of Detroit certainly has something to do with the politics of the State of Michigan. It has something to do with the membership of this body. That is a great CIO city. It is a great unionized city. That is a city which has hundreds of thousands of employees who work very closely with the philosophy of Harry Bridges, David Dubinsky, Walter Reuther, and John Lewis, and so on.

Over in New York City, may I say to the gentleman from New York [Mr. DELANEY], you have New York City, and certainly it has a great influence on the personnel of the other body as well as of this body. Over in the State of Illinois you have the city of Chicago.

Mr. DELANEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield for a question.

Mr. DELANEY. Has that any bearing on whether or not this Territory should be admitted as a State?

Mr. CRAWFORD. It certainly has a bearing on the communistic phase that has been raised here in the last few minutes.

Over in the great State of Pennsylvania we have the city of Pittsburgh. In the State of Missouri we have the city of Kansas City, that I think some of you may have heard of, including the so-called Pendergast machine. Down in the State of Louisiana you have New Orleans, and so on down the line.

If I am going to die a political death through fear that somebody in Chicago, Detroit, Pittsburgh, Cleveland, St. Louis, New York City, or Kansas City is going to dominate the election and send somebody to the United States Senate that will destroy this country, or to the House that will destroy this country, then I do not think this is any place for me. Therefore, I am not going to die that kind of political death or through that kind of political fear. The gentleman from Georgia [Mr. COX] has taken the position that the people of Hawaii are dominated by Harry Bridges, that it is a great communistic community, or something to that effect. Well, so what? Are we going to let the pivot of our far-eastern defense be dominated by Harry Bridges or are we going to give them statehood and let them have two Senators and two Representatives in the House where they can vote, and let them clean the place up? Give the good men of the Hawaiian Islands a chance to function in the Congress of the United States, and give the taxpayers of the Hawaiian Islands a chance to have representation after they have paid their taxes.

So I think what the gentleman from Georgia has said is about 99 percent whifflepoof, if you know what that is. I am using some of his tactics now, because he knows that I admire him, and if there is any such thing as love between men, I think I can say I love him. But he cannot kid me about this too much, and I think the people of this body are a little smarter, or just as smart as I am on these things, and that they will use their heads, because after all, this bill is going to pass this body over the protest of the gentleman from Georgia. What the people in the other body will do, where they fear a minority group may get some representation, I do not know. That is their business over there. But if the great State of New York, or the great State of Michigan, or the great States of California, Pennsylvania, or any other State is going to take the position that a small group of 530,000 people in Hawaii is not entitled to representation in these two bodies, then God help that particular Member of the great body of the Congress of the United States. Certainly I have no respect for such argument; you might just as well argue that no minority group should be heard, that no minority is ever in the right; you might just as well argue that the majority is always right, even if it comes to lynching an innocent man, even if it comes to a majority voting that so-and-so shall be executed. We just do not follow that kind of philosophy in this country; that is not what made this country the great country it is. I have sufficient confidence in the Members of this body as well as the other body to believe that if some maverick happens to get in here that we have rules and procedures that handle him pretty effectively. The well of this House takes the measure of a man, there is no doubt about that, and if he does not want to conform to reasonable decent procedure every Member of this House knows they have a thousand different ways to spank him every few days, so he finally comes around to working with the group. That is the only way you can operate a body like this. If by chance the great people of Hawaii should ever send a Representative to this House or to the other body who did not have American ideals, I would bet my last dollar that the remaining Members of this and the other body would take care of that little minority without any difficulty. I do not think that argument of a small population should carry any weight whatsoever except to make good debate, which is certainly all right. I have no objection to having the other side of the case presented, and any time I am in charge of the time on a proposition I will yield time to men opposed to me in order that the other side of the argument may be brought out; then let the will of the House prevail.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the Delegate from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, if Alaska had a vote in this House it would be cast in favor of the bill (H. R. 49). Not only is Hawaii entitled to statehood, but likewise the people of the States are entitled to the benefits which will flow to them from the admission of Hawaii to the Union.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New Mexico [Mr. MILES].

Mr. MILES. Mr. Chairman, just recently I had the privilege of visiting the island of Hawaii together with other members of the subcommittee of the Committee on Public Lands and members of other House committees for the purpose of studying statehood for that Territory. We found that they justified every claim they have made for statehood. I believe it is up to us now to make our promises good. May I say that the committee was unanimous in its decision that Hawaii should be admitted as a State of this Union. I believe it is to the best interest and welfare of this country.

Mr. CRAWFORD. Mr. Chairman, I yield 12 minutes to the Delegate from Hawaii [Mr. FARRINGTON].

Mr. FARRINGTON. Mr. Chairman, I ask unanimous consent that my colleague the gentleman from New York [Mr. LEFEVRE] may have permission to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. LEFEVRE. Mr. Chairman, it was my privilege to visit Hawaii last fall with other members of our Subcommittee on Public Lands when we covered pretty well the Pacific area, including American Samoa, Guam, and the trust territory. I believe every man on the trip would agree with me that it is most essential that we remain strong in the Pacific. It is here where we find our last remaining bulwark of democracy, and this line reaches from Japan to Alaska. My major reason for voting for the Alaska statehood bill was the belief that this action would encourage further development of that great Territory. For defense purposes this is most essential in order to attract Americans to settle there.

The United States must have an aggressive Pacific policy. It must be a policy of deeds—not one of platitudes and procrastination. It must be a policy of positive action—not one of waiting and hoping.

The conflicting ideologies of imperialistic communism and democracy have clashed head-on, and I believe that conflict will largely be resolved in the Pacific.

More than half the world's inhabitants live on the shores of the Pacific Ocean. They are now in a period of choosing between our free way of life and communism. Which way will they turn?

Now, more than ever before in our history as a nation, our islands in the Pacific are American outposts. They are forward bastions of our military defense; they are outposts of our way of life.

Let us make them examples of our free way of life, not object lessons of non-self-government.

It is now, while the forces of freedom are on the defensive in the Pacific, that the peoples of the Pacific need inspiration.

I believe that statehood for Hawaii will spark the fight for freedom in the Pacific. I believe that what happens in respect to Hawaii's bid for statehood in the American Union will greatly influence the choice of these other Pacific peoples. One of the most effective arguments which the United States can present at this moment to offset the lures of imperialistic communism would be the admission of Hawaii to statehood. This action would be a restatement of our faith in democracy which these people could understand. It would be democracy in action.

The granting of independence to the Philippines was an object lesson which all of the people of Asia understood. It was a concrete demonstration of our sincere belief of liberty and self-government for dependent peoples. So today statehood for Hawaii would have a far-reaching effect. It would show that the full measure of democracy is for all the people under our flag.

We want to see democracy take the offensive in the world's conflict of ideologies. As a component of that offensive, I want to see the United States establish a State in the Pacific Ocean.

Statehood for Hawaii is not new. It was not born yesterday nor the day before. We passed a bill similar to this one in June 1947 by a good substantial majority. In 1940 the people in Hawaii voted for it 2 to 1. When I visited there last fall everyone seemed to be for it, and without a doubt a vote today would show a great increase in its favor. Let us give Hawaii statehood now, in our time of need in the Pacific.

Mr. FARRINGTON. Mr. Chairman, I ask unanimous consent that my colleague from Illinois [Mr. SIMPSON] may also have permission to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. SIMPSON of Illinois. Mr. Chairman, since the convening of the Seventy-eighth Congress in January of 1943 I know of no persons who have struggled more diligently for statehood of Hawaii than Delegate and Mrs. Joseph R. Farrington.

Without making any attempt to further this legislation from a legal standpoint, it certainly seems fair and just that the citizens of this area should be allowed to elect their own Governor the same as the other 48 States regardless of what political party is in power The Governor of Hawaii should be the choice of its own citizens and not appointed.

Certainly no fair-minded American knowing the facts would deny Hawaii the same number of Senators and the same proportionate Representatives in Congress based upon population. Those same fair-minded Americans should feel that an elected Delegate should be allowed to cast his vote in Congress for or against legislation affecting his Territory which should be a State. This situation is un-American in every sense of the word.

Inasmuch as the last Territory to be admitted to the United States became Arizona in 1912, it, therefore, shows 35 years have elapsed since any Territory was admitted. In view of it all and the many world changes possibly the admission of Hawaii as a State and the adoption of its own constitution may be a revelation in new and better government for the remaining 48 States. A new State constitution such as will be written by Hawaiian citizens, should she be admitted, may prove very enlightening to the entire country and the world.

As a Representative from Illinois and one of 12 Representatives in Congress who have introduced identical Hawaiian statehood bills, along with the Farrington bill in the Eightieth Congress I feel, knowing that Illinois when admitted to the Union had approximately 40,000 residents and that the present population of Hawaii totals 500,000, that the area should be admitted.

Illinois has an additional interest in Hawaii becoming a State. One of the first Presidential acts after the annexation of Hawaii was to appoint five Commissioners to recommend congressional legislation for the government of the islands. This was done in 1898. One of the members of this Commission was the late Senator Shelby M. Cullom, of Illinois, who wrote the original organic act for the islands in April of 1900. Being from Illinois, I, therefore, humbly hope to contribute to statehood.

The war has proven to the United States the definite need of Hawaii to us. Fifty years is enough for more than 500,000 people to remain a territory.

When Henry Obookiah, who will stand forever among the Hawaiian legends, died in Connecticut in 1818 he stated, "I wish to live to do good, but if it were not for this, I would not wish to live another moment." Henry Obookiah, at the age of 12, came to America before he could speak English and before he knew about Christianity. Later he did much for Christianity in carrying to Hawaii the knowledge of the English language which is used today in Hawaii.

We should be seeking Hawaii, and not Hawaii seeking us.

Mr. FARRINGTON. Mr. Chairman, the time to admit Hawaii to the Union as a State is now. The reasons for this are clearly defined in the most recent report on this issue. It was rendered on January 10, 1950, by a subcommittee of the Public Lands Committee which toured the central Pacific and the Far East, as well as Hawaii.

Mr. Chairman, in concluding the debate on this issue, I want to express to the members of the Committee on Public Lands the deep appreciation I feel for the courteous and careful consideration that has been given to the welfare of the people of Hawaii, and particularly to this bill. I am grateful to the chairman of that committee, the gentleman from Florida [Mr. PETERSON], for his very close attention to this problem and the energetic way in which he has sought to bring it to the floor. I want to express my appreciation also to the ranking minority member of the Committee on Public Lands, the gentleman from Michigan [Mr. CRAWFORD], who I regard as one of the great authorities in this country today on the question of the government of our Territories and possessions. May I say to the majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], I appreciate the consideration he has shown me in connection with this measure and at all times when matters affecting the welfare of Hawaii have been brought to the floor of the House.

I cannot say that there is a Member who sits in this House who has not shown me the utmost consideration and courtesy in every matter that has come before the House relating to the Territory of Hawaii.

Mr. Chairman, this question has been before the people of the United States for a great many years. The issue of statehood received very extensive consideration at the time Hawaii was made a Territory of the United States. I know it will be of interest to the gentleman from Alabama to know that one of the men responsible for the rights that Hawaii enjoys today was Senator John T. Morgan of that State. He went out to Hawaii in 1897 and persuaded the people of the islands that they should look forward to annexation to this country and that some day they would enjoy the same privileges as the rest of the people of the United States. Later he became a member of the commission which drafted the organic law under which Hawaii became a Territory of the United States. Another member of that commission was Senator Shelby M. Cullom, of Illinois. So you go through history and you will find men from all over the country who have contributed to the upbuilding of these islands. We have lived always in the American tradition.

The gentleman from Indiana [Mr. WILSON] raised some questions concerning the management of our educational institutions. He pointed out that the Governor of the Territory was an appointive official and suggested that that explained the reason for the successful development of education in Hawaii. The fact of the matter is that although the Governor is an appointed official, the department of public instruction is controlled completely by laws enacted by our legislature and funds appropriated by our legislature. That and all phases of our life in Hawaii are the work of the people of Hawaii and not the result of any special influences that have been

exerted from the top from this quarter of the world.

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield to the gentleman from North Carolina.

Mr. KERR. Is it not a fact that the teachers in Hawaii and those who have been there teaching the people are American citizens, at least 90 percent of them are, and that the finest schoolhouses that have been built on this earth are located on the wonderful island on which the gentleman lives?

Mr. FARRINGTON. They must be American citizens to serve in the department of public instruction.

One of the most compelling arguments for statehood, it seems to me, is the people who support it. Of those who have gone to Hawaii and examined, at first hand, the problem the number who have come back opposed to it are very few and far between. I want to say to those who are opposed that I respect their point of view and I respect their opinion, because there is room for disagreement on every question.

There was a time when there was some opposition of consequence to Hawaiian statehood, but that time has passed. I do not think there is the slightest doubt that if a plebiscite were taken in Hawaii today the vote would be four or five to one in favor of statehood for Hawaii.

The people of Hawaii have come to the conclusion, with very few exceptions, that the great problems which confront us today can be met more effectively under the State form of government than under the territorial form of government.

I would be the last to deny that Hawaii is not confronted with serious problems. I would be the last to deny that we are not confronted with the problem of communism. I would be the last to deny that we do not face many other issues whose settlement presents extremely vexing problems. But I say to you that if there is anything to the American system of government then we should be given the means by which we can arrive at a sound settlement of those problems.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield to the gentleman from California.

Mr. JOHNSON. Is it not a fact that most of those problems that the gentleman mentioned are better solved by local autonomy than by national legislation?

Mr. FARRINGTON. There is no question about that.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield to the gentleman from California.

Mr. McDONOUGH. In reference to the remarks made by the gentleman from Georgia a moment ago, here we have a situation where a Territory is asking to become part of this Union. Now, we know that the gentleman from Georgia is definitely opposed to communism. But, Russia does not invite anyone to become part of the Soviet Union. They go in and take it. Here we are denying the plebiscite of a state to become part of this Union on the fallacious argument that it is infested with communism, which falls to the ground on a thorough investigation of the people of Hawaii.

Mr. FARRINGTON. I thank the gentleman for his contribution.

Now, gentlemen, I do not think there is any question but that Hawaii is qualified to discharge the responsibilities of state government. I think to delay granting statehood to Hawaii any further will seriously weaken Hawaii's tradition of self-reliance. It will certainly prejudice the position of this country in the Pacific.

This is an issue which has received unusual attention among Pacific countries, particularly the countries of the Far East. They will take the action on this bill as the measure of our attitude toward the people of far-eastern origin.

More and more we find in the press and in public utterances statements such as this, and I quote from an article written by Harold Lord Varney, circulated by the International Service. On March 1 he made this statement:

> American Pacific policy has been a dismal record of retreat since VJ-day, but there is one step which we can now take which will do something to reverse the trend.
>
> That step is the granting of statehood to Hawaii.
>
> Such an action by this Congress will be interpreted by the whole Pacific area as an indication of a new spirit of imaginative Pacific leadership in America.
>
> The United States cannot afford to miss this opportunity for reassurance of our far eastern friends.

Among the gentlemen who have spoken in support of this legislation is the distinguished gentleman from New Mexico [Mr. MILES]. He, with the gentleman from Michigan [Mr. CRAWFORD], the gentleman from North Dakota [Mr. LEMKE], the gentleman from New York [Mr. LEFEVRE], the gentleman from Illinois [Mr. JENISON], and the gentleman from California [Mr. MILLER], and myself toured the central Pacific and the Far East in November and December. Upon their return to this country the members of this committee submitted a special report on statehood for Hawaii, and I want to read briefly from that report, because I think it goes to the core of this issue and the importance of acting on it at the present time. That committee made this report:

> Prompt enactment of H. R. 49 will strengthen the position of this country among people of the Pacific islands and the Far East. Many of these people regard the future with great apprehension. The advances of communism and the uncertainties as to what course this country might pursue to meet these advances in the Pacific has filled them with grave doubts. That they look to the United States for leadership in meeting this problem and all of the threat that it holds for the freedoms inherent in the democratic way of life is unmistakable. The committee found evidences of this both in the principal centers of population in the islands of the south and central Pacific and in the Orient. These people are anxious to be reassured that the influence of this country will be exerted to the fullest in support of their efforts to achieve and sustain the freedom inherent in democracy.

The CHAIRMAN. The time of the Delegate from Hawaii has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have asked the gentleman to yield so that I might have this means of saying to the House and to the people of Hawaii that there has never been a man who has served in this House who has been more zealous in representing his constituency than has the Delegate from Hawaii [Mr. FARRINGTON]. He has worked in season and out of season for the great Territory he represents. He has been very diligent in presenting the legislation for statehood for Hawaii before both the Committee on Public Lands and the Committee on Rules, and now this House.

In the Eightieth Congress a bill did pass this House, due to the splendid work of the gentleman from Hawaii, to give statehood to the islands. I believe the measure now before us will pass the House. I want the people of Hawaii to know that this legislation is being considered and has been and will be passed because of the great admiration the Members of this House have for its present Delegate [Mr. FARRINGTON] and because of the splendid work he has done in behalf of his constituency.

Mr. FARRINGTON. I thank the gentleman from Ohio.

Let me conclude by finishing the presentation of this statement by the Miles subcommittee:

> The prompt admission of Hawaii to the Union as a State will be notice to the people of the Pacific and to the world that this country intends in no sense to retreat from its position of leadership in the Pacific, won at a great cost in World War II, and on the contrary proposes that every legitimate step be taken to preserve and strengthen the objectives achieved in that struggle.
>
> It will be reassuring to the friends of democracy. The United States will give them a practical demonstration of its belief in the democratic system of government by admitting Hawaii to the Union as a State and its people, thereby, to the full privileges of American citizenship. This example will be of far-reaching influence in Japan, the Philippines, Korea, and China, from whence many of Hawaii's people, now American citizens of long residence in the islands, originally migrated.
>
> It will provide an effective answer to Communist propaganda that is undertaking to persuade the people of the Pacific, and particularly the Far East, that there are racial barriers in the American system of government that militate against people of oriental origin.
>
> It will serve to bring the people of Hawaii into closer relationship to the people of the rest of the country and the latter to a full appreciation of our responsibilities in the Pacific.
>
> Hawaii has long been a proving ground of the American way of life. It has been a lighthouse of democracy in the Pacific. Its relationship to the Pacific and the Far East has been and is today important to the future of our country in this great area. It is both a gateway to the Pacific and the Far East and a common meeting ground of the divergent cultures of Occident and the Orient.

In conclusion, I want you to know that this issue goes to the minds, to the lives, and to the very hearts of the people of Hawaii. They see in this the pattern of their future. They see in this the realization of hopes that have been nourished for two generations.

I wish it were possible for me to take you into the high schools and the University of Hawaii, where you could listen, where you could hear, and you could feel the importance that is attached to this measure by the rank and file of the people of our Territory. The young people particularly see in this the fulfillment of a hope that has been cultivated in them from the time they were able to read.

I cannot believe that at this important juncture in the life of this country, and in view of the critical situation prevailing in the Pacific, you can do anything but fulfill at this time what we have always felt was a promise, and give the people of Hawaii their greatest hope and desire, that is, the full privileges of American citizenship.

Mr. PETERSON. Mr. Chairman, I yield such time as he may require to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I rise in support of statehood for Hawaii. I know during debate sometimes things are said on the floor of the House that sound different when we read them in writing. The charge has been made that Hawaii may be Communist. When statements like that are made, I wish we would remember what the people of Hawaii have done. I think the men from Hawaii who fought the battles in Italy answered the charge of communism for a good long time to come. Every indication we have shows that the people of Hawaii are loyal to the United States. They think in terms of being a part of the United States. We made a solemn promise to the people of Hawaii that when the time came that they were ready we would consider them for statehood.

Both great political parties have included planks in their platforms favoring statehood for Hawaii. The debate on the floor of the House has brought out the fact that from an economic and social standpoint the Territory of Hawaii is ready for statehood. Then, why should we wait? Why should we not live up to our promises to these loyal Americans that they would someday be made a part of this great country of ours and they would someday join us and take a stand with us. We will not have to worry about any State in the United States embracing communism. But if we prevent people from having a fair share in our representative government then we will have to take the consequences.

Taxation without representation is tyranny. Those are the words of our forefathers. Nothing that we could do would give the Communists more of a foothold than to impress upon the people of these territories that we do not accept them as equal citizens with the rest of the United States. I am sure the people of Hawaii appreciate the great work that is being done by their Delegate [Mr. FARRINGTON]. I have the opportunity of sitting on the committee with him. He is doing outstanding work. I am sure also, although we talk of bipartisan support, that the Delegate from Hawaii can go back home and say that the members of the great Democratic Party are fully in accord with statehood for the Territory of Hawaii. We Democratic Members are supporting that plank of the Democratic platform.

Mr. CRAWFORD. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, I wish to thank the ranking member of the committee for permitting me to lend my voice at this time in behalf of the legislation now before the committee.

For many years I have favored this program for that great friendly people out in the Pacific Ocean. Two years ago in attendance upon the platform committee of the Democratic Convention in Philadelphia I heard the argument which has been largely set forth here in the last few hours. The conclusions reached were the same as I know will be reached here when we finally vote on this legislation. It is a question of keeping a political-platform promise, as I see it, and not using that platform as something to run on. A party platform is something which should be lived up to and held before the people. Also the question of national integrity is involved. Our country keeps its treaties, and keeps its agreements. We have a chance here to do something for a people with whom we made a treaty a little over a half a century ago when we said that we would give them, when they were ready, that for which they are now asking.

We need have no fear of Hawaii being represented by people unfriendly to our way of life. If Hawaii can send to us a statesman such as Delegate FARRINGTON, then there is no doubt in my mind that such men will continue to represent that great people.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the inhabitants of all that part of the area of the United States now constituting the Territory of Hawaii, as at present described, may become the State of Hawaii, as hereinafter provided.

SEC. 2. That all citizens of the United States who have the qualifications for voters for representatives to the Territorial legislature are hereby authorized to vote for and choose delegates to form a convention in said Territory.

Such delegates shall possess the qualifications of such electors, and members of the Territorial legislature shall be eligible to election as such delegates, and with no resulting disqualification as such members of the Territorial legislature the provisions of sections 16 and 17 of the Hawaiian Organic Act to the contrary notwithstanding.

The aforesaid convention shall consist of 63 delegates apportioned among the counties and city and county, and the representative districts within the limits of the proposed State on the following basis:

County of Hawaii, at large, four delegates;

First representative district, one delegate each from precincts combined as follows: Precincts 1, 2, 3, 4, 5, 6, and 7; precincts 8, 9, 10, and 11; precincts 12, 13, and 14; precincts 15, 16, 30, and 17; precincts 18, 19, 20, 21, 31, and 22; precincts 23, 32, 24, 25, 26, 27, 28, and 29;

Second representative district, one delegate each from precincts combined as follows: Precincts 1, 2, 3, 4, 5, 6, 7, 8, and 16; precincts 9, 10, 11, 12, 13, 14, and 15.

County of Maui, at large, three delegates;

Third representative district, one delegate each from precincts combined as follows: Precincts 1, 2, 3, 4, and 5; precincts 6, 7, 8, 10, and 11; precincts 9, 12, 13, and 28; precincts 14, 15, 16, and 17; precincts 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27; precincts 29, 30, 31, 32, 33, and 34;

City and county of Honolulu hereinafter included in the word "county," at large, 12 delegates;

Fourth representative district, one delegate each from precincts combined as follows: Precincts 24, 25, and 26; precincts 19, 20, 21, and 22; precincts 15 and 16; precincts 12, 17, and 32; precincts 11 and 18; precincts 13 and 14; precincts 6 and 36; precincts 7 and 8; precincts 9 and 10; precincts 34 and 31; precincts 5 and 35; precincts 4, 30, and 33; precincts 1 and 2; precincts 3 and 29;

Fifth representative district, one delegate each from precincts combined as follows: Precincts 5, 7, 30, and 31; precincts 6, 29, 8, and 9; precincts 10, 11, 32, and 26; precincts 12, 33, and 13; precincts 14, 15, 16, and 17; precincts 18 and 19; precincts 22, 23, 28, and 27;

Fourth and fifth representative districts, one delegate each from precincts combined as follows: Precincts 28, fourth district, and precincts 1, 2, 3, and 4, fifth district; precinct 27, fourth district, and precincts 20 and 21, fifth district; precinct 23, fourth district, and precincts 24 and 25, fifth district;

County of Kauai, at large, two delegates;

Sixth representative district, one delegate each from precincts combined as follows: Precincts 1, 2, 3, and 4; precincts 5 and 6; precincts 8, 9, 10, and 11; and one delegate from precinct 7.

The precincts herein mentioned are as they existed on November 5, 1946.

The Governor of said Territory shall, within 30 days after the approval of this act, issue a proclamation ordering a primary election for the nomination of candidates for the offices of the delegates aforesaid on a day designated by him in said proclamation, not earlier than 60 nor later than 90 days after the approval of this act; and a final election not earlier than 30, nor later than 40, days after such primary election.

The name of no candidate shall be printed upon any official ballot to be used at such primary election unless at least 20 days prior to such primary a nomination paper shall have been filed in the office of the secretary of the Territory in his behalf, nominating him as a candidate for delegate from the county concerned, or from a precinct or combination of precincts in a representative district or districts, as may be the case, and signed by not less than 25 qualified electors of the district concerned, and the sum of $25 shall have been paid to the secretary of the Territory, which fee shall be a Territorial realization.

Each person shall be a qualified elector of the county or precinct or combination of precincts in which he is a candidate for delegate.

No such nomination paper shall contain any reference to or designation of any political party, and the ballots used at such election shall be nonpartisan and shall not contain any reference to or designation of the political party or affiliation of any candidate. The names of the candidates in each county and of the candidates in the precinct or combination of precincts of the representative districts shall be on separate ballots.

The ballots submitted to the voters of each county, precinct, or combination of precincts

shall separately set forth the names of candidates for delegates from such county or precinct or combinations of precincts, and shall instruct the voters that the number of candidates to be voted for by such voter shall not exceed the number of delegates to which the county, precinct, or combination of precincts is entitled, or the number of such delegates remaining to be elected, as the case may be, which number shall be stated. The ballots in each county shall also instruct the voters that the number of candidates to be voted for by each voter shall not be less than a majority of the number of delegates which such county is entitled to elect at the particular election, primary or final, as the case may be, and the number constituting such a majority shall be stated. At such primary election any candidate in a precinct or combination of precincts who receives a majority of the votes of the voters voting therein shall be declared elected, and any candidate in a county who receives such a majority of votes, not exceeding the number of delegates to be elected from each county, shall likewise be declared elected. The names of the remaining candidates receiving the highest number of votes, not exceeding two from each precinct or combination of precincts, or double the number of delegates to be elected at large from each county above the number already declared elected as aforesaid, if any, shall be placed on the ballot for the final election.

No ballot in a county ticket shall be counted at either the primary election or the final election unless the number of candidates voted for by the voter is at least equal to a majority of the number of delegates which the county concerned was entitled to elect at such election.

Only those nominated at such primary election shall be eligible to run for delegate at such final election. The ballots for such final election shall be in substantially the same form as those for the primary election, and the requirements of this act as to such primary election shall, as far as appropriate, apply to such final election. In case of a tie vote at either the primary or final election, the candidates so tied shall draw lots under the supervision of the county clerk to determine which of them shall be nominated or elected as the case may be.

In case any office of delegate has not been filled or shall become vacant for any reason the Governor shall appoint an elector of the same county, precinct, or combination of precincts, to fill such vacancy.

Except as otherwise specifically provided by this act, the primary and final elections for such delegates shall be conducted, the returns made, the results ascertained, and the certificates of persons elected to such convention issued in the same manner as is prescribed by the laws of said Territory regulating elections therein of members of the legislature. The convention shall be the judge of the elections, returns, and qualifications of the delegates.

SEC. 3. That the delegates to the convention thus elected shall meet at the seat of government of said Territory on the second Tuesday after their election, excluding the day of election in case such day shall be Tuesday, and after organization shall declare on behalf of the people of said proposed State that they adopt the Constitution of the United States, whereupon the said convention shall be, and is hereby, authorized to form a constitution and State government for said proposed State.

The constitution shall be republican in form and make no distinction in civil or political rights on account of race, color, or sex, and not be repugnant to the Constitution of the United States and the principles of the Declaration of Independence. And said convention shall provide in said constitution:

First. That perfect toleration of religious sentiment shall be secured, and that no inhabitant of said State shall ever be molested in person or property on account of his or her mode of religious worship.

Second. That provisions shall be made for the establishment and maintenance of a system of public schools, which shall be open to all the children of said State and free from secretarian control.

Third. That the debts and liabilities of said Territory of Hawaii shall be assumed and paid by said State.

Fourth. That the property in the Territory of Hawaii set aside by Executive order of the President or the Governor of Hawaii for the use of the United States and remaining so set aside immediately prior to the admission of the State of Hawaii into the Union is ceded to the United States, as more particularly provided in the next section of this act.

Fifth. That authority is granted to and acknowledged in the United States to the exercise by the Congress of the United States of the power of exclusive legislation, as provided by article I, section 8, clause 17, of the Constitution of the United States, in all cases whatsoever over such tracts or parcels of land as are now owned by the United States and held for military, naval, or coast-guard purposes, whether title to such lands was acquired by cession and transfer to the United States by the Republic of Hawaii and set aside by Executive order of the President or the Governor of Hawaii for the use of the United States, or acquired by the United States by purchase, condemnation, donation, exchange, or otherwise: *Provided,* That the State of Hawaii shall have the right to serve civil or criminal process within the said tracts or parcels of land in suits or prosecutions for or on account of rights acquired, obligations incurred, or crimes committed within the said State but outside of the said tracts or parcels of land; and the Legislative Assembly is authorized and directed to enact any law necessary or proper to give effect to this article.

Sixth. That, as a compact with the United States relating to the management and disposition of the Hawaiian home lands, the Hawaiian Homes Commission Act 1920, as amended, is adopted as a law of said State, subject to amendment or repeal only with the consent of the United States, and in no other manner: *Provided,* That (1) sections 202, 213, 219, 220, 222, 224, and 225 and other provisions relating to administration, and paragraph (2) of section 204, sections 206 and 212, and other provisions relating to the powers and duties of officers other than those charged with the administration of said act, may be amended in the original constitution or in the manner required for ordinary State legislation, but the Hawaiian home-loan fund and the Hawaiian home-development fund shall not be reduced or impaired, and the encumbrances authorized to be placed on Hawaiian home lands by officers other than those charged with the administration of said act shall not be increased, except with the consent of the United States; (2) that any amendment to increase the benefits to lessees of Hawaiian home lands may be made in the original constitution or in the manner required for ordinary State legislation but the qualifications of lessees shall not be changed except with the consent of the United States; and (3) that all proceeds and income from Hawaiian home lands, shall be available to said State for use in accordance with the terms of said act.

Seventh. That the lands and other property belonging to citizens of the United States residing without said State shall never be taxed at a higher rate than the lands and other property belonging to residents thereof.

SEC. 4. (a) The State of Hawaii and its political subdivisions, as the case may be, shall retain all the lands and other public property title to which is in the Territory of Hawaii or a political subdivision thereof, except as herein provided, and all such lands and other property shall remain and be the absolute property of the State of Hawaii and its political subdivisions, as the case may be, subject to the constitution and laws of said State: *Provided, however,* That any such lands or other property heretofore or hereafter set aside by Executive order of the President or the Governor of Hawaii, pursuant to law, for the use of the United States, whether absolutely or subject to limitations, and remaining so set aside immediately prior to the admission of the State of Hawaii into the Union, shall be and become the property of the United States absolutely or subject to such limitations, as the case may be.

(b) The United States shall retain title to all the public lands and other public property (except as hereafter provided) for a period of 5 years after the enactment of this act. Such land and public property shall continue to be administered in accordance with the laws applicable thereto immediately prior to the admission of said State until otherwise provided by the Congress: *Provided,* That immediately after the enactment of this act an investigation and report shall be made by a joint committee composed of the members of the Committees on Public Lands of the Senate and of the House of Representatives upon the subject of the public lands and other property in Hawaii, and the Congress shall thereafter make a final determination and disposition of the remaining public lands and other public property. In the event the Congress has made no other disposition thereof within said 5-year period, then title to all of the public lands and other public property undisposed of shall thereupon vest in the State of Hawaii absolutely: *Provided, however,* That any such lands or other property heretofore or hereafter set aside by Executive order of the President or the Governor of Hawaii, pursuant to law, for the use of the United States or the Territory of Hawaii or a political subdivision thereof, whether absolutely or subject to limitations, and remaining so set aside immediately prior to the admission of the State of Hawaii into the Union, shall be and become the property of the United States or the State of Hawaii or of such political subdivision, as the case may be, absolutely or subject to such limitations, as the case may be.

(c) The State of Hawaii, upon its admission to the Union, shall be entitled to select, and the Secretary of the Interior is authorized and directed to issue patents to said State for, 180,000 acres of public lands, as that term is defined in section 73 (a) of the Hawaiian Organic Act (42 Stat. 116, 48 U. S. C., sec. 663), within the boundaries of said State. The selection of such lands by the State of Hawaii shall be made and completed within 5 years from the admission of said State into the Union. The lands so selected shall be in lieu of any and all grants provided for new States by provisions of law other than this act, and such grants shall not extend to the State of Hawaii.

(d) The lands patented to the State of Hawaii pursuant to the preceding subsection, together with the proceeds thereof and the income therefrom, shall be held by said State as a public trust for the support of the public schools and other public educational institutions, for the betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920, as amended, for the development of farm and home ownership on as widespread a basis as possible, and for the making of public improvements. Such lands, proceeds, and income shall be managed and disposed of for one or more of the foregoing purposes in such manner as the constitution and laws of said State may provide, and their use for any

other object shall constitute a breach of trust for which suit may be brought by the United States. The schools and other educational institutions supported, in whole or in part, out of such public trust shall forever remain under the exclusive control of said State; and no part of the proceeds or income from the lands patented under the preceding subsection shall be used for the support of any sectarian school, college, or university.

(e) Effective upon the admission of the State of Hawaii into the Union all laws of the United States reserving to the United States the free use or enjoyment of property hereinabove vested in the State of Hawaii or its political subdivisions, or the right to alter, amend, or repeal laws relating thereto, are hereby repealed.

SEC. 5. That when said constitution shall be formed as aforesaid, the convention forming the same shall provide for the submission of said constitution, together with the ordinances of said convention requiring ratification, to the people of said Territory for ratification at an election which shall be held on a day named by said convention not earlier than 60 days nor later than 90 days after said convention adjourns, at which election the qualified voters of said Territory shall vote directly for or against said constitution, for or against any provisions thereof separately submitted, and for or against said ordinances. Persons possessing the qualifications entitling them to vote for delegates under this act shall be entitled to vote on the ratification or rejection of said constitution, the provisions thereof separately submitted, and said ordinances, under such rules or regulations as said convention may have prescribed, not in conflict with this act. The returns of said election shall be made by the election officers direct to the secretary of said Territory who, with the Governor and the chief justice of said Territory, shall constitute a canvassing board and they, or any two of them, shall meet at the city of Honolulu, on the third Monday after said election, and shall canvass the same.

The said canvassing board shall forthwith certify the result of said election to the Governor of said Territory, together with a statement of the votes cast upon the question of ratification or rejection of said constitution, also a statement of the votes cast for or against such provisions thereof as were separately submitted to the voters at said election, and for or against said ordinances. If a majority of the legal votes cast at said election shall reject the constitution, the Governor or said Territory shall, by proclamation, order the constitutional convention to reassemble at a date not later than 20 days after the receipt by said Governor of the documents showing the rejection of the constitution by the people, and thereafter a new constitution shall be framed and the same proceedings shall be taken in regard thereto in like manner as if said constitution were being originally prepared for submission and submitted to the people.

When said constitution shall have been duly ratified by the people of said Territory, as aforesaid, a certified copy of the same, together with such provisions thereof as have been separately submitted and duly ratified, and such ordinances of the convention as have been duly ratified, shall be submitted to the President of the United States for approval, together with a statement of the votes cast upon said constitution, and upon any provisions thereof separately submitted, and upon said ordinances. And if the constitution of said proposed State is republican in form and makes no distinction in civil or political rights on account of race, color, or sex, and is not repugnant to the Constitution of the United States and the principles of the Declaration of Independence, and if all of the provisions of this act relating to the formation of said constitution and State governments have been complied with, it shall be the duty of the President of the United States thereupon to approve said constitution, and the said separate provisions thereof and ordinances, and to certify his approval to the Governor of said Territory. Within 30 days after the receipt of said notification from the President of the United States, the governor shall issue his proclamation for the election, as hereinafter provided, of officers for all elective offices provided for by the constitution and laws of said State, except those offices for which the constitutional convention, by ordinance duly ratified by the people, shall have made other temporary provisions, but the officers so to be elected shall in any event include two Senators and two Representatives in Congress. Until and unless otherwise required by ordinance of said convention duly ratified by the people, or by the constitution or laws of said State, said Representatives shall be elected at large: *Provided*, That if the President of the United States shall approve said constitution but shall disapprove any provision thereof separately voted upon by the people, or any ordinance of said convention, the same shall be certified to the Governor of said Territory, and said election shall be held and all further proceedings for the admission of said new State shall be the same as if the provisions and ordinances so disapproved had been rejected by the people. And if the President shall disapprove said constitution, such disapproval shall be certified to the Governor of said Territory, with the President's objections to the proposed constitution; the governor thereupon by proclamation shall order the constitutional convention to reassemble at a date not later than 20 days after receipt of such notification and thereafter a new constitution shall be framed and the same proceedings shall be taken in regard thereto in like manner as if said constitution were being originally prepared for submission and submitted to the people.

SEC. 6. That said constitutional convention shall provide that in case of the ratification of said constitution by the people, and in case the President of the United States approves the same, all as hereinbefore provided, an election, or primary and general elections, as may be required, shall be held at the time or times named in the proclamation of the Governor of said Territory provided for in the preceding section. Said election shall take place not earlier than 60 days nor later than 90 days after said proclamation by the Governor of said Territory ordering the same, or if a primary election is to be held, then the primary election shall take place not earlier than 60 days nor later than 90 days after said proclamation by the Governor of said Territory, and the general election shall take place within 40 days after the primary election. At such election or elections the officers required to be elected as provided in section 5, shall be chosen by the people. Such election or elections shall be held, and the qualifications of voters thereat shall be, as prescribed by said constitution and the laws of said State for the election of members of the State legislature, except as otherwise provided by ordinance of said constitutional convention duly ratified by the people. The returns thereof shall be made, canvassed, and certified in the same manner as in this act prescribed with respect to the election for the ratification or rejection of said constitution, as hereinbefore provided. When said election of said officers above provided for shall be held and the returns thereof made, canvassed, and certified as hereinbefore provided, the Governor of the said Territory shall certify the result of said election, as canvassed and certified as herein provided, to the President of the United States, who thereupon shall immediately issue his proclamation announcing the result of said election so ascertained, and, upon the issuance of said proclamation by the President of the United States, the proposed State of Hawaii shall be deemed admitted by Congress into the Union by virtue of this act, on an equal footing with the other States. Until the said State is so admitted into the Union, the persons holding legislative, executive, and judicial offices in or under or by authority of the government of said Territory, and the Delegate in Congress thereof, shall continue to discharge the duties of their respective offices. Upon the issuance of said proclamation by the President of the United States and the admission of the State of Hawaii into the Union, the officers elected at said election, and qualified under the provisions of the constitution and laws of said State, shall proceed to exercise all the functions pertaining to their offices in or under or by authority of the government of said State, and officers not required to be elected at said initial election shall be selected or continued in office as provided by ordinances of the constitutional convention duly ratified by the people, or by the constitution and laws of said State. The Governor and secretary of said State shall certify the election of the Senators and Representatives in the manner required by law, and the said Senators and Representatives shall be entitled to be admitted to seats in Congress and to all the rights and privileges of Senators and Representatives of other States in the Congress of the United States.

SEC. 7. Upon the admission of the proposed State of Hawaii into the Union the House of Representatives shall be composed of 437 Members until the expiration of the Eighty-second Congress, and shall thereafter be composed of 437 Members.

Subsection (a) of section 2 of the act entitled "An act to provide for apportioning Representatives in Congress among the several States by the equal proportions method," approved November 15, 1941 (U. S. C., 1940 ed., Supp. V, title 2, sec. 2b), is hereby amended, effective on the date of the admission of the proposed State of Hawaii into the Union, to read as follows:

"(a) Each State (other than Hawaii) shall be entitled, in the Seventy-eighth and in each Congress thereafter until the taking effect of a reapportionment under a subsequent statute or such section 22, as amended by this act, to the number of Representatives shown in the statement transmitted to the Congress on January 8, 1941, based upon the method known as the method of equal proportions, no State to receive less than one Member; and the State of Hawaii shall be entitled to two Representatives from the time of its admission into the Union until the taking effect of such a reapportionment."

SEC. 8. That the sum of $200,000, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated for defraying the expenses of the elections provided for in this act and the expenses of the convention and for the payment of compensation to the delegates to said convention. The delegates shall receive for their services, in addition to mileage at the rate of 20 cents a mile each way, the sum of $1,000 each, payable in four equal installments on and after the first, twentieth, fortieth, and sixtieth days of the convention, excluding Sundays and holidays. The disbursements of the money so appropriated shall be made by the Secretary of the Territory of Hawaii. The Territorial legislature is hereby authorized to appropriate such sum as it may deem advisable for the payment of additional compensation to said delegates and for defraying their expenses and for such other purposes as it may deem necessary.

SEC. 9. That the State of Hawaii shall constitute a judicial district within the ninth judicial circuit, to be known as the district of Hawaii. To the United States district court hereby created two judges shall be appointed, and to it and to them all laws relating to United States district courts and

district judges shall be applicable. The regular terms of the court shall be held at Honolulu on the second Monday in April and October, and the office of clerk of court shall be kept at Honolulu.

SEC. 10. That in addition to its normal jurisdiction as a United States district court, the United States District Court for the District of Hawaii shall have also that jurisdiction heretofore conferred upon its predecessor by the act of August 13, 1940 (54 Stat. 784, ch. 662).

SEC. 11. That in the manner prescribed by law there shall be appointed a clerk for the district court, a United States attorney, a United States marshal for the district, and such assistants, deputies, court officers, and clerical and other personnel as are provided for by the laws relating to district courts, judges, and judicial district.

SEC. 12. No action, case, proceeding, or matter pending in any court of the Territory of Hawaii, or in the United States District Court for the Territory of Hawaii, shall abate by reason of the admission of said State into the Union, but the same shall be transferred to and proceeded with in such appropriate State courts as shall be established under the constitution to be thus formed, or in the District Court of the United States for the District of Hawaii, as the nature of the case may require. And no indictment, action, or proceedings shall abate by reason of any change in the courts, but shall be proceeded with in the State or United States courts according to the laws thereof, respectively. And the appropriate State courts and the United States District Court for the District of Hawaii shall be the successors of the courts of the Territory and the United States District Court for the Territory of Hawaii as to all cases arising within the limits embraced within the jurisdiction of such courts, respectively, with full power to proceed with the same, and award mesne or final process therein, and all the files, records, indictments, and proceedings relating to any such cases shall be transferred to such appropriate State courts and the United States District Court for the District of Hawaii, respectively, and the same shall be proceeded with therein in due course of law.

All civil causes of action and all criminal offenses which shall have arisen or been committed prior to the admission of said State, but as to which no suit, action, or prosecution shall be pending at the date of such admission, shall be subject to prosecution in the appropriate State courts or in the United States District Court for the District of Hawaii in like manner, to the same extent, and with like right of appellate review, as if said State had been created and said courts had been established prior to the accrual of such causes of action or the commission of such offenses; and such of said criminal offenses as shall have been committed against the laws of the Territory shall be tried and punished by the appropriate courts of said State, and such as shall have been committed against the laws of the United States shall be tried and punished in the United States District Court for the District of Hawaii.

SEC. 13. Parties shall have the same rights of appeal from and appellate review of final decisions of the United States District Court for the Territory of Hawaii or the Supreme Court of the Territory of Hawaii in any case finally decided prior to admission of said State into the Union, whether or not an appeal therefrom shall have been perfected prior to such admission, and the United States Court of Appeals for the Ninth Circuit and the Supreme Court of the United States shall have the same jurisdiction therein, as by law provided prior to admission of said State into the Union, and any mandate issued subsequent to the admission of said State shall be to the District Court of the United States for the District of Hawaii or a court of the State, as may be appropriate. Parties shall have the same rights of appeal from and appellate review of all judgments and decrees of the District Court of the United States for the District of Hawaii as successor to the District Court of the United States for the Territory of Hawaii, and of the Supreme Court of the State of Hawaii as successor to the Supreme Court of the Territory of Hawaii, in any case pending at the time of admission of said State into the Union, and the United States Court of Appeals for the Ninth Circuit and the Supreme Court of the United States shall have the same jurisdiction therein, as by law provided in any case arising subsequent to the admission of said State into the Union.

SEC. 14. Effective upon the admission of the State of Hawaii into the Union, paragraph "First" of subsection (a) of section 128 of the Judicial Code, as amended (28 U. S. C. A., sec. 225), shall apply to the United States District Court for the District of Hawaii and paragraph "Second" thereof shall be inapplicable.

SEC. 15. All laws in force in the Territory of Hawaii at the time of its admission into the Union shall continue in force in the State of Hawaii, except as modified or changed by this act or by the constitution of the State or by ordinance of the constitutional convention duly ratified by the people, and shall be subject to repeal or amendment by the Legislature of the State of Hawaii, except as hereinbefore provided with respect to the Hawaiian Homes Commission Act, 1920, as amended; and the laws of the United States shall have the same force and effect within the said State as elsewhere within the United States.

SEC. 16. Notwithstanding the admission of the State of Hawaii into the Union, the United States shall continue to have sole and exclusive jurisdiction over the area which may then or thereafter be included in Hawaii National Park, saving, however, to the State of Hawaii the same rights as are reserved to the Territory of Hawaii by section 1 of the Act of April 19, 1930 (46 Stat. 227), and saving, further, to persons then or thereafter residing within such area the right to vote at all elections held within the political subdivisions where they respectively reside. Upon the admission of said State all references to the Territory of Hawaii in said act or in other laws relating to Hawaii National Park shall be deemed to refer to the State of Hawaii.

SEC. 17. All acts or parts of acts in conflict with the provisions of this act, whether passed by the legislature of said Territory or by Congress, are hereby repealed.

Mr. PETERSON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, and that it be printed in the RECORD at this point and be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. DELANEY. Reserving the right to object, Mr. Chairman, I wonder if I may be recognized under the 5-minute rule.

The CHAIRMAN. The gentleman will have that opportunity.

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 22, line 1, strike out all of section 10, and insert:

"SEC. 10. That the district of Hawaii shall include, in addition to the State of Hawaii, the places named in title 28, United States Code, section 91."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 25, line 5, strike out section 14, and insert:

"SEC. 14. Effective upon the admission of the State of Hawaii into the Union—

"(a) title 28, United States Code, section 1252, is amended by excluding Hawaii from the application of the clause relating to courts of record;

"(b) title 28, United States Code, section 1293, is amended by striking out the words 'First and Ninth Circuits' and by inserting in lieu thereof 'First Circuit,' and by striking out the words 'Supreme courts of Puerto Rico and Hawaii, respectively' and inserting in lieu thereof 'Supreme court of Puerto Rico'; and

"(c) title 28, United States Code, section 1294, is amended by striking out paragraph (5) thereof and by renumbering paragraph (6) as paragraph (5)."

Mr. HOBBS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 25, between lines 24 and 25, at the end of paragraph (c) of section 14, insert:

"(d) Title 28, section 373, insofar as it relates to any justice of the supreme court of the Territory of Hawaii, shall be null and void

"(e) Title 48, section 634 (a) shall be null and void."

Mr. HOBBS. Mr. Chairman, this amendment is to be accepted, as I understand it, by the committee and the distinguished Delegate from Hawaii, inasmuch as it is in line with the understanding that they had of the bill. It may be that the bill provides exactly what the amendment which I have proposed provides, but I want to be sure of it for the reason that we are now, and have been for years, appropriating out of the Treasury of the United States $106,500 to pay a part of the salaries of the Territorial judges of Hawaii, in addition to paying all of the $15,000 salaries of the two United States district judges serving Hawaii. The distinguished chairman of the committee has assured me that, whether or not my amendment covers the ground, immediately upon the Territory of Hawaii becoming a State, the Treasury of the United States will be relieved of that $106,500 burden.

Mr. PETERSON. Will the distinguished gentleman yield to me?

Mr. HOBBS. Of course, sir. I shall be delighted.

Mr. PETERSON. What the gentleman from Alabama says is correct. It is my intention to accept the amendment. We thought the amendment which we had provided would accomplish that purpose, but as I know, and as this House knows, there is no man better skilled in drafting phraseology than the gentleman from Alabama [Mr. HOBBS], and we defer to his fine draftsmanship.

Mr. HOBBS. I appreciate the compliment, but I will have to say you are leaning upon a broken reed when it comes to drafting legislation when you are relying on me. But the point I want to make is that this is the only instance in the history of the United States when the United States Government, in addition

to its own Federal judges, has paid any part of the salaries of Territorial or State judges, except where they acted in a dual capacity. There is no reason why this burden should be further assumed or why the retirement provisions of the law of the United States should continue to pay retirement pay to supreme court judges of Hawaii or any other Territory or State. If you are going to give largesse so liberally, there are several States that could use a little of this money. But now that Hawaii is rightly boasting of its progress in economic matters and showing that she is paying into the Treasury of the United States more money than 11 of the States of the Union, it seems to me that after we have been generous so long we should contgratulate them upon their success and say that now that our good friends do not need this prop any longer we shall be glad to have these few pennies retained in the Treasury. This should be in line with our general policy.

I am very grateful to the committee and to the distinguished Delegate from Hawaii for accepting the amendment and for the assurance which has been given that if it is insufficient, the amendment will be made to mean what we mean by it and what the committee understands by it as well as I do.

Mr. PETERSON. Mr. Chairman, I move to strike out the last word merely to say that the committee has no objection to the amendment and agrees to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS] to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. The Clerk will read the next committee amendment.

The Clerk read as follows:

Page 26, line 23, after the word "Hawaii", add "Nothing contained in this act shall be construed to affect the ownership and control by the United States of any lands or other property within Hawaii National Park which may now belong to, or which may hereafter be acquired by, the United States."

The committee amendment was agreed to.

Mr. PETERSON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. PETERSON: On page 19, strike out all of line 25, and on page 20, strike out all of lines 1 to 5, inclusive, and insert in lieu thereof the following:

"SEC. 7. Upon the admission of the proposed State into the Union the House of Representatives shall be composed of two additional Members until the expiration of the Eighty-second Congress."

The committee amendment was agreed to

Mr. DELANEY. Mr Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. DELANEY. Mr. Chairman, we have heard many irrelevant matters spoken of, matters having no bearing on the issues in this debate. Personalities do not enter into the issue. I reiterate and agree with everything the gentleman from North Carolina [Mr. COOLEY] and the gentleman from Ohio [Mr. BROWN] had to say about our Delegate from Hawaii and also our Delegate from Alaska. Politics, I hope, will not have anything to do with the vote that any Member makes on this floor on the issue of the admission of Hawaii. I do not think I need say any more about that.

Insofar as the military situation is concerned, that is not an issue in this particular subject matter. Every man, woman, and child in this country knew the day that we heard the news over the radio that Pearl Harbor had been attacked that we were at war, and that was long before this Congress met to declare war.

We have heard talk about second-class citizens. It is my belief that all citizens, whether they are members of States, Territories, or possessions, should be treated alike.

If Hawaii and if Alaska were the only two possessions to be admitted and then we could close the books, I do not think there would be any issue here. The gentleman from Hawaii [Mr. FARRINGTON], in his argument says that the other islands outside the Hawaiian Islands are looking with keen interest to what we do here. I agree with him. If we admit Hawaii then we must also take care of those islands. If we admit Hawaii and Alaska, we must also admit upon application Puerto Rico and the Virgin Islands. As soon as the Virgin Islands and Puerto Rico are admitted to the Union you will find a long trail of other islands asking that they be admitted as States in this Union.

We have no size limitation. In the 1940 census there were less than 25,000 people in the Virgin Islands, but that is no argument against denying them admission. If you establish a precedent by admitting noncontiguous territory, then upon application, if the applicants prove that they are able to govern themselves because you have established a precedent you must admit them as States into this Union.

Before we move on this matter we should establish a policy. We have no set policy. We have had too much short-range thinking and short-range planning. Is it not very possible that for reasons, whether they be economic or military, some adjoining neighbors might seek admission to this country? Some day it is possible that for security reasons our great neighbor to the north, Canada, might desire to be part of us. Of course, that is up to Canada. We cannot bring the Canadians in. On what basis would you admit them? You could not ask any greater consideration from those people than you are asking from Alaska with 100,000 people. Would you admit as many States from Canada with 100,000 people as there are areas with 100,000 in that country? Take our Caribbean neighbors—would you admit each of the Caribbean islands regardless of the number of their inhabitants because they had shown and demonstrated their ability to govern themselves?

What about the people in Central America or in South America or in any other area that might seek admittance into the Union?

Before we go further we must have a set policy and it must be based upon long-range planning. We should not take these things in a haphazard manner as they present themselves to the Congress. Remember that we do not have to admit areas first as Territories. Any independent nation can apply, and if the Congress so desires, it can be admitted into this Union. I say at this time vote "no" on the issue now before the House.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LARCADE. Mr. Chairman, I move to strike cut the requisite number of words, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Chairman, I was unable to complete my statement this morning, my time having expired. I have therefore asked for this time to be able to bring to the attention of the House some very relevant facts that have not been mentioned.

First, may I comment briefly upon some of the points made by my friend, my distinguished colleague from New York [Mr. DELANEY] with respect to Puerto Rico, the Virgin Islands, Guam, Samoa, and other possessions of the United States? I think that question has been discussed sufficiently to establish that these possessions are in an entirely different category.

These questions, if they are presented, will have to be resolved when they are presented to the Congress. With respect to the establishment of policy regarding the admission of Territories to statehood in the United States, I want to say that I believe that policy has been firmly established by precedent in the admission of other Territories when they were granted statehood. Whenever a section or area of the country was admitted into the United States as a Territory, it was with the understanding and promise, and precedent has been established, that statehood would follow. With regard to population, I think there is no question about whether a Territory once established, has 100,000 or 50,000 population, the only question then is whether or not it meets the requirements for statehood, and if so, I think it should be proper to admit that Territory as a State. As a matter of fact, Hawaii has at the present time more population than the following States, which I will name, when they were admitted into the Union: Nevada, Vermont, Kentucky, Tennessee, Ohio, Louisiana, Indiana, Mississippi, Illinois, Missouri, Arkansas, Florida, California, Oregon, Idaho, and Wyoming. So, I do not think that that argument holds good.

Just 4 years ago a House Territories Subcommittee, of which I had the honor of being chairman, returned from Hawaii where we had investigated the Territory's readiness for State government.

It has been said by many authorities that in view of the number of witnesses interviewed, the data collated, and the completeness of the report of this investigation made by my colleagues on that subcommittee, no more complete analysis of Hawaii has yet been made. You may recall that the report recommended immediate statehood for Hawaii.

Though 4 years have passed since my subcommittee investigated the question of statehood for Hawaii, much of the information garnered for Congress is still pertinent, and I want to call your attention to certain findings thereof:

First. That well over 85 percent of the present population were born in Hawaii or on the mainland.

Second. That the people of the Territory of Hawaii are a law-abiding people. Its different racial groups live together with a minimum of friction and no racial clashes; life and property are as safe in Hawaii as in any section of the mainland.

Third. That the Territory has consistently paid into the United States Treasury a considerably larger amount than the Federal Government, exclusive of military expenditures, has spent upon the Territory.

Fourth. That Hawaii's gross assesed value of real property is over $500,000,000, higher than that of any State at the time of admission with the exception of Oklahoma.

Fifth. That a standard 8-hour day is in effect throughout the Territory.

Sixth. That illiteracy in the islands among native-born citizens is almost nonexistent. Hawaii has an outstanding university and well-equipped schools throughout the Territory, most villages or hamlets being provided with the proper educational facilities.

Seventh. That the level of the Territory's economic and civic life is in the best American tradition.

On the basis of the record, and in view of such findings, some of which I have reiterated above, the subcommittee concluded, in part, as follows:

First. That Hawaii, with a population of over 500,000, has a larger population than any other State at the time of admission to the Union with the exception of Oklahoma.

Second. That the heterogeneous people of the Territory live and work together amicably, democratically, and harmoniously.

Third. That the mixed racial complexion of Hawaii existed at the time of an annexation, was not regarded as an obstacle to annexation, and should not now be considered an obstacle to statehood.

Fourth. That the percentage of persons of Japanese ancestry reached its peak in 1940 and has declined steadily since then due to prohibition of immigration, lower birth rate, and the increasing immigration of other peoples.

I might digress for a moment to say that the committee went very thoroughly into this matter, and I want to say to the Members of the House that we found that practically all of the older generations had died out and that the present generations were all loyal American citizens.

Fifth. That the people of Hawaii have demonstrated beyond question their loyalty and patriotism to the Government of the United States.

Sixth. That on the record of their behavior and their participation in the war, American citizens of Japanese ancestry can be little criticized.

Seventh. That the school system of Hawaii has been successful in instilling into the people of many races and backgrounds the objectives and ideals of democracy, and has produced a literate population capable of discharging the duties of citizenship.

Eighth. That modern inventions have annihilated distance. Honolulu today is closer to the American mainland in time than the cities of Boston and New York were to the Capital in the early days of the Nation. Hawaii is closer to the seat of the government today than all but the immediately adjacent States were when Washington first became the Capital of the United States. With efficient and rapid communication by cable, radio, or telephone, and 12- to 18-hour service for mail or passenger planes to the mainland, Hawaii can no longer be characterized as isolated.

At the conclusion of our investigation we felt without question that the people of Hawaii had forcefully demonstrated their desire to assume the responsibilities of statehood.

Our conclusion that the Territory of Hawaii now meets the necessary requirements for statehood was the same as that reached by the Joint Senate and House Committee in 1937 when it also went to Hawaii to investigate statehood for Hawaii.

The members of my subcommittee who went to Hawaii 4 years ago to study the question of statehood and who signed the report are Members of this Eighty-first Congress. They are, in alphabetical order, the Honorable HOMER D. ANGELL, of Oregon; JAMES J. DELANEY, of New York; JOSEPH R. FARRINGTON, of Hawaii; GEORGE P. MILLER, of California; and DEAN P. TAYLOR, of New York.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If, under 50 years of tutelage for Hawaii, we have not taught the new generation to conform to American ideals, what chance have we to ever teach a group to do that, whether under the American flag or otherwise?

Mr. LARCADE. I think the gentleman is quite correct in that statement.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, some of the Members from the larger States such as New York seem to have some difficulty in alining themselves with the idea of bringing another State into the Union. I have heard tell—you cannot prove it yet, but perhaps July 1, 1950 will prove it—that my own State is now second in the United States in population, second only to the great State of New York. They say down the street that we may now have passed Pennsylvania in population, and that is indeed a great State.

If one were to say that a State must have 5 or 10 million population before it comes in, I wish they would likewise in the same breath advocate the removal from the Union of those States that have less in population. We have States in the United States of less population today than are now living in the great Islands of Hawaii. Hawaii's 530,000, I believe, is approximately equal to the great State of New Mexico, also to the State of Arizona. It is of course considerably larger than the State of Nevada and larger than the State of Wyoming in population. Delaware is another one, if you want to talk about States. Delaware has one Member in the House of Representatives. So let us not talk about it on a population basis, let us put it on the basis of people, because after all that is what counts.

I would presume that if my own State of California had had to wait until it had half a million in population, we would have waited a long time. I do not know how many there were in my State in population at the time of its admission to the Union.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MILLER of California. At the time the constitution of the State of California was drawn, it provided that the number of people in the assembly would be 40 until there were 100,000 people in the State. So we came in with a lot less than 100,000 people.

Mr. HINSHAW. I thank my colleague from California.

At that time the population of my own State was mixed, generally American on the one hand and Mexican on the other, because Mexico had been the governing state of my State for several hundred years prior to that time. But the population has now grown and Californians of Mexican ancestry are now a minority, and a rather small minority, to be sure.

In the Hawaiian Islands you have people who have grown up with probably better instruction in Americanism than nearly any other part of the United States before it was a part of the United States. It was my privilege to be there not very long ago, not as a guest of the State or as a member of the Committee on Public Lands, however. I listened to some high-school students talking about America. Why, they were the finest Americans I have ever seen of any national origin from anywhere in the world. They were just as good Americans as any man, woman, or child whom you know.

Somebody has raised the question about communism in Hawaii. I suppose there are some Communists there. There are some Communists no doubt in your congressional districts. There are some congressional districts in the United States that are considered to be rather too full of them. At all events, here is a great people in Hawaii who have been led to expect, and I think rightly, that they are to become a part of the United States.

I am quite disturbed about several of the speeches I have heard on the floor

this afternoon which talk about racial origins, and so forth. Certainly if we turn down this application for statehood by the people of this great group of islands which have come to expect it, they could have good reason to listen to communism. On the other hand, and vice versa, if we take them in, then they have all the more reason to be true Americans.

I hope and trust that no more of that talk will be heard in the House of Representatives because, after all is said and done, you will find they are indeed a somewhat polyglot people but just as fine American citizens as you can find in your own congressional districts at home.

If you want a little example, all you have to do is consider what that great regiment of Hawaiian-Japanese boys did in Italy. The subject has been mentioned heretofore.

Consider what these people of Japanese origin who live in Hawaii did with our own troops, acting as interpreters and working with them in the great fight against Japan throughout the Pacific. They proved themselves true Americans.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JUDD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this issue is before us at a time when we are in the midst of one of the most critical struggles in all human history, a struggle which I think can be correctly described as one between the only two basic philosophies of government that ever have existed. One is based on the concept that man is not capable of governing himself for an extended period of time; that his problems can only be solved from the top down—by supposed supermen in a strong centralized government. The other, and this is the philosophy on which our society has been founded, is the belief that man is capable of governing himself, and that most of his problems can best be solved from the bottom up, keeping a maximum of control and management over them in his own hands, including the decision as to how much is to be turned over to Government agencies.

It is really a struggle between two basic concepts as to the nature of man and of his capacities.

Nobody can deny that this form of government from the top down—dictatorship—is making enormous strides throughout the world. Nobody can deny that the system of government and the philosophy of life under which this country has grown great is under attack—better organized, more determined, more systematic, and more worldwide than ever before. From 1776 to 1931 there was a steady expansion in the world of the areas where the doctrines of freedom and federation ruled. From 1931, when Japan invaded Manchuria, down to the present there has been a steady contraction of the areas of freedom in the world and a steady expansion once more of the areas where dictatorship and tyranny rule, and man is regarded almost as a commodity. Either the self-government philosophy will once more grow and expand, or the dictatorship philosophy will continue to grow and spread. We must throw everything we have in favor of the former.

This struggle is most acute and most fluid at the moment in the Pacific area. I do not know anything that we can do at this particular time which would send more of a message of reassurance and hope to the peoples in that area who are so confused and apprehensive and perplexed, than for us to pass this bill granting statehood to Hawaii, and thereby give them a vivid demonstration that this is the way of life in which the United States of America really believes. It will make dramatically clear our purpose to extend and expand into the Pacific area our form of government by federation of the free—the form which is based on the belief that man is a son of God and therefore has the capacity to govern himself and to choose the kind of government and officials he wants to handle his political and economic affairs.

Hawaii stands at the crossroads of the Pacific. What we do about it makes it either an advance lighthouse of freedom or a symbol of disappointing retreat to the people of Asia who have long looked to the United States as their model and inspiration. Our dealings with the Philippines and our policies now in Japan have led them to regard us as the country whose history and behavior gave them most hope that they, too, could gradually develop into free nations and build the sort of society that we have built here.

There are four main reasons why I believe we ought to vote for this bill. First, a moral reason. We have a moral obligation to fulfill a commitment, a legal commitment. I cannot believe that any Member will take that lightly. We made a commitment that we would give the Hawaiians statehood when they became ready for it. Well, they have qualified in every respect—whether you consider their loyalty, their self-supporting economy, their educational system, their health record, or their extraordinary demonstration of the ability of peoples of many national origins and many races and many tongues and many cultures to work together harmoniously for the good of all as the true way to promote the good of each. They have done in Hawaii a better job of teamwork between widely differing peoples than anybody anywhere else in the world has ever done. They have made good on their part of the bargain. It is time for us to make good on our part of the bargain. That moral obligation would be enough for me even if there were no other reasons.

A second reason is the security consideration. There is bound to be instability and uncertainty in the western Pacific area for years to come. Will Hawaii be a stronger bastion of freedom and a firmer part of our own security system in the Pacific if her people are ruled from Washington down and are not given a chance fully to govern themselves as one of the States? Or will they be a stronger bastion against the forces of communism and of totalitarianism in the world if they are free and full citizens just like the rest of us?

They have developed a remarkable spirit of unity and industry and self-reliance, which are the hallmarks of freemen. What would it do them to dash cold water in their faces and in the faces of all the emerging peoples of Asia by refusing to grant them the full partnership they have earned? From the standpoint of our security it is just good sense to do whatever will strengthen that vital area.

The third is the economic reason.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. JUDD. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Chairman, I am willing to hazard the prediction that eventually historians will agree that World War II all along was a war to determine who is going to control the development of Asia. Here are the greatest undeveloped resources of the world and half the population of the world. Which way are they to go? What kind of political system, what kind of social system, what kind of economic system is to dominate in their development? That is the crucial question of the twentieth century. The Reds know it. Hitler knew it. The Japanese militarists knew it. The French, British, and Dutch know it. How does it come that we, with Asia right at our front door, are the only people in the world who seem not to know it?

Our economic system is based on an expanding economy, more jobs, greater production, higher wages, greater purchasing power, and more sales—calling for more production, more jobs, and so on. Do we not want to continue this system which has enabled us to achieve the highest standards of living in the world? Then we must plan for extension of it to the areas where half the people of the world live and are just beginning to develop their resources.

Or shall we permit those areas to be developed under a system of serfdom and slavery which the Soviet Union is increasingly establishing in so many parts of eastern Europe and Asia? If we want our land to be prosperous in the years ahead, it seems to me that we must take the lead in guiding the economic development of those countries in directions that will make for free enterprise and for confidence in our ways and for good trade with ourselves.

The last is the ideological reason. Freedom and self-government are under strong attack by Communists in the world today. We can overcome evil only with good. We have an infinitely better system than theirs; but we have got to do a better job of explaining it and selling it to the rest of the world. This bill will extend statehood to these friends and wards who have demonstrated in every reasonable sense that they have earned and are worthy of full citizenship and statehood. By fulfilling at this time the promise that was made long ago and by demonstrating afresh our faith in the vitality and soundness of our federation philosophy of government based on human freedom, we can give new life to that faith, new hope to the oppressed

peoples of the world and greatly serve our own well being.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the argument has been made by the gentleman from New York [Mr. DELANEY] that we should establish a long-range policy. Insofar as Hawaii is concerned, it has extended to 52 years. That is fairly long range, as things go today.

So we did establish a long-range policy when we incorporated the Territory into the Union.

As far as Alaska is concerned, the organic act was passed about 1912. That is about 38 years—another long-range policy, which was a part of the policy established in connection with bringing Hawaii into the Union.

We established what might be termed a long-range policy when we gave Cuba her independence. Again, when we gave the Philippines their independence. So this argument for establishment at this time of a long-range policy before giving statehood to Hawaii, causes one to ask just what does constitute a long-range policy.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. PETERSON. Is it not true that under the Northwest Ordinance of 1787 we established the principle that an organized incorporated territory was to be admitted to statehood?

Mr. CRAWFORD. Yes, sir

Mr. PETERSON. And, secondly, by admitting an incorporated territory to the Union as an incorporated territory we are virtually placing them on probation, and then, if they make good, the ultimate goal is statehood? And these are the last of the two incorporated Territories left.

Mr. CRAWFORD. Yes, sir.

Mr. DELANEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. DELANEY. Will the gentleman explain the long-range policy in connection with the rights of the people of the District of Columbia?

Mr. CRAWFORD. All right; that brings up the question of constitutional provisions, and I just happen to be one who conceives that the men who established our form of government and adopted our constitution were a little bit smarter at forming government than I am. They were caught in the crucible of government formation and did a very great job. I offer no apology for making that concession. Furthermore, if the people of my district are going to be substantially taxed as they now are for the purpose of maintaining and running the District of Columbia, I want them to have something to say about it, just as they do at present. Finally, I will go out on a limb and state here emphatically and categorically that I am not in favor of home rule for the District of Columbia for the reasons that I have stated and for many more. Those who live within the District enjoy magnificent benefits under present rule which are paid for by outside taxpayers. If they wish to give up some of those benefits for the franchise, let them pay the cost, as a State would, and have home rule.

Mr. DELANEY. Yes; I think the gentleman has answered his own argument.

Mr. CRAWFORD. Mr. Chairman, I decline to yield further, for I want to discuss the question of Hawaii.

The gentleman from Minnesota [Mr. JUDD] has pointed out some phases of the far eastern situation. The impact of the collapse of colonial power in the Far East where the Dutch have been run out after 300 years of colonial rule and after establishing a great culture and a great economic structure in the Straits of Malaya; where England has moved out of the picture insofar as Pakistan and India are concerned; where the United States moved out of the Philippines by granting them independence after ruling them for 45 years or more; where the Japanese Empire collapsed as a result of World War II. The impact of the collapse of those world powers has left a tremendous vacuum as far as the western Pacific is concerned, and unless we get ourselves entrenched as quickly and as deeply as we can and tie together our resources, our citizens and economic structure, these areas of the Pacific will have nothing to tie to except the Communists.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MILLER of California. In the opinion of the gentleman from Michigan, who has studied this question for a long period of time, what interpretation will be put on failure to pass this bill by countries behind the iron curtain, by China and the Indies?

Mr. CRAWFORD. There is only one interpretation they could put upon it, and that is that the United States, after fighting two wars and expending some six or seven hundred billions in the interests of the little people, even refuse to recognize the little people under the American flag after 50 years of tutelage, and certainly no country would have any further confidence in our promises.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JENNINGS. It has been my experience and observation that the man sent to this body is a pretty good index of the people who send him here. I would file in support of this motion as exhibit A the gentleman from Hawaii [Mr. FARRINGTON]. He is an unanswerable argument, in my opinion, in favor of the admission of Hawaii as a State in this Union.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for three additional minutes.

Mr. CRAWFORD. Had the gentleman from Tennessee finished?

Mr. JENNINGS. I have seen a large number of people from the Territory of Hawaii testify before the Committee on the Judiciary on matters that affect that Territory. I have never met a finer, more outstanding set of citizens than those men. I think we are absolutely safe in bringing into the union Hawaii, and making it either the forty-ninth or the fiftieth State; and I say that in all sincerity. I have never been there, but I think I know something about the economy of this island possession and the character and fineness of the people who live on it.

Mr. CRAWFORD. I thank the gentleman for his observation.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JUDD. Mr. Chairman, I wish to congratulate the gentleman from Michigan on the statement he has just made regarding the collapse of the vast Asiatic empires which the great powers of Europe and Japan had built up. Nowhere on earth today is there such a great political vacuum as in Asia, and unless the United States moves in to help fill that vacuum with self-governing states, and moves fast, then it is as certain as the rising of the sun that Russia will move in.

Mr. CRAWFORD. And if Russia moves in, then all we have done so far is of no value.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I just want to observe that I am very glad to see the gentleman from Tennessee right today.

Mr. JENNINGS. May I say that I have the very highest esteem for my friend from Massachusetts and I always like to have his approbation. I do not think he ever saw me wrong.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, there is one matter that has not been touched upon in this debate, but which I think should be a part of the record. That is that Hawaii today is the home of the National Memorial Cemetery of the Pacific.

A few years ago when the appropriation estimates were before an appropriations subcommittee dealing with the cemeteries under the Army Cemeterial Division, the proposal was before the committee of having two or three cemeteries scattered throughout the Pacific. After considerable deliberation the committee decided that we would do better by the boys and do better by the shrine that we hoped to create if we should have one great national cemetery in the Pacific. So we selected the crater of an extinct volcano there which was known locally as the Punch Bowl. This became the site of a cemetery which will be one of the great national shrines. It was dedicated last year. Those who were present at the ceremonies have told me it is one of the most beautiful and reverent memorials in all the world.

I do not minimize these other factors at all. I think the matter of defense and security in the Pacific are important. I think the attitude of the people in Hawaii is important. I have been in Honolulu and I felt when I was in Honolulu I was in a truly American city. But in addition, as we think about extending statehood to Hawaii we should realize that we are throwing the arm of the United States out there and putting its sheltering strength around that cemetery where between 15,000 and 20,000 American boys are sleeping today.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, I am for the bill and I shall vote for it, to give statehood to Hawaii. I have been interested in the Sandwich Islands ever since I was a child and remember when Liliuokalani was made queen; and later when Sanford Dole became president, and when President Cleveland took sides with Queen Liliuokalani; and finally the Pearl of the Pacific was annexed to the United States. Today we find ourselves in possession of an indispensable outpost with all its industrial and defensive resources—an advantage that contributed in a large measure to the superiority of our country in winning World War II.

Hawaii, the land of eternal sunlight and happiness, of moonlight and romance, where soft music and haunting melodies mingle with the gentle-sea-moistened breezes of the Pacific, half oriental and half occidental, has justly been called the Paradise Isles. Here are combined the gracious and easy life of the subtropical Orient with an American cultural background which is unique for its charm and beauty.

It has heretofore been stated that one of the most important of the factors to be considered in determining the eligibility of an applicant for statehood is its economic, or financial responsibility. As a State, the applicant will be required, under the Constitution, to assume the full cost of operating its own government, a burden not necessarily assumed by the Territory. In addition, the new State, through its residents, will be called upon to shoulder its proportionate share of the expenses of the National Government. These are obligations with which the rights and privileges of statehood must be coupled.

That Hawaii meets in every respect the requirement of financial responsibility can very convincingly be demonstrated. Of the many statistical comparisons which could be made between the Territory and the several States, and of the many other facts indicative of its economic stability, the following have been chosen for their clarity and simplicity. Each of them affords proof of the fact that the islands compare favorably with the States of the Union, not only as to taxable wealth, but also as to financial responsibility.

First. In the 50 years since its annexation, Hawaii has paid into the Federal Treasury in the form of taxes a total of over $150,000,000 more than the Federal Government has spent in the Territory—exclusive of military expenditures—during the same period. Contrast this record, for example, with that of the Virgin Islands. The latter cost the United States $25,000,000, has been on Federal relief ever since, and obtains most of its imports from Denmark.

Second. The real property of Hawaii was valued at $500,000,000 in 1945. Only one other Territory has possessed real property of a greater value at the time of its admission to the Union. This was Oklahoma, the property of which was valued at $719,000,000 at the time of its admission in 1907. New Mexico and Arizona, the last two States admitted—in 1912—possessed real estate valued at $34,682,000 and $84,328,000, respectively. Even allowing for an appreciation in land values, Hawaii would still retain her position in second place on the list.

Third. The average annual value of goods produced in Hawaii in the 1941–45 period was $112,440,000. This is almost twice the value of the goods produced by any other State at the time of its admission. Again allowing for an appreciation in the value of goods, Hawaii would remain at the head of this list.

Fourth. The total internal-revenue collections in Hawaii for the years 1944 and 1945 exceeded the total collections made in the following 14 States: Arizona, Arkansas, Idaho, Mississippi, Montana, Maine, Nevada, New Hampshire, New Mexico, North Dakota, South Dakota, Utah, Vermont, and Wyoming.

Fifth. The percentage of the population filing individual Federal income-tax returns for 1940 was higher in Hawaii than in any of the following 26 States: Alabama, Arkansas, Arizona, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, and West Virginia.

Sixth. There are incorporated under the laws of Hawaii a total of 44 banks, in which there is deposited in both time and demand accounts the sum of $493,296,000. The total bank and trust company assets of the Territory in 1945 equaled $532,251,000.

Seventh. In the 8-year period between 1933 and 1940, Hawaii was always one of the eight largest purchasers of United States goods. In 1939 and 1940, she ranked fifth among such customers in the value of goods purchased.

Eighth. The per capita purchase of United States Series "E" Savings Bonds was higher in Hawaii than in any other State or Territory, being $531.12. Hawaii was the only one to exceed all drives and monthly quotas since the inception of the war-bond program.

Ninth. On June 30, 1945, the total budgetary resources of Hawaii amounted to $68,339,384, with total obligations and reserves in the amount of $57,873,691, leaving an unappropriated surplus of $10,465,693. The bonded debt of the Territory as of December 31, 1945, was $16,520,000, with $7,151,344 in the sinking fund, leaving a net amount of $9,368,656.

From the foregoing, it is quite evident that the admission of Hawaii will serve to increase greatly the economic strength of the Nation. As the forty-ninth State, Hawaii will contribute far more than her proportionate share—which is approximately 2 percent of the total—to the wealth of the country.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that all Members be permitted to extend their remarks at this point in the RECORD on the bill now under consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PETERSON. Mr. Chairman, Hawaii was annexed to the United States in 1897, at its own request. It was at that time an independent republic. The treaty between Hawaii and the United States, ratified by the Senate, recites that "The Republic of Hawaii and the United States of America, in view of the natural dependence of the Hawaiian Islands upon the United States, of their geographical proximity thereto, of the preponderant share acquired by the United States and its citizens in the industries and trade of said islands, and of the expressed desire of the Government of the Republic of Hawaii that those islands should be incorporated into the United States as an integral part thereof, and under its sovereignty, have determined to accomplish by treaty an object so important to their mutual and permanent welfare." With the Senate's ratification of the provisions incorporating Hawaii into the Union and making it an integral part of the United States, the Government of the United States could not have committed itself in stronger language and admit Hawaii to statehood. The Northwest Ordinance of 1787 established the principle that an organized and incorporated Territory is to be admitted to statehood at the earliest possible date. Hawaii's status is no different from the other Territories which were admitted as States, and there can be no doubt that Hawaii is fully qualified to become a State and has been so qualified for some time.

The people of Hawaii have been anxious to be citizens of a State of the Union since 1854, long before annexation. In that year a treaty was proposed under which Hawaii would have been admitted to the Union directly as a State. The desire for statehood was first brought to the attention of Congress in 1903 by the Legislature of Hawaii, and the legislature has continued to memorialize the Congress on the subject. The first statehood bill was introduced in 1920 by Hawaii's Delegate. Thirty-six statehood bills have been introduced since then.

The Congress has examined the question of Hawaiian statehood repeatedly and thoroughly. Congressional investigations were made in 1935, 1937, 1946, and 1947. Even in 1935, the committee which held hearings in Hawaii reported that Hawaii was "a modern unit of the American Commonwealth, with a political, social, and economic structure of the highest type." The 1937 committee report stated, among other things, that "Hawaii has fulfilled every requirement for statehood heretofore exacted for Territories." It recommended that the views of the people of Hawaii be ascertained, and this was done in 1940, when the

people voted more than 2 to 1 in favor of statehood; the vote would be better than 3 to 1 today. After the war another committee held hearings in Hawaii and compiled a voluminous record of every phase of Hawaiian life, concluding that Hawaii had the necessary requirements for statehood and recommending that immediate consideration be given to enabling legislation. In 1947, for the first time, congressional action was taken on a statehood bill; this House passed enabling legislation. In the Senate, the chairman of the Senate Territories Subcommittee conducted still another investigation in Hawaii and recommended immediate and favorable action on the bill. But the Congress adjourned before the committee took any action on the bill, the members considering it desirable to visit Hawaii for further study.

To my mind, the qualifications of Hawaii for statehood are so evident as not to require further study or discussion. We know the people of Hawaii want statehood. We have promised it to them many years ago, and the time has long since passed to fulfill that promise. Under the United Nations Charter, we have assumed an obligation towards Hawaii as a so-called non-self-governing Territory, "to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions."

What do we consider in determining whether a territory should become a State? Adherence to American traditions? Hawaii is thoroughly American. Hawaii's commercial ties are with the United States, to which most of its products are sent and from which most of its imported products come. A Hawaiian community is virtually indistinguishable from a community in the continental United States. Although Hawaii's population is composed of various races, there is far less racial friction or discrimination in Hawaii than in many mainland communities. It is practically nonexistent. Hawaii's record of tolerance in daily life is one of which every American may be proud. Its record of participation in World War II, is well known, and the loyalty of its citizens, of whatever racial background has been intensively studied and highly praised on many occasions by the Army, the Navy, and the FBI.

Political maturity? Hawaii was an independent republic when annexed to the United States, with years of experience in self-government. Its government has been patterned along constitutional lines since 1840. It has functioned for 50 years under an organic act passed by the Congress, which established a form of government almost identical as to local powers with those of the States. The laws enacted by the Territorial Legislature have been consonant with American principles. The electorate is intelligent and alert and politically conscious; 85 percent of the electorate voted recently compared to the national average of 55 percent. A two-party system flourishes there.

Educational system? Hawaii has a fine university, with an excellent reputation. Its schools and the standards of instruction maintained therein are the equal of, and in some cases better than, those in the States. Illiteracy is virtually nonexistent. The children of Hawaii, no matter what their racial ancestry, are brought up in the American tradition, in American schools.

Ability to meet the costs of statehood? Hawaii's finances are sound. The bonds issued by the Territory and any of its political subdivisions find ready markets in the States. Hawaii consistently pays into the Federal Treasury, in the form of taxes, more than is received in the way of Federal aid, exclusive of defense expenditures. Almost all exports go directly to the United States, valued at approximately $2,000,000,000 annually.

Population and area? Hawaii's population of more than half a million is greater than that of any Territory when it was admitted to statehood, except Oklahoma, and it is greater in area than the States of Rhode Island, Connecticut, and Delaware.

Why should Hawaii be granted statehood? As far as the Hawaiians are concerned, to cure the injustice of keeping them so long in a Territorial status. As citizens of the United States, they should have a voice in the laws which apply to them, they should be permitted to vote in the Presidential elections, send their representatives to the Senate and House of Representatives of the United States, and to elect their own Governor and appoint their own judges. As a State, Hawaii should be automatically eligible for the benefits of legislation adopted for the States, and would not be subject to the discrimination from which it now so often suffers, sometimes inadvertently, other times because the Congress lacks the necessary information on which to base its action with respect to Hawaii.

It is in the interests of the United States to bind Hawaii more closely to it with the ties of statehood. We have heard charges that communism is widespread in Hawaii. Hawaii, far from succumbing to communism, has fought against it wherever it may have appeared. There is no evidence that communism can be better controlled if Hawaii is kept in a Territorial status than if it is admitted as a State. The logic of the situation is to the contrary.

Mr. KEATING. Mr. Chairman, Hawaii's case for statehood is entirely different from Alaska's. Although Alaska has not in my judgment proved its readiness for admission to the Union, Hawaii is in an entirely different category. The population of Alaska is estimated at less than 100,000, whereas Hawaii has well over half a million people and is larger than any other State at the time of its admission to the Union with the single exception of Oklahoma. This difference in population, while one of degree, and insufficient of itself to justify a different result, nevertheless greatly strengthens Hawaii's case.

It was argued when the bill for Alaskan statehood was before us last week that its passage would give to less than 100,000 Alaskans an equal voice in the other body with 15,000,000 New Yorkers or, to put it another way, an equal voice in that respect for the 20,000 Alaskans who voted in the last election with the 6,000,000 who voted in New York. Under our Federal provisions for a bicameral legislature, whereby it is contemplated that the House of Representatives shall reflect population figures, whereas the other body is designed to represent the will of geographical units, it may be argued with some force that population should not enter into the consideration of the readiness of a Territory to become one of our States. While recognizing the merit in that argument, I contend that certainly the population of an area to be added is one of the important factors to be taken into consideration in determining its readiness for admission. The fact that Hawaii is well over five times the population of Alaska is clearly a difference to which we cannot close our eyes in determining the respective merits of their positions.

Next we come to the economic condition and development of the two areas. Alaska has tremendous barren areas of uninhabited territory with mountains, plateaus, and coastal plains equal in extent to one-third of the entire United States. Hawaii is made up almost entirely of an agricultural and industrial area.

Alaska has never paid its own way. Its total revenues paid into the Federal Government for the last fiscal year were less than $19,000,000, whereas Hawaii paid in over $174,000,000, which was in excess of 12 of our present States. Alaska is almost completely undeveloped. Hawaii has a thoroughly integrated and highly developed economy. For years the Federal Government has poured money into Alaska, whereas Hawaii has continually contributed more to the United States than has been expended by the Federal Government in its behalf.

In Alaska, 98 percent of the land is in the hands of the Government, whereas in Hawaii only 43 percent is publicly owned. In other words, 2 percent is privately owned in Alaska as against 57 percent in Hawaii.

It was rather frankly conceded in the debate on the Alaskan statehood bill that one of the principal arguments for its enactment was that statehood would enable Alaska to benefit from various Federal grant-in-aid programs. No such self-serving attitude seems to actuate Hawaii, which, as I have pointed out, has for years been much more than paying its own way. Alaska will, if admitted as a State, be an additional drain on Uncle Sam; Hawaii just the opposite.

I intend no reflection whatever on the good people of Alaska in this analysis, since I recognize fully the problems which confront them, but I think it our duty to face this situation realistically.

The vote for statehood in Alaska was 3 to 2 in favor, whereas in Hawaii it was more than 2 to 1.

These are some, but by no means all, of the differences in the respective merit of the two applications for State status.

Hawaii, it must be remembered, relinquished voluntarily its sovereignty as an independent nation to enter the American commonwealth.

It has demonstrated its devotion to the fundamental institutions and ideals of the United States. It became an organized Territory of the United States in the

same way all our other Territories did. The ultimate destiny of a Territory of the United States is statehood. Hawaii has proved conclusively that it is ready for this additional recognition.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARDY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States, pursuant to House Resolution 218, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. O'HARA of Minnesota. Mr. Speaker, on that I demand the yeas and nays.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill and action thereon be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a radio address delivered by himself.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD and include some communications.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD in two instances; to include in one a statement by the commander of the Disabled American Veterans, and in the other an article on barbiturates.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD and include excerpts and printed matter.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

EVENTS OR INCIDENTS NOT CELEBRATED AT THE JEFFERSON-JACKSON DAY DINNER

Mr. HOFFMAN of Michigan. Mr. Speaker, March 2, from the well of the House, the gentleman from Missouri [Mr. CHRISTOPHER] answered the gentleman from Ohio [Mr. BROWN], who had just called attention to some of the differences between the Republican—that simple, every-day, common people's Lincoln's Day $1 box dinner and the sumptuous, extravagant, wine-and-dine, dress-suit dinner gown $100 a plate Jefferson-Jackson Day dinner—the first dinner attended by just John Q. Public, the average ordinary citizen, who makes his livelihood by the sweat of his brow or in the meager profits left to him, in his little business or industry, by the tax-gathering attendants who dined at the Jefferson-Jackson Day dinner—many of whom hold lucrative Federal jobs—those who can well afford to pay $100 per plate, some of it may be, paying the $100 in order to hold a job; others so successful in their big-business enterprises or through their connections with the Administration which brags about "fighting big monopolistic businesses" that they were able to, and willingly did—to keep up the lines of communication with the administration—lay down as much as $4,000 or $5,000 for tickets.

The gentleman from Missouri [Mr. CHRISTOPHER], who first came to Congress in November 1948, but who has been recognized as one of the Fair Deal's leaders and spokesmen, said, and I quote:

I sought this 10 minutes to tell the Members of this House some of the things we were celebrating at that Jefferson Day dinner.

It would be presumptuous for me to criticize the gentleman or to even suggest that he forgot to tell us of the event which the original Jefferson Day dinner was called to celebrate.

It has been said that the first Jefferson Day dinner which was held on April 3, 1830, was given to celebrate the balancing of the budget, the Nation's freedom from debt. It is true that for the fiscal year of 1829 the national income was but $947,000,000; the national debt was then but $48,565,000. The Treasury income was $24,844,116 and the current surplus receipts were $9,701,050.

Pardon a comparison of those figures with those for 1948 when the national income was $226,200,000,000; the income of the Treasury $42,210,770,493; while the national debt was $252,292,246,513 and note—and this was a Republican year—the current surplus receipts were $8,419,469,844. No doubt it is purely coincidental, but since the coming of the New Deal, the only 2 years that the Federal Government has not been in the red were 1947 and 1948. Later, attention will be called to the—shall I say—"magnificent public debt" of 1949. The red balance is more than $5,000,000,000 for the fiscal year which will end July 1, 1950.

But back to the first Jefferson Day dinner held in 1830. That dinner was given to promote the right of the States to rescind Federal laws. The Jefferson and the Jackson Day dinners for years were held separately and for the purpose of raising funds, creating good fellowship. The first Jefferson-Jackson Day dinners were held in 1948 and those dinners were held for the purpose of raising funds. They have been very successful, for the sponsors have been those in high places, those in authority who were able, by the holding out of promises of jobs, making those holding jobs conscious of the uncertainty of their tenure of office, not only willing but anxious to contribute.

The gentleman from Missouri [Mr. CHRISTOPHER], the home of the stubborn mule, might have noted that another gentleman from that great State [Mr. SHORT] has frequently said that the New Deal-Fair Deal has neither pride of ancestry nor hope of posterity, except that, possibly, it may take pride—though for what reason I do not know—in following a program which in other days by other nations tried, has always ended in disaster—it may have hope if its actions are any indication, of its purpose that ultimately it will be able to substitute socialism for a free Republic.

The gentleman might well have drawn a parallel between the alleged stubbornness of the Missouri mule and its State's President who, to say the least—and because he is my President as well as yours—I characterize his tenacity not as stubbornness or obstinacy, but merely as a certain fixedness of purpose.

This characteristic of our President has been recently called to our attention by his adherence to his apparent conviction that, in spite of the evidence to the contrary, there are no dangerous Communists in his administration, no, not even in the State Department; by his still more recent adherence to his opinion that the coal strike had not until the last few days created a national emergency.

But, permit me—in all due humility and in no critical spirit—to make serious answer to the gentleman from Missouri [Mr. CHRISTOPHER].

Referring to the Jefferson-Jackson Day dinner, the gentleman from Missouri [Mr. CHRISTOPHER] listed some of the events the Democratic organization and leaders were celebrating. He said:

You know, that was a celebration, boys; that is what we were doing; we were celebrating. I sought this 10 minutes to tell the Members of this House some of the things we were celebrating at that Jefferson-Jackson dinner.

Still quoting:

The southern boys were celebrating the fact that they were not taking 6 cents a pound for their cotton, and that is really something to celebrate. Every southern man that was there had a perfect right to be there, and plenty reason to celebrate.

The southern boys are not taking 6 cents a pound for their cotton because a friendly administration is not only supporting the price of cotton, but because, through ECA, it has spent something like $500,000,000 for cotton to be given away abroad.

Then this statement was made:

TWELVE-CENT CORN

We were celebrating the fact that the boys out in Iowa were not having to sell their corn for 12 cents a bushel.

Twelve cents is the figure I found in the RECORD. When the gentleman spoke, he named 4 cents a bushel as the price of the corn. This Fair Deal administration can accomplish wonders on paper. The gentleman jumped the price of Iowa corn from 4 cents a bushel late one afternoon to 12 cents the next morning. Or am I mistaken about that? The stenographer's original minutes will show. And if I am wrong, I apologize.

We all like to see others happy and prosperous and the common thought among corn growers—and I have a little corn myself—seems to be that if so many special groups, and you know the President is strongly against special interests—at least, so he says—are feeding at the public trough they might just as well get theirs before the country goes broke. Taxing everyone to give the corn growers the difference between the going price of corn when their crop is ready for market and $1.40 per bushel next April, is a familiar practice with the New Dealers. If taking from those who have, no matter how hard they worked to earn it, to give to those who also have, but who want more, is something to celebrate, then the gentleman and his party have something to brag about.

The gentleman from Missouri then said:

THREE-CENT PORK

All of us fellows in the central region are celebrating the fact that we were not taking 3 cents a pound for our hogs, and 6 cents a dozen for our eggs, and 35 cents a bushel for our wheat.

Again, permit me to repeat that, if robbing Peter to pay Paul is cause for celebration, the Jefferson-Jackson dinner boys in their dress clothes as they sipped their wine, had reason to celebrate. The gentleman said nothing about the fact that because of his party's policies, the poor-man's food, corn meal, had jumped in price.

The gentleman made no mention of the achievement of his party's one-time hero, Henry Wallace, in causing thousands of little pigs to be slaughtered and wasted until the price of pork chops, sausage—yes, and the once despised sidemeat—were, because of his party's policy, almost beyond the reach of the average workingman.

SIX-CENT EGGS

The gentleman made no mention of the fact that, while the poultryman was not taking 6 cents a dozen for his eggs, the rest of us—lacking hens and eggs—were paying all the way from 75 to 89 cents a dozen. He forget to tell the public that the Government had on hand 276,000,000 pounds of dried eggs for which it had no market, purchased in part by pennies, nickels, and dimes taken out of the little fellow's pocket—with some contributions from other taxpayers—to the tune of $120,000,000.

THIRTY-FIVE-CENT WHEAT

The gentleman failed to remember that the present price of wheat was one maintained because of a subsidy and that, while wheat growers, including some corporation farmers received a subsidized price, wheat carried a tax of 5 cents a loaf imposed by his party, upon the poor-man's bread.

Five cents a loaf paid by the wife of the poor man, helps to some extent to pay for the gold plating on the President's new Lincoln limousine.

Might one venture to speculate if the President still has in stock some of the ties from his haberdashery which he can wear while riding in this magnificent gold-plated limousine produced by a multimillion-dollar corporation. The President talks much about the little man, the poor man. He poses as the friend of the little fellow, the opponent of the big man. Little men and their wives paying taxes upon everything they eat and wear, must be happy to know that the President, their great friend, as he goes from place to place, travels sometimes in a multimillion-dollar special plane, sometimes on a Government-owned and maintained cruiser, sometimes just rides in a gold-plated automobile. It might be noted in passing that, while the President verbally condemns the special interests, he, like many another, has no objection to enjoying the benefits of their efforts.

The gentleman even admits that the Jefferson-Jackson Day dinner may have been a Belshazzar carnival for he says, "Maybe it was a Belshazzar carnival, but when you consider the things we were celebrating, it was justified."

There you have it. Neither the gentleman nor his party has any apologies to make for the unsound policies, the national bankruptcy, the inflation, and the conflict between labor and management which his party has imposed upon us.

BANK FAILURES

Said the gentleman from Missouri:

We were celebrating the saving of farms and homes. We were celebrating the fact that during the past 12 years 9,976 banks had not failed in the United States without any deposit insurance. That was something else we were celebrating.

Banks did fail during the last few days of the Hoover administration. The country's then depression was the result of a foreign policy given us by a Democratic administration. The banks failed because a Democratic Congress and an incoming President would not cooperate with Mr. Hoover. Mr. Roosevelt's statement, in effect being, that the situation was Mr. Hoover's baby and that he, Mr. Roosevelt, would have no part in remedying the situation.

The gentleman apparently does not know that the bank deposit insurance law was the brain child of the senior Senator from Michigan.

UNEMPLOYED

The gentleman said:

We were celebrating the fact that we did not have 12,000,000 unemployed in the United States.

The gentleman ignored the fact that the unemployment years were depression years brought on by a world-wide depression and the war. The gentleman ignored the fact that during the prosperous years since the war the present administration has spent every year on direct relief more than was spent even by that master spender, President Roosevelt, during the years of the depression.

The gentleman apparently does not realize that if the administration's policy of encouraging strife between labor and management continues millions of men will be out of employment because of strikes and the ever increase of the cost of all necessities.

The gentleman said:

Our celebration was justified. There is not a soup kitchen in the United States.

That may be true; but as I read the press there were plenty of soup kitchens maintained by striking labor organizations. Just a few nights ago I had a telephone call from one of the towns in my district where a union man, and I do not know how accurate was his statement, complained because he said $3,000 of the funds of his local union were being sent to the United Mine Workers.

Here is a letter from a union man:

For God's sake, don't repeal the Taft-Hartley law, especially where the contributions to politicians is concerned. If they do, when we (the common herd, as Roosevelt used to call us) get through feeding politicians, we won't have a dime, for every time they elect a new dog catcher up to Congressman, we would have to kick in. If you can change it so they can't assess us for strikes, it would help a lot, for I and my wife have been sick most of the winter and now we are assessed $12 for the Chrysler strike.

Note this. Let me repeat this sentence:

If you can change it so they can't assess us for strikes, it would help a lot for I and my wife have been sick most of the winter and now we are assessed $12 for the Chrysler strike.

Soup kitchens can be avoided for a time, by taking from business an ever increasing share of its profits to give to those who otherwise would be patrons of soup kitchens, but in the end the soup kitchens will be doing an ever increasing business and the soup will grow thinner and thinner. To give you gentlemen a helpful suggestion, permit me to suggest that potato soup, properly made, is a very delicious and nourishing item.

And, if I hear aright, the administration has a few potatoes on hand.

Mr. WHITE of California. Mr. Speaker, will the gentleman yield?

Who voted for the potato bill? Did you not just vote 4 to 1 over there to continue it? The Republicans voted 4 to 1 to continue the program and the Democrats voted 2 to 1 against it.

Mr. HOFFMAN of Michigan. You mean they are sick of it?

Mr. WHITE of California. Why, sure. Who started it? It started during the war under the Steagall amendment to increase production for the armed forces. The potato deal is not the fault of the Democrats. Its continuance is the fault of Republicans. Look at the record.

Mr. HOFFMAN of Michigan. Will the gentleman tell me of anything that has happened over the past 15 years, all but 2 of which you have been in power, which has not been helpful and good? Are you to blame for anything that ever happened?

Mr. WHITE of California. Some, not much.

Mr. HOFFMAN of Michigan. No; not much—not much.

With reference to the potato situation I just refer you to the debate held Saturday night, I think it was, between Senator DOUGLAS and John Flynn. Read that.

Mr. WHITE of California. I did.

Mr. HOFFMAN of Michigan. You read that and you did not learn anything?

Mr. WHITE of California. That is where I got my information.

Mr. JENSEN. Mr Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. JENSEN. The gentleman from Missouri made a slight error, possibly $50,000,000,000, when he said the national income this year was going to be $250,000,000,000. In the fiscal year 1948, when the Republicans were in power, we had a national income of somewhere around $225,000,000,000. Since that time the national income has gradually decreased, and unemployment has gradually risen.

Mr. HOFFMAN of Michigan. Of course that is not the fault of the Democratic Party.

Mr. JENSEN. Oh, of course not. Another thing, while I am on my feet, I might remind the gentleman from Missouri that farmers' income during the 8 years before 1932 was greater than the 8 years after 1932, and that we had an average of around 9,000,000 people out of work from 1933 until the war bailed them out.

Mr. HOFFMAN of Michigan. Another war coming to bail them out again?

Mr. JENSEN. I am afraid it is going to take another war to bail them out again.

Mr. WHITE of California. I want to point out that World War II——

Mr. HOFFMAN of Michigan. Your war.

Mr. WHITE of California. During all the years in which World War II was in progress the national debt has been accumulated, and 85 percent of it accumulated during that time. I do not see why the gentleman has to blame that on the Democratic Party.

Mr. HOFFMAN of Michigan. Oh, I am not. It was after it was over. We won the fighting but lost the war. That is, in the end we were worse off than we were before. I am not talking about that. I am talking about the prosperous years since the war when you have been running in the red every single year, except those 2 years when the Republicans happened to be in power.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. Well, I will have to ask for more time.

The SPEAKER. There are other special orders pending.

Mr. HOFFMAN of Michigan. If those having special orders are here, I do not want to take their time.

The gentleman said, further:

We were celebrating the fact that we have REA in this country that has taken electricity to the farms and let the farm woman throw away her coal-oil lamp and have electric light and refrigeration.

REA

Personally, I am very glad to see the farmers get electricity, even though in my home State better than 90 percent of the farmers getting electricity get it from privately owned companies at less cost even though REA has the advantage of Government money at a low rate of interest; even though the current supplied by private enterprise on the average costs more than a cent per kilowatt-hour less than that furnished through the REA.

NATIONAL INCOME

I quote:

Another thing we were celebrating is the fact that our national income is $250,000,000,000.

That would be an achievement worth celebrating were it not for the unfortunate fact that with the billions upon billions of dollars income, the reckless, wasteful, inefficient administration of the gentleman's party has every year since it came to power gone into the red except the 2 years of 1947 and 1948—years of the Eightieth Congress.

Yes, my friend, no matter how much you take from the taxpayers there is a hole in the bottom of your pocket and you cannot balance the budget. With this magnificent national income at your disposal, this administration is so incompetent, so wasteful, so reckless, that this year you will be somewhere between $5,000,000,000 and $10,000,000,000 in the red. You cannot even tell within $1,000,000,000 or $5,000,000,000 how much your deficit will be.

Let me say to you, sir, and to your colleagues, if you want to celebrate something big, you might well have celebrated the size of your national debt—more than $250,000,000,000.

The President's failure in private business, while to him perhaps a serious matter compared to his failure in the administration of national affairs, would not even be visible in the world's largest magnifying glass.

You have been doing things in a big way and if failure, impairment of national security, is cause for celebration, you have ample ground for not one, but a hundred Jefferson-Jackson Day dinners. You have loaded on the taxpayers the greatest burden ever imposed upon an American citizen, a far greater burden than that which rests upon any taxpaying citizen anywhere in the wide, wide world. Quote:

We were also celebrating the fact that ex-GI's had never come to Washington, D. C., hungry, cold, jobless, and in rags and been chased out of the Capital of the Nation that they had fought to defend by the orders of a Democratic Administration.

If the gentleman is disposed to remain in error as to why it became necessary to move a few ex-GI's, accompanied by many who were not GI's, who had never been in the Armed Services, from Washington, that is his privilege but I assume he is not celebrating the fact that many an ex-GI lies rotting in either foreign soil or under the waters of some ocean—who died in a war which, from a practical standpoint, was in existence months before Pearl Harbor.

The gentleman said:

We are celebrating the saving of farms and homes.

That is a laudable purpose but when you save either a farm or a home by taxing others so that it is impossible for them to own a home or a farm, that is something else again.

It was surprising that the gentleman failed to state that the dinner was in celebration of rent control.

That is the policy which the preceding administration followed in attempting to make a larger group happy by depriving a smaller group of the property they had earned, saved, to obtain.

Rent control is of advantage to a very large group of voters.

If the necessity of the times calls for rent control, the lot of the poor tenant who has no place to live should be taken care of by taxes imposed upon everyone. The landlord should not be singled out to bear the whole burden of furnishing a home for the unfortunate or for the indolent.

Just what has happened so many, many times under rent control is indicated by a recent letter which I read, and which is as follows:

DEAR MR. HOFFMAN: I am writing to you informing of an action of the regional office of the Housing Expediter in South Bend, Ind., have just decided on two of my apartments. Two months ago one of my tenants went to the rent control for he decided I was making too much profit from the building. Mr. Jackson from the rent-control office reduced his rent $10 a month and another $15 a month. I went to the office innumerable times to talk to him and the office workers would always say he was busy and give me more papers to fill out. I sent Mr. Jackson receipts of the bills to remodel this apartment at question which he evidently neglected looking at. Now, I am operating this apartment house at a loss each month just because some young man who doesn't know the responsibility of upkeep of such a large home thought I was making too much profit.

Mr. HOFFMAN, I am a widow with two small children and I work at a factory nights and I invested my husband's insurance money in this $20,000 home. At this rate of loss I'm sure to lose my investment unless something is done to fight the rent control. My house needs painting this year and other repairs and Mr. Jackson's recent decision left no money for this at all.

Mr. HOFFMAN, why do we still have to continue rent control? The landlords have taken a beating long enough. This was only to be during the war. It's terrible the way the rent control has a person's investment control. This is supposed to be a free country. I'll be operating from now on this building $10 in the red each month.

Would you please advise me if there is any way I can fight this? Or, can you get rid of rent control in Niles, Mich.? I have many landlords behind me who also are in the same fix. What can we do?

Hoping and praying you can help me.

Sincerely.

P. S.—This same tenant who turned me in to the Housing Expediter just purchased a new automobile, something I could never consider at the price they ask.

The gentleman from Missouri closed with the statement:

The last fact that we were celebrating was the fact that every New Deal measure that has been passed in the United States since Franklin Delano Roosevelt was elected President is in force, and there is not a Republican in this House who would introduce a bill to repeal one of them. That is another thing we were celebrating.

It is, of course, the gentleman's privilege and the privilege of his party to celebrate the existence of legislation which will, as surely as day follows night, drag us into national bankruptcy, into national disaster; into a situation where we will be so weakened that we may be unable to successfully defend our national security.

Many a bill has been introduced to repeal so-called New Deal legislation.

Well do I recall that when, prior to the First World War, a bill to prevent the shipment of scrap metal to Japan was introduced, it was pigeonholed, as was many other worth-while bills. And later the scrap came back to us in the form of destructive weapons of war, some of it sinking our ships, killing our men.

Time and time again, legislation was offered which would have prevented Nation-wide strikes but it was killed—some of it in the other body by New Deal supporters. We did give you a good law in the Taft-Hartley Act. It would have prevented the present coal situation had not administrators in the other body weakened it—had it been faithfully employed.

The foregoing is the end of my present reply to the gentleman from Missouri.

EVENTS THEY DID NOT CELEBRATE

Very briefly and inadequately, permit me to cite a few incidents which the gentleman did not mention, which the Jefferson-Jackson Day diners were not—at least publicly—celebrating.

ALGER HISS

There is the case of Alger Hiss. Was it not back in 1945 that the President's personal intelligence representative was given the same story of disloyalty to our Government that was later given to the House Committee on Un-American Activities?

Were the Jefferson-Jackson Day diners celebrating the existence of the pigeonhole in which the Hiss information was buried?

With representatives of the Canadian Government, while on a trip down the river on the presidential yacht, the President was given information about Communist activities in Canada and in the United States—here in the Nation's Capital—which put him on notice that the Communists were boring from within, and that, in his own official household. Did he take effective action? He did not.

Not until the House committee made it impossible to longer conceal the facts did the President's Department of Justice move in on this enemy of our country.

JUDY COPLON

Judy Coplon—oh, yes; and many others who might be named—were sheltered in the executive department. Even the armed forces found it necessary to clean house.

COMMUNISTS WELCOMED

In the beginning of the New Deal the Communists were welcomed and coddled and encouraged. The old Dies committee which was attempting to expose them was pushed about, attempt after attempt made to destroy it.

Just a trifle of what the committee and its supporters had to take is indicated by the following excerpts from the CONGRESSIONAL RECORD of May 17, 1946, page 5213:

Mr. CELLER. * * * This committee, the Wood-Rankin committee, and its predecessor committee have caused no end of trouble, no end of embarrassment to this very Congress, because those committees have caused trepidation in the hearts and minds of the people of the Nation, and fear to express their own opinions; and you know, as well as I, that only on the anvil of free discussion and free opinion can we forge the truth. Maybe some of the members of this committee do not want the truth to be told.

I believe this $75,000 that will undoubtedly be appropriated today will be just a waste of money as valueless as putting that money down a drain, as valueless as dropping a bucket into an empty well. We have spent—I asked this question but got no adequate answer—we have spent well-nigh a million dollars through the Dies committee and this current committee. What have we got from that?

* * * * *

This committee has resulted in dangerously splitting and splintering our people into hostile groups. In addition to the fact that no one bill has been passed, the activities of this committee have created festering sores of prejudice and intolerance in many parts of this country, and for that reason I hope this resolution will be voted down.

Instead of judicial fairness and decorum prevailing in the committee hearings, we have noted browbeating of witnesses, badgering of witnesses, and unjustifiable tirades against witnesses.

* * * * *

If some of the committee members had their way they would put plugs into the ears of the Nation, gags in mouths, and blinders on eyes, because they want the Nation to see, hear, and speak only what they desire.

* * * * *

Anyone who disagrees with the gentleman from Mississippi [Mr. RANKIN] is a Communist or un-American. The red herring is constantly drawn across the trail.

Thomas L. Stokes, able and skillful columnist of the Scripps-Howard papers, questions:

"Can it be healthy for our democracy to have the gentleman from Mississippi using a committee, with the whole Nation for its sphere of operations, to exploit his own fears and prejudices?"

Mr. MARCANTONIO. * * * We must judge it by its trend, and we must judge it by its actions. The record will show that the trend of this committee has at all times been to attack prodemocratic organizations in the country and anti-Fascist organization in this country. The record will also show that the test of what is subversive and what is not subversive has been the political standards of the gentleman from Mississippi [Mr. RANKIN]. No one can deny that. His viewpoint has been a most aggressive one and it has been impressed thoroughly on the committee.

Oh, yes; were the diners celebrating the administration's act in cutting off the official heads of two of the House Committee on Un-American Activities' most active and capable members—men who were digging the Communists out of the secret places where they were hiding in the executive department?

Were those at the dinner and the Communists on the outside celebrating the removal of the gentleman from Louisiana [Mr. HÉBERT] and the gentleman from Mississippi [Mr. RANKIN] from the House Committee on Un-American Activities—two men who had helped pave the way for the exposure of Hiss and other Communists? I ask you now, were you bragging about that? Were you celebrating that disgraceful episode?

The excuse for their removal was that no one but lawyers should be on that committee. Did the administration want technical lawyers who could weave a legal curtain behind which the Communists could hide? And where were the competent faithful lawyers during the recent hearing on the contempt proceedings before Judge Keech?

The gentleman did not tell us whether, at this dinner, they were celebrating the President's sense of smell, of color, when he announced that the attempt to expose the Communists was only a red herring, hauled out for political purposes.

I do not criticize the President because of that statement. Attention is only called to it because it demonstrates a certain lack of knowledge of some of the facts of life. The incident also illustrates his lack of sense of direction.

There was a smell all right, a stinking smell, but it didn't come from the vicinity of those who were fighting Communists. It came from the Communists within his own official household—those traitors who were so close to him that he could neither see nor smell them.

The most charitable thing that can be said about the President in this connection is that he is just an innocent country boy who never learned the lessons taught by the corrupt Pendergast political machine. That assumption is charitable, extremely so, as well as kind.

DEAN ACHESON

Were the gentleman from Missouri and his fellow diners celebrating the astuteness of Secretary Acheson? Were they celebrating his single-minded devotion to his country? His good sense? His judgment? Or were they celebrating his successful attempts to sell us down the international river?

Were they celebrating his Chinese policy, which has given the Communists of "good old Joe," as the President described him, all of China? Which has created a new Communist front facing our Alaska, Washington, Oregon, and California colleagues?

In the press the other night it was reported that some 91 individuals had been dismissed from the State Department for one reason or another—principally, I assumed, for disloyalty; some of them, the article stated, because they were homosexuals. Has nastiness been added to disloyalty?

Long it has been rumored that such were in the State Department. Long have they been covered by an official iron curtain. Words fail to describe that deplorable, destructive situation.

It is all very well to talk about lifting up the so-called backward people in other parts of the world, but this indescribable mess in the State Department is a blot upon this administration which must be a shock to the decent citizens of our country.

On reading the gentleman's remarks in the RECORD, I find no mention whatever of the President's failure to expose the Communists.

Were the diners celebrating the President's consistency in sticking to his own notion that there was nothing wrong in the State Department or in any of the executive departments?

ADMIRAL DENFELD

The Constitution guarantees free speech. Were the diners celebrating free speech the other night? Were they celebrating the dismissal of Admiral Denfeld from the service, a dismissal which a Democratic committee has found was—and I quote—"a reprisal against him for giving testimony to the House Armed Services Committee. This act is a blow against effective representative government in that it tends to intimidate witnesses and hence discourages the rendering of free and honest testimony to the Congress; it violated promises made to the witnesses by the committee, the Secretary of the Navy, and the Secretary of Defense; and it violated the Unification Act, into which a provision was written specifically to prevent actions of this nature against the Nation's highest military and naval officers."

That dismissal was a violation of section 1505 of title 18 of the code, which reads as follows:

SECTION 1505. INFLUENCING OR INJURING WITNESS BEFORE AGENCIES AND COMMITTEES

Whoever corruptly, or by threats or force, or by any threatening letter or communication, endeavors to influence, intimidate, or impede any witness in any proceeding pending before any department or agency of the United States, or in connection with any inquiry or investigation being had by either House, or any committee of either House, or any joint committee of the Congress; or

Whoever injures any party or witness in his person or property on account of his attending or having attended such proceeding, inquiry, or investigation, or on account of his testifying or having testified to any matter pending therein; or

Whoever corruptly, or by threats or force, or by any threatening letter of communication influences, obstructs, or impedes, or endeavors to influence, obstruct, or impede the due and proper administration of the law under which such proceeding is being had before such department or agency of the United States, or the due and proper exercise of the power of inquiry under which such inquiry or investigation is being had by either House, or any committee of either House or any joint committee of the Congress—

Shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

That dismissal was a denial of free speech. It was an act of intimidation. It was intended as such. It will have that effect. It was a cowardly act—the act of a tyrant.

It is said we fought a war to guarantee the Four Freedoms to the peoples throughout the world. One of those freedoms was free speech, which the administration denied to Admiral Denfeld.

Were the diners who paid $100 a plate for their dinner celebrating the violation of that provision of the Constitution? Were they celebrating a violation of a Federal statute by the Secretary of the Navy, who acted with the approval of the President? The gentleman from Missiouri made no mention of such a celebration.

BILLION-DOLLAR DEFICIT

As previously stated, the gentleman called attention to our $250,000,000,000 annual income. Why no celebration of the five- to ten-billion-dollar deficit which will confront us at the end of the present fiscal year?

YALTA?

Were the diners the other evening celebrating the sell-out at Yalta and Potsdam? I heard no mention of it.

NATIONAL SECURITY

Were they celebrating the fact that, as the over-all result of the New Deal and the Fair Deal policies, we have so weakened ourselves that we may be unable to successfully meet the threat of a potential enemy who has grown strong and aggressive through our aid and encouragement?

TWO WORLD WARS

The gentleman from Missouri [Mr. CHRISTOPHER] did not say that the dinner was held to celebrate the results of the two world wars which came during his party's administration. Well might he have said that a day of national mourning might have been proclaimed to commemorate an acknowledgement of those, a million or more, who lost their lives in wars which profited us nothing; nor did the gentleman mention the fact that, as the result of his party's blunders, millions of veterans and their dependents are asking and will be paid for years to come, billions upon billions of dollars in a vain effort to compensate them for the losses they sustained.

WORLD WAR III

Were they celebrating the imminence of a third world war—a war which may destroy us; which, if it is fought, will, beyond any question, through additional taxation, enslave our people for years to come?

Were the diners celebrating the indictment of John Maragon? Were they celebrating the achievements of General Vaughan?

Oh, the list might be continued almost indefinitely, but why labor the situation?

SLAVERY FOR TAXPAYER

A national debt exceeding 250 billion dollars; an annual interest charge of five billion; necessary aid to veterans of six billion; a national defense program of fifteen billion, ought to be enough, even without being mentioned or celebrated, to take away the appetite of the average citizen, to render him incapable of enjoying a hundred-dollar dinner; make him satisfied with the prospect of baked potatoes, bean soup and corn-meal mush.

But permit the mention of one more incident. We have the coal strike. Most assuredly, the diners were not celebrating that event, nor the President's consistent refusal to enforce the law which he so dislikes.

The President's political alliance with Murray, the head of the CIO, is well known. The opposition of Green of the AFL, and of Murray, to the Taft-Hartley Act is matter of common knowledge.

The threat to the public health, safety, and welfare apparently either meant nothing to the President, or his advisers have him behind an iron curtain.

People throughout the Nation, at least in the Northern States, were fully aware that there was a shortage of coal; that freezing weather was with them or was coming; that there would be suffering, sickness, and, in the wake of a flu epidemic, probably death. Yet the President could not see a national emergency until just a few days ago.

Events indicate that the President has been moving toward a situation which in the public mind would justify his seizure of the mines. That would enable him to make a politically advantageous bargain with the United Mine Workers.

The fact that a shortage of coal might cause unemployment of millions and bring intense suffering to the people of the Northern States apparently meant nothing to the President when weighed in the balance as against votes which might be so purchased.

Is the President aspiring to be a dictator? Would the seizure of the mines and appeasement of the miners be followed, when the delay in calling the telephone strike has ended, by seizure of the phones and then an appeasement of the union members who work in that industry?

Having the mines and the telephones, will the President then permit the threat of a strike on the railroads to become a reality—a situation which will again create a national emergency, enable him to ask for power to seize the railroads?

Having demonstrated that he could avoid the use of the Taft-Hartley Act; having, by his threat of seizure, forced the operators and the UMW to sign a contract, which, in the end, it may be found, will still further lessen the market for coal, will the President, every time employers refuse to grant the demands of the unions, threaten to seize the industry?

Is all this talk of a sick coal industry, of which we now hear so much in the Congress, coupled as it is with the suggestion that a commission be appointed to solve the trouble, the forerunner of a plan to, by creating and encouraging strife between labor and management, bring about a situation where the President may nationalize our industries?

It may be that the Jefferson-Jackson Day dinner the other night was just a premature celebration of the establishment of a socialized government here in this Republic.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House today for 10 minutes following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. PATTERSON (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD and include an editorial.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CHRISTOPHER] is recognized for 10 minutes.

THE DEMOCRATIC DINNER

Mr. WHITE of California. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from California.

Mr. WHITE of California. I notice the gentleman from Michigan [Mr. HOFFMAN] seemed to be proud of the fact that the budget was balanced in 1947, I believe it was that fiscal year. I call attention to the fact that in my district we had been suffering from a tremendous drought and water shortage for a considerable length of time, that there was a big canal in the process of construction that required a certain appropriation from the Eightieth Congress, that that Congress deliberately cut those funds to the point where the project was closed down in the middle of winter, putting 1,600 people out of work, and it cost the Government $700,000 in damage suits to get started again. Who could not balance the budget that way?

Mr. CHRISTOPHER. That is left-handed economy.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Illinois.

Mr. PRICE. The statement of the gentleman from Michigan is so full of misrepresentations that we can place no reliance on any part of it. In the first part of his statement he referred to bank failures and said that after President Roosevelt went into the White House and met the retiring President, Mr. Hoover, Mr. Hoover said that "This is your baby from now on," and after that there were bank failures. I would like to call to the attention of the gentleman from Michigan the fact that the bank failures occurred before the meeting of Presidents Roosevelt and Hoover in the White House. I should like further to call to his attention the fact that there have been very few bank failures since, and in the very few that have occurred there has not been a penny lost to the people who had their money in those banks. During the past 6 years there has not been a single bank failure and the Federal Deposit Insurance Corporation has not had to pay out one dime of the insurance fund. I think that the types of statements made all through the gentleman's speech were about on a par for falsehood.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I want to thank the gentleman who just spoke, and I will be happy, indeed, to have him point out all what he calls falsehoods in that statement and put them in the RECORD.

Mr. PRICE. I think the statement of the gentleman from Michigan was complete with falsehoods.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Michigan.

Mr. DINGELL. Of course, that might be expected from the Republican side. They will claim anything that is loose; in fact, anything that is not nailed down. As regards the balancing of the budget, as a member of the Joint Committee on Internal Revenue Taxation investigating for possible war taxation, we studied the question. We had the prediction on the figures as to what the amount would be in those years when, by accident and misrepresentation, the Republicans were in control. They did not have a single thing to do with it, and no credit accrues to them at this time.

Mr. CHRISTOPHER. Mr. Speaker, I want to reply to a few of the things that my illustrious colleague the gentleman from Michigan [Mr. HOFFMAN] has said here today. As you folks all know, I am a new Member in this House and I am new at things like this, and I feel that as an opponent I am not worthy of the gentleman's steel, so I have to stand here and do the best I can.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. Yes, I yield to my illustrious friend.

Mr. HOFFMAN of Michigan. Well, having—and I may want to strike this out—received messages from my friend, the gentleman from Mississippi [Mr. RANKIN], I do not know what he means by that word "steal."

Mr. CHRISTOPHER. Well, it has two meanings. I have had nothing stolen from me in this House except the time that has been accorded me on different occasions; I have had that stolen. And, the gentlemen in the House are experts at that kind of stealing and I have objected to it, but it still does not do any good. It seems to me to be a rule of the House, and all I can do is just take it.

The gentleman says that this New Deal has weakened us so at the present time that if we were engaged in a war we would probably lose it. Well, I wonder what in the name of God would have happened to this country if the war that we fought with Germany and Japan had broken on us in 1933. Our railroads were demoralized, our banks broke, our insurance companies under a moratorium, our farmers destitute, our labor in rags and without a job, without money, without credit, and without hope. And, what kind of a shape was our Government in? Get Collier's weekly of 2 days ago and read what Jimmy Byrnes said about the condition our Government was in. He said he was here in Washington with the Secretary of the Treasury, and the Secretary of the Treasury, in his desperation, called the president of the Chase National Bank in New York and he said, "Come to Washington for a conference and bring with you someone who is not a banker; someone who has a little imagination." And the president of the Chase National Bank said, "I have booked passage to Bermuda." The Secretary of the Treasury said, "Do not buy a round-trip ticket if you go to Bermuda, because there will be nothing here that you will care to come back to." And the president of the Chase National Bank came to Washington and attended the conference. That shows you what kind of a position our Government occupied when the Republicans turned loose of us at the end of those 12 long, weary, bitter years that I lived through.

Mr. CAVALCANTE. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. Will the gentleman not admit that it was during that time that these Communists were being born of which these Republicans now complain of?

Mr. CHRISTOPHER. Oh, yes. Communists are born of want and misery and poor housing and no jobs, just like maggots are born in a dead and rotten carcass.

Now, then, I am glad that the gentleman from Michigan made the statement that he did here this evening. I have wondered about him ever since I have been in the House, but this evening he was absolutely fearless and honest. He stood in the well of this House and uncovered himself and told us and showed us exactly what he believed. He does not believe in any part of the administration's farm program.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. HOFFMAN of Michigan. The gentleman said I was honest, and the gentleman who just preceded him said I was lying all the way through.

Mr. CHRISTOPHER. I am responsible for the things I say myself. I absolutely refuse to be responsible for what other people say.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman can reconcile both, because he is coming to the farm program, and there is the open and frank confession of the gentleman from Michigan that he is against everything that is for the farmer.

Mr. CHRISTOPHER. Sure, he is against the farm program from one end to the other. He is talking about those potatoes. He sat here on the floor of this House last year and voted to keep Charlie Brannan from having the authority to do anything about those infernal potatoes, and everybody here knows that he did. He was right square in the way.

The next thing he talks about is the $250,000,000,000 debt. That is what we paid to save this country from Germany and Japan. If the gentleman thinks it was not worth $250,000,000,000 then what was it worth?

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield right there?

Mr. CHRISTOPHER. How many times did I ask the gentleman to yield to me?

Mr. HOFFMAN of Michigan. I certainly yielded every time. I do not think the gentleman did once.

Mr. CHRISTOPHER. I sure did not.

Mr. HOFFMAN of Michigan. The gentleman deprived me of that help. Now will he yield for this question?

Mr. CHRISTOPHER. All right, for this time, and only for this time.

Mr. HOFFMAN of Michigan. Just a moment ago the gentleman said I was against everything. Now he says I was for the potato business.

Mr. CHRISTOPHER. The gentleman was against the potato business. He was against letting Charlie Brannan have any chance to do anything about the potato business. But then I would expect the gentleman, being a Republican, to be against everything. They usually are.

He talks here about my saying yesterday that there was 12-cent corn or 4-cent corn. If I said 4-cent corn, it was an error. I think I said 12-cent corn, and I corrected the RECORD. But let me ask the gentleman a question. When corn is only 12 cents a bushel at the farm, what difference does it make how much lower it goes? If I cannot get more than 12 cents a bushel for the corn I raise, I would just as leave have nothing for it at all, because it means bankruptcy in any case if I take that price for it.

Mr. HOFFMAN of Michigan. Does the gentleman want an answer, Mr. Speaker?

Mr. CHRISTOPHER. No. I told the gentleman I would not yield to him any more.

Mr. HOFFMAN of Michigan. The gentleman asked me a question. I thought he wanted an answer.

Mr. CHRISTOPHER. The gentleman is a nice fellow and I would like to yield to him, but I probably cannot get enough time to answer the things he said here. I think I treated the gentleman with perfect courtesy while he spoke.

The gentleman talks about the pigs we killed, and that they were needed 6 years later. How would you like to eat a hog that was 5 to 6 years old? Would it not be nice? Those pigs at that time could not be given away. They were not worth feeding. When you got a hog to weigh 220 pounds and took him to market, he brought $2.75 a hundred. So a man that killed his pigs at that time did not take any loss, but the Government picked up those shoats and they were butchered and fed to the starving people, that Republican misuse of the power of Government had reduced to pauperism. That is what went with those pigs.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes, to be taken from my time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to compliment the gentleman from Missouri. He has done something that I have never seen done before while the gentleman from Michigan has been a Member of the House. He has compelled the gentleman from Michigan to reduce his thoughts to a prepared manuscript. Usually he talks without notes. As I sat here and saw the laborious way in which my friend from Michigan [Mr. HOFFMAN] was proceeding, the inference I drew, and he clearly laid the case for it, was that the gentleman from Missouri, a first-term Member, got his goat.

Mr. CHRISTOPHER. I want to say to everybody within the sound of my voice there were two suppers held in Washington, one the Jefferson-Jackson Day dinner, and the other the Republican box supper. The Democrats who attended the Jefferson-Jackson Day dinner did not pay anything for their supper at all. They simply contributed $100 to the Democratic campaign fund and the supper was free.

I want to say another thing right here. If that supper had been held in 1932 there would not have been a Democrat who could have contributed $100 to the campaign fund, and the Republicans could not have enjoyed their supper at a dollar a throw because they did not have a dollar apiece. We were just that poor.

Mr. DINGELL. Mr. Speaker, will the gentleman yield for an observation?

Mr. CHRISTOPHER. Yes.

Mr. DINGELL. And the $1 chicken dinner which the Republicans consumed which my friend the gentleman from Michigan brags was subsidized very likely by Joe Pew because you could not even buy a chicken dinner in Hoover's time for $1.

Mr. CHRISTOPHER. The gentleman spoke about free speech. Free speech is all right until it exceeds reasonable limits. Suppose you ran into a crowded theater and hollered "Fire"? Would the law protect you in that kind of free speech? I do not believe it would.

Now, he favors the REA; he thinks that is all right. But some of the boys of the Republican National Convention did not think the REA was all right. You know you cannot get away from the fact, to save your souls, that the REA is a part of the New Deal. I heard a speaker at the Republican National Convention in 1948 say that he hoped he lived long enough to see the New Deal so completely erased that there would not remain the slightest blot on the consciousness of any American to remind him that such an abomination had ever existed. If that happens, then the REA has to be erased because it is part of the New Deal. The bank deposit laws would have to be erased because that is part of the New Deal. Even as dumb as I am, I knew that Senator VANDENBERG had written that enabling legislation for the bank-guaranty law. Or at least he took it up in the other body. Anyway, it was passed by a House that had a Democratic majority and it was passed by a Senate that had a Democratic majority. It was signed by a Democratic President. I am not going to carry it over to the Republican Party and present it to them on a silver platter because several notable Republicans said it would not work and it would not be right if it did work. But it has worked and it is right.

Now, we get down to the mine workers. What about them? I am glad the coal strike was settled, of course. I said so Saturday here on the floor of the House. But my sympathies are and always have been with the men who go down in the ground to dig up that coal and shorten their lives by doing it. Go out and look at them. Lots of them are flat chested and stoop shouldered and they look too old for their age. There is where my sympathies are and I do not care how much publicity they give that. There are not a dozen coal mines in my district, outside of strip pits. Where were those miners in 1932? They had just had 12 years of strike breaking and injunctions and yellow-dog contracts. A Member of the House from a coal-mining district told me that he had seen babies born on a mattress under a cedar tree with the snow 6 inches deep after the miner and his family had been evicted from company-owned houses. My sympathies have always been with the under dog because if I had been a dog, I would have been an under dog most of the time that I might have been a dog.

The SPEAKER. The time of the gentleman from Missouri has again expired.

HON. WILLIAM W. BLACKNEY

Mr. HARRISON, from the Committee on House Administration, reported the following privileged resolution (H. Res. 503, Rept. No. 1735), which was referred to the House Calendar and ordered to be printed:

Resolved, That WILLIAM W. BLACKNEY was elected a Representative in the Eighty-first Congress from the Sixth Congressional District of the State of Michigan, and is entitled to a seat as such Representative.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements and excerpts.)

VOTE ON S. 1008 CONFERENCE REPORT PROBABLY NEXT MONDAY OR TUESDAY IN HOUSE—PROPOSAL WILL FREEZE INDUSTRIES IN A FEW AREAS IF ENACTED INTO LAW AND WILL PREVENT DECENTRALIZATION SO VITAL TO OUR COUNTRY BOTH IN TIME OF PEACE AND WAR

Mr. PATMAN. Mr. Speaker, I sincerely trust that all the Members of the House and Senate will give serious consideration to the devastating effects S. 1008 will have on the entire country, if enacted into law. It will not only repeal substantial portions of our antitrust laws, but it will also promote monopoly and will be a death sentence to local chambers of commerce wanting industries in their areas.

During the past year, I have inserted either in the form of speeches delivered on the floor or extensions of remarks inserted in the RECORD almost a hundred statements on this proposal, which I consider one of the most damaging proposals to small business and the country generally that has been brought forward

during the 21 years I have been a Member of this body.

I am inserting herewith subjects of the speeches or articles and the dates and pages that appeared in the CONGRESSIONAL RECORD. They are as follows:

Basing-point articles in Congressional Record by Wright Patman, Member of Congress (81st Cong., 1st sess.)

Date	Page No.	Subject
	A178	Deceitful propaganda—The people of the West and South must wake up, realize what is attempted in Congress against their interests and take immediate steps to prevent it—Many sections of the North and East should be equally interested.
	A216	Strong efforts being made to mislead and deceive the people on the basing-point question—It is old German cartel system used by Pittsburgh-plus method to prevent new industries, destroy competition, fix extortionate profits, and promote monopoly—Supreme Court decision outlawing such system when wrongfully used a godsend to United States.
	A248	Much willful misinformation about basing-point for purpose of deceiving people into believing that customers a distance away from basing point get part of their freight absorbed by seller when in fact the buyer always pays full freight under any basing-point system.
	A300	Highly paid propagandists are not fooling the people with their arguments that the basing-point pricing system should be legalized even in cases of conspiracy and monopoly.
	A322	Hokum arguments for right to illegally use basing-point system disseminated over entire nation for purpose of misleading people—It has been said a lie has no legs and cannot stand but has wings and can fly far and wide.
	A683	A quotation from Commissioner Ewin L. Davis—basing-point.
	A684	Basing-point decision of Supreme Court is helpful to small business and should not be changed by Congress.
	A751	Big Steel fights little industry in east Texas.
Mar. 2, 1949	1755–59	Lobbying group—United States Chamber of Commerce hits new low on Gallup-type poll—Small-business men misled into voting against their own interests and in favor of their monopolistic competitors in answer to trick questions—Big business interests fighting for basing-point system to fix prices, create monopoly, and destroy small business.
	A1358	Basing-point definitions—No new law needed in form of moratorium or otherwise—Small business apprehensive—Any change devastating to antitrust laws.
	A1360	Enforcement of antitrust laws and moratorium provision—No new law needed.
	A1423	Basing-point system "bunk" and hypocrisy, says important member of cement institute—System unfair to small business—Misinformation disseminated to create confusion in minds of businessmen.
Mar. 17, 1949	2739–42	Astounding report on steel by congressional committee showing how unfairly scarce steel distributed by favoring 8 States and discriminating against 40—Texas suffered most extreme form of discrimination caused by basing-point system recently outlawed by Supreme Court but efforts made to relegalize it.
	A1590	Basing-pount system automatically results in identical prices—No chance for buyer to receive competitive prices—Moratorium should not be granted by Congress.
	A1763	Small business against basing-point change—Identical prices exist as a result of complete understanding—Basing-point system glaring example—Collusion is necessary in operation of basing-point system.
	A1914	Small business suffered through use of basing-point system—Cement dealers forced to purchase without benefit of competition—Moratorium will again subject small cement dealers to mercy of Cement Trust.
	A1940	Supreme Court decision forces real competition in cement industry—Bids after decision produce varied destination prices—Victory for small business if moratorium defeated.
	A1979	Basing-point system called bunk and hypocrisy by cement official—Causes iron-bound monopoly and fixed prices in cement and steel industries.
	A1986	Basing-point hasty action warned against by food brokers—Defeat of moratorium bill vital to preservation of small business.
	A2106	Basing-point change will have permanent effect, Federal Trade Commission asserts—Commission fears legal status of price differential actions during proposed moratorium—Statement of Robert B. Dawkins, associate general counsel, before Subcommittee of the Senate Judiciary Committee, Thursday, March 31, 1949.
	A2111	Basing-point change opposed by strong small business organization—Spokesman advocates compliance with the full provisions of antitrust laws—Statement before Senate Judiciary Subcommittee opposed antitrust moratorium.
	A2166	Basing-point pricing system opposed by wholesale grocers—Serious objections voiced to language of moratorium bill—Robinson-Patman Act regarded as vital protection against unfair and destructive discrimination.
	A2181	Basing-point system exacts toll from TVA members asked to consider effects of basing-point pricing on small business—Cement trust would welcome moratorium nullifying Supreme Court decision.
	A2213	Basing-point capsule pulled out of hat, Oct. 29, 1940—Selective-service capsule pulled out of fish bowl, Oct. 29, 1940—Monopoly boys enjoy feast while mothers and fathers watch the gathering clouds of World War II.
	A2273	Basing-point system loses ground—Reclamation bids show wide variance at destination—Phantom freight charges give way to actual freight rates—Small business fears moratorium.
	A2321	Monopolistic origins of basing-point pricing in cement—History reveals collusive aspects of the system cement dealers and small business generally, victims of 50 years of conspiracy.
	A2416	Basing-point system absorbs gasoline tax—Dollars that should build highways pay for phantom freight—Basing-point bids on cement to State highway departments were identical before Supreme Court decision.
	A2417	Basing-point defeat in cement case—Anniversary of the people's defeat of the cement trust—FTC upheld in rigid steel conduit case yesterday—Small business must continue to fight moratorium—Different instead of identical bids after basing point outlawed.
	A2468	Basing-point assesses flood-control program—Cement and steel in huge quantities used in flood control—Basing-point and monopoly lawyers' arguments ridiculous—Small business fights movement to weaken antitrust laws.
	A2575	Basing-point system in New Jersey—New Jersey paid phantom freight charged from points outside New Jersey—New Jersey mills nonbase mills—Moratorium will perpetuate the system.
	A2608	Basing-point system operated in Missouri—Missouri highway taxed for phantom freight—Hannibal (Mo.) plant charged freight from eastern Pennsylvania in early days—Moratorium presages return of basing-point system—Small business taxed on every sale by basing-point monopolists.
	A2674	Super de luxe lobbying group putting terrific heat on Congress to pass moratorium or law to help steel and cement industries continue price-fixing schemes.
	A2681	The basing-point system in West Virginia—Cement trust deprives small business in West Virginia of natural advantages—West Virginia cement mills were all nonbase mills—Small business in West Virginia aggressive, but needs protection of antitrust laws—Moratorium would have the effect of nullifying Supreme Court decision in cement case.
	A2692	Basing-point system being outlawed by Supreme Court causes strong effort being made to change the law so steel and cement companies can continue to violate price-fixing laws.
	A2735	The basing-point system in North Carolina—State divided arbitrarily by cement trust for basing-point pricing—Identity of bids reach perfection here—Small business jeopardized unless Congress stands firm on moratorium.
	A2744	Basing-point parent earns greatest sum in 20 years—Big Steel net for first quarter 1949 nearly $50,000,000—Moratorium would provide blank check on small-business enterprise.
	A2790	Basing-point return by way of moratorium predicted by Steel Trust—Basing point and monopoly boys expectantly anticipate action of Congress—Word "go" is eagerly awaited—Supreme Court described basing point as a handy instrument to eliminate competition.
	A2800	247 firms charged with price fixing in 1 year—1948.
	A2812	The basing-point system and the Federal Government—Cement bids over the years show identical prices—Big business expects to use moratorium in monopoly drive—Congress must protect small business and free enterprise; monopoly must not be given a green light by Congress to continue after being outlawed by the Supreme Court.
	A2882	Basing-point system in rigid steel conduit—Collusive origins of system exposed—Small-business enterprise large users of rigid steel conduit—Electrical shops and contractors wiring houses and buildings injured by basing point—Conduit used by small business included phantom freight.
	A2953	The basing-point system and the State of Iowa—6 cement mills in Iowa but only one basing point—Iowa and Iowans pay fancy figures for phantom freight—Basing-point bidders attempt face-saving device to make bids look competitive—Cement trust arguments on justification for identical prices were struck down by Supreme Court—Small business gains by abolition of basing-point system.
	A3045	The basing-point system and blackjack methods of competition in steel—Giants of steel industry earnings unmasked—Basing-point system retarded regional development—Small business cannot grow and prosper under basing-point system—Moratorium on antitrust laws would be a major disaster to our economy.
	A3353	The basing-point system and the State of Illinois—Illinois paid cement and steel trusts untold millions in phantom freight—Cement bids to Illinois State Highway Department show power of basing-point system—Basing-point system nullifies natural advantages.
	A3360	The basing-point system and the moratorium bills—Federal Trade Commission explains in detail—Ambiguities and uncertainties following enactment of moratorium pointed out—Enforcement of Federal Trade, Clayton, and Robinson-Patman Acts jeopardized—Federal Trade Commission answers inquiry with respect to its position on S. 1008 and H. R. 2222.
	A3377	The basing-point system and the New England States—New England made huge contributions to cement trust in phantom freight—Rockland, the only cement mill in New England, a non-basing-point mill—Basing-point system does not permit customer to reap benefit of lower cost transportation—New England States arbitrarily apportioned among members of cement industry—Small business in New England will benefit by defeat of moratorium.
	A3393	Radio discussion with Walter Cronkite relative to the basing point-system.—Remarks by Hon. Mike Mansfield of Montana.
June 6, 1949	7310	Address to House: Private monopolies—Basing-point a handy instrument to create moratorium bill.
	A3480	The basing-point system and the State of New York—Cement trust forces most of New York to pay phantom freight—Basing-point bids to New York State highway department show same identity as in other States—Empire State has great natural advantages for manufacture of cement but consumption exceeds production—Small business must be protected from basing-point and moratorium bills.
	A3519	Basing-point unofficial spokesman asks loaded question—Iron Age conducts loaded-dice poll—Question pretends steel manufacturers pay steel buyers' freight bills—Smoke screen on basing-point system of pricing continues—Poll violates principle of secret ballot—Basing-point an outlaw, let it remain outlawed.
	A3576	The basing-point system and the State of South Carolina—Cement-making materials available in abundance—Basing point prevents building of regional plants—Bids to South Carolina Highway Department show usual identity—Basing-point methods devious and secretive—Basing-point systems do not benefit small business.

Basing-point articles in Congressional Record by Wright Patman, Member of Congress (81st Cong., 1st sess.)—Continued

Date	Page No.	Subject
----------	A3661	The basing-point system and the State of Ohio—Ohio had only three basing-point mills—All cement mills in center of State were non-basing-point mills—Phantom freight in evidence to hundreds of Ohio destinations—Bids to Ohio State Highway Department identical before Supreme Court decision—Small business in Ohio foundation of State's industrial progress.
June 14, 1949...	7678–83	Address to House: Small business under attack—Basing-point system. O'Mahoney substitute for S. 1008 would be a death sentence for home-town merchants and independent businessmen.
----------	A3797	Noted attorney states that passage of S. 1008 will lead to return of basing-point price systems and monopolistic evils.
----------	A3826	Independent Merchant's Friend, United States Wholesale Grocers' Association, Inc., warns against passage of O'Mahoney substitute to Myers-Walter bill since it would scuttle price-discrimination laws that now protect home merchants, and would legalize price fixing for cement, steel, sugar, and other trusts.
----------	A3877	Chain-store lobby and other monopolies, trusts, and cartels seek to repeal anti-trust laws, destroy home merchants, and legalize price fixing for big business—S. 1008 favorably reported without committee hearings—Rules Committee requested to hold up.
----------	A3928	The basing-point system diverts steel from water carriers to more costly rail carriers.
June 30, 1949...	8768–77	Address to House: Basing-point system before House soon would repeal large part of Robinson-Patman Act and permit cement and steel industries to fix prices without restraint.
----------	A4176	Basing-point proponents use terms "absorb freight" and "delivered price" as sales talks—These terms should not be written into substantive law—Dangers to our antitrust laws obvious as new terms are added—Long court action while antitrust laws are sabotaged—Evils of basing-point system defined—Congress must be cautious when monopoly cheers its action.
July 1, 1949....	8804–7	Address to House: Basing-point system as practiced by cement and steel industries un-American.
July 5, 1949....	8859	Basing-point legislation.
Do.....	8860–83	Basing-point bill.—Part of testimony of E. MacIntyre before Small Business Committee.
----------	A4253	Commentator says big business is fooling Congress on S. 1008 while the people sleep.
----------	A4254	Basing-point system and phantom freight.—Illustrations of phony freight charges on cement for Kentucky, Michigan, Arkansas, Oklahoma, Kansas, Nebraska, North Dakota, South Dakota, and New Jersey—phantom freight exceeds so-called freight absorption in any pricing system such as S. 1008 authorizes.
----------	A4279	National Federation of Independent Business, Inc., strongly opposed to S. 1008.
July 6, 1949....	8983–88	Basing-point bill.—Dangerous bill—clarify issue after full discussion—important part of Robinson-Patman Act repealed by S. 1008.
July 7, 1949....	9039–41	Application of the Federal Trade Commission Act and the Clayton Act.
July 13, 1949...	9412–16	Address to House: S. 1008 caused statements to be made in discussion that should be cleared up.
----------	A4604	S. 1008 the O'Mahoney bill, unnecessary and should be defeated—If passed it should certainly contain Kefauver-Carroll amendments—Bill would help national chain stores destroy local merchants, especially helpful to Atlantic & Pacific Grocery Co.
----------	A4625	S. 1008, the O'Mahoney bill, should be defeated to protect small business and discourage monopolies and trusts.
----------	A4630	Cost of cement in road-repair program for next 10 years will be doubled if basing-point pricing system is followed by cement industry.
----------	A4891	S. 1008, the O'Mahoney bill, unnecessary for clarification, but gives small business devastating blow.
----------	A4893	Basing-point lawyers anticipate congressional action—Rigid steel conduit petition to FTC backfires when motion based on future congressional action is denied.
Aug. 22, 1949...	12011–14	Basing-point system practices indicted in Senate small-business report on changes in distribution of steel 1940–47—Freight absorption, phantom freight, and delivered prices shown up as phonies during steel shortage period—S. 1008 should be soundly beaten without further delay—Small business and consuming public depending on Congress for square deal.
----------	A5455	Basing point bill S. 1008 threat to small business, drug topics says—Robinson-Patman Act periled—Any threat to Robinson-Patman Act looked upon with great disfavor by retail druggists.
----------	A5596	The basing-point system contributed greatly to the shortage of automobiles—Automobile production slowed down because steel companies refused to absorb freight into Detroit area—Senate Small Business Report No. 44 reveals absence of freight absorption in critical steel-shortage period—S. 1008 should not be passed, thereby legalizing the basing-point system of pricing.
----------	A5847	Independent retail druggists demand defeat of S. 1008, the so-called basing-point bill that would greatly weaken the Robinson-Patman Act that is now in conference.
Oct. 14, 1949...	14609–11	Basing-point bill (S. 1008) a Pearl Harbor for American small business and consumers antitrust laws sabotaged—Steel and other monopolies will operate as a private OPA—Price-fixing techniques legalized will cost more billions than our annual budget—S. 1008 contrary to public interest which is the vital test of any law.
----------	A6400	Action expected by FTC against American Iron and Steel Institute.

Basing-point articles in Congressional Record by Wright Patman, Member of Congress (81st Cong., 2d sess.)

Date	Page No.	Subject
----------	A99	Basing-point system not needed in our economy—Propaganda predictions of the calamitous effects of cement decision fail to materalize—Building of new steel and cement plants and increasing capacity of old plants a good omen—S. 1008 must be defeated to allow present trend of normal plant dispersal to continue.
----------	A105	New England hopes to have its own steel plant—Freedom from steel monopoly sought by the six New England States—Small business will be greatly helped by New England steel plant—Many regions west of Mississippi still on steel-starvation basis.
----------	A206	S. 1008, the basing-point bill, vicious in its entirety—Its real backers desire the destruction of Robinson-Patman Act—Even the saving Kefauver and Carroll amendments have been eliminated—No compromise can now be trusted—Text of statement before National Association of Retail Druggists.
----------	A385	Basing-point law condemned by Farmers Union Herald—Cites clash of big business with farm labor, co-op, and small-business groups—Many groups aroused in opposition to false issue of clarification.
----------	A433	Basing-point bill, S. 1008, makes for higher prices in West and South—Eminent Northwest educator urges defeat of S. 1008—West subjected to price discrimination through operation of basing-point system.
Feb. 20, 1950...	2024	Address to House: Small-Business Committee of House and genuine small-business groups oppose S. 1008.
----------	A1223	Basing-point system: Its catastrophic effects on growth of various regions of the country as attested to by leading economists—Excerpts from statements by Dr. Walter A. Adams, Dr. Fritz Machlup, and Dr. Vernon A. Mund.
----------	A1234	Summary of report introduced at request of Representative Porter Hardy of Virginia, written by James Baylor Blackford, School of Geography, University of Virginia, Before Joint Senate-House Committee on Economic Report, Jan. 27, 1950—A Virginia location for a steel mill.
Feb. 21, 1950...	2106	Address to House: Basing-point system—Maryland the gainer by ending the system—Supreme Court decision an economic blessing, instead of a calamity, as alleged—Maryland's experience typical—Regional expansion results from ending the basing-point system—Impartial survey and report made by Maryland State Planning Commission.
Feb. 28, 1950...	2503	Discussion on floor concerning pricing-practices: Basing point and antiprice discrimination—Not legitimate—Judiciary Committee slams door in face of small-business representative—Area of disagreement too limited for conferees to agree on satisfactory bill—Steel mills, cement mills—Ironical—Public hearings, American way.
Mar. 2, 1950....	2654	Address to House: United States Chamber of Commerce selling its local members down the river.
----------	A1569	Are local chambers of commerce abandoning their fight for local industry?—76 economists of American Economics Association oppose basing-point bill because against public interest.

LEAVE OF ABSENCE

By unanimous consent, leave of absences was granted as follows:

To Mr. LEFEVRE (at the request of Mrs. ST. GEORGE) for 3 days, on account of illness in the family.

To Mrs. NORTON, for an indefinite period, on account of illness.

To Mr. MAGEE, for an indefinite period, on account of official business.

To Mr. BYRNE of New York (at the request of Mr. GORSKI), for an indefinite period, on account of illness in his family.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 41 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 7, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1287. Under clause 2 of rule XXIV, a letter from the Chairman, Securities and Exchange Commission, transmitting the Fifteenth Annual Report of the Securities and Exchange Commission, for the fiscal year ended June 30, 1949, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 5122. A bill to require the recordation of scrip, lieu selection and similar rights; without amendment (Rept. No. 1732). Referred to the Committee of the Whole House on the State of the Union.

Mr. KENNEDY: Committee on the District of Columbia. H. R. 2554. A bill to amend the District of Columbia Credit Unions Act of 1932; with amendment (Rept. No. 1733). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on the District of Columbia. H. R. 6104. A bill to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes; without amendment (Rept. No. 1734). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRISON: Committee on House Administration. House Resolution 503. Resolution relative to the contested-election case of Stevens against Blackney, Sixth Congressional District of Michigan; without amendment (Rept. No. 1735). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOFFMAN of Michigan:

H. R. 7565. A bill to protect the public health, safety, and welfare and the national security; to the Committee on Education and Labor.

By Mr. CROOK:

H. R. 7566. A bill to provide for the construction of a post office at La Porte, Ind.; to the Committee on Public Works.

H. R. 7567. A bill to provide for the construction of a post office at Bremen, Ind.; to the Committee on Public Works.

H. R. 7568. A bill to provide uniform regulations pertaining to the compensation that retired Federal employees and retired commissioned officers may receive from a civilian office or position under the Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DONOHUE:

H. R. 7569. A bill to repeal the Federal excise taxes on pistols and revolvers, and on firearms, shells, and cartridges; to the Committee on Ways and Means.

By Mr. FEIGHAN:

H. R. 7570. A bill to provide for the appointment of one additional district judge for the northern district of Ohio; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. R. 7571. A bill to amend the Internal Revenue Code so that the taxes imposed under the Federal old-age and survivors insurance system will not be imposed on account of service performed by individuals who have attained the age of 65; to the Committee on Ways and Means.

By Mr. HAYS of Ohio:

H. R. 7572. A bill relating to the transfer of certain unused educational benefits of veterans of World War II to their children, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LECOMPTE:

H. R. 7573. A bill to amend the Nationality Act of 1940 to preserve the nationality of naturalized veterans of World War II and of their wives, minor children, and dependent parents; to the Committee on the Judiciary.

By Mr. MARSHALL:

H. R. 7574. A bill to authorize the Reconstruction Finance Corporation to extend financial assistance to private enterprises for purposes of development of utilization of peat, and its byproducts, advantageous to the national defense and security; to the Committee on Banking and Currency.

By Mr. NELSON:

H. R. 7575. A bill to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to certain contests to advertise or develop the natural or recreational resources of a State or any region or section thereof; to the Committee on the Judiciary.

By Mr. PACE:

H. R. 7576. A bill to amend section 22 of the Agricultural Adjustment Act, to strengthen its provisions providing for the imposition of import quotas on agricultural commodities when imports of such commodities tend to interfere with price support or other programs administered by the Department of Agriculture, to transfer its administration from the United States Tariff Commission to the United States Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. PERKINS:

H. R. 7577. A bill to enable the States to make more adequate provision for special services required for the education of physically handicapped children of school age, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H. R. 7578. A bill to provide a transcontinental superhighway with alternate sections; to the Committee on Public Works.

By Mr. VINSON:

H. R. 7579. A bill to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes; to the Committee on Armed Services.

H. R. 7580. A bill to amend the National Security Act of 1947, as amended, and for other purposes; to the Committee on Armed Services.

By Mr. BURDICK:

H. R. 7581. A bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BURKE:

H. R. 7582. A bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SABATH:

H. R. 7583. A bill to extend for 1 year the Housing and Rent Act of 1947, as amended; to the Committee on Banking and Currency.

By Mr. HÉBERT:

H. R. 7584. A bill to amend the Mineral Leasing Act for Acquired Lands to require competitive bidding for leases of deposits of oil and gas not within any known geological structure of a producing oil or gas field; to the Committee on Public Lands.

By Mr. WITHROW:

H. R. 7585. A bill to amend section 1404 of title 28, United States Code, with respect to the transfer of certain civil actions from one district to another; to the Committee on the Judiciary.

By Mr. McKINNON:

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition; to the Committee on Foreign Affairs.

By Mr. SMITH of Virginia:

H. J. Res. 435. Joint resolution providing for a commission to investigate strikes and other interruptions of work in industries essential to the national welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. MADDEN:

H. Res. 501. Resolution creating a select committee to conduct an investigation and study of the apparent break-down under the Labor Management Relations Act, 1947, of good-faith collective bargaining in labor-management disputes; to the Committee on Rules.

By Mr. BUCHANAN:

H. Res. 502. Resolution authorizing the expenses of the investigation and study to be conducted by the Select Committee on Lobbying Activities; to the Committee on House Administration.

By Mr. HARRISON:

H. Res. 503. Resolution relative to the contested-election case of Stevens against Blackney, Sixth Congressional District of Michigan; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONOHUE:

H. R. 7586. A bill to provide for the renewal of patent No. 1,750,816, issued March 18, 1930, relating to curtain confiners; to the Committee on the Judiciary.

By Mr. GARY:

H. R. 7587. A bill for the relief of Mrs. Coral E. Alldritt; to the Committee on the Judiciary.

By Mr. KING:

H. R. 7588. A bill for the relief of John L. Abbott; to the Committee on the Judiciary.

By Mr. McGRATH:

H. R. 7589. A bill for the relief of the estate of Willie H. Davis; to the Committee on the Judiciary.

By Mr. HARDIE SCOTT:

H. R. 7590. A bill for the relief of Michel H. Frank, Bessie Frank, and Herbert Frank; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1960. By Mrs. NORTON: Petition of New Jersey Highway Users Conference, urging the prompt repeal of Federal automotive excise taxes; to the Committee on Ways and Means.

1961. By the SPEAKER: Petition of Joseph V. McKee, commissioner, Department of Commerce, City of New York, N. Y., urging approval of appropriation for New York Harbor improvements during the fiscal year 1950–51; to the Committee on Appropriations.

1962. Also, petition of Charles E. Brown and others. Lake Worth, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1963. Also, petition of Ola M. Fleming and others, St. Cloud, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1964. Also, petition of Mrs. Olive Card and others, St. Petersburg, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1965. Also, petition of Mrs. Hilda M. McDonald and others, St. Petersburg, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the committee on Ways and Means.

1966. Also, petition of Mrs. Mae Clayton and others, Tampa, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, MARCH 7, 1950

(Legislative day of Wednesday, February 22, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, into the calm and confidence of Thy presence we would bring our drained and driven souls that the benediction of Thy peace may fall upon our restless lives. May this sacred

shrine of daily devotion built by the fathers on this high hill of the Nation open for us vistas of green pastures and still waters where our jaded souls may be restored. In this difficult and desperate era be Thou our pillar of cloud by day and of fire by night, as patiently and obediently we follow the kindly light. As deadly perils threaten the birthright of our liberties, help us to close our national ranks in a new unity. Hasten the coming of that radiant kingdom when each man's rule shall be all men's good and universal peace shall lie like a shaft of light across the lands and as a lane of beams across the seas. In Thy name we ask it. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 6, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 576) to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3843. An act to declare that the United States holds certain lands in trust for the Stockbridge-Munsee Community, Inc., of the State of Wisconsin;

H. R. 4684. An act to amend subsection (c) of section 19 of the Immigration Act of 1917 and subsection (a) of section 338 of the Nationality Act of 1940;

H. R. 6171. An act to authorize commissioned officers of the Army, Navy, Air Force, and Marine Corps to administer certain oaths, and for other purposes;

H. R. 6374. An act to liberalize the service-pension laws relating to veterans of the war with Spain, the Philippine Insurrection, or the Boxer Rebellion, and their dependents;

H. R. 6475. An act to amend the Postal Rate Revision and Federal Employees Salary Act of 1948 to provide for the consideration of claims for the payment of certain postal notes filed later than 1 year from the last day of the month of issue;

H. R. 6480. An act to revise title 18, United States Code, entitled "Crimes and Criminal Procedure";

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines;

H. R. 7302. An act to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes; and

H. R. 7440. An act to amend Veterans Regulations to establish for persons who served in the armed forces during World War II a further presumption of service connection for active pulmonary tuberculosis.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2364. An act to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.;

S. 2436. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska"; and

S. 2541. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as amended, to extend the period for which employees may be detailed for training and research, and for other purposes.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. MORSE was excused from attendance on the sessions of the Senate for an indefinite period of time in the immediate future.

On his own request, and by unanimous consent, Mr. FREAR was excused from attendance on the session of the Senate on March 8, 1950.

On his own request, and by unanimous consent, Mr. THOMAS of Utah was excused from attendance on the sessions of the Senate until March 24.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Brewster	Hoey	Morse
Bricker	Holland	Murray
Bridges	Humphrey	Myers
Butler	Hunt	Neely
Byrd	Ives	O'Conor
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Russell
Connally	Johnson, Tex.	Saltonstall
Cordon	Johnston, S. C.	Schoeppel
Darby	Kefauver	Smith, Maine
Donnell	Kem	Smith, N. J.
Douglas	Kerr	Sparkman
Downey	Kilgore	Stennis
Dworshak	Knowland	Taft
Eastland	Langer	Taylor
Ecton	Lehman	Thomas, Okla.
Ellender	Long	Thomas, Utah
Ferguson	Lucas	Thye
Flanders	McCarran	Tobey
Frear	McCarthy	Tydings
Fulbright	McClellan	Watkins
George	McFarland	Wherry
Gillette	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Withers
Hayden	Malone	Young
Hendrickson	Martin	

The PRESIDENT pro tempore. A quorum is present.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] is absent because of illness.

The Senator from Rhode Island [Mr. LEAHY] is necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Virginia [Mr. ROBERTSON] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent on official business.

The Senator from Massachusetts [Mr. LODGE] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] is absent by leave of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the RECORD, without debate, and without speeches.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

RELIEF OF AUTHORIZED CERTIFYING OFFICERS OF CERTAIN TERMINATED WAR AGENCIES

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Acting Attorney General, withdrawing the name of Johannes Akk or John Ackly from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted to the Senate on January 16, 1950; to the Committee on the Judiciary.

AUDIT REPORT OF GORGAS MEMORIAL LABORATORY AND GORGAS MEMORIAL INSTITUTE OF TROPICAL AND PREVENTIVE MEDICINE, INC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of Gorgas Memorial Laboratory and Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT OF SECURITIES AND EXCHANGE COMMISSION

A letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, a report of the Commission for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Banking and Currency.

FINANCIAL STATEMENT OF THE AMERICAN LEGION

A letter from the director of the National Legislative Commission, the American Legion, Washington, D. C., transmitting, pursuant to law, a financial statement of the Legion for the period ended December 31, 1949 (with an accompanying document); to the Committee on Finance.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the PRESIDENT pro tempore:

Letters in the nature of petitions from Deer Lodge Auxiliary to Post, No. 689, of Deer Lodge, signed by Mary Humes, secretary, and the ladies of the Auxiliary of the John E. Freeman Post, No. 5514, of Troy, signed by Minnie E. Smith, both of the Veterans of Foreign Wars of Montana, praying for the

enactment of House bill 4617, to liberalize the requirement of pension in certain cases to veterans and their widows and children; to the Committee on Finance.

Resolutions adopted by the Women's Homeopathic League of Pennsylvania, and the Third District Dental Society of Alabama, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the United States National Association of Retired Civil Employees, Chapter No. 9, of Cavite City, the Philippines, expressing the gratitude of the chapter to the Congress for the enactment of beneficial legislation affecting retired civil employees; to the Committee on Post Office and Civil Service.

The petition of Beatrix Faust, Martha C. Porch, and Lynne P. Townsend, of Wellfleet, Mass., enclosing a resolution adopted at a town meeting of the citizens of Wellfleet, favoring the enactment of legislation to provide the necessary funds for the dredging of a channel and mooring basin in the harbor of Wellfleet; to the Committee on Public Works.

EXTENSION OF SOCIAL SECURITY LAW—CONCURRENT RESOLUTION OF NEW YORK LEGISLATURE

Mr. IVES. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the body of the RECORD, following these remarks, the text of a concurrent resolution recently adopted by the New York State Legislature memorializing the Congress of the United States to exclude members of the retirement systems within the State of New York from pending provisions of the social-security law.

The concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Resolution 114

Concurrent resolution of the senate and assembly memorializing the Congress of the United States to exclude members of retirement systems within the State from pending provisions extending the social-security law

Whereas there is now pending before the Congress of the United States certain legislation to extend the provisions of law, commonly referred to as the social-security law, to include all public employees in the United States including public employees of the various cities and the governmental subdivisions of such States; and

Whereas in the State of New York pension and retirement systems have been established for many years and are available for membership by every public employee of the State, or its various subdivisions; and

Whereas under the constitution of the State of New York all such public employees, notably policemen, firemen, and public-school teachers who are members of any such pension or retirement system within the State, enjoy a contractual relationship under which their rights cannot be diminished or impaired: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States hereby respectfully is memorialized to exclude from the provisions of such pending legislation members of the police departments, fire departments, public-school teachers, and all other employees who are presently members of any pension or retirement system administered by the State of New York or any of its governmental subdivisions, and be it further

Resolved (if the assembly concur), That copies of this resolution be transmitted to the secretary of the United States Senate, the Clerk of the House of Representatives, to each United States Senator and to each Member of the House of Representatives elected from the State of New York.

By order of the senate;

WILLIAM S. KING,
Secretary.

In assembly, March 1, 1950. Concurred in without amendment.

By order of assembly;

ANSLEY B. BORKOWSKI,
Clerk.

DISPLACED PERSONS

Mr. KILGORE. Mr. President, I am in receipt of telegrams from H. L. Mitchell, president of the National Farm Labor Union, AFL, Washington, D. C., and Keith Larzelere, Schoolcraft, Mich., chairman of the Kalamazoo County Center for Displaced Persons, Kalamazoo, Mich., relating to displaced persons legislation. I ask that the telegrams be and appropriately referred and printed in the RECORD.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 1, 1950.*

Senator HARLEY M. KILGORE,
Senate Office Building,
Washington, D. C.:

National Farm Labor Union, AFL, fully endorses provisions substitute bill offered to liberalize Displaced Persons Act of 1948 in line with policy of American Federation of Labor on this subject.

H. L. MITCHELL,
President.

KALAMAZOO, MICH., *February 28, 1950.*

Senator HARLEY KILGORE,
Senate Office Building,
Washington, D. C.:

The executive committee of the Kalamazoo County Center for Displaced Persons urges your support of committee minority report on H. R. 4567 supported by Senator FERGUSON.

KEITH LARZELERE,
Schoolcraft, Mich., Chairman, Kalamazoo Center for Displaced Persons.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 2872. A bill to amend the War Claims Act of 1948, as amended; with an amendment (Rept. No. 1323).

By Mr. WILEY, from the Committee on the Judiciary:

S. 2443. A bill for the relief of Mrs. Georgette Ponsard; without amendment (Rept. No. 1324).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution, favoring the suspension of deportation of certain aliens, and I submit a report (No. 1325) thereon.

The PRESIDENT pro tempore. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 78) was ordered to be placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-9573888, Albertson, Erik Albertus, or Erik Albertus Albertson.
A-4769516. Amey, Herbert Augustus.
A-5884856, Andor, Frank, or Francisc Andor.
A-6007541, Avalos, Jesus Flores.
A-4874684, Bailey, William Nathaniel.
A-6447786, Balot, Francisco.
A-5067439, Barker Ethel (nee Beesley).
A-4084313, Barton, Beatrice Ethel Gwendolyn (nee Linton, formerly Demarest).
A-6790371, Basarow, Eduard.
A-1670554, Boikos, Alexandros, or Aleck or Alex Boikos.
A-6920650, Borowicz, Jeannine, or Jeanine Borowiecz.
A-6200606, Bradley, Dominga (nee Hipolito).
A-4198712, Brodauf, Lina Agnes (nee Pohler).
A-4812080, Brokos, Georgios or George.
A-4668883, Candela, Providenza (nee Fraser).
A-6838464, Camarena-Limon, Pedro, or Jose or Pedro Kliman.
A-4545624, Campbell, Allan George.
A-5618539, Candela, Filippo, or Vincenzo Di Bella or Phillip Candela.
A-4668883, Candela, Providenza (nee Providenza Di Bella).
A-6268383, Caracostis, Evangelos.
A-6227082, Cardaris, Catherine or Katherine (nee Glavas).
A-6688784, Cazabon, John Charles.
A-6868119, Chavez-Perez, Venancio.
A-5959131, Christian, Hilda Juanita.
A-3134485, Christoff, Stoina.
A-7632246, Chung, Sylvia Ssu-Yi Liang, or Sylvia Chang nee Liang or Chang Liang Ssu-Yi or Ssu-Yi Liang or Chung.
A-6172766, Collios, Hariklia, or Hariklia Gallinis or Hariklia Pappanicolaou.
A-6489042, Connell, Dalia Philomene, or Dalia or Dahlia Magetti.
A-3208736, Coray, Claudine Helene (nee Wiesmann).
A-6754556, Crisan, John George Julius, or Ioan Gheorghe Iuliu Crison.
A-6700029, Cristobal, Juan Urbino, or Johnny or Chris Cristobal.
A-4034158, Crovetto, Andrea, or Andrew Crovetto.
A-6838471, Cruz, Guillermo.
A-6817782, Cruz-Ortega, Narcizo.
A-3919865, De Caballero, Luisa Guerra.
A-4988558, De Carpio, Teresa Torralva, or Teresa Falson or Teresa Falcon Zamora or Teresa Torralva or Teresa Torralva De Zamora.
A-3016147, De Luca, Stanislao, or Stanley De Luca.
A-7626818, De McClure, Griselda, Jaimes.
A-4518876, Discart, Marie Morren.
A-2580651, Dmitrasinovich, Stojan Bude, or Steve Demitrich.
A-5735677, De Duarte, Adela Leon.
A-6768535, Duggan, Linda Jane Rosa.
A-3948402, Dunne, Hop Hee.
A-6688424, Ebanks, George Robert.
A-6455581, Eugenios, Markos.
A-6482570, Farkas, Armin.
A-6743248, Farnes, George Theodore, or George T. Farnes.
A-5532334, Finkel, Samuel Abraham.
A-6903401, Fisher, Josephine Thelma.
A-6742832, Frugone, Oretta Caterina, or Oretta Frugone Kuwana.
A-2680057, Gam, Moi Nguk, or Nguk Gam Moi.

A-6095599, Gee, Quan Dong, or Quan Yew Moon.
A-5501035, Gentile, Atanasio.
A-4126913, George, Eduardo, or Eppoletta Edward George.
A-4702644, Giankopoulos, Christos Lazarou or Yankopoulos.
A-6198514, Gladych, Boleslaw Michael, or Michael Gladych.
A-2896461, Gomez, Domingo Garcia, or Domingo Garcia.
A-6798463, Gonzalez-Cardenas, Santana.
A-6877467, Gonzalez-Quintero, Inez.
A-5634981, Goranson, Carl Emil.
A-6425998, Grant, Herman Josiah.
A-4386180, Green, Sarah (nee Marshall or Edelstein).
A-3596701, Greenberg-Shaffer, Rachel, or Rachel Shaffer-Greenberg (nee Brott).
A-6921390, Guigli, Doriana Mary.
A-4980618, Guzman, Maria Modesta Cancholla, or Maria Cancholla Munoz or Modesta Maria Cancholla Silva.
A-4957912, Haberl, Max (alias Walter Sehoen or Max Walter Schoen).
A-1854073, Heras, Vasilios John.
A-5505487, Herman, Pesia Gitkis.
A-6878607, Hong-Tuan, Dominique Anne Marie.
A-5444715, Honig, Paul (alias Paul Hoenig alias Hoenigue alias Paul Montefiore).
A-6018692, Hudziec, Ernest Rudolph.
A-6018691, Hudziec, Hedwig (nee Jadwiga Kumeczko).
A-6781685, Hughes, Desmond Connell.
A-6280991, Jahrblum, Beila (nee Reichenthal, alias Beila Heart alias Blanche Heart).
A-6280992, Jahrblum, Herz Naftali (alias Henry Norman Heart).
A-6860811, Jaquez, Manuel, or Manuel Jaquez Martinez.
A-5133204, Jorgensen, Peter Gunerius.
A-1129695, Joseph, Freidrich, or Josef Deutsch.
A-2679918, Kalomaris, Gerasimos Peter, or Jerry Kalomaris.
A-3650178, Karalis, Chresanthy or Chrisanthe (nee Chrysanthe John Kosmethes).
A-2127097, Katorsky, Hugo Ernest.
A-4042289, Kindness, Christina (nee Gunn).
A-5065236, Kontacostas, Kostas, or Gus Kontos.
A-6897613, Kudszus, Wolfgang Peter, or Peter Kudszus.
A-7577098, Kui, Ng.
A-6753353, Law, Fred, or Law Fook or Fook Law.
A-7589792, Lawrence, Percy James, or Cyril Lawrence.
A-3827794, Lee, Chin Shee, or Lee Fung Thin or Chin Leu Gay or Shin Wai King.
A-1492567, Lopez, Rafael Duarte, or Rafael Lopez-Duarte or Rafael Lopez or Raphael Lopez or Ralph Lopez.
A-6815956, Low, Phyllis Eva (nee Eng or Sue Yook Eng).
A-5623265, Luehr, Walter Adolf Georg.
A-6458411, Luppi, Enrico.
A-6458423, Luppi, Giovanni.
A-6498267, Lyden, Hazel Mae (nee Chunn).
A-2047098, Lyras, Stavros Aristides.
A-1545542, Maisus, Jewel.
A-6210531, Martinez-Rivera, Juvenal, or Juan Martinez.
A-7523598, Mau, Wei-Hui Huang, or Wei-Hui Huang.
A-5755020, Medovich, Ralph or Antonio or Anthony.
A-4720871, Mendez, Jesus Valdez.
A-4588008, Mithalopoulos, Nicholas, or Nicholas Michalopoulos.
A-2980169, Monasterio-Sagasti, Leon, or Leon Monasterio or Sagasti Leon Monasterio.
A-6868195, Montelongo-Gonzalez, Santiago.
A-6458231, Murillo, Manuel, or Manuel Sermeno.
A-9690675, Nagtegaal, Johannes Christianus.
A-2387838, Nahm, Alice.
A-5901303, Nahm, Doris.
A-2387837, Nahm, Jakob, or Jacob Nahm.
A-3478388, Neisloss, Jecheskilis, or Ezekiel Schloss or Ezekiel or E. Schloss.
A-5520936, Nicholas, Demetrius, or James Nicholas Samaras.
A-5874844, Palero, Raffaele, or Ralph Polera (alias Frank Ciraco).
A-4382193, Papadopoulos, Stelios, or Stylianos or Papazoulos, Stanley, or Papas or Pappas, Steve.
A-2103213, Pashalis, Anthony Demetrios.
A-6083580, Pauly, Anabelle Jane.
A-6083578, Pauly, Catalina Aviles.
A-6083579, Pauly, Howard John.
A-6755939, Percel, Henry Oliver.
A-2105178, Petrecca, Giovanni (John), or Giovain Petrie.
A-7005288, Pistolakis, Nicholas Stelianos.
A-6362653, Plasencia-Ortega, Ernesto (also Ernest Plasencia).
A-6286715, Porras, Reyes.
A-1666793, Puccioni, Otello, or Nino Gini or Adolfo Dovicchi.
A-4921273, Pulido-Estrada, Martin.
A-4528502, Quong, Rose, or Quong Ru-Ssu.
A-1298028, Reid, Joseph George Menzie.
A-5185918, Reid, Reginald Sinclair.
A-5453163, Rendon-Benavides, Olaya.
A-6435783, Rivas, Carmen Natalia.
A-6428426, Rivas, Josefina Elena.
A-6428425, Rivas, Jr., Victor Manuel.
A-4395138, Rod, Olaf, Martinson.
A-5151512, Ruppert, David, or Davidas Rapoportas or David Rapaport.
A-6827870, Rusciano, Constantino.
A-6774663, Salaney, Dorothy Augusta.
A-6924331, Salovardos, Stamatios Konstantinos.
A-4604542, Sapata, Alfredo De Pinho, or Alfredo Pinho Sapata.
A-9801198, Saul, Lembit.
A-5435509, Schnabel, August Josef.
A-5524716, Scopetani, Luigi.
A-6016388, Seleman, George.
A-1489980, Shultz, Charles, or Karls Alksne or Karlis Alksinis.
A-1552469, Silva, Leandro Tavares, or Leandro Tavares or Leandro Silva or Leandro Tavo.
A-6245223, Skias, Maria (nee Misigi or Maria G. Skias or Maria J. Missigi).
A-6716198, Simmonds, Claude Hubert.
A-5953790, Simmonds, Leona.
A-4343933, Stamatiou, Constantinos.
A-2823759, Stratis, John Stefanos.
A-6928185, Theofiles, Nicholas George, or Nick George Theofiles.
A-2252841, Torbarina, Sam, or Sime Torbarino.
A-3164059, Tountasakis, Nicolaos, or Nick or Nicholas Tountasakis or Nick Totisikis.
A-4506013, Tracy, George Courtenay.
A-6756001, Trujillo, Liliane Maria (nee Medina).
A-1996713, Tsagaris, Evangelos, or Angelo Twagris.
A-5047368, Tsolainos, Theodore Panaghiotis.
A-4492389, Ulfers, Frederick Adolf Emil (alias Frederick Ulfers alias Frederick Schaefer).
A-3309666, Ullah, Joban, or Abdul Aziz.
A-6324738, Urzua-Lopez, Manuel, or Miguel Urzua-Lopez.
A-2478333, Valino, Manuel Romay.
A-5244850, Varela, Roman Pardo, or Ramon Pardo Varela or Raymond Pardo Varela or Varella.
A-6990518, Velarde, Juana.
A-7787924, Viada, Angel Gabriel Patricio or Giminez.
A-7787904, Viada, Pilar (nee Fernandez, also known as Berman and Ferrer).
A-3487602, Wagner, Eddie, or Andrzej Zielas or Andrew Zielas.
A-4961294, Wegner, Max John.
A-6855170, Zambrano-Serrano, Carlos.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 7, 1950, he presented to the President of the United States the following enrolled bills:

S. 2364. An act to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.;

S. 2436. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska"; and

S. 2541. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as amended, to extend the period for which employees may be detailed for training and research, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

S. 3194. A bill to authorize the addition of certain land to Chickamauga and Chattanooga National Military Park, in the State of Tennessee; to the Committee on Interior and Insular Affairs.

By Mr. BRIDGES:

S. 3195. A bill to amend the Internal Revenue Code so that the taxes imposed under the Federal old-age and survivors insurance system will not be imposed on account of service performed by individuals who have attained the age of 65; to the Committee on Finance.

By Mr. LANGER:

S. 3196. A bill providing for the conveyance of Fort Lincoln Military Reservation in North Dakota to the State of North Dakota to be used for educational purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY:

S. 3197. A bill to extend the personal rights and duties of the Indians of California; to the Committee on Interior and Insular Affairs.

By Mr. TYDINGS:

S. 3198. A bill to require the appointment of one member of the armed forces as a member of the Atomic Energy Commission and to authorize the appointment of one additional member of the armed forces as a member of the Commission; to the Joint Committee on Atomic Energy.

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENT

Mr. HOLLAND submitted an amendment intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 3843. An act to declare that the United States holds certain lands in trust for the Stockbridge-Munsee Community, Inc., of the State of Wisconsin; and

H. R. 7302. An act to amend the act of July 14, 1943, relating to the establishment of the George Washington Carver National Monument, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 4684. An act to amend subsection (c) of section 19 of the Immigration Act of 1917 and subsection (a) of section 338 of the Nationality Act of 1940; and

H. R. 6480. An act to revise title 18, United States Code, entitled "Crimes and Criminal Procedure"; to the Committee on the Judiciary.

H. R. 6171. An act to authorize commissioned officers of the Army, Navy, Air Force, and Marine Corps to administer certain oaths, and for other purposes; to the Committee on Armed Services.

H. R. 6475. An act to amend the Postal Rate Revision and Federal Employees Salary Act of 1948 to provide for the consideration of claims for the payment of certain postal notes filed later than 1 year from the last day of the month of issue; to the Committee on Post Office and Civil Service.

H. R. 6374. An act to liberalize the service pension laws relating to veterans of the war with Spain, the Philippine Insurrection, or the Boxer Rebellion, and their dependents;

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines; and

H. R. 7440. An act to amend Veterans Regulations to establish for persons who served in the armed forces during World War II a further presumption of service-connection for active pulmonary tuberculosis; to the Committee on Finance.

ADDITIONAL OFFICERS OF NATIONAL GUARD OF THE UNITED STATES

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, which were on page 1, line 9, after "States", insert "or the Air National Guard of the United States"; on page 2, line 1, after "States", insert "and Air National Guard of the United States"; page 2, line 4, after "States", insert "and Air National Guard of the United States"; page 2, line 6, after "officers", insert "of their respective services", and to amend the title so as to read: "An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States and the Air National Guard of the United States on active duty in the National Guard Bureau."

Mr. HUNT. Mr. President, I move that the Senate concur in the amendments of the House.

Mr. WHERRY. May I ask what the amendments are? May we have an explanation of them?

Mr. HUNT. In the first session of the Eighty-first Congress S. 2441 was introduced by me, providing for the placing of a certain number of National Guard officers on duty with the National Guard organization in Washington. The bill was amended in the House simply to add the words, "Air National Guard," which seems to be agreeable to the Military Establishment, and is to me as the author of the bill. I know of no objection to it.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Wyoming.

The motion was agreed to.

SALES OF CERTAIN INDIAN LANDS IN UTAH

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 576) to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah, which was, on page 2, line 15, after "tribe.", insert "Consent by the tribal business committee to the sale or other disposal of the lands herein described shall relieve the United States of any claim or liability because of such sale or other disposition."

Mr. O'MAHONEY. Mr. President, this bill was introduced by the junior Senator from Utah [Mr. WATKINS]. It was considered by the Senate Committee on Interior and Insular Affairs, and it was passed by the Senate. It was sent to the House of Representatives. Thereafter the House of Representatives passed an identical bill—H. R. 1753—which was sent to the Senate. The bill contained the provision which is now messaged over to us as an amendment of the Senate bill. The Senate Committee on Interior and Insular Affairs felt that, inasmuch as the Senate bill was in the House of Representatives and ready to be acted upon, it was preferable to have the Senate bill acted upon, and we so requested. The amendment which has been made in the bill by the House of Representatives is identical with the provision which the Committee on Interior and Insular Affairs is willing to accept. The bill authorizes the sale of certain Indian lands. The amendment merely provides that the consent of the tribe to the sales shall release the United States from all liability. There being no objection to the amendment in the committee, I move that the Senate concur in the House amendment and that the House bill be indefinitely postponed.

Mr. WATKINS. Mr. President, I wish to associate myself with the statement made by the Senator from Wyoming. I am in full agreement with what has been presented by the Senator, and I join in his motion.

The PRESIDENT pro tempore. The question is on agreeing to the motion made by the Senator from Wyoming [Mr. O'MAHONEY].

The motion was agreed to.

PROTECTION OF UNITED STATES AGAINST SUBVERSIVE ACTIVITIES—MINORITY VIEWS

Mr. LANGER. Mr. President, the Committee on the Judiciary has ordered a report to be made to the Senate on S. 2311, a bill to protect the United States against subversive activities. I ask unanimous consent to submit minority views on the bill, which I request may lie on the table until the majority report has been submitted to the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Sundry postmasters.

PENNSYLVANIA FLOOD CONTROL AND RIVERS AND HARBORS PROJECTS—TESTIMONY BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD testimony by him on behalf of Pennsylvania flood control and rivers and harbors projects, before the Civil Functions Subcommittee of the Senate Committee on Appropriations, which appears in the Appendix.]

BROADCASTS BY SENATOR MYERS—NO. 21

[Mr. MYERS asked and obtained leave to have printed in the RECORD, No. 21 in the series of broadcasts being made by him, which appears in the Appendix.]

TRADE AND TARIFF AGREEMENTS—ADDRESS BY KING GEORGE VI

[Mr. BUTLER asked and obtained leave to have printed in the RECORD the address delivered by King George VI to the British Houses of Parliament on March 6, 1950, which appears in the Appendix.]

PROBLEMS OF THE UNITED STATES IN THE PRESENT WAR—ADDRESS BY GEN. WILLIAM J. DONOVAN

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address delivered by Gen. William J. Donovan on the occasion of the presentation to him of the Alexander Hamilton award by Columbia University, on February 16, 1950, which appears in the Appendix.]

THE SENATE AND THE DISPLACED-PERSONS BILL—ADDRESS BY RABBI RICHARD C. HERTZ

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address entitled "The Senate and the Displaced-Persons Bill—The Truth Behind America's Shame," by Rabbi Richard C. Hertz, assistant rabbi of the Chicago Sinai Congregation, which appears in the Appendix.]

JOINT COMMITTEE ON NONESSENTIAL FEDERAL EXPENDITURES—NEWSPAPER AND EDITORIAL COMMENT

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD a broadcast by Albert L. Warner, an editorial in the Washington Evening Star entitled "A Valuable Publicity Medium," and an editorial entitled "Never Say Senator HUMPHREY Is Opposed to All Retrenchment," from the Baltimore Sun, which appear in the Appendix.]

PROPOSED PEACE CONFERENCE BETWEEN THE UNITED STATES AND RUSSIA—EDITORIAL FROM THE PORTLAND OREGONIAN

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "The Door Is Still Open," published in the Portland Oregonian for February 15, 1950, which appears in the Appendix.]

REPEAL OF WARTIME EXCISE TAXES—EDITORIALS FROM THE CAPITAL PRESS, OF SALEM, OREG.

[Mr. MORSE asked and obtained leave to have printed in the RECORD two editorials published in the Capital Press, of Salem, Oreg., dealing with the proposed repeal of wartime-excise taxes, which appear in the Appendix.]

THE COAL STRIKE—EDITORIAL FROM THE WASHINGTON POST

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an edi-

torial entitled "Evidence of Contempt," from the Washington Post of March 7, 1950, which appears in the Appendix.]

L'AFFAIRE COCA-COLA—EDITORIAL FROM THE WASHINGTON EVENING STAR

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "L'Affaire Coca-Cola," published in the Washington Evening Star for March 6, 1950, which appears in the Appendix.]

CONTROL OF MONOPOLY—EDITORIAL BY ALBERT S. GOSS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial entitled "Monopoly Control," by Albert S. Goss, from the National Grange Monthly for March 1950, which appears in the Appendix.]

LET'S STOP WALLOWING IN FEAR—EDITORIAL FROM THE WASHINGTON STAR

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Let's Stop Wallowing in Fear," from the Washington Evening Star of March 4, 1950, which appears in the Appendix.]

IMPORTANCE OF SOIL CONSERVATION—ARTICLE BY MELVIN O. STEEN

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Wake Up America," by Melvin O. Steen, of the Missouri Conservation Commission, which appears in the Appendix.]

THE GOVERNMENT POTATO PROGRAM—ARTICLE BY GEORGE MINOT

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "United States Farm Program Must Be Rewritten," by George Minot, from the Boston Herald of March 5, 1950, which appears in the Appendix.]

COMMUNITY DEVELOPMENT IN ARKANSAS—ARTICLE BY NORMAN KUHNE

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "What This Town Needs," by Norman Kuhne, published in the Nation's Business for February 1950, which appears in the Appendix.]

HOW PROPAGANDA WORKS—ARTICLE FROM TULSA TRIBUNE

[Mr. JOHNSON of Texas asked and obtained leave to have printed in the RECORD an article entitled "KERR Denies His Gas Plan To Bring Increase," from the Tulsa Tribune of Tulsa, Okla., of March 2, 1950, which appears in the Appendix.]

THE COAL STRIKE—ARTICLE BY ARTHUR KROCK

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article relative to the settlement of the coal strike, by Arthur Krock, published in the New York Times, which appears in the Appendix.]

TRIBUTE TO ERNEST L. KURTH

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an article entitled "Man of the South for 1949" by Col. Hubert F. Lee, which was published in the magazine Dixie Business, which appears in the Appendix.]

LIQUIDATION OF TRUSTS UNDER RURAL REHABILITATION PROGRAM

Mr. ANDERSON. Mr. President, I enter a motion to reconsider the vote by which the Senate on yesterday agreed to the amendment of the House to Senate bill 930, to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes.

I have conferred with the distinguished senior Senator from Oklahoma [Mr. THOMAS], the chairman of the Senate Committee on Agriculture and Forestry, and I hope it will be agreeable to him that the motion I am entering be agreed to and the bill be sent to conference.

Mr. THOMAS of Oklahoma. Mr. President, there is no objection to the motion so far as I am concerned.

Mr. WHERRY. Mr. President, I wish to make just a brief statement. I am in total agreement with the Senator from New Mexico in filing the motion. In fact, I think that after it is acted on and the vote is reconsidered, the bill should be carefully studied. I want the RECORD to show that I feel that there should be a reconsideration and that the matter should be gone into thoroughly. This bill was passed on a call of the calendar as a bill of the distinguished Senator from New Mexico, and, in my opinion, the purpose he attempted to achieve has certainly been thwarted. I did not get an opportunity to question what happened yesterday. When the bill comes before the Senate again for consideration, I should like to have the Senator from New Mexico justify the return of the money involved, in view of many things which have happened since 1933 and 1934. Even though the bill was passed, inasmuch as the States have not taken the money, I am wondering whether it is obligatory upon the Congress to keep faith with the authorizations made back in 1933, 1934, and 1935.

Mr. ANDERSON. Mr. President, the principal reason back of my desire to make the motion to reconsider is that the distinguished senior Senator from Colorado [Mr. JOHNSON] objected to the bill when it was on the calendar. I then agreed that certain amendments should be made to the bill. Those amendments were made in the Senate, and the bill went to the House. The bill now comes back to the Senate with the amendments of the Senator from Colorado completely stripped from the bill. I thought that the Senator from Colorado might feel that he had been unfairly treated. That is why I asked the Senator from Oklahoma to take the bill to conference.

The PRESIDENT pro tempore. Does the Senator from New Mexico make the motion?

Mr. ANDERSON. I move that the vote by which the Senate yesterday agreed to the amendment of the House to Senate bill 930 be reconsidered.

The motion was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ELLENDER, Mr. HOEY, Mr. ANDERSON, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

DISPLACED PERSONS

Mr. McCARRAN. Mr. President, in the course of the first session of this Congress there were inserted in the RECORD copies of quarterly statements of receipts and expenditures of the Citizens' Committee on Displaced Persons, which were filed with the Clerk of the House of Representatives, under the Lobbying Act.

In order that the Senate may be kept abreast of the expenditures of this organization which have been made since the statements were last inserted in the RECORD, I ask unanimous consent that there be inserted in the RECORD a photostatic copy of the statement which was filed with the Clerk of the House of Representatives under the Lobbying Act for the period ended December 31, 1949.

Mr. President, I have prepared an analysis of the contributions and expenditures of the Citizens' Committee on Displaced Persons during the last 3¼ years as registered with the Clerk of the House of Representatives under the Lobbying Act. It is to be noted that during this period, the organization has received contributions of $956,581.27, and has made expenditures of $955,499.87.

I now ask unanimous consent that there may be inserted in the body of the RECORD the analysis which I have prepared of the receipts and expenditures during the last 3¼ years of the citizen's committee on displaced persons.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

CITIZENS' COMMITTEE ON DISPLACED PERSONS—ANALYSIS OF CONTRIBUTIONS AND EXPENDITURES

During the last 3¼ years, the Citizens' Committee on Displaced Persons has received more than $956,000 in contributions and has expended more than $955,000. Of the amount expended more than $355,000 was for the salaries of employees; more than $163,000 was paid as expenses for these employees; more than $43,000 was spent for telephone, telegrams, and cablegrams; more than $119,000 was spent for stationery, supplies, mimeograph service and printing. Over $5,000 was paid for furniture, fixtures, and equipment. Items totaling more than $19,000 were spent for literary services; more than $7,000 was spent for travel expenses of persons who were not regularly employed by the Citizens' Committee on Displaced Persons. More than $84,000 was spent for publicity services; more than $43,000 was paid to attorneys as fees and expenses. Nearly $7,100 was spent for postage; insurance and rent amounted to more than $25,000 and nearly $83,000 was spent for other miscellaneous items including taxes, interest, and payment on a bank loan.

The following table shows the amount contributed and amount expended quarterly by the Citizens' Committee on Displaced Persons as taken from Form A, which is a detailed statement filed with the Clerk of the House of Representatives under the Lobbying Act.

	Contributions	Expenditures
Quarter ending—		
Dec. 31, 1946	$27,000.00	$2,487.67
Mar. 31, 1947	36,200.00	48,760.61
June 30, 1947	200,553.25	136,670.84
Sept. 30, 1947	37,845.97	103,295.72
Dec. 31, 1947	109,899.70	96,314.72
Mar. 31, 1948	139,957.77	149,507.95

	Contributions	Expenditures
Quarter ending—Con.		
June 30, 1948	$122,645.90	$136,959.32
Sept. 30, 1948	34,484.86	30,356.97
Dec. 31, 1948	30,468.00	28,336.75
Mar. 31, 1949	74,852.84	80,537.75
June 30, 1949	66,391.48	61,075.08
Sept. 30, 1949	42,680.50	44,758.91
Dec. 31, 1949	33,601.00	36,437.58
Total	956,581.77	955,499.87

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 10, 1950.

CITIZENS COMMITTEE ON DISPLACED PERSONS,
New York, N. Y.

DEAR SIR: Receipt is acknowledged of your quarterly statement (Form A) of receipts and expenditures for the period ended December 31, 1949, filed in this office pursuant to the Federal Regulation of Lobbying Act.

Very truly yours,

RALPH R. ROBERTS,
Clerk of the House of Representatives.

FORM A

(To be filed quarterly with the Clerk of the House of Representatives only)

DETAILED STATEMENT TO BE FILED, IN DUPLICATE, WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES UNDER THE LOBBYING ACT

(Public Law 601, 79th Cong.)

Name: Citizens Committee on Displaced Persons.

Business address: 303 Lexington Avenue, New York.

STATEMENTS TO BE FILED WITH CLERK OF HOUSE

(If additional space is required, the information may be attached)

(a) Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of section 307 shall file with the Clerk between the first and tenth day of each calendar quarter, a statement containing complete as of the day preceding the date of filing—

Contributions

(1) The name and address of each person who has made a contribution of $500 or more not mentioned in the preceding report; except that the first report filed pursuant to this title shall contain the name and address of each person who has made any contribution of $500 or more to such person since the effective date of this title:

(1) ----------

(2) The total sum of the contribution made to or for such person during the calendar year and not stated under paragraph (1):

	Amount
(2) ----------	$3,601.00
Total sum of contributions reported under (2) -----	3,601.00

(3) The total sum of all contributions made to or for such person during the calendar year:

	Amount
(3) ----------	$33,601.00
Total sum of contributions reported under (3) ----------	33,601.00
Total sum of contributions reported in previous statement -------	183,924.82
Grand total of all contributions to date of filing for calendar year	217,525.82

Expenditures

(4) The name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of $10 or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure:

(4) Schedule 1:	Amount
Pay roll ----------	$11,053.53
Travel ----------	4,449.27
Total ----------	15,502.80
Schedule 2:	
Expenses ----------	20,934.78
Total sum of expenditures reported under (4) ----------	36,437.58

(5) The total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4):

(5) ----------	----------
Total sum of expenditures reported under (5) ----------	----------

(6) The total sum of expenditures made by or on behalf of such person during the calendar year:

	Amount
(6) ----------	$36,437.58
Total sum of expenditures reported under (6) ----------	36,437.58
Total sum of expenditures reported in previous statement --------	186,371.74
Grand total of all expenditures to date of filing for calendar year	222,809.32

(b) The statements required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

OATH OF PERSON FILING

State of New York,
County of New York, ss:

I, William S. Bernard, being duly sworn, depose (affirm) and say that the foregoing has been examined by me and to the best of my knowledge and belief is a true, correct, and complete declaration.

WILLIAM S. BERNARD.

Subscribed and sworn to (affirmed) before me this 6th day of January A. D. 1950.

LYDIA CONSTANTINO,
Notary Public, State of New York.

SCHEDULE I.—*Citizens Committee on Displaced Persons, pay-roll and travel expenses, Oct. 1 to Dec. 31, 1949*

Name and address	Pay roll	Travel
William S. Bernard, 14 East 80th St., New York	$2,505.00	$3,283.79
Hanni Blumenfeld, 310 West 97th St., New York	827.99	64.56
Edwin H. Brown, 6745-1 190th Lane, Fresh Meadows, N. Y.	20.20	----------
Hugh E. Carstensen, 324 East 48th St., New York	604.92	29.48
Leila Fleisher, 3538 W Pl. NW., Washington, D. C.	258.07	7.75
Elizabeth Gardiner, 1005 Battlefield Dr., Nashville, Tenn.	155.77	43.53
Gladys V. Goldberg, 2320 41st St. NW., Washington, D. C.	155.06	4.80
Selma Edith Jerskey, 302 West 86th St., New York	886.71	9.90
Emily Lehan, 360 East 50th St., New York	1,224.70	479.09
May McKinsey, 900 West End Ave., New York	1,281.19	24.97
Thelma Plafker, 285 Albany Ave., Brooklyn, N. Y.	525.00	----------
Bert Lind Samalman, 155 West 20th St., New York	$1,074.29	$61.40
Helen A. Shuford, 2909 Olive Ave. NW., Washington, D. C.	1,278.85	440.00
Peggy Ward, 138 East 38th St., New York	255.78	----------
	11,053.53	4,449.27
Total pay roll		$11,053.53
Total travel		4,449.27
Total pay roll and travel		15,502.80

SCHEDULE I.—*Citizens Committee on Displaced Persons, pay-roll and travel expenses, Oct. 1 to Dec. 31, 1949*—Continued

Schedule 2—Citizens' Committee on Displaced Persons expenses, Oct. 1, to Dec. 31, 1949

Academy Photo Offset Inc., 15 East 22d St., New York City, stenography, mimeographing, printing	$103.00
Acme Newspictures, Inc., 461 8th Ave., New York City, publicity services and expenses	22.44
Addressing Machinery & Equipment Co., 29 E. 22d St., New York City, stationery and supplies	3.17
T. Atkins Express & Van Co., 862 1st Ave., New York City, freight and express	.79
Lillian Baral, 9850 67th Ave., Forest Hills, N. Y., publicity services and expenses	264.15
Bell Messenger Service, 152 West 42d St., New York City, messenger service	119.26
Benedict & Benedict, 99 John St., New York City, insurance	11.81
Allen T. Burns, 336 Northlawn, East Lansing, Mich., travel expenses	766.49
Chesapeake & Potomac Tel. Co., 723 13th St. NW., Washington, D. C., telephone and telegraph	202.95
Collector of Internal Revenue, 110 East 45th St., New York City, pay-roll taxes	171.23
Compo Stat. Service, 220 West 42d St., New York City, stenography, mimeographing, printing	1.02
Consolidated Press Clipping Bureau, 431 South Dearborn St., Chicago, Ill., books, newspapers, magazines	933.80
Dupli-Kate Service, 1740 K St. NW., Washington, D. C., stenography, mimeographing, printing	2.32
Mary Allen Edge, 616 West 116th St., New York City, stenography, mimeographing, printing	130.00
Eight & Sixteen MM Films, Inc., 630 9th Ave., New York City, publicity services and expenses	166.00
Leila Fleisher, 3538 W Place NW., Washington, D. C., stenography mimeographing, printing	24.71
Graphic Syndicate, Inc., 280 Madison Ave., New York City, stenography, mimeographing, printing	424.10
Gunn-Mears Advertising Co., Times Tower, New York City, publicity services and expenses	78.40
Ann Palmer Haynes, 360 East 50th St., New York City, stenography, mimeographing, printing	24.17
Hooven Letters, Inc., 352 4th Ave., New York City, stenography, mimeographing, printing	203.94
Tadeusz N. Hudes, 112-15 72d Rd., Forest Hills, N. Y., publicity services and expenses	667.99
International Office Appliances, 29 East 22d St., New York City, rentals of equipment	45.00

Curtis E. Johnson, 4619A South 36th St., Arlington, Va., counsel fees and expenses	$1,500.34
La Salle Letter Co., 45 White St., New York City, stenography, mimeographing, printing	2,152.08
William T. Lazar, 360 East 55th St., New York City, publicity services and expenses	34.80
Edward H. Leftwich, 53 Stratford Ave., Garden City, L. I., publicity services and expenses	194.62
Lincoln Warehouse Corp., 1195 3d Ave., New York City, freight and express	21.68
Manhattan Letter Co., 45 Astor Pl., New York City, stenography, mimeographing, printing	222.12
Meco Press, 4 East 45th St., New York City, stationery and supplies	332.37
The Menorah Journal, 63 5th Ave., New York City, books, news, magazines	1.50
May McKinsey, New York City, petty cash expenses	92.94
National Social Welfare Assembly, Inc., 1790 Broadway, New York City, books, news, magazines	1.20
New York State Unemployment Insurance Fund, Albany, N. Y., pay roll taxes	203.23
New York Telephone Co., box 222, Station O, New York City, telephone and telegraph	1,306.39
Oram and Rich, 8 West 40th Street, New York City, publicity service and expenses	500.00
Packers Press, 209 West 38th Street, New York City, stenography, mimeographing, printing	137.70
Permacam Co., 1 Bond Street, New York City, stationery and supplies	7.67
Pine Hill Crystal Spring Water, 132d Street and Brook Avenue, Bronx, N. Y., water	14.57
Pitney-Bowes, Inc., Walnut and Pacific Streets, Stamford, Conn., stationery and supplies	.31
Postmaster, New York, New York City, postage	200.00
John Ralph, 494 Hudson Street, New York City, literary services	204.50
Rapid Messenger Service, 480 Lexington Ave., New York City, messenger service	12.90
Rialto Service Bureau, Inc., 1501 Broadway, New York City, stenography, mimeographing, printing	51.40
Riddell Realty Co., 1742 K Street NW., Washington, D. C., rent, $135; telephone, $5	140.00
Emil Rosenberg, 25 Charles Street, New York City, field counsel fees and expenses	1,928.76
Royal Typewriter Co., Inc., 2 Park Avenue, New York City, cleaning, maintenance, and repairs	2.25
Alexander Samalman, 155 West 20th St., New York City, literary services	20.00
Shelburne Hotel, 303 Lexington Ave., New York City, rent	1,100.41
Miscellaneous expenses	21.13
Helen Shuford, 2909 Olive Avenue NW., Washington, D. C., field counsel fees and expenses	503.55
Sound Masters, Inc., 165 West 46th Street, New York City, publicity service and expenses	102.00
Superintendent of Documents, Washington, D. C., books, news, magazines	17.78
Telanserphone, Inc., 224 East 38th Street, New York City, telephone and telegraph	40.95
Tru-Rite, Inc., 116 Broad Street, New York City, stationery and supplies	$6.18
United States Recording Co., 1121 Vermont Avenue, NW., Washington, D. C., publicity service and expenses	46.00
University of Illinois, Urbana, Ill., books, news, magazines	3.62
Wallie Warren & Associates, 131 West 2d Street, Reno, Nev., field counsel fees and expenses	3,110.74
Washington (D. C.) Unemployment Insurance Fund, Washington, D. C., pay roll taxes	27.94
The Washington Post, Washington, D. C., books, news, magazines	.25
Western Union Telegraph Co., 60 Hudson Street, New York City, telegrams and cables	1,428.64
Wholesale Typewriter Co., 155 6th Avenue, New York City, rentals and repairs	86.68
Hubert Wilke II, 32 Portland Place, Yonkers, N. Y., publicity service and expenses	20.00
WOR Program Service, Inc., 1440 Broadway, New York City, publicity service and expenses	841.88
Total	20,934.78

EXTRACTS FROM FEDERAL REGULATIONS OF LOBBYING ACT

DETAILED ACCOUNTS OF CONTRIBUTIONS

SEC. 303. (a) It shall be the duty of every person who shall in any manner solicit or receive a contribution to any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of—

(1) all contributions of any amount or of any value whatsoever;

(2) the name and address of every person making such contribution of $500 or more and the date thereof;

(3) all expenditures made by or on behalf of such organization or fund; and

(4) the name and address of every person to whom any such expenditure is made and the date thereof.

(b) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding $10 in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least 2 years from the date of the filing of the statement containing such items.

RECEIPTS FOR CONTRIBUTIONS

SEC. 304. Every individual who receives a contribution of $500 or more for any of the purposes hereinafter designated shall within 5 days after receipt thereof rendered to the person or organization for which such contribution was received a detailed account thereof, including the name and address of the person making such contribution and the date on which received.

STATEMENTS TO BE FILED WITH CLERK OF HOUSE

SEC. 305. (a) Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of section 307 shall file with the clerk between the first and tenth day of each calendar quarter, a statement containing complete as of the day next preceding the date of filing—

(1) the name and address of each person who has made a contribution of $500 or more not mentioned in the preceding report; except that the first report filed pursuant to this title shall contain the name and address of each person who has made any contribution of $500 or more to such person since the effective date of this title;

(2) the total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1);

(3) the total sum of all contributions made to or for such person during the calendar year;

(4) the name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of $10 or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure;

(5) the total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4);

(6) The total sum of expenditures made by or on behalf of such person during the calendar year.

(b) The statements required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

STATEMENT PRESERVED FOR 2 YEARS

SEC. 306. A statement required by this title to be filed with the Clerk—

(a) shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Clerk of the House of Representatives of the United States, Washington, D. C., but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice by the Clerk of its nonreceipt;

(b) shall be preserved by the Clerk for a period of 2 years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

PERSONS TO WHOM APPLICABLE

SEC. 307. The provisions of this title shall apply to any person (except a political committee as defined in the Federal Corrupt Practices Act, and duly organized State or local committees of a political party), who by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation by the Congress of the United States.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Congress of the United States.

REPORTS AND STATEMENTS TO BE MADE UNDER OATH

SEC. 309. All reports and statements required under this title shall be made under oath, before an officer authorized by law to administer oaths.

PENALTIES

SEC. 310. (a) Any person who violates any of the provisions of this title, shall, upon conviction, be guilty of a misdemeanor, and shall be punished by a fine of not more than $5,000 or imprisonment for not more than 12 months, or by both such fine and imprisonment.

(b) In addition to the penalties provided for in subsection (a), any person convicted of the misdemeanor specified therein is prohibited, for a period of 3 years from the date of such conviction, from attempting to influence, directly or indirectly, the passage or defeat of any proposed legislation or from appearing before a committee of the Congress in support of or opposition to proposed legislation; and any person who violates any provision of this subsection shall, upon conviction thereof, be guilty of a felony, and

shall be punished by a fine of not more than $10,000, or imprisonment of not more than 5 years, or by both such fine and imprisonment.

EXEMPTION

SEC. 311. The provisions of this title shall not apply to practices or activities regulated by the Federal Corrupt Practices Act nor be construed as repealing any portion of said Federal Corrupt Practices Act.

BETTER LIVING FOR BETTER WORLD—THEME OF 4-H CLUBS—STATEMENT OF SENATOR DARBY

Mr. DARBY. Mr. President, this week is National 4-H Club Week throughout the Nation. The 1950 theme of the 4-H Clubs is "Better Living for a Better World."

I ask unanimous consent to have inserted in the body of the RECORD a statement I have made in recognition of the 4-H Clubs of the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BETTER LIVING FOR A BETTER WORLD

(By Senator HARRY DARBY, of Kansas)

The week of March 4-12 has been designated as National 4-H Club Week. The 1950 theme of the 4-H Clubs of the Nation is, "Better Living for a Better World."

It is fitting that national recognition be given to the aims and achievements of this great organization. We are all familiar with the work of the 4-H Clubs in our respective communities and have individually lauded the work of our rural youth as members of these clubs.

Observance of National 4-H Club Week is a Nation-wide program with nearly 2,000,000 boys and girls participating. Since the inception of the program there have been approximately 10,000,000 members who have benefited materially from 4-H Club training and have since taken their places as leading citizens in their respective communities.

4-H Club work fosters development of individual abilities and capacities for learning, intellectual and moral character, and effective leadership.

To prepare tomorrow's citizens physically, mentally, and spiritually, this program provides opportunites for participation in programs through which rural boys and girls are—

1. Developing talents for greater usefulness.
2. Joining with friends for work, fun, and fellowship.
3. Learning to live in a changing world.
4. Choosing a way to earn a living.
5. Producing food and fiber for home and market.
6. Creating better homes for better living.
7. Conserving nature's resources for security and happiness.
8. Building health for a strong America.
9. Sharing responsibilities for community improvements.
10. Serving as citizens in maintaining world peace.

Farm girls and boys, through this program, are brought into intimate contact with all the interwoven problems of home and community living.

The club meeting, the club program, the public team demonstration, the judging work, the recreational and social features of club work, and the broad contacts with other organizations in the community are all planned to help young people to become good citizens.

Such an organization plays an extremely important part in our American way of life, by preparing our rural youth to believe in and take an active part in the free enterprise system. The fact that we have literally millions of competent, resourceful young people, is our best possible insurance for strength and safety in a modern world.

Today, more than ever before, in this period of postwar adjustment, the eyes of the nations of the world are turned toward youth for the leadership of tomorrow.

4-H Club training is playing an important part in preparing our young people for this leadership.

I am certain that my colleagues in the Senate join me in extending their best wishes for continuing success of the 4-H Club program.

LYNCHING IN AMERICA—LETTER FROM RICHARD M. SCAMMON TO SENATOR MORSE

Mr. MORSE. Mr. President, on March 1 of this year I received a letter from Mr. Richard M. Scammon, Chief, Division of Research for Europe, Office of Intelligence Research, Department of State, calling my attention to a series of vicious Communist lies which have been circulated by Pravda, and apparently broadcast over the Russian radio to various parts of Europe. One of the lies was that "mass Negro pogroms" has occurred in the United States, that is, lynching of Negroes. According to Mr. Scammon's letter, Pravda is reported to have stated:

An even more significant figure was named by Senator MORSE who declared in one of his speeches that there were 530 cases of lynching in the United States of America in 1948.

Mr. President, I want to inform the Senate that at no time has the Senator from Oregon ever made any such statement. In fact at no time has the Senator from Oregon in any speech in recent years even discussed the subject of lynching. That is a typical Communist propaganda lie, which ought to be fair warning to the American people of the techniques used by Communists the world around to undermine freedom wherever they find it, and to undermine men who stand for the protection of American principles of freedom.

Mr. President, I ask unanimous consent that the letter may be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, March 1, 1950.

The Honorable WAYNE MORSE,
United States Senate.

MY DEAR SENATOR MORSE: Referring to our telephone conversation this morning, your name was mentioned in the issue of Pravda for January 26, 1950. In an article on American elections Korionov, a specialist in slander against the United States, alluded to mass Negro pogroms and claimed that only one Negro in a hundred voted. Korionov continued in this Pravda item in this vein:

"The American Society for Struggle Against Lynching stated that in the year following the defeat of Japan there were in the United States of America 41 cases of lynching of Negroes. An even more significant figure was named by Senator MORSE, who declared in one of his speeches that there were 530 cases of lynching in the United States of America in 1948."

A figure for lynchings approximately this size has been widely used on the Soviet radio in discussions of the United States, but no further attribution to you has been noticed.

If we may be of further assistance, please call at any time. I am,

Sincerely yours,

RICHARD M. SCAMMON,
Chief, Division of Research for Europe, Office of Intelligence Research.

SHIPMENT OF ARMS TO ARAB STATES

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from Mrs. Ben Rosenfeld, chairman of the Portland Zionist Council, along with a statement in regard to the report of the Christian Fact-Finding Mission on Jerusalem.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *February 18, 1950.*

The Honorable WAYNE L. MORSE,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: I am writing this letter to you as chairman of the Portland Zionist Council, which represents all Zionist groups in the city of Portland, with a total membership in excess of two thousand. The Zionist Council has requested me to call your attention to two matters which we feel are of paramount importance.

One is concerned with the shipment of arms to the Arab states by Great Britain, ostensibly for security purposes. The second is concerned with the proposed internationalization of portions of the city and Jerusalem and nearby Holy Places.

It seems incredible that such armaments as jet planes, heavy tanks, submarines and destroyers, all of which are being supplied to the Arabs, are intended for peaceful use and not for aggressive warfare. We do not believe that such Arab rearmament will serve the interests of peace in the Middle East. Even more alarming is Secretary of State Acheson's statement of January 15 in reply to Congressman JAVITS, tacitly approving such action on the part of Great Britain. As you well know, the Arab nations have continuously indicated their intention of renewing hostilities, whenever circumstances become favorable. We cannot help but feel, therefore, that our State Department's official approval of such rearmament will encourage, if not serve as justification for, open aggression on the part of the Arabs.

It is imperative that prompt action be taken to stop immediately any further shipment of arms to the Arabs. It would seem that a clear, positive and unequivocal statement of policy by the United States in opposition to Great Britain's activities in this regard and insistence on immediate stoppage of further arms shipments is absolutely essential to prevent the recurrence of open hostilities between the Arab states and Israel. Unless their effective rearmament is prevented, open warfare will sooner or later be precipitated by the Arab nations.

The internationalization of any territory in and about Jerusalem is unnecessary to the accomplishment of the objectives urged by the United Nations in support of such proposal. What is really desired is the safeguarding of the Holy Places and insuring universal accessibility to them. The establishment of a United Nations Commission without territorial sovereignty would appear to be a much more desirable means of attaining these objectives. This is the recommendation of a fact-finding mission of

Christian leaders and spokesmen, composed of well-known leaders of various Protestant denominations, sent to Israel by the American Christian Palestine Committee. For your information I am enclosing a copy of the press release of the American Christian Palestine Committee indicating the composition of the fact-finding mission and containing the full text of its report, which has just recently been issued.

At the present time Israel is being subjected to powerful pressures to make concessions to the promoters of the idea of internationalization. Both Israel and Jordan are being urged to come to a speedy agreement accepting internationalization in principle. To this end the chairman of the United Nations Trusteeship Council, Roger Garreau, has proposed an amendment to limit the area and scope of internationalization. The new scheme, full of inconsistencies and political appeasements, in no way contributes to making internationalization any more acceptable or workable. In fact, the smaller the area of internationalization, the more unworkable the plan becomes.

We are greatly disturbed by the more recent attitude of our State Department and the UN delegation. After voting and speaking against internationalization, the United States delegation and State Department have become passive and indifferent toward all developments. They seem officially to be drifting and unconcerned as to what may develop. Nevertheless, we have reason to believe that the anti-Israeli forces in the State Department are active in exerting influence wherever they can in favor of anti-Israeli proposals. We feel that the State Department should reassert its original position. In other instances the United States has actively pressed its point of view despite unfavorable United Nations action, and there is every reason for its doing so in this instance. Internationalization, whatever the extent and form it may take, will not be accepted, will lead to continuing bitterness and disagreement, and will provide an ever-present irritant and one highly likely to occasion hostilities. We believe that only President Truman, with his great authority, acting promptly and vigorously, can save the situation.

We know that you have not only a full and complete understanding of these problems and their implications for world peace but also a sympathetic point of view. We need not, therefore, call your attention to the gravity of the situation and the necessity of prompt and vigorous action. We feel certain that you will be eager to do all that you can and, therefore, we do not feel any hesitancy in calling upon you for assistance. Without meaning to indicate the manner in which you can be of service, since you know far better than we how to make your efforts felt, we would very greatly appreciate your doing the following:

(1) Bringing these matters to the attention of the President and the State Department and requesting both the President and the Secretary of State to intervene officially and take a firm stand upon both problems;

(2) Making a speech in the Senate and inserting the report sent you herewith;

(3) Acknowledging this communication and favoring us with a reply which we could use in appropriate news stories to be published in the local newspapers.

I need not assure you that the Jewish people of Oregon who are represented by the organizations composing the Portland Zionist Council will feel deeply indebted to you for your help.

Sincerely yours,

MIRIAM F. ROSENFELD,
Mrs. Ben Rosenfeld,
Chairman, Portland Zionist Council.

[From the American Christian Palestine Committee, New York, N. Y.]

REPORT BY CHRISTIAN FACT-FINDING MISSION ON JERUSALEM—REJECTS INTERNATIONALIZATION PLAN AFTER INVESTIGATION THERE—RECOMMENDS ESTABLISHMENT OF UNITED NATIONS COMMISSION WITH NO TERRITORIAL SOVEREIGNTY TO INSURE UNIVERSAL ACCESSIBILITY TO HOLY PLACES

NEW YORK, January 19.—A fact-finding mission of Christian leaders and spokesmen, sent to Israel to investigate the feasibility of the internationalization plan for Jerusalem, today made public its findings at a press conference held under the auspices of the American Christian Palestine Committee, sponsoring group of the investigatory commission.

The fact-finding mission's report, which was unanimous, concluded primarily that the United Nations plan to internationalize the Jerusalem area is dangerous and unnecessary. Having rejected the internationalization plan, it recommended that a United Nations Commission with no territorial sovereignty be established in order to insure the free accessibility of the Christian world to the holy places of Jerusalem.

"Guaranties should be given to such a commission by both Jordan and Israel assuring the freedom and sanctity of the sacred places within their territories. This is all that the Christian world has a right to require of two sovereign states, which we believe will in time compose their differences. This making of the peace will be accomplished all the more speedily if Israel and Jordan are encouraged in their negotiations by the western powers," the report emphasized.

Members of the investigation commission, who occupy leading positions in the Presbyterian, Methodist, Baptist, and Congregational denominations included: Dr. Samuel Guy Inman, former adviser on Latin-American affairs to the State Department and member of the Federal Council of Churches' Commission of International Goodwill; Dr. Charles J. Turck, president of Macalester College in St. Paul, Minn., and president of the National Council of Presbyterian Laymen; Mrs. M. E. Tilly, member of President Truman's Commission on Civil Rights and field representative of the southern regional council; Dr. John W. Bradbury, editor of the National Baptist magazine, The Watchman-Examiner; Dr. Ralph W. Riley, president of the American Baptist Theological Seminary; and Prof. Victor Obenhaus, of the University of Chicago, national chairman of the Council of Social Action, Congregational Christian Church of America.

The report was transmitted to Hon. Dean Acheson, United States Secretary of State; Hon. Roger Garreau, president of the United Nations Trusteeship Council; and Hon. Francis B. Sayre, United States delegate to the Trusteeship Council.

The Jerusalem investigation group disclosed that while it was in Israel and the Holy City, it had discussed the problem of internationalization with representatives of the Coptic Church, the Greek Catholic Church, the Coptic Catholic Church, the Roman Catholic Church, ministers of Protestant groups, and with Jews and Arabs. From these discussions, the fact-finding mission was able to conclude, according to its report, that the UN plan was unworkable.

"The overwhelming majority of leaders of religious groups we interviewed expressed the belief it would not work. Many held it was impractical and certain to add confusion and impede peace negotiations now in progress," the report stated.

The mission called upon the United States Government to press for a reconsideration of the United Nations Assembly decision. It asserted that a reconsideration by the United Nations of its internationalization plan was within the prerogatives of the international organization and that the formulation of a just and workable plan for guaranteeing the sanctity of the holy places would enhance its prestige and power.

The full text of the report follows:

"The undersigned have just completed an extensive visit to Israel as an unofficial, completely independent fact-finding mission of the American Christian Palestine Committee. We have observed conditions existing in both Jewish and Arab areas. Cities and localities covered include Tel-Aviv, Jaffa, Haifa, Jerusalem, Nazareth, Tiberias, Beer-Sheba, and many intervening points in the Negev, Judea, and Galilee. We discussed the problem of the internationalization of Jerusalem with representatives of the Israel Government, the Coptic Church, the Greek Catholic Church, the Copt Catholic Church, the Roman Catholic Church, protestant churches, and with Arabs (both Christian and Moslem), as well as with many city officials and administrative officers. From these discussions we have come to the following conclusions:

"1. We believe that the plan to internationalize the Jerusalem area is dangerous and unnecessary. The overwhelming majority of leaders of religious groups we interviewed expressed the belief it would not work. Many held it was impractical and certain to add confusion and impede peace negotiations now in progress.

"Total internationalization is not necessary for the protection of the holy places. Neither the Arabs nor Israel has any other plan or purpose than to protect and preserve them. Moslems have kept these places inviolate for many centuries, and virtually all of them are now in Arab hands. There is not the slightest evidence that Israel will molest or limit the use of any religious institution or shrine.

"There is complete religious freedom in Israel. The many leaders of religious institutions interviewed all declared they were in no wise interfered with in their functions.

"2. The prevailing conviction was that when the bitterness created by the recent war will have diminished, Israel and the Arabs would yet come to an agreement in these controversial matters, provided external interference did not complicate the problem.

"An illustration of such adjustability between Arabs and Israelis is to be found in Nazareth. A predominantly Moslem community, with a Moslem mayor (Yousef Fahoum), this city nevertheless has about 3,000 Roman Catholics, 3,000 Orthodox, and several thousand Protestants. This city is under Irsaeli military administration. However, the mayor assured us that he was free in the exercise of his functions. Thus in a city, the Arab authorities of which had wisely decided that the people would remain in their homes and not flee to Arab Legion territory, the same peace, harmony, and freedom exist which are characteristic of all Israel. This area is represented in the Knesset (Parliament) by three Arabs. It is our conviction that the cooperative and harmonious relationship existing between Israeli officials and Christian institutions in Nazareth is the strongest possible evidence against any need for the maximal internationalization of the Jerusalem area.

"3. We regard as utterly false and without any factual support the report that Israelis have desecrated religious institutions, churches, or shrines since the fighting ceased. The Government of Israel has established a department of religious affairs,

dealing constructively and fairly with the complex religious communities in her territory. A special division concerns itself with Christian organizations to see that Christian communities and activities are protected and to maintain agreeable relationships with the Government of Israel. The actions of this division are greatly encouraging to all religious leaders. We would add with conviction and appreciation that the prevailing spiritual attitude of the people and Government of Israel is a further guaranty of all religious rights. These people have undergone the trials of a bitter war. They are building a society, established on the principles of full equality and liberty, and they should be encouraged and sustained by all Americans who believe in these principles not only for the Middle East, but for all the world.

"Numerous Christian and Moslem institutions have been protected by express orders of the Israel Government, with signs conspicuously posted, and it was evident from our inspection of the premises that these orders are carefully obeyed. In many cases, where the building has been caught in the line of fire, restitution has been made and restoration is in process.

"4. On the basic issue of internationalization, we would caution against the drafting of a Jerusalem statue by the United Nations that would interfere with the just territorial sovereignty of any nation, in this case the territory of Israel and Jordan. Both of these nations properly object to the UN plan on this ground. Freedom of access and protection of the holy places can easily be secured without the internationalization of territory or people.

"5. The Garreau plan for internationalization is, in our opinion, a decided improvement over previous maximal schemes but is still too inclusive.

"It is hardly justifiable to exclude so obvious a holy place as the Mosque of Omar of the old city from an internationalized zone, and then to include a portion of the business district of the new city, and the entire Mount Scopus where absolutely no legally established holy places are to be found. To advance such a plan on the ground that the territory to be taken from Israel and Jordan must be equalized is to condemn the plan by demonstrating that the major consideration is not concern for the holy places.

"The greatest criticism advanced against all plans outlined to date is that they were drafted without regard to the wishes of the citizens of the old and new Jerusalem, but rather from the political considerations of the various member governments of the United Nations and by outside interests. The one exception is to be found in that part of the Garreau plan dealing with Bethlehem. There the wishes of the people seem to have been considered, for it is proposed that the Church of the Nativity alone be internationalized and that the remainder of the city remain under the administration of Jordan.

"6. While this fact-finding mission had as its purpose the study of the internationalization of Jerusalem we could not escape the human problems arising out of the tragedy of war, such as homelessness, the displacement of peoples, and the psychological problems besetting both peoples. We believe that these human tragedies must be alleviated in the spirit of attaining the maximum justice for both Jews and Arabs. It was apparent to us that these human problems cannot be resolved in any permanent fashion except as a part of an over-all peace signed between the several Arab States and Israel. It is therefore of overwhelming importance, both for this purpose and for any permanent adjustment concerning the sacred sites, to effect a speedy peace settlement.

"7. The plan we, as fact finders, now propose is the setting up of a United Nations Commission, with no territorial sovereignty, but with full right to seek the removal of existing limitations of access to the Old City of Jerusalem and the holy places, all of which are in Arab territory. Guarantees should be given to such a commission by both Jordan and Israel assuring the freedom and sanctity of the sacred places within their territories. This is all that the Christian world has a right to require of two sovereign states, which we believe will in time compose their differences. This making of the peace will be accomplished all the more speedily if Israel and Jordan are encouraged in their negotiations by the western powers."

Accordingly, we call upon our Government to press for a reconsideration of the United Nations Assembly decision and to urge the adoption of a plan such as outlined above. We would point out to all who are justifiably interested in the prestige and power of the UN that the reconsideration of its decision is within the prerogatives of the international organization, and that the formulation of a just and workable plan for guaranteeing the sanctity of the holy places will enhance its prestige and power.

Dr. JOHN W. BRADBURY.
Dr. SAMUEL GUY INMAN.
Dr. VICTOR OBENHAUS.
Dr. RALPH W. RILEY.
Mrs. M. E. TILLY.
Dr. CHARLES J. TURCK.

ARMAMENT OF ARAB STATES

Mr. MORSE. Mr. President, on yesterday I wrote to the Secretary of State a letter dealing with the question of the allegations concerning the armament of the Arab states and the belief on the part of a great many Jewish leaders in America and other leaders who are friends of the Israel cause that the result of such an armament will be to carry on war against Israel. I have called upon the Secretary of State to send to me a statement of the position of the State Department in respect to such armament, and to advise me whether there is anything to the allegation that Great Britain is arming or is participating in the arming of the Arab states, with the use of ECA funds. As one who supports the objectives of ECA, I raise my voice today in protest of the use of any ECA funds by Great Britain for the arming of Arab states.

I ask unanimous consent to have my letter to Mr. Acheson printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 6, 1950.

Hon. DEAN G. ACHESON,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: I am receiving a great deal of mail from many Jewish people in the United States who are very much concerned about what they allege is a rearmament of the Arab states by Great Britain. They advise me that Great Britain is furnishing the Arab states with arms and they claim that indirectly the United States is a party to this rearmament through the use of ECA funds by Great Britain.

I shall appreciate it if you will advise me as to what the State Department believes the facts are concerning the charges which are being made to the effect that the Arab states are rearming for war against Israel and that Great Britain is helping them with that design.

I fear that any outbreak of war in the Middle East might very well be the spark which would set off a series of international incidents that might prove to be disastrous to the peace of the world. An armament race between the Arab states and Israel at this time of growing world tensions should be avoided if at all possible. Israel has proven that she is a friend of the United States and a defender of democratic processes. It seems clear to me that we should not stand by in silence if it is true that warlike designs are being planned against her by the Arab countries.

I shall appreciate any information which the State Department can send to me on this issue which I can use in advising those who have been writing to me about it.

With best wishes,

Sincerely yours,

WAYNE MORSE.

EXCISE TAXES

Mr. FLANDERS. Mr. President, I ask unanimous consent to read into the RECORD a broadside on excise taxes, of 3 minutes' reading time.

The PRESIDENT pro tempore. Without objection, the Senator may proceed.

Mr. FLANDERS. It reads as follows:

All the livelong day Gus Mann, reaches out at 6 a. m. on a dark December morning to turn off the alarm clock (price, $5; tax, $1). He climbs sleepily out of bed (price, $195; annual personal property tax, 75 cents), walks across the floor and switches on the electricity (33 cents tax on his $10 monthly bill).

To music from a bedroom radio (price, $30; tax $3) Gus shaves with his electric razor. He slaps across his chin a handful of bay rum (price, $1.30; tax, 26 cents). He dresses quickly and hurries to the kitchen, putting on his Swiss wrist watch as he goes (price, $60; tax, $12[1]).

He's just in time to snatch two slices of bread from the electric toaster (price, $16; tax, $1.60), lift his coffee from the gas stove (price, $190; tax, $19), and grab a glass of fruit juice from the refrigerator (price, $300; tax, $30). He calls good-by to his wife (marriage license, $2), gets his car (price, $1,800; tax, $105[2]), and drives (operator's license, $1) to work.

Gus lights a cigarette (price per pack, 9 cents; Federal tax, 7 cents) with a match (tax 5½ cents per 1,000).

At work Gus sighs (no tax) and settles down to his job (annual income, $2,500; Federal income tax, $73; social-security tax paid by employee, $25; and by employer, $25). If he works hard for the rest of his life, he may be able to save enough to provide the Government with a slice of inheritance tax. And if he dies in the right State, he can take comfort in the fact that his casket, provided it costs less than $100, will be exempt from any sales tax.

DISPLACED PERSONS

Mr. McCARRAN. Mr. President, I ask unanimous consent to insert in the body of the RECORD at this point certain communications and resolutions bearing on the subject of displaced persons.

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[1] Not counting customs duty.

[2] Plus annual registration of $8, tax of 5 cents on each pound of a new tire, tax of 5 percent on each new part or accessory; State and Federal gasoline tax average, 5½ cents per gallon.

There being no objection, the letters and resolution were ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL FOR PREVENTION OF WAR,
Washington, D. C., March 7, 1950.

The Honorable PAT MCCARRAN,
Chairman, Senate Judiciary Committee,
United States Capitol,
Washington, D. C.

DEAR SENATOR MCCARRAN: The enclosed is a certified true copy of the letter from the Lutheran Church, Missouri Synod, endorsing the McCarran definition of displaced persons.

You might find it helpful in your campaign to get equal rights for the expellees.

Best wishes.

Sincerely yours,

JAMES FINUCANE,
Associate Secretary.

THE LUTHERAN CHURCH,
MISSOURI SYNOD,
DEPARTMENT OF PUBLIC RELATIONS,
Washington, D. C., March 3, 1950.

Mr. JAMES FINUCANE,
Associate Secretary, National Council for Prevention of War,
Washington, D. C.

DEAR MR. FINUCANE: The public-relations department of the Missouri Synod is not registered for lobbying in Washington.

On the other hand I greatly admire the work you are doing and I hereby authorize you officially to state, whenever you find it desirable to do so, that the Lutheran Church, Missouri Synod, is solidly in favor of the McCarran definition.

I have taken other means, naturally, to let this be known through other channels.

Thanks for everything you have done.

Cordially yours,

OSWALD C. J. HOFFMANN.

WASHINGTON, D. C., *March 7, 1950.*

I, Oskar W. Egger, notary public in the District of Columbia, hereby certify that this is a true and correct copy of the original letter.

[SEAL] OSKAR W. EGGER,
Notary Public.

My commission expires September 14, 1953.

AMERICAN LEGION,
SAMUEL A. WHITAKER POST, NO. 482,
Phoenixville, Pa., February 10, 1950.

The Honorable PAT MCCARRAN,
United States Senate, Washington, D. C.

DEAR SENATOR: It has been brought to our attention that the bill, H. R. 4567, which would increase the number of displaced persons to enter this country.

The members of this post, at a regular meeting of the Samuel A. Whitaker Post, No. 482, American Legion, Department of Pennsylvania, voted that I write to you and ask your support to oppose this bill.

Respectfully yours,

ELMER E. SCHAEFFER, Sr.,
Adjutant, Post No. 482.

LIEUTENANT WM. G. JUNKIN
POST NO. 1213,
VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Philadelphia, Pa., February 7, 1950.

Mr. PAT MCCARRAN,
Senator, Nevada,
United States Senate,
Washington, D. C.

DEAR SIR: At a regular scheduled meeting of this post, it was brought to the attention of the body assembled: your views of the displaced persons situation.

It is the unanimous opinion of the assembled body that the facts presented in the statement to be right by personal observation of the group. We have found that a number of displaced persons are being employed by concerns that, if it were not for these migrating peoples, the veteran of the United States armed forces would have a better chance in seeking and obtaining employment in his own locale.

Sincerely,

CHARLES G. ANDERSON,
Commander.

Attest:

ED SCHWAB,
Adjutant.

RESOLUTION ADOPTED BY TWENTY-FOURTH WOMEN'S PATRIOTIC CONFERENCE ON NATIONAL DEFENSE, STATLER HOTEL, WASHINGTON, D. C., JANUARY 26–28, 1950; 45 COMPONENT ORGANIZATIONS REPRESENTING ABOUT 3,000,000 WOMEN

Resolution 18

Resolution to adhere to existing laws and quotas for immigration and displaced persons

Whereas our present immigration laws provide for a quota system allocating a definite number to each nationality mentioned, such allocation not to be interchangeable among quotas; and

Whereas our own American citizens, and particularly millions of our veterans of World War II are entitled to our first consideration in regard to education, housing, and employment; and

Whereas certain pressure groups have been lobbying in the Congress for the repeal of all our safeguards on immigration, and are spending millions of dollars for the dissemination of propaganda for that purpose; and

Whereas every immigrant to this country makes it more difficult for an American citizen to keep employment or to find housing, while the children of immigrants increase the crowding in our already overcrowded schools: Now, therefore, be it

Resolved, That the Twenty-fourth Women's Patriotic Conference on National Defense demand that our Government adhere strictly to the existing immigration laws and quotas which govern immigration to the United States of America, and to the laws now in force which strictly limit the entry of displaced persons; and be it further

Resolved, That the Congress permit no increase in immigration or additional entry of displaced persons, either by special legislation, unused quotas, or by Executive order until all our veterans have secured education, housing, and employment.

CORRECTION OF VOTE

Mr. MARTIN. Mr. President, on page 2034 of the daily RECORD of February 20, 1950, I am recorded as voting "nay" on the substitute of the Senator from Nebraska [Mr. WHERRY]. That was an error, and I ask unanimous consent that my vote may be changed from "nay" to "yea."

The PRESIDENT pro tempore. Is there objection?

Mr. LONG. Mr. President, reserving the right to object, I believe the majority leader yesterday had a question about the procedure, on the ground that it might set a bad precedent. I should like to inquire whether the majority leader is still of that opinion.

Mr. LUCAS. Mr. President, I desire to make a brief statement. I shall not object to the unanimous-consent request made by the Senator from Pennsylvania. It is my understanding that the RECORD definitely shows the Senator made a speech on one side of the question but voted contrary to the sentiments expressed in his remarks. Obviously it was a mistake, which the Senator did not correct at the time of the recapitulation of the vote. However, Mr. President, I want to say I believe sincerely that what we are asked to do would set a very bad and dangerous precedent. Once we begin to change votes in the permanent RECORD, after they have been made and have stood for some time, we definitely invite trouble. I shall not object in this instance, but I serve notice now that in the future, when a mistake of this kind is made and is allowed to stand for this length of time, I, as majority leader, shall be compelled to object, because I believe it is good parliamentary practice to do so.

Mr. WHERRY. Mr. President, I agree with much of what the majority leader has said, but I am not objecting to the request; in fact, I wholeheartedly favor it. My reason for taking this position is that in this particular instance the distinguished Senator from Pennsylvania delivered a speech on the subject, in line with his complete thinking on the matter. The vote is a complete contradiction of his statement. It was an error. I think the request is certainly one which should not be refused. In my opinion it does not create a precedent. It is in keeping with the Senator's thinking on the subject then before the Senate, and it is in keeping with his thinking on the matter throughout all the years he has been in the Senate. In substance, the Senator simply wants to change his vote. He has made his position clear. The change requested is in keeping with the sentiments of the Senator from Pennsylvania on the subject, and with the speech he made immediately before the vote on the amendment to the resolution which was then pending. Furthermore, to permit the change requested would not change the action of the Senate on the amendment in question, and it would not affect the final action on the resolution.

Mr. LUCAS. Mr. President, the statement just made by the Senator from Nebraska is very important. The Senator states that the granting of the request to change the vote of the Senator from Pennsylvania would not affect the Senate action which was taken on the amendment at the time. However, I think it will be found, if anyone desires to examine the records, that over a period of time, many a Senator has changed his mind; he has perhaps made remarks indicating that he favored a bill, yet, at the last moment, when Senators came to him to plead with him to vote a certain way, even though he made a speech on the opposite side of the question, he proceeded to comply with the request. I do not say at all that that happened in this instance. I am satisfied the distinguished Senator from Pennsylvania is absolutely sincere in what he is attempting to do. But regardless of that, Mr. President, I repeat what I said a moment ago, that I shall be compelled to object, in the future, because it is the duty of a Senator present

and participating in a yea-and-nay vote to listen to the recapitulation and, if an error is made, to ask that it be corrected then and there.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF THOMAS MASARYK

Mr. LUCAS. Mr. President, I ask unanimous consent that my colleague the Senator from Illinois [Mr. DOUGLAS] be permitted to address the Senate for a few moments on a very important matter.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the junior Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, it has been said that great men are both historians and prophets. As historians, they hold in their hearts all past hopes for a good society. As prophets, they hold in their minds the path by which such a society can be reached. When men of this sort are born, great events are born with them. And though the outer form of their work may be changed by years, the hopes and ideas they voiced lead an immortal life and guide the hearts of men from age to age.

Thomas Masaryk, who was born 100 years ago today, has an honored place in the company of these great men. A gifted scholar, he was trained in the western liberal tradition and in knowledge of American political institutions. But he did not limit his learning to books or to university halls. He chose instead to merge his learning in a supremely creative act of freedom. He was as patient as he was passionate, as single-minded as he was adroit, as brave as he was brilliant. For he had a cause worthy of his talents. It was to create the Republic of Czechoslovakia.

Thomas Masaryk lived to enjoy the early fruits of his incredible labors. Chosen by his countrymen as their first President, the policies he instituted established Czechoslovakia as a state for which Pericles spoke over 2,000 years ago when he said:

> We do not copy our neighbors but are an example to them. It is true we are called a democracy, for the administration is in the hands of the many and not of the few. But while the law secures equal justice to all alike in their private disputes, the claim of excellence is also recognized; and when a citizen is in any way distinguished, he is preferred to the public service, not as a matter of privilege, but as a reward of merit. Neither is poverty a bar, but a man may benefit his country whatever be the obscurity of his condition. There is no exclusiveness in our public life, and in our private intercourse we are not suspicious of one another, nor angry with our neighbor if he does what he likes; we do not put on sour looks at him which, though harmless, are not pleasant. While we are thus unconstrained in our private intercourse, a spirit of reverence pervades our public act; we are prevented from doing wrong by respect for authority and for the laws, having an especial regard to those which are ordained for the protection of the injured as well as to those unwritten laws which bring upon the transgressor of them the reprobation of the general sentiment.

This was the Czechoslovakia of Masaryk's dream. And this was the Czechoslovakia the world saw emerging in the decades following the end of the First World War. But twice within the last 10 years armed evil has clawed the throat of this people. Twice within 10 years the Periclean words describing the nature of Masaryk's Republic were twisted into horrible caricatures of themselves. First under the Nazis and then under the Russians, the few ruled the many. Equal justice became party justice. Blind loyalty to the ruling clique replaced merit as a qualification for public office. Suspicion and distrust replaced friendliness of manner. Isolation and exclusiveness replaced hospitality. Calculated mockery for all things sacred replaced a spirit of reverence. Fear of the hangman and the concentration camp replaced a self-disciplined respect for law.

With truth set on its head, is it any wonder that first the Nazis and now the Russians have barred any commemoration of Thomas Masaryk's birth? Is it any wonder that they would try to erase the memory of his life and labors? His very name threatens them. His very name is a summation of all that resists them. So long as a mere spark of his memory is kept alive, it can leap to flame and yet consume them.

If an enslaved Czech people cannot at this moment pay full honor to Masaryk on the occasion of the one hundredth anniversary of his birth, we in the Senate have a double duty to do so. For this great man belongs to us as well as to the Czechs. By our commemorative act, we tell them and ourselves that all is not lost; that this creator of a free nation lives in our hearts; that we will keep his memory alive until the day the whole world can openly honor it with us; that in God's good time, the liberating power of his ideas will free men from all those who seek to rule in violation of what he represents.

On one occasion in his lifetime, Thomas Masaryk voiced a word of hope that should be recalled in this melancholy hour:

> The strongest argument for democracy—

He said—

> is faith in man, in his spirit and immortal soul. That is true equality. Ethically, democracy is based on the political realization of love of one's neighbor. The eternal (soul) to the eternal cannot be indifferent, the eternal cannot misuse the eternal, it cannot exploit and violate it.

To these words, on this anniversary day, we add, "This doctrine shall be the law of our life."

DISPLACED PERSONS BILL—PERSONAL STATEMENT

Mr. EASTLAND. Mr. President, on last Saturday, under a unanimous-consent agreement, the senior Senator from Mississippi had the floor when the Senate convened at 12 o'clock noon. He yielded the floor to the junior Senator from New York [Mr. LEHMAN]. I had talked to the junior Senator from New York on two occasions, and he did not tell me that he intended to attack me. When I was absent from the Chamber and was in the dining room, he attacked me without warning. Mr. President, I submit that that was very unethical conduct on the part of the junior Senator from New York.

I read from the CONGRESSIONAL RECORD of last Saturday:

> Mr. LEHMAN. The Senator from New York was on the floor yesterday; and he heard more misstatements and more inaccuracies than he ever thought it possible to be made on the floor of this great deliberative body, the Senate of the United States.

Mr. President, the Senator from New York had reference at that time to the senior Senator from Mississippi. Not a word of that statement is true.

At the conclusion of his speech, when I was called by my colleagues to return to the floor, the Senator from New York was requested to list the inaccuracies and misstatements which he said the senior Senator from Mississippi had made. He listed one statement. I understand he has placed other statements in the RECORD today, which he says are inaccurate. I shall speak on them when I have an opportunity. He did not give me the courtesy of letting me have a copy of his statement.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. LEHMAN. I ask the Senator to yield long enough so that the Senator from New York can read on the floor of the Senate a statement pointing out the inaccuracies to which reference has been made.

Mr. EASTLAND. I shall be through with my statement in a minute, and then I shall yield to the Senator at that time for that purpose.

Mr. President, the principal inaccuracy which the Senator from New York said the Senator from Mississippi stated was that the Immigration and Naturalization Service did not have the power to veto for any cause, an applicant for admission into this country as a displaced person. The truth of the matter is, Mr. President, that as the Senator from Mississippi has stated time and time again, the Displaced Persons Commission has the final authority with reference to the qualifications of a person as a displaced person. The Immigration and Naturalization Service can veto the entry of an immigrant under the general immigration law. A displaced person has two categories. One category is that of a displaced person, and the decision of the Displaced Persons Commission on that question is final. I placed in the RECORD an administrative ruling of the Displaced Persons Commission which made its determination final. Under the general immigration law, he can be vetoed by the Consular Service and the Immigration and Naturalization Service; but the Senator from Mississippi stated time and time again that action by the Consular Service and the Immigration and Naturalization Service is worthless; that in the category of displaced persons, they are limited largely to the file. The file originated in an international organization, the IRO. It was made up by displaced persons and was then sent to the Displaced Persons Commission.

Mr. President, I desire to read from the RECORD of last Thursday, as follows:

Mr. WITHERS. The power of the Immigration Service is limited to passing upon matters pertaining to the Immigration Service and the immigration laws, is it not?

Mr. EASTLAND. Yes.

Mr. WITHERS. And not to pass upon displaced persons?

Mr. EASTLAND. That is true, and all the testimony before the committee bore that out.

Then, Mr. President, I inserted in the RECORD the ruling of the Displaced Persons Commission. I read further from the RECORD:

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield.

Mr. LEHMAN. I wonder whether the Senator will not agree with me that it is a fact that while the Displaced Persons Commission makes the decision with regard to the applicant's eligibility under the displaced-persons law, no applicant can be admitted to this country except after a scrutiny from the Immigration and Naturalization Service and a visa from the United States Consular Service?

Mr. EASTLAND. Yes; but the weakness there is that he gets his information from the file prepared by the IRO.

In a further colloquy with the junior Senator from New York the Senator from Mississippi said:

Mr. President, the second question is this: The consular service of the United States says: "We can better protect our country if we are given the veto power." It says that the consular service and the Immigration Service have had authority to veto each other for years, and now they want to have the same power in the field in which the Displaced Persons Commission operates.

That was the reason why that provision was placed in the committee bill.

Mr. President, the Senator from New York made this further statement:

Statement after statement was read and reread. But when the Senator from New York asked the authority for those statements, he was told that one man or another man came to a hearing and made an informal statement or whispered into the ear of this Senator or that Senator; but there was no proof. I asked time and time again, "Give me the proof of this."

Mr. President, that statement in its entirety is untrue, and I am constrained to believe that it was a deliberate untruth, for the reason that the RECORD shows that the Senator from Mississippi read the testimony of every witness to whom he referred, except in the case of Mr. L'Heureux, who was merely called in.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. EASTLAND. For a question.

Mr. LEHMAN. Is it not a fact that the Senator from Mississippi in his remarks time and time again said that the testimony given by certain of the witnesses, notably the Chief of the Visa Division of the State Department, was purely informal? Is it not true that I asked the Senator from Mississippi to give me that testimony in writing, and he said, "I cannot do it because it is informal"? Is it not true that there has been no printed record made of the hearings that have gone on for nearly a month in the Committee on the Judiciary, so that the Members of this body could judge for themselves the accuracy or the lack of accuracy of statements made?

Mr. EASTLAND. Mr. President, we are simply in the process of having the hearings printed.

Mr. McCARRAN. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. Yes; but I should like to comment on the statement of the Senator from New York.

Mr. McCARRAN. I will say that that is not true. Not a word of it is true. The transcript of every hearing that has been held is ready for Senators to look at.

Mr. LEHMAN. Will the Senator from Mississippi yield for a question of the Senator from Nevada?

Mr. EASTLAND. I yield.

Mr. LEHMAN. Is it true that there has been any public record made of the hearings on these bills we are considering, so that the Members of the Senate could decide on the facts for themselves?

Mr. McCARRAN. The records are available to the Members of the Senate.

Mr. LEHMAN. Is it a fact that they have not been printed?

Mr. McCARRAN. They have not been printed, but they are available to the Senator now, and have been all the time.

Mr. LEHMAN. How many, I should like to ask?

Mr. McCARRAN. Every hearing has been printed.

Mr. LEHMAN. They have not been printed, have they?

Mr. McCARRAN. Every hearing has been printed.

Mr. LEHMAN. And made available to the Members of the Senate?

Mr. McCARRAN. And made available to the Members of the Senate in transcript form.

Mr. LEHMAN. In printed form?

Mr. McCARRAN. In printed form.

Mr. LUCAS. Mr. President, I demand the regular order.

The PRESIDENT pro tempore. The regular order is demanded. The Senator from Mississippi has the floor.

Mr. EASTLAND. The statements by the Senator from New York about the hearings being printed are beside the point. That is not what the Senator from New York said. I read again:

Statement after statement was read and reread. But when the Senator from New York asked the authority for those statements, he was told that one man or another man came to a hearing and made an informal statement or whispered into the ear of this Senator or that Senator.

Mr. President, I submit that statement is untrue. The RECORD reflects that nothing like that was said, but that the Senator from Mississippi read the testimony of every single witness from which he quoted. The Senator says that the Senator from Mississippi said that Mr. L'Heureux came before the committee and testified. The Senator from Mississippi said time and time again that Mr. L'Heureux was asked up, while we were writing the bills, for an informal conference so that we might have his views on certain provisions of the bill. That statement is correct. Every Senator who has been here for any length of time knows that it is customary to call up officials from departments for informal conferences on bills, and never to take down testimony of what they say. The Senator is attempting to engraft an unheard of procedure on the Senate. The Senator says: "I asked time and time again, 'Give me proof of this.'"

Now, Mr. President, I submit that the records will show an utter absence of any such question by the Senator from New York, unless it was when he asked me about Mr. L'Heureux. That statement, Mr. President, was and is untrue.

Mr. NEELY. Mr. President, I call the Senator to order and invoke the enforcement of Rule XIX, which includes the following:

No Senator in debate shall, directly or indirectly, by any form of words, impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

The Senator from Mississippi has by words not only imputed, but expressly charged, that the Senator from New York has made statements that are untrue. That charge violates the rule. The Senator from Mississippi should be ordered to take his seat until he chooses to proceed in order.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator will take his seat.

Mr. LUCAS. Mr. President, I move that the Senator from Mississippi proceed in order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois. [Putting the question.]

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Mississippi will proceed in order.

Mr. EASTLAND. I read from the RECORD:

Mr. JENNER. Mr. Tripp testified at a public hearing, and his testimony is a matter of public record. He is the one who said that there are 30,000 doubtful displaced persons in this country.

I would like to call the Senator's attention to the statement made at that point by the junior Senator from New York:

Mr. LEHMAN. Let me point out to the Senator from Indiana that a great point was made by the Senator from Mississippi [Mr. EASTLAND] that the Chief of the Visa Division of the State Department, Mr. L'Heureux, had made certain statements and asked that certain provisions be included in the bill. I asked "Where is the record of that?" Oh, no, Mr. President, the Senator did not give it.

Of course, as I explained, Mr. President, it was simply an informal hearing. It was not one hearing, but three hearings. At the hearings the whole committee was present. Mr. JENNER said, "I have the testimony of Mr. Tripp."

Here is what the Senator from New York said to which I desire to invite the attention of the Senate:

Mr. LEHMAN. I shall be glad to have it, because time after time the Senator from Mississippi told the Senate that no record of that was kept, but that the witness came to the committee and the committee members talked informally. I even pointed out that it was an unusual procedure for a committee which was supposed to be holding a public hearing.

I invite the attention of the Senate to page 2637 of the RECORD of last Thursday, March 2, when the Senator from Mississippi began his speech. Here is what the Senator from Mississippi said:

Mr. Tripp testified last month, February 1950, before the commitee. I read from his testimony as follows:

Mr. President, I read from the testimony of Mr. Tripp. That was taken down at a public hearing of the committee. I read from it for two days. So I say, Mr. President, that when the Senator from New York states that the Senator from Mississippi made the statement that the Tripp testimony was not taken down, but that the witness came to the committee members and talked informally, and when the Senator from New York says, "I even pointed out it was an unusual procedure for a committee which was supposed to be holding a public hearing," that statement of the Senator from New York, I submit on the record, Mr. President, is untrue.

Mr. NEELY. Again I call the Senator from Mississippi to order. He cannot on the floor of the Senate accuse another Senator of telling a falsehood. I ask that the rule be enforced.

Mr. EASTLAND. Mr. President, I have proved the statement from the CONGRESSIONAL RECORD.

Mr. NEELY. Mr. President, it does not matter what the Senator proved. He cannot, in this Chamber, call a Senator a prevaricator without forfeiting his right to the floor.

Mr. LONG. Mr. President, I submit that to say a Senator made an incorrect or untrue statement is not impugning a Senator's motive, unless it be insinuated that the Senator deliberately said something which he knew was incorrect.

The PRESIDING OFFICER. The Senator from Mississippi will take his seat.

Mr. BYRD. Mr. President, I move that the Senator from Mississippi be permitted to proceed in regular order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia. [Putting the question.]

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Mississippi will proceed in order.

Mr. LEHMAN. Will the Senator from Mississippi yield to the Senator from New York?

Mr. EASTLAND. Yes.

Mr. LEHMAN. I ask unanimous consent that the Senator from Mississippi be permitted to proceed in order.

The PRESIDING OFFICER. That motion was carried. The Senator from Mississippi will proceed in order.

Mr. EASTLAND. I am through with my statement. If the Senator from New York desires to ask me any questions, which I said I would answer at the conclusion of my remarks, I am ready to answer the questions now.

The PRESIDING OFFICER. The Senator from Mississippi yields to the Senator from New York for a question.

Mr. LEHMAN. The Senator from New York would like to read a statement to the Senate. I believe the Senator from Mississippi agreed that I may do so. I ask, therefore, that I be permitted to read a statement in reply to the Senator from Mississippi. If I am not permitted to do so, I shall ask to be recognized in my own right.

Mr. EASTLAND. I yield the floor, Mr. President.

Mr. LEHMAN. Mr. President, last Saturday, March 4, colloquy occurred in the Senate between the junior Senator from New York and the distinguished senior Senator from Mississippi. In the course of that colloquy, which occurred, in part, because of my assertion that the senior Senator from Mississippi had made a number of misstatements in the course of his lengthy discussion of displaced-persons legislation, the junior Senator from New York was challenged to point out and to quote the specific misstatements made by the senior Senator from Mississippi.

Of course, the junior Senator from New York was unable to do so immediately, not having the great gift of mind capable of repeating from memory the exact and detailed words which flowed, in such extensive and eloquent volume, from the lips of my distinguished colleague from the State of Mississippi. But over the week end I took the trouble—although it was not really a trouble—to reread some of the statements made by the Senator from Mississippi. I did not have to go far or to continue long in my reading before I had been able to check off a dozen such misstatements. The one and a half pages of the RECORD I examined are only a very small part of the total number of pages devoted to the fluent remarks of the distinguished Senator from Mississippi. I deemed it unnecessary to proceed further with my examination. I hope, however, that other Members of the Senate will find time to study the situation and note from the full RECORD the many other misstatements made on this floor by proponents of the committee bill, mistakenly entitled "The Displaced Persons Bill." It is more accurately a bill to displace the displaced persons. I do not wish to have the Senate feel that I consider myself the leading champion of the substitute measure. The junior Senator from New York is but one of 18 cosponsors of the substitute, and there will be, I believe, a sufficient number of others who will speak and vote for that measure.

Nor do I wish the distinguished Senator from Mississippi to feel that I am seeking to discredit him or to impugn his integrity or sincerity. I have every regard for him, in a personal way. But I fear that in the heat of his enthusiasm for the cause which has engaged him, he has been given erroneous information, and perhaps he has been led into the error of overstatement to a point where it can only be called misstatement of fact.

The senior Senator from Mississippi stated almost at the very beginning of his remarks, on page 2635 of the RECORD, that the IRO "is not concerned with anyone through whose veins flows German blood, regardless of how innocent he might be, regardless of whether he bore arms for this Nation, regardless of whether he served this country."

Mr. President, this is misstatement No. 1. The IRO does not concern itself primarily with Germans, of course. It concerns itself primarily with the victims of the Nazi German nation. The IRO constitution, in whose drafting the representatives of the United States took the most prominent part, confines the jurisdiction of that Organization to displaced persons, excluding German nationals and persons of German ethnic origin who were expelled by the surrounding countries because they were—in active or passive form—collaborators with Hitler, but the IRO constitution does not establish any barrier based exclusively on the possession of German blood, as Hitler did in regard to persons possessing the faintest trace of so-called Jewish blood. Indeed, thousands of persons in the displaced persons category who were given first consideration by IRO were persons of so-called German blood who had been persecuted by Hitler for reasons of their religious faith, or because they believed in freedom and not in tyranny.

As to persons through whose veins flows German blood who bore arms for the United States, there is, of course, no need for the IRO to be concerned with them, since such persons are per se eligible for American citizenship, and need not go through the ordeal which is the displaced-persons program.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I prefer to complete my statement, and then I shall be glad to yield as often or as long as the Senator wishes.

Mr. President, I suggest to Members of the Senate who require clarification on this point a reading of the IRO constitution, the pertinent portions of which are included on pages 9 and 10 of House Report 1507, printed on January 20, 1950.

Misstatement No. 2 is found on the same page, page 2635, of the CONGRESSIONAL RECORD. There the Senator from Mississippi states that the employees of the IRO are not Americans. We are invited by innuendo to consider the spectacle of a polyglot collection of Russians, Hungarians, and Bulgarians deciding who is to enter the United States. Mr. President, the fact is that the IRO is an international organization. But as shown on pages 20 and 21 of the House document already cited, 12.99 percent of the administrative employees of the IRO are American citizens, and 28.93 percent of the operational employees are American citizens. Of the total of approximately 2,500 employees, 440 are American citizens, 844 are British nationals, and 358 are French. I may point out that there are only two persons of Russian nationality on the entire staff—none on the administrative side. The persons on the operational staff are of many nationalities, because of their familiarity with the languages spoken by the displaced persons. Will the Senator from Mississippi tell me how many citizens from his State are fluent in Estonian, Lithuanian, Latvian, Hungarian,

and Rumanian, to name but five of the languages required?

So far as the Soviet Union is concerned—and I think this is of the greatest importance for Senators to know, because I believe an entirely different impression is prevalent—that country is not even a member of the IRO and has insistently and violently attacked the IRO throughout the time of its existence, because the IRO has played such a large part in protecting and assisting the victims of Communist as well as of Nazi tyranny and terror.

I may say that during the time I was in UNRRA, and since then, in the Councils of the United Nations, every effort has been made by Russia to force a return to Russia of the people in the displaced-persons camps who had fled from Russia because of their fear of religious or political persecution.

Misstatement 3: The Senator from Mississippi stated, on page 2635 of the RECORD, that there is no adequate screening of the displaced persons. I believe that the remarks made by the junior Senator from New York on Saturday, March 4, on pages 2803–2809 sufficiently disprove that statement and clearly show that this screening is the most rigorous in American immigration history.

Misstatements 4, 5, 6, 7, and 8 all deal with the same subject, and are to be found in the twenty-seventh, twenty-eighth, and thirty-fifth paragraphs of page 2635 of the RECORD. Those statements allege that the Displaced Persons Commission approves the admittance of persons "when an investigation has shown that they do not meet the qualifications of the act, or that they are criminals or are Communists." The Senator from Mississippi goes on to make much of the alleged failure of the Displaced Persons Commission to await the results of researches in the Berlin documentation center before certifying displaced persons for consideration by the consular and immigration services for admission into the United States. Emphasis is laid on a statement by one Displaced Persons Commission official that a "calculated risk" is taken when such certifications are made in advance of the receipt of information from the Berlin documentation center.

The fact is, Mr. President, that this Berlin documentation center contains nothing but records of membership in the Nazi Party, and of applications for German citizenship. It contains no date on Communist affiliation or membership. My authority for this is the same Mr. Squadrilli who has been so much quoted on this floor. I take my quotation from page 69 of the House report above referred to. The Berlin documentation center contains no records of criminal activities or convictions, other than Nazi Party affiliations. And this same Mr. Squadrilli testified only last Friday before the Senate Judiciary Committee that in only 3 cases—only 3 cases, I repeat—out of the 135,000 displaced persons who have come to the United States, has there been any possibly derogatory security information which did not reach the CIC before the displaced persons left for the United States. He testified that the CIC has in its files a Berlin documentation center check on every single displaced person who has left for the United States.

Misstatement No. 9: The Senator from Mississippi stated in the tenth paragraph of the first column of page 2636 that a displaced person's application could be vetoed by the Immigration Service only under the immigration laws, and by the Displaced Person's Commission under the Displaced Persons Act. Mr. President, the inference is that the major power resides in the Displaced Persons Commission. This is not correct.

The Displaced Persons Commission has the final word on the eligibility of displaced persons—I repeat the word "eligibility" of displaced persons—under the definition of displaced persons contained in the Displaced Persons Act—mainly as to date of arrival in the displaced persons area, and the reasons for arrival. But the consular service has the final word as to admissibility of the individual in question as an immigrant, regardless of whether he is a displaced person or an ordinary quota immigrant, under all the laws of the United States. The State Department and the Immigration and Naturalization Service have the last word as to the established facts—which these services help establish—on political background, moral turpitude, criminal record, and all the other aspects which go to make up a poor security risk o a poor character risk.

Mr. JENNER. Mr. President, will the Senator yield at that point?

Mr. LEHMAN. The Senator from New York will yield at the conclusion of his remarks, when he will be glad to answer any questions the Senator from Indiana wishes to put to him.

I commend to the Senate a reading of subchapter II of title 8 of the United States Code, especially sections 136 and 137, which list 25 or more causes for exclusion of immigrants under the ordinary immigration laws. The Displaced Persons Commission has no jurisdiction under these laws. Some few of these causes for nonadmission are repeated in the Displaced Persons Act and amplified, but the great bulk of the reasons for nonadmissibility, and certainly those which make for a poor security risk, are under the sole jurisdiction of the consular and Immigration Services

The Displaced Persons Commission has final authority only over the question of whether the displaced person is actually a displaced person. In this matter the Displaced Persons Commission has reviewing and veto power over the IRO, and that is right and proper.

Misstatement No. 10: In the first paragraph of column 2, on page 2636, the Senator from Mississippi states that the United States is the only country in the world receiving displaced persons which does not, through its own officials and employees, select the displaced persons for admission into its country as immigrants.

This is a gross misstatement by implication. The implication is that United States officials do not actually select the displaced persons who are allowed to enter the United States, but that, instead, the IRO does so—or, in the words so frequently repeated by the distinguished Senator from Mississippi, that "Displaced persons select displaced persons." This is wholly incorrect. The fact that IRO officials and employees—some of whom may be displaced persons—help the displaced-person applicants to make up their papers and documents is about as significant as the fact that an applicant for immigration to the United States as a quota immigrant may ask another to make up his papers of application for admission into the United States. Those papers are merely applications. Multiple sets of United States officials go over these papers, and at least four United States officials investigate the applicants, with personal interviews. Not only of the applicants but of his neighbors. The International Refugee Organization merely serves as a service body to certify the applicant as fulfilling certain requirements agreed to under an international accord to which the United States has officially subscribed. But the United States Government, through the Displaced Persons Commission, makes the determination as to whether the person is actually a displaced person; and the State Department and Justice Department make the determination as to whether the applicant is admissible and is a good security risk. What better proof is there of this than the fact, as I have already indicated, that the Displaced Persons Commission rejects or disqualifies at the very first step, 29 percent of all the names certified by the International Refugee Organization.

Misstatement No. 11: The Senator from Mississippi, in paragraph 1, column 3, on page 2636, quotes a consular official as saying that a displaced person sitting before the consul, whom the consul knows to have fraudulent papers and to be a bad security risk, cannot be barred by the consul from entering the United States.

Mr. President, if the Senator from Mississippi quoted the consul correctly, the Senator from Mississippi should be moving heaven and earth to have that consul discharged as derelict in his duty under the law, and—to quote the Senator from Mississippi—a perpetrator of moral treason against the United States. That consul, in the full exercise of his powers, may and must refuse to issue such a person a visa. That is his original function, his original responsibility. The record is perfectly clear on that point. The consuls have, and exercise, authority to refuse visas to any displaced person for any material fraud, whether it relates to eligibility or admissibility.

Misstatement 12: The Senator from Mississippi states that according to his interpretation of the testimony of Mr. Tripp, who is Chief of the Immigration and Naturalization Service detail in Europe, the Immigration and Naturalization Service has the power to bar an ordinary immigrant for any purpose, but not a displaced person. I repeat the words of the Senator from Mississippi, "for any purpose." The Senator from Mississippi went on to say that in the case of a displaced person, the Immigration and Naturalization Service does not

have that power, but only the Displaced Persons Commission has that power.

Mr. President, if either the Displaced Persons Commission or the consular service has the right to bar a would-be immigrant "for any purpose," for any reason, this is the first time the junior Senator from New York has known of it. I had always had the impression that our Immigration Service was guided by certain laws, the immigration laws. It is not a fact that an immigration official can bar someone for any trivial reason. The truth is that the reasons for barring immigrants are set down very clearly and precisely in the laws of the United States. No other reasons will do.

Mr. President, the truth is that under the Displaced Persons Act our Immigration Service and our consular service have all the power that they ever had under our ordinary immigration laws, and much more. Even the Senator from Mississippi admitted that the consuls have full authority to refuse visas to displaced persons who are Communists. The consular officials have the same authority where the displaced person has proved his eligibility by fraud. The same power resides in the Immigration Service.

The Immigration Service or the consular service can and must, under the law, bar anyone known to be an anarchist, an advocate of violent revolution, a publisher or writer concerning such doctrines, or a criminal or falsifier, a forger, an embezzler, or anyone who is a poor security risk. The Immigration Service can and does pass tentative judgment on whether the applicant is even a genuine displaced person under the Displaced Persons Act; but the final word on this is, of course, reserved to the Displaced Persons Commission, subject to final veto by the Immigration Service, in cases of fraud. The function of the Displaced Persons Commission, under the public law now in force, is to decide on eligibility, and that alone. That would also be their function under the substitute measure. But under the McCarran bill, the Displaced Persons Commission would be merely a service agency, a sort of third wheel, without jurisdiction or authority. That is bad government. It is bad policy.

Mr. President, in regard to the statement the Senator from Mississippi made in quoting Mr. L'Heureux as urging the granting of veto power to the State Department, I hold in my hand a very interesting telegram addressed to the Senator from West Virginia [Mr. KILGORE] from the same Mr. L'Heureux, who, as we know, is Chief of the Visa Division of the State Department. It throws a strange light on the statement made earlier today by the Senator from Mississippi.

I read the telegram:

> Reference your telegram March 6 requesting my comment relative statements made on the floor of the Senate to the effect that I requested statutory veto power over Displaced Persons Commission's determination of eligibility.
>
> Pursuant request chairman Judiciary Committee, I appeared before full committee in executive sessions and replied frankly to questions raised regarding draft bill then under consideration. I neither requested nor opposed legislation involving suggested veto. I informed committee that question giving consuls authority pass upon eligibility displaced persons as such under Displaced Persons Act, and not merely upon eligibility for visas under general immigration laws, is one for congressional determination, but whatever determination the Congress may decide upon should be delineated in the act. I am interested in avoiding conflicts or absences of authority in implementing whatever legislation might be enacted.
>
> H. J. L'HEUREUX,
> *Chief, Visa Division.*

Mr. President, I may, perhaps, have wearied the Senate. I have not intended to do so. I hope I have not injured the feelings or sensibilities of the Senator from Mississippi. I am merely seeking to get into the RECORD a very incomplete list of misstatements, as requested of me by the able and distinguished Senator from Mississippi.

I could end here. But I should like to get into the RECORD one simple statement which ought to dispel completely, finally, and for all time, all the allegations and innuendoes made on this floor concerning the alleged flood of subversives entering this country as displaced persons. I should like to quote from an authority on this subject, Mr. Peyton Ford, Assistant Attorney General of the United States, who, I understand, has administrative charge of the Federal Bureau of Investigation, the FBI. Mr. Ford stated, under date of November 30, 1949, on the basis of FBI studies, as follows:

> No indication has been received to date that would definitely establish that criminal or subversive elements have been infiltrating into the United States through the operation of the Displaced Persons Act of 1948. However, we have received reports indicating that some persons who have already been admitted to the United States under this act may have been members of, or in sympathy with, various subversive organizations in Europe. Investigations have been initiated on all such reports, and at present there are approximately 20 such cases under investigation to determine whether the aliens are in the United States in violation of the act of October 16, 1918, as amended. To date, no deportation proceedings have been instituted against any such displaced persons, inasmuch as no evidence has been obtained indicating that such persons are deportable.
>
> We have also received reports on approximately 35 cases of displaced persons who have entered the United States, indicating that such persons, in connection with their applications to enter, failed to disclose that they had been naturalized in Germany or that they had been former members of the Nazi Party. The Displaced Persons Commission has indicated that any such person is not considered as a displaced person under the meaning of the IRO constitution. Accordingly, investigations are in progress to determine whether such persons are subject to deportation as having obtained their vias by concealing material facts. To date, no evidence has been obtained which would justify the institution of deportation proceedings.
>
> In the cases of 11 displaced persons, the applicants have been held at the ports of entry for further investigation as to whether they were inadmissible as aliens whose entries would be prejudicial. Of the 11 persons so held, one was permanently excluded on confidential information that her admission would be inimical to the internal security of the United States. Investigations are presently pending in four cases of such aliens held at ports of entry.

Mr. President, that quotation is from the Walters report, from the report of a House subcommittee which itself studied this matter at first hand over a period of weeks, on the ground, in Europe. That statement is to be found on page 83 of the Walters report.

I cannot find a better ending for my remarks than to quote the brief conclusions on this point of the same House subcommittee, which was made up neither of star-gazers nor of persons intent on pole-axing the displaced-persons program. That subcommittee was made up of 10 Members of the House of Representatives from 7 different States of the Union, including Maine, Texas, South Carolina, Kentucky, Ohio, Pennsylvania, and New York. The quotation stating the conclusion of the House subcommittee on this point is as follows:

> Considering that there were over 120,000 displaced persons admitted under the 1948 act, the number of questionable immigrants amounts to one-twentieth of 1 percent, or one possible miscreant out of every 2,000 persons.

The subcommittee concluded, further, that—

> On the basis of meticulous on-the-spot checking on all levels of the European operation, this subcommittee is strongly inclined to believe that the majority of the above-mentioned allegations—concerning the false and fraudulent statements allegedly made by displaced persons desirous of obtaining admission into the United States—could safely be classified as rumors * * * intended to serve a definite purpose.

Mr. President, this last quotation is from the bottom of page 81 of the Walters House subcommittee report.

I rest my case, Mr. President.

Mr. EASTLAND, Mr. HUMPRHEY, Mr. JENNER, and Mr. O'CONOR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. LEHMAN. I yield to the Senator from Mississippi.

Mr. EASTLAND. I want the floor in my own right.

Mr. JENNER. I also want the floor in my own right.

The PRESIDING OFFICER. The Chair understood the Senator from New York to say he intended to yield for a question. Does any Senator desire to have him yield for that purpose?

Mr. HUMPHREY. Mr. President, I should like to ask the Senator a question, if he will yield.

Mr. LEHMAN. I yield.

Mr. HUMPHREY. I have been very much concerned about the allegations and charges which have been made pertaining to the head of the Visa Division. I believe the gentleman's name is Mr. L'Heureux.

Mr. LEHMAN. That is correct.

Mr. HUMPHREY. Will the Senator be kind enough to give me again the substance of the telegram, which I imagine arrived today, so we may have it brought more pointedly to the attention of the Senate?

Mr. LEHMAN. I shall be very glad indeed to read it. It is addressed to the Honorable HARLEY M. KILGORE, and reads as follows:

Reference your telegram March 6 requesting my comment relative statements made floor Senate to the effect I requested statutory veto power over Displaced Persons Commissions determination of eligibility.

Pursuant request chairman Judiciary Committee I appeared before full committee in executive sessions and replied frankly to questions raised regarding draft bill then under consideration. I neither requested nor opposed legislation involving suggested veto. I informed committee that question giving consuls authority pass upon eligibility displaced persons as such under Displaced Persons Act, and not merely upon eligibility for visas under general immigration laws, is one for congressional determination, but whatever determination the Congress may decide upon should be delineated in the act. I am interested in avoiding conflicts or absences of authority in implementing whatever legislation might be enacted.

H. J. L'HEUREUX,
Chief, Visa Division.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. HUMPHREY. As one of the Members of this body, I wish to express my gratitude for the very informative statement which the junior Senator from New York has brought to our attention today. I have one final question. The main issue which seems to be before those persons who as yet have not determined the sort of legislation they would like to support, is the issue of whether the existing procedures of investigation, as practiced under the Displaced Persons Act, properly guarantee the safety and security of our Nation, and at the same time exclude those persons who have subversive tendencies or who in any way would be undesirable or a threat to national security.

Mr. LEHMAN. Mr. President, the Senator from Minnesota has stated the case with complete accuracy. There is full, decisive power in the consular service and in the Immigration and Naturalization Service to exclude any person wishing to enter the country, whether he be a quota immigrant or one desiring to enter under the Displaced Persons Act. They not only have the authority but they have the duty to make certain that the security of the United States is safeguarded. I am sure I need not assure the distinguished Senator from Minnesota or any of my other colleagues of the Senate that if I thought for a fraction of a second there was any risk threatened to the security of the United States, I should be among the first to seek to eliminate that risk, and try to eliminate it completely. I think the record now clearly shows that there is a duty and a right on the part of the consular service and of the Immigration Service, which they not only recognize but which they exercise, to bar persons who are poor security risks from the United States.

Mr. JENNER and Mr. EASTLAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. LEHMAN. I yield to the Senator from Indiana.

Mr. JENNER. Does the Senator not realize, although it is the law, that by administrative agreement the State Department and the Justice Department have turned over to the Displaced Persons Commission their right and duty?

Mr. LEHMAN. That is not my recollection, I may say.

Mr. JENNER. Well, that is the fact.

Mr. LEHMAN. The Senator from Indiana, I think, will have great difficulty in proving that.

Mr. JENNER. I have no difficulty whatever. I proved it here yesterday by the record.

Mr. HUMPHREY. Mr. President a point of order.

Mr. JENNER. And I will prove it today, when I get the floor.

Mr. HUMPHREY. Mr. President, a point of order.

The PRESIDING OFFICER. Does the Senator from New York yield for that purpose?

Mr. LEHMAN. I yield.

Mr. HUMPHREY. Mr. President, I ask that during the deliberations we yield for questions only, rather than for affirmative statements.

The PRESIDING OFFICER. The Senator occupying the floor may yield for a question only.

Mr. LEHMAN. I recognize that, and from now on I shall yield for questions only. But I must answer the question of the Senator from Indiana, and I am very glad to do so. The Senator, I think and hope, was on the floor when I read the statement of the Chief of the Immigration and Naturalization Service.

Mr. JENNER rose.

Mr. LEHMAN. The Senator from Indiana has asked the junior Senator from New York a question.

Mr. JENNER. I have not said a word. [Laughter.]

Mr. LEHMAN. Very well. I was merely anticipating one. I hope the Senator was in the Chamber when the Senator from New York read and inserted in the RECORD a definite statement by the Immigration and Naturalization Service, and the head of the Visa Division of the State Department, Mr. L'Heureux, stating that they had full authority to exclude people who, by character or political activity or political persuasion, might become subversive or otherwise undesirable as citizens of the United States. I have placed it in the RECORD. I have stated it time and time again. I have again read into the RECORD reports to the effect that only a handful of people have entered the country who are even under suspicion. That should prove the case, as I hope and believe it will, to the satisfaction of all Members of the Senate.

Mr. JENNER. Mr. President, will the distinguished Senator yield for a question Is it not a fact that the same Mr. L'Heureux to whom the Senator referred asked for the veto power in connection with the displaced-persons procedure?

Mr. LEHMAN. I may say to the Senator I do not think any man could have made a statement clearer than the statement made by Mr. L'Heureux in the telegram I have just read. Mr. L'Heureux said:

I neither requested nor opposed legislation involving the suggested veto.

I do not understand how the distinguished Senator from Indiana can now claim that Mr. L'Heureux voluntarily came and asked for the veto authority. He denies it. If the distinguished Senator from Indiana doubts the word of the head of the Visa Division of the State Department, I think he will have to question Mr. L'Heureux. I cannot answer in any other way.

Mr. JENNER. In answer to the Senator's question, let me say I was present at the committee hearing when Mr. L'Heureux made the statement. Further, on this question, does the Senator not know who Mr. L'Heureux is? He is an employee of the Federal Government. He is in charge of the Visa Division of the State Department, but, Mr. President, Dean Acheson is boss. The Justice Department is boss of the consular service. They have entered into an agreement whereby they, if you please, let the very people who used to work for the Senator from New York when he was head of UNRRA, Mr. Squadrilli, in particular, who was the Senator's employee in charge of this whole European affair, take over the functions of the consular service and the Immigration Service, and they are bringing into this country black marketeers, perjurers, defrauders, and crooks of many other kinds.

Mr. LEHMAN. Mr. President, may we have the regular order?

Mr. HUMPHREY. Mr. President, in view of the fact that the rules of the Senate are so flagrantly violated, I ask that the President invoke the rules so as to permit Senators to yield only for questions.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Chair will remind Senators that when they yield they can yield only for questions.

Mr. O'CONOR. Mr. President, I suggest the absence of a quorum.

Mr. EASTLAND. Mr. President, will the Senator withhold his suggestion for a moment?

Mr. O'CONOR. I withhold the suggestion.

Mr. EASTLAND. Mr. President, the junior Senator from New York has made several statements charging certain inaccuracies to the senior Senator from Mississipi. When I have the report before me I shall answer them in my own time.

I should like to call the Senator's attention to the fact that I am charged with certain inaccuracies in statements which, on their face, are not true. I was attacked for saying that persons of German ethnic origin were excluded by the IRO. I was attacked by the Senator from New York on that point, and I hold in my hand a copy of the constitution of IRO, which, on page 2, line 4, refers to persons of German ethnic origin and sets out the conditions. I was attacked for saying that the Displaced Persons Commission had adopted what it called the policy of calculated risk; it does not

wait for checks from the document center or for checks by the provost marshal's office. I also note that the Senator says criminal records were not kept; but the file mentions the provost marshal's office, where criminal records are kept.

Those statements came from a number of persons, among whom was Mr. Squadrilli, who testified before the committee. Mr. L'Heureux came before the committee and recommended a certain provision which we placed in the bill.

I see on the floor the distinguished Senator from Nevada, the chairman of the Judiciary Committee [Mr. McCARRAN], who was also present at the hearings and who knows what occurred.

Mr. President, I say, again, that the statements made by the Senator from New York are a tissue of falsehoods which I shall answer in my own time. I wanted the RECORD to show that they are a tissue of falsehoods, deliberately made.

AN OBITUARY NOTICE ON A VITAL SEGMENT OF AMERICAN MINING

Mr. MALONE. Mr. President, the administration's three-part free-trade program removes the floor under wages and investments and imports unemployment.

FIVE STRATEGIC METALS

The production of five strategic metals has practically ceased in this country, due to a complication of diseases known as free trade, international monetary manipulation, ECA operations, and competitive low-wage foreign labor. I refer, Mr. President, to the production of mercury, antimony, tungsten, manganese, and chromite. That production is practically dead. The stockholders' investments in these enterprises have been largely lost.

This is an obituary notice on a vital segment of domestic mining.

NECESSARY IN PEACE AND IN WAR

Five strategic metals essential for industry in peacetime and doubly essential in wartime are normally produced in considerable amounts within the United States. Practically all of these metals must now be obtained from foreign nations, from trans-Atlantic and trans-Pacific sources, due to the shutting down of the mines in this country.

Let us hope that our Navy's antisubmarine weapons are adequate to permit importation in time of war, for without these five metals it is doubtful that we could win a war with any first-class power.

Let us shed a tear over the death of still more American industry, due, again, to the foolhardy, free-trade foreign policy of the administration.

There has also been a marked decline in the production of three more strategic minerals: lead, zinc, and copper. The extension of free trade on copper shut practically every independent copper-mining operation in the United States. The copper jobs went to Chile, South America, and South Africa.

Mr. President, the tungsten jobs went to Burma, China, and Mexico and the mercury jobs largely to Spain.

RELEASE OF MARCH 7

Mr. President, I ask unanimous consent to have appear in the RECORD at this point in my remarks a release dated March 7, 1950.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 7, 1950.—United States Senator GEORGE W. MALONE, Republican, of Nevada, read a brief and pointed obituary notice on the floor of the Senate today, the obituary of five strategic metals, "the production of which died in this country of a complication of diseases known as free trade, international monetary manipulation, ECA operations, and competitive low-wage foreign labor." We have removed the floor under the wages and investments in their industries.

Senator MALONE referred to the production of mercury, antimony, tungsten, manganese, and chromite which he said is now dead in the country.

OBITUARY NOTICE—SEGMENT MINING INDUSTRY

Quoting Senator MALONE:

"Five strategic metals essential for industry in peacetime and doubly essential in wartime are normally produced in considerable amounts within the United States. Production of these metals has to all intents and purposes ceased as a result of the free-trade policies, international monetary manipulation, ECA operations, and competitive low-wage foreign labor. Now, all of these metals must be obtained from trans-Atlantic or trans-Pacific sources. Let us hope that our Navy's antisubmarine weapons are adequate to permit importation in time of war, for without these five metals it is doubtful if we could win a war with any first-class power. Let us shed a tear over the death of still more American industry, due, again, to the foolhardy foreign policy of the administration."

COPPER, LEAD, ZINC

Senator MALONE concluded:

"Add this to the fact that there was a marked decline, both in quantity and value, in the mining of copper, zinc, lead, gold, and silver in 1949, and we begin to see the present plight of mining in this country, and the further imposition on our workers and investors."

We are exporting jobs to foreign soil—creating additional unemployment at home and ruining our own investments in these enterprises.

STRATEGIC METAL INDUSTRY

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article from the Mining Congress Journal for February 1950, entitled "The Strategic Metals Industry—An Obituary Notice on a Vital Segment of Domestic Mining."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE STRATEGIC METALS INDUSTRY—AN OBITUARY NOTICE ON A VITAL SEGMENT OF DOMESTIC MINING

CHROMIUM

Domestic production of chromium within the United States has virtually ceased. Over 99½ percent of the metal consumed in the United States is imported from Turkey, South Africa, and the Philippines, with some smaller amounts from Cuba. Imports during 1949 were ample to supply domestic industry, with sufficient excess to take care of Munitions Board requirements. No chrome properties are in stand-by condition and no major chrome deposits can be made available on short notice.

MERCURY

Mercury production during 1949 was considerably less than 10,000 flasks. Whether it was the lowest level of production in the last 100 years will require compilation of the final figures, but there is little doubt that 1950's production will be even lower. Three major producers worked more or less intermittently during 1949. After the middle of 1950 it is doubtful if domestic production will be as much as 50 flasks a month; one-tenth of 1 percent of the wartime peak, and less than 5 percent of prewar production. Future supplies of mercury for American industry will have to come from Yugoslavia, Italy, and Spain. Probably not more than one mine will be kept in anything approximating stand-by condition and all the other deposits will be abandoned to water and caving ground. Over 75,000 flasks of Italian quicksilver filled Government stock piles with foreign producers' metal.

ANTIMONY

Antimony production within the United States ceased on April 1 of 1949 and as the year closed surplus stocks within this country were still sufficient to depress the market. Domestic production was off 75 percent from 1948 while consumption declined drastically as industry reduced its inventories. The principal domestic producer of antimony is maintaining the property in stand-by condition. In the meantime, imports from China, Mexico, Yugoslavia, Italy, Bolivia, and other European and South American countries continue to depress the market. If the price decline continues, American industry will be entirely dependent upon Communist China, Bolivia, and Mexico for the bulk of its future requirements of antimony. Imports were more than enough to take care of industrial needs and provide sources for Government stock piling.

TUNGSTEN

The market price for tungsten as the year closed was below the cost of production for any domestic mine. Large imports from China, together with metal from South American sources depressed the market to such a point that no domestic property could show a profit. As a result, domestic production in the latter part of the year was not over half the output of the early months of 1949. Although during the war the United States' mines supplied almost 50 percent of our wartime requirements, they are now in such a position that not even a 25-percent increase in the world market price would allow most of them to break even. Although the United States has in the last few years been the second largest producing country in the world, at present prices American industry must rely primarily for tungsten on Communist China with smaller amounts to be expected from some of the South American countries. In the meantime ECA is planning the financing of tungsten production from the Russian boundary of Korea.

MANGANESE

The manganese situation in the United States remained tight in 1949. Intermittent and greatly curtailed shipments from Russia left barely enough imported ore for industry, with little or none available for stockpiling purposes. No new domestic manganese operations entered the producing state although one may start operating in early 1950. It is expected that 90 percent of the steel industrial requirements for manganese will have to be imported from South Africa, the Philippines, India, and possibly Brazil, as it did in 1949. Where any surplus manganese for stockpiling will come from is a little difficult to foresee.

Mr. MALONE. Mr. President, the article shows a picture of a dilapidated,

caved-in, and abandoned mercury mine—only one of many closed in American mining areas through the administration's "free-trade" policies.

PRODUCTION TABLE—COPPER, LEAD, ZINC, GOLD, AND SILVER

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing decreasing nonferrous metal production in the Western States, 1948–49.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Decreasing nonferrous metal production in the Western States, 1948–49

Meta.	Quantity	Value
Copper:		
1948 pounds	1,580,836,000	$343,041,414
1949 do	1,410,672,000	277,897,384
Lead:		
1948 do	504,332,000	90,271,720
1949 do	477,926,000	75,974,334
Zinc:		
1948 do	732,576,000	97,432,624
1949 do	698,528,000	89,411,584
Gold:		
1948 ounces	2,009,778	70,497,936
1949 do	1,948,992	68,144,720
Silver:		
1948 do	37,880,653	34,288,290
1949 do	33,859,880	30,643,084
Total:		
1948		639,549,344
1949		545,617,983

DECREASING COPPER PRODUCTION IN NEVADA, 1947–49

Copper:		
1947 pounds	99,206,000	$20,833,260
1948 do	90,484,000	19,635,028
1949 do	74,780,000	14,731,660

Source: The Mining and Contracting Review, February 1950.

LEAD PRICE THREATENED BY FOREIGN METAL

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from an article which appeared in the Wall Street Journal on March 6, 1950, entitled "Raw Materials—Metal Markets—Stability of Domestic Lead Price Threatened by Foreign Metal."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAW MATERIALS—METAL MARKETS—STABILITY OF DOMESTIC LEAD PRICE THREATENED BY FOREIGN METAL—SUPPLIES FROM ABROAD PRESSING FOR SALES AT ½ TO 2¼ CENTS A POUND BELOW UNITED STATES LEVELS

Stability of the 12 cents a pound lead price is threatened.

Increased supplies of foreign lead are pressing for sale to American consumers at ½ cent to 2¼ cents a pound below the United States price.

Metal of European origin is being offered in the United States at 11½ cents, New York; lead of a lower grade from Japan is available to United States industry at 9¾ cents a pound. These prices include the import duty of 1⅛ cents a pound. Australia again is shipping lead to this country, but such sales are being made on the basis of the United States price prevailing when the metal arrives.

Meanwhile, large unsold supplies of Mexican lead are accumulating. Producers there want payment in dollars. Ordinarily about half of Mexico's big lead production is marketed in Europe, with the rest coming to the United States. But with dollars scarce, and demand for lead abroad sharply reduced, a much larger-than-normal supply of Mexican lead has been made available for sale in the United States.

DOWNWARD PRICE MOVE LIKELY

Trade authorities say United States lead consumption is not large enough currently to absorb the "extra" foreign supplies now trying to find a market here. If foreign metal continues to accumulate, particularly Mexican lead, it may result in a downward adjustment in the United States price.

The lead price has been 12 cents a pound since November 21, 1949. Last year the lead price changed 22 times—15 on the down side and 7 on the up side. It started the year at a record of 21½ cents a pound. Between March 8 and May 26 the price broke 9½ cents a pound to 12 cents. From July 8 to August 8 it recovered 3⅛ cents a pound to 15⅛ cents, and then lost all this gain between September 26 and November 21.

FREE TRADE LOWER FLOOR UNDER WAGES AND INVESTMENTS

Mr. MALONE. Mr. President, in closing, I want to say that the mining industry is only one industry affected by the administration's three-part free-trade program, starting with the 1934 Trade Agreements Act, when the Congress of the United States transferred its constitutional authority to regulate the national economy through the regulation of imports to the State Department. The State Department is an industrially inexperienced organization dealing with foreign affairs and is not interested in the welfare of the national economy. The State Department already had the constitutional authority to fix our foreign policy and to make treaties. So we have tied together, Mr. President, the regulation of the national economy and our foreign policy.

CONGRESS MUST REGAIN CONSTITUTIONAL AUTHORITY TO REGULATE NATIONAL ECONOMY

The Congress of the United States must regain its constitutional responsibility to regulate the national economy through the regulation of imports. It must substitute the flexible import fee principle—regulating import fees on a basis of fair and reasonable competition for the 1934 Trade Agreements Act, as extended.

I say, again, Mr. President, that the metals industry is only one sufferer. In addition to that, lumber and wood products, textiles, crockery, precision instruments, the watch industry, and many other products are subject to increasing imports of products produced by low-living standard and slave foreign labor.

EIGHTEEN MILLION UNEMPLOYED AND PARTIALLY UNEMPLOYED

With practically 6,000,000 persons unemployed in the United States, and approximately 12,000,000 persons partially unemployed, we are threatened with an increased picture of further tariff reductions in the offing and a further export of American jobs to foreign soil through a further lowering of the floor under wages and investments.

COMMISSION ON THE COAL INDUSTRY (H. DOC. NO. 498)

The PRESIDING OFFICER (Mr. SPARKMAN in the chair) laid before the Senate the following communication from the President of the United States, which was read and, with the accompanying bill, referred to the Committee on Interior and Insular Affairs:

THE WHITE HOUSE,
Washington, March 7, 1950.

Hon. ALBEN W. BARKLEY,
President of the Senate of the United States.

MY DEAR MR. VICE PRESIDENT: In my message of March 3, 1950, to the Congress, I urged the Congress to act immediately on legislation to authorize the Government to take possession of and operate the coal mines. I submitted with that message a draft of a bill appropriate for carrying out that recommendation.

Since my message to Congress, the representatives of the miners and the representatives of the operators have negotiated a new contract and the miners are returning to work. The emergency situation which was the basis of my request for seizure authority no longer exists; therefore, and accordingly, it is not necessary for the Congress to give further consideration to such legislation at this time.

I also recommended in my message of March 3 that the Congress establish a commission, including Members from the Congress, the executive branch, and the public, to make a thorough study of the coal industry in terms of national economic, social, and security objectives, and to recommend positive and constructive solutions for the basic problems of that industry. I stated that I expected to submit a draft of legislation for that purpose to the Congress at an early date.

Pursuant to this statement in my message of March 3, I attach for the consideration of the Senate a draft of legislation to establish a commission on the coal industry. The end of the coal strike has in no way diminished the need for a long-range study of the coal industry with the view of finding and putting into effect the best solutions of its problems from the standpoint of the miners, the operators, and, above all, the national interest. I, therefore, hope that the Congress will enact legislation of this character as soon as possible.

Sincerely yours,

HARRY S. TRUMAN.

UNIFORM SYSTEM OF BANKRUPTCY

The PRESIDING OFFICER (Mr. SPARKMAN in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 88) to amend section 60 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, which were to strike out all after the enacting clause and insert:

That subdivision a of section 60 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is amended to read as follows:

"a. (1) A preference is a transfer, as defined in this act, of any of the property of a debtor to or for the benefit of a creditor for or on account of an antecedent debt, made or suffered by such debtor while insolvent and within 4 months before the filing by or against him of the petition initiating a

proceeding under this act, the effect of which transfer will be to enable such creditor to obtain a greater percentage of his debt than some other creditor of the same class.

"(2) For the purposes of subdivisions a and b of this section, a transfer of property other than real property shall be deemed to have been made or suffered at the time when it became so far perfected that no subsequent lien upon such property obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee. A transfer of real property shall be deemed to have been made or suffered when it became so far perfected that no subsequent bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee. If any transfer of real property is not so perfected against a bona fide purchase, or if any transfer of other property is not so perfected against such liens by legal or equitable proceedings prior to the filing of a petition initiating a proceeding under this act, it shall be deemed to have been made immediately before the filing of the petition.

"(3) The provisions of paragraph (2) shall apply whether or not there are or were creditors who might have obtained such liens upon the property other than real property transferred and whether or not there are or were persons who might have become bona fide purchasers of such real property.

"(4) A lien obtainable by legal or equitable proceedings upon a simple contract within the meaning of paragraph (2) is a lien arising in ordinary course of such proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution, or like process, whether before, upon, or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.

"(5) A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee or a purchase could create rights superior to the rights of a transferee within the meaning of paragraph (2), if such consequences would follow only from the lien or purchase itself, or from such lien or purchase followed by any step wholly within the control of the respective lien holder or purchaser, with or without the aid of ministerial action by public officials. Such a lien could not, however, become so superior and such a purchase could not create such superior rights for the purposes of paragraph (2) through any acts subsequent to the obtaining of such a lien or subsequent to such a purchase which require the agreement or concurrence of any third party or which require any further judicial action, or ruling.

"(6) The recognition of equitable liens where available means of perfecting legal liens have not been employed is hereby declared to be contrary to the policy of this section. If a transfer is for security and if (A) applicable law requires a signed and delivered writing, or a delivery of possession, or a filing or recording, or other like overt action as a condition to its full validity against third persons other than a buyer in the ordinary course of trade claiming through or under the transferor and (B) such overt action has not been taken, and (C) such transfer results in the acquisition of only an equitable lien, then such transfer is not perfected within the meaning of paragraph (2). Notwithstanding the first sentence of paragraph (2), it shall not suffice to perfect a transfer which creates an equitable lien such as is described in the first sentence of paragraph (6), that it is made for a valuable consideration and that both parties intend to perfect it and that they take action sufficient to effect a transfer as against liens by legal or equitable proceedings on a simple contract: *Provided, however,* That where the debtor's own interest is only equitable, he can perfect a transfer thereof by any means appropriate fully to transfer an interest of that character: *And provided further,* That nothing in paragraph (6) shall be construed to be contrary to the provisions of paragraph (7).

"(7) Any provision in this subdivision a to the contrary notwithstanding if the applicable law requires a transfer of property other than real property for or on account of a new and contemporaneous consideration to be perfected by recording, delivery, or otherwise, in order that no lien described in paragraph (2) could become superior to the rights of the transferee therein, or if the applicable law requires a transfer of real property for such a consideration to be so perfected in order that no bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee, the time of transfer shall be determined by the following rules:

"I. Where (A) the applicable law specifies a stated period of time of not more than 21 days after the transfer within which recording, delivery, or some other act is required, and compliance therewith is had within such stated period of time; or where (B) the applicable law specifies no such stated period of time or where such stated period of time is more than 21 days, and compliance therewith is had within 21 days after the transfer, the transfer shall be deemed to be made or suffered at the time of the transfer.

"II. Where compliance with the law applicable to the transfer is not had in accordance with the provisions of subparagraph I, the transfer shall be deemed to be made or suffered at the time of compliance therewith, and if such compliance is not had prior to the filing of the petition initiating a proceeding under this act, such transfer shall be deemed to have been made or suffered immediately before the filing of such petition.

"(8) If no such requirement of applicable law specified in paragraph (7) exists a transfer wholly or in part, for or on account of a new and contemporaneous consideration shall, to the extent of such consideration and interest thereon and the other obligations of the transferor connected therewith, be deemed to be made or suffered at the time of the transfer. A transfer to secure a future loan, if such a loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration."

SEC. 2. Subdivision c of section 70 of such act, as amended, is amended to read as follows:

"c. The trustee may have the benefit of all defenses available to the bankrupt as against third persons, including statutes of limitation, statutes of frauds, usury, and other personal defenses; and a waiver of any such defense by the bankrupt after bankruptcy shall not bind the trustee. The trustee, as to all property of the bankrupt at the date of bankruptcy whether or not coming into possession or control of the court, shall be deemed vested as of the date of bankruptcy with all the rights, remedies, and powers of a creditor then holding a lien thereon by legal or equitable proceedings, whether or not such a creditor actually exists."

SEC. 3. a. All acts or parts of acts inconsistence with any provisions of this amendatory act are hereby repealed.

b. If any provision of this amendatory act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this amendatory act which can be given effect without the invalid provision or application, and to this end the provisions of this amendatory act are declared to be severable.

SEC. 4. Effect of this amendatory act: a. Nothing herein contained shall have the effect to release or extinguish any penalty, forfeiture, or liability incurred under any act or acts of which this act is amendatory.

b. The provisions of this amendatory act shall govern proceedings so far as practicable and applicable in cases pending when it takes effect; but proceedings in cases then pending to which the provisions of this amendatory act are not applicable shall be disposed of conformably to the provisions of said act approved July 1, 1898, and the acts amendatory thereof and supplementary thereto," and to amend the title so as to read: "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

Mr. McCARRAN. Mr. President, I think a word of explanation would do no harm.

The purpose of this bill is to clarify section 60 of the Bankruptcy Act, which section deals with the matter of preference.

Under the law as it now exists and more particularly by reason of court decisions construing said section 60, much uncertainty has arisen and now exists as to the validity of certain normal business transactions wherein credit is advanced on trust receipts and factors liens (and other like paper such as oil leases, cattle loans, airplane-equipment financing, chattel mortgages, conditional sales agreements for resale, and so forth) and they are treated as unsecured.

A recent decision of the United States District Court for the Eastern Division of Virginia—matter of Harvey Distributing Company, Incorporated, decided January 11, 1950, not yet officially reported—was the first decision wherein the question had been directly raised and it went so far as to treat such credit transactions as unsecure under the theory of the hypothetical bona fide purchaser test.

S. 88 passed the Senate in language acceptable to the Bankruptcy Conference and the American Bar Association, speaking through its Sections of Corporation, Banking and Business Law. It then passed the House of Representatives in a slightly different form, the only effect being to accomplish the same end, with slightly different language. The language of the House amendments is equally acceptable and, therefore, it is deemed proper that the Senate should concur in the House amendments.

I therefore move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 471. An act for the relief of Lloyd Gordon Findley and Malcolm Hearne Findley, a minor;

S. 1310. An act for the relief of Pierre E. Lefevre;

S. 1394. An act for the relief of Monroe Kelly, rear admiral, United States Navy, retired;

S. 1413. An act for the relief of Maria Margarete Otto;

S. 1447. An act for the relief of John M. Hart;

S. 1552. An act for the relief of Ernest E. Heintz;

S. 1737. An act for the relief of George M. Vaughan;

S. 1764. An act for the relief of George K. Haviland;

S. 2125. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones and others; and

S. 2429. An act for the relief of Henrique Santos.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments, and it was signed by the President pro tempore.

DISPLACED PERSONS

The Senate resumed the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. O'CONOR. Mr. President, I suggest the absence of a quorum.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Brewster	Hoey	Morse
Bricker	Holland	Murray
Bridges	Humphrey	Myers
Butler	Hunt	Neely
Byrd	Ives	O'Conor
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Russell
Connally	Johnson, Tex.	Saltonstall
Cordon	Johnston, S. C.	Schoeppel
Darby	Kefauver	Smith, Maine
Donnell	Kem	Smith, N. J.
Douglas	Kerr	Sparkman
Downey	Kilgore	Stennis
Dworshak	Knowland	Taft
Eastland	Langer	Taylor
Ecton	Lehman	Thomas, Okla.
Ellender	Long	Thomas, Utah
Ferguson	Lucas	Thye
Flanders	McCarran	Tobey
Frear	McCarthy	Tydings
Fulbright	McClellan	Watkins
George	McFarland	Wherry
Gillette	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Withers
Hayden	Malone	Young
Hendrickson	Martin	

The PRESIDING OFFICER. A quorum is present.

The Senator from Indiana [Mr. JENNER] has the floor.

Mr. LUCAS. Mr. President, will the Senator from Indiana yield to me for a few moments?

Mr. JENNER. I yield.

Mr. LUCAS. Mr. President, we have been debating the pending measure for almost a week. I have discussed with the Senator from Nebraska [Mr. WHERRY] and other Senators the possibility of trying to secure a unanimous-consent agreement to vote upon the measure. I shall now place the unanimous-consent request before the Senate for consideration.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Is a quorum present?

The PRESIDING OFFICER. Yes; a quorum is present.

Mr. LUCAS. Mr. President, I ask unanimous consent that on the calendar day of Wednesday, March 8, 1950, beginning at the hour of 12 o'clock noon, debate on any amendment that may be pending, including the committee amendments, or upon any amendment that may be proposed, including an amendment in the nature of a substitute to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948, shall be limited to 20 minutes, the time to be equally divided between those favoring the bill and those opposed thereto, and controlled respectively by the Senator from Nevada [Mr. MCCARRAN] and the Senator from West Virginia [Mr. KILGORE], provided, that no amendment which is not germane to the subject matter of said bill shall be received.

The PRESIDING OFFICER. Is there objection?

Mr. JENNER. Mr. President, reserving the right to object, I have been trying to secure the floor to speak on the pending legislation. I have quite a good deal to say on it. As a result of the colloquy which took place on the floor between the junior Senator from New York [Mr. LEHMAN] and the senior Senator from Mississippi [Mr. EASTLAND], the latter made the public statement on the floor that he intended to answer the remarks made by the Senator from New York. Other Senators desire to address the Senate. I do not believe that the subject can be fully and thoroughly discussed and the facts brought out in such a short period of time. Therefore, I shall have to object.

Mr. LUCAS. Mr. President, I renew my unanimous consent request by substituting the word "Thursday" for "Wednesday," and substituting the figure "9" for the figure "8," making the unanimous consent request that we vote on Thursday, March 9.

The PRESIDING OFFICER. Is there objection?

Mr. FERGUSON. Mr. President, I wonder whether the distinguished Senator from Illinois will withhold his unanimous-consent request for an hour, let us say. The Senator from Michigan is trying to work out an amendment which might be satisfactory to the various Senators, which would cut down debate very considerably, with the result that we may be able to secure an early vote on the bill.

Mr. LUCAS. I shall be glad to cooperate with any Senator who believes he can arrange an agreement between the various Members of the Senate to bring about a vote at some time soon. I was going to continue to amend the unanimous-consent request by advancing the day for a vote, to see just how many objections would be made, or at what time in the future agreement for a vote could be entered into.

Mr. FERGUSON. I have no objection to a vote being had soon, but I understood the distinguished Senator from North Dakota was about to object to the unanimous-consent request.

Mr. LANGER. Yes, Mr. President, I wish to object.

Mr. FERGUSON. Therefore, it was my belief that if the Senator from Illinois would withhold his request I could perhaps work out an amendment which would prove satisfactory, and which might cut down the time of debate.

Mr. LUCAS. Mr. President, I shall renew my request a little later. I am going to see how long objection will be continued, as I advance the time for a vote. We ought to have a vote in a couple of weeks. If we cannot reach an agreement to vote in that time, I want to know it. It is just as well to find out now how long we must continue to debate the bill. If we cannot enter into a unanimous-consent agreement to vote on Thursday, I shall try to obtain consent that a vote be had on Friday, and if that cannot be obtained, I shall try to obtain unanimous consent that the vote be had next Monday. It seems to me we should agree on some date in the near future when it will be agreeable to Senators to vote upon the bill.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCARRAN. Can we not enter into a unanimous-consent agreement to vote tomorrow?

Mr. LUCAS. I have tried to have such an agreement entered into, I will say to my friend from Nevada. The Senator from Indiana [Mr. JENNER] thought he had to have just a little more time, because he has a speech to deliver, and other Senators also have speeches to deliver.

Mr. JENNER. I can finish today, but the distinguished Senator from Mississippi [Mr. EASTLAND] made the statement on the floor that he intended to reply to the statement made by the junior Senator from New York [Mr. LEHMAN]. I do not know whether the time suggested by the Senator from Illinois for a vote will give sufficient time for the Senator from Mississippi to make his statement, since, if the agreement is entered into, he would be limited in his time. So far as I am personally concerned, I can conclude my speech in about an hour.

Mr. EASTLAND. Mr. President, I will not stand in the way of a unanimous-consent agreement being entered into.

Mr. LUCAS. In other words, the Senator from Mississippi would be willing to have a vote taken tomorrow evening?

Mr. EASTLAND. I have no objection.

Mr. McCARRAN. Mr. President, I should like to have a unanimous-consent agreement entered into that the Senate vote on or before 10 o'clock tomorrow evening, if that is possible.

Mr. LUCAS. If we begin at 12 o'clock tomorrow to consider the amendments,

with 20 minutes of time for each side to discuss an amendment, I am sure we can finish by 10 o'clock tomorrow night.

Mr. McCARRAN. I think so.

Mr. LUCAS. I am sure we can.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FULBRIGHT. Does the proposed agreement provide for 20 minutes on each amendment?

Mr. LUCAS. Twenty minutes on each amendment.

Mr. FULBRIGHT. Twenty minutes on each side, or 20 minutes for each amendment?

Mr. LUCAS. No, 20 minutes on each side; and the Senator from Nevada [Mr. McCARRAN] will control the 20 minutes allotted to his side, and the Senator from West Virginia [Mr. KILGORE] will control the other 20 minutes.

Mr. WILEY. Make it 6 o'clock.

Mr. LUCAS. We cannot do that under the unanimous-consent agreement I will say to the Senator from Wisconsin, because under the arrangement agreed to yesterday 20 minutes would be given to each side on each amendment; therefore we cannot tell when we will finish consideration of the amendments, and be ready to vote on the bill. Some amendments may not require any debate at all. On other amendments the full 20 minutes on each side will be taken.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. Am I to understand that only 20 minutes on each side are to be given to the substitute amendment?

Mr. LUCAS. That is correct.

Mr. IVES. It seems to me debate on the substitute amendment ought to be a little longer.

Mr. LUCAS. That is all right with me. Make it 25 minutes on each side on the substitute amendment.

Mr. IVES. I suggest 30 minutes on each side on the substitute amendment.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TOBEY. Why not begin at 11 o'clock tomorrow? Why not have the unanimous-consent request provide that the Senate begin at 11 o'clock tomorrow and that the vote be taken beginning at 8 o'clock tomorrow night?

Mr. LUCAS. It is a little difficult to make such an arrangement, because if 20 minutes on each side is taken on each amendment, more time than the Senator would provide for may be required, since there are some 13 amendments. However, I am sure some amendments will not be debated for more than 5 minutes. It is probable that we can conclude by 6 o'clock tomorrow evening. I shall be glad to have the Senate meet at 11 o'clock tomorrow in order to expedite consideration of the amendments.

Mr. TOBEY. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. TOBEY. What disturbs me is that while the Senate often does indulge in debate on measures ad infinitum and sometimes ad nauseum, yet we now have before us a matter which has been under discussion before the people of the country for the last year, and it has now been under discussion and debate in the Senate daily for a week. Therefore I think it is time that the Senate fish or cut bait, and I think the people of the country demand that. A sense of righteous indignation ought to be aroused in this country at the dilatory tactics which have been indulged in.

Mr. McCARRAN. Where are the dilatory tactics?

Mr. TOBEY. Well, the dilatory tactics——

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. LUCAS. Let us not get into an argument respecting who has been dilatory or who has not. I do not care to discuss that question at this time. What I am trying to do is to work out an agreement among Senators. It seems to me that, if I should renew the request, in view of what the Senator from Mississippi [Mr. EASTLAND] and the Senator from New Hampshire [Mr. TOBEY] have said, perhaps we might be able to agree to having a vote taken sometime tomorrow.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. JENNER. In view of what the Senator from Mississippi has said I am perfectly willing to withdraw my objection.

Mr. LUCAS. I thank the Senator from Indiana.

I now renew my unanimous-consent request, Mr. President.

I ask unanimous consent that on the calendar day of Wednesday, March 8, 1950, beginning at the hour of 11 o'clock, debate on any amendment that may be pending, including the committee amendments, or upon any amendment that may be proposed, including an amendment in the nature of a substitute to the bill (H. R. 4567), to amend the Displaced Persons Act of 1948, shall be limited to 20 minutes, the time to be equally divided between those favoring the bill and those opposed thereto, the time to be controlled respectively by the Senator from Nevada [Mr. McCARRAN] and the Senator from West Virginia [Mr. KILGORE], provided that no amendment which is not germane to the subject matter of the bill shall be received.

Mr. LANGER rose.

Mr. LUCAS. I yield to the Senator from North Dakota.

Mr. LANGER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCARRAN. Will the Senator from North Dakota withhold his objection?

Mr. LUCAS. Will the Senator withhold his objection for a moment?

Mr. LANGER. Mr. President, I am perfectly willing that we follow the suggestion of the Senator from Michigan, who requested that the majority leader withhold his request, in view of the fact that the Senator from Michigan was preparing an amendment which might obviate a considerable amount of debate.

Mr. LUCAS. I shall be glad to withhold my unanimous-consent request, certainly, and I now yield the floor.

Mr. EASTLAND. Mr. President, will there be 20 minutes of time allotted for discussion of amendments to the substitute measure?

Mr. LUCAS. No, there can be no amendment offered to the substitute, as I understand the parliamentary situation.

Mr. WHERRY. Oh, yes, Mr. President, there can.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that amendments to the substitute would be in order.

Mr. LUCAS. I am in error. The Senator from Mississippi is correct. The Senator from Illinois is wrong.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER. If the Senator from Illinois has yielded the floor, the Senator from Indiana is entitled to the floor.

Mr. WHERRY. Mr. President, I am asking for recognition.

The PRESIDING OFFICER. The Senator from Illinois has yielded the floor. The Senator from Indiana is recognized.

Mr. WHERRY. Mr. President, will the Senator from Indiana yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. JENNER. I yield provided I do not lose my rights to the floor thereby.

The PRESIDING OFFICER. Is there objection to the Senator from Indiana yielding to the Senator from Nebraska, without losing his rights thereby? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, I ask the majority leader if he knows whether the hearings which have been held by the Committee on the Judiciary have been printed, or if it is contemplated that they be printed up to the last minute of the hearings. My reason for asking the question is that several Senators have been on the floor discussing the measure, and one interprets certain evidence one way and another interprets the same evidence in some other way.

It seems to me each and every Senator should have a right to examine the testimony of the different witnesses. I should like to ask the majority leader if he knows whether it is contemplated that the hearings on the proposed legislation which we have before the Senate today will be printed and brought up to date.

Mr. McCARRAN. Mr. President, if I may answer, let me say that the hearings have not been printed, the reason being that they have not been concluded. They are going on every day. As a matter of fact, some went on this morning, commencing at 9:30 or 10 o'clock. We have witnesses from Europe whom we are hearing right along. For that reason, the hearings have not been printed. Hearings have been conducted on this subject and on every phase of the bill over the time since January 1949, to the present date.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. JENNER. Provided that I may do so without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, I trust that I shall be permitted to ask these questions, for I think they are very important.

This is the first time since I have been in the Senate that we have deliberated on a bill in connection with which evidence which has been taken by the committee has not been available to us, for reading. I shall not object to the request of the Majority leader for an agreement in regard to a time for voting on the bill, because I agree that it is desirable that we reach a vote on the bill as quickly as possible. But I ask the Senator from Nevada, the chairman of the committee, whether it is possible to have the hearings, or at least as many of the hearings as possible, printed and placed on the desk of each Senator, so that Senators will be able to interpret the testimony for themselves, rather than have to depend upon interpretations by others or upon statements by others as to their understanding of the testimony taken at the hearings.

I ask the Senator what is wrong with that suggestion.

Mr. McCARRAN. Mr. President, I reply by saying that it would be impossible to have the printing done between now and tomorrow night. It could be done in time if my suggestion were followed, namely, to have the bill go over until the fourth of April, not in order to have the bill lose its place at all, but simply in order to give place meantime to another bill.

However, I think, two or three copies of the transcript are available, and the original of the transcript is available. But the hearings are voluminous.

Mr. SALTONSTALL. Mr. President, will the Senator from Indiana yield, with the understanding that he will not thereby lose the floor?

Mr. JENNER. I yield, if that understanding is had.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALTONSTALL. I should like to ask the majority leader, while he is discussing the subject, if it would be helpful to ask the Senator from Michigan [Mr. FERGUSON] to speak on his amendment, so that possibly we could obtain a unanimous-consent agreement while the subject is still before us.

Mr. LUCAS. I understand that only the distinguished Senator from North Dakota [Mr. LANGER] is now objecting to the proposed unanimous-consent agreement. I think the Senator from Michigan would prefer to discuss his amendment in private first, rather than on the floor of the Senate at this time. So perhaps he can work it out in that way.

Mr. FERGUSON. Yes; that is what I suggested.

Mr. LUCAS. But I agree with the Senator from Nebraska that it is a little unusual for the Senate to be considering a bill of such importance without having before it any kind of printed hearings. That is not the way the Senate usually handles proposed legislation. This is the first time I can remember since I have been in the Senate that a committee has continued to hold hearings at the same time that the Senate has debated the bill on the floor of the Senate.

I presume it is perfectly all right to do so, if the committee wishes to have the Senate proceed in that way; but I say that it seems to me a little strange. I say that only in response to what the distinguished minority leader has said.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. JENNER. Provided that I may do so without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARRAN. The reason for that was the mandate of the Senate that the bill be reported on a certain date. In response to that mandate, we did report the bill. But we could not conclude the hearings by that time, and we have not concluded them.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. JENNER. Provided that I may do so without losing my right to the floor.

The PRESIDING OFFICER (Mr. HUNT in the chair). Without objection, it is so ordered.

Mr. WHERRY. Let me say that I agree that the mandate was made, and I think it was properly made. I think I voted to do what was ordered. But that does not mean that we have to terminate the debate because the hearings have not been printed or that we cannot start the debate until the hearings have been printed. As I said before, I wish the majority leader to know that it is perfectly agreeable to me to have the Senate enter into a unanimous-consent agreement for a vote at any time it is possible to agree on. But I submit that it would be very helpful if a date could be agreed upon, other than tomorrow or the next day, so that the committee would be able to have the hearings printed, and so that every Senator would be able to interpret the hearings for himself—rather than to have to take the statements of other persons in regard to interpretation of the testimony, with the result that the significance of the hearings is in dispute.

If there is a question about the hearings, and if that question is one on which some votes may hinge, I think it is important that the hearings be printed, if possible. I think to have them printed would be a great help to us.

I shall not object to a proposed unanimous-consent agreement any time the majority leader can obtain one. But I think this procedure is most unusual, and is most discomfiting to many Senators, who would prefer to make up their minds from a reading of the testimony themselves, rather than to have to rely upon the second-hand information now afforded on the floor of the Senate.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JENNER. Yes; provided that I do not thereby lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. Mr. President, I have been a member of the Judiciary Committee for 9 years. This is the first time we have reported a bill in the absence of the chairman, before we even had a chance to read the testimony. Since the bill was reported, the subcommittee has been hearing testimony. The testimony has never come back to the full committee.

I wish to serve notice that I am going to object to any unanimous-consent agreement of any kind or character. If the taxpayers are going to have to pay for the taking of this testimony, and if it is going to be printed, certainly a member of the Judiciary Committee should have a right, at some time or other, to read the testimony before he is called upon to vote on an important matter of this kind.

Mr. LUCAS. Mr. President, will the Senator from Indiana yield at this point?

Mr. JENNER. I yield.

Mr. LUCAS. I should like to advise the Senate that we shall continue in session until probably about 7 o'clock or 8 o'clock this evening on the pending bill, and tomorrow the same. Probably we shall have a rather late session tomorrow. I mention that merely so that we can try to get along the best we can.

Mr. JENNER. Mr. President, I shall now resume where I stopped yesterday; and let me say at this time that I hope every Member of the Senate will read the statements which were presented to the Senate yesterday, for I am sure they will clear up much of the misunderstanding and misconception prevalent in regard to the proposed legislation on this subject. Let us see how the former UNRRA employees and former employees of voluntary immigration agencies are operating our displaced-persons program in Europe under the administrative agreement while the three Commissioners spend their time in Washington and while the Immigration Service and consular officers, who are responsible under law for the administration of the act, stand idly by. Certainly they have the veto power, but they do not use it.

First of all, Mr. President, even the employees of the Displaced Persons Commission under the direction of the former UNRRA employee, Mr. Squadrilli, have relinquished part of the untenable sovereignty to the International Refugee Organization.

The present displaced-persons law defines a displaced person by incorporating by reference the definition contained in the constitution of the International Refugee Organization. The definition which is contained in the constitution of the International Refugee Organization, in addition to defining a displaced persons or refugee, sets forth who shall be the concern and who shall not be the concern of the International Refugee Organization.

It was clearly the congressional intent that the definition contained in the constitution of the International Refugee Organization would be a formula to be applied in administering the law by the Immigration and Naturalization Service and by the consular officers.

However, under the administrative practice which has been followed in administering the law, the certifications which are made by the International

Refugee Organization are generally accepted as binding, not only upon the Displaced Persons Commission, but upon our immigration officers and consular officers as well.

These certifications by the International Refugee Organization are not only with reference to whether or not the applicant is a displaced person, but also are with reference to other elements of the applicant's eligibility under our law, such as the date of his arrival in the occupied areas and whether or not he was in the areas prescribed by the law.

Mr. Donald W. Main, who is a senior officer of the Displaced Persons Commission in charge of the office at Munich, Germany, testified in public session before the Senate Committee on the Judiciary on February 14, 1950, with reference to International Refugee Organization certifications as follows—and this is public testimony which has been transcribed and is available to every Member of the Senate:

Mr. MAIN. They prepare documentation in the names of these persons. They certify to us that the person is a displaced person within the meaning of IRO's constitution and the concern of IRO.

In addition to that, they certify that their records show that the individual entered Germany, Austria, or Italy on a particular date and that they were in one of the western zones or sectors on January 1, 1948, or otherwise, if that is the case.

The records and certifications by the International Refugee Organization are prepared by displaced persons employed by the International Refugee Organization.

Mr. Main, whom I have previously identified, further testified as follows:

Mr. MAIN. I think that these decisions as to eligibility under the act and section 2 (b) of the act, which is an interpretation of IRO's constitution, that decision should be made by citizens of the United States.

Question. Are these people in IRO who make their determination on those two points in some instances citizens of countries other than the United States.

Mr. MAIN. I think in most instances.

Question. What countries are they citizens of, for the most part?

Mr. MAIN. They are what they call class I employees of IRO, which includes English, Dutch, Canadian, and all participants of the IRO, I think.

Question. To what extent are the records of the IRO, which you receive, prepared by displaced persons themselves?

Mr. MAIN. Almost all of the records, the documentation received, is prepared by displaced persons employed by IRO.

Question. In connection with the documentation that you receive from IRO, on which it makes determinations and decisions binding upon the Commission, the records are prepared by displaced persons themselves, is that correct?

Mr. MAIN. The records themselves are usually prepared by displaced persons.

The certifications, however, are in the names of the class I employees, not displaced persons.

Mr. Almanza Tripp, who is the officer in charge of the immigration detail stationed in Europe to examine displaced persons, testified in public session before the Senate Committee on the Judiciary on February 15, 1950. His testimony is a matter of public record. It is available and can be read by all Senators. He testified:

Question. Now, Mr. Tripp, to continue, who prepares the IRO records which are certified to the Displaced Persons Commission?

Mr. TRIPP. Do you mean the resettlement form and similar documents?

Question. Yes.

Mr. TRIPP. They are prepared by displaced persons employed by the IRO.

Question. In other words, is it true that the certifications which go from the International Refugee Organization to the Displaced Persons Commission are prepared—that is, the files are prepared by displaced persons themselves?

Mr. TRIPP. Yes; they are. But the certification is by one of their international employees.

Question. But he just signs his name to a document which has been prepared by other displaced persons; is that true?

Mr. TRIPP. I believe so, in most cases.

Question. Now, when the displaced persons have prepared this document which has been certified by their officer and transmitted to the Displaced Persons Commission, does the Displaced Persons Commission, in the usual run of cases, accept the certification of this document which was prepared by displaced persons themselves?

Mr. TRIPP. To the best of my knowledge, they do.

Question. In other words, we have a situation where displaced persons are preparing documents which, as the practice is, are binding upon the representatives of this Government?

Mr. TRIPP. Yes.

Mr. Edward M. Glasek, who was formerly employed by the Displaced Persons Commission in Europe, in a report dated May 11, 1949, addressed to the Chairman of the Displaced Persons Commission, said, among other things:

Issuance of documents by IRO has become a complete racket and is unworthy of reliability.

Individuals who normally could not qualify present false documents which are readily accepted and often such individuals are coached by the IRO interviewers as to their answers. If the prospective candidates do not possess documents, IRO has the authority to issue such on the mere statement of the individual under oath. The applicants are interviewed by indigenous clerks and these documents are certified by IRO officers without a direct contact with the candidates. This procedure offers an opportunity for widespread bribery and corruption.

Mr. President, do you suppose a Communist, a subversive, wanting to get into this great land of ours, would hesitate to make a false affidavit?

This is not propaganda, I may say, inspired by a $1,000,000 lobby. These are the statements of employees who were present in Europe, and who have seen the manner in which the law is administered.

On February 6, 1950, John Wilson Cutler, Jr., who is employed by the Displaced Persons Commission in Germany, testified in public session before the Senate Committee on the Judiciary as follows:

On the IRO report you must remember that the job of the International Refugee Organization is to get rid of the displaced persons, as many and as soon as possible, no matter how; that is their job. The people who do the actual work are all DP's, practically all. There is an IRO eligibility officer who will be allied personnel, who is at the top, but he accepts the work done by the DP's and he signs his signature.

Question. When the American consul officer gets a file on a particular DP, does the American consul officer, in addition to making an ascertainment whether or not the DP is eligible under the immigration law, also make an ascertainment as to whether or not the applicant is an eligible DP?

Mr. CUTLER. No, sir.

Question. By whom is that done?

Mr. CUTLER. By IRO entirely.

Question. And IRO makes that determination through employees who are themselves DP's?

Mr. CUTLER. Yes, sir.

Mr. President, this is not propaganda. Mr. Cutler is an employee of the Displaced Persons Commission in Europe, a young war veteran who appeared and testified. He may lose his job. He will be transferred, probably, as has happened in so many other cases. But at least he was American enough to come to the Senate Judiciary Committee and perform his duty in protecting the safety and security of the Nation.

The International Refugee Organization maintains a legal division to solicit pardons for convicted displaced persons so that they may become eligible for immigration to the United States under our law.

Mr. Almanza Tripp, whom I have previously identified, testified as follows:

Question. Do you know of any instances in which the Displaced Persons Commission or its employees have solicited pardons for convicted displaced persons in order to make them eligible under the law?

Mr. TRIPP. I know that IRO does that. IRO in fact maintains a legal division just to try to get pardons for displaced persons.

Mr. Tripp is now in charge of the immigration detail for all Europe. He is a career man in the Government.

Testimony before the committee by field employees of the Displaced Persons Commission, and by the officer in charge of the immigration detail in Europe, described numerous instances of pressure by officers of the Displaced Persons Commission in every phase of the operation. This pressure is exerted not only on the employees of the Commission, but upon the United States consuls and upon the immigration officers. Seven out of nine employees in the office under one area director, who had formerly been associated with a voluntary agency, went to the European headquarters to protest, but were transferred.

One field employee of the Displaced Persons Commission testified with respect to the action of a senior officer of the Commission who had sought a pardon for a convicted displaced person in order to make him eligible for immigration into the United States.

Another field employee testified that approximately 50 percent of his rejections of ineligible displaced persons were overruled.

That is a matter of public record, Mr. President, available to every Senator. This witness testified that approximately 50 percent of his rejections of ineligible displaced persons were overruled. He was told, "Take them, anyway."

Another former field employee of the Displaced Persons Commission presented

to the committee numerous files of cases in which he had been directed to "whitewash" ineligible displaced persons.

I presided at that hearing, myself. It was a public hearing, and the notes have been transcribed. In other words, Mr. President, his files showed on the face of them that these persons were ineligible. He presented to me the actual files when I presided at the hearing. His superiors, who were administering the law, said, "Go ahead and justify this person anyhow." I call it "Operation Whitewash." They do not care what kind of persons are coming to this country. They say, "Whitewash them; make them eligible; get them to the honeypot of the world."

The officer in charge of the immigration detail in Europe, Mr. Tripp, testified that the officers of the Displaced Persons Commission requested him to refrain from interrogating applicants concerning their eligibility under the displaced persons law so that there would be fewer cases held for investigation.

It is said that the Immigration Service has the veto, but it does not exercise it, following the theory of calculated risk. Mr. Tripp testified that those officers came to him and told him not even to interrogate displaced persons, because it would hold them up, and they did not want them held up.

Only 2 days ago, Mr. Squadrilli, who was before the committee, when asked about it, did not even deny it. We have heard a great deal regarding Mr. Squadrilli. The junior Senator from New York [Mr. LEHMAN] knows him well, because when the junior Senator from New York was the head of UNRRA, Mr. Squadrilli was one of his employees. Mr. Squadrilli is now the European coordinator for the displaced-persons law, in Europe.

Mr. Tripp further testified with reference to representations which had been made to him that the European coordinator for the Displaced Persons Commission, Mr. Squadrilli, had solicited certain persons to complain of Mr. Tripp's administration of the Immigration Service in Germany.

A field employee of the Displaced Persons Commission testified that a senior officer of the Displaced Persons Commission, who was formerly with one of the voluntary agencies, stated in a staff meeting to the field employees that if they could not reconcile certain irregular practices with their consciences, they should quit their jobs.

Get that, Mr. President—if they could not reconcile certain irregular practices with their consciences, they should quit their jobs.

Another field employee of the Displaced Persons Commission testified before the committee with reference to a senior officer of the Displaced Persons Commission, who formerly had been with a voluntary agency, as follows:

Question. Did Mr. Bashein indicate in this staff conference that he was the moving force which caused the transfer of the CIC man who had been giving derogatory reports?

Mr. CRAIG. He did.

Question. What did he say on that point specifically, as you recall?

Mr. CRAIG. He said that individual who had been giving these derogatory reports—that he had put pressure on, and that the individual who had been giving these derogatory reports had been transferred.

Question. He had put the pressure on whom?

Mr. CRAIG. On the CIC.

That shows, Mr. President, that they are putting pressure on the CIC, which is the only body left to check on the security risk of displaced persons.

We hear Senators saying, "This country is protected. These applicants follow a certain process. They go to CIC for a security check." But if CIC does not play ball with the Displaced Persons Commission staff in Europe, they get their heads chopped off or they get transferred.

Testimony before the committee by field employees of the Displaced Persons Commission was to the effect that they had been ordered by the European headquarters of the Displaced Persons Commission to withdraw adverse reports from the files on cases which had been rejected, and that although, in one area, a letter indicating that the adverse report had been withdrawn was inserted in the file, this was not the practice in other areas. In six of the areas, Mr. President, there were adverse reports in the files. When the reports were taken out and the file passed on to the immigration and consular people, they had no knowledge of the adverse report, because it had been deleted and withheld on instructions of the Displaced Persons Commission in Europe. There was nothing on which to base a security check. They had no reason to exercise their veto.

Mr. President, these are facts, not propaganda. There is no million-dollar lobby behind this statement. The testimony was given by young Americans working for the United States Government, who had sufficient courage, in spite of the fact that they might be transferred or might lose their jobs, to appear before the Judiciary Committee and present the facts.

Mr. John Wilson Cutler, Jr., who was a field employee of the Displaced Persons Commission, testified before the committee as follows:

Mr. CUTLER. What I want to say is that the reason that I have come over here and jeopardized my position—and I want to say now that I have a very good job, as far as salary is concerned, I made more money than I made before in my position, and my wife and I are perfectly happy in Germany—but the fact is that things like this and the steady pressure on everybody to pass everything no matter how, if you can't prove it, pass it, it has been that way in every bit of the whole organization. That is not only in the DP organization, but it spreads down to the lowest DP clerk, the personal eligibility, the selector, the analyst, and even to the senior officer.

The reason I say that is that originally in Butzbach, four of us had gone to Butzbach to complain, before this thing all took place, before the VVN, and we had been told that we had no right to question what our superior officer told us and that we had no right to reject anybody, that if we wanted to reject somebody we had to hand the case over to him and he could overrule us at any time.

Question. Who could overrule you?

Mr. CUTLER. The senior officer.

Shortly after this, that is, four of us from our organization at Butzbach—and there were about six there at the time, at the same time or shortly thereafter——

Question. Where did you four go, the four that you make reference to? You say you went somewhere.

Mr. CUTLER. We went to Frankfurt.

Question. To do what?

Mr. CUTLER. To complain about the existing situation. At that time we were concerned with the fact that we were not allowed to see the DP's we selected. In doubtful cases we wished to be able to interview the applicant to see if by a personal investigation, interview, we could determine certain facts; and we were told we could not.

I shall quote further from the young veteran's testimony.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. JENNER. I yield.

Mr. EASTLAND. The Senator said a selector could not even see the people whom he was selecting. That is the testimony. Who did the actual selecting?

Mr. JENNER. The IRO. As the evidence given by officials in the field clearly shows, the papers were handled and the files were made up by displaced persons.

Mr. EASTLAND. Would the Senator say that, in reality, displaced persons were selecting displaced persons?

Mr. JENNER. Exactly. That is how the practice works out. Oh, I know it is said that the consular service may veto a selection. The law says that the Immigration and Naturalization Service shall have the right of veto. I know that is the intention of Congress, as I proved yesterday by the records and debate. The junior Senator from Michigan [Mr. FERGUSON] said he tried to have inserted a provision that the Displaced Persons Commission should do the processing, but his amendment was voted down. That is a matter of record. I presented those facts yesterday.

Mr. EASTLAND. Under the order of the Displaced Persons Commission, which the Senator from Mississippi placed in the RECORD, the rule is that on matters of eligibility the decision of the Displaced Persons Commission is final.

Mr. JENNER. That is correct. They are violating the law of the country by administrative order.

Mr. EASTLAND. Will the Senator state whether or not the record shows any information to the effect that adverse reports are taken from files?

Mr. JENNER. I just covered that subject partially. We have seven areas in Europe. In all the areas except one, adverse reports were taken out of files.

Mr. EASTLAND. Is the Senator able to state how the Consular Service or the Immigration and Naturalization Service could veto an applicant when they do not have information in the file on which to act?

Mr. JENNER. They cannot do so. They would have to be a Houdini, or better.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LANGER. Do I correctly understand, from what the Senator has said, that an international organization, that

is, the IRO, decides who may come into the United States?

Mr. JENNER. Worse than that. Displaced persons within that organization actually make the selections. I shall get to that organization in a minute, and I shall show who the employees are and where they came from.

I further quote, from Mr. Cutler's testimony:

Now, in the Munich area, for instance, that is the one area that I know, you have always been allowed to interview applicants of doubtful caliber.

Shortly thereafter, seven people, seven members of the Ludwigsburg Mission, went to Frankfurt for more or less the same reason, to the best of my knowledge.

Question. What did your group of four do when they went to Frankfurt?

Mr. CUTLER. We asked Mr. Squadrilli if we could not be permitted to see certain DP applicants about which questions had been raised regarding their eligibility.

Question. Was that their eligibility, or their loyalty?

Mr. CUTLER. That was at that time their eligibility. This was very early in the program: 2 months after the commencement of the program.

In Ludwigsburg, seven members of the team, out of a total membership of nine, went to Frankfurt for the same reason, or more or less the same reason.

Question. What were you told in Frankfurt?

Mr. CUTLER. We were told that we had no right to question the orders of the senior officer and that if he had given us those instructions, we were to follow them out.

Question. Who are the senior officers? Could you tell us about them?

Mr. CUTLER. Their names?

Question. Yes, sir.

Mr. CUTLER. They are Mr. Bashein.

There are seven senior officers in Germany.

Question. Are they located in seven different places?

Mr. CUTLER. Yes.

When I first went there there were seven senior officers in Germany. I can give you the names: Mr. Bashein, Miss Ruskin, Miss Myerson, Mr. Hoexter, Mr. Main, and Mr. Dervan, and Mr. Conan.

Question. How many of these senior officers were formerly affiliated with one of the groups which is active in expediting the work of aliens in their emigration to the United States?

Mr. CUTLER. At least three of those.

Three out of seven areas.

Question. Who are they?

Mr. CUTLER. Mr. Bashein, Miss Ruskin, and Miss Myerson, and Mr. Kaplan—well, he isn't a senior officer.

Question. What is Mr. Kaplan's function?

Mr. CUTLER. He is the executive assistant to Mr. Squadrilli.

Question. What is his background?

Mr. CUTLER. He was formerly employed by AJDC, which is American Joint Distribution Committee.

Four out of eight principal officers are former employees of these voluntary organizations whose job it is to expedite immigration to America. Mr. Squadrilli, the boss of all of them, is a former UNRRA employee, by Mr. LEHMAN'S appointment.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. JENNER. I yield.

Mr. EASTLAND. Question has been raised in a telegram from Mr. L'Heureux about his request, advice, and statements to the Senate Judiciary Committee. Was the Senator present when Mr. L'Heureux, of the State Department, came before the Judiciary Committee?

Mr. JENNER. I was.

Mr. EASTLAND. For what purpose was he called before the committee?

Mr. JENNER. He was called before the committee to tell us how better we could protect the security and safety of our Nation.

Mr. EASTLAND. What was his recommendation?

Mr. JENNER. His recommendation was that if the State Department had the final authority, it could greatly protect the security and safety of our Nation.

Mr. EASTLAND. Was veto power given to the State Department?

Mr. JENNER. It was given in the committee bill, but not in the substitute bill introduced by 18 Senators.

Mr. EASTLAND. Was that done at the request of Mr. L'Heureux?

Mr. JENNER. It was done at the request of Mr. L'Heureux. At least that is why I gave my consent to it. I wanted the State Department to have that power. Of course, I know that the State Department has that power now under the law, but I thought there was no harm in writing such a provision into the bill, and thus accentuating the fact that they should have such authority.

Mr. EASTLAND. Did Mr. L'Heureux state that such authority was needed?

Mr. JENNER. He told us the authority was needed. As I previously said, the fact is that on the expiration date of our present law, June 30, 1950, all war-displaced persons will either be resettled or repatriated. However, Mr. President, there are hundreds of thousands of persons who since the end of the war have been registering with the International Refugee Organization as displaced persons, and who are now seeking to enter the United States in displaced-person status. Included in the group, of course, are deserving people. But included in the group also are the riffraff of Europe, the criminal element, black marketeers, subversives, and others of that kind, who are perverting our displaced-persons program to their own design.

The Senator from Mississippi [Mr. EASTLAND] a few days ago laid the facts before the Senate with reference to the extensive fraud which was being practiced. He was not reciting propaganda, but was quoting the testimony of persons who were on the firing line in the day-by-day operations in Europe.

Mr. EASTLAND. Mr. President, will the Senator yield for another question?

Mr. JENNER. I yield.

Mr. EASTLAND. The Senator from New York, in an attack upon the Senator from Mississippi, read a statement to the effect that Mr. Peyton Ford, of the State Department, said that no criminals and no Communist agents were coming into this country, or words to that effect. I should like to ask the Senator if the testimony from security officers in Europe shows that criminals and Communist agents are coming into this country as displaced persons.

Mr. JENNER. Plenty of them are. To answer the Senator's question, I will read from the testimony given in executive session before the Senate Committee on the Judiciary in January of this year, of a witness who was formerly director of certain phases of Army intelligence work in Germany, and who has an intimate knowledge of security problems in connection with the displaced persons program.

Question. Colonel, do you know of cases in which there were adverse security reports on displaced persons, but in which cases they were brought to this country notwithstanding adverse security reports?

The WITNESS. Yes, sir.

Question. I did not understand whether the colonel thinks that investigation would disclose that among the persons who have come over as displaced persons are Communists.

The WITNESS. I am quite sure of it, sir.

That, Mr. President, is typical. Similar evidence runs through the hearings.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. McCARRAN. Is it not true that when the colonel was testifying it was disclosed, by way of his qualifications, that he had served for a number of years in the Counter Intelligence Corps of the Army.

Mr. JENNER. That is correct.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. EASTLAND. And his testimony was secured by virtue of that service in the Counter Intelligence Corps of the Army?

Mr. JENNER. That is correct. His testimony was not given before the subcommittee, however; it was given before the full committee. He was such an important witness that we brought him before the full committee.

The senior Senator from Mississippi [Mr. EASTLAND] also laid before the Senate the facts with reference to penetration of Communist agents and subversives. Now I should like to invite the attention of the Senate to the extensive smuggling and black-market operations which are centered in the displaced-persons groups.

Mr. President, these are facts. I do not think they have been brought out during the debate. I am sure the American people are completely ignorant of most of these facts. I want to give them to the people in the hope that the truth will become known.

Mr. President, let me relate the testimony of a witness who was an agent of the United States Army criminal investigation division with reference to smuggling and black-market activities of displaced persons. He explained that the United States Government permits any authorized charitable organization to send material to persons in Germany, free of taxes. An investigation disclosed hundreds of tons of coffee were being shipped from Switzerland in the name of

a displaced-persons organization that was engaged in black-market operations.

Question. Mr. Witness, will you explain for the committee the Berger case, known as No. 52 C. I. D. 815?

This is a specific case.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question, yes.

Mr. McCARRAN. I wish to ask if I may have unanimous consent that the Senator from Indiana may yield so I may suggest the absence of a quorum. I think it is a very unhappy situation that but few Senators are listening to facts elicited from competent witnesses on exceedingly important matters which must be voted on within a short time. It seems to me all Senators should be apprised of the facts which are now being presented. Therefore I wish to have the opportunity to suggest the absence of a quorum, so Senators may be present and hear what the Senator from Indiana is saying.

Mr. JENNER. Mr. President, I do not want to lose my right to the floor. I am nearly through with my speech. I shall be glad to yield, however, so the Senator may suggest the absence of a quorum, provided it is understood I shall not lose my right to the floor thereby.

The PRESIDING OFFICER. Is there objection to the request that the Senator may yield without losing his right to the floor?

Mr. NEELY. Mr. President, I am sorry, but those of us in the rear cannot hear what is going on.

Mr. McCARRAN. Mr. President, I have just stated that it is a very unhappy situation that the Senator from Indiana is reciting testimony taken at great expense to the Government, from witnesses who were brought here from long distances, and is reciting it to empty desks. I think we should have a quorum call. Therefore, I ask unanimous consent that the Senator from Indiana may yield, without losing the floor, so the Senator from Nevada may suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I wish to say that I personally am interested in hearing the testimony, but may be able to remain in the Senate Chamber only for another half hour or so. I am interested in hearing what the Senator is now presenting. If the Senator from Nevada, however, believes that a larger audience should be present, and wishes to suggest the absence of a quorum, I shall not object. However, I should like to hear this particular phase of the speech being made by the Senator from Indiana.

Mr. McCARRAN. Mr. President, in the Bible it is said that there shall be more joy in heaven over one sinner that repenteth, than over ninety and nine just persons, who need no repentance. Therefore I shall not ask for a quorum call.

Mr. LONG. I appreciate the Senator's fairness.

Mr. JENNER. Mr. President, I am speaking of the Berger case. This is typical of black market operations.

The WITNESS. The Berger case occurred between the months of June and possibly August, 1949.

That is from last June to August. And the witness is an Army investigator.

Information came to us—

He said—

that certain displaced persons were bringing huge quantities of coffee into Germany. It was being smuggled in or brought in under the name of charity.

Mr. President, the displaced persons engaged with the Berger brothers in this smuggling and black-market movement made many thousands of dollars. Under the German tax rate, the tax on coffee is over 10 D marks per kilo, which is approximately 2 pounds. That would be a value of around $2.50 in taxes for 2 pounds. The actual cost of the coffee in the European theater is approximately 45 cents a pound. There would be a charge, then, of around $2.50 in taxes on a pound of coffee. But, by reason of the coffee being for charity, it came in tax-free. Therefore, the displaced persons were able to realize a profit of nearly 150 percent because of the evasion of this tax.

The Criminal Intelligence Division began to go into the task of apprehending these individuals? They went to whom? They went to Mr. Squadrilli's office and saw Mr. Kaplan. I will have to tell the Senate again that Mr. Kaplan is the administrative assistant of Mr. Squadrilli. They saw Mr. Kaplan and other officials of the Displaced Persons Commission. They discovered that three of the Bergers were in various processes of coming to the United States.

Question. As displaced persons?

Now, Mr. President, this is a typical case. It is not an isolated case.

The WITNESS. Yes, sir. All of these persons I am speaking of are displaced persons, all of them.

One Berger was located in the French zone and a warrant was obtained for him. A second Berger was located, whose name was Geno. The third Berger, the witness stated, was not located. It was found that Alexander Klein, alias Alexander Berger, and Josef Berger had previously been called and arraigned by the military court. They were released on their own recognizance. Alexander Klein had in his possession a kennkarte, identifying himself as Alexander Berger, and he had been cleared and was about ready to come to the States under the name of Alexander Klein. That, Mr. President, is typical of the fraud and perjury and the deception that goes on in getting such persons to this country.

The Berger brothers were brought to trial in a military court and were found guilty of smuggling. But, Mr. President, all three of these men either have immigrated or are now in the process of immigrating to the United States as displaced persons.

The witness further testified that as a result of the Berger case the Criminal Investigation Division agents went to a warehouse in the Frankfurt area, and that an examination of the books showed that over 500 tons of this coffee had been smuggled in by this one ring, which involved several displaced persons.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. JENNER. Yes.

Mr. WHERRY. Has that evidence been printed so that the Members of the Senate can see or read it?

Mr. JENNER. I am reading it right now. That evidence has all been taken.

Mr. WHERRY. Has it been printed?

Mr. JENNER. Does the Senator mean printed in book form?

Mr. WHERRY. Yes.

Mr. JENNER. No. The Senator will understand that the powerful lobby, which had nearly $1,000,000 which it spent to propagandize the bill, brought tremendous pressure upon this body, so the Senate was deprived of many courtesies it might otherwise have had. The committee was not permitted to go ahead and take evidence and testimony. We were under instructions from this body to report a bill January 30. Much of this evidence is coming in right now. Mr. Squadrilli and others are just coming back from Europe. We did not have them available before. We took testimony only this morning.

Mr. WHERRY. Will the Senator yield?

Mr. JENNER. I yield.

Mr. WHERRY. I see a number of volumes of testimony on the desk of the Senator from Nevada.

Mr. JENNER. That is a part of the evidence from which I am reading to the Senate now.

Mr. WHERRY. Are those volumes transcripts of the committee's work?

Mr. JENNER. Yes; typewritten transcripts.

Mr. WHERRY. Has any of that been printed for the information of the Senate? That is the question I raised a while ago.

Mr. McCARRAN. Mr. President, will the Senator from Indiana yield?

Mr. JENNER. I yield.

Mr. McCARRAN. I will reply to the question of the Senator from Nebraska by saying that it has not been printed, because the hearings have not yet been concluded.

Let me say that the Senator from Michigan [Mr. FERGUSON] and the Senator from West Virginia [Mr. KILGORE] questioned several witnesses, some of whom arrived here only a few days ago. Some of them were heard this morning; others are waiting to be heard.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. FERGUSON. I ask unanimous consent that I may make a few remarks relative to the statement which has previously been made.

Mr. LANGER. At this time, I object.

Mr. FERGUSON. Mr. President, will the Senator yield to me at this time?

Mr. JENNER. I yield if I do not thereby lose my right to the floor.

Mr. FERGUSON. Mr. President, I ask unanimous consent that in yielding to me, the Senator from Indiana will not lose his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Senator from Michigan may proceed.

Mr. FERGUSON. Mr. President, in reference to the hearings which are going on at the present time, it is true that the Senator from Michigan, the Senator from West Virginia, and, I think, the Senator from Missouri, asked that certain witnesses be brought here in order that certain items might be cleared up. But I wish to say to the Senate that these items are in regard to the administration of the law. They do not necessarily refer at all to defects in the present law, but they relate to the administration of the law. No Member of the Senate is more concerned than I am with the proper administration of the law. I have stated that I believe that the administrative portions of the law can be worked out as a result of the investigation and as a result of advice given by the Senate to the administrators of the law.

I am sure there is not a member of the committee who wishes to allow to enter this country anyone who would be a security risk. It was only fair to the Commission that it be given an opportunity to testify, so that all may know how the law is being administered.

I simply wish to make this statement at this time to clarify the record in regard to what is going on at the present time. The hearings are not held for the purpose of writing a bill, but they are for the purpose of clarifying the administration of the present law, the law now on the statute books, and to indicate what we may expect in regard to the administration of any new law we may enact.

Mr. WHERRY. Mr. President, will the Senator yield, so that I may ask a question of the Senator from Nevada?

Mr. JENNER. Provided I may do so without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. In line with what the Senator from Michigan has said, Mr. President, I repeat the question: Are those the transcripts of evidence which has been taken by the committee on all matters pertaining to the proposed legislation, and are the transcripts in print, so that the Senate may see all the evidence which has been adduced as indicated by those transcripts?

Mr. McCARRAN. In reply, let me say that these are transcripts of hearings conducted by the Judiciary Committee on this subject and its various phases, but they have not been printed.

Mr. WHERRY. And they are not available to the Members of the Senate as this subject is being discussed on the floor of the Senate.

Mr. McCARRAN. They are right here on my desk.

Mr. WHERRY. That is my point.

Mr. President, this is the first time in all my experience in the Senate that a piece of proposed legislation as far-reaching as the one now being considered, at least, has been debated and discussed on the floor of the Senate before the hearings were concluded and printed and made available to Senators on their desks, so that they could interpret the evidence. Not only is it ridiculous to have such a situation as the present one, but certainly it is a weak position to be in—namely, to ask Senators to pass judgment on such proposed legislation, but not let them have an opportunity to read the evidence.

Mr. JENNER. Mr. President, the witness I was quoting further testified that the displaced persons who were engaged in coffee black-market racketeering were paid in American green dollars, which is absolutely forbidden by law in Germany. As a typical illustration, he told of an instance in which the American agents seized a truck in which some displaced persons were transporting black-market coffee. The displaced persons had from $3,000 to $5,000 in American cash in their pockets. It is unlawful to have American money over there, but they had plenty of it. The serial numbers of this cash showed that all of it came from banks in the New York area.

In another case, several 100-pound bags of coffee were found stored in the Wiesbaden chapter of the German Red Cross center. The authorities called the president of this chapter and asked if he had any coffee, and he advised that he had none. It was found that the displaced persons were using the Wiesbaden chapter of the Red Cross headquarters as a storage for this smuggled coffee, and it was revealed that eight displaced persons were involved in that coffee deal.

Mr. President, that is just a typical example of the operations of the smuggling ring, which is highly organized, and its members have their pockets full of American money, generally from New York.

Certainly a fine bunch of people are being brought over here when persons of that type come to the United States. I do not wish to be misunderstood. Of course, many good displaced persons come to the United States. But I am fighting with all the power and strength I have to keep the gangsters, the racketeers, the subversives, the Communists, those who will imperil the safety and security of this Nation, from coming into the United States.

I have given the cold facts, which show that many of the undesirable types of displaced persons are coming into the United States—not in isolated instances but in wholesale groups. When Mr. Tripp says there are in the United States 30,000 displaced persons who are of doubtful eligibility, we know what kind of people we are getting, do we not?

Mr. WHERRY. Mr. President, will the Senator yield on that point?

Mr. JENNER. I yield for a question.

Mr. WHERRY. In regard to the point the Senator from Michigan made, is it solely a question of administration, or is it a matter of deliberate misinterpretation of the law?

Mr. JENNER. It is a deliberate violation of the present laws of this country, as passed by the Congress. I told the Senate yesterday—and the record speaks for itself—that those who are administering the law entirely ignore the intent of Congress as expressed in the law; they flaunt the law itself right in the face of Congress.

The only difference between the two measures before us is that the committee bill tries to spell out and point to the fact that the Immigration and Naturalization Service and the consular service must have the veto and must exercise the veto in regard to this class of cattle; but the substitute has nothing to do with tightening up on the security of this country. As a matter of fact, the proposed substitute pats on the back those responsible for the present situation and says to them, "Go on, boys; you are doing a fine job in bringing to the United States racketeers, forgers, defrauders, and criminals. Bring them on to America." That is the difference between the two measures.

As I said yesterday, even the committee bill, if it becomes law, will not do a bit of good as long as Dean Acheson, in the State Department, and the Department of Justice, refuse to uphold the laws of this country so as to protect the safety and security of our Nation. So long as that situation continues it will not matter what sort of law we pass, for all this corruption comes from the administration.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. JENNER. I yield for a question.

Mr. WHERRY. In setting up a new definition, however, it is the intention of the committee, as I now understand, to authorize and define what a displaced person is. If that definition is adhered to, the administration problems will be cured; will they not?

Mr. JENNER. That is correct; at least we shall have Americans, rather than displaced persons in the IRO, make up the file and the procedure to be followed.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. LONG. This question involves a letter which I received yesterday from a friend in whom I have the utmost confidence, having known this particular Army officer and having gone to law school with him. I read from his letter:

> I have been very much interested in this DP discussion that the Senate has been having recently, and just wanted to inform you that it is generally known over here—

Meaning in Germany; he happens to be an Army officer stationed in Germany, but he was a lawyer before he joined the Army—

> by all personnel familiar with the processing of those DP's that there has been considerable evidence of fraud through the screening processes prior to their receiving a permit to enter the States.
>
> In one particular incident that I was personally involved in—I was trying a courts-martial case, and one of the key witnesses was a DP—during the process of investigation it was proven that he was a black-market operator, thief, and racketeer. However, when his testimony was needed for the trial, he could not be found; and it was later disclosed that he was on his way to the States. It just seems strange that we stress law enforcement within the States, and yet the screening process over here is so poor and the implication of graft exists in so

many of the cases that I am certain that the people in our States would have to make room for—either in our prisons or by our welfare programs.

Is that in line with what the Senator has been saying about the investigation?

Mr. JENNER. Yes; it is the old, old story all over again. But, Mr. President, Senators who present these facts are charged with misrepresentation.

Yesterday, as I walked off the floor of the Senate, a gentleman who serves in the United States Army, and who had been in the gallery, came to me and said, "Senator, I am very glad that some American has the courage to stand up and at least tell the American people what is going on."

I said to this distinguished gentleman, "Why can't you help me? Why can't you talk about this matter to your Senators? You have been abroad for 3½ years, and you have seen this fraud and corruption and perjury and black-market racketeering."

He said, "Yes, I have seen it all. But I do not dare talk about it. I am in the Army, and I cannot talk."

Mr. President, is not that a shame?

Mr. LONG. Mr. President, I am sure the Senator would not wish to have me divulge the name of the officer who wrote the letter to me, although I can state that he is a man of the highest honor and integrity.

Mr. JENNER. Yes, I understand. It is obvious that the authorities will punish anyone in the service who tries to pass on vital information of that sort. If the names of such persons become known to the authorities, they will either fire them or demote them or "get" them in some way or other.

Let us go on with some of the facts. The witness further testified to another case of illicit traffic in coffee, in which five other displaced persons were apprehended. One of the displaced persons had $3,500 in American $100 bills.

The witness testified further respecting another illicit syndicate of displaced persons in Frankfurt that buys machinery for Israel from the Russians on a percentage basis.

Mr. President, we are fighting a cold war, and here are displaced persons trying to come to this country, who have taken American dollars, who are going over to Russia to buy equipment to be sent to Israel.

Here is another excerpt from his testimony:

Question. What about the instances in which you were offered bribes?

The WITNESS. I was offered this $3,500.

Question. What were the circumstances under which the bribe was offered?

The WITNESS. He said, "Take the $3,500 and let me go, nobody will know you have it." It's the usual offer. You might pick one up and he will have $4 and he will say, "Take the '4'." They have a dread of being fingerprinted.

Question. Have you had contact with Mr. Squadrilli, who is a Coordinator for the Displaced Persons Commission, with reference to the identity cards or on smuggling?

The WITNESS. We will have to digress and go back to 1947. At that time Mr. Carusi asked for an investigation to see if it were possible to determine the percentage of false documents that were slipping through the consulate.

Mr. Carusi is Chairman of the Displaced Persons Commission in Washington—not in Europe; he operates here. Squadrilli takes care of things in Europe. Mr. Carusi must have had some knowledge or some question about the fraud and corruption, because he asked for an investigation to see if it were possible to determine the percentage of cases based on false documents that were slipping through the consulate. The witness continued:

Secondly, he wanted a structure of advice as to how these shortcomings could be rectified. We went to five of the consuls and received a cross section, I do not recall the exact number but I think we got 30 or 45 of these documents. We took them to various German laboratories because they were all German documents for examination. These examinations proved them to be fraudulent because of different types of ink and paper and various other things. Every one that we submitted was fraudulent. On the basis of that cross section we estimated at that time that approximately 5,000 of these had gotten through.

In that one area 5,000 cases had been processed on fraudulent documents. To continue with the testimony:

Question. Gotten into the United States?

The WITNESS. Had gotten through the consuls.

Question. That they had gotten visas?

The WITNESS. Apparently so, that is where they go for the purpose of getting visas.

Mr. President, I would like to relate a few more incidents showing the type of some of the people we are receiving under our present displaced-persons program.

Question. Will you relate the ambulance case, the DP camp running a black market in cigarettes?

The WITNESS. This is another thing. It still runs along the same line, for dollars, for prohibitive goods. We received information that the United States Army ambulances that had been donated to IRO people in Frankfurt had been stolen. One week later the ambulance from Zilesheim turned over in Frankfurt. In that we found 16 cases containing 100 cartons each of cigarettes.

We finally got the man who was delivering the cigarettes and we traced it back to the ambulance driver in the camp who had given him the ambulance.

At the same time another vehicle was picked up in Munich.

That is the situation you have in the camp and how reliable your officers may be.

Mr. President, let me relate another startling case:

Question. How about the Freeman case?

The WITNESS. He was in the ambulance behind that. I believe he is in the States now.

There were 50 people involved there, and they did not make a move on it.

Question. Is Freeman a displaced person?

The WITNESS. Every person I have testified to is a displaced person.

Question. When did he come?

The WITNESS. The early part of 1949.

Question. Do you have his first name there?

The WITNESS. I believe it was Leo Freeman.

Mr. President, in a recent colloquy on the floor of the Senate I referred to the famous sheet scandal, a case involving a displaced person who had been admitted subsequently to the United States. I was in error in saying he had stolen 30,000 sheets. I wish to correct it. Instead of 30,000 sheets, this displaced person, now in the United States, had stolen 125,000 sheets. That is a lot of sheets. [Laughter.] It is merely an example of the kind of people we are admitting. It is not an isolated instance; there is case after case.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. JENNER. The witness Tripp said there were about 30,000 cases involving doubtful eligibility. I do not know. It may run higher than that. I yield to the Senator from Nebraska.

Mr. WHERRY. That is what I was about to ask. The Senator probably derived the figure "30,000" from the fact that the man in question was the applicant in one of the 30,000 cases involving doubtful eligibility.

Mr. JENNER. There is no question about it. The military authorities in Europe, after the man had arrived in the United States, learned about his having stolen 125,000 sheets. The Displaced Persons Commission learned about it, but what did they care? They were little concerned? So what did they do about it? I quote the exact words of the witness:

We came to the United States and could not even interview him. We went to your Immigration Bureau—

It is under the Justice Department—in New York, and they said he was not deportable, nor could we get him to come and speak to us even though we had proof that he had stolen property willfully.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. FERGUSON. Does the Senator believe that the so-called sheet man is not deportable?

Mr. JENNER. I certainly do not, but I am showing Senators how the law operates. I am showing what kind of people come into this country. It is said, "If criminals have been admitted, they can be deported." But not a single criminal has been deported. Not a black marketeer or thug or crook of any kind who has been admitted to this country as a displaced person has been deported yet.

Mr. FERGUSON. If the Senator will yield, the Senator from Michigan may say he agrees with the Senator from Indiana; it is not right.

Mr. JENNER. Of course it is not.

Mr. FERGUSON. It is not in accordance with the law. But I do not see how it can be made the basis of a criticism of the law. It is rather a criticism of the administration of other laws.

Mr. JENNER. I think the Senator from Michigan is going to come around finally to supporting the committee bill. He is talking that way. It is exactly in line with what we are trying to do.

Mr. FERGUSON. The Senator from Michigan intends to support whatever he believes is right; and he believes that the things which are being brought out indicate that there has not been compliance with the various laws of the United States.

Mr. JENNER. That is what I have been attempting for several days to say. That is what the committee has been saying for weeks. It is absolutely true.

Mr. FERGUSON. The failure is in the administration of the law.

Mr. JENNER. As I said yesterday, it does not matter what kind of law is passed; as long as the State Department and the Justice Department do not insist upon compliance with the laws of this country, we are going to find Mr. Squadrilli and the Displaced Persons Commission bringing in all the kinds of cattle they may want to bring in.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. JENNER. I yield for a question only. I want to get through.

Mr. FERGUSON. The Senator does not propose to write into the law, does he, that no one who has stolen 125,000 sheets shall be permitted to enter the United States?

Mr. JENNER. No. What the Senator from Indiana is advocating is a tightening up of the law, to make it impossible for such a man to be admitted.

Mr. FERGUSON. The Senator from Michigan agrees with the Senator, and will cooperate to that end.

Mr. JENNER. Then the Senator will probably support the committee bill before this debate is concluded.

Mr. President, I should like to touch on another phase of our displaced persons program, namely, the importation of alleged farmers. A week or so ago, 10 or 12 agriculturalists from nearby States appeared before the subcommittee, complaining of the type of displaced persons sent to them as farmers. I should like to relate part of the testimony given by a county agent with about 30 years' experience in the agricultural field. I quote from his testimony:

From experience I have had dealing with the farmers and DP families, it is evident that something needs to be done regarding the present system of placing displaced persons on farms.

Under our present tenant system, when a landlord makes a year's agreement with a tenant, which is usually about July, he is satisfied that the tenant will remain during that crop year. If he is to remain the second year, another agreement is made about July of the following year.

It is quite different with the DP families. They are sent to this country as farm laborers. The farmer goes to considerable expense in preparing for them, such as furnishing a home, electric lights, heat, food, including milk, grain for so many chickens, and grain for so many hogs; a good garden, with the understanding that they can sell as many vegetables as they do not need for family use; furnishing them transportation to grocery stores and church on Sunday; the school bus picks them up near the door and, in addition, paying them $25 to $50 a week.

Taking everything into consideration, it amounts to about $200 or more per month.

Our observation of practically all of them is that they are unappreciative; do not take into consideration what is being done for them; only think of the money that is being paid them. It's money, money to get to the city, or some large center.

Every one of our farmers leans over backward to keep things pleasant for them. It is my understanding that each farmer has to report to the State office every 6 months the DP's standing and progress he makes. No other check is made on these people at all. They can leave any time they get ready. No State or National officials have any idea where they are or what they are doing when they leave, and it's my opinion that as soon as they gravitate to some large center they go on relief.

Mr. President, I should like to read to the Senate a letter from a district county agent, sent to the Displaced Persons Commission in care of the Statistical Section, Immigration and Naturalization Service, Washington, D. C. The letter is as follows:

This is to report to you that the displaced-persons family for which we assumed the responsibility in September has followed the pattern of most of the other DP's in this area; that is, they are leaving farm employment and going to the city. Our displaced-persons family, Waysal Seifel and family, will leave Friday, February 24, for Philadelphia, Pa.

It is certainly evident that something needs to be done regarding the present system of placing displaced persons on farms. I have had an opportunity to observe between 30 and 40 DP families and, with the exception of 1 or 2 instances, the DP families are not staying with the farmers sufficiently long to take care of more than a very small fraction of the expense which the farmers go to in order to set up a home for these families who are supposedly in dire need of a home.

From all indications, there seems to be a concerted effort on the part of the DP families to get to cities as rapidly as possible and when the family leaves, they apparently keep in close touch with any DP families in the area from which they move and within a few weeks other DP families follow.

I might add that I have also observed that most the DP families are very unappreciative of what the American farmer has done or may be trying to do for them.

I had great hopes for this program and was, in the beginning, very sympathetic toward the whole set-up. At the present time, I seriously question the wisdom of these families being admitted to America as farm labor. It is my observation that those that are paid salaries equal to or above the local prevailing wage do not stay with the farmer any longer than those receiving less.

I am passing this information on to you for what it might be worth, and I feel that I am one of many who have been forced to change our opinion of the displaced persons program.

Very truly yours,

E. W. CARSON,
District Agent.

Mr. THYE. Mr. President, will the Senator yield?

Mr. JENNER. I yield for a question.

Mr. THYE. May I have information as to the district to which the Senator refers?

Mr. JENNER. I was referring to a district agricultural agent in the State of Virginia. Several agriculturalists came before the committee and testified. What I have just read into the RECORD was a letter.

Mr. THYE. I thank the Senator from Indiana. I am sorry that I was not present at the beginning of the Senator's statement. I have just been relieved from attendance on a conference committee, and I was anxious to know to which district the Senator had reference.

Mr. JENNER. Mr. President, I have just given the Senate an over-all picture of the type of persons who are coming to this country, on misrepresentation, as farmers, under the displaced persons program. I should like to quote the testimony of a very successful farmer in the State of Virginia, by the name of Lawrence Mister:

Question. Would you tell the committee the experience that you have had?

Mr. MISTER. Well, the experience is a rather sad one. Of course, when we put our application in, we ask for farmers. The first that we got, the first impression I got when I met him at the station, was that I didn't think he was going to do very much after I sized him up.

Nevertheless, I took him over there and set him up and thought I would try him to see how he would catch on.

Well, we tried to do just what we possibly could to see what he would do, and he just wouldn't catch on. So I began to question him. I asked him, "Did you ever do any farm work?"

He said, "No, sir."

I said, "Did you know you were coming on a farm?"

He said, "Yes, sir."

I said, "Why did you put your application in as a farmer?"

He said, "I used that means so I could get over here much faster."

And I asked him what kind of occupation he did. He said, "I was civil engineer and instructor in some college."

This farmer testified that he had had eight cases similar to the one I have just related.

Mr. President, let me read a section of the testimony given before the subcommittee by Mr. J. Ervin King, a farmer of Davidsonville, Md., relating his experience with displaced persons sent to the United States as farmers.

Question. Were they competent farmers? What has been your experience along that line?

Mr. KING. I haven't been to all the farms, but I have been to about 10 of them. In the 10 I haven't found one farmer. I found a college professor; I found a man who was a mayor of a town; I found a man who was a justice of the peace; I found a man who was a butcher; I think one of them told me he was a bookkeeper and the other was an accountant.

Mr. President, I hold in my hand a clipping from the New York Times, dated March 1, 1950, in which the junior Senator from New York [Mr. LEHMAN] is quoted as saying that the present Displaced Persons Act was basically cruel and deceptive, but that the alternative proposed by the Senator from Nevada [Mr. MCCARRAN] was even worse.

Let us consider the principal provisions of the committee bill which the junior Senator from New York [Mr. LEHMAN] deems to be worse than basically cruel and deceptive, and compare those provisions with the principal provisions of the substitute.

Let me get the picture before this body.

First of all, may we consider the screening provisions of the two bills. The provision of the committee amendment provides that the final determination of the eligibility of the applicants, both under the displaced-persons law and under the immigration laws, shall be made exclusively by the Immigration and Naturalization Service and the American Foreign Service, both acting through persons who are citizens of the United States and who have not less than 3 years' experience in the Immigration and Naturalization Service, or in the American Foreign Serv-

ice. Why is that basically cruel and deceptive?

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. JENNER. I yield for a question.

Mr. WHERRY. Was there any evidence submitted which is in direct opposition to that provision?

Mr. JENNER. The record is full of it.

Mr. WHERRY. The Senator means the transcript lying on the desk?

Mr. JENNER. The transcript is full of it and the record is full of it.

Mr. WHERRY. Why should there be any objection to the immigration authorities having the right of veto?

Mr. JENNER. The junior Senator from New York concedes they have that authority today. So what is wrong with such a provision?

Mr. WHERRY. That is what I should like to know.

Mr. JENNER. That is what I am asking.

Mr. WHERRY. The question of administration seems to be the big issue. Is it the thought of Senators who are supporting the committee bill that such a provision would tighten the selection of people of doubtful eligibility, such as the 30,000 to whom the Senator has referred?

Mr. JENNER. That is exactly the point. We just do not want former UNRRA employees and DP's themselves to send people into America. I want Americans to see the persons who are selected to screen them, and to ascertain their eligibility, and we want the laws relating to the Immigration and Naturalization Service and the consular service to be enforced. According to the junior Senator from New York that is basically cruel and deceptive.

Now, Mr. President, what is basically cruel and deceptive about this provision? The junior Senator from New York contends, although the facts are otherwise, that the Immigration Service and the American Foreign Service are, under the present program, doing just what the committee bill provides.

If the facts are as the junior Senator from New York contends, why is it basically cruel and deceptive to provide in the law that the final determination of eligibility of applicants shall be made exclusively by the Immigration and Naturalization Service and the American Foreign Service?

Is it, Mr. President, that because under the present system the fact is that the major determinations of who shall come into this country under our displaced persons law are being made by former employees of UNRRA, of which the junior Senator of New York was formerly the director? Is it pride in the organization which brings up this basically cruel and deceptive situation?

It is pointed out in the committee report, Mr. President, that the committee's amendment will not preclude activity of a preliminary nature by the Displaced Persons Commission in Europe, but that the committee amendment emphasizes and reenforces the clear congressional intent at the time of the enactment of the present displaced persons law; namely, that the major and ultimate responsibility for the administration of the law shall be in the Immigration and Naturalization Service and in the American Foreign Service.

That point was brought out in the debate in the last session of Congress, when the original bill was passed, between the junior Senator from Michigan [Mr. FERGUSON] and the Senator from Missouri [Mr. DONNELL]. The Senator from Michigan said that he did not want the UNRRA people running the program, and if he thought they would be running it he would not be for that kind of bill. The Senator from Missouri said: "Don't you see that you are going to have a duplication here?"

Nevertheless, when the bill was originally passed, as shown by the debate, and the language of the law itself, the intention of Congress was that the Immigration Service and the consular service should have the right of veto and the final say. The Displaced Persons Commission was never intended to do the screening, selecting, and processing in Europe. They were supposed to sit in the United States and furnish assurances, find jobs and homes, and look after the people when they got here.

By administrative agreement on the theory of calculated risk, they have all gone into collusion, and the important people of the Displaced Persons Commission—the Squadrillis, the Basheins, the Miss Ruskins, and the Miss Myersons, and the like—tell us whom we shall take into the country, and there are 30,000 of doubtful eligibility already in the country—black marketeers, racketeers, perjurers, defrauders, criminals, Communists, subversives, and even SS storm troopers.

(Applause in the galleries.)

The PRESIDENT pro tempore. Under the rules of the Senate there must not be any expressions of approval or disapproval on the part of the occupants of the galleries.

Mr. LUCAS. Mr. President, I make a point of order that there can be no demonstration from the galleries approving or disapproving any remarks made on the floor of the Senate.

The PRESIDENT pro tempore. The Senator is correct. The Chair has already called the attention of the occupants of the galleries to the fact that there must be no more applause.

Mr. JENNER. The junior Senator from Michigan [Mr. FERGUSON] is interested in the administration of the law. The substitute, of which he is one of the sponsors, is as silent as the Sphinx on the subject of administration.

At this point I may say, Mr. President, that the substitute by remaining silent with reference to the administration of the law would in effect be condoning the present maladministration of the law.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Michigan?

Mr. JENNER. I decline to yield at this point. I shall be glad to yield at the conclusion of my remarks. I have only a few more points to cover. I shall be glad to yield when I have finished my remarks.

The PRESIDENT pro tempore. The Senator from Indiana declines to yield.

Mr. JENNER. I should like to conclude my remarks, then I shall be very glad to yield for questions.

Now, Mr. President, let us look at another provision, relating to the administration of the law, which is contained in the committee amendment which the junior Senator from New York deems to be worse than basically cruel and deceptive. The junior Senator from New York said the other day that the original bill was cruel and deceptive, but that the McCarran bill, or the committee bill, is worse than basically cruel and deceptive.

As I have previously pointed out, because the present law incorporates by reference the definition of a displaced person as contained in the constitution of the International Refugee Organization, the International Refugee Organization makes certain determinations which in practice have been accepted as binding by the administrators of the law, who represent the Government of the United States.

The junior Senator from New York has vigorously protested that these determinations by the International Refugee Organization are not in practice accepted as binding by the administrators of the law. If the facts are as the Senator would have us believe, namely, that the determinations of the International Refugee Organization are not in practice binding on the administrators of the law, then why in the name of common sense can the junior Senator from New York object to a provision in the law which would make it clear that the determination of who is a displaced person under our law shall be exercised exclusively on behalf of the United States by persons who are responsible directly to the United States Government? Is it, Mr. President, because 80 percent of the employees of the International Refugee Organization were taken over from UNRRA, of which the junior Senator from New York was formerly the director?

Now, Mr. President, let us consider another provision of the committee bill, namely, that provision which does not exclude otherwise eligible displaced persons solely because of the type of blood which pulses in their veins. The constitution of the International Refugee Organization expressly excludes persons who are in every other way eligible as displaced persons if they happen to have German blood pulsing in their veins. Right there, may I say, Mr. President, that we are not speaking now of German nationals. We are speaking now of persons who were the victims of the concentration camps, or who were forcibly expelled pursuant to the Potsdam agreement from eastern European countries and driven into Germany and Austria.

Mr. President, the committee bill is attacked as discriminatory and as worse than basically cruel and deceptive. But the committee bill removes the most unconscionable discrimination which is contained in the constitution of the International Refugee Organization and which is now defended by the junior Senator from New York. How cynical it is, Mr. President, for anyone to express great compassion for displaced

persons and at the same time describe as basically cruel and deceptive a bill which removes the outrageous discrimination against otherwise eligible displaced persons whose only crime is that they have German blood pulsing in their veins, people who have been forced from their homes by reason of the Potsdam agreement, which was signed by this Government.

I remind the Senate that in the course of the last few days the junior Senator from New York stated that he had no sympathy for these people. He was referring then to the Sudeten Germans. That will be found on page 2808 of the RECORD of March 4. The junior Senator from New York contended that the elimination of the discrimination against displaced persons of German ethnic origin would permit the entrance of Nazis into the United States.

Mr. President, this just is not so. The fact is, however, that under the lax administration of the present law—and we have received testimony to that effect from men who know and who are operating the program—SS men have been admitted into the United States.

The junior Senator from New York admitted on the floor of the Senate a few days ago that the substitute permits persons of German ethnic origin, who were expelled from the eastern European countries, to use some fifty thousand-odd visas which would be charged against the German quota. I believe the number is 54,000. But, Mr. President, if these people are Nazis, and if the junior Senator from New York has no sympathy for them, why does he provide in the substitute that they can have fifty thousand-odd visas chargeable against the German quota? Is it because of the fact that under the present law, although the German expellees are granted 50 percent of the German and Austrian quotas, under the administrative practice relatively few have been admitted into the United States? In view of the practice which has been engaged in, I wonder how many we will get if the substitute bill, providing for 54,000, is passed.

At that point I may say, Mr. President, that although the substitute would make a maximum charge of only 25 percent against the quotas for all other displaced persons, a 50-percent maximum charge would be made against the German quota for the German expellees. If that is not discrimination, Mr. President, I do not know what is.

I regret exceedingly that the junior Senator from New York has called the committee bill basically cruel and deceptive, because if there is deception, let us look at the substitute.

Under the present displaced-persons law, included as one of the classes of displaced persons in the definition is:

> A person who, having resided in Germany or Austria, was a victim of persecution by the Nazi Government and was detained in or was obliged to flee from such persecution, and was subsequently returned to one of these countries as a result of enemy action or of war circumstances, and on January 1, 1948, had not been firmly resettled therein.

The foregoing language was taken almost verbatim from the constitution of the International Refugee Organization. This language was designed to embrace those persons who fled from Germany or Austria during the Nazi regime.

But, Mr. President, in the substitute, in defining this category of displaced persons, there is a strange omission of the language:

> One of these countries as a result of enemy action or of war circumstances, and on January 1, 1948.

Not one word of explanation as to why this language was deleted has been presented to the Senate. Indeed, the senior Senator from West Virginia [Mr. KILGORE] made evident by his remarks on the floor of the Senate a few days ago, that he did not realize the significance of the deletion of this language. With this language deleted, Mr. President, it means that a chosen group of displaced persons could return to Germany or Austria at any time with no cut-off date, irrespective of circumstances, and gain admission into the United States as displaced persons.

Already it is estimated that 500 persons have come to the United States as displaced persons, who had previously been in England, France, and Spain, but were told, "Come on back into Germany. We will make you displaced persons and send you over to America, to the honey pot."

The provision to which I have just referred opens up the whole field. There will then be no cut-off date whatever. People can flood into Germany from all over the world, and from there come to the United States as displaced persons, whereas they are no more displaced persons than I am. Talk of cruel deception. "Consistency, thou art a jewel."

Yes, Mr. President, I am sorry that the junior Senator from New York has chosen to call the committee bill deceptive. If there is deception, let us look at another provision of the substitute.

On page 6 of the substitute provision is made for 4,000 visas to be issued to displaced persons who resided in China on July 1, 1948. Who are these people? They are also people who fled from Germany during the period of the Nazi regime. But I invite the attention of the Senate to the fact that since July 1, 1948, several thousand of those displaced persons who were in China have been received by other nations of the world. In fact, I am reliably informed that some 2,500 of them have been received by Israel since July 1, 1948.

Mr. President, the language of the substitute has no cut-off date, and does not limit the class to those displaced persons who have been resettled. In other words, on the basis of the language of the substitute, certain displaced persons who back in July 1, 1948, resided in China, but who have now been resettled in other countries of the world, would be eligible for immigration into the United States as displaced persons.

That is not all, Mr. President. The general category of displaced persons must have job and housing assurance before they can be admitted into the United States. Under the substitute, no job and housing assurance is required for any of the displaced persons in the category which I have just been describing.

Yes, Mr. President, I regret exceedingly that the junior Senator from New York has chosen to call the committee bill deceptive. If there is deception, let us look at still another provision of the substitute.

On page 8 of the substitute provision is made whereby 50 percent of the nonpreference portion of certain quotas are for 5 years made available exclusively to applicants for immigration visas who since September 1939 and until January 1, 1949, left the occupied areas and gained admission into other countries of the world. But here, again, Mr. President, as to this select group, no job or housing assurances are required as prerequisites to eligibility. No one knows the number that can come in under this provision of the law. There is no way to ascertain it.

Yes, Mr. President, I regret exceedingly that the junior Senator from New York has chosen to call the committee bill deceptive. If there is deception, let us once again look at the substitute.

On page 9 of the substitute provision is made that the selection of eligible displaced persons shall be made without discrimination in favor of or against an eligible displaced person because of his race, religion, or national origin. The committee bill, on the other hand, provides that the selection of displaced persons shall be made without discrimination or favoritism on account of religion.

On the surface, Mr. President, it appears that both of these provisions are merely pronouncements that there shall be no discrimination. But upon analyzing the language of the substitute in the face of the facts, it is apparent that if certain groups of displaced persons are being admitted into the United States in a volume completely disproportionate to their numbers in Europe, there could, under the language of the substitute, be no administrative adjustment so as to allocate the visas on a fair proportion to all groups of displaced persons.

Yes, Mr. President, I am exceedingly sorry that the junior Senator from New York has chosen to call the committee bill deceptive. If there is deception, let me point again to the substitute.

Both the substitute and the committee bill provide for the admission of 5,000 orphans on a nonquota basis. The senior Senator from Maryland [Mr. TYDINGS] is very much interested in this provision. But although both measures embrace Greek displaced persons, the substitute in defining who is an eligible displaced orphan excludes Greek displaced orphans. This is not done in the substitute by express language excluding the Greek displaced orphans, but it is done by a definition on page 4 of the substitute which requires that before an orphan may be deemed to be an eligible displaced orphan, he must be in Italy or in the occupied areas of Germany or Austria. So, Mr. President, we see that an orphan from Greece could never be admitted to the United States.

Yes, Mr. President, I am exceedingly sorry that the junior Senator from New York has chosen to call the committee

bill deceptive. If there is deception, let us look at another provision of the substitute.

The present law and the committee bill allocate 2,000 visas to the Czech refugees. The substitute, on page 3, embraces the Czech refugees in the definition of eligible displaced persons; but beginning on page 5 of the substitute, which provides for the allocation of visas, no specific allocation is made of any visas to the Czech refugees.

Mr. President, since the substitute does not provide for the allocation of visas to the Czech refugees, why is it that the substitute defines them as a specific category of displaced persons? The answer is obvious. Their numbers will be diluted with the other applicants in the general displaced persons category.

Yes, Mr. President, I am exceedingly sorry that the junior Senator from New York has chosen to call the committee bill deceptive. If there is deception, let us look again to the provisions of the substitute.

Both the substitute and the committee bill make provision for 18,000 Poles, who were part of the Anders army which was received into Great Britain. Under the committee bill, the visas to this group are limited to those who have not been integrated into the British economy and who are truly displaced. You see, Mr. President, 18,000 of the Poles who were in General Anders' army went into Britain. Many of them have become integrated into British society, and have homes and families and jobs there. They are not displaced. Under the provisions of the substitute, however, the 18,000 visas would be available on a general immigration basis, irrespective of the status of an applicant as a displaced person. Moreover, Mr. President, the substitute makes no provision for job and housing assurances for this group as a prerequisite for eligibility.

Yes, I say again, Mr. President, I am exceedingly sorry the junior Senator from New York has chosen to call the committee bill deceptive.

I also regret exceedingly that the junior Senator from New York suggested on the floor of the Senate a few days ago that the senior Senator from Mississippi [Mr. EASTLAND] had been indulging in misstatements. If misstatements have been made by the proponents of the committee bill, Mr. President, they are misstatements which came from the lips of the chief of the immigration detail in Europe, from the lips of the security officers of this Government, from the lips of those patriotic young men who have been on the firing line in Europe, and who have become so disgusted about the operation of our present program that they have returned to the United States to testify before a committee of the United States Senate.

Mr. President, a five-man subcommittee of the Senate Committee on the Judiciary, together with a staff, for many months have been conducting an intensive study and investigation of the law and the facts. We have not come before the Senate with the propaganda of a million-dollar lobby. We have come here with the facts, the plain, unvarnished truth.

I say, Mr. President, that it is a serious matter when the bill which was drafted by the senior Senator from Nevada [Mr. MCCARRAN], the senior Senator from Missouri [Mr. DONNELL], the senior Senator from Mississippi [Mr. EASTLAND], the junior Senator from Maryland [Mr. O'CONOR], and myself, and which was reported to the Senate by a vote of 10 to 3 by the Senate Committee on the Judiciary, is called deceptive.

Mr. President, on the basis of my remarks of today, I think the Senate will understand where, if at all, any deception lies.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, following the remarks of the Senator from Indiana, certain observations which I have prepared on the bill now before the Senate.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Mr. President, many excellent statements have been and will be made on the subject of displaced persons in the course of this discussion. Although I am sure that the remarks of various Senators will fully illuminate the problem, there are certain aspects which seem to me to need special attention.

The displaced persons law represents a realization by the people of America that certain people were specially deserving of help and were persons who would make very important and significant contributions to the economy, culture, and spiritual life of our country. When the Congress passed the present law it did not, however, modify the normal immigration laws. Nor is any of the pending bills a modification of the immigration laws. Permit me to repeat that. The displaced persons law and the various pending amendments do not modify the immigration laws; in fact, they add additional hurdles which a displaced person immigrant must meet to enter the United States, over and above those requirements which must be met by the immigrant under the other immigration laws. All the immigration requirements for protection against public charge and disease still apply to displaced persons, and even more. And the displaced persons law does not abolish or increase the quotas. Every displaced person who enters the United States must be charged to the quota of the country in which he was born. The displaced persons are not in addition to the regular quotas—they are the regular quota immigrants, because they are charged to the quotas. In effect we are penalizing future immigration. But be that as it may, I wanted to make this crystal clear.

That, in fact, is what is meant when we say that the displaced persons immigration mortgages the quotas, up to 50 percent of each successive year. Consequently, the displaced persons program keeps immigration within the regular immigration quotas, and the total number of people who may enter the country is not increased by this law.

Another factor which sometimes is not clearly understood is our present role in connection with these displaced persons. To hear some of the remarks made on the floor, an uninformed person might almost be led to the belief that we who are in favor of a real displaced persons law are seeking to round up everyone in the world and attempting to drum up business. The fact is that the displaced persons are now in our charge and that we are now caring for them and concerned about them. By June 30, 1950, we will have contributed over $212,000,000 to the IRO for the care and maintenance and the resettlement of displaced persons, and it appears likely that we may be contributing another some $25,000,000 to the IRO for fiscal 1951. I do not mean to leave the impression that I begrudge this money—no indeed. I think it will redound to our natural benefit as well as to our glory. But what I do mean to illustrate by citing these facts is that we have a very large financial, as well as a humanitarian, stake in ending the IRO displaced persons problem at the earliest possible date.

Nor can we afford to forget our stake in the peace and economy of Europe, a situation in which the displaced person population is inextricably involved. Our occupation forces and our occupation policy all require the very earliest possible resettlement of a maximum number of IRO displaced persons.

It is for this reason, among others, Mr. President, that I associated myself with the so-called minority views submitted by Senators KILGORE, GRAHAM, and FERGUSON. I originally voted for the committee bill principally because by so doing I was voting for getting a bill out on this floor for debate, and not because I necessarily agreed with its provisions. Time was not afforded us to study the substitute bill before the committee had to meet its dead line. But I am now convinced that the substitute bill is superior in certain very important respects. In particular, it leads the way to a final solution of the IRO displaced-person problem. Unless we do this, we shall be burdening the American taxpayer with a heavy and continuing financial burden which is unnecessary.

The substitute bill increases the number of eligible IRO displaced persons who may be admitted into the United States by 95,000 persons, and extends the life of the act for 1 year in which to accomplish this objective. This additional number, plus the additional numbers who will be taken by other nations, will result in substantial solution of the IRO displaced-person problem. Not until we terminate this problem will we meet our international obligations in this broad humanitarian venture. Not until we find a real solution to this IRO displaced-person problem will we be able to save the American taxpayer millions of dollars.

The committee bill, however, Mr. President, could actually have the disastrous effect of reducing the number of IRO displaced persons—even below the number authorized in the present law. This effect comes about by reason of the committee bill's definition of displaced person. It would dilute the total number of visas available to IRO displaced persons by playing off the IRO displaced persons against the expellees, to the loss of both.

The Members of this Senate who want to help both groups will find that the committee bill grievously fails to do this; they must turn to the substitute bill for real and effective help to both the IRO displaced persons and the expellees.

Mr. President, I hope my remarks may have served to dispel two misconceptions which inevitably crop up in connection with the displaced-persons program. But there is one further erroneous belief which must be exposed. People who are opposed to a displaced-persons program in principle, seek to justify their views by pointing with alarm to the present unemployment situation in the United States.

Certainly no one is better qualified to defend the interests of American labor than William Green and Philip Murray. They, and their labor unions, are for the substitute bill. At the risk of repetition, Mr. President, I should like to call attention again to the fact that both the A. F. of L. and the CIO at their last annual conventions, urged enactment of the bill as approved by the House. Even further, the A. F. of L. executive council at its meeting last month, issued a strong statement reiterating support of the House-approved bill and urging speedy action by the Senate of the United States, and stating that the displaced-persons program does

not in any way jeopardize employment opportunities of American workers nor seriously aggravate housing shortages.

In fact, Mr. President, the A. F. of L. executive council vigorously opposed any amendments which would relate displaced persons admissions into the United States to any fixed unemployment or housing-shortage figures.

Senator KILGORE has already read into the record a letter from Mr. Murray to the same effect.

Certainly, Mr. President, if the A. F. of L. or the CIO felt that this bill would endanger American labor they would not be for it. And I might add that other important labor unions have also supported this bill. Without attempting a full list, the Senate will be interested to learn that support for H. R. 4567 as approved by the House has also come from Amalgamated Clothing Workers of America, CIO; Brotherhood of Railway Clerks, A. F. of L.; International Longshoremen Association, A. F. of L.; International Printing Pressmen and Assistants Union of North America, A. F. of L.; National Maritime Union of America, CIO; National Women's Trade Union League.

Let me also point out, Mr. President, that the various governors of the respective States are also interested in the welfare of their workers. If it were true that displaced persons adversely affect unemployment, would it be likely that the governor of my own State, the Honorable Arthur B. Langlie, should have expressed the hope to the House Judiciary Committee that the State of Washington should receive over three times as many displaced persons as have already reached there? Would it be likely, Mr. President, that the governors of 23 States, including my own, should have petitioned this body to enact the House-approved bill.

Permit me, Mr. President, to read the list of governors who have petitioned in support of this legislation:

Alabama, James Fulton; Arkansas, Sidney McMath; Colorado, William Lee Knous; Illinois, A. E. Stevenson; Indiana, Henry Schricker; Kansas, Frank Carlson; Kentucky, Earl Clements; Louisiana, Earl K. Long; Maryland, William Preston Lane, Jr.; Michigan, G. Mennen Williams; Minnesota, Luther W. Youngdahl; Montana, John W. Bonner; New Jersey, Alfred E. Driscoll; New York, Thomas E. Dewey; North Carolina, William Kerr Scott; Ohio, Frank J. Lausche; Oklahoma, Roy J. Turner; Oregon, Douglas McKay; Pennsylvania, James H. Duff; Rhode Island, John O. Pastore; Vermont, Ernest W. Gibson; Washington, Arthur B. Langlie; West Virginia, Okey L. Patteson.

All of this vast array of evidence only proves that there is no merit whatsoever to the argument that the displaced persons program should not be liberalized because of unemployment. How can there be any merit to such an argument when the full 339,000 authorized under the substitute bill represents an addition of three-tenths of 1 percent of our total labor force, over a 3-year period, distributed throughout the entire country. It is preposterous.

Mr. President, in 1948, when the Congress enacted the present law, we started out on a noble purpose, even if our vehicle was not well-suited to such high purposes. Now is the time to fit the vehicle to the lofty purpose. Let's finish this job of resettling IRO displaced persons in the generous and fair spirit which is so deeply ingrained in the true American tradition. Let us do this job now by enacting the substitute bill. Only then will the United States be able to hold its head high in the company of nations.

NEW YORK, N. Y., *February 22, 1950.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

May we take this opportunity of commending you for associating yourself with the minority report recently introduced in the Senate to amend the Displaced Persons Act of 1948. We are appreciative that you have found it possible to demonstrate your interest in displaced persons in so concrete a way. We are grateful for the recognition which you and your six other colleagues give to the fact that the displaced persons problem cannot and must not be solved by partial or halfway measures.

We want you to know that throughout America there continues a grave sense of responsibility for helping the displaced persons still homeless in Europe. Many American citizens have dedicated themselves to offering new homes and new opportunities of work in America to displaced persons. We feel that the substitute amendments most closely reach the effectives which have been recommended by our various groups concerned with the resettlement of displaced persons and represent an advance toward a workable just and humane law.

Basically the modifications of the present DP act incorporated in the bill accompanying the minority report are favored by those of us actively engaged in sponsoring displaced persons.

In addition we feel it would be advisable to designate the group which is benefited by section 12 in terms that are not suggestive of distinctions according to race. We feel that referring to persons because of their German ethnic origin is not in keeping with our democratic tradition and heritage. We would also hope that provision could be made to cover the inland transportation for DP's we welcome to America this will help to implement a broad geographic distribution of DP's throughout the country. We earnestly hope that the Senate as a whole will accept the corrections you have offered in the substitute amendments when the matter of adequate legislation to admit displaced persons comes before them for consideration.

Rt. Rev. Msgr. EDWARD E. SWANSTROM,
Executive director, War Relief Services, National Catholic Welfare Conference.

Rev. WALTER W. VAN KIRK,
Executive Secretary, Department of International Justice and Goodwill, the Federal Council of the Churches of Christ in America.

Rev. CLARENCE KRUMBHOLTZ,
Executive Secretary, Division of Welfare, National Lutheran Council.

Dr. BERNARD J. BAMBERGER,
President, Synagogue Council of America.

WASHINGTON, D. C., *February 23, 1950.*

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

As Americans we are deeply concerned that our country fulfill our moral obligation and international commitment to find new democratic homelands for the helpless displaced human beings under our care in Europe. Therefore, we respectfully petition the Members of the United States Senate to approve the substitute amendments to the Displaced Persons Act of 1948 presented by Senators FERGUSON, GRAHAM and KILGORE. It is our sincere and heartfelt conviction that without these amendments it is impossible for us to create a displaced persons law that will enable our Nation to admit our share of displaced persons in a just, humane, and fair way.

Gen. Lucius D. Clay, Mrs. Franklin D. Roosevelt, James A. Farley, Maj. Gen. William J. Donovan, James F. O'Neil, Judge Joseph Proskauer, James L. Kraft, Mark Ethridge, Fred Lazarus, Harry Bullis.

FEBRUARY 28, 1950.

Rt. Rev. Msgr. EDWARD E. SWANSTROM,
War Relief Services,
National Catholic Welfare Conference,
New York, N. Y.

DEAR REVEREND SWANSTROM: Thank you very much for the favorable comments contained in your letter of February 16 with reference to my position on displaced persons.

The DP problem is one of the most pressing and potentially explosive ones remaining to be solved in central Europe, entirely aside from the humanitarian aspects. I do not see how anyone whose heart is in the right place can help being touched by that aspect.

There is also the compelling motive of self-interest in getting these people resettled and rehabilitated. It is good to know of the sustained interest you and others have in this legislation.

Sincerely,

WARREN G. MAGNUSON,
United States Senator.

WAR RELIEF SERVICES,
NATIONAL CATHOLIC
WELFARE CONFERENCE,
New York, N. Y., February 16, 1950.

The Honorable WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAGNUSON: It was with great interest that I read the minority report signed by you on amending the Displaced Persons Act of 1948. We were most pleased to note that many of the changes urged by the National Catholic Resettlement Council have been incorporated in the accompanying bill. We believe that the enactment of this bill would be a substantial contribution toward a permanent solution to the problem resulting from World War II and its aftermath.

Of special interest in this bill is the workable solution presented for the expellees which would in no way jeopardize the entry of the IRO displaced persons. By eliminating the possibility of confusion and by implementing the terms of section 12, it seems apparent that the United States will make a major contribution in the resettlement of displaced persons, while at the same time approaching the difficult problem of the expellees with order. We still wish that it were possible to designate the respective groups aided under the amendments in terms that are not suggestive of distinctions according to race.

The observations appearing in the minority report on the work accomplished by the Displaced Persons Commission is borne out by our experience. Despite all the delays and difficulties which accompany the initial stages of any large-scale program, the Commission has suceeded in expediting the entrance of a representative number of persons. There is every reason to believe that it will handle an expanded program with at least equal efficiency.

May we take this opportunity to indicate our gratitude for your continued interest in the resettlement program. We are glad to know that you have found it possible to demonstrate this interest in so concrete a way as a cosigner of the minority report.

Sincerely yours,

Rt. Rev. Msgr. EDWARD E. SWANSTROM,
Executive Director.

THE FEDERAL COUNCIL OF THE
CHURCHES OF CHRIST IN AMERICA,
New York, N. Y., January 21, 1950.

Hon. WARREN G. MAGNUSON,
Senate Judiciary Committee,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MAGNUSON: It is my understanding that the Senate Judiciary Committee is due to submit a revised displaced

persons bill to the Senate within a matter of days. I want you to know that we of the Federal Council of the Churches of Christ in America will follow with deep and prayerful interest your efforts in this regard. I have reason to believe that the people of our churches generally are prepared to support H. R. 4567 as a bill which meets, in its essential respects, the concern of our churches respecting displaced persons legislation.

I am enclosing herewith, for your information, copy of a petition which endorses the principles embodied in H. R. 4567, and which bears the signatures of the official heads of some 22 communions related to the Federal Council of Churches and a considerable number of allied religious bodies.

Respectfully yours,

WALTER W. VAN KIRK,
Secretary.

To the Senate of the United States:

We respectfully petition the Senate of the United States promptly to enact an adequate satisfactory and workable displaced persons bill. We believe this bill (H. R. 4567), if concurred in by the Senate, would go far toward removing the unjust features of the Displaced Persons Act of 1948. It is our view that liberalization of the existing displaced persons legislation would be wholeheartedly supported by the religious community of our country.

Mrs. H. G. Colwell, Loveland, Colo., president, North Baptist Convention; Rev. D. V. Jemison, Selma, Ala., president, National Baptist Convention; Miss Helen Kenyon, New York City, moderator, Congregational Christian Churches; Rev. Charles C. Ellis, Huntingdon, Pa., moderator, Church of the Brethren; Rev. Josef A. Barton, La Grange, Tex., ecumenicity advocate, Czech-Moravian Brethren Church; Rev. John A. Tate, Richmond, Va., president, International Convention of Disciples of Christ; Rev. L. W. Goebel, Chicago, Ill., president, Evangelical and Reformed Church; Bishop A. R. Clippinger, Dayton, Ohio, president, board of bishops, Evangelical United Brethren Church; Bishop Ivan Lee Holt, St. Louis, Mo., president, Board of Bishops, the Methodist Church; Bishop W. J. Walls, Chicago, Ill., presiding bishop, African Methodist Episcopal Zion Church; Bishop J. Arthur Hamlett, Kansas City, Kans., presiding bishop, Colored Methodist Episcopal Church; Rev. F. P. Stocker, Bethlehem, Pa., president, Northern Province, Moravian Church in America; Bishop J. Kenneth Pfohl, Winston-Salem, N. C., president, board of provincial elders, Southern Province, Moravian Church in America; Rev. Clifford E. Barbour, Knoxville, Tenn., moderator, Presbyterian Church in the United States of America; Rt. Rev. John B. Bentley, New York City, vice president, National Council of the Protestant Episcopal Church; Rev. Abraham Ryndrandt, Grand Rapids, Mich., president, Reformed Church in America; Howard G. Taylor, Philadelphia, Pa., secretary, Philadelphia Yearly Meeting, Religious Society of Friends (Quakers); Rev. John Trutza, Cleveland, Ohio, president, the Romanian Orthodox Episcopate of America; Metropolitan Theophilus, New York City, the primate ruling bishop of the Russian Orthodox Greek Catholic Church of North America; Dr. Loyd D. Seager, Little Rock, Ark., president of conference, Seventh Day Baptist Church; Archbishop Antony Bashir, New York City Metropolitan Syrian Antiochian Orthodox Archdiocese of New York and all North America; Most Rev. Bishop Bohdan Shpilka, New York City, primate of the Ukrainian Orthodox Church of America; Mrs. Arthur Forrest Anderson, New York City, president, National Board of the Y. W. C. A. of the United States of America; Mrs. F. G. Brooks, New York City, president, women's division, the Methodist Church; Dr. E. Fay Campbell, Philadelphia, Pa., chairman of the board, student volunteer movement; Rev. Paul H. Conrad, New York City, president, United Stewardship Council; Dr. Truman B. Douglass, New York City, executive vice president, Board of Home Missions Council of North America; Dr. Joseph C. Hazen, New York City, General Commission on Chaplains; Walter D. Head, New York City, president, World Alliance for International Friendship Through Religion; Eugene R. McCarthy, St. Louis, Mo., president, National Council of the Y. M. C. A.'s in the United States of America; Dr. John A. Mackay, Princeton, N. J., chairman, International Missionary Council; Bishop C. Bromley Oxnam, New York City, president, World Council of Churches, Conference of United States of America; Mrs. Harper Sibley, Rochester, N. Y., president, United Council of Church Women; Mrs. Arthur M. Sherman, New York City, chairman, Committee of Reference and Counsel, Foreign Missions Conference of North America; Dr. Henry Russell Stafford, Hartford, Conn., president, American Board of Commissioners for Foreign Missions (Congregational Christian Churches); Hon. Harold E. Stassen, Philadelphia, Pa., chairman, International Council of Religious Education; Dr. Luther A. Weigle, New Haven, Conn., chairman assembly, World Council of Christian Education.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., February 17, 1950.

MY DEAR SENATOR: During its recent quarterly meeting, the executive council of the American Federation of Labor, on February 7, 1950, approved and issued the following statement regarding the bill on displaced persons which will be before the United States Senate in the near future for its consideration and action:

"The American Federation of Labor has consistently supported the enactment of liberal, humane, and workable legislation designed to aid the suffering displaced persons who are victims of the World War. We believe that the United States should be willing to assume its fair share of the responsibility of all free nations to provide a new homeland for these shattered families who can call no land their own. Accordingly, the sixty-eighth annual convention of the American Federation of Labor went on record unanimously in favor of liberalizing amendments to the present displaced persons law. These amendments were included in H. R. 4567 which was passed by the House of Representatives.

"Now the executive council calls upon the United States Senate to adopt this bill as passed by the House.

"We oppose recently introduced amendments which seek to prohibit further admissions of displaced persons whenever unemployment in the United States reaches 4,000,000 or whenever the number of married couples living in doubled-up dwelling units exceeds 2,000,000. These limitations are so close to existing unemployment and housing figures that adoption of the amendments would render the new law inoperative at the very outset.

"Fully adequate protection concerning housing and unemployment are contained in the present law and have been reenacted by the House in H. R. 4567. Indeed, the A. F. of L. has repeatedly pointed out that even these requirements are difficult to administer and hamper the purpose of the law, as experience has shown.

"The A. F. of L. would be the first to protest against legislation which actually undermines the job security of American workers or which really restricts their housing opportunities. But we know from experience that the admission of displaced persons at a limited rate, widely dispersed throughout the country and in practice dispatched to areas of labor shortage does not in any way jeopardize employment opportunities of American workers nor seriously aggravate housing shortages.

"The purpose of these new amendments must therefore be recognized for what it is—a device to vitiate the whole spirit and purpose of more liberal displaced persons legislation.

"The executive council also protests against the proposal offered in the Senate to redefine displaced persons so as to include millions of German expellees. They are not genuine displaced persons as understood by the International Refugee Organization. Their expulsion was due to their identification with the worst elements of nazism. The purpose of the displaced persons law is not to offer refuge to those responsible for international crimes, but to the helpless victims of those crimes."

I thought it advisable that this statement be called to the attention of all Senators in order that they may be advised of the position of the American Federation of Labor in regard to this important matter.

It will be appreciated if you will aid in having the Senate take action in conformity with the thoughts expressed in the statement.

Very truly yours,

WM. GREEN,
President, American Federation of Labor.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Millikin
Anderson	Hoey	Morse
Brewster	Holland	Murray
Bricker	Humphrey	Myers
Bridges	Hunt	Neely
Butler	Ives	O'Conor
Byrd	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Russell
Chapman	Johnson, Tex.	Saltonstall
Connally	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smith, Maine
Darby	Kem	Smith, N. J.
Donnell	Kerr	Sparkman
Douglas	Kilgore	Stennis
Dworshak	Knowland	Taft
Eastland	Langer	Taylor
Ecton	Lehman	Thomas, Okla.
Ellender	Long	Thomas, Utah
Ferguson	Lucas	Thye
Flanders	McCarran	Tobey
Frear	McCarthy	Tydings
Fulbright	McClellan	Watkins
George	McFarland	Wherry
Gillette	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Withers
Hayden	Malone	Young
Hendrickson	Martin	
Hickenlooper	Maybank	

The PRESIDENT pro tempore. A quorum is present.

Mr. LUCAS. Mr. President, I am going to appeal to the Members of the Senate to agree to a unanimous-consent request to vote upon the pending measure. Every Senator knows that, sooner or later, there will be a vote upon the amendments, the bill, and the substitute. Some Senators who now object would be willing to agree to vote on April 4, but that

is not agreeable to others who want to vote sooner. It appears to me that there is no tendency on the part of any Senator to prolong the debate; otherwise Senators would not agree to a vote on April 4, or some earlier date. We have been debating the bill for approximately a week. A number of other important emergency measures require action. The deficiency appropriation bill is a very important bill. The housing bill is on the calendar, and it is very important. The flood-control bill, the natural gas bill, and other measures are bound to be taken up in due course. Those measures, Mr. President, will have to be considered at an early date. It seems to me, if we feel that the debate has been sufficiently long, that there could be a unanimous-consent agreement whereby each side would have 20 minutes on each amendment. It would appear to me that that would be sufficient.

Obviously, the Senator from Illinois does not, as a result of his statement, indicate that he desires that any Senator shall be shut off from legitimate debate, but I do make an earnest appeal for Senators to agree to vote upon the pending measure. I shall try to get a unanimous-consent agreement to vote tomorrow. If that cannot be done, then I shall try for the next day, with the hope that at some time within the next week we can agree. If that cannot be done, we shall have to proceed to consider amendments and at some time vote on them.

Mr. President, this is an election year. There are 32 Senators to be elected. Every Senator would like to go to his State as soon as may be possible. Certainly the Senator from Illinois would like to adjourn the Senate with all convenient speed, but there are certain measures on the calendar, and others which will be on the calendar, which must be disposed of one way or the other. I hope Senators will understand the spirit in which I am making this plea for a unanimous-consent agreement.

Mr. President, I ask unanimous consent that on the calendar day of Wednesday, March 8, 1950, beginning at the hour of 12 o'clock noon, debate on any amendment that may be pending, including the committee amendments, or upon any amendment that may be proposed, including an amendment in the nature of a substitute, to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948, shall be limited to 20 minutes, the time to be equally divided between those favoring the bill and those opposed thereto, and controlled, respectively, by the Senator from Nevada [Mr. McCARRAN] and the Senator from West Virginia [Mr. KILGORE]; provided, that no amendment that is not germane to the subject matter of the said bill shall be received.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LANGER. The majority leader finds himself in a situation which he does not happen to favor at the present time, but I very respectfully suggest that he has no one but himself to blame. At the time testimony was still being taken by the subcommittee of the Committee on the Judiciary, for some reason the displaced-persons bill was called up. Testimony is still being taken, and it has not all been printed. Certainly, so far as I am concerned, I shall object to the unanimous-consent request, which has been proposed to vote on the bill tomorrow, the day after tomorrow, or the next day; but I am perfectly willing to vote as soon as the testimony which has been taken has been printed and laid upon our desks, and we have 1 day in which to consider it. I am willing to stay up all night to read it, if that would hurry the matter along. But in the meantime, Mr. President, I very respectfully and most regretfully object to the unanimous-consent request.

Mr. LUCAS. Mr. President, I fully understand the viewpoint of the Senator from North Dakota, but the fact of the matter is that under the arrangement with the Judiciary Committee, as I understand, that committee is holding hearings each day, and there are more hearings to be held. We cannot get the testimony up to date as long as the hearings are continued. No Senator has raised the question of the printing of the hearings until today, as I understand. I agree that the hearings should have been printed. There is no doubt about that. No Senator on either side has raised that question until today, as being the excuse for not wanting to have a vote upon the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I want the RECORD to show that the junior Senator from Nebraska as early as last Friday raised the question of why the hearings were not printed and on the desks of Senators. I did not raise the question in connection with the unanimous-consent request, and I am not raising it now in that connection.

It is all right with the junior Senator from Nebraska if the majority leader is able to obtain unanimous consent. But I say again that this is no way to legislate. We have conflicting interpretations of the testimony. I believe that the request of the senior Senator from North Dakota [Mr. LANGER] is not an unreasonable one. I am informed that the records can be printed in a few days. If the transcripts of the testimony taken at least up to the time we started debate on the subject in the Senate could be printed, that would be satisfactory. If it is desired to continue with the printing of the testimony beyond that point, that is agreeable also. However, I believe that we should at least have the record printed up to the time we began debate on the bill, so that we may be able to interpret the evidence ourselves. I believe that 1 day for consideration would be very fair. I think it could be arranged. I believe we could have a unanimous-consent agreement for a vote not later than the first day of next week, or possibly the last day of this week, if that is agreeable to the Senator from Nevada.

Mr. LUCAS. Mr. President, may I ask whether the volumes on the desk of the Senator for Nevada are the records of the hearings?

Mr. McCARRAN. Those are the records of the hearings.

Mr. LUCAS. I am sure that there is not a Senator who would not read each and every line of the record, once the record gets on the Senator's desk. I am satisfied of that, and I am sure that after reading the record Senators will change their votes as a result of their reading the testimony contained in these volumes.

Mr. President, I ask unanimous consent that on the calendar day of Wednesday, March 8, 1950, beginning at the hour of 12 o'clock noon, debate on any amendment that may be pending, including the committee amendments, or upon any amendment that may be proposed, including an amendment in the nature of a substitute, to the bill—H. R. 4567—to amend the Displaced Persons Act of 1948, shall be limited to 20 minutes, the time to be equally divided between those favoring the bill and those opposed thereto, and controlled, respectively, by the Senator from Nevada [Mr. McCARRAN] and the Senator from West Virginia [Mr. KILGORE]; provided that no amendment that is not germane to the subject matter of the said bill shall be received.

The PRESIDENT pro tempore. Is there objection?

Mr. LANGER. Mr. President——

Mr. LUCAS. I yield to the Senator from North Dakota.

Mr. LANGER. I object until I have some assurance that the records will be printed and made available, at least on the day before we vote, so that we may have an opportunity to read the testimony and study it. Particularly I invite the attention of the Senate to the fact that the distinguished senior Senator from Mississippi has said the records say one thing and the distinguished junior Senator from New York has said they say something else. I want to read the testimony myself to see just what the sworn testimony is.

I therefore object, Mr. President.

Mr. LUCAS. The Senator from Illinois has done about all he can do.

The PRESIDENT pro tempore. Is there objection?

Mr. LANGER. I object.

Mr. LUCAS. May I inquire what the parliamentary situation is after my inability to get a unanimous-consent agreement to vote within the next 8 days on a bill which has been discussed for a week?

The PRESIDENT pro tempore. If no Senator wishes to speak on the bill, the clerk will state the first amendment of the committee.

Mr. WITHERS. Mr. President——

Mr. LUCAS. I yield the floor, Mr. President.

Mr. WITHERS. Mr. President, I wish to address myself to the pending subject. I should like to assure the majority leader that I have no desire to filibuster or otherwise delay the bill. In fact, I have but a few remarks to make on the subject. Furthermore, I wish to assure the distinguished majority leader and the Senate that I have not any bias or prejudice in the matter.

I am a member of the Judiciary Committee. As such, I have attempted to take a judicial view of the matter. I am not actuated by any political motives. I am not critical of any honest office-

holder. I am not critical of the President of the United States, or of the Secretary of State. I do not agree with some of the remarks that have been made which might cast any reflection upon them. I should like to reassert my confidence in their integrity, character, and ability. I think both of them are in accord with what is in the minds and hearts of Senators who desire to have a law enacted which will protect us against the admission of subversives into our country.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. SALTONSTALL. I thank the Senator very much. My question is really addressed to the Senator from Nevada. I notice that the records are being taken out of the Chamber. There is no assurance from either the Senator from Nevada or the distinguished majority leader as to whether or not those records will be printed, or whether they are just being taken back to the committee room.

Mr. McCARRAN. They are being taken back to the committee room. In all probability they will be printed. They must be printed eventually. The hearings have not been concluded. I am advised by the committee staff that in all probability the hearings will be concluded within a week; that is, so far as we have witnesses before us now. Let me explain, if I may, in the time of the Senator from Kentucky——

The PRESIDENT pro tempore. Does the Senator yield for that purpose?

Mr. WITHERS. I yield if I may have unanimous consent that I do not lose the floor by yielding.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. McCARRAN. Certain witnesses were brought here from overseas. They are here now. Some of them were heard this morning, and probably some will be heard tomorrow. We hear them as we have the time to hear them. As soon as we conclude with those witnesses, I think we shall conclude with the taking of testimony. Then the entire transcript will be printed.

It takes a little time to print a transcript of testimony, because the typewritten transcripts, after they are set up in galley form, must be gone over and edited, as the Senator from Massachusetts knows, prior to having them printed. It cannot be done in a few days.

Mr. SALTONSTALL. Mr. President, will the Senator from Kentucky yield further?

Mr. WITHERS. I yield provided I do not lose the floor.

Mr. SALTONSTALL. I asked the question because the Senator from North Dakota said he would be satisfied, as I understood him, if the records of the hearings up to the present time were printed. I wondered if we could not make some progress by getting the records printed up to the present time, in order possibly to have less printed to be done in the future, and also get a quicker chance to vote.

Mr. McCARRAN. We can print what we have now, and continue to print as we take further testimony. But my experience would lead me to say that it cannot be done in a week.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WITHERS. I yield if I may have unanimous consent that I do not lose the floor by yielding.

Mr. LUCAS. I should like to ask the Senator from Nevada whether or not the records he has referred to could be made available to the Senator from North Dakota in their present form.

Mr. McCARRAN. Oh, yes.

Mr. LUCAS. The Senator from North Dakota could read the testimony in the present form just as well as he could in the printed form, could he not?

Mr. McCARRAN. I brought the records here because it has been stated openly on the floor of the Senate that secret hearings were held, that no transcript was made of the testimony given at such secret hearings, and that witnesses did not testify in open hearings. Let me say that open hearings were held by the subcommittee and by the full committee, and that a transcript of the testimony given at the hearings was made. I brought the testimony here and laid it on my desk so that Senators might see it; not for any other purpose. It is available to any Senator who wishes to read it.

Mr. SALTONSTALL. Mr. President, will the Senator from Kentucky yield for one more question?

Mr. WITHERS. I do.

Mr. SALTONSTALL. Certainly, I do not want to tell the Senator from Nevada what to do, because I know it would have no effect, and I respect his judgment anyway.

Mr. McCARRAN. Mr. President, I may say that the Senator from Massachusetts is mistaken, because what the Senator from Massachusetts says has a great effect on the Senator from Nevada.

Mr. SALTONSTALL. I appreciate that, and I should like to say to the Senator from Nevada that on the subcommittee of the Committee on Appropriations on which we serve, we work very satisfactorily together. I appreciate his courtesy. When I saw the volumes of testimony being taken out I hoped that we might be able to make some progress, and I thought it would be helpful if we started to have them printed now.

Mr. McCARRAN. I agree with the Senator very heartily. I should like to say that in talking with the able majority leader today and yesterday, in an attempt to get somewhere in the consideration of the pending bill, I made the suggestion to him that the matter might go over until an early date in April, when the records could be presented to the Senate, and when we could have a limit on debate, and arrive at a vote. I hope we may be able to come to that conclusion, but it does not appear that we can.

Mr. SALTONSTALL. I thank the Senator from Kentucky.

Mr. LANGER. Mr. President, will the Senator from Kentucky yield?

Mr. WITHERS. For more questions on the same subject?

Mr. LANGER. Yes.

Mr. WITHERS. I believe I shall not yield at this time.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. WITHERS. Mr. President, this is a question which I believe we should look at judicially. If I recall, five members of the subcommittee passed on one question unanimously, namely, that there should be a tightening-up provision added to the original bill. A majority of the Democratic members and a majority of the Republican members of the committee voted to report the bill. To my way of thinking, it is a nonpartisan bill.

Mr. President, I shall not appeal to the prejudice of any Member of the Senate. I have more confidence in those holding office under our Government than to do that. I think all our Secretaries of State have been great men. I think all our Presidents have been honorable and great men. I am certain we have not had a single President who was a Communist or who was not, first of all, an American. I do not believe we have had any Secretary of State who was not an honorable, upright citizen, worthy of the respect of every honest citizen of the country. I would resent it if any attack were made upon any officeholder in the kind of measure we are considering. I do not believe anyone in the United States who is a real American would oppose the right kind of safeguards being placed in the law. I appeal to the class of people who love America, to the class of people who believe in the honesty of the officeholders of our Government.

Mr. President, it is not my purpose to embarrass anyone. I do not wish to embarrass those officers who are attempting to carry into effect the purposes of the present law, who would carry into effect the purposes of the pending legislation, if it were enacted. I know theirs is a hard job. I personally have not heard any criticism from any group against any American citizen who is engaged in this difficult and tiring work. I know the work is extremely trying. I know that those engaged in it are worthy of our respect, and that we should be considerate of them by reason of the trials and tribulations under which they must work. We should not reflect upon them in any improper way.

Mr. President, I believe there are some loose places in the law which need our attention. I am led to that belief because of what I have heard by way of testimony. I have not heard all the testimony that has been given. I was not a member of the committee during all the time testimony was presented. However, I have heard enough to make me believe that the provisions of the bill should be tightened up so that all subversives would be kept from coming into this country.

Mr. President, I do not believe any man questions my Americanism. I hope I am not biased to the point where I cannot be just, just to all parties, just to one side of the Senate as well as to the other when it comes to considering bills which should be above partisanship. I do not desire to consider the pending legislation as a partisan. I do not want to consider it as a party man. I want to consider it as an American citizen trying to protect America, and to preserve her integrity. That is the attitude I have taken, and that is

the manner in which I have considered the bill.

Many witnesses have testified that too many persons have come to our shores without being properly screened. I do not say that is due to American officers. I say it is not due to them. The offices of the immigration authorities have not been sufficiently staffed, nor has the consular service been sufficiently staffed, to check the persons who seek to enter the United States.

The Displaced Persons Commission has had charge of the work. Many employees of the Commission are foreigners. Many of the applications and many of the papers are prepared by those foreigners. Many of the applications and papers have come to the desks of the Displaced Persons Commission officials, who sign them without giving careful scrutiny to them. Those files are turned over to the immigration authorities. I do not care what the provisions of the old law are relative to such procedure. I say to the Members of the Senate that we do not have a proper staff, sufficient members of the staff, to make a proper and complete check of those persons who have been permitted to come to the United States.

Mr. President, I do not say that all the displaced persons who have come to this country will be unfriendly to our country, or will be subversive. I do not think many of them have been or that many of them are. But I say there is question as to some of them. There should not need to be any question in our minds respecting the character of the people we admit to our country. It is not necessary that there should be an army of men, a horde of men, to inflict great damage on our country. A very small number can do infinite harm. When persons come here to spy on us we cannot distinguish them as being spies merely by seeing them. They come as patriots from their own countries. They are the shrewdest, the best trained class of persons who can be sent to this country for the purpose of spying. They have good personalities. They know how to impress themselves favorably upon us. They come here as patriotic, intelligent spies from their own country, and when they spy on us they do not feel they are doing anything wrong. They come here with the feeling that they are serving their country well by gathering what information they can to send to her. They are the shrewdest class of people we have to deal with, and great care, caution, and skill are required to deal effectively with such a class of persons. Therefore it is necessary, Mr. President, for us, on our part, to employ the shrewdest, the most capable men we can find to scrutinize the applications and papers as they are presented, and to see that no unworthy or dangerous persons are passed for admission to this country. Of course, simpler minded persons do not know how to evade our laws or overcome our regulations, and by fraudulent means enter the United States. But those who are educated and trained for spy work can easily fool the most intelligent men.

Mr. President, I am not going to criticize any Americans who have permitted persons to come here who should not have been admitted, unless those Americans had sufficient opportunity and sufficient time to make a careful screening. Witness after witness has said that too many persons have been admitted to this country without proper screening. The fingerprint experts say that applicants rush by them so quickly they are not able to make readable or properly legible fingerprints; that the fingerprints which are made prove of little value for identification purposes. Witnesses have stated that a great many persons have been admitted to this country who have never seen a single American officer until they came to the point of receiving their visas. I do not think we should permit such screening conditions to exist.

Mr. President, I am not going to criticize any of our own citizens, because I do not have sufficient proof to warrant such criticism, and I am going to give them the benefit of all the rightful presumptions to which they are entitled. But I do criticize those who permit displaced persons themselves to fill out their own papers. Many of the documents they have filled out are fraudulent. Many of them are forged. Because of the lack of a proper staff, there has not been sufficient opportunity to check the papers and determine whether they are genuine or forged. All sorts of schemes and devices have been resorted to in order to make possible admission of persons to this country.

Mr. President, I had no knowledge of what the situation was until I became a member of the Committee on the Judiciary. All the proof I have heard before that committee is along the line that there has been too much carelessness in admitting displaced persons. Whether such testimony is correct, I would not say. But suspicion falls upon many who have come here, perhaps fifteen or twenty thousand in all. Someone may say, "Well, what does a total of 20,000 mean to us?" That depends upon who the 20,000 are. If the 20,000 are trained, skilled spies they may be of more significance to us than 50,000 or 100,000 or 200,000 ignorant displaced persons. Even though only a few trained spies come in, they can work much damage to our country. It is my humble opinion that everything which can be done should be done to make it impossible for such persons to enter.

Mr. President, since the founding of this country the nationals of practically all countries have been welcomed. The very foundation of our social and industrial life has been built by immigrants from Europe and from the Western Hemisphere, who have contributed to the wealth and culture of the country. There was a time when almost unlimited numbers were welcome, and there was a time when they proceeded to this country, particularly from Europe, in as great numbers as available transportation would accommodate. As late as 1921 an average of almost 1,000,000 immigrants a year were arriving on our shores. This movement was greatly accelerated at the end of the First World War, when the governments of Europe were in great turmoil, and millions of people were on the move. At the same time our country was becoming stabilized, and the capacity for receiving many thousands of immigrants was becoming limited.

The Congress of the United States for many years had under consideration the question of formulating an immigration policy which would settle once and for all the problems attendant upon a growing population within, and the effect of additional thousands of population from without. It was obvious in the years following World War I that limitations upon immigration had to be applied. There was great danger that the free and prosperous way of life in America would be overthrown unless a halt were called to the influx of millions of aliens whose environment in their native lands had not fitted them for assimilation in the American population. The country was being flooded with cheap labor which threatened to disrupt labor standards. The large cities were being overcrowded with immigrants who banded together with those who spoke their own language and whose way of life was in accord with their foreign upbringing. These elements were not adjusting to American life, and were becoming a detriment rather than an asset.

The Congress in 1921 passed the first restrictive quota limitations. In 1924 the present basic immigration act was passed. This legislation established the policy of the United States, and fixed specific numbers of aliens who would be permitted to come to the United States annually. Approximately 154,000 immigrants from Europe are permitted to immigrate to America pursuant to the provisions of the 1924 act. Although unlimited numbers are permitted from the Western Hemisphere countries, the immigration problem from these countries has never been acute.

Mr. President, time and experience amply indicate the wisdom of this immigration policy fixed by the Congress in the quota laws. It is foolhardy to imagine that the United States, or any nation, can exist in prosperity without restrictive immigration while the other nations of the world are in social and political turmoil.

The displaced-persons problem in Europe has long since ceased to be an undertaking to relieve the displaced-persons camps. It is no longer a problem concerning real war-displaced persons, because the United States and other receiving nations have resettled practically all the unfortunate victims of the Hitler regime in Germany and all the forced laborers who were liberated by the Allied armies upon the occupation of Germany. Almost 300,000 will have found haven in the United States at the end of the present displaced-persons program. The United States will have absorbed many thousands more than any other nation in the world. No, Mr. President, if the only question were the resettlement of the war-displaced persons, there would be no need for the legislation now pending before the Senate. The fact is, however, that since the end of the war there has been a continuous flow of refugees into Germany and Austria from the surrounding eastern European countries.

They have entered the displaced-persons camps at the average rate of 25,000 a month since the end of 1945. It has been the policy of the occupying powers not to close the borders, but to tacitly encourage politically oppressed and persecuted peoples from behind the iron curtain to escape from the Communist-controlled governments. These people have been received and, for the most part, maintained in the displaced-persons camps. The cost to the United States Government has been $73,000,000 a year, which we have contributed to the International Refugee Organization, and the many millions of dollars which we have appropriated to the support and relief of Germany and Austria. Not all these persons have found immediate haven in the displaced-persons camps, but it is a fact that many thousands have been successful in eventually acquiring displaced-persons status. Immigration to America is their ultimate goal, I feel sure.

Mr. President, we have need for the talents and skills of the peoples of Europe. Those who can contribute their labor and energy to our economy are welcome, but only in limited numbers. On the other hand, it is essential that we maintain continuous vigilance in keeping from our shores the bad elements. We must control at the very source the movement of undesirable aliens to this country. Although we are enjoying the greatest era of prosperity in the history of the country, we must not be oblivious to the fact that our American way of life is in great danger. This Government must be alert not only in the control of subversive elements now within our country, but equally so in the control of the entry of subversive elements from without. We must prohibit, if it is humanly posible to do so, the entry of even one alien bent upon activities detrimental to the best interests of the country. There have developed over the years since the war far too many situations permitting of the entry into the United States of questionable characters whose ideals and political philosophies are dangerous to the American way of life.

I believe, from the evidence, Mr. President, that the administration of the Displaced Persons Act from the beginning has offered easy opportunity for the infiltration of subversive agents from the hostile populations under Communist regimes. It is foolish to think that the easy access afforded by the displaced-persons program has not been fully taken advantage of. Several employees of the Government who have recently testified before the subcommittee considering displaced-persons legislation have given abundant proof that aliens who may be agents of Communist countries could enter under the displaced-persons program without fear of detection. We cannot tell at this time how many have entered. That will be apparent only when the activity of these agents discloses their presence. When that time comes, Mr. President, it may be too late. It is our present duty to strengthen all the safeguards against the entry of a single subversive agent in the future.

I have been impressed, Mr. President, at the evidence of laxity in the administration of the Displaced Persons Act as disclosed by my colleagues on the floor of the Senate and by the testimony of the witnesses who recently appeared before the subcommittee. It is possible that the responsible administrators of the law have permitted their personal feelings to overshadow their official duties under the law. It is my feeling that we must write into the Displaced Persons Act stringent provisions for control of the administrative processes. There must be less concern about the entry of large numbers of displaced persons, and more attention to strict enforcement of the provisions of the Displaced Persons Act and of the immigration laws.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. WITHERS. I yield.

Mr. WHERRY. Personally, I wish to thank the Senator from Kentucky for his statement and for the approach he has made to the problem, and for his observations, because I have served on the committee with the Senator, and I know that he is always fair. So I appreciate the attitude he takes on this subject.

I should like to ask him if he feels that the difficulty is with the administration of the present law, or does the Senator think we need to correct the present law by the enactment of new legislation which will help in the administration of the act?

Mr. WITHERS. I have wondered about that. My idea is that we can place certain mandatory restrictions around the law until it will be impossible for the authorities who administer it to violate it without subjecting themselves to dismissal.

Mr. WHERRY. I appreciate that answer, because it seems to me that is the big question before us. If there is laxity or looseness in the administration, because of any factor, I take it that it is the hope of the Senator from Kentucky that the loopholes will be closed, so that in the administration of the act it will be mandatory for the authorities to do the screening about which the Senator from Kentucky has spoken.

Mr. WITHERS. That is correct.

Mr. WHERRY. Is that the Senator's position?

Mr. WITHERS. It is. I thank the Senator for his kindness.

Mr. President, the bill reported by the committee sets up stronger safeguards and better screening processes than does the substitute. It was never intended that the Displaced Persons Commission should operate in Europe. The Displaced Persons Act of 1948 is specific in providing that the administration of the act shall be vested in the immigration authorities already operating in Europe.

As I said a while ago, I do not think the immigration authorities are to blame, for the reason that they are not sufficiently staffed to do this work. The amount of work to be done is immense. I have been reliably informed that the staff of the immigration authorities is not sufficient to permit them to undertake the task, even if they have the authority.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. EASTLAND. When it comes to deciding who is qualified as a displaced person under the Displaced Persons Act, the decision of the Displaced Persons Commission is final; is it not?

Mr. WITHERS. It has been accepted as final. Of course, as I understand, the immigration authorities have a right to return to the Commission the file of any displaced person who is an applicant for admission to the United States. On the other hand, all the immigration authorities have before them is the files which are furnished to them by the Displaced Persons Commission; and if they return the files, but if the Displaced Persons Commission then refuses to go into the matter any further, and says that the proof in the files is sufficient to meet the objections and complaints of the immigration authorities, the applications are usually certified.

Mr. EASTLAND. Is not this the test, that the immigration authorities return the file to the Displaced Persons Commission, if the immigration authorities have information that the person in reality is not a displaced person; but the final authority to determine that question is the Displaced Persons Commission?

Mr. WITHERS. It has assumed that authority.

Mr. EASTLAND. And that is the practice, is it?

Mr. WITHERS. Yes, that has been the practice. The proof we have is that that has been the practice.

Mr. EASTLAND. And that is the reason why the Senate committee placed a provision as to that in the bill; is it not?

Mr. WITHERS. Yes.

I think some Senators have misunderstood the argument made the other day by the Senator from Mississippi. I do not think the Senator from Mississippi has any misunderstanding of the immigration law, but he based his case upon the practices and upon the manner in which displaced persons matters were handled abroad. I listened to the Senator from Mississippi, and I did not see anything inconsistent in the statements he made relative to the authority assumed by the Displaced Persons Commission. I think he made the proper distinctions.

Mr. EASTLAND. In fact, the statements I made were based on the testimony.

Mr. WITHERS. That is correct. I am speaking on the basis of the testimony I have heard. I do not think I have heard any testimony which would warrant us in leaving the act in the form in which it now is. All the evidence I have heard and all the counsel and advice and information I have received have been to the effect that practically all the evidence would indicate that we need to tighten the present law.

I have no particular preference about the matter; the position I take is not taken because of any personal pride in

the matter in any way. I served on the committee with a perfectly open mind, so far as I was able to do; and I was determined to let the proof develop as it would. From the proof which was presented, I have arrived at a decision which satisfies me, and that decision is that something needs to be done to the act. I do not think any act is sufficiently comprehensive if it does not carry with it sufficient restrictions and penalties to assure that it will be properly enforced.

Of course, if there is any fault in that respect, the Congress itself must assume its proper part of the fault and its proportionate share of the blame. If we are going to pass laws that are not going to be enforced, we must assume our portion of that responsibility.

Mr. EASTLAND. Is it not our duty to try to take the provisions which are not being enforced, as a result of misconstructions by the departments or agencies, and strengthen those portions of the law so that there cannot be any question about them?

Mr. WITHERS. I think so. I venture the assertion that if all Members of the Senate had heard the proof which we on the committee have heard, the great majority of the Members of the Senate would share our view. I think every Senator has the same idea about it that we have. We may differ among ourselves in regard to the proper mechanics or the proper approach, but I do not think for a moment that there is one Senator who does not want the proper safeguards thrown about the law. Practically all of us are satisfied that it has been abused. There are some Senators who will not favor this bill, but who think it is very close to their idea of proper legislation. I should like to go along with all Senators; but when there is a division of sentiment among Senators, of course it is impossible to do so.

I think we could draw up an amendment which would meet with the favorable opinion of every judicious, fair-minded, and open-minded Member of this body.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. WHERRY. Once again I wish to commend the Senator from Kentucky for the observations he has made relative to the provisions which he would like to see enacted in order to strengthen the administration and enforcement of the law. The Senator said a moment ago, if I understood his observation correctly, that if Senators had heard the evidence and knew the conditions in the situation which has developed, he feels that they would go along with the corrections that are about to be made.

Mr. WITHERS. The Senator is correct.

Mr. WHERRY. How else can the Members of the Senate come to that conclusion, unless they can hear the Senator present the argument, or can read the record of the testimony which the Senator has heard?

Mr. WITHERS. I certainly have no desire to deceive the Senate in my observations. The truth and correctness of my assertions can be verified.

Mr. WHERRY. Of course, if all the Senators could hear the distinguished Senator, they would get the information they seek, but Senators have so much committee work and other types of work that they must depend to a large extent on the record. I believe that if the Senators could get the record, they could possibly familiarize themselves with the evidence to which reference is now being made.

Mr. WITHERS. I think it highly important that Senators have the record. I think they are entitled to it. I do not think a bill as important as the pending one should pass without every Senator having had an opportunity to check such portions of the evidence as he may desire to peruse. I do not think every Senator would want to read all the evidence, but Senators would want to check certain portions of it to see whether it supported the arguments which have been made.

The only instances in which the immigration officers are permitted to interfere with the admission of displaced persons is when the medical examination shows that a man is not physically able to qualify under the immigration laws, or there is some other disqualifying factor under the regular immigration laws. They are not permitted to hold a case, even if they do not believe the person is qualified as a displaced person.

The committee bill undertakes to remedy the situation by giving the immigration and consular officers full authority and responsibility to administer the act in selecting persons for immigration and passing upon their qualifications both as displaced persons and as immigrants.

The idea is that we give to the officers of the United States the veto power, or the power of rejecting any person they may suspect would not made a good citizen, and I can see no objection to that. I certainly could not be contented if I felt that displaced persons were being admitted for future citizenship, whose eligibility was being voted upon by foreigners. I think American citizens only should determine whether a man is entitled to enter this country, and that it should be based upon adequate proof.

The committee bill undertakes to tighten the security investigation, so that it will be impossible for spies, or those bent on subversive operations in this country, to get through. None of extra security provisions are contained in the substitute, and if that is enacted, there will be almost unlimited opportunities for agents of iron-curtain countries to get through. Such people, when they come here, do not think of themselves as spies. They would not call themselves spies. People in their homeland would not call them spies. They are specially trained, though not necessarily for a mission involving espionage. Naturally they are better able to take care of themselves, when they are being examined, than the ignorant applicant and others who are not coming in for any specific purpose, but who may subsequently become bad citizens. There is all the more reason for our obtaining the best information possible, to enable us to pass judgment at least on the cleverest ones seeking to enter the country.

From the evidence, our Government must take firm hold in the matter of administering the displaced-persons program, in order that only the best qualified displaced persons may come to this country. I doubt whether we are going to get the best ones. I imagine the best ones have already been picked. We may get the best of those who are left, not the best of those who were there originally.

Mr. President, though I cannot state it as a fact, I have been told by those whom I regard as being in a position of authority and qualified to pass judgment at least upon the fate of France, that at the end of World War I, France was pronounced the greatest military nation on the earth. We saw her ebb away slowly and crumble from within. One of my informants said that at the end of World War I, France became a haven for all the persecuted and oppressed peoples of Europe. She was not careful about admitting persons to citizenship. She was destroyed from within, rather than from without. The same fate can very readily come to us, and I should not be surprised, in the event America were ever destroyed, to see the destruction come from within, after we had become so impotent that we could not resist aggression from without.

Responsibility for the selection of displaced persons should be placed in the hands of good, solid American citizens, determined above all else to enforce strictly not only the provisions of the Displaced Persons Act, but all our immigration statutes. Administration of the act should be placed in the Immigration Service. I am not going to be a stickler about it. It is in the bill. If someone can offer an amendment that is just as good, one that would satisfy a majority of Senators, I could very readily accede to it. But I want the administration of the act placed in the hands of good Americans. I refer to it as enforcement of the law. I like the word "enforcement."

Mr. WHERRY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. WITHERS. I yield.

Mr. WHERRY. As I understand the distinguished Senator, he is not particularly anxious to have the power vested in the immigration authorities; what the Senator wants is an American agency that will have the final power to veto the applications of displaced persons, is that correct?

Mr. WITHERS. That is correct.

Mr. WHERRY. If it happens to be the immigration authorities, does the Senator feel they should be properly staffed to do the work?

Mr. WITHERS. Some other body with equal authority would be just as satisfactory.

Mr. WHERRY. That is correct.

Mr. WITHERS. I could very well support the amendment offered by the distinguished junior Senator from Maryland, to place equal authority upon every American agency in Europe, making them jointly and severally responsible. It is little wonder that laxity may have been permitted and that hundreds may have gained access by the use of false and fraudulent representations.

Under pressure of such a program, that is bound to happen.

I do not like to say I am alarmed, and I do not know that I am particularly amazed, but I was surprised that the proof which was offered was as strong and convincing as it was. If the right kind of officers, sufficiently high in authority, could give me the assurance that the act was being enforced properly, I should be ready at any time to accept their word for it, but I have not received counsel or advice that it has been enforced properly. I am not charging anything to anyone, aside from the Congress. We passed the law, and if there are loopholes in it, it becomes the duty of the Congress to amend the law. I am not going to claim that I carry any great force or weight, but I certainly do not want to be derelict in seeing that proper safeguards are thrown around the provision of law under which persons from foreign countries can enter our borders.

The failure of displaced persons, who have been sponsored by our farmers, to stay on the farms and fulfill the obligations they assume, is most distressing. There are several reasons why they do not stay. In the first place, American agriculture is highly mechanized. Further, in Europe, the farming tools—I would not call it machinery; they have very little of that—are of the crudest sort. The farmer of Europe, even though he might have been a farmer all his life, would not be competent to come to America and make good at farming. Such persons may act in good faith in making applications for admittance, but we know full well that when they come here they will be faced with entirely different conditions, particularly a type of agriculture different from that in Europe. They find themselves again displaced from their niche, or misplaced.

Thousands of cases have been called to the attention of Congress, involving great expense and responsibility in bringing displaced persons to the farms, only to find that the displaced persons remain but a short time before leaving for the city. Many of the so-called agricultural workers seem never to have lived on a farm and to know nothing about farming in this country, yet they have been processed by the Displaced Persons Commission as farm workers. It has cost the sponsoring farmers a great deal of money and trouble. It is but an instance of the administration of the act perhaps not being what it should be. It is neither fair to the person who sponsors a displaced person nor fair to the displaced person himself, to bring him to this country to work in a specific job for which he is not fitted.

Another thing, if the displaced person comes here as a farmer, and there is room for him on a farm, where he lives and engages in farm work, he has then found himself here within the spirit, and, I believe I may say, the letter of the law itself.

Mr. President, my colleagues have stated many instances of false and fraudulent documents and perjury employed by displaced persons in order to qualify for immigration to the United States. It is regrettable that a single displaced person should be admitted into this country who has attempted to qualify through perjury and the submission of false documents. It is regrettable that thousands of those already admitted may have committed perjury and may have misstated facts regarding their qualifications in order to be selected ahead of others who are honest. If there is no hesitancy in practicing fraud and deceit before they arrive, how will they behave after they get here? I am not in favor of bringing that type of alien to this country, and I favor deporting every person who has been admitted under false pretenses.

Mr. President, one of the important changes made by the bill reported by the majority of the Senate Committee on the Judiciary is a change of the definition of "displaced persons." The Displaced Persons Act of 1948 defines displaced persons as "those who were the concern of the International Refugee Organization," which was set up as a branch of the United Nations to care for European refugees and displaced persons. The IRO definition specifically excludes many millions of displaced persons who were driven from their homes in the small eastern European countries surrounding Germany by the Russian armies and by the Communist governments in control of those countries at the end of the war. Somewhere between twelve and twenty million men, women, and children were brutally uprooted without notice and forced to flee for their lives, for no other reasons than that German blood flowed in their veins and they spoke the German language.

I should like to say at this point, Mr. President, that I am not prejudiced against German blood. I am not prejudiced against the ethnic German who has not been under the influence of Hitler. I know something of the Germans in this country, and I do not believe I make a mistake when I say that no higher class of citizens has ever grown up in this Nation than are the German ethnic people.

Mr. President, our country joined in this cruel and barbaric program. We did not take active part in driving them out, but we did consent to it, and not one thing has been done to rectify the mistake or to assist them since the war. It has been said that 8,000,000 German expellees, men, women, and children, perished in this inhuman expulsion of innocent people. In spite of this, there still remain about 4,000,000 German expellees in the American zone of Germany and about 4,000,000 in the British zone of Germany, and they are living under conditions horrible to contemplate, without being able to get jobs, with no place to go, and no homes in which to live. The United States Government is spending many millions for relief in Germany, and a large part of it is going to these pitiful thousands in order to afford them the bare necessities of life. There is no hope for them in Germany and Austria, because they are not wanted. Yet they are people who have for hundreds of years been outstanding farmers and industrial workers in their native lands.

Mr. President, about one-third of the people of this country have German blood coursing in their veins. Who can say that these expellees of German origin would not make outstanding American citizens? If we are going to take thousands of persons from Poland, why do we exclude Polish residents of German blood? If we are to take displaced persons from the Baltic countries, why do we exclude Baltic people of German blood? It may be true that many of them collaborated with Hitler and do not deserve our sympathy or our consideration for American citizenship, but that does not mean, Mr. President, that all of them are equally guilty and undeserving. Those who were our enemies can be eliminated. Complete records are available in Germany on every person, no matter where he lives, who joined the German Army or cooperated with the Nazi Government. Some of these people had lived in the countries surrounding Germany for many generations and were no more German than were the families in America who migrated from Germany in the last century.

The committee has written its own definition in the committee bill and that definition includes all displaced persons, not just those who are the concern of the International Refugee Organization.

What does the substitute bill have to say about the German expellees, Mr. President? That bill excludes all displaced persons of German ethnic origin because it keeps the old definition of displaced persons, which was written into the Displaced Persons Act of 1948 and retained in the Celler bill which passed the House of Representatives. It offers no relief to German expellees. If for no other reason, the substitute bill should be defeated and the definitions of the majority bill accepted by the Senate if we are going to have a new displaced persons act.

Mr. KILGORE. Mr. President——

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Kentucky yield to the Senator from West Virginia?

Mr. WITHERS. I yield.

Mr. KILGORE. The Senator evidently forgets that many Germans came in under the quota.

Mr. WITHERS. No; I did not overlook that fact.

Mr. KILGORE. The Senator must have overlooked it.

Mr. WITHERS. I am not overlooking that fact, but I favor having a wider scope.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. WHERRY. To me, Mr. President, that is a vital point. As I understand the committee amendment, the new definition permits——

Mr. WITHERS. An increase of the quotas for the German people.

Mr. WHERRY. That is correct. If that definition is not accepted, the Senate must rely on the present quota, and then there is the question of administration. Is not that correct?

Mr. WITHERS. That is correct.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. WITHERS. I yield.

Mr. EASTLAND. Has the Senator from Kentucky the figures showing how many have come in under the present law?

Mr. WITHERS. A very small number. Does the Senator himself recall the figure?

Mr. EASTLAND. No; I do not.

Mr. WITHERS. I know it is a small number.

Mr. EASTLAND. If the bill becomes law, there is no assurance that any more of them will come in, is there?

Mr. WITHERS. That is correct.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. WITHERS. I yield.

Mr. WHERRY. I think the Senator is making one of the most forceful speeches I have heard on this issue, and I appreciate his taking time to make the address. If I correctly understand the figures—and, again, we do not have the hearings, and, therefore, we do not know exactly, but I have read or heard that less than a thousand persons of German ethnic origin have come in——

Mr. WITHERS. It has been a very small number.

Mr. WHERRY. They have already come in, and not to exceed 5,000 have been in process of coming. Is that approximately correct?

Mr. WITHERS. That figure is not far from being correct, I am sure.

Mr. KILGORE. Mr. President, will the Senator yield so that I may answer that question?

Mr. WITHERS. I yield.

Mr. KILGORE. In the testimony the reason was given for the small number that had come in. It was the fact that the IRO was paying transportation of the displaced persons, but there is no organization which will pay the transportation of the German ethnics. Therefore, they were unable to come in, because only those who had enough money to pay their own way could come in.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. WITHERS. I yield.

Mr. WHERRY. Are greater numbers of peoples of German ethnic origin now being processed?

Mr. WITHERS. There are relatively very few.

Mr. KILGORE. For the same reason.

Mr. WITHERS. No; not for the same reason, but because the quotas are not as high as some of the other quotas.

Mr. WHERRY. If the definition were accepted, all the other conditions would be accepted, would they not?

Mr. WITHERS. Yes. There has been an effort to hold them back.

I do not want to be understood as being favorable or partial to a particular race. I mentioned the people of German ethnic origin because I thought they should have been included. Representatives of other great races have come to this country and have made wonderful citizens.

I should like to say, since the distinguished junior Senator from New York is present, that I enjoyed his remarks, and I cannot say I disagree with him. Not being a lawyer, I did not understand the legal effect of some of the statements made by the distinguished Senator from Mississippi [Mr. EASTLAND]. I think the Senator from New York is correct in his understanding of the law. The Senator from Mississippi took the position that the provisions of the act had not been properly carried out. Any criticism that may be hurled at the Senator from New York I must resent. I have the highest regard for him as a citizen and as a statesman. I am proud of the fine work he has done and is doing, not only in the Senate, but in all the positions of public trust he has occupied. I have the same confidence in his integrity, patriotism, and loyalty to America as I have in that of every other Senator.

Mr. LEHMAN. I thank the Senator from Kentucky.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. LUCAS. All through the debate we have heard about the failure of the administration. How does the bill which has been reported from the committee perfect the administration phase of the program, which seems to be the most important of all?

Mr. WITHERS. I do not know whether it has been done by agreement, sufferance, order, or what not, and we are not making specific charges against any American citizen or charging any American citizen with dereliction of duty. The work in Europe has been very great, and the displaced persons have been crowded to come to the United States.

Mr. LUCAS. Whose fault is that?

Mr. WITHERS. I do not know that it is the fault of anyone.

Mr. LUCAS. If there is not a sufficient staff properly to administer the law, the fault lies in the Congress of the United States, does it not?

Mr. WITHERS. That is where I place it all the time. Congress itself has the burden, and must assume the responsibility. I agree with the Senator from Illinois on that point.

Mr. LUCAS. I am glad the Senator agrees.

Mr. WITHERS. I made that statement a while ago; I said it was the responsibility of Congress.

Mr. LUCAS. I certainly agree with the Senator. If there has been a faulty administration of the act, and if there has been a lack of personnel or if there has not been properly qualified personnel, then it has been because of the failure of the Congress of the United States to appropriate sufficient funds to see that the act is properly administered.

Mr. WITHERS. I brought up that point in the Senator's absence.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. FERGUSON. I know how sincere the distinguished Senator from Kentucky is on the question of administration. I spoke earlier regarding a proposed amendment which I thought might settle much of the debate. I should like to read it to the Senate before I send it to the desk and ask that it be printed and lie on the table.

In the substitute it is proposed to insert between lines 23 and 24, on page 13, a new section, to be given the proper number, which would read as follows:

> The second sentence of section 10 of the Displaced Persons Act of 1948 is amended to read as follows: "The burden of proof shall be upon the person who seeks to establish his eligibility under this act—

That is already in the act. Then the amendment continues—

> and no person shall be issued an immigration visa or be admitted into the United States under this act if the consular officer or the immigrant inspector knows or has reason to believe that the alien is subject to exclusion from the United States under any provision of the immigration laws or is not eligible under the terms of this act: *Provided*, That nothing in this section shall remove the right of review and appeal available to aliens under general immigration laws."

In other words, it would allow each one of the services, the Displaced Persons Commission, the Consular Service, which is under the Secretary of State, and the Immigration Inspection Service, which is under the Department of Justice, to perform their respective functions as officers under the law. Does not the Senator from Kentucky feel that it would solve the entire problem of administration?

Mr. WITHERS. I believe it would be a long step toward the solution of the problem, and would provide a basis for our getting together. Perhaps some of the language of the suggested amendment is a little weak, particularly in its placing of specific duties on each of the services. I do not know where the limitation should be placed as to the duties to be performed by each of the services. Someone should have the power to say, "This should or should not be."

Mr. FERGUSON. Mr. President, I send the amendment to the desk and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. FERGUSON. Under the present law a visa officer is charged with the duty of visaing a passport when he believes all requirements of all laws have been satisfied. The suggested amendment places the responsibility on him, where it is today. The inspector of immigration, under the law, has the further duty of enforcing all immigration laws, and, as we state in this amendment, "all provisions of this act." So he must perform his functions, as he is under the Department of Justice.

Mr. WITHERS. I believe the Senator would be correct if he were to provide further that the visa officer should be provided with a sufficient staff to do the required work, so that he might make his own investigations. As the Senator knows, the trouble has been that the officers have had to rely on proof furnished by the Displaced Persons Commission.

Mr. FERGUSON. I am assuming that the visa officer will have a sufficient staff to perform all the functions provided under the law.

Mr. WITHERS. I believe the amendment should provide for such a staff, so that there would be no room for assumptions, but, rather, that the law would clearly state the provision. One trouble we have had is that provision has been made for an officer to do these things, but no provision for a sufficient staff with which he would be able to do them.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. McCARRAN. The amendment suggested by the Senator from Michigan presents nothing new. Residence in or admission to this country is not a matter of right; it is a matter of privilege. One who comes here must establish that he is worthy of the privilege. That is the law. It must be established affirmatively by those who seek to come here. That being true, there is nothing new at all in the suggestion offered by the Senator from Michigan. The fact is that under the Displaced Persons Act of 1948, the opposite course has been followed. In other words, in place of an applicant for admission to this country proving that he was worthy, and that he was not guilty of any subversive activities, nor a member of any subversive agency, it was the other way around. To exclude him it had to be proved that he was. Let me follow up with just an expression which will be of interest to the Senator from Michigan, as well as to the Senator from Kentucky.

I say quite frankly that I found in Europe that the United States is made a laughing stock, because we are admitting people to fill quotas, while other countries are selecting persons to fill specific places in which work is available for the individual selected. Australia calls the people she takes "selectees." We call them "displaced persons." I have followed the selectees from the time they were first selected until they were put on ships. I saw them screened, and screened, and screened. I know the process that is resorted to. They had to establish that they were worthy of residence in Australia, or they did not have a chance to go there.

Mr. FERGUSON. Mr. President, will the Senator from Kentucky yield?

Mr. WITHERS. I yield.

Mr. FERGUSON. The Senator knows that the Senator from Michigan provides in this proposed amendment, as does the present act, that the burden of proof is placed upon the displaced person.

Mr. McCARRAN. That is the law. That is what it should be. Now it is being laid aside, and that is what I object to.

Mr. WITHERS. I invite the attention of the Senate to the fact that no doubt all of us are striving toward the same end, and are desirous of expressing the same idea. Unfortunately, we do not seem to be able to sit down together and arrive at a formula which will carry out the opinion of every Member of the Senate. I know that all Senators are of the one mind that we should get a bill which would properly safeguard our country, and not destroy, at the same time, the utility of the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. WHERRY. Does not the committee amendment, which provides a new definition, approach what the Senator from Kentucky feels will accomplish the purpose?

Mr. WITHERS. At least we may start in that direction. I think it is important for every Senator to keep an open mind on the subject. No Senator should feel that his particular brand should be placed on an amendment.

We should let it be a Senate amendment. Let us talk about and work out the mechanics of a bill which will be workable. We may differ on principles, but when we are united on one principle we can solve the problem. I do not understand why Senators who are lawyers cannot agree on what is a good, legal bill. I am unable to understand why Senators who are eager to have a workable bill should get themselves into an attitude of not being able to work it out among themselves. I do not wish to impede the adoption of any bill, I do not wish to interfere with the adoption of any bill, I do not wish to destroy its workability, or to delay its operation, except as it may be necessary to provide the necessary screening. That may delay its operation. I would have no objection to such delay. We do not owe anybody any apology if we delay for that purpose. However, I do not see why lawyers cannot work out a workable bill in that respect.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WITHERS. I yield.

Mr. WHERRY. So that the junior Senator from Nebraska will clearly understand the Senator from Kentucky, I should like to inquire whether it is the feeling of the Senator from Kentucky that it would be necessary to adopt the committee's definition of a displaced person in order to strengthen the administration of the act.

Mr. WITHERS. That is on behalf of the ethnic Germans, the Grecians, and the others who have not been included in the present definition, and who are just as worthy of admission to this country as some of those who are included.

Mr. WHERRY. The committee bill gives the veto power to Government agencies.

Mr. WITHERS. Yes.

Mr. WHERRY. They would have the right to pass finally upon the eligibility of displaced persons who were to come into our country.

Mr. WITHERS. I do not recall sufficiently now how far the committee substitute for the House bill goes toward staffing the offices, but proper provision must be made for staffing the agency.

Mr. WHERRY. I would agree with the Senator, if the House bill as amended by the committee were adopted. However, I should like to ask the Senator whether the suggested amendment does not place the veto power in the Government agency which finally passes on the eligibility of displaced persons.

Mr. WITHERS. It certainly does.

Mr. WHERRY. Does the Senator feel that if the bill is adopted, and the agency is properly manned, it will help the administration of the act?

Mr. WITHERS. That is about the only way in which it could be done. I do not say that it should be done by any particular immigration official. It could be done by any responsible agency which would be sufficiently staffed to carry out its functions without having to rely on any other agency for its proof.

Mr. WHERRY. That is correct.

Mr. HUMPHREY. Mr. President, I wish to address myself at this time, not to the body of the legislation now pending in the Senate, but to an amendment which I have offered to the bill as it came from the committee and to the substitute presented by the Senator from West Virginia [Mr. KILGORE] and those of us who are cosponsors of the substitute.

Mr. President, 5 years have passed since the last war was brought to a successful conclusion. The destruction of the Nazis, and the surrender of the Japanese ushered in bright hope of everlasting peace and friendship.

All of us were convinced that our swords would be beaten into plowshares, and the world would never know war again. The alliance and friendships among nations and their fighting men, we all felt, would help to dispel previous misunderstandings and distrusts. But for many millions there was still lingering dislocation.

Dislocations of families are sad; it is heartbreaking when scattered members seek to reunite; but children bereft of home and family can do more to bring tears to our eyes and ache to our hearts than all the others. After all, adults can make adjustments, and perhaps the sins visited upon them are just retribution. But the little ones continue to bear the burdens of the fathers, "even unto the seventh generation."

We, here, are faced with major problems. As leaders among the free bodies of the lawmakers in the world today, we have additional burdens, over and above the duties defined by the Constitution. For as we debate the issues at hand, it is not merely the people in our respective constituencies who watch our actions, but the people of the world. Ours is the torch which, held high above the heads of the throng, offers light and hope to oppressed millions.

It is not my purpose at this time to enter into the debate as to the relative merits of the Kilgore substitute and the McCarran bill, nor to explain in detail my reasons for voting, when the time comes, for the Kilgore substitute. I am more concerned with persuading the Senate of the United States that my amendment, which now lies on the desk, the amendment known as the war orphans amendment, to admit 25,000 war orphans into the United States, should be accepted by the advocates of both measures. I shall offer it as an amendment to both when the appropriate time arises. I have submitted amendments

to both the McCarran bill and the Kilgore substitute.

I wish to discuss my amendment as a matter which concerns us, both as lawmakers and as individuals. Both the Kilgore substitute and the McCarran bill, Mr. President, make significant strides in bringing war orphans into the United States. Both, however, are inadequate.

Under the McCarran bill a provision is made to admit 5,000 "eligible displaced orphans" who are "displaced persons" under the IRO definition of the term. An additional provision is made for 5,000 children under the age of 16 years who reside in Germany, Austria or Italy, and who have been adopted by members of the Armed Forces of the United States stationed in any of those countries.

The Kilgore substitute, Mr. President, also provides for 5,000 displaced orphans who are displaced persons under the age of 19 years, but who are in Italy, Germany or Austria. The Kilgore amendment also provides for an additional 5,000 children under the age of 16 years now residing in Germany, Austria, or Italy, but who have been adopted by any American citizen, not only by the members of the armed forces.

My amendment would differ from both the Kilgore and the McCarran provisions in that it would increase the number to 25,000, and I believe this to be a very conservative number, and I would expand its provisions to include children in other countries of Europe who are just as much in need. I call the attention of the Senate to the fact that while the war orphans of three former enemy countries, Italy, Austria, and Germany, are covered in both the McCarran bill and the Kilgore substitute, the children of men of nations who fought by our side as allies during the war are excluded.

My amendment, Mr. President, also would not require full legal adoption proceedings—I emphasize those words—before the orphan could be brought into the United States. Many of our Minnesota good folks would like the opportunity to adopt war orphans from Belgium, or the Scandinavian countries, or France, and they would like to do so without having to go to the expense of going to Europe to initiate adoption proceedings there. Our church, public, and private welfare organizations are fully competent to accept the responsibility of bringing to these shores orphans for purposes of adoption without requiring that the adoption proceedings take place in Europe, as is the implication of both the Kilgore and the McCarran proposals.

Mr. President, in any discussion today the basic issues of our domestic and foreign policies are before us. The two are one. At present much more than at any time in history, foreign affairs and domestic issues are inseparable. Whether it be FEPC or approval of funds for extension of ECA; whether it be liberalized immigration laws and the admission of war orphans; whether it be expansion of our domestic economy and the greater importation of Europe's goods and services, foreign and domestic issues are ever before us, and before us as one. Just as the fingers of the hand are joined to the whole body, so it is with our decisions on the issue in which we now are interested.

We have a heritage of social achievements as strong as our heritage of economic achievements. We must remember that democracy is not an economic theory, but a social and political philosophy. Too often in our approach to world affairs or domestic issues, we discuss the American way of life, the richness and fullness thereof, and we mean the economic progress we have made because we have been blessed with great riches, boundless resources, and a people, daring, adventurous, and ambitious.

But the American way of life is far more than cars, refrigerators, and savings accounts. The American way is beyond the mere economics of living. Never before in the history of man has the thought that man does not live by bread alone been so exemplified as here in this country. If we are to maintain that development which is man's highest achievement, we must understand the spiritual values which man has created in our country.

Truly it may be said that these are times that try men's souls. We are confronted by many dangers. Indeed, it is our souls which bear the searching, not our minds alone. Our heritage, our philosophy and our basic understanding of what this country means are tied up in every move, every action, and every thought in our everyday lives. Our responsibility to ourselves and our future citizens calls for hard, firm thinking.

The distinguished Senator from Connecticut has searched his soul, and told us what he feels. That he feels deeply and well is evident. The distinguished Senator from Maryland has expressed his views based on intellectual analysis. All of us are aware, not only of the deadly peril which confronts us, but of the bright vista which we may see, if we will only look.

I say, Mr. President, that we no longer represent merely Minnesota, Florida, Oregon, California, Maine. We represent Norway, Denmark, Italy, France, Africa, Asia, the Balkans, Poland, Greece; not only the free world, but the whole world. In the Ukraine, Afghanistan, Sinkiang, Burma, Holland, Siberia—wherever people live, breathe, reproduce, and die—are our constituents. While the great building of brick and glass goes up majestically along New York's East River, eventually to house the United Nations, we here in this chamber represent equally the hopes and aspirations of the world constituency. Their lives are in abeyance. They depend upon our action. The responsibility rests upon us. We have before us a practical application of such philosophy.

According to the best available figures, when the war in Europe ended in May 1945, there were some 8,000,000 displaced people. Of that number, thanks to the efforts of the victorious armies and the United Nations Relief and Rehabilitation Administration, in which our colleague, the distinguished junior Senator from New York, played such a stellar role, some 7,000,000 of these unfortunate beings were repatriated in the first year. Of course, we recognize that no full accounting could ever be made. Millions of these people have never reported to such organizations as were set up. Many have slipped into local communities and have been absorbed in such a manner that few realize that they are from far-off places. Others for sins, real or imagined, have been afraid to make known their plight to the authorities, preferring to live in a shadow world, neither free nor slave.

But there are also the children, the children of war, violence and hate; offspring of evil; living monuments to man's inhumanity to man; children sick at heart, sick of mind, sick with despair. For many years now these orphans have been led to believe that scarcely anyone really cares. Few know where they are, why they are there, and more care less—children not responsible for the deeds of their elders, yet paying for them.

We have a definite responsibility toward these youngsters. Where else can they turn? Need they turn elsewhere? Will we deny our heritage, our forebears, our traditions and turn away from these youngsters who rightfully expect so much from us?

The question before us, Mr. President, is a humanitarian issue. But it is larger, more important, and at the same time equally fundamental. The issue is directly tied up with our foreign policy. Within our body, I hear and see names from many parts of the world. England, Ireland, Scandinavia, the Mediterranean, Germany, from distant lands have these names come. Today they sit in this body and consider themselves Americans. Who would have dared to keep from our shores such men as these?

Are we to believe that the offspring of our forebears are not equal to ourselves? Certainly we do not believe that we Americans are superior beings.

In the course of this historic debate, the fear has been expressed that a liberalized Displaced Persons Act would allow subversives and Communists to enter our borders. I think that has been one of the main issues.

Advocates of the Kilgore substitute have in turn made the persuasive case that the seven extraordinary protective provisions in it are more than adequate to protect our public interest. Much of the final determination of this legislation will hinge on this question and on the question of the way the Displaced Persons Act is administered.

Mr. President, this consideration need not even enter into the discussion of my amendment. Children—not politics—are involved, Mr. President.

In the course of the past few weeks I have had occasion to become intimately acquainted with the problem of war orphans in the United States. I have come to see not only the effects of human suffering abroad, but the great humanitarian striving within America and within the hearts and souls of Americans who wish to adopt one of these children and to give such a child a home and a good break in life.

Letters by the score have come into my office from representatives of church groups, from women's clubs, from American men and women of all walks of life, telling me about their experiences, about children of their relatives now in Eu-

rope asking haven here in the United States, telling me about their efforts to adopt European war orphan children. All of them urge support for my amendment.

Mr. President, not a day passes but in the mail coming to my office, and, I am sure, in the mail coming to the offices of other Senators, there are urgent, pathetic pleas on the part of Americans who have made their way in our Nation, who have done very well, who have fine homes and good businesses here, and who have established excellent reputations and have fine backgrounds; they are appealing for a chance to bring the son or daughter of an uncle or an aunt or a nephew who is across the ocean—a son or a daughter of their kin folks, so to speak, of their relatives—and to give that boy or girl a chance to grow up in America, and to have the same chance that some of us have had in this country.

Yet I submit to you, Mr. President, that one of the tragedies in which this Nation has participated since World War II arises from the fact that we have literally closed our doors upon the children of the world. I think the record of World War I and the terrible aftermath of that war tell us that one of the things which brought about the rise of Hitler in Germany was the fact that thousands upon thousands of boys and girls were left homeless after World War I, and roamed the streets in bands, and became one of the major problems which confronted Germany under the Weimar Republic, which was beset with the difficulty of knowing how to channel those groups of youngsters into areas of constructive activity.

Mr. President, I dare say that if we now had a sufficient audience on the floor of the Senate, in terms of the number of Senators who should be here, if we went from chair to chair, from Senator to Senator, and asked each Senator, "Have you received letters from decent, respectable, God-fearing citizens of your State who want to adopt a war orphan," practically every Senator would say, "Yes, indeed; I have received many letters of that sort."

The legislature of my own State of Minnesota passed a concurrent resolution memorializing the Congress of the United States to enact just such humanitarian legislation in behalf of war orphans as is encompassed in my amendment. I submit a copy of that resolution for the RECORD, and ask that it be printed at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A concurrent resolution memorializing the Congress of the United States to amend the immigration laws whereby American families may adopt war orphans of allied countries of Europe of World War II

Whereas the present immigration law forbids American families to adopt orphans of the devastated countries of Europe who have so gallantly defended freedom and democracy against fascism and nazism; and

Whereas the aftermath of war and the ruthless oppression has caused misery and starvation among the gallant peoples of Europe; and

Whereas throughout those countries due to the war millions of orphaned children under 10 years of age are unclothed, undernourished, insecure, and will perish from lack of nutrition and medical assistance; and

Whereas American families who are financially independent and who are blood relatives or relatives by marriage of such war orphans and who are eager and willing to adopt such war orphans of those allied countries and bring them to America so that they may have an opportunity to live and grow up as American citizens in our democratic country and adapt themselves to the democratic way of life as we know it; and

Whereas urgency of such legislation is demonstrated by the humanitarian and helpful attitude taken by the United States of America: Now, therefore, be it

Resolved, That the house of representatives, the senate concurring, memorialize the Congress of the United States to amend the present immigration laws whereby such adoption may be possible.

Mr. HUMPHREY. Mr. President, our State of Minnesota is a big State. In it are nearly 3,000,000 Americans, all of whom remember their European heritage, and that they or their fathers were displaced persons. I believe that the people of our State, like those of the other States of the Union, are generous people. Many farmers in my State have written to me or have spoken to me, pointing to their lands, to our wide, open spaces, and to the wealth in our soil, saying, "Why do our laws prevent us from sharing this richness and freedom with the unfortunate children in Europe, orphaned by war and the dislocations of war"

Mr. President, there is no finer place in all the world on which to give a young man or a young woman an opportunity to grow into adulthood than on a good farm in one of our good agricultural States. There are literally thousands of American farms whose owners are anxious to adopt one of the war orphans. American families by the hundreds of thousands have prepared to welcome these children to their homes. The amendment I submit would only provide for the admission of 25,000 of these children under the age of 16—a small number, but a significant indication that America remains true to its heritage.

It would be good for us to examine in somewhat more detail the kind of children who would be affected by my amendment. For example, Bruno Salafia is a Sicilian orphan. His father was killed while serving in the Italian Army. His mother died of malnutrition. Except for one wonderful month—August 1948—Bruno has known only the life of an orphan home.

Syracuse, N. Y., celebrated its centennial. Through the American Embassy in Rome, an application was made to have a boy from Siracusa, Sicily, come here and carry back home the message of American democracy. But Bruno not only was to carry back the message of American democracy; he was to capture the hearts of almost every American who saw his face. Twenty-five applications for adoption were received by his sponsors. Substantial citizens wanted to bring him into their homes. But his visa was good for 1 month. Never had the child known such love and affection. Is it any wonder that he cried bitterly, and literally had to be physically carried to the plane which was returning him to a bleak, motherless life in an orphanage in poverty-stricken Sicily?

Mr. President, no one can tell me that in the United States of America there is no room for Bruno. No one can tell me that any law we have is so inflexible that it cannot be amended in such a way that we can make room for thousands of young chaps who want a "break" in life. We found time to entertain many of them, and that did not upset our life or our procedures. In fact, it brought cheer to the hearts of many Americans, and today 25 good Americans beg for an opportunity to adopt that child. However, that child was physically hauled back to Italy, to go back to a rotten orphanage in Sicily. I daresay that all of us have received in the mail letters telling again and again the same unhappy story about how legal technicalities have prevented the fulfillment of a dream.

The distinguished Senators from New York are well acquainted with the case of Mr. and Mrs. Rene Augay, a couple blessed, except for children. Two years ago they traveled to Europe—to Austria, in fact—and there met and fell in love with a little tyke, 2 years of age. This little fellow is no Communist; we do not need worry about any threat to our national security from him. He was living in squalor with his aged grandparents. The Augays adopted this waif. They put him in a home in Switzerland. But they cannot bring him to this country. He is their child. Mr. President, he has been adopted by them. He is as much their child as if he had been brought to them by normal birth.

No doubt the distinguished Senators from Texas are acquainted with the case of Mr. Jake Weissblatt, of Forth Worth. He is the uncle of a little girl born in Poland. Incidentally, Mr. President, let me say that I have received from practically every State in the Union letters about such cases. In the instance to which I now address myself, Frieda and her family were confined to a concentration camp. That was the environment in which she was raised. Both parents were put to death. Frieda witnessed the execution of her father. Freed by the victorious allies, Frieda, in the care of an aunt, managed to get to Brussels. For 3 years—Frieda is now 13—Mr. and Mrs. Weissblatt have tried to bring her over to this country. They have means, they want to educate her, care for her, and allow her to grow and flourish in an atmosphere of which they are proud—their America. They have legally adopted the child. But how to bring her here? They look to us for an answer.

The distinguished Senator from Montana [Mr. MURRAY] knows about Mr. Harry A. Norton, who for the past several years has devoted his efforts to bringing in a youngster from Vienna, Austria. The Senator from Montana has exerted tremendous efforts to help bring this child into this country, but without avail. Thus, we are losing the opportunity to create new and brave citizens for the future.

Mr. President, in regard to similar cases I have received letter or other communications from California, Connecticut, Indiana, Illinois, Michigan, New Jersey, New York, Massachusetts, Pennsylvania, Virginia, Mississippi, Arkansas, and many of the other States. In all those States, Americans ask for an opportunity to bring war-orphaned children into their homes.

Mr. President, I have in the rear of the chamber two large pictures which I shall ask the pages to bring forward at this time, so that I may refer to the pictures at this point in my remarks. I am near the end of what I have to say at this time, Mr. President.

The first picture shows a good, normal American scene.

Mr. LUCAS. Was that picture taken in Minnesota?

Mr. HUMPHREY. It happens to have been taken in Mississippi. It is a picture of several young Americans, the children of displaced persons. They have their counterparts by the thousands in Europe, waiting for an opportunity to grow up in an atmosphere of freedom. They wish to be free from fear. They are anxious to become loyal citizens of a great democracy.

Let us look at these pictures of young Americans. It might well be said, in looking at these pictures, that of such as these did Mark Twain write—

To these lads do we leave our traditions, our institutions, and our ideals.

Mr. President, the picture now displayed before Senators is a picture of the children of displaced persons who now are living on a farm at Senatobia, Miss. There these lads have found new life and new hope, because their parents were given the opportunity to settle and work on an American farm.

Mr. President, if my amendment to the McCarran bill or to the Kilgore substitute is adopted, we shall have many more children like that in America. I guarantee that that picture is a good deal more wholesome than many of the pictures we see in this country, and I venture to say that the admission of such children to our country would be one of the most wholesome things that could happen to us. No one can lose anything by opening his door to a child. No country will ever be impoverished by giving children an opportunity.

Let us look at the second picture, which shows two clean-cut youngsters studying at the University of Oklahoma. They can mean much to our future. Education in our land is not for the few, the aristocratic, the rich, or the pampered. Education is for all. Yes, Mr. President, education is even for these Baltic youngsters, who are fast becoming Americans, loyal citizens of a great democracy.

Mr. President, I ask this question: When this RECORD is read—I hope it will be read—I wish to ask every Senator the question: Is our country so poor that we may not give of our bread, and share of our life and our freedom? Do we owe nothing to the oppressed of the world?

Mr. President, can anyone think of one reasonable, logical, practical argument why we do not have room in the United States for an additional 25,000 war orphans? As a matter of fact, the 25,000 figure is merely picked out of the air. Frankly, I think we can use many more. I repeat, every war orphan that is brought into this country will enrich the country, not despite its resources. I know that the Senate of the United States, when the amendment is brought to the McCarran bill, or to the Kilgore substitute, will overwhelmingly adopt the amendment, because I do not believe that a single United States Senator will dare face his own conscience if he votes against the admission of a reasonable number of boys and girls who are war orphans in the countries of Europe, boys and girls who will be provided with the finest homes that American ingenuity, American wealth, and American culture can provide—some homes in our own land that are not blessed with children.

It is not for us, but for our children that we build and strengthen our democracy. It is not for ourselves, but for the world we know, the civilization we cherish, that we achieved our leadership.

Our heritage is not to be bought with 30 pieces of silver. It is something for which sacrifices have been made in many remote places of the world. The story of the prophets, and the Life of our Savior, were not for the few, but for all. Our tenets are not alone for the rich, but also for the downtrodden of many lands. Our principles have been founded on ideals which may not be shattered in selfishness. We, Mr. President, I believe are dedicated to a great ideal, which we can help realize by opening the gates of American opportunity to the young who are hungering for the chance to live a normal life.

Mr. McCARRAN. Mr. President, I should like to supplement what the Senator says by stating that the testimony before the Judiciary Committee shows there are 200,000 children in Greece alone, and there are about 100,000 Arabian children. Only the other day I heard over the radio the startling statement that 40,000,000 people would starve in China, who will leave, undoubtedly, unnumbered thousands of children. Our hearts go out to these children. Twenty-five thousand is but a drop in the bucket, with 200,000 in Greece, another 100,000 in Arabia, hundreds of thousands in China, hundreds of thousands in Pakistan. All those considerations present themselves to us, and make the problem all the more difficult to deal with, all the more trying and straining on the heartstrings.

Mr. HUMPHREY. I wish to thank the Senator from Nevada for his comment, and I hope, as I take my seat, that Senators will look with favor upon the amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

DISPLACED PERSONS

The Senate resumed the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. FERGUSON. Mr. President, I wish to leave the Chamber. I hold in my hand a letter from the Chamber of Commerce of the United States of America endorsing the Kilgore substitute. I wonder whether the Senator will yield to me so I may ask that the letter be printed in the RECORD.

Mr. President, I ask unanimous consent to have a one-page letter printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. LUCAS. Mr. President, reserving the right to object, will the Senator from Michigan let me see the letter, so I may examine it?

Mr. FERGUSON. Yes.

Mr. McCARRAN. Mr. President, we cannot hear what is being said.

The PRESIDING OFFICER. The Senator from Illinois reserves the right to object.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. LUCAS. What is the pending business?

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The CHIEF CLERK. On page 1, line 3, after the word "That," it is proposed to strike out "subsection (c)" and insert "subsections (a), (b), and (c)."

NOTICE OF INTENTION TO INTRODUCE A BILL TO AMEND VETERANS REGULATION 1 (A)

Mr. LANGER. Mr. President, I ask unanimous consent to introduce a bill.

Mr. LUCAS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LANGER. Mr. President, I regret the Senator objected. Inasmuch as he did, I will read the bill.

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. LANGER. It reads as follows:

A bill to amend part VIII of Veterans Regulation No. 1 (a) so as to extend the period of entitlement——

The PRESIDING OFFICER. Just a moment. Did the Senator from Illinois yield to the Senator from North Dakota, and if so, for what purpose?

Mr. LUCAS. I do not have the floor. The Senator from North Dakota has the floor.

Mr. LANGER. I thought I had the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. LANGER. I continue—

to educational benefits for those individuals who continued to serve in the active military and naval service after July 25, 1947.

Be it enacted, etc., That paragraph 2 of part VIII of Veterans Regulation No. 1 (a) is amended by inserting after "war" the following: "or May 17, 1948, whichever is the later."

I serve notice that the very next time we have a morning hour, the senior Senator from North Dakota will introduce the bill for appropriate reference.

RENT-CONTROL BILL—ARTICLE FROM THE WASHINGTON TIMES-HERALD

Mr. LANGER. Mr. President, I notice in the Washington Times-Herald this morning an article entitled "KILGORE Calls Rent-Control Bill Dangerous." The way the bill was reported is quite similar to what was done with the displaced persons bill. In the DP bill we are still taking the testimony, yet the bill has already been reported.

Senate bill 2311, a bill presented to protect the United States against certain un-American and subversive activities, and for other purposes, was being considered. We had reached paragraph 9. The distinguished Senator from Missouri [Mr. DONNELL], only a few days before, had asked that we consider the bill paragraph by paragraph. Nevertheless, every Senator upon the committee, except the senior Senator from North Dakota, had voted for it. The vote was 12 to 1. The bill was approved, and although it was approved on Saturday, it has not yet been reported. We have here a similar situation. The article in the Times-Herald says:

Senator KILGORE, Democrat, of West Virginia, yesterday denounced the Mundt-Ferguson Communist control bill as a "dangerous proposal"—

Think of that, Mr. President. On Saturday the bill was approved—

despite the fact that he voted in committee to approve the measure.

In a letter to Chairman MCCARRAN, Democrat, of Nevada, of the Senate Judiciary Committee, KILGORE said:

"It is fundamentally a sedition bill and * * * can be used against organized labor and in fact against other organizations whether churches, farm, business or any of the multitude of legitimate American organizations against which a hostile prosecutor or administration might want to use it."

But the Senator voted for it on Saturday. We have a similar situation with respect to the displaced-persons bill.

Mr. KILGORE. Mr. President——

Mr. LANGER. I decline to yield at this time. I am quoting the article, not in any criticism of my distinguished friend, whom I like. I am quoting it to show how business is done in the Judiciary Committee. That is the sole purpose, and it is done in spite of all that our fine, distinguished chairman has been able to do. The article continues:

The Senate Judiciary Committee voted 12 to 1 to approve the measure last Saturday. KILGORE told reporters he was one of the dozen legislators who voted for it.

The Senator was not even present. As a matter of fact, only nine members of the committee were present.

He was not present at the time, but told committee clerks not to record him against it, KILGORE said.

"But my vote was with reservations, including reserving the right to suggest changes or even oppose the measure on the floor," he said.

KILGORE told MCCARRAN he studied the final draft over the week end.

"I am obliged to conclude that it remains subject to the central vice that has always made it a dangerous proposal," he wrote.

KILGORE is the second committee member who voted for the measure and then announced that he considered it dangerous. Senator KEFAUVER, Democrat, of Tennessee, has taken a similar position.

Mr. President, I repeat, I am not criticising either of my distinguished colleagues, but the suggestion nevertheless is that on Saturday a bill was approved, and now, the following Tuesday, it is said the bill is dangerous to "organizations whether churches, farm, business," and presumably, to labor, and all that sort of thing.

Again I call attention to what took place similarly in connection with Senate bill 2311 and the displaced persons bill we are presently considering. As I say, but one Senator voted against reporting favorably Senate bill 2311. It is my considered judgment that if we could have kept that bill in the committee and followed through with what was being done by the Senator from Missouri [Mr. DONNELL], as the leader, going over it paragraph by paragraph, we could have reported a bill that would not have been dangerous, a bill upon which all of us could have agreed; and we could have saved weeks of time, certainly days, for this body.

Now, what is wrong with the bill, Mr. President? I wish to read my minority views on the bill:

If enacted, this bill would constitute the greatest threat to American civil liberties since the alien and sedition laws of 1798.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. WHERRY. I should like to propound a question to the majority leader. It was my understanding the Senator from Illinois had announced earlier in the day that the Senate would run until about 7 o'clock. I am perfectly willing to remain as long as the majority leader desires, but if the Senator is going to deliver a long speech on his minority views, and if we are to run later than 7 o'clock, I submit to the majority leader that there should be a quorum call, so that Senators may be in attendance to take part in the session. I do not object to remaining as long as anyone else wants to remain, but if I am going to be required to stay here for a night session, I want the Senate of the United States to be present.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. LANGER. I yield to the Senator from Illinois.

Mr. LUCAS. I am not responsible for what the Senator from North Dakota does. I make the point of order against a quorum call, that no business has been transacted since the previous call.

Mr. WHERRY. Several things have been done since the last quorum call was had.

Mr. LUCAS. No point of order is being raised as yet, because there is no suggestion of the absence of a quorum.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that business has been transacted. The business which the Parliamentarian says has been transacted was the request of the Senator from Michigan [Mr. FERGUSON] for the right to present an amendment to the bill. The amendment was presented and was ordered to be printed and to lie on the table.

Mr. LUCAS. Mr. President, I wish the Parliamentarian had told me the same thing when I asked him that question a short time ago, not more than 30 minutes ago, when he stated that no business had been transacted.

The PRESIDING OFFICER. The transaction of the business occurred while the majority leader was temporarily absent from the Chamber.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from North Dakota if he will permit me to propound a question to the majority leader.

Mr. LANGER. If I do not lose the floor thereby.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senator from North Dakota may yield to me for that purpose.

The PRESIDING OFFICER. Is there objection?

Mr. LUCAS. Mr. President, reserving the right to object——

Mr. WHERRY. Mr. President, I want to propound to the distinguished majority leader the question whether he wishes to hold the Senate after 7 o'clock. I do not want to offer a motion or to suggest the absence of a quorum if it is not in keeping with the intentions of the majority leader, but, in view of the announcement he made earlier today that he intended to have the Senate remain until 7 o'clock, and in view of the fact that it is approximately 9 minutes of 7 now, the time has come to take a recess, or to suggest the absence of a quorum, and let the Senate listen to the minority views.

Mr. LUCAS. Mr. President, I am very curious about listening to the minority views, but I cannot control the time of the Senator from North Dakota. He took the floor and has the floor, and I have no objection to it. I should be glad to remain here and listen to him, for I am sure I could learn something from the minority views. I think, perhaps, the Senator from North Dakota really has something, and I think the minority leader and I should remain and listen to him.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. LANGER. I yield.

Mr. WHERRY. If the Senator is going on with the minority views, I think we should have a quorum present. It was my understanding that up until 7 o'clock this evening the Senate could debate any question before the Senate, and then the Senate would stand in recess. If it is not the intention of the majority leader to have the Senate take a recess, I can remain as long as can any other Senator. In view of the fact that the Senator from North Dakota is about to begin his address, I think the Senate

might take a recess until tomorrow, and the Senator from North Dakota could proceed tomorrow upon the convening of the Senate.

Mr. LUCAS. Mr. President, no one but the Senator from Nebraska is complaining about the situation. The Senator from North Dakota has not said anything about the absence of a quorum. The only individual who is complaining is the Senator from Nebraska, who has been interrupting the Senator from North Dakota. I do not think he should do that; I think the Senator from North Dakota should be permitted to proceed.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield to me in order that I may suggest the absence of a quorum?

Mr. LUCAS. Mr. President, I object.

Mr. WHERRY. I make the point of order, Mr. President, that the Senator from North Dakota can yield to me to suggest the absence of a quorum.

The PRESIDING OFFICER. If the Senator from North Dakota yields to the Senator from Nebraska for that purpose, he gives up the floor.

Mr. LANGER. Mr. President, I yield for that purpose.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. I was on my feet asking for recognition at the same time the Senator from North Dakota was standing. I cannot understand how the Senator can yield the floor for the purpose of another Senator's suggesting the absence of a quorum. The Senator from North Dakota had the floor, and he now yields it. He has made one speech, and as a result of yielding the floor on the pending question——

The PRESIDING OFFICER. The Chair holds that the Senator having yielded the floor, he has terminated that speech.

Mr. LUCAS. I regret that very much, Mr. President, because, after all, the Senator from North Dakota had the floor. The Senator was willing to proceed to make a report in connection with a very important bill. After the Senator from Illinois and the Senator from Nebraska had agreed that the Senator from North Dakota could proceed without a quorum call, the Senator from Nebraska suggests the absence of a quorum. I stated that the session would last until approximately 7 o'clock, but that did not mean exactly 7 o'clock. It may be that the Senator from North Dakota can complete in a short time his able address in connection with the minority views.

Mr. WHERRY. Mr. President, I made it very plain to the majority leader that if he chose to keep the Senate in session after 7 o'clock I would suggest the absence of a quorum, because it was my understanding that the session would not continue after 7 o'clock. After that was announced, the majority leader called for the reading of the bill, and we find that he wants a vote on the bill. That is all right with me, but if he is going to ask for a vote, we want all the Senators present. I regret that I had to suggest the absence of a quorum, but I was acting under what I thought was a gentleman's agreement. It now appears that we did not have such an agreement. It seems to me the only thing we can now do is to recess the Senate at 7 o'clock, or there should be a quorum call, if we are to vote on the bill tonight. If that is what the majority leader intended to do, by reading the bill, I think all Senators should be here to vote on the bill. I think that is the honorable way to proceed. If the majority leader will move a recess until tomorrow, I shall be glad to withdraw my suggestion of the absence of a quorum. If not, I think, in all fairness, the distinguished majority leader should say how he desires to proceed, and we should get the Members of the Senate here to vote on the measure.

Mr. LUCAS. Mr. President, the Senator from Nebraska is usually very plausible, very convincing, and very persuasive, but when he talks about a dishonorable way to proceed, I do not know whether he is indicating that the Senator from Illinois is dishonorable. I leave that to my colleagues.

Mr. WHERRY. Mr. President, if I used the word "dishonorable" I wish to retract it. I said I thought the only honorable way to proceed was so and so.

Mr. LUCAS. I thought the Senator used the prefix "dis" at one point in his remarks.

I do not care to keep the Senate here any great length of time. Apparently the Senator from North Dakota was not going to discuss the pending bill; he was going to discuss an entirely different measure. He was very much excited. He apparently would not give the Senate an opportunity to vote a week from Wednesday.

I want to say, Mr. President, that the Senator from Illinois will not make any agreement with any other Senator in regard to the question. We shall let the bill take its natural course on the floor of the Senate. I have attempted, all the way along, to aid my friend from Nevada [Mr. MCCARRAN], because he has an important engagement in the West, and he must leave Washington on Wednesday. In view of the fact that all Members of the Senate are agreeable to voting on one day or another, it was indicated to me that we should be able to get together and vote on a certain day. That we have not been able to do.

Mr. President, if I can prevent it, I do not propose to be caught off guard again as I was on yesterday. The Senator from Illinois was very busily engaged, in connection with a conference report, with the members of the Committee on Agriculture and Forestry. While I know that my friend from North Dakota [Mr. LANGER] has voted quite often with Senators on this side of the aisle, and I appreciate his votes—and I think it was Mr. Drew Pearson who said the Senator would become a Democrat—I did not know that he had gone quite so far as to try to take over the majority leadership of the Senate.

I think it will be regrettable in the Senate if the time comes when a Senator cannot indulge in a bit of frivolity, or take a nod or a wink, or perhaps have his attention distracted by some newspaperman in the hall, without some other Senator taking advantage of his absence. I wish to apologize to my friends of the press today, because a number of them have sent for me, but I just could not get away from the floor. I cannot leave the floor if I do not have some of my trusted lieutenants here. I am afraid that perhaps the Senator from North Dakota, who is eager to make a long-winded speech tonight, if he is not stopped by my friend from Nebraska, probably would want to move again to recess in the middle of the afternoon. Certainly it is not my intention to be caught again in a position like that, if I can avoid it. I do not want to be ambushed any more by my friend from North Dakota. I know from previous experience that the Senator from North Dakota frequently conceals himself in a parliamentary bush, and at the proper time strikes one with the sharp edge of the wedge. That happened yesterday, and it has happened several times in the last few years. I do not wish to see that happen any more. Most Senators, of course, would not take advantage of a situation, but would call my attention to the fact that they wished to make a motion to recess, or a motion to adjourn. However, that did not happen with the Senator from North Dakota.

I have no disposition to call Senators back in view of the situation which has developed. But I should like to make the statement that on tomorrow there will be no agreements made of any kind, so that the Senator from Nebraska cannot charge me with repudiating a gentleman's agreement which we had. From here on we shall proceed as best we can. I say to my friend from Nevada that I regret very much that we cannot make expeditious disposition of the bill, but I believe he will agree with me that it is not possible to accommodate him.

The PRESIDING OFFICER. The Chair suggests that the absence of a quorum has been suggested, and the call of the roll has been ordered.

Mr. LUCAS. I ask unanimous consent that the order be withheld, in order that I may move to recess.

Mr. LANGER. I yielded only for the purpose of having a quorum call.

Mr. WHERRY. The Senator from North Dakota yielded only for that one purpose. I will ask the distinguished Senator from North Dakota if there is any objection to my unanimous consent request to withhold the quorum call.

Mr. LANGER. There is no objection if I may get unanimous consent that what I said just prior thereto shall not be considered as one of two speeches on the bill.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that his yielding to the Senator from Nebraska shall not be construed as constituting a loss of the floor. Is there objection?

Mr. LUCAS. We get right back to where we were. I am trying to recess the

Senate. If the Senator wishes to make a speech, that is one thing; if he does not wish to make a speech, that is another thing. If he is going to insist on making a speech, it is all right with me that we have a quorum call.

Mr. LANGER. I yielded for the purpose of calling a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested.

Mr. LUCAS. The quorum call has not been ordered.

The PRESIDING OFFICER. The Chair has ordered it.

Mr. LUCAS. But the order was rescinded.

The PRESIDING OFFICER. The Senator from Illinois is mistaken. It has not been rescinded. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Douglas	Johnson, Tex.	Myers
Hayden	Kilgore	Thye
Hendrickson	Langer	Wherry
Holland	Lucas	
Humphrey	McCarran	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. BRICKER, Mr. KERR, Mr. LODGE, Mr. MORSE, Mr. NEELY, Mr. TAFT, and Mr. YOUNG answered to their names when called.

The PRESIDING OFFICER. There is not a quorum present.

ADJOURNMENT

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. A motion to recess is not in order.

Mr. LUCAS. I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 21 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, March 8, 1950, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 7, 1950

The House met at 12 o'clock noon.

Rabbi Nachum David Herman, spiritual leader of Congregation Tifereth Israel, Brooklyn, N. Y., offered the following prayer:

Almighty God, we beseech Thee that Thou wilt make this moment of devotion integrant of Thy mercy and benevolence, betrothed only to Thy grace.

We come to Thee with burdens on our minds, and hearts saturated with haunting fears of a peace lost and a war hovering about; with deep anxiety over the future of our children in a world trembling on the side of chaos; a world moving rapidly downward into the anarchy of a ghastly morrow that may sweep like a tidal wave out of the impenitent evil of totalitarianism.

O Heavenly Father, open Thou our eyes so that we may see the duty that rests upon us in this hour. Clear Thou from our hearts the self-righteousness that would blind us to our own failings. Make us to understand that we, too, by our own default, were responsible for the infamous carnage that was inflicted on the people of the book, and our responsibility for the weakening of the peace that permitted the bloody holocaust of communism to rise in high places of mankind.

Strengthen Thou our souls, so that we will now rise to our full duty and press forward to bring the fruits of Thy glory to the foot of the altar of a new covenant of justice and peace, for in Thy kingdom in the power and might of Thy abode, we will find the wisdom to combat evil and atheism.

Thou, who hast created men in Thine own image, guard us against prejudice and discrimination against the maltreatment of our fellow men because of race, color, or the manner in which we worship Thee. "Have we not all one Father? Hath not one God created us?" (Malachi 2:10.) Grant us grace fearlessly to contest bane wickedness and to make no peace with oppression in our land or elsewhere.

This, the month of Adar on the Hebrew calendar, commemorates the deliverance of the Jews of Persia from the hands of Haman; let us strengthen our bonds with God and pray that He deliver mankind from the Hamans of our days. May He instill in the hearts of this legislative body, all the elements that make democracy God's chosen instrument against the forces, sub rosa and stridulous, which are bent upon the enslavement of mankind. May He feed the hearts and train the minds of our lawmakers who legislate His will. Amen.

The Journal of the proceedings of yesterday was read and approved.

STATEHOOD FOR HAWAII

The SPEAKER. The unfinished business is consideration of the bill H. R. 49, the Hawaiian statehood bill.

The question is on the passage of the bill.

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 262, nays 110, not voting 60, as follows:

[Roll No. 80]

YEAS—262

Addonizio	Blackney	Chiperfield
Albert	Boggs, Del.	Christopher
Allen, Calif.	Boggs, La.	Chudoff
Allen, Ill.	Bolling	Church
Andersen, H. Carl	Bolton, Ohio	Clevenger
Anderson, Calif.	Bosone	Cole, Kans.
Andresen, August H.	Boykin	Combs
Angell	Bramblett	Corbett
Arends	Breen	Crawford
Aspinall	Brown, Ohio	Crook
Auchincloss	Bryson	Crosser
Bailey	Buchanan	Cunningham
Baring	Buckley, Ill.	Curtis
Barrett, Wyo.	Buckley, N. Y.	Davenport
Bates, Ky.	Burdick	Davis, Wis.
Bates, Mass.	Burke	Dawson
Beall	Byrnes, Wis.	Denton
Beckworth	Camp	D'Ewart
Bennett, Fla.	Canfield	Dingell
Bennett, Mich.	Carnahan	Dollinger
Bentsen	Case, N. J.	Dolliver
Biemiller	Case, S. Dak.	Doyle
Bishop	Cavalcante	Eaton
	Celler	Eberharter
	Chesney	Elliott
	Keefe	Potter
	Kelley, Pa.	Poulson
	Kelly, N. Y.	Powell
	Kerr	Price
	Klein	Priest
	Kruse	Rabaut
	Lane	Ramsay
	Lanham	Redden
	Larcade	Reed, Ill.
	LeCompte	Rhodes
	Lemke	Ribicoff
	Lesinski	Riehlman
	Lind	Rivers
	Linehan	Rodino
	Lodge	Rogers, Mass.
	Lovre	Rooney
	Lynch	Roosevelt
	McCarthy	St. George
	McCormack	Sanborn
	McDonough	Saylor
	McGrath	Scott, Hugh D., Jr.
	McGregor	Scrivner
	McGuire	Secrest
	McKinnon	Shelley
	McSweeney	Simpson, Ill.
	Mack, Ill.	Sims
	Mack, Wash.	Smith, Wis.
	Madden	Spence
	Mansfield	Stefan
	Marcantonio	Stigler
	Marsalis	Stockman
	Martin, Iowa	Sullivan
	Merrow	Talle
	Michener	Tauriello
	Miles	Thompson
	Miller, Calif.	Tollefson
	Miller, Nebr.	Towe
	Mitchell	Underwood
	Morgan	Van Zandt
	Morris	Velde
	Morton	Vinson
	Multer	Vorys
	Murdock	Vursell
	Murphy	Wagner
	Murray, Wis.	Walsh
	Nelson	Walter
	Nixon	Weichel
	Noland	Welch
	Norblad	White, Idaho
	Norrell	Whittington
	O'Brien, Ill.	Wickersham
	O'Hara, Ill.	Widnall
	O'Konski	Wier
	O'Neill	Wigglesworth
	O'Sullivan	Willis
	Passman	Wilson, Ind.
	Patterson	Wilson, Okla.
	Perkins	Wolcott
	Peterson	Woodruff
	Pfeifer, Joseph L.	Yates
	Phillips, Calif.	Young
	Phillips, Tenn.	Zablocki
	Plumley	
	Poage	

NAYS—110

Abbitt	Grant	Patman
Abernethy	Gregory	Patten
Andrews	Hare	Pickett
Barden	Harris	Polk
Battle	Harrison	Preston
Bonner	Hobbs	Quinn
Brehm	Hoffman, Mich.	Rains
Brooks	Huber	Rankin
Brown, Ga.	Hull	Rees
Burleson	James	Regan
Burton	Jenkins	Rich
Cannon	Jones, Ala.	Richards
Carlyle	Jones, Mo.	Rogers, Fla.
Chelf	Jones, N. C.	Sabath
Cole, N. Y.	Kean	Sadlak
Cooley	Kennedy	Sasscer
Cooper	Keogh	Shafer
Cotton	Kilburn	Sheppard
Cox	Kilday	Short
Dague	Kunkel	Sikes
Davis, Ga.	Lichtenwalter	Simpson, Pa.
Davis, Tenn.	Lucas	Smith, Kans.
DeGraffenried	McConnell	Smith, Va.
Delaney	McCulloch	Steed
Dondero	McMillen, Ill.	Sutton
Doughton	Macy	Taber
Durham	Mahon	Thomas
Evins	Mason	Trimble
Fallon	Miller, Md.	Wheeler
Frazier	Mills	Whitten
Fugate	Monroney	Williams
Furcolo	Murray, Tenn.	Wilson, Tex.
Gary	Nicholson	Winstead
Gathings	O'Brien, Mich.	Wolverton
Gavin	O'Hara, Minn.	Wood
Gossett	O'Toole	Woodhouse
Graham	Pace	

NOT VOTING—60

Allen, La.	Gross	Philbin
Barrett, Pa.	Hand	Reed, N. Y.
Blatnik	Hardy	Sadowski
Bolton, Md.	Hays, Ark.	Scott, Hardie
Bulwinkle	Herter	Scudder
Burnside	Hoffman, Ill.	Smathers
Byrne, N. Y.	King	Smith, Ohio
Carroll	Kirwan	Staggers
Chatham	Latham	Stanley
Clemente	LeFevre	Tackett
Colmer	Lyle	Taylor
Coudert	McMillan, S. C.	Teague
Davies, N. Y.	Magee	Thornberry
Deane	Marshall	Wadsworth
Donohue	Martin, Mass.	Werdel
Douglas	Meyer	Whitaker
Ellsworth	Morrison	White, Calif.
Engle, Calif.	Moulder	Withrow
Fisher	Norton	Worley
Gilmer	Pfeiffer, William L.	
Granger		

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Sadowski for, with Mr. Fisher against.

Mr. William L. Pfeiffer for, with Mr. McMillan of South Carolina against.

Mr. Hays of Arkansas for, with Mr. Gilmer against.

Mr. Wadsworth for, with Mr. Smith of Ohio against.

Mr. Engle of California for, with Mr. Clemente against.

Mr. King for, with Mr. Hardy against.

Mr. Meyers for, with Mr. Hand against.

Mr. Scudder for, with Mr. Reed of New York against.

Mr. LeFevre for, with Mr. Coudert against.

Mr. Blatnik for, with Mr. Philbin against.

Mr. Byrne of New York for, with Mr. Bulwinkle against.

Mr. White of California for, with Mr. Stanley against.

Mr. Kirwan for, with Mr. Teague against.

Mr. Magee for, with Mr. Thornberry against.

Mr. Morrison for, with Mr. Whitaker against.

Mr. Deane for, with Mr. Donohue against.

Mr. Bolton of Maryland for, with Mr. Tackett against.

Mr. Gross for, with Mr. Colmer against.

Until further notice:

Mrs. Douglas with Mr. Taylor.

Mrs. Norton with Mr. Herter.

Mr. Moulder with Mr. Ellsworth.

Mr. Davies of New York with Mr. Latham.

Mr. Carroll with Mr. Hardie Scott.

Mr. Smathers with Mr. Withrow.

Mr. Allen of Louisiana with Mr. Hoffman of Illinois.

Mr. HART changed his vote from "nay" to "aye."

Mr. CANNON changed his vote from "aye" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE LATE CHAMP CLARK

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, this is the one hundredth anniversary of the birth of a great American. One hundred years ago today, in Anderson County, Ky., Champ Clark was born. He rose to a position of commanding influence in this House and in the Nation and came closer to the Presidency of the United States than any man who ever aspired to that eminent position without attaining it.

When Champ Clark succeeded to the minority leadership of the House in 1908, the situation of his party was desperate in the extreme. The crushing defeat of 1904 had left only one Democratic governor outside the solid South. His party did not control a single branch of a single legislature north of the Mason and Dixon's line and a scant two dozen Democratic Congressmen were returned to the House of Representatives from Northern and Western States following the disastrous campaign.

To further complicate the difficulties of the situation, the Democratic Party in the House was torn and rent by internal schism and dissension. For 16 years the Democratic minority had never voted as a unit on a single important question.

Confronted by this all but hopeless situation, Champ Clark rallied the disorganized fragments of his party, placated the recalcitrants, infused hope into the discouraged, and welded his meager forces into a fighting minority which in the spectacular battles of the Sixty-first Congress overthrew the autocratic control of the Speakership, liberalized the rules, broke the iron ring which had dominated the House, and made possible sweeping victories which gave his party a majority in the Sixty-second Congress in 1910 and complete control of every branch of the Government in 1912.

He was essentially a party man. But no partisan consideration, no plea of expedience was ever permitted to obscure his conception of the impartial administration of the speakership. Through slow accretions over many years the power of the speakership had become autocratic. Exercising the power to appoint all committees, with authority to deny recognition for motion or debate under any circumstances, sitting as chairman ex officio of the Committee on Rules, the Speaker had become an arbiter from whose decisions there was no practical appeal.

Having destroyed the power of the Speaker in battles which raged through the House for months, and in which the issue was finally submitted to the people in the November elections of 1910, Champ Clark, as Speaker, resolutely declined to exercise any prerogative beyond that of Presiding Officer, although as titular head of his party he exercised a personal influence seldom wielded by any man in public life.

He will always remain one of the great figures in the formative period of American history. His career began back in that early day when Jefferson and Hamilton and the founders of the Constitution still lingered in the minds of men as comrades who had wrought among them in the flesh. They were as real to him as the associates of his daily life, and the young Republic was to him, as it had been to them, a child of heart and brain to be nurtured and cherished, and, like them, he watched its growth and progress with all the care and solicitude of a father for a child.

I well remember his pleasure the morning it was announced that the Czar of all the Russias had granted limited representative government and had consented to the establishment of the first Russian Duma.

It was his pride, often voiced from public platform and from the Speaker's rostrum, that within the brief span of his life, the example of the American Government had destroyed despotisms and established republics in every quarter of the globe; that with every other American citizen he had helped to make the blessings of liberty and democracy the common and universal birthright of all mankind.

With all his sagacity he could not foresee the tragic reaction which has swung the pendulum so far in the other direction these last eventful years.

Mr. Speaker, under leave to extend remarks in the RECORD I include the address delivered by Senator James A. Reed, of Missouri, on the occasion of the memorial services held in this Chamber March 4, 1920:

A wonderful stream is the river of life. A slender thread emerging from the mysterious realm of birth, it laughs and dances through the wonderland of childhood. Its broadening currents sweep between the flower-decked banks of youth, romance, and hope. A mighty torrent, it rushes over the rapids of manhood and breaks in foam upon the rocks of opposition and defeat, then glides away across the barren, sterile fields of age until it is engulfed and lost within the waters of the eternal sea. There queenly robes, the beggar's rags, the rich man's gold, the pauper's copper pence, the jeweled diadem of princes, and the thorny crown of martyrs are washed and swept by the same ceaseless tides.

The miracle of birth and the mystery of death remain the unsolved problems of all time. The shepherd who 3,000 years ago upon the plains of Syria observed the procession of the planets and contemplated the decrees of fate was as wise perhaps as is the wisest of today. He only knew that, standing here upon this bank of time, his straining eyes could not glimpse even the shadowy outline of a farther shore. He only could behold the white sails of receding fleets—ships that sail out, but never come again. He only knew that at the grave's dread mouth all men must cast aside alike the burden of their honors and their griefs; that man takes with him only that which he has freely given away, that even death may not despoil him of the riches of service and self-sacrifice.

Measured by that standard, he who sleeps today bears with him to the tomb a legacy so rare that even envy is compelled to pay the tribute of admiration. His long life was devoted to the service of the public weal. Upon his country's altar he placed the wealth of talent, the zeal of youth, the energy of middle life, the wisdom of old age.

With tireless brain he wrought to promote the general good, with sympathetic spirit he tried to lift the burden from the shoulders of the oppressed. His heart cried out for all who trod adversity's harsh road. To guide them wisely, he explored every avenue of learning, and burned his candle late into the night, that he might glean the lore of other countries and of other times.

The fires of patriotic love for home and country consumed his very soul. He faced each task with the heroic courage of those who do not count the cost. His character rested upon a foundation laid deep in human love. He will live because his works will live.

He lives because he helped defend and keep secure the Constitution that preserves our rights. He lives in the Declaration of Independence, whose principles he protected with a tender and fearless affection. He

lives, because he has helped liberty to live. Men who so live will never die. In ever-widening circles his influence will be felt. And deeper and yet deeper the tender love the people of his State have borne for him will sink into their hearts.

As time runs on and the historian surveys the picture of these troubled times there will arise in it no figure more heroic than the rugged form that lies so still today.

He was the best beloved of Americans.

How cold are words! Let me for just a moment speak of this man as my friend. For 30 years I have known him intimately and well, have watched his course through all the storms of life. How big, how brave, and rugged was this man, hewn from the very granite, yet tender as a mother's heart! He met each task of life as a brave soldier meets his duty on the battle front. He never flinched from any task that came before him. He stood square-fronted to the world. They say that he is dead, but anyone who gazes on his marble brow must know that the man we knew does not lie here today. The soul, the thing that made him what he was, cannot have been destroyed.

"The flowers may fade and pass away;
They only wait through wintry hours the coming May."

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, it was my great privilege and pleasure to have served with Champ Clark in this House. No one has endeared himself to me as much as he.

I recollect that in those days of the Sixtieth Congress we drew for our seats. At that time we had benches and desks here. I was lucky then, as I am always, having the friendship and confidence of my colleagues. I drew a seat on the aisle in the third row. I did not want to get too close to the front. I thought that everyone was afraid to come and sit next to me. But finally a great, fine gentleman came up and sat down next to me. I recognized him as being the great Democrat and a great citizen. I rose from my seat and I said: "Mr. Clark, I held this seat for you. This is your seat. I am going to take the seat next to you because I will not be active and you are exceedingly active so you are entitled to a seat on the aisle." He said to me "My young man, it's not done that way down here. Everybody holds onto everything they can." Well, I said, "That may be, but I cannot help but yield the seat to you." We became great friends. I supported him for the Presidency. Illinois at that time voted in the direct primaries three to one in his favor, and I led the fight for him, because I knew him to be a great man. But, notwithstanding that fact, unfortunately due to chicanery and other conditions that developed, the Illinois delegation was unseated, and instead of Champ Clark being nominated for the Presidency, Mr. Wilson got the nomination. I was opposed to Mr. Wilson at that time, but after I had a chance to talk to this great man I came to the conclusion that he, too, would make a great President, and he demonstrated to the world that he was a great man and a great President. Nevertheless, I always regretted that Champ Clark was deprived of the nomination, which I believed he was entitled to. In view of that fact I know that the country will remember the great Speaker that he was, a great legislator, a great American citizen, and I join with the gentleman from Missouri in paying my respects to his memory.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Speaker, among the few things which I recall as of yesterday in the language in which they were spoken by Cicero is this: "Memoria est thesaurus omnium rerum e custos," which need not be translated to this literary group, but which Latin students, such as Champ Clark was, know is translated to mean, "Memory is the treasury and the guardian of all things."

So, Mr. Speaker, with that salutation, I desire to say upon this occasion, which should be more generally celebrated than it is, while we undertake to erect marble memorials to the memory of those who on bloody battlefields gave all they had to keep us free, I say, considerately, we are too prone to be inconsiderate of those who sat in administrative places of great responsibility, who made possible the accomplishments of those who fought the battles to make us free.

Such a man, to whom I refer, was the man Champ Clark, the anniversary of whose birth we commemorate today.

Champ Clark was a great man. His high degree of intelligence seldom was equaled and so seldom has been recognized. His culture emanated from every act performed and every speech of his on the floor of the House or elsewhere.

There has been no other who ever achieved any greater distinction as a practical politician based on the qualifications he possessed. His qualities over the ages will stand out as the representative of what a so-called educator may accomplish if and when he accedes to the practical demands of his admirers to undertake to make the ideals for which they stood and in which they believed come true.

Champ Clark led the House of Representatives through an era preliminary to a catastrophe; a tumultuous one and a time with which no House since the Civil War had ever been confronted.

My father, Frank Plumley, his political partisan opponent, had very high regard for him and respected him and his very great ability while opposed to him partisanly.

Off the floor of the House they were close friends as his family and mine well know.

My children have in their possession "coins of the realm" which Champ Clark gave them while they sat on his lap while he presided as Speaker; preserved today; for which no price of any realm would ever pay. They are not for sale.

I pay my very respectful tribute to his memory on this occasion. I knew him. I sat at his feet to learn of him.

Therefore, I have an obligation which I cannot otherwise discharge than to stand here today to indulge affectionately in the eulogies and tributes which have been paid to the memory of one of the greatest Speakers who ever sat in the chair now occupied by one no less great.

Mr. CANNON. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I was one of the supporters of Champ Clark. In my honest opinion, if he had been elected President in 1912, we might not have been drawn into either of the two World Wars.

He was a great American who put the welfare of his country first. I hope the gentleman from Missouri [Mr. CANNON] will insert the speech of Senator James A. Reed made at Champ Clark's funeral here, I believe it was on March 4, 1921, as part of his remarks.

It was one of the greatest and most eloquent tributes ever paid to any man at any time.

EXTENSION OF REMARKS

Mr. PASSMAN asked and was given permission to extend his remarks in the RECORD in three instances and include in each newspaper articles.

Mr. WHITTINGTON asked and was given permission to extend his remarks in the RECORD and include an address he delivered before the forty-seventh annual convention of the American Road Builders Association at Cincinnati, March 6, 1950.

MARY NORTON

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, this day marks the seventy-fifth anniversary in the life of MARY NORTON, a distinguished Member of the House, who only on Saturday, March 4, celebrated her quarter of a century of selfless service as a worthy Representative of the Thirteenth New Jersey District. MARY has earned the respect and the cooperation of her colleagues, because she considered herself as just another working Member. She asked no quarter, concession, or handicap because of her sex. She never conceded that it was a man's world, though she realized the rules were written largely by men. Under these rules she could give and take, more frequently than not. She scored heavily against her opposition.

MARY NORTON, may I say parenthetically, could do anything any man of this House could do and frequently do it better except perhaps stick her hands in her pockets.

MARY NORTON was always the paragon of progressiveness who championed the cause of the poor and the oppressed. She has been an inspiration to me over the many years of my service in this House. I have been enriched in having made her acquaintance, and stimulated to a better effort. I am pleased to be among the legion who reckon themselves as her friends.

Today I want to tender my heartiest congratulations to MARY NORTON and wish her many happy returns of the day, joined with a prayer for her future

health and happiness, so she may continue her valued labors in the people's interest.

Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Pennsylvania [Mr. EBERHARTER] may extend his remarks at this point in the RECORD in tribute to MARY NORTON.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, it is a pleasure for me this morning to extend to our esteemed and beloved colleague from New Jersey, Mrs. MARY NORTON, my congratulations and to wish her many happy returns.

As she passes another anniversary of her birth, and just a few days ago the twenty-fifth anniversary of her entry to the Halls of Congress and into the service of our great country on a Nationwide scale, it is my hope that she can look forward not only to health and happiness, but that she may gain renewed zest in her endeavors both in the domestic and international fields in creating an orderly, peaceful, and constructive future.

Her record of achievements and her devotion to the Nation have for many years been an inspiration to the Members of the Congress and the citizenry of the country, and it has been a great privilege for me to know her personally and to feel and return her warm friendship.

Mr. DINGELL. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I join with the gentleman from Michigan in the tribute paid to our distinguished colleague the gentlewoman from New Jersey [Mrs. NORTON]. She has been one of the outstanding Members fighting for the interests of the people. During my 22 years here she has always been on the people's side. I can remember the great fight she made as chairman of the Committee on Labor for the minimum-wage law that was passed in the middle thirties.

The people of her district can well feel proud of MARY NORTON and the great service she has rendered in this body, as well as the outstanding contribution she has made to progressive government, to progressive legislation, and to sound and stabilized government, and particularly her contributions to strengthening the family life of America. We all hope that MARY NORTON will enjoy many future birthday anniversaries and that she will enjoy them as a Member of the House of Representatives.

Mr. DINGELL. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, I desire to congratulate the gentleman from Michigan and also the majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], on their tributes to the gentlewoman from my State of New Jersey. We in New Jersey are very proud of her and her service in the House of Representatives. We are extremely sorry that today, on her seventy-fifth birthday, she is hospitalized in the Naval Hospital at Bethesda. We pray that she will recover very soon and return to the House, which she loves so much.

Mr. DINGELL. Mr. Speaker, I yield to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I beg to be permitted to identify myself with the tribute being paid this very extraordinary woman, who enjoys as large a measure of the confidence, the affection, and the friendship of her colaborers as any other Member of this body.

The SPEAKER. The Chair recognizes the gentlewoman from Utah [Mrs. BOSONE].

Mrs. BOSONE. Mr. Speaker, 75 years ago today there was born to Mr. and Mrs. Thomas Hopkins, of New Jersey, a beautiful, brown-eyed daughter. This daughter was named Mary.

Mary was a normal, healthy child who grew to adulthood in a family of love and devotion.

After distinguishing herself in service to her community Mary was encouraged by one of the most prominent men in the State of New Jersey to accept the nomination for Representative from her district to the National Congress. Twenty-six years ago the people of her district, secure in her ability, integrity, and patriotism, sent her to Congress. She was the first woman in the Democratic Party to be elected to this high office.

It would take a book to repeat here the accomplishments of this great woman and the contributions she has made to our country.

It has been a rare privilege for me to meet the woman whom I admired from far away, and admire still more by knowing her as a colleague in this House. She is an inspiration to everyone with whom she comes in contact.

I am sure this great body along with us women Members salute today the queen of women legislators, MARY NORTON.

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I, too, join in the tribute to a very charming lady, MARY NORTON, of New Jersey, who celebrates her twenty-fifth anniversary in the House of Representatives. She is a liberal; high-minded, and withal most realistic. I do indeed hope, and I am sure all Members share that hope, that she will improve rapidly from her present indisposition and that she will be returned to us completely restored to health and that from then on she shall go from strength to strength.

Mr. KLEIN. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. KLEIN. Mr. Speaker, I would like to add my tribute, as well, to that paid by the gentleman from New York. When I first came to the House of Representatives I was a member of the Committee on Education and Labor of which the gentlewoman from New Jersey was chairman. It was a pleasure to serve on that committee under her tutelage and guidance. At such close range, I was able to observe her genuine and sincere interest in the welfare of the people of this country, and particularly of those underprivileged ones who have benefited by her humanitarian qualities. I hope God may spare her for many more years of service in this House.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. LECOMPTE. Mr. Speaker, I have been associated with the gentlewoman from New Jersey [Mrs. NORTON] on her Committee on House Administration. Not only is she charming and gracious, but she is a splendid legislator. Probably she is first in many respects. I think the RECORD will show that she is the first woman who has served 25 years in the House of Representatives. Probably she is the first woman who has served as chairman of three great committees. Perhaps she is the first woman from New Jersey elected to Congress. At all times she has been the champion of the neglected and underprivileged and she has a fine record of achievement as a legislator. Always she is both fair and courageous in presenting her bills and above all she is a woman of great spirit.

I extend birthday greetings and hope that she will soon be restored to health and that she may serve many more years of usefulness in this body.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. CASE].

Mr. CASE of New Jersey. Mr. Speaker, for myself and all my colleagues from New Jersey, I can say that we most heartily join with the gentleman in his expression of good will and affectionate regard for Mrs. NORTON on the occasion of her seventy-fifth birthday and the twenty-fifth anniversary of her service in the House of Representatives. We join him also in the earnest wish for her speedy recovery.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, not only do I wish to join with the others in expressing my friendship for and recognition of the great service Mrs. NORTON has rendered in this body, but I want to congratulate her district in the State of New Jersey for using such splendid judgment in reelecting and reelecting this outstanding lady, who has labored so diligently in the House during all the years, fighting for the cause of the underprivileged. She has shown the determination and desire to be of service, not only to her district and her State, but to the Nation. She has really rendered great service. I feel there are very few of us here who have devoted more time to the cause of labor and to the cause of good government than MARY NORTON.

Mr. Speaker, I sincerely hope that she will return to us very soon with her charm and personality that has always been hers, in perfect health and as attractive and interesting as she has always been from the day she first came to this House.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may be permitted to extend their remarks at this point in the RECORD in tribute to our distinguished friend and colleague, the gentlewoman from New Jersey [Mr. NORTON].

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RAYBURN. I am glad to join with my colleagues in paying tribute to a great lady and a true, patriotic, and able stateswoman. My greetings and every good wish to her.

Mr. RODINO. Mr. Speaker, it is a distinct privilege for me, as a member of the New Jersey delegation, to add my tribute to our esteemed colleague, the dean of the female membership of this House and the first female Member from my State to serve in the Congress.

Today Mrs. NORTON is 75 years young. And, on March 4, she rounded out a quarter of a century of service to her country and to her constituents of the Thirteenth Congressional District of New Jersey.

It is unfortunate that on this, her birthday, she should be confined to a hospital. It is regrettable that she is not here to hear of the deep and reverent affection in which she is held by every Member of this House. To me, she has always been Aunt Mary, for she has been kind in her manner and ready in her counsel.

As chairman of the House Committee on Education and Labor prior to assuming chairmanship of the House Committee on Administration, she authored many pieces of legislation which were aimed at bettering the conditions of our people. And she will always be remembered as the champion of our minimum-wage legislation.

I would like to extend my sincere best wishes for a speedy recovery to this grand lady, and I pray that God may bless her with many more healthy and happy birthdays.

Mr. HOWELL. Mr. Speaker, I am very happy to have the privilege of paying tribute to my distinguished colleague, the gentlewoman from New Jersey, MARY NORTON, on the occasion of her seventy-fifth birthday. I am sure we all realize that she has served for 25 years as a Member of this body with the greatest distinction. Her record of activity and support of measures in the interest of the people is one of the finest of all time, and I am sure you will all join with me in wishing her many years of health and happiness ahead, and a speedy recovery from her present illness.

Mr. ADDONIZIO. Mr. Speaker, I am happy to join my colleagues in paying tribute to the beloved gentlewoman from New Jersey [Mrs. MARY NORTON] who is today observing her seventy-fifth birthday anniversary and her twenty-fifth year of distinguished public service. Her long public record has been equaled by no other woman and by few men, and she has rendered outstanding service to the Thirteenth Congressional District of New Jersey and to the Nation as a whole. Her name will always be identified with such important legislation as the Wages and Hours Act and the anti-poll-tax measure. Mrs. NORTON has ever been a champion of the rights of minority groups, and she has sponsored progressive measures in the interests of all the people throughout her many years in office. Her outstanding service in welfare and Government has been recognized by the numerous honors conferred upon her by many colleges and organizations, such as the first degree of doctors of laws ever conferred by the College of St. Elizabeth, the oldest women's college in New Jersey. Mrs. NORTON'S ability and integrity have won her the respect and esteem of her fellow Members, and her graciousness and kindliness have endeared her to all who have had the good fortune to know her. I wish her many happy returns of the day, and it is my sincere wish that every day may bring life's best to her.

Mr. KEAN. Mr. Speaker, as a representative from New Jersey proud of my State, I am glad to join with my colleagues in this tribute to one of New Jersey's first citizens.

MARY NORTON during her long service in the House has shown that a woman can take her place effectively in the rough and tumble of political warfare.

I have often disagreed with what she has said. I have often disagreed with what she has done.

But she has asked for no quarter owing to her sex. She has fought and won her battles by sheer ability and courage.

To have served for 25 years, to have acted as chairman of three important committees of the House, is a privilege not only unique for a woman but very rare for anyone.

Mr. WOLVERTON. Mr. Speaker, it is a pleasure to join with others at this time to extend congratulations and best wishes to our distinguished Member the gentlewoman from New Jersey [Mrs. NORTON] on the anniversary of her birth. It is regrettable that her health does not permit her to be present to hear the splendid tributes that are paid to her today. Her fine record, both before and since she became a Member of this House, makes her an outstanding and distinguished public servant. It has been a privilege to serve with her in this House, and, we trust that her health will be improved so that she may continue to serve her constituency with the same vigor that has always characterized her service in this House. Her service has been distinguished in the highest sense of the word. And it must be a source of real satisfaction to her to know that the Members of this House, regardless of political affiliation, appreciate the splendid service she has rendered and the high regard in which she is held by all. She has the best wishes of all the Members of this House.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to extend his remarks in the Appendix of the RECORD on two subjects.

Mr. DENTON asked and was given permission to extend his remarks in the RECORD and include a letter from Clifford H. Kearney, Local 377, National Letter Carriers, dated March 4.

Mr. WALTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter and a memorandum.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. MARSHALL addressed the House. His remarks appear in the Appendix.]

THOMAS J. MASARYK

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in brief tribute to Thomas J. Masaryk.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, this is the one hundredth anniversary of the birth of Thomas J. Masaryk.

Mr. Speaker, it is at once a day of celebration and of mourning. Masaryk was the founder and first President of the Republic of Czechoslovakia. He was the friend of Woodrow Wilson. He was the father of Jan Masaryk, a leader who died in the attempt to preserve that Republic.

We honor the man, we celebrate what he accomplished. Yet we mourn what has happened to his son and to the Nation to which he dedicated his life.

The Masaryk ideals were democracy, humanitarianism, liberalism. All are in shadow in Czechoslovakia today. The gallant people for whom Masaryk was a symbol as well as a leader are the subject of a Communist tyranny as ruthless as that they fought in World War II.

We should remember, however, that the very spirit that was Masaryk's is a guaranty that free Czechoslovakia is not dead. Some of that spirit lives in the hearts of those Czechoslovaks who have become an important part of American life, some with the exiles scattered over the world, some with those devoted patriots who have gone underground until they can return with renewed strength and devotion to the cause of freedom.

Thomas Masaryk's birthday anniversary should be a day of dedication for them and for us as well—a day of dedication to the task of restoring the wise, free, and liberal democracy which he first brought to central Europe. Czechoslovakia shall return to its honored place among nations, and Masaryk's birthday shall once again be a time of rejoicing in the past without sorrow for the present.

EXTENSION OF REMARKS

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Times-Herald.

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from the Somerset County Maple Festival extending a personal invitation

to the Members of this House to attend that colorful festival.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SULLIVAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the St. Louis Post-Dispatch.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. BROOKS asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

Mr. DOLLINGER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks in the Appendix of the RECORD and include an excerpt.

Mr. BRYSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address he delivered before the American Patent Association.

Mr. POWELL asked and was given permission to extend his remarks in the Appendix of the RECORD in four instances and include extraneous matter.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include extraneous matter.

Mr. LECOMPTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution by the Iowa Federated Home Culture Club of Ottumwa, Iowa.

TAXES, TAXES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, this week you will all be going to make out your income-tax returns. When you do that just remember there are millions of people in this country doing likewise. They are all sick and tired of what this Congress and other Congresses within the last five or six sessions have been doing to increase their taxes. Spending, spending, spending, and taxing, taxing, taxing. The people of this country are sick and tired of paying taxes. They are tired of High Tax Harry's program. Spend, spend, spend—tax, tax, tax—elect, elect, elect.

They want reduction in expenses and fewer taxes. Just remember, you are responsible for it in voting this great spending program.

Let me say further that High Tax Harry's first act after the convening of the Eighty-first Congress was to exempt himself for $50,000 a year salary so he would not have to pay taxes on it, yet he wants everybody else to pay their taxes. Do you not think it is an unjust thing? To spend, spend, spend, and tax, tax, tax. Do you not think it is unreasonable? Do you not think it is wrong? I do. I herewith insert a letter I saw in this morning's Times-Herald that is very apropos at this point in my remarks:

DEFICIT

Grover Cleveland spent some $2,500,000,000 during his two terms in the White House. High Tax Harry Truman has blown in $191,000,000,000 in one fiscal year. And the crazy joyride goes on and on and the people seem to enjoy it.

When pressure groups applied the screws in an effort to force Cleveland to dole out more of the taxpayers' money to the faithful, old Grover bluntly reminded them that "the people should support the Government not the Government the people."

Grover Cleveland put principles ahead of politics and the foundations upon which this Nation were founded were strengthened. How times have changed. Harry Truman is daily undermining the country's security by rolling up deficits that stagger the imagination.

E. K. GOLDSBOROUGH.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times on Hawaiian statehood, pointing out that Manhattan Island is not contiguous to the mainland.

Mr. NELSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by the American Psychiatric Association.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

RESTORATION OF THE WHITE HOUSE

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Speaker, I have received many, many requests from Members of Congress and from people throughout the country, as has my colleague on the White House Commission, the gentleman from Michigan [Mr. RABAUT], for information on two things: First, how is the work getting on? And, when is it expected that the White House will be completed? The answer to this question is that it is expected that the new White House will be completed and ready for occupancy in the month of October 1951.

Secondly, I have been besieged with requests as to whether or not material in the form of mementoes or souvenirs will be available for distribution to people who are interested in that subject. I believe I am abusing no confidence when I say that now that material is coming out of the White House in the reconstruction program, it is being assembled, carefully graded, carefully inventoried, and that in due and proper time every Member of Congress will have the opportunity to present to his constituents who are interested a suitable and proper memento that came from this building.

THOMAS G. MASARYK

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, the hundredth anniversary of the birth of Thomas G. Masaryk, father of Czechoslovak freedom, should be—and is—an occasion for the solemn searching of our own souls.

We all know that Americans of Czechoslovak ancestry have made, and are making today, a tremendous contribution to the progress and security of this Republic. During the late war, a high percentage of the Nebraska boys who gave their lives that this Nation might live were the possessors of names of Czechoslovak origin. Thousands of Nebraska farmers are proud to say that their fathers and mothers, their grandfathers and grandmothers came from Czechoslovakia. It is no exaggeration to point out that no phase of American life—the farm, the factory, commerce, science, education, art—has failed to feel the inspiring influence of Czechoslovakian culture.

Yes. The United States admires the sturdy Czechoslovaks who have given so much toward American progress. We know what these Americans have done. We know what they are doing. What is not generally known is that this matter of giving was a two-way street. Even as Czechoslovakia has contributed to the United States so has the United States contributed to Czechoslovakia.

In October 1918, Czechoslovakia—under the leadership of Thomas G. Masaryk—declared her independence. Much of the groundwork for this twentieth century declaration of independence was undertaken on American soil. The Constitution of Czechoslovakia saw the light of day first under American skies. The Czechoslovaks did not take their devotion to liberty from the American people. They had always loved liberty. As the great Moravian Empire in the ninth century A. D. which went down fighting valiantly against the Magyar invasion. Their undying desire to be free caused them to throw off the yoke of their overlords during the latter part of that same century. They did not remain free for long. But they were determined not to remain slaves. When the Pilgrim Fathters were landing at Plymouth Rock in 1620, Czechoslovaks were bitterly engaged in an unsuccessful revolt which terminated in the tragic yet gallant Battle of White Mountain near Prague.

The United States did not give the Czechoslovaks their desire for freedom. Yet this Republic did give them the form in which their ultimate freedom was accomplished. Our Declaration of Independence and our Constitution is indelibly written in the comparable documents of that haven of liberty in central Europe.

Thomas G. Masaryk knew nearly two decades of freedom. He died in 1937, before his beloved land was completely overrun by the Nazis.

The membership of the House of Representatives is well aware of the privations—yes; and tortures—which were visited upon this orderly and peace-loving people during the Nazi occupation. During those times which tried men's souls there was continual evidence that the seeds which the elder Masaryk had sowed were indeed bearing fruit. In spite of the threat of fire and sword, in spite of Lidice and a score of unnamed and unrecorded Lidices, Czechoslovaks literally demanded that their allies keep up a steady stream of radio communication from them. It is to the everlasting credit of the people of the United States that these embattled free men were specially interested in hearing from America. These heroes risked their lives to listen to Radio United States of America because they knew that America understood them.

Two years ago—late in February 1948—the Communists seized complete control of this cradle of European freedom. These were the very Communists of whom Thomas G. Masaryk warned his people when he said:

A Communist soldier is merely a Czarist soldier with his uniform turned inside out.

The warning of the elder Masaryk went tragically unheeded. Czechoslovakia is again under the yoke of the invader. But thousands of freedom-loving men, women, and children have fled from the land which has now become one vast concentration camp. They tell us that 90 percent of the people they left behind are determined in their opposition to the communist regime. They tell us that the yearning to hear from America is as strong, or even stronger, than it was during the Nazi occupation.

My fellow Americans, on this day—the one hundredth anniversary of the birth of that partiot-statesman, Thomas G. Masaryk—I give back to the people of Czechoslovakia the message of their great leader. Suffering cannot kill real courage. Time will conquer tyranny. The free, the understanding, people of the United States are alert. They await the hour when they can, once more, through the most effective means, bring about the reestablishment of Masaryk's Czechoslovak Republic and restore the blessings of liberty to the Czechoslovak people.

The SPEAKER. The time of the gentleman from Nebraska has expired.

EQUAL RIGHTS FOR WOMEN

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, a little more than a quarter of a century ago, the women of America gained the privilege of the ballot and an important milestone in our history was passed thereby. It seems inconceivable today that women were ever denied such a fundamental right as voting.

For myself, I cannot imagine an election being held without women voting. Certainly the field of politics has been vastly improved since the ladies participated. I dare say that public officials are chosen with greater care and circumspection today simply because American women have the right to vote.

Yes, the sordid spectacle of politics has been cleaned up as the result of female suffrage. Important issues are settled more intelligently, great questions receive more emphasis and interest with the spotlight of opinion thrown on them by women's organizations and groups dealing with these subjects.

In the beginning, many cynical men sneered at the idea of petticoats dominating a man's election. There were those who argued that women should not go outside their homes either in thought or deed.

Such an antiquated thought. And so inaccurate. Everybody knows that availing women of the right to vote has given the political arena a new face and raised the standards of Government out of the mud.

I am sure of one thing; I have depended personally upon the mothers, the housewives, the women party workers and members for my election each time I have run for Congress. Without their support, I could not have won.

There is now pending before the House, House Joint Resolution 68, calling for equal rights for women.

This measure is as important to the American public as women's suffrage was early in the century.

The sponsor of House Joint Resolution 68 is my distinguished and able colleague from New York, the Honorable KATHARINE ST. GEORGE, whose district is contiguous with mine and who represents one of the counties it was my privilege to represent some years ago.

While the equal rights amendment has been proposed in previous Congresses, it has never found an abler champion than Mrs. ST. GEORGE. She has devoted much enthusiasm and interest to the important subject of women's rights and I feel this equal rights question has a better chance of being passed in this Congress under her leadership than at any other time.

I urge the House to immediately approve House Joint Resolution 68.

PERMISSION TO ADDRESS THE HOUSE

Mr. TALLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[Mr. TALLE addressed the House. His remarks appear in the Appendix.]

REMOVAL OF WARTIME EXCISE TAXES

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, during World War II, the excise taxes on many items were doubled and in some instances the increases were even greater. When these taxes were levied, they were considered a wartime necessity and it was generally thought that they were to last only for the duration of the conflict. It has now been over 4 years since the termination of hostilities and to date these taxes have not been reduced or removed.

There is a long list of articles carrying the temporary wartime excise taxes. Some of the items are: Telegrams, jewelry, furs, toilet preparations, baby oil, toilet powder, admissions, electric-light bulbs, long-distance telephone calls, passenger fares, membership fees, liquors, billiard and pool tables, bowling alleys, luggage, and leather goods.

The following are a few illustrations of the excise-tax increases. On furs, the tax was doubled from 10 to 20 percent. Jewelry bears a like increase. Toilet preparations including cosmetics, perfumes, and toilet powder had the tax doubled from 10 to 20 percent. On domestic telegrams, cables, and radiograms, the tax was raised from 15 to 25 percent. The Revenue Act of 1943 raised the tax on general admissions from 1 cent for each 10 cents to 1 cent for each 5 cents.

Many items regarded as luxuries a few years ago have now become necessities. Toilet preparations, electric light bulbs, telegrams, passenger fares, long-distance telephone calls, and so forth, are certainly not in the luxury class.

It is my belief that by decreasing excise taxes, business would be stimulated. In many instances, the tax has reached the point of diminishing returns. In my opinion, the loss of revenue to the Government by modification of excise taxes would be more than compensated for by the increase in business which would follow. I hope the Congress during this present session will revise the whole excise tax structure. I am heartily in favor of modification and repeal of the temporary wartime excise taxes.

A PLEA TO THE PRESIDENT

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, the report of the gentleman from Iowa [Mr. TALLE] of Secretary Brannan's presence in Denver yesterday may account for my inability to get answers or action from him. Surely someone down there has the power to act while the Secretary wanders around.

Saturday I pointed out that the Commodity Credit Corporation was throwing away $60,000 a day, the carrying charges on 16 food commodities which could be

eaten and much of which was undoubtedly on the road to spoilage. I wrote Secretary Brannan calling his attention to this, asking for prompt corrective action and an immediate report by the Department of Agriculture on H. R. 7135, H. R. 7136, H. R. 7137, and H. R. 7138, which were introduced on February 2, 1950. I pointed out that the accumulated waste was now in the order of $2,000,000. Since then another $180,000 has gone down the drain, and it is going on at the rate of $100 a minute. Why can we not secure action?

I am informed that this waste since February 2 will eat up the taxes to be paid a week from tomorrow by some 3,333 average taxpayers in the income range of $3,000. I do not believe they are going to be any happier when they labor on their returns and make out their checks with this picture of inaction and apparent indifference on the part of a Federal department.

Because of the urgency of the situation I sent a telegram to the President reading as follows:

MARCH 7, 1950.

The PRESIDENT,
The White House:

I am greatly concerned about lack of reply to my communications addressed to Secretary Brannan requesting prompt corrective action in connection with accumulated waste of Federal funds through paying of carrying charges of 16 surplus food items. I am sending you references to Commodity Credit Corporation's reports on this. I respectfully urge that you insist upon immediate action.

JOHN W. HESELTON,
Member of Congress.

I saw a press report that the President leaves Sunday for a 3-week vacation at Key West. I wish him a healthy and happy time, but I beg him to make this mess a must before he leaves. If we get no action before he leaves, the cost to the taxpayers will reach the staggering sum of $540,000. All the taxes of 10,000 average taxpayers in the income range of $3,000. If he does nothing until his return and tolerates Secretary Brannan's continued indifference, the bill will increase $1,800,000 to $2,340,000 until the prospective date of his return. During that period the Federal Government will have wasted wantonly the entire tax contributions of 43,333 average taxpayers in the income range of $3,000.

Since February 2, when those bills were filed, the Federal Government will run the waste at the end of the month, when the President plans to return from his vacation. The total waste will be nearly, $4,500,000, all the taxes of 80,370 average taxpayers in the income range of $3,000.

I urge those few of our colleagues who have sought to defend this inaction by Secretary Brannan to study the facts. Look at the RECORD for February 20, which at page 1997 contains a report of the discussion between the junior Senator from New Mexico and Edward M. Shulman, Associate Solicitor in Charge of Production and Adjustment, Commodity Credit Corporation. Get the facts from the Corporation's reports. Study the ponderous maize of red tape in the program, the limited progress made since then, and consider the responsibility of all who seek to justify this wanton waste of food and of the hard-earned tax money of the American people.

I can understand and respect personal loyalty to a friend. But when that friend is making a tragic mistake it is no kindness to him to encourage stubborn continuance of the mistaken course. And it is certainly a high price to pay in terms of the food now stored but unavailable to the needy people of our districts, to join in approving its spoilage and destruction, and at this tremendous waste of the taxes paid by our constituents.

I am glad to report a most encouraging conference with officers of the American Council of Voluntary Agencies for Foreign Service, Inc. I shall insert here a memorandum they were kind enough to leave with me, with a list of their member agencies. I am confident you will be impressed with their experience and with the breadth of their membership. They have left with me constructive suggestions as to certain desirable amendments to our resolutions which I shall study carefully tonight. The authors of these resolutions have repeatedly stated they were anxious to consider any suggestions which would improve our resolutions. What we want is prompt, intelligent action. At this time I do not believe it is necessary to authorize and then appropriate any money to accomplish this, as has been suggested elsewhere. The Commodity Credit Corporation now has the funds. It, or the Secretary, refuses to recognize the clear instructions of Congress as described by the junior Senator from New Mexico and the senior Senator from Vermont. In my opinion, the Secretary is clearly wrong in defying that and the opinions of his Associate Solicitor. But why quibble over that? Let us enact these or some resolutions to make our intention clear beyond any possibility of misunderstanding or misrepresentation.

With the interest now expressed by the millions of good men, women, boys, and girls in these 54 organizations, can any of us afford to accept any individual responsibility for further delay?

THE AMERICAN COUNCIL
OF VOLUNTARY AGENCIES
FOR FOREIGN SERVICE, INC.,
New York, N. Y.

MEMORANDUM CONCERNING ABILITY OF MEMBERS OF AMERICAN COUNCIL OF VOLUNTARY AGENCIES TO RECEIVE AND DISTRIBUTE SURPLUS COMMODITIES

The attached list of agencies are members of the American Council of Voluntary Agencies for Foreign Service, Inc. They carry on programs and projects in 68 countries of the world, and these programs and projects are filed and registered with the Advisory Committee on Voluntary Foreign Aid of the Department of State. The goods shipped and the services rendered by these agencies are done through their American representatives in the countries overseas.

The agencies are interested in acquiring such commodities as have been declared surplus, and those which may be so declared, for use in their programs overseas to meet the needs of persons whom they serve throughout the world.

It is estimated that in the case of milk and eggs, which have been declared surplus, the agencies can use, after the United States' needs are met, a minimum of 39,000 tons in a 6-month period, if the transportation cost from point of storage to point of embarkation is paid by the Government. If this is not paid, the agencies can afford to accept only about 4,000 tons.

The agencies, through their established channels, are prepared to receive and distribute all such commodities as they request and as are made available at the point of embarkation.

LIST OF MEMBERS OF THE AMERICAN COUNCIL OF VOLUNTEER AGENCIES FOR FOREIGN SERVICE

Adventist Relief Agency for General Conference for Seventh Day Adventist.
American Aid to France.
American Baptist Relief.
American Committee OSE.
American Foundation for the Overseas Blind.
American Friends of France.
American Friends Service Committee.
American Friends for Czechoslovak Refugees.
American Hungarian Relief.
American Jewish Joint Distribution Committee.
American Middle East Relief.
American National Committee to Aid Homeless Armenians.
Americans Ort Committee.
American Relief for Germany.
American Relief for Poland.
American Relief for Austria.
Boys Republic for Italy, Inc.
Boy Scouts of America, World Friendship of.
Brethren Service Committee.
Church World Service.
Committee on Christian Science Wartime Activities of the Mother Church.
Congregational-Christian Service Committee.
CARE.
Cooperative League and United States Freedom Fund.
CROP.
Foster Parents Plan for War Children.
Girl Scouts of America.
Greek War Relief Association.
HIAS.
International Rescue Committee.
International Social Service.
Iran Foundation.
Labor League for Human Rights, A. F. of L.
Lutheran Resettlement Service.
Lutheran World Relief.
Mennonite Central Committee.
National Council of Jewish Women.
Near East Foundation.
Paderewski Testimonial Fund.
Russian Fund Welfare Society.
Salvation Army.
Save the Children Federation.
Self-Help of Emigrees of Central Europe.
Tolstoy Foundation.
United Service to China.
United Lithuanian Relief Fund.
United Palestine Appeal.
United Service for New Americans.
Unitarian Service Committee.
United States Committee for the Care of European Children.
United Ukrainian Relief Committee.
United Yugoslav Relief Fund of America.
War Relief Service, National Catholic Welfare.
World Student Service Fund.
YWCA, national board.

EXTENSION OF REMARKS

Mr. ARENDS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JACKSON of California (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. COLE of New York (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD and include a letter.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the RECORD and include an article appearing in volume 41 of Military Engineer.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an article.

SPECIAL ORDER GRANTED

Mr. SABATH asked and was given permission to address the House today for 20 minutes following any special orders heretofore entered.

SPECIAL ORDER TRANSFERRED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order I have for today may be transferred to tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GOVERNOR MUÑOZ MARÍN

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, the Honorable Muñoz Marín, the first elected and the present Governor of Puerto Rico, delivered to the legislative body of his islands a few weeks ago one of the most profound messages, I think, that has ever been delivered by any governor in the history of this country. It is in simple language. It is directed to the people of Puerto Rico. The essence of it is this, that you cannot put all of the wheat in a loaf of bread and not retain some to plant if you want to maintain organized society. Every Member of this House can well afford 10 minutes to study that document on government, on good government, on sound government, and I recommend it to you, because in my opinion it will go down in history as the most profound message ever delivered in the island of Puerto Rico.

THE LATE ARTHUR MELVIN CURTIS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, much to my surprise and sorrow I have just learned of the death of Arthur Melvin Curtis, one of the outstanding lawyers in the State of Missouri. Sixty-three years ago on a farm in Wright County, in my district, he was born to a large pioneer, patriotic family.

After graduating from the University of Missouri he was elected prosecuting attorney when he barely reached his twenty-second birthday. For 14 years he practiced law in his home county with success, and for many years he has been president of the Wright County Bank at Hartville. In 1924 he moved to Springfield, Mo., and joined the law firm of Farrington & Curtis. Incidentally, Mr. Farrington was one of the outstanding democratic lawyers of Missouri. In 1928 Arthur Curtis was elected chairman of the Greene County Republican Committee. We carried that county by the largest Republican majority in its history. In 1930 and 1932 he was elected State chairman of the Republican committee and later served as Republican national committeeman. He served in Washington and in Chicago in both the Landon and Willkie campaigns. He gave his best.

I am sure that many people who knew Arthur Curtis, not only the Members of Congress who dealt with him on a national scale, but people all over Missouri, regardless of politics, will mourn his passing because he was an able, fair and an outstanding lawyer, a fine Christian gentleman who did justly, who loved mercy, and who walked humbly with his God. He was my personal friend and we fought many battles together. I shall miss him. I know that many of his friends join with me in extending sincere sympathies to his family. I am happy that I knew Arthur Curtis.

PERSONAL EXPLANATION

Mr. TACKETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TACKETT. Mr. Speaker, I was unavoidably detained on official business at the Pentagon Building at the time the vote was taken on the Hawaii statehood bill. Had I been present, I would have voted "nay." I attempted to get a pair, and perhaps I was paired.

INCOME TAXES—A PRIVILEGE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, the gentleman from Pennsylvania [Mr. RICH] and all other rich are constantly complaining about high taxes. This reminds me of an incident that occurred in 1919, when I had the privilege of sitting around a table with a number of rich men who complained that they had to pay between $30,000 and $100,000 in income taxes. Their statements were made for my benefit. I said, "I am willing to take your place at any time if you feel that you are paying too much in taxes." The following year I happened to be with this same group again when they complained about the losses they suffered due to stock-market declines. I said to them, "Why should you complain? If what you say is true, you do not have to pay any income tax this year."

Under similar conditions, if the gentleman from Pennsylvania [Mr. RICH] and the other rich do not make so much money, they will not have to pay such a large income tax.

Mr. Speaker, the general public wants to pay a fair tax to help the Government and thereby help themselves. Of course, it is, indeed, unfortunate that most people do not love to pay taxes. Nevertheless, I think the taxes we pay in America are lower than any other country's taxes, and we in the United States derive more liberty, more freedom, more equality, and benefit therefrom than any other country in the entire world. It is a privilege to live in this country and be obliged to pay taxes.

THE SECRETARY OF AGRICULTURE

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, first I want to rise in defense of Secretary Brannan. It is queer that Members of this House will set a job for the Secretary of Agriculture to do, tie his hands so he cannot do it, leave him no choice as to how he goes about administering a law, and then stand here in the well of the House and berate him because it costs a lot of money to do it our way or because he cannot do it at all. That looks like ingratitude. I do not like it.

As far as the taxing proposition is concerned, if I should accept Republican philosophy, I ought to hate everything the Democrats have done for the last 20 years, because they have multiplied my taxes by almost 100; there is no question about that. But that is one of the things I love them for. In 1932 my taxes were less than $20 and I could not pay them. This year they were very near $2,000, and I could pay them.

EXTENSION OF REMARKS

Mr. JONES of Missouri asked and was given permission to extend his remarks in the RECORD in two instances and include a magazine article and an editorial.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a speech by Daniel Webster made 100 years ago.

PERMISSION TO ADDRESS THE HOUSE

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[Mr. JONES of Missouri addressed the House. His remarks appear in the Appendix.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

STRIKES

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, permit me to congratulate the gentleman from Missouri [Mr. CHRISTOPHER]. He says his income tax jumped from $20 a few years ago—$20 which he did not have—to $2,000 at the present time and that he now has the $2,000. I hope after having made such large sums of money in recent years, having such a magnificent income, the gentleman and his Democratic friends will, it is my hope, quit, if you please, referring to Republicans as "fat cats." The "fat cats" not only contribute to your party but the gentleman apparently is proud of the fact he has joined their number. However, that was not what I wanted to talk about now. We must have some legislation which will do away with strikes which injuriously affect the public health and welfare. A bill was introduced yesterday which has that for its objective. It does not ask for any penalty on those who engage in strikes. It does not prohibit strikes. All it does is to take from unions and from union employees who act like bad boys the special privileges and benefits which the Congress has given them.

Under the bill if a union or individuals carried on a strike which endangered the public, then from them would be taken the special privileges which they enjoy.

The SPEAKER. The time of the gentleman from Michigan has expired.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON APRIL 5

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, April 5, be dispensed with.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I understand that is for the purpose of taking up the appropriation bill?

Mr. McCORMACK. Exactly.

Mr. RANKIN. That is under the regular rules of the House and the bill will be subject to amendments? That is correct, is it not?

Mr. McCORMACK. May I say to the gentleman from Mississippi it is for the purpose of taking up the regular appropriation bill. Beyond that I cannot go at the present time.

Mr. RANKIN. What I am trying to bring out is that it is not coming up under a closed rule, but will be open for amendments under the 5-minute rule.

Mr. McCORMACK. I have no knowledge of that. I assume so.

Mr. RANKIN. The knowledge is sitting right in front of the gentleman, the chairman of the Committee on Appropriations. He just nodded his head.

Mr. McCORMACK. I did not see that.

Mr. RANKIN. That gave me to understand that it would be taken up under an open rule and subject to amendments.

Mr. McCORMACK. The gentleman from Mississippi should address his inquiry then to the gentleman from Missouri.

Mr. CANNON. The bill will be considered under the regular rules of the House and will be subject to amendment.

Mr. RANKIN. Mr. Speaker, with that understanding, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The clerk will call the first individual bill on the Private Calendar.

CAMILLA FABRIS

The Clerk called the bill (H. R. 3018) for the relief of Camilla Fabris.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, the alien Camilla Fabris, who entered the United States as a student, shall be held and considered to have been lawfully admited to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to make the appropriate quota deduction with respect to such alien.

With the following committee amendment:

On line 5, after the word "student", insert "on December 24, 1946."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES W. WULF

The Clerk called the bill (H. R. 1290) for the relief of Charles W. Wulf, warrant officer, junior grade, United States Air Force.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles W. Wulf, warrant officer, junior grade, United States Air Force, of 61 Maxwell Avenue, Rochester, N. Y., the sum of $400, and it is hereby authorized and directed that the Secretary of the Army credit the account of the said Charles W. Wulf with such balance as is alleged to be due by him, not exceeding $1,319.42, in connection with certain shortages, due to the misappropriation of funds by subordinates, for which he is held accountable.

With the following committee amendments:

Page 1, line 7, after the word "New York", strike out "the sum of $400" and insert in lieu thereof "such sum as certified by the Department of the Army, which has been deducted from his salary."

Page 2, line 1, strike out "not exceeding $1,319.42."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RENO E. STITELY

The Clerk called the bill (H. R. 2765) for the relief of Reno E. Stitely.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Reno E. Stitely, an employee of the Veterans' Administration regional office, Pass-A-Grille Beach, Fla., is hereby relieved of all liability to pay to the United States the sum of $13,105.24, plus any interest which may accrue thereon prior to the date of enactment of this act. Such sum represents interest for various periods ending January 25, 1938, on the principal amount of funds wrongfully obtained from the United States by the said Reno E. Stitely during the period from October 17, 1932, to August 5, 1937, while he was an employee of the Department of the Interior. The United States has received the principal amount of such funds and certain interest thereon beginning January 25, 1938. The said Reno E. Stitely, after completing more than 6 years of his sentence for such offense, was released on parole to enter the armed forces of the United States. He was later granted a full pardon by the President and on March 4, 1946, received an honorable discharge from the Army of the United States. The Secretary of the Treasury is authorized and directed to pay into the civil-service retirement and disability fund to the credit of the said Reno E. Stitely a sum equal to the amount which the said Reno E. Stitely would have had to his credit in such fund at the time of such payment by the Secretary if there had not been applied against such indebtedness of $13,105.24 (1) the amount of $614.94 credited to his account as an employee of the Department of the Interior, and (2) the deductions for retirement purposes made from his compensation as an employee of the Veterans' Administration.

With the following committee amendments:

Page 1, line 6, strike out "$13,105.24" and insert in lieu thereof "$12,565.20."

Page 2, line 4, after the date "1938", strike out the remainder of the bill, and insert in lieu thereof the following: "That the said Reno E. Stitely be required to pay the United States the sum of $66, which represents the balance of amount not collected by the United States on the indebtedness."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. R. HOLDEN, ET AL.

The Clerk called the bill (H. R. 4342) for the relief of J. R. Holden, R. C. Biggadike, and John Hoffman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. R. Holden, of Newport, Ark., the sum of $2,208.59; to R. C. Biggadike, of Newport, Ark., the sum of $2,208.59; and to John Hoffman, of Brinkley, Ark., the sum of $4,417.17. The payment of such sums shall be in full settlement of all claims of the said J. R. Holden, R. C. Biggadike, and John Hoffman against the United States on account of damages to 1943 rice crops sustained by them as a result of malaria-control dusting of rice fields by the United States Public Health Service: *Provided*, That no part of any sum appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be

deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$2,208.59", and insert "$1,472.41."

Page 1, line 7, strike out "$2,208.59," and insert "$1,472.41."

Page 1, line 8, strike out "$4,417.17", and insert "$2,944.80."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SOLVEIG NORMANSON

The Clerk called the bill (H. R. 2232) for the relief of Mrs. Solveig Normanson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of State be, and he is hereby, authorized and directed to instruct the proper consular officer that an immigration visa shall be issued to Mrs. Solveig Normanson, a citizen of Norway, who is the spouse of Mr. Christian Normanson, of Goldfield, Iowa.

SEC. 2. Notwithstanding her conviction for wartime activities in Norway, Mrs. Solveig Normanson shall be held to be eligible for permanent residence in the United States.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert "That, notwithstanding her conviction for wartime activities, Mrs. Solveig Normanson, a citizen of Norway, who is the spouse of Mr. Christian Normanson, of Goldfield, Iowa, shall be held and considered to be admissible to the United States as a nonquota immigrant, if she is otherwise admissible under the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LORRAINE MALONE

The Clerk called the bill (S. 507) for the relief of Mrs. Lorraine Malone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lorraine Malone, of Gallup, McKinley County, N. Mex., the sum of $5,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her as a result of a collision, approximately 4 miles east of Safford, Graham County, Ariz., on November 13, 1944, between an automobile driven by her and a United States Army truck, which had been parked in the nighttime on the pavement of United States Highway No. 70: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$3,500."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. N. JONES ET AL.

The Clerk called the bill (S. 2125) conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones, and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of United States district courts to hear, determine, and render judgment on tort claims against the United States which accrue prior to January 1, 1945, jurisdiction is hereby conferred upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of the following-named persons, all of Malheur County, Oreg., against the United States for damages incurred by them when their properties were flooded as the result of a break on May 7, 1942, in the reservoir gates which controlled the flow of water into canals of the Vale-Oregon irrigation district; the projects in such district being then under the exclusive control of the United States; (1) J. N. Jones; (2) May Delsole, successor in interest and heir at law of L. P. Delsole; (3) Anna Curry, administratrix of estate of Fred Curry; (4) John U. Hoffman; (5) Orrin Curry; (6) Tom Joyce; (7) W. W. Seaward; (8) Gilbert Masterson; (9) Drexell Williams; (10) John Joyce and Kate Joyce; and (11) Mary Robertson, successor in interest and heir at law of W. A. Robertson.

SEC. 2. Suit upon such claims may be instituted by or on behalf of the claimants listed in section 1 at any time within 1 year after the date of enactment of this act. Liability, proceedings for the determination of such claims and review thereof, and payment of any judgments thereon shall be in accordance with the provisions of law applicable in the case of tort claims against the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUNKER HILL DEVELOPMENT CORP.

The Clerk called the bill (H. R. 1082) for the relief of the Bunker Hill Development Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Bunker Hill Development Corp., Newburgh, N. Y., the sum of $25,000. The payment of such sum shall be in full settlement of all claims against the United States for losses sustained by such corporation as the result of damages to a golf course and club building owned by such corporation, such damages being caused by weed laden soil dust and cement dust blowing over such property during the years 1942 and 1943 from Stewart Field, a United States Army airfield located at Newburgh, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert "That the jurisdiction conferred upon the United States District Court for the Southern District of New York by subsection (b) of section 1346, title 28, United States Code, is hereby extended to a civil action, which may be commenced not later than 1 year after the enactment of this act, asserting any claim or claims of Bunker Hill Development Corp., of Newburgh, N. Y., against the United States for money damages arising out of damages to a golf course and club building owned by such corporation, such damages being caused by weed-laden soil dust and cement dust, blowing over such property during the years 1942 and 1943, from Stewart Field, a United States Army airfield located at Newburgh, N. Y. Except as otherwise provided in this act, all provisions of law applicable in and to such subsection, and applicable to judgments therein and appeals therefrom, are hereby made equally applicable in respect of the civil action authorized by this act: *Provided, however*, That nothing in this act does or shall constitute an admission of liability on the part of the Government of the United States of America."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by the Bunker Hill Development Corp."

A motion to reconsider was laid on the table.

PARISH BROS.

The Clerk called the bill (H. R. 4041) for the relief of Parish Bros.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Parish Bros., a partnership of Benicia, Calif., the sum of $13,640. The payment of such sum shall be in full settlement of all claims of the said Parish Bros. against the United States for losses, exclusive of profits, incurred in the performance of Reclamation Bureau contract numbered 12r-17442. Such losses arose by reason of the failure of the United States to give adequate advance notice of the exhaustion of funds available for payment under the contract and by reason of the failure of the United States to furnish materials necessary for the performance of the contract: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection

with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$13,640" and insert in lieu thereof "$13,322.90."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TAEKO SUZUKI

The Clerk called the bill (H. R. 6655) for the relief of Taeko Suzuki.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, or of any other provision of the immigration and naturalization laws, the Attorney General is authorized and directed to permit the entry into the United States for permanent residence of Taeko Suzuki, the Japanese fiancée of Harold Thurston, a citizen of the United States and an honorably discharged veteran of World War II. Upon her entry, the said Taeko Suzuki shall be entitled to all the benefits and privileges conferred by the act entitled "An act to expedite the admission to the United States of alien spouses and alien minor children of citizen members of the United States armed forces," approved December 28, 1945, as amended.

With the following committee amendment:

On page 1 strike out all after the enacting clause and insert "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Taeko Suzuki, the Japanese fiancée of Harold Thurston, a citizen of the United States and an honorably discharged veteran of World War II, and that Taeko Suzuki may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Taeko Suzuki is coming to the United States with a bona fide intention of being married to said Harold Thurston, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Taeko Suzuki, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within three months after entry of said Taeko Suzuki, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Taeko Suzuki, as of the date of her entry into the United States, upon the payment by her of the required fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIEKO MIYAZAKI MALLOY

The Clerk called the bill (H. R. 7054) for the relief of Mieko Miyazaki Malloy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provisions of law excluding from admission into the United States persons of races ineligible to citizenship, Mrs. Mieko Miyazaki Malloy, Japanese wife of Patrick J. Malloy, a citizen of the United States and an honorably discharged veteran of World War II, shall be considered to have been admitted to the United States for permanent residence as of August 17, 1948, the date on which she lawfully entered the United States, if she is otherwise qualified for admission under immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. TOMO NONQUE ROSEVEAR III

The Clerk called the bill (H. R. 7047) for the relief of Mrs. Tomo Nonque Rosevear III.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of law excluding from admission into the United States persons of races ineligible to citizenship, Mrs. Tomo Nonque Rosevear III, Japanese wife of Reginald Rosevear, a citizen of the United States, shall be admitted to the United States for permanent residence upon application hereafter filed without presenting an immigration visa or other travel documents, if she is otherwise admissible under immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Tomo Nonque Rosevear III, the wife of Reginald Rosevear, a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. YAE BENNETT

The Clerk called the bill (H. R. 7013) for the relief of Mrs. Yae Bennett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any provisions of law excluding from admission into the United States persons of races ineligible for citizenship, Mrs. Yae Bennett, Japanese wife of Dr. Crayton J. Bennett, a citizen of the United States and an honorably discharged veteran of World War II, shall be admitted to the United States for permanent residence upon application herewith filed and without presenting an immigration visa or other travel documents, if she is otherwise admissible under the immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Yae Bennett, the wife of Dr. Crayton J. Bennett, a citizen of the United States and an honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HISAKO NAKANE

The Clerk called the bill (H. R. 6942) for the relief of Hisako Nakane.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Hisako Nakane, Kyote, Japan, the Japanese fiancée of Norman L. Compton, a citizen of the United States and an honorably discharged veteran of World War II, and that Hisako Nakane may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Hisako Nakane is coming to the United States with a bona fide intention of being married to said Norman L. Compton, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Hisako Nakane, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Hisako Nakane, the Attorney General of the United States is authorized and directed to record the lawful admission for permanent residence of said Hisako Nakane as of the date of her entry into the United States, upon the payment by her of the required fees and head taxes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUJIKO FUKUDA

The Clerk called the bill (H. R. 6793) for the relief of Fujiko Fukuda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Fujiko Fukuda, the Japanese financée of William Nevaux, a citizen of the United States, and an honorably discharged veteran of World War II, and that Fujiko Fukuda may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Fujiko Fukuda is coming to the United States with a bona fide intention of being married to said William Nevaux, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Fujiko Fukuda, she shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the

Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Fujiko Fukuda, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Fujiko Fukuda as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KAZUYO DOHI

The Clerk called the bill (H. R. 7094) for the relief of Kazuyo Dohi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Kazuyo Dohi, the Japanese fiancée of William H. Beauchamp, a citizen of the United States and an honorably discharged veteran of World War II, and that Kazuyo Dohi may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Kazuyo Dohi is coming to the United States with a bona fide intention of being married to said William H. Beauchamp and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Kazuyo Dohi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Kazuyo Dohi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Kazuyo Dohi as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SACHIKO IWAI

The Clerk called the bill (H. R. 6462) for the relief of Sachiko Iwai.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provision of law relating to racial ineligibility and the provisions of the law relating to prerequisites to the issuance of a visitor's visa, Sachiko Iwai, the fiancée of Harumi Higaki, an honorably discharged veteran of World War II and one of four brothers who served in the armed forces of the United States, shall, if otherwise admissible under the immigration laws, be deemed eligible for a visitor's visa for the purpose of contracting marriage with said Harumi Higaki: *Provided*, That said marriage shall be contracted within a period of 90 days after the arrival of Sachiko Iwai in the United States: *Provided further*, That upon the contracting of the marriage aforesaid within the period of 90 days after the arrival of Sachiko Iwai in the United States, the Attorney General is authorized and directed to adjust the status of Sachiko Iwai to that of a permanent resident of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration laws the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Sachiko Iwai Higaki, the wife of Harumi Higaki, a citizen of the United States and an honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Sachiko Iwai Higaki."

A motion to reconsider was laid on the table.

MARGARITA FUNAKURA

The Clerk called the bill (H. R. 6490) for the relief of Margarita Funakura.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 13c of the Immigration Act of 1924, as amended, or any of the other provisions of the immigration laws relating to the exclusion of aliens ineligible for citizenship, the Attorney General is authorized and directed to permit the entry into the United States for permanent residence of Margarita Funakura, Japanese fiancée of Lawrence W. Whalen, Jr., a citizen of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Margarita Funakura, the Japanese fiancée of Sgt. Lawrence W. Whalen, Jr., a citizen of the United States, and that the said Margarita Funakura may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LLOYD GORDON FINDLEY ET AL.

The Clerk called the bill (S. 471) for the relief of Lloyd Gordon Findley and Malcolm Hearne Findley, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lloyd Gordon Findley, commander, United States Naval Reserve, the sum of $3,045.59, and to the legal guardian of Malcolm Hearne Findley, a minor, the sum of $7,500, in full satisfaction of all claims against the United States for (1) reimbursement of hospital and medical expenses incurred by Lloyd Gordon Findley, and (2) compensation for personal injuries sustained by Malcolm Hearne Findley as a result of an accident that occurred on Saipan, Marianas Islands, July 15, 1946, when the said Malcolm Hearne Findley was struck by a naval military government vehicle operated by an employee of the naval military government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EARL B. HOCHWALT

The Clerk called the bill (S. 738) for the relief of Earl B. Hochwalt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) Earl B. Hochwalt, lieutenant colonel, United States Army, retired, is hereby relieved of liability for repayment of such sums as may have been paid to him, through error of the Finance Department, United States Army, in excess of the retired pay which he was entitled by law to receive for the period July 1, 1943, through March 31, 1948, and have not been repaid by him.

(b) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Earl B. Hochwalt an amount equal to such sums as may have been repaid by him, or deducted from his retired pay, in partial or full settlement of such erroneously paid sums.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: On page 1, line 10, strike out section (b).

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PIERRE E. LEFEVRE

The Clerk called the bill (S. 1310) for the relief of Pierre E. Lefevre.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Pierre E. Lefevre, Army serial No. 6139983, of 557 Chestnut Street, in Manchester, N. H., the sum of $2,500, in full settlement of all claims against the United States for damages sustained by him by reason of his having been illegally arrested and confined by the Army on the erroneous ground of absence without leave after he had been honorably discharged from the Army at Fort Devens, Mass., on October 7, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty

of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONROE KELLY, REAR ADMIRAL, UNITED STATES NAVY, RETIRED

The Clerk called the bill (S. 1394) for the relief of Monroe Kelly, rear admiral, United States Navy, retired.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Monroe Kelly, rear admiral, United States Navy, retired, the sum of $289.03, which sum represents reimbursement for expenses incurred by him for the storage of his household effects at The Hague, The Netherlands, for the period June 7, 1940, to April 1, 1946, the said Monroe Kelly being on duty as United States Naval Attaché and Naval Attaché for Air at the American Legation, The Hague, The Netherlands, when the German forces invaded the Low Countries on May 10, 1940, was unable because of such invasion to accomplish the return of such household effects when ordered by the Navy Department to return to the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this proviso shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN M. HART

The Clerk called the bill (S. 1447) for the relief of John M. Hart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John M. Hart, Box P. M. B.–749, Alcatraz, Calif., the sum of $100, in full satisfaction of his claim against the United States for refund of a fine which was imposed upon him by the United States District Court for the Western District of Kentucky on October 13, 1937, but was subsequently determined by such court on September 15, 1948, to have been improperly imposed: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE M. VAUGHAN

The Clerk called the bill (S. 1737) for the relief of George M. Vaughan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George M. Vaughan, of Plymouth, Mass., the sum of $10,000, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained by him, and for reimbursement of hospital, medical, and other expenses incurred by him, as a result of an accident which occurred when the motorcycle which he was riding was struck by a United States Army vehicle, at the intersection of Bradford Road and Sandwich Road, in Plymouth, Mass., on March 12, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE K. HAVILAND

The Clerk called the bill (S. 1764) for the relief of George K. Haviland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George K. Haviland, of Seattle, Wash., the sum of $271.17, in full satisfaction of his claim against the United States for compensation for services rendered the Department of the Navy, Civil Engineer Corps, Bureau of Yards and Docks, Seattle, Wash., during the period November 26 to December 16, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEE FREDDIE LAMBERT

The Clerk called the bill (H. R. 1124) for the relief of Lee Freddie Lambert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lee Freddie Lambert, Corona, Calif. the sum of $156.57. The payment of such sum shall be in full payment of all claims of the said Lee Freddie Lambert against the United States for reimbursement of money paid for uniforms which were required during his training as a midshipman at Camp McDonough, Plattsburg, N. Y., 1943–45: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ROSE A. MONGRAIN

The Clerk called the bill (H. R. 1817) for the relief of Mrs. Rose A. Mongrain.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Rose A. Mongrain, Lowell, Mass., the sum of $3,940.05. The payment of such sum shall be in full settlement of all claims of the said Mrs. Rose A. Mongrain against the United States on account of personal injuries, sustained by her on June 15, 1944, when she slipped and fell on the wet floor of the lobby of the main post office building in Lowell, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$3,940.05" and insert "$2,540.05."

Page 1, line 9, after the word "injuries," insert "medical and hospital expenses."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time. Was read the third time, and passed, and a motion to reconsider was laid on the table.

CARL L. SEXAUER

The Clerk called the bill (H. R. 2851) for the relief of Carl L. Sexauer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carl L. Sexauer, of Canton, Ohio, the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Carl L. Sexauer against the United States on account of personal injuries sustained by him on July 3, 1945, while on duty as a railroad switchman at the switch of Canton Drop Forge, west end of Canton, Ohio, as a result of being struck by an empty bottle thrown from a passing troop train by a soldier who was acting outside the scope of his employment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$3,732.96."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER E. PARKS

The Clerk called the bill (H. R. 3010) for the relief of Walter E. Parks.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter E. Parks, of Lincoln, Nebr., the sum of $125. The payment of such sum shall be in full settlement of all claims against the United States of the said Walter E. Parks arising out of the failure of the National Park Service of the Department of the Interior to return a fossil cycad specimen which the said Walter E. Parks loaned to such Service for exhibition at the Century of Progress Fair in Chicago in 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. J. CARLYLE NAGLE

The Clerk called the bill (H. R. 3996) for the relief of Dr. J. Carlyle Nagle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. J. Carlyle Nagle (Army serial No. O–1695386), of Scranton, Pa., the sum of $354.96. The payment of such sum shall be in full settlement of all claims of the said Dr. J. Carlyle Nagle against the United States arising out of the payment on February 21, 1946, of $354.96 to the Department of War, as a result of the loss in the mail of a receipted voucher for certain payments made by him to the enlisted men of the Five Hundred Forty-second Medical Hospital Ship Platoon: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELMER PIPPIN AND MRS. PANSY PIPPIN

The Clerk called the bill (H. R. 4164) for the relief of Norman Otis Pippin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Norman Otis Pippin, a minor, or his legal guardian, the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Norman Otis Pippin against the United States for the loss of an arm as the result of an accident involving an Army truck on or about September 13, 1943, in Imperial County, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out the balance of the line and all of lines 6 to 11, inclusive, and insert the following: "(1) the sum of $25 to Elmer Pippin, and Mrs. Pansy Pippin, of Heber, Calif., in full settlement of all claims against the United States for the damage caused to their automobile when it was struck by an Army truck in Imperial County, Calif., on September 13, 1943, and (2) the sum of $5,183 to the legal guardian of Norman Otis Pippin, a minor, in full settlement of all claims against the United States for the personal injuries sustained by said minor and the medical and hospital expenses incurred for his treatment as a result of the same accident."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Elmer Pippin and Mrs. Pansy Pippin and the legal guardian of Norman Otis Pippin, a minor."

A motion to reconsider was laid on the table.

JOSEPH W. GREER

The Clerk called the bill (H. R. 5341) for the relief of Joseph W. Greer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $12,500 to Joseph W. Greer, of Olathe, Kans., in full settlement of all claims against the United States for personal injuries, hospital, medical, and other expenses, and loss of earnings sustained as a result of an accident involving a United States Navy airplane at the naval air station, Olathe, Kans., on January 28, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$25,000" and insert "$12,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS J. SMITH

The Clerk called the bill (H. R. 5380) for the relief of Thomas J. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas J. Smith, of Beaver Dam, Va., the sum of $3,798.82, in full settlement of all claims against the United States for loss of salary, loss of annual leave, and attorney's fees, all caused by his having been separated without pay from the employment of the Public Housing Administration for the period from July 25, 1947, to March 1, 1948, which separation was unjustified and unwarranted as evidenced by the findings of the Civil Service Commission in their opinion dated February 5, 1948, directing his reinstatement: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$3,798.82" and insert "$3,041.95."

Page 1, line 8, strike out "and attorneys' fees."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SZALOM MALEK

The Clerk called the bill (H. R. 5355) for the relief of Szalom Malek.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, a quota immigration visa shall be issued, upon application hereafter filed, to Szalom Malek, of Paris, France, whose wife, Mindel Malek, is a noncitizen resident of the United States, and the said Szalom Malek shall be admitted to the United States for permanent residence, if he is otherwise admissible under the immigration laws. Upon such admission, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Rumania for the first year such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert "That in the administration of the nationality laws, section 320 of the Nationality Act of 1940 (54 Stat. 1148; 8 U. S. C. 720), shall be held to be applicable in the case of Mindel Malek, notwithstanding the

fact that she entered the United States lawfully after July 1, 1920.

SEC. 2. Upon the enactment of this act, Mindel Malek may file the petition for naturalization prescribed by law without making the preliminary declaration of intention and, upon satisfactory proof to the court that she is otherwise qualified to become a citizen of the United States, the said Mindel Malek may be admitted as a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mindel Malek."

A motion to reconsider was laid on the table.

DEBORAH ELIZABETH EBEL

The Clerk called the bill (H. R. 5581) for the relief of Deborah Elizabeth Ebel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of law excluding from admission to the United States persons of races ineligible to citizenship, Deborah Elizabeth Ebel, a minor half-Japanese child under the care of Mr. and Mrs. Alexander Ebel, both citizens of the United States residing temporarily in Japan, shall be admitted to the United States for permanent residence upon application hereafter filed and without presenting an immigration visa or other travel documents. Upon the admission of the said Deborah Elizabeth Ebel to the United States for permanent residence, the Secretary of State shall instruct the proper quota control officer to deduct one number from the quota for Japan for the first year such quota is available.

With the following committee amendment:

Page 1, line 8, after the word "be", strike out down to and including the word "available", page 2, line 4, and insert: "held and considered to be the natural-born child of the said Mr. and Mrs. Alexander Ebel."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. WEI TCHENG LIANG

The Clerk called the bill (H. R. 6163) for the relief of Dr. Wei Tcheng Liang.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence in the United States of Dr. Wei Tcheng Liang as of November 9, 1948, the date on which he lawfully entered the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Chinese persons of the first year that such quota is hereafter available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER MICHAEL EL-HINI

The Clerk called the bill (H. R. 6656) for the relief of Peter Michael El-Hini.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, the alien, Peter Michael El-Hini, shall be considered to be the natural-born son of his stepfather, John A. Pfau, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELGA HOLLEB

The Clerk called the bill (H. R. 6747) for the relief of Helga Holleb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of immigration and naturalization laws, Helga Holleb shall be considered to be the natural-born daughter of Captain and Mrs. Melvyn G. Holleb, of Thomaston, Ga., citizens of the United States.

With the following committee amendment:

Page 1, line 4, after "laws", insert "the alien."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and motion to reconsider was laid on the table.

MIEKO NISHITSURU

The Clerk called the bill (H. R. 7256) for the relief of Mieko Nishitsuru.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Mieko Nishitsuru, the Japanese fiancée of Frank Endo, a citizen of the United States and an honorably discharged veteran of World War II, and that Mieko Nishitsuru may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Mieko Nishitsuru is coming to the United States with a bona fide intention of being married to said Frank Endo, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Mieko Nishitsuru, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Mieko Nishitsuru, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Mieko Nishitsuru as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

With the following committee amendment:

Strike out all after the enacting clause and insert "That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race, shall not hereafter apply to Mieko Nishitsuru, the Japanese fiancée of Frank Endo, a citizen of the United States and an honorably discharged veteran of World War II, and that the said Mieko Nishitsuru may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCY TERESA MORRIS

The Clerk called the bill (H. R. 7313) for the relief of Lucy Teresa Morris.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Lucy Teresa Morris, Japan, the Japanese fiancée of Corp. Norman F. Wheeler, Thirty-fourth Division, American Army, Japan, and that Lucy Teresa Morris may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that Lucy Teresa Morris is coming to the United States with a bona fide intention of being married to said Norman F. Wheeler, and that she is found admissible otherwise under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Lucy Teresa Morris, she shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Lucy Teresa Morris, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Lucy Teresa Morris as of the date of her entry into the United States, upon payment by her of the required fees and head taxes.

With the following committee amendment:

Strike out all after the enacting clause and insert "That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race, shall not hereafter apply to Lucy Teresa Morris, the Japanese fiancée of Sgt. Norman F. Wheeler, a citizen of the United States, and that the said Lucy Teresa Morris may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN JOSEPH McKAY

The Clerk called the bill (S. 212) for the relief of John Joseph McKay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, and notwithstanding the provisions of section 12 of

the Immigration Act of 1924, as amended, John Joseph McKay, of Kimberley, British Columbia, and now temporarily in Deer Lodge, Mont., who was born of Canadian parents in Macao, a colony or dependency of Portugal, shall be deemed to have been born in the Dominion of Canada.

With the following committee amendment:

Strike out all after the enacting clause and insert "That in the administration of the immigration laws the Attorney General is authorized and directed to record John Joseph McKay, of Deer Lodge, Mont., as having entered the United States on April 5, 1947, for permanent residence, upon payment by him of the required visa fee and head tax.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the quota for Portugal of the first year that such quota number is available."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA MARGARETE OTTO

The Clerk called the bill (S. 1413) for the relief of Maria Margarete Otto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917, as amended (U. S. C., title 8, sec. 136 (c)), which excludes from admission into the United States "persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude", shall not hereafter be held to apply to Maria Margarete Otto (nee Maria Margarete Hortz), the wife of Charles S. Otto, an American citizen.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNEST E. HEINTZ

The clerk called the bill (S. 1552) for the relief of Ernest E. Heintz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at port of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917, as amended (U. S. C., title 8, sec. 136 (e)), which excludes from admission into the United States persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude, shall not hereafter be held to apply to Ernest E. Heintz, of Windsor, Ontario, Canada.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARNE GORDON WESTLY

The Clerk called the bill (H. R. 1609) for the relief of Arne Gordon Westly.

Mr. LICHTENWALTER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. WALTER. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, the alien Arne Gordon Westly, Cambridge, Mass., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry therein. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Philippine quota for the first year such quota is available.

With the following committee amendment:

Line 7, after "of" insert "September 4, 1948."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACKSON RILEY HOLLAND

The Clerk called the bill (S. 2084) for the relief of Jackson Riley Holland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Jackson Riley Holland, who is the adopted child of Walter Jackson Holland and Margaret Edna Holland, husband and wife, and who are native-born American citizens, shall be deemed to be the child of said Walter Jackson Holland and Margaret Edna Holland and shall, if otherwise admissible under the immigration laws, be granted the status of a nonquota immigrant.

With the following committee amendments:

Line 4, after "laws", insert "the alien."

Line 7, after "the", insert "natural-born."

Line 8, after "Holland", strike out the remainder of the bill.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRIQUE SANTOS

The Clerk called the bill (S. 2429) for the relief of Henrique Santos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 3 (a) of the act of September 16, 1940 (54 Stat. 896), as amended, Henrique Santos shall not be denied the privilege of becoming a naturalized citizen of the United States, provided he is otherwise eligible under the naturalization laws.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OMNIBUS BILL

Mr. DOLLIVER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DOLLIVER. I note that the Clerk did not call Calendar No. 674, which is an omnibus bill. Is my understanding correct that this will be called 2 weeks from today, on the third Tuesday of this month?

The SPEAKER. It has precedence on the third Tuesday.

Mr. DOLLIVER. I thank the Chair.

INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

Mr. KEE. Mr. Speaker, I call up the conference report on the bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15, and agree to the same.

JOHN KEE,
JAMES P. RICHARDS,
ABRAHAM A. RIBICOFF,
CHARLES A. EATON,
Managers on the Part of the House.

THEODORE FRANCIS GREEN,
BRIEN MCMAHON,
J. W. FULBRIGHT,
BOURKE B. HICKENLOOPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amended the House bill in 15 particulars. Only five of these involved matters of substance. Four of these substantial differences were resolved in favor of the Senate version. The fifth, an amendment adopted by the Senate to section 2 (c), was resolved in favor of the House. As to this amendment; the Senate receded and accepted the House version of the section. The specific points of difference between the version

as agreed upon by the committee of conference and the version of the bill passed by the House are as follows:

Section 3 (a) of the bill as passed by the House would make the three members of the International Claims Commission of the United States subject to appointment by the Secretary of State. The conference bill makes them subject to Presidential appointment with senatorial confirmation.

Section 3 (a) of the House version would also require that the members of the Commission be members of the bar. The conference version eliminates this requirement.

Section 3 (c) of the House version would authorize the Secretary of State to fix a termination date for the Commission's tenure. The conference bill vests this authority in the President.

Section 4 (j) of the House version would require the Commission to comply with the provisions of the Administrative Procedures Act of 1946. The conference version adds a qualification in the words "except as otherwise specifically provided by this act."

JOHN KEE,
JAMES P. RICHARDS,
ABRAHAM A. RIBICOFF,
CHARLES A. EATON,
Managers on the Part of the House.

Mr. KEE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the bill, H. R. 4406, to be known as the International Claims Settlement Act passed the House on the 6th day of July 1949, and on the 14th day of February 1950, it passed the Senate after being amended by that body in 15 particulars. And was sent to conference. Only five of the amendments were in any wise important. On consideration by the conference committee, four of the substantial amendments were resolved in favor of the Senate. The fifth, an amendment to section 2 (c) and identified as amendment (1) in the conference committee print of the bill, was resolved in favor of the House version. The Senate receded and accepted the House version, thus leaving section 2 (c) of the bill unchanged from the form in which it passed the House.

As to the other 10 amendments made by the Senate, all of which were either clarifying or conforming changes, the House receded.

Thus you find your conferees reporting to you that all matters in difference between the Senate and the House in respect to H. R. 4406 have been resolved and no such matters are now in dispute.

It is, however, perhaps advisable for me at this time to briefly explain the four more or less substantial amendments made by the Senate and to which the House conferees agreed.

Section 3 (a) of the bill as it passed the House provided that the three members of the International Claims Commission, to be established under the bill, should be appointed by the Secretary of State. Under the Senate amendment, the members of the Commission are to be appointed by the President, by and with the advice and consent of the Senate, and the President, instead of the Secretary of State, is given authority to name one of the members of the Commission as its Chairman.

The same section 3 (a) of the bill as passed by the House carried a provision requiring that all members of the Commission be members of the bar. This provision was eliminated by a Senate amendment.

Section 3 (c) of the House bill authorized the Secretary of State to fix a termination date for the Commission. The bill as agreed to in conference vests this authority in the President.

Section 4 (j) of the bill as it passed the House required the Commission to comply with the provisions of the Administrative Procedure Act of 1948. The Senate adds to this requirement a qualification in these words "except as otherwise specifically provided by this act."

The four changes I have noted are, as has been said, the only changes of any substance made in the bill by amendments adopted thereto in the other body. To these changes the House conferees agreed, and are, therefore, reporting nothing in disagreement.

The House conferees were not at all surprised by the Senate amendment requiring the appointment of the Commissioners to be made by the President with Senate confirmation, and for many reasons this change from the House version is, perhaps, the part of wisdom.

The House requirement that all members of the Commission must be members of the bar may have been so drafted for a good reason, but, as modified by the Senate amendment, it will be optional with the President whether to appoint a Commission consisting of persons all of one calling or profession or a Commission of diversified professions or employment. The House conferees had no trouble about agreeing to this amendment. It gives to the appointing power a latitude with which, in the opinion of your conferees, he should be vested.

The transfer from the Secretary of State to the President of the right to fix a termination date for the Commission was a change which naturally followed the shift from the Secretary to the President of the authority to appoint the Commission.

The qualification added by the Senate to the requirement that the Commission comply with the Administrative Procedure Act, appealed to me as one amendment which would have but little if any effect upon the act. To relieve the Commission from such compliance, either generally or in any particular case, requires "a specific provision of the act." I have failed to uncover any such specific provision. In any event, it is my firm conviction that the conference report we have brought to you this day should be unanimously agreed to and adopted. There is no section, clause, sentence, or word in disagreement.

Mr. Speaker, I yield back the remainder of my time, and I now yield 10 minutes to the gentleman from Ohio [Mr. VORYS].

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, a point of order. I make the point or order that there is no quorum present.

The SPEAKER. Evidently no quorum is present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 81]

Allen, La.	Fisher	Philbin
Anderson, Calif.	Gilmer	Reed, N. Y.
Auchincloss	Granger	Rogers, Fla.
Bailey	Gross	Roosevelt
Barrett, Pa.	Gwinn	Sadowski
Bolling	Hand	Scott, Hardie
Bolton, Md.	Hardy	Scudder
Bulwinkle	Hays, Ark.	Shafer
Burleson	Herter	Smathers
Byrne, N. Y.	Hoffman, Ill.	Smith, Ohio
Cavalcante	Kirwan	Smith, Va.
Chatham	LeFevre	Staggers
Clemente	Lyle	Stanley
Colmer	Macy	Taylor
Coudert	Magee	Teague
Davies, N. Y.	Martin, Mass.	Velde
Dawson	Meyer	Vinson
Deane	Morrison	Wadsworth
Dingell	Morton	Whitaker
Donchue	Murdock	White, Calif.
Douglas	Norton	White, Idaho
Ellsworth	O'Brien, Ill.	Wilson, Tex.
Engle, Calif.	Pfeiffer, William L.	

The SPEAKER. On this roll call 364 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

Mr. VORYS. Mr. Speaker, when this thoroughly bad bill was before the House last July it was overwhelmingly defeated by those who heard something about it, and on a standing vote it was recommitted by a vote of 93 to 73. It was finally passed because of those who were brought in at the last minute on a roll call and voted on a bill which they did not know anything about. On that roll call 125 Republicans and 26 Democrats voted to recommit it, and 177 Democrats and no Republicans voted for the bill. There were 104 absent.

As it comes back from the conference it is worse than the bill which passed the House last July. In brief, this bill sets up a new Commission, a new agency in the Department of State, and creates three new $15,000 jobs in that Department. It is utterly unnecessary to make settlements or distribute the proceeds.

As far as the Yugoslav claims are concerned the settlement has been made. The United States had $47,000,000 of Yugoslav gold, and there were $40,000,000 of American claims against Yugoslavia. So the United States gave the Yugoslavs $30,000,000 back and saved $17,000,000 to divide among the American claimants.

Insofar as dividing up this Yugoslav money is concerned, the Secretary of State has the authority under existing law to make these awards himself. I quote our colleague, the gentleman from Connecticut [Mr. RIBICOFF], last July:

> This bill does not add, in any way, to the power vested in the Secretary of State by law.

Then he quoted the act of February 27, 1896, which provides that the Secretary of State shall determine the amount due claimants, and provides for payment of the ascertained beneficiaries.

We have two bodies which could easily take care of these claims if they were turned over to them. One is our Court of Claims. I think that by interpleader

the court could refer this to a master and proceed to settle these claims. Or the War Claims Commission, which is already set up, could handle these claims. But no, it is proposed to set up a new thing. We are going to have as permanent law an International Claims Settlement Commission, which might much better be called an International Claims Surrender Commission.

Let me tell you what the conference report does. It abolishes the requirement that these three Commissioners need to be lawyers. They can be anybody. In the House we put in a requirement that "the Commission shall comply with the provisions of the Administrative Procedures Act of 1946." The other body put in, and the conference agreed to this provision: "except as otherwise specifically provided by this act."

Now, what is "otherwise specifically provided by this act"? The Commission prescribes its own rules and regulations. It may delegate functions to any employee—section 3 (c). It can have the janitor of the Commission hear the claims if it wants to. The Secretary of State can remove any Member of the Commission—section 3 (c). Listen to how they will decide a case—section 4 (b):

All decisions shall be upon such evidence and written legal contentions—

Whatever they are—

as may be presented—

And also listen to this—

and upon the results of any independent investigation of cases.

The decision does not need to be based on evidence, but just independent investigations of cases by the janitor or stenographer, or Harry Vaughan, or anybody else that the Commission wants to have make an "independent investigation." That is the way the decision will be made. The action of the Commission is final and not subject to review by the Secretary of State or in any court—section 4 (b). There is no liability for payment by the Secretary of the Treasury to the wrong person—section 7 (d). Thus, they prescribe their own rules; they can delegate functions to anybody; the action of the Commission is final; there is no liability for payment by the Secretary of the Treasury to the wrong person, and, finally, listen to this—in section 7 (e):

Any person who makes application for payment shall be held to have consented to all the provisions of the act.

If you are a claimant and want to get paid, you have got to surrender in advance even the right to challenge the outrageous provisions of this act. What does that mean? It means that an American whose property has been nationalized, anywhere over the world, from now on surrenders the right to appear in court anywhere in this country or abroad. It means that the claimants will not need to know the law. They will need to know the boys, when it gets up to the State Department, to this new three-man Commission, these three new $15,000-a-year job holders.

Here is the reason why this bill is so bad as permanent law: This is an invitation to nationalization all over the world, and therefore a discouragement of private investment.

On page 5 it provides that it covers claims "arising out of the nationalization or other taking of property" when there has been settlement "en bloc." That means wholesale settlement, where your individual rights do not count, but some diplomat settles, as in this case, for 42 cents on the dollar, when we had the gold in hand to get 100 cents on the dollar. Then the settlement money is brought back and distributed by the State Department.

Under the ECA loan we provide that for American investors, when their property is taken, the country must provide an impartial tribunal. In the so-called 4-point legislation that is out of our committee, we make a finding that private investment "involves confidence on the part of investors; that they will not be deprived of their property without prompt, adequate, and effective compensation," and "that they will enjoy security in the protection of their persons and property, including industrial and intellectual property."

We have been attempting to encourage private investment over the world by encouraging international conditions that protect investors.

In this bill we throw that all out the window, and we are going to have "en bloc" settlements, covering $295,000,000 of possible claims in Yugoslavia and Czechoslovakia and Poland, without ever giving an American claimant a judicial hearing. There is no reason why nationalization should not take place all over the world on this basis of all American property from now on, if we have this Commission set up in the State Department to encourage it.

This is certainly going to discourage private investment abroad by Americans from now on.

I ask that the conference report be voted down.

Mr. COX. Will the gentleman yield?

Mr. VORYS. I yield.

Mr. COX. Is this something that the State Department wants?

Mr. VORYS. Oh, yes.

Mr. COX. Is that not sufficient reason why it should not be done?

Mr. VORYS. I leave that to the judgment of the House. This bill was brought here last summer, the day after a holiday, July 5, and it was brought to the Senate on February 13, the day after a holiday. Let us give this a little holiday and turn down this conference report right now.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JAVITS. The gentleman was one of the conferees. I notice the conference left out a proviso which the Senate put in, which sought in future settlements to protect the rights of those who are asylumed in the United States but who were not citizens. Can the gentleman tell me why that proviso was stricken out by the conferees?

Mr. VORYS. This bill already covers not only citizens but others permanently owing allegiance to the United States. The conferees felt that Senate language was spreading it out too thin. I think my colleague the gentleman from Connecticut [Mr. LODGE] will have something to say on that subject later.

This is a new agency that is not needed, because the State Department can handle this now. We also have the Court of Claims and the War Claims Commission who can do this job. We ought not to set up a new agency to invite nationalization of American property all over the world, and certainly we should not have any such agency who will not be lawyers and who will not be subject to the rules of administrative procedure. This is strictly an inside job by the State Department lawyers, as is apparent on its face. It should be turned down.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. KEE. Mr. Speaker, I yield 10 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Speaker, I have great respect for the able gentleman from Ohio, but I have never heard an argument where so many straw men were erected with such emotion and then demolished with such fury. I have never found that ridicule was a substitute for fact.

Just what does this bill actually do? Let us analyze it calmly. The United States at the present time has on hand in its Treasury $17,000,000 paid to it by the Government of Yugoslavia. This $17,000,000 is being held in trust by the Government of the United States to be distributed to one-thousand-five-hundred-odd Americans whose property was nationalized in Yugoslavia. The State Department does not want this bill. This bill is wanted by the 1,500 Americans who would like to get some money back for their property in Yugoslavia.

This legislation is necessary to set up an organization to distribute these funds.

The gentleman talks about additional costs and an additional agency. This will not cost the Government of the United States one dime. The agreement between Yugoslavia and the United States of America provides that the costs of this legislation and this Commission shall be taken from the same $17,000,000. In other words, the expenses will be paid from a fund established on the basis of 3 percent of the fund. This means that approximately $510,000 is available out of the $17,000,000 to pay for the administration of this law. This, therefore, is not a bill that will cost the United States anything for the administration of the law itself.

All of us understand, and we should all keep it in mind, the constitutional provision that the executive department of this Government is the one which makes agreements with foreign states. This Congress, whether we like it or not, has no veto power over the Executive in making treaties or agreements with foreign nations.

The United States of America, acting under Secretary of State Marshall in July of 1948, entered into an agreement with the Government of Yugoslavia to pay these particular funds to the United States for the benefit of its citizens. The

gentleman from Ohio makes a point to the effect that we are inviting expropriation of all the property of Americans all over the world, and he further states that we tell them to come and get it. He says that the ECA and point 4 legislation provide for arbitration. The gentleman from Ohio is a lawyer. This law provides a confession of judgment by the Government of Yugoslavia; the Government of Yugoslavia says, "We admit we took your money, and we admit we owe you $17,000,000." Would the gentleman from Ohio ask American citizens to go over to a country under a Communist regime and file claim in Yugoslavia with Communist commissars, perhaps to receive payment in Yugoslav dinars?

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. RIBICOFF. When I have finished with the argument of the gentleman from Ohio.

Mr. HALE. But I should like to ask one question at that point.

Mr. RIBICOFF. I yield.

Mr. HALE. We have created a War Claims Commission. Why is not this a typical case for that Commission?

Mr. RIBICOFF. The War Claims Commission, as I understand, was designed to take care of claims of the United States citizens against belligerents. The Commission set up in the bill under consideration is to consider claims against nonbelligerents, such as Yugoslavia, Poland, and Czechoslovakia. A different principle is involved. We are making agreements with so-called former allies of ours, not our enemies.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. RIBICOFF. When I finish this point on expropriation.

Under the circumstances, we have a much better deal for the citizens of the United States; instead of trying to arbitrate with another nation, instead of making our citizens go to a foreign land to present their claims, we are having the citizens of the United States present thei. claims to an agency presided over by Americans. It is strange but out of 1,500 claims, not one claimant came before our committee and said he was dissatisfied, not one claimant said he did not like the $17,000,000 settlement, not one claimant complained that he did not like the procedure. Who are we arguing for?

This legislation is being set up for American citizens who have been deprived of their property in Yugoslavia and a great injustice would be done to these people if we turned this bill down and prevented them from getting the advantage of a law that is being passed to compensate them for property taken over by the Yugoslavian Government.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman knows that this bill provides for people only who held citizenship at the time of nationalization. There are others in the United States as permanent citizens who have applied for citizenship and who would not be covered by this bill although they may become citizens of the United States ultimately and hold their first papers now. The Senate wrote in a provision against future agreements saying that in connection with future agreements the Senate desired that those who are permanent residents of the United States and have gotten their first papers and declared their intention of becoming United States citizens should be considered nationals. The Senate report states:

> The committee feels that the executive branch should attempt to negotiate the inclusion of the claims of the above category of American citizens in settlement agreements although this is not made obligatory.

Does the gentleman believe that when the conferees struck the whole proviso they were intending to prohibit or inhibit the State Department from extending the definition of nationals in any future agreement?

Mr. RIBICOFF. Not to prohibit. I would like, however, to correct the gentleman's fundamental premise. This legislation does not set up the categories of people who are entitled to the claim. The categories were set up in an international agreement entered into between Yugoslavia and the United States of America. This is consistent with constitutional law and international law as it has been practiced to date. Our constitutional law and international law provides that this Government or any government in dealing with foreign governments acts in behalf of its own nationals and its own citizens. At the time of the taking these people were not nationals of the United States of America. I may grant the gentleman from New York that we have been going through unusual times, that with the great disruptions taking place throughout the world it is very possible and probable that international law should be changed to cover people who have taken out their first citizenship papers. I certainly would say that there is nothing in this legislation or the deletion of the Senate clause that would militate against or prevent the executive department from trying to negotiate further settlements to cover those nationals who become citizens subsequent to the time the agreements are made or subsequent to the time of the taking. However, its absence, should not militate against the passage of this bill.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I understand also that this settlement represents over 40 percent of the amount claimed whereas in other international settlements it ran about 10 percent.

Mr. RIBICOFF. Yes. The history of all international claim settlements indicates that about 9 percent of the claims filed are paid. This agreement contemplates the amount to be paid will approximate 40 percent. That is based on the claim actually made. The gentleman from Massachusetts, being a lawyer, knows when you file a lawsuit you often claim much more by way of damages than you expect to get. It is very likely, and it is anticipated that some of the claims filed have been puffed up, so to speak, and when this commission gets through analyzing the claims and determining the values there may be 100 cents on the dollar received by the claimants. It seems that there is a striking possibility that these claims might pay 100 cents on the dollar. The history of claims filed from the beginning of this country to the present time indicates that this is the best settlement ever made by the United States Government with any foreign government. That cannot be disputed.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Ohio.

Mr. VORYS. The United States impounded $47,000,000 of Yugoslavia gold, is that not true, and with $40,000,000 of claims, we sent back $30,000,000, knowing that there were $40,000,000 of claims pending against it.

Mr. RIBICOFF. The gentleman being a student of international affairs must be well aware of the reason for that, and I think this House ought to know it. The reason this money was returned to Yugoslavia was because she was a friend of ours, and an ally. During July 1948, Tito had defected from his alliance with Moscow. I think all of us agree that it was for the benefitof the United States to encourage this defection. Being cut off from Moscow, Tito wes left high and dry and would have collapsed and Russia would have come in and taken over Yugoslavia at that time. That money was allowed to go back to Tito so that he could purchase oil and wheat and the essentials to keep his economy going, and I do not think there is anyone on the floor of the House that thinks that is a bad deal.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Minnesota.

Mr. JUDD. I think it is smart and proper for the United States to assist Tito insofar as he makes trouble for Russia, but I do not think the money to do that should be taken out of the hides of American citizens and their claims for loss of their property in Yugoslavia.

Mr. RIBICOFF. The $17,000,000 was found to be more than fair and ample. And, as I said to the gentleman from Massachusetts, it is the best settlement that the United States has ever made. And, I will say to the gentleman from Minnesota that not one of these 1,500 claimants ever came before the committee and said it was a bad settlement.

Mr. JUDD. Why could not we have held here the full $40,000,000 of claims submitted until the claims could be settled, and whatever was left then, be returned to Yugoslavia?

Mr. RIBICOFF. And then give another several million dollars from the Export-Import Bank?

Mr. JUDD. I would rather do that than take it out of the claims of individual American citizens. I thought that in this country the citizen was supposed to come first.

The SPEAKER. The time of the gentleman from Connecticut has expired.

Mr. KEE. Mr. Speaker, I yield 10 minutes to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Speaker, I rise to oppose the adoption of the conference report on H. R. 4406, to ask that it be voted down, and that we reconsider the matter with the purpose of doing justice to a group of American citizens.

The conference report does a grave injustice to many who, as victims of Nazi persecution, fled from the countries of our former allies to this country. These people live here, have declared their intention to become citizens, and in many instances have actually become citizens of the United States. This bill in effect creates two classes of American citizenship.

The House will remember that, when H. R. 4406 was debated last year, much dissatisfaction with its provisions was expressed, both in the Committee on Foreign Affairs and in the whole House. It was passed only after vigorous debate and after a motion to recommit had failed by a very small margin. The opposition to the bill came from both sides of the aisle.

Unfortunately there is no time to review all of the objections which were made to the bill. Accordingly I shall confine my remarks to an inequity which can be remedied by the House, today, if we are willing to examine this bill again in the light of justice.

May I remind you that the executive department of our Government entered into an agreement with the Government of Yugoslavia on July 19, 1948, in which it undertook to settle the claims of nationals of the United States against Yugoslavia, arising from the nationalization or other taking of their property by the Government of Yugoslavia. At that time some $47,000,000 of Yugoslav funds were frozen in this country. Although the claims of American citizens were estimated to total thirty-five or forty million dollars, the United States Government released $30,000,000 to Yugoslavia and settled for $17,000,000.

In the terms of the settlement it was agreed that even a citizen of the United States could not recover against this fund unless he was at the time of the taking of his property a "national" of the United States.

Now it so happens that prior to, and during, the war, many Yugoslavs, Poles, and Czechs fled to this country to escape from Nazi persecution, and after the war, many more fled from the persecution of the so-called peoples' republics, the satellites of Russia and its Cominform.

Furthermore at the time of the taking of their property, many of them had declared their intention to become citizens of the United States and many had become citizens before the date of settlement with Yugoslavia. Yet, under the agreement, former Yugoslav nationals were denied any recovery, except in a farcical and cynical provision that they could proceed under Yugoslav law or against the Yugoslav Government.

This injustice is the more evident, when it is noted that under the Yugoslav agreement, article 2, section B, it was provided that the national of any country, even an enemy, could recover from the $17,000,000 fund if he owned stock in an American corporation, 20 percent of whose stock was owned by United States nationals. The record showed that some of this stock has been acquired at a value of a few cents on the dollar.

Accordingly, as the bill now stands, it also constitutes an attempt to satisfy one group of American claims at the expense of another.

H. R. 4406, as passed by the House, would perpetuate this injustice against American citizens in future settlements which may be concluded with Poland or Czechoslovakia if the pattern of the Yugoslav agreement is followed. In passing it should also be noted that the government of Czechoslovakia does not distinguish in its discriminatory measures between various classes of United States citizenship.

To remedy this situation in the future the Senate Committee on Foreign Relations approved an amendment which was adopted by the Senate and sent to conference.

This amendment to section 2 (c) of this bill is as follows:

Provided, however, That if any agreement hereafter concluded between the Government of the United States and a foreign government of the character mentioned in section 4 (a) of this act includes provisions for the settlement and discharge of claims of individuals who at the time of nationalization or other taking (1) were permanent residents of the United States and (2) had declared their intention to become citizens of the United States in conformity with the provisions of the Nationality Act of 1940, as amended, such individuals shall, for the purposes of this act, be deemed "nationals of the United States" if they shall have acquired citizenship of the United States prior to the effective date of the relevant intergovernmental settlement agreement.

It is not mandatory. It is permissive. It does not even instruct the President. But it could do justice in that it would encourage the executive department to make efforts to include in future settlements those of our people who fled from persecution who had declared their intention to become American citizens before the confiscation of their property and who may become citizens before agreements with other countries are made. Senator GREEN, chairman of the Senate subcommittee, said on the floor of the Senate that the amendment was an improvement on the House bill. The Senate report states:

The committee was impressed with the hardship factor in such cases. Such American citizens, not having been American citizens at the time of the expropriation of their property, might find themselves without the protection of either their country of origin or of the United States in obtaining compensation for their losses.

The committee recognizes that in its amendment there has been a departure from traditional international law, but is of the view that equity and justice under the circumstances justify an attempt by this Government to extend its protection to American citizens beyond the traditional confines.

The committee feels that the Executive branch should attempt to negotiate the inclusion of the claims of the above category of American citizens in settlement agreements although this is not made obligatory.

Incidentally, while the House bill definition of the word "national" has been the rule, the Landreau case and a statement by Secretary Hull are to the contrary. The rule then has not been without exceptions. Furthermore, there is no reason why we, in 1950, should not create historic precedent by changing the doctrine laid down by Secretary Fish in 1874. Times change. Let us be modern-minded and not be bound by obsolete precedents.

Unfortunately, when the bill went to conference, the amendment was deleted. Thus, it appears that the conferees, for some reason, which I should like to know, struck out the permissive authority to try to do justice to some of our own people and said, in effect, "You must perpetuate the inequitable provisions of the Yugoslav agreement."

I would say to this body that we have departed from the normal immigration laws to bring displaced persons to our country. We have departed from normal precedents in sending economic aid and grants to Europe. Surely we can make a small effort to insist that this Government protect its own citizens, old or new. Surely, we can, to this extent, blaze the trail for a new doctrine. Let us not exclude the victims of Nazi persecution and the victims of godless Communist oppression who have sought refuge in our land. Some of those whom it is sought to exclude from recovery fought for the United States in World War II.

I urge the House to vote down this report. If it is voted down I shall move to restore the amendment passed by the Senate and deleted by the conferees. This country is losing prestige all over the world because it has not been firm in protecting its own people.

I cite the case of Angus Ward in China, of Vogeler in Hungary, and there are countless other cases.

Mr. Speaker, the passage of this measure in its present form gives aid and confort to the Communists in these countries. The Communists are anxious to reduce the amount of the en bloc settlement. If these American citizens for whom I speak are not given the right to file their claims, the money which would go to them, will instead be transferred to the Communists. At this time of urgency and danger we cannot afford such quixotic self-defeating gestures. "The letter killeth and the spirit giveth life." Let us demonstrate our imagination and our vigor by being frank partisans of freedom.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. LODGE. I yield.

Mr. JAVITS. The gentleman makes a very convincing point in the respect that if the Senate amendment is not retained, the State Department is very likely to stand by its conception of international law without regard to the emergencies which face the world and which ought to make international law change to conform to reality. I believe the gentleman has made an excellent point in feeling that unless the Congress writes this proviso in, the State Department is likely to negotiate agreement after agreement with Poland,

Czechoslovakia, and with other countries in a similar situation and completely overlook these people who are persecutees.

I call the gentleman's attention that the word "persecutee" is already defined in the law and that a reference to it was all that was needed in respect to this particular legislation.

Mr. LODGE. I am glad the gentleman brought that out. I would like to have the assurance from our distinguished chairman, or from my distinguished colleague from Connecticut, that even though this provision was deleted in conference, there is nothing in the bill which would prevent the executive department from including these American citizens for whom I have been pleading.

Mr. RIBICOFF. There is nothing in the bill whatsoever that prevents such action.

Mr. LODGE. Then why do you not put it in the bill?

Mr. RIBICOFF. It was stricken out because, first, it is against constitutional law; and, second, against international procedure; third, we felt it would bind the hands of the Executive by telling him he had to make an agreement in a certain way.

We all know, and the gentleman from Connecticut should know, that we in the Congress cannot tell the Executive what type of agreement to make in the international field.

Mr. LODGE. The gentleman who is the sponsor of the bill should know that the Senate amendment is permissive and not mandatory, and that therefore we would not bind the Executive. Of course, it would not be unconstitutional for the Senate amendment to be enacted into law. It is properly within our power. Justice should be the object of the law and not its victim.

Mr. KEE. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Speaker, we have heard a good deal this afternoon about other matters not connected with the pending conference report on the Yugoslav claims bill. The gentleman from Connecticut [Mr. LODGE] mentioned the fact that we have not taken care of Vogeler and Angus Ward by giving them the right protection. I do not know what this has to do with the matter now under consideration, but I would like to inquire just what we should have done concerning Vogeler and what more we could have done in behalf of Mr. Ward.

Mr. LODGE. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. LODGE. I merely brought in those two cases to point out that this country was losing face all over the world. I think we have to examine all this foreign legislation, not with any narrow limitation, but in the larger view with regard to our total position throughout the world.

Mr. MANSFIELD. I appreciate the viewpoint of the gentleman from Connecticut, as I always do. But I do think he goes far afield in his arguments. I listened with a great deal of interest to the argument of the gentleman from Ohio [Mr. VORYS]. I thought he was a little tempestuous in his opposition to this particular bill. He saw fit to challenge the action of the House of last July 6th. He saw fit to challenge the action of the conference report of the House and of the Senate. I call the attention of the committee to the fact that the senior ranking minority member, the gentleman from New Jersey [Mr. EATON], signed this report, and I believe that, all things considered, it is the best we could obtain from the House and Senate at this time.

Various conditions have been set down, such as that this matter should be referred to the Court of Claims. Of course the gentleman knows if anything is referred to the Court of Claims it will be setting up a new idea and it would be a long time before these people who are entitled to this compensation would receive that which is their due.

The gentleman has also said that this bill is an inside job by the State Department lawyers. It is getting so in this country that when you want to pick on somebody all you have to do is to mention the State Department and, politically, you get an idea that you are safe. But I wonder how many of you recognize the fact that the State Department is the instrument through which our foreign policy is guided, and that what the State Department does or does not do is reflected upon the membership of this body, the Government, and the people as a whole. I think you would be better off if you would give the State Department a little more support and confidence for a change and cut down on your carping criticism, which seems to have become the vogue as far as some people are concerned.

As far as this particular measure goes, I think we should recognize the fact that it is not costing the United States Government one penny.

I would like to call to the attention of the House the arguments which were put forth on last July 5 by the gentleman from Connecticut [Mr. RIBICOFF], who has spoken so ably and so logically on the floor today.

He said then:

Before examining this bill in detail, I want to state briefly the main arguments in its favor.

The first argument is that the substance of the bill is all in our favor. It involves no liability against the United States or its citizens. It involves only the distribution of assets received or to be received in settlements with other governments.

The second point is that this legislation is necessary in order to enable the United States Government to pass along the benefits to the American nationals entitled to share in them. The money collected from Yugoslavia is already in the Treasury. The Government has authority but no mechanism for parceling it out. This legislation must be enacted so that the money can be distributed to its rightful owners.

The third argument is a negative one—there is no reason for not passing this bill. The rights of Americans against Yugoslavia arising within the scope of this bill have already been foreclosed by the claims agreement between this Government and the Yugoslav Government. No additional benefits can be gained by delay. In fact, delay can result only in postponing the date of recompense.

The fourth point is that the procedure established under this bill follows the formulas of experience. We know from antecedent claims settlements that the proper kind of agency and the right kind of standards for the satisfaction of individual claims are the ones provided in this legislation.

The final main argument is again a negative one. This legislation involves no burden upon the budget. The expense of operations under this law will be covered by deductions from awards made in pursuance of this bill.

Gentlemen, I submit that these arguments, presented on July 5, 1949, by the distinguished gentleman from Connecticut [Mr. RIBICOFF], sum up the ideas behind this proposed legislation, and I hope the House will uphold the action of its conferees.

The SPEAKER pro tempore. The time of the gentleman from Montana [Mr. MANSFIELD] has expired.

Mr. KEE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Speaker, a lot has been said about American citizens and American nationals. I think it would be much more accurate to say many are American citizens or American nationals who in the main have been citizens of some other country also.

Now, let us see what is found on page 7 of the hearings:

Several members of the House committee, including Mrs. DOUGLAS, Mr. JAVITS, and others, pointed out that grave inequities were likely to occur under H. R. 4406. For example, foreign stockholders in an American corporation, in which there was only a 20-percent beneficial agreement accepted, would receive payment under the bill.

In other words, 80 percent of a given sum of money would go to foreign stockholders and 20 percent to American stockholders. That is something that is not discussed very much incident to this legislation.

Still another thing, this is from the official House hearing, page 70:

There is a possibility that some of the American stockholders acquired their interest in the Swiss corporation shortly after some of the takings of the properties in Yugoslavia.

The gentleman from Connecticut [Mr. LODGE], I believe, mentioned that certain Americans had bought this property after it had been confiscated, and now, of course, expect to make a killing from it. That is exactly the kind of thing that is taking place in too much of this type of legislational fear.

The gentleman from Connecticut [Mr. RIBICOFF] said this in the course of the hearings:

Now, you talk about Americans who acquired their interest after the taking, which would indicate to me they went in there on speculation and picked this up at a song because they knew when they bought the stock they had a corporation which was already confiscated.

He said further:

It is a very dangerous precedent to protect speculators of that type who go in to pick up interests that are supposedly worthless and then have the United States protect them for the full amount.

Yes; I fear quite a bit of such dealing has taken place.

A rather interesting fact developed in the Senate hearings. I read from page 11. A Mr. Sternberg appeared before the Senate committee. He said:

My name is Manfred Sternberg, of New York. I respectfully ask and suggest only one thing, that this international Commission have its seat in the city of New York, because there are more than 70 percent of the claimants living in the city of New York.

Further in the hearings in the colloquy with Senator GREEN, Senator GREEN asked whether or not there is anything in the legislation that would prevent the Commission from sitting in New York.

I wish to ask the chairman of the committee if there is any chance that this Commission will have its seat of operations in New York?

Mr. KEE. The Commission is set up as an instrumentality of the State Department. The headquarters will very likely be in Washington.

Mr. BECKWORTH. That is good; I surely hope so.

With reference to the State Department, the State Department seems to have given the least possible information about this legislation. I have a letter dated February 28 from the Department of State. It is signed by Mr. Jack B. Tate, who is the deputy legal adviser. He writes:

With reference to your request for a list of the potential claimants against the Government of Yugoslavia pursuant to this agreement, I beg to advise you that no such list has been prepared.

I do not understand that, for the letter was dated February 28. If no list has been prepared, how do they know there are 1,500 claimants? There may be 2,500 claimants. Where did the information come from? I shall include the letter in the RECORD:

DEPARTMENT OF STATE,
Washington, February 28, 1950.

The Honorable LINDLEY BECKWORTH,
House of Representatives.

MY DEAR MR. BECKWORTH: Reference is made to your telephone call of this morning to officers of the Department in which you requested certain information with respect to claims encompassed by the agreement concluded with the Government of Yugoslavia on July 19, 1948.

With reference to your request for a list of the potential claimants against the funds paid by Yugoslavia pursuant to the agreement, I have to advise you that no such list has been prepared.

With reference to your inquiry as to the number of potential claimants, the Department's best estimate at the present time is that the number will eventually total between 1,400 and 1,500. This estimate is, of course, subject to the understanding that some of the individuals who have communicated with the Department may not file formal claims with the proposed Commission and that other individuals who have not communicated with the Department may file formal claims with the Commission if and when it is established. You will appreciate that an exact figure with respect to the number of formal claims cannot be determined until the period fixed for their filing with the proposed Commission shall have expired. While at the time of the negotiations resulting in the above-mentioned agreement the total value of the claims, as estimated by potential claimants, was approximately $42,000,000, the actual value of the claims cannot, of course, be determined until the proposed Commission shall have adjudicated all claims which may be presented to it.

Sincerely yours,

JACK B. TATE,
Deputy Legal Adviser
(For the Secretary of State).

One other thing that has been discussed was that there is no commission that could handle these claims. There is a commission that can handle them, in my opinion, and that is the War Claims Commission. It has already been set up by an act of Congress. I want someone who knows to point out the reason the War Claims Commission which is authorized to study all kinds of claims and to make certain adjudications cannot do his job of work? No one would say that it is an incompetent commission. A former Member of this House, Mrs. Lusk, is a member of the Commission. We talk about the people's needing this money; why take out 3 percent to pay the expenses of another Commission when we have a War Claims Commission already set up to study and adjudicate war claims? The time has come when this Congress should cease to set up additional commissions. The one proposed here, in my opinion, is not needed.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. KEE. Mr. Speaker, I yield the balance of my time to the gentleman from South Carolina [Mr. RICHARDS].

The SPEAKER. The gentleman from South Carolina is recognized for 13 minutes.

Mr. RICHARDS. Mr. Speaker, in reply to the gentleman from Texas who has just addressed you, and while his remarks are fresh in my mind, I would say that the gentleman seems to be under the impression that we can this afternoon change the terms of the executive agreement. As a matter of fact, with all the king's horses, under the American Constitution you cannot take anything out of the agreement between the President or the Secretary of State and the Government of Yugoslavia; nor can we add to it. From the time of John Marshall right down to the recent Curtiss-Wright case the courts have held that agreements of this kind are the function of the executive department of the United States and you cannot take it away from them.

This bill has been worked out by the Senate and the House and I think it is a good compromise agreement. We are saying in this report that for the first time that United States claimants against a foreign government are going to get between 40 and 50 percent of what they asked. In all the history of claims settlements of this kind the statistics show that American citizens got on an average about 9.8 percent. We are trying to look first after the rights of American citizens. That is why it is evident that the House won a victory over the other body in the report.

The Senate put a very dangerous provision in there, I thought. The gentleman from Connecticut and the gentleman from New York claim it should be kept there, but the conferees on the part of the House felt we were voicing the opinion of the House when we said: "No; this settlement goes to American citizens or nationals, or American corporations with 20-percent ownership by Americans. Just because some foreigner might have seen how the wind was blowing and filed his first papers to become a citizen of the United States should not entitle him to payment." I think that is plain.

The House receded in at least one instance which, to my mind, improves the bill. The Senate bill provided that the Commissioners who will act under the President and the Secretary of State must be confirmed by the Senate. That should do away with any fear of the gentleman from Ohio [Mr. VORYS], the fear he expressed when he said that stenographers and clerks would settle these claims. We want good men with judicial minds and judicial training, if possible. It is true they do not have to be lawyers under this report, but they will be competent men.

Do not forget that the position of the gentleman from Connecticut is not on all fours with that of the gentleman from Ohio. The gentleman from Ohio would be the last to admit he is in favor of the position of the gentleman from Connecticut. They, even on that side, do not see eye to eye.

All of the conferees were in favor of this report with the exception of one, a very distinguished gentleman, a very distinguished lawyer, and a very distinguished member of the Committee on Foreign Affairs; but, for the life of me, I cannot understand why in his minority report he said this settlement should be turned over to the Court of Claims, created "for just such purposes." That is what he said in the minority report. As a matter of fact, the question of whether or not the Claims Court could be given jurisdiction can be challenged.

The gentleman from Ohio said that he wants the right of appeal, and in the next breath he says: "What is the use of having a Claims Commission set up because the Secretary of State, under constitutional law, can distribute the money anyway?" The gentleman from Ohio knows also that these claims cannot be expeditiously and efficiently handled with the force they have in the State Department now.

Now, go back to the Court of Claims contention, What is the condition of the docket down there? There were at the end of 1949 exactly 3,258 pending claims. Every year they are getting 1,245 more and dispose of only 689 more. You add 1,500 of these claims to it, and that makes a backlog of 5,381 claims. That court is working hard but it is flooded. If you look in the hearings of the Committee on Appropriations, you will find that they are asking for more help. They are swamped down there. At the present rate it would be 8 years before these American citizens will get $1 under their settlement. Now, gentlemen, that is the size of it.

Mr. LODGE. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Connecticut.

Mr. LODGE. I just wanted to point out to the gentleman, it appears to me that the gentleman is in disagreement with the gentleman from Connecticut [Mr. RIBICOFF]. The gentleman from Connecticut, as I understood him, stated that even if the Senate amendment were not in, that these nationals that I am interested in could not be excluded. As I understand from the gentleman from South Carolina the reason the amendment was taken out was because you did not want to include those nationals. There is great disagreement between the gentlemen there.

Mr. RICHARDS. I cannot say that I understand the gentleman's point, but I will say this, I think the gentleman is confused on this thing between corporate claims and individual claims. The only reason that anybody who is not a national of the United States can get anything from this settlement is because of our Government's obligation to protect the rights of American corporations. We are trying, through ECA and every other means, to encourage American business in foreign fields, as well as foreign business in American fields, because we know we can compete with them. The only way anybody other than an American national or citizen can get anything out of this settlement is through his interest in an American corporation.

Do not forget that we do not own this money. We hold it as trustees. For whom? Citizens and corporations of the United States. Another reason you could not refer settlement to the Court of Claims or to the War Claims Commission is that if there is any residue left, who is going to turn it back to Yugoslavia? Of course, the executive department of the Federal Government has to do that.

I wish I had time to read to you what they said when they enacted the law creating the Court of Claims. The Congress said that the Court of Claims was set up to adjudicate claims against the United States Government. These are not claims against the United States Government. These are claims against Yugoslavia, and the State Department should be the agency to settle them. If the State Department handled the making of the agreement, should it not administer it? That is the whole proposition.

I do not think the able gentleman from Connecticut or my very able friend from Texas or the gentleman from Ohio believes for a minute, any of them, down in their hearts, that you can give this to anybody else but the executive part of the Government.

I want to disabuse the minds of the Members of this House of any idea they may have that this is a bill to spend the taxpayers' money to aid foreign countries or foreign people. It simply looks after our own.

Mr. BLATNIK. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. BLATNIK. The gentleman referred to the protection given American citizens. Is it not true, as was pointed out by the gentleman from Connecticut, that this actually differentiates, and that the new citizens will not get the protection the older citizens get?

Mr. RICHARDS. No, I do not think so. We have to draw the line somewhere. I think the best place to draw the line is where citizenship begins.

Mr. LODGE. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Connecticut.

Mr. LODGE. I think the provision that he had to declare his intention to become a citizen before the taking of the property would eliminate that particular argument.

Mr. RICHARDS. No, it would not. Many people saw which way the wind was blowing and made the first move at the last minute.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Montana.

Mr. MANSFIELD. Will the gentleman tell us just how much this legislation will cost the Treasury of the United States?

Mr. RICHARDS. Not a dime.

Mr. KEE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 88, noes 51.

Mr. VORYS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 209, nays 165, not voting 58, as follows:

[Roll No. 82]

YEAS—209

Abbitt	Crook	Hart
Addonizio	Crosser	Havenner
Albert	Davenport	Hébert
Andrews	Davis, Tenn.	Hedrick
Aspinall	Dawson	Heffernan
Barden	DeGraffenried	Heller
Baring	Delaney	Herlong
Bates, Ky.	Denton	Hobbs
Battle	Dingell	Holifield
Bentsen	Dollinger	Howell
Biemiller	Doughton	Huber
Blatnik	Doyle	Irving
Boggs, La.	Durham	Jackson, Wash.
Bonner	Eaton	Jacobs
Bosone	Eberharter	Jones, Ala.
Boykin	Elliott	Jones, Mo.
Breen	Evins	Jones, N. C.
Brooks	Fallon	Karst
Brown, Ga.	Feighan	Karsten
Bryson	Fernandez	Kee
Buchanan	Flood	Kelley, Pa.
Buckley, Ill.	Fogarty	Kelly, N. Y.
Buckley, N. Y.	Forand	Kennedy
Burke	Frazier	Keogh
Burleson	Fugate	Kilday
Burnside	Furcolo	King
Burton	Garmatz	Klein
Camp	Gary	Kruse
Cannon	Gordon	Lane
Carlyle	Gore	Lanham
Carnahan	Gorski	Lesinski
Carroll	Gossett	Lind
Chelf	Granahan	Linehan
Chesney	Grant	Lucas
Christopher	Green	Lyle
Chudoff	Gregory	Lynch
Combs	Hare	McCarthy
Cooley	Harris	McCormack
Cooper	Harrison	McGrath
McGuire	Passman	Spence
McMillan, S. C.	Patten	Staggers
McSweeney	Perkins	Steed
Mack, Ill.	Peterson	Stigler
Madden	Pfeifer, Joseph L.	Sullivan
Mahon	Pickett	Sutton
Mansfield	Poage	Tackett
Marcantonio	Powell	Tauriello
Marsalis	Preston	Thomas
Marshall	Price	Thompson
Merrow	Priest	Thornberry
Miles	Quinn	Trimble
Miller, Calif.	Rabaut	Underwood
Mills	Rains	Vinson
Mitchell	Ramsay	Wagner
Monroney	Redden	Walsh
Morgan	Regan	Walter
Morris	Rhodes	Welch
Moulder	Ribicoff	Wheeler
Multer	Richards	Whitten
Murdock	Rivers	Whittington
Murphy	Rodino	Wickersham
Murray, Tenn.	Rooney	Wier
Noland	Roosevelt	Willis
Norrell	Sabath	Wilson, Okla.
O'Brien, Ill.	Sasscer	Wilson, Tex.
O'Brien, Mich.	Shelley	Wood
O'Hara, Ill.	Sikes	Woodhouse
O'Neill	Sims	Worley
O'Sullivan	Smith, Va.	Yates
O'Toole		Zablocki

NAYS—165

Abernethy	Graham	Murray, Wis.
Allen, Calif.	Hagen	Nelson
Allen, Ill.	Hale	Nicholson
Andersen, H. Carl	Hall, Edwin Arthur	Nixon
Anderson, Calif.	Hall, Leonard W.	Norblad
Andresen, August H.	Halleck	O'Hara, Minn.
Angell	Harden	O'Konski
Arends	Harvey	Patterson
Barrett, Wyo.	Hays, Ohio	Phillips, Calif.
Bates, Mass.	Heselton	Phillips, Tenn.
Beall	Hill	Polk
Beckworth	Hinshaw	Potter
Bennett, Fla.	Hoeven	Poulson
Bennett, Mich.	Hoffman, Mich.	Rankin
Bishop	Holmes	Reed, Ill.
Blackney	Hope	Rees
Boggs, Del.	Horan	Rich
Bolton, Ohio	Hull	Riehlman
Bramblett	Jackson, Calif.	Rogers, Mass.
Brehm	James	Sadlak
Brown, Ohio	Javits	St. George
Burdick	Jenison	Sanborn
Byrnes, Wis.	Jenkins	Saylor
Canfield	Jennings	Scott, Hugh D., Jr.
Case, N. J.	Jensen	Scrivner
Case, S. Dak.	Johnson	Scudder
Chiperfield	Jonas	Secrest
Church	Judd	Shafer
Clevenger	Kean	Short
Cole, Kans.	Kearney	Simpson, Ill.
Cole, N. Y.	Kearns	Simpson, Pa.
Corbett	Keating	Smith, Kans.
Cotton	Keefe	Smith, Wis.
Cox	Kilburn	Stefan
Crawford	Kunkel	Stockman
Cunningham	Latham	Taber
Curtis	LeCompte	Talle
Dague	Lemke	Tollefson
Davis, Ga.	Lichtenwalter	Towe
Davis, Wis.	Lodge	Van Zandt
D'Ewart	Lovre	Velde
Dolliver	McConnell	Vorys
Dondero	McCulloch	Vursell
Elston	McDonough	Weichel
Engel, Mich.	McGregor	Werdel
Fellows	McKinnon	Widnall
Fenton	McMillen, Ill.	Wigglesworth
Ford	Mack, Wash.	Williams
Fulton	Macy	Wilson, Ind.
Gamble	Martin, Iowa	Winstead
Gathings	Mason	Withrow
Gavin	Michener	Wolcott
Gillette	Miller, Md.	Wolverton
Golden	Miller, Nebr.	Woodruff
Goodwin	Morton	Young

NOT VOTING—58

Allen, La.	Coudert	Hardy
Auchincloss	Davies, N. Y.	Hays, Ark.
Bailey	Deane	Herter
Barrett, Pa.	Donohue	Hoffman, Ill.
Bolling	Douglas	Kerr
Bolton, Md.	Ellsworth	Kirwan
Bulwinkle	Engle, Calif.	Larcade
Byrne, N. Y.	Fisher	LeFevre
Cavalcante	Gilmer	Magee
Celler	Granger	Martin, Mass.
Chatham	Gross	Meyer
Clemente	Gwinn	Morrison
Colmer	Hand	Norton

Pace	Rogers, Fla.	Taylor
Patman	Sadowski	Teague
Pfeiffer, William L.	Scott, Hardie	Wadsworth
	Sheppard	Whitaker
Philbin	Smathers	White, Calif.
Plumley	Smith, Ohio	White, Idaho
Reed, N. Y.	Stanley	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Gilmer for, with Mr. Auchincloss against.

Mr. Kirwan for, with Mr. Taylor against.

Mr. Chatham for, with Mr. Hoffman of Illinois against.

Mr. Byrne of New York for, with Mr. Reed of New York against.

Mr. Whitaker for, with Mr. Smith of Ohio against.

Mr. Deane for, with Mr. Herter against.

Mr. Morrison for, with Mr. Ellsworth against.

Mr. Bolling for, with Mr. Meyer against.

Mr. Engel of California for, with Mr. Coudert against.

Mr. White of California for, with Mr. LeFevre against.

Mr. Sadowski for, with Mr. Plumley against.

Mr. Hays of Arkansas for, with Mr. Hand against.

Mr. Celler for, with Mr. Hardie Scott against.

Until further notice:

Mr. Smathers with Mr. Martin of Massachusetts.

Mr. Magee with Mr. William L. Pfeiffer.

Mrs. Norton with Mr. Wadsworth.

Mr. O'TOOLE and Mr. HARRIS changed their votes from "nay" to "yea."

Mr. BURDICK changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPEALING THE TAXES ON OLEOMARGARINE

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, and 16 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

"(1) such oleomargarine or margarine is packaged,

"(2) the net weight of the contents of any package sold in a retail establishment is one pound or less,

"(3) there appears on the label of the package (A) the word 'oleomargarine' or 'margarine' in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine, and

"(4) each part of the contents of the package is contained in a wrapper which bears the word 'oleomargarine' or 'margarine' in type or lettering not smaller than 20-point type.

"The requirements of this subsection shall be in addition to and not in lieu of any of the other requirements of this Act."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(d) Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U. S. C., sec. 342) is amended by adding a new subsection (e) as follows:

"'(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food.'"

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its diagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting '(1)' after the letter '(a)' in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"'(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product, except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine.'

"(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

"'(f) For the purposes of this section and section 407 of the Federal Food, Drug, and Cosmetic Act, as amended, the term "oleomargarine" or "margarine" includes—

"'(1) all substances, mixtures, and compounds known as oleomargarine or margarine;

"'(2) all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter.'

"(c) Subsection (l) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: 'Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.'"

And the Senate agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
Managers on the Part of the House.

WALTER F. GEORGE,
TOM CONNALLY,
E. D. MILLIKIN,
ROBERT A. TAFT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine to repeal certain taxes relating to oleomargarine and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The committee of conference has agreed to recommend that the Senate recede from its amendment No. 10, a clerical amendment which became unnecessary, that the House recede from its disagreement to the Senate amendments Nos. 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, and 16, and that new provisions be substituted in lieu of Senate amendments Nos. 2, 11, and 12, all as explained below:

Section 3 (b) of the bill (Senate amendment No. 1): Section 3 (b) of the bill as passed by the House made the serving of colored oleomargarine or colored margarine in violation of section 407 (b) a prohibited act and a violation of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 331). Senate amendment No. 1, which was accepted by the conference, amended section 3 (b) of the bill by expanding the provision so as to make unlawful and bring within the prohibited acts section of the Federal Food, Drug, and Cosmetic Act the sale or offering for sale of colored oleomargarine or the possession or serving of colored oleomargarine in violation of sections 407 (b) or 407 (c) of the Federal Food, Drug, and Cosmetic Act, which sections are new sections added to the Federal Food, Drug, and Cosmetic Act under section 3 (c) of this bill.

Section 3 (c) of the bill (Senate amendment No. 2): The Senate amended section 3 (c) of the House bill by adding a new subsection (b) to section 407, the effect of which would have required the retail packages of colored oleomargarine to be manufactured in such a way that each part of the contents of the package would be triangular in shape. The conference committee struck out this Senate amendment No. 2, and agreed to a substitute which amends the Federal Food, Drug, and Cosmetic Act by adding a new subsection (b) to section 407 of that act. This provision provides that no person shall sell or offer for sale colored oleomargarine or colored margarine unless:

(1) It is packaged;

(2) The packages sold in retail establishments are not larger than 1 pound;

(3) The label of the package bears the word "oleomargarine" or "margarine" in size of type or lettering at least as large as any other type or lettering on the label, and bears also a full and accurate statement of all ingredients in the oleomargarine or margarine; and

(4) Each part of the contents of the package is wrapped with a covering bearing the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type.

These special labeling and packaging provisions, which are in addition to other labeling and packaging provisions of the Federal Food, Drug, and Cosmetic Act, are intended

to provide assurance that the consumer purchasing oleomargarine in retail establishments will be fully informed as to the contents of the package. It was not intended by the provision requiring packages to be not larger than 1 pound to modify the requirements of existing law with respect to accurate weight and measure. The purpose of this provision is to preclude the retail vending of colored oleomargarine or colored margarine in bulk-size containers or in packages larger than 1 pound. It does not preclude the present practice of placing in the 1-pound packages a slight excess of oleomargarine to assure compliance with the net-weight declaration. The package still must bear a label containing an "accurate statement of the quantity of the contents in terms of weight," pursuant to section 403 (e) (2) of the Federal Food, Drug, and Cosmetic Act, and the package must not be "so made, formed or filled as to be misleading," pursuant to section 403 (d) of that act.

This provision also requires that the label on the package of oleomargarine or margarine bear "a full and accurate statement of all the ingredients contained in such oleomargarine or margarine." This provision will require each ingredient contained in oleomargarine or margarine to be listed separately on the label but it does not require any indication as to either the actual or relative quantities of such ingredients.

Senate Amendments Nos. 3, 4, 5, 6, and 7: Senate amendments Nos. 3, 4, 5, 6, and 7, which were accepted by the committee of conference, all are designed to simplify the provision of section 3 (c) of the House bill which adds a new subsection (407 (c)) to the Federal Food, Drug, and Cosmetic Act. This section appeared in the House bill as section 407 (b), but was renumbered as section 407 (c) by the Senate amendments. These amendments relate to requirements imposed in connection with the serving of colored oleomargarine or colored margarine in public eating places. The amendments break the section down into two sentences; the first relating to the type of notice which must be posted in public establishments which serve or possess in a form ready for serving colored oleomargarine or colored margarine; and, the second, dealing with the particular notice that must be given by way of identification of individual servings of colored oleomargarine or colored margarine. No changes were made in the substance of the provision as passed by the House. Under this section no person is permitted to serve or possess in a form ready for serving colored oleomargarine or colored margarine in a public eating establishment, unless there is posted in such public eating establishments a prominent and conspicuous sign informing customers of the fact that oleomargarine is served, or unless appropriate notice to that effect is given on the menu. In addition, each separate serving either must bear or be accompanied by labeling identifying the colored fat as oleomargarine or margarine, or the separate servings must be triangular in shape. As indicated above, the Senate amendments make no change in substance but are simply clarifying.

Senate amendments Nos. 8 and 9 do nothing more than redesignate paragraphs (c) and (d) of section 407 of the House bill to (d) and (e) and are not intended to change in any manner the substantive provisions of these subsections as passed by the House. The renumbering was necessary because of the addition of new paragraph (b) hereinbefore discussed.

Section 3 (d) of the bill (Senate amendment No. 11): Senate amendment No. 11, as amended and agreed to by the committee of conference, adds a new provision to the bill the effect of which is to amend section 402 of the Federal Food, Drug, and Cosmetic Act by adding thereto a new subsection (e). The provision is as follows:

"(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine, or margarine, or butter is otherwise unfit for food."

This section, as agreed to by the conferees, adds nothing to section 402 (a) (3) of the Federal Food, Drug, and Cosmetic Act as it has been consistently interpreted and construed both by the administrative officials charged with its enforcement and by the Federal courts. It was adopted by the conferees, however, so as to make abundantly clear the intent of Congress that butter, oleomargarine, and margarine and all of their raw materials used in the manufacture of such butter, oleomargarine, and margarine should be subject to precisely the same standard of purity and to the same type of inspection.

It was not the intent of the conferees by adopting this new provision to weaken in any way the provisions of existing law as they have been interpreted and construed which provide that any food shall be deemed to be adulterated food (including all components thereof) if it consists in whole or in part of any filthy, putrid, or decomposed substance, or if it is otherwise unfit for food.

Section 4 of the bill (Senate amendment No. 12): Senate amendment No. 12, as amended and agreed to by the committee of conference, adds a new section 4 to the bill, the effect of which is to amend by adding new provisions to the Federal Trade Commission Act designed to curtail advertising representations and suggestions to the effect that oleomargarine or margarine is a dairy product. It is supplemental to the other provisions of the Federal Trade Commission Act relating to unfair or deceptive acts or practices or false advertising, and makes any advertisement of oleomargarine or margarine misleading if such advertisement represents that oleomargarine or margarine is a dairy product, except that this provision does not preclude the making of a truthful, accurate, and full statement in any advertisement of all the ingredients contained in such oleomargarine or margarine. It was recognized by the conferees that oleomargarine is required by the Federal standard of identity to contain either cream, milk, skim milk, a combination of dried skim milk and water, in which the weight of the dried skim milk is not less than 10 percent of the weight of the water, or a mixture of these ingredients. An exception was therefore provided which would permit a truthful, accurate, and full statement of all the ingredients in the advertising. This provision is consistent with the provision of section 3 (c) of the bill (Senate amendment No. 2), under which the label of oleomargarine or margarine is required to bear a full and accurate statement of all the ingredients contained therein.

Senate amendment No. 12 prior to its amendment by the conference committee also contained a definition of oleomargarine similar to the one contained in the Oleomargarine Tax Act (26 U. S. C. 2300). That definition, however, was regarded by the conferees as obsolete. As rewritten and agreed to by the committee of conference, the definition includes within its terms not only those substances known as oleomargarine and margarine, but also "all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter." This definition is not intended to nullify or impair the definition and standard of identity for oleomargarine which has been adopted under the Federal Food, Drug, and Cosmetic Act. That definition and standard of identity promulgated to promote honesty and fair dealing in the interest of consumers, provides assurance that articles which are represented as, or which purport to be oleomargarine, shall measure up to at least minimum standards for fat, shall be prepared in a specified way, shall contain only those optional ingredients which are expressly permitted, and shall bear the labeling statements prescribed for such optional ingredients. Under that standard an article which is represented as or which purports to be oleomargarine but which for example contains less than 80 percent of fat, would be misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act. Such a product, however, would be oleomargarine for the purposes of new regulations provided in this bill, although it would be misbranded oleomargarine under section 403 (g) of the present law. The statutory definition in this bill was deemed desirable in order to emphasize the purposes of the Congress that the oleomargarine-like or butter-like products which fail to meet minimum standards should in every case come within the controls here being prescribed as well as within the controls of other applicable provisions of the Federal Food, Drug, and Cosmetic Act.

This amendment to the Federal Trade Commission Act also provides that each separate violation of a cease-and-desist order issued by the Federal Trade Commission, shall be a separate offense, except that where the violation occurs through failure or neglect to obey a final order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

Other provision: Senate amendment No. 13 simply renumbered section 4 of the bill to make it section 5. This renumbering having been made necessary by the addition of Senate amendment No. 12.

Senate amendment No. 14 reworded and renumbered section 5 of the House bill, which provided that the act should not abrogate or nullify any statute of any State or Territory. This was done to provide very clearly that the adoption of this act shall not be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of any State or Territory.

Senate amendment No. 15 renumbered and revised section 6 of the bill as it passed the House. As now written, the act will become effective on July 1, 1950. This will make the law effective at the start of the next fiscal year, which also would have been the tax year for the purposes of the Oleomargarine Tax Act. It will provide time within which the Food and Drug Administration may prepare itself for the administration of the requirements of this act and request the necessary funds for administration.

The conferees considered that the separability clause of the Federal Food, Drug, and Cosmetic Act would be applicable to the provision of this act, and, therefore, no additional separability clause would be necessary in connection with this bill.

The bill as agreed to by the conferees repeals the tax provisions of the Internal Revenue Code relating to domestic oleomargarine but leaves the administrative provisions relating to the collection and enforcement of those taxes still in the Internal Revenue Code. By not specifically repealing these provisions it is not intended that such provisions will have any effect with respect to oleomargarine except to the extent necessary to enforce the taxing provisions on imported oleomargarine or for the purpose of sustaining any proper suit, action, or other proceeding with respect to violations which have occurred prior to the effective date of this act.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
Managers on the Part of the House.

Mr. COOLEY. Mr. Speaker, I yield myself 5 minutes.

CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-three Members are present, not a quorum.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 83]

Allen, La.	Gilmer	Norton
Anderson, Calif.	Golden	Pfeiffer,
Bailey	Granger	William L.
Barrett, Pa.	Gross	Philbin
Bentsen	Gwinn	Plumley
Bolton, Md.	Hall,	Powell
Brown, Ohio	Leonard W.	Reed, N. Y.
Bulwinkle	Hand	Rogers, Fla.
Byrne, N. Y.	Hart	Sadowski
Celler	Hays, Ark.	Sasscer
Chatham	Hedrick	Smathers
Chesney	Herter	Smith, Ohio
Chiperfield	Hoffman, Ill.	Stanley
Clemente	Holifield	Stigler
Colmer	Jennings	Taylor
Coudert	Kearney	Teague
Davies, N. Y.	Kilday	Thomas
Deane	Kirwan	Vinson
Donohue	Larcade	Wadsworth
Douglas	LeFevre	Whitaker
Eaton	Magee	White, Calif.
Ellsworth	Martin, Mass.	White, Idaho
Engle, Calif.	Meyer	Withrow
Feighan	Morrison	Woodhouse
Fernandez	Murphy	
Fisher	Norrell	

The SPEAKER. On this roll call 358 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REPEALING THE TAXES ON OLEOMARGARINE

Mr. COOLEY. Mr. Speaker, I am delighted to present this conference report on the oleomargarine bill. I am certain that all of us are delighted that we are now coming to the end of this great and dramatic fight which has been going on in Congress for more than 60 years.

Everyone now seems to generally agree that the tax on oleomargarine should be repealed.

After many hours of trying to compose differences, the conferees finally reached agreement. The bill finally agreed upon is substantially the same as that which passed the House. It is, of course, not identical with the House bill, but the important provisions contained in the House bill are in substantially the same form as they were when they were accepted by the House. The statement has just been read in lieu of the report, and I shall not attempt to discuss the differences involved in the two bills which were considered in conference.

I am aware of the fact that many Members of the House have received telegrams to the general effect that this conference report has buried in its provisions a sleeper—the telegrams which have been received by Members warn them to watch out for this nefarious sleeper—this sinister and subtle effort on the part of members of the conference committee to mislead and deceive Members in the hope that they will adopt the report without knowing or understanding fully its provisions and purposes. Mr. Speaker, the members of the House Committee on Agriculture have never brought to the floor of this House either a bill or a report which contains any sort of a sleeper. If by the word "sleeper" we are to understand that it is a provision slipped into a measure or by subtle trick inserted into a measure for the purpose of deceiving Members of Congress, it is not our purpose now and never has been to deceive or to make an effort to deceive or to perpetrate a fraud upon our colleagues or upon anyone else. If the word "sleeper" has the meaning of evil action, as we understand it does, then every Member of Congress who has received such a telegram, with such an unholy implication should resent the reflection upon the Members of this House who represented you in conference. Mr. Speaker, I am speaking about the provision of this bill which amends the penalty section of the Federal Trade Commission Act. This bill, which has been known and designated as the oleomargarine bill, amends three separate and distinct organic laws. One section of it deals with the Internal Revenue law; other provisions deal with the Pure Food, Drug, and Cosmetics Act; and still other provisions deal with the Federal Trade Commission Act. The oleomargarine bill amends the Federal Trade Commission Act in more than one respect. The provision which is referred to as "the sleeper," with all the vile implications of that word, is directed at the provision which amends the penalty section of the Federal Trade Commission Act. Now let us see what is sinister or subtle or harsh or evil or unholy about this provision which deals with penalties. I am at a loss to understand how any intelligent person could be so foolish as to suggest that this provision is a sleeper and something about which the membership of this House should be warned. It is true it was not in the House bill, but it was an amendment offered and adopted in the United States Senate. It was approved by Members of the Senate in the exercise of their own rights and privileges. This Senate act, if it can be called such, was committed or perpetrated in the broad, open daylight, and, I assume, after free and full debate. These telegrams which have been sent to members are well calculated to indicate that the conferees in star-chamber session and with evil intentions inserted into this conference report something which was neither contained in the House bill nor in the Senate bill. This just is not true.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. MICHENER. I have not received any of those telegrams, but I have been concerned about this subsection (c) in section 4 as outlined in the conference report. My concern is not that it is a sleeper, because it seems to me plain that if it was in the Senate bill it, of course, would be legitimate conference material—no question about it—but that this amends the general provisions of the Federal Trade Commission Act.

The House Committee on the Judiciary has jurisdiction over that law. A subcommittee of the Committee on the Judiciary has been making a careful study of this very subject of changing and increasing these penalties. I cannot understand why, without the benefit of any hearings on this particular provision. This is Nation-wide and of vast importance to every business in the country, big and little, the Federal Trade Commission Act should be substantially amended in this most important particular by simply having an oleo bill amend the law.

This proposed amendment to the Federal Trade Commission Act is subject to the following objections:

First. There has been no demonstrated need for such unusual authority;

Second. There have been no hearings of any kind on the proposal;

Third. It has never been considered by the proper committee of the Congress;

Fourth. It violates the spirit of the Reorganization Act in that it amends basic statutes by means of a rider which is not germane to the main purposes of the legislation;

Fifth. It is not offered in good faith by its supporters, since its primary purpose is to get Members of this House to vote against the oleomargarine bill.

I have no intention of going into the pros and cons of butter versus oleomargarine.

But I do object, and strenuously, to this attempt to amend the organic act of the Federal Trade Commission without any consideration as to the final effect of such legislation.

This is no way to legislate.

I shall, therefore, vote against this conference report. This is without reference to the difference in opinion in reference to the oleo controversy.

Mr. COOLEY. I might say to my friends that the Senators of the United States do a lot of things that I cannot understand. I cannot understand why they did it, but they did. I do not see anything objectionable about it. It is my recollection that the amendment was offered by Senator McCARTHY, of Wisconsin, and amended by an amendment offered by Senator AIKEN, of Vermont.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CURTIS. Is it the gentleman's understanding that this amendment to the Federal Trade Commission Act is general in nature or is it limited to matters pertaining to oleomargarine?

Mr. COOLEY. It is general. It is an amendment to the penalty section of the Federal Trade Commission Act. In substance it makes it comply with the penalty section of the Commodity Exchange Act which incidentally is even more harsh than this. The Commodity Exchange Act provides a minimum fine of not less than $500 nor more than $10,000 or imprisonment for not less than 6 months nor more than 1 year. And each day during which such violation or refusal to obey such order continues shall

be deemed a separate offense. That is in the Commodity Exchange Act.

In connection with this amendment to the penalty section, I desire to call your attention to a letter which I have just received from Mr. Joseph S. Wright, Chief, Division of Compliance, of the Federal Trade Commission:

FEDERAL TRADE COMMISSION,
Washington, March 7, 1950.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN COOLEY: I am enclosing herewith copy of a letter sent to Senator FULBRIGHT today on the subject of the amendment to the penalty provision of the Federal Trade Commission Act which appears in H. R. 2023.

The only new feature in this language is that which will permit the court, in its discretion, to impose a daily penalty for a single act or course of action extending over a period of time and in violation of a final order of the Federal Trade Commission. This is a common statutory provision. The Packers and Stockyards Act contains several similar provisions, which have been on the books since 1921. One provision of that act (7 U. S. C., sec. 195 (3)), provides for a penalty of not less than $500 nor more than $10,000 and imprisonment for not less than 6 months nor more than 5 years, and states that each day shall be deemed a separate offense. There are provisions in the Federal Trade Commission Act and in the Wool Products Labeling Act requiring mandatory penalties of $100 per day for failure to obey orders requiring filing of reports; and there are provisions in the Interstate Commerce Act requiring the imposition of mandatory penalties of $500 per day for failure to obey orders requiring the filing of reports.

Furthermore, the penalty provision in section 5 of the Federal Trade Commission Act, which H. R. 2023 amends, is a maximum penalty, entirely within the discretion of the United States district courts, and there is no minimum penalty whatsoever. The court is not obligated to impose the maximum penalty or any part of it, and in fact in only one case in the past 12 years has the maximum penalty of $5,000 for each violation ever been imposed. It has been the Commission's experience that the usual penalty imposed by the courts will run from less than $50 to around $1,000 per violation.

Sincerely yours,

JOSEPH S. WRIGHT,
Chief, Division of Compliance.

We are amending not only the penalty section of the Federal Trade Commission Act, but also the labeling section of the act. I also desire to call attention to a letter addressed to Senator J. WILLIAM FULBRIGHT, dated March 7, 1950, and signed by W. T. Kelley, general counsel, Federal Trade Commission:

MARCH 7, 1950.

Hon. J. WILLIAM FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: You requested some comments from me regarding the scope and interpretation of the language in H. R. 2023 amending section 5 (1) of the Federal Trade Commission Act by providing that in the case of violation of a final order to cease and desist through continuing failure or neglect to obey the order, each day of such continuance shall be deemed a separate offense.

To provide a background I will briefly describe provisions of the present statute. When the Federal Trade Commission has reason to believe that any person has violated section 5 of its act by engaging in an unfair method of competition or an unfair or deceptive act or practice in commerce, it issues a formal complaint stating its charges. After a hearing and the taking of testimony on any controverted issues of fact, the commission makes a decision on the record and issues findings of fact and an order requiring the parties to cease and desist from whatever violations of law are disclosed by the record. Any party subject to such an order may file a petition for review of the proceeding in the court of appeals. These orders become final upon affirmance in the courts or after 60 days from date of service if no petition for court review has been filed. After the order has become final, the parties become subject to a civil penalty of not more than $5,000 for each violation, recoverable in a suit by the United States.

Nothing in H. R. 2023 changes the above provisions in any way. The new language simply provides that in those infrequent cases where the violation is a single act or course of conduct continuing over a period of time the government is not limited to a maximum penalty of $5,000, and may seek a daily penalty.

Under existing law, a party subject to a Commission order requiring the abandonment of certain false advertising claims would be subject to a penalty of up to $5,000 for each false advertisment in violation of such an order. There are instances involving a great many violations of such an order, each a separate offense, and where the maximum penalty would run into millions of dollars. The Commission has never recommended to the Attorney General, and the Attorney General has never sued for any such astronomical sums, and it is inconceivable to me that any Federal court would impose penalties under this section which are not reasonably related both to the seriousness of the offense charged and the size and resources of the defendant.

The language in H. R. 2023 is, of course, of general application and would apply to all orders to cease and desist under the Federal Trade Commission Act, not just those involving oleomargarine. It would apply, as I see it, only to those instances where a continued course of conduct constituted but a single violation of the order. For instance, if an advertiser of oleomargarine, or of butter, for that matter, subject to an order against false advertising were to embark on a campaign of radio advertising in violation of the order, each separate dissemination of the false claim in violation of the order would still constitute a separate violation. But if such advertiser were to place a billboard or a large electric sign in a prominent place and leave it over a period of time in violation of the order, this would constitute a continuing failure or neglect to obey the order, and, under the proposed new penalty, the Government would not be limited to a $5,000 penalty for a single offense.

The principal value of the amendment to the Commission would be in the field of price fixing and continuing conspiracies in restraint of trade. The courts have held in numerous cases that a continuing conspiracy is but a single offense. The Commission has hundreds of orders to cease and desist under section 5 of the Federal Trade Commission Act against conspiring and combining to fix prices or control production. These orders involve many of the country's basic industries. In cases of violation of such orders through a continuing conspiracy to fix prices or control production, the language of H. R. 2023 would permit, but not require, the Federal courts to impose penalties commensurate with the offense and more reasonably related to the advantages accruing to the defendants from the violation.

The Commission has orders against continuing price fixing conspiracies involving entire basic industries such as cement, salt, electrical equipment, and various iron and steel products. The continuance of such practices in violation of Commission orders could result in injury to the public running into millions of dollars annually, and under existing law the maximum penalty is limited to $5,000.

The language is not novel, and there are many precedents in other statutes, particularly section 314 (a) of the Packers and Stockyards Act of 1921.

Sincerely yours,

W. T. KELLEY,
General Counsel.

But for this penalty provision a large corporation violating the law wilfully and deliberately by placing highway signs along all of the highways for the purpose of misleading the public could only be subjected to a maximum fine of $5,000 which it might gladly pay and the Commission and the courts would be without authority to make them take down or remove the signs and stop the fraud which might be perpetrated on the public.

As the gentleman pointed out a moment ago, the Federal Trade Commission has recommended to the gentleman's committee that the law be amended in the respect indicated.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MICHENER. Then the fact to which we should give consideration—and I believe in adequate penalties—is the effect of the amendment proposed by the conference report on H. R. 2023, which would be to make each day of continuing failure or neglect to obey the FTC order a separate offense with a penalty of $5,000. Thus, if there should be a 90-day failure or neglect in obeying the FTC cease-and-desist order, a civil penalty of $450,000 would accrue, and a 6-month delay would mean $900,000. No one wants anything like that, but that would happen.

Mr. COOLEY. May I say to the gentleman that I, for one, have no fear of that provision. Here is the situation: I think there has been some confusion about this. This penalty only applies in the event of a final order and not to any interlocutory order or decree which might be issued by the Commission. It only applies after the citizens or the corporation has appeared before the Commission and been convicted. They still have the right of appeal to the courts. If they do not appeal, then the interlocutory order becomes final and the penalty could apply. If an appeal is taken, the matter would go into the courts and the penalty would not apply. The order of the Commission is suspended pending the appeal. Only when the final order is entered following the judgment of the court is this penalty applied.

Then, I say, if anybody, after having been heard by the Commission, and after having their day in court, is adjudged in violation of the law, they ought not to object to being subjected to penalty for a separate offense for each day's violation; otherwise there would be no way of enforcing the orders of the court in such cases.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. O'HARA of Minnesota. The Committee on Interstate and Foreign Commerce deals legislativewise with both the Federal Trade Commission and the Federal Food and Drug Act.

In connection with subsections (d) and (e) of the report, reference is made to including penalties for impure margarine, mislabeling, and that sort of thing. What are the penalties which would be included in that addenda to the report? Those would be criminal penalties.

The SPEAKER. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. COOLEY. Mr. Speaker, I yield myself three additional minutes.

The penalties that I read a moment ago from the Commodity Exchange Act and the Packers and Stockyards Act are penalties that carry with them imprisonment. This penalty from nothing up to $5,000, even if a man had a 90-day violation he might still be fined only $10 or $50 or $150, as the judge in his discretion might deem proper punishment.

Mr. O'HARA of Minnesota. With reference to the Food and Drug Act, it is a much smaller penalty and does not include imprisonment.

Mr. COOLEY. I am not certain.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. The Food and Drug Act contains these penalties: Imprisonment for not more than 1 year, and a fine of not more than $1,000, or both such imprisonment and fine.

Mr. COOLEY. That does carry with it imprisonment, which is a more severe penalty, because in the Federal Trade Commission Act it carries no imprisonment.

Mr. REDDEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. REDDEN. I have not received any of the telegrams that the gentleman referred to, but I am sure no one who knows the committee that composed this conference committee would make any charge against it. However, I do want to say that I agree with the gentleman from Michigan in his interpretation of this section, that it does mean the general Federal Trade Commission Act on subjects not related to the purposes of this bill. In other words, this amendment is general, and covers all subjects over which the Federal Trade Commission has jurisdiction, and an order which they might issue will be effective against any violation of the Federal Trade Act, whether it pertains to oleomargarine or not.

Mr. COOLEY. The gentleman evidently did not hear my opening statement. I made that statement in the very opening of my remarks. There is nothing ambiguous about this language nor anything ambiguous about the purpose of it. Your understanding is entirely correct. The Senate of the United States, in the exercise of its own prerogatives, saw fit to amend the Federal Trade Commission Act. In conference we did agree to this provision. I did offer to call the conferees back together if the House conferees wanted to strike it out. It was put in there by those who are interested in the welfare of the butter people in the country. No one apparently wanted to take it out.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HALLECK. I appreciate the fair attitude of the chairman of the Committee on Agriculture. Of course, inasmuch as this language was written in by the other body, no one could call it a sleeper, properly. However, I must insist, speaking for myself, that since Federal Trade Commission legislation is properly before the Interstate and Foreign Commerce Committee, and since that is the committee that deals with legislation, it does seem to me that to attempt to legislate in this manner in connection with the matter which is presently before us, which comes from the Committee on Agriculture, sets a bad precedent. I do not care whether it is put in by the other body or here.

Mr. COOLEY. The gentleman knows it was not put in in this body, and it was not put in by my committee.

Mr. HALLECK. I understand. The only regret I express is that the House conferees did not insist on its being taken out, because the language of the statute made to apply generally is a matter of tremendous concern to small-business people all over the country. The Federal Trade Commission Act has to do primarily with unfair-trade practices. I am quite convinced this penalty could work severe hardships in many instances. For myself, I regret that we have it in this conference report.

Mr. COOLEY. I do not agree that it will work a hardship, but I do agree that the matter may properly hereafter be considered by the proper committee.

The SPEAKER. The time of the gentleman from North Carolina has expired.

(Mr. COOLEY asked and was given permission to revise and extend his remarks and to include certain communications.)

Mr. MICHENER. Mr. Speaker, I ask unanimous consent, with the permission of the chairman of the committee, to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COOLEY. Mr. Speaker, I yield 15 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker——

Mr. SHORT. Mr. Speaker, will the gentleman yield briefly before he begins his statement?

Mr. AUGUST H. ANDRESEN. I shall be pleased to yield to the distinguished gentleman from Missouri.

Mr. SHORT. I know nothing about the so-called sleeper provision put in the conference report by the other body, but I can appreciate the apprehension of some Members of this body, because they lost their pants in a sleeper during this past year.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I am a member of the conference committee. I did not sign the report. I am opposed to the whole bill, including the sleeper to which some gentlemen have referred. The report should be defeated, but I believe we ought to have a little explanation of the report.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COOLEY. The gentleman said he was opposed to the sleeper.

Mr. AUGUST H. ANDRESEN. No.

Mr. COOLEY. The gentleman has reference to that provision I have just discussed.

Mr. AUGUST H. ANDRESEN. I am opposed to the whole conference report.

Mr. COOLEY. But the gentleman does not want to refer to that provision as a sleeper, does he?

Mr. AUGUST H. ANDRESEN. I believe, if the gentleman will look up my remarks, he will find I referred to the sleeper which some of the gentlemen have referred to. Certainly, it is not a sleeper, because it was put into the bill in the other body, and it has been in there for at least 3 weeks. Everybody has had a chance to study it, and they know it is all-inclusive and takes in every violation of the Federal Trade Commission law.

Mr. COOLEY. Mr. Speaker, will the gentleman yield for one further question?

Mr. AUGUST H. ANDRESEN. Certainly.

Mr. COOLEY. Has the gentleman made any effort heretofore to take it out? On the other hand, has not the gentleman insisted that it remain in the bill?

Mr. AUGUST H. ANDRESEN. I have insisted on nothing of the sort.

Mr. COOLEY. What?

Mr. AUGUST H. ANDRESEN. I have insisted on nothing of the sort; as a matter of fact, the gentleman knows that the conference committee gave very little if any discussion to this provision, because the gentlemen who represent the oleo viewpoint were more interested in getting rid of the triangular package and some other things than they were in removing the penalties.

Mr. COOLEY. Just one further question.

Mr. AUGUST H. ANDRESEN. One only, for my time is running.

Mr. COOLEY. Did not the chairman of the House conferees offer to call the committee back together if the gentleman from Minnesota wanted this provision out?

Mr. AUGUST H. ANDRESEN. Does the gentleman from North Carolina want me to explain why he called the committee together?

Mr. COOLEY. No; I do not want the gentleman to explain anything at all.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I cannot yield further if the gentleman wants me to explain that. If I have time, I certainly will.

Mr. Speaker, let me point out one or two things that this conference report requires. No. 1 is that when oleo is served in public eating places, first there must be notice in a public eating place or restaurant; secondly, it must be on the menu; third, the individual servings of oleo must be identified as oleomargarine,

or it must be served in triangular shapes. Those requirements are for public eating places.

Then on the label of the 1-pound package in which oleomargarine is sold at retail the label must contain a statement of every ingredient. The outside label of the package of oleomargarine must show on the label separately that the oleo or margarine is made from cottonseed oil, peanut oil, soybean oil, fish oil, butter flavor, skim milk, salt preservatives, and color. That must be specifically stated on the label so that everyone will know each of the ingredients and kinds of vegetable oil used in the manufacture of oleomargarine or margarine.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. KEEFE. Did the conference discussion indicate what was meant by the language which appears on page 5 of the report, which reads:

> In addition, each separate serving either must bear or be accompanied by labeling identifying the colored fat as oleomargarine—

And so forth.

Mr. AUGUST H. ANDRESEN. That is what I have mentioned.

Mr. KEEFE. Does that mean each little individual patty of oleomargarine served to an individual customer must be wrapped and labeled?

Mr. AUGUST H. ANDRESEN. Not necessarily.

Mr. KEEFE. What does it mean?

Mr. AUGUST H. ANDRESEN. There must be a notice or identification with each serving to identify it as oleo or margarine.

Outside of those two restrictions the oleomargarine industry has won a complete victory. The Senate put in an amendment in its bill that required that all packages of oleomargarine sold at retail should be in triangular packages. The House conferees did not go along with that. That is, the majority of the conferees on the Democratic side did not go along with that provision, and it was thrown out. So I say to you that the oleomargarine industry has gained a complete victory in this legislation.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Would not the gentleman rather say that the Democratic administration has won a complete victory?

Mr. AUGUST H. ANDRESEN. I think that is an accurate statement, and I hope to mention something about that.

The approval of this report puts the finishing touch on legislation sponsored by the Democratic Party to legalize the unrestricted sale of yellow-colored oleomargarine in imitation of butter. It means the rapid liquidation of hundreds of thousands of small dairy farmers who produce the milk for butter and other processed dairy products. These people do not sell their milk as fluid milk. They can only dispose of their milk for butter, cheese, and other processed dairy products. They will lose their market if oleomargarine takes over the major portion of the demand for a spread. Some may say that it will not affect the dairy farmers at all, but what has happened in the last 10 years?

Butter consumption has gone from 17 pounds per capita in this country down to 10½ pounds, while during the same period oleomargarine consumption has gone from 2 pounds up to nearly 7 pounds. So the dairy farmers, and there are 2½ million of them, will gradually lose their market, and they will have to liquidate their herds in this country. You cannot get away from it. Maybe some day the people will wake up that they are eating a synthetic product made from vegetables to which they may be allergic. One reason why we insisted they put each one of these oils to be shown on the label was because of the fact a good many people are allergic to different oils and they should therefore know what the ingredients in oleomargarine are; therefore, the requirement which cannot be set aside by either the Pure Food and Drug Administration or any other agency which provides the printing of each separate ingredient be shown on the label so that there can be no misunderstanding about that.

Mr. Speaker, we have been up against a terrific oleo lobby in this fight. I have been here a good many years, and I have never seen such a clever, highly financed lobby in my days as we have had in this oleomargarine fight.

They have not appeared in the open. They have been hiding behind the housewives. The oleo lobby has been hiding behind the housewives of this country and using the clubwomen from the various clubs and housewives to put over this drive to legalize a synthetic product to imitate butter and to sell it openly in order to displace a product which is the livelihood of 2,500,000 dairy farmers in this country. We could not even get one man from the oleo industry to appear before our committee.

There are only 28 large manufacturers of oleomargarine in this country, and 5 of them make 75 percent of the oleomargarine consumed in the United States. I was looking up what these five made last year and in 1948. You know, these companies made over $70,000,000 net profit after taxes in 1948 and about the same amount in 1949. I mention that because those who are supporting the oleo industry on this floor should know that they are casting 2,500,000 small-dairy farmers down the stream and giving their support to increase the profits of the oleomargarine trust.

Now, we also have Lever Bros. in the oleo business. I could not find out how much Lever Bros. made. They do not publish their statement. Their stockholders are all in England, so they do not publish their earnings. But, Mr. Luckman, who was with them several years and just got fired when he took on the Jackson Day dinner a short time ago, we are advised, has ordered the construction of two $25,000,000 oleo factories, one in California and one on the east coast. This company is preparing to take over the market in the United States for oleomargarine, and the chances are they will, because this country is helping to finance them with some of the taxpayers' money in some of the countries in the rest of the world. This Lever Bros. Co. produces 75 percent of the oleomargarine that is consumed in the entire world. So it is only natural that they want to become a leader in the United States market.

But the people here today who are supporting the oleo trust will well remember this: They are helping to liquidate 2,500,000 small-dairy farmers who provide the milk from their dairy herds to supply you with good, wholesome, natural dairy products.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Will my colleague advise the House what provision there is in the proposed report which will advise the public, when they go into a restaurant or hotel, whether they are eating butter or oleo?

Mr. AUGUST H. ANDRESEN. Well, at the present moment, take the District of Columbia. We have a law here that requires a sign to be posted, with certain sized letters on it, to show people that they are eating oleomargarine. That law is not enforced. Those of you who eat in the restaurants around the Capitol will find that 75 percent of the restaurants in Washington today are serving oleomargarine, colored oleomargarine, as butter. There is a provision in the report that requires oleo to be served in triangular shape when it is served in a public eating place, and also to have it on the menu and a sign in the restaurant.

We have heard a great deal about the Brannan plan, but what has the Secretary of Agriculture done to help stop this liquidation of 2,500,000 small dairy farmers? He has not uttered one word to help them in this fight with the oleomargarine industry. Does he want to liquidate them? Surely, the Brannan plan will not help them in any manner, if they are put out of business. Of course, I recognize that the Democratic Party and President Truman have lined up with the oleomargarine trust, and that is the reason why the Democratic leadership has sponsored this oleo legislation which will be detrimental to hundreds of thousands of small dairy farmers in the country. The Democratic Party has made this oleo bill its No. 1 legislative proposal in the Eighty-first Congress. President Truman, the Speaker, and other Democratic leaders say, "We Democrats won the election in 1948," but they now forget that they won the election with the aid of many farmers of the North. I can assure our Democratic oleo friends that the dairy farmers will not forget what has happened here today. But why this silence on the part of Secretary Brannan? Is he for the farmer who operates a small family-sized farm, or does he only represent the large commercial farmers in this country?

Today is quite significant. Today is March 7. Just 11 months ago today, Mr. Brannan submitted his much publicized plan to the Committees on Agriculture of both Houses. Up to this time he has not advised us how much it is going to cost. As a matter of fact, instead of

coming in to help the small dairy farmers of this country he has spent most of his time in the past 11 months going over the country playing politics with the welfare of American agriculture, and is still fighting for a plan that will reduce our farmers to regimentation and slavery, and make them dependent upon the Federal Government for a substantial portion of their income, if they are able to produce.

I hope this conference report will be voted down.

If the Members of the House want to help the economy of our country, you should vote against this conference report and for the welfare of 2,500,000 dairy farmers. They are American citizens who contribute much to the welfare of our economy. They should have your wholehearted support today.

Mr. COOLEY. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Speaker, I shall use these 4 minutes to give my viewpoint on the recent tirade of the gentleman from Minnesota.

To begin with, only a very small percentage of the statements he has made to you about oleomargarine you can take seriously. I heard him say that the oleomargarine people did not even send their top men to his committee. How many oleomargine people do you think would have made any impression on the gentleman from Minnesota? I heard one man get up here one time and say that oleomargarine had linseed oil in it. That is how much he knew about it.

Let me tell you something about margarine. First, though, let me say that was one of the poorest swan songs I have ever heard. At least a billion pounds of margarine were sold in this country last year, and 99 percent of the people who bought that billion pounds of margarine knew what they were buying and were glad to buy it. They wanted it or they would not have bought it.

Mr. DINGELL. They would have had nothing if they had not had that.

Mr. RIVERS. Of course, they would not have had anything else, and you know it.

Out of that billion pounds of margarine sold last year, which the people wanted and were glad to buy, the people of this country who wanted it and ate it, and I was one of them—I buy it every week, at least 2 pounds, and I look like a million dollars and you know it. I do not look a day over 21.

Out of that billion pounds of margarine sold to the housewives of this Nation who have been paying tribute for 62 years—and then old RIVERS came along, with the other people who saw the light, and we are going to repeal this thing, to the contrary notwithstanding of those who shed crocodile tears the size of ice picks.

Now let me tell you something else. Out of that billion pounds of margarine, 20 percent was milk.

Over 200,000,000 pounds of milk went into that production of margarine. Brother, if that is not selling the dairymen down the river. In my country, that "ain't hay"—if you catch the point. For 62 long, lean years the housewives of this country have been paying ransom to the butter trust of the country. This is their day. They have been required to pay a ransom to the butter trust. I am not talking about the farmer. The farmer has nothing to do with the price of butter. I do not even know what the price of butter was. If there had been a reasonable price for butter in these hard times, margarine would not have gone up to the place where it has gone against every obstacle in the world. I am not worried about the Federal Trade Commission matter. I am against sin and so are you. I am against everything that is wrong. I ask you what manufacturer will purposely flaunt the law of this country when they have all their corporate assets at stake. Do you know, there is a way for the Treasury Department to put them out of business. I am not worried about this Federal Trade Commission matter. I do not think it is a sleeper. I think the only people in this country who thought that was a sleeper are those boys who are shedding the same kind of crocodile tears that are being shed by the gentleman from Minnesota. I do not take any stock in it.

This is the day for the American housewife and RIVERS is right on their side.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, the Eighty-first Congress has passed more harmful agricultural legislation than any Congress since I have been a Member. The Federal Trade Commission amendment is the only part of this oleo bill that meets my approval. I am pleased that it is in the bill. You may be interested in knowing that if it is carried out the way we have been told here today, the filled milk people are going to wake up and take notice. The producers of other synthetic dairy products should read this portion of the bill and follow it too. There is another racket that is even greater than the oleo racket. It is the filled milk racket. Filled milk is made by evaporating vegetable oil and skim milk and it is sold in competition with evaporated natural milk. It is illegal to ship this product interstate at this time. Wisconsin produces such a large percentage of the evaporated milk of the Nation that the repeal of the filled milk bill would be a body blow to the dairy industry in general and Wisconsin in particular. Up to this time the filled milk people have been selling their product and violating the law and if they have been prosecuted it costs them a little money. They have paid the money and kept right on violating the law. With the provision that requires a fine of $5,000 a day, I am sure they should stop, look, and listen, so far as filled milk is concerned.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. COOLEY. I understand then that the gentleman really is in favor of this penalty provision.

Mr. MURRAY of Wisconsin. That is the only part of it that I subscribe to. The gentleman likes that part because it will keep another racket from expanding as fast as the oleo racket has expanded.

The gentleman from South Carolina [Mr. RIVERS] used to work in the Justice Department and he knows what the filled milk issue is. This amendment is going to help in an effort to have some control over this filled milk racket.

The BAE does not have any record of how much filled milk is made in the United States. The pure food and drug people have no information as to the product either.

This oleo battle is just about over. Surely it is easy enough to get up here and tell you about 200,000,000 pounds of milk. There is not any milk going into oleomargarine at all. They buy skimmed milk, and they pay a fraction of what it is worth for it. They pay for it on the basis of a fixed price of 12 cents a pound for the powder. The butter price is fixed at 60 cents a pound. There is more food value in a pound of skimmed milk powder than there is in a pound of butter. The official letter from the University of Illinois on page 1383 of the February 2, 1950, RECORD proves that statement.

I repeat, the oleo people purchase skimmed milk that goes into oleomargarine for a fraction of what it is worth. But there is something else that enters into this controversy. Every single pound of vegetable oil that goes into oleomargarine is subsidized somewhere between 10 and 50 cents a pound. I have made that statement many times on this floor, and no one has ever dared to refute it. Some of these vegetable oils have so many subsidies that it would take a Philadelphia lawyer to find them all. I do not know whether it is 10 cents or 50 cents a pound, but if oleomargarine had to stand on its own feet like the old cow does, this bill would not be here.

Mr. DINGELL. How much subsidy is there on butter?

Mr. MURRAY of Wisconsin. There is not any.

Mr. DINGELL. Oh, we support the price of butter, and we in the city pay for it.

Mr. MURRAY of Wisconsin. Oh, no; the CCC has 88,000,000 pounds of butter, or 67,000,000 pounds of fat, but we must remember that the dairymen produced over 4,000,000,000 pounds of butterfat in 1949. The oils in the 872,000,000 pounds of oleo just about cost the American taxpayer over $100,000,000.

Mr. DINGELL. We support the grain that goes into it.

Mr. MURRAY of Wisconsin. But we have about 67,000,000 pounds of butterfat on hand, and that is insignificant as compared with the millions of dollars which the vegetable-oil people have been subsidized during the past 15 years. Because the Government has 67,000,000 pounds of butterfat on hand is not any assurance that they must take any loss on it. When you realize that they produce 4,000,000,000 pounds of butterfat a year, if the Congress of the United States or any one man could run his business and come out within 1½ percent of cost, such as the dairy business has done the past year, they would be doing a pretty good job

Mr. DAVIS of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. DAVIS of Wisconsin. The gentleman spoke of the penalties attaching to the shipment of filled milk in interstate commerce. How long does the gentleman think it will be before the same forces who are at work on this oleo issue today will make it so that it will no longer be a crime or that there will be no penalty attached for the shipment of filled milk?

Mr. MURRAY of Wisconsin. I understand that is already in the works, but they had so much trouble with this oleomargarine bill that they thought it best to postpone it during this session of the Congress. If the bill to repeal the filled-milk bill is not introduced in this session of Congress, you can look forward to its introduction in the Eighty-second Congress. The National Milk Producers Association is cognizant of this further threat.

Mr. DAVIS of Wisconsin. If this issue is decided today, we can expect that as the next step?

Mr. MURRAY of Wisconsin. There is no doubt about it at all. The dairy people all recognize that.

This filled-milk threat is a threat to the dairy industry, just the same as oleo has been, and it is much more dangerous in some sections. I repeat this filled-milk threat to Wisconsin is of great concern. I hope the filled-milk people will pay some attention to the part of the law in regard to the Federal Trade Commission. I repeat that the BAE does not even know how much filled milk is being manufactured, and you cannot find out from the pure food and drug people how they make it, nor have the pure food and drug people any information about this synthetic product.

In conclusion, may I state the fact that the cotton South and cottonseed-oil interests did not have the votes to pass this oleo bill. The self-styled liberals under the CIO leadership made this legislation possible. The CIO spokesmen did most of the early spade work. They seemed to be willing to cooperate with the Dixiecrats if they could win this legislative point. It will now be interesting to see how the CIO will square what they have done with the 2,500,000 dairy farmers of our Nation.

Mr. COOLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Speaker, I eat butter, but I confess that I do not look like a million dollars, as the gentleman from South Carolina, Representative RIVERS, claims he does, and that I do not know how to milk the housewife, as my good friend, the gentleman from South Carolina [Mr. RIVERS] has suggested butter supporters do. Nevertheless, I want to talk to you anyway about why you should disapprove this conference report.

It is unfortunate that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] could not refrain from dragging the Brannan plan, red-herring-like, across the path of this debate, because I am for the Brannan plan, and I think that it is the only solution of the present-day farm problems. I believe that if it were adopted, not a Republican would be elected for the next 50 years, and that this is why Republicans so wildly oppose it.

As a member of the Committee on Agriculture, I regret very much to disagree with my worthy chairman today, but I feel that I am obliged to do so for what I think are the following very proper reasons:

Omaha, Nebr., is in my congressional district, and is my home town, and it is the second largest butter-producing city in the world. It is the outlet for milk and cream of many dairy farmers located in the surrounding countryside.

When this bill H. R. 2023 was before the House I opposed its passage, and today I oppose the adoption of the conference report relating to same.

This bill does a great injustice to the butter industry of Omaha and the Nation and will eventually do a great injustice also to the dairy farmer, because it permits the oleomargarine and margarine interests to appropriate the butter color, golden yellow. It also permits the perpetration of great frauds upon butter users in spite of the triangular pat which is required when margarine or oleomargarine is sold through retailers, and also in spite of all of the other marking and signs and labels.

As I understand, human law has for its general objective not absolute justice but the doing of the greatest good to the greatest number and the prevention, not the multiplying, of the possibility of the perpetration of fraud upon the people. This bill does not measure up to proper legislative standards, as I view it, as I have pointed out heretofore in two instances.

Also, the 1948 platform of the Democratic Party relating to oleomagarine or margarine calls merely for a repealing of the taxes upon this product so as to give it equality in the market place, but does not bind me or any other Democrat to help to raid and gather to itself the butter makers' right to the color golden yellow, a right which has been enjoyed by them during three of the four seasons of every year since time immemorial. Also, the Democratic platform promises in substance to accord to agriculture not only its rights but also such aid and help as it may need. How can a Democrat keep these promises by giving England's Lever Bros. and others of their ilk such an unjust and such an unfair advantage over American butter? I believe that we are doing enough for England et al., and good old Lever Bros. by repealing the taxes on oleomargarine or margarine and also letting them gather to themselves the gold of our land without giving their biggest and most odious financial giant the right to use freely the golden yellow color of our butter to the great harm and detriment of our American butter industry, and also to a large section of our agriculture, the dairy farmers.

The bill as it now stands would also put on the Federal pay roll a great army of snoopers and raiders and searchers, some say 1,500 at least, at an estimate cost of four and one-half million dollars a year.

I urge those who claim to be friends of the American butter industry and of the dairy farmers of the Nation to vote against this conference report.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Speaker, it certainly is a matter of deep personal regret to me that we have reached the point where I am afraid this legislation is about to become law. Let me say that in my term of service here I have tried to understand the sectional problems, whether it be those of cotton, peanuts, tobacco, or any legislation affecting any group or individual. I would very much dislike to see any legislation pass which would affect as adversely as this bill will affect the dairy industry of this country, and my State and community particularly.

It is my belief, in connection with the colloquy which arose over the penalty features of this bill both with regard to the Pure Food and Drug Act and Federal Trade Commission Act, that those provisions are sound legislation. The committee, as far as these provisions are concerned, has been up against the proposition of having to deal actually with three committees, the Committee on Interstate and Foreign Commerce in the matter of the Pure Food and Drug Act, and the Federal Trade Commission Act; and it has had to deal with the Committee on Ways and Means in the matter of taxation and of course the Agriculture Committee. It is my opinion, therefore, that those penalty provisions are certainly in accord with the other provisions as to advertising and as to protection of the public health by protection against filthy and unclean foods. It certainly is consistent with the provisions of the Pure Food and Drug Act relating to labeling also. The penalties with reference to the Federal Trade Commission as I recall generally occur after the cease-and-desist order has been made and there has been a continued violation or refusal to abide after a stay has been granted in the cease-and-desist order of the Federal Trade Commission. So there is nothing in this bill I am more favorable to than I am those provisions because I think they are sound and right provisions.

But I am against this legislation which legalizes fraud and deception. I cannot see the throats of our American dairy farmers being cut by any type of legislation and no matter how you dress it up I could not vote for the conference report. I shall vote against it. But if we are going to have the law I am certainly a thousand percent in favor of the provisions, the protective penal provisions, which have been put in here.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman referred to the penalty provisions. They were inserted by the advocates of the dairy interests and they go toward protecting the dairy interests; is that not so?

Mr. O'HARA of Minnesota. They protect the entire public, may I say to the gentleman, not the dairy interests.

Mr. WHITTINGTON. Including the dairy interests.

Mr. O'HARA of Minnesota. I would be glad to include "in the dairy interests."

Mr. COOLEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Speaker, when this legislation left the House it had my name on it as the author. That was the only good thing about it. In my opinion, the only justification there can be for the bill that I introduced and the bill we have before us now is whether or not it is in the interest of the country. I have never contended, and you have never heard me contend, that oleomargarine is a bad product. I do not think it is. But I do think that it strikes at the very heart of the dairy industry and strikes at the economy of the country, and if it cannot be justified on those grounds I do not think you can justify it at all.

So, as far as I am concerned, Mr. Speaker, I am not for this bill and I am not for the conference report. I want to deny also that I am the author, or have a right, interest, or title in any word, comma, or period in this bill. I am just opposed to it.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, regardless of what is said in favor of this oleo bill the facts are that it strikes a terrific blow at the dairy industry, the most important industry in America, the effects of which will mean less soil building, less farm income, and a reduced standard of living and health for millions of Americans.

Mr. Speaker, should not the party in power, nationally, be satisfied to commit us to national suicide through the bankruptcy route, without also deliberately and in effect killing off our dairy cows, "the foster mother of man," which this oleo bill would do? This oleo conference report should, for the sake of the future welfare of all our people, be killed and thrown in the ashcan where it belongs.

Now, listen to the words of the dairy industry committee:

THE TOP 6 INCHES OUR GREATEST NATURAL RESOURCE

It has been wisely stated that the wealth and health of this world lies on the top 6 inches of its surface. Conservation of this top 6 inches is a problem of maximum importance to every nation in order that its people and their posterity may be well nourished or even survive.

The United States, and, more recently, other countries are spending hundreds of millions of dollars every year to prevent this 6 inches from being washed or blown away. However, if the greater part of this 6 inches of soil is kept in grass or forests, this problem is virtually solved.

Although the products of grassland, in their natural state, cannot be used as human food, the dairy cow can convert these products into the most valuable food nutrients that man has known. There is nothing to compare with the dairy cow from the standpoint of efficiency in turning inedible forage crops into the food nutrients, particularly proteins, needed and desired by the human race. Thus it will be seen that a major contribution to the economy of our country is made by the dairy cow nourishing the nation while maintaining the top 6 inches of our soil. This is of prime importance to the health and prosperity of our country.

MILK IN THE AMERICAN HOME

The housewife spends about 15 cents of every dollar of her food budget for milk or its products. For this 15 percent of her food money she gets about one-third of all she feeds her family. And in this one-third she provides her family with three-fourths of its calcium, one-half of its riboflavin, and very substantial quantities of every other nutrient recognized by scientists as vital to human development.

As a source of these vital nutrients, dairy products are undeniably leaders among the food groups. They—

Rank first as a source of calcium, supplying 75 percent. This nutrient builds bones and teeth.

Rank first as a source of riboflavin, supplying 50 percent. This nutrient aids metabolism and aids in avoiding eye difficulties.

Rank third as a source of protein, supplying 25 percent. This is the tissue-building nutrient.

Rank third as a source of fat, supplying 20 percent. This supplies energy.

Rank third as source of vitamin A, supplying 12 percent. This nutrient aids in destroying disease bacteria and avoiding respiratory difficulties.

Rank third as a source of thiamine, supplying 10 percent. This vitamin stimulates growth.

Rank fifth as a source of ascorbic acid, supplying 6 percent. This nutrient prevents scurvy and anemia.

Rank sixth as a source of niacin, supplying 3 percent. This vitamin prevents pellagra and skin diseases.

Rank ninth as a source of iron, supplying 3 percent. This is the blood building element of food.

Special attention should be drawn to milk as a source of protein. While it is an important source of all protein consumed, it is vastly more important as a source of the essential amino acids which make up the structural units of protein. Research has shown that these essential amino acids must be consumed simultaneously in order to be effective for building tissue. Milk and milk products are a complete source of these amino acids, along with meat and eggs. Of the proteins containing all of the essential amino acids, milk and its products comprise almost half, and are the largest single source of these vital food elements.

The above figures and comments relate to the place which milk occupies as a supplier of all nutrients consumed in food. Let's look at milk as a supplier of what nutritionists deem to be the minimum daily requirement of the various nutriments. Looking at it from this point of view, we find that one quart of milk per day would supply the human body with 143 percent of the minimum requirement of calcium, 88 percent of the minimum requirement of riboflavin, 76 percent of the minimum requirement of phosphorus, 49 percent of the minimum requirement of protein, 30 percent of the minimum requirement of vitamin A, 23 percent of the minimum requirement of thiamine, 13 percent of the minimum requirement of vitamin C, 4 percent of the minimum requirement of niacin and 4 percent of the minimum requirement of iron.

DAIRYING IS AN ECONOMIC NECESSITY

The products of the dairy cow, including meat, rank first as a source of all farm cash income. In addition to milk and its products, the dairy cow produces about 40 percent of the beef and 60 percent of the veal eaten by the American people.

The dairy cow contributes about $10,000,000,000 to our national commerce. The dairy cow provides about 10,000,000 persons with their livelihood. This includes production, processing, and distribution of milk and milk products as well as the various service and manufacturing endeavors connected with the dairy industry.

About 2,500,000 farms depend upon the receipts from dairy products as a major source of income.

DAIRYING IS AN ATTRACTIVE AND STABLE FARM ENTERPRISE

Income from the dairy cow has fluctuated less than our national income, and for the past 25 years, during boom and depression, drought and plenty, the index of dairy-product prices has been very much more stable than the index of prices of all farm products, excluding dairy products. During the last depression, when net incomes from grains and other livestock were entirely wiped out, the dairy cow proved the salvation of many a farm family.

The comparative prosperity of dairy farms is indicated in many ways. Those States enjoying the highest rural living standards—most education, best houses, most autos and radios, etc.—are dairy States. Those States whose farms have the highest value of product per acre are dairy States. Almost 90 percent of all United States dairy farms in 1945 have a value of product over $1,000. The percentage of all classified farms with a product value of more than $1,000 in 1945 was about 60 percent.

In 1940 dairy States had an average value of product per farm of $1,867. The average for the United States as a whole was $1,275. Dairy States in 1940 had an average rural level of living index of 129. The United States was 100. Fifty percent of the country's dairy farms had running water in 1940. For all farms only 17 percent had running water. In 1940 over 65 percent of United States dairy farms had electric lighting. Of all United States farms only 30 percent had electricity.

DAIRY FARMING: A CONSERVATION MEASURE

Dr. H. H. Bennett, Chief of the United States Soil Conservation Service has stated: "Few, if any, other kinds of farms respond more promptly and satisfactorily to soil and water conservation, cropping and pasture management measures than does dairy farming." According to the 1945 census less than 10 percent of the United States was in feed crops. The Conservation Service has stated that a proper conservation program calls for about 30 percent of the land being used for hay or pasture. The dairy cow can efficiently convert the crops on these pasture lands to the most nutritious foods.

O. E. Reed, Chief of the Bureau of Dairy Industry, USDA, says: "No farmer has a better opportunity to keep his farm land in a high state of fertility and productiveness than the man who markets his crop through good dairy cows." In recent years there has been a tendency to divert much natural pasture area to row crops. In addition many parts of the country have depleted the soil fertility by constant cropping without fertility replacement. This has resulted in enormous expenditures to lessen soil erosion by wind and water in an effort to build up some of the depleted areas.

Mere soil conservation is not enough for America. We must actually increase the productivity of our land. If we don't do this there is no chance in the future of maintaining our present dietary standards, much less of improving them.

Recently Prof. C. H. Shepardson, dean of agriculture, Texas A. & M. College, testified before the House Committee on Agriculture, and stated: "Thirty years ago the people of Texas were becoming increasingly aware of the evil effects of the long-continued one crop agriculture. Soils were eroding and

wearing out. Yields were dropping, buildings were falling into disrepair and Texas, together with the cotton South, was rapidly becoming what was frequently referred to during the thirties, as the problem child of the country. After nearly a century of one crop cotton farming this condition had become so bad that bankers and businessmen as well as farmers, began to realize the cost of soil depletion, seasonal unemployment and high credit costs. They recognized the need of a diversified program that would permit crop rotation and soil conservation and restoration of soil fertility. They also recognized the need of an enterprise that would provide more regular employment and a regular cash income. Dairying fills these needs and since then Texas has produced her dairy product needs, a dairy development program was started, cheese factories and milk condensers were built and communities that were on the brink of disaster became thriving centers. During the worst of the depression the milk and cream checks kept many of our farmers solvent."

Similar experiences may be recounted time and again to show that in the farm areas where dairying does not exist, low incomes and even poverty and ruin have become common.

THE DAIRY COW: A THREE-IN-ONE VALUE

The dairy cow is unique in its contribution to our economy. She makes this contribution in three distinct ways.

The first is conservation. The dairy cow can consume the various grasses, forage ensilage and other unpalatable vegetation and convert these into proteins, fats, vitamins, and other human health-giving nutrients. The manure from the dairy cow is returned to the soil to maintain fertility for the production of needed feed crops.

The second is reproduction, some calves go into the market as veal and provide about 60 percent of the veal used. Other calves are raised to replace older cows to maintain the milk-producing herd, while the older cows go into the beef market.

The third is food. Bottled milk and cream, butter, cheese, ice cream, evaporated milk, and many other nutritious products are provided solely from the milk of the dairy cow.

The dairy farmer can produce and sell $1,000 worth of dairy products and still have as good, if not a better, farm than before.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Speaker, I shall vote against this report.

I want to take the time of the House a few minutes to talk about one of our chief farming industries—a farming industry that has contributed more to the upbuilding of America than any other branch of farming.

The legislation now under consideration by Congress deals with one of the most important issues affecting agriculture and the welfare of the American people.

Our national leaders have long recognized the paramount importance of the dairy industry to the growth and welfare of our country. The Congress in its wisdom has enacted laws to safeguard our principal dairy product—butter—from the destructive competition of cheap butter substitutes.

The milk cow has followed the pioneer in every State in the Union, bringing sustenance and support to the men and women with their families that have built America. In the covered-wagon days, it was the milk cow and her progeny that accompanied the settlers in their migrations to the Nation's frontiers and supported them with milk, butter, and beef, while they reclaimed the land and built the homes and communities of this great country. The old-fashioned churn and the farm wife with her golden rolls of delicious butter did more to sustain the farmer and finance the building up of early day American agriculture than any other product of the farm. This was so in the South, where now so much of the support of cheap butter substitutes comes from.

Let me remind you that England has long recognized the importance of dairying and beef production. We are indebted to the English for the excellence and productivity of the dairy herds in this country by their contributions of Jersey, Guernsey, Alderney, and Ayrshire milk- and butter-producing cows, perfection achieved by generations of painstaking selection and breeding. So it is with their contribution of the beef strains of shorthorns and Herefords to our matchless herds of beef cattle.

The prowess of the English race in conquering and colonizing many parts of the world must be credited in a large measure to the fighting ability and rugged physiques of her beef eaters.

When Japan was making a bid for military advancement some years ago, we read that she endeavored to ascertain what could be done to improve her national diet and increase the stature and prowess of her fighters, and we learned that the commission reported that milk, butter, and beef were the answer.

Let anyone show me a community or a country that is devoted to dairying and I will show you a hardy race and a prosperous people. Today, little Denmark, with its dairy farms, its butter and bacon, a byproduct of the dairy, is an example of farm thrift and national stability to the rest of the world.

Little Holland with its canals and dairy farms that gave us and to the world her famous dairy strains of Holstein-Friesian milk- and butter-producing cows, a country minus timber, without deposits of coal, iron, or oil, dependent on her farms and dairy herds, was before the war one of the richest of European countries.

Now the processors of cheap vegetable oils, surplus fats and grease have taken over the soap trade and the tremendous business of supplying the Nation's cooking fats and compounds, together with the vast market for lubricants.

They have even come in and taken the market for our dairy product, cheese, with their tinseled, adulterated "cheese" substitutes.

Today there is hardly a grocery store in the country where you can buy a piece of honest-to-goodness full-cream cheese. Not content with taking over these vast markets, now these processors of cheap vegetable oils, surplus fats, and grease propose to come in and tear down the last legislative safeguards to the main product of our dairy industry, butter, and flood the market with their cheap butter substitute, oleomargarine, that will masquerade as butter in the stores of many communities and deprive the housewife of any opportunity to buy genuine butter. If the oleomargarine dealers have their way and this law is repealed, when the housewife goes to the store and asks for real butter, she will get the same response we get today when we ask for full-cream cheese, "Sorry, we don't keep it."

Now when the world is struggling with inflation and is crying to us for fats and oils we are being pressed by these profiteering packing-house companies and the manufacturers of the cheap butter substitute, oleomargarine, to reverse our national policy and tear down the laws that Congress has enacted to protect the purity of the food of our children and safeguard our chief agricultural industry; yes, to protect the very stability of our farm economy by preserving our home markets for our principal dairy product, butter.

They would impoverish the farmer and dwarf our children to enrich profiteering manufacturers and unscrupulous oleomargarine dealers.

We know and sympathize with the cotton growers of the South. They have been struggling for generations with their soil-depleting one-crop standard, cotton. Naturally they are demanding a bigger and better market for their byproduct, cottonseed oil. They need the money to buy commercial fertilizers if they are to grow another good cotton crop and more cottonseed oil.

Let me remind you that our Government undertook the construction of Muscle Shoals to provide fertilizer for the worn-out cotton fields of the South.

There has been a concerted effort in the cotton-growing States to get away from cotton and soil depletion. Valiant attempts have been made with some success to build up the livestock and dairy industry as a means of increasing the fertility of its worn-out soil.

To meet a temporary price emergency caused by inflation, we are called upon to repeal our laws and deprive agriculture of the security of its dairy industry and the means of maintaining the fertility of the soil.

We cannot, we must not adopt a shortsighted policy that will bring the standards of agriculture down to the production of soil-depleting crops in order to expand the market for vegetable oil and the purchase of more commercial fertilizer to build up a one-crop, soil-depleting industry.

Mr. COOLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, there has been a great deal of discussion and concern on the part of some Members regarding a so-called "sleeper" which this report is alleged to contain. Before I discuss the general provisions of the conference report I want to call attention to the manner in which this provision affecting the Federal Trade Commission came into this bill. The amendment involving the Federal Trade Commission is now in a bill reported from the Committee on Agriculture, because back in 1886 the Members of this Congress thought they could get legislation through the Committee on Agriculture that they

could not get through the regular committees which had to do with taxation in the Congress; so they referred this oleomargarine tax bill to the Committee on Agriculture rather than to the Committee on Ways and Means. They established a precedent which is still followed. From that day to this those who have sought to penalize oleomargarine unfairly have endeavored to place jurisdiction in the hands of the Committee on Agriculture rather than in the hands of the other committees that have a closer touch with the particular affairs involved in the legislation. In this way they were able to actually get a favorable report, just last spring, for a bill which would have completely barred colored margarine in spite of the fact that this House overwhelmingly voted to remove all special taxes and restrictions from the sale of all margarine, white or colored.

It was not at the request of those of us who believe in the right of the American consumers to make their own choice of food, that these amendments to the Federal Trade Commission Act were brought before us on a bill from the Committee on Agriculture. In fact no friend of free competition had anything to do with placing these amendments in the conference report. They impose new penalties on the manufacturers of margarine, if they persist in violating the law. They are intended to benefit the butter people but they are fair. I have no desire to allow a margarine manufacturer to violate the law and I am not going to ask that these penalties be reduced.

These amendments were placed in this bill in the other body. The RECORD for January 12, 1950, will show on page 333, that Senator AIKEN, who is not noted for his support of this legislation, suggested an amendment, which is the wording to which objection has been taken, and the amendment that Senator AIKEN suggested was to an amendment previously offered by Senator WILEY. Senator WILEY of Wisconsin is not an outstanding advocate of the free and unlimited sale of oleomargarine, but he approved and accepted this amendment. The amendment offered by Senator AIKEN was immediately approved by Senator MCCARTHY, and neither is that gentleman very widely known for his support of margarine. Endorsement was given to that principle by Senator MUNDT. Senator MUNDT has not distinguished himself for what he has done in the way of removing the burdens on oleomargarine. As far as I can find in the RECORD, those four Senators, and those alone, spoke in behalf of this amendment.

Now, every one of these gentlemen was admittedly seeking to destroy the freedom of margarine to be sold under its own name and on its own merits. So, we find that that amendment was placed in the bill by those who were admittedly opposed to the bill and opposed to the free sale of margarine. But I do not think that any of us, no matter how we might disagree with Senator WILEY or Senator AIKEN or Senator MUNDT or Senator MCCARTHY, could suggest that any of those gentlemen were not able lawyers. I do not think any of us could suggest that those gentlemen were calculated either to overlook the effect of their actions or that that they were of the kind or caliber who would deliberately insert sleepers in any legislation. I think it is perfectly clear, on the contrary, that they put this provision in here, knowing what they were doing, and the Senate knew what it was doing, and put this amendment in the bill in order that there might be no deception on the part of the manufacturers of margarine or any other commodity. Those of us who feel that margarine had a right to be sold on its own merits have always contended that margarine must comply with the laws, just the same as any other food product, and if it resorted to any unfair method of advertising, that that manufacturer of margarine should be penalized just the same as the manufacturer of any other commodity. Consequently, those of us who felt that margarine should be sold on its own merits felt that it did not behoove us to try to remove from the bill a penalty placed on the manufacturer who did not deal fairly with his product.

Nor can it be said that this is in fact a dangerous or unfair amendment. Who can be hurt by it? It only applies to those who, after notice and hearing, have been ordered to cease and desist from a course of action which has been found to violate the law. Even then the penalty cannot be assessed until the order has become final. After the Commission issues its order the defendant may appeal to the courts. Of course, if he does not appeal the order does become final, but if he desires to appeal he can carry the case all the way through the courts and no penalty can be assessed under this provision until he has exhausted his right of appeal. Are we to say today that any person should be allowed to buy immunity from a final judgment properly approved by our courts, by the payment of one fine which may represent his profits for only a few weeks, or even a few days? I think not. I think it is perfectly fair to make each day's violation of the final order a separate offense, and I believe most of the butter partisans think so too. Actually, this is nothing more than a red herring with which they hope to scare some Members.

The chairman of the committee asked the gentleman from Minnesota if he wanted to take this provision out of the bill, and suggested that if he did that the chairman would call the conferees together again and give him an opportunity to take it out, and that invitation was not accepted.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I do not recollect, and I do not think the gentleman does, that the chairman of the committee ever offered to take it out.

Mr. POAGE. The gentleman who is now speaking recollects speaking to the gentleman from Minnesota, in the presence of the chairman of the Agriculture Committee just about where he is sitting right now, on Thursday last.

Mr. AUGUST H. ANDRESEN. Would the gentleman like to have me put in the RECORD what we really discussed in the last meeting of the conference committee?

Mr. POAGE. The gentleman has a perfect right to put in the RECORD anything he wants to, but I am sure that he does not want to put in the RECORD any statement which would indicate that he proposed in the conference committee, or proposed to the chairman of this committee, or to me, that he wanted to take this Aiken amendment out of the bill. On the contrary, we sat in conference day after day and the gentleman never raised the question until he found that he had something with which he could go around and try to come in the back door to try to sabotage the margarine bill. He knew as he now knows that he could not beat it on its merits for he knew that this House was determined to pass a bill to give the people of America, the housewives, the old man of the house who pays the bills, and the children who eat the food, and all the rest of us, the right to buy any food product that we want.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The enforcement of this law is vested in the Pure Food and Drug Administration, is it not?

Mr. POAGE. The pure food and drug provisions are. There are a great many provisions in this bill. Some of them are fiscal; some relate to trade.

Mr. KEEFE. Yes; but the provisions with respect to the sale of oleomargarine and the posting of notices and signs and all that lie with the Pure Food and Drug Administration?

Mr. POAGE. Not entirely.

Mr. KEEFE. May I ask the gentleman whether or not he has considered the cost that will be involved in the administration of the enforcement?

Mr. POAGE. Yes.

Mr. KEEFE. How much is it going to cost, in the gentleman's opinion?

Mr. POAGE. I do not think it is going to cost a thing in the world, because I think it will be enforced just as most of the laws of this country are. When there is a violation in the gentleman's community, I assume that if the people want the law enforced they will complain to the local officials and they will have the law enforced. If they do not want it, frankly, it is going to be just like every other law of this Nation.

Mr. KEEFE. Mr. Speaker, will the gentleman yield further?

Mr. POAGE. No; I cannot yield, because I must follow up this point here. The time is running.

Mr. KEFFE. The Pure Food and Drug has already submitted an estimate of $4,500,000.

Mr. POAGE. I am not yielding further.

The matter will be enforced just as every other law in the Nation is enforced. If the people of a community want it enforced it undoubtedly will be enforced. We found a long time ago that you are

not going to get very much local enforcement of legislation unless the people of the community want it enforced. On the other hand I do not view this in the class with the security activities of the FBI and I doubt that we would be justified in sending out an army of enforcement officials from Washington.

The people of America have spoken clearly on one thing. They want the opportunity to buy any wholesome food for which they are willing to spend their money. They want to make the choice rather than have those here in Washington make the choice. To me that is a sound principle and I stand on it regardless of whether it helps the dairy industry or the cotton industry.

I happen to live in a great cotton country, but I have more of my own money invested in dairy cows and in dairy barns and dairy equipment than I have in growing cotton. I personally have more to gain by the prosperity of the dairy industry than I have to gain by the prosperity of the cotton industry. Frankly, I do not think this bill is going to hurt the dairy industry.

Regardless of that, I am convinced and I believe the Members of this House are convinced that this thing should not be decided upon the question of who is going to be able to legislate himself into a monopolistic position of profit at the expense of the consumers of America, but rather what is good for all the people of America. As one who has a substantial investment in the dairy business, I am convinced that the American people are entitled to make a free choice of their own as to whether they want to buy the products of the dairy cow, of the soybean, or of the cottonseed. We cannot claim to be an economic democracy, we cannot claim to be a land of free opportunity, when we deny to our people the fundamental choice of where and how they will spend their own money and what foods they will use in their own homes. After all that is the fundamental issue you must, by your votes, decide this afternoon.

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. H. CARL ANDERSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 263, nays 106, not voting 63, as follows:

[Roll No. 84]

YEAS—263

Abbitt	Beckworth	Burleson
Abernethy	Bennett, Fla.	Burnside
Addonizio	Bennett, Mich.	Burton
Albert	Bentsen	Camp
Allen, Calif.	Blatnik	Canfield
Allen, Ill.	Boggs, Del.	Carlyle
Anderson, Calif.	Boggs, La.	Carroll
Andrews	Bolling	Case, N. J.
Angell	Bonner	Cavalcante
Arends	Bosone	Celler
Aspinall	Boykin	Chudoff
Auchincloss	Bramblett	Cole, Kans.
Barden	Brooks	Combs
Baring	Brown, Ga.	Cooley
Barrett, Pa.	Bryson	Cooper
Bates, Ky.	Buchanan	Cotton
Bates, Mass.	Buckley, Ill.	Cox
Battle	Buckley, N. Y.	Crook
Beall	Burke	Crosser
Dague	Jones, Ala.	Patten
Davenport	Jones, Mo.	Patterson
Davis, Ga.	Jones, N. C.	Perkins
Davis, Tenn.	Karst	Peterson
Dawson	Karsten	Pfeifer, Joseph L.
DeGraffenried	Kean	Phillips, Tenn.
Delaney	Kearns	Pickett
Dingell	Keating	Poage
Dollinger	Kee	Poulson
Dondero	Kelley, Pa.	Powell
Doughton	Kelly, N. Y.	Preston
Doyle	Kennedy	Price
Durham	Keogh	Priest
Eberharter	Kerr	Quinn
Elliott	Kilday	Rabaut
Elston	King	Rains
Fallon	Klein	Rankin
Feighan	Kruse	Rees
Fenton	Kunkel	Rhodes
Fernandez	Lane	Ribicoff
Flood	Lanham	Richards
Fogarty	Larcade	Riehlman
Forand	Latham	Rivers
Frazier	Lesinski	Rodino
Fugate	Lichtenwalter	Rooney
Fulton	Lind	Roosevelt
Furcolo	Linehan	Sabath
Gamble	Lodge	Sadlak
Garmatz	Lucas	Saylor
Gary	Lyle	Scott, Hugh D. Jr.
Gathings	Lynch	Shelley
Gavin	McConnell	Sikes
Goodwin	McCormack	Simpson, Pa.
Gordon	McDonough	Sims
Gore	McGrath	Spence
Gorski	McGuire	Staggers
Gossett	McKinnon	Steed
Graham	McMillan, S. C.	Stigler
Granahan	McMillen, Ill.	Sullivan
Grant	McSweeney	Sutton
Green	Mack, Ill.	Tackett
Gregory	Madden	Tauriello
Hale	Mahon	Thomas
Hall, Edwin Arthur	Mansfield	Thompson
Hall, Leonard W.	Marcantonio	Thornberry
Halleck	Marsalis	Towe
Harden	Merrow	Underwood
Hardy	Miles	Van Zandt
Hare	Miller, Calif.	Vorys
Harris	Mills	Wagner
Hart	Mitchell	Walter
Harvey	Monroney	Welch
Havenner	Morgan	Werdel
Hébert	Morris	Wheeler
Heffernan	Morton	Whitten
Heller	Multer	Whittington
Herlong	Murdock	Widnall
Heselton	Murphy	Wigglesworth
Hinshaw	Murray, Tenn.	Williams
Hobbs	Nicholson	Willis
Howell	Nixon	Wilson, Tex.
Huber	Noland	Winstead
Irving	O'Brien, Ill.	Wolverton
Jackson, Calif.	O'Brien, Mich.	Wood
Jacobs	O'Hara, Ill.	Worley
James	O'Neill	Yates
Javits	O'Toole	Young
Johnson	Pace	Zablocki
	Passman	
	Patman	

NAYS—106

Andersen, H. Carl	Granger	Miller, Nebr.
Andresen, August H.	Hagen	Moulder
Barrett, Wyo.	Harrison	Murray, Wis.
Biemiller	Hays, Ohio	Nelson
Bishop	Hill	Norblad
Blackney	Hoeven	O'Hara, Minn.
Bolton, Ohio	Hoffman, Mich.	O'Konski
Breen	Holmes	O'Sullivan
Brehm	Hope	Phillips, Calif.
Brown, Ohio	Horan	Polk
Burdick	Hull	Potter
Byrnes, Wis.	Jackson, Wash.	Redden
Cannon	Jenison	Reed, Ill.
Carnahan	Jenkins	Rich
Case, S. Dak.	Jensen	Rogers, Mass.
Chelf	Jonas	St. George
Christopher	Judd	Sanborn
Church	Keefe	Scrivner
Clevenger	Kilburn	Scudder
Cole, N. Y.	LeCompte	Secrest
Crawford	Lemke	Shafer
Cunningham	Lovre	Short
Curtis	McCarthy	Simpson, Ill.
Davis, Wis.	McCulloch	Smith, Kans.
Denton	McGregor	Smith, Va.
D'Ewart	Mack, Wash	Smith, Wis.
Dolliver	Macy	Stefan
Fellows	Marshall	Stockman
Ford	Martin, Iowa	Taber
Gillette	Mason	Talle
	Michener	Tollefson
	Miller, Md.	Trimble
Vursell	Wickersham	Withrow
Walsh	Wier	Wolcott
Weichel	Wilson, Ind.	Woodhouse
White, Idaho	Wilson, Okla.	Woodruff

NOT VOTING—63

Allen, La.	Gilmer	Philbin
Bailey	Golden	Plumley
Bolton, Md.	Gross	Ramsay
Bulwinkle	Gwinn	Reed, N. Y.
Byrne, N. Y.	Hand	Regan
Chatham	Hays, Ark.	Rogers, Fla.
Chesney	Hedrick	Sadowski
Chiperfield	Herter	Sasscer
Clemente	Hoffman, Ill.	Scott, Hardie
Colmer	Holifield	Sheppard
Corbett	Jennings	Smathers
Coudert	Kearney	Smith, Ohio
Davies, N. Y.	Kirwan	Stanley
Deane	LeFevre	Taylor
Donohue	Magee	Teague
Douglas	Martin, Mass.	Velde
Eaton	Meyer	Vinson
Ellsworth	Morrison	Wadsworth
Engel, Mich.	Norrell	Whitaker
Engle, Calif.	Norton	White, Calif.
Evins	Pfeiffer, William L.	
Fisher		

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Corbett for, with Mr. Davies of New York against.

Until further notice:

Mr. Gilmer with Mr. Martin of Massachusetts.

Mr. Kirwan with Mr. Smith of Ohio.

Mr. Chatham with Mr. Hoffman of Illinois.

Mr. Byrne of New York with Mr. Reed of New York.

Mr. Whitaker with Mr. Herter.

Mr. Magee with Mr. Meyer.

Mr. Morrison with Mr. Coudert.

Mrs. Norton with Mr. LeFevre.

Mrs. Douglas with Mr. Wadsworth.

Mr. Engle of California with Mr. William L. Pfeiffer.

Mr. White of California with Mr. Ellsworth.

Mr. Sadowski with Mr. Taylor.

Mr. Hays of Arkansas with Mr. Chiperfield.

Mr. Smathers with Mr. Gross.

Mr. Deane with Mr. Hand.

Mr. Allen of Louisiana with Mr. Eaton.

Mr. Colmer with Mr. Golden.

Mr. Rogers of Florida with Mr. Gwinn.

Mr. Fisher with Mr. Jennings.

Mr. Stanley with Mr. Hardie Scott.

Mr. Hedrick with Mr. Kearney.

Mr. Holifield with Mr. Velde.

Mr. Vinson with Mr. Engel of Michigan.

Mr. Chesney with Mr. Plumley.

Mr. MICHENER, Mr. FORD, and Mrs. ROGERS of Massachusetts changed their vote from "aye" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include as part of my remarks a statement released by the Army and Navy Union, U. S. A.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. DAVENPORT asked and was given permission to address the House on March 17 for 1 hour following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. ROOSEVELT asked and was given permission to extend his remarks in the RECORD and include extraneous matter and an editorial.

Mr. HELLER (at the request of Mr. KEOGH) was given permission to extend his remarks in the RECORD in two instances.

Mr. BURNSIDE asked and was given permission to extend his remarks in the RECORD.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in four instances and include newspaper and other extraneous material.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. HESELTON] is recognized for 30 minutes.

NATIONAL SCIENCE FOUNDATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain statistical information.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, since the passage here of H. R. 4846—S. 247—on March 1, 1950, I have been endeavoring to secure further and more current data from the Research and Development Board, and the manpower office, of the National Security Resources Board, and the several scientific organizations. Admittedly, the information available to us is very sparse and there is no way of matching exactly the equivalent amounts of training as between the United States and the U. S. S. R.

However, it does appear that the Russians operate 833 institutions of higher education, which are presumably the equivalent of our colleges and graduate schools. They also have 3,500 special technical institutions which furnish training of a technical nature roughly equivalent to the last 2 years in high school and the first 2 years of college in the United States. The following is a tabulation on American training in categories as closely comparable as possible to those relating to the U. S. S. R.

All of these figures have been taken from Russian publications and are therefore unclassified. I hope they will be useful to the conference committee and to my colleagues when we consider the conference report.

I wish to pay tribute to the Research and Development Board for its continued interest in this matter and its efforts to keep us advised.

I now wish to insert a summary of the situation as it exists in this country so far as scientific personnel resources are concerned and so far as efforts which have been made to date to keep our program from collapsing:

Comparison of Russian and United States education with particular reference to scientific and technical training

	United States	Union of Soviet Socialist Republics
Total graduates of institutions of higher education:		
1949	430,000	500,000
1952	(1)	[2]600,000
Technical training, graduated 1949 (B. S., M. S., and Ph. D.)	89,000	----------
Technical training, graduated 1949 (including special technical institutions)	----------	218,000
Total students in institutions of higher education and secondary special technical institutions	----------	1,000,000
Total Ph. D. and M. S. in science	150,000	----------
Postwar 15-year plan graduate training	----------	1,500,000

[1] No accurate estimates exist for total graduates of American colleges and graduate schools, but the estimates for scientists and engineers show a marked decline from 89,000 in 1949 to 70,000 in 1952.

[2] Estimated.

The Soviet Union has put a heavy emphasis on teachers and prides itself on the great increase in educational institutions since the war and at the rate at which educational institutions are being established, expanded, and staffed. The output of technically trained persons can therefore be expected to increase rapidly as these new teachers graduate and start work. The United States, however, has a total of 4,717,000 citizens who have attended 4 years or more of higher education (as of April 1947). Current college enrollment including professional schools is 2,278,000. The number of Ph. D.'s and master degrees in all subjects graduated in 1949 in the United States is 55,000 and bachelor degrees in all subjects totaled 375,000.

Mr. Speaker, again I am sure we all owe to the manpower office of the National Security Resources Board our thanks not only for their efforts, but for their patriotic devotion to the solution of this very important problem. May I summarize that material as follows:

There is a clear and pressing need for the early development in Government of a centralized, integrated program in the scientific manpower field. Insofar as scientists and educators having knowledge of this problem are concerned, there is practically universal agreement that steps be taken at the earliest possible date to develop such a program in anticipation of the early creation of a National Science Foundation. Accordingly, the program discussed here envisages the establishment of a personnel inventory and the development of methods of appraising the Nation's scientific personnel resources and making appropriate plans for the best national use of these resources, both in peace and in war.

The need for a program of this kind has been felt ever since the end of the war. The National Security Resources Board has recognized the problem, but has deferred formal action pending the possible creation of a National Science Foundation. Final passage of this legislation has been delayed and, even though the science bill should pass the Congress early in this session, it would be a matter of at least a year, if not more, before the proposed Foundation would be in a position to take positive action looking to the operation of the kind of a scientific manpower-inventory program which the Federal Government should carry on.

In the meantime, a series of circumstances indicate that action in the matter should not be further delayed, and that constructive steps can and should be taken even in advance of the science legislation—steps which will be consistent with the objectives of the Foundation when and if it does come into being. The most pressing circumstance in point of time is represented by the need for a civilian agency of Government to take over the results and to continue the operation of two scientific personnel registration projects sponsored by the Military Establishment through the Office of Naval Research. The first of these projects provided for the registration of the names, locations, and special skills of some 50,000 physical and natural scientists possessing a Doctor of Philosophy degree or its equivalent. This project was contracted for with the National Research Council, and has been substantially completed. Inventorying of special skills is not a static process, however, and if the full results are to be achieved from the project, the inventory must be continued and maintained on an operating basis, and studies based upon the findings should go forward. The second project results from a contract between the Office of Naval Research and the Engineers Joint Council, covering an assessment and registration of the qualifications of most of the country's highly qualified engineers. This project is in process, and the Office of Naval Research is anxious that its supervision be taken over and that it be operated on a continuing basis under appropriate Federal auspices. As matters stand, the Office of Naval Research regards it as urgent that an appropriate unit of Government assume the responsibility for the continued collection, analysis, and utilization of these data, so that the considerable investment of time and money represented in the projects will be realized.

All of the approved science bills so far have provided that a roster of scientific personnel will be maintained, and that the Foundation will take over and operate the former National roster. That operation, however, at the present time consists only of a series of files which are out of date and stored away without a custodian. It would thus be consistent with the intent of the bill if action should be taken now, looking to the development of an active operation which, when the Foundation is created, could be absorbed as a live and useful activity. To commence the operation now, therefore, would be entirely compatible with the aims and purposes of the proposed Science Foundation, and would permit immediate initiation of an operation which sooner or later will have to be undertaken, thus gaining at least 2 years' time, which would undoubtedly be lost if action were deferred until the Foundation became organized and sufficiently developed to undertake the work.

As a practical matter, the purposes and objectives of the Science Foundation would be better served if this operation were started now so that when the time came it would have something tangible to take over in the field of scientific personnel. This, coupled with the fact that the important work already done by the Office of Naval Research should not be allowed to lapse or fall into disuse, seems to indicate that much would be gained and nothing would be lost by getting this program under way as soon as

it can be organized. And more important than the question of the ultimate location and the organizational character of the activity is the fact that a long-range, carefully planned program in this field is sorely needed, and the longer action in the matter is deferred, the longer it will be before results can be obtained.

The current consideration of this problem accepts the premise that a well-rounded scientific manpower registration program is indispensable to adequate planning for the use, in time of war, of America's trained brains in the technologies and sciences. The need for analytical studies of the problem is accentuated by the fact that the national supply of scientifically trained individuals was markedly depleted by World War II, and that it is only now, 5 years after the end of the war, that the output of fully trained scientists and technologists is catching up with the rate of production of prewar years.

On the requirements side, the Government is sponsoring a national research program of unprecedented size in a period when our scientific personnel resources are at a relatively low ebb. Yet, in spite of the clear evidence of disparity between the supply of scientific manpower especially qualified for research and development and the greatly increased requirements for research, no adequate steps have been taken by the Federal Government other than the two projects referred to above to identify or analyze the skills of the national supply of scientists as a means of enabling research administrators to plan and administer broad and comprehensive research programs for national defense and for national progress.

From the standpoint of mobilization planning, precise information should be continuously available with regard to the locations and skills of the country's highly trained scientists and engineers. To develop and improve the national state of readiness, the lack of balance between known supply of, and estimated requirements for, scientific personnel should be examined and, as disparities emerge, appropriate steps should be taken to plan for systematic methods of adjusting these imbalances, which may be qualitative as well as quantitative. These steps should include encouragement of fellowship and scholarship programs to increase the potential supply in shortage areas, to identify the fields in which our national position is weakest, and to keep all interested scientific and educational agencies, both governmental and private, aware of where the country stands in the scientific manpower field.

What is needed at the present time is a small unit located in an appropriate Federal agency to coordinate current activities in the field of scientific manpower registration to provide a basis for the development of long-range plans which will bring about the best utilization of America's scientific personnel resources, both in time of peace and in the event of war, and to encourage the shaping of higher educational training programs to fill known and anticipated gaps in particular scientific fields. This work could and should be commenced immediately in anticipation of its transfer to the National Science Foundation when that agency is in an operating position to take it over.

The concept of the activity would be that the necessary registration operations be carried out through the councils and the professional societies, and that the coding work and machine studies be carried on under contract with such an agency as the Bureau of Labor Statistics, which is equipped for such work. This would avoid the necessity for any considerable clerical operation, and leave the proposed unit free to do the more fundamental task of planning and coordinating the scientific manpower registration program.

What is recommended is not the creation of a new field of activity, but rather the pulling together in one place, under appropriate auspices, of programs which are now being carried on without any direct top-level coordination or direction. This is equally true with regard to funds, since the amount of money which will be needed to carry on a central operation is now being spent through grants from funds appropriated for defense research. It is emphasized that no new funds, as far as the total Government expenditure is concerned, will be involved in getting this started.

Upon careful consideration of the administrative problems involved, it seems clear that this is not the kind of activity which could be successfully carried on under the auspices of a part-time or ex officio committee. It requires the full-time attention of a small technical staff guided by scientific groups in the formulation of policies and procedures designed to integrate with the probable functions of the National Science Foundation when that agency is created.

The importance of this problem is such that further delay in giving positive attention to it could be disadvantageous to the national welfare and to the most effective utilization of the vitally important national resource represented by the country's highly trained scientists and engineers. There follows a series of conclusions based upon the facts with regard to scientific personnel, as they now exist

CONCLUSIONS

1. That there is no sound reason for deferring action on this problem pending the creation of the National Science Foundation. This conclusion is supported by the recommendation of a number of leading scientists and educators, as well as the pressing need to do something now to continue the maintenance and use of the results of the somewhat extensive work already done by the Office of Naval Research and the National Research Council in the field.

2. That the tremendous increases in scientific research and development activities, coupled with the wartime depletion of the national supply of scientists as a result of the war, renders the problem more critical than was the case prior to World War II.

3. That some method of identifying and appraising the skills of America's research scientists is an indispensable tool in the development and allocation of a realistic national-research program, and that the cost of providing such a tool would be negligible in comparison with the national research budget.

4. That sound planning for the wartime use of scientific personnel cannot be done on a short-range basis. If the wartime task of providing for the distribution of scientific skills to the wartime activities in which they would be most needed is to be successful, steps should be taken now to lay the basis for evolving such a program.

5. That the correction of imbalances between known supply of, and estimated requirements for, fully qualified scientists can only be made on a long-term basis because of the training time required to produce competent technologists. A program for furnishing advice to institutions of higher learning and others to stimulate the correction of such imbalances should be undertaken at an early date if it is to be effective.

6. That present inattention to the scientific manpower problem on the part of the Federal Government is due to circumstances, rather than as a result of any expressed policy, and that this country is not keeping pace with other world powers in leaving the problem unconsidered.

7. That the current registration programs being sponsored by various Government agencies, principally in the Department of Defense, should be coordinated and integrated into an economical and effective national program.

8. That the Federal Government should take the leadership in sponsoring the development in one place of a selective, analytical inventory of the Nation's specially trained and highly skilled personnel in important scientific fields, including the recording and evaluation of special scientific competencies.

9. That such an inventory is important not only for mobilization planning purposes, but also as an everyday tool in peacetime to assist in the development and maintenance of an adequate program of national research, and to provide a base for such necessary functions as:

(a) A systematic and continuous study of resources and requirements factors in relation to the national supply of, and the known and potential requirements for, scientific manpower.

(b) Assistance in the formulation and implementation of the President's point 4 program and other foreign-aid plans involving the provision of technological know-how to other countries.

(c) The furnishing to other agencies of Government, on a central-service basis, of information concerning scientific manpower which such agencies need for the performance of their own functions, i. e., Atomic Energy Commission's fellowship and research programs, military research programs, Civil Service Commission activities, and the like.

(d) Project assignments from the National Security Resources Board in connection with plans for the allocation, on a voluntary basis or otherwise as the wartime case may be, of America's technologically and scientifically skilled citizens to the national research, educational, and military programs in the event of war. It would be too late to expect development of a working program in this area after war should break out.

(e) Assistance to the Bureau of the Budget in the evaluation and development of programs for the allocation of Federal funds to research activities and educational programs.

(f) Assistance in the location and analysis of scholarship and fellowship programs to stimulate the training of needed specialists in particular scientific fields.

(g) Provision of information to the military service concerning the names, numbers, and skills of scientists who are enrolled in the reserves: information which is not now available in the records of the armed forces.

(h) Consolidation and centralization in one agency of Government of various scientific personnel activities which are now being independently carried on under separate Federal auspices to the end that there can be one central point to serve as a clearing-house in Washington for scientific personnel matters in which the Government has a proper interest.

(i) The conduct of mobility studies reflecting significant shifts of personnel as between scientific fields and the development of common patterns of occupational relationships between standard technical fields. This type of study is particularly important in connection with rapid occupational shifts which are sometimes needed in wartime.

(j) The conduct of studies for the purpose of investigating possible correlations between various types of training and experiential patterns and scientific competences, and determining whether there are distinguishable background factors, from the standpoint of training or occupational history or combinations of both, which might be related to professional achievement.

(k) New fields of research are requiring new combinations of training and experience, combinations not normally produced by accepted curricla. As research and employment in such related fields increase, studies should be made of the recurring needs for such training combinations, the results of which could assist institutions of higher education in connection with curricula adjustment involving deviation from commonly accepted training patterns.

10. That the registration program should be carried out by the scientific and professional societies, under a coordinating program of the Federal Government relating to the development of standard patterns and evaluation procedures, and the allocation of operating funds where necessary to accomplish the objectives. The program should be one in which American science would play a major part in the formulation of policies and the utilization of results, with the Federal Government directing and coordinating the efforts of the many groups which would participate in the program development.

11. That an effort should be made to secure the appointment of a small policy or steering committee of outstanding educators and scientists to furnish advice in the formulation of the preliminary policies of the proposed program; immediate relationships should be established with such federated groups as the National Research Council and the American Council on Education, to be followed by working relationships with the various scientific and professional societies. This approach should insure the development of a program which would reflect the judgments of American scientists, rather than a program superimposed by the Federal Government acting unilaterally.

12. That the program should start with the appointment of a very small organization, probably not more than half a dozen employees, having technical competence to initiate the planning and, with the assistance of scientific groups, to develop over the first months of its operation a sound plan of registration to the end that when the Science Foundation is in a position to do so, it will be able to take over a useful and planned function and will not have to lose the endless months involved in having to start the operation de novo.

Mr. Speaker, I ask unanimous consent that at the conclusion of these remarks I may have the right to include certain other remarks with reference to surplus food commodities, and, further, other remarks with reference to a bill which I introduced that is pending before the Committee on Interstate and Foreign Commerce in connection with an over-all national fuel supply.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INCREASES IN POTATO ALLOTMENTS

Mr. HESELTON. Mr. Speaker, I am very glad to report to the membership on two developments in connection with the distribution of food commodities in Massachusetts.

First, the area director in Massachusetts, Mr. John C. Stalker, upon receipt of the evidence I sent to him of the comparative studies of consumption of potatoes made in Buffalo, N. Y., by the Bureau of Human Nutrition and Home Economics, United States Department of Agriculture, winter of 1948, requested the revision upward of the amounts which could be allotted to each person per week and has obtained authorization to exercise discretion in any upward revision. Then he set up a rate of distribution which did not quite reach the recommendations I made based on the Buffalo study but which does, as he indicates, provide almost twice as many potatoes as those under the existing maximum amount by the order of the Food Distribution Programs Branch, United States Department of Agriculture, effective July 1, 1949. I now quote the letter:

THE COMMONWEALTH
OF MASSACHUSETTS,
DEPARTMENT OF EDUCATION,
OFFICE OF SCHOOL LUNCH PROGRAMS,
Boston, Mass., March 6, 1950.

The Honorable JOHN W. HESELTON,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN HESELTON: On receipt of your letter dated February 17, 1950, we applied to the New York area office for permission to increase the rate of distribution on potatoes. Distribution was granted as follows:

"This is your authorization to increase the rates of distribution of Section 416 Irish potatoes to eligible welfare families in those cases where it is apparent that additional quantities are needed and can be consumed without waste. You are requested to exercise discretion in any upward revision in the distribution rates."

Based on this authorization we advised the Board of Public Welfare in Greenfield that the rate of distribution on potatoes could be increased to 10 pounds per person for all size family groups, and that a 3-month allocation could be made to each family if desired.

Until such time as a new specific schedule of distribution is authorized by the USDA, we are authorizing local welfare departments to distribute at the 10-pound-per-person rate. This rate will use almost twice as many potatoes as the original rates authorized by the USDA.

You will be interested to know that we have also received applications from the following towns and cities in your district, requesting potatoes for distribution: Springfield, Wendell, Templeton, Westfield, Rowe, Bernardson, Erving.

The board of public welfare at Greenfield is also considering the distribution of dried eggs and dried milk in addition to the potatoes.

If you have any additional information or suggestons on the rates of distribution I will be pleased to hear from you.

Sincerely,

JOHN C. STALKER,
Director.

Rate of distribution for potatoes

OLD RATE

Persons:	Pounds
1	10
2	20
3 and 4	25
5 and 6	35
7 and 8	45
9 and 10	55
11 and over	65

NEW RATE

Persons:	Pounds
1	10
2	20
3	30
4	40
5	50
6	60
7	70
8	80
9	90
10	100
11	110

I think it should be useful to have the comparative amounts based on the Buffalo survey which I submitted as a recommendation:

Persons:	Pounds
1	11.61
2	23.22
3 and 4	46.44
5 and 6	69.66
7 and 8	92.88
9 and 10	116.10
11 and over	127.71

Mr. Speaker, the next encouraging development is a letter dated March 3, 1950, from the Department of Agriculture in reply to a letter of mine of February 9. Though there has been a very long delay in replying to this letter, I concede that there has been some action in the field and particularly in Massachusetts with which, of course, I am most familiar. I am glad to learn that since January 17 orders have been placed with Mr. Stalker for 865,000 pounds of potatoes for distribution to eligible outlets in Massachusetts. I only hope that Mr. Stalker's indication of interest in the distribution of dried eggs and dried milk is a forerunner of similar activity throughout the entire field of available edible food commodity surplus products now being stored at a minimum cost of $60,000 a day and on the way to spoilage if not destruction. As I said early today, I sincerely wish that we could see similar action here at the Washington level.

MARCH 3, 1950.

Hon. JOHN W. HESELTON,
House of Representatives.

DEAR MR. HESELTON: This is in reply to your letter of February 9, relative to an inquiry from your congressional district regarding the availability of surplus potatoes.

We know that you are very familiar with section 416 of the Agriculture Act of 1949, and the provisions under which surplus commodities can be made available to school-lunch programs, charitable institutions, and welfare families. We are appreciative of the opportunity given to Mr. J. J. Dittrick and Mr. P. B. Hearn, from the Food Distribution Programs Branch Area office in New York City, to discuss the Massachusetts distribution program with you.

You will be interested to learn that since January 17, when potatoes were declared available under section 416 of the new act, orders have been placed by Mr. John C. Stalker, Director, Commodity Distribution Division, Department of Public Welfare, Boston, Mass., for 865,000 pounds of potatoes for distribution to eligible outlets in Massachusetts. It is also our understanding that satisfactory arrangements have been completed for potatoes to be distributed in Greenfield.

Your interest in this matter is appreciated.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

NEED OF A NATIONAL ENERGIES POLICY NOW—NOT PIECEMEAL EFFORTS

Mr. HESELTON. Mr. Speaker, I know we are all very much interested in the President's message of Friday. This afternoon I want to comment on the last two paragraphs of that message. You will recall that the President stated:

But I urge that it be accomplished by a positive and constructive effort to get at the root of the trouble. This is in the interest of the men who work the mines. It is equally in the interest of their employers. Above all, it is in the interest of the American people.

I urge the Congress, therefore, to act immediately on legislation to authorize the Government to take possession of and operate the mines, and then to turn its attention to legislation looking toward a solution of the basic difficulties of the coal industry.

I realize that all of the thousands of bills and resolutions which are filed in each session of Congress cannot be brought to the personal attention of the President. Moreover, I understand why none of us can be familiar with each proposal.

However, there are pending bills which, in my judgment, not only address themselves to the limited recommendation of the President but which have the virtue of continuing to completion an effort undertaken by the Committee on Interstate and Foreign Commerce during the Eightieth Congress. I think the members of this committee, irrespective of party, will concede that that study and the extensive hearings were conducted without partisanship and that the committee and its staff developed a wealth of factual information, opinions, and advice from Government officials, industry, and the consuming public. In my judgment, it would be a tragedy to overlook the very great importance of developing a national-fuel policy at the earliest possible moment. I believe this to be important not only to our domestic economy, but also to our national security.

I think many of you will recall the extensive debate in the House on August 4 when we were considering H. R. 1758, the bill to amend the Natural Gas Act. For your convenience I refer to the RECORD of that date, beginning at page 10777, and to the RECORD of Friday, August 5, beginning at page 10845. It is not my purpose now to burden the RECORD with a repetition of much of what I said there but I do want to recall that I characterized the legislation as being of a highly controversial nature, pointed out the sincere differences of opinion existing among the members of the committee who, after long and conscientious consideration of the proposal were confronted with the anomolous situation where the committee was divided 14 to 7, but with a full membership of 28, 11 filed formal minority views.

I do want to recall to your attention my basic argument that the excellent investigation and study of our fuel resources should be continued with the firm objective of bringing before the House the committee's recommendations in terms of the over-all problem then facing us. I call to your attention the excellent statement made by the gentleman from New Jersey [Mr. WOLVERTON], on December 12, 1947, when he opened the first of these hearings, and to quote one sentence:

Particular attention will be given by the committee to the problem of interchangeability of fuels and the production of fuels from alternative sources of supply.

May I remind you that the committee hearings extended over a period of 39 days, that 2692 pages of evidence were submitted, that the Subcommittee on Petroleum and Federal Power then continued this study of other phases of this problem, including an extensive study of petroleum in Mexico. In the CONGRESSIONAL RECORD, volume 95, part 8, page 10847, you will find a list and description of the six important reports filed by this committee from January 26, 1948, to December 31, 1948. May I emphasize that in the first report the committee referred to the four most important energy resources, petroleum, coal, electric power, and natural gas and stated it would study each of these fuels in detail. It emphasized that this was to be an energy resources study and not a series of the four separate studies of coal, electric power, petroleum, and natural gas. Let me quote this sentence:

After concerning itself over a period of years with the problems peculiar to each of these four fuels, the committee realizes that each of these four energy resources affects the others, and that it is imperative, in the interest of the Nation's prosperity and security, for the Congress to think, and, if necessary, to act, in terms of a national fuel policy rather than a national petroleum policy, a national coal policy, and a national natural-gas policy.

Let me emphasize another sentence:

No piecemeal approach to the problem at hand, however, is practical.

There are many other paragraphs from those reports quoted in my remarks and I hope my colleagues may take the trouble to glance over the RECORD of that date.

Then let me quote from the majority report on the bill we were then considering:

The entire field of petroleum policy is now undergoing scrutiny by the committee in its continuing fuel investigation directed toward recommendations for—

These words are important, because they are the words of the majority, now asking you for piecemeal action in the face of these six committee reports stating the necessity of solving this over-all problem, now asking you to freeze something that may make that a complete impossibility—

toward recommendations for a national fuel policy.

I believed then and I believe now that we cannot make piecemeal studies and develop anything like a satisfactory national Federal policy. For the information of my colleagues may I include a copy of H. R. 466 which I filed on February 9. It differs slightly from the original resolution which the gentleman from New Jersey [Mr. WOLVERTON], also refiled. Those differences are relatively unimportant. The objectives are identical. I hope there will be others who feel as I do that this is a subject which needs to be done thoroughly and promptly. I will welcome their advice and cooperation in trying to bring such a study into being.

House Resolution 466 is as follows:

House Resolution 466

Whereas in order to achieve and maintain supplies of petroleum and other fuels available in quantities adequate for an expanding economy and for the security of the United States, it is necessary to formulate sound national policies: Therefore be it

Resolved, That it shall be the duty of the Committee on Interstate and Foreign Commerce to formulate and recommend a national fuel policy adequate to meet the needs of the United States in times of peace and war, including recommendations for a national petroleum policy and the integration of such policy with policies relating to other fuels and energy resources except atomic energy; and for such purposes the committee shall study the current and future fuel supply and demand of the United States and shall study methods of encouraging needed developments to assure the availability of fuels adequate for all expanding economy and the security of the United States.

SEC. 2. The committee shall make a report not later than the close of the present Congress. Such report may be made to the Clerk of the House if the House is not in session.

SEC. 3. For the purpose of carrying out the provisions of this resolution, the committee or any subcommittee thereof—

(1) is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether or not the House is in session, has adjourned, or has recessed, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, correspondence, memoranda, papers, and documents, and to take such testimony, as it deems necessary; and subpenas shall be issued over the signature of the chairman of the committee or by any member designated by him, and may be served by any person designated by such chairman or member;

(2) may utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies;

(3) may seek information from such sources and conduct its studies and investigations in such manner as it deems advisable in the interest of a full and correct ascertainment of the facts.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. SABATH] is recognized for 20 minutes.

TOMAS G. MASARYK

Mr. SABATH. Mr. Speaker, March 7 marks the one hundredth anniversary of the birth of Tomas G. Masaryk, the founder and first President of the Republic of Czechoslovakia. He passed away on September 14, 1937, at the ripe age of 87, having devoted the fullness of his long life to the eternal and everlasting struggle so deeply rooted in mankind—the longing, the desire, the hope for freedom. Millions of Czechs throughout the world will bow their heads in silent prayer on this anniversary date. They will pause to honor a sterling character, a great leader, a beloved fellowman, whose very soul and being was given to the cause for which the oppressed Czech people through generations had striven.

Tomas Masaryk lived to see the fruition of his lifelong goal—the establishment of an independent Czechoslovak Republic. He proclaimed the independence of his land on October 18, 1918, immediately following the cessation of hostilities in World War I. It was fitting that this eventful declaration should be made here in this great land of democracy. But unfortunately, the few years of exultation and joy of the Czech people was to be short-lived. In his waning years Tomas Masaryk saw his dreams again being shattered when Hitler's ruth-

less Nazi hordes of tyranny and oppression commenced to overrun his beloved land, obliterating its independence and sovereignty—all this in the short space of one generation.

It is only natural that I have taken an intense interest in the fate of this brave country and its people for it happens to have been the land of my birth. In my childhood days I became deeply aware of what subjugation and dominance by a foreign power meant. It left a deeply imbedded imprint which has found expression so often during the many years it has been my honor and privilege to enjoy a position in our own free government where I could speak out for those, not only of my own fatherland, but for struggling and determined peoples in all lands—to free themselves from the yokes of tyrants, dictators, fuehrers, and Godless slave drivers.

It was my good fortune and pleasure to have known Tomas Masaryk personally for many years, and to have worked shoulder to shoulder with him in his efforts to free his people and to establish democracy and independence in Czechoslovakia.

The privilege was mine to meet Masaryk when he arrived in Washington, together with several other Senators and Representatives who recognized the justness of his cause, when he came to seek the advice, counsel, and the aid of our Government in his great struggle. I offered my assistance in breaking down the barriers with which he was confronted. And though legally an enemy alien, I secured for him a conference with President Wilson against the red tape of the State Department. Our humane and considerate President Wilson, in his desire to aid all oppressed peoples, was greatly interested in the efforts of the then Professor Masaryk, and expressed his utmost sympathy with the determination of the Czechs to secure their independence and liberty.

Realizing that Germany and Kaiser Wilhelm actually controlled the Austrian Army, I had urged President Wilson not to conclude a separate peace with Austria-Hungary because it would not have brought an earlier end to the war as he was made to believe. Having obtained information from many of the nationalistic groups or countries which were a part and parcel of Austria-Hungary, I urged the President not to enter into such a separate peace, in view of our original proclamation in the interest of self-determination and freedom for the oppressed peoples of Europe.

And I was gratified indeed that I finally succeeded in convincing President Wilson that we should keep our pledge and assurances to these liberty-loving and freedom-seeking people, who in every way weakened the Austrian-German military power by deserting to the French, Russian, Canadian, and other Allied forces, who had established their own regiments and furnished invaluable aid to the Allied cause. Knowing that conditions were nearly ripe to overthrow the Austro-Hungarian Government, I persisted and finally succeeded in convincing President Wilson to that end. Shortly thereafter, he sent a message to the Congress stopping further negotiations for a separate peace, thus giving assurance to these struggling peoples of Europe of our aid and support.

In order to fully appreciate how destiny prescribes the fate of leadership to the Masaryks in our history, it is well to recount briefly the events in his life which formulated the fundamental principles upon which he based his life's work and his efforts for a free Czechoslovakia. Born of a peasant family, he was obliged from the very beginning to make his own way in surroundings much less favorable than are encountered in our own land. In spite of adversity, he was able to secure an excellent education. He became a lecturer of philosophy in the University of Vienna, later transferring to the Czech section of the University of Prague. He also held a professorship at the University of Chicago in later years. His work at the University of Prague was eventually to lead him to the presidency of the newly created Czechoslovak state.

The first step in his political work was to learn and understand the problems his nation faced inside the dual monarchy. The second was to educate the Czechs in these problems. He was determined the Czechs must learn to abandon their narrow horizons and try to correlate their problems to the whole pattern of European affairs.

Masaryk's political career commenced in 1891 when he was elected to the Austrian Parliament. Here he studied the position of the Czechs and the other minority groups in the empire and found a real need for the redistribution of political power. He wanted above all to see that the many component groups could live together harmoniously and share the responsibilities of government. Greater autonomy for the Slav people was absolutely essential if the government was to continue in existence. That was Masaryk's conception, and it was a sound one.

In furthering these progressive thoughts he immediately came up against the aristocratic German oligarchy, but his efforts in the period prior to World War I gained him an eminent reputation throughout Europe. In the Hilsner ritual murder case of 1899 he exposed the prejudice-ridden administration and the narrow-minded bigotry of its chiefs. Later, in the Agraam treason trial, he revealed to all Europe the scheming ambitions of a ruling class which overestimated its own strength and tried by fraudulent means to extend its power in the Balkans. The first case won Masaryk the friendship of thinking people throughout the world who abhorred religious and racial prejudice. The second helped him to make effective contact with the southern Slavs and brought out his championship of the broader principles of government affecting all peoples rather than a mere defender of his own country's interests.

On the eve of World War I Masaryk went into voluntary exile. He saw no possibility of effective reform inside the empire. He chose the courageous alternative of working for the emancipation of his people and other Slav groups from abroad. His task was a tremendous one. The foreign offices of our Allies were not familiar with the details of the Czech situation or aware of its urgency. The Czech resistance group was without funds and had no material assistance to offer to the cause of the Allies.

The real genius of Masaryk as a statesman, organizer, and leader was brought out in those years. Together with Edward Benes, who worked with him so closely, he called at Geneva, then France, then England in an effort to secure a hearing and eventual acceptance of his ideas. He finally won over the war leaders to his cause. At our direction, in spite of great difficulties, under his leadership and inspiration a Czech army was organized which performed heroic service in the bitter cold wastes of Siberia protecting the ammunition, supplies, and war material we had furnished to the Kerensky Government of Russia. It was the remnants of a few hundreds of this tattered army, many of them wounded, that stopped over in Washington on its return to Czechoslovakia via Japan and the United States, which was reviewed in front of the White House by President Wilson, together with members of our Cabinet and high officials of our armed forces. From the portico of the White House President Wilson delivered a stirring message of appreciation for the services they had rendered the Allied cause. At the conclusion of his remarks, realizing they had failed to understand his language, President Wilson turned to me and asked that I address them in their native tongue. Though taken by surprise, I was immensely pleased to do his bidding. The outburst that followed the conclusion of my remarks prompted the President to remark: "That was a very fine speech you made, but I did not understand a word you said."

During the 17 years of his presidency, Masaryk was able to exert unchallenged influence in his country. His people loved him, and his dynamic personality soon became a tradition among the Czechs. He was harassed by some Slovak leaders who wanted their own autonomy. Until his retirement in 1935, when Benes who was always at his side and was of such great help to him during the long struggle—and whom I personally knew so well—he labored untiringly to make Czechoslovakia a truly progressive democracy—the only one in all of central Europe. It was looked upon as an example by other struggling nations. His government proved to be the most stable on the Continent of Europe and the parliamentary system he established was almost a replica of our own.

Masaryk was indeed a world figure; his services to the cause of democracy were many. Democracy, from his viewpoint, meant a complete outlook on the world and on life. He did not and could not remain within the narrow confines of his own land in his thoughts and actions. He felt the only hope for the formation of a stable political structure lay in making secure the principle of democratic authority in society. This meant, of course, a new emphasis on the ideal of citizenship which he so nobly exemplified. He felt it the duty of each individual to contribute to the political life of the state. Education was the

foundation stone of his democratic ideology and action; he held, naturally, that ignorance was the worst enemy of social and economic life. These ideals are important today when we stand confronted with the need for understanding world problems. His analysis of the situation is fundamental and appropriate. We owe a debt of gratitude to Tomas Masaryk. He has emblazoned his mark on the pages of history. What Washington was to our country and Simon Bolivar was to our sister republics to the south, Masaryk was to Czechoslovakia—a fine example to other small struggling nations of Europe. His memory will always be with us who knew him intimately, and Czechs today and in the ages to come will forever pay homage and honor to his memory.

May I add here that it is not only that I have been vitally interested in furthering the independence of the liberty-loving Czechoslovaks, but that my interest and my efforts have been and will continue to be directed toward the liberation of all oppressed and subjugated peoples.

Today in my home city of Chicago, as in many other cities throughout our land, commemorative exercises and gatherings are being held to honor the memory of Tomas G. Masaryk. Here in this city of Washington such a commemoration of the one hundredth anniversary of his birth is being held at All Souls Church. A very interesting program has been arranged, with Associate Justice Robert H. Jackson as the principal speaker, followed by Dr. Suraj Slavik, former Ambassador to the United States from Czechoslovakia. Other democratic leaders and former officials of free Czechoslovakia will also be present.

In conclusion, Mr. Speaker, it is indeed regrettable and deplorable that in the short space of one generation from the time the Nazi hordes were driven from the soil of Czechoslovakia, this noble and courageous small nation should again be placed in the chains of bondage, this time by the communistic Russian oligarchy. But the spark of freedom, unquenchable in a great people, still burns and the dawn of a new day of real freedom and liberty for the gallant Czechs will soon appear. This, I know, is the thought and hope uppermost in the minds of Czechs today, in the homeland as well as those scattered throughout the world.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. McSWEENEY. I am sure our colleagues realize what a valuable contribution the distinguished chairman of the Committee on Rules has made not only to the Government of this country but for people of less fortunate circumstances. I feel, though he has done so much for America, he has also been an inspiration to those of foreign birth who have come to this country.

Mr. SABATH. I thank the gentleman very much for his kind remarks, which I greatly appreciate.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. McCORMACK. I congratulate my friend, the gentleman from Illinois [Mr. SABATH], who is one of the greatest men I have ever met in the journey of life. I congratulate him on the splendid tribute he has just paid to Tomas Masaryk. We all know the life and history of that great man. His whole life was dedicated to liberty and freedom for the people of his own land and then for the freedom and liberty of people of other lands. His memory and his spirit will always live on. While the liberty-loving people of Czechoslovakia are temporarily subjected to an alien governmental regime, we all hope it will only be for a short period, and we pray that in their emancipation from that alien regime and in the regaining of their liberty and freedom, the spirit of Tomas Masaryk will be their guiding influence. The tribute you have paid to this great man on the anniversary of his birth is not only a fitting and proper one coming from the gentleman from Illinois himself, but Americans of all racial origins join with you in your splendid tribute to his memory.

Mr. SABATH. I thank the gentleman from Massachusetts. I wish to assure him that he has expressed my hope that that little country in the near future will again be free and independent. That has been the prayer of these people for many centuries. I hope within a short space of time they attain it.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. O'HARA of Illinois. May I say to the gentleman from Illinois that he has been an influence in the lives of many, many people in our Chicago area for many years. In Chicago no man has ever been more sincerely and deeply loved than you, Judge SABATH. No man has contributed more in service to the lowly and those in distress, and in need of the kindly voice and the helping hand. No man has reached higher in constructive statesmanship. To me, who has known you intimately and loved you devotedly for decades, it has been an inspiration to be in this body under your deanship. As I see you on the floor, Judge SABATH, erect as an arrow and as vibrant as springtime, and think of the many Presidents that you have served under—you, the immigrant boy who came to this country and achieved great heights of prominence, always using your voice and your influence for the downtrodden—well, all I can think of is that which I see is Americana in its highest personal expression.

On this occasion I have remained in the Chamber and as you were speaking and paying tribute to the land of your birth and the great and noble Masaryk on this anniversary occasion, I was thrilled with a great and an overpowering emotion. Masaryk, born 100 years ago today, was a young man of 16 when you were born. He did a great work for country and mankind which will never be forgotten. You were but 15 when you left your native land and came to give to us the richness of your heart and mind. You have served under eight Presidents, and are still going as strong as the youngest in this Chamber. You and your work will never be forgotten. This has been an hour ever to be remembered—this centennial birthday anniversary observed with words from this well by the greatest son that the land of Masaryk has given to America.

Mr. SABATH. I also thank my colleague for his kind expression.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MORRIS. Mr. Speaker, when I was a boy I read a great many, if not all, of the Horatio Alger stories. My judgment, after having served for a little more than 3 years in this great body, and after having become well acquainted with the gentleman from Illinois [Mr. SABATH] who now has the floor, and with his record, is that he is greater in fact than the heroes of those stories were in fiction, and that the imprint of his life and services on the minds and hearts and imaginations of our countrymen will be greater even than those heroes of fiction.

I, as an American citizen, want to express to you, Mr. SABATH, the gratitude I have for the life you have lived.

Just this thought, and I shall conclude: It is my judgment that one of the most difficult things for any person to do in life is to remain courteous, honorable, efficient, and courageous over a long period of time as a public servant. In my judgment, you have possessed, and you do now, and you will continue to possess, all of those virtues. I take my hat off to you as one of the greatest living Americans. God bless you for the service you have rendered and that I am certain you will continue to render as long as you live.

Mr. SABATH. I do not know that I deserve all the kind things that have been said. I do not know what I can say, with the exception that I am grateful to God and to my country that I have had the privilege to serve here and to represent those who required my services. I give you my word that, as long as I am capable, I shall continue in my efforts to be of help to those who need my assistance and those of others, most.

Mr. DAVENPORT. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. DAVENPORT. I believe that the Judge would be very happy to know that back in my district, which is a section of Pittsburgh and Allegheny County, there are tens of thousands of my constituents, fine Americans of Jewish faith. They are proud of your great work rendered in this House over the past 44 years. It is always good to know that you are not only greatly loved and appreciated in your city of Chicago, but you are most highly regarded throughout the State of Pennsylvania, particularly in Pittsburgh.

I would like to add my words of praise for your very fine remarks about one of the greatest patriots, one of the greatest fighters in the cause of democracy who ever lived, Masaryk. I know that the people in your district who are of Czech descent, and there are many thousands of them, will be happy when they hear

of this fine message which you have just rendered to us.

Mr. SABATH. I also thank you, and I assure you that I greatly appreciate all that has been said. I am hopeful that each and every one of you will attain that high level of affection, which I believe you possess, and that it will continue to reach even a greater degree of love and affection and confidence reposed in you by the people you represent in those States of which you are citizens.

The SPEAKER. The time of the gentleman has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. STANLEY (at the request of Mr. SMITH of Virginia), for an indefinite period, on account of illness.

To Mr. SHEPPARD, for 2 weeks from March 8, on account of official business.

To Mr. WILLIAM L. PFEIFFER, for the balance of the week, on account of illness.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4406. An act to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2364. An act to provide for the utilization as a national cemetery of surplus Army Department-owned military real property at Fort Logan, Colo.;

S. 2436. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska"; and

S. 2541. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as amended, to extend the period for which employees may be detailed for training and research, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 59 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 8, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1288. A communication from the President of the United States, transmitting a draft of legislation entitled "A bill to establish the Commission on the Coal Industry" (H. Doc. No. 498); to the Committee on Education and Labor and ordered to be printed.

1289. A letter from the Commissioner, Federal Housing Administration, transmitting the report prepared by the Federal National Mortgage Association on its activities during the period July 1 through December 31, 1949, in accordance with the National Housing Act, as amended by Public Law 864, Eightieth Congress; to the Committee on Banking and Currency.

1290. A letter from the Chairman, Export-Import Bank of Washington, transmitting the Ninth Semiannual Report of the Export-Import Bank of Washington, covering the period July to December 1949, pursuant to section 9 of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking and Currency.

1291. A letter from the Secretary of the Interior, transmitting the Synthetic Liquid Fuels Annual Report of the Secretary of the Interior for 1949, pursuant to the provisions of the Synthetic Liquid Fuels Act of April 5, 1944; to the Committee on Public Lands.

1292. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a report of the official operations of the District of Columbia government for the fiscal year ended June 30, 1949, pursuant to section 12 of the act providing a permanent form of government for the District of Columbia, approved June 11, 1878 (20 Stat. 108); to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURDOCK: Committee on Public Lands. S. 3159. An act granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River; without amendment (Rept. No. 1743). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 6292. A bill to provide that payments to States under the Oil Land Leasing Act of 1920 shall be made biannually; without amendment (Rept. No. 1744). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 5226. A bill to amend paragraph 207 of the Tariff Act of 1930; with amendment (Rept. No. 1745). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1272. A bill for the relief of Edward A. Seeley; with amendment (Rept. No. 1736). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1277. A bill for the relief of Mary Jane Sherman; with amendment (Rept. No. 1737). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1624. A bill for the relief of Harris A. Bakken; with amendment (Rept. No. 1738). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2803. A bill for the relief of Albert J. Peterson; with amendment (Rept. No. 1739). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3601. A bill for the relief of Patrick J. Logan; without amendment (Rept. No. 1740). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4904. A bill for the relief of the estate of Conrad L. Steele, deceased; without amendment (Rept. No. 1741). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 5923. A bill for the relief of Mrs. Cora B. Jones and James C. Jones; without amendment (Rept. No. 1742). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 7591. A bill to amend section 416 of the Agricultural Act of 1949 so as to authorize delivery of surplus farm products at Government expense to school-lunch programs, the Bureau of Indian Affairs, welfare organizations, and penal and correctional institutions; to the Committee on Agriculture.

H. R. 7592. A bill to provide marketing quotas for potatoes, and to provide that the price-support benefits paid to any producer of potatoes during a crop year shall not exceed $10,000; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 7593. A bill to provide for payment of an annuity to widows of justices and judges; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 7594. A bill to amend the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, so as to extend its provisions to other areas; to the Committee on Agriculture.

By Mr. NIXON:

H. R. 7595. A bill to protect the United States against certain un-American and subversive activities, and for other purposes; to the Committee on Un-American Activities.

By Mrs. ST. GEORGE:

H. R. 7596. A bill to authorize the Secretary of the Treasury to issue Peace bonds; to the Committee on Ways and Means.

By Mr. WHITE of Idaho:

H. R. 7597. A bill authorizing an appropriation for the construction of a high school and junior high school building at Blackfoot, Idaho, for district No. 55, Bingham County, embracing the southeast part of Bingham County and including the Fort Hall Indian Reservation; to the Committee on Public Lands.

By Mr. DAVIS of Georgia:

H. R. 7598. A bill to provide a 5-day week for officers and members of the Metropolitan Police force; to the Committee on the District of Columbia.

By Mr. LESINSKI:

H. R. 7599. A bill to establish the Commission on the Coal Industry; to the Committee on Education and Labor.

By Mr. MILLER of California:

H. R. 7600. A bill to amend further the Philippine Rehabilitation Act of April 30, 1946, as amended; to the Committee on Foreign Affairs.

By Mr. KILDAY:

H. R. 7601. A bill to require the appointment of one member of the armed forces as a member of the Atomic Energy Commission and to authorize the appointment of one additional member of the armed forces as a member of the Commission; to the Joint Committee on Atomic Energy.

By Mr. MONRONEY:

H. J. Res. 436. Joint resolution to name the Veterans' Administration hospital under construction at Oklahoma City, Okla., the "Will Rogers Hospital"; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 7602. A bill for the relief of Anastasia Squillari; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. R. 7603. A bill to authorize the sale of certain land on the Pine Ridge Reservation in South Dakota allotted to David Red Star, Sr.; to the Committee on Public Lands.

By Mr. CHUDOFF:

H. R. 7604. A bill to provide for the advancement of Carl E. Svenson on the retired list of the United States Marine Corps; to the Committee on Armed Services.

By Mr. DAWSON:

H. R. 7605. A bill for the relief of Paul Tse, James Tse, and Bennie Tse; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 7606. A bill for the relief of Kunigunde Beldie; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 7607. A bill for the relief of Kikue Uchida; to the Committee on the Judiciary.

H. R. 7608. A bill for the relief of Mitsuko Morita; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 7609. A bill to grant a renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War; to the Committee on the Judiciary.

By Mr. LICHTENWALTER:

H. R. 7610. A bill for the relief of Horst Marcell Cleinow, Regina Olga Maria Cleinow, his wife, and Dieter and Barbara Anna Elizabeth Cleinow, their children; to the Committee on the Judiciary.

By Mr. McGUIRE (by request):

H. R. 7611. A bill for the relief of Charles H. Whitford; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 7612. A bill for the relief of Sante Martinoli, Mrs. Giuditta Martinoli, and Maurizio Martinoli; to the Committee on the Judiciary.

By Mr. WALSH:

H. R. 7613. A bill for the relief of Miyako Horikoshi and her minor daughter; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 7614. A bill for the relief of Mrs. Ellen Knauff; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1967. By Mr. GAMBLE (by request): Resolution adopted by the board of directors of the Mount Vernon (N. Y.) Council of Church Women, urging that the Congress take immediate action to restrain the sending of American films derogatory to the American way of life to foreign lands; to the Committee on Foreign Affairs.

1968. By Mr. HOEVEN: Petition signed by T. Kloster and other residents of Plymouth County, Iowa, in favor of House bill 2428 and Senate bill 1847; to the Committee on Interstate and Foreign Commerce.

1969. By Mr. JUDD: Petition of F. C. Hathaway and other citizens of Minneapolis, in support of House bill 2428, relating to advertising of alcohol; to the Committee on Interstate and Foreign Commerce.

1970. By Mr. KEARNEY: Petition of residents of Westford, South Valley, Cherry Valley, and Worcester, N. Y., advocating passage of H. R. 2428, a bill to prohibit the transportation in interstate commerce of alcoholic-beverage advertising and stop its broadcasting over the radio; to the Committee on Interstate and Foreign Commerce.

1971. By Mr. WIGGLESWORTH: Petition of the American Lithuanian Council of Boston, Mass., urging (1) that the freedom-loving democratic nations of the world, individually and through the United Nations, manifest their aroused conscience by reaffirming the right of Lithuania to be free and independent in accordance with the right of self-determination and (2) that the United Nations and all nations imbued with humanitarianism and a sense of justice and fair play declare vigorously against the genocide being practiced in Lithuania; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, MARCH 8, 1950

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, who committeth to us the swift and solemn trust of life, so teach us to number our days that we may apply our hearts unto wisdom. Consecrate with Thy presence the way our feet may go, and the humblest work will shine and the roughest places be made plain. Teach us to value a conscience void of offense, and the royalty of inward calm above all the pedestals, prizes, and preferments earth can give. May the tyranny of majorities and the tirades of minorities be equally impotent to sway us from the right as Thou dost give us to see it.

Along the road of this day, and of every day, may we walk with Thee in the bright fellowship of those who are able to say at the last, I have fought a good fight, I have kept the faith. In the name of the Master of all good workmen, we ask it. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 7, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 212. An act for the relief of John Joseph McKay;

S. 507. An act for the relief of Mrs. Lorraine Malone; and

S. 738. An act for the relief of Earl B. Hochwalt.

The message also announced that the House had passed the bill (S. 2084) for the relief of Jackson Riley Holland, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 49. An act to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States;

H. R. 1082. An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by the Bunker Hill Development Corp.;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1290. An act for the relief of Charles W. Wulf, warrant officer, junior grade, United States Air Force;

H. R. 1609. An act for the relief of Arne Gordon Westly;

H. R. 1817. An act for the relief of Mrs. Rose A. Mongrain;

H. R. 2232. An act for the relief of Mrs. Solveig Normanson;

H. R. 2765. An act for the relief of Reno E. Stitely;

H. R. 2851. An act for the relief of Carl L. Sexauer;

H. R. 3010. An act for the relief of Walter E. Parks;

H. R. 3018. An act for the relief of Camilla Fabris;

H. R. 3996. An act for the relief of Dr. J. Carlyle Nagle;

H. R. 4041. An act for the relief of Parish Bros.;

H. R. 4164. An act for the relief of Elmer Pippin and Mrs. Pansy Pippin and the legal guardian of Norman Otis Pippin, a minor;

H. R. 4342. An act for the relief of J. R. Holden, R. C. Biggadike, and John Hoffman;

H. R. 5341. An act for the relief of Joseph W. Greer;

H. R. 5355. An act for the relief of Mindel Malek;

H. R. 5380. An act for the relief of Thomas J. Smith;

H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;

H. R. 6163. An act for the relief of Dr. Wei Tcheng Liang;

H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;

H. R. 6490. An act for the relief of Margarita Funakura;

H. R. 6655. An act for the relief of Taeko Suzuki;

H. R. 6656. An act for the relief of Peter Michael El-Hini;

H. R. 6747. An act for the relief of Helga Holleb;

H. R. 6793. An act for the relief of Fujiko Fukuda;

H. R. 6942. An act for the relief of Hisako Nakane;

H. R. 7013. An act for the relief of Mrs. Yae Bennett;

H. R. 7047. An act for the relief of Mrs. Tomo Nonque Rosevear III;

H. R. 7054. An act for the relief of Mieko Miyazaki Malloy;

H. R. 7094. An act for the relief of Kazuyo Dohi;

H. R. 7256. An act for the relief of Mieko Nishitsuru; and

H. R. 7313. An act for the relief of Lucy Teresa Morris.

LEAVE OF ABSENCE

On request of Mr. SPARKMAN, and by unanimous consent, Mr. LONG was excused from attendance on the sessions of the Senate today and the remainder of this week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MAGNUSON, and by unanimous consent, the Subcommittee on Merchant Marine of the Committee on Interstate and Foreign Commerce was authorized to sit during the sessions of the Senate this afternoon and tomorrow.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Brewster	Holland	Morse
Bricker	Humphrey	Murray
Bridges	Hunt	Myers
Butler	Ives	Neely
Byrd	Jenner	O'Conor
Capehart	Johnson, Colo.	O'Mahoney
Connally	Johnson, Tex.	Russell
Cordon	Johnston, S. C.	Saltonstall
Darby	Kefauver	Schoeppel
Donnell	Kem	Smith, Maine
Douglas	Kerr	Smith, N. J.
Dworshak	Kilgore	Sparkman
Eastland	Langer	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Lucas	Thomas, Okla.
Flanders	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] is absent because of illness.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Rhode Island [Mr. LEAHY] are necessarily absent.

The Senator from Delaware [Mr. FREAR], the Senator from Louisiana [Mr. LONG], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent on official business.

The Senator from Michigan [Mr. VANDENBERG] is necessarily absent.

The Senator from South Dakota [Mr. MUNDT] is absent by leave of the Senate.

The Senator from California [Mr. KNOWLAND] is absent on official business.

The PRESIDENT pro tempore. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

DEFINITION OF TERM "CONTRABAND ARTICLE" WITH RESPECT TO NARCOTIC DRUGS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes (with an accompanying paper); to the Committee on Finance.

REPORT ON SYNTHETIC LIQUID FUELS

A letter from the Secretary of the Interior, transmitting, pursuant to law, his report on operations under the Synthetic Liquid Fuels Act of April 5, 1944, for the calendar year 1949 with an accompanying report); to the Committee on Interior and Insular Affairs.

STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Acting Attorney General of the United States, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the status of permanent residence to certain aliens, together with a statement of the facts and pertinent provisions of law and the reasons for granting such status (with accompanying papers); to the Committee on the Judiciary.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, his report of the operations of the General Accounting Office, for the fiscal year 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT OF BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA

A letter from the president of the board of commissioners of the District of Columbia, transmitting, pursuant to law, a report of the Commission on the operations of the government of the District of Columbia, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF DIRECTORS OF FEDERAL PRISON INDUSTRIES, INC.

A letter from the Secretary of the Board of Directors of the Federal Prison Industries, Inc., Department of Justice, transmitting, pursuant to law, a report of the Board for the fiscal year 1949 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the Chairman of the Export-Import Bank of Washington, transmitting, pursuant to law, the ninth semiannual report of the bank, for the period July–December 1949 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF FEDERAL NATIONAL MORTGAGE ASSOCIATION

A letter from the Commissioner, Federal Housing Administration, transmitting, pursuant to law, the report of the Federal National Mortgage Association, for the period July 1 through December 31, 1949 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON FRANKLIN D. ROOSEVELT LIBRARY

A letter from the Administrator of General Services Administration, transmitting, pursuant to law, a report on the Franklin D. Roosevelt Library, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Rules and Administration.

REPORT OF ADMINISTRATIVE OFFICE OF UNITED STATES COURTS

A letter from the Director, Administrative Office of the United States Courts, Washington, D. C., transmitting, pursuant to law, his report, together with reports of the annual and special meetings of the Judicial Conference of the United States, for the fiscal year 1949 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF FEDERAL MEDIATION AND CONCILIATION SERVICE

A letter from the Director of the Federal Mediation and Conciliation Service, Washington, D. C., transmitting, pursuant to law, the report of the Service for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the National Association of Negro Business and Professional Women's Clubs, Inc., in New York, N. Y., favoring the ratification of the draft covenant of the universal declaration of human rights, which was referred to the Committee on Foreign Relations.

GOVERNMENT CONTROLS AND SUBSIDIES — RESOLUTION OF MICHIGAN MUCK FARMERS' ASSOCIATION

Mr. FERGUSON. Mr. President, I ask unanimous consent that there be printed in the RECORD and appropriately referred a resolution of the Michigan Muck Farmers' Association which I consider of great interest and significance because it asserts an opposition to Government controls and subsidies that I believe is typical of the independent spirit held by a great share of the Nation's farm population.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Resolution regarding Government controls and subsidies

Whereas it has become increasingly evident that Government price controls and subsidies will eventually lead to a complete socialization of agriculture wherein farmers will be told what they can plant, what price they can receive, and when they can sell: Therefore be it

Resolved by this, the Michigan Muck Farmers' Association, assembled at East Lansing in its thirty-second annual convention this 3d day of February, That we go on record as being strongly opposed to the establishment of Government controls and of subsidies of any kind; and be it further

Resolved, That a copy of this resolution shall be sent to our United States Congressmen and to our State legislature.

COMMITTEE ON RESOLUTIONS,
PETER BRINK, *Grant,*
LYLE JORDAN, *Jackson,*
KENNETH TRAPP, *Beulah,*
EVERETT BRISTOL, *Almont,*
Chairman.

LITHUANIAN INDEPENDENCE — RESOLUTION OF LITHUANIAN-AMERICAN COLONY IN MARYLAND

Mr. O'CONOR. Mr. President, the Lithuanian-American colony in Maryland, which includes a number of persons of Lithuanian birth and many others of Lithuanian ancestry, comprises as loyal and patriotic a group of American citizens as can be found anywhere in our country. Because of the unfortunate conditions now prevailing in Lithuania and the sufferings and persecution to which many of their relatives and friends have been subjected, they naturally have a very keen interest in any diplomatic or other movements that would tend to better the condition of the people of their homeland.

On the occasion of the commemoration of the thirty-second anniversary of the declaration of Lithuanian independence, held in Lithuanian Hall, Baltimore, recently, the Council of Lithuanian Societies adopted a resolution on the matter of Lithuanian independence and urging ratification of the Genocide Convention which deserves the attention of all Members of the Congress.

I ask unanimous consent that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on

Foreign Relations and ordered to be printed in the RECORD, as follows:

"Whereas by overwhelming military forces Soviet Russia occupied Lithuania in 1940 and now arbitrarily deprives Lithuania, Latvia, and Estonia of their independent political life; and

"Whereas since the said occupation of Lithuania, the Union of Soviet Socialist Republics pursues a ruthless policy of planned liquidation, deportation, and dispersion of the Lithuanian people in order to destroy the Lithuanian national entity; and

"Whereas the crime of genocide, which the Union of Soviet Socialist Republics is perpetrating upon the defenseless Lithuanian nation violates all principles of human rights and has been outlawed by the convention of the United Nations General Assembly; and

"Whereas the aforestated genocide pact will be presented for action before the United States Senate: Therefore be it

"*Resolved*, That our representatives at the United Nations request that steps be taken by the General Assembly to impel the withdrawal of all Russian organizations from Lithuania; and be it further

"*Resolved*, That the United States Government enter into no peace settlement without the restoration of the freedom and independence of Lithuania and similar nations; and be it further

"*Resolved*, That we urge our esteemed Members of the United States Senate to ratify the genocide convention."

The foregoing resolutions were adopted by unanimous vote at the thirty-second anniversary of the Republic of Lithuania Day, under the sponsorship of the Council of Lithuanian Societies held this 16th day of February 1950, in the Lithuanian Hall, Baltimore, Md.

ANTHONY J. MICEIKA,
President.
MARTIN RAILA, *Secretary.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

H. R. 4800. A bill to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes; with an amendment (Rept. No. 1327).

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

S. 2826. A bill to increase the borrowing power of Commodity Credit Corporation; with amendments (Rept. No. 1326).

By Mr. MAYBANK, from the Committee on Banking and Currency:

S. 2943. A bill to liberalize the lending policies of the Reconstruction Finance Corporation and of the Federal Reserve Banking System in favor of independent small business enterprises; to adjust the registration provisions of the Securities Exchange Act, as amended, in order to enable independent small business concerns to issue securities at a reasonable cost; to develop the productive facilities of the national economy; to further the interest of independent small business enterprises; to provide for the appointment of a Small Business Coordinator; and for other purposes; with amendments (Rept. No. 1328); and

S. 3105. A bill to amend section 10 of the Federal Reserve Act, and for other purposes; with an amendment (Rept. No. 1329).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE:

S. 3199. A bill to clarify and amend section 2 of the act of Congress of February 11, 1929, with respect to the granting of relief by the Commissioners of the District of Columbia in cases in which certain special assessments have been paid and later held to be void or erroneous; to the Committee on the District of Columbia.

By Mr. LANGER:

S. 3200. A bill to amend part VIII of Veterans Regulation No. 1 (a) so as to extend the period of entitlement to educational benefits for those individuals who continued to serve in the active military and naval service after July 25, 1947; to the Committee on Labor and Public Welfare.

S. 3201. A bill to authorize the Secretary of the Interior to grant an easement in certain lands located in Bottineau County, N. Dak., to Bottineau County for highway purposes; to the Committee on Interior and Insular Affairs;

S. 3202. A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees; to the Committee on Post Office and Civil Service.

By Mr. HILL:

S. 3203. A bill for the relief of Mrs. Clara M. Fortner; to the Committee on the Judiciary.

By Mr. ECTON:

S. 3204. A bill authorizing the Secretary of the Interior to issue a patent in fee to Julia Jackson Sanders;

S. 3205. A bill authorizing the Secretary of the Interior to issue a patent in fee to Lester Jefferson;

S. 3206. A bill authorizing the Secretary of the Interior to issue a patent in fee to Lucille Ellen Sanders Groh;

S. 3207. A bill authorizing the Secretary of the Interior to issue a patent in fee to Warren Jefferson;

S. 3208. A bill authorizing the Secretary of the Interior to issue a patent in fee to Louis Dave Jefferson;

S. 3209. A bill authorizing the Secretary of the Interior to issue a patent in fee to Cecelia Comes in a Day;

S. 3210. A bill authorizing the Secretary of the Interior to issue a patent in fee to Lena Lion Shows;

S. 3211. A bill authorizing the Secretary of the Interior to issue a patent in fee to George Not Afraid; and

S. 3212. A bill authorizing the Secretary of the Interior to issue a patent in fee to Jacob Stands Over Bull; to the Committee on Interior and Insular Affairs.

(Mr. MALONE introduced Senate bill 3213, to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be security risks or disloyal to the United States, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. WILLIAMS (by request):

S. 3214. A bill to extend the basis for appellate reviews in the Veterans' Administration; to the Committee on Finance.

By Mr. O'MAHONEY:

S. 3215. A bill to establish the Commission on the Coal Industry; to the Committee on Interior and Insular Affairs.

By Mr. WATKINS:

S. J. Res. 159. Joint resolution providing for a commission to investigate strikes and other interruptions of work in industries essential to the national welfare, and for other purposes; to the Committee on Labor and Public Welfare.

STATEMENTS TO ACCOMPANY REPORTS OF COMMITTEES OF CONFERENCE

Mr. HAYDEN submitted the following concurrent resolution (S. Con. Res. 79), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there shall accompany every report of a committee of conference a statement, in writing and signed by at least a majority of the managers on the part of each House, explaining the effect of the action agreed on by the committee.

SEC. 2. The foregoing section shall be a rule of each House, respectively, and shall supersede any other rule thereof but only to the extent that it is inconsistent with such other rule.

COMMUNISTS IN GOVERNMENT SERVICE—CLERICAL AND OTHER ASSISTANTS

Mr. TYDINGS, from the Committee on Foreign Relations, reported an original resolution (S. Res. 237), which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That in conducting the study and investigation authorized and directed by Senate Resolution 231, agreed to February 21, 1950, as to whether persons who are disloyal to the United States are or have been employed by the Department of State, the Committee on Foreign Relations, or any duly authorized subcommittee thereof, hereby is authorized, during the Eighty-first Congress, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable and to expend not to exceed $25,000, to be paid from the contingent fund of the Senate on vouchers approved by the chairman of the committee or subcommittee.

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him on behalf of the Committee on Interior and Insular Affairs to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, heretofore reported by the Committee on Public Works, which was ordered to lie on the table and to be printed.

URGENT DEFICIENCY APPROPRIATIONS—AMENDMENT

Mr. O'MAHONEY (for himself and Mr. HUNT) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 49. An act to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the Original States; to the Committee on Interior and Insular Affairs.

H. R. 1082. An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by the Bunker Hill Development Corp.;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1290. An act for the relief of Charles W. Wulf, warrant officer, junior grade, United States Air Force;

H. R. 1609. An act for the relief of Arne Gordon Westly;

H. R. 1817. An act for the relief of Mrs. Rose A. Mongrain;

H. R. 2232. An act for the relief of Mrs. Solveig Normanson;
H. R. 2765. An act for the relief of Reno E. Stitely;
H. R. 2851. An act for the relief of Carl L. Sexauer;
H. R. 3010. An act for the relief of Walter E. Parks;
H. R. 3018. An act for the relief of Camilla Fabris;
H. R. 3996. An act for the relief of Dr. J. Carlyle Nagle;
H. R. 4041. An act for the relief of Parish Bros.;
H. R. 4164. An act for the relief of Elmer Pippin and Mrs. Pansy Pippin and the legal guardian of Norman Otis Pippin, a minor;
H. R. 4342. An act for the relief of J. R. Holden, R. C. Biggadike, and John Hoffman;
H. R. 5341. An act for the relief of Joseph W. Greer;
H. R. 5355. An act for the relief of Mindel Malek;
H. R. 5380. An act for the relief of Thomas J. Smith;
H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;
H. R. 6163. An act for the relief of Dr. Wei Tcheng Liang;
H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;
H. R. 6490. An act for the relief of Margarita Funakura;
H. R. 6655. An act for the relief of Taeko Suzuki;
H. R. 6656. An act for the relief of Peter Michael El-Hini;
H. R. 6747. An act for the relief of Helga Holleb;
H. R. 6793. An act for the relief of Fujiko Fukuda;
H. R. 6942. An act for the relief of Hisako Nakane;
H. R. 7013. An act for the relief of Mrs. Yae Bennett;
H. R. 7047. An act for the relief of Mrs. Tomo Nonque Rosevear III;
H. R. 7054. An act for the relief of Mieko Miyazaki Malloy;
H. R. 7094. An act for the relief of Kazuyo Dohi;
H. R. 7256. An act for the relief of Mieko Nishitsuru; and
H. R. 7313. An act for the relief of Lucy Teresa Morris; to the Committee on the Judiciary.

PRINTING OF MEMORANDUM ENTITLED "PROPOSED EUROPEAN PAYMENTS UNION" (S. DOC. NO. 144)

Mr. McCARRAN. Mr. President, one of the more complex proposals of the Economic Cooperation Administration for consideration by the Congress is the proposed European Payments Union now under consideration by the Senate Foreign Relations Committee and the House Foreign Affairs Committee. In an effort to understand this proposal, the staff of the Joint Committee on Foreign Economic Cooperation prepared for the use of that committee a memorandum concerning this proposed Payments Union. With the thought that this explanation would be extremely useful to the Members of Congress, the joint committee authorized the chairman to present to the Congress this memorandum, together with a similar memorandum prepared by the ECA, and to request that it be printed as a Senate document. Pursuant to that authorization, I now make the request.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

THE CHALLENGE OF ATHEISM—ADDRESS BY GEORGE E. STRINGFELLOW

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an address entitled "The Challenge of Atheism," delivered by George E. Stringfellow, before the joint meeting of the Central States and Midwest Shrine Associations at Sioux City, Iowa, on February 24, 1950, which appears in the Appendix.]

STATEMENT BY HENRY FORD 2D

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD a statement relative to the Ford Motor Co.'s organization of a fund for education, hospitalization, civic, and community development, issued by Henry Ford 2d, which appears in the Appendix.]

FAIR EMPLOYMENT PRACTICES LEGISLATION

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Does State FEPC Hamper You?" published in the February 25, 1950, issue of Business Week, which appears in the Appendix.]

THE MYTH OF THE "UNTOUCHABLE" 71 PERCENT—BULLETIN OF THE COUNCIL OF STATE CHAMBERS OF COMMERCE

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a bulletin entitled "The Myth of the 'Untouchable' 71 Percent," relating to the percentage of Federal expenditures which are alleged to be not subject to curtailment, published by the Council of State Chambers of Commerce, and signed by Alvin A. Burger, research director, which appears in the Appendix.]

OREGON FARMERS UNION—POLICY AND ACTION PROGRAM FOR 1950

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, resolutions adopted by the delegates at the annual convention of the Oregon Farmers Union, held in Salem, Oreg., on February 21 to 23, 1950. The resolutions were sent to me by one of the very able farm leaders of my State, Mr. Ronald Jones.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

OREGON FARMERS UNION POLICY AND ACTION PROGRAM FOR 1950, AS ADOPTED BY THE DELEGATES AT THE ANNUAL CONVENTION IN SALEM, FEBRUARY 21–23

Though we live in times of considerable uncertainty, we are fortunate to live in a nation where the combined will and intelligence of the people are the recognized forces with which statesmen must reckon and from which their power derives. We reaffirm our faith in democracy as opposed to totalitarianism in any form and dedicate ourselves to its perpetuation and to the creation of an atmosphere in which it can function and survive. This affirmation is necessary in the face of the growing threat of Fascist and Communist dictatorship.

The Farmers Union points out that there is an American answer and a definable American way. Ours is a system geared to freedom. It is a system of free enterprise which, in the ideal, refers to the possibility of all people achieving the maximum of their possibilities as determined by capacity and initiative.

We recognize that selfish interests have perverted the ideal through the development of monopoly which poses a constant threat to democracy. That opportunity is declining is attested by growing unemployment and declining farm opportunities. We call upon people everywhere not only to resist the threats but to espouse and support a program which will give effectiveness to our unique way of life.

Ours is a day of organization. We regard the right of all groups to band together in common effort as inviolate. Only through organized effort will the common people be able to withstand the onslaught of monopolistic domination with its consequent destruction of democratic institutions. Recognizing that economic groups cannot live in isolation any more successfully than can nations, we pledge our cooperation to all people's groups whose purpose is to achieve economic balance, peace, and understanding. Cooperation is the mandate of the hour, and to its achievement we dedicate our efforts and adopt the following program to whose accomplishment we call upon our members and officers to expend their efforts.

WORLD AFFAIRS

No thinking group can deny the fact that we are indeed one world, whether or not we wish it to be so. We believe that a peaceful world offers the only hope of saving mankind. Because we recognize our common humanity, we feel deeply that we must achieve a condition where all people are adequately fed, housed, and clothed. This can be achieved only by common action of people everywhere.

The Farmers Union believes that the right of all people to access to the natural resources of the earth is the only solution to bringing about a peaceful world. We recognize the right of people to an economic system of their own choosing. We further believe that economic or political coercion because of race, color, or creed is a first step toward the ultimate destruction of the human race.

Realizing these basic factors in a peace program, we endorse the following points:

1. We wholeheartedly support the efforts of the FAO of the United Nations to distribute food and fiber to deficient areas of the world.

2. We believe that the fullest possible economic development of other nations is necessary to raising their standards of living and that our country should embark upon a program of systematic investment in the underdeveloped areas for this purpose. A realistic peace program calls for creating and spreading the fruits of full economic development.

Because of present chaotic world conditions we recognize the necessity of maintaining economic and military strength necessary for home defense.

Scientists agree there is no defense against atomic warfare, and none can be expected. Development of the hydrogen bomb, plus bacteriological weapons, will annihilate civilization if world war III is allowed to happen. The explosion of one hydrogen bomb of sufficient power, as Einstein and other scientists have pointed out, could make the Pacific Northwest uninhabitable for hundreds of thousands of years.

As the most powerful nation on earth, it is our duty to take the initiative and vigorously continue efforts toward atomic disarmament. We deplore Secretary Acheson's recent statement that further negotiations are useless, that compromises cannot be considered and that our only recourse is rapid preparation for world war III. We call on the President and Secretary Acheson to renew efforts to achieve international agreement on atomic control and general disarmament.

To the end that this may be achieved we call upon the National Farmers Union to support the United Nations as the only hope of achieving cooperation among nations. As we support employment of democratic principles within our own Nation, we support their application in the functioning of the United Nations. Basic among the tenets of democracy is rule by the majority and we

believe that this principle must be employed by a world organization as well as by national governments if justice is to prevail and a travesty on democracy avoided.

FAMILY FARMING

The first duty of every economic and social group is to recognize its obligation to society. The responsibility of agriculture is to produce in such abundance that there will be no occasion for the existence of need. We reiterate our support of the National Farmers Union in its traditional stand for full production.

We believe that the job of production can best be performed by individual farmers operating economic units sufficient to the attainment of a standard of living compatible with American standards and including such necessities as housing, education, and adequate health facilities. We, therefore, call for recognition of the family farm as the basic pattern of agriculture and endorse the principles of the National Farmers Union program for the preservation and perpetuation of family farming. The establishment of this basic pattern will give considerable impetus to the movement for attainment of economic democracy in our State and Nation.

1. Graduated land tax

The enactment of a graduated land tax would do much to encourage and make possible the further establishment of family farm units and arrest the increasing trend to corporate farming. We believe that action on this matter should not be longer delayed.

2. Land policy

Land speculation cannot be justified by any group whose chief concern is the welfare of people. As a farmer's organization we deplore such speculation as economically unsound and believe that it should be curbed by appropriate legislation.

Efforts have been made by various selfish groups to repeal the Federal act limiting the use of waters from Federal irrigation projects to 160 acres. Our support of the act as it now stands is unqualified.

Soil conservation must be an integral part of any long-range agricultural program and soil-conservation practices must be insisted upon where any subsidy, price support, or Government controlled or regulated program is involved.

3. Support programs

To achieve the supremacy of the family-type farm require farm ownership. We urge the appropriation of sufficient funds for the maintenance of a vigorous United States Department of Agriculture, to the end that adequate credit may be available. We urge also that adequate support be forthcoming for sound programs of soil conservation service, rural electrification administration, production and marketing administration, school-lunch projects, and other essential agencies and services of the Department.

4. Support prices

The National Farmers Union is assuming the leadership in demanding an agricultural policy which will provide family farmers a 100-percent parity program. We believe that this is a realistic approach to eventual achievement of parity of living for farm people.

Farm people recognize the need for full production of all agricultural products in order that the needs of society may be met adequately. They can no longer risk the hazard of such production in an economy otherwise characterized by scarcity and monopoly without an effective system of forward pricing.

We are convinced that support prices are necessary both for the preservation of family farming and to protect the interests of the consumer. Agriculture cannot compete in a monopoly devised industrial economy without support prices, nor can consumers afford to pay the prices of monopoly agriculture which will be the logical development in the absence of a price-support program.

No farm program can be sound unless it takes into consideration both the producers and consumers. This calls for fair prices to producers and consumers and for systematic soil-conservation programs designed to preserve and protect our most valuable resource.

It is our concern for these basic and even elemental principles that leads us to condemn the so-called long-range agricultural program recently enacted by Congress as a product either of ignorance or a deliberate attempt to take agriculture down the road to monopoly.

It is not logical or in accord with sound economics to define a few commodities as basic and give them protection while leaving 75 percent of agriculture to the caprices of supply and demand. It is not in the interest of the Nation to grant this selected protection without entailing an obligation on the part of the producers to practice soil conservation. It is not in the interests of economic democracy that proper limits to the amount of support are lacking which means the dominance and promotion of big agriculture and the elimination of family producers.

It has long been the position of the Farmers Union that all commodities should be considered as basic and should be accorded equal protection. We have stood historically for a farm program providing for proper soil-conservation practices as a recognition of the importance of food to the Nation and as a means of discharging our obligation to posterity. In order that the family farm pattern might be preserved and promoted the Farmers Union has always advocated a support program limiting the benefits, recognizing that any other program insures the domination of the large producers.

Such a program has been presented to the Congress by Secretary of Agriculture Charles Brannan. It is the first program seriously espoused by the representative of agriculture in our Government designed to weight the economic scales on the side of family producers and provide for the interests of the consumers. We commend the Secretary of Agriculture for his courage and vision. We support this plan and call for its adoption by Congress.

5. Increased consumption

We regard the school-lunch program as worthy of special endorsement. Such a program constitutes recognition of society's obligation to bring an adequate diet within the reach of all people in return for agriculture's recognition of its obligation to produce adequately for such purposes.

Also contributing to a well-rounded farm program which includes provision for the consumption and dietary needs of all people is a food-allotment plan whose objective is to make food available to those in need. Such a program should be adopted.

TRADE BARRIERS

Any economy whose function is to provide for human need with adequacy cannot carry the weight of trade barriers. To the extent that such barriers can be eliminated by gradual process and without doing violence to various segments of our economy we support their elimination. We particularly condemn the practice of setting up State trade barriers as selfish and uneconomic except those contingent upon disease control.

We reiterate that present freight rates are discriminatory as applied to Northwest agriculture and, as such, place farmers in this area at a serious disadvantage.

We call for the elimination of such discrimination as obstructing the development of a great economic area and as a hardship upon its citizens.

INFLATION

Except for farm producers' prices, inflation is a present condition. That farmers should be held responsible for such a situation merely attests to the power of the interests which dominate much of the press and radio. Far from profiteering during the war and postwar years, an objective study will show that agriculture's strength in the total economy is not much greater than it has ever been.

The blame for high prices for foodstuffs rests with the same groups who have been responsible in the past, namely the speculators. We stand now as in the past against speculation in foodstuffs and call for whatever action may be necessary to bring about the elimination of this antisocial practice.

Fundamentally, inflation is an accompaniment of scarcity. While agriculture recognizes the necessity for full production, we insist that economic balance cannot be achieved unless industry and all other segments also produce in abundance.

FULL EMPLOYMENT

During recent years it has become increasingly clear to the discerning that the key to agricultural prosperity lies in full employment. Our system has functioned more satisfactorily during recent years because full employment has prevailed though many vociferously declared that such a condition was unattainable. We endorse full employment at good wages as necessary and humane. To be effective full employment must be accompanied by full production in order that the purchasing power of wage earners and farmers will be adequate to buy back the things produced. We believe that if necessary to the attainment of full employment the Government should aid by the creation of sound and self-liquidating projects.

The survival of the family farmer depends on the adequacy of our economy. Only the corporate farm stands to gain from cheap farm labor. Consequently, we favor a minimum wage for farm labor.

SMALL BUSINESS

In a free-enterprise system small business as well as family farming must characterize the economy. It is in fact the counterpart of the family farm. Unless these enterprises constitute the basic business pattern, free enterprise becomes a creed rather than a reality.

Present trends indicate that small business is being sacrificed to monopolistic domination in the same manner that the corporate farm threatens the existence of the family farm.

It is time for recognition of the fact that policies must be adopted favorable to the promotion of this type of enterprises. There is need for expanding business opportunities which will provide outlet for the vast initiative which is now wasted and unused or misused. If RFC loans can be made to big business and corporate enterprises, we believe that small business can be encouraged if it receives similar treatment. Since we do not believe in economic drifting as a policy, we call for the establishment of a pattern designed to effectuate a system of real and expanding opportunity.

TAXATION

The Farmers Union has long stood for the principle that taxation should be based on ability to pay. The income tax has proven itself to be the fairest measure of such ability and we reaffirm our support of this method of taxation. We also reaffirm our opposition to sales and consumer taxes as being regressive in nature.

We point with pride to the fact that the Farmers Union has been in the forefront during recent months in an effort to secure the adoption of a simple and logical tax system for Oregon. Our tax system is cumbersome and obsolete. Because certain reve-

nues are held to specific purposes, we are sometimes faced with an unbalanced budget even though an actual surplus may exist.

This was the situation which faced the last legislature. To correct this illogical situation the Farmers Union supported a program which would have made income and corporation excise taxes available for legislative appropriation. This program would have promoted efficient and businesslike administration of the State's business.

While the legislature did make sufficient funds available to balance the current budget, it did so by complicated procedure rather than by the direct and businesslike approach. Its program constitutes an admission of the logic of our contention that such funds can be made available.

The Farmers Union did gain a positive victory by the passage of legislation which places liquor funds in the general fund of the State. Prior to this action these funds had been illogically earmarked for welfare purposes. We commend the legislature for this remedial action as being in the interest of efficiency and as recognition that the welfare problem is a general obligation.

Because the legislature has only partially, and in the main inadequately, taken proper action to simplify our tax system, we reiterate our position that earmarking of funds for specific purposes should be eliminated and that both personal income tax and corporate excise tax revenues should be made available for legislative appropriation.

1. Income tax

Property and land taxes cannot logically continue to be the base of taxation for State purposes. We have long penalized the home owners and average farmer by forcing them to carry the burden of taxation when other sources of revenue have declined. We believe that taxes should be based on ability to pay at all times by income. We, therefore, recommend that the income tax rather than the property tax be made the base of taxation for State purposes.

2. Revenue sources

The inheritance tax is fair and equitable. We call for its continuation and suggest it as a source of increased revenue.

The State of Oregon annually loses considerable sums by its inability to collect taxes from money earned by absentee stockholders. Our State is the legitimate beneficiary of such earnings. Whatever action is necessary to make such earnings subject to taxation should be taken.

It is time also for the State to plug some of the loopholes in our tax laws through which selfish interests escape their logical obligation. This is particularly true of the corporation excise tax law. One such escape is a provision in this law that corporations which earn 95 percent of their income from rentals are exempt from payment of the corporation excise tax. Such an exemption cannot be justified and is proof sufficient that special privilege does indeed exist. The farmers union sought the repeal of this exemption at the last legislative session but was summarily rebuffed. We call for the repeal of this type of law as necessary to the maintenance of faith in representative government.

CONGRESS

There is much evidence to indicate that the congressional legislative processes need revamping for the purpose of making the Congress more responsible to the people and more promptly responsive to their desires. A step in the right direction is the proposal that the source of outside income received by Members of Congress be a matter of public record. Also, the obsolete seniority system of advancement should be abolished in favor of a system based on recognition of ability. Further, we commend the proposal by the National Farmers Union that regular sessions of both Houses and of major committees be broadcast to the public.

HUMAN AND NATURAL RESOURCES

It is essential that our human and natural resources be preserved. We recognize that people as such as the real asset of any country. For their advancement and improvement we dedicate the following program and call upon the people of America for its adoption:

We believe immense expenditures for doubtful supremacy in inventions for war in this modern scientific age are both unsound in economics and pointless in their results.

We believe patriotism can be measured by a more logical and humanitarian yardstick than by blood and taxes. We believe that our money can buy more security at home and abroad if spent in building a strong defense of natural and human resources.

Let's return to at least the fundamentals of civilization and make similar investments in education, housing, health, and happiness in America as an example of realistic democracy to the rest of the world.

1. Veterans

The obligation of society to veterans can never be fully repaid. Our chief duty lies in making the goal for which they fought attainable. By the repeated declaration of their countrymen this means a nation of opportunity in which capacity and initiative are fully rewarded. In the immediate future proper housing, education, and health facilities should be readily available. Opportunities in business and farming must be available to those who have sacrificed to give our system effectiveness. Long-term loans at low interest rates should be available to those who desire to engage in these activities. To do less is to be remiss in our obligation.

We support wholeheartedly the proposal of the veterans' conference for the democratization of the armed forces.

UNIVERSAL MILITARY TRAINING

We are opposed to military conscription in peacetime as a violation of our traditional liberties and as being an unrealistic measure in an atomic age.

If conscription is adopted at any time in the future, we believe that it should apply to economic as well as human resources. To follow any other course is to fail to recognize the importance of wealth and resources to our defense and to place economic above human values.

EDUCATION

We restate our traditional position that education is the most potent force in a democracy and should receive full support. While educational standards should be constantly increased the number who receive its benefits should likewise increase. There can be no serious doubt that much talent is undeveloped and sacrificed by reason of the inability of many students to finance themselves in a career of higher education. Scholarships should be increased in number in order that more of the worthy young people of our State may have educational opportunity commensurate with their abilities.

That the people of Oregon are cognizant of the function of education was attested by their adoption of an equalization law by initiative petition. We declare our support of this principle and ask that the legislature take only such action with reference to this law as will conduce more fully to the expressed will of the people. We reiterate our support of the principle that wealth should be taxed where wealth is and used where need exists.

There is much evidence to indicate that educational costs are becoming burdensome to school districts which are still largely dependent on property taxes. State aid to education is now an established fact in Oregon. We call for its expansion as necessary for the maintenance of proper educational standards for Oregon's schools.

A measure increasing State aid to schools under the equalization law was passed by the last legislative session and referred to the people. We call for its support as necessary to overburdened local school districts and as contributing to increased educational opportunities for children.

We believe also that Federal aid to elementary education is overdue.

1. Rural schools

Rural areas need constantly to improve the status of their schools by more generous local support and by the employment of the best in teaching personnel. Too often our schools are looked upon primarily as training areas for inexperienced teachers. To the extent that we have been responsible for this condition we must take proper remedial steps.

There is evidence of need, particularly on the secondary level, for the establishment of more practical agricultural courses dealing with the fundamentals of farming. In the field of economics we believe that the function and fundamentals of cooperatives should be accorded a more important place in the curriculum. There is need for courses which present realistically the place of agriculture in the total economy and the economic forces affecting its position.

During recent months numerous consolidations involving rural schools have been effected. Proposed consolidations should be studied carefully and haste avoided in order that local conditions may be given proper consideration. It is our position that local control should be preserved insofar as possible and practical.

CIVIL LIBERTIES

We express indignation over attacks on intellectual freedom as evidenced by the employment of methods of inquisition in an attempt to suppress freedom of thought and expression. America's growth has been due directly to her refusal to impede progress by recognizing a time when the product has ever been finished and completed. She has always considered change as necessary to the prevention of the establishment of a static society and has always welcomed the advocates of constructive change as benefactors. We must protect ourselves from the onslaught of selfish groups whose dominance can best be guaranteed by the suppression of our traditional liberties.

HEALTH

Our people are becoming health conscious. It is incumbent on all people's organizations to give health programs prior consideration. Since the strength of our country depends on its human resources, we believe it is society's duty to make health facilities and medical care available to everyone. There could be no better investment for a democracy than one which safeguards the health of its people.

It cannot be truly said that adequate medical care is available to all of our people unless its cost is within their ability to pay.

The Oregon State Farmers Union has embarked on a program which has resulted in the establishment of a cooperative health clinic designed to bring prepaid medical care within the reach of many at a reasonable cost. The constant opposition of organized medicine to voluntary plans that reflect any consumer voice leaves the people little alternative but to support a health plan operated on a national basis and broad enough to reach the people who need its services. We need always to remember with both appreciation and clarity that professions were developed not to dominate but to render their services to society. It behooves all of us, including the medical professions, to recognize that obligation. We pledge our continued

support to our organization in its constructive efforts to set up an adequate plan of prepaid medical care.

HIGHWAYS

No group has a greater stake in good roads than does the farmer. We shall continue to emphasize the need for a coordinated highway system and we stress particularly that roads leading to the main highways need greater care and consideration. Fine thoroughfares are of little practical value to farm people if secondary highways and county roads are not adequate to carry the burden of their produce.

We believe also that the purpose of our highway system would be better served if main trunk lines were to bypass cities. We support such a policy as desirable and necessary.

In our desire to build and expand main thoroughfares there is some inclination to overlook the fact that county roads and city streets are a part of the general road system. Cities and counties are hard pressed to maintain adequate roads and are in need of a greater share of highway revenues. We believe that this participation should be increased substantially.

Under present laws, refunds are made on gas used for farm purposes. We believe that this is a proper arrangement and that it should be continued.

WELFARE PROGRAM

The State is in better condition to meet old-age and general-welfare needs than are the counties whose revenues are rather severely restricted. We believe that the State's share of this burden should be increased and the county's share correspondingly lightened.

HOUSING

Some of the most deplorable housing conditions in America prevail in rural areas. That rural areas were included in the Housing Act passed by Congress was largely the result of the efforts of the National Farmers' Union, which was the only farm organization to make a strong and determined effort to secure its inclusion, we commend the national organization on its demonstrated effectiveness in this vital matter.

We reiterate our continued support of housing programs which will make long-range low-interest housing loans available to farm operators.

WEED CONTROL

There is justifiable concern over the spread of tansy ragwort in many sections of the State. As a serious menace, its spread should be checked at once.

We doubt whether counties individually will be able to carry out a program of control enforcement.

We call for the State to take charge of a program of eradication as the best means of achieving State-wide results.

RADIO

We have appreciated the courtesy extended to us by Radio Station KOAC in permitting us time for the presentation of our educational program. It has created many new friends for our movement.

We believe that some of the limitations and restrictions imposed by the station should be removed. As stated in the fundamental governing radio, the air belongs to the people. Accordingly, we recommend that the regulations governing Radio Station KOAC be changed to permit the discussion of controversial subjects by responsible citizens and organizations. We recognize that both viewpoints should be allotted equal time for presentation. Such a change would do much to improve the nature and enhance the value of programs presented to the people of the State.

It seems logical that the State station should have an outlet at the State capital at Salem. We believe that such a branch should be established in the interests of establishing the best possible service.

If people's causes are to have adequate presentation, it will be necessary to operate and control the necessary mediums of expression. We believe that liberal groups should cooperate for the purpose of acquiring their own radio stations to the end that their cause may be adequately espoused.

RECREATION

Our summer camp for juniors and reserves has shown steady growth and has proven itself to be a source of inspiration as well as an agency for leadership training among our youth. That it has made an impression on our young people is attested by the fact that they started a movement during the last camp period for the establishment of a permanent camp site under the ownership of the Oregon State Farmers Union. Their suggestion that locals undertake a project of financing a building unit or otherwise give assistance is meritorious and deserves our immediate and enthusiastic support.

In the interest of all people we pledge our continued support of the Federal and State park systems.

MINORITY GROUPS

All minority groups should be protected against discrimination as to employment, the right to vote, education, and general living conditions. To achieve proper conditions even partially requires the abolition of the poll tax as a voting qualification and the establishment of a permanent Fair Employment Practices Commission.

SOCIAL SECURITY

We believe that it is time for us to call for the application of social security to all people irrespective of the economic group to which they belong.

It should apply to farmers and farm labor and should be regarded as a reward which they have earned and as conducive to the stability of agriculture.

In order to strengthen and promote a desirable and necessary economic pattern, small business should be included.

Employers and labor alike should be covered in a plan which must be universal if it is to be just and to perform its function fully.

We would exclude no group from the Social Security Act and call for its extension as soon as feasible and possible.

REA

The Rural Electrification Administration has performed an outstanding service in making power available to areas which would otherwise not be served and has also stimulated private-power activity. We support the continuation and expansion of this important service to people.

An important extension of the REA type of service was the recent passage of an act by Congress providing for loans for the development of telephone cooperatives. We recommend that rural areas take steps to avail themselves of this service.

In connection with the passage of this act it should be noted that the National Farmers Union made the major fight for its adoption. We express our gratitude to the organization for its consistent efforts to better conditions for farm people.

We call upon the officers of the Oregon State Farmers Union to make the services of the organizations available to any cooperative or mutual telephone company for the purposes of reorganization or any other matter affecting their application for REA services.

We call for the amendment of the Federal REA law to remove all restrictions which prevent users of electricity from changing over to REA service.

REGIONAL DEVELOPMENT

To a large extent the future economic and social progress of our Nation depends on the full use of and the development of our water resources.

1. Valley authorities

From the standpoint of our regional and national development, the great TVA project has pointed the way. A democratically and locally operated project, it has resulted in phenomenal development of the resources of a hitherto relatively undeveloped region and has raised the standard of living of literally millions of people. Its results have shown that the proper pattern is the unified development of natural economic and geographic areas.

We endorse the extension of the TVA principle to all the river valleys of America and in this area specifically the Columbia River Valley.

COOPERATIVES

The cooperative has proven throughout the years that it is a necessary and desirable part of our economic system. It has enabled farm people to serve themselves in many ways when such services would not otherwise have been available. As a deterrent to monopolistic domination it has proven to be an effective adjunct to the economy.

For some time now the cooperative movement has been under attack by reactionary forces which desire to render it ineffective. The congressional investigation has been thoroughly discredited, and the charges by press and radio commentators are not deserving of consideration by thoughtful people. It will, however, be necessary for the friends of cooperatives to be vigilant and aggressive in promoting an educational program.

1. Cooperative education

The Farmers Union has been in the foreground in defending and advocating the principles of cooperation. If the cooperative movement is to be advanced and generally understood by the general public and members of cooperatives themselves, a continuous program of education must be carried out. As an educational organization such function properly belongs to the the farmers union organization. To the end that it may intensify its educational program we call upon the various Oregon cooperatives to give material support to the organization.

WORKING TOGETHER

We note with favor that the Oregon State Farmers Union has cooperated with other organizations in numerous legislative and educational activities during the past year. This is a hopeful sign for there is need for increasing cooperation among groups devoted to the best interests of all people. We instruct the officers of our organization to continue such cooperation wherever areas of agreement may be found.

POLITICAL ACTION

We recognize the need for action along the political front in the sense that we participate more actively in events which lead to the determination of governmental policy. We have been so thoroughly imbued with the idea that things political are sordid and unsavory that we have neglected even to protect our own interests adequately while other interests have assiduously used the instrument of government to attain desired action. The alternative to more effective action is that we shall continue to take the crumbs from the legislative table.

There is growing recognition among farm people of the need to participate in the determination of legislative policy on both the local and national scale. Farmers Union members are using their organization as a means of acquiring information upon which to arrive at proper decisions. The result is an informed and discerning electorate. The

membership is further using the organization as an instrument through which to attain their objectives, which is recognition of the proper function of an organization. The result is effectiveness in a vital field of activity. This activity has been of the utmost importance and is of the type which must be employed in the process of making democracy work.

It is imperative that we give closer attention to the records and viewpoints of those who represent us in Government. In order to do this job properly we must remove the shackles of a senseless party loyalty and select men on the basis of their attitudes on questions which affect us.

1. Legislative action

It is the custom of our organization to maintain a legislative representative during sessions of the State legislature. We approve this policy wholeheartedly. We believe it is essential that our position on legislative questions shall be determined prior to the convening of the session and our legislative lobbyist informed of such position. Where questions arise on which no position has yet been taken, the State executive board should determine the organization's attitude in order that we may be properly and truly represented on such issues.

We call for a closer relationship between local and county organizations with the State organization during legislative sessions. This can be achieved only by the locals and counties exercising more initiative in making their desires known. It is also necessary that the State organization keep the subordinate units fully informed on matters affecting them.

2. Initiative and referendum

We deplore the action of a minority of members of the recent legislative assembly who attempted to impair the effectiveness of the initiative and referendum.

We call upon the State organization to give full publicity to the identity of those who have so little faith in the people's employment of democratic processes in order that the members may take appropriate action.

The initiative and referendum have proven to be effective instruments in the attainment and use of direct democracy. They are being invoked increasingly as a protection against legislative indiscretions and as the people realize the need to assume more direct responsibility. We affirm our faith in the ability of the people to legislate efficiently and stand for the retention of the initiative and referendum laws without modification.

REAPPORTIONMENT

Oregon's founding fathers wisely made constitutional provision for legislative representation on the basis of population. This provision is true recognition of the democratic principle.

That the Oregon Legislature has long failed and refused to abide by the Constitution in this matter is now fully recognized. As a people's organization we stand for the constitutional provision and pledge our support to movements now under way to provide for reapportionment under the executive branch of the State. If necessary to achieve this by employment of the initiative, we will support it.

We believe that the inequities which call for reapportionment in accordance with the constitutional provisions will not be adequately met unless remedial action is taken to provide for the election of legislators by districts in areas of heavy population. Full citizen responsibility cannot be discharged when voters are called upon to select from a list so numerous that knowledge of records and platforms is virtually impossible. Division of populous areas into legislative districts would do much to promote orderly democratic government. We stand for its adoption.

CITIZEN RESPONSIBILITY

In the final analysis the successful operation of democracy depends on the citizenry exercising full responsibility. The right to vote must be exercised in order to be effective. We feel called upon to point out that an appalling number of our own people are not registered to vote, which fact should stir our locals to action. Our duty is to make democracy work. Recognizing that the achievement of this program is dependent upon the loyalty and devotion of individual members, we call upon each and every one to give his or her time, talent and ability to its promotion.

DELAYING DISABILITY RULE COSTS MILLIONS—ARTICLE FROM THE ARMY-NAVY JOURNAL

Mr. BUTLER. Mr. President, I ask unanimous consent to insert in the RECORD at this point an article from the current issue of the Army-Navy Journal, entitled "Delaying Disability Rule Costs Millions."

The article explains clearly the stalemate which has apparently been reached in handling the retirement of non-Regular officers and enlisted men for physicay disability since passage of the Army-Navy pay and retirement bill last September.

Since the date of that act, none of these men have been retired although there are several thousand who qualify for retirement. Apparently the whole delay is caused by the fact that the Budget Bureau, the Veterans' Administration, and the Defense Department cannot decide which agency should make the retirement payments. Meanwhile the delay is costing the Government around a million dollars per month, which is the difference between active duty pay and retired pay of these persons.

There is another reason why I am concerned about this delay. Under an amendment which I sponsored, those persons who were hospitalized at the time of enactment of the bill and whose retirement was pending were given the option of receiving retirement under either the old or the new retirement pay schedule. That option was given to them for a period of 6 months only. The 6 months' period will be up on April 1. If this dispute is not settled very promptly, there is a danger that these men will not receive the benefit of the option provided by my amendment.

I have checked into this situation with officials of the Military Establishment on several occasions. To date I have not been able to get any concrete answer from them. I have been assured each time that the matter was being worked on and that a decision would be forthcoming very shortly. I certainly believe, Mr. President, that is is essential to reach a decision immediately and begin retiring these men, both to save the Military Establishment this $1,000,000 a month which is now being lost and also to guarantee to these men the benefits to which they are entitled by virtue of the amendment that I have proposed.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DELAYING DISABILITY RULE COSTS MILLIONS

The delay in issuing the Executive order designating the agency responsible for payment, hospitalization and reexamination of military personnel retired for physical disability is costing the Government $1,000,000 per month.

This was brought out in testimony of Maj. Gen. Raymond W. Bliss, Surgeon General of the Army, before a subcommittee of the House Armed Services Committee. There have been no retirements of non-Regular officers and enlisted men for physical disability since last September.

At present there is an accumulated backlog of 3,000 officers and enlisted men who have qualified for retirement on account of disability, but who continue to draw active pay while awaiting the designation of the agency responsible for their retirement payments. The difference between active and retired pay of these persons is estimated at $1,000,000 per month.

Those affected are all non-Regulars as the Regular personnel are being paid by the departments concerned. Prior to the passage of the Career Compensation Act payments to all Regular personnel retired for any reason were made by the appropriate military department, and all non-Regulars were paid by the Veterans' Administration.

However, section 414 (b) of the new act prescribes that "all duties, powers, and functions incident to payments of disability retirement pay, hospitalization and reexaminations shall be vested in the Secretary concerned or in the Administrator of Veterans' Affairs under regulations promulgated by the President."

Proposed regulations covering this section have been prepared but have been held up for weeks because of a disagreement as to the agency to make the payments. The military departments would prefer a continuance of the procedure heretofore followed under which payments to Regulars would be made by the Services concerned and those to non-Regulars by the Veterans' Administration. The Director of the Budget insists that all payments be made by the Department of Defense.

Pending a settlement of this impasse the Services decided to continue to pay Regular officers retired for physical disability, with a subsequent adjustment of funds if that should prove necessary. However, the Veterans' Administration feels that it is not in a position to make these payments until specific authorization has been received under Presidential regulations.

The only alternative is to continue on active duty the non-Regulars qualified for physical retirement, despite the heavy additional cost, which is increasing with each day's delay in issuing the controversial order.

The Bureau of the Budget advised this week that the recommendations of the Department of Defense concerning the proposed Executive order prescribing responsibility for payment, hospitalization, and reexamination had only recently been received. The draft of the Executive order was rewritten by the Budget Bureau and dispatched this week to other interested agencies for comment. Any objections to the Budget Bureau draft will probably be registered next week.

Under section 411 of the Career Compensation Act, Presidential regulations are required to cover procedure by which members of the armed services retired for physical disability prior to the passage of the new Pay Act may elect to continue to draw the retired pay they are now receiving, or to qualify for payments under the new law.

These regulations, together with an Executive order to make them effective have been prepared. It is understood that they have been tentatively approved by all interested agencies and transmitted to the Department of Justice for consideration, prior to submission to the President.

The PRESIDENT pro tempore. The morning business is closed.

MEETING OF COMMITTEE DURING SENATE SESSION—PERSONAL STATEMENT BY SENATOR LANGER

Mr. LUCAS. Mr. President, I ask unanimous consent that a subcommittee of the Foreign Relations Committee be permitted to sit during the session of the Senate today.

The PRESIDENT pro tempore. Is there objection?

Mr. LANGER. Reserving the right to object—and I am not going to object—I want to make clear something which apparently has not been understood by the majority leader. A few days ago the bill involving displaced persons was taken up for consideration by the Senate. During the first 2 days I came to the floor of the Senate and found scarcely any Senator upon the floor listening to the presentation being made, although the chairman of the Committee on the Judiciary, the Senator from Nevada [Mr. McCARRAN] was making a very important report. On the next day—the third day—when matters which, in my judgment, were of the highest importance were being presented and testimony was being read which even I, although a member of the committee, had not heard presented to the committee, I again found a lack of attendance upon the floor; only three Senators in fact, were present. I then asked for a quorum call. A quorum call was had, but at the conclusion of the quorum call, as I remember, only five Senators were present in the Chamber.

In view of the enactment by Congress of the La Follette-Monroney Act, which former Senator La Follette, of Wisconsin, did so much to have passed, which act permits every Senator to engage an administrative assistant, whose salary is about $10,000 a year, in view of the fact that the act was passed with the hope that it would result in increased attendance of Senators, upon the floor, and in view of the further fact during the last year Senator La Follette was a Member of the Senate he, time and again, upon the floor, insisted upon an actual quorum being present, I desire to state that when on Monday last, while one of the leading members of the subcommittee of the Committee on the Judiciary, the Senator from Indiana [Mr. JENNER], was addressing the Senate, after a quorum call practically no Senators remained on the floor to hear him, it occurred to me that the best way to bring the matter forcefully to the attention of the Senate was to suggest that a recess be taken.

Mr. President, I may say that I did not have the slightest intention of in any way usurping the function of the high office of Majority Leader of the Senate; but I did wish to impress upon the Senate in the most forceful manner I possibly could that, in spite of the fact that Congress had passed the La Follette-Monroney Act, and in spite of the fact that every Senator had gotten an administrative assistant, and in spite of the fact that the former Senator from Wisconsin had led the fight to secure as full attendance as possible of Senators upon the floor when measures were under discussion, yet we found during the first days the bill was under consideration, and when the Senate was being addressed by the distinguished Senator from Nevada [Mr. McCARRAN], who had visited Europe to investigate the displaced-persons situation, and who was then making his report to the Senate to practically an empty Chamber, after which the Senator from Mississippi made his presentation, followed by the Senator from Indiana, who had given so much of his time in listening to testimony of witnesses, not only from within the United States, but of witnesses who were brought here from other countries, in view of the fact that I knew that scores of Senators were not aware of that testimony, relating to the pending measure, I suggested that the Senate recess, the purpose in my mind being to bring forcibly to the attention of the Senate that there were practically no Members present in the Chamber to listen to the presentations which were being made.

I might add, Mr. President, that I think I accomplished the purpose, because yesterday we had a very good attendance. I simply wanted to make this explanation, so as to make clear why I made the motion to recess at that particular time.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois?

Mr. EASTLAND. Mr. President, reserving the right to object, may I inquire what the request is?

Mr. LUCAS. The request is that a subcommittee of the Committee on Foreign Relations be permitted to sit this afternoon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DISPLACED PERSONS

Mr. LUCAS. Mr. President, I move that the Senate resume the consideration of H. R. 4567.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. EASTLAND. Mr. President, yesterday a telegram was read from Mr. L'Heureux, Chief of the Visa Division of the State Department, which a Member of this body said placed the Senator from Mississippi in a poor light because the Senator from Mississippi had said that Mr. L'Heureux advocated certain veto power on the question of eligibility of persons as displaced persons under the act. The telegram was used in an attempt to show that the Senator from Mississippi had made a misstatement of facts. As I said, Mr. L'Heureux is Chief of the Visa Division of the State Department, and his telegram to the Senator from West Virginia [Mr. KILGORE] was placed in the RECORD.

This morning I received, unsolicited, a visit from Mr. L'Heureux, who brought me a letter which I think absolutely sets the controversy at rest. Mr. L'Heureux's letter reads:

DEPARTMENT OF STATE,
Washington, March 8, 1950.

The Honorable JAMES O. EASTLAND,
United States Senator.

MY DEAR SENATOR EASTLAND: Your high sense of honor, Americanism, integrity, and reputation for rugged honesty of purpose are, in my opinion, too well established in the minds of your fellow-countrymen to require any confirmation, particularly from me. It is because of the great respect and the high esteem I have for you that I make this statement to you with a view to clarifying the circumstances under which I recently gave certain testimony before closed sessions of the Senate Judiciary Committee, at its request, with respect to certain aspects of proposed displaced persons legislation.

I have no authority, as Chief of the Visa Division to suggest changes in or new legislation without prior coordination and clearances through established procedure. My appearance before the Judiciary Committee, at the request of its chairman, was understood to be informal and off the record. I was duly authorized to appear before the committee to discuss and comment informally upon administrative problems that beset the members of the Judiciary Committee with reference to operational aspects of the pending displaced-persons bill.

Having just discussed before the entire committee a problem akin to the so-called consular veto, although this was not precisely the point at issue, I agreed in substance with a suggestion that was made to me that consular officers should have the power to withhold visas in cases where they have reason to believe that an applicant clearly was not entitled to be classified as an eligible DP, particularly where there existed an apparent fraud, and regardless of whether the applicant was involved in or responsible for such fraud. Before a small group which had carried on an informal discussion after the committee meeting was adjourned, I explained the difficulty consuls have experienced in certain cases of obvious fraud where they do not have, or do not appear to have, the necessary authority to withhold a visa. At this point, as well as I remember, someone suggested that I repeat my informal comments to you and to Senator JENNER.

Note this, Mr. President:

I reiterated my personal view as an American, as a veteran, and as a consular officer with many years of experience in visa work, that such a check as that under discussion would be desirable and proper in the administration and enforcement of the law to be enacted. I do not mean to imply that the Department of State has any disagreement with my views. I had, of course, no opportunity to clear such views through established channels and therefore of necessity spoke only in the light of my own personal experience and expressed my best judgment on the suggestion made to me at the time.

At the moment you entered the discussion I can well appreciate that you may have been under the impression that I had originated the later proposal, or that I might have appeared for that purpose, which was not the case.

Mr. President, I think the RECORD will show that the Senator from Mississippi stated time and time again that the chairman of the committee, the Senator from Nevada [Mr. McCARRAN], requested the appearance of Mr. L'Heureux at an informal hearing of the committee, which is the custom when Government officials appear.

I read further from his letter:

In the light of the discussion which has ensued I desire to clarify my position in this matter—

Note this, Mr. President—

which has not changed since my appearance before the Senate Judiciary Committee.

Listen particularly to this, Mr. President:

I feel that under the administration of the existing statute, experience has shown that there is a twilight zone in which the authority of the consular service, the Immigration and Naturalization Service, and the Displaced Persons Commission is not clearly defined and therefore in which responsibility all along the line is not clearly vested. In cases of aliens who are excludible under the general immigration laws, or aliens who have willfully made false statements in order to gain admission into the United States the authority to refuse visas is clear, but on the question of the classification of an applicant as an agriculturist, as a person coming from an annexed country, as an orphan, or as an eligible displaced person on some other ground, there is no express authority in the Displaced Persons Act for a consular officer to refuse to accept the classification found by the Displaced Persons Commission, however erroneous or irregular such classification may appear to be, and however unwittingly the Commission might have been deceived in approving it.

Mr. President, let me tell the Senate that that recommendation was exactly the reason why a provision carrying that veto power was incorporated in the bill, although the Senator from Mississippi has been challenged regarding it and has been charged with having made a misstatement of fact.

I read further from the letter:

In answer to an inquiry from another member of the committee I have stated that I neither requested nor opposed legislation involving the suggested consular veto. This is still true. I did agree, however, with the suggestion that was made to me that it would seem to be desirable that our consular officers, who are thoroughly experienced in controlling immigration at its foreign source should have clear authority to withhold visas where they know or have reason to believe that the alien is not entitled to the classification under which he applies for a visa.

Mr. President, what could be clearer than that statement, coming from the Chief of the Visa Division of the State Department. I repeat that his letter is perfectly unsolicited on my part. He appeared at my office personally at 12 o'clock.

I read further from his letter:

If the Congress desires to have the present situation continued, I would have no quarrel whatever with such a desire on the part of Congress. However, I have pointed out these aspects of the problem in an effort to be helpful to all sides in reaching an administratively feasible conclusion and further than that it would obviously be improper for me to go.

With warmest personal regards, I am,

Sincerely yours,

H. J. L'HEUREUX,

Chief, Visa Division.

Mr. President, I ask unanimous consent that the letter be printed in full in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit A.)

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I prefer not to yield until I conclude.

Mr. President, it has been stated time and time again in this debate that there has been a misstatement of fact in that connection, and on that point there has been a dispute between certain Senators, some of whom have been charged with making a misstatement of fact because they outlined the authority exercised by the Immigration and Naturalization Service and by the Displaced Persons Commission.

I hold in my hand the original order issued by Watson B. Miller, Commissioner of Immigration, from the Central Office, to Almanza Tripp, officer in charge in Europe. The order is entitled "Subject: Displaced Persons' Activity." Mr. Tripp and Mr. Miller placed this order in the record this morning at a meeting of the Immigration Subcommittee, which is still taking testimony on this bill. As I have said, the hearings have not yet even been printed.

In order to put at rest the conflict as to who has authority, I shall read to the Senate the original letter, which delineates the authority exercised by each group. Mr. President, this letter is dated August 18, 1949.

I read:

Questions of jurisdiction and responsibility raised in your letter dated June 24, 1949, and referred in subsequent communications concerning determinations as to who are "displaced persons" within the definition of annex I of the International Refugee Organization Constitution and who are "eligible displaced persons" within the meaning of section 2 of the Displaced Persons Act have been made the subject of conferences between representatives of this Service—

Meaning the Immigration Service—

the Displaced Persons Commission, and the State Department, as a result of which the following conclusions which have been concurred in by our Department have been reached.

Listen to this, Mr. President; and let us see who is right in this controversy:

The International Refugee Organization—

Which is not an American organization; it is a foreign organization.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. EASTLAND. When I finish reading this paragraph, I shall yield.

Mr. KILGORE. I simply wish to have the Senator clarify the statement he just made. He said that the IRO is a foreign organization. On the contrary, it is an international organization on which the United States is represented.

Mr. EASTLAND. Yes; it is an international organization. If I said "foreign organization," I stand corrected. It is an international organization. It is not an American organization; it is not a branch of the Government of the United States.

Mr. President, I read further:

The International Refugee Organization shall determine who is a "displaced person" within the definition of Annex I to its Constitution and is considered to be the only agency competent to determine when these persons are of its concern as required by section 2 of the Displaced Persons Act.

Mr. President, I submit that that never was the intent of the Congress when the 1948 act was enacted.

Listen to this, Mr. President:

This Service—

Speaking of the Immigration Service—

will not review or go behind the findings in this regard of the International Refugee Organization.

We have read about things such as the screening, and so forth. Mr. President, it is the purpose of the committee bill to take IRO out of the picture, to supplant its authority by giving it to a branch of the Government of the United States. I should like to know how there can be a valid objection to such an objective. I read further from the order:

The Displaced Persons Commission—

The first was the IRO, this is the Displaced Persons Commission. Let us see whether the Senator from Mississippi was accurate in his statements on the Senate floor. I continue:

The Displaced Persons Commission is responsible for determining from among those found to be "displaced persons" by the International Refugee Organization those who are "eligible displaced persons" within the meaning of section 2 of the Displaced Persons Act. This Service—

Mr. President, this is the order to the Immigration Service:

This Service shall not review or go behind the findings of the Displaced Persons Commission as to who are "eligible displaced persons."

The Chief of the Visa Division, as shown by the letter I have just read, said that the veto, the added power given to Immigration and Naturalization, should be written into the act.

Mr. KILGORE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from West Virginia?

Mr. EASTLAND. I yield.

Mr. KILGORE. Is it not the Senator's opinion that the existing law enables either the Visa Division or the Immigration Service to refuse to grant visas in the first instance, or refuse to grant immigration rights, when there is fraud in determining the status of persons?

Mr. EASTLAND. If it is done under the general provisions of the act.

Mr. KILGORE. Yes.

Mr. EASTLAND. Wait a moment.

Mr. KILGORE. That is the point.

Mr. EASTLAND. Oh, no. Such refusal cannot be maintained, as this order shows, in the classification of a displaced person, under the powers granted in the Displaced Persons Act. I submit the proof shows that 98 percent of all the fraud in obtaining classification as a displaced person is in IRO.

Mr. KILGORE. In view of the Senator's explanation, let me say further that the present act grants the same authority as that about which the distinguished Senator from Mississippi is speaking. There then arises a question of interpretation, whether the Immigration Service, in a directive to its inspectors——

Mr. EASTLAND. The Senator has just heard from Mr. L'Heureux' letter that it was not clear. Legally, I think the Senator is entirely correct. I think when

Congress passed the act, the Immigration Bureau or the Visa Division of the State Department could veto for fraud, under the classification of a displaced person, or for any purpose under the immigration laws, or under the Displaced Persons Act. I think that is true. But that is not the way the law is being administered. The question raised by the Senator represents a distinction without a difference. The Immigration Bureau cannot go behind the findings of the Displaced Persons Commission or of the IRO. Mr. L'Heureux says it is best that we give them the authority, and the amendment is written into the committee bill.

Mr. KILGORE. Again, will the Senator answer the question? What I am trying to ascertain is this: The present law gives them a right. It is the administrative order of the Chief of the Immigration Service about which the Senator is speaking, is it not?

Mr. EASTLAND. I will answer it again. I think the Senator is correct; but the law has not been interpreted in that way. What the Judiciary Committee is doing is to place it beyond question by making a general iron-clad provision that the veto power shall exist. If it merely restates the law, as the Senator contends, I want to know why the Senator does not have the provision in his substitute, and why he hesitates to write it into the law.

Mr. KILGORE. The distinguished Senator from Mississippi saw the amendment offered to the substitute yesterday by the Senator from Michigan, did he not, in which we merely rewrite the law as it now stands?

Mr. EASTLAND. No; I did not. I read a part of the amendment. I have forgotten what was in it. I believe I told the Senator from Michigan it was good, so far as it went. It has not been adopted. The really strong position is stated in the committee bill, which makes it iron clad. Among reasonable men, there should be no objection to spelling it out in specific language, to give the authority which the Senator says is already in the act.

Mr. President, I shall continue reading from the order. I have not read all of it.

This Service is held to be responsible—

The reference is to immigration—

only for determining—

I call the Senator's attention particularly to that—

whether persons who have been classified as "eligible displaced persons" are admissible to the United States under the immigration laws and eligible displaced persons shall be examined only—

I emphasize the word "only"—

to the extent necessary to determine whether they are admissible under the immigration laws.

Where is the screening, where the investigation, to determine whether fraud was perpetrated by one seeking to be placed in this category? Where is there screening to determine whether bribery, fraud, or corruption were perpetrated in order to obtain a classification as a displaced person, and to become eligible to enter this country?

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. EASTLAND. I yield.

Mr. JENNER. Is it not a fact that, only this morning, Mr. Watson Miller, head of the Immigration and Naturalization Service of the Government, testified before a Senate Judiciary Committee that, following the administrative calculated-risk procedure, by which displaced persons have been admitted to the United States, there are 250 persons whom an effort is being made to deport, it having been learned since they came to the United States as displaced persons that they are in fact security risks, and that, when the evidence was unearthed, the Department said, "We have now 250 persons we are trying to deport?" Is it not also a fact——

Mr. EASTLAND. If the Senator will wait a moment, of the 250, I understand one was a robber.

Mr. JENNER. That is correct.

Mr. EASTLAND. It is my understanding further that they arrived in the United States as a result of the calculated risk about which Senators have been talking, the practice being for the Displaced Persons Commission not to wait for a report from the Provost Marshal's office or from the Berlin Document Center.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. EASTLAND. Yesterday I was accused of making a misstatement of fact, because I said criminals were being admitted into this country. The statement was made that even though the Displaced Persons Commission did not wait for the report, the report reached the consul and the immigration officer before the immigrant arrived in the United States. But the testimony of the head of the Immigration Service was to the effect that 250 criminals, or persons of bad character, had been admitted to the United States before the investigative report from the Provost Marshal's office and before the investigative report from the Berlin Document Center reached the officers.

Mr. McCARRAN. Mr. President——

Mr. EASTLAND. Had it not been for the calculated risk taken, if they had simply waited to get the files on the criminals, the criminals would not have been permitted to come to this country.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield, and if so, to whom?

Mr. EASTLAND. I yield first to the Senator from Nevada.

Mr. McCARRAN. Mr. President, is it not a fact that the witness testified there were 250, of whom they knew at this time, and that there were others whom they did not know?

Mr. EASTLAND. That is true.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. All the committee is attempting to do, Mr. President, is to tighten up on the screening. We are not attempting to defeat a displaced persons program. Yesterday on the Senate floor I was accused four or five times of misstatements of fact, because I had said the screening was inadequate. The Senator says the screening was adequate.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Indiana.

Mr. EASTLAND. I yield.

Mr. JENNER. Is it not a fact that this morning, before the Senate Judiciary Committee, Mr. Watson Miller further stated in his testimony that the 250 persons whom they are trying to deport cannot be deported, because that is practically an impossibility, under the procedure which has to be followed?

Mr. EASTLAND. That is correct.

Mr. JENNER. As a result, there are 250 more criminals in this country, and that fact would have been ascertained had there been decent and fair screening in Europe. Is not that correct?

Mr. EASTLAND. It is solely because the Displaced Persons Commission did not wait for the criminal report. Those persons were sent down the line to the Consul, to the immigration officers, and to the United States, rather than to wait for a report. Mr. Squadrilli testified that "We took a calculated risk." Why should not the additional screening provisions advocated by the Judiciary Committee be enacted into law?

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. TOBEY. Is it not indicated clearly that the responsibility for the condition which we deplore and at which we are amazed rests largely upon the United States representative on the International Refugee Organization?

Mr. EASTLAND. The ultimate responsibility rests on the Displaced Persons Commission as it is operated in Europe.

Furthermore it had never been the idea of Congress to require that the application of a displaced person must be initiated by an international organization, the IRO. The records show that the files are initiated and made up by displaced persons in order to get displaced persons into this country. That organization is a legal division whose duty it is to get paroles for criminals so they can come to this country. That is the testimony of witnesses taken down for the record, and it has never been denied on the floor of the Senate.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. EASTLAND. I am yielding to the Senator from New Hampshire.

Mr. KILGORE. I just wanted to correct the Senator's use of the word "parole." It is a pardon.

Mr. EASTLAND. Very well; a pardon then. That is a distinction without a difference.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. TOBEY. Is it not largely the responsibility of United States citizens

charged with the work that so-called displaced persons come over without being properly screened?

Mr. EASTLAND. It is.

Mr. TOBEY. What steps are being taken to bring those instances to the light of day?

Mr. EASTLAND. We are trying to do it by this bill. The bill takes the IRO out of the picture. There is a report, which is in the record, from a senior officer of the Displaced Persons Commission, setting out that bribery and corruption are widespread in IRO and that its reports are worthless. That situation has never been changed. It was accomplished by administrative ruling. The committee bill says that no agency shall have anything to do with it except a branch of the Government of the United States, and then we say that when the person leaves, if the consul or the Immigration Service knows that he has practiced fraud in order to qualify as a displaced person under the law, either one has a right to bar him.

Mr. TOBEY. Is it not a fact that the American people are being let down by the lack of interest and perspicacity of the very persons who are supposed to safeguard the situation?

Mr. EASTLAND. That is correct. That is why it is necessary to take IRO out of the picture.

I have here the testimony of Edward Glasek, formerly employed by the Displaced Persons Commission. This is his sworn testimony, and he put in a report, under oath, which went to the Displaced Persons Commission. He says:

Issuance of documents by IRO—

He refers to documents that set the process in motion—

has become a complete racket and is unworthy of reliability. Individuals who normally could not qualify present false documents which are readily accepted, and often such individuals are coached by the IRO interviewers as to their fitness. If the prospective candidates do possess documents, IRO has the authority to issue such on the mere statement of the individual under oath.

Screening? Investigating? Oh, no, Mr. President. They just take the individual's word.

Mr. TOBEY. May I suggest that there are holes in the screen.

Mr. EASTLAND. According to the order which I just read, if the immigration officer knows that a so-called displaced person is guilty of fraud, the officer is bound by what the IRO says. The committee is attempting to straighten out that situation.

Mr. Tripp has testified that there are 30,000 persons in this country of doubtful eligibility. He is in charge of the immigration detail in Europe.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. JENNER. I should like to ask the distinguished Senator from Mississippi what the substitute, which is called a great and liberal proposal, would do. Would it do anything toward tightening up the security and the screening of the displaced persons, in order to prevent murderers, robbers, defrauders, perjurers, black-market racketeers, subversives, SS storm troopers, and the like, from coming into this country?

Mr. EASTLAND. It would carry forward the same practices which are in existence at this time. If Senators vote for it, they will be voting to continue a system which has been described as a racket, involving widespread bribery and corruption.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. EASTLAND. If the Senator will let me finish——

Mr. KILGORE. I should like to ask the Senator a question in order to try to understand just what the Senator is driving at. Is it the Senator's contention that the IRO certification should be eliminated, or that the IRO should be eliminated?

Mr. EASTLAND. That it should not be conclusive.

Mr. KILGORE. Merely that it should not be conclusive. Is it not an actual fact that by the wording contained in the committee bill, the definition of displaced persons is expaded from the present group to include 8,000,000 additional persons, so that only a very small percentage of the obligation of removing displaced persons would be carried out by the first amendment offered as a committee amendment?

Mr. EASTLAND. Practically all of the genuine displaced persons have been taken care of. The figures show that we are now down to the hard core of social misfits and criminals who could not qualify under the general immigration law to enter this country.

Mr. KILGORE. Did the Senator hear the statement which was made that a certain part of the hard core consisted of men of professional training who did not fit into our program because they could not meet agricultural requirements, and for other reasons?

Mr. EASTLAND. They are not members of the hard core, then. The hard core represents social misfits and criminals.

Mr. KILGORE. The record shows that, even using the old date line, there are still approximately 126,000 displaced persons, and that under the new date line there would be classed within the displaced-persons category in the neighborhood of 300,000 persons, exclusive of the so-called hard core. Is not that a fact?

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. EASTLAND. I should be glad to yield to have the Senator from Nevada answer the question.

Mr. McCARRAN. That is not the fact. When the law as it now exists has been carried out by the last of June 1950, there will have been brought to this country 205,000 displaced persons. There will then be a hard core of approximately from 140,000 to 170,000 persons who are designated as the hard core. For the sake of clarity, let me say what the hard core is.

The hard core of displaced persons are those of the criminal class, the aged, the infirm, the diseased, and so forth. That is the hard core. We shall have taken care of 205,000 displaced persons before the end of June. With the exception of perhaps 60,000 or 70,000, that will practically, but not completely, clear the list of what we termed displaced persons when we drafted the 1948 act.

Mr. EASTLAND. Mr. President, I should like to state that the committee bill and the substitute are similar. They would let in about the same number of persons. The difference is whether we are going to take more people of German ethnic origin, give the veto power, tighten up on the screening, and clip the wings of IRO and limit its authority. Those are the big questions.

Mr. McCARRAN. If I may interrupt the Senator again—and I am glad to see the Senator from Massachusetts in the Chamber—a few days ago we had before the Committee on Appropriations the request of the State Department for an appropriation for IRO. We were asked for an appropriation in order to wind up the affairs of IRO. We have in the record a letter from the State Department, over the signature of Mr. Acheson, stating that, so far as the State Department was concerned, they would ask for no more appropriations for IRO. IRO will wind itself up sometime this year. I do not have the date in mind. The Senator from Massachusetts may remember it.

Mr. SALTONSTALL. The appropriation runs for 9 months, to March 31, 1951, and is $25,000,000.

Mr. McCARRAN. That is to wind it up?

Mr. SALTONSTALL. Yes.

Mr. EASTLAND. Now let me read further from this report. The Senate would condone what is disclosed in the report if it voted for the substitute offered by the Senator from West Virginia [Mr. KILGORE].

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. EASTLAND. When I have finished with my statement, I shall be glad to yield. I read further from Mr. Glasek's testimony:

Applicants are interviewed by indigenous clerks and these documents are certified by IRO officers, without a direct contact with the candidates. This procedure offers an opportunity for widespread bribery and corruption.

Senators would have to condone that practice if they voted for the Kilgore substitute. They would place their stamp of approval on conditions which are permitting these things to happen.

I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I was not in the controversy. Of course, I never thought that the Senator would make a misstatement intentionally.

Mr. EASTLAND. No. The Senator is not that kind of man.

Mr. SALTONSTALL. If I recall accurately, immigration officials can exclude any of the persons referred to who are guilty of fraud when the certification reaches them. It is my understanding that the immigration authorities may exclude a person on the ground of moral turpitude, if they have evidence to that effect before them, or if their investigation develops such evidence. Immigration officials may always exclude such a person.

Mr. EASTLAND. That kind of fraud would occur before they got the person's file, and there would be no way for them to know anything about it, unless the committee bill were passed.

Mr. SALTONSTALL. May I ask the Senator another question?

Mr. EASTLAND. Yes.

Mr. SALTONSTALL. I believe I am correct in saying—and I wish to be careful, because I am not absolutely certain—that an immigration official, Mr. Watson Miller, or one of his assistants, testified before the subcommittee of the Committee on Appropriations that immigration authorities did not want the additional power which is provided in the bill, that they wanted to leave the inspection as it was, that they thought it should be tightened up, and that possibly the screening should be made more effective. However, they did not want the additional power provided in the bill. I may be in error about that.

Mr. EASTLAND. I do not know what Mr. Watson Miller testified, but I have his order here, which certainly bears out what I said about the provision of authority. We have testimony by witnesses under oath of widespread bribery and corruption. We have testimony of the head of the military government, a colonel in the Army, to the effect that Russian officers and Russian intelligence agents were coming into this country.

Mr. SALTONSTALL. I do not question that. I am not arguing with the Senator about that. What I am arguing is that immigration officials do not feel that they are qualified, with their present staff, to undertake this work. They do not want the job.

Mr. EASTLAND. Mr. Watson Miller did not tell the Judiciary Committee that. He has been before our committee three times, and he certainly did not tell the Judiciary Committee of the Senate any such thing.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. EASTLAND. The chairman of the committee is here, and I yield to him.

Mr. McCARRAN. Mr. President, if I may interrupt, I believe we have had Mr. Watson Miller before the Judiciary Committee on three occasions. I am certain of two occasions when he was before the subcommittee writing the bill. The other occasion was when he appeared before the full committee. On each occasion he said they did not want to take on extra work, but that they could do it. They would have to have additional help to do it, but they could do it.

Mr. EASTLAND. Was the Senator from Massachusetts present when I read the letter from Mr. L'Heureux, the Chief of the Visa Division?

Mr. SALTONSTALL. No; I was not. I heard read the letter from Mr. Watson Miller.

Mr. EASTLAND. The Senator says he heard the letter from Mr. Miller, but Mr. L'Heureux, the Chief of the Visa Division of the State Department, wrote the Senator from Mississippi personally, because the Senator from Mississippi was accused of making a misstatement when he said the veto power was desirable for the State Department to have. I believe the distinguished Senator from Nevada will bear me out that when Mr. L'Heureux expressed those views Mr. Miller was present and in full accord.

Mr. McCARRAN. He was present and in full accord.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. EASTLAND. I think that answers the Senator's question. Mr. L'Heureux gave his views, we wrote them in the bill, Mr. Watson Miller was present, and in full accord.

Mr. SALTONSTALL. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. SALTONSTALL. I entirely agree with what the Senator from Nevada has said about the testimony of the immigration officials. According to that testimony, they did not want the power. If, however, the duty were given them, they would perform their duty; but they would need additional help. The impression I received from listening to them was that the present screening, if properly administered, was a proper screening, that the difficulty had been that it was not properly administered at all times.

Mr. EASTLAND. He testified this morning that there were in this country now 250 persons who should not be here simply because the Displaced Persons Commission would not finish an investigation of them before they sent them here.

Mr. McCARRAN. I may say, Mr. President, if I may interrupt the Senator, that while I am not certain this was stated before the committee when the Senator from Massachusetts was present, he stated to me that nothing has been said of the five or six thousand cases which were turned down in Europe that were approved for transportation to the United States.

Mr. EASTLAND. By the Displaced Persons Commission.

Mr. McCARRAN. By the Displaced Persons Commission.

Mr. EASTLAND. And the IRO.

Mr. SALTONSTALL. Will the Senator yield further?

Mr. EASTLAND. For a question.

Mr. SALTONSTALL. That statement of the Senator from Nevada is absolutely correct.

Mr. EASTLAND. Wait a moment. Every statement the Senator from Nevada has made was absolutely correct.

Mr. SALTONSTALL. May I finish?

Mr. EASTLAND. Certainly.

Mr. SALTONSTALL. The statement of the Senator from Nevada is entirely correct. As I understand, that was a part of the screening process, and it was in the official jurisdiction of the immigration officials to turn down those cases. The IRO and the Displaced Persons Commission certify as to the people being constitutionally—that is the word used—DP's. The immigration officials can turn down those who are constitutional DP's.

Mr. EASTLAND. And that is binding on the consular service.

Mr. SALTONSTALL. Then it comes to the consular service, and they can turn down a person.

Mr. EASTLAND. They cannot go behind that, oh, no.

Mr. SALTONSTALL. They cannot go behind the fact that he is a displaced person.

Mr. EASTLAND. That is where the fraud comes in. That is where the bribery and corruption come in, about which I was just reading. That comprises the 98 percent.

Mr. SALTONSTALL. Will the Senator yield?

Mr. EASTLAND. Mr. L'Heureux says it is advisable to give the Visa Division the extra authority. I want to know why the Senator from Massachusetts would object to that, knowing the kind of man he is, and knowing him as I do.

Mr. SALTONSTALL. Will the Senator yield?

Mr. EASTLAND. I yield.

Mr. SALTONSTALL. I thought I was perhaps called on to comment, because either the Senator from Indiana or the Senator from Mississippi referred with some sarcasm to the 18 Senators who were advocating the substitute. I am one of them.

Mr. EASTLAND. Mr. President, I will ask the Senator to wait at that point. I have not referred with sarcasm to any Senator whose name is on the substitute.

Mr. SALTONSTALL. Then I withdraw the remark.

Mr. EASTLAND. The Senator has a right to his own opinions. It certainly is not within my province, and it is not my intention, to criticize the Senator in any way.

Mr. JENNER. Mr. President, will the Senator from Mississippi yield so that I may explain my position?

Mr. EASTLAND. I yield.

Mr. JENNER. I asked the Senator from Mississippi if 18 Senators who signed the substitute were doing anything, by supporting this great liberal amendment of which he speaks, to stop the fraud, to stop the robbers, the criminals, the black-market racketeers, the Communists, the spies, the subversives, from coming to this country, to which the Senator from Mississippi replied that if the substitute were adopted—and the Senator from Massachusetts is one of the sponsors, and I shall have to put him in that category—the Senator would be condoning the very fraud and corruption which have been existing, by which persons are being brought in; whereas the committee bill tries to tighten up the process so as to protect the security of the country.

Mr. SALTONSTALL. Mr. President——

Mr. EASTLAND. I know the Senator from Massachusetts would not condone any wrongdoing, it is just as far from his nature as anything can be, but I will say in all candor that I do not believe a single one of the 18 Senators who signed the substitute ever read the testimony taken by the committee. Knowing my distinguished friend from Massachusetts as I do, I believe that if he had read that testimony, if he had studied that record, his name would not have been on the substitute as a sponsor.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. EASTLAND. I yield.

Mr. SALTONSTALL. I do not want to condone permitting any persons of improper character to come into the United States fraudulently as displaced persons or as immigrants. I have felt that if the screening which is provided for by the laws now in existence was satisfactorily and carefully done it would prevent admission into the United States of such persons. I believe the Senator from Mississippi and the Senator from Indiana have done the country a real service in bringing these matters to the attention of the country.

Mr. EASTLAND. Let me ask the Senator from Massachusetts a question. Has the Senator studied the committee bill?

Mr. SALTONSTALL. The Senator uses the word "studied." I will not say that I have studied it carefully. I have read the committee bill and I have read the substitute, of which I am a sponsor.

Mr. EASTLAND. Has the Senator read the testimony and has the Senator read the report on the committee bill?

Mr. SALTONSTALL. I have read the report; yes.

Mr. EASTLAND. The Senator has not read the testimony?

Mr. SALTONSTALL. I have not read the testimony.

Mr. EASTLAND. Knowing the Senator's great patriotism and his high character, I am convinced that had the Senator read the testimony, had he studied it, he would not favor a program which would continue the present system. The present fight against the committee bill results from a propaganda campaign conducted by a million-dollar lobby to the effect that the Senator from Nevada is trying to impose on the country and to keep displaced persons out of the United States. Nothing could be further from the truth. We have tried to construct a workable program. The Senator from Mississippi is not opposed to a displaced-persons bill. I expect to vote for a proper bill. I would certainly not vote, however, for a bill which would continue the present system. Under that system I know that my country is unprotected. The big thing, Mr. President, is that we would actually do what some of the opponents of the committee bill say there is already authority to do.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. SALTONSTALL. I will say to the Senator from Mississippi, and then I will not interrupt him further, that I listened to what I believe was all the testimony presented by the Immigration and Naturalization Service before the Subcommittee on Appropriations on this subject, and after listening to that testimony, after hearing a description of how the system functioned, I came to the conclusion that the present system, if carefully administered and thoroughly administered, is a very good system, and could be left alone; that it would not be necessary to give the Immigration and Naturalization Service work it did not want to undertake, which would require additional employees.

Mr. DONNELL rose.

Mr. EASTLAND. I should like to make an additional suggestion to the distinguished Senator from Massachusetts, and then I will yield to the Senator from Missouri. I suggest that the Senator from Massachusetts read the testimony of Mr. Almanza Tripp, which is to be found in the record. Mr. Tripp is in charge of the Immigration Service in Europe, and is stationed in Europe, where he directly faces these problems. If the Senator from Massachusetts will read that testimony, I am sure he will not say that the system is working well, and that the Immigration and Naturalization Service believe the present system is all right.

I now yield to the Senator from Missouri.

Mr. DONNELL. I think the question I had in mind to ask has in effect been answered by the Senator from Massachusetts. The Senator from Mississippi asked the Senator from Massachusetts if he had read the testimony which had been taken before the subcommittee of the Committee on the Judiciary. I ask the Senator from Mississippi: Has any of the testimony as yet been printed?

Mr. EASTLAND. No; it has not been printed. The committee is still holding hearings. We had a witness from Europe before us this morning.

Mr. DONNELL. As a matter of fact, is it not true that there are a number of witnesses from Europe whose testimony has not yet been heard?

Mr. EASTLAND. That is absolutely correct.

Mr. DONNELL. Is it not true that in order that the Members of the Senate may adequately understand the administration of these affairs in Europe, and adequately understand whether or not it is proper to take the safeguards the subcommittee has proposed, the Members of the Senate should have the opportunity at any rate to see the testimony, and that they cannot come to a proper conclusion without that being done? Is that not correct?

Mr. EASTLAND. The Senator is correct. The Senator from Missouri has faithfully attended the meetings of the subcommittee, and has faithfully and conscientiously, as he always does, gone into the subject. The Senator from Missouri had much to do with writing the bill.

Mr. President, I should like to know what the Senator's views are respecting proper screening and the administration of the act. The Senator from Mississippi has been accused of misstatement of fact because he said there had not been proper screening in Europe.

Mr. DONNELL. Mr. President, since the Senator from Mississippi has asked the question, I may say that in my judgment it is of highest importance that there be adopted far more stringent methods of screening than have been adopted thus far. To my mind the committee substitute which has been presented on the floor by the distinguished Senator from Nevada, the chairman of the committee, is a proper bill. It may be that some changes should be made in it. I am not certain of that. I am perfectly willing to consider other amendments. But as I see the situation at this moment, if I were called upon to vote on the committee substitute my vote would be in the affirmative unless something is shown which would change my mind very materially.

I believe the members of the subcommittee, leaving out myself, devoted themselves wholeheartedly and well and honestly to the investigation of this matter. I cannot see how the Members of the Senate can possibly, on some other and extraneous evidence which may have been taken before the subcommittee of the Committee on Appropriations, where I am confident that by no means the effort has been made or the opportunity afforded for adequate investigation, come to a proper conclusion as to the facts which have been placed before the subcommittee of which I have the honor to be a member.

Does that answer the Senator's question?

Mr. EASTLAND. I believe it does.

Let me ask, how was the Senator impressed by the integrity of the witnesses who appeared before the subcommittee?

Mr. DONNELL. I may say that I was highly impressed with the integrity of Mr. Tripp.

If there is any other particular witnesses the Senator from Mississippi has in mind, I shall be glad to answer respecting them.

Mr. EASTLAND. Mr. Donald Main?

Mr. DONNELL. Mr. Donald Main likewise impressed me most favorably.

Mr. EASTLAND. And Mr. L'Heureux?

Mr. DONNELL. Mr. L'Heureux impressed me very favorably indeed. I make no distinction between any of them when I use the word "very" in one case and "highly" in another. Every witness mentioned by the Senator from Mississippi impressed me as honestly and knowingly and with integrity giving to the subcommittee the facts within his knowledge.

Mr. EASTLAND. What about the CIC man, the Counter Intelligence Corps man, who was in charge of investigations in Europe.

Mr. DONNELL. That was the man whose identity was not be be revealed?

Mr. EASTLAND. Yes.

Mr. DONNELL. I was well impressed by him. I cannot say that I derived as full an impression of his personality and of his soundness of judgment as I did of the others to whom the Senator has referred. But I mean no reflection upon him whatsoever, not in the slightest.

Mr. EASTLAND. The Senator from Missouri has used the expression "the committee substitute." The Senator means the committee bill, does he not?

Mr. DONNELL. Yes, I mean the committee bill as it was reported by the Senator from Nevada. I was one of 10, of the 13 members of the Senate Committee on the Judiciary, who voted in favor of that measure to which the Senator now refers as the committee bill. I did so after the subcommittee had labored long and diligently on the subject matter. I think the bill reported

by the Senator from Nevada is sound. As I previously said, I am perfectly willing to consider any other amendments, and if I believe them to be improvements on the bill, I shall vote for them. But unless I shall hereafter hear something I have not thus far heard, my vote would be in favor of the committee bill reported by the Senator from Nevada, the chairman of the committee.

Mr. EASTLAND. Does the Senator believe the bill was thoroughly discussed in the committee?

Mr. DONNELL. The bill reported by the Senator from Nevada?

Mr. EASTLAND. Yes, the committee bill.

Mr. DONNELL. I certainly do. I have no question whatsoever on that point.

Mr. EASTLAND. Does the Senator from Missouri think the record shows there has been proper screening in Europe to protect the United States?

Mr. DONNELL. The Senator from Missouri does not think there has been.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield for a question.

Mr. WHERRY. In view of the observations made by the Senator from Missouri respecting the fact that the hearings have not yet been printed and that the Senate is now considering a bill without any printed hearings, so members of the committee are not able to interpret the evidence as each Senator would like to do—and Senators should be considering the matter based on their own interpretation of the evidence rather than listening to hearsay testimony—I should like to ask the Senator a question. The Senator has quoted from two very important letters today.

Mr. EASTLAND. I am not through with them.

Mr. WHERRY. I do not mean to interrupt the Senator's presentation. Does the subcommittee feel that the evidence which is being adduced now is vitally important to the subject matter now before the Senate for consideration?

Mr. EASTLAND. The committee has approximately six very important witnesses to hear. Some of them are from Europe. We would by all means like to have that testimony in the record, and later to have the record printed so the Senate can read it.

Mr. DONNELL. Mr. President, will the Senator yield for a brief statement of one or two sentences?

Mr. EASTLAND. Yes.

Mr. DONNELL. The Senator from Nebraska has referred to the unprinted testimony. The motion was made today by the senior Senator from Illinois [Mr. LUCAS] to make House bill 4567 the pending business. I say that my present regret is that at that time I did not rise, as one Member of the Senate, and object to that being done. To my mind it is not wise for the Senate to consider the bill without having before it the testimony which has been taken before the subcommittee.

Yesterday we saw what I assume was the testimony taken before the subcommittee. I see the Senator from Nevada in his seat in the Chamber; and I shall infer, unless he denies it, that the two piles of volumes, each 18 or 20 or 24 inches high, two separate rows of typewritten testimony, were the testimony taken before the subcommittee. I ask the Senator whether I am correct about that.

Mr. McCARRAN. That is correct.

Mr. DONNELL. Mr. President, it seems to me perfectly preposterous that the Senate should undertake to vote on a measure of this great importance, with all its ramifications, when tremendous volumes of testimony have not even been printed and made available to the Senate. I am not criticizing anyone because of the fact that the testimony has not been printed. As a matter of fact, Mr. President, we have not completed taking the testimony.

As I have said, at this moment I regret that I personally did not rise today, as at least one Senator, and object to the further consideration of the bill until the testimony has been printed.

Mr. EASTLAND. Mr. President, let me inquire whether the committee has been working with diligence.

Mr. DONNELL. I should say that it has, without any question.

I may say that there sits by the side of my friend, the Senator from Mississippi [Mr. EASTLAND], a gentleman who has labored with his associates long and diligently on this measure. I am referring to Mr. Arens, the chief of staff, who previously served under me, as I have heretofore stated in the Senate, in the days when I held a distinguished office in Missouri—that of Governor of the State. He served there for approximately 3½ years of time.

I know that he and his staff have labored long and diligently in this matter.

Mr. President, let me repeat that, to my mind, the Senate should have before it, before it undertakes to vote on the bill or on the amendments to it, the testimony in printed form.

I understood yesterday that the statement was made that possibly we could have the testimony in the course of a week or so.

Mr. WHERRY. Or perhaps 3 days, I understood.

Mr. DONNELL. Did not the Senator from Nevada estimate that a week or so would be required?

Mr. McCARRAN. The testimony could not be printed in 3 days. We estimated tentatively the 4th of April. But the testimony has to be edited; there are some irrelevant and immaterial matters in it, and they must be discarded. The testimony must be edited, and then printed; and we think we could have it available about the 4th of April, if the Senate were to vote on the matter at that time.

Mr. DONNELL. Mr. President, I think that suggestion of the Senator from Nevada is proper and right; and I think we are making a decided mistake in endeavoring to vote on the bill before the testimony has been printed.

I understood the statement to be made yesterday—it was rather surprising to me—that it would be possible to print the testimony and have it ready within a week. Doubtless I misunderstood the statement made in that connection.

But, Mr. President, to my mind it will be wise and proper to lay this bill aside until the 4th of April, and have a vote at that time. I think we are very unwise in undertaking to handle the matter without having the printed testimony before us.

Mr. EASTLAND. Mr. President, what the distinguished Senator from Missouri has said is especially true when we consider the sworn testimony of Government officials that Communist spies and Russian military agents and criminals are coming into the United States. To say that that cannot be prevented by means of the adoption of a proper screening procedure, so that the people of the United States can determine which persons are proper for admission to the United States, is obviously an incorrect statement. Mr. President, to my mind the present procedure is a monstrous one.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield.

Mr. WHERRY. I deeply appreciate the observations which have been made by the Senator from Missouri, because they corroborate what many of us have thought about the procedure in connection with the bill.

I should like to propound this question to the Senator from Mississippi, and I hope the Senator from Missouri will also listen to it: In all the experience of the Senator from Mississippi, has he ever known the Senate to consider a bill as important as this one without having available to it the printed testimony, and without having that testimony on the desks of Senators, so that they can read the testimony in regard to the proposed legislation? Within the Senator's experience, has that ever happened before?

Mr. EASTLAND. It has not been my experience, and I doubt that it has ever happened before. I think we are derelict in not having the record printed and in not having the information available to all Senators, so that from it they can make up their minds and determine what to do in this case. That is especially true when the sworn testimony shows that military agents of Russia are coming into this country.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. EASTLAND. I yield.

Mr. WHERRY. Is it not true that the evidence the Senator has just presented to us—the order he has already commented upon and the letter from Mr. L'Heureux, of the Commission which he has read—have cleared up today, to a great extent, the question at issue here last Friday, which could not have been cleared up without the presentation of the additional evidence, which Senators have not had an opportunity until now to review?

Mr. EASTLAND. It was cleared up by the record I presented.

Mr. WHERRY. Yes; just today.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. McCARRAN. I wish to say that Mr. L'Heureux is not a displaced-persons officer; he is Chief of the Visa Division of the State Department. I do not wish to have him incorrectly identified.

Mr. WHERRY. Very well. If I incorrectly identified him, that is all the more reason why we should have the record printed. We have not had a chance to read the testimony of the witnesses; and, of course, as a result in the course of our remarks we may misstate the title of an officer.

But is it not true that the evidence referred to thus far today clarifies a matter which would have been clarified previously if we had had the printed testimony available to us?

Mr. EASTLAND. Certainly.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. DONNELL. I should like to propound a question to the Senator from Nevada, and I ask unanimous consent that the Senator from Mississippi may yield to me for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EASTLAND. I yield.

Mr. DONNELL. I ask the Senator from Nevada, would not it be advisable at this moment that a motion be made on the floor of the Senate to postpone the further consideration of this bill until April 4, 1950?

Mr. McCARRAN. Mr. President, I shall answer that question by saying categorically, Yes. Personally, I should like to make the motion. I tried to obtain unanimous consent for that purpose, but I was unable to do so.

Of course, if I were to make the motion, then the columnists and some others would say that I was stalling. Mr. President, I have never stalled this bill. I have tried to work it through, to bring it on the floor. I want to go through with it. I would be glad to have it over with.

But the bill cannot be properly considered by the Senate unless the record is printed and is before Senators. The record can be printed and should be printed; and the matter can be disposed of in 1 or 2 days when the record is printed, because then controversies will not be continually arising as to what various persons have said regarding this subject. I agree that by all means this matter should be put over until some future date.

Mr. DONNELL. Mr. President, will the Senator from Mississippi yield to me for a question?

Mr. EASTLAND. I yield.

Mr. DONNELL. Will the Senator permit me to say at this time that I am perfectly willing to offer to the distinguished Senator from Nevada, which I now do, an opportunity to make such a motion; and let me couple with that offer the statement to him and to the Senate as a whole that if he does not make the motion, I shall immediately make such a motion on the floor of the Senate.

I offer to the Senator from Nevada that opportunity, if he cares to avail himself of it.

Mr. McCARRAN. Mr. President, before I concur in what the Senator from Missouri has said, I wish to say just a word or two about the statements which have been made by the Senator from Mississippi. I have listened to his statements with care, during the days he has been speaking on the floor of the Senate. I never knew him to make a misstatement or a statement which was not sustained by the record. He has been meticulous in every particular.

I wish to join in another statement which has been made: The Senator from Missouri made mention of the able clerk of the Judiciary Committee. It was not my privilege to know Mr. Arens to any great extent before I became chairman of the Judiciary Committee; but I have known him closely and affectionately since that time. I wish to say that I have never known a man who was so meticulous and so determined not to exaggerate, as Mr. Richard Arens. He stays by the record. He is careful in presenting the record. I never knew a more faithful servant or a more faithful clerk to his duties than Mr. Arens is.

Mr. President, at the suggestion of the Senator from Missouri, I shall now make the motion, provided the Senator from Mississippi has concluded his remarks.

Mr. EASTLAND. No; I have not concluded.

Mr. McCARRAN. Then at the conclusion of the remarks of the Senator from Mississippi, I shall make the motion. Meantime, opportunity will be afforded to all Senators to enter the Chamber.

Mr. EASTLAND. Mr. President, first I desire to thank my friend, the distinguished Senator from Nevada, for his kind references to me.

I would also join in stating that if there ever was a conscientious, able, high-class, Christian gentleman, it is Dick Arens. He has been a monument of strength to the cause of good government. He has been a monument of strength in the field of immigration, in protecting his country, Mr. President. He has worked zealously and unselfishly. It would be utterly impossible to find a more competent, more honorable, or more high-class man than he is, either for this work or for the work of any other senatorial committee.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. DONNELL. Will the Senator permit me to say what has already been implied by what I have said about Mr. Arens, namely, that to my mind Mr. Arens is a man of ability, high character, determination, industry, and excellent judgment. He has rendered fine service to our committee. I undertake to say that our committee and the Senate are deeply indebted to him for what he has done.

Mr. President, if the Senator will further yield, I wish to thank the Senator from Nevada for his willingness to make the motion. I am quite willing to make the motion myself. As I stated a few moments ago, if he does not make the motion, I shall make it. But if he makes the motion, I shall favor it, and I shall vote for it on the floor of the Senate.

Mr. EASTLAND. Mr. President, I was reading the original order from the head of the immigration service to his chief officer in Europe; and I ask Senators to listen to the further reading of the order:

This Service—

Speaking of the Immigration Service, and I am continuing to quote from the order—

is held to be responsible only for determining whether persons who have been classified as eligible displaced persons are admissible to the United States under the immigrations laws and eligible displaced persons shall be examined only to the extent necessary to determine whether they are admissible under the immigration laws.

In other words, it is to examine them only for that one specific purpose, Mr. President.

I read further:

The usual care should be exercised to insure that displaced persons who are not admissible under the immigration laws will be excluded. This means that when there is any reason to believe that an applicant for admission is not admissible under the immigration laws or regulations, there should be no hestitancy in holding the applicant for such further action as appears appropriate. However, when during the course of examination for immigration purposes it comes to the attention of an officer of this Service that an error may have been made in the finding that an applicant is a "displaced person" or an "eligible displaced person" the facts should be brought to the attention of the appropriate representative of the Displaced Persons Commission.

At that point, Mr. President, as the Senator from Mississippi and others have stated, all that a consul can do and all that an immigration officer can do, when he finds that fraud has been committed in connection with that category, is to send the file back to the Displaced Persons Commission for its determination, because of the fact that the power is lodged with that agency.

Also, if it appears during immigration inspection that an applicant has procured his "eligible displaced person" status—

The Senator from Massachusetts stated that in case of fraud, the consul could refuse admittance, could exercise a veto, or that the Immigration Service could refuse admittance. But the order says it is to be returned to the Displaced Persons Commission.

However, when that Commission rules or confirms its finding on the basis of such facts which have been brought to its attention that an applicant is a bona fide "eligible displaced person," such ruling shall not be questioned by this Service.

The reference is to the Immigration Service.

To use for an example a case you have cited, that of the applicant Erna Zale, who is shown to have resided in England from November 1947 through November 1948, this Service should not question the finding of the Displaced Persons Commission that she had a "constructive residence" on January 1, 1948, and that she was an "eligible displaced person."

Mr. President, I should like to ask whether Senators knew that the act had been so administered by the Displaced Persons Commission as to permit constructive residence in England to take the place of residence in a displaced camp in Germany, as the basis of admission to this country. The Senate committee only this morning ascertained from the Immigration Service that people residing in the British Isles are constructively presumed to reside in Germany, and may become eligible to enter the United States.

I read further:

It is hoped that the foregoing definitions of the respective responsibilities of the agencies concerned in the administration and enforcement of this act will relieve you and your staff of some of the difficulties under which the central office is aware you have been laboring. Due to lack of clarity in several respects of the act itself, it would be difficult to reach these interpretations by considering, by themselves, the several provisions of the act; but viewing the act as a whole and its purpose, the foregoing statement of jurisdictions and responsibilities has been concluded to be the only practical method of giving effect to the understood intent of Congress and the purposes of the act.

I submit that nothing could be further from the truth than to say Congress ever intended that IRO and the Displaced Persons Commission should have absolute and exclusive authority in the fields in which they operate.

Mr. MALONE. Mr. President, will the Senator yield to permit me to introduce a bill out of order?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Nevada?

Mr. EASTLAND. Mr. President, I ask unanimous consent to place in the RECORD at the conclusion of my remarks the original order dated August 18, 1949, from Watson B. Miller, Commissioner of Immigration, to Almanza Tripp, officer in charge, Berlin, Germany; subject, Displaced Persons Activity.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

AUGUST 18, 1949.

To: Almanza Tripp, officer in charge, Bremen, Germany, APO No. 751, care of postmaster, New York.

From: Watson B. Miller, Commissioner, central office.

Subject: Displaced persons' activity.

Questions of jurisdiction and responsibility raised in your letter dated June 24, 1949, and referred to in subsequent communications concerning determinations as to who are "displaced persons" within the definition of annex I of the International Refugee Organization constitution and who are "eligible displaced persons" within the meaning of section 2 of the Displaced Persons Act have been made the subject of conferences between representatives of this Service, the Displaced Persons Commission, and the State Department, as a result of which the following conclusions, which have been concurred in by our Department, have been reached:

"The International Refugee Organization shall determine who is a 'displaced person' within the definition of annex I to its constitution and is considered to be the only agency competent to determine when these persons are of its concern as required by section 2 of the Displaced Persons Act. This Service will not review or go behind the findings in this regard of the International Refugee Organization.

"The Displaced Persons Commission is responsible for determining from among those found to be 'displaced persons' by the International Refugee Organization those who are 'eligible displaced persons' within the meaning of section 2 of the Displaced Persons Act. This Service shall not review or go behind the findings of the Displaced Persons Commission as to who are 'eligible displaced persons.'"

This Service is held to be responsible only for determining whether persons who have been classified as "eligible displaced persons" are admissible to the United States under the immigration laws and eligible displaced persons shall be examined only to the extent necessary to determine whether they are admissible under the immigration laws. The usual care should be exercised to insure that displaced persons who are not admissible under the immigration laws will be excluded. This means that when there is any reason to believe that an applicant for admission is not admissible under the immigration laws or regulations there should be no hesitancy in holding the applicant for such further action as appears appropriate. However, when during the course of examination for immigration purposes it comes to the attention of an officer of this Service that an error may have been made in the finding that an applicant is a "displaced person" or an "eligible displaced person," the facts should be brought to the attention of the appropriate representative of the Displaced Persons Commission; also, if it appears during immigration inspection that an applicant has procured his "eligible displaced person" status through misrepresentation or fraud, the facts should likewise be brought to the attention of the Displaced Persons Commission. However, when that Commission rules or confirms its finding on the basis of such facts which have been brought to its attention that an applicant is a bona fide "eligible displaced person," such ruling shall not be questioned by this Service. To use for an example a case you have cited—that of the applicant Erna Zale, who is shown to have resided in England from November 1947 through November 1948, this Service should not question the finding of the Displaced Persons Commission that she had a "constructive residence" on January 1, 1948, and that she was an "eligible displaced person."

It is hoped that the foregoing definitions of the respective responsibilities of the agencies concerned in the administration and enforcement of this act will relieve you and your staff of some of the difficulties under which the central office is aware you have been laboring. Due to lack of clarity in several respects of the act itself, it would be difficult to reach these interpretations by considering, by themselves, the several provisions of the act; but viewing the act as a whole and its purpose, the foregoing statement of jurisdiction and responsibilities has been concluded to be the only practical method of giving effect to the understood intent of Congress and the purposes of the act.

Mr. EASTLAND. Mr. President, I yield the floor.

EXHIBIT A

DEPARTMENT OF STATE,
Washington, March 8, 1950.

The Honorable JAMES O. EASTLAND,
United States Senate.

MY DEAR SENATOR EASTLAND: Your high sense of honor, Americanism, integrity, and reputation for rugged honesty of purpose are, in my opinion, too well established in the minds of your fellow countrymen to require any confirmation, particularly from me. It is because of the great respect and the high esteem I have for you that I make this statement to you with a view to clarifying the circumstances under which I recently gave certain testimony before closed sessions of the Senate Judiciary Committee, at its request, with respect to certain aspects of proposed displaced-persons legislation.

I have no authority, as Chief of the Visa Division, to suggest changes in or new legislation without prior coordination and clearances through established procedure. My appearance before the Judiciary Committee, at the request of its chairman, was understood to be informal and off the record. I was duly authorized to appear before the committee to discuss and comment informally upon administrative problems that beset the members of the Judiciary Committee with reference to operational aspects of the pending displaced-persons bill.

Having just discussed before the entire committee a problem akin to the so-called consular veto, although this was not precisely the point at issue, I agreed in substance with a suggestion that was made to me that consular officers should have the power to withhold visas in cases where they have reason to believe that an applicant clearly was not entitled to be classified as an eligible DP, particularly where there existed an apparent fraud, and regardless of whether the applicant was involved in or responsible for such fraud. Before a small group which had carried on an informal discussion after the committee meeting was adjourned, I explained the difficulty consuls have experienced in certain cases of obvious fraud where they do not have, or do not appear to have, the necessary authority to withhold a visa. At this point, as well as I remember, someone suggested that I repeat my informal comments to you and to Senator JENNER.

I reiterated my personal view as an American, as a veteran, and as a consular officer with many years of experience in visa work, that such a check as that under discussion would be desirable and proper in the administration and enforcement of the law to be enacted. I do not mean to imply that the Department of State has any disagreement with my views. I had, of course, no opportunity to clear such views through established channels and therefore of necessity spoke only in the light of my own personal experience and expressed my best judgment on the suggestion made to me at the time.

At the moment you entered the discussion I can well appreciate that you may have been under the impression that I had originated the later proposal, or that I might have appeared for that purpose, which was not the case.

In the light of the discussion which has ensued I desire to clarify my position in this matter, which has not changed since my appearance before the Senate Judiciary Committee. I feel that under the administration of the existing statute, experience has shown that there is a twilight zone in which the authority of the consular service, the Immigration and Naturalization Service, and the Displaced Persons Commission is not clearly defined and therefore in which responsibility all along the line is not clearly vested. In cases of aliens who are excludable under the general immigration laws, or aliens who have willfully made false statements in order to gain admission into the United States the authority to refuse visas is clear, but on the question of the classification of an applicant as an agriculturist, as a person coming from an annexed country, as an orphan, or as an eligible displaced person on some other ground, there is no express authority in the Displaced Persons Act for a consular officer to refuse to accept the classification found by the Displaced Persons Commission, however erroneous or irregular such classification may appear to be, and

however unwittingly the Commission might have been deceived in approving it.

In answer to an inquiry from another member of the committee I have stated that I neither requested nor opposed legislation involving the suggested consular veto. This is still true. I did agree, however, with the suggestion that was made to me that it would seem to be desirable that our consular officers, who are thoroughly experienced in controlling immigration at its foreign source should have clear authority to withhold visas where they know or have reason to believe that the alien is not entitled to the classification under which he applies for a visa.

If the Congress desires to have the present situation continued, I would have no quarrel whatever with such a desire on the part of Congress. However, I have pointed out these aspects of the problem in an effort to be helpful to all sides in reaching an administratively feasible conclusion and further than that it would obviously be improper for me to go.

With warmest personal regards, I am,

Sincerely yours,

H. J. L'HEUREUX,
Chief, Visa Division.

LOYALTY REVIEW BOARD—A BILL TO CREATE AN OFFICIAL BOARD

Mr. MALONE. Mr. President, I ask unanimous consent to introduce a bill, out of order, for the creation of a Loyalty Review Board as an independent establishment of the Federal Government. The function of the Loyalty Review Board, as provided in the bill, will be to investigate the loyalty to the United States of every employee and every applicant for a position in the Federal Government service.

OFFICIAL BOARD INSTEAD OF BY EXECUTIVE ORDER

Mr. President, the Loyalty Review Board proposed to be created by the terms of this bill, will take the place of the Loyalty Review Board created by Executive order of the President. The Loyalty Review Board, as now set up, was created by Executive order, and its rulings can be disregarded, and the Congress of the United States has no part in the proceedings whatever.

Mr. President, the proposed Board differs in a number of important respects from the President's so-called Loyalty Board.

SET UP BY CONGRESS

Members of the new Board would be appointed by the President, by and with the advice and consent of the Senate, instead of by Executive order, and not more than three of the five-man board could be members of the same political party.

FINDINGS CANNOT BE IGNORED

A further difference is that the finding of the Loyalty Review Board in each case could not be ignored, though under the President's Board, department heads can and did ignore the findings of the Board at will.

MOST EMPLOYEES LOYAL

It is, of course, realized that the loyalty of by far the overwhelming majority of all Government employees is beyond question. The presence within the Government service of any disloyal and subversive person constitutes a threat to our security and must be removed

TRAITORS BECOME RESPECTABLE

One of the most unusual things, a thing unheard of 15 years ago, is that within a comparatively short period of 12 or 15 years it has been made respectable to be suspected of traitorous actions toward our country. With our Secretary of State, members of the Supreme Court, and persons in high places testifying in court, or otherwise approving of actions of a known Communist, the American people are becoming confused.

I submit the bill and ask that it be referred to the proper committee, and printed at this point in the RECORD.

There being no objection, the bill (S. 3213) to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be security risks or disloyal to the United States, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas each employee of the Government of the United States is endowed with a measure of trusteeship over the democratic processes which are the spirit and strength of the United States; and

Whereas it is of vital importance that persons employed in the Federal service be of complete and unswerving loyalty to United States; and

Whereas although the loyalty of by far the overwhelming majority of all Government employees is beyond question, the presence within the Government service of any disloyal and subversive person constitutes a threat to our security and democratic processes; and

Whereas maximum protection must be afforded the United States against infiltration of disloyal persons or security risks into the ranks of its employees, and equal protection from unfounded accusations of disloyalty must be afforded the loyal employees of the Government: Therefore

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the Federal Employees' Loyalty Act of 1950.

DEFINITIONS

SEC. 2. For the purposes of this act—

(1) The term "employee" means any officer or employee in or under the executive branch of the Government of the United States, including any officer or employee of a corporation wholly or partly owned by the United States which is an instrumentality of the United States; but does not include (A) the President or Vice President, (B) an officer appointed by the President, by and with the advice and consent of the Senate, (C) an officer or employee in the Federal Bureau of Investigation, or (D) a temporary employee employed not to exceed 180 days in any fiscal year in construction or maintenance work at an hourly rate of pay.

(2) The term "applicant" means any person who is actually being considered by the proper appointing officer for appointment to an office or position in or under the executive branch which would give him the status of an employee.

(3) The term "Commission" means the Civil Service Commission.

(4) The term "Board" means the Loyalty Review Board established by section 3.

(5) The term "Bureau" means the Federal Bureau of Investigation.

(6) The term "United States," when used in a geographical sense, means the several States, the District of Columbia, and the Territories and possessions of the United States (Panama Canal Zone).

LOYALTY REVIEW BOARD

SEC. 3. (a) There is hereby created, as an independent establishment in the executive branch, a Loyalty Review Board to be composed of five members versed in loyalty matters appointed by the President, by and with the advice and consent of the Senate. No individual shall be appointed as a member unless he is a citizen of the United States. Not more than three of the members of the Board shall be members of the same political party. The President shall designate a member as Chairman of the Board.

(b) The term of office of each member shall be 6 years, except that (1) the terms of office of the members first taking office shall expire, as designated by the President at the time of appointment, one at the end of 4 years, one at the end of 5 years, and one at the end of 6 years, after the date of enactment of this act; (2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (3) upon the expiration of his term of office a member shall continue to serve until his successor is appointed and has qualified.

(c) Any member may be removed by the President for inefficiency, neglect of duty, or malfeasance in office, and for no other cause.

(d) Each member shall receive compensation at the rate of $12,500 per annum. No member shall engage in any business, vocation, or employment other than that of serving as a member.

(e) The Board is authorized to appoint such investigators, attorneys, and other employees, and to make such expenditures as may be necessary to carry out its functions.

(f) It shall be the duty of the Board to establish such number of subordinate boards as it may deem necessary to carry out the functions imposed upon such subordinate boards by section 5. Each such subordinate board shall be composed of three members who shall be employees of the Board. The office of each such subordinate board shall be at such place in the United States as may be fixed by the Board.

(g) The principal office of the Board shall be in the District of Columbia, but the Board may exercise its powers at any place in the United States.

INVESTIGATION OF LOYALTY OF EMPLOYEES AND APPLICANTS

SEC. 4. (a) An investigation shall be made, as provided for in this section, of every employee and every applicant to determine whether reasonable grounds exist for the belief that such employee or applicant is disloyal to the United States.

(b) After the date of enactment of this act, no applicant shall be appointed to an office or position in or under the executive branch (except to a position as an employee of the Board) prior to the determination under this act of his loyalty to the United States, unless (1) the appointing officer certifies to the Board that the immediate appointment of such applicant is absolutely required in order to perform a necessary function of the department or agency, and (2) the Board, after conducting such preliminary investigation of such applicant as it may deem necessary, notifies the appointing officer that such appointment has the tentative approval of the Board. Any applicant so appointed and any employee of the Board appointed prior to investigation under this act shall be promptly investigated under this act as an employee.

(c) It shall be the duty of the Commission to conduct preliminary investigations of all employees and applicants, and, in conducting such investigations, the following pertinent sources of information shall be

used: Federal Bureau of Investigation files, Civil Service Commission files, military and naval intelligence files, the files of any other appropriate Government investigative or intelligence agency, House Committee on Un-American Activities files, local law-enforcement files at the place of residence and employment of the employee or applicant, including municipal, county, and State law-enforcement files, schools and colleges attended by employee or applicant, former employers of applicant, references given by employee or applicant, and any other appropriate source.

(d) (1) Whenever any derogatory information is developed with respect to the loyalty to the United States of an employee or applicant from any of the sources set forth in subsection (c), the Commission shall immediately terminate its investigation, and furnish such information to the Bureau. The Bureau shall conduct a full field-loyalty investigation of such employee or applicant.

(2) Whenever any derogatory information is developed with respect to the conduct or qualification of an employee, other than with respect to his loyalty, from any of the sources set forth in subsection (c), the Commission may take such action as may be necessary to cause the removal of such employee from his office or position. In the event such action is taken, the Bureau shall not conduct an investigation under paragraph (1) with respect to such employee.

(e) If no derogatory information is developed with respect to the loyalty to the United States of an employee or applicant from any of the sources set forth in subsection (c), the Commission shall terminate its investigation and immediately notify the head of the appropriate department or agency that such investigation has disclosed no evidence that reasonable grounds exist for the belief that such employee or applicant is disloyal to the United States.

(f) Upon the completion of each full field-loyalty investigation, the Bureau shall transmit immediately to the Board a full report of the investigation which shall contain all evidence pertaining to the question of the loyalty to the United States of the employee or applicant.

REVIEW OF REPORTS OF INVESTIGATIONS

SEC. 5. (a) The Board shall distribute each report of investigation transmitted to it by the Bureau in accordance with section 4 (f) to a subordinate board. As soon as practicable, the subordinate board shall review such report and make a preliminary finding upon the evidence furnished by the Bureau with respect to the loyalty to the United States of the employee or applicant under investigation, and transmit such finding to the Board. If such preliminary finding is not adverse to the employee or applicant and is the unanimous decision of the subordinate board, such finding when approved by the Board shall become the final decision of the Board, and the Board shall immediately advise the head of the appropriate department or agency that, in the judgment of the Board, there are no reasonable grounds for the belief that such employee or applicant is disloyal to the United States. If such preliminary finding is not adverse to the employee or applicant, but is not the unanimous finding of the subordinate board, the Board shall conduct such a review of such preliminary finding as it may deem necessary. If after such review the Board agrees with the preliminary finding of the majority of the subordinate board, such finding shall become the final decision of the Board, and the Board shall immediately advise the head of the appropriate department or agency that, in the judgment of the Board, there are no reasonable grounds for the belief that such employee or applicant is disloyal to the United States. If such preliminary finding is adverse, or if the Board agrees with the adverse preliminary finding of the minority member of the subordinate board, the Board shall notify the employee or applicant under investigation in writing of the preliminary finding of the subordinate board, or of the preliminary finding of the Board, as the case may be, together with a factual statement upon which such finding is based, not disclosing, except when in the discretion of the Board, the interest of justice so requires, the source or sources of the information, and advising such employee or applicant that such preliminary finding must be appealed to the Board within 15 days after the date of such notification or it shall become the final decision of the Board: *Provided*, That the preliminary findings of the Board and factual statements furnished the employee or applicant provided for under this section, shall be held as confidential by the Board.

(b) (1) If such adverse preliminary finding is appealed as provided for in subsection (a), the Board shall consider such pertinent evidence as may be submitted to it by the appellant in writing or at a hearing before the Board. Following the appeal, after consideration of all the evidence, the Board shall make a final decision, and, if such decision is not adverse to the employee or applicant under investigation, the Board shall notify such employee or applicant and the head of the appropriate department or agency.

(2) If such adverse preliminary finding is not appealed, or if such final decision under paragraph (1) is adverse, the Board shall notify in writing such employee or applicant of its final adverse decision and shall certify to the head of the appropriate department or agency, that, in the judgment of the Board, it is established by the preponderance of the evidence that such employee or applicant is disloyal to the United States. Such certification shall constitute authority for the discharge of such employee or the rejection of such applicant, as the case may be, and shall be accompanied by the request from the Board that for the reasons set forth in the certification, (A) the services of such employee shall be terminated immediately upon receipt of such certification, or (B) such applicant shall not be employed. Such Department or Agency shall comply with the instructions in said certificate. As used in the preceding sentence, the term "employee" includes an applicant who is appointed to an office or position after certification, pursuant to this subsection, with respect to his disloyalty.

(c) All findings and decisions of the subordinate boards and of the Board shall be based upon the standard set forth in section 8 (a).

RULES AND REGULATIONS OF THE BOARD

SEC. 6. The Board is authorized and directed to make such rules and regulations as it may deem necessary to carry out the provisions of this act. Such rules and regulations, and any amendments thereto, shall be published promptly in the Federal Register, and, among other things, shall provide that all statements presented to the Board by an appellant shall be under oath, and that an appellant shall have the right to be represented by legal counsel, to produce evidence and witnesses, and to furnish affidavits or other written statements of competent persons. Such rules and regulations shall provide that no finding or decision of the Board shall be made except after the concurrence of at least three members of the Board, and that the Board shall maintain a permanent record showing how each member voted upon each finding and decision.

ATTENDANCE OF WITNESSES AND PRODUCTION OF DOCUMENTARY EVIDENCE

SEC. 7. (a) For the purposes of this act, the Board may require by subpena the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Any member may administer oaths or affirmations to witnesses appearing before the Board. Subpenas may be issued under the signature of the Chairman of the Board or any member designated by him, and may be served by any individual designated by such Chairman or member.

(b) Such attendance of witnesses at any designated place of hearing, and the production of books, records, correspondence, memoranda, papers, and documents at any designated place of hearing, may be required from any place in the United States. Witnesses summoned under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Board may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is being conducted, or where such person resides or carries on business. Such court may issue an order requiring such person to appear before the Board, there to give or produce testimony or books, records, correspondence, memoranda, papers, or documents, bearing upon the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever such person may be found.

(d) Any person who without just cause fails or refuses to attend and testify or to answer any inquiry or to produce books, records, correspondence, memoranda, papers, or documents, in obedience to a subpena of the Board, shall, upon conviction thereof, be punished by a fine of not more than $1,000, or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

STANDARD TO BE USED BY BOARD

SEC. 8. (a) The standard which the Board shall use as the basis for the removal from employment or for the refusal of employment in the executive branch of the Government on grounds relating to loyalty shall be that, in the judgment of the Board, it is established by the evidence that there is a reasonable doubt the employee or applicant investigated is disloyal to the United States.

(b) Activities and association of an employee or applicant which may be considered by the Board in connection with the determination of disloyalty may include one or more of the following:

(1) Sabotage, espionage, or attempts or preparations therefor, or knowingly association with spies or saboteurs.

(2) Treason or sedition or advocacy thereof.

(3) Advocacy of revolution of force or violence to alter the constitutional form of government of the United States.

(4) Intentional, unauthorized disclosure to any person, under circumstances which may indicate disloyalty to the United States, of documents or information of a confidential or nonpublic character obtained by the employee making the disclosure as a result of his employment in or under the executive branch of the Government.

(5) Performing or attempting to perform his duties as an employee, or otherwise acting, so as to serve the interests of another government in preference to the interests of the United States.

(6) Membership in, affiliation with, or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons, known to the Board or designated by the Attorney General as totalitarian, Fascist,

Communist, or subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means.

(c) The Attorney General shall, after full investigation, from time to time have published in the Federal Register a list of the organizations, associations, movements, groups, and combinations of persons designated by him pursuant to paragraph (6) of subsection (b). At the request of the Board, the Attorney General shall submit to the Board the reasons for the inclusion upon any such list of the name of any such organization, association, movement, group, or combination of persons, and, upon request, shall promptly advise the Board as to organizations, associations, movements, groups, or combination of persons not designated by him pursuant to paragraph (6) of subsection (b).

REPORTS OF THE BOARD

SEC. 9. Before January 15 of each calendar year commencing after the date of enactment of this act, the Board shall submit to the Congress and the President a report outlining its work during the preceding year, together with any recommendations it may deem advisable with respect to its activities. Such report shall contain a statement with respect to the status or disposition of the cases of those disloyal employees with respect to whom the Board notified the President under section 5 (b).

PRECEDENCE OF INVESTIGATIONS OF, AND ACTIONS WITH RESPECT TO, EMPLOYEES

SEC. 10. In carrying out the provisions of this act, investigations by the Commission and the Bureau, and actions by the subordinate boards and the Board, with respect to employees shall take precedence over investigations by the Commission and the Bureau, and actions by the subordinate boards and the Board, with respect to applicants.

FINGERPRINTS OF EMPLOYEES

SEC. 11. As soon as practicable after the date of enactment of this act, the head of each department or agency in the executive branch of the Government shall submit to the Bureau, through the Commission, the name and fingerprints of every employee of such department or agency whose name and fingerprints have not theretofore been submitted by such department or agency, and shall from time to time thereafter submit the names and fingerprints of new employees. Information secured by a search of the Bureau's name and fingerprint files shall be transmitted to the head of each department or agency through the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are authorized to be appropriated from time to time such sums as may be necessary to carry out the provisions of this act.

Mr. MALONE. In support and explanation of the difference between the two Loyalty Boards, I wish to have printed in the RECORD at this time title III of Executive Order 9835, as it appears in the Federal Register of March 25, 1947, down to the words "part one, investigations of applicants."

There being no objection, the excerpt from Executive Order 9835 was ordered to be printed in the RECORD, as follows:

TITLE III—THE PRESIDENT

EXECUTIVE ORDER 9835—PRESCRIBING PROCEDURES FOR THE ADMINISTRATION OF AN EMPLOYEES LOYALTY PROGRAM IN THE EXECUTIVE BRANCH OF THE GOVERNMENT

Whereas each employee of the Government of the United States is endowed with a measure of trusteeship over the democratic processes which are the heart and sinew of the United States; and

Whereas it is of vital importance that persons employed in the Federal service be of complete and unswerving loyalty to the United States; and

Whereas, although the loyalty of by far the overwhelming majority of all Government employees is beyond question, the presence within the Government service of any disloyal or subversive person constitutes a threat to our democratic processes; and

Whereas maximum protection must be afforded the United States against infiltration of disloyal persons into the ranks of its employees, and equal protection from unfounded accusations of disloyalty must be afforded the loyal employees of the Government.

Now, therefore, by virtue of the authority vested in me by the Constitution and statutes of the United States, including the Civil Service Act of 1883 (22 Stat. 403), as amended, and section 9A of the act approved August 2, 1939 (18 U. S. C. 611), and as President and Chief Executive of the United States, it is hereby in the interest of the internal management of the Government, ordered as follows.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of the release dated March 8, 1950.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 8, 1950.—United States Senator GEORGE W. MALONE, Republican of Nevada, today introduced in the Senate an act for the creation of a Loyalty Review Board as an independent establishment of the Federal Government. The function of the Loyalty Review Board, as provided for in the act, will be to investigate the loyalty to the United States of every employee and every applicant for a position in the Federal Government service.

Senator MALONE, in introducing the bill, explained that the Loyalty Review Board, as provided, "differed from the President's so-called Loyalty Board in a number of important respects. The members of the new Board," said Senator MALONE, "would be appointed by the President by and with the advice and consent of the Senate and not more than three members of the five-man Board shall be members of the same political party.

"A further difference is that the finding of the Loyalty Review Board in each case could not be ignored while with the President's board, department heads could, and did, ignore the findings at will."

In discussing his bill, Senator MALONE said: "Although the loyalty of by far the overwhelming majority of all Government employees is beyond question, the presence within the Government service of any disloyal and subversive person constitutes a threat to our security and democratic processes.

"The most dangerous thing to the American people is that in a comparatively short period of 15 years it has been made respectable to be suspected of traitorous actions toward our own country. With our Secretary of State, members of the Supreme Court, and persons in high places testifying in court or otherwise justifying the actions of a known Communist, the American people are becoming confused.

"The air should be cleared once and for all."

ALLEGED COMMUNISTS IN THE EMPLOY OF THE UNITED STATES GOVERNMENT

Mr. FERGUSON obtained the floor.

Mr. FERGUSON. Before I proceed, let me say that the Senator from Wisconsin [Mr. MCCARTHY] has asked me to yield with reference to a matter which he would like to take care of immediately. I ask unanimous consent that I may yield to him for that purpose, without losing the floor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MCCARTHY. Mr. President, I ask unanimous consent to place in the RECORD a statement, a portion of which was made before the Foreign Relations Committee this morning. The Senator from Maryland [Mr. TYDINGS] has been contacted and asked if there is any objection to placing the statement in the RECORD. He said it was up to the Senator from Wisconsin to decide. The reason for having it placed in the RECORD, Mr. President, is that it was handed to the press as a presentation of the first case. The subcommittee adjourned before I had completed my statement, some members of the press have written stories based upon it, and, in view of the fact that I shall present it to the committee tomorrow, I can see no harm in having it printed in the RECORD today.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

Mr. O'MAHONEY. Mr. President, reserving the right to object, do I correctly understand that it is a statement by the Senator from Wisconsin, a part of which was presented to the committee and a part of which will be presented to the committee tomorrow?

Mr. MCCARTHY. That is correct.

Mr. O'MAHONEY. Does the statement indicate the portion which has already been presented?

Mr. MCCARTHY. No, but I think that is a good idea. I have presented down to the words "Let us now consider exhibit E." The reason for my request may sound unusual, but I started to give case No. 1 to the committee, and handed case No. 1 to the press. It took a long time to develop the early steps, and the subcommittee adjourned because the Senate convened today. Some of the members of the press have written stories upon the entire document. A young man representing United Press has contacted the Senator from Maryland [Mr. TYDINGS] and asked him if he would have any objection to having the statement placed in the RECORD. I have been informed that the Senator from Maryland said he had no objection, that it was up to me to decide whether I wanted to place it in the RECORD.

Mr. O'MAHONEY. I now understand from the statement of the Senator from Wisconsin that in the course of his presentation he was interrupted.

Mr. MCCARTHY. That is correct.

Mr. O'MAHONEY. That would mean that questions were asked and testimony was given spontaneously, so that the presentation does not constitute and is not intended to be represented as constituting the entire procedure before the committee this morning.

Mr. MCCARTHY. No.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At the outset I think it is important that the committee know that the statement I shall make here today regarding various persons in the employ of the United States Government is based on documented evidence and these documents I will submit to the committee as I go along.

Let us take the case of Dorothy Kenyon. This lady, according to the latest issue of the official registry of the United States Government, is on the Commission on the Status of Women, United States Member on the Commissions of the Economic and Social Council, United States Mission to the United Nations, Department of State. Her salary is $12,000 per year.

This lady has been affiliated with at least 28 Communist-front organizations, all of which have been declared subversive by an official Government agency. Nine of the 28 have been cited as subversive by the Attorney General of the United States. On February 21, 1940, Miss Kenyon signed a protest under the auspices of the Veterans of Abraham Lincoln Brigade condemning the war hysteria "being whipped up by the Roosevelt administration."

Exhibit marked "A" I now hand the committee. This organization has been cited as subversive by the Congressional House Committee on Un-American Activities, the California Un-American Activities Committee, and the Attorney General of the United States.

In signing this statement Miss Kenyon collaborated with such well-known Communists as Paul Robeson, Bernhard J. Stern, Albert Maltz, Anna Louise Strong, William Gropper, Langston Hughes, and Harry F. Ward.

Miss Kenyon is presently a sponsor of the National Council of American Soviet Friendship. This organization has been declared subversive by the House Un-American Activities Committee, the California Un-American Activities Committee, and the Attorney General.

On November 16, 1948, Miss Kenyon as a member of the board of sponsors of this officially declared subversive organization welcomed the Red dean of Canterbury, Hewlett Johnson, at a rally in Madison Square Garden in the city of New York. Only a few days ago the State Department refused to permit the dean of Canterbury to enter the United States because of his Communist record.

For the guidance of the committee I hand you herewith exhibit "B", which fully documents Miss Kenyon's affiliation with the National Council of American Soviet Friendship.

In sponsoring the Red dean of Canterbury's appearance in the United States a year and a half ago Miss Kenyon collaborated with such pro-Communists as Ben Gold, the avowed Communist leader of the fur workers union, and Paul Robeson.

Here we have the singular situation of the Department of State refusing to admit one of the world's most prominent radical Communist churchmen and on the other hand one of the department's prominent officials welcoming and sponsoring him to this country.

I should now like to hand the committee exhibit C. This is a cordial invitation to attend a dinner and presentation of the first annual award of the American Russian Institute to President Franklin Roosevelt for furthering American-Soviet relations.

The event occurred on May 7, 1946, at 6:30 o'clock in the evening in the grand ball room of the Pennsylvania Hotel in New York City. The dinner cost $7.50 a plate.

The American Russian Institute has been cited as subversive by the House Un-American Acitivities Committee, California Un-American Activities Committee, and the Attorney General. Miss Kenyon now in the State Department was a sponsor of this organization. Along with the lady sponsoring this dinner appeared Lee Pressman, who has been named as a member of the Communist underground cell in the government by Whittaker Chambers. Other well known Communists sponsoring the event were Howard Fast, Saul Mills, Ella Winter, John Howard Lawson, and Langston Hughes.

Although I shall discuss the unusual affinity of Mr. Philip C. Jessup of the State Department for Communist causes later in this inquiry, I think it pertinent to note that this gentleman now formulating top flight policy in the Far East affecting half the civilized world was also a sponsor of the American Russian Institute.

The present executive director of this subversive organization is Henry H. Collins, late of the State Department, who has been named by Whittaker Chambers as a member of the Communist spy ring operating in the Federal Government. It was in the home of Mr. Collins, according to Chambers, that some of the microfilms of secret State Department documents were made. Collins was also one of those who refused to testified before the House Un-American Activities Committee as to whether or not he was a Communist party member.

The Conference on Pan-American Democracy has been declared to be a subversive Communist organization by the Attorney General of the United States, the House Un-American Activities Committee, and the California Un-American Activities Committee. I give the committee exhibit "D," a letterhead of this organization dated November 16, 1938. The members will note that over 11 years ago Dorothy Kenyon was a sponsor of this organization which held a conference in Washington on December 10 of the same year.

Her Communist associates in this enterprise included Langston Hughes, Rockwell Kent, Lewis Merrill, Mervyn Rathborne, and Dirk J. Struick.

It might be of interest to the committee to know that Mervyn Rathborne, a cosponsor with Miss Kenyon, has just testified for the Government at the trial of Harry Bridges, stating under oath that he was a member of the Communist Party at the time of this conference and that he was frequently a visitor at the White House.

I think it is important that the committee know that the Communist activities of Miss Kenyon are not only deep-rooted, but extend back through the years. Her sponsorship of the doctrines and philosophy of this ruthless and godless organization is not new.

It is inconceivable that this woman could collaborate with a score of organizations dedicated to the overthrow of our form of government by force and violence, participate in their activities, lend her name to their nefarious purposes and be ignorant of the whole sordid and un-American aspect of their work.

Let us now consider exhibit "E." The committee will note that on January 18, 1935, over 15 years ago, Dorothy Kenyon was a sponsor of the Political Prisoners Bail Fund Committee.

This outfit had its headquarters in room 1200, at 154 Nassau Street, in New York.

The Political Prisoners Bail Fund Committee was a subsidiary of the International Labor Defense, which has been cited as subversive by the House Un-American Activities Committee, the California Un-American Activities Committee, and the Attorney General.

This exhibit, employing the well-known jargon of the Communist Party, sets forth the noble purpose of "A common bail fund for those arrested in the struggle of the working class, for the rights of oppressed minorities, in the fight against war and fascism."

The chairman of the Political Prisoners Bail Fund Committee was Paul P. Crosbie, the recently deceased leader of the Communist Party in Queens County, N. Y.

Recently in the Federal Court in New York, 11 men were convicted of conspiracy to overthrow our Government. Among them was Benjamin J. Davis, Jr. Benjamin J. Davis, Jr., was one of the trustees of the committee under discussion.

Other "great" Americans on this melancholy and malodorous aggregation were Corliss Lamont, Carol Weiss King, and Charles Krumbein, the late treasurer of the Communist Party of the United States.

Again we find the lady in familiar company.

Now if I may, I would like to discuss exhibit "F," which I now hand to the committee.

It will be noted that it is a paid political advertisement inserted in the New York Times of October 9, 1944, on page 12.

Morris U. Schappes was convicted in the State court of New York for perjury. An organization called the Schappes Defense Committee with headquarters at 13 Astor Place was immediately formed to aid him.

Dorothy Kenyon was a sponsor of this organization. But lest there be any doubt of the Communist character of this group, let me quote from a report of the House Un-American Activities Committee, which said, on page 1555, of appendix 9:

"Morris U. Schappes admitted in sworn testimony before the Rapp-Coudert committee that he joined the Communist Party in the summer of 1934. He further admitted that he was a member of the Communist Party's educational commission. He told the Rapp-Coudert committee that he used the name 'Alan Horton' in the Communist Party, and that under that alias he had delivered the report of the educational commission at the tenth convention of the Communist Party in 1938."

Schappes was on the teaching staff of the College of the City of New York for a period of 13 years. In 1936 his superior on the college faculty refused to recommend him for reappointment. This action led to prolonged agitation by the Communist Party and its front organizations on behalf of Schappes. The following organizations participated in this agitation: The Communist Party, the Young Communist League, the American Student Union, the League of American Writers, the American League Against War and Fascism, and the International Workers Order.

In 1937 the borough president of New York County in the city of New York, Mr. Stanley M. Isaacs, appointed as an assistant on his staff a reporter for the Communist Daily Worker named Simon W. Gerson.

Almost immediately the patriotic citizens of New York, led by the American Legion and other equally reputable organizations, entered a vehement protest on the naming of an avowed Communist to a responsible city position.

The Daily Worker wrote a letter, ranting and screaming against this witch-hunting campaign and injustice, launched a violent and intemperate tirade against any and all who felt that the city might better be served by a 100-percent American.

They sought the aid of fellow Communists, fellow travelers, suckers, and just plain dopes. The latter two categories are found frequently in the Communist manifestos, but they do not remain long.

The test of a real red Fascist or fellow traveler is a constant adherence to the rapidly shifting Communist Party line over a long period of years. Here again we have our prominent State Department official, Dorothy Kenyon, crying aloud in her anguish for a fellow red.

But this exhibit G is equally interesting in that Miss Kenyon is named as representing the Consumers' Union.

Consumers' Union is an admittedly, out-and-out Communist-dominated and owned organization. It has fronted for the party since its inception in 1935 and is headed by Arthur Kallet, whose Communist Party alias is Arthur Adams.

Here again we have Miss Kenyon associated with such well-known Communists as Harry F. Ward, Louis Weinstock, and Irving Potash, who is one of the 11 convicted Communist conspirators.

One of the most notorious Communist-front organizations is the League of Women Shoppers. Two months ago, the League of Women Shoppers merged with the Congress of American Women.

The Congress of American Women has been cited as subversive by the Attorney General of the United States, the House Committee on Un-American Activities, and the California Committee on Un-American Activities. There is no question whatsoever of its Communist domination, background, and purposes.

I submit to the committee exhibit H, which lists the directors and sponsors of this organization and it will be noted that we again have Miss Dorothy Kenyon in the company of such well-known pro-Communists as Helen Seldes and Josephine Herbst, who was fired from the OSS by Gen. William Donovan because of her Communist connections.

As an indication of the far-reaching power and influence of this Communist-front organization, the committee might be concerned to know that Mrs. Dean Acheson, the wife of the Secretary of State is listed on page 1023 of appendix 9 of the records of the House Committee on Un-American Activities as a sponsor of its Washington branch. There is no length to which these purveyors of treason will not go to bring into their fold the names of unsuspecting and misguided men and women who are influenced by a glib story of social or economic improvement and thus lend prestige to a sordid and dissolute cause.

Mrs. Acheson appears once on the roster of these subversive organizations and Miss Kenyon more than a score of times.

I have now given the committee a partial report on the activities of this official of the State Department. We find Dorothy Kenyon as sponsor of the American Committee for Anti-Nazi Literature in March of 1939 on exhibit I. Governmental agencies have cited this organization as a Communist front.

Again in January of 1940 we find Miss Kenyon as a signer of a petition under the auspices of the American Committee for Democracy and Intellectual Freedom, an organization cited as subversive by the House Committee on Un-American Activities and the California Committee on Un-American Activities. I hand you exhibit J.

Exhibit K again shows Dorothy Kenyon on the Advisory Committee of the Citizens Committee To Aid Striking Seamen, which has been cited as subversive by Government agencies.

Exhibit L again shows Miss Kenyon as a member of the advisory board of Film Audiences for Democracy, an organization which has been cited as subversive by governmental agencies.

Exhibit M lists the officers and advisory board of Films for Democracy, an organization cited as subversive by the governmental agencies. Again we have Dorothy Kenyon as a member of the advisory board.

The next exhibit N, shows Miss Kenyon as a sponsor of the Greater New York Emergency Conference on Unalienable Rights, an organization cited as subversive by governmental agencies.

In the New York Times of Tuesday, January 31, 1939, appeared an advertisement under the auspices of the Washington Committee To Lift the Spanish Embargo. The committee will note that this exhibit O names Miss Dorothy Kenyon as an "eminent American" who ardently supported the Communist cause in Spain.

Exhibit P shows Miss Kenyon as a sponsor of the American Lawyers Committee on American Relations With Spain, another organization listed as subversive by governmental agencies.

I could continue to give this type of evidence for some time, but it appears to me that the pro-Communist background of this official of the State Department has been abundantly and conclusively established.

Exhibit Q, which lists Miss Kenyon as a member of the advisory board of the Milk Consumers Protective Committee is merely another Communist front, cited by a governmental agency as subversive.

I suggest to the committee in concluding my remarks on Miss Kenyon, that by the findings of the Attorney General of the United States and other responsible governmental agencies, she does not conform by any stretch of the imagination to the "yardstick of loyalty" set forth by Secretary of State Acheson.

DISPLACED PERSONS

The Senate resumed the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. FERGUSON. Mr. President, at this time I desire to read into the RECORD a letter which I offered last evening, but which was objected to. The letter is as follows:

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, D. C., March 6, 1950.

Hon. HOMER FERGUSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR FERGUSON: Inquiry has been made of us concerning the attitude of the Chamber of Commerce of the United States toward pending displaced-persons legislation. We support the amendment in the nature of a substitute for H. R. 4567, proposed by Senator KILGORE for himself and a group of 17 other Senators.

The junior Senator from Michigan is one of the sponsors. The letter continues:

You will recall that on October 12, 1949, we sent all members of the Senate a letter asking them to vote for H. R. 4567, then before the Senate. At that time we stated that it had become apparent that the Displaced Persons Act of 1948 was hedged about with so many restrictions and burdensome administrative provisions that it was not accomplishing its purpose of making an effective contribution to the solution of the displaced-persons problem.

When the Chamber in 1948 adopted a policy declaration stating that this country should admit a reasonable number of displaced persons and recommending such temporary adjustments in our immigration laws as may make this possible, the first paragraph of the declaration referred to the great numbers of men, women, and children remaining in displaced-persons camps. We also referred to the International Refugee Organization and United States membership in it. Our statement makes it plain that we were thinking primarily of those displaced persons in the occupation zones of Germany and Austria and receiving care from the IRO.

It seems to us that the substitute bill does not neglect nor is it antagonistic to the expellee problem. It provides for the admission of over 54,000 expellees to be charged against future German quotas—one of the largest we have. Furthermore, it provides a substantial sum to pay the passage of such expellees and authorizes participation of the United States in a conference to study the whole expellee problem. It does, however, guard the interests of the original displaced-persons group.

The proposal of Senator KILGORE and others is similar to the bill passed by the House of Representatives. It is responsive to the resolution adopted by our members at our annual meeting in 1948.

Cordially yours,

CLARENCE R. MILES.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WHERRY. I saw that communication last night and read it with a great deal of interest. Is the recommendation now made by Mr. Miles, of the United States Chamber of Commerce, made with a knowledge of the evidence which has been adduced in the past 30 days before a subcommittee of the Committee on the Judiciary, or is that a statement made in the light of the legislation sponsored a year ago?

Mr. FERGUSON. The letter is dated March 6, 1950, and I assume that Mr. Miles had all the knowledge that any outside person, not a Member of the Senate or of the committee, would have, by, let us say, newspaper or other information.

Mr. WHERRY. I think that statement is absolutely correct. He has as much information as any outside person might have. But the point I make is this: Does the Senator feel, in view of the fact that late evidence which has been talked about on the floor of the Senate has not yet been printed and brought to the attention of the Senate would make any difference in Mr. Miles' recommendation, if he knew what the evidence really is?

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield.

Mr. KILGORE. With reference to the question asked by the minority leader, the letter from the chamber of commerce goes to the crux of the entire situation. The first committee amendment reduces the chances of taking care of displaced persons to such an extent as to render them almost negligible, and the purpose of the substitute is to take care of them. The Senator from Michigan offered an amendment to the substitute which would bring about the screening results sought by the Senator from Nebraska, and, at the same time, would take care of the situation as to bona fide displaced persons.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. FERGUSON. I should like to answer the Senator's question.

Mr. WHERRY. The Senator from West Virginia has raised another question.

Mr. FERGUSON. I shall try to answer both of them at one time.

Mr. WHERRY. Mr. Miles, representing the United States Chamber of Commerce, endorses the substitute, which has now been amended. I think it is a good amendment, and I want to compliment the Senator from Michigan. I think it is a step in the right direction. I simply ask this question of the Senator from Michigan: Did Mr. Miles, representing the United States Chamber of

Commerce, know of the evidence which has been submitted on the floor of the Senate when he endorsed the substitute? Certainly Senators have not had the evidence, and I ask whether he had it, and, if he had it, would he still endorse the substitute?

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KILGORE. The Senator from Michigan was not on the floor at the time this controversy arose. The amendment offered by the Senator from Michigan merely spells out the present law so that there can be no administrative interpretation left.

Mr. FERGUSON. Clarence Miles, of the United States Chamber of Commerce, department of governmental affairs, is as familiar as is any layman outside the United States Senate and the committee itself, with the facts which have been presented. I am sure he keeps in touch with the action of the Senate, and also keeps in touch, I assume, with newspaper items, and is familiar with the subject. On the 6th of March 1950 he writes this letter. After that date I would assume that he is not covering anything that took place on the floor or in the committee hearing.

I want to try to clear up the question. The proposition now before the Senate involves complaints which are being made as to the administrative procedure of the Displaced Persons Commission, the Visa Division, and the immigration inspectors. The Senator from Michigan has always contended that, under the law as it now stands, the Displaced Persons Commission has a job to do and it should follow the law to the letter. The Visa Division, which is under a Cabinet officer, the Secretary of State, has a job to do, and it should follow, to the letter, the law, whether it be the displaced-persons law or the immigration law. The inspectors of immigration are under the Department of Justice, presided over by another Cabinet officer, the distinguished former Senator, Mr. Howard McGrath, now Attorney General, and that Department has a job to do and should be following the law to the letter.

It appears from the letter which was read by the Senator from Mississippi that the three departments got together and agreed that they would more or less delegate certain authorities from one to the other so that there would be no conflict and, I would assume, with the intention that there would be no overlapping in the administration of the displaced-persons law and other immigration laws. The Senator from Michigan does not agree exactly with that practice. He feels that when Congress writes a law it intends that every department shall carry out the law to the letter and will try in every way possible to carry out the intent of the legislative body. So that there may be no question in the future, so that all parties will be again advised as to what Congress had in mind, the Senator from Michigan has prepared an amendment which he is going to offer, and which, he assumes, will be accepted by the distinguished Senator from West Virginia [Mr. KILGORE], who has charge of the substitute. The Senator from Michigan proposes to amend the present displaced-persons law by providing:

> The burden of proof shall be upon the person who seeks to establish his eligibility under this act, and no person shall be issued an immigration visa or be admitted into the United States under this act if the consular officer or the immigrant inspector knows or has reason to believe that the alien is subject to exclusion from the United States under any provision of the immigration laws or is not eligible under the terms of this act: *Provided*, That nothing in this section shall remove the right of review and appeal available to aliens under general immigration laws.

In other words, the proposed amendment spells out to the Displaced Persons Commission that it shall perform its duty in screening everyone who comes under this act as an eligible displaced person. The Commission is not to take the word of any other department. It may ask other departments for advice, but it alone is responsible.

We say in no uncertain terms that when a displaced person appears before a visa officer, the visa officer is to carry out the law. We provide that he is to determine whether or not a person shall receive a visa under the displaced persons law, whether or not he is eligible, and whether he comes within the general terms of the immigration law as a person entitled to admission to this country.

Furthermore, when a displaced person appears before an inspector of immigration, the inspector shall carry out the law. He shall determine whether or not the person is eligible under the displaced persons law, or any other immigration law.

The Senator from Michigan and, I am sure, all other Senators whose names are on the substitute, are eager to see that there is more effective screening. I should like to say also that the displaced persons law as it now stands provides for the kind of screening which no other immigration law provides. We have at the present time the CIC. That is the Central Intelligence Office, which is the investigating or the intelligence branch of the United States Army. It has been in Germany ever since the close of the war. It even had activities in the underground before the close of the war. The CIC has been assigned to investigate every displaced person. I assume that it is trying to perform its duties. I realize what a great job that is. I realize that many of the persons who have been displaced have come from behind the iron curtain since the Potsdam agreement went into effect. Many of them were slave laborers prior to that time. Many of them had been persecuted in Germany. They have been shifted from pillar to post.

It is difficult to get all the evidence. However, we have assigned the various departments to perform certain investigative duties. It now appears that there are at least four agencies in Europe trying to screen displaced persons. It is the desire of the junior Senator from Michigan that they be screened, that no one shall enter this country who is going to be a security risk, and that no one shall enter in violation of the present immigration law or the present displaced persons law, or any amendment to either one of those laws. For that reason he will at the appropriate time offer an amendment to the substitute which will remove any question about the screening of displaced persons by the various agencies.

Mr. McCARRAN. Mr. President——

Mr. FERGUSON. Does the Senator desire to have me yield?

Mr. McCARRAN. No; I thought the Senator was about to take his seat. I intend to suggest the absence of a quorum.

Mr. SALTONSTALL. Mr. President, will the Senator from Michigan yield for a question?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. I have not heard all the Senator's remarks, but if his amendment should be agreed to, that would permit the consular service or the Immigration Service to go into the status of what constitutes a "constitutional DP," so-called, so that the consular service and the Immigration Service would have the opportunity to determine as a fact whether, in their opinion, a man was a displaced person.

Mr. FERGUSON. That is correct. This is in effect a mandate to the Visa Division of the State Department, that if they know or have reason to believe that a person is not an eligible displaced person, under the act, or under any immigration law, they should not issue him a visa. The same would be true of the immigration inspectors. So there could be no question about the fact that the applicants would be fully screened by all three departments.

Mr. SALTONSTALL. And the officials could not do that screening without looking at the CIC report, or whatever report they could get. They would have to go into the question as carefully as they could, would they not?

Mr. FERGUSON. I would say they would be required to see the CIC report. Not only could they act if they knew, but we make it even stronger than is usually provided by wording it in this way, "If the inspector knows or has reason to believe," he may act. In other words, he may get what is known as a tip from some person that a certain man is not a displaced person, and if that report turns out to be true, he will be kept out.

Mr. SALTONSTALL. What the Senator is trying to do by his amendment is to strengthen the administrative scrutiny of displaced persons, without changing fundamentally the screening process as it is now carried out.

Mr. FERGUSON. That is correct. We are trying to strengthen the present law, to spell it out in no uncertain words.

Mr. KILGORE. Mr. President——

Mr. McCARRAN. I suggest the absence of a quorum.

Mr. FERGUSON. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	Darby
Anderson	Byrd	Donnell
Brewster	Capehart	Dworshak
Bricker	Connally	Eastland
Bridges	Cordon	Ecton

Ellender	Kem	O'Conor
Ferguson	Kerr	O'Mahoney
Flanders	Kilgore	Russell
Fulbright	Langer	Saltonstall
George	Lehman	Schoeppel
Gillette	Lodge	Smith, Maine
Green	Lucas	Smith, N. J.
Gurney	McCarran	Sparkman
Hayden	McCarthy	Stennis
Hendrickson	McClellan	Taft
Hickenlooper	McFarland	Taylor
Hill	McKellar	Thomas, Okla.
Hoey	McMahon	Thye
Holland	Magnuson	Tobey
Humphrey	Malone	Tydings
Hunt	Martin	Watkins
Ives	Maybank	Wherry
Jenner	Millikin	Wiley
Johnson, Colo.	Morse	Williams
Johnson, Tex.	Murray	Withers
Johnston, S. C.	Myers	Young
Kefauver	Neely	

The PRESIDENT pro tempore. A quorum is present.

Mr. LUCAS. Mr. President, yesterday, and some time during the latter part of last week, the Senator from Illinois attempted to secure a unanimous-consent agreement to vote on the bill and on amendments thereto, and my friend the Senator from North Dakota [Mr. LANGER] raised objection each time. In talking with the Senator a few moments ago he advised me that he would have no objection to a unanimous-consent agreement being entered into to vote on the bill 1 week from today. That would seem to afford plenty of time to have the records of the hearings printed and give to those who are interested in analyzing the testimony opportunity to do so. So I shall now renew the request.

Mr. President, I ask unanimous consent that on the calendar day of Wednesday, March 15, 1950, beginning at the hour of 12 o'clock noon, debate on any amendment that may be pending, including the committee amendments, upon any amendment that may be proposed, including an amendment in the nature of a substitute to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948, shall be limited to 20 minutes, the time to be equally divided between those favoring the bill and those opposed thereto, and controlled, respectively, by the Senator from Nevada [Mr. MCCARRAN] and the Senator from West Virginia [Mr. KILGORE], provided that no amendment that is not germane to the subject matter of the said bill shall be received.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I respectfully suggest that the minority leader is very much interested in this subject. I have sent for him and I shall appreciate it if the majority leader will withhold action upon the unanimous-consent request until the minority leader comes into the Chamber.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Missouri.

Mr. DONNELL. Reserving the right to object, I ask the Senator from Illinois if he will yield to me so I may address a question to the able Senator from Nevada [Mr. MCCARRAN]?

Mr. LUCAS. Yes; I yield for that purpose.

Mr. DONNELL. May I ask the Senator from Nevada how long he thinks it will be until the testimony hitherto taken by the subcommittee of the Committee on the Judiciary on the bill can be printed and be upon the desks of Members of the Senate?

Mr. MCCARRAN. There are two phases of the matter to which I must refer. One is that the committee expects to hear several witnesses—I am not certain of the number, but I will say approximately six witnesses—who are here from Europe, and perhaps there may be more, but there are at least six witnesses whose testimony will be taken, or who are here to have their testimony taken.

It will require some time properly to prepare the record for printing. It will require some considerable time to edit the galley sheets after they are printed. I do not think it can be done within the time suggested by the Senator from Illinois.

If the Senator from Illinois will amend his unanimous-consent request so that, in place of the 15th of March, he makes the date the 4th day of April, there will be no objection. I believe if the Senator makes that change in his request unanimous consent can be secured. I am only thinking out loud, however. But I certainly would object to the request as now made by the Senator from Illinois.

Mr. DONNELL. Mr. President, will the Senator from Illinois yield to me further?

Mr. LUCAS. I yield again to my friend from Missouri.

Mr. DONNELL. Does the Senator from Nevada think that we could have the testimony completed, and the testimony printed, in ample time to enable the Senate to study the testimony and vote by April 4?

Mr. MCCARRAN. I will say that the committee staff will go to work on the matter immediately. We will want to take up the testimony as promptly as we can. We will have two sessions a day, forenoon and afternoon. We will get it to the printer, and I believe we can have it printed and on the desks of Senators several days before the 4th of April. I am only guessing about that, but I think that is a fair guess.

Mr. DONNELL. Mr. President, will the Senator from Illinois yield, so I may ask a further question of the Senator from Nevada?

Mr. LUCAS. I yield.

Mr. DONNELL. Does the Senator from Nevada believe that it is not practical to have the further taking of testimony completed and the printing done in time to have the printed volumes on the desks of Senators much before April 4.

Mr. MCCARRAN. I am confident it cannot be done much before April 4.

Mr. DONNELL. Mr. President, I object to the unanimous-consent request.

Mr. MCCARRAN. I want to say in fairness to the Senator from Illinois that we have previously discussed this matter. I believe the Senator from Illinois was sincere in his attempt, yesterday, to secure unanimous consent for a vote to be had on the 4th of April. We went into the matter to some extent. It was my opinion then, and it is my opinion now, that we should not vote before the 4th of April. That is the reason the suggestion was made that the vote be had on the 4th of April.

Mr. DONNELL. Mr. President, I object to the unanimous-consent request.

Mr. LUCAS. Mr. President, it seems that the longer we debate the issue the more objections we find. Yesterday we tried to secure a unanimous-consent agreement. I asked that Senators agree that we vote on March 15, as I have done today, and the only Senator who objected yesterday was the able Senator from North Dakota [Mr. LANGER]. If he had been willing at that moment to agree we would undoubtedly have had a unanimous-consent agreement.

Now the Senator from Missouri [Mr. DONNELL], who is a member of the Committee on the Judiciary, objects. The chairman of the Committee on the Judiciary, whose duty it was to see that the testimony was printed long before this, had he wanted Senators to have the information contained in the testimony, as well as the Senator from Missouri, now objects to the unanimous-consent agreement because the testimony has not been printed. The fact that the committee still has witnesses to interrogate is no excuse for the committee itself not having had the testimony printed in due form.

We have debated the subject of the displaced-persons legislation for almost 10 days. During the first week of debate the only Senator who raised the question respecting printing was the Senator from Nebraska [Mr. WHERRY]. He raised that question last Friday. All of a sudden the testimony has become so important that we cannot secure unanimous-consent to vote, because the testimony has not been printed.

Mr. President, I do not know how long we are going to debate the bill. I know that some day we are going to have a vote on it. I know that at some time within the next week or 10 days, if the Senate has to consider the bill that long, we are going to have a vote on it. The Senator from Illinois is not going to agree to a vote being had on April 4. We will continue to work on the amendments and do the best we can.

At this time, Mr. President, I want to thank the Senator from North Dakota [Mr. LANGER] for the courtesy he extended to me by changing his mind with respect to the unanimous-consent request. I thought when the Senator from North Dakota had done that there would be no opposition to having a vote upon the bill next Wednesday. There is no Senator now on the floor who cannot take time between now and next Wednesday to go into the testimony and ascertain what it shows. The Senator from Nevada had the typewritten records of the testimony on his desk yesterday. He advised Senators who desired to look into the testimony that they could come to the committee room and do so, or they could come to his desk and take it with them in order to find out what the testimony contained.

It is a strange thing, to me, that two members of the Judiciary Committee at this late hour, after 10 days of debate upon this bill, would object to a unanimous-consent agreement for a definite time for voting on the bill, and would do

so on the ground that the hearings are not printed, when it was their duty as members of the Judiciary Committee to see to it that the testimony was kept up to date, in order that Senators would have the benefit of the hearings, if they desired to read them.

Mr. President, everyone knows that the printing of the hearings will not change one vote on this measure. Practically every Senator knows at this moment how he will vote on this bill. Senators have read the RECORD day after day and have listened to the testimony as it has been presented to us here.

I merely wish to say that if we cannot obtain a unanimous-consent agreement to have the Senate vote on this measure a week from today, certainly I will not agree to have a vote taken on it on April 4, practically a month away.

Mr. McCARRAN. Why did the Senator from Illinois draw up, yesterday, a unanimous-consent agreement calling for a vote on the bill on April 4?

Mr. LUCAS. I did not draw up any unanimous-consent agreement calling for a vote on the bill on April 4. After talking to members of the Judiciary Committee who are lined up opposition to the Senator from Nevada, things which were brought to my attention at that time convinced me that we could not wait until April 4 on this measure.

Mr. President, the Senator from West Virginia [Mr. KILGORE], the Senator from Maryland [Mr. O'CONOR], and other Senators who are interested in the amendment in the nature of a substitute advised me that they could not agree to a proposal to have the vote taken on April 4.

That is the situation in a nutshell, Mr. President.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WHERRY. First, Mr. President, I should like to ask the distinguished majority leader if he did not have favorable assurances from Senators on this side of the aisle that April 4 would be an acceptable date, if it were included in the unanimous-consent request.

Mr. LUCAS. I think that is correct. I think at first certain Senators on the other side of the aisle objected, but later they withdrew the objection.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCARRAN. Is it not true that yesterday the Senator from Illinois had a unanimous-consent agreement drafted and presented me with a copy of the draft specifying April 4 as the date for voting; and is it not also true that, at that time, right at the desk, the Senator said he could arrange to obtain consent for a vote on April 4, if I could get the Senator from North Dakota to consent to it?

Mr. LUCAS. At that time I said that April 4 would be satisfactory, so far as I was concerned. But after talking to the Senator from Maryland [Mr. O'CONOR], the Senator from West Virginia [Mr. KILGORE], and the Senator from Washington [Mr. MAGNUSON], who know more about this situation than does the Senator from Illinois, I cannot go along with that suggestion; and I am not going to do so. That is all there is to it.

Yesterday, the Senator from Nevada was agreeable to having a vote taken a week from today.

Mr. McCARRAN. Mr. President, I take issue with the Senator's statement as to that. I was not agreeable to it, and I told the Senator I could not do so. I told him again last night, in the Secretary's office; and the Senator knows that.

Mr. President, I am surprised at the remarks of the Senator. After the bungling that has gone on here for 10 days under the leadership of the Senator from Illinois, it ill behooves him now to lay blame on the Judiciary Committee, when as a matter of fact the Senators who now are calling for testimony from the Judiciary Committee are those who are opposing the committee bill.

Mr. LUCAS. Mr. President, the Senator from Nevada is always amused at the Senator from Illinois; and sometimes he is amazed and sometimes he is shocked at what the majority leader does.

Mr. McCARRAN. Never amazed.

Mr. LUCAS. Mr. President, I do not yield to the Senator at this time. I insist upon my rights. Even though the Senator is the great silver-haired Senator from Nevada, I am still insisting upon my rights, Mr. President.

Mr. President, if I were the Senator from Nevada, I do not believe I would charge anyone here with bungling, in view of the way the displaced-persons bill has been handled from the very beginning by the Senator from Nevada.

The truth of the matter is that he has never desired to have any kind of a bill passed other than the one he wants; and that is the attitude of the Senator from Nevada on everything; namely, unless he can have what he wants, he will not play on the team.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. Certainly; I am glad to yield to the Senator from Missouri.

Mr. DONNELL. Let me say to the Senator from Illinois that I am sure he means no injustice to the Senator from Nevada; but my observation since I have been on the Judiciary Committee has been quite to the contrary of that just stated by the Senator from Illinois.

To my mind, although of course the Senator from Nevada has strong and vigorous ideas, and is capable of expressing them, and does so, and stands for them when he does, nevertheless he is entirely open to argument; and in the course of the hearings and the various committee sessions on the displaced-persons bill, I think he has shown a thoroughly statesmanlike attitude and a desire to protect the interests of the United States of America and also to perform our humanitarian duties.

Mr. LUCAS. May I ask the Senator whether he is indicating that no other member of the Judiciary Committee is trying to protect the best interests of the United States of America?

Mr. DONNELL. No; I will answer that question. I believe every member of the Judiciary Committee is trying to do the same thing. But I do not think it is at all fortunate that the chairman of our committee has been singled out for criticism by the distinguished majority leader, my friend the Senator from Illinois.

Let me say a word, with the Senator's consent, in regard to another matter. The Senator has stated that it is inadvisable for the Senator from Nevada to talk about bungling. I am not saying anything at all about bungling on the part of anyone. But let me say that the Senator from Nevada, according to the uncontradicted testimony of witness after witness, rendered a fine service in Europe, when he went there for the purpose of considering these subjects and of investigating. He worked hard and diligently upon these matters.

Thereafter he returned; and the Judiciary Committee, largely through his inspiration and, let me say, his insistence day after day that the committee remain in session, has reported the bill which is before the Senate.

Instead of the Senator's being subject to criticism, I think he is entitled to commendation, regardless of whether the Senator from Illinois or I may agree with him in respect to any particular subject matter.

Mr. LUCAS. Mr. President, I am very happy to know that my distinguished friend, the Senator from Missouri, has at last become interested in the displaced persons bill.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I ask the Senator to wait a minute please. I just gave him the opportunity to make a speech in my time, and now I should like to make one in my own time.

Mr. DONNELL. Very well.

Mr. LUCAS. This bill has been before the Senate for approximately 10 days, and yet this is the first time the Senator from Missouri has become interested in it.

Mr. President, I do not know whether this is a filibuster or not. About the time we get one Senator in line, some other Senator breaks out in a new direction. I have nearly concluded that there is just a little filibuster on the part of someone.

I do not charge the Senator from Missouri with filibustering.

Mr. DONNELL. No; I would suggest that the Senator from Illinois not do so. [Laughter.]

Mr. LUCAS. No; I do not do that. Of course, I know of no better Member of the Senate to take on that role, in the event he desires to do so, I may say to my friend, the Senator from Missouri. [Laughter.]

But, Mr. President, it is a little strange now to find the Senator from Missouri so vociferously objecting to a proposed unanimous-consent agreement to have the vote taken a week from today, when the Senator from Missouri himself has attended the hearings and already knows how he will vote. Yet the Senator from Missouri is not willing to let the Senate vote on this measure a week from today.

Mr. President, this matter has been under consideration for a long time. I think there were eight Democrats and

eight Republicans last fall who signed a petition to discharge the Judiciary Committee.

Mr. President, this is a nonpartisan proposition. As has been stated many times, this is a humanitarian measure, and politics should not be injected into it. Certainly the Senator from Illinois is not trying to play any politics in connection with this measure. A number of Republican Senators—practically all the leaders on the other side of the aisle—were lined up with me last year on the proposition of discharging the committee from the further consideration of the bill; and finally it was agreed to have the committee report the bill on the 25th of January of this year, as I recall the date. Since then, there has been all this opportunity for the committee to take testimony and to have the hearings printed and the reports prepared. The Senator from Missouri [Mr. DONNELL] is one of the most capable Members of the Senate; yet he did not see fit to have the testimony printed at any time. However, now when we wish to obtain a unanimous-consent agreement to have the Senate vote on the bill, the Senator from Missouri and the Senator from Nevada say we must have the testimony printed.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. Now I yield to my friend the Senator from Missouri, for a speech; I know that in yielding to him, I shall be doing so for a speech, not for a question.

Mr. DONNELL. I thank the Senator.

Mr. President, let me say to my distinguished friend, the Senator from Illinois, that a few minutes ago he inquired with some amazement as to why it was that I had not become interested until just now in the displaced-persons problem. I should like to call attention to the fact that back in 1947 it was my privilege to be a member of a subcommittee which went to Europe to study this question.

Mr. LUCAS. I am talking about the present consideration of the bill and of the problem.

Mr. DONNELL. I shall come to the present situation in a moment.

Mr. President, I wish to say that I am familiar to a considerable extent with what has transpired in the subcommittee, although I have not attended all of its meetings. Nevertheless, I have attended some of the hearings, and I found them exceedingly important and interesting.

In the first place, Mr. President, as I understand, the witnesses who have come here from Germany and whose testimony is yet being awaited, are largely, if not entirely, witnesses who will attempt to explain charges which have been made in regard to the administration of the displaced-persons law. I think I am correct in stating that they are persons who are connected in some way with the Displaced Persons Commission, or at least most of them are. If I am mistaken as to that, I am sure the Senator from Nevada will correct me.

Mr. LUCAS. Mr. President, I should like to ask the Senator a question at this point.

Mr. DONNELL. Yes.

Mr. LUCAS. How long is the committee going to continue examining witnesses?

Mr. DONNELL. I am glad the Senator asked me that question. In my opinion the hearing can be completed within 1 week, possibly a few days less than that, but I think a week's time should be available for further examination of witnesses who come from Germany.

I know the Senator from Illinois takes what I say in good part, as I do his statements. As I listened to the remarks of the Senator from Mississippi, particularly his references to the documentary evidence, including letters from Mr. L'Heureux and others, together with certain other documents which were referred to, and when I remembered seeing on the desk of the Senator from Nevada yesterday two great stacks or sets of typewritten hearings, probably 20 inches high, I became convinced that it would be decidedly a mistake for the Senate, on a matter involving the welfare of our people, to take action without being fully advised, not from the standpoint of economics, but from the standpoint of the testimony, of the danger to our country. So I became of the opinion that in justice to Members of the Senate, we should not vote upon the matter without every Senator having an opportunity to read the testimony which has been taken, and which is to be taken within the next few days.

I may complete the remark with this statement: The Senator from Illinois has said it would be entirely possible for Senators to go to the committee room to read the testimony. I dare say upon reflection the Senator will think it a rather extravagant statement, when he recalls the tremendous volume of testimony which we saw, and when he realizes the difficulty of reading it in typewritten form. I think the only way to have the testimony available to us is to have it printed in book form, so we can read it. I am very strongly of the opinion that in order to give the Senate an opportunity to pass upon the matter from the standpoint of humanitarianism and from the standpoint of the best interests of the people of the United States, we should have until the 4th day of April in which to complete the taking of the testimony and to have it made available to Senators in printed form.

Mr. LUCAS. Mr. President, the Senator from Missouri has convicted himself of gross and palpable negligence as a member of the committee, as the result of his failure to put forward the position he has now stated on the floor of the Senate. He should have made such a vigorous argument before his own committee. There is nothing in his remarks to indicate that the Senator ever before has thought of having the testimony printed. I can understand how some other Members, not on the committee, who have thought it should have been done, could make that sort of plea, but I do not see how the Senator from Missouri can come forward now to make the kind of speech he just made.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. EASTLAND. I desire to say to my good friend, the distinguished Senator from Illinois, that according to my information the witnesses from Europe, whose testimony has not yet been taken, were brought here at the request of the Senator from Michigan [Mr. FERGUSON], the Senator from West Virginia [Mr. KILGORE], and the Senator from Missouri [Mr. DONNELL].

Mr. FERGUSON and Mr. KILGORE rose.

Mr. FERGUSON. Does the Senator include the Senator from Missouri [Mr. DONNELL]?

Mr. DONNELL. No; I have not asked that the men be brought here.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FERGUSON. I should like to inquire of the Senator from Missouri whether he remembers a meeting in the District Room, at which it was suggested that Mr. Squadrilli and several others should be brought here, so that they might testify?

Mr. DONNELL. Yes. And I cordially concurred in the suggestion. I made no request. I thought it wise. We have heard the testimony of Mr. Squadrilli, and I think we should take the testimony of the others.

Mr. EASTLAND. The witnesses were brought at the request of one or more of the sponsors of the substitute. I think the testimony should be taken by all means before the Senate is called upon to vote on the measure. If the distinguished majority leader will bear with me a minute, I heard the Senator refer in his remarks to the Senator from Nevada. I have great admiration and respect for the majority leader, but in this instance I think he is wrong. If a Senator has ever worked diligently and faithfully, judicially, and impartially on any question it has been the Senator from Nevada on this question. He has been pictured in the press as trying to defeat the displaced-persons legislation. I know that is not correct. The Senator from Nevada knew the conditions under which the program was being administered in Europe. In part they have been brought out on the floor of the Senate. He has worked faithfully and diligently as he saw his duty, to report a bill that would correct a bad situation. I am not criticizing the Senator from Illinois.

Mr. LUCAS. That is perfectly all right, because I am criticized every day.

Mr. EASTLAND. I hope the Senator does not construe it as criticism. But I want to testify at first hand to what I have seen of the activities of the Senator from Nevada. He is able, honest, and honorable. If ever a Senator acted from motives of pure patriotism, the Senator from Nevada has done so in this case.

Mr. LUCAS. I wish we could have more of these testimonials, and I wish I could get in on them, once in a while. [Laughter.] For the past 2 weeks, all I have heard on the floor of the Senate has been testimonials regarding various Senators. I should like to get in on it a little, myself.

Mr. NEELY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from West Virginia?

Mr. LUCAS. In a moment.

The Senator from Mississippi knows, and the Senator from Nevada knows, that it was agreeable to the Senator from Nevada to vote today. We tried in every way possible to obtain such a unanimous consent agreement. It was done in order that the Senator from Nevada might go on his way, to take care of business matters in his own State of Nevada. But now the bill cannot be voted on a week from today.

Mr. KILGORE, Mr. NEELY, and Mr. GEORGE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield first to the senior Senator from West Virginia.

Mr. KILGORE. I may say to the distinguished majority leader that I think the Senate should be informed as to the result of delay. The last visa to be issued under the existing legislation must be issued by June 1st. If the bill comes on for a vote on April 4, it would leave less than 2 months to put it through conference. There may be considerable controversy in conference, and it means that the whole thing must be rolled up and packed away, unless the bill is passed on or before June 1.

Mr. TAFT rose.

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. I am seeking the floor in my own right.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I do not want to be critical at all of the majority leader, but I may say there has been a great deal of contradiction. The taking of testimony has not been concluded. In the interest of constructive legislation, I would ask the Senator from Illinois whether he would again propound a unanimous-consent request providing for a vote on the bill on April 4. I am not asking the majority leader to do it. I am not asking him to reverse himself, but, inasmuch as it will take a week to complete the hearings, and inasmuch as it will take some time afterward to get them printed, not much time will be lost. I again suggest to the majority leader that it always saves time if a unanimous-consent agreement can be made fixing the time for a vote. In that spirit, I believe, if a unanimous-consent request were made for a vote on April 4, it would be agreed to today, and we would have assurance that the bill and all amendments thereto would be voted upon on that day. Although that date seems to be somewhat far away, I believe there is plenty of legislation to occupy the time until April 4. I have in mind the deficiency bill, the conference report on oleomargarine, the Kerr bill, and dozens of other bills. We would have assurance that at a time certain, without further deliberation or debate, except on that day, the bill would finally come to a vote. I think it would be constructive, and I appeal to the Senator from Illinois to again propound such a unanimous-consent request.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. LUCAS. I yield.

Mr. TOBEY. In order that my friend, the majority leader, may not entertain false hopes, I may say that if the request is made, I shall have to object.

Mr. KILGORE. Mr. President, I may suggest to the distinguished majority leader, I see no reason why the testimony already taken should not go to the printer, so that we could have that much out of the way.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield the floor to the Senator from Georgia.

REPEAL OF OLEOMARGARINE TAXES—CONFERENCE REPORT

Mr. GEORGE. Mr. President, I submit a conference report on House bill 2023, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, and 16 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

"(1) such oleomargarine or margarine is packaged,

"(2) the net weight of the contents of any package sold in a retail establishment is one pound or less,

"(3) there appears on the label of the package (A) the word 'oleomargarine' or 'margarine' in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine, and

"(4) each part of the contents of the package is contained in a wrapper which bears the word 'oleomargarine' or 'margarine' in type or lettering not smaller than 20-point type.

The requirements of this subsection shall be in addition to and not in lieu of any of the other requirements of this Act."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(d) Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U. S. C., sec. 342) is amended by adding a new subsection (e) as follows:

"'(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food.'"

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting '(1)' after the letter '(a)' in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"'(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product, except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine.'

"(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

"'(f) For the purposes of this section and section 407 of the Federal Food, Drug, and Cosmetic Act, as amended, the term "oleomargarine" or "margarine" includes—

"'(1) all substances, mixtures, and compounds known as oleomargarine or margarine;

"'(2) all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter.'

"(c) Subsection (1) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: 'Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.'"

And the Senate agree to the same.

WALTER F. GEORGE,
TOM CONNALLY,
E. D. MILLIKIN,
ROBERT A. TAFT,
Managers on the Part of the Senate.

HAROLD D. COOLEY
STEPHEN PACE,
W. R. POAGE,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. GEORGE. Mr. President, this is an important bill, and one matter at least has arisen since the conference report was finally agreed upon, which should be explained. Three amendments having real substance were made to the bill in the Senate. There were a number of other amendments, most of them tech-

nical, but the three amendments of substance were as follows: One amendment, offered by the distinguished Senator from Delaware [Mr. FREAR], provided in effect that oleomargarine should be manufactured, prepared, packaged, and sold in packages the net weight of the contents of the retail package not to exceed 1 pound, and that each part and parcel of such contents of such package should be so manufactured, prepared, and molded as to be triangular in shape. That is the first amendment of substance. The amendment does not apply to oleomargarine served in public eating places. It applies generally to the manufacture, preparation for sale, and sale of oleomargarine.

This amendment was a subject of debate for a considerable number of sessions of the conference committee. The committee went into it very thoroughly. We finally agreed on an amendment offered by the House, in substitution of this particular amendment, as follows:

No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

(1) such oleomargarine or margarine is packaged—

That provision was expressly stated in the amendment offered by the Senator from Delaware—

(2) the net weight of the contents of any package sold in a retail establishment is 1 pound or less—

That provision is also implicit in and expressly stated in the amendment offered by the Senator from Delaware, except that it was there said that "the contents of the retail package shall not exceed 1 pound," whereas the language adopted by the conference committee was that the "package sold in a retail establishment is 1 pound or less."

That is a mere matter of form of words, perhaps.

I read further:

(3) there appears on the label of the package (A) the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine.

The conference committee reached the conclusion that the real purpose of the amendment was to prevent fraud from being practiced upon the consuming public, and upon persons in eating houses or places where food is served, and, therefore, it was deemed by the conference committee, on thorough consideration, that if there appeared on the label of each of the packages sold in retail establishments which could not contain more than 1 pound net, the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label—that is to say, if those words were printed on the package as conspicuously as was any other printing appearing thereon, and that if a full and accurate statement of all the ingredients contained in such oleomargarine or margarine was also printed upon the package, that was adequate protection to the public.

A further provision of the amendment agreed upon was that each part or parts of the contents of the retail package is contained in a wrapper which bears the word 'oleomargarine' or 'margarine' in type or lettering not smaller than 20-point type."

The requirements of this subsection shall be in addition to and not in lieu of any of the other labeling requirements of the act.

It is respectfully submitted that this amended provision of the act, as agreed upon in conference, affords as ample and thorough protection to the general public buying in retail establishments as would the original provision contained in the amendment offered by the Senator from Delaware. The significant statement in that amendment was that each part of such package is manufactured, prepared, and molded so as to be triangular in shape.

The conferees reached the conclusion that it was not intended actually to protect the public, but was intended to add to the cost of a product which the American people earnestly desire to purchase at reasonable prices.

The conference committee had information tending to establish the fact that there was no machinery presently made which could be used for the cutting of margarine in triangular shape. There was some suggestion made that machinery of that type was protected by patents which would not expire for a period of 2 years. The conference committee did not want to add to the profits of any particular manufacturer, nor did it want to increase the cost of producing oleomargarine in that peculiar shape, but it did accept the spirit of the amendment. The conferees said they would do everything possible in the provision agreed upon to give the public complete, full, adequate, and ample protection against fraud. I submit frankly to the Senate that this amendment will accomplish that result. Let it be borne in mind that the amendment on which the conferees finally agreed was and is as follows:

(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless—

(1) such oleomargarine or margarine is packaged,

(2) the net weight of the contents of any package sold in a retail establishment is 1 pound or less,

(3) there appears on the label of the package (A) the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine, and

(4) each part or parts of the contents of the retail package is contained in a wrapper which bears the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type.

The requirements of this subsection shall be in addition to and not in lieu of any of the other requirements of this act.

So much, Mr. President, for the first amendment of substance. The second amendment of substance is the amendment offered by the distinguished Senator from Minnesota [Mr. HUMPHREY], and that amendment, as it was approved by the Senate, provided:

If it is oleomargarine or margarine or butter, and any of the seeds, beans, nuts, manufactured fats, oil, or other raw materials used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine, margarine, or butter was otherwise unfit for food.

The conference committee debated this amendment at great length. It was finally accepted almost in the form, certainly within the meaning, of the Senate amendment. In the form in which it was accepted by the conference, it was and is as follows:

(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food.

That is substantially the provision of the present law. Indeed, the amendment of the Senate, as the conference committee was advised by testimony offered by representatives of the Food and Drug Bureau and the Federal Trade Commission, is already contained, substantially, at least, in the existing law.

The next important amendment was an amendment which was also considered at length by the conference committee. It is the amendment numbered 12, which as adopted by the Senate read as follows:

SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting "(1)" after the letter "(a)" in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product."

The conference committee accepted the amendment, but added a provision to it. The committee accepted it precisely as the Senate passed it, with this addition:

except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine.

That amendment was made because the conference committee was advised—indeed, there was no dispute upon the point—that certain dairy products—for instance, milk in some form—were used in the manufacture of oleomargarine. Since the amendment as it came from the Senate used the language "that such oleomargarine or margarine is a dairy product," we thought it proper—indeed, we thought fair and just—to add:

except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine.

The subsequent portions of that amendment, which was offered in the Senate by the distinguished Senator from Wisconsin [Mr. MCCARTHY], and to which an amendment was added by the distinguished Senator from Vermont [Mr. AIKEN], I believe, was accepted, with minor exceptions, just as it was adopted by the Senate. There was this change

made. As it passed the Senate, the language read as follows:

(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

The conference committee changed the language which followed and made it more comprehensive by including the words:

For the purposes of this section and section 407 of the Federal Food, Drug, and Cosmetic Act and the Federal Trade Commission Act.

Then the conferees adopted practically the portions of the amendment adopted by the Senate, with the elimination of "oleo or butterine" in one section. We did that upon what seemed to be good authority, namely, that there was no claim by oleomargarine interests or dairy interests, or butter interests that butterine was sold as margarine, but it was a distinct product of its own. We did not wish to be involved in a controversy respecting a product which was not really comprehended within the term "oleomargarine" or "margarine." We were also told that there was at the present time no sale of butterine, and that there had been none manufactured for some time.

The following provision was omitted entirely in conference:

(B) commonly used, or intended for common use, in place of or as a substitute for butter, or (C) churned, emulsified, or mixed in cream, milk, skim milk, buttermilk, water, or other liquid and containing moisture in excess of 1 percent and commonly used, or suitable for common use, as a substitute for butter.

Among other reasons for omitting it, the conference agreed that there was no necessity for the provision, indeed, that it would be confusing to undertake to insert another definition of a product which at this time is certainly defined both in common usage and in the law.

Then we come to the last provision of this important third amendment:

(c) Subsection (e) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: "Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense."

That was the amendment which was offered by the distinguished Senator from Vermont [Mr. AIKEN].

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. GEORGE. In a moment. The conference committee accepted that amendment as it was adopted by the Senate. The question has arisen whether the committee intended to apply that provision to oleomargarine only, or whether it would have general application. That has given occasion to some worry in the country, and quite a number of people have telegraphed me, and have written and telegraphed other Senators.

Mr. President, I should be very glad to yield to the Senator from New Jersey, but if he will permit me, I should like to make just one more statement before I yield.

Mr. SMITH of New Jersey. Very well.

Mr. GEORGE. Undoubtedly the conferees were thinking only of the immediate problem before us, but inasmuch as this is an amendment to section 5 of the Federal Trade Commission Act, as amended, the language does apply, it must be frankly stated, to any cease-and-desist order issued by the Commission when and if an order becomes final.

It is not the purpose of the conferees, I may say, to undertake to amend that particular section of the Federal Trade Commission Act; we did not have that in mind; but the amendment was offered on the Senate floor undoubtedly for the purpose of protecting the producers of butter against any possible fraud, and of compelling obedience to a final order of the Commission, if the Commission issued an order respecting the manufacture and sale of oleomargarine.

While that is true, and while the language itself is broad, it is clear; I do not think that there is any such ambiguity, uncertainty, or doubt in the language as would enable one to say that it would be necessary to look outside the act, or to the history of the legislation, to see precisely what was meant. I think it says what it means, and I think it does apply generally.

I call attention to the fact that it does not apply to any interlocutory or temporary or intermediate order of the Commission. It is applicable only after due hearing, and after the Commission waits the full 60 days for the obtaining or filing of an appeal, and after the filing of the appeal and the final disposition of the appeal in the courts, and 30 days thereafter, if there is an affirmance of the order. In other words, it does not apply until the order becomes final.

At first I thought that perhaps it had gone too far, but on reflection I am not so sure it has gone too far, but if it has, it can be easily corrected hereafter. The appropriate committee, of course, can entertain a bill to eliminate any troublesome feature of this particular measure.

Mr. THYE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. THYE. In other words, no person or corporation or processor could in any sense be hurt, or could have an undue, heavy penalty imposed, unless he deliberately intended to violate an order or violate a court decision?

Mr. GEORGE. It is precisely as the distinguished Senator from Minnesota says. The provision would not apply until the order has become final; and it is undoubtedly the duty of every citizen and every corporation to obey the final judgment of a court or tribunal of competent jurisdiction in the premises. I do not think it would work any hardship.

Let me also call attention to the fact that this amendment does not require that the penalty be assessed at $5,000 for each successive day or each repetition of the offense violative of the order. It merely provides that there may be recovered not to exceed $5,000.

I have it upon the highest authority that the Federal Trade Commission has never recommended and the Attorney General of the United States has never undertaken the exaction of the full penalty, except in those very aggravated cases in which there was a willful, intentional, and announced purpose of violation of the final order.

Mr. THYE. I thank the Senator from Georgia.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. GEORGE. I am glad to yield.

Mr. SMITH of New Jersey. I wish to submit a question to the distinguished Senator from Georgia. First I commend him for his very clear statement on the conference report. As he knows, I have supported the legislation. But last night, and again this morning, some interests in my State of New Jersey who were not concerned at all with the oleo business, but were concerned with other lines of industry, especially the food and drug industry, which they consider to be affected by this legislation amending the Federal Trade Commission Act, raised the question whether it would not be possible for them to present their case on the question of penalties because they feel that possibly the penalties will work very considerable hardship against them. They do not intend, of course, to violate the law, but they feel that the penalties which might be placed upon the lines of business in which they are engaged are very harsh where there is no intent to violate the law and where there may be some question whether their lines of business are violative of the law or not. I ask the Senator about this so we can have the record made clear. Their understanding is that these orders might be issued and pending an appeal to the court on their part the penalties would go into effect.

Mr. GEORGE. Oh, no.

Mr. SMITH of New Jersey. I cannot believe that is true, but I should like to have the record made clear.

Mr. GEORGE. Let me give the Senator the substance of the brief provision of the organic act itself creating the Federal Trade Commission.

Subsection (1) of section 5 of that act provides that anyone required by an order of the Federal Trade Commission to cease and desist from using any unfair method of competition, or unfair act, or any unfair trade practice, may obtain a review of the Federal Trade Commission order in the circuit court of appeals, and the procedure is set forth for the taking of such an appeal. It may be taken within 60 days after the order is issued. It provides that the decree of the circuit court shall be final, subject only to review by the Supreme Court upon certiorari, as provided in the Judicial Code.

And by regulation duly adopted and authorized under subsection (g) of section 5, the Federal Trade Commission order becomes final only after the lapse of 30 days after final termination of every issue raised in the courts respecting that order.

So I think there simply is a misapprehension on the part of quite a number of people who, as the Senator from New Jersey properly says, are not concerned in the dispute about oleomargarine or

butter, but who manufacture other legitimate merchandise and carry on other legitimate business, and who think the penalty is very severe. It would be a very severe penalty but for the fact, as I see it, that the increased penalty, that is each day of continuance of failure or neglect to obey, shall be deemed a separate offense, to quote the amendment, applies, as the amendment expressly provides, only after the order has become final, and when it has become final, then it is perfectly obvious, to my mind, that the penalty can be enforced only by a civil suit. That is all there is to this, after all. While a penalty is provided, it is a penalty which can be enforced, not by imprisonment, not by arrest, but only by civil action. That action is taken on the recommendation of the Commission, by the Attorney General of the United States, in the name of the United States, as a matter of fact, as I understand. After the order has become final it is not conceivable that the courts would entertain a suit for more than one penalty. They would act in that manner upon the plainest grounds of common law and equity. They would not encourage unnecessary litigation. Certainly the recommendation could in no event come from the Attorney General's office. In no event would the court sanction any unreasonable penalty, or any such total penalty as would be destructive of legitimate business. So, therefore, I do not think there is any real danger here to legitimate business. But if there is, unfortunately a provision in such general terms of the conference report, it can hereafter be corrected by the proper committee and by action of the Congress.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield so as to finish my inquiry, if I may?

Mr. GEORGE. Yes.

Mr. SMITH of New Jersey. For the RECORD, in connection with the remarks of the distinguished Senator from Georgia, I want to read a telegram I received a few minutes ago from Albert H. Acken, secretary, New Jersey State Chamber of Commerce. So apparently the whole chamber of commerce is concerned. It reads as follows:

> Urge you vote against amending of subsection L of section 5 of Federal Trade Commission Act proposed in oleomargarine bill. Our members greatly concerned about this proposal because it is clear that it affects all business and industry.

I wish to have the telegram appear at this point in the RECORD. I am going to assume that the remarks made by the distinguished Senator from Georgia can be taken as a reply to the implied inquiry contained in the telegram I received from the Chamber of Commerce of New Jersey. I understand from the distinguished Senator that if there has been an error in making the legislation so broad, the way will be open for those who feel they are aggrieved to bring the matter up at a later date in an appropriate manner.

Mr. GEORGE. Oh, undoubtedly.

I should like to make the statement though that on reflection I do not believe a different penalty can be provided in the case of one product as against another. That is, I think the penalty is for the violation of the final order, and the final order may be to desist and cease from doing of particular acts, all of course tending to impose upon the public and to work a threat on the public. I cannot conceive that there would be any very serious effort made to impose any undue penalty upon any legitimate business. It is a bit unfortunate, and yet there is much justice and much equity and much fairness in having a severe penalty against those who violate the law with their eyes open, when they cannot any longer be surprised, and cannot any longer be unaware about what they are ordered to do or not to do, by a final order of the Federal Trade Commission.

Mr. President, I have received similar telegrams, I may say, from very distinguished attorneys. It is apparent that there is some misunderstanding about the matter. But certainly if an error has been made, it is a correctable error, which can be remedied. It can be taken up and easily handled hereafter.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. The telegrams I have received seem to indicate a rather widespread belief that anybody in business who happens to violate a regulation or a previous order issued against somebody else by the Federal Trade Commission is subject to this penalty. My understanding is that no one is subject to this penalty unless he has had a full trial before the Commission, unless the Commission has found that he is violating the law, and issued an order requiring him to do certain things or to refrain from doing certain things.

Mr. GEORGE. The Senator is correct.

Mr. TAFT. Furthermore, only the man who has actually had an order issued against him, who, of course, has had complete notice, has litigated the case to the end, and has had the order confirmed, is subject to penalty when he deliberately violates the order issued.

Mr. GEORGE. The Senator is entirely correct. It is a penalty, but a penalty recoverable in a civil action. No prosecution is provided for. The individual cannot be sent to jail.

Mr. TAFT. That is correct. Moreover, the final decision in the case is not up to the Federal Trade Commission, but up to the court before whom the action is brought for the penalty. So, that if the court finds there are extenuating circumstances even under the conditions I have stated, the court does not need to impose the full $5,000 fine or the full fine for every single day. It can adjust the fine to the degree of the offense.

Mr. GEORGE. The Senator is entirely correct. The $5,000 penalty is merely the limit. The court cannot go beyond that. The case is tried by an independent court, that is, a court that has no connection with the proceedings had theretofor.

Mr. HENDRICKSON. Mr. President, I merely desire to associate myself with the observations and comments made by my distinguished colleague [Mr. SMITH] and by the distinguished senior Senator from Ohio, and to concur therein.

Mr. GEORGE. I thank the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the conference report. The Chair inquires if the Senator from Georgia has finished?

Mr. GEORGE. I shall finish in a few moments. The other amendments are such as are necessary to take care of the technical changes brought about in the bill by virtue of these amendments. The effective date of the act is as it was provided in the Senate amendment, to wit, July 1, 1950.

Mr. WILEY obtained the floor.

Mr. BYRD. Mr. President, will the Senator yield so I may make an insertion in the RECORD?

Mr. WILEY. I yield.

Mr. BYRD. The Senator from Delaware [Mr. FREAR] is absent from the Senate on public business. He is a sponsor of the amendment to the oleo bill known as the Frear amendment, which was adopted by the Senate and rejected by the conferees. The Senator from Delaware has asked me to insert in the body of the RECORD a statement by him respecting the amendment. I ask unanimous consent that it may be printed in the RECORD, at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FREAR

Mr. President, I feel that some added comments on my part are desirable in connection with the conference report to H. R. 2023. The distinguished members of the Joint Senate-House Conference saw fit to reject my amendment which was passed earlier by the Senate. As the Senate knows, I had no quarrel with the basic provision of H. R. 2023, which called for the repeal of Federal taxes on margarine. My amendment, which would have required the molding and packaging of oleomargarine in triangular forms, was purely an identification measure. It was my understanding from representatives of the oleo industry that there would be no objection to its acceptance if Federal taxes were repealed. However, when that was accomplished, a campaign was begun to defeat my amendment which was clearly, as I have just indicated, only a measure to insure identification.

In that connection a letter from Mr. Paul T. Truitt, president of the National Association of Margarine Manufacturers, appeared in the Wilmington Sunday Star on February 13. In that letter Mr. Truitt contended that if my amendment became part of the law, consumers would not be able to buy tax-free yellow margarine for an indefinite period. It further stated that no machinery existed for packaging margarine in triangular forms and that new machinery would have to be designed, built, and tested. This, it was stated, would take a long time. Estimates by the best-qualified machinery manufacturers ranged, according to Mr. Truitt, from 1½ years to 5 years.

I should like the Senate to know that in my opinion this letter, the complete contents of which I ask to be included as a part of my remarks, errs particularly in several respects.

No indefinite postponement of tax-free yellow oleo for the consumer was called for by the Frear amendment. Adaptation of present machinery could be made within a few months. Since oleo manufacturers copy butter packaging so closely, butter producers themselves are in an excellent position to

state, from their own experience in the wrapping field, that the necessary changes would cost very little money and could be made promptly.

The packaging-machinery industry is one of the most resourceful and ingenious of all American industries. It is impossible to imagine their experts being baffled by the problem of changing from cubes to triangles. Most changes and innovations in packaging reduce rather than increase costs to consumers, as any businessman knows.

The expense, if significant at all on a unit basis, would certainly have been less than that of the yellow capsule now used or of the squeeze bag so widely featured by the oleo industry. In the long run the oleo industry could probably save money under the triangular amendment, which was accepted in good faith by oleo proponents in both the House and the Senate.

The Frear amendment would not have prevented adoption of the oleo repeal bill on July 1, as claimed by Mr. Truitt.

The last portion of Mr. Truitt's letter points out that even after the margarine bill becomes effective, consumers in Delaware will not be able to purchase yellow margarine until existing State restrictions are lifted. To that I wish to state that as to the existence of present Delaware State laws regarding yellow margarine, it seems to me that our State legislature can safely be left to make up its own mind in this matter without bowing to the influence of the Federal Government.

I also want to comment briefly, Mr. President, concerning a particular section of H. R. 2023, as it is now written. In the bill there are two parts to the amendment numbered (12) as found in the legislation. The first part consists of an amendment to section 15 of the Federal Trade Commission Act. In substance, it defines misleading advertising in the case of oleomargarine. The second part of the amendment does not appear to be limited to oleomargarine. It is an amendment of general application to section 5 of the Federal Trade Commission Act. It would make each day's violation of any Federal Trade Commission order a separate offense and the violator subject to a $5,000 civil penalty for each day's violation. The penalty would attach to all final orders of the Commission. It would apply, for illustration, in case of violation of an order of the Commission directing a respondent to cease and desist from engaging in an unlawful basing-point practice.

It has apparently come as a surprise to many persons who are not interested in the butter-oleo fight that such a general amendment to the FTC Act is incorporated in this bill. They seem to feel that if it is desired to increase the penalties of the Federal Trade Commission Act separate legislation for this purpose should be introduced and referred to the Committee on the Judiciary.

I was contacted late yesterday by a representative of one of our largest companies in Delaware, who expressed concern to find that the oleo bill contains a general amendment to the FTC Act. I feel, because of its implications, that this section of the bill should be completely understood by the Senate before the acceptance of the conference report.

FREAR AMENDMENT HOLDS UP MARGARINE

EDITOR, SUNDAY STAR:

Contrary to popular belief, the consumer fight for tax-free yellow margarine has not yet been won.

As you know, H. R. 2023 (the margarine repealer) as passed by the Senate contained an amendment by our own J. ALLEN FREAR which requires retail packages of yellow margarine to be in triangular form. The bill has now gone to conference where the Frear amendment will either be approved or stricken from the bill.

If this amendment becomes law, consumers will not be able to buy tax-free yellow margarine for an indefinite period. No machinery exists for packaging margarine in triangles. New machinery will have to be designed, built, and tested. This will take a long time. Estimates by the best qualified machinery manufacturers range from 1½ to 5 years.

Meanwhile, no yellow margarine would be available and when it became ready, it would cost consumers more because of new machinery costs.

For your information, the conferees have met three times in Washington without eliminating the Frear amendment and are scheduled to meet again on February 20. The Senate conferees are GEORGE, of Georgia; CONNALLY, of Texas; BYRD, of Virginia, and MILLIKIN, of Colorado.

The House voted down the triangular amendment when it originally voted on H. R. 2023. Hence, the House conferees can be expected to oppose the Frear amendment.

We believe that consumers should be able to purchase tax-free yellow margarine on the effective date of the bill, July 1, 1950—which the Frear amendment will prevent. Also, that consumers should be afforded protection against fraud and that such provision is provided in the bill, without the Frear amendment.

Even after the margarine bill becomes effective, consumers in Delaware will not be able to purchase yellow margarine until existing State restrictions are lifted.

PAUL T. TRUITT,
President, National Association of Margarine Manufacturers.

FEBRUARY 13, 1950.

Mr. WILEY. Mr. President, I rise to speak in opposition to the adoption of the conference report.

I recognize that, to a certain extent, an attempt to oppose adoption of the conference report is an uphill job. Yet I feel that I would be unfaithful to my trust and to what I regard as my obligation in connection with one of the great issues in this country today if I did not take the time of the Senate to voice my convictions on this matter.

It seems to me that the significance of the decision we shall make on this matter will be far greater than perhaps appears on the surface of things.

Mr. President, the spread market in America, as we call it, amounts to approximately 2,500,000,000 pounds. Already the oleomargine interests have taken a billion pounds of that spread market. There are in the United States 28 large oleomargarine-manufacturing companies, and they make 75 percent of the oleomargarine. On the other hand, I call attention to the fact that there are 2,500,000 small dairy farmers who, if the oleomargarine interests can take another 400,000,000 or 500,000,000 pounds of the spread market, will be virtually ruined. Such a development will mean that paralysis will slowly creep over the section of the Nation from which I come.

Although on the average approximately from 3 percent to 5 percent of the milk produced in my State is used for the making of butter, last month 11 percent of the milk produced in Wisconsin was used for that purpose. There are States where as much as 90 percent of the milk which is produced is used in the making of butter. So the proposition is not so simple as it would appear to be on the surface.

Mr. President, after the Senate in its wisdom adopted the Frear amendment, and thus required the great, overpowering organizations of wealth, the oleomargarine manufacturers which made $70,000,000 last year, to identify their product so that there could not be any fraud, it seems to me that the Senate conferees have missed the boat in not standing pat on that amendment. In my humble opinion, the language contained in the conference report provision is just so much camouflage. Obviously, the dairy farmers have been "sold down the river."

Oh, yes, Mr. President; the Democratic platform agreed as to that provision; but I think the conferees have gone further than even the Democratic platform went. At the instance of the oleomargarine "bigsters" in this country, the Democratic platform contained a statement favoring removal of the tax on oleomargarine.

However, that is not what would be done by the conference report. The conference report would permit the oleomargarine manufacturers to take over for their product, the color of butter and the shape of butter and the taste of butter; and the conference report would permit the oleomargarine manufacturers to continue, by the same ways and means, to take over this market.

Mr. President, I say to you that this matter is most serious. Already in my State the 1949 farm income has dropped to 25 percent below the 1948 farm income. The average price for milk is $2.85 a hundred. That is a little better than 5½ cents a quart. It is not possible to produce milk at a profit at that price. Aside from the milk which is used for the production of butter, what will happen to the rest of the milk? Obviously, it will have to be thrown away, dumped into the gutters. That will mean farm foreclosures; it will mean that another 2,000,000 or more farmers will have to leave the farms. It will mean a depreciated tax base, so that the Federal Government and the State governments will not get the taxes they otherwise would receive.

So, Mr. President, I cannot help but feel that the situation is very serious.

Wisconsin is 50 percent industrial and 50 percent agricultural. If the agricultural life of that State is severely hampered, grass will grow in the streets of the cities and villages. Moreover, Mr. President, the great market which the dairy farmers have constituted for practically every article produced in America will no longer exist. The dairy farmer is the best purchaser of manufactured products.

So, Mr. President, I respectfully urge, with all the power at my command, and with all due respect to the conferees, that the Senate refuse to accept the conference report, and that we try to get something else done about this matter.

Mr. President, I wish to address myself to two phases of this issue. The Senator from Georgia [Mr. GEORGE], in his usual clear and persuasive and logical manner, seemed to wipe out all objections and all question as to whether there is any side to this issue other than his side. As I said not long ago on another occasion,

when I first came to the Senate the Senator from Georgia literally used to gather me up in his arms and smother me with his persuasive ability. Lord Erskine in the days of his prime, when he persuaded the juries of England, was no more persuasive than is the Senator from Georgia; and I have found that at times the ability of the Senator from Georgia as an advocate is not exceeded by his logic. He has been and is a great lawyer, a great judge, a great Senator, a great man. Of course he is fighting for what his section of this great country wishes to have. However, I shall not go into the question of what the conference report, if adopted, will mean to the farmers who produce cotton; I shall not go into the question of what it will mean to the cotton producers of the South if the dairy industry, the great agricultural industry, in my section of the country is paralyzed; but of course it will mean a great deal to them.

Mr. President, I wish to address myself to two main points: First, the so-called sleeper provision, dealing with the new, stringent powers of the Federal Trade Commission, as proposed in the conference report; and, second, I wish to insist on the desirability of enacting into law the amendment of the Senator from Delaware [Mr. FREAR], requiring the triangular packaging of oleomargarine. Triangular packaging is the only type of identification at the retail level which we can be sure will really be effective.

If the conference report becomes law, as seems likely to be the case, thousands of inspectors will be needed if the law is to be made effective. The whole history of the way the oleomargarine manufacturers have operated in regard to selling their product indicates that not only are they super salesmen, but it is their intention to take over the entire market. In California they have sold oleomargarine at 15 cents a pound in some places, while in other places in the same State they have sold oleomargarine at a price increase of as much as 40 cents or more. In short, they have used every possible means to take over the market.

In the Senate we attempted to include in the bill a provision outlawing the shipment of colored oleomargarine in interstate commerce, in instances in which the State itself prohibited such shipment. However, we could not obtain favorable action by the Senate on such a provision. Yet similar action has been taken in other cases—for instance, in respect to the shipment of liquor and the shipment of filled milk. However, the Senate would not listen as to that point. So the heart of America was stabbed with this kind of provision.

Mr. President, not only will thousands of inspectors be required, but many millions of dollars will have to be spent, if the conference report is adopted and is made effective. However, of course, its enforcement provisions will not be made really effective; and the result will be that the oleomargarine interests will be given a free hand.

I now come to the "sleeper" provision and also the amendment of the Senator from Delaware [Mr. FREAR] calling for the triangular packaging of oleomargarine, which is the only effective type of identification.

Yesterday on the floor of the House of Representatives the meaning of the Federal Trade Commission amendment was clearly brought out. Let me set forth the basic facts on this issue:

THREE LAWS ARE AMENDED BY OLEO BILL

First. May I point out as mentioned by the chairman of the House Agriculture Committee, Mr. COOLEY, that the present bill which we have before us amends three separate and distinct organic laws: (a) The Internal Revenue Code; (b) the Pure Food, Drug and Cosmetics Act; and (c) the Federal Trade Commission Act.

No one questions the right of the Senate Finance Committee to legislate with respect to the Internal Revenue Code. No one questions the right of the House Agriculture Committee, which also considered the oleo bill, to deal with legislation pertaining to the pure food and drug law. But, Mr. President, we ask which committee of the Congress has the right to prepare legislation amending the Federal Trade Commission Act? The answer is, unequivocally, the Senate and House Judiciary Committees. As a matter of fact, there is now pending before subcommittees of both of these groups legislation to strengthen the penalties of the FTC Act.

It is what the Federal Trade Commission has been wanting for a long time. Amendments were proposed and I am one of the guilty parties. Amendments were thrown in. In connection with one amendment, I asked whether there was a sleeper or an African in the woodpile, I have forgotten which. I was told there was not. But it has developed that there is one, and the appropriate committee has not held hearings in relation to it.

We who have fought for the dairy interests do not want drastic power imposed on all American business without thorough committee hearings. I have before me a sheet of paper which came through the mail, in which, among other things, it is said:

> The section on antitrust law of the New York State Bar Association, of which our general counsel, Mr. Charles Wesley Dunn, is chairman, has addressed a telegram of protest against this amendment of section 5 (1) to the chairmen of the House and Senate Judiciary Committees of Congress, and to the majority leaders of both Houses. That protest is a fundamental one against making a basic amendment of the Federal Trade Commission Act through this oleomargarine bill, without notice or committee hearings.

Mr. President, it may be that the oleo interests are so hungry for the remainder of the spread market, and it may be that Senators are so eager to concede to that hunger of the oleo people that they will disregard a fundamental law of procedure in this body. Somehow I feel that if we had a full attendance in the Senate, Senators might really give consideration to the argument. I do not think we should drastically increase the powers of the Federal Trade Commission, through procedure of this kind.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. WILEY. I yield.

Mr. FULBRIGHT. I desire to call the Senator's attention to the fact that when the matter was being discussed yesterday in the House, some of the strongest supporters of the Senator's position—that is, the strongest supporters of butter—specifically, Representative O'HARA of Minnesota stated:

> It is my belief, in connection with the colloquy which arose over the penalty features of this bill both with regard to the Pure Food and Drug Act and Federal Trade Commission Act, that those provisions are sound legislation.

This is on page 2978 of yesterday's RECORD. Later, in the same statement, Mr. O'HARA said:

> So there is nothing in this bill I am more favorable to than I am to those provisions because I think they are sound and right provisions.

That was the view of one of the strongest supporters of the butter interests. The Senator from Arkansas well knows that the provision was inserted at the request of one of the leading Republican members of the Senate Agricultural Committee. I think it is a little out of order to say it is a "sleeper," leaving the implication that some of us who are proponents of the bill slipped it in. We did nothing of the kind, and I think it should be made clear that the proponents of the bill had nothing to do with inserting it. But we could not logically oppose a provision designed to make the sale of margarine open and above-board, without fraud, and we therefore accepted it, not because we thought it was a "sleeper." I think we understood quite definitely what it was. I agree with the Senator from Georgia that there is nothing harmful in the amendment so far as I am able to see. It seems to me that on its merits, aside from the margarine controversy, it is a perfectly proper amendment.

Mr. WILEY. Mr. President, if my good friend from Arkansas will read further in Representative O'HARA's statement, he will come to this statement:

> But I am against this legislation which legalizes fraud and deception. I cannot see the throats of our American dairy farmers being cut by any type of legislation and no matter how you dress it up I could not vote for the conference report.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. WILEY. I desire to carry on a little further at this time. There is no question that the facts as stated by my good friend from Arkansas are correct. He has demonstrated clearly that the word "sleeper" is appropriate, in that we were all asleep. [Laughter.] There is no question, no one at the time recognized that on an oleomargarine bill we were practically violating the procedure and changing the fundamental law in relation to the Federal Trade Commission Act, and so the word "sleeper" I use advisedly. It is no reflection upon any one Senator. I am really surprised that we are so wide awake, with the multitude of duties and

with all the problems thrust upon us, with our mail and our visitors, attendance upon committees and on the Senate, and a thousand and one other things. But I am arguing now to the point that what it amounts to, as was so well stated by the distinguished gentleman quoted by my friend from Arkansas, is that we are encouraging and legalizing fraud and deception, and we are cutting the throat of the American farmer. I do not want to be guilty of any of those things.

So, Mr. President, I am carrying on with the argument. Those of us who read the debate in the House yesterday are aware of the new penalty provisions of the Federal Trade Commission Act, in conformity with the penal section of the Commodity Exchange Act, which was even more harsh. Even the Stockyards Act has contained similar provisions since 1921. That, however, is beside the point. I am questioning the procedural right of the Senate to proceed to amend an organic act without first having it considered by an appropriate committee. To me, we are getting into a hodgepodge way of legislating. Once we have amended an organic act in this manner, and once we discover our mistake, shall we have the wisdom to admit the mistake, and to retrace our steps? It would establish a precedent that would rise up to haunt us.

As was brought out by the able ranking minority member of the House Judiciary Committee, Mr. MICHENER, of Michigan, yesterday, wholly aside from the equities of the oleo-butter controversy, this vital point must be raised against the amendment: It violates the spirit of the Legislative Reorganization Act, in that it amends a basic statute by means of a rider not germane to the main purposes of the legislation.

Mr. President, let us see exactly what this new power given to the Federal Trade Commission is.

Let us refer to page 6, line 7, of the revised bill, which amends subsection E of section 5 of the Federal Trade Commission Act. The amendment adds a new sentence to the Federal Trade Commission Act, reading as follows:

> Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Mississippi?

Mr. WILEY. I yield.

Mr. EASTLAND. The Senator is making a very able speech, and I should like to know whether he desires a quorum, provided he does not lose the floor. I ask unanimous consent——

Mr. GEORGE. Mr. President, I shall object to yielding the floor for that purpose. I have no objection to the Senator having a full audience, but we all have to proceed in this way.

Mr. WILEY. Mr. President, let us see what this means. It means that a business or organization which violates a final cease-and-desist order issued by the Federal Trade Commission, dated as of, let us say, March 15, 1951, would be subject to a penalty amounting up to $5,000 for every single day of violation of the act, meaning on March 16, $5,000; on March 17, $5,000; and so on. Obviously within a rather short time a particular business could be bankrupt, particularly if it were a small enterprise. For example, 6 months' violation would cost $900,000.

Mr. President, I have no brief whatsoever for business or other organizations violating cease-and-desist orders. But it is an obvious fact that many of these orders are highly controversial and that the Federal Trade Commission has in recent years assumed tremendous new powers, some of which are questioned by Members of the Senate as to whether or not they are really within the FTC's authority as originally intended by the Congress. So, Mr. President, we are confronted with the spectacle of the Federal Trade Commission being given this tremendous new penalty power, not just over oleomargarine offenses, but over all offenses in the statute books under the FTC law.

I repeat: I oppose oleo industry unfair trade practices with all the power at my command just as I oppose any other industry's unfair trade practices. But I do not want to see the Congress adopt a wild, shotgun approach against these practices without even allowing the affected legislative committee to study the problem.

Mr. President, we all realize, as was brought out by various southern Members of the House of Representatives yesterday, that the $5,000 penalty is a maximum penalty, rather than a minimum penalty, and that it is entirely within the discretion of the United States district courts to impose. So we are not making extravagant claims and charges that every business violating a cease-and-desist order will become subject to these stringent penalties. We are, however, saying that the Senate of the United States has no business violating its own precedents and procedures in passing such a provision without having the implications thoroughly analyzed by the House and Senate Judiciary Committees. This I call clumsy legislation—attempting by clumsy procedure to enact a bill when its flaws and imperfections are admitted by opponents and proponents alike.

I ask, Mr. President, why are we in such a big rush? Is the Oleo Trust entitled to such special consideration, and is the small dairy farmer entitled to no consideration? To me it is a conundrum. The situation was different a year ago. A year ago the Oleo Trust spent approximately $5,000,000 to propagandize its sales program, and it was sold to the housewives in the cities. It was sold on the theory that the tax increased the cost of oleo. As a result, every one of us received thousands of postal cards saying, "Repeal the tax."

Finally, Mr. President, the butter manufacturers woke up and started to tell the truth. They started to show what would happen if the bill were passed. I want everyone listening to me, in the galleries and on the floor of the Senate, to understand that if we pass the bill we shall, within 6 months, pay much more than the tax to the oleo manufacturers, because they are after the spread market; they want a monopoly. Only a small proportion of oleomargarine is sold colored, and is therefore subject to the 10-cent tax. All the rest of it is subject merely to a tax of one-half cent.

As I say, Mr. President, the dairy farmers finally woke up. They began to realize that they had been sold a phony bill of goods—just as labor is waking up to the fact that they were sold a phony bill of goods when they were told that the Taft-Hartley Act was a slave-labor act. I have asked laboring men if they are slaves and if the Taft-Hartley law interferes with their rights. A railroad man told me 3 weeks ago: "Everyone I see now is tickled to death. So far as we are concerned, we know now what becomes of the jack that goes into the pot that the 'bigsters' control. It is not a slave-labor act." That is the kind of propaganda the workers were sold. Their minds were filled with the poison of misrepresentation.

That is what happened also in connection with oleomargarine. We were told that if the tax were repealed a cheap product would result. I am not a prophet, nor the son of a prophet, but in California it has recently been shown that the differential in price as between oleo and butter is as much as 40 cents a pound. If butter is put out of business, what will happen? The price of oleo will go up.

We were willing to remove the tax, but we asked that the situation be so handled that the market of the dairy farmer for the commodity he produces would not be paralyzed. Instead of that, the Senate conferees gave in to the pressure and took away the protection afforded by the Senate amendment which prescribed the form in which oleo should be manufactured and sold.

Mr. President, I ask, again: What is the big rush? Why all this furious speed? Is it because the Oleo Trust and its friends realize that the more Congress studies the whole issue, the more our people will become aware of the menace of monopoly in the spread market?

So, with all due respect to my able colleagues, who have always been, I am sure, gentlemen in every respect, I feel that the cause of the dairy farmer is so vitally important in the economic political, and social life of the Nation that I urge that the conference report, for that one reason, be not agreed to.

Mr. President, I want to discuss the butter-oleo aspect of the question as such. I think the triangular amendment must be restored. The Senate said it should go into the bill, and in saying that, Mr. President, there was no selfishness on our part. It was an attempt to protect those persons whose forebears helped to build America.

We have pointed out that this oleo legislation is the type which future generations will regret our having passed. We may not see the end results of this legislation within the next few years, but those end results will come and they will

be catastrophic for American dairying—dairying which is so essential to soil conservation, which is so essential to farm income, which is responsible for 40 percent of the beef supply and 60 percent of the veal supply eaten by the American people, which contributes about $10,000,000,000 to the Nation's commerce, and which directly and indirectly involves the livelihood of 10,000,000 persons.

We know that the Oleo Trust is not interested in the consumers' welfare We know that it threw up a smoke screen as to its alleged interest in 150,000,000 American consumers. The 28 large manufacturers who produce oleo, five of them producing 75 percent of the total amount, are interested principally in their own profits, and they know that their profits will be maximized if they can destroy the butter industry once and for all.

This year, butter production will total approximately 1,540,000,000 pounds.

This figure represents an increase because there is decreased demand for fluid milk and cream. But of this 1,554,000,000 pounds, it is expected that the Government's minimum butter purchases in order to fulfill parity obligations will be 155,000,000 pounds. In other words, of the 1,554,000,000 pounds a minimum of 155,000,000 pounds will be purchased by the Government.

I recall again that it was only a few months ago that once more the oleo interests had stepped into the picture and prevented the enactment of a law which would have provided our armed forces with butter. It would have taken off the Government's hands an additional 50,000,000 or 60,000,000 pounds of butter. The oleo interests won that fight. Those who in both Houses are pressing the present fight, and who will probably win it, are the ones who successfully waged the other fight. So the Government is buying the butter, and the chances are that oleo will make the market in the armed forces.

But, Mr. President, if we pass this legislation, the Government will be forced to buy still more butter. Per capita consumption of oleo last year was 5.6 pounds. Every single pound of oleo that is bought displaces a pound of butter. If oleo consumption were to increase by as much as 2 pounds per capita, the Government purchases of butter could approximate the huge figure of 537,000,000 pounds. Just think of that, Mr. President, 537,000,000 pounds.

Butter consumption has now fallen from 16 to 10 pounds per capita, and it is still going down. Why? Because the oleo trust can juggle the oleo price at will, whereas the dairy farmer is necessarily limited in his operations, and must operate according to the laws of supply and demand.

Mr. President, when Congress lightly tampers with the dairy industry, it is tampering with America's nutrition. It is tampering with milk, which is so necessary for adult and minor health, and which is the first source of calcium for the American people, the first source of riboflavin, the third source of protein, the third source of fat, and so many other health essentials. I realize, Mr. President, that that sounds like a generality. But if we look at the peoples of the earth who have had milk, we see the peoples who have made progress.

The oleo industry has accused the dairy men of being alarmists in predicting the doom of the butter industry. But, Mr. President, we have presented these estimates and analyses in a spirit of cool objectivity, and we have issued these warnings because the facts speak for themselves.

The only way in which we can prevent the doom of the butter industry is by the triangular packaging amendment. Even that amendment is inadequate, but it would be of some assistance if in the spread market today every time a triangular piece of yellow were observed there could be no doubt of its being oleo. Many people do not look at a mark, sign, or stamp, but they could not help noticing the triangular shape. The manufacturers of oleo know that. What a splendid job was done for them in removing that provision from the bill.

Sometimes, I almost become physically sick when I see what is being done to one of the great health and wealth producing industries of this country, which produces over $10,000,000,000 for our economy.

I respectfully submit that the compromise which the conference committee agreed upon is really no compromise at all, because it practically gives the oleo trust everything it wanted, and destroys the one item which the dairy forces wanted; namely, triangular packaging.

Let us recall that the amendment offered by the Senator from Delaware [Mr. FREAR] was accepted by voice vote on the Senate floor. I might say parenthetically that the Senator from Delaware is not now present, and he has requested me to ask the proponents of the report to defer a vote on it until tomorrow. I hope that request will be granted. I feel this should not be treated simply as a request by me. I am simply here as one voice crying in the wilderness representing the economic and political health of a great segment of the country which does not want to be stabbed in the back. Let us recall, I repeat, that the amendment offered by the Senator from Delaware [Mr. FREAR] was accepted by voice vote on the Senate floor, and the Senator from Arkansas [Mr. FULBRIGHT] agreed to it. We should recall also that many manufacturers indicated that they could quite readily prepare machinery to accomplish the triangular packaging of oleo.

Suppose it should involve a little extra cost. They have an income of $70,000,000 a year. Who are they, anyway? One of them, of course, is the English concern of which we have heard so much, Lever Brothers. They do not publish their statements. The stockholders are in England. But we know that they have ordered the construction of two $25,000,000 oleo factories, one in California, and one on the east coast.

The voice of the little farmer is not heard. The few men who manufacture the product can well be called the oleo industry trust. The only way in which we can prevent the doom of the butter industry is by the triangular-packaging amendment.

Mr. President, think of what this country has done for the South, which is putting up this fight. Think of all the money that was shot into the South during the war period, think of all we have done for the cotton industry, the peanut industry, and the tobacco industry, and now we of the North are stabbed in the back by the same crowd who are getting all this largess from the Treasury of the United States.

Mr. President, to me at least it seems that the two and a half million dairy farmers are entitled to the real consideration which I am now outlining.

I respectfully submit that the compromise upon which the conferees agreed is really no compromise at all, because it practically gives the oleo trust everything it wanted, and destroys the one item which dairy forces desired to have agreed to, namely, the triangular-package amendment.

The other provisions of the conference report, I repeat, are quite mild. As stated yesterday by Representative ANDRESEN:

> No. 1 is that when oleo is served in public eating places, first there must be notice in a public eating place or restaurant; secondly, it must be on the menu; third, the individual servings of oleo must be identified as oleomargarine, or it must be served in triangular shapes. Those requirements are for public eating places.
>
> Then on the label of the 1-pound package in which oleomargarine is sold at retail the label must contain a statement of every ingredient. The outside label of the package of oleomargarine must show on the label separately that the oleo or margarine is made from cottonseed oil, peanut oil, soybean oil, fish oil, butter flavor, skim milk, salt preservatives, and color. That must be specifically stated on the label so that everyone will know each of the ingredients and kinds of vegetable oil used in the manufacture of oleomargarine or margarine.

This is hardly a complete answer to the needs of American dairying.

We know that right now here in the District of Columbia there is a law on the statute books which provides for a poster, for example, to be placed in restaurants to advise that oleo is being served but you and I are quite aware that, as stated by Congressman ANDRESEN yesterday, probably 75 percent of the restaurants in Washington are serving oleo rather than butter without proper identification and without this poster.

Why? Because there is no real enforcement.

Mr. President, that brings to my mind the fact that in my debate at Town Hall with my distinguished friend, the Senator from Arkansas [Mr. FULBRIGHT], I called attention to the fact, as it appeared in the RECORD, that in his own State there are similar requirements, and that a check-up in the main cities of his State showed that the violations reached as high as 60 percent. Instead of complying with the notice, they went right on serving yellow oleomargarine to the poor folk who thought they were getting butter.

Mr. President, I say that if there is to be that kind of enforcement, under

the conference report, there will be employed thousands upon thousands of people, and we will have to provide more overhead, or there will not be enforcement at all, and we will let the oleo people take over everything. That is the only natural conclusion that anyone who stops, looks, and listens can arrive at.

Yes, Mr. President, in Washington there is no real enforcement. All over this land, in States which have similar statutes, there is no real enforcement. So what is proposed to be done now is merely to pass another "piece of paper." We are just giving the opportunity to the oleo trust to take over the spread market.

WISCONSIN'S VITAL INTEREST

Mr. President, the eyes of the Nation's consumers are on the Senate today because they are watching how we deal with their nutritional needs. And the eyes of the Nation's agriculture are on us also. The farmers of the great State of Wisconsin, for example, America's dairyland, will not be fooled by the smoke screens which have been thrown up on this issue. My State ranks first in the production of practically all dairy products, except butter. During 1948, our dairy herds produced nearly 15,000,000,000 pounds of milk. This was 85 percent more than the second largest producer, and 13 percent of the Nation's total. We ranked third in butter production, after Minnesota and Iowa, and our figure ran around 11 percent of the Nation's total. But let me point out, Mr. President, that even this comparatively small figure is crucial because, as I have previously shown on many occasions on the Senate floor, butter is the balance wheel of the American dairy industry. In the flush season, butter is absolutely indispensable as an outlet for fluid milk, unless that milk is poured down the sewers, or in the gutters, the creeks and rivers.

I urge my colleagues, therefore, to reconsider their stand. I urge even those of my colleagues who voted for the oleo version previously to take the minimum steps that I am urging: namely, that the drastic Federal Trade Commission penalty power be stricken by a new conference committee, and that the triangular packaging amendment be restored.

Mr. President, in connection with my remarks, I ask unanimous consent that a very terse, clear-cut statement on the vital importance of the triangular packaging amendment be printed in the RECORD. In the form of a telegram, it comes from Mr. Russell Fifer of the American Butter Institute, a man who is one of the foremost experts on the dairy industry's problems.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *March 8, 1950.*

HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The action in conference on the oleomargarine bill, H. R. 2023, removed the most important, practical and effective means of enabling consumers to distinguish readily between oleomargarine and butter. The amendment to H. R. 2023 proposed by Senator FREAR of Delaware was overwhelmingly approved by the Senate. It required that the net weight of the contents of the retail oleo package should not exceed one pound and that each part or parts of the contents of such package should be manufactured, prepared, and molded so as to be triangular in shape. The triangular shape recommended in the Frear amendment is the best method proposed to date for the honest identification of yellow oleo. It is universally accepted that consumers, as a rule, do not read labels carefully and clearly, frequently the grocers' refrigerated case will contain open cartons of butter and oleomargarine with quarter-pound prints intermingled, which encourages confusion. Imitation of butter's consistency, color, flavor, packaging, shape, size of print, vitamin A content, and melting point characteristics has reached a point where an effective means of distinguishing between yellow oleo and butter in the retail store for the protection of the consumer, must—underscore must—be made available. Identity through a characteristic shape, butter rectangular and oleomargarine triangular, would minimize confusion. Triangular shape would make the fraudulent substitution of oleomargarine for butter much more difficult. The American Butter Institute respectfully urges that the conference report be defeated and that a new conference be asked for and that the conferees of the Senate be instructed to insist upon the retention of the amendment providing for the packaging of yellow oleomargine in triangular prism form.

RUSSELL FIFER,
Executive Secretary,
American Butter Institute.

Mr. WILEY. Mr. President, I ask for the yeas and nays on the adoption of the conference report.

The yeas and nays were ordered.

Mr. WILEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Murray
Brewster	Hunt	Myers
Bricker	Ives	Neely
Bridges	Jenner	O'Conor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kefauver	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Dworshak	Kilgore	Sparkman
Eastland	Langer	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Flanders	Lucas	Thomas, Okla.
Fulbright	McCarran	Thye
George	McCarthy	Tobey
Gillette	McClellan	Tydings
Graham	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young
Hill	Maybank	
Hoey	Millikin	

THE VICE PRESIDENT. A quorum is present.

The question is on agreeing to the conference report. On this question the yeas and nays have been ordered.

Mr. WHERRY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a legal bulletin entitled "Proposed Increase of Penalties under the Federal Trade Commission Act," published by the Grocery Manufacturers of America, under date of March 3, 1950.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

PROPOSED INCREASE OF PENALTIES UNDER THE FEDERAL TRADE COMMISSION ACT

H. R. 2023 is a bill to regulate oleomargarine and to exempt it from certain taxes. The bill passed the House on April 1, 1949, and it thereafter passed the Senate with amendments on January 18, 1950. I direct your attention to the important fact that this bill, as recommended by the conferences, basically amends section 5 (L) of the Federal Trade Commission Act to increase penalties from $5,000 per violation to $5,000 for each day of violation of a final order of the Commission. As thus amended, section 5 (L) reads:

"Any person, partnership or corporation who violates an order of the Commission to cease and desist after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $5,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the United States Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense."

I emphasize the fact that this penalty is not confined to oleomargarine violations, but will reach any violation of a final order under the Federal Trade Commission Act. It would also, for example, authorize a Federal action for a $1,000,000 penalty with respect to a 200-day violation of such Commission order.

The section on antitrust law of the New York State Bar Association, of which our general counsel, Mr. Charles Wesley Dunn, is chairman, has addressed a telegram of protest against this amendment of section 5 (L) to the chairmen of the House and Senate Judiciary Committees of Congress, and to the majority leaders of both Houses. That protest is a fundamental one against making a basic amendment of the Federal Trade Commission Act through this oleomargarine bill, without notice or committee hearings.

F. T. DIERSON,
Assistant General Counsel, Grocery Manufacturers of America, Inc.

Mr. AIKEN. Mr. President, first I wish to say that the Senator from Georgia has given a very clear and accurate analysis of the pending conference report, as approved by the conference committee. I desire to say a few words about the report before the vote is taken.

Contrary to the opinion of a good many persons, the issue of oleomargarine versus butter has not for some time been on the question of taxation. For a long time the dairy people have been willing to have all the taxes on oleomargarine removed. Personally, for a long time I have favored the removal of such taxes, as well as the removal of direct taxes on other food products.

However, there has been considerable apprehension, on the part of those who are interested in dairying, and who regard it as a very important segment of our national economy, lest there be enacted legislation which would permit oleomargarine to find its way onto the market and to compete against butter in an unfair or misleading or even in a fraudulent way. It was that fear which prompted some of us to insist upon the

enactment of legislation which would effectively prevent the sale of oleomargarine as a dairy product or would prevent unfair representation or advertising of oleomargarine.

The bill as passed by the House contained only one or two safeguards against misrepresentation in the sale of oleomargarine. The safeguards contained in the bill as passed by the House were, first, to require that wherever oleomargarine was sold in a public eating place—

A notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place or is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items.

The bill as passed by the House also provided that—

Each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine, or (2) such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not a charge is made therefor, unless each separate serving thereof is triangular in shape.

However, Mr. President, obviously those provisions did not afford protection to the dairy industry. I think the provision they afforded was wholly inadequate.

When the bill reached the Senate, it was referred to the committee; and in the committee and on the floor of the Senate eight additional safeguards were proposed and were added. One of them, which was proposed by the Senator from Delaware [Mr. FREAR], would have required that oleomargarine be sold in triangular packages, even when used for home consumption, or be served in triangular portions. In the conference report, that provision was dropped. But the other seven safeguards which the Senate added have been retained. I should like to enumerate them briefly.

The first one of the safeguards which have been retained reads as follows:

(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

(1) such oleomargarine or margarine is packaged,

(2) the net weight of the contents of any package sold in a retail establishment is 1 pound or less,

(3) there appears on the label of the package (A) the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label—

Then the conference report adds another safeguard for the benefit of the consumer, as well as the dairyman—

and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine.

Mr. President, at the present time it is required that oleomargarine manufacturers state upon the package whether it is preponderantly a vegetable product or an animal product. The new provision requires that all the ingredients used must be stated on the package. Then we come to the third safeguard:

(4) each part of the contents of the package is contained in a wrapper which bears the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type.

That is for the purpose of preventing the placing of four unlabeled quarter-pound packages of oleomargarine inside a package which is labeled, with the result that the smaller portions could be taken out and sold without having any identification on them.

The fourth safeguard, primarily for the benefit of the consumer, is—

(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food.

I think the purpose there is perfectly obvious—in other words, to make sure that no foul material shall be used in the manufacture of oleomargarine.

The fifth safeguard is as follows:

(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product, except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine.

That is known as the McCarthy amendment.

Mr. President, when I read that amendment, I approved it very much. The purpose is to prevent oleomargarine from being sold or used as a dairy product. That is a very important amendment. But as I read it, it occurred to me that there was no way by which that provision could adequately be enforced and also that the oleomargarine manufacturers might erect all over the United States a series of billboards showing a beautiful dairy-farm scene, with red barns and with silos, and with a cornfield just beyond, and showing a few Guernsey cows in the foreground, and a good-looking girl with a milk pail on her arm going to the house. They might use a scene of that sort in their advertising, and thereby might give the people the impression that when buying oleomargarine they were buying a butter product.

I consulted the Federal Trade Commission about the possibility of the occurrence of such a thing. They said that if that happened, they probably could find the oleomargarine manufacturers guilty of violating the Federal Trade Commission Act in respect to misrepresenting their product, and could require them to pay penalty of $5,000. But, Mr. President, the Federal Trade Commission authorities did not know how they could get the persons who used such advertising to take down the billboard signs, once the penalty was paid. In other words, the fine would amount to a license in the amount of $5,000 for misrepresentation, which would be a very cheap fine, indeed. So I asked Mr. Kelley, general counsel of the Federal Trade Commission, to draft an amendment which would enable them to enforce an order to cease and desist from such misrepresentations of their product. He then sent me the amendment, which was adopted by the Senate, and which has been retained by the conferees. I think it a very vital part of the bill.

Mr. DONNELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Missouri?

Mr. AIKEN. I yield.

Mr. DONNELL. I desire the RECORD to show at this point what I think is a rather important change. At first glance, it looks to be very small, but the conferees have attempted to amend subsection L of section 5 of the Federal Trade Commission Act, whereas the bill as passed by the Senate undertook to amend subsection E of section 5.

While on my feet, I may say I think if the amendment of section 5 of the Federal Trade Commission Act had applied to subsection E there might have been very considerable question as to whether the amendment applied to final orders only.

Subsection E does not make any mention of final orders, whereas subsection L makes such mention. Therefore, I may say I think in that particular respect the conferees have rendered a real service in connection with the bill. They have obviously made the amendment applicable to final orders, whereas there might have been a question as to whether the amendment would be applicable to subsection E or might have been applicable to nonfinal orders.

Mr. AIKEN. I may say the amendment to subsection E was very obviously a mistake. But I want to say the proposal of the amendment, which provides:

Each separate violation of such an order——

Mr. DONNELL. May I ask the Senator a question in that connection?

Mr. AIKEN. Yes.

Mr. DONNELL. Does he not consider there is substance in the point I have made?

Mr. AIKEN. I think there is.

Mr. DONNELL. And does the Senator not think the changing of subsection (L) clarifies the fact that the amendment applies to final orders only?

Mr. AIKEN. I think it does. I may say to the Senator from Missouri that I was thinking in terms of subsection (L) all the time, any way. I did not realize there was a misprint, until the Senator from Missouri advised us of it a moment ago. But the amendment itself provides:

Each separate violation of such an order—

That is, an order of the Federal Trade Commission—

shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the commission each day of continuance of such failure or neglect shall be deemed a separate offense.

I quote a paragraph from the letter I received from Mr. W. T. Kelley, general counsel of the Federal Trade Commission, under date of January 12, 1950:

This language is patterned after comparable provisions in sec. 314 (a) of the Packers and Stockyards Act of 1921 and will, in my opinion, remedy a defect in the present Federal Trade Commission Act. Under the present Federal Trade Commission Act penalty provision, a course of conduct over a considerable period of time might be deemed to be a single continuing offense, and no matter how flagrant the violation, subject only to the single maximum penalty of $5,000. Note that the proposed language is not a fixed daily penalty but simply gives the court the discretion to impose a penalty of not more than $5,000 for each day of a continuing violation.

I may say the amendment was not a sleeper. I realized it would apply to all commodities when I offered it. In fact, I had in mind the case of maple sugar and the misrepresentation of other types of sirup falsely represented to be maple sirup.

Mr. President, I ask unanimous consent that Mr. Kelley's complete letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 12, 1950.

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: I am transmitting herewith, as you requested, a suggested amendment to the amendments proposed by Mr. MCCARTHY to H. R. 2023, the oleomargarine bill. It is suggested that there be added to the proposed new section 4 of the bill, beginning on page 2 of Mr. MCCARTHY's amendment, between lines 18 and 19, the following language:

"(c) Section 5 (1) of the Federal Trade Commission Act, as amended, is amended by inserting at the end thereof the following new language: 'Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.'"

This language is patterned after comparable provisions in section 314 (a) of the Packers and Stockyard Act of 1921 and will, in my opinion, remedy a defect in the present Federal Trade Commission Act. Under the present Federal Trade Commission Act penalty provision, a course of conduct over a considerable period of time might be deemed to be a single continuing offense, and no matter how flagrant the violation, subject only to the single maximum penalty of $5,000. Note that the proposed language is not a fixed daily penalty but simply gives the court the discretion to impose a penalty of not more than $5,000 for each day of a continuing violation.

In drafting a proposed bill for early submission to Congress to amend the Clayton Act and provide similar penalty provisions to those now found in the Federal Trade Commission Act, the Commission intends to recommend a similar provision for the Clayton Act in a very short time.

Sincerely yours,

W. T. KELLEY,
General Counsel.

Mr. AIKEN. I want to say that although we are inclined to mention certain of our Federal agencies only when we seek to find fault with them, I have had a very happy experience over the last year with the Federal Trade Commission. I found there were so many violations of the law in connection with maple sugar and maple sirup, with the serving of almost any kind of sirup as maple sirup, that I entered a complaint with the Federal Trade Commission. The Commission has done excellent work. In their own way, they have persuaded the largest manufacturer of blended sirup in the country to change its labels and its advertising, and to advertise the content of their product for exactly what it is—15 percent maple sugar, 85 percent cane sugar. I want to give credit to the Fedreal Trade Commission for the good work they have done in the case of maple sugar and sirup sales. I have confidence the Commission will operate efficiently and effectively in the oleomargarine field, in case there are serious violations.

I was referring to the safeguards which were inserted in the bill by the Senate. The seventh one I think is of a more technical nature, providing for a tightening up of the definition of "oleomargarine," as I understand. I am not sure what the technical effect of it is, but I understand it is designed to tighten up the definition.

Furthermore, Mr. President, an additional safeguard which should not be overlooked is that the bill as it comes from the conference committee still prohibits the sale of yellow oleo in about 20 States that have their own laws against its sale, including the great State of New York.

So I believe that the bill as approved by the conferees will safeguard the dairy interests about as much as it is possible to do by law. Probably the adoption of the Frear amendment requiring all oleo to be sold in triangular form would have added another safeguard, but I think we are very fortunate in retaining the ones we have—six out of the seven inserted by the Senate.

I should certainly hope the report will not be sent to the conference committee. From the standpoint of the dairy interests I do not think we would obtain anything better. However, I repeat what I said when the bill was being debated on the floor of the Senate, that, in my opinion, the consumer is going to pay more for oleomargarine as a result of it. I believe that when colored oleomargarine is sold without any tax in about half the States the manufacturers and dealers rather than the consumers will probably benefit from the removal of the tax. The net result will likely be higher prices for yellow oleo to the consumer, but I do not think we should send the bill back to conference. I think the dairy interest of the country is probably better protected against fraud and misrepresentation in advertising on the part of the oleo industry than it has been heretofore. I think the best thing for the Senate to do is to agree to the conference report.

Mr. FULBRIGHT. Mr. President, I do not intend to speak to the substantive parts of the report, which have been fairly covered in the debates. The senior Senator from Vermont [Mr. AIKEN] has discussed the conference report very thoroughly and adequately. I have but a few points I wish to make, after which I shall place in the RECORD certain material which I desire to call to the attention of the Senate.

I have in my hand an original letter addressed to me by the general counsel of the Federal Trade Commission, Mr. W. T. Kelley, which gives a little more in detail the interpretation of the so-called Aiken amendment to the McCarthy amendment. The senior Senator from Georgia explained it, in the colloquy which took place a few moments ago, and I do not think it will add anything for me to read it. However, I think it will be useful to certain Senators to have it available in the RECORD, so I ask unanimous consent to insert the letter in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, March 7, 1950.

Hon. J. WILLIAM FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: You requested some comments from me regarding the scope and interpretation of the language in H. R. 2023 amending section 5 (L) of the Federal Trade Commission Act by providing that in the case of violation of a final order to cease and desist through continuing failure or neglect to obey the order each day of such continuance shall be deemed a separate offense.

To provide a background I will briefly describe provisions of the present statute. When the Federal Trade Commission has reason to believe that any person has violated section 5 of its act by engaging in an unfair method of competition or an unfair or deceptive act or practice in commerce, it issues a formal complaint stating its charges. After a hearing and the taking of testimony on any controverted issues of fact, the Commission makes a decision on the record and issues findings of fact and an order requiring the parties to cease and desist from whatever violations of law are disclosed by the record. Any party subject to such an order may file a petition for review of the proceeding in the Court of Appeals. These orders become final upon affirmance in the courts or after 60 days from date of service if no petition for court review has been filed. After the order has become final, the parties become subject to a civil penalty of not more than $5,000 for each violation, recoverable in a suit by the United States.

Nothing in H. R. 2023 changes the above provisions in any way. The new language simply provides that in those infrequent cases where the violation is a single act or course of conduct continuing over a period of time the Government is not limited to a maximum penalty of $5,000, and may seek a daily penalty.

Under existing law a party subject to a Commission order requiring the abandonment of certain false advertising claims would be subject to a penalty of up to $5,000 for each false advertisement in violation of such an order. There are instances involving a great many violations of such an order, each a separate offense, and where the maximum penalty would run into millions of dollars. The Commission has never recommended to the Attorney General, and the Attorney General has never sued for any such astronomical sums, and it is inconceivable to me that any Federal court would impose penalties under this section which are not reasonably related both to the seriousness of the offense charged and the size and resources of the defendant.

The language in H. R. 2023 is, of course, of general application and would apply to all orders to cease and desist under the Federal Trade Commission Act, not just those involving oleomargarine. It would apply, as I see it, only to those instances where a continued course of conduct constituted but a single violation of the order. For instance, if an advertiser of oleomargarine, or of butter, for that matter, subject to an order against false advertising were to embark on a campaign of radio advertising in violation of the order, each separate dissemination of the false claim in violation of the order would still constitute a separate violation. But if such advertiser were to place a billboard or a large electric sign in a prominent place and leave it over a period of time in violation of the order, this would constitute a continuing failure or neglect to obey the order, and, under the proposed new penalty, the Government would not be limited to a $5,000 penalty for a single offense.

The principal value of the amendment to the Commission would be in the field of price fixing and continuing conspiracies in restraint of trade. The courts have held in numerous cases that a continuing conspiracy is but a single offense. The Commission has hundreds of orders to cease and desist under section 5 of the Federal Trade Commission Act against conspiring and combining to fix prices or control production. These orders involve many of the country's basic industries. In cases of violation of such orders through a continuing conspiracy to fix prices or control production, the language of H. R. 2023 would permit, but not require, the Federal courts to impose penalties commensurate with the offense and more reasonably related to the advantages accruing to the defendants from the violation.

The Commission has orders against continuing price-fixing conspiracies involving entire basic industries such as cement, salt, electrical equipment, and various iron and steel products. The continuance of such practices in violation of Commission orders could result in injury to the public running into millions of dollars annually, and under existing law the maximum penalty is limited to $5,000.

The language is not novel, and there are many precedents in other statutes, particularly section 314 (a) of the Packers and Stockyards Act of 1921.

Sincerely yours,

W. T. KELLEY,
General Counsel.

Mr. WILEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. FULBRIGHT. I yield.

Mr. WILEY. Does the Senator agree with the conclusion of the senior Senator from Georgia that the language of the particular amendment about which the Senator is speaking is so clear and definite that the suggestion that one could step aside to obtain the expression of ideas of someone else, would not apply? Does the language itself definitely and clearly state its meaning, without ambiguity?

Mr. FULBRIGHT. I think it does.

Mr. WILEY. I thank the Senator.

Mr. FULBRIGHT. I also agree with the interpretation that it is designed and intended to cover the whole field, and not merely oleomargarine. I have examined it as closely as I could, and in view of the letter, which is in conformity with the explanation given by the Senator from Georgia, I am inclined to think it is a good amendment, aside from the effect which it may have on oleomargarine. But I want to recall to the Senate the fact that it was offered by those who are in opposition to the bill. I could not, in good conscience, oppose an amendment reasonably designed to prevent fraud, just as I could not oppose some other amendments which were offered.

I now pass on to the Frear amendment which has received considerable discussion, and I wish to remind the Senate that that amendment, which had not been presented to the committee with testimony offered in support of it on its merits, was offered during the discussion on the floor, as shown on page 463 of the CONGRESSIONAL RECORD on January 17. The sponsor of the amendment did not offer any evidence in connection with it. It was not a practical amendment. By that I mean that it could be adapted to the production of margarine without undue cost and delay. On that point, I think the evidence is very clear, from representatives of the manufacturers of the machinery used in the packaging of margarine and butter, that it would cost a great deal of money and would take an indefinite time. None of them was willing to say how long it would take. One of the witnesses representing one of the largest companies in the field estimated that it might take as long as from 2 to 5 years to make the machinery.

I do not wish to read all this, Mr. President, because I know the Senate is anxious to get on with its business. I only call attention to letters which I wish to insert in the RECORD at this point, dealing with the question of the practicability of the Frear amendment. The letters come from the Rhinelander Paper Co., of Rhinelander, Wis., a company which makes packaging machinery for butter as well as for margarine. Their contention is that it would be unduly expensive and very difficult to make the machinery.

Another letter is from the Lynch Corp., of Toledo, Ohio, and there is also a letter from the F. B. Redington Co., of Chicago, Ill.

I also have here a statement by Mr. John E. Slaughter, Jr., representing the Girdler Corp., of Louisville, Ky., to which reference has been made. I ask unanimous consent that these documents be inserted in the RECORD at this point in my remarks.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

RHINELANDER PAPER CO.,
Rhinelander, Wis., February 17, 1950.

Mr. PAUL TRUITT,
National Association of Margarine Manufacturers, Washington, D. C.

DEAR MR. TRUITT: Attached is a copy of a letter we air mailed to Senators GEORGE, MILLIKIN, BYRD, and TAFT.

The type of testimonial which might be very impressive for the committee, if witnesses are allowed, would be a technical editor of such a magazine as Modern Packaging or Packaging Parade. Such testimony would be completely unbiased because such experts in a professional capacity have no particular interest in any specific product but are extremely well qualified to discuss the problems involved in any given packaging operation. They could explain clearly, concisely, and authoritatively just what a triangular package would entail—the months and perhaps a year or two to develop and produce the necessary machinery, the needless loss in scrapping existing machinery, the added expense which would certainly be passed along to the consumer, etc. This is just a suggestion and it may already have occurred to you. Its principal merit is, of course, that it would be expert testimony from an unbiased source.

Very truly yours,

ALAN E. PRADT.

FEBRUARY 16, 1950.

The Honorable WALTER F. GEORGE,
United States Senate,
Washington, D. C.

DEAR SENATOR GEORGE: This letter concerns the Frear amendment requiring a triangular package for colored margarine.

The stated purpose of this amendment is to make sure that colored margarine is always identified. Actually, it would impose such extraordinary problems in packaging technique, and high costs, as to kill the sale of the colored product. If the latter is the true purpose of the amendment, it will certainly succeed in its purpose, but surely it would be a devious means of defeating the avowed spirit of the new law. If the purpose is truly to identify colored margarine, we respectfully argue that this can be done by much simpler means within the limitations of modern packaging procedure. For example, a standard-shaped package would incorporate some symbol or device in its printed design proclaiming unmistakably the contents to be margarine.

It is theoretically possible, of course, to make a triangular package—just as it is possible to make an automobile with seven wheels, but both are equally impractical. The proposed new package would involve enormous expense for new equipment and its development and scrap vast production lines which are the result of tremendous engineering effort and great investment of money. We believe the amendment was conceived by laymen innocent of packaging problems who do not realize what hardships this snap proposal would entail.

We speak as manufacturers of papers used primarily for protective food packaging. Sometimes our whole staff must work for months to make a paper run smoothly on a specific packaging machine in conjunction with corps of experts of all kinds with associated industries—mechanics, printers, ink makers, etc. We therefore feel qualified to enter into this argument. We speak also, we think, completely without selfish bias, since our papers package both butter and margarine, and our business remains level even as the competitive position of these two foods changes. But we speak primarily in the interests of justice and fair play.

Won't you please consider that this amendment has such preposterous and insurmountable requirements that, if passed, it will definitely neutralize the very purpose of the bill which is intended to eliminate the present discrimination against margarine.

If your main concern is to see that margarine is always readily identified as such, won't you agree that there are better ways to do it than by passing the Frear amendment?

Very truly yours,

ALAN E. PRADT,
Vice President, Rhinelander Paper Co.

LYNCH CORP.,
Toledo, Ohio, February 2, 1950.

Hon. J. WILLIAM FULBRIGHT,
Senator from Arkansas,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Lynch Corp. is probably the largest manufacturer of packaging machinery for the oleomargarine industry. We have several millions of dollars worth of equipment now operating in the plants of the industry.

We are deeply concerned by the Frear amendment to the oleomargarine bill. First, it would make obsolete these millions of dollars' worth of equipment; and second, it would require 2 or 3 years of development work to attempt to produce equipment that would package oleomargarine in accordance with this amendment.

We are not ready to say that such a machine could not be made but even our long experience in developing intricate packaging machines does not enable us to say that it can be done. Only time and a very substantial investment could possibly answer the question.

Our machines are designed to form prints, wrap, and carton both butter and oleomargarine. We build machines to form prints in one-fourth-pound, one-half-pound, and 1-pound sizes. However, of necessity with our equipment, all are rectangular in shape. Our most widely used machine form one-fourth-pound prints, wrap them individually in parchment, assemble four prints, and place them in a carton.

Our machines can be made to produce three different shapes of packages commonly known as Elgin style, eastern flat, and western style. Probably the majority of oleomargarine is packaged in the western style package.

We believe that the buying public would be more adequately protected if oleomargarine was packaged in any one of the present standard packages and overwrapped and sealed than by the method proposed in the Frear amendment.

Such a method would not make obsolete present equipment; would only require an additional overwrap machine, and would make colored margarine immediately available in all States in which the sale is now permitted.

Such a method would prevent tampering by the customer in self-service stores or by the vendor, and would insure the delivery of the product to the ultimate customer exactly as produced under such laws as may govern the manufacture.

If our organization can be of any assistance to you or your committee in finding a practical solution to this problem we hope you will feel free to call on us.

Respectfully,

M. H. PENDERGAST,
President.

F. B. REDINGTON CO.,
Chicago, January 27, 1950.

Hon. J. WILLIAM FULBRIGHT,
Senator from Arkansas,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Because the F. B. Redington Co. has manufactured packaging machinery for oleomargarine and margarine for about 33 years, and because our machines are in use in almost every margarine plant in the United States, we have followed with great interest the repeal of the Federal Tax on colored margarine.

The Frear amendment to this bill will prove to be a serious deterrent to the production of colored margarine for the following reasons:

1. No machinery has been designed, let alone built, for forming triangular prints or blocks or for the wrapping and cartoning of triangular blocks.

2. Even if acceptable machinery for forming such prints and wrapping and cartoning them is ultimately found to be feasible undoubtedly 2 years' time will be required before such machinery can be proved.

3. Thereafter another 2 years at least will be needed to supply machinery of this type necessary to equip the industry.

4. Almost certainly if we, or competitors of ours, are able to produce machinery capable of producing triangular blocks, and machinery for properly wrapping and cartoning them, such equipment will operate at slower speed than equipment now used for packaging rectangular packages.

5. Even if acceptable means are ultimately developed for forming, wrapping, and cartoning triangular blocks, the placing of such blocks in shipping containers to transport them either by truck, express, or railroad will be a serious additional expense.

6. Colored margarine in the now-used rectangular shape could be produced promptly, and with practically no additional expense outlay, on equipment that margarine manufacturers now have.

Very truly yours,

CHAS. L. BARR,
Executive Vice President.

STATEMENT OF JOHN E. SLAUGHTER, JR., VICE PRESIDENT OF THE GIRDLER CORP., LOUISVILLE, KY.

In making this statement, some background of my company is in order. Our business is an engineering and manufacturing organization. Since our organization, we have concentrated on the development of novel processing apparatus. Our staff is composed largely of development and design engineers. The Girdler Corp. developed the first fully closed, continuous apparatus for manufacturing margarine. The apparatus is widely used in the industry today, and our technologists are versed in all phases of margarine processing. In addition to machinery we engineer, design, and complete margarine plants.

There is no machinery available, or even designed to form or wrap margarine in triangular shape. My company has built print-forming machinery for use in margarine manufacture. We have designed and manufactured special forming and wrapping machinery for ice-cream products.

In discussing the problem of designing machinery to form and wrap a product of the consistency of margarine in triangular shape, our engineers are of the opinion that the problem is fraught with very real and practical limitations. At the stage of the process where margarine is shaped or formed, it is of a soft, plastic consistency. Retention of the triangular shape in the wrapping operation is doubtful. A misshapen print would tend to jam the wrapping machine and interrupt operation repeatedly. Steady, efficient, low-cost production cannot be maintained under such circumstances. A triangular piece would be difficult to group in four pieces to form a pound package of four one-quarter-pound prints. All molding and packaging machinery is built around the product. Solid products or liquid products are more susceptible to packaging in triangular form than a plastic fat product. The inherent stickiness of the product complicates the problem beyond any apparent solution. Furthermore, when required to mold a fat product into triangles, where except for the small ends, no two sides would be equidistant parallels, it becomes an impossibility to mold it and package it on any known or conceivable machinery.

Having spent a number of years in planning engineering development work, it has been my experience that any major development project requires a minimum of 2 years from the date of conception to the completion of the first test machine. It must be emphasized that, to my knowledge, there is not even a conception of how to approach the solution of this problem. I am familiar with butter and margarine packaging machinery built in England and Europe. None of these can be employed to produce triangular shaped prints.

I have consulted the largest United States manufacturer of butter and margarine printing and wrapping machinery, Mr. M. H. Pendergast, president of the Lynch Manufacturing Co., Toledo, Ohio, and he advised me he sees no means of designing or building such a machine. Another leading manufacturer of package machinery, Mr. Charles L. Barr, executive vice president, F. B. Redington Co., Chicago, told me that the idea seemed so impractical to them that he questioned that his company would spend any money on such a speculative development.

My own company has achieved its limited success by undertaking presumably difficult development projects. However, I share Mr. Pendergast's and Mr. Barr's views on this subject.

It is impossible to convert the existing machinery now used in this industry to produce a triangular print. Therefore, all existing printing and wrapping machinery is rendered useless and obsolete.

Now, let's assume that my company or any designer or manufacturer of package machinery would undertake this development project. I have previously stated that it is probable that 2 years would elapse before any company could complete their design, tool up to manufacture, and complete the first machine. This machine would have to be plant tested—another indefinite period. Invariably mechanical and design difficulties are encountered in the course of such a development. Several hundred machines would be required to meet the industry's present production requirements. A period of 2 or possibly 3 years would elapse, after the first machine is built, before the industry's requirements for package machinery could be met. If my estimates are correct, and I firmly believe they are, it would mean that no colored margarine would be produced for a period of from 2 to 4 years. This opinion is confirmed by both the F. D. Redington Co. and the Lynch Manufacturing Co.

On the basis of information at my disposal, and nearly 20 years' experience in engineering development organization, I could hardly recommend that my company undertake such a costly and speculative project. I can assure you that my company has never been timid in undertaking research that offered a reasonable chance of a fair return.

Printing, wrapping, and cartoning machinery for producing the present style one-quarter pound print, with a capacity of 2,200 pounds per hour, costs in the order of $17,000. If it could be developed, a highly special machine for producing an unusual shaped print would obviously cost considerably more. A conservative estimate, if it were available, of the total cost to the industry for such new package machinery would be in the magnitude of $2,500,000 to $5,000,000.

Mr. FULBRIGHT. Mr. President, I desire to mention one or two other points. The House of Representatives voted on this conference report on yesterday. The vote was 262 to 106. While we do not usually refer in a critical manner to the action of the other body, I think the talk and the undue alarm with reference to the effect on the dairy industry should be considered in the light of that vote, because I believe the Members of the House of Representatives are as much entitled to be concerned about the welfare of their constituents as are Senators.

I hope the Senate will adopt the conference report, and, at long last, after approximately 64 years, permit the repeal of the discriminatory provisions.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Murray
Brewster	Hunt	Myers
Bricker	Ives	Neely
Bridges	Jenner	O'Conor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kefauver	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Dworshak	Kilgore	Sparkman
Eastland	Langer	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Flanders	Lucas	Thomas, Okla.
Fulbright	McCarran	Thye
George	McCarthy	Tobey
Gillette	McClellan	Tydings
Graham	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young
Hill	Maybank	
Hoey	Millikin	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the conference report. The yeas and nays having been ordered, the Secretary will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] is absent because of illness.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Rhode Island [Mr. LEAHY] are necessarily absent.

The Senator from Delaware [Mr. FREAR], the Senator from Louisiana [Mr. LONG], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Louisiana [Mr. LONG] is paired on this vote with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Utah would vote "nay."

If present and voting, the Senator from Connecticut [Mr. BENTON], the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Florida [Mr. PEPPER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent on official business, and is paired with the Senator from South Dakota [Mr. MUNDT] who is absent by leave of the Senate. If present and voting, the Senator from Washington would vote "yea," and the Senator from South Dakota would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on account of illness.

The Senator from Michigan [Mr. VANDENBERG] is necessarily absent.

The Senator from Michigan [Mr. FERGUSON] is detained on official business.

The Senator from California [Mr. KNOWLAND] is absent on official business.

The result was announced—yeas 59, nays 20, as follows:

YEAS—59

Aiken	Holland	Maybank
Anderson	Hunt	Millikin
Brewster	Ives	Myers
Bricker	Johnson, Colo.	Neely
Bridges	Johnson, Tex.	O'Conor
Butler	Johnston, S. C.	O'Mahoney
Connally	Kefauver	Russell
Darby	Kem	Saltonstall
Eastland	Kerr	Smith, Maine
Ellender	Kilgore	Smith, N. J.
Flanders	Lehman	Sparkman
Fulbright	Lodge	Stennis
George	Lucas	Taft
Gillette	McCarran	Thomas, Okla.
Graham	McClellan	Thye
Green	McFarland	Tobey
Hayden	McKellar	Tydings
Hendrickson	McMahon	Watkins
Hill	Malone	Williams
Hoey	Martin	

NAYS—20

Byrd	Humphrey	Schoeppel
Cordon	Jenner	Taylor
Donnell	Langer	Wherry
Dworshak	McCarthy	Wiley
Ecton	Magnuson	Withers
Gurney	Morse	Young
Hickenlooper	Murray	

NOT VOTING—17

Benton	Downey	Mundt
Cain	Ferguson	Pepper
Capehart	Frear	Robertson
Chapman	Knowland	Thomas, Utah
Chavez	Leahy	Vandenberg
Douglas	Long	

So the report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3159) granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 88. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 471. An act for the relief of Lloyd Gordon Findley and Malcolm Hearne Findley, a minor;

S. 576. An act to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah;

S. 1310. An act for the relief of Pierre E. Lefevre;

S. 1394. An act for the relief of Monroe Kelly, rear admiral, United States Navy, retired;

S. 1413. An act for the relief of Maria Margarete Otto;

S. 1447. An act for the relief of John M. Hart;

S. 1552. An act for the relief of Ernest E. Heintz;

S. 1737. An act for the relief of George M. Vaughan;

S. 1764. An act for the relief of George K. Haviland;

S. 2125. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones and others;

S. 2429. An act for the relief of Henrique Santos; and

S. 2441. An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States and the Air National Guard of the United States on active duty in the National Guard Bureau.

DISPLACED PERSONS

The Senate resumed the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. LUCAS. We have been debating for some time H. R. 4567. Out of the welter of confusion and debate, charges, and countercharges, it may be that we may finally reach a unanimous-consent agreement for a vote on the bill. At least, I shall make another attempt to see whether or not my colleagues will agree to it.

I ask unanimous consent that further consideration of the pending measure, H. R. 4567, be postponed until March 31; that on that day, beginning at the hour of 12 o'clock, debate upon any amendment which may be proposed to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948 shall be limited to 30 minutes, except that upon the amendment in the nature of a substitute debate shall be limited to 1 hour on each side, the time to be equally divided between those favoring the bill and those opposed thereto, the time to be controlled respectively by the Senator from Nevada [Mr. MCCARRAN] and the Senator from West Virginia [Mr. KILGORE]; provided that no amendment which is not germane to the subject matter of the bill shall be received.

Mr. DONNELL. Mr. President, reserving the right to object, may I have the Senator's leave to inquire of the Senator from Nevada [Mr. MCCARRAN] whether in his opinion the proposed vote on March 31 will be preceded by the completion of the printing of the testimony by at least 2 or 3 days?

Mr. MCCARRAN. In my judgment, that can be accomplished.

Mr. DONNELL. I do not object.

Mr. MCCARRAN. One thought I have—and it may be covered—is with regard to amendments to the substitute. I assume that what is meant is that debate on amendments to the substitute would be limited to 30 minutes also under the language of the proposed unanimous-consent agreement.

Mr. LUCAS. I believe any amendments may be offered to the substitute, if I understand the parliamentary situation correctly.

The VICE PRESIDENT. The substitute will be open to amendment.

Mr. MCCARRAN. The substitute will be open to amendment.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Will the amendment in the nature of a substitute be open to amendment?

The VICE PRESIDENT. It will be.

Mr. LUCAS. I was under the impression that it would be.

Mr. McCARRAN. The same rule would apply to amendments to the substitute.

Mr. LUCAS. The Senator is correct.

Mr. McCLELLAN. Mr. President, does the unanimous-consent request provide that any amendment must be germane, both amendments to the bill and to the substitute?

Mr. LUCAS. Yes; amendments to the substitute or the bill.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. WHERRY. The majority leader may have already answered the question, but I should like to inquire whether it is the understanding that debate will be limited, starting on March 31, to 30 minutes on the bill and 30 minutes on any amendment which may have been proposed or is proposed afterward, and 30 minutes on any amendment which may be proposed to the substitute. I make the inquiry so that there will be no misunderstanding.

Mr. LUCAS. That is as I understand it.

Mr. WHERRY. Thirty minutes on each side, and the time will be controlled by the Senator from Nevada [Mr. McCARRAN] and the Senator from West Virginia [Mr. KILGORE]. That is as I understand it.

Mr. LUCAS. No; it is not quite that way. On the amendment in the nature of a substitute I provided for an hour on a side, 30 minutes on all other amendments.

Mr. WHERRY. That is all right.

Mr. TOBEY. Mr. President, I congratulate the majority leader that it is manifest that order has now come out of chaos.

Mr. LUCAS. I thank the Senator.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Wisconsin.

Mr. WILEY. I should like to get the judgment of the majority leader as to whether he means that on the 31st of March, which will be Friday, as I recall, there will be any vote.

Mr. LUCAS. I should say that there may be, because we will start debating the committee amendments immediately, and the time on the first committee amendment will be only 30 minutes to each side. I should think we would get a vote on that amendment.

Mr. WHERRY. Mr. President, so that I may completely understand the situation, any Senator could debate 30 minutes on the bill and 30 minutes on any amendment. Therefore, while there is a possibility of a vote on Friday, yet if there is extended debate on the bill or any amendment, 30 minutes on each side, it would not mean that all Senators would have opportunity to debate on Friday; would it?

The VICE PRESIDENT. The Chair would like to have the judgment of the Senator from Illinois, because the Parliamentarian and the Chair do not agree as to the interpretation of that part of the request pertaining to 30 minutes' debate on each amendment. Does it mean that each Senator would have 30 minutes, or does it mean that 30 minutes is all the debate that could be had on an amendment, the time to be divided equally between the proponents and the opponents?

Mr. LUCAS. The Senator from Illinois thinks the latter to be the true interpretation, that 30 minutes is the total amount of time Senators who are in favor of an amendment could debate it, and 30 minutes the total amount of time Senators opposed to an amendment could debate it. In other words, only 60 minutes could be consumed on any one amendment, by all Senators.

The VICE PRESIDENT. The Chair is inquiring because he will have to interpret the agreement. Then there would be an hour of debate on each amendment, 30 minutes to each side.

Mr. LUCAS. Of course, it could happen that way.

Mr. TAFT. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. TAFT. Reserving the right to object, under those circumstances I do not think I can agree to that particular date. It happens that the State Republican convention of Maine is to be held on Friday, the 31st. I have accepted an invitation to address that convention. The two Senators from Maine will both be present. My understanding was that the debate was proposed to be limited in the manner in which we always limit it, that is, to 30 minutes on each amendment. While the proposed action would prevent a filibuster, naturally it would permit more or less extended debate. Probably there would be no chance to reach a vote on Friday, but if we are to begin to vote on the 31st, I shall have to object.

Mr. LUCAS. Let us make it the 30th.

Mr. WHERRY. I should be glad if it were agreed to make it the 30th if the majority leader can assure us that we may proceed to debate the amendments, even though an hour be taken on each amendment, but that no vote be had on the 31st.

Mr. TAFT. I make this suggestion: Why not leave the agreement as it is, with the exception of changing the time to debate on the amendments from 30 minutes to 15 minutes.

Mr. LUCAS. I will assure the Senator that the amendments will be debated during the day of March 31, but we will not begin voting on them until the following Monday.

Mr. TAFT. I withdraw my objection.

The VICE PRESIDENT. Permit the Chair to state the request as we now all understand it.

That the further consideration of the pending business be postponed until 12 o'clock on March 31; that thereafter debate shall be limited on each amendment and on the bill to 30 minutes to each side, to be controlled by the proponent and the opponent of the amendments, or the bill, or the substitute, as the case may be, except that the 30-minute limitation does not apply to the substitute itself, but to amendments thereto.

Mr. McCARRAN. That is correct.

Mr. WHERRY. And with the understanding that there will be no vote on Friday afternoon, March 31.

Mr. KILGORE. Mr. President, as I understand, 1 hour is to be allowed for debate on the substitute.

The VICE PRESIDENT. That is correct.

Mr. WILEY. I think we have got to make the RECORD clear that there will be no vote taken on Friday or Saturday on any amendment or on the substitute. I think that is the understanding.

Mr. LUCAS. There will be no vote on Friday or Saturday.

Mr. WILEY. Well, it is not clear in the RECORD.

The VICE PRESIDENT. That is a sort of a gentleman's understanding. It does not have to be stated by the Chair.

Mr. LUCAS. I doubt that we will have a session on Saturday.

The VICE PRESIDENT. Is there objection to the unanimous consent request? The Chair hears none, and it is so ordered.

URGENT DEFICIENCY APPROPRIATIONS, 1950

Mr. TAFT obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. TAFT. I ask unanimous consent that I may yield to the Senator from Tennessee without losing my right to the floor by doing so.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 7207 making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

THE COAL STRIKE SITUATION

Mr. TAFT. Mr. President, now that the coal strike has been settled, I wish to review the history of the coal industry since the war, the handling of the recent strike, and possible remedies against difficulties in the future.

In the first place, I believe we should distinguish between the situation arising out of a national strike which threatens the safety and health of the people, and the normal conduct of labor-management relations. The Labor-Management Relations Act of 1947 covers both, but all the basic features of that law relate to the day-to-day conduct of labor-management relations, and are applied a thousand times for every once that the national-emergency provision is involved. General legislation on labor-management relations should never contain the drastic powers which perhaps may have to be granted to the President in the case of national emergencies.

The problem with which we are concerned only arises when one union controls such a large section of an industry vital to the welfare of the people that the closing down of that industry threatens the safety or health of the people. This situation does exist in the coal industry. Although there is free competition on the operators' side with thousands of competing operaors, the United Mine Workers control substantially all the coal labor throughout the United States. The recent strike, therefore, resulted in widespread suffering and rapidly spreading unemployment. Telegrams from all over the country testified to the complete lack of coal for delivery to homes and to great shortages in industry and utilities. The situation contemplated by the national emergency provisions of the Taft-Hartley law existed in November and long before the President finally acted under that law.

There is, of course, always one way in which to deal with a monopoly—give it whatever it asks for, and a better child you never saw. Such a policy is impossible in any Government based on liberty and equality, because it recognizes special privileges over all the rest of the population who have to use coal. In the last analysis, the issue today is not between the miners and the operators so much as between the miners and the public. Increases in wages and increases in pensions are reflected almost completely in the cost of coal to the consumers of coal as well as to the consumers of steel, patrons of the railroads and utilities and many other consumers. Such price increases are only alleviated through the rapidly growing use of oil and gas. The recent settlement will increase the price of coal approximately 20 cents a ton.

In the last analysis, the handling of a national-emergency strike must be an executive function. It requires from Government a careful study of the situation on the merits of the dispute. It requires daily contact with the parties. Above all it requires firmness, fairness, and prompt action. We here in Congress cannot settle coal strikes. We can only give the President the best tools possible with which to do so.

The present law, first, gives the President power to mediate and to request arbitration. Mediation was unsuccessful. The President's proposal for submission of the dispute to an extra-legal board to be appointed by him was in the nature of a request that both parties arbitrate. It was accepted by the operators; it was rejected by the union. In general, the mine workers union has resisted all proposals for arbitration because of the power which it feels that it has. The operators apparently do not like arbitration, but they are so divided and uncertain that it is not difficult to force arbitration on them.

At this point I ask unanimous consent to place in the RECORD a brief history of the three coal strikes which have occurred since the war, that in 1946, that in 1948, and that in 1950.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

COAL STRIKES

1946 COAL STRIKE

(Strike while Government in possession)

May 21, 1946: Seizure under Smith-Connally Act.

May 29, 1946: Krug-Lewis agreement.

October 21, 1946: Lewis sought to reopen contract. Krug denied right to reopen.

November 15, 1946: Lewis notified Krug that union terminating agreement and circulated copies among miners for their official information.

November 16, 17, 18, 1946: 36,000 miners strike.

November 18, 1946: Temporary restraining order under contract.

November 18, 19, 20, 21, 1946: Total strike.

November 21, 1946: Petition for contempt.

November 25, 1946: Return day.

November 27, 1946: Trial.

December 3, 1946: Union found guilty, criminal and civil contempt. Lewis fined $10,000 and union fined $3,500,000.

December 7, 1946: Lewis letter to all members, "each member is directed to return to work immediately."

December 9, 1946: Miners returned.

1948 COAL STRIKE

(*U. S.* v. *U. M. W.* (21 LRRM 2723))

March 12, 1948: Lewis letter to miners to effect that operators had dishonored agreement by not activating welfare fund.

March 15, 1948: Total strike.

March 23, 1948: Emergency Board.

March 31, 1948: Emergency Board report.

April 3, 1948: Petition for injunction under Taft-Hartley law. Temporary restraining order issued.

April 7, 1948: Contempt charges filed.

April 14, 1948: Hearing on contempt.

April 19, 1948: Lewis and union found guilty, fined $100,000 per day.

April 20, 1948: Lewis wired district presidents, "I do hope you will convey to each member my wish that they immediately return to work."

April 22, 23, 1948: Miners returned to work.

1950 COAL STRIKE

June 8, 1949: Union ordered brief stabilizing period of inaction; little coal mined from June 18–20.

July 3, 1949: 3-day work week.

September 19 to November 9: General cessation of work.

December 5, 1949: 3-day workweek again.

January 18, 1950: Charts placed in hearing January 18, 1950, show 20,000,000 tons less coal above ground on January 16, 1950, than on March 23, 1948, when President declared emergency.

January 31, 1950: President proposed extra-legal fact-finding board, amounting to arbitration in fact.

February 4, 1950: Operators accepted; union rejected.

February 6, 1950: Total strike. Emergency Board appointed.

February 8, 1950: 2-hour public hearing; then bargaining with Board as observers.

February 11, 1950: Report of Board. Petition for injunction. Restraining order issued.

February 20, 1950: Temporary order continued to March 3. Petition for contempt.

February 27, 1950: Hearing on contempt.

March 2, 1950: Court found union not guilty of contempt.

March 3, 1950 (forenoon): Negotiations resumed with settlement on union's terms imminent.

March 3, 1950 (afternoon): President sent seizure bill to Congress.

March 3, 1950 (evening): Tentative agreement.

Mr. TAFT. Mr. President, it should be noted that in 1946 the union struck against the Government, which was in possession of the mines, and did not return until an injunction was sought under the Smith-Connally Act as against employees of the Government. It should be noted further that both in 1946 and 1948 the men did not return to work until the union was found guilty of contempt and fines were imposed, and that then they did return to work.

I believe very strongly that the President's entire course in the 1950 emergency extended that emergency to an undue length of time and encouraged open defiance of the law. He obviously has tried to discredit the law itself and the weapon given him with which to handle the situation, although prior to the election in 1948 he did not hesitate to use the injunctive power of the Taft-Hartley law—some eight times, I think. In this case he delayed its use when it was obvious that an emergency was threatened. He could have invoked it at the end of November when the men were working 5 days a week, and it would have been much easier to arrange a continuance of work than a return to work. Instead of having 2 months in which to work out a solution of the problem, bitter feelings were provoked during that period of 2 months. Faced with a real emergency he then sought to use a fact-finding board outside the law and his failure further delayed use of the law at a time when time was running out. The impression given to the public and to the miners was that the Government was not much interested in enforcing the law or the injunction. In the two past cases only a determined use of contempt proceedings had been successful in securing a return to work by the miners.

The Taft-Hartley law is by no means an extreme law. It authorizes an injunction against the union and the employers to end a strike or lockout only for a period of 80 days. Surely, it is not unreasonable to ask the men to go back to work for that period while further efforts are made to settle the strike, considering the fact that their failure to go means the tying up of the entire national economy and extreme hardship on 150,000,000 people. True, the men are required to go back to work for these 80 days at the same wages to which they themselves had agreed a year earlier. When that 1948 contract was signed, Mr. Lewis hailed it as the greatest accomplishment for labor in our time, and any settlement made would obviously have provided for retroactive pay for the 80 days at any new rate agreed to.

There might be a real criticism of the Taft-Hartley law as too lenient because it does not finally prevent a strike if no settlement can be effected during the 80-day period; and then a real emergency would have to be dealt with in further and more drastic legislation. We always foresaw that possibility. The purpose of the law, however, is to bring the parties before the court and thus before the public, to require them to state clearly their respective demands, and to permit public opinion to work on the merits

of the controversy. This should have been done in December, instead of in February.

The President finally did ask for the injunction—rather regretfully, apparently—and appointed a Board; but it does not seem to me that the Board appointed ever carried out its full duties under the Taft-Hartley law. After the briefest of hearings, it assumed the role of spectator or mediator in a series of bargaining conferences, and then wrote its report. No comprehensive report was given to the public of the matters in controversy. While the Board is not supposed to make recommendations, it certainly should make a clear statement of the issues—in short:

What are the facts about the miners' pension fund and its solvency?

What were the facts regarding comparative wages in other industries and relative increases since the war?

What are the dangers and hardships of mining which may justify higher wages than others?

What were the facts regarding collective bargaining and the refusal to make a contract which is really binding?

I never did see anywhere in the newspapers any clear statement concerning what the fight was about until it was settled. The function of the Board was to make that dispute clear to the public. There was a delay in filing contempt charges, and the Government presented such a weak case that it failed to obtain the penalties and fines which ended the two previous strikes. The judge's decision was based on the fact that the Government had given him no evidence. There were presented to the Attorney General many affidavits which were never used. They tended to show the absolute power which Mr. Lewis exercises over the district officers appointed by him, and the absolute power of the district officers over the local union officers. They showed that the officers of the local unions evidently did not take Mr. Lewis' telegrams as intended seriously, and made no effort whatever to get the men to go back to work; that many feared to go back because they knew pickets would appear from some unspecified source. They clearly gave the men the impression that Mr. Lewis did not desire them to return to work. The reception given his instructions after the contract was signed contrasted strangely with the defiance of his orders, supposed to show a universal defying of his orders to return to the mines. Not only did some local branches of the United Mine Workers take action in direct defiance of the injunction, but there were numerous instances of picketing of union mines and testimony that goon squads were operating throughout the coal regions, threatening physical violence to miners and their families if the miners returned to the mines. Yet none of that evidence was used. Personally, after talking with miners and others in the coal regions, I believe that the great majority of Ohio miners wanted to return to a 5-day week for the past several months, and would have returned except for fear of violence. The Attorney General had at his command the entire FBI to produce evidence that the injunction was in fact violated, as every impartial observer believes it was violated. But the only evidence presented was that nobody had gone back to work, a result consistent with the improbable conclusion that each miner individually preferred to remain at home.

No law which Congress passes, Mr. President, is going to be any good unless the Government stands behind it to the limit and in good faith makes every possible use of that law. No law will be any good if the President permits the law violator to take action in direct defiance of the law, without vigorous prosecution.

Having made such inadequate use of the weapon given him by Congress, the President then demanded the right to seize the mines, and submitted a proposed bill to restore national coal production. The bill was poorly drafted by someone who apparently had no knowledge of the long study made of this emergency problem by 13 members of the Senate Labor Committee. It had to be almost completely rewritten by the committee. As submitted, it was a one-sided bill penalizing the employers who had agreed to arbitrate, and helpful to the United Mine Workers who had just defied the President, the courts, and the laws of the United States. There was absolutely no assurance that it would be effective except with the consent and approval of the United Mine Workers, for the President was given no power except to operate the mines if the miners returned voluntarily to work.

In 1946, the mine workers' union did not hesitate to strike against the Government, and returned only when an injunction had been issued and fines imposed under the Smith-Connally Act. Yet, under the President's proposed bill no power whatever was given to seek an injunction if the miners refused to return to work after seizure.

The bill gave the President power to fix wages at any figure he saw fit to approve; and since he had to obtain the consent of the union before he could operate the mines, he would obviously have had to fix wages well above the previous contract in order to effect their return—perhaps at the very figure demanded by the union. Once these wages had been raised, the operators, of course, could never have reduced them. So, in effect, the President was to be given power to force the union terms on the operators, and then placed in such a weak legal position that he would have had to do so, if the mines were to be operated. No time limit was contained in the bill, except that of June 30, 1951. In short, the passage of this bill would have been a complete surrender to the union.

Last year, Mr. President, the Senate passed an amendment to the Taft-Hartley law, adding to the power of injunction the power of seizure. It was carefully safeguarded, however, by providing that men should return to work at the previous wage, subject to retroactive adjustment by collective bargaining, and that the period of seizure be limited to 60 days. Also, the injunction could have been used to require such return to work as in 1946. This bill has been pending in the House Labor Committee, where it has been suppressed, apparently on the orders of the administration and the labor-union officials.

In my opinion, the 80-day injunction provision of the present law is a very mild measure for national emergencies, and it works both ways. It is very little different from the waiting-period provision of the Railroad Mediation Act which has been satisfactory to railroad labor for 25 years. It has been used against the employer where he tried to reduce wages. It can be used only on the orders of the President of the United States, and he certainly will not use it except in a real emergency. The labor people express great opposition to it, but that is principally because it is the only weapon which can prevent a monopoly union from using the public distress to force an increase in wages which may or may not be reasonable.

I can fully understand and sympathize with the labor opposition to any permanent injunction or any injunction obtained by private parties. The present law only authorizes an injunction by the Government where the public interest and the public danger are clear beyond a shadow of a doubt.

The opposition of employers to the right kind of seizure bill seems to me equally unreasonable. Again, seizure should be available only when the public danger is clear. It should be for a limited period, like the injunction. It should be used for the purpose of securing a breathing spell while the settlement can be worked out in the spotlight of public opinion. But I can also understand industry's fear of some kinds of seizure when we consider how, in the past, it was used once to raise the portal-to-portal issue, and at another time to increase wages and pensions without even participation by the operators in the decision. Both injunction and seizure should be so circumscribed that they give no advantage to either party in the final settlement of the dispute. A well-informed columnist says that the uncertainty of the type of seizure bill which Congress might finally pass was one of the causes that led the union to settle for less than it had demanded. The threat of an unfair seizure bill certainly led to concessions by the operators.

The net result of this whole controversy is an increase of about 20 cents a ton in the price of coal to the consumer and a further decrease in the total market for coal. It certainly is doubtful whether the men themselves, considering the wages lost and the tremendous growth in the use of gas and oil, have benefited from the settlement made.

There is nothing in the general result to indicate that the solution of the Taft-Hartley law, particularly if seizure were added, is not the best possible basis for preliminary legislation. That legislation should bring the parties together and should make them state their positions clearly and should let public opinion operate. The legislation should maintain the status quo, and should not favor either party. I think this is true of the original provisions of the Taft-Hartley law, and it is certainly true if

the power of seizure is added to injunction, as in the proposed amendments.

We must always recognize, however, that the remedies I have been discussing do not afford an ultimate solution if the parties sit out the waiting period and continue a strike. Other remedies have been proposed for that contingency. One is compulsory arbitration which would require the men to work at a wage fixed by the Government, after hearing. Except in an extreme emergency, and then only for such emergency, I should be opposed to any such compulsory wage-fixing, which of course would also require the power of a permanent injunction.

Another remedy, designed to prevent the development of a Nation-wide strike, is the prohibition or limitation of Nation-wide bargaining and the breaking up of the coal bargaining into half a dozen regional settlements. This would be practically a Sherman Act against labor monopoly. Such a law will have many complications; but if there is no other remedy to repeated stoppages, it should certainly be given consideration.

Mr. President, there is pending today in the Judiciary Committee such a proposed law; and the Labor-Management Relations Subcommittee of the Committee on Labor and Public Welfare has been authorized and directed to look into the general problem of monopoly unions, in connection with their status.

With regard to the welfare funds, I believe that these also should be regulated by legislation so that they may in fact operate as real security for the miners on a sound fiscal basis.

In the last analysis, however, Mr. President, in a democracy there is no complete solution for a Nation-wide strike which might even take the form of a general strike. The interest of the people can best be protected, and a result obtained without special privileges to anyone, by a determined, impartial, and wise handling of the situation by the executive departments with the best tools Congress can give them. I am afraid that the handling of the recent strike, by confirming the power of a monopoly union, makes more probable the recurrence of serious emergencies in the future.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Missouri?

Mr. TAFT. I yield.

Mr. DONNELL. I assume the Senator, in referring to a bill now pending before the Judiciary Committee, had reference to the so-called Robertson bill.

Mr. TAFT. That is correct.

EXECUTIVE SESSION

Mr. MAGNUSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

Morris F. de Castro, of the Virgin Islands, to be Governor of the Virgin Islands, vice William H. Hastie.

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Richard F. Mitchell, of Iowa, to be an Interstate Commerce Commissioner for a term expiring December 31, 1956;

Josh Lee, of Oklahoma, to be a member of the Civil Aeronautics Board for a term of 6 years, expiring December 31, 1955;

Capt. Alfred C. Richmond, United States Coast Guard, to be Assistant Commandant of the United States Coast Guard, for a period of 4 years, with the rank of rear admiral; and

Capt. Arthur G. Hall and Capt. Norman H. Leslie, for promotion to the rank of rear admiral in the United States Coast Guard.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

COMMODITY CREDIT CORPORATION

The Chief Clerk read the nomination of William B. Crawley to be a member of the Board of Directors of the Commodity Credit Corporation.

Mr. MAGNUSON. Mr. President, I move that the nominations of members of the Board of Directors of the Commodity Credit Corporation be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations to the Commodity Credit Corporation are confirmed en bloc.

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

The Chief Clerk read the nomination of EUGENE WORLEY to be associate judge of the United States Court of Customs and Patent Appeals.

Mr. MORSE. Mr. President, reserving the right to object—and I shall not object to this particular judgeship—I desire to take a moment to call the attention of the Senate to the fact that there is a group of nominations for judgeships pending before the Senate Judiciary Committee. I think it only fair that the Judiciary Committee give us an early report on those pending nominations. If hearings are needed on any of the nominations, let us have the hearings.

But I desire to refer very briefly to a pending nomination from the State of Oregon. A member of the Oregon bar has been given an interim appointment to the Federal bench. I believe it is only fair to the nominee that the Judiciary Committee dispose of his case within committee at a very early date. A letter I have received from him indicates that it is exceedingly difficult for him to handle his personal affairs, while there is a lack of final determination on his nomination. For example, he still maintains his law office, although he does not practice law and does not handle any cases through his law office. Naturally, he does not want to close the door on a legal practice built up by him over the years, if his nomination is not to be confirmed. Furthermore, when it comes to assigning cases on the Federal bench, it is not fair to other judges on the bench that this particular judge is not either confirmed or his nomination rejected, because some of the cases that are to be assigned will take a long time to try, a great many weeks, and in some cases many months.

It seems to me, Mr. President, the nominations have been before the Senate Judiciary Committee long enough. I have respectfully requested the committee in the case of the Oregon judgeship to notify me whether they are going to proceed with hearings or whether they are going to dispense with them. At one time in this particular case I understand a committee of the American Bar Association had raised some question in regard to the particular nomination. However, further investigation on the part of the American Bar Association resulted in a subsequent letter to the Judiciary Committee, pointing out that it had withdrawn its original objections and was now taking a position of neutrality apparently recommending neither for nor against the nominee.

I took the position, before the nomination was made, that I, as a Republican Senator, would not endorse any of those who were being considered for the judgeship, because I felt that after all it was a Democratic appointment and that I should keep myself in position to pass judgment upon whatever nominee was finally named by the President. I made very clear to lawyers in Oregon and to others who wrote me on the matter that I would transmit to the Judiciary Committee all communications sent to me in respect to this particular judgeship. I did so. After the nomination was made I received, of course, communications from those who were for and those who were against it. But I want to say, Mr. President, and I refer, of course, to the nomination of the Honorable Gus J. Solomon, I have yet to receive any evidence which would cause me to reach a conclusion that he is not qualified for this judgeship. In the absence of any such evidence, I intend to vote for the confirmation of his nomination, but I think it only fair to all concerned that the Senate dispose of the nominations one way or other at a very early date.

So I am taking this occasion to make an appeal from the floor of the Senate to the Judiciary Committee to report to the Senate its action one way or other on the nominations. If a hearing is to be held on the Oregon nomination, let us have it. Mr. President, I believe in fairness. In my judgment delay in handling the nominations simply is not fair to the nominees concerned. Although I am happy to see on the Executive Calendar this afternoon some nominations for judgeships, naturally I raise the question, why are not the other nominations on the list this afternoon? At least I think we are entitled to have from the Judiciary Committee a very definite statement as to what their plans are in regard to the nominations they have not reported to the Senate.

I am expecting to leave tonight for a few days in Oregon, and I want to say before I leave that I hope upon my return from Oregon the Judiciary Committee will at least have gone far enough in its action on the so-called Solomon nomination either to have begun its hearing or to have made a report to the Senate as to what its position is on it.

In order that there may be no question about the position of the junior Senator from Oregon on the nomination, I may say I have inquired into the Solomon nomination, and I will bring to the Judiciary Committee, if they do not already have them—but I am sure they do have—copies of the letters. I will bring to the Judiciary Committee letters from several members of the Oregon Supreme Court and letters from outstanding leaders of the Oregon Bar enthusiastically supporting the nomination. Therefore, in fairness to the bench and to Mr. Solomon himself, I make the request this afternoon for action by the Judiciary Committee in regard to the Solomon nomination.

Mr. SCHOEPPEL and Mr. KILGORE addressed the Chair.

The VICE PRESIDENT. The Senator from West Virginia is recognized for a question to be asked the Senator from Oregon.

Mr. MORSE. I have yielded the floor, but, if the Senator has a question, I shall be glad to answer it.

Mr. MAGNUSON. Mr. President, I thought I had the floor.

The VICE PRESIDENT. No.

Mr. MAGNUSON. But I will yield, if the Senator has a question he wishes to ask.

Mr. KILGORE. Mr. President, in the absence of the chairman of the Judiciary Committee, may I inquire whether a notice has been placed in the RECORD fixing a date for a hearing on the nomination?

Mr. MORSE. Not to my knowledge.

Mr. KILGORE. Under the rule, 10 days' notice is required.

Mr. MAGNUSON. I think I can answer the Senator from Oregon, who of course knows I share his views with respect to this particular nomination. It so happens that the Judiciary Committee makes it a rule in the case of judicial nominations to request an opinion from the American Bar Association. The Senator from Oregon states the facts correctly as to this particular case. There was some disagreement or mistake regarding the bar association report. Attorneys in Portland were not contacted. I also have a letter from Judge Solomon to that effect. In many cases subcommittees look into such matters, but I want to assure the Senator from Oregon, sharing his views as I do, that I myself am becoming somewhat impatient about the Solomon nomination. The nominations on the calendar today are nominations to which there is no objection, and as to which all the recommendations from the bar associations, State and otherwise, had been received promptly from interested Senators. I hope we shall be able to report on this nomination before the Senator returns.

Mr. WHERRY and Mr. SCHOEPPEL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Washington yield, and if so, to whom?

Mr. MAGNUSON. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I am delighted, of course, that the Senator from Oregon is making no objection to the confirmation of the judges listed upon the Executive calendar. I notice, of course, with pleasure the name of the Honorable Delmas C. Hill, who has been nominated for the position of United States Judge in the district of Kansas. I merely want to say he has received in my State the approval of the bench and bar, and I am happy to see steps taken this afternoon to confirm his nomination.

Mr. MAGNUSON. Mr. President, I think also at this time the nomination now before the Senate should not be acted upon without a sentence or two. Eugene Worley, who has been nominated to be Associate Judge of the United States Court of Customs and Patent Appeals, has been a very distinguished Member of the House of Representatives for many years. He is a man of ability, a man who has served in the House ably and with high distinction. I am sure the House will not like to lose GENE WORLEY, yet I know that he is well-qualified for this nomination, and will make an excellent judge.

Mr. CONNALLY. Mr. President, I desire to confirm what the Senator from Washington has said. Mr. WORLEY is a very able man. He has served with usefulness in the House of Representatives for many years. Before coming to the House he was an excellent practitioner with a splendid clientele in Texas. I have known him for many years, and I unhesitatingly recommend the confirmation of his nomination.

Mr. MAGNUSON. I may add, he served in World War II in the same theater I did. He also won great distinction by reason of his service in that war.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGES

The Chief Clerk read the nomination of James R. Kirkland to be United States district judge for the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Delmas C. Hill, to be United States district judge for the district of Kansas.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of J. Skelly Wright to be United States district judge for the eastern district of Louisiana.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John F. X. McGohey to be United States district judge for the southern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Thomas J. Clary to be United States district judge for the eastern district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Owen McIntosh Burns, to be United States district judge for the western district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert L. Taylor, to be United States district judge for the eastern district of Tennessee.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of Abraham J. Harris to be Assistant Solicitor General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The Chief Clerk read the nomination of Patrick J. Gilmore, Jr., to be United States attorney for division No. 1, district of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Whitfield Y. Mauzy to be United States attorney for the northern district of Oklahoma.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MAGNUSON. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the postmaster nominations are confirmed en bloc.

Mr. MAGNUSON. I ask that the President be immediately notified of all nominations confirmed this day.

The VICE PRESIDENT. Without objection, the President will be notified immediately.

RECESS

Mr. MAGNUSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 49 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 9, 1950, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 8, 1950:

COMMODITY CREDIT CORPORATION

The following-named persons to be members of the Board of Directors of the Commodity Credit Corporation, to which offices they were appointed during the last recess of the Senate:

William B. Crawley	Albert J. Loveland
Knox T. Hutchinson	Ralph S. Trigg
Elmer F. Kruse	Frank K. Woolley

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

EUGENE WORLEY to be an associate judge of the United States Court of Customs and Patent Appeals.

UNITED STATES DISTRICT JUDGES

Hon. James R. Kirkland to be United States district judge for the District of Columbia.

Hon. Delmas C. Hill to be United States district judge for the district of Kansas.

Hon. J. Skelly Wright to be United States district judge for the eastern district of Louisiana.

Hon. John F. X. McGohey to be United States district judge for the southern district of New York.

Hon. Thomas J. Clary to be United States district judge for the eastern district of Pennsylvania.

Hon. Owen McIntosh Burns to be United States district judge for the western district of Pennsylvania.

Hon. Robert L. Taylor to be United States district judge for the eastern district of Tennessee.

DEPARTMENT OF JUSTICE

Abraham J. Harris to be Assistant Solicitor General.

UNITED STATES ATTORNEYS

Patrick J. Gilmore, Jr., to be United States attorney for division No. 1, district of Alaska.

Whitfield Y. Mauzy to be United States attorney for the northern district of Oklahoma.

POSTMASTERS

NEVADA

Frank A. Phalan, Carlin.

NEW JERSEY

William H. Claypoole, Mount Holly.
Jule A. Douglass, Union.
Michael J. Adelizzi, West Berlin.

OKLAHOMA

Warren W. Pingleton, Halleyville.
Dessia Z. Jack, Meno.

WISCONSIN

Edward B. Granchalek, Denmark.
Melvin I. Kennedy, Montfort.
Carl A. Lundborg, Prentice.
Milton E. Raditz, Salem.
Robert H. Homb, South Wayne.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 8, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou gracious benefactor, whose heart responds to every human need, we rejoice that day by day we are the beneficiaries of Thy bountiful providence.

Hitherto Thou hast blessed us and we have found our confidence in the glorious promise that where Thou dost guide Thou wilt also provide.

Show us how we may bring to fulfillment and fruition those noble impulses which Thou hast planted within our souls.

Inspire us with the spirit of the Master who went about doing good, and daily may we find our joy in Him.

In His name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 88. An act to amend section 60 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended;

S. 576. An act to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah; and

S. 2441. An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau.

The message announced that the Senate disagrees to the amendment of the House to the bill (S. 930) entitled "An act to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HOEY, Mr. ANDERSON, Mr. AIKEN, and Mr. YOUNG to be conferees on the part of the Senate.

EXTENSION OF REMARKS

By unanimous consent, Mr. BIEMILLER was given permission to extend his remarks in the Appendix of the RECORD and include an article by Russell Davenport in Fortune magazine, notwithstanding the fact that it exceeds the limit established by the Joint Committee on Printing and will cost $355.34.

Mr. HELLER asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include extraneous matter.

FURTHER AID TO THE PHILIPPINES

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, yesterday I introduced H. R. 7600, a bill to further amend the Philippine Rehabilitation Act of April 30, 1946.

This bill, when enacted into law, will augment funds for the Philippine Rehabilitation Commission by $100,000,000.

By the passage of this bill the United States will have kept faith with one of its valiant allies.

When the recent World War came upon us the United States assumed the defense of its protégé, the Philippines. We had certain armed forces in the islands but the Philippines were a long distance away and we were busy in many parts of the world. An enemy, ruthless and powerful in the South Pacific, made a full-scale invasion into the Philippines and it was necessary for our troops to withdraw. In those dark days the people of the Philippines, through countless acts of courageous and patriotic resistance, showed in no uncertain terms their loyalty and friendship for America. High officials of our Government in radio broadcasts from here to the Philippines assured the Filipino people that although we had been unable to prevent the invasion of the islands, yet we would return and that the United States out of its great resources would restore and rehabilitate the economy of the Philippines. We encouraged them to fight on with the assurance that when the war was over their people would be compensated and made whole. It was recognized that a large part of the vast devastation was caused by the fact that the Filipino people stood stanchly by their American friends and refused to bow to the invader.

The committees of Congress charged with the drafting of this legislation were faced with the problem of enacting a statute for which there was no legal precedent, no law of averages to rely upon in estimating damages or claims, and no basis for estimating replacement costs.

In recommending the adoption of the Philippine Rehabilitation Act of 1946 the committee said:

> It is generally realized that additional legislation will probably be necessary in the future to augment and supplement the benefits which will be accomplished through S. 1610 * * *. It is expected that proposals for additional legislation will be made from time to time by the agencies of the United States Government, by the Government of the Philippines, and by the Filipino Rehabilitation Commission to meet needs for legislation as they arise.

The law specifically provides that claims in the amount of $500 or less must be paid in full. Of the approximately 1,250,000 claims filed, more than 1,000,000 were for $500 or less. Basing the settlement of these claims on an average of 50 percent of the amount claimed—many settlements were for a much higher percentage—it can readily be seen that almost two-thirds of the $400,000,000 authorized by the act must go to these small claimants, leaving the large claimants, the industries, sugar centrals, and so forth, on which reliance must be placed to restore the Philippine economy and give much-needed employment, receiving only a minor percentage of the approved amount of their claims.

Recent developments in that part of the world have pointed up more than ever the wisdom of Congress originally in extending this aid. It would not seem the better part of wisdom to have this aid prove insufficient now to help this new Republic to maintain its independence and democracy.

EXTENSION OF REMARKS

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD in two instances and include an editorial and a letter.

Mr. HEFFERNAN asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Brooklyn Daily Eagle.

Mr. BURDICK asked and was given permission to extend his remarks in the RECORD.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. CRAWFORD asked and was given permission to address the House today for 5 minutes following disposition of matters on the Speaker's desk and at the

conclusion of any special orders heretofore entered.

ADMINISTRATIVE BRANCH OF THE GOVERNMENT USURPING LEGISLATIVE FUNCTIONS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, surely you as well as every Member of Congress were amazed and astounded, just as I was, at the headline appearing in the Washington Times-Herald this morning stating, "Navy doctor purged in row over economy." Rear Adm. Joel T. Boone, who in his long, distinguished naval career has served as White House physician to three Presidents, stated to the Armed Services Committee of this House that he considered the cut-back of 18 military hospitals for the purpose of so-called economy was a short-sighted policy. Because he dared to come before a committee of Congress and express his honest views, he has been transferred from his position in the National Defense Department. No new assignment has been given to him. In other words he is being punished because he came to Congress, at the request of Congress, and gave his honest convictions regarding the elimination of necessary military hospitals.

Only a few months ago, Mr. Speaker, this Congress experienced a similar action on the part of the dictators of the Pentagon. The Armed Services Committee in its recent report concerning the hearings last fall on the general subject of unification and strategy, stated very cogently that the dismissal of Admiral Denfeld, for stating his honest beliefs to the committee, and every point he made was substantiated by the facts, constituted a reprisal of the most shocking ever known. In other words, Admiral Denfeld was thrown out for doing his duty, a duty requested by the Congress. And so it is again. Admiral Boone is removed from his job for doing his duty. Admiral Boone has been "Denfelded" for speaking his honest conviction at the request of the Congress in the performance of his duty. Is this Congress going to permit this method of reprisal and intimidation of witnesses to continue? Unless the Congress takes action on these dictatorial methods of the Pentagon how is it possible for the legislative branch of the Government to receive honest and considered opinions as well as factual information from witnesses who answer to the Pentagon? How can any committee of Congress know when it is receiving the right information? How can members of the committee know whether or not a witness is testifying the way he has been told or ordered to testify or else lose his job? This is a mighty serious situation. It is tremendously serious to this Congress if it is to continue to function in accord with the law. Yes, Admiral Boone was "Denfelded." "Denfelded" I say because he told the truth and that truth happened to be contrary to so-called economy of Pentagon dictators.

Mr. Speaker, this action again is a perfect example of how the executive branch of the Government is doing the legislating instead of the Congress. I say to you that when the extremely able Appropriations Committee of this House finally after long and detailed consideration presents certain items of appropriation as needed and then this House and the Congress passes the appropriation and it becomes law no individual, bureau, department, or organization of the Government should have the power to change the law and the appropriation. No individual in Government regardless of his position should have the power to withhold any of that appropriation. No person should possess the power to change any appropriation measure except the Congress itself. If there is to be any changes let those seeking the changes come to the Congress and explain the saving and explain further why the basis of the saving was not presented to the Congress when the matter was before the Appropriations Committee.

Now, Mr. Speaker, this Congress gave the Secretary of Defense certain powers. It was never the intention of any Member of the Congress to give the Secretary of Defense any power to sit above the Congress and exercise the right to veto certain appropriations that have become the law. No person has this right. Under the Constitution of the United States the Congress could not delegate such a power if it was so foolish as to try to do so.

In conclusion I respectfully request the membership not to permit any more witnesses to be intimidated. I request action should be taken to prevent any more reprisals, any more "Denfelding" of witnesses because they do not happen to parrot the Pentagon. I request we return to the American way of conducting business. Dictatorship has no room in the American way unless we permit it to take over without doing anything about it. Are the distinguished Members of this great and honored House going to permit some individual or individuals in Government, in the executive branch of the Government, to actually assume veto power over the legislation passed and the methods of forming the legislation? Is it not time to take action?

Mr. Speaker, I appeal for a return to the American way of doing business. We do not want ordered testimony from Pentagon witnesses in the future.

Mr. POULSON. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from California.

Mr. POULSON. Is that not what we had a war with Germany over, the fact that they stopped people from talking over there?

Mrs. ROGERS of Massachusetts. That is absolutely true. It is true also with Russia.

SOCIALISM

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want to ask the question, Who is a Socialist? It is amusing to watch President Truman and the Democratic Party state they are opposed to socialism. When one says he is for the Brannan plan for agriculture, do you not think that is just about as near socialism as we can get in this country, yet call it something else?

I wonder sometimes what we are thinking about when we suggest that we are not Socialists, yet we do the things that we do here in the House of Representatives. I refer particularly to some of the committees the members and the staffs of which in many cases are socialistically inclined, and when their writings and all the things they do dwell on the proposition of getting the Government more and more into business, in our private affairs, taking our freedom from the individual.

For the life of me, I cannot understand why men think, act, and vote one way and talk another. You would think that everybody here was against socialism, yet they are taking this country so close to it that eventually we will be like Great Britain. They had an election in Great Britain and the people out in the country were the ones who helped do away with socialism in part. God forbid it coming to America.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

INVESTIGATION OF THE COAL-MINING INDUSTRY

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, today I am introducing a resolution which I offered 3 years ago proposing an inquiry into conditions surrounding the mining of coal. At that time I said:

> Twice within the past year Nation-wide coal strikes have hit the country. * * *
>
> Whenever such a strike comes, we hear and read statements to the effect that conditions in the coal-mining industry are bad and that problems are different than in other fields of industry.
>
> The strike threat is parried in some patchwork fashion, and the Nation staggers on, hoping something will happen before next time.

Mr. Speaker, those same words could be stated today.

The SPEAKER. The time of the gentleman from South Dakota has expired.

PHILIPPINE REHABILITATION

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, the gentleman from California [Mr. MILLER] has announced that he is introducing a

bill in connection with Philippine rehabilitation. The committee which we have had operating in the Philippines during the last 3 or 4 years has used excellent judgment, in my opinion, and has accomplished almost the impossible in reconstructing the government buildings of the Philippines in the city of Manila and in the job they did in connection with the salvaging of those buildings which were bombed from the inside as well as from the outside. I think it makes engineering and construction history. When the committee takes up the bill which has been introduced by the gentlemen from California, I hope to be able to join with him in lending support to that proposition, because we are in a position now, internationally speaking, where we must maintain a foothold from an international defense standpoint, as well as national defense, in the Philippine Islands.

HON. OLIN TEAGUE

Mrs. BOLTON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, there is among the younger men of this House one of whom we as a Congress can well be proud.

There is probably none amongst us whose war record was more heroic—certainly none whose life hung longer in that strange halfway house between the carnate and the discarnate where so much knowledge lies. Out of this deep experience he brought a conviction that he must still serve his country. He had found this need under fire and during the more than 2 years in hospital beds. Out of the depths—and heights—of those years came a need to give the life that was given back to him to the widest service he could find to do. So we have him amongst us—we can talk and laugh and counsel with him daily—we can be quietly grateful for the deep gentleness that lies in his eyes, for the sweet strength that smiles upon his lips.

Several years ago he, with several others of us, went overseas together. His contribution to the group was far greater than he knew, greater than he in his modest heart would believe possible. My one regret was that we could not continue our trek together. But there was too much that had to be seen, too much to be inquired into for us to do otherwise than to separate into small groups. So I have joy today in expressing my appreciation here in this well when I take the opportunity to read into this RECORD a few words written me within the week by one of his constituents:

I have known him since the days when he was a student at the agricultural and mechanical college and feel about his life and work about as though he were my son. He is a fine young man, a good citizen, a good husband and father * * * what more could one wish in any young man. I'm as proud of his record as a Congressman as though it were my own, and I find no fault in him.

Texas, Mr. Speaker, is fortunate that among its Representatives in Washington is OLIN TEAGUE.

SPECIAL ORDERS GRANTED

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, and to have his special order to address the House today vacated.

Mr. PLUMLEY (at the request of Mr. MARTIN of Massachusetts) was given permission to address the House for 20 minutes on tomorrow, following any special orders heretofore entered, and to have his special order to address the House today vacated.

EXTENSION OF REMARKS

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD and include a letter from John E. Hughes.

Mr. LEONARD W. HALL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include a radio address.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter from President Carmichael, of Tufts College, with reference to the National Science Foundation roster.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, under permission granted to me, I now include at this point in the RECORD the letter from President Carmichael to which I referred:

The Honorable JOHN W. HESELTON,
House of Representatives,
Washington, D. C.

DEAR MR. HESELTON: Word has reached me that you would be willing to have me express my views in connection with the pending legislation to establish a National Science Foundation, and particularly with regard to that section of the bill providing for the establishment and maintenance of a roster of scientific and specialized personnel. I am very grateful to you for allowing me to write you about these matters.

As you may know, I was particularly concerned with the problem of scientific personnel during the war. I served during the war as director of the national roster of scientific and specialized personnel which was established in 1940. The roster was a mechanism for analyzing the scientific personnel potential of the Nation at that time. It provided a means for channeling into the war effort, both in and out of uniform, many of the Nation's highly trained scientists and technologists.

I do not need to emphasize that the scientists and other highly trained technologists and experts of America represent a vitally important national resource. Nor is it necessary to call attention to the dramatic role that the American scientist and technologist played in World War II. Since 1945, however, little definitive action has been taken as far as the Federal Government is concerned to develop an active planning program to insure the fullest use of our supply of scientifically trained citizens should another emergency occur. This has been a matter of concern to many scientists and educators who are interested in scientific manpower planning. The drain upon our already small reservoir of scientific skills, produced by our present increased research programs coupled with the depletion of our national scientific pool through the interruption of higher education during World War II, provides adequate reason to believe that in a number of important fields the national supply of fully trained scientists is insufficient to meet wartime needs should this country be thrust into another emergency.

In spite of clear evidence concerning the disparity between available scientific manpower for research and technological development, and the unprecedented need for such research, no long-range program has been undertaken by the Federal Government to identify and analyze the skills of the existing national supply of scientists so that in an emergency period these skills could be used to greatest advantage. Similarly, there is no accurate information available as to the extent and character of our national scientific manpower deficit, either in quantitative or, as is more important, in qualitative terms. Comprehensive studies are needed to prepare a basis for logical plans for meeting the increased demands for such existing trained individuals should the Nation again be forced into a war. Mobilization planning concerning industrial facilities and strategic materials automatically provides for a continuous assessment of existing facilities and natural resources. It seems to me, therefore, that it is all the more important in the field of scientific manpower to have such a national appraisal continuously available. Scientists can only be developed after long years of painstaking selection and training. Unlike many other wartime resources, scientists cannot be quickly or synthetically produced.

I should further emphasize that the implications of the maintenance of a national roster are perhaps more important in time of peace than as a measure for preparedness for war. The point of departure for adequate planning for scholarship and fellowship programs designed to increase our national supply of scientists is an assessment of the existing skills and distribution among scientific fields of our present scientific population. The proposed roster of scientists would provide such a base.

President Carmichael then summarized the 11 immediate uses of the proposed national roster, which I inserted in my remarks under conclusion No. 9, which will be found at page 2984 of yesterday's RECORD.

May I also call one further fact to your attention? It will probably be a matter of many months, if not a year, under the best of circumstances before a National Science Foundation could be created to undertake the type of detailed operation involved in the development and maintenance of an inventory of scientists. The problem of scientific personnel is so important that there is much effective work which can and should be started now so that when the Foundation is ready to take over the function it will have the advantage of absorbing an operating program already under way. In this connection, I should particularly mention two projects for the registration of scientists which have been developed by the Office of Naval Research with the assistance of the National Research Council and the Engineer's Joint Council. A considerable amount of time and effort have been expended in commencing the development of these lists. Unless action is taken promptly to continue this development, the records thus far secured will fall

into disuse and the Science Foundation will have to commence the project from the beginning. I have been advised by the staff of the National Security Resources Board, which has made a study of this problem, that the Office of Naval Research would welcome some interim action whereby the studies it has commenced can be continued in anticipation of the creation of the Science Foundation. I have been further advised that the National Security Resources Board is taking active steps to initiate a program of the registration of scientific personnel which the Foundation can take over and operate when it is in a position to do so. I think this interim action is necessary and most desirable. I am certain it will be welcome to those who will be responsible for directing the functions of the Science Foundation when it is activated.

In conclusion, may I state that I appreciate your efforts in support of the over-all science legislation which is of such great importance to the security and welfare of the Nation. This country must maintain its place of leadership among the nations in science. Please let me know if I can be of any possible service in assisting in providing information that may help in the final passage of this legislation. As this letter suggests, I am especially interested in the personnel aspects of science planning. Sometimes even very great physical scientists and engineers seem to forget that their own personal knowledge of the skill of a few colleagues is not enough when planning must be done on a national basis for some great research or development project. A strong America both in war and in peace demands, it seems to me, a real knowledge of the total potential of our specially trained national manpower. I am delighted that you are so deeply interested in this problem. I am especially grateful for your remarks in reply to Mr. WADSWORTH concerning the relationship of a roster of scientists and the National Academy of Sciences. I am a member of the National Academy of Sciences and I have been a chairman of one of the divisions of the National Research Council. I can assure you that the academy does not now and for various reasons probably never can maintain a full roster of scientists. If the roster were maintained by a proper agency of the Federal Government it would be of great assistance to the national academy in performing the functions assigned to it in 1863.

May I take this opportunity to send you my very best personal greetings.

Yours very truly,

LEONARD CARMICHAEL.

BRITISH TEXTILES

Mr. BARRETT of Wyoming. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. BARRETT of Wyoming. Mr. Speaker, I was amazed to learn of this press release from Manchester, England:

UNITED KINGDOM EMBASSY OFFICIAL SEES UNITED STATES DUTY CUTS ON BRITISH TEXTILES

MANCHESTER, ENGLAND, March 1.—John Taylor, commercial minister at the British Embassy in Washington, told the Lancashire textile exporters that they could look forward to tariff reductions on a wide range of goods when the schedules were reviewed in September.

Speaking at the Manchester Chamber of Commerce, Mr. Taylor told the members of the chamber's garment, hosiery, and United States sections that the official American attitude toward imports had changed, and that several import difficulties had already been removed from British goods. He also stated that efforts by special lobbies in the United States to oppose increased imports from Britain will not be successful.

Mr. Speaker, I have endeavored for some time to find out if these tariff reductions were going to be made. I have been unable to get any information on the matter. Why does not the State Department let the Congress and the people in on this information? It strikes me as strange, indeed, when the Congress must get its information from press dispatches from England.

SURPLUS FOOD COMMODITIES

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, another 24 hours have gone and another $60,000 is gone forever. I have no word from the President who leaves for Key West on Sunday morning. I hope he will do something about this mess before he leaves. If he does not, it certainly means something in the order of $2,000,000 will go down the drain before he returns. I have heard nothing from Secretary Brannan who I understand is somewhere in the Midwest. There is no action whatever by anybody. I cannot understand it and I do not believe the American people are going to understand it. Certainly, with income taxes due a week from today these people are going to be faced with a picture of millions of dollars of their tax money lost. It is a tragedy in every sense of the word.

I call your attention to the endorsement of bills filed by four of us February 2 and now pending before the Committee on Agriculture at page 2954 of yesterday's RECORD. There are millions of men and women and boys and girls in these 54 organizations who want this situation remedied at once, and who say that they can take care of a minimum of 39,000 tons of these surplus food products in 6 months, if a bill can only be made law to take care of the situation. If there is no such provision of law, they can afford to accept only about 4,000 tons.

Late this afternoon I received a letter from Mr. Hutchinson, Acting Secretary, which presents a very clear statement as follows:

With reference to further disposal of potatoes by this means, please understand that no order has been issued which compels dumping or destruction.

Are we to understand that the press was completely misinformed when Secretary Brannan sent out his famous order on the evening of February 3? And when he was extensively quoted as to the amount which would be destroyed, the unit bushel cost of destruction and the over-all estimate of that cost? All I can say at this moment is that I hope this presents a change in policy.

Of course I know that the Department is reported to be exerting effort to develop and expand outlets for useful purposes but the best immediate demonstration of its good faith would be in cooperating with those of us who want to get these food items out of storage houses and into the hands of needy people upon a paid-freight basis. Why cannot the Department send a favorable report to the Committee on our bills?

The letter follows:

MARCH 7, 1950.

Hon. JOHN W. HESELTON,
House of Representatives.

DEAR MR. HESELTON: This is in reply to your telegram of March 6 inquiring as to the quantity of potatoes destroyed pursuant to our announcement of February 3, and whether revocation of that announcement is in prospect.

Telephonic reports indicate that limited quantities of low grades and deteriorating lots have been dumped in four States. This action is so recent that the quantities involved have not yet been included in regular operating reports. State offices of the Production and Marketing Administration already have been directed to expedite reports of disposition in such manner as to indicate clearly what quantities have been dumped.

With reference to further disposal of potatoes by this means, please understand that no order has been issued which compels dumping or destruction. On the contrary, State offices of the Production and Marketing Administration merely have been authorized to sell surplus potatoes back to farmers at a token price for disposition on the farm when no other outlet is available. State offices are directed to confine such disposition insofar as possible to inferior grades and sizes and to lots which are going out of condition too rapidly to be held for orderly disposition.

You know, of course, that the Department is exerting every effort to develop and expand outlets for useful purposes and that no destruction will be permitted unless unavoidable. At the same time, however, it should be clear that the quantity of surplus potatoes the Department is likely to acquire is virtually certain to exceed useful outlets and that it is only this unknown residual which eventually may be lost.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

In addition, I received during the day estimates from the Department as to the location and amounts of potatoes, dried skimmed milk, and dried eggs in New England, New York, New Jersey, and Pennsylvania. I include that for the information and assistance of my colleagues from those States who may wish to make the information available to communities within reasonable distances of those locations:

Surplus commodities—potatoes, dried milk, and dried eggs

POTATOES

	Bushels
New England:	
Maine (estimate only)	20,000,000
New Hampshire	50,000
Vermont	50,000
Massachusetts	300,000
Rhode Island	50,000
Connecticut	300,000
Total	20,750,000
New York	2,500,000
New Jersey	None
Pennsylvania	500,000

Government does not own or have in storage any 1949 crop potatoes. Stocks are held by growers.

These are purely estimates subject to error because of changes in market supply conditions.

See Department of Agriculture note.

DRIED MILK, SKIMMED

	Pounds
New England—Massachusetts only:	
Boston	2,848,618
Lowell	1,275,533
Total	4,124,151
No other New England States.	
New York:	
Clintondale	404,159
Herkimer	649,800
Little Falls	229,400
Brooklyn	4,360,710
New York City	6,243,156
Total	11,887,225
New Jersey: Hoboken	4,601,104
None in Pennsylvania.	

DRIED EGGS

	Pounds
New England	None
New York City	297,416
New Jersey—Jersey City	866,096
Pennsylvania	None
Total	1,163,512

Finally, for the information of the communities in the First Massachusetts District, I want to report that the Production and Marketing Administration at Amherst advises me that it is discontinuing taking any further orders against potatoes in storage houses in the Connecticut Valley area and estimates that the purchases in that area will be complete by March 20 except for a few orders that they may have on hand for welfare distribution. I am grateful indeed that efforts there have prevented any substantial destruction of these potatoes.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

IMPORTATION OF OIL

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, figures released on yesterday by the Department of Commerce show that the average importation of oil into this country for January was 885,000 barrels per day, the highest in history. It was an increase of 38 percent over the 1949 average, of 43 percent over the January 1949 average, and of 72 percent over the 1948 average.

I hope the Committee on Ways and Means will take seriously my suggestion of $1.05 per barrel tax on imported crude oil and derivatives thereof. That is a painless, easy way to raise over $300,000,000 per year.

EXTENSION OF REMARKS

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an article, notwithstanding the fact that the article exceeds the limit set by the Joint Committee on Printing and is estimated by the Public Printer to cost $717.50.

GUIDED MISSILES

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I have before me two articles which appeared side by side in a recent edition of one of the Washington newspapers, and I ask that they be printed in the RECORD. In one article it is stated that Soviet rockets fired from Baltic possessions of Russia are capable of hitting New York. The other quotes an American scientist as saying that trans-Atlantic rockets are highly impractical and that the Russians are wasting their time.

I hope, Mr. Speaker, the attitude of the American scientist is not the attitude of the military leaders of this country, but I fear it is the attitude of some military people and some scientists. There are those who having won their laurels with the weapons of the last war, are content to prepare to fight the next war with the weapons of the last one.

I would like to point out 10 years ago there were no guided missiles. Ten years hence, they may and probably will be the weapon of the hour. I know this—I know that the program for guided missiles proposed in this year's budget is small—very small, and I fear we are behind, Mr. Speaker, in a program where it is dangerous to be behind.

[From the Washington Evening Star of March 5, 1950]

SOVIET BALTIC ROCKETS REPORTED CAPABLE OF HITTING NEW YORK

(By James Wakefield Burke)

BERLIN, March 4.—The Russians have developed a rocket missile which is said to be capable of delivering an atomic bomb from a base on the Baltic Sea to New York City. German seamen—employed by the Russians in hauling material and personnel to and from the Russian experimental bases in the Baltic—have reported corroborating data on the rockets to Swiss scientists.

It is believed that as few as 12 of these powerful rockets, carrying atomic warheads, can destroy New York City.

It is an established fact that the Russians already have fired, with great accuracy, many rockets from Leningrad to the region of Peenemuende, a distance of more than 1,000 miles. Peenemuende is on the Baltic Sea in the Russian zone of Germany.

ALLIES DESTROYED PLANTS

Peenemuende was where the Nazis had their big V–1 and V–2 rocket experimental base. About 150 German scientists were employed at the plants and were approaching the realization of firing rockets as far as the United States coastline when Allied bombs destroyed the plants in 1944.

At war's end, the Russians kidnaped many of the scientists and took them to Russia. Since the occupation, the Soviets have completely rebuilt the plants and the experimental base—and captive scientists have been working for them.

Much is known about the experimental rockets which have been fired from Leningrad to Peenemuende. The largest ones used to date are 30 feet long and 5 feet in diameter. They have a small fin, a guiding rudder, and are loaded with radio, radar, and other equipment.

Upon reaching a height of 15,000 feet the missiles are taken under control by a radio station on the ground and guided along whatever course is desired.

Ships stationed every 250 miles along the route in the Baltic are able to take over radio control of a missile as it passes overhead. The Soviets have been able to bring the rockets down at almost any spot desired. The German seamen claim that they have recovered all of the experimental missiles fired.

The seamen reported that the Soviets have built two new rocket bases on Peenemuende, one facing east and one facing west. Using the German plans for transoceanic rockets, they have proceeded to build the world's most powerful rocket-driven missiles, the seamen stated. The German plans called for a rocket which would travel 7,000 miles in 45 minutes.

The island of Usedom, off the Baltic coast, has been cleared of all civilian population. Only Russians, workmen, and their captive German scientists are permitted there. A mine field actually exists between Peenemuende, which is located on the northwest tip of Usedom Island, and the small island out in the sea called Griefswalder Oie. On this island and on the island of Poel, near the harbor city of Wismar, the Russians have installed a vast amount of equipment. This area is used as a measuring strip for the Russian rockets.

Radio, radar, and specific German instruments, such as the Wuerzburg-Risese apparatus and the Freya-Elevator, have been built to measure the flight of the rockets from Leningrad to the grounds around Peenemuende. Ships are used to retrieve the rockets from the sea. The missiles are sent to Leningrad for study.

The military leader of this Russian scientific outpost in the Baltic is a captain, first class, of the Red Navy, Peter Jefimowitsch. The scientific head is Prof. Alexi Korlowitsch Artamanow.

TRANS-ATLANTIC ROCKETS HELD HIGHLY IMPRACTICAL

(By Thomas R. Henry)

A guided missile directed by a series of radio-direction stations for several thousand miles—as across the Atlantic from Russian-held territory in eastern Germany to the east coast of the United States—theoretically may be possible but, in the light of everything known here, highly impractical.

"It's a good way for the Russians to waste their time," said one Washington scientist prominent in guided missile work during the war.

Perhaps the major difficulty, he pointed out, is that the intended recipient of the bomb would not be accommodating enough to provide a guide station operating at the proper wave length at the prospective target.

SKY WAVES INTERFERE

The greater the distance a missile must be guided by radio waves the greater the inaccuracy—one major reason being the constant interference of "sky waves," all sorts of radio disturbances from the earth's upper atmosphere, the sun and even the milky way. Even with a line of stations along the way there is bound to be a cumulative error.

This can be compensated for only by a guiding station at the target itself.

Stations on ships along the route necessarily would be extremely complicated, requiring such instruments as automatic computers.

It is highly doubtful that German scientists working at Peenemuende during the war were even approaching the solution of firing rockets as far as the United States coastline. Some highly theoretical documents were captured there, but they are considered mere pipe dreams of bored scientists.

REAL ACCURACY NOT POSSIBLE

During the war it used to be said: To hit the city of London with a V–1 rocket (a short range missile) requires fine marksmanship. With a V–2 it requires supermarksmanship to hit the British Isles.

This was an oversimplification, as was apparent during London's terrible ordeal after D-day, when V-2's were being fired from Holland, notably from mobile stations hidden in groves on the outskirts of The Hague and Rotterdam. Still, even for this short distance, no real accuracy was possible.

The SPEAKER. The time of the gentleman from Florida has expired.

EXTENSION OF REMARKS

Mr. WILSON of Texas asked and was given permission to extend his remarks in the RECORD and include an editorial.

VETERANS' HOSPITAL

Mr. LYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYLE. Mr. Speaker, daily we hear pleas made to Congress by various executive departments urging us to discharge our responsibilities to the world. Too seldom, however, have we heard their pleas in the interest of our greatest responsibility—that of adequately caring for the sick and injured Americans who fought in time of war.

There are dramatic exceptions, however. For example, Admiral Joel T. Boone, a great American, a great admiral, a man who has served his country so well that he wears the Congressional Medal of Honor, spoke up for the veterans recently and was summarily dismissed. I salute Admiral Boone and I feel that I am joined by a majority of the Members of this body in paying my highest respects to him and in saying to him that we deplore the thinking of men in high and responsible public office who so lightly take their duties and so arrogantly disregard them.

This country and this Congress has a tremendous responsibility to the sick and injured men who fought our battles. We cannot discharge that responsibility with the plea that we are doing all we can, nor with folded hands may we say that economy requires us to provide less than they have a blood-bought right to expect.

The area which my colleague the gentleman from Texas [Mr. BENTSEN] and I represent comprises more than 30,000 square miles. In Corpus Christi alone I am told there are 18,000 to 20,000 veterans among whom more than 3,000 have service-connected disabilities entitling them to treatment in either veterans hospital or private hospitals where no VA facilities are available. The private hospitals in Corpus Christi have a total of 308 beds which are insufficient to take care of nonveteran needs alone. The hospital facilities in San Antonio and Houston provided by the Veterans' Administration are woefully inadequate and are hundreds and hundreds of miles from the southern border of Texas; besides it is ridiculous to subject acutely ill patients to the hazards of such long trips. Mr. Speaker, it is most confusing for the public generally to attempt to keep up with the feeble explanations of the Department of Defense in their efforts to justify their orders to close hospital beds which are so sorely needed for our veterans. They do not understand an economy move which costs them thousands and thousands of dollars in additional taxes. For example, Mr. Speaker, it is claimed by the Department of Defense that it is an economy measure to close down the 125 beds which have been contract beds with the Veterans' Administration at Corpus Christi. The facts are that by reducing the hospital to 100 beds for Navy personnel only, the daily patient cost of $13.53 will increase to more than $20 a day or approximately 50 percent above the present cost of hospitalization. The only reduction in personnel will be 4 doctors, 10 nurses, and 30 corpsmen. In other words, one-third as many patients will require 50 percent overhead in operating expenses and the Navy will be required to expend $2,000 a day for 100 patients, an increase of approximately $600 a day.

The total per diem cost for treating patients in VA hospitals throughout the United States averaged approximately $15.41 as compared with the daily cost of $10.75 for VA patients in the Corpus Christi Navy Hospital. With the elimination of VA patients from the Corpus Christi Navy Hospital it will increase the cost of naval patients approximately $7 a day or a total of $263,000 a year.

By cutting out beds for VA patients the tax payer will incur an additional expense of more than $200,000 a year plus transportation cost to facilities located at long distances and the navy will incur an added cost per year of $263,000. This, Mr. Speaker, does not make sense. It is not good economics to cut out one facility and add a cost to the taxpayers burden of more than $400,000.

Disregarding costs and economics we owe a great responsibility to the sick and injured veteran. They are entitled to facilities near their homes. The executive branch of the Government is apparently disregarding this obligation. I appeal to you to assist me in convincing the Department of Defense that it is in the interest of our country and its obligation to keep open the facilities in the Corpus Christi naval hospital for the veterans of south Texas until such time that we may make more permanent arrangements. The facilities are excellent, they are splendidly run and supervised. They are well located and only an arrogant disregard for duty, responsibility and good common sense will compel their closing.

DEVELOPMENT OF PEAT RESOURCES

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, my colleague the gentleman from Minnesota, Hon. FRED MARSHALL, has recently introduced two bills to encourage the development of the Nation's peat resources. H. R. 7330 would authorize the necessary preliminary research into the use of peat as a fuel in the generation of power and industrial uses of its byproducts. A supplementary bill, H. R. 7574, authorizes the Reconstruction Finance Corporation to make loans to private business for the development and better utilization of peat and its byproducts.

I urge every Member of the House to give these proposals serious study because peat remains one of our greatest untapped natural resources of the United States. Minnesota's 7,000,000,000 tons comprise half of the Nation's known supply but deposits are found in many other States. If we pursue the work already begun in the United States and in Europe, these wastelands can support centers of industrial and agricultural development.

Low-cost power and short-haul fuel will mean progress in States like Minnesota where large undeveloped peat deposits have long lain unused. It will make central United States less dependent upon long overland or overwater transportation of coal from eastern mines and will contribute to the continued advance of low-grade iron-ore program.

As my colleague the gentleman from the Eighth District, Hon. JOHN BLATNIK, has pointed out to the House in a recent speech, peat fuel and low-cost power will encourage the development of taconite in the iron range. Until now this program has been hampered by the high cost of fuel and power.

The effective use of Minnesota peat is not only important for the development of northern Minnesota, but important for the whole economy of the United States.

Research in Russia and Great Britain has shown that in addition to its use as a fuel in the generation of power, peat is the source of valuable industrial chemicals and fertilizers. It has been used in the manufacture of synthetic rubber, paper, textiles, artificial wood, bricks, insulation, surgical dressings, lubricating oils, insulation, and varnishes and dyes.

Because these are byproducts of the processing of peat, the cost of manufacture will be less than their direct production cost would be. The use of peat fuel for steam at electrical generating stations has been developed on a large scale in Russia with great success and similar work is being done in England and Ireland.

It is imperative that we begin to develop a peat program in the United States that will open many new fields for small business and new jobs for workers. By using these peat deposits we can promote industrial expansion without taking anything away from present industrial areas and make productive broad areas now considered waste.

VETERANS' HOSPITALS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from Texas [Mr. LYLE], who has just spoken with respect to the lack of hospital facilities, I desire to say

that we have a bill to restore the 16,000 hospital beds that were wiped out by Executive order. We have tried to get that bill before the House in every possible way. It is on the Union Calendar, and we put it on the Consent Calendar. Every time we reach it on the Consent Calendar someone asks that it be passed over without prejudice. Therefore, we have been unable to get a vote on it.

I agree with the gentleman from Texas [Mr. LYLE] that every veteran should have hospital facilities within a reasonable distance. In order to provide those conveniencies, as far as possible, as I said, I have introduced a bill, and it has been reported by the Committee on Veterans' Affairs, to restore these 16,000 beds. They are in areas where there is necessity for additional hospital facilities.

The SPEAKER. The time of the gentleman from Mississippi has expired.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House on Monday and Wednesday next for a period of 10 minutes following the legislative business of the day and any other special orders heretofore entered.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I have been interested in the remarks of the gentleman from Mississippi concerning the 16,000 beds which were cut off by order of the President.

I would like to call the attention of the House and the gentleman from Mississippi to the fact that there are bills before his committee for the transfer of certain military hospitals to the Veterans' Administration, which have not yet been approved or sent to the floor by his committee.

In my own State there are three such hospitals. One is the McCornack General Hospital of the Army; another is the Corona Naval Hospital; and another one the Long Beach Naval Hospital. Those are institutions constructed during the war under first-class standards and conditions. It seems to me that before we start considering whether or not we are going to spend a great deal of the taxpayers' money in building new hospitals we might do something about the transfer of existing hospitals which were built by the armed services, or acquired and rebuilt by the armed services during the war, to the Veterans' Administration for the purposes mentioned.

The SPEAKER. The time of the gentleman from California has expired.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, I am prompted to make a brief statement by what the gentleman from Texas and the gentleman from Mississippi has just said regarding adequate hospital facilities for veterans. Never have I thought that Congress intended for an honorably discharged veteran who becomes physically or mentally disabled to be incarcerated in a common jail. From what I have heard others say, including the gentlewoman from Massachusetts, conditions are generally the same throughout our country.

Nowadays I am frequently called upon, in desperate cases, to plead for admission of veterans to hospitals. Oftentimes the appeals are from State and county officials where a veteran is mentally sick and is in danger of committing violence either to himself or others. Surely our great country can and should promptly make beds available for veterans who need them.

Congress has repeatedly acted upon indisputable evidence authorizing adequate hospital facilities but administrative orders have disregarded the wishes of this body. Economy is needed but not at the expense of veterans who in the time of our country's need gave all and more than was required of them. I urge immediate action on this important matter.

ADDITIONAL HOSPITAL FACILITIES FOR VETERANS

Mr. WHEELER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHEELER. Mr. Speaker, it is well enough for us to stand in the well of the House and advocate furnishing additional beds and facilities for veterans in various parts of the country. While we are doing that, however, it might be well to direct attention to the fact that we do not have adequate medical personnel with which to staff the facilities already in operation. While we are talking about hospitals and adding 16,000 beds, or transferring additional beds to the Veterans' Administration for use, we might direct attention to the answering of this one question: How far are we going in providing hospitalization for non-service-connected cases? And we must remember at the same time that as of June 30, last year, two-thirds of all the veteran cases hospitalized in Veterans' Administration facilities were non-service-connected cases. I suggest, Mr. Speaker, that we direct our attention to the solution of some of these problems before we raise too much fuss about building additional facilities or making additional beds available.

No Member of this body is more interested in seeing that all deserving veterans are provided with adequate medical and hospital services than I, but it is useless for us to talk about building 16,000 additional new hospital beds when we do not have sufficient medical personnel with which to staff the beds we already have. Down in Dublin, Ga., we have a fine hospital plant where there are hundreds of unused beds. The reason these beds are unused is that the medical personnel with which to man them is not available.

It is true that many veterans are suffering from insanity in one form or another and are denied hospitalization while some doctor attempts to establish service connection. I have introduced H. R. 7534 which, if enacted, will grant automatic service connection presumption to veterans who can show symptoms of insanity to have developed within 3 years of discharge. Service-connected presumption will place these cases immediately in hospitals and take them out of county jails. This bill should be passed immediately.

The SPEAKER. The time of the gentleman from Georgia has expired.

EQUAL RIGHTS FOR WOMEN

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, there is a petition on the desk to discharge the Committee on the Judiciary from further consideration of House Joint Resolution 68, filed by our colleague the gentlewoman from New York [Mrs. ST. GEORGE], which, if passed, would provide equal rights for women. We have heard a great deal here of late on the question of civil rights of certain groups in the United States, but we have done nothing about this very vital thing, which has been before the Congress for years. It is now assuming the proportions of importance that the question of votes for women assumed some years back; it is getting to the point where one who is opposed to equal right for women is in as much political jeopardy today as he would have been had he opposed votes for women years ago.

I recommend that those who have not looked at the petition do so and sign it, and bring the question before the House for consideration.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the roll of the committees.

PUBLIC AIRPORTS SERVING NATIONAL PARKS, ETC.

Mr. CROSSER (when the Committee on Interstate and Foreign Commerce was called). Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce, I call up the bill (S. 1283) to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar. The House automatically resolves itself into the Committee of the Whole House on the State of the Union for the consideration of the bill.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1283) for the

construction of public airports serving national parks, national monuments, and national recreation areas, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, there are 2 hours of general debate. The gentleman from Ohio [Mr. CROSSER] will be recognized for 1 hour and the gentleman from California [Mr. HINSHAW] for 1 hour.

Mr. CROSSER. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, this is a very simple bill, one that is not very far reaching, yet a bill which the House Committee on Interstate and Foreign Commerce feels is justifiable. A similar bill was passed by the Senate without opposition. Two amendments, I believe, were placed in the bill when it was considered by the Committee on Interstate and Foreign Commerce of the House and with those two amendments without opposition it was reported by the committee.

The bill is favored by the Civil Aeronautics Authority, it is favored by the Department of the Interior, and it has the endorsement of the National Association of Aviation Commissioners. As a matter of fact, I know of no great opposition to the legislation.

As the situation now stands, and as provided by the Airport Act which the Congress passed several years ago, the Department of the Interior can sponsor and build an airport within a national park or recreational area. I repeat, as the situation now stands the Department of the Interior can sponsor and build, along with the CAA, an airport within a national park or recreational area. However, it cannot do this in close proximity to a national park or recreational area.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Nebraska.

Mr. STEFAN. The appropriation for the CAA for fiscal 1951, including airports, will run around $282,000,000, as I recall. If this bill is passed, may I ask the gentleman, How much money would it authorize for the construction of airports in national parks and what class airports will they be?

Mr. BECKWORTH. There are eight projects which the Department of the Interior and the CAA feel would likely stand a chance to come into being under the terms of this legislation.

Mr. STEFAN. Eight airports?

Mr. BECKWORTH. Eight.

Mr. STEFAN. What class airports will they be?

Mr. BECKWORTH. Two would be class 2, two would be class 3, one would be class 4, three would be class 1, according to a table that was prepared for me.

Mr. STEFAN. Will the gentleman give us the location of those eight airports?

Mr. BECKWORTH. According to the information I have, one would be at West Yellowstone, one at St. Marys, one at Grand Canyon Rim, one at Carlsbad Caverns, one at Mariposa, one at Marathon, one at Longmire, and one at Estes Park.

Mr. STEFAN. That is all of the eight?

Mr. BECKWORTH. All eight.

Mr. STEFAN. What is the approximate cost?

Mr. BECKWORTH. The approximate cost for the eight would be $1,282,780, or perhaps less, based on the information I have which I shall include in the RECORD.

Mr. STEFAN. You would not pay for land, would you? The land is already owned by the Government.

Mr. BECKWORTH. Not necessarily, if they acquire land in close proximity.

Mr. STEFAN. This is a million how much?

Mr. BECKWORTH. $1,282,780.

Mr. STEFAN. What would we get for that $1,282,000, just the land, the development of the land areas or what?

Mr. BECKWORTH. We would get different things in the case of each project. For example, in the case of West Yellowstone land would be acquired, land would be cleared, graded, drained, fenced, an apron would be paved, there would be lighting, an administration building would be built as well as some access roads.

Mr. STEFAN. Any control towers?

Mr. BECKWORTH. That is all that is mentioned here.

Mr. STEFAN. The gentleman just mentioned a few things that would make an airport complete for operation.

Mr. BECKWORTH. Yes.

Mr. STEFAN. The gentleman has not got the airport in operation as yet. The gentleman must know that this is a very serious thing because these airports would be operated at the expense of the Government.

Mr. BECKWORTH. That is not altogether correct.

Mr. STEFAN. It is not?

Mr. BECKWORTH. No. I would like to proceed and finish my statement, then I would be delighted to clarify any questions that might be asked if I can.

I said a moment ago when I was interrupted that today the Department of the Interior can sponsor and build an airport within a national park, but it is found in some instances that it might be advantageous rather than building some of these in national parks to build them in close proximity to national parks and recreational areas.

If that is done, and if you can procure the cooperation of some municipality, for example, and it was testified that that cooperation can likely be procured in some instances, then the municipality cooperating will probably pay a part of the original cost and in addition perhaps maintain in part the airport and perhaps see that it is operated.

Bear in mind that if under the present law the Department of the Interior with the CAA sponsors and builds an airport in a national park, the Government will, of course, have to maintain that airport and will also have to operate it, whereas if it is built in close proximity to a national park and the cooperation of a given municipality is received—and I repeat that it was testified that it is definitely thought that could be obtained in a number of instances—the municipality would have a part in running it or helping to run it and in maintaining it, which would mean a saving to the Government.

The report has in it a case which I shall take the time of the Committee to read:

> The airport situation at Yellowstone National Park illustrates the type of problem this legislation is intended to meet. A new and larger airport is needed at West Yellowstone, Mont., primarily to serve the park, which was visited by over a million persons in 1948. The existing airport does not meet minimum acceptable standards. In May 1948, the Civil Aeronautics Board approved the request of Western Air Lines to suspend service because of the hazardous character of this airport. Several sites outside the park and in close proximity to West Yellowstone are suitable for airport purposes, yet the local government of Gallatin County, Mont., is unable to finance its part of construction costs without assistance.
>
> Building airports reasonably close to the park entrances has other advantages. Air traffic would be concentrated at centrally located airports where established ground transportation facilities are for the most part already developed, or are capable of being expanded as needed. The resulting larger volume of air traffic would encourage the development of related hotels, restaurants, and other businesses in connection with the airport, which would be impractical on a larger number of scattered air strips. It is obvious that, in the present stage of aircraft development, providing air strips within walking distance of all the attractions of a national park, aside from this impropriety, would be impractical and uneconomical.

I may say that witnesses who testified before us indicated that in their very definite opinion if airports are to be built money can be saved by building them in a number of instances in close proximity to the national parks rather than inside the national parks.

Remember if the airport were in the national park, the Government would have the total responsibility of maintaining and operating it. It is certainly the thought of the Interstate and Foreign Commerce Committee of the House that this is not a bill designed to bring about the expenditure of more money, but actually of less money, as we go forward in the development of our national airport program.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. EBERHARTER. Is it intended that these airports shall be used by the regular operating airlines?

Mr. BECKWORTH. They certainly would be public airports subject to whatever good use they could be put to.

Mr. EBERHARTER. And commercial airlines could use the airports in the transportation of people?

Mr. BECKWORTH. Providing that they are certificated in the regular and proper order, I would say.

Mr. Chairman, I reserve the balance of my time, unless there are some further questions, and at this point desire to include a table.

Tenative program proposed under S. 1283

State	National park	Airport	Present class	Proposed class	Sponsor, such as Interior and/or municipality	Funds, Federal (under Airport Act)	Total	Description
Montana	Yellowstone [1]	West Yellowstone	3	4	$141,800	$158,200	$300,000	Acquire land; clear, grade, drain, turf, fence, pave apron; lighting; administration building; access road (strip 300 by 6,700).
Montana	Glacier	St. Marys	0	1	15,743	17,057	32,800	Acquire land; clear, grade, drain, turf 1 strip 500 by 3,200; administration building, access road.
Arizona	Grand Canyon	Grand Canyon South Rim (Tusayan Lodge).	0	3	58,300	90,600	148,900	Clear, grade, drain, stabilize, 5,700-foot strip and taxiway; stabilize apron; access road; shelter building, utilities.
New Mexico	Carlsbad Caverns	Carlsbad Caverns (White City).	0	1	72,681	93,619	166,300	Acquire land, stabilize class 1 runway, administration building, apron, access road.
Texas	Big Bend	Marathon	0	3	117,090	114,690	231,780	Land, pave, light 1 runway; administration building, access road.
California	Yosemite	Mariposa	S-1	1	2,000	2,300	4,300	Extend strip to 2,400 feet; oil access road.
Washington	Mount Rainier	Longmire	0	2	95,937	102,763	198,700	Acquire land, clear, grade, drain, pave runway, taxiway, apron, administration building, utilities.
Colorado	Rocky Mountain	Estes Park	0	2	104,671	95,329	200,000	Acquire land, grade, drain, surface 1 runway, taxiway, apron; access road; administration building; utilities.
Total					608,222	674,558	1,282,780	

[1] Will be first project—certificated by CAB to Western Air Lines. Service suspended because unsafe airport.

Mr. HINSHAW. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this little bill is brought to the House for the purpose of saving some money in airport building to the Government of the United States. As has been said by the chairman of the subcommittee on transportation, the gentleman from Texas [Mr. BECKWORTH], which subcommittee deals, among other things, with the subject of civil aviation, there are a number of instances in the United States where a town, in reasonably close proximity to a national park, has requested the right to sponsor an airport program for that town.

At the same time and under existing law, the Department of the Interior, as an agency of Government, has the right to build an airport project wholly within the park as an Interior Department proposition.

If we could get these two agencies—one the Department of the Interior and the other the community—in a given State, not too far from a national-park entrance, to join as cosponsors of an airport project, then only one airport need be built. Whereas in the event that the present law is not modified, and the program for airport development, as set forth by the Administrator of Civil Aeronautics, indicates that an airport should be built in the area of this particular town, continues, then we are liable to have two airports instead of one, and the operation costs of two airports instead of one.

The intention behind this bill is merely to permit a joint sponsorship of the Department of the Interior and of a local community with the Civil Aeronautics Administration in a project under the Federal Aid to Airports Act for the mutual benefit of the Department of the Interior and of the town.

I understand there is some question about limitation. There are already limitations. These limitations are contained in the Federal Aid to Airports Act. I think the total—I cannot remember exactly—is $50,000,000 a year maximum. But the total appropriation over a 7-year period is $500,000,000. Maybe it is $75,000,000 a year. I do not remember at this moment what the exact limitation is. At all events, this program is reviewed by the Committee on Apropriations of the House each year, and an amount is allocated for the Federal-aid-to-airports program which that committee feels may be justified. This money would come, as I understand it, from that fund except for the amounts that are appropriated to the Department of the Interior through Department of the Interior appropriations.

The Department of the Interior goes before another Subcommittee on Appropriations for its money, and it can obtain an amount, assuming the committee is willing to recommend it, sufficient to build its own airport complete.

I think the gentlemen who are here present and who are members of the Committee on Appropriations would agree that it would be economy to join these projects into one and have them jointly sponsored.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman, the chairman of the Subcommittee on Appropriations, dealing, among other things, with the Department of Commerce and the Civil Aeronautics Administration.

Mr. ROONEY. What is the total amount involved in this legislation, insofar as the taxpayers are concerned?

Mr. HINSHAW. As I understand it, there is no total amount involved. It is a question of authorizing joint sponsorship of the Department of the Interior with a local community under the Federal-aid-to-airports plan.

Mr. ROONEY. As the result of the passage of this legislation, would there not be eight additional airports for use by commercial air lines?

Mr. HINSHAW. No, I do not think there would be any more airports. I think there would be less airports under this plan than would be available under present law.

Mr. ROONEY. If I understand this bill correctly, it authorizes the establishment of eight airports outside of and in close proximity to national parks, is that not so?

Mr. HINSHAW. It makes no specific authorization in numbers. As the gentleman knows, the Federal Aid to Airports Act provides that the Administrator of Civil Aeronautics shall establish a plan for public airports and shall review that plan annually and present the review to the Congress.

Mr. ROONEY. I understand that, but my question is, Will not the airports authorized to be established by this legislation be utilized by the commercial air lines?

Mr. HINSHAW. They might, if they chose to make application for such a route stop, I suppose.

Mr. ROONEY. What would the eight airports, such as are authorized in this legislation, cost the taxpayer?

Mr. HINSHAW. The gentleman from Texas [Mr. BECKWORTH] indicated a moment ago that the cost of all of them would be in the neighborhood of $1,200,000, from the standpoint of the Federal Government.

Mr. ROONEY. In addition to the figure $1,200,000, you would also be in a position to get money, would you not, for air-traffic-control towers, equipment, personnel, and many other things with which the gentleman is very familiar?

Mr. HINSHAW. That is assuming that the traffic which developed at the airport reached the standards established by the Civil Aeronautics Administration for the establishment of such facilities.

Mr. ROONEY. It occurs to me that you are adding eight lucrative stops for the commercial air lines. How much will these commercial air lines contribute toward the cost of establishment of these eight additional airports which they will use?

Mr. HINSHAW. The sponsoring agency is directed under the law to establish landing fees and other charges in the public interest.

Mr. ROONEY. Will they pay anything other than small landing fees for the facilities?

Mr. HINSHAW. I presume if they had any facilities they would have to rent them.

Mr. ROONEY. If they had a hangar they might pay rent for the hangar; is that so?

Mr. HINSHAW. That is right.

Mr. ROONEY. Is it not the fact that none of these landing fees you speak of

would be paid to the Federal Government but to the municipality or agency which has the airport?

Mr. HINSHAW. It would depend on whether the land was owned by the municipality, or whether it was owned by the Federal Government.

Mr. ROONEY. In the eight instances where you propose new airports in this legislation, I take it the Federal Government does not own the land. I understood the purpose of this bill was to erect airports in municipalities outside national parks.

Mr. HINSHAW. Not altogether. I think the gentleman from Texas [Mr. BECKWORTH], who heard the complete hearings, might answer that question better than I can.

Mr. ROONEY. I am inquiring whether or not, with regard to these eight new airports, they are all to be established in municipalities outside the national parks.

Mr. BECKWORTH. May I say that this bill does not actually authorize any specific airports. They would have to be worked out, sponsored by the Department of the Interior, and come within the plan approved by the Civil Aeronautics Administration. I might add further that the Department of the Interior would have to come before the gentleman's subcommittee of the Appropriations Committee and ask for its part of the money.

Mr. ROONEY. Where did the gentleman get the list of eight airports which he read to the committee a while ago?

Mr. BECKWORTH. I got the list from the Civil Aeronautics Administration, and they are airports that might possibly come into being as a result of this legislation, but I want to go one step further. They would not possibly come into being, sponsored by the Department of the Interior, unless the Appropriations Committee saw fit to provide the money with which to bring them in.

Mr. ROONEY. I understand that, but as a member of the Appropriations Committee, we are confronted year after year with additional millions and millions of dollars for new airports for commercial air lines, a very insignificant part of the cost of which is contributed by these commercial air lines. That is the point of my questions today with regard to these eight proposed additional airports. As to these eight additional airports that you mention, are they all to be located in municipalities or on land outside the national parks?

Mr. BECKWORTH. In the main, I would say, if the legislation is passed, they will be located in close proximity to national parks.

Mr. ROONEY. That means outside, does it not?

Mr. BECKWORTH. Yes.

Mr. ROONEY. So, to get back to the original question which I asked of the gentleman from California, the landing fees paid by the commercial air lines would not be paid into the Federal Treasury at all; is that not so?

Mr. BECKWORTH. In my opinion, it would depend on the kind of deal which was entered into between the air lines and the Government that was operating the airport.

Mr. ROONEY. I am sure the gentleman knows that outside of the Washington National Airport there is not another airport in the country where the Government gets any landing fees.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HINSHAW. Mr. Chairman, I yield myself nine additional minutes.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield further?

Mr. HINSHAW. I yield.

Mr. BECKWORTH. I know of no reason why those who are operating the airport, at Yellowstone Park for example, would not charge the air line for any service received there.

Mr. ROONEY. But the point is that none of the money would revert in favor of the Federal Treasury.

Mr. BECKWORTH. I am not definitely sure about that.

Mr. ROONEY. I think the gentleman from California will verify my statement.

Mr. BECKWORTH. May I answer the question in this manner: I can conceive, if the Department of the Interior is having a great deal to do with the airport, they could request the air lines to pay the charge.

Mr. HINSHAW. Mr. Chairman, section 4 of the bill, page 3, reads:

> All airports under the jurisdiction of the Secretary, unless otherwise specifically provided by law, shall be operated as public airports, available for public use on fair and reasonable terms and without unjust discrimination.

Mr. ROONEY. The gentleman well knows that the same applies to every airport in existence throughout the country. There is no exception, is there?

Mr. HINSHAW. No; it is the same sort of situation that exists elsewhere, except that in this case the Secretary is authorized to operate them and make just and reasonable charges.

Mr. ROONEY. Let me ask this further question: This bill would authorize the expenditure of public funds to the extent of the eight airports mentioned by the gentleman from Texas and to the extent of about $1,200,000. Does it go any further?

Mr. HINSHAW. No; it does not mention any specific locations, but it does come under the limitations of the Federal Aid Airport Act; that part of it is an amendment to the Federal Aid Airport Act.

Mr. ROONEY. The gentleman knows that the Committee on Appropriations is confronted every year with the $500,000,000 airport item, and that there are plenty of airports in the United States more deserving of assistance under the Federal-aid program than the ones mentioned in the small towns indicated by the gentleman from Texas.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. STEFAN. I wish to call the attention of the House to the very section mentioned by the gentleman from California, section 4:

> All airports under the jurisdiction of the Secretary, unless otherwise specifically provided by law, shall be operated as public airports, available for public use on fair and reasonable terms and without unjust discrimination.

How many of the State airports will be located within some national park or on Government property and be operated solely by the Department of the Interior?

Mr. HINSHAW. May I ask the gentleman from Texas [Mr. BECKWORTH] to answer that question?

Mr. BECKWORTH. I indicated in my previous statement that in my opinion most of these airports would be not in any national park.

Mr. STEFAN. Will there be one constructed on Federal property to be operated solely by the Department of the Interior?

Mr. BECKWORTH. Under this item I indicated the likelihood that not any of them would be. The purpose of the bill, I may say, is to make it possible to put them in close proximity to parks rather than in them.

Mr. STEFAN. The gentleman does not answer my question. Will there be a single one of these airports located in a national park or on Government land, to be operated solely by the Department of the Interior?

Mr. HINSHAW. I may say in answer——

Mr. STEFAN. My question has not been answered satisfactorily, if the gentleman will yield further.

Mr. HINSHAW. May I answer the gentleman by stating that on page 2 the bill contains the proviso:

> That no such airport shall be acquired, established, or constructed by the Secretary unless such airport is included in the then current revision of the national airport plan formulated by the Administrator of Civil Aeronautics pursuant to the provisions of the Federal Airport Act.

Mr. STEFAN. If that be so, why do we need this bill? Under the Airport Act, Mr. Rentzel, Director of the CAA, can enter into contract with any sponsor for the construction of an airport.

Mr. HINSHAW. Any sponsor except the Federal Government in continental United States. The Federal Aid Airport Act contains a specific limitation as to those agencies and locations, and so forth, that are owned by the Federal Government; and it is limited to the Territory of Alaska, the Territory of Hawaii, Puerto Rico, and the Virgin Islands. We want to give them the authority also to operate in or near a national park or national recreation area or national monument or national forest in order that they may cooperate with the Secretary of the Interior in a program which will eliminate one airport in each case of potential duplication.

Mr. STEFAN. One further question: Under the present law the sponsor pays half for the acquisition of the land.

Mr. HINSHAW. Yes; but the sponsorship is municipal. This would permit the Interior Department to come in.

Mr. STEFAN. Every one of these airports will be operated under the formula of the Federal Aid Airport Act.

Mr. HINSHAW. Yes; except it permits joint sponsorship by the Interior Department and a local municipality, and pursuant to the approval of the

State government and local government as to the acquisition of the land.

Mr. STEFAN. I am very sympathetic when it comes to getting airports for these recreation areas of our country in order that they may be accessible to our people by air. I wish, however, to call the attention of the membership to the fact that soon we shall bring before you a list of airports that ought to be improved, buildings on airports that ought to be improved, the development of landing areas. These projects will be in every State of the Union, and I believe every Member of the House should look over that list, because it will contain the names of towns in his particular district and how much is proposed to be spent by the sponsor and how much by the Federal Government in the matching program. But I warn you that we must go slowly in putting the Federal Government into the airport business.

The Government of the United States operates only one civilian airport today. That is the National Airport here in Washington. There is a program involving the operation of an airport or two in Alaska because the Alaskan people are too poor to contribute toward the construction of an airport there, which is badly needed and for which our committee is presently making appropriation. But I caution when you launch upon a program to put the Government into the construction and operation, and sole operation of an airport, you are going far beyond what was intended when we wrote the Federal Airport Act.

We have today in the United States approximately 6,400 airports. We are taking out of operation or deactivating 100 or more, perhaps 300, because the expansion of airports in small communities has reached the limit. Private flying has not come back as rapidly as we thought it would come back after the war. We are building less airplanes today than we did a year ago.

The chairman of our subcommittee, the gentleman from New York [Mr. ROONEY] told you the facts so far as aviation and airport expenses to the taxpayers are concerned as related to the expense of the commercial air lines which are presently out of the red as the result of your taxpayers' contribution to airport expansion and development.

I would like to tell the gentleman from California that in all our investigations into the financial contribution of the commercial air lines toward airports in the United States, they are confined merely to a landing fee and a continual resistance to an increase in aviation gas as recommended by the CAA in two or three reports to this Congress. I hope we will not put the Government in the airport-operation business.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HINSHAW. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, I want to address myself to the remarks of the gentleman from Nebraska who said that only one airport now is operated by the Federal Government. If he had confined that statement to the Department of Commerce as an operator, then I might have agreed with him, but the Interior Department, as I understand it, operates a number of public airports entirely within or near national parks or national recreational areas.

Mr. STEFAN. For its own use.

Mr. HINSHAW. For its own use, also for public use. For example, if the gentleman will consult the report of the committee, page 5, where it discusses the situation in reference to Yellowstone National Park, he will see that the Yellowstone National Park already has a publicly operated airport and that the air carrier which was operating into that place during the time when the season was open has decided it is too hazardous for air-carrier operation, hence it has decided to abandon this service to that place.

Of course, the people of the United States have these recreation areas and they want to have access to them one way or another. The people in the East can go there by train or by automobile or by air. It is proposed, of course, that wherever the facilities may be provided they can go by any means available to them, including air. They can either travel on a commercial air carrier or they can fly their own airplane if they happen to own one, or they can charter one or they can ride with somebody who is going to fly to that area. It is for the purpose of providing easier access to the recreational area that we are here bringing in a bill which I believe will not make any increase in the matter of appropriations.

Mr. STEFAN. Mr. Chairman, will the gentleman yield further?

Mr. HINSHAW. I yield to the gentleman from Nebraska.

Mr. STEFAN. I am absolutely opposed to the Government expanding its operation of airports. I feel that should go to private industry, and the Government should get out of private industry rather than stay in it.

Mr. HINSHAW. I agree with the gentleman, but certainly an airport operated within a national park exclusively would have to be operated by the National Park Service.

Mr. LARCADE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Louisiana.

Mr. LARCADE. I know the gentleman is aware of the fact that we have a Federal agency, the Civil Aeronautics Administration, that is empowered with supervision over the construction of airports in the United States. Under this bill there will be established another agency of government which will have the same authority.

Mr. HINSHAW. No; I would not say that, because all of this work is to be done pursuant to the Civil Aeronautics Act and the Federal Airport Act.

Mr. LARCADE. It is supposed to conform with regulations of the Civil Aeronautics Board, it is true, but then the Interior Department would be authorized to construct airports.

Mr. HINSHAW. Yes; it can do that now.

Mr. LARCADE. I would not think they have that authority.

Mr. HINSHAW. They have built airports.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Massachusetts.

Mr. HESELTON. I call attention to the hearings of the committee and the testimony of Mr. John Sieker, Chief of the Division of Recreation and Land Uses of the Forest Service. He states:

> We have made a preliminary study, and it adds up to a grand total of 105 airports at an estimated cost of some $2,800,000. That is the total cost, not merely the cost to the Government. That represents new airports as well as expansion of existing airports. I am sorry I do not have a break-down to indicate which they are. About half of them are inside the national forests, and the other half are outside.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Tennessee.

Mr. PRIEST. The gentleman from California, who has studied this matter very carefully, is making a fine statement. With reference to his point that this would make recreation areas more accessible, is it not also true that an authorization of this sort would enable the Department of the Interior to better guard against forest fires in our parks and national forests?

Mr. HINSHAW. I could not testify as to that myself, but I would say if it made an airport available from which helicopter operation and other types of operation could assist in spotting and locating fires, it would be of advantage.

Mr. PRIEST. That is what I had in mind.

Mr. HINSHAW. However, I do not know that that is the primary objective of this bill.

Mr. PRIEST. It is one factor there, particularly the spotting of fires.

Mr. HINSHAW. It is one factor; yes.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Texas.

Mr. BECKWORTH. It was testified that unquestionably these airports will be a decided advantage for those who undertake to fight fires in the national parks, and also will enable them to do certain types of dusting that has to be done incident to preserving certain types of trees.

Mr. HINSHAW. May I say in conclusion to my friends from the Committee on Appropriations that we brought this bill to the floor for the purpose of enabling a certain type of cooperation between certain agencies which would eliminate the necessity in the eyes of either the Federal agency or the municipality of building more airports than they would build under this bill. We think this bill is a conservation measure and would actually save the people and the Government money in the long run. We are not here to bring you a bill to authorize anything other than that. If you have an idea that we are trying to authorize additional funds in any way, then the committee assures you that we are not. This is merely for the purpose

of assisting cooperation where no cooperation can now exist, in order that fewer airports may better serve the national interest.

Mr. BECKWORTH. Mr. Chairman, I yield 8 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, in answer to the question asked by the gentleman from New York [Mr. ROONEY], a mere reading of the bill will explain fully and accurately and reasonably why as one member of the Committee on Appropriations, trying to save the taxpayers' money, I felt that this was not a proper measure to be brought out on the Consent Calendar, as it has been presented, with no debate. This bill authorizes the Secretary of the Interior to do what? Plan, acquire, establish, construct, enlarge, improve, maintain, equip, operate, regulate, and protect airports in the continental United States in, or in close proximity to, national parks, national monuments, and national recreation areas. That is absolutely wide open, no end to it whatsoever except, as pointed out, in connection with the CAA. The authority here is absolutely unlimited. After my first objection was made to this bill, I consulted with members, or representatives of the Department of the Interior and of the CAA. They pointed out, after all, all they wanted to do was to construct possibly eight or ten airports at a cost of approximately $1,250,000 or $1,500,000.

I naturally asked if that is all they wanted to do, why they did not put that in a bill so that they would have authority to construct eight or nine airports and limit the amount they would be authorized to spend or obligate for that purpose. They expressed no particular opposition to that. Time after time this thing came up. I was hopeful perhaps some of the members of the committee might see fit to incorporate such an amendment in their bill. But that has not yet been done.

So that as it now stands, as we have been told here on the floor, this anticipates eight, or possibly nine airports at a cost of approximately $1,500,000. Although the gentleman from Massachusetts [Mr. HESELTON], just read some of the statements made in the hearings, in which they said they anticipated 104 airports at a cost of $2,000,000, I doubt from the figures that I have seen on airports that you could even plan 104 airports for $2,000,000, let alone acquire, establish, construct, enlarge and improve them.

I went into the necessity of this measure quite thoroughly with these representatives of the Department of the Interior and the CAA. It was certainly not shown. They said actually what this seeks to do is to establish these airports in close proximity to the national parks, national monuments, and national recreation areas. Therefore, I would like to ask one of the members of the committee to inform the Committee of the Whole how many national parks there are.

Mr. BECKWORTH. I am sure the gentleman knows that as well as I do. I do not know how many national parks there are exactly.

Mr. SCRIVNER. How many are there approximately?

Mr. BECKWORTH. The gentleman probably could answer that as well as I could.

Mr. SCRIVNER. If the committee is going into this and if it is going to authorize the building of airports in proximity to national parks, which would include all of the national parks, they certainly ought to know how many there are.

Mr. BECKWORTH. The gentleman knows this does not apply to the building of a great number of airports. That could not possibly be done until the plans are developed, and the plans are not developed today. As I told the gentleman, and the gentleman is on the Committee on Appropriations, no airport could be built which the Department of the Interior has anything to do with until the Committee on Appropriations gives them the money to do the job.

Mr. SCRIVNER. If the gentleman were on the Committee on Appropriations, and if he could see how little power we sometimes have to stop these Government agencies from spending, once they get started, no matter what we say in the Appropriations Committee or in the bill itself, he would understand my concern.

Mr. BECKWORTH. The Committee on Interstate and Foreign Commerce shares the same concern that the gentleman has, I can assure him.

Mr. SCRIVNER. You said that these could not be constructed in any of the national parks until they had been planned. This bill authorizes planning. I am just going by the language of the bill which says that the Department of the Interior is authorized to plan an airport in close proximity to national parks. I suppose that means all of the national parks if they saw fit to do so.

Mr. BECKWORTH. I mention that there are eight, which they talked about.

Mr. SCRIVNER. Yes, I know that there are eight that they talked about, and they told me about them. But that does not cover all of the national parks there are in the United States, by any means, does it?

Mr. BECKWORTH. That is true. May I suggest, the gentleman mentioned some one-hundred-and-some-odd airports prospectively which someone mentioned. We had testimony on that. In the main, although they call them airports, many of them would be nothing in the world but strips where timber had been cleared away, perhaps in sight of a national park, where a plane or a helicopter might want to try to land, to try to put out a fire. That was the testimony.

Mr. SCRIVNER. I understood that they already had the power to do that.

Mr. BECKWORTH. That is true.

Mr. SCRIVNER. Then, why do you want this bill?

Mr. BECKWORTH. I have never said we want this bill, except for one thing.

Mr. SCRIVNER. Yes; to plan and construct airports in close proximity to these places.

Mr. BECKWORTH. That is right, and there have been eight which have been mentioned. I made that clear in my first statement.

Mr. SCRIVNER. Then let us go to the national monuments. How many national monuments are there in the United States?

Mr. BECKWORTH. The gentleman has just about as much information as I do on that.

Mr. SCRIVNER. How many national recreation areas are there?

Mr. BECKWORTH. I mentioned the fact that there are eight which have been given the O. K. by the CAA.

Mr. SCRIVNER. I am sure the gentleman from Texas understands that I did not draft the bill.

Mr. BECKWORTH. That is correct.

Mr. SCRIVNER. All I can do is read the bill and see what power it gives the Secretary of the Interior. It was my view, and it is still my view, that this gives the Secretary of the Interior unlimited power to at least plan these things. If there are 100 national parks, then there are 100 airports that he can plan. If there are a thousand recreation areas, then there are a thousand airports in proximity thereto that he can plan. If there are a thousand recreational areas, that means another thousand airports, that could be planned also under this measure.

I requested both the Department of the Interior and the CAA to present for consideration an amendment to limit it possibly to these 8 or 10, and to limit their authorization for spending to possibly $1,500,000 to $2,000,000. I can see no objection to that now.

Would the committee accept that sort of amendment?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HINSHAW. Mr. Chairman, how much additional time would the gentleman want?

Mr. SCRIVNER. I would like to have five additional minutes.

Mr. HINSHAW. Mr. Chairman, I yield the gentleman 5 minutes.

Mr. SCRIVNER. Would there be any objection on the part of the committee to writing an amendment in the bill limiting the power granted in this act to eight airports, or the authorization possibly not to exceed $2,000,000, so that then we know where the Secretary of the Interior must stop?

Mr. BECKWORTH. I might say the gentleman has the right to offer any amendment he desires, and the members of the committee will do what they feel is best on whatever amendment the gentleman might offer.

Mr. SCRIVNER. That is usually the case. I knew that I had the right to offer an amendment. I thought perhaps we might dispose of this by agreement so that we would not take up further time of the committee.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from California.

Mr. HINSHAW. I think the bill is adequately controlled at present, but I would be glad to accept the gentleman's

amendment, I think, and I believe we could very easily agree.

Mr. SCRIVNER. I have not objected to this bill just for the sake of objecting to a bill. I have objected to it on the ground that there has already been given to many of these agencies unlimited power. Once it is given it is almost impossible to get it back. Usually when granted, it is used. I have not been able to find out how many potential airports the Secretary of the Interior could plan, how many he could acquire, how many he could establish, how many he could construct, or how many he could operate. If you give him this power to plan them in proximity to all our national parks, to all our national monuments, and to all our recreational areas, I do not think you or anybody else can tell us how many will be planned.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield further?

Mr. SCRIVNER. I yield.

Mr. HINSHAW. I think, if I am not mistaken, and I do not believe I am, the secretaries of several departments have the right to go as far as they like right now, and as far as the appropriations allowed to them will permit. As I said a moment ago, the whole purpose of this is to eliminate some of the duplications that are presently involved in these types of programs. We have no idea of expanding the programs.

Mr. SCRIVNER. If those other departments have that much power, perhaps it might be well to look into some of the power they have and start curbing them.

Mr. HINSHAW. This Department comes under the jurisdiction of this particular committee. The other departments come under the jurisdiction of other committees than ours. We deal with the Commerce Department and the CAA, and this is for the purpose of permitting joint sponsorship, in order to eliminate some airports that might otherwise be built.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. DOLLIVER. I would like to make this contribution to the discussion. Recently I was out in the vicinity of one of the great national parks, and in discussing this very question with people who live there, they are very conscious of the need and desirability of securing airports in the parks or in the vicinity of the parks.

Mr. SCRIVNER. The Department of the Interior has the power to put them in the parks now. This bill is just going to double that power by permitting them to plan airports in proximity to the parks. That was the basis of my objection, giving them unlimited and uncontrolled power.

Mr. Chairman, I yield back the remainder of my time, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I would like to try to help in this matter, if I can. I agree with the gentleman from Kansas [Mr. SCRIVNER] that there is real merit in his suggestion of a limitation. I say so because I find in the hearings that there has been discussion of a substantial airport program.

I read a few moments ago a statement by Mr. Sieker, in which he said that they had made a preliminary study and it adds up to a grant total of 105 airports, at a cost of $2,800,000.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. SCRIVNER. Does that statement say that they can acquire those 105 airports for $2,000,000?

Mr. HESELTON. I am reading from the record.

Mr. SCRIVNER. The reason I asked is because the eight under discussion run a million and a half.

Mr. HESELTON. If you will let me proceed a little further I think it will become clearer. He says:

> That is the total cost, not merely the cost to the Government. That represents new airports as well as expansion of existing airports. I am sorry I do not have the breakdown to indicate which they are. About half of them are inside the national forests and the other half are outside.

Then the chairman inquired:

> As of now, how many airports are under the jurisdiction of the Forest Service?

He replied:

> I am sorry I do not have the exact figure, but it seems to me we operate about 25 airports, very few of which, perhaps none of which are well-qualified public airports. They are not open to the public, they are just there for administrative use. They are just air strips.

I think that is significant: "They are just air strips."

Although the total runs high, I think it will appear that they do have, for administrative purposes, good reason for having just an air strip on which to land.

Let me read some of the testimony of Mr. Conrad Wirth, Chief, Land and Recreational Planning Division, Department of the Interior:

> The national parks were set aside for their scenic values and our national monuments for their historic and prehistoric values, and up to the present time we have been successful in keeping out of those areas large commercial enterprises; in other words, in order to preserve them in their natural condition we feel we must and should keep the lines of traffic to their gates outside of the park if at all possible.
>
> Therefore, we propose in this case—and furthermore, the Secretary feels the second reason is that most of these areas are very rugged, rough, and to build airports in them would be destructive and in many cases dangerous.

He goes on to say that what they are proposing in this amendment is to allow the same privilege of building airports in the near vicinity of these parks as the law now provides that they may be built within the parks, that that is the sole purpose of it.

And he makes this statement:

> To be perfectly frank, as far as we are concerned, we do not wish to get into the airport business, but we are anxious to get air travel to the parks as much as we are railroad traffic. Most of our areas are now served by railroads, which is fine; in fact, the railroads were instrumental in the early days in establishing and in making these parks possible. A combination of air and rail travel will give all people an opportunity to visit these areas.

He cited the instance of the Big Bend National Park in Texas and made this statement:

> The nearest airport now is at Alpine, approximately 65 miles from the park entrance. It is possible to build an entrance closer to the park, within 2 or 3 miles, near the entrance to the park, also in close proximity to the town of Marathon, which is the main entrance to the park.

He discussed West Yellowstone where there is an existing airport, and stated it had to be closed in 1948 because it was not big enough to take care of the big planes. The CAA gave authority in 1948 to Western Airlines to stop going in there because it was dangerous. He states that there is a fairly good-sized community there, in a national forest adjoining a national park and that its main existence is the park.

Then he goes on to point out that in Michigan, in Colorado, and in Washington there are other instances where they have very much similar situations. For instance, in Michigan, at Isle Royal National Park they want to put in a seaplane base in one of the harbors there, which would be relatively inexpensive, because it would be just a matter of location, the installation of buoys, and so forth.

I think that gives a somewhat better idea of what the committee had before it by way of evidence. But I call your attention also to a letter from the General Manager of the Aircraft Owners and Pilots Association endorsing this bill and making a rather significant statement:

> The proposed legislation when coupled with existing provisions of the Federal Airport bill will authorize the Secretary of the Interior to sponsor and jointly sponsor airports as well in the national parks, national monuments, and national recreation areas.

I point out this portion of the letter and this is a convincing point to me because I am just as much concerned, I am sure the gentleman from Kansas [Mr. SCRIVNER] knows, as anyone is, in avoiding reckless expenditures that are not in the best interests and within the financial ability of the Nation as a whole. I commend the gentleman for his vigilance in the matter. The letter reads:

> I also point out that the proposal is a worth-while economy measure, as joint sponsorship with the adjacent local government can operate to reduce the construction and operation and maintenance work. At the present time all these costs must be borne by the Federal Government on airports constructed within the parks, even though they would serve the parks as well as the adjacent local areas.

Now, may I turn briefly to a discussion of the matter found at the bottom of page 2 and the top of page 3 of the bill and which is referred to on page 1 of the committee report? Here again we sought, and I think have effectively

placed, an additional check on any expenditures or any developments that would not be sound, because we provide that nothing in this act shall be held to authorize the Secretary to acquire any land or interest in or over land by purchase, condemnation, grant, or lease, without first obtaining the consent of the Governor of the State and, second—not "or," but "and," the consent of the State political subdivision in which such land is located.

The reason we use the words "political subdivision" is that we were informed that in some instances it might be a county rather than a city or a town. I think this adequately achieves a limitation and protection, especially when coupled with such limitation as the gentleman from Kansas [Mr. SCRIVNER] may offer. I believe we will have a satisfactory piece of legislation which I think will be in the interest of creating more opportunities for travel to these parks by the general public. Remember, over a million people visited Yellowstone last year. These great national resorts, parks, monuments, and recreational areas have been developed for the specific purpose of getting them close to the people. There has been a steady and healthy increase in the number of visitors to these parks and areas and I think that by encouraging air travel we shall be contributing to a sound program. I would suggest to the gentleman the figure used by the gentleman from Texas, $1,280,000, or whatever it is, would be a satisfactory one and would meet with substantial agreement.

Mr. SCRIVNER. If the gentleman will yield, I was impressed by the statement made by the representative of the Department of the Interior against the setting up of these airports within the national parks. That was not my objection. My objection has been to the unlimited power which this bill grants to the Secretary of the Interior. The amendment which I would propose would follow the language on page 3 and be a specific limitation.

Mr. HESELTON. I am glad the gentleman is going to offer that amendment, but I cannot yield further because I have only a minute left.

Mr. SCRIVNER. I merely desire to say that the figure I would suggest, and to which I think there would be no objection, would be $2,000,000.

Mr. HESELTON. I agree with the gentleman, with reference to that last point the gentleman has made, the chairman of the subcommittee inquired of Mr. Sieker:

To what extent would this kind of legislation help you in your efforts to prevent forest fires?

Which, of course, is a matter of grave concern to people who represent these areas, and Mr. Sieker answered:

It would help a great deal. We now have airports in the national forests in many accessible areas and we have airports nearby in cities, but we also need additional ones. The Forest Service uses smoke jumpers in a good deal of our wild country and they have done a tremendous job in getting people to a forest fire rapidly.

I think all of us read with real interest of that incident somewhere in the West last year when they got right in at the heart of the fire.

In many cases, as you know, one man, if he can get to a fire within an hour, can do more than a thousand if they get there after 6 hours.

Mr. Chairman, I hope the committee will see fit to support this legislation.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HINSHAW. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I rise in order to place in the RECORD an interpretation of certain phases of this bill which have disturbed some of the people in my area where we have parks and projects which would probably come under its terms.

First of all, as I understand the bill, it does not give the Secretary of the Interior—that is, the Park Service—any extension of rights, or any rights for acquiring land in parks or adjacent to parks, which they might not have under existing law?

Mr. HINSHAW. That is my understanding of it.

Mr. PHILLIPS of California. Second, the bill itself, beginning line 2 of page 2, in effect, limits the authority of the Department so that no airport shall be built or planned unless it has been approved by the Civil Aeronautics Authority under the provisions of the Federal Airport Act?

Mr. HINSHAW. No airport may be built pursuant to the Federal Aid to Airports Act unless it has been approved. The Secretary already has authority to build airports without reference to that. If he desires sponsorship under the Federal Aid to Airports Act then it must be approved by the Civil Aeronautics Administrator and be a part of the national airport plan.

Mr. PHILLIPS of California. The third question is the one that has disturbed my people the most. I want assurance that this bill will not permit the Park Service or any other agency of Government to come into a park or adjacent to a park and contract for an additional airport where an airport in the area is already in existence which would serve that territory adequately.

Mr. HINSHAW. One of the main purposes of this bill is to make it inadvisable certainly for the Secretary to do any such thing as that. I must say he already has authority to do it. Under the terms of this bill the Secretary could join with a local municipality or county or even the State in the acquisition, construction, or expansion of an existing airport. It is one of the objectives of the bill to permit cooperation rather than duplication.

Mr. PHILLIPS of California. That is under section 3?

Mr. HINSHAW. Under sections 2 and 3 of the bill.

Mr. PHILLIPS of California. I thank the gentleman very much. I wanted that to appear on the RECORD so that it would be clear.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. What would be the effect so far as allocation of Federal funds is concerned? Would they be charged to the local municipality if they went joint on an airport?

Mr. HINSHAW. No. There is no charge as such to a local municipality. It is a question of joint sponsorship under the Federal Aid to Airports Act. A municipality, a county, a State, or any combination of the three of them have the right to act as cosponsors of an airport program. This permits the Secretary of the Interior to join as a cosponsor in those airports which are near the national parks and so forth in order to conserve the airport assets of the country, so to speak, and to prevent duplication.

Mr. CASE of South Dakota. To whom would they look for the sponsor's share of the cost?

Mr. HINSHAW. To whom would who look?

Mr. CASE of South Dakota. In most projects set up the local community puts up so much and there is so much allocated out of the Federal allotment to the State.

Mr. HINSHAW. That is correct, and the amount comes out of the Federal aid to airports appropriation.

Mr. CASE of South Dakota. If the Secretary of the Interior comes in, does he bring any money with him?

Mr. HINSHAW. Yes; he brings some money in as a cosponsor of the project.

Mr. CASE of South Dakota. Where does he get that money?

Mr. HINSHAW. He gets it from the appropriations to the Interior Department, although I would assume that this bill carries some little authorization in connection with it, but the appropriations to the Interior Department are limited only by what the Appropriations Committee is willing to give it. This is a specific appropriation for a specific purpose.

Mr. PHILLIPS of California. Where is there any authorization in the bill, may I ask the gentleman from California?

Mr. HINSHAW. Line 13, on page 3.

Mr. CASE of South Dakota. Then this might make it possible for airports to be built where there is a need for heavy summer use near very small communities that are not able to make the normal sponsor's contribution, by permitting the Secretary of the Interior to come in and make a contribution proportionate to the values to the Interior Department, and thereby qualify for a project.

Mr. HINSHAW. That is exactly correct.

Mr. CASE of South Dakota. I know of some instances where that might be quite helpful.

Mr. HINSHAW. I think the reason the committee brought the bill in is that we believed it might be quite helpful and at the same time prevent a lot of duplication in the building of airports.

Mr. PHILLIPS of California. I thank the gentleman from California for yielding me the time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior (hereinafter called the "Secretary") is hereby authorized to plan, acquire, establish, construct, enlarge, improve, maintain, equip, operate, regulate, and protect airports in the continental United States in, or in close proximity to, national parks, national monuments, and national recreation areas, when such airports are determined by him to be necessary to the proper performance of the functions of the Department of the Interior: *Provided,* That no such airport shall be acquired, established, or constructed by the Secretary unless such airport is included in the then current revision of the national airport plan formulated by the Administrator of Civil Aeronautics pursuant to the provisions of the Federal Airport Act: *Provided further,* That the operation and maintenance of such airports shall be in accordance with the standards, rules, or regulations prescribed by the Administrator of Civil Aeronautics: *And provided further,* That the Secretary shall not acquire or take over control of any airport owned or controlled by a State or a political subdivision thereof without the consent of such State or political subdivision.

With the following committee amendment:

Page 2, line 9, after "Aeronautics", change the colon to a period and strike out the remainder of line 9 and all down to and including line 13.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. In order to carry out the purposes of this act, the Secretary is authorized to acquire necessary lands and interests in or over lands; to contract for the construction, improvement, operation, and maintenance of airports and incidental facilities; to enter into agreements with other public agencies providing for the construction, operation, or maintenance of airports by such other public agencies or jointly by the Secretary and such other public agencies upon mutually satisfactory terms; and to enter into such other agreements and take such other action with respect to such airports as may be necessary to carry out the purposes of this act.

With the following committee amendment:

Page 2, line 25, after "act", insert the following: *"Provided,* That nothing in this act shall be held to authorize the Secretary to acquire any land, or interest in or over land, by purchase, condemnation, grant, or lease without first obtaining the consent of the Governor of the State, and the consent of the State political subdivision in which such land is located."

Mr. SCRIVNER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER to the committee amendment: On page 3, line 5, strike out the period and insert a colon and the following: *"Provided further,* That the authorization herein granted shall not exceed $2,000,000."

Mr. BECKWORTH. May I say to the gentleman from Kansas that the committee will be glad to accept that amendment.

Mr. SCRIVNER. I appreciate the statement of the gentleman from Texas and the courtesy of the gentleman from California in indicating that they would accept this amendment. I trust that they will recognize the spirit in which it is offered; in other words, that there will be some limitation upon the activities and the amount that the Secretary of the Interior can expend under this particular program. Having this limitation in there, any objection I have had to the bill heretofore I now withdraw.

The CHAIRMAN. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. Notwithstanding any other provision of law, the Secretary is hereby authorized to sponsor projects under the Federal Airport Act either independently or jointly with other public agencies, and to use, for payment of the sponsor's share of the project costs of such projects, any funds that may be contributed or otherwise made available to him for such purpose (receipt of which funds and their use for such purposes is hereby authorized) or may be appropriated or otherwise specifically authorized therefor.

SEC. 4. All airports under the jurisdiction of the Secretary, unless otherwise specifically provided by law, shall be operated as public airports, available for public use on fair and reasonable terms and without unjust discrimination.

SEC. 5. The terms "airport," "project," "project costs," "public agency," and "sponsor," as used in this act, shall have the respective meanings prescribed in the Federal Airport Act.

SEC. 6. Section 9 (c) of the Federal Airport Act, as amended, is hereby amended to read as follows:

"(c) Nothing in this act shall authorize the submission of a project application by the United States or any agency thereof, except in the case of a project in the Territory of Alaska, the Territory of Hawaii, Puerto Rico, the Virgin Islands, or in, or in close proximity to, a national park, national recreation area, national monument, or national forest."

SEC. 7. Section 3 of the Federal Airport Act, as amended, is hereby amended by adding a new subsection (c) to read as follows:

"(c) In making annual revisions of the national airport plan pursuant to the provisions of this act, the Administrator of Civil Aeronautics shall consult with and consider the views and recommendations of the Secretary of the Interior with respect to the need for development of airports in, or in close proximity to, national parks, national monuments, and national recreation areas."

With the following committee amendments:

Page 3, line 6, after "SEC. 3.", strike out the balance of the line and insert "In order to carry out the purposes of this act."

Page 4, line 6, after the comma, insert "or" and after "monument, or", insert "in a."

The committee amendments were agreed to.

Mr. BECKWORTH. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1283) to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BECKWORTH. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

DISPENSING WITH FURTHER CALL OF COMMITTEES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further call of the committees today be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

VETERANS' PREFERENCE IN POST OFFICE DEPARTMENT

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 448 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. KEEFE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Allen, La.	Engle, Calif.	Norton
Anderson, Calif.	Fisher	Pfeiffer,
Barrett, Pa.	Gathings	William L.
Bentsen	Gavin	Plumley
Boggs, Del.	Gilmer	Powell
Bolton, Md.	Gordon	Reed, N. Y.
Bolton, Ohio	Gross	Rich
Boykin	Hand	Richards
Bulwinkle	Harrison	Rogers, Fla.
Burke	Hart	Sabath
Byrne, N. Y.	Hays, Ark.	Sadowski
Case, N. J.	Hébert	Scott, Hardie
Chatham	Herter	Shafer
Chesney	Hill	Shelley
Clemente	Hoffman, Ill.	Sheppard
Colmer	Hope	Smathers
Corbett	Jackson, Calif.	Smith, Ohio
Coudert	Jennings	Smith, Va.
Cox	Johnson	Stanley
Crosser	Kirwan	Taylor
Davies, N. Y.	Kunkel	Teague
Davis, Tenn.	Lichtenwalter	Towe
Davis, Wis.	Magee	Vorys
Dawson	Meyer	Whitaker
Deane	Morrison	Withrow
Douglas	Morton	Wolverton
Eaton	Moulder	Worley
Ellsworth	Murphy	

The SPEAKER. On this roll call 350 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. TALLE asked and was given permission to extend his remarks in the RECORD and include an article.

VETERANS' PREFERENCE IN POST OFFICE DEPARTMENT

Mr. DELANEY. Mr. Speaker, I yield half my time to the gentleman from Illinois [Mr. ALLEN] and now yield myself 2 minutes, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DELANEY. Mr. Speaker, this resolution makes in order H. R. 87, the military credit bill. The bill provides equal treatment for all veterans in the post office employ. Since the time this bill was reported the Post Office Committee has met and will offer an amendment which strikes out the second section and makes this bill substantially conform to the language of the Senate bill.

The rule provides for 1 hour of general debate under an open rule. I do not think further explanation is necessary. It simply means military credit for all men who are in the Post Office Department. I ask the adoption of the resolution.

Mr. ALLEN of Illinois. Mr. Speaker, as always the able gentleman from New York has fully explained this bill and its provisions which, as a matter of fact, do not need much explanation. I know of no one who is opposed to the rule.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY of Tennessee. Mr. Speaker, this rule was voted out by the Rules Committee without any hearing whatsoever. On August 10, 1949, I addressed the following letter to the chairman of the Rules Committee:

DEAR MR. CHAIRMAN: On June 15, 1949, the House Committee on Post Office and Civil Service approved H. R. 87, a bill relating to the promotion of veterans of World War II in the field service of the Post Office Department, a copy of which is attached, together with the committee's report dated July 12, 1949.

It is requested that I be given an opportunity to appear before the Committee on Rules to discuss the advisability of whether a rule should be granted on this bill.

The over-all cost of the bill will be approximately $454,175,000. The cost of this legislation is estimated at $53,900,000 for the first year. This annual cost will be reduced during the following years and most of the cost will have been substantially reduced at the end of 4 years, and almost completely eliminated at the end of 8 years when the employees covered by the legislation have reached their highest automatic grade in the Postal Service.

The Post Office Department, Bureau of the Budget, and Civil Service Commission are opposed to the enactment of this legislation, and in their reports to the committee point out that the bill is discriminatory in that it does not extend similar privileges to veterans outside the postal service.

Your cooperation in this matter will be appreciated.

I may say that after I addressed this letter to the chairman of the Rules Committee I contacted him personally on various occasions. I do not see the chariman of the Rules Committee here at the moment. I am sorry he is not here, because not to this day has he given any explanation as to why a hearing was not held on this rule.

This is a most unusual procedure, because this bill is highly discriminatory. It is unfair to veterans in the other agencies and departments of our Government. Our own committee is confused about this bill. I certainly think I, as chairman of the Committee on Post Office and Civil Service, was entitled to have the right to be heard on the application for a rule on this bill. The chairman of the Rules Committee told me that he would have a hearing at the proper time. The next thing I heard was that the gentleman from New York [Mr. DELANEY] brought this measure up in executive session and it was voted out by a divided vote of 5 to 4. I do not think this is a proper procedure in reporting out a rule on a bill without any kind of hearing.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 87, with Mr. DURHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself 16 minutes.

Mr. Chairman, the purpose of this legislation, H. R. 87, is to give credit on the automatic grades to postal employees for the time they have spent in the military or naval services prior to their postal service. It does not apply to the postal employees who left the service of the Federal Government to enter the Army or Navy as they already have received credit for their military service. It only applies to those veterans who have entered the postal service since they were discharged from the armed forces.

The first section of the bill gives all these veterans who entered the postal service subsequent to their military service full credit on the automatic grades for the entire time they spent in the armed services prior to their postal service.

For instance, if a clerk or carrier entered the postal service after he came back from the Army or Navy and he had served 4 years in the armed forces, he would get under section 1 four additional grades, which would mean $400 increase in pay on the automatic grades.

Section 2 provides not only shall these veterans who entered the postal service after their military service be given credit for the actual military service on the automatic grades, but it provides they shall also be given four automatic grades. In other words, the bill as reported out by the committee has this effect: if a veteran comes back from the military service with 4 years' service, he would get $400 increase on the automatic grades under the first section and $400 under the second section, making an increase of $800 toward his maximum automatic grade.

Since this bill was reported out of our committee, the situation has changed. This bill was reported out last June by our committee. After that, last October, the House passed a postal salary bill which gave all postal employees an increase of $120 a year, and also eliminated the first two grades.

Let us see how many veterans would come under this bill. There are 94,500 veterans of World War II who have entered the postal service since they were discharged from the armed forces. Therefore, 94,500 veterans who are now in the postal service will benefit by this bill.

The cost of the bill for the first year under the first section is $23,605,000. The over-all or total cost of section I of this bill will be $163,000,000.

Section 2: The annual cost of that section, which gives the veterans four more grades, will be $19,800,000, with an over-all cost of $260,800,000.

Last Thursday our committee met and adopted an amendment to this bill, which I will offer as a committee amendment, since I was instructed by the committee to do so. This amendment eliminates

section 2 of the bill which gives four extra grades to the veterans, in addition to the grades for actual time spent in the military service in the first section of the bill.

When this committee amendment was considered last Thursday, our committee was in disagreement. First, there was an amendment offered that would give all veterans who have entered the postal service since their military service two additional automatic grades, and that was all. But that amendment was defeated by one vote. Finally, this committee amendment was adopted which I will offer later.

I am a veteran of World War I. I have the greatest interest in the welfare and well-being of the veterans, but let us see if this bill is fair to all veterans in the Federal service. We all want to be more than fair to our veterans. This House has always been liberal with our veterans, but this bill discriminates against certain veterans in other Federal agencies and departments. It does not apply to postmasters and supervisors. I am going to offer an amendment to make this bill apply to postmasters, to give them the similar benefits that other world war veterans in the postal service would receive under the committee amendment. This bill also discriminates against World War II veterans who have entered the Government service since World War II in other Federal agencies and departments of the Government. Is it fair or right or just to say to those veterans who have entered other agencies or departments of our Government that "It is true you entered the service after the world war, just like certain postal employees, but at the same time we are not going to give you any credit for your service with our armed forces like we are giving to these postal employees."

Those veterans in other agencies of our Government have similar automatic grades in the way of step-up increases, as the postal employees.

I am going to offer the amendment, and I trust the membership will go along so that this bill will apply to all veterans who have entered the Government service since World War II.

This bill is further discriminatory in that it says that postal employees, in order to get the benefit of their prior military service, must enter the service of the Postal Department by the 1st of next July.

Let us see what kind of discrimination that will cause. If you cut off these World War II veterans who enter the postal service after the 1st of July, what kind of situation will you have? Let us take a veteran of 4 years' service in the Army or Navy who enters the service on next June 1. If this bill is passed, he gets an increase of $400. Let us take a veteran who enters the service on next July 1, a month later. He will not get 1 penny increase on account of his previous military service. Is that fair? Is that not discriminatory against other World War II veterans who will enter the postal service on or after July 1, 1950?

The Postmaster General advises me there are about 100,000 temporary or indefinite employees, whose jobs will be filled with permanent employees. Of course, all of them will not be filled by next July 1. So if you are going to give this benefit to World War II veterans who enter the postal service subsequent to military service, why not make it applicable to all World War II veterans who enter the postal service at any time?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield.

Mr. SHORT. We all admire very much the ability and courage of the gentleman from Tennessee. I wish to ask him if the President is against this bill.

Mr. MURRAY of Tennessee. All I can say is that the Bureau of the Budget is strongly opposed to this bill.

Mr. SHORT. And the Post Office Department?

Mr. MURRAY of Tennessee. The Post Office Department is opposed to it.

Mr. SHORT. And the distinguished and able gentleman, who is chairman of the committee, who is himself a veteran of World War I, is opposed to it?

Mr. MURRAY of Tennessee. I am opposed to it in its present form because it is unfair and discriminatory to other World War II veterans in the Federal agencies and departments.

Mr. SHORT. You mean they single out the postal service. Only employees in the postal service will get the benefit of this?

Mr. MURRAY of Tennessee. The gentleman is absolutely correct.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I do not yield.

Now let us see what these departments say about this bill. The Bureau of the Budget has this to say about this legislation:

> It was felt that this proposal would confer unwarranted and discriminating advantages to a specially limited class of employees embraced by the bill—advantages over veterans of World War I, nonveteran career employees, and even other veterans of World War II also employed in the postal service, and that legislation of such character could be only detrimental and harmful in its over-all effect upon the Federal-employee system.

Here is what the Post Office Department says in substance:

> It takes several years of on-the-job training and study by an employee before his production warrants higher salary rates. The granting of credit for military service to those employees who had no postal experience prior to their entrance into service distorts the proper relationship between their capabilities and the amount of the salaries paid them.

What did the Comptroller General say?

> This Office recommends against the enactment of proposed section 1, not only because it would confer a benefit that does not appear to be either necessary or desirable from a governmental standpoint, but because it is discriminatory in favor of veterans employed in the field service of the Post Office Department as against other veterans employed by the Government generally.

The Civil Service Commission said in its report:

> The establishment of these additional benefits appears to be a method of compensating the veteran for having been in the armed forces, an indirect form of bonus or adjusted-service compensation. The extension of the proposed benefits of H. R. 87 to other veterans in addition to those of the field service would, it is true, eliminate a present discrimination in the bill which favors veterans in the postal field service. We do not believe, however, that this extension would overcome the basic objection to the bill, that it is not in accordance with the established principle that increase in pay should be granted for demonstrated performance of satisfactory service.

Mr. Chairman, I had a small part in drafting Public Law 134 back in 1945. The then chairman of the committee was the gentleman from Virginia, Mr. Burch. He served on the committee drafting this bill with the gentleman from Illinois [Mr. MASON] and myself. We worked for months on this legislation—Public Law 134 of the Seventy-ninth Congress. It is deserving legislation. It provided these automatic grades for employees each year ranging from 7 to 14 grades. What was the purpose of these grades? It was to give the employees some incentive, some reward for their service and experience. It is a fine system. These employees have looked forward each year to a promotion in grade and pay for faithful and capable service and a good record.

What will this bill do? It will wipe out certain automatic grades in a lump and say, "All right; we will give you three, four, or five automatic grades because you were in the Army or Navy for 3, 4, or 5 years before you went into the postal service."

What preference do veterans get now when they enter the postal service? How do they get their appointments? It is because this Congress wisely passed the Starnes-Scrugham Veterans Preference Act of 1944. What does that provide? It provides that every veteran who is not disabled shall get 5 extra points on his examination, and that every disabled veteran shall get 10 points. It goes further and provides that a disabled veteran who makes 60 on an examination and is then given 10 additional points, which will give him 70, just a passing grade, will go to the top of the list over any nondisabled veteran or nonveteran who may have made 100 on the examination. So you can see the preference we are today giving our veterans in the matter of entering the service.

I am sure that many of the veterans in the postal service now had no idea of entering the postal service at the time they entered the military service. But they took examinations, received appointments, and enjoy the preferences given them under the Starnes-Scrugham Act.

Also, our veterans are protected in the matter of reduction of force. When the department has to level off and dismiss employees, are the veterans the first to go? No; they are the last. All

nonveterans go first. The veteran is protected against reduction in force.

Also, we have given the veterans credit for all their military service toward their retirement. In other words, if a veteran served 4 years in the Army and later enters the Government service, he gets 4 years full credit on his retirement pay without making any contribution.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I notice in the report, page 5, it is stated that the over-all cost of the bill will be approximately $454,175,000. As I understand it, this applies only to the postal service. Does the gentleman have any estimate of what the over-all cost will be if the principle of this bill as applied to the postal service should be extended to all Federal employees?

Mr. MURRAY of Tennessee. Yes. The Civil Service Commission says it will involve an annual cost of $17,500,000, or a total or over-all cost of $70,000,000.

Mr. CASE of South Dakota. A total cost of $70,000,000?

Mr. MURRAY of Tennessee. Yes.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. REES. Mr. Chairman, I yield 1 minute to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I would like to get these figures clear. The committee report on this bill, page 5, says that the over-all cost of this bill alone will be $454,000,000. If the principles of this bill are applied to the employees in Federal service generally, what would be the total over-all cost?

Mr. MURRAY of Tennessee. The total over-all cost would be $70,000,000.

Mr. CASE of South Dakota. Per year?

Mr. MURRAY of Tennessee. No. The cost per year would be $17,500,000. The other civil-service employees do not have the same increases.

Mr. CASE of South Dakota. The report gives a total cost of those increases as $454,000,000.

Mr. MURRAY of Tennessee. The gentleman's statement includes the cost of section 2 of the bill also?

Mr. CASE of South Dakota. I suppose so; they are from the committee's report.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. REES. Mr. Chairman, I yield myself 10 minutes.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman from Kansas go into this cost in his statement?

Mr. REES. Mr. Chairman, in reply to the inquiry just made, the total over-all cost of H. R. 87 as reported is $450,000,000. That is the estimate. If we include the other employees in the Federal Government, numbering 180,000 veterans, it will add an over-all cost of $70,000,000 more. The annual cost under H. R. 87 for the 190,000 employees is estimated at what amount?

Mr. MURRAY of Tennessee. Is that section 1 or section 2 of the bill?

Mr. REES. H. R. 87, as reported, which includes both sections.

Mr. MURRAY of Tennessee. The over-all cost is $454,000,000.

Mr. REES. That is correct, under the committee amendment to be submitted by the chairman of our committee; the total cost is estimated at $165,000,000.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from New York.

Mr. KEATING. Is this $454,000,000 the figure on the original H. R. 87?

Mr. REES. It is H. R. 87, as reported, as it is before this Committee now before any amendments are adopted and as submitted by the gentleman from California [Mr. MILLER].

Mr. KEATING. Not with the committee amendment?

Mr. REES. Without the committee amendment. The committee amendment has not yet been adopted.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that the $163,000,000 is the over-all cost of section 1, not the annual cost?

Mr. REES. It is the estimated over-all cost of the committee amendment.

Mr. JAVITS. I am talking about section 1, the $163,000,000. It is not the annual cost.

Mr. REES. I believe the gentleman is correct.

Mr. CASE of South Dakota. There is an estimate of the over-all cost here if the principle of crediting service is applied to veterans who have gone into all branches of the Government. If we start this here it will be extended, I assume, to other branches of the Government. What will that cost be?

Mr. REES. If it is extended to all branches of the Federal Government—that is, the provisions before us—it will add $70,000,000 in over-all cost to the present bill.

Mr. DONDERO. Is that the annual cost?

Mr. REES. No. The annual cost I have given you. That is $17,500,000.

Mr. CASE of South Dakota. It will add $70,000,000 to the $454,000,000?

Mr. REES. Yes.

Mr. CASE of South Dakota. In other words, it will be $524,000,000?

Mr. REES. The gentleman is correct.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Wisconsin.

Mr. KEEFE. How many grades are provided for in the postal service and how many years does it take a person going into the postal service under existing law to achieve the top grade, assuming he has performed a satisfactory service?

Mr. REES. I think I can take care of that in just a moment.

Because the chairman of our committee is going to propose a committee amendment, and for the reason that he expects to submit a further amendment to include all the employees in the Federal Government, I am going to direct my remarks largely to the amendments that will be proposed.

Under the provisions of the substitute amendment, postal employees who enter the postal service prior to July 1, 1950, will receive credit for their service in the armed forces to the extent that they have not already received such credit. This means, for example, that those postal employees who were given credit under the McCormack Act, Public Law 577, Seventy-ninth Congress, for that portion of their military service after they were within reach on a civil-service register, will now receive credit for all of their military service. Also, the substitute provides that those who enter the postal service for the first time following military service will be placed in a salary grade as though they had served their military service in the Post Office Department.

I shall support this legislation. It is fair that veterans in the postal service should receive credit for military service as they did at the conclusion of World War I.

The Post Office Department estimates, that on the average, veterans in the postal service have served 2½ years in the military service, and accordingly that they will receive $250 annually in salary increases, or $100 for each year of military service. Under the committee's substitute amendment, 94,500 veterans would receive credit for military service.

The Post Office Department, the Bureau of the Budget, and the Civil Service Commission unanimously opposed this legislation on the grounds that it was discriminatory against Federal employees outside the postal service, and the legislation was too expensive in view of the tremendous postal deficit of over $550,000,000.

These objections were fully discussed by our committee and the majority of the members determined that the legislation was fair and equitable.

I shall address most of my remarks to the amendment which will be offered by our chairman, Mr. MURRAY of Tennessee, to extend the benefits of this legislation to all Federal employees.

I offered such an amendment to the bill when it was being considered by the committee. It was defeated by only one vote. The grounds upon which it was opposed, to my mind, are completely untenable. In effect, H. R. 87 is a continuation of the principles embodied in the Selective Training and Service Act, the Veterans Preference Act, and the McCormack Act. These laws embodied the principle that veterans' preference and veterans' benefits should be granted all Federal employees alike.

Right here may I suggest again that this is not a salary bill. This is a veterans preference bill and should apply to all veterans in the Government service.

Under present law if a veteran who was working in the Federal service entered the armed forces and returned to his Government position he received credit toward automatic salary increases in the postal service and automatic within-grade increases in the Federal service on

the basis of his military service. There was no discrimination here.

Under the Veterans Preference Act veterans are accorded certain benefits in connection with employment in the postal service as well as the rest of the Federal service. There was no discrimination here.

Under Public Law 577, which was sponsored by the distinguished majority leader the gentleman from Massachusetts [Mr. McCORMACK] it is provided that Federal and postal employees shall be treated alike, in that if their names were reached on a civil service register while they were in the armed services, upon their return to civilian life they would be given positions in the Federal service and receive credit on the basis of their military service.

The pious argument which will be advanced in opposition to this amendment from only a few Members is on the grounds that we never have treated Federal and postal employees alike and that it will make the legislation too costly. These same Members voted for the Congressional Reorganization Act which consolidated the Post Office and Civil Service Committees into one committee. This consolidation was in effect a declaration that in the future, as far as possible, Federal and postal employees would be treated alike with no preference shown any particular employees or group.

With respect to the problem of the cost involved in including all veterans in the Federal service under the provisions of this bill, I should like to call the Members' attention to the fact that this legislation as it stands, if the substitute is approved, will cost $23,625,000 annually, or an over-all cost of $163,000,000. The inclusion of the proposal to extend these benefits to the remainder of the Federal employees will cost, according to the Civil Service Commission, not more than $17,500,000 a year, or an over-all cost of less than $70,000,000. These benefits will be extended to approximately 180,000 veterans in the Federal service outside the Post Office Department.

When this legislation was reported to the House, the Members were not alarmed at the cost of the bill in that form, which was over $450,000,000 and did not include the other veterans in the Government service.

In my judgment, action to include all Federal employees under the provisions of this bill is consistent with present law and all action taken by the Congress in the past with respect to veterans. Under Public Law 426, Eightieth Congress, which is the Civil Service Retirement Act, all veterans in the civil service receive credit for their military service toward their civil-service retirement without redeposit. This is another example of the way Congress has handled benefits for veterans on an equal basis in the Federal service.

The provisions of this bill are merely an extension of the principles contained in the McCormack Act which treated all Federal employees alike, and we should include all Federal employees under this legislation if we are going to be fair.

Some of the Members who will oppose this amendment will say that by adding it we will jeopardize the chances of the bill. In reply to that I can say this: That all of the legislation which has been passed by the Congress in the last 8 years of benefit to veterans in the Federal service has treated them alike and did not jeopardize the passage of the legislation nor does it today interfere with the administration of such laws.

In my judgment, the Congress in approving legislation of benefit for Federal employees should look upon the Federal employee somewhat as parents look upon their children. The Congress should not, therefore, propose benefits or certain privileges for any portion of the Government family that it does not provide for all of the family. If the contention is that we cannot afford to grant these benefits to all Federal employees alike, then we can ill afford to pass any legislation.

In providing social-security benefits we do not isolate certain groups or States to which we grant such benefits. We treat the American people as a whole, and the distribution of social benefits are accorded everyone on an equal basis.

I trust that the Members will support the chairman of our committee in the amendments that he will offer to this legislation.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to a distinguished member of our committee, who has given a great deal of study to this legislation.

Mr. SADLAK. I congratulate the gentleman on making a very clear statement. Prior to his taking the floor there seemed to be a great deal of confusion and misunderstanding as to the cost. I wonder if the gentleman would be so good as to once more repeat the cost of this bill if the committee amendment, which will be proposed by the gentleman from Tennessee [Mr. MURRAY], is adopted, as compared with the cost now.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. REES. Mr. Chairman, I yield myself five additional minutes.

I would like to have the chairman verify my statement. Will the gentleman from Connecticut please repeat the question?

Mr. SADLAK. Will the gentleman state the actual cost of this amendment if the committee amendment is adopted?

Mr. REES. I yield to the gentleman from Tennessee to state how much the bill will cost just with the committee amendment.

Mr. MURRAY of Tennessee. Under the committee amendment the bill would cost $23,625,000 per year. The total over-all cost would be $163,000,000.

Mr. SADLAK. That is in contrast to $450,000,000 which had been mentioned earlier in the debate.

Mr. MURRAY of Tennessee. That is correct.

Mr. DONDERO. That means with section 2 out of the bill?

Mr. REES. That is correct.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield.

Mr. KEATING. As I understand it, to add all Federal employees would add $17,000,000 annually, or a total of $70,000,000?

Mr. REES. And add the $70,000,000 to $163,000,000, will be the over-all cost of the committee amendment and the amendment offered by the gentleman from Tennessee [Mr. MURRAY].

Mr. KEATING. I think possibly others may be troubled, as I am, with that figure, in the light of the fact that to add this increment to the postal employees amounts to $163,000,000, whereas adding all other Federal employees would only add an additional $70,000,000, when, in fact, it would seem that $70,000,000 would be a much larger figure. There may be an explanation.

Mr. REES. Because a great number of former servicemen have already acquired a considerable amount of credit.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Minnesota, a member of the committee.

Mr. HAGEN. In addition to the reason you gave for the less cost by including the additional Federal employees, it is because of the fact that in case of the Post Office Department we have 11 grades and in the case of the other Federal employees there are only seven grades?

Mr. REES. Yes. I am glad the gentleman brought that out. That is part of it.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield.

Mr. MILLER of Maryland. Did I understand the gentleman to say that there had been legislation in connection with veterans of World War II that was similar to this?

Mr. REES. That is correct. Yes.

Mr. MILLER of Maryland. They have already received similar benefits?

Mr. REES. Yes. That is correct.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield.

Mr. BONNER. Do I understand now that veterans who have not heretofore been in the postal service, entering the service now will jump several grades and get credit for their war service?

Mr. REES. Yes.

Mr. BONNER. And they have never been in the postal service?

Mr. REES. Yes, as the bill is now written.

Mr. BONNER. I can well understand where a man was displaced from the service having credit for it, but in the future veterans who come into the postal service will be given credit for all of their war service. Is that correct?

Mr. REES. That is correct.

Mr. HAGEN. The amendment provides July 1, 1950.

Mr. REES. An amendment will be submitted, but it has not yet been submitted. The original bill presently considered provides a cut-off date of July 1952. An amendment will be submitted that will cut it off at July 1, 1950.

Mr. BONNER. What is the reason why a veteran who has never been in the service is to be given credit? I am

a veteran myself, and I am interested. He has never been in the service. Why should he be given this preferential treatment? He got a competitive job over many other men who would like to have it. I think it is only a fair question to ask, especially since he never had any connection with the postal service.

Mr. REES. The argument in support of it is that it is an additional veterans' preference. We have already established the principle that a veteran is entitled to preference over a person who has not been in the armed services, a preference in getting and holding jobs in the Federal Government. This is just an extension of that preference.

Mr. BONNER. But now it is 4 years after the war. He gets preference in obtaining the job in the first instance.

Mr. REES. Yes.

Mr. BONNER. Two men enter the postal service today, one a veteran, one a nonveteran; and the veteran immediately jumps 2 or 3 years in seniority.

Mr. REES. That is the situation.

Mr. BONNER. And the one who jumps in seniority has many benefits elsewhere.

Mr. REES. That is correct.

Mr. BONNER. I am interested in it, but it just does not seem reasonable to me.

Mr. REES. That is a question of the gentleman's judgment.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, a great deal of confusion has been injected into this debate as to the cost of this bill. First, let me say that the committee chairman has been instructed to report a committee amendment that I hope will be adopted and that should be adopted. It will in effect substitute the provisions of S. 689 that has already passed the Senate, taking out of that bill a liberal provision and substituting a more restrictive one as to the effective date of the act, and it will kill the rest of the bill H. R. 87.

H. R. 87 was reported from the Committee on Post Office and Civil Service prior to the adoption of the last postal pay bill in which we eliminated the two lower grades for all postal employees in the field service. This practically nullified and made unnecessary the second or expensive section of H. R. 87. I shall, therefore, address myself not to the bill as it is before us but to the bill as it will be when the committee shall have adopted the committee amendment substituting S. 689, as I assume the committee will.

There has been a good deal said as to the cost of the bill. The report of the House committee shows that section 1 of the bill will cost $24,400,000 a year. In a comment on the same provision the Senate report gives the cost of the bill at $22,000,000 a year. These figures were supposed to emanate from the same place, the Post Office Department, yet there is a rather glaring discrepancy in the figures.

An analysis of the report of the Postmaster General shows that the number of employees coming into the postal service up until that last report was written cannot be reconciled with the number that he put into these reports. It amounts roughly to 100,000 people. But this bill does not include the supervisors, the postmasters, the inspectors, and certain people in minor positions and other groups within the postal service. It is designed to take care of the men within the postal service who tramp the streets, separate the mail, haul the mail in trucks, and do the hard laborious, tedious work.

The reason for the bill is that if two men, A and B, get out of high school at the same time, one of them, A, because he was a IV-F, or for some other reason, was rejected for military service, but entered the postal service and got his automatic $100 a year increase every year. B, within the same age group, went into the military service, spent 3 years in the rigors of warfare, came back and went into the postal service. He was $300 behind A as they stepped up through their now nine automatic grades. What we are proposing to do is to say to B, the man who went into the military service, "We are going to give you credit for the time you spent in the military service so that your salary will be the same as the man who worked for the Post Office Department during the same period of time." What is wrong with that?

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Is it not a fact that this legislation conforms exactly to legislation passed after World War I?

Mr. MILLER of California. I was coming to that and to tell the committee that the legislation in World War I was put into effect by a rider to the 1923 appropriation bill. It gave the veterans of World War I the credit for service that we are trying to give the veterans of World War II.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. JAVITS. I want to point out that that too applied to people who had never been in the Post Office Department.

Mr. MILLER of California. What we are trying to do it to bring these people under it in the same way.

Mr. JAVITS. That applied under the World War I legislation?

Mr. MILLER of California. That applied under World War I legislation. All we are trying to do is to reconcile the privileges granted the veterans of the two wars. Some people do not like this bill and they want to knock it down to defeat it. They are trying to confuse you by referring to huge sums such as $460,000,000. This is the supposed cost of the unamended bill over its life, say 8 years. We do not say that our own salaries or the cost of Congress is some fancy sum projected on a long-time basis. If I said the cost of Congress will be $400,000,000 in the next 25 years it would not deter us from voting our own salaries. We take the thing on a year-by-year basis. This is going to cost about $21,000,000 a year for the next 8 years.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. HINSHAW. In respect to the words a moment ago that these people come in with a credit for war service, is it not true that these veterans had 2 or 3 years in some cases of Federal service during the war, although it was not in the Post Office Department? It was for the Government nevertheless.

Mr. MILLER of California. That is right. They had it in the hard type of Government service, and we are merely recognizing war service as Government service.

Mr. Chairman, I should like to read into the RECORD at this point a telegram from the Veterans of Foreign Wars of the United States, as follows:

> Veterans of Foreign Wars of the United States strongly urges every effort be made to obtain House of Representatives approval of H. R. 87. Bill would remove existing inequity governing veterans employed in postal service. Please feel free to use this message in your presentation of merits of bill before House.
>
> OMAR B. KETCHUM,
> *Legislative Director, VFW.*

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I should like to commend the gentleman for this bill and also the committee. I had an opportunity in 1922 to watch the work done for the World War veterans which the gentleman from California then performed. It was tireless and he was a very important member of the staff of the Veterans' Bureau at that time. I had an opportunity to see his performances then.

Mr. MILLER of California. I thank the gentlewoman from Massachusetts.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mrs. ST. GEORGE. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Chairman, I am not a member of this committee, but I do appreciate the opportunity of having this time to express my views on this bill which I am vigorously in favor of passing.

First of all, I think it ought to be understood that insofar as applying the terms of this bill to all Federal employees at this time, is not fair to postal employees because the expenditure of the sum of money which that would require would take lengthy hearings and a lot of consideration that may come in time but this is not the time to do it. Any attempt to do that at this time is merely for the purpose of killing the present bill, H. R. 87, by increasing the cost of the bill by $70,000,000 and thereby increasing opposition to its passage.

A question has been raised as to why a postal employee who has never been in the service comes into the service and gets the accumulated extra salary or extra credit. That applies because of the fact that the man has been in the postal service all during the time the other man has been in the armed services, has been given the usual increases and so that the new employee who is a war veteran may be on an equal salary basis with the nonveteran. You heard from many of your constituents in letters to the effect that the postal employee is working alongside of men who were never in the armed services at a lower rate than men who were not war veterans. That is not fair and the bill will correct this inequality. Veterans in private industry who left their jobs to go to war came back and the job was still there, did not start at the salary they received when they left to go to war. They started at the increase in the rate which was allowed by the firm during their absence. Postal employees are entitled to the same consideration.

Mr. Chairman, this legislation is fair and the substitute that is being offered by the committee, which will cost 40 percent less than the original bill, should be adopted. I do not think the idea of applying this to all Federal employees applies for another reason. In an overall survey of the salaries and wages paid to postal employees it has been found they have been generally on a lower scale than the average Federal employee in other categories. These war veteran postal employees are entitled to this adjustment at this time. Thousands of other veterans who took advantage of the veterans educational benefits have cost much more than these war veteran postal employees will receive from this bill. Postal employees are loyal, dependable, hard-working public servants. They should not be discriminated against. I am confident that this bill will pass and I strongly urge all Members of the House to support it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Chairman, I want to thank the committee chairman for his graciousness in allowing me this time. While I do not exactly agree with his stand in this particular issue, I do respect him and have high regard for his integrity. I thank him for his courtesy.

Mr. Chairman, the postal service is unique because it is the only business I know of that is saving money today as a result of wartime operation.

This chart will explain my point better than words.

For the purpose of illustration, let us say that Mr. Blue joined the Army January 1, 1944. At the same time, Mr. Red entered the postal service. Due to a wartime operational policy, the postal service gave no one a permanent job after October 1943. Consequently, Mr. Red was a temporary employee and subject to a competitive examination at some later date to hold his job and become permanent.

But he received his longevity raises and his raises that came to postal workers as acts of Congress. Consequently, through a series of raises, Mr. Red—if he is still employed—is making $3,670 a year.

Now Mr. Blue served 18 months in the Army and came back home to go into postal service. He started in at base pay. You may recall that Public Law No. 134 provided for a $400 pay increase only for an employee who was working prior to July 1, 1945. As it happened, very few veterans were able to get out of uniform and into postal service before that date. So Mr. Blue—the veteran—does not get the $400 benefit of Public Law No. 134.

All the way up this chart you will note that the temporary worker is from $400 to $500 ahead of the veteran—both of whom started to work for Uncle Sam at the same time, but in different services. In this particular case, and under present regulations, it will take another 15 years before the veteran catches up with the nonveteran.

After the veteran was demobilized, the postal service began to call for competitive examinations in which the temporary worker could qualify for permanency or a veteran could displace him with a higher mark.

The point, however, is this: Now every time a veteran replaces a temporary worker, the postal service is able to save $400 to $500 on the exchange—and in many cases even more. I do not mean to imply that there is anything shady about the deal, for I have great respect for our Postmaster General and his competent assistants—the condition is caused primarily by Public Law 134.

There could be a basis of justification if the veteran was unable to prove his competency or if the veteran was unable to do the work of the man he replaced. But he goes in and does the same job, the same hours, the same place—but not at the same pay.

H. R. 87 would give the veteran credit for the time he spent in the service and thus make him eligible for the $400 raise provided in Public Law 134, as well as the smaller $100 a year raises for service.

It simply moves the blue line into the red, so that the veteran makes the same amount, approximately, as the man he replaces.

Thus the bill does not cost the Government money in the real sense. It merely maintains a pay cost that is already in effect, and follows the basic principle of the GI bill of rights—that a veteran shall not lose by serving his Government in time of war.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Tennessee.

Mr. MURRAY of Tennessee. No permanent appointments in the postal service were made during World War II. All employees were temporary employees.

Mr. McKINNON. That is right.

Mr. MURRAY of Tennessee. Mr. Red, to whom the gentleman refers as having entered the service in 1944, had to stand an open competitive examination after the war was over to get a permanent appointment, he did not get veteran's preference, and he had to stand above the veterans in order to get an appointment.

Mr. McKINNON. That is right, but let us say he took the examination in the middle of 1946. If Mr. Red was displaced by Mr. Blue, a veteran, the Government was able to save $400 as a result of hiring Mr. Blue in substitution for Mr. Red. The examination was competitive and open, but oftentimes the veteran displaced the temporary worker and moved in, and the Government made the savings.

We are not going to increase the cost of the post-office pay roll over what it would have been had we continued to keep the temporary war worker.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. REES. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, we had hearings on this bill before our committee. We found no public opposition to it at all. It has been endorsed and supported by many individuals, labor organizations, veterans' groups, post-office employee organizations, and many other groups. The bill's opposition seems to revolve around the cost. I would like to repeat, for the benefit of any who were not here when the matter was originally discussed, that the cost per year for these veterans in the Post Office Department under section 1, which is the part of the bill which we must consider, as that is the portion of the bill which our committee recommended out and which will be considered by the House, is about $23,000,000 annually. The over-all cost for the period as long as a total of 8 years will be about $163,000,000. If all of the other veterans in Federal organizations were taken in under section 1 of the bill, it would mean a cost of about $17,000,000 annually, or a total over-all cost for the entire period of about $70,000,000. The reason for the less cost is because of the grades that these additional employees are taken in at and because there is a difference in the grades. There are 11 Post Office Department grades, and only 7 grades in the Federal service.

Furthermore, the grades in the case of the Post Office Department, that is, the within-grades, cost more in the additional amounts given per grade, compared to the grades in the Federal service. In the case of the Post Office Department, 120,000 veterans will be benefited. There will be 180,000 more veterans benefited if this bill were extended to all veterans in all classes of the Federal Government. So, we see that the cost is relatively small. We are giving them only what they deserve. Therefore, I believe this bill should be adopted by unanimous vote of the House.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. KEATING. Does this $17,000,000 a year, and the total of $70,000,000 include the supervisors and postmasters to which the chairman of the committee referred?

Mr. HAGEN. I do not believe it does.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, I cannot add a great deal to what has already been said on this bill. It is generally understood that the amendment to be offered by the chairman of the Post Office and Civil Service Committee, Mr. MURRAY, has been agreed to by the committee, and I feel it is deserving of favorable consideration.

However, what I wish to say is this: the Committee on Rules is frequently criticized justly. However, this committee from time to time, does withhold its approval of bills which it feels provide extraordinary and unnecessary expenditures. This was the case with the original bill, H. R. 87, the cost of which it was claimed and represented would be over $400,000,000.

Now that the bill has been satisfactorily amended, reducing the cost to approximately $23,000,000 instead of the original figure of $45,000,000, I am indeed gratified, and I have taken the floor mainly for the purpose of giving credit where credit is due to those responsible for bringing this bill before the House today. It was largely due to the untiring work of the gentleman from New York [Mr. DELANEY], who has striven his utmost to secure favorable action on this measure, not only because he has always been friendly to the postal workers and our veterans, but because of his eminent spirit of fair play and justice in all legislative matters. He had the cooperation in the Committee on Rules of the following Members, who too have labored diligently to bring about the consideration of this bill today and who have at all times had the welfare of the veteran at heart—the gentleman from Indiana [Mr. MADDEN], the gentleman from Ohio [Mr. MCSWEENEY], and the gentleman from Texas [Mr. LYLE]. Without their assistance, naturally, the bill could not have been given a rule and would not now be before this House.

Of course, I realize the support this bill received in the Committee on Post Office and Civil Service from the gentleman from California [Mr. MILLER], its author, the gentleman from Louisiana [Mr. MORRISON], the gentleman from Missouri [Mr. KARST], the gentleman from Minnesota [Mr. MCCARTHY], the gentleman from Indiana [Mr. CROOK], and the gentleman from Illinois [Mr. BUCKLEY].

Again, Mr. Chairman, I am indeed pleased that the agreement has been made on the amendment to be submitted which will reduce the original estimated cost of $454,000,000 to the more approximate figure of $23,000,000 the amended bill provides, and I sincerely trust the amended bill will receive favorable consideration at this time.

Of course, I am for this bill and I supported the request for the rule in my committee. I have the highest regard for the faithful workers in the postal system, and the esteem and gratitude I have always felt for the service rendered by our veterans has often been expressed by me in words as well as by action on legislation affecting their welfare. I feel that in this bill as amended we are giving the same recognition to those veterans now in the postal service that we gave to the veterans who entered the service following World War I, which I supported at that time. I hope this bill will receive the unanimous endorsement of the House.

Mr. REES. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That postal employees or substitute postal employees who entered the postal service within 3 years of the date of enactment of this act and subsequent to service in the military or naval forces of the United States during World War II who have not reached the maximum grade of salary nor otherwise received credit for such military service in determining their salary grade shall receive credit for all time served in the military or naval forces on the basis of 1 day's credit of 8 hours in the postal service for each day served in the military or naval forces and be promoted to the grade to which such postal employee or substitute postal employee would have progressed had his original appointment as substitute been to grade 1: *Provided*, That postal employees or substitute postal employees who were on active military or naval duty on or before June 30, 1945, shall, upon promotion to a regular position, be advanced in the same manner provided in section 3 of Public Law No. 35, Eightieth Congress, for employees who were substitutes in the postal service prior to July 1, 1945.

SEC. 2. Substitute postal employees who failed of promotion to regular while in the military or naval forces due to administrative error shall, for the purpose of determining their postal salary, be held to have been promoted to such regular position as of the date a vacancy, to which they as senior substitute could have been promoted, occurred.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That each classified employee or classified substitute employee in the postal field service who—

"(1) served in the armed forces of the United States during World War II,

"(2) was separated from such service under honorable conditions,

"(3) is in the postal field service on the date of enactment of this act or enters such service prior to July 1, 1950, and

"(4) has not attained the maximum automatic salary grade of his position, shall receive credit, in the determination of his salary grade, for time served in the armed forces during World War II to the extent that he has not heretofore received such credit. Such credit shall be on a pro rata basis for each year (or fraction thereof) which such employee or substitute employee served in such forces. Each such employee or substitute employee shall be advanced to the grade to which he is entitled by reason of credit received under this section; except that he shall not be advanced to a grade higher than the maximum automatic salary grade of his position.

"SEC. 2. Any classified employee or classified substitute employee in the postal field service who served in the armed forces of the United States after September 15, 1940, and before July 1, 1945, and who does not come within the provisions of the first section of the act of March 6, 1946, as amended by section 3 of Public Law 35, Eightieth Congress, shall, as of the date of his appointment or promotion to a regular position subsequent to June 30, 1945, be advanced four grades in addition to the salary grade to which he is entitled under the first section of this act; except that he shall not be advanced to a grade higher than the maximum automatic salary grade of his position.

"SEC. 3. Each classified substitute employee in the postal field service who was not promoted to a regular position by reason of being in the armed forces of the United States during World War II shall, for the purpose of determining his hourly rate of compensation, be held to have been promoted to the regular position, as of the date of occurrence of the first vacancy therein, to which he as senior substitute could have been promoted if he had not been in the armed forces.

"SEC. 4. Except in the case of compensation under section 3, no classified employee or classified substitute employee in the postal field service shall, by reason of the enactment of this act, be entitled to any compensation for any period prior to the date of enactment of this act.

"SEC. 5. For the purposes of this act, the term 'World War II' means the period beginning September 16, 1940, and ending June 30, 1946, both dates inclusive."

Mr. MURRAY of Tennessee. Mr. Chairman, I offer a committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute for the committee amendment by Mr. MURRAY of Tennessee: Strike out all after the enacting clause and insert in lieu thereof the following:

"That classified postal employees or classified substitute postal employees who are in the postal service on the date of enactment of this act, or who shall enter such service after such date but prior to July 1, 1950, and subsequent to service in the military or naval forces of the United States during World War II, terminated under honorable conditions, who have not reached the maximum grade of salary shall receive credit for time served in the military or naval forces to the extent that they have not already received credit for such military or naval service in determining their salary grade. Such credit shall be on a pro rata basis for each year served in the military or naval forces. On the basis of such credit, each employee to whom this section applies shall be promoted to the grade to which such postal employee or substitute postal employee would have progressed had his original appointment been to grade 1.

"SEC. 2. Substitute postal employees who failed of promotion to regular because they were in the military or naval forces during World War II shall, for the purpose of determining their postal salary, be held to have been promoted to such regular position as of the date a vacancy, to which they as senior substitute could have been promoted, occurred.

"SEC. 3. No person shall, by reason of the enactment of section 1 of this act, be entitled to any compensation for any period prior to the effective date of this act."

Mr. MURRAY of Tennessee. Mr. Chairman, this is the committee amendment which was adopted by the committee last Thursday. I have already explained the purport of the amendment in my opening remarks.

This is an amendment offered in the nature of a substitute and strikes out section 2 of the original committee amendment, which provides that not only should postal employees get credit for military service, but should also be given four additional grades. That is stricken out by this amendment. The only thing left for consideration under this amendment is giving to the postal employees, who enter the postal service after their military service, credit for their military service on the automatic grades.

The cost would be $23,625,000 for the first year, and the over-all cost would be $126,000,000.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield.

Mr. BYRNES of Wisconsin. Does the gentleman feel that with the adoption of this substitute the bill is a good bill?

Mr. MURRAY of Tennessee. No. I would not say that. I have some other amendments to offer, because this does not cure the situation at all. I have an amendment to offer to make this include veterans employed in all Government agencies. Also another amendment to include postmasters. They are not included now.

Mr. BYRNES of Wisconsin. Even if those amendments are adopted, then does the gentleman feel that this would be a good bill?

Mr. MURRAY of Tennessee. It would be a better bill than it is right now.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SUTTON. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. SUTTON in section 1 of the amendment in the nature of a substitute: Strike out the words "but prior to July 1, 1950."

Mr. WILSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. WILSON of Oklahoma. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WILSON of Oklahoma. Mr. Chairman, I wish to add my support to that of other of my able colleagues to H. R. 87 which would give credit to veterans of World War II for time spent in military service toward promotion and salary in the postal service. It has been a fundamental purpose of Congress to make available to our veterans, who have so nobly served their country, certain benefits to permit their orderly transition back to civilian life and to integrate them into society as happy, worth-while and productive citizens. Many of our valiant soldiers will not return and many more who have returned paid dearly in health, physical, and mental condition, time and in many other ways for their devotion to their country. Among their sacrifices has been that of the loss of advancements they would have gained had they been permitted to pursue their civilian occupations and seek employment with the Postal Department as many of them have since done. Often less capable persons took their jobs and gained the advancements to which they would have been entitled.

We can never repay fully our debt to the returned servicemen and servicewomen, however, certain adjustments have been made previously to allow credit to certain employees for time spent in the military in time of war. That has become a recognized part of our laws relating to veterans. However, many additional postal employees have been denied the benefits of existing legislation because of various contingencies not affecting their qualifications, loyalty or the character of their postal service, but solely the result of the accident of war which prevented their attaining the status of classified employees at the proper time. The purpose of H. R. 87 is to treat all veteran employees of the post office as nearly alike as possible and to discriminate against none.

The able Representative from California, Congressman GEORGE P. MILLER, has carefully analyzed the costs of this bill and his estimates thereon are set forth at page A726 of the Appendix of the CONGRESSIONAL RECORD. His analysis shows that the actual cost of the House measure is about two-fifths less than what the House Post Office and Civil Service Committee estimated. As I understand that the committee is now offering a further amendment to further reduce the cost of this measure. So amended this will be a moderate measure. No great benefit will be received by any one employee but all will be treated fairly. It merits the support of the House of Representatives. I thank you.

Mr. SUTTON. Mr. Chairman, I have talked to the chairman of the committee [Mr. MURRAY], to the gentleman from California [Mr. MILLER], and the gentleman from Kansas [Mr. REES]. Each of them has agreed this is a good amendment. I know of no objection to the amendment. I hope it will be adopted. It simply cuts out the provision "July 1, 1950." In other words, if a man goes into the postal service on June 30, 1950, he is entitled to this raise, but if a man goes in on July 2 he is not entitled to it. So, if one is entitled to it they all ought to be entitled to it.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. MURRAY of Tennessee. Under the committee amendment no postal employee would receive these benefits for previous military service who did not enter the service prior to July 1, 1950. Today a veteran with 4 years' service in the military service who entered the service of the post office in June 1950 would get $400 increase, but another veteran who entered the service on July 1 would not get the $400 increase. Would that not cause strife and jealousy among the employees.

Mr. SUTTON. That is discrimination amongst the employees which is not right.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. JAVITS. How much will that add to the bill? Must you not be careful that you not add so much that you will break the back of the bill?

Mr. SUTTON. My purpose here is to protect the veteran who would come in after July 1.

Mr. JAVITS. Does the gentleman have any idea how much money it would add to the total cost of the bill?

Mr. SUTTON. No; I have no idea.

Mr. JAVITS. Does it not leave it wide open now and discourage votes for the measure?

Mr. SUTTON. Certainly not. If you are for the veterans, this is where you can help them by voting for this amendment.

Mr. JAVITS. My fear is that this unlimited extension and unknown additional cost will alienate votes from the measure should the amendment pass.

Mr. SUTTON. I beg to differ with the gentleman. I cannot see the justice in the proposition that a veteran who enters the postal service on July 2, 1950, is not entitled to the same treatment as the veteran who enters the service on June 30.

Mr. BROOKS. The gentleman means who enters the postal service, not the armed service.

Mr. SUTTON. The postal service, certainly; that is what I refer to.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentlemen yield?

Mr. SUTTON. I yield.

Mr. O'HARA of Minnesota. It is obvious, of course, that hundreds if not thousands of veterans will enter the service after July 1, 1950.

Mr. SUTTON. Certainly.

Mr. O'HARA of Minnesota. Without the gentleman's amendment in the bill it would discriminate against those veterans.

Mr. SUTTON. The gentleman is absolutely right. I hope the amendment will be adopted, since it was agreed to by the chairman of the committee.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. MILLER of California. I want to correct the gentleman. He came to me awhile ago seeking my support of his amendment, but I told him I thought he was trying to overload the bill. I am going to seek recognition now to speak against the gentleman's amendment.

Mr. SUTTON. The gentleman knows I am not trying to overload the bill; I am trying to aid the veterans and to take discrimination out of the bill. If the gentleman from California opposes this amendment, he shows himself definitely against the best interests of the veterans.

Mr. MILLER of California. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Chairman, I am supporting the committee substitute as submitted by the gentleman from Tennessee [Mr. MURRAY]; and I shall oppose any amendment to the committee substitute, notwithstanding I should have liked to substitute the Senate bill. The Senate bill provides that any veteran who entered the postal field service within 3 years after the effective date of this act would be entitled to receive credit for his military service. But strange though it may seem, opposition arose so we reinserted in the approved committee amendment the cut-off date in the original bill, H. R. 87.

Mr. REES. Mr. Chairman, will the gentleman yield briefly?

Mr. MILLER of California. I yield.

Mr. REES. To keep the record straight, I thought it was 3 years after the enactment of this act.

Mr. MILLER of California. That is the Senate provision that we objected to.

Mr. REES. I thought the gentleman said 3 years after termination of his service in the armed forces.

Mr. MILLER of California. No, after enactment of the act. The gentleman is correct. On the other hand, the gentleman from Tennessee [Mr. SUTTON] wants to open this thing up for all time to come to World War II veterans. I realize that we must have a cut-off date, and although I may incur the gentleman's disfavor and he may say I am against the veterans, I must stand against his amendment, I am trying to protect the veterans; I am trying to protect those veterans who are entering the postal service and who are in the postal service and who need this particular adjustment. I am not going to have the bill loaded down, if I can help it, with amendments which will mean its defeat.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. SUTTON. The gentleman realizes that he has unemployment now in his district and that there is unemployment in the country. If we retain the date July 1, 1950, it means that we are going to discriminate against those veterans who entered the service after that date.

Mr. MILLER of California. No one is discriminating against the veteran. It is about 4 years now since the end of the war, and those of them who are not now in the postal service or will not enter it by July 1, 1950, will be out of luck. I should like to leave it wide open, as would the gentleman, but I know that in doing so I may defeat the very end I seek to accomplish that of helping the veterans, because I would be loading the bill up with such uncertainty that it would cause many Members to vote against the bill.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. REES. What was the cut-off date after World War I when legislation somewhat similar was being considered?

Mr. MILLER of California. I do not know the cut-off date, but I think it was around 1923.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. JAVITS. It is my opinion that should we consent to this amendment and enact this amendment it would jeopardize the enactment of this bill, and passage of the bill is far more important to me than the cut-off date.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. McDONOUGH. Would not the amendment offered by the gentleman from Tennessee have the same effect as though we extended to an unlimited period the date for the termination of GI educational benefits?

Mr. MILLER of California. The gentleman is correct.

Mr. McDONOUGH. We had a cut-off date in that bill.

Mr. MILLER of California. Certainly.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. BROOKS. Would some of these benefits apply to the veterans of the First World War?

Mr. MILLER of California. They did.

Mr. BROOKS. They received the same benefits?

Mr. MILLER of California. They received the same benefits.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from New York.

Mr. MULTER. As of the present moment it is impossible to tell how many veterans, if any, will come in at some subsequent time.

Mr. MILLER of California. Yes.

Mr. MULTER. If time proves they may need help because they are discriminated against, we can consider them at some future time?

Mr. MILLER of California. Yes.

Mr. THORNBERRY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Texas.

Mr. THORNBERRY. There was some mention of a cut-off date for World War I veterans. There was a cut-off date for World War veterans, was there?

Mr. MILLER of California. Yes.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Michigan.

Mr. FORD. Has there been any great complaint about the cut-off date that existed in the legislation following the First World War?

Mr. MILLER of California. No. Of course, there will be borderline cases, a small percentage, and although we would like to take care of them we cannot write legislation to take care of all of them.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the cut-off date of July 1, 1950, prevails, there is going to be much dissatisfaction upon the part of veterans who perform postal service after July 1, 1950. The Postmaster General has advised me that there are over 100,000 temporary employees still in the postal service. These temporary employees will be supplanted and their jobs taken by permanent employees, the great percentage of whom will be veterans. The Postmaster General also says that on account of the Veterans Preference Act at least 90 percent of these future appointments will go to veterans under that act. So if you cut this off on July 1, 1950, and veterans are hired after that time, you will have complaints from the veterans who enter the service in 1950 and 1951 and thereafter because they are not given credit for their service in the armed forces.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last two words.

Mr. BYRNES of Wisconsin. Mr. Chairman, I am inclined to agree with the chairman of the committee, the gentleman from Tennessee [Mr. MURRAY], that, no matter whether all or any of the amendments that have been proposed are adopted, you will still have a bill which basically is unsound and inequitable as between veterans and as between service employees of the Government. To me the bill does violence to the theory of the act you are intending to amend and is in conflict with that theory.

There has been much talk here with reference to the cost of this bill. Certainly cost today is a most important item. I suppose if we were to judge legislation on the basis of whether we could afford it or not, there are at least $5,000,000,000 worth of spending bills that are going to be passed during the course of this year which we cannot afford. It is acknowledged we are going to go in the red at least to that extent. As far as I am concerned I am going to do my best to prevent such a deficit. However, of equal importance in the discussion of this bill is a look at the theory of the law that we are attempting to amend. I refer to the theory and the purpose of automatic within-grade promotions or automatic pay raises based upon length of service.

Why was that adopted? Why did you put it in the pay scale of our civil-service and postal-service workers? There was only one basic reason, and that is that as a person works in a particular job longer he becomes more valuable in that particular job or position and it is to reward that faithful and efficient service which improves the value of this individual to the service and to the job he is performing that we provide for automatic pay raises.

The gentleman from California [Mr. MCKINNON] showed us a chart and he contended that the Government is saving money because of the fact it has some veterans on the pay roll who did not go into the postal service until after the war and receive no longevity pay for the period spent in the armed services. He contended, therefore, that because the veteran does not get this in-grade pay raise, based on his military service, he is being paid at a lower level. But would that not be true, may I ask the gentleman from California, no matter whether that person was a veteran or not a veteran? Any new employee is going to be paid less than an employee who has been in that same position for 3 or 4 years. The person who works at the job longer gets a higher rate of pay. That is the heart and soul of the theory and purpose of a system of longevity pay. By picking out a special class—in this instance the veterans who entered the postal service after the war, but before July 1, 1950—and giving that class credit for time which actually was not spent in the postal service, we are doing violence, complete violence, to the very purpose of in-grade promotions.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Michigan.

Mr. DONDERO. Of course, that in-grade promotion proposition, on the theory that they are worth more the longer they serve, does not apply to Members of Congress. We may be worth more but we are not paid more.

Mr. BYRNES of Wisconsin. In general employment it is a sound theory, and I think it is carried on by most private employers. They have automatic pay raises, depending on the length of time the employee is working for them.

Mr. DONDERO. The gentleman is correct. I want to make one further observation, that there is a duty upon this Congress under present conditions to keep this a solvent nation; otherwise we are not going to be able to satisfy and pay the obligation that we owe to the veterans and certainly they are interested in that.

Mr. BYRNES of Wisconsin. I think that is very true. I want to bring out this cost item. I do not think we make it any better bill because we cut down the cost.

There has been some talk here to the effect that, "Well, the bill started out costing about $454,000,000, but now with the committee amendment it is going to cost only $160,000,000." That is still more than we can afford. To me that reduction does not make the principle of the legislation any better or any more sound.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from California.

Mr. McDONOUGH. In the advance of salary because of service rendered, the theory the gentleman has just reviewed, does not the gentleman recognize the fact that these men served in the armed forces, that they were employees of the Federal Government in a very hard task, and they are entitled to credit for that when they come back into civilian life?

Mr. BYRNES of Wisconsin. Of course, they had a very hard job. The hardest job there is in the world. But they had not been working in this particular job. The bill does not do this for all veterans. This just involves veterans in the postal service. It does not do anything for the veteran in the classified service. It does not do anything for the veteran who enters the postal service after July 1, 1950. It does not do anything for any veteran who is not on the Government pay roll.

Mr. Chairman, this legislation is basically unsound. It is opposed by the Post Office Department. It is opposed by the Civil Service Commission. It is opposed by the Bureau of the Budget. It is opposed by the Comptroller General. It should be defeated.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we all must realize that there is a considerable difference between service in the field service of the Post Office Department and service in any agency of the Government outside the field service of the Post Office Department. That difference arises somewhat in this way: When a person takes a position as a temporary employee of the field service of the Post Office Department he goes in at the very bottom of the list. When he applies for a position under the civil service laws in any other department of the Government, he may qualify by examination for such grade as he is qualified to fill. He can go in as a CAF–5 or a 7 or a 9, or a professional grade. If he goes into the field service of the Post Office Department he does not have that opportunity. He can go into the administrative division of the Post Office Department, if he is so qualified, at a much higher grade, but not into the field service. Consequently, when we are considering these field service employees, I think we cannot consider them in the same way that we consider other Post Office Department employees.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MILLER of California. May I point out to my colleague from California that many men enter the field service of the Post Office Department as, say, letter carriers, and they end up 35 years later still pounding the sidewalks and carrying mail; or if they enter as clerks they end up 35 years later still distributing mail.

Mr. HINSHAW. There is very little opportunity for promotion from the field service to any other division in the Post Office Department, for reasons of which I am not thoroughly aware, except perhaps that there is a distinct limitation of the number of positions available, a very distinct limitation and maybe a little politics. Therefore, when we are considering these people, let us not do it in quite the same way as we consider others.

The gentleman from Michigan spoke a moment ago of the fact that a Member of Congress does not get an increase on account of longevity. No, he does not, because he comes in at one of the highest grades the Government has to offer. If he went in as Secretary of a Department neither would he get an increase of pay on account of longevity. But if he goes in as an employee in the office of a Member of Congress, I hope that he would be entitled to receive whatever increases he could wangle out of the Congressman as time went on.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from California.

Mr. McDONOUGH. Is it not also true that an employee entering the field service of the post office starts at a comparatively lower rate than in the low grades of other types of employment in the Federal Government?

Mr. HINSHAW. As a rule, he does, but not necessarily. However, he must enter at that low grade if he is in the field service of the Post Office Department. He has no other alternative; nothing else is open to him. He cannot enter at an advanced grade or an advanced position in the field service. It must be by promotion and length of service.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Wisconsin.

Mr. KEEFE. That particular situation applies regardless of the characteristics or ability of that particular individual to whom the gentleman has referred.

Mr. HINSHAW. Precisely so. He might someday qualify to become a postmaster, if he is sufficiently active in a civic capacity to draw the attention of the higher-ups, political or otherwise, to his activities. That is one of the few ways he has of getting out of it.

Mr. KEEFE. Insofar as each entering grade is concerned, regardless of his special ability or qualification, he enters at the starting rate with all the others.

Mr. HINSHAW. That is right. I want to make the further point that a good many of these men have been in the postal service of the armed forces. That is one of the reasons why they go into the Post Office Department when they get out. They may have 2 or 3 years' experience in the postal service of the armed forces, and then go into the Post Office Department, and necessarily they would start again at the bottom. I think as they already have had a certain amount of Federal service, and frequently service in the postal department of the armed services, or other positions, they are entitled to the consideration being given them by this bill.

Furthermore, a member of the armed forces who goes into some other branch of industry probably has had the opportunity in the service to learn some trade which is of value to them when they get out of the service. It may be as a radar operator or a control-tower operator or plumber, mechanic, or anything of that sort. They have acquired an experience which is valuable to them when they go into private industry. There they receive the current wage for their skill. I favor this bill as it probably will be amended.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JAVITS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I would like to express my views on the bill at the same time that I refer to the gentleman's amendment. I do not want to be taken for a moment to indicate that the gentleman from Tennessee is as solicitous as I am about opportunities for veterans. I am sure he is and that that is the purpose of his amendment, and my comment is only designed toward the purpose which I feel he would want to serve himself, and that is to get this bill passed. It is really an honest difference. I fear, if the bill is loaded down with an open-end proposition, it might lose enough votes possibly even to defeat it, and we both do not want that.

On the bill itself I would like to point out two factors which are very important.

First. It is clear now that this is the same sort of bill which was passed for veterans of World War I. There we had a two-year war, and hence we had a two-year cut-off date. The cut-off date, as I understand it was 1920. Here, with a four-year war, we have a longer cut-off date, and the cut-off date is July 1, 1950.

Second. The juxtaposition of the two figures indicates why the effort is being made to do this for postal employees, and why other Government employees are not at this time included. The two figures are $163,000,000 over-all, as the cost of this bill, and $70,000,000 over-all which would be the cost for all other veterans employed by the Government if included. What that indicates is that the salary schedules for postal employees

are so designed that postal employees need more relief in this matter than other Government employees, because it costs more money to bring them to parity. I point out that the $70,000,000 applies to about twice as many veterans as the $163,000,000 applies to in the Post Office Department, about 94,000 to about 180,000; thus emphasizing again the point which I make.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that debate on the amendment offered by the gentleman from Tennessee [Mr. SUTTON] close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was one of those who worked diligently to prepare what was called the reclassification bill, which provided for a career service in the Postal Department. We made 14 grades so that a young man coming out of high school at 18 years of age could start at the bottom and have a career before him. We have done violence to that career service in the Postal Department already. We have chopped off the three lower grades. In this bill you propose to do more violence to the same principles which we adopted in that reclassification bill.

Mr. Chairman, I do not know that there is any one thing that I have helped to do during the 14 years I have been a Member of Congress which I am more proud of than the job we did on the classification bill for the Post Office Department. I am one who is opposed to doing violence to the principles of that bill. Therefore, I shall vote for these amendments offered by the committee, and then I shall vote against the bill because it still does violence to those principles.

In the long run it will create irritations and trouble in the Post Office Department and will not lead to more efficient work in the Post Office Department. Now it is said that after World War I we did this. Well, after World War I we only owed some $30,000,000,000. Now we owe over $300,000,000,000. We do not have the same conditions to face that we had after World War I. We have got to think about those things. If this bill is loaded down, and I think it is loaded down too much now, as sure as the world there will be a veto. We must keep those things in mind.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The question recurs on the amendment offered by the gentleman from Tennessee [Mr. SUTTON] to the substitute offered by the gentleman from Tennessee [Mr. MURRAY].

The question was taken; and on a division (demanded by Mr. SUTTON) there were—ayes 9, noes 60.

So the amendment to the amendment was rejected.

Mr. MURRAY of Tennessee. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee to the committee amendment offered in the nature of a substitute: Insert after section 1 of the amendment in the nature of a substitute the following new section:

"SEC. 2. (a) An employee (including an employee in or under the municipal government of the District of Columbia) outside the postal field service with permanent status who—

"(1) served in the armed forces of the United States during World War II

"(2) was separated from such service under honorable conditions, and

"(3) occupies on the date of enactment of this act a position (other than a temporary position) to which title VII of the Classification Act of 1949 (or any other provision of law authorizing step-increases within an established pay scale based in part on length of satisfactory service) applies, or shall be appointed to such position prior to July 1, 1950,

shall receive credit, in the determination of his rate of pay, for time served in the armed forces during World War II to the extent that he has not heretofore received such credit. Such credit shall be on a pro-rata basis for each year (or fraction thereof) which such employees served in such forces. Each such employee shall be advanced to the scheduled rate for his grade or position to which he is entitled by reason of credit received under this section; except that he shall not be advanced beyond the maximum scheduled rate for his grade or position.

"(b) Subsection (a) shall not apply to employees who, having received credit for time spent in the armed forces in accordance with section 4 of the Veterans' Preference Act of 1944, the Civil Service Act and Rules, or the personnel regulations of any department or agency, have been, or are to be, appointed, promoted, transferred, or reemployed in a higher grade, or a higher paying position, than that to which they would have been entitled without such credit."

Page 4, lines 9 and 10, strike out the words "no classified employee or classified substitute employee in the postal field service" and insert in lieu thereof the words "no employee or substitute employee."

Amend the title so as to read: "A bill to permit certain Government employees to receive credit for time served in the armed forces during World War II."

And renumber sections 2 and 3 as 3 and 4, respectively.

Mr. MURRAY of Tennessee. Mr. Chairman, this is the amendment to which I referred in my opening statement, which would extend the benefits of this legislation to all veterans who are Federal employees and entered the Government service subsequent to their military service. If it is fair to give these benefits to veterans in the postal service, who have entered the service subsequent to their military service, why is it not just as fair and just to give exactly the same benefits and accord the same treatment to veterans who have entered other Federal departments or agencies of our Government subsequent to their military service. I do not know of one single solitary reason that may be offered by any Member as to why we should discriminate against veterans in Federal agencies other than the postal service.

Here is what Mr. Baruch, of the Civil Service Commission, said before our committee:

I think fundamentally the step-increase plans are the same. The number of grades differs, and the period of time in some instances differs, but basically both statutes—the Classification Act and the Postal Pay Act—provide that a person shall advance from step to step within a scheduled range of pay, based on length of service and satisfactory work. In other words, the step increases are both an incentive and a reward for continuing in the service and continuing to render good work. Basically the two things are the same.

If the veterans in the postal service who have a step-up increase or automatic grade increase each year are given credit for their military service, why do you not give veterans in other agencies the same kind of treatment?

Our committee has charge of both the postal and classified services. We are under the same obligation to both of them. Certainly, as chairman of this committee, I am not going to stand here and see one class of Government employees discriminated against and treated unfairly as against another class without making a protest.

Now, let us see where we have treated all veterans alike heretofore in previous legislation. We had the Starnes-Scrugham Veterans Preference Act of 1944. Did that act not apply to veterans in both postal service and all other Federal agencies? Certainly it did. We have the McCormack Act, which is Public Law 577 of the Seventy-ninth Congress. This act was sponsored by the majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], and it applies to both postal and civil-service employees.

Under the provisions of the McCormack Act, any person whose name appeared on a civil-service register at any time between May 1, 1940, and March 16, 1940, and who lost opportunity for probational appointment because of military service during World War II and was certified and appointed to a position either in the civil service or the postal service was given credit for the purposes of rate of compensation and seniority rights as though he had been appointed to such position as of the earliest date on which an eligible standing lower on the same list of eligibles received a probational appointment therefrom.

Certainly, this committee is going to be fair and accord the same treatment to veterans in these other Federal agencies as in the postal service. I ask you to support this amendment.

Mr. MILLER of California. Mr. Chairman, I rise in oppostion to the amendment.

Mr. Chairman, this is another attempt to kill this bill with kindness in the matter of trying to do something for other veterans.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I will yield when I have completed my statement, if the gentleman will pardon me.

If the gentleman who just preceded me, and the gentleman from Kansas who has spoken in behalf of offering such an amendment are sincere they have an opportunity to show it, because on January 9 I introduced the bill H. R. 6685 to permit certain Government employees to receive credit for military service. If they are sincere and want to practice their sincerity they can set a date for

hearing on this bill, for it has been lying in the Committee on Post Office and Civil Service since January 9 of this year without any action being taken. I think that is the mark of the sincerity of the people who come in further to confuse the issue and try to load this bill up to the point where you and I cannot afford to vote for it.

I will vote for this bill when it comes up, because we have always treated these two types of legislation separately; we have always passed bills for the Post Office Department and bills for the classified service. We have followed that precedent ever since I have been in Congress. We followed it in the Eightieth Congress and so far in the Eighty-first Congress; and I see no reason for abandoning it at this time.

I shall now be pleased to yield to the distinguished chairman of our committee.

Mr. MURRAY of Tennessee. I ask the gentleman if my amendment is not his identical bill on this question. The gentleman is for his own bill, is he not?

Mr. MILLER of California. I am for my bill.

Mr. MURRAY of Tennessee. And the gentleman states that this legislation has been handled separately in the Eightieth Congress; we passed a bill for veterans in the postal service and then a bill for veterans in the classified service, and we passed the McCormack Act.

If you are in favor of the veteran, you will vote for my amendment.

Mr. MILLER of California. I shall be very glad to let the committee hold hearings on it, and I will support it in committee. I yield no further.

I still say that we have never considered these together. We did pass an abortive bill in the Eightieth Congress that did include some of them, and some people now wish the bill had never been passed. But these are the facts, and again I want to say I am supporting the committee amendment. This type of thing was offered in the committee and was turned down in the committee. I ask for a vote on the amendment offered by the gentleman from Tennessee to the committee amendment.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. BREHM. Since the Sutton amendment was defeated does the same termination date apply, July 1, 1950? That is the question I wanted to ask the gentleman from Tennessee, but he refused to yield to me.

Mr. MILLER of California. The date stands as July 1, 1950, since the Sutton date was defeated.

Mr. REES. Mr. Chairman, I rise in support of the amendment to the committee amendment.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. VURSELL. Mr. Chairman, reserving the right to object, I should like about 2 minutes to speak on this amendment.

Mr. MURRAY of Tennessee. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The gentleman from Kansas is recognized.

Mr. REES. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Tennessee to include all Federal employees in this measure. I believe this Committee wants to be fair. If so, then it will include all Government employees under this legislation. The gentleman from California who just preceded me called attention to legislation he has submitted to the committee. He will recall that several months ago I offered an amendment to legislation in our committee that would include all Federal employees. I do not think he supported it in the committee. Then several months later he introduced a bill which is similar to the amendment submitted by the gentleman from Tennessee. It would not make any difference how many hearings you hold, the principle involved is just the same.

This is a bill to extend veterans' preference rights. This is not a salary bill at all. The amendment is equitable. We ought to treat all employees alike.

If you will adopt the amendment you are at least doing equity to a group of Federal employees numbering about twice the number in the postal service. The reason it does not cost quite so much is because the ingrade increases amount to about $80 in place of $100 a year. Furthermore, this amendment just says they will increase them with ingrade promotions. After the veteran reaches the top of the grade that is the end of it. That takes care of the whole problem and that is the reason you ought to support this amendment.

As I said a moment ago, there are 11 grades in the postal service and about 7 in the other service. If you adopt this amendment all in the world you are doing is to follow the principles laid down in a measure that was submitted, and passed by this Congress. It was proposed by the distinguished gentleman from Massachusetts [Mr. McCORMACK], our majority leader.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Michigan.

Mr. FORD. Following World War I, was a comparable amendment approved for classified employees?

Mr. REES. The McCormack amendment applied to all Federal employees in the postal service.

The reason the classified Federal employees did not receive the benefits under the act is there were no automatic promotions in the classified service at that time. Otherwise the act would have applied to those in classified service. The Classified Service Act was passed in 1923. It is known as the Classification Act of 1923.

Now, something was said about the different organizations supporting this measure.

The American Federation of Government Employees supports this amendment.

I can say, without fear of contradiction, that the various veterans' organizations would support this amendment, if given opportunity to do so.

In fact, I do not know of anybody who is openly opposing this amendment to this legislation.

If it is right for one group of veterans, why is it not right for another group, all of whom are employed by the Federal Government?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Missouri.

Mr. SHORT. Obviously not all the veterans can secure employment in the postal department. It seems to me on its face, while we want to help the postal employees, we should treat the veterans in all departments alike. I hope the amendment is adopted.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California, a member of the committee and author of the original bill No. 87.

Mr. MILLER of California. The gentleman from Michigan [Mr. FORD] asked if legislation of this kind was adopted after World War I. I know the gentleman does not want to be unfair. He left the impression that similar legislation was adopted. No such legislation was adopted after World War I.

Mr. REES. I want to make a correction. The reason the act passed following World War I could not be applied to those in other Federal service is because there were no within-grade automatic promotions in effect at that time. That was not done until the Classification Act of 1923 was passed, but the principle involved is the same.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I dislike very much to find myself in a position where I cannot support our very worthy chairman on this amendment and the minority leader of the committee on the Republican side. I point out that all postal employees have to start at the very bottom, and their work is of such technical nature that they have to spend a great deal of time—hours and hours each week—in order to continue to prepare themselves for their work. I am opposed to the amendment to include public employees outside of the postal service.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Tennessee.

Mr. MURRAY of Tennessee. Do not the classified employees also start at the bottom?

Mr. VURSELL. No. Anyone who goes into the other classified service starts where his ability dictates, or may I say where his political pull may get him the job. So he starts maybe at $500 or more a month or up, or in many cases he starts

at the bottom. There is a difference, and there always has been a difference. The conditions now are a little different from what they were after the First World War because of the tremendous expense of government, because of the tremendous deficit in the Post Office Department, because of the national debt of $270,000,000,000, which will be about $5,000,000,000 higher than we will be able to collect taxes for this year.

The one thing that appeals to me in this amendment is that here we have a chance to delay until some other time, maybe when we are better able to pay, this increased cost, and if in the wisdom of this House at that time other employees can be given the benefits we now propose to give to the postal workers. We have an opportunity at this time to refuse to expend about $70,000,000 extra cost which would be the case if we applied the provisions of this amendment to all employees.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Kansas.

Mr. REES. A question was asked a moment ago about the McCormack legislation or whether this legislation applied after World War I. The reason this legislation after World War I did not affect all Federal employees was because we did not have within grades at that time.

Mr. Chairman, I fear if we extend this legislation beyond the postal employees it may not pass, and if it should pass the President might veto it. Let us defeat this amendment and then pass this bill which will give equal rights to all veterans in the postal service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee to the committee substitute.

The question was taken; and on a division (demanded by Mr. DELANEY) there were—ayes 74, noes 64.

Mr. MILLER of California. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MURRAY of Tennessee and Mr. MILLER of California.

The Committee again divided; and the tellers reported that there were—ayes 62, noes 83.

So the amendment to the amendment was rejected.

Mr. MURRAY of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee: Insert at the end of the amendment in the nature of a substitute the following new section:

"SEC. 4. For the purposes of this act the term "World War II" means the period beginning September 16, 1940, and ending June 30, 1946, both dates inclusive."

The amendment to the amendment was agreed to.

Mr. MURRAY of Tennessee. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee: Insert after section 2 of the amendment in the nature of a substitute the following new section:

"SEC. 3. Each postmaster who—

"(1) served in the armed forces of the United States during World War II,

"(2) was separated from such service under honorable conditions,

"(3) is in the postal field service on the date of enactment of this act or enters such service prior to July 1, 1950,

shall receive for each year of such service in the armed forces (A) in the case of a postmaster at a post office of the first, second, or third class, additional basic compensation at the rate of $100 per annum, and (B) in the case of a postmaster in a post office of the fourth class, additional basic compensation at the rate of a sum per annum equal to 5 percent of his basic annual compensation. In determining the aggregate period of service in the armed forces upon which such increase is to be based, each postmaster shall receive credit for a fractional part of a year of service at the rate of one-twelfth of the amount of his increase for a full year of service for each month of such service. In making such determination the fractional part of a month, if any, in the total service shall be eliminated. No postmaster shall receive under this section and subsection (c) of the first section of the act of October 28, 1949 (Public Law 428, 81st Cong.), an aggregate increase in his rate of basic annual compensation of more than $300."

And renumber sections 2, 3, 4, and 5 as section 3, 4, 5, and 6, respectively.

The question was taken; and on a division (demanded by Mr. MILLER of California) there were—ayes 46, noes 57.

Mr. MURRAY of Tennessee. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment to the amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOBBS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HOBBS. Mr. Chairman, this is the first time in my experience I have ever offered such a motion. If there ever was a bill, in my judgment, which called for this particular motion, this one is it.

There were no hearings before the Committee on Rules. Though the chairman of the Post Office and Civil Service Committee wrote the chairman of Rules asking a hearing so that he might oppose the granting of a rule. It is opposed by the Post Office Department. It is opposed by the Civil Service Commission. It is opposed by the Budget, and it is opposed by the chairman of the committee which reported it. I voted for his amendment making it uniform in favor of all veterans in the classified service of the Government, instead of just those in the postal service, and only some classifications of those, but it has been killed by your votes.

This bill is not like the McCormack bill, nor like any other bill we have ever passed, opposed by a vast majority of those who ought to know, and not subject to the argument so often made that delay would be killing. It would not. They do not even have to have hearings before the Rules Committee, if they can get a rule, as they did before, without even asking for one. All that the adoption of my motion will do is to let the bill go back to the committee for further consideration.

I submit there has not been a speech made on this floor that did not demonstrate the need of further consideration of this bill. I am not talking about money. What difference does it make whether it is $163,000,000 or $233,000,000? It makes no material difference if the bill is right, fair, and just. The amount involved is not the point. Even if we authorized the appropriation of the full amount that the original bill called for, $554,000,000. I am not talking on a money basis at all. I am simply saying that when the Bureau of the Budget, put there as the watchdog of the Treasury, opposes it in writing and in the report, when the Postmaster General and his Department oppose it in writing and in the report, when the Civil Service Commission opposes it in writing and in the report, when the chairman of the committee has made the fight he has today against the bill that came from the committee of which he is chairman, those are all stop, look, and listen signs. When the distinguished gentleman from Illinois [Mr. MASON] rose in his place, and in the light of his experience on the Post Office Committee told us, what we all know to be true, that this is an emasculation of the former bill that did have time and study given to it, and that set up 14 grades in the postal service, so that a career service could be offered, I say that for the first time in my short experience of 16 years in this House this is the first time I have ever opposed a bill brought in by that great Committee on Post Office and Civil Service, on which I had the honor to serve during my first year here. I have confidence in them that they can and will work out a thoroughly acceptable bill if we give them another chance. I simply ask you to stop, look, and listen.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. HOBBS] has expired.

The question is on the motion offered by the gentleman from Alabama [Mr. HOBBS] to strike the enacting clause.

The question was taken; and on a division (demanded by Mr. SADLAK) there were—ayes 39, noes 70.

So the motion was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Tennessee [Mr. MURRAY].

The question was taken; and the Chair being in doubt, on a division there were—ayes 110, noes none.

So the substitute amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended by the substitute.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DURHAM, Chairman of the Committee of the Whole House on the State of

the Union, reported that that Committee, having had under consideration the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department, pursuant to House Resolution 448, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. KEATING. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. KEATING. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and nineteen Members are present, a quorum.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

Mr. RICH. Mr. Speaker, I demand a reading of the engrossed copy of the bill.

The SPEAKER. The demand comes too late; the bill has been read the third time.

The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 176, noes 18.

Mr. BYRNES of Wisconsin. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-four Members are present, a quorum.

So the bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CIVIL GOVERNMENT FOR GUAM

Mr. McSWEENEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 504, Rept. No. 1755), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7273) to provide a civil government for Guam, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PRODUCTION OF HOUSING FOR MODERATE-INCOME FAMILIES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 505, Rept. No. 1756), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7402) to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families, to amend the National Housing Act, as amended, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

COMPACT ENTERED INTO BY THE STATES OF IDAHO AND WYOMING RELATING TO THE WATERS OF THE SNAKE RIVER

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3159) granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent and approval of Congress is hereby given to an interstate compact relating to the waters of the Snake River, signed (after negotiations in which a representative of the United States duly appointed by the President participated) by the Commissioners for the States of Idaho and Wyoming on October 10, 1949, at Cheyenne, Wyo., and thereafter ratified by the legislatures of each of the States aforesaid as provided for by Public Law 580, Eightieth Congress, approved June 3, 1948 (62 Stat. 294), which compact reads as follows:

SNAKE RIVER COMPACT

The States of Idaho and Wyoming, parties signatory to this compact, have resolved to conclude a compact as authorized by the act of June 3, 1948 (62 Stat. 294), and after negotiations participated in by the following-named State commissioners:

For Idaho: Mark R. Kulp, Boise; N. V. Sharp, Filer; Charles H. Welteroth, Jerome; Roy Marquess, Paul; Ival V. Goslin, Aberdeen; R. Willis Walker, Rexburg; Alex O. Coleman, St. Anthony; Leonard E. Graham, Rigby; Charles E. Anderson, Idaho Falls; A. K. Van Orden, Blackfoot.

For Wyoming: L. C. Bishop, Cheyenne; E. B. Hitchcock, Rock Springs; J. G. Imeson, Jackson; David P. Miller, Rock Springs; Carl Robinson, Afton; Ciril D. Cranney, Afton; Clifford P. Hansen, Jackson; Clifford S. Wilson, Driggs, Idaho; Lloyd Van Deborg, Jackson; and by R. J. Newell, representing the United States of America, have agreed upon the following articles, to-wit:

ARTICLE I

A. The major purposes of this compact are to provide for the most efficient use of the waters of the Snake River for multiple purposes; to provide for equitable division of such waters; to remove causes of present and future controversies; to promote interstate comity; to recognize that the most efficient utilization of such waters is required for the development of the drainage area of the Snake River and its tributaries in Wyoming and Idaho; and to promote joint action by the States and the United States in the development and use of such waters and the control of floods.

B. Either State, using, claiming or in any manner asserting any right to the use of the waters of the Snake River under the authority of either State shall be subject to the terms of this compact.

ARTICLE II

As used in this compact:

A. The term "Snake River" as distinguished from terms such as "Snake River and its tributaries" shall mean the Snake River from its headwaters to the Wyoming-Idaho boundary and all tributaries flowing into it within the boundaries of Wyoming, and the Salt River and all its tributaries.

B. The terms "Idaho" and "Wyoming" shall mean, respectively, the State of Idaho and the State of Wyoming, and, except as otherwise expressly provided, either of those terms or the term "State" or "States" used in relation to any right or obligation created or recognized by this compact shall include any person or entity of any nature whatsoever, including the United States.

C. The term "domestic use" shall mean the use of water by an individual, or by a family unit or household for drinking, cooking, laundering, sanitation and other personal comforts and necessities; and for the irrigation of a family garden or orchard not exceeding one-half acre in area.

D. The term "stock water use" shall mean the use of water for livestock and poultry.

E. The term "established Wyoming rights" shall mean Snake River water rights that have been validly established of record in Wyoming prior to July 1, 1949, for use in Wyoming.

ARTICLE III

A. The waters of the Snake River, exclusive of established Wyoming rights and other uses coming within the provisions of C of this article III, are hereby allocated to each State for storage or direct diversion as follows:

To Idaho, 96 percent; to Wyoming, 4 percent; subject to the following stipulations and conditions as to the 4 percent allocated to Wyoming:

1. One-half may be used in Wyoming by direct diversion or by storage and subsequent diversion without provision being made for replacement storage space.

2. The other one-half may be diverted for direct use or stored for later diversion and use on the condition that there shall have been provided for reimbursement of Idaho users replacement storage space to the extent of one-third of the maximum annual diversion in acre-feet but not in excess, however, of one-third of half the total hereby allocated to Wyoming. Until this total replacement storage space has been made available, provision for meeting its proportionate

part of this total shall be a prerequisite to the right to use water in Wyoming for any irrigation project authorized after June 30, 1949, for construction by any Federal agency.

B. The amount of water subject to allocation as provided in A of this article III shall be determined on an annual water-year basis measured from October 1 of any year through September 30 of the succeeding year. The quantity of water to which the percentage factors in A of this article III shall be applied through a given date in any water-year shall be, in acre-feet, equal to the algebraic sum of:

1. The quantity of water, in acre-feet, that has passed the Wyoming State line in the Snake River to the given date, determined on the basis of gaging stations to be established at such points as are agreed on under the provisions of B of article VI.

2. The change during that water-year to the given date in quantity of water, in acre-feet, in any existing or future reservoirs in Wyoming which water is for use in Idaho.

3. The quantity of water, in acre-feet, stored in that water-year and in storage on the given date for later diversion and use in Wyoming, under rights having a priority later than June 30, 1949.

4. One-third of the quantity of water, in acre-feet, excluding any storage water held over from prior years, diverted, under rights having a priority later than June 30, 1949, in that water-year to the given date:

(a) from the Snake River for use that year on lands in Wyoming, and

(b) from tributaries of the Salt River for use that year on lands in Idaho.

C. There are hereby excluded from the allocations made by this compact:

1. existing and future domestic and stockwater uses of water: Provided, That the capacity of any reservoir for stock water shall not exceed 20 acre-feet;

2. established Wyoming rights; and

3. all water rights for use in Idaho on any tributary of the Salt River heading in Idaho which were validly established under the laws of Idaho prior to July 1, 1949;

and all such uses and rights are hereby recognized.

ARTICLE IV

No water of the Snake River shall be diverted in Wyoming for use outside the drainage area of the Snake River except with the approval of Idaho; and no water of any tributary of the Salt River heading in Idaho shall be diverted in Idaho for use outside the drainage area of said tributary except with the approval of Wyoming.

ARTICLE V

Subject to the provisions of this compact, waters of the Snake River may be impounded and used for the generation of electrical power, but such impounding and use shall be subservient to the use of such waters for domestic, stock, and irrigation purposes, and shall not interfere with or prevent their use for such preferred purposes. Water impounded or diverted in Wyoming exclusively for the generation of electrical power shall not be charged to the allocation set forth in article III of this compact.

ARTICLE VI

A. It shall be the duty of the two States to administer this compact through the official in each State who is now or may hereafter be charged with the administration of the public water supplies, and to collect and correlate through such officials the data necessary for the proper administration of the provisions of this compact. Such officials may, by unanimous action, adopt rules and regulations consistent with the provisions of this compact.

B. The States shall in conjunction with other responsible agencies cause to be established, maintained, and operated such suitable water-gaging stations as they find necessary to administer this compact. The United States Geological Survey, or whatever Federal agency may succeed to the functions and duties of that agency, so far as this compact is concerned, shall collaborate with officials of the States charged with the administration of this compact in the execution of the duty of such officials in the collection, correlation, and publication of information necessary for its proper administration.

C. In the case of failure of the administrative officials of the two States to agree on any matter necessary to the administration of this compact, the Director of the United States Geological Survey, or whatever official succeeds to his duties, shall be asked to appoint a Federal representative to participate as to the matters in disagreement, and points of disagreement shall be decided by majority vote.

ARTICLE VII

A. Either State shall have the right to file applications for and receive permits to construct or participate in the construction and use of any dam, storage reservoir, or diversion works in the other State for the purpose of conserving and regulating its allocated water and to perfect rights thereto. Either State exercising this right shall comply with the laws of the other State except as to any general requirement for legislative approval that may be applicable to the granting of rights by one State for the diversion or storage of water for use outside of that State.

B. Each claim or right hereafter initiated for storage or diversion of water in one State for use in the other State shall be filed in the office of the proper official of the State in which the water is to be stored or diverted, and a duplicate copy of the application, including a map showing the character and location of the proposed facilities and the lands to be irrigated, shall be filed in the office of the proper official of the State in which the water is to be used. If a portion or all the lands proposed to be reclaimed are located in a State other than the one in which water is to be stored or diverted, then, before approval, said application shall be checked against the records of the office of the State in which the water is to be used, and a notation shall be placed thereon by the officer in charge of such records as to whether or not he approves the application. All endorsements shall be placed on both the original and duplicate copies of all such applications and maps filed to the end that the records in both States may be complete and identical.

ARTICLE VIII

A. Neither State shall deny the right of the United States, and, subject to the conditions hereinafter contained, neither State shall deny the right of the other State to acquire rights to the use of water, or to construct or participate in the construction and use of diversion works and storage reservoirs with appurtenant works, canals, and conduits in one State for the purpose of diverting, conveying, storing, or regulating water in one State for use in the other State, when such use is within the allocation to such State made by this compact.

B. Either State shall have the right to acquire such property rights as are necessary to the use of water in conformity with this compact in the other State by donation, purchase, or through the exercise of the power of eminent domain. Either State, upon the written request of the Governor of the other State, for the benefit of whose water users property is to be acquired in the State to which such written request is made, shall proceed expeditiously to acquire the desired property either by purchase at a price satisfactory to the requesting State, or, if such purchase cannot be made, then through the exercise of its power of eminent domain and shall convey such property to the requesting State or such entity as may be designated by the requesting State; provided, that all costs of acquisition and expenses of every kind and nature whatsoever incurred in obtaining the requested property shall be paid by the requesting State at the time and in the manner prescribed by the State requested to acquire the property.

C. Should any facility be constructed in either State by and for the benefit of the other State, as above provided, the construction, repair, replacement, maintenance, and operation of such facility shall be subject to the laws of the State in which the facility is located, except that, in the case of a reservoir constructed in either State for the benefit of the other State, the proper officials of the State in which the facility is located shall permit the storage and release of any water to which the other State is entitled under this compact.

D. Either State having property rights in the other State acquired as provided in B of this article VIII shall pay to the political subdivisions of the State in which such property rights are located, each and every year during which such rights are held, a sum of money equivalent to the average annual amount of taxes assessed against those rights during the 10 years preceding the acquisition of such rights in reimbursement for the loss of taxes to said political subdivision of the State, except that this provision shall not be applicable to interests in property rights the legal title to which is in the United States. Payments so made to a political subdivision shall be in lieu of any and all taxes by that subdivision on the property rights for which the payments are made.

ARTICLE IX

The provisions of this compact shall not apply to or interfere with the right or power of either State to regulate within its boundaries the appropriation, use, and control of waters allocated to such State by this compact.

ARTICLE X

The failure of either State to use the waters, or any part thereof, the use of which is allocated to it under the terms of this compact, shall not constitute a relinquishment of the right to such use to the other State, nor shall it constitute a forfeiture or abandonment of the right to such use.

ARTICLE XI

In case any reservoir is constructed in one State where the water is to be used principally in the other State, sufficient water not to exceed 5 cubic feet per second shall be released at all times, if necessary for stockwater use and conservation of fish and wildlife.

ARTICLE XII

The provisions of this compact shall remain in full force and effect unless amended or terminated by action of the legislatures of both States and consented to and approved by the Congress of the United States in the same manner as this compact is required to be ratified and approved to become effective; provided, that in the event of such amendment or termination all rights theretofore established hereunder or recognized hereby shall continue to be recognized as valid by both States notwithstanding such amendment or termination.

ARTICLE XIII

Nothing in this compact shall be construed to limit or prevent either State from instituting or maintaining any action or proceeding, legal or equitable, for the protection of any right under this compact or the enforcement of any of its provisions.

ARTICLE XIV

A. Nothing in this compact shall be deemed:

1. To affect adversely any rights to the use of the waters of the Snake River, including its tributaries entering downstream from the Wyoming-Idaho State line, owned by or

for Indians, Indian tribes and their reservations. The water required to satisfy these rights shall be charged against the allocation made to the State in which the Indians and their lands are located.

2. To impair or affect any rights or powers of the United States, its agencies or instrumentalities, in and to the use of the waters of the Snake River nor its capacity to acquire rights in and to the use of said waters.

3. To apply to any waters within the Yellowstone National Park or Grand Teton National Park.

4. To subject any property of the United States, its agencies or instrumentalities to taxation by either State or subdivisions thereof, nor to create an obligation on the part of the United States, its agents or instrumentalities, by reason of the acquisition, construction, or operation of any property or works of whatsoever kind, to make any payments to any State or political subdivisions thereof, State agency, municipality, or entity whatsoever in reimbursement for the loss of taxes.

5. To subject any works of the United States used in connection with the control or use of waters which are the subject of this compact to the laws of any State to an extent other than the extent to which these laws would apply without regard to this compact.

B. Notwithstanding the provisions of A of this article, any beneficial uses hereafter made by the United States, or those acting by or under its authority, within either State, of the waters allocated by this compact shall be within the allocations hereinabove made for use in that State and shall be taken into account in determining the extent of use within that State.

ARTICLE XV

This compact shall become operative when approved by legislative enactment by each of the States, and when consented to by the Congress of the United States.

ARTICLE XVI

Wyoming hereby relinquishes the right to the allocation of stored water in Grassy Lake Reservoir, as set forth in Wyoming's reservoir permit No. 4631 Res. and evidenced by certificate No. R-1, page 318, and all claims predicated thereon.

In witness whereof the Commissioners have signed this compact in quadruplicate, one of which shall be filed in the archives of the Department of State of the United States of America and shall be deemed the authoritative original, and of which a duly certified copy shall be forwarded to the Governor of each of the States.

Done at the city of Cheyenne, in the State of Wyoming, this 10th day of October, in the year of our Lord, one thousand nine hundred and forty-nine.

Commissioners for Idaho: Mark R. Kulp, N. V. Sharp, Charles H. Welteroth, Roy Marquess, Ival V. Goslin, R. Willis Walker, Alex O. Coleman, Leonard E. Graham, Chas. E. Anderson, A. K. Van Orden.

Commissioners for Wyoming: L. C. Bishop, E. B. Hitchcock, J. G. Imeson, David P. Miller, Carl Robinson, Cirll D. Cranney, Clifford P. Hansen, Clifford S. Wilson, Lloyd Van Deburg.

I have participated in the negotiations of this compact and intend to report favorably thereon to the Congress of the United States.

R. J. NEWELL,
Representative of the United States of America.

SEC. 2. The right to alter, amend, or repeal this act is expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VOCATIONAL EDUCATION ACT OF 1946 EXTENDED TO VIRGIN ISLANDS

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 479.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3105) to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield one-half hour to the gentleman from Ohio [Mr. BROWN], and at this time I yield myself 5 minutes.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I may say that it is our intention of having the rule adopted and not to go into the Committee of the Whole today. If we can conclude the rest of the program I announced last week on tomorrow, which includes this particular bill, vocational education for the Virgin Islands, the library demonstration bill and H. R. 7058, I shall ask unanimous consent to go over until Monday.

EXTENSION OF REMARKS

Mr. BURDICK and Mr. MURDOCK asked and were given permission to extend their remarks in the RECORD.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD.

PARLIAMENTARY INQUIRY

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. Mr. Speaker, does the Speaker count Members in the cloakroom when counting for a quorum? It seems to me it would make for orderly procedure if the Chair could do so.

The SPEAKER. The Chair cannot count Members he cannot see.

VOCATIONAL EDUCATION ACT OF 1946 EXTENDED TO VIRGIN ISLANDS

Mr. McSWEENEY. Mr. Speaker, House Resolution 479 makes in order the bill H. R. 3105, which is to aid in providing vocational education for the Virgin Islands.

I have gone carefully over the hearings of the committee and find that the act which provides for this type of vocational education inadvertently left out the Virgin Islands. In other words, there was no effort to have any prejudice against the Virgin Islands, but they were inadvertently left out when provision was made for Hawaii, Alaska, and our other Territorial possessions.

This bill makes available $40,000 a year to carry on home economics, agricultural instruction, and other vocational training programs. The reason it is a definite appropriation is that the Virgin Islands do not have enough tax income to sustain themselves or to make a contribution on what we call the matching basis, so we find it will be cheaper to make a definite and outright appropriation to them of $40,000 a year to carry on a program similar to that which is being carried on under the original legislation.

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Ohio [Mr. McSWEENEY] has ably explained the content of this rule and the content of the bill which it would make in order. The report of this rule by the Rules Committee was unanimous. It is the feeling that this is simply the correction of an error made in the original law which was passed last April. I join my colleague from Ohio [Mr. McSWEENEY] in asking the adoption of this rule.

Mr. McSWEENEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 5 minutes.

MOST EDUCATION IS SELF-EDUCATION

Mr. CRAWFORD. Mr. Speaker, some of our educators, with their overemphasis on a liberal arts education, have given the country a mass inferiority complex. We have almost reached the stage where it is considered a social disgrace to be without a bachelor-of-arts degree. I for one can think of many more precious possessions than a college degree, and in saying that I do not mean to belittle those who are fortunate enough to have gone 4 years to college. I think such an education is a fine thing, but I do not believe it should be made a mandatory requirement for the study of pharmacy, law, or even medicine. I feel that a great deal of time is wasted in the long years of scholastic preparation required for these professions.

If the present trend continues, it will not be long before an ordinary typist will be required to have a college degree. This liberal arts hysteria is already spreading to management. Many firms now demand a bachelor-of-arts degree from applicants for top-level jobs. It is difficult for me to see the connection between a liberal arts education and industrial production. We can be thankful

that there was no such requirement when Henry Ford got his start.

There is an ever-growing confusion between school attendance and an education. Most people think of an education in terms of long years in a classroom. Many people would be shocked if you told them they could obtain a first-rate education by themselves on their own back porches. This is exactly the truth, although few people have thought of an education in that way. It is indeed refreshing, therefore, to have this statement clarified and reinforced by the recent address of Mr. John T. Kennedy, president of Benjamin Franklin University, Washington, D. C., a school of accountancy and financial administration.

Mr. Kennedy's inspiring address was delivered before the university's mid-year graduating class at exercises held in the ballroom of the Statler Hotel, February 22. The talk carries a message of encouragement to millions of Americans who seek an education but do not have the time and the money necessary for college attendance. It is one of the most brilliant and provocative analyses I have yet seen on the subject of education. Mr. Kennedy's thesis, briefly stated, is that most education is self-education. Mr. Kennedy points out that too much schooling, instead of sharpening the wits, may dull them. Because of its importance, I am including the full text of Mr. Kennedy's address:

MOST EDUCATION IS SELF-EDUCATION

(Midyear commencement address of President John T. Kennedy, Benjamin Franklin University, Washington, D. C.)

Some years ago a writer in an accountancy magazine was arguing that college schooling should be required for certified public accountancy. He attempted to answer the fact that Lincoln did not go to college with the statement: "Consider how much greater a man Abraham Lincoln might have been if he had gone to college."

On Lincoln's birthday this month Dr. Harris wrote an article in the Sunday Star. In that article Dr. Harris referred to the fact that Lincoln's Gettysburg Address hung on the walls of Oxford University as a classic example of pure English. Lincoln was well educated. For the most part he was self-educated. Nor is this extraordinary. On the contrary, at least 80 percent of the education of any well-educated man is self-education.

So vast is the range of human knowledge that our schools can teach only a fragment. Nor is it the function of a school merely to cram that fragment into the student's head. The real function of a school is to give the student help, or equipment, to explore a part of the great field of human knowledge. The exploration must come after the student leaves school. Not what happens in the school, but what happens afterward, determines the extent of his education. Moreover, many men with only a little schooling have become well educated.

That was true of Franklin, Washington, Lincoln, and most of our outstanding leaders of every generation. Not only do I refer to political leaders and business leaders but also to cultural leaders. At least two-thirds of our leaders in the free cultural pursuits, such as literature, did not go to college. If a college requirement had been arbitrarily imposed for these cultural pursuits much of the culture now taught in our liberal arts colleges would never have come into being.

Like the other major professions accountancy is at least a lifetime study. My own speciality was a subject to which we devote only one-ninth, or about 10 percent, of our undergraduate course. Yet after 30 years of busy professional practice I did not possess all of the knowledge available on that one small fraction of accountancy. No single man in the course of a lifetime can hope to learn all of our collective knowledge of accountancy. The most that a school can do is to teach the student how to learn and if too much time is devoted to that process the student may not get his practical experience early enough.

TOO MUCH SCHOOLING POSSIBLE

There are a growing number of educators who now believe that it is possible for a professional man to have too much schooling. Among these is Dr. Herrick who says that too much schooling may make a professional man too problem-minded. Nor is this difficult to understand. Schooling is only preparation for the game and is not playing the game. Every athletic coach knows that too much preparation for a game is apt to make the players stale. So it is possible that excessive schooling, instead of sharpening the wits, may dull them.

Likewise in our athletic games we continue practice after the player has learned to play the game. There are college men who fail to continue that practice, by self-education, in the game of life. Often they put most of their college training on the shelf so that they lose these implements of culture in a few years.

Since the most that a school can do is to prepare the student for the exploration of learning, it seems to me that we should tell our graduates some of the advantages of self-education over schooling. This I propose to do to the extent possible in my limited time.

The first advantage of self-education is that it permits the student to select those subjects which are best suited to his age and temperament. There are a number of students not attuned by temperament to contemplative study during the early twenties. For them active studies, or learning to do things, are more suitable. Then after 25 or 30 a goodly portion of these students become fitted for cultural study.

Some of our educators seem to overlook these facts. Thus the president of a large university, talking to thousands of GI students, declared that in his opinion most of them should not be there. This sentiment was echoed by a number of other educators. I do not criticize the accuracy of that statement. What I do criticize is the failure of those educators to tell those boys that later in life they may find themselves more adaptable to cultural subjects. Those educators could have named scores of literary leaders who did not have the temperament for college during their twenties, but who, later on, embarked upon cultural literary careers. To give such a boy the impression that he will never become capable of learning cultural subjects is definitely wrong.

The late Dean Wilbur, of George Washington University, has pointed out that most boys before the age of 25 are interested only in the excitable and the dynamic, and that not until some time after 25 do they become interested in the esthetic.

For these reasons there may be considerable merit in the suggestion of President Hutchins, of Chicago University, that our boys should finish their general education by the time they are 20. This would enable our boys to learn how to do things during the most dynamic period of life, the early twenties. Moreover, that is the best habit-forming period of life and habit forming is very important training for a profession or a career.

CULTURE CAN BE ACQUIRED THROUGH SELF-EDUCATION

Of more immediate interest to you is the fact that you may advantageously engage in self-education after 25 when you will pursue culture, not merely to get a degree, but out of sheer love for culture. This applies to those of you who are college men as well as those whose cultural schooling stopped with high school. In either case what you have gotten in school is only the beginning of culture.

The second advantage of self-education is that you may give more time to digesting what you are studying. Because of the crowded curricula of our schools the students are often crammed with a lot of knowledge they do not digest. Herbert Spencer, who was not a college graduate, once said of a certain scholar that his mind was so cluttered up with information that he did not have room to think.

For your own self-education; whether professional or cultural, I recommend the method of Abraham Lincoln. Lincoln would read for about an hour. Then he would lie down for about an hour and mull over what he had read. This would consist in relating what he had read to his day-by-day experience.

Thus when he read the Bible he did not merely learn how to recite parables. He also learned how to construct parables. From this process he developed a skill in reasoning by analogy which has never been matched by any public man.

From that faculty Lincoln gained more than the art of expression. For he was able to detect similar relationships in things that are different. In that way he could tell when the same principle which governed a solved problem of his daily life could be used to solve a problem of state. Thus this faculty enabled Lincoln to determine not only what to say but also what to do.

To some extent such a faculty may be developed in a school. Usually, however, the student does not have the time required to relate his studies to his limited experience. Not only will you have more time for such digesting in self-education but you will have a more ripened experience with which to relate your studies.

The third advantage of self-education is that it permits of more repetition than is possible in a school. Only by repetition at different periods of life do we gain a full understanding of certain fundamental truths.

Both Cardinal Newman and Martin Luther have stated that not until they had repeated certain verses of the Bible time after time and year after year were they enlightened with the deeper significance of those verses.

Any person of ripened experience who reads Alexander Pope's Essay on Man will agree that no schoolboy could ever appreciate the significance of that masterpiece for the good reason that such an understanding requires a ripened experience. Moreover, each time you read that masterpiece over the years it will have new meaning and open up new vistas of life.

So I urge you as part of your self-education to read those masterpieces you studied at school so that you may gain from them that broader education which your experience will unfold.

The fourth advantage of self-education is that it is individual rather than group education.

For some years Clarence Budington Kelland was one of our most successful novelists. He was a law-school graduate but not a liberal arts college graduate. In a recent article he stresses this feature of self-education. As he puts it, the school educates a man to a type but does not educate him as an individual.

Because self-education should be individual I do not recommend a 5-foot shelf of books or any ready-made cultural program. Probably the most prevalent mistake is to pattern our play and our self-culture to develop the same aptitudes which our daily work is developing. For some years I was guilty of that mistake. Then Homer Pace

advised me that, because my work required thinking, I should not play mental games, such as bridge, but should do things for recreation. That idea applies also to culture. When our work requires constant analysis and classification, as is the case with accountancy, we should do things in our play. Moreover, we should seek other developments in our culture such as classic fiction, or humor, or biography, or narrative history, or an appreciation of the fine arts. Thus we may develop a balanced personality. Such a balanced personality may enable us to go beyond mere techniques in our profession and learn how to deal with men and women in all stations of life.

Mark Twain expresses this idea in one of his anecdotes. You will recall he was a pilot on the Mississippi before be became a writer. He says that when piloting that steamboat he was so busy watching for rocks and shoals that he did not see the beauty of the scenery. Then he slyly added: "I am glad I am not a doctor. Now I can look at a beautiful woman without wondering what her insides look like."

If we analyze and classify too much without counteracting culture we may lose the beauty, the joys, and the fun of living. Moreover, from a practical viewpoint, we may find ourselves regarding the workmen of an organization as so many machines and forget they are human beings. That is what we did when we carried the division of labor entirely too far. Our larger corporations are now seeking to correct that error. Many of our modern college-trained doctors make the same mistake and treat patients like so many machines to be analyzed and classified and oiled and greased.

All this means that in developing good habits we must watch out for the bad habits which trail them. Wisdom consists in solving these paradoxes and in finding the golden mean between these extremes in self-development. Never by schooling and only by practice can we cultivate that wisdom. Indeed prolonged schooling, in and of itself, may be an extreme.

WISDOM CULTIVATED ONLY BY SELF-EDUCATION

Now to the fifth advantage of self-education which is that only by self-education can we cultivate wisdom. Wisdom is more than intelligence and more than knowledge. Pearl Buck goes so far as to say that even an illiterate person can cultivate wisdom. Perhaps she had in mind that old darky woman who said: "Lor' chile, if yeh aint got no schoolin', yeh just have to use your brains."

Besides knowledge, wisdom includes sagacity, astuteness, self-reliance, judgment, and an understanding of human nature. These are traits which cannot be taught in a school or tested in an examination. They can be cultivated only by self-education. Moreover these traits of wisdom, in some degree, should be possessed by every professional man. There is only one way in which the public can be protected from those mediocre professional men who fail to cultivate them. That way is to weed out those men by competition. For this reason professional requirements which create a scarcity and minimize competition definitely foster incompetence. To the extent that a college requirement causes such a shortage the practical standards of a profession are not raised but lowered.

When we examine into the facts of our history we find that neither prolonged academic schooling nor complete leisure is necessary for a life of culture. The academic schooling of our forefathers was no more, and probably less, than what our high schools now provide. Then it was possible for a boy to graduate from college in his teens. Moreover, a 60-hour workweek prevailed. The leaders of that day had to write their letters and documents by hand. George Washington kept a complete set of accounts by hand in addition to his other activities.

Yet these men created our Constitution which European statesmen have declared to be the greatest achievement of mankind in the art of government and then we had a wisdom in government and a learning among the justices of our higher courts superior to what we have today. Moreover, scholars advise us that our literature today is not on the level which prevailed in the eighteenth century which is also probably true of our other cultural arts.

Unquestionably the range of professional knowledge has expanded since then. This, however, is all the more reason why we should avoid compulsory schooling in order to devote more time to professional schooling. Our forefathers clearly demonstrated that neither prolonged schooling, nor complete leisure, is essential for lives of culture.

For these reasons I do not agree with those who claim that a compulsory college requirement is necessary for certified public accountancy to become a cultured profession. A number of our very eminent educators are now questioning the desirability of our present programs of prolonged schooling. Their opinions are entitled to all of the credence which we give declarations which are against self-interest.

To my mind culture can be better spread by encouraging our coming accountants to pursue self-education. If they do not they will lose whatever higher culture they may have obtained in school regardless of whether they are high school graduates or college men. Not what you have learned in school but what you do from now on will determine whether you will be well educated. So I urge you for the prestige of your profession, for better service to mankind, and for your own happiness to supplement your schooling with self-education.

EXTENSION OF REMARKS

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GARY (at the request of Mr. SMITH of Virginia), indefinitely, on account of illness in his family.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 88. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States" approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 471. An act for the relief of Lloyd Gordon Findley and Malcolm Hearne Findley, a minor;

S. 576. An act to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah;

S. 1310. An act for the relief of Pierre E. Lefevre;

S. 1394. An act for the relief of Monroe Kelly, rear admiral, United States Navy, retired;

S. 1413. An act for the relief of Maria Margarete Otto;

S. 1447. An act for the relief of John M. Hart;

S. 1552. An act for the relief of Ernest E. Heintz;

S. 1737. An act for the relief of George M. Vaughan;

S. 1764. An act for the relief of George K. Haviland;

S. 2125. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones and others;

S. 2429. An act for the relief of Henrique Santos; and

S. 2441. An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States and the Air National Guard of the United States on active duty in the National Guard Bureau.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that the committee did on March 7, 1950, present to the President, for his approval, a bill of the House of the following title:

H. R. 4406. An act to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments.

ADJOURNMENT

Mr. MURDOCK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Thursday, March 9, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1293. A communication from the President of the United States, transmitting a revised estimate of appropriation, involving an increase of $4,635, for the fiscal year 1951, for the legislative branch, House of Representatives, in the form of an amendment to the budget for said fiscal year (H. Doc. No. 499); to the Committee on Appropriations and ordered to be printed.

1294. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the Second Annual Report of the Federal Mediation and Conciliation Service, for the fiscal year ending June 30, 1949; to the Committee on Education and Labor.

1295. A letter from the Comptroller General of the United States, transmitting the report of the Comptroller General of the United States of the work of the General Accounting Office for the fiscal year 1949; to the Committee on Expenditures in the Executive Departments.

1296. A letter from the Administrator, General Services Administration, transmitting the Tenth Annual Report on the Franklin D. Roosevelt Library, for the fiscal year ending June 30, 1949; to the Committee on House Administration.

1297. A letter from the secretary, Federal Prison Industries, Inc., United States Department of Justice, transmitting the Annual Report of the Directors of Federal Prison Industries, Inc., for the fiscal year 1949, pursuant to the act approved June 23, 1934 (U. S. C., title 18, sec. 4127); to the Committee on the Judiciary.

1298. A letter from the Acting Attorney General, transmitting copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the status of permanent residence to the subjects of such orders, pursuant to section 4 of the act of Congress approved June 25, 1948 (Public Law 774); to the Committee on the Judiciary.

1299. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved, pursuant to the act of Congress approved July 1, 1948 (Public Law 863), amending subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 155 (c)); to the Committee on the Judiciary.

1300. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend the act of August 9, 1939, to redefine the term 'contraband article' with respect to narcotic drugs, and for other purposes"; to the Committee on Ways and Means.

1301. A letter from the Director, Administrative Office of the United States Courts, transmitting the Annual Report of the Director of the Administrative Office of the United States Courts, for the fiscal year 1949, bound under one cover with the reports of the annual and special meeting of the Judicial Conference of the United States held in 1949; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURDOCK: Committee on Public Lands. S. 1543. An act to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act; with amendment (Rept. No. 1754). Referred to the Committee of the Whole House on the State of the Union.

Mr. McSWEENEY: Committee on Rules. House Resolution 504. Resolution for consideration of H. R. 7273, a bill to provide a civil government for Guam, and for other purposes; without amendment (Rept. No. 1755). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 505. Resolution for consideration of H. R. 7402, a bill to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families, to amend the National Housing Act, as amended, and for other purposes; without amendment (Rept. No. 1756). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 1492. A bill for the relief of Harold L. Lindquist; with amendment (Rept. No. 1746). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 2226. A bill for the relief of Victor C. Kaminski (also known as Victor Kaminski); without amendment (Rept. No. 1747). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3009. A bill for the relief of Dr. Ali Reza Bassir; without amendment (Rept. No. 1748). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 3672. A bill for the relief of Mrs. Vera C. A. Freund; with amendment (Rept. No. 1749). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 5017. A bill for the relief of Ng Soo Lip and Ng Yut Chee; with amendment (Rept. No. 1750). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 5709. A bill for the relief of Patrick Cronin; with amendment (Rept. No. 1751). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 6018. A bill for the relief of Lubomir Mikulik and Viliam Krajcirovic; with amendment (Rept. No. 1752). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 6880. A bill for the relief of the wife; the son, aged 2; and the stepdaughter, aged 10; of George S. Murakami; with amendment (Rept. No. 1753). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRAMBLETT:

H. R. 7615. A bill to allow an income-tax deduction, subject to certain limitations, for amounts paid by a taxpayer in the purchase of his home; to the Committee on Ways and Means.

By Mr. CASE of South Dakota:

H. R. 7616. A bill to authorize the supervised sale of Indian lands upon application therefor in certain cases; to the Committee on Public Lands.

By Mrs. DOUGLAS:

H. R. 7617. A bill to extend and improve the Federal old-age and survivors insurance system, to provide insurance benefits for all aged and disabled persons, and for other purposes; to the Committee on Ways and Means.

By Mr. GRANAHAN:

H. R. 7618. A bill to grant permanent civil-service status to certain temporary and war-service employees of the United States who are honorably discharged veterans of World Wars I and II; to the Committee on Post Office and Civil Service.

By Mr. MACK of Washington:

H. R. 7619. A bill to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to certain contests to advertise or develop the natural or recreational resources of a State or any region or section thereof; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 7620. A bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TOLLEFSON:

H. R. 7621. A bill to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to certain contests to advertise or develop the natural or recreational resources of a State or any region or section thereof; to the Committee on the Judiciary.

By Mr. HOBBS:

H. R. 7622. A bill to extend depletion allowance to marble and granite; to the Committee on Ways and Means.

By Mr. McMILLAN of South Carolina:

H. R. 7623. A bill to authorize the Commissioners of the District of Columbia to appoint to the District Boxing Commission a retired member of the Metropolitan Police force of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MONRONEY:

H. R. 7624. A bill to amend the customs laws of the United States, as amended, in order to protect American commerce against discrimination by foreign nations; to the Committee on Ways and Means.

By Mr. PETERSON:

H. R. 7625. A bill to suppress unfair and fraudulent practices in the marketing of floricultural products in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. CASE of South Dakota:

H. Con. Res. 183. Concurrent resolution to study the mining and distribution of coal; to the Committee on Rules.

By Mr. PATTEN:

H. Res. 506. Resolution providing for the payment of 6 months' gratuity and $350 funeral expenses to the estate of George T. Giragi, late an employee of the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, requesting the exclusion of members of retirement systems within the State from pending provisions extending the social-security law; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 7626. A bill authorizing the issuance of a patent in fee to Morris Howard; to the Committee on Public Lands.

By Mr. CHURCH:

H. R. 7627. A bill for the relief of Pamela Lyn Jogl (Eveline Maria Krenauer); to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 7628. A bill for the relief of the estate of John Aubrey Edgington; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 7629. A bill for the relief of Fumiko Arakawa and her child Rie; to the Committee on the Judiciary.

H. R. 7630. A bill for the relief of Mrs. Wha Sook Lee Hong; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 7631. A bill for the relief of Ottavia De Gaspare and Sandra De Gaspare; to the Committee on the Judiciary.

By Mr. LANHAM:

H. R. 7632. A bill for the relief of Harvey Bishop and others; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 7633. A bill for the relief of Zbigniew Jan Dunikowski, Karolina Dunikowski, Wanda Octavia Dunikowski, and Janina Grospera Dunikowski; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 7634. A bill for the relief of Pietro Del Pozzo; to the Committee on the Judiciary.

SENATE

THURSDAY, MARCH 9, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Joseph Wilson Cochran, D. D., former pastor of the American Church in Paris, France, offered the following prayer:

Lord of all being, Saviour and friend, command Thy blessing upon this day's deliberations. May we seek in speech and action to do Thy holy will.

In this time of desperate import, quiet our hearts, strengthen our minds in Thy wisdom, and bestow a courage this world can neither give nor take away. Let the

voice of conscience rise above the clamor of partisan strife.

Point us the sure way to a just and lasting peace with all nations. Purge our people of false pride and the misuse of our power in all dealings with friends or enemies. Let our patience and good will prevail over extreme provocation. Inscribe upon our banners justice to rich and poor alike. Unite us in the preservation of our blood-bought freedoms, that we may in true and loyal faith confront the future unafraid.

For the deathless heritage bequeathed by the fathers, for every sign of Thy guidance in storm and sunshine, for the ringing calls to do battle for human rights, we give Thee grateful thanks.

Our trust is in Thee. Let us not, O God, fail Thy trust in us. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 8, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 1283) to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and it was signed by the Vice President.

LEAVES OF ABSENCE

On request of Mr. LUCAS, and by unanimous consent, Mr. MCCARRAN was excused from attendance on the sessions of the Senate until March 31.

Mr. DARBY. Mr. President, it is necessary for me to be absent on official business in Kansas, and I ask unanimous consent that I may be absent from the sessions of the Senate during next week.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Foreign Relations was authorized to meet during the sessions of the Senate today.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Maybank
Benton	Hendrickson	Millikin
Brewster	Hickenlooper	Mundt
Bricker	Hill	Murray
Bridges	Holland	Myers
Butler	Humphrey	Neely
Byrd	Hunt	O'Conor
Cain	Ives	O'Mahoney
Capehart	Jenner	Robertson
Connally	Johnson, Colo.	Russell
Cordon	Johnson, Tex.	Saltonstall
Darby	Johnston, S. C.	Schoeppel
Donnell	Kefauver	Smith, Maine
Douglas	Kem	Smith, N. J.
Dworshak	Kerr	Sparkman
Eastland	Kilgore	Stennis
Ecton	Knowland	Taylor
Ellender	Langer	Thomas, Okla.
Ferguson	Lehman	Thye
Flanders	Lodge	Tobey
Frear	Lucas	Tydings
Fulbright	McCarthy	Watkins
George	McClellan	Wherry
Gillette	McFarland	Wiley
Graham	McKellar	Williams
Green	McMahon	Withers
Gurney	Magnuson	Young

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Kentucky [Mr. CHAPMAN], the Senator from North Carolina [Mr. HOEY], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Nevada [Mr. MALONE] and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Oregon [Mr. MORSE] is absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate, and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

The petition of Helena Trcek, of Grantwood, N. J., relating to postal rates on packages going to Yugoslavia; to the Committee on Post Office and Civil Service.

A concurrent resolution of the Legislature of the State of New York; to the Committee on Finance:

"Senate Resolution 114

"Concurrent resolution of the senate and assembly memorializing the Congress of the United States to exclude members of retirement systems within the State from pending provisions extending the social-security law

"Whereas there is now pending before the Congress of the United States certain legislation to extend the provisions of law, commonly referred to as the social-security law, to include all public employees in the United States including public employees of the various cities and the governmental subdivisions of such States; and

"Whereas in the State of New York pension and retirement systems have been established for many years and are available for membership by every public employee of the State, or its various subdivisions; and

"Whereas under the constitution of the State of New York all such public employees, notably policemen, firemen, and public-school teachers who are members of any such pension or retirement system within the State, enjoy a contractual relationship under which their rights cannot be diminished or impaired: Now, therefore, be it

"*Resolved (if the assembly concur)*, That the Congress of the United States hereby respectfully is memorialized to exclude from the provisions of such pending legislation members of the police departments, fire departments, public-school teachers, and all other employees who are presently members of any pension or retirement system administered by the State of New York or any of its governmental subdivisions, and be it further

"*Resolved (if the assembly concur)*, That copies of this resolution be transmitted to the secretary of the United States Senate, the Clerk of the House of Representatives, to each United States Senator, and to each Member of the House of Representatives elected from the State of New York

"By order of the senate,

"WILLIAM S. KING,
"*Secretary.*

"In assembly, March 1, 1950. Concurred in without amendment.

"By order of assembly,

"ANSLEY B. BORKOWSKI,
"*Clerk.*"

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"Resolutions memorializing Congress relative to the repatriation of the children of Greece, who have been removed from their homes in Greece and detained in certain countries

"Whereas the General Assembly of the United Nations has formally announced that 28,000 Greek children had been removed from their homes to guerrilla camps in Albania, Yugoslavia, and Bulgaria, and were forced to fight for guerrilla forces, and were finally sent by said guerrillas to the Communist countries of eastern Europe; and

"Whereas the General Assembly of the United Nations has unanimously recommended the return of the children to Greece, has invited all member States and other States in whose territory said children may be found to take measures necessary to implement such recommendation, and has requested the national Red Cross organizations to assist in executing such recommendations and to aid these innocent victims in returning to their homes and their loved ones; and

"Whereas some of these communistic countries within whose borders these children are held captive have opposed, with flat refusal, any cooperation with the Red Cross organizations, while others have temporized or given evasive answers in stating their intentions relative to the return of these children to Greece: Therefore, be it

"Resolved, That the General Court of Massachusetts firmly believing in fundamental human rights, in the dignity and worth of the human being, and in the equal rights of men and women, and of nations large and small, raises its voice in protest at the injustice and inhumanity perpetrated in the abduction and forcible detention, in lands outside their mother country, of these 28,000 children of the Hellenic nation and registers its indignation at the detention of these children under such conditions as evidence a complete disregard of every humane principle concerning family rights and the sanctity of the home; and be it further

"Resolved, That the General Court of Massachusetts respectfully urges and petitions the Congress to reaffirm the tenets of the United Nations Charter, and to advocate most strongly that the United Nations General Assembly by rightful and lawful action implement its resolution adopted on November 18, 1949, relative to the repatriation of Greek children, so that these children of Greece may be saved from forcible detention and degradation, and be reunited with their people in Greece, thus insuring unto the people of all small nations the rights and privileges set forth in the Charter of the United Nations; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth and to the representatives of the United States to the United Nations General Assembly.

"In senate, adopted, February 24, 1950.

"IRVING N. HAYDEN,
"Clerk.

"In house of representatives, adopted, in concurrence, February 28, 1950.

"LAWRENCE R. GROVE,
"Clerk."

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. TYDINGS, from the Committee on Armed Services:

S. 3122. A bill to authorize the Secretary of the Navy to convey to the Goodyear Aircraft Corp., Akron, Ohio, an easement for sewer purposes in, over, and across certain Government-owned lands situated in Maricopa County, Ariz.; without amendment (Rept. No. 1330); and

H. R. 33. A bill to authorize Joe Graham Post, No. 119, American Legion, upon certain conditions, to lease the lands conveyed to it by the act of June 15, 1933; without amendment (Rept. No. 1331).

By Mr. CAIN, from the Committee on Armed Services:

H. R. 5101. A bill to provide for the transfer to Pierce County, Wash., of certain surplus land in the Fort Lewis Military Reservation; with an amendment (Rept. No. 1332).

MONUMENT TO THE MEMORY OF HENRY MILTON BRAINARD

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate bill 3084, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3048) authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, I should like to have an explanation of the bill.

Mr. HAYDEN. The bill does not entail any cost to the Government. The bill grants authority for the erection of an appropriate monument to the memory of a deceased veteran of the Coast Guard. It is desired to have such authority granted, so that the monument may be erected, but the bill provides that—

The United States shall be put to no expense in the erection of such monument.

Mr. WHERRY. The only question is as to obtaining authority for erecting the monument on property of the United States; is that correct?

Mr. HAYDEN. That is all.

Mr. WHERRY. I have no objection.

There being no objection, the bill (S. 3084) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to grant permission for the erection of an appropriate monument to the memory of Henry Milton Brainard at a suitable location on property of the United States at Cape Arago Light Station, Coos County, Oreg., but the United States shall be put to no expense in the erection of such monument.

CARE OF MEMORIAL OF REV. PHINEAS D. GURLEY, FORMER CHAPLAIN OF SENATE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 235, and ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 235) submitted by Mr. MARTIN, for Mr. WHERRY, on February 28, 1950, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate is authorized and directed to pay, out of the contingent fund of the Senate, to Glenwood Cemetery, Lincoln Road, NE., Washington, D. C., the sum of $425, upon receipt by him of such assurances as he may deem necessary that such sum will be used for repairs to the monument erected at the grave of the Reverend Phineas D. Gurley, a former Chaplain of the Senate, and for perpetual care of such grave.

PRINTING OF COMMITTEE REPORT ENTITLED "LOW-INCOME FAMILIES AND ECONOMIC STABILITY" (S. DOC. NO. 146)

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 233, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. HAYDEN. Let me state that the resolution calls for a reprinting of a committee report.

Mr. WHERRY. What is the amount involved in the reprinting?

Mr. HAYDEN. One hundred and twenty-two dollars and nine cents.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 233) submitted by Mr. O'MAHONEY on February 27, 1950, was considered and agreed to, as follows:

Resolved, That the committee print entitled "Low-Income Families and Economic Stability," printed for the use of the Joint Committee on the Economic Report, be printed as a Senate document.

PRINTING OF COMMITTEE PRINT ENTITLED "HIGHWAYS AND THE NATION'S ECONOMY" (S. DOC. NO. 145)

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 232, and ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 232) submitted by Mr. O'MAHONEY on February 21, 1950, was considered and agreed to, as follows:

Resolved, That the committee print entitled "Highways and the Nation's Economy," prepared for the use of the Joint Committee on the Economic Report, be printed with illustrations as a Senate document.

PRINTING OF REPORT ENTITLED "WEBER BASIN PROJECT, UTAH" (S. DOC. NO. 147)

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 238), which was considered by unanimous consent and agreed to, as follows:

Resolved, That there be printed as a Senate document with illustrations the Bureau of Reclamation Project Planning Report No. 4-7.10-2 entitled, "Weber Basin Project, Utah," dated July 15, 1949.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 9, 1950, he presented to the President of the United States the following enrolled bills:

S. 88. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 471. An act for the relief of Lloyd Gordon Findley and Malcolm Hearne Findley, a minor;

S. 576. An act to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah;

S. 1310. An act for the relief of Pierre E. Lefevre;

S. 1394. An act for the relief of Monroe Kelly, rear admiral, United States Navy, retired;

S. 1413. An act for the relief of Maria Margarete Otto;

S. 1447. An act for the relief of John M. Hart;

S. 1552. An act for the relief of Ernest E. Heintz;

S. 1737. An act for the relief of George M. Vaughan;

S. 1764. An act for the relief of George K. Haviland;

S. 2125. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones and others;

S. 2429. An act for the relief of Henrique Santos; and

S. 2441. An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States and the Air National Guard of the United States on active duty in the National Guard Bureau.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 3216. A bill to provide for the enforcement of support orders in certain State and Federal courts, and to make it a crime to move or travel in interstate and foreign commerce to avoid compliance with such orders; to the Committee on the Judiciary.

By Mr. SCHOEPPEL:

S. 3217. A bill for the relief of Joseph W. Greer; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 3218. A bill to amend section 5 (1) of the Railroad Retirement Act of 1937, as amended, to eliminate the requirement that an adopted child of a deceased railroad employee whose death resulted from accident have been adopted for 12 months prior to the deceased employee's death in order to qualify for a child's annuity; to the Committee on Labor and Public Welfare.

By Mr. ECTON:

S. 3219. A bill authorizing the Secretary of the Interior to issue a patent in fee to Winona Yellowtail; to the Committee on Interior and Insular Affairs.

By Mr. KEFAUVER:

S. 3220. A bill to amend further the Philippine Rehabilitation Act of April 30, 1946, as amended; to the Committee on Foreign Relations.

By Mr. McMAHON:

S. 3221. A bill for the relief of Mrs. Parouz Antreassian and her daughter Asnif Antreassian; to the Committee on the Judiciary.

By Mr. DONNELL:

S. 3222. A bill for the relief of Dr. John Lien-kwei Tsang; to the Committee on the Judiciary.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENT

Mr. BUTLER (for himself and Mr. WHERRY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

RESEARCH RELATING TO CHILD LIFE AND DEVELOPMENT—AMENDMENT

Mr. DOUGLAS. Mr. President, I submit a perfecting amendment intended to be proposed by me to the bill (S. 904) to provide for the research relating to child life and development; to disseminate information as to the practical application of such research by parents, professional persons, and others; and for other purposes.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Labor and Public Welfare.

HOUSE BILL REFERRED

The bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department, was read twice by its title, and referred to the Committee on Post Office and Civil Service.

INVESTIGATION OF NATIONAL HEALTH PROBLEMS—POSTPONEMENT OF DATE FOR FILING REPORT

Mr. MURRAY. Mr. President, I ask unanimous consent to postpone the date for filing a report as required by Senate Resolution 184, from March 15 to April 10, 1950. It is found to be impossible to comply with the terms of the resolution and produce a report of the standard of your committee and its subcommittee. The provisions of Senate Resolutions 184 in all other respects will be adhered to, and no expenditures are in contemplation after March 15.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and the request is granted.

ENCOURAGEMENT OF SCIENCE—ADDRESS BY J. ROBERT OPPENHEIMER

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an address on encouragement of science, delivered by J. Robert Oppenheimer, director of the Institute for Advanced Study, Princeton University, at the science talent search award banquet held in Washington, D. C., on March 6, 1950, which appears in the Appendix.]

FREEDOM OF THE PRESS—ADDRESS BY OVETA CULP HOBBY

[Mr. BENTON asked and obtained leave to have printed in the RECORD an address on the freedom of the press delivered by Mrs. Oveta Culp Hobby before the Alabama Press Association on February 10, 1950, which appears in the Appendix.]

STORY OF NAVY SECRETARY FRANCIS P. MATTHEWS AND THE LATE HENRY MONSKY—ARTICLE BY BILL SCHOFIELD

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD an article containing the story of the Secretary of the Navy, Francis P. Matthews, and the late Henry Monsky, written by Bill Schofield, and published in the Boston Traveler of March 7, 1950, which appears in the Appendix.]

CENTENARY OF BIRTH OF THOMAS G. MASARYK

[Mr. LUCAS asked and obtained leave to have printed in the RECORD a statement issued by the Czechoslovak National Council of America on the occasion of the centenary of the birth of Thomas G. Masaryk, the founder and first president of the Republic of Czechoslovakia, which appears in the Appendix.]

EVOLUTION IN AVIATION

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a statement entitled "Evolution in Aviation," prepared for him, which appears in the Appendix.]

THE CASE AGAINST MR. TRUMAN—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled, "The Case Against Mr. Truman," published in the New York Herald Tribune for March 9, 1950, which appears in the Appendix.]

ITO AGREEMENTS—ARTICLE BY GEORGE SOKOLSKY

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an article by George Sokolsky dealing with ITO agreements, which appears in the Appendix.]

LABOR CURBS IN BRITAIN

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an article entitled "Labor Curbs in Britain" and an editorial dealing with the same subject, published in the Wall Street Journal of March 8, 1950, which appear in the Appendix.]

PROPOSED BENEFITS TO GOVERNMENT EMPLOYEES WHO RETIRED PRIOR TO APRIL 1, 1948

[Mr. LANGER asked and obtained leave to have printed in the RECORD a letter dated February 6, 1950, addressed to him by George Cutler, president, Second Division, National Postal Transport Association, which appears in the Appendix.]

GOVERNMENT ECONOMY

[Mr. KEM asked and obtained leave to have printed in the RECORD a letter signed "Sam Citizen," dealing with the subject of Government economy, which appears in the Appendix.]

BRITISH COLUMBIA—FORTY-NINTH STATE?

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a letter addressed to him by Chester G. Ross, which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF HON. ALLAN K. GRIM TO BE UNITED STATES DISTRICT JUDGE FOR EASTERN DISTRICT OF PENNSYLVANIA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Saturday, April 1, 1950, at 11 a. m., in room 424, Senate Office Building, upon the nomination of Hon. Allan K. Grim, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania. Judge Grim is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. MCCARRAN], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Dakota [Mr. LANGER].

CONFIRMATION OF NOMINATIONS IN THE NAVY

Mr. JOHNSON of Texas. Mr. President, as in executive session, I report favorably from the Committee on Armed Services certain nominations involving routine promotions in the Navy, and I ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, I inquire of the distinguished Senator from Texas whether these are nominations covering regular, routine promotions such as are presented to the Senate frequently, and if they have been approved unanimously by the Committee on Armed Services.

Mr. JOHNSON of Texas. The nominations are for routine promotions, and they have been approved unanimously by the committee for report to the Senate.

Mr. WHERRY. They are handled in this way in order to avoid printing costs,

which would be otherwise necessary, are they not?

Mr. JOHNSON of Texas. The Senator is correct.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the reports from the committee will be received.

Without objection, the nominations are confirmed en bloc, and the President will be notified at once.

THE ECA PROGRAM AND APPROPRIATIONS

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I have received from the Honorable William Green, president of the American Federation of Labor, urging the continuation by Congress of support for the ECA legislation and the appropriation of funds in that connection.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., February 15, 1950.

Hon. THOMAS CONNALLY,
Chairman, Foreign Relations Committee of the United States Senate,
Washington, D. C.

MY DEAR SENATOR: I enclose a statement in which there is set forth the recommendation that Congress continue its support of the Marshall plan and appropriate such funds as may be necessary in order to insure final economic recovery in Europe.

I wish to supplement the statement referred to by respectfully urging Congress to take favorable action as herein recommended upon the continuation of the Marshall plan.

Very sincerely yours,
WILLIAM GREEN,
President, American Federation of Labor.

STATEMENT BY WILLIAM GREEN, PRESIDENT, AMERICAN FEDERATION OF LABOR, FOR TRANSMISSION TO THE CHAIRMEN OF THE APPROPRIATIONS COMMITTEES OF THE UNITED STATES SENATE AND THE HOUSE OF REPRESENTATIVES, AND TO THE CHAIRMEN OF THE FOREIGN RELATIONS COMMITTEE OF THE UNITED STATES SENATE AND THE FOREIGN RELATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES

The first 2 years of the Marshall plan have justified the support of the 8,000,000 men and women who make up the American Federation of Labor. We note with satisfaction that at this midway point in the European recovery program:

Industrial production is one-fifth above the best prewar year.

Agricultural production is close to prewar levels.

Inflation has been curbed.

Trade among ERP countries is increasing.

To the 125,000,000 workers in western Europe these gains have meant employment, a sustaining diet, and a level of living which has improved since 1948, the beginning of the Marshall plan.

Tangible evidence of the economic recovery of ERP countries has been the decline in Communist strength throughout western Europe. But more positively, the success of the recovery program can be measured by the increased strength of democratic trade-unions in those countries where—but 2 years ago—the Communists almost completely dominated the labor movement.

Just as the past 2 years have shown its strength, so have they pointed up the weaknesses and problem areas in the European recovery program that must be tackled in the 2 years that yet remain.

Among the most important has been the inequality with which the benefits of the recovery program have been shared within certain countries, notably France, Italy, Germany, and Greece. In the case of the French worker, not only does he suffer a lower level of living than he had before the war, but he is asked to bear with it at a time when other groups within the economy are experiencing prosperity. He is well aware that the burden of maintaining the Government's program of economic stabilization has rested not upon price controls but upon wage controls. What exists in France is true to a lesser degree in other ERP countries where labor or labor-coalition governments are not in power. Even where gains have been made for all sections of the economy, the disproportionate sharing among the various groups with workers in many instances securing the smallest percentage has given grounds for dissatisfaction in labor circles.

The disproportionate sharing of recovery costs can be remedied through more equitable taxation to relieve the workers of an undue proportion of the tax burden; an increased building program to remedy the serious housing shortage in such countries as Italy, France, Germany, and Greece; a higher real wage to allow an increase in the worker's level of living and the creation of a home market. At present there needs to be more recognition on the part of European industry and certain governments that the strength and stability of the economy depends upon maintaining a broad base of purchasing power among the masses of people.

Of equal concern to American trade unionists are the problems involved in the current drive toward economic integration. While endorsing the principle of freer trade within Europe to create a mass market, we would argue strongly for more concrete thinking on the part of ECA officials and European governments concerning measures designed to soften the economic impact of international competition upon those workers who may be temporarily thrown out of work.

We are likewise aware of the responsibilities our Government must bear in making possible a greater flow of trade between Europe and the United States. We recognize the importance of increasing our imports in order to allow Europe to pay for the goods she must buy from us. As American workers we are deeply concerned in this program and are willing to do our part to make this effort a success, provided advance planning and sufficient measures are undertaken to ease the shock for those groups who may be adversely affected.

Although these are problems that call for more serious attention in the months ahead, they in no way detract from our support of the European recovery program and its ultimate goal of raising the levels of living for the people of Europe. We, therefore, urge Congress to give the Economic Cooperation Administration the support and financial means necessary to carry this program through to its appointed end in 1952. Any move to cut the appropriations below the amount considered necessary by ECA to maintain the program in the coming year would, in our considered judgment, be false economy. Congress must know that if European aid is eliminated or seriously reduced at this point we could expect these inevitable consequences:

A sharp decline in production and employment for lack of raw materials, machinery, and so forth.

A decline in levels of living as a result of unemployment and reduced food supplies.

Reduced international trade resulting from each government's efforts to protect its limited foreign-exchange reserves by superimposing strict controls.

A weakening in European cooperation, not only economically, but politically and militarily as well.

A resurgence of communism in the wake of Europe's economic recession.

The necessity of strengthening the United States military defense in the face of a weakened Europe would in the end cost far more than the funds now needed to undertake a constructive program designed to put and keep Europe on her feet.

For these reasons, the American Federation of Labor urges Congress to continue its support of the Marshall plan and appropriate the funds necessary to insure a recovered Europe.

THE PRESSING NEED FOR GOVERNMENTAL ECONOMY

Mr. WILEY. Mr. President, I have previously commented on the Senate floor on the crucial importance of reducing Government expenditures. The Federal Government has for so many years lived beyond its income that America is fast approaching financial insolvency. One of the gravest menaces we face is the increasing loss of value of the American dollar. If this process continues, then the dollars in American pocketbooks, the dollars in our banks, the money saved up in life-insurance policies, in annuities, in stocks and bonds, and yes, in the family stocking, may be worthless because the printing presses of the Government seem to be running wild.

WISCONSIN LETTERS URGE ECONOMY

There is an increasing awareness among our people that this terrible Federal extravagance must be halted. Practically every day I receive splendid resolutions from farm groups, from business groups, women's clubs, taxpayers' organizations, economy leagues, veterans' associations, fraternal lodges, urging the Congress to cut down on our fantastic expenditures.

I have promised to do all that is within my power toward that objective, but have pointed out the fact that so long as individual groups and regions continue to demand unnecessary Federal expenditures for their own particular purposes, which do not particularly serve the national welfare, Congress will continue to spend beyond our means and we will continue to have a $5,000,000,000 deficit at the very time we should have a handsome surplus in view of our current prosperity.

SENATOR WILEY'S VOTE FOR ECONOMY OVERRIDDEN

The most recent instance of extravagance was, I believe, when the Senate unwisely passed the $1,250,000,000 central Arizona project, Senate bill 75, by an overwhelming vote of 55 for to 28 against. I, of course, voted against that bill, but as has happened so frequently, the economy effort was completely snowed under.

Last year, when various economy cuts were proposed in several appropriations bills, I also voted for those cuts, but again the economy effort failed in every single instance.

We tried to cut the civil-functions bill by 10 percent but were defeated 29 for to 48 against. We tried to cut the Treasury

Department bill by 5 percent but were defeated 38 for to 44 against. We tried to cut the Federal Security Agency appropriation bill by 5 percent but were defeated 41 for to 44 against; and so the story goes.

Unless we have the necessary votes in the Senate and House, we will obviously never succeed in bringing about necessary reductions in these bloated Federal appropriations.

The American people want to see these appalling Federal deficits ended; they want to see the present fantastic burden of taxes reduced; they want to see Federal functions which have no business being performed by the Federal Government returned to the States and localities.

THERE IS NO SUCH THING AS SOMETHING FOR NOTHING

Right now, with the March 15 income-tax deadline facing us, American people are particularly aware of the fact that the Federal Government must first tax before it can spend. There is no such thing as the Federal Government giving something for nothing. There is no such thing as the Federal Government providing free services. It must first tax the people's income before it can perform a single function and we say that there is no reason whatsoever for its performing many functions which it now handles.

WE MUST SET UP LITTLE HOOVER COMMISSION

That is why we are particularly eager to have the legislation passed to set up a "Little Hoover Commission" on intergovernmental relations. This Commission, which I am proud to cosponsor, would analyze the duplication between Federal, State, and local powers and between Federal, State, and local taxes, and it could make constructive recommendations for ending such overlapping confusion and duplication.

I have previously shown that these sentiments which I am expressing represent the grass-roots judgment of the people of Wisconsin. I have placed in the CONGRESSIONAL RECORD brief excerpts from numerous letters and resolutions sent to me by Wisconsin folks along this line.

At this time I ask unanimous consent that there be printed following these comments excerpts from numerous editorials published in the Wisconsin press on the general theme of Federal economy.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM WISCONSIN DAILY AND WEEKLY PRESS

The Glenwood City Tribune:

"Today the Federal Government draws out of Wisconsin almost four times as much as the State, county and local governments spend. To make matters worse, Federal spending is beyond the Federal income so that in addition to current taxes we are mortgaging our future. To us the answer seems to be that the American people must demand that the Federal Government spend its money far more efficiently and that it cease to develop new social schemes which further drain the nation's economy."

The Clintonville Tribune-Gazette:

"Sooner or later, if we are to avoid a complete disorganizing of our whole economy, the spenders must realize that the welfare of the Nation, its continued prosperity, is more important even than votes for themselves.

"As in any business, the Nation's spending for whatever purpose, must be brought into line with the taxes that can reasonably be exacted without endangering the continuance of business on which depends the raising of all tax money."

The Amherst Advocate:

"The gravest and most far-reaching internal issue this country faces is the cost of its Government. And of all issues, it is probably the least understood.

"At a time when the Federal Government's income is at a near-record peak, and when the burden of taxation borne by the people is without precedent in days of peace, the nation is unable to make both ends meet . It is running a heavy deficit which will be added to the towering national debt—a debt which is a direct obligation upon every man with an income, a piece of property, or material resources of any kind."

The Sparta Herald:

"SOMETHING FOR NOTHING

"You know that you can't keep drawing money out of your bank account without ever putting any in. The bank doesn't play that way. This is also true of Federal financing. Every dollar spent must sooner or later be collected in the form of taxes.

"Many of these taxes are hidden, such as the $2.44 you pay on a $30 radio, or the 62 cents on the average alarm clock. These are in addition to the direct taxes of which the average citizen is painfully aware.

"Tax money is necessary to run our Government. But all too much of it is wasted by inefficiency, duplication of effort, overlapping of Federal agencies or appropriations for services to pressure groups."

The Mosinee Times:

"REPEAL WARTIME TAXES

"The war has been over for more than 5 years and yet we are paying nuisance taxes promoted during the war for the support of the war effort. Among these are wartime excise taxes on theater admissions, drug items, jewelry, photographic supplies and equipment, and many others.

"During the next few weeks the people of this country are going to see a concerted effort made to repeal these taxes, and the parade for repeal is going to be headed by the amusement industry, which is probably most vitally affected by them.

"It surprised us, and no doubt will surprise you too, to learn that under the present tax situation, a man and wife, attending the local theater twice a week pay $15.60 in taxes during a year. If the family consists of two adults and two children, the taxes you pay amount to $20.60 in a year.

"We can understand the reluctance of the Fair Deal to support legislation to repeal these taxes, or any tax for that matter, for they just have to have more and more money to go on their merry spending ways. But what we can't understand is the fact that the same masses the Fair Deal appeals to are willing to foot a part of the cost of Truman's socialistic program by adding 20 percent to their amusement costs."

The Madison (Wis.) State Journal:

"COST OF THE FAIR DEAL

"The United States Senate Committee on Executive Expenditures—a body controlled by Democrats—has recently completed an estimate on what the Fair Deal would cost this Nation's taxpayers.

"The total is $28,187,000,000. This would make necessary a $65,000,000,000 per year Federal budget—50 percent greater than today. And that figure is for domestic expenditures alone. It does not include the foreign-relief program."

The Neenah-Menasha Twin Cities News-Record:

"Now that the citizens of the Twin Cities are a little more aware of the needs, each should constitute himself a Hoover committee of one, and keep on spreading the word for the acute need of reorganization of many things in the Federal Government—that we may be governed more efficiently and more economically."

IMPORTATION OF DRIED BEANS—STATEMENT BY SENATOR BUTLER

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a brief statement which I made this morning before the members of the Committee on Reciprocity Information.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INCREASE IN IMPORTS OF DRIED BEANS DOESN'T MAKE SENSE

(Statement by Senator BUTLER before the Committee on Reciprocity Information)

Mr. Chairman, members of the Committee on Reciprocity Information, I appreciate the opportunity of appearing here today. I believe the question you have to consider goes to the fundamentals of our agriculture and foreign trade policies.

It is proposed that the duty on dry beans be further reduced. This proposal is not made because we have any need for additional dry beans; we already have a surplus in this country. The proposal is not made in order to reduce the price of beans to the American consumer. We have a price-support program on beans, and it is contrary to the policy of our Government to reduce the price or to permit it to fall. The proposal is made apparently solely to accommodate the Government of Chile.

I can appreciate the importance of maintaining friendly relations with foreign countries and accommodating them wherever possible. I do believe that this proposal is a highly inappropriate and useless way of doing that. The only result of reducing the duty will be to bring in more beans, add to our surplus stocks of beans, and throw an additional financial burden on the price-support operation of the Commodity Credit Corporation. That will be the only result.

As I understand, this committee has been set up in such a way as to give representation to each of the departments of the administration concerned with foreign-trade policies and domestic economic affairs. I presume that there is a representative of the Department of Agriculture on this committee. I assume that it is his responsibility to make sure that no action is taken in any trade agreement which is in direct conflict with our agricultural policies. If that is correct, I say that this committee cannot seriously consider any reduction in the tariff on beans.

The tariff policy we have followed in recent years is in direct conflict with our price-support program for farm products. We have reduced the duty on potatoes and maintained a price-support program for domestic potatoes, and as a result, Canadian potatoes have come in by the shipload to add to our surplus. We have reduced the duty on eggs and maintained a price-support program for them, and as a result, Chinese dried eggs have come in by the millions of pounds. We have reduced the duty on numerous grains and also provided a price-support program

for them, and as a result, millions of bushels of oats and barley have come in and gone to storage.

In each case these products were not brought in because we needed them. They were brought in because our price-support program guaranteed them a better price here than abroad. They either went into storage to add to our surplus, or else they displaced our domestic production in our markets and forced additional quantities of our own products into storage.

Altogether the contradiction between our foreign trade and agricultural policies has resulted in a complete mess. It is nonsense to permit unrestricted and uncontrolled entry of foreign goods when we are struggling to maintain the price for some item which is already in surplus here. I believe it is the responsibility of this committee to do its part toward bringing order out of chaos and putting a stop to this nonsense.

Gentlemen, if the tariff is reduced on beans, I shall have to conclude that this administration does not want its farm program to work. There is no possible sense in bringing more beans in and adding them on to the burden that the Commodity Credit Corporation must already carry. There is no reasonable sense in buying more of something when you already have too much.

If it is essential to find some way of helping the Republic of Chile, it would make just as much sense to buy the Chilean beans, load them into ships, and dump them offshore. It would make just as much sense to buy them where they are and burn them on the spot. Both of these suggestions may appear fantastic, but they are no more fantastic than this proposal to bring more beans into a country already overflowing with beans.

I thank you for your courtesy and your attention.

RESPECT FOR THE RIGHTS OF THE UNITED STATES

Mr. BUTLER. Mr. President, I ask unanimous consent to insert at this point in the RECORD a copy of a letter from the State Department to Mr. Hans J. Isbrandtsen, president of the Isbrandtsen Co., Inc., and also a telegram from the Isbrandtsen Co. to the State Department regarding the firing-upon ships of the Isbrandtsen Line by the Chinese Navy, together with two telegrams, dated yesterday, from Mr. Isbrandtsen to the Commandant of the United States Coast Guard and to the Secretary of State.

Mr. President, these communications point very completely to the low esteem in which the United States flag is held in the Far East today.

On the one hand, we have permitted Russia to steal China away from the world of free nations. On the other hand, our credit has fallen so low, even with those whom we pretend to befriend—the Chinese Nationalist Government—that they fire on our ships with impunity.

I do not propose to discuss our Chinese policy in detail at this time. I do suggest that as a matter of principle we should demand and insist on respect for the dignity and the rights of our flag.

A generation ago we had a foreign policy in the Far East that was generally understood and widely respected. It was established under a Republican administration in 1900 by John Hay, and it was called the open-door policy. Under that policy, we demanded no special favors. We respected the rights of others, and we insisted that our rights be respected. That policy provided a workable basis for international relations in the Far East for many years. Except for the interruption by the Wilson administration, it was the basis of Republican diplomacy until 1932, when Mr. Roosevelt become President.

After 1932 that policy was changed by Mr. Roosevelt and his Secretary of State to a policy that was called the good-neighbor policy. Ostensibly the good-neighbor policy represented an extension and elaboration of the open-door policy. In fact, however, it amounted to a policy of intervention into the domestic affairs of other countries. In the process, the whole idea of demanding that our rights and our dignity be respected was lost sight of. Instead, we have a situation in which foreign countries are encouraged to demand handouts, to demand bribes for good behavior, and to insult and violate our rights.

Our policy must, of course, be adjusted to meet the changing situations that develop. However, I do not believe that any policy can be expected to succeed if it does not start from the principle of mutual respect and mutual consideration for the rights of others. I do not believe it is good neighborliness to accept insults without making effective protest. I do believe we should demand that our flag be respected and our rights be recognized by both our friends and our enemies.

There being no objection, the letter and telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, *March 8, 1950.*

COMMANDANT,
United States Coast Guard,
Washington, D. C.:

We have reference to your earlier threats that the license of Capt. David A. Jones might be in jeopardy if he caused any displeasure to the State Department or words to that effect. I now refer you to an item in the New York Times of this morning issued presumably by the Coast Guard, that Captain Jones was questioned for 3 hours to show cause why he should be permitted to retain his license, etc. Simultaneously herewith, our benign Secretary of State states in a full column in the paper that he is now ready to give the Nationalists at Formosa, whom a short time ago he termed scoundrels and grafters, many millions of our dollars. This is the sort of thing that makes us a trifle more than angry, the publicity about this hearing especially. Might I now suggest that you cap the insults heaped upon this American ship by inviting the perpetrators of the crime who shelled the *Flying Arrow* on the high seas without regard for the lives of these Americans aboard for a visit to this country so they can be suitably received; assembled at the Battery in New York and taken up lower Broadway by your offices to the acclaim of the multitude; that suitable medals be stamped and coined and several keys made to insure them the freedom of our fair city. Then at least we shall know that China has moved in and that we have gotten notice to move out. Thank you very much for your kind attention.

ISBRANDTSEN CO., INC.,
HANS JEPPESEN ISBRANDTSEN.

NEW YORK, *March 8, 1950.*

SECRETARY OF STATE,
Department of State,
Washington, D. C.:

I have sent the following telegram to the commandant of the United States Coast Guard. Perhaps you will wish to confer with him about the protocol involved.

"We have reference to your earlier threats that the license of Capt. David A. Jones might be in jeopardy if he caused any displeasure to the State Department, or words to that effect. I now refer you to an item in the New York Times of this morning, issued presumably by the Coast Guard, that Captain Jones was questioned for 3 hours to show cause why he should be permitted to retain his license, etc. Simultaneously herewith our benign Secretary of State states in a full column in the paper that he is now ready to give the Nationalists at Formosa, whom a short time ago he termed scoundrels and grafters, many millions of our dollars. This is the sort of thing that makes us a trifle more than angry, the publicity about this hearing especially. Might I now suggest that you cap the insults heaped upon this American ship by inviting the perpetrators of the crime who shelled the *Flying Arrow* on the high seas without regard for the lives of these Americans aboard for a visit to this country so they can be suitably received; assembled at the Battery in New York and taken up lower Broadway by your offices to the acclaim of the multitude; that suitable medals be stamped and coined and several keys made to insure them the freedom of our fair city. Then at least we shall know that China has moved in and that we have gotten notice to move out. Thank you very much for your kind attention."

ISBRANDTSEN CO., INC.,
HANS JEPPESEN ISBRANDTSEN.

NEW YORK, *March 3, 1950.*

SECRETARY OF STATE,
State Department,
Washington, D. C.:

So that you will know, and knowing that the American people are becoming indignant that our Government is subservient and without a policy to protect American lives, property, and our flag on the high seas, which has caused a loss of face of this Nation throughout the world. The *Flying Arrow*, one of six American-flag ships to be shot up and molested by a supposed friendly people with little or no protection from our the greatest Navy in the world. The supposed friendly people whose representatives hanging around Washington and our country panhandling for more money and more equipment to carry on their murderous attack on our citizens and our flag. The *Flying Arrow*, full of shell holes, evidence of Chinese gratitude, arrives here tomorrow with heads bowed in shame for lack of American protection. We ask the procedure for arming our ships to protect our flag and citizens on the high seas. Your Department's weakness adds to American humiliation and our lack of policy. It is best clarified in Alice in Wonderland; everyone seems so confused, and the roads lead nowhere. International lawbreakers are condoned, if not encouraged to destroy American lives, property, and trade. The autocratic blackmailers hammering at our Treasury doors and are encouraged by our policy of billions for tribute, not for defense. Today American business and our merchant marine are slipping to a point of grave concern. We have financed our competitors until our tolerance is exemplified by lack of national pride and honor. We are slowly becoming a lawyer-bound and slave-thinking people slowly sinking to a degree of low wit and wisecracking as a subterfuge for national pride. Foreign nations recognize this weakness, which will lead to disaster.

ISBRANDTSEN CO., INC.

DEPARTMENT OF STATE,
Washington, March 1, 1950.

MY DEAR MR. ISBRANDTSEN: I refer to your letter of February 17, 1950, requesting that you be informed of the contents of the note transmitted by this Government to the Chinese Government concerning the attack made by a Chinese naval vessel on the *Flying Arrow*. The text of this note is quoted for your information, as follows:

"The United States Chargé presents his compliments to His Excellency the Minister of Foreign Affairs and has the honor to refer to previous protests made by the United States Government against attacks by the Chinese Navy on United States flag vessels. On one occasion there was pointed out the unfortunate effect which repetition of such attacks might have on relations between the two Governments. In spite of the representations which the United States Government has made and the extreme patience which it has exercised in this matter, a vessel of the Chinese Navy on January 9, 1950, attacked the United States flag vessel, *Flying Arrow*, on the high seas approaching the Yangtze River, and inflicted damage by gunfire which resulted in disablement of the *Flying Arrow* and necessitated repairs to it before the vessel could continue its voyage.

"The United States Government is now in possession of information on the basis of which it is conclusively evident that the attack on the *Flying Arrow* took place on the high seas. This is supported, in part, by an observing vessel's radar plot showing all movements of the *Flying Arrow* and the Chinese naval vessel between the hours of 0849 and 1050, beginning at the point 31 degrees 1 minute 38 seconds north latitude, 122 degrees 25 minutes east longitude to the Fairway buoy, where the *Flying Arrow* anchored. There is no evidence which indicates that the *Flying Arrow* proceeded to the westward of the Fairway buoy at any time. Moreover, it is apparent that the Chinese naval vessel resorted unnecessarily to armed force. Under the circumstances the United States Government considers the attack on the *Flying Arrow*, an unarmed merchant vessel, to be indefensible.

"The United States Government, therefore, holds the Chinese Government fully responsible for the violation of American rights on the high seas and expects to receive at the earliest possible date the assurances of the Chinese Government that there will be no repetition of such lawless attacks on United States flag vessels."

Sincerely yours,
LIVINGSTON T. MERCHANT,
Acting Assistant Secretary for Far Eastern Affairs
(For the Secretary of State).

URGENT DEFICIENCY APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The committee amendments will be stated.

The first amendment of the Committee on Appropriations was, at the top of page 2, to insert:

LEGISLATIVE BRANCH

SENATE

For payment to Minnie E. Reed, widow of Clyde M. Reed, late a Senator from the State of Kansas, $12,500.

The amendment was agreed to.

The next amendment was, on page 2, after line 4, to insert:

CONTINGENT EXPENSES OF THE SENATE

Miscellaneous items: For an additional amount for miscellaneous items, exclusive of labor, $200,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 7, to insert:

HOUSE OF REPRESENTATIVES

For payment to Nora Bates, widow of George J. Bates, late a Representative from the State of Massachusetts, $12,500.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert:

For payment to Mary Putzel Bland, widow of Schuyler Otis Bland, late a Representative from the State of Virginia, $12,500.

The amendment was agreed to.

The next amendment was, on page 2, after line 14, to insert:

For payment to Clara Pronsky, sister of Martin Gorski, late a Representative from the State of Illinois, $12,500.

The amendment was agreed to.

The next amendment was, under the heading "Independent Offices", at the top of page 3, to insert:

OFFICE OF THE HOUSING EXPEDITER

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses, Office of the Housing Expediter," $2,600,000, to be used for the payment of terminal leave only.

The amendment was agreed to.

The next amendment was, on page 3, after line 17, to insert:

DEPARTMENT OF AGRICULTURE

CONTROL OF FOREST PESTS

Forest Pest Control Act

For an additional amount for "Forest Pest Control Act," $4,500,000, to remain available until December 31, 1950.

The amendment was agreed to.

The next amendment was, at the top of page 4, to insert:

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Corps of Engineers

Flood Control

Flood control, general

For an additional amount for "Flood control, general," $8,500,000, to remain available until expended.

Mr. HOLLAND. Mr. President, I did not understand the reading of the committee amendment; but I have an amendment to that particular part of the bill, and I desire to offer the amendment.

The VICE PRESIDENT. Unless it is an amendment to the committee amendment, it would not be in order at this time.

Mr. HOLLAND. Let me ask that the committee amendment be restated.

The VICE PRESIDENT. The committee amendment will be restated.

The LEGISLATIVE CLERK. At the top of page 4, it is proposed to insert:

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Corps of Engineers

Flood Control

Flood control, general

For an additional amount for "Flood control, general," $8,500,000, to remain available until expended.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate reconsider the vote by which the committee amendment at the top of page 3, in lines 1 to 5, was agreed to. That amendment calls for an additional amount for salaries and expenses for the Office of the Housing Expediter.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

Mr. GURNEY. Mr. President, reserving the right to object, I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GURNEY. Was the amendment at the top of page 4 agreed to?

The VICE PRESIDENT. The Chair announced that the amendment at the top of page 4 was agreed to.

The clerk advises the Chair that the Senator from Florida has an amendment to that amendment.

Mr. McKELLAR. Mr. President, at the proper time I shall ask that we return to that committee amendment.

In the meantime I have requested that the Senate reconsider the vote by which the amendment at the top of page 3 was agreed to.

The VICE PRESIDENT. Is there objection? Without objection, the vote by which the committee amendment at the top of page 3 was agreed to is reconsidered, and the amendment is before the Senate.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. O'MAHONEY. Is it now in order to proceed to the consideration of that amendment?

The VICE PRESIDENT. Does the Senator refer to the committee amendment?

Mr. O'MAHONEY. Yes.

The VICE PRESIDENT. It is.

Mr. O'MAHONEY. Mr. President, I move that the concluding phrase of the amendment, in lines 4 and 5, namely, the words, "to be used for the payment of terminal leave only", be stricken out.

I make that motion because, in the first place, although I am a member of the Appropriations Committee, by reason of absence from the city I was not present at the meeting of the full committee at which that language was adopted. I feel that it was adopted under a misapprehension.

It will be recalled by Members of the Senate who participated in the debate on the independent offices appropriation bill in August 1949, that a budget estimate in the amount of $26,750,000 had been submitted for the salaries and expenses of the Office of the Housing Expediter.

That item was cut down by the committee. There was prolonged debate. Many of us felt—and it certainly was presented to us with cogent argument by the Office of the Housing Expediter—that he could not operate with less than approximately $21,000,000, as I recall. In any event, as the bill came from conference the conferees reported an amount of $17,500,000.

The matter was discussed at length upon the floor of the Senate. It was pointed out by Senators from States with very large communities, such as New York City, Chicago, Philadelphia, and many other such communities, that the rent-control situation in those areas was still very acute, and that the appropriation should not be cut down.

However, when the conference report was submitted to the Senate, I made this statement to those Senators:

> It was understood, however, by the conferees on the part of the House and the conferees on the part of the Senate, that if the Housing Expediter were unable to make a sufficient reduction of personnel and of expenditures, in other words, if the demand for rent control in the United States continued, it would be without objection upon the part of the committee if he should submit later a request for a deficiency appropriation. The committee on conference felt that in January, for example, it would be much clearer whether or not the appropriation could be cut. There never was any intention on the part of the conferees of the Senate or upon the part of the conferees of the House that by the denial of funds the operation of the law should be prevented.
>
> In order to confirm that understanding, I yesterday and again today conferred with the gentleman from Texas, the Honorable ALBERT THOMAS, chairman of the conferees on the part of the House, and he confirmed the impression I have just related to the Senate. That was the feeling of the House conferees.

In other words, it was the belief of the Appropriations Committee at the time, and the belief of the conferees, that the operation of the rent-control law should not be curtailed by action of the Appropriations Committee or by action of the Senate upon an appropriation, though, of course, the legal propriety of such action was recognized. We had the feeling that the determination of when rent control should actually terminate was to be left rather to the decision of the legislative committee having jurisdiction of the matter. Members of the Senate will recall that as the law presently reads, rent control will expire as of June 30. However, the budget estimate which was sent to the House and to the Senate with respect to this matter shows that, while there has been a substantial advance in decontrol, yet rent control is still in effect in many areas of the United States.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, what the Senator has stated is, of course, absolutely correct. I may only add there is now pending before the Congress a bill which has been introduced by the Senator from Pennsylvania [Mr. MYERS] since the action of the Appropriations Committee. The Committee on Banking and Currency has set the week of April 24 to begin hearings on the bill, at which time both the proponents and opponents will be heard on the question of whether rent control should be continued. But the law is in effect until June 30, and it is my belief that the Senate will have to decide some time in May whether it is to be continued another year, because the Committee on Banking and Currency hopes to report the bill to the Senate, either favorably or unfavorably. It is our duty to hold the hearings and to report something to the Congress for its consideration.

Mr. O'MAHONEY. May I ask the Senator from South Carolina whether hearings have been ordered?

Mr. MAYBANK. They have been ordered for the week of April 24. They begin on Monday of that week. I talked to the Senator from Pennsylvania [Mr. MYERS] about it. I feel certain the Appropriations Committee does not intend by its action to take over whatever jurisdiction there may be in the Committee on Banking and Currency. I merely want to confirm what the Senator has said.

As chairman of the Independent Offices Appropriations Subcommittee the Senator from Wyoming handled this appropriation last September and October. He was absent recently when the matter came up in the committee. To be very frank, there was so much interest in the appropriation respecting terminal-leave pay that I became a little confused myself, as to whether the $2,600,000 was all terminal-leave pay, or whether some of it was to continue the duties which the Congress had imposed under the Rent Control Act, which does not expire until June 30. In the meantime, the Congress will have an opportunity to act. Rent control will expire or continue by virtue of a bill that we intend to report to the Senate either favorably or adversely.

Mr. O'MAHONEY. Mr. President, I think I ought to say, if the Senator from South Carolina was confused, he never was confused during a session at which I was present. He was usually on the ball.

Mr. MAYBANK. I may say this item came from the Budget Bureau as affecting rent control probably in the second deficiency bill, without a realization that action will have to be taken in May.

Mr. O'MAHONEY. May I not ask the Senator to confirm my understanding? Is it not a fact that no hearings were had by the Appropriations Committee with respect to the termination of rent control?

Mr. MAYBANK. No; the distinguished chairman of the Appropriations Committee could not hold hearings as to when rent control should expire. The only hearings held had to do with the amount of money that would be necessary in order to continue the law now on the books.

Mr. O'MAHONEY. Let me ask the chairman about it.

Mr. McKELLAR. I shall be glad to answer. We had no hearing on it. The amendment was put in under the circumstances stated by the Senator from Wyoming. I have no objection to the amendment, which can be taken to conference.

Mr. O'MAHONEY. I was going to say, Mr. Chairman, that the budget estimate contains this statement:

> Between April 1 and December 31, 1949, decontrol actions involving 2,400,000 dwelling units were approved. During this period 230 of the 599 defense rental areas were completely decontrolled. It is apparent that the need in other areas for dwelling units at rentals within the means of the middle- and lower-income groups, especially in large population centers, has not been met.

So, Mr. President, I make this motion in the belief that the matter is of such grave import to so many areas of the country that the disposition of the question of termination should be made only after a full-scale hearing in the Committee on Banking and Currency.

Mr. McKELLAR. It ought to be done by a legislative committee.

Mr. LEHMAN and Mr. IVES addressed the Chair.

The VICE PRESIDENT. Does the Senator from Wyoming yield, and if so, to whom?

Mr. O'MAHONEY. I yield first to the junior Senator from New York.

Mr. LEHMAN. Is it not a fact that if the action proposed by the committee prevails, it would represent an attempt to destroy rent control by eliminating the funds with which to operate the program, and would this constitute, in the Senator's opinion, legislation by appropriation?

Mr. O'MAHONEY. I may say to the Senator I think this provision got in by way of misapprehension rather than by way of an intent to deprive the Senate of the opportunity to consider the question.

Mr. McKELLAR. I want to assure the Senator from New York there was no such intention.

Mr. O'MAHONEY. I yield now to the senior Senator from New York.

Mr. IVES. Mr. President, I commend the able Senator from Wyoming for the statement he has just made, in line with the understanding which I think the distinguished junior Senator from Illinois and myself, in particular, had with him. We finally withdrew our objections to action on the bill last summer, when it was understood, at least in our own minds, that if the funds then provided were not sufficient to carry out the administration of rent control, additional funds would be provided for that purpose in the first deficiency bill this year. The able Senator from Wyoming has verified that understanding on our part, and, as I see it, the provision now in the bill, with the restrictive words stricken out which have been indicated by the motion of the Senator from Wyoming, will probably meet the situation until at least June 1; I am not at all sure, after that, and I should like to ask the Senator from Wyoming whether it

would properly carry the administration through to July 1?

Mr. O'MAHONEY. Mr. President, I may say to the Senator from New York that the budget estimate was for $3,600,000. The amount appropriated for the item is $1,000,000 less than that, or $2,600,000. I have made no motion with respect to that, in the hope that the Office of the Housing Expediter will be able to operate until the Committee on Banking and Currency has acted, within the $2,600,000.

Mr. IVES. At least, would the Senator from Wyoming be willing to make more or less the same observation with respect to this amount that he made with respect to the $17,500,000, on which we took action last year? In other words, if this appropriation is found not to be sufficient, I assume he will be willing to consider an additional appropriation for the purpose in the next deficiency bill.

Mr. O'MAHONEY. I am not the chairman of the deficiency subcommittee on deficiency appropriations. I have not had the opportunity of listening to any of the evidence this year, so I am not in precisely the same position in which I was at the last session of the Congress. Then, the evidence to support the request for the appropriation had been presented to the subcommittee of which I was chairman, and I was wholly within my knowledge of the facts when I made that statement in August last, to the Senator from New York and to other Senators. But I may say that since the facts will be developed at the hearing to be held by the Committee on Banking and Currency, if the facts developed should indicate clearly that additional funds are necessary in order to operate until the expiration of the law, whenever that may be, of course I could see no objection to the presentation of an additional deficiency request.

Mr. IVES. I thank the able Senator from Wyoming.

It occurred to me, Mr. President, that funds sufficient to administer the act, at least until the date of its termination on June 30, are absolutely essential if it is not to break down completely. I appreciate the fact that my distinguished colleague has indicated and, I presume, will indicate even further, that if funds are inadequate in New York State there will be complete chaos until the State can enact a statute of its own. Whether the State will do anything of that kind, I do not know. There are rumors to that effect. The fact remains that it behooves the Federal Government, until the time set in the act, which is June 30, to provide funds essential for its administration. What we may do next year is something else. Personally, I think rent control should be continued, but the fact remains that that is not the question before the Senate at this time. The question is whether the act shall be properly carried out and administered. I think it is most vital that sufficient funds for that purpose be provided.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. LEHMAN. Mr. President, I am in complete agreement with the remarks of my colleague, the senior Senator from New York. I merely wish to ask him one question. Even in the event that New York State shall pass its own rent-control law, as I hope will be the case, is it not a fact that it would take many weeks after the enactment of the law to establish adequate State machinery so that the protection would remain unabated for a considerable period of time?

Mr. IVES. The answer to the Senator's question is emphatically "Yes"; it is most essential that an appropriation be made.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Wyoming to the committee amendment.

Mr. GURNEY. Mr. President, if the Members of the Senate will turn to pages 110 and 111 of the committee hearings, they will notice that out of the appropriation last year $17,500,000 for rent control there was obligated, up to the first of the year, $11,000,000. Inasmuch as the rent-control law is to expire on June 30, the Office of the Housing Expediter should prepare to suspend activities by cutting down on personnel each month, right up to June 30, the date of the expiration of the law.

If Senators will look at the next to the last paragraph on page 111, it will be noticed that the agency had 5,462 employees on August 24, 1949. That number was reduced to 4,153 by December 31. It is quite certain that with the expiration of the Rent Control Act on June 30, there is no necessity for continuing a force of even that size up to the date of June 30. There will be a reduction in applications for rent increases, because it takes longer than 3 or 4 months to process such applications. All that is needed is sufficient personnel to look into the facts and determine whether rents are actually being charged by landlords in accordance with those which are now authorized.

As the Senate knows, the agency will not be without money even if no further appropriation is made. It has expended $11,000,000 up to the first of the year. That gives it a little more than $6,000,000 or $7,000,000 for the period from January up to June 30. If the agency continues up to June 30 with 4,000 employees, as indicated, then, after June 30, Congress will be faced with an obligation of providing terminal-leave pay for those employees who will certainly have to be discharged by June 30 unless rent control is extended beyond that period. The terminal-leave obligations for those 4,000 or 5,000 employees will amount to more than $3,000,000, possibly $3,500,000.

That was the basis on which the Senate Appropriations Committee considered this item. It felt that personnel could be laid off more rapidly than is presently the plan of the Housing Expediter. It felt that as employees are laid off, anticipating the end of rent control on June 30, the agency should have money to take care of the terminal-leave pay to which the personnel is entitled under the present law. Therefore, we were willing to appropriate the largest part of the terminal-leave pay, but we were not in favor of giving the agency funds to operate at the same rate as it operated in the first 6 months of the fiscal year. It was the sense of the members of the committee, on both sides of the table, that reductions should be made monthly to bring to an end the function of the Housing Expediter completely by June 30. If we take the action now proposed, we can cut down on the terminal leave, conform to what Congress authorized when it said that rent control should expire on June 30, and we can save the additional amount of money which will certainly be asked for if we now do anything to indicate that the money may be used in any way the agency sees fit. Certainly the committee was almost unanimous; indeed, it was unanimous, as I remember, in that the committee members who were present and heard the evidence had no objection to the amendment in the way it is now reported in the committee print.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. GURNEY. I shall be glad to yield to the Senator from Wyoming.

Mr. O'MAHONEY. The Senator has called attention to page 110 of the hearings on the bill. If the Senator will look at the last line on page 110 he will see that the supplemental appropriation required is set forth as $3,600,000.

Mr. GURNEY. Provided that Congress is willing to allow the agency to operate at the same rate of speed or possibly at even a faster rate of speed than that at which it was operating before the first of the year.

Mr. O'MAHONEY. If the Senator will permit me to call his attention to one or two other figures, he will observe that at the beginning of the paragraph entitled "Estimated Supplementary Appropriation, Fiscal Year 1950," it is set forth that the actual obligation during the first 6 months was $11,652,614.

Mr. GURNEY. That is the figure to which I called attention.

Mr. O'MAHONEY. Then it will be observed, from the fourth line from the end of the page, that the estimated obligations for the last 6 months are $9,447,386. That makes an estimated total obligation of $21,100,000. The supplemental estimate provides $21,100,000, but by the amendment as my motion would leave it, instead of appropriating $3,600,000 to provide a total of $21,100,000, we shall be providing only $2,600,000, and the total amount for the year will be $20,100,000 instead of $21,100,000.

Mr. GURNEY. That is entirely correct. That is the exact figure to which I called attention. However, if the words "to be used for terminal leave only" are stricken out, Congress will be faced after June 30 with the terminal leave requirement which will be due this personnel, and that will mean another $3,500,000.

Mr. O'MAHONEY. Does not the Senator feel, as I certainly do, that since a Member of this body has introduced a bill to continue rent control, and several Senators believe, as indicated by what has been said by the senior Senator from New York and his junior colleague that it is felt by responsible people, in some parts of the country, at least that rent

control should be extended, in all fairness the Committee on Appropriations should permit the appropriate legislative committee to hold hearings and determine what the facts may be?

Mr. GURNEY. In the first place, I am not sure that any legislation providing for the extension of rent control will be passed. Second, the Committee on Appropriations should not appropriate to finance a bill which is in prospect. Third, we know that if this $2,600,000 is given to the agency now, it will keep a larger staff, with a greater expenditure, than the committee presently feels is necessary, in view of the expiration date of the present law. Fourth, if we accept the Senator's amendment, we know we shall be faced with another request for $3,500,000, which I say the country, in its present budgetary condition, cannot afford.

Mr. O'MAHONEY. The Senator stated, as one of his reasons, that we should not appropriate for a bill which is in prospect.

Mr. GURNEY. That is correct.

Mr. O'MAHONEY. That is not what the committee is doing, nor is it what I seek to do.

Mr. GURNEY. In my opinion, that is what would be done.

Mr. O'MAHONEY. By my motion we would be appropriating for a law which is presently in existence, to enable the Housing Expediter to carry out the existing law. My feeling is that the Senate should not, by action on an appropriation bill, cut down the term which Congress has already provided for the operation of rent control.

Mr. McKELLAR. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I should first like to answer the Senator from Wyoming, and then I shall be glad to yield. There is a difference of opinion between the Senator from Wyoming and me. Our committee was in full concurrence that the agency presently has sufficient money to carry on the functions which should be carried on to satisfy all demands of all applicants from the various areas of the country which are still under rent control. We felt it had had plenty of money. Certainly it has two or three million dollars left for the last 3 or 4 months of the year. In order to give the officials of the agency notice, so that they will know that they will have to take care of the personnel on June 30, we appropriated almost all of the terminal-leave funds they will need as of June 30.

I now yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, the Senator will recall that it was testified by at least one witness, and I believe by several witnesses, that after April 15, under the law which will be effective until June 30, they will have no money at all on which to run. They will be virtually closed up. We do not want that to happen.

In the next place, this is a legislative provision. There can be no doubt about that. If, as the Senator suggests, the agency is left without any money, it will be closed up on April 15.

However, a legislative committee is in charge of a bill now which will determine whether the law shall be continued or not. Action should be taken on that bill. The Committee on Appropriations ought not to put legislative provisions of this kind in the bill.

The committee agreed to this amendment very hurriedly, and nonchalantly, if I may so describe it. We did not have much controversy about it. I think that a legislative committee ought to report legislation providing whether we are to have rent control after June 30, and we ought to keep the rent-control organization in money until that time.

Mr. GURNEY. In reply to the Senator, I will say that I am not convinced that the agency would be without funds on April 15.

Mr. McKELLAR. That was the testimony. I do not know anything about it otherwise.

Mr. GURNEY. My memory does not give me the same answer the Senator from Tennessee has stated; but I should like to see the testimony. Certainly it was the conclusion of the committee that the agency would have enough money to carry on, though I will admit, with a skeleton organization, decreasing progressively each month. If they did that, and cooperated with Congress in a sincere endeavor to close up shop, in accordance with the present law, which will expire on June 30, they would have sufficient funds to do so. I should like to say to the Senator, too, that the Committee on Appropriations studied the matter and gave it some consideration. They took more than an hour and went into various phases of it, with a goodly number of committee members present at the committee hearing, and I believe the subject had more than merely offhand consideration.

Mr. McKELLAR. Mr. President, I find that I made one little mistake. I gave the date as April 15. The Housing Expediter fixed the date as April 13, and said they would need the money from April 13 to June 30.

Mr. President, we should make that money available to the office of the Housing Expediter. A great many States have abandoned rent control, and under the law they have a right to say whether they should have it or not. A great many have said they do not want it; others have said they do want it. The law is on the books, and, in my judgment, we should give the Housing Expediter a reasonable amount with which to operate his organization until June 30.

Mr. GURNEY. Mr. President, I feel that Congress took very commendable action last year in appropriating only $17,500,000, believing that in different areas of the country local laws would be passed abandoning rent control in those particular localities. That has actually been the case, and the committee was informed that more than 95 percent of the area of the United States is presently out from under rent control.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. GURNEY. For my part, I do not care to debate the matter longer. I am sure that presently the agency has sufficient money with which to carry on its necessary functions, if it has a sincere desire to wind up its affairs, as the present law authorizes it to do.

Mr. WHERRY. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, the distinguished Senator from South Dakota was present at the time most of the members of the committee were discussing this appropriation. I am a member of the committee, and I ask him whether it is not a fact that it was brought out clearly to the members of the committee that there was not before either the House or the Senate a bill asking for extension of rent control, except one bill which would extend rent control in the District of Columbia. Is not that true?

Mr. GURNEY. I think that was the information given us. We had no information to the effect that there was any bill which was supposed to come out of some committee in the very near future.

Mr. WHERRY. At the time this matter was being discussed, I am sure the Senator from South Carolina [Mr. MAYBANK] chairman of the Committee on Banking and Currency, was present, and I believe I addressed a question to him as to whether it was contemplated that there would be any further extension of rent control, and if I am correct as to the response given, he said that with the exception of one bill, relating to the District of Columbia, at that time there was no bill in either House asking for the extension of rent control.

Mr. MAYBANK. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I am glad to yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, as chairman of the Committee on Banking and Currency, I was asked at that time the question indicated, as to whether there was in either House a bill providing for extension of rent control, and I said there was not.

Mr. WHERRY. Except as to the District of Columbia.

Mr. MAYBANK. I spoke positively. Since that time the Senator from Pennsylvania [Mr. MYERS] has introduced a bill to extend rent control. I should like to explain the situation a little more fully.

The law will not expire until the 30th of June. There was no bill pending at the time of the discussion referred to. Since that time the Senator from Pennsylvania has introduced a bill, as I have said. In justice to the Senator from Pennsylvania and other Senators who have talked to me, including the Senator from Illinois [Mr. LUCAS], I set April the 24th for hearings on the subject. But that has nothing to do with the question now before the Senate.

Mr. WHERRY. May I ask another question?

Mr. GURNEY. I yield to the Senator from Nebraska.

Mr. WHERRY. It does have everything to do with the question before the

Senate. Is it not true that the Senate Committee on Appropriations acted on the belief that there would not be an extension of rent control, and that the thing to do was to taper off the agency, with the thought that they had sufficient money on hand to get along, by earmarking $2,600,000 for terminal-leave pay? Was not that what took place?

Mr. GURNEY. That was what took place and even though we knew there was a bill in committee, or which had even been reported by a committee, I do not feel that the Committee on Appropriations should now appropriate for a measure which has not yet passed, and is not on the statute books. My judgment is that such a measure will not be passed.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. MAYBANK. The only request I have received is that the Senate appropriate money in connection with the law which is on the statute books, which does not expire until June 30. If we do not make the requested appropriation, then, as the distinguished chairman of the Committee on Appropriations has said, the rent-control funds will be exhausted by the 13th of April. The Office of the Expediter has now only $900,000; therefore there will be no money with which to enforce the law in New York, Chicago, Philadelphia, and other large cities. While the statement the distinguished Senator from South Dakota has made is eminently correct to the effect that 95 percent of the area of the United States is not under rent control, that does not mean that 95 percent of the population is not under rent control. I dare say if we consider the total population we will find that the situation is almost 50–50, that is, that half the people are not under rent control and half the people are under such control. Seventy-four cities of a total of ninety which have more than 100,000 population have rent control today and have refused to do anything to change it. The State of California is under rent control. Large cities from New England to California are under rent control. If we fail to make the appropriation the agency will have no money with which to carry out the provisions of the law from April 13 until June 30.

Mr. GURNEY. Mr. President, it is the opinion of the Senator from South Dakota that the agency would have money after April 13 if it would taper off its personnel and retain only the personnel necessary to police rent controls now in existence. If the agency does that it will have sufficient money to retain a sizable force until June 30.

Mr. President, I have presented about all the thoughts I have on this particular item.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. GURNEY. Yes.

Mr. DOUGLAS. When the Senator from South Dakota made the statement that 95 percent of the country was decontrolled, I assume he referred to area and not to population. Is that correct?

Mr. GURNEY. That is correct.

Mr. DOUGLAS. I assume the Senator from South Dakota knows that while nearly 3,000,000 units have been decontrolled during the last year, there are still 11,400,000 housing units which are under rent control. As I remember, the over-all figures are approximately as follows: There are about 35,000,000 nonfarm dwelling units in the country, and these are approximately evenly divided between rental units and houses owned by the occupants. So that we have roughly this result, that two-thirds of the rental units of the country are still under rent control.

Mr. GURNEY. Does the Senator believe that even though the agency should close its doors, and not have any employees from now until June 30, the rentals for those units would be increased, in view of the fact that the law would still be in existence until June 30?

Mr. DOUGLAS. The law would be technically in existence until June 30, but in the absence of enforcement I think we can be quite certain that rents would be increased, because no law is better than its enforcement.

Mr. GURNEY. It will be only a matter of a few months. I am sure no one would want to jeopardize his standing in the community by raising rents before the law expires. But I still say there is sufficient money left in the agency to operate whatever police force is necessary for the remainder of the fiscal year.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. McKELLAR. This is simply a matter of being perfectly practical. We have a request here for an additional appropriation so the agency may operate until June 30.

Mr. GURNEY. That is correct; and operate it at its present speed.

Mr. McKELLAR. There is not sufficient money provided in the bill to do that.

Mr. GURNEY. That is correct, if we want the agency to operate at its present speed.

Mr. McKELLAR. At its present speed, yes.

Mr. GURNEY. That is correct.

Mr. McKELLAR. The Senate would be legislating if we were to cut down the operation of the agency below its present speed. What we should do is to adopt the provision for $2,600,000 and let the Expediter come before the Congress between now and June 30, which he has a right to do, which he can do, and ask for additional appropriations. If the Congress gives them to him, feeling that it is necessary to do so, very well; but if Congress feels it is not necessary to give the additional money to him, it should not do so.

I think rent control should be done away with as quickly as possible. But so long as the rent-control law is on the statute books it is the duty of the Appropriations Committee to furnish the money so that the law as it now is can be carried out; not as we might individually wish it to be carried out. So far as I am concerned, I think that is what the provision does.

Let us have a vote on the committee amendment.

Mr. GURNEY. I will answer the Senator, and then take my seat. I totally disagree with the thinking of those who want to keep the rent-control enforcement office operating at its present speed, in view of the fact that the agency certainly does not have to handle anywhere near the amount of paper work or do the amount of policing in the restricted area that has been done in the past. The agency has plenty of money to continue to operate at the speed it should operate, and taper off, with the knowledge that June 30 is the deadline. I want to reiterate that if the Senate adopts the amendment as it is presently framed we shall be faced with another request for an additional three and one-half million dollars.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

Mr. MYERS. Mr. President, I want to add my support to what the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] has just said. He has reviewed for us, though I am sure most of us recall this well, the discussion which took place in the Senate last August. At that time we were considering the appropriation item required to operate the Office of the Housing Expediter. I am absolutely sure that a large majority of the Senate and the House would never have agreed at that time to less than the total amount necessary to administer the rent-control law we had passed but a few months earlier if there had not been the understanding made then that the balance of the funds would be forthcoming early this year to give that law the full force and effect we intended.

It seems to me, Mr. President, that some Senators are already convinced and agreed that we are not going to have any rent control beyond July 1. They have come to that definite conclusion, and therefore they believe we should stop it in April, rather than in June, thus breaking the promises we made through legislative enactment to the people of the country.

I should like to say in connection with rent control generally that, although I opposed the local option provision in last year's Rent Control Act at that time, I now keenly appreciate the fact that this provision furnishes us today with the safest rule-of-thumb measure we have for the still existing need of rent controls.

Mr. President, that local option provision in our Federal law last year has not been exercised to any marked extent. I am absolutely convinced, Mr. President, that communities and States all over the country would have gone ahead and decontrolled their rents locally if they felt it could be done safely at this time. Instead, communities and States from one end of the Nation to the other have relied in good faith upon the congressional promise made last year that the Federal rent-control law would extend in full force at least until the last day of June 1950. The largest number of communities and States in which rent

controls are still to be found have made no separate provisions in view of that promise we gave them.

If we were to decide today that the office of the Housing Expediter should undertake to wind up its affairs by the 1st of July, it would mean literally that rent controls would start to collapse almost at once. I think this is perfectly obvious because it means that plans would necessarily be made to terminate their present personnel force in progressive steps, and as a result, there would be nothing left of this program within a matter of weeks. I repeat, we cannot renege on the promise held out in the law we adopted last March.

I think it is also important for us to think in terms of what Congress is likely to do on extending rent control beyond the present expiration date of the law. As I have already indicated, I believe we have a qualitative means of determining the need of rent control beyond July 1 as a result of the fact that the local option provision has been but little used. This certainly satisfied me as to the immediate necessity for carrying through the law beyond July.

Mr. McKELLAR. Mr. President, will the Senator yield at that point

Mr. MYERS. I am happy to yield to the Senator from Tennessee.

Mr. McKELLAR. The point was raised by some Senators on the other side of the aisle that they wanted the operations of the agency to taper off. The committee has very properly signified its desire that the agency taper off, by reducing the appropriation from $3,600,000 to $2,600,000.

Mr. MYERS. I may say that I am in perfect accord with that. I indicated at the beginning of my remarks that I wholeheartedly support the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY]. I think the committee itself said that the funds proposed to be appropriated will still necessitate the tapering off. If it is found later that further funds are required, the agency can come back to Congress and make a request for such funds in a second deficiency bill. But this proposal certainly does not mean that sufficient funds will be appropriated for the Housing Expediter to carry through until July 1 with the same amount of personnel under which he is now operating. I agree wholeheartedly and thoroughly with the Senator from Tennessee and the Senator from Wyoming.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. MAYBANK. In order that there would be a tapering off, the subcommittee made provision for a reduction of 500 employees before the matter went to the full committee.

Mr. MYERS. That is correct. I think the committee has been very fair. I believe it has been as fair to the Housing Expediter and the people and the Congress as it possibly could be.

Mr. President, I feel it is a strong indication that Congress should go most carefully into rent control extension in the next few months to determine the desirability of an extension running for at least another year.

I am assured by the Senator from South Carolina, chairman of the Committee on Banking and Currency that he intends to begin hearings on an extension bill early next month. Of course, thereafter Congress will have an opportunity to determine whether control should be extended.

Last Friday, the 3d of March, I was away from Washington on official business, but on that day, the distinguished majority leader [Mr. LUCAS] introduced a bill for himself and for me to extend rent controls for another year, or in other words, until June 30, 1951. That bill, S. 3181, was referred to the Senate Banking and Currency Committee. Before submitting the bill both the Senator from Illinois and I discussed the matter with the distinguished chairman of the Banking Committee [Mr. MAYBANK] and he assured us that he would schedule hearings on our bill just as quickly as they could be crowded into the schedule of his busy committee. I repeat that it is my understanding that the hearings will start early in April, although probably it will be the 24th of April before the committee will put this question on its agenda.

The Banking and Currency Committee, as I know it has done in the past, under the leadership of the able Senator from South Carolina [Mr. MAYBANK], will, I am certain, do a thorough, careful job of fact-finding in respect to rent control, and will give us the answers.

Then, later in the spring, we can determine where we should go next year in regard to rent control.

For the present, however, I am satisfied the Senate and the House have a moral obligation to carry rent control forward within the full meaning of the law we passed last year if we are to deal in good faith with the people all over this country who have relied upon the policy we established last March.

So, Mr. President, I urge the Senate to adopt the amendment submitted by the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment on page 3.

I sincerely thank the Senator from Tennessee for the courtesies he has extended to those of us who have been interested in this subject. I know that in making this recommendation he is doing what he believes is best for our country; and I wholeheartedly join with the Senator from Tennessee in supporting the amendment offered to the committee amendment by one of the members of the Appropriations Committee, the Senator from Wyoming [Mr. O'MAHONEY].

Mr. IVES. Mr. President, there are two matters which I should like to point out in connection with the continuation of rent control during the remainder of the current fiscal year. That is what we are really faced with in this particular instance. It is not a matter of whether rent control shall be continued next year. I think we should make that point clear among ourselves.

There are some figures which I should like to have in the RECORD for purposes of our consideration.

First of all, the rate of decontrol is highly unpredictable, whether by local option, State action, or the Housing Expediter's own initiative. During the period April 1, 1949, through January 26, 1950, a total of 703 decontrol actions were taken, but savings resulting from these decontrol actions amounted to only 581 employees with total annual salaries of $2,151,779.

Second, the work load in landlord and tenant cases in the area offices increased 59 percent over the work load for the corresponding period of 1948, in spite of the 703 decontrol actions, and the work in the larger offices is still increasing as of today.

Third, there are still about 12,000,000 units under control in communities with a population of 77,000,000, and they will be entitled to service under the act until June 30 of this year.

In that connection, Mr. President, I should like to point out that when we consider the 77,000,000 people now under rent control we understand the great disparity which occurs when we consider the statement that 95 percent of the areas now are decontrolled. I think the distinguished junior Senator from Illinois [Mr. DOUGLAS] emphasized that point, and I now provide the figures.

Fourth, out of the 90 cities of 100,000 or more population, 74 of them have elected to stay under Federal rent control, and offices must be maintained to serve the public in those cities.

Fifth, out of 1,555 communities of 5,000 population or more under rent control on April 1, 1949, approximately 1,000 are still under rent control, and the law will have to be enforced in those communities in order to give justice and equity to both landlords and tenants. Alabama and Virginia have taken decontrol actions, but will have to be serviced to their effective dates, which are May 25 and June 25, respectively.

Mr. President, I indicated the effect this would have on the State of New York. I admit that perhaps I am selfish in my approach to this matter. However, after all is said and done, New York State does have a sizable percentage of the population of the United States, and quite a large percentage of the population in the State of New York is located in the city of New York. I can well appreciate the great difficulty which will be faced, especially by the city of New York, if the administration of this act is seriously curtailed between now and presumably June 30, because even though the State may take action by which the State itself will take over rent control as of May 1—as is reported in the newspapers this morning—the fact nevertheless remains that probably there will be some delay between that date and the date when the administration of that control can be effectively put into operation. My distinguished junior col-

league from New York [Mr. LEHMAN] already has pointed that out in a question he raised with me.

So it is most vital that this appropriation be granted in full—I am speaking now of the $2,600,000 item, not about any other figure—without any strings attached. If by the time we have before us a subsequent appropriation bill or a deficiency appropriation bill, it is indicated that more money will be needed even if there is to be decontrol. If the Federal Government is going to step out of the picture entirely—and certainly we do not know anything about that at this particular time—then will be the time to take appropriate action in such particular deficiency appropriation.

But until that time comes, we must accept the condition with which we are faced. We must provide adequate funds, in order to make sure that, insofar as the Federal Government is concerned, rent control is properly and adequately administered as long as it is in effect.

Therefore, Mr. President, I am very strongly in favor of the amendment offered by the distinguished Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment, by which he would strike out the words "to be used for the payment of terminal leave only."

Leaving those words in the bill definitely would qualify the applicability of the appropriation, and in and of itself might make the funds wholly insufficient and ineffective.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The question is on agreeing to the amendment of the Senator from Wyoming to the committee amendment at the top of page 3.

Mr. CAIN. Mr. President, I shall oppose the amendment offered by the senior Senator from Wyoming to the committee amendment, but at the same time I shall offer an amendment in the form of a compromise, which I think will, if adopted, permit the Office of Housing Expediter to carry out its duties in a reasonable and practical way until the Congress determines whether the present law, which is due to expire on June 30, 1950, is to be continued in the future. The junior Senator from Washington is prepared to offer an amendment which would provide $1,400,000 to the Office of the Housing Expediter, to be used by that Office between now and the termination date of the law, for operational or current purposes.

The Senator from Wyoming has suggested that the words in the committee amendment which would restrict the use of the $2,600,000 for terminal pay purposes be eliminated, and that the $2,600,000 be made available for operational and office expense purposes of the Office of the Housing Expediter.

The primary difference, as of this time, between the position of the Senator from Wyoming and the position of the junior Senator from Washington is that the latter is of the opinion that the Housing Expediter can do a competent job with the sum of $1,400,000, rather than with the sum of $2,600,000, which the Senator from Wyoming has recommended.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAIN. I am glad to yield.

Mr. MYERS. Is the Senator from Washington recommending $1,400,000 up to July 1 of this year; and does the Senator think that is a sufficient amount with which to operate the Office of Housing Expediter until the expiration of rent control under the present law?

Mr. CAIN. A decision as to whether the present law is to be continued or discontinued in the future is to be recommended, I take it, by the Banking and Currency Committee at a later date. I am now offering an amendment to provide $1,400,000 for use by the Housing Expediter, in addition to what he already has had appropriated to him, for operating his office between now and the expiration of the law on June 30, 1950.

Mr. MYERS. Mr. President, will the Senator yield further?

Mr. CAIN. Yes; I yield.

Mr. MYERS. I am informed that the money he now has will permit him to operate only to about April 15, and that from April 15 on, that Office will be without funds for operating expenses. The Housing Expediter asked for a budget of $3,600,000, I believe; but the Senator from Washington proposes, instead of the larger amount, that it be cut to $1,400,000.

Mr. CAIN. Yes.

Mr. MYERS. Of course, that means a considerable curtailment in enforcement, if the smaller amount is provided.

Mr. CAIN. If the smaller amount is provided, I think it necessarily will mean that the Office of the Housing Expediter will continue in a status of what amounts to liquidation, because every day and every week and every month, more and more units are being removed from rent control.

I am very glad the Senator from Pennsylvania has raised this question, because he has said that he is informed that the Office of Housing Expediter will be out of money on April 15. What the Senator actually means to say, I am sure, and what in effect he has said, is that his informant was the Office of the Housing Expediter. The junior Senator from Washington is happily among the first to admit that if we accept as being legitimate or accurate the request of the Housing Expediter for an additional sum of money with which to operate until June 30, 1950, obviously he needs what he asks for. But, without any personal prejudice either to the Housing Expediter or to the operation of his agency, I ask the Senator and the Senate as a whole, this question: What reason have we to believe today that the request the Housing Expediter makes is an accurate and a factual one, in the face of not one but of a good many requests or presentations made in the past by the Office of the Housing Expediter, which have turned out to be anything but reliable or accurate? So the junior Senator from Washington, against the presentation made recently to the Appropriations Committee by the Housing Expediter, wishes to suggest that $1,400,000 will enable the Expediter to do as competent a job as would the $3,600,000 recommended and requested by the Housing Expediter. That is the story in a simple form.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MYERS. Of course, the Senator recalls that when we were considering the item last year, it was said, not only by the Housing Expediter, but by others, that it was not believed that the $17,500,000, which was appropriated at that time, would be sufficient for the Housing Expediter to operate for the entire fiscal year. Many disagreed with him when he said that was correct.

Mr. CAIN. Yes.

Mr. MYERS. But the Senator himself now believes that at least an additional $1,400,000 is necessary, and so when we gave him such a severe cut last year, I am sure the present situation is evidence and is an indication that we did not appropriate for the Housing Expediter sufficient money with which to operate his Office for the entire fiscal year.

Mr. CAIN. Last year, as I recall, the Housing Expediter asked us for $27,000,000. The request was twice cut. The assertion was made on the floor by many Senators, when agreement was reached on $17,500,000, that perhaps it would not be sufficient. In the opinion of the Housing Expediter it turned out to be insufficient, and so very recently he asked for an additional sum of $3,600,000, which, if he received it, when added to the $17,500,000, would be several million dollars less than what he had said before committees of the Congress a few months ago he could not get along without.

Mr. MYERS. It would be approximately the same amount.

Mr. CAIN. There has been no instance in which the Housing Expediter has not missed the factual situation. That is all we are talking about.

Mr. MYERS. It was approximately the same amount as that which was advocated and allowed by the Senate committee last year.

Mr. CAIN. Yes.

Mr. MYERS. It was approximately that amount.

Mr. CAIN. I think that is correct.

Mr. MYERS. If the Senator will yield further, I think the difference between the Senator and myself is, the Senator believes that $1,400,000 will be sufficient.

Mr. CAIN. Yes.

Mr. MYERS. That is, if the Office is in the process of liquidation.

Mr. CAIN. Yes.

Mr. MYERS. And if he can liquidate by July 1.

Mr. CAIN. His responsibilities are being liquidated each week.

Mr. MYERS. Since hearings have been set by the Committee on Banking and Currency to begin April 24 on the question of extending rent controls for 6 months, for a year, or for some other period, does not the Senator believe that

it is a matter for the committee to determine, rather than for us, in an appropriation, to order the Housing Expediter to liquidate?

Mr. CAIN. We are not ordering him to liquidate, under the motion which the junior Senator from Washington intends to make.

Mr. MYERS. I understood the Senator to say the $1,400,000 will enable the Housing Expediter to continue his operations in a liquidation process.

Mr. CAIN. Yes.

Mr. MYERS. So I should think it would be in effect an order to liquidate, because we are saying to the Housing Expediter, "We are going to give you so much money, and that is all we are going to give you. It will be sufficient to continue your operations until July, provided you liquidate your organization. By July 1 you should be almost, if not completely, liquidated." That is in effect what we are telling him. I think it is the job of the Committee on Banking and Currency rather than of the Appropriations Committee, and rather than for the Senate itself, because we told the people when we extended rent control that it would continue until July 1. I assume we also intended to make it operative and to provide a sufficient enforcement section to enable it to operate. I understand the Senator's position. I think he wants to liquidate rent control by July 1. I want to liquidate it as soon as we can.

Mr. CAIN. I differ with my friend in his use of the word "think." I know what the junior Senator has in mind with reference to liquidating the rent-control program as a national matter. The Senator from Pennsylvania knows that the Senator from Washington seeks to rid this country of the public management of private property at the earliest possible moment.

Mr. MYERS. I did not want to be that affirmative. I said I thought he did, but I shall take it for granted, in view of the Senator's statement.

Mr. CAIN. It is a matter of fact, not of assumption.

Mr. MYERS. Therefore, let us understand that the Senator from Washington is advocating an appropriation of $1,400,000, on the theory that it will be sufficient, provided rent control is liquidated by July 1.

Mr. CAIN. No; perhaps I have not made myself as clear as I should have wished. My opinion is that $1,400,000 will provide the Housing Expediter with an adequate sum of money to discharge properly, effectively, and efficiently his ever decreasing responsibility, between now and June 30, when the law, as it now reads, is supposed to terminate. That is not to say that on June 30 there will be a complete elimination of rent control throughout the United States, but, based on facts which I hope to present in a few moments for the consideration of the Senator from Pennsylvania, and which came from the Office of the Housing Expediter, if his figures show conclusively—as they do—that more and more units throughout the country are daily, weekly, and monthly becoming decontrolled, it obviously follows that the Office of the Housing Expediter does not need as much money to administer the law, in May, for example, as he did in either of the first 3 months of the year.

Mr. MYERS. I shall be very much interested in the figures, when we come to them. I think we may then have a basis of further discussion.

Mr. CAIN. I express my appreciation of the reasoning of the Senator from Pennsylvania manifested in the questions which have been raised. At this stage of the argument, I believe I have one slight advantage over the Senator, in that I expect to present certain figures, which the Senator from Pennsylvania must deny on the basis of facts before he concludes that my amendment proposing $1,400,000 is not in the public interest.

Mr. MYERS. I shall be happy to wait for those figures and facts.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. CAIN. I am glad to yield to the Senator from Wyoming at any time.

Mr. O'MAHONEY. Has the Senator presented the form of his amendment?

Mr. CAIN. The nature of it is——

Mr. O'MAHONEY. I understand the nature of it.

Mr. CAIN. It is to make the amount of $1,400,000 available to the Office of the Housing Expediter.

Mr. O'MAHONEY. The committee amendment which is before us reads:

> For an additional amount for salaries and expenses, the Office of the Housing Expediter, $2,600,000, to be used for the payment of terminal leave only.

My motion was to strike out the phrase "to be used for the payment of terminal leave only," so that the $2,600,000 could be used for any purposes for which there is a legal authorization.

Mr. CAIN. I understand.

Mr. O'MAHONEY. It is my understanding that the Senator proposes to add to the committee amendment as it stands before us, words to the effect that "and $1,400,000 for general purposes," or something to that effect?

Mr. CAIN. The Senator is entirely correct. That is my intention.

Mr. O'MAHONEY. And it is the Senator's belief that $1,400,000 would be sufficient, and he intends to explain his reasons for that belief——

Mr. CAIN. Yes.

Mr. O'MAHONEY. Is it his belief that it would be sufficient to finance the Office of Housing Expediter on a constantly decreasing scale, until June 30?

Mr. CAIN. That is entirely correct. I do not seek to put the Office of the Housing Expediter out of business by refusing him reasonable appropriations.

Mr. O'MAHONEY. I am very much interested in hearing the Senator say that, because I should like to point out to him and to other Members of the Senate that the State of Virginia, for example, by its legislature, recently voted to terminate rent control in the State of Virginia, on the 25th of May. For reasons which were satisfactory to the Legislature of the State of Virginia, it was not the purpose of the legislature, nor was it the effect of the law that it passed, to cut off rent control immediately. So the Senator is saying to us, it is his desire, it is his belief that rent control can and should be terminated as of June 30, that $1,400,000 will be sufficient to do it; and for the present, he is willing to have appropriated $1,400,000 for that purpose.

Mr. CAIN. That is exactly the case.

Mr. O'MAHONEY. But if the Committee on Banking and Currency, after holding hearings, should feel, and so vote, and the Senate should approve, that rent control should be extended for any particular period, the Senator is not attempting by the amendment he intends to offer to control that situation, is he?

Mr. CAIN. Most emphatically not. I will say to the Senator from Wyoming, if I sought to exert any such influence on the Committee on Banking and Currency, I necessarily would support in vehement fashion the committee amendment.

Mr. O'MAHONEY. Of course; and that is why I wanted to make the Senator's position crystal clear.

Mr. CAIN. I appreciate that, and I only want to add a sturdy note in support of what the Senator from Wyoming has just said. I am one of those Senators who think and believe they know that no national emergency justifying rent controls any longer exists in this country. But we have on the books a law called rent control, which expires on June 30, 1950. The Housing Expediter has said, "We fell short in the moneys appropriated to us, and we want $3,600,000 in order to operate from April 15 to June 30."

The junior Senator from Washington is suggesting that the good and legitimate purposes of the Housing Expediter can as well be carried out through providing the sum of $1,400,000.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DONNELL in the chair). Does the Senator from Washington yield to the Senator from Wyoming?

Mr. CAIN. I yield.

Mr. O'MAHONEY. The Senator from Washington was on the floor and heard the senior Senator from New York express the belief that the necessity for rent control still exists in his State. He heard the junior Senator from Illinois make a similar statement, and he heard the Senator from Pennsylvania [Mr. MYERS] make a similar statement. Of course, there is nothing in the amendment which the Senator is about to offer which would in any way foreclose the judgment of the Senate upon the representations of those Senators or the evidence they may submit between now and the 30th of June.

Mr. CAIN. With reference to the remainder of the fiscal year, the Senators to whom the Senator from Wyoming has just referred can differ with the junior Senator from Washington only as to the amount.

Mr. O'MAHONEY. That is correct; and nothing that the Senator proposes would foreclose the Housing Expediter or

Members of Congress from urging in another deficiency bill, if the evidence seems to justify it, an increase in the operational amount.

Mr. CAIN. The Senator from Wyoming and I are pleased to reflect only on the obvious, the substance of which is clear to everyone.

Mr. O'MAHONEY. On the basis of the statements which the Senator makes to me, it seems to me that the amendment he proposes is not at all harmful.

Mr. CAIN. It is not an antagonistic amendment. It might be an amendment with which the Senator would differ, because he might think the amount is not the correct one, but for no other reason would we be in disagreement.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. McKELLAR. The State of Alabama has passed a decontrol law to take effect, I believe, in May or June. I may have the Senator's amendment a little confused in my mind. Does his amendment propose to add $1,400,000?

Mr. CAIN. I should prefer to add $1,400,000 of free money for the Housing Expediter to use as his judgment shall dictate between now and June 30, 1950. That is to say, I am in support of the committee amendment which provides $2,600,000 for the purpose of paying terminal leave, and I seek to add to that amendment the sum of $1,400,000 for operational expenses. I think I can support my amendment with good reasons.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. FERGUSON. That would give the Housing Expediter, from the first of March, how much money?

Mr. CAIN. That would give him, from the first of March, $4,000,000.

Will the Senator from Michigan permit me to invite the attention of the Senator from Pennsylvania [Mr. MYERS] to the question which the Senator has just asked, for I think it is very important?

Mr. FERGUSON. I inquired as to how much the Expediter would have from March 1 to July 1. Will the Senator reply to that question, please?

Mr. CAIN. The answer to that question is that if my amendment to make available $1,400,000 free money is approved the Housing Expediter would have $4,000,000 with which to administer his office from the first day of March 1950 until the expiration date of the law, which is June 30, 1950. That is at the rate of $1,000,000 a month, for administrative purposes.

Mr. FERGUSON. Would he have sufficient money in excess of that amount to pay terminal leave?

Mr. CAIN. The reason why the junior Senator from Washington is strongly in support of the committee amendment making available $2,600,000 for terminal-leave purposes is that we have good and sound reason to believe that if we do not require the agency to take care of the situation, it will continue to let the funds accumulate until, in due time, when Congress decides that there is no longer any need for rent control, the Treasury will be confronted with making cash payments to employees of the agency numbering between 4,000 and 5,000.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. MYERS. I understood the Senator to say that the agency is now operating on $1,000,000 a month.

Mr. CAIN. No. I say that if the amendment offered by the junior Senator from Washington is approved, the Housing Expediter will have, as nearly as I can figure it, $4,000,000 with which to operate his office between March 1 and June 30, which is at the rate of $1,000,000 a month.

Mr. MYERS. I understand that it is now operating at the rate of $1,700,000 a month.

Mr. CAIN. No. I am well pleased to answer that question, not because it is an inaccurate question, but because it will receive an accurate answer. The misinformation about the subject is at all times interesting, to say the least.

On the opening page of the statement offered by Mr. Woods, the Housing Expediter, to the Senate Appropriations Committee, he says, toward the bottom of the page, that he presently is spending money at the rate of $1,650,000 a month. I am suggesting that he can get along for the last 4 months of this year with $1,000,000 a month, and I shall seek to establish that fact.

Mr. MYERS. I understand the Senator's position to be that the Housing Expediter is now spending $1,650,000 a month.

Mr. CAIN. That remains a large amount of money.

Mr. MYERS. The Senator suggests $1,000,000 instead of $1,650,000?

Mr. CAIN. I do, indeed.

Mr. MYERS. That would be a reduction by a considerable percentage.

Mr. CAIN. Yes.

Mr. MYERS. But the Senator believes that that reduction should be made, and, at the same time, the Housing Expediter could conduct an efficient operation, although the funds would be reduced $650,000 each month, as compared with the present amount necessary to conduct the operation which he believes is necessary at the moment.

Mr. CAIN. That is correct. We argue questions and, in due time, we call the roll. The Senator from Washington is now making a proposal which he thinks he can justify, and if the majority of my colleagues see fit to disagree with me, that is their business, and I would take no more exception to it in this case than I have in cases in the past. But perhaps there will be a sufficient number of Senators who think my figure makes good economic common sense.

Mr. President, for the reason that it will not be many weeks before the Senate Banking and Currency Committee and the Senate itself will try to determine whether a national emergency justifies the continuance of rent control throughout the Nation, I should like to draw the significance of this map [indicating] to the attention of any of my colleagues who may be interested in the subject. I do not expect to address myself to it conclusively, but I would at least give the Senate a definition of the symbols.

The yellow pieces of paper upon which are printed the names of certain States represent five States which, since the passage of the Federal Rent Control Act, have, by legislative action, decided to remove all Federal rent control from their areas.

The State of Nebraska was decontrolled on November 1, 1949, which means that there are no longer any Federal rent-control agents operating in the State of Nebraska.

At a later stage in this debate I trust some Senator will raise the question, Where have they gone?

The State of Virginia, by legislative action—and the Governor was recently reported in the public press as saying that he would sign the bill—has decided to remove rent controls from the State of Virginia on June 10, 1950.

The State of Alabama, by legislative action, is to be entirely decontrolled on May 10, 1950.

The State of Texas, by legislative decision, decontrolled itself as of October 19, 1949.

I think it is reasonably interesting, in passing, again to suggest the obvious fact that the Housing Expediter appears to be more thoroughly an authority on what is happening in a State over which he no longer has any control than he is an authority on the figures, the facts, and the truth pertaining to States which continue to be under his control. As the Housing Expediter lectures himself across the Nation he delights in relating what is happening in Texas which was eliminated from his jurisdiction months ago. But more about this a little later.

The State of Wisconsin was decontrolled by legislative action on August 5, 1949. Two other States, Utah and Arizona, have been decontrolled, and that decontrol is not indicated by such a yellow marking as is shown on the map. They have decontrolled themselves in their entirety through action taken by local public bodies.

The red figures represent the areas which have been decontrolled by one means or another since Congress passed the last rent-control law, in April, 1949. The red areas, which are to be found in every State in the Union, indicate the speed with which the American people, by local self-initiative, in 11 short months have been ridding themselves of rent control. I may say for the benefit of those who have not been previously informed that the green areas represent the total number of areas which have never been under rent control. The problem confronting the Senate this afternoon, in determining how much money the Housing Expediter needs to operate his agency from now until June 30, and the problem which will confront Congress

soon, as to whether or not we should continue rent control, is indicated by the white areas, which are found mostly in congested metropolitan regions. These white areas tell us where rent controls are in force today.

For a very few minutes I should like to give what I think are some important facts about the strength of the personnel force employed today, and that employed during the last year, by the Office of the Housing Expediter.

On April 1, 1949, when Congress passed the bill continuing rent-control, the total number of employees was 4,566. The total number of units under control as of that date, which evidently is the responsibility the Office assumed were 14,072,426. The defense rental areas under control as of April 1, 1949, were 671. The States under control as of April 1, 1949, were 48.

Each figure I have thus far given refers to the beginning of the rent control law on April 1, 1949. Now let us come to December 31, 1949, and see where we stand with direct reference to each one of these statuses.

On December 31, 1949, the Office of the Housing Expediter had reduced its working force of 4,566 by 417, so that it had a total number of employees on December 31, 1949, of 4,149. Members of the Senate will have to conclude for themselves whether or not the Housing Expediter should have reduced his force more rapidly, or whether he did a reasonable, modest, conservative, and intelligent job. The units under control on December 31, 1949, instead of being in excess of 14,000,000, were 12,336,892. The total number of defense rental areas under control on December 31, 1949, was 369.

I may say to the distinguished senior Senator from North Dakota [Mr. LANGER], who is sitting on my right, that there is something which to me is very important in this figure showing only 369 defense-rental areas as of December 31, 1949, when only a few short months before that there was a total of 671. The total number of defense-rental areas throughout the Nation was cut approximately in half in a little more than 6 months' time.

Mr. MYERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Pennsylvania?

Mr. CAIN. I yield.

Mr. MYERS. Does not the Senator from Washington believe that a better norm or test would be the number of rental units under control, rather than the number of rental areas?

Mr. CAIN. The Senator is anticipating an observation which I expect to make.

Mr. MYERS. The Senator has indicated, and properly so, that the number of defense-rental units has been cut about in half.

Mr. CAIN. Yes.

Mr. MYERS. But that is not true, I believe, as to the number of units.

Mr. CAIN. I know it is not true, but it is one of the important factors in the consideration of this subject.

Mr. MYERS. It occurred that we might better consider, and more properly consider, the number of units, rather than the number of areas.

Mr. CAIN. I would be constrained to suggest that when we are trying to understand a problem of national significance, we should not ignore or pass over lightly any significant item. Certainly, the liquidation of defense-rental areas is important to the consideration. States under control as of December 31, 1949, were no longer 48 in number, as was the case 6 months before. The number had been reduced by the five States to which I made reference. So the total number of States under control was 43. In the period between the two dates, April 1, 1949, and December 31 of the same year, five entire States were decontrolled. Three hundred and two defense-rental areas were decontrolled. Two million seven hundred and thirty-five thousand five hundred and thirty-four units were decontrolled. However, we find that the Housing Expediter has been able to reduce his personnel by only 417.

Mr. President, I feel so strongly on this question personally that when the vote is taken, while, of course, whatever any Senator sees fit to do is his own business, I would say that in the interest of good business no one should say that the Housing Expediter can justify cutting his personnel only 417, in the face of what has actually happened in the matter of liquidating and eliminating rent control from the American Nation.

Getting down to an inquiry recently made by the Senator from Pennsylvania, if he is still in the Chamber I would beg his indulgence to let me argue the merits of this question with him. I should like to make several observations in which I think the Senator from Pennsylvania has a very definite and certainly a sincere interest.

Since January 1, 1950, only a few short months ago—and I mention this because I have previously said to the Senator from Pennsylvania that the work load imposed on the Office of the Housing Expediter becomes lighter every day—between January 1, 1950, and March 9, 1950, 331,439 housing units have been decontrolled. These were not decontrolled last year, but more than 331,000 have been decontrolled since the first of this year, and between these same dates an additional 19 defense rental areas have been decontrolled.

Mr. FERGUSON. Mr. President, will the Senator from Washington yield?

Mr. CAIN. Certainly.

Mr. FERGUSON. I wonder whether or not the information I have in my hand could account for the very small number of employees who have been taken from the pay roll from the date the Senator has given. The record shows that the number of employees in 23 principal offices was 1,532 in March 1949, and rose to 1,941 in December 1949, and that they have been shifted from the decontrolled areas into controlled areas. Would that account for the fact that a very small number is shown as having been taken from the pay roll?

Mr. CAIN. Mr. President, the Senator from Michigan has offered as an observation some of the most distressing facts in this whole question. This information ought to make most of us, as reasonable men, actually sick, because these facts demonstrate clearly how some of those in the Federal executive service seek to take advantage of our good nature, of our good intentions, and of our desire to let them have sufficient funds with which to do their work reasonably. Every American citizen who worries about the diminishing value of the American dollar ought to be horrified by such examples as those the Senator from Michigan has just offered, which again demonstrates how money is being wasted.

The Senator from Michigan, and every other Senator on this floor, remembers the debate of last year when the Office of the Housing Expediter practically gave his pledge to reduce his force as rapidly as conditions permitted, to liquidate particularly whenever there was any encouragement on the part of local communities throughout the land. Though the Senator has offered these figures in brief, if it becomes necessary, I shall do so in detail, to prove to this body that what we thought was going to be done by the Office of the Housing Expediter in this connection has not been done, but that in fact the reverse has been done.

I remember that it was the sense of the Senate that in an effort to render assistance to the small landlords and tenants throughout the country probably each local office and the Housing Expediter would add to the force one man, or absorb another man's duties, to give personal attention to applications for relief. But soon I shall point out to Senators, if they wish to hear only the facts, that in one city after another, when there has been decontrol, the State taking rent control out of the hands of the Federal Government, persons working in the Federal offices in such areas showed up not long thereafter in offices in other large cities, increasing the numbers previously employed there to the extent in some instances of as many as 12, 15, or 17. Mr. President, pay rolls are what cause the expenditure of much money in this country.

By way of a thought that is interesting, I will say that while in Puerto Rico yesterday watching military maneuvers—and I had the privilege of going there in an aircraft with the new Chief of Naval Operations—we were talking about the need to economize because there were only so many dollars to go around. I want to point out why the efforts we are making today in the Navy is such a difficult task. The Chief of Naval Operations said that 38 percent of our budget nowadays goes for salaries. They cannot be reduced. So our fields for economy are therefore much restricted. I mention that so as to get around to the rent side; that whenever an agency continues on its rolls a person who is unnecessary it adds a completely unjustifiable expense to the tax burdens of the ordinary, average citizens. I happen to be one Senator who resents

it very deeply, and I hope that I may be able to continue to express my indignation whenever I have an opportunity.

I may say to the Senator from Pennsylvania that as of March 10, 1950—and I should like to have the attention likewise of that very able and genial staff assistant, Mr. McMurray, who sits by the side of the Senator from Pennsylvania as to whether the figure I shall now give is correct, for it will afford a basis of argument to proceed on—as of March 10, 1950, there are under control 11,543,000 units, and there are approximately 350 rental areas remaining under control. May I ask the Senator from Pennsylvania if those figures are correct?

Mr. MYERS. I believe those figures are accurate. There are 11,000,000-plus units under control. While I am on my feet I think it is only fair, in view of the statement the Senator from Washington has made relative to the Housing Expediter, to point out that on February 17, 1950, the Expediter appeared before the deficiency subcommittee of the Senate Committee on Appropriations and had this to say:

> The net effect of our economy measures, our decontrol actions, and our increased work load was a reduction in personnel from 5,462 at the end of August 1949, to 4,153 at the end of December 1949, a decrease of 1,309, or 24 percent.

I find that the units that were decontrolled represent about 20 percent. So as decontrol went forward personnel reduction was even greater than the reduction of units decontrolled.

I think it should also be pointed out that the Housing Expediter has done most of this decontrolling. Although we gave the power to the States and the communities, it has been the Housing Expediter who has done the job. If we accept the theory that his only purpose is to keep people on the pay roll, I certainly think he would not have engaged in such a decontrol program.

Mr. CAIN. May I interrupt the Senator for a moment?

Mr. MYERS. The Senator from Washington has the floor, of course.

Mr. CAIN. I appreciate the Senator's indulgence. May I draw to the Senator's attention, and to the attention of anyone else who wants to think about it, that the Office of the Housing Expediter had nothing to do with decontrolling five great sovereign American States.

Mr. MYERS. Of course not.

Mr. CAIN. But what he did try to do was to keep, for example, the State of Texas from exercising its legislative right to decontrol.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAIN. Yes, of course, I will yield for an answer to that question, because the Senator brought it up.

Mr. MYERS. I am not familiar with that, but——

Mr. CAIN. The Senator brought it up——

Mr. MYERS. Let me finish please. As to the five——

The PRESIDING OFFICER (Mr. DONNELL in the chair). Senators will kindly observe the rule of the Senate, of addressing the Chair rather than carrying on a conversation or debate between themselves.

Mr. CAIN. The Senator from Washington thanks the Chair.

Mr. MYERS. The Senator from Pennsylvania thanks the Chair.

Mr. President, will the Senator from Washington now yield?

Mr. CAIN. Gladly.

Mr. MYERS. It is my understanding that of the 547 areas that have been decontrolled, only 151 have been decontrolled through local option, and about 400 have been decontrolled by the Administrator. I do not think it is all black and white. I think the Administrator should get some credit. I do not think we should heap abuse in this debate on the agency or the Administrator. I frankly believe he has endeavored to do a fair job. There may be some criticism of him on the part of all of us. But I point out that 400 areas have been decontrolled by the Administrator. All these areas, States, and local communities of government, have the authority, under the law, to decontrol. But they have not taken the advantage of it that some of us thought they might have done. To me that only proves that there is a necessity for control in those communities. Certainly there are in the Senator's home State several large cities, as is true of course, in Pennsylvania, which do not believe that controls are still necessary, and have used the authority and power we gave them, to decontrol. They have exercised that power through their local government, their city council, or whatever it may be. But the Housing Expediter has, of his own motion, decontrolled about 400 units. I think he is entitled at least to the mention of that fact on the Senate floor.

I again call the Senator's attention to what the Housing Expediter undoubtedly has done in this period. The Housing Expediter, since last August, apparently has effected a reduction in personnel of something like 24 percent, which I think is in line with the Senator's thought that he should reduce personnel as more units and areas are being decontrolled.

Mr. CAIN. I thank the Senator for his observation, against which I should like to venture a comment or two. I hope the Senator from Pennsylvania, No. 1, will interest himself in the steps taken within the State of Texas by the Housing Expediter to see that a law which the State legislature had approved was not signed by the Governor. I think it rather important. I join with the Senator in complimenting the Housing Expediter for the number of decontrol actions which he has himself initiated, and I trust that he will go further, faster, with that program. It happens——

Mr. MYERS. I should like to say——

Mr. CAIN. I insist at this moment on continuing with what I have in mind. It happens that probably in some ways I know the present Housing Expediter better than does any other Senator. At least 2 years ago, when the question came before the Senate Banking and Currency Committee as to whether he should be recommended for the position of Housing Expediter, I was the chairman of the Housing and Rent Subcommittee, and the chairman of the full committee left to me a determination as to whether Mr. Woods' name should be recommended to the Senate. I thought about it for quite a long time. I had several serious conversations with Mr. Woods, partly because it was my business to do so, and partly because I enjoy his company. I did recommend, and there was no argument concerning that recommendation, that Mr. Woods become the Housing Expediter.

I consider him in a personal way to be a friend now, and certainly I am not trying officially to destroy his reputation or his prestige. I am suggesting that in this instance he has asked for things to which he is not entitled and which he does not need. I point out to the Senator that one prime reason why the committee amendment is before us is that several short weeks ago, during the early part of February, the Housing Expediter—and I speak of the Housing Expediter so I will not be personal about it—went before a committee of the Congress, and if he did tell the truth in part he certainly did not tell all the truth. The Senator from Pennsylvania has read from a statement which Mr. Woods offered before the Appropriations Committee. If it were the intention of the Senate, and if we have time to take that statement to pieces sentence by sentence, I would be privileged to have a chance to be on one side, and what is more important, if necessary, I would read every word of the testimony which the Housing Expediter offered to the Appropriations Committee, which would prove conclusively that, though he might have been well intentioned, though maybe he did not intend to do what he did, though perhaps he could not understand a question so that he could give an accurate answer, the fact remains that in answer to reasonable questions from intelligent and reasonable persons the Housing Expediter did not tell the truth.

Last Sunday I happened to have been a spectator at a radio forum which dealt with the question whether or not rent control should be continued in the District of Columbia. Among those participating in that program was a nice young man who was qualified as the executive assistant, I think, to the Housing Expediter. During the course of his presentation I noticed that he began to be accurate, and when the program was over I went up to him—we had previously met—and I said, "That is the first time I have heard any responsible agent of the Office of Housing Expediter speak accurately." "Well," he said, "Senator, there is a pretty good reason for that. You drew our inaccuracies rather importantly to the attention of your colleagues on the floor of the Senate the other day." He said, "We knew you were going to be present and we went to some pains to place in the record the

truth with reference to this rent survey picture."

Now, Mr. Woods can speak for himself, I will say to the Senator from Pennsylvania. But I wonder what we ought to do about a man and his operations, who has thus far so consistently misled the only agency that has within it the power to make appropriations to keep such a Federal office in operation.

Before I conclude I will say that this morning I cut from the ticker tape a message from the Housing Expediter. I will show what we are dealing with in the words of someone else.

This is a press dispatch from Atlanta. While I read the statements contained in the dispatch, I should like to have the Senators who hear me read it figure out for themselves what is the role of a Federal agent. I am not certain that I know. I know what the law of the land is in that respect; but perhaps I cannot trust my knowledge of the law any more, because although the law provides that Federal agents shall not lobby for legislation which is before the Congress, and that if they do so or if they seek to exercise influence in that respect they may be sent to jail or be fined, yet seemingly no one pays any attention to that law any more. So I do not know whether it still applies.

However, I read now from a dispatch from Atlanta, Ga.:

ATLANTA.—Housing Expediter Tighe Woods predicted that Federal rent controls will be extended for another year because wholesale decontrol at this time would result in a serious strain on the Nation's economy.

Mr. President, this afternoon we are faced with the necessity of determining what we should do in respect to providing reasonable funds for the Office of the Housing Expediter. Of course, whatever we do in that respect, the cost will be millions of dollars. But while we are determining just what we ought to do, the Housing Expediter himself is lobbying in the State of Georgia, and is telling us, through those who listen to him there—and, through them, he is encouraging correspondence with us—what ought to be done.

I read further from the press dispatch:

Rent controls are scheduled to expire June 30 unless Congress extends them.

Woods said sudden decontrol could cause "very chaotic conditions, especially in large cities where there are tight housing conditions."

Let me inquire whether Houston, Tex., or Dallas, Tex., would be called small cities, or whether Spokane, Wash., is to be called a small city. Should any of the cities in this country which have been decontrolled be called small; and can it be correctly stated that, as to them, chaotic conditions have resulted from the decontrol of rents? Mr. President, there is no Member of the Senate who could say with assurance that chaos had resulted from decontrolling rents in either Houston or Dallas. But the Housing Expediter, using money with which the Congress has provided him, and which he can use in traveling, can blithely make such comments to American citizens everywhere.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAIN. Not until I finish reading this press dispatch.

I read further from it:

The housing official, in Atlanta on a tour of the country for a first-hand look at the housing situation, said rents rose as much as 150 percent in some cities following decontrol.

Perhaps my fears are exaggerated. Perhaps as an individual citizen and as a Senator, I should not become excited about such statements. But I resent them.

The fact is that not long ago the Housing Expediter asked the Bureau of Labor Statistics to make a survey of seven cities which have been decontrolled, to determine what the rate of increase of rents was. I shall make merely one reference to it. As a result of that survey, which the Housing Expediter requested, it was determined that rents in Dallas, Tex., had increased, on the average, 16.7 percent, and that in the case of Salt Lake City they had increased, on the average, 6.6 percent. Yet the Housing Expediter, carrying as he does the great prestige of a Federal office, goes to Atlanta, Ga., and tells many innocent, misinformed, or uninformed Americans that, "If you decontrol, in some cities rents will go up 150 percent."

Mr. MYERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair calls attention to rule XIX:

No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the Presiding Officer.

Mr. MYERS. Mr. President, I addressed the Chair when I asked whether the Senator from Washington would yield.

The PRESIDING OFFICER. The Chair was speaking primarily of the Senator from Illinois, who previously did not address the Chair in making such a request, although the Chair is sure that the Senator from Illinois did not intend any reflection upon the Chair in that respect.

Mr. CAIN. Mr. President, I am perfectly willing to yield to the Senator from Illinois, to the Senator from Pennsylvania, or to any other Senator, but not until I have established what Mr. Woods said in the last 24 hours about what is our business. It is quite proper for the Senator from Pennsylvania and the Senator from Washington to argue concerning the merits of continuing or getting rid of rent control; but I point out, for my own satisfaction, at least, that that is not the concern of the Housing Expediter, and that unless we in the Congress take steps—and we have laws to help us in that direction—to see to it that the executive agencies administer, but do not concern themselves with policy, as Mr. Woods is doing, this Nation is headed toward a considerable degree of serious trouble.

I hope to be able to yield to my friend the Senator from Pennsylvania in a minute.

I read further from the press dispatch:

Woods denied that rents go up temporarily and then level off following decontrol as the real-estate interests have contended.

"People just have to pay what the traffic will bear," he said.

Woods said that in most cities that have voted decontrol by local option rents have jumped from 16 to 40 percent.

Mr. President, Mr. Woods cannot justify or support those figures. I do not know why he constantly and continually offers them to the American people, when they are not in accord with what the truth appears to be, as a result of the surveys taken by the Bureau of Labor Statistics at the request of the Office of the Housing Expediter.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question which will clear up this matter?

Mr. CAIN. Mr. President, I thought the Senator from Illinois understood that I would be delighted to yield to him as soon as I have finished some references to the Housing Expediter.

Mr. DOUGLAS. Then, do I correctly understand that the Senator from Washington declines to yield?

Mr. CAIN. Mr. President, my friend the Senator from Illinois understands the English language, let me suggest.

Mr. DOUGLAS. Mr. President, I take it that the Senator from Washington declines to yield.

Mr. CAIN. Mr. President, Mr. Woods said that moderate-income families are the chief sufferers in the current housing situation. I have as much sympathy for people in that class, to which Mr. Woods has referred, as has Mr. Woods himself. However, let me point out that although the people of modest incomes do not have a great deal of money, and therefore it is more difficult for them to get for themselves what they want, at a price which they can afford to pay, yet it is singularly true that they have benefited from considerable advances in their standard of living and in respect of annual increases in salary and wages in the years during which rent control has been in operation.

Mr. President, we are told that as of March 10, 1950, there were under control 11,005,453 units, and that today there are approximately 350 defense rental areas under control. I should like to arouse a little interest over that approximation of the number of units under rent control today. In particular, I should like to ask Senators who have not previously thought of these questions how accurate they think the Housing Expediter's figure of 11,000,000 units under rent control today actually is.

A great many persons do not seem to know that this large figure—and admittedly it is a large one, and admittedly there are millions of units still under control—actually represents the units which were registered as being under control originally, at any time during the period from 1941 to 1943, inclusive.

By way of an example, if the Senator from Nebraska sought to offer his house for rent in 1942, he had to register it. But if in the months or years thereafter the Senator from Nebraska saw fit to sell the house; or if the tenant moved away, and if the Senator then decided to tear down the house; or if the tenant moved away, and the Senator then withdrew the house from the rental market—if any number of things of that sort, including reconversion, took place—the Senator from Nebraska would not go back to the office in which he originally registered the house for rent, and say to that office, "I wish to unregister it."

Mr. President, I cannot even begin to be accurate on the subject; but I should think that instead of there being 11,000,000 units still under rent control, the number is considerably less than that today—for some of the reasons which I have just submitted to the Senate.

If that be true, it is in support of my contention that $1,400,000 would be an adequate sum of money for the Housing Expediter to have in order to do a good job of liquidating or carrying out his responsibilities, particularly because his burden of responsibility becomes less and less as the months go by. In addition to the number of defense rental areas and units which have been decontrolled or which remain under control, 5 States of the Union already have decontrolled themselves. I referred to them previously, and pointed on the map to their location. However, I shall state them again at this time, for the RECORD: They are Wisconsin, Texas, Nebraska, Utah, and Arizona.

Moreover, the State of Alabama is to be decontrolled on May 31, 1950; and the Virginia Legislature has just passed the necessary bill to decontrol Virginia, and the Governor has publicly stated that he will sign the bill.

Mr. President, for the reason that I do not seek to impede the work of the Senate, I shall address myself briefly to the question of why I think $1,400,000 is an adequate sum of money to be appropriated at this time for the Office of the Housing Expediter.

When Mr. Woods appeared before the Senate committee, which was early in February, as I recall, he testified about the state of his financial health. On page 109 of the hearings it is shown that Mr. Woods said that on January 1, 1950, he had remaining, from the $17,500,000 provided by the law of April 1, 1949, the sum of $5,900,000. That figure will be found to be incorrect, in either one direction or the other, by a few dollars; but it is a fairly accurate figure.

Mr. Woods likewise testified, as shown on the remainder of page 109, that he is and has been spending monthly at the rate of $1,650,000. Mr. President, if during January and February he spent $1,650,000 for each of those 2 months, he would have had remaining, as being available for his operational purposes on March 1, 1950, $2,600,000.

It happens to be my own conclusion that the Office of the Housing Expediter, in the months of March, April, May, and June, can do a credible job with the use of $1,000,000 a month, rather than with $1,650,000 a month which he seeks to obtain. If we desire to provide the Office with $1,000,000 for each of the four remaining months, beginning with March, it will be necessary only for us to support and approve an amendment calling for an appropriation of free money in the sum of $1,400,000.

I should like those who think the Office of the Housing Expediter needs a sum considerably in excess of $1,000,000 a month to attempt to support their position by facts. They may indeed be correct, but on the basis of the generalities which those who support the higher figures have thus far offered, I think it reasonable to assume that the Housing Expediter can get along on a sum considerably less than the amount he has requested.

Two things are going to happen between now and June 30, 1950, which is the end of the fiscal year and the termination date of the 1949 rent and housing law. Since hundreds of decontrol actions have been instituted throughout the country, from April 1, 1949, the beginning date of the present law, to the present time, it is logical to assume that between now and June 30 a good many other American communities in one way or another will become decontrolled. That is to say, the Office of the Housing Expediter will have less work to do every day, every week, and every month from now until June 30. Yet the Housing Expediter has not recognized any such likelihood. In his presentation before the Senate Appropriations Committee, he merely said he is spending at the rate of $1,650,000 a month, and, by inference, that he expects to continue to spend at that high rate.

A second thing which could happen, though I am inclined to think it unlikely, is that the Housing Expediter could reduce his personnel without unduly handicapping his operations. I shall briefly refer to a few cities only in which there are presently more people employed by the local office of the Housing Expediter than were employed a year ago—at which time it seemed to be the unanimous opinion of the Senate that within 6 or 7 months there would be a great decrease in personnel. In the city of Lexington, Ky., on June 30, 1949, there were 22 persons employed. As of December 31, 1949, there were 25. What is there about the city of Lexington, Mr. President, concerning which we had never received any complaints, so far as I know, of maladministration or lack of administration by the Housing Expediter, in previous years, requiring that there should be three more rent-control agents today in Lexington than there were 9 months ago? In the city of New Orleans, on June 30, 1949, 25 Federal rent agents were employed. Today there are 30. I wonder why?

Mr. President, in the city of Boston, in June of last year, 55 employees constituted the local force of the Housing Expediter. On the first day of this year there were 68. I wonder whether the Presiding Officer knows of any reason necessitating an increase in personnel to the extent of 13 in the rent office in the city of Boston, over a period of 6 months, when the general duties imposed upon the Housing Expediter as a result of the passage of the law of 1949 were less severe and difficult than they were in previous years.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Illinois?

Mr. CAIN. I yield.

Mr. DOUGLAS. Is it not true that in a number of localities, the smaller branch offices outside the major metropolitan cities have been closed, so that the full work of the administration has been thrown upon the offices in the larger cities? I think the Senator from Washington will find that to be the case, for example, so far as New Orleans is concerned, and that there might therefore be an increase in the total number in the New Orleans office, but a decrease for the region. Has the Senator from Washington, moreover, considered the fact that the Rent Control Act which was passed last year was extremely complicated, particularly in the definition of fair net-operating income, and that this has thrown an added burden of administration upon the office of the housing administrator, requiring added personnel, but that, in spite of that fact, the housing expediter has been able to effect a net over-all reduction?

Mr. CAIN. I differ only in degree with my friend from Illinois. He and I both know that the last law sought to give greater consideration particularly to the needs of smaller landlords and tenants. But there is nothing in the admission which, so far as I know, justifies an increase of 13 in the Boston office, to which I have just referred. When the Senator suggested that the personnel in the New Orleans office jumped from 25 to 30 because a number of local offices were closed, and therefore the responsibilities of the large offices increased, I find it difficult to understand his reasoning. During the course of a year, the State of Louisiana went from 48 rent-control employees to 49, an increase of but one; yet, during that period, three communities were decontrolled. On the face of it, it does not make sense. If anyone wants to assume that it makes sense and that it is a justifiable way of spending moneys which do not belong to us in the Senate, it obviously is not my concern. I am anxious to know why additional burdens should be imposed upon a so-called central rent office, though I do not know what they are as a result of the elimination of small communities from the jurisdiction of rent control.

I think it worth while to say that in Springfield, Mass., the number of rent employees went from 13 to 16. Again, I should only like to know why. I suppose a rent employee, like any other employee, receives a salary commensurate

with his responsibilities. I am suggesting that each of the additional employees would be paid not less than $3,500. The total amount of money we are talking about, in that tiny instance, is roughly $10,000. No one can say why there should have been an increase in personnel.

In Worcester, Mass., there were 15 employees in the rent-control office in June 1949; by December, there were 19. What is there about Worcester that required four additional employees? The city of Detroit had 73 employees in June 1949; 80, on December 31 of that year. The city of Minneapolis, Minn., began with 33 in June 1949, and wound up with 36, six months later. The city of St. Paul had 15. It likewise wound up with an increase of 3, giving a total of 18. But as I understand, the two cities are not very far apart. Perhaps it is not a logical assumption, but I should have thought that through closer integration of duties, services, and responsibiilties between those two fine American communities, there would have been a total reduction in personnel of the Office of Housing Expediter; but apparently it did not work that way.

Mr. President, let us look at the State of Missouri. I am very much pleased to refer to it, because the present Presiding Officer [Mr. DONNELL] is a very distinguished resident of that State. In that State there is a city which most of us know by the name of Kansas City. In the rent-control office in Kansas City, in June 1949, there were 46 employees. The amount of money paid them was $171,224. Six months later the number of employees had increased from 46 to 54, and the total pay roll increased from $171,000 to $207,000.

To return to an observation made, and, I thought, very properly, by the junior Senator from Illinois, who said, "Goodness gracious! As they cut down some of the small operations, they have to add to the larger operations, because the law is complicated"——

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. CAIN. Certainly.

Mr. DOUGLAS. I am sure the Senator from Washington does not wish to misstate the question addressed to him by the Senator from Illinois. The point which the Senator from Illinois was making was not that we had to take care of the personnel, but that in addition to decontrolling areas, branch offices within areas which were already decontrolled were being closed down for administrative purposes, and that in order to perform the work formerly done in the branch offices, the work had to be done in the center, and therefore it rerequired more personnel.

Mr. CAIN. I thought I understood the Senator from Illinois, and I apologize if I misquoted him, but against what he has told us I find the case in Missouri provocative. Perhaps the Senator has a good answer to this. As we move in a direction of liquidation we fall heir to the idea that fewer employees will be necessary in the undertaking.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. CAIN. If I may conclude this observation, I shall be glad to yield.

In the State of Missouri there were 140 rent-control employees in June of 1949, and by December 31, 1949, after 6 months of trying to liquidate the operation, decreasing the personnel, and not spending so much money, there were 150 employees. No one has ever justified an increase in 6 months' time of 10 employees on a State level. The assumption usually is that some who have been taken from a small area will be given administrative and legal responsibilities on a top level. But from any point of view, there should have been a decrease, not an increase, in the number of rent-control agents employed throughout the State of Missouri. Yet we find Missouri with 10 more agents today than it had 9 months ago. This is rank nonsense.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CAIN. I said I would yield to the Senator from South Dakota.

Mr. GURNEY. Mr. President, I should like to ask a question of the Senator from Washington. He has stated that, in his opinion, the rate of expenditures during the next 4 months should not be more than $1,000,000 a month. I suggest to the Senator that at the Appropriation Committee hearings the committee was advised that the Housing Expediter had on hand, as of March 1, approximately $4,000,000, which would give him $1,000,000 a month without any further appropriation being made. I am wondering if the Senator knew that there was approximately $4,000,000 unexpended as of March 1.

Mr. CAIN. I should be exceedingly pleased to have it established that the Senator from South Dakota is correct, because if his figures could be established there would be no need, in my opinion, to give the Housing Expediter anything. But I have proceeded on the assumption that the figures provided for me by the Housing Expediter indicated that on the 1st day of this month he would have $2,600,000.

Mr. GURNEY. I think the $2,600,000 was the amount after he deducted such items as travel, which he expects to authorize. It will be noted on page 110 of the hearings that the sum of $130,000 covers the travel item, and there are a few other items, such as $200,000 for terminal leave, which the committee provided for in its amendment. I refer back to the fact that there was $5,800,000 on hand as of July 1.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAIN. I promised to yield next to the Senator from Wyoming. After that, I shall be happy to yield to the Senator from Pennsylvania.

Mr. O'MAHONEY. I was about to say that I have had conferences with the Senator from Illinois and other Senators and I have expressed my own belief that, in all the circumstances, as I understand the proposal to be made by the Senator from Washington——

Mr. CAIN. Will the Senator state his understanding of it for the benefit of the Senate?

Mr. O'MAHONEY. I was about to say that if I correctly understand his proposal, in all the circumstances, we can conserve the time of the Senate by accepting the amendment proposed by the Senator from Washington. The committee amendment provides an appropriation of $2,600,000, to be used only for the payment of terminal leave. The Senator from Washington tells the Senate that it is not his purpose to curtail the operation of the office under the present law.

Mr. CAIN. That is correct.

Mr. O'MAHONEY. And that he believes $1,400,000, which he proposes to add to the $2,600,000, would be sufficient to enable the Housing Expediter to transact all the business under existing law that will be found necessary in the actual facts of the case to transact. I said to the Senator, however, that perhaps his judgment may not be correct with respect to the facts. Therefore, I asked the Senator from Washington if it was his intention in proposing such an amendment to foreclose the action of the Banking and Currency Committee, the action of any Member of Congress, or the action of the Housing Expediter in making a request or recommendation for whatever funds should be necessary and Congress should be disposed to grant.

The Senator from Washington, being a clear thinker, said that was an assertion of the obvious, and that it was not his intention to do so. Am I not correct?

Mr. CAIN. With one possible exception, I think the Senator is clearly correct. It is my opinion that the housing expediter can do a competent job for the next 3 months by our providing free money in the sum of $1,400,000. If, in his opinion, that is not sufficient and he seeks recourse through the avenues open to him before the appropriate committees of the Congress, that is his business, and it is the business of the committees of the Congress. My own feeling, based on my study, is that we are being extraordinarily charitable, in trying to provide the Housing Expediter with $1,400,000 additional. But the future must take care of itself.

The point I sought to clear up between the Senator from Wyoming and the Senator from Washington is that I do not resist the committee amendment which provides for the housing expediter $2,600,000 to be used to pay terminal leave, which has been accumulated. It would be my hope that the restriction would still remain and that the $1,400,000 which I suggest would be operational money.

Mr. O'MAHONEY. Certainly. So that the proposal would be, in effect, an additional amount for salaries and expenses for the office of the housing expediter in the sum of $4,000,000, of which $2,600,000 would be available for the payment of terminal leave only.

Mr. CAIN. That is correct; and $1,400,000, if we want to spell it out, for operational purposes.

Mr. O'MAHONEY. It would not be necessary to spell it out. So that the acceptance of the amendment of the

Senator from Washington would mean, of course, the abandonment of the amendment which I have offered.

Mr. CAIN. It would, indeed. It would be the difference, in a practical sense, between $2,600,000 and $1,400,000.

Mr. O'MAHONEY. So that it would be clearly understood that the housing expediter would be wholly within his rights to present an additional request between now and the 30th of June to the Appropriations Committee or to the Banking and Currency Committee.

Mr. CAIN. As he would be on sound ground in doing that, I would be equally on sound ground in saying that $1,400,000 is a considerable sum of money, and he ought to make it his business to get along with it.

Mr. O'MAHONEY. Mr. President, I am ready to accept the amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield to the Senator from South Carolina.

Mr. MAYBANK. The Senator's statement is based upon the terminal-leave statements sent to the Appropriations Committee as of January 1, 1950. Is that correct?

Mr. CAIN. It is.

Mr. MAYBANK. Is that understood?

Mr. CAIN. Yes.

Mr. MAYBANK. It has nothing to do with any terminal pay which the committee thought should be in the form of leave.

Mr. CAIN. It is based on the figures before the committee early in February.

Mr. MAYBANK. That was in connection with the back terminal pay.

Mr. CAIN. Which leave had been accumulated and deferred, and this is for the purpose of paying it off.

Mr. MAYBANK. Since that time more leave has accumulated.

Mr. CAIN. Yes.

Mr. LEHMAN. Mr. President, I should like to ask a question which perhaps is unnecessary, but I ask it for the RECORD. I understand the proposal is that $4,000,000 be appropriated, and that $2,600,000 of it is to be used for terminal-leave purposes.

Mr. CAIN. Yes.

Mr. LEHMAN. $1,400,000 of it would be used to pay the current expenses of the office.

Mr. CAIN. That is correct.

Mr. LEHMAN. With the right given to the Housing Expediter to come before the Committee on Appropriations, if necessary, and ask for additional money, if he can show need for it. However, the important thing I wish to establish is that the Housing Expediter, while being given $2,600,000 for terminal leave, is not required to use the $2,600,000 during the pendency of the current law. In other words, what I wish to establish beyond any question is that he will not be expected to dissipate his organization, which, in his opinion, and under the law, will be required to continue the work of the office for the remainder of the fiscal year, under the current law.

Mr. CAIN. My understanding is that the Housing Expediter will use $2,600,000 to pay the accumulated terminal leave with which he has been faced for quite a long time. In other words, he will see to it that employees take vacations who refrain from doing so in order to accumulate leave, which someday must be paid for.

Mr. LEHMAN. But what I should like to establish is that while the money will have to be used some day, he is not compelled to take any steps which will dissipate his present organization, which in his opinion is necessary to carry on the work of the office for the remaining 3 months, or a little more, of the fiscal year.

Mr. CAIN. From a glance at the bill, I may suggest to the Senator from New York that his understanding appears to be precisely in accordance with the language used by the committee. It is made available for him to use for terminal leave purposes, but he does not have to use it at any specified time before the law terminates on June 30, 1950.

Mr. O'MAHONEY and Mr. MAYBANK addressed the Chair.

The VICE PRESIDENT. Does the Senator from Washington yield; and if so, to whom?

Mr. CAIN. I yield first to the distinguished Senator from Wyoming, because he and I have been closely associated on this subject.

Mr. O'MAHONEY. Just another word in response to the inquiry of the Senator from New York. The Senator from Washington made reference to vacations. I should like to call his attention to the fact that terminal leave is different from vacations.

Mr. CAIN. I appreciate that.

Mr. O'MAHONEY. So that the $2,600,000, can be used only for terminal leave and for no other purposes, but it is not mandatory that it be used.

Mr. CAIN. Yes, the $2,600,000—and this is my personal interpretation—is provided to be used sooner or later for terminal leave purposes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. WHERRY. It might be the opinion of the Senator from Washington, and also of the Senator from South Carolina, that the Housing Expediter is not supposed to start to cut off any personnel that might be there——

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. May I finish? The Senator from Washington yielded to me. I do not know what the colloquy was or what the understanding is, but certainly it is my understanding that, unless it is extended, the rent control law will terminate in June. As a Member of the Committee on Appropriations, I voted my conviction that there should be a cut in personnel that the Housing Expediter should start to dismantle his organization, and that he should not continue to employ 4,185 personnel, in light of the showing on the map presented by the Senator from Washington.

I should like to ask the Senator from Washington if he does not agree with me that regardless of what amount of money is finally appropriated—and, by the way, I will stand by the committee vote on the committee amendment—certainly it must be the understanding of the distinguished Senator from Washington that as rent control is terminated in many more places in the United States there should be a decrease of personnel in the organization.

Mr. CAIN. The adoption of the amendment offered by the junior Senator from Washington would, in his opinion, provide $2,600,000 for the purpose of paying and eliminating terminal leave. It is a liquidation motion.

Mr. WHERRY. It is earmarked.

Mr. CAIN. In addition to which, the amendment of the Senator from Washington calls for appropriating $1,400,000 to continue the office for the next 4 months, which differs from the request of the Housing Expediter for $3,600,000. So the entire approach is one of reasonable liquidation.

Mr. WHERRY. Except that the distinguished Senator from Washington apparently does not have in mind the same figure which the members of the committee had in mind when we were told there was $4,000,000 available which the Housing Expediter could use from March 1 until the end of June. There is some dispute about the figures this afternoon, and there seems to be some reason for it. However, the adoption by the Senate of the committee amendment would not bar the Housing Expediter from coming before the Senate in connection with a second deficiency bill and getting the funds he needed with which to continue the rent-control law until the end of June.

Mr. CAIN. That is correct.

Mr. WHERRY. I cannot see that there is any emergency here at all. The House did not even have that provision in its bill. The Housing Expediter comes here on the theory that a state of emergency exists and that this appropriation must be provided, when the sensible thing to do would be to permit the legislative committee to hold hearings on the bill which has been introduced. If the committee authorizes an extension, certainly the appropriation should be made. If it is not authorized, there should be a sensible termination of this agency. Then in the second deficiency bill there should be appropriated the necessary money with which to close it out.

Mr. MAYBANK. Mr. President, since the Senator mentioned the Senator from South Carolina, in connection with the Senator from Washington, stating that we were not providing for reducing the personnel of the Office of the Housing Expediter, I may state that the full committee reduced the appropriation by enough to cut the number of employees by 250. I can understand that the Senator feels that might not be sufficient, and the reason for bringing in the terminal-leave question was that the employees in Alabama and other States would be dropped. I would certainly not be one to suggest that people who had nothing to do should be kept on the

pay roll. I think the Senator knows me well enough to realize that.

Mr. DOUGLAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Illinois?

Mr. CAIN. I yield.

Mr. DOUGLAS. Do I understand the proposal of the Senator from Washington correctly to be that he would allow the Housing Expediter $1,400,000 additional cash with which to operate his agency, and that this sum, added to the $900,000, which it is expected will still be available on the 1st of April, would give a total of $2,300,000 for the period after April 1?

Mr. CAIN. I do not agree with those figures in detail, because the intention of my amendment is to give the Housing Expediter sufficient money so that together with what he has he will have a million dollars a month for the next 4 months.

Mr. DOUGLAS. Is it not true that $2,600,000 of that will be earmarked for terminal-leave pay, and that thereafter it cannot be used for the current operation of the office?

Mr. CAIN. On the basis of what the Housing Expediter testified before the Committee on Appropriations a few days ago, on March 1 he would have $2,600,000. That, added to the $1,400,000, would give an operational monthly sum of a million dollars, which to many of us seems like a reasonable amount to provide.

Mr. DOUGLAS. I point out to the Senator from Washington that it is now the 9th of March, and that the current administrative cost is at the rate of $1,700,000 a month. We cannot dismantle the agency immediately, and in my judgment we should not. That will leave, out of existing funds, $900,000 on the 1st of April, to which the Senator from Washington would add $1,400,000, making a total of $2,300,000 for 3 months, from April 1 on.

Mr. President, this is the question I desire to ask: Does the Senator expect that $2,300,000 to last the Housing Expediter for 3 months—April, May, and June?

Mr. CAIN. I cannot agree with the Senator's figures. The amendment I have offered, on the basis of the testimony presented to the committee by the housing expediter, would provide him with a million dollars a month for the next 4 months, and, answering the Senator's question, I would say that if the Housing Expediter cannot do a competent job during the next 4 months with $4,000,000, in the face of a liquidating operation, we have less reason for rent control than I previously thought.

Mr. DOUGLAS. This month is now one-third gone, and therefore $600,000, approximately, has been spent, leaving only $2,000,000 as of this date. The Senator would add $1,400,000, making $3,400,000, to last for three and two-thirds months, and since it is not possible to give employees notice and put them out on the street overnight, in effect what the Senator is saying is that the Housing Expediter is to have only $2,300,000 with which to operate his agency for 3 months, which I think means that what lies behind the Senator's proposal is a purpose to cut rent control before it legally expires.

Mr. O'MAHONEY and Mr. FERGUSON addressed the Chair.

The VICE PRESIDENT. Does the Senator from Washington yield?

Mr. CAIN. No; I shall myself respond to the Senator from Illinois.

Certainly if it were my intention to cut out the Office of the Housing Expediter by refusing him appropriations, I would not pursue the method I have used today. I have thought much about the subject, and I believe the amendment offered is about as reasonable as anything could be.

The facts in the case are that what we are going to say to the Housing Expediter is, "The Senate wants you to do the sort of job we have been expecting you to do for a long time." I do not have to tell the Housing Expediter where to look for his reductions. If there is a State in the Union called Missouri which, when we passed the law back in June 1949, had 140 employees operating the rent-control offices throughout the State, and 6 months later there were 150, I would say to the Housing Expediter, "You cannot justify that. Now cut that pay roll and do not ask us how to cut it." That is only one State out of 48.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. DOUGLAS. Is the Senator from Washington assuming that the funds now made available are to be the only funds which the Housing Expediter is to have until the end of June, while the present law continues in effect?

Mr. CAIN. That is a very difficult question to answer.

Mr. DOUGLAS. It is a very important question both to ask and to answer.

Mr. CAIN. Yes. The Senator has a perfect right to ask it and I want to answer it as best I can. I might very well vote for funds in addition to the $1,400,000, but before I did so, if I had such authority, I would insist upon and participate in a hearing that was so concise that we would have a reasonable opportunity of understanding what sort of administrators we have got. My present feeling is—and the Senator from Illinois knows how I feel about the subject—that if I have not leaned over backwards in trying to reach a compromise which I thought would be acceptable to the Senate of the United States, I do not know what I have done about it. As an individual Senator I think $1,400,000 is too much, but I am perfectly willing to go along in the interest of harmony and reason.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. CAIN. I yield.

Mr. O'MAHONEY. I may say to the Senator that I feel he has made himself perfectly plain. Is it not the intention of the Senator from Washington to have this body understand that he is not, by the amendment which he proposes, and which I have accepted, undertaking to issue any specific directive to the Housing Expediter?

Mr. CAIN. Of course he is not, except as an individual Senator feels constrained so to do.

Mr. O'MAHONEY. The Senator from Washington expressed his opinion, and he did so with a great deal of clarity. I may say, that in his judgment rent control should terminate on the 30th of June, and that $1,400,000 in addition to what is now on hand would be adequate to do that job?

Mr. CAIN. Yes.

Mr. O'MAHONEY. But he concedes that there are other Members of the Senate and of the House who may have a different opinion, and he concedes that the Housing Expediter may, though he deems it very unlikely, be able to present evidence which would convince even the Senator from Washington that perhaps something more than $1,400,000 might be required?

Mr. CAIN. The Senator understands my position exactly. I do not think the Housing Expediter will need any more money, but it is up to him to prove any need for additional funds, and up to the Congress to determine what shall be done.

Mr. O'MAHONEY. On the basis of that statement I again say I accept the modification of the amendment.

The VICE PRESIDENT. The Senator from Wyoming accepts the modification of the committee amendment, which the Secretary will now read, as modified.

The CHIEF CLERK. On page 3, line 4, after the word "Expediter", it is proposed to insert "$4,000,000 of which", and in the same line it is proposed to strike out "to be used" and insert "shall be available", so as to make the amendment, as modified, read:

For an additional amount for "Salaries and expenses, Office of the Housing Expediter," $4,000,000 of which $2,600,000 shall be available for the payment of terminal leave only.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. FERGUSON. I wish to ask the Senator from Washington whether the statement made by the distinguished Senator from Wyoming will not bring about exactly what has happened to date in the rent administration? Will they not cite that statement as the reason why they have not laid off one employee, and when they come back on the second deficiency will they not say that in the record of the debate of the Senate is the indication that they were not to cut down at all, but were to use all of their employees up to the very day they come before Congress on the second deficiency appropriation? Is not that exactly what Mr. Woods or others in his office will say?

Mr. CAIN. I am glad the Senator asked the question. I disagree with him, but the importance of the question is that it permits me and other Senators to say what we want to say. In offering the amendment the junior Senator from Washington is saying to the Office of the Housing Expediter, "If you are reasonable, if you possess any figment of common sense, you had better start

to administer your job properly and efficiently, because the chances are very great that you are out of business on June 30, 1950."

But if in the face of that comment the Housing Expediter thinks he should disagree with the Senator from Washington, very well, that to me is an American procedure, and he or any other Federal agent is entitled to make a request for additional funds when he sees fit. So I do not think I could have answered the question of the Senator from Wyoming in any other fashion and been honest, in an effort to be clear and reasonable about the matter.

Mr. FERGUSON. But the Senator has not answered the question I put to him, which is whether he believes that Mr. Woods will not reduce his force, but will return to Congress on the strength of the statement made by the Senator from Wyoming, that is, he might come back here and make a request for further funds?

Mr. CAIN. A man can only make a guess. In view of the fact that the Office of the Housing Expediter is represented by several excellent gentlemen who now sit in the gallery, at least among the occupants of the gallery are some who represent that Office——

Mr. FERGUSON. How many are in the gallery?

Mr. CAIN. There are several known to me. There is one very interesting gentleman there. I do not know whether we would call him a lobbyist or not, but he is on the pay roll of the Office of the Housing Expediter, to keep in touch with what we are doing in Congress.

Mr. LUCAS. A liaison officer.

Mr. CAIN. Yes; a liaison officer. His name is Henry Van Veen. I consider him to be a very able gentleman. But when Mr. Van Veen returns to his office he is likely to say to the Housing Expediter, "Look, there are some Sen..tors who mean what they say. We had better get out our pencils and do a little scratching, because we are luckier than we thought we would be, and are going to receive $1,400,000. We were frightened that through using that inaccurate information we used a couple of weeks ago before the Appropriation Committee we had cut ourselves off completely, but we ought to be grateful for what we are going to receive, and we ought to wind up our affairs by June 30 and act accordingly."

I say to my colleague, the Senator from Michigan that I hope the Housing Expediter will take this matter seriously, and even if he asks for more money between now and June 30, he will have good reason to think he will not receive it.

Mr. Van Veen, my compliments to you and your boss, whom we seek to return to private productive life not later than June 30, 1950.

The VICE PRESIDENT. The question is on agreeing to the ..mendment offered by the Senator from Wyoming [Mr. O'MAHONEY] as modified, to the committee amendment.

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	Mundt
Brewster	Hickenlooper	Murray
Bricker	Hill	Myers
Bridges	Holland	Neely
Byrd	Humphrey	O'Conor
Cain	Hunt	O'Mahoney
Capehart	Ives	Robertson
Connally	Johnson, Colo.	Russell
Darby	Johnson, Tex.	Schoeppel
Donnell	Johnston, S. C.	Smith, Maine
Douglas	Kefauver	Smith, N. J.
Dworshak	Kem	Sparkman
Eastland	Kilgore	Stennis
Ecton	Knowland	Taylor
Ellender	Langer	Thomas, Okla.
Ferguson	Lehman	Thye
Flanders	Lodge	Tobey
Frear	Lucas	Tydings
Fulbright	McClellan	Watkins
George	McKellar	Wherry
Graham	McMahon	Wiley
Green	Magnuson	Williams
Gurney	Maybank	Withers
Hayden	Millikin	Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the modified amendment of the Senator from Wyoming to the committee amendment on page 3, in line 4.

Mr. IVES. Mr. President, it is going to be with a great deal of misgiving that I shall support the amendment as I believe it has now been modified, so as to read about as I have written it on my copy of the bill. I shall read it, in order to see whether I have recorded it correctly:

On page 3, in line 3:

For an additional amount for "Salaries and expenses, Office of the Housing Expediter," $4,000,000, of which $2,600,000 shall be available for the payment of terminal leave only.

Is that correct?

Mr. CAIN. That is a correct statement of the amendment, as modified.

Mr. IVES. Mr. President, after listening to the discussion of this matter, I am satisfied that a sufficient appropriation is not proposed to be made in this case. I think the appropriation should be at least another $1,000,000, and perhaps an additional $2,000,000, in order that the job may be done in accordance with what is contemplated by the overall language contained in the bill.

However, I understand that the members of the Appropriations Committee are willing to look after the matter in the future, if it is found that an additional appropriation may be necessary; that they recognize the situation as I have more or less described it; and that if a further appropriation is necessary, they will come to the rescue of the Housing Expediter and of the Rent Control Administration, in respect to providing an additional sum of money in a subsequent appropriation bill or in a later deficiency bill.

With that understanding, I shall reluctantly support the amendment.

Mr. FLANDERS. Mr. President, I should like to express support and misgivings along the line of those which have been expressed by the senior Senator from New York [Mr. IVES].

Let me observe that I believe it to be the intent of this body to end rent control on June 30. I may have misinterpreted the sentiment of the Senate as to that, but I judge that that is the prevailing sentiment here.

I should say that when and as the Administrator comes before the Appropriations Committee requesting further relief, he should be asked to show that at the time he makes such request, he has reduced his operations and the size of his staff in proportion to the time which has elapsed, so that he will not be making such a request for a sum which would involve the maintenance up to the end of the fiscal year of anywhere near the present size of operations or the present size of the staff.

Mr. McKELLAR. Mr. President, in view of what the Senator from New York and the Senator from Vermont have said, I desire to say that I have not entered into any agreement to vote for an additional appropriation in the spring of the year. Any witness who appears before our committee will receive a respectful hearing, and we shall obtain the facts and we shall pass upon them at the time.

There has been no agreement of the kind which has been inferred, it seems to me. I may have been mistaken in my understanding of the inference; but I hope that the Senators who have just spoken do not think that I, as chairman of the Appropriations Committee, or other members of the Appropriations Committee have committed ourselves about this matter.

Mr. IVES. Mr. President, the Senator from New York understands correctly, does he not, that from the statement of the very able Senator from Tennessee, the Senator from Tennessee himself and the other members of the Appropriations Committee will give every consideration to any subsequent request of this nature?

Mr. McKELLAR. Of course, that is all right; if the Senator from New York stops there, that is correct.

Mr. IVES. That is as far as I go in my question.

Mr. McKELLAR. That is as far as I can go.

Mr. IVES. I should very much like to have the Senator from Tennessee go further.

The VICE PRESIDENT. The question is on agreeing to the modified amendment of the Senator from Wyoming to the committee amendment on page 3, in line 4.

Mr. TOBEY. Mr. President, I find myself in sympathy and in consonance in large degree with the remarks which have been made by the distinguished senior Senator from New York [Mr. IVES] and by my colleague from my neighboring State of Vermont [Mr. FLANDERS].

I fought for rent control as valiantly as I knew how during the war years and during the post-war years. But emergencies should end at some time; there should be a norm, and rent control should not be the norm, under any circumstances.

A year ago on this floor and in committee we served notice on the States in general that the end of rent control was in sight; and some of us were bold enough to say that we never again would vote to continue rent control. I was one of that number.

In the committee we are to hold hearings at the end of April looking to the taking of action in respect to the ending of rent control. I have an idea what that verdict will be, and I hope my idea will prove to be correct. I hope also that when we get through with the hearings, and report to the Senate, the action of the Senate on rent control will be akin to the advice given by a famous fellow, "Embalm, bury, cremate, and freeze—take no chances."

Mr. LEHMAN. Mr. President, I wish to associate myself with the remarks made by the senior Senator from New York and the Senator from Vermont. I shall vote for the amendment. I do so reluctantly. I want to see rent control continued. I believe the amount which is being appropriated at this time is insufficient to continue the operations of the office until June 30, and I shall vote for the amendment only because we have the assurance that if a further appropriation is requested, the Appropriations Committee will give very careful consideration to it.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Vice President to have the Clerk read the amendment we are about to vote on.

The VICE PRESIDENT. The Secretary will read again the amendment as it has been modified.

The CHIEF CLERK. The amendment, as modified, reads as follows: "For an additional amount for 'Salaries and expenses, Office of the Housing Expediter,' $4,000,000, of which $2,600,000 shall be available for the payment of terminal leave only."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] as modified.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. O'MAHONEY. I suggest the absence of a quorum.

The VICE PRESIDENT. Since the last quorum call a few minutes ago no business has been transacted.

Mr. O'MAHONEY. I withdraw the suggestion.

The VICE PRESIDENT. The yeas and nays having been ordered, the Secretary will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON an Mr. CHAVEZ], the Senator from Kentucky [Mr. CHAPMAN], the Senator from North Carolina [Mr. HOEY], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Connecticut [Mr. BENTON] and the Senator from California [Mr. DOWNEY] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE], the Senator from Oklahoma [Mr. KERR], and the Senator from Arizona [Mr. MCFARLAND] are absent on official business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Nevada [Mr. MCCARRAN] is paired on this vote with the Senator from Wisconsin [Mr. MCCARTHY]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Wisconsin would vote "nay."

If present and voting the Senator from Connecticut [Mr. BENTON], the Senator from California [Mr. DOWNEY], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Utah [Mr. THOMAS] would vote "yea."

Mr. WHERRY. I announce that the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Oregon [Mr. MORSE] is absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER], the Senator from Ohio [Mr. TAFT], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

The Senator from Oregon [Mr. MORSE] is paired with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from Ohio would vote "nay."

The Senator from Nebraska [Mr. BUTLER] is paired with the Senator from Oregon [Mr. CORDON]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Oregon would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from Nevada [Mr. MCCARRAN]. If present and voting, the Senator from Wisconsin would vote "nay," and the Senator from Nevada would vote "yea."

The result was announced—yeas 44, nays 28, as follows:

YEAS—44

Aiken	Hunt	Millikin
Cain	Ives	Murray
Capehart	Johnson, Colo.	Myers
Connally	Johnson, Tex.	Neely
Darby	Johnston, S. C.	O'Mahoney
Douglas	Kefauver	Russell
Flanders	Kilgore	Schoeppel
Fulbright	Langer	Smith, Maine
Graham	Lehman	Smith, N. J.
Green	Lodge	Sparkman
Hayden	Lucas	Taylor
Hendrickson	McKellar	Thomas, Okla.
Hill	McMahon	Tobey
Holland	Magnuson	Withers
Humphrey	Maybank	

NAYS—28

Brewster	Frear	Stennis
Bricker	George	Thye
Bridges	Gurney	Tydings
Byrd	Hickenlooper	Watkins
Donnell	Kem	Wherry
Dworshak	Knowland	Wiley
Eastland	McClellan	Williams
Ecton	Mundt	Young
Ellender	O'Conor	
Ferguson	Robertson	

NOT VOTING—24

Anderson	Hoey	Malone
Benton	Jenner	Martin
Butler	Kerr	Morse
Chapman	Leahy	Pepper
Chavez	Long	Saltonstall
Cordon	McCarran	Taft
Downey	McCarthy	Thomas, Utah
Gillette	McFarland	Vandenberg

So Mr. O'MAHONEY's amendment, as modified, was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The Senator from Florida desires to offer an amendment to an amendment which has been agreed to on page 4. Without objection, the vote by which that amendment was agreed to is reconsidered.

Mr. HOLLAND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 7, it is proposed to strike out "$8,500,000" and insert in lieu thereof "$9,500,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida.

Mr. HOLLAND. Mr. President, in the storm in south Florida in August of last year very heavy damage was done to the levees around Lake Okeechobee, so heavy that if there should be a similar storm this fall or in any ensuing fall, the levees would be torn down and the waters of the lake would be thrown upon 35,000 to 50,000 persons who live in the small towns around the shore of the lake. In view of that fact, and in the absence of a special emergency fund to complete repairs, the President, in his supplemental budget message of January 27, included this item:

> For an additional amount for "Flood control, general," $1,000,000, to remain available until expended.
>
> The hurricane that passed over Lake Okeechobee, Fla., in August 1949 was the most severe since completion of the Federal levees on the southern and eastern shores of the lake in 1936. While no direct levee failure occurred as a result of the hurricane, the structures were weakened by erosion at a number of points and it is essential that they be repaired and strengthened to forestall a serious break during another storm of equal or greater intensity and thereby prevent a disaster of major proportions in the area.

Mr. BRIDGES. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. BRIDGES. Can the Senator say why the amendment is being proposed without going through the usual course of hearings which would normally be expected on a question of this kind?

Mr. HOLLAND. I am unable to answer the question, except that it may be by reason of the time limitation. The supplemental budget message came on January 27. I notice that the House took action on February 8. I had no notice of the matter at all as pending before the Senate committee until after the bill was reported. I have discussed it with the distinguished Senator who is chairman of the committee [Mr. MCKELLAR], and it had not been called to his attention. I think it was one of those things that happen so closely in point of time with the actual work by the committees on the deficiency bill that it did not come up for hearing. I say to the Senator, however, that the

situation is so acute that I think, if he will permit me to conclude my reading from the supplemental budget estimate, he will find that not only the President, but also the engineers, in their justification, make it clear that unless the damage be repaired before the storm season this coming fall there will be offered a terribly grave hazard to the communities surrounding Lake Okeechobee, and that this is indeed an emergency measure.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a question?

Mr. HOLLAND. I yield.

Mr. McKELLAR. First, I want to read from a letter from the Department of the Army, Office of the Chief of Engineers, dated February 28, 1950:

With respect to the $1,000,000 requested under the appropriation title, "Flood control, general," the additional funds are required at the earliest practicable date in order to insure that the remaining repair work of an urgent nature be completed prior to the 1950 hurricane season. The time remaining to advertise, award contracts, and perform the work prior to the hurricane season which begins in August is extremely short for the accomplishment of the work. It is evident, therefore, that any material delay in securing these appropriations may prevent completion of all work by the required date.

As I understand, there has already occurred a very serious hurricane around Lake Okeechobee which was very destructive to both lives and property, and it was upon that evidence that the committee acted.

Mr. HOLLAND. I appreciate the statement of the Senator from Tennessee. This has reference to the same levees which were designed to protect the communities around the lake from disasters similar to those sustained in 1926, when 300 lives were lost, and in 1928, when 2,200 lives were lost. I believe the distinguished Senator from Utah [Mr. WATKINS] had seen the levees since I have seen them; if so, I should like to have him make any comment he desires to make.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be happy to yield to the distinguished Senator from Utah.

Mr. WATKINS. Mr. President, I was recently in Florida and made a 3-day inspection, and I am in full accord with what the Army engineers say regarding the necessity for immediate help. I think, under the circumstances, the only wise thing we can do is to appropriate the necessary money and have the work done as soon as possible. The work needs to be started promptly in order to provide safety for the persons who live in the communities around the lake. From a personal inspection, I am sure this particular amendment should be agreed to.

Mr. HOLLAND. I appreciate what the distinguished Senator has said, and I also appreciate the statement of the distinguished chairman of the committee who, I understand, is ready to accept my amendment.

Mr. President, I ask unanimous consent that the remainder of the statement in the supplemental budget estimate be included as a part of my remarks, together with the justification of the Army engineers in connection with the same project.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, it is so ordered.

The matters ordered to be printed in the RECORD are as follows:

Immediate repairs were made to the structures at some of the most critical points with the use of available funds. Additional funds in the amount of $1,000,000 are required at the earliest practicable date in order to insure that the remaining repair work of an urgent nature may be completed prior to the 1950 hurricane season.

[From justification of the Corps of Engineers]

The emergency repair work required on the Lake Okeechobee levees was caused during the hurricane of August 1949 when this system of levees was subjected to the severest storm which has occurred in that area since their completion. Hurricane winds of velocities up to 110 miles per hour continued for a period of almost 9 hours during this storm and caused serious erosion on the lakeside of these levees. The levees afforded protection to the communities along the southern and eastern shores of Lake Okeechobee and protected this rich agricultural area from a repetition of the disaster which occurred in 1928.

In order that this levee system may be repaired and put in first-class condition prior to the 1950 hurricane season it is absolutely essential that this supplemental appropriation be included in the deficiency bill now being considered. The omission of this repair work would make it possible for any severe storm which might occur this fall to do serious damage to these levees and would involve an unnecessary risk of great loss of human life in the event that the levee system should fail at the height of another hurricane.

I urge that the deficiency bill be amended to include the amounts requested by the President for emergency flood-control work to be carried out by the Corps of Engineers.

Mr. CAPEHART. Mr. President, I could make a similar argument for adding an additional $500,000 to the deficiency appropriation bill to repair and build a new flood wall at Vincennes, Ind., which was almost completely wiped out in January of this year. The Army had a thousand men there for more than 3 weeks, and I should think it cost the Government several hundred thousand dollars to maintain the soldiers. The city had approximately 3,500 persons working for many days. The city was saved only by virtue of the fact that the levee on the Illinois side broke in three places, which saved the city of Vincennes from being completely washed away. Had the flood wall broken there would have been anywhere from 2 to 12 feet of water throughout the entire city of Vincennes.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. McCLELLAN. I will say to the distinguished Senator from Indiana that I shall offer an amendment, as soon as I can get the floor, to provide for a $4,000,000 emergency fund to repair levees and do other emergency work in order to repair damages caused by recent floods. If my amendment is agreed to, it probably will include the work which the Senator from Indiana has in mind.

Mr. CAPEHART. Mr. President, I appeared before the Appropriations Committee a few days ago in behalf of the project at Vincennes, because if there ever was an emergency, there is one existing in that city.

I shall not offer an amendment at this time, hoping that the Appropriations Committee will include $500,000 for the Vincennes project in the regular appropriation bill, but if we have to fight for some relief for the city of Vincennes, we shall do so. While I know nothing regarding the merits of the amendment of the able Senator from Florida [Mr. HOLLAND], if he says there is an emergency there, and it is a matter of repairing the levee and not building a new one, I am inclined to go along with him. I wanted to serve notice on the Senate that there is a situation in Indiana which I am sure is equally deserving of prompt attention.

Mr. HOLLAND. I appreciate the comment of the Senator from Indiana. I assure him that this is an emergency, and I assure him that the appropriation is solely for the purpose of repairing the existing levee, which was built by the Federal Government at an expense of about $20,000,000, so as to avert disasters such as occurred in 1926 and 1928, when 2,500 human lives were lost in two storms. At that time the population in the communities living around the rim of the lake was less than half as great as the population today. So a disaster occurring today might be of far greater proportions than the previous disasters.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CAPEHART. I should like to invite the attention of the Senate to the fact that the flood wall at Vincennes, Ind., was built by the Federal Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I have sent to the desk an amendment, which has been printed, and which the junior Senator from Louisiana [Mr. LONG] had intended to offer. The junior Senator from Louisiana is unavoidably absent from the Senate today, and at his request I ask that the amendment be stated.

Mr. McKELLAR. Just a moment, please. I have unanimous consent that the committee amendments shall be considered first. Will the Senator wait?

Mr. McCLELLAN. This is an amendment to a committee amendment. I am perfectly willing to wait, but I thought I should proceed now, inasmuch as the other amendment was considered.

Mr. McKELLAR. If the Senator's amendment is offered as an amendment to a committee amendment, and he wishes to take the course he has suggested, I am perfectly willing that he do so.

Mr. McCLELLAN. I do not wish to take any course. I thought this was

the proper time to offer the amendment. if it is not, I am perfectly willing to defer the offer until the committee amendments have been disposed of. I did not understand the situation. I thought the committee amendments had been approved and that we had gotten to individual amendments.

Mr. McKELLAR. No. We shall be through in a few minutes.

Mr. McCLELLAN. I shall withhold the offer of the amendment.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Department of the Interior," on page 4, after line 12, to insert:

BUREAU OF RECLAMATION

RECLAMATION FUND

The following sums are appropriated out of the reclamation fund created by the act of June 17, 1902, as follows:

CONSTRUCTION

For additional amounts for "Construction," to remain available until expended, as follows:

San Luis Valley project, Colorado, $630,000.

Lewiston Orchards project, Idaho, $245,600.

The amendment was agreed to.

The next amendment was, at the top of page 5, to insert:

DEPARTMENT OF LABOR

BUREAU OF EMPLOYMENT SECURITY

Reconversion unemployment benefits for seamen

For an additional amount for "Reconversion unemployment benefits for seamen," $168,000.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. McCLELLAN. Mr. President, I renew my offer of the amendment on behalf of the Senator from Louisiana [Mr. LONG], which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, after line 7, it is proposed to insert the following:

FLOOD CONTROL, GENERAL (EMERGENCY FUND)

For an additional amount for "Flood control, general (emergency fund)," as authorized by the Flood Control Act of 1948 (Public Law 858, approved June 30, 1948), $4,000,000, to remain available until expended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN] on behalf of the Senator from Louisiana [Mr. LONG].

Mr. McCLELLAN. The junior Senator from Louisiana had prepared a statement in support of the amendment which has just been adopted, and I should like to have unanimous consent to have his statement printed in the RECORD at this point. I call the Senate's attention to the fact that this amendment proposes an emergency appropriation of $4,000,000. In the past we have been appropriating emergency funds for this work, but we have usually waited until after the disaster had occurred.

We have usually passed an authorization bill in an emergency, and then a deficiency appropriation to meet the emergency. However, in the 1948 act we provided a general authorization of $25,000,000 for the purpose. This amendment merely provides for a $4,000,000 appropriation against the $25,000,000 authorization, to do the repair work on the damage which was caused by recent floods. The Bureau of the Budget has approved the amount, and has sent down a request for it.

Mr. LANGER. Mr. President, I should like to have the statement of the Senator from Louisiana read.

Mr. McCLELLAN. I shall be very glad to read it. I was merely trying to expedite the work of the Senate. The statement prepared by the Senator from Louisiana is as follows:

Section 208 of the Flood Control Act of June 30, 1948, provided an authorization of $25,000,000 for emergency flood purposes—the repair, restoration, and strengthening of levee and other flood-control works which have been destroyed or threatened by floods or which are subject to destruction by later floods. This was the first continuing authority granted by the Congress for such purposes. Many Senators will recall that, prior to enactment of this legislation, every flood season—which meant nearly every year—special authorizing legislation had to be rushed through and then a deficiency appropriation provided in order to meet the immediate emergency needs.

My amendment provides for an appropriation of $4,000,000 against this authorization. There was no appropriation under this item in the regular 1950 appropriation bill, and the Army engineers are without funds to do the necessary emergency work occasioned by the disastrous floods suffered in the Ohio and Mississippi Basins during the last few weeks.

The amendment I offer is supported by a budget estimate submitted by the President on January 27, as reflected by House Document 455, Eighty-first Congress.

These funds will be used in the areas which have recently suffered from flood or which might suffer from floods during the next few months, which incidentally covers that period of the year which we generally consider the flood season.

While I am not familiar with the details in the remainder of the Nation, I do know that already along the lower Mississippi the need for this emergency work is great. For instance, along the Mississippi River in west Tennessee breaches occurred in some of the local protection works which should be repaired immediately before the late spring rise comes. This work, I understand, will cost about $100,000 and is urgent.

In my own State of Louisiana the strain upon the levee system has been and will continue to be great. Funds are required for flood fighting, and repairs must be made as soon as the floods subside sufficiently to allow it. The Army engineers have informed me that funds exceeding $1,000,000 will be needed in the New Orleans district alone to provide for flood fighting and for repairs required under present distressing conditions to restore existing facilities for protection against high water normally experienced later in the spring. And I might point out that much of the flood area in my State is within the Vicksburg district, so that the estimate of $1,000,000 does not include all that is immediately needed in Louisiana.

This is an urgent matter and requires our early attention. I implore the Senate to adopt my amendment so that these funds can be made available at the time when they are most needed—and that time is now.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. DONNELL. Will not the Senator be kind enough to tell us by whom, under the existing law, the determination will be made as to if, when, and where any of this fund shall be expended, if its expenditure shall be authorized?

Mr. McCLELLAN. I shall be glad to read that section of the act for the information of the Senator and others who may be interested. Section 208 of the Flood Control Act approved June 30, 1948, reads as follows:

SEC. 208. That the sum of $25,000,000 is hereby authorized to be appropriated as an emergency fund to be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by recent floods, or which may be threatened or destroyed by later floods, including the raising, extending, or other modification of such works as may be necessary in the discretion of the Chief of Engineers for the adequate functioning of the works for flood control: *Provided*, That local interests shall provide without cost to the United States all lands, easements, and rights-of-way necesary for the work and shall maintain and operate all the works after completion in a manner satisfactory to the Chief of Engineers: *Provided further*, That pending the appropriation of said sum, the Secretary of the Army may allot from existing flood-control appropriations such sums as may be necessary for the immediate prosecution of the work authorized by this section, such appropriations to be reimbursed from said emergency fund when appropriated: *And provided further*, That funds allotted under this authority shall not be diverted from the unobligated funds from the appropriation "Flood control, general", made available in War Department Civil Functions Appropriation Acts for specific purposes.

Mr. President, that is the basic authorization, and no appropriation has been made against that authorization up to date, I may say.

Mr. DONNELL. I thank the Senator.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. THYE. I desire to be recognized to make an inquiry about the item of $803,000. I take it the Senator from Arkansas has not concluded.

Mr. McCLELLAN. I have concluded.

Mr. KEM. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from Missouri.

Mr. KEM. I ask the Senator from Arkansas if there is any geographical limit to the levees contemplated by the amendment?

Mr. McCLELLAN. None whatsoever. The fund would be a Nation-wide emergency fund. I am sure it would apply, for instance, to the project referred to by the Senator from Indiana, if it has been damaged to the point where repairs are needed. Of course, it would not apply to a new project, or the en-

largement or expansion of a project. If a levee wall which is now in existence has been damaged to the point where it would not afford normal protection, the fund would be available to repair the damage to that wall.

Mr. KEM. Who decides what projects should receive allocations? The Chief of Engineers? Is discretion placed with him?

Mr. McCLELLAN. He must determine how the money shall be expended. The fund is actually designed to protect investments the Government has already made, or that local communities have made together with the Government in building levees and other flood-control works, which become so impaired that they need strengthening to restore their normal protective power, or, if destroyed, they need to be replaced. But the provision does not authorize the building of a new project, nor does it authorize the expansion of any existing project, other than to make restoration and repair where damage has actually occurred.

Mr. KEM. And the Chief of Engineers decides what projects are to receive attention?

Mr. McCLELLAN. That is correct. It is a general fund for his use in the overall program throughout the Nation.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CAPEHART. For example, it would include, would it not, the replacing of 100 feet of levee which might have been washed out?

Mr. McCLELLAN. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN] on behalf of the Senator from Louisiana [Mr. LONG], on page 4, after line 7.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, there is an amendment lying on the desk, submitted by my colleague and me, which I call up and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, after line 18, it is proposed to insert the following:

AGRICULTURAL RESEARCH ADMINISTRATION

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Control of emergency outbreaks of insects and plant diseases

For an additional amount for "Control of emergency outbreaks of insects and plant diseases," $2,200,000, to remain available until September 30, 1950; and the limitation under this head in the Department of Agriculture Appropriation Act, 1950, on the purchase of airplanes, is increased from "three" to "six."

Mr. O'MAHONEY. Mr. President, the amendment is supported by the budget estimate which was sent to the Congress, and which is reported in House Document No. 455, beginning at page 9. It is a supplemental estimate for the control of emergency outbreaks of insects and plant diseases, in the amount of $2,200,000. It has been offered by my colleague the junior Senator from Wyoming [Mr. HUNT] and myself because of the emergency character of the grasshopper infestation in the West at this moment.

I am glad to be able to report to the Senate, as I did to the Appropriations Committee, that the Wyoming Legislature, on February 27, at a special session called for the purpose by the Governor of Wyoming, the Honorable A. G. Crane, passed a special act appropriating $750,000 for the attack upon grasshopper infestation. The State of Wyoming was motivated to make this appropriation of $750,000 to cooperate with the Federal Government in fighting grasshopper infestation because of the realization of the great danger grasshoppers represent to the livestock industry.

I may say, Mr. President, that the Department of Agriculture, through the Bureau of Entomology and Plant Quarantine, has been working on this project for several years. Last year an appropriation was made, but it was made so late in the year that it did not prove as effective as was hoped. To suppress the grasshopper plague it is essential to have the work done in the spring, and it was for this reason that the Governor of Wyoming called a special session of the legislature to meet in February to provide the funds. It is necessary that funds be made available by the Federal Government at the same time.

This problem affects not only Wyoming but it affects South Dakota, North Dakota, Montana, parts of Nebraska, and parts of other Western States, going down even to New Mexico and Arizona.

The purpose of offering the amendment at this time, instead of waiting until the regular agricultural appropriation bill is acted upon, or another deficiency bill comes up, is because by making the money available now it will be possible to get the campaign organized at an early date so that it will be more effective. In other words, there will be received a greater return per dollar of expenditure by making the appropriation now than it would be possible to receive if it were delayed until a later time.

I have here for examination by such Senators as may care to see it, the report of the Commissioner of Agriculture for the State of Wyoming. It contains a table which shows the tremendous increase of infestation. In 1946, 100,000 acres in Wyoming were infested by grasshoppers. What this means the Members of the Senate will understand when I say to them that after the drought of 1934, when I went through the eastern counties of my State, it is the solemn fact that the fields of the farmers, the hay fields and the grain fields, were just as bare of vegetation as the top of any desk in the Senate. They had been completely denuded by the grasshoppers.

So I say, in 1946, with a new outbreak, 100,000 acres were infested. In 1949 that had increased to 3,400,000 acres. Members of the Senate Committee on Appropriations from nearby States who have had personal experience with such infestation, have joined in expressing the hope that speedy action may be taken on the amendment in order that the work, for which a budget estimate has been made, which is being carried on efficiently by the Department of Agriculture, and in which, in the State of Wyoming, the State authorities will cooperate, can be started at the earliest possible moment.

Mr. President, I think the explanation, though hurriedly made, presents thoroughly the reasons why the appropriation should be provided.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LANGER. There is no provision of any kind for any county or any State matching any of these funds, is there?

Mr. O'MAHONEY. Not in the amendment. I may say that in the State of Wyoming the State will cooperate, the counties will cooperate, the county commissioners will cooperate, local farmers will cooperate under the law adopted by the State legislature.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. LANGER. I compliment the distinguished Senator from Wyoming for submitting the amendment. I may say that the situation in the States he has mentioned is desperate. County commissioners in county after county have been meeting for months trying to figure out some way to stop the infestation, to stop the hatching of the grasshoppers. The situation is such that it is very difficult for a county or for a State to act by itself. I think the Senator from Wyoming will bear me out when I say that the fight must be made in such a way as to cover the entire area. Am I correct in that statement?

Mr. O'MAHONEY. The Senator is quite correct. I may point out that the great danger arises from the fact that the grasshopper is a migratory insect.

Mr. LANGER. That is true.

Mr. O'MAHONEY. And if the young grasshoppers are permitted to grow to maturity they will fly to other areas, to other States. They are carried by airplanes, and no one can tell to what extent the infestation may spread.

Mr. LANGER. It is a national, and not a State problem.

Mr. O'MAHONEY. The Senator is correct.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. GURNEY. I am very happy to say that the story of the grasshopper menace this year, with which we battled last year, was thoroughly explained to the Appropriations Committee this morning. I want to join in the remarks made by the Senator from Wyoming and the Senator from North Dakota. The grasshopper infestation exists from the southeast corner of Colorado up into Canada. Not only is it an actual menace in the States of Nebraska, Wyoming and the Dakotas, but, if we allow the grasshopper to hatch and the insects to grow, it will put the whole farming area, even as far east as Minnesota and Wisconsin and Iowa, in jeopardy. That certainly can be substantiated by the experience of the past.

If we do not have sufficient money to do the work of destroying the grasshoppers when they first hatch, we can anticipate the need for appropriating $10 later, whereas $1 would do the job now. Does the Senator from Wyoming agree with that statement?

Mr. O'MAHONEY. I not only agree with it, but I am very grateful to the Senator from South Dakota for having made it.

Mr. President, I hope the amendment will be adopted.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. SCHOEPPEL. I note that there is in the amendment an item for the purchase of airplanes, with the number to be increased from 3 to 6. I should like to ask the Senator whether those planes are specially equipped, and whether it is more advisable to consider the renting or leasing of that type of equipment, rather than the outright ownership of it.

Mr. O'MAHONEY. Mr. President, I think it is very necessary that the Department of Agriculture should have such planes, because the Department operates throughout this area. So far as Wyoming is concerned, it is prepared under this appropriation to make contracts with private owners of airplanes to make the distribution of the bait. But I was satisfied from the testimony given by Dr. Rohwer, of the Bureau of Entomology and Plant Quarantine this morning, that it is highly essential that the Department be authorized to make those purchases.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am very happy to yield.

Mr. HAYDEN. My recollection is that Dr. Rohwer's testimony was that the planes are suitable for distributing dry bait over a wide area. The Department also has another type of plane which uses liquid poison.

But planes of this type use dry bait, and the planes are obtained from Government sources—that is, they are transferred from the Army's reserve of planes.

Mr. TOBEY. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield.

Mr. TOBEY. Dry bait does not have the same great appeal that liquid bait has; does it?

Mr. HAYDEN. It is claimed that flake bran is considered by grasshoppers to be a great delicacy—I presume like cake—and that the authorities are very glad to use it for that purpose.

Mr. O'MAHONEY. Mr. President, I presume that we should make clear that the bait that is used in Arizona and in Wyoming is very different from the liquid bait in New Hampshire.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] for himself and his colleague [Mr. HUNT].

The amendment was agreed to.

Mr. O'MAHONEY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a copy of the statute passed by the Wyoming Legislature on February 27, and a copy of the budget estimate in support of the amendment.

There being no objection, the statute and estimate were ordered to be printed in the RECORD, as follows:

COPY OF HOUSE BILL 22 AS AMENDED BY HOUSE STANDING COMMITTEE

A bill declaring an emergency, providing for a grasshopper control board, defining its powers, duties, and compensations, and appropriating funds for grasshopper control

Be it enacted by the Legislature of the State of Wyoming:

EMERGENCY DECLARED

SECTION 1. It having been determined that large areas of the State of Wyoming are and will be endangered by critical grasshopper infestation during the coming season, resulting in serious loss of valuable crops and pasturage in the State, the legislature declares an emergency to exist and invokes the police power of the State to endeavor within reasonable limits to meet said emergency and establish uniform methods for the control of grasshopper infestation throughout the State of Wyoming.

GRASSHOPPER CONTROL BOARD—CREATION

SEC. 2. For purposes of administering this act there is hereby created a board to be known as the grasshopper control board, consisting of five members, to be appointed forthwith by the Governor, who shall be resident landowners of the State of Wyoming actively engaged in farming or ranching in this State. Said board shall meet not later than 10 days after the effective date of this act and shall organize by electing one member of said board as chairman and one member of said board as vice chairman. The commissioner of agriculture shall act as secretary of said board.

COMPENSATION

SEC. 3. The members of the board shall receive as compensation for their services, $12 a day for each day's attendance upon the business of the board and shall be reimbursed for expenses and necessary travel in the same manner and to the same extent as previously fixed for State officers.

POWERS AND DUTIES

SEC. 4. For the purpose of meeting said emergency the grasshopper control board shall have and exercise the following duties, powers and functions:

(a) To determine critically infested grasshopper areas within the State of Wyoming and to formulate and approve plans for the eradication of such infestation in said areas.

(b) To allocate, supervise, and expend the expenditures of funds appropriated by this act for the purpose of this emergency, provided that all vouchers shall be signed by the chairman and secretary of said board.

(c) To command the facilities and personnel of the Wyoming Aeronautics Commission and of the Wyoming Department of Agriculture and the county agents of the counties concerned within the scope of their statutory duties.

(d) To hire and employ such additional help and facilities as may be necessary to carry out the purposes of this act and to buy, rent, lease, or otherwise provide and dispose of equipment, materials, and supplies necessary to carry out the purposes of this act.

(e) To cooperate with individuals or voluntary groups, or with pest-control districts now or hereafter established under the laws of the State of Wyoming or any other local agencies set up for this purpose.

(f) Upon a showing by the State entomologist that lands are infested by grasshoppers, which are liable to spread to the injury of others, and the owners of said lands, or the person in charge or control of such premises, refuses to permit the grasshopper-control board to spread bait upon said lands, then in that event the said board may notify the owner of the lands, or person in charge or control thereof, in writing, and demand that within a specified time certain specified work shall be done on the infested premises for the control and extermination of the grasshoppers. If the owner or person in charge or control of said lands fails or refuses to do effective work, within the time specified, upon said lands, the grasshopper-control board may take possession of the infested premises and do the work necessary for the control and extermination of grasshoppers thereon.

(g) To adopt rules and regulations consistent with the purposes of the act, including the method and manner of rendering aid and assistance; the care, use, and preservation of equipment, materials, and supplies purchased by the said board; and the keeping of records and accounts of its activities.

(h) To cooperate with all agencies of the United States Government interested in the control of grasshoppers.

(i) To compromise, settle, and pay all just claims arising from negligent operations under this act, and to prescribe a procedure for presentation and proof of said claims.

(j) To purchase ground-distributing machines for bait and allocate among the several counties on a loan basis said machines to farmers and ranchers in the infested areas.

(k) All control operations of the grasshopper-control board shall be terminated by December 1, 1950. All leases, equipment, and motor vehicles acquired under the authority of this act shall be disposed of by said board at a public auction to the highest bidder on or before January 1, 1951; provided, however, the board, if it deems advisable, may retain ground-distributing bait machines and mixing equipment which shall be transferred to the State department of agriculture. Said public auction may be held at such times and places and upon such notice as the board deems fit and proper. The proceeds derived from said public auction shall be covered into the general fund of the State. Prior to dissolution of the board, which shall be by action of the Governor of the State, and in no event later than January 10, 1951, the board shall submit to the Governor and the thirty-first State legislature a detailed report of its activities, accomplishments, and expenditures.

APPROPRIATION

SEC. 5. There is hereby appropriated out of the funds of the State of Wyoming, not otherwise appropriated, the sum of $750,000, or so much thereof as may be necessary, for the purposes of carrying out the provisions of this act.

SEC. 6. The grasshopper-control board, or its duly constituted and appointed agents, shall draw upon and expend the funds appropriated in this act only in those operations instituted and controlled by said board or its agents. No agency or department of the United States Government may directly draw upon, or directly control, the expenditure of funds appropriated in this act, except as an agent of the grasshopper-control board.

SEC. 7. An emergency existing, this act shall be in effect from and after its passage and approval.

DEPARTMENT OF AGRICULTURE, AGRICULTURAL RESEARCH ADMINISTRATION, BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Appropriation—control of emergency outbreaks of insects and plant diseases, 1950

Appropriation to date	[1] $3,245,000
Obligations to Dec. 31, 1949	2,282,065
Expenditures to Dec. 31, 1949	2,060,343
Budget estimate next fiscal year	2,500,000

[1] Excludes $250,000 transferred to and made a part of the appropriation "Forest Pest Control Act," and includes $1,750,000 appropriated by Public Law 215, 81st Cong., approved Aug. 8, 1949.

Request: $2,200,000, to remain available until September 30, 1950.

Employment (for 6.5 months from March 15, 1950):

Average number, current appropriation	407
Number involved this estimate	57
Actual employment Dec. 31, 1949	337

PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

Surveys completed in December indicate that grasshoppers will continue to be a major problem in 1950. Infestations of epidemic proportions are expected in at least 14 Western States. Both cultivated crops and range lands will be involved. Within the outbreak areas there are an estimated five and one-half million acres of low value range lands heavily infested from which migrations must be expected unless control measures are applied. Of this total somewhat more than 1,500,000 acres are public domain. The history of grasshoppers in the West shows that in the past the more widespread and destructive outbreaks have had their origin on marginal uncultivated or range lands and spread from there to crops. Until recently the extent and inaccessibility of these areas has made control of such outbreaks at their source practically impossible. With the new facilities now at hand this is no longer the case.

The proposed Federal-State cooperative grasshopper control program for the 1950 crop season provides for—

Demonstrating new methods of grasshopper control in crop areas and advising farmers with reference to timing of control effort	$45,500
Furnishing bait materials for farmer use in areas where crop lands are intermingled with range areas and sprays or dusts are ineffective	558,000
Suppression of infestations on range lands before existing vegetation is destroyed and the grasshoppers move into crop areas	3,049,357
Total	3,652,857

It is proposed to finance the 1950 crop season control program as follows:

Present available funds	$150,000
From 1950 pending supplemental estimate	2,200,000
From 1951 budget estimate	1,302,857
Total estimated cost	3,652,857

(a) To protect cultivated crops within infested areas farmers will be advised to use chlordane or toxaphene to spray or dust roadsides, field margins, or other uncultivated parts of their farms immediately after the grasshoppers hatch in the spring, thus preventing their dispersal into the fields. The Bureau will cooperate with States in advising county extension agents, other local agricultural leaders, and groups of farmers how and when to do control work for best results. It is proposed to assign one demonstrational unit, which consists of two men, a truck, and a sprayer or duster, to each State in which grasshoppers become a serious threat over extensive crop areas. The total number of such units in operation this year will not exceed 18. This work will be financed for the remainder of this fiscal year from funds currently available to the grasshopper control project and during the remainder of the crop season from funds contained in the regular appropriation item for the fiscal year 1951. The estimated cost of these technical services is $45,500. With the exception of this amount farmers will bear the entire cost of this phase of the program.

(b) The second phase of the 1950 program provides for cooperation with State and local agencies in the protection of crops in areas where crop lands are intermingled with or adjacent to nearby infested native grass lands. In such areas sprays and dusts have proved ineffective as a means of preventing maturing grasshoppers from shifting from grass lands into crops. In areas where this type of problem develops it is proposed that the Federal Government furnish the materials, the States and counties assume responsibility for mixing and storing the bait, and the farmers apply it in accordance with recommended procedures. It is believed that funds remaining available to the grasshopper-control project are adequate to finance this work until June 30. Provision has been made in the regular appropriation for the fiscal year 1951 for continuing the program during the remainder of the 1950 crop season. The estimated cost of this phase of the program which includes the purchase and distribution of 13,000 tons of bait materials is $558,000 of which $438,000 would apply to the 1951 appropriation.

(c) Each year since 1945 grasshoppers have been steadily increasing in numbers throughout much of the western half of the United States and Canada. Not until 1948 was there substantial evidence that this upward trend in the grasshopper population, which was most pronounced in the drier range areas of Wyoming, Montana, and South Dakota, might culminate in an outbreak similar to that experienced in the 1930's which resulted in the widespread destruction of crops throughout the plains area from Texas to the Canadian border and much forced marketing of livestock.

The purpose of this estimate is to enable the Department to assist States in undertaking prompt suppression of destructive infestations that develop in the more remote range areas before local vegetation is destroyed; and by reducing populations of grasshoppers in these areas, prevent their dispersal to high value croplands where even greater damage would be unavoidable. To meet these objectives will require treatment of areas estimated to total 5,500,000 acres at the earliest possible date after grasshoppers hatch. Included in these areas are 1,500,000 acres of public domain, which is a responsibility of the Federal Government, and 4,000,000 acres of private holdings.

The range program for 1950 provides for Federal financing of the work on Federal lands. On private lands the Bureau will provide the bait materials, assist with the survey to determine the boundaries of areas needing treatment, and supervise the mixing of the bait. The cooperating agencies will furnish approximately half of the survey crew and the bait mixing crew. Ranchers will take the bait from the mixing stations, load the planes, and pay the aircraft operators.

Public domain (distribution of expenditures)

(Area requiring treatment (acres), 1,500,000)

Seasonal personnel (includes 11 survey men, 4 mixing station supervisors, 4 aircraft supervisors, 18 truck drivers, and 40 laborers)	$60,847
Materials:	
Bran, 7,500 tons at $60	450,000
Insecticide, 75,000 pounds at 82 cents	61,500
Oil, 75,000 gallons at 16 cents	12,000
	523,500
Equipment operation (4 bait mixers, 21 heavy trucks, 19 light trucks, 6 loading elevators, 6 Federal aircraft)	180,831
Total cost to Federal Government	765,178

Cost per acre 51 cents.

Federal-State cooperative control on range lands, Wyoming-Montana (distribution of expenditures)

(Area requiring treatment (acres), 4,000,000)

Seasonal personnel (includes 20 survey men, 20 mixing station supervisors, 33 truck drivers, 33 laborers)	$78,127
Materials:	
Bran, 20,000 tons at $60	1,200,000
Insecticide, 200,000 pounds at 82 cents	164,000
Oil, 200,000 gallons at 16 cents	32,000
	1,396,000
Equipment operation (includes 20 bait-mixing stations, 33 heavy trucks, 40 light vehicles)	29,352
Total cost to Federal Government	1,503,479

Cost per acre, 37.6 cents.

Federal-State cooperative effort on range lands (other States)	570,000

In addition to the range control provided for in the Wyoming-Montana area there are threatening infestations known to exist on range land in western North Dakota, western South Dakota, western Nebraska, southeastern Colorado, Nevada, and Idaho. It is not anticipated that cooperative control will be required over all of these areas in these States in 1950. However, to meet situations as they are expected to develop it is proposed to provide operating expenses of eight mobile units consisting of one mixing station and supporting trucks, loaders, and labor to be operated on the same cooperative basis as outlined for the Montana-Wyoming area. These will be operated where the degree of infestation warrants and State and local cooperation is forthcoming.

Purchase of equipment	$210,700

Includes acquiring and equipping 2 DC-3 aircraft, replacement of two light aircraft, 12 mobile mixing units, 2 semitrailers and tractors, converting 10 auger trucks for loading planes, engines for mixers.

Mr. HAYDEN addressed the Chair.

The PRESIDING OFFICER. The Chair has previously promised to recognize the Senator from Illinois [Mr. DOUGLAS].

Mr. HAYDEN. Mr. President, I wonder whether the Senator will permit me,

as a member of the committee, to offer an amendment perfecting the bill.

Mr. THYE. Mr. President, I wonder whether I may be recognized at this time. It will take me only a minute to say what I wish to say. At this time I have left a conference committee which now is in session.

Mr. DOUGLAS. Mr. President, I am very glad to yield to the Senator from Minnesota for that purpose.

Mr. THYE. Mr. President, I should like to ask a few questions of the chairman of the committee concerning the item of $803,000 for the welfare of Indians, on page 4 of the deficiency appropriation bill.

My question is whether I am now correct in assuming that these funds are to be distributed on the basis of need in the various States, as determined by the Bureau of Indian Affairs.

Mr. McKELLAR. Mr. President, the item is of interest to Senators from the States where Indians reside. I believe the Senator has properly stated what their intention was.

The Indians are regarded as wards of the Government, and have always been regarded so. Therefore, the committee favorably reported the item for the Indians.

Mr. THYE. These funds are not earmarked specifically for any State or any tribe; is that correct?

Mr. McKELLAR. That is quite correct.

Mr. THYE. In other words, if the need exists, and if the Welfare Department of the State of Minnesota determines that the need exists there, the Indian Bureau could very well allocate some of that fund to the Minnesota Welfare Department, to meet the needs of the Indians in Minnesota. Is that correct?

Mr. McKELLAR. The Senator is correct.

As evidence of the fact, I shall introduce one of the most experienced Indian legislators I ever knew in my life.

Mr. THYE. A rough rider?

Mr. McKELLAR. I cannot say that he is a rough rider; in fact, I am rather inclined to think that there is a great deal of smoothness about him. But he is one of the best legislators we have; I refer to the Senator from Arizona [Mr. HAYDEN].

Mr. HAYDEN. Mr. President, the special reason for the item was the very heavy snows in Montana, in the Dakotas, in the Senator's State of Minnesota, and elsewhere in the Northwest. It is felt that that situation calls for making extra funds available immediately.

Mr. WILEY. And also in Wisconsin.

Mr. HAYDEN. Of course, the money is to be used for relief generally wherever it is needed.

Mr. THYE. And the funds could be used to transport some of the surplus agricultural commodities, if they are made available, to the Indians in Minnesota, as well as in other States. Is that correct?

Mr. HAYDEN. I have no question about that.

Mr. THYE. The funds could be used for that purpose, I understand.

Mr. President, I have no objection.

Mr. HAYDEN. Mr. President, will the Senator from Illinois permit me to submit an amendment at this time?

Mr. DOUGLAS. I yield.

Mr. HAYDEN. Mr. President, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, after line 21, it is proposed to insert the following:

GENERAL FUND

CONSTRUCTION

Advances to Colorado River dam fund, Boulder Canyon project (All-American Canal): For an additional amount of $750,000, to remain available until expended, for the partial liquidation of contract authority granted under this head in the Interior Department Appropriation Act, 1950.

Mr. HAYDEN. Mr. President, the Senate will remember that in the last Interior Department appropriation bill there was an item of about three-quarters of a million dollars to be paid as damages to contractors on the Central Valley project in California who were compelled to shut down because of a lack of funds. That shut-down was most unfortunate; many of us felt that it could have been avoided if the Congress had been notified in time. As a matter of fact, from the time of the shut-down until Congress did provide the money only about 10 days elapsed; but it was some months before the working force got to work again. At that time it was stated that if they ever were in trouble of that sort again they should make it known.

A contractor on the Coachella Valley project in California called me over the telephone to say that he had been notified that he would be compelled to cease work for lack of funds on the first day of next month, that 400 men would be put out of employment, but that the overhead the Government has would continue.

I took up the matter with the Bureau of Reclamation, and asked the Assistant Director, Mr. Markwell, to appear before the Appropriations Committee this morning and tell us what the situation is.

I find that there is pending before the Bureau of the Budget a supplemental estimate, which I now hold in my hand, and which I ask to have printed at this point in the RECORD.

There being no objection, the estimate was ordered to be printed in the RECORD, as follows:

Advances to Colorado River Dam fund, Boulder Canyon project (All-American Canal): For an additional amount of $750,000, to remain available until expended, for the partial liquidation of contract authority granted under this head in the Interior Department Appropriation Act, 1950.

Boulder Canyon project (All-American Canal), California, supplemental appropriation estimate, fiscal year 1950

Unobligated balance, June 30, 1949	$249,551
Appropriation, fiscal year 1950	5,100,000
Supplemental appropriation estimate, fiscal year 1950	750,000
Program, fiscal year 1950	6,099,551

JUSTIFICATION OF ESTIMATE

The All-American Canal system includes the Imperial Dam, desilting works and Government camp, all situated on the Colorado River 18 miles upstream of Yuma, Ariz.; Laguna Dam located 6 miles downstream from Imperial Dam; the 80-mile main All-American Canal with its appurtenant control and protective structures; the 124 miles of Coachella Branch Canal with its appurtenant control and protective works; and the 450-mile concrete pipe distribution system serving the Coachella Valley. The purpose of the system is to furnish irrigation water to the Imperial irrigation district and supplement a failing ground water supply in the Coachella Valley. Except for the Coachella distribution system and minor construction in the Imperial Division, all work has been or will be completed during fiscal year 1950.

Major work under way is the construction of the pipe lateral system and appurtenant structures of the Coachella Division. During fiscal year 1950 work will be completed on units 1 to 6 of the distribution system bringing irrigation water to some 44,000 acres of land, of which 32,000 acres is in new and 12,000 acres in supplemental supply. Work will be started on units 7 and 9 which, when completed, will serve an additional 27,000 acres. However, the continuation of construction after about the end of calendar year 1950 is dependent upon the successful consummation of a supplemental repayment contract with the Coachella Valley County Water District.

FISCAL YEAR 1950 SUPPLEMENTAL

The fiscal year 1950 appropriation act authorized the Commissioner of Reclamation to enter into contracts in amounts not to exceed $975,700. A supplemental appropriation in the amount of $750,000 for partial liquidation of this contracting authority is requested to avoid stoppage or retardation of construction of Coachella Valley distribution system.

On September 30, 1949, a contract was awarded under specifications No. 2747 to R. V. Lloyd and Co., of Coachella, Calif., for the construction of sublaterals, wasteways, and appurtenant work on unit No. 7 of the Coachella distribution system. At the time of bidding the contractor estimated his earnings for fiscal year 1950 at $1,552,000 and the Bureau programed approximately $1,600,000 for payments under the contract. Available funds in the amount of $866,000 were reserved.

The contractor started construction operations during November 1949, and they are now well under way. Work under Specifications No. 2181 for the distribution systems for units Nos. 2, 3, and 4 which was also awarded to R. V. Lloyd and Co., is just being completed. The record of progress made during the past year under specifications No. 2181, plus the fact that the contractor has available an experienced force and necessary equipment indicates that the progress proposed will be obtained. At this rate of earnings, available funds will be exhausted by the end of March 1950. It is proposed to use the $750,000 of supplemental funds to continue work on unit No. 7 lateral system, thereby avoiding a shut-down of the construction contract now in operation. This supplemental amount will not increase water users repayment obligations beyond the current repayment contract limitation.

Schedule of construction program, fiscal year 1950—Boulder Canyon project, All-American Canal, Calif.

Program item	Total estimated cost	Cost to June 30, 1949	Program current year 1950			Balance to complete
			Regular budget	Estimated supplemental budget	Total budget	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Irrigation facilities, Imperial division:						
Development of project plan:						
Project as a whole	$518,466	$544,043				−$25,577
Land classification	176,545	119,011	$30,000		$30,000	27,534
Engineering and economic studies	250,000	167,741	20,000		20,000	62,259
Diversion works: Imperial Dam and desilting works [1]	10,046,240	10,012,118				34,122
Canals and conduits:						
All-American Canal—completed works	17,596,208	17,495,741				100,467
Coachella canal:						
Completed works	1,884,184	1,576,459				307,725
Operating bridges [2]	87,000		87,000		87,000	
Laterals: East Mesa distribution system	12,383,000					12,383,000
Drains:						
All-American Canal—completed works	349,160	349,160				
Drain lines 8 and 8B	161,840	198,338	20,000		20,000	−56,498
Farm unit development:						
Project settlement	60,000					60,000
East Mesa experimental tract	393,070	392,521				549
General property:						
Telephone system	62,500	61,320				1,180
General service bridges		15,000				−15,000
Operation and maintenance during construction:						
Imperial Dam and desilting works	1,020,000	610,445	137,000		137,000	272,555
All-American Canal, stations 50 to 1098	911,000	606,790	78,000		78,000	226,210
Coachella canal, stations 0 to 2603	197,000	78,235	35,000		35,000	83,765
Drainage system	140,000	94,945	17,000		17,000	28,055
Earnings during construction		−706,257				706,257
Subtotal irrigation facilities	46,236,213	31,615,610	424,000		424,000	14,196,603
Construction facilities:						
Charged to permanent property		255,628	38,000		38,000	−293,628
Or salvaged		−171,045	−11,000		−11,000	182,045
Materials and supplies		76,446				−76,446
General expense		−21,198				21,198
Undistributed costs			18,025		18,025	−18,025
Total construction cost	46,236,213	31,755,441	469,025		469,025	14,011,747
Obligations not in cost		55,025	−45,025		−45,025	−10,000
Total obligations, Imperial division	46,236,213	31,810,466	424,000		424,000	14,001,747
COACHELLA DIVISION						
Canals and conduits:						
Coachella canal:						
Stations 2603 to 4563	3,135,000	3,134,201				799
Stations 4563 to 5150	1,804,000	1,803,113				887
Stations 5150 to 5725	1,626,000	1,625,162				838
Stations 5725 to 6106	1,432,000	1,431,377				623
Stations 6106 to 6517	1,051,000	1,050,606				394
Subtotal, canals and conduits	9,048,000	9,044,459				3,541
Lateral system:						
Oasis lateral (unit No. 1)	1,900,000	1,836,848	28,000		28,000	35,152
Thermal-Indio-Coachella area	3,210,000	2,230,761	967,000		967,000	12,239
Oasis area	1,905,000	1,457,394	358,000		358,000	89,606
Central main area	2,652,000	221,092	2,360,000		2,360,000	70,908
West side area	2,850,000	49,659	1,166,551	$750,000	1,916,551	883,790
La Quinta area	961,000	13,738	22,000		22,000	925,262
Mecca area	2,905,000	62,003	69,000		69,000	2,773,997
Subtotal, lateral system	16,383,000	5,871,495	4,970,551	750,000	5,720,551	4,790,954
Drainage investigations	150,000	23,216	20,000		20,000	106,784
Farm-unit development: Project settlement	40,000	9,181	30,000		30,000	819
Channels, levees, and flood works:						
Detention dike No. 1:						
Stations 4620 to 5150	1,118,000	1,118,000				
Stations 5150 to 5566	1,075,000	1,074,866				134
Detention dike No. 2	1,099,000	1,098,198				802
Wasteway No. 1	411,000	410,874				126
Wasteway No. 2	380,000	379,992				8
Wasteway No. 3	402,000	401,746				254
Wasteway No. 3A	28,000	27,473				527
Subtotal, channels, levees, and flood works	4,513,000	4,511,149				1,851
General properties:						
Government camp	217,000	216,355				645
Maintenance depot	45,000	39,783	5,000		5,000	217
General service equipment	81,000	80,266				734
Subtotal, general properties	343,000	336,404	5,000		5,000	1,596
Operation and maintenance during construction	280,000	258,416				21,584
Construction facilities	+448,000	+320,240	+55,000		+55,000	72,760
Charged to permanent property	−448,000	−271,841	−85,000		−85,000	−91,159
Materials and supplies		18,392	−10,000		−10,000	−8,392
Total construction cost, Coachella	30,757,000	20,121,111	4,985,551	750,000	5,735,551	4,900,338
Obligations not in costs		163,058	−60,000		−60,000	−103,058
Total obligations, Coachella division	30,757,000	20,284,169	4,925,551	750,000	5,675,551	4,797,280

[1] Includes Gila project's estimated share of Imperial Dam, $1,553,565. Final allocation to be made at completion of construction.
[2] Revision in proposed construction program. Revised total estimated cost being submitted for approval.

Schedule of construction program, fiscal year 1950—Boulder Canyon project, All-American Canal, Calif.—Continued

Program item	Total estimated cost	Cost to June 30, 1949	Program current year 1950			Balance to complete
			Regular budget	Estimated supplemental budget	Total budget	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Imperial division	$46,236,213	$31,810,466	$424,000		$424,000	$14,001,747
Coachella division	30,757,000	20,284,169	4,925,551	$750,000	5,675,551	4,797,280
Total obligations	76,993,213	52,094,635	5,349,551	750,000	6,099,551	18,799,027
Appropriations			5,100,000		5,100,000	
Prior years unobligated balance			249,551		249,551	
Supplemental appropriation estimate				750,000	750,000	
Allotment requirements						18,799,027

Mr. HAYDEN. The substance of the amendment which I have submitted is that of the $975,700 authorized in the last Interior Department appropriation bill as a contractual authorization, $750,000 of it shall now be appropriated.

At the time when we made the previous appropriation, we realized that if the contractor proceeded speedily with the work, the amount of money carried in the bill might not be sufficient. So we pledged the Government and said we would pay the contractor if he went on with his work. Of course, this amendment is offered in order to meet that obligation.

The situation is that the Coachella Valley is an extension of the Imperial Valley, in California. From the Imperial canal there has been built a 125-mile extension into the Coachella Valley. That job is virtually complete; I think about $3,500 remains to be paid on a $9,000,000 project. So the project is virtually completed. The distribution system which supplies water to the farms is what the contractor is working on. That is very hot region, and the way to save water is to use concrete pipes; and concrete pipes are being installed to carry the water to the farmers.

All of the project is reimbursable, and all the work is done under contract authority. The charge is a thoroughly legitimate one.

I assume that the contractor telephoned me because he knew of my interest in the work. There is a crew of 400 men handling the work, and they have proceeded at a faster rate than was expected.

There is no advantage in the world to be gained by having them shut down the work, wait a while, and subsequently resume the work. The overhead the Government will have to pay will go on, day by day. The engineers and others there will have to stay on the pay roll.

So the action proposed by the amendment will be an advantage to the contractor, and also to the farmers who will get the water, and also to the Government.

Therefore, Mr. President, it seems to me that, inasmuch as the Government has authorized this work, inasmuch as the contract has been regularly made, inasmuch as the Government has said to the contractor, in effect, "We will pay you when you do the work," and inasmuch as the work has been done, it is wise for us now to make the payment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

Mr. LUCAS. Mr. President, I do not have a $5,000,000 amendment; I have a $500 amendment, to take care of the salary of the aide to the Vice President. It is desired to increase the pay of the aide to the Vice President from $1,900 to $2,400. I hope there will not be any serious objection to the amendment. If the chairman of the committee will take the amendment to conference, I shall appreciate it very much.

Mr. McKELLAR. That will be done, if the Senate authorizes it.

Mr. LUCAS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, after line 4, it is proposed to insert the following:

OFFICE OF THE SECRETARY

Effective on the first day of the first month following the enactment of this act, the appropriation for salaries of officers and employees contained in the Legislative Branch Appropriation Act for the fiscal year 1950 shall be available for the employment of an aide to the Vice President at the basic rate of $2,400 per annum.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, in a few minutes I expect to submit an amendment to the pending bill, fixing the amount of annual leave for classified wage board and postal employees at 20 days a year, and the amount of sick leave at the rate of 12 days a year.

In brief, Mr. President, the amendment will reduce the leave provisions for classified and wage-board employees from 26 days to 20 days for vacation and from 15 days to 12 days for sick leave. It will at the same time increase the amount of leave for members of the postal service from 15 days to 20 days vacation and from 10 days to 12 days sick leave.

The amendment will save the Government approximately $100,000,000 a year, and at the same time will equalize the leave provisions for Federal employees, thus ending the present discrimination against postal employees.

I believe that in the face of a possible deficit of $5,000,000,000, we should be looking for places where we can cut expenses without hurting needed services. Furthermore, I do not know of a single Senator who sees any logic in allowing classified and wage-board employees 26 working days of leave every year, since, on the basis of the 5-day week, this amounts to 5⅕ weeks. Postal workers, however, now only receive 15 days per year.

I should like to make it clear that I am not attacking Government employees, who are frequently improperly criticized. I think they are in general a fine set of people and there are some who are extremely devoted and who are quite literally working themselves to death. But we must constantly remember that our Government is in serious financial trouble. With a deficit of 5 billions a year, we must take in sail and reduce expenditures, if we are to avoid a creeping inflation. This is one, but only one, of the places where we can cut expenses without diminishing services or being unjust to people.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Tennessee?

Mr. DOUGLAS. I shall be glad to yield for a question.

Mr. McKELLAR. I ask the Senator a question with two parts; first, does he not understand that this is in the nature of legislation; second, did the Senator first go before the proper legislative committee with the matter?

Mr. DOUGLAS. I may say to my distinguished colleague and friend from Tennessee that I have not yet formally submitted an amendment to the Senate. I am discussing the subject in anticipation of what the possible amendment may be, and therefore I thought, since it is possible to address the United States Senate freely, that I was in order. If I am not in order——

Mr. McKELLAR. The Senator is in order. I merely inquired whether he had presented to the proper legislative committee such an amendment as he suggests.

Mr. DOUGLAS. That was the Senator's second question. If we have disposed of the first, I will now be glad to proceed to the second. I may say to my distinguished colleague, I thought it was always opportune to propose in an open-

ing meeting of the United States Senate an amendment which would save the taxpayers money. I thought it was always opportune for us to do that. I should be surprised if this were not true.

Mr. JOHNSTON of South Carolina and Mr. WILLIAMS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I shall be glad to yield to the Senator from South Carolina for a question, provided I do not lose my rights to the floor.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from Illinois whether he agrees that the amendment, if added to an appropriation bill, would constitute legislation?

Mr. DOUGLAS. Let me say to my colleague, I am merely a humble Member of the Senate. I anticipate that a point of order may be made to my amendment when I submit it. But I have not yet submitted it, and I cannot anticipate what the ruling of the Chair will be. Being a devout man, however, I pray very much that the Chair will rule in my favor.

Mr. JOHNSTON of South Carolina. I want to notify the Senator from Illinois that, when he submits his amendment, I shall make the point of order that it is contrary to rule XVI, paragraph 4, of course. I do not want to interrupt him. The Senator may speak as long as he wishes, but I want the Senator to know what I am going to do at the proper time.

Mr. DOUGLAS. I may say to my good friend, the Senator from South Carolina, I appreciate the candor with which he has laid all his cards on the table. I had felt that such might be his move, or possibly the move on the part of someone else. That may have had something to do with my deciding not to submit the amendment at this time, but to withhold it until after we might discuss the question. I think that this is an important issue which needs public discussion.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from Illinois whether he knew that the committee which handles bills of this kind had even held hearings last year on a similar bill?

Mr. DOUGLAS. I am not perfectly acquainted with all of the procedures of the Committee on Post Office and Civil Service, but may I inquire, in my search for information, whether it was the decision of the committee to report the measure?

Mr. JOHNSTON of South Carolina. I answer the Senator by saying the committee has not seen fit yet to report any bill in regard to the subject, but if the Senator desires to introduce a bill similar to his amendment, we shall be glad to appoint a subcommittee and hold hearings on the bill when it reaches the committee.

Mr. DOUGLAS. I thank the Senator from South Carolina very much.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Delaware?

Mr. DOUGLAS. I shall be glad to yield for a question.

Mr. WILLIAMS. I should like to ask the junior Senator from Illinois whether or not he is aware of the fact that the amendment offered by the majority leader, the senior Senator from Illinois [Mr. LUCAS], and which the Senate adopted immediately preceding this discussion was also legislation, and was adopted unanimously by the Senate? Therefore, there is nothing at all unusual in offering an amendment in the nature of legislation, in connection with an appropriation bill.

Mr. DOUGLAS. The Senator is entirely correct. He reminds me of the truth of an old maxim, that it makes a great deal of difference whose ox is being gored. Sometimes the definition of what is legislation is elastic. Some amendments are permitted, while others are barred. But as I have said, there is as yet no amendment before the Senate on which a point of order, in my judgment at least, can be made.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. JOHNSTON of South Carolina. Would the amendment keep them from having accumulated leave, and from being built up more and more?

Mr. DOUGLAS. No.

Mr. JOHNSTON of South Carolina. It does not have anything to do with that, does it?

Mr. DOUGLAS. If the Senator from South Carolina will permit me to develop my argument, the point will be clarified in due course.

The difficulty is that whenever we seek to make such a justified saving, the groups which are called upon to make the necessary sacrifices immediately object and apply terrific pressure to defeat any specific proposal for saving. They may be for economy but apparently they believe that it must always be practiced on the other fellow; and that it must never be applied to themselves. I am very sorry to see that large numbers of Federal employees are taking a similar position against my amendment, although it is gratifying that some have expressed a willingness to accept these reductions. But I had hoped, perhaps naively, for a much better response from them. Although I am disappointed and while no one likes the storm of criticism which is let loose against anyone who tries to save the taxpayers' money by removing excessive privileges, that is a burden we must assume if we are to protect the general interest and to head off the inflation which a big governmental deficit always brings.

HOW WE CAN SAVE $100,000,000

We can save money by equalizing annual and sick leave because there are approximately four times as many classified and wage-board employees as there are postal workers. I will not burden the Senate with a lot of figures. I have had a study of this problem made by Mr. Dudley Ball of the Legislative Reference Service to see how much could be saved by this proposal, and I would like to ask unanimous consent of the Senate to insert it at the end of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOUGLAS. Briefly this study shows that cutting annual leave from 26 to 20 days for classified and wage board employees would save from 100 to 110 million dollars, while raising the postal workers would cost about 30 millions, leaving a net saving of 70 to 80 millions. Reducing classified and wage board workers' sick leave from 15 to 12 days while raising postal employees sick leave from 10 to 12 days would, I believe, raise our total saving up to approximately 100 million dollars.

WHY CLASSIFIED AND WAGE BOARD EMPLOYEES' LEAVES SHOULD BE REDUCED

Now, the question will be asked, "Why should leave be reduced?" I will attempt to show why I think it should be.

Government employees are given 26 working days off each year as vacation leave, and are allowed up to 15 working days a year with pay as sick leave. In addition, they are given eight holidays. Since Government agencies operate on a 5-day week, this means that 49 days, or about 10 weeks, can be subtracted from the maximum legal working year of 260 days, leaving 211 actual required working days. There are also commonly about 4 days a year, in the case of employees in Washington, at least, in which they are freed from work because of ceremonies, excessive heat, and so forth, which I have not included.

The average Government working day is 8 hours, but up to 30 minutes each day is often given to employees for coffee time, so that in practice only a 7½-hour day is often actually worked. This means that the average number of legal hours worked in a year can be as low as 1585. Since the average time taken for sick leave is 3 days, rather than the maximum of 15, and since all workers do not take a full 30 minutes for coffee (although some take more) in practice the average will be nearer 1,650 hours. This is 250 hours less than the 1,900 which is considered a very liberal standard in private industry. On this basis, Government employees work 31 days, or over 6 weeks, less per year than do employees in private business.

To determine vacation provisions in private industry, I had another study made by Mr. Ball of the Legislative Reference Service, and, Mr. President, I ask unanimous consent to have it also inserted at the end of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 2.)

STUDIES SHOW THAT 20 DAYS' VACATION IS MORE LIBERAL THAN THAT GIVEN BY PRIVATE EMPLOYERS

Mr. DOUGLAS. The study made by Mr. Ball included material published in Management Record for February of

1949 in the form of a series of tables prepared by the National Industrial Conference Board which dealt with vacation allowances in private industry. It should be noted that these figures, which will appear at the end of my remarks, are confined to organized white-collar and production workers who through the process of collective bargaining are able to get better working conditions than unorganized workers. These were the most recent over-all figures I could find, and, while I do not assert that they are 100 percent accurate, we can get a general picture from them.

Using these tables, we find that—

First. About 75 percent of the white-collar workers in private business get 2 weeks' vacation for 1 year's service, and this is also true of about 20 percent of the production workers.

Second. About 6½ percent were required to have worked for 3 years in order to get a 3 weeks' vacation.

Third. Only 15 percent of the employers allow as much as 4 weeks to anyone, and in 13 percent of these cases this is only secured after men have worked for 13 to 25 years.

But my proposal would allow 4 weeks, or 1 month, with week ends, to everyone, irrespective of length of service. This would be better than the leave which 98 percent of the private employers who have collective-bargaining agreements give to their white-collar workers and better than the leave which virtually 100 percent of the private employers give to their manual workers. It would be still further above the level for unorganized workers.

These figures on vacation allowances in private employment apply to salaried, office, or white-collar employees as well as wage earners, production workers, and manual workers. As Mr. Ball's study indicated, executives are usually included in the salaried-workers' category, but among companies which have formulated separate plans for executives, 1 month per year appears to be most prevalent. This is what I am advocating.

A more extensive study covering specific industries was made in 1943–44 by the Bureau of Labor Statistics. This study covered 15,000 establishments and some 4,000,000 workers in such industries as aircraft, chemicals, electrical machinery, food, iron and steel, leather, lumber, machinery, ordnance, paper, printing and publishing, smeltering, textile, banking, petroleum, mining, laundry, and retail trade.

These findings, despite the fact that they are 6 years old, are extremely valuable because of their extensiveness and the Bureau's reputation for impartiality. The Bureau found that in the manufacturing industries, the most usual maximum paid vacation was 8 to 10 days; in nonmanufacturing industries it was 2 weeks.

Here are some examples in specific industries:

Transportation, operating and nonoperating employees, 1 to 2 weeks.

Public utilities, 1 to 2 weeks, with telephone and telegraph companies granting 3 weeks after 15 to 30 years' service.

Trade, clerical, and professional workers, 1 to 2 weeks.

Manufacturing, 1 to 2 weeks with 2 percent getting 3 weeks.

TWELVE DAYS' SICK LEAVE IS ALSO BETTER THAN THAT GIVEN BY PRIVATE EMPLOYERS

Similarly, 15 days' sick leave far exceeds that allowed by private employers. A study made by E. Eleanor Ring, of the Legislative Reference Service, dated April 20, 1948, shows that, in 1945, only 350 out of 5,000 collective bargaining agreements contained any paid sick-leave provisions at all. Other studies made in 1945–46 showed that only 3 percent of the manufacturing establishments had formal sick leave provisions, and that only 8 percent of the office workers were allowed this privilege. Among nonmanufacturing industries, less than half of the electric light and power establishments and only a third of the retail stores give formal paid sick leave. Among those granting sick leave, 2 weeks or 10 working days appear to be the best provisions.

My proposal is more liberal than this, allowing 12 days rather than 10 days.

Mr. President, I ask permission to have that portion of Miss Ring's study dealing with the sick leave inserted in the RECORD at the end of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 3.)

Mr. DOUGLAS. I want the Government to be a liberal employer and to be generous in its treatment of its workers. That is why I would only cut leave by 6 days and as I have shown, 20 days vacation or 30 calendar days, including weekends, is very liberal in comparison with private industry. But we should not allow Government employees to exploit the taxpayers and the community to obtain undue privileges. The present system of granting 26 days of annual vacation leave is such an excessive privilege that it amounts, as I have said, to 5⅕ weeks, and, since leave can be paid on leave, it might mean very close to 6 weeks for cumulative purposes.

HISTORY OF ANNUAL LEAVE INDICATES THAT CONGRESS INTENDED TO GRANT 1 MONTH PER YEAR

Perhaps a word of history is needed to put this issue in its proper setting. In 1898, Congress provided for 30 days leave. I have the statute here. It seems to have been intended to provide a 30-calendar day leave similar to the 30 days furlough given to personnel in the armed services. However, this was not spelled out in the law, 30 Statutes 316, and it was administratively determined—I want to emphasize that—to be, instead, 30 working days. Since the Government was then on a 6-day week, this amounted to five full weeks. I do not believe this was the congressional intent, however, or it would have been specifically stated in the original act.

During the depression, in 1932, annual leave was reduced to 15 days, and was later increased to 26 working days in 1936. At the time the 26-day figure was set, Government employees were working a 6-day week—7 hours per day during the week plus 4 hours on Saturday. It would therefore appear that a month's vacation was still what Congress was aiming at, taking the number of working days in the longest possible month which included Saturdays. Twenty-six days, with a 6-day week, amounts to almost precisely a month.

With the war emergency, Government workers went on a 5-day and 40-hour week. Another 8 hours was worked on Saturdays, but this was not part of the regular working week and was paid for at a time and a half rate. After the emergency, overtime was dropped, and now these workers are on a 5-day week, an 8-hour day, and hence a 40-hour week. But, meanwhile, the leave provisions have remained unchanged. Twenty-six days annual leave, therefore, now means 5⅕ weeks or with week ends this comes to 5½ weeks. Sick leave of 15 days now amounts to 3 weeks.

I think we should put leave back to 20 working days which, with week ends included, is 30 calendar days, or 1 month. Twenty-six working days was equivalent to a month for a 6-day week but, on this basis, each day of leave meant that a worker was away from the job either a 7- or a 4-hour day. The 26 days presently given mean he is away from the job 8 hours per day, and therefore, leave was, in effect, expanded from between 167 to 170 hours yearly, depending on the number of Saturdays, to 208 hours yearly. This is a net gain of about 40 hours, or an extra week. My proposal would cut this back to one month which was originally intended. It was intended in 1936 and, I believe, in 1898.

OBJECTIONS ANSWERED

Several objections have been made to this proposal. I shall take these up in order:

First. It is argued that leave provisions should not be reduced because the Government provides no unemployment compensation or cash sickness benefits.

At the present time, however, Federal employees are allowed to accumulate annual leave up to 60 days or about 3 months, and sick leave up to 90 days or 4 months. Because the Federal Government does not give unemployment compensation or sickness benefits, I would not change these cumulative leave provisions and have not done so in my amendment. They can still be used to serve as a cushion in case of job severance or long illness, and are therefore a substitute for unemployment compensation and sickness benefits.

If we later want to take up the question of severance pay, I think it is a subject which might very well be considered, but I think we should first put the vacation provisions on the basis of fair and adequate, but not excessive, vacations and then deal with the question of whether we want to consider severance pay as a separate issue.

Second. Government employees are charged annual leave for being late to work, attending grandmother's funeral, and for shopping, whereas private employers give no such time to workers.

It may be that some private employers will occasionally allow such time to be taken without reduction either in pay or in vacation. This point has been made but no one has cited any proof of how widespread such a practice is among private employers. Nor do I have any proof that such privileges are not al-

lowed in the majority of cases, but I doubt very much if many of the large employers allow this privilege. Even so, the fact that 20 days in four full weeks is so much more liberal than that allowed by the overwhelming majority of private employers makes this question unimportant.

Third. Cutting vacation time would lower the efficiency of Government workers.

Again we have no proof either that cutting vacations would increase or decrease efficiency, but I will say this: In order to increase efficiency, certainly we should provide for an adequate vacation of a month, plus holidays, and even rest periods. But to allow more than this could eventually get to the point where time off is equal to time worked.

It is the old question of degree, but I feel that it has been well established that a month is enough vacation.

Fourth. Cutting leave provisions would hinder the recruitment of able personnel.

Certainly salary and job opportunities are highly important, but if a person goes to work for the Federal Government because he will not have to work so much, it indicates that he wants to work as little as possible. I do not think that this is the type of personnel we want to recruit.

Fifth. High vacation allowances are necessary because so many Washington employees are away from home and need more time for travel.

In the first place, nearly 90 percent of the employees in the executive branch of the Government are outside the Washington metropolitan area. The figures are 213,000 in the Washington area out of 1,980,000 total. These are December figures. Ninety percent of them do not need to go to a home far away. Furthermore, Washington employment is similar to that of other jobs. If a person moves from Chicago to New York because employment opportunities in his particular line are greater in New York, I doubt if the employer would feel he had to give extra vacation to the employee because he had moved from Chicago. Granted, however, that Federal employees need more vacation for this reason, still a month should be quite adequate.

Sixth. Annual leave is often lost because all Government employees are not allowed to take as much vacation as they are entitled to.

This is actually a reason for reducing annual leave. It means that those who are too valuable to be allowed full vacation time are discriminated against in favor of those to whom the Government can afford to give the full amount.

IT IS THE RESPONSIBILITY OF CONGRESS TO PROTECT THE COMMUNITY AS A WHOLE

I know that this move of mine is very unpopular. I have received over 300 letters from Government workers who want to keep their present leave privileges. Representatives of the postal workers, on the other hand, who would appreciate having their leave raised to end the present discrimination against them, cannot very well advocate a reduction for other Government workers. This is understandable. But it is the responsibility of Congress to protect the community as a whole from excessive privileges while, at the same time, stopping discrimination among Government employees.

I should like to point out that this extra $100,000,000 a year, which means a billion dollars in 10 years, is nonproductive and a complete waste when spent for these excessive vacations. It does not build roads or dams; it does not build up our soil; nor does it help education or health. It is simply a waste which, in my judgment, should not be tolerated.

This proposal for equalizing leave is not an attack on Government workers themselves; it is an attack on excessive vacation privileges. It should be remembered that the Government in other respects is doing extremely well by its public servants. Salary levels have been raised so that they are now in the main quite liberal in comparison with the salary scales of private industry. To demonstrate this, I should also like to insert at the end of my remarks a table which compares pay schedules of Federal employees with employees in private business. I ask unanimous consent that this insertion may be made.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 4.)

Mr. DOUGLAS. Mr. President, this comparison was made on the basis of pay given Federal employees before the pay increase we granted them last year. It does not include employees making much more than the median salary, but it does include those making up to that amount. Roughly, therefore, it indicates that the pay of a majority of Government employees is better than that of private employees.

Last year Congress also provided for no less than 600 positions with salaries above $10,000 a year, and thus rewarded ability and responsibility. The retirement system which we have provided is good, and liberal. The workers have relative security, and are protected against business depressions and capricious discrimination by their superiors. Compensation for accidents on the job is as liberal as that in the most progressive States. I happened to be the chairman of the subcommittee which liberalized the compensation provisions for Federal employees, and I reported the bill myself last year. It later became law. By giving to workers the right to accumulate unused vacation credits up to a total of 60 days, employees are given a cushion when they lose or leave their jobs. Similarly, the ability to accumulate annual sick leave up to 90 days provides protection up to at least 4 months.

I also hope very much that Members of Congress will join with me in ending the present leave discrimination against postal workers, while, at the same time, protecting the community as a whole by reducing classified and wage-board employees' leave to the more reasonable figure of 1 month. This would raise postal workers' leave and yet maintain liberal vacation allowances for others. It would save $100,000,000 at a time when we need to reduce expenditures and to try to balance the budget.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WATKINS. Was this amendment presented to the Committee on Appropriations?

Mr. DOUGLAS. No; it was not.

Mr. WATKINS. Why did not the Senator from Illinois present his amendment a year ago when we had the pay-increase bill before the Committee on Appropriations?

Mr. DOUGLAS. At that time the Senator from Illinois was even more inexperienced than he is today, and when Government employees were receiving 26 days' vacation, he thought that meant 26 calendar days. It was not until later in the year that he learned they were receiving 26 working days of vacation; that therefore, they were receiving a total annual leave of not 4 weeks, but 5⅕ weeks. The Senator from Illinois has been learning during the past year, and he did not know enough a year ago today to submit the amendment which he now submits.

Mr. WATKINS. Will the Senator yield further?

Mr. DOUGLAS. I shall be glad to yield.

Mr. WATKINS. I have not been a member of the Committee on Post Office and Civil Service, and I have never made any special study of the situation, but does it not occur to the Senator from Illinois that some arguments could be made on the other side of the question, and that the people who are going to be affected by the proposed amendment ought to have an opportunity to present their arguments, whatever they may be?

Mr. DOUGLAS. I might say to the Senator from Utah that I am quite well aware that there are arguments to be presented on the other side. I have stated at least six of such arguments, and have attempted to answer them. Furthermore, judging by the mail which I have received—and I am told that my mail is small compared with the mail which is received by other Senators—there is no doubt that Federal employees from all over the country are being heard from.

I welcome public discussion of this question, because, in my judgment, once the issue is aired, and once it is understood, the long, extended leave periods will not continue. My amendment may be voted down, or it may be ruled out on a point of order, but the issue will remain with us until we realize that we are sending at least $100,000,000 a year down a sluice gate and getting nothing for it.

Mr. WATKINS. Does not the Senator feel that he would have been of great help if he had presented his amendment to the committee so that an opportunity would nave been accorded to the persons who are opposed to his proposal to state their opposition to the committee?

Mr. DOUGLAS. It so happens that the Senator from Illinois was not aware that an urgent deficiency bill was coming up until it appeared on the calendar something like 2 weeks ago, and I think it will be found that I submitted my amendment promptly after the urgent deficiency bill was reported to the Senate.

Mr. WATKINS. I should like to say to the Senator that I am very much

impressed with his statement, and that perhaps he did a very good job in presenting the arguments on the other side; but I feel that in the interest of fair play we ought to have both sides of the argument presented before we take action on a measure which affects so many people. I believe there is a great deal of merit to what the Senator has stated; but I should like to hear the other side, as well. I believe it would be somewhat un-American to come to a decision on such an important question without giving the people who are to be affected by the proposal an opportunity to be heard. Personally, I have not made up my mind one way or the other. The subject is worthy of study.

The Senator has rendered a great service by bringing up the subject for discussion in the Senate. I believe we should give the people who are to be affected by the proposed amendment an opportunity to say how it will affect them and why they think the amendment should not be adopted.

Mr. DOUGLAS. I thank the Senator.

EXHIBIT 1

SELECTED DATA ON ANNUAL AND SICK LEAVE OF FEDERAL EMPLOYEES

(The most recent and most complete published survey of annual and sick leave granted to Federal employees was made by the Senate Committee on Appropriations of the Eightieth Congress, and covers the period from January 1 to September 30, 1947. In its report the committee points out that: "The entire executive branch has failed to keep annual over-all records on sick and annual leave statistics, requiring special surveys to be made when such information is required." The situation has not improved since the committee made its study. As a result, the figures in the following paragraphs can be regarded only as estimates. In some cases the 1947 figures of the Senate committee study are the latest available. In other cases, the figures upon which computations are based are themselves estimates. If possible, these estimates have been secured from authoritative sources, which are cited in the footnotes or in the source note at the end of this paper.)

Decreased cost as result of reduction of annual leave from 26 to 20 days: Under the provisions of the Government Employees' Pay Act of 1949, approximately 885,000 classified employees will receive $2,900,000,000 annually.[1] On the basis of 260 working days per year (5 days a week for 52 weeks, the figure used in salary administration), this amounts to an expenditure of $11,153,846 a day for salaries. At this rate, the reduction of annual leave of classified (only) Federal employees from 26 day to 20 days would decrease the cost of annual leave by nearly $67,000,000 a year.

The number of wage-board employees is estimated at about 500,000. At an estimated annual wage of $3,000 per employee (total Federal employees, 2,000,000; total Federal pay roll, $6,000,000,000 annually), total salaries for this group amount to about $1,500,000,000 a year. Reduction of annual leave from 26 to 20 days would result in decreased costs for leave of about $34,500,000.[2]

These two figures on reductions for classified and wage-board employees total $101,500,000 a year. Postal employees, other than departmental, receive less than 26 days' leave and thus are not included in this estimate. Certain other groups covered by varying leave regulations have also been omitted since reliable data on salaries received are not available.

A figure in excess of $100,000,000 for the reduction in the cost of annual leave as a result of cutting leave from 26 to 20 days is also obtained by using another method of computation. The report of the Senate Committee on Appropriations stated that as of September 30, 1947, total annual leave of 44,561,076 days, representing a cost of $520,000,000, was accumulated.[3] Translating this figure into the cost of leave per day and making adjustments for the two subsequent pay raises ($330 flat raise in 1948 and an average raise of $125 in 1949) the figure for salaries for 6 days of annual leave for those employees now receiving 26 days' leave is in the vicinity of $110,000,000.

There is, therefore, some reason to believe that the reduction of the annual leave of Federal employees from 26 to 20 days would decrease the cost by a figure in excess of $100,000,000 a year.

Average number of days sick leave taken by individual Federal employees: From January 1 to September 30, 1947, a total of 10,080,444 days sick leave were taken by the 1,703,540 employees subject to sick-leave regulations. This is an average of 5.9 days per employee for a 9-month period. Adjusted to cover 12 months, the figure becomes nearly 7.9 days of sick leave per employee per year.[4]

Cost per day to release Federal employees in the District of Columbia area: As of the end of September 1949, there were 212,819 Federal employees in the District of Columbia area. The monthly pay roll for these workers was in the vicinity of $60,000,000.[5] On this basis, salaries for Federal employees in the District area would amount to about $2,769,230 per basic work day.

* * * * *

Cost of increasing postal employees, leave: The average salary of postal employees in 1949, before the recent postal pay raise, was $3,200 a year.[6] On the basis of 480,000 postal employees, salaries would thus amount to about $1,536,000,000 annually. It is estimated that the pay raise will add about $115,000,000 to salaries, making a total of about $1,651,000,000.[7] Salaries for 1 day would amount to approximately $6,350,000. The cost of increasing postal employees' annual leave by 5 days, from 15 to 20 days, would cost approximately $31,750,000.

The cost per day of increasing sick leave would be the same as for annual leave.

Leave regulations:[8] Under authority of Executive Order 9414 of January 13, 1944, the Civil Service Commission has published annual and sick leave regulations for Federal employees. Those regulations are set forth briefly below.

Annual leave: Permanent employees shall earn and be credited with 26 days of annual leave for each calendar year, accumulated at the rate of 1 day per biweekly pay period. Temporary employees shall earn and be credited with annual leave at the rate of 2½ days for each full continuous month of service. Annual leave may be accumulated to a total of 60 days. Thirty additional days, if earned during the period from September 8, 1939, to July 25, 1947, may be carried until used.

Sick leave: Permanent employees shall earn and be credited with sick leave at the rate of 1¼ days per calendar month. Temporary and "when actually employed" categories earn sick leave at the same rate. A total of 90 days sick leave may be accumulated.

Excepted employees: Certain categories of employees not covered by the above regulations are included in the following table, which is based on 1947 figures.[9]

[1] From testimony of Ismar Baruch, Chief of Personnel Classification Division of the Civil Service Commission, before the Senate Committee on Post Office and Civil Service, Hearings on Salaries of Government Employees, May 9, 1949, p. 1.

[2] Ibid., pp. 2–3.

[3] 80th Cong., 2d sess., Senate Committee on Appropriations, Sick and Annual Leave, committee print, 1948, p. 1.

[4] Ibid., p. 5.

[5] Mrs. Votaw, Federal employment statistical staff, Civil Service Commission, by telephone, Nov. 3, 1949.

[6] Testimony of Postmaster General Jesse M. Donaldson before a subcommittee of the Senate Committee on Post Office and Civil Service, hearings on Adjustment of Postal Rates, March 14, 1949, p. 13.

[7] Representative TOM MURRAY, CONGRESSIONAL RECORD, October 17, 1949, p. 14809.

[8] Unless otherwise noted, source is U. S. Civil Service Commission, Federal Personnel Manual, sections L1 and Z.

[9] Senate Committee on Appropriations, op. cit., p. 10.

Establishment	Number of employees	Leave regulations
1. Treasury Department, White House Police force	99	30 days sick leave each calendar year.
2. Department of the Army, maritime personnel	11,271	Common port practice.
3. Post Office Department, field service	437,753	Wide variety of leave regulations, some apparently cumulative indefinitely.
4. Interior Department, United States Park Service	114	(According to 44 Stat. 834 as amended.)
5. Department of Agriculture	14,500	
Extension Service	(12,000)	Respective State leave systems.
Federal land banks		
Federal intermediate credit banks		
Production Credit Corporations	(2,400)	Subject to Public Law 323, Seventy-fifth Congress. Accumulate sick leave 1¼ days per month to 90 days; annual leave at same rate to 60; plus 1 day for each year of service to 7.
Banks for cooperatives		
General land offices		
Cooperative agents	(100)	State regulations.
6. Department of Commerce, Coast and Geodetic Survey, commissioned officers	157	Same as Navy officers.
7. Federal Security Agency, Public Health Service, commissioned officers	2,008	Same as Army and Navy officers.
8. Maritime Commission, uniformed personnel	952	Annual leave at rate of 2½ days per month to 60.
9. Panama Canal:		
Canal Zone		Prevailing wage rates.
Teachers	273	No annual; 15 day sick cumulative to 45 days.
10. Panama Railroad Company	4	Administratively.
Pier	31	Union agreements.
11. Philippine Alien Property Custodian, aliens	94	8 hours annual each biweekly period; 10 hours sick each month, both cumulative.
12. Veterans' Administration, medical personnel	15,315	2½ days per month annual; 1¼ days per month sick.
13. Temporary employees	42,349	Do.

In addition, the following employees are excepted: (1) Teachers and librarians of public schools in the District of Columbia; (2) temporary employees on construction work at hourly rates; (3) per diem or per-hour employees in emergency, part-time, or intermittent service; (4) persons engaged under contracts; (5) persons employed for less than a month on a piece-price basis; (6) consultants in a "while actually employed" status; (7) physicians, surgeons, or other consultants employed on a fee basis; (8) alien and native labor outside the continental limits of the United States; and, (9) District of Columbia Police and Fire Departments.

Sources: In addition to those sources which are indicated in the footnotes, certain other sources were consulted. These included all the publications of the Senate and House Committees on Post Office and Civil Service during the past few years. These publications included hearings as well as reports. Besides the Federal Employment Statistics Staff, other officials of the Civil Service Commission were consulted, including: David Lawton, Director of Personnel; George Lipscomb, Information Division; and the office of James Hatcher, Chief of Investigations Division. At the Federal Personnel Council, Mrs. Mary Cushing Niles, staff adviser and representative on the Council's Leave Committee, was contacted. The Legislative Reference Service also maintains a file of materials collected from newspapers, periodicals, and other publications on the subject of Government employees' salaries and hours of labor.

(Dudley Ball, Government Section, November 8, 1949.)

EXHIBIT 2

PAID VACATIONS IN INDUSTRY

Vacation plans and procedures in private industry are constantly changing. During the last few decades the trend has been toward granting paid vacations, but there has been little uniformity in the plans adopted. One-fourth of all manufacturing plants in the United States offered vacations with pay prior to World War II. By 1946 three-fourths of all manufacturing plants offered such vacations to manual workers and nine-tenths granted paid vacations to office workers. Probably most common was a 1-week paid vacation for manual workers and 2 weeks for office employees. Some plants allowed added vacation to those who did not use all their sick leave or who had excellent attendance and punctuality records. Absenteeism, on the other hand, sometimes caused a reduction in the amount of vacation granted.[1] A survey made by the National Industrial Conference Board of vacation clauses in 197 union contracts effective during the 1949 vacation season is the most recent study available and revealed that 96 percent of the contracts provided vacations with pay.[2]

Other major items revealed by the Conference Board study were:

1. In 69 percent of the contracts, production employees are receiving a maximum of 2 weeks' paid vacation, regardless of length of service, and 46.9 percent of white-collar contracts have a 2 weeks' maximum. For a third week of vacation the most common requirement is 15 years' service.

2. The War Labor Board formula of 1 week of vacation after 1 year of service and 2 weeks after 5 years is losing support. Twenty-four and five tenths percent of production-worker contracts and 71.3 percent of white-collar contracts provide some vacation for less than a year of service. Forty percent of production contracts grant 2 weeks vacation for anywhere from 1 to 4 years' service.

3. Variations in plans are increasing. In companies granting 2 weeks maximum paid vacation to hourly employees, 27 different ways are used to reach this maximum. Twenty-four varieties of plans are used where more than 2 weeks vacation is granted.

4. There is considerable variation in methods of computing vacation pay. The most common practice for hourly employees is to compute pay on the basis of the employee's regular rate and the number of hours in his regular week. Many contracts, however, provide for averaging or percentage methods to overcome variations in pay during the year or to reflect the time the employee actually worked.

There are three types of plans which are used, with variations, by industry in arriving at the length of vacation to be allowed: (1) All employees with a minimum length of service receive vacations of the same length; (2) the length of vacation varies with the length of service; and, (3) all employees receive the same vacation but pay varies with the length of service. A study made by the Metropolitan Life Insurance Co. about 1945 showed that of 122 companies studied only 4 (3 of which were public utilities) had type (1) above. One hundred and three companies employed type (2). Twelve companies closed their plants and granted pay on the basis of length of service. There are varying definitions of what constitutes continuous service for the purpose of computing vacation time to be allowed. Most companies permit split vacations and allow credit for holidays which fall during the vacation period. Some, as a matter of fact, give extra holiday pay on such occasions.[3] In 1947, six holidays were allowed by the majority of companies. Nearly 12 percent, however, granted more than 8 holidays, the number received by Federal employees.[4]

The following tables, prepared by the National Industrial Conference Board, are reproduced from the Management Record for February 1949.

TABLE 1.—*Paid vacation plans in 100 contracts granting maximum vacation time of 2 weeks (production employees)*

Plan	Total		CIO	A. F. of L.	Independent
	Number	Percent			
1 day/month (maximum, 2 weeks per year)	2	2	----	1	1
2 days/10 weeks (maximum, 2 weeks per year)	1	1	----	1	----
2 days for 6 months, 3 days for 9 months, 1 for 1, 2 for 3	1	1	----	----	1
1 day/2 months (maximum, 1 week for year), 1 additional day for each year after first (maximum, 2 for 5)	1	1	----	1	----
½ week for 6 months, 1 for 1, 2 for 18 months	1	1	1	----	----
½ week for 6 months, 1 for 1, 2 for 2	1	1	----	1	----

[1] Dale Yoder, Personnel Management and Industrial Relations, 3d ed., New York, 1948.

[2] John J. Speed, Vacation Practices—1949, Management Record, February 1949, p. 53.

[3] Management Review, March 1947, pp. 142–144.

[4] National Industrial Conference Board, Vacation and Holiday Practices, New York, 1946, pp. 13–14; Management Record, April 1947, pp. 71–72.

TABLE 1.—*Paid vacation plans in 100 contracts granting maximum vacation time of 2 weeks (production employees)*—Con.

Plan	Total		CIO	A. F. of L.	Independent
	Number	Percent			
½ week for 6 months, 1 for 1, 2 for 3	2	2	2	----	----
½ week for 6 months, 1 for 1, 2 for 5	1	1	1	----	----
1 week for 3 months, 2 for 5	1	1	1	----	----
1 week for 6 months, 2 for 1	3	3	2	1	----
1 week for 6 months (40 hours' pay), 1 week for 3 years (60 hours' pay), 2 for 5	7	7	4	2	1
1 week for 6 months, 2 for 2	1	1	----	1	----
1 week for 6 months, 2 for 5	1	1	1	----	----
1 week for 1 year	3	3	----	1	2
1 week for 1 year (40 hours' pay)	1	1	----	1	----
1 week for 5 (80 hours' pay)	3	3	----	3	----
1 week for 1 year, 1 additional day for each year after first (maximum, 2 for 5)	1	1	----	1	----
1 week for 1 year (2 percent annual earnings), 1 for 3 (3 percent), 2 for 5 (4 percent)	1	1	1	----	----
1 week for 1 year (2 percent of annual earnings), 1 for 3 (3.25 percent), 2 for 5 (4.5 percent)	1	1	----	----	1
1 week for 1 year, 1½ for 2, 2 for 3	2	2	1	1	----
1 week for 1 year, 2 for 2	5	5	1	4	----
1 week for 1 year, 2 for 3	11	11	2	6	3
1 week for 1 year, 2 for 4	2	2	----	1	1
1 week for 1 year, 2 for 5	44	44	20	14	10
2 weeks for 1 year	1	1	----	1	----
2 weeks for 1 year (84 hours pay), 2 for 5 (96 hours pay) 2 for 25 (136 hours pay)	1	1	----	1	----
1 hour for each 21 hours worked	1	1	----	1	----
Total	100	100	37	43	20

TABLE 2.—*Paid vacation plans in 45 contracts granting vacation time of more than 2 weeks (production employees)*

Plan	Total		CIO	A. F. of L.	Independent
	Number	Percent			
11 days for 6 months, 16 days for 4 years	1	2.2	----	----	1
1 day/month (maximum, 2 weeks for year), 3 for 15	1	2.2	1	----	----
1 day/month (maximum, 2 weeks for year), 3 for 20	2	4.4	1	----	1
1 day/2 months (maximum, 1 week for year), 2 for 5, 3 for 20	1	2.2	1	----	----
1 week for 6 months, 2 for 1, 3 for 15	3	6.7	1	1	1
1 week for 6 months, 2 for 2, 3 for 20	1	2.2	----	1	----
As of January 1, 1 week for those with less than 4 months service; 2 weeks for those with more than 4 months, 3 for 15	1	2.2	1	----	----
1 week for 1 year 1 additional day for each year up to 5, 3 for 20	1	2.2	1	----	----
1 week for 1 year, 2 for 2, 3 for 5	1	2.2	----	1	----
1 week for 1 year, 2 for 2, 3 for 10	1	2.2	1	----	----
1 week for 1 year, 2 for 2, 3 for 15	2	4.4	1	----	1
1 week for 1 year, 2 for 2, 3 for 25	1	2.2	----	1	----
1 week for 1 year, 2 for 3, 3 for 12	1	2.2	----	1	----
1 week for 1 year, 2 for 3, 3 for 15	4	8.9	3	1	1
1 week for 1 year, 2 for 3, 3 for 20	2	4.4	----	2	----
1 week for 1 year, 2 for 3, 3 for 25	1	2.2	----	1	----
1 week for 1 year, 2 for 4, 3 for 20	1	2.2	----	----	1
1 week for 1 year, 2 for 5, 3 for 15	4	8.9	4	----	----
1 week for 1 year, 2 for 5, 3 for 20	6	13.3	4	1	1
1 week for 1 year, 2 for 5, 3 for 25	3	6.7	3	----	----
2 weeks for 1 year, 3 for 15	2	4.4	----	2	----
2 weeks for 1 year, 3 for 15, 4 for 25, 5 for 30	1	2.2	----	1	----
2 weeks for 1 year, 3 for 20	2	4.4	----	1	1
2 weeks for 1 year, 3 for 25	1	2.2	1	----	----
Total	45	100.0	23	14	8

TABLE 3.—*Minimum service requirements and vacation allowances in 192 contracts*

Policy	White-collar contracts		Production-worker contracts							
	Total		Total		CIO		AFL		Independent	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1 hour for each 21 hours worked			1	.7			1	1.8		
No time off, but 2 percent of past earnings (for those with less than 1 year employment)			3	2.1			2	3.5	1	3.6
1 day for 1 month	10	21.3	7	4.8	2	3.3	1	1.8	4	14.3
1 day for 2 months			1	.7	1	1.7				
1 day for 3 months	1	2.1								
2 days for 10 weeks			1	.7			1	1.8		
2 days for 3 months			1	.7	1	1.7				
2 days for 6 months			2	1.4			1	1.8	1	3.6
½ week for 6 months	1	2.1	5	3.4	3	5.0	1	1.8	1	3.6
3 days for 6 months			1	.7	1	1.7				
1 week for 3 months	1	2.1	1	.7	1	1.7				
1 week for 4 months			1	.7	1	1.7				
1 week for 6 months	20	42.6	9	6.2	5	8.3	4	7.0		
1 week for 1 year	9	19.1	104	71.7	44	73.3	40	70.2	20	71.4
2 weeks for 1 year	5	10.6	7	4.8	1	1.7	6	10.5		
11 days for 6 months			1	.7					1	3.6
Total	47	100.0	145	100.0	60	100.0	57	100.0	28	100.0

TABLE 4.—*Maximum service requirements and vacation allowances made in 192 contracts*

Policy	White collar contracts		Production worker contracts							
	Total		Total		CIO		AFL		Independent	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1 week for 1 year			6	4.1	2	[1] 3.3	2	3.5	2	7.1
2 weeks for 1 year	17	36.2	9	6.2	2	3.3	6	10.5	1	3.6
2 weeks for 18 months			1	.7	1	1.7				
2 weeks for 2 years	2	4.3	7	4.8	1	1.7	6	10.5		
2 weeks for 3 years	3	6.4	15	10.3	4	6.7	6	10.5	5	17.9
2 weeks for 4 years			2	1.4			1	1.8	1	3.6
2 weeks for 5 years			59	40.7	27	45.0	21	[2] 36.8	11	[2] 39.3
2 weeks for 6 years			1	.7			1	1.8		
Total contracts with 2-week maximum	22	46.9	100	69.0	37	61.7	43	75.4	20	71.4
15 days for 1 year	1	2.1								
2½ weeks for 10 years	1	2.1								
3 weeks for 3 years	2	4.3								
3 weeks for 5 years			1	.7			1	1.8		
3 weeks for 6 years	1	2.1								
3 weeks for 10 years	4	8.5								
3 weeks for 15 years	5	10.7	17	11.7	11	18.3	3	5.3	3	10.7
3 weeks for 20 years	1	2.1	16	11.0	7	11.7	5	8.8	4	14.3
3 weeks for 25 years	3	6.4	6	4.1	4	6.7	2	3.5		
16 days for 4 years			1	.7					1	3.6
4 weeks for 1 year	1	2.1								
4 weeks for 13 years	1	2.1								
4 weeks for 20 years	1	2.1								
4 weeks for 25 years	4	8.5	3	2.1	1	1.7	2	3.5		
5 weeks for 30 years			1	7			1	1.8		
Total contracts granting more than 2 weeks	25	53.1	45	31.0	23	38.3	14	24.6	8	28.6
Total	47	100.0	145	100.0	60	100.0	57	100.0	28	100.0

[1] These companies grant 1 week maximum in time, but grant 2 weeks' pay after 5 years.
[2] 1 company grants 2 weeks' maximum in time, but grants 3 weeks' pay after 25 years.
[3] 1 company grants 2 weeks' maximum in time, but increases pay at completion of 10 and 15 years' service.

The tables above show the plans as they affect those employees who are classified either as wage earners, production workers, and manual workers or as salaried, office, or white-collar employees. No data have been found referring to "technical" employees. It would seem safe to assume that any such classification is included in one of the two categories mentioned above. As for executives, most of them are included in the salaried-workers category, or else have their leave decided on an individual basis. Extra time is often granted executives in recognition of the dire effects of constant tension. Among the 3 to 5 percent of companies which do have a formulated plan for executives, 1 month per year appears to be the most prevalent vacation time.

VACATION PRACTICES IN SPECIFIC INDUSTRIES

The Bureau of Labor Statistics of the Department of Labor made an extensive survey of paid vacation in American industry in 1943–44. The study covered 15,000 establishments and some 4,000,000 workers in the following industries: aircraft, chemicals, electrical machinery, food, iron and steel, leather, lumber, machinery, ordnance, paper, printing and publishing, smeltering, textile, banking, petroleum, mining, laundry, and retail trade. Since there have been many changes in vacation plans since 1943, the data assembled in this study have lost much of their original significance. The findings, however, are still valuable because of the extensiveness of the study and the Bureau's reputation for impartiality. The Bureau found that in the manufacturing industries, the most usual maximum paid vacation was 8–10 days; in nonmanufacturing industries it was 2 weeks. Industries in which vacation provisions were the most common (aircraft, electrical machinery, chemicals, food, and retail trades) also gave the longest vacations. Forty percent of the workers in the food industry, 20 percent of those in the electrical machinery industry, and more than 30 percent of those in department stores had maximum vacations of more than 2 weeks.[5]

In the mining industry, a lump sum vacation payment of $50 was given to all employees with service of 1 year or longer, and 10 days time off. Iron-ore miners received 1 week after 3 years, and 2 weeks after longer periods of service (10 to 15 years). Two-thirds of the nonferrous miners received 1 week after 1 year, and 2 weeks after 5 years; the rest received 1 week after 1 year or more.

In transportation, operating and nonoperating employees of the railroads received 1 week with pay if they had worked 160 days during the year. Railroad clerks and teleg-

[5] U. S. Department of Labor, Bureau of Labor Statistics; Paid Vacations in American Industry, 1943 and 1944, Bulletin No. 811, 1945, 30 pp.

raphers recived 9 days vacation after 2 years, and 12 days after 3 years. Truckers received 1 week after 1 year in the majority of cases, but some received 2 weeks after 1 year or longer. Street-railway and bus employees received a maximum of 2 weeks paid vacation. Maritime employees received vacations as follows: Thirty days after 1 year for licensed officers on tankers; 21 days for unlicensed tanker personnel; 2 weeks after 1 year for officers on dry-cargo ships; 1 week after 1 year, and 2 weeks after 2 years for unlicensed dry-cargo ship personnel.

Public utilities generally granted 1 week after 1 year. Light and power companies gave 2 weeks after 2 to 5 years. Telephone and telegraph companies allowed 2 weeks after 2 years and 3 weeks after 15 to 30 years.

Trade, clerical, and professional workers received 1 week after 1 year or 2 weeks after 2 years. Office, technical, and professional workers received at least 2 weeks vacation after 1 year of service.

In the manufacturing industries generally, 1 week of vacation after 1 year of service was the most common up until 1943. After 1943, 2 weeks after 1 year became increasingly more prevalent. The latest figures furnished by the Bureau study showed that 37 percent of manufacturing workers received a maximum of 1 week of paid vacation; 1 percent received over 1 week but less than 2 weeks; 56 percent received 2 weeks maximum; 2 percent received 3 weeks (meatpacking industry), and the provisions for 4 percent were unknown.

(Dudley B. Ball, Government Section, January 3, 1950.)

EXHIBIT 3

DATA PERTAINING TO SICK LEAVE IN PRIVATE INDUSTRY, TAKEN FROM A COMPARATIVE STUDY OF PROVISIONS FOR PAID ABSENTEEISM IN PRIVATE INDUSTRY WITH LEAVE PROVISIONS FOR GOVERNMENT EMPLOYEES, APRIL 20, 1948

(No significant new studies on the subject of sick leave in industry have been found)

PAID SICK-LEAVE BENEFITS IN INDUSTRY

Data thus far considered on illness and absenteeism has not revealed the extent of paid benefits during illness. In 1945 about 350 collective-bargaining agreements out of a total of 5,000 examined contained paid sick-leave provisions. However, the granting of sick leave without pay, but also without loss of seniority or employment rights, is an established practice and provided for in many contracts.[1]

Studies of prevailing practices for granting sick-leave benefits based upon wage analysis during 1945 and 1946 show that less than 3 percent of the manufacturing establishments had formal plans in operation which provided sick leave for plant workers. Eight percent, however, had such plans for office workers.[2]

Among nonmanufacturing industries such provisions were more common—nearly half of the electric light and power establishments and a third of the retail stores paid workers for time lost while sick.

A study of the wage structure in home offices of life-insurance companies made by the Bureau of Labor Statistics in January 1947 indicates that nearly half of the companies studied—45 percent—had formal provisions for the granting of paid sick leave after 1 year of service with the company. In about half of this group, roughly one-fourth of the establishments studied, provided 2 weeks' sick absenteeism allowance after 1 year's service.[3] Many of the occupations represented in the study of life-insurance offices are numerically important in Government service.

Analysis of the earnings of office clerical workers is now in progress in order to determine prevailing wages paid to this group in different cities throughout the country. Thus far data for only two cities has been made available—Buffalo and Milwaukee. In each city formal provisions for paid sick leave exist in about one-fourth of the establishments studied.[4]

(E. Eleanor Rings, Library of Congress Legislative Reference Service, General Research Section, April 20, 1948.)

[1] U. S. Bureau of Labor Statistics. Sick-leave provisions in union agreements. Bulletin No. 832, pp. 1–2.

[2] Monthly Labor Review, September 1947, p. 334.

[3] U. S. Bureau of Labor Statistics. Wage structure, life insurance, 1947. Series 2, No. 58, p. 3.

[4] U. S. Bureau of Labor Statistics. Mimeographed releases, March 12, 1948, and March 20, 1948.

EXHIBIT 4.—*Comparison of Classification Act rates with weighted average locality rates for selected white-collar jobs in 10 labor markets (per annum rates)*

	Classification Act grade	Classification Act rates			Atlanta, Ga., July 16, 1948; 1,988 employees, 26 firms	Chicago, Ill., Oct. 19, 1948; 8,237 employees, 75 firms	Springfield, Mass., July 29, 1948; 1,403 employees, 19 firms	Kansas City, Mo., Oct. 31, 1948; 1,664 employees, 42 firms	St. Louis, Mo., Oct. 8, 1948; 4,711 employees, 60 firms	New York, N. Y., Feb. 15, 1949; 10,380 employees, 60 firms	Fayetteville, N. C., July 10, 1948; 162 employees, 48 firms	Oklahoma City, Okla., Dec. 3, 1948; 1,920 employees	Columbia, S. C., July 1, 1948; 1,134 employees, 42 firms	Hampton Roads, Va., Jan. 24, 1949; 223 employees, 23 firms
		Minimum	Midpoint	Maximum										
Accounting clerk: Bookkeeper A	CAF-5	$2,974.80	$3,351.00	$3,727.20	$3,099.20	$3,369.60	$3,286.40	$3,036.80	$3,244.80	$3,328.00	----------	$3,224.00	$2,849.60	$2,496.00
Accounting clerk: Bookkeeper B	CAF-4	2,724.00	2,949.72	3,175.44	2,225.60	2,724.80	2,288.00	2,412.80	2,683.20	2,704.00	$2,204.80	2,433.60	2,412.80	1,705.60
Mail clerk	CAF-2	2,284.00	2,498.28	2,724.00	1,747.20	1,934.40	1,518.40	1,830.40	2,017.60	1,934.40	1,830.40	1,955.20	2,080.00	1,747.20
Messenger	CPC-2	2,020.00	2,218.00	2,350.00	1,726.40	1,955.20	1,456.00	1,664.00	2,225.60	1,768.00	1,747.20	1,393.60	1,788.80	1,164.80
Pay-roll clerk	CAF-4	2,724.00	2,949.72	3,175.44	2,433.60	2,704.00	2,080.00	2,267.20	2,600.00	2,849.60	2,288.00	2,724.80	2,579.20	2,329.60
Tabulating machine operator	CAF-3	2,498.28	2,724.00	2,949.72	2,204.80	2,662.40	2,038.40	2,475.20	2,558.40	3,161.60	2,017.60	2,392.00	2,267.20	1,580.80
Calculating machine operator	CAF-2	2,284.00	2,498.28	2,724.00	1,955.20	2,433.60	2,017.60	2,142.40	2,288.00	2,454.40	----------	2,017.60	2,038.40	----------
Key-punch machine operator	CAF-4	2,284.00	2,498.28	2,724.00	1,830.40	2,350.40	1,851.20	1,955.20	2,184.00	2,267.20	----------	2,142.40	1,996.80	----------
Transcribing machine operator	CAF-2	2,284.00	2,498.28	2,724.00	2,142.40	2,496.00	1,747.20	2,080.00	2,225.60	2,537.60	----------	2,121.60	2,163.20	2,537.60
Clerk, general A	CAF-3	2,498.28	2,724.00	2,949.72	1,913.60	2,496.00	1,976.00	2,308.80	2,412.80	2,808.00	1,913.60	1,996.80	2,288.00	1,851.20
Clerk, general B	CAF-2	2,284.00	2,498.28	2,724.00	1,955.20	2,142.40	1,684.80	1,892.80	2,308.80	2,121.60	1,476.80	1,664.00	1,830.40	1,913.60
File clerk	CAF-3	2,498.28	2,724.00	2,949.72	1,726.40	2,121.60	1,580.80	1,830.40	1,876.00	2,059.20	1,581.20	2,246.40	1,768.00	1,643.20
Secretary, private A	CAF-4	2,724.00	2,949.72	3,175.44	2,683.20	3,244.80	2,870.40	2,953.60	2,828.80	3,515.20	2,579.20	2,766.40	2,262.40	2,329.60
Secretary-stenographer B	CAF-3	2,498.28	2,724.00	2,949.72	2,579.20	2,891.20	2,184.00	2,142.40	2,225.60	2,891.20	2,142.40	2,350.40	2,246.40	2,163.20
Stenographer A	CAF-3	2,498.28	2,724.00	2,949.72	2,267.20	2,600.00	2,059.20	2,204.80	2,267.20	2,662.40	2,080.00	2,350.40	2,246.40	2,558.40
Stenographer B	CAF-2	2,284.00	2,498.28	2,724.00	1,934.40	2,350.40	2,080.00	1,643.20	1,913.60	2,288.00	1,664.00	1,955.20	2,038.40	2,308.80
Typist A	CAF-2	2,284.00	2,498.28	2,724.00	1,747.20	2,329.60	1,996.80	2,038.40	2,038.40	2,267.20	2,163.20	2,371.20	2,142.40	2,350.40
Typist B	CAF-1	2,086.00	2,284.00	2,498.28	1,788.80	2,038.40	1,643.20	2,017.60	2,059.20	2,038.40	1,872.00	1,768.00	2,038.40	----------
Telephone operator	CAF-2	2,284.00	2,498.28	2,724.00	1,976.00	2,433.60	1,955.20	2,121.60	2,184.00	2,516.80	1,747.20	2,100.30	1,851.20	1,705.60
		46,016.20	50,308.40	54,642.40	39,936.00	47,278.40	38,313.60	41,017.60	44,241.60	48,172.80	29,577.60	41,974.40	41,288.00	32,385.60
Average	----------	2,421.91	2,647.81	2,875.92	2,101.89	2,488.34	2,016.51	2,158.82	2,328.51	2,535.41	1,971.80	2,209.18	2,173.05	2,036.60

NOTE.—Pay raises averaging $125 have been given to Government workers since this table was made. Pay increases for specific classification are listed below.

Source: Testimony of Martin J. Friedman, chief of the technical staff of the Army and Air Force Wage Board, given May 11, 1949, before a subcommittee of the Senate Post Office and Civil Service Committee during hearings on salaries of Federal Government employees (p. 92 of the hearings).

The pay scales of the Classification Act of 1949

GENERAL SCHEDULE

[The rates for the general schedule are in italic type and are listed immediately below the corresponding rates of the former professional and scientific, subprofessional, and clerical, administrative and fiscal services]

Service and grade				Basic pay rates								
P	SP	CAF	GS									
	1			$2,020	$2,086	$2,152	$2,218	$2,284	$2,350	$2,423.04		
		1			2,086	2,152	2,218	2,284	2,350	2,423.04	$2,498.28	
	2					2,152	2,218	2,284	2,350	2,423.04	2,498.28	$2,573.52
			1	*2,200*	*2,200*	*2,280*	*2,360*	*2,440*	*2,520*	*2,600*	*2,680*	*2,680*
	3	2		2,284	2,350	2,423.04	2,498.28	2,573.52	2,648.76	2,724		
			2	*2,450*	*2,530*	*2,610*	*2,690*	*2,770*	*2,850*	*2,930*		
	4	3		2,498.28	2,573.52	2,648.76	2,724.00	2,799.24	2,874.48	2,949.72		
			3	*2,650*	*2,730*	*2,810*	*2,890*	*2,970*	*3,050*	*3,130*		
	5	4		2,724	2,799.24	2,874.48	2,949.72	3,024.96	3,100.20	3,175.44		
			4	*2,875*	*2,955*	*3,035*	*3,115*	*3,195*	*3,275*	*3,355*		
1	6	5		2,974.80	3,100.20	3,225.60	3,351	3,476.40	3,601.80	3,727.20		
			5	*3,100*	*3,225*	*3,350*	*3,475*	*3,600*	*3,725*	*3,850*		
	7	6		3,351	3,476.40	3,601.80	3,727.20	3,852.60	3,978	4,103.40		
			6	*3,450*	*3,575*	*3,700*	*3,825*	*3,950*	*4,075*	*4,200*		
2	8	7		3,727.20	3,852.60	3,978	4,103.40	4,228.80	4,354.20	4,479.60		
			7	*3,825*	*3,950*	*4,075*	*4,200*	*4,325*	*4,450*	*4,575*		
		8		4,103.40	4,228.80	4,354.20	4,479.60	4,605	4,730.40	4,855.80		
			8	*4,200*	*4,325*	*4,450*	*4,575*	*4,700*	*4,825*	*4,950*		
3		9		4,479.60	4,605.00	4,730.40	4,855.80	4,981.20	5,106.60	5,232		
			9	*4,600*	*4,725*	*4,850*	*4,975*	*5,100*	*5,225*	*5,350*		
		10		4,855.80	4,981.20	5,106.60	5,232	5,357.40	5,482.80	5,608.20		
			10	*5,000*	*5,125*	*5,250*	*5,375*	*5,500*	*5,625*	*5,750*		
4		11		5,232	5,482.80	5,733.60	5,984.40		6,235.20			
			11	*5,400*	*5,600*	*5,800*	*6,000*	*6,200*	*6,400*			
5		12		6,235.20	6,474.60	6,714	6,953.40	7,192.80				
			12	*6,400*	*6,600*	*6,800*	*7,000*	*7,200*	*7,400*			
6		13		7,432.20	7,671.60	7,911	8,150.40	8,389.80				
			13	*7,600*	*7,800*	*8,000*	*8,200*	*8,400*	*8,600*			
7		14		8,509.50	8,808.75	9,108		9,407.25	9,706.50			
			14	*8,800*	*9,000*	*9,200*	*9,400*	*9,600*	*9,800*			
8		15				10,305	10,330					
			15	*10,000*	*10,250*	*(10,500)*	*10,500*	*10,750*	*11,000*			
			16	*11,200*	*11,400*	*11,600*	*11,800*	*12,000*				
			17	*12,200*	*12,400*	*12,600*	*12,800*	*13,000*				
			18	*14,000*								

CRAFTS, PROTECTIVE AND CUSTODIAL SCHEDULE

[The new rates for the crafts, protective and custodial schedule are in italic type and are shown just below the corresponding rates of the former crafts, protective and custodial service. The grade numbers are the same.]

CPC-1	$1,410		$1,500	$1,588		$1,660	$1,732
	1,510	*$1,570*	*1,630*	*1,690*	*$1,750*	*1,810*	*1,870*
CPC-2	2,020	2,086	2,152	2,218	2,284	2,350	
	2,120	*2,190*	*2,260*	*2,350*	*2,400*	*2,470*	*2,540*
CPC-3	2,152	2,218	2,284	2,350	2,423.04	2,498.28	
	2,252	*2,332*	*2,412*	*2,492*	*2,572*	*2,652*	*2,732*
CPC-4	2,350	2,423.04	2,498.28	2,573.52	2,648.76	2,724	2,799.24
	2,450	*2,530*	*2,610*	*2,690*	*2,770*	*2,850*	*2,930*
CPC-5	2,573.52	2,648.76	2,724	2,799.24	2,874.48	2,949.72	3,024.96
	2,674	*2,754*	*2,834*	*2,914*	*2,994*	*3,074*	*3,154*
CPC-6	2,799.24	2,874.48	2,949.72	3,024.96	3,100.20	3,175.44	3,250.68
	2,900	*2,980*	*3,060*	*3,140*	*3,220*	*3,300*	*3,380*
CPC-7	3,024.96	3,100.20	3,175.44	3,250.68	3,351	3,476.40	3,601.80
	3,125	*3,225*	*3,325*	*3,425*	*3,525*	*3,625*	*3,725*
CPC-8	3,225.60	3,351	3,476.40	3,601.80	3,727.20	3,852.60	3,978
	3,400	*3,525*	*3,650*	*3,775*	*3,900*	*4,025*	*4,150*
CPC-9	3,601.80	3,727.20	3,852.60	3,978	4,103.40	4,228.80	4,354.20
	3,775	*3,900*	*4,025*	*4,150*	*4,275*	*4,400*	*4,525*
CPC-10	3,978	4,103.40	4,228.80	4,354.20	4,479.60	4,605	4,730.40
	4,150	*4,275*	*4,400*	*4,525*	*4,650*	*4,775*	*4,900*

Notes on these two schedules: (1) Part-time charwomen and part-time head charwomen are paid at the rate of $2,400 per annum and $2,540 per annum, respectively. (2) The act places numerical limitations on the number of positions that can be in grades GS–16, GS–17, and GS–18 at any one time: 300 in GS–16, 75 in GS–17, and 25 in GS–18. (3) The fourth rate in grades having a sixth-rate range is considered the middle rate for actions required under the efficiency rating system.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I send to the desk an amendment and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 6, line 17, it is proposed to strike out the period after the word "law", insert a colon, and add: *"Provided further,* That hereafter, the amount of annual leave for Government employees, including the employees of the postal service, shall be at the rate of 20 days per year and the amount of sick leave shall be at the rate of 12 days per year for classified, postal, and wage-board employees."

Mr. McKELLAR and Mr. JOHNSTON of South Carolina addressed the Chair.

The VICE PRESIDENT. The Senator from Tennessee is recognized.

Mr. McKELLAR. I yield, if the Senator from South Carolina desires to proceed. I expect we both have in mind doing the same thing, namely, making a point of order against the proposed amendment as being legislation on an appropriation bill.

Mr. JOHNSTON of South Carolina. The Senator is correct.

Mr. DOUGLAS. I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from South Carolina make the point of order against the amendment?

Mr. JOHNSTON of South Carolina. I make the point of order.

The VICE PRESIDENT. On the ground that the amendment is legislation on an appropriation bill?

Mr. JOHNSTON of South Carolina. Yes, Mr. President; on the ground that it is legislation on an appropriation bill.

The VICE PRESIDENT. The point of order is made, and the point of order is also made that a quorum is not present, which takes precedence over the other point of order. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	George	Kilgore
Brewster	Graham	Knowland
Bricker	Green	Langer
Butler	Gurney	Lehman
Cain	Hayden	Lodge
Capehart	Hendrickson	Lucas
Connally	Hickenlooper	McCarthy
Cordon	Hill	McClellan
Darby	Holland	McKellar
Donnell	Humphrey	McMahon
Douglas	Hunt	Magnuson
Dworshak	Ives	Maybank
Ecton	Johnson, Colo.	Millikin
Ellender	Johnson, Tex.	Mundt
Ferguson	Johnston, S. C.	Murray
Flanders	Kefauver	Myers
Frear	Kem	Neely
Fulbright	Kerr	O'Mahoney

Robertson	Taylor	Wherry
Schoeppel	Thomas, Okla.	Wiley
Smith, Maine	Thye	Williams
Smith, N. J.	Tobey	Withers
Sparkman	Tydings	Young
Stennis	Watkins	

The VICE PRESIDENT. A quorum is present.

The Senator from Illinois [Mr. DOUGLAS] offered an amendment to the bill, to which the Senator from South Carolina [Mr. JOHNSTON] has made a point of order on the ground that it is legislation on an appropriation bill. The Chair thinks it is obviously subject to the point of order. The amendment does not affect any appropriation in the bill. It is not a limitation on any appropriation in the bill. It would change existing law with reference to leave of absence on the part of Federal employees, and, therefore, is in violation of rule XVI, paragraph 4, which provides that no amendment changing existing law shall be received on a general appropriation bill.

Therefore the Chair sustains the point of order.

Mr. DOUGLAS. Mr. President, in accordance with the notice of intent filed with the Senate on February 27, I move to suspend the rule, and ask for the yeas and nays on that motion.

The VICE PRESIDENT. The Senator from Illinois has moved to suspend the rule to make the amendment in order, and has asked for the yeas and nays on his motion.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Kentucky [Mr. CHAPMAN], the Senator from North Carolina [Mr. HOEY], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Connecticut [Mr. BENTON] and the Senator from California [Mr. DOWNEY] are necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Iowa [Mr. GILLETTE], the Senator from Arizona [Mr. MCFARLAND], the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Georgia [Mr. RUSSELL] is absent because of a death in his family, and if present would vote "yea."

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. LEAHY], the Senator from Nevada [Mr. MCCARRAN], the Senator from Maryland [Mr. O'CONOR], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. I announce that the Senator from Nevada [Mr. MALONE], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Oregon [Mr. MORSE] is absent by leave of the Senate. If present and voting, the Senator from Oregon would vote "nay."

The Senator from Indiana [Mr. JENNER], the Senator from Ohio [Mr. TAFT], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

The result was announced—yeas 15, nays 56, as follows:

YEAS—15

Bricker	Ferguson	Lehman
Butler	Flanders	Smith, N. J.
Cain	Fulbright	Tydings
Cordon	Kem	Wherry
Douglas	Knowland	Williams

NAYS—56

Aiken	Humphrey	Mundt
Brewster	Hunt	Murray
Capehart	Ives	Myers
Connally	Johnson, Colo.	Neely
Darby	Johnson, Tex.	O'Mahoney
Donnell	Johnston, S. C.	Robertson
Dworshak	Kefauver	Schoeppel
Ecton	Kerr	Smith, Maine
Ellender	Kilgore	Sparkman
Frear	Langer	Stennis
George	Lodge	Taylor
Graham	Lucas	Thomas, Okla.
Green	McCarthy	Thye
Gurney	McClellan	Tobey
Hayden	McKellar	Watkins
Hendrickson	McMahon	Wiley
Hickenlooper	Magnuson	Withers
Hill	Maybank	Young
Holland	Millikin	

NOT VOTING—25

Anderson	Hoey	O'Conor
Benton	Jenner	Pepper
Bridges	Leahy	Russell
Byrd	Long	Saltonstall
Chapman	McCarran	Taft
Chavez	McFarland	Thomas, Utah
Downey	Malone	Vandenberg
Eastland	Martin	
Gillette	Morse	

The VICE PRESIDENT. Two-thirds of the Senate not having voted in favor thereof the motion to suspend the rule is rejected.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

Mr. LEHMAN. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator from New York rise?

Mr. LEHMAN. Has the vote on the motion to suspend the rule been announced?

The VICE PRESIDENT. It has.

Mr. LEHMAN. I was not present at the time of the debate on the motion. I should like to change my vote from "yea" to "nay."

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, does such a request require unanimous consent?

The VICE PRESIDENT. It does.

Is there objection to the request of the Senator from New York? The Chair hears none, and the Senator's vote will be changed accordingly.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 7207) was passed.

Mr. MCKELLAR. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MCKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2246.

The VICE PRESIDENT. The bill will be stated by title, from the information of the Senate.

The CHIEF CLERK. A bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. MAYBANK. Mr. President, I should like to ask the Senator from Illinois whether it is contemplated that the Senate will take a recess in a few minutes, and will proceed further with the bill tomorrow.

Mr. LUCAS. That is likely.

Mr. TOBEY. Mr. President, on behalf of the Senator from New York [Mr. IVES] and myself, I submit amendments intended to be proposed by us to the substitute amendment proposed by the Committee on Banking and Currency to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, which has just been made the unfinished business of the Senate. I ask unanimous consent that an explanatory statement prepared by us be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table; and, without objection, the explanatory statement will be printed in the RECORD.

The explanatory statement presented by Mr. TOBEY on behalf of himself and Mr. IVES, is as follows:

MEMORANDA RE SUBSTITUTE TITLE III BY SENATOR TOBEY AND SENATOR IVES

We are today proposing a complete substitute to the Maybank amendment to title III of S. 2246. In so doing we are seeking to accomplish what we believe all of us on the Banking Committee agree upon, namely, a sound constructive approach toward the encouragement of cooperative housing in America.

We wish to state that we disagree with the reasons advanced that the Maybank proposals to amend title III of S. 2246 are the best or only way to accomplish what we all

seek to do. In fact, we are convinced beyond a reasonable shadow of doubt that the discriminatory interest rates, the billion dollars of new Government liability, and the creation of a new bureaucracy will in themselves be injurious to the objective of sound cooperative housing. What we need is a sound, moderate, constructive program and not a financial scheme.

Our amendment falls within the over-all pattern of FHA mortgage insurance and is in accord with the views presented this committee by the Federal Reserve Board.

The important points in our proposal are as follows:

1. The amendment which we are offering retains the preamble to the Maybank cooperative-housing amendment, which was suggested by Senator FLANDERS, indicating our firm belief in the cooperative program.

2. We have provided for a certain degree of independence for the new Assistant Federal Housing Commissioner who will direct this program by providing for his appointment by the President, by and with the advice and consent of the Senate, although within the Federal Housing Administration.

3. We have provided for technical aid and assistance to cooperatives and our amendment will make possible the preliminary advance of funds in the sum of $10,000,000 as contrasted with $25,000,000 made available for the same purpose in the Maybank amendment.

4. In order further to encourage and expedite the cooperative housing program, our amendment provides that the previous criteria applied by the Federal Housing Administrator, namely, that the principal activity of the mortgagee is lending on or investing in mortgages and the mortgagee has had experience in mortgage investment, need not be controlling, if the Commissioner determines that such mortgagee can adequately service the mortgage.

For example, labor unions or other nonprofit organizations, who could not meet the previous criteria and who have funds available, can participate as a mortgagee in this program under the expanded definition.

5. To assist in determining additional appropriate and desirable legislative and other means for encouraging the development of cooperative and similar housing corporations and for facilitating the production of housing by such corporations our amendment authorizes and directs the Commissioner to undertake and conduct full and complete studies including but not limited to:

(1) Studies of methods for promoting the organization of private regional and local cooperative housing associations or similar organizations to build or operate (or to both build and operate) housing accommodations, and (i) to make experience gained in connection with such housing fully available to other such organizations, (ii) to consolidate, wherever feasible and in the interests of greater efficiency and economy, the personnel and facilities used for the development and management of cooperative housing, and (iii) to establish and maintain competent skills and services required to supply to other such organizations the technical advice and assistance required in the planning, financing, development, construction, acquisition, and operation and management of cooperative housing.

(2) Studies of methods for securing, from both existing and untapped sources, the maximum amount of private investment in housing developed by cooperative housing corporations and similar organizations.

(3) Studies of methods for reducing costs and charges to the occupants of cooperative housing through reduced interest rates on private housing loans, reduced original capital costs, lower maintenance and repair costs, self-help, and other means.

(b) The Commissioner shall report to the Congress within 2 years after the date of enactment of this act the results of his studies with such recommendations for legislation or otherwise as he may deem desirable.

Mr. MAYBANK subsequently said: Mr. President, I desire to request that in the body of the RECORD there be placed a summary of the substitute amendment for Senate bill 2246, so that Senators may have an opportunity to review the various provisions in titles I, II, III, IV, V, and VI. Since the bill was debated last fall, an entirely new bill has been drafted, and there are many changes that I think would interest Senators. I ask that the brief explanation of the various titles be printed in the body of the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF SUBSTITUTE AMENDMENT FOR S. 2246

TITLE I

Extends until July 1, 1952, FHA title I, insurance of loans for modernization and repair. Expired March 1, 1952.

Changes the present complicated formula limiting the Government liability on the loans to a single over-all outstanding loan limitation of $1,250,000,000. This, in effect, increases the total authorization by $5,000,000.

To encourage construction and sale of very low-cost houses, particularly in suburban and rural areas substitute a new section 8 FHA-type insured loan for old class 3 loan (maximum loan, $4,500—20 years, 5 months) which were not processed, insured, appraised, or inspected by FHA. New section 8 loans would be 95-percent insured up to appraised value of $5,000 ($4,750 mortgage) and maximum mortgage limit of $5,500 when Commissioner finds cost levels in area require it. The criteria of acceptable risk would be applied rather than economically sound as in the case of most other FHA mortgages. The loans would be purchasable by FNMA up to 100 percent of total in lender's portfolio. Total loans outstanding limited to $100,000,000 unless increased by President to $250,000,000.

Increase in FHA title II (regular sale and rental-housing program) revolving fund authorization by $750,000,000 immediately and by one billion additional at the discretion of the President.

Increases the mortgage ceilings on lower priced or "economy" houses from $6,000 to $6,650 and permits insurance on 30-year loans up to 95 percent of value. Allows $950 a room increase in mortgage ceiling for third and fourth bedroom. Thus encourages $7,000 two-bedroom, with a down payment of $350; $8,000 three-bedroom, with a down payment of $400; and $9,000 four-bedroom, with a down payment of $450.

Liberalizes old section 207 for rental housing so as to provide for the continuation of section 608 type program on a sounder basis. Provides a 90-percent loan on first $7,000 value (not current cost as under 608), and 60 percent on value between $7,000 and $10,000. To encourage large size units the maximum ceiling on units averaging less than four and one-half rooms would be $7,200, as compared with $8,100 where the average size is four and one-half rooms.

Liberalizes FHA loan insurance for cooperatives by permitting 40-year, 4-percent mortgages up to 100 percent replacement cost of property where 75 percent of the group or more are veterans. The amount of the mortgage would decrease in accordance with the proportion of veterans in the cooperative to 90 percent where there are no veterans in the cooperative. This type of cooperative would not be limited to the moderate-income group and would permit transfer of individual title.

Section 116 permits FNMA to purchase free from the 50-percent limitation insured mortgages in low-cost sale housing, housing for cooperatives, and rental housing.

TITLE II

Permits disposal of all war and veteran temporary housing to States, local public agencies, educational institutions, and nonprofit organizations upon their request without reimbursement except for the cost to the Government of any land involved.

Remaining to be disposed as of September 30, 1949, 62,800 veterans reuse housing and 162,000 temporary war housing.

Provides for sale of 95,000 permanent units, first preference to veterans organized on a mutual ownership or cooperative basis and provides for preference to veteran occupants, nonveteran occupants, etc. Transfers 149 projects containing 43,709 dwellings for use as low-rent public housing.

Transfers farm-labor camps from Department of Agriculture to public-housing agency. (40 camps, 1,500 standard dwellings, and 8,000 other accommodations.)

TITLE III

Sets up National Mortgage Corporation for housing cooperatives in housing and home finance agency which would make loans to housing cooperatives for a period not exceeding 50 years. One hundred million dollars capital stock initially subscribed by Government and retired after capital reaches $150,000,000 by stock subscription by cooperative members. Issues insured debentures and charges cooperative interest rates which include the cost of interest on debentures plus service costs and one-fourth percent reserve (estimate 3½ percent interest on initial mortgages). Two hundred and fifty million dollars initial authorization plus $750,000,000 with approval of President. Cooperatives subscribe 10 percent of value of project for capital stock of corporation, 2½ percent payable on application for loan, 2½ percent on occupancy and 5 percent over 20 years. Provides for technical assistance and preliminary loan of $25,000,000.

TITLE IV

Raises the VA guaranty from 50 percent to 60 percent with a guaranty limit of $7,500 rather than $4,000 as it is now. Permits VA to make direct loans (authorizes $150,000,000) where private capital is not available. Makes special provisions to facilitate farm-home loans. Eliminates costly 505a combination FHA-VA loans. Provides mandatory minimum construction requirements.

TITLE V

Provides a revolving fund of $300,000,000 for loans (40 years at 2½ percent) to institutions of higher learning to house students and faculties—new construction, alterations, conversions, or improvement of existing structures where necessary for the proposed housing use.

TITLE VI

Permits the President to reduce authorizations, ratios of loans to value, or maximum maturities of loans in light of general economic conditions and conditions in building industry.

Authorizes $25,000,000 in loans to aid prefabricated-housing erection, site improvement, or other financing. Puts it under HHFA rather than in RFC.

Technical and miscellaneous amendments.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the calendar.

CIVIL AERONAUTICS BOARD

The Chief Clerk read the nomination of Josh Lee, of Oklahoma, to be a member of the Civil Aeronautics Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. WHERRY subsequently said: Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. The Executive Calendar, which was handed to me, did not have on it the name of the first nomination which was read by the Clerk, that of Mr. Josh Lee, to be a member of the Civil Aeronautics Board. There is no objection to the confirmation. I have been informed that the nomination has been on the calendar a sufficient length of time, but, through an error, was omitted in the printing.

The VICE PRESIDENT. The nomination was reported yesterday, and would have been on the printed calendar, except for an oversight.

Mr. WHERRY. Mr. President, I have been objecting, and shall continue to object, to nominations which have not been on the calendar a sufficient length of time. I want the RECORD to show that this is merely a printing error, and that I am not objecting to the confirmation.

VIRGIN ISLANDS

The Chief Clerk read the nomination of Morris F. de Castro, of the Virgin Islands, to be Governor of the Virgin Islands.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. O'MAHONEY. Mr. President, with respect to the action of the Senate just now in confirming the nomination of Morris F. de Castro to be Governor of the Virgin Islands, I desire to state that it is a notable appointment. Mr. de Castro, now acting Governor of the Virgin Islands, was born in Panama, of native parents, both father and mother, of St. Thomas, in the Virgin Islands. He has been in the government of the Virgin Islands for the past 31 years, and has made a record of outstanding efficiency and ability. Members of the Senate Committee on Interior and Insular Affairs, including the ranking Republican member, the senior Senator from Nebraska [Mr. BUTLER], who last year was chairman of the committee, have become very well acquainted with Mr. de Castro on their visits to the islands, and they feel, without exception, that he is a man of outstanding qualities and that his nomination and its confirmation represent a substantial forward step in the government of the Virgin Islands.

Acting Governor de Castro is regarded as a native by the Virgin Islanders themselves, having been educated there as well as having served for more than three decades in the government. The Committee on Interior and Insular Affairs has received a resolution from the local government of St. Thomas, the capital of the Virgin Islands, endorsing Mr. de Castro in the highest terms.

The junior Senator from Rhode Island [Mr. LEAHY], who was a member of the Committee on Interior and Insular Affairs at the last session, and who is absent now from the session today because of illness, asked me to announce that following the adjournment of Congress last October, he went to the Virgin Islands as a member of our committee to report on the problems of the Islands, and met Mr. de Castro at that time. He has offered the same high opinion of his character and qualifications as I have already expressed on behalf of other Members. I am glad to make this announcement for the junior Senator from Rhode Island.

Mr. BUTLER. Mr. President, I should like to associate myself with the remarks just made by the chairman of the Committee on Interior and Insular Affairs [Mr. O'MAHONEY], with regard to the appointment of the Honorable Morris F. de Castro. It is true, as the chairman just said, that, as a member of the committee, I have had some association with the affairs of the Virgin Islands for a number of years. I visited the islands several times. I can say, without any question whatever, the people of the Virgin Islands will be tremendously pleased to have for the first time in their history a native son as their governor. During the Eightieth Congress, if my memory serves me correctly, Puerto Rico received with gratitude the appointment of Governor Piñero, who at one time was a delegate from Puerto Rico. He was appointed by the President to become the first native-born governor. Following that, the organic act was amended to permit them to elect their governor. They now have their first elected governor. I think the pleasure which the people of the Virgin Islands may get from this appointment will be comparable only to the pleasure which has been expressed so many times by the people of Puerto Rico in having a governor of their own selection. It is true, as the distinguished chairman of the committee has stated, that Mr. de Castro has been a Federal employee in the Virgin Islands since 1918, a period of nearly 32 years, with a splendid record. I have here the details of that record, which I desire to insert in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The following is the record of service in the Government of the Virgin Islands of Morris F. de Castro:

He joined the government service in September 1918 as clerk in the local sanitation department; was appointed chief clerk in the office of the government secretary in February 1921, and served in that capacity until July 1931, the greater part of the naval and until the commencement of the civil administration; assistant commissioner of finance and assistant government secretary from June 1931 until November 1934; commissioner of finance from November 1934 to September 1944; executive assistant to the Governor from September 1944 to November 1945; received Presidential appointment as government secretary on November 5, 1945, which position he holds at the present time; served on a number of occasions every year, for several months at a time, from the year 1934 as Acting Governor; was in charge of civilian defense operations here throughout World War II, and this organization was commended by the Office of Civilian Defence as one of the best in the area; was commended by the Office of Price Administration for commencing the program of price control, and was awarded the selective service medal and citation for service of deputy director of selective service during the drafting operations.

INTERSTATE COMMERCE COMMISSION

The Chief Clerk read the nomination of Richard F. Mitchell to be an Interstate Commerce Commissioner.

Mr. JOHNSON of Colorado. Mr. President, I ask that the nomination go over until Monday next. The Committee on Interstate and Foreign Commerce yesterday unanimously voted in favor of confirmation, but it seems that a citizen of Iowa—and Commissioner Mitchell comes from Iowa—desires to enter a protest.. I desire to have the nomination go over until the protest is received, in order that we may understand the nature of it.

The VICE PRESIDENT. Is there objection to the request of the Senator? The Chair hears none, and it is so ordered.

UNITED STATES COAST GUARD

The Chief Clerk read the nomination of Capt. Alfred C. Richmond to be Assistant Commandant of the United States Coast Guard.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Capt. Arthur G. Hall to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Capt. Norman H. Leslie to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. LUCAS. Mr. President, I ask that the President be notified immediately of all nominations confirmed today.

The VICE PRESIDENT. Without objection, the President will be notified immediately.

RECESS

Mr. JOHNSON of Texas. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 44 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 10, 1950, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 9 (legislative day of March 8), 1950:

CIVIL AERONAUTICS BOARD

Josh Lee, of Oklahoma, to be a member of the Civil Aeronautics Board for a term of 6 years expiring December 31, 1955.

VIRGIN ISLANDS

Morris F. de Castro to be Governor of the Virgin Islands.

UNITED STATES COAST GUARD

Capt. Alfred C. Richmond to be Assistant Commandant of the United States Coast Guard, for a period of 4 years, with the rank of rear admiral.

To be rear admirals, United States Coast Guard

Capt. Arthur G. Hall
Capt. Norman H. Leslie

IN THE NAVY

APPOINTMENT IN THE NAVY

Vice Adm. Calvin T. Durgin, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, First Fleet.

The following-named officers of the Navy for temporary appointment to the grade of rear admiral in the corps indicated:

Harry B. Jarrett, in the line.
Frederick C. Greaves, in the Medical Corps.
John Q. Owsley, in the Medical Corps.
Charles L. Austin, in the Supply Corps.
George F. Yoran, in the Supply Corps.

The following-named officers of the Navy for temporary appointment to the grade of captain in the line, subject to qualification therefor as provided by law:

Jay S. Anderson	Bafford E. Lewellen
Richard K. Anderson	John G. Lewis
George D. Arntz	Robert E. Lockwood
Robert P. Beebe	Albert D. Lucas
Sherman W. Betts	Francis W. McCann
James O. Biglow	Francis A. McKee
Charles T. Booth II	Bernard F. McMahon
William B. Braun	Donald J. MacDonald
John H. Brockway	George B. Madden
Charles B. Brooks, Jr.	Sanford L. Mead
Elliott M. Brown	Francis B. Merkle
Bruce L. Carr	Alfred B. Metsger
Max L. Catterton	John O. Miner
John L. Chew	George W. Molesworth
Charles O. Cook, Jr.	Philip W. Mothersill
Richard H. Crane	Henry Mullins, Jr.
John D. Crowley	Ray C. Needham
Freeman Cutter	Carl F. Nieberle
Earle V. Dennett	George R. Over
Lucian F. Dodson	George E. Peckham
John O. F. Dorsett	James M. Peters
Rudolph J. Fabian	Lawson P. Ramage
William H. Farmer	Frank G. Raysbrook
John B. Fellows, Jr.	Henry A. Renken
Reid P. Fiala	James R. Z. Reynolds
Maxim W. Firth	Robert M. Reynolds
Robert A. Fitch	Berton A. Robbins, Jr.
John A. Fitzgerald	Edward L. Robertson, Jr.
Joseph E. Flynn	Anthony C. Roessler
Joseph F. Foley	Thomas W. Rogers
Archie D. Fraser	Albert K. Romberg
Peter M. Gaviglio	Emery Roughton
Harry M. S. Gimber, Jr.	Walter P. Schoeni
Emmanuel T. Goyette	William B. Sieglaff
Myron W. Graybill	Ronald K. Smith
Edward H. Guilbert	Victor H. Soucek
Byron L. Gurnette	Richard C. Steere
Oscar E. Hagberg	Eugene Tatom
John F. Harper, Jr.	Robert A. Theobald, Jr.
George A. Hatton	Theodore A. Torgerson
Claude V. Hawk	Thomas D. Tyra
Richard R. Hay	Gordon A. Uehling
Nelson M. Head	Schermerhorn Van-Mater
Paul F. Heerbrandt	Louis F. Volk
Robert B. Heilig	Hazlett P. Weatherwax
Morris A. Hirsch	John A. Webster
William W. Hollister	Karl R. Wheland
Ernest C. Holtzworth	Albert F. White
Edwin B. Hooper	Donald T. Wilber
Robert E. Hudson	George K. Williams
John N. Hughes	Lowell W. Williams
Raymond P. Hunter	Russell C. Williams
Francis J. Johnson	Walter C. Wingard, Jr.
Ashton B. Jones, Jr.	Darwin M. Wisehaupt
Victor A. King	James M. Wood
Charles C. Kirkpatrick	Edward A. Wright
Peter R. Lackner	Sinclair B. Wright
Sidney J. Lawrence	John T. Wulff
William R. LeFavour	

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy from the 2d day of June 1950:

Richard T. Ackley	John R. Allen
William Acosta	Roger D. Alling
Robert D. Albright	Allen E. Alman
Daniel G. Anderson, Jr.	Richard W. Arnold, Jr.
Lyle C. Anderson	Paul W. Arthur
Ralph E. Anfang	Anthony A. Attardi
William M. Apgar	Robert I. Backstrom
John L. Appel, Jr.	Donald C. Buseck
Robert J. Armstrong	James E. Johnson
Henry J. Arnold	Jack C. Scarborough, Jr.

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Supply Corps of the Navy from the 2d day of June 1950:

Francis B. Quinlan	John B. Sherman
Alois E. Schmitt, Jr.	Max L. Washington

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Civil Engineer Corps of the Navy from the 2d day of June 1950:

Renato T. DiStefano, Jr.	Harvey M. Soldan
Byron A. Nilsson	Gene F. Straube

James H. Longworth (Naval Reserve aviator) to be an ensign in the Navy.

The following-named (civilian college graduates) to the grades indicated in the Dental Corps of the Navy:

LIEUTENANTS (JUNIOR GRADE)

William N. Grammer
Ray B. Mueller

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Lawrence B. Frey, Jr.	Donald C. Olson
Thomas R. Haufe	Burton D. Ostergren

Goldie D. Greer to be an ensign in the Nurse Corps of the Navy.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 9, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the Father of all mankind, with gladness and gratitude we invoke Thy blessing, conscious of our needs and constrained by Thy grace.

Always and everywhere we need Thee; in our weakness to encourage and sustain us; in our strength to discipline and direct us.

Inspire us with a faith that daily defies despair, a hope that makes the future more radiant, and a love that conquers everything.

Grant that at the close of each day we may be crowned with the diadem of Thy praise, "Well done, thou good and faithful servant; enter thou into the peace and joy of thy Lord."

In Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2023) entitled "An act to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes."

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a resolution from the City Council of Revere, Mass.

Mr. KILDAY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address delivered by Gen. Omar Bradley.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from Mr. C. Stanley Smith, an eminent scientist, on the Smith amendment to the National Science Foundation bill.

Mr. HELLER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter to the Secretary of State.

Mr. RIVERS asked and was given permission to extend his remarks in the Appendix of the RECORD and include some newspaper articles.

THE BRITISH OIL SITUATION

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, it was gratifying to me, and I know to many other Members of the House, to learn that the ECA is holding up funds, earmarked for the British Commonwealth on the oil situation, for the simple reason that they are using our dollars to run American companies out of business.

In that connection I have prepared for the membership of the House a statement on just exactly how the British are carrying on in the Persian Gulf area. I am including some fine articles from the New York Times on the subject.

I hope you will read this, because they are taking our money and crucifying our industries, particularly the oil industry, in an effort to bring all of the oil business under the pound sterling dominated by this Socialist government of Britain.

(Mr. RIVERS asked and was given permission to revise and extend his remarks and include the matter referred to.)

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a reply to Mr. Truman by Senator HARRY F. BYRD.

Mr. MASON asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject Our Sick Coal Industry and include therein an editorial on the same subject.

Mr. WERDEL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a majority report filed by the subcommittee on which he serves.

Mr. MACK of Washington asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous material.

Mr. LUCAS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Fort Worth Star-

Telegram of February 24 on the question of the depletion allowance.

Mr. GORDON asked and was given permission to extend his remarks in the Appendix of the RECORD and insert an article from the Chicago Journal of Commerce of February 28 entitled "Exhibit To Contribute to Prosperity and Peace."

Mr. KELLEY of Pennsylvania asked and was given permission to extend his own remarks in the Appendix of the RECORD.

SPECIAL ORDER GRANTED

By unanimous consent, Mr. KILBURN was given permission to address the House for 5 minutes on Monday next following the legislative business of the day.

COMMODITY CREDIT CORPORATION

Mr. COLE of Kansas. Mr. Speaker, I ask unanimous consent to file minority view with the committee report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

REDUCTION OF VETERANS' HOSPITAL PROGRAM

Mr. COLE of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. COLE of Kansas. Mr. Speaker, in a telephone conversation with newsmen at Topeka, Kans., this morning, I learned that the Winter Veterans' Hospital there will be required to close from 175 to 200 beds. That doctors are resigning, and the morale at the institution is extremely bad. This condition has been caused by a precipitate order on the part of the Veterans' Administration to discharge 186 of its personnel. This order came about due to the fact that the Veterans' Administration suddenly learned they were operating in the red. Without an attempt to determine the particular needs of each institution, a mathematical equation was determined upon by which each institution would be required to reduce its personnel proportionately. Each institution was required to discharge not only employees, but also nurses and doctors of long standing and training. The first consideration, according to the order, was the number, not the needs of the institution.

Mr. Speaker, the Veterans' Administration has a direct responsibility to determine whether or not the disabled veterans are getting proper care. That responsibility cannot be met by dividing the number of available dollars between various facilities with eyes closed to need.

VOCATIONAL EDUCATION ACT OF 1946 EXTENDED TO VIRGIN ISLANDS

Mr. LESINSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3105) to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3105) to extend the benefits of the Education Act of 1946 to the Virgin Islands, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule 1 hour is allowed for general debate. The gentleman from Michigan [Mr. LESINSKI] will be recognized for 30 minutes and the gentleman from Pennsylvania [Mr. KEARNS] for 30 minutes.

Mr. LESINSKI. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. LESINSKI. Mr. Chairman, H. R. 3105 is for the purpose of extending the benefits of the Vocational Education Act of 1946 to the Virgin Islands.

When the Vocational Education Act was approved in 1946 the Virgin Islands were not included in its coverage. So far as I have been able to determine, the failure to extend the provisions to the Virgin Islands was merely an oversight.

In the first session of the Eighty-first Congress, the Senate passed S. 493 which is the same as H. R. 3105 with one minor exception, that exception is to make the necessary change in the effective date of 1949 to 1950.

This bill would grant $40,000 to the Virgin Islands to enable those islands to provide badly needed vocational education for the children in the public schools. During the recess between the first and second sessions of this Congress, a subcommittee of which I was chairman, visited Puerto Rico and the Virgin Islands. All of the members of the subcommittee were impressed with the need for vocational education in the Virgin Islands. To a very large extent, the economic development of the Islands depends upon the degree to which vocational education can be made available in the public schools. Vocational training is the first step in meeting the basic need for skilled labor and turning the time and energy of many Virgin Islanders into useful and productive channels.

There is an extreme shortage of skilled labor, carpenters, electricians, bricklayers, and so forth, in the Virgin Islands. We saw evidences of this on every side and there is no question but that the grant contained in this bill, although it is not a large amount of money, will enable the people of the Virgin Islands to start to train skilled labor which is so badly needed.

This bill was reported from the committee unanimously, it was supported by all members of the subcommittee that visited the Virgin Islands. I do not believe there is any serious objection to any of its provisions and I ask that the committee speedily enact it into law.

Mr. KEARNS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the chairman of the Committee on Education and Labor has very well described the policy of that committee in its action for the extension of this vocational training program to the Virgin Islands. I was a member of the subcommittee that visited the islands some time ago and may I say that I am fully in accord with this legislation because I found a very, very productive community down there in the Virgin Islands.

The people are very industrious. There is little or no poverty. The men and women alike are willing to work. They want to have their own homes and develop a good community life on the various islands there in the Caribbean.

The pathetic situation that exists down there is the fact there is no skilled, trained labor to do building with. In other words, the carpenters down there are almost negligible, they have had no training, and it is very difficult to build a home there because there are no carpenters, no electricians, not even men capable of pouring cement in forms that are built in an improved way. This legislation and the small amount of $40,000 will provide training for veterans who are there and who can get into the building trades and learn electrical wiring, carpentry, plumbing, and so forth.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The Virgin Islands have had a compulsory educational system from the beginning, is that not right?

Mr. KEARNS. That is right.

Mr. MILLER of Nebraska. I joined a committee from the Senate that went down there, I believe, 3 years ago. The report we brought back is at considerable variance with the one the gentleman is now giving as to the need for this type of training. In fact, we found that the Virgin Island people, or very few of them, worked in hotels, or act as night cleaners. They had to bring those people in from Puerto Rico or from the British Isles in order to get that work done.

I was assigned to the health and school program. The schools were very diligent in training the children in sewing and in domestic work, and they were doing some very excellent work. However, I would disagree very seriously with the gentleman's statement that they were industrious and that there was no poverty and that they were willing to work. We found just the opposite and issued a full report.

Mr. KEARNS. Will not the gentleman admit that in comparing the poverty there with the slum sections of Puerto Rico there is no comparison?

Mr. MILLER of Nebraska. The biggest employment in the Virgin Islands is the Government pay roll. We issued some figures showing the number of people in private industry and those on the Government pay roll. It is astonishing to note what the disproportionment is as to employment in Government and the private pay rolls. If the gentleman had gone to some of the hotels, as we did, he would have found that the Virgin Islanders would not work at waiting on

tables, gathering the night soil, and so forth. They had to bring people to do that work in from Puerto Rico or from one of the English islands.

Mr. KEARNS. When the gentleman visited the schools he found no manual training and no vocational training for the youth whatsoever, did he?

Mr. MILLER of Nebraska. No. We found some very excellent sewing classes.

Mr. KEARNS. I am talking about the boys.

Mr. MILLER of Nebraska. I did not see it so far as the boys are concerned. For the girls there were some very excellent training classes in sewing and domestic science.

Mr. KEARNS. Yes.

Mr. MILLER of Nebraska. They were as far advanced as the schools in the United States.

Mr. KEARNS. Yes.

Mr. MILLER of Nebraska. And they were doing it without help from this country.

Mr. KEARNS. But nothing for the boys.

Mr. MILLER of Nebraska. Some of them work and some of them do not. Most of them come to the United States when they get out of school.

Mr. KEARNS. I do not know when the gentleman was there but may I state there has been a vast improvement in their attitude.

Mr. MILLER of Nebraska. It was 2 years ago last December. We were there about 3 weeks and made a very thorough study.

Mr. KEARNS. We were there a similar time.

Mr. MILLER of Nebraska. The gentleman might read the report that the other body put out along with the Members on this side of the House as to the efficiency of the Virgin Islanders in handling their own problems in the Virgin Islands. Take the city council of the Virgin Islands, for instance, on both sides, they meet almost in continuous session. There is no need for it at all. I view with considerable alarm the extension of this type of program to these people. I think we ought to do it with a good deal of caution.

Mr. KEARNS. For the gentleman's information, we met with what they call the industry committee there, composed of laymen, men employed in the various trades, and also the elected officials there. We found that the chamber of commerce there, as you might call them, the people representing the interests of the community, as well as the church groups and all the laymen, felt that if they had help and assistance they could have a much better community. I think here in the United States we are certainly interested in that phase of it.

May I add that as far as loyalty is concerned those people are really loyal to continental America. We found no subversive activities whatever. We found them to be very happy and contented. Naturally, the tempo of their work is not in comparison to ours, but they strive very hard, you will have to admit that. They do not have the tempo we have here, though.

Mr. MILLER of Nebraska. I might offer another observation, being on the committee and looking into the school situation. I was amazed to find that all of the materials for the school-lunch program came from the United States, the fish, the potatoes, the vegetables, everything. All that could be raised in abundance in the Virgin Islands. It is there on their doorstep if they would merely work and till the soil. They do not work. There is only a little group of Frenchmen up on the end of the island that go out and fish, and they are doing a good job of it. They could raise everything they need for their own living. They will not even pick the fruit, yet the children in school have fruit on their tables that came from the United States. Those things discourage me.

Mr. KEARNS. The gentleman will admit that all the available soil they could find there they are interested in growing sugarcane on rather than beets or turnips. They want to get the revenue from the sugarcane.

Mr. MILLER of Nebraska. Yes; and they are losing money every year. The project we have there loses money every year.

Mr. KEARNS. That is right. The growing of sugarcane on the Virgin Islands is not profitable as it is in Puerto Rico. The soil in the Virgin Islands is not as adaptable to it as is the soil of Puerto Rico. I do feel, though, in the final analysis, unless there is further opposition on the floor, that I would like to recommend this legislation for passage.

Mr. LESINSKI. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. HOWELL].

Mr. HOWELL. Mr. Chairman, I, too, was a member of the subcommittee that was down in Puerto Rico and the Virgin Islands last fall. I want to reecho the observations that have been made by previous speakers.

We were in the Virgin Islands only 2 or 3 days, but we held hearings and we conferred with members of industry and labor and the government officials.

If there was one thing that stood out in connection with the educational needs it was the lack of and the need for some sort of a vocational education training program. Their ordinary schools are fair. They have some needs in that regard, too. But the agriculture down there, the sugarcane industry, is about all there is, and that is very border line, due to the uneven distribution of rainfall during the year. Their sugarcane industry is gradually falling off.

If there is anything that is going to help them maintain themselves economically it is probably the development of the tourist trade and construction of private homes, additional hotels, and so forth. There is an opportunity for the employment of people in the construction trades particularly if some vocational training can be established and some of these people fitted to do the ordinary building trades jobs.

I think this provision of this law would be about as helpful to the economy of the Virgin Islands as anything we in Congress could possibly do. The appropriation that is contained in this bill is very small in comparison to the type of money bills we consider here in the House.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOWELL. I yield.

Mr. MILLER of Nebraska. The gentleman knows, of course, that the Dutch held this island for many years. The sugarcane business was very prosperous at that time and the people were prosperous. They were taught, as they are in the English island next to them, to raise their own crops, and they were getting along excellently until we took over and went there with a broad program of social security and proceeded to spoil the whole population. At the present time no one will work as long as he can get a handout from the United States. The chamber of commerce and the other people in the Virgin Islands of course want this. It is another handout to them.

It is a mistake to keep these people on that program as we have in the last 20 years and raise everything that they need for them. If they would merely be a little more industrious and go to work, things would not be getting worse.

Mr. HOWELL. It is my impression, and I think the same impression was gained by members of the subcommittee, that the people are not inherently lazy. They are interested in working. They are easy going in some respects, but they do want to work and they do want to find a way to maintain themselves without additional help from the United States, if possible.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, of course this program, like all others, whether it is to be efficient depends upon the way it is administered. It is very easy to see why in the Virgin Islands they need skilled labor. Just a short time ago the newspapers gave us the story of how money which was appropriated for vocational training was being wasted on silly and useless training. I know such training can be very beneficial. For example in my own district, in Centerville, which is the county seat of Saint Joseph County, down on the Indiana line, they have a veterans vocational training school. It is housed in a building 120 feet long, and almost that wide. The building was erected by the students, all veterans, all local people. The head of the school told me when I was there one night, while the school was in session, when they were teaching the stone masons and bricklayers, instead of letting the young men lay the wall one tier on another four or five feet high and then tear it down and put it up again; just to learn how and for practice, they had the boys put up the wall and that was the wall of the building. They followed the same course with the electric wiring and the heating system which was all in pipes in the cement floor. They performed all the labor themselves. There was no waste about it any place. To me the remarkable thing was that the building and tools in it and it was well equipped, with the desks and all, were paid for locally by the people of that small town. The building itself cost them $22,000. The town cannot have

over 2,500 people in it. All of the work, from the very foundation to the roof, the electric wiring and the installation of copper pipes and tubing and the water system, all the work had been performed by these students under the direction of the instructors and it cost the Federal taxpayer not a cent.

When you can get that kind of administration out of that sort of a program as a result of such training, then there is no reason why we should not encourage it. But where these private schools come in and coax the boys into this, that and the other useless course that trouble arises, that waste of Federal funds occurs.

I notice in the paper one of these articles told how one veteran student had had four courses, two of them of 26 months' duration. That is the kind of administration we should eradicate in some way. We want none of it in connection with this proposal, which can be of great good if properly administered.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. KEEFE. Of course, the program now under consideration, as the gentleman, I assume, well knows, is not the program of vocational rehabilitation maintained by the Veterans' Administration.

Mr. HOFFMAN of Michigan. Yes, I know.

Mr. KEEFE. This is the program which is administered by the Office of Education through grants under the George Barden Act to the various States of the Union to maintain their systems of vocational education.

But the point that I think is most important in connection with this, if the gentleman will permit me, which does not appear to me has been touched upon by this committee at all, is that they propose a grant of $40,000, and our Commissioner of Education is to administer it as a broad grant and utilize it for any one or all of the four programs contemplated under the various educational programs.

Mr. HOFFMAN of Michigan. Now, will the gentleman yield to me?

Mr. KEEFE. I assume the gentleman from Michigan would permit me to conclude this statement.

Mr. HOFFMAN of Michigan. I thought it was just an observation or question, but I was just trying to make one point and that was that there might be something, or some good in some of these programs if there was honest administration. That was the only thing I was trying to bring out.

I now yield to the gentleman from Wisconsin, whatever time I may have remaining.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, in connection with the consideration of some of this legislation, I think we should see if we cannot intelligently get at the facts. I want to ask the chairman of this committee whether or not the Virgin Islanders have facilities with which to conduct vocational education in the Virgin Islands—the actual physical facilities.

Mr. LESINSKI. The answer is "Yes."

Mr. KEEFE. Do they have machines, machine tools, and everything of that kind set up?

Mr. LESINSKI. My understanding is that they have a portion of the machines there, except they have no funds with which to pay teachers.

Mr. KEEFE. Do I understand that in the Virgin Islands they have the buildings, machine tools, and equipment and everything of that character to carry on a vocational-education program?

Mr. LESINSKI. It is not for that purpose. It is the same as the act that we passed in 1946, where we have allotted $29,300,000——

Mr. KEEFE. Oh, I understand that thoroughly, but that contemplates that the local communities and States will provide the facilities.

Mr. LESINSKI. The bill calls for matching of funds up to $130,000, which we are not including here. This is just a grant of $40,000, the same as the States received.

Mr. KEEFE. I am simply asking the question as to whether or not the Virgin Islands are able, out of their own finances, to furnish the buildings, machine tools, and equipment and everything else that is necessary for these teachers to use in teaching vocational education. This $40,000 will not be a drop in the bucket.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. KEARNS. Of course, you must understand that down in the Virgin Islands they do not need the building facilities for a program of this type that we would need in the States. They do not have all the machinery there that we would call necessary here to do the job, but they are making an effort, and they have the nucleus to begin with. These natives are very skilled with their hands. Not many of them go to college, as the gentleman can well understand. If they are industrious people, let us let them have an opportunity to be trained with their hands.

Mr. KEEFE. Do I understand that this money is to be used exclusively to pay teachers' salaries?

Mr. KEARNS. The training of men who want to take up vocational training.

Mr. KEEFE. Is it to be used for the payment of teachers' salaries, or might it be used for the building of buildings and the purchase of equipment?

Mr. KEARNS. This is purely a training program.

Mr. KEEFE. Purely a training program, to pay the teachers? They will have to provide the facilities; is that right? Do I so understand that to be the case?

Mr. KEARNS. Yes; that is the case.

Mr. KEEFE. That is the situation, as the gentleman understands it?

Mr. KEARNS. Yes.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. KELLEY of Pennsylvania. You must remember that this is a program that was allotted to the States and all the Territories.

Mr. KEEFE. Oh, I am very familiar with it.

Mr. KELLEY of Pennsylvania. The Virgin Islands were omitted. Do you want to leave them out?

Mr. KEEFE. Yes; I understand they were omitted. And I am trying to find out whether the allotment of $40,000, under this special legislation, to the Virgin Islands is going to provide for the Virgin Islands having a proper system of vocational education. We have discussed this in the subcommittee, of which I am a member, which handles the George-Darden Act. I am familiar with its operation. I know that with $40,000 that you are giving to the Virgin Islands it will not be a drop in the bucket to set up a proper system of vocational education unless they have the facilities and some money and the ability to implement this program by providing the necessary buildings, equipment, machine tools, and everything else to carry this program forward. The States and Territories that are covered by the George-Darden Act at the present time are spending far in excess of any allotment that is made under the appropriation for vocational education, as the gentleman well knows. I am interested in extending the benefits to the Virgin Islands but I want to be sure that we are not just going to piddle away another $40,000 to throw it down there without accomplishing any results which the members of this committee expect to have accomplished. That is my only purpose in raising this question.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. KELLEY of Pennsylvania. The gentleman understands there are only 30,000 people in the Virgin Islands. It is my conviction and the conviction of every member of the committee that $40,000 would be well used by these people.

Mr. KEEFE. Very well. I am very glad to get that information in the RECORD. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Chairman, I am still very much concerned about the civilian defense of our cities and towns against possible atomic or poisonous gas attack. My fears, however, are somewhat alleviated by the fact that a committee of the Congress has begun to hold hearings on this important subject. The States are not moving very fast; only 17 of the 48 have civil-defense laws. One reason for this is the fact that the Federal Government has not set a national pattern. I believe that the President of the United States could do more than he has done regarding civilian defense. For many months now we have

had no permanent Chairman of the National Security Resources Board charged with this all-important activity. Presently, the Acting Chairman of that Board is Dr. John R. Steelman, assistant to the President.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Illinois, a member of the Joint Congressional Committee on Atomic Energy.

Mr. PRICE. First I want to congratulate the gentleman upon his interest in this very important subject; then I wish to give him assurance that the President is also interested and has been at work for many months on the same problem.

Mr. CANFIELD. Of course, he is deeply interested, and he has told me so. I still insist, however, that there is no permanent Chairman of the National Security Resources Board charged with this activity. The President for many months now has failed to send to the Senate the nomination of a worthy man for this most important post.

Let me emphasize the fact that Russia is not apathetic upon this issue. Russia is moving ahead seriously and with speed.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. Yes; but first let me quote from a United Press dispatch dated Washington, D. C., March 8:

WASHINGTON, March 8.—The Congressional Atomic Energy Committee reported today that Russia was preparing her home front for possible war by training 5,000,000 persons a year in civil defense.

Prepared by committee staff experts, the report said the Soviet Union had a special civil defense organization, Osaviakhil, which in 1947 held Russia-wide civil defense "maneuvers" in which some 20,000,000 persons took part. By 1948, the report said, the agency had 1,060,000 local sections to organize civil defense squads.

Great Britain was credited with "much progress" in civil defense preparations since the end of World War II.

I regret to say that the best we can say here respecting a national approach is that we have reached the talkative stage.

I yield to the gentleman from North Carolina who has given this subject much study.

Mr. DURHAM. I am sure the gentleman realizes that it would not be wise for this country at the present time to divulge even as much information as the gentleman has divulged on the Russian situation, because if we once did that, our civil defense plans would be known throughout the world.

The Atomic Energy Commission has been studying this matter, not only studying it but has held hearings for several months on the civil defense of this country.

It certainly would not be wise to divulge what plans we have made for the protection of the city of Washington, or what plans we have made for the protection of the city of New York, Chicago, or any of our large cities or industrial areas. The devising of defense plans is a matter that we are trying to deal with in an effective way. The War Department and the National Resources Planning Board have appeared before our committee. We have made progress and we are continuing our studies. I can assure the gentleman the President is deeply concerned.

Mr. CANFIELD. I agree with the gentleman, but I think the gentleman also agrees with me when I say that somebody has been remiss in not seeing that the National Security Resources Board, charged with the promotion of this movement, is given a permanent Chairman.

Insofar as my own State of New Jersey is concerned, New Jersey is moving ahead. Next Monday there will be released to the Nation the story of the New Jersey plan. It is time our people knew the score, knew how they could be helpful. The Russian people are being told and so should ours.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Chairman, I also was a member of the Subcommittee of the House Committee on Education and Labor which visited Puerto Rico and the Virgin Islands last fall. I have a couple of observations I wish to make in reference to that visit; one deals with the subject that has not yet been touched upon, and that is the total absence of any national resource in both Puerto Rico or the Virgin Islands. Even rain in the Virgin Islands is something that is lacking. They have always a struggle to get enough water.

Another thing I noticed which I would like to call to the attention of the committee is that there is a great deal of poverty in Puerto Rico and the Virgin Islands, particularly in Puerto Rico. I also call the attention of the committee to the fact that in that indescribable, impoverished area known as El Fonquito, where 60,000 people live along the shores of the water, there is very, very little communism. If there is any breeding ground for Communists it would be in that sort of living condition. We were told that the number of Communists among those 60,000 is infinitesimally small.

The people of those islands do need help from us on account of lack of resources. They have to build themselves up to some kind of an economy. In Puerto Rico the development company has done a remarkable job in developing industry, inviting industries to come in, and developing a tourist trade. They call it operation "bootstraps," which exactly describes it, because without natural resources they have to do a job in building up their own industries and their tourist trade. The same thing applies to the Virgin Islands, although I do not believe they have a development company there. Maybe they will have some day. Their problem is more difficult than that of Puerto Rico because they do not have the population to supply the funds to support such a venture.

I wish to make a further observation. Lacking natural resources, they are handicapped, severely handicapped. We cannot appreciate it because we have in the States all of the natural resources needed to build up and to carry on a great economy. They have nothing, and one does not realize that until he visits the islands and sees what their problem is.

Mr. HOWELL. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from New Jersey.

Mr. HOWELL. Would not the gentleman agree that in replying to the point made by the gentleman from Wisconsin that the type of vocational training program which would be likely to be set up down there with the funds provided by this bill would not be an elaborate program which might require machine tools and extensive buildings and equipment, but would be more in line with a training program for people such as carpenters, hotel workers, and mechanics of that type, and would not require a great outlay for expensive equipment?

Mr. KELLEY of Pennsylvania. The gentleman has stated it correctly.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from Michigan.

Mr. DONDERO. What is the population of the Virgin Islands?

Mr. KELLEY of Pennsylvania. Thirty thousand.

Mr. DONDERO. Was there any evidence before the gentleman's committee that if this money is appropriated it might make these people more self-sustaining and a less burden on the Federal Government?

Mr. KELLEY of Pennsylvania. It would aid them and that is the reason the committee has advocated this legislation.

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from Michigan.

Mr. POTTER. Is this program one that will be administered by Mr. Patterson, head of the apprentice-training program?

Mr. KELLEY of Pennsylvania. The Commissioner of Education, I believe.

Mr. POTTER. And not by Mr. Patterson?

Mr. KELLEY of Pennsylvania. The Commissioner of Education.

Mr. POTTER. If the gentleman will permit an observation, the reason I asked the question is that Mr. Patterson, who is the administrator of the apprentice-training program, part of the Department of Labor, is one of the most able administrators in Government. He happens to be a former resident of my district and I was hoping he might be the one who would be responsible for administering this program.

Mr. KELLEY of Pennsylvania. The gentleman must remember that the purpose of this bill is to correct something that was neglected in 1946. The program as we have outlined for the Virgin Islands supplements the previous program.

Mr. POTTER. I thank the gentleman and agree that the bill has merit.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. LESINSKI. Mr. Chairman, I yield the gentleman six additional minutes.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from Ohio.

Mr. YOUNG. I was very much interested in the statement of the gentleman from Pennsylvania, and I am in complete agreement with what he says. Earlier this afternoon it was stated that there was no poverty in the Virgin Islands. As a matter of fact, the gentleman and I, referring to the gentleman from Pennsylvania, were in the Virgin Islands and in Puerto Rico, and we witnessed the most abject poverty in both places. In connection with this resolution, which I support wholeheartedly, the facts are that in the Virgin Islands there are fewer than 30,000 people, which would be fewer than in a good many counties in the gentleman's State and in my State of Ohio. The $40,000 will go quite a long way toward the education and the rehabilitation of the people of the Virgin Islands who are really trying to help themselves. After all, the gentleman will agree with me, I am sure, that the people of the Virgin Islands, as the people of Puerto Rico, are American citizens. Further, they had no choice. They became American citizens not of their free will, yet they are among the most loyal of our citizens.

Earlier today I heard the Governor of Puerto Rico, who is here in Washington, state that in Puerto Rico there are fewer than 100 Communists, and in the Virgin Islands, as the gentleman knows, there are very few, if any, Communists. Both the Virgin Islands and Puerto Rico contributed their sons in the service of their country in World War II. These Americans who live in Puerto Rico and in the Virgin Islands deserve our help.

Mr. KELLEY of Pennsylvania. I appreciate the gentleman's contribution.

Mr. YATES. Mr. Chairman, will the gentleman yield

Mr. KELLEY of Pennsylvania. I yield to the gentleman from Illinois.

Mr. YATES. I should like to compliment the gentleman on the splendid statement he has made and to assure him of my complete sympathy with the purposes of this measure. I shall support it.

I should like, however, to point out a fact that I think we must consider. Yesterday, together with another member of the District of Columbia Appropriations Subcommittee, the gentleman from Masachusetts [Mr. FURCOLO], I visited the Birney School in the District of Columbia. The Birney School, I should say, is a colored school. In the class that was supposed to be devoted to shop, electricity, woodworking—to the teaching of mechanical trades, a class that was set up to teach four groups of students averaging 20 in number to the class, the Board of Education has only recently sent five broken-down woodworking desks, long after school has begun. It has sent them no tools of any kind with which to operate the program. As a result the program is at a virtual standstill. The students in the classes are compelled to go out and buy their own airplane kits, and they are now engaged in assembling them pending the time that the Board of Education will supply them with the facilities with which to carry on the type of training this bill proposes for the Virgin Islands. I certainly hope that the Board of Education will correct this deplorable condition at once.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. I wish to compliment the gentleman on the excellent statement he has given us on Puerto Rico and the Virgin Islands. I also wish to call to the attention of the House the fact that the Virgin Islands was secured for national defense reasons. It is very important that we have these people properly trained and that they are satisfied, good citizens of our country. This is an excellent bill, through which we can be of service to these people who need it.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, I merely want to point out to my colleagues that while I think it was an oversight to leave the Virgin Islands out of the original act, our committee, when we came back 2 years ago, recommended that a review be made of the situation to see whether the Virgin Islands should not be included.

We spent 3 weeks in the Virgin Islands with a committee from the other body. It seems to me we are establishing an economy there which those people cannot support. It is nice to have streets and sewer lines and all the things we have in this country, but if they cannot support them it is rather foolish to give them that type of improvement.

For instance, in the matter of sewage disposal, in the city of Christiansted on the island of St. Croix they put in a little more than 2 miles of sewers, at Government expense. At that time there were only 58 houses hooked up to the sewer line, and 46 of the houses were Government property. In other words, the individual did not care about hooking up the sewer lines, and he will not hook it up if he is there a good many more years.

As to the population, St. Croix Island is about 51,000 square miles but there are only about 13,000 people there, of whom 438 are white, 3,000 are mixed, and the rest are of Negro origin. They have a hospital of 133 beds. There are three clinics.

We found also in our report that the average age of the men in the Virgin Islands is 61 years. In other words, there are more Virgin Islanders in the United States than there are in the Virgin Islands. They simply do not stay there, and I would not stay either, if I had an opportunity to come to the United States.

Those people are intelligent. I think they are loyal to the United States, just as loyal as any people you can find any place. But it was rather discouraging when you found out who was working in the hotels and why the Virgin Islanders themselves were not working. We were to several hotels and we found that the people doing manual labor were not Virgin Islanders; they were Puerto Ricans; they were people that came over from the English island, because the average Virgin Islander has a disdain for manual labor.

He just will not do it. I dare say that if you go down you will not find any Virgin Islanders doing any manual labor. That is abhorrent to them. Compare that to a little English island 20 miles away. We went to the English island for a visit. We saw an English gentleman running the island. It is just the same size as St. Thomas and St. Croix, with the same population and the same rainfall. We asked how he got along. He had over a thousand farmers on that little island farming and raising all the things that they needed. We had in the Virgin Islands more than a thousand people on the Federal pay roll taking care of that little group of people. We had, as I remember it, 1,092 people on the Government pay roll. I asked the Englishman how many people he used to run that island, and he said, "I am running it with 58 people." Think of that; 58 people. And they were carrying many of their products over to the Virgin Islands in little boats. You could see these little boats coming across the open space of water with perhaps a cow in a little boat, with her tail sticking out the back end, or with baskets of vegetables, and they were bringing their produce to the Virgin Islands so that the Virgin Islanders could have something to eat.

I told you that I went to see how the school-lunch program operated in the Virgin Islands. We found 150 pupils in the school, and they had 165 pounds of potatoes for their lunch. That is a good way to get rid of our surplus potatoes. But all of the lard and beef and butter and everything in that school-lunch program came from the United States. Even the fish, which they could go right outside in their surrounding waters, like the French fishermen do on St. Thomas, and fish and make a good living—but not so the Virgin Islanders. It takes the Frenchmen to go out and fish.

I say that we can do too much for people. When we took these islands over from the Danes we took them over as a matter of national defense. That was all right. They had a prosperous agriculture. They were raising sugarcane, and the people on the island were not dependent on the European countries. They were doing all right for themselves. But today we have spoiled those people. The biggest job, or the biggest business on the Virgin Islands today, is getting on the Government pay roll. The City Council in St. Croix and St. Thomas meets every day. They are little towns of a few thousand people, and they sit there doling out jobs and dealing in the political situation. We are responsible for that. We started with Mr. Tugwell when he went down there, and the thing has been growing like a sort of cancerous growth. It is not good for these people, and it is not good for us.

I was interested in the Puerto Rican laborers. About 3,000 Puerto Ricans are in the Virgin Islands to farm. They are doing a good job. They will continue to do a good job if we let them.

I am not going to oppose this bill, but I think we are doing a great injustice to these people in the Virgin Islands.

Mr. LESINSKI. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Virgin Islands shall be entitled to share in the benefits of the Vocational Education Act of 1946, approved August 1, 1946, and any act amendatory thereof or supplementary thereto, upon the same terms and conditions as any of the several States. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1949, and annually thereafter, the sum of $40,000, to be available for allotment to the Virgin Islands under such act and the modifications hereinafter provided.

With the following committee amendment:

On page 2, line 2, strike out "1949" and insert "1950."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. Sums appropriated under authority of section 1 of this act shall be allocated for vocational education in (1) agriculture, (2) home economics, (3) trades and industries, and (4) distributive occupations, in the proportions specified by the Vocational Education Act of 1946, except insofar as the Commissioner of Education, with the approval of the Federal Security Administrator, deems it necessary to modify said proportion to meet special conditions existing in the Virgin Islands.

SEC. 3. The provisions of sections 3, 5, 6, 7, and 8 of the Vocational Education Act of 1946, relating to the use and payment of sums under said act, shall apply to sums appropriated under this act with such modifications as the Commissioner of Education, with the approval of the Federal Security Administrator, shall deem necessary to meet the special conditions existing in the Virgin Islands.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MCCORMACK] having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3105) to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands, pursuant to House Resolution 479, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 493) to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. MCCORMACK). Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Virgin Islands shall be entitled to share in the benefits of the Vocational Education Act of 1946, approved August 1, 1946, and any act amendatory thereof or supplementary thereto, upon the same terms and conditions as any of the several States. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1949, and annually thereafter, the sum of $40,000, to be available for allotment to the Virgin Islands under such act and the modifications hereinafter provided.

SEC. 2. Sums appropriated under authority of section 1 of this act shall be allocated for vocational education in (1) agriculture, (2) home economics, (3) trades and industries, and (4) distributive occupations, in the proportions specified by the Vocational Education Act of 1946, except insofar as the Commissioner of Education, with the approval of the Federal Security Administrator, deems it necessary to modify said proportion to meet special conditions existing in the Virgin Islands.

SEC. 3. The provisions of sections 3, 5, 6, 7, and 8 of the Vocational Education Act of 1946, relating to the use and payment of sums under said act, shall apply to sums appropriated under this act with such modifications as the Commissioner of Education, with the approval of the Federal Security Administrator, shall deem necessary to meet the special conditions existing in the Virgin Islands.

Mr. LESINSKI. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LESINSKI: On page 1, line 9, strike out "1949" and insert "1950."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, the proceedings whereby the bill H. R. 3105 was passed will be vacated and that bill laid on the table.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. PLUMLEY (at the request of Mr. DONDERO) was granted permission to extend his remarks in the Appendix of the RECORD.

Mr. BENTSEN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include extracts from the report of the Committee on Un-American Activities on Harlow Shapley.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently no quorum is present.

Mr. MADDEN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 86]

Allen, La.	Gilmer	Murphy
Andrews	Gore	Norblad
Barrett, Pa.	Granahan	Norton
Biemiller	Granger	Pfeifer,
Boggs, Del.	Green	Joseph L.
Bolling	Gross	Pfeiffer,
Bolton, Md.	Halleck	William L.
Buckley, N. Y.	Hand	Poulson
Bulwinkle	Hays, Ark.	Powell
Burdick	Hays, Ohio	Redden
Byrne, N. Y.	Heffernan	Reed, N. Y.
Case, S. Dak.	Hobbs	Ribicoff
Cavalcante	Hoffman, Ill.	Richards
Celler	Holifield	Rogers, Fla.
Chatham	Horan	Rogers, Mass.
Chudoff	Jackson, Wash.	Sadowski
Colmer	James	Scott, Hardie
Corbett	Javits	Shafer
Davies, N. Y.	Kelly, N. Y.	Shelley
Davis, Tenn.	Keogh	Sheppard
Dawson	King	Smathers
Dingell	Kirwan	Smith, Ohio
Dollinger	Klein	Stanley
Douglas	Kunkel	Taylor
Ellsworth	Lichtenwalter	Towe
Fernandez	McKinnon	Vinson
Frazier	Macy	Whitaker
Fugate	Magee	Withrow
Fulton	Monroney	Wolcott
Gary	Morrison	Wolverton
Gavin	Moulder	Woodhouse

The SPEAKER pro tempore (Mr. MCCORMACK). On this roll call 341 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD in two instances, in each to include newspaper editorials.

SPECIAL ORDER GRANTED

Mr. ANGELL asked and was given permission to address the House for 15 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

EXTENSION OF REMARKS

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the RECORD and include a magazine article on the Panama Canal.

AIR DISASTER

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, yesterday's tragic air disaster in Minneapolis focuses our attention on the potential danger of further accidents which can be prevented by action of the Civil Aeronautics Board. Yesterday's accident, in the midst of a blizzard, cannot be termed avoidable from the information now available. In the case of another air line, American, we have the elements of a preventable tragedy.

For over a week now mechanics and related employees of American Airlines have been on strike. I am reliably informed that of a total force of approximately 4,600 only about 1 percent have remained at work. Yet according to news stories quoting air line officials, this company is operating 45 percent of its scheduled flights. It is surely obvious that 1 percent of the trained maintenance personnel cannot properly inspect and service 45 percent of the equipment and keep it up to CAB safety standards.

Have we not here the threatening elements of an air disaster? I submit that the public must not be subjected to this hazard. An immediate investigation by the CAB is imperative.

This strike, and recent strikes on other air lines, bring to light another situation which should be explored. I have reason to suspect that air lines are not as much concerned about strikes as other employers, since their losses, including strike losses, are covered by air mail subsidies. I am certain that it never was the intent of Congress to subsidize either strikes or lock-outs. This matter, too, deserves study by the CAB and the appropriate committees of Congress.

EXTENSION OF REMARKS

Mr. HÉBERT asked and was given permission to extend his remarks in the RECORD and include an article by William H. Fitzpatrick.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

PUBLIC LIBRARY SERVICE DEMONSTRATION BILL

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 481 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 874) to provide for the demonstration of public library service in areas without such service or with inadequate library facilities. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield myself 30 minutes, and 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, the bill which this rule makes in order, H. R. 874, has been passed by the Committee on Education and Labor.

Mr. Speaker, the bill now under consideration is to provide for the demonstration of public library service in areas throughout the country which do not have such service, or with inadequate library facilities.

It is estimated that over 33,000,000 people in the United States do not have access to free public library service. About 90 percent of these 33,000,000 people live in rural areas. This bill is designed to stimulate State and local interest in improving library service. It is an effort on the part of the Federal Government and the States to show how State-wide library service can be established.

The necessity for this legislation was brought to the attention of the American Library Association, who are the original sponsors of this bill. This organization is a national nonprofit professional association of libraries and librarians organized over 70 years ago and it has contributed greatly to the improvement of the public library service throughout the country. This organization has also had the responsibility of administering funds for the extension of libraries in certain areas.

H. R. 874 is also supported by the National Farm Grange, the Farmers Union, the National Grange, the General Federation of Women's Clubs, the National Congress of Parents and Teachers, and the National Council of Women and many other State and local organizations.

The main object of this bill is to stimulate interest in State-wide library service. It will give librarians an opportunity to study the most effective means of providing library service to rural areas.

Identical legislation is sponsored in the Senate by Senators LISTER HILL, of Alabama; PAUL H. DOUGLAS, of Illinois; and GEORGE D. AIKEN, of Vermont. The bill has been reported out of the Education and Public Welfare Committee and is now on the Senate Calendar for action.

This is not permanent legislation, but it calls for a 5-year period during which time the Federal Government will aid in introducing and demonstrating the advantages of public library service in neglected areas. The Federal Government will not have any control or supervision over the administration of this service in the various States that take advantage of the provisions of the bill. The bill clearly provides for State supervision under the direction of State library agencies which will be created by the Governors of the various States participating.

Libraries are an important part of our educational system. Library books are essential to a child's progress in school and children are handicapped if they live where there is no library service and attend the school with only a few or no library books. Adults too need good library service. Without such service, an adult's self-education is terminated when the school days are over. Everyone will agree that in the United States as a whole, few people have an equal chance to read worth-while books. The great majority of men working in industrial areas in America were born and lived a large part of their lives on farms and in rural communities, and a great number of these in communities where there is no library service whatsoever. I think it is only just that our farm families in these neglected areas be given better opportunities for developing themselves into more useful citizens whether they remain on the farm or migrate to the cities. We must do everything we can today to eliminate delinquency, whether it is in matters of education or otherwise, and this service will help these areas in giving its people good reading habits and provide recreation and information.

A library would be set up in a county or region, maybe a combination of two or more counties, where there is no library or where the library cannot give adequate service. The library might use a bookmobile—a library on wheels—which would go from the headquarter library through the area taking books to rural schools, country stores, churches, or homes, wherever the people of the neighborhood can best get together to meet the bookmobile. The library, set up on a temporary basis, shows the people what types of services a permanent library can offer them. The kind of library set up would be determined by the size of area, population, topography, and social conditions of the area. Regardless of the type of demonstration chosen, the sample library would provide books and library materials to the residents of the test area for a certain period of time, probably a year. After the trial period is over, citizens in the area decide whether to keep the library on a permanent basis through local tax support.

The demonstration plan is a terminal plan. It does not mean that the Federal Government assumes responsibility for continuing support of State and local library service. It simply gives States and communities a chance to show the people what good library service is like, service which they themselves will eventually support through local taxes.

The cost, and it is a small amount compared to many of the bills we are asked to consider here, is coming from all the people of this Nation to help equalize opportunities for self-education and self-improvement for the 33,000,000 boys and girls and men and women scattered throughout the United States who now have no access to free library books. In this age of the atom bomb, the H-bomb, and aid for European recovery, our people need to know the facts about questions of national and international importance. During the last war, more than 650,000 young men were rejected from Army service because of educational deficiencies. Many were accepted who had very limited education. Leaders of the armed forces, knowing the value of books, supplied 10,000,000 books to servicemen and servicewomen. In our present age, whether it is to be of war or one of peace, our democracy needs the strength that comes from educated and informed citizens.

If any State desires to take advantage of this service, they can make application under the regulations, and each State will be given an outright grant of $40,000 a year for a 5-year period. This is entirely financed by Federal funds. If a State desires to expand the plan, they may do so and the Federal Government will participate with the State of a 50-50 match basis up to $100,000 annually. The limitation on participation

in this legislation is on the basis of a 5-year period.

State agriculture and mechanical colleges have been receiving Federal aid for years in annual grants of money. Colleges and educational institutions receive Federal aid in the form of tax exemptions. The Smith-Hughes Act provided Federal aid for vocational and home economics training. Other worthwhile programs are and have been receiving Federal aid. These educational projects are extending advantages to certain groups of our economy. This legislation is not confined to any special group, but all Americans who are not obtaining advantages of a free public-library service will be the recipients under this bill.

I reserve the remainder of my time, Mr. Speaker.

COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tomorrow to file a report on the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, is there to be a minority report?

Mr. SPENCE. I do not think so. There were only two votes against it in committee.

Mr. MARTIN of Massachusetts. I was going to suggest that if there was to be a minority report filed, the gentleman might get permission at the same time for both.

Mr. SPENCE. I am perfectly willing that that be incorporated, but I do not think there is to be a minority report filed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PUBLIC LIBRARY SERVICE DEMONSTRATION BILL

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may use.

The SPEAKER. The gentleman from Illinois is recognized for 30 minutes.

Mr. ALLEN of Illinois. Mr. Speaker, without any doubt or question, this rule should be defeated. The reasons are many, but the chief one is that the United States Government, which continues to go broke, cannot afford it.

This bill will cost $36,400,000. It provides for each of the 48 States and the 4 Territories to be given an outright grant of $40,000 a year, and also provides that the United States will match the various States and Territories to the extent of $100,000 a year for 5 years, making a grand total of $36,400,000.

I am sure, Mr. Speaker, I need not stress the fact that this Nation is spending too much money. Last year the Federal Government took in more money than has ever been collected in the history of this Nation, taken from our people in the form of taxes, more probably than we shall ever take in again as long as you and I live, but still we went in the red. Can you conceive yourself as an individual owning a hotel, the manager coming to you and saying, "We have had the best year in our history and it is unlikely we shall ever have another year as good, yet you must borrow money to run the hotel because we went in the red"? Would you continue that person longer as manager of your hotel? So I say there are many reasons for the defeat of this rule, but the chief one is that the United States cannot afford to make this expenditure.

Another reason why this bill should be defeated is that besides demonstrating books, it also distributes books, and lends books. And who does all this lending? It comes under the United States Commissioner of Education, a subsidiary of the Federal Security Administrator, Oscar Ewing; it gives him the right to select books and send them out. Some of us at least feel that he has just a few too many left-wing ideas to administer such a program.

Mr. KELLEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. KELLEY of Pennsylvania. No; the Federal Government has nothing to do with the type of books or with the personnel; that is left in the hands of the States.

Mr. ALLEN of Illinois. The Senate has never had any hearings on this bill. The House has not had any hearings on the bill this year. No one has appeared before the gentleman's committee in opposition to the bill, so it is rather difficult for anyone to learn all the facts.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MADDEN. I wish to correct the gentleman in that the Senate Committee on Public Welfare did have hearings.

Furthermore, if the gentleman will read the bill, he will find the following provision on page 2:

> The administration of public libraries, the selection of personnel and library books and materials, and, insofar as consistent with the purposes of this act, the determination of the best uses of the funds provided under this act shall be reserved explicitly to the States and their local subdivisions.

So Mr. Ewing has no authority at all over the books.

Mr. ALLEN of Illinois. That may be so at the beginning, but we all know that once the United States Government hands out these millions of dollars in a program they keep some control and have some idea as to who will control the policy.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. SMITH of Wisconsin. Conceding that the end objective is worth while, is there any reason why the States cannot provide funds for this kind of service?

Mr. ALLEN of Illinois. In reply to the gentleman from Wisconsin, I may say that I have not received a single letter from any State agency that has the responsibility of raising funds and meeting the budget asking for this bill. Surely this is a State function.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. JOHNSON. What part of the country is going to be benefited by this act? In my State they have a county organization that covers the rural sections.

Mr. ALLEN of Illinois. Answering the gentleman from California, I may say that no one ever receives any benefit from such bills according to what they pay. Yes; the people in the several States send their tax dollars to Washington, but in a case like this for each dollar they send to Washington they get perhaps 40 cents back after these meddlers get through administering it here in Washington.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. SADLAK. I am very much interested in the remarks the gentleman made, stating that the taxes are now high and invariably will go higher if we keep doling out money. Is it not a fact that many of the libraries throughout the Nation are the result of donations or endowments or gifts by those people who have been able to save a little money? Because of high taxes, this class of people now finds itself without the funds they would like to use to make the gift of free libraries in these rural sections.

Mr. ALLEN of Illinois. I agree with the gentleman. I may say that the United States Government cannot afford the expenditure of this $36,400,000. I communicated with a person back in Illinois, in my district, who has written over 200 income-tax statements. He has written the income-tax statements of 200 people for many years and they came to him this year. Without exception every one of them is paying less this year than they have the last 5 years. This includes businessmen and farmers, and so forth. So when we talk about this Nation only going to be in the red $5,000,000,000 this year I would say that from the information I have received, and that is true I am sure in all parts of the country, we are going to go in the red about $10,000,000,000.

You Members on this side of the aisle have the responsibility of whether this Nation goes broke or not and I hope enough of you will get up and fight this type of legislation so that the life-insurance policies and the savings of our people may be safe.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. JONAS. What are the mechanics to be applied in carrying on these mobile libraries? Is it similar to the system we use in distributing mail? If that is the modus operandi we are going to resort to, who will take care of the driver and the truck and how about the person who is using the books and the person who sees that the books get into the hands of proper people? Who has the

general over-all control of this situation?

Mr. ALLEN of Illinois. That will come under Oscar Ewing in Washington.

Mr. JONAS. It emanates from the seat of government here in Washington?

Mr. ALLEN of Illinois. Absolutely. I hope the Members will vote down this resolution. You have one good argument and that is we cannot afford it. The Government has to go out and borrow the money. If the Government had the money it might be different, but it has to borrow it to give it to the different States and Territories.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. CHURCH. Does the gentleman agree with me that we should vote the rule down on this socialistic bill which will create more jobs and use up more money that we cannot afford to spend?

Mr. ALLEN of Illinois. Yes; vote down the rule. The argument is we cannot afford it at this time. No one can criticize you back home when you show them that the Government if we continue this New Deal spending spree will surely become insolvent.

Mr. CHURCH. The cupboard is bare now.

Mr. MADDEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Speaker, it is not too often that I disagree with my good friend the gentleman from Illinois [Mr. ALLEN]; however, in this instance, with due respect to his position in regard to the Public Library Service demonstration bill under consideration, I find that due to my observation and experience with this program, and considering the necessity and benefits that will accrue from the reasonably small appropriation involved that I am in full accord with the recommendation of the committee, and therefore, I shall vote for the rule and the bill.

While my State has had a State library commission for more than 25 years which has made a tremendous contribution to the cultural and educational life of the rural areas of my State and parish, there is still need for expanded facilities to reach many portions of the State which are not yet provided this service. As an example, out of a population of more than 2,630,000, there are 741,209 persons or 28.2 percent of the population who are without library service, and since the service is principally in the areas of dense population in the larger parishes, there are 35 parishes, or nearly 50 percent of the State which is without this important service.

Mr. Speaker, I have been in public service during all of the period that we have had this program and have been an ardent supporter of the same. As a Member of the House and Senate during that time, I was always counted as a staunch supporter of the program and assisted in obtaining all of the appropriations possible for the Louisiana State library commission.

Mr. Speaker, as I have pointed out that nearly 50 percent of our State which is comprised of parishes in the rural areas are not now receiving the opportunities afforded by this program, I am heartily in favor of this bill.

While there are volumes which I could quote and write about the benefits to be derived from the extension and expansion of this program, due to the limited time under this rule, I will defer to other members of the committee who have heard extensive testimony on the subject, and who will present the result of their investigations, and I feel certain that the majority of the members will support the same.

Mr. Speaker, only last week this House had presented to us a bill to appropriate funds to the amount of over $1,000,000 to provide books and literature to European countries. I am one of the members of this body that believes that we should appropriate our money for benefits to our country and our people first, and while I am in accord with economy in government and retrenchment in expenditures, due to the small amount involved in this legislation, I feel that we can well afford to authorize this legislation in view of the billions which have been appropriated to foreign countries. Let us take care of the United States—not only in this program, but in all other reasonable programs which will redound to the benefit of our country and our people.

Mr. MADDEN. Mr. Speaker, I yield 7 minutes to the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Speaker, some of my friends in the House will believe that today I find myself in strange company, in that I am supporting this bill. I vigorously support it for the very reasons which have been brought out by the gentleman from Illinois [Mr. ALLEN], who just preceded me. Certainly this knowledge which will be transmitted to local libraries in the rural areas will emanate from Washington because by far the greater part of our library knowledge is here in Washington.

Do you know that the Library of Congress affects and influences every library in the United States, and in the world? Do you know that the card system which the Library of Congress has perfected is used in nearly every library? The system which the Library of Congress uses in providing library service to those of us here in this Congress should be made available—or a similar system should be made available—to everyone in the United States.

This is not a socialistic library service. This is not Federal aid to education. I am opposed to general Federal aid to education. This is simply to provide knowledge to a local community as to how it may secure for itself a library service. It is a demonstration library bill. The most important part of it, Mr. Speaker, is that it will last for just 5 years.

The gentleman who said that endowments have been providing library service in the past touched on the very crux of the situation, in my opinion. Surely, endowments have been doing it, but no longer are endowments providing it. The Carnegie system has brought to America immeasurable benefits, but the Carnegie endowments do not go down to the local country school districts or the local country library district or to the local unit of government down at the forks of the creek. The Carnegie system, as you know, goes only to cities.

Here is an opportunity to provide $40,000 a year for each State and Territory for 5 years, and 5 years only. The American Library Association states it does not want it beyond 5 years. I stand before you stating I will oppose it if any extension of this bill is sought beyond 5 years, if I am in Congress.

This bill appeals to me because it is a "State rights" bill that will allow and encourage the States and the people on the local level to determine their own library program. Just as no one from Washington, D. C., will tell them the kind of library to operate, no one will tell the people what they can read. The books selected for these libraries will be chosen by the local librarian who will buy the books needed and wanted by their people. This bill is designed to give people access to books so they can make their own decisions after reading pros and cons. It is a far cry from "thought control"—and is in fact designed to stimulate people to think for themselves rather than to accept as final the words of a columnist or radio commentator.

Not too much can be said about the need for facilities for continuous education. We hear a lot about the importance of adult education, and I'm all for it. I'm not concerned with whether it's in formal classes in the evening or vocational school, or if it is the informal search for knowledge in a public library. I do not care if the patron uses the library to get a mystery story designed to make him forget the problems of the day, or if he wants to know how to plant wheat, cane chairs, bake a cake, train a dog, or build a house. I want him to have a place to go where he can get the information, and get it free. I want him to be able to read Karl Marx and I want him to be able to read the Constitution of the United States. I want him to find those facts and those ideas which will help him lead a full life and give him the knowledge to form the capacity to think for himself.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. LUCAS. I yield to the gentleman from Michigan.

Mr. DONDERO. In regard to the gentleman's remark about reading Karl Marx and the Constitution of the United States, let us insist that he read the Constitution of the United States first.

Mr. LUCAS. That is one of the splendid things about our educational system, that all of our children are taught the Constitution. Whether they are taught it with enough emphasis sometimes I doubt.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. LUCAS. I yield to the gentleman from Connecticut.

Mr. SADLAK. The gentleman mentioned that it would provide books on how to grow wheat or grain. Would it be necessary to have a public library demonstration bill in order to obtain that

information? Does he not merely have to write to his Congressman?

Mr. LUCAS. Sometimes I think there are a lot of people in the United States who do not know who their Congressman is. Of course, I use that merely as an illustration. If he wants to learn how to plant wheat, he may secure that information from the Department of Agriculture or from his Congressman; but that is an illustration only. Suppose he wanted to know something that is not available through Government publications. He should be able to say to his librarian or to the person who purchases these books, "I want a book on such-and-such a subject." I know the practice exists in some States that that librarian or official may write to the State library or may write to the Library of Congress and get the very publication which is sought by the reader. But this bill will provide a demonstration, and, let me repeat, a demonstration only, of how good books may be made available to everyone.

I think this is a very excellent bill. I insist that here is a bill by which we can secure and give to local areas, country areas, a means of learning exactly what libraries can do in a community. Once the desire for knowledge is gained, then we hope that the local districts will provide their own libraries for themselves.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. LUCAS. I yield to the gentleman from Michigan.

Mr. FORD. During the hearings did the committee get any assurance from the proponents of this legislation that they have no idea that it would be permanent after the expiration of the 5-year period?

Mr. LUCAS. Yes; I can answer that emphatically. The American Library Association representatives who appeared before us stated it was not the intention of that organization to seek an extension beyond 5 years. As I said a moment ago, I will oppose an extension beyond 5 years. I am sure the gentleman will find other members of the committee who speak on this subject answering in similar fashion.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. LUCAS. I yield.

Mr. SMITH of Wisconsin. I think the gentleman is aware of the fact that the State treasuries today are in much better condition than is the National Treasury. Under those circumstances, why do not the States initiate this program themselves?

Mr. LUCAS. That is a question we will have to answer in our vote on this bill.

Mr. DONDERO. Mr. Speaker, will the gentleman yield further?

Mr. LUCAS. I yield.

Mr. DONDERO. On the question of whether or not this is permanent legislation, may I call the gentleman's attention to the fact that when we started the school-lunch program it was started in order to get rid of surplus cabbages and potatoes, and not as permanent legislation, yet today it is permanent legislation.

Mr. LUCAS. The gentleman does not mean to say that they do not have a surplus of cabbages and potatoes today, does he?

Mr. Speaker, let us adopt this rule and pass this bill.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

CALL OF THE HOUSE

Mr. CHURCH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

By unanimous consent a call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 87]

Allen, La.	Gary	Murphy
Anderson, Calif.	Gavin	Norblad
Andrews	Gilmer	Norton
Barrett, Pa.	Granahan	Pfeifer,
Boggs, Del.	Green	Joseph L.
Boggs, La.	Gross	Pfeiffer,
Bolling	Halleck	William L.
Bolton, Md.	Hand	Phillips, Calif.
Buckley, N. Y.	Hardy	Plumley
Bulwinkle	Harris	Poulson
Byrne, N. Y.	Harrison	Powell
Carnahan	Hays, Ohio	Redden
Case, N. J.	Hébert	Rees
Case, S. Dak.	Heffernan	Ribicoff
Celler	Hobbs	Richards
Chatham	Hoffman, Ill.	Rogers, Fla.
Chudoff	Jackson, Calif.	Rogers, Mass.
Colmer	Jackson, Wash.	Sabath
Corbett	James	Sadowski
Davies, N. Y.	Javits	Scott, Hardie
Davis, Tenn.	Kelly, N. Y.	Shafer
Davis, Wis.	Keogh	Sheppard
Dawson	Kirwan	Smathers
Dingell	Klein	Smith, Ohio
Dollinger	Kunkel	Stanley
Douglas	Lichtenwalter	Taylor
Ellsworth	McKinnon	Teague
Engle, Calif.	Macy	Thomas
Fallon	Magee	Towe
Frazier	Miller, Md.	Vinson
Fugate	Morrison	Whitaker
Fulton	Morton	Withrow
Gamble	Moulder	Woodhouse

The SPEAKER. On this roll call 335 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PUBLIC LIBRARY SERVICE DEMONSTRATION BILL

The SPEAKER. The gentleman from New York [Mr. WADSWORTH] is recognized.

Mr. WADSWORTH. Mr. Speaker, in one sense we have reached a very curious stage in our thinking. This bill would indicate, without any doubt whatsoever, if it should pass, that the Congress of the United States has no faith in the intelligence or the enterprise of the people in the several States. By the passage of this bill we in effect say that the executive authorities of the several States and the legislatures of the several States fail to realize how valuable a thing is a library service; therefore we must use Federal funds to prod them. To my mind, that conclusion is absurd. The State authorities, both executive and legislative, are just as intelligent as are the executive and legislative authorities of the Federal Government and, incidentally, they are decidedly closer to the people.

Here we say that the States must and should have Federal aid in demonstrating the value of a library service. Of course, professional librarians who do not represent all the people of the State by any means, sensing an opportunity of getting something for nothing, which, of course, is a fraud, bypass their own State legislatures and come rushing to Washington with resolutions asking: "Give us some money out of the Federal Treasury."

It may interest some of my colleagues to know that a very high authority in the educational department of the State of New York wrote me a letter the other day urging my support of this measure, yet right across the street from the departmental building in which he works is the Capitol Building of New York State at Albany with the legislature in session discussing library legislation. Oh, no, he says, we may not get all we want from the legislature; let us go to Washington.

It may not surprise you to know—it is not important at all—I replied to his letter in the negative.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Mississippi.

Mr. RANKIN. Is it not a fact that every State and every municipal government in America is better off financially proportionately than the Federal Government?

Mr. WADSWORTH. I was going to take that up. To the best of my knowledge and belief—I may be wrong in two or three instances of the 48 States—practically all of them are now in a sound financial condition. I do not know of any State that has any serious deficit such as is facing the Government of the United States. I know, for example, that the State of New York, the largest in the Union, has balanced its budget, that it is not increasing taxes, it is living within its income, and if things go well it will have something of a surplus this year. That is due to sound government. You cannot persuade the legislature of that State, no matter what its political complexion, to embark upon deficit financing, yet here in Washington we are embarked upon and are well along the road toward long-term deficit financing, which may go on for years and years.

Some will say that this is to last only 5 years. Are we sure? Who can tell? The estimable gentleman from Texas who called our attention to this 5-year limitation, like myself, may not be here 5 years from now to oppose an extension.

I remember the school-lunch program and how it started. It started in the midst of the depression, for the sole purpose, as expressed at that time, of helping the distressed farmers of the country to get rid of some of their surplus crops. It was regarded as temporary and everybody took it as such. Did it prove to be temporary? No. It is now thoroughly imbedded in the Federal-aid program of the United States Government. We are now helping to feed the children of the country, whether or not the communities in which the children

live are able to feed their own children. It is a permanent undertaking and we will never get away from it. It is costing us about $70,000,000 a year. It started at $20,000,000 a year.

Mr. Speaker, I am charged, and perhaps justly, with being an obstinate old man. Nevertheless, I shall have to display my obstinacy on this occasion. Unless I am convinced that our Nation as a Nation is confronted with some dire crisis in which dollars and cents cannot count. I shall vote against every bill reported to the House which increases the future financial commitments of the United States Government. I have done that thus far, and I shall continue to do so despite some measure of abuse which may fall upon me.

Mr. Speaker, we have to stop, look, and listen. Only yesterday we increased the financial commitments of the United States Government by $23,000,000 for several years to come. Only the week before we increased the future financial commitments of the United States Government to a minimum of $15,000,000 a year, and it will not stop there. It will grow, once established.

I can remember a bill passed by the House last summer extending Federal aid to States and municipalities to aid those States and municipalities to draft architectural and engineering plans for the building of local courthouses, city halls, and sewage-disposal plants. It is called the advance planning bill. It costs $100,000,000 a year. What will be its fate in the Senate I do not know.

I think of another. There is now pending on the House Calendar a bill to grant Federal subsidies to medical colleges, dental colleges, and nurses training schools—permanent. Two hundred and fifty million dollars a year it will cost. That came out of the Committee on Interstate and Foreign Commerce.

We cannot go on this way. We must call a halt somewhere. It is time to do it now. You and I know down deep in our hearts that the States of this Union, 48 splendid subdivisions of this Federal Union, are amply able to see to it that their people have adequate library service. They do not need to come to Washington and we do not have the money with which to pay them.

As has already been pointed out, every cent of this money, what it will cost, will have to be borrowed. Are we ever going to reduce taxes? It is high time that we do so in several segments of our tax field. We cannot do it if we keep piling up Federal financial commitments.

The people are already groaning under them. Every time we pass a bill like this we say plainly to the American people, "You cannot expect any reduction in taxes."

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CHURCH. Does not the gentleman believe that most of the people of this Nation will welcome the voting down of this rule?

Mr. WADSWORTH. I am not so particular as to the manner of defeating the bill. I pray for its defeat.

Mr. MADDEN. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Speaker, I want to relate just a little of the experience that I have had. In a world such as we are now living in knowledge is so very important. You get knowledge through reading. I was formerly a college professor. I had a number of students from rural areas. I also had a number from the cities. The students from the rural areas did not have the same advantages and many of them failed in our colleges and universities. Not because they did not have the brain power nor the desire to learn, but because they could not properly learn due to their background. In many of the rural areas of this country children want to get books. I mean the proper type of books. They want them so that they can use them. It is not their fault.

I might say that the gentleman who just preceded me comes from a very wealthy State. Money concentrates toward money centers. There are many rural States in the Union that need funds and would like to spend the funds provided by this most constructive measure to get books for rural children.

I am heartily in favor of any effort that will enable farmers to keep their children on the farms. I am heartily in favor of anything which will enable them to train their children and have the advantages that city children have. I am very much in favor of this bill which will give these farm children the opportunities we have in our cities. I hope the rule will be favorably acted upon and that the bill will pass so that we may have mobile libraries going out into the rural areas giving these advantages to our farm children.

Mr. Speaker, I yield back the balance of my time.

ANTI-SOCIALIST BILL

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements and excerpts.)

Mr. PATMAN. Mr. Speaker, I am very much in favor of this bill introduced by the gentleman from Indiana [Mr. MADDEN].

I think it will be very helpful to our country. The greatest bulwark against socialism in this country is an enlightened citizenry composed of home and farm owners. The Congress has done a great deal to encourage home and farm ownership. We will never be in danger of socialism as long as we have as many home and farm owners as we have today. This bill will extend library service to 35,000,000 people who do not now have such service. It is for the same purpose that reduced postage rates and free postage was advocated by George Washington. It is for the purpose of disseminating knowledge and information. Think of how low the cost of this library demonstration bill is compared to the quarter of a billion dollars cost to the taxpayers of the country every year for subsidies for newspapers and magazines which carry advertising matter.

Under this bill the distribution of this reading matter must be free, absolutely free, or the act will not apply. I think one of the greatest pieces of legislation that the Congress ever passed was the school-lunch program. I hope it is never repealed. If it becomes necessary, I hope it is enlarged. We hear the cry of Federal aid all the time. Did you know that the first general law passed by the Congress, after the law covering the taking of oath of office, was a subsidy bill—a tariff bill, if you please?

That was a Federal-aid bill. So, Federal aid is not new in this country and certainly we can use it for this particular purpose.

In our country today we have more home owners and more farm owners than any country in the world. Our home and farm owners have been encouraged by the Federal Government more than the home and farm owners of any other country in the world. Since we are working in the direction of a more enlightened citizenry, and since we are working in the direction of home and farm ownership, themselves, they are not going to want to become Socialists and divide what they have with somebody else. So this bill should be passed as a real anti-Socialist bill. I hope it is adopted.

Mr. WHITE of Califorina. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITE of California. The subsidy bill which the gentleman mentioned as being the first subsidy bill passed by the Congress of the United States, it so happens, was a subsidy for big manufacturers, was it not?

Mr. PATMAN. Certainly. It was. And it has been on the books in one form or another since the first law was passed, which was the first general law passed by an American Congress.

ANALYSIS OF PUBLIC LIBRARY SERVICE DEMONSTRATION BILL

PURPOSE

1. To provide demonstrations of adequate public library service to people now without it or inadequately served.

2. To provide means for studying various methods of providing public library service primarily in rural areas and for studying the effect of planning on an area basis upon the development of library service.

PROVISIONS

1. State library agencies may submit plans for use of Federal funds in demonstrating public library service primarily in rural areas. These plans shall be drawn entirely by the State agencies and need not be uniform throughout the country.

2. Two types of plans may be submitted: One calling for a basic demonstration using $40,000 per year for 5 years in each State, financed entirely by Federal funds, or an expanded plan may be added to this which would allow States to match an additional $40,000 to $100,000 of Federal funds annually for 5 years.

3. The Commissioner of Education would be required to make annual reports to Congress on the operation of the demonstrations and would be required to make a final public report evaluating the demonstrations.

QUESTIONS AND ANSWERS ON THE PUBLIC LIBRARY SERVICE DEMONSTRATION BILL

1. What is the public library service demonstration bill?

The library demonstration bill is a measure designed to stimulate State and local interest in improving library service. It is an effort on the part of the Federal Government and the States to show how State-wide library service can be established.

2. Who is sponsoring the library demonstration bill?

The bill is sponsored in the Senate by Senators LISTER HILL, of Alabama; GEORGE D. AIKEN, of Vermont; and PAUL H. DOUGLAS, of Illinois. The Senate number is S. 130.

Two identical bills have been introduced into the House. One, H. R. 874, is sponsored by Representative RAY MADDEN, of Indiana; the other, H. R. 1411, was introduced by Representative WRIGHT PATMAN, of Texas.

The library demonstration bill was developed in cooperation with the American Library Association, which sponsors it. The ALA is the national, nonprofit, professional association of libraries and librarians which for the past 70 years has stood for progressive library service. For the past 20 years the organization has administered funds for the extension of libraries to areas without them.

The library demonstration bill is also supported by the National Farm Bureau, the Farmers' Union, the National Grange, the General Federation of Women's Clubs, the National Council of Women, the National Congress of Parents and Teachers, and many State and local organizations.

3. What is the main objective of the bill?

The main objective is to stimulate interest in State-wide library service and to encourage State and local interest in libraries. The bill will give librarians an opportunity to study the most effective means of providing library service to rural areas. The communities where demonstrations are set up will be expected to continue library service after the test period is over, thereby stimulating their neighbors who have no libraries to establish them. People do not miss things they have never known. After the community has had library service available through a demonstration, the citizens will vote to keep the service.

It is not the purpose of the library demonstration bill to provide universal library service, but merely to demonstrate what can be done.

4. Who will administer the bill?

The bill clearly provides for State supervision. The administration at the State level is in the hands of the State library agency. The Federal Government makes grants to assist the States in carrying out demonstrations, but there is no interference with State and local initiative and responsibility in conducting the demonstrations.

5. What is a library service demonstration?

A demonstration is a sample of good library service. It is provided a community for a period of time sufficient to show the citizens: (1) How books, magazines, films, and other library materials can be made available to the entire community at low cost; (2) why trained librarians are essential to good library service just as trained teachers are essential to good schools; (3) how public libraries are controlled by the citizens themselves through boards of trustees; (4) how public library service can be permanently theirs through tax support, spread over a large enough area to keep the cost reasonably low; and (5) to show taxpayers just what the cost of library service to the community will be.

6. How are demonstrations carried on?

Demonstrations are carried on in various ways, the most common being through the use of bookmobiles. A bookmobile is a library on wheels. The bookmobile makes regular trips to outlying districts, carrying books from a central library. Another type of demonstration is a model library set up in a certain region, usually for a year or more, to demonstrate to the people within that area the value of good public library service.

7. What is meant by good public library service?

A public library is a collection of books and other printed materials organized so that the user can find what he wants. Public library service is the work that goes into making the library useful to its public. Good public library service anticipates the demand of the users, selects materials that will best fill the demand, and encourages and develops reading interests in the community. Good public library service also provides individual consultation and guidance in special reading interests for those members of the community who desire it, and it devotes special attention to developing the inquiring minds of children through books.

8. Specifically how will the plan operate?

State library agencies—the supervising agents—will submit plans for the use of Federal funds in demonstrating library service, primarily in rural areas. These plans would be formulated entirely by the State agencies, so would not be uniform throughout the country, but would vary as State needs vary.

9. What must the States do to be eligible for the funds?

There are five general conditions which the States must meet to qualify for Federal grants for the library demonstrations. These conditions are:

(1) The States must submit for the approval of the United States Commissioner of Education a plan for use of such funds as they are available.

(2) The States must report to the Commissioner on the operation of the demonstrations.

(3) Library services made available under this act shall be free.

(4) No money provided under the act shall be used for purchase or erection of buildings or for purchase of land.

(5) A State may not use funds provided under the act for the purpose of reducing State appropriations to the State library agency.

States may submit either of two types of plans. One plan would call for a basic demonstration, using $40,000 a year for 5 years in each State, financed entirely by Federal funds; the other is an expanded plan under which the States would match an additional $40,000 to $100,000 of funds annually.

10. What happens after the act expires and the demonstrations are completed?

It is then up to the local people to see that the service is continued, preferably on a regional cooperative basis, supported by local taxation and State aid. The test areas will have served to point out to State legislators what can be done, with comparatively modest expenditures, to raise the State level of culture and education. Citizen groups, State library associations, and State library extension agencies will cooperate in planning the most effective means of continuing library service.

11. How will the general public know of the results of the demonstrations?

The United States Commissioner of Education is required under the bill to make annual reports to Congress on the administration of the demonstration program. A final report, outlining the results, will be prepared for public distribution.

12. Have library demonstrations been successful in the past?

Yes; when well organized and when staffed by efficient personnel, the value to the community has been so obvious that permanent tax support has been voted. The WPA carried on demonstrations. Many of them resulted in permanent library service in the areas where they operated.

Louisiana has carried on demonstrations with foundation and State funds for 20 years. Out of 24 demonstrations, 21 districts voted to pay taxes and keep the service. Illinois, Missouri, Tennessee, and Minnesota are among other States which have had successful demonstration programs.

13. Will the demonstrations be staffed by trained personnel?

Yes; the bill authorizes the Commissioner of Education to establish, in cooperation with State library administrative agencies, institutes, or short courses for training personnel for public library service demonstrations. This would insure effective direction of the demonstration programs.

14. Will my State, which has particular library needs, have to follow a national demonstration program?

No; there is no uniform plan for demonstrations. Each State agency will formulate a plan based on the library needs of that State. The plans are submitted to the United States Commissioner of Education for approval.

15. What part will local communities play in the demonstration program?

The State library agency will work with local authorities in setting up the demonstration program. The library demonstration bill will stimulate local initiative in establishing permanent libraries.

16. Some counties already have libraries. Will they benefit in any way?

Yes; they will. Counties which already have library service will benefit in the following ways:

(1) Local efficiency and service resulting from a national study of library methods will be improved.

(2) Functional illiteracy, uninformed mass voting, and factional misunderstanding will be decreased by expanded educational facilities.

(3) Democratic principle of equal opportunity for all will be supported.

(4) Counties which have inadequate library service can participate in the demonstration program.

17. Citizens of the United States have more and better cultural and educational facilities now than the people of any other country in the world. Why should we worry about public libraries when we have so many other pressing problems?

In spite of our cultural facilities, 42 percent of our citizens over 20 years of age have not gone beyond the eighth grade in school. Huge areas of our country are without even passable educational facilities. Thirty-five million Americans living in rural areas have no form of library service, and another 35,000,000 have library service which is inadequate. Every problem we face must be faced and solved by all citizens together, including the near-illiterates, the uninformed, and the malcontents. During the war the Army had to educate men before they were acceptable as soldiers. The Government had to train millions of war workers in vocational schools. It would have been absurd for them to say "we have to win the war before we bother with education and training," because without education and training they couldn't have won the war. We feel that without the extension of adult educational facilities now we can't tackle the problems of peace efficiently.

18. One of the purposes of the bill is to develop means of providing library service to rural areas. Don't radios, newspapers, Grange forums, and the like take the place of libraries for rural people?

Studies have shown that where libraries are poor other facilities are also lacking. In any case, these advantages only create new needs for libraries among rural people. They have opened many new avenues of thought, put rural dwellers in touch with the rest of the world. But they don't keep pace with the interests they arouse because the intelligent person very often feels the need for more information than he gets in the brief treatment of a subject possible in a magazine or

radio program or newspaper article. The better the article or program, the more likely it is that the desire for additional information on the subject will be stimulated. The greatest contribution of the newspaper, the radio, the discussion, is the development of intelligent interest. Libraries can satisfy this interest.

19. If rural people need and want library service, why haven't they done something about it?

Rural people have done something about it. Within the last 20 years, 500 county and regional libraries have been established. Of the remaining counties in the United States, hundreds are actually too poor by themselves to support libraries, although they could contribute to a regional service if they were shown how it would work. Others lack socially minded officials, strong, organized citizens' movements without which good public services are not initiated, even in large cities.

20. Why cannot present State aid for libraries suffice?

Only 23 States have State aid for libraries, and that provided is not always sufficient to make good library service available to all of the citizens. Many of the State laws do not provide adequate aid, and the library demonstration bill will point up the weaknesses and the need for revision in the present State laws.

21. Doesn't this bill advocate Federal control of an activity that should be the sole responsibility of the States?

No, indeed. The library demonstration bill is different from straight Federal aid. Rather than giving control to the Federal Government, one of the principal objectives of the bill is to encourage State and local support and interest in libraries. The library demonstrations will be controlled by State agencies working with local authorities, thereby eliminating any possibility of Federal control.

22. Won't the Federal Government have control over the selection of State personnel?

No; it will not. No Federal agency has authority over selection, term of office, or salary of any individual employed in connection with the State operation of the demonstration programs. The State administering agency will outline personnel qualifications, and selection will be by the State agency or local library board.

23. Won't Federal funds for library demonstrations discourage permanent State aid?

On the contrary, it would act as an incentive to State aid. To receive the Federal grant the governor of the State must certify that the State will not reduce its own library support. It is expected that many States which do not now vote money for the extension of library service will do so as a result of the demonstrations.

24. Doesn't the bill propose a new type of Federal-State relationship?

No; it is comparable to the provisions for the Department of Agriculture and Bureau of Mines experiment stations, the chief difference being that in the public library service demonstration bill policies and administration are controlled locally, and there is a time limit on the extent of the library demonstrations.

25. You can't have Federal aid without violation of States' rights and without Federal control. We don't want that.

State agricultural and mechanical colleges have been receiving Federal aid for years in the form of annual grants of money. All colleges and educational institutions receive Federal aid in the form of tax exemption. The Smith-Hughes Act provided Federal aid for vocational and home-economics training. For many years, the blind have had books in braille and talking books paid for and distributed with Federal funds. This has not impinged upon their control by State and local governments. The library demonstration bill specifically prohibits Federal control. Responsibility for selection of books and personnel, for the nature of services to be rendered, and for all actual operations of the library are specifically reserved to State and local authorities.

TEXAS EDITORIAL

(The following editorial appeared in the San Antonio Express, February 11, 1949, favorable to the pending bills:)

HENSHAW'S APPEAL FOR TEXAS STATE LIBRARY EXTENSION

Though Texans like to brag about their State's bigness, supposed self-sufficiency, wealth of oil and cattle, growing industries and progress generally, they are silent concerning its public libraries.

Texas has nothing to boast of there. In his plea to the legislature, Francis H. Henshaw, State librarian, has shown how Texas stood thirty-sixth among the States in per capita expenditure on library service. What is worse, Texas is the first State in number of citizens who lack book-borrowing privileges. Some three and one-half millions, or half the State's population, are so situated.

Who will deny that a State which spends multiplied millions on its roads and other millions on its school can do better by its libraries—the poor man's university?

Mr. Henshaw has given that challenge to the lawmakers at Austin. He is seeking $200,000 to establish five regional libraries where the need is greatest during the fiscal year beginning September 1 next. Each unit would comprise 10 or 15 counties. The State would provide a bookmobile, well stocked; a librarian and a driver, and would split operating costs with the counties. That has proved the most economical means of taking books to the people.

Once the people get a taste of good books, Mr. Henshaw considers—and Texas' own experience with the pioneer county libraries bears him out—they would not let the service drop. Accordingly, after 1 year's operation he would turn the first five regional libraries over to the participating counties and establish five more in new bookless, or relatively bookless, territory. Thereby Mr. Henshaw hopes ultimately to extend library service to even the most isolated Texas communities.

Should Congress meanwhile pass the library demonstration bill—as appears likely at this writing—the Texas plan, if effectuated, would allow this State maximum Federal aid for library extension. Texas then would get an outright grant of $40,000 a year, plus $100,000 matched by State money.

Thus reinforced, Texas could establish 10 regional libraries at a time and cut in half the years required to provide all Texans with free library service. All over the State, friends to libraries have been urging the Texas Legislature to put in a word for the related bill before Congress. The lawmakers could do that most convincingly by approving the plan presented by the State librarian.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I would like to call to your attention the fact that had he lived, this would have been the eightieth birthday of my predecessor, your former colleague, Sol Bloom. He died 1 year and 2 days ago, 2 days before his seventy-ninth birthday, mourned by friends and admirers both at home and abroad.

His career is in many ways an example for all young Americans to look up to. He started from scratch, so to speak, in Pekin, Ill., and he rose to be chairman of the Foreign Affairs Committee of the House of Representatives. He was a delegate to the United Nations General Assembly. In fact, he was a signer of the Charter of the United Nations. He was an appointee to many other international bodies and conferences, and became, during his life, one of the great authorities on the life, tradition, and times of George Washington. He was director of the United States George Washington Bicentennial Commission. Later he was director general of the United States Constitution Sesquicentennial Commission. He served for 25 years in the Halls of Congress, representing with eminent distinction the district which I now have the honor to represent on the west side of Manhattan.

In addition to all the honors that came to him, we remember him because of his sympathy, his understanding, and his tolerance for his fellow man. He was a champion of the right, the dignity, the freedom of all men.

I am sure you all understand the great honor I consider it to serve as his successor.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself the remainder of the time.

The SPEAKER. The gentleman is recognized for 11 minutes.

Mr. BROWN of Ohio. Mr. Speaker, it is not pleasant for me to rise in the well of the House to oppose legislation which has been introduced by my friend and colleague from Indiana, a fellow member of the Rules Committee [Mr. MADDEN], or to oppose the adoption of a rule for the consideration of legislation which he has introduced. I do not intend to discuss the merits or demerits of this legislation to any extent. I realize there is a great place in our American life for public and quasi-public libraries. I do not believe there is a single individual in this House who is opposed to having libraries, books, magazines, and good reading material available for every man, woman, and child in America. In fact, I believe the American people in our various States have recognized the need for libraries, books, magazines, and good reading material; and that, to a great extent, most of the States of the Union have met that need in the true and typical American way.

My interest in public libraries or quasi-public libraries goes back a great many years. In my little home-town community of about 2,500, we formed a library and supported it ourselves, more than a quarter of a century ago. In my own State we not only have local libraries in practically every community but we have State libraries and various college libraries, and they send books throughout the State upon request, as the gentlewoman from Ohio [Mrs. BOLTON] so well knows from her great interest in the Ohio library system. We also have a Statewide service by bookmobiles, as we call them, that go out from the various

county and local libraries to take books into the highways and byways of the rural areas.

Thus every individual man, woman, and child in the State have available in one form or another library service for which they, as taxpayers of the State, and its local political subdivisions, pay for, with the exception, of course, of those library services which have been furnished through the philanthropy of many great citizens, not only of our State but of other States as well.

I do not, therefore, wish to discuss the merits or demerits of this bill, because I believe that each and every one of us can agree among ourselves that we are for good libraries and good library services. The one great question which I think has been brought up very aptly and discussed adequately by the gentleman from New York [Mr. WADSWORTH] is whether or not we should, for the first time, as a Federal Government embark upon the new activity of either demonstrating or furnishing library service to the people of all the various States of this Union.

I would like to remind the membership of this House there is no magic source from which the Federal Government gets the money it spends; every penny paid out for any Federal activity comes out of the Treasury of this United States of ours, and must first be paid into the Treasury in the form of taxes. Actually, therefore, the Federal Government never gives anything to the people of any State. Instead we first collect from them the money the Government spends; and the Federal Government, my friends, charges a rather high brokerage fee for handling the tax money of the people of this country and for distributing it for them.

One of the gentlemen here, and a very good friend of mine for whom I have high respect, the gentleman from West Virginia [Mr. BURNSIDE] talked about how he wanted the benefits of this particular measure for the children of the rural areas of his State so that they might be able to obtain an education. Mr. Speaker, perhaps it might be wiser for the gentleman from West Virginia to joint with some of the rest of us in attempting to reduce the burden of Federal taxation on the parents of these rural children in his State so they can afford to send them to school and to college. Perhaps that is the best way to educate those children. Reduce the cost of Government rather than increase it, so the mothers and fathers of America, whether they live on farms, or in villages, or cities, may have sufficient of their income left that they may educate their own children and give them an opportunity to go to college.

Oh, the gentleman from Texas [Mr. PATMAN] talks to us about the farm and home owners, and how important the home owners are to the Nation. Of course, they are important, at least in my book, so important that I want them to be able to retain, to keep, and to continue to own their own farms, and to have the opportunity, if you please, to earn and to save enough, after Federal taxes are taken out, to buy and to own their own homes and their own farms.

Under this legislation, as the gentleman from Illinois has so well told you, the Federal Security Agency will have considerable power and influence in connection with the distribution of these funds. All you have to do is to read section 3 on page 2 of this bill to know that. I should like to remind you that in a book put out by the Federal Security Agency—and I am saying this for the enlightenment, the edification, and the education of the gentleman from Texas [Mr. PATMAN], probably written by some lady who never had a chick or child of her own, telling us how to raise our children, contains this rather astounding statement:

> Of course, home ownership in America is not as important today as it once was.

I refer to a passage on page 41 of the official publication, The Child From Six to Twelve.

So, seemingly, this agency which will have a great deal to do with this library demonstration operation disagrees with the distinguished gentleman from Texas. I can understand the gentleman's viewpoint is entirely different from mine because he does not concern himself as much about deficit financing as I do. He has a different formula for raising funds for the use of the Federal Government than we have followed here in the past and are following now. I recall many of his speeches here in which he urged that if we need money we just print more of it.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. PATMAN. I just want to say that the gentleman has misrepresented my views. I have never advocated anything like that in my life.

Mr. BROWN of Ohio. May I say to the gentleman that I am not an old man yet. My memory is rather long and usually accurate. I have heard the gentleman speak on the floor many times. I will leave it up to the Members of the House who heard some of his speeches as to whether or not he believes in the same sort of a national money policy or program that most of us believe in. But let us not dwell further on that.

Mr. Speaker, we are face to face, in the House, with the question whether or not we are going to vote to start a new Government activity, to embark upon a new Government project or program, and thereby obligate the Federal Government for the expenditure of new or additional funds, when we are operating in the red, and while we are supporting our Government through deficit financing. If we had a surplus in the Treasury then it might be well to consider many of these new projects, but regardless of the merit or demerit of any new proposal, not absolutely necessary to the national defense or to the security, safety, and the welfare of the American people, I believe it wrong to start any such new Federal project when we must borrow the money to pay for it. I say that is not good legislation.

Mr. Speaker, I hope this rule will be defeated by those Members who have pledged themselves to sound economy in our Government.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. MADDEN. Mr. Speaker, I yield the balance of my time to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, as a Member of this House I helped defeat last week a proposal to send a million and a quarter dollars abroad for library service to people in Europe. We have that money available for library service in our country. I then said I favored this bill and I do favor it. Distinguished citizens from all walks of life, educators, businessmen, the rich and the poor in my district, favor this measure.

May I say in passing that no Member of this House entertains a higher esteem for the distinguished gentleman from New York who spoke some moments ago than I. He is one of the great men of this country. Why is he a great man? First of all he has back of him a great family record. He comes from a distinguished family, which is an institution in the State of New York. He was born with the elements of greatness in him. But there is another reason for his greatness and his eminence and that is he has read great books and had the opportunity all the days of his life to read good books and to attend one of the best universities in the land.

Mr. Speaker, there are 35,000,000 people in this country today who are without adequate library service. Ninety-five percent of those people live in the rural areas where library service has not reached them. On the march in this country today is an army of young people, boys and girls who have a rendezvous with destiny. In their unfolding and developing lives lies the future and the safety of this Nation. I have said before and I want to say now that I will never vote to economize at the expense of a hungry child. Nor will I vote to economize by depriving a boy or a girl anywhere, no matter how far back in the hills that boy or girl may be, of the opportunity to come in contact with the great minds of the earth which live forever in the books to which they committed their great thoughts and the most lofty sentiments of their great souls.

It has been said that the house which has a library in it has a soul. I thank God that as a boy in the home I grew up in there were great books. I worked for a farmer one season named William Keeney. I did not know when I went up there to plow with him and cultivate the soil that he was the reader of good books. He gave me to read during that period Hallam's Middle Ages, Gibbon's Rome, and Prescott's Conquest of Mexico. Both my mother and my father were inveterate readers. I followed in their footsteps.

I want to extend to the boys and girls of my district and of your district and of every other section of this country the advantages that I had and that you have had, because I say to you that the whole future and the whole safety and strength and glory of this Republic is in the developing minds and hearts and characters of the boys and girls of this country. They are the future builders of this Nation. Theirs is the power unto the salvation of our country.

For these reasons I favor this rule and favor this bill. We are doing a service to our people and time is of the essence in this matter. The boy or the girl that is passing this way today cannot retrace his or her steps. If we fail to give them every possible educational advantage, if we deprive them of library service, we have robbed them of their inheritance and we have robbed our country of a citizenry strong and enlightened enough to preserve this Government of the people, by the people, and for the people.

What made Lincoln great? His stepmother introduced him to the world of books, Aesop's Fables, Bunyan's Pilgrim's Progress, Shakespeare, and the Bible. It has been said that Shakespeare is an intellectual ocean whose waves touch all the shores of human thought, and may I say in paraphrase that the Bible is a spiritual sea which touches all the shores of human existence. Lincoln sounded all the depths of Shakespeare, and he was a profound student of the Bible. Its truths, its imagery, its wisdom, its poetry run through his speeches like threads of gold through cloth of silver. He was educated, and well educated, because he walked and he talked and he lived with the great souls and with the great minds of this earth who immortalized themselves in their deathless work.

Mr. JOHNSON. Mr. Speaker, we all believe in libraries and want as many as can possibly be used in every part of the country. But this bill seems to me to be a little fantastic.

Building and operating libraries is a State, city, and county function. If our State was in bad shape financially, perhaps such a bill as this would be justifiable. But it is not.

I would also be glad to have the Federal Government help States build up their library system if the National Government had some surplus money to do this. But we have no surplus money now. In fact, we are liable to go into debt as much as $5,000,000,000 during this fiscal year, which will end on June 30, 1950. We know that we will not balance the budget this year; it is merely how much the debt will be. That means that the money to implement this bill will have to be borrowed. That means that we should add at least 33⅓ percent to the amount which this bill will cost. We all know that the Government guarantees that if you spend $75 in a war bond at the end of 10 years it will pay you back $100. As I figure it, the cost of this bill will be at least $1,920,000 per year for 5 years. That would be $9,600,000, and adding to this the one-third for interest on the money the Government will borrow to carry out the program gives a total of $11,800,000. But there are some other provisions in the bill which the speakers for the committee that handled the bill agreed might run the cost up to as much as $36,000,000 for 5 years, and adding the one-third to this total would make the ultimate cost $48,000,000.

Unless we stop our loose fiscal policies, we are going to get into serious trouble. We cannot go on and operate our Govern in peacetimes—the most prosperous we have had for a long time—on borrowed money. To give a little inkling what this means to the people of the United States, I need but call your attention to the fact that the dollars today—due in part to loose fiscal policies and deficit spending—are about one-third less in purchasing power than they were at the end of the war. The war debt is $256,000,000,000. When the bonds evidencing this debt were bought they bought about one-half more than present dollars buy, or, to put it in the reverse, the present dollar has one-third less in purchasing power. One-third of $256,000,000,000 is $85,000,000,000-plus, which is what the bond buyers of our country have lost in purchasing power because of inflationary policies of our Government, of which this bill is a small example.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. MADDEN) there were—ayes 68, noes 82.

Mr. MADDEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 209, nays 140, not voting 83, as follows:

[Roll No. 88]

YEAS—209

Abbitt	Davenport	Karst
Abernethy	Davis, Ga.	Karsten
Addonizio	Deane	Kee
Albert	DeGraffenried	Kelley, Pa.
Angell	Delaney	Kerr
Aspinall	Denton	Kilday
Bailey	Dingell	King
Barden	Donohue	Lane
Baring	Doughton	Lanham
Barrett, Wyo.	Doyle	Larcade
Bates, Ky.	Durham	Lemke
Battle	Eberharter	Lesinski
Beall	Elliott	Lind
Beckworth	Engel, Mich.	Linehan
Bennett, Mich.	Evins	Lucas
Bentsen	Fallon	Lyle
Biemiller	Feighan	McCarthy
Blackney	Flood	McCormack
Blatnik	Fogarty	McDonough
Boggs, La.	Forand	McGrath
Bonner	Furcolo	McGregor
Bosone	Garmatz	McGuire
Boykin	Golden	McMillan, S. C.
Breen	Gordon	McSweeney
Brooks	Gore	Mack, Ill.
Brown, Ga.	Gorski	Madden
Bryson	Gossett	Mahon
Buchanan	Grant	Mansfield
Buckley, Ill.	Gregory	Marcantonio
Burdick	Gross	Marsalis
Burke	Hagen	Marshall
Burleson	Hare	Miles
Burnside	Harris	Miller, Calif.
Burton	Havenner	Miller, Nebr.
Camp	Hays, Ark.	Mills
Carlyle	Hébert	Mitchell
Carnahan	Hedrick	Monroney
Carroll	Heller	Morris
Case, N. J.	Hobbs	Morton
Case, S. Dak.	Holifield	Multer
Cavalcante	Holmes	Murdock
Chelf	Howell	Murray, Tenn.
Christopher	Huber	Noland
Clemente	Hull	O'Brien, Ill.
Combs	Irving	O'Brien, Mich.
Cooley	Jacobs	O'Hara, Ill.
Cooper	Jenkins	O'Konski
Cox	Jennings	O'Neill
Crook	Jones, Ala.	O'Sullivan
Crosser	Jones, Mo.	Pace
Cunningham	Jones, N. C.	Passman
Patman	Sims	Welch
Patten	Spence	Wheeler
Perkins	Staggers	White, Calif.
Peterson	Steed	White, Idaho
Philbin	Stigler	Whitten
Phillips, Tenn.	Stockman	Whittington
Poage	Sullivan	Wickersham
Polk	Sutton	Wier
Preston	Tackett	Williams
Price	Tauriello	Willis
Priest	Teague	Wilson, Okla.
Rabaut	Thomas	Winstead
Rhodes	Thompson	Withrow
Rodino	Thornberry	Wood
Rooney	Tollefson	Woodhouse
Roosevelt	Trimble	Worley
Sabath	Underwood	Yates
Sasscer	Van Zandt	Zablocki
Shelley	Walsh	

NAYS—140

Allen, Calif.	Harden	Patterson
Allen, Ill.	Harrison	Phillips, Calif.
Andersen, H. Carl	Hart	Pickett
	Harvey	Potter
Anderson, Calif.	Herlong	Quinn
Andresen, August H.	Herter	Rankin
	Heselton	Reed, Ill.
Auchincloss	Hill	Rees
Bates, Mass.	Hinshaw	Regan
Bennett, Fla.	Hoeven	Rich
Bishop	Hoffman, Mich.	Riehlman
Bolton, Ohio	Hope	Rivers
Bramblett	Horan	Sadlak
Brehm	Jackson, Calif.	St. George
Brown, Ohio	Jenison	Sanborn
Byrnes, Wis.	Jensen	Saylor
Canfield	Johnson	Scott, Hugh D., Jr.
Cannon	Jonas	
Chesney	Judd	Scrivner
Chiperfield	Kean	Scudder
Church	Kearney	Secrest
Clevenger	Kearns	Shafer
Cole, Kans.	Keating	Short
Cole, N. Y.	Keefe	Sikes
Cotton	Kennedy	Simpson, Ill.
Coudert	Kilburn	Simpson, Pa.
Crawford	Latham	Smith, Kans.
Curtis	LeCompte	Smith, Va.
Dague	LeFevre	Smith, Wis.
Davis, Wis.	Lodge	Stefan
D'Ewart	Lovre	Taber
Dolliver	Lynch	Talle
Dondero	McConnell	Velde
Eaton	McCulloch	Vorys
Elston	Mack, Wash.	Vursell
Fellows	Martin, Iowa	Wadsworth
Fenton	Martin, Mass.	Wagner
Fisher	Mason	Walter
Ford	Merrow	Weichel
Gathings	Meyer	Werdel
Gillette	Michener	Widnall
Goodwin	Miller, Md.	Wigglesworth
Graham	Murray, Wis.	Wilson, Ind.
Gwinn	Nelson	Wilson, Tex.
Hale	Nicholson	Wolcott
Hall, Edwin Arthur	Nixon	Woodruff
	Norrell	Young
Hall, Leonard W.	O'Hara, Minn.	
	O'Toole	

NOT VOTING—83

Allen, La.	Gilmer	Norton
Andrews	Granahan	Pfeifer, Joseph L.
Arends	Granger	
Barrett, Pa.	Green	Pfeiffer, William L.
Boggs, Del.	Halleck	
Bolling	Hand	Plumley
Bolton, Md.	Hardy	Poulson
Buckley, N. Y.	Hays, Ohio	Powell
Bulwinkle	Heffernan	Rains
Byrne, N. Y.	Hoffman, Ill.	Ramsay
Celler	Jackson, Wash.	Redden
Chatham	James	Reed, N. Y.
Chudoff	Javits	Ribicoff
Colmer	Kelly, N. Y.	Richards
Corbett	Keogh	Rogers, Fla.
Davies, N. Y.	Kirwan	Rogers, Mass.
Davis, Tenn.	Klein	Sadowski
Dawson	Kruse	Scott, Hardie
Dollinger	Kunkel	Sheppard
Douglas	Lichtenwalter	Smathers
Ellsworth	McKinnon	Smith, Ohio
Engle, Calif.	McMillen, Ill.	Stanley
Fernandez	Macy	Taylor
Frazier	Magee	Towe
Fugate	Morgan	Vinson
Fulton	Morrison	Whitaker
Gamble	Moulder	Wolverton
Gary	Murphy	
Gavin	Norblad	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mrs. Kelly of New York for, with Mr. Arends against.
Mr. Gilmer for, with Mr. Kunkel against.
Mr. Morrison for, with Mr. Lichtenwalter against.
Mr. Sadowski for, with Mr. Macy against.
Mr. Dollinger for, with William L. Pfeiffer against.
Mr. Whitaker for, with Mr. Plumley against.
Mr. Hays of Ohio for, with Hardie Scott against.
Mr. Allen of Louisiana for, with Mr. Gavin against.
Mr. Frazier for, with Mr. Gamble against.
Mr. Hardy for, with Mr. Corbett against.
Mr. McKinnon for, with Mr. Reed of New York against.
Mr. Andrews for, with Mr. Taylor against.
Mr. Kruse for, with Mr. Smith of Ohio against.
Mr. Morgan for, with Mr. James against.
Mr. Murphy for, with Mr. Hoffman of Illinois against.
Mr. Kirwan for, with Mr. Poulson against.
Mr. Engle of California for, with Mr. Towe against.
Mr. Jackson of Washington for, with Mr. Hand against.
Mr. Celler for, with Mr. McMillen of Illinois against.

Until further notice:

Mr. Fugate with Mr. Boggs of Delaware.
Mr. Bolling with Mr. Norblad.
Mr. Gary with Mr. Ellsworth.
Mr. Magee with Mr. Halleck.
Mr. Colmer with Mr. Wolverton.
Mr. Vinson with Mr. Fulton.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. LESINSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 874) to provide for the demonstration of public library service in areas without such service, or with inadequate library facilities.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 874, with Mr. HUBER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. LESINSKI. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as chairman of the Committee on Education and Labor, I am urging approval of H. R. 874, the Public Library Service demonstration bill. I am convinced by the fact that we have here a powerful but cheap weapon for strengthening democracy at home. In order to make the free system of Government work, our people must all have access to adequate information and education. One of the master keys to information and education in the United States is the public library.

The purpose of this piece of legislation is to promote our Nation's educational development by stimulating the establishment of public library service in areas which are either now without it altogether or which now have inadequate service. Thus, it will be of particular benefit to people in rural areas. Millions of people in the United States are without public library service, and 90 percent of these citizens live in rural areas. If we in America seek to lead the free peoples of the world, we cannot afford to deny such a large proportion of our countrymen the chance for this basic means of education. Since our cities are constantly being repopulated by people from rural areas, this measure will be of great benefit to urban centers also.

The Public Library Service demonstration bill was first introduced in the Seventy-ninth Congress by the Honorable Emily Taft Douglas. It was reintroduced in the Eightieth Congress and extensive hearings were held at that time. At those hearings, the idea of encouraging the expansion of public library facilities to all regions in the country received enthusiastic support from national farm organizations, the National Congress of Parents and Teachers, the General Federation of Women's Clubs, the American Library Association, and other groups. It has had widespread editorial support throughout America as a legislative measure which would benefit all citizens and give real meaning to the phrase, "freedom of information."

The bill now before us was introduced by the Honorable RAY J. MADDEN, of Indiana. A similar bill is on the current Senate Calendar. Here are the essential features of this legislation:

First, an unmatched grant of $40,000 will be made to each State for a period of 5 years to enable the State authorities to demonstrate the values of good library service. Two years are allowed each State to accept these benefits.

Second, an additional grant ranging from $40,000 to $100,000 will be made annually to each State for a period of 5 years, provided the amount is matched by the State or local government or both. The State is allowed 4 years in which to start this matching program.

Third, the grants to the States have a definite termination date.

Fourth, the control of the demonstrations is placed expressly in the hands of the States and their local subdivisions in the American tradition of local self-government. The bill provides that—

> The administration of the public libraries, the selection of the personnel, and library books and materials * * * shall be reserved explicitly to the States and their local subdivisions.

Fifth, the plans for the use of the funds will be drawn up by the State library agencies and may vary according to the needs of each State. The Office of Education is required to approve those plans if they meet the broad specifications set forth in the bill—provisions which are intended to insure that the objectives of the act are fulfilled.

Sixth, in view of the educational significance of this bill, the Office of Education is required to study the values of the demonstrations, to make annual reports to the Congress, and to prepare a general report for public distribution showing the results of the demonstrations.

The American Library Association, one of the most active supporters of H. R. 874, has estimated that the cost to the Federal Government for the whole effective life of this act, a period of 8 years, would be approximately $27,000,000. If all of the States were able to take the full advantage of the $100,000 matching provision, the total maximum cost for the entire life of the bill would be $36,400,000.

When properly equipped and staffed, public libraries supply our adult citizens with materials essential to self-improvement; they supplement the reading our children do in the classroom; and they broaden the outlook of all our citizens. The Public Library Service Demonstration is a worthwhile and direct attempt to meet the challenges to democracy not with bombs and bullets, but with words and books, with knowledge and education.

The full possibilities of the public library in America have not yet been realized. In helping our libraries bring books to the doorsteps of all of our citizens, we will serve to point up the importance of this American institution as a powerful force for thought and action in a democracy. At a relatively slight cost to the Federal Government, the Public Library Service Demonstration bill will stimulate State and local provision for library facilities throughout the land, especially in the rural areas. I, therefore, urge the passage of H. R. 874 as a piece of legislation basic to the progress of our Nation and fundamental to the needs and security of our citizens.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Chairman, I am opposed to the public library service demonstration bill for two reasons, which appear to me to be very fundamental.

First, the bill will probably cost the Government $36,000,000 over a 5-year period. Now to a good many of my friends on the other side of the aisle this is chicken feed. It is true, we have been talking in terms of billions of dollars around here for several years now, and $36,000,000 is only a small part of our annual budget. When we consider, however, Federal aid to the States for this matter we must consider it on the same basis as all Federal aid to States.

It takes a good deal of courage on the part of a Member of Congress to oppose these Federal-aid-to-States bills. Most of us will have to admit that the only reason we vote for them in the first place, especially during the time of approaching national bankruptcy, is for political expediency. I like to get votes and be elected just as well as any Member of Congress, but certainly I do not intend to sell my soul or forsake my principles of sound economy to be elected to Congress. Our Government has been operating on a deficit basis for a good long time now. Out of the last 18 years of operation, 16 of them have shown a deficit balance. Only during the Eightieth Congress were we able to meet expenses and save a little to pay off part of our debt. "In the black" operation of Government has proven to be unpopular in the past and may prove to be unpopular again, but I am taking that chance. For that plain and simple rea-

son, I am naming the increased burden that this bill would impose on the American taxpayer as my first reason for opposing this legislation. Our State treasuries are, by and large, more solvent than our Federal Treasury. The States, if they want this library service, should provide for it by a vote of their own State legislature.

The second reason for my strenuous opposition to this bill is that it provides a vehicle for socialistic propaganda to emanate from the Federal Security Agency. During the past 20 years we have become increasingly aware of the attempt to socialize our whole American economy. The bungling of the recent coal strike by President Truman and the administration proves beyond all reasonable doubt that the present administration is fighting hard for nationalization of basic industries. This legislation would provide Oscar Ewing with another method of distributing socialistic propaganda—it would provide the administration with a powerful weapon for establishing socialism throughout our economy. Educating American people through the means of this library service could bring about a change of their political attitudes quicker than any other method. The basis of all communism and socialistic influence is education of the people. Perhaps I should not say education—perhaps a more correct word would be propagandizing. The bill before us now is just another step in the creeping paralysis of socialism. If we are opposed to socialism in America, as we all say we are, we must all conscientiously oppose this bill.

Mr. LESINSKI. Mr. Chairman, may I announce that the gentleman from Pennsylvania [Mr. KELLEY] will be in charge of time on this side.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I am opposed to this bill. The true function of the National Government is to do what the people in the various States cannot do themselves. There is no State in the Union that cannot afford to pay $40,000 a year for library service. If that is true, why should they turn to the National Government for support? This is a State responsibility. Those States, where there is a large rural population without the benefit of library service, should assume this burden. If each State were willing to match the total Government contribution allowed in this bill, it would cost the Government over a period of 5 years for library demonstrations—not for libraries—over $35,000,000. I believe this bill should be defeated, and that the States themselves should assume the burden.

Mr. Chairman, I yield back the balance of my time.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, this bill is a kind of twin sister to, and will accomplish the same thing, in a smaller way, as the Federal aid and control of education bill is designed to accomplish.

Who wants this bill? The professional workers, and only a handful of them at that. Who knew about the hearings before our committee? They came off on a few days' notice. Who got the notices? The professional people who wanted to have a hearing. None of our citizens has ever had a chance to be heard against this bill. There were just a day or two of hearings; there was no publicity about it; no general invitation to the people to come forward. So we have another little professional group, with a tiny little handful of votes, scaring the great Congress of the United States into jumping through the hoop to follow their instructions or their desires. It demonstrates as much as any other bill that has ever been before this House how the special-interest groups have gotten onto the fact that this is the weak political center of the country and that all they have to do is organize and impinge upon us. Instead of the States having limitations on what their legislatures can do, limitations on the power to tax, here is the place to begin. Let us let the people redefine in the Constitution what it is this body can do. Let us be limited in our power to appropriate money, because we show a disposition to stop at nothing.

A professional witness comes on the witness stand from Nebraska.

Mr. GWINN. Is this appeal to Congress, then, a kind of an appeal from the decision of your own State legislature on this subject?

Mr. SETTELMAYER. No, it is not.

We started out and tried to get $25,000 for demonstrations in Nebraska.

That was defeated because of the additional taxes the legislature decided on. The tax dollar would not stretch.

Mr. GWINN. Oh, your tax dollar in Nebaska would not stretch?

Mr. SETTELMAYER. That was the reason. That was considered the start of the program.

Mr. GWINN. Do you think we can make the dollar stretch down here in Washington any better than you can in Lincoln?

Mr. SETTELMAYER. I think you have done a pretty good job of it here, sir.

So, because this body stretches the dollar and fools the people better than they do any place else in the States, they have gotten wise to the fact that here is the place to come to get the dollar stretched. Is that not absurd?

Mississippi, so often wept over, with due regard to the gentleman from Mississippi [Mr. RANKIN]—I think it needs no such weeping—has held a joint session in its own legislature, reporting that they do not want this type of Federal aid, especially Federal aid to education. They are through with the controls from Washington, they say.

Mississippi has a surplus of about $25,000,000. She has loaned about $17,000,000 of that, at the last report, to the Federal Government. These professional pickpockets come forward, while Mississippi is loaning the Federal Government, in its distress, money out of Mississippi's treasury, and ask the Congress to give them a hand-out in return.

The States have the money. They have limited their legislatures as to what they can do. The Federal Government have nothing unless they take the taxes that they collect from the powder and oil for the baby's bottom so that people have not anything left to give to the baby's top.

Let us take the taxes off where they belong. Yet the people manage their education, which they will do if they have the money with which to do it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I would like to put in a word in behalf of this bill. The purpose of this legislation is plainly stated on page 1 of the bill:

> It is the purpose of this act to promote the educational development of the Nation, primarily in rural areas, by aiding the States in demonstrating public library service to those people now without it or with inadequate service, and to provide a means by which the values and methods of public library service may be studied and any resulting conclusions reported to the Nation.

It seems strange to me this afternoon that if those Members on my left are interested in building a democracy that they would oppose a piece of legislation that is intended to demonstrate how culture and knowledge can be obtained by people and school children residing in the rural areas throughout this Nation.

Many statements have been made concerning the cost of this legislation. We all know that public libraries are an essential instrumentality of education in a democracy. It is difficult for me to conceive where the expenditure of approximately $30,000,000 over a 5-year period to aid the States in demonstrating public library service—assuming that all the States took advantage of the maximum matching provision—can be construed as extravagance on the part of this Congress. It seems to me that this argument is false economy. The main objective of this legislation is to stimulate interest in State-wide library service and to encourage State and local interest in libraries.

The gentleman on the left say that the States should take the initiative. Admitting that it is the primary function of the States to take the initiative in providing for library service over the country, the fact that they have failed to do so is no reason why we should not show the States the light if we realize the value, and the State legislatures have failed to take action. This legislation is intended as a sample of good library service.

We all know that it is necessary for Congress at times to help out in situations of this type. This legislation is for the general welfare and if we can accelerate the day that the States will provide library service, we will be making a great contribution toward raising our educational standards. All the people will benefit from this legislation.

Neither can I see any socialism in a bookmobile making regular trips to rural districts and to rural schools, carrying books from a central library.

In Kentucky there are 52 counties that do not have rural library service. This bill if passed would assist Kentucky in

extending library service to 62 percent of our total population who do not now have access to public library facilities. Eighty-five percent of the rural population in my State have no public library service at all, and those libraries we do have are in many cases so poorly supported as to be entirely inadequate to meet the needs of the people.

The fact that the States have failed to act is all the more reason why we should enact legislation that would serve as an incentive for the States to take action, and in my judgment when the people in rural areas once receive this service and realize the tremendous good that can be accomplished from such a little cost, they will demand that the local governments and States carry on with the program after the expiration of 5 years.

I hope that this bill is passed this afternoon.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, I rise in opposition to H. R. 874. I am a rural man and come from a rural district which I believe is typical of thousands of districts all over the country. I can say to you that I believe this legislation whose purpose is direct aid to rural areas is probably less needed in rural areas than it is in many of the industrial areas where they do have excellent library service.

During the course of the debate on the rule the point was made that the people of this country, particularly the rural people, needed to be educated and that they needed to be educated away from socialism. In my humble judgment, there is less socialism and less communism in the rural areas of this country than any other place in the United States. That is the primary point.

Let me say to you that I served 10 years at the county level. I served three terms in the General Assembly before coming to the Congress. I have found a sort of psychological weakness in all legislative bodies to believe that the greater intelligence lies at their higher level. When I served at the county level I was continually confronted with the thought that the State needed to spell out the things that the county should do. When discussing this tendency in the General Assembly while I was there as a member, I confronted the proponents of that idea and they said that the better understanding was there (at the State level). Then I found the same idea contagious when I came to the Congress with a lack of appreciation of the understanding and the willingness of the people in the rural communities or industrial or metropolitan areas to meet their own problems. They can do it and they will do it if given the opportunity.

In particular I wanted to comment in answer to the statement of my friend the gentleman from Tennessee [Mr. JENNINGS] about the illiteracy of rural communities.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I did not use the word "illiteracy" with respect to rural communities. I said they were people without library service and 95 percent of them were in the rural communities. I have never said and will never say that people in the rural sections of my country are illiterate. They are well read.

Mr. HARVEY. Then I beg the gentleman's pardon. I was going to say that I have traveled in his district and I found those folks fully as well read as those in any community I have ever visited and I am sure they are on a par with any other community in the country.

I want to conclude simply by saying that in my humble judgment this is simply a device, and it was so testified by those who came to see me with regard to this legislation, it is a device, an easy way, if you please, to get the job done. I feel that if the people who are so ardent in support of this program were to have the initiative, and the courage, and the salesmanship to take this to the various States where the problem can and should be solved, they would solve it in a far more positive and in a more far-reaching manner than by this approach.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DAVENPORT].

Mr. DAVENPORT. Mr. Chairman, I rise in support of this very necessary legislation. This bill will do much to contribute to the further extension of culture and enlightenment and I shall therefore support it.

Very few services presently rendered to people in the rural areas of our country have the practical value that a library demonstration service, such as that proposed in H. R. 874, would have.

A successful democracy demands an informed citizenry and thus it depends upon universal availability of knowledge. A few great libraries in universities and large cities cannot possibly furnish the service needed. We must have libraries everywhere.

In the past, research studies have pointed out that only 63 percent of our population live in areas where free libraries are available. A further breakdown in terms of counties, with and without service, reveal that 40 percent of the counties in the United States have no library service at all. Eighty-eight percent of the unserved population of 45,000,000 lived in rural areas. On the basis of these figures there should be little doubt as to the need for us to initiate a program which will furnish libraries for these areas.

Careful research studies show that absence of libraries is not compensated for by the presence of other educational and recreational facilities in rural areas. Therefore, these communities are greatly in need of book distribution centers.

As one of the agencies for the enlightenment of the people a public library service, such as proposed in the bill before us, provides the means for self-education for all people in a community. A library is basic to the education of everyone.

I feel that this public-library demonstration service for rural areas is of immediate necessity for the education and continuous reeducation of the American people as citizens, workers, and civilized human beings.

Mr. KEARNS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 89]

Allen, La.	Gossett	Norblad
Andrews	Granahan	Norton
Earing	Granger	O'Toole
Barrett, Pa.	Green	Pace
Blatnik	Halleck	Patten
Boggs, Del.	Hand	Patterson
Bolling	Hardy	Pfeifer,
Bolton, Md.	Harris	Joseph L.
Boykin	Hart	Pfeiffer,
Brooks	Hays, Ohio	William L.
Buckley, N. Y.	Hébert	Poulson
Bulwinkle	Heffernan	Powell
Byrne, N. Y.	Heller	Rains
Canfield	Herter	Ramsay
Celler	Hinshaw	Reed, Ill.
Chatham	Hoffman, Ill.	Reed, N. Y.
Chudoff	Jackson, Wash.	Ribicoff
Colmer	James	Richards
Corbett	Javits	Rogers, Fla.
Davies, N. Y.	Jenison	Rogers, Mass.
Davis, Tenn.	Jonas	Sadowski
Dawson	Kelly, N. Y.	Scott, Hardie
DeGraffenried	Keogh	Sheppard
Dollinger	King	Simpson, Pa.
Douglas	Kirwan	Smathers
Eaton	Klein	Smith, Ohio
Ellsworth	Kruse	Stanley
Engle, Calif.	Kunkel	Stigler
Evins	Lichtenwalter	Taylor
Fisher	McKinnon	Towe
Frazier	McMillen, Ill.	Vinson
Fugate	Macy	Wadsworth
Fulton	Magee	Whitaker
Furcolo	Mitchell	Williams
Gamble	Monroney	Winstead
Gary	Morgan	Wolverton
Gathings	Morrison	Woodhouse
Gavin	Murphy	Worley
Gilmer	Nelson	Zablocki

Accordingly the Committee rose; and Mr. PRIEST having assumed the chair as Speaker pro tempore, Mr. HUBER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 874 and finding itself without a quorum, he had directed the roll to be called, when 317 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. KEARNS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARTIN].

PROGRAM FOR MARCH 10 AND FOR THE WEEK OF MARCH 13

Mr. MARTIN of Massachusetts. Mr. Chairman, I have asked for this time in order that I may ask the majority leader about the program for tomorrow and next week.

Mr. McCORMACK. If we dispose of this bill today and one other bill which I understand is not controversial, there will be no session tomorrow or Saturday.

Mr. MARTIN of Massachusetts. Would the other bill be of sufficient emergency to require a session tomorrow?

Mr. McCORMACK. No.

Mr. MARTIN of Massachusetts. As I looked over the other bill it did not appear to me to be of sufficient importance to require a session tomorrow.

Mr. McCORMACK. If we dispose of this bill today there will be no session tomorrow. If we can dispose of the other bill in a few minutes I would like to do so, but should it develop that there would be any lengthy discussion we would let the bill go over to next week.

Mr. MARTIN of Massachusetts. The bill deals with additional appointments to Annapolis and West Point, and it might entail some little discussion if it follows the pattern of similar bills in the past, for Members usually like to say something about such a bill.

Mr. McCORMACK. Should any extended debate develop the bill will go over.

Monday, of course, is a discharge day, and under the discharge rule the chairman of the Committee on Interstate and Foreign Commerce will be recognized to call up the bill S. 2105, dealing with strategic and critical materials.

Monday is also District day, and there are seven bills on the District Calendar:

H. R. 2554, credit unions, unsecured loans.

H. R. 3247, alcoholic beverages.

H. R. 4229, Alcoholic Beverage Control Act.

H. R. 4778, fire protection.

H. R. 6104, surplus property.

H. R. 7147, Fire Department, effective date.

S. 2205, sludge removal.

I may say that I understand these bills are noncontroversial, although one can never tell about that. If there is any time left we will take up the rule on the bill H. R. 7402, the housing bill, but in any event that will be on the calendar for Tuesday.

The first order of business on Tuesday will be the conference report on the basing-point bill.

Then the housing bill, H. R. 7402, will be the next order of business.

Then there is Calendar Wednesday, and Thursday and Friday. After Calendar Wednesday business is disposed of, if there is any remaining time on Wednesday, and the housing bill is not disposed of, consideration of that will be continued.

There is House Resolution 503, the Stevens-Blackney contested election. H. R. 7058 will also be considered.

Then there is H. R. 7273, civil government for Guam.

There is also a bill reported out of the Committee on Banking and Currency increasing the borrowing capacity of the Commodity Credit Corporation. If a rule comes out, it is possible that bill might be brought up next week.

I expect to be away to celebrate March 17, so the gentleman from Tennessee [Mr. PRIEST] will have to take care of the situation.

Conference reports will be brought up at any time after arrangement with the leadership on both sides. Any changes or deletions or additions I will announce to the House as soon as I can.

Mr. MARTIN of Massachusetts. If there is a vote on the strategic materials bill that could be disposed of on Tuesday?

Mr. McCORMACK. I would be very glad to try to arrange that.

Mr. MARTIN of Masachusetts. We could go on and take up something else and vote on Tuesday. If that is agreeable we would appreciate it.

Mr. McCORMACK. That is the custom we have here and it is perfectly agreeable to me. Every effort will be made to have that done if there is a roll-call vote.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. RICH. What is the gentleman going to do about the taxes that the people of this country are paying? The people are looking for relief, they are looking for some sort of relief from the administration. When is the gentleman going to take up those things? The people of this country are tired of taxes.

Mr. McCORMACK. Of course, the gentleman has provoked this, but he has a very unhappy faculty, or happy from his standpoint, of ignoring the true facts. The Eightieth Congress was responsible.

Mr. RICH. That Congress gave relief to the people of this country. Keep down the taxes. We want the taxes down.

Mr. McCORMACK. The Eightieth Congress reduced the taxes and that is the reason for the unbalanced budget.

Mr. RICH. Why not stop spending? Why not stop spending and you will not need taxes.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I yield 7 minutes to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, I come here to speak upon a measure, and I find it my distasteful duty to call the attention of a colleague the gentleman from Illinois [Mr. VELDE] to the fact that the motive of a Member of this House for supporting a bill or being against it is generally something that is locked within his own breast and a thing which he and his own good conscience determines.

The gentleman implied that those who support this bill are doing it for political expediency and those who were opposing it were doing so merely out of patriotism. I do not suppose I have over a dozen librarians in my district, and I do not think their vote is going to elect or defeat me. But we do have a lot of people in the State of Indiana and in other States who would be benefited by this bill.

Mr. Chairman, I become a little weary, as I said the other day, of listening to holy Willie's prayer down here telling how everybody else is playing politics, but the position of the speaker is mere pure patriotism.

Upon this bill I should like to comment that perhaps, of all the great inventions in all the ages, printing is the greatest. By virtue of printing, books and papers become the receptacle of the wisdom of the ages, and by the art of printing the ideas and thinking of our great men, the great thinkers, can be multiplied and sent out to the people.

Of course, there are those folks who believe in certain types of subsidies, but they are against this type of subsidy. Those who would be in favor of the subsidy the gentleman from Texas pointed out, the tariff, cannot see the spending of $7,000,000 a year so as to make books available for children in the rural districts.

I happen to be a product of a rural district myself, in southern Indiana. I was raised on a farm of 160 acres down there that was about 100 acres of rocks and 60 acres of soil. This bill will help that district. It is not within my congressional district.

There may be one reason why some of my friends to the left are opposed to this bill. They are not all opposed to it. That is that, if people read, they think, and, if they think, they are not going to be tripped up by a lot of these catch phrases and slogans that seem to come from the Republican side.

The question of Federal aid to education, which is related to this legislation, was discussed earlier. I want to tip off my friends to the left as to where they can get a lot of material to use in their opposition to Federal aid to education. Back in 1859, when the first Morrill Act was passed, that is the Land Grant College Act, President Buchanan vetoed that bill. Actually he used every argument in that veto message save that you have used in opposition to Federal aid to education in the last few years. The congressional debates will disclose that almost every argument save one was employed in opposition to the Morrill Act, which was the first Federal Aid to Education Act, enacted 89 years ago.

There is one argument that you folks have thought of that President Buchanan did not urge. That was this argument of socialism. That is a new one.

While we are talking about socialism, I think I would like to tell you this. My senior Senator from Indiana said that the New Deal was socialistic, and he challenged me to a debate on that subject and I accepted. He had been going up and down the State for about 10 years saying that everything the New Deal did was socialism. We had a series of seven debates. I started out asking him, "Well, Senator, you are against socialism. You say all of these New Deal measures are socialistic. Which one of these New Deal measures would you repeal?"

I could not get him to answer me at first, but I kept pressing it, thinking maybe I would eventually get an answer. Finally I got my answer. What do you think it was? He said he would not repeal any of them, believe it or not.

So as he went around making speeches saying that the New Deal was socialistic——

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that the gentleman is out of order in referring

to a Member of the other body and criticizing his actions.

Mr. JACOBS. Mr. Chairman, I was not criticizing the gentleman. That is his position, and I merely stated it.

The CHAIRMAN. The gentleman will proceed.

Mr. HOFFMAN of Michigan. The point of order is, Mr. Chairman, that the gentleman is talking about a Member of the other body and mentioning his name.

The CHAIRMAN. The gentleman will proceed in order.

Mr. JACOBS. I did not mention his name. I think everybody knows who he is. I did not criticize him. That is his position. He is entitled to his position. If he wants to go up and down the State speaking to Republican audiences——

The CHAIRMAN. The gentleman will proceed, and refrain from mentioning a Member of the other body in any fashion.

Mr. JACOBS. I will just say this: There are a lot of folks going around throughout the country hollering "socialism"—now without mentioning any names, you understand—and when they are pinned down to it they will admit, if they are cornered and forced to answer the question, that they would not repeal any of the New Deal measures that they condemn as socialism. And I am not mentioning any names at all. There are too many of them to name.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, "As a man thinketh in his heart, so is he." That is not only good gospel; it is a great psychological truth. The same can be said of a nation or of a people. A government is just what it thinks, and usually a man acts as he thinks. Thoughts rule the world.

So we all will agree, regardless of which side of the aisle we sit, on the supreme importance of education. In fact, the Father of Our Country, George Washington, warned us in his Farewell Address that—

> In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

I think it was Socrates, three centuries before Christ, who said, "Knowledge is virtue; ignorance is sin."

We might have to qualify that statement. Certainly knowledge is desirable; ignorance is dangerous. The only thing worse than ignorance is knowledge or education of the wrong kind. Education can be good or it can be bad. After all, ideas are powerful weapons. I do not care whether those ideas are of the Nazi or of the Communist or of the Democratic brand. You cannot destroy them with bayonets or annihilate them with artillery. The thing I want to drive home is this: The mere reading of books does not make a man intelligent or smart. If it did, perhaps I would be one of the wisest in this body. I do not know how well educated I am. I can truthfully state that I have worked hard at it. I have been exposed to it in colleges and universities here and abroad. I have gone through several schools, but I wonder how many schools have gone through me. I know how I got my education—the little of it that I possess. I got it without ever receiving any Government check. I did not depend on a traveling library. I did win scholarships or fellowships. Though I happened to have been born deep down in the heart of the Ozark Mountains, in a backwoods country, where they had few libraries, I always managed to get books. My difficulty was in finding time and digging up enough courage, patience, and ambition to read and study them. There are many more advantages today than 30 or 40 years ago.

I cannot imagine or think of a section in this country where an ambitious boy or girl cannot get books if he or she wants them. They manage to get to town to see the movies or visit the taverns. After all a person in this country does pretty much what he wants to do. Education cannot be imposed from without; it must come from a craving within. It is not a "Gabe" but an "Ausgabe"—not a gift but a task. We have hard-surfaced roads; we have the radio; we have television; we have the dissemination of knowledge, not only through books and magazines, but heaven knows the Federal Government has been spending millions upon millions of dollars every day sending out information from Washington, D. C., from the various departments.

Every Member of both Houses of Congress sends out the CONGRESSIONAL RECORD, which is a mine of information, not only about the functioning of our Government but on practically every subject, in all the fields of knowledge. We send agricultural yearbooks, farmers bulletins, infants' care, documents on housing, health, education—and practically every other human activity. It would require many minutes to tell of all the assistance the Federal Government daily gives our people on practically every subject that affects their daily lives. Whenever Members of Congress cannot answer the questions of their constituents, the Library of Congress usually can. And remember, we have rural free delivery that reaches every person in the United States.

I am not a member of the Committee on Education and Labor. I have not had the opportunity to read even the brief hearings on this bill. The only chance I have had to observe it is since coming on the floor today.

It is almost unthinkable at this hour, when we are carrying the stupendous burden of a national debt of $257,000,000,000, that we should be called upon to vote millions of dollars more under two plans—I understand a basic plan where the Federal Government will donate $40,000 a year for the next 5 years to each State, and then an expanded plan to donate another forty to one hundred thousand dollars a year to each State, or contribute that much for the next 5 years if those funds are matched by any State in the Union. We are told this program is to last only 5 years and will cost only $36,000,000. You start it, and it will never stop until the Nation goes under. It is the way of bureaucracy.

However desirable this bill might be, Mr. Chairman, it is not necessary or essential now. There are many things that are good which we have to do without.

Is it not too bad that Abraham Lincoln, born in a log cabin in the backwoods, did not have the advantage of these Government mobile libraries, wagons carrying library books around? All that Abraham Lincoln had to read was the Bible, Weems' Life of Washington, Shakespeare, and Bunyan's Pilgrim's Progress. He was not loaded down with a storehouse of learning, yet he could think as straight as he could hoe a row of corn or split a rail.

There is a difference between knowledge and wisdom. New York City has many wonderful libraries, but the men in New York who are the outstanding leaders in their professions—law, education, medicine, ministry, finance, commerce, and business in general—came for the most part from these poor, benighted rural districts that had few libraries. Ignorance is as rampant in our large cities with their many libraries and magnificent universities as it is in the remote sections of our country. Only people who are determined to get an education get it. It cannot be given to them.

If I could be convinced that by the passage of this bill boys and girls all over the country would be afforded the opportunity to read Shakespeare, the Bible, Bunyan's Pilgrim's Progress, and Weems' Life of Washington, instead of a lot of Red propaganda, and instead of a lot of insidious and foul stuff such as we had under the WPA when they were sending out booklets describing the sex life of a flea, or the habits of the bullfrog, then I might find an excuse to support it.

Mr. Chairman, we have no assurance as to the kind of literature the long-haired men and short-haired women, the crackpots with radical theories, foreignisms, and false philosophers will send out from Washington. Certainly, we do not want to fall victim to a ceaseless, incessant propaganda over the radio, on the screen, in the press, or even in free books dished out so generously by a centralized Federal bureaucracy to exalt and glorify itself in power, to cause the youth of this country to bow the knee to a leader who will besmirch and smear, damn, and condemn anyone who raises his voice in protest.

Mr. Chairman, the last thing we want in this country is the control of the education of our youth by the Federal Government. This is a matter reserved to the States. Do not forget that it was the youth of Italy that followed Mussolini with idolizing enthusiasm; it was the youth of Germany—the young boys and girls—who hiked and marched and who almost worshipped with adoration the Fuhrer—he was their savior because he promised them security from the cradle to the grave. Stalin, as well as Mussolini and Hitler, has given his people full employment—but it is slave employment.

Benjamin Franklin once said: "He who surrenders his liberty for temporary security deserves neither and will soon lose both."

Why should the people in any State of our Union expect the Federal Government in Washington to do for them what they can do for themselves? So many of the grants, doles, pensions, gratuities, subsidies, and all the rest that is poured out of the National Treasury are to perpetuate those who are now entrenched in power. That is why it is done—it is to control the votes more than it is to help the people.

You will be told that the States will have control, but I warn you to "beware of Greeks bearing gifts." Uncle Sam or any Federal Government never gave to its people anything that it did not take from them. And always the Government exacts in return control over the lives and destinies of its citizens.

Mr. Chairman, this is a State matter. Do not forget what Lincoln warned: As long as you keep the Government close to the people in the States and in the localities, this Nation is safe. It is only when the Government is far removed from the people in far-off Washington, a thousand miles away, that you have to worry about the future of the Nation. Lincoln frankly admitted on one occasion that he borrowed his political philosophy from Thomas Jefferson who once said:

> If we were told from Washington when to sow and when to reap the people would go hungry.

This principle holds true with education, as well as agriculture, or any normal human activity. Every Member of this body knows that the treasuries of our State governments are in much better shape than our Federal Government. We have no money in Washington, D. C. The Federal Treasury is worse than bankrupt. All we have is a debt of $257,000,000,000. The only place in the world that we can get a dollar is out of the hides of our taxpayers in all the 48 States of the Union.

The Federal Government goes out into the States, digs deep down into the pockets of the people, and takes so many millions of dollars back to Washington. Then the bureaucrats in this centralized Federal bureaucracy send us back a small portion of our own money—provided that we will follow the rules and regulations that they lay down.

On page 5 of the bill it is provided that $150,000 may be spent to train the library demonstration workers who will go into every State of this Union, into every county of each State, and into every school district of each county, visiting the smallest hamlets and villages to furnish reading material to the youth of this Nation—one more Federal set-up to control the thinking and the living of the American people. The political control inherent in this proposal is both abhorrent and frightening to any person who loves the Republic and values human liberty. This bill, Members of the House, may be innocent looking because it is cloaked in the name of worthy motives, but it is an insidious and dangerous threat to our freedom. Let us recommit it to the Committee on Education and Labor, or, better yet, knock it in the head.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. BURKE].

Mr. BURKE. Mr. Chairman, I am always a bit hesitant to place a dollars and cents value on people. However, many times it has been mentioned in this House that the greatest asset this Nation has is its youth; its boys and girls. I suppose it is valid to place that kind of value, to call our Nation's youth its greatest asset in relation to the Nation itself. However, I am of the opinion also that if the Nation's youth is its greatest asset, and I believe it is, the value of that asset is enhanced by enlightenment and knowledge.

This bill is for the purpose of furnishing that enhancement of that greatest value that we have. When the people of this Nation, particularly those who in these days of accelerated living are rather far removed from the urban centers, where library facilities are available, are given the advantage of demonstration of what library facilities can do for them, I am fully convinced that this, which has been described as our Nation's greatest asset, is greatly enhanced, and the value we will receive for every dollar we put in will be returned many times over.

Mr KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield.

Mr. KENNEDY. Does not the gentleman think that every State can handle this problem? Why must they turn to the Federal Government for this demonstration? Why cannot the State handle it?

Mr. BURKE. That same question was asked in the hearings and has been asked in executive sessions on the bill. The plain fact of the matter is that in many States in the Nation that has not been done. I believe that the enhancement of the value, as I say, is a national problem, and as long as it has not been done by the States, it should be done by the National Government.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield.

Mr. MADDEN. In answer to the statement of the gentleman from Massachusetts [Mr. KENNEDY], out of 3,070 counties in the United States only 820 counties have county-wide library service. More than 600 counties, roughly 1 out of 5, are without any kind of library service other than the counties themselves.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, it is very distasteful and difficult to oppose a bill with the objectives which this bill has, objectives with which one is wholly in sympathy. Yet I must do it because I cannot believe this is the best way or the right way to provide the better library demonstration facilities and services in the parts of our country where unquestionably they are needed.

When I first came to Congress and programs for Government grants-in-aid for good causes were always being presented to us, I tried to work out certain criteria which it seemed to me any such proposal must meet in order to be justifiable. First, is the program necessary? Well, you cannot make out a case that this one is absolutely necessary. But it is good. It is desirable, and if that were the only consideration I should vote for it.

Assuming that it is necessary, then, next, is it workable? The answer in this case is "Yes." It has been tried out. My State already has a good program in operation and so have several other States. In fact, the idea and the general pattern of operation were worked out by individual States. The pilot plants, the experimentation on the program were carried on by certain of the States. What is the matter with other States that they cannot do the same? Many people in my State, and I suppose, every State would, of course, like to have some Federal money for this purpose, forgetting that it all comes from the States anyway—but we can do it ourselves in the States if we really want it.

The third criterion is: Can we afford it? That means it must be considered in relation to the other needs or demands that are before us, especially those that we simply cannot escape because of their essentiality for our security, solvency, fulfillment of obligations already assumed, and so forth. Well, there will be different points of view as to whether we can afford to adopt this new program of expenditures. If one looks at our national debt and our deficit, we cannot afford it. Yet the program is for such a worthy purpose that I would vote for it, despite our financial difficulties, if it met the other criteria. If there were no other way the job could be done, I would vote for the maximum of about $6,000,000 a year that the bill authorizes.

But does it meet this fourth criterion? Is a Federal program with Federal funds the only way by which this problem can be handled? And the answer in this case is an unequivocal "No."

Mr. Chairman, if we are to survive as a free Nation there are just so many things which the Federal Government has got to do and which the States cannot do, that when I put up against them this library demonstration program which the States are fully able to handle, I have to conclude that I cannot conscientiously vote for it.

I introduced in the Seventy-ninth Congress, and again in the Eightieth Congress, a resolution, House Resolution 227, which I want to read to you. It is short. It would amend the rules of the House by adding this paragraph:

> Whenever a committee reports a bill or a joint resolution authorizing a new program of grants-in-aid to States or their political subdivisions, it shall include in its report or an accompanying document the text of the views with respect to such program which were submitted to the committee in writing by the governors or by one or both houses of the legislative body of at least a majority of the States.

I believe that represents a sound method of procedure. I find no evidence that

any States have asked for this bill or expressed their views on it, but at least we should find out before we embark on a whole new program of Federal aid whether the responsible bodies in the States representing the people who are presumed to be benefited want it. I am told that not a single State has transmitted to the committee in writing or even orally a request for this program.

Under the circumstances, with all the responsibilities we have at the national level and the great number of essential activities that can be carried on only by Federal appropriations, I am compelled to vote against this bill, the objectives of which can be achieved and, I believe, achieved better through the efforts of the States themselves. It may be a little harder and take a little more time to do it that way, but that is the right way to do it if we want to keep our system of government from the bottom up, beginning with the municipalities, the counties, and the States—and with only those functions which they cannot handle being assumed by the Federal Government. I submit we should vote down this bill.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. TACKETT. I ask the gentleman whether or not he was strongly in favor of the plan to send libraries overseas?

Mr. JUDD. Certainly I was in favor of the bill we had last week to use certain funds for technical books and journals for destroyed libraries in Europe and Asia, and I will give the gentleman two reasons: One is that it did not spend Government money but money earned by certain citizens and held by the Federal Government as a trust.

Mr. TACKETT. Earned by whom?

Mr. JUDD. Earned by conscientious objectors working for private employers. It was not public funds in the sense that the funds authorized by this bill are. That is reason No. 1.

Reason No. 2 is that the job could not be done by the States, because the money was held in trust by the Federal Government, not by them. It could not be done by the State of Michigan where a good deal of the work of these boys was performed; it could not be done by Mississippi, or other States, because the States did not have that money. Morally it was a trust fund in the hands of the Federal Government. General Hershey, Director of Selective Service, wanted to have that money used to provide something like GI benefits for those conscientious objectors who were disabled or for their dependents. Twenty-six of them, as I recall, were killed or died; others were injured while engaged in work of national importance. General Hershey wanted it used for their benefit or for the benefit of their families, children, or dependents. But they themselves did not want it used that way. The men voted against setting up benefits for themselves and their dependents and asked that it be used to restock these bombed-out libraries as a means of building peace. That bill was on a wholly different basis from this. That bill met the criteria I discussed; this bill does not meet them.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. MILES].

Mr. MILES. Mr. Chairman, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. MILES. Mr. Chairman, a terrible tragedy has just occurred in my State—New Mexico. Fourteen prisoners of the armed forces died, two others were critically injured, and many others were overcome by smoke in a flash fire that swept through a temporary building at Sandia Secret Weapons Base, located at Albuquerque, N. Mex.

The facts show that the prisoners were confined in a frame structure, and statements have been made that the fire was caused by overheating of an oil-burning Diesel-type stove.

This is a terrible tragedy and a thorough investigation should be made to determine the cause of the tragedy and on whom the responsibility rests.

It is not within our power to restore life to these unfortunate men, but I want to urge that proper steps be taken immediately to determine the cause and responsibility for this calamity, and an investigation should be made of other guardhouses to determine whether or not the prisoners are confined in buildings in which such a fatality might occur again, and, if so, they should be removed to safe quarters at once.

I trust that Congress will see that the proper steps are taken to carry out this investigation.

Mr. KEARNS. Mr. Chairman, I yield myself 5 minutes.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Why is it that this program is only to last 5 years?

Mr. KEARNS. Because it is proposed as an experimental proposition.

Mr. Chairman, it is in many ways rather embarrassing for me to stand up here as an educator and have to oppose a piece of legislation that should be for the best interest of the girls and boys of America. I have said in many, many speeches throughout the country that the greatest collateral America has are the boys and girls of America. We have no investment in any banks, no gold in any reserve that is more precious than the youth of America. Yet I want to say here in the well of the House that once the Congress of the United States opens the door whereby the Federal Government begins to take over control of the local community and the State in their educational problems we are heading for one of the worst roads of tragedy in all history.

I would like to consider the United States Commissioner of Education a great man. I would like to see the greatest educator in the country in that great portfolio. But right today we have an office under that title without authority. The United States Commissioner of Education is nothing, in my opinion, but a clerk in the Social Security Administration. Yet this Congress writes laws, and we say this bill or this appropriation or this authority is turned over to the office of the United States Commissioner of Education, an office without authority.

We all realize that library books throughout the country would be a great thing for everybody. There are many boys and girls throughout the country who do not have the privilege, as the gentleman from Missouri [Mr. SHORT] said, but possibly they could find books if they would try to find them. In this bill, Mr. Chairman, once we open the door for any kind of Federal aid that is going to go out to the States in the way of literature whereby the boys and girls of this country can be indoctrinated with a philosophy that is not that of the Republic, we will regret it. So I say that until the President of these United States in the full authority of his office can properly define the authority of the United States Commissioner of Education and assure this Congress that the Commissioner of Education has proper authority in all his activities, we should not entrust any legislation to that office.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I yield the balance of the time on this side to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the defense of this legislation needs no effort on my part. The profound remarks made by the elder statesman and outstanding gentleman from the State of Tennessee [Mr. JENNINGS] ought to be conclusive argument for the passage of this legislation.

Mr. Chairman, H. R. 874 is a bill for the rural people and will in the long run help all of us. It provides a demonstration library service to rural areas so that rural people will experience the usefulness of a library. It does not put the United States Government in the library business. It does not provide for the purchase of a single acre of land or a single building. It is only a demonstration service limited to a fixed period of years.

May I say that I have listened here today during the debate and I have seen a lot of crocodile tears shed over the spending of a few million dollars. In reply to the gentleman from Illinois, a member of the Rules Committee, may I say that this bill cannot cost $37,000,000 under any circumstances. If every one of the 48 States, or 50 States now, after a demonstration was put on, took advantage of the matching facilities of this bill, it could cost somewhere near $30,000,000 but nobody can conceive that after those demonstrations have been put on, more than 15 or 20 percent of the States would want to match the Federal Government. So, to talk about an expenditure of $37,000,000 is silly, and while I am making that point and commenting on these crocodile tears, I am also constrained to reply to the gentleman from Ohio [Mr. BROWN], another member of the Rules Committee and a very close personal friend of mine.

I remember a few years ago I was induced to go over to the city of Columbus, Ohio, when they were dedicating a brand new stadium at the University of Ohio. In order to make as big a play as possible,

as our neighbors over in Ohio do, they had invited the late Will Rogers to make the dedicatory speech. Will was a fellow who never allowed the people he was speaking to to dictate what he was to say. During the course of his remarks he was lauding this great monument of concrete and he said, "They tell me this seats 80,000 people. I would like to remark that they have only 37,000 books in their university library."

I should also like to touch on the remarks of my good friend from Minnesota [Mr. JUDD]. He is one Member of the House of Representatives that I am sorely disappointed is not in favor of this legislation. I know he has been active and I have assisted him on numerous occasions in the things he has been contending for as a Member of this House, particularly as regards Chinese aid. I cannot refrain from this thought, that when we are voting $64,000,000 in one fell swoop for the benefit of Korea, I am advising you that you had better pay a little bit of attention to our youth back home.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. No, I cannot yield.

Mr. JUDD. I did not vote it for the benefit of Korea, I voted it for what I believe is the benefit of the United States.

Mr. BAILEY. Probably I voted for the same bill. I am surprised that the gentleman does not go along with me on this proposition.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Indiana.

Mr. JACOBS. I wanted to comment in regard to the resolution the gentleman from Minnesota said he had introduced requiring the States to go on record in favor of Federal funds.

Mr. JUDD. Not in favor of, but just its opinion, for or against.

Mr. JACOBS. To state an opinion; very well. The State Legislature of Indiana in 1947 adopted a resolution in which it stated that it wished the Federal Government would stay out of Indiana and let them take care of their own business. In effect they said, "We do not want any Federal funds at all." The next resolution asked the Federal Government for a grant, for funds to build hospitals. That is in the books.

Mr. BAILEY. I thank the gentleman from Indiana.

Mr. JUDD. But there is no resolution from any State on this matter, either in favor of it, or against it, either.

Mr. BAILEY. Mr. Chairman, may I again say that this bill is one that will benefit the rural areas of this country and will benefit particularly our rural boys and girls. All of you know that communities of from eight to ten thousand people have a library of some kind. If it was not built by the Carnegie fund it was probably built out of local taxes. But I am thinking of the boy and girl out at the crossroads where there is a community building, maybe a rural high school. They are the folks in whom I am interested. When those folks come into the consolidated high school or come in to go to college, we want them to have some background of education other than the limited education they have from the limited amount of school books in their school library.

If you cannot vote for this proposition on the basis of benefiting the youth of this country, for heaven's sake stop and think before you continue to shovel out hundreds of millions of dollars at a time to somebody you never heard tell of. Let us be realistic, let us be American, and let us give these boys and girls a break.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Public Library Service Demonstration Act."

STATEMENT OF POLICY

SEC. 2. (a) It is the purpose of this act to promote the educational development of the Nation, primarily in rural areas, by aiding the States in demonstrating public library service to those people now without it or with inadequate service, and to provide a means by which the values and methods of public library service may be studied and any resulting conclusions reported to the Nation.

(b) The provisions of this act shall not be so construed as to interfere with State and local initiative and responsibility in the conduct of public library service. The administration of public libraries, the selection of personnel and library books and materials, and, insofar as consistent with the purposes of this act, the determination of the best uses of the funds provided under this act shall be reserved explicitly to the States and their local subdivisions.

AVAILABILITY OF FUNDS

SEC. 3. Prior to the beginning of the next fiscal year after the passage of this act or to the beginning of one of the next two succeeding fiscal years in case a State is otherwise unable to qualify, the States may submit plans to the United States Commissioner of Education (hereinafter called the Commissioner) in order to receive payment of moneys made available for the purposes of this act.

SEC. 4. Upon the passage of this act the Commissioner shall notify the States of benefits available. At the end of each quarter thereafter the Commissioner shall further inform any States not yet qualified of all the benefits.

STATE PLANS

SEC. 5. (a) To qualify under this act, a State plan prepared by the State library administrative agency for the utilization of such funds for the benefits of the people shall—

1. Be accompanied by a certificate signed by the chief executive of the State, which shall designate a State library administrative agency legally constituted with adequate powers, funds, and facilities to administer, supervise, and control the State plan and otherwise carry out the purposes of this act; certify that the State has made no reduction in the appropriation for the administration and operation of the State library administrative agency or for State aid for public libraries for the fiscal year in which the apportionment is to be made; designate the State treasurer (or, if there be no State treasurer, the officer exercising similar functions for the State) as custodian of funds received under this act from the Federal Government, to receive and provide for the proper custody of such funds;

2. Establish policies and methods to be followed in utilizing the funds to maximum advantage in the operating and rendering of library service, primarily in rural areas, including any rules, regulations, standards and matching provisions of the State library administrative agency relating to the use of Federal funds within the State;

3. Contain such provisions as to the qualifications of personnel for appointment on a merit basis and administering the plan as are necessary to the establishment and maintenance of personnel standards;

4. Require that the State library administrative agency make reports, in such form and containing such information as the Commissioner may from time to time require;

5. Provide that library services made available under this act shall be available free of charge, under such rules and regulations as the State library administrative agency shall prescribe, to aid in the demonstration and development of public library service.

(b) The Commissioner shall approve any plan which fulfills the conditions specified in subsection (a) of this section. The duty of the Commissioner in approving a plan shall be solely the determination of whether the plan meets the specifications set forth in subsection (a). The Commissioner shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed by a State library administrative agency or the local authority directly responsible for the operation of the demonstration.

(c) Uniformity of plans throughout the several States shall not be considered as a standard or condition precedent to the Commissioner's approval of plans.

FUNDS APPROPRIATED

SEC. 6. (a) There are hereby authorized to be appropriated for the purposes of this act such funds as may be required under the provisions of this act to assist the States in providing demonstrations of public library service to areas inadequately served or unserved.

(b) There are hereby authorized to be included during the life of this act in the appropriations of the Federal Security Agency such sums as are sufficient for the Commissioner, under the supervision and direction of the Federal Security Administrator, to carry out the provisions of this act: *Provided,* That an amount not to exceed 3 percent of the funds appropriated for the States may be used for this purpose: *Provided further,* That an additional sum not to exceed $150,000 may be included in the appropriations of the Federal Security during the first year's operation for training library demonstration workers as authorized in section 8 (a) of this act.

PAYMENT TO STATES

SEC. 7. (a) From the funds made available for the purposes indicated in section 6 (a) the Secretary of the Treasury shall pay upon the certificate of the Commissioner, to each State having an approved plan the amount of $40,000 each year of the demonstration, not to exceed 5 years.

(b) If an expanded plan which meets the requirements of section 5 of this act is submitted by any State, within 4 years from the effective date of this act, and approved by the Commissioner, providing for an additional annual sum ranging from $40,000 to $100,000 to be supplied by the State or by a local governmental unit within the State or by both, the Secretary of the Treasury shall pay to that State an additional amount each year for 5 years equal to the amount provided by the State or its local governmental unit for the program as set forth in section 2 (a).

(c) No portion of any money paid to a State under this act shall be applied, directly or indirectly, to the purchase or erection of any building or buildings, or for the purchase of any land.

ADMINISTRATION

SEC. 8. (a) In carrying out his duties under this act, the Commissioner is required to make annual reports to the Congress as to

the administration of this act, and to prepare a final report for public distribution describing the results of the demonstration. He is authorized to establish, in cooperation with State library administrative agencies, institutes of short courses for training personnel for public library service demonstrations. The Commissioner is authorized to gather such statistics, make such studies, investigations, and reports necessary for the fulfillment of this act.

(b) If the Commissioner certifies to the Secretary of the Treasury that after notice and hearing any State has failed to fulfill its obligations under the State plans submitted, the Secretary of the Treasury shall suspend or reduce payments to that State as directed by the Commissioner.

DEFINITIONS

SEC. 9. As used in this act—

(a) The term "States" means the States of the United States, and Alaska, Hawaii, Puerto Rico, and the District of Columbia.

(b) "State library administrative agency" means the official State agency charged by State law with the extension and development of public library services throughout the State.

(c) The term "public library" shall mean a library that serves free all residents of a community, district, or region, and receives its financial support in whole or in part from public funds.

(d) "Inadequate library service" shall be defined by the State library administrative agency.

Mr. KELLEY of Pennsylvania (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 4, strike out "on a merit basis."

The committee amendment was agreed to.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLEY of Pennsylvania:

On page 6, line 2, after the word "years", strike out the period and add the following: "*Provided*, That the amount made available annually to the Virgin Islands shall not exceed $10,000."

On page 6, line 9, after the comma following the word "both", insert the following: "That in the case of the Virgin Islands, annual amounts ranging from $5,000 to $10,000."

On page 7, line 12, after the comma following the words "Puerto Rico", insert the words "or Virgin Islands."

Mr. KELLEY of Pennsylvania. Mr. Chairman, the purpose of the amendment is as follows: In the original bill the Virgin Islands were omitted; in introducing the amendment to recognize the Virgin Islands needed assistance we thought that the fund set aside of $40,000 as a general fund was too much. So, I am offering an amendment now making it $10,000. Likewise, the funds for matching, which, in the original bill, calls for $40,000 to $100,000 a year for 5 years, has been made to read from $5,000 to $10,000. I believe that would be ample to take care of the Virgin Islands.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel pretty sad today. Ever since I came here I have voted with these gentlemen from the South on the States'-right issue against the poll tax, against the FEPC, and against the anti-lynching bill. I voted that way because I thought that was the right way to vote. But I really thought they meant it when they were talking about States' rights. Now, I do not know. I just feel as though I have been taken for a ride or taken in every time I voted against those measures, the defeat of which are so dear to their hearts. Apparently this States'-rights business is in their minds just sometimes—not always. If the proposition is to impose something on a State, then my friends from the South are against it. They are all out for States' rights. If the proposal will give their States something out of the Federal Treasury and it is going to be of special benefit to them, then they are for it. Even though the State has the money and can do a better job at less cost, some of them say, "Let Uncle Sam do it." I admire and respect my friends from the South. I just wish they would set me right as to whether they are in favor of States' rights or whether they believe in the principle only when the Federal Government wishes to restrict their State programs.

To my friend, the gentleman from Tennessee [Mr. FRIEST], the majority whip, a delightful gentleman for whom I often work in calling a quorum so as to get his party members on the floor. I say it is no more than fair and right if you would just tell me what you are for and what you are against along that line of the doctrine of States' rights. "Be you fur it when it suits your convenience, agin it when it cramps your style?"

As for the Federal Government getting into this library business; this bill calls for $150,000, I believe. That is to go to the Commissioner. He is to have that money. To do what? On page 6 it says to establish schools to train these demonstrators. Are they going to train these demonstrators to educate our people along the line of a two-party system of government, or are they going to just train them to believe that the Democratic Party should run the Government? Then, I might say to my Democratic friends, you had better watch out because you Democrats, you real, old-fashioned Democrats, you may find the Commissioner training them along the line of some of our friends here who say they are more liberal, and the first thing you know you will be in the same situation as we Republicans are in. You will be on the outside looking in. The new Fair Dealers will have taken over and all Jefferson-Jackson Democrats will get will be the crumbs from the socialistic table.

If you want to pay for your own destruction, hang yourself, and buy the rope as well, it is all right with me, just go ahead on the road you are following—soon you will be dangling—your feet swinging free.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this afternoon we have heard a great deal about the great need for this bill, which is called a library demonstration bill. Of course, the only demonstration you will find here is an attempt to demonstrate to the people that the Federal Government has to enlarge upon spending more money and actually get into the field of operating libraries. If there is one great need in this country today—and it is a need of the States, as well as a need of individuals—it seems to me it is the need for relief from oppressive taxes that are being paid to the Federal Government. It is the high Federal taxes that make it impossible for the State governments to meet their responsibilities. We had better recognize this need when we talk about the needs of the States.

This bill does not help the States one iota. It will place an additional burden.

Yes, we also hear that we need this bill for the children of this country. If there is one thing that the children of this country need, it is an administration that will put a stop to loading them with the debts that we are unwilling to pay today but are willing to incur.

Look at your Presidential budget of receipts and expenditures. The statement of the operation of the fiscal operations of the Federal Government. What does it show? A deficit of over $5,000,000,000. What are you doing with that deficit? Loading it onto the children. If we want to help our children, let us get down to work and do something to really save this Republic, and give them something besides debt when they grow up. If we keep spending I think at the present rate the only benefit from this bill if there will be any benefits is that it may give our children an opportunity to read the history of a great Republic that was wrecked by a spendthrift Federal Government.

We hear a lot about the need for economy from all Members of Congress. I am inclined to think, however, that the roll call on the rule on this bill, and also the roll call that will follow on the matter of the passage of this bill, will disqualify a considerable number of Members of this Congress from further speeches advocating economy. You cannot vote for this bill and still claim you believe in economy.

This program certainly should be the program of the States. It should be financed and administered by the States and localities. I join with my colleague from Massachusetts [Mr. KENNEDY] in that regard. That this should be a State rather than a Federal program is acknowledged by the bill itself; otherwise the advocates would not say they are going to terminate the program in 5 years. This is certainly a recognition of the fact that this should be a State and local program.

The advocates of the bill say it will help the needy States, but does it really help the needy States as such? Absolutely not. It gives to all States alike. Then who will benefit by the matching funds? It is the rich States—the big

States—that can well afford to meet the full responsibility of providing matching funds.

The gentleman from West Virginia [Mr. BAILEY] admits that all of the States are not going to avail themselves of the matching-fund grants. So why contend that it is needed by the needy States when there is nothing in the bill that makes any differentiation whatever between a needy State and a State well able to take care of its own responsibilities and take care of its library program?

Do the Governors of the States want this bill? Who has heard from any who do? Do the legislatures of the various States want this bill? What State legislature has memorialized the Congress in favor of this bill? I have not heard of any.

I would like to ask one question: What is the report of the Bureau of the Budget on this bill? Is this bill in conformity with the President's program? I am advised there was nothing in the budget for this fiscal year for this program. I would like to ask the chairman of the committee if they have a report from the Bureau of the Budget on this matter.

Mr. KELLEY of Pennsylvania. Yes. The Bureau of the Budget advises:

> The broad objectives of this proposal are meritorious, and there is no objection to the presentation of the matter.

Mr. BYRNES of Wisconsin. When was that dated?

Mr. KELLEY of Pennsylvania. May 2, 1949.

Mr. BYRNES of Wisconsin. Last year. It does not relate to the present fiscal year. It certainly was not in the President's budget proposal made to this Congress.

This bill should be defeated. It is not needed, and we cannot afford it.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WHITE of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I will vote against this bill myself, but I do not think it is proper for some of those who oppose it to use it as a political football to abuse the administration when that is not justified under the conditions which they point out.

I called up the committee for the Hoover report not long ago and asked them how much money would be saved if all of the Hoover Commission recommendations were put into effect, and they said at the very outside it would be $4,000,000,000. Now it has been stated that the deficit will exceed $5,000,000,000.

It is therefore plain to see that if all of the recommendations of the Hoover Commission were put into effect we still would not balance the budget. Whose fault is that?

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from California regretted that any politics should have crept into this situation. Twice this afternoon I have heard the statement made that the Eightieth Congress was responsible because of tax reductions for the five and a half billion deficit in fiscal year 1950, once by the gentleman from California who just left the floor, and once by the majority leader. Time will not permit me to give the correct analysis in answer to that situation.

Mr. ROOSEVELT. Louder.

Mr. KEEFE. You will get it loud enough, and if you cannot hear, you move up in front, and if you move up in front you may learn something. I submit to the gentleman from New York [Mr. ROOSEVELT] that he has a lot to learn.

I have just this to say, I myself have spent the last 2 months going through the budget, and the fiscal report of the Treasury Department. Within a week or 10 days I will have an answer that neither the gentleman from California nor the majority leader will dispute. It will be a fair and factual answer to that contention, and I am certain that the people of the United States will be gratified to learn that the statement made contains merely a very minute part of the truth and is a gross distortion of the facts.

With respect to this particular bill that is before us, here is the report and the hearings. These hearings are dated December 9 and 10, 1947. When these hearings were conducted the Treasury was faced with a $8,700,000,000 surplus. I have read these hearings. I am told there are no other hearings available except the statement made by Mr. McGrath, the Commissioner of Education. That is all there is, but you ought to read these hearings, and you ought to read especially the testimony of the lady from Louisiana who testified in reference to the operation of their State program in Louisiana. You ought to read the testimony of the gentleman in charge of the program in the State of Ohio, and the testimony of representatives from a number of States who testified to the real progress that is being made in those States where they had library demonstration services and rural library extension services which they are proud of and which they concede they will be able to handle by State funds. One of them said, "If we had Federal money we could promote the program a little faster than we are able to do it with State money."

Mr. Chairman, this bill authorizes an appropriation to be expended under the supervision and direction of the Federal Security Administrator. It is the expenditure of appropriations; that is the crux of this situation. It is the control of the expenditure of these funds which is taken out of the hands of the Commissioner of Education and by this act lodged in the hands of Mr. Oscar Ewing, the Federal Security Administrator.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Michigan.

Mr. LESINSKI. I just wanted to answer the gentleman's question with reference to the hearings by saying that I was trying to save money for the Government, so we did not print the hearings.

Mr. KEEFE. That is a very nice remark from my friend from Michigan. Frankly, during the course of my 12 years' service in the House I have noted that he has been for economy. I would like to have the RECORD checked a little on that, for I cannot be certain that the RECORD will sustain the remark. It is, however, a pretty poor way to economize, if you had any other hearings, not to bring them before this Congress.

The fact is that Mr. Ewing is going to administer this money and he is going to approve the State plans that are submitted. The bill provides that if any State is in disagreement with him he can withhold the money or deny it.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. The gentleman did not yield to anyone; I cannot yield to him.

As far as I am concerned, while I admit the objectives of this program are good, my people, the people whom I represent, would not permit me to vote for an appropriation authorization that would require, over a period of 5 years, the probable expenditure of an additional $36,000,000, every dollar of which must be borrowed.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it was the New Deal and the Fair Deal that made popular in this country——

Mr. WHITE of California. Mr. Chairman, I make the point of order that the gentleman did not ask for permission to speak out of order.

Mr. CURTIS. Mr. Chairman, it was the New Deal and the Fair Deal that made popular in this country the Hitler technique that if you keep on telling a falsehood long enough the people will believe it. It has been repeatedly stated that the reason we have a deficit is that the Eightieth Congress reduced taxes. The facts are we have a big deficit at this time because the administration is spending about $10,000,000,000 more of the taxpayers' money than the Eightieth Congress. It was estimated that the tax-reduction bill of the Eightieth Congress might cause a revenue loss of between five and six billion dollars. But because of the encouragement that came to the country when a Congress balanced the budget, made the greatest payment on the national debt that has ever been made, reduced the people's taxes, enacted the Taft-Hartley law, passed several other sound measures, and initiated the Hoover Commission, our country experienced the greatest era of prosperity we have ever had. During the Eightieth Congress, farm prices were the highest in our history. As a result, the loss in revenue, instead of almost $6,000,000,000 was only $2,800,000,000. Further, this tax reduction was enacted when we had a surplus.

Why does not the majority party repeal that law? You know why. You know where the benefits went. We raised the personal exemption from $500 to $600. That meant to a family of four we raised the personal exemptions $400. That cost $2,200,000,000 in revenue. Why do you not repeal that?

If you want to study a little history on the financing of this country, go back and you will find that in the last 30 years there has never been a bond paid off by surplus financing at any time the Democrats controlled Congress.

Mr. WHITE of California. Mr. Chairman, I renew my point of order that the gentleman is not speaking on the bill.

Mr. CURTIS. Mr. Chairman, I am speaking on the bill. This bill costs money.

The CHAIRMAN. The gentleman is going to tie his remarks up with the pending bill?

Mr. CURTIS. Certainly. When the Democrats seized control of this Congress in 1912 they doubled the national debt before World War I. During the twenties the Republicans reduced the national debt by 44 percent.

Mr. LESINSKI. Mr. Chairman, the gentleman is speaking out of order.

The CHAIRMAN. The gentleman must confine himself to the bill and amendment.

Mr. CURTIS. Mr. Chairman, this bill costs money. I am talking about where you are going to get the money to pay for it.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to speak out of order.

Mr. CURTIS. Mr. Chairman, I am almost constrained to object because I am talking about the bill.

The Democrats got control in the thirties and they doubled the national debt before the war started in Europe. Now, if bonds mean anything to the insurance companies, to the banks and to the people of this country they must never forget the fact that in the last 30 years not a single bond has ever been paid off by surplus financing while the Democrats controlled the Congress. This is evidence that they do not have any intention of paying off the debt, or they would not bring in here day after day bills like this to extend the power, scope and spending of the Federal Government. They continually bring in bills for matching purposes for hospitals, airports, science foundations, socialized housing, libraries and everything else.

They have no intention of ever balancing the budget or paying the bonds and you know it.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. JACOBS. Mr. Chairman, I move to strike out the last word.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield.

Mr. WHITE of California. I should like to make the observation that the gentleman from Nebraska just claimed credit for the Republican Party for the operations of the Hoover Commission. As I understand, it was agreed upon as a bipartisan proposition and President Truman O. K.'d that program or it could not have passed. It seems a shame that the gentleman from Nebraska should put the Hoover Commission on a partisan political basis and run the risk of killing the effect of that great organization.

Mr. JACOBS. I understand ex-President Hoover made the statement that it is a bipartisan program.

Mr. Chairman, this bill does cost money. I assume that because international conditions are forcing us to spend money life is not going to cease, that children are going to continue to grow up, and it is part of the obligation of us adults, who have not done too good a job running this world, to make provision for the education of our children.

I particularly want to direct my remarks to the question raised by the gentleman from Nebraska as to why we have a debt, why we have a deficit. I am going to tell you in about 40 seconds, and then I am going to sit down.

The reason we have such a large debt today is that there were so many folks who made so much money out of war profits that did not want to pay enough taxes to pay for that war as it was being fought. The war cost us about $350,000,000,000, and we borrowed $210,000,000,000 of that $350,000,000,000. This country was beset by inflation during the war. Why? Because the earnings became greater due to wartime inflation. If we had drained off those surplus earnings and paid for that war as we fought it, then we would not have the huge debt we have today and we would not have better than $5,000,000,000 to pay every year as interest on that debt. If you want to know why we are in debt, it is because we were not tough enough during the war to pony up out of our pockets more money to pay for the war as we fought it. Those are the facts.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Nebraska.

Mr. CURTIS. Why did you double the debt before World War I started and again before World War II started, and why did the President of the United States veto one of the tax bills passed during the war that levied the taxes?

Mr. JACOBS. If you want to know why we doubled the debt before World War II started, it was because you folks left the country in such a mess that it was necessary to rescue the country from the worst depression and panic that we had ever experienced. That is why it was necessary to spend the money in the thirties. I will go further than that and say this, that I know an awful lot of people that were in favor of it when they were in the woods in 1933, and it was after they were rescued from their dilemma that they began to be against it.

Mr. CURTIS. Why did you double the debt before World War I?

Mr. JACOBS. That was a long time before my time. I am not even going to try to answer that question.

Mr. CURTIS. The gentleman's party just does not pay debts.

Mr. JACOBS. I am not going to try to answer that question. Perhaps the gentleman remembers. Perhaps he is an expert on it.

Mr. CURTIS. I am seeking information.

Mr. JACOBS. I am just a young fellow. I lived during the thirties and know something about it. I saw people selling apples on the corners. I understand something about the thirties, but back during those other days, I do not know anything about it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Iowa.

Mr. JENSEN. I like the gentleman's fighting spirit, but I think he wants to be fair. The gentleman said we should have paid as we went during the war, did he not?

Mr. JACOBS. Yes.

Mr. JENSEN. The gentleman must admit he cannot blame that on the Republicans, because your own Democratic President was in power and a Democratic Congress was in power.

Mr. JACOBS. I did not say I blamed it on the Republicans but I do say this: In a democracy you can do only what the people will permit you to do, and there were a heap of folks, mostly Republicans, making an awful lot of war profits.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, somebody stated within the last few months, I think it was the gentleman from Missouri [Mr. CHRISTOPHER], that he never saw a place where so much time was wasted as in Congress, and where you could not get any of that time that was wasted. I agree with him.

I have wanted to say something on this bill, but I cannot say it in 2 minutes. I think geography divides us more than anything else—geography. If you lived where I live, you would be for this bill. If you live in New York or Massachusetts, unless you are an outstanding statesman like our House majority leader, you would be against it. I want to tell you not all Republicans are against this measure. I do not see any politics in it at all. If there is, then I do not belong to that kind of Republican group. I do just what I think should be done in the best interests of the country. You have no right to say they are going to send out Red material, because you do not know they are going to do that. I have confidence that these men in control of the Government are not going to do that. I know what prejudice is. My people came here in 1634. They were persecuted as soon as they got off the boat. They were banished out of the country for nothing—because they harbored a man by the name of Roger Williams. It is easy to stir up resentment against people when you do not know what you are talking about. Talk about Communists—we do not have Communists enough in my State to fill the well of this House. And you are afraid now that you are going to poison us with communism. We will take care of that.

The control of this money that you are going to vote for this program is entirely with the States—no application for participation can be presented until approved by the Governor. Selection of books and all other details will be under State jurisdiction.

I cannot resist stating that the consistency of many of the Republicans who have spoken against this bill is marvelous to contemplate. Today they deny $40,000,000 annually to the States for education, but the same speakers have voted blindly for every appropriation squandered in Europe and else-

where, until the amount we have given away to foreign countries since the shooting stopped, is over $67,000,000,000. Balance the budget, they demand—that is a good gesture, but unless these same Republicans vote against giving all our substance to foreign countries, we will not only be unable to balance the budget, but will earn us the reputation of being the most unbalanced Nation on earth. I refuse to skimp on a few dollars for our own people, while we hand out billions to foreign governments.

The gentleman from New York who presented a powerful argument against this bill, was the father of the draft bill. We gathered in millions of men under the draft. Does he object to having better educated men in the next war? Shall we leave that education to the Army where 40 percent of the taxpayers' money is squandered?

The Republicans in Congress will have a hard time to convince the people of the United States that any great issue has been created by opposing this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. IRVING].

Mr. IRVING. Mr. Chairman, I think it is well known by the Members of the House that I am not a cantankerous sort of person, nor a constant criticizer of those whose opinions differ from mine. Neither have I, at any time, castigated the Republicans, nor big business, little business, or any other segment of our economy, least of all any individuals. However, there is a saying that time changes all things and I am sure that includes the human race. Perhaps if I stay here longer I may become like that. It seems to be one way to get some sort of recognition, if you don't have the ability to do so otherwise. It also carries a penalty, and that is in gaining a reputation which may class him as one of those who no one pays but scant attention to when they address the House.

But the principal reason that I have come to the well of the House is to call the attention of the Members to the very inconsistancy of the gentleman from Nebraska [Mr. CURTIS], who has only a short time ago finished quite a remarkable two-way speech, as well as asking some questions which brought some interesting and informative replies from the gentleman from Indiana [Mr. JACOBS]. Maybe we should be more understanding when we realize that these are political "dog days" and will be until after the elections. We can possibly overlook much of this irrationalism and inconsistency on the part of various Members, when we stop and think back upon the sad predicament of our Republican friends who have not really won an election in 20 years.

Now, Mr. Chairman, it is with a great hestitancy, that I make the following, rather candid, observations; because of the warm hospitality and friendly treatment that myself and my subcommittee received while making a trip through his State conducting hearings, relative to Federal aid for financially distressed schools.

The first stop in his State was at North Platte, where we arrived about 10 o'clock a. m. Sunday, after flying in from Denver, Colo. It was necessary for us to get up at 5 o'clock a. m. to get an early plane in order to meet our 7-day-a-week schedule, and let me say that all of us were glad to do so. We were met there by the gentleman from Nebraska [Mr. CURTIS] with his car, along with some other civic-minded men, with their cars; and were driven over to McCook, Nebr., for our first stop in his district. A nice luncheon had been arranged by the gentlemen, which was given by the various service clubs, including the chamber of commerce, in our honor. At least 200 of the fine folks were there and the purpose of our trip was explained by myself and various other members of the committee staff. The gentleman from Nebraska [Mr. CURTIS] acted as toastmaster for this occasion and also gave quite a full and complete résumé of the splendid aims and purposes of this subcommittee's on-the-spot hearings and investigations which would, it was hoped, lend much to the passage of legislation by this session of Congress that would bring more Federal aid to the schools.

Then, we moved on to Hastings, Nebr., another city in his district, where a full day of hearings were held and another such luncheon was given and conducted in the same fashion. The State school superintendent and other people from all over his State as well as from Wyoming, Montana, North and South Dakota, Iowa, Kansas, Missouri, and even Michigan attended this and the 2-days hearings in Omaha, Nebr. The point I am bringing out so forcefully is that not one voice was raised at that time about free spending, national debts, socialism, Federal controls, or any of the things that the gentleman has explained here this afternoon that has him so worried and disturbed and that should be of great concern to all of us. And I surely will agree that it is of grave concern to me; I am doing everything I can to eliminate waste, duplication, inefficiency, and bring about economy and am supporting, wholeheartedly, the Hoover Commission Report generally. However, when the gentleman and others from his State pointed out, with pride, all along this automobile trip of some 200 miles, the vast irrigation, reclamation, and flood-control projects of his State, particularly those on the Republican River along the territory where devastating floods occur intermittently with great loss of property and life; and all of these Federal projects, along with numerous other Federal participation programs in his State running into inestimable number of millions of dollars; I wonder why he cannot see why the public debt has increased as he has indicated. What has he to say about his State accepting this Federal money and assistance. I think the position he takes now is certainly inconsistent and that when he opposes this library-demonstration legislation, which will be of untold value to the children and adults of the rural areas of our great Nation, because he does not want the Government spending money, he is double talking, or, perhaps, he cannot see the value of equalizing the educational advantages for all our children.

I might say that the newspapers of his State gave very favorable reports of activities of the subcommittee and offer no such criticism as the gentleman has here today. Everyone seemed to be in hopes that Nebraska would get some more Federal money for its distressed and overburdened school districts. In fact, the committee scheduled the hearings in his State because Mr. CURTIS asked it to.

I think this should answer in some small way the gentleman's inquiry about our mounting Federal debts. The truth is that everyone everywhere is willing to take all they can get from the Federal Government, but would like to get it under cover, so to speak, so that they could still cry loudly that other fellows are doing the spending. Let them answer to their right names instead of trying to register under an assumed one.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. IRVING. I yield.

Mr. ROONEY. Did the gentleman from Nebraska also point out to you the roads built with Federal money and the airports and the electric-light systems built through the rural electrification system?

Mr. IRVING. I do not recall that he did, but they have some right nice highways which were no doubt partially constructed in such a manner. However, I believe they have a State-owned electric-power-and-light system. I do not know how it was financed, but I suppose many of his Republican colleagues could rightfully say that they were leading us into socialism.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, they used to say, "Another day, another dollar." Now, we have to say "Another day, another bill" to be sure that there is no bottom left in the Treasury of the United States.

Every single day now we are presented with a bill which has no justification whatever and will take millions and millions of dollars out of the Federal Treasury. We do not have anything in the Treasury except what we borrow from day to day. Is it not about time that the membership of the Congress came to have some sense of responsibility and began to back up and stop this trend? The only other alternative is untold and uncontrolled inflation and the building up of a situation where this country is going to lose its liberties.

I hope the membership of the House will wake up before it is so late that they cannot wake up. I hope this bill will be defeated.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I take this time to ask the gentleman from Indiana [Mr. JACOBS] if I understood him correctly. If I understood the gentleman correctly, he said that profits in the war were made by the Republicans of this country. Is that what the gentleman said in his closing remarks?

Mr. JACOBS. I think the RECORD will show that I said there were a lot of folks, mostly Republicans, on the theory that I think most of the folks who have a lot of money are Republicans. If I am wrong about that, I will stand corrected; but that has always been my impression.

Mr. MORTON. Of course, I am afraid the implication of the gentleman's remark was that the Republicans did not wear the uniform of their country but stayed home.

Mr. JACOBS. Oh, no, no. I want to set the RECORD absolutely straight. I had no intention to leave any such idea at all.

Mr. MORTON. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

The Chair recognizes the gentleman from Nebraska [Mr. O'SULLIVAN] to close debate.

Mr. O'SULLIVAN. Mr. Chairman, the claim has been made that this legislation should be defeated because it would be federally controlled and that Dr. Ewing, whom some Members of this body seem to fear greatly and despise roundly, would be afforded a golden opportunity to spread red and pink doctrines Nationwide. Nothing could be more untrue because this bill provides for State control. It is a States' rights bill, and not a Federal control or regulating measure.

I am sure that we all want the people of library-neglected areas to be well informed and grow big, not only physically but also mentally and morally, and to attain this end we should today give this bill a helping hand and a helpful vote.

It is an old saying that giant oaks from little acorns grow, and that became a reality because of the way and manner in which the acorns were planted, the fertility of the soil, the manner of planting, and the climatic and other favorable conditions during the life cycles of the tree-producing acorns.

Once upon a time an old farmer brought his son to a library and asked the man in charge how long it would take for his son to read enough books and other material in order to acquire an up-to-date gentlemanly, agricultural education.

He was told it might take 100 years, whereupon the old man countered, "Can't Eph do it in 4 months?" The librarian in charge said it all depends upon what kind of a mind growth you prefer for Eph, and then reminded him that God had taken 4 months to make a pumpkin, and 100 years to make an oak.

When I hear some people talk against this legislation, I wonder in what category they really fall, in the pumpkin, or in the oak class. I confess that my inability to so classify publicly them and myself also is probably most fortunate for me.

Every man, woman, and child in this Nation should not only be encouraged to acquire learning, but should be given every opportunity to gain same in as big or as little a way as they desire. All people of the Republic should be permitted to build educationally for the future of themselves and their country. Every individual in the United States should be accorded the opportunity and given the right to grow and develop mentally, and thus become intellectually as big as his capacity and initiative will permit him to be.

I support wholeheartedly this very much needed library bill, introduced and sponsored by the proper thinking and patriotically proven Representative, the gentleman from Indiana [Mr. MADDEN], because I believe that in knowledge there is power, that ignorance is the mother of many present-day political and other evils, and that the dissemination of proper information and knowledge will keep our country safe and secure from every ism except true Americanism. Respectfully and sincerely I ask my colleagues to give the people who live in underprivileged areas a small share of the library service and opportunities which their more-favored fellow Americans enjoy in the great educational centers of the Nation. If you do so, I am sure that you shall never have cause for regret.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KELLEY].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HUBER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 874) to provide for the demonstration of public-library service in areas without such service or with inadequate library facilities, pursuant to House Resolution 481, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. KEARNS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KEARNS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. KEARNS moves that the bill be recommitted to the Committee on Education and Labor.

Mr. LESINSKI. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 162, nays 176, not voting 94, as follows:

[Roll No. 90]

YEAS—162

Abbitt	Gross	Pickett
Allen, Calif.	Hale	Plumley
Allen, Ill.	Hall,	Potter
Andersen,	Edwin Arthur	Rabaut
H. Carl	Harden	Rankin
Anderson, Calif.	Harrison	Reed, Ill.
Andresen,	Hart	Rees
August H.	Harvey	Regan
Arends	Hedrick	Rich
Auchincloss	Herlong	Riehlman
Barrett, Wyo.	Herter	Sadlak
Bates, Mass.	Heselton	St. George
Beall	Hill	Sanborn
Bennett, Mich.	Hinshaw	Sasscer
Bishop	Hoeven	Saylor
Blackney	Hoffman, Mich.	Scott,
Bolton, Ohio	Hope	Hugh D., Jr.
Bramblett	Horan	Scrivner
Brehm	Jackson, Calif.	Scudder
Brown, Ohio	Jensen	Secrest
Burleson	Johnson	Shafer
Burton	Judd	Short
Byrnes, Wis.	Kean	Sikes
Camp	Kearney	Simpson, Ill.
Cannon	Kearns	Simpson, Pa.
Chesney	Keating	Smith, Kans.
Chiperfield	Keefe	Smith, Va.
Church	Kennedy	Smith, Wis.
Clevenger	Kilburn	Stefan
Cole, Kans.	Latham	Stockman
Cole, N. Y.	LeCompte	Taber
Cotton	LeFevre	Talle
Coudert	Lodge	Teague
Crawford	Lovre	Thomas
Cunningham	Lynch	Thompson
Curtis	McConnell	Van Zandt
Dague	McCulloch	Velde
Davis, Wis.	McGregor	Vorys
Dolliver	McMillen, Ill.	Vursell
Dondero	Mack, Wash.	Wadsworth
Doughton	Martin, Iowa	Wagner
Eberharter	Martin, Mass.	Walter
Elston	Mason	Weichel
Engel, Mich.	Meyer	Werdel
Fallon	Michener	Wheeler
Fellows	Miller, Md.	White, Calif.
Fenton	Miller, Nebr.	Whitten
Fernandez	Murray, Wis.	Widnall
Fisher	Nelson	Wigglesworth
Ford	Nicholson	Wilson, Ind.
Gathings	Nixon	Wilson, Okla.
Gillette	Norrell	Wilson, Tex.
Goodwin	O'Brien, Ill.	Wolcott
Gore	O'Brien, Mich.	Woodruff
Gossett	Patterson	
Graham	Phillips, Calif.	

NAYS—176

Abernethy	Davenport	Jones, Ala.
Addonizio	Davis, Ga.	Jones, Mo.
Albert	Deane	Jones, N. C.
Angell	DeGraffenried	Karst
Aspinall	Delaney	Karsten
Bailey	Denton	Kelley, Pa.
Barden	Dingell	Kerr
Baring	Donohue	Kilday
Bates, Ky.	Doyle	King
Battle	Durham	Lane
Beckworth	Elliott	Lanham
Bentsen	Engle, Calif.	Larcade
Blatnik	Evins	Lemke
Boggs, La.	Feighan	Lesinski
Bonner	Flood	Lind
Bosone	Fogarty	Linehan
Boykin	Forand	Lucas
Breen	Furcolo	Lyle
Brown, Ga.	Garmatz	McCarthy
Bryson	Golden	McCormack
Buchanan	Gordon	McDonough
Buckley, Ill.	Gorski	McGrath
Burdick	Grant	McGuire
Burke	Gregory	McSweeney
Burnside	Hagen	Mack, Ill.
Carlyle	Hare	Madden
Carnahan	Harris	Mahon
Carroll	Havenner	Mansfield
Case, N. J.	Hays, Ark.	Marcantonio
Case, S. Dak.	Hébert	Marsalis
Cavalcante	Hobbs	Marshall
Chelf	Holifield	Merrow
Christopher	Holmes	Miles
Clemente	Howell	Miller, Calif.
Combs	Huber	Mills
Cooley	Hull	Mitchell
Cooper	Irving	Morris
Cox	Jacobs	Morton
Crook	Jenkins	Moulder
Crosser	Jennings	Multer

Murdock	Priest	Tollefson
Murray, Tenn.	Rains	Trimble
Noland	Redden	Underwood
O'Hara, Ill.	Rhodes	Walsh
O'Konski	Rivers	Welch
O'Neill	Rodino	Whittington
O'Sullivan	Rooney	Wickersham
Pace	Roosevelt	Wier
Passman	Shelley	Williams
Patman	Sims	Willis
Patten	Spence	Winstead
Perkins	Staggers	Withrow
Peterson	Steed	Wood
Philbin	Stigler	Woodhouse
Phillips, Tenn.	Sullivan	Worley
Poage	Sutton	Yates
Polk	Tackett	Young
Preston	Tauriello	Zablocki
Price	Thornberry	

NOT VOTING—94

Allen, La.	Granahan	Murphy
Andrews	Granger	Norblad
Barrett, Pa.	Green	Norton
Bennett, Fla.	Gwinn	O'Hara, Minn.
Biemiller	Hall,	O'Toole
Boggs, Del.	Leonard W.	Pfeifer,
Bolling	Halleck	Joseph L.
Bolton, Md.	Hand	Pfeiffer,
Brooks	Hardy	William L.
Buckley, N. Y.	Hays, Ohio	Poulson
Bulwinkle	Heffernan	Powell
Byrne, N. Y.	Heller	Quinn
Canfield	Hoffman, Ill.	Ramsay
Celler	Jackson, Wash.	Reed, N. Y.
Chatham	James	Ribicoff
Chudoff	Javits	Richards
Colmer	Jenison	Rogers, Fla.
Corbett	Jonas	Rogers, Mass.
Davies, N. Y.	Kee	Sabath
Davis, Tenn.	Kelly, N. Y.	Sadowski
Dawson	Keogh	Scott, Hardie
D'Ewart	Kirwan	Sheppard
Dollinger	Klein	Smathers
Douglas	Kruse	Smith, Ohio
Eaton	Kunkel	Stanley
Ellsworth	Lichtenwalter	Taylor
Frazier	McKinnon	Towe
Fugate	McMillan, S. C.	Vinson
Fulton	Macy	Whitaker
Gamble	Magee	White, Idaho
Gary	Monroney	Wolverton
Gavin	Morgan	
Gilmer	Morrison	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Bennett of Florida for, with Mrs. Kelly of New York against.

Mr. O'Toole for, with Mr. Gilmer against.

Mr. Towe for, with Mr. Morrison against.

Mr. Kunkel for, with Mr. Sadowski against.

Mr. Leonard W. Hall for, with Mr. Dollinger against.

Mr. Lichtenwalter for, with Mr. Whitaker against.

Mr. O'Hara of Minnesota for, with Mr. Quinn against.

Mr. Hardy for, with Mr. Hays of Ohio against.

Mr. Reed of New York for, with Mr. Allen of Louisiana against.

Mr. Gary for, with Mr. Frazier against.

Mr. Canfield for, with Mr. McKinnon against.

Mr. Macy for, with Mr. Andrews against.

Mr. Gavin for, with Mr. Kruse against.

Mr. Gamble for, with Mr. Morgan against.

Mr. Gwinn for, with Mr. Kirwan against.

Mr. Smith of Ohio for, with Mr. Jackson of Washington against.

Mr. Jenison for, with Mr. Biemiller against.

Mr. Eaton for, with Mr. Celler against.

Mr. William L. Pfeiffer for, with Mr. Bolling against.

Mr. Taylor for, with Mr. Magee against.

Mr. Jonas for, with Mr. Byrne of New York against.

Mr. Corbett for, with Mr. Heller against.

Mr. Hand for with Mr. Ribicoff against.

Mr. James for, with Mr. Keogh against.

Mr. Hoffman of Illinois for, with Mr. Klein against.

Until further notice:

Mr. Fugate with Mr. Hardie Scott.

Mr. Richards with Mr. Fulton.

Mr. Sheppard with Mr. D'Ewart.

Mr. Vinson with Mr. Norblad.

Mr. McMillan of South Carolina with Mr. Halleck.

Mr. Davies of New York with Mr. Wolverton.

Mrs. Douglas with Mr. Boggs of Delaware.

Mr. Colmer with Mr. Poulson.

Mr. Chatham with Mrs. Rogers of Massachusetts.

Mrs. ST. GEORGE changed her vote from "nay" to "yea."

Mr. CHESNEY changed his vote from "nay" to "yea."

Mr. MURDOCK changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. ALLEN of Illinois. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 161, nays 164, answered "present" 1, not voting 106, as follows:

[Roll No. 91]

YEAS—161

Abernethy	Gorski	Multer
Addonizio	Grant	Murdock
Albert	Gregory	Murray, Tenn.
Aspinall	Hagen	Noland
Bailey	Hare	O'Hara, Ill.
Barden	Havenner	O'Konski
Baring	Hays, Ark.	O'Neill
Barrett, Wyo.	Hébert	O'Sullivan
Battle	Holifield	Pace
Beckworth	Holmes	Passman
Bentsen	Howell	Patman
Blatnik	Huber	Patten
Bonner	Hull	Perkins
Boykin	Irving	Peterson
Breen	Jacobs	Philbin
Brooks	Jenkins	Phillips, Tenn.
Brown, Ga.	Jennings	Poage
Bryson	Jones, Ala.	Polk
Buchanan	Jones, N. C.	Preston
Buckley, Ill.	Karst	Price
Burdick	Karsten	Priest
Burke	Kee	Rains
Burnside	Kelley, Pa.	Rhodes
Carlyle	Kerr	Rodino
Carnahan	Kilday	Rooney
Carroll	King	Roosevelt
Case, N. J.	Lane	Shelley
Cavalcante	Lanham	Sims
Chelf	Larcade	Spence
Christopher	Lemke	Staggers
Combs	Lesinski	Steed
Cooley	Lind	Stigler
Cooper	Linehan	Sullivan
Crook	Lucas	Sutton
Crosser	McCarthy	Tackett
Davenport	McCormack	Tauriello
Davis, Ga.	McDonough	Thornberry
Deane	McGrath	Tollefson
DeGraffenried	McGuire	Trimble
Denton	McSweeney	Underwood
Dingell	Mack, Ill.	Walsh
Donohue	Madden	Welch
Doyle	Mahon	Wickersham
Durham	Mansfield	Wier
Elliott	Marcantonio	Williams
Engle, Calif.	Marsalis	Willis
Evins	Marshall	Winstead
Feighan	Merrow	Withrow
Flood	Miles	Wood
Fogarty	Miller, Calif.	Woodhouse
Forand	Mills	Worley
Furcolo	Mitchell	Yates
Garmatz	Morris	Zablocki
Gordon	Moulder	

NAYS—164

Abbitt	Andresen,	Bennett, Mich.
Allen, Calif.	August H.	Bishop
Allen, Ill.	Auchincloss	Blackney
Andersen,	Bates, Ky.	Bolton, Ohio
H. Carl	Bates, Mass.	Bosone
Anderson, Calif.	Beall	Bramblett
Brehm	Hinshaw	Rees
Brown, Ohio	Hobbs	Regan
Burleson	Hoeven	Rich
Burton	Hoffman, Mich.	Riehlman
Byrnes, Wis.	Hope	Rivers
Camp	Horan	Sadlak
Cannon	Jackson, Calif.	St. George
Chesney	Jensen	Sanborn
Chiperfield	Johnson	Sasscer
Church	Jones, Mo.	Saylor
Clevenger	Judd	Scott,
Cole, Kans.	Kean	Hugh D., Jr.
Cole, N. Y.	Kearney	Scrivner
Cotton	Kearns	Secrest
Coudert	Keating	Shafer
Crawford	Keefe	Short
Cunningham	Kilburn	Sikes
Curtis	LeCompte	Simpson, Ill.
Dague	LeFevre	Simpson, Pa.
Davis, Wis.	Lodge	Smith, Kans.
Dolliver	Lovre	Smith, Va.
Dondero	Lyle	Smith, Wis.
Doughton	Lynch	Stefan
Eberharter	McConnell	Stockman
Elston	McCulloch	Taber
Engel, Mich.	McGregor	Talle
Fallon	McMillen, Ill.	Teague
Fellows	Mack, Wash.	Thomas
Fenton	Martin, Iowa	Thompson
Fernandez	Martin, Mass.	Van Zandt
Fisher	Mason	Velde
Ford	Meyer	Vursell
Gathings	Michener	Wadsworth
Goodwin	Miller, Md.	Wagner
Gore	Miller, Nebr.	Walter
Gossett	Murray, Wis.	Weichel
Graham	Nelson	Werdel
Gross	Nicholson	Wheeler
Hale	Nixon	White, Calif.
Hall,	Norrell	White, Idaho
Edwin Arthur	O'Brien, Ill.	Whitten
Harden	O'Brien, Mich.	Whittington
Harris	Patterson	Widnall
Harrison	Philips, Calif.	Wigglesworth
Hart	Pickett	Wilson, Ind.
Harvey	Plumley	Wilson, Okla.
Hedrick	Rabaut	Wilson, Tex.
Herlong	Rankin	Wolcott
Heselton	Redden	Woodruff
Hill	Reed, Ill.	Young

ANSWERED "PRESENT"—1

Case, S. Dak.

NOT VOTING—106

Allen, La.	Gillette	Morrison
Andrews	Gilmer	Morton
Angell	Golden	Murphy
Arends	Granahan	Norblad
Barrett, Pa.	Granger	Norton
Bennett, Fla.	Green	O'Hara, Minn.
Biemiller	Gwinn	O'Toole
Boggs, Del.	Hall,	Pfeifer,
Boggs, La.	Leonard W.	Joseph L.
Bolling	Halleck	Pfeiffer,
Bolton, Md.	Hand	William L.
Buckley, N. Y.	Hardy	Potter
Bulwinkle	Hays, Ohio	Poulson
Byrne, N. Y.	Heffernan	Powell
Canfield	Heller	Quinn
Celler	Herter	Ramsay
Chatham	Hoffman, Ill.	Reed, N. Y.
Chudoff	Jackson, Wash.	Ribicoff
Clemente	James	Richards
Colmer	Javits	Rogers, Fla.
Corbett	Jenison	Rogers, Mass.
Cox	Jonas	Sabath
Davies, N. Y.	Kelly, N. Y.	Sadowski
Davis, Tenn.	Kennedy	Scott, Hardie
Dawson	Keogh	Scudder
Delaney	Kirwan	Sheppard
D'Ewart	Klein	Smathers
Dollinger	Kruse	Smith, Ohio
Douglas	Kunkel	Stanley
Eaton	Latham	Taylor
Ellsworth	Lichtenwalter	Towe
Frazier	McKinnon	Vinson
Fugate	McMillan, S. C.	Vorys
Fulton	Macy	Whitaker
Gamble	Magee	Wolverton
Gary	Monroney	
Gavin	Morgan	

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Morton for, with Mr. Vorys against.

Mr. Angell for, with Mr. Canfield against.

Mrs. Kelly of New York for, with Mr. Arends against.

Mr. Gilmer for, with Mr. Lichtenwalter against.
Mr. Morrison for, with Mr. Macy against.
Mr. Sadowski for, with Mr. O'Hara of Minnesota against.
Mr. Dollinger for, with Mr. William L. Pfeiffer against.
Mr. Whitaker for, with Mr. Eaton against.
Mr. Quinn for, with Mr. Kunkel against.
Mr. Clemente for, with Mr. Smith of Ohio against.
Mr. Delaney for, with Mr. Towe against.
Mr. Hays of Ohio for, with Mr. Taylor against.
Mr. Allen of Louisiana for, with Mr. Hand against.
Mr. Frazier for, with Mr. Herter against.
Mr. Case of South Dakota for, with Mr. Leonard W. Hall against.
Mr. McKinnon for, with Mr. Reed of New York against.
Mr. Morgan for, with Mr. Gavin against.
Mr. Jackson of Washington for, with Mr. Gillette against.
Mr. Kirwan for, with Mr. Gamble against.
Mr. Andrews for, with Mr. Corbett against.
Mr. Kruse for, with Mr. Gwinn against.
Mr. Bolling for, with Mr. James against.
Mr. Heffernan for, with Mr. Jenison against.
Mr. Keogh for, with Mr. Jonas against.
Mr. Klein for, with Mr. Hoffman of Illinois against.
Mr. Heller for, with Mr. Hardie Scott against.
Mr. Joseph L. Pfeifer for, with Mr. Poulson against.
Mr. Barrett of Pennsylvania for, with Mr. Hardy against.
Mr. Green for, with Mr. Gary against.
Mr. Chudoff for, with Mr. O'Toole against.
Mr. Granahan for with Mr. Bennett of Florida, against.
Mr. Davies of New York for, with Mr. Latham against.

Until further notice:

Mr. Boggs of Louisiana with Mr. Wolverton.
Mr. Rogers of Florida with Mr. Halleck.
Mr. Magee with Mr. Boggs of Delaware.
Mr. Sheppard with Mr. Norblad.
Mr. Vinson with Mr. Potter.
Mr. Murphy with Mr. Fulton.
Mrs. Douglas with Mr. D'Ewart.
Mr. Cox with Mr. Golden.
Mr. Byrne of New York with Mr. Scudder.
Mr. Smathers with Mrs. Rogers of Massachusetts.
Mr. Fugate with Mr. Ellsworth.

Mr. CASE of South Dakota. Mr. Speaker, I have a pair with the gentleman from New York, Mr. LEONARD W. HALL. I voted "yea." Had he been present he would have voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

On motion of Mr. MARTIN of Massachusetts, a motion to reconsider was laid on the table.

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just considered.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

INACTION PILED ON INACTION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, another 30½ hours gone. An additional $76,250 wasted.

Because of this tragic, senseless, inexplicable waste I sent a special messenger to the White House this morning with excerpts from the CONGRESSIONAL RECORD bringing to date all of the information I had developed from the Commodity Credit Corporation's statistics. A letter went to the President. I now include a copy of that letter, as follows:

MARCH 9, 1950.

The PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: I am sending by special messenger excerpts from the CONGRESSIONAL RECORD which, to this date, include all of the information I have been able to develop from the Commodity Credit Corporation's statistics.

I understand that you plan to leave Sunday for Key West. I hope you will have a most happy and restful vacation. I am sure you will understand my earnest wish that you issue the necessary orders before you depart so that the Department of Agriculture will promptly file its reports on H. R. 7135, H. R. 7136, H. R. 7137, and H. R. 7138. Because I believe the existing law does give the Department authority to pay the transportation costs on these surplus food commodities to points where they can be utilized as food, I also hope you will issue instructions to put such a program into effect immediately.

Sincerely yours.

This afternoon I was advised that the *Williamsburg* has radio facilities and a radio operator. I had hoped that I would not be forced to interrupt the President's trip to Key West by messages covering developments or the lack of them here, but I see no other course to me.

If I had the present address of Secretary Brannan, I would certainly wire him asking him to return here before the President's departure so that they might at least discuss the possibilities. Surely both realize the steps which have been taken by committees of Congress in recent days. I cannot conceive of their indifference to this mounting demand for action. During the day I have been able to develop certain information from the Commodity Credit Corporation as to the location and amount of butter and red kidney beans now stored in New England, New Jersey, New York, and Pennsylvania. I include the tabulation:

Surplus commodities—Butter and edible dried beans

NOTE.—There is no storage in New England States, New York, New Jersey, or Pennsylvania of cheese, prunes, raisins, or rice.

BUTTER

	Pounds
New England (Vermont only)	232,852
New Jersey	1,996,787
New York	2,099,212
Pennsylvania	417,029
Total	4,745,880

For storage points and quantities, see the statement attached.

This statement represents the inventories of butter as of February 28, 1950, based on documents received from the PMA Commodity Office, New York, N. Y.

BEANS, RED KIDNEY

	Bushels
New England	None
New Jersey (60 pounds to a bushel)	51,834
Hoboken	42,582
Newark	9,252
New York	1,108,481
Batavia	252,390
Horseheads (90 bushels of pea beans)	820,566
Marion	11,298
Brooklyn	4,320
New York City	4,863
Sodus	14,653
Bellona	193
Fairport	108
Pennsylvania	None
Total	1,160,315

I should add a notation of comment coming to me with the data as to beans:

Above figure are Commodity Credit Corporation stocks of dry edible beans at above points (in bushels). Beans are actually packed in 100-pound bags. Figures are as of December 31, 1949. No Commodity Credit Corporation beans are stored in other States for which figures were requested.

EXTENSION OF REMARKS

Mr. HORAN asked and was given permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

Mr. HINSHAW (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a letter.

Mr. LEONARD W. HALL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include information compiled from a public opinion poll of the residents of central Pennsylvania.

Mr. STAGGERS (at the request of Mr. MADDEN] was given permission to extend his remarks in the RECORD.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. CHELF (at the request of Mr. MCCORMACK) was given permission to extend his remarks in the RECORD and include an editorial appearing recently in the Courier-Journal.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourn today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EMERGENCY SITUATION IN ARIZONA

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I regret to have to announce an emergency in my State. I heard with regret also the former Governor of New Mexico say tragic things had occurred in his State. These things do occur. In today's Washington News, I find under date line of March 9, from Phoenix, Ariz., in a United Press account the story of children found starving in an Arizona camp. Not enough details are given there. I am in telegraphic communication with the Governor of Arizona to see what the situation is.

According to the press account, the distinguished juvenile judge, Thomas J. Croaff, with whom I am very well acquainted, found these conditions existing and sent emergency relief. I know the judge very well, and know he can be depended upon to meet the immediate situation. I know temporary matters will be taken care of in this way, but what of the future?

This account was called to my attention by several Members of the House today, especially by Members of the Committee on Agriculture. I have spoken to the chairman of the Committee on Agriculture and other Members concerning Federal supplies to be distributed through relief agencies. When I get further word of the need, I shall want to see that surplus supplies are furnished through the regular agency.

The SPEAKER. The time of the gentleman from Arizona has expired.

EXTENSION OF REMARKS

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

TRANSPORTATION FACILITIES BETWEEN HOUSE CHAMBER AND HOUSE OFFICE BUILDING

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, on the many roll calls and teller votes today while I was attending to urgent departmental business in my office and in response to the call of the bells for a teller vote I just missed by a matter of seconds being here to be recorded on three occasions. By hurrying on foot through the subway I was able to get into the Chamber when the results were being announced. I wonder if some plan cannot be worked out to have some form of transportation between the House Office Building and the House Chamber, similar to what the other body enjoys.

I wonder if the House is not entitled to as much consideration, having 435 Members, as we do which cost the Government about $30 a day each. There is a great loss of time and money involved in going from our offices to the House Chamber trying to attend to our duties in our offices as well as our duties on the floor of the House.

In the interest of economy we need a little better arrangement than we enjoy now. I suggest that similar provision be made for transportation in our passageway between the House Chamber and the House Office Building to that enjoyed by the other body.

The SPEAKER. The time of the gentleman from Idaho has expired.

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. ANGELL] is recognized for 20 minutes.

DESTITUTE UNITED STATES CHILDREN AND ADULTS STARVE WHILE UNCLE SAM HOARDS MILLIONS OF POUNDS OF SURPLUS FOODS AWAITING DESTRUCTION

Mr. ANGELL. Mr. Speaker, I am shocked today to read in the local press that 100 children are starving in a western State while Uncle Sam has millions of pounds of nourishing foods hoarded by the Government under the price-support program which are deteriorating and becoming worthless for human food and much of which Government officials are prepared to destroy. I include the news item to which I refer showing wholesale starvation of children in our own rich, prosperous America:

[From the Washington Daily News of March 9, 1950]

ONE HUNDRED ARIZONA TOTS STARVING—"WORST CASE OF MASS DESTITUTION"

PHOENIX, Ariz., March 9.—One hundred children were found starving to death in a farm labor camp near here and authorities rushed food today in an attempt to save them.

The families in the camp are destitute because a freeze spoiled the crops, throwing them out of work.

One father was selling his blood to get food for his children.

Many families were living on a diet of flour biscuits and lard gravy. Juvenile officer John E. Thompson found six children who hadn't eaten in 10 days.

"This is the worst case of mass destitution I have seen," Juvenile Judge Thomas J. Croaff said, in ordering emergency food and medical supplies distributed in the camp."

NO FOOD FOR MONTH

"There are almost 100 children in a starvation condition," Thompson said. "Many of them have distended abdomens."

One family of four had no regular food for most of 30 days, he said.

One father said the last dollar he earned was when he and his two sons spent a day picking up cotton that had fallen from trucks. One walked from farm to farm for 16 miles seeking work. He didn't get any.

Most families don't qualify for State relief. The community relief fund in nearby Tolleson was swamped. Local merchants carried some on credit but said they couldn't afford to any more.

SELL AUTOS

"The bland and unashamed requests of us for aid are pitiful," Thompson said. "Most of the families have sold everything. They have taken their old cars apart and sold them by parts for food.

"Now they have nothing."

The camp consists of about 100 one-room tin shacks. None have electricity or running water.

"The houses used to have some crude furniture, but that's all sold now. Now everybody sleeps on the floor," Thompson said.

"The kids all run around barefoot although it sometimes gets pretty cold. They don't go to school, because they don't have the clothes to wear."

CROP RUINED

The camp, 14 miles west of Phoenix, originally was built by the Federal Government. It now is operated by the Arizona Farm Bureau Federation.

Most of the men are cotton pickers who normally spend this season harvesting citrus fruit. A severe January freeze ruined the fruit crop.

Mr. Thompson said few had been in Arizona the 3 years necessary to qualify for State relief.

Mr. Speaker, on February 23 I discussed on the floor the bungled potato program which has cost the American taxpayers approximately $500,000,000 and the recent announcement of Secretary of Agriculture Brannan that his Department was prepared to destroy some 50,000,000 bushels of potatoes. We all remember a similar action on the part of the Secretary of Agriculture last year in which thousands of bushels of edible potatoes were destroyed while many thousands of American citizens were in want and unable to secure food for their minimum needs. As a result I introduced H. R. 7208 to prohibit the destruction of any edible foods acquired by the Government or any of its agencies under the price-support program and to make it mandatory that those foods be made available to those in need, such as welfare agencies, school-lunch programs, cafeterias operated on nonprofit plans in the interest of veteran students. I have urged the Committee on Agriculture in the House to give this bill the green light so that it may be enacted into law forthwith.

I also took up with the Secretary of Agriculture in his capacity as Secretary and also as chairman of the board of the Commodity Credit Corporation the urgent necessity of making the surplus foods held by the Federal Government under the price-support program available to those in need and to abandon the program to destroy them. Thus far I have received no assurance from the Secretary of Agriculture or any other responsible Government officials having to do with these surplus commodities that they will be made available to American citizens in need. I urged particularly that the people in need in my congressional district and State be provided with the surplus potatoes and other edible foodstuffs held by the Commodity Credit Corporation. Thus far nothing has been done along this line.

As part of these remarks I include two telegrams I received in reply to messages sent by me with reference to this matter, one from R. W. Remington, assistant purchasing agent of the Oregon State Board of Control, and the other from Laura P. Wells, director of the Oregon school-lunch program:

SALEM, OREG., *February 24, 1950.*

Hon. HOMER D. ANGELL,

House of Representatives:

Thanks for interest. Despite potato surpluses none available prior November 16 to

fill 11-car-per-month request. Three cars No. 1B's distributed November. Limited value school use because of size. Total 10 cars shipped Oregon prior holidays. Shipments canceled January due weather. Only 9 cars received February. Many schools buying potatoes since December. Apple shipments satisfactory until January offer for February delivery. Commitments made schools for 18 carloads. Of these none received to date. PMA San Francisco advises February 20 only 4 cars in prospect. Appreciate assistance to make good our commitments.

LAURA P. WELLS,
Director, Oregon School-Lunch Program.

SALEM, OREG., *February 24, 1950.*
Hon. HOMER D. ANGELL,
Member of Congress,
Washington, D. C.:

Reurtel on CCC commodities we serve institutions only school-lunch program handled by superintendent of public instruction. For institutions we have been and are receiving such items as potatoes, apples, dried milk and eggs. CCC does not make available to us the same items as they do to school lunch such as cheese, butter, canned vegetables, etc. We also believe allowance per person is too low, example, potatoes 12 pounds per person per month; dried eggs 15 ounces per person per month; dried milk 1 pound per person per month; fresh apples 6 pounds per person per month. Penal institutions are not eligible for these commodities. Our penitentiary could well use many of these items that are not being utilized.

OREGON STATE BOARD OF CONTROL,
R. W. REMINGTON,
Assistant Purchasing Agent.

I am just in receipt of a statement from the National Potato Council with reference to potato price support, which I include in these remarks, as follows:

THE NATIONAL POTATO COUNCIL,
Washington, D. C., March 7, 1950.

NATIONAL POTATO COUNCIL'S POSITION ON DISCRETIONARY PRICE SUPPORT

WASHINGTON, D. C., March 7.—The National Potato Council today sent the following day letter to each of the 14 Senate-House conferees on the cotton-potato bill:

Potato farmers respectfully urge you not to make potato price support from 0 to 90 at the discretion of Secretary of Agriculture, as reported in morning newspapers. Instead, they earnestly request that they be left where they are, mandatory from 60 to 90.

The Secretary of Agriculture has repeatedly demonstrated his reluctance to use the discretionary powers which have been granted him by Congress.

The Secretary's most recent demonstration of his reluctance to use his discretionary powers occurred on January 31, 1950, when he appeared before the Senate Committee on Agriculture and Forestry and put the committee "on the spot" by asking its advice as to whether he should "dump" potatoes.

The committee very properly advised the Secretary that "dumping" was a discretionary decision clearly within his administrative functions.

The Secretary also has been reluctant to exercise his discretionary powers in the matter of making marketing agreements mandatory as a provision for price support and also in the matter of attempting to reduce Canadian imports.

In view of this record on matters entirely within the discretion of the Secretary of Agriculture, we respectfully urge you not to burden the Secretary with any additional discretionary powers in regard to potatoes as the record would indicate that he would hesitate to use it or would be returning from time to time to request advice from the proper congressional committees.

Respectfully yours,
NATIONAL POTATO COUNCIL,
By WHITNEY THARIN,
Executive Secretary.

Mr. Speaker, as stated in the National Potato Council release, the potato problem has been aggravated by the action of the administration in letting down the bars so that the potato market in the United States is flooded with potatoes from Canada and the administration has utterly failed and refused to prevent these shipments from coming in or to enter into discretionary agreements which the Secretary has the authority to do to prevent the displacing of the American market by foreign potatoes. Every carload of potatoes coming from Canada displaces potatoes grown in America which Uncle Sam must buy under the support program and as a result, in this roundabout way the moneys which go to Canada for the potato importations actually in effect come out of the United States Treasury. Fifty million bushels of potatoes are now growing or are ready for market which the United States will buy under the price-support program and then Secretary Brannan is prepared to destroy them as he has announced.

In the face of this overproduction of potatoes in the United States the housewife and others needing potatoes for human food in many cases are permitted to buy only second grade potatoes and are not able to secure No. 1's and furthermore must pay 6 cents per pound for inferior potatoes, while the Federal Government is reselling No. 1 potatoes for 1 cent per 100 pounds and even furnishing sacks which cost 12 cents apiece.

I include a news item relative to the complaint of G. M. "Jerry" Fox, the owner of a restaurant in Portland, Oreg., in my congressional district, over the poor quality of potatoes he must buy and as a remonstrance he is sending a sack of them to Secretary Brannan. The article is as follows:

SPUDS ON WAY TO BRANNAN—POOR QUALITY IRKS RESTAURANT MAN

A bag of dubious-quality potatoes was on its way via railway express Thursday night to United States Agricultural Secretary Charles F. Brannan, an 85-pound protest to Uncle Sam's spud-dumping policy.

Shipper was G. M. "Jerry" Fox, Portland restaurant owner. His ire against the potato situation first gained public notice Thursday in his appearance before State agricultural department officials at Salem.

SPUDS HELD OFF MART

"Secretary Brannan has millions of bushels of potatoes he's holding off the market," Fox complained. "Meanwhile I can't find a dependable supply of spuds for my restaurant.

"Here's a sack that was given to me as a replacement for another sack that wasn't any good. These spuds aren't fit for human use, either. Maybe the Government can find a place to put them."

Fox paid $6.78 to ship the bag to Washington, D. C. Its value written on the address tag was $4.

Mr. Speaker, how long will this bungling of this important food problem be carried on and how crazy will Uncle Sam have to be before a doctor is called in to straighten out his muddled brain and put him on the track to sanity?

Public officials and others who seek to lay the blame on the Congress are overlooking completely the existing legislation and the discretionary powers that are now vested by law in the administration and the Secretary of Agriculture to act and to prevent the fiasco which is taking place.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KIRWAN and Mr. JACKSON of Washington (at the request of Mr. MANSFIELD), for today, on account of official business.

To Mr. FUGATE, for today, on account of official business.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2023. An act to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 2023. An act to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

ADJOURNMENT

Mr. MILES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 27 minutes p. m.), under its previous order, the House adjourned until Monday, March 13, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1302. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated September 6, 1949, submitting an interim report, together with accompanying papers and illustrations, on a review of reports on, and a preliminary examination and survey of, the Susquehanna River in the vicinity of Endicott, Johnson City, and Vestal, N. Y. This investigation was requested by resolutions of the Committee on Flood Control, House of Representatives, adopted on December 18, 1945, and July 5, 1946; the Committee on Commerce, United States Senate, adopted on January 14, 1946; and also authorized by the Flood Control Act approved on December 22, 1944 (H. Doc. No. 500); to the Committee on Public Works and ordered to be printed, with three illustrations.

1303. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend subsection (b) of section 3224 of the Internal Revenue Code relating to the transportation of narcotic drugs"; to the Committee on Ways and Means.

1304. A letter from the Secretary of the Interior, transmitting copies of legislation

passed by the Legislative Assembly and the Municipal Council of St. Croix and the Municipal Council of St. Thomas and St. John, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; to the Committee on Public Lands.

1305. A communication from the President of the United States, transmitting a revised estimate of appropriation, involving an increase of $2,000, for the fiscal year 1951, for the legislative branch, House of Representatives, in the form of an amendment to the budget for said fiscal year (H. Doc. No. 501); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. H. R. 6567. A bill to increase the borrowing power of Commodity Credit Corporation; without amendment (Rept. No. 1757). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York:

H. R. 7635. A bill to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the Regular components of the armed forces of graduates of the United States Military, Naval, or Coast Guard Academy; to the Committee on Armed Services.

By Mr. ENGLE of California:

H. R. 7636. A bill to amend section 1404, title 28, United States Code; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 7637. A bill to amend the Interstate Commerce Act, as amended, to provide for the regulation of the sizes and weights of motor vehicles engaged in transportation in interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. MORRIS:

H. R. 7638. A bill to promote the rehabilitation of the Indians of western Oklahoma, and for other purposes; to the Committee on Public Lands.

By Mr. SMITH of Wisconsin:

H. R. 7639. A bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MILLER of California:

H. R. 7640. A bill to amend section 1404 of title 28, United States Code, with respect to the transfer of certain civil actions from one district to another; to the Committee on the Judiciary.

By Mr. COOPER:

H. R. 7641. A bill to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church; to the Committee on Public Works.

By Mr. BLATNIK:

H. R. 7642. A bill to amend section 1404 of title 28, United States Code, with respect to the transfer of certain civil actions from one district to another; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 7643. A bill to amend the Internal Revenue Code so that the taxes imposed under the Federal old-age and survivors insurance system will not be imposed on account of service performed by individuals who have attained the age of 65; to the Committee on Ways and Means.

By Mr. KING:

H. R. 7644. A bill to amend the excise tax on photographic apparatus; to the Committee on Ways and Means.

By Mr. MONRONEY:

H. R. 7645. A bill to deny benefits, under Federal retirement systems, to persons convicted of felonies involving improper use of their authority, power, influence, or privileges as officers or employees of the United States or the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Kansas:

H. R. 7646. A bill to establish the Commission on the Coal Industry; to the Committee on Education and Labor.

By Mr. SIMPSON of Illinois:

H. R. 7647. A bill to amend section 12B of the Federal Reserve Act (pertaining to the Federal Deposit Insurance Corporation) with respect to assessment rates charged insured banks; to the Committee on Banking and Currency.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts relative to the repatriation of the children of Greece who have been removed from their homes in Greece and detained in certain countries; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Kentucky:

H. R. 7648. A bill for the relief of Akiko Inoue; to the Committee on the Judiciary.

By Mr. DOLLINGER.

H. R. 7649. A bill for the relief of Moses Brock; to the Committee on the Judiciary.

By Mr. HARE:

H. R. 7650. A bill for the relief of William J. Lanham; to the Committee on the Judiciary.

By Mr. LINEHAN:

H. R. 7651. A bill for the relief of Irene B. Whetstone; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 7652. A bill conferring United States citizenship posthumously upon Siegfried Oberdorfer; to the Committee on the Judiciary.

By Mr. MURDOCK:

H. R. 7653. A bill to authorize the Secretary of the Navy to convey to the Goodyear Aircraft Corp., Akron, Ohio, an easement for sewer purposes in, over, and across certain Government-owned lands situated in Maricopa County, Ariz.; to the Committee on Armed Services.

By Mrs. ROGERS of Massachusetts:

H. R. 7654. A bill for the relief of Dr. James F. Spindler; to the Committee on the Judiciary.

H. R. 7655. A bill for the relief of Anton Wen-tah Wei and Mrs. Helen A. Wei; to the Committee on the Judiciary.

By Mr. THOMPSON:

H. R. 7656. A bill for the relief of David George Callaway; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 7657. A bill for the relief of Walther Behm; to the Committee on the Judiciary.

By Mr. YATES:

H. R. 7658. A bill for the relief of Mitsuko Ito; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1972. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, relative to the repatriation of the children of Greece who have been removed from their homes in Greece and detained in certain countries; to the Committee on Foreign Affairs.

1973. By Mr. GORSKI: Petition to exclude members of retirement systems within the State from pending provisions extending the social-security law; to the Committee on Ways and Means.

1974. By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress relative to the repatriation of the children of Greece who have been removed from their homes in Greece and detained in certain countries; to the Committee on Foreign Affairs.

1975. By Mr. KEARNEY: Memorial of the Senate and Assembly of the State of New York, advocating the exclusion of members of retirement systems within the State from pending provisions extending the social-security law; to the Committee on Ways and Means.

1976. By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts, relative to the high cost of food; to the Committee on Agriculture.

1977. Also, memorial of the General Court of Massachusetts, relative to the repatriation of the children of Greece who have been removed from their homes in Greece and detained in certain countries; to the Committee on Foreign Affairs.

1978. Also, memorial of the General Court of Massachusetts, requesting passage of anti-poll-tax legislation; to the Committee on House Administration.

1979. Also, memorial of the General Court of Massachusetts, requesting passage of anti-lynching legislation; to the Committee on the Judiciary.

1980. Also, memorial of the General Court of Massachusetts, requesting substantial decreases in the next Federal budget and the Federal debt; to the Committee on Ways and Means.

1981. By Mr. SMITH of Wisconsin: Resolution of Frank Kresen Post, No. 24, Department of Wisconsin, American Legion, Lake Geneva, Wis., opposing compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

1982. By the SPEAKER: Petition of Mrs. C. E. Garnett and others, Daytona Beach, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan, to the Committee on Ways and Means.

1983. Also, petition of N. J. Perkins and others, Miami, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

FRIDAY, MARCH 10, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all grace, Thou hast ordained that not in cushioned seats of safety but

in danger and stern conflict shall we find our strength and our triumph in these days when all mankind stands in the valley of decision. Steel our hearts to endure hardness as soldiers of the common good. For a part and a place on the side of the angels in the raging struggle against the powers of darkness and the principalities of evil, God of freedom and truth, we give Thee thanks.

At noontide, turning aside from the pull of conflicting opinions and the rivalry of personal loyalties, empower us, sustain us as, with our strength unequal to our tasks, we face the call of the world's great need. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 9, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 493) to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands, with an amendment, in which it requested the concurrence of the Senate.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. GEORGE, and by unanimous consent, the Subcommittee on Immigration of the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. GEORGE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Graham	Magnuson
Benton	Gurney	Maybank
Brewster	Hayden	Millikin
Bricker	Hendrickson	Mundt
Bridges	Hickenlooper	Murray
Butler	Hill	Neely
Byrd	Holland	O'Conor
Cain	Hunt	O'Mahoney
Capehart	Ives	Robertson
Chavez	Johnson, Colo.	Schoeppel
Connally	Johnson, Tex.	Smith, Maine
Cordon	Johnston, S. C.	Smith, N. J.
Darby	Kefauver	Sparkman
Donnell	Kem	Stennis
Douglas	Kerr	Taylor
Dworshak	Knowland	Thomas, Okla.
Eastland	Langer	Thye
Ecton	Lehman	Tobey
Ellender	Lodge	Tydings
Ferguson	Lucas	Watkins
Flanders	McCarthy	Wherry
Frear	McClellan	Wiley
Fulbright	McFarland	Williams
George	McKellar	Withers
Gillette	McMahon	Young

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Rhode Island [Mr. GREEN], the Senator from North Carolina [Mr. HOEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Minnesota [Mr. HUMPHREY] are necessarily absent.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Georgia [Mr. RUSSELL] is absent because of a death in his family.

Mr. WHERRY. I announce that the Senator from Indiana [Mr. JENNER] is absent because of illness in his family.

The Senator from Nevada [Mr. MALONE] and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Oregon [Mr. MORSE] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent because of illness.

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate on Monday and Tuesday of next week.

EXTENSION OF BENEFITS OF VOCATIONAL EDUCATION ACT TO VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 493) to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands, which was on page 1, line 9, strike out "1949" and insert "1950."

Mr. O'MAHONEY. Mr. President, the amendment of the House is merely a change in the date. When this bill was passed by the Senate last year it contained a reference to the year 1949. The House amendment merely changed the year to 1950. Since 1949 has already passed, I think it is obvious that the amendment should be agreed to. I therefore move that the Senate concur in the House amendment.

The motion was agreed to.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, Senators will be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

LAWS PASSED BY LEGISLATIVE ASSEMBLY AND MUNICIPAL COUNCILS OF ST. CROIX AND ST. THOMAS AND ST. JOHN, V. I.

A letter from the Secretary of the Interior, transmitting, pursuant to law, copies of laws passed by the Legislative Assembly and the Municipal Council of St. Croix and the Municipal Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

DORRANCE ULVIN AND GUY F. ALLEN

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting a draft of proposed legislation for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the repatriation of certain Greek children; to the Committee on Foreign Relations.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on March 9, 1950, p. 3069, CONGRESSIONAL RECORD.)

A resolution adopted by the Midwest Agricultural Price Stabilization Farm Forum, in the State of Minnesota, relating to farm-price supports; to the Committee on Agriculture and Forestry.

A resolution adopted by the New England Conference of Typographical Unions, at Boston, Mass., relating to the liberalization of the provisions of the Social Security Act; to the Committee on Finance.

A resolution adopted by the United Mothers of America, Inc., of Cleveland, Ohio, relating to world government; to the Committee on Foreign Relations.

A resolution adopted by the City Council of the City of Los Angeles, Calif., favoring the enactment of legislation providing statehood for Alaska; to the Committee on Interior and Insular Affairs.

A resolution adopted by Local No. 141, United Automobile, Aircraft, and Agricultural Implement Workers of America (UAW-CIO), of Baltimore, Md., favoring the enactment of Senate bill 110, the so-called labor extension service bill; the Committee on Labor and Public Welfare.

A letter in the nature of a petition from the National Academy of Sciences, of Washington, D. C., signed by A. N. Richards, president, relating to certain provisions of House bill 4846, to promote the progress of science; to advance the national health, prosperity, and welfare; and to secure the national defense (with accompanying papers); to the Committee on Labor and Public Welfare.

Resolutions adopted by the Business and Professional Women's Club, of Cambridge, and Xenia Kiwanis Club, of Xenia, both of the State of Ohio, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

HOOVER COMMISSION RECOMMENDATIONS—STATEMENT OF POSITION OF BALTIMORE (MD.) ASSOCIATION OF COMMERCE

Mr. O'CONOR. Mr. President, the Baltimore Association of Commerce, one of the very outstanding business groups of Maryland, whose membership comprises the officials of practically every business and industrial concern, has gone on record as endorsing, in principle, the findings and recommendations of the Commission on Organization of the Executive Branch of the Government.

Inasmuch as the members of the association, by virtue of their wide experience in business administration, are exceptionally well-versed in business ad-

ministration matters, I feel that the position taken by this important group deserves to be brought to the attention of the Members of the Senate and of our people generally.

I ask, therefore, unanimous consent that it be appropriately referred and printed in the body of the RECORD.

There being no objection, the statement of position was referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the RECORD, as follows:

STATEMENT OF POSITION OF THE BALTIMORE ASSOCIATION OF COMMERCE WITH RESPECT TO THE HOOVER COMMISSION RECOMMENDATIONS FOR GOVERNMENTAL REORGANIZATION

The Baltimore Association of Commerce, by action of its board of directors, has endorsed, in principle, the findings and recommendations of the Commission on Organization of the Executive Branch of the Government, generally known as the Hoover Commission and urges that the objects of the Commission's report receive prompt administrative and legislative approval and action.

We feel that the widespread public support which has now been given to the recommendations of the Hoover Commission emphasizes the need for their effectuation to promote governmental economy, efficiency, and improved service in the transaction of the public business through better execution of the laws, more effective management and expeditious administration; reduction of expenditures: grouping and coordination of governmental functions according to major purposes; elimination of duplication, overlapping or unnecessary functions or agencies; and careful definition and limitation of executive functions, services, and activities.

In the interest of efficiency in the operation of the Federal Government as well as the unquestioned need for reduction of governmental expenditures, we believe that Congress should now deal with the Hoover Commission recommendations as a major responsibility and that all necessary legislation should be promptly enacted for the accomplishment of the objectives as set forth in the report of the Commission.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUNT, from the Committee on Armed Services:

H. R. 6539. A bill to amend Public Law 626, Eightieth Congress, relating to the Army Institute of Pathology Building; without amendment (Rept. No. 1333).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

H. R. 6553. A bill to provide for the promotion of carriers in the rural delivery service in recognition of longevity of service; with amendments (Rept. No. 1334).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Acting Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report hereon pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 3223. A bill for the relief of Mofiz Miah; to the Committee on the Judiciary.

S. 3224. A bill to grant civil-service employees retirement after 30 years' service; to the Committee on Post Office and Civil Service.

By Mr. LEHMAN:

S. 3225. A bill for the relief of Anna Jarfas; to the Committee on the Judiciary.

By Mr. McCLELLAN:

S. 3226. A bill to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior; to the Committee on Expenditures in the Executive Departments.

By Mr. DOUGLAS:

S. 3227. A bill to grant permanent residence in the United States to Spyridon V. Karavitis; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3228. A bill for the relief of Edith Inez Schaedler-Elgass; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. THOMAS of Oklahoma):

S. J. Res. 160. Joint resolution to name the Veterans' Administration hospital under construction at Oklahoma City, Okla., the "Will Rogers Hospital"; to the Committee on Labor and Public Welfare.

INCORPORATION OF FUTURE FARMERS OF AMERICA—ADDITIONAL COSPONSOR OF BILL

Mr. KERR. Mr. President, I ask unanimous consent that the name of the junior Senator from Arkansas [Mr. FULBRIGHT] be added as an additional cosponsor of the bill (S. 2868) to incorporate the Future Farmers of America, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and the request is granted.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. BRICKER submitted amendments intended to be proposed by him to the committee amendment in the nature of a substitute to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

PRINTING OF REPORT ENTITLED "COOPERATIVE HOUSING IN EUROPE" (S. DOC. NO. 148)

Mr. SPARKMAN. Mr. President, I ask unanimous consent that a report of the Banking and Currency subcommittee investigating and studying the European housing programs, entitled "Cooperative Housing in Europe" be printed as a Senate document, with an illustration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alabama? The Chair hears none, and it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

NATIONAL DEFENSE—ADDRESS BY HON. W. STUART SYMINGTON

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an address delivered by Hon. W. Stuart Symington, Secretary of the Air Force, before the Yale Alumni Association luncheon, Yale University, New Haven, Conn., on February 22, 1950, which appears in the Appendix.]

SESQUICENTENNIAL OF ESTABLISHMENT OF THE CAPITAL IN WASHINGTON

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a statement by State Senator P. H. McEachin, of Florence, S. C., at the Departmental Auditorium, Washington, D. C., on March 9, representing South Carolina at the exercises celebrating the sesquicentennial of the establishment of the Capital at Washington, D. C., which appears in the Appendix.]

THE FUCHS CASE—ARTICLE FROM THE WASHINGTON DAILY NEWS

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "United States Got Tipped on Fuchs in 1946," published in the Washington Daily News of Friday, March 10, 1950, which appears in the Appendix.]

KEEPING ALIVE THE SPIRITUAL IDEALS OF HOME

[Mr. JOHNSON of Texas asked and obtained leave to have printed in the RECORD three letters of greeting to Campfire Girls, from the President of the United States, the Vice President, and the Speaker of the House of Representatives, which appear in the Appendix.]

STATEHOOD FOR ALASKA—EDITORIAL AND ARTICLE

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an editorial from the Seattle Post-Intelligencer entitled "Bright New Star From the North," and an article from the Los Angeles Examiner entitled "More Oil Than Arabia, 'Glacier Priest' Says," which appear in the Appendix.]

BALANCING THE BUDGET—EDITORIAL FROM THE INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "A Greater Peril Than Bombs," from a recent issue of the Indianapolis Star, which appears in the Appendix.]

TRIBUTE TO SENATOR CAPEHART FOR TWO ADDRESSES

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Two Fine Addresses," from the Delphi (Ind.) Journal of February 23, 1950, which appears in the Appendix.]

FOOD AND POLITICS—EDITORIAL FROM THE MINNEAPOLIS STAR

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial entitled "Food and Politics," from the Minneapolis Star of March 6, 1950, which appears in the Appendix.]

END THE SECRET SNATCHING—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address on the subject End the Secret Snatching, broadcast by him over the great prairie farmer voice, from Station WLS, in Chicago, which appears in the Appendix.]

ORGANIZATION OF FEDERAL EXECUTIVE DEPARTMENTS AND AGENCIES—STATEMENT BY SENATOR McCLELLAN

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement on

the organization of Federal executive departments and agencies, prepared by me as chairman of the Committee on Expenditures in the Executive Departments.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ORGANIZATION OF FEDERAL EXECUTIVE DEPARTMENTS AND AGENCIES

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

WASHINGTON, D. C., March 10, 1950.—Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today another of a series of semiannual reports, with a chart compiled by the committee outlining the organization of Federal executive departments and agencies, with personnel assignments for each operating unit down to the division level as of January 1, 1950.

Senator MCCLELLAN stated that this report covered the concentrated efforts toward reorganization of the executive branch since the submission of the Hoover Commission reports last year, and that he believed the chart reflected more organizational changes within the Federal structure during the last 6 months than in any comparable period in the history of the Government. This includes reorganizations effected within all agencies, with numerous changes in several agencies, particularly in the Department of Defense, the Department of State, and the newly created General Services Administration.

From the reports submitted to the committee by the various Federal agencies, it is indicated that there has been a net reduction of 301,596 Federal employees from the postwar peak of January 1, 1947, when the first of such reports was filed in the Senate. The report also reflects a reduction of 132,267 employees within the last 6 months, and a net decrease of 111,642 since January 1, 1949.

The largest reduction was in the Department of Defense, which reported a net decrease of 125,968 during the last half of calendar year 1949; 51,548 in the Department of the Army, 56,247 in the Department of the Navy, and 18,215 in the Department of the Air Force, with a slight increase of 42 administrative personnel in the Office of the Secretary of Defense.

Other agencies reporting decreases within the last 6 months were the Departments of Interior and Agriculture, of 3,418 and 15,261, respectively, due largely to seasonal decline in activities. The Department of Commerce reported 686 less employees, and the General Services Administration 6,678, the greater percentage of which was due to the transfer of 4,239 employees of the Public Roads Administration to the Department of Commerce and the continued liquidation of the War Assets Administration. The Federal Security Agency reduced its personnel by 1,511, of which 966 were transferred to the Department of Labor under the Bureau of Employment Security. The Selective Service System reported a reduction of 1,457 in State headquarters and local appeal boards. The Office of the Housing Expediter had 1,073 less employees, due to curtailment of its program, and the Panama Canal reported a net decrease of 1,135, due to decreases in work load and seasonal business activities.

The largest increase in personnel during the last 6 months was reported by the Post Office Department. The chart shows that during the last 6 months the Post Office Department has increased its personnel by 18,207, and by 27,424 since January 1, 1949. The State Department also reported a net increase of 2,514 employees during the past 6 months, due largely to the increase in employment of Foreign Service personnel under the German take-over program. The chart also reflects an increase of 1,423 employees in the Department of Labor, largely due to the transfer of the functions of the Bureau of Employment Security to that Department. An increase in the Housing and Home Finance Agency of 776 employees was explained as being due to the initial staffing of that Agency to carry out new and increased functions under the Housing Act of 1949.

The report gives a detailed analysis of organizational changes effectuated within the last 6 months, and includes a table of estimated average employment of the Federal Government as projected into the 1951 fiscal year, with comparisons of average employees for each agency during the fiscal years 1949, 1950, and 1951.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. MAYBANK obtained the floor.

Mr. BRICKER. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from Ohio.

Mr. BRICKER. I send to the desk two amendments to the pending measure, Senate bill 2246, and ask that they be printed and lie on the table, to be brought up at the appropriate time for consideration.

The VICE PRESIDENT. Without objection, the amendments will be received, printed, and lie on the table.

Mr. MAYBANK. Mr. President, in view of the fact that the Committee on Banking and Currency has reported an amendment in the nature of a substitute which is in substance an entirely new housing bill, I ask that the amendments which have heretofore been reported by the committee to Senate bill 2246 be withdrawn, and that the amendment in the nature of a substitute, in the form of a clean bill, be considered as an open amendment. Of course, it will be subject to amendment as would an original bill. In other words, the substitute amendment should not be voted on until any Senator desiring to offer an amendment has had an opportunity to do so.

The VICE PRESIDENT. As the Chair understands, the Senator, on behalf of the committee, withdraws the measure originally reported, and now offers a complete, clean new substitute.

Mr. MAYBANK. The Chair is correct.

The VICE PRESIDENT. So that the substitute will be regarded as the text of the bill.

Mr. MAYBANK. The Chair is correct; and it will be subject to any amendment which may be offered before it is voted on.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. Was the committee unanimous in that decision?

Mr. MAYBANK. Yes, it was unanimous in recommending that a clean bill be reported.

In view of this situation, I desire for a few minutes to call the attention of Senators to the fact that the pending substitute is entirely different from the original bill, which has been considerably changed, after extensive hearings.

There is but little difference of opinion among all the committee members and, I am certain, also among the Senators as to title I of the bill. Likewise this is true of titles II, IV, V, and VI. The main difference of opinion among the committee members was as to title III, and I might say that this title has been entirely changed from the original introduced by me, at which time I stated it was introduced for hearings.

Title III now conforms largely to the thoughts expressed by the Federal Reserve Board, in that it is now an insurance guaranty of 95 percent, and an added 5 percent is to be paid periodically over a period of 20 years, one-fourth of 1 percent per annum, to cover any losses.

Mr. President, this makes the bill correspond, to a large extent, to a previous bill passed by the Senate dealing with what was then known as FHA insurance.

The original amount of insurance and guaranties that was presented in the amendments for hearings totaled $6,000,000,000. In the proposed substitute amendment which is now before the Senate the amount has been reduced $3,600,000,000. In other words, we have reduced the amount of authorizations and insurance in keeping with the hearings held with the Federal Reserve Board in our efforts not to pass any legislation that would be in the least inflationary.

The safety of these obligations and their payment can only be judged by past experience, and I am pleased to report to the Senate that since the inception of the Government housing programs more than $18,000,000,000 has been authorized, of which $8,000,000,000 has already been paid back.

The total losses of all the housing programs amount to some $26,000,000, and when one thinks of the $18,000,000,000 figure, this is a most remarkable accomplishment.

I am sure it will be of interest to the Senators to know that the Housing and Home Finance Agency now has on hand a surplus in cash of $252,000,000, which has been accumulated to take care of any future losses that might be incurred in the now outstanding obligations, or those which this bill may carry.

It is my pleasure to commend the private building industry of the United States for the remarkable record of construction which has been carried on. Last year more than 1,000,000 homes were built, and this year approximately 900,000 homes are expected to be built. I also wish to report that, according to the records and the estimates, building costs have decreased to a small degree; and it is hoped that with the provisions of this bill, the middle-income families, particularly those with children, will have an opportunity to participate more fully in the housing program.

It is my hope that we may be able to finish this bill in a few days, for the reason that what in the present law is title I of this bill has already expired, and no further loans can be processed. All the authorization under title II of the present law will have been used up by next week. The other titles are mostly new ones, on which, as I have stated before, there is no serious difference of opinion in the committee. They deal

with such matters as college loans, GI loans, and so forth. Of course, title III has been the subject over which there is most contention.

Since the expiration dates of some of these titles of the present law, we have had an executive session of the committee. Certainly, as one of its members, I was amazed to learn that the private construction industry has depended upon Federal aid, through grants and insurance, for the construction of more than 50 percent of the homes in the United States. In fact, the figure is a little in excess of 50 percent.

Mr. President, I wish to direct particular attention to that matter, because the bulk of the private building industry and of those who process the FHA loans and the other loans have made great use of that medium. Fifty percent of all the houses built last year were built through that medium, and it is expected that perhaps a high proportion will be built through that medium this year. I call attention to this matter because springtime and the building season are coming on; and unless the Senate acts within a few days on this bill and sends it to the House of Representatives, so that it may be acted upon there promptly, and then sent to conference, and subsequently made the subject of a conference report, and enacted into law, the building industry will be seriously handicapped and crippled, and so will the workers in that industry and those who are connected with State and municipal building programs and other building undertakings.

Mr. President, I do not think it is necessary for me to explain to the Senate that we must enact this law speedily. Unless it is, certainly the private building interests will be denied an opportunity to have the loans processed and to carry on their construction work, and the same will be true of the States and municipalities.

Mr. President, there is another serious question which the committee considered in executive session, and that is the confused situation in respect to what was formerly section 608. Last October, when, as chairman of the committee, I had renewed, by means of simple joint resolution, this title, along with other titles, we made the renewals extend until March 1. However, there were more requests than could be handled with the funds authorized. Hence, we find throughout the United States contractors and builders who have requested loans, and whose applications for loans were made prior to March 1, and were sent to Washington to be processed. They are in a confused condition because most of those contractors and organizations paid the costs and the fees for the processing of the applications for the loans, believing that they would get in under the March 1 deadline. On the other hand, in justice to the Home Finance Agency, it should be said that when it saw that the authorizations would run out before the law expired, it advised its field officers to notify those who were making application that unless something was done there would be no hope for the approval of their applications.

The President was given authority to authorize under section 608 an additional $300,000,000 for insurance, and he has done so. However, there still remain applications or requests for loans under section 608 in the amount of approximately $400,000,000, which were received between November and February 1, and they are now dormant in the agency because of a lack of authorized funds. Later in the debate on this bill I shall submit an amendment, which I have prepared, which I trust will take care of that situation.

Mr. THYE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from South Carolina yield to the Senator from Minnesota?

Mr. MAYBANK. I yield.

Mr. THYE. What the Senator is proposing to do, as I understand, is to have the Congress make available additional funds, so that the applications which have been processed and approved as of and prior to March 1 will be granted, so that funds will become available to enable the buildings to be constructed. The only reason why that cannot be done now is that there cannot be assurance of availability of the necessary funds. Is that correct?

Mr. MAYBANK. There are no available authorized funds. There was only $300,000,000 which the President was authorized to turn over to the Home Finance Agency, and he did that. It was their estimate that $400,000,000 would take care of the loans which would be approved and processed. They did not state March 1 as the date. I think their record shows February 15, because it was some 10 days ago that the Senator from Nebraska [Mr. WHERRY] introduced a joint resolution on the subject, and in the committee we had an executive session in respect to it.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. MAYBANK. I yield.

Mr. THYE. In the State of Minnesota, in the city of Duluth, an application has been made, and it has been approved and worked out. Those who made the application have invested a considerable amount of money in connection with the project there. Unless additional funds are granted, that very worthy project, which should be built, will be denied a loan. However, there is need for the construction of that project.

For that reason, I certainly hope the Senator will have support in his effort and in his proposal in this respect.

Mr. MAYBANK. Mr. President, I appreciate the Senator's remarks. I may say that throughout the United States there are hundreds of worthy applications which should be approved, according to the statements which were made in the committee in executive session. Such applications may call for more than $400,000,000 in loans. All I know is what Mr. Foley and Mr. Richards have said and have testified to, namely, that with the $300,000,000 which they already have from the President, plus the $400,000,000 more, and using the $400,000,000 for the other applications they have received, they think they will be able to work out the matter in a way which will be fair and square and equitable to those who had anticipated having their applications for loans approved.

On the other hand, the Home Finance Agency notified its field agents early in January that anyone who made an application after that time would do so at his own risk.

Moreover, under section 207, which is in the new bill, I believe many of the applications can be transferred. I do not believe that all of them can be transferred, but it seems to me that some of them can.

Mr. SCHOEPPEL. Mr. President, let me inquire whether I correctly understand the Senator to say that in addition to the $300,000,000 which the President authorized to be set aside, there is an additional $400,000,000.

Mr. MAYBANK. That there is need for an additional authorization of $400,000,000 to process the applications received prior to February 1.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. O'CONOR. I should like to make a brief observation, and then ask a question.

Mr. President, I heartily commend the Senator from South Carolina for his vigilance and his close attention to this matter, which from my own knowledge has continued uninterruptedly for quite a long period of time.

My question is this: Is it not a fact that experience has already shown, in respect to great numbers of these applications, that the Federal Government and the people generally have benefited immeasurably, with no loss to the Federal Government, on the whole?

Mr. MAYBANK. I am happy to repeat that the Federal Government has issued $18,000,000,000 in mortgages and loans for home construction, and the losses have been a pittance, in comparison. The losses have actually been a considerable sum of money, but only a pittance when compared to the total amount of $18,000,000,000. The losses have amounted to only $25,000,000. The Home Finance Agency has built up a surplus in excess of $252,000,000 to take care of such losses. The Agency has that surplus on hand now. In the meantime, the people who have benefited from the Government's aid in respect to housing have paid back to the Federal Government $8,000,000,000 of the $18,000,000,000.

Mr. O'CONOR. Does not the Senator think that the law has been a great incentive to private enterprise?

Mr. MAYBANK. It has been. I say to the Senator that 50 percent of the buildings constructed by private builders in this country last year, according to the statements of the Home Finance Agency and of Mr. Foley and other statements in the RECORD, were built with the use of insurance under section 608 or other sections. So this measure is in the interest of private enterprise.

Last year we passed a slum clearance bill; but this is the bill on which those who have been active in this field—the businessmen, the contractors, and the

private owners—have depended since the first activity of the Federal Government in this field was initiated by President Roosevelt in 1933, as I recall the date.

Mr. O'CONOR. Is it not a fact that much injustice might have been done if those who have made the applications which now are pending, and who were encouraged to pursue them—indeed, in many cases the applications have received approval—were to find finally that insufficient money to see them through had been provided?

Mr. MAYBANK. I think great injustice might have been done to a great many of such persons. I refer particularly to those who filed applications back in November. Of course, the Senator should realize that in the closing days of the life of section 608, after the Federal Home Finance Agency wrote to its field offices notifying them that it was out of money, and that any applications made thereafter would be made at the risk of the persons making them, applications continued to be made. Of course, to meet that need there will be a total of $700,000,000, made up of the $300,000,000 the President had, plus the $400,000,000 which still remains to be provided. The Home Finance Agency believes that matter should receive serious consideration, and something should be done about it.

Mr. O'CONOR. I thank the Senator.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LANGER. This bill deals with aid to educational institutions, does it not?

Mr. MAYBANK. That is correct.

Mr. LANGER. Will the Senator tell me, in very simple language, the answer to this question: If the University of North Dakota wished to get some money, exactly what would it have to do, and how much money could it get, and under what terms and conditions, if this bill should become law?

Mr. MAYBANK. It would be necessary to make application to the Housing and Home Finance Agency, and if the need were shown, I presume the application would be approved, just as title 6 applications are approved. This is a new feature.

The Unversity of North Dakota would then have to pay 2½ percent interest on its loan over a period of 40 years. It would enable the university to erect buildings for students, and it would be possible to charge a much lower rent than what would be charged to students otherwise—$170 a year less rental, it is estimated, compared to a dormitory built under current financing terms.

Mr. LANGER. Is that for a period of 9 months?

Mr. MAYBANK. Yes; a school year.

Mr. LANGER. How much could the university obtain?

Mr. MAYBANK. The bill provides $300,000,000 for colleges.

Mr. LANGER. Yes, but who would determine how large a sum the university could obtain?

Mr. MAYBANK. That would be determined by the Housing and Home Finance Agency.

Mr. LANGER. In other words, the application would be made showing the need of certain accommodations for a certain number of students. Is that correct?

Mr. MAYBANK. That is correct.

Mr. LANGER. And the university would be able to charge the students $170 a year less?

Mr. MAYBANK. There would be a saving of $170 a year on the room rent. The university would pay 2½ percent interest, and would be allowed 40 years in which to liquidate the loan.

Mr. LANGER. But the university gets back the money, by charging the students $170?

Mr. MAYBANK. By charging them $170 less than they would have to pay if they financed it at present interest costs and had to repay the loan in, say, 15 years.

Mr. LANGER. By charging them $170 less?

Mr. MAYBANK. Yes. That is what the figures show.

Mr. LANGER. Does the Senator mean that is an average all over the country?

Mr. MAYBANK. Yes, that is correct; comparing this with the buildings financed on the basis of 4 percent and 4½ percent, loans, repayable in 15 years, the university would only have to charge the student a rental sufficient to liquidate the loan over a period of 40 years, paying 2½ percent interest. To an ordinary college student, $170, as the Senator well knows, is a tremendous amount of money.

Mr. LANGER. Is the loan insured by the Government?

Mr. MAYBANK. It is a direct loan, to the extent of $300,000,000.

Mr. LANGER. If the University of North Dakota were to apply for funds with which to build a dormitory would the loan be insured by the Government?

Mr. MAYBANK. No. The Government would make the loan directly to the university.

Mr. LANGER. Does the insurance feature of the bill apply to colleges?

Mr. MAYBANK. No. It has to do with titles I, II, and III.

The school housing loans are direct loans to the colleges of the country for the purpose of providing housing accommodations for students, on the basis of 2½ percent interest, with the loans repayable over a period of 40 years. If we cannot trust the colleges to the extent of making direct loans to them, I do not know whom we can trust.

Mr. LANGER. Mr. President, if the Senator will yield further, supposing the University of North Dakota wanted to build houses for the professors. Under the pending bill, could they also obtain loans for that purpose?

Mr. MAYBANK. The way I have interpreted the bill, they could. But the idea of the bill was, it would be for the benefit of students.

Mr. LANGER. Under the terms of the bill, could it be made applicable to housing accommodations for teachers and professors?

Mr. MAYBANK. Yes; a loan could be made for such a building, and even for an extension to a building already in existence, for that matter.

Mr. LANGER. Under the terms of the bill, could the university build any kind of building it desired, or would it be restricted to the building of a dormitory?

Mr. MAYBANK. The university would not be restricted to dormitories. It could erect buildings for professors, and it could build dormitories. This is a housing bill, to include all kinds of housing. The university could not, however, obtain a loan for the purpose of building a stadium or gymnasium, though it could build dormitories and other housing units.

Mr. LANGER. For example, could a loan be obtained for the purpose of building a school of medicine?

Mr. MAYBANK. No.

Mr. LANGER. As I understand, it is confined to housing.

Mr. MAYBANK. That is correct—housing for professors and students; housing of any kind, or even repairs to existing housing units.

Mr. LANGER. I thank the Senator.

Mr. CAIN. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Washington?

Mr. MAYBANK. I yield.

Mr. CAIN. Can the distinguished chairman of the committee, the Senator from South Carolina, tell us whether, during the extensive hearings on the bill, any of those interested in the section to which the Senator from North Dakota has just referred ever requested the provision of funds for the purpose of building houses for the accommodation of the professional staff?

Mr. MAYBANK. We had lengthy hearings. My good friend the distinguished Senator from Washington was on the committee at the time. We sent for the heads of educational institutions, including Dr. F. J. Brown and several others. Their main request of the committee was to make provision for loans with which to build dormitories for the students, in view of the difficulty students were having in meeting the tuition fees as well as dormitory fees at the present time.

Mr. CAIN. During the period to which the Senator refers, the junior Senator from Washington served on the committee headed by the Senator from South Carolina, did he not?

Mr. MAYBANK. That is correct. I do not remember that anyone asked to have college professors included within the scope of the loans. It may have been done.

Mr. CAIN. I do not recall a single instance in which testimony was offered in support of the bill for the reason that it would provide housing for the professional staff of a college or university. My recollection is that every advocate of the provisions of the title based his position on the need of dormitory space to accommodate the student bodies of universities throughout the land. As I recall, no reference was ever made to housing accommodations for professors.

Mr. MAYBANK. The main point in the testimony which was presented from day to day had to do with the housing accommodations for college students. The committee received communications from almost every American university and college. Dr. John A. Hannah, president of Michigan State College, and president of the Association of Land-

Grant Colleges, testified. I shall not read all his testimony, but in the course of it, he said:

> Gentlemen, we are facing a critical housing shortage which affects not only the personal lives of hundreds of thousands of students and faculty members, but also the job which you rightfully expect us to do as educators.

Mr. CAIN. I thank the Senator for the information, which, it seems to me, makes a little bit clearer the answer to the question originally raised by the Senator from North Dakota.

Mr. MAYBANK. I know the Senator from North Dakota will be interested in this. In 1940, 1,300,000 students were enrolled in institutions of higher education in America. The figure has jumped to 2,410,000 at the present time, as the result of enrollments following the war. The witness goes on to say, the trend in the future, despite the GI benefits, will be even greater.

Mr. LANGER. Mr. President, will the Senator yield for one more question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. MAYBANK. I yield.

Mr. LANGER. Would the housing bill include a building for a sorority or a fraternity, in which a group of students come together?

Mr. MAYBANK. No.

Mr. LANGER. Would it include a cooperative?

Mr. MAYBANK. Not in a college. In respect to a college, it provides for a direct loan, except the provision relative to veterans.

Mr. LANGER. Assuming a college submitted an application on behalf of a group of students who had organized a cooperative, the college guaranteeing the loan, would that be included?

Mr. MAYBANK. I would think so, although I am not absolutely certain.

Mr. THYE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Minnesota?

Mr. MAYBANK. I yield.

Mr. THYE. If the distinguished Senator will permit, I should like to make a brief comment further with respect to an application that is pending, insofar as it relates to the city of Duluth.

Mr. MAYBANK. I yield to the Senator from Minnesota for the purpose of making a brief speech, provided I do not lose my rights to the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THYE. In order that the problems of some of the cities may be fully appreciated, I may say that businessmen have organized to promote such a program. We find that in the city of Duluth, on January 28, 1950, an application was approved.

Mr. MAYBANK. Will the Senator repeat the date? It is very important.

Mr. THYE. January 28, 1950.

Mr. MAYBANK. In other words, it was prior to February 1.

Mr. THYE. Yes.

Mr. MAYBANK. If the Senator does not mind my asking him to yield——

Mr. THYE. I am happy to yield.

Mr. MAYBANK. The Housing and Home Finance Agency says there have been some applications filed since November.

Mr. THYE. Yes.

Mr. MAYBANK. They have continued through February 1. But since then, I may say to the Senator in the closing days of the period, despite the warnings of the Housing and Home Finance Agency, a great many applications were received, in addition to the estimated $800,000,000 filed before February 1.

Mr. THYE. As an example, for the particular project to which I have referred there has already been expended $26,400 for the acquisition of lands, making plans, and so forth. I think the Senator is entirely justified in making the request, and I think Congress is entirely justified in supporting the request and the appropriation because of applications which were executed in good faith long before the expiration date.

Mr. MAYBANK. I entirely agree with the Senator. Many applications have come to my personal attention. Some persons came to my home last Sunday, and the Sunday before that, to talk about the situation in Ohio and in other States. There is no appropriation in this measure——

Mr. THYE. I misspoke myself. I should have said "authorization."

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LANGER. Does this measure include university hospitals?

Mr. MAYBANK. No. That question was raised by representatives of a college in South Carolina, but at that time I said it had to do with housing facilities, not hospital facilities, because the latter are not within the jurisdiction of the Banking and Currency Committee. They have always been handled by the Committee on Labor and Public Welfare. The measure includes dormitories and housing.

In conclusion, Mr. President, I desire to take this opportunity of complimenting the subcommittee on the marvelous work they have done under the chairmanship of the distinguished Senator from Alabama [Mr. SPARKMAN], particularly in the study they made in Europe and elsewhere during the recess of the Congress last fall. I believe the members of the subcommittee are more familiar with title III than are any of the other Members of the Senate. While there is a difference of opinion among them with reference to this title, nevertheless, we rely largely upon their judgment in considering it.

So, Mr. President, with this preliminary statement, I shall have nothing further to say until I offer, later on, the amendment to which I have referred. I expect to offer an amendment relating to section 608, which has expired, perhaps on next Monday, or whenever it is practicable. It is my intention to offer an amendment to make it possible for those persons who may have been done an injustice to receive proper consideration, so that the Government shall live up to its obligations.

CONSTRUCTION OF PUBLIC AIRPORTS IN NATIONAL PARKS, ETC.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1283) to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes, which were on page 2, line 9, strike out all after "Aeronautics" down to and including "subdivision" in line 13; on page 2, line 25, after "act", insert "*Provided*, That nothing in this act shall be held to authorize the Secretary to acquire any land, or interest in or over land, by purchase, condemnation, grant, or lease without first obtaining the consent of the Governor of the State, and the consent of the State political subdivision in which such land is located: *And provided further*, That the authorization herein granted shall not exceed $2,000,000"; on page 3, line 1, strike out "Notwithstanding any other provision of law," and insert "In order to carry out the purposes of this act"; on page 4, line 1, after "area", insert "or", and on page 4, line 1, after "or", insert "in a."

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate concur in the amendments of the House.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LANGER. Will the Senator give us a brief explanation of the bill?

Mr. JOHNSON of Colorado. It is a bill to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in or in the close proximity of national parks, monuments, and recreation areas, and for other purposes.

The amendments simply place a limitation of $2,000,000 on the amount of money which may be used for the purposes to which I have referred.

Mr. LANGER. Mr. President, will the Senator yield further for a question?

Mr. JOHNSON of Colorado. I yield.

Mr. LANGER. Are the monuments to which reference is made State monuments or Federal monuments?

Mr. JOHNSON of Colorado. They are Federal monuments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

The VICE PRESIDENT. The substitute is open to amendment.

Mr. SPARKMAN. Mr. President, at the outset I desire to call to the attention of the Senators the fact that, in reporting favorably last year the bill for the Housing Act of 1949, the distinguished chairman of our Committee on Banking and Currency, the senior Senator from South Carolina [Mr. MAYBANK] gave to all those who had shown

such a vital interest in the various matters now included in the committee amendment to the pending bill, Senate bill 2246, assurance that our committee would act upon those matters which we could agree are urgently required if we are to have in this country a housing program that effectively meets the needs of all our families. The committee amendment, which is now before the Senate for consideration and action, brings us to the last step in carrying out that assurance. I desire to say to the Senators that this is a real tribute to the able and energetic leadership of the distinguished chairman of our committee.

Mr. President, the provisions of the amendment to Senate bill 2246 represent the recommendations of the Committee on Banking and Currency for a well-rounded legislative program to help meet effectively the Nation's housing needs. The report on the bill last year, and also the earlier report on Senate bill 1070, the Housing Act of 1949, emphasized that that act did not purport to authorize the full and comprehensive housing program which is needed. The Banking and Currency Committee recommended prompt enactment of the Housing Act of 1949 because of the extensive and favorable congressional consideration which it had already received, and because, as indicated in the report of the committee, we were convinced that it represented the essential first action toward the establishment of a sound and comprehensive national housing program. At the same time, we described some of the more urgent phases of the housing problem requiring further legislation, fully recognizing that the housing program expected by the American people could not be limited to the needs of the very low-income families specifically dealt with in the bill for the Housing Act of 1949.

The big gap in our housing program today is the lack of adequate home construction at prices or rents within the means of a broad range of families of moderate income. The Banking and Currency Committee has given intensive study and consideration and has heard numerous witnesses on many proposals—all with a view toward developing every possible means for reducing the monthly costs of good housing to the consumer. The work of the committee in developing Senate bill 2246, as reported last summer, represented a pioneering job, and for the first time, I believe, attempted affirmatively and constructively to deal with the additional housing legislation needed to round out the program.

I realize that there were some who, although sincerely interested in solving the housing problem, may have had some reservations as to one feature of the bill as originally reported—the program of direct loans by the Federal Government to housing cooperatives. Since it was necessary to defer until this section of the Eighty-first Congress final Senate action on Senate bill 2246 as originally reported, the efforts of the committee have been concentrated on working out an alternative method for accomplishing, as effectively, the same objective through the investment of private capital. Consultations were held with public and private officials here and abroad and all proposals coming to our attention were thoroughly analyzed and studied. I personally devoted a large share of my time during the past few months to this subject.

The alternative which we have developed is contained in title III of the amendment which is now before the Senate for consideration and action. It would fully accomplish the same objective of title III of the bill as reported last year—the provision of an effective means through which an adequate volume of good housing can be produced and made available for a broad range of families of moderate income at prices they can afford. But it would accomplish this objective through the investment of private investment capital, on a long-term, low-interest rate basis, and thus eliminates the necessity for direct Federal loans. It makes possible the investment of private capital on these terms by an adaptation of the type of insurance which has been so successfully used in the FHA mortgage insurance program. I believe that the legislation we have developed reflects the careful and comprehensive study given to it, and the desire of the committee to meet this most difficult of our housing problems without adversely affecting other phases of our economy. It would carry out the recommendation of the President, in his state of the Union message, that the Congress enact new legislation authorizing a vigorous program to help cooperatives and other nonprofit groups build housing which families of moderate income can afford. Housing Administrator Foley, in his testimony before our subcommittee, strongly supported this title of the amendment and advised us that its enactment would be in accord with the program of the President.

Although the amendment which we are now considering deals with a number of existing statutes relating to housing and with several housing programs, it has a single principal objective—the production of more good housing at sales prices or rents within the reach of a broader range of our American families. Before discussing the amendment in some detail, I would like to indicate briefly the subject covered by each title.

DESCRIPTION OF SUBJECT MATTER OF EACH TITLE

Title I would provide important new incentives and means for obtaining housing at lower sales prices and rents through improved financial assistance by the Federal Government under the FHA mortgage-insurance programs. Special emphasis would be given to housing, both for sale and for rent, of sufficient size for families with children. It also provides for a new form of FHA insurance for low-cost homes in outlying suburban and rural areas.

Title II would authorize the transfer of the Government's temporary war and veterans' housing to communities, and would prescribe the method for the disposal of the Government's permanent war housing.

Title III constitutes the basic proposal of the Committee on Banking and Currency for closing further the present serious gap in our existing housing programs by providing an additional and specific means whereby good housing of sufficient size for adequate family life can be produced and made available for a broad range of families of moderate income at monthly costs within their financial means. Long-term, low-interest rate loans would be made available by a new mixed ownership corporation to cooperative ownership housing corporations or other nonprofit housing corporations on terms which will assure that all savings in financing, construction, and management will inure to the benefit of the housing consumer. The operations of the corporation would be on a fully self-sustaining basis paralleling the self-sustaining FHA operations. The Government would also furnish technical advice and assistance in the organization of these nonprofit organizations and in the development and management of their housing projects. The Government would also be authorized to make preliminary planning loans which would be repaid as part of the loan for the construction of the project.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LANGER. Is the "technical advice" which the Senator mentioned, free of charge? Is that to be given gratis?

Mr. SPARKMAN. It is the same kind of technical advice which is provided for in the present FHA program. It is nothing new.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DONNELL. I should like to invite the Senator's attention to title I, as shown in the Summary of Substitute Amendments for S. 2246; at page 3110 of the RECORD of yesterday, and particularly to the following language:

> The criteria of acceptable risk would be applied rather than economically sound, as in the case of most other FHA mortgages.

I assume the reference is to line 3, page 5, of the additional amendment, which is denominated "2-24-50-G."

Mr. SPARKMAN. Mr. President, will the Senator please give me the citation again?

Mr. DONNELL. The citation is page 5 of the additional amendment, in the nature of a substitute, lines 1, 2, and 3. Does the Senator have that particular portion of the amendment before him?

Mr. SPARKMAN. Yes; I have the citation.

Mr. DONNELL. The language there is as follows:

> *And provided further,* That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration—

And so forth. I assume, Mr. President, according to the summary, as found at page 3110 of the RECORD of yesterday, in the existing FHA title I the criterion of "economic soundness" is set forth, instead of acceptable risk, as set forth in line 3, page 5, of the substitute amendment. I ask the Senator, first, whether I am correct in my understanding of that point.

Mr. SPARKMAN. Yes; the Senator is correct.

Mr. DONNELL. What is the meaning of the term "acceptable risk"?

Mr. SPARKMAN. I shall be very glad to explain the term, and I appreciate the Senator's asking the question, because I believe it is a subject which all of us should understand.

The section referred to applies to economy housing which is found usually in outlying areas, surrounding towns and cities. It refers to small houses, or economy houses, which are often not found where there are paved streets, or perhaps where there are sewers, as would be ordinarily required within city limits. Under the old definition which the Senator has cited we have often run into the difficulty of getting houses financed, because of the requirement of FHA and that the houses be located on paved streets, with gutters, fire hydrants at certain intervals, storm sewers, sanitary sewers, and so forth. The committee preferred the language shown in the substitute because we wished to encourage economic type of housing in areas which cannot meet the high specifications referred to. We believe, and I think the Senator will agree with us, that oftentimes they are good risks. We believe that around the average city, and particularly around the average small town, there are many areas which are good locations for houses, even though they may not meet every requirement which the FHA or a finance company lays down.

Mr. DONNELL. Will the Senator permit me to make another inquiry?

Mr. SPARKMAN. Yes.

Mr. DONNELL. While I appreciate the point which the Senator has made, I would still like to have an answer to my question. As I understand the existing law, from what appears in the summary at page 3110 of the RECORD of yesterday, a loan will not be eligible for insurance unless it be economically sound. That is correct, is it not?

Mr. SPARKMAN. That is correct.

Mr. DONNELL. Under the new amendment, in the nature of a substitute, as well as under the bill as it was reported last August, I believe, the criterion of "acceptable risk" is substituted for economic soundness. I can see reason for a relaxation, as the Senator suggests, and I can understand the point which the Senator makes. The Senator may be entirely correct. However, I should like to know what standard, if any, is prescribed in the new bill by which it may be determined whether a project is an "acceptable risk." In other words, I can concede that it is possible, almost to a mathematical certainty, to determine whether a loan is economically sound—not entirely so, of course, but at least approximating a mathematical determination of economic soundness—but I have some difficulty in knowing what standards would govern the Commissioner in determining whether or not a mortgage is an "acceptable risk." How will the Commissioner tell whether the mortgage is acceptable? What standards will be laid down? Will the term "acceptable risk" give opportunity for one kind of determination in one community and an opposite determination in another community?

In other words, would it be left entirely to the Commissioner's personal view, without benefit of standards, or are standards prescribed in the new bill by which he would determine whether or not a mortgage would be an "acceptable risk?" Do I make my query intelligible at this point?

Mr. SPARKMAN. Yes; I certainly think I understand what the Senator is asking. I believe the Senator will agree with me in the statement that it would be virtually impossible for us to write a formula into law with respect to what would constitute an "acceptable risk." After all, we must remember that the loans are initiated with local banks and local lending agencies. They have certain standards of what constitutes an acceptable risk. The FHA, on the other hand, may have additional standards. However, I do not believe that the Senator would suggest that we write into law what the standards ought to be. They may vary from one community to another. It would depend upon standards which had been built up in a particular community by the lending agencies and local banks.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I should like to say to the Senator from Alabama that the thoughts of the American Legion and other veterans' organizations are somewhat responsible for the language which we used. The veterans' organizations did not want any veteran to borrow money who was not an acceptable risk. The testimony of bankers was to the effect that in certain sections of the country the available capital of a bank would not permit the making of loans. I imagine it would depend on a man's employment, for example, as to whether or not he would be regarded as an acceptable risk. Representatives of the American Legion, and I believe of other veterans' organizations as well, appeared before the committee, and they expressed the view that there should be some brake applied, so as to make certain that mortgage loans would not be made in a haphazard fashion. However, the Senator from Alabama is correct in saying that we felt we should not set up strict and unreasonable rules and regulations. The testimony showed that there were places where capital assets were limited, and on some of the GI loans they were in trouble. They were good veterans, too.

Mr. DONNELL. Will the Senator from Alabama yield?

Mr. SPARKMAN. Mr. President, may I say one word further?

The PRESIDING OFFICER. The Chair would like to remind the Senator from Missouri of a rule of the Senate to which the Senator from Missouri called the attention of the junior Senator from Illinois yesterday when the roles were reversed and the Senator from Missouri was in the chair, namely that a Senator could not interrupt the Senator having the floor directly but that he should first address the Chair. The present occupant of the chair wishes to remind the Senator from Missouri of this rule.

Mr. DONNELL. Mr. President, I agree thoroughly with the Chair and I am glad the Chair recognizes the validity of the point I made yesterday. The Senator now speaking regrets his failure to observe the rule, and I think the Chair is entirely correct. The rule should be observed and should be enforced, and I am very happy the Presiding Officer has made the announcement.

Mr. President, I now ask the Senator from Alabama if he will yield for a further inquiry.

Mr. SPARKMAN. I yield.

Mr. DONNELL. I should like to ask the Senator a question. While I realize that it would be difficult, if not impossible, to set forth in detail what the standards are for the determination of whether or not a loan is an acceptable risk, I am wondering whether or not the term "acceptable risk" should not in some way be more limited and better defined. Does not the Senator think that the term "acceptable risk" is of so vague a nature as to make it difficult, if not impossible, for the Commissioner to know what Congress intended when it sets aside, on the one hand the existing criterion of "economic soundness" and then substitutes "acceptable risk," without any definition of what "acceptable risk" may be.

Mr. SPARKMAN. Mr. President, I should like to call the attention of the Senator to page 9 of the committee report on the pending bill. Near the bottom of the page, in the last paragraph, where we call attention to this change, it is stated:

> In place of the requirement in section 203 that the Commissioner find the project to be "economically sound", section 8 (b) (2) would require that the Commissioner find the project to be an "acceptable risk," giving consideration to the need for providing adequate housing for families of low and moderate income, particularly in suburban and outlying nonfarm and rural areas. The purpose of this provision of the new section 8 is to authorize the FHA to insure mortgages under this section on properties located in outlying nonfarm and rural areas where standards of location, site, neighborhood, and community facilities are quite different from those in built-up city areas. This would permit the underwriting of mortgage risks on a basis sufficiently flexible to meet such cases without the sacrifice of sound standards of construction for housing appropriate to such localities.

With reference to the generality of the term, I should like to point out to the Senator that in the existing law we had a term that was just as general, when we said "economically sound." Somebody, of course, must be entrusted with the judgment and the discretion to provide the regulations, under whatever term is used.

As I stated, under the previous term it had been decided that the loans should be limited to the requirements I mentioned a few minutes ago. The members of the committee did not feel that they ought to be so limited in the outlying areas, and I think the Senator from Missouri would agree with us in that.

The purpose of the use of this term is to permit applicants to go into the areas indicated and build good housing. We want to encourage housing in those particular areas, because we believe

that is where it can be most cheaply furnished to persons of low and moderate incomes, who cannot afford the higher-priced housing which must meet all the higher requirements inside the metropolitan areas in most of the cities.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Would the Senator be able to define what is meant by the term "acceptable risk"?

Mr. SPARKMAN. I can define it, but I do not know whether it would be sufficient for the Senator. I can define it in my own mind. I should think that with the Housing Commissioner's experience of 15 years or more in insuring such loans, and in negotiating with the various local banks and local financial companies, he would have no difficulty in drawing up suitable regulations to provide for insurance of this type of low-priced housing.

Mr. DONNELL. I thank the Senator for his response.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from North Dakota.

Mr. LANGER. I will ask the distinguished Senator to refer back to the bottom of page 9 of the report, the part which he read, where it is stated:

> The purpose of this provision of the new section 8 is to authorize the FHA to insure mortgages under this section on properties located in outlying nonfarm and rural areas.

Do I correctly understand that under this provision a veteran living on a farm could not get such a loan?

Mr. SPARKMAN. This type of housing is intended primarily for outlying areas around towns and cities. However, there is no restriction as to how far out the area may be, and a veteran could get his loan under this provision.

Mr. LANGER. It might be half a mile out, it might be a mile, it might be 3 miles, it might be 5 miles?

Mr. SPARKMAN. That is correct; there is no limit. However, let me say that in my opinion this is not the most advantageous provision under which a veteran who lives on a farm could get a housing loan, but there is nothing to prevent his using this provision if he desires to. This is designed primarily for purchase of land surrounding towns and cities.

Mr. LANGER. That brings me to my other question, Mr. President, if the Senator will further yield.

Mr. SPARKMAN. I yield.

Mr. LANGER. Under the requirements of the new housing law, will the Senator describe how much can be obtained by a veteran who is poor, who has, let us say, 160 acres, and desires to build a house? How much can he get, and how should be proceed?

Mr. SPARKMAN. There are two different ways in which he may proceed. He can build under the housing law which was passed at the last session of the Congress, in the consideration of which the Senator from North Dakota took a very prominent, a very able, a very leading, and a very helpful part. That is the law under which I would suggest he get his loan. But he does not have to stop with that. There is another provision in the original Servicemen's Readjustment Act under which he can get a loan, and a little later I shall call the attention of the Senator to a provision we have written into the pending bill which gives him still another plan under which he can get a loan.

The provision I am discussing is designed primarily to help him get a loan when he does not want to involve his home in the mortgage, but wants to get a strictly housing loan, just as he would if he owned a lot in a city. So that we have provided all of these different means which we believe afford a rather adequate housing program for the veteran.

Mr. LANGER. I thank the distinguished Senator.

Mr. SCHOEPPEL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I should like to ask the distinguished Senator if the intent of the pending bill is to encourage housing adjacent to city areas, rather than in isolated areas—for instance, quite a large acreage in rural and agricultural areas?

Mr. SPARKMAN. That is true. As I have pointed out, the bill is primarily to encourage the type of housing found around the fringes of towns and cities, where in the past it has been almost impossible to get an FHA loan. We have written provision into the bill for the purpose of lending an incentive to the construction of that type of housing, and, as I have pointed out, while there is no direct reference to what he referred to as coming under this provision, it would be advantageous to a veteran to make his loan under it.

Mr. SCHOEPPEL. I think it should be explored further in the RECORD, rather than permit reliance upon, let us say, the belief that it will be open to such an interpretation.

Mr. SPARKMAN. I certainly join with the Senator in making it just as clear as I can that the intent of this section is to encourage economic housing in the outlying areas of the towns and cities.

Title IV would amend the Servicemen's Readjustment Act of 1944 to make several improvements in the GI home-loan-guaranty program and would authorize direct 4-percent home loans to be made by the Government to veterans in cases where such veterans are satisfactory credit risks but cannot obtain loans from private lenders.

Title V would authorize direct Federal loans at low-interest rates by the Government to colleges and universities for student and faculty housing.

Title VI contains a number of miscellaneous amendments, generally of a minor nature. However, this title contains one amendment of major interest to many Members of the Senate. Under section 102 of the Housing Act of 1948, the RFC is authorized to make loans to business enterprises to assist the production of prefabricated houses and housing components, or to assist large-scale modernized site construction. Section 102 loans to manufacturers have been effective in overcoming actual production problems. However, the development of industrialized housing is being held up primarily by difficulties of marketing and distribution. One of the major obstacles is caused by delays in obtaining financing for the purchase and erection of houses and in obtaining consumer financing. Because of the nature of the production and distribution of prefabricated houses, any delay for an appreciable period of time at one stage of the distribution process affects other stages. This overcomes the advantages which might be derived from mass production and often results in additional costs for storage and overhead.

It was felt that, since this type of loan relates entirely to the marketing and distribution of housing, they should therefore be coordinated with other housing activities, and that this operation more properly belonged in the Housing Agency. As a result, this operation, and the $25,000,000 authorization for such loans, is placed in the Housing and Home Finance Administrator.

TITLE I. FHA MORTGAGE INSURANCE

Mr. President, in considering the changes which should be made in existing housing legislation to help reduce the monthly costs of new homes in every way possible, the Banking and Currency Committee turned first to the mortgage-insurance program of the Federal Housing Administration, which has greatly assisted housing production. Since it began in 1935, $12,000,000,000 worth of mortgages on individual homes have been insured under this program. Over one-third of all housing now being built is assisted under the program. Mortgage insurance by FHA has had the effect of establishing the single low-interest, long-term mortgage for home financing which has reduced monthly costs to the home purchaser. This has vastly broadened the market of the home-building industry and has greatly assisted the sustained volume of housing construction which we enjoyed during the last few years. Just as a matter of historical perspective, it should be noted that, like the cooperative housing title of this amendment, the FHA program also was originally opposed by real-estate groups. The FHA program has been carried on without any cost to the Government; in fact, it has been able to build up substantial insurance reserves out of its income from insurance premiums and fees. I might add that it has been largely participated in by the mortgage lending groups and by the banking groups and by various other lending agencies.

In spite of the fine progress that has been made, it is perfectly clear to everyone that we are far short of bringing the production of suitable housing within the financial reach of a great many American families. This is especially true in the case of many of our families of moderate income, particularly those with several children.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Alabama yield to the Senator from Kansas?

Mr. SPARKMAN. I yield.

Mr. SCHOEPPEL. I do not wish to go back too far in referring to the state-

ment the Senator from Alabama has made; but a moment ago he made reference to the difficulties developing in the prefabricated-housing program. Does the Senator have an observation to the effect that in numerous cities in many sections of the country there are building codes which are unnecessarily increasing the cost of that type of construction, and thereby—both in my judgment and in the judgment of men who probably are better qualified to judge than is the Senator from Kansas—increasing the cost of homes of that type to the home users? Is that true? Does the Senator from Alabama have any observations to make on that subject?

Mr. SPARKMAN. Yes; I think the Senator is entirely correct. As a matter of fact, the Joint Housing Committee which was created in the Eightieth Congress, and which studied housing all over the United States, pointed out in its report the fact that in many places one of the greatest handicaps to an adequate housing program was the existence of antiquated building codes. Of course, there is nothing we can do about getting rid of such codes, except by keeping on hammering on the subject and encouraging the cities to revise their building codes. That is being done steadily. Of course it is a slow process, but we feel that progress is being made.

Mr. SCHOEPPEL. Does the Senator from Alabama feel that there should be a greater degree of cooperation between various State governments and municipal governments in an attempt to remove as many of those as possible, so as to enable the greatest number of persons to utilize such homes under this program?

Mr. SPARKMAN. Yes; I agree with the Senator. But I think we must keep in mind that this is operating in the FHA field, where no State or city action at all is required. It is a purely voluntary program—voluntary on the part of the persons who participate in the program, and on the part of the Federal Government.

I call the Senator's attention to the fact that in the Housing Act of 1949 there was established, under the Housing and Home Finance Agency, a division for research, study, and development. If the Senator will refer to the report on that bill and to the debates in the Senate on it, I think he will find that a great deal was said then along the line he has just mentioned, namely, as to the need to obtain cooperation between the various cities and building groups in an effort to establish new building codes. That provision has only recently been put into operation; funds were made available only near the end of the year, in about October or November. Naturally, not much work has been done yet in that respect. But I venture the assertion that one of its primary jobs will be to try to bring about a better system of building codes throughout the United States. If that is ever accomplished, a great deal of our difficulty in getting adequate housing will be solved, and, perhaps even more important, we believe that the cost of housing will be materially affected, and that there will be a reduction in building costs as that is done.

Mr. SCHOEPPEL. I thank the Senator.

Mr. SPARKMAN. Mr. President, one of the important provisions of the amendment would liberalize mortgage insurance under the National Housing Act in a way which would lower down payments by purchasers and would stimulate the construction of more relatively low-cost homes of sound construction and design. Under this provision an insured mortgage on a $7,000 new home could have a maturity of 30 years, and would cover 95 percent of the value of the house, where the purchaser is the mortgagor. Under existing law these most favorable mortgage insurance terms are applicable only to homes having a value up to $6,000. Also, under this provision of the bill, the operative builder may get an 85-percent firm commitment, if he is willing to build in this price class. This makes it possible for him to secure favorable construction financing and to build more houses with the same amount of personal capital than otherwise would be the case.

Title I also includes in the National Housing Act a new provision to encourage the production of more three-bedroom and four-bedroom homes at relatively low prices. These favorable mortgage terms are made applicable to an $8,000 house if it has three bedrooms, or to a $9,000 house if it has four bedrooms. These increased mortgage amounts would be permitted, however, only where it is found that it is not otherwise feasible to construct adequate three-bedroom or four-bedroom homes, and only if the house meets sound standards of design and livability for a three-bedroom or four-bedroom house, as the case may be.

There is no doubt that this liberalization of mortgage insurance for lower-cost housing will be of great benefit to the American people. It will assist the home purchasers throughout the country, by making more new homes available to them at prices they can afford. It will assist the home builders, by making it possible for them to obtain construction financing if they are willing to operate in this relatively modest price field, and to sell these homes with lower down payments. This will broaden their market and will assist in sustaining the high rate of production by the home-building industry. I wish to emphasize this point, both in terms of the provision of adequate housing as a major national objective and in terms of the importance of the home-building industry in our entire national economy. It should be remembered, however, that under this plan the monthly costs to the consumer amount to about $65 per month on a $7,000 house, $72 per month on an $8,000 house, and $78 per month on a $9,000 house. For a great many of our moderate-income families, these monthly charges are beyond their means.

Before leaving this subject, let me stress one other matter to which the Banking and Currency Committee has given careful consideration and study. In testimony presented to our committee, the building industry recommends that the liberal mortgage-insurance provisions I have discussed be extended to higher-priced housing. We strongly recommend against any such action, as it would defeat the whole purpose of these provisions of the amendment, namely, the production of lower-cost housing for families of moderate income. The mortgage ceilings provided by the amendment have been carefully drawn to meet this goal, and are designed to serve as an incentive to the building industry to do a better job of reducing housing costs, without sacrifice of quality or size. Increasing the mortgage ceilings above these limitations would give support to higher prices in many areas, and thereby would weaken the incentives—now in the amendment—to the building industry to concentrate its efforts on reducing costs and producing low-priced housing in all areas.

An increase in ceilings would have the additional unfortunate effect of establishing at the higher level a price floor below which very little housing would be built. As stated in a recent report of the mortgage finance committee of the National Association of Home Builders with respect to mortgage ceilings in legislation, "We do not want to set the limit high, because we have found by past experience that whenever you have a high ceiling, everybody wants to crowd the maximum mortgage."

Also, Mr. President, the demands for higher mortgage ceilings fail to recognize that, under the amendment, insured mortgage terms would be made gradually, not severely, less liberal as the value of homes increase. As shown by the table included in the report of our committee, very substantial support, although less liberal on a graduated scale, is provided by the bill for higher-priced properties.

In general, the need for the special mortgage incentives for reducing the cost of sales housing are equally applicable to incentives for reducing the cost of rental housing, so that more of it can be made available to families of moderate income. Accordingly, the amendment contains amendments for this purpose to section 207 of the National Housing Act. This section relates to the regular FHA permanent mortgage insurance program for rental housing, as distinguished from the emergency temporary program for rental housing under section 608, which expired on March 1. However, section 207 must be amended and somewhat liberalized, so that FHA aids will be available for rental housing now that section 608 has expired.

The changes made by the amendment in the FHA section 207 rental program would permit the mortgage to be equal to 90 percent of the value of the rental property up to $7,000 per unit; plus 60 percent of that value between $7,000 and $10,000 per unit. Thus, the amount of the insured mortgage would constitute a lower percentage of the value of the property as such value increases above $7,000 per unit. This would provide an incentive for the construction of unts at $7,000 or less. As rentals are geared to costs, this provision would be very effective in encouraging builders to provide moderate rental accommodations.

To provide an incentive for the production of rental accommodations of adequate size suitable for family living, the amendment would make the maximum dollar amount of the insured mortgage, $8,100, applicable only in cases where the average number of rooms for each apartment in the project is four and one-half or more, that is, apartments with at least two bedrooms. Where there is a smaller number of rooms in a project, the maximum loan amount could not exceed $7,200 per unit. In line with these provisions, the amendment specifically directs the Federal Housing Commissioner to take action which would make the benefits of this mortgage insurance for rental housing available primarily to projects making adequate provision for families with children and in which every effort has been made to achieve moderate rental charges.

I would also like to pont out that mortgage insurance under section 207 is subject to more stringent requirements with respect to processing than mortgage insurance under section 608. Section 207 specifically provides that no mortgage may be accepted for insurance thereunder unless the Federal Housing Commissioner finds that the project covered by the mortgage is economically sound. I am making reference to this provision because of objections raised in testimony before the committee with respect to existing methods of processing under the emergency temporary provisions of section 608.

Another problem dealt with by the amendment is the general unavailability of mortgage credit for modest houses in smaller communites and in outlying nonfarm and rural areas. These areas have not been served adequately by FHA mortgage insurance because of the impracticability of conforming with its property location standards and certain other requirements which are essential to sound mortgage financing in built-up urban areas. For some years the FHA, in connection with its title I property improvement program, has insured lenders against loss on mortgages written on small houses which do not fully conform to its property requirements. In volume, however, the results have been very disappointing.

To encourage the construction of this housing priced within the purchasing power of families in smaller communities and rural areas, the amendment would provide a new mortgage insurance authorization designed to meet the special problems of these areas. This mortgage insurance would be separate from the property-improvement program, and would grant full insurance protection to lenders, similar to that now granted under other FHA mortgage insurance for low-cost homes. While the property location standards would not be applicable, the houses financed under these provisions would be required to meet FHA construction standards and would be inspected by the FHA during construction. The insured mortgage may cover up to $4,750, or 95 percent of value, and the mortgage could have a maturity up to 30 years. The maximum dollar amount of any such mortgage would be limited to $4,750, except that the FHA Commissioner may increase this dollar amount to not exceeding $5,500 in any geographical area where he finds that cost levels so require. In these outlying areas, it is generally possible for the prospective occupant to do much of the construction work himself. The value of the construction labor performed in this way could, of course, be included in the value of the house for mortgage insurance purposes.

As the Senators know, the FHA has always had authority to insure mortgages on housing projects of cooperatives under either section 207 or section 608 of the National Housing Act. Also, for the past 2 years, the FHA has had special authority under section 207 to insure mortgages for cooperatives on more favorable terms than are available generally for rental housing projects under that section of the act. While only a few projects of cooperatives have been insured by the FHA, the committee felt it would be desirable to further liberalize the provisions for cooperative insurance added to section 207 by the Housing Act of 1948, and the bill reported last year included provisions for such liberalization. Those liberalizations are retained by the committee amendment.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kansas?

Mr. SPARKMAN. I yield.

Mr. SCHOEPPEL. Has the Senator an observation to offer as to why the cooperative groups have not taken advantage of the loan provision to any greater degree?

Mr. SPARKMAN. There are several reasons. I think the principal one is the difficulty in getting the loan through. We had before us two different cooperatives, as I recall. One of the cooperatives had obtained approval of its application, the other never succeeded in obtaining approval. As I recall, in the case of the application which was approved, the testimony was that it took them over 2 years to go through the various procedures, and it was simply a wearing down process. The other instance was that of a group located within the greater Washington area, whose name I do not remember. If the Senator will refer to the hearings, which are available, it was, as I recall, on the very last day of our hearings that representatives of the cooperative testified before the committee. I believe if the Senator had heard the testimony he would realize it is almost impossible to work the cooperative program under the FHA set-up. I certainly do not want to be understood as implying any criticism of FHA. I do not believe FHA has a stronger advocate than I am. But I recognize it for just what it is—the division of our housing activities which is geared to an insurance program of the type it has been carrying on during the past 15 years, which has not included the cooperative type of housing. FHA, as it is set up, simply is not geared to cooperative projects. Those are the two best answers I can give to the Senator's question. I believe they are really the main reasons why the cooperative program has not worked thus far, in our housing set up.

I wish to point out that in the drafting of these mortgage insurance provisions for cooperatives we have had the assistance of S. 1249, which was developed and introduced by the junior Senator from Tennessee [Mr. KEFAUVER], and salient features of that bill were incorporated in the bill as reported last year.

With respect to mortgage-insurance terms under the amendment, an ownership cooperative which is building houses for occupancy by its members—that is, rental-type housing—would be given special FHA mortgage-insurance advantages. Where all of the members of the cooperative are veterans of World War II it could obtain the benefits of insurance on a 40-year, 4 percent interest mortgage up to a maximum amount of 100 percent of the cost of the property, subject to the specified dollar maximum limitations on the maximum amount of the mortgage. The percentage of the value of the property which could be covered by the mortgage would be reduced gradually on the basis of the number of members who are veterans. This is on the basis that veterans, who did not have an opportunity to accumulate savings during the war, should be entitled to obtain housing without cash down payments. Under existing law an insurable mortgage on cooperative housing cannot in any event exceed 95 percent of the cost of the property.

The amendment would also extend similar mortgage-insurance advantages to a cooperative building homes for transfer to its members. This would include authority for the insurance of 40-year, 4 percent interest mortgages on the individual homes transferred to members of the cooperative. In the alternative the amount of the insured mortgage of such a cooperative could be equal to the total amount of the individual mortgages which the members could have insured under the regular FHA insurance for individual homes. This alternative would permit the insured mortgage to cover 95 percent of the value of the property in the case of low-cost homes, even though members of the cooperative are not veterans. It would also permit homes of higher value to be built by such a cooperative if such homes are within the maximum ceilings provided under the regular FHA insurance program. Thus, individuals desiring to build homes costing from $7,000 to $20,000 and who were eligible for FHA insurance under section 203 could use the cooperative device for the construction period.

Another amendment to the National Housing Act would increase the mortgage insurance authorization for both sale and rental housing under title II of the National Housing Act, by $750,000,000 immediately and by an additional $1,000,000,000 upon the approval of the President. This title II authorization provides for a permanent revolving fund relating to the outstanding obligations of insured mortgages. This proposed increase in the title II authorization should be ample for anticipated operations un-

ger that title. The recent levels of applications for mortgage insurance on sales housing, and an expansion of rental housing operations under title II following the expiration of the rental housing insurance under section 608, make an increase in the FHA title II authorization essential at this time.

The amendment would also extend for 2 years the FHA program for insurance of modernization and repair loans under title I of the National Housing Act. This program has provided an important source of unsecured credit, or character loans, to finance home repairs, modernization, conversions into apartments, and other improvements. Approximately 10,000,000 loans have been made and the volume has continued at the rate of more than 100,000 per month. The preservation of our existing housing supply, together with conversion of larger units into smaller apartments are important elements in serving housing needs. FHA's title I program is directed toward this objective.

SECONDARY CREDIT

The Government's secondary market for insured or guaranteed residential mortgages has been an important factor in the current high level of home construction. As you know this function is administered by the Federal National Mortgage Association in the RFC. FNMA is authorized to purchase FHA-insured mortgages and VA-guaranteed loans. It is intended to provide a reserve market as a source of liquidity for lending institutions. Because of various factors, the purchases of mortgages by the association have become sufficiently large to cause us considerable concern. In practice FNMA is today a primary, rather than a secondary, source of mortgage credit. The whole matter of secondary credit for housing is under study by the Banking and Currency Committee at the present time. Some means must be found for expanding the private secondary market for housing mortgages. This amendment does not cover that subject. The legislative recommendations of your committee relating to it will be made within a very short time.

By the way I think it may be of interest to Senators to know that within the past 30 days applications have come to the Federal National Mortgage Association for the disposition of mortgages amounting to $413,000,000.

We simply cannot continue a program of such volume and at such a rate as that. The committee firmly feels that something must be done to encourage the private market to buy insured mortgages on real estate and to hold them in their own portfolios instead of making use of this Government agency for a primary market instead of for a secondary market as was intended.

There is one change in the legislative authority of the Association, however, which is made by the amendment. Except as to GI home loans of $10,000 or less, the Association is currently restricted generally from purchasing mortgages from any one lender in excess of 50 percent of all mortgages made by that lender which are otherwise eligible for purchase by the Association. This became a very serious limitation with regard to many lending institutions which reached the point where such a large percentage of their assets were held in the form of small-home mortgages that they were hesitant to make additional housing loans unless they were sure that they would be able to dispose of some of their holdings. This became especially restrictive in the case of a mortgage on a large-scale rental housing project. The size of any such mortgage purchased by the Association would have to be offset by a similarly large mortgage, or an equal amount of relatively small mortgages, eligible for sale by the Association but retained by the institution.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CONNALLY. A moment ago the Senator was discussing the desire to stimulate the absorption of these mortgages by private investors. What interest rate do they carry?

Mr. SPARKMAN. Four percent and four and a half percent. The GI loans carry 4 percent interest; the others, 4½ percent.

Mr. CONNALLY. Are they guaranteed by the Government?

Mr. SPARKMAN. They are insured by the Government.

Mr. CONNALLY. Will the Senator tell us the difference between guaranteed and insured?

Mr. SPARKMAN. I may say to the Senator that so far as I am concerned, it is a distinction without a difference. I think it means the same so far as our national economy is concerned and so far as the ultimate obligation of the Government is concerned. But a distinction is made. Insurance provides that in the event of foreclosure the Government will issue its debentures to the lender to make up for the loss he may sustain on a particular property. In the case of the guaranty, that is written into the debenture itself. Therefore they are insured, and the credit of the Government stands behind them.

Mr. CONNALLY. Are they not splendid investments for persons who have idle money?

Mr. SPARKMAN. They are.

Mr. CONNALLY. Where would a person go to buy them?

Mr. SPARKMAN. To insurance companies, investment banks, lending agencies, generally, all over the Nation. They are bought in great numbers.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. The Reconstruction Finance Corporation has taken over quite a few of them, and realizing how good they are, it still retains in its portfolio many of them, because it is contended that there is no better investment.

Mr. SPARKMAN. Usually a lending agency in a town will make loans on a certain number of projects and get insurance from the FHA. For instance, a bank might have in its portfolio $200,000 worth of these mortgages. It may decide that it has too many to carry, and it may want to sell $100,000 worth of them. Suppose a bank wants to render a service to its community, and perhaps it cannot carry more than $500,000 worth. It may take a large number of mortgages in the community, and it feels that it cannot carry any more by itself, so it must dispose of some of them in order to render the service which its community desires. If the bank can sell to an insurance company or to some investment company, well and good; but the Federal National Mortgage Association is established for the purpose of buying them in the event the bank is not able to sell them to some other investment organization. That is exactly the purpose for which the Association was organized. But unfortunately, it appears that many persons are using it simply as a primary market. They make the loans and immediately sell directly to the Federal National Mortgage Association.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TOBEY. The organization to which the Senator from Alabama has just referred carries the euphonious name of "Fannie May." She is worth cultivating, if the Senator from Texas wants to buy mortgages.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I should like to say to the distinguished Senator from Texas that representatives of the RFC appeared before the Appropriations Committee and showed that agency had sold such mortgages at a great premium. When one can obtain an insured mortgage carrying an interest rate of 4 percent, he is really getting something.

Mr. CONNALLY. These mortgages bear from 4 to 4½ percent interest?

Mr. MAYBANK. That is correct. Eight billion dollars has already been paid off, and the Agency has a surplus of $225,000,000.

Mr. SPARKMAN. Mr. President, when the interim housing amendments, Public Law 287, were enacted last fall, housing loans guaranteed under section 501 of the Servicemen's Readjustment Act and mortgages insured under the military housing title of the National Housing Act were exempted from this 50-percent restriction on the Association's purchases. However, FHA-insured mortgages on low-cost sales housing and rental housing, other than military, were not so exempted. Because of the importance of this secondary credit in home financing, it can be a very important factor in determining the type of housing which is actually built. Accordingly, in view of the need for concentrating on lower-cost production in all programs of Federal aid to housing, it is clear that whatever other action is taken with respect to the purchasing authority of the Association, this lower-cost housing should have the assistance of the Government's secondary market to an extent at least equal to that given any other housing. Accordingly the amendment exempts from the 50-percent limitation on the Association's purchases any FHA-insured mortgage on low-cost sales housing, housing of cooperatives, and rental housing.

TITLE II. DISPOSAL OF WAR AND VETERANS' HOUSING

Title II of the amendment provides for the disposition of all war and veterans' housing now under the jurisdiction of the Housing and Home Finance Administrator. It would make it possible for the Government to get out of the business of operating such housing as soon as practicable. The United States Conference of Mayors, the American Municipal Association, the National Housing Conference, and the National Association of Housing Officials consider the provisions of this title to be responsive to the needs of the communities and to be entirely satisfactory.

As the Senators will recall, the war housing was constructed with Federal funds under the authority of the Lanham Act and related statutes, during the war and the immediate prewar period for the purpose of providing accommodations for workers in esential war and defense industries. Since the war, veterans and servicemen and their families have been granted preferences in this housing. The earlier war-housing projects were generally of permanent construction. The housing built in the later period of the war, however, was of a temporary character lesigned for short-term use only, with the intention that it would be removed at the end of the war.

The temporary veterans' reuse housing was provided just after the war under the authority of title V of the Lanham Act as a temporary expedient to meet the housing needs of veterans and their families. Most of this housing was produced through the moving and conversion of temporary war housing and barracks buildings. With a few exceptions, the sites of this housing are owned or controlled by the local agencies or institutions.

The war housing built by the Government consisted of nearly 630,000 dwellings, and the veterans' reuse housing had over 265,000 dwellings. Of these, about 320,000 war-housing units and about 40,000 veterans' reuse units remain for disposition.

I am certain that all Members of this body agree as to the desirability of divesting the Federal Government of ownership and management of this housing. I am certain also that most of the Members are well aware that practically all of this housing which the Government now has is occupied, primarily by veterans, and that any disposition will have to take into account the interests of the occupants and the communities in which the housing is located, as well as the Federal interest. The purpose of title II of the amendment is to enact into law the basic policies that will enable the Government to dispose of this housing expeditiously with the greatest possible consideration for the interests of the people now living in it and the interests of the communities where it is located.

More than half of the war housing, and all the veterans' reuse housing, consists of temporary structures which were intended for only emergency use. The Lanham Act presently requires its removal by January 1, 1951, but authorizes the Housing and Home Finance Administrator, after consultation with the local communities, to defer the removal of housing still needed in the orderly demobilization.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I ask unanimous consent that we may submit a proposed unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina?

Mr. SPARKMAN. Mr. President, that is, without my losing the floor?

The PRESIDING OFFICER. That is understood. The Senator from Alabama will not lose the floor.

Mr. MAYBANK. Mr. President, the request for unanimous consent in writing I understand will be ready in 5 minutes.

Mr. WHERRY. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I suggest to the distinguished Senator from South Carolina that the terms of the unanimous-consent request might be outlined verbally and then subsequently reduced to writing, which will be done. If there is consent to the agreement, the written form of the agreement may be furnished later, but I think we can agree now to the unanimous-consent request.

Mr. MAYBANK. There is no objection to that, and I suggest to the distinguished minority leader that he propose the agreement.

Mr. WHERRY. Mr. President, the provisions of the unanimous-consent agreement would be that the Senate proceed to vote without further debate on the pending bill and any amendments offered thereto or any amendments that hereafter may be offered at 4:30 o'clock Wednesday afternoon, March 15; that the time between the hours of 12:30 o'clock and 4:30 o'clock be divided equally, to be controlled respectively by the distinguished Senator from South Carolina [Mr. MAYBANK] for the proponents of the measure and by the distinguished Senator from New Hampshire [Mr. TOBEY] for the opponents of the measure, provided that all amendments shall be germane to the subject matter

Mr. MAYBANK. Mr. President, that is my understanding of the request which we have been considering.

The PRESIDING OFFICER. The Chair suggests that the rule requires a quorum call, but the requirement can be waived by unanimous consent.

Mr. WHERRY. Mr. President, I was going to ask that that be done. In asking that the requirement of a quorum call be waived I should like to say that I have contacted every Senator on this side so far as I could, and the Senator from New Hampshire [Mr. TOBEY] has done likewise, and I understand that the proposal is agreeable to Senators who are particularly interested in the measure and to the members of the committee, including, of course, the Senator from New Hampshire. So I feel that unanimous consent should be given to waive the requirement of a quorum call if that is satisfactory to the Senator from South Carolina.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska that the requirement for a quorum call be waived? The Chair hears none, and it is so ordered.

The question now is, Is there objection to the unanimous-consent request propounded by the Senator from Nebraska?

Mr. WHERRY. Mr. President, I think I left out one thing in the statement of the proposed agreement. It should also provide for voting on any motions which may be made in connection with the measure. If that is not objected to, I hope that may be understood.

Mr. MAYBANK. That is my understanding after conferring with Senators.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Nebraska [Mr. WHERRY] for the Senator from South Carolina [Mr. MAYBANK] and the Senator from New Hampshire [Mr. TOBEY]? The Chair hears none, and it is so ordered.

Subsequently the unanimous-consent agreement was reduced to writing, and entered, as follows:

Ordered, by unanimous consent, That on the calendar day of Wednesday, March 15, 1950, at the hour of 4:30 p. m., the Senate proceed to vote, without further debate, on any amendment or motion that may be pending or that may be proposed to the bill (S. 246) to amend the National Housing Act, as amended, and for other purposes, and upon the final passage of the bill: *Provided,* That no amendment that is not germane to the subject matter of the said bill shall be in order.

Ordered further, That the time between 12:30 p. m. and 4.30 p. m. on the said day be equally divided between the proponents and the opponents of the said bill and controlled, respectively, by the Senator from South Carolina [Mr. MAYBANK] and the Senator from New Hampshire [Mr. TOBEY].

Mr. SPARKMAN. Mr. President, it would obviously be contrary to all humane consideration and to the public interest to demolish and remove most of this housing by the established deadline of next January. Disposition subject to this removal requirement is, of course, out of the question. While providing adequate safeguards, the amendment provides means for waiving the removal requirement and disposing of the housing. Under the amendment, most of the housing could be transferred to States, local public bodies or agencies, educational institutions, or certain nonprofit organizations. The transfers would be without reimbursement, except for any land transferred. Temporary housing could also be sold by the Federal Government free from the removal requirements if the local governing body approved. For all housing remaining in the hands of the Federal Government, reasonable, but firm deadlines would be established so that the housing could be vacated for removal without undue hardship on the occupants. In effect, these provisions of the amendment say this: "If the cities feel that there is a shortage of housing which makes it necessary to continue this temporary housing in operation for some time—that it is needed to avoid housing hardship in the

community—and are willing to assume some responsibility for it, the Federal Government will help them meet that need by transferring it to any such city. But the Federal Government is not going to operate it forever for the cities. For those cities who either do not need it—or needing it, will take no responsibility for meeting the need—the Congress is going to establish reasonable but firm deadlines for closing it up and removing it."

I think the record of transfers under the previous legislation clearly shows that the cities welcome the opportunity to assume responsibility, if we will but provide them a fair opportunity to do so. As some indication of the workability of this legislation and of the interest of schools and cities in assuming responsibility for meeting their needs by acquiring temporary war and veterans' housing, I want to call attention to the fact that about 98 percent of the housing eligible for transfer under the McGregor Act was transferred, and 93 percent of the eligible housing under the Independent Offices Appropriation Act has been requested for transfer.

There are two other matters regarding these transfers to which I wish to direct attention. One is fiscal. The Federal Government would be giving up a large part of the net income from the housing. It should be remembered, however, that because of the temporary character of the housing, these revenues can be expected to decline. Also, the transfers will generally eliminate the removal obligation of the Federal Government, which could require a substantial outlay of funds.

The other matter relates to the fear that, with the shifting of responsibility from the Federal Government to the local communities, this housing will be permitted to become slums. Under the amendment, however, the community applying for the housing, would have to represent that it does not propose to dispose of the property for housing use except to another public agency or educational institution, or for nonhousing use unless the local governing body determines that the property is suitable for such use. The community would also have to represent that it would demolish the structures when they are not to be used for either housing or an authorized nonhousing use. But beyond that, I believe that this is primarily a local responsibility and I am confident that most of the communities will exercise it properly.

The Federal removal requirements would continue on the housing which is not transferred to the local communities, but the removal date would be extended 2 years.

With respect to the permanent war housing, the amendment would authorize certain communities to acquire projects for low-rent use. Specific statutory authority is necessary for these transfers, because the Lanham Act stated that such housing shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income. The original list of housing to be transferred consisted of 170 projects, containing 32,000 dwellings, for which applications were submitted to the Public Housing Administration in 1947. Since the introduction of the bill, additional projects have been listed by Members of this body, in response to an invitation of the chairman of our committee. The amendment would also authorize the transfer of additional projects for which applications are submitted within 60 days of its enactment.

These projects would be transferred to local public agencies without reimbursement, other than payment of any net income to the Federal Government. They would be operated for 40 years as low-rent public housing projects in all respects in accordance with the United States Housing Act, as amended, with one important exception. Since they would represent no capital cost to the local authority and require no debt service, low rents could be achieved without the payment of Federal annual contributions, and the payment of any such contribution is specifically prohibited under the amendment.

Local housing authorities would be given 2 years in which to accomplish the conversion of occupancy to low-income families. In my judgment, this would allow ample time for such conversion without undue hardship to existing tenants.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield to the Senator from North Dakota?

Mr. SPARKMAN. I yield.

Mr. LANGER. Would that include trailer camps which are located on some campuses?

Mr. SPARKMAN. No; I am talking about permanent housing.

Mr. LANGER. The Senator's reference to housing a moment ago led me to believe that he was referring to housing which was not permanent.

Mr. SPARKMAN. No; it would not include trailers, because they are not units suitable for housing purposes.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. LANGER. What is to become of the hundreds of house trailers, which are really, in effect, little houses, on campuses?

Mr. SPARKMAN. What the Senator refers to is housing which has been transferred to the schools. We gave them that housing some time ago.

Mr. LANGER. May I inquire when that was done?

Mr. SPARKMAN. On two or three occasions we made that type of housing available to educational institutions. I believe the housing to which the Senator refers already belongs to the educational institutions.

Mr. LANGER. How were the houses transferred? Was it done by act of Congress?

Mr. SPARKMAN. Yes; it was done that way in some instances. I believe the McGregor Act authorized certain transfers. I believe in more than one appropriation act arrangements were made to transfer that type of housing. What the Senator is speaking of is housing built on land belonging to universities. In many instances housing was given to the institutions, and they actually moved the houses from other sites to the university campuses.

Mr. LANGER. I am referring, for example, to the Quonset houses at Yale University. Do those houses belong to Yale University?

Mr. SPARKMAN. I believe the Senator will find that they belong to the respective educational institutions. I believe I am correct in saying that that type of housing has been transferred to the schools.

Mr. President, none of the projects could be transferred for low-rent use unless the local governing body of the community requests the transfer, the local housing agency shows the need for low-rent housing in the area, housing to be transferred is determined to be suitable for low-rent use, and the local governing body enters into a satisfactory cooperation agreement.

The rest of the permanent war housing will be sold. It was the judgment of our committee that the present policy of offering this housing for sale, whenever feasible by individual buildings to present or prospective occupants should be continued. From the evidence that has come to us, however, we believe that the policy of preferences in such purchase has not worked out well in practice. Briefly, this policy, established by regulation, gives preference to veterans, regardless of present occupancy. As the Members of the Senate well know, attempts to sell the housing under this policy have encountered an understandably strong resistance from nonveteran occupants who would have to move out of homes in which they have resided for several years, without any opportunity to buy.

Accordingly, this amendment establishes preference in the following order: First, to veteran occupants; second, to nonveteran occupants; and, third, to veterans who are not occupants. The representatives of veterans' organizations who appeared before our committee well recognized the problem, and were sympathetic toward this change.

On projects or portions of projects offered for sale as a whole, first preference would be given, for a limited time, to groups of veterans organized on a mutual or cooperative basis. Such veterans' groups, however, would be required to accept nonveteran tenants as members.

In all sales, mortgage terms with an interest rate of not less than 4 percent and a maximum amortization for 25 years would be available.

I want to express my firm conviction that we cannot afford further delay in establishing a well-defined policy governing the disposal of Lanham Act housing.

TITLE III. COOPERATIVE HOUSING ACT

Title III of the committee amendment is by far the most important and significant recommendation which the Senate

Banking and Currency Committee is making. As Members of the Senate know, when we were considering additional housing legislation last year, the committee, and I think most Members of the Senate, were impressed by the fact that the greatest single area in which additional action was needed was what has come to be known as middle-income housing.

With the passage of the Housing Act of 1949, we are equipped to make a good start in the provision of housing for our lowest-income families. Existing programs, particularly the mortgage-insurance program of the Federal Housing Administration, with the improvements which are included in the committee amendment, will make it possible to meet the housing needs of families in the upper third of our population and for some, but not all, of our middle-income families. There can be no question, however, that there are many families of modest means in this country who make too much to be eligible for public housing and not quite enough to meet the present prices and rents on well-designed and suitable private housing, whether new or existing.

The Banking and Currency Committee devoted a great deal of time and attention last year to the housing problems of families of moderate income and finally favorably reported S. 2246, which contained provision for a program of direct loans to cooperative and nonprofit associations established to serve such families.

When S. 2246 was before the Senate last summer, the session was drawing to an end and there was a belief on the part of many Senators that some further study and consideration should be given to the proposal for middle-income housing. It was for this reason that several members of the committee, of which I was privileged to be one, spent some time in Europe after the close of the session studying the housing programs and accomplishments in those countries, particularly in terms of housing developments for families of moderate income. Based on our studies and observations abroad and upon additional careful study which many people both in and out of the Government have given to this problem, we are now proposing to the Senate a revised and substitute plan. The principal aim which the committee had in drafting the proposed substitute was to develop a sound means of achieving the results which we desire through the use of private enterprise and private investment, instead of relying on direct Federal loans.

It is my personal belief that direct Government lending as such is not necessarily undesirable, but that certainly it should be resorted to only when necessary objectives cannot be attained through private credit sources. It was our primary intention, therefore, during the months which have ensued since S. 2246 was first reported to develop, if possible, a practicable means of enlisting private capital for a new program of meeting the need for middle-income housing. It is our belief that the proposed substitute amendment meets this objective, and I heartily urge its adoption by the Senate.

There has been considerable discussion as to the need for legislation of this type, and before proceeding to outline and explain the provisions of the cooperative housing title I should like to discuss briefly with the Senate our findings on this subject.

Mr. LUCAS. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Illinois.

Mr. LUCAS. It is my understanding that in my absence the Senate agreed to vote upon the pending measure, and all amendments thereto, on next Wednesday at 4:30 o'clock p. m.

The PRESIDING OFFICER. The Senator is correct.

Mr. LUCAS. That is perfectly satisfactory to the Senator from Illinois, and I think I shall absent myself hereafter and turn the wheels of progress over to my good friend the Senator from South Carolina and my good friend the Senator from Nebraska, because they seem to have made a good deal of progress in my absence.

I should like to make an observation with respect to Monday. I presume that when the Senator from Alabama concludes, another Senator will desire to speak.

Mr. TOBEY. Mr. President, I shall address the Senate very briefly.

Mr. LUCAS. When the Senate recesses this afternoon, we will take a recess until Monday, and if no Senator desires to speak on the bill on Monday, I should like to make a motion to lay the unfinished business aside temporarily to take up the FDIC bill, which was reported unanimously by the Committee on Banking and Currency. Perhaps we could pass that without too much trouble. It is an important measure, and I should like to get it out of the way.

The PRESIDING OFFICER. If the distinguished Senator from Illinois would allow the Chair to interject a statement at that point, the Chair understands that the senior Senator from North Dakota [Mr. LANGER] desires to speak later this afternoon, following the address by the junior Senator from New Hampshire [Mr. TOBEY].

Mr. LUCAS. That is perfectly all right. I am primarily referring to Monday. I am merely making this statement for the RECORD, to indicate that, if the opportunity should be afforded, we may take up the FDIC measure on Monday.

Mr. MAYBANK. Mr. President, will the Senator permit me to make a remark at that point?

Mr. LUCAS. Certainly.

Mr. MAYBANK. I have been conferring with the distinguished Senator from Ohio [Mr. BRICKER], and we understand that there would be several speeches this afternoon, and that then the Senate would probably recess. I think that with the time available Tuesday, and with the 4 hours on Wednesday, there would be sufficient opportunity for debate on the pending measure. We thought that on Monday we might bring up the FDIC bill, which the Committee on Banking and Currency reported unanimously. I do not believe there will be much argument or debate about it, except that there might be some short debate about the section which pertains to bank examiners. Otherwise the sentiment in the committee was unanimous.

Mr. BRICKER. Mr. President, it is my understanding, then, that the request to take up the FDIC bill will not be made until the convening of the Senate on Monday.

Mr. LUCAS. The Senator is correct.

Mr. MAYBANK. As I understand, the Senator from Illinois desired to inform the Senate of what he intended to do.

Mr. LUCAS. Yes. That was my reason for making the announcement at this time, so that the RECORD would show that we hoped to take the action to which I have referred. It may not be possible for us to do it, but my object is to get as many bills out of the way as possible.

I thank the Senator from Alabama for his courtesy in yielding to me.

Mr. SPARKMAN. Mr. President, a special study by the Bureau of the Census shows that in 1948 the middle third of our urban families of two or more persons had incomes ranging from $2,840 to $4,425 per year. In determining how much people in this income range can afford to pay for housing, we took the commonly accepted rule of thumb that expenditures for shelter rent should not exceed 20 percent of income. On this basis, the middle-income families about whom we are concerned could afford to pay in shelter rent from $47 to $73 per month, or a median of approximately $60 per month.

In working out these figures on housing costs, the committee considered shelter rent to include everything that a tenant must pay for his housing, excluding utilities. The cost of these utilities on an average basis we have estimated at $8.50 per unit per month, so that our goal in the legislation now before the Senate was to work out some means of providing housing which on a median basis could be rented for $60 plus $8.50, or about $69 per month.

It has been contended by some that private industry was already meeting the housing needs of families in the income group about which we are talking, and therefore there is no need for this legislation. In support of this contention, certain witnesses quoted figures drawn from the experience of FHA in 1948. Those figures show that, during 1948, about 51 percent of the houses purchased with FHA insurance were purchased by families whose annual incomes ranged from $2,400 to $4,200. There is no doubt about these figures. On a national average basis they are quite correct. What I would like to have the Senate understand, however, is that a very large proportion of the houses of this type which were constructed and sold with FHA insurance in 1948 were small, two-bedroom houses built, for the most part, in the lower-cost areas of the country.

Helpful as the record of production of housing of this type and in these locations may be in meeting the housing needs of some of our families, I submit that it by no means proves that middle-income families generally are being taken care of. It is small comfort to a middle-

income family in Detroit, Mich., for example, to know that a modest home within the paying ability of that family is available for purchase in Kentucky or Tennessee. Furthermore, it means little to the family with children to be faced with the necessity of purchasing a home, if it purchases one at all, which has only two bedrooms and usually very small living and dining areas. I make these observations not so much in criticism of the production record of private industry in the last 2 years, but, rather, in refutation of its unsupportable claims that the middle-income housing problem of the country is being adequately taken care of either through the volume of current production or the type of housing which is being produced in certain areas.

May I also call the attention of the Senate to the production of rental housing which is currently becoming available throughout the country. It is significant, I think, that the witnesses who appeared before our committee to claim that private industry was meeting the needs of middle-income families failed to mention the current production efforts in the rental housing field. The facts on the basis of FHA statistics are these: For the country as a whole in 1948 the average rent per unit financed under section 608 of the National Housing Act was $87. During the first 6 months of 1949 this figure dropped slightly, to about $83. At the same time, however, even this slight reduction in average rents was achieved at the expense of the size of rental units being produced. The plainest indication of this fact is that during 1948 the rent per room in section 608 projects on a national average was $20, whereas during the first 6 months of 1949 the average rent per room increased to $22.

Again, an even more revealing picture is shown if the figures on FHA rental housing are broken down on an area basis. In some insuring offices, particularly those located in the lower-cost areas, the rents achieved on section 608 projects during 1948 were lower than the national average. However, particularly in the large metropolitan areas where most of our rental housing in recent years has been produced, the rents are considerably higher than the national average. In the Detroit area, during the first half of last year, for example, not a single rental housing unit was scheduled to rent for less than $70 per month. In the New York and Chicago areas during the same period, over 60 percent of the units were offered at rents in excess of $100 per month, and only about 5 percent were offered at under $80 per month.

I have taken the time of the Senate to recite these rent and sales-price figures to illustrate that, while some progress has been made in meeting the housing needs of middle-income families, by and large the record is not good. It illustrates, by harsh reality stronger than any words we may use, the necessity for some additional incentives to help the small people of this country to acquire decent homes, without resort to public subsidy.

The basic and fundamental objective of this cooperative housing title is to provide a sound and practicable means whereby good housing of sound standards, livability, and sufficient size for adequate family life can be produced and made available at monthly charges which more middle-income families can afford. To achieve this objective, it is essential that every possible economy in financing, construction, and maintenance be translated directly into corresponding reductions in the monthly charges which the individual consumer must pay for that housing.

Taken alone, no single one of the economies and savings made possible by the cooperative housing title can result in a reduction in the monthly charges sufficient to permit good housing to be brought within the reach of a substantial number of middle-income families. Taken together, however, the combined savings and economies—of which long-term, low-cost financing is one—which are made possible by this title can result in such a reduction in the monthly charges as will bring the housing within the means of a broad range of our families of moderate income.

The cooperative or nonprofit organization is the only form of private enterprise through which the savings achieved in financing, in construction, and in management are automatically translated into direct benefits to the consumer in the form of corresponding reductions in the monthly costs which he must pay for his housing.

This title is therefore designed to operate in such a way that soundly conceived cooperative housing projects will be able to secure the low-cost financing essential to reduced monthly charges; and the benefits and savings thereby achieved are, in a cooperative or nonprofit operation, automatically translated into direct benefits to consumers in the form of reduced monthly charges. In other words, in an operation of the type contemplated by this title, there can be no diversion into speculative profits of the financing economies made possible by the low-cost financing.

The committee frankly grants that our experience with housing cooperatives is not extensive. At the same time, we are firmly of the opinion that, with a sound program and with appropriate financing arrangements, cooperative housing will prove extremely beneficial as an effective means of providing adequate housing for families of moderate income at monthly costs within their means.

I do not want to take the time of the Senate to dwell at length on the cooperative principle. I know that many of the members of the Senate are intimately familiar with the success of farm cooperatives, both in the production field and in the marketing field. I would remind the Senate that the rural electrification program, which is based on local cooperatives, has proved of untold benefit to the farmer consumers of this country. Over 80 percent of American farms are now electrified, as compared with only 11 percent in 1935, prior to the establishment of the Rural Electrification Administration.

Not all of this advance is directly the result of the self-liquidating loans of the Rural Electrification Administration. That agency, rather, set the way. Under the stimulus of this program, in fact, about half of the increase in electrification has been done by private power interests. I think it rather significant, in fact, to note that in 1935 and 1936, when legislation to establish the Rural Electrification Administration was being debated in the Congress, the private power interests made direct claims of unfair competition and unnecessary governmental intervention. As a matter of practical fact, the record shows that 14 years later the private power companies have substantially expanded their activities in rural areas, in some measure, I have no doubt, because the Rural Electrification Administration was able to prove by its pioneering loans to cooperatives what could be done in electrifying American farms.

The benefits of that program in terms of the tremendous improvement that electrification of the farm has meant to the farm families, and in terms of the vastly expanded market for the products of the manufacturers of electrical equipment, is the best refutation to the arguments which have been raised against the program we are now recommending to the Senate.

Those of us who were privileged to travel abroad and actually see the experience of a number of European countries with cooperative housing were impressed, I think, by two things: First, that cooperatives do work in housing and that the people who are willing to form cooperatives can obtain substantial savings by this means; second, that in no country we visited had cooperatives usurped the entire housing field. A substantial proportion of total production is still performed through conventional means. I can only conclude, on the basis of the experience both here and abroad, that a successful program of housing cooperatives will add to our supply of good housing, and will make it possible for many more families, who otherwise could not afford to do so, to obtain good housing. In doing so, it will not cut down the volume of housing produced by other means, for which there will still continue to be a ready market.

The amendment which the Banking and Currency Committee is recommending to the Senate provides for two principal means to assist in the development of well-designed and soundly managed cooperative housing projects. Although we have had a great deal of experience in this country—experience which dates from the earliest colonial days, in fact—with cooperative organization, our experience with cooperative housing development is limited. The proposed amendment, therefore, provides for a program of technical advice and assistance in the organization of cooperative and nonprofit housing corporations. Such an advisory program would be administered by a special division within the Housing and Home Finance Agency, which would perform services not unlike those which the Federal Government has seen fit from time to time to offer to other private enterprise undertakings.

I would remind the Senate, for example, that when the program for the chartering of Federal savings and loan associations was initiated in 1933, special

appropriations were made to enable the Home Loan Bank Board to conduct an educational and advisory program for the benefit of those interested in the organization and management of Federal savings and loan associations.

During the early years of the insured-mortgage system, the Federal Housing Administration conducted a great deal of educational work among both lenders and builders. Even today, as a part of the regular administration of the insured-mortgage program in FHA, advice and assistance in the technical areas of land planning and architectural design are given to many sponsors of housing developments.

The Department of Agriculture, through the Extension Service and in the Rural Electrification Administration, as well as in the activities of the Department relating to production and marketing cooperatives, is regularly engaged in a program of advisory assistance to those interested in these activities.

It is the strong belief of the Senate Banking and Currency Committee that a similar type of assistance is well justified in the case of housing cooperatives. This is the type of service which the Federal Government is uniquely equipped to provide, since it can, at relatively small cost, bring together the best experience and the best knowledge available in a somewhat technical area, and can make that information available to prospective members or organizers of housing cooperatives. It is not contemplated that the program of technical advice and assistance will be continued indefinitely or in the degree which probably will be necessary at the outset of this program. It is for this reason primarily that it is proposed to assign this function to a separate division within the Housing and Home Finance Agency, so that adequate and helpful assistance can be provided so long as needed, but only so long as needed, by an agency of the Federal Government.

The committee amendment also provides for a preliminary advance loan program, also to be administered within the same division of the Housing and Home Finance Agency. One of the most difficult problems encountered to date by would-be housing cooperatives is the inability to obtain the financing necessary for the development of specific project plans. I think it must be frankly recognized by the Congress that in authorizing a middle-income housing program based on the cooperative and nonprofit principle, some direct means must be provided whereby funds can be made available for this purpose.

As a practical matter, it is customary in the usual speculative building operation for these expenses to be capitalized in the costs of specific projects and, therefore, included in the permanent financing of the development. It is true that working capital funds are, for the most part, available in the normal speculative development. However, in the case of the cooperative which is building a project for the occupancy of its members, there is the practical financial problem of raising the necessary capital initially to defray these expenses until permanent loan arrangements can be concluded.

The committee amendment therefore authorizes the Administrator of the Housing and Home Finance Agency to make advance planning loans, up to $25,000,000 outstanding at any one time, and to obtain the funds for such advances by the sale of notes to the Treasury. It requires this program to be administered in as careful and judicious a manner as possible. Planning advances could in no event exceed 5 percent of the estimated cost of the project. Information presented to the committee indicates that the actual amount of advance planning funds which would be needed for a project of any size would probably not exceed 3 percent of the estimated development cost. It is provided, of course, that preliminary advances for the development of specific plans and specifications for a cooperative housing project, together with the interest on such advances, would be repaid out of the proceeds of the final loan on the project itself.

Statements have been made that such advances represent unnecessary extensions of credit to cooperatives, and that they should be able to raise the necessary working capital from their own resources. My answer to these objections is a very simple one, based on the actual experience which many cooperatives have had to date. The normal consumers' cooperative will not be an organization which can readily accumulate or borrow from other sources the funds necessary to defray the architectural and other expenses involved in developing project plans, nor will it be the type of institution which can acquire working capital resources for normal turn-over use, as is customary in the usual construction concern.

I would remind the Senate that we are here considering an organization of consumers banded together for the purpose of getting good housing for themselves. This is, in essence, an ownership operation. It is not a plan for the construction of housing to be later operated or sold for profit. It, therefore, seems to me absolutely essential that this direct advance program be provided if we are not in effect to prevent completely the development of sound cooperative housing projects at the very beginning. Members of the Senate will recall that in the Housing Act of 1949, we provided for a similar program of temporary planning advances to be used by communities in the preparation of their project plans for the clearance of slum and blighted areas. Admittedly, the planning advance program, no matter how judiciously and economically administered, is more hazardous than the lending of funds against fixed security. Nevertheless, after a thorough study of the problem, the committee has concluded that many cooperatives will need this type of assistance, and the committee amendment therefore, makes provision for such advances.

I should now like to turn to the provisions of the committee amendment which would provide for the permanent financing of cooperative housing projects. As I have already indicated to the Senate, the bill which was favorably reported last year would have authorized the making of direct Federal loans, up to 100 percent of project costs, by an agency of Federal Government. The pending proposal represents what we believe to be a sound alternative, whereby comparable loans would be available to cooperatives on a private-capital basis.

This would be accomplished in the following way: The bill would establish a National Mortgage Corporation for Housing Cooperatives. The initial capital of not to exceed $100,000,000 for this Corporation would be provided by the Federal Government. The Corporation would be authorized to make the loans to housing cooperatives and nonprofit associations to pay for the development and permanent financing of their projects.

Each cooperative or nonprofit association borrowing from the Corporation would be required to purchase stock in the National Mortgage Corporation for Housing Cooperatives. Provision is made for the gradual retirement of Government-owned stock, as stock owned by borrowing cooperatives increases. This device is one which has been successfully used in other related activities sponsored by the Federal Government in years past. It is based on the theory that a needed financing mechanism can be started initially through the use of Government stock, but that private capital should be required and built up as the operation of that lending institution continues, and that Government stock should be retired as soon as feasible.

May I remind the Senate that in 1932, when the Federal Home Loan Bank System was established, an identical type of mixed ownership was employed. The regional Federal home-loan banks were given $125,000,000 of Government-subscribed capital stock to enable them to be established and begin active lending operations. Member institutions in the Home Loan Bank System were required by statute to subscribe to stock in their home-loan banks in an amount equivalent to 1½ percent of their home-mortgage loans, and provision was made in the initial statute for the gradual retirement of Government stock after the stock owned by members equaled the initial investment of the Federal Government.

In the Home Loan Bank System, that plan has worked well and efficiently. The home-loan banks have now retired about $50,000,000 of the stock investment of the Federal Government, and member stock holdings now amount to over $136,000,000.

In the case of the Home Loan Bank System, the Government has received certain earnings on its stock investment, although up to the present such dividends have not equaled the cost of money to the Federal Government. In the case of the National Mortgage Corporation for Housing Cooperatives, we have provided that stock dividends shall be paid to the Federal Government at least in an amount equivalent to the cost of money to the United States Treasury.

Such a provision has been explicitly written into the bill, since in the opinion of your committee there is no reason why an operation such as we are contemplating should not be able to pay its way. We are not suggesting, as is the case in the Home Loan Bank System, that capital stock be provided on a basis representing an actual cost to the Federal Treasury.

The mixed ownership Corporation provided in the committee amendment would be authorized to make long-term mortgage loans to bona fide cooperative and nonprofit associations. We have provided that such mortgages may be made in amounts up to 100 percent of development cost and for terms of the useful life of the property running up to 50 years.

Loans made by the Corporation must bear interest at a rate fixed by the Corporation taking into account the cost to the Corporation of capital investment and borrowings from the private investment market, plus a percentage sufficient to compensate the Corporation for the estimated overhead and administrative expenses in connection with such loans, and for proportionate payments to required reserves. Thus, the Corporation will make loans at whatever rate is determined to be necessary, taking into account the cost of money to it and the spread necessary for defraying administrative expenses and establishing and maintaining necessary corporate reserves, including the required insurance fund reserve for losses.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. SPARKMAN. I yield.

Mr. LANGER. Is a maximum rate of interest fixed?

Mr. SPARKMAN. No, we do not fix a maximum rate because, since the money will be obtained in the private money market, it naturally will depend very largely on the going rate of interest.

Mr. LANGER. Is there no maximum?

Mr. SPARKMAN. No, we do not fix a maximum.

Mr. LANGER. Would the maximum provided by the State law be applicable?

Mr. SPARKMAN. Certainly a State law prohibiting interest beyond a certain rate would apply in that particular State, but so far as the loans are concerned, we estimate that under the present conditions in the money market, the cost of money under the bill would run approximately from 3 to 3¼ percent.

Mr. LANGER. Mr. President, if the Senator will yield further, if a group of veterans organized a cooperative, if they had to pay 6 percent or 8 percent or even 10 percent interest, it would be up to the local community, would it not?

Mr. SPARKMAN. Does the Senator refer to the law as it now stands?

Mr. LANGER. No.

Mr. SPARKMAN. Does the Senator refer to borrowing under the pending bill?

Mr. LANGER. Yes.

Mr. SPARKMAN. No. They would borrow at the rate of interest at which the cooperative was able to obtain the money. We believe that under the provision contained in the bill they would be able to sell their debentures, secured by mortgages on real estate. They could sell those debentures for about 2½ percent. We believe that the Government expense, added to that, will amount to approximately one-half of 1 percent. A cooperative, which is a self-financing, self-supporting organization, would have to pay the cost of the money, which would be, we estimate, approximately 2½ percent, plus the cost to the Government of running the business, which we think would be about one-half of 1 percent, plus one-fourth of 1 percent as an insurance reserve. I may say that one-fourth of 1 percent is exactly what is paid under FHA insurance.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. LANGER. What would be the objection to writing into the bill a provision that the rate of interest shall not exceed 5 percent?

Mr. SPARKMAN. We do not believe it will go above 3¼ percent, and certainly we would not want to set as the limit a figure higher than that. I may call the Senator's attention to the fact—I think I am correct in this—that in respect to GI loans, under the Servicemen's Readjustment Act of 1944, we did not provide that the rate of interest would be 4 percent.

Mr. LANGER. That is correct.

Mr. SPARKMAN. We provided that it would be the going rate of interest. It merely happened that at the time, the going rate of interest was 4 percent. It has never been changed. We did not write into the law a limitation. We have functioned safely under it. Four percent has been the limit.

Mr. LANGER. Mr. President, if the Senator will yield further, I was thinking particularly of a group of veterans in a place such as Alaska, who might organize a cooperative. They would apply to a bank in Alaska for assistance under the provisions of the bill. Would the bank be prevented from charging 1 percent for its services?

Mr. SPARKMAN. The bill does not provide for borrowing from a local bank.

Mr. LANGER. I understand, but they will go to a bank, or they will go to someone for assistance.

Mr. SPARKMAN. No; the application would be made in this case to the National Mortgage Corporation for housing cooperatives.

Mr. LANGER. I understand that perfectly.

Mr. SPARKMAN. It is the same as in the case of farm loans.

Mr. LANGER. I am talking about a group of GI's who might know nothing about such a law as the one proposed. They want to borrow money. They must go to someone. The chances are they will go to a local bank or to a lawyer. Is there any limitation anywhere in the bill with respect to what they may be charged?

Mr. SPARKMAN. Does the Senator mean by way of interest, or fees for service?

Mr. LANGER. Both interest and fees.

Mr. SPARKMAN. There is no provision regarding that. It is an undertaking between individuals with which we have nothing to do.

Mr. BRICKER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Ohio?

Mr. SPARKMAN. I yield.

Mr. BRICKER. On the contrary, is there not a provision in the bill providing that all fees for architectural and engineering services, and the like, shall be based on the local level of charges?

Mr. SPARKMAN. That has to do with FHA insured mortgages, processed through FNMA.

Mr. BRICKER. No; I think it is also in the cooperative section of the law.

Mr. SPARKMAN. It is not in this. I believe the Senator is referring to section 213 cooperatives.

Mr. BRICKER. I know it is in section 213.

Mr. SPARKMAN. I shall be glad to check into it. I know it is in section 213. I do not recall its being in this. The Senator from Ohio may have reference to the provision which is carried in the pending bill, and in all housing legislation, relative to payment of prevailing wages on the various projects; but that is after the loan has actually gone into effect. The Senator from North Dakota was really inquiring about fees and charges preliminary to the application being made.

Mr. BRICKER. I think the word "charges" would cover also architectural fees.

Mr. SPARKMAN. It may, but it is after the project has started and is under way, and does not relate to preliminary matters.

Mr. BRICKER. There is nothing at all in title III in regard to preliminary charges or commissions before securing loans, or anything of the kind, is there?

Mr. SPARKMAN. That is correct. No fixed interest rate is prescribed in this title. However, it is estimated that this provision probably means a rate of about 3¼ percent on the mortgage loans made by the Corporation out of the $100,000,000 initial capital investment, since the estimates indicate that this rate will provide an adequate spread over and above the cost of capital initially supplied by the Government. As the interest rate on mortgage loans subsequently made with funds obtained from the private investment market through the sale of debentures must reflect the market cost of the securities, it is estimated that this would result in a slightly higher interest rate on mortgage loans made with funds obtained through the sale of such securities.

It is expected that the bulk of the funds with which the Corporation will make mortgage loans to cooperatives and nonprofit organizations will be raised by the issuance of its debentures on the private market. Such debentures are not directly guaranteed by the United States. However, if any such debenture is defaulted as to payment of principal or interest when due, the holder would then

be entitled to receive a fully guaranteed debenture in exchange.

Basically, this represents nothing more than an adaptation of the system which has worked so successfully in the case of the Federal Housing Administration's insured-mortgage program, to a new type of program. In the FHA the Government has agreed to underwrite specific mortgage security, provided that security meets certain requirements and is secured by residential property which meets standards of the Federal Housing Administration. In assuming this contingent liability, the Federal Government has in effect said that when mortgages are made on certain terms and on certain types of security to approved borrowers, the risk involved in such loans will be underwritten by the Federal Government. As the FHA system operates, premiums are collected and placed in reserves against which losses are charged. Congress also provided, however, when the FHA-insured mortgage system was first established, that in the event a property goes into default, the Federal Housing Administration would issue fully guaranteed debentures to the lender in place of the defaulted mortgage obligation. The FHA program has so far successfully operated on a self-supporting basis. An inherent part of that program, however, is the promise on the part of the Federal Government to make good on any losses which may occur on insured loans and which cannot be met out of insurance reserves.

The Government's guaranty under this cooperative housing title is identical with the Government's guaranty under the FHA system. Under the FHA system, the Federal Government guarantees to pay any loss which a lender sustains on any FHA-insured home-mortgage loan. If an insured loan is defaulted, the FHA takes over the defaulted loan or property and gives the lender FHA debentures in an amount equal to the unpaid balance of the defaulted loan. Those debentures are fully and unconditionally guaranteed, as to payment of both principal and interest, by the United States of America. The appropriate FHA insurance fund, or reserve for losses, is primarily liable for payment of those debentures, but, if for any reason funds sufficient for the payment of both principal of, and interest on, those debentures are not on hand, the debenture holder simply presents them to the Treasury for payment.

Under this cooperative housing title, the same form of assurance would be given for the payment of the obligations issued by the National Mortgage Corporation for Housing Cooperatives to obtain funds for mortgage loans. In the event of default on such obligations, the holder thereof would be entitled to exchange them for debentures of the Corporation fully guaranteed as to both principal and interest by the United States of America. Likewise, the funds of the Corporation—income from loan repayments, the insurance fund reserve account, which, like the FHA insurance reserve fund, is built up from premiums charged to borrowers, other reserves, and share capital—are primarily liable for the payment of those debentures. It is only when and if the funds of the Corporation are insufficient for the payment of maturing debentures, or interest payments on debentures, that the contingent liability assumed by the Federal Government may be invoked. The contingent liability of the Government on the guaranty is protected, in final analysis, by the value inherent in the properties securing the mortgage loans which the Corporation makes. Under the FHA system, the protection for the Government's contingent liability is practically identical—the value inherent in the properties underlying the mortgages the FHA insures.

The cooperative housing title is completely consistent with the basic principle of the FHA insured mortgage system in still another respect.

In the FHA system insurance reserves for the payment of losses are built up from an initial payment by the Reconstruction Finance Corporation, or the Treasury, to the insurance fund, and income derived from annual premiums and fees charged the borrowers, and from investments, which, after the payment of the costs of FHA's administrative expenses, are carried into the insurance reserves.

Under this cooperative housing title funds for the payment of losses are likewise built up from several sources. First, a charge of one-quarter of 1 percent of the outstanding loan balance is paid annually by the borrower and must be carried to the special reserve account for losses. Second, additional reserves may be required as necessary to be built up from charges to the borrower. Third, privately subscribed share capital is supplied through stock subscriptions, equal to 10 percent of the original principal amount of their loans, of borrowing cooperatives. The full amount of loans authorized would result in private-share capital in the amount of $100,000,000 in not more than 20 years after the loans were made. While losses, if any, would be payable primarily out of reserves and surplus, nevertheless the privately subscribed share capital paid in would also be available for payment of losses before issuance of Government-insured debentures.

The FHA charges borrowers a premium of one-half of 1 percent annually on the outstanding loan balance. Under this cooperative-housing title, the Corporation would be required to charge borrowers one-quarter of 1 percent annually on the outstanding loan balance, and all such payments must be carried to the special insurance fund reserve account for losses. However, the difference between the FHA premium charge of one-half of 1 percent and the Corporation's charge of one-quarter of 1 percent does not mean that the same differential obtains in the percentages of the funds actually carried to reserves for losses. The testimony during our hearings show that this essential fact was completely ignored by all of the opposition witnesses who contended that the Corporation's required charge to establish and maintain a reserve for losses is insufficient. These witnesses also failed to take into account the effect of the build-up of privately subscribed share capital as an additional cushion against losses.

Out of the one-half of 1 percent premium charges, and other income from fees and investments, the FHA must pay its administrative expenses. Of the one-half of 1 percent premium charges received by the FHA, about one-fourth of 1 percent has had to be used by the FHA for administrative expenses, leaving only about one-quarter of 1 percent of the premium charge available for reserves for losses. For example, FHA premium income for the fiscal years 1948 and 1949 amounted to about $16,600,000 of which $7,200,000—a little less than one-quarter of 1 percent—was available for reserves for losses. In contrast with the FHA system, the entire one-quarter of 1 percent of the Corporation's premium charge must be carried to the special insurance-fund reserve for losses, and the rate of interest charged to borrowers by the Corporation must be sufficient, in addition to the one-quarter of 1 percent for the reserve for losses, to yield a return large enough to pay all the administrative expenses of the Corporation.

In this connection, I want to call to the particular attention of the Senators one or two other pertinent facts which further demonstrate the essential soundness of this program. In the 15 or more years of FHA operations, insurance under all titles of the National Housing Act amounts to in excess of $18,000,000,000, of which about $10,000,000,000 is now outstanding. Actual losses have totaled about $26,000,000, and they have all been paid from insurance reserves—the Government has not been called up to pay any of those losses. The FHA now has built up operating reserves and capital to about $250,000,000. That is a ratio of reserves and operating capital to outstanding liability of about 2½ percent. At the end of the 15-year period, after the billion dollars provided in this cooperative housing title was loaned out, the ratio reserves and operating capital to outstanding liability under this program would be about 15 percent.

In this connection, it is deserving of some attention that Housing and Home Finance Administrator Foley was asked the direct question as to what the Government would lose under this cooperative housing title. He replied, at page 78 of House hearings on House bill 6618:

> My opinion is there would be no substantial loss. If I had to assume that there would be, I would have to assume that there would also be substantial loss in the insured-mortgage operation. I have been working with that perhaps more intimately than any other one person in the country in the total of my experience for 15 years. I do not anticipate in the insured-mortgage operation any substantial loss to the Treasury.

Despite the protections which are provided and which, in my judgment, will prove adequate to make the operations of the National Mortgage Corporation for Housing Cooperatives fully self-supporting, there are some who claim that this will not be the case. I would remind the Senate that history has a way of repeating itself and that the claims of those interests opposed to a program of better housing for lower- and middle-income families are merely echoing the charges made in 1934 and 1935 by the

forces opposed to the Federal Housing Administration, the Home Owners' Loan Corporation, the Federal Farm Mortgage Corporation, and other similar enterprises which were established at that time. I would remind the Senate that the dire predictions of those who said in 1934 and 1935 and 1936 that the Federal Housing Administration represented merely a thinly disguised raid on the Federal Treasury and that the contingent liability which the Federal Government was assuming in that operation would cost the Federal taxpayers untold millions have been proved utterly wrong in their predictions. The Federal Housing Administration is now and has been for many years a completely self-supporting operation and, insofar as one can base a judgment on more than 15 years of successful experience, gives every indication of continuing to be a fully self-supporting and successful operation.

The HOLC is perhaps even a better answer to the arguments of those who claim that the assumption of contingent liability inevitably means heavy loss to the Federal Treasury. The HOLC was established, admittedly, as a rescue operation for distressed home owners. An examination of the congressional debate at the time the Corporation was established, in 1933, will show that many Members of Congress—indeed, many of those who voted for the Corporation—fully expected that the Government would take a loss in that operation.

The facts, I submit, have proved just the contrary. I am informed that there is every expectation that within the next 2 years the entire $200,000,000 of stock which the Government invested in HOLC will be returned to the Treasury, along with a tidy surplus.

All of the Corporation's indebtedness, which was guaranteed by the Federal Government, has been repaid without 1 cent of loss to the Federal Government. I know that Members of the Senate, on the basis of these proved and successful activities, will not easily be persuaded by those who would again cry "wolf" when, for equally meritorious reasons, we now propose a self-supporting financial system based on private credit for the benefit of our middle-income families.

I should like, if I may, at this point to discuss briefly with the Senate some of the reasons why we have become convinced that the cooperative holds so much promise for achieving the lower housing costs which must be realized if families of modest income are to acquire adequate and well-designed housing. Let me illustrate the point by a comparison of the monthly charges which studies indicate can be achieved by a cooperative and compare those costs with the rents currently being charged in a section 608 project.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TOBEY. I desire to point out that it has been reported that a profit is being returned to the Government amounting to $26,000,000. It was announced yesterday. I was in the House of Representatives when the proposed legislation came up for debate, and I know the apprehension and doubt which existed on the part of many persons. The fact remains that the HOLC did a wonderful job in bailing out the banks of a lot of mortgage paper with which they thought they were sunk.

Mr. SPARKMAN. I am glad the Senator from New Hampshire has made that comment at this point. As a matter of fact, the real purpose of having an adequate and well-rounded housing program on the insurance plan we have worked out is to avoid the necessity in the future of having another HOLC. I think the HOLC has done a remarkably good job in going to the rescue not only of distressed home owners, but distressed banks and building and loan associations, together with lending agencies of all types carrying mortgages on the homes of distressed home owners.

Mr. TOBEY. It is a little unusual that two Senators will entirely agree on a point, but in the deeper unity and comity of feeling which we share on the floor I am reminded of a couplet bearing somewhat on the HOLC:

Oft from apparent ills great blessings rise.

Does the Senator concur?

Mr. SPARKMAN. I certainly do. I want to say in reply to my distinguished friend and colleague with whom I had the pleasure of serving in the House of Representatives for a short time before he came to this body, that I doubt that he and I are as far apart on this proposed legislation as he might make it appear. In fact, there comes to my mind the saying—

Hope springs eternal in the human breast.

I am still hoping that before the final vote is taken on this amendment the Senator from New Hampshire will be supporting the program which he really initiated in the last session of the Congress when he joined with two of his colleagues in introducing the first bill, if I remember correctly, which provided for a cooperative housing program.

Mr. TOBEY. Before the Senator passes judgment, I should like to quote from Dickens' Great Expectations, that he had better wait until I expound my thesis, which I shall do in about 15 minutes, and that he reserve his judgment until that time.

Mr. SPARKMAN. I am not expressing my judgment, Mr. President. I am expressing my continuing and undying hope, faith, and confidence in the good judgment of the very able Senator from New Hampshire.

Mr. President, the amount which a family must pay each month for its housing is, of course, the sum of a number of items of expense. In the case of a cooperative housing project, because the project itself is owned by the occupants, substantial savings in maintenance and operating costs can be expected, as compared with a speculatively built project operated for profit. After a careful examination of the actual operating expenses incurred in operating private section 608 projects throughout a large area of the country, it was found that these amounted to $30 per month per unit.

The actual costs of operating public-housing projects in the same general area were also carefully analyzed because in the operation of these projects a certain degree of tenant maintenance is relied upon. The actual experience in public-housing projects led to the conclusion that operating expenses in a cooperative project should amount to approximately $24.40 a month. Both of these figures are based on a 4½-room unit valued at $8,000.

An additional saving in monthly charges will, of course, result from the different financing terms on a section 608 project and the proposed cooperative housing projects. The section 608 project is financed on a 4-percent mortgage which runs for 32 years and 7 months, and on an assumed $8,000 unit, debt service would, therefore, amount to $33 per month. If the cooperative project borrows from the National Mortgage Corporation for Housing Cooperatives on a 50-year term at 3 percent, monthly debt service will amount to $25.83.

In operating a cooperative housing project, an allowance for vacancy losses and collection expenses is estimated at 3 percent, as opposed to the 7-percent allowance figure on a speculatively built section 608 project. The 7-percent figure allowed in the case of a 608 project does not mean, of course, that at the present time vacancies are now running at anything like a figure this high. Experience has shown, however, that a vacancy allowance of approximately this much is needed in the financing of a speculative rental project. In such a project vacancies may increase, as they have in the past, as the project grows older, and allowance must be made even at relatively full occupancy for collection losses and turn-over expense. In a cooperative project, however, tenancy can be expected to be much more stable and vacancies to run much lower than in the case of a speculative project. The savings which would result from the different vacancy allowance, therefore, amount to $4.38 a month, or the difference between $1.94 a month on the cooperative project and $6.32 a month on a section 608 project.

The sum of these savings, plus additional minor savings which are shown on the table included in the committee report, indicate that a cooperative project can successfully be operated at a monthly rental of $64.67 on the basis of an $8,000, four and one-half room unit, as compared with $90.32 for a comparable size and cost unit in a section 608 project.

May I refer for a moment to the income figures which I have previously referred to which showed that on the average a middle-income family can afford to pay a median gross rent of about $69. I submit that the figures themselves largely prove the case for the pending proposal, since the monthly housing cost which would be achieved under the present proposal is far beneath the rents currently being achieved in a speculative project operated for profit and comes well within the best estimates available as to the amounts which families of moderate income can afford to pay for housing.

Enough for the section on cooperative housing. I should like now very briefly to discuss the other three titles—title IV, title V, and title VI.

TITLE IV. GI LOANS

When Congress passed the Servicemen's Readjustment Act of 1944, it intended that our young men and women returning from military service should have full opportunity to establish or reestablish their own homes. It recognized that they had not had the opportunity to save enough money so that they could go out and buy houses on ordinary financing terms. Among other benefits it created the home-loan provisions under which veterans, with little or no down payment, could build or buy homes through the Government guaranty of credit from private financing sources, with the major risk of such credit to be borne by the Federal Government.

The home-loan provisions were subsequently liberalized and a full secondary market was established for GI loans in the Federal National Mortgage Association. As postwar building picked up, the GI loan provisions became a principal means by which veterans acquired homes. More than one-half million GI loans were made in 1946 and again in 1947. In 1947, however, the secondary market was removed and this factor, in combination with the general stiffening of interest rates, brought increasing reluctance of lending institutions to make these 4-percent loans under the GI Act. During 1948 and most of 1949, the activity rate was even lower, despite a partial restoration of the secondary market last year. Testimony presented to our subcommittee indicated that in many areas such loans were unobtainable. This was due partly to the fact that many local lending institutions held as many housing loans as seemed prudent, and partly to the fact that 4½-percent loans, with other more attractive features, could be made.

The interim housing amendments enacted on October 25 of last year restored a full Government secondary market for GI loans made after that date under section 501 of the Servicemen's Readjustment Act. This has been very helpful to GI loan operations. However, there are still areas in the country where GI loans are not available, and it is the principal purpose of title IV of the amendment to give veterans the benefits of such credit in all areas.

Title IV is intended to restore the GI home-loan provisions to the purposes intended by Congress. First, the guaranty terms are liberalized. The Veterans' Administration could guarantee 60 percent, up to $7,500, of the total amount of the loan, instead of 50 percent, up to $4,000, as at present.

If, with these liberalized terms, GI loans still could not be obtained in certain areas at an interest rate of 4 percent or less, the Veterans' Administration would make direct 4 percent loans to qualified veterans living in such areas, who were satisfactory credit risks and able to repay their loans. One hundred and fifty million dollars would be made available for direct loans.

Because it is anticipated that veterans will be able to get 4-percent interest loans covering the value of the property under these liberalized provisions for straight GI loans, the amendment would eliminate the combination VA-FHA loan.

To provide better protection to veterans, the amendment would make it mandatory to conform to minimum construction requirements prescribed by the Veterans' Administrator. These standards are now optional, except in the case of GI loans offered to the Federal National Mortgage Association.

I would like to call attention to another change which this title of the amendment makes in the GI home-loan-guaranty provisions so as to make the benefits thereof available to more veterans on farms. The difficulty in applying these existing provisions to farms, arises in connection with giving a first lien as security for the home loan. A farm differs from other residential property as it represents the business as well as the home of the farmer and is therefore more often mortgaged for business purposes. In such cases a veteran farm owner cannot normally give a first mortgage as security for a home loan. To help in meeting this problem, the bill would authorize the Administrator of Veterans' Affairs to guarantee a loan for the construction or improvement of a farm house if the loan is secured by a first lien on a portion of the farm suitable in size and location as an independent home site. The Veterans' Administrator could also permit the loan to be used to pay any sum required to obtain the release of this site from an existing lien. It is recognized that, while this change would be helpful, it would not be a solution to all home financing problems of veteran farmers. However, veterans should have the opportunity to use the amendment wherever it would be helpful. A typical case brought to my attention is that of a farm owner and his veteran son who wish to build a home for the son and his family on the farm. Under the amendment, this could be accomplished even though the farm is presently mortgaged.

The Administrator of Veterans' Affairs would also be authorized by this amendment to exempt any loan for the construction or improvement of a farm house from the first-lien requirements of the law. This would permit a home loan to be guaranteed by the Veterans' Administration although secured only by a second lien on the farm. This authority would be discretionary with the Veterans' Administrator and could be applied in cases where a second lien is a reasonably adequate security.

TITLE V. HOUSING LOANS TO SCHOOLS

Title V of the bill deals with a different housing problem—accommodations for students and faculties at colleges and universities. Most of us are familiar with the greatly increased enrollments at these educational institutions immediately after the war as veterans took advantage of their GI benefits to resume their education. While there has been some decline from these peak enrollments, the present and probably the permanent levels are much higher than they were before the war.

Particularly where the veterans' emergency housing at such institutions becomes unusable there will be a major housing problem in the face of other increased educational expenses. The schools find it impossible, under terms of private credit, to provide such housing at reasonable rents on a break-even basis.

Mr. President, in that connection, I may say that in the first session of this Congress many bills were introduced providing relief for the acute housing need on college campuses. Most of the bills provided for both a grant and a loan. Our committee considered all the bills which had been introduced, and considered the whole subject of housing. We decided that it was not wise to make grants to colleges. We felt that inasmuch as the Government was greatly concerned with the veterans' training program, which had so greatly stepped up the requirements of the various colleges, we should make available to colleges funds with which to provide housing, on rather liberal lending terms. Therefore, we provided in title V for a lending program without any grants whatsoever.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TOBEY. I am very glad that the Senator has brought the subject to the attention of the Senate. I believe it is one of the sections of the bill which meets universal approval. In my own particular case, my mind goes back to the time of the citizen's committee of my State, particularly when President Arthur Adams, of our University of New Hampshire, came to Washington and made a very able plea on behalf of land-grant colleges. I am glad the Senator has spoken on a subject which is so basic in its value to the student body of this country.

Mr. SPARKMAN. Mr. President, I thank the Senator from New Hampshire for his statement.

In all of our consideration of housing problems, we are not so concerned with housing per se as we are with its effects upon the health and well being of our people. Certainly we should be concerned with the impact of housing on our future business and community leaders and future professional men and women, and on teachers who are helping to shape their lives.

The amendment would help reduce the costs of this housing, by making available 2½-percent loans, with amortization up to 40 years. The Housing and Home Finance Administrator would be authorized to make these loans for the construction or conversion of housing necessary to accommodate students or faculties. According to testimony of one of the witnesses before our committee, the effect of this low-cost credit, in comparison with available private credit, would reduce annual cost of housing, in the case of a typical student, by $170 per year. That amount could well deter-

mine whether a young man or woman could go to college. The 2½-percent interest would represent approximately the cost of money to the Federal Government. Thus, the program would not result in any substantial cost to the Government. It should be pointed out that the element of risk is not an important factor in considering these loans, as institutions of higher education have long demonstrated their financial soundness. These loans are extremely important to the welfare of many prospective students, and would represent a very small investment in terms of the public interest involved. I strongly recommend that this title of the bill be enacted.

I also want to call attention to the fact that this amendment differs, in this title, from the somewhat similar provisions of the bill heretofore passed by the House. The House bill puts this program in the Reconstruction Finance Corporation and provides for a 4-percent interest rate. Our committee, however, felt very strongly that this housing program should be in the Housing Agency and that the rate of interest should be lower than 4 percent.

TITLE VI. MISCELLANEOUS

This title contains one provision relating generally to the housing programs of the Federal Government which I would like to bring to your attention. It would authorize the President to reduce at any time the maximum authorized amounts or maximum maturities of any type of loan for housing which may be made, insured, or guaranteed by any agency of the United States. In this connection, Mr. President, I should like to point out that this relates to the whole housing program, and not merely to any one particular phase of it.

This action would be authorized upon the President's determination that it is necessary or desirable in order to coordinate the housing functions of the Federal Government with its general economic and fiscal policies, taking into consideration the effect it would have on conditions in the building industry and upon the national economy. I believe this provision is very desirable in view of the possibility that statutory maximum amounts or maturities for these housing loans may prove to be too high in the event of changed economic conditions. As decisions under this provision would require individual judgment, it is essential, for purposes of uniformity and effectiveness, that they be made by one official of the Government. Since not all of the Government housing programs are administered by a single agency, the bill would place this control of housing credit in the President.

In conclusion, Mr. President, I merely want to report that, by bringing this amendment to the Senate for consideration, our committee has endeavored to provide the most adequate legislation possible for meeting the major housing needs not reached by other legislation. I sincerely believe that the enactment of the amendment will constitute one of the most important steps which this Congress can take in promoting the general welfare of our people. With its enactment into law, we shall be able truly to say for the first time that we have a well-rounded national housing program—a housing program which, in the language of the declaration of national housing policy of the Housing Act of 1949—will effectively carry us "toward the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family."

Mr. President, I have received from Mr. Miles D. Kennedy, director of the national legislative commission of the American Legion, the following telegram:

WASHINGTON, D. C., *March 10, 1950.*

Senator JOHN SPARKMAN,
Senate Office Building,
Washington, D. C.:

The American Legion at its national convention in 1949 unanimously endorsed Senate bill 2246. We urge and request that it be adopted by this Congress. We specifically include the cooperative housing title as set up in S. 2246, and not as a part of FHA; the direct loan back-up for veterans; the abolition of the combination FHA- and GI-loan provision. We further request that no action be taken that would increase the interest rate under the Servicemen's Readjustment Act beyond 4 percent.

MILES D. KENNEDY,
Director, National Legislative Commission, the American Legion.

Mr. TOBEY. Mr. President, I congratulate the distinguished Senator from Alabama for his presentation. As always, when he speaks, his address was eminently complete and conclusive from his standpoint, as well as fair. But as I listened to him expressing his consideration and thought about the proposed legislation, and I looked around and saw so many empty chairs in the Senate, I was reminded of words that were written by a great poet years ago, which I paraphrase—and I hope the Senator concurs with me:

Full many a Senator is forced to speak unheard
And have his arguments fall on empty seats.

Does the Senator concur?

Mr. SPARKMAN. Mr. President, if the Senator will yield to me for the purpose of concurring, I will say that I do concur most heartily, but I entertain the hope that Senators will at least read my remarks in the RECORD.

The PRESIDING OFFICER. Before the present Presiding Officer vacates this place, he would like to do something which is perhaps unparliamentary, and quote more poetry to the distinguished Senator from New Hampshire:

Full many a rose is born to blush unseen,
And waste its sweetness on the desert air.

[Laughter.]

Mr. TOBEY. Mr. President, I am glad the distinguished presiding officer has compared the Senator from Alabama to a rose. I think it was our friend Gertrude Stein who said:

A rose is a rose is a rose.

Do not forget that.

Mr. President, I rise in support of the substitute amendment to title 3 of S. 2246, which was offered yesterday by the distinguished Senator from New York [Mr. IVES] and myself. The amendment lies on the table and is before the Senators on their desks.

It seems to me that Members of the Senate must understand, as fully as possible, the differences in philosophy and economics between our substitute for title 3 and the cooperative housing title advocated in the committee bill. If the Members of the Senate will look on page 3109 of yesterday's CONGRESSIONAL RECORD, they will find a brief explanation of what our substitute amendment seeks to do. Following that statement by Senator IVES and myself, is a brief description of the committee version of title 3 which was introduced into the RECORD by Senator MAYBANK.

Mr. President, I wish to call attention to the fact that many of us who sponsored and voted for the Taft-Ellender-Wagner housing bill are today opposed to title 3 of S. 2246, which would establish a new mortgage corporation for housing cooperatives and issue debentures carrying an interest rate at least 1 percent lower than could be obtained in the private market.

In passing, Mr. President, I should like to point out, and I think it is rather conclusive evidence, that three great metropolitan dailies, the New York Times, the eminent Christian Science Monitor, and the Washington Post, have editorialized along the lines of our thought, and have criticized the features of the pending bill. Those three newspapers, with their great influence in this country, all supported enthusiastically and wholeheartedly the Federal housing bill which we made into law last year, which included slum-clearance provisions. So there is a distinction between what their attitude was a year ago and what it is today.

In my opinion, it is unfortunate that the Sparkman-Maybank proposal has been offered as the one and only liberal way to make cooperative housing a success in the United States. The Senator from New York [Mr. IVES], the Senator from Arkansas [Mr. FULBRIGHT], and many others besides myself were instrumental in the passage of the public housing and slum-clearance features of the Housing Act of 1949. At that time we fought shoulder to shoulder with the Senator from South Carolina [Mr. MAYBANK], and the Senator from Alabama [Mr. SPARKMAN], among others. But the Senator from New York and I cannot bring ourselves to feel that the establishment of a new Government corporation to promote cooperative housing in this country is necessary or desirable in these times of relative prosperity. Therefore, we strongly recommend that the Senate support our substitute amendment, which would materially improve existing FHA procedures in an effort to aid cooperative housing in a tried and true manner. We seek to change the psychology of the responsible officials in the FHA who have, up to this time, thrown stumbling blocks in the way of FHA cooperative housing. We would do this by a firm policy declaration and by the removal of certain technical difficulties which existing law has made apparent.

We would provide a minimum of technical assistance and have some preliminary advances of funds under certain conditions.

Mr. President, when and if this proposed legislation shall be enacted, the Committee on Banking and Currency of the Senate will send for Mr. Foley and to the Commissioner who is supposed to be appointed to carry on the cooperative housing under the bill and bring them down before us around our large table, and put the thing up to them, and say "Thus saith the Lord. This is the way you carry on. You are going to become wholehearted exponents of cooperative housing in this country whether you like it or not." I think that would be effective. If it will not, someone would not be confirmed for his office.

I ask the Members of the Senate to understand that our amendment is based on FHA mortgage insurance principles, and it will be administered within the jurisdiction of the FHA, not by the establishment of a new Government bureaucracy.

When in the first session of the Eighty-first Congress other Senators and I introduced Senate bill 724 I did so chiefly to stimulate the gathering of facts with regard to the progress our country was making in the production of homes and apartments for rent, and to help focus attention on any Federal aids which might be necessary to stimulate and assist such housing.

Representations had been made to me by various persons and groups that only through direct Federal loans would we obtain the housing which they said was necessary. These representations were to the effect that a vast need would be unfilled despite the provisions of the Housing Act of 1949.

So we were willing to introduce the bill in order to bring out the fact about the situation, and we emphasized facts, regardless of whether they supported the representations made, or whether they showed the situation to be taken care of by existing facilities of private business.

As we proceeded during recent months with the consideration of amendments to Senate bill 2246, the facts have been brought out one by one. Here they are. It is very clear and patent to me that any situation requiring a large Federal-aid program for the middle-income housing has almost completely changed. It is hardly necessary to point to the record-breaking production of rental units and homes in 1949 by private industry. I should, however, call attention to the fact that this record-breaking pace continues as we emerge from the winter. The mild winter in the eastern and central parts of our country helped builders to keep up a great volume, and again, this year, we should have another record production.

In fact, conditions might almost be called inflationary in many ways, or at least some of the elements of inflation clearly are again present. We see new wage contracts signed and new demands made for wage increases, and we see the price of building materials continuing at a fairly high range. Since financing charges are at the lowest point in our Nation's history, home financing now is available to more people, labor and material costs continue high, and private industry continues to turn out a great volume of homes and apartment units. This is good.

We find, too, that the Federal budget deficit has increased since the early part of the first session of this Congress, when we felt that we should initiate the study which now, of course, has been completed. If the Federal budget deficit has increased, this hardly seems to be the time to add greatly to that deficit by any legislative addition connected with housing. At least, we should not add to the deficit with untried and uncertain methods, using Federal aid in connection with housing.

The views of the Board of Governors of the Federal Reserve System were summarized by the Chairman of that Board, Mr. McCabe, when he appeared before our Banking and Currency Committee. Mr. President, I point out that the Federal Reserve Board is specifically charged with responsibility for the financial interests of this country and the methods of controlling them. Who are we to lightly toss aside its views? Mr. McCabe recognized the principle of cooperatives in the field of housing as having possible extensive merit, but he suggested that in view of the uncertainties involved in the cooperative housing amendment to Senate bill 2246, it would be unwise for our Nation to be saddled with an extensive program involving unusually long maturities and interest rates below the competitive private market. That is what this bill does, as I see it. Senators will recall that he recommended to the committee that the securities of any corporation set up to serve cooperatives should not bear a Federal guaranty, that financing should be on the FHA principle on an experimental basis over a lengthy time during which a full and fair trial could be given.

The majority report of the committee indicates a belief that the substitute meets the objections of the Federal Reserve Board, with regard to the method of financing. I fail to see where this is true. The bill provides that there is an ultimate guarantee of all obligations by the Federal Government in this manner: The Corporation to serve housing cooperatives would issue unguaranteed securities. Then, if there is a default, the original securities are replaced with guaranteed securities. In effect, the bill provides a guaranty to guarantee, which is going around the barn to say the same thing, in fact, which was in the original amendment proposed to the committee. If we have a Federal guarantee anywhere along the line, we still have a guarantee, no matter what we call it or how we approach it, and we still have a contingent liability to add to the condition of this country, or, as some express it, to the national debt.

The report of the committee and the bill as reported fail to meet the objections of the Federal Reserve Board on the questions of interest rate and amortization terms. In this country we have never used any such period as 60 years for the paying off of mortgages on housing. In this country we have usually thought that anything beyond 30 years was quite dangerous. It is easy to see why the Federal Reserve Board objected to 60-year mortgages, because the dangers of such a long-term financing program could have serious effects on our economic life.

Mr. President, let me point out here that the Chief Economist of the Federal Reserve Board, Mr. Riefler, had the folfollowing to say along these lines:

> The mortgage market is certainly a different market from the financial market for long-term electrical-improvement financing and operations of that type, and the financial terms would naturally be different. In the mortgage market 50- or 60-year amortization is really stretching terms pretty far out. From an ideal standpoint, in a period like this, when you have high employment and high real-estate values and high costs of building, you should be shortening your amortization terms.
>
> When you get to recessions you should be lengthening them. What has actually happened over the last few years of very abnormal conditions in the housing market is that Congress has been asked to lengthen and lengthen amortization terms, and I think that most people have felt that that was unsound.
>
> I think that now, at the peak, if you relax terms further in this field you will be making a pretty serious move which will affect the whole mortgage market. This is the moment when you ought to consider reducing amortization terms, shortening them, so that we have something of a cushion on which we can handle this problem of economic stability.
>
> The mere fact that in raising the question you cite long amortization terms on several of the social programs, indicates that, if amortization is stretched further to 50 and 60 years in periods of high activity like the present, you are setting a precedent throughout the mortgage market that might come home to roost very seriously.
>
> This certainly isn't the time when general economic considerations would warrant such action.

That is the opinion of the distinguished chief economist of the Federal Reserve Board, and I think it is entitled to our consideration.

Objections with regard to the interest rate have not been met. Why should people in the middle-income levels, on one side of the street, receive the benefits of housing provided with lower interest rates than are charged to their friends across the street, who are paying the competitive rates charged by private business? Let me remind the Senate that we are not here dealing with low-income or the welfare families but with middle-income families.

Why is it that the proponents of the cooperative housing section of the substitute for Senate bill 2246 fail to point out adequately that we already have on the statute books liberal FHA mortgage-insurance provisions for the financing of cooperative housing? I mention in this connection Public Law 901, known as the Housing Act of 1948. Must we now put on the statute books another cooperative housing statute which will compete with and conflict with the act of 1948? Must the citizens who would be helped be divided into two camps under our American Constitution, which provides for equal treatment of our citizens? If the FHA insurance program seemed a suit-

able way of approaching the financing of cooperative housing in 1948, why not liberalize or expand that program, which already is available, if some need is not being filled? The FHA insurance program has worked out well, has been given a full and fair trial, and is in no sense an experiment, such as is the plan which now is proposed in the substitute for Senate bill 2246.

If the proponents of this plan had come in with a small pilot program—a check plot, such as we use in planting corn and in garden work—clearly classified as an experiment and greatly restricted in size, and, of course, based upon reasonable and not dangerous financial terms, many of us would have received the proposals with sympathetic interest. I still say, Mr. President, that if a suitable pilot program can be proposed, I, for one, would be willing to have it given a long, fair, and full trial. However, that does not seem to be the sort of thing which the proponents of this plan want and advise. They seem to want to jump into an unproven, uncertain program which has many dangerous features for the Nation as a whole, and for private industry, as we see it.

Perhaps this is a good time to urge an end to many government aids. If people, in asking for assistance, want the moon, instead of reasonable help, perhaps we have gone too far in our thinking on Federal aid in housing. I might sound that same warning across the country today in respect to the original agricultural program of the administration. It is a program fraught with serious dangers; but neither party dares let go of it, for fear of political consequences. That is something for us to think about. When will we have the fortitude to look the facts in the face, and to say, "Hold, enough," in respect to the Brannan plan, the potato plan, or any other general plan that is unscientific and unsound. As I said in the committee the other day, on the day of judgment the Almighty can well say, "Where were you, America, with 2,200,000,000 eggs and tons and tons of butter and other foods almost beyond counting, bought up by the so-called Commodity Credit Corporation and put into storage for years, there to rot or spoil, when people all over the world were hungry and were crying for food?"

The other night when I was in New Hampshire, I said that if we had a high-school scholar who proposed such a program, we would send him to the institution for the feeble-minded at Laconia; that is where he would belong.

So, Mr. President, in what we do here in the United States of America, we must be much more careful, and we must do our utmost to be wise.

If people are unwilling to await a trial of new and uncertain methods, and want to jump into huge, expensive housing programs based upon unproven schemes, perhaps we should say this is a good time to stop, look, and listen, and to get back to the fundamentals in this country. A liberal can go just so far in being liberal. There is a point of apprehension, and that is when the interests of our country appear to be running into danger. In my judgment there are signs and portents on the horizon and hung up in the skies, clearly to be seen, if fair and conscientious men will but see them, indicating that we are reaching such a point.

Mr. President, I believe that there are elements and phases of this proposed legislation which justify concern and an honest solicitude on the part of thoughtful Senators, and I hope that I am one of them.

"DEMOCRACY BEATS COMMUNISM WEEK" IN KANSAS CITY

Mr. KEM. Mr. President, back in the year 1948 a Democracy Beats Communism Week was held in Kansas City, Mo., under the auspices of the junior chamber of commerce of that city. The exact time was September 20 to 26, 1948. More than 100 young men in Kansas City participated in the many months of preparation. Speeches were made in churches, schools, lodges, and before civic clubs and other organizations throughout the city. Many leading citizens had part in these speaking engagements. A speaker's manual was prepared, and afterward was distributed to junior chambers of commerce throughout the country. Duplication of this effort of the Junior Chamber of Commerece in Kansas City was suggested and invited. The idea and printed material were made available to all who wished to use them.

The Honorable H. M. Gambrel, of Kansas City, Mo., presiding judge of the county court of Jackson County, has called my attention to an extension of the remarks of the Honorable LINDLEY BECKWORTH, a distinguished Member of the House of Representatives from Texas, which appears in the Appendix of the CONGRESSIONAL RECORD at page A6209. I quote from the initial paragraph:

> Mr. Speaker, the Gladewater plan, which was a week devoted to citizenship with the title "Democracy Beats Communism Week," was held in Gladewater, Tex., March 20 to 26, 1949. It was sponsored by the chamber of commerce. The idea was originated by my friend and neighbor, John Ben Shepperd, Gladewater attorney, president of the chamber of commerce, and former president of the United States Junior Chamber of Commerce.

It will be noted that the Democracy Beats Communism Week in Gladewater, Tex., was held during the week of March 20 to 26, 1949, 7 months after the successful use of the plan in Kansas City, Mo., during the week of September 20 to 26, 1948.

Judge Gambrel also notes that Kansas City's plan of a Democracy Beats Communism Week was endorsed at the national convention of the United States Junior Chamber of Commerce held in Philadelphia in June of 1948 by John Ben Shepperd, of Gladewater, Tex., who was, at that time, president of the United States Junior Chamber of Commerce. The plan was offered by the originator of the idea, Clint Kanaga, Jr., of Kansas City, Mo., to the executive committee of the United States Junior Chamber of Commerce in January 1949 with the suggestion that it be adopted on a national scale.

This statement is made to put the record straight. I am sure that any error is unintentional and that Representative BECKWORTH and Mr. Sheppard will desire to give credit where credit is due.

THE BRANNAN PLAN—UN-AMERICAN AND SUBVERSIVE ACTIVITIES

Mr. LANGER. Mr. President, before proceeding with the minority views on Senate bill 2311, I merely want to reply briefly to the statement made a few moments ago by the distinguished Senator from New Hampshire [Mr. TOBEY] who, I regret, is not now on the floor. The Senator attacked the Brannan plan. In 1933, rye was selling at 4 cents a bushel. Does the distinguished Senator from New Hampshire want that price restored? Barley was selling at 8 cents a bushel. Does the distinguished Senator want the farmers of America to raise barley at 8 cents a bushel? Wheat was selling at 19 cents a bushel. Does the distinguished Senator from New Hampshire want to return to those days? He mentioned potatoes. If the Senator were present, I should very respectfully call his attention to the fact that the Brannan plan is not yet in effect, and therefore does not at all apply to the present situation with regard to potatoes.

I can only say, Mr. President, that up to the present time the Brannan plan has not been tried. Some of us who favor it, as the senior Senator from North Dakota does, are going to continue to advocate the Brannan plan until those who are opposed to it present something better. It is very easy to criticize. It is very easy to say a plan will not work, but the fact remains that in 1932 in my State more than half the people were on relief; the fact remains that in some of the agricultural counties 90 percent of the people were on relief.

The Senator may make whatever statements he wants to make, such as those he made a few moments ago, but I am here to say that whenever they are made, I, as a Republican, shall voice my objection to the agricultural policy of the Republican Party. In reality, the Republican Party has no agricultural policy. When Mr. Becker, of South Dakota, a short time ago, offered an agricultural plan or program to the Republican Party, he was simply cast aside.

Mr. President, the time has not arrived when a few people from the cities and a few so-called sidewalk farmers can write the agricultural planks for the farmers of this country and imagine that any old thing at all will suffice. The Republican Party cannot hoodwink the farmers of the United States. Until the party comes along with a program providing something that is better, something that does not mean 4-cent rye, 8-cent barley, 5-cent oats, and 19-cent wheat, my suggestion is that the party need not expect to get the farm vote for their candidates.

UN-AMERICAN AND SUBVERSIVE ACTIVITIES—MINORITY VIEWS ON S. 2311

Having answered, I regret to say, in the absence of the distinguished Senator from New Hampshire, what was said a few moments ago by him, I shall proceed to discuss the minority views on Senate bill 2311.

As a member of the Judiciary Committee, we have been considering this bill, which is designated as a bill to protect the United States against certain un-American and subversive activities, and for other purposes. I may add that when we finished consideration of the bill in the Judiciary Committee the vote was 12 for and 1 against. So I am presenting the minority views myself, alone. It is not the first time during the course of my experience in the Senate that I have presented minority views for myself alone. I need not go into details, but in one instance, at least, the minority views turned out to be the majority report when Senators came to vote upon the measure in the Senate. I refer to the La Follette-Monroney bill. In that instance, when the committee got through, every Republican except one voted against the report. I make the prediction today, Mr. President, that if Senators will study and analyze the minority views on Senate bill 2311 they will come to the conclusion which has already been reached by two Members, the distinguished Senator from Tennessee [Mr. KEFAUVER] and the distinguished Senator from West Virginia [Mr. KILGORE], who originally were for the majority report, but who have announced in the press that they find the bill a dangerous one, and by another distinguished Senator, the Senator from Washington [Mr. MAGNUSON], who is also a member of the committee, who has likewise announced that he does not like section 4 of the bill, for which he himself voted. Mr. President, it should be kept in mind that the bill was reported last Friday. On Monday, but a few days later, two members of the committee denounced the bill as dangerous, and another Senator announced his opposition to one section of it. Mr. President, this is a very important bill. The measure that is proposed would take away the very liberties of the people of the United States. I shall read the minority views:

This bill, if enacted, would constitute the greatest threat to American civil liberties since the alien and sedition laws of 1798. Like that bill, it is the product of hysteria and frantic, unthinking fear. Like that bill, it would strike at the very foundations of our democratic institutions—the right of the people to speak their minds, to hear every viewpoint on public questions, and to associate together freely to advance their common views. Like that bill, it merits the opposition of all who cherish liberty.

What did the majority of 12 do in reporting the bill?

Under the guise of protecting our democratic institutions against an alleged threat of subversion from foreign agents who seek to overthrow our Government by coercive means, it is proposed to regiment the thinking of the American people and to impair or prevent the free exercise of constitutionally guaranteed freedom of speech and association.

It is proposed to confer on a politically appointed board vague and, therefore, unrestricted power to outlaw associations of citizens whose views and policies are considered by it to be dangerous.

If the Board does not like the Liberal Party of New York—and a great many people I understand do not like it—they could bar it. Talk about a bill conferring a great deal of power. Here we have it. In my State, if they do not like the Nonpartisan League, they could bar it. Many people do not like the Nonpartisan League because we were successful in promoting measures whereby the State owns its own bank, writes its own insurance, and owns its own State mill and elevator. It can be readily understood why certain people do not like a political organization of that kind. Here it is proposed to give the Board power to outlaw it.

Under these vague powers trade unions and other organizations which may seek to alter the status quo or oppose this or that governmental policy, by lawful means, with no evil intent, could be branded as traitorous agents of foreign governments or movements. Their members could be relegated to the position of second-class citizens—made subject to economic and social outlawry.

In the effort to avoid obliteration, voluntary associations of citizens would be compelled to conduct witch hunts to determine the views and associations of their members—to fear to express their views on any controversial questions, to encourage their members to spy and inform on each other.

It is proposed to punish as a crime mere membership in an organization which has failed to destroy itself by registering when ordered to do so, to make criminal the agreement to do any act, however innocent and lawful, which a court might find "would substantially contribute to the establishment within the United States of a totalitarian dictatorship."

In the atmosphere created by this bill the American tradition of freedom could only stifle and die. That is why the trade-union movement represented by the AFL, the CIO, and the Brotherhood of Railroad Trainmen, has expressed its vigorous opposition to this bill. That is why the National Farmers' Union has opposed the principles which underlie this bill. That is why the National Association for the Advancement of Colored People, and the American Jewish Congress have expressed their opposition to such a bill. That is why the American Civil Liberties Union and the National Lawyers Guild have opposed the bill. That is why the most distinguished constitutional lawyers, including those whose opinions were sought by the Senate Judiciary Committee, have said that the principles which underlie this bill are repugnant to the Constitution, which every Senator is sworn to uphold. These authorities include the late Charles Evans Hughes, Jr., John W. Davis, Seth W. Richardson, Chairman of the Loyalty Review Board, and Zechariah Chaffee, Jr., of Harvard.

What emergency can be pointed to as a possible justification for this departure from our constitutional principles which have served us so well for more than 150 years, and through two world wars? Ours is the strongest Government and Nation in the world. Does anyone seriously believe that it can have anything to fear from the continued exercise of constitutional rights by the people? Attempts to overthrow the Government, sabotage, espionage, treason, armed civilian groups, must be stopped, and proven foreign agents should be required to register. Any forcible resistance to law should be punished. Attempts to undermine the loyalty, discipline, or morale of the armed forces should be a crime. But all of these are now punishable as crimes, or required under existing law. This bill has no connection with any of these actual dangers, except perhaps sections 4 (b) and 4 (c), concerning the unauthorized disclosure of classified information, which have no proper place in this bill.

Let a bill be introduced dealing with that specific problem and the Senate will take care of it very rapidly.

The political party which enacted the alien and sedition laws soon met the wrath of the people. That party was swept from the American scene at the first ensuing national election. I fervently hope that reason will prevail over hysteria in the Senate of the United States when the time comes to vote upon this measure. In that event, I am confident that Senate bill 2311 will suffer the resounding repudiation it deserves.

Mr. President, I want to take up, section by section, a discussion of this measure.

SECTION BY SECTION DISCUSSION OF THE BILL

SECTION 2. NECESSITY FOR LEGISLATION

This section makes it appear that the bill is directed solely at the Communist Party of the United States, without naming it. It amounts to a legislative finding that this party is an agent of Moscow and that it endeavors to overthrow our Government by conspiratorial and coercive tactics, and to set up a totalitarian dictatorship here under the control of Moscow. Since being a foreign agent without registering as such (and the Communist Party has not registered), or attempting to overthrow the Government by force (coercive tactics), are crimes, this section is a declaration of guilt by legislative fiat. Former Attorney General Tom Clark has said that "a statute which would define the nature and purposes of an organization or group by legislative fiat is likely to run afoul of the due-process requirements. (*Manley* v. *State of Georgia* (279 U. S. 1, (1929); hearings on H. R. 5852, p. 424.) However obvious the truth of these proposed findings may seem to many Senators, it is a fact that the Communist Party has never been prosecuted for being a foreign agent without registering, or for attempting to overthrow our Government.

Under our constitutional system people are presumed to be innocent until proven guilty before a court and jury according to due process of law.

SECTION 3. DEFINITIONS

Because these definitions must be considered with other criteria referred to in section 14 and they are connected with the registration sections (7 and 8) they will be discussed at a later point in this report.

SECTION 4 (A). UNLAWFUL AGREEMENTS

This section makes it a crime for any person "knowingly to combine, conspire, or agree with any other person to perform an act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship the direction and control of which is to be vested in, or exercised by or under the domination or control of, any foreign government, foreign organization, or foreign individual. For purposes of this subsection, the term 'totalitarian dictatorship' means a form of government characterized by (1) the existence of a single political party, with such identity between such party and its policies and the government and governmental policies of the country in which it exists as to render such party and the government itself indistinguishable for all practical purposes, and (2) the forcible suppression of all opposition to such party."

This section requires proof of no overt act or evil intent. All that need be found is an agreement to do some perfectly lawful and peaceful act which, in the opinion of a court, would, if the agreement were carried out, "substantially contribute" to the establishment of the described dictatorship. Who can say with definiteness where the boundaries of that vague phrase lie?

Mr. President, some persons in New York could get together and say, "We will build a State-owned elevator in Buffalo." That would be entirely lawful and peaceful. However, if the court found later that in its opinion such an undertaking, if carried out, would substantially contribute to a described dictatorship, those persons would be guilty of violating the statute. I shall refer a little later to what the penalties are.

Who can say with definiteness where the boundaries of that vague phrase lie?

Would an unbalanced budget, compulsory health insurance, Federal low-rent housing, or the Brannan farm-subsidy bill substantially contribute to the establishment of such a dictatorship?

Some people seem to think so. We heard the distinguished Senator from New Hampshire [Mr. TOBEY] express his opinion a moment ago on the Brannan plan.

What about peaceful advocacy of socialism? Does not an American have the right to be a Socialist if he wants to be one? Does the present distinguished occupant of the chair [Mr. LEHMAN] know of any more loyal American than Norman Thomas? Is it not true that some of the very things which Norman Thomas advocated for years have been adopted by both the Democratic and Republican National Conventions in their party platforms, and in many instances are the law of the land today?

In truth, the answer is very much a matter of political judgment. But mere membership in or cooperation with the Communist Party, which by the "findings" in section 2 seeks to establish such a dictatorship, would seem to come clearly within the probable intent of this section, though the individual had done no unlawful act, or any act, for that matter.

What is the precise meaning of the words "vested in, or exercised by, or under the domination or control of"? I do not see how the average American can understand such vague or indefinite terms. But I know that it is an elementary principle of our Constitution that a criminal law which an ordinary citizen cannot be expected to understand violates the due process clause.

I was attorney general of my State too long not to know that. It is known by almost every high-school graduate in the country.

I also know that mere speech which is not uttered under such circumstances as to create an immediate and very serious, clear, and present danger to the State, or a mere peaceable assembly or association, cannot be punished consistently with the first amendment. Yet it is clear that this section could strike at just such speech or assembly.

"A failure of a statute limiting freedom of expression to give fair notice of what acts will be punished and such a statute's inclusion of prohibitions against expressions, protected by the principles of the first amendment, violates an accused's rights under procedural due process and freedom of speech or press" (*Winters* v. *New York*, 383 U. S. 507, at pp. 509 and 510 (1943).)

Mr. President, what did the late Charles E. Hughes, Jr., have to say in discussing the corresponding section of H. R. 5852? Certainly Mr. Hughes was not a Communist. He said:

Manifestly, this (the section) would include attempts to bring about such result by expression of opinions through speech or publication, or by participation in peaceable assemblies, designed to bring about changes in the Government through orderly processes of amendment to the Constitution. Statutes which spread as wide a net as that violate the first amendment.

Mr. President, Abraham Lincoln said that the people of the country have a right to advocate such views as they may care to advocate so long as they do not do any violence against the Government.

What a group of people may think is their own business, so long as they do not do anything in violation of law or attempt to overthrow the Government by force and violence.

What did Mr. Hughes say further, Mr. President?

He said:

In addition, section 4 fails to meet the test of due process which requires that the definition of a crime must be sufficiently definite to be a dependable guide to the conduct of the individual and to the court and jury which passes upon his guilt or innocence. This is true of the critical terms * * * "vested in, or exercise by, or under the domination or control of, any foreign government, foreign organization, or foreign individual."

I quoted from page 416 of the hearings on H. R. 5852.

Referring to the same section, Mr. Seth W. Richardson, who was appointed by the President of the United States to head the loyalty board of this country, said:

"I am inclined to the view that before section 4 of the act can be deemed a proper exercise of the power of the Congress to protect the country against threatened danger, the bill should provide that efforts to establish a totalitarian dictatorship must be accompanied by force and violence and by unconstitutional procedures."

Mr. Richardson testified at page 444 of the hearings on H. R. 5852. I have previously commented on sections 4 (b) and (c). If they were proposed as amendments to the Espionage Act, or separated from the rest of the bill, I should undoubtedly support them.

Sections 5 and 6—these sections make it a crime for a member of a Communist political organization which has registered or been ordered to do so to seek or hold nonelective office, or employment under the United States or to seek or use a passport.

The major objection to these sections is that they apply the unconstitutional doctrine of guilt by association. People may be reduced to second-class citizenship for mere membership in a proscribed organization. The conduct, or the views of the individual are irrelevant. But under our laws guilt is personal.

"Under our traditions beliefs are personal and not a matter of mere association, and that men in adhering to a political party or other organization notoriously do not subscribe unqualifiedly to all of its platforms or asserted principles" (*Schneiderman* v. *United States* (320 U. S. 118 (1943)), p. 136).

That was a case in which Wendell Willkie took the part of the defendant before the Supreme Court of the United States. The Court decided in favor of his claim.

Sections 3 (3), 3 (4), 7, 8, 14 (e), and 14 (f), registration, etc. Section 3 (3) defines a Communist political organization. The definition provided is vague indeed. We find such expressions as "some but not necessarily all, of the ordinary and usual characteristics of a political party." But how many are "some"? What are the ordinary and usual characteristics of a political party? The words "substantially dominated or controlled" are even more indefinite.

This definition is amplified and made much more indefinite by the criteria to be considered by the Subversive Activites Control Board in deciding which organizations must register as a Communist political organization, set forth in section 14 (e).

Mr. President, suppose this board consisted of three reactionaries appointed by a reactionary President of the United States, and it is said, "The Liberal Party of New York must register," and then some member of the party did not say that he was a member of the Liberal Party. He could be arrested and thrown into jail.

Each of the 8 criteria mentioned begin with the words "the extent to which," but there is no indication of the extent that is to be deemed significant. There is no indication of the number of criteria, if more than one, that must be present to justify condemnation.

The first criterion refers to the organization's policies being carried out to effectuate the policies of the foreign government, followed by the vague terms "in which is vested, or under the domination or control of" and "direction and control of." It is not specified that there be any proof of intent to effectuate such policies of a foreign government. It is made clear that policies, another word for views, can be made the basis for branding an organization as a traitorous foreign agent whether or not these views have some connection with an effort or purpose to establish a dictatorship.

The second criterion refers directly to views and policies—the area of speech protected by the first amendment. The fact that there is an unspecified amount of similarity between its views and those of a foreign government is enough to condemn an organization, and this is true regardless of the irrelevance of those similarities to any purpose to establish a totalitarian dictatorship.

Mr. President, the Nonpartisan League in North Dakota, for example, believes in a State-owned bank, and a State-owned bank in that Commonwealth has been in operation since August 1919. For 30 years it has been a great success. Because people in North Dakota believe in that bank, and because in some foreign country the people may also believe in having banks owned by the government, would anyone say that, regardless of the similarities, the people here should be punished?

The third criterion refers to the extent to which it receives aid directly or indirectly from or at the direction of such foreign government. There is no indication whether the organization must know or have reason to believe that aid received indirectly from such source was so derived.

Think of that, Mr. President, here in America.

Presumably if there are Communists in an organization, and they aid the group, and contribute funds, or pay dues, the organization could be condemned without ever doing anything which has any relation to a purpose or effort to establish a dictatorship.

Let us suppose that in the case of the Liberal Party in New York, with which the distinguished present occupant of the Chair is familiar, 1 percent of the party was Communist.

Presumably if there are Communists in an organization, and they aid the group, and contribute funds or pay dues, the organization could be condemned without ever doing

anything which has any relation to a purpose or effort to establish a dictatorship. The whole organization could be condemned because an unspecified number of its members were or were believed to be Communists, and whether or not the organization knew they were Communists.

Just try to pass that kind of a bill and cram it down the throats of the American people!

The fourth criterion refers to the extent to which it sends members abroad for instruction or training in the policies or tactics of the world Communist movement. It is not clear whether attendance at a public foreign international peace or scientific conference in which Communists took part would be enough to bring condemnation, or whether the purpose and intent must be to obtain instruction connected in some way with a purpose or effort to establish a totalitarian dictatorship.

The fifth criterion is substantially the same as the next preceding one, and subject to the same objections. It refers to the organization reporting to the foreign government, or its representatives. What is a report? Who is a representative? If an organization sends a representative to a public international conference wholly unrelated to a discussion of methods of establishing a dictatorship, and Communists take part, is the organization "reporting" under this section if the delegate expresses the organization's views?

The sixth criterion relates to the extent to which its principal leaders or a substantial number of members are subject to such foreign government, and so forth. How many is a substantial number? What is the meaning of the words "subject to"? Obviously a minority of its members or leaders could condemn the whole organization because of their state of mind. This is true even if the organization has never done anything remotely connected with a purpose or effort to establish a dictatorship. The element of guilt by mere association is apparent.

The seventh criterion relates to the extent to which the organization keeps its membership, records, meetings and information concerning it "secret" (another word for private), and resists efforts to obtain such information. There is no indication of whose efforts to secure information must be resisted. Keeping such information private certainly has no necessary connection with an illegal or nefarious purpose. All kinds of organizations do not publicize their closed meetings.

When the Liberal Party in New York meets, does it publish in the press what took place in the meeting?

Trade-unions engaged in organizational efforts undoubtedly keep their meetings secret in certain places hostile to union organization. In some places branches of the National Association for the Advancement of Colored People may keep their membership lists secret. Trade-unions generally have resisted disclosure of their membership lists. Minority groups which have been visited with hostility in their communities no doubt attempt to shield their members' identity. But this has no necessary connection with a purpose to establish a dictatorship.

The eighth criterion is substantially identical with the sixth criterion—the vague terms "subordinate allegiance" being similar to the words "subject to," and this criterion is open to the same objections.

Thus it is apparent that the vagueness of the definition in section 3 (3) infects and is in turn infected by the vagueness in section 14 (e). Because of this vagueness the power of the Board would be arbitrary and unlimited. Any organization which seriously criticized the status quo could be branded as a Communist political organization and thus destroyed.

Mr. President, in the Eightieth Congress I read upon this floor a letter I received from a lumber company calling the distinguished senior Senator from Ohio a Communist. There is not a man upon this floor who does not know that is not true. Yet that was announced in a letter sent to me as a United States Senator. I repeat, any organization which seriously criticized the status quo could be branded as a Communist political organization and thus destroyed.

No organization could register as a traitorous agent of a foreign dictatorship seeking to establish a foreign-controlled dictatorship here and could survive. Yet, if it did not register, its officers would face fantastic penalties of imprisonment. Moreover, absolutely nothing germane to the finding to be made by the Board need be proven.

How can any man who has been living under the Anglo-Saxon law we have had for all these generations fall for anything like this?

Moreover, absolutely nothing germane to the finding to be made by the Board need be proven.

Mr. President, the bill is fantastic.

Section 3 (4) defines a Communist-front organization as one under the control of a Communist political organization, or primarily operated for the purpose of giving aid and support to such an organization, or the world Communist movement. This definition is, therefore, dependent upon the vague definitions of a Communist political organization, and inherits all of that indefiniteness. In addition, the term "control" has no clear meaning. The aid given to such an organization may be wholly unconnected with the purpose of any Communist political organization to establish a totalitarian dictatorship. It may cooperate in such objectives as antidiscrimination, protection of civil rights or liberties, social-welfare legislation, etc.

The four criteria referred to in section 14 (f) as elements to be considered by the Board in determining which organizations must register as Communist fronts are on a par with the criteria in section 14 (e). They increase the vagueness rather than diminish it. There is no indication how many of the four criteria must be present. All of them begin with the words "the extent to which," without any indication of the extent which is to be deemed significant.

The first criterion relates to the number of persons active in the management, direction or supervision, whether or not holding office therein, who are representatives of any Communist political organization or the world Communist movement. Again a few individuals can condemn the whole group, even though the organization has done nothing objectionable, or related to a purpose or effort to establish a dictatorship. There is no suggestion that the organization or members as a whole must know of the representation or connection of the individuals mentioned. Who is a "representative"? What is required to fall within the term "active"?

The second criterion refers to the source from which an unspecified portion of its "support" is derived. This criterion is substantially identical with the third criterion of section 14(e), and subject to the same objections.

The third criterion refers to the extent to which its resources or personnel are used to further the political objectives of a Communist political organization. Again there is no requirement that the organization have any intent or purpose to further such objectives. There is no suggestion that the objectives furthered must be connected with a purpose or effort to establish a totalitarian dictatorship. The mere similarity of some political objectives would be enough to bring condemnation and destruction upon an organization.

The fourth criterion refers directly to the identity of some positions adopted by it on matters of policy with some policies adopted by a Communist political organization. The penalty for views held is here clearly expressed. There is no indication that these views must in some way be related to a purpose or effort to establish a totalitarian dictatorship.

Mr. President, the Communist Party may be opposed to slums, and the Liberty Party in New York may be opposed to slums. There is a similarity. Is that sufficient under this bill so that the Liberal Party would be told, "You must register as a Communist-front organization?"

I read further from the minority views:

Thus it must be said that here, too, an organization can be destroyed on the basis of vague and irrelevant standards, for the mere exercise of the constitutionally guaranteed rights of freedom of speech and association. On the basis of such standards, individuals can be black-listed and their means of livelihood destroyed; their social relations disrupted. Over and above the penalties visited upon the organizations and individuals affected, is the far-reaching interference with the right of the people generally to hear every viewpoint, and the pervasive threat of denunciation which would be made to hang over every group of dissenters—and it has been said that we are a Nation of dissenters.

These are the definitions upon the basis of which the registration provisions in sections 7 and 8 operate. They make the registration requirements the most dangerous and far-reaching abridgements of freedom of speech and association and of due process of law thus far seriously considered in the Senate of the United States, for they would permit the Board, to be created under section 13, a mere politically appointed Commission, operating according to loose administrative procedures, to dictate what organizations could continue to exist, what views could be propagated, and to deprive citizens of the ordinary rights of other citizens, on the basis of mere membership in a proscribed organization.

Mr. President, under such a provision, the President would appoint three men to the Commission, and they could say, "The Liberal Party cannot continue in America." The Commission could say what views could be propagated.

I read further from the minority views:

Under our democratic system of government, no board or commission can or should be granted such a power to dictate political orthodoxy.

As Mr. Justice Jackson—

Associate Justice of the Supreme Court of the United States—

has said, "If there is any fixed star in our constitutional constellation, it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism, religion, or other matters of opinion or force citizens to confess by word or act their faith therein" (*West Virginia State Board of Education* v. *Barnette*, 310 U. S. 624 (1943).

Indeed, the requirement of registration as a condition to the exercise of freedom of speech has been held to violate the Constitution.

"As a matter of principle a requirement of registration in order to make a public speech would seem generally incompatible with an exercise of the rights of free speech and free

assembly. * * * If the exercise of the rights of free speech and free assembly cannot be made a crime, we do not think this can be accomplished by the device of requiring previous registration as a condition for exercising them and making such a condition the foundation for restraining in advance their exercise and for imposing a penalty for violating such restraining order. So long as no more is involved than exercise of the rights of free speech and free assembly, it is immune to such a restriction" (*Thomas* v. *Collins* (323 U. S. 516 (1945)) at pp. 539–540.)

Think of it, Mr. President. The Constitution says that all our citizens shall have the right of free speech and the right of free assembly. But then some government officials would try to say, "Oh, yes; that is right. But we are going to make you register, first"—which would clearly be in violation of the Constitution of the United States, and it has been so held by the Court.

I read further from the minority views:

It is no answer to the demonstration of pervasive vagueness in this bill, that it is believed that the Board will exercise good judgment, and use its power wisely.

Mr. President, perhaps there will be a good Board or perhaps there will be a bad Board. After all, to err is human. If a bill is bad, it should not be passed, even though some Senators might say we would have a good Board.

I read further from the minority views:

"Proof of an abuse of power in the particular case has never been deemed a requisite for attack on the constitutionality of a statute purporting to license the dissemination of ideas. * * * It is not merely the sporadic abuse of power by the censor but the pervasive threat inherent in its very existence that constitutes the danger to freedom of discussion" (*Thornhill* v. *Alabama* (310 U. S. 88 (1940)), at p. 97).

In this connection the statement of the Supreme Court in *Stromberg* v. *California* (283 U. S. 359 (1931)) is worthy of note:

"The maintenance of the opportunity for free political discussion to the end that government may be responsive to the will of the people and that changes may be obtained by lawful means, an opportunity essential to the security of the republic, is a fundamental principle of our constitutional system. A statute which upon its face, and as authoritatively construed, is so vague and indefinite as to permit the punishment of the fair use of this opportunity is repugnant to the guaranty of liberty contained in the fourteenth amendment" (p. 369).

Section 9, keeping the registers, etc.: This section requires no comment.

Section 10, membership in certain Communist political organizations: This section makes it a crime (punishable by fine up to $5,000 and imprisonment up to 5 years) to remain a member of a Communist political organization if he knows that a final order is in effect requiring his organization to register and it has failed to do so after 30 days have elapsed. This is a pure case of guilt by association, and punishment for mere inaction. Since it is unlikely that any organization can register and exist, this section is intended either to guarantee its destruction, or to open many thousands of persons to criminal prosecution for no more than the exercise of their constitutionally guaranteed right of association. This section is obviously affected by all the constitutional infirmities of the registration sections.

Section 11, use of the mails, etc.: This section makes it a crime for an organization required to register, or for any person acting for it, to mail anything in interstate or foreign commerce without labeling the wrapper "Disseminated by ———, a Communist organization," or to broadcast anything unless such broadcast is preceded by a similar announcement.

This section violates the first amendment prohibiting Congress from making any law abridging freedom of the speech or press, because it requires opprobrious labeling intended to discourage reading or a hearing, without regard to the contents of the matter to be mailed or broadcast.

As Charles Evans Hughes, Jr., said, when discussing the corresponding provision of H. R. 5852:

"The publications and broadcasts which are thus required to be identified as Communist-inspired may be on any subject, however far removed from any international Communist objective or even any domestic Communist program. The language of many of the decisions of the Supreme Court supports the view that the concept of free speech contemplates that ideas and opinions should be judged solely on their merits. In the Thomas case (*Thomas* v. *Collins*, supra), Mr. Justice Jackson, in his concurring opinion, said (p. 545) that while the State is entitled to protect the public, through licensing, from those who seek for one purpose or another to obtain its money, 'it cannot be the duty, because it is not the right, of the State to protect the public against false doctrine.' With respect to Communist-front organizations, which might, within the definition, exist chiefly for relief or other humanitarian purposes, the obligation to label themselves as Communist organizations appears particularly onerous" (hearings on H. R. 5852 at p. 419).

Section 12, denial of the deductions and exemptions: There is no comment on this section except that it is affected by the infirmities of the registration sections.

Mr. President, listen to this! Imagine yourself to be a very poor man residing in Alaska, Puerto Rico, or Hawaii.

Sections 13 and 14, subversive activities control board, and proceedings before board: Little need be added here to what has already been said regarding the extraordinary and unprecedented powers intended to be conferred on the Board. But the substitution of an administrative board for the duly constituted courts is undoubtedly a violation of due process. The destruction of organizations, and the severe penalties which can be visited upon their members are matters of vast importance both to those concerned, and to the democratic process which is the basis of our institutions. Where the smallest penal offense, or a suit over any substantial sum of money is involved we have always assured a right of trial in the courts before a jury if desired. No less can be justified or permitted when so much is at stake.

We have always said, Mr. President, that the humblest man charged with the smallest crime is entitled to have his day in court, to be tried either before a judge or before a jury. What have we here?

The Supreme Court has indicated that full due process of law before the courts is required in a case involving a lesser penalty than here. When the Congress adopted a statute to prohibit the employment of certain individuals who in its opinion had engaged in "subversive activities" that Court compared the penalty imposed to that administered for "special types of odious and dangerous crimes" and declared that it was the intention of the Constitution "to safeguard the people of this country from punishment without trial by duly constituted courts." (*United States* v. *Lovett*, 328 U. S. 303, at pp. 316–331).

Seth W. Richardson made a similar point when discussing the similar provisions of H. R. 5852. He said:

"The trial in a proper court, in the first instance of the question of the guilt of the citizen, under whatever form the accusation may be made, is too important a step in the application of a penal statute to the citizen to be curtailed even by the allowance of full appeal rights. An appeal is not the same thing as the original trial, nor does it protect the rights of a defendant in an equal degree, particularly where the findings of the public prosecutor as to the facts might weigh heavily with the appellate courts, since 'preponderance of the evidence' is always an indefinite term and depends largely upon the view, or possibly the indolence, of an appellate court * * * the duties of the Attorney General should be confined to the matter of registration, investigation, and prosecution, and that questions as to whether a particular organization is of such a character or activity as to justify registration should depend upon the judgment of a court of competent jurisdiction under a proper proceedings brought into such court by the Attorney General for such purpose." Hearings on H. R. 5852, page 446.

That, Mr. President, is what our courts are for. It is not the American conception of justice that a three-man political board appointed by the President should proscribe men and organizations.

Section 15, judicial review: By this section a party aggrieved by any order entered by the Board may obtain a review in the Court of Appeals for the District of Columbia.

Mr. President, how would you like it if your mother, residing in Alaska, Hawaii, or Puerto Rico, were to be told by a political board, "We find you guilty," and if she wanted to appeal, that she must come to Washington, D. C.? How many people could afford to come all the way from Alaska, Seattle, Hawaii, or the Virgin Islands to Washington, D. C., to carry an appeal to the appellate court here?

We have courts in all the places I have named. Why should they not have the right to appeal to those courts? What is the trouble? Are the judges in those places not to be trusted? Can we not trust a judge in California, Texas, Florida, North Dakota, or in Maine? Why in heaven's name must they come to the District of Columbia? As a member of the committee, I protested. I offered an amendment, proposing that the defendants in such cases should have a right to appeal to the local court. They should be tried by people in the communities in which they reside. The majority of the committee said no. It is proposed to bring them here. That is not all. After they come to Washington on appeal, no evidence can be presented. Mr. President, what do you think of that? I continue:

But no evidence may be presented before that court, and the findings of the Board are conclusive if supported by a preponderance of the evidence. The comment of Mr. Richardson on the nature of this review, quoted above, will not be repeated here. The appellate court must make its decision on the basis of the same vague standards used by the Board. Our courts were not established to pass judgment on ideas and associations, but only on the actions of men. For them now to begin the witch-hunting function could only serve to undermine the respect in which our courts are now generally held.

It is a question, Mr. President, not of what they think, but what did they do?

It is, moreover, a very inadequate remedy for most individuals and groups to oblige them to come from the place of their residence, perhaps in California, to Washington to seek this inadequate appeal.

Section 16, penalties: By section 16 (a) (2) each day of failure to register is made a separate offense punishable by fines up to $5,000 and imprisonment up to 5 years. Other penalties are of a similar order.

Think of that, Mr. President. In the old prohibition days, if a man sold liquor to another person, it was an offense; if he sold liquor the next day to another person, it was another offense, and so on. He was arrested for maintaining a common nuisance.

Thus the officer of an organization required to register has these alternatives—he can register, and thereby destroy his organization and subject his members to untold penalties, while placing himself in danger of life imprisonment for any omission of a "necessary" fact or misstatement. Secondly, he can fail to register and face imprisonment for life. Thirdly, he can resign and/or dissolve his organization. The alternative he will choose is perfectly obvious. The organization will cease to exist. It is, therefore, apparent that any claim that this is a disclosure bill is entirely erroneous. No one will register. Every group attacked would be forced to disappear. It is probable that only the Communist Party would continue to exist underground as it has done everywhere under every form of suppression. Many people believe that it would grow more powerful under those conditions.

CONCLUSION

For the foregoing reasons, among others, this bill should be emphatically rejected.

WILLIAM LANGER.

Mr. President, I signed it as a minority member of the Senate Committee on the Judiciary. When the bill comes up for debate I propose to discuss it at some length.

AMERICAN FOREIGN POLICY

Mr. BREWSTER. Mr. President, it seems to me to be appropriate to take this occasion to discuss briefly some of the little peoples of the earth, as we are greatly concerned with some of the larger issues involved in our international relations. I say this in no spirit of disparagement of those Members of this body who have undertaken to play the role of Jack the Giant Killer in seeking to slay the Monster of the Kremlin, but it seems to me that, as one of the new powers moving into the world scene—and I speak in terms of this century—it is well that we should bear in mind our very great responsibility for the little peoples of the earth who all too often are forgotten in the gigantic issues with which the world is now faced.

From time to time, in recent years, the Senator from Maine has spoken regarding the new State of Israel, in the early days, when it was still in process of its birth, with all the machinations that went on through the last quarter of a century after the Balfour declaration had first raised high the banner of hope before the peoples who so long, as it seemed to many of us, had been without their rights in Palestine. Finally, Israel was born. It received the blessing of this Nation and of the United Nations. The little state was struggling to be free, to rehabilitate its economy from the ravages wrought by war and to establish an economy which not only would care for the peoples resident there, but holding out Israel as a haven of refuge for hundreds of thousands of persons in Europe who could find no other home, thus relieving the rest of the Christian world of some of the agony of concern about the future of these peoples who had survived the holocaust of central Europe, and offering, also, a refuge for them.

Visiting there twice in recent years, it was my privilege to see something of the miracles which had been wrought in reclaiming the desert, in the building of great forests, in the creation of orchards and vineyards, and all the other things which had brought about a transformation in that land, making the desert literally to blossom as the rose.

So, Mr. President, with the close of the war and the creation of this new state hopes rose high throughout the world that at last a great dream was to be realized, and the resources not only of that country, but all the generous contributions, particularly from this country, which had flowed so freely to the rehabilitation of that area, might be dedicated to this high and holy cause.

What do we now find, Mr. President? With the closing of the initial period the arms embargo was suddenly lifted, which forbade the shipment of arms and munitions of war to this area, and we are now blandly told that it is desirable to see to the rearmament of that region. The British Government, one of our allies in the late war, if resuming the shipment of arms and munitions, planes, tanks, and ships upon a very important scale. This must necessarily be a matter of profound concern to anyone interested in the situation in the Middle East.

What does our State Department say about it in letters which have been written to Members of Congress who have inquired regarding the subject? I hold in my hand a letter addressed, under date of March 1, 1950, to a member of the Senate Foreign Relations Committee who wrote expressing his concern over the situation. Assistant Secretary of State, Mr. Jack K. McFall, replied as follows:

The embargo which had been placed by the Security Council on arms shipments to the Palestine area was lifted by the Council last August when that body determined that it was no longer necessary in view of the termination of hostilities in the area.

Why the shipment of arms would become desirable since hostilities were terminated is a little difficult to rationalize. One would suppose that if hostilities had terminated arms would no longer be necessary.

I continue reading from the letter:

During the discussion in the Council, the representatives of the United States and of the United Kingdom stated that their respective countries did not wish to see an arms race take place in the Near East.

That is certainly a pious hope, but it would be much more effectively implemented if neither of these countries should lend itself to the shipment of arms and other materials which must inevitably stimulate the force on which the groundwork of an armament race is built.

I read further:

The United States subsequently established a policy for the exportation of military equipment from this country to the Near East under which it has permitted shipment to the Arab states and to Israel of equipment which has been determined to be necessary for the maintenance of internal order and for the reasonable requirements of self-defense.

Regarding the possibility of a renewal of hostilities in the Near East, I should like to point out that the relations between the Arab states and Israel are governed by valid armistice agreements signed by those states in the early months of 1949. In these agreements the parties committed themselves to refrain from further acts of hostility, and the execution of the provisions of the agreements is being actively supervised by United Nations personnel on the spot in Palestine. These representatives have reported that the area is tranquil. Should a threat to the peace arise in the Near East, it would be the duty of the United Nations representatives, and of the states concerned, to report this development to the Security Council, which remains seized of the question of the maintenance of peace in Palestine.

I am happy to inform you that an analysis of information available to the Department indicates that no party to the Palestine dispute is making serious preparations to renew hostilities. However, as the Secretary stated in a recent letter to Representative JAVITS, if information should be received indicating that serious measures were being taken to this end, the United States Government would be quick to use all of its influence in an attempt to prevent such an eventuality.

I am enclosing for your further information on this subject a copy of the letter of December 28, 1949, from Representative JAVITS to the Secretary and a copy of the Secretary's reply of January 15, 1950, which have previously been made public by Mr. JAVITS.

I wish this communication might be more reassuring. It follows the general tenor of the message to Representative JAVITS under date of January 12, 1950, in which they state:

It is desirable that the countries in this part of the world obtain from reliable and friendly sources such arms as they may need for their legitimate security requirements.

The question, however, of what the purpose is of rearming the Middle East, and particularly Egypt, is one which cannot be viewed as lightly by people familiar with what has transpired in that area as would be indicated by the very complacent report of the State Department in this connection.

I hold in my hand rather extended statements which are certainly of a most alarming nature. Egyptian journalists have written freely of a renewal of hostilities despite the conclusion of the armistice agreement, and high officials in Arab governments have made their views public.

On March 9, 1949, Mohammed Et'Tabi wrote in Akbar Sa'A, a Cairo weekly:

The armistice may possibly be permanent, the Palestine problem may possibly be settled, and such a peace may be lasting, but this would be but an official peace between governments, because the Arab peoples * * * will never make their peace with the Jews, but will continue to proclaim the blood feud between them, which they will

recall each time the fate of the hundreds of thousands of refugees at the hands of the Jews be recalled. * * * This the Arab people will remember to the end of time * * * until Allah sends a savior. For a second Hitler will yet arise from among the Arab peoples, and then, woe to the Jews.

That does not sound particularly peaceful.

On May 14, 1949, 1 year to the day after the Egyptian forces had launched their unsuccessful invasion of Palestine, the Akhbar El Yom, a Cairo paper of standing in the court, wrote:

The Palestine war is not yet over. Egyptian blood which drenched the soil of Palestine has laid a path along which we are in duty bound to tread to clinch the victory for which our martyrs fought.

A spokesman of the Eypgtian Foreign Office was quoted on June 30, 1949, by the Near East broadcasting station as follows:

We are still at war with the Jews even though the Egyptian Army has ceased firing.

On September 29, 1949, the Cairo weekly, Akhar Sa'A, describing life in Israel, wrote:

This is a short account but the enemy, against whom we fought but yesterday and against whom we may still fight at any minute * * * the fight is not yet over.

In Iraq, government leaders constantly speak the language of war. Thus, on May 1, 1949, the Iraqui Ministry of Defense assured the people that Iraqi brigades returning from the Palestine war were coming back merely to rest and to prepare for the renewal of the Holy War at some opportune moment in the future.

The Foreign Minister of Iraq was reported by a Cairo daily, El Ahram, on May 4, 1949, as telling parliament:

We must all unite in strong opposition to Zionism in order utterly to destroy it.

On June 28, 1949, radio Bagdad broadcast:

The Jews are our enemies irrespective of how conciliatory they may be and irrespective of how peaceful their intentions. We shall never cease planning for the day of revenge, for the second round, when the Jews will be driven from our soil.

On September 10, 1949, the same station in its English translation stated:

The Arabs are determined to continue their struggle against Zionism to the very end. This small group of adventurers and thieves will regret they ever roused the Arab people to open conflict.

On August 9, 1949, Dr. Fadel Jamali, Iraq's delegate to the United Nations, stated in Bagdad, according to Falastin and the Near East Broadcasting Station:

Unless the ministries of education in the various Arab countries plan now to educate a new generation of active youth who will not be satisfied with words alone there is no doubt but that the Arabs will lose the second round (of the war against Israel) just as they lost the first.

Similar talk of a second round comes from Syria. On June 27, 1949, Radio Damascus stated:

The Arabs have lost the first round of the Palestine war because they followed the advice of the British and the Americans. They will not be so short-sighted in the second round. * * * We must increase our military strength and build a large number of ammunition factories. Then we shall be victorious and the Jews will be thrown into the sea.

Even though the Syrian-Israel armistice agreement had been concluded, Al Nazzer, a Syrian daily paper, wrote, on July 23, 1949:

We would say frankly to all the Arab states and to all the Arab people, now that the curtain has finally fallen on what we hope to be the first round of the Palestine struggle, may this armistice be of short duration, during which time we may endeavor to reinforce ourselves and increase our potential in order that we may destroy the dangers which surround us before they succeed in destroying us.

In Lebanon, former Foreign Minister Camille Chamoun told the press on March 22, 1949:

The war in Palestine will be renewed sooner or later. The Arabs cannot rely on the armistice agreements with the Jews.

And the pan-Arab newspaper, El-Khayat, wrote on June 16, 1949:

We are at war with the Jews. * * * And this war will not end until either we destroy the Jewish state or the Jews succeed in cementing their borders from the Euphrates to the Nile and from the Red Sea to the cedars of Lebanon.

These quotations ring rather strangely in the light of the State Department's declaration to Representative JAVITS, signed by Dean Acheson, Secretary of State, in which he concludes as follows:

I considering the export of arms to the Near East from the United States, and from other countries, the Department has constantly kept in mind the danger of enhancing the possibility of a renewal of the Palestine conflict. As I have stated above, our analysis of all information available to us does not indicate any serious preparations to this end. Should such information be received, the United States Government would be quick to use all of its influence in an attempt to prevent such a tragic eventuality, both within the United Nations and outside.

Certainly in the light of those declarations which have been broadcast throughout the entire area, and understanding how inflammable Arab peoples are in this connection, it seems strange to have our State Department calmly contemplate the shipment of arms and ammunition on a scale which certainly cannot be requisite so far as internal security is concerned. Fifty to two hundred of the most modern jet fighters are being shipped. Certainly those are not to be used for internal security. Frigates, with 4-inch guns, are being sent. Sherman tanks are being shipped in quantities which render it utterly ridiculous to suggest that they are essential for purposes of internal security. The other suggestion is that they may be necessary for legitimate security requirements, and that they may be necessary for defense. So let us examine the question of their defense.

Mr. Austin, our representative on the Security Council, in discussing the armistice agreement, had this to say:

It is essential that the resources of that area—

Referring to the Middle East—

be used for peaceful purposes, for economic development, for the resettlement of refugees, and for the achievement of higher standards of living for the populations of the area. It would be tragic and wholly wrong if the resources of the area were to be dissipated in an unproductive arms race.

I have never heard of an arms race which was productive. So I think we could eliminate the word "unproductive." All arms races are unproductive, even though at times they may be essential.

However, what do we find? Mr. Austin, a former member of this body, is properly emphasizing that they ought to go on with peaceful development, and with the resettlement of refugees. There are 713,000 Arab refugees. They are a matter of solicitude to all the peoples of the world, to whom we are being asked to contribute in an attempt to solve this very distressing problem.

It is estimated by the authorities concerned that the cost of their resettlement might be as much as $168,000,000. That would be essential to their resettlement, to avoid the tragic circumstances in which they find themselves.

It is interesting to note that that is exactly $10,000,000 less than the amount which the Egyptian Government, one of the five governments alone concerned, has dedicated to the reequipment of their army. One hundred and seventy-eight million dollars is involved this year in their budget. One-third of the entire expenditures of that poverty-stricken country is being dedicated to the purchase of planes, tanks, and frigates. How much better it would be if a far more substantial portion of that amount were being used to resettle their unfortunate fellow refugees in the adjoining areas, and how much more it would contribute to the establishment of that peace which is certainly the desire of all liberty-loving people everywhere.

Mr. President, I believe we are being asked for fifteen or twenty million dollars in connection with the $40,000,000 fund they are seeking to establish to resettle the refugees under the control of the United Nations. The Arab countries are being asked for the magnificent sum of $6,000,000, the six Arab countries, and meanwhile one of them alone can spend $178,000,000 on rearmament, which means that the others must rearm.

Particularly does it mean that Israel must take cognizance, in view of all these inflammatory utterances, of the fact that they cannot possibly ignore this development, that they, too, must proceed to deplete their already exhausted resources, because of the sums they are spending from their own resources, and from those received from America, in order to assist in the resettlement of the refugees from Europe who are pouring in on them. They must deplete some of those funds in order to start building up their armaments against the possible day of the imminence of conflict, such as is openly threatened.

We are told they must prepare to defend themselves. Secretary Acheson even delicately suggests that the defense of this area is a matter that is of great

concern to us. Certainly that is correct. But I am wondering how far our military planners and our diplomatic officials consider that our defenses are going to be promoted in that area by the rearming of Egypt in any such amounts as are involved here. We do not need to look back far in the record. When Rommel was at the gates of Cairo, the Egyptian Government refused even to declare war. They left the entire burden to the Allied Nations. They refused to raise a hand, they refused to fire a single gun, they refused to use a single resource, but compelled us, to pay even for the land which we took within their areas in order to defend their own liberties.

The airport which we built outside of Cairo in order to carry on our aviation operations involved very large expenditures, and when it was over we found we had no rights whatsoever. They did not raise a hand in their own defense; they did not even recognize the equities of the countries which had contributed so greatly to the preservation of their sovereign government.

Mr. President, these are the people whom we are now calmly rearming, or permitting to be rearmed, under the guise of an idea that they will contribute to the defense of the Middle East. Against whom? By what? In what way?

The record certainly does not lend encouragement to the view, but here again seems to be an example of the folly and futility of our State Department in permitting the continuance of a policy which can be calculated not only to work to the harm of a friendly power in whose birth we have played, I think, a very fortunate role, in giving Israel an opporunity to establish itself in the Middle East, but to pursue, a course which is ill-calculated to serve the interests of the country, calculated, on the contrary, to discourage further armament of the Near East. Certainly any aid of a military character which could be extended to Egypt and to the other Arab countries could not possibly count for anything significant if they really were to develop a struggle with the one power on earth concerning whom America now seems to be disturbed.

Mr. President, this is why the entire policy of the British and American Governments in this instance seems to fly in the face of the whole history of recent years. I hope that we shall see a change in these policies in the not distant future; that America, in the interest of world peace, will say to our British ally that they had better discontinue the rearming of the Midde East countries under the guise, as they allege, of treaties which have been in existence; and that America will view with grave concern a continuation of this course, which can only be calculated eventually to involve America in further responsibilities and difficulties as a result of the irritations and conflicts which are the almost inevitable result.

Mr. President, so much for the Middle East situation. Not only in Egypt did we see Rommel roam about without offensive action so far as Egypt was concerned, but in Iraq there was, during the early stages of the war, rebellion, which had to be put down by British forces in order to prevent them from turning their assistance to the enemies of the Allies. Both these cases well illustrate the utter undependability of the powers involved, so far as the defense of the vital interests of the United States are concerned.

SPAIN

Mr. President, there is one other people of whom I would speak, and here we enter upon a consideration of one of the oldest countries in the world, certainly under its modern establishment, one which has had a long history, and one with which our relations have been unfortunately interrupted in recent years, a country standing guard at the entrance to the Mediterranean, without whose friendly attitude it would have been impossible in the last war to carry on the African invasion, without whose friendly attitude the protection of our interests in the Middle East would have been difficult. We have declared Greece and Turkey as vital, and we have exhibited great interest in Palestine. We have very extensive investments in the entire Mediterranean area. Yet all of them would be utterly indefensible if there were not a friendly attitude on the part of the Government of Spain.

In spite of those vast considerations in this unsettled period, for a considerable time we have interrupted our normal diplomatic relations with the Spanish people, who are suffering under the blockades which we have for all practical purposes imposed in the extension and development of our relations.

I read with gratification from a statement this morning from our Secretary of State. I quote from the New York Times of March 10 a portion of the press release by the Secretary of State:

> Discussing the need to counter wherever possible "all thrusts of the Soviet Union," the Secretary said that "the only question we should ask" other nations of the free world "is whether they are determined to protect their independence against Communist aggression and if they are we should recognize our basic unity with them on this point."

He proceeds:

> But we are not dealing here with the kind of situation where we can go from one country to another with a piece of litmus paper and see whether everything is true blue, whether the political, economic, and social climate is exactly, in all its details, the kind that we would like to have either for them or for us.

The New York Times commented on this as follows:

> The bluntness of his language seemed to open the door for American assistance to some regimes with which the United States has not, until now, wished to deal because of their internal character, such as the Government of Generalissimo Francisco Franco in Spain.

It seems clear that the statement of the Secretary was expressly designed to deal with this matter, and also very adroitly to care for the situation in China, since it should be, I think, abundantly clear that the present Chinese Communist regime would not come within the category of a country which is determined to protect its independence against Communist aggression. That would seem very nicely to take care of the question of our attitude toward Communist China.

However, on the question of our attitude toward Spain, I should like to quote from a recent editorial in the Washington Evening Star:

THE SPANISH FRAUD

Senator CONNALLY's statement that he believes this country could properly exchange Ambassadors with Spain if it wanted to do so is interesting as a subject for speculation.

In 1946 the UN General Assembly adopted a resolution requesting member nations to withdraw their Ambassadors from Madrid. This was a phony show of morality that was rooted in deceit and tainted with fraud. The pretense was that the Spanish Government had aided the Axis, that it was a dictatorship, and that it suppressed civil rights and religious freedom. And, of all things, the leader of this crusade for decency was that inverted model of democracy—the Communist-dominated Government of Poland.

Evidently Senator CONNALLY is not in sympathy with this shabby performance by the General Assembly. And since he says that he does not regard the 1946 resolution as legally binding on this country, the inference is that he may use his influence as chairman of the Senate Foreign Relations Committee in an effort to persuade this Government to resume full diplomatic relations with Spain.

If so, he will be working in a good cause. And this is true, not because of any especially compelling reason of self-interest, but because this country, if it aspires to a position of moral leadership in the world, ought to purge itself of the intellectual dishonesty inherent in its position on the Spanish issue.

There is reason to believe that the State Department, or many of the top men in the State Department, would like to see an American Ambassador at Madrid. But they wring their hands and say that this cannot be done while the UN resolution remains in force. Perhaps there is some merit to that contention. Even if one believes that we were mouse trapped by the iron curtain delegations when the resolution was passed, there is still some force to the argument that the United States ought not to act in defiance of the Assembly.

But when these arguments are appraised in the light of the position taken last spring, they are found wanting in simple honesty. There was an effort last May to rescind the 1946 resolution. The vote was 26 to 15 in favor of repeal, but since a two-thirds majority was needed, the effort failed by a margin of four votes.

And what was our delegate doing in this attempt to cure the injustice of snubbing Spain while maintaining relations with the iron curtain dictators? He was doing nothing. Under instructions from the State Department, he sat on his hands and abstained from voting.

It is this aspect of the matter which is most offensive to any concept of integrity. The United States should support the UN. But there is no valid reason why it should refuse to go on record as between right and wrong. If our Government believes the original action was a fraud, it should have voted to rescind it. If it does not believe this, its vote should have been cast against the repealer. In one breath we proclaim our greatness and our moral principles. And then we stultify ourselves by refusing to stand up and be counted on a clear-cut issue which bears not only on our own integrity, but on the integrity of the UN as well.

Mr. President, in a further editorial, appearing in the Washington Evening Star on January 12, the hope is expressed that the speech by Chairman JOHN KEE, of the House Committee on Foreign Affairs, represents the change in the State Department attitude which apparently is confirmed by later developments in the

announcement of the Secretary of State. The editorial reads as follows:

SOME TRUTH ABOUT SPAIN

Chairman JOHN KEE of the House Foreign Affairs Committee has delivered a carefully prepared address on our relations with Spain, and it deserves attention. It is deserving because it is a sensible and, for these times at least, a singularly candid discussion of a blunder which reflects discreditably on this country.

There have been reports that Mr. KEE's speech was delivered with the blessing of the State Department. This is not confirmed, but if true that is a fact to be welcomed.

In 1946 the General Assembly of the United Nations adopted a resolution recommending that the member nations withdraw their ambassadors from Spain. This move was spearheaded by the Communists. Its intent presumably was to weaken the position of General Franco and pave the way for his downfall.

Of course, it has had the opposite result, as might have been expected. The Spaniards, resenting this attempt at coercion and the atmosphere of intellectual dishonesty in which it was conceived, probably stand more firmly behind Franco today than they did in 1946. That the policy has been a failure, in addition to being a kind of international fraud, has been evident for sometime. There have been attempts in the General Assembly to rescind it, the latest effort mustering more than a majority but less than the required two-thirds vote. The Government of the United States, however, with all of its talk of world leadership, with all of its pleas for international morality, has been unable to make up its mind on this issue. It has been unwilling to say whether it believes that the Assembly's recommendation is right or wrong. And when the decisive vote was taken last year, when the nations were asked to stand up and be counted, our representative—the representative of the greatest power in the world—sat on his hands, closed his lips, and looked the other way. Rather than take a stand as between right and wrong, we sought refuge in the timid device of abstaining from the vote.

Now Mr. KEE comes forward and urges a different course of action. He says that the policy of withdrawing our Ambassador has failed as a moral demonstration. The Star does not agree that there was ever anything moral about the policy, but at least there can be no doubt that it has failed. And this being so, Mr. KEE says he believes that the action of the General Assembly should be rescinded, that we should support such rescission, and that when the recommendation has been repealed we should send the best man who can be found as our Ambassador to Madrid.

It is to be hoped that this reflects the present thinking at the State Department and in the White House. If so, we can look forward to the day when our Spanish blunder will be rectified, and when, with respect to Spain, we will begin to serve our own interests rather than the interests of other nations, including all of those who have lined up against us in the cold war.

Mr. President, I gather that the editorial is pointing out the very interesting fact that of the 15 nations which voted against the normalization of diplomatic relations with Spain at the time of the last meeting of the United Nations, 6 out of the 15 were the so-called Communist nations, either Russia or its immediate allies or local pawns, so that if it had not been for their attitude—and they were the sponsors of the resolution in the first place—the vote would have been 26 to 9 in favor of normalizing relations, which would have meant the overwhelming adoption of the resolution and normalized relations.

Tragically enough, as the Washington Star pointed out, the United States and the United Kingdom were two of the nations which did not choose to vote. They were among the 16 who abstained from voting. Mr. President, I do not think that, as time goes on, that action will reflect credit upon the vigor or the leadership of our foreign policy.

The Washington Post of January 13, 1950, similarly had this to say:

RECOGNIZING FRANCO

Representative KEE in the House on Monday clarified a good many matters relating to the question of full recognition of Franco's Spain. The first and most important is the fact that the United States already recognizes the Franco government and has done so continuously since shortly after the final collapse of the Loyalist government in the early part of 1939. The question, therefore, is whether we should resume now an exchange of embassies with the Spanish Government. For some years the United States has been represented at Madrid only by a chargé d'affaires, who is accredited to the Foreign Minister rather than to the Generalissimo himself. Mr. KEE suggested that one obstacle is the difficulty of finding a man suitably qualified for so delicate and important a mission. An Ambassador to Spain, as Mr. KEE observed, "must be able to deal with Spanish problems * * * as part of our western European policy. * * * A solution of issues with Spain is devoutly to be desired—but not at the price of impairing our objectives among Spain's neighbors. Our next envoy must be broad in his comprehension of those objectives and resolute in his devotion to them. The American public must have complete faith in his disposition to represent them 100 percent of the way. * * * With an envoy of such caliber in Madrid, we should find the restoration of an Ambassador there much to our advantage."

Another obstacle to the restoration of an Embassy to Spain is the resolution adopted 4 years ago by the General Assembly of the United Nations, specifically debarring Spain from membership in that body "until a new and acceptable government is formed there," and recommending that the member nations "immediately recall from Madrid their Ambassadors and Ministers Plenipotentiary." Thus unless the United States is prepared for unilateral action, contrary to the expressed will of the United Nations, the resolution must first be rescinded. We should not, Mr. KERR believes, "act in such a way as to weaken in the slightest degree our unity with the nations with which we have entered into great commitments."

It is plain, however, that the resolution was badly advised. The mistake that led to its adoption lay in assuming the perpetuation of the political conditions existing at the time. It is probably true, as Representative KEE says, that the fundamental character of the Spanish Government has not changed since the resolution, but the character of international politics has altered radically.

The whole difficulty, it seems to us, arises from a confusion about what is implied in recognition. In earlier times this difficulty did not exist, for recognition implied nothing more than the power of the government to govern. Thus the policy was to recognize all de facto governments as soon as they had demonstrated themselves to be such. Indeed, Mr. KEE admitted that whenever the United States has departed from this tradition, whenever it has awarded its recognition as a moral endorsement of a government or its leaders, "we have usually involved ourselves in more problems than we solved."

This being so, the question of full recognition to Spain should not, in our opinion, be weighed according to the theoretic merits or defects of its form of government, or according to the personal qualities of the ruler, but solely according to its advantages or disadvantages in the present state of international affairs. Now, whether we like Franco or not, the fact remains that Spain is part of western Europe. Thus the sending of an Embassy to Madrid must be undertaken sooner or later; and, in our opinion, it would be better sooner than later—for the longer it is delayed the more the full recognition of Spain, when it comes will seem like a moral endorsement of its leader.

Mr. President, it seems now to be altogether likely that relations with Spain are going to be normalized as soon as the issue can be brought before the Assembly of the United Nations, inasmuch as the support of the United States—assuming that we have the degree of moral leadership which we like to assert we have—would certainly seem to be sufficient to secure the very limited number of votes which are requisite in order to accomplish the adoption of the necessary resolution, even assuming that such action is necessary, concerning which there are distinguished differences of opinion.

But it seems to me to be desirable that in connection with the consideration of this problem we consider the question which repeatedly is agitated below the surface, about which little is said publicly, but which repeatedly is brought up in the lobby discussions, namely, the Catholic issue. I have spoken of it before, and it seems to me altogether good that it should be brought out into the open, for when one discusses the matter with high officials in our Government, that is the thing that is privately asserted, namely, that the Catholic persecutions in Spain make it undesirable and inadvisable that we should normalize our relations with Spain.

The State Department's position, as reflected in the statements of Secretary Acheson, and the published editorials make it abundantly clear that considerations of that character have not entered into the determination of whether we should have normal diplomatic relations with Spain. Certainly our attitude toward Hungary, where Cardinal Mindszenty has been so atrociously persecuted; our attitude toward Czechoslovakia, where thousands of persons have been placed in prison because of their religious views; our relations with Moscow, where only within the last 2 days, according to the reports we have read, a Catholic priest was not allowed to carry on normal services there, seem to establish indubitably the proposition that questions of race or religious relations are not at the basis of the determination as to whether we have normal diplomatic relations.

But in order to contribute in some measure to an understanding of the conditions which prevail, in the course of two visits to Spain in the last year it seemed to me very appropriate to inquire somewhat assiduously into the matter. Along with some other Members of Congress, I attended religious services in Protestant chapels in various parts of

Spain. I saw the conditions under which they were held. I talked with many members of the Protestant clergy and also with many Protestants and also with Jews. I arrived at conclusions which have been very well expressed in a communication which was written to me at my request regarding the conditions which prevail. In reading this communication into the RECORD I wish to give it as my considered opinion, from an observation of conditions in Barcelona, Bilbao, Seville, Madrid, and from various contacts throughout that country, that it represents a considered appraisal of the status of religious relations in Spain, and I think it may be helpful to all thoughtful Americans who would like to have a somewhat impersonal and impartial appraisal.

This is a letter written to me by the president of the American Chamber of Commerce in Barcelona. His name is Max H. Klein. It is my understanding that he is a member of the Catholic faith, although his name would indicate that his ancestry might have been somewhat different.

I visited with him. I talked at length with him about the matter. I know that his character is expressed in every line of this communication, which I am pleased to adopt as a report of the conditions as I found them in that country:

OCTOBER 5, 1949.

HON. OWEN BREWSTER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: You have asked me to state in writing my personal views on what you refer to as the so-called Protestant problem in Spain, and I am both willing and pleased to comply with your request in the hope that the eventual clearing up of misunderstandings on this question, particularly in the United States, will help to restore normal relations between the United States and Spain.

I have lived in Spain the greater part of 27 years, the last 4 as president of the American Chamber of Commerce in Spain. I consequently believe that I have a fairly good insight into Spanish conditions.

I should like to say right at the outset that I personally had never heard of any such thing as a Protestant problem in Spain until I read Mr. Homer Bigart's article of February 23, 1949, in the New York Herald Tribune. I thought that this article grossly misrepresented the facts of the case and in this way not only harmed the reputation of the Spanish people and Government, but at the same time did great harm to our own American interests. It was for this reason, and in a sense of equity and fair play, that I replied to Mr. Bigart's article in a letter to the editor of the New York Herald Tribune, which letter however was apparently not found worthy of publication.

During the last 5 months, I have made a point of personally investigating this so-called problem.

When I first expressed the opinion that the problem did not exist in Spain, I apparently went a little too far. I must qualify this statement by saying that it does exist, particularly in the minds of some of the Protestant pastors here, whose reports have produced the impression that Protestants are being actively persecuted in Spain, which is not the case.

Protestant pastors in Spain have repeatedly stressed the fact that they suffer from the lack of freedom of worship and freedom of speech, which has apparently aroused public indignation in Great Britain and the United States. May I say that I have found these statements misleading and inexact, and after talking the matter over with some of the pastors, they themselves admitted that they might have been overzealous in their complaints.

It seems to me that the Protestants of, say, Barcelona, cannot complain of lack of freedom of worship, when they have over 20 authorized chapels functioning regularly and without the slightest difficulty or interference.

I may interpolate that I attended two of those chapels, myself, while in Barcelona, and can testify to the correctness of what he says. I go on with the letter:

They complain of the fact that they are not allowed to have external signs on their chapels. This to my mind may be a justified complaint, though possibly not a very important one. However, it should be noted that the Catholic Churches have no external signs either.

Again I can testify that as a fact they apparently do not go in for signs on their churches in Spain.

They further complain, and they use it as an argument with reference to the lack of freedom of speech, that they are only allowed to preach within the chapels and not outside of the chapels. This seems to me perfectly normal and I see no reason why this should be considered as a breach of their freedom of speech.

In that connection, I may say that under the Spanish practice there are not allowed the street meetings with which we are rather familiar in this country, which are conducted by certain of our denominations.

Some of the pastors have also stressed the point that they have sometimes written to local newspapers asking them to publish articles in connection with their activities, which articles, however, were not published. May I say that here in Spain this is not an uncommon occurrence, as I personally have written several articles to the newspapers on commercial matters, which also have not been published. The refusal of this publication, however, has not been taken by me to mean that I am being persecuted, nor did I so interpret the refusal of the New York Herald Tribune to publish my afore-mentioned letter on the so-called Protestant problem in Spain.

Some of the pastors complain that they and their churches have in the past been physically attacked, though they admit that such attacks have been isolated and were not incited by the Government. Under closer questioning the pastors admitted that the majority of such attacks—there were very few—took place immediately after the entry of Nationalist forces into the cities where their chapels happened to be located. I think that in all fairness to all sides we should not take into consideration any acts of violence which may have happened immediately after the entry of the victorious troops, because we all know what this means. Nor do I think we should take into consideration the fact that all Protestant chapels were closed during the time cities were occupied by anti-Franco forces. In the case of these anti-Franco forces, I think we should give them the benefit of the doubt and not consider them as troops of a regular army but more as a conglomeration of Anarchists, Communists, Syndicalists, etc., who naturally had no use for places of worship of any faith.

Another complaint is that some years ago certain unsigned handbills were distributed amongst the population, which resulted in creating anti-Protestant feeling. The pastors I interviewed were unable to tell me anything as to the origin of these handbills, but they did seem to think that they were not Government-inspired, and as a matter of fact, whenever requested to do so the local government authorities provided the chapels with police protection.

I may interpolate at that point that I found a very interesting case, reported to me by a Protestant pastor who was conducting services without authority of law—in fact, in defiance of the law—but who appealed to the municipal governmental authorities for protection in the conduct of the services. He was accorded that protection by the police, even though he was proceeding entirely without authority of law in the entire conduct of the services. It was a case brought to my attention by a Protestant pastor in Barcelona.

It is not unlikely that these handbills were distributed by extreme left-wing elements, who are certainly not interested in seeing normal relations between the western Allies and Spain, and who resort to all possible methods for maintaining a certain amount of friction between these countries.

Some pastors complain of attacks on the Protestant faith by Cardinal Segura of Seville. Although I have not actually read what Cardinal Segura is supposed to have said, I know that he is a very old-fashioned and intolerant member of the Catholic Church—

I call attention to the fact that Mr. Klein, who writes this, is himself a Catholic—

who has gone so far as to threaten any young woman who is seen dancing with a member of the opposite sex with expulsion from Catholic societies. It looks, therefore, as if Cardinal Segura does not confine his persecution to the members of the Protestant faith and is just as intolerant with members of the Catholic Church. In all fairness, it seems to me that his statements should not be taken as truthfully reflecting the position of the Catholic Church, much less that of the Spanish state.

Another complaint is that there are no Protestant members in the present Spanish Government. When questioned, some of the pastors admitted that this was purely coincidental and due to the fact that there just happened to be no Protestant with sufficient qualifications to hold high government office. There is no law or anything in the constitution forbidding Protestants to serve.

Again it is stated that Protestants are unable to become officers of the army, navy or air forces. I have not been able to get to the bottom of this question, but to the best of my knowledge, there is no law prohibiting a Protestant from becoming an officer. It is merely a matter of tradition.

Many of the pastors who are foreigners readily admitted that if the government wished to expel them from Spain, this could be easily done by merely not renewing their residence permits, which renewal is obligatory for all foreigners every 2 years. They state that the government has never taken advantage of this prerogative in order to expel them from the country.

I think that this so-called Protestant problem really boils down to the following fundamentals:

The Spanish Government does not prohibit Protestants from worshiping according to their beliefs and to this end allows authorized chapels to function normally. What the Spanish Catholic people do resent, and quite naturally so, is that Protestant missionaries should consider Spain as a propitious field for the conversion of Catholics to Protestantism.

That, I think, is the conclusion I reached, that the distinction is one between worship and proselyting, that so far as worship by Protestants is concerned it is not difficult to find a solution for the matter. If it comes to proselyting actively among the Spanish Catholic population, then difficulty comes; exactly as we sometimes have difficulty in our own country when certain groups in certain areas undertake actively to proselyte in other areas where there are very different points of view. He goes on:

I think that, on the one hand, Protestant circles outside of Spain should be truthfully informed of the position here, which on the whole is favorable, and they should be made to realize that the spreading of erroneous information about the situation is harmful to their own religious interests as well as to the general interests of their respective countries.

On the other hand, I think the Spanish Government should be prevailed upon to give increased facilities for Protestant worship, especially as regards the free entry of religious books, and also granting the permits necessary for the building of additional chapels. I understand that there has been a great deal of delay in the granting of such permits. After 27 years spent in Spain, may I say that such delays are unavoidable and I, for instance, had to wait 18 months for a permit to import six automobile tires, which were my property. The fact that I had to move heaven and earth to finally get the permit cannot be attributed to persecution of any kind, but simply means that the wheels of bureaucracy in Spain grind slowly.

I may here interpolate that the wheels of bureaucracy in Washington and probably in Moscow sometimes grind slowly, as we have all learned to our sorrow, and we become enmeshed in endless bureaucratic red tape.

I also believe that the Spanish Government should be duly informed of the fact that there are many denominations of Protestants and that, for instance, in a city where there is a Baptist chapel there may be some Methodists who would like to build their own. For the Spaniards a Protestant is a Protestant, and 99 percent of the people have never heard of the various denominations. This, it may seem, may be one of the reasons why the building of additional chapels may in some instances have been delayed, as the Government may have mistakenly thought that Protestant worshipers were already amply provided for.

As a conclusion, I might say that all of the above matters, as well as many others, could more properly and efficiently be brought to the attention of the Spanish Government, and with a much better chance of being remedied, if we had an American Ambassador to represent us here.

The presence of an Ambassador would help to clear up one of the most important causes of confusion on this question; namely, the confusion between Protestant complaints against the actions and statements of Catholic authorities, on the one hand, and Protestant complaints against the Spanish state, on the other hand. In a country where 99.9 percent of the people who have any religion at all are confirmed Catholics, this distinction is not an easy one to draw, and in order that American opinion may be properly informed it is absolutely necessary that it should receive the kind of top level reports that only a full Ambassador can produce.

In my opinion, the strongest ill-feeling and resentment will be found to have arisen from conflict between Protestants and Catholics. This kind of conflict is absolutely normal in any country where several different religions are allowed to coexist. It is a conflict which occurs quite normally, and, may I add, healthily in our own country. It is a conflict which should not be confused with "persecution of the state."

Yours very truly,

MAX H. KLEIN.

Mr. President, I should like to add that when he speaks of the 99.9 percent Catholic predominance in that country, it is the general estimate that there are only from 15,000 to 30,000 Protestants in the entire country, more or less scattered, so that the problem does not bear as much significance as is sometimes given to it by those persons who agitate the matter, sometimes very earnestly, and undoubtedly with the best of intentions, when it is compared with the vital interests of this country which are so necessarily involved.

Mr. President, I should like to conclude with two quotations, one from Mrs. Roosevelt, who has been a representative of the United States in the United Nations when it was decided to refrain from voting. She was one of the five delegates who participated in that decision, but I think her thought has changed somewhat regarding this question, judging from certain expressions she has recently made in her column, from which I quote, with the first sentence of which I disagree rather sharply:

There is very little to choose between a communistic Spain and a Fascist Spain.

Certainly, under the principle laid down by the Secretary of State in his most recent press release, when he said that the only question we should ask is whether a nation is determined to protect its independence against Communist aggression, and if it is, we should recognize our basic unity with it on this point—certainly the Secretary of State, in that utterance, would disagree very sharply with what I hope was a somewhat casual statement of Mrs. Roosevelt that there is very little to choose between a communistic Spain and a Fascist Spain.

As a matter of fact, the Spanish Government in exile, which was Communist-dominated, and which took between $300,000,000 and $500,000,000 in gold out of Spain and deposited most of that money in Moscow, the rest of it in Mexico, is still functioning on that money in Paris. They appeared at the Interparliamentary Union in Stockholm last fall as the representatives of Spain and were admitted to the interparliamentary conference as representatives of the people of Spain. Our American delegates were also present. A sabotage school is conducted by them in France, across the Spanish border, to carry on repeated incursions into Spain to stir up difficulty.

The idea that we in America should view with equanimity the substitution of the Spanish Government in exile, which is the only alternative to the present regime, and the one which almost inevitably would move in to succeed it if we should starve the existing regime into collapse, is something which cannot be viewed with anything but profound concern by one familiar with the contacts and the points of view it represents, and with the inevitable results of its being reestablished as the power in the Iberian Peninsula.

But Mrs. Roosevelt goes on to say something which I think is far more in accord with our viewpoint:

It may well be that the resolution to withdraw Ambassadors was not wise—

It is now admitted by the Secretary of State that the original action was a mistake, that the United States Government did not believe in it at the time, but reluctantly agreed to it under the representation of our associated powers in Europe. Mrs. Roosevelt goes on to say—

since the people of every nation are free to choose their own form of government, and we should respect their decision.

Our hope that a free election would establish a democratic form of government in Spain was not realized. It seems to me what we really want is to convince Spain that the ways of freedom and democracy are synonymous, and therefore we leave her free to choose her own way.

Those words, it seems to me, express what is the present viewpoint of our State Department.

Mr. President, I want also to incorporate in the RECORD, on the question of the attitude of the existing Spanish regime, a quotation from one who, I think, will be recognized as certainly thoroughly unprejudiced in the American scene, thoroughly removed from any of the present questions in which we may at times become involved, one who speaks out of the depth of unquestionably the most thorough experience with this problem, one who was in charge of the conduct of the war on behalf of Great Britain, and who, therefore, speaks with some knowledge of the Spanish attitude. I refer to Winston Churchill, and I read from his statement on this point, as follows:

There is no doubt that if Spain had yielded to German blandishments the Straits of Gibraltar would have been closed, all access to the Mediterranean would have been cut off, and the Spanish coasts would have become nesting places for German U-boats. Spain injured neither us nor the United States in the war, and, as for freedom, I can say there's more liberty in Spain under Franco than there is in any country behind the iron curtain, and I see no reason why Spain should be excluded from the United Nations any longer.

That seems to me to sum up the Spanish situation at this time which very many thoughtful Americans concerned with American defense hope may very soon be normalized in our relations, not because of our primary solicitude for Spain, but because of our concern for the self-respect of our own country in carrying out policies which are in consonance with our traditional practices and which are far better calculated to serve the interests of America and the interests of world peace.

There is much that can and should be done in the normalizing of our trade relations with Spain in carrying out our normal intercourse in the development of aviation facilities there which are so meager as to be a major obstacle in the operation of our own lines and the air lines of the world between this Nation and the Mediterranean. Particularly this year, when such a vast amount of traffic seems likely to move from America to Rome in connection with Holy

Year, it is tragic that in the great airfields of Spain there are utterly inadequate facilities to serve the transit of planes.

Flying to Madrid in one of our own naval planes it was impossible, 5 miles from the airport, to communicate with the ground authorities because of inadequate facilities. Spain would be very desirous of developing these facilities which would greatly facilitate the commercial intercourse which is for the benefit of all the world, but it has not been feasible because of the bans which have thus far prevailed. All our authorities who are concerned with our defense and our commercial aviation are equally agitated over the matter, but thus far there has been a road block interposed. Our British friends have intimated that Spain is not worthy of credit. Yet, to my amazement, when I was there I found they were in the process of renewing a trade agreement with Britain for the interchange of $300,000,000 worth of goods a year. It is a strange theory on the part of a nation which we are assisting so much in financing, that they should find it possible to do that amount of business with Spain while frowning upon any commercial intercourse.

France and Britain are supposed to be the two nations which have discouraged our normalization of relations. France is doing $100,000,000 worth of business with Spain, and meanwhile, our own commercial intercourse has been reduced to negligible proportions. We see the great Spanish cotton mills which are so much in need of cotton from America. We have 5,000,000 bales of cotton stored up and we do not know what to do with it. It is a sufficient quantity to start those factories for the beneficial flow of the very lifeblood which is vital to Spain's carrying on; it is beneficial to us, to them, and to all the world, and yet some blighting power which has seemed to paralyze our hands so unfortunately in the Orient, in the Middle East, and in the Mediterranean area, seems still to exercise its benumbing influence and to deny the normal action which would be so well calculated to serve the interests of world peace.

These are the reasons why I hope that in the not distant future the State Department may decide not only upon its present policy of saying that when we have an opportunity we will vote to normalize relations with Spain, but that the American Government, in recognition of its leadership in seeking to solve the problem, may avoid what might be the catastrophic consequences of our present policy of starvation which could result in unsettlement in the area which could only be calculated to serve the interests of those on the other side who have led in the battle to keep from normalizing relations with Spain by the various powers outside the iron curtain, the very powers which led in the assault on Spain, and to whose policies we are lending support by the present action of our own State Department in the situation.

CHINESE REPRESENTATION IN THE UNITED NATIONS—AMERICAN POLICY IN THE FAR EAST

Mr. KNOWLAND. Mr. President, I wish to take a few minutes of the time of the Senate to discuss the recent action by the Secretary General of the United Nations in his proposal relative to the admission of the Communist regime in China to the United Nations, and the exclusion, which would have to precede that, of the legal delegate from the Republic of China.

I speak as one who has supported the United Nations Organization and believed in it in the period before I came to the Senate, as well as in the 5 years I have been a Member of the Senate.

It seems to me, Mr. President—and I say this on my responsibility as a Senator—that Mr. Trygve Lie in this case has shown himself as a partisan of the Chinese Communists. I ask at this time that there be printed in the body of the RECORD two very able editorials which appeared today, one in the New York Times, and the other in the New York Herald Tribune.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection?

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times]

CHINA IN THE UN

The proposed compromise of Secretary General Trygve Lie on the question of China's representation in the United Nations does not get at the basic issue. The Secretary makes the point that recognition of any government should not be tied up, necessarily, to representation in the United Nations. Thus, it is urged, member states that have not recognized the Chinese Communist regime should not oppose its appearance in the United Nations as representing China.

But the plain fact is that recognition and representation have been tied together so closely by the Soviet Union that the issue has afforded the occasion for a Soviet boycott of all the major United Nations bodies. What the Russian delegates have demanded is that a government not recognized by them could not be allowed to be representative of China in the United Nations. To enforce that demand they have staged their weeks-long boycott. In short, they have tried to blackmail the United Nations into taking their point of view.

The American position, on the other hand, is quite clear and ought to be beyond cavil. The United States has said that it will abide by a majority decision as to representation, regardless of what it chooses to do on the question of recognition. That is merely maintaining a right of judgment in an individual case. It is not attempting to hamstring an international body through the exercise of that right of judgment.

The United States is not trying to enforce acceptance of its point of view, although it has indicated that it will abide by it. The Soviet Union is trying to enforce just such an acceptance. In those procedures there is nothing to compromise. The United States is not prepared, at this time, to recognize the Communist regime or to disavow the Nationalist Government of China in the United Nations. It is not, however, proposing to walk out of the United Nations on that issue. The Soviet Union, conversely, is determined to make its own recognitions the rule in the United Nations or else it will not join in any international action. If Mr. Lie feels that a surrender to the Soviet Union is required to save the United Nations he should say so. The United States, obviously, feels under no such compulsion in this case.

[From the New York Herald Tribune]

SCHIZOPHRENIA IN THE UN

Mr. Trygve Lie's proposal for an agreement on the basis of representation in the United Nations is intended to break the present deadlock in that organization, caused by Russia's efforts to unseat Nationalist China in favor of the Mao regime. But while adoption of the Secretary General's principle would doubtless bring the Soviet Union back into UN activities, it would be at the expense of inducing a serious case of split personality among the nations opposing recognition of Red China.

Mr. Lie argues that any government which exercises "effective authority" over a country and is "habitually obeyed by the bulk of the population," is entitled to representation in the UN. Moreover, he urges that the question of representation be kept distinct from that of recognition by individual governments, citing instances in which UN members had voted to seat states to which they had not yet accorded formal recognition. But the Soviet Union not only has voted against the admission of nations with which Russia did not have diplomatic relations, but used the veto to keep them out in the face of approval by the majority. Mr. Lie acknowledges, too, that the case of China is unique, so far as the UN is concerned, in that there are two governments, each with substantial diplomatic support among UN members. Nevertheless, he still seems to think it possible for the United States, for example, to vote for the admission of the Mao government while maintaining friendly relations with the Nationalists.

The State Department has laid down a scrupulously correct policy with respect to China's position in the UN. So long as the United States continues to recognize the Nationalists—and the Communists have given this country no reason to change their stand—the American delegation will vote against the admission of Red China. But, unlike Russia, the United States will not veto any action taken by a majority on this question. It is impossible to do more without involving American policy in hopeless confusions; respect for majority decisions fulfills all obligations to the UN and goes much farther than the Soviet Union in sustaining the world organization. It is Russia which has snarled the normal processes of UN machinery, and Mr. Lie has produced no very persuasive reasons why she should be given a bonus for unsnarling them.

Mr. KNOWLAND. Mr. President, I also ask to have printed in the body of the RECORD an article in the New York Times written by Mr. Thomas J. Hamilton, which I think should cause concern to Members of the American Congress, as well as the American people as a whole. I wish to read a few paragraphs from this article and then ask that the entire article be printed in the RECORD.

LAKE SUCCESS, March 9.—Hope that the deadlock over China's representation in the United Nations could be solved in the next few weeks was expressed by a number of United Nations sources today. It was generally agreed that a memorandum circulated by Secretary General Trygve Lie presented an effective argument for the admission of the Chinese Communist regime, but

that the problem was essentially political. Also, it was agreed that if no solution were reached soon, the deadlock would continue for months.

Since the western world, under the leadership of the United States, is now striking back at communism, it is acknowledged that the admission of a Communist regime to the United Nations would appear inconsistent. Furthermore, it is agreed that many nations that have voted against the expulsion of the Nationalists are hardly likely to shift their position unless they are convinced that the United States would acquiesce in such a change.

HOLD UNITED STATES FAVORS ADMISSION

Most delegates here are convinced that Secretary of State Dean Acheson, in view of the fact that the authority of the Nationalist Government no longer exists on the mainland of China, believes it would be better for the United States to admit the Communist regime, and that eventually, at least, the United States should recognize it.

However, Ernest A. Gross, deputy United States representative, announced yesterday that since the United States continued to recognize the Nationalist regime, it would continue to vote against the expulsion of the Nationalists and the admission of the Communists.

Mr. President, I ask that the entire article be printed at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 10, 1950]

LIE PLEA ON CHINA STIRS HOPES IN UNITED NATIONS—MOST DELEGATES FEEL ACHESON FAVORS ADMISSION OF REDS—RIVAL SOVIET BODY FEARED

(By Thomas J. Hamilton)

LAKE SUCCESS, March 9.—Hope that the deadlock over China's representation in the United Nations could be solved in the next few weeks was expressed by a number of United Nations sources today. It was generally agreed that a memorandum circulated by Secretary General Trygve Lie presented an effective argument for the admission of the Chinese Communist regime, but that the problem was essentially political. Also, it was agreed that if no solution were reached soon, the deadlock would continue for months.

Since the Western World, under the leadership of the United States, is now striking back at communism, it is acknowledged that the admission of a Communist regime to the United Nations would appear inconsistent. Furthermore, it is agreed that many nations that have voted against the expulsion of the Nationalists are hardly likely to shift their position unless they are convinced that the United States would acquiesce in such a change.

HOLD UNITED STATES FAVORS ADMISSION

Most delegates here are convinced that Secretary of State Dean Acheson, in view of the fact that the authority of the Nationalist Government no longer exists on the mainland of China, believes it would be better for the United States to admit the Communist regime, and that eventually, at least, the United States should recognize it.

However, Ernest A. Gross, deputy United States representative, announced yesterday that since the United States continued to recognize the Nationalist regime, it would continue to vote against the expulsion of the Nationalists and the admission of the Communists.

Mr. Lie's memorandum suggested that the question of United Nations membership and recognition be separated, and that United Nations membership should belong to the government that exercised effective control over its territory. Republican Senators, however, continue to demand that the United States support the Nationalist regime.

Delegates now are convinced they were correct in their supposition that the Soviet Union did not want the Communist regime admitted to the United Nations while the two countries were negotiating in Moscow. The Soviet objective, they hold, was clearly to convince Mao Tze-tung that the Soviet Union was the only true friend of his government.

However, the Soviet Union has continued to walk out of United Nations agencies, and this has given rise to speculation on the possibility that the Kremlin may now use the refusal to expel the Nationalist regime as a pretext for a permanent withdrawal of the Soviet Union and Communist-controlled countries from the United Nations.

PROVOCATIONS HELD ENCOURAGED

Delegates who believe in this theory say that this would be logical in view of the consternation produced in the Soviet Union by the defection of Marshal Tito of Yugoslavia. Since then, the Soviet Union has started a new drive to tighten its grip on the satellite countries, and at the same time has apparently encouraged their governments—as witness the provocative actions of Hungary and Bulgaria toward the United States—to break the remaining ties with the West.

Obviously, these delegates hold, firm control over China is even more important to the Kremlin than over these relatively small European countries. Therefore, they see a possibility that the Soviet Union in the end may decide to set up what would correspond to a Soviet United Nations.

The experience of the past few weeks, with no member of the Soviet bloc taking part in the work of any United Nations organ, has inspired misgivings in a number of delegates about the value of the work the organization could do in that event.

United States spokesmen continued to express the hope that the Soviet Union would come back soon, but other delegates said they had a feeling that some officials in the State Department would not be too unhappy if the Soviet delegates never came back.

In any event, it is generally held that the longer the Soviet walkout lasts, the more probable a permanent departure will become.

Mr. KNOWLAND. Mr. President, there is a vast difference between this Government merely making a statement that they themselves do not intend to unseat the delegates of the Republic of China and to seat the delegates from the Communist regime in China, and inaction on our part along with that statement. It seems to me that if we are to assume the place of leadership in the world which we have we cannot merely say, "Our own vote is going to be this way, but beyond that we have no interest," because that is saying to the other nations with a wink, and with our tongue in our cheek, that we do not particularly care whether they unseat the delegates from the Republic of China and seat those of the Communist regime.

As I have said, I have supported the United Nations because, while I recognized that it did not furnish a utopia, it did furnish the best hope we have of a place where nations might work out international problems, and if we yield to Soviet blackmail in this case, we establish a precedent which will rise to plague us in the future.

In other words, in order to enforce their own point of view, the Soviet Government and its satellites have walked out of the United Nations, and in fact have said to that organization that unless we comply with their point of view they will not be back to participate in the deliberations. If we yield to that type of pressure in the case of China, what assurance is there that there will not be a dozen problems which will arise in the future in the consideration of which they will first threaten to walk out, and later will walk out? In that event, are we then to yield time and time again? It would be most detrimental, in my judgment, and I believe in the judgment of many Members of this body, to have the United Nations take such action.

First of all, I believe that the State Department should show some vigorous leadership, not only saying they will vote against the elimination from the United Nations of the delegates of the Republic of China, and will actively oppose the admission of the Chinese delegates to the United Nations, but I think we should take the leadership and furnish leadership in the free world, by seeing to it that in this particular contest we win the vote of the United Nations.

I say most respectfully that I think Mr. Lie has done a great disservice to the United Nations, and to his presumably impartial position in the United Nations as Secretary General, because in this case he has definitely taken sides with the Communist regime of China, with all that implies.

I also ask to have printed in the RECORD at this point the statement which was issued on March 9 by Dr. V. K. Wellington Koo, the Ambassador of the Republic of China to the United States, regarding Mr. Trygve Lie's proposal.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY DR. V. K. WELLINGTON KOO ON MR. TRYGVE LIE'S PROPOSAL

It is surprising that the Secretary-General of the United Nations should have advocated a questionable course of action relating to the claim of Chinese Communists to representation in place of the National Government of China still recognized by the vast majority of the member States as the Government of China. His proposed formula seems clearly based not upon the high ideals of the Charter and the principles of international peace and security, which is the cardinal objective of the United Nations, but upon the dubious doctrine of accomplished fact. If such a suggestion should be approved by the bulk of the member States, it would have the effect of putting a premium on force and violence in national politics and upon international aggression for imperialistic aggression. What would the freedom-loving peoples of the world have thought if the Allied Powers of World War II had recognized the puppet regimes set up by Hitler in 1940 in Norway, Denmark, and other countries of western Europe?

Individual states might, for selfish reasons of their own, adopt a policy of hasty recognition of the so-called realities, but the United Nations should be the last body to lend its support to such a policy, if the Charter of the United Nations is to be upheld and honestly carried out.

The Soviet reason for their walk-out of the different organs of the United Nations was no reason at all. As the Secretary of State said yesterday at a press conference, if all member states adopted the same view, international cooperation would be impossible.

The Secretary-General's proposal, apart from its intrinsic unsoundness, also gives the false impression that if the representatives of the Chinese National Government are unseated and the Chinese Communist regime is given representation instead, the Soviet Union would thereafter give genuine cooperation on all important problems facing the United Nations and the world. In fact, long before the question of China's representation arose, the Soviet representative in the Security Council had cast over 30 vetoes, and his national colleagues in the Military Staff Committee and the Atomic Energy Commission had blocked progress on all important resolutions for promoting the cause of international peace and security. The latest Soviet walk-out of the International Children's Emergency Fund meeting shows that even the broad considerations of human welfare did not persuade them to modify their own selfish view and arbitrary attitude on the question of China's representation but preferred to withhold their cooperation on the the same flimsy pretext.

To yield to the Soviet blackmail would be not only appeasement, pure and simple, but gross connivance and set a dangerous precedent for the future of the United Nations.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KNOWLAND. In a moment. I merely wish to add, on the same subject, that I do not want the State Department to be under any false assumption that, because this matter has not been discussed during the past few weeks, there is any lessening of interest on the part of a number of Senators of the United States, and I believe Members of the House of Representatives, in this problem of the Far East. But up to this time it has not been opportune to press the matter further. We were also waiting for Mr. Jessup to return from his trip to the Far East, and for Mr. Butterworth, the Assistant Secretary of State for Far Eastern Affairs, to get back to this country.

I wish to point out to Members of the Senate that on Monday the Secretary of National Defense, Mr. Johnson, will appear before the Senate Committee on Appropriations, as well as the Chairman of the Joint Chiefs of Staff, and in the near future there will be others. We intend to find out whether or not we yet have any policy in the Far East.

I think that the Senate and the country are entitled to know what our position in the entire area of the Far East is going to be. We not only have the situation in Japan to look into, but there is the situation in Korea. Also there is a situation in southeast Asia, in the Dutch Indies, in the Philippines, in the island of Formosa, and the island of Hainan.

I do not believe those problems can be met piecemeal. I do not believe that either the Congress or the country is going to be satisfied to direct 98 percent of our attention to Europe and only 2 percent of our attention, or less, to the Far East, when the problem with which we are confronted is one that is global in character.

Therefore, Mr. President, I believe that the Committee on Appropriations will have to consider many questions dealing with the strategic situation in the Far East and with the importance these various nations and various situations have one with the other, both when the witnesses appear from the National Defense Establishment, and when they appear from the Department of State.

Mr. President, this is a very important matter. I speak again as one who has supported the so-called Marshal plan, the ECA program, in Europe. But there are some questions which have to be answered. Certainly, if communism is global in character, as many of us believe it to be, and if our policy to date has been to close the door to communism in Europe while leaving it wide open in Asia, Congress has a right to ask whether the aid we are giving in Europe is being used adversely to our interests in the Far East and to the interests of the entire free world.

As one Member of the Senate, I was pleased to read the speech of the Minister of External Affairs of Australia, who, I think, showed a very statesmanlike point of view in his message to the Australian Parliament, and indicated a desire to work with the United States, along with the British Government, and recognized the importance of the exploration, at least, of a Pacific pact. That is the second time a voice has come out of the Pacific calling the attention of the American people to that vast and important area of the world. The first time was when the able and distinguished President of the Philippines made a speech before the Congress of the United States, and also called to the attention of this country and of the Pacific nations the importance of a Pacific pact.

Mr. President, I believe that the State Department must not devote itself almost exclusively to Europe. I recognize the importance of Europe. I recognize the importance of keeping Europe from going behind the iron curtain, but the Far East should be be given an equal amount of attention, and while the Secretary of State is considering a meeting of the Foreign Ministers of the North Atlantic countries, he should be simultaneously giving consideration to calling the Foreign Ministers of Australia, New Zealand, the Philippines, Korea, and other countries in that area of the world. As the Minister of External Affairs of Australia pointed out, no pact in that area can be effective unless the United States is an interested party thereto, and of course we know that the North Atlantic Pact could not possibly have worked out without the participation of the United States.

For too long a period of time the Pacific area and the Far East, containing more than half the world's population, more than a billion and a quarter people, have been the stepchild of the present administration, and it is long past the time when the Congress and the country became entitled to have the attention of this country given to that area of the world which the importance of that area deserves.

Mr. President, there is an additional factor which I think I should like to call to the attention of our friends in Great Britain. They of their own volition first broke the unity of the western powers by recognizing the Communist regime in China. There are many people in England and in the other commonwealth countries who believe that the British Government made a great mistake in doing that. It certainly was a blow to the National Government of the Republic of China, and, as I said earlier on the floor of the Senate, I think the recognition of the Communist regime in China will go down in history as being comparable to the pact of Munich, as being a betrayal of human liberty in that area of the world.

The second thing that was done by the British Government was the making of the Hong Kong decision to turn over some 91 planes to the Communist regime in China. This not only gives them a tremendous air advantage which they otherwise would not have, but also makes the same planes available to them for an ultimate attack upon the islands of Formosa and Hainan, which are the chief centers of the Republic of China at the present time, and likewise, if the Communist regime in China desires so to use them, for the purposes of an attack against either French Indochina, Burma, Siam, the Philippines, or Japan. Certainly it was detrimental to the best interests of the peace of the world and the best interests of this country for that decision to be made by the British court in Hong Kong. But the action of the British court in Hong Kong did not settle the matter by any means, because the final decision is an administrative decision which must be taken by the British Government itself, as well as by the British Government of Hong Kong.

The third factor which I think has caused concern among Members of the Senate, and which will be heard from again from time to time, has been the shipping to the Communist regime in China of steel rails for railroad construction, and the intimations, at least—and I believe they are more than mere intimations—that the British are going to ship to the Communist regime in China parts for the planes I have just mentioned, which many of us believe properly belong to the American firm headed by former Maj. Gen. Clair Chennault.

These factors, taken together, certainly show that the British in the Far East are conducting a program which is directly counter to what we thought our general program was in Europe. I believe these questions will be searchingly gone into at the time ECA authorization legislation is before the Senate, and I am quite sure that they will be searchingly gone into at the time when ECA appropriations are before the Senate and the House of Representatives.

Mr. BREWSTER. Mr. President——

Mr. KNOWLAND. I yield to the Senator from Maine.

Mr. BREWSTER. I should like to ask the Senator whether he has had his attention called to the statement in an article which is published in this morning's New York Times, which comes from Lake Success, and is written by Mr. Hamilton, their special correspondent.

Mr. KNOWLAND. I believe that is a portion of the article which I read into the RECORD a little while ago.

Mr. BREWSTER. The Senator called attention to the paragraph in which it was stated that it was the opinion at Lake Success that the Secretary of State really desired to admit Communist China into the United Nations.

Mr. KNOWLAND. Yes. I have no direct information on the subject, although I shall endeavor to ascertain whether or not that is an authoritative article. However, the correspondent is a man of high reputation, and the New York Times is one of the great responsible newspapers of the country. I do not believe, knowing the background of both the newspaper and the correspondent, that unless there was very good reason to believe that was the situation, the article would have been written in the way it was written.

I will say to the Senator from Maine—and I have often expressed the opinion on the floor of the Senate—I think it is very unfortunate that oftentimes both the Nation and Congress must get their information as to policies of the executive department from press associations and newspapers. Unfortunately, that is a fact. However, it is very fortunate I will say, that we have an alert group of correspondents, not only here in Washington, but at Lake Success, and in other sections of the Nation, who are very much alive to the importance of breaking down the iron curtain which so often exists between the executive branch of the Government and the Congress, to say nothing of the country itself.

Certainly in view of the article to which reference has been made, and in view of the question which has been raised on the floor of the Senate, I believe that prior to Monday the Department of State should make it perfectly clear that they not only intend to vote against the admission of Communist China into the United Nations, and that they not only intend to support the maintenance of the membership of the Government of the Republic of China, but that they are going to take an active position of leadership in rounding up others to support that position, and furthermore, that they are not going to merely sit back and give the wink to the other nations and say, "Because of discussions in Congress, because of disagreement with our policy in the Far East by Americans in both Houses of Congress, we are merely going to cast a vote, but you have the green light to go ahead and make such a fateful decision."

Mr. BREWSTER. Has the Senator had occasion to note that on the opposite page from the article to which I have referred there appears an article in which Secretary Acheson is quoted as follows:

As he stressed the dangers of the situation, he—

Meaning the Secretary of State—

said that total diplomacy means that "Congress and the Department of Defense, Treasury, Agriculture, and Commerce, the Interior Department, with its responsibility for our natural resources, and the others, all have roles to play that are just as important in our relations with other people as the role of the Department of State."

That being true, would the Senator feel that Congress is being permitted at the present time to play a very large part in determining our policy, in view of the very limited information which at present is available as to our policies in the Far East?

Mr. KNOWLAND. I think it is one of the questions which the Committee on Appropriations must very thoroughly explore. At the last session of Congress, as the Senator from Maine knows, during the discussion on the arms-implementation legislation, when it had been pointed out that under the administration bill itself 98 percent of the attention was being given to Europe and less than 2 percent was being given to the Far East, a number of Senators suggested that the situation in the Far East was growing more critical and that more substantial supervised aid should be given to prevent a situation from developing as a result of which the Chinese Communist forces would be on the border of Burma and Indochina. It is the belief of many competent officials, including some of our best military commanders and former commanders, that even if that late aid had been vigorously pursued southern Kwangtung Kwangsi and Hunan Provinces might have been saved from being overrun by the Communists, and a barrier would have been erected between the Communist forces and Indochina and Burma. If that had been done the problem would have been far less complex than the one with which we now find ourselves confronted.

Congress wrote into the bill an amendment, which was accepted by the administration and the Department of State, for $75,000,000 to be given in the general area of China. That amendment was accepted as a compromise, with the understanding that while of course no one knew what the future might bring forth, yet if an effort were made to aid China and it did not succeed, thereafter it might be necessary to put some of that money into Burma or into Indochina to prevent the spread of communism. That was accepted in good faith by some of us who were sponsoring efforts to prevent the spread of communism in that area of the world.

I wish to say that, so far as I know, not a single penny of that $75,000,000 has been devoted to help the people of the free Republic of China defend themselves from Communist aggression. I happen to have rather accurate sources of information out of Formosa. I know, not only from Chinese officials there, but from American correspondents and from other Americans who are there now or who have recently returned from that country, that despite the fact that we have given no aid, the morale of the people of Formosa is excellent; they have turned back two minor attempts at invasion, attempts at landings on the Island of Hainan; they have turned back other attacks on islands in that area of the world; and it is the considered judgment of many of those persons, who hold responsible positions, that even if the Chinese there do not get any help from us, they will continue to defend themselves for a much longer period of time than the officials of the State Department apparently would give them credit for doing.

But my point is that when the compromise was accepted, it certainly was understood that a substantial amount of the $75,000,000 would be made available to the people of China to use in their efforts to defend themselves from being taken behind the Communist iron curtain. But none of that aid has been so given.

I am reliably informed that either tentative or other commitments have been made—I shall not mention the amounts, although I think I know what they are—to other countries in the general area of China, and that it is quite likely that at least most of those funds, if not all of them, will be used for purposes other than those intended by the Congress.

For a reason which I shall not discuss on the floor of the Senate, because it involves some security, a reasonable argument seemed to have been made to those of us who sat on the combined committees that it would be advisable to include a provision that the President of the United States would not have to disclose in all details where the funds were being spent. That, in the minds of most of us who consented to it, was to cover perhaps a very minor part of the funds for which expenditures of that kind would be made, and as to which it would not be necessary to voucher each item of expense.

But I wish to say that, if that power, given in that bill, is abused, and if an attempt is made to deprive the Appropriations Committee of knowledge as to precisely where that money is being spent insofar as it is going to other countries, I predict that that will be the last time the President of the United States will obtain such permission in legislation of that kind. Certainly a very vigorous fight will be made against any such provision in the future; and I intend to press very greatly the Secretary of National Defense, when he appears before the committee, and others who come before the committee, as to precisely where the money, which was largely intended to be spent in the Republic of China, has been spent.

Mr. BREWSTER. Mr. President, is it not probably the case that the failure to use those funds as contemplated is what makes it possible for the Secretary of State in his most recent pronouncement, which appeared in the newspapers this morning, to say that—

The Communists took over in China at a ridiculously small cost.

Is not that a very revealing commentary upon the policies we have pursued, which have permitted the Communists

to win this victory at what the Secretary of State himself now terms a ridiculously small cost?

Mr. KNOWLAND. I think that is true.

Mr. President, I do not wish to carry on the discussion of the mistakes we have made in the past. I think any fair-minded person will acknowledge that we have made a vast number of mistakes in the past. I think fairness would require me to say that those responsible for the Government of the Republic of China made a great many mistakes in the past.

But what we must now look to is the future: Is it in the best interests of the free world to permit Formosa and Hainan Islands to go down the drain? If they do go down the drain, what is the strategic situation at Okinawa and Japan? If we abandon those people, who now are fighting to defend their liberty, what assurance have we that the people of Indochina or the people of Burma or the people of Siam will make half as good a fight as the Chinese now are prepared to make in defense of their own freedom? In my opinion it will be very difficult to justify aid to southeast Asia unless it is tied in with the Philippines, with Hainan and Formosa Islands, with our own bastion at Okinawa, and with Japan and with Korea. It is high time for the State Department to come forward with a far-eastern policy.

Mr. President, we have recently sent the so-called Griffin mission to the Far East. I think it is a little late for that mission to be going there. I know Mr. Griffin. He happens to be a Californian. He was assistant to Roger Lapham, who was head of the ECA in China. I think Mr. Griffin is a man of considerable ability. He has gone there, presumably to make an exploration of the situation in Southeast Asia. Mr. Jessup has recently been there. Mr. Butterworth has recently been there. But this situation has been developing over the period of the past several years. Many of us have been rising on the floor of the Senate time and time again, pointing out how detrimental it would be, not only to the peace of the world, but to the security of this country, to let the thing go along, drifting day by day, until, as the State Department put it, "the smoke settled." Of course, after the smoke has settled, we find the tremendous debacle which has taken place in the Far East.

I do not want, either with recriminations or otherwise, to continue to point to the past. I believe it is vital, not only to the peace of the world, but to the security of 150,000,000 Americans, that, along with our policy in Europe, we establish a policy in the Far East, and that we establish it now, not 6 months from now, not a year from now.

If the State Department wants to start to show its good faith, if it wishes to have cooperation with the Congress of the United States, I think now is the time for the State Department or the President of the United States to make a ringing declaration that we are not only going to vote to uphold the Republic of China in the United Nations, but that we repudiate the action of Mr. Trygve Lie in trying to get the Chinese Communist regime into the United Nations, which would give the Communist nations or regimes an additional veto right, and which, if ultimately they get recognition from the various governments concerned, of course, would open up every Chinese Embassy and consulate to Soviet espionage, as it exists in the Embassies and consulates of the Soviet Union today. I think a ringing declaration should be made that we are going to try to rally the forces of the free world even at this late date, to uphold the free people of the Republic of China.

Mr. BREWSTER. I am sure everyone will agree with the Senator's desire not to look back, except in a desire to guide our feet as we move ahead.

I know that the Senator from California has been one of those who have repeatedly pointed out these errors in the past, in the days when we were being told that the Chinese Communists were merely agrarian reformers, that the disturbances in China were only a result of the dissolute Government of China, and that we need have no concern about the future. Now that the Secretary of State is quoted authoritatively in the New York Times—and it seems to me that every thoughtful American should have his present statement in mind—against the background of what we have been told for the last 5 years, and in order to appraise the value of the information and the advice these very same counselors are giving us today, let me read what Mr. Acheson now says about what happened in China. He says that the old idea of imperialism is kid stuff compared to the methods that we are up against. There has never in the history of the world been an imperialist system that compares with what the Soviet Union has at its disposal. We have seen it in China. The Communists took over in China at a ridiculously small cost.

How different that is from what we have been told.

I read further:

> What they did was to invite some Chinese leaders who were dissatisfied with the way things were going in their country to come to Moscow. There they thoroughly indoctrinated them so that they returned to China prepared to resort to any means whatsoever to establish Communist control. They were completely subservient to the Moscow regime.

When the Secretary of State today, for the first time, to my knowledge, makes a confession of that character as to what went on in China, it seems to me it is a light to illuminate our steps as we move forward in considering what is going to transpire next.

I fully agree with the Senator from California that we must look ahead, but we must also occasionally glance back; and we must earnestly hope that this new enlightenment of the Secretary of State will be used in the guidance of his future relations with Formosa and Hainan and with Chiang Kai-shek and the present Chinese Nationalist regime; and we hope that the idea of letting the dust settle is disappearing into what I hope is its native nothingness, as a policy of this country.

RECESS TO MONDAY

Mr. KNOWLAND. Mr. President, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 36 minutes, p. m.) the Senate took a recess until Monday, March 13, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate on March 10 (legislative day of March 8), 1950:

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

To be major general

Maj. Gen. Floyd Lavinius Parks, O10582, Army of the United States (brigadier general, U. S. Army).

To be brigadier general

Brig. Gen. Harry Reichelderfer, O7547, Army of the United States (colonel, U. S. Army).

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947:

To be major general

Brig. Gen. Robert Oliver Shoe, O8119, United States Army.

To be brigadier general

Col. Bryan Lee Milburn, O7469, United States Army.

IN THE NAVY

Capt. Henry R. Delaney, Dental Corps, United States Navy, for temporary appointment to the grade of rear admiral in the Dental Corps of the Navy.

IN THE NAVY AND THE NAVAL RESERVE

The following-named officers of the Navy and the Naval Reserve on active duty for temporary or permanent appointment to the grade of lieutenant in the line, subject to qualification therefor as provided by law:

FOR TEMPORARY APPOINTMENT IN THE NAVY

Minor F. Abel, Jr.	Kenneth J. Asher
John J. Adams	George H. Asman
Paul A. Adams	Robert E. Atkins
Will M. Adams, Jr.	Wilton L. Atkinson
Presly M. Adamson, Jr.	Dean L. Axene
Norman O. Adelfson	William L. Aydelott
Homer R. Adrianse	Rollin Ayers
Robert J. Agness	Henry L. Bagby
Peter V. A. Agur	Edward M. Bain
Eugene A. Ahern	Edwin C. Bain, Jr.
Franklin H. Alden	Thomas L. Bain
Dickson W. Alderton	Philip Baker
Joseph K. Alexander	William E. Baker
Richard G. Alexander	Robert B. Baldwin
Norman A. Algiers, Jr.	George A. Bane
Bain S. Allen	Fred G. Be ham, Jr.
Joseph K. Allen	Arthur B. Baribault
Robert C. Allen	Harold B. J. Barnes
Irl J. Allison	William E. Barnes
John K. Allison	Willis C. Barnes
Thomas E. Altgilbers	Robert C. Barnhart
Robert B. Ambrose	Charles J. Barr
Robert L. Ammidown	Ernest R. Barrett
Vincent J. Anania	Searle J. Barry
Charles O. Anderson	Edwin C. Bartlett
Donald W. Anderson	Wade R. Bascom
Elmer V. Anderson	Leonard F. Bathel
Vernon F. Anderson	Leland W. Bauch
Hugh W. Anglin	Eugene W. Bauder
Hal E. Ansley	John M. Bauer
Henry O. Anson, Jr.	Thomas H. Beall
Frank Aponowich	William J. Beardsley
William H. Arnette	Jesse Beasley
Eugene F. Arnold	Addison N. Beaty

Clark L. Beck
Merlin D. Becker
Elmer R. Beever
Edward W. Behm
Peter G. Beierl
Lloyd F. Bell
Robert D. Belt
Ernest H. Bennett
William L. Bennett
Arthur L. Benson
William A. Berger
Ward L. Berkey
Charles D. Berry
Fred T. Berry
James O. Bess
Norman B. Bessac
Alfred C. Bessette
Merle E. Betz
Rudolph V. Biordi
Charles R. Bishop
Marvin M. Black
Francis C. Blackhurst
Frank E. Blackman
Dale O. Blade
Carvel H. Blair
Frederick Blaser
William R. Bloom
Frederick E. Blum
Howard E. Blum
James K. Boak
Andrew Bodnaruk
John H. Boelens
Leonard A. Bogue
John M. Bohannon
Charles H. Boldt, Jr.
Hubert B. Boles
Joseph F. Bolger, Jr.
Paul W. Boltz
Joseph E. Bonds
Bobbie E. Boney
Kermit H. Bonner
Vernon C. Bono
Warren M. Boozer
Arthur A. Borowski
Frederick W. Botts, Jr.
Emmett B. Boutwell
Charles S. Bowcock, Jr.
William A. Bowes
Roland T. E. Bowler, Jr.
Daniel H. Boyd
James F. Bradley, Jr.
Donald B. Brady
Charles M. Bragan
Herbert C. Braid
Toria J. Bratten, Jr.
Walter J. Brauer
James F. Braun
Robert J. Brazzell
Raymond Brehm
Bernard W. Brender
Claude M. Briggs III
Donald L. Briggs
Rollin W. Brigham, Jr.
Peter R. Braginton
Earl E. Brockett
William F. Brockhaus
Bobby C. Brogoitti
Donald E. Broscha
William D. Brotherton, Jr.
Donald N. Brown
John E. Brown, Jr.
Laverne W. Brown, Jr.
Willis I. Brown
Ellis Broughton, Jr.
Lester K. Bruestle
Nels E. Brugman
Harold R. Brunner
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Clifford L. Stewart
Ernest L. Stewart
William S. Stewart III
Howard H. Stine
Morris E. Stith
Mason L. Stitt
William A. Stone
Graydon T. Stout
Lawrence B. Streiff
William W. Strong
John O. Stull
James L. Sturgeon
James W. Sturgis
Tom E. Sulick
James M. Sullenger
Harold H. Sullivan
John L. Sullivan, Jr.
Joseph W. Sullivan
Will R. Sutherland
Gustaf Swainson, Jr.
Chandler E. Swallow, Jr.
John A. Swank
George R. Swearingen
Robert A. Swensen
Robert E. Swigart
Arthur T. Swirsky, Jr.
Clyde W. Sylvester
Alphonse J. Szikney
George L. Tait
Robert J. Tartre
James E. Tarver
Lige Tatone
Arnett B. Taylor
Donald W. Taylor
Harold A. Taylor
Grover W. Taylor
James B. Taylor
Thaddeus M. Taylor
Warren Taylor
Walter N. Temple
John A. Tennant
Samuel S. Terwilliger, Jr.
Homer B. Thomas, Jr.
Guy E. Thompson
James C. Thompson
Jerrold W. Thompson
Mason E. Thompson
Vernon Thompson
Woodrow W. Thompson
Albert H. Thornton
Richard F. Thorpe
George K. Tilley
James L. Tillman
William F. Tobin, Jr.
Edward A. Toczko
Leslie L. Tomlinson
Owen A. Toon
Harvey E. Toponce
Frank L. Tracy
Gilbert L. Tracy
Wilbur C. Trautman, Jr.
William J. Traynor
Mark G. Tremaine
Alfred G. Trube, Jr.
Roger D. Trumbo
Louis Turansky
James P. Turman
Charles A. Turner
Milton J. Turner
William W. Turner
Jack L. Twedell
Murrel D. Twibell
Ellery E. Tyler
Robert E. Tyler
John H. Underwood, Jr.
Richard L. Underwood
John E. Unger, Jr.
John Urquhart
Howard J. Ursettie
Thomas F. Utegaard
Charles J. Van Brunt
Arthur J. Vanek
Arthur J. Vanek
Merton D. VanOrden
Willis B. Vanoss
Lester A. Van Rooy
Vie J. Vaughan
Patrick A. C. Verdon
Joseph W. Vessella
Anthony L. Vincelette
Vinton C. Vint
Clinton J. Violette
Wayne F. Vollmer
Victor M. Vissering, Jr.
Kenneth W. Wade
Adrian D. Wagner
Theodore A. Wagner, Jr.
John F. Walker
John R. D. Walker
Marvin J. Walker
Luther B. Wallace
William J. Walsh
Clifford C. Walstrom
Joseph F. Walters
Marshall D. Ward
Leslie B. Ware
Robert L. Warner
Robert D. Warren
Robert M. Waters
Charles R. Watson
Fred C. Watson
Robert H. Watson, Jr.
Joe W. Watts
Curtis A. Weaver
Marvin V. Weaver
Arthur J. Webb
Howard T. Webb, Jr.
Max R. Webb
William L. Webb
George H. Webster
Jack W. Weidner
Eugene J. Weinbeck
John A. Weininger
Rd "B" Wells
John F. Wester
Raymond D. Westfall
Roland F. Weyland
Raymond C. Whalin
Covert P. White
Edward C. White
John N. White
Robert F. White
Thomas Whychell
George W. Wiedinger
Robert E. Wiegand
Carl F. Wiesendanger
James R. Wiggins
Joseph H. Wilberding
Lawrence A. Wilder
Tracy H. Wilder, Jr.
Johnnie J. Wilkes
Harlan D. Williams
Henry J. Williams
Joe Williams, Jr.
Paul H. Williams
Robert B. Williams
Robert E. Williams
Richard E. Williamson
William T. Wilroy
Daniel G. Wilshin, Jr.
Dick G. Wilson
Embree D. Wilson, Jr.
Frederick G. Wilson
Gerald H. Wilson
Harry A. Wilson, Jr.
Herbert B. Wilson
Irving G. Wilson
Jenning B. Wilson, Jr.
Oscar M. Wilson, Jr.
Ronald O. Wilson
Victor E. Wilson
Devon F. Winslow
James H. Wirth
John P. Wise
Eugene R. Wiseman
Ellis L. Wood
Herman N. Wood
Robert C. Wood
Fred K. Woodburn
Stephen R. Woolard
Carson R. Worley
Francis J. Wright
James R. Wright
Marshall L. Yager
Charles F. Yarbrough
Carl H. Yeagle
Elmer W. Ylitalo
Donald C. Yockers
John E. Yost
Earle B. Young
George L. Young
Wesley B. Young, Jr.
Lando W. Zech, Jr.
William T. Zeigler
Edward F. Zenisek
Donald H. Ziebell

FOR PERMANENT APPOINTMENT IN THE NAVY

Eudora L. Beadle
Mary C. Bellas
Jean D. Gallagher
Elizabeth S. Harrison
Helen M. Horne
Violetta L. Johnson
Marguerite H. Kiernan
Mary E. Lardner
Muriel J. Lewis
Margaret M. Polatty

FOR TEMPORARY APPOINTMENT IN THE NAVAL RESERVE

Louis F. Abel
Dean D. Abbott
Robert C. Amirault
Shelby W. Ard
Charlie H. Barfield
George A. Belleau
George B. Bird, Jr.
Charles H. Brennan, Jr.
Frank P. Bradburn
Leo M. Broha
Frederick M. Brown, Jr.
"T" "B" Bundy
Milford C. Button
Raymond P. Calcagne
William D. Carlson
Hugo Carozza
James P. Cawley
Thomas M. Clark
William A. Clement
Kenneth M. Crider
William E. Cross
James A. Cusick
Lee S. Dolson, Jr.
Roy B. Duck
Richard F. Forbes
Paul E. Geyer
George J. Haluska
Merle V. Halverson
Thomas E. Hand
Paul M. Harbaugh
Orval H. Hancock
Samuel C. Holladay
Frederick D. Hooks
Horace N. Hubbs, Jr.
Clark W. Hunt
Corwin F. Jennings
Harold N. Klenk
Charles R. Knutson
Gerald J. Krueger
Bonar D. Law
Alba E. Leno, Jr.
John C. Leslie
Edwin M. Logan
Peter E. Lunaas
Ralph E. Lyford, Jr.
James W. Maddox
Wilfred J. Monk
Donald L. Mullin
Floyd L. Mullinix
Francis P. McElroy
John J. McGarvey
Jack D. McQuaig
Raymond J. Petrash
Marion F. Pierceall
John W. Reagan
Julian B. Rhodes
William T. Riordan
Frank R. Romeka
Ivan W. Rowley
Todd D. Rudd
Lowell W. Rund
Anthony Ruoti
George H. Ryan
Robert B. Schoonard
Roy C. Sell, Jr.
William H. Sigman
Donald G. Silvis
Donald J. Sirdevan
Gerald L. Smith
Hugh J. Smith
Raymond J. Smith
Luther Stephenson
George T. Strong
Harry W. Summers
Henry F. Surles, Jr.
Cecil O. Taylor
Ellsworth Thiem
Allen L. Trecartin
Lawrence F. Twoomey
"J" "T" Usey, Jr.
Hoyt C. Watkins
Malcolm S. Weir
Bradford Wells
John B. Wells
Harold J. Werst, Jr.
James E. Westfall
Robert B. Williams, Jr.
Berry D. Willis, Jr.
Joseph H. Wilson, Jr.
Edgar Wrenn, Jr.
John J. Wright
Leonidas R. Wright

SENATE

MONDAY, MARCH 13, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, amid the darkness in which our sad world lieth, where hatred and tyranny still contend with good will and decency for the mastery of men's bodies and minds, may we steadfastly believe that the morning of a better day cometh. For light enough to walk by through dark days, for inner strength to carry heavy burdens, for uncompromised courage to dare policies with no partisan advantage, for eyes to discern the truth and fearlessly follow it, we lift up our hearts to Thee, help of the helpless.

Breathe upon us now Thy benediction that we may march on as valiant pilgrims sustained by the confident hope that the kingdoms of this world shall become the kingdom of Thy radiant love. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 10, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 10, 1950:

S. 1394. An act for the relief of Monroe Kelly, rear admiral, United States Navy, retired;

S. 1447. An act for the relief of John M. Hart;

S. 2364. An act to provide for the utilization as a national cemetery of surplus Army Department-owned military real property at Fort Logan, Colo.;

S. 2436. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska"; and

S. 2541. An act to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, as amended, to extend the period for which employees may be detailed for training and research, and for other purposes.

On March 11, 1950:

S. 1413. An act for the relief of Maria Margarete Otto.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 493. An act to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands;

S. 1263. An act to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes; and

S. 3159. An act granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River.

CORRECTION

Mr. LANGER. Mr. President, on January 18th, during extemporaneous debates in referring to the directors and sponsors of the Public Affairs Institute, I stated that Mr. HUGH B. MITCHELL, our former colleague, and who is now a Member of the House of Representatives, had been upon the pay roll of the Government during the 2-year period between the time he was a Member of the Senate and his reelection to the House.

Later my attention was called to the fact that this was not accurate, as he had not been upon the pay roll during those 2 years, but he had been upon the pay roll prior to the time he came to the United States Senate.

It gives me an unusual amount of pleasure to make this correction, because Mr. MITCHELL has not asked me to do so. On the contrary, he assured me that during his experience in the Senate he realized that in extemporaneous debate every Senator simply stated the facts as he believed them to be. All of us are acquainted with the distinguished services that have been rendered by our former colleague, who is beloved by the people of his congressional district, as is evidenced by the fact that after he had been defeated for the Senate he was sent back to Congress. During his stay with us he impressed everyone with his honesty and sincerity of purpose, which is so well typified now by his not even asking me to make this correction.

On January 17 I stated:

I think it will be found, if the resolution be adopted, that Walter White was one of the men who at that very time was upon the pay roll of the Democratic Party, because he had a Federal job.

It will be noted that I said, "I think it will be found." However, I have since been informed by Mr. White that he has at no time been upon the pay roll of the Democratic Party, and I am glad to make this correction.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Finance was authorized to sit this afternoon during the session of the Senate.

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to sit this afternoon during the session of the Senate.

On request of Mr. DONNELL, and by unanimous consent, the Immigration Subcommittee of the Judiciary Committee was authorized to meet this afternoon during the session of the Senate.

Mr. LUCAS. Mr. President, I ask unanimous consent that a subcommittee of the Committee on Foreign Relations be permitted to sit this afternoon during the session of the Senate.

Mr. WHERRY. Mr. President, I will have to object to that request at the moment, and ask that the request be renewed later. I have just received word from the Senator from Wisconsin [Mr. MCCARTHY], who would like to be on the floor of the Senate when the request is made. If the Senator from Illinois will be good enough to agree to renew the request later, we shall endeavor to secure the attendance of the Senator from Wisconsin on the floor, at which time the Senator from Illinois can make the request.

Mr. LUCAS. Mr. President, I should like to make the request as soon as possible; therefore, I suggest that the minority leader endeavor to secure the attendance of the Senator from Wisconsin, so that he can make whatever objection he desires.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate beginning today and continuing through Thursday of this week.

FARMERS UNION RESOLUTION ON FARM HOME ADMINISTRATION FUNDS

Mr. WILEY. Mr. President, everyone familiar with the problems of American agriculture realizes that the problem of agricultural credit has always been one of the most important issues facing the farmer. For a long time, throughout American history, the farmer was denied sufficient credit to buy necessary machinery, repair his home, his barns and all his other buildings and meet other needs requiring cash before he harvested his crops.

Fortunately, in recent years, Congress has taken steps to supplement existing credit facilities, where necessary, by loans through Farmers' home loans. I have been glad to hear from many Wisconsin farmers who have indicated their excellent experiences with the FHA which incidentally, administers the new program for building repairs established under the housing legislation which we enacted in the previous Congress.

Farm credit is particularly essential these days because, as I have pointed out on the Senate floor, the income among Wisconsin farmers has gone into a tailspin with an over-all loss of 18 percent in 1949 as against 1948 income. This is an 8 percent more severe decline in farm income than the national average in loss of farm income throughout the Nation. Throughout the debate on the oleomargarine bill, I pointed out that if Congress passed the legislation without safeguards to American dairying there would be further disastrous losses in dairying income throughout the Middle West. Now, unfortunately, Congress has passed this unsound oleo legislation in spite of our warnings.

In January 1950 Wisconsin produced 12,000,000 pounds of butter—ranking third in the Nation. Minnesota produced 21,000,000 pounds, Iowa, 14,000,000 pounds. No man can foretell how severely butter production will decline once the oleo legislation effects begin to be felt.

These facts, I believe, emphasize the importance of adequate farm credit particularly in this period of declining dairying prices. At the recent Statewide convention of the Wisconsin State Farmers' Union, a resolution was adopted on this subject. In turn, this resolution was endorsed by a recent quarterly convention of Douglas County Farmers Union. I have received this morning a message from Mr. Wesley Thompson, of Foxboro, Wis., conveying this resolution. As in previous instances, when I have brought Farm Union resolutions and expressions from other farm organizations in my State to the attention of the Senate I should like at this time to ask unanimous consent that the text of Mr. Thompson's letter with the resolution included, be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the letter, embodying the resolution, was ordered to be printed in the RECORD, as follows:

FOXBORO, WIS., *March 8, 1950.*

Hon. ALEXANDER WILEY
Senate Office Building,
Washington, D. C.

DEAR MR. WILEY: At the quarterly convention of the Douglas County Farmers Union held recently the following resolution was adopted by unanimous vote. This same one was adopted by the State convention of our union last February.

Money is lacking among so many farm operators which could be easily loaned by the FHA if it would have more than a pittance in the way of appropriations. It does not make sense to us, when so much hardship and deprivation could be avoided among thousands of deserving applicants, that they are compelled to wait and wait some more for some financial help. Does not the past record of repayment of FHA loans justify keeping the money once granted FHA in the program at reasonable interest to our Government?

"Whereas the Farmers Union is basically concerned with the welfare of all farmers, especially those operating family sized farms, and who need financial assistance, and farm- and home-management guidance; and

"Whereas, many farmers in Douglas County both veteran and nonveteran with good agricultural background and experience lack the necessary land, livestock, and equipment to be successful as farmers; and

"Whereas the Farmers Home Administration as an agency in the USDA has for many years demonstrated its ability to give such financial aid, farm and home management guidance to needy veterans and other farmers through its supervised credit program; and

"Whereas, this agency does not compete with any other agency by making loans only to worthy and qualified farmers, who are unable to get money through banks or through other loaning institutions, and gives guidance not provided by other loaning sources; and

"Whereas, the funds annually appropriated for the use of the agency are entirely inadequate to meet the needs of eligible farm families; and

"Whereas the need of eligible nonveteran farmers is particularly apparent at this time to be as great or greater than veterans, because, many veterans have received the excellent service rendered by the FHA in recent years; and

"Whereas prices of farm products, especially poultry and dairy products have dropped sharply this past year and continue downward with practically no reduction in items farmers buy; and

"Whereas the currently drastic drop in farm income has been accompanied by a very pronounced tightening of local agricultural credit: Therefore be it

"Resolved, That the members of the Douglas County Farmers Union in quarterly convention go on record to ask for an appropriation by Congress to the Farmers Home Administration program which more nearly meets the requirements of this agency: Be it further

"Resolved, That copies of this resolution be sent to Senators WILEY and MCCARTHY and to Congressman O'KONSKI."

WESLEY THOMPSON,
County Secretary,
Douglas County Farmers Union.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Gurney	McMahon
Anderson	Hayden	Magnuson
Benton	Hendrickson	Martin
Brewster	Hickenlooper	Maybank
Bricker	Hill	Millikin
Bridges	Hoey	Mundt
Butler	Holland	Murray
Byrd	Hunt	Neely
Cain	Ives	O'Conor
Chavez	Johnson, Colo.	O'Mahoney
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Donnell	Kefauver	Saltonstall
Douglas	Kem	Schoeppel
Dworshak	Kerr	Smith, Maine
Ecton	Knowland	Smith, N. J.
Ellender	Langer	Stennis
Ferguson	Lehman	Taylor
Flanders	Lodge	Thomas, Okla.
Frear	Long	Thye
Fulbright	Lucas	Tydings
George	McCarthy	Watkins
Gillette	McClellan	Wherry
Graham	McFarland	Wiley
Green	McKellar	Williams

Mr. LUCAS. I announce that the Senators from Kentucky [Mr. CHAPMAN and Mr. WITHERS], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Minnesota [Mr. HUMPHREY] are necessarily absent.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of illness in his family.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

INCORPORATION OF THE GIRL SCOUTS OF THE UNITED STATES OF AMERICA

Mr. LUCAS. Mr. President, there is a bill on the calendar, Order of Business 1328, House bill 6670, to incorporate the Girl Scouts of the United States of America, and for other purposes. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of this bill.

Mr. CORDON. Mr. President, I should like to ask the Senator from Illinois whether Senators will have an opportunity to present routine matters and to make insertions in the RECORD.

Mr. LUCAS. Oh, yes; I merely wanted to get the bill before the Senate. I intend to make a request that routine business be transacted.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate proceeded to consider the bill (H. R. 6670) to incorporate the Girl Scouts of the United States of America, and for other purposes.

The VICE PRESIDENT. Does the Senator from Illinois desire to have action on the bill at this time?

Mr. LUCAS. I think it might be disposed of now. I should like to speak briefly on the bill, and some other Senators may also desire to speak. I know the Senator from New York [Mr. LEHMAN] does.

Mr. LEHMAN. Mr. President, I should like to state that friends of the Girl Scouts Organization in my State have urged and requested their Senators, as I am sure those in other States have done, that H. R. 6670 be passed in some close approximation to Girl Scouts Day, March 12, the anniversary of the founding of the Girl Scouts in Savannah, Ga., 38 years ago yesterday. I very much hope that the bill will be promptly passed.

Mr. O'CONOR. Mr. President, I should like to associate myself with the statement of the junior Senator from New York [Mr. LEHMAN] in urging favorable consideration of the bill for the granting of a charter to the Girl Scouts of America, that bill having been brought before this body by the senior Senator from Illinois [Mr. LUCAS]. The Judiciary Committee has been unanimous on this subject, and we feel that the good record of the Girl Scouts of America deserves this recognition.

Mr. LUCAS. Mr. President, I desire to say just a word or two in respect to this measure. This bill is being sponsored by Mrs. Harry S. Truman, of Independence, Mo.; Mrs. Woodrow Wilson, of Washington, D. C., Mrs. Calvin Coolidge, of Northampton, Mass.; Mrs. Franklin D. Roosevelt, of Hyde Park, N. Y.; and many other very distinguished and notable women throughout the United States.

Mr. President, the granting of a Federal charter is a very serious responsibility, in my judgment, upon the part of the United States Senate. Charters of this kind are granted as a mark of distinction to organizations whose public service has been very unique in scope and in value. I believe this charter should be granted because of the fact that the Girl Scouts of America, composed of many thousands of the girls of America, have done some most unusual work in behalf of hospitals, day nurseries, libraries, museums, and welfare organizations throughout the country. The Girl Scouts of America is a nonpolitical, nonsectarian organization, and membership in it is open to all girls between the ages of 7 and 17.

I am very happy to be able to bring this bill to the attention of the Senate upon the birthday of the Girl Scout Organization, this being the thirty-eighth year this organization has been in existence.

Mr. President, that is all I care to say about this organization at this time. However, I am certain that in granting to the Girl Scouts the honor of a congressional charter we are taking action which means much to them and to their activities throughout the Nation and throughout the world.

Mr. WHERRY. Mr. President, I know that I bespeak the sentiments of all Members of the Senate when I say to the majority leader that the membership of the Senate is happy that this bill has been brought up for consideration by unanimous consent on the birthday of this organization. I wish to join with the majority leader in the remarks he has made, and I corroborate them. He mentioned one or two of the high lights of the organization. I think it would be fitting that all of page 2 of the report on the bill, which is not long, be printed in the RECORD. It gives some of the other high lights of the organization and its history, and I think it would be of interest to everyone who reads the CONGRESSIONAL RECORD. Therefore, Mr. President, in order to expedite the passage of the measure and in the interest of saving time, I ask unanimous consent that page 2 of the report, beginning with the words "Girl Scouts of the United States of America is a character-building organization," be printed at this point in the RECORD, as a part of my remarks.

There being no objection, page 2 of the Report No. 1321 was ordered to be printed in the RECORD, as follows:

Girl Scouts of the United States of America is a character-building organization which has provided training for citizenship, community service, and homemaking for millions of American girls since it was founded nearly 38 years ago. Today Girl Scouting is serving the largest membership in its history—more than a million girl members in every State, Territory, and possession of the United States. The emphasis upon democratic methods and procedures and the ideals of loyalty and service to God and country, which it inculcates, makes Girl Scouting one of the bulwarks of the American way of life.

The Girl Scout organization is nonpolitical, nonsectarian, and is open to all girls from 7 through 17 years old who subscribe to the promise and laws (attached) regardless of economic status, race, or creed. Girl Scouting exists in all types of communities—urban,

suburban, and rural. Girl Scouts of the United States of America is the largest organization of its kind in the world and has been frequently commended for its work by leaders of our own and of other nations.

In their troops Girl Scouts learn skills in homemaking arts and crafts, health and safety, and out-of-door living. Each troop is self-governing. Girl Scouting provides the women of tomorrow with practical experience in making democracy work.

Girl Scouts work as aides in hospitals, day nurseries, libraries, and museums. They assist other welfare organizations, such as the community chests, Red Cross, National Foundation for Infantile Paralysis, National Tuberculosis Association, and similar groups. The services of the individuals and troops to civic, welfare, and other community enterprises totals millions of hours every year.

Increasing programs of conservation are being undertaken in Girl Scout camps and more and more of the camps themselves are being set aside as wildlife sanctuaries. The Girl Scouts are developing Lou Henry Hoover Scouts are developing Lou Henry Hoover memorial forests as extensive and intensive conservation projects.

Girl Scouts of the United States of America, an an organization, is a member of the World Association of Girl Guides and Girl Scouts to which similar democratic youth movements for girls in 28 countries belong. World friendship activities are receiving increasing stress each year in Girl Scout troops as well as in the national activities of the organization as a whole. For example, a growing program of interchange of personnel has been developed; international meetings of girls and of their leaders are held each year. An important phase of the international work is the development of understanding and friendship among the girls of the Western Hemisphere. Adult advisers in Girl Scouting have been loaned to the World Association to help develop truly democratic youth organizations in Korea, Japan, and Germany, working in these countries with the cooperation of the American military governments.

During World War II the Girl Scouts gave more than 15,000,000 hours of service to their communities and country. Since the war they have carried on a variety of projects to help relieve the suffering of children abroad. In 1948–49, for example, the Girl Scouts collected, repaired, and assembled more than 125,000 complete wardrobes for children in Europe and the Orient. This year [1950] they are shipping school supplies to the children of 28 countries.

Because congressional charters are granted as marks of distinction to organizations whose public service is unique in scope and value, the friends of Girl Scouting believe that the deserved prestige of such a charter should be conferred on the Girl Scouts of the United States of America. As the world's largest democratic youth movement for girls, the Girl Scout organization has proved its value to the community and to the Nation through nearly 38 years of ever-increasing service. Founded on March 12, 1912, with 1 troop of 11 girls, the movement has expanded every year since until today almost 350,000 adult volunteers are helping more than a million girl members participate in current civic welfare projects and prepare themselves for citizenship in the American democracy. We feel, therefore, that it is particularly appropriate for Congress to grant a charter to the Girl Scouts at this time, in recognition of the principles for which the movement stands as well as for its achievements. Consideration of this measure in the present session of Congress is requested because the Girl Scouts thirty-eighth birthday on March 12 would provide an opportunity to confer this recognition at a most appropriate occasion.

The VICE PRESIDENT. If there are no amendments to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 6670) was passed.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I now ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By Mr. JOHNSTON of South Carolina:

A resolution of the House of Representatives of the State of South Carolina, favoring the adoption of the report of the Commission on Reorganization of the Executive Branch of the Government; to the Committee on Expenditures in the Executive Departments:

"Resolution memorializing Congress to adopt the report of the Commission on Reorganization of the Executive Branch of the Government

"Whereas it has for many years been common knowledge that the executive branch of the Federal Government is hampered by an antiquated structure consisting of overlapping, duplicating, and contradictory establishments of the executive department, this fact having been recognized by Presidents Truman and Roosevelt, as well as by previous Presidents and many other governmental officials; and

"Whereas Congress in 1947 authorized a bipartisan Commission on Organization of the Executive Branch of the Government for the purpose of making a study and submitting recommendations for reorganization and ex-President Herbert Hoover was selected to head the Commission; and

"Whereas the said Commission, commonly known as the Hoover Commission, has made an exhaustive study and has submitted its report and recommendations to Congress, which recommendations, if adopted, would result in great savings of expenditures to the American people: Now, therefore, be it

"Resolved by the house of representatives:

"1. That the Congress of the United States be, and it hereby is memorialized and urged to adopt the recommendations of the Commission on Organization of the Executive Branch of the Government: *Provided, however,* That the recommendations of the said Commission relating to veterans' affairs are excepted from the terms of this resolution.

"2. That the clerk of the house be, and he hereby is, directed to transmit a copy of this resolution to the clerk of the Senate of the United States of America, to the Clerk of the House of Representatives, and to each Senator and Representative in the United States Congress from the State of South Carolina."

(The VICE PRESIDENT laid before the Senate a resolution of the House of Representatives of the State of South Carolina, identical with the foregoing, which was referred to the Committee on Expenditures in the Executive Departments.)

By Mr. CONNALLY (for himself and Mr. JOHNSON of Texas):

A concurrent resolution of the Legislature of the State of Texas; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution 13

"Whereas on March 2, 1836, the people of Texas declared their independence from Mexico, and thereafter by force of arms firmly established their independence and exclusive sovereignty over the land and territory included within the boundaries of the Republic of Texas, which were fixed by the First Texas Congress on December 19, 1836, as follows:

" 'Beginning at the mouth of the Sabine River, and running west along the Gulf of Mexico three leagues from land, to the mouth of the Rio Grande; thence up the principal stream of said river to its source; thence due north to the forty-second degree of north latitude; thence along the boundary line as defined in the treaty between the United States and Spain, to the beginning'; and

"Whereas with full knowledge of such boundaries the Republic of Texas was duly recognized as an independent nation by the United States, France, England, and other major nations of the world; and

"Whereas in accordance with that portion of the Spanish and Mexican law adopted by Texas, the title to all of the mines and minerals within the above-described territory, as well as to all lands therein not theretofore owned by other persons, was vested in the Republic of Texas; and

"Whereas the Republic of Texas offered all of its lands, mines, minerals, and territory to the United States by treaty in 1844 if the United States would assume the debts of the Republic after annexation; but said treaty was rejected by the United States Senate, and a counterproposal was made by the United States Congress whereby Texas might become a State in the Union if it kept its property and paid its own debts; and

"Whereas this proposal for annexation was accepted by the Texas Congress, and the Republic of Texas entered the Union under the solemn agreement with the United States whereby Texas transferred no minerals or lands beneath navigable waters to the Nation, but retained title to such properties in the State in trust for the people of Texas; and

"Whereas for over 100 years Texas has had peaceable possession and use of the lands and minerals beneath navigable waters within its original boundaries, with acknowledgment of ownership from all courts and executive agencies of the Federal Government, and the revenue from such property has been dedicated exclusively to the Texas permanent school fund and now constitutes an irreplaceable source of funds for public education in this State; and

"Whereas Texas' management of the mineral resources in these lands has been far superior to Federal management of similar property, State mineral leases bringing an average of 800 percent higher bonuses and 100 percent higher rentals than similar Federal leases; and such management has never interfered with, but has actually aided, the exercise of Federal powers of national defense and navigation; and

"Whereas the United States Congress has always recognized and never denied Texas' title to this property, but officers of the executive branch of the Federal Government have recently asserted Federal claims thereto and have sued Texas for the property and revenues in the Supreme Court of the United States, an action which would violate the annexation agreement, harass the State with long delay and expense of litigation, and automatically extend time for development of present mineral leases to the injury of both the public schools of Texas and the national security: Now, therefore, be it

"Resolved by the Senate of the State of Texas (the House of Representatives concurring), That Speaker SAM RAYBURN, Senators TOM CONNALLY and LYNDON B. JOHNSON, and all Members of the House of Representatives from Texas, are extended appreciation for their efforts in the past to pre-

serve the rights of this State and the permanent school fund in this controversy, and that each of them be respectfully urged to give their personal leadership in obtaining favorable reports in Senate and House committees and favorable action by the Congress on pending State ownership bills; and be it further

"Resolved, That the State of Texas respectfully requests the President of the United States and the Attorney General of the United States to recognize the rights of Texas under the annexation agreement and to discontinue the discrimination now being practiced against Texas and two other coastal States while 25 other coastal and Great Lakes States are being allowed to have full use and possession of the land, resources, and revenues within their marginal sea belts without suits having been filed against them; and that no suits should be prosecuted further against Texas or any of the 27 other coastal and Great Lakes States until Congress has passed upon the controversy; and that the Congress of the United States be requested to enact pending legislation which would recognize and confirm State ownership of all such lands within the boundaries of the respective States; and be it further

"Resolved, That enrolled copies of this resolution be mailed to the President of the United States, the Attorney General of the United States, and each Senator and Representative from Texas in the United States Congress; and that copies be printed and mailed to all other Members of Congress, and the governors and attorneys general of each of the several States.

"GRADY HAZLEWOOD,
"President pro tempore of the Senate.
"DURWOOD MANFORD,
"Speaker of the House."

COMPULSORY HEALTH INSURANCE

Mr. O'CONOR. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Woman's Club of Linthicum Heights, Md., protesting against the enactment of legislation providing compulsory health insurance.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the United States leads the world in health, medical care, and medical research under a free-enterprise system; and

Whereas compulsory health insurance throughout the world has and is destroying medical and health standards; and

Whereas compulsory health insurance carries a prohibitive cost, encourages inefficient medical care, and promotes political abuses by both patient and doctor; and

Whereas compulsory health insurance is a national move toward a welfare state, increasing public demands upon Government and eventual communistic control by government of a helpless people: Now, therefore, be it

Resolved, That the Woman's Club of Linthicum Heights, Md., does hereby go on record against any form of compulsory health insurance or any facsimile in the interest of a free and strong America; that a copy of this resolution be forwarded to the President of the United States, to each Senator and Representative from the State of Maryland, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

(Mrs. S.) ROSALIE S. PURDY,
President.
Miss BARBARA A. BOYD,
Secretary.

Linthicum Heights, Md., dated this 7th day of March 1950.

Mr. BUTLER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, resolutions adopted by Mount Suribachi Post, No. 1346, Veterans of Foreign Wars, of Hastings; the Tilden Woman's Club, of Tilden; American Legion Auxiliary, No. 122, of Dodge; and Harry Bossard Unit, No. 32, American Legion Auxiliary, of Papillion, all of the State of Nebraska, protesting against the enactment of legislation providing compulsory health insurance.

There being no objection, the resolutions were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

MOUNT SURIBACHI POST, NO. 1346,
VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Hastings, Nebr.

Senator HUGH BUTLER,
United States Senator,
Washington, D. C.

DEAR SIR: Mount Suribachi Post, No. 1346, Veterans of Foreign Wars, of the United States, Hastings, Nebr., which is in receipt of over 600 members, at their last regular post meeting held March 2, 1950, have entered in the minutes of their regular meeting the following resolution:

"Be it resolved, That the Mount Suribachi Post, No. 1346, Veterans of Foreign Wars of the United States, Hastings, Nebr., does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control."

Any consideration given this matter will be greatly appreciated by each and every member of this post.

Very truly yours,
PAUL C. NEWMAN,
Adjutant.

Whereas the American family has received the finest quality of medical care available in any country in the world, developed under our system of free enterprise; and

Whereas compulsory health insurance, wherever tried, has caused a decline in national health and deterioration of medical standards, and facilities, to the detriment of family welfare; and

Whereas compulsory health insurance, wherever tried, has taken away the family's right to choosing its own family physician; and

Whereas invasion of family privacy and violation of the sanctity of the patient-physician relationship have proved to be one of the most objectionable features of compulsory health insurance, wherever tried; and

Whereas compulsory health insurance would result immediately in a tax of 3 percent on the income of the American working man, rising within a few years to 6 percent and higher, creating a new tax burden which would reduce household budgets and bring down family standards of living; and

Whereas government control of medical services, by gradually undermining free enterprise and establishing heavy new tax burdens and unprecedented national deficits, would threaten national bankruptcy and encourage the spread of socialism, which would endanger the rights of our children to the individual freedoms which have been the American heritage: Now, therefore, be it

Resolved, That the Tilden Womans Club does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to each Senator from the State of Nebraska, and the Representative from our district, and that said Senators and Representative to and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

Mrs. WILLIAM DALES,
President.
HELEN IRENE WEGMAN,
Secretary.

Tilden, Nebr., dated this 7th day of March 1950.

Whereas the American veteran in two world wars has defended the American free-enterprise system, which has made possible the development in this country of the highest standards of medical care and the finest medical institutions attained by any major country in the world; and

Whereas having experienced the shortcomings of impersonal, assembly-line medical care inherent in the form of Government-controlled medicine necessary in time of war, the veteran understands the dangers of imposing such a system permanently on the entire population; and

Whereas compulsory health insurance would impose an unjust tax on the veteran's pay check for medical care to which he is now entitled free of charge as a reward for his service to his country; and

Whereas compulsory health insurance would force a tax of 3 percent on the income of the employed veteran, rising to a tax of at least 6 percent within a few years, creating new financial burdens which would increase the costs of necessities of life and lower the standard of living for veterans and other citizens: Now, therefore, be it

Resolved, That the American Legion Auxiliary does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to each Senator from the State of Nebraska, and the Representative from our district, and that said Senators and Representatives be, and are hereby, respectfully requested to use every effort at their command to prevent the enactment of such legislation.

AMERICAN LEGION AUXILIARY, No. 122.
Dodge, Nebr., dated this March 8, 1950.

AMERICAN LEGION AUXILIARY,
HARRY BOSSARD UNIT NO. 32,
Papillion, Nebr., March 9, 1950.

Whereas the American veteran in two world wars has defended the American free enterprise system, which has made possible the development in this country of the highest standards of medical care and the finest medical institutions attained by any major country in the world; and

Whereas having experienced the shortcomings of impersonal, assembly-line medical care inherent in the form of Government-controlled medicine necessary in time of war, the veteran understands the dangers of imposing such a system permanently on the entire population; and

Whereas compulsory health insurance would impose an unjust tax on the veteran's pay check for medical care to which he is now entitled free of charge as a reward for his service to his country; and

Whereas compulsory health insurance would force a tax of 3 percent on the income of the employed veteran, rising to a tax of at least 6 percent within a few years, creating new financial burdens which would increase the costs of necessities of life and lower the standard of living for veterans and other citizens: Now, therefore be it

Resolved, That Harry Bossard Unit, No. 32, American Legion Auxiliary, does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to each Senator from the State of Nebraska, and the Representative from our

district, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

MISS CLARA SIEH,
Secretary.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. NEELY, from the Committee on the District of Columbia:

S. 2595. A bill to provide for the establishment of a Commission on Human Rights in the government of the District of Columbia; with amendments (Rept. No. 1335).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 13, 1950, he presented to the President of the United States the following enrolled bills:

S. 493. An act to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands;

S. 1283. An act to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes; and

S. 3159. An act granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHERRY (for himself and Mr. BUTLER):

S. 3229. A bill to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School; to the Committee on Interior and Insular Affairs.

By Mr. ECTON:

S. 3230. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Eloise Plentyhoop; and

S. 3231. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Maud Door Whiteman; to the Committee on Interior and Insular Affairs.

By Mr. KEFAUVER:

S. 3232. A bill to provide for the acquisition and preservation, as a part of the National Capital Parks system, of the Old Stone House in the District of Columbia; to the Committee on Public Works.

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENTS

Mr. CORDON submitted amendments intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MAGNUSON submitted an amendment intended to be proposed by him to House bill 5472, supra, which was ordered to lie on the table and to be printed.

Mr. SCHOEPPEL submitted an amendment intended to be proposed by him to House bill 5472, supra, which was ordered to lie on the table and to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

CONTINUATION OF RENT CONTROL—STATEMENT BY SENATOR BENTON

[Mr. BENTON asked and obtained leave to have printed in the RECORD a statement issued by him last week in connection with the deficiency appropriation for the Office of Housing Expediter, urging the continuation of rent control, which appears in the Appendix.]

MORAL REARMAMENT—ARTICLES BY THE REVEREND FREDERICK BROWN HARRIS

[Mr. WILEY asked and obtained leave to have printed in the RECORD two articles dealing with the Moral Rearmament Conference, entitled "A Rainbow Over the Alps" and "At the End of the Rainbow," written by the Reverend Frederick Brown Harris, Chaplain of the Senate, and published in the Sunday Star, Washington, D. C., respectively on September 25, 1949, and October 2, 1949, which appear in the Appendix.]

BRITISH HEALTH SEEN SLIPPING—ARTICLE FROM THE WASHINGTON TIMES-HERALD

[Mr. MCCLELLAN asked and obtained leave to have printed in the RECORD an article entitled "British Health Seen Slipping," published in the Washington Times-Herald of today.]

STATEHOOD FOR ALASKA—EDITORIAL FROM THE NEW YORK JOURNAL-AMERICAN

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an editorial on the subject of statehood for Alaska, entitled "Redeem the Promise," published in the New York Journal-American, March 12, 1950, which appears in the Appendix.]

STATEHOOD FOR ALASKA IS DECLARED VITAL FOR WEST COAST DEFENSE—ARTICLE FROM WASHINGTON STAR

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article entitled "Statehood for Alaska Is Declared Vital for West Coast Defense," written by Dorothy Thompson, and published in the Washington Star, March 11, 1950, which appears in the Appendix.]

TRIBUTE TO WILTON E. HALL—EDITORIAL FROM THE AUGUSTA HERALD

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an editorial from the Augusta Herald of March 2, 1950, paying tribute to Mr. Wilton E. Hall, of Anderson, S. C., which appears in the Appendix.]

WORLD FEDERAL GOVERNMENT

Mr. HENDRICKSON. Mr. President, in the CONGRESSIONAL RECORD of April 14, 1949, there appears a resolution adopted overwhelmingly by both houses of the New Jersey Legislature memorializing the Congress of the United States to call a convention to propose amendments to the Federal Constitution whereunder the United States would be authorized to join a world federal government.

Now, Mr. President, we find a fine and sincere but misguided group of our great citizenry working for the rescission of the resolution. This would be a serious blow to the cause of world peace—it would be a retreat toward outmoded isolationism. To aid in stemming this growing tide in my own State, Mr. President, I have today issued a statement for appropriate circulation and publication.

Since the trend may seriously affect our future foreign policy, the statement may be of great interest to other Senators who are confronted with similar situations in their own State. I, therefore, ask unanimous consent to have the statement incorporated in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Quite recently my attention has been directed to a movement in New Jersey to have the legislature rescind the world government resolution which passed both houses unanimously a year ago. To me, this is shocking news for to rescind this resolution at this hour in the world's history would be the first step backward toward the blind alleys of isolationism and outmoded nationalism. Obviously, it would seriously impede and impair the early development of a sound and forward looking American foreign policy which is in the making at this very moment.

New Jersey has always been the vanguard of progressive States and for it to sound such a call to retreat, might well set us back a decade in our struggle for a just and lasting peace.

Speaking as a veteran of both world wars and as a citizen who has ever been ready to sacrifice all for his country, I warn that this movement, though sincere, is nonetheless the outgrowth of misguided patriotism.

Let me remind the citizens of New Jersey that the resolution adopted last year, is wholly permissive. It is only an enabling act and in no respect does it bind the people of our State to any future course of action unless that action is ratified by the people. It merely asks that when 31 other States have similarly resolved, a United States Constitutional Convention be called for the sole purpose of proposing amendments to our Constitution for authorizing to negotiate with other nations, subject to later ratification, a constitution of a world federal government open to all nations, with limited though adequate powers to assure a world peace.

To those fine and sincere patriots who lend ear to the propaganda that a world constitution is to be substituted for our own great charter of liberty, I say banish the fear. It is but a specter to confuse the issue. As for the impairment of our sovereignty—well, what could impair the sovereign rights of a people more than another world cataclysm? Have any American people lost their sovereignty because of a union for a common defense in 1787?

Our country today is engaged in a tragic contest—a cold war in which the forces who favor a world of well ordered law are at grips with statism and communism. The American people sincerely believe in and support the United Nations. We recognize and commend its remarkable achievements in the social, economic, and political spheres of our universe. We are mindful, however, that the confusion and frustration which has resulted from the veto power and other limited powers contained in the United Nations charter has impaired progress toward the ways of peace.

Acting through their duly chosen representatives, the Congress of the United States, our people have down to the present day, overwhelmingly supported a stupendous rearmament program, despite its burdensome cost to them in dollars. More than this, we have supported the North Atlantic Treaty, our first major entangling alliance and with it the Mutual Defense Assistance Act of

1949 to implement it through military aid—all of these things for a common defense against the ravages of war.

Despite these costly structures, our people today are restive and uneasy. The shadows of Hiroshima and Nagasaki hover over them. But, in our midst there is still vision, wisdom and courage and so we find countless thousands sensibly seeking a positive and dependable alternative to the present insecure course to a doubtful freedom and a possible catastrophe.

In this search for an end to the cold war, we are seeking friends and support among nations which now are neither democratic nor communistic but which may well hold the balance of power. Surely, it is but an act of common sense to join with them in strengthening the United Nations to give it the facilities to make a world law under which peace can be both attained and maintained.

The opposition to world government and the existing proposals therefor, brand this as idealism—it is neither idealism nor generosity—it is only a common-sense formula to be applied in the present struggle for survival.

That I might better know the wishes of our people in respect to the future peace of the world, I joined in the last session of Congress, in three resolutions, namely, World Federalists, the North Atlantic Union, and the Culbertson plan, all designed to attain a formula for world peace under well-ordered law. All three resolutions, particularly the former, have substantial initial support in both Houses of Congress. Indeed, the reaction everywhere has been most encouraging. My mail clearly indicates that the American people are tired of piecemeal efforts to prevent war. They want a positive and dynamic agency to insure peace, and they stand ready to lend their support accordingly.

This support, like the problem it seeks to solve, crosses all party, racial, economic and religious lines. My distinguished opponent in the 1948 senatorial campaign, Mr. Archibald Alexander, and I, the Republicans and the Democrats in their 1948 State platforms, the Congressmen supporting the World Federation resolution now before Congress, the supporters of the resolution now sought to be rescinded in New Jersey, all are working in nonpartisan fashion to give our great civilization enforceable world law to preserve that civilization for generations yet unborn.

To turn back now to a helpless nationalism would be to thwart the only constructive course to peace. To attain that peace, our march must be toward world cooperation, more support of and greater powers for the United Nations, despite the pitfalls and barriers ahead.

I appeal to New Jersey's citizens to defeat the ill-timed effort toward archaic isolationism by supporting those legislators whose courage and vision enacted the resolution of a year ago.

INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION—RECOMMITTAL OF BILL

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that Senate bill 2826, to increase the borrowing power of Commodity Credit Corporation, be recommitted to the Committee on Agriculture and Forestry for the consideration of one amendment.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. I should like to ask a question about the bill. Is it in conference?

Mr. THOMAS of Oklahoma. No. It was reported to the Senate only a few days ago.

Mr. WHERRY. And it is now on the calendar. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

(The following debate, which occurred after Mr. KEFAUVER obtained the floor, was on request of Mr. THYE, and by unanimous consent, ordered to be printed at this point in the RECORD:)

Mr. THYE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. THYE. Mr. President, the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Oklahoma [Mr. THOMAS], spoke to me shortly after the Senate reconvened today about the possibility of having the Commodity Credit Corporation bill, Senate bill 2826, recommitted to the Senate Committee on Agriculture and Forestry for the purpose of permitting the Secretary of Agriculture to appear before the committee to be heard on the amendment I offered to the bill, and which the Senate approved in one of its regular sessions.

I told the Senator from Oklahoma, the able chairman of the Committee on Agriculture, at the time that I did not object. Unfortunately I was called to the telephone to answer a long-distance call which came from my home State on a matter which is of great urgency to the people of Minnesota relative to the potato amendment, which at the present time is before the conference committee for its consideration. When I returned to the Senate floor the bill had already been recommitted to the Senate Committee on Agriculture and Forestry.

Mr. President, I should like to have the remarks I am now making appear immediately after the recommittal action in order that those who read the RECORD may know some of the reasons why I submitted the amendment.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection, it is so ordered.

Mr. THYE. Mr. President, I think it would be well that I now read the amendment which I then submitted. It is as follows:

SEC. 2. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806) is hereby amended to read as follows: "In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the acquisition, warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall employ the services of dealers, commission merchants, and the other usual and customary channels, facilities, and arrangements of trade and commerce."

I have been told that this amendment has been interpreted to be so far reaching that the Commodity Credit Corporation could not own, possess, and operate grain-storage facilities. I do not understand the amendment is subject to such an interpretation; but I have been told that it would have that effect. I am positive its language could not be construed to mean that the Commodity Credit Corporation could not own and possess storage facilities. If the amendment really goes that far it should be corrected, because I know that the Commodity Credit Corporation must have storage facilities. The temporary bins which exist across the countryside are for the purpose of accommodating the surplus grains which will be turned over to the Commodity Credit Corporation from time to time by the producers.

Mr. President, here are some of the reasons, and they are compelling reasons, why I submitted the amendment. Last December, when I returned to my State, I received telephone calls daily, and individuals had personal contacts with me, asking that I do something about the Commodity Credit Corporation problem, and also to make the CCC settle with the local farmers' elevators across the State for grains they had consigned to the Commodity Credit Corporation many months previously. I listened to the complaints which came to me personally, and I attended conferences and meetings, as a result of which I felt absolutely justified in bringing this matter to the attention of Congress.

I had not more than stepped into the farmers' elevator in my home town to make arrangements for some high protein feeds when there was brought to my attention the fact that farmers had consigned grain to the Commodity Credit Corporation many months before, and they had neither received a report from the Commodity Credit Corporation nor had they had a settlement.

I have in my hand a letter addressed to me by the Farmers Elevator Co., Waseca, Minn., under date of January 9, 1950. This company operates a farmers' elevator. It is not a grain commission firm. It is not one of the type of big business one might expect to be complaining against the activities of the Commodity Credit Corporation. The letter is as follows:

FARMERS ELEVATOR CO.,
Waseca, Minn., January 9, 1950.

Senator E. J. THYE,
Senate Building, Washington, D. C.

DEAR SIR: The new Uniform Grain Storage Agreement is now being rewritten. We would like to voice our sentiments on the important legislation which will affect so many who are dependent upon this phase of agriculture for their living. We are not at all satisfied with the manner in which the Government grain has been handled.

We ask that our terminal commission merchants be allowed to represent us on these shipments in order to protect the producer's interests and their elevator companies. Our company services about 300 farmer patrons.

Very truly yours,
MILO L. MIKELSON,
Manager.

That, Mr. President, is a very mild criticism. I have other letters which are not nearly so mild in their criticism as the one I have just read. Mr. President, in order that I may not trespass any further upon the time of the Senator from Tennessee, who so kindly yielded to me, I ask unanimous consent to have printed in the RECORD three other letters addressed to me on the same subject, in order that Senators and others who have the opportunity to read the RECORD may

know what farmer-elevator operators have been up against in the surplus-grain-producing-area States, such as Minnesota, the Dakotas, and the Middle Western States.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW ULM FARMERS CO-OP ELEVATOR CO.,
New Ulm, Minn., December 29, 1949.
Senator EDWARD J. THYE,
Senate Building,
Washington, D. C.

DEAR SENATOR THYE: The new uniform grain-storage agreement is now being rewritten. We would like to voice our sentiments on this important legislation which will affect so many who are dependent upon this phase of agriculture for their livelihood.

The manner in which the Government handles the grain is ridiculous. The commission company is the proper party to represent our interests in the grain business when it comes to grades, prices, dockage, weights, etc.

We, therefore, ask that when this law is rewritten, that the commission company be the one to represent us and not the Government, on all shipments of Government grain.

We serve about 450 farmer patrons who depend upon us to give them good service the year around.

Yours very truly,
VERNON BUDAHN,
Manager.

THE GOBLIRSCH ELEVATOR,
Wabasso, Minn., February 8, 1950.
Hon. EDWARD THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Speaking from an independent elevator-operator's view on CCC grain handling: First, we are expanded enough now that we could never sell and get our money out of the place, then if I would build additional storage where would I get the money and who would I give the space to when it is built? As you couldn't build enough to take care of 450 customers, then you have this treacherous grain which should be watched very closely so it doesn't go out of condition not like CCC handles it by just piling it up and never have a chance to turn it. Then you have the socialistic side behind it of CCC buying its own equipment to handle this and put us out of business. Just where does an independent man stand in this situation is the $64 question.

Then the way CCC handles it now we never know what they intend to do. When we handle it for them we don't know within a year what settlement we get on grades, weights, and invoices. Why not get grain back to its normal channels where it should be handled and keep us all in business, not put one class of people out and then fully support another class.

Yours truly,
LOUIS GOBLIRSCH.

HUNTTING ELEVATOR CO.,
Austin, Minn., January 31, 1950.
Senator EDWARD J. THYE,
Washington, D. C.

DEAR SENATOR THYE: We would like to register our complaints on the operations of the Commodity Credit Corporation.

Last May we started shipping farm-delivered grain and it has only been in the last week or two that many of the terminal weights and grades were given us.

While we have been paid some advances on grain which we had stored to July 1, 1949, we have not received anything on shipments of farm-delivered grain. CCC owes us about $15,000.

Recently we called on CCC in Minneapolis to see what they had to say about paying us and we were informed that the reason for nonpayment was that CCC had run out of money and we would have to wait until an additional appropriation was made by Congress. On that same day I read that President Truman stated tht CCC had a billion and a half on hand.

We feel certain that if existing terminal representatives and facilities had been used there would have been much less confusion and delay. In the future we would like to see more use made of them.

Yours very truly,
J. G. HUNTTING,
President.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. SCHOEPPEL. I should like to ask the Senator from Minnesota if the request for the amendment and for what the amendment proposes to do did not come from all types of grain dealers, large and small, and from farmer cooperative groups, as well as some of the intermediary types of business concerns?

Mr. THYE. I will say to the able Senator from Kansas that all the letters I have in my hand are from the operators or managers of grain elevators, and that includes a statement by Oscar Olsen, president of the Minnesota Farmers' Elevator Association. I have not referred to grain commission firms, nor have I referred to those who might find a profit in doing business for the small elevators. I am now referring to the man who serves the community, the operator or the board president of small farmers' elevators which serve a particular community—not the big commission firms which reap a percentage upon the volume of business.

Mr. SCHOEPPEL. I should like to associate myself with the views expressed by the able Senator from Minnesota, because I have received 100 or 150 communications from my State from ordinary small grain dealers and from farmer groups who are expressing the same sentiments and have the desire that this measure be amended or changed so as to come in line with the objective the Senator from Minnesota has in mind.

Mr. THYE. I thank the Senator from Kansas for his contribution, and I take the opportunity of thanking the Senator from Tennessee [Mr. KEFAUVER] for his consideration.

Mr. LUCAS. Mr. President, I should like to make a brief statement respecting the bill which the Senator from Minnesota has just been discussing, and which was recommitted to the Committee on Agriculture and Forestry. The amendment was adopted last Friday, as I understand, by the Committee on Agriculture and Forestry. The Senator from Illinois is a member of the committee, but was not present at the time. The amendment, according to the interpretation and construction placed upon it by the Department of Agriculture, goes much further than the able Senator from Minnesota thought it would go. As a result of that interpretation, it is the thought of the Senator from Illinois and others that the bill should be recommitted—the bill for the purpose of having the Secretary of Agriculture come before the committee and lay before it the reasons for his opposition to the amendment, because if the Secretary of Agriculture is correct, the amendment goes even further than the amendment which was adopted by the Eightieth Congress dealing with the acquisition and leasing of real property and other property for storage facilities. If that be true—and I believe that it is probably true—certainly the language must be changed, or it would destroy what has been done with respect to acquiring and leasing of property for storage facilities in the Corn Belt section of Illinois and in other sections of the West. I am sure no Senator would want to do that. The basic reason why the measure is being returned to the committee for further consideration, is so that the Secretary of Agriculture may testify.

Mr. BUTLER. Mr. President, will the Senator from Tennessee yield so I may ask the distinguished majority leader one question?

Mr. KEFAUVER. I yield for that purpose.

Mr. BUTLER. Of course, no one would deny the Secretary of Agriculture the privilege of appearing before a committee to present his views on a matter which apparently he overlooked, in the first place. But in that connection, I should like to ask the distinguished majority leader if it would be agreeable to have witnesses appear from among farm elevator companies, as well as others who favor the amendment?

Mr. LUCAS. I have no objection to hearing any witnesses upon the amendment itself. However, as I understand, the amendment was prepared by the grain trade, and testimony with respect to it was taken for some 3 or 4 days by members of the grain trade throughout the country, and apparently they had this principle in mind, because they came forth with the amendment, as I understand, which was offered and adopted by the committee. However, the point I am making is that the Secretary of Agriculture and his subordinates had no opportunity to see the amendment after it was presented to the committee and to give us their reaction as to its consideration and proper interpretation. If they are correct in their viewpoint, the amendment goes much, much further, as I said before, than what, the Senator from Minnesota desires. He has very politely said that he does not wish to go so far as the Secretary of Agriculture says the amendment goes; and he is as anxious as other Senators are to have that situation corrected.

Mr. BUTLER. Mr. President, I am sure the majority leader will be perfectly willing to have those in the grain business who feel that the industry is being completely socialized by the Department of Agriculture given an opportunity to be heard after the Secretary of Agriculture has been heard.

Mr. LUCAS. I would be willing to listen to any testimony as I did, I recall, upon several occasions. It was simply unfortunate that I could not be there last Friday, as a member of the committee.

But certainly I have no objection to listening to these distinguished gentlemen; and particularly now, in view of what the Senator has said, I wish them to trace for me exactly how the Secretary of Agriculture is socializing this industry.

Mr. President, the word "socialization" is being bandied about here rather loosely at times. If those who are in the grain trade can show the Senator from Illinois and other Members of the Senate how the storage of corn in central Illinois, for the protection of the farmers in my section of the State, is driving us down the road to socialism, so far as that storage is concerned, I shall be very glad to interrogate them myself in respect to that particular phase of the inquiry, because there is no one in the Senate or in the country who is more opposed to socialism than is the Senator from Illinois.

Now that the Senator from Nebraska has raised the question, I am sure the Senator from Illinois will be there, for the purpose of interrogating his constituents upon that point. I hope the Senator from Nebraska will be there, too, to give us a further explanation of that very delicate question.

Mr. BUTLER. I expect to be there. I think the distinguished majority leader and I are in complete agreement in regard to the storage of corn or other grain at interior points. There can be no argument about the wisdom of such a policy, and no partisan issue is involved.

But when it comes to movement of such stored grain to the terminal markets, all that the grain trade, the farmer cooperatives, and others ask is that their services may be used in connection with the disposal of the grain. When small business, be it in the grain business or in any other line is supplanted by the activities of a government corporation, I think that is socialization.

Mr. LUCAS. Mr. President, I shall not take the time of the Senator from Tennessee to debate that question today. I shall stand upon the previous statement I made. I am sure this amendment goes much further than what the Senator from Minnesota anticipated. That is why we are trying to have it corrected, because I do not want to see prevail—and I am sure other Senators do not—the condition which existed during the Eightieth Congress, when the corn farmers could not get any storege at all for their grain, because of the law which was enacted.

Last year we perfected that. Now, according to the Secretary of Agriculture, if this amendment becomes the law, we would be going even further than we did by the amendment in the Eightieth Congress. That is all I wish to find out.

INTERNATIONAL GOLDEN GLOVES

Mr. WILEY. Mr. President, on various occasions I have called the attention of the Senate to what I thought were significant visits by distinguished visitors from foreign countries. Such a group came recently from Japan, and other groups have come from all over Europe. Today I have had called to my attention that an amateur sporting event will be held in this city on April 21—the International Golden Gloves. This is to be an athletic contest between the champion Washington Golden Gloves boxing team against the finest amateurs in all of Europe. It will bring to these shores young men anxious to win in the name of their country. I have been given to understand that Russia has been invited and may send a representative.

In these days when we are all striving desperately to understand each other it seems to me that this event, sponsored by the Washington Times-Herald, is in the interests of international good sportsmanship and international relations and I am very happy to endorse it.

REORGANIZATION PLANS — MESSAGES FROM THE PRESIDENT (H. DOCS. NOS. 503–526)

The VICE PRESIDENT laid before the Senate messages from the President of the United States, which were read, and referred to the Committee on Expenditures in the Executive Departments.

(For all reorganization plans messages from the President, see today's proceedings of the House of Representatives on pp. 3239–3252.)

AMENDMENTS TO FEDERAL DEPOSIT INSURANCE ACT

Mr. LUCAS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1277, Senate bill 2822, to amend the Federal Deposit Insurance Act.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Is there to be any statement made with reference to the bill?

Mr. LUCAS. I understand it has been reported unanimously.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate proceeded to consider the bill (S. 2822) to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264), which had been reported from the Committee on Banking and Currency with amendments.

The VICE PRESIDENT. The Secretary will proceed to state the committee amendments.

The first amendment of the Committee on Banking and Currency was, in section 2, page 3, line 6, after the word "insured", to strike out "bank," and insert "bank".

The amendment was agreed to.

The next amendment was, on page 3, line 21, after the word "which", to strike out "were" and insert "are"; and in line 22, after the word "on", to strike out "August 23, 1935, under the provisions of this act" and insert "the effective date of this amendment".

The amendment was agreed to.

The next amendment was, on page 5, line 9, after the word "withdrawal", to strike out "is" and insert "was"; and in line 10, after the word "on", to strike out "the effective date" and insert "August 23, 1935".

The amendment was agreed to.

The next amendment was, on page 7, line 14, after the word "benefit", to insert "either", and in line 16, after section 7.", to strike out "each officer, employee, or agent of the United States, of any State of the United States, of any county, municipality, or political subdivision thereof, of the District of Columbia, any Territory of the United States, Puerto Rico, Virgin Islands and of any municipality thereof, herein" and in lieu thereof to insert the following: "Each officer, employee, or agent of the United States, of any State of the United States, of the District of Columbia, of any Territory of the United States, of Puerto Rico, of the Virgin Islands, of any county, of any municipality, or of any political subdivision thereof, herein".

The amendment was agreed to.

The next amendment was, on page 8, line 20, after the word "funds", to strike out "as used in this act".

The amendment was agreed to.

The next amendment was, on page 8, line 24, after the word "which", to strike out "was" and insert "is"; and in line 25, after the word "this", to strike out "act" and insert "amendment".

The amendment was agreed to.

The next amendment was, on page 9, line 11, after the word "receiving", to strike out "deposits" and insert "deposits,".

The amendment was agreed to.

The next amendment was, on page 10, line 6, after the word "bank", to insert "which is engaged in the business of receiving deposits, other than trust funds as herein defined".

The amendment was agreed to.

The next amendment was, on page 11, line 10, after the word "subsection", to strike out "(1)" and insert "(l)".

The amendment was agreed to.

The next amendment was, on page 13, line 6, after the words "as of", to insert "the".

The amendment was agreed to.

The next amendment was, on page 14, line 25, after the word "first", to insert "semiannual".

The amendment was agreed to.

Mr. WHERRY. Mr. President, I should like to ask the majority leader whether all these amendments were agreed upon in the committee.

Mr. LUCAS. The Senator from Vermont [Mr. FLANDERS] is a member of the committee, and perhaps he can answer the Senator's question.

Mr. FLANDERS. Mr. President, the bill had the careful consideration of the Committee on Banking and Currency, and the committee is satisfied with it, with these technical amendments added.

Mr. WHERRY. Very well.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The next amendment was, on page 15, line 21, after the word "reserves.", to strike out "If such losses exceed the net assessment income in any year, such excess losses shall be restored by deduction made in subsequent years." and in lieu thereof to insert the following: "If the above deductions exceed in amount the total assessments which become due during the calendar year, the amount of

such excess shall be restored by deduction from total assessments becoming due in subsequent years."

The amendment was agreed to.

The next amendment was, on page 16, line 6, after the word "or", to strike out "the Corporation".

The amendment was agreed to.

The next amendment was, on page 25, line 4, after the word "as", to insert "otherwise".

The amendment was agreed to.

The next amendment was, on page 26, after line 14, to strike out:

Eleventh. The Corporation is hereby authorized to purchase a building or to acquire a site within the District of Columbia and to construct thereon a building suitable for the use of the Corporation, to be paid for from funds of the Corporation: *Provided*, That the selection of such site shall be subject to the approval of the National Capital Park and Planning Commission, and that the design for such building shall be subject to the approval of the Commission of Fine Arts: *Provided further*, That the facilities of the Administrator of General Services shall be utilized in the acquisition of such site, the preparation of all necessary plans, drawings, and specifications, the making of all necessary contracts, and the supervision of the construction of such building and said Administrator shall provide any other available facilities upon request of the Corporation.

The amendment was agreed to.

The next amendment was, on page 27, after line 18, to strike out:

(b) The Board of Directors shall appoint examiners who shall have power, on behalf of the Corporation, to examine any insured State bank (except a District bank), any State bank making application to become an insured bank, and any closed insured bank, whenever in the judgment of the Board of Directors an examination of the bank is necessary. Such examiners shall have like power to examine, with the written consent of the Comptroller of the Currency, any national bank or District bank. Each such examiner shall have power to make a thorough examination of all the affairs of the bank and in doing so he shall have power to administer oaths and to examine and take and preserve the testimony of any of the officers and agents thereof, and shall make a full and detailed report of the condition of the bank to the Corporation. The Board of Directors in like manner shall appoint claim agents who shall have power to investigate and examine all claims for insured deposits and transferred deposits. Each claim agent shall have power to administer oaths and to examine under oath and take and preserve the testimony of any persons relating to such claims.

And in lieu thereof, to insert the following:

(b) The Board of Directors shall appoint examiners who shall have power, on behalf of the Corporation, to examine any insured State nonmember bank (except a District bank), any State nonmember bank making application to become an insured bank, and any closed insured bank, whenever in the judgment of the Board of Directors an examination of the bank is necessary. Such examiners shall have like power to examine, with the written consent of the Comptroller of the Currency, any national bank or District bank, and, with the written consent of the Board of Governors of the Federal Reserve System, any State member bank. Each such examiner shall have power to make a thorough examination of all the affairs of the bank and in doing so he shall have power to administer oaths and to examine and take and preserve the testimony of any of the officers and agents thereof, and shall make a full and detailed report of the condition of the bank to the Corporation. The Board of Directors in like manner shall appoint claim agents who shall have power to investigate and examine all claims for insured deposits and transferred deposits. Each claim agent shall have power to administer oaths and to examine under oath and take and preserve the testimony of any persons relating to such claims.

The amendment was agreed to.

The next amendment was, on page 29, after line 12, to strike out:

(c) For the purpose of any hearing, examination or investigation under this act, any member of the Board of Directors, any examiner, any claim agent or any person designated by the Board of Directors, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, records, or other papers which are relevant or material to the inquiry. Such attendance of witnesses and the production of any such papers may be required from any place in any State or in any Territory or other place subject to the jurisdiction of the United States at any designated place where such a hearing is being held or investigation is being made.

(d) In case of refusal to obey a subpena issued to, or contumacy by, any person, the Board of Directors may invoke the aid of any court of the United States within the jurisdiction of which such hearing or investigation is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, records, or other papers. And such court may issue an order requiring such person to appear before the Board of Directors or member or person designated by the Board of Directors, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. No person shall be excused from attending and testifying or from producing books, records, or other papers in obedience to a subpena issued under the authority of this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transactions, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. Any person who without just cause shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, records, or other papers in obedience to the subpena of the Board of Directors, if in his or its power so to do, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year, or both.

And in lieu thereof, to insert the following:

(c) For the purpose of any hearing under this act, the Board of Directors, any member thereof, or any person designated by the Board of Directors to conduct any such hearing, is empowered to administer oaths and affirmations, subpena any officer or employee of the insured bank, compel his attendance, take evidence, take depositions, and require the production of any books, records, or other papers of the insured bank which are relevant or material to the inquiry. For the purpose of any hearing, examination, or investigation under this act, the Board of Directors may apply to any judge or clerk of any court of the United States within the jurisdiction of which such hearing, examination, or investigation is carried on, or where such person resides or carries on business, to issue a subpena commanding each person to whom it is directed to attend and give testimony or for the taking of his deposition and to produce books, records, or other papers relevant or material to such hearing, examination, or investigation at a time and place and before a person therein specified. Such attendance of witnesses and the production of any such papers may be required from any place in any State or in any Territory or other place subject to the jurisdiction of the United States at any designated place where such a hearing is being held or such examination or investigation is being made: *Provided, however,* That the production of a person's documents at any place other than his place of business shall not be required in any case in which, prior to the return date specified in the subpena with respect thereto, such person either has furnished as directed a copy of such documents (certified by such person under oath to be a true and correct copy) or has entered into a stipulation with any authorized representative of the Corporation as to the information contained in such documents. Witnesses subpenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States.

(d) In cases of refusal to obey a subpena issued to, or contumacy by, any person, the Board of Directors may invoke the aid of any court of the United States within the jurisdiction of which such hearing, examination, or investigation is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, records, or other papers. And such court may issue an order requiring such person to appear before the Board of Directors or member or person designated by the Board of Directors, there to produce records, if so ordered, or to give testimony touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or carries on business or wherever he may be found. No person shall be excused from attending and testifying or from producing books, records, or other papers in obedience to a subpena issued under the authority of this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

The amendment was agreed to.

The next amendment was, on page 36, line 1, after the word "date", to insert "of this amendment"; in line 4, after the word "this", to strike out "section" and insert "act"; and in line 16, after the word "this", to strike out "act" and insert "amendment".

The amendment was agreed to.

The next amendment was, in line 24, after the word "other", to strike out "provisions" and insert "provision"; and on page 37, line 3, after the word "Corporation", to strike out "received" and insert "receiver".

The amendment was agreed to.

The next amendment was, on page 47, after line 12, to strike out:

SEC. 13. (a) Money of the Corporation not otherwise employed shall be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States, except that for temporary periods, in the discretion of the Board of Directors, funds of the Corporation may be deposited in any Federal Reserve bank or with the Treasurer of the United States. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public moneys, except receipts from customs, under such regulations as may be prescribed by the said Secretary, and may also be employed as a financial agent of the Government. It shall perform all such reasonable duties as depositary of public moneys and financial agent of the Government as may be required of it.

And in lieu thereof to insert the following:

SEC. 13. (a) Money of the Corporation not otherwise employed shall be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States: *Provided,* That the Corporation shall not sell or purchase any such obligations for its own account and in its own right and interest, at any one time aggregating in excess of $100,000, without the approval of the Secretary of the Treasury: *And provided further,* That the Secretary of the Treasury may waive the requirement of his approval with respect to any transaction or classes of transactions subject to the provisions of this subsection for such period of time and under such conditions as he may determine.

(b) The banking or checking accounts of the Corporation shall be kept with the Treasurer of the United States, or, with the approval of the Secretary of the Treasury, with a Federal Reserve bank, or with a bank designated as a depositary or fiscal agent of the United States: *Provided,* That the Secretary of the Treasury may waive the requirements of this subsection under such conditions as he may determine: *And provided further,* That this subsection shall not apply to the establishment and maintenance in any bank for temporary purposes of banking and checking accounts not in excess of $50,000 in any one bank, or to the establishment and maintenance in any bank of any banking and checking accounts to facilitate the payment of insured deposits, or the making of loans to, or the purchase of assets of, insured banks. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public moneys, except receipts from customs, under such regulations as may be prescribed by the said Secretary, and may also be employed as a financial agent of the Government. It shall perform all such reasonable duties as depositary of public moneys and financial agent of the Government as may be required of it.

The amendment was agreed to.

The next amendment was, on page 49, after line 13, to strike out:

(b) In order to prevent the closing of an insured bank or in order to reopen a closed insured bank, the Corporation, in the discretion of its Board of Directors, is authorized to make loans to, or purchase the assets of, such an insured bank upon such terms and conditions as the Board of Directors may prescribe.

And in lieu thereof, to insert the following:

(c) In order to reopen a closed insured bank or, when the Corporation has determined that an insured bank is in danger of closing, in order to prevent such closing, the Corporation, in the discretion of its Board of Directors, is authorized to make loans to, or purchase the assets of, or make deposits in, such insured bank, upon such terms and conditions as the Board of Directors may prescribe, when in the opinion of the Board of Directors the continued operation of such bank is essential to provide adequate banking service in the community. Such loans and deposits may be in subordination to the rights of depositors and other creditors.

The amendment was agreed to.

Mr. WHERRY. Mr. President, I have just been notified by the junior Senator from Ohio [Mr. BRICKER] that he has an amendment, which I think is a perfecting amendment, which he desires to offer. I ask whether in the parliamentary situation the bill will be open to individual amendments.

The VICE PRESIDENT. The bill will be open to amendment after the committee amendments have been agreed to.

Mr. WHERRY. With that understanding, there is no objection to having amendments agreed to, but the Senator from Ohio will be in the Chamber in a moment to offer his amendment.

The VICE PRESIDENT. The clerk state the next amendment of the committee.

The next amendment was, on page 50, line 6, to reletter the subsection from "(c)" to "(d)"; and in line 16, after the word "this", to strike out "act" and insert "amendment".

The amendment was agreed to.

The next amendment was, on page 51, line 10, to reletter the subsection from "(d)" to "(e)".

The amendment was agreed to.

The next amendment was, on page 52, after line 2, to insert:

(f) Prior to July 1, 1951, the Corporation shall pay out of its capital account to the Secretary of the Treasury and the Federal Reserve banks, respectively, an amount equal to 2 percent simple interest per annum on amounts advanced to the Corporation on stock subscriptions by the Secretary of the Treasury and such banks, from the time of such advances until the amounts thereof were repaid.

The amendment was agreed to.

The next amendment was, on page 52, line 19, after the word "this", to strike out "paragraph" and insert "section".

The amendment was agreed to.

The next amendment was, on page 53, line 14, after the word "authority", to insert a colon and the following proviso: *"Provided,* That interest upon or any income from any such obligations and gain from the sale or other disposition of such obligations shall not have any exemption, as such, and loss from the sale of other disposition of such obligations shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto"; and on page 54, line 3, after the word "taxed", to strike out the colon and the following proviso: *"Provided,* That any building now or hereafter owned by the Corporation in the District of Columbia and used principally as an office building of the Corporation, together with the land upon which the same stands, and all appurtenances, buildings, and lands used principally in connection therewith, shall be exempt from any and all taxation."

The amendment was agreed to.

The next amendment was, at the top of page 55, to strike out:

(b) The financial transactions of the Corporation shall be audited by the General Accounting Office in accordance with procedures applicable to commercial corporate transactions and under such rules and regulations as may be agreed upon by the Comptroller General and the Board of Directors. The audit shall be conducted at the place or places where accounts of the Corporation are normally kept and all books, records, and documents of the Corporation shall remain in possession and custody of the Corporation. The audit hereby authorized shall be made beginning with financial transactions occurring on and after August 31, 1948. A report of the audit for each fiscal year ending on June 30 shall be made by the Comptroller General to the Congress not later than January 15, following the close of such fiscal year. The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expenses; a statement of sources and application of funds and such comments as may be necessary to inform Congress of the financial condition of the Corporation. Each such report shall be furnished to the Corporation for comment prior to its submission to the Congress. The Corporation shall have 20 days to formulate and transmit its comments on the report to the Comptroller General and the Comptroller General shall include in an appendix to the report such comments as the Corporation may make. On or before August 1 of each year the Comptroller General shall determine whether the General Accounting Office will be able to complete an audit for the preceding fiscal year and report thereon to Congress by the following January 15 and shall send written notification of such determination to the Corporation. In the event the Comptroller General determines that, in respect to any fiscal year, the General Accounting Office cannot complete an audit and make a report thereon to the Congress by the following January 15 and so notifies the Corporation in writing on or before August 1 following the close of such fiscal year, or in the event the Comptroller General shall fail to notify the Corporation in writing on or before August 1 of any year as to his determination relative to the audit for the preceding fiscal year, the Corporation shall be authorized to engage a firm or firms of certified public accountants to make the required audit for that fiscal year. The audit reports of such certified public accountants shall be forwarded to the Comptroller General and the Corporation not later than December 1 following the close of fiscal year for which the audit is made and the Comptroller General, not later than the following January 15, shall forward the report to the Congress together with such comments as he and the Corporation may make on said report. The Corporation shall reimburse the General Accounting Office for the actual cost of any such audit made by that Office and the expenses of audit by any certified public accountants employed by the Corporation under authority hereof shall be paid by the Corporation directly to said firms and organizations.

And insert in lieu thereof the following:

(b) The financial transactions of the Corporation shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation pertaining to its financial transactions and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Corporation shall remain in possession and custody of the Corporation. The audit shall begin with financial transactions occurring on and after August 31, 1948.

(c) A report of the audit for each fiscal year ending on June 30 shall be made by the Comptroller General to the Congress and not later than January 15 following the close of such fiscal year. On or before December 15 following such fiscal year the Comptroller General shall furnish the Corporation a short form report showing the financial position of the Corporation at the close of the fiscal year. The report to the Congress shall set forth the scope of the audit and shall include a statement of assets and liabilities and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expenses; a statement of sources and application of funds and such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the Corporation, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President, to the Secretary of the Treasury, and to the Corporation at the time submitted to the Congress.

(d) For the purpose of conducting such audit the Comptroller General is authorized in his discretion to employ by contract, without regard to section 3709 of the Revised Statutes, professional services of firms and organizations of certified public accountants, with the concurrence of the Corporation, for temporary periods or for special purposes. The Corporation shall reimburse the General Accounting Office for the cost of any such audit as billed therefor by the Comptroller General, and the General Accounting Office shall deposit the sums so reimbursed into the Treasury as miscellaneous receipts.

The amendment was agreed to.

The next amendment was, on page 59, line 17, after the word "this", to strike out "paragraph" and insert "subsection"; and in line 18, after the words "penalty of", to insert "not more than".

The amendment was agreed to.

The next amendment was, on page 63, line 8, after the word "of", to insert "not more than".

The amendment was agreed to.

The next amendment was, in line 12, after the word "this", to strike out "section" and insert "act"; in the same line, after the word "of", to insert "not more than"; in line 15, after the word "this", to strike out "paragraph" and insert "subsection"; in line 16, after the word "of", to strike out "paragraph" and insert "subsection"; and in line 17, after the word "this", to strike out "subsection" and insert "section".

The amendment was agreed to.

The next amendment was, in line 22, after the word "each", to insert "willful"; and in line 24, after the word "of", to insert "not more than".

The amendment was agreed to.

The next amendment was, in section 3, on page 64, at the beginning of line 15, to strike out "Whoever" and insert "Whoever, except as expressly authorized by Federal law".

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments. Are there further amendments?

Mr. WHERRY. Mr. President, in view of the fact that the junior Senator from Ohio has one perfecting amendment he desires to offer, I now ask the majority leader if it would not be possible to withhold final action on the bill—and I may say I am in complete harmony with the bill—and proceed with something else until the Senator from Ohio has an opportunity to offer his amendment.

The VICE PRESIDENT. The Senator from Vermont [Mr. FLANDERS] desires to address the Senate, and he is now recognized.

CONTROL OF ATOMIC AND HYDROGEN BOMBS

Mr. FLANDERS. Mr. President, every Member of this body, and the people of the United States and of other countries too, are in debt to the Senator from Connecticut [Mr. MCMAHON] for his two stirring speeches made on this floor on February 3, and March 1. In his first speech he accepts the dreary necessity of proceeding with the development of the hydrogen bomb. He likewise rejects the prospect of living out our lives in a state of sustained fear and recognizes the corruption of civil life which will surely result from the accompanying concentration of thought, effort, money, and resources on the resulting military program. He recognizes the supreme importance of reaching the people of Russia themselves. He wants to pierce the curtain. He wants to strengthen the Voice. He urges that other means be found for reaching peoples now arrayed against us in hostile formation where there is no ground for hostility. He concludes by urging an extension of the Marshall-plan idea to the nations of the world by the voluntary withdrawal of two-thirds of the sums which they now spend on arms, armament, and armies, and devoting it to the expansion of peaceful production, to the end that the peoples of the world may move toward peace and prosperity.

Again, on March 1, the Senator renewed his appeal calling attention to the practical matter of the budget. Should we proceed further on our present course, the budget would be completely out of control. Again he referred to the related danger of the police state supervising our democracy with particular reference to the fact that these weapons we are developing, aimed as they are at the mass destruction of peoples, are in their nature totalitarian and their use invites sudden surprise and the sneak attack.

He would see us move out of our present blind alley into a great moral crusade of peoples speaking to peoples. The time has gone by to rely on private conversations of top officials. Not thus can the good will of peoples be expressed. In addition to this, he made the concrete suggestion that the next general assembly of the United Nations should be held in Moscow with complete facilities for broadcasting its proceedings all over the earth, but particularly to the Russian people themselves all the way from Leningrad to Vladivostok.

Again let me say that the Senator from Connecticut deserves our thanks. More than that, I feel strongly that he deserves our support. I have long been thinking along similar lines and hope to consult with my fellow Senators on and off the floor of this body with regard to effective action. Meanwhile there are aspects of the general problem which I wish to present today.

First I would like to call attention to Senate Joint Resolution 112, which I introduced in the Senate on June 27 of last year. Permit me to read this joint resolution:

Whereas the atomic bomb, like biological warfare and wholesale poisoning is not properly a military device directed against the armed forces of the enemy, but is rather a means for the mass murder of civilians; and

Whereas the United Nations has not yet been able to come to any satisfactory agreement as to the control of this powerful force, so that its application may assuredly be confined to peaceful purposes only; and

Whereas the United States would never become involved in military action except to defend itself or other free nations from attack: Therefore be it

Resolved, etc., That the armed services of our Nation will not employ the atomic bomb as a weapon of warfare. That, until satisfactory means of control are agreed upon and put into complete effect through the United Nations, the armed services of this Nation are directed to prepare themselves and to hold themselves in readiness to retaliate immediately and with overwhelming force, at the direction of the President, against any nation which initiates the military use of atomic energy.

Were I rewriting the joint resolution I would change the final clause to read "upon any nation which initiates the military use of atomic energy against any nation signatory to the North Atlantic Pact."

The joint resolution was referred to the Foreign Relations Committee, where it has, I presume, perished of euthanasia. However, much has happened since that time, and it is now perhaps advisable to study the proposal again to see whether it does not contain within its elements policy necessary for the new situation.

In calling attention again to this defunct resolution it is not my intention to reintroduce it either in its original or in a revised form. It is my desire that the consideration which should lead to reconsidering the matter be made the subject of thought and consultation in the Foreign Relations Committee and on the floor of this body, so that we may properly decide what must be done. Mr.

President, I cannot emphasize that word "must" too strongly.

Let us go at this question of the atomic and hydrogen bombs in an orderly and objective manner. What shall be our military policy as to their use? It would seem to involve four possibilities, each of which should be considered:

Possibility No. 1: A preventive war: This is the new American euphemism for the sneak attack which is what we call the same action when Japan initiated full-scale warfare without declaring war or giving other notice of its intentions. Calling such action on our part preventive war does not in any degree relieve us of the moral responsibility which we laid so self-righteously on the Japanese Government. As will be noted later, this brings us face to face with the question as to whether that war will be for military victory or peace, and the suggestion can be made now that a lasting peace can scarcely be attained by a war which begins with treachery.

This possibility has no official standing whatsoever. I feel assured that it is no part of our strategic plans. It must be mentioned because it crops up in conversations with and between military people, and civilians from time to time promote the idea in the press.

Possibility No. 2: We can wait until war has been declared, preferably as a result of some overt movement on the part of our prospective enemy against either our North Atlantic allies or ourselves. If this overt act does not involve the use of the atomic or hydrogen bomb we can leave that weapon as a latently applicable device to be used at the time when it would seem to be most effective in reaching a military victory. This was the use we made of the atom bomb in ending World War II; but while the bomb was not available until the last weeks of the war we had been gradually working ourselves up to its use. We had for many months past been shifting from the old idea of warfare being waged with armies against armies and had already begun to make massive attacks on civilian populations.

As a matter of fact, war for victory instead of for peace seems to involve a progressive moral degeneration. In the old days armies fought armies. There was great civilian suffering, damage, and even death; but except in cases where cities were besieged it was the armed forces which were attacked and the armed forces which suffered. Mankind in its immortal development has left behind that relatively happy state of affairs. While World War I saw some minor beginnings of an attempt at victory by pressure on civilian populations, this attained its full malodorous flower in World War II. The war began rather decently, so far as we were concerned, but it was not long before so-called pinpoint bombing was not good enough and area bombing proved more successful. It being difficult to wipe out specific military installations, it was found more effective to wipe out populations instead. So that was what happened to cities like Cologne, Hamburg, and Berlin.

In justice to our military authorities two things must be said. Civilian terror was a primary weapon of Hitler from the start. It was difficult not to be drawn into reprisals. Secondly, we were initially forced into and later deliberately pursued a war for military victory, when a war for peace might have been more easily concluded and left a safer postwar world.

Possibility No. 3: We may accept the A- and H-bombs as new additions to our offensive armament and use them at such times and in such ways as are deemed advisable by the military authorities.

Possibility No. 4: We make make such an announcement as was called for in Senate Joint Resolution 112 and proclaim that we will not use atomic fission and fusion except in retaliation. I believe we will find, Mr. President, as we examine this one of the possibilities, that it has far more strength than appears at first thought.

I would not wish to spend too much time in arguing the advantages of this fourth possibility as against that of the sneak attack which was the first mentioned. Current proposals for this under the euphemism of a preventive war come from spots in which moral degeneration has set in, whether in the armed forces or among our civilian population. This road leads us to generations of hatred, generations of heavy military expenditures and an early arrival at the garrison state in which the purposes, the actions, and the very thoughts of civilian people are ultimately placed at the disposal of the military authorities in the name of national defense.

There is indeed no assurance of safety in vicious aggressiveness such as has been proposed. Our opponents might have but 1 bomb for every 10 of ours. There is only the faintest possibility that a single one of those bombs will be destroyed by our initial attack. There will therefore be every reason for the enemy to make desperate efforts to deliver whatever their supply may be on the cities of New York, Philadelphia, Washington, Pittsburgh, Cleveland, Detroit, Chicago, and other key points in population and war production. Safety for us cannot be obtained by throwing moral considerations overboard.

Proposal No. 2, holding the bombs in reserve for late action, seems to have something more to commend it than does this first one. We would be following the same course that we did in World War II except that we would always be wondering when was the time to strike instead of having that determined by our ability to have the bomb at all. We now have the A-bombs. But now, or by that time, we may have the H-bomb as well. Meanwhile, our prospective enemy would similarly be wondering when was the best time to drop his contribution to the perpetuation of hatred and the maintenance of perpetual warfare. Again we might have more bombs but we might not strike first. Furthermore, under the disciplined and tight control of its population of our opponent, their history of generations of exposure to death and disaster, 10 bombs dropped on them might not be as effective as a lesser number dropped on a greater center of population in America.

Really, as we come to look at it, about all that can be said in favor of the second course as compared with the first is that we do not deliberately set out to break the moral laws of the universe. We simply hold ourselves in readiness to do so should there be sufficient justification.

The question as to whether there are moral laws involved comes up also in connection with proposal No. 3, which assumes that the new weapons simply take their appropriate place with other new inventions applicable to modern warfare.

Mr. President, I am one of those who believe that a Christian may have to be a soldier as a matter of Christian duty. I am one of those who believe that a Christian nation, if there be any such, may have the duty of declaring war. But to achieve peace by such action I believe that such fighting, however vigorously pursued, however wholeheartedly accepted, must still be accomplished without hatred and in full recognition of our essential brotherhood with the unfortunate peoples who have become our enemies. A war so carried on can, I believe, result in a peace, and war carried on otherwise neither has nor can so result.

The question is, Can the A- and H-bombs be used to destroy military objectives without mass murder of civilians? If it can be so used for specific cases, shall we pick out those only? This is a military question. Shall we drop them where mass murder would otherwise result, first warning the inhabitants?

To one who believes in the moral law it is evident that the A- and H-bombs cannot be used as conventional additions to our armament. By their very nature they involve moral problems. Mass murder cannot lead to peace.

It is the fourth proposal which was intended to be embodied in the joint resolution offered on this floor last June. It was proposed that the western world should hold the bomb in reserve for retaliation only. Even in retaliation we would not use it against conquered and enslaved populations such as those of Hungary and Czechoslovakia. They must, however, be ready for bombing which destroys their war industries and destroys their transportation. By giving them an understanding of what we have to do and plan to do, there will be no such surge of devoted and self-sacrificing patriotism as fired the English, the Germans, and the Russians to repair damage and continue production under impossible circumstances of daily and nightly attack, material destruction, and imminent death. We can make it clear to these people that we will not be fighting against them; we will be fighting for them.

We have the experience of history to support us in the belief that the atomic and hydrogen bombs may take their place alongside of biological warfare as being too dangerous and too easily returned in reprisal to make them desirable instruments of warfare. It is not necessary to negotiate with Russia for an agreement of this sort. Our experience would allow us to place little dependence

on her agreements. The dependence would ultimately have to be on our ability to retaliate with tremendous force. This would be the deterring factor in any significance which she might place on a treaty or agreement to which, in accordance with the ethics to which communism subscribes, could be attached only the value which she chose to give it at any particular time and under any particular set of circumstances. A unilateral declaration in this case serves all the purposes that a multilateral document would serve among nations who conform to the traditions of civilized diplomacy.

On the other hand, following the suggestion of the Senator from Connecticut [Mr. MCMAHON], this should not be done without conference with the North Atlantic powers. It should not be unilateral in the sense that the statement of purpose and policy is made by ourselves alone. It should come from all of our allies. It is unilateral only in the sense that it is not necessary to ask the prospective enemy to join in the negotiations or in the final agreement.

This proposal No. 4 needs to have teeth put into it. These teeth would be provided by making such arrangements with our allies as permitted the location of supplies of the bombs and of the planes for carrying them at widely dispersed strategic spots on the map of western Europe. There is further required a continuous readiness to use the weapon which involves trained and technically competent crews ready to go into action at any time. The first attack might well not be on ourselves, but upon one of our allies. We should retaliate for them as quickly and strongly as for ourselves and, for this, the nearby locations would be the more effective.

This is, in first appearance, a soft approach to the first of the problems relating to the atomic and hydrogen bombs, but on closer inspection, I believe, it turns out to be a very hard-boiled approach, indeed. It is the thing we can be doing and must be doing while we try to solve the longer-range program by putting Mr. Baruch's ideas into effect or by devising any other means which may divert the atomic bomb from its deadly potentials in war to its valuable possibilities in peacetime.

We would choose the fourth possibility for the purely practical reasons outlined. It is not, in my belief, merely a matter of chance that the hard-boiled analysis leads in the direction of the more humane considerations. It is a firm conviction of my own that long-range self-interest and decisions based on moral values tend to become one and the same thing. This is a corollary of the Christian doctrine that all men are brothers, and that what hurts one hurts all the rest.

In this discussion I have made reference to the problem of winning peace as contrasted with winning a war, and not being satisfied with a military victory. We do not stop often enough to think of the fact that we have won two military victories without winning peace. It seems evident that we have got to reorient our strategy of warfare to the achievement of peace, rather than mere military victory.

I hope on another occasion to bring before this body some practical considerations which it seems to me might assure the winning of peace in world war III, should it unfortunately take place. Fortunately, the same policies might conceivably make world war III unnecessary, and, instead, might give us the peace as an end to the cold war.

Mr. President, I shall leave these questions out of the discussions for today. We must consider first things first; and nothing, in my judgment, takes precedence over our making a decision as to how we are going to use the atom and hydrogen bombs.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question at this point?

Mr. FLANDERS. I yield.

Mr. SMITH of New Jersey. I wish to say, first, that as a member of the Foreign Relations Committee, I am very much interested in the Senator's stimulating remarks.

I wish to ask whether he is introducing a joint resolution covering the proposals he is making, to be referred to the Foreign Relations Committee.

Mr. FLANDERS. Mr. President, such a joint resolution which the Foreign Relations Committee might well consider was introduced last July. As I am about to say, it seems to me that the modification of that joint resolution, if it be necessary, can best be done by a committee which has some access to military affairs and some access to other branches of the Government to which the Senator from Vermont, who is now speaking, does not have access. So I have not thought it advisable to try to modify Senate Joint Resolution 112, but I am suggesting that the Foreign Relations Committee take another look at it.

Mr. SMITH of New Jersey. I thank the Senator. It occurred to me that, as he said, I think, the Atlantic Pact was ratified after he introduced his joint resolution, and that action might require some change in the resolution.

Mr. FLANDERS. Yes. But as I am about to suggest, I think other things must be taken into consideration, as well.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. FLANDERS. So, Mr. President, I strongly urge the Foreign Relations Committee again to take up the consideration of Senate Joint Resolution 112, and out of it work its own undertaking for such joint action with the other members of the North Atlantic Pact as will lead to the best decision in this matter of atomic warfare, in view of the interests of our allies and the world at large.

There is available to the Foreign Relations Committee information which is not available to us on the floor. Similarly, there is information which is only at the disposal of the Armed Services Committee. Beyond any doubt, the same is true of the Atomic Energy Committee. Some means must be found to apply appropriate elements of information to the answering of the questions I am raising. What would be inexcusable would be that these questions have no consideration at all.

Mr. President, that is the paragraph, I may say to the Senator from New Jersey, which in a way is directed toward the subject of the questions he was raising.

Finally, Mr. President, may I make the observation that we must learn to live with danger. Not a man here but knows that a likely target—perhaps the likeliest target—for an atomic attack would be this city of Washington. There is not a man here who does not know that the chances of escaping death or serious injury in such an event are very small indeed. This danger and the sense of danger tends to settle deeper and deeper over us like a dark cloud. It will get the best of us if we do not get the best of it.

Let us learn to live with danger. That means that we will not permit danger to drive us into hysterical, impulsive action or to prevent the calm and intelligent consideration and selection of the alternatives which face us. It is to such calm and intelligent consideration that I present the suggestions I have just made.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. CAIN obtained the floor.

Mr. WILEY. Mr. President, will the Senator yield to me for about 10 minutes?

Mr. CAIN. Mr. President, let me suggest to my friend the Senator from Wisconsin that if we can come to an agreement as to the time to be used by the Senator from Wisconsin, I should like to yield to him. But my commitments later on in the afternoon require that I complete the task I have before me by quarter past 2. I wonder whether the Senator from Wisconsin would suggest the amount of time he would like to have.

Mr. WILEY. Mr. President, if the Senator has to leave at quarter past 2, that will give him only 40 minutes. I should like to take 10 or 15 minutes of the time. Therefore, I shall defer to the Senator from Washington.

Mr. CAIN. I thank the Senator very much.

Mr. President, on June 2, 1949, the junior Senator from Washington offered two amendments to Senate bill 2246. The amendments were printed and they now lie on the table.

For the reason that the Senate has agreed to vote on Senate bill 2246 and all amendments then pending, at 4:30 o'clock on Wednesday of this week, I wish this afternoon to explain my amendments, which deal with sections of S. 2246 relating to (a) direct loans to veterans and (b) disposal of permanent Lanham Act war housing. I shall first address myself to the amendment covering the Lanham Act housing question.

My amendment on this subject deals primarily with title II of the bill, and

would strike section 606 in its entirety. This section authorizes the transfer of 149 permanent Lanham Act war-housing projects to specified municipalities for use as low-rent public housing. It also sets up elaborate and complicated procedures for such transfers.

Not only does this directly add some 43,709 units to the 810,000 public-housing units which Congress authorized last year, but it flies directly in the face of the policy declared by Congress when it enacted the so-called Lanham Act.

Of a total of 191,100 permanent war-housing units constructed, some 55,000 have been sold or otherwise disposed of, leaving a total of 135,300 still within the Government's jurisdiction as of September 30, 1949. Of these, the 149 projects to be specifically transferred for low-rent public housing purposes represent approximately 43,000 units. Senators should realize that such a transfer will, in effect, completely write off any financial salvage on these units, which cost about $200,000,000 to construct. I trust the Senate will take note of this fact, and will realize that terms of sale could eventually be negotiated for these projects, under the policy laid down by the Lanham Act. Veterans have a strong priority in such negotiated sales, and my amendment would not in any way disturb those priorities in the sales procedures which S. 2246 sets up.

I believe that the sections of title II which deal with disposal of temporary war housing and veterans' reuse housing are very creditably worked out. My amendment would not affect these sections in any way.

But I wonder whether Congress wishes to contradict its previous policy declaration, which said:

> It is declared to be the policy of this subchapter to further the national defense by providing housing in those areas where it cannot otherwise be provided by private enterprise when needed, and that such housing may be sold and disposed of as expeditiously as possible: *Provided*, That in disposing of said housing consideration shall be given to its full market value and said housing or any part thereof shall not, unless specifically authorized by Congress be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income: *Provided further*, That the Administrator may, in his discretion, upon the request of the Secretaries of War or Navy transfer to the jurisdiction of the War or Navy Departments such housing constructed under the provisions of subchapters II–IV of this chapter as may be considered to be permanently useful to the Army or Navy.

This policy declaration is clear. It states that if public or private agencies organized for slum clearance or public housing wish to obtain title to a project for those purposes, Congress reserves the right to authorize a specific transfer. If this policy had been reasonably followed, and if sales had been expedited, as well as specific transfers requested, the Government would be in a much more favorable position today. The policy would be reversed by mass transfer. I urge that Senators consider these factors.

Mr. President, these are permanent housing units, well built, conforming to local codes, and the Congress, when it appropriated the money for their construction, specifically stated, "these units shall not be converted to low-rent use." The units are being sold today, and should be sold to those desirous of owning their homes.

Many of these projects do not readily lend themselves to sale by individual unit. They could be more readily sold as an entire project. Here we have immediately available, not next year or later, existing housing which can be purchased through the application of the cooperative principle.

Mr. President, let me call my colleagues' attention to the very obvious fact that the total need for middle-income housing can be satisfied now by a judicious use and sale of housing already built and owned by the Federal Government.

Let me read now from the final report of a subcommittee of the House Banking and Currency Committee pursuant to House Resolution 331, January 31, 1950, entitled "Disposition of Permanent and Temporary Government-Owned War Housing." I read from page 4 of the report:

> SALE OF PROJECTS IN THEIR ENTIRETY
>
> With respect to the sale of projects which cannot feasibly be sold on a subdivided basis, there is some difference of opinion. Your subcommittee found some sentiment in favor of sale to mutual or cooperative groups of tenants so as to provide for ownership, where possible, by present occupants. It believes that ownership by cooperative groups of occupants will not only tend to promote economies of operation and maintenance, but will foster pride of ownership and the civic spirit which accompanies such ownership, and will result in the provision of better accommodations at lower charges to the occupants. In view of these advantages, your subcommittee believes that in the sale of projects which cannot be sold as individual homes, and which are not transferred for low-rent use, preference should be given to mutual and cooperative groups of veterans and occupants before such projects are sold to speculative purchasers.

Mr. President, let us look for a moment at these requests for the 149 projects. Most of the requests (120) were filed with the PHA on or before June of 1947, 2 years before the Congress passed the Public Housing bill; which bill authorizes 810,000 units of low-rent subsidized housing. Why should we now give away and add to that program 43,000—yes, perhaps 50,000, 60,000, or 75,000 more units to an income group for whom Congress and the American taxpayer has generously provided? We should not do it, in my opinion, Mr. President. In these days of deficit spending and unbalanced budgets, when we should diligently seek out every possible economy and explore every avenue of income, let us recapture and salvage every possible dollar from this Government-owned housing. At an average sales price of $5,000 per unit, we add a quarter billion dollars of sorely needed income. Let us not give away this vast inventory of good housing, but rather serve notice on the PHA that it, through its disposal section, shall actively and aggressively put on a dynamic sales campaign and sell these units to veterans, to the occupants, to mutuals and cooperative groups now, when we have a prime market of high income and strong demand.

Mr. President, for 4 years our huge portfolio of good permanent housing has awaited positive congressional action. The priorities for these projects granted to the Army and Navy have been fulfilled. They have requested and have been given their needs. Some have been already sold. But there remain 135,300 units, title to which is in the Federal Government, and which represent a cost of $640,900,000.

Mr. President, if the amendment to which I have been addressing myself is adopted, we will have recaptured a very considerable sum of our wartime investment in housing and will have accelerated home ownship throughout America.

Mr. President, I should now like to make one or two observations with respect to the subject of direct loans to veterans, as they are proposed under Senate bill 2246. My amendment, on this subject, would strike from the bill the sections providing for so-called supplemental or stand-by direct loans by the Veterans' Administration to veterans under the GI guaranteed home-loan program. A revolving fund of $150,000,000 would be established for that purpose, under the terms of the committee bill.

The sections I am referring to will be found in title IV of the bill, page 105, which amends the Servicemen's Readjustment Act of 1944. I wish to make it clear that those sections of title IV are quite satisfactory which increase the allowable aggregate amount of the GI loan guaranty to $7,500, from the present $4,000, which permit 60 percent of a loan to be guaranteed instead of the present 50 percent. In addition, title I of the bill previously provides that all GI home and farm loans of $10,000 or less, which have been certified as meeting minimum construction standards by the VA, can be purchased by the Federal National Mortgage Association. This removes the present 50 percent purchase limitation on the portfolio of a mortgagee and practically assures as liquid a portfolio as a mortgage dealer desires, while at the same time guarding the Government against possible bad paper.

Mr. President, I cannot logically escape the conclusion that this so-called supplemental direct loan power by the Veterans' Administration cannot be justified by the facts. What are the facts on GI 4-percent home loans in the present market?

I have gathered some figures on the volume of GI guaranteed home loans over a considerable period of time to aid me in my thinking. I ask unanimous consent to include as a part of my remarks at this point a short table showing the volume of GI home-loan applications requested by lenders from the loan-guaranty service of the VA.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Monthly volume of applications for GI home-loan guaranties

1946–47	
August 1946 (peak)	58,000
September 1947	52,700
October	48,600
November	46,400
December	38,500
1948	
January	32,800
February	32,100
March	30,000
April	28,800
May	31,400
June	30,200
July	25,000
August	27,800
September	24,200
October	23,500
November	23,100
December	21,000
1949	
January	19,700
February	19,500
March	18,900
April	21,600
May	25,400
June	27,400
July	27,200
August	35,000
September	34,000
October	39,400
November	39,200
December	37,569
1950	
January	42,024
February	------

Mr. CAIN. What do these figures mean? Obviously, the very considerable spurt beginning in April of 1949 and continuing steadily up to the present time augers well for the GI home-loan money market. It should be plain to any fair-minded person that the downward trend in GI home-loan guaranty applications has been conclusively reversed since March 1949.

What are some of the reasons for this reversal, even without the aid of a 100-percent secondary market? I believe the facts are clear and worthy of careful consideration when future trends are contemplated. In the first place, there has been a record flow of savings into mortgage institutions, particularly into savings and loan institutions.

Secondly, general declines in bond yields have made other forms of investment and savings relatively more attractive. Whereas a 4-percent return has looked comparatively small until recent months, such is not the case today. As a result, 4-percent GI home loans are now readily available in every section of the country, a fact which is reluctantly admitted by the proponents of the so-called supplemental direct loans. They can only partially substantiate their position by looking backward, not forward, which certainly does not make for good legislation.

Another reason for the upswing in GI home-loan-guaranty applications is due to steady decreases in the costs of building, resulting in more than a 10-percent decline in some materials. Quite naturally, many veterans who had been forced to forego a chance to build their homes because of high costs are now in the market and lenders themselves have been processing a considerably larger number of applications during the past few months.

Certainly with the improved quality of GI mortgages, now that appraisals are more carefully related to reasonable value, with the improvement in the secondary market contemplated in this bill, and the increased guaranty allowable, the veteran who is a good credit risk will have every opportunity to purchase or build his home. We should remember that over $8,000,000,000 of GI home-loan guaranties have been closed over the length of the program, certainly an enviable record. Why go off on a new tangent including direct Government competition with the private money market under these circumstances?

Section 512 provides an authorization for a 1-year $150,000,000 program of direct loans to veterans who have not previously availed themselves of their guaranty entitlement and who are unable to obtain from private lending institutions loans at 4 percent or less, for which they are qualified under section 501 of the Servicemen's Readjustment Act, to finance the purchase or construction of a home.

Mr. President, I should like to read at this point a portion of the testimony of Mr. Foley on this section:

> I desire to make it entirely clear that I am not opposed to direct loans by the Government where the circumstances fully justify their use. However, I do not believe that the direct lending authority provided by section 401 (d) of H. R. 5631 is necessary to accomplish the objective of the home-loan-guaranty provisions of the Servicemen's Readjustment Act—the opportunity for veterans of World War II to borrow, on reasonable terms, funds to finance the purchase or construction of a home.
>
> This bill contains other provisions directed toward that same objective. First, it permits loans to veterans, for home purchase or construction, to be guaranteed in an amount not to exceed 60 percent (as compared to the present 50 percent) of the loan, and also permits the aggregate amount of the loan guaranteed to be up to $7,500 (as compared with the present $4,000). Second, it provides that all GI guaranteed home loans in the amount of $10,000 or less and otherwise eligible may be purchased by the Federal National Mortgage Association without regard to the 50-percent limitation. These provisions should make these loans much more attractive to lenders generally throughout the country and make it unnecessary to resort to direct Federal lending on individual homes in order to permit veterans generally to obtain funds to purchase or construct homes. It is for these reasons that I have been authorized by the Director of the Bureau of the Budget to advise that the enactment of section 401 (d) of the bill would not be in accord with the program of the President.

That was Mr. Foley's testimony on July 25, 1949, in the House. I find no testimony to the contrary in his appearance before the Senate committee in February 1950.

Mr. President, in the 1949 hearings on Senate bill 2246 held in July of that year, representatives of veterans' organizations testified for this direct-loan provision. Why? Because there had been in the several months preceding these hearings a dearth, a drying up of 4 percent GI money. Lending agents for large pools of investment capital were restricted by their principals to 4½-percent mortgages. Then, too, it was not until July of 1948 that we had a secondary market for GI 4-percent loans. Those who spoke for organized veterans' groups were apprehensive that there would be a concerted drive to raise the interest rates on GI loans from 4 percent, and as a result of these three factors advocated direct Government lending as a remedy for this condition. But, Mr. President, we find no such testimony given to the Senate Banking Committee on this provision in the hearings on Senate bill 2246, in January of 1950. Direct Government loans to GI's are mentioned by no spokesmen for veterans' groups. In fact, Mr. John C. Williamson, testifying for the VFW, only a few short weeks ago, at page 348 of the Senate hearings in January 1950, had this to say:

> The direct-loan concept is by any standards an extreme one, and ought not to be resorted to so long as private enterprise, with reasonable Federal assistance, can do the job. Apropos of this principle is the statement issued by our national legislative committee on October 30, 1949, that private enterprise and private financing must be given every encouragement, short of direct subsidy, to accomplish our national housing objectives.

There is now, and has been since early last summer, a reappearance of ample 4-percent money everywhere, and the Congress, in October of 1949, permitted FNMA, as a secondary market, to purchase up to 100-percent GI loans from lenders.

On January 12, 1950, Mr. Foley, Administrator of HHFA was asked by the Senator from Ohio [Mr. BRICKER] to name some of the areas in the country where 4-percent money could not be found. Mr. Foley said he would endeavor to obtain that information from the Veterans' Administration, and he subsequently placed in the RECORD a letter dated January 20, 1950, from S. W. Kelsey, Assistant Administrator for Finance.

Mr. President, again, because it is brief, I should like to read the letter, which is to be found on page 47 of the hearings conducted by the Senate Committee on Banking and Currency when it took testimony on Senate bill 2246. The letter is addressed to Hon. Raymond Foley, is signed by F. W. Kelsey, and reads as follows:

JANUARY 20, 1950.

Hon. RAYMOND M. FOLEY,
Administrator, Housing and Home Finance Agency, Washington, D. C.

DEAR MR. FOLEY: In response to the telephone request through Mr. Condon, of your office, there is enclosed a brief statement concerning the availability of home-mortgage finance to World War II veterans in semi-rural or rural areas. This statement is necessarily inconclusive, partly due to the difficulty of assembling an accurate survey on data of its nature, and partially due to the short time allowed for its preparation.

Please let me know if you would like this supplemented in any detail which we may have at hand.

Very truly yours,

F. W. KELSEY,
Assistant Administrator for Finance.

The statement which was attached to that brief note is as follows:

AVAILABILITY OF GI 4-PERCENT LOANS BY GEOGRAPHIC AREAS

The VA has no statistical information immediately available of current significance which would give any conclusive answer to the question whether GI loan credit is generally available to veterans in smaller communities and semirural areas. It is true that narrative reports from some of our regional offices have indicated that the veteran living in a small town has a more difficult time in exercising his loan guaranty benefit. Indeed, it is generally recognized in the thinking of students of real-estate finance that long-term mortgage financing at low interest rates is more difficult to obtain outside of the urban areas.

But it should be emphasized that the reports from VA field offices are not current and may not reflect the changes in the credit situation for GI loans which have occurred in the past few months. For example, the renewed participation by many large insurance companies in GI loan investment should have a helpful effect in spreading mortgage capital into more areas. Similarly, the 1-percent origination charge in lieu of certain closing costs which was recently authorized by a VA regulation change should have a salutary influence upon many banks and savings and loan associations in the less populated areas. The 100-percent market for GI first-mortgage loans authorized by Public Law 387 on October 25, 1949, must also be taken into account as a relevant factor which has not had time to operate. Because of the existence of the more liberal Government secondary market, many mortgage companies are beginning to branch out from the urban centers in their search for loan business.

In short, the problem is not susceptible of a conclusive answer until the influence of the above-mentioned factors can be assessed. Perhaps a restudy of the problem 90 days hence might give a truer picture of the GI loan-credit situation as it affects veterans living outside the large metropolitan areas.

So, Mr. President, whatever may have been the justification for direct loans when this provision was written into the bill in January 1949, none exists today. The House of Representatives recognized that when in August 1949, they approved and sent to the Senate H. R. 6070, which is now pending on the Senate Calendar. H. R. 6070 contains no such direct lending provision.

In conclusion, Mr. President, let me say that the provision which we find in the bill pending before us today, March 13, 1950, is the result and the product of monetary conditions prevailing in the mortgage lending field of late 1948 and early 1949. The recommendation as offered by the Committee on Banking and Currency is, in my considered judgment, now wholly and completely unnecessary, and for that solid reason, it should not become law.

Mr. BRICKER. Mr. President——

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Washington yield to the Senator from Ohio?

Mr. CAIN. I yield.

Mr. BRICKER. With the liberalization of the provisions of the FHA and "Fanny May" section, in the judgment of the Senator from Washington is there any danger of the conditions of tightened money which prevailed in the fall of 1948 and the winter of 1948–49 recurring in the immediate future?

Mr. CAIN. I can see absolutely no reason why the present money market, as it relates to the need of GI's for housing credit, should become tight. I think that, if anything, our correspondence and study seem to prove conclusively that the average veteran is going to have an easier rather than a harder time in the future in securing the credit to which he is legitimately entitled.

Mr. BRICKER. Then, is it not the opinion of the Senator from Washington, who has most carefully analyzed this problem, that so long as the policy of the Government is to keep interest rates relatively low, at about what they are today, there is no likelihood in the future of the danger of a tightened money market, so far as the GI's are concerned?

Mr. CAIN. I agree very firmly with the observation just submitted by the junior Senator from Ohio.

Mr. BRICKER. If there is an individual need anywhere, as inferred in the letter from Mr. Foley, it is a very isolated and far-fetched instance, is it not?

Mr. CAIN. It could not be construed to be a general situation.

Mr. BRICKER. Or of great public importance?

Mr. CAIN. I should say it could not be so considered.

Mr. BRICKER. It would be a localized, individual case, which should be taken care of in some other way, rather than to have the Government start with this entirely new policy?

Mr. CAIN. I feel that our function in the Senate is to design legislation to cover a general, national situation, rather than to be too much concerned with isolated cases which merely prove exceptions to a firmly established rule.

Mr. BRICKER. So far as the record is concerned, aside from the letter of the Veterans' Administration relating its experience, there is no evidence in the record anywhere showing any general need for this kind of legislation, is there?

Mr. CAIN. As I have read the recent testimony offered by Mr. Foley, and as I have read the testimony offered by the various veterans' organizations, and by the Veterans' Administration itself, I can find nothing to support a contention that there is today a need for making direct Federal loans available to veterans for the purchase of homes.

Mr. BRICKER. Did the Senator receive a telegram from a committee of the American Legion one day last week regarding the pending bill and the provision we are discussing?

Mr. CAIN. Not to my recollection. I would appreciate the Senator putting the telegram in the RECORD.

Mr. BRICKER. I shall call attention to it later.

Mr. CAIN. I would appreciate the Senator's doing so. I would observe, in conclusion, that in 1949 I was a member of the Committee on Banking and Currency, which considered the need for direct loans to veterans. I thought at that time, approximately a year ago, that a case of need could be proved in support of an amendment which would provide for direct Government loans to veterans, but I am inclined to think that Senate bill 2246 continues to contain such provision, because no one has bothered to move that it be taken out. As one who has attempted to study the problem thoroughly, and as a veteran, I myself am convinced, that there is not only no need for offering direct Federal loans to the American veteran today, but that to do so would constitute a future injustice to the veterans as they are situated throughout the country.

AMENDMENTS TO FEDERAL DEPOSIT INSURANCE ACT

The Senate resumed the consideration of the bill (S. 2822) to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264).

Mr. LUCAS. Mr. President, we have before us Senate bill 2822, to which it was my understanding the junior Senator from Ohio desired to offer an amendment, but after conferring with the Senator from South Carolina, he has decided not to offer the amendment.

Mr. BRICKER. The Senator is correct. The amendment will not be offered, and we will let the bill pass as it came from the committee.

Mr. MAYBANK. Mr. President, the Senator from Ohio has been good enough to withdraw his amendment. There was an amendment I had intended to offer, but I shall confer with the chairman of the House Committee on Banking and Currency regarding the amendment, and shall not offer it.

Mr. BRICKER. Mr. President, I wish to say that in the consideration of this bill the chairman of the Senate Committee on Banking and Currency has done a vast amount of work and has in a creditable way worked out the bill. I appreciate what he did, and the consideration which was accorded me in connection with the amendment I proposed. I think the action of the committee was eminently fair.

Mr. MAYBANK. Mr. President, I wish to express my appreciation for what the distinguished junior Senator from Ohio has just said, and to the other members of the committee for the constructive work they performed in connection with it.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STENNIS subsequently said: Mr. President, while Senate bill 2822 was before the Senate, I had to go to the telephone to answer a call from my secretary, and thereby did not have an opportunity to speak briefly with reference to the bill and related matters.

There came before the Senate today a bill (S. 2822) of far-reaching implications, which was passed by unanimous vote, without debate. I believe that of

itself is quite a compliment to the Federal Deposit Insurance Corporation and its administration for the past 17 or more years. To bring the bill to the floor is to bring in review the entire lifetime history and operation of this far-reaching and very commendable agency of Government. I believe the fact that it did not provoke any opposition to the administration of the act to the present law and to the main features of the bill which amends the present act, deserves some special comment.

Without being inclined to unduly praise any agency, I do think it is highly fitting that a word be said regarding the splendid record that has been made in the administration of the FDIC so far. It has been said many times that the FDIC Act instilled into the American people confidence as to the future of banking. I think it is more accurate to say that the FDIC Act, plus its sound administration, gave the American people Nation-wide assurance that stabilized the banking concept in the minds of the people during those critical days in 1933 and 1934. I wish to publicly commend those who have administered the affairs of the act for the faithful performance of their duties both in the letter and in the spirit. So far as my knowledge goes, not only has their administration been sound, but the powers have not been abused. Mr. President, I may say that I do not know a single one of these individuals; but speaking from a very limited background of experience, let me say that I was a member of the board of directors of a small-town bank, both before and during the depression which began in 1929. I had those responsibilities before the FDIC Act was passed and before that Corporation began to operate, and I also had those responsibilities and duties afterwards. Certainly I slept much better after that law went into effect.

The American people are very much pleased to know that as of December 31, 1949, funds were available as a surplus or insurance reserve in the sum of $1,203,946,687.92.

These figures represent the fine position that this agency is in now, and I trust that further management and sound legislation on the subject will keep it on such a solid basis.

The income for the Corporation for the year 1949 was $145,514,701.53, while insurance losses for the same period were only $641,183.22, and operating expenses $6,781,331.46, leaving a net gain for the year of $138,091,786.80.

This bill increases the coverage of individual accounts from $5,000 to $10,000, which will increase the coverage from 96 percent to 98.4 percent of all accounts. The amount of funds covered thereby will be increased from 44.8 percent to 52.4 percent of the total.

Mr. President, among various features of the bill, one of the principal ones is that which, in effect, reduces the assessment about 55 percent, by a plan of crediting earnings in the case of each bank, and also changes the assessment base in the following particulars: (a) excludes deposits owed to member banks; (b) excludes drafts drawn on insured banks; (c) excludes cash funds held as security; (d) provides for semiannual reassessment periods.

The FDIC Act has proven itself to be a small bank's ally. It is the buddy and the big brother of the small bank.

Mr. President, I wish to say a special word about the very fine processes of legislation which have been exhibited here since bills on this subject matter were introduced approximately a year ago. Hearings were held on this measure and on similar measures by a subcommittee of the Banking and Currency Committee. Subsequently there was consideration of them by the full committee. Many letters were written and many interviews and statements were given by representatives of the banking profession. I have never seen a better illustration of the democratic processes in action. When proposed legislation on this subject was first introduced, there was much conflicting opinion and there were many conflicting ideas in regard to this subject. All of them were thoroughly aired at the hearings, at which time the views of those who were charged with administering the affairs of the Federal Deposit Insurance Corporation were heard, the views of the large bankers and those of the small bankers were heard, and the matters affecting the public were clearly developed. Members of the subcommittee of the Banking and Currency Committee and the members of the full committee then approached the problem with the benefit of these enlightening hearings, and also approached it from the viewpoint of, and with the attitude of, real statesmanship. Through this process they have developed a strong, practical piece of legislation, for which they are to be thanked and commended.

Mr. President, I notice that after the bill finally was reported from the committee, after all the hearings were held and after the committee had developed what it thought were the sound features of all the suggestions, and had considered all the objections, the bill as thus reported won almost the unanimous approval of the large bankers and the small bankers throughout the Nation. I think that is quite a tribute to the democratic processes.

Mr. President, I did not wish to see the fine work the committee has done go unnoticed here on the floor of the Senate today.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. STENNIS. I am very glad to yield to the distinguished Senator from Kansas.

Mr. SCHOEPPEL. I understand that the committee in its wisdom discussed at length the question of how many examinations should be made of the State banks involved in this measure. I further understand that it was the consensus of opinion in the committee and the consensus of opinion of those who are sponsoring this measure that there should not be unnecessary examinations which would put the member State banks to unnecessary expense. Is that the understanding of the distinguished Senator from Mississippi in regard to that point?

Mr. STENNIS. Yes; I think that is entirely correct. The Senator has made a very pertinent inquiry in that respect. That was one of the troublesome points which had to be worked out.

The Senator understands, I am sure, that the junior Senator from Mississippi is not a member of the Banking and Currency Committee; but I have been greatly attracted by the very fine work the committee did on this subject.

Mr. President, in order that the RECORD may reflect the main points of the measure, as they were so suitably and commendably worked out by the subcommittee and by the full committee, let me say that they had before them proposals that the entire assessment be abolished, so long as the background fund or reserve amounted to as much of $1,000,000,000; and they also had other proposals, some of which were to the effect that no change be made in the assessment. They have worked out a plan which in effect reduces the assessment by approximately 55 percent, but still leaves the system on a very sound basis. They have worked out a plan of excluding the deposits owed to member banks and excluding drafts drawn on insured banks, and excluding cash funds held as security, but providing for semiannual reassessment periods. When I say that the plan excludes certain deposits or funds, I mean that the banks' liability under the assessment does not include the particular funds I have mentioned.

As I said, Mr. President, I am very glad to call this matter to the especial attention of the Senate; and I commend the member banks, the agency, and those who have conducted it so well over these years. Again I commend the Senate Banking and Currency Committee, and also the banking profession throughout the Nation for their very fine cooperation in working out this measure. I think it represents about the best bill which could be written on the subject matter. It is wholesome, timely, and sound; and I am glad to see it enacted into law.

Mr. KEFAUVER obtained the floor.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. CAIN. Mr. President, because I know generally what the Senator from Tennessee has in mind talking about, and because I feel that a number of our colleagues have an intense interest in the subject, I wonder whether the Senator from Tennessee will yield to me, in order that I may suggest the absence of a quorum.

Mr. KEFAUVER. I yield for that purpose.

Mr. CAIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded, and that the further proceedings under that order be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORLD PEACE—THE ATLANTIC UNION

Mr. KEFAUVER. Mr. President, next to food and shelter, the most important

concern of our people is that we discover an effective means of gaining the peace. The great collective wish is that we avoid honorably another horrible world war. No plain citizen of any nation wants war. The people of America are anxious that we explore every possible means of establishing peace by law; that we take a look at every plan advanced for peace; that we exercise our role of leadership in this endeavor; and, that we, at least, hold the free people of the world together in the cause of peace.

The issue of peace is basic. Americans all want peace, but we differ widely as to methods of achieving our mutual objective. The issue is not whether we should make the maximum effort, but how we shall make it.

The problems besetting our people and those of other democracies defy piecemeal solution. Since the end of hostilities in 1945, a gallant effort has been made to find the answers through the cooperation of national governments. With all our government-to-government efforts, the fact remains: Our peace is still precarious. Only a few express optimism regarding the ultimate effectiveness of our present policies.

We are burdened by heavy taxation. Our armaments expense pyramids. Living standards are threatened in half the Atlantic community. Our economies are weakened. The area of freedom in the world has shrunk, and still shrinks. The requirement of atomic defense promises to restrict freedom here in the United States. Only a small minority in America holds fast to the notion that America is capable, single-handedly, of arriving at a solution. Nearly every Member of Congress realizes the impossibility of any nation's insuring its domestic tranquility and providing effectively its own defense solely by its own efforts, independently of all other nations. Most thoughtful Americans join in this firm conviction.

In this situation, many proposals for taking more effective steps toward peace have been proposed in Congress and out: means of strengthening the United Nations; means of bringing the free people of the world closer together in defense and economics. The Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs in the House have been holding extensive hearings on these plans. The members of the subcommittees making the investigations are entitled to our commendation. They are giving a great deal of time and careful attention to the several proposals for peace. Many eminent citizens have testified before the subcommittees. The distinguished Senator from Utah [Mr. THOMAS] and his subcommittee have given most sympathetic consideration to the thoughtful proposals coming before them. Hearings are to be continued within the next few weeks, I understand.

All this reflects the great concern about the state of affairs today; concern on the part of Congress and on the part of the people of the United States. It demonstrates the feeling that our present efforts to bring about a better order of things are inadequate.

I regret the necessity of making this observation; but, Mr. President, the State Department's apparent lack of vision at this time is shocking and alarming to many of us. If there ever was a time when we were in urgent need of creative leadership, it is now.

Long ago it was said, "to govern is to foresee." If we drift into another war, it will be because those responsible for keeping the peace lacked vision; because they could not see the danger when the cloud was small; because measures were not taken to remove the cloud while there was still time. That cloud, unfortunately, grows bigger every day. It is so large now that it envelops us in a fog of cold war. Already, dictatorship has won vast areas without firing a shot in that cold war. Meanwhile, despite our efforts, our money, and other laudatory means, we merely hold our own in Europe, while we are losing much in Asia. Swiftly, the sands fall through the hourglass. This is the time to foresee, if we would govern with efficiency.

I am proud, Mr. President, that many of our colleagues are aware of the exceptional dangers we face. Many Senators disclose an awareness of our particular responsibility for the peace of our people. More than a mere power to consent to or reject appointments of those who represent our Government in foreign affairs is vested in us by the Constitution. Rather, that honored instrument invests in us the responsibility of giving advice in foreign affairs and in making treaties. We should not be mere back-seat drivers. We are spokesmen of the people who own the vehicle and who ride in it. We cannot escape the responsibility of advising as to the route to be taken. After all, we are close to the people: so close to them, in fact, that we will be bumped out of our place if we disregard the people.

Such is not the case with the personnel of the Department of State. Those career men, fine men, who owe in part their appointments to the Senate, are not so close to the people; therefore, they are not so acutely cognizant of the people's wishes. They have their duty; we have ours. Representatives of the people of two-thirds of the States of this Nation recently sought to do our duty. We suggested steps which the State Department might take to help solve our problem of peace.

Only a few days ago, the senior Senator from Maryland [Mr. TYDINGS] gave his advice. Like a noble voice in the wilderness he urged, for the third time, that we ask for a world disarmament conference. Mr. President, I am proud to belong to a body where the hardheaded chairman of the Committee on the Armed Services—to whose ability I can testify as one of its members—is disarmament's strongest champion in Congress. What a paradox. I am proud also to belong to a body where the chairman of the Joint Committee on Atomic Energy is the one to take the initiative in urging new efforts to save humanity from the horrors of hydrogen war. Who can forget the generous proposal which the senior Senator from Connecticut [Mr. MCMAHON] advised from this Chamber a few weeks ago, and in the second far-reaching and capable speech which he delivered in the Senate last week? The advice the two Senators gave was very far reaching, and who here will deny that we need far-reaching measures to meet the emergency we face?

They advised us to offer to sacrifice the major arms on which we now depend for the defense of our national sovereignty, if others would do the same; and provided, always, the acceptance of the strict inspection and control this would necessitate. This involves the sacrifice of some of our national sovereignty.

Other Senators put their advice in the form of resolutions they offered. Nearly all of these were far reaching, too. They departed substantially from the notions of national sovereignty which have previously prevailed.

The senior Senator from Utah [Mr. THOMAS] has had an exceptional experience in this field. Like the other two Senators I have mentioned, he is a member of the Foreign Relations Committee. He offered Senate Concurrent Resolution 52 in cosponsorship with the junior Senator from Illinois [Mr. DOUGLAS], upon whom it has left an indelible mark. They advised that we propose a widespread collective self-defense agreement under article 51 of the Charter.

The junior Senator from New Hampshire [Mr. TOBEY], who has distinguished himself in many fields, together with other Senators, sponsored Senate Concurrent Resolution 56. They advised by it that we seek to strengthen the United Nations—a goal that all the resolutions, to which I refer, seek also. These Senators would develop it into a world federation, and would have us declare this to be a fundamental objective of United States policy. Their resolution is known generally as the world federation resolution.

A number of Senators were so impressed by the need of far-reaching action that they sponsored both the world federation and the Atlantic union resolutions.

One of them, the junior Senator from Alabama [Mr. SPARKMAN], whose statesmanship I learned to appreciate in the many years I served with him in the House, cosponsored Senate Concurrent Resolution 133 with a group of 10 Senators. As were the two others I mentioned, this impressive group was quite bipartisan in character and drawn from many parts of the country. These Senators advised that we seek to amend the United Nations Charter. They would remove the veto in defined matters of aggression and establish an international police force under a reorganized Security Council.

Then, I had the honor of offering Senate Concurrent Resolution 57 on behalf of a group of 20 Senators. They included such eminent members of the Foreign Relations Committee as the senior Senator from Georgia [Mr. GEORGE] who is chairman of the Finance Committee, and the junior Senator from Arkansas [Mr. FULBRIGHT] whose earlier resolution started the ball rolling into what became the United Nations Organization. My cosponsors also included the chairman of the Committee on Banking and Currency, the senior Senator from South Carolina [Mr. MAYBANK], the ranking minority member of

the Committee on Expenditures in the Executive Departments, the junior Senator from Wisconsin [Mr. MCCARTHY], and other distinguished Senators.

In this resolution, known generally as the Atlantic Union resolution, we advised that the President should invite the other six sponsors of the Atlantic Pact—Canada, the United Kingdom, France, the Netherlands, Belgium, and Luxemburg—to meet with our delegates in a bipartisan Federal Convention. Just that. We would explore how far these people, and those of such other democracies as the convention might invite to meet with them, could apply among them, in the framework of the United Nations, the principles of federal union that are embodied in our own United States Constitution.

Still other resolutions were offered by still other Senators. I find that no less than 40 Senators have sponsored, or subsequently adhered to, one or more of these plans. They come from every region of the United States—from 32 of the 48 States—and represent every shade of opinion in both parties.

May I list them?

The gentlemen from Vermont [Mr AIKEN and Mr. FLANDERS]; the gentlemen from Washington [Mr. MAGNUSON and Mr. CAIN]; the gentleman from Indiana [Mr. CAPEHART]; the gentlemen from Kentucky [Mr. CHAPMAN and Mr. WITHERS]; the gentleman from Illinois [Mr. DOUGLAS]; the gentleman from California [Mr. DOWNEY]; the gentlemen from Montana [Mr. MURRAY and Mr. ECTON]; the gentleman from Michigan [Mr. FERGUSON]; the gentleman from Delaware [Mr. FREAR]; the gentleman from Arkansas [Mr. FULBRIGHT]; the gentleman from Georgia [Mr. GEORGE]; the gentleman from Iowa [Mr. GILLETTE]; the gentlemen from North Carolina [Mr. HOEY and Mr. GRAHAM]; the gentleman from New Jersey [Mr. HENDRICKSON]; the gentlemen from Alabama [Mr. HILL and Mr. SPARKMAN]; the gentlemen from Minnesota [Mr. THYE and Mr. HUMPHREY]; the gentleman from Wyoming [Mr. HUNT]; the gentleman from Colorado [Mr. JOHNSON]; the gentlemen from South Carolina [Mr. MAYBANK and Mr. JOHNSTON]; the gentleman from West Virginia [Mr. KILGORE]; the gentleman from New York [Mr. LEHMAN]; the gentleman from Louisiana [Mr. LONG]; the gentleman from Wisconsin [Mr. MCCARTHY]; the gentleman from Connecticut [Mr. MCMAHON]; the gentleman from Oregon [Mr. MORSE]; the gentleman from Florida [Mr. PEPPER]; the gentleman from Mississippi [Mr. STENNIS]; the gentleman from Idaho [Mr. TAYLOR]; the gentleman from Utah [Mr. THOMAS]; the gentleman from New Hampshire [Mr. TOBEY]; the gentleman from North Dakota [Mr. YOUNG]; and myself.

This is, indeed, Mr. President, an impressive manifestation. It is quite an extraordinary demonstration of the Senate's concern for our future; its vision of the needs of our time; its willingness to shoulder its responsibilities and act creatively.

One would expect this to impress particularly the State Department. More than one Secretary of State has criticized the Senate as being too negative in its attitude; being more inclined to reject than to approve—let alone propose to create.

I expected a friendly, appreciative, cooperative, constructive reaction from the State Department to at least some of this good and wholesome advice from Senators.

Nearly all the Senators sponsoring these various plans had already supported the Marshall plan, the Atlantic Pact, and other postwar measures the State Department favored. Some of us foresaw the Marshall plan would not be enough but supported it, nevertheless. And with some misgivings, some of us voted for the Atlantic Part in the text the State Department recommended.

Many of us have continued through the years to vote for the State Department's policies, although we did it with grave doubt and concern. The Department brought us measures which soon turned out to be only a stopgap, and which required a greater stopgap to prop it up.

It will be recalled what the United Nations and the International Bank and Fund were supposed to do. But soon we were called upon to prop up these State Department plans with the British loan. Senators will remember the promises made about the British loan, until suddenly it broke down, and had to be followed by a guaranty to Greece and Turkey. This, in turn, had to be propped up with the Marshall plan. That left such a gap that Czechoslovakia and Hungary were lost to the Kremlin. To stop that gap, we were offered the Atlantic Pact. Shortly, the Atlantic Treaty had to be plugged up with the measure to rearm western Europe.

I forebear to say more, or to speak of China or atomic developments.

I am the first to recognize that the Kremlin is an unreliable ally and a tough antagonist with which to deal. But, better foresight on the part of the State Department might have recognized this fact earlier, and made greater provision against it. Thereby, we would have gained a larger margin for safety.

I have sometimes questioned the State Department's vision, but I never expected it to turn against so many Senators who have supported it through thin and thinner. I did not anticipate that it would pursue a policy that would win it the plaudits of Colonel McCormick. But that is what it has now done.

Was it Walt Whitman who said, "They who see farthest have the most faith"? No matter who said it, the point is still good.

If we measure the vision of the State Department by the faith it is showing, what do find?

We find it has no faith in the advice the chairman of our Armed Services Committee gave. We find it has no faith in the advice the chairman of the Joint Committee on Atomic Energy gave. The Secretary of State dealt harshly in the same press conference with the proposals of the Senator from Connecticut [Mr. MCMAHON] and the Senator from Maryland [Mr. TYDINGS].

The Secretary has not yet honored the rest of us with his personal attention. Instead, he sent two of his aides, Dean Rusk, a Deputy Under Secretary of State, and John D. Hickerson, an Assistant Secretary of State, to give the Department's views on the various resolutions.

We find the Department has no faith in any part of the major resolutions.

Mr. President, I cannot go all the way with some of the resolutions which have been proposed and discussed before the Foreign Relations Committee. At the same time, I know the motives of the sponsors are good. Some of the provisions are worthy and should be carefully considered. Yet the State Department finds nothing worth while about any of them. It merely concludes that it "must oppose passage of this resolution."

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the distinguished Senator from Illinois.

Mr. DOUGLAS. Is it not true that the members of the State Department all too often succumb to the occupational disease which sometimes characterizes executive officials, namely, that any suggestion made by a member of the legislative body is to be automatically turned down?

Mr. KEFAUVER. I may say to the distinguished Senator that apparently in this instance the State Department has very little confidence in the advice offered by Members of the Senate and by the public generally. It seems to have confidence only in its own opinions.

Mr. DOUGLAS. Would the distinguished Senator from Tennessee agree that possibly the speech of Glendower recounted by Shakespeare in his play Henry IV is appropriate here? It will be remembered that the leader of the Welsh forces addressed the assembly and said:

> I am a blessed Glendower. It is mine to speak and yours to hear.

Does the Senator think that this sentiment describes the attitude of the State Department, namely, that it is theirs to speak and ours merely to listen and mutely acquiesce?

Mr. KEFAUVER. The distinguished Senator has had so much experience in this kind of a situation that he has very eloquently, I think, described the present attitude of the State Department, I say with much regret.

As for our Federal Convention To Explore Atlantic Union, we were told that the Department cannot support this particular resolution, until we answered to its satisfaction a series of school-teacher questions with a few $64 questions mixed up with them. I shall pay my respects to these questions somewhat later.

I take no personal umbrage at this, Mr. President. The matter is far too grave; and I take solace in the fact that the chairman of the subcommittee, Mr. THOMAS of Utah himself, fared no better than did the rest of us. The Department had no faith in the resolution of the Senator from Utah and the Senator from Illinois.

Such is the faith the State Department shows in advice from the Senate. We find it has the same lack of faith in the views of the House.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KEFAUVER. I shall be happy to yield to the distinguished Senator from Arkansas.

Mr. FULBRIGHT. I should like to add one more instance with reference to the resolution which the Senator from Utah [Mr. THOMAS] and I introduced some years ago with regard to the Federation of Western Europe. The response by the State Department was exactly the same as in the instance which the Senator has mentioned. My experience has been the same as has the Senator's.

Mr. KEFAUVER. The Senator confirms the statement I have made, and it is a very interesting occurrence. I wish to observe that 4 years ago the distinguished Senator from Arkansas and the distinguished Senator from Utah presented a resolution asking that the United States try to use its influence, through the Marshall plan, if necessary, in order to bring about a break-down of the barriers between the nations of western Europe and the unification program which would eliminate customs and trade restrictions and bring about a real unity of western Europe. The State Department turned thumbs down on the advice of the distinguished Senators. We now find, years later, after nationalization has risen again in many of the nations of western Europe, when the leaders of some of those nations are distrustful of one another, at long, long last, 4 or 5 years later, the State Department finally recognizes the idea as being good.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. KEFAUVER. I shall be happy to yield to the Senator from Vermont.

Mr. FLANDERS. I should like to ask the Senator from Tennessee whether he would not suppose, in view of the dissatisfaction of the State Department with all the suggestions and recommendations made by distinguished Members of this body, it would have a great deal of satisfaction with itself? I ask the Senator to answer that half of my question, first.

Mr. KEFAUVER. I should like to say to the distinguished Senator that the State Department officials are men of great ability. I think they have dealt with the problem so long that they think they are the only persons who have any particular opinion or insight as to what the Congress and the American people are ready or prepared for. I hope that in some way we can persuade the State Department to see the point that the only way in which we may be able to proceed on some permanent basis is to have full discussion and consideration in Congress and before the people of the various proposals which have been made. When the State Department comes to that point of view, we shall have made considerable progress.

Mr. FLANDERS. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. FLANDERS. I should like to ask the Senator whether he has felt that in what has seemed to be the most important public announcement made by the head of the State Department, namely, his talk with representatives of various newspapers, which was afterward released as a public statement, he detected any tremendous amount of self-satisfaction on the part of the Secretary over the progress which our foreign policy has been making?

Mr. KEFAUVER. I must say to the Senator that I am sure the Secretary of State is not very happy over the progress we have been making.

Mr. FLANDERS. That being the case, does not the Senator from Tennessee think that if the Secretary of State is not too happy with what we suggest and is not too happy with what he is doing, it might seem a good thing for him to take a wider circle of advice, including our own? I am merely following up what the Senator from Tennessee said in answer to my first question.

Mr. KEFAUVER. I do, indeed, agree with the Senator from Vermont that, in view of the fact that even the Secretary of State and his colleagues are dissatisfied with the progress we are making in certain parts of the world—they admit that we are on only a day-to-day foreign policy—certainly they should be happy to have us bring certain proposals to the floor of the Senate, debate them, and have them considered by the American people in trying to get a long-range program in which we would not have to deal with these questions piecemeal.

I thank the distinguished Senator for his contribution.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I shall be happy to yield.

Mr. DOUGLAS. I was very glad the Senator from Tennessee mentioned the resolutions which the junior Senator from Arkansas has offered from time to time asking that the strength of the Marshall plan be used to stimulate the European nations into integrating themselves economically to a much greater extent than has been the case in the past. I was pleased also by the very accurate way in which the Senator from Tennessee pointed out that the State Department in the past has always turned thumbs down upon this proposal, but now has come around to believing that this is what should have been done.

By way of further background, I should like to say that we all remember that when the Marshall plan was under debate last year, the Senator from Arkansas offered another resolution calling for a financial reward to those nations which practiced integration, and once again at the behest of the State Department that resolution was voted down. But now, a year later, the European Cooperation Administration and the State Department come around and adopt the policy which the junior Senator from Arkansas advocated, and it is now their policy. Now I come to the question.

Mr. KEFAUVER. Mr. President, let me say, in that connection, that since the State Department has finally come around to the policy recommended by the Senator from Arkansas, that the nations of western Europe should federate, it is a rather strange thing that the State Department feels that federation would be a success in western Europe, and yet is unwilling that we also join in the enterprise. In other words, the Department is asking them to do something which it refuses to recommend even being brought to the floor of the Senate for consideration when it is made applicable to the United States.

Mr. DOUGLAS. This is the question I should like to ask. Has not the behavior of the ECA and the State Department in this matter of the economic integration of Europe been similar to that of an ungracious husband who turns down every suggestion which his wife makes, and laughs her suggestions to scorn, but who then after a period of time will put her suggestions into effect and pass them off as his own ideas which he has just originated?

Mr. KEFAUVER. The distinguished Senator from Illinois, it seems to me, cites a very clear parallel.

Mr. FULBRIGHT. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I think we should recall that even in this last instance, when we have been saying that the State Department has accepted the principle which is now included in the ECA bill which has not yet been reported, actually the fact is that Mr. Hoffman, of the ECA, saw the light much sooner than did the State Department, and that he is the one who concluded, as long ago, I think, as September, that this is an essential, in fact, an indispensable, part of the ECA if it is to be successful.

I call attention to the initial statement made before the Committee on Foreign Relations by Mr. Hoffman and the Secretary of State. Mr. Hoffman had no qualifications about the absolute importance of bringing about a closer unification of Europe. The Secretary of State, in one very short and pointed paragraph, said something to this effect—though I cannot quote exactly the words—that there had been a great deal of talk in Europe about federation, but that neither the people nor the governments in Europe were yet ready for any action. It was rather a definite and flat statement that they are not ready for it, whereas when we ask any of the representatives of ECA, such as Mr. Zellerbach, from Italy, or Mr. Hanes, from Germany, as I did, whether they think the people of their respective countries are ready and willing to make such a move, they both say yes.

Mr. KEFAUVER. Mr. President, that has been my experience in talking with some of the officials of the western European democracies. Whether the politicians are all for unification or not, the people certainly realize that if they are to get anywhere, if they are to have any protection, they must have some unification.

I think it is in point to make the observation that certainly the Senator from Arkansas appreciates the fact that unification in western Europe, when he first proposed it, would have been comparatively simple and easy of accomplishment, as compared with the many difficulties which would occur and are occurring in the effort now being made. Similarly, at this time we might go far in trying to explore federation, and get

away from the present piecemeal foreign policy with the nations of western Europe, if we do it now, but if we wait until next year or the year following, the longer we wait the more difficult it will be. I am sure the Senator from Arkansas agrees with that statement.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I certainly do agree, not only because of the attitude of the people involved, which has progressed, but we have expended our money, which should have been used to soften the difficulties and the shock of making these changes. There is no question that many difficulties are involved in upsetting markets, and that was the primary purpose for which our money should have been used, but it was not, and now we are $10,000,000,000 behind in the schedule. That makes a great difference.

Mr. KEFAUVER. I thank the Senator for his observation.

The answer of the State Department to every proposal for peace, Mr. President, is that it needs time to consider the proposal. My heaven, Mr. President, the one thing we do not need is time to consider. We need to utilize the brief time we have, as has been said by the distinguished Senator from Arkansas, to quit drifting and start moving. The State Department evidently does not realize that we cannot kill time; it is time which kills us. And, that was never more true that it is at this very moment. I am afraid the hydrogen bomb wears no wrist watch.

From the attitude of the Department of State, one might think we were too ambitious; that we were trying to do too much too quickly. Actually, it is not a question of the democracies doing too much, too soon, as it is a question of the slow-moving democracies coming up again with too little, too late.

The State Department, from the evidence of its expressions, has no faith in any of the various peace proposals.

What then does the Department have faith in, outside of itself? In the people of the United States? Hardly.

It would seem that a man need only leave the State Department for it to lose its faith in his advice.

Take Will Clayton, for instance. Less than 18 months ago he was Under Secretary of State for Economic Affairs—the key position in the cold war.

While he was in the Department, Mr. Clayton's advice was considered with the great respect it deserves. After he again became a private citizen, and had more time to think of our affairs as a whole, he came out for a full-fledged Federal union of the democracies as our only salvation.

Mr. Clayton became one of the founders and vice president of the Atlantic Union Committee. He is a very ardent and active supporter of the Atlantic Union resolution. He has made a number of warmly received and widely publicized speeches, particularly about its monetary and economic implications.

Mr. President, I have here a colloquy between members of the Committee on Foreign Affairs of the House of Representatives and Mr. Clayton on January 23, in a meeting which lasted more than 5 hours. This is one of the most remarkable documents on this subject it has been my privilege to read.

A few weeks ago, Mr. Clayton testified for several hours before the Thomas subcommittee and the House Committee on Foreign Affairs in favor of the Atlantic Union resolution.

Both times this statesman, who is at the same time a self-made, big agriculturist and businessman, answered numerous detailed questions on the implications of this resolution. He was queried as to its agricultural, business, and labor aspects, here and abroad. He testified that the establishment of a full federal union of the Atlantic democracies, particularly as regards the creation of a common currency and a common market, free of trade barriers, was to the great advantage of all.

Mr. Clayton further testified that this union with its vast competitive free market gave the best hope not only of ending the dollar shortage, but also of preserving our free-enterprise system from further invasion by Marxism.

He testified that the gravest, most immediate danger to us lay not in atomic attack, but in the cold war. The Kremlin's strategy, in his judgment, is to win through economic means of absorbing nations without a shot being fired—let alone a bomb being burst.

Mr. Clayton expressed the belief that communism is winning more and more of the world through the cold-war strategy. He thought communism would continue to win if we failed to form the Atlantic Union—despite the United Nations, the Atlantic Treaty, the ECA, or any improvement of them short of union. He insisted repeatedly that none of these instruments could reach the heart of the danger. Remember, communism developed in each country as a domestic affair, not by military invasion. Let me quote briefly from what he said to the Thomas subcommittee:

I am a great believer in the UN. I think it has done a fine job. But the UN was not set up to deal with the cold war, and, in my opinion, it cannot deal with the cold war; and, no modification of the UN can deal with the cold war.

We might lose western Europe to Russia without the North Atlantic Treaty ever being brought into effect. It could easily happen.

Then the Senator from New Jersey [Mr. SMITH] said:

I agree. That is the way we lost China, * * * without overt military aggression. China was conquered by Russia's new method of warfare. I grant you that.

Then Mr. Clayton resumed his statement:

Senator SMITH, we lost China, we lost Czechoslovakia, we lost Poland, all that vast area between western Europe and Russia, in that same way, and we could lose western Europe in that same way. I mean, when the Marshall plan ends, what are we going to do? We ought to be looking now and making up our minds as to what we will do when the Marshall plan ends. It is only 2 years away, and everybody that is informed on the subject, I think, agrees that western Europe will still be out of balance with the rest of the world, so that they will be compelled to greatly reduce their standard of living, if they don't continue to get help, and we in the United States can't go on subsidizing the rest of the world—we are not strong enough for it.

A little later he said:

To get the strength that we need, the economic strength that we need in this situation, we have got to bring these democratic countries together in a real union, the kind of union that we formed in 1787–1789 in this country. It has to be a real union.

After remarking that he had "had some experience in negotiating with the Russians when I was in Government service," Mr. Clayton made this comment on Secretary Acheson's press conference:

Mr. Acheson added that what we are trying to do is to strengthen the democratic world, particularly those areas of weakness in the democratic world, in order to create a firm foundation for agreement with Russia which would prevail. I think that is very good statement of our foreign policy, I think the Secretary of State might have added, with credit and profit to himself and the country and the world, that the area of greatest weakness among the democracies is their disunity, the fact that they are not united, as is the Communist world, and that the most constructive thing by far which the democracies could do, more constructive than perhaps any other and every other step they could take, would be to create among themselves that unity, which would bring about one foreign policy, one currency, and no customs houses between the members of the democratic world, so that they would have the strength and the mobility to resist the onslaughts of the Communist world.

We have got to take a bold, constructive policy here, in my opinion, and make democracy work so that we have an affirmative situation instead of always a defensive position. Today we are always on the defensive. Stalin keeps the initiative—moves fast, moves with unity, with strength, and he is succeeding.

Mr. President, there is the statesmanlike thinking and speaking the people are longing to hear.

It seems to me that it is high time Mr. Clayton was drafted back into the Department of State.

His is not the only voice which failed to register with the State Department.

There is Dr. Harold S. Urey, who won a Nobel prize for his work in atomic energy. In his testimony, Dr. Urey said there would be no place at all to hide if an effective quantity of hydrogen bombs were exploded over here. What was his advice? That Senate Concurrent Resolution 57 be considered and passed by the Congress.

Let me quote two brief passages from his testimony:

There is a way out. That is the way of partnership and unity, the way of sharing responsibility for the defense of freedom—the way of Atlantic union.

And, again—

I believe that material force and economic arrangements, in themselves, are valueless in this crisis. If mankind is to save his freedoms, a value much higher must lead him. This is the spiritual, the moral.

I refuse to believe that mere mechanical difficulties and obstacles can thwart man's attainment of a form of government which safeguards and promotes our way of life.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am delighted to yield to the distinguished senior Senator from Connecticut.

Mr. McMAHON. It seems to me that this would be an appropriate time to refer to the concluding paragraph of an editorial in the New York Times of this morning on the subject of total diplomacy.

Referring to the Secretary of State, it says:

He is equally right in emphasizing that we must make economic adjustments at home to permit our allies to trade and live even at the price of some inconvenience to some of our vested interests. All these measures are essential to create strength where there is weakness, to fill in the present vacuums, and to restore a balance of power adequate enough to give promise to new negotiations with Russia.

Here is the point to which I should like to refer particularly. The editorial continues, as follows:

But it may be questioned whether these measures, being mainly economic and military, are enough unless they are backed by an over-all peace program able to inspire the free world with the same faith and zeal which the principles of the Atlantic Charter gave to it in the fight against another tyranny in the last war. For purely economic and military measures tend to breed a corroding skepticism and even cynicism which can be overcome only by an appeal to the higher moral values that sway mankind. Even total diplomacy is likely to fall short of expectations without that strengthening element.

Mr. KEFAUVER. I appreciate the distinguished senior Senator's reading that portion of the editorial from the New York Times of this morning. It is of the same high tone as the statements of the senior Senator from Connecticut in the two recent speeches delivered on the floor of the Senate, which have done much to electrify the people of this Nation into urging the use of other means of working for peace and preventing the occurrence of another world war.

In connection with the editorial, it is my opinion that public opinion on the subject is moving very rapidly. Such addresses as those delivered by the distinguished senior Senator from Connecticut have had great effect on public opinion. I find that more and more newspapers and leading people all over the United States, as well as people generally, are demanding that other efforts be made and other methods tried in an endeavor to get an answer to the problems with which we are now faced, rather than by merely a piecemeal solution. They know and appreciate that dealings on a government-to-government basis, or between state departments, without some influence by the people on the mechanism which is set up, will not work, or give much strength. People, in my opinion, are far ahead of Congress, and Congress certainly is far, far ahead of the State Department today.

It has been charged, Mr. President, that by passing Senate Concurrent Resolution 57, we would sanction the underlying idea; and, that we would become father-protector to all the Atlantic community, if we have not already so done.

But what does Mr. Parker Van Zandt's testimony show us in this particular? It is convincing that we need the other Atlantic democracies as much—if not more—than they need us. Mr. Van Zandt, of course, is a great geographer and geopolitician.

On the maps, changed by the advent of the airplane, we are aside from the center of the anti-Communist world. We are foolish to consider our geographical location by any other standard other than that which is modern to the air age.

Within the boundaries of the principal part of the world, as adjudged by the air maps, are nine-tenths of all the ice-free land area; 95 percent of all the people of the world; 98 percent of the world's industry. This is the most important part of the world to mankind. In this area are Europe, the United States, Africa, and Asia. The Atlantic Ocean is the central body of water of this area. Across western Europe are the most important commercial airways of the world.

What better strategy could we undertake than by joining of the leading nations of this principal part of the world in a federal union?

But, does the State Department become interested in a full discussion of this scientific disclosure? It does not. All it says it, we "cannot support this resolution."

Ostensibly, the State Department turns up its nose and thumbs down all the proposals of the gentlemen of the Senate for a new approach to realizing a world at peace.

I earnestly urge every Senator to read the testimony before both committees in the light of the testimony of Mr. Rusk and Mr. Hickerson. One is astonished at the utter absence of anything in it to indicate they had paid the slightest attention to these outstanding citizens in private life.

Mr. Hickerson's statement is salted with implications that the supporters of Atlantic Union are starry-eyed dreamers; that they have given no thought to such practical things as the economic effects of the plan or the reactions of other nations to it.

Thus Mr. Hickerson asks:

Which peoples would be prepared to relinquish part of their sovereignty in such fields as imports and exports, currency, taxation, immigration, and defense?

Mr. Clayton had answered 3 days before:

I don't know what position any particular country in Europe might take with reference to this proposal. I only say this, that in my judgment, if the United States really, seriously proposes a union of this kind, proposes a convention to study and explore the matter—the people of Europe, as opposed to their leaders—the people of Europe will force those countries to cooperate, because they will see in that movement a great, new hope for peace. And in my opinion it is the only kind of movement that is going to restore and recreate in their minds and hearts the spirit and the will to go forward in freedom and democracy.

Similarly, Mr. Hickerson asked, as if either we had never thought of it or were hopeful the American people would not ask it:

What would be the effect of the establishment of the proposed Atlantic Union upon free countries not included?

Mr. Justice Owen J. Roberts and Clarence Streit, noted author and for many years a New York Times correspondent in a number of countries, had already answered that, but let me give you Mr. Clayton's answer:

If this union were formed of the democratic countries, it would present to the non-Communist world, the whole non-Communist world, whether you call them democracies or not, an aggregation of military and economic and spiritual strength that would be so great that there would be a great attraction to it. It would just be like a magnet to those people. They would gravitate toward strength and toward power, and they would recognize it in this union, in my opinion.

Mr. Clayton went further and predicted that the pull "on the Russian satellite countries themselves would be so much greater from the west than from the east that such countries would in time gravitate to the west, and Russia would be compelled to return to her prewar boundaries."

He went still further and, while warning against the dangers of talks with the Kremlin on the present basis, saying:

They will negotiate with you and * * * string it out just as long as they can. Suppose we could all wake up tomorrow morning, and this union is in being. Within 6 months, you can make an agreement with Russia that will really stick, but you can't do it the other way.

Mr. Clayton, however, did not ask anyone to take his judgment on all or any of these political and economic advantages of Atlantic Union. Though his own experience makes him so firm a believer in federal union of the democracies, he joined all the witnesses in stressing that Senate Concurrent Resolution 57 commits no one to such a union. The only commitment in it is to explore whether or not such union would have great advantages; whether our people and the other democratic peoples are ready to gain these advantages.

Such would seem to be a common sense way of finding the answer that everyone could have faith in; but, contrast this attitude with that of the State Department.

Mr. Hickerson devotes nearly all his statements to asking questions about the implications of union itself, and to doubting whether the people are ripe for it. He then brushes off in one paragraph the proposal to call a convention to explore Atlantic Union, which is the only proposal the resolution makes.

The effect of Mr. Hickerson's one paragraph is this: The State Department has decided that the people are not ready for this convention, and that we must have faith in its judgment. We must not put it to the test by calling this convention to explore whether or not it is right in its view of the people.

"Where there is no vision, the people perish." In the State Department's testimony, we find no vision, even of the need of arming our people with any powerful idea. Yet, we do need to electrify the world. We need to recapture the hearts of men by some move compounded of both hard-headed prudence and lion-hearted courage. To this we need to mix in warm-hearted generosity and eagle-eyed vision. The Atlantic

Union resolution embodies such a move, in my opinion.

This resolution is not recklessly prudent, as is the State Department's policy; but it is reasonably prudent. This resolution does not interfere with the continuation of any of the other policies on which the United States has embarked. It does not interfere with the policies the Department now favors, nor with the other proposals before us. This resolution does not commit us to guaranteeing any nation's territory at the behest of a two-third's majority of the United Nations, or otherwise.

All of the plans proposed are worthy of consideration by the Congress. Some of these commit us to disarming atomically or completely; others commit us to expending billions of dollars; others are faced with the threat of a Russian veto or an amendment to the Charter of the United Nations Organization. Some proposals would trust our liberty and peace to a force of smaller nations; others would declare our policy to be the development of United Nations into a world government.

All of these plans have some points of merit. None of them should be cast aside, as the State Department would have us do, without serious consideration. Rather, the deep-thinking sponsors of these resolutions should have our eternal gratitude for their vision and understanding.

The Atlantic Union resolution neither commits us to these policies, nor does it prevent us from adopting or further exploring any of them that seem wise.

This resolution does not commit us to forming or entering an Atlantic Union. It commits us, I repeat, merely to asking the President to call a thoroughly bipartisan federal convention to explore with a few other democracies how far they can apply among them, within the framework of the United Nations, the principles of free federal union.

That convention, moreover, should be so organized as to minimize the danger of failure. Such failure need not involve the prestige of the United States Government. As Mr. Justice Roberts pointed out in his testimony, the aim is not to have the usual type of diplomatic conference, in which the State Department instructs its delegates from day to day. Indeed, the Justice would have the Senate and House much more strongly represented in this convention than would be the State Department. Under the circumstances this suggestion is most salutary.

The aim is to follow the much more fruitful model of the Philadelphia Federal Convention of 1787. There, the delegates of each State, though named by the State government, acted without the instructions of their government. Each delegate acted as his conscience directed. He voted as an independent individual on each issue that rose in it, and the majority of votes in each delegation determined which way the State's vote was cast. It was this prudent system that resulted in the miracle of our Federal Constitution's being drafted.

If the proposed convention fails to produce agreement, the responsibility rests on the delegates, themselves, not on their governments. And if it does produce agreement, even the miracle of a draft constitution, no matter how limited it might be, no one but the delegates who sign it is bound to vote for its ratification. Even if you vote for the Atlantic Union resolution, even if you should enjoy the signal honor of being a delegate at the proposed Federal Convention, if you do not approve of the Constitution it may draft, you can still do as did George Mason, of Virginia. He was one of the most influential drafters of our Federal Constitution; but because it was not good enough for him, he refused to sign it and fought its ratification by Virginia.

Note, Mr. President, that if the Convention does succeed in drafting a constitution, this instrument would then be ratified by Congress. Afterward, of course, it would have to be submitted to the people for ratification, for it is they who are the true sovereigns in this union.

We have no desire whatever to rush through any agreement the Convention itself reaches. Nothing could be more prudent than this triple debate: first in the Convention; then before Congress; and finally before the people. This triple series of votes would be necessary before we enter into any constitutional commitment.

Mr. President, from your long experience, you appreciate how slowly grind the mills of democracy at each stage. You know that in this procedure there is no danger that the people of the United States will be rushed into making a grave commitment before they are ready for it.

All of us here know that the Damoclean danger which hangs always over every democracy is, not that of doing too much too soon, but of doing too little, too late.

If an emergency develops, we shall be much better off if we already have a Federal convention in session. How fortunate we shall be if, when threatened with hysteria, we have a carefully, coolly thought-out plan ready to be put in action in our time of exigency.

To achieve a prudent consideration for a closer and more permanent tie-up between the North Atlantic democracies, I think we ought to pass Senate Concurrent Resolution 57 at this session of Congress. So doing will help ripen public opinion to a mature decision by the healthy process of democratic discussion. If we delay the possibility of action on this resolution until the Eighty-first Congress, a discussion and exploration could not probably get under way until 1952. Mr. President, we need urgently to have a plan fully discussed and ready for operation in 1952. Time is short. Nineteen hundred and fifty-two is the year the ECA program is scheduled to end. Only the most optimistic Members of this body can count on western Europe's not needing some further assistance at that time. We should begin this discussion before 1952 because 1952 is a Presidential-election year. Then, our democracy is historically most vulnerable. The whole free world must wait in worried uncertainty while America makes up her mind. Before we assume that we should not be discussing and exploring a further program to take in the interest of peace in 1950, let us cast an eye briefly over the past 10 months.

During the past 10 months we have seen our atomic monopoly broken—broken long before many in high places believed it could happen. We have seen the decision reached to make the hydrogen bomb. We have seen the British forced to devaluate by nearly one-third; this, despite all the billions channeled by the British loan and the Marshall plan. Most of the other democracies have been forced to devalue again. We have seen the British election produce a most unstable result in a situation requiring energy and action. We have seen the Red wave engulf all China. All this, and more, has happened in the past 6 months.

How imprudent, as the State Department implicitly does, to assume that the next 10 months will be fair-weather sailing. How dangerously rash to conclude that we must hasten to explore every way to make the hydrogen bomb, but that we have no time in which to explore the free federal way to keep it from wrecking the world. How foolhardy to believe that we can safely wait until 1951 to debate on this floor whether we should begin exploring whether our American principles of free federal union can lead us to peace. Certainly, we have more confidence in the American concept of government than our inaction might indicate.

I doubt that the State Department is willing to gamble that in the next 6 months the situation in southeastern Asia, with all its wealth of rubber and tin, might not worsen.

Even the State Department cannot be sure there is no possibility of our suffering an unpleasant economic surprise in the coming months. I am no alarmist, Mr. President, but I think it is prudent to recall that when economic disaster has come, it has always been a surprise.

There is a trend now among our European allies to seek safety in neutrality in the atomic war which they fear might occur. We read about this every day in the newspapers. This tendency will likely grow more and more ominous in the coming months, if we do not begin now the slow process of binding freemen together. I do not think we should take the responsibility of delaying an exploration in this way of holding the people of the North Atlantic together.

Mr. President, I said the Atlantic Union resolution contained the idea which we need to restore faith in men and to recapture the hearts of free people everywhere.

Implicit in the State Department's testimony to the Thomas subcommittee is the basic idea that merely for Congress to pass this resolution to explore Atlantic Union is to do a thing so bold, to contemplate sacrifices so generous, to embark on so far-sighted an undertaking, that the American people are not ready for it, and must falter in the attempt. They say it risks ending in failure.

Mr. President, the American people are courageous. It took high moral and physical courage to build this Republic and preserve it through two world wars. The American people have shown themselves exceedingly generous in time of

calamity befalling people abroad. It took people of vision to found our Federal Union and pioneer it across this vast continent.

If I may be personal, Mr. President, let me state that I made the formation of a federal union of the democracies a campaign issue in Tennessee in 1948. It won me votes. I am strengthened in that view by what has happened since. I have continued to urge Atlantic Union, and I have found the people in my State urging me forward. I have talked on this subject in other States; and I have found the people ready everywhere to begin this exploration.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from New Jersey?

Mr. KEFAUVER. I am very happy to yield to the distinguished Senator from New Jersey.

Mr. SMITH of New Jersey. The Senator is I think aware, as a result of his attendance upon the hearings of the subcommittee of the Foreign Relations Committee, that the Senator from New Jersey has the greatest possible interest in the subject now under discussion. I share the view of the Senator from Tennessee, that the more the subject is debated throughout the country the better it will be for all. All the approaches are worthy of exploration. I am entirely in sympathy with the view expressed by the Senator from Tennessee, that it is not, as the State Department might suppose, a thing to be brushed aside as of no importance. It is the most important question we could consider. I think the Senator, having attended the hearings, will recall that the proposals can be broken down into three principal groups; one, the world federation idea; another, the Atlantic Union idea, which is the one the distinguished Senator is now discussing; and the third, the more conservative approach by way of amendment to the United Nations' Charter. In all those proposals I am profoundly interested. I will appreciate it if the Senator will say a word, comparing those approaches, and indicating his reason for feeling that the Atlantic union approach is probably to be preferred. I may say the question has been presented to me as a member of the subcommittee—and I am glad to explore with the Senator—Does the Atlantic union approach suggest the possibility of a balance of power being set up in the world, and is it desirable at this time? Is the world federalist approach wiser, since it considers the entire world picture? Or should we proceed by the way of a more searching amendment of the United Nations Charter?

Mr. KEFAUVER. I appreciate very much the observation of the distinguished Senator from New Jersey, who is a member of the Foreign Relations Committee. I had the privilege of attending a great many hearings of the subcommittee, and I have read that part of the hearings which I did not hear in person. As the Senator has suggested, there are three general approaches which have been made to the problem. Let me say in that connection, I think the sponsors of all the resolutions and those who are interested in the various resolutions—and some are interested in two or three of them, or all of them—have all done a great deal of good in generating public interest by way of an educational process, so to speak, and by obtaining consideration on the part of the people of this and other countries of some method of trying to establish peace by law, which is of great concern to people everywhere today. They have all done much good in pointing out the fact that never in history, over any long period of time, have we been able to rest with any degree of security on military alliances or merely upon treaties or agreements on a government-to-government basis; that they have eventually all broken down and have not proved a satisfactory system for keeping the peace. The sponsors of all the resolutions appreciate, I believe, the fact that we cannot do these things on a piecemeal basis, that over a period of years there will have to be some system of government in which the people themselves, as distinguished from the Department of State, have an interest, and over which the people can have some control—more particularly, in response to the Senator's question, the so-called United World Federalist resolution, which had a great deal of support. The idea of that resolution is to create, under the United Nations, a world federation, or at least to invite all the nations of the world into a federation, and if some of them do not come, to go ahead with the remaining ones. I am afraid, by virtue of the fact that it might necessarily mix totalitarian governments and democracies together, that it would not have the depth that might be envisioned by the Atlantic Union resolution.

I shall not go into the objections which have been made by many persons to the World Federation resolution. The aims and motives are good. We all have the same general purpose. But it has been pointed out that if we succeeded in bringing all the nations together, we would probably have but another United Nations, or perhaps something a little better; and that, if we did not succeed in bringing them all together, we would have gone through a useless step.

Our position with respect to the Atlantic Union is that it is better to begin with a hard core of democratic peoples who appreciate individual liberties, who have certain rights guaranteed to them by the constitutions under which they live, who want peace by law, and who favor democracy. If it is possible to start with a group such as that, with people who have done business together and who have seen governments function under democratic constitutions then there will be a chance of making a success, with the door left open for other peoples to come in when they are able and enjoy the guaranties we have under our Constitution and which may be provided for them.

The other types of resolution call for the elimination of the veto power of one nation in the United Nations, and a strengthening of the United Nations in various and sundry ways. We, of course, all know the objections pro and con. Personally I am for strengthening the United Nations in any way we can. I think the United Nations has done much good work, but I am thoroughly convinced that in the present situation and in the present posture of world affairs the United Nations is not going to be the answer, now or in the years to come, either to the cold war or to bringing about and maintaining the type of peace we must have if we are to avoid destruction.

Mr. President, I appreciate the observation of the distinguished Senator from New Jersey. His questions of the witnesses before the committee have been very searching, showing that he has a great interest in and much information regarding this general problem.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am glad to yield further to the Senator from New Jersey.

Mr. SMITH of New Jersey. I thank the distinguished Senator and commend him for having made a fine contribution to this discussion. Of course, at a later date, after our committee has acted, the subject will be on the floor of the Senate again. But I feel the Senator from Tennessee has done a real service today in bringing this over-all picture to us, and particularly in presenting the Atlantic Union cause.

Mr. KEFAUVER. I appreciate the observation of the Senator from New Jersey. I hope he and other members of the Foreign Relations Committee will give the Senate an opportunity of having a full discussion of the various proposals, and of finding or devising some kind of foreign policy which will afford a satisfactory answer to the problems with which we are now faced, and with which we shall be faced increasingly when the Marshall plan and other stop-gap measures we have inaugurated come to an end.

Mr. President, the State Department looks through its mirrored windows and sees the American people ready to enter entangling alliances, ready to make the hydrogen bomb, but it sees them unready even to explore whether they can win simply by forming an Atlantic Union.

It is our constitutional function, rather than that of the State Department, to decide how ready the people are. We are in a much better position to judge the pulse beat of the people than is any diplomat.

Here is an example of how uninformed a well-meaning person can be. In the interesting campaign for the United States Senate in New York last fall the distinguished junior Senator from New York [Mr. LEHMAN], who has much experience in learning what the people want through elective offices, was opposed by former Senator John Foster Dulles, the eminent Republican authority on international relations.

The gentleman from New York who sits with us had previously joined the council of the Atlantic Union Committee. In the course of the campaign he issued a much stronger statement in favor of Senate Concurrent Resolution

57, saying notably, as reported in the New York Times, as follows:

Passage of the Atlantic Union resolution seems to me one of the most important acts which the United States Congress can take in the field of international relations to prevent war, stop, communism, and avert world economic collapse. * * *

The next step should be recognition that mere agreements between governments—pacts, alliances—have never endured. * * *

On the other hand, no agreement between sovereign citizens to unite in a federal union has ever failed. * * *

The Atlantic Union resolution does not itself commit the Congress or the people of the United States to anything beyond participation in a convention of nations that sponsored the Atlantic Pact. * * * If union were ratified, it would require no amendment of the UN Charter and hence would not face the danger of a Russian veto. It would, indeed, enormously strengthen the UN. * * *

The calling of a Federal convention constitutes bold, positive action, worthy of the leadership of the United States. * * *

I urge that congressional committees now studying foreign affairs security measures assign top priority to the Atlantic Union resolution.

The opponent of Senator LEHMAN, Mr. Dulles, also announced publicly that, if elected, he would vote for the Atlantic Union resolution. He explained that the North Atlantic Treaty Council does not now have adequate authority to establish a genuine common defense.

That is one of the matters—

Our former colleague, Mr. Dulles, said—

which could and should be considered by an Atlantic Union Convention. There are economic and monetary problems that ought to be considered in accordance with the Federal principle, that matters which are of common concern should be dealt with through an agency dedicated to the interests of all those concerned.

So, we had both candidates for the United States Senate from the great State of New York committed to Atlantic Union. The campaign was the subject of many newspaper articles, editorials, and radio discussions, and I thought nearly everybody in America was following the campaign at least in a general way.

But, in my examination of Mr. Hickerson following his prepared testimony, I asked if he did not know that both candidates in this race had endorsed Senate Concurrent Resolution 57. He confessed that he did not.

Nevertheless, Mr. Hickerson asserted flatly that the State Department feared the calling of the proposed Federation Convention before there has been a soul-searching debate throughout the country. They opposed it. In my mind, if Mr. Hickerson was not cognizant of the wide debate in the New York senatorial campaign last year, his credibility as an expert witness as to how much this issue has been discussed, was seriously challenged. I tried to make clear to him then that we are in favor of the most thorough soul-searching, but that there has already been enough to justify bringing this resolution out on the floor. I tried to make plain that in debating and passing it, and in holding the convention and the ratification proceedings, we would develop all the other soul-searching we needed. The exchange closed with this colloquy:

Mr. KEFAUVER. Instead of saying here we are against everything * * * why don't you say * * * that we want to study this thing, we would like for Congress to debate? I don't know of any better way to generate study than to have a full dress debate on the floor of the Senate, do you?

Mr. HICKERSON. No, sir. I think that is an excellent place.

Mr. KEFAUVER. Don't you think that would be a good idea?

Mr. HICKERSON. I think it would be an excellent idea.

Mr. KEFAUVER. That is all I wanted, Mr. Chairman.

I then left but I should add in all fairness that later when Mr. Hickerson returned to the stand he put in the record a qualification of his last answer, saying it "was not to be interpreted as supporting the passage and approval by this subcommittee of the Foreign Relations Committee of Senate Concurrent Resolution 57 which in my statement I said we could not support."

Mr. LEHMAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from New York?

Mr. KEFAUVER. I am glad to yield to the distinguished Senator from New York.

Mr. LEHMAN. I was very much interested to hear the quotations from statements I made during the campaign, in which I expressed my support of the Atlantic-Union resolution. I merely wish at this time to say that when the resolution comes before the Senate I shall vote for it, as I announced on many occasions and at some length during the campaign.

Mr. KEFAUVER. I appreciate the statement of the distinguished Senator from New York, and I want to say that his statement, giving the reasons for his support of the resolution, is one of the most noteworthy and convincing statements I have seen on the subject. I know he has given the whole problem a great deal of study and consideration.

Mr. President, I feel that the Senate Committee on Foreign Relations is much more eminently qualified to decide whether the people are ready to have this issue debated here on the floor than is the Department of State. I hope the Foreign Relations Subcommittee will report the resolution favorably and that the full committee will give the full Senate an opportunity to determine whether the people are ready to call an exploratory convention. We who favor Atlantic Union are not fearful of the fullest discussion. If the State Department wants such a discussion, as it says it does, the way to get it is to recommend such action to the Thomas subcommittee.

If, after full debate, the Senate passed this resolution, that action in itself will constitute adequate answer to the Department's fears that the people are not ready to explore Atlantic Union.

We who have been elected to the Senate know that it is not enough to consider what the people think at any given moment. We must also judge what they may be thinking later—on second, third or fourth thought, in the light of events. Some of us must consider now, in relation to this issue, what the people will be ready for 6 months from now, in the light of the situation the people will face in November. Others of us must consider now what the people will be ready for in 1952 or in 1954 in the light of all that will happen between now and then. We must have vision, or we go down in defeat.

I appeal to the State Department to think in these terms.

I regret that I am prompted to deal harshly with the State Department at this moment when it is under fire from another quarter. We have not declared open season on this important branch of the executive department. I bear the State Department no ill will. I hold no grudge against the distinguished Secretary of State or any of his principal aides. I have, in the past, supported the policies they recommended to Congress. I speak as their friend. Because I am their friend, I cannot join the Chicago Tribune in applauding the course they have taken in the matter before us. The Chicago Tribune's editorial comment on the arguments of Mr. Rusk and Mr. Hickerson is enlightening. I quote a portion of it:

The arguments of the two gentlemen are not unfamiliar to the Tribune. We have made all of them repeatedly since the infatuation for One World began to obtain currency. Now the State Department has come over to our side. Miracles do happen.

I cannot join Colonel McCormick in his commendation. I must join with other such friends of the State Department as the editor of the Minneapolis Morning Tribune who, in expressing his shock at this incredible new position of the State Department, says:

The Chicago Tribune has every right to claim a great victory for its point of view. The American State Department has climbed into bed with it.

I must join another old friend of the State Department, the Dallas (Tex.) Morning News, which on February 17 editorially said:

The heat wave with which the State Department seeks to defeat the idea of a union of the Atlantic democracies is more than surprising. * * *

The list of able and distinguished Americans who back Atlantic Union includes Texas' own Will Clayton. * * * Such men as Clayton, who served ably in the State Department itself, and former Secretary of War Patterson, who had a key part in the greatest war in our history (and who is a vice president, Mr. President, of the Atlantic Union Committee), will not relish being lectured to as so many thoughtless children.

The spokesmen for the State Department—and hence for the President himself—lumped Atlantic Union in with schemes that would scrap the United Nations. That, perhaps, is the most uncalled-for cut of all. * * *

This newspaper is not committed to the idea that Atlantic Union is the answer to what ails the world. It is not even sanguine that it could be brought into being, or that it would work if it were. But surely no harm can be done by merely exploring the possibilities. That is all that the Atlantic Union Committee asks. * * * Why all this choler on the part of the State Department over a reasonable proposal?

Mr. President, if I have spoken sharply of the State Department, it is because I feel that a sharp knife is better than is a dull one to save a friend from a malignant ill. I know it hurts to have attention invited to our mistakes and shortcomings; but it is better to have our friends do it before it is too late, than to have others call us to account after the fatal event, or to leave our reputation for history to blast.

In conclusion, Mr. President, I plead with the State Department, with the President, with the Congress, and with all the molders of public opinion, to turn with me now to George Washington for an ever-timely lesson in that sublime faith in the people that made our own Federal Union.

History relates that when George Washington arrived at Independence Hall in Philadelphia on May 14, 1787, the day set for the Federal Convention to begin, the only other delegation found to be on hand was that of the host Territory, Pennsylvania. Even New Jersey, Delaware, and Maryland, which were closer to Philadelphia than was Virginia, had not yet sent delegations.

Such a snub to the former Commander in Chief might well have convinced a lesser man than George Washington that the people were not ready for the convention. A lesser man would have returned home the next day. Had he done so, the course of history would have been changed for the worse.

George Washington patiently cooled his heels in Philadelphia. Finally, on May 25, delegations had arrived from 8 of the 13 States, and the convention had the quorum it needed to start work. In those discouraging 11 days of waiting, the delegates who had arrived talked of the difficulties and dangers the convention faced. They spoke of the unreadiness of the people in all the 13 States to sacrifice any sovereignty.

It was urged that the practical thing to do was not to attempt to set up an effective Federal Government; not to explore this course which the people were certain to reject; but to confine the convention to putting a few patches on the old Articles of Confederation. In these circumstances, John Fiske tells us in his Critical Period of American History, George Washington suddenly interposed with a brief but immortal speech which decisively turned the tide. "In tones unwontedly solemn," Fiske continues "George Washington began":

> It is too probable that no plan we propose will be adopted.

Mr. President, we may think, as does the State Department, that the people are now unprepared for Atlantic union. But they cannot possibly be more unprepared than Washington thought the people were then for any agreement whatever. One cannot be more pessimistic than was Washington at the outset of that convention. He continued:

> Perhaps another dreadful conflict is to be sustained.

Mr. President, he referred to the threats of war that several of the 13 States were then making toward each other. At that time there was no danger of attack from the outside—certainly no such danger as we now face. Neither do we now face any threat of war between any of the members of the proposed Atlantic federal convention. The divisions among them are not nearly so dangerous as those Washington found among the States assembling at Philadelphia. The State Department may consider the difficulties and dangers today greater than those that Washington faced. They could not be worse than the danger that the convention itself might lead to war between some of its member States. Undaunted, Washington continued:

> If, to please the people, we offer what we ourselves disapprove, how can we afterward defend our work?

There, Mr. President, Washington dispelled the familiar argument that the practical thing to do is not the thing that one knows in one's heart is right but the thing that one thinks is preferred by the people—into whose hearts we cannot see, except by looking honestly into our own. He added but one sentence more:

> Let us raise a standard to which the wise and the honest can repair; the event is in the hand of God.

Consider, Mr. President, how that sentence sums up the sublime faith, both in the people and in God, that lies at the heart of our Federal Union. It is a faith that if we each will but do what our conscience tells us is right, then we can be sure that we shall be on God's side. Then, no matter how far behind us the people may seem, we can trust that where people are free, there will always be found in good time enough of the wise and the honest to make a majority for the thing that is right.

After that decisive speech the delegates turned away from the thought of patching and puttering. They embarked boldly on the great exploration that ended with the discovery of the principles of free Federal Union embodied in our Constitution. The people ratified the document, which gives us now, and all mankind, the surest hope we have.

The people of America are looking to you and to me for vision and leadership. We need not waste more precious moments awaiting the force of public opinion, as the State Department would have us do. We cannot, in this atomic age, rely on antiquated diplomatic niceties. They are as antiquated today as were the procedures under the Articles of Confederation in Washington's day. If we do not rouse ourselves, there will soon be no status quo for the State Department to maintain.

The only real issue in this controversy is the issue of time. The State Department advocates that we take time to study; the proponents of Atlantic Union advocate that we use that time to study together with our democratic friends.

May I say, as a final thought: We do not kill time; time kills us.

All we ask in the Atlantic Union resolution, Mr. President, is that without further delay we resume at long last this fruitful exploration and carry it forward in the spirit of George Washington when he exclaimed:

> It is too probable that no plan we propose will be adopted. Perhaps another dreadful conflict is to be sustained. If, to please the people we offer what we ourselves disapprove, how can we afterward defend our work? Let us raise a standard to which the wise and honest can repair; the event is in the hand of God.

Mr. WILEY. Mr. President, I am privileged to be a member of the subcommittee which has given consideration to the various plans of world federation, amendments to the United Nations Charter, and the Atlantic Union plan. I shall not discuss today the merits of the proposals, because, after all, I am not only a member of the Foreign Relations Committee, but a member of the subcommittee, which places me in the position of being a judge or a quasi-judge.

I desire, however, to compliment the distinguished Senator from Tennessee. It seems to me that this is an age of exploration. In other words, we are reaching for more light. I am reminded of the old saying—

> Two men looked through prison bars.
> One saw muck, the other saw stars.

It all depends on our perspective.

Mr. President, I know that the subcommittee and the full committee, in considering the various problems they have before them, will not permit themselves to be carried away by the thought that any mechanism can solve the problem before the people of the earth today. It is not a question of mechanism; it is a question of battles for the minds of men.

Mr. President, it seems to me that our real problem today is to find a means to pry open the door so that we can have an understanding with Joe Stalin and his associates. Previously on this floor I have joined with those who have spoken on this subject, not simply on the plans submitted to the committee, but on other ideas, such as calling a world conference, exploring the thought that perhaps through representatives of the various states of the world getting together and talking things over in a town meeting, so to speak, minds could be opened and perhaps there might be hope of reaching an understanding.

Something was said today by the distinguished junior Senator from Tennessee about our Secretary of State. I have said on the floor of the Senate, and I repeat, that I never indulge in personalities, nor have I ever gone so far as to say anything detrimental to the Executive of our Nation, unless, in my opinion, he was meddling outside his bailiwick. In other words, he is the Executive. His functions are defined by the Constitution. He is limited by the Constitution. When he attempted to interfere with the legislative process, then I felt it was my particular duty, as a representative of Wisconsin and of this country, to speak about the invasion of that field into which the Executive had no business to put his nose.

Mr. President, let us see where we are today in relation to the Secretary of State. As suggested by the junior

Senator from Tennessee, he has vetoed the various suggestions which have been made. My reason for taking the floor now is that I have received many letters from my constituents expressing wonder why Congress does not do something. It seems to me that that calls for an analysis of the Federal structure of our Government.

The purpose of my remarks today can be stated very briefly. It is not to befuddle the issue, but rather to clarify it. I must say that the Secretary of State, acting as the chief organ of the Executive, is performing in this respect the constitutional functions of the Executive, which are so clearly defined.

We must bear in mind that ours is a Government of divided powers, or, putting it in another way, it is a Government made up of three branches, each branch having its particular functions to perform. We all know that in the realm of foreign affairs—and that is what we are discussing when we are talking about taking certain steps or adopting certain plans or methods—the President possesses plenary and exclusive power as the sole organ of the Federal Government in the field of international affairs. That does not stem from any act of Congress, nor is it a constitutional grant.

As suggested, the power of the Federal Government in foreign affairs exists irrespective of the Constitution itself. The authority resides in the President because he has a better opportunity of knowing conditions which prevail in foreign countries, since to him, through the State Department, come the reports of our ambassadors, ministers, and other agents of Government whose function it is to know what is going on.

However, Mr. President, in view of the "advice" provision of the Constitution, in view of the fact that there is constitutional power in the Senate once the President has exercised his plenary power and has arrived at a conclusion in relation to foreign relations which might be reduced to a treaty, there is the power of the Senate to agree or disagree to such a treaty, and in view of the fact that one of the significant committees is that on foreign relations, it would appear that the seriousness of the situation calls for the closest collaboration, in this period of world stress, between the executive department and the Congress.

No one can look around the corner of tomorrow and see what is going to turn up. The period is indeed one that calls for humility and wisdom and, as suggested by the Senator from Tennessee, without wisdom the people perish. There must be wisdom to enable the officials to know the appropriate steps to take.

The position of the Secretary of State today, judging from his statement, is definitely that for the present, at least, he feels that no good will come from urging Mr. Stalin to meet and talk things over. We are given no alternative by the Secretary except the task of creating areas of strength throughout the world, and hoping that in due season the Kremlin will let us know when it wants to talk. That is substantially the Secretary's position, and speaking for the President, he is within the field where it is his business to speak. In the meanwhile, we are counseled to sit tight, to keep cool, and strengthen ourselves and our associates economically, politically, and socially, so as to create confidence in the democratic way of life.

Mr. President, that arm of our Government which has the right to define our course has spoken clearly, definitely, and I hope correctly. Of course, something significant may happen tomorrow. There is nothing sacrosanct about the present policy of the Secretary. It is definite and certain, it is true, but subject to change if and when the Executive in his wisdom reaches a different conclusion.

The future imponderables in human history—and the tomorrows are full of them—may bring a change sooner than we expect. I see no real cause for negative thinking, for defeatist thought. We may differ with what we think is the approach being taken at this time; and, Mr. President, please understand, I am not talking about the resolutions which are pending before the subcommittee of which I am a member; I am talking about the Secretary's position, which he has made pretty clear, that for the time being at least we should take no steps. Though we may differ with what we think is the approach at this time, it is more important that we recognize and abide by the rules of the game, the rules of constitutional government, which have maintained the Republic since the days of its inception. Those rules laid down provide that in dealing with a foreign situation the President has control.

I repeat, Mr. President, while the constitutional provision is that it is the business particularly of the Senate to advise with the President in relation to foreign matters, there is some difference of opinion as to whether that function exists before or just after the President has submitted to the Senate the subject on which he wants advice. Be that as it may, we cannot be supertechnical. We are all human. We are interested in seeking to find the answer which will bring that peace which is the consummation so devoutly to be wished, to bring that peace which will come only when the hearts and minds of men are regenerated, or born again.

Mr. President, there was called to my attention today an address by Gen. William J. Donovan, which he delivered at Columbia University, on February 16, 1950, on receiving the Alexander Hamilton Medal of the Association of the Alumni of Columbia College. It is a speech based upon findings which he made relating to his own experiences in the Far East.

I ask unanimous consent that the speech be printed in the RECORD following my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Soviet Union has completed the conquest of China, and this has been given formal approval by the 30-year peace treaty.

Throughout the Far East this marks a defeat for the United States.

This victory now makes Russia the dominant power in Asia as well as in Europe.

There may be disagreement whether this breach of the former balance of power in Asia has already gone so far that it threatens our security. But there can be no difference of opinion that the balance of power on which formal peace depends will be hopelessly upset if the Russians carry out their projected extension of the Chinese conquest to Indochina, Hong Kong, the Philippines, Siam, Malaya, Indonesia, and Burma. This was the path by which the Japanese before them got all the way to India.

I visited all these countries except Burma and Korea, and also visited Japan. During my trip the Russians boldly announced that they were going to try for just such an extension of their continental conquest. They made that announcement by recognizing the Communist revolutionary parties as the Government of French Indochina. Within a week the western powers had to accept the challenge. The British, the French, and ourselves recognized the opposition government of Bao Dai. In Asia it is completely appreciate that the Russians have declared a subversive war on the rest of non-Communist Asia and ourselves. I wonder if the significance of that choosing up of sides has really come home to us here in the United States.

In the face of this Russian declaration of further conquest beyond China, with the Russians having demonstrated that they do know how to wage this kind of war, the non-Communist Asiatics wonder if the poet Shelley does describe us, if we indeed are "An ineffectual angel beating in the void his luminous wings in vain."

They want to be on our side if we're safe to be with—if we can be relied upon to stick with them when the going gets bad.

What is there we can do to justify their reliance upon us? What are the elements in that area that we can pull together for the sake of the people there as well as for our peace and security? As a line of departure I accept the statement of the Secretary of State that "It is hardly necessary for me to say that an attack on the Philippines could not and would not be tolerated by the United States, but I hasten to add that no one perceives the imminence of any such attack." Let us see how, even at this late day, this defense could be accomplished.

Southeast Asia stretches from the subcontinent of India to the Australia subcontinent. In the center of this great south Asian triangle lie the spreading culture of southeast Asia—on the Indo-Chinese Peninsula, on Burma, Siam, and Malaya; on the island arc at its base the archipelagoes of Indonesia and the Philippines.

Within this triangle live almost 600,000,000 people, or about 25 percent of humanity.

The first thing we have to do is to recognize that the theater is one theater—Burma, India, Siam, Indochina, Manila, Malaya, Formosa, Korea, Japan.

That it is all one in spite of the differences that lie between. That it is one in which victories won, time gained, or material salvaged in Indochina or Formosa may greatly help in an intelligent defense of the Philippines or in the reconstruction of Burma or Indonesia.

When we look at our map and wipe out of our minds the wartime artificial separation into theaters of operation we see that the western Pacific is a strategic unit of which the Philippines are an integral part.

There is disorder to the point of chaos in Burma. Yet it is the bulwark before India and only speedy political and economic reform can save it from Soviet exploitation. In Indochina the Soviet has picked Ho Chi-Minh to do there what they used Mao to do in China proper. In Malaya the British are contending against a campaign of ambush and assassination by the Malayan Communist Party.

Japan and its associated islands 1,600 miles from the Philippines give it protection from

the north, and Formosa, almost halfway between, must be denied to enemy occupation by National China until next June at least.

Indonesia is the master key for the defense of the Philippines because with Malaya it forms a protective shield against the south, and that shield is given depth by Australia, only 300 miles south of it. Strategically, southeast Asia is of more than local interest. Whoever controls the Straits of Malaca and Singapore dominates a sea route comparable in importance with the Panama Canal. Indonesia is an island gate between the Pacific and the Indian Ocean. In 1942 Japan took the islands and broke out of the Pacific to extend its operations as far west as Ceylon. The Indian Ocean may well be the warm-water target that Russia has always sought.

The American naval and air bases in the Philippines are only a thousand miles from Saigon in French Indochina.

Indonesia is the most important of the southeast Asian countries that have emerged from colonial status into nationhood. An archipelago stretching nearly 4,000 miles, or one-seventh of the way around the earth, and having some 750,000 square miles of land area, and a population of 75,000,000.

It is probably the most westernized of the far eastern countries. Its economic, financial, and even its transport system are based upon Western models. It is even by modern standards rich in resources, and is fully able to repay any loans advanced to it for reconstruction and capital expenditures.

Its top leadership is anti-Communist by conviction. Although on lower levels there is needed experience in organization and administration, the government in control is about the best that could be obtained. The four or five leading men are competent and honest. They seek United States technical advice both of an industrial and military nature. If we could meet this request for aid as well as counsel, our position would gain strength from the fact that for the last 2 years we have carried out a policy there, consistent, definite, and to a degree successful.

In addition our Ambassadors in the vital countries of India, Siam, and Indonesia are men of training, experience, and understanding. They already have the respect and friendship of those countries to which they are accredited.

There is general agreement among those whose opinion should be given weight that Russia has a program in southeast Asia and that the timetable for that program has been stepped up in an endeavor to take full advantage of the momentum from their speedy victories in China.

The urgency requires leadership now. It requires a leader—whether you call him a supreme commander or a high commissioner with the authority, the experience, and the ability to deal with political as well as military problems. He should be vested with the discretion to deal with those problems on the spot and should be located in the theater close enough to see it at first hand, yet not so close as to lose his perspective.

The cooperation of the British, the French, and the Dutch would be eagerly given and they know our leadership is needed. The establishment of such leadership would be welcomed by the people of the countries concerned and would allay their present fear that we would abandon them.

We must make clear to them that having picked our friends we will stay with them to the finish whatever the consequence.

We have a precedent for this action.

In June 1948 Russia, in the Berlin blockade, employed a menacing and dangerous tactic to test the will of the Western Allies and to stop the European recovery program at the outset.

General Clay met the challenge with boldness and resolution. The dramatic success of "Operation Vittles" which maintained Berlin's food supply despite the seizure of the city, caught the Soviets flatfooted with surprise.

General Clay saw that if the Soviets intended war—war could not be avoided by a retreat from Berlin. On the contrary, it would mean that we would be driven progressively to weaker positions. He saw too that if Russia was bluffing—that the moment had come to call the bluff or to surrender the initiative he had won.

The courageous and common-sense action of General Clay in that crisis is a guide and an example for us all.

We have shown our great desire for peace with Russia and our willingness to settle differences. But we have learned that up to now at least agreement with the Russians is a hopeless illusion.

We now see that what happens in Berlin or in Peking has its repercussions in every area of the world where our country and the Soviet Union face each other. It is a war of subversion on a global scale—in which Russia is trying to whipsaw us from one side of the world to the other.

We must win now the war in which we find ourselves. It is a war which on many fronts Russia has been waging and winning. A war that we can lose without a shot being fired. A war that if we win may make impossible a shooting war. We can neither buy our way out nor appease our way out. Our strength must be found in ourselves—in our decision and in our resolution.

POLITICAL CENSORSHIP OF RADIO

Mr. FERGUSON. Recent important developments have come to my attention which indicate that the Federal Communications Commission may be using its authority over radio stations for political censorship. If this is so it is of vital concern to every Member of the Senate and to the country. Radio has become one of the most important means of communicating ideas. It has vast propaganda leverage. Unless fairly administered by our Government it can become a weapon for political oppression.

My concern over this question has been aroused by a very significant editorial appearing in the Saturday Evening Post for March 4. It is so important that I believe I must take the time now to read it to the Senate:

MUST PROPAGANDA BE THE MONOPOLY OF OUR LEFTISTS?

Political pressure is pretty nearly a left-wing monopoly these days. Moderates and conservatives are way behind in propagandizing the public, while a well-oiled organization triumvirate seeks to push the country faster and faster toward the hand-out state. First among these pressure outfits is Americans for Democratic Action. It is run by people who became big names in the Roosevelt administrations, and who are hankering for a super-New Deal. It works hand in hand with the CIO's Political Action Committee and with the AFL's Labor's League for Political Education.

The AFL decided at its last convention to assess its 7,000,000 members $2 apiece for "political education" work during the 1950 elections. It is committed to defeat eight Republican Senators, including ROBERT A. TAFT, and is putting its money and pull behind five Democrats and three Republicans.

According to AFL Tactician Joseph D. Keenan, the public has to be educated against the Taft-Hartley law, and in favor of welfare legislation, farm-price supports, and crop-storage legislation. Keenan calls for a farmer-labor bloc under the slogan that the enemies of labor are also the enemies of the farmer. He figures it this way: Since our enemies are in common, the individual farmer and the city worker have everything to gain through mutual political action as voters.

The political-education campaign has already begun with a five-times-a-week radio commentary that goes out from Washington, under AFL sponsorship, over a Nation-wide network. Another new feature is an FM radio network, centered around Station WCFM in Washington, owned by the Cooperative League of the United States of America. It has a land line to a New York station, WFDR, which belongs to the AFL's International Ladies' Garment Workers Union. The garment workers also run stations in Los Angeles and Chattanooga. Washington programs are put on recording tape and sent to the Detroit and Cleveland stations of the CIO's United Auto Workers. Joseph C. Harsch writes in the Christian Science Monitor that this new politically conscious radio network has been created to promote the point of view of labor unions, the cooperative movement, the American Farm Bureau Federation, and Americans for Democratic Action, for these are the influences behind it.

All this illustrates what New York Times Columnist Arthur Krock calls the superior articulation of the left. Krock thinks that by taking full advantage of Government-licensed radio and the canons of responsible journalism in the United States, the left has become increasingly active in promoting its cause in print and on the air. He expects that this perfected and enlarged publicity of the left, better than the moderates have now or ever had, will reach a peak of activity during this year's election.

Donald Richberg, the former NRA Administrator, writes in the Harvard Business Review that the insidious doctrine that we must create a sort of modified national socialism in the United States needs to be fought with the same skill with which it is being propagated. He thinks that it is time for moderates to organize themselves or be flattened by the steam rollers of left-wing propaganda. Raymond Moley carries the idea further by writing in Newsweek that, outside the Republican and Democratic Parties, there should be developed a nationally organized group which cannot only create and propagate a clear political program but help suitable Republican and Democratic candidates to win elections.

Right now, the moderate forces are still disunited. But certainly the concentration of left-wing pressure can't be permitted to throw the Nation's political sense completely out of balance. Or can it?

In confirmation of the points raised by the Saturday Evening Post editorial there is the case of a radio licensee who owns five radio stations and who is known to have strong political views which have been identified by the House Un-American Activities Committee through his association with numerous Red-front organizations. So far as I have been able to learn the personal views of this individual have not provoked any action on the part of the Commission with relation to ownership or operation of his station. On the other hand, I am informed that the Commission has vigorously investigated another station owner who has expressed strong personal views which appear to be pro-Republican and anti-Communist.

With this information and these circumstances before me this morning, I telephoned Mr. Benedict Cottone, general counsel for the Federal Communications Commission, to inquire whether the Commission had taken a position with respect to the matters referred to in the Saturday Evening Post editorial.

I specifically asked whether any investigations had been started as to the activities of radio licensees who had shown strong political bias or who were in a position to use radio stations for avowed propaganda purposes. Mr. Cottone told me that the Commission had taken no action in cases of this kind.

These are peculiar circumstances—on the one hand the report of the investigation of a licensee who was a supporter of Republican doctrines, and on the other hand the failure to investigate other radio licensees whose personal views show strong political bias in an opposite direction.

Let me make clear that I have no objection to fair rules being laid down to permit any licensee to operate his station in the public interest, or to permit the views of any organization to be fairly presented to the radio audience. I think the United States Senate should be interested in checking into the fairness of the Commission in applying its rules and into the question of possible bias in their application.

If radio-station owners of one particular leaning are being favored and those of opposite leaning are being frowned upon, clearly then the Commission is embarking upon the dangerous course of political censorship.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. KEFAUVER. Mr. President, there has been some discussion of title II of the Housing Act of 1950. I had prepared a statement in connection with title II. I ask unanimous consent that the statement may be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TITLE II—HOUSING ACT OF 1950

Mr. President, title II of S. 2246 deals with the disposition of the war and veterans' housing still remaining under the jurisdiction of the Housing and Home Finance Administrator. Although military operations in the late war ended 4½ years ago, the Federal Government still owns or has rights in about 390,000 dwelling units, including the units for which final transfers are now being processed. I believe it is highly desirable that the Government get out of the business of owning, controlling, or operating this housing. Title II has been designed to accomplish this purpose as fully and as rapidly as possible.

Experience both during and since the war has abundantly proved that such housing, as long as it remains under Federal ownership or control, is not fully assimilated in the local communities and is a source of friction between the Government and the localities. Moreover, the uncertainty as to the ultimate fate of such housing owned or controlled by the Federal Government is a continual source of disturbance to the occupants, who do not know when they may be required to move.

The war and veterans' housing remaining in the hands of the Government falls into three principal categories. The war housing which was built before our entry into the war and in the period immediately following was largely of a permanent nature, designed to be of use after the termination of hostilities. As the war progressed, however, housing became needed in great quantities in areas such as shipbuilding centers, where there appeared to be little likelihood of its continued usefulness after the end of the war. This, together with increasing shortages of labor and materials and the great speed with which housing was needed, led to the construction of housing of a purely temporary character. Finally, after the termination of hostilities, the Congress authorized the reuse of temporary war housing and of barracks for relocation and conversion into temporary housing for the use of returning veterans.

I propose to discuss the problems relating to these types of housing and the solutions proposed in the pending legislation, beginning first with the veterans' housing, next taking up temporary housing, and, finally, the remaining permanent housing.

VETERANS' REUSE HOUSING

Some 267,000 units of veterans' reuse housing were developed subsequent to the termination of hostilities. This housing was made available to educational institutions for use of student veterans and to cities and other public and quasi-public bodies which wished to provide housing for returning veterans. There were two principal methods in which this housing was provided. In the first method the educational institution or local body provided a site and the Federal Government undertook the costs of reerecting temporary housing thereon. In this case the educational institutions or local bodies undertook to pay to the Government all net revenues derived from the projects after payment of necessary operating expenses. In the other type of operation the Federal Government merely made temporary housing or barracks structures available to educational institutions or public bodies, and these bodies undertook the cost of moving, converting, and reerecting the structures. In most cases of this type, in view of the relatively large expenditures by the local bodies and the requirement for early removal of the housing, no payment was required to be made to the Federal Government by the local bodies.

The Congress early recognized the importance of turning this veterans' reuse housing over to the bodies which had undertaken the responsibility for its operation. In 1948 the McGregor Act—Public Law 796 of the Eightieth Congress—authorized the transfer to educational institutions of all veterans' reuse housing located on land owned or controlled by such institutions. Similarly, the Independent Offices Appropriation Act, 1950 (Public Law 266, 81st Cong.), authorized the transfer to local public bodies of veterans' reuse housing located on land owned or controlled by them.

The educational and public bodies eligible under these two acts have, with few exceptions, stepped forward and undertaken the responsibilities involved in the ownership, operation, and eventual removal of this temporary housing. When all pending requests have been acted upon, it is estimated that out of 210,000 dwelling units eligible for such transfers, not more than 6 or 7 thousand units will remain the hands of the Government. All the rest will have been taken over by local bodies who have accepted the responsibility for the management of the housing and for its ultimate disposition when, in their judgment, it should no longer be kept in use.

At the completion of these transfers, the Government will have a remaining interest in approximately 40,000 veterans' reuse units. This includes the 6 or 7 thousand not taken under the earlier acts, together with approximately 34,000 units not eligible for transfers because the educational institutions or local bodies did not own or control the land on which they were situated.

Title II of this bill authorizes the transfer of all the Federal interest in these remaining veterans' reuse projects, provided that where the land is owned by the Federal Government payment shall be made to it for such land. It is believed that under this authorization it will be possible for the Federal Government to divest itself of substantially all of its interest in the veterans' reuse program and to turn the responsibility therefor over to appropriate local bodies.

TEMPORARY WAR HOUSING

I come next to the temporary housing which was built during the war. At the time it was built, this housing was considered to be an expendable war cost, and under the Lanham Act it was contemplated that it would, in general, be removed within 2 years after the end of the emergency. Out of some 435,000 units of such temporary housing, approximately 255,000 units have been disposed of. The housing disposed of was in localities where the termination of defense activities made its removal possible, and much of it was reused in the production of veterans' housing which I have just discussed.

The 180,000 units of temporary housing now remaining are substantially all in localities where acute housing shortages have made its continued use imperative. The original requirements for the removal of this temporary housing have been several times extended by the Congress, and present legislation calls for its removal by January 1, 1951, except in cases where, after consultation with the localities involved, the Housing and Home Finance Administrator finds that continuing housing shortages warrant its further use. In almost all of the communities where temporary housing is still in use, continued housing shortages make it apparent that its removal cannot be accomplished at an early date. On the other hand, the overhanging mandate for removal has led to great uncertainty in the communities and on the part of the tenants. Moreover, so long as the Housing Agency may have to remove such housing at an early date, it cannot, as a matter of ordinary business prudence, expend the substantial sums necessary for the rehabilitation and repair of this temporary housing, much of which is already in a state of serious disrepair.

The present bill recognizes the importance of placing the responsibility for temporary housing in the hands of local public agencies rather than in Federal hands. Local bodies can make use of this housing to meet local needs as long as necessary, and will have full power over its ultimate disposition in accordance with local desires, needs, and conditions. Since the local bodies will have the power to control the time of removal, they will be able to plan for proper upkeep and maintenance and take any other steps necessary to prevent this housing from deteriorating into slums.

The pending bill accordingly authorizes the transfer of temporary housing to local Governments, housing authorities, or educational institutions. Where the land underlying the housing is owned by the Federal Government, payment therefor, based on the cost of the land to the Government, must be made in full either at the time of sale or in 10 installments, with interest at the going Federal rate. Where the land underlying the temporary housing is not owned by the Federal Government, the local body requesting transfer must obtain the right of possession thereto either by purchase from the landowner or by lease or other arrangement for a period of tenure satisfactory to the Government.

Where such transfer is made, the present removal conditions attached to temporary housing will be waived if the local governing body assents thereto. The bill contains provisions designed to prevent the temporary housing transferred from deteriorating into

slums. The body acquiring the housing is required to represent that it will not transfer or sell the housing thus acquired to private parties for housing use, and will transfer it for nonhousing use only if such use is approved by the local governing body. Moreover, the transferee must represent that it will manage and operate the property in accordance with sound business practices including the establishment of adequate reserves, and that when the housing use of the structures is terminated, they will be promptly demolished and the site cleared.

In connection with the proposed transfers of temporary housing, no reimbursement to the Federal Government will be required except that, as I have already mentioned, any land transferred must be paid for. Since it was originally contemplated that this temporary housing would be considered expendable and that it would be removed as promptly as possible, the only loss to the Federal Government as a result of these transfers will be the loss of revenue for the period during which the housing might still remain in use. The net revenue in fiscal 1949 from all temporary housing eligible for transfer was approximately $16,000,000 without any allowance for the administrative expenses of the Housing Agency. Because of the temporary nature of this housing, revenues in future years could be expected to decline sharply, and would, of course, terminate entirely when the housing is removed.

In requesting transfer of such housing and in undertaking its upkeep and maintenance as long as they determine it to be needed, local public bodies will be accepting very substantial responsibilities. The willingness of educational institutions and other local bodies to accept similar responsibilities in respect to the veterans' reuse housing which has already been transferred leads me to believe that the great bulk of the temporary housing will be taken over by local public bodies. To the extent that it is taken over, the Federal Government will be relieved of all further responsibility and expense in connection therewith.

Where local public bodies do not see fit to request the transfer of temporary housing, the bill requires the Federal Government to terminate the use of such housing with certain specified exceptions, and to vacate and remove it before dates set forth in the bill. No new tenants can be admitted after July 1, 1951; all tenants must be notified to vacate by July 1, 1952; and as quickly as vacated the dwelling structures must be removed by demolition or otherwise.

PERMANENT WAR HOUSING

Finally, we come to the war housing which has not been classified as temporary in character. This housing was built early in the war effort and is predominantly in localities where a permanent need was expected after the end of hostilities. In some cases where the ultimate need was uncertain so-called demountable housing was built. This in many cases has been less satisfactory than the permanent housing of conventional construction. The Housing Agency is therefore instructed in the present bill to reexamine the classification of such demountable housing in consultation with the localities affected. Where the nature of the housing warrants or where other conditions justify such action, demountable housing would be reclassified as temporary, and dealt with under the provisions relating to temporary housing. Otherwise it would be disposed of under the permanent housing provisions.

In a number of localities, the local governing bodies have represented that certain permanent projects are well suited for low-rent housing purposes and have requested their transfer for such use. Under the terms of the Lanham Act, such transfers cannot be made unless specifically authorized by the Congress. The pending bill, accordingly, authorizes the transfer of specific projects listed therein and authorizes additional transfers if requested by local governing bodies within 60 days.

I wish particularly to emphasize that this is an authorization only. No transfer for low-rent use can be made unless the local governing body has specifically requested it and unless the Housing Agency finds that there is a need for low-rent housing which the project can meet and that the project is fully suitable for such use. The list in the bill covers 149 projects containing some 43,759 dwelling units. It is not expected that many additional requests will be received, and it is believed that a number of projects listed will not be transferred either because the local communities will still not want them for this purpose or because the Administrator determines that they are not fully suited for low-rent use.

After the transfer of a project for low-rent use, it must be operated subject to all of the provisions of the United States Housing Act relating to the operation of low-rent housing. The local housing authority will be required for a period of 40 years to pay over to the Federal Government any and all net revenues which it receives from the operation of the project, and such net revenues will be covered into the Federal Treasury as miscellaneous receipts. Of course, no annual contributions would be payable by the Government with respect to such projects.

The bill provides that the housing not transferred for low-rent use—and this will be the great bulk of all the permanent war housing—shall be sold as speedily as possible. Very considerable difficulty has been encountered in the sale of such housing under the present regulations of the Housing Agency. The pending bill establishes the congressional policy for the disposal of permanent housing. This should greatly facilitate its ultimate disposition.

Wherever a project can be subdivided for sale by individual units or by structures containing not over four units, first preference for the purchase of such dwellings or structures would be given to veterans living in them. Second preference would be given to occupants who are not veterans. Third preference would be given to veterans not now living in the units or structures but who intend to occupy them. And last preference would be given to nonveterans who intend to occupy the premises which they purchase.

Where it is impracticable to subdivide projects for sale by individual dwellings or structures, they may be sold as a whole or in portions. First preference in such sales would be given to groups of veterans organized on a mutual ownership or cooperative basis, provided they accept present tenants as members of their organization on the same terms as they accept veterans.

In disposing of permanent housing, the Administrator may either sell for cash or, at his discretion, may sell on terms requiring payment over a period not exceeding 25 years with interest at not less than 4 percent per annum.

These provisions governing the sale of permanent housing should make it possible to avoid the principal difficulties which have been encountered by the Housing Agency. Veterans who are not occupants of dwellings have been given preference in purchase over occupants who are not veterans. This has led to great difficulty because such sales involve the displacement of present occupants with great hardship to them, and place prospective veteran occupants in the difficult position of having to evict present tenants. Moreover the Agency has attempted to sell projects for cash in every possible case, leaving the purchasers to effect any necessary mortgage financing. This policy has resulted in great delay and has also tended to depress sales prices.

The provisions in the present bill as to preferences and term sales should go far to eliminate the delays which have been encountered in connection with the sales of permanent projects, and should greatly facilitate the speedy liquidation of the Government's remaining investment in these projects.

MISCELLANEOUS PROVISIONS

In accordance with the general housing policies of the Government, title II provides appropriate preferences to veterans. With respect to housing transferred to local public bodies, first preference in admission would be given to veterans who have been displaced by slum clearance or low-rent housing projects, a second preference would be given to other families so displaced, and thereafter veterans would have a general preference. I have already mentioned the preferences extended to veterans in the sale of permanent housing. Any permanent housing sold to private investors would be made subject to the veteran preferences stipulated for new construction in the Housing and Rent Act of 1947.

Title II also provides relief for property owners who leased their land for war housing projects at nominal or low rents. The consideration paid such owners hereafter could be increased so as to give them a more adequate return for the use of their property.

Where necessary to protect the Government's interest in housing projects on leased land, the power to extend leaseholds or acquire fee title by condemnation would be given to the Housing Agency. This power, however, could in no event be used for the acquisition of land for any further development.

FARM-LABOR CAMPS

The Banking and Currency Committee, in reporting out disposition provisions relating to war and veterans' housing, has also recommended provisions looking to the ultimate disposition of some 40 farm-labor camps, which are now administered by the Department of Agriculture. These camps, which comprise some 1,500 family dwellings and 8,500 dwelling accommodations of other types, were built during the late nineteen thirties to serve the needs of migrant farm workers, and are still occupied almost exclusively by agricultural workers. The provision of low-rent housing for agricultural labor not living on farms is a phase of the rural nonfarm housing program for which a pattern of assistance is provided by the United States Housing Act of 1937, as amended last year. The committee believes that the transfer of these farm-labor camps from the Department of Agriculture to the Public Housing Administration will place these rural nonfarm housing facilities within the most appropriate jurisdictional authority and accordingly recommends such transfer.

These camps when so transferred would be used as low-rent housing under the terms of the United States Housing Act except that they would be used for the principal purpose of housing farm workers at rents no higher than such workers can afford. It is contemplated that the PHA, under its general authorization in the United States Housing Act, would transfer the ownership and operation of these labor camps to local housing authorities as rapidly as possible. After such transfer, the local authorities would return to PHA all net revenues derived from operation of these projects for a period of 20 years.

I am convinced that this is the most desirable method of disposing of these labor camps which have for so long been held by the Federal Government. This proposal is fully supported by the Department of Agriculture, and was also endorsed by the American Farm Bureau Federation at its 31st annual convention in Chicago last December.

CONCLUSION

In concluding my remarks on the disposition provisions in title II, I want most emphatically to urge their adoption.

The provisions in relation to war and veterans' housing are the result of experience gained in the years since the termination of hostilities, and reflect the conclusions of Banking and Currency Committee, resulting from its studies of the disposition problem over a period of 2 years. This committee has also had the benefit of the investigations undertaken by the Committee on Expenditures of the House of Representatives, and the provisions of this bill are in substantial accord with the recommendations of that committee.

All of the disposition provisions of this bill have been carefully considered by the United States Conference of Mayors, the American Municipal Association, the National Housing Conference, and the National Association of Housing Officials. These bodies, which are representative of the interests of local communities throughout the country, consider the disposition provisions of this bill to be responsive to the needs of the communities and to be entirely satisfactory. The veterans organizations which testified on this bill last year expressed themselves as being in general agreement with its principal provisions.

The disposition provisions of title II are urgently necessary to get the Federal Government, as speedily as possible, out of the business of owning, operating, or supervising the war and veterans' housing scattered throughout the length and breadth of the land. These provisions will place the responsibility for this housing squarely in local hands, where it properly belongs. Permanent housing, except a relatively small part which may be transferred for low-rent use, will be sold for ordinary private ownership. The temporary housing will be turned over to those localities which are alive to their housing responsibilities and which are prepared to take over and administer this housing. Where localities do not assume this responsibility, title II provides for a final termination of the Federal Government's responsibility.

It is my considered belief that the provisions of this title will effectuate the disposition of war and veterans' housing without serious impact upon either the tenants or the communities in which the housing is located. The provisions of title II are wholly nonpartisan in character and, I believe, command very general acceptance. I trust they may be speedily enacted into law.

Mr. TAYLOR. Mr. President, I had planned to speak for half an hour this afternoon on the housing bill (S. 2246). However, inasmuch the hour is getting late and I shall probably have sufficient time tomorrow to make my remarks, because I am told that the agenda tomorrow is not overburdened, I ask unanimous consent that I be recognized at the beginning of tomorrow's session.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RECESS

Mr. STENNIS. Mr. President, the distinguished senior Senator from Illinois [Mr. LUCAS] is not now in the Chamber. So far as the junior Senator from Mississippi understands, there is no other business to be transacted today. Therefore, I move that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 14, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 13 (legislative day of March 8), 1950:

IN THE AIR FORCE

APPOINTMENTS

The following-named persons for appointment in the United States Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and title II, Public Law 365, Eightieth Congress (Army-Navy-Public Health Service Medical Officer Procurement Act of 1947):

To be majors, United States Air Force (medical)

Roger A. Jackson, O1699259.
Jack C. Shrader, O530304.

To be major, United States Air Force (dental)

Salvatore L. Monaco, AO325128.

To be captain, United States Air Force (medical)

Benjamin N. Hammers, O539624.

To be captains, United State Air Force (dental)

Earl E. Feldmann, O1756154.
Walter J. Michalik, O490224.

To be first lieutenants, United States Air Force (medical)

Robert F. Conway, O959005.
Glenn B. Doan, AO958451.
John A. Hennessen, Jr., AO976254.
Paul R. Langelier, AO1906108.
David I. Mahoney, Jr., AO1786527.
William C. Rountree, 513556, United States Naval Reserve.
William R. Turner, AO936105.
Charles C. Watts, Jr., AO1746689.
Joseph E. Wilke, Jr.

To be first lieutenant, United States Air Force (dental)

Donald S. Lee, AO965609.

The following-named persons for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and section 2, Public Law 775, Eightieth Congress (act of June 25, 1948):

To be first lieutenants

Edwin C. Aikens, AO668378.
George R. Bandy, AO436489.
Cooley C. Berry, AO425471.
Alvin L. Berthelsen, O820147.
Myron L. Birnbaum, O346233.
Rufus C. Boutwell, Jr., AO1041509.
Joseph Buchta, AO789452.
Richard D. Case, AO398934.
William C. Craft, O391125.
Dean E. Delafield, AO724022.
John J. Donahue, O383566.
Emerson K. Elkins, AO737749.
Morton J. Gold, AO1850767.
Marvin W. Goodwyn, AO411827.
William A. Guilfoyle, AO421077.
Carrol Hament, O789057.
Fred J. Higgins, AO376440.
Theodore C. Huke, AO1321187.
Jack Knight, AO669588.
John J. Latella, AO1000989.
Jack E. Mathews, AO589518.
Sumner S. Miller, AO1054721.
Dwight R. Rowland, AO759664.
George A. Schulte, O660007.
George J. Schweizer, Jr., AO749823.
Samuel M. Thomasson, Jr., AO441245.
Walter M. Weddle, AO758665.
Robert V. Wollard, O724181.
John H. Yates, O428127.

The following-named persons for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Thomas E. Clifford.
Dallis C. Jones, Jr.
Charles H. Naness.
Gerald P. Reidy.
Robert W. Rockwell.
Hiram C. Sloan, Jr.
Charles P. Wason, O702078.

PROMOTIONS

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law. All others have been examined and found physically qualified for promotion.

To be major, chaplains

Cameron, George James, 18763A.

To be captains, USAF

Adams, Carl Russell, 13375A.
Andrae, Paul Herman II, 13309A.
×Arlington, Matthew Thomas, 13405A.
Assimotos, Samuel Anthony, 13335A.
Avery, Charles Malcolm, 13399A.
Babb, Robert Gordon, 13443A.
Bachmann, Frederick Emil, Jr., 13479A.
Baker, Gordon, 13402A.
Balliet, Byron Frederick, 13367A.
×Barber, James Barton, 13360A.
Benbow, John Warren, 13369A.
Benne, Louis, 13480A.
×Bilson, John Gilbert, 13310A.
Blitch, Norman Henry, 3d, 13423A.
Bockelman, Frederick, Jr., 13396A.
Brown, John Wright, 13350A.
Burget, Carl Edward, 13393A.
Burton, Ernest Lyle, 13389A.
Bynum, Willis Allan, 13425A.
Cadwallader, John Stephen, 13351A.
Capps, Paul Wilbur, 13380A.
Carlson, Donald Charlie, 13339A.
Carlson, Raymond Jay, 13317A.
Carlson, Roy Duane, 13447A.
Carlyle, James Howard, 13373A.
Carney, Francis Melvin, 13440A.
Cashman, William James, 13464A.
Combs, John Harley, Jr., 13368A.
Cook, Charles Evans, Jr., 13481A.
Cook, Eugene Dalton, 13459A.
Council, Robert Enloe, 13456A.
Crisman, Harry Bruce, 13306A.
Culbertson, William R., 13308A.
×Curd, James Loyd, 13327A.
×Davis, Onner Duncan, 2d, 13348A.
Davis, Wilbert Eugene, 13381A.
Dessert, Donald Mark, 13359A.
Dieck, Theodore Francis, 13315A.
Dodson, Claude Bolen, 13492A.
Donohue, John Earl, 13458A.
Duffy, James Francis, 13461A.
Duncan, William Harris, 13370A.
Dusenberry, Robert Kelly, 13429A.
Eilar, Norman Woodrow, 13342A.
Ethridge, Floyd Charles, 13448A.
Fantone, William Herbert, Jr., 13472A.
Fjeseth, Harold Edwin, 13338A.
Flannigan, William Chisholm, 13457A.
Ford, Ernest C., 13330A.

Ford, Marlyn Carr, Jr., 13337A.
Fowler, James Furman, 13483A.
Frey, George Joseph, 13494A.
Frittier, Robert Marion, 13321A
Gallagher, John Joseph, 13318A.
Gamelin, Aime Joseph, 13376A.
×Gibson, Charles Augustus, Jr., 13470A.
Goodreau, James Joseph, 13313A.
Green, Jimmie Lee, 13392A.
×Greene, Melvin Leslie, 13364A.
Gregory, Benjamin Francis, 13334A.
Haan, Carl Joseph, 13320A.
Hanna, Ross Pershing, 13410A.
Hardman, John Wesley, 13428A.
Harms, Thomas Hershal, 13384A.
Harrold, Paul Custer, 13431A.
Hart, Francis Joseph, 13432A.
Hartzell, Connett Foster, 13411A.
Heaviside, Robert William, 13390A.
Heberling, Raymond Lee, 13417A.
×Henry, Russell Frank, 13391A.
Hinnant, Robert Earle, 13329A.
Hoerler, Walter, 13418A
Horn, Willard Lee, 13416A.
Hovey, Harold Gordon, 13387A.
Howard, Pat Neff, 13420A.
Hunter, Trymon Winfred, 13442A.
×James, Clifton Eugene, 13374A.
×Johnson, Edward Lee, 13349A.
×Johnson, William Thomas, 13347A.
×Kaufman, Richard Herbert, 13471A.
King, William Harrison, Jr., 13484A.
Knowles, Edward, Jr., 13365A.
Lane, Edward Erie, Jr., 13394A.
Ledbetter, Lamar Edward, 13312A.
Lee, Richard Daniel, 13414A.
Lindgren, John Rudolph, 13403A.
Lober, Richard Hatz, 13385A.
Lofiin, William Albert, 13408A.
Lutz, George Willard, 13388A.
McArthur, Shelby, 13325A.
McClure, Samuel Sidney, 13336A.
McDonell, Charles Edmond, 13475A.
McMinn, Truman Lee, 13400A.
McPherson, Samuel Oscar, Jr., 13463A.
Maitland, William Ward, 13341A.
Mallard, Thurston Nathaniel, 13467A.
Margison, Robert Louis, 13332A.
Martell, Donald Joseph, 13444A.
×Martin, Herbert Wayne, 13426A.
Mason, John Jesse, 13482A.
Mayfield, Darrell Ware, 13358A.
Merrill, Robert Taylor 3d, 13413A.
Michael, Edward Stanley, 13343A.
Mohr, Homer Hirst, 13455A.
Moon, Bryden Earl, 13378A.
Moore, George Manley, 13379A.
Moore, Wayne Lloyd, 13441A.
Murray, Charles Bernard, 13377A.
Nichols, Malcolm George, 13366A.
Nicholson, Clifton Leonidus, 13452A.
O'Gorman, Joseph Benedict, 13340A.
Paschal, Benjamin Edwin, Jr., 13372A.
Petersen,Warren Jay 13436A.
Petree, William Lloyd, 13386A.
Pettit, Roy Francis, 13382A.
Phillips, William Lloyd, 13478A.
Pope, Kermit Rudolph, 13433A.
×Purdy, Douglas Chester, 13322A.
Rawls, Don Molton, 13487A.
Rentmeester, Lester Francis, 13352A.
Richards, Donald William, 13362A.
×Richardson, Bill Mack, 13435A.
Richardson, Sidney Kenneth, 13333A.
Richie, Frank Gilbert, 13353A.
Riggs, Francis Hutton, 13489A.
Rochlin, Arthur William, 13361A.
Sandbach, John Oscar, 13437A.
Schindler, Joe Thomas, 13434A.
Schreiber, Edward Arthur, 13401A.
Scudder, Robert Kelso, 13345A.
×Seliga, Edward Joseph, 13397A.
Shafer, Guy Leslie, Jr., 13344A.
Shultz, Charles Yandell, Jr., 13476A.
Smith, Lewis Curtis, 13462A.
×Smith, Robert William, 13454A.
Smith, Warren Hutchinson, Jr., 13453A.
Smith, Wayne, 13407A.
Sneed, William Osborne, 13468A.
Sorenson, Bernard Ramon, 13383A.
×Sparks, Earl Edwin, 13449A.
Spofford, James Russell, 13371A.
Starmer, Glen Allen, 13356A.
Stonis, Peter Casimer, 13307A.
Stotts, Allan Herbert, 13486A.
×Stroud, William Paul, Jr., 13331A.
Sundeen, William Erhard, 13451A.
Tarrant, John Richard, Jr., 13450A.
Taylor, Lloyd Robert Vincinnese, 13316A.
Territo, Vincent Anthony, 13314A.
Thompson, William Marvin, 13412A.
Thornton, Charles Hampton, 13346A.
Van Name, Edward Ephraim, 13430A.
Vantrease, Hubert Clyde, 13422A.
Voigtmann, Frank Leslie, 13469A.
×Walsh, James, Jr., 13419A.
Waterman, LeRoy Richard, 13415A.
×Wathen, Roy Dolph, 13439A.
Wear, Thomas Orval, 13438A.
Webb, Richard Leslie, 13446A.
Weitzel, Donald Leo, 13404A.
×Welch, Chester Colvin, 13409A.
Wesley, James Richard, 13488A.
Weyant, Jack Areties, 13424A.
Williams, Cyril Evan, 13363A.
Williams, James Benjamin, Jr., 13473A.
Williams, James Edwin, 13406A.
Woodward, Jesse Edward, Jr., 13421A.
×Woodward, John Luther, Jr., 13354A.

The following-named officers for promotion in the United States Air Force under the provisions of section 107 of the Army-Navy Nurses Act of 1947. The officers nominated for promotion to captain have been found professionally and physically qualified for promotion as required by law.

To be captains, Air Force nurse

Herman, Muriel, AN1116.
Mooneyham, Dorothy Elizabeth, AN1591.
Soppa, Eleanore Martha, AN1426.

NOTE.—The officers nominated for promotion to major and captain will complete the required 14 and 7 years' service, respectively, for promotion purposes during the month of April. Dates of rank will be determined by the Secretary of the Air Force.

IN THE NAVY

The following-named officers for permanent appointment to the grade of rear admiral in the line of the Navy:

Homer N. Wallin	James E. Maher
Roy T. Cowdrey	Leon S. Fiske
Wesley M. Hague	Earl E. Stone
Wendell G. Switzer	Harry R. Thurber
William L. Rees	Augustus J. Wellings
Frederick I. Entwistle	James H. Doyle
William D. Johnson	Clarence E. Olsen
Charles R. Brown	Lucian A. Moebus
John M. Hoskins	

The following-named officer for permanent appointment to the grade of rear admiral in the Medical Corps of the Navy:

Paul M. Albright

The following-named officers for permanent appointment to the grade of rear admiral in the Supply Corps of the Navy:

George W. Bauernschmidt
Ralph J. Arnold

The following-named officer for permanent appointment to the grade of rear admiral in the Civil Engineer Corps of the Navy:

Lewis N. Moeller

The following-named officer for permanent appointment to the grade of rear admiral in the Dental Corps of the Navy:

Robert S. Davis

The following-named officers for permanent appointment to the grade of captain in the line of the Navy:

Edward S. Addison	Thomas B. Neblett
John C. Woelfel	Floyd C. Camp
Willard A. Saunders	William H. Ashford, Jr.
Blinn Van Mater	
George D. Dickey	Mitchell D. Matthews
Frank Bruner	Granville A. Moore
Eugene B. McKinney	Edward P. Southwick
Thomas J. Flynn	John C. Atkeson
Walter C. Winn	John E. Clark
Milton A. Nation	Harry R. Hummer, Jr.
Harry H. McIlhenny	William A. Sutherland, Jr.
Albert R. Heckey	
Lucius H. Chappell	John S. Thach
John E. Fitzgibbon	Samuel M. Pickering
Joseph J. Carey	John S. Tracy
Wayne R. Loud	George B. H. Stallings
Louis T. Malone	William D. Irvin
Courtney Shands	Charles W. Parker
Monroe B. Duffill	Patrick Henry
Herbert D. Riley	Gordon L. Caswell
Roland F. Pryce	Robert E. Braddy, Jr.
Robert V. Hull	William W. Outerbridge
Edward J. Drew	
Julian D. Greer	Milton T. Dayton
William R. Caruthers	George A. Lange
Philip H. Ross	Clarence E. Cortner
Leonard B. Southerland	Glenn W. Legwen, Jr.
	William O. Burch, Jr.
Frank Virden	Glynn R. Donaho
William R. D. Nickelson, Jr.	Alston Ramsay
	Oscar H. Dodson
Emile R. Winterhaler	James P. Walker
Robert J. Foley	Charles E. Harrison
Ernest Blake	Paul F. Johnston
Henry J. Armstrong, Jr.	Richard E. Myers
	Calvin E. Wakeman
Charles L. Freeman	George W. Willcox
William S. Harris	Joseph D. McKinney
Carl M. Dalton	Thurston B. Clark
Claren E. Duke	Melvyn N. McCoy
Bosquet N. Wev	Wallace B. Mechling
Benjamin Katz	Jack Maginnis
Daniel B. Miller	Joseph T. Hazen
William White	Leon J. Barbot
Henry Farrow	Thomas L. Greene
George L. Shane	Robert M. Barnes
Charles M. Tooke	Eugene L. Lugibihl
Halle C. Allan, Jr.	Albert E. Fitzwilliam
John W. Murphy	Ernest W. Lamons
Frederic F. Agens	George L. Heath
Edward H. Eckelmeyer, Jr.	Carl L. Steiner
	William Loveland
Selman S. Bowling	David W. Shafer
Jack H. Lewis	Clarence E. Boyd
Howard W. Taylor	Albert B. Mayfield, Jr.
James R. McCormick	Wilton S. Heald
Charles B. Beasley	Elmer O. Davis
Edward N. Teall, Jr.	Myron T. Evans
James L. Shank	William C. Asserson, Jr.
Ross R. Kellerman	
Loring O. Shook	Arthur K. Ehle
William F. Royall	George L. Hansen
Clarence E. Coffin, Jr.	Jules F. Schumacher
Eugene F. McDaniel	Francis R. Jones
John G. McClaughry	John T. Brown, Jr.
Howard A. Yeager	Charles R. Watts
Arthur H. Taylor	James R. Lee
William E. Kaitner	William E. Howard, Jr.
Doyle G. Donaho	Raymond O. Burzyniski
William A. Deam	
Malen Durski	Ralph K. James
Joshua W. Cooper	John Quinn
Michael P. Russillo	Harry E. Sears
John Bailey	Harlow J. Carpenter

The following-named officers for permanent appointment to the grade of captain in the Medical Corps of the Navy:

Alfred W. Eyer	Raphael L. Weir
John T. Smith	Edgar L. Neffien
Martin V. Brown	Otto W. Wickstrom
Joseph V. Land	Elmer L. Caveny
Cecil L. Andrews	Gordon H. Ekblad
Oran W. Chenault	Ernest C. Aulls
David C. Gaede	Robert C. Boyden
Robert A. Cooper	Robert C. Douthat
Armand J. Pereyra	Edward P. Madden
Cecil D. Riggs	Clifford F. Storey
Jerry T. Miser	Julius C. Early, Jr.
Edwin B. Coyl	Frederick R. Lang
Ralph K. Hoch	Clark G. Grazier
Freeman C. Harris	William L. Engelman
Thomas L. Allman	

The following-named officers for permanent appointment to the grade of captain in the Chaplain Corps of the Navy:

Warren F. Cuthriell
Vincent J. Gorski

The following-named officers for permanent appointment to the grade of captain in the Civil Engineer Corps of the Navy:

Howard L. Mathews
Stanley P. Zola
Albert J. Fay

The following-named officers for permanent appointment to the grade of captain in the Dental Corps of the Navy:

Francis V. Lydon
Mack Meradith
William D. F. Stagner.

The following-named officers for permanent appointment to the grade of commander in the line of the Navy:

Charles H. Mead
Louis A. Harrison, Jr.
Richard J. Lavery
Duncan F. Francis
William A. Overton
Hugh S. Knerr
Frederick N. Klein
Thomas K. Dunstan
William M. Hawkes
Harold B. Goodwin
Robert E. Laub
Harry H. McClain
Hart D. Hilton
James V. Barry
Theodore H. Davie
Percival W. Jackson
Lloyd W. Van Antwerp
Alfred D. Morgan
William F. Dawson
James H. Armstrong
George H. Carter
Donald B. Ingerslew
Thomas O. Murray
John P. Conn, Jr.
James F. Voorhies
Alexander L. Redon
Delbert S. Wicks
Richard W. Mindte
Carroll W. Brigham
John D. Lautaret
Robert C. Joerg III
James W. Lenney
Charles V. Allen
Edwin T. Hughes
Harold B. Van Gorder
Geoffrey Thompson
John G. Waldmann
Thomas F. Pollock
David M. Burns
Frederick L. Curtis
James R. Jadrnicek
Orville A. Olstad
Marshall U. Beebe
Fred L. Bates
John L. Elwell
Theodore G. White, Jr.
Salvatore J. Patroni
Franklin B. Hopkins
Henry E. McNeely
Anton J. Sintic, Jr.
William G. Privette, Jr.
Valdemar G. Lambert
Raymond J. Pflum
Samuel O. Rush, Jr.
Julius A. Loyall
Robert E. Huse
Cyril Fox
Arthur A. Allen
John Q. Adams
Walter J. Buckley
Rudolph E. Veverka
Joseph D. McAllister
Wesley F. Jones
Harry J. Gallagher
Carl R. Brandt
Richard C. Lombardi
Crittenden B. Taylor
Harold J. Theriault
Richard H. Tenney
Axton T. Jones
Elmer Moore
Charles L. Lipham
Wilbert M. Bjork
Frank A. Bewley
Newell A. Atwood
Herbert B. Blackwood
Ben A. Strauss
Joseph H. Russell
James W. Daniel, Jr.
Paul F. Straub
Oliver H. Cote, Jr.
Roderick K. MacLean
Oscar B. Lundgren
John A. Paterson
Carl R. Cunningham, Jr.
Thomas A. Gregg
William C. Meyer
Charles B. Carroll
Charles S. Judson, Jr.
Leigh W. Sedgwick
Harry Marvin-Smith
Joseph W. Meiere
Edward C. Folger, Jr.
Richard D. McGlathery
Thomas J. Greene
Edward J. Greer
William F. Harrington
James M. O'Toole
Edward F. Ferguson
Horace Young
Robert K. Johnston
Wayne R. Merrill
Mark A. Grant
Raymond Payne
William K. Schafer
Edwin C. Davis
William J. Francis, Jr.
Edward E. Havlik
Harry D. Pickett
Richard C. Merrick
William E. Lewis
William A. Burgett
George W. Albin, Jr.
Jack W. Hammer
Joseph A. Dodson, Jr.
James R. Grey
Ernest S. Friedrick
Carl R. Armbrust
Robert W. Pond, Jr.
Harold Braune
Robert S. Brookings II
Charles W. Coker
William Gregg
Edwin A. Shuman, Jr.
William K. Brooks
Walter P. Hartung
Orville O. Dean
Joe H. Arnold
Robert M. Petty
Adrian H. Perry
Bennie F. Such
Oscar W. Goepner
Albert H. Willis
John B. Meakin
Preston R. Belcher
Julius M. Berrey
Donald M. Granstrom
James W. Greely
Bryan H. Smith, Jr.
Clarence W. Petrie
Edwin C. Miller
John H. Levick
Francis P. Moran
George C. Humphreys
Henry W. Ligon
Cooper B. Bright
Edward W. Hribar
John E. Hoch
Burl H. Bush
Theodore W. Joyce
John H. Allen
Donald J. Hackett
James T. Hodgson
Harold R. Swenson
Leonard A. Parker
Edgar L. Yates
Robert C. Knowles
Roger W. Luther
Samuel F. Allison
William M. Lowry
Robert B. Bretland
Nelson D. Salmon
John E. Dacey
Paul G. Schultz
Frank C. Jones
John K. Leydon
Woodrow W. McCrory
John E. Hausman
Robert A. Schelling
John M. Waters
Vernon R. Hayes
Robert K. R. Worthington
Louis E. DeCamp
Nels R. Nelson
Richard D. Mugg
Jack E. Mansfield
Kenneth S. Brown
Phillip E. Greenwood
Nathan Sonenshein
Frederick G. Dierman
Otis A. Wesche
Daniel A. Ball
Harry C. Mason
Vincent E. Schumacher
Irwin F. Fike
Jamie Adair
Philip A. Beshany
Maurice H. Rindskopf
Russell M. Hedgecock
Ben B. Pickett
Robert W. McNitt
Dennett K. Ela
Irvin J. Frankel
Joseph R. Tucker
James J. Stilwell
Clarence A. Melvin
Richard H. Bowers
John B. Shirley
Hugh M. Robinson
James A. Marks
William A. Hasler, Jr.
Charles R. Norris, Jr.
Herman E. Miller
Willis R. Denekas
Hamilton O. Hauck
John A. Bartol
Edward B. Jarman
Charles F. McGivern
Donald B. Ramage
George A. Whiteside
Robert K. Irvine
Carl R. Dwyer
Preston B. Haines, Jr.
Henry C. Lauerman
Charles S. Arthur, Jr.
James F. Ellis, Jr.
Richard E. Johnson
Freeland H. Carde, Jr.
Kauko A. Aho
Raymond A. Moore
Clark H. Fuller, Jr.
Douglas H. Pugh
Leon S. Eubanks
Raymond W. Alexander
Francis H. Huron
Herman K. Rock
Ralph H. Moureau
William M. Klee
Cecil R. Welte
Joseph P. Fitz-Patrick
Richard M. Marsh
Robert J. Morgan
Charles D. Brown
Joe C. Eliot
George F. Richardson
Raymond F. DuBois
Gideon M. Boyd
Robert R. Managhan
Arthur F. Johnson
Edward E. Conrad
Harold S. Hamlin, Jr.
Ralph Weymouth
Victor A. Dybdal
William O. Spears, Jr.
Leslie J. O'Brien, Jr.
William R. Hunnicutt Jr.
Frank C. Lynch, Jr.
Charles R. Johnson
Robert M. Kercheval
John R. Brown
George C. Bullard
Jackson H. Raymer
Cecil A. Bolam
John A. Leonard
Leonard E. Harmon
Lauren E. Johnson
Albert T. Church, Jr.
Francklyn W. C. Zwicker
William R. Glennon
Victor B. Graff
James G. Andrews
John D. Mason
James R. Payne
Monroe Kelly, Jr.
Henry S. Jackson
William M. Laughlin, Jr.
Morton Harvey
John M. Bowers
Robert G. Bidwell
Heydon F. Wells
Evan P. Aurand
Charles H. Holt
William N. Leonard
Edward L. Anderson
John W. Reed
James E. Brenner, Jr.
Charles M. MacDonald
William K. Rogers
Gordon F. Smale
Fred E. McEntire, Jr.
Walter L. Small, Jr.
Verner J. Soballe
Edwin M. Westbrook, Jr.
Daniel E. Henry
Robert E. Cutts
Edwin F. Woodhead
Grant S. Heston
Everett A. Trickey
Elward F. Baldridge
Rhonald J. Hoyle
Elvin C. Ogle
George R. Muse
Alan R. Josephson
Frank A. Spencer
Charles V. Gordon
Louis P. Wimberley
Frank A. Zimanski
Henry T. Haselton
John N. Myers
Marion H. Buaas
John J. Hilton, Jr.
John A. Bogley
Paul C. Lovelace
Richard H. Woodfin
Leo R. Jensen
John T. Bland, 3d
George F. Dalton
James A. Boorman, Jr.
Lucien B. McDonald

The following-named officers to the permanent grade of commander in the Medical Corps of the Navy:

William S. Baker, Jr.
Ernest A. Zinke, Jr.
George O. de Tarnowsky
Harald A. Smedal
Malcolm W. Mason
Judson A. Millspaugh
Percy W. Demo
Albert C. Barber
John C. McNerney
Vincent E. Wagner
Milton Kurzrok
George J. Kohut
Robert E. Rock
John G. Stubenbord III
Ralph W. Geise
Charles R. Longenecker
Tracy D. Cuttle
Leslie G. Seebach
John T. Cangelosi
Robert C. Ray
Jarcud B. Smith, Jr.
Leslie W. Langs
John W. Metcalfe
Ralph Volk.
Sol M. Abelson
LeRoy E. Wible
Walter R. Taylor
Roy W. Tandy
Edward B. Hopper
Ernest H. Joy
Gennaro Basilicato.
Richard M. Street
George M. Bell
Theodore E. Hoffman
Russell G. Witwer
Calvin T. Doudna
Robert L. Wagner
Hubert L. Anderson
John J. Durkin
Howard M. Robbins
Ralph G. Streeter
Nathan Lieberman
Wilmot F. Pierce
David H. McKeague
Elwood L. Woolsey
James A. Murphy
Edward G. Hurlburt
Lewis E. Hedgecock
Morton L. Lillie
William L. Mattison
James R. Kingston
Hermann J. Lukeman
Robert H. Ward
Albert J. Fidler
Robert A. Phillips
Leonard J. Hahne
Howard A. Johnson
Donald G. MacKinnon
Harold L. Baxter
Peter G. Kroll
John P. Martin
Wendell A. Butcher
John C. Dunn
Malcolm G. Stutz
James P. Moran
William A. Schmid
Casimir F. Park
Ross P. Black
Elmer R. Moorman
Paul F. Dickens, Jr.
Francis G. Soule, Jr.
Harry H. Lipcon
Marcos A. Godinez
John B. Barger
Berger Thomas
James W. Gustin, Jr.
Walter M. Lemke
Kenneth S. Scott
Gerald E. Cummings
James A. Niforopulos
Jack M. Jacoby
George F. Fraser
Earl M. Spaulding
William L. Roberts
David Singer
Edward W. Pinkham, Jr.
Thirl E. Jarrett
Charles A. Castle
Elmer B. Johnson
Joseph W. Weaver

The following-named officers for permanent appointment to the grade of commander in the Supply Corps of the Navy:

Eldon H. Gleaves
Chauncey C. Williams
Jack G. Dean
Clarence J. Walters
Neale W. Curtin
William G. Abbott
Allen L. Jones
Roy C. Voils
Charles R. Beaman
John H. B. Smith
Dudley J. Kieruliff
Leo J. McNulty
Maxwell R. Mowry
Lewis S. Collins
Ernest P. Collins
William C. Morrison, Jr.
Harold E. Conkling
William E. Cates
Charles A. Appleby
Edgar N. Brown
Todd H. Neel
Stanford F. Brent
Daniel O. Neel
Charles F. Ray
Gerald M. Malcolm
John B. Tallent
Thomas C. Roberts, Jr.
Everette M. Williams
John V. Koch
Earle K. Snider
William E. Byrne
William H. Howland
William J. Salmon
Frederic W. Muir
Strong Boozer
Olaf K. Amdahl
Harold E. Nixon
Herman Strock
Newell F. Varney
George M. Driscoll
Harry J. P. Foley, Jr.
Kenneth L. Adcock
Edward J. Bryant
Irwin T. Brooks
Andrew W. Prout, Jr.
Alfred R. Guthrie
Charles D. Cooper
John Burkhardt, Jr.
William G. Blasdel
Henry L. Beardsley
Eugene K. Auerbach
William P. Watts
Sheldon C. St. John
Ira F. Haddock
Robert W. Carter
John C. Burrill
Wells C. Felts
Eugene R. Blandin
Thomas Fuller
Fowler W. Martin

The following-named officers for permanent appointment to the grade of commander in the Chaplain Corps of the Navy:

Frederick Volbeda
Joseph F. Parker
Henry H. Wells, Jr.
Kenneth D. Perkins
Harvey H. McClellan
Daniel F. Meehan
Fred D. Bennett
Roy L. Bonner
John W. Weise
Victor H. Morgan
Roderic L. Smith
Thomas H. Reilly
William W. Winter
Earl R. Brewster
Lonnie W. Meachum
Ralph A. Curtis
William H. Hoffman
Francis T. O'Leary
Milton P. Gans

The following-named officers for permanent appointment to the grade of commander in the Civil Engineer Corps of the Navy:

Arthur H. Hanson
Robert B. Atkins
John W. Cook, Jr.
Edward A. Daday
Charles J. Simandl
Charles T. Wende
Edward F. Grable
Joseph B. Barnwell
Vincent G. Lauters
James H. Beaman
Rudolph F. Duelfer, Jr.
Clifford E. McGrail
Francis B. Kelly
John K. Batchellor
Boyd S. Brooks
Thomas B. McGlashen
John W. Richardson
Ogden J. Martyn
John F. Staniunas
John P. Grogan
Arthur T. Roth
Francis T. Pritchard
Carl A. Erickson
Joseph A. White
Wallace M. Brown
William E. Thompson
Tulon L. Jackson
Tom R. Johnson
William W. Moore, Jr.
Andrew S. Klay
Paul H. Peterman
Herbert E. Smith
John D. Burky
George A. Barrett
William M. Gustafson
George Ohl, Jr.
Joseph W. Frorath
James Douglas
John J. Cassidy, Jr.
Fred F. Kravath
Thomas J. DuMont
Thomas Jefferson

The following-named officers for permanent appointment to the grade of commander in the Dental Corps of the Navy:

Donald W. Thompson
Charles D. Hemphill
Robert D. Schindler
John P. Arthur
Daniel E. LaMothe
Harold G. Green
Charles E. Meyers
William A. McLennan
Angus W. Grant
Vernon L. Anderson
Baker M. Hamilton
Jerome B. Casey
William E. Sanders
Carl A. Veline
Eastes W. Murphy
Robert L. Eller, Jr.
Vincent A. C. Maslow
John W. Rice
Alfred L. Raphael
Joseph E. Faltermayer
Charles M. Heartwell, Jr.
Venard R. Jackson
Henry H. Hall
Richard W. Ohl
Kenneth K. Bridge
William H. Key
Robert L. Combs, Jr.
Kenmore E. Merriam
Paul C. Bonnette
Lloyd F. Abel
John O. Booth
John R. Wible
Richard C. Harwood
Neil J. Overton
Joseph A. Thimes
George S. DeShazo
Howard H. Fischer
Winston H. Linnert
Charles S. Frye, Jr.
Bruce K. Defiebre
George W. Ferguson
Frank J. Kalas
Ramon J. Wallenborn
Edward J. Jerdon
John L. Biedermann
Frederick S. Brown, Jr.
Ward M. Mortell
Philip A. Canal
Clarence H. Blackstone
Roy O. Wikstrom
Lloyd A. Bohaker
Joseph F. Link
Richard D. Calhoun
Robert C. Millard
Norman R. Oliver
Frederick T. Wigand
Milton H. Brown
Arthur S. Turville
Paul W. Suitor

The following-named officers for permanent appointment to the grade of commander in the Medical Service Corps of the Navy:

Herbert S. Hurlbut
William K. A. Lawlor
LaVerne A. Barnes
John D. DeCoursey
Verne W. Lyon
Russell L. Taylor
Alan D. Grinsted
Raymond R. Sullivan
William P. Briggs

The following-named officers for permanent appointment to the grade of lieutenant commander in the line of the Navy:

Guilford D. Acker
Russell D. Ward
Maino des Granges
Willard O. Backus
William W. Stetson
Lars Wanggaard, Jr.
Henry L. Grant 3d
Clifford M. Esler, Jr.
David H. Green
Charles B. Reinhardt
William B. Morrow
Ernest P. Smith
Silvio De Cristofaro
Edward G. Fitz-Patrick
Ray J. Casten
Paul B. Smith
John S. Leffen
William A. Donohue
Robert S. Rankin
Robert S. Froude
Jay W. Land
Arthur F. Rawson, Jr.
Cleamens Karfgin, Jr.
Dale C. Reed
Ray H. Miller
Hal G. Wynne
Louis L. Meier, Jr.
Frank H. O'Brien
William M. Yeager
Ralph L. Porter
Rufus C. Porter, Jr.
Francis E. Kinne
Frederick S. Robertson, Jr.
Stephen H. Walsh
Louis H. Jullien
George A. Gardes
George W. McFetridge
Eugene H. Farrell
Harry J. Kelley
Arthur Moore, Jr.
Buford D. Abernathy
James R. Swanbeck
John B. Hough
Robert L. Lowell
Judson C. Doyle
John D. Patterson
Thomas R. Pearson
Marshall W. Wren
John A. Fairchild
James W. Emmons
John G. Drew, 2d
Richard L. Lowe
Fred Laing
John J. Haffey, Jr.
Cedric B. Bergquist
Joseph N. Behan, Jr.
Donald A. Henning
Thomas H. Williams
William A. Morgan
William R. Barnett
Robert I. Langlois
Russell F. Flynn
Robert M. Armstrong
Milton G. Smith
Jared E. Clarke, 3d
Robert E. Muller
John J. Mitchell
Jesse E. Miller
William H. Crawford, Jr.
John H. Van Gelder
Wesley R. Gebert, Jr.
Frank J. Bitterman
Donald L. Creed
Thomas M. Wannamaker
Walter R. Fraser
Philip H. Sullivan
James F. Weatherly
Orville L. Beck
Clarence J. Bannowsky, Jr.
Hal E. Copple
James H. Copple
Wiley B. Howell
Joseph P. Rizza
Dalton C. Mounts
Floyd J. David
Drexel E. Poynter
Elbert N. McWhite
Anthony O. Jonassen
Grant E. Horsley
Thomas E. Russell
Richard K. Margetts
Saleem D. Frey
Walter W. Jones, Jr.
John E. King
Clyde C. Sapp
Elmer L. Prescott
John D. Fuller, Jr.
Wesley L. Larson
Marion C. Kelly
William F. Gadberry
Kenneth F. Shiffer
William W. Gribble
Milford G. Kendall
William J. Foley, Jr.
Isaac S. Best
Wilson R. Cronenwett
Wayne Hoof
William J. Tierney
Enoch D. Jones
Ellsworth J. Bradley
Richard L. Cevoli
Thomas I. McFarland
John W. Murph
Raymond I. Clayton
Pierre N. Sands
Hollis C. Rawls, Jr.
John A. Coil
John G. Thompson
Robert L. Gates
Robert L. Ashcraft
Roy H. Tabeling, Jr.
John L. McMahon, Jr.
Maurice N. Wickendoll
Roman Kolakowski
Grang B. McKinney
Jean B. Stevens
Travis L. Imus
Edward W. Peeler
Russell Turner
Daniel G. Helms
Floyd Hewitt
Jarrett T. Lake, Jr.
Steve G. Kona
William C. Wilburn
Carlton F. Naumann
Edward B. Holley, Jr.
Jamie "B" Stewart
Robert B. Choate
Eugene T. Allen
Thomas C. Deans
Arthur D. Nicholson
Bernard N. Gockel
Louis F. Knight
Wayne D. Robinson
Robert M. Westfall
Thomas H. York
Ernest W. Steffen, Jr.
Frederic M. Lloyd III
Berton H. Hickman
William Dubyk
Clarence F. Mazurkiewicz
Galen C. Brown
Camille M. Shaar
Joseph A. Matthews
David F. Stiling
David Bryan, Jr.
Thomas C. Jones, Jr.
George F. Morin
Robert W. Baker
George R. Greeley
Juel D. Johnston
Harry J. Brown
Wilfred M. Howerton
John E. Hughes, Jr.
Robert T. Hanley
Arthur C. Jackson
Charles W. Ward
James F. Hill
Charles B. Wall, Jr.
Ben H. Stough, Jr.
John T. Law
Oscar J. Beavers
Raymond E. Davis
Norton P. Oschsner
J. Paul Powell
Mieczyslaw Godek
James P. Ragan
Charles P. Sheppard
Jack L. Eubanks
John J. Karuzas
John T. Hickey
Robert N. Lyberg
John S. Alexander
Lee S. Barton
Wilson G. Puryear
Paul A. Reh
Charles Sanders
Major J. Jennings
George R. Moran
Vance A. Schweitzer
Ivan J. Scott
Floyd F. Reck
Charles M. Tuggle, Jr.
Byron G. Shepple
Robert F. Peterson
Leonard Robinson
Andrew B. Conner, Jr.
Robert F. Wooling
William R. Austin
Roy E. Reed
Joseph G. Bogdan
Cloyd A. Linville
Robert M. Cawthorne
Garland B. Bryan
George H. Frates, Jr.
Lawrence W. Bunce
William A. Jernigan, Jr.
Gale L. Bergey
Hubert L. Worrell
Edgar E. Price
Lowell F. Duell
Frederick B. Ewing, Jr.
Sigmund V. Wroblewski
Russell F. Craig
John M. Richards
Merwin G. Emrick
John P. Wheatley
Conrad G. Welling
Robert A. Clarke
Frank E. Miller
Hamilton McWhorter III
James F. Sands
Joseph R. Rees
Richard A. Haase
Milton K. Dennis
William C. Smith
James A. Shirley
Willis B. Reding
Dixon B. Rice
John F. Charles
Antonio T. Pimentel, Jr.
Wallace J. Ottomeyer
Leo D. Patterson
Eugene R. Hall
Robert J. Ney
Willis Parker, Jr.
Vincent Deitchman
Jean C. Mills
John G. Baker, Jr.
Eugene A. Valencia
Lewis B. Sanders
William Ambrosio
Marvin B. Harper
John F. Wunderlich
Howard W. Couch
Darold W. Davis
Harold E. Myers
Charles W. Rich
Benjamin K. Harrison
Raymond W. Luke
Damon C. Mayes
John W. Ramsey
Isaiah M. Vann, Jr.
William J. Middlemiss
Pickett Lumpkin
Samuel J. Wornom
George P. McGinnis
James M. Shoemaker
Ira M. Rowell, Jr.
Rogers L. Black
Lallance A. Adair
Robert P. Benz
Julian A. Torrey
James H. Duffy

The following-named officers to the permanent grade of lieutenant commander in the Medical Corps of the Navy:

George W. Russell
Julian A. White
Byron E. Bassham
Elmer R. King
John R. Bierley
Emmett J. Riordan
Henry R. Ennis
James B. Cummins
Robert H. Bradshaw
Joseph R. Connelly
William G. Lawson
James H. Boyers
James W. Packard, Jr.
Clyde W. Norman
Charles S. Mullin, Jr.
Jack C. McCurdy
James A. Turner
William A. Dinsmore, Jr.
William A. Wulfman
William A. Robie
William C. Cantrell
William M. Morris
James A. Addison
Ralph D. Ross
Ralph L. Eslick
John A. O'Donoghue
Karl R. Whitney
John F. Chace
Leo S. Madlem, Jr.
Arthur G. Rink
Haskell M. Wertheimer
James D. Hague
Sidney D. Bond, Jr.
Edward V. Heffernan
Merrill Rusher
Robert M. Campbell
Ralph E. Faucett
Joseph B. Dominey, Jr.
James R. McArtor
Thomas G. Hennessy
Frank W. Cleary
Wade H. Boswell
John Lingenfelder
David J. Williams, Jr.
Alvis B. Dickson
Robert F. Meeko
Robert E. Switzer
Robert D. Gilliam
George E. Vaupel
John E. Goebel
DeWitt S. True
John J. Price, Jr.
Robert C. Doolittle
Manley J. Capron, Jr.
John B. Reddy
Dale B. Watkins
Edward L. de Wilton
Walter F. Harrison, Jr.
Edward L. Beckman
Robert A. Stalter
Frederick W. Cottrell, Jr.
Thomas E. Atkinson, Jr.
Frank B. Clare
Charles B. Newton
Mervyn J. Sullivan
Lawrence E. Banks
Marvin D. Courtney
Howard W. Hill
Wendell W. Robley
William W. Miller, Jr.
Bruce H. Smith, Jr.
David J. McMurray
Jesse F. Adams
Herbert G. Stoecklein
Walter H. Jarvis, Jr.
Albert L. May, Jr.
Robert L. Rouen
George H. Tarr, Jr.
Henry R. Cooper
Nathaniel Sharp
Irvin H. Mattick
Philip D. Cronemiller
Lester W. Fix

Kenneth P. Bachman
William I. Neikirk
Clyde J. Fairless, Jr.
Frank F. Kalchuk
Carl E. Pruett
Ralph K. Brooks
Robert G. Allen

The following-named officers to the permanent grade of lieutenant commander in the Supply Corps of the Navy:

William C. Richardson
Scott K. Anderson
Robert E. Hancock, Jr.
John S. Coiner
Reisner C. Lindsay
Robert E. Leonard
Frank M. Morton, Jr.
Robert E. Thum
Austin J. Kennedy, Jr.
Paul W. Cook
Sherwood H. Werner
Eugene T. MacDonald
Robert T. Clemmer
James A. Corrick
Arthur A. Shawkey
Adam P. Mastio
Creo Baldwin
Henry R. McArdle
Robert A. Carl
Eugene A. Phillips
Lamar D. Whitcher
Woodford L. Flowers
Henry R. Johnson
Oscar W. Leidel, Jr.
Lawrence A. Wheeler
Forrest A. Tanner
Earl V. Lanes
Frank W. Smith
William G. McWilliams, Jr.
William J. McKenna
Henry A. Robertson, Jr.
Homer H. Hough
William A. Mosteller
Walter H. Kosky
Ellis A. Woody
James D. Colquhoun
Michael F. Bellew
Alfred D. Cox, Jr.
Eugene F. Anderson, Jr.
Robert M. Kehoe
Donald P. Reid

The following-named officers to the permanent grade of lieutenant commander in the Chaplain Corps of the Navy:

Ray C. Tindall
Herbert W. Buckingham
Paul C. Morton
Emmett T. Michael
James R. Marks
Seth E. Anderson
John H. Craven
Anthony Bielski
Elmer E. Bosserman
Lawrence C. M. Vosseler
Orlando Ingvolstad, Jr.
Matthew A. Curry
Otto E. Sporrer
Thomas J. Mullins
Warren L. Wolf
Carl A. Herold
William E. Brooks, Jr.
Faber H. Wickham
Edward C. Helmich
Edmund J. Ford
Francis J. Klass
Robert S. Sassaman
John H. Markley
Hugh T. McManus
Anthony L. Gendron
Joseph J. Tubbs
Oliver F. L. Wiese
William S. Noce
John E. Hollingsworth 3d
James A. Sullivan
Joseph A. Hayes
William J. Spinney

The following-named officers to the permanent grade of lieutenant commander in the Civil Engineer Corps of the Navy:

Edward C. Bamberg
Lawrence P. Frate
Edmund R. Foster, Jr.
Norman L. Martinson
Edward G. Underhill
Ewing L. Avera

The following-named officers to the permanent grade of lieutenant commander in the Dental Corps of the Navy:

Francis W. Cook
Jan F. King
Raymond H. Friesz
Lawrence Young
Clyde A. Harris
Joseph S. Hurka
John V. Reilly
Harry H. Fridley
John W. Miller
Sergio Fernandez
James T. Ashwell
Christopher E. Thomlinson, Jr.
George F. Scherer
Allen L. Wallace
Anthony Rubba
J. Kenneth Hall
Charles C. Pruitt, Jr.
James W. Cummins
Jackson F. McKinney
Robert A. Middleton
Wilbert C. Manke
Lloyd J. Eddy
John L. Keener
John E. Flocken
Edwin B. Nutting
Clarence C. Tessman
Judge C. Chapman
Fred L. Losee
Glenn D. Richardson
Irwin G. Edwards
Anthony K. Kaires
Charles E. Rudolph, Jr.
Edward W. Moore
Milo V. Kubalek
Rosolino J. Curreri
John J. Schneider
William C. Garton
Warren J. Hedman, Jr.

The following-named officers to the permanent grade of lieutenant commander in the Medical Service Corps of the Navy:

Frank W. Brown III
Stanley W. Handford
William J. Perry
Leon P. Eisman
Alf R. Hagen
John M. Hirst
Thomas E. Shea
Royce K. Skow
Thomas M. Floyd, Jr.

The following-named officers to the permanent grade of lieutenant commander in the Nurse Corps of the Navy:

Ann A. Bernatitus
Mildred Terrill
Anna E. Redding
Ruth A. Houghton
Hazel Bullard
Catherine E. Yarnall
Wilma L. Jackson
Bertha R. Evans
"C" Edwina Todd
Rosella Nesgis
Dorothy L. Weyel
Thelma A. King
Dorothy E. Osborn
Gladys E. Dvorak
Nell P. Seroka
Clara L. Lampp

The following-named officers to the permanent grade of lieutenant in the line of the Navy:

Arthur E. Dean
Emerick S. Kelone
Billie L. Perkins
Walter W. Johns
Henry W. Hague
Alonza B. McKeel, Jr.
Willis C. McClelland
Keith N. Sargent
Philip H. Klepak
Stephen R. Woolard
Warren L. Moore
John A. D'Zamba
Jack W. Robinson
Frederick P. McDermott
Kermit H. Bonner
Thomas E. Butler
Leon L. Dixon
Arthur B. Baribault
Edward A. Riley
Charles M. Itte
John K. Leslie
Marvin V. Weaver
Clifford L. Frink
John C. Powell
Frank P. Pryor, Jr.
John L. Mikulich
Alfred W. Harmon
Cornelius Howard, Jr.
Robert J. Moloney
"J" "D" Ford
Joseph F. Sowar
Ernest E. Smith
Adolph P. Czerwenka
Allen W. Slifer
Robert Gordon
Charles B. Hamilton, Jr.
Donald E. Guhse
Andrew R. Setzer
Lewis T. Farmer, Jr.
Benjamin F. Scott, Jr.
William A. Schwem
Horace N. Moore, Jr.
Franklin H. Alden
Charles W. Gibbs
Ward L. Berkey
Herbert D. Hoyt, Jr.
Robert E. Osterholm
James S. Christensen
Owen R. Toon
Earle B. Young
Michael Skees
Robert C. Downing
Paul A. Dilgren
Clifford C. Walstrom
Eugene W. Bauder
Edward Falkowski
Jack H. Hawkins
William J. Walsh
Theodore E. Curtis
Richard W. Buxton
Horace D. Harper
Donald F. Flathers
Elmer M. Fischer
Charles Neal
William A. Stone
Emmett B. Boutwell
James C. Russell
Guy E. Thompson
Harold L. Shipley, Jr.
William H. Rippey
Roger J. Koch
George A. Mitchell
R. J. Stevenson, Jr.
John T. Lyons
Robert T. Lundy
Robert C. Light
James D. Carson
Marshall D. Ward
Joseph E. Shaw
Charles F. Merrill, Jr.
Norman D. Flados
Leonard G. Bryan
Harvey E. Toponce
Samuel B. Jensen
Cecil L. Haverty
Donald P. Lanaghan
William R. Bloom
Vernon C. Bono
William Masek, Jr.
Elbert B. Johnson
Phillip R. Lauriat
Andrew Bodnaruk
Herbert B. Wilson
Robert B. Ambrose
William L. Webb
Hiram D. Noonan
Richard L. Underwood
William E. Pulliam
Samuel D. Seay
Jack B. Dunn
Robert F. Kenney
Carl C. Dicks
Clayton G. Lawrence
Adrian D. Wagner
James B. Mackenzie
Marvin J. Walker
George A. Schaedler
Charles P. Miller
Ralph E. Graham
James M. Sullenger
Lawrence B. Streiff
Vie J. Vaughan
Ellery E. Tyler
Robert H. Hagen
Warren G. Sparks
Raymond S. Howell, Jr.
Charles H. Hopkins
Ira A. Glass Jr.
Robert W. Lowman
Edward D. Franz
Robert W. Millar
Charles F. Harding, Jr.
Frank G. Reese
Robert D. Crawford
Bernard W. Brender
Patrick F. Hussey
Roger E. Skjei
Thomas D. Hawkinson
Victor L. McCallon
Eugene Schlaack
Donald L. Campbell
Fred C. Satterthwaite
Arthur J. Vanek
Barclay W. Smith
Lester K. Bruestle
Leslie O. Fortner
Bain S. Allen
Edward L. Hutcheson
Charles C. Jones
William E. Burke
Leroy E. Irvin
Peter V. A. Agur
Wayne R. Smith
John N. White
Roy T. Higgins
William J. Kostik
Frank E. Blackman
John Shea
Williams C. Cunningham
Robert H. Grant
Jack R. Eberley
Sheldon Claypool
Elmer R. Beever
Joseph H. Wilberding
Albert M. Sackett
Charles O. Anderson
Franklin B. Moore
Daniel J. Diana
Harry C. Dittler, Jr.
William H. Hibbs
Ralph E. Newberry
Burton G. Lockwood
Horace C. Holley
Howard B. Kushman
Percy W. Rairden, Jr.
Kenneth E. Carter
John O. Stull
Wolf Heinberg
Walter J. Mathews
Harry E. Jackson
Bradford J. Decoux
Lloyd E. Sellman
Roy E. Farmer
Franklyn M. Comstock
Jesse Beasley
Raymond D. Smith
Howard G. Goben
Chester H. Dorchester
James T. Parady
John Morris
Donald A. Chamberlain
Eugene R. Wiseman
George E. McGovern, Jr.
Zebulon V. Knott, Jr.
Gerald H. Wilson
Glen M. Even
Robert G. McCollough
Daniel S. Capozzalo
William W. Elam
Richard A. Harris
Donald A. MacGillivray
Paul O'Connor
Arthur W. Buell
John T. O'Brien
Forester W. Isen
Richard L. Hall
Norman O. Adelfson
Philip W. Koehler
James A. Grant
Duan W. Linker
Carl W. Coe
Claude M. Briggs, 3d
Donald E. Packard
Gilbert L. Tracy
Melvin W. Dize
Joseph F. Walters
Donald E. McKinley
William C. Murphy
Alfred G. Trube, Jr.
Jerome S. Roth
Michael O'Hopp
Donald L. Briggs
John H. Sieckenius
Hugh K. Staiger
Eugene F. Arnold
Cyril L. Imming
Harold B. J. Barnes
Theodore W. Hansen
William R. Preston
Joachim F. Speciale
Ralph E. Herrick, Jr.
Bobby S. Macklin
Neil H. Richardson
Milton D. George
Ezekiel H. Daughtrey
Julian S. Lake
William L. Aydelott
Richard A. Eldridge
Royal C. Murray, Jr.
John A. Davenport
Philip Baker
Raymond E. Schultz
Jack W. Weidner
Hubert Clenzer, Jr.
Raymond F. Curry
Frederick Blaser
George E. Callahan
Kenneth C. Guedel
John E. Dipretoro, Jr.
Robert F. Hostutler
Thomas L. Dwyer
Robert J. Brazzell
James A. Paulick
Irving H. Edwards
David D. Lewis
Clarence O. Ryce
Harold L. Eberly
Fred G. Barham, Jr.
Herbert T. Lake
William A. Simcox
Louis D. Segal
Anthony J. Kodis
Robert J. Agness
Lionell H. Nelson
"J" "W" Perkins, Jr.
Ernest J. Korte
Lloyd C. Morris
William Christiansen
Ernest L. Stewart
Walter F. Hoffland
William W. Turner
"L" "B" Loudermilk
Walter J. Czerwinski
William R. Johnson
Terrance F. Perkins
Francis Heffernan
Herbert C. Braid
William Lockett
Jerrold W. Thompson
Leo Krupp
Clyde H. Campbell
Emmett M. Cooke, Jr.
Richard H. Jester
Harold W. Hampton
Cedric M. Hansen
Robert E. Atkins
George A. Bane
Morris K. Spiess
Mitchell C. Griffin
James F. Lloyd
George E. Humphries
Ted L. Farrell
John E. Howell
Daniel I. Davila
Embree D. Wilson, Jr.
Thomas R. Jones 3d
James F. McGarvey, Jr.
Norman C. Scaife
Robert V. Eckert
Robert A. Nelson
Edward H. Hard
Curtiss Sprague, Jr.
Carroll B. Keck
William J. Runnels
Stanley E. Smith
Russell Sampson
Erwin J. Spencer
Salvatore Carlisi
Baron L. Hansen
William J. Koressel
Paul M. Gallagher
Joseph W. Entrikin
William F. Tobin, Jr.
Robert A. Holmes 3d
William D. Ellis
Reginald S. Fogg
Arthur E. Gargas
Albert A. Steinbeck
Lige Tatone
Charles Sherwood
William C. Sadler
George F. Kube
John H. Henson
Joe Williams, Jr.
Charles R. Robertson
John Price
Joseph W. Sullivan
Barton Irby
Oscar M. Wilson, Jr.
William B. Ecker
Herbert R. Hynson, Jr.
Curtis A. Weaver
Norwald R. Quiel
Donald B. Brady
John D. Collins
Jack L. Twedell
Richard P. McHugh
Harry R. Padbury
Melvin C. Keebaugh
Edward P. Davis
Ralph R. Rasmussen
Charles E. Martin
Dale O. Blade
Bobbie E. Boney

Melvin W. Lee	Eugene J. Weinbeck
John F. Walker	Sidney Edelman
Galen M. Eaholtz	Harold R. Heagerty
Thomas E. Altgilbers	Earl J. Robb
Vernon Thompson	Thomas W. Lyons
Jordan P. Onorato	Sigmund Popko
Clinton H. Mundt	Wesson A. Mansfield
John R. Pounds	Wayne W. Litchfield
Stanley P. Krolczyk	Oscar B. Nelson
Warren M. Boozer	Robert N. Beckley
Charles R. Bishop	

The following-named officers to the permanent grade of lieutenant in the Medical Corps of the Navy:

Lynn E. Anthony	Garner L. Lewis
Bruce F. Baisch	William T. Lineberry, Jr.
Robert E. Baker	
David D. Bennett, Jr.	Robert A. Loeffler
Victor G. Benson	James C. Marr, Jr.
Dallas E. Billman	John J. Marra
Victor P. Bond	Edward Martin, Jr.
Carleton J. Brown	Frederick W. Meyer, Jr.
Robert L. Burdick	
William L. Chapman	John B. Miller
August P. Ciell	Charles J. Molnar, Jr.
Louis A. Collins, Jr.	Ramon A. Mouton
Richard B. Connor	Richard D. Nauman
Thomas C. Deas	John M. Packard
James R. Dineen	Bernard H. Pender
Richard F. Dobbins	Ernest S. Redfield, Jr.
Adolphus W. Dunn	Stanley E. Reese
Wallace C. Ellerbroek	Lewis G. Richards, Jr.
John G. Esswein	Charles E. Rogers
Robert J. Evoy	Robert E. Rowand
Robert J. Fahrner	Anthony P. Rush
Philip O. Geib	Henry Santina
John S. Graettinger	Charles Savage
Arthur A. Helgerson	Henry A. Schlang
Cyril J. Honsik	William E. Schumacher
Newman A. Hoopingarner	Robert W. Sharp, Jr.
Francis E. Hornbrook	Julius H. Spence
John W. Howard	Thomas W. Stewart
Jack T. Jones, Jr.	Ernest E. Trout
Roland W. Jones	Fred A. Valusek
John H. Killough	George T. VanPetten
Robert L. King, Jr.	Robert E. Walsh
Joseph H. Lawson	James H. Watts, Jr.
James H. Lee, Jr.	Burton Willard
Robert H. Lemmon	Jay D. Wilson
Charles W. Lewis, Jr.	Snyder T. Withers

The following-named officers to the permanent grade of lieutenant in the Supply Corps of the Navy:

Paul B. Akright	Ralph V. Romans
Edward J. Daley	Richard T. Ryman
Karl N. Keever	Frank H. Whitchurch

The following-named officer to the permanent grade of lieutenant in the Civil Engineer Corps of the Navy:

Thomas J. McGhee

The following-named officers to the permanent grade of lieutenant in the Medical Service Corps of the Navy:

Albert L. Anderson	Samuel C. Marcus
Claude C. Cason	Robert F. Rigg
Wayne B. Hewitt	Chester D. Worthen
Charlie W. Lee	

The following-named officers to the permanent grade of lieutenant in the Nurse Corps of the Navy:

Adelaide Atwood	Mary A. Moniz
Dorothy L. Auger	Elizabeth O'Malley
Louise Bareford	Mary O'Neill
Elizabeth O. Bowie	Margaret C. Pusel
Mary K. Brown	Alice L. Quinn
Gladys O. Bryant	Rose M. Martinsek
Jessie V. Bucher	Marion L. Morgan
Anne J. Chelf	Angelene Rio
Ferne E. Dennison	Bertha E. Rollings
Winifred T. Gewehr	Mary A. Rowan
Marie L. Goucher	Mildred K. Teass
Eunice B. Hall	Audrey J. Tryon
Eleanor C. Hayes	Dorothy M. Voorhorst
Gladys L. P. Kennedy	Claire M. Walsh
Theresa B. Krier	Marion E. Weden
Mildred M. Lankenau	Mary E. Whalen
Anne E. Larkin	Marion Wieck
Kathryn E. Lopartz	Elizabeth Wolchick
Ida Malaspina	

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 13, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the Supreme Ruler of the universe, endow us during this day with that deeper insight which discerns and knows how to interpret Thy sovereign and eternal will.

Give us a vision of that better day when, in all human relationships, there will be a finer revelation of the spirit of the Prince of Peace.

We humbly confess that our finite minds and hearts are so frequently blinded and enslaved by a sense of futility and frustration.

Grant that we may have the courage to believe that Thy kingdom is coming and that Thy will will be done on earth as it is done in heaven.

May Thy name be glorified. Amen.

The Journal of the proceedings of Thursday, March 9, 1950, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 3, 1950:

H. R. 7220. An act to expedite the rehabilitation of Federal reclamation projects in certain cases.

On March 10, 1950:

H. R. 4406. An act to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3084. An act authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 493. An act to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands; and

S. 1283. An act to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7207. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

SEGREGATION

Mr. HARE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. HARE]?

There was no objection.

Mr. HARE. Mr. Speaker, I particularly desire to address my remarks to those Members of Congress and to other individuals and organizations which advocate the abolishment of segregation throughout the United States.

I desire to include at the conclusion of my remarks an editorial which appeared in the Index-Journal, a newspaper published at Greenwood, S. C., on March 10, 1950.

To every citizen in the United States and more especially to each Member of the Congress I recommend the reading of the book mentioned in the editorial, You Can't Build a Chimney From the Top by Dr. James Winthrop Holley, a gentleman of color, and one who is well qualified to speak impassionately and without prejudice on the subject of race relations.

After reading the book, it is my humble opinion that the only conclusion which can reasonably or logically be reached is that the racial problem cannot be solved by legislative fiat or by judicial decision.

Personally, after the problem of national defense, I list the racial problem as the most serious in this country. As a Representative from the State of South Carolina my position is well known. I admonish the advocates of civil rights, especially those from the States of New York, Pennsylvania, Illinois, Ohio, Wisconsin, and Minnesota to look a little more realistically into the situation and to heed the advice of those of us who know racial problems at first hand. To that end, I remind them of the expression that "when we are directed from Washington when to sow and when to reap, we shall soon want bread." The application of that expression is just as appropriate to racial relations as it is to centralized government.

The editorial follows:

NEGRO EDUCATOR'S LIFE

The Reverend James Winthrop Holley, D. D., founder of a nationally known school for Negroes in Albany, Ga., has written the story of his life and some of his opinions on race relationships which is a truly valuable contribution to the subject. It would be wonderful if this book could be made required reading in many places, schools, and colleges and also churches north of the Mason and Dixon's line.

Dr. Holley is a native of Fairfield County, S. C. He was the son of two slaves on the Nathaniel Holley plantation a few miles southwest of Winnsboro. His mother's father, he says, was a full-blood Cherokee Indian. His father showed good business sense in farming as a tenant after the Confederate War. Dr. J. W. Holley was educated in eastern and northern schools and colleges and having decided to devote his life to service to his race he chose the so-called Black

Belt of Georgia, the counties of Dougherty, Baker, and Worth and parts of other counties. The city of Albany was the place he selected for the school. Aid had been given and was continued from northern friends. Dr. Holley was a Presbyterian and his appeals were to Presbyterian churches in the North and East.

He was convinced that the colored people of that section needed vocational education rather than the so-called classical courses. They needed to know how to make a living and how to become skilled workers to increase their incomes and standards of living.

While he was considering the matter of locating a school of his dreams he wrote various prominent white leaders, political and financial, about his plans and asked their opinion.

The reply he had from Senator B. R. Tillman, of South Carolina, was typical of Tillman's frankness and sound sense. Dr. Holley quotes Senator Tillman's letter, which runs as follows:

"I do not know from your letter whether you are a white man or a colored man. If you are a white man you would better stay where you are. If you are a colored man and are sincere in your desire to build a school for the advancement of your race, I will say to you, come ahead and build your school. You will get the support you need from the people whose support is worth having."

Dr. Holley tells in detail how he was welcomed by the white leaders of Albany and how eight of the most prominent white citizens of the city agreed to serve on his board of trustees. He was given valuable help. The school became a great success as the Albany Bible and Vocational School. In 1917 it was taken over by the State of Georgia as the Georgia State Normal Institute.

The latter part of the educator's book is devoted to his views and conclusions on improvement of race relations in the South.

First, he is emphatic in his belief that the white people of the South are the best friends of the colored people in the United States. Whatever the southern people may feel and think about it is expressed frankly. In the North and East the protestations of friendship are too often insincere, he intimates.

Even more impressive are his views on the so-called civil rights bill and allied issues. He does not think that the $1 poll tax keeps any number of colored people from voting. He says he is certain no colored man or woman will be stopped from getting something they want at the cost of $1. They will find that dollar some way or other.

Dr. Holley deplores lynching but is encouraged to note how great has been the decline of lynching. Incidentally, he made a statement on lynching which is of interest and has never been noted before. As is generally known, lynching is said to have been so called from the practice of Capt. Matthew Lynch, of Virginia, in handing out punishment to all evildoers in his bailiwick without waiting for a trial in a court. Dr. Holley mentions this in the usual form of the tradition and then says, Captain Lynch removed from Virginia to Pickens County, S. C., and died there and that there is quite a mound of stones marking his last resting place. It might be investigated by some one interested.

Dr. Holley says the antilynching issue is purely political and is designed, with other things, to catch the balance of power of the colored vote in certain big cities. He cites the fact that the Republicans had control of Congress and had a President for 20 and more years before the Democrats took over and though the Republicans talked much about a Federal antilynching bill they did nothing. And the Democrats when they got control did the same thing. Neither party really wanted the bill made into law, he says.

With regard to segregation in the South, Dr. Holley says it is wise and is necessary. It is better for both races, he says. He advocates equal facilities for the colored race as the State law says should be had.

Dr. Holley sees no wisdom in the FEPC Tolerance, he truly observes, cannot be had by law. To attempt by force the provisions of such a law and a law against segregation would bring about very great trouble, he thinks. His conclusions in these matters are logical and emphatically expressed.

This is a really remarkable book and a valuable one. It should be read in all parts of the country, especially in the North and East.

The title of Dr. Holley's book is You Can't Build a Chimney From the Top.

The introduction is by former Gov. Chase S. Osborne, now deceased, of Michigan, who spent his last years in Georgia and had a remarkable knowledge of conditions in the South.

The SPEAKER. The time of the gentleman from South Carolina has expired.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include extraneous matter.

Mr. CAVALCANTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a communication from Mr. Gerald N. Zigler setting forth how the surplus potatoes defeated certain communistic activities in his congressional district.

Mr. ELLIOTT asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. RAINS (at the request of Mr. PRIEST) was given permission to extend his remarks in the Appendix of the RECORD and include a statement on the bill S. 1008.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances.

Mr. BARTLETT asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. GRANT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. LARCADE asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances, in one to include an editorial by Constantine Brown and in another an editorial by Dorothy Thompson, both published in Sunday's Washington papers.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

Mr. SABATH asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a newspaper article.

EXPLANATION OF VOTE ON ALASKA STATEHOOD BILL

Mr. REDDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. REDDEN. Mr. Speaker, when the vote came on the bill granting statehood to Alaska I was absent. The RECORD shows that I was paired against this legislation. This matter was called to my attention the latter part of the past week.

I desire to say now that the pairing of my vote or voice on the matter as against the legislation was through inadvertence and oversight. I was for the passage of the bill granting statehood to Alaska, and I am still for it; as a matter of fact, I was chairman of the Subcommittee on Territories and Insular Possessions of the Committee on Public Lands which gave unanimous approval to this bill when it was considered in the committee.

LEAVE OF ABSENCE

By unanimous consent (at the request of Mr. BRYSON) Mr. RIVERS was granted leave of absence, indefinitely, on account of official business.

REORGANIZATION PLANS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, it is my understanding that we have just received from the White House today 20 reorganization plans. I rise to express the hope that these long overdue proposals will be in line with the Hoover Commission recommendations so that some savings may be realized for the distressed American taxpayers. I hope the plans will not prove to be just some of the administration's pet bureaucratic schemes for more authority, more jobs, and more power concentrated in the agencies administering socialistic programs.

The Truman administration's long delay in putting the Hoover Commission's recommendations into effect has already cost the American people several billion dollars in potential savings. It was over a year ago that the Commission filed its report with the Congress, but in a year the administration has put into effect only about 20 percent of the entire program and of that 20 percent very little related to the economy features.

I call your attention to the fact that the Bureau of the Budget has estimated that the Commission's reorganization program involved 114 recommendations, and that 80 of them could be effectuated by reorganization plans. In this year and 3 months we have received only twenty-nine and two of them constituted items Congress had previously disapproved.

I also call your attention to the fact that substantive legislation is required to carry out many of the recommendations, but at this session of Congress not one single reorganization legislative measure has been presented.

It is quite apparent that the Truman administration is so occupied and so busy with its socialistic programs, notably in the field of agriculture and housing, involving additional Government expenditures that it has neither the inclination nor the time to put into immediate effect a sound American program for economy.

I am not passing judgment on the reorganization plans received today. I haven't yet seen them. I am simply saying that action in this field is long overdue, and I am expressing the hope that, unlike the plans submitted to date, these additional proposals will embody some real economy features.

SOCIAL SECURITY, NO. 1

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, under our social-security system as amended by the House bill, any banker in the country or any corporation official, whose salary has been $3,000 a year or more and who retires this year, will get a fancy windfall from our debt ridden, unbalanced Treasury.

Such a banker or other corporation official, together with his wife, will draw a monthly retirement allotment of almost $100 or to be exact, $96.60. His life expectancy is 12 years and his wife's life expectancy is 14 years.

The fellow who gets this might well say "isn't this nice." This man has paid the grand total sum of $390 for this Federal Government hand-out. In other words, in 4 months he draws out everything he paid in and the balance of his Government retirement payments are paid for by the men and women in the country who toil and by their children and grandchildren. It is a good racket for a few.

EXTENSION OF REMARKS

Mr. HOEVEN asked and was given permission to extend his remarks in the RECORD and include copies of two letters.

HOLD GUBITCHEV UNTIL VOGELER IS RELEASED

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, there is a tremendous amount of public resentment to the attitude taken by the State Department in reference to the release of Valentin Gubitchev after he has been tried and found guilty of treason in a court of this land. The position that the State Department has taken in this matter is favorable to Russia and without regard to the comfort of an American citizen, Vogeler, who was tried within the Soviet regime on charges admitted to be false by our State Department and sentenced to 15 years.

I have a letter here from a friend of mine, Mr. J. Norman Kelley of Los Angeles who states it very pointedly and I think he expresses the sentiments of the American people when he says:

> It seems grossly stupid to spend all of the time and money to convict Valentin Gubitchev, meanwhile divulging FBI methods in open court, then to release him to his native land while European Communists are holding an American, Vogeler.
>
> In the latter case it will be 15 years of the most terrifying kind of imprisonment and perhaps insanity and death for the American.

Gubitchev goes free with the help, consent and approval of our State Department, while Vogeler, an American citizen, suffers at the hands of the Soviet with no help from his own government.

I demand that the State Department take the appropriate and necessary official action demanding the release of Vogeler in exchange for Gubitchev. Why should Vogeler suffer at the hands of the Communists for a far lesser offense than was committed by Gubitchev, who goes scot free?

If this question was left up to the American public to decide, they would demand the release of Vogeler in exchange for Gubitchev. Has our prestege as a nation sunk so low that we cannot protect our own citizens abroad? Has our State Department under the present administration become so saturated with communism that it cannot protect our own citizens?

WRECK ON THE LONG ISLAND RAILROAD AT ROCKVILLE CENTER, N. Y.

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, the entire country was shocked on February 17 when a train wreck on the Long Island Railroad at Rockville Center resulted in 32 fatalities and the injuring of more than 100 persons. Approximately half of those killed and injured were residents of Suffolk County, which I have the honor to represent in this body.

Official investigations that have been under way since this tragic occurrence indicate that it could have been prevented if the Long Island Railroad's safety devices had been in good working order and completely modern.

The Interstate Commerce Commission, under the transportation law, has complete power to bring about the modernization of the safety devices on the Long Island Railroad and all other railroads of the country. I herewith present a resolution calling on that body to take steps to prevent a recurrence of this wreck, which has brought grief to so many homes in my district.

MASTER LOBBYIST

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include portions of an article from a magazine.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, if the news reports of Saturday and Sunday are fulfilled, Members of Congress will soon be deluged with propaganda mail, especially with reference to the housing program.

If you are curious as to what is behind this movement, you will find a full explanation in an article entitled "Elect and Elect," by Lester Velie in the March 11 issue of Collier's.

The following excerpt describes how such pressures are applied:

> Boyle organizes the faithful to get out the Congress vote for administration bills the way he organizes to get out the vote in an election. Doing this, he has fashioned a powerful lobbying force.
>
> When the House debated Truman's $4,000,000,000 slum-clearance and housing program, Congressmen were deluged with letters, telegrams, and long-distance calls urging passage. The pressure could hardly be ignored. The letters were from registered voters.
>
> Behind this lobbying pressure was the fine political organizing hand of Bill Boyle. To each of the three-thousand-odd Democratic county chairmen in America, National Chairman Boyle had sent a letter.
>
> CUMULATIVE HIGH PRESSURE
>
> "Write your Congressman," it urged. "Get your precinct leaders to tell their people to write. Rally the labor unions. Line up the housing organizations in your district."
>
> To Democratic Governors and mayors Boyle made special personal pleas over the telephone. More than 7,000 letters went out from headquarters. And back to Congress came 20,000 pro-administration missiles.

We might ask, Mr. Speaker, if Mr. Boyle, the master lobbyist, is registered under the Congressional Lobby Act.

The SPEAKER. The time of the gentleman from Kansas has expired.

EXTENSION OF REMARKS

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that during the discussion on the bill, S. 2105, this afternoon I may include in my remarks letters and newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. POAGE asked and was given permission to extend his remarks in the RECORD and include an editorial and two letters.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

THE STATE DEPARTMENT

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, if the State Department thinks that by burying its head in the Senate investigation it is hiding its ugly self from public view it is badly mistaken. In public confidence the Department is completely washed up, and this confidence it will never regain as long as there is kept at its head the man who publicly and brazenly defends one who has betrayed his country.

ALCOHOLIC LIQUOR

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, I respectfully call attention to the fact that H. R. 3247, on the calendar for today, would authorize further desecration of the Sabbath by permitting the sale of intoxicating liquors as late as 2 o'clock Sunday morning. I am sure that you, my colleagues, recall the astounding series of articles appearing in the Washington Star last week revealing the fact that more liquor is sold and consumed in the District of Columbia than in any other political subdivision in the world. Neither Sodom nor Gomorrah were as debauched by liquor as is our National Capital City. Yesterday's Star had headlines in bold type—"Children Drinking Whisky Figure in Home Mishaps."

Said the Star:

Seventy percent of all jail cases and 77 percent of the District's criminal court cases are on drunkenness charges.

More than 2,000 persons were hospitalized last year for physical and mental ailments arising from alcoholism.

More than 100 persons died from drunken driving, homicides, poison alcoholic drinks, and alcoholism, all stemming from drinking.

An upswing in drinking also is reflected in Alcoholic Beverage Control Board figures. The number of all kinds of liquor licenses have soared in 5 years from 1,962 to 2,393.

It certainly appears that enough intoxicating liquors of various vintages are now available even before the midnight hour of Sunday. I respectfully call upon you, my colleagues, to vote against H. R. 3247 when it is reached on the calendar today.

CONGRESSIONAL SECRETARIES' CLUB

Mrs. BOLTON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, it was a great pleasure to receive in the mail last week from the Congressional Secretaries' Club an announcement and invitation to attend an event that will long be remembered by those who witness it. The occasion is the first showing to a public audience of The Last Bomb, the time is 7:45 p. m., tomorrow evening, Tuesday, March 14, and the place the Departmental Auditorium on Constitution Avenue between Twelfth and Fourteenth Streets.

Mr. Speaker, let me give you a few facts about this epochal picture which the Members of Congress, their staffs, their families, and their friends have been invited to see tomorrow evening.

The picture was not staged. It is the first war picture ever made showing battle sequences in technicolor. It is a picture which shows the raid on Tokyo from the time of its planning right through the entire bombing operations. Pictured in all its grim reality are scenes from the battle that raged in the air over Tokyo and results of the bombing operations in the 3,000-mile journey from Guam which employed hundreds of B–29's, fighters, and pursuit planes.

Mr. Speaker, I need not tell my colleagues of the splendid work that our Congressional Secretaries' Club carries on in the busy activities that engage us all on Capitol Hill, of their helpfulness to the various offices by way of their weekly meetings and their Information Bulletin, of the many interesting people from all branches of our Government who are invited to address them on important subjects having to do with legislative matters—top-flight officials, Cabinet members, and others who can bring them constructive and informative discourses on matters of importance to themselves and to their members. Few indeed of us who have not called upon Bill Hackett for information over the long period of years he has lent his efforts and his enthusiasm to this important club.

Mr. Speaker, besides the first showing of The Last Bomb tomorrow evening, we are to hear a brief talk by that gracious gentleman and officer, commander of the Seventh Pacific Air Force and later commander of all the Far East Air Forces, Maj. Gen. Thomas D. White—whom we all know as Tommy—now the director of the Legislative and Liaison Division of the Air Force. General White will speak about the work of our Air Force in relation to the Congress as a whole and in relation to the problems of each individual member with respect to Air Force matters.

Another highlight of the program will be the Air Force Band, which is really a symphony orchestra, and which has been called the greatest aggregation of musicians in the United States both from the standpoint of instrumentation and vocalization. Figuring prominently in this symphony are several members of the Metropolitan Opera Co.

Part of the program will be broadcast by television and FM radio, but there will be no substitute for being there in person at Departmental Auditorium, and I urge my colleagues, one and all, to take advantage of this evening of splendid entertainment made possible to us through the courtesy of the Congressional Secretaries' Club.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a short article.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD and include certain communications.

SPECIAL ORDER GRANTED

Mr. ANGELL asked and was given permission to address the House for 15 minutes today at the conclusion of the legislative program of the day and following any special orders heretofore entered.

RECIPROCAL TRADE AGREEMENTS

Mr. SCUDDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Speaker, American dollars are now being spent overseas to develop competition with American industry. The Economic Cooperation Administration tells us that Marshall plan money is helping grow olives, almonds, figs, and citrus fruits in French North Africa. This program is being carried on to add to the tillable land in Algeria, Morocco, and Tunis, for growing home foodstuffs—as well as to permit the development of exports. Before long, North Africa will be exporting products such as almonds and olive oil which already are surplus both in Europe and in this country.

A main objective of the European Recovery Program is the smashing of tariff barriers among the nations of Europe. With barriers down, European nations could trade together as the 48 States do in this country, buying and selling surpluses which already exist. Instead, with its Marshall plan dollars and its low tariffs, the United States invites foreign nations to pour cheap olive oil, almonds, brined cherries, and thousands of other products onto the American market.

When will our starry-eyed dreamers recognize the practical side of our international relations? When will they realize that this glut of cheap foreign goods, produced by cheap labor, is ruining American industry? Already the olive oil producers and almond growers of my district are suffering because of competition from these foreign goods. They face bankruptcy if this program continues. I have information of a growing concern among the cherry growers of my district that brined cherries—the raw material of maraschino cherries—may be placed on the negotiating list of commodities for which tariff reductions are to be considered. The producers of these cherries, too, would face bankruptcy if a reduction were effected. Present quotations for Italian-brined cherries delivered at New York are substantially less than the cost of production and delivery of American-brined cherries. From 65 to 85 percent of the entire Pacific Coast cherry crop is processed by this method.

Our Government also pursues the policy of allowing temporary, seasonal

reduction of import duties on some commodities under the reciprocal trade program. It is highly possible that a lowering of the tariff on dry beans may be effected soon as a part of this program. Today large surpluses of 1948 crop of dry beans are being held by the Commodity Credit Corporation for which no sales have been found. Large surpluses of the 1949 crop of dry beans are currently under loan to the CCC. Most of these, I am informed, the CCC will have to take over on April 30 to fulfill our domestic support program.

For the reasons I have outlined, it is essential that my bill—H. R. 6902—to restore the peril point and escape clause to the Reciprocal Trade Agreements Act be enacted at this session of Congress. Without these provisions the very existence of our economy is threatened.

INDIANS OF ARIZONA

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I have occasionally been furnished copies of the Arizona highway magazine, which is a beautiful thing, particularly with much color printing, showing marvelous scenery. My last donation from the State of Arizona was copies enough of the February issue to pass among my colleagues, and that has been done this morning.

We are hearing much these days about Indians. Many of them are poverty-stricken and Congress is legislating to improve their condition, but no matter how poor the Indians may be they have great native ability and human worth. If you look over the fine works of art in this highway magazine, to say nothing about the Miss America of 1949, you will see that these Indian artists are superb. I am glad to furnish this number to each Member, and I hope you will study it to see who are the Navajo, the Hopi, and the Apache artists who have contributed to that publication.

ELECTIONS IN MISSOURI

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, today is District Day, and I presume that in the discussion of the several bills that will come up, the usual practice will be followed of calling attention to the fact that home rule is needed in the District, and emphasizing the fact that people residing in the District are denied a vote.

I would take this occasion to remind you, however, that the citizens of Missouri who are living in the District and in sections adjacent thereto, do have the privilege of voting in all elections in our State. I call this to your attention at this time because a special election is being held in Missouri on April 4, and all Missourians can, for the first time, avail themselves of the opportunity to vote in the elections back home. I will be happy to provide any Missourian information relative to this absentee voting law, and am prepared to furnish applications for absentee ballots to those who will contact my office.

The SPEAKER. The time of the gentleman from Missouri has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks, and include a statement by Henry J. Taylor.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

CONTESTED ELECTION OF STEVENS AGAINST BLACKNEY

Mr. CAVALCANTE. Mr. Speaker, on behalf of myself and the gentleman from Ohio [Mr. HAYS], I ask unanimous consent to file minority views in the contested election of Stevens against Blackney.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MURRAY of Wisconsin (at the request of Mr. CRAWFORD) was given permission to extend his remarks in the RECORD and include a statement by Mr. A. B. (Pat) Averill, of Fremont, Wis.

NATIONAL MINERALS ACT OF 1949

Mr. PETERSON. Mr. Speaker, pursuant to clause (2) (c) of rule XI, I call up House Resolution 419, providing for the consideration of the bill S. 2105, an act to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes, which has remained in the Committee on Rules for more than 21 calendar days without being reported on or acted thereon.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. CHURCH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 92]

Andrews	Gore	Norton
Bailey	Granahan	O'Hara, Minn.
Barden	Green	O'Neill
Barrett, Pa.	Gregory	Pfeifer, Joseph L.
Battle	Gwinn	Pfeiffer, William L.
Beall	Hall, Leonard W.	Philbin
Bennett, Fla.	Hart	Poulson
Boykin	Heffernan	Powell
Buckley, N. Y.	Heller	Quinn
Bulwinkle	Hoffman, Ill.	Rabaut
Burdick	Javits	Reed, N. Y.
Burton	Jenison	Ribicoff
Byrne, N. Y.	Jenkins	Rich
Canfield	Johnson	Rivers
Case, N. J.	Kearns	Rogers, Mass.
Celler	Kelley, Pa.	Roosevelt
Chatham	Kelly, N. Y.	Sadowski
Chiperfield	Kennedy	Secrest
Chudoff	Keogh	Shafer
Clevenger	King	Sheppard
Colmer	Klein	Smathers
Coudert	Kruse	Smith, Ohio
Davenport	Kunkel	Stanley
Davies, N. Y.	Latham	Taylor
Dawson	Lichtenwalter	Towe
DeGraffenried	McCulloch	Vinson
Dollinger	McGrath	Walsh
Dolliver	Magee	Widnall
Donohue	Marcantonio	Werdel
Douglas	Merrow	Whitaker
Doyle	Michener	Widnall
Ellsworth	Monroney	Wigglesworth
Flood	Morgan	Withrow
Fogarty	Morrison	Woodhouse
Fugate	Murphy	
Gilmer		

The SPEAKER. On this roll call 327 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

NATIONAL MINERALS ACT OF 1949

Mr. PETERSON. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, this rule has had many ups and downs in the Committee on Rules. It comes here under the new 21-day discharge rule which was adopted the first day of the first session of this Congress.

We have had a vote in the Committee on Rules on this rule two or three times, but unfortunately, though I recognize the justice of this legislation and the need for it, I was unable to prevail upon the Committee on Rules to grant a rule due to the opposition on the grounds that the bill did not include certain other minerals.

This bill will apply only to mining in the western section of our country. Its passage will make possible the continued employment of thousands of miners, who will save the mines from being flooded, and the increased operation of mines being worked at low level, together with

those of new development, will provide work for 30,000 or 40,000 additional unemployed workers.

Though it will be charged that this bill is a subsidy and provides $80,000,000 for 5 years, personally, after studying the bill and hearing the various gentlemen on the bill, I have come to the conclusion that only a very small portion of the $80,000,000 will be a subsidy. The money which we advance in this bill will be for the purpose of acquiring strategic minerals needed by the Nation and will save the country millions upon millions of dollars which we are obliged to pay above the price at which we can obtain these strategic minerals.

Realizing that we lost about 60 ships during the war, trying to bring in these strategic materials, I became interested in this problem. I want you to know that I have no mines in my own district. Of course my own mind is made up on this legislation, but, as I have said, I have no mines in my district. I believe this bill will be of great benefit to the Nation. You know that it was considered once before under a suspension of the rules and received nearly a two-thirds vote in the House at that time. Therefore, I feel in view of the fact that the bill now has the endorsement of those whom I urged to change their first viewpoint on it and since it has been cleared with the Speaker and the majority leader, as well as the Director of the Budget, and now by the President, and others, I feel the rule will be adopted, even if I did not say a word regarding it.

Mr. Speaker, with the enactment of this bill there will be many minerals which can be mined in this country which we are presently obliged to import from other countries in addition to copper, lead, and zinc, such as manganese, antimony, chromite, tungsten, mica, and other metals. Besides these metals, we will be able to produce large quantities of potash. I know something about that product, because I know that this country has been obliged for years to pay from 10 to 25 percent more to the German cartels for potash that goes into the manufacture of fertilizers. Here is a great opportunity to get all the potash we need for our farmers so that they can obtain fertilizer at a lower cost.

This bill will not only be helpful and beneficial to the small mining operators and miners but to the Government as well because we will be able to stock pile the strategic minerals without really any cost for storage. Unlike the storage of cotton, cottonseed, linseed oil, peanuts, peanut shells, and many other items in regular warehouses, the strategic minerals can be stored right on the premises where they are mined. Unfortunately we have been obliged to spend nearly $200,000,000 annually for the storage of surplus commodities, and because this bill does not appropriate large sums to be expended in the southern and eastern sections of our country many gentlemen from those sections have been opposed to this legislation. Mr. Speaker, I believe this is a meritorious bill and I feel that the western section of our country is deserving of consideration and aid.

I am very glad that under the new rule the Public Lands Committee, which has worked hard and appeared before the Committee on Rules at least a half-dozen times earnestly pleading and urging consideration of this meritorious bill, has been successful in getting it before the House. Some of my Republican friends, under the pretense of economy, were opposed to it, and other Members were opposed to it because they were not included in it, but we cannot provide appropriations at all times for only one section of the country.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. ALLEN of Illinois. The gentleman just mentioned that some of his Republican friends objected to the rule. Is it not a fact that under the Republican Congress, the Eightieth Congress, both the House and Senate passed this bill and the President of the United States vetoed it?

Mr. SABATH. But that bill was so loosely drawn the President was obliged to veto it. This is a different bill. I will say to my colleague, however, he was one of the few, I think, who tried to help me get this bill out. I will be perfectly honest, as I always try to be. This is a meritorious bill and deserves support.

I hope that the rule will be adopted and that the bill will be passed, because the Senate has already acted favorably on it, and I have here hundreds of telegrams, letters, and appeals for the passage of this legislation from many sources.

Mr. Speaker, without unduly encumbering the RECORD, I shall take the privilege of inserting a few of the telegrams which give the plight of the miners and small-mine operators and the imperative need for this legislation, as follows:

DENVER, COLO.

Hon. ADOLPH J. SABATH,
House Office Building,
Washington, D. C.:

Conference mining people from all independent mining sections of the Nation unanimously endorse S. 2105. Any statement to the effect that the mining people are not supporting this legislation is not correct. We plead with the members of the Rules Committee to permit the Congress to act on this legislation and prevent a dangerous and costly dependence upon foreign production which proved so expensive during the recent World War.

Respectfully,
COLORADO MINING ASSOCIATION,
JOHN HAMM, *President.*

MIAMI, OKLA., *February 16, 1950.*

Hon. ADOLPH J. SABATH,
Chairman, House Rules Committee,
House Office Building,
Washington, D. C.:

It is our opinion that every small, independent lead and zinc mining company in our country is on the road to bankruptcy because of foreign competition and high operating costs. It is imperative as a matter of national economy and safety that this industry be assisted through the support of bill S. 2105. We respectfully urge a rule on this bill by your committee.

NELLIE B. MINING CO.

OGDEN, UTAH, *February 16, 1950.*

Hon. ADOLPH SABATH,
Chairman, House Rules Committee:

Recognizing that mining is one of the basic industries of the country and especially vital to the western United States, where primary wealth is produced, upon which all activities of our people are dependent, and further, our mines are now shut down and we believe that the safety of our country is dependent upon the strategic metals which they produce; we therefore unanimously and respectively urge that your committee report S. 2105 to the Congress and urge its immediate passage.

OGDEN CITY CORPORATION,
W. RULON WHIT, *Mayor.*
THOMAS EAST, *Commissioner.*
WM. STOWE, *Commissioner.*

Mr. Speaker, many Members of the other body, having the interest of the entire Nation at heart and realizing the need for these strategic minerals, appealed to me and urged the granting of a rule, but unfortunately I was helpless in the face of opposition by members of my committee. Therefore, as I have said, I am very glad that the committee has succeeded in bringing it to the floor of the House under the new rule; namely, the 21-day rule, so that you gentlemen will have the privilege of voting for it.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question.

Mr. PLUMLEY. Oh, I want to make a speech.

Mr. SABATH. I regret I cannot yield to the gentleman to make a speech.

Mr. PLUMLEY. I want to make a speech laudatory of you.

Mr. SABATH. That is very nice, and of course, I would appreciate it greatly, but my time is limited, and naturally I am deprived of the pleasure of listening to you, because I know what you would say would be laudatory and perhaps deserving.

Mr. PLUMLEY. Naturally so, but while you are hesitating, let me say this to the people who are listening, that America should be very proud of the fact that it has afforded an opportunity to you, to such a man as you, who has been addressing all of us, to take advantage of such opportunity as has been afforded you as an American.

Mr. SABATH. Such expression coming from you, a leading Member and outstanding eastern Republican, is most considerate and deeply appreciated. I want to assure you that I am grateful to the country and to the people of my district who have honored me in returning me to Congress 22 successive terms to serve them. Consequently, with the confidence they have reposed in me, I feel it my duty at all times to do my full share in advocating and supporting legislation in the interest of my country and for the sections of the country who have needed my aid the most.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. PETERSON. Mr. Speaker, I yield 8 minutes to the gentleman from California [Mr. ENGLE].

Mr. ENGLE of California. Mr. Speaker, I am sure the members of our committee are happy to join in the re-

marks of the gentleman from Vermont [Mr. PLUMLEY] with reference to our distinguished chairman of the Committee on Rules. Our committee has been very, very appreciative of the cooperation which the chairman of the Committee on Rules has given us from time to time in trying to get this bill to the floor of the House under the regular procedure.

Mr. Speaker, it is not too much to say that the industrial and military potential of any nation is in direct relation to its strength in minerals. The experience of the world in World War I and in World War II amply proves that war power and industrial power are one and the same thing. It was the ability of the people of the United States, through their industrial organizations and their political organizations, to mobilize the natural resources of this Nation that made it possible for us in both of those two great conflicts to stem the tide of tyrannical aggression.

The sad fact, however, Mr. Speaker, is that our mineral resources are now scattered broadcast throughout the world as a result of their utilization in carrying on the two wars. Minerals which were dug out of the mines of the United States have been transported across the seas and they are scattered all over the geography of the world in the explosions incident to war. They have been sunk in the sea. There is not a sea or a continent in which our mineral resources have not been expended in warfare. Prior to these two great wars we were expending them in building up our industrial potential.

It now appears, Mr. Speaker, however, that experts in the mineral field throughout the world recognize the fact and agree upon it, that the mineral resources of the whole world have been used to an extraordinary degree, and that the time has come when we must pay vigorous attention to the development of new sources of these great minerals. If the United States does not do that, if we should allow our resources of minerals to remain unexplored and undeveloped while those of other nations of the world were being explored, developed, and utilized, we might easily lose our place of leadership.

This has been recognized by the President of the United States. In his budget message of January 10, 1949, the President said:

> Two world wars as well as subsequent needs for world recovery have drawn heavily upon our mineral resources. The Federal Government has a responsibility for assuring the adequacy of these resources through intensive survey, investigation and exploration, fundamental research, and sound conservation practices. Funds recommended for the Bureau of Mines and some activities of the Geological Survey are directed to these purposes. In addition, I recommend legislation which will authorize incentive payments for the exploration and development of strategic and critical minerals.

That quotation is from the budget message of the President of the United States.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ENGLE of California. I yield to the distinguished gentleman from Indiana.

Mr. HALLECK. I have just listened with interest to the quotation from the President's letter. I wonder if the gentleman can explain to us how this bill as presently drawn differs from the one that was vetoed by the President during the Eightieth Congress?

Mr. ENGLE of California. I will undertake to do that when we get into the Committee of the Whole, but I do not want to take time to do it under my discussion of the rule.

This bill is much more limited than the one which passed in the preceding Congress and which was vetoed by the President. That bill, called the Allen bill, in effect continued the premium price program; this bill does not provide for any premium prices, but provides for the conservation of minerals and metals, and makes provision for further exploration. In those respects it is very different from the Allen bill.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield for a question?

Mr. ENGLE of California. I yield to the gentleman from Vermont for a question.

Mr. PLUMLEY. Along the line of the gentleman's answer to the gentleman from Indiana, will the gentleman from California, during consideration of the bill in the Committee of the Whole, undertake to tell me why the appropriation of some six or seven hundred million dollars in the independent offices bill should not in a certain amount be used for this particular purpose?

Mr. ENGLE of California. I shall be pleased to discuss that at the proper time.

In addition to the statements made in the President's budget report, I wish also to quote from the Hoover Commission task-force report which made a very pertinent observation upon this subject. The report of the Hoover Commission task force at page 50 states:

> A pressing need of the Nation is a more adequate supply of a long list of minerals to support and strengthen our industrial economy and to insure our national security. Hence, encouragement of exploration should be the principal objective of policies dealing with minerals and fuels on the public domain. Maintenance of the Nation's mineral reserves requires not only the discovery of concealed ore bodies in old districts, but the finding of ore bodies in entirely new regions where signs of ore or evidence of conditions favorable for mineralization are not sufficient to have induced adequate exploration.

In short in both the budget message of the President of the United States and in the comment made by the Hoover Commission task force on this subject legislation precisely of the nature which is now before this body was endorsed.

I wish to read a letter which I received from the Secretary of Defense, Mr. Louis Johnson, dated March 4, 1950. Several of us joined in a communication to him asking him to express the views of his Department with respect to this legislation. I will put all of the letter in the RECORD, but at this time want to read one paragraph which says:

> While the Department of Defense has not officially reported to the Congress on the proposal, as a matter of general policy we have heretofore supported all reasonable measures designed to provide a strong, productive, and efficient mining industry. Such support has been based on the theory that a healthy mining industry is necessary in the interest of national security.

Certainly it would seem strange that in the past we should spend $16,000,000,000 on our Military Establishment, this year I assume it will run something like $13,500,000,000 dollars, and still do not make the necessary preparations to have the minerals and metals back of our Defense Establishment to keep it in operation in the event we get into a war—and must have them here at home.

During the last war we lost 52 out of 56 ships bringing bauxite from South America. Bauxite is the base for the manufacture of aluminum used in the production of aircraft. We understand that the Russian submarine fleet is a far greater fleet than the Germans had at the peak of their successes. The Russians are continually improving their submarine fleet until, as we understand it, they expect to have a thousand submarines of the very best type.

Mr. Speaker, we cannot depend upon an overseas supply. I hope the rule will be adopted and that this bill will be voted by a heavy majority of the House.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. PETERSON. Mr. Speaker, I yield one-half of the time to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

(Mr. D'EWART asked and was given permission to revise and extend his remarks and include certain tables.)

Mr. D'EWART. Mr. Speaker, I am supporting S. 2105, although I do not like the bill, and if you will read the report you will find that the committee does not like it too well, either. The legislation has to be justified in large part by the need for certain critical and strategic minerals which are essential to our country in the event of war. Without adequate manganese, chrome, mercury, tungsten, and others, there is no sense to our $13,000,000,000 war-preparation program, because war cannot be carried on successfully without these metals. Neither is there any sense to that part of our $600,000,000 strategic-material-acquisition program, which is being used for the purchase of many things but not for these strategic metals. The other purchases cannot provide a satisfactory or successful program without these metals. The kind of steel used in our war machines cannot be made without manganese, chrome, and tungsten. This bill proposes to make a domestic supply of these metals available to us.

What is the present situation in this country with regard to the production of these strategic metals? Let me repeat in part what I said before this House on last October 17.

The domestic mining industry of the United States has deteriorated to such a degree that the needs of the Nation could not possibly be met if war should

come now. The complete folly of a national policy that has permitted vital segments of our mining industry to wither and die would be paid for by the greatest suffering our Nation has ever known, perhaps by defeat itself. This policy has had a twofold effect on our security. It has practically destroyed large segments of the mining industry and it has made it virtually impossible to develop new mines.

We have evidence that the United States is fully capable, under a sensible mining program, to produce 100 percent of our total requirements of manganese for several hundred years; 25 percent of our chromite needs for 100 years; 100 percent of our tungsten and mercury requirements for an indefinite period, and possibly 25 percent of our mica requirements.

The record shows that in the 1941–44 period there were from 400 to 500 manganese, tungsten, chromite, and mercury mines in production in the United States, as well as several hundred small mica operations. All but a few of these are now closed and abandoned. The United States Bureau of Mines has estimated that only 37 producers made shipments of manganese, chromite, tungsten, and mercury in the first half of last year. No mica mines were known to have been in operation, and our sole domestic supply came from byproduct operations.

Today many of these 37 producers have been forced out of operation, and it is fair to estimate that there are not more than 12 mines in the United States actively producing manganese, chromite, tungsten, mercury, and mica.

Our domestic production of these highly critical materials has been permitted to decline from 700 to 800 mines in 1941–44 to about a dozen in 1950.

While one side of administration policy talks war and containment, another side has left us totally unprepared to defend ourselves.

Closed and abandoned mines cannot be opened at the shot of a gun. New mineral deposits cannot be developed after we have been attacked. In order to be adequately prepared for any eventuality, we should have not a dozen but many hundreds of mines actively at work producing the strategic and critical materials I have mentioned.

This bill proposes to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals. It is proposed to do this by two methods. The first is participation in the costs of maintaining mining property in stand-by condition. The second is by purchase of all or part of the metals or minerals resulting from operation of a mine.

Simple contracts will be drawn up upon application, where it is found advisable under the provisions of this bill to maintain a mine or produce a strategic material.

This is not the first time the House Committee on Public Lands has proposed legislation to solve our national mining problems. One other bill was passed by the Congress and vetoed by the President.

We have studied a number of possible solutions. For example, a protective tariff or quota would give our domestic mining industry an opportunity to exist. The proper use of stock-piling authority under the buy-American clause would keep the industry going. We could consider tax incentives. We could have followed the course suggested in the bill the President vetoed. Because none of these could be reconciled with other administration policy we have presented the bill now under consideration.

It is a fact that our mines are closing down. It is a fact that we must increase our self-sufficiency in these strategic and critical materials. The sponsors of this bill admit it is not the solution they would like to bring before this House, but this seems to be the only solution to the problem which will be acceptable to the administration. The problem requires solution at once. To meet the present situation and to prevent a later emergency which might have very serious consequences, we ask the favorable consideration of this rule.

Salient statistics on tungsten and mercury

[Data obtained from the U. S. Bureau of Mines and compiled by the Committee on Public Lands, U. S. House of Representatives, Mar. 10, 1950]

	1928	1941	1944	1948	1949 (estimated)
Tungsten (in terms of concentrates containing 60 percent WO_3):	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
United States consumption	[1] 4,200	17,500	20,100	9,300	5,200
Imports [2]	[1] 3,001	12,107	19,330	7,931	6,594
Domestic mine shipments	1,208	6,567	10,283	4,005	3,000
Number of domestic shippers or producers	14	68	112	27	14
Percent of imports to total new supply	71	65	65	66	69
Percent of domestic mine shipments to total new supply	29	35	35	34	31
Percent of imports to consumption	71.4	69.2	87.5	85.3	127
Percent of domestic mine shipments to consumption	28.8	37.5	46.5	43.1	58
Average price per unit received by producers at the mine (weighted price per unit of 20 pounds)	$10.40	$23.41	$23.35	$26.27	[4]
Quoted price [3]	$10–11	$23–27	$24–26	$28–30	[5] $28.50 [6] $18–25
Mercury (in terms of flasks containing 76 pounds of mercury):	*Flasks*	*Flasks*	*Flasks*	*Flasks*	*Flasks*
United States consumption	32,300	44,800	42,900	46,253	37,000
Imports [2]	14,562	7,740	19,553	31,951	98,612
Domestic mine shipments	17,870	44,921	37,688	14,388	9,400
Number of domestic producers or shippers	54	197	102	20	3
Percent of imports to total new supply	45	15	34	69	91
Percent of domestic mine shipments to total new supply	55	85	66	31	9
Percent of imports to consumption	45	17	46	69	25
Percent of domestic mine shipments to consumption	55	100	88	31	267
Average price per flask (quoted) [3]	$123.51	$185.02	$118.36	$76.49	$79.46

[1] Estimated.
[2] Imports for consumption, including stock piling.
[3] The quoted price is frequently higher than the actual selling price.
[4] Not available.
[5] Domestic.
[6] Foreign material.

Salient statistics on manganese and chromite

[Data obtained from the U. S. Bureau of Mines and compiled by the Committee on Public Lands, U. S. House of Representatives, Mar. 10, 1950]

	1928	1941	1944	1948	1949 (estimated)
Manganese (in terms of ore containing 35 percent or more manganese):	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
United States consumption	[1] 531,516	1,310,458	1,595,098	1,538,398	[2] 1,330,428
Imports [3]	[4] 479,033	[4] 1,562,133	[4] 1,157,932	[4] 1,256,597	[4] 1,546,234
Domestic mine shipments	52,483	87,794	247,616	131,100	125,828
Number of domestic producers or shippers	38	91	133	[5] 7	[5] 8
Percent of imports to total new supply	90.1	94.7	82.4	90.6	93
Percent of domestic mine shipments to total new supply	9.9	5.3	17.6	9.4	7
Percent of imports to consumption	90	119	73	82	89
Percent of domestic mine shipments to consumption	10	7	16	9	9
Average price per unit (year end prices per long ton unit (22.4 pounds) of 48 percent manganese)	$0.54	$0.65	$0.0738	$0.70	$0.0818
Chromite:					
United States consumption	243,322	800,402	848,449	875,033	[2] 673,000
Imports [3]	242,583	1,115,292	848,390	1,542,076	1,204,000
Domestic mine shipments	739	14,259	45,629	3,619	370
Number of domestic producers or shippers	[6]	41	144	5	[7] 2
Percent of imports to total new supply	99.7	98.7	94.9	99.8	99 (+)
Percent of domestic mine shipments to total new supply	0.3	1.3	5.1	0.2	−1
Percent of imports to consumption	99 (+)	139	99 (+)	176	179
Percent of domestic mine shipments to consumption	−1	2	5	−1	−1
Average price per long ton (year-end price per long ton of 48 percent Cr_2O_3 content)	$22	$47	$43.50	$39	$39

[1] Apparent or estimated consumption.
[2] The steel strike was an important factor in the drop in consumption under 1948.
[3] Imports for consumption, including stock piling.
[4] Includes imports of ferromanganese in terms of ore.
[5] 1 company, the Anaconda Copper Mining Co., produced 96 to 97 percent of the domestic production of manganese which it mines as a byproduct operation in conjunction with its copper and zinc mining operations conducted at Butte, Mont.
[6] Not available.
[7] There was only 1 shipper of chromite in the fourth quarter of 1949. The very small tonnage produced indicates the material was obtained from old mine dump or from surface outcroppings and not by a true mining operation.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Nebraska.

Mr. STEFAN. Has the gentleman figured out how much this bill would eventually cost?

Mr. D'EWART. It cannot exceed $240,000,000, $80,000,000 for 3 years. After that no new contract can be entered into, and at the end of two more years all contracts are to be terminated. It is an authorization bill to step into an emergency to protect us as we find the situation now. We hope that it will end and all contracts terminate under the law in 5 years.

Mr. STEFAN. When these mines get to operating and you start producing manganese and other strategic materials, what will happen to these mines if materials of similar kind come to this country from foreign countries at a lower price?

Mr. D'EWART. If that happens at the end of the contract the small mining industry will still go on the rocks. We hope at that time to have legislation such as the committee would like reported to take care of the situation, but we cannot get it through at this time.

Mr. STEFAN. Then you have no assurance that the American mines will continue if these trade agreements we have with foreign countries continue, allowing similar material to come here at a lower price to compete with the American products?

Mr. D'EWART. I think if that situation continues there is no way even with subsidies we can continue indefinitely to keep these properties open.

Mr. STEFAN. Would this stimulate the operation of the pilot plant we have along the Missouri River?

Mr. D'EWART. This does not contemplate the stimulation of the pilot plants.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. CASE of South Dakota. Is it the intention of the committee to offer an amendment covering manganese and mica? I notice the Senate bill originally does not carry it.

Mr. D'EWART. There will be committee amendments to include manganese, chrome, mica, tungsten, and other minerals.

Mr. CASE of South Dakota. In other words, this bill will have the same merit that we sought to put into it when we passed it a couple of years ago, and had manganese and mica in it.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. BYRNES of Wisconsin. The gentleman has painted the picture of the sad plight of the mining industry. I wonder if at this time or when we go into the Committee of the Whole we can have an explanation as to the basic causes for this plight in which the industry finds itself. Is it primarily importations, foreign competition, or what is it?

Mr. D'EWART. I do not like to take that time under the rule, but I should like to discuss it when we get into the Committee of the Whole. There are several things entering into the picture, and the House should know what they are.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Oregon.

Mr. ANGELL. Mr. Speaker, I am supporting the bill under discussion but I want to discuss another subject, namely, civil rights in Portland, Oreg., my home city.

Mr. Speaker, I am happy to report that my home city of Portland, Oreg., in my congressional district, was selected by the National Conference of Christians and Jews as the American city which demonstrated the most improvement in its treatment of racial and religious minorities in 1949.

This problem was intensified in Oregon and particularly in my congressional district by reason of the great influx of population during the war and in the postwar period. In the prosecution of the war many thousands of workers came from all over the United States to the Northwest and to Oregon to work in the shipyards and other enterprises engaged in war construction. Many of these workers remained to become permanent residents of Oregon. In addition there has been a great influx of newcomers since the close of the war. As a result Oregon has had the greatest percentage of increase in population of any State in the Union following the war, some 59 percent.

Among the newcomers were many Negro citizens. The Negro population rose to about 22,000 in my congressional district during the war but now is estimated to be between 10,000 and 18,000. Before the war the Negro population was less than 2,000.

As a part of these remarks I include an editorial entitled "Civil Rights in Portland," which appeared in the Oregonian in its issue of February 20, 1950, and also two news articles which appeared in the Oregon Journal on February 19, 1950:

[From the Oregonian, Portland, Oreg., of February 20, 1950]

CIVIL RIGHTS IN PORTLAND

In the constant effort of people of good will to abate and abolish, if the latter may be possible, discrimination because of race, color or religion, it has been necessary to emphasize each incident of such conflict to point the necessity and convince the indifferent. These are defensible tactics, so long as the facts are stated fairly and not emphasized beyond their real significance. We have felt all along, however, that Portland's score on the discrimination chart was about average—certainly not much worse or not much better than other northern cities of comparable size and economic situations.

It is rather a dubious distinction, therefore, that has come to Portland in its selection by the National Conference of Christians and Jews as the American city which demonstrated the most improvement in its treatment of racial and religious minorities in 1949. To accept the award with community pride, we must concede that we were pretty bad to begin with. We have ceased beating our wife—or almost.

But if our pride is hurt as well as inflated by this acknowledgment, there is consolation in exposure of our errors and determination to do better. The influx of population which brought new problems—or, at least, emphasized the old ones—in wartime apparently is to continue. It is our clear responsibility to maintain and improve the good racial and religious relations for which we have been rewarded, and which more than 40 organizations and many individual citizens have worked unselfishly to achieve.

We never have thought that laws alone will end discrimination. This must come from the hearts of the people. On the other hand, the legal rights of minorities must be protected if we are to hold our heads aloft and look our neighbors in the eye.

The municipal council Tuesday will conduct a hearing on a civil rights ordinance introduced by Mayor Dorothy Lee on recommendation of a united committee of citizens. The ordinance would provide methods of enforcing the rights which all citizens have been guaranteed under the Constitution—equal rights to service in hotels, restaurants, amusement establishments, and other public places. The ordinance should be approved.

[From the Oregon Journal, Portland, Oreg., of February 19, 1950]

EQUAL RIGHTS AWARD GOES TO PORTLAND—CHRISTIANS, JEWS GROUP SPONSORS PRESENTATION

An award of national significance—the community human relations award—will go to Portland this week for the city's work toward equal rights for all.

The presentation will be a feature of a $25-a-couple banquet Tuesday night at the Multnomah Hotel as part of National Brotherhood Week activities February 19–26. Sponsors are the National Conference of Christians and Jews.

An individual citation will be given E. B. MacNaughton, publisher, banker, and college president, for his work in bettering relations between religious and racial groups.

Speaker of the evening will be Benson Ford, a grandson of Henry Ford and general manager of the Lincoln-Mercury division, Ford Motor Co. His subject will be: Some Unfinished Business for Americans.

Mayor Lee will accept the community award from the conference vice president, Dr. William Young, of Los Angeles. The annual recognition was given for the first time last year, going at that time to Minneapolis and St. Paul.

The award states it is conferred on Portland "for progress in developing respect and equal rights for persons of all groups and for giving example and inspiration to other communities in the building of brotherhood."

MacNaughton, who served as first chairman of the Oregon chapter, NCCJ, will be cited for his leadership in promoting "better intergroup relations among the religious, racial, and nationality groups of the community."

Edgar W. Smith, president of the Portland Chamber of Commerce and chairman of the State board of higher education, a member of the chapter's advisory board, will be toastmaster.

The 22-year-old organization was created to reduce racial and religious tensions, with an initial budget in 1928 of $3,000.

The Oregon chapter was started in the early thirties as a rather informal group of men interested in improving community relations. It was not until after the last war that a full-time Portland office of the NCCJ was opened.

PORTLAND LEADERS LAUD PROGRESS IN EFFORTS TO ELIMINATE BIGOTRY

(By Jack Roberts)

Portland's winning the second annual Community Human Relations award of the National Conference of Christians and Jews is a measure of the city's progress in erasing bigotry, conference officials said last week.

Said R. C. Grady, executive secretary:

"Particular credit belongs to a large number of civic, youth, religious, and governmental organizations and to the leaders in them. Much of Portland's story can be told in terms of key people."

These are a few of them:

Dr. Myron C. Cole, pastor of First Christian Church, is chairman and active organizer in two significant committees—Mayor Dorothy McCullough Lee's committee on intercultural relations and the United Committee on Civil Rights.

No longer a newcomer to Portland—he arrived here in 1946 after an outstanding pastorate in Cincinnati—Dr. Cole had been active on Cincinnati's friendly relations and racial amity committees.

The mayor's committee was created in 1949 during the first month of Mayor Lee's term of office. Its studies brought the second committee into being. Both have avowed aims of ending discrimination.

A hard fighter for the things in which he believes, the Reverend Mr. Cole has been a human catalyst, his friends say, in bringing together 42 organizations in the united committee.

The Kansas-born minister, father of two children, pointed out:

"In the past year I have seen the intensification of the genuine spirit of the feeling of brotherhood in Portland. The church, the synagogue, labor organizations, and educational institutions have reiterated with more emphasis the things that make democracy live."

Not all of the goals have been attained, he warned: "The continued effort to educate all citizens—regardless of race, color, religion, or national origin—on the intrinsic worth of the individual as a human being, and the furthering of legislation, in reality a form of education, must be made more widely understood."

David Robinson, Portland attorney and Jewish leader, known to thousands of children as "the man who gives away rose bushes," consider his battle with history a personal one. Religious and racial intolerance has been "a problem close to my heart for years." He remembers religious persecution his mother suffered in her early years in Russia.

The 60-year-old attorney was instrumental in making possible the Fair Employment Practices Act passed by the Oregon Legislature in July 1949. He was chairman of the sponsoring committee, and later of the FEP advisory committee.

A leader in the early informal years of NCCJ in Oregon, he has since withdrawn for personal reasons.

He is president of the Urban League of Portland and a leader in B'nai B'rith and the Anti-Defamation League.

"Prejudice is a terrible, terrible thing; it is prejudging a man because he is a Catholic, Jew, or Protestant," said Robinson. "We have made progress here, but so has the whole country made progress."

"I would rejoice in any real occasion for recognition but I am being objective and factual when I say I see this as an arbitrary award."

Intolerance still stalks the city, Robinson said, pointing as an example to Portland's many private clubs which still exclude Jews from membership.

Robinson called the Very Reverend Thomas J. Tobin, Catholic vicar of the archdiocese, "the man who makes interracial amity a year-round program."

Father Tobin knows the problem of the Negro well. His work has brought into being the Committee on Interracial Principles and Practices, intended to study and solve vocational problems of the Negro, and the Office for Vocational Opportunity, a counseling and job-placement office.

"At present Negroes are employed in more capacities in retail stores than they were," said Father Tobin. "Immediately after the last war there were virtually no Negroes employed by stores in any other capacity than as maids and janitors. A number of unions refused to admit them to membership, and most restaurants and downtown hotels refused to serve them. The attitude of the white population was not good."

Today, he said, more hotels and restaurants and most theaters admit Negroes, "and the picture is very much brighter concerning labor unions."

"Taking people at their own value and not in terms of their color or social position is the real heart of social studies," commented Dr. Verne D. Bain, assistant superintendent. "Mr. Wolfe's work is to get the program across in the classroom through the teachers. In one sense all our teachers are engaged in the goal of better understanding human relations."

One particularly bright spot, say NCCJ people, is Portland schools, where discrimination is taboo. In postwar years Negro teachers have been employed.

Portland schools were "handpicked" by NCCJ as one of the 18 school systems across the country to take part in a 3-year intergroup activity program starting in 1945. The schools, through Ray Wolf, social studies supervisor, have continued the program on their own.

Wolf, considered by council leaders an example of a person able to foster improved relations through his work, is a member of the council's national commission and chairman of the State commission on educational organizations.

John C. Plankinton, retired in 1944 after 10 years as president of the YMCA board. The present chairman of the Oregon section of the NCCJ, Plankinton was instrumental in reactivating the local organization with a full-time office in 1948.

Plankinton's spadework for better relations bore fruit with the city clubs' 1944 report on the Negro in Portland. The result of a year's study by a committee headed by Plankinton, the report was the forerunner of events leading up to some of the improvements apparent today, Plankinton and others feel.

Plankinton pointed out Portland's Negro picture has changed drastically since before the war. Prewar Negroes numbered less than 2,000. A peak Negro population of between 18,000 and 22,000 was reached during the war, and this has tapered off to an estimated 10,500 today.

"I think the Negro's ambition is to be given equal opportunity only, like any American citizen. He asks no other favors," Plankinton said.

Government and private enterprise also were praised by the council leaders. Typical of good employment practices, they said, is Bonneville power administration, where people of many races work side by side.

"We take this thing pretty seriously as far as hiring is concerned and we have for a long time," commented Merrill Collett, Bonneville personnel director. "We employ solely on the basis of ability."

Mr. Speaker, before I became a Member of the United States Congress I served for a number of years in the Oregon Legislature and while there I sponsored civil rights legislation and carried on a continued fight for the enactment of the bills for that purpose which I introduced. I am glad to report that the Oregon Legislature has since adopted a State FEPC Act which I am advised is effective and workable. A Republican Governor of Oregon has opened the ranks of the National Guard to all races and religions and recently the city of Portland passed a civil rights ordinance.

In accordance with my support of FEPC legislation throughout my public career I supported the bill, H. R. 4453, when it was before the House recently and voted against all amendments to take the teeth out of the bill and weaken it. I hope that either in the Senate or in conference the effective provisions of the bill removed in the House will be restored so that it will become an effective vehicle to accomplish the objectives as set out in the original measure.

(Mr. ANGELL asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. ENGEL of Michigan. Mr. Speaker, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. ENGEL of Michigan. Mr. Speaker, having taken a part in the floor debate on this bill when it was before the House in October, I want it known again today that I am as intensely interested as ever in enactment of Senate bill 2105. This bill provides for a subsidy on copper. I am interested broadly because of its importance to national defense and secondly because the upper peninsula of Michigan, and particularly the copper area of that section has one of the highest unemployment records today in the United States.

Last fall, according to the tabulations of the Michigan Unemployment Compensation Commission, 39.2 percent of the workers in Michigan's upper peninsula were unemployed. At that time out of 5,000 copper workers in that section only 400 were employed. The situation remains substantially the same today.

Last session the House passed a bill providing for an international wheat agreement. Under this agreement the Government buys wheat at $2.14 a bushel and sells it at $1.80, a loss of 34 cents a bushel. We are paying hundreds of millions in subsidies on farm products, as has been constantly brought to our attention in recent weeks. If it is logical to pay subsidies for the support of agriculture, and it is if only we can get a reasonable program, it is equally logical to pay subsidies to keep these 5,000 workers in the copper mines employed. I cannot see how anyone can justify supporting one program and not the other. It is much cheaper to pay a subsidy of a few cents a pound on copper and keep these men employed than it is to support them on relief. It must be one or the other.

As I did in October, I want to discuss this question from a national defense point of view, for I have been a member of the national defense subcommittee of the Appropriations Committee for 14 years. In view of this experience, sound national defense is naturally my primary legislative interest. During the war we encountered such a great shortage of copper that we had to coin our pennies out of iron instead of copper. Now we are again spending hundreds of millions for stock-piling critical items, copper included.

On August of last year the Subcommittee on National Defense Appropriations

had before it the Munitions Board which had charge of the stock-piling program. Capt. T. D. Jacobs, United States Navy, Chief of the Stock Piling Division, Office of Materials Resources, was one of the witnesses. On page 9 of this testimony we find the following:

Mr. ENGEL. Is not the best copper stock pile you can have an operating copper mine in this country?

Captain JACOBS. That is one of the best stock piles that we can have. We must have that production.

Mr. ENGEL. You must have our copper mines operating. If these mines are closed down and water once gets into them, they are through, are they not?

General SPALDING. That is right, in some cases.

This testimony disclosed that copper was 23½ cents a pound a year ago and dropped to 17⅝ cents a pound. Again I quote the testimony:

Mr. ENGEL. Suppose that those copper mines close and go out of business, which some of them probably will, then you would lose that source of domestic production, would you not?

Captain JACOBS. If they were to close permanently we would.

Mr. ENGEL. Of course, putting 5,000 men on relief, which is what will happen (if these mines are closed), will be much more costly than paying the differential between 17 cents and the operating cost of that mine.

Mr. WALSH. There is no question about that.

Major General Spalding is or at least was then the Acting Director for Industrial Programs, and Mr. Walsh was Captain Jacobs' expert on the subject. This testimony is very interesting. In my judgment, it is absolutely essential and necessary that these copper mines be kept operating from a national-defense point of view. They make up the best stock pile we can have have. Copper we mine in America cannot be sunk on the high seas. When we take into consideration the cost of procuring this copper in foreign countries, the cost of transportation and particularly the fact that we are throwing out of employment thousands of copper miners and losing the purchasing power of the dollar that goes overseas, there can be no question about the passage of this bill. The dollar we spend overseas does not always come back.

COPPER AND ECA

The Economic Cooperation Administration purchased hundreds of millions of pounds of copper during the last year running into millions of dollars. In the face of this situation less than 30 percent of the copper purchased was mined in the United States and 70 percent in foreign countries. It seems to me it is silly to buy hundreds of millions of pounds of copper overseas, give that copper away, and then argue about spending a few cents a pound on a copper subsidy program to keep these thousands of copper miners working.

I have supported the subsidy on copper for years and shall continue to do so. How can we justify purchasing copper in foreign countries at a savings of a few cents a pound when it will cost us many times the amount of savings we make to keep our own copper workers on the relief roll? If there ever was a penny-wise, pound-foolish policy, this is it.

I made a similar statement when this same bill was before us last October and nothing has happened in the few intervening months to alter my conviction. The facts are exactly the same now. Senate bill 2105 should be passed in the interest of our country's economic health and, specifically, in the interest of that most fundamental of all elements of national defense—our Nation's productive capacity, basically self-sufficient to the greatest possible degree.

Mr. PETERSON. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, except for the fact that this bill has been sold to the majority as a bid for the votes of the Western States affected it would not stand the slightest chance of being adopted. My feelings about the bill would be different if I thought it necessary to national defense but the hearings conducted by the Rules Committee on the application for a rule did not establish that as a fact. In view of the condition of the Treasury and the great difficulty the Committee on Ways and Means is having in its endeavor to find something to tax, this rule ought not to be adopted and, if adopted, the bill ought not to pass.

Mr. CRAWFORD. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, I dislike very much to disagree with my colleagues from the mining States on this bill. I voted against the bill we passed in the Eightieth Congress and I shall vote against this bill today. The bill is not a part of the President's program. There is no provision whatever made in the budget for the $80,000,000 expenditure which this bill will provide for this year, or for succeeding $80,000,000.

Furthermore, the bill now before us is not the bill which came over from the other body. It has been very radically amended. The hearings which were held on the bill before the other body dealt entirely with three metals, copper, lead, and zinc. That provision has been stricken out of this bill and at the moment, as this bill is written, it can be used for any mineral under the sun which can possibly be found in the United States. The bill is so loosely drawn that you would not even know whether iron ore could be explored for under it.

There are probably 120 different metals which might be covered by subsidies under this bill. This bill, furthermore, has stricken out from the Senate bill the provision that the Federal Government can receive back out of profits which might be made by a mining company money which the Government advanced for exploration costs. That has been stricken out of the bill so there is no recovery of exploration costs possible as the bill is now written.

Mr. Speaker, what actually is the situation with regard to metals in this country? During the war period we needed metals and needed them badly. We gave incentive payments to a great many submarginal mines in order to increase our production. It was a good policy. It prevented the price of all minerals rising and allowed the submarginal mines to produce at a reasonable profit.

After the war period there was such a demand for metals that most metal prices remained very high, but it was obvious that the unusual pent-up demand for our industrial requirements and stock-piling requirements would not continue. This legislation was brought in during the last session of the Congress and is again now before us, in order to bolster up those mines which cannot produce economically. The excuse given is that it is in the interest of the national defense. I defy any Member to find in the hearings a single word from those individuals who are responsible for our national defense, indicating that this bill is either desirable or as it is now written, that it is a must in connection with our national defense. There is nothing in this bill to require our stock-piling official to buy one ounce of a single metal of any kind whatsoever. They can do so if they wish. Metals can be offered to them, but they are not offered to them at prices which conservation payments make for those minerals. They are offered at current market prices, the Government absorbing any loss that might be involved.

If that is not the same principle as the incentive payments to which some people claimed there was objection when the President vetoed the bill 2 years ago, I cannot, to save my life, see where the difference lies. There are other provisions in this bill which are extraordinary from the point of view of the looseness with which it is drawn.

A board, consisting of four Cabinet officials, with all power really resting in the Secretary of the Interior, has the most amazing power under this bill to determine what prices, for one thing, it will pay to any single mine, or any producer in this country, preference being given to the small ones for any mineral which that particular producer may bring out of the ground.

There is no uniformity of any kind as between mines. Two mines adjacent to each other may be paid entirely different prices for what they bring out of the ground. There is an extraordinary preference given to small mines, and the small mine figure is determined under a definition as applying to any mine which in any one month produces the equivalent in dollars of 100 tons of lead. That is $20,000 or $25,000 at current prices. Those mines can be given, first any price that the board may determine, there is no limit to it, in order to keep that mine running and running profitably.

In the second place, they can be given exploration bonuses.

In the third place, and this has been written in by the House as an amendment, working capital can be advanced to any mine in order to produce.

I regret extremely that there is not further time to go into this matter, but it seems to me that this House should go very slow before pushing forward a

$400,000,000 expenditure of this kind at this time.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. HERTER] has expired.

Mr. CRAWFORD. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Speaker, I had planned to speak on the bill tomorrow when it comes before the House for consideration, but in view of some of the remarks just made about the resolution now before us, and the matter of granting a rule, I want to take a few minutes at this time to present my own view of the matter from the standpoint of national defense.

You will quickly recognize that I come from a corn-hog district, and I have no mines, and therefore I am an interloper in this field, as far as the direct interests of my own district are concerned. But I had a baptism of fire while serving on the Military Affairs Committee for 8 years, and I know how we sweat blood in our search for metals and materials that we had to have for the war effort. I am not ready, yet, to dismiss lightly the annual report of the Munitions Board that came out January 1, telling us the terrible news that our stock pile today is only 30 percent of the yardstick we set back in 1946 for a 5-year program, 4 years of which are already gone. I am critical of the Munitions Board for not giving more attention to the mining industry, and I consider this bill as highly essential to back up the men behind the man behind the gun. I am not going to accept lightly a 30-percent stock pile. I do not want to be a party to making the small mines have a tougher time. I know that the mining industry generally is a sick industry.

I did not sit in on the final drafting of this bill. As a visitor, I did sit long hours with the Committee on Public Lands on the Allen bill (H. R. 1602) in the Eightieth Congress, and the Russell bill, also. I sat in on some of the hearings on the bill S. 2105 of this Congress. I have taken more than usual interest, I believe, in this field, primarily because of my interest in the national defense. It is time America woke up to the need of a good, healthy mining industry within our own land. I have witnessed the critical and strategic material list grow from a small number in 1939 up to 71 listed in this year's report of the Munitions Board, and the list is not being reduced as to any particular metal. It is high time we were getting out and doing some research, development, and exploration that will narrow this list of strategic and critical materials. There are a few Members of the House who need to study carefully the real distinction between critical material and strategic material, and find out why I am so interested in this thing and why I think it is highly important that we get this measure before the Congress and have it out, once and for all. Let us face this thing squarely and not settle for any 30-percent stock pile and a sick mining industry to back it up.

Mr. Speaker, I yield back the remainder of my time.

Mr. PETERSON. Mr. Speaker, I yield 1 minute to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, I take this time merely to ask the distinguished chairman of the committee whether I am correct in believing that subsections (d), (e), (g), and (h) of section 7 cover and are intended to cover sheet mica as well as amorphous mica, graphite, and tin?

Mr. PETERSON. Yes; the gentleman is correct in his interpretation. This is substantiated also by reference to page 4, subsections (g) and (h).

Mr. HOBBS. I thank the gentleman from Florida.

Mr. PETERSON. Mr. Speaker, I yield 5 minutes to the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Speaker, my talk is not merely a speech. It is a direct and out-and-out appeal. I am going to appeal to the intelligence of you gentlemen assembled here today, as well as to your ability to perceive the emergency which I am going to describe to you. For many long months our western delegation has worked toward getting some mining-aid legislation passed, which would help the struggling small mine operators who are suffering from insufficient mining assistance. For many long months most of our efforts have been in vain. I am not casting any insinuations upon anyone here, for I realize that there are many among you who do not understand the mining situation as it exists. That is why I have asked permission to describe the desperate plight which our mine operators are facing today.

First, allow me to say that the mining people whom I represent do not ask many favors from life. They are a rugged lot of individuals, and what they get is earned the hard way. Right now they need help, and they need it badly. Furthermore, they cannot understand why there is aid for the farmer, and aid for everyone else, both here and abroad, but nothing for the miner. My people at home have turned to me, their Representative, with hope in their eyes and a prayer on their lips, for the help which they justly deserve. This mining-aid legislation now at hand must go through, or I will not have the heart to face them.

Immediately after my election to Congress last year, I began to work strenuously toward a mines incentive program which would bring relief to our domestic mining industry. My colleagues and I worked hard to have the Murray-Engle bill passed, which legislation would have pumped new blood into a dying industry. This measure was brutally ignored. The hearts of the small-mine operators sank. One mine after another began to close. They are still closing. The mining areas of my State are suffering from a threatening condition of unemployment. But this is not all. The mine operators are wondering about the unwillingness, or the inability, of the men in Washington to see what the closing of our mines would mean to this country, if we were faced with another war. I am not a warmonger, and God knows that I hope that we never have to engage in another war, but I believe that we should face the facts. ECA funds are now being expended overseas for the exploration of strategic metals, but not a dime has gone into the exploration of our own domestic resources. In view of the calamity which would face us if our own sea lanes were cut off, could there be a more vital measure than the one which we are now considering? As you well know, our domestic mining industry is the very backbone of our national defense. Closed, abandoned mines—and they are closing every day from insufficient aid to keep them open—are more difficult and more expensive to reopen, than new ones are to open.

As I said before, it was obvious that the Murray-Engle bill, which had almost the unanimous approval of the mining industry, stood no chance of passing. The stricken mine operators, sickened and discouraged by the deaf ears which were turned on them in Washington, saw a faint hope in the mining-aid legislation, namely, S. 2105. They have turned to this piece of legislation as a drowning man clings to a straw. They know that it does not offer the help which they had hoped for in H. R. 976, but they also realize that half a loaf is better than none. This legislation which I am urging you to pass, namely, S. 2105, might be a "shot in the arm" to a dying industry if properly administered. It is not the mines incentive bill which we had hoped for, because the small and marginal operators are largely left out of this legislation, but it would at least be a foot in the door. Actually it is a compromise measure. Government agencies have even sought vigorously to delete the depletion and depreciation allowance which is contained in this legislation. Big business has fought the mines aid bill because they want to amortize off their foreign investment at the expense of domestic mining. And we have the ridiculous statement of one of our department heads about putting miners on relief and giving them job training for other occupations. This, indeed, is a sad commentary, and one which indicates the childish attitude taken by some persons serving in high positions.

I am bringing these facts before you, gentlemen, to present to you the true picture. That we possess untold domestic mining resources is well known to us, but we need Federal aid to encourage our mine operators to expand, to hire more men, and generally to pump new life into the local mining picture. S. 2105 would help to do this, even though it is principally an exploration measure. It would be a stepping stone to help keep the small mine operators on their feet until we can fight for some permanent legislation that will help keep the domestic mining industry healthy for all time to come.

It is vital that a feasible plan be worked out whereby we will not have to compete with foreign imports of metals, mined by low-priced labor. The present Government policy insidiously insists that we maintain our general standard of living through price supports of other commodities, which means higher wages and increased costs of equipment and sup-

plies for our mines, and forces our mines to compete with cheaply produced imported metals. Since the Government insists that the foreign policy is necessary in order to fight the progress and spread of communism we must insist, for the safety of our own Nation, that all metals imported be placed in the Government stock pile so as not to compete with our domestic production. S. 2105 is designed to assist the little fellow who does not have an international bank roll back of him.

In view of the desperate situation which faces our western miners, as well as the threat which this inaction which we have had to contend with offers to our national defense, and because big business which imports these strategic metals that are mined by cheap foreign labor has held us off too long, I appeal, beg, and beseech you to see that this mines' aid legislation is passed. It is either act now or get out of mining.

Mr. CRAWFORD. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman who just spoke said that this measure in a great many instances provides a shot for a dying industry. I know of many industries that are pretty sick, particularly the coal industry.

Under section 4 of this bill could not the Board determine, for instance, the maximum and minimum amounts of Government participation in costs of mine maintenance with respect to any mineral or metal? In other words, this Board could determine whether or not to pay some money to a coal-mining industry for cost of development and for cost of maintenance and operation?

Mr. SHORT. I question whether it could do that. It is pretty broad language, I know. Would the gentleman wait until we get to a discussion of the bill itself?

Mr. EBERHARTER. The report states:

> The committee reluctantly accedes to the provisions of section 4 of the bill which provides that the Board alone shall determine the minerals and metals—

And how much money allocated by the Congress shall be paid to each mining industry or to any particular one. So that this Board would have complete and absolute control and even the Congress itself could not say how much money should be devoted to any particular mining activity. Is that not correct?

Mr. SHORT. The Board certainly has broad discretionary power; in fact, broader than I would like to see it have. I do not know how we otherwise could administer the act. However, I think this legislation applies only to nonferrous metals. I do not like the broad, blanket delegation of powers in this bill.

Mr. Speaker, often we are inclined to ignore or fail properly to appreciate the obvious. We all know that the wealth of the world comes out of the ground, I do not care whether it is forestry or agricultural products. All the minerals do. So that agriculture, with forestry, coupled with commerce, which is manufacturing and merchandising, plus mining, are the three great human activities that have contributed so much to the wealth and prosperity of this Nation. Mining is one of the three basic industries of this country. Without it we could not have a hairpin, ice pick, refrigerator, automobile, radio, tank, locomotive, ship, or airplane.

I think every well-informed person knows that today the deplorable state of our metal-mining industry in this country is rapidly becoming a national disaster. Seventy-three percent of all mines in the 11 Western States since 1940 have closed, and more than that percentage certainly have closed down in the tri-State area of Missouri, Kansas, and Oklahoma. In 1940 there were 8,246 producing metal mines in the Western States. In 1948 there were only 2,244. The percentage of closures since 1940 are: California, 77 percent; Colorado, 83 percent; Arizona, 69 percent; Montana, 71 percent; Idaho, 71 percent; Nevada, 62 percent; Oregon, 92 percent; New Mexico, 73 percent; Washington, 82 percent; Utah, 43 percent; Wyoming, 75 percent.

One of my constituents called me only last Friday and told me there was only one mine operating down in southwest Missouri. Eighty-five percent of those that are operating over the entire Nation, I may say, are operating at a loss. We know this simply cannot continue without catastrophe. When mining fails, commerce and agriculture will go under.

This bill, imperfect as it is, is better than nothing. If you cannot get a whole loaf you have to take a half loaf. I am for the bill because I believe it is necessary to maintain a sound domestic economy.

Forty percent of the population of at least one State—Utah—depends on mining. The percentage is high in many States all over the Nation. This is no local or sectional problem.

Closing down of mines adds burden of unemployment payments, does away with markets for other items such as machinery, equipment, dynamite, steel, lumber, agricultural products, and the 101 items used by mines and miners when the mining industry is active.

Cost of closing down our mines and losing our mineral reserves is far greater than the amounts provided in this bill.

Purchasing of metals at a few cents above present-day low prices is sound if by so doing we keep our mines active and at the same time build up our stock pile while men are available and machinery and equipment are plentiful as compared with shortages of both during war periods.

Government could actually make a profit from the sale of metals purchased for stock pile under this bill as was done during the recent metal shortage when metal was sold by Government to prevent certain manufacturing plants from closing down.

While other businesses, such as manufacturers of automobiles and growers of certain farm products, have been financially helped by the markets created with ECA funds in amounts of billions of dollars, mining has been injured by foreign imports and losses of domestic markets.

Some people who advocate economy at home urge expenditure of billions of dollars abroad.

Only a few integrated low-cost big mines can long endure the impact of foreign competition stimulated by the export of American dollars and the import of foreign competition.

Losses of taxes to local, State, and Federal Governments by closing of United States mines will exceed the costs of this bill to develop a healthy, active, going mining industry.

Destruction in many districts such as the Wisconsin, Vermont, Michigan, and tri-State districts will be greater than the cost of the entire program provided in this bill and in many instances will be irreparable. Mines must be kept active. When they fill with water and cave in the loss is irretrievable.

I am for this bill because it is necessary as a part of our national defense program.

If we want to economize to the extent of the foolish destruction of our national safety and security we can save billions of dollars by doing away entirely with our national defense programs and yet a sound national defense program is meaningless without a strong mining industry to back it up. How foolish it is for the Congress to vote from thirteen to fifteen billion dollars annually for our national defense—to build up a strong Army, Navy, Marine, and Air Force—unless we can supply them with the weapons and sinews of war.

It is utter folly to have thousands of trained men in our armed services unless they have the most modern up-to-date weapons and ammunition to shoot. These weapons and ammunition cannot be supplied without a strong, virile, domestic mining industry.

In time of war the belligerent nations certainly will not furnish us ammunition with which to shoot them; all neutral countries would no doubt declare an embargo on arms and ammunition and with a mighty, modern Russian submarine, it is doubtful if we could bring the raw materials from distant sources of supply to our own shores.

My colleagues, two world wars through which we have passed in our own generation should have taught us a great and painful lesson, and I trust we shall profit by it.

I am glad the gentleman from Iowa [Mr. MARTIN] pointed out the great danger that we faced when we entered this last world conflict. Men had to train with broomsticks for rifles and with stove pipes on wagon wheels for cannon, and a goods box on a truck for a tank.

Mr. Speaker, without detracting in the least from the courage, strength, sacrifice, and patriotism of our men and women who fought on land and sea and in the air to win this last war I think it is generally acknowledged that it was our most modern and up-to-date weapons that won it. In fact, Generals Marshall, MacArthur, Eisenhower, and

Bradley, Admirals Nimitz, Halsey, Radford, and Blandy, and Generals Spaatz, Aker, Doolittle, and Cannon frankly admit that it was America's industrial might and productive capacity that aided materially in the winning of this war and without which we might easily have lost it.

The battle front is never stronger than the home front, and from every standpoint we should keep strong the one industry that furnishes the implements of modern warfare. This is the chief reason we should pass this bill: to maintain and expand a healthy and sound mining industry that has contributed so much to this Nation's growth and success in both peace and war.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. CRAWFORD. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Speaker, the Public Works Committee has again postponed their hearings on the St. Lawrence seaway. There is no question but that the sentiment throughout the country is rapidly growing in favor of this great project and I feel that if it could be brought to a vote in both the Senate and the House it would be acted upon favorably.

On the opening day of the Eighty-first Congress I introduced House Joint Resolution 53 calling for such action. My resolution along with other similar resolutions are now before the Public Works Committee and I have urged that the committee favorably report a resolution providing for the completion of the St. Lawrence project.

Although my resolution differs somewhat from some of the other resolutions, House Joint Resolution 161 of the gentleman from Minnesota, Representative BLATNIK, for instance, in respect to provisions for tolls and power arrangements, all of the sponsors are in strong agreement on the desirability of early completion of this important and beneficial project. I am confident that such differences as exist can and will be resolved in the interest of the major objective of completion of the St. Lawrence project.

It is extremely important that the New York Power Authority handle the power to be generated, as my resolution provides. They are best equipped to do it and can distribute it more economically. Under the method of allocation provided by the Federal-State accord, New York State is ready, willing, and able to assume their share of the expense and should certainly distribute the power.

I scarcely need to remind you that President Truman and Governor Dewey strongly advocate the completion of the St. Lawrence project as have the Presidents and New York State Governors of this generation.

In my opinion there are four important and compelling reasons why Congress should promptly give its approval to the completion of the Great Lakes-St. Lawrence project.

In the first place, the St. Lawrence seaway will result in greatly reduced transportation costs for both producers and consumers in a very large area of the United States inhabited by nearly a third of our population. It will open to ocean traffic the great farming and industrial area of the Lake States and Middle West and stimulate interstate as well as foreign trade.

In the second place, the St. Lawrence project will develop 2,200,000 horsepower, or 820,000 kilowatts, of the cheapest electric power in the world, to be divided equally between Canada and the United States for use in the Northeast where it is badly needed.

Thirdly, the St. Lawrence project would strengthen our national defenses and directly contribute to the security of the North American continent. In these perilous times of cold war the national-defense factor must be given great weight.

Finally, the St. Lawrence project is one of the greatest public improvements now available for development in our country. It will provide thousands of jobs at a time when they may be sorely needed. It will benefit the Nation as a whole.

Therefore, I strongly urge an early report and prompt passage of the legislation providing for the completion of the St. Lawrence project.

Mr. PETERSON. Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Speaker, I want to join the gentleman from Missouri [Mr. SHORT] in the remarks which he has just made relative to the dependence of the manufacturing industry in the North and the East on the mineral industry of this country.

I also want to call the attention of the House to the great need for a bill of this kind and to express once again my disappointment that the Allen bill, which passed in the Eightieth Congress, and which was a better bill than the bill before us, was vetoed by the President during that session.

I feel that the people ought to know that our mining industry is rapidly going downhill. We have to do something about the development of what we possess if we are going to develop the wherewithal with which to defend ourselves in the future and to keep our industry going.

I was very glad to hear my colleague the gentleman from Montana [Mr. D'EWART] bring to the attention of this body the importance of chrome, because in his district he has the largest low-grade chrome deposits in the United States. At the present time, though, we are not developing those deposits, but we are importing chrome, paying high prices for it, and getting it from whatever source we can.

In my own district, in western Montana, we have the largest low-grade manganese deposits in the United States. But, they are not being developed as they should, because they are not getting the encouragement and the help which they need at the present time.

Now, you may wonder why I am speaking about chrome and manganese. Those of you who come from the big steel areas around Pittsburgh, Chicago, and elsewhere, those of you who come from Detroit and other great manufacturing centers, will recognize the fact that you cannot make the right kind of steel if you have not got the chrome and the manganese to go with it. You must also recognize the fact that if we do not develop the resources we have, if we do not give Government encouragement to this industry, that the time may not be too far distant when you may not be able to keep those steel mills going. You may not be able to make cars; you may not be able to manufacture a good many things which are necessary for our economy, and then it may be too late.

Therefore, I urge upon this House that it give favorable consideration to the bill S. 2105, that we may develop our own domestic industry, not only from the point of view of the mining States but from the point of view of the national interest, because what we produce in the West affects the industry, the economy, and the well-being of every other State of the Union.

Mr. Speaker, I am inserting with my remarks, letters I have received covering the need for this measure from friends of mine in Montana. These people—all of whom I know personally—know whereof they speak and I urge this House to carefully study their recommendations:

BUTTE, MONT., *March 11, 1950.*

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.:

Please use your best efforts to get S. 2105 out of Rules Committee, and have same passed in House. See that manganese is retained in bill when it comes up before the House.

W. MCWHITE,
President of Butte Miners Merger Corp.

MIKE HORSE, MONT., *February 5, 1950.*

Hon. MIKE MANSFIELD,
Representative in Congress,
Washington, D. C.

DEAR SIR: I am writing you to ask you to assist in the securing of the passage of the O'Mahoney mine exploration bill, which is, or will come before Congress soon.

Also in obtaining tariffs on imports of metals.

I understand large quantities of lead concentrate is being imported by this country, practically duty free which is the direct cause of many of the mines in this district to close down, putting many men out of work, and also crippling many small businesses like my own which is trucking. Ninety percent of my business is derived from mines, and if the present situation continues we will be completely out of business.

I again ask that you urge legislation to help our already disabled mining industry and put thousands of us who are dependent on this industry back to work, and also strengthen our national defense.

Yours truly,

JOHN A. THOMPSON.

AVON, MONT., *March 1, 1950.*

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

DEAR SIR: The O'Mahoney mine subsidy bill came up for discussion at our union meeting last night and I was instructed to inform you that the Deer Lodge Miners Union, No. 834, of the IUMM&SW favors the passage of this bill.

We ask that you do your best to see that this O'Mahoney bill comes up for early and favorable action.

Sincerely yours,

A. G. COOK,
Secretary-Treasurer Deer Lodge Miners Union No. 834, IUMM&SW.

PHILIPSBURG, MONT., *February 22, 1950.*
Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

DEAR MIKE: Would you kindly let me know whether, in your opinion, the present session of Congress will be able to pass Senate bill 2105 which was held up in the House by the Rules Committee? Would you please mail me a copy of the above bill and also Congressman ENGLE's bill, H. R. 6406, in regard to assessment work?

Thanking you in advance for any information you may be able to give me on any bill which may be beneficial to mining, I remain,

Sincerely yours,

WILLIAM R. MCLURE.

PHILIPSBURG, MONT., *February 28, 1950.*
Hon. MIKE MANSFIELD,
House of Representatives:

Urgently request you make every possible effort to get bill, S. 2105, out of Rules Committee to floor and support its passage, and that manganese be retained in bill as included by Committee on Public Lands.

AMERICAN MACHINE & METALS, INC.
L. B. MANNING, *Manager.*

PHILIPSBURG CHAMBER OF COMMERCE, INC.,
Philipsburg, Mont., March 18, 1949.
Re CONGRESSIONAL RECORD, volume 95, March 4, 1949, page 1893.
Hon. MIKE MANSFIELD,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN MANSFIELD: We of Philipsburg Chamber of Commerce as well as the residents of Granite County generally, wish to tell you how fine we think your introduction of the Granite County peoples' resolution to the Eighty-first Congress was. It certainly showed how thoroughly familiar you are with the problems of your constituency, and no doubt will lend greatly to the weight carried by the resolution itself.

We are enclosing herewith a report in two parts, of the committee on mines and mining of the chamber, which you will find self-explanatory, and which should be of considerable further assistance to the program, since it undertakes to go to the point on matters which, while a matter of record down through the years, needed compilation in more or less concentrated form for steady and quick reference. The extra copy is to be for any use which you find you want to make of it, where you think it will do the most good.

Again thanking you for your fine cooperation, and for your further support to our program, and with kind personal regards, I am,

Very truly yours,

PHILIPSBURG CHAMBER OF COMMERCE, INC.,
By W. C. BOWEN, *President.*

REPORT TO THE HONORABLE CONGRESS OF THE UNITED STATES OF AMERICA, IN ITS EIGHTY-FIRST SESSION ASSEMBLED, AND TO THE HONORABLES JAMES E. MURRAY AND ZALES M. ECTON, MEMBERS OF THE SENATE THEREOF, AND TO THE HONORABLE MIKE MANSFIELD AND WESLEY A. D'EWART, MEMBERS OF THE HOUSE OF REPRESENTATIVES THEREOF; AND TO THE HONORABLE COMMITTEE ON MINES AND MINING OF THE COMMITTEE ON PUBLIC LANDS, AND ALSO THE ARMY AND NAVY MUNITIONS BOARD, AND/OR OTHER APPROPRIATE COMMITTEES AND/OR BOARDS, ON GEOLOGY, STRATEGIC MINERAL DEPOSITS, AND PRODUCTION OF THE PHILIPSBURG MINING AREA, INCLUDING SEVERAL UNORGANIZED MINING DISTRICTS IN THE COUNTY OF GRANITE, STATE OF MONTANA

GENERAL DESCRIPTION

Philipsburg, the county seat of Granite County, is a pioneer mining community in Montana. It is served by a branch line of the Northern Pacific Railroad and is on United States Highway 10A, at an elevation of 5,280 feet.

The first ore discoveries of this district were made in the 1860's and were principally silver, which was actively mined until World War I. At that time, market for manganese ore was developed and since 1917 Philipsburg has been the principal producer of battery grade pyrolucite in the United States.

Until World War II the rodochrocite deposits were not mined, but during the war some mining of these bodies was started and some 30,000 tons were stock piled by the United States Government.

Many thousand tons of lead, zinc, copper ores have been produced during the life of the camp and a very large reserve is waiting to be developed and mined. Copper in varying amounts is associated with the lead-zinc ores.

During the last 2 years the United States Bureau of Mines has extensively investigated the tungsten deposits of this area and should the demand for this mineral become urgent, a large tonnage could be produced.

GENERAL GEOLOGY

A geological survey of this area was made by F. C. Calkins and W. H. Emmons (see Philipsburg folio No. 196–USGS 1917) but their survey touched only slightly on manganese deposits, which have been developed and mined since that time. However, the complexity of the general geology of this area is well defined in this paper and indicates clearly the mineral-bearing characteristics of this district. A later paper by E. N. Goddard (see Bulletin 922–G USGS 1940) treats principally with the pyrolucite deposits as very little work was done on rodochrocite deposits until 1943.

STRUCTURAL CONDITIONS AND DEFORMATION

The major structural features of this region are the mountain uplifts such as the Anaconda Range, a subsidiary of the major Rocky Mountains.

The extension of the Anaconda Range on the east side of the valley, and on the west the Sapphire Range and on the north the Garnet Mountains, forming a triangle in the crustal disturbance.

The first deformation produced was a minor warping in a broad trough extending north and south along the Continental Divide on the east, which had already been raised to a dominating feature of the mountain range.

The evidences are definitely shown by the overthrust that forms the Granite Range on the north side of the valley. This agitation was undoubtedly originated or rather multiplied by the great magmatic migration from the Coeur d'Alene Mountains and which is generally credited with the upbuildings of the Idaho mountains to the west of the Continental Divide. These disturbances which occurred during the latter part of the Paleozoic or early Mesozoic era did not, however, last for a long period, but in the early Cenozoic times the continuation of the interruption was started again on a grand scale which was repeated in serial continuation, but did not reach its magnitude until late in the Cretaceous period, during which time most of the igneous dikes and sills were intruded throughout this part of the country.

GEOLOGICAL COLUMNAR OF PHILIPSBURG QUADRANGLE

(Cretaceous) Colorado formation, 1,500 feet: Upper part gray and olive-green sandstone, generally flakey, locally pebbly near base, interbedded with dark blue-gray to light gray-green shales, largely sandy. The lower third, black fissurey with some sandy layers near top.

(Cretaceous) Kootenai formation, 1,500 feet: Upper part calcareous shale and sandstone, dark shaley limestone, and gray fossiliferous limestones; lower part mottled red and green shales containing calcareous nodules and thin-bedded sandstone, with some buff-weathering limestone interbedded near the base, reddish to greenish quartzite sandstone with pebbles of quartzite from the quadrant at the base. The red shales contain metamorphosed to green and chocolate-brown sandstone.

(Jurassic) Ellis formation, 430 feet: Chiefly dark, calcareous shale, olive-green sandstone, and thin-bedded impure gray to drab limestone, conglomerate near the middle with weathering surface commonly stained yellow.

(Carboniferous) Quadrant formation, 600 feet: Upper half quartzite generally separated into two divisions by impure cherty limestone; lower half maroon to brick-red shales with ellipsoidal gray nodules interbedded with white, gray, and reddish magnesium limestone, metamorphosed to greenish hornstone, generally rich in diopside.

(Carboniferous) Madison limestone, 1,500 feet: Nonmagnesium limestones, thick-bedded and mostly white in upper part, cherty and mostly dark blue gray in middle part; and black weathering gray and flaggy in the lower part. It is abundantly fossiliferous.

(Devonian) Jefferson limestone, 1,000 feet: Pale gray to dull black, thick-bedded, somewhat magnesian, limestone locally flaggy near base; metamorphosed to cream white and blue gray.

(Silurian) Maywood formation, 250 feet: Thin-bedded gray and light green to purple or red magnesium limestone and calcareous shale commonly stained yellow. Some calcareous sandstone near the base. Greenish hornstone where metamorphosed.

(Cambrian) Red Lion formation, 300 feet: Limestone with closely spaced siliceous laminae, contains Cambrian fossils. Shale member; shale, mostly coal black interlaced with thin layers of limestone.

(Cambrian) Hasmark formation, 550 feet: Upper magnesian limestone, mostly creamy white. Shale member banded mostly in shades of chocolate-brown, partly with calcareous nodules and flaggy limestone. Lower magnesian limestone mostly pale blue-gray.

(Cambrian) Silver Hill formation, 400 feet: Shales and laminated limestones upper part, limestones with thin brown siliceous laminae below. Lower part, dark slightly calcareous shales.

(Cambrian) Flathead quartzite, 250 feet: Vitreous quartzite, with basal conglomerate.

(Algonkian) Spokane formation, 5,000 feet: Sandstones and shale mostly deep red, the shales dominate in the lower, sandstones in the upper, portion.

(Algonkian) Newland formation, 4,000 feet: Calcareous rocks, containing carbonates of magnesia and iron, chiefly shale, which grades into calcareous sandstone and impure limestone.

(Algonkian) Ravalli formation, 2,000 feet: Sericitic banded quartzite and dark shales, the latter dominant in the upper part.

(Algonkian) Prichard formation, 5,000 feet: Bluish agillites with some interbedded quartzite.

(Algonkian) Neihart formation, 1,000 feet: Pure, generally coarse-grained quartzite.

Manganese deposits now being mined are most productive in the Hasmark formation, although some ore is mined in the Maywood formation, indicating the great depth of the manganese deposits. It is well over 3,000 feet from the top of the Maywood formation to the granite floor. Exploration work shows that the fissure system cutting the limstones continue into the Batholith of Granodiorite with very little faulting, which further indicates the great scope of possibilities of further manganese deposits as well as possibilities of the tonnage of lead, zinc, and copper minerals of the fissure system.

MANGANESE ORE BODIES AND PRODUCTION

Today Philipsburg is producing an important portion of the chemical manganese

ores used in the United States, as well as producing a quantity for the United States Government stock-piling program, and by reason of the extent of the known ore reserves should continue to do so for many years to come. The present productive manganese area at Philipsburg is practically confined to the marbelized limestones adjoining the huge batholith of granodiorite about one-half mile east of the damp. Little exploration work has been done in other areas except surface prospecting. The strata of metamorphosed shales and limestones on the west side of the batholith dip toward the granodiorite at an angle of 40 to 60 degrees, and strike northwest. Cutting across these strata are fissue veins of quartz with silver-bearing lead, zinc and copper materials, striking approximately east and west, and in general dipping steeply toward the south. The manganese carbonate solutions found favorable channels, or created them, along these veins and deposited their load by replacement with its usual habit of irregularity of form.

Subsequently, the upper portions of these carbonate ores were oxidized, leaving small amounts of pink carbonate to show the lineage of the black ores now being mined. How far down the rhodochrosite reaches has not been definitely determined by the work done in the limestone area, but if the occurance of this mineral in the granodiorite is any criterion, it should reach at least 1,200 feet below the present limestone area now being mined.

The silver veins are traceable for a horizontal distance exceeding 3,500 feet with manganese ore showing at various places, at only a few of which any great amount of exploratory work has been done.

To 1949 it is estimated that Philipsburg has produced 1,000,000 tons of pyrolucite ore of 30 percent to 75 percent MnO_2 grade. Most of this ore has been concentrated locally, by gravity and magnetic separation to a grade of 65 percent to 70 percent MnO_2, for the battery and chemical industry, and shipped to the East Coast States.

A battery manufacturing plant located at Philipsburg would save many thousands of dollars in freight of concentrates. The necessary ingredients for the dry cell production can be secured in the West, and we have adequate power and water facilities for manufacturing.

CONCLUSIONS

Philipsburg has been a steady producer of manganese, mostly pyrolucite, since 1917. The deposits of rhodochrosite were just touched slightly during World War II, but enough to indicate the enormous tonnages waiting to be mined. This reserve of strategic ore should be developed and much exploratory work should be done both in this area and adjacent areas which have not been touched to determine the extent of the manganese deposits throughout the limestone area adjacent to the huge batholith of granodiorite. A conservative estimate of the manganese deposits as indicated from the work that has been done, is 1,000,000 tons, in reserve. No doubt this figure would be sizably increased with a carefully planned program of exploration. The grade of the black oxide ores available is from 20 percent to 46 percent manganese. The carbonate ores would run from 15 percent to 30 percent manganese.

The camp has produced some 200,000 tons of lead, zinc, copper ores since 1900, and now there is an estimated tonnage of some 500,000 tons available. Production records give the metal content as an average of 15 ounces silver, 15 percent zinc, 2 percent lead, and 0.5 percent copper per ton. Most of the ore produced has carried quite a percentage of manganese, mostly in the form of carbonate. However, this ore has been shipped to either a lead or zinc smelter, where a very small percentage of the contained metals have been paid for, as the ore was not concentrated at the source.

Due to the complexity of the ores it will be necessary to have a custom mill located at Philipsburg to make the mining of these ores a profitable and progressive industry, as the freight on the crude ore to the smelters, plus the loss of payment for contained minerals, makes the mining of this type of ore almost prohibitive at present. All of the ores should be mined together and not on a selective basis, as has been the past practice.

The mill should be equipped basically to make lead, zinc, copper, and manganese concentrates, with expandible facilities for treating tungsten ores. The concentrates from the mill can either be shipped to the proper smelter for further refining or stock piled.

A custom mill at Philipsburg would encourage and benefit mining in other areas close to Philipsburg, such as Maxville, Princeton, Black Pine, Sunrise, Frog Pond, and Williams Gulch, all of which are within easy trucking distance of Philipsburg, and all of which have large tonnages of strategic ores to be developed and mined.

In conclusion, Philipsburg can become a large producer of strategic and critical minerals, both for national defense and for industry, if given the proper attention. By milling at the source much of the present cost of crude ore handling can be saved and payment for most of the contained metals could be made. Such an operation could have an almost unlimited future, as by producing all of the ores at one time more exploratory work could be carried on, assuring undiscovered ore bodies of being found and developed.

In seeking to confirm the matters and things stated and set forth in the foregoing report, it respectfully insisted that the United States Government authorities and agencies should consult the excellent and complete information to be gotten from the engineering staff, Trout Mining Division of the American Machine and Metals, Inc., Philipsburg, Mont.; Taylor-Knapp Co., Inc., Philipsburg, Mont.; Montana Mining & Engineering Co., Inc., Philipsburg, Mont.; who have engineers with more than 20 years' experience in field work of the Philipsburg area, and in examination and milling and testing of the ores of this district. Engineers from any and all of the concerns mentioned will be very glad of the opportunity to present the case of the Philipsburg area to representatives of the United States Government at any time, preferably at Philipsburg, where records are always available and field examinations can be readily made. This committee, or any member of it, will also be glad to discuss any of the points or problems involved in the foregoing report.

Dated at the city of Philipsburg, Granite County, Mont., this 18th day of March 1949.

Respectfully submitted.

PHILIPSBURG CHAMBER OF COMMERCE, INC.,
COMMITTEE OF MINES AND MINING,
By W. L. DEGENHART.
L. B. MANNING.
W. R. MCLURE.
E. T. IRVINE.
F. S. NEAL.

(Mr. MANSFIELD asked and was given permission to revise and extend his remarks and include various letters and articles.)

Mr. CRAWFORD. Mr. Speaker, I yield myself the balance of my time.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from New York.

Mr. TABER. I have been advised that the cost of this is estimated by some people to be less than $20,000,000. I wonder if that is correct?

Mr. CRAWFORD. I am sorry I cannot tell the gentleman from New York what the cost of this program would be, because I do not know what contracts would be approved by the Department of the Interior or what applications would be filed or how far the program would go. I think the gentleman will find that the bill is limited to not to exceed $80,000,000 per year, but it may not be used.

Mr. TABER. Would the gentleman be able to inform us whether or not the reason for the bill is that there have been great reductions in the duties upon these minerals, and, therefore, the protection to our mineral industries has evaporated?

Mr. CRAWFORD. In studying the statistics which were introduced in the RECORD a few moments ago by the gentleman from Montana [Mr. D'EWART], the gentleman will find the perfectly fantastic percentage of total consumption of manganese and chrome which we are importing. What we are producing almost fades into insignificance. I was going to use those figures, but they have already been introduced by the gentleman from Montana. Of course, the reduction of duty is now bringing in enormous quantities of imported goods, and more reductions are under way. I was going to direct my remarks toward that feature.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Missouri.

Mr. SHORT. Forty-four nations have devalued their currencies. I think it is that devaluation of foreign currencies that has largely nullified our tariff laws, and the indirect subsidies through the ECA that we are giving these foreign countries. I forget how many millions we have sent Tito in Yugoslavia. The gentleman from Massachusetts speaks against this bill and votes against this bill to preserve and maintain and increase a domestic industry, but he speaks and votes for the expenditure of billions of dollars for foreign aid, which not only competes with but destroys our industry at home.

Mr. CRAWFORD. I wish to direct my remarks toward the new subject which has been introduced entitled "Total Diplomacy" as it relates to this bill.

I understand that arguments will be made against this bill in the event the rule is adopted to the effect that we should import into the United States and that we should be dependent upon other countries for these strategic materials in order further to facilitate the concepts of the ECA or the Marshall plan. That is in line with what the gentleman from Missouri [Mr. SHORT] has just mentioned.

I think we are getting into a rather ridiculous position. We have had testimony here from the gentleman from Missouri [Mr. SHORT], a member of the Committee on Armed Services, and the gentleman from Iowa [Mr. MARTIN], who says he has had 8 years of experience in studying this question of strategic materials for the purpose of defending this country. Apparently these two gentlemen are very much concerned, based on the knowledge they have and to

which certainly other members of committees that do not handle defense matters do not have access. I do not have access to that information, so I have to go by dead reckoning and get along as best I can, on the basis of the limited information I have.

But I am not a follower of that philosophy which says our people must be taxed and our people must buy bonds so that dollars can be given to other countries; and then turn around and say we must buy goods from those other countries and slow down production in the United States and do away with our insurance policy in time of war to facilitate the so-called Marshall plan or ECA program.

The State Department, as you know, is carrying on hearings. I appeared before the reciprocity committee last Thursday. It is proposed to further reduce the tariff on goods coming into this country to bring in competitive goods which, to me, means less employment in the United States, less production in the United States, and more deficit financing and more taxes on our people and less prosperity here and less potential to defend this country in time of a hot war.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. PETERSON. Mr. Speaker, I yield such time as he may require to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, the first time I met the gentleman from Missouri [Mr. SHORT] in his committee was on May 18, 1937, when we were discussing the Faddis bill and trying to write into law, the "Buy American" clause.

Let me say that my appearance before the Military Affairs Committee in the spring of 1937 was prompted by anxiety over national defense and our preparedness program. Not only was the gentleman from Missouri [Mr. SHORT], anxious about the same matter but many other members of the committee were concerned at that time, and a little later the gentleman from Iowa [Mr. MARTIN], threw his influence and weight in favor of the protection of our mining industry as a matter of preparedness and national defense.

All during the following years much was attempted and something was accomplished toward stock-piling the strategic and critical minerals and metals. What was done was not nearly as much as I had worked for and hoped for in view of the great importance of mineral production in our war effort. My interest has been the same though and might be summarized thus:

Let us stock-pile the necessary minerals and metals obtaining from abroad those which we cannot produce at home but concurrently producing at home as much as our resources will permit. The maintenance of an active mining industry in peace is one of our surest safeguards of adequacy in war. Not only should we stock-pile minerals and metals against the day of need, but we should stock-pile labor in time of peace, since labor is not available in time of war. The mining industry cannot be turned on and off like water at the faucet, and the only security the Nation has is to have a constantly producing mining industry.

I regret that we have shown apathy in the postwar period and have not carried forward the stock-piling program with sufficient vigor. That accounts for our present shortage in the stock pile and for the sick condition of the mining industry generally. Let us vote the rule and enact this bill as a partial remedy.

Mr. PETERSON. Mr. Speaker, I yield myself the balance of the time remaining.

Mr. Speaker, I hope this resolution will be adopted. I followed the testimony in detail. It does not affect my State at all, except as we all are interested in our national defense.

As a mine goes along, they reach a point sometimes where it is not profitable to go into greater depth to keep operating. This will assist them and will prevent the mines from being filled up with water. It will prevent roof falls and will enable the mines to be on a stand-by basis so that in the event of emergencies, they can start operating immediately.

In many instances the testimony clearly shows that if a pit or mine fills with water, the resources of that mine which we so badly need would be lost entirely.

Referring to the statement made by the gentleman from Massachusetts [Mr. HERTER], as time goes along in general debate, we will analyze and answer his statement in detail as well as the questions raised by him. Of course, you can realize that with only 30 minutes for discussion under the rule, we cannot go into all of the technical details, but we will answer his questions at the proper time.

Mr. REGAN. Mr. Speaker, will the gentleman yield?

Mr. PETERSON. I yield.

Mr. REGAN. In time of war, can we get these metals which we need so badly from these foreign countries from which we are now getting them?

Mr. PETERSON. We cannot. Our experience shows that. The last time there was a critical shortage of materials because we had not stocked up ahead of time.

Mr. REGAN. It is necessary, then, Mr. Speaker, to do something to develop those resources here for those metals in time of emergency.

Mr. PETERSON. It is of the utmost importance.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. PETERSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL REORGANIZATION PLANS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 503)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I am today transmitting to the Congress 21 plans for reorganization of agencies of the executive branch. These plans have been prepared under the authority of the Reorganization Act of 1949. Each is accompanied by the message required in that act.

Our ability to make such comprehensive recommendations is due in large part to the outstanding work of the Commission on Organization of the Executive Branch of the Government. The plans which I am transmitting are all designed either to put into effect specific recommendations of the Commission or to apply principles set forth by the Commission in its reports.

When these plans become effective, we shall have acted on almost half the proposals made by the Commission on Organization. I expect to transmit additional plans for putting into effect other recommendations of the Commission later in the present session of Congress.

The 21 plans I am transmitting today are designed to accomplish the following purposes:

Plans 1–6 transfer to the heads of six departments the functions and powers now conferred by law on subordinate officials. The six departments affected are Treasury, Justice, Interior, Agriculture, Commerce, and Labor.

Plans 7–13 fix responsibility for the day-to-day administration of seven regulatory boards and commissions in the chairmen of these bodies rather than in the members collectively. The agencies affected are the Interstate Commerce Commission, Federal Trade Commission, Federal Power Commission, Securities and Exchange Commission, Federal Communications Commission, National Labor Relations Board, and Civil Aeronautics Board.

Plans 14 and 19 transfer two functions to the Department of Labor from other Government agencies.

Plans 15–18 and 20 transfer certain functions to and from the General Services Administration in order to round out the organizational pattern of this agency, which was created last year.

Plan 21 transfers the functions of the Maritime Commission to the Department of Commerce, where they are reconstituted in a Federal Maritime Board and a Maritime Administrator.

The first 13 plans all have the same objective—to establish clear and direct lines of authority and responsibility for the management of the executive branch. The heads of departments and the chairmen of regulatory bodies will be made clearly responsible for the effectiveness and economy of governmental administration and will be given corresponding authority, so that the public, the Congress, and the President may hold them accountable for results in terms both of accomplishments and of cost.

The Commission on Organization placed great stress upon the establishment of clear lines of authority and responsibility. This was, in fact, the very

first of its recommendations. The opening three paragraphs on the first page of its initial report read as follows:

> In this part of its report the Commission on Organization of the Executive Branch of the Government deals with the essentials of effective organization of the executive branch. Without these essentials all other steps are doomed to failure.
>
> The President, and under him his chief lieutenants, the department heads, must be held responsible and accountable to the people and the Congress for the conduct of the executive branch.
>
> Responsibility and accountability are impossible without authority—the power to direct. The exercise of authority is impossible without a clear line of command from the top to the bottom, and a return line of responsibility and accountability from the bottom to the top.

Again, in its report on regulatory agencies the Commission made the centering of administrative responsibility its first recommendation, writing as follows:

> Administration by a plural executive is universally regarded as inefficient. This has proved to be true in connection with these commissions. * * * We recommend that all administrative responsibility be vested in the chairman of the commission.

Through these plans authority placed by law in subordinate officials is transferred to the heads of the six departments. In the case of the State and Post Office Departments comparable authority was placed in the Department heads by legislation and reorganization action effected last year.

Another feature of the departmental plans is the establishment of Administrative Assistant Secretaries in each of these six departments. These positions are established in order to provide top-level assistance to each department head in the heavy managerial responsibilities of his office. They are set up within the classified civil service for the purposes both of achieving continuity in office and of obtaining persons with the greatest experience in the specialized functions of management.

In regard to the regulatory agencies, the plans distinguish between two groups of functions necessary to the conduct of these agencies. One group includes the substantive aspects of regulation—that is, the determination of policies, the formulation and issuance of rules, and the adjudication of cases. All these functions are left in the board or Commission as a whole. The other group of functions comprises the day-to-day direction and internal administration of the complex staff organizations which the Commissions require. These responsibilities are transferred to the chairmen of the agencies, to be discharged in accordance with policies which the Commissions may establish. The chairman is to be designated in each agency by the President from among the Commission members.

In plan No. 12, unified responsibility is once more established in the National Labor Relations Board by transferring to the Board and its Chairman the functions of the general counsel and by abolishing the statutory office of the general counsel. This plan will bring to an end the confusion which has resulted from divided responsibility.

The changes embodied in the first 13 plans are fundamental to the sustained drive we have undertaken to increase effective and economical management of the executive branch. Only by placing in the heads of departments and agencies the authority necessary to direct and supervise the machinery of the executive branch can the maximum benefit be attained from the reorganization and reassignment of the functions which make up that branch.

The eight remaining plans propose reassignment of certain functions. They will take us further toward the goal of grouping the programs of the Government in the smallest practicable number of departments and agencies organized according to major purpose.

Transfer of the functions of the Maritime Commission to the Department of Commerce through plan No. 21 will mark a long step forward in the integration of the many governmental programs affecting transportation. This step, again, is in accord with the recommendations of the Commission on Organization of the Executive Branch.

For more than a decade, the Department has been in the process of becoming the major transportation agency of the Government. The establishment of the Civil Aeronautics Administration within the Department was the first major move in this direction. The transfer of the Weather Bureau to the Department was based in large part on that Bureau's importance to transportation. One of the reorganization plans which I transmitted to the Congress last year transferred the Bureau of Public Roads to the Department. Now, with the addition of the functions of the Maritime Commission the Department will have jurisdiction over the major portion of the operating aspects of the programs of the Government relating to air, highway, and water transportation, as well as over the development and coordination of policies affecting the Nation's transportation system as a whole.

Plan No. 21 establishes in the Department of Commerce a three-man Federal Maritime Board and a Maritime Administration under a Maritime Administrator. The award of subsidies and all regulatory functions are transferred from the present Maritime Commission to the new Board. The remaining functions of the Maritime Commission, involving ship construction and other administrative operations, are transferred to the Department of Commerce for execution through the Maritime Administration.

The plan also provides for appointment of an Under Secretary of Commerce for Transportation, who will assist the Secretary in the direction and coordination of the transportation activities now centered in the Department.

In plans Nos. 14 and 19 the Department of Labor is given two new functions: the Bureau of Employees' Compensation, transferred from the Federal Security Agency; and the responsibility for coordination of the enforcement of wages-and-hours legislation affecting Federal or Federally financed contracts. These two steps will further strengthen the Department of Labor as the center of responsibility for governmental programs which protect the welfare of employees. This is the same essential purpose that underlay the transfer last year of the Bureau of Employment Security to the Department.

The remaining five plans represent a logical evolution of the responsibilities of the new General Services Administration. Two of these plans (18 and 20) transfer additional service responsibilities to the General Services Administration; and the other three (15–17) remove from it various inappropriate functions it received from the recently abolished Federal Works Agency.

In plan No. 18 the Administrator of General Services is given expanded authority over the acquisition and control of Federal office space, particularly outside the District of Columbia. He is also assigned the responsibility by plan No. 20 for the preservation and publication of certain public documents, such as laws and Territorial papers, now handled by the Department of State, but unrelated to the foreign affairs mission of the Department.

Plans 15–17 transfer from the Administration six programs relating to public works, community facilities, and school aid. Alaska and Virgin Islands public-works functions are transferred by plan No. 15 to the Department of the Interior; assistance to school districts overburdened by Federal activities and certain water-pollution-control functions are assigned by plan No. 16 to the Federal Security Agency; and advance planning of non-Federal public works and the management and disposal of war public works are transferred to the Housing and Home Finance Agency by plan No. 17.

When considered in conjunction with the reorganization plans and legislation which were made effective in 1949, these 21 plans bring near to realization certain major goals that have been set forth by the Commission on Organization. These are the same goals toward which the Congress was aiming when it enacted the Reorganization Act of 1949, and toward which I have been working in the exercise of my duties as the manager responsible for the efficiency and economy of the executive branch.

The first of these goals is to improve over-all management of the executive branch. During 1949 the agencies comprising the Executive Office of the President were regrouped, the internal organization of the Civil Service Commission was strengthened to equip it for leadership in personnel administration, and the housekeeping functions of the Government as a whole were consolidated in a new General Services Administration. Today's plans provide further improvement in the organization of the last of these agencies.

The second objective is to improve the internal management of individual departments and agencies. Congressional and administrative action last year strengthened the structure of three Departments—State, Defense, and Post Office—and clarified the management authority of the Department heads.

Today's plans lay comparable foundations for improving the internal management of the remaining six departments and of seven regulatory agencies.

The third general goal is to reduce the number of governmental agencies and to group functions according to the primary purposes of these agencies. Progress was made last year in the grouping of functions relating to transportation and to labor. Today's plans deal again with those two areas, as well as effecting other significant shifts.

The reorganization and modernization of the Government may never be called complete. I am confident, however, that these plans will take us well along the road toward more effective, economical, and responsible government.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer the following privileged resolution (H. Res. 507).

The Clerk read as follows:

Resolved, That JOHN F. SHELLEY, of California, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Merchant Marine and Fisheries.

The resolution was agreed to.

REORGANIZATION PLANS NOS. 1 TO 13 OF 1950—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 504)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I am transmitting today Reorganization Plans Nos. 1 to 13 of 1950, designed to strengthen the management of six executive departments and seven regulatory commissions. These plans propose a major clarification of the lines of responsibility and authority for the management of the executive branch. They would put into effect the principal remaining recommendations of the Commission on Organization of the Executive Branch of the Government affecting the location of management responsibility within the departments and agencies.

A principal finding of the Commission on Organization was that clean-cut lines of authority do not exist in the executive branch. The Commission stated that "the first and essential step in the search for efficiency and economy in the executive branch of the Federal Government" is to correct the present diffusion of authority and confusion of responsibility. The Commission warned that without this action "all other steps to improve organization and management are doomed to failure."

Reorganization Plans Nos. 1 to 13 propose a bold approach to the problem of delineating responsibility and authority for the management of the executive branch. Clearer lines of responsibility and authority will strengthen our constitutional system and will also help to establish accountability for performance in office—a basic premise of democratic government. I urge the Congress to add its approval to my acceptance of these recommendations of the Commission on Organization.

REORGANIZATION PLANS NOS. 1 TO 6, RELATING TO SIX EXECUTIVE DEPARTMENTS

Reorganization plans Nos. 1 to 6, inclusive, relate to the Departments of the Treasury, Justice, the Interior, Agriculture, Commerce, and Labor. With certain exceptions, these plans transfer to the respective Department heads the functions of other officers and agencies of the Departments. They permit each Department head to authorize the functions vested in him to be performed by any officer, agency, or employee of the Department. In addition, administrative assistant secretaries are provided for each of the six Departments, and additional assistant secretaries are authorized for the Department of the Interior and the Department of Agriculture.

In its introduction to its first report, the Commission on Organization stated two "essentials of effective organization." These are:

The President, and under him his chief lieutenants, the department heads, must be held responsible and accountable to the people and the Congress for the conduct of the executive branch.

And:

The wise exercise of authority is impossible without the aids which staff institutions can provide to assemble facts and recommendations upon which judgment may be made and to supervise and report upon the execution of decisions.

The Commission specifically recommended:

Under the President, the heads of departments must hold full responsibility for the conduct of their departments.

And:

Department heads must have adequate staff assistance if they are to achieve efficiency and economy in departmental operations.

These six reorganization plans put into effect these recommendations.

Through the years the Congress has repeatedly endorsed the policy of holding agency heads fully accountable for all the functions of their agencies. Last year this policy was pursued in the legislation authorizing reorganization of the Department of State and establishing the General Services Administration. A reorganization plan applying this principle to the Post Office Department was likewise approved.

However, in the six departments covered by these plans, all functions are not now uniformly vested in the department heads. Some statutory authority is held independently by subordinate officers and agencies. These plans extend fully to the six departments the principles of strengthening departmental management by eliminating the patchwork exceptions that now exist.

The transfers recommended in these plans accomplish three principal objectives. First, they provide a clearer line of responsibility and authority from the President through the department heads down to the lowest level of operations in each department. Second, department heads are made responsible in fact for activities within their agencies for which they are now, in any case, held accountable by the President, the Congress, and the people. Third, department heads are enabled to effect appropriate internal adjustments as may be necessary within their departments to permit the most effective organization of departmental resources and bring about continuous improvement in operations.

These reorganization plans exclude from transfer to the department heads two classes of functions which are retained in their present status. These are the functions of the hearing examiners appointed under the Administrative Procedure Act and the functions of Government corporations in the departments.

The provision in each of these plans for an Administrative Assistant Secretary is also based on a recommendation of the Commission on Organization. These positions were recommended in order that each department head, in addition to being made fully responsible for his department, be given adequate staff facilities to assist him in the managerial side of his responsibilities. The accomplishment of specific improvements in management can be made only through continuous attention to the effective performance of such aids to management as budgeting, accounting, personnel, and management analysis.

For the Government as a whole steps are being taken in accord with the Commission's recommendations to improve the usefulness of these aids to management—steps toward a performance budget, improved accounting methods, better personnel administration, and Government-wide management improvement. The results of these actions have been promising, but they demonstrate also that this work needs increased departmental attention. While the responsibilities of the Administrative Assistant Secretaries are not fixed by these plans, it is intended that these officials will work primarily on aiding the department heads to achieve better management.

As recommended by the Commission on Organization, those reorganization plans provide for appointment of the Administrative Assistant Secretaries from the classified civil service and fix a salary at the top of that service. These plans also provide for appointment by the department heads with the approval of the President. Such a method of appointment will tend to establish a career pattern for these positions extending across departmental lines. Presidential approval will emphasize that the Administrative Assistant Secretaries should assume a Government-wide approach to management problems. This arrangement is consonant with the authority placed in the President by the Classification Act of 1949 to designate positions in the top grade authorized under that act.

Two of the reorganization plans provide additional Assistant Secretaries, to

be appointed by the President and confirmed by the Senate, one in the Department of the Interior and two in the Department of Agriculture. This step is in accord with recommendations of the Commission on Organization. The additional Assistant Secretaries are needed to provide more adequate staff assistance in supervising and directing the policies and programs of these large departments. At present the Department of the Interior has two such officials and there is one such position in the Department of Agriculture.

Under the provisions of Reorganization Plan No. 2 the title of the Assistant to the Attorney General is changed to Deputy Attorney General, and an additional Assistant Attorney General is provided in lieu of the Assistant Solicitor General, the latter office being abolished. These changes are designed to reflect more accurately the position and responsibility of these two officials of the Department of Justice.

REORGANIZATION PLANS NOS. 7 TO 13, RELATING TO SEVEN REGULATORY BOARDS AND COMMISSIONS

Reorganization Plans Nos. 7 to 13, inclusive, relate to the Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, the Securities and Exchange Commission, the Federal Communications Commission, the National Labor Relations Board, and the Civil Aeronautics Board. These plans are designed to strengthen the internal administration of these bodies by making the Chairman, rather than the commission or board as a whole, responsible for day-to-day administration. Also, the function of designating the Chairman of these bodies is vested in the President in those instances where this function is not already a Presidential one.

These plans carry into effect the first and most important recommendation of the Commission on Organization relating to regulatory commissions. The Commission recommended that all administrative responsibility be vested in the chairman of the commission. Its reasons were summarized as follows:

> Purely executive duties—those that can be performed far better by a single administrative official—have been imposed upon these commissions with the result that these duties have sometimes been performed badly. The necessity for performing them has interfered with the performance of the strictly regulatory functions of the commissions.

Elsewhere the Commission observed:

> Administration by a plural executive is universally regarded as inefficient. This has proved to be true in connection with these commissions.

Since the creation of the Interstate Commerce Commission in 1887, the board or commission has been an established form of Federal organization for regulatory activities. The plural membership of each of these agencies has been based, presumably, on the usefulness of deliberation in the rule-making and adjudicative processes. However, as their work has developed through the years, each of these agencies has become, in addition to a deliberative body, an organization of staff elements whose work must be programed and whose members must be recruited, supervised, and led. The smallest of these staffs is now over 600 in number and the largest over 2,000, and the difficulties of supervision are multiplied because of the highly technical nature of the legal, engineering, accounting, and other skills which must be successfully interrelated.

The commissions, concerned primarily with the substantive problems of regulation and with the adjudication of cases, cannot give adequate attention to the day-to-day executive direction of complex organizations. To the extent that they have concerned themselves with administrative problems, the unwieldiness of the structure has sometimes rendered administration slow, cumbersome, and indecisive.

Accordingly, within the limitations explained in later paragraphs, each of these plans vests in the Chairman, in each case, responsibility for appointment and supervision of personnel employed under the Commission, for distribution of business among such personnel and among administrative units of the Commission, and for the use and expenditure of funds.

In the conduct of all of these activities, the Chairman will be bound by the general policies established by the Commission and by its regulatory decisions, findings, and determinations. In addition, the right is specifically reserved to the Commission to revise budget estimates and determine the distribution of funds among the major programs and purposes of the agency. The appointment of the heads of major administrative units under the Commission is subject to approval of the Commission, and each Commissioner retains responsibility for actions affecting personnel employed regularly and full time in his immediate office.

The proposals contained in these reorganizations are not new. Several of the commissions have already made considerable progress in placing administrative responsibility in their chairmen. Therefore, the effect of these plans is to extend uniformly to all commissions a pattern of organization demonstrated by experience to be successful.

The fact that under these reorganization plans the commissions retain all substantive responsibilities deserves special emphasis. The plans only eliminate multiheaded supervision of internal administrative functioning. The commissions retain policy control over administrative activities since these are subject to the general policies and regulatory decisions, findings, and determinations of the commissions.

The plans do not contemplate that the Chairman will be relieved of any of his duties as a member and presiding officer of the Commission. They simply place on him the additional responsibilities for the operations of the staff. The Chairman will need to establish the necessary administrative arrangements to carry out these responsibilities.

Reorganization Plan No. 12 terminates the present division and confusion of responsibility in the National Labor Relations Board by abolishing the office of the General Counsel of the Board. The Senate last year indicated its approval of this step. The reorganization plan in effect restores unified authority and responsibility in the Board. As in the case of the other plans for regulatory agencies, certain administrative and executive responsibilities are placed in the Chairman. The relationship between the Board and the Chairman is identical with that provided for the other regulatory agencies. This action eliminates a basic defect in the present organization of the National Labor Relations Board and provides an organizational pattern consistent with that established for the other regulatory agencies.

In the plans relative to four commissions—the Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, and the Securities and Exchange Commission—the function of designating the Chairman is transferred to the President. The President by law now designates the chairmen of the other three regulatory commissions covered by these plans. The designation of all chairmen by the President follows out the general concept of the Commission on Organization for providing clearer lines of management responsibility in the executive branch. The plans are aimed at achieving more fully these management objectives and are not intended to affect the independent exercise of the commissions' regulatory functions.

All 13 of these reorganization plans will aid in making a more efficient Government. The plans affecting the departments will help straighten out the lines of responsibility and authority, improve administrative accountability, and make departmental management sufficiently flexible to meet changing problems. The plans relating to the regulatory commissions will result in the more business-like and effective administration of the Government's regulatory programs. In short, these plans provide for better management of the executive departments and regulatory commissions and thus will assure to the public the best possible service at the lowest possible costs.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 1 OF 1950 (DEPARTMENT OF THE TREASURY)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 505)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 1 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of the Treasury. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization

included in Reorganization Plan No. 1 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of the Treasury. The rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 2 OF 1950 (DEPARTMENT OF JUSTICE)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 506)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 2 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of Justice. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 2 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Assistant Attorney General and an Administrative Assistant Attorney General. The rate of compensation fixed for these officers is that which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 3 OF 1950 (DEPARTMENT OF THE INTERIOR)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 507)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 3 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of the Interior. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 3 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Assistant Secretary of the Interior and an Administrative Assistant Secretary of the Interior. The rate of compensation fixed for these officers is that which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 4 OF 1950 (DEPARTMENT OF AGRICULTURE)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 508)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 4 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of Agriculture. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 4 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of two Assistant Secretaries of Agriculture and an Administrative Assistant Secretary of Agriculture. The rate of compensation fixed for these officers is that which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 5 of 1950 (DEPARTMENT OF COMMERCE)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 509)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 5 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of Commerce. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 5 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of Commerce. The rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 6 OF 1950 (DEPARTMENT OF LABOR)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 510)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 6 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Department of Labor. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 6 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of Labor. The rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 7 OF 1950 (INTERSTATE COMMERCE COMMISSION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 511)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 7 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Interstate Commerce Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 7 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The taking effect of reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 8 OF 1950 (FEDERAL TRADE COMMISSION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 512)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 8 in 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Federal Trade Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 8 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 9 OF 1950 (FEDERAL POWER COMMISSION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 513)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 9 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Federal Power Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 9 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 10 OF 1950 (SECURITIES AND EXCHANGE COMMISSION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 514)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 10 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Securities and Exchange Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 10 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 11 OF 1950 (FEDERAL COMMUNICATIONS COMMISSION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 515)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 11 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Federal Communications Commission. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 11 of 1950 is necessary to accomplish one

or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 12 OF 1950 (NATIONAL LABOR RELATIONS BOARD)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 516)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 12 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the National Labor Relations Board. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 12 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 13 OF 1950 (CIVIL AERONAUTICS BOARD)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 517)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 13 of 1950, prepared in accordance with the Reorganization Act of 1949 and providing for reorganizations in the Civil Aeronautics Board. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 13 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 14 OF 1950 (LABOR STANDARDS)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 518)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 14 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. For the purpose of coordinating the administration of labor standards under various statutes relating to Federal construction and public works or to construction with federally financed assistance or guaranties, the reorganization plan authorizes the Secretary of Labor to prescribe appropriate standards, regulations, and procedures with respect to these matters and to make such investigations concerning compliance with and enforcement of labor standards as he deems desirable. The purpose is to assure consistent and effective enforcement of such standards.

The plan is in general accord with the recommendations of the Commission on Organization of the Executive Branch of the Government. It constitutes a further step in rebuilding and strengthening the Department of Labor to make it the central agency of the Government for dealing with labor problems.

After investigation, I have found and hereby declare that the reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

There are several laws regulating wages and hours of workers employed on Federal contracts for public works or construction. The 8-hour laws limit the employment of laborers and mechanics on such projects to 8 hours per day and permit their employment in excess of that limit only upon condition that time and one-half the basic wage rate is paid for the excess hours. The Davis-Bacon Act provides that the minimum rates of pay for laborers and mechanics on certain Federal public works contracts shall be those prevailing for the corresponding classes of workers in the locality as determined by the Secretary of Labor. The Copeland anti-kick-back law prohibits the exaction of rebates or kick-backs from workers employed on the construction of Federal public works or works financed by the Federal Government and authorizes the Secretary of Labor to make regulations for contractors engaged on such projects.

In addition to the above statutes, there are several acts which require the payment of prevailing wage rates, as determined by the Secretary of Labor, to laborers and mechanics employed on construction financed in whole or in part by loans or grants from the Federal Government or by mortgages guaranteed by the Federal Government. These acts are: The National Housing Act, the Housing Act of 1949, the Federal Airport Act, and the Hospital Survey and Construction Act of 1946.

With the exception of the Department of Labor, the Federal agencies involved in the administration of the various acts are divided into two classes: (1) agencies which contract for Federal public works or construction; and (2) agencies which lend or grant Federal funds, or act as guarantors of mortgages, to aid in the construction of projects to be built by State or local public agencies or private individuals and groups. The methods of enforcing labor standards necessarily differ between these two groups of agencies.

The methods adopted by the various agencies for the enforcement of labor standards vary widely in character and effectiveness. As a result, uniformity of enforcement is lacking and the degree of protection afforded workers varies from agency to agency.

In order to correct this situation, this plan authorizes the Secretary of Labor to coordinate the administration of legislation relating to wages and hours on federally financed or assisted projects by prescribing standards, regulations, and procedures to govern the enforcement activities of the various Federal agencies and by making such investigations as he deems desirable to assure consistent enforcement. The actual performance of enforcement activities, normally including the investigation of complaints of violations, will remain the duty of the respective agencies awarding the contracts or providing the Federal assistance.

Since the principal objective of the plan is more effective enforcement of labor standards, it is not probable that it will result in savings. But it will provide more uniform and more adequate protection for workers through the expenditures made for the enforcement of the existing legislation.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLANS NOS. 15, 16, AND 17 OF 1950 (GENERAL SERVICES ADMINISTRATION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 519)

The SPEAKER laid before the House the following message from the President of the United States, which was

read by the Clerk, and referred to the Committee on Expenditures in the Executive Departments, and ordered printed:

To the Congress of the United States:

I am transmitting today Reorganization Plans Nos. 15, 16, and 17 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The three plans transfer various activities of the General Services Administration to other departments and agencies as follows: Plan No. 15 assigns the administration of the Alaska and Virgin Islands public works programs to the Department of the Interior; Plan No. 16 transfers the responsibility for financial assistance to public school districts and grants and loans for water-pollution control to the Federal Security Agency; and Plan No. 17 transfers the administration of advances for the planning of non-Federal public works and the management and disposal of certain war public works to the Housing and Home Finance Agency.

These plans will contribute to the further development of the General Services Administration as a central services agency by transferring several specialized functions, which it has at present, to more appropriate locations within the Government. At the same time Reorganization Plans Nos. 18 and 20, which I am also transmitting to the Congress today, assign to the Administration additional responsibility for such services as the control of space in public buildings and the publication and preservation of various public documents.

The General Services Administration was created by the Federal Property and Administrative Services Act of 1949 to provide a focal point within the executive branch for the provision and improvement of such common administrative services as supply, buildings administration and records management. The act sought to achieve this objective by consolidating in the new administration a group of service activities which had previously been scattered throughout the executive branch.

Many of these service activities at the time the act was passed were being performed by the Federal Works Agency. At the same time the Federal Works Agency was performing certain specialized functions not of interest to the Government as a whole. When the Congress transferred all the functions of the Federal Works Agency to the General Services Administration it was recognized that these specialized functions should be separated out at a later date by reorganization action. Only if this is done will the General Services Administration be able to fulfill its basic function and concentrate its efforts on the improvement of the vast and complex service activities of the Federal Government.

The transfers effected by these plans are consistent with the recommendations of the Commission on Organization of the Executive Branch of the Government. The programs which involve direct Federal construction are transferred to the Department of the Interior. The programs involving grants or loans to States and localities are transferred to the departments and agencies having major responsibility for these particular activities.

This general message states my reasons for transmitting Reorganization Plans Nos. 15, 16, and 17. The legal findings as to necessity and savings required by the Reorganization Act of 1949 are included in separate messages transmitting each of the three plans.

REORGANIZATION PLAN NO. 15 (ALASKA AND VIRGIN ISLANDS PUBLIC WORKS)

Reorganization Plan No. 15 transfers the responsibilities of the General Services Administrator for public-works programs in Alaska and the Virgin Islands to the Secretary of the Interior in order that the direction of these activities may be assumed by the Department generally charged with the development and welfare of Alaska and the Virgin Islands. The Alaska public-works program is very new, having been authorized by Public Law 264 of the Eighty-first Congress. This act empowers the General Services Administrator, with the concurrence of the Secretary of the Interior, to build community facilities for public bodies in the Territory for an average purchase price of one-half of the estimated cost of construction. The Virgin Islands program is much smaller and has been in effect since the approval on December 20, 1944, of Public Law 510, Seventy-eighth Congress. Under the provisions of this act, the General Services Administrator builds various public facilities authorized by the legislation.

Both the Alaska and the Virgin Islands programs involve the direct provision of assistance to eligible public bodies. Both projects involve construction by the Federal Government of approved facilities, which upon completion are turned over to the local authorities for which they were built. These responsibilities are thus largely unrelated to the administrative services with which the General Services Administration is primarily concerned.

The Department of the Interior is already charged with the supervision of public-works units in the Caribbean area and in Alaska. Chief among these are the Alaska Road Commission and the Puerto Rico Reconstruction Administration. Moreover, the operations of the Alaska Railroad and the Virgin Islands Corporation are under the supervision of the Department. Also of importance in the administration of these public-works programs are the close relationships which exist between the Department of the Interior and the Governors of Alaska and the Virgin Islands. These officials are appointed by the President, but they normally report through the Secretary of the Interior. The transfer will thus clarify responsibility and simplify relationships in the execution of public-works activities in Alaska and the Virgin Islands.

REORGANIZATION PLAN NO. 16 (ASSISTANCE TO SCHOOL DISTRICTS AND WATER-POLLUTION CONTROL)

Reorganization Plan No. 16 transfers the school-assistance and water-pollution control activities from the General Services Administration to the Federal Security Agency.

The rendering of assistance to local school districts overburdened by the activation of Federal projects or installations was first authorized by the Lanham Act of 1940, as amended. Since the expiration of the Lanham Act there have been four 1-year extensions of the program. The plan will place the responsibility for its future administration in the Federal Security Agency, whose Office of Education is generally responsible for the execution of Federal-aid programs designed to improve or extend educational opportunities.

Reorganization Plan No. 16 also consolidates responsibility for the administration of the Water Pollution Control Act of 1948 in the Federal Security Agency by transferring to it the functions of the General Services Administration relating to grants and loans for the planning and construction of sewage treatment plants.

At the present time over 90 percent of the administration of the water-pollution-control activities authorized by Public Law 845, Eightieth Congress, is carried on by the Public Health Service of the Federal Security Agency. That Agency is already responsible for the preparation of comprehensive water-pollution-control plans for interstate streams, for the conduct of surveys and research, for the maintenance of relationships with State water-pollution-control agencies, and for the approval of sewage treatment projects for which grants or loans are requested by State or local authorities. The effect of the plan will be to place the entire responsibility for the approval and administration of the grant and loan provisions of the Water Pollution Control Act in the Federal Security Agency, as the Agency with the predominant interest in the attainment of the objectives of the legislation.

The consolidation of water-pollution-control functions will simplify relationships with the State and local governments participating in the program. Under the existing arrangements two Federal agencies must take part in the review and approval of each request for a grant or loan. The reorganization plan will make it possible for applicants to look exclusively to the river-basin offices of the Public Health Service in seeking information or assistance in the abatement of water pollution.

REORGANIZATION PLAN NO. 17 (ADVANCE PLANNING AND WAR PUBLIC WORKS)

Reorganization Plan No. 17 transfers two of the programs of the General Services Administration to the Housing and Home Finance Agency. The first of these involves the administration of advances to State and local governments for the planning of public works. This transfer is consistent with recent action of the Congress which has given the Housing and Home Finance Agency an important function in the orderly planning and development of the public facilities and physical characteristics of American communities.

The advance planning of non-Federal public works was revived as an activity of the Government of the United States

by Public Law 352, approved October 13, 1949. It authorizes repayable advances to State and local governments for the planning of a shelf of public works available both for emergencies and to meet the growing needs of communities. Within the limits of available funds, Federal aid is extended to any State or local government which applies for an advance if the proposed project conforms to the over-all plans approved by competent State, local, or regional authorities, if the applicant possesses the legal authority to proceed with construction, and if the financial resources of the community are found to be adequate to make the undertaking feasible. Advances have been requested chiefly to aid in the planning of water and sewer systems, schools, urban streets and roads, and miscellaneous public buildings. Both the intent of the act and the nature of the facilities planned require that the Federal agency administering Public Law 352 have an understanding of how advance planning can contribute to community development.

The Housing Act of 1949 assigned to the Housing and Home Finance Administrator the responsibility for executing the slum-clearance and community-development provisions of the statute. The adequate administration of this program requires that attention be directed to the planning of urban communities, including the various public facilities needed to assure the integrated development of project areas. The Housing and Home Finance Agency must maintain continuous liaison with local officials; it must appraise accurately and thoroughly the capacity of communities to finance the projects authorized by the Housing Act; and it must acquire a detailed knowledge of the legal authority of each participant to build various categories of public works. These are essentially the kinds of knowledge and relationships which are essential to the successful administration of advances for non-Federal public works.

The consolidation of the responsibility for advance planning activities with slum clearance and urban redevelopment functions will make it possible to assure the integration of two programs which are not only closely related in their objectives but now overlap to some extent. A single responsible agency will be able to assure that the authority under both statutes will be used to the maximum advantage of both the Federal Government and the State and local public bodies which seek to participate in the benefits.

The plan will also make possible the unification of the administrative structure and field organization needed to administer the two programs. Moreover, the emergence of a single community development agency will make it possible for public bodies to deal with fewer Federal officials in the advance planning of their public facilities, the elimination of blighted areas, and the promotion of well-balanced residential neighborhoods. The plan will consequently lead to improvements in one important sector of Federal-State and Federal-local relations.

The second transfer provided for by Reorganization Plan No. 17 relates to the management and disposal of sewers, schools, hospitals and other community facilities constructed under title II of the Lanham Act of 1940, as amended. Its effect will be to consolidate these functions in the Housing and Home Finance Agency, which is already responsible for over 95 percent of remaining Lanham Act properties. The fact that approximately 30 percent of the war public works still in the possession of the General Services Administration are dependent upon war housing projects managed by the Housing and Home Finance Agency further illustrates the closeness of relationships between the current Lanham Act functions of the two agencies.

An additional consideration in support of the transfer is the evolution of the Housing and Home Finance Agency as the unit of the Federal Government best prepared to negotiate with local officials on matters affecting a wide variety of community facilities—a preparedness which will be further enhanced by the transfer of advance planning functions. The reorganization plan will thus lead to improvements in the capacity of the Government to manage and dispose of the public facilities still in its possession in a manner which will simultaneously protect its interests and advance the development of the communities in which the projects are situated.

The transfer of these programs to the agencies where they can be administered with other related activities will lead to the simplification of administrative arrangements, the reduction of unwarranted delays, and the curtailment of the duplication inherent in divided responsibility. The result will be greater ultimate benefits from the execution of the programs. These considerations, together with the beneficial effect which the reorganizations will have on the General Services Administration, lead me to commend Reorganization Plans 15, 16, and 17 to the Congress as important and constructive steps in our program of management reform in the executive branch.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 15 OF 1950 (PUBLIC WORKS IN ALASKA AND THE VIRGIN ISLANDS)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 520)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 15 of 1950, prepared in accordance with the Reorganization Act of 1949. The plan transfers the functions of the General Services Administration relating to public works in Alaska and in the Virgin Islands to the Department of the Interior. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 15 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The savings to be realized from the transfers provided for in the plan cannot be predicted in detail at this time. The small size and restricted character of the Virgin Islands public works program will prevent large reduction in administrative expenditures. However, by placing the responsibility for the activity in the Department generally concerned with the government and welfare of the islands, the plan will lead to a closer integration of the public works program with verified needs.

The Alaska public works program is new and will continue to grow for some time. As a result the over-all costs of administration will increase under any organizational arrangements which may be established. The concentration of responsibility in the Department already charged with the execution of related programs in Alaska and required by law to approve all projects constructed under the Alaska Public Works Act of 1949 should, however, simplify relationships and lead to more economical administration than would otherwise be possible.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 16 OF 1950 (FEDERAL SECURITY AGENCY)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 521)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 16 of 1950, prepared in accordance with the Reorganization Act of 1949. The plan transfers to the Federal Security Agency the functions of the General Services Administration relating to assistance to local school districts and grants and loans for water-pollution-control projects. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 16 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The transfer of the responsibility for making payments to local school districts whose operating deficits are due in part to Federal activities is unlikely to result in an immediate reduction in expenditures for the administration of the program. However, by placing the function in the agency of the Government best

informed in matters of public-school administration and presently charged with the payment of other grants for educational purposes, the plan will provide additional assurance that the funds appropriated for assistance to overburdened school districts will be most advantageously expended.

The relative newness and expanding character of the water-pollution-control program prevents the itemization of the reductions in expenditures which will follow the consolidation of responsibility for this activity. It is expected that the elimination of overlapping and the simplification of relationships which will result from the transfer will make it possible to administer grants and loans more expeditiously and at lowest costs per project than can be done under the present division of responsibility.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 17 OF 1950 (HOUSING AND HOME FINANCE AGENCY)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 522)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 17 of 1950, prepared in accordance with the Reorganization Act of 1949. The plan transfers the functions of the General Services Administration relating to the advance planning of non-Federal public works and the management and disposal of certain war public works to the Housing and Home Finance Agency. My reasons for transmitting this plan are stated in an accompanying general message.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 17 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The first of the transfers provided for by this plan will result in the more economical administration of those activities of the Federal Government which are concerned with the over-all planning and development of communities. The concentration of responsibility in a single agency will make it possible to so integrate administration as to avoid duplication of technical staffs and to simplify relationships with State and local agencies. Moreover, by reducing the likelihood that the two programs involved will be administered at cross-purposes or in conflict with each other, it can be expected that the money expended will achieve greater benefits than would be likely under the present distribution of responsibility. It is not, however, possible to itemize the reduction in expenditures which will result, chiefly because both programs are of recent origin and are still undergoing expansion.

The transfer of the war public works functions will lead to modest savings by consolidating the responsibility for the management and disposal of all properties built or acquired under the Lanham Act of 1940, as amended, in the agency which already has the greater part of the total job. The fact that it will become possible to manage and dispose of public facilities serving emergency housing developments without the interagency negotiation which is now necessary will lead to economies, although they cannot be itemized or predicted with exactness.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 18 OF 1950 (GENERAL SERVICES ADMINISTRATION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 523)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 18 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan transfers to the Administrator of General Services the functions of the various Federal agencies with respect to leasing and assigning general-purpose space in buildings and the operation, maintenance, and custody of office buildings. Since such authority is already largely concentrated in the General Services Administration with respect to the District of Columbia, the plan principally relates to the administration of these functions in the field.

The transfers made by this plan will promote more economical leasing, better utilization of building space, and more efficient operation of Government-controlled office buildings. They will effectuate the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to concentrating in the General Services Administration the responsibility for space allotment and the operation of Government buildings outside of the District of Columbia. Likewise, they will extend the principles laid down by the Congress in enacting the Federal Property and Administrative Services Act of 1949 to another important area of Government-wide administrative services—the administration of Government office buildings and general-purpose building space in the field.

Within the District of Columbia, one agency, the Public Buildings Service of the General Services Administration, has long had the operation and custody of most Government buildings and the leasing and assignment of space for executive agencies. Thus, nearly all requests for building space are handled by a single organization which is responsible for seeing that agencies are properly and efficiently housed. This arrangement has proved its worth and has repeatedly been approved by the Congress.

Outside of the National Capital, however, responsibility for the acquisition and control of building space and the operation of Government buildings is widely diffused. A variety of agencies operate and control general-purpose buildings. If quarters are not available in Federal buildings, each agency ordinarily does its own leasing. As a result, in some cases Federal agencies have contracted for space at high rentals at the very time that other agencies have been giving up surplus low-cost space.

The assignment of space in Government-owned buildings outside of Washington is also divided among a number of agencies. While the Public Buildings Service constructs a large part of the Government buildings, it operates and controls the assignment of space in only a small proportion of them. The Post Office Department operates and allocates the space in post office buildings, several hundred of which contain substantial amounts of office space available for other agencies. During and immediately after the war several other Federal agencies acquired office buildings in the field. As their activities have contracted, surplus space in many of these structures has become available for other uses.

This plan concentrates in the General Services Administration the responsibility for the leasing and assignment of what is termed general-purpose building space, that is, space which is suitable for the uses of a number of Federal agencies. It specifically excludes space in buildings at military posts, arsenals, navy yards, and similar defense installations and space in hospitals, laboratories, factories, and other special-purpose buildings.

Also, the plan excludes the Post Office Department from the transfer of leasing authority since the Department has a highly developed organization for this purpose, and it limits the transfer of space-assignment authority in post-office buildings to the space not occupied by the Department. Further, it gives the needs of the Post Office Department priority in the assignment of space in post-office buildings. Thus, the plan amply safeguards the interests of the Post Office Department while making it possible to include the general office space in post-office buildings in any given city with other similar space under Federal control in planning and executing an efficient program for housing Government agencies in that area.

In addition, the plan transfers to the General Services Administration the operation, maintenance, and custody of office buildings owned or leased by the Government, including those post-office buildings which are not used predominantly for post-office purposes. This will make it possible to establish a single organization for the operation and maintenance of Government office buildings in principal cities in the field as has proved desirable in the National Capital. Since many post offices are, in fact, primarily large office buildings, the plan includes in this transfer the post-office buildings which are not used predominantly for post-office purposes. This will relieve the Post Office Department of a considerable expenditure for building operation and maintenance which properly should not be charged against postal revenues.

While the plan effects a broad transfer of functions with respect to leasing and assignment of space and the operation and maintenance of office buildings, it specifically authorizes the Administrator of General Services to delegate the performance of any part of these functions to other agencies subject to such regulations as he deems desirable for economical and effective administration. In this the plan follows the pattern adopted by the Federal Property and Administrative Services Act of 1949 for other branches of property management. In large urban centers where numerous Federal units are located unified administration of space activities by the General Services Administration will normally be advantageous. On the other hand, in the smaller communities it will no doubt be desirable to delegate the work back to the agencies directly affected, to be carried on under standards laid down by the Administrator of General Services. The plan provides ample flexibility for working out the most effective administrative arrangement for each type of situation.

The fundamental soundness and economy of centralized administration of building space have been amply demonstrated in the National Capital. By virtue of unified control it has been possible since the war to accomplish far-reaching changes which have consolidated agencies in much fewer locations, released many of the rented buildings, and greatly reduced the cost of housing the Government establishment. Similar procedures applied in the larger centers of field activity should produce substantial savings.

After investigation, I have found and hereby declare, that each reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

While it is not possible at this time to calculate the reduction in expenditures which will result from this plan, it can safely be predicted that it will produce substantial savings. I am confident that this reorganization plan will constitute a significant improvement in Federal business practice and will bring about an important increase in efficiency in housing Government agencies.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 19 OF 1950 (DEPARTMENT OF LABOR)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 524)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 19 of 1950, prepared in accordance with the Reorganization Act of 1949. This reorganization plan carries out a specific recommendation of the Commission on Organization of the executive branch of the Government by transferring from the Federal Security Agency to the Department of Labor the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board and their functions. The functions of the Federal Security Administrator with respect to employees' compensation are also transferred by the plan.

The reorganization plan is a further step in achieving the general objective of the Commission to strengthen the Department of Labor by bringing within it labor functions which over many years have been scattered throughout the executive branch.

Last year by reorganization plan the Bureau of Employment Security was transferred to the Department of Labor. Today I am also transmitting Reorganization Plan No. 14, which assigns to the Department of Labor the responsibility for prescribing and enforcing standards, regulations, and procedures in order to coordinate and assure consistent enforcement of labor standards legislation applying to federally financed or assisted construction and public works. The accompanying reorganization plan will further consolidate allied programs of the Federal Government pertaining to employees and employment.

The Bureau of Employees' Compensation administers programs which compensate workers and their dependents for death or disabling injuries suffered in the course of employment. These programs constitute the Federal Government's system of workmen's compensation and include the related functions of accident prevention and safety. Currently, there are four major groups of employees covered by this system, including 2,000,000 Federal employees, 500,000 longshoremen and harbor workers, 250,000 industrial employees in the District of Columbia and an estimated 100,000 employees of private contractors located at overseas United States bases. In 1949 these groups of employees suffered over 200,000 injuries, of which 30,000 resulted in claims for compensation.

The Employees' Compensation Appeals Board hears and finally decides appeals on claims of employees covered by the Federal Employees' Compensation Act. Non-Federal employees take appeals arising from compensation claims directly to the district courts.

This workmen's compensation system, which is designed to mitigate the hardships attendant upon the death or disabling injuries of employees growing out of their employment, is clearly a labor function and is closely related to other programs of the Department of Labor.

For many years the Department of Labor has taken leadership in promoting standards for workmen's compensation programs throughout the country. It is most appropriate that the agency promoting high standards for workmen's compensation programs throughout the several States should likewise administer the Federal Government's workmen's compensation programs.

An accident-prevention program is always a necessary adjunct of a workmen's compensation system. The Department of Labor has the primary responsibility in the Federal Government for developing and promoting programs for the prevention and elimination of industrial hazards. This activity is primarily carried out by the Bureau of Labor Standards through the establishment of safety standards of general application throughout industry. This Bureau is also the focal point for making effective the Government's Nation-wide conferences on industrial safety. A related activity is the responsibility of the Wage and Hour and Public Contracts Divisions of the Department to enforce the safety provisions of the Walsh-Healey Public Contracts Act with respect to working conditions on certain public contracts.

The Secretary of Labor also has special responsibilities relating to safety for Federal employees, having served as Chairman of the Policy Board of the Interdepartmental Safety Council since its inception. The Bureau of Labor Standards has provided the necessary staff work for the Council, and has assisted the Secretary of Labor in carrying out his broad area of interest in Federal safety programs.

An integral part of the Department's activities for effective programs of workmen's compensation and industrial safety has been the compilation of accident statistics by the Bureau of Labor Statistics. Effective administration of workmen's compensation or safety standards requires the use of that Bureau's information on work injuries and accident causes, for this information affords important guidance in the establishment of equitable compensation benefits and in the formulation of effective safety standards.

Prior to 1916, the Federal system of workmen's compensation was carried out under the Secretary of Labor, or his predecessor the Secretary of Commerce and Labor. From 1916 to 1946 administration of this system was vested in an independent Employees' Compensation Commission. Due to the greatly increased complexity of the Federal Government, it was imperative that the independent status of that Commission be eliminated and that it be placed within one of the major constituents of the executive branch. Therefore, in 1946, the Employees' Compensation Commission was abolished and its functions were transferred to the Federal Security Agency.

Since 1946, new conditions have arisen which make it desirable to change the location of the Federal workmen's compensation system. Recently, through the 1949 amendments to the Federal Employees' Compensation Act, the Bureau of Employees' Compensation was given increased responsibilities, with respect to accident prevention and safety. Furthermore, in 1949, responsibility for unemployment compensation was assigned to the Department of Labor. Workmen's compensation, like unemployment compensation, is a program designed to alleviate hazards arising in employment. Since functions relating to both employment and employment conditions are performed by the Department of Labor, compensation for injury suffered in employment, like compensation for unemployment, should also be a function of the Department of Labor.

There are not transferred by the provisions of this reorganization plan (1) any function of the Public Health Service, (2) any function of the Federal Security Agency or the Federal Security Administrator under the Vocational Rehabilitation Act, as amended (including the function of assuring the development and accomplishment of State rehabilitation plans affecting beneficiaries under the Federal Employees Compensation Act), nor (3) the function of developing or establishing rehabilitation services or facilities. These responsibilities are retained in the Federal Security Agency. This provision will preclude the necessity for establishing any duplicating facilities or services.

After investigation, I have found and hereby declare that each of the reorganizations included in Reorganization Plan No. 19 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

It is probable that a reduction of expenditures will result from the reorganizations included in this plan, as well as from greater efficiency of administration. An itemization of these reductions in advance of actual experience under this plan is not practicable.

This reorganization is another link in the program to strengthen the Department of Labor. It will result in the accomplishment of optimum efficiency and is in the interest of the most effective organization of the Government.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 20, 1950 (GENERAL SERVICES ADMINISTRATION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 525)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 20 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan transfers from the Secretary of State to the Administrator of General Services a number of functions which have no connection with foreign affairs but bear a close relation to the archival and records functions of the General Services Administration.

Since its establishment in 1789 the Department of State has performed certain routine secretarial and record-keeping functions for the Federal Government which are entirely extraneous to its basic mission with respect to the conduct of foreign relations. While these activities do not properly belong in the Department, they were assigned to it and continued under its jurisdiction for want of an appropriate agency for their performance. At present these functions consist of the preservation and publication of laws, the preparation and publication of the Statutes at Large, the certification and publication of constitutional amendments, the receipt and preservation of certificates of presidential electors and of electoral votes, and the compilation and publication of Territorial papers.

Through the National Archives and Records Service the General Services Administration is especially staffed and equipped for the conduct of activities of these types. It is the principal custodian of the official records of the Government. Under the Federal Register Act and the Administrative Procedure Act, it preserves and publishes in the Federal Register the executive orders, proclamations, and other principal executive documents and it codifies and publishes the rules and regulations promulgated by the various departments and agencies. This work is generally similar in nature to, and much greater in volume than, that performed by the Department of State with respect to constitutional amendments, laws, and proclamations. Consequently, the consolidation of these activities of the State Department with the archival and records activities of the General Services Administration should make for greater efficiency and economy. The plan, however, does not transfer the custody and publication of treaties and international agreements since they are matters of special concern to the Department of State and it is the agency most competent to edit such documents.

The handling of the certificates of presidential electors and the compilation and publication of Territorial papers also more appropriately belong in the General Services Administration. The first is largely a matter of record-keeping and the second of archival research. The preparation of the Territorial papers involves the compilation and editing of official documents of the various Territories formerly existing within the United States. The greater part of this material is now in the National Archives and the work involved is generally similar to that being performed by it with respect to other groups of public records.

In addition, the plan abolishes two statutory duties of the Secretary of State which have become obsolete. The first is the duty of procuring copies of all State statutes as provided in the act of September 23, 1789 (R. S. 206). Inasmuch as the Library of Congress now has a complete collection of the State laws, it is no longer necessary for the Department of State to maintain a complete collection. The second is the requirement, imposed by the act of July 31, 1876 (19 Stat. 105), as amended, that the Secretary of State publish proclamations and treaties in a newspaper in the District of Columbia. This is now unnecessary since proclamations are published in the Federal Register and treaties are made available currently in slip form in the Treaties and other International Acts Series.

After investigation I have found and hereby declare that each reorganization included in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

The transfers provided by this plan will relieve the State Department of a number of functions that have no relation to its primary purpose and place them in an agency especially designed for the performance of such activities. Until these functions are incorporated in the operations of the General Services Administration, it will not, of course, be practicable to determine the economies attributable to their transfer, but it is reasonable to expect modest, yet worth-while savings, to be achieved.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

REORGANIZATION PLAN NO. 21 OF 1950 (MARITIME COMMISSION)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 526)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 21 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan effects a basic reorganization of the functions of the United States Maritime Commission along the lines recommended by the Commission on Organization of the Executive Branch of the Government.

Within the last 3 years three different bodies have studied the administration of the Maritime Commission. All have concluded that the operating deficiencies of the agency arise from inappropriate and unsound organization and that a fundamental reorganization is essential. The first of these bodies, the President's Advisory Committee on the Merchant Marine, in 1947, stated:

> It appears to the committee that the organization structure of the Maritime Commission as set up in the Merchant Marine Act of 1936 is wholly inadequate for the efficient conduct of the multitude of diverse activities for which the Maritime Commission is now responsible. The deficiencies of the statutory organization for administrative action are regarded by the committee to be the most serious obstacle standing in the way of the development of the merchant marine of this country.

Similarly, the survey of the Maritime Commission in 1948 for the Senate Committee on Expenditures in the Executive Departments concluded that "The fundamental weakness of the Maritime Commission, as it is now constituted, lies in its prescribed organization." On the basis of investigations of the Maritime Commission by two of its task forces, the Commission on Organization of the Executive Branch stated:

> It is an anomaly that a regulatory commission should also conduct the executive function of managing a huge business; that executive functions should be carried on by an agency that is not subject to Presidential direction; that executive functions should be carried on by a full-time board.

While the recommendations of the various studies differ in some details, they agree on principles and on the main features of reorganization.

Basically, the administrative difficulties of the Maritime Commission have arisen, as all these studies agree, from the fact that the Commission is responsible for performing two fundamentally different types of functions which call for different types of organization. These two classes of functions are (a) regulatory and (b) operating and promotional. Under various acts the Commission regulates rates and services of water carriers, passes on agreements among carriers, and protects shippers against unfair and discriminatory practices. This type of activity requires the deliberation and independence of judgment which a board or commission is especially well designed to provide. But at the same time the Commission is charged with the conduct of a variety of large and costly promotional and business-type programs demanding the prompt and vigorous administration for which experience both in Government and in private enterprise has demonstrated that a single executive is essential.

The Maritime Commission has charge of the construction of merchant vessels for subsidized operators and for Government account. It owns and maintains the largest merchant fleet in the world, consisting of 2,200 vessels aggregating more than 22,000,000 dead weight tons. It charters and sells ships and in time of war or national emergency requisitions and operates vessels for the Government. It grants construction and operating differential subsidies to private shipping companies to maintain an active privately operated American merchant marine. It makes loans and insures mortgages to assist carriers in acquiring new vessels, and it conducts programs for training officers and seamen for the merchant marine. For the present fiscal year the performance of these functions will involve the expenditure of approximately $162,000,000 and the direction of an organization of 5,500 employees. In short, the administration of the Maritime Commission is a vast business undertaking. Moreover, the work of the Commission affects significantly the interests of both business and labor in the maintenance of a sound maritime industry.

Further than this, many of the activities of the Maritime Commission are closely related to other programs of the Government and have to be coordinated with them. In the construction of a subsidized ship the Commission must cooperate with the Coast Guard on those features of design, materials, and equipment which affect the safety of the vessel and with the Navy on those which especially affect the use of the ship for national defense. Furthermore, the whole program of subsidized ship construction needs to be adjusted to the plans and requirements for national defense. At the same time the Commission's programs for the development of the merchant marine must be coordinated with our foreign policy and with Federal programs with respect to other branches of transportation.

While an independent commission is an appropriate instrument for the performance of the regulatory functions of the Maritime Commission, such an agency obviously is not the type required to provide strong and efficient administration of the large operating programs now entrusted to the Commission or to obtain the needed coordination with other activities of the executive branch. This fact is amply demonstrated by the administrative difficulties and the complicated problems of coordination encountered in the operation of the Commission since the war and by the necessity of transferring a large part of its functions to the War Shipping Administration, headed by a single executive, during the war.

Briefly, this reorganization plan provides for a small Federal Maritime Board and a Maritime Administration in the Department of Commerce to perform the functions of the Maritime Commission, and abolishes the existing Commission. It transfers to the Board the regulatory functions of the Commission and definitely guarantees the independence of the Board in the performance of these functions. In addition, it vests directly in the Board the determination and award of construction and operating differential subsidies. In the performance of its subsidy functions the Board will be subject to general policy guidance by the Secretary of Commerce. The Board, however, and it alone, will determine to whom subsidies shall be granted and will make and award the subsidy contracts. Its actions therein will be conclusive and will not be subject to modification by any other agency or officer of the Department of Commerce. The other functions of the Maritime Commission, including carrying out the subsidy agreements made by the Board and administering the various operating programs, are transferred to the Secretary of Commerce for administration through the Maritime Administration. Thus, the plan provides for each of the two types of functions now vested in the Maritime Commission the type of organization best suited to its performance. At the same time, the plan will facilitate coordination of maritime policies and programs with other related policies and programs.

The division of functions under this plan conforms directly to the recommendations of the Commission on Organization of the Executive Branch of the Government. While the award of subsidies is a promotional rather than a regulatory function and might logically be assigned to the Maritime Administration instead of the Board, its impact on the shipping industry and on individual carriers is such as to make desirable the deliberation and combined judgment of a board. Accordingly, I have adhered to the recommendation of the Commission on Organization that this function be vested in a multiple body rather than a single official. Likewise, in line with the recommendations of the Commission, the plan assigns the determination of the over-all route pattern to the Secretary of Commerce.

The Maritime Board will consist of three members appointed by the President with the consent of the Senate for overlapping terms of 4 years. Not more than two of the members can be of the same political party. The Board, therefore, will be a smaller and more wieldy body which can function with greater expedition and efficiency than the existing five-member Commission. The Chairman will be designated by the President from the members of the Board and will be, ex officio, the Maritime Administrator and as such the head of the Maritime Administration. The plan also provides for a Deputy Maritime Administrator appointed by the Secretary of Commerce under the classified civil service. After investigation I have found, and hereby declare, that by reason of the reorganizations made by this plan, it is necessary to include in the plan provisions for the appointment and compensation of the members of the Federal Maritime Board and for the appointment of the Deputy Maritime Administrator.

In making the Chairman of the Federal Maritime Board the Maritime Administrator, the plan adopts an arrangement substantially similar to that which prevailed during the war, when the same individual served as Chairman of the Maritime Commission and head of the War Shipping Administration. This arrangement will have important advantages. It will facilitate cooperation between the Board and the Administration on matters of concern to both. Also, it will avoid dividing the personnel of the Maritime Commission, since the Chairman of the Board will supervise the personnel assisting it in the performance of its functions, as is now the case in the Maritime Commission, and in his capacity as Administrator he will have charge of the personnel carrying on the work of the Maritime Administration. The plan provides for the joint operation of the officers and employees under the Administrator and Chairman as a single body of personnel. The maintenance of a unified staff is essential for efficient and economical administration because many of the technical and professional personnel, such as ship designers and attorneys, now assist the Maritime Commission on problems of subsidy determination and also participate in the subsequent administration of subsidy agreements and in performing nonsubsidy functions.

The inclusion of the new Board in the Department of Commerce will permit the use of the administrative services of the Department. More important, it will eliminate the necessity of splitting the personnel of the Maritime Commission between the Department and an outside agency. In addition, it will relieve the President of having to handle relations with a separate maritime agency.

In establishing the Department of Commerce the Congress provided in the organic act of the Department that—

> It shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce * * * shipping, * * * and the transportation facilities of the United States.

Over the years, however, transportation functions have become widely scattered throughout the executive branch. As a result, intelligent planning and budgeting of Federal transportation activities and the necessary coordination of

transportation programs have become extremely difficult or impossible. The transfer of the functions of the Maritime Commission to the Department of Commerce will constitute a major step in correcting this condition.

Without question the Department of Commerce is now the appropriate center for transportation programs. It contains the Civil Aeronautics Administration—the major operating and promotional agency of the Government in the field of air transportation—and the Weather Bureau and the Coast and Geodetic Survey, which provide vital services to transportation. As a result of Reorganization Plan No. 7 of 1949, it now also includes the Bureau of Public Roads—the leading promotional agency dealing with land transportation. Also, it has the Inland Waterways Corporation in the field of water transportation. The transfer of the functions of the Maritime Commission will bring into the Department the principal water-transportation agency of the Government. These actions will go a long way toward the establishment of a sound and effective organization for the operating and promotional programs of the Government relating to transportation.

It is my purpose to look to the Secretary of Commerce for leadership with respect to transportation problems and for the development of over-all transportation policy within the executive branch. Because of the magnitude and importance of the transportation functions transferred to the Department of Commerce by this reorganization plan, I have found and hereby declare that it is necessary to strengthen the top administrative structure of the Department by providing for the appointment and compensation of a new Under Secretary of Commerce for transportation. This will make available an officer of the highest rank to assist the Secretary in supervising the varied and complex transportation programs of the Department and providing central leadership in transportation matters. With the many responsibilities of the Secretary of Commerce in other areas, the creation of this office is essential to enable him properly to fulfill his obligations with respect to transportation.

After careful investigation I have found and I hereby declare that each of the reorganizations contained in this reorganization plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949. The rates of compensation fixed by the provisions of the reorganization plan for the Under Secretary of Commerce for Transportation, the Chairman, and the other two members of the Federal Maritime Board are, respectively, those which I have found to prevail in respect of comparable officers in the executive branch of the Government.

In summary, the reorganizations provided by this plan will have the following principal advantages: They will provide an efficient organization headed by a single responsible official to administer the large operating and business-type programs of the Maritime Commission. At the same time, they will preserve the benefits of a bipartisan board for the performance of the regulatory functions of the Commission and the determination of subsidies. They will reduce the number of agencies reporting directly to the President and simplify the over-all management of the executive branch. In doing so, they will provide more adequate machinery for supervising the administration of the maritime programs and will facilitate their coordination with related policies and programs of the executive branch. Finally, they will accomplish a major advance in the development of an effective organization of Federal transportation programs in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government. While it is impossible to estimate in advance the savings which will be brought about by this plan, the improvements in administrative efficiency resulting from it should produce substantial reductions in expenditures for the programs transferred by the plan.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 13, 1950.*

DISTRICT OF COLUMBIA DAY

The SPEAKER. This is District of Columbia day. The Chair recognizes the gentleman from South Carolina [Mr. MCMILLAN], chairman of the Committee on the District of Columbia.

CALL OF THE HOUSE

Mr. NICHOLSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Anderson, Calif.	Gore	O'Neill
Andrews	Granahan	Pace
Auchincloss	Green	Pfeifer,
Bailey	Gregory	Joseph L.
Barden	Gwinn	Pfeiffer,
Barrett, Pa.	Hall,	William L.
Battle	Leonard W.	Philbin
Beall	Harris	Plumley
Bennett, Fla.	Hart	Poulson
Blatnik	Hébert	Powell
Buckley, N. Y.	Heffernan	Quinn
Bulwinkle	Heller	Rabaut
Burdick	Hobbs	Rains
Burton	Hoffman, Ill.	Reed, N. Y.
Byrne, N. Y.	Javits	Ribicoff
Case, N. J.	Jenison	Rich
Celler	Jenkins	Rivers
Chatham	Johnson	Rogers, Mass.
Chiperfield	Kearns	Roosevelt
Chudoff	Kelley, Pa.	Sadowski
Clemente	Kennedy	Scott, Hardie
Clevenger	Keogh	Shafer
Colmer	Kruse	Sheppard
Coudert	Kunkel	Smathers
Crook	Latham	Smith, Ohio
Davenport	Lichtenwalter	Staggers
Davies, N. Y.	McCulloch	Stanley
Davis, Wis.	McGrath	Taylor
Dawson	Mack, Ill.	Teague
DeGraffenried	Magee	Thomas
Dolliver	Marcantonio	Towe
Donohue	Merrow	Vinson
Douglas	Michener	Walsh
Doyle	Monroney	Weichel
Ellsworth	Morgan	Whitaker
Fernandez	Morrison	Wilson, Tex.
Flood	Morton	Winstead
Fogarty	Murphy	Woodhouse
Gathings	Norton	Worley
Gilmer	O'Hara, Minn.	

The SPEAKER. On this roll call 316 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL-AID PLAN FOR FIRE PROTECTION

Mr. MCMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 4788) to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. MCMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to authorize the making of reciprocal agreements between the District of Columbia Commissioners and appropriate governmental officials in Maryland and Virginia, incorporated and unincorporated fire departments and fire companies to effect a plan for mutual-aid for the furnishing of fire-fighting personnel and equipment for the extinguishment of fires and the saving of lives and property in emergencies in the District and Virginia and Maryland.

The purpose of this legislation is simply to make legal a practice which has been followed for many years among the fire departments of the District of Columbia and the adjacent States of Maryland and Virginia. The Commissioners of the District of Columbia have expressed the opinion that the legislation is desirable and in the public interest and recommend its immediate enactment.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are hereby authorized in their discretion to enter into and to renew reciprocal agreements, for such period as they deem advisable, with the appropriate county, municipal, and other governmental units in Prince Georges and Montgomery Counties, Md., and Arlington and Fairfax Counties, Va., with the city of Alexandria, Va., and with incorporated or unincorporated fire departments, fire companies, and organizations of firemen in such counties and cities, in order to establish and carry into effect a plan to provide mutual aid, through the furnishing of fire-fighting personnel and equipment, by and for the District of Columbia and such counties and cities, for the extinguishment of fires and for the preservation of life and property in emergencies, in the District and in such counties and cities.

SEC. 2. The District of Columbia shall not enter into any such agreement unless the agreement provides that each of the parties to such agreement shall waive any and all claims against all the other parties thereto which may arise out of their activities outside their respective jurisdictions under such agreement.

SEC. 3. The Commissioners of the District of Columbia are hereby authorized to make available to the Federal Government personnel and equipment of the Fire Department of the District to extinguish fires, and to save lives, on property of the Federal Government in Prince Georges and Montgomery Counties, Md.; Arlington and Fairfax Counties, Va.; and the city of Alexandria, Va.

SEC. 4. For the purposes of the act of September 1, 1916, as amended and supplemented (D. C. Code, 1940 ed., secs. 4–501—4–517), service performed by any officer or member of the Fire Department of the District of Columbia under any mutual-aid agreement entered into by the District pursuant to this act, and service performed under section 3 of this act by any such officer or member in extinguishing fires, or saving lives, on property of the Federal Government, shall be held and considered to be service performed in line of duty.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REMOVAL OF SLUDGE

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the bill (S. 2205) to authorize the Commissioners of the District of Columbia to provide for the removal of sludge and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to authorize the Commissioners of the District of Columbia to enter into a contract over a period of 5 years for the removal of sludge, a byproduct of the District of Columbia sewage-treatment plant. The Senate bill was amended by the House District Committee by removing the words "with or without competitive bidding" from line 9 of the bill.

The purpose of this amendment was to keep the bidding on a competitive-bidding basis. The Commissioners for the District of Columbia have recommended the passage of this legislation.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are hereby authorized to provide for the removal of sludge, a byproduct of the District of Columbia sewage-treatment plant, deposited or proposed to be deposited at the District of Columbia Reformatory, Lorton, Va., by contract or otherwise, and to enter into contract or contracts for such removal, with or without competitive bidding, for periods not exceeding 5 years.

With the following committee amendment:

Line 9, strike out "with or without competitive bidding."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT OF COLUMBIA CREDIT UNIONS ACT OF 1932

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 2554) to amend the District of Columbia Credit Unions Act of 1932 and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to increase the amount of unsecured loans which a credit union may make from $50 to $300. Under existing law a credit union may not make a loan in excess of $50 and under the amendment, adopted in the committee, to the bill the amount would be increased to $300 with a promise that any excess over $300 would be adequately secured. This language was used so as to make the District of Columbia Credit Unions Act conform to the Federal Credit Unions Act. The bill and the amendment have the approval of the Commissioners of the District of Columbia and the Comptroller of the Currency.

Mr. MARTIN of Massachusetts. The credit unions do not now have authority to make unsecured loans up to $300?

Mr. McMILLAN of South Carolina. No; they do not.

Mr. MARTIN of Massachusetts. Is this authority similar to what credit unions have in other States?

Mr. McMILLAN of South Carolina. It is the same as they have in other States.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 23, 1932, to provide for the incorporation of credit unions in the District of Columbia is amended in line 13 of section 11 (c) by changing "$50" to "$300" so that the limitation clause on unsecured loans reads "except that no loan in excess of $300 shall be made without adequate security."

With the following committee amendment:

Line 7, after "made" strike out "without adequate security" and insert "unless such excess over $300 is adequately secured."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAR SURPLUS MATERIALS

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 6104) to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose of this bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to create an agency in the District government which under the direction of the Commissioners would be charged with the duties of receiving, storing, and distributing all such surplus as may be donated by Federal agencies for the use of educational institutions in the District.

This agency will not be able to operate after June 30, 1950, unless this legislation is passed which would authorize its functions with a revolving fund of $15,000.

The Commissioners of the District of Columbia have requested this legislation and feel that there is an urgent need for this legislation. It has been estimated that a saving of approximately $200,000 would be effected to the District of Columbia through the enactment of this legislation.

Mr. MARTIN of Massachusetts. Does the gentleman mean the city is to establish such a bureau?

Mr. McMILLAN of South Carolina. Yes.

Mr. MARTIN of Massachusetts. Why is that necessary?

Mr. McMILLAN of South Carolina. Because at the present time they already have the authority but it runs out on June 30.

Mr. MARTIN of Massachusetts. They already have the bureau established?

Mr. McMILLAN of South Carolina. Yes; that is my understanding.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. MILLER of California. Other States have this, in order to take advantage of supplies of surplus property.

There is no comparable bureau in the District of Columbia and unless this bill is passed, they cannot take advantage of surplus materials.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby established in the municipal government of the District of Columbia the District of Columbia Educational Agency for Surplus Property, hereinafter referred to as the "Agency," which shall under the direction of the Commissioners of the District of Columbia carry out in the District of Columbia the State functions contemplated by sections 203 (j) and 203 (k) of the Federal Property and Administrative Services Act of 1949, approved June 30, 1949 (Public Law 152, 81st Cong.), and such other duties relating to the distribution of surplus property, or other functions, as the Commissioners may in their discretion assign to such Agency, and for the purposes of section 203 (j) of such act, the District of Columbia shall be deemed to be a

State. The Commissioners are authorized to appoint a director for such Agency and such other personnel as may be necessary with compensation to be fixed in accordance with the Classification Act of 1923, as amended. The Commissioners are also authorized to appoint an advisory board for such Agency to be composed of not more than 10 members: *Provided,* That the membership of such board shall include representatives of the tax-supported, tax-exempt, and nonprofit educational institutions in the District of Columbia: *And provided further,* That the members of such advisory board shall serve without compensation and at the pleasure of the Commissioners. Such advisory board may submit reports and recommendations to the Commissioners as well as to the Agency.

SEC. 2. There is hereby authorized to be appropriated from any money in the Treasury to the credit of the District of Columbia not exceeding $15,000 as a working capital fund for the operation of the Agency, which fund shall be used as a permanent revolving fund for all necessary expenses of such Agency. There shall be deposited to the credit of such fund such amounts as may be appropriated pursuant to this act, together with such amounts as the respective branches of the government of the District of Columbia and the private educational institutions authorized by law to participate in the distribution of surplus property shall pay as fees for services rendered by the Agency. The Commissioners are authorized to promulgate rules and regulations governing the manner in which the Agency shall carry out its duties, including the fixing of reasonable fees to be charged for its services.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 17, ALCOHOLIC BEVERAGE CONTROL ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 4229) to amend section 17 of the District of Columbia Alcoholic Beverage Control Act, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this legislation is to provide authority for the Commissioners of the District of Columbia and the members of the Alcoholic Beverage Control Board to revoke or suspend a license issued under the Alcoholic Beverage Control Act in cases where a license is issued and the licensee is convicted of a felony.

Mr. MARTIN of Massachusetts. They have no such authority at the present time?

Mr. McMILLAN of South Carolina. No.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of the first paragraph of section 17 of the District of Columbia Alcoholic Beverage Control Act, approved January 24, 1934, as amended (sec. 25–118, D. C. Code, 1940 ed.), is amended by inserting after the word "If" at the beginning of such sentence the following: "during the period for which any license was issued the licensee shall be convicted of any felony, or if."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRE DEPARTMENT

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 7147) to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to change the effective date of Public Law 699 of the Eightieth Congress from 180 days after funds are made available to the date funds are made available.

At the time the 60-hour House bill was originally considered there was a doubt as to whether there would be money enough to put this legislation into force and it was specifically written into the bill that it would be effective 180 days after the passage of the act to be sure that funds would be available.

Since this time the District of Columbia sales tax has gone into effect and the money is now available and is written into the appropriations bill for the District of Columbia now pending before the Appropriations Committee, and the only purpose in this amendment to the original act is so that the 60-hour system may go into effect immediately upon the funds being available. The amendment has the approval of the District Commissioners and of the chief engineer of the Fire Department for the District of Columbia.

Mr. MARTIN of Massachusetts. What will be the cost to the city?

Mr. McMILLAN of South Carolina. I do not know. That is already in Public Law 699. This bill advances the date at which the law will go into effect.

Mr. MARTIN of Massachusetts. It advances it 6 months?

Mr. McMILLAN of South Carolina. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to amend the act entitled 'An act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes,' approved June 20, 1906, and for other purposes," approved June 19, 1948, is hereby amended to read as follows:

"SEC. 3. This act shall take effect as of the date funds are made available for the additional personnel necessary to carry out the purposes of this act, or the date funds are appropriated for such personnel, whichever is the later date."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING ALCOHOLIC BEVERAGE CONTROL ACT OF 1934

Mr. McMILLAN of South Carolina. Mr. Speaker, I yield to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3247) to amend the Alcoholic Beverage Control Act of 1934 of the District of Columbia; and pending that motion, Mr. Speaker, I ask unanimous consent that debate be limited to 20 minutes, to be equally divided between both sides.

The SPEAKER. Is there objection to the request of the gentleman from New York?

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McMILLAN of South Carolina. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 94]

Albert	Evins	Nixon
Allen, Calif.	Fogarty	Norton
Andresen, August H.	Gilmer	O'Hara, Minn.
Andrews	Gore	O'Neill
Aspinall	Granahan	Pace
Barden	Green	Pfeifer, Joseph L.
Barrett, Pa.	Gregory	Pfeiffer, William L.
Battle	Gwinn	Philbin
Beall	Hall, Leonard W.	Plumley
Bennett, Fla.	Harrison	Poulson
Bosone	Hart	Powell
Buckley, Ill.	Hébert	Quinn
Buckley, N. Y.	Heffernan	Rabaut
Bulwinkle	Heller	Rains
Burdick	Hill	Ramsay
Burton	Holifield	Reed, N. Y.
Byrne, N. Y.	Javits	Regan
Case, N. J.	Jenison	Ribicoff
Cavalcante	Jenkins	Rich
Celler	Johnson	Rivers
Chatham	Kearns	Rogers, Mass.
Chiperfield	Kelley, Pa.	Roosevelt
Chudoff	Kennedy	Sadowski
Clemente	Keogh	Scott, Hardie
Clevenger	Kruse	Shafer
Cole, Kans.	Kunkel	Sheppard
Colmer	Latham	Smathers
Coudert	Lichtenwalter	Smith, Ohio
Cox	McCarthy	Spence
Crosser	McCulloch	Stanley
Davenport	McGrath	Taylor
Davies, N. Y.	Magee	Vinson
Dawson	Marcantonio	Walsh
Deane	Marshall	Weichel
DeGraffenried	Merrow	Whitaker
Dolliver	Michener	Whitten
Donohue	Mitchell	Wigglesworth
Douglas	Monroney	Withrow
Doyle	Morgan	Woodhouse
Ellsworth	Morrison	Worley
Engle, Calif.	Murphy	

The SPEAKER. On this roll call 310 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING THE ALCOHOLIC BEVERAGE CONTROL ACT OF 1934

Mr. CRAWFORD. Mr. Speaker, I raise the question of consideration on the bill now before the House.

The SPEAKER. That comes on the motion that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill.

Mr. KLEIN. Mr. Speaker, I renew my motion that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3247.

The SPEAKER. Does the gentleman from New York wish to submit a request now as to time for general debate?

Mr. KLEIN. I cannot get any agreement on that, Mr. Speaker, therefore I cannot submit such a request at this time.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. KLEIN) there were—ayes 60, noes 115.

Mr. KLEIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair thinks a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 70, nays 242, not voting 120, as follows:

[Roll No. 95]

YEAS—70

Addonizio	Furcolo	Noland
Anderson, Calif.	Garmatz	O'Brien, Ill.
Aspinall	Gordon	O'Neill
Auchincloss	Gorski	O'Sullivan
Baring	Havenner	O'Toole
Biemiller	Howell	Patten
Blatnik	Jones, Mo.	Price
Boggs, La.	Karst	Rodino
Bolling	Karsten	Rooney
Breen	Kelly, N. Y.	Sabath
Buckley, Ill.	Kilday	Sasscer
Burke	King	Shelley
Celler	Kirwan	Staggers
Chelf	Klein	Sullivan
Chesney	Larcade	Tauriello
Delaney	Lesinski	Teague
Dollinger	Linehan	Underwood
Eberharter	Lucas	Velde
Elston	Lynch	Walter
Engle, Calif.	McGuire	Willis
Fallon	Madden	Yates
Feighan	Marsalis	Zablocki
Flood	Morton	
Forand	Multer	

NAYS—242

Abbitt	Beckworth	Brown, Ohio
Abernethy	Bennett, Mich.	Bryson
Albert	Bentsen	Buchanan
Allen, Ill.	Bishop	Burleson
Allen, La.	Blackney	Burnside
Andersen, H. Carl	Boggs, Del.	Byrnes, Wis.
	Bolton, Md.	Camp
Andresen, August H.	Bolton, Ohio	Canfield
	Bonner	Cannon
Angell	Bosone	Carlyle
Arends	Bramblett	Carnahan
Bailey	Brehm	Case, S. Dak.
Barrett, Wyo.	Brooks	Christopher
Bates, Mass.	Brown, Ga.	Church
Cole, Kans.	Horan	Polk
Cole, N. Y.	Huber	Potter
Combs	Hull	Preston
Cooper	Irving	Priest
Corbett	Jackson, Calif.	Rankin
Cotton	Jackson, Wash.	Redden
Cox	Jacobs	Reed, Ill.
Crawford	James	Rees
Crook	Jennings	Regan
Cunningham	Jensen	Rhodes
Curtis	Jonas	Richards
Dague	Jones, Ala.	Riehlman
Davis, Ga.	Jones, N. C.	Rogers, Fla.
Davis, Tenn.	Judd	Sadlak
Davis, Wis.	Kean	St. George
Deane	Keating	Sanborn
Denton	Kee	Saylor
D'Ewart	Keefe	Scott, Hugh D., Jr.
Dondero	Kerr	
Doughton	Kilburn	Scrivner
Durham	Lane	Scudder
Elliott	Lanham	Secrest
Engel, Mich.	LeCompte	Short
Evins	LeFevre	Sikes
Fellows	Lemke	Simpson, Pa.
Fenton	Lind	Sims
Fernandez	Lodge	Smith, Kans.
Fisher	Lovre	Smith, Va.
Ford	Lyle	Smith, Wis.
Frazier	McConnell	Steed
Fugate	McCormack	Stefan
Fulton	McDonough	Stigler
Gamble	McGregor	Stockman
Gary	McKinnon	Sutton
Gathings	McMillan, S. C.	Taber
Gavin	McMillen, Ill.	Tackett
Gillette	McSweeney	Talle
Golden	Mack, Ill.	Thomas
Goodwin	Mack, Wash.	Thompson
Graham	Macy	Thornberry
Granger	Mahon	Tollefson
Grant	Marshall	Towe
Gross	Martin, Iowa	Trimble
Hagen	Martin, Mass.	Van Zandt
Hale	Mason	Vorys
Hall, Edwin Arthur	Meyer	Vursell
	Miller, Md.	Wadsworth
Halleck	Miller, Nebr.	Wagner
Hand	Mills	Welch
Harden	Morris	Werdel
Hardy	Moulder	Wheeler
Hare	Murray, Tenn.	White, Calif.
Harris	Murray, Wis.	White, Idaho
Harrison	Nelson	Whitten
Harvey	Nicholson	Whittington
Hays, Ark.	Nixon	Wickersham
Hays, Ohio	Norblad	Widnall
Hedrick	Norrell	Wier
Herlong	O'Brien, Mich.	Williams
Herter	O'Konski	Wilson, Ind.
Heselton	Passman	Wilson, Okla.
Hill	Patman	Wilson, Tex.
Hinshaw	Perkins	Winstead
Hobbs	Peterson	Withrow
Hoeven	Phillips, Calif.	Wolcott
Hoffman, Mich.	Phillips, Tenn.	Wood
Holifield	Pickett	Woodruff
Holmes	Poage	Young

NOT VOTING—120

Allen, Calif.	Eaton	Mansfield
Andrews	Ellsworth	Marcantonio
Barden	Fogarty	Merrow
Barrett, Pa.	Gilmer	Michener
Bates, Ky.	Gore	Miles
Battle	Gossett	Miller, Calif.
Beall	Granahan	Mitchell
Bennett, Fla.	Green	Monroney
Boykin	Gregory	Morgan
Buckley, N. Y.	Gwinn	Morrison
Bulwinkle	Hall, Leonard W.	Murdock
Burdick		Murphy
Burton	Hart	Norton
Byrne, N. Y.	Hébert	O'Hara, Ill.
Carroll	Heffernan	O'Hara, Minn.
Case, N. J.	Heller	Pace
Cavalcante	Hoffman, Ill.	Patterson
Chatham	Hope	Pfeifer, Joseph L.
Chiperfield	Javits	
Chudoff	Jenison	Pfeiffer, William L.
Clemente	Jenkins	
Clevenger	Johnson	Philbin
Colmer	Kearney	Plumley
Cooley	Kearns	Poulson
Coudert	Kelley, Pa.	Powell
Crosser	Kennedy	Quinn
Davenport	Keogh	Rabaut
Davies, N. Y.	Kruse	Rains
Dawson	Kunkel	Ramsay
DeGraffenried	Latham	Reed, N. Y.
Dingell	Lichtenwalter	Ribicoff
Dolliver	McCarthy	Rich
Donohue	McCulloch	Rivers
Douglas	McGrath	Rogers, Mass.
Doyle	Magee	Roosevelt
Sadowski	Smith, Ohio	Weichel
Scott, Hardie	Spence	Whitaker
Shafer	Stanley	Wigglesworth
Sheppard	Taylor	Wolverton
Simpson, Ill.	Vinson	Woodhouse
Smathers	Walsh	Worley

So the motion was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Gilmer with Mr. Wolverton.
Mr. Miller of California with Mr. Michener.
Mr. Rabaut with Mr. Taylor.
Mr. Heffernan with Mr. Leonard W. Hall.
Mr. Whitaker with Mr. Ellsworth.
Mr. Andrews with Mr. Lichtenwalter.
Mr. Keogh with Mr. Reed of New York.
Mr. Bates of Kentucky with Mr. Dolliver.
Mr. Battle with Mr. Coudert.
Mr. Barrett of Pennsylvania with Mr. Jenkins.
Mr. Joseph L. Pfeifer with Mr. Kearns.
Mr. Byrne of New York with Mr. Latham.
Mr. Davenport with Mr. Allen of California.
Mr. Magee with Mr. Clevenger.
Mr. Mansfield with Mr. O'Hara of Minnesota.
Mr. Morrison with Mr. William L. Pfeiffer.
Mrs. Woodhouse with Mrs. Rogers of Massachusetts.
Mr. Murphy with Mr. Weichel.
Mr. Burton with Mr. Wigglesworth.
Mr. Roosevelt with Mr. Hope.
Mr. Heller with Mr. Hoffman of Illinois.
Mr. Kruse with Mr. Chiperfield.
Mr. Hart with Mr. Case of New Jersey.
Mr. Hébert with Mr. Latham.
Mr. Ribicoff with Mr. Smith of Ohio.
Mr. Sadowski with Mr. Jenison.
Mr. Smathers with Mr. Gwinn.
Mr. Vinson with Mr. Eaton.
Mr. Morgan with Mr. Kunkel.
Mr. Stanley with Mr. Merrow.
Mr. Doyle with Mr. Patterson.
Mr. deGraffenried with Mr. Shafer.
Mr. Clemente with Mr. Rich.
Mr. Quinn with Mr. Johnson.
Mr. McGrath with Mr. Kearney.

The result of the vote was announced as above recorded.

The doors were opened.

H. R. 3247 SHOULD BE OVERWHELMINGLY DEFEATED

Mr. REES. Mr. Speaker, H. R. 3247 should be defeated by overwhelming majority. This bill provides, among other things, for the extension of the sale of liquor beyond the hour of midnight on Saturday night and until 2 o'clock on Sunday morning. The only excuse given by anyone supporting the bill is that the extension of the hours of open drinking places would thereby compete with so-called bottle clubs. What the District of Columbia needs to do is to also close out the bottle clubs after midnight on Saturdays, and on every other day as far as that is concerned.

Mr. Speaker, the situation in the District of Columbia with respect to liquor consumption is disgraceful. According to a statement by Mr. Ted McDowell, reported in one of our Washington papers, the city of Washington is soaking up three times as much liquor as the national per capita average. It is reflected in ever-increasing arrests, alcoholism, and crime.

The population of the District of Columbia has decreased 1 percent since the war. The percentage of jail drunks has increased more than 33 percent during the same period. Seventy percent of all jail cases and 77 percent of the District's

Criminal Court cases are on drunkenness charges. That is a pretty poor example for the people in the Nation's Capital to set for people in other parts of the country.

An upswing in drinking is also reflected in the Alcoholic Beverage Control Board figures. The number of all kinds of liquor licenses has soared in 5 years from 1,962 to 2,393. Mr. McDowell in his statement further says that the number of admissions for intoxication in the jails has doubled in 5 years, and that during the last year more than 37,000 persons were arrested for drunkenness in the District.

Mr. Speaker, instead of extending and expanding the sale of liquor in the District and everywhere else, we should be curbing it. Certainly no one can claim that the approval of this kind of legislation is for the good of the community or of the country at large. It ought to be defeated by overwhelming majority.

NOT NICE, MR. BRANNAN

Mr. CASE of South Dakota. Mr. Speaker, if Secretary Brannan actually said, as the newspapers report him, that "farm supports are pricing eggs and milk out of the reach of many Americans," he should retract and apologize. It is ridiculous for a Secretary of Agriculture to throw the blame on the farmer or farmer's wife who gets only 20 to 25 cents per dozen for eggs.

They may be selling at from 45 to 60 cents to the city consumer, but that is not due to the support price offered the producer. It is due to the charges in between.

This illustrates tactics of the Truman administration, Mr. Speaker. Rather than tell the people frankly that the fault lies in high taxes, high transportation, round after round of wage increases, importation of dried eggs from China and shell eggs from Canada, the Secretary would put the blame on the farmer's wife who gets about 2 cents per egg. That is not a fair deal; it is a raw deal.

The Secretary was on better ground, Mr. Speaker, when he said "We must get eggs to market at a fair price." It is in the getting to market where the price goes high. If the Secretary wants to give someone a subsidy, why not give it to the consumer or cut down the cost of big government in between producer and consumer? Why put the bad odor of a subsidy on the producer who is not getting true parity in today's costs?

THIS IS NOT THE DEMOCRATIC WAY TO LEGISLATE

Mr. KLEIN. Mr. Speaker, I have asked for this brief time because I feel that I must protest against the refusal of the House to allow an explanation and debate on this bill.

I have no personal interest whatever in the legislation under consideration beyond the proper interest I take in the affairs of the District of Columbia, since I am a member of the House committee, and the interest I feel in any bill which bears my name. I should feel equally that the procedure just followed by the House is undemocratic no matter whose name was on the bill. What we have done by voting down this motion, is to say, in effect, that we will not permit even a discussion, not even an explanation of what the bill would do. I feel that if I had been permitted to explain this bill, it might have passed; but even if it had not, at least the Members of this body, who might wish to, would have had the opportunity of voicing their views, either pro or con.

H. R. 3247 has one simple objective: It would amend the alcoholic beverage control law of the District of Columbia in such a way as to authorize the Commissioners, in their discretion, to permit the sale of alcoholic beverages in licensed restaurants, hotels, and so forth, after midnight on Saturday nights, up to 2 a. m. It is permissive legislation.

I was induced to introduce the legislation on a logical and persuasive showing that if the Commissioners had this authority, and elected to use it, the immediate result would be to discourage the unlicensed, uncontrolled, and uncontrollable "bottle clubs" which at the present time plague the law-enforcement agencies and the licensed-beverage industry.

BOTTLE CLUBS OUTSIDE THE LAW

For the benefit of the uninitiated, a "bottle club" is a place operating as a social club where, in theory at least, no liquor is sold. I have never visited such a club myself; but I have been told that when an alleged member of the club appears at the door a bottle of whisky is picked from a case and the member's name inscribed on it. The cost, far above that which would be assessed in a licensed bar, is then added to his service check.

There are, of course, legitimate bottle clubs where there actually is no liquor sold; where the membership roster is bona fide, and the members really do bring their bottles and leave them for future use.

But even the legitimate clubs make a joke of their charters. Every one of the so-called bottle clubs is chartered under the laws of the District of Columbia as an eleemosynary or charitable institution.

The only educating they have done is of their customers, and the only charity they have practiced began and ended strictly at home.

The bottle club is outside the law. It is not licensed by the ABC board. Short of riot and mayhem, the police have no control over it. As a private social club, no police officer or ABC board inspector can enter and observe what is going on, except on a warrant alleging probable cause. The bottle club pays a minimum of taxes and fees, but tends to produce a maximum of business for the police force, since the club lies under none of the restrictions laid down for class A liquor licenses.

The passage of this bill would, I am certain, and I am supported in my belief by many reputable police officers and by the organized licensed restaurant industry, reduce the per capita consumption of alcoholic beverages in Washington, because it would allow respectable Washingtonians on pleasure bent to remain in legitimate restaurants after midnight without being penalized for their patronage of a respectable, revenue-producing, self-policed bar, and would discourage them from patronizing the illegal after-hours clubs where they could drink far into the night.

WASHINGTON, D. C., IS A GROWN-UP CITY

Mr. Speaker, I should like to remind the gentlemen who voted against the motion to take up this bill that Washington is one of the great metropolitan centers of the Nation. Its people are extremely cosmopolitan, and at the same time not inclined to indulge unduly in pursuit of pleasure.

Washington is not, by any means, a night club city; without attempting to give accurate statistics, I should judge that the incidence of failures in such ventures here is higher than in any city of comparable size, because of the absence of a large number of habitues.

There is a definite pattern of "stepping out" on Friday and Saturday nights, just as in the small cities and towns of the country. The legitimate, licensed operator is at a disadvantage because of the midnight Saturday closing. There is a strong tendency on the part of patrons to go to Maryland, even as far away as Baltimore, where no such restrictions exist. Having gone that far away, the merrymakers are likely to do more serious drinking.

ARGUMENT FOR HOME RULE

I know of no better argument for the home-rule bill than the action just taken by the House.

We have been sitting here today as a city council for Washington—a city of almost a million people inside the District boundaries.

But the votes cast here today were cast for the benefit of small towns and hamlets far, far away. The result of the record vote on this motion was dictated by the mores and the prejudices of constituents who are often intolerant, and who reside hundreds and thousands of miles away.

We have legislated for this great, modern, cosmopolitan city as if we were acting for a far-away mountain village—worse than that, we have legislated as if we were trying to control naughty children rather than the sober adult population of Washington.

Mr. Speaker, I am convinced that temperance and decorum would be much better served by the enactment of this legislation than by permitting the present situation to continue, where people can desecrate the Sabbath by drinking to excess and as far into the night as they please, without any supervision whatsoever.

EXTENSION OF REMARKS

Mr. PATTERSON (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a pamphlet.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in four instances and include excerpts.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD.

Mr. LOVRE asked and was given permission to extend his remarks in the RECORD and include various articles.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material.

Mr. BOLTON of Maryland asked and was given permission to extend his remarks in the RECORD.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include an address by Oscar Ewing.

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material.

Mr. FURCOLO asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper articles.

HOME RULE FOR DISTRICT

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, this was the first District day of 1950. We have considered our usual quota of legislation for the District of Columbia which is important to Washington but not to our districts or to the whole country. There is not a single one of these matters that could not have been handled just as well and no doubt much better by a municipal council elected by the good citizens of Washington.

As one Member of the House who has always supported the principle of economy, I take this opportunity to criticize the waste of our time today and on all the other District days we have had to devote to petty local District business. As a matter of economy of time I urge my colleagues to sign the Home Rule Discharge Petition No. 19 which would bring to the floor for a vote the home rule bill S. 1527 which was passed by the Senate last June without a dissenting vote. This bill would give Washington a city council that would take care of these municipal matters for itself without wasting our time. I reserve the right to support amendments to bring the bill in line with the proposal of the gentleman from New Jersey [Mr. AUCHINCLOSS] which I believe to be better legislation.

Now is the time for effective action. I am told that less than 50 more signatures are needed on the petition, and I know that many of my colleagues are going to sign. We all know that the first 50 and the last 50 signatures are the easiest to get. I urge you who have not done so to sign now so that we can turn these matters over to the people of Washington who are eager and able to handle them.

Mr. Speaker, may I now read a letter delivered to my office about an hour ago:

THE WHITE HOUSE,
March 13, 1950.

DEAR MR. HESELTON: The President has received your letter of March 10, as well as your letter of March 9 and telegram of March 7. He has asked the Secretary of Agriculture to give your correspondence his careful and appropriate consideration.

Very sincerely yours,
MATTHEW J. CONNELLY,
Secretary to the President.

It is at least encouraging that the President has Secretary Brannan to give my correspondence his careful and appropriate consideration. But this is not prompt, remedial action which the taxpayers of this Nation and the needy people in our communities has a right to expect. Of course, I shall continue to insist that the Secretary act, as he should have acted, months ago. But I shall also continue to urge the President to see to it that this indefensible waste of public funds is stopped and the items of food are sent to people who can and will eat them.

I include here a copy of my letter of acknowledgment:

MARCH 13, 1950.

The Honorable MATTHEW J. CONNELLY,
Secretary of the President, the White House, Washington, D. C.

DEAR MATT: I have received and appreciate your letter of March 11, 1950. It is encouraging to know that the President has asked the Secretary of Agriculture for careful and appropriate consideration.

However, this is not the prompt, remedial action which the taxpayers of this Nation and the needy people in our communities have a right to expect. While I shall try to prevail upon the Secretary to take the action he should have taken weeks ago, I shall continue to urge the President to exercise his clear power to stop this indefensible waste of public funds and take the simple steps necessary to place these items of food in the hands of people who can and will use them.

I know you will be good enough to forward this letter to the President with the next bag of official matter.

Very sincerely yours.

I also wish to include a copy of a night letter I have sent to Secretary Brannan:

WASHINGTON, D. C., *March 13, 1950.*

The Honorable CHARLES F. BRANNAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.:

I received the following letter this afternoon from the Honorable Matthew J. Connelly:

"The President has received your letter of March 10, as well as your letter of March 9 and telegram of March 7. He has asked the Secretary of Agriculture to give your correspondence his careful and appropriate consideration."

I enclose a copy of my acknowledgment.

As you know I have not received any reply to my wire of Saturday addressed to yourself.

I hope very much that with Wednesday, March 15, 1950, but 2 days away, you will not only see that favorable reports on the bills referred to in my wire of Saturday are filed immediately, but that they are promptly cleared through the budget and receive your approval. I am sure you understand that we have filed these bills in order to make the congressional intention crystal clear. However, I confess that I cannot understand why you have seen fit to ignore the legal opinion Mr. Shulman expressed before the Senate Committee and the equally clear statement of intention made by Senators AIKEN and ANDERSON.

JOHN W. HESELTON,
Member of Congress.

On Saturday morning with the gentleman from Pennsylvania [Mr. CORBETT], the gentleman from New York [Mr. KEATING], and the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] I wired the President. I also sent telegrams to the Director of the Budget, Mr. Pace, and to the Secretary of Agriculture, Mr. Brannan. I am including those telegrams at this point:

WASHINGTON, D. C., *March 11, 1950.*

The PRESIDENT,
The White House:

We have received a letter from Ralph S. Trigg, Administrator, Production and Marketing Administration, Department of Agriculture, dated March 10. The second paragraph reads: "On February 25, the Honorable HAROLD D. COOLEY requested a legislative report on the following bills: H. R. 7125, H. R. 7135, H. R. 7139, and H. R. 7327. The analysis of these four bills has been completed and the report is being prepared. When the report has been cleared by the Bureau of the Budget and approved by the Secretary, we will send copies to you and to the authors of H. R. 7136, H. R. 7137, and H. R. 7138." We note you are scheduled to see Budget Director Pace at 3 this afternoon. We urge that you discuss this specific matter with him and order a prompt and favorable clearance by the Bureau. We further urge that before you leave for Key West tomorrow at 10 you order Secretary Brannan to give his immediate approval to a favorable report.

JOHN W. HESELTON,
ROBERT J. CORBETT,
KENNETH B. KEATING,
HUGH D. SCOTT, JR.,
Members of Congress.

WASHINGTON, D. C., *March 11, 1950.*

Hon. CHARLES F. BRANNAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.:

We have received a letter from Ralph S. Trigg, Administrator, Production and Marketing Administration, Department of Agriculture, dated March 10. The second paragraph reads: "On February 25, the Honorable HAROLD D. COOLEY requested a legislative report on the following bills: H. R. 7125, H. R. 7135, H. R. 7139, and H. R. 7327. The analysis of these four bills has been completed and the report is being prepared. When the report has been cleared by the Bureau of the Budget and approved by the Secretary, we will send copies to you and to the authors of H. R. 7126, H. R. 7137, and H. R. 7138." We earnestly request that you give your immediate approval to a favorable report on H. R. 7135, H. R. 7136, H. R. 7137, and H. R. 7138.

JOHN W. HESELTON,
ROBERT J. CORBETT,
KENNETH B. KEATING,
HUGH D. SCOTT, JR.,
Members of Congress.

WASHINGTON, D. C., *March 11, 1950.*

Mr. FRANK C. PACE, JR.,
Director, Bureau of the Budget,
Washington, D. C.:

We have received a letter from Ralph S. Trigg, Administrator, Production and Marketing Administration, Department of Agriculture, dated March 10; the second paragraph reads: "On February 25, the Honorable

HAROLD D. COOLEY requested a legislative report on the following bills: H. R. 7125, H. R. 7135, H. R. 7139, and H. R. 7327. The analysis of these four bills has been completed and the report is being prepared. When the report has been cleared by the Bureau of the Budget and approved by the Secretary, we will send copies to you and to the authors of H. R. 7136, H. R. 7137, and H. R. 7138." We earnestly request that you include this in the matters you will discuss with the President this afternoon at 3 and that you see that a favorable clearance is immediately issued by the Bureau.

JOHN W. HESELTON,
ROBERT J. CORBETT,
KENNETH B. KEATING,
HUGH D. SCOTT, Jr.,
Members of Congress.

I do not know whether Mr. Pace brought the subject up or whether the President discussed the matter with him. In any event, we received no acknowledgments from any of the three.

Yesterday, I sent another wire to the President on the *Williamsburg* when he had started on his vacation to Florida. I have not heard a word from him up to now and consequently, I have sent another telegram which reads as follows:

WASHINGTON, D. C., *March 13, 1950.*

The PRESIDENT,
Yacht Williamsburg,
En Route to Florida:

Another 24 hours lost. Another $60,000 wasted. Total loss since bills filed, $2,340,000. Amounting to all tax payments on Wednesday of $43,333. Average taxpayers with an income of $3,000. As you know this indefensible waste continues at the rate of $100 a minute. Will you please spend 1 minute this afternoon in ordering immediate action by Secretary Brannan to make these food surpluses available to needy people and also ordering his prompt approval of H. R. 7135, 7136, 7137, and 7138.

JOHN W. HESELTON,
Member of Congress.

I find that this is an expensive procedure and consequently, while the President is "at sea," literally and figuratively, I shall be obliged to send shorter messages until he takes some action.

At this point I include in my remarks an editorial entitled "Happy Vacation, Mr. T." which appeared in this afternoon's Washington News. I wish we had the facilities to include a cartoon by Talburt entitled "Far From the Madding Crowd" showing the President drinking orange juice, fishing hopefully, with a radio going full blast on the subject Potato Surplus Stew, State Department Bungling, Deficits, Russia, Bombs, Senate Investigation of State Department, and with a sport shirt hung up to dry with the words "Tax spend, tax spend" sprinkled all over it.

HAPPY VACATION, MR. T.

As the *Williamsburg* sails south with destroyer escort we pause in our work of the moment to wish President Truman and his companions a happy vacation.

The President and his aides have worked hard, and the rest should do them good. We are glad they can get away for a while in the health-giving sea air and sunshine.

If our sincere "bon voyage" lacks the oomph and robustness that might be expected, we trust Mr. Truman and his cronies will allow for the fact that we are quite preoccupied with our work of the moment, which happens to be the making out of an income-tax return.

It is an annual ordeal that always clouds our otherwise sunny disposition. Something about the rules, regulations, instructions, and complicated formulas of computation on the tax form tends to banish cheer at this season.

This unaccustomed mental exertion is not eased by the apprehension back in our mind that our bank balance may prove insufficient to cover that final figure we eventually will write at the bottom of the form.

We cannot help brooding just a little over the thought that our checking account would now be healthier if we hadn't spent that money on our own vacation a few months ago. Our mid-March anguish would be less acute if only we had managed then to arrange a holiday aboard a Government yacht and on the sun-kissed sands of a United States naval station. As it was, we went elsewhere and spent our own money, and now it is not even deductible.

But enough of vain regrets. A happy vacation to Mr. Truman, to General Vaughan, to Charlie Ross, to John Steelman, to Bob Landry, to all those other fine fellows of the White House. Take it easy, men. Enjoy it while it lasts. And, to coin still another phrase, it may be later than you think.

Now, back to the work of the moment. What does it say there at the bottom of page 3?

"10. Use the tax rates shown in instructions to figure your tentative tax on amount shown in line 9 (if line 3, above, includes partially tax-exempt interest, see instructions) * * * 11. If line 10 is (a) not over $400, enter 17 percent of amount of line 10 (b) over $400 but not over $100,000, enter $68 plus 12 percent of the excess over $400."

Next I include an article by Dorothy Dunbar Bromley in Sunday's New York Herald Tribune entitled "Food for Welfare" with the subtitle "Six and One-Half Million Pounds Distributed to City Agencies Last Year":

Surplus stocks of dried milk and dried eggs, in addition to potatoes and other commodities purchased by the Department of Agriculture under the price-support program, have in the past been given to accredited private as well as public welfare agencies, it was learned last week. The recent announcement of the Department's 1950 give-away program may have been misleading, an information spokesman said in New York, in that it did not go into the history of the free-distribution program.

It was said that the Department now has for distribution about 121,000,000 pounds of dried milk and 72,000,000 pounds of dried eggs.

While welfare agencies formerly had to pay only trucking charges within New York City on the surplus food, under the 1949 agricultural act, they now must pay transportation costs from the point of storage, said Chester A. Halnan, director of the New York City office for marketing of the Department's Production and Marketing Administration. His office is at 90 Church Street.

The chief new feature of the act, he explained, is that it makes available to private agencies carrying on relief abroad dried milk, dried eggs and whatever foods may become surplus.

The New York welfare agencies that receive surplus foods, Mr. Halnan said, agree that it is not to be sold or traded, and that it will be used in addition to, and not in substitution for, food normally purchased. Under the new act the recipient agencies do not have to be certified by the Department of Welfare and need only be approved by Mr. Halnan's office. Most are supplied with the Government food through one of the three large purchasing corporations which buy for welfare agencies.

In 1949, Mr. Halnan reported, his office alotted 6,507,367 pounds of free food to a total of 274 hospitals, welfare institutions and child-care centers in the five boroughs. Included in the total were 4,759,000 pounds of potatoes, 1,107,360 of apples, 237,456 of dried milk, and 42,390 of dried eggs. Honey, fresh spinach, dried raisins, prunes, and apricots also were supplied.

At the Institutional Commodity Services, 451 Madison Avenue, Edward M. Kinney, general manager, said that the Catholic hospitals and institutions which his organization serves in the New York diocese have been getting about three to four carloads of potatoes a month, as well as substantial quantities of apples and dried fruits. They are now having to pay a transportation charge of 75 cents to $1.10 on a 100-pound bag of potatoes as compared with a former trucking cost of 15 to 20 cents. He said he would have to pay $3.25 for a 100-pound bag in the open market.

Some dried milk has been taken but used only in cooking, as fresh milk is preferred for drinking. Dried eggs have been used on a small scale for baking.

Mr. Kinney, who is also director of Catholic War Relief, said he was pleased that the new act makes these foods available to people abroad who badly need them.

Some dried milk and dried eggs were used last year for cooking and baking by institutions belonging to the Federation of Protestant Welfare Agencies, Rudolph Havelka, purchasing agent, said at 207 Fourth Avenue. "The Government-surplus foods," he reported, "have enabled us to feed better the people in our care."

At the Joint Purchasing Corp., 71 West Forty-seventh Street, which buys for Jewish and other agencies, Charles Auslander said the 16 carloads of potatoes they had last year were all of good quality except one.

John Splain, commissioner of the New York City Department of Purchase, said the Government potatoes had not been used in the city hospitals "because we understood that we would have to serve more of this staple food than hospital diets call for."

Mr. Splain said he is informed now that the usual ration of potatoes could be served and the money thus saved on potato purchases could be used to improve the patients' diets in other ways. Even so, the department of purchase considers that it would be uneconomical to take the Government potatoes and pay the transportation costs. Mr. Splain said the New York State potatoes offered have been inferior to the Maine potatoes the department has been buying.

At the department of welfare, 909 Broadway, Henry J. Rosner, assistant to Commissioner Raymond J. Hilliard, said the department regrets it does not have the facilities to distribute locally to home relief clients the surplus potatoes, dried milk, and eggs. He explained, "The cost would be prohibitive if we were to rent local stores, break the 100-pound bags of potatoes into 10-pound sacks, and package the dried milk, which comes in 180-pound drums, and the dried eggs, which come in 14-pound cartons." He added there would be danger that the dried eggs would deteriorate if they were not refrigerated by home-relief clients.

I am sure that a reading of this story will convince anyone that the announcement of the Department's 1950 give-away program may have been misleading as the high information spokesman stated. With this factual account of what happened at New York, I do not know how Mr. Brannan can any longer insist that he has correctly interpreted the clear congressional intention and

administered the laws as it should be administrated.

Finally, so that you may know how this situation is affecting and interesting the dairymen and poultrymen in the Northeast, I am including an excerpt from the Monthly Economic Letter under date of March 1, 1950, entitled "Unlock the Hoarded Grain":

What the dairymen and poultrymen of the Northeast are getting out of the present price-support program is a squeeze that could ruin them if it gets a little tighter. The price of milk has declined about 20 percent in a year, eggs 24 to 29 percent.

But feed grain, the raw material from which these livestock products are made, is rigidly supported by taxpayers' money at prices which penalize all eastern feeders. Hundreds of millions of bushels of grain are locked away in dead storage. In this year of bumper crops and huge so-called surpluses, the grain markets are as tightly set against eastern buyers as though we were going through a season of scarcity. In the Corn Belt the flow of grain to market has been running considerably under same of last year.

Eggs in this region now scarcely pay the cost of feed alone and old hens are almost unsalable. Owners of good herds of cows are, in more than a few cases this winter, seeing almost their entire milk checks swallowed up by the feed bills; they are having to draw on other funds to pay hired help, taxes, and other expenses.

Meanwhile the CCC is asking for $2,000,000,000 more of taxpayers' money. This means further vast quantities of feed grain to be bought up and locked away out of reach of the livestock industries which represent the only reason for growing it in the first place. It is a pretty fair assumption also that well toward half of that additional $2,000,000,000 will be a total loss. Does this make sense?

Nor can we wholly cast off the suspicion that all this costly performance causes little regret in some quarters, since it seems to furnish fuel for the fires that are being stoked for the Brannan plan.

So far as the Northeast is concerned, these present price-support operations are building up an artificial squeeze on our animal industries that has no basis in equity, necessity, or reason. They are working directly to penalize the millions of consumers in our cities and towns. Nor does it make sense in the national interest, either.

The plain fact is that some action is needed by Congress to alter this crazy situation. Such action is needed now, not next year or next summer. The support level on grain should be lowered sufficiently to unlock those vast hoards of grain that are piled up through the Midwest in barns, granaries, cribs, elevators, unused schoolhouses, airplane hangars, and heaven knows where.

Congress should immediately pass a resolution lowering that mandatory 90-percent support on grain to 75 percent or some other figure and let these mountains of hoarded feed move toward the hungry animals and fowls for which it was grown.

The folks in northeastern cities and towns have quite a stake in this situation, since their milk, eggs, and meat are directly affected. Northeastern Members of Congress should give this matter some attention, without delay.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DOYLE (at the request of Mr. PRIEST), for 2 weeks, on account of official business.

To Mr. MICHENER, for 10 days, on account of illness in family.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3084. An act authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.; to the Committee on House Administration.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 493. An act to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands;

S. 1283. An act to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes; and

S. 3159. An act granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 21 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 14, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1306. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 25, 1948, submitting a report, together with accompanying papers and illustrations, on a cooperative study for beach erosion control at Cleveland and Lakewood, Ohio, made under the provisions of section 2 of the River and Harbor Act approved on July 3, 1930, as amended and supplemented (H Doc. No. 502); to th Committee on Public Works and ordered to be printed, with eight illustrations.

1307. A letter from the representative of the United States Snake River compact negotiations, Bureau of Reclamation, Department of the Interior, transmitting a conformed copy of a compact entered into on October 10, 1949, between the States of Idaho and Wyoming to determine the rights and obligations of those States respecting uses of the waters of the Snake River; to the Committee on Public Lands.

1308. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of a proposed bill entitled "A bill for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CAVALCANTE: Committee on House Administration. Part II, minority views. Pursuant to House Resolution 503. Resolution relative to the contested-election case of Stevens against Blackney, Sixth Congressional District of Michigan; without amendment (Rept. No. 1735). Ordered to be printed.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7185. A bill to amend Public Law 359, chapter 287, Seventy-eighth Congress, second session; with amendment (Rept. No. 1758). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS of Delaware:

H. R. 7659. A bill to allow widows and certain other persons to deduct for income-tax purposes amounts paid in providing for the care of children under certain circumstances; to the Committee on Ways and Means.

By Mr. ELLIOTT:

H. R. 7660. A bill to establish the Commission on the Coal Industry; to the Committee on Education and Labor.

By Mr. McCORMACK:

H. R. 7661. A bill to amend the United States Housing Act of 1937 so as to raise the income limit for admission to low-rent housing provided under the act; to the Committee on Banking and Currency.

By Mr. McMILLAN of South Carolina:

H. R. 7662. A bill to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944; to the Committee on the District of Columbia.

By Mr. WIER:

H. R. 7663. A bill to provide for the construction of a chapel at the Fort Snelling National Cemetery, Minn.; to the Committee on Armed Services.

H. R. 7664. A bill to promote and maintain amicable relations between the Office of the Second Assistant Postmaster General and the employees in the field service of the surface and air postal transport by the establishment of a board of arbitration; to the Committee on Post Office and Civil Service.

By Mr. ALLEN of California (by request):

H. R. 7665. A bill to provide for the purchase of certain war-built vessels by citizens of the Republic of the Philippines, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BURKE:

H. R. 7666. A bill to enable the States to make more adequate provision for special services required for the education of physically handicapped children of school age, and for other purposes; to the Committee on Education and Labor.

By Mr. SANBORN:

H. R. 7667. A bill directing the transfer to the Department of the Interior by the General Services of certain property in Boise Barracks, Boise, Idaho; to the Committee on Expenditures in the Executive Departments.

By Mr. SAYLOR:

H. R. 7668. A bill to allow a woman taxpayer to deduct, for income-tax purposes, wages paid by her for the services of a housekeeper or nursemaid; to the Committee on Ways and Means.

H. R. 7669. A bill to provide for incentives, increased production, and employment through reduction in taxes; to the Committee on Ways and Means.

By Mr. WADSWORTH:

H. R. 7670. A bill to regulate the height, exterior design, and construction of private and semipublic buildings in the Georgetown area of the National Capital; to the Committee on the District of Columbia.

By Mr. VAN ZANDT:

H. R. 7671. A bill to increase the annuities paid to retired railroad employees under the Railroad Retirement Act of 1937, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FARRINGTON:

H. R. 7672. A bill to reduce from 16 years to 10 years the service requirement with respect to the resignation and retirement of Federal judges in the Territories and possessions; to the Committee on the Judiciary.

By Mr. WILSON of Oklahoma:

H. R. 7673. A bill to authorize and direct the Housing and Home Finance Administrator to transfer to the city of Tonkawa, Okla., the title to certain temporary housing, including land, located on the site of the prisoner-of-war camp at Tonkawa, Okla.; to the Committee on Banking and Currency.

By Mr. FERNÓS-ISERN:

H. R. 7674. A bill to provide for the organization of a constitutional government by the people of Puerto Rico; to the Committee on Public Lands.

By Mr. FRAZIER:

H. R. 7675. A bill to authorize the addition of certain land to Chickamauga and Chattanooga National Military Park, in the State of Tennessee; to the Committee on Public Lands.

By Mr. KEATING:

H. R. 7676. A bill to amend Title 18, United States Code (Crimes and Criminal Procedure), so as to prohibit the payment of awards of annuity in the case of Government officers and employees convicted of a felony, and for other purposes; to the Committee on the Judiciary.

By Mr. STEFAN:

H. R. 7677. A bill to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School; to the Committee on Public Lands.

By Mr. FURCOLO:

H. R. 7678. A bill for the relief of the city of Northampton, Mass.; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 7679. A bill to provide for the disposal of the Nevius tract at public sale; to the Committee on Veterans' Affairs.

By Mr. FURCOLO (by request):

H. R. 7680. A bill to recognize nonprofit, nonpolitical veterans' organizations for purposes of bestowing upon them certain benefits, rights, privileges, and prerogatives; to the Committee on Veterans' Affairs.

By Mr. LATHAM:

H. J. Res. 437. Joint resolution establishing a Federal Motor Vehicle Commission for the purpose of making uniform laws pertaining to operation, ownership, and control of motor vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. ANGELL:

H. J. Res. 438. Joint resolution to provide for the conveyance to Portland, Oreg., of certain property to be maintained by such city as a historical monument and as a museum for objects and records of historical interest; to the Committee on Public Works.

By Mr. MACY:

H. Res. 508. Resolution calling upon Interstate Commerce Commission, in view of recent accident, to ascertain adequacy of safety devices of Long Island Railroad; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CROOK:

H. R. 7681. A bill for the relief of Taro Takara; to the Committee on the Judiciary.

By Mr. McKINNON:

H. R. 7682. A bill for the relief of Mrs. Akiko Osada Gustafson; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H. R. 7683. A bill for the relief of Maria Kochan; to the Committee on the Judiciary.

By Mr. SECREST:

H. R. 7684. A bill for the relief of Regina Marie Chang; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H. R. 7685. A bill for the relief of Bertalan Nagy; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:

H. R. 7686. A bill for the relief of N. B. Pettibone; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1984. By Mr. GOODWIN: Resolutions of Everett Chapter, No. 51, Disabled American Veterans, relative to Public Law 346 and Public Law 16 of the Seventy-eighth Congress; to the Committee on Veterans' Affairs.

1985. By Mr. HAGEN: Resolutions adopted by the board of directors, Public Employees Retirement Association, St. Paul, Minn., petitioning the Congress to amend House bill 6000, Eighty-first Congress, in section 218, subsection (d), as follows: "Such agreement shall exclude all public employees and future public employees in positions covered by a retirement system as previously defined in subsection (b) (4) of this section"; to the Committee on Ways and Means.

1986. By the SPEAKER: Petition of Walter C. Peterson, city clerk, Los Angeles, Calif., commending the House of Representatives for passing legislation under which Alaska can join the sisterhood of the States; to the Committee on Public Lands.

SENATE

TUESDAY, MARCH 14, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, who art the abiding peace of the universe, we bow before Thee in humility and reverence. Send us forth, on the threshold of a new day, armed with Thy power, to right wrong, to overcome evil; if need be, to suffer wounds and endure hardship, but in all things to serve Thee bravely, faithfully, joyfully; that, at the end of the day's labor, kneeling for Thy blessing, Thou mayest find no blot upon our shield. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HAYDEN, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 13, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 1, 1950, the President had approved and signed the following acts:

S. 309. An act for the relief of Gabe Budwee;

S. 1449. An act for the relief of Robert B. Workman; and

S. 1933. An act for the relief of C. L. Leffingwell and others.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 2205) to authorize the Commissioners of the District of Columbia to provide for the removal of sludge, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2554. An act to amend the District of Columbia Credit Unions Act of 1932;

H. R. 4229. An act to amend section 17 of the District of Columbia Alcoholic Beverage Control Act;

H. R. 4788. An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes;

H. R. 6104. An act to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes; and

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the fire department of the District of Columbia.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6670) to incorporate the Girl Scouts of the United States of America, and for other purposes, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. HAYDEN. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Maybank
Anderson	Hendrickson	Millikin
Benton	Hickenlooper	Mundt
Brewster	Hill	Murray
Bricker	Hoey	Myers
Bridges	Holland	Neely
Butler	Humphrey	O'Conor
Byrd	Hunt	O'Mahoney
Capehart	Ives	Robertson
Chapman	Jenner	Russell
Chavez	Johnson, Colo.	Saltonstall
Connally	Johnson, Tex.	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Knowland	Sparkman
Dworshak	Langer	Stennis
Ecton	Lehman	Taylor
Ellender	Long	Thomas, Okla.
Ferguson	Lucas	Thye
Flanders	McCarthy	Tydings
Frear	McClellan	Wherry
Fulbright	McFarland	Wiley
George	McKellar	Williams
Gillette	McMahon	Withers
Green	Malone	
Gurney	Martin	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Tennessee [Mr. KEFAUVER], the Senator from South Carolina [Mr. JOHNSTON], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], and the Senator from Florida [Mr. PEPPER] are detained on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent on official business.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Massachusetts [Mr. LODGE], the Senator from Ohio [Mr. TAFT], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Under the unanimous-consent agreement of last evening, the Senator from Idaho [Mr. TAYLOR] has the floor.

Mr. TAYLOR. Mr. President, I ask unanimous consent that I may yield to Members of the Senate for the introduction of bills and other routine matters, without prejudicing my right to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

SURPLUS PROPERTY—REPORT OF SECRETARY OF STATE—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 527)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State on the operations of the Department of State under section 2 of Public Law 584, Seventy-ninth Congress, as required by that law.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 14, 1950.*

(Enclosure: Report from the Secretary of State concerning Public Law 584.)

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest and requesting action looking to their disposition, which, with accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the Commonwealth of Kentucky; to the Committee on Labor and Public Welfare:

"Joint resolution memorializing Congress to restore to the University of Kentucky the land-grant college endowment funds granted under the Morrill-Nelson and related acts and now arbitrarily diverted and withdrawn by the Administrator of Veterans' Affairs for his separate purposes

"Whereas the Administrator of Veterans' Affairs has arbitrarily claimed credit for funds appropriated by the Congress of the United States, in a series of acts extending over many decades, to the University of Kentucky, such arbitrary action consisting of said Administrator's order that large sums paid under the Morrill-Nelson, Bankhead-Jones and possibly other acts be turned over to the Veterans' Administration, in effect, so that the Veterans' Administration can apply such fund to help it administer the GI bill of rights; and

"Whereas the entire history of Federal acts for assistance to the several States in the establishment of a national system of land-grant institutions shows clearly the endowment character of the funds granted thereunder and that such funds were appropriated on a basis and for purposes wholly distinct and separate from the emergency education of veterans; and

"Whereas the Commonwealth of Kentucky in good faith established the University of Kentucky, and has since maintained and supported it, in reliance upon the good faith of the Federal Government's provision for its endowment by the series of acts which the Administrator of Veterans' Affairs now in large measure and in effect has ordered nullified and temporarily repealed; and

"Whereas the loss to the University of Kentucky and the Commonwealth of Kentucky as the direct result of this arbitrary action already amounts to $265,529.31; and

"Whereas the legislative history of the GI bill of rights makes it unmistakably plain that the Administrator of Veterans' Affairs has, in diverting these funds, flatly contravened the intent of Congress: Now, therefore, be it

"Resolved by the General Assembly of the Commonwealth of Kentucky—

"SECTION 1. That the General Assembly of the Commonwealth of Kentucky in regular session assembled, the senate and house concurring, memorializes the Eighty-first Congress of the United States to enact legislation relieving the university and Commonwealth of Kentucky from the retroactive effect and any future effect of the recent arbitrary order of the Administrator of Veterans' Affairs by which sums of money previously appropriated to land-grant colleges by the Congress under the Morrill-Nelson, Bankhead-Jones and possibly other acts are in effect to be withdrawn and diverted by said Administrator to further his administration of the GI bill of rights.

"SEC. 2. That the Senators and Representatives of Kentucky in the Eighty-first Congress are urged to support Senate bill 2909 or House bill 7057 which have been introduced in the Congress to accomplish the foregoing.

"SEC. 3. Copies of this memorial, duly authenticated, shall be sent by the clerk of the senate to the President and Chief Clerk of the Senate of the United States, the United States Senators from Kentucky, the Speaker and Chief Clerk of the House of Representatives of the United States, and the Representatives in Congress from Kentucky.

"Attest:

"JOHN F. DUGAN,
"Clerk of Senate."

A resolution of the Senate of the State of Louisiana; to the Committee on the Judiciary:

"Senate Resolution 7

"Whereas there has been considerable confusion in the public mind of late by reason of unfortunate and ill-considered remarks by persons in high official positions with the Government of the United States regarding matters pertaining to the questioned loyalty of officials and employees of various Federal departments; and

"Whereas one of the most outstanding examples of such ill-considered remarks are the statements of the Secretary of State, Dean Acheson, in the Alger Hiss affair; and

"Whereas all such utterances made during the pending of such trials and investigations tend to obstruct such trials and investigations and becloud the public mind as to the true issues involved: Therefore be it

"Resolved, That the Legislature of Louisiana condemns public statements by persons in responsible Government position regarding the alleged guilt or innocence of persons whose loyalty is under investigation by any committee, subcommittee, or other authorized body, or who is being tried or awaiting trial in any matter touching upon his loyalty to the United States which in any manner may tend to shield any person in public position who may be guilty of subversive activities or treasonable conduct; and

"Resolved further, That certified copies of this resolution be forwarded to the President of the United States, Cabinet officers, Federal department heads, to the Senate, and to the House Un-American Activities Committee.

"A certified copy:

"C. J. DUGAS,
"Secretary of the Senate."

The petition of Arthur L. Greer, of New York, N. Y., praying for the enactment of legislation providing statehood for Alaska and Hawaii; to the Committee on Interior and Insular Affairs.

Memorials of Local 146, International Hod Carriers' Building and Common Laborers' Union of America, of Norwalk, Conn., signed by Rudolph Gillespie, secretary, and the Executive Board of the Venice (Calif.) Club of the Independent Progressive Party, signed by Kenneth W. Johnson, chairman, remonstrating against the enactment of Senate bill 2311, to protect the United States against certain un-American and subversive activities, and for other purposes; to the Committee on the Judiciary.

A resolution adopted by the FBI National Academy Associates of Georgia, in Thomasville, Ga., relating to the attacks on the Federal Bureau of Investigation and its director; to the Committee on the Judiciary.

A letter from the Lions Club of El Paso, Tex., signed by C. P. Henry, secretary, enclosing a resolution adopted by the club relating to the economic and moral security of America (with an accompanying paper); to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from S. Harada, of Kalaupapa, Molokai, Hawaii, expressing thanks to the Senate for the establishment of air-mail service for Kalaupapa; to the Committee on Post Office and Civil Service.

A letter in the nature of a petition from the Business Women's Council, of Washington, D. C., signed by Mrs. Gertrude Z. MacDonald, praying for the enactment of Senate bill 2413, to provide for the erection of a monument at the grave of Constantino Brumidi in Glenwood Cemetery; to the Committee on Rules and Administration.

By Mr. DWORSHAK:

A joint resolution of the Legislature of the State of Idaho; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 2

"Joint memorial memorializing the President, the Congress, and the Civil Aeronautics Board of the United States through any appropriate action to continue the expansion of local service air transportation facilities serving Idaho by extending for 5 years the certificate of convenience and necessity for such air transportation now held by Empire Air Lines, Inc., authorizing the extension of the local service of Empire Lines, Inc. in Idaho, Oregon, and Washington, to the major trade areas of Portland, Oreg., and Seattle, Wash.

"Your memorialist, the Thirtieth Legislature of the State of Idaho, now convened in extraordinary session, respectfully represents to the President, the Congress, and the Civil Aeronautics Board of the United States:

"That Empire Air Lines, Inc., of Boise, Idaho, is a temporarily certified local (feeder) service air line operating air-mail route No. 78 under a temporary certificate of public convenience and necessity which will expire December 31, 1950, unless extended by the Civil Aeronautics Board;

"That the air-mail, passenger, and express service rendered by said Empire Air Lines, Inc., is a valuable asset to the State of Idaho in that such service overcomes the geographic barriers which make convenient and speedy surface transportation most difficult and which have heretofore resulted in dividing our State politically, socially, and economically;

"That the continuation of such air service is vitally needed in the promotion of the unity and welfare of Idaho as a political and economical entity;

"That the President's Air Policy (Finletter) Commission and the Congressional Air Policy Board have concurred in recommending that the present experimental 3-year certificates of convenience and necessity issued to and held by local or feeder air lines be extended for 5 years;

"That the present and planned development of the Snake River area and the Columbia River Basin, and its water resources for power, irrigation, and other beneficial uses will substantially increase the population, commerce, trade, and employment within the area now served by Empire Air Lines, Inc.;

"That your memorialist, being deeply concerned with the future growth of Idaho, believes that it is in the public interest for the United States to foster and further develop feeder and local air service, particularly in the Western States;

"That Empire Air Lines, Inc., has an application pending before the Civil Aeronautics Board for the extension of its local air service to the major trade areas of the Pacific Northwest, particularly Portland, Oreg., and Seattle, Wash., with service to new intermediate points, which extension is needed for Idaho and the area now served by Empire Air Lines, Inc., because of the community of interest between said latter area and said trade centers and intermediate points;

"That such expanded service is further required in the interests of expeditious postal service and the promotion of the Nation's defense: Now, therefore, be it

"Resolved by the Senate of Idaho in the first extraordinary session of the thirtieth legislature (the house of representatives concurring), That the President, the Congress, and the Civil Aeronautics Board of the United States be, and they hereby are urged and requested, through appropriate action and financial support, to provide for the extension of the terms of the certificates of convenience and necessity of Empire Air Lines, Inc., for 5 years; be it further

"Resolved, That the President, Congress, and Civil Aeronautics Board be, and they hereby are urged and requested, to encourage support, and provide for the extension of Empire's present local air service in Idaho, northeastern Oregon, and eastern Washington, to Portland and Seattle, with service to intermediate points, such as Yakima, Wenatchee, Ellensburg and Tacoma; be it further

"Resolved, That the Secretary of State of the State of Idaho be and he hereby is directed to transmit copies of this memorial to the Honorable Harry S. Truman, President of the United States; Hon. Glen Taylor and Hon. Henry Dworshak, Senators from the State of Idaho; and Hon. John Sanborn and the Honorable Compton I. White, Members of the House of Representatives from the State of Idaho."

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

H. R. 2919. A bill authorizing the issuance of a patent in fee to Paul High Horse and Anna High Horse; with amendments (Rept. No. 1336);

H. R. 5609. A bill authorizing the Secretary of the Interior to issue a patent in fee to B. M. (Bud) Phelps; with amendments (Rept. No. 1337);

H. R. 5610. A bill authorizing the Secretary of the Interior to issue a patent in fee to Emma Phelps Glenn; with an amendment (Rept. No. 1338);

H. R. 5611. A bill authorizing the Secretary of the Interior to issue a patent in fee to Charles M. Phelps; with an amendment (Rept. No. 1339); and

H. R. 5860. A bill authorizing the Secretary of the Interior to sell the land of Frank Phelps under existing regulations; with amendments (Rept. No. 1340).

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

H. R. 1354. A bill to provide for a per capita payment from funds in the Treasury of the United States to the credit of the Indians of California; with amendments (Rept. No. 1341).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN (for Mr. McCARRAN):

S. 3233. A bill for the relief of David and Maria Fairchild; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 3234. A bill conferring jurisdiction upon the United States District Court for the District of Hawaii to hear and determine and render judgment upon any claim arising out of money damages, heretofore paid by plaintiff, Trent Trust Co., Ltd., and thereafter distributed in obedience to final judgment and orders of distribution of the Circuit Court, First Judicial Circuit of Hawaii, in suit of Isenberg et al., against Trent Trust Co., Ltd., in which the United States was not a party; to the Committee on the Judiciary.

By Mr. HILL (for Mr. THOMAS of Utah):

S. 3235. A bill for the relief of the Fisher Brewing Co.; to the Committee on the Judiciary.

(Mr. THOMAS of Oklahoma introduced Senate bill 3236, to amend section 3422 of the Internal Revenue Code so as to prevent a contraction of the tax base from which Federal revenues are derived, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. JOHNSON of Colorado introduced Senate bill 3237, to provide for the licensing of motion pictures in interstate commerce, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. ECTON:

S. 3238. A bill for the relief of Dr. Frederick Daniel McDade; to the Committee on the Judiciary.

By Mr. BYRD:

S. 3239. A bill to provide for the disposal of the Nevius tract at public sale; to the Committee on Labor and Public Welfare.

(Mr. TYDINGS introduced Senate Joint Resolution 161, to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in connection with the investigation ordered by Senate Resolution 231, Eighty-first Congress, which was passed, and appears under a separate heading.)

LIMITATION OF OIL IMPORTS TO PROTECT SOURCE OF REVENUE AND NATIONAL SECURITY

Mr. THOMAS of Oklahoma. Mr. President, I introduce for appropriate reference a bill to limit oil imports so as to protect domestic labor, local, State, and Federal revenues, and the national security, and I ask unanimous consent that a brief statement prepared by me explaining the purpose of the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Oklahoma will be printed in the RECORD. The Chair hears no objection.

The bill (S. 3236) to amend section 3422 of the Internal Revenue Code so as to prevent a contraction of the tax base from which the Federal revenues are derived, introduced by Mr. THOMAS of Oklahoma, was read twice by its title and referred to the Committee on Finance.

The explanatory statement presented by Mr. THOMAS of Oklahoma is as follows:

STATEMENT BY SENATOR THOMAS ON A BILL TO LIMIT OIL IMPORTS SO AS TO PROTECT DOMESTIC LABOR, LOCAL, STATE, AND FEDERAL REVENUES, AND THE NATIONAL SECURITY

I have today introduced a bill which is designed to prohibit imports of foreign oil from bringing about two dangerous results that now face us as a result of excessive imports. These are:

1. Displacement of the domestic oil industry from the home markets, causing unemployment and an ultimate reduction of tax sources from which local, State, and Federal revenues are derived.

2. Forced deterioration and dissipation of an industry of top priority to our military security which is rendering this Nation unnecessarily dependent upon uncertain sources for our petroleum needs.

Almost a year ago, on May 20, 1949, I introduced a bill, S. 2667, in the form of an amendment to the Trade Agreements Act,

which bill was designed to protect the domestic oil industry from an unprecedented flood of foreign oil. The seriousness of the situation then facing the domestic oil industry was widely recognized by the Senate, as is shown by the fact that my proposal, when voted upon on September 15, 1949, was defeated by a single vote, 41 to 40.

A year ago the flood of foreign oil then entering this country was causing serious injury to the oil producers and economy here at home. We thought imports surely had reached their peak, but they had not; they continued to increase, and the injury suffered by our home industry and our over-all economy was multiplied.

In 1948 imports averaged about 500,000 barrels daily and in 1949 they averaged about 650,000 barrels daily. The latest information available, for the month of January 1950, shows that imports have now reached the staggering rate of almost 900,000 barrels daily. The domestic industry cannot survive under these conditions.

The bill I have introduced today, like the one I proposed last year, would limit imports to an amount not to exceed 5 percent of our domestic requirements. As a safety measure it provides that limitations on imports would not be effective during periods of inadequacy of supplies to meet national requirements.

The proposal that I am again placing before the Congress is not an embargo against all imports. It seeks merely to establish a reasonable and equitable relationship between imports and domestic supply. The limitation to 5 percent is not the result of guess work on my part—it is based on the history and experience of the industry itself. Such a limitation would permit foreign trade in oil to continue, but not in wanton disregard of our domestic industry.

Imports are being brought into the United States by only a few companies. Six companies bring in about 80 percent of all imports. The record shows that these companies are indifferent to the elimination of the independent oil man in the United States. These companies already hold a monopoly in foreign areas and it is clear that unless stopped by law their present course will lead to a monopoly of the domestic industry. The Nation's security requirements for oil and our peacetime consumer needs will then be at the mercy of a combine of a few large companies operating throughout the world.

There is a further important implication in the import problem as that problem affects national defense. The Secretary of Defense has endeavored to reduce the terrific tax burden of maintaining a standing Army sufficient to defend our country against any aggressive action but he has done so on the assumption that the direct tax burden could be avoided only by the maintenance of a strong industrial army to be readily available. Oil is a most essential element of our industrial army. If our oil supplies are dependent on a long water haul then we are at the mercy of the enemy that can disrupt that transportation. In the meantime our oil industry at home would have been weakened through disuse—unable to provide our needs until, perhaps, too late.

The domestic oil industry cannot survive as a vigorous element of our economy under these conditions. Imports of foreign oil at the current excessive rates presents a national problem and one that only Congress can solve.

The oil industry in the United States is "shut in" today by almost 20 percent. That means that one-fifth of the oil production industry is idle, that unemployment is increasing, that the manpower of the industry is being dissipated and the industry is being retired.

The domestic oil industry is capable of supplying the full requirements of our Nation with an additional substantial reserve capacity available for any emergency. This healthy condition, however, will not last long if imports are permitted to displace the manpower and physical assets of the home industry.

The Congress must not permit foreign oil to bring about unemployment. It must not permit foreign oil to displace the source of revenue essential to the maintenance of our Government. And above all it must not permit imports to jeopardize our security by letting us become dependent on foreign oil.

STATUE OF BRIGHAM YOUNG

Mr. HILL (for Mr. THOMAS of Utah) submitted the following concurrent resolution (S. Con. Res. 80), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the statue of Brigham Young, presented by the State of Utah, to be placed in Statuary Hall, is accepted in the name of the United States; and that the thanks of the Congress be tendered said State for the contribution of the statue of one of its most eminent citizens, illustrious for his leadership as a colonizer; and be it further

Resolved, That a copy of these resolutions suitably engrossed and duly authenticated, be transmitted to the Governor of the State of Utah.

Mr. HILL (for Mr. THOMAS of Utah) also submitted the following concurrent resolution (S. Con. Res. 81), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the Brigham Young Statue Commission of Utah is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Brigham Young, of Utah, and to hold ceremonies in the rotunda on said occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. BENTON submitted amendments intended to be proposed by him to the additional committee amendment in the nature of a substitute to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. LONG submitted amendments intended to be proposed by him to the additional committee amendment in the nature of a substitute to Senate bill 2246, supra, which were ordered to lie on the table and to be printed.

Mr. SPARKMAN submitted amendments intended to be proposed by him to the additional committee amendment in the nature of a substitute, to Senate bill 2246, supra, which were ordered to lie on the table and to be printed.

Mr. DOUGLAS submitted amendments intended to be proposed by him to the additional committee amendment in the nature of a substitute to Senate bill 2246, supra, which were ordered to lie on the table and to be printed.

REVISIONS OF OFFICER PERSONNEL ACT OF 1947—AMENDMENT

Mr. GURNEY submitted an amendment intended to be proposed by him to the bill (S. 2335) to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended, which was referred to the Committee on Armed Services, and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred to the Committee on the District of Columbia:

H. R. 2554. An act to amend the District of Columbia Credit Unions Act of 1932;

H. R. 4229. An act to amend section 17 of the District of Columbia Alcoholic Beverage Control Act;

H. R. 4768. An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes;

H. R. 6104. An act to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes; and

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia.

SEEKING SECURITY IN PRAYER—ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "Seeking Security in Prayer," written by Mary Hornaday, and published in the Christian Science Monitor, which appears in the Appendix.]

UNITED STATES LOSING A MARKET—ARTICLE FROM THE KANSAS CITY STAR

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "United States Losing a Market," published in the Kansas City (Mo.) Star of March 1, 1950, which appears in the Appendix.]

COMPETITION IS COAL'S PROBLEM—EDITORIAL FROM THE NEW YORK TIMES

[Mr. JOHNSON of Texas asked and obtained leave to have printed in the RECORD an editorial entitled "Coal's No. 1 Problem," from the New York Times of March 12, 1950, which appears in the Appendix.]

PROMISES VERSUS PERFORMANCE—EDITORIAL FROM THE CHICAGO DEFENDER

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Promises Versus Performance," published in the Chicago Defender for March 4, 1950, which appears in the Appendix.]

THE PRESIDENT'S HANDLING OF THE COAL STRIKE—ARTICLE BY CLIFFORD B. WARD

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an article by Clifford B. Ward, appearing in the Fort Wayne News-Sentinel for March 6, 1950, which appears in the Appendix.]

ONE GREAT HOUR OF SHARING—RELIEF CONTRIBUTIONS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an advertisement appearing in the Janesville (Wis.) Daily Gazette of March 10, sponsored by the Christian churches of that city, relative to the collection of contributions for world relief, which appears in the Appendix.]

COMMITTEE MEETING DURING SENATE SESSION

Mr. LUCAS. Mr. President, I ask unanimous consent that a subcommittee

of the Committee on Foreign Relations be permitted to sit this afternoon.

Mr. WHERRY. I ask the distinguished majority leader if he will renew his request in a few moments.

Mr. LUCAS. Let me say to the distinguished Senator from Nebraska that the Senator from Wisconsin will not testify this afternoon.

Mr. WHERRY. I believe that is correct. I did have a request yesterday to object until the Senator from Wisconsin could work it out with the committee. If the Senator will permit me, I shall get into communication with the Senator from Wisconsin immediately. If the Senator from Illinois will renew his request in a few moments, I think probably it will be satisfactory.

Mr. LUCAS. I sincerely hope that neither the Senator from Nebraska nor any other Senator will raise any objection to this request because it is my understanding that a very important witness is to be on the stand this afternoon.

Mr. WHERRY. I understand that a witness is expected to appear. I shall get in touch with the Senator from Wisconsin immediately, and will inform the distinguished majority leader of the result, which I am sure will be perfectly satisfactory. If the Senator from Illinois will renew the request in a few moments, I certainly think there will be no objection.

The VICE PRESIDENT. Does the Senator from Illinois withhold his request for the time being?

Mr. LUCAS. I withhold my request for the time being.

Mr. WHERRY subsequently said: Mr. President, a few moments ago, the majority leader asked unanimous consent for the Senate Committee on Foreign Relations to sit this afternoon. At the time, I requested that the Senator renew the request later. I should like to say now there is no objection to it in any way whatever, and I think the majority leader may wish to renew the request at this time.

Mr. LUCAS. Mr. President, I renew the request.

The VICE PRESIDENT. Without objection, permission is granted.

RIVERS AND HARBORS LEGISLATION

Mr. SALTONSTALL. Mr. President, I take this opportunity to ask the majority leader whether he intends to have the Senate consider this afternoon House bill 5472, authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation and flood control. I make the inquiry as an individual Senator from New England, because we have several amendments to offer, and I wondered whether there would be time for a vote on the bill today, with the several amendments and discussions which will ensue concerning them. I make the inquiry as an individual Senator, in order that I may be prepared.

Mr. LUCAS. Mr. President, in reply to the Senator from Massachusetts, I will say that I have no intention of asking the Senate to consider this afternoon the bill to which he has referred.

Mr. SALTONSTALL. I thank the Senator.

NATURAL GAS ACT

Mr. KEM. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a number of telegrams in opposition to S. 1498, known as the Kerr bill, to amend the Natural Gas Act. The first telegram is from the Honorable Joseph M. Darst, mayor of St. Louis, Mo. The second telegram is from William E. Kemp, mayor of Kansas City, Mo. The third telegram is from the Honorable David M. Proctor, city counselor, Kansas City, Mo. The fourth telegram is from the Honorable Ronald S. Reed, city counselor of St. Joseph, Mo. The fifth telegram is from Otis L. Barbarick, mayor of Springfield, Mo. The sixth telegram is from the Honorable L. Russell McKee, mayor of Joplin, Mo. The seventh telegram is from the Honorable Julian H. Bagby, mayor of Sedalia, Mo.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ST. LOUIS, MO., *March 9, 1950.*

Hon. JAMES P. KEM:

In reply to your telegram of March 7, city of St. Louis opposes Kerr bill to exempt certain gas producers from Federal regulation. There is grave danger that the relaxation of regulation that would inevitably ensue would lead to higher rates to ultimate gas consumers. St. Louis has just recently been converted to straight natural gas which was advocated for years by city government and others and it is rapidly growing in favor with public for space heating as well as cooking. Many thousand householders as well as an important segment of industry here would be adversely affected by any action tending to diminish regulation of sources of natural gas.

JOSEPH M. DARST,
Mayor.

KANSAS CITY, MO., *March 13, 1950.*

Hon. JAMES P. KEM,
Senate Office Building,
Washington, D. C.:

City council, after study of S. 1498 known as Kerr bill amending Natural Gas Act, strongly opposes bill as not in public interest. Our city counselor, pursuant to council action, has previously forwarded telegram setting out number of specific reasons for our opposition which this telegram will confirm. Hope you will actively oppose this attempt to whittle down jurisdiction of Federal Power Commission reproduction and gathering of natural gas.

WILLIAM E. KEMP.

KANSAS CITY, MO., *March 6, 1950.*

Senator JAMES P. KEM,
Senate Office Building,
Washington, D. C.:

Our city council has heretofore unanimously voted to oppose S. 1498 introduced by Senators KERR and THOMAS proposing to amend the Natural Gas Act so as to deprive the Federal Power Commission of jurisdiction over the production and gathering of natural gas. After a careful analysis of the substitute bill and of the record of the hearings on the original bill before the Senate subcommittee at which the undersigned appeared, we are opposed to the bill for the following reasons:

1. It will weaken the jurisdiction of the Federal Power Commission in natural-gas rate cases, a jurisdiction well-defined by recent United States Supreme Court decisions.

2. The administration of the Natural Gas Act by the Federal Power Commission has up to this time been in the public interest and gas rates have been reduced without impoverishing the gas industry.

3. This bill will admittedly permit the retail price of gas to be increased.

4. Those sponsoring the measure cannot show that the producers and gatherers of natural gas are now in financial distress or that there is any economic need for this legislation.

5. The unprecedented growth of the natural-gas industry belies the assertion that substantial quantities of natural gas are being withheld from sale.

6. Finally the operation of the amended act would undoubtedly permit unjust and unwarranted increases in the price of natural gas to the ultimate consumers thereof. I urge you in the public interest to oppose this bill. In any event request is made that this telegram be inserted by you in the RECORD when the bill comes up for discussion and vote in the Senate. This wire is based on report of Senator Joffee special utilities and legislative counsel for the city after careful study.

DAVID M. PROCTOR,
City Counselor.

ST. JOSEPH, MO., *March 11, 1950.*

Hon. JAMES P. KEM,
United States Senator,
Senate Building:

Am directed to urge you to vigorously oppose Kerr natural gas bill. St. Joseph strongly feels recent natural gas rate reductions here will be nullified if Federal Power Commission is deprived of jurisdiction of so-called independent gas producers.

RONALD S. REED,
City Counselor.

SPRINGFIELD, MO., *March 8, 1950.*

Senator JAMES P. KEM,
United States Senate,
Washington, D. C.:

I oppose Kerr bill (S. 1948). Sending March issue Missouri Municipal Review by air mail containing article which reflects the thinking of the majority of the municipalities of Missouri.

OTIS L. BARBARICK,
Mayor of Springfield.

JOPLIN, MO., *March 8, 1950.*

Hon. JAMES P. KEM,
United States Senator, Senate Building, Washington, D. C.:

We are opposed to the Kerr bill until we are thoroughly convinced that it will not increase rates for users.

L. RUSSELL MCKEE, *Mayor.*

SEDALIA, MO., *March 8, 1950.*

JAMES P. KEM,
United States Senator,
Washington, D. C.:

In my opinion, the passage of the Kerr bill would be a major disaster to our communities.

JULIAN H. BAGBY, *Mayor.*

REGULATION OF NATURAL GAS—STATEMENT BY SENATOR JOHNSON OF TEXAS

Mr. JOHNSON of Texas. Mr. President, the Senate will shortly consider S. 1498, a bill amending the Natural Gas Act to preserve the present regulatory practices which have been followed by the Federal Power Commission since the act was passed in 1938.

Those Members who desire to know what the bill does may be interested in reading a brief explanatory statement which I made last June 19 in reporting the bill to the Interstate and Foreign Commerce Committee. I ask unanimous consent to have printed in the RECORD this statement explaining S. 1498.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

STATEMENT OF HON. LYNDON B. JOHNSON OF TEXAS, CHAIRMAN, INTERSTATE COMMERCE SUBCOMMITTEE ON S. 1498, JUNE 19, 1949

SUBCOMMITTEE SUBSTITUTE FOR S. 1498

The subcommittee[1] has agreed to report favorably a complete substitute for S. 1498, the Kerr bill, amending the Natural Gas Act. The vote was unanimous, 5 to 0.[2]

This substitute is intended to do one thing and one thing only: continue by law the policy with regard to independent producers and gatherers of natural gas which the Federal Power Commission has practiced throughout its 11-year administration of the Natural Gas Act.

No evidence presented to the subcommittee during our recent hearings indicated a compelling need for adding to or subtracting from the powers which the Federal Power Commission, under the Natural Gas Act, has actually employed and exercised. For this reason, a careful effort has been made to leave unmolested the authority which the Commission has utilized through the past 11 years.

To accomplish this purpose, the committee has been deliberately brief in wording the substitute. We have not sought to prescribe a rate-making formula to the Commission nor limit its investigatory and certificate powers as the Rizley-Moore bill in the Eightieth Congress would have done. We have not sought to remove Commission jurisdiction over any segment of the integrated pipeline companies or exempt a natural gas company's sale from its own leases, as the Kerr bill would do.

This subcommittee draft differs radically from the Rizley-Moore bill and differs substantially from the Kerr bill. It will do nothing more and nothing less than continue without further confusion the exemption of arm's-length sales of natural gas by independent producers and gatherers which has existed since the Natural Gas Act was passed.

Nothing in this bill, as amended, would make a rate increase to consumers automatic, necessary, or inevitable. For 11 years the Commission has, even in the opinion of opponents of the Kerr bill, been successful in giving tangible protection to the consumer. This has been accomplished without actual or threatened control of independents. No control has been exercised to this hour and it is our opinion that none should be exercised. If we permit an OPA price to be placed upon the commodity of an independent gas producer through default of our congressional duties, that will be the only instance in our economy where a nonutility price is fixed. No present or foreseeable peril to the consumer exists which would justify such isolated price-fixing. If we can expect continued vigilance on the part of the Commission, I believe we can realize further savings for the consumer after passage of this bill.

INTERNATIONAL GOLDEN GLOVES CONTEST

Mr. TYDINGS. Mr. President, I should like to call the attention of my colleagues to an amateur sporting meet which will be held in this city on April 21 next, the International Golden Gloves contest.

There will be competition between the members of the champion Washington Golden Gloves amateur boxing team and the leading amateur boxers of Europe. There will be present young men from western Europe. It has been reported that Russia has been invited to send a representative, and may do so.

At this time when all are seeking to arrive at mutual understanding, it seems to me that this meet, under the sponsorship of the Washington Times-Herald, will tend to better international understandings.

What a fine thing it would be if all our difficulties could be settled on the amicable basis that will prevail when these young boys pit their boxing talents against each other. I hope the event will meet with smashing success.

RETURN OF REHABILITATION AND BETTERMENT COSTS OF FEDERAL RECLAMATION PROJECTS

Mr. O'MAHONEY. Mr. President, on October 7, 1949, the President approved an act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects.

On March 3 of this year an act was approved, amending that act in a very small particular. Under it, it becomes possible for the Interior and Insular Affairs Committee of the Senate and the Public Lands Committee of the House of Representatives to express their approval of the determination by the Secretary of the terms of a contract for the repayment of rehabilitation and betterment costs on certain reclamation projects. Four such resolutions of approval were adopted by the Senate Committee on Interior and Insular Affairs on March 8, and were transmitted to the Secretary of the Interior and to the chairman of the House of Representatives Committee on Public Lands. They were subsequently approved by that committee. These projects have relation to the Grand Valley project, in Colorado; the Midvale irrigation district, Riverton Reclamation project, in Wyoming; the Goshen and Gering and Fort Laramie irrigation districts, North Platte Reclamation project, in Wyoming and Nebraska; and the Salt River Valley Water Users' Association, Salt River project, in Arizona.

I ask unanimous consent that the two acts to which I have referred and the resolutions which were adopted on March 8 by the Senate Committee on Interior and Insular Affairs be printed at this point in the body of the RECORD.

There being no objection, the acts and resolutions were ordered to be printed in the RECORD, as follows:

[Public Law 335—81st Cong.]

[Ch. 650—1st sess.]

H. R. 1694

An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects

Be it enacted, etc., That expenditures of funds hereafter specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) shall be made only after the organizations concerned shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior in the light of their outstanding repayment obligations, and which shall, to the fullest practicable extent, be scheduled for return with their construction charge installments or otherwise scheduled as he shall determine. No such determination of the Secretary of the Interior shall become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives. The term "rehabilitation and betterment", as used in this act, shall mean maintenance, including replacements, which cannot be financed currently, as otherwise contemplated by the Federal reclamation laws in the case of operation and maintenance costs, but shall not include construction, the costs of which are returnable, in whole or in part, through "construction charges" as that term is defined in section 2 (d) of the Reclamation Project Act of 1939 (53 Stat. 1187). Such rehabilitation and betterment work may be performed by contract, by force-account, or, notwithstanding any other law and subject only to such reasonable terms and conditions as the Secretary of the Interior shall deem appropriate for the protection of the United States, by contract entered into with the organization concerned whereby such organization shall perform such work.

SEC. 2. This act shall be deemed a supplement to the Federal reclamation laws.

Approved October 7, 1949.

[Public Law 451—81st Cong.]

[Ch. 47—2d sess.]

H. R. 7220

An act to expedite the rehabilitation of Federal reclamation projects in certain cases

Be it enacted, etc., That the second sentence of the act entitled "An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects", approved October 7, 1949, is amended by striking out the period at the end thereof and inserting a semicolon and the following: "except that, any such determination may become effective prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval: *Provided*, That when Congress is not in session the Secretary's determination, if accompanied by a finding by the Secretary that substantial hardship to the water users concerned or substantial further inquiry to the project works will result, shall become effective when the chairman and ranking minority member of each such committee shall file with the Secretary their written approval of said findings."

Approved March 3, 1950.

Resolution concerning the expenditure of rehabilitation and betterment funds on the Garfield gravity division, Grand Valley project, Colorado

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.), provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any

[1] McFarland, Myers, Reed, Bricker, and Johnson of Texas, chairman.

[2] Senator MYERS, while voting to report the bill to the full committee, reserved the right to vote against the bill in the full committee, which he did.

case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated February 24, 1950, the Secretary of the Interior submitted to the Committee on Interior and Insular Affairs his findings relating to the return of rehabilitation and betterment funds to be expended on the Garfield gravity division, Grand Valley project, Colorado; and

Whereas the Committee on Interior and Insular Affairs has in executive session this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Interior Affairs give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
JOSEPH C. O'MAHONEY, *Chairman*.
Adopted this 8th day of March 1950.

Resolution concerning the expenditure of rehabilitation and betterment funds on the Midvale irrigation district, Riverton reclamation project, Wyoming

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.) provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatitves or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated January 23, 1950, the Secretary of the Interior submitted to the Committee on Interior and Insular Affairs his findings relating to the return of rehabilitation and betterment funds to be expended on the Midvale irrigation district, Riverton reclamation project, Wyoming; and

Whereas the Committee on Interior and Insular Affairs has in executive session this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Interior and Insular Affairs give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
JOSEPH C. O'MAHONEY, *Chairman*.
Adopted this 8th day of March 1950.

Resolution concerning the expenditure of rehabilitation and betterment funds on the Goshen and Gering and Fort Laramie irrigation districts, North Platte reclamation project, Wyoming and Nebraska

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.) provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated February 27, 1950, the Secretary of the Interior submitted to the Committee on Interior and Insular Affairs his findings relating to the return of rehabilitation and betterment funds to be expended on the Goshen and Gering and Fort Laramie irrigation districts, North Platte reclamation project, Wyoming and Nebraska; and

Whereas the Committee on Interior and Insular Affairs has in executive session this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Interior and Insular Affairs give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
JOSEPH C. O'MAHONEY, *Chairman*.
Adopted this 8th day of March 1950.

Resolution concerning the expenditure of rehabilitation and betterment funds on the Salt River Valley Water Users' Association, Salt River project, Arizona

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.) provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary in writing of such approval; and

Whereas in a letter dated February 13, 1950, the Secretary of the Interior submitted to the Committee on Interior and Insular Affairs his findings relating to the return of rehabilitation and betterment funds to be expended on the Salt River Valley Water Users' Association, Salt River project, Arizona; and

Whereas the Committee on Interior and Insular Affairs has in executive session this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Interior and Insular Affairs give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
JOSEPH C. O'MAHONEY, *Chairman*.
Adopted this 8th day of March 1950.

COMMUNISTIC AND SUBVERSIVE ACTIVITIES IN GOVERNMENT SERVICE—SUSPENSION OF APPLICATON OF CERTAIN LAWS

Mr. TYDINGS. Mr. President, I send to the desk a joint resolution dealing with certain activities of the committee investigating Communist activities. I ask that the Clerk read the joint resolution, and I request unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 161) to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in connection with the investigation ordered by Senate resolution 231, Eighty-first Congress.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. KNOWLAND. Mr. President, I have no intention of objecting to the joint resolution, since, as I understand, this is the customary joint resolution always passed so that in taking a temporary appointment from a Senate committee the attorney selected will not be in violation of the law, as he otherwise would find himself, were such a joint resolution not passed. Is that correct?

Mr. TYDINGS. The Senator has accurately stated the case. The joint resolution is the ordinary resolution passed in connection with investigations. We have selected our attorney, but obviously he cannot begin to function until such a joint resolution is passed.

Mr. KNOWLAND. May I ask the Senator from Maryland whether the joint resolution applies not only to the attorney, but to any assistant counsel whom the committee, the majority, and the minority, may select?

Mr. TYDINGS. It would cover all attorneys, whether selected by the majority or minority, or by the majority and minority acting jointly.

Mr. KNOWLAND. May I also suggest, merely as a matter of procedure, that the entire joint resolution be read for the information of the Senate?

Mr. TYDINGS. It is a short joint resolution, and I ask that the Clerk read it.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution (S. J. Res. 161) to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in connection with the investigation ordered by Senate resolution 231, Eighty-first Congress, was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That service or employment of any person as an attorney on a temporary basis to assist the Senate Committee on Foreign Relations, or its duly authorized subcommittee, in the investigation ordered by Senate Resolution 231, agreed to February 22, 1950, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, require-

ments, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

The VICE PRESIDENT. Is there objection to the consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 161) was considered, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. TYDINGS. Mr. President, I also ask unanimous consent that the subcommittee may sit this afternoon in accordance with our arrangement.

The VICE PRESIDENT. That permission has already been granted.

Mr. TYDINGS. Mr. President, I ask unanimous consent that we may sit at other times during the sessions of the Senate, so that we may proceed rapidly with the investigation.

Mr. WHERRY. Mr. President, will not the Senator renew that request when the junior Senator from Wisconsin [Mr. McCARTHY] is on the floor? I should be glad to send for him.

Mr. TYDINGS. I would appreciate the courtesy of the Senator from Nebraska if he would ask the Senator from Wisconsin if we might not have this permission granted, for the reason that our work is of a continuing character, and unless we can get this leave, the investigation will be greatly prolonged.

Mr. WHERRY. As soon as I can obtain the presence of the Senator from Wisconsin, the matter will be taken care of.

FIRE AT SANDIA ARMY BASE

The VICE PRESIDENT. The Senator from Idaho [Mr. TAYLOR] is entitled to the floor.

Mr. CHAVEZ. Mr. President, will the Senator from Idaho yield?

Mr. TAYLOR. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, last week in Albuquerque, N. Mex., my home city and the home city of my colleague, there happened one of the worst tragedies that has ever occurred at an American Army base. Fourteen young soldiers, from all parts of the country, who at the time happened to be confined in the guardhouse by the military authorities, lost their lives in a flash fire. It was one of the most horrible accidents that has ever taken place in the annals of the American Army.

Mr. President, I shall not now impose on the courtesy of the Senator from Idaho, but at a later time I shall discuss in detail this terrible tragedy, and the sadness it has caused to mothers throughout the country. Fourteen young soldiers, practically ignored, in cell houses, unable to get out, were burned to death.

The newspapers at Albuquerque have written vividly on their editorial pages concerning the accident. I ask unanimous consent that there be printed at this point in my remarks an editorial entitled "An Amazing Tragedy," from the Albuquerque Tribune of March 9, together with an editorial entitled "Sandia Base Tragedy," which appeared in the Albuquerque Journal on March 10, and another editorial entitled "Make Them Safe," which appeared in the Albuquerque Tribune on March 10.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Albuquerque Tribune of March 9, 1950]

AN AMAZING TRAGEDY

Fourteen soldiers perished in a fire at the Sandia Base guardhouse last night. Two others were injured seriously.

The blaze swept the structure so rapidly that it was impossible to release the men in time to prevent one of the worst tragedies this community has ever experienced.

These soldiers were confined behind bars in an old wooden structure heated by an oil-burning stove.

Any authority that places men behind bars has a heavy responsibility for their safety. They are deprived of the ability to free themselves if a fire breaks out.

We think it is amazing that men should be confined in a highly inflammable wooden structure when so many millions of dollars are being spent for Government construction.

Representative JOHN MILES told the Tribune in Washington today that he will ask for a congressional investigation of service guardhouses when the House convenes today. He said that he will demand that soldiers no longer be confined in places that are so inflammable that they burn in a flash.

Representative A. M. FERNANDEZ was investigating the tragedy here by telephone and planned a statement later.

Senators DENNIS CHAVEZ and CLINTON P. ANDERSON were out of Washington. We hazard the guess that they will join in a campaign to prevent a repetition of this frightful tragedy in some other military post.

A board has been appointed at Sandia Base to investigate the cause of the fire. We hope it places the responsibility where it belongs, even if that responsibility is in the highest military circles.

[From the Albuquerque Journal of March 10, 1950]

SANDIA BASE TRAGEDY

The lives of 14 military prisoners were snuffed out in a flash fire in an old wooden constructed guardhouse at Sandia Base in one of the worst fire disasters that has ever occurred in the State.

A military investigation has been ordered which should reveal not only the cause of the fire but why more regard for the safety of military prisoners, locked in cells, should not have been exercised.

The building was of frame construction and heated with an oil stove, and from the statements of the guards the flames swept through the structure so rapidly that they only had time to sound a fire alarm and were unable to penetrate the building to release the men from the cells, men for the most part who were in there for minor military infractions.

It is hard for the public to conceive of how men were quartered in cells in such a fire trap when many thousands of dollars have been expended at the base for modern and fireproof buildings. True, the military comprises a small part of the base, but it certainly could have made better provision for the guardhouse needs, even down to the simple matter of better and safer heating in these postwar days.

Neither is it understandable how a representative of the provost marshal general's office in Washington could have inspected the base less than a month ago and declared all buildings, including the guardhouse, as safe. Yet this is the information given out at the base. This is amazing.

The investigation cannot restore the lives of the men, but it can fix the responsibility for the conditions that existed and should result in improvements to prevent another such horrible disaster. It is inconceivable that such a thing could have occurred in a Government installation such as that at Sandia base. It calls for the most sweeping investigation, a full report, and prompt action, lest other such disasters occur.

[From the Albuquerque Tribune of March 10, 1950]

MAKE THEM SAFE

The guardhouse at Kirtland Field is a two-story wooden building.

Two similar buildings have been destroyed by fire at that field in recent years.

Fourteen men were killed, two injured seriously, when fire from an oil-burning heater swept the wooden guardhouse at Sandia Base Wednesday night.

The Kirtland guardhouse is heated by natural gas through metal ducts, possibly a safer heating method than that used at Sandia Base guardhouse.

We think that Kirtland Field officials should seek immediately to obtain a guardhouse of fireproof construction at the earliest possible moment.

A representative of the provost marshal general's office inspected the guardhouse at Sandia less than a month ago and pronounced it safe. If a wooden structure such as that, heated by an oil burner, was considered safe, it is reasonable to assume that guardhouses of similar construction on other military posts also have passed inspection.

The terrible death of 14 young men, held captive by iron bars, provides a tragic lesson that should not go unheeded by the military authorities. Regardless of what opinion the provost marshal general's office may hold, common sense should dictate that men should not be held prisoner in firetraps.

If congressional action is required to make guardhouses safe, as demanded by Representatives ANTONIO FERNANDEZ and JOHN E. MILES, that action should be forthcoming immediately.

Common decency demands that safe guardhouse construction have priority over the building of officers' clubs, gymnasiums, and other nonemergency structures.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. TAYLOR. Mr. President, I wish to address myself to Senate bill 2246, the Housing Act of 1950.

Before I proceed with my prepared remarks, I should like to speak for a few moments about another phase of the housing situation. I realize that Senators will be drifting out of the Chamber in a few moments, to go to lunch; therefore, I should like to discuss this matter first. It is the question of prefabricated housing.

At this moment the Banking and Currency Committee is holding a hearing, listening to representatives of the RFC and to dealers in prefabricated houses discuss the problem before the committee. I suppose most Senators are more or less familiar with the problem of the

Lustron prefabricated housing undertaking. The Government has approximately $37,000,000 tied up in that project, and at the present time it is in process of receivership. The Government stands to lose practically all the $37,000,000.

Mr. President, I think this is a great tragedy, because from all the testimony we have heard in the Banking and Currency Committee, Lustron is just now reaching the point where the "bugs," so to speak, the technological difficulties, have been ironed out, and also the point of public acceptance of the prefabricated steel house with an enamel finish baked on, making a lasting finish. The public is just reaching the stage where it is getting acquainted with those houses. From all the testimony we could get, it appears that a wide market for these houses is opening up. The Marine Corps is using a number of them, erected at Quantico, I believe. They have proved eminently satisfactory. Among the armed forces alone there is a potential market for thousands and thousands of units of these prefabricated houses.

When I left the Banking and Currency Committee, they were trying to find some solution of this problem, other than liquidating an industry which I believe is destined to be almost as important as the automobile industry. I feel that to liquidate it at this time would be about the same as liquidating the automobile industry just as it was on the threshold of becoming the great industry that it is today.

So I hope some amendment will be worked out by the Banking and Currency Committee, to be included in the bill, so as to make it possible that the whole question of prefabricated housing and the financing of prefabricated housing will be taken away from the RFC, which has handled this problem up to this moment, and will be given to the Housing Agency, where it obviously belongs. If some method can be devised to save this industry, I think it will be a wonderful thing. As I say, it would be a tragedy if we were to allow the prefabricated housing industry to collapse at this particular moment.

Mr. President, I am particularly concerned about housing for the American families who make up what is sometimes referred to as the middle-income group. These families, which make up the solid core of our Nation—the factory workers, tradespeople, school teachers, office workers, and the like—appear to be the forgotten people at this time, insofar as housing is concerned. They are too prosperous to get the advantages of the low-rent housing which the Congress provided for last year in the Housing Act of 1949. They are not well enough off to be able to afford to buy or rent much of the new housing which is being provided today with FHA mortgage insurance or conventional home financing.

Despite the record-breaking production of new homes last year, the problem of providing adequate housing for families of moderate income is far from solved, notwithstanding what I am afraid are the well-meaning, but misinformed, statements of representatives of the private home-building industry, to the contrary. The optimistic reports about the extent to which the housing needs of families of all income levels are being met simply do not jibe with what all of us know to be the case for many of our families of moderate income. I have seen with my own eyes, Mr. President, the sorts of living arrangements into which families have been forced because they could afford nothing better. I have seen how families with children have crowded themselves into one-bedroom units, when they actually needed homes with two or three bedrooms. I know at first hand of the extent to which families have been obliged to overcommit themselves in order to get the housing which is being made available. When I say I know at first hand, I am speaking of the senior Senator from Idaho.

Families have been obliged to buy, when they should be renting. They have been forced to acquire homes which are not really suitable for their needs—houses deficient both in terms of the number and in terms of the size of the rooms. They have been forced to pay prices beyond their financial needs and to encumber themselves with long-term commitments at prices greatly disproportionate to their income.

Let me cite a few examples. I understand that in eastern Michigan, Colorado, northern California, and the western portion of Washington, and in a major metropolitan area like New York, for example, virtually no FHA section 608 rental projects were proposed with any apartments to rent for less than $80 a month. Moreover, a distressingly large volume of units were being planned to rent for more than $100 a month. Besides being too expensive for families of moderate income, much of the planned rental housing would be too small for families with children. In northern Illinois, for example, 70 percent of the units contained 3½ rooms or less—in other words, one-bedroom units, or efficiency units without a separate bedroom. Around New York and in the State of Washington, two-thirds of the proposed construction was to have no more than 3½ rooms. In Colorado the proportion of one-bedroom units ran over 50 percent; in Georgia and Tennessee, around one-third.

So much for the rental side of the situation. Let us now take a look at what is being done in the sales side of the market. Although better, it, too, leaves much to be desired. According to Bureau of the Census figures, between two-thirds and three-fourths of the urban families in the United States had incomes of less than $4,800 in 1948. Yet FHA figures on single-family homes insured during the first half of last year show that in many States less than half of these houses were purchased by families with incomes that low. Even where a substantial proportion of the new units have been purchased by lower-income and middle-income families, all too often the houses were deficient in terms of living space and number of rooms. In its last annual report, the FHA published a table which showed that families who purchased homes in 1948 had to be prepared to pay at least $8,000 for a house before they had much chance of getting one with as many as six rooms. The low-cost houses that we hear so much about in some quarters, the $4,000 to $6,000 dream houses, turn out to be nightmares, rather than dreams. They are overgrown starch boxes in reality, most of which contain no more than four pitifully small rooms. I am sure all Senators are familiar with the type of housing to which I refer. It has mushroomed in virtually every community in the land, a present or prospective eyesore, and not the sort of place in which any of us or our children would want to have to live.

Some interesting comments on the inadequate size of units being offered to home seekers appeared on page 5903 of the CONGRESSIONAL RECORD for May 9, 1949. I am sure Senators will find it interesting. It says:

> Something about the scale and general aspect of these houses arouses one's curiosity as to how they would compare with the housing standards considered essential for lower orders of animal—a subject on which far more scientific work has been done, incidentally, than on human housing requirements. So a little research was done on cow barns. And here is the very latest gospel, from the Doane Agricultural Digest for April 1949: For every cow you need 75 to 100 square feet of stabling plus another 75 to 100 square feet for hay and bedding storage. The model plan shows 180 square feet of building per cow. This would make 720 square feet for four cows or 900 feet for five, almost 50 percent more than the space allotment for a family of five in an economy house.
>
> Now, it is quite true that a cow is somewhat bulkier than a human being. But, on the other hand, she leads a much simpler, quieter, and more carefree life than a modern American female of the human species. Most of a cow's eating, sleeping, and sitting is done in approximately one spot, at least when indoors. And, for her sterner duties, a good up-to-date barnyard offers separate structural appurtenances not included in these minimum-space standards—a milking parlor, for instance, and a bull pen. Incidentally, according to Farmers' Bulletin No. 1830 of the United States Department of Agriculture, a good bull pen alone should measure about 12 by 18, or 216 square feet, which is a lot more private lounging space than the most ruthless father could carve out of any economy house.
>
> Like a lily of the field but unlike an American housewife, the cow sews not, neither does she spin, cook, wash dishes, launder, rock the baby, make Johnnie do his homework, keep up with the outside world, entertain the PTA, nor stay pretty to keep her husband home. The work in cow barns is not done by cows but by human beings, who, if they live in economy houses, must sometimes ponder the curious logic of a great white father who, through the United States Department of Agriculture, encourages bovine luxury while beating the drums through FHA for ever more cramped accommodations for the cows' owners, masters, and ultimate consumers.

There is another matter which I would like to mention briefly. Some of our real-estate friends say we ought not to concern ourselves about this matter at all, because the families of moderate income do not need new houses—they can live in older houses. I hasten to say I have always believed that we should make the maximum use of our existing housing supply. There is nothing wrong

with used housing as such. A large portion of American families, both rich and poor—including, I may say, the senior Senator from Idaho—live comfortably in good used housing. As a matter of fact most of our families live in used houses and that will always be so. But we expect that we can solve the housing problem for all our families of moderate income by letting them wait for the higher-priced houses which are being and have been built to trickle down to where they are within their financial reach is simply wishful thinking. In fact, our present housing dilemma can be traced at least in part to the fact that in the past we have put too heavy reliance upon this intriguing but not too practical means of solving the housing needs of all families of moderate income. To expect to solve the housing problem of all these families primarily with the cast-off and frequently worn-out obsolescent houses of the well-to-do is neither socially nor economically sound. There are relatively so few families of high income that the trickling-down process starts with too small a supply. Even if the high-priced houses and apartments were to depreciate in price rapidly, their number would be too small to meet the urgent needs of the progressively larger and larger number of moderate-income families as we proceed down the income pyramid. Today, especially, when housing has been in such short supply and in such urgent demand for so many years, units which decline in price or rental to levels within the reach of middle-income families have usually deteriorated to the point where they really should be scrapped. They are costly to operate and to maintain. Amen. They all too frequently are in undesirable neighborhoods. Because of their age, design, and type of facilities they are generally ill-suited to the needs of the families who are obliged to move into them.

At a time such as this, of course, there is little need to labor the point about the shortcomings of the filtration process. In our larger industrial areas it is virtually impossible to get used houses at moderate prices or rents, regardless of quality or location. If the situation is to be relieved, more new housing must be produced within the means of the families most in need of it. Hence, it is that we must be concerned about the size and price of the new houses that are coming on the market. We cannot afford to be misled by the argument that, so far as housing is concerned, nothing more needs to be done for families of moderate income.

The cries of anguish from certain quarters over the pending legislation to provide assistance to middle-income housing cooperatives sound very like those that were heard when the FHA system of home mortgage insurance was proposed in 1934. Many of the same dire predictions were made. But what happened? The home-building industry has prospered. A substantial proportion of home mortgages is still being financed without FHA insurance. The existence of the FHA program has not cut into the part of the market that does not require it. Far from it; what the FHA program has done, as many builders do not hesitate to say, is to make it possible for the home-building industry to expand into a market it could not otherwise serve. The increased production and consumption that resulted did not ruin anybody. On the contrary, it has proved good for everybody concerned. Today the FHA is the fair-haired child of the home-building industry. It is hard to believe that many of those who laud its operations today fought its creation every inch of the way, and even refused to avail themselves of its benefits for a long time after it was set up.

The measures now proposed in S. 2246 to assist middle-income cooperative and nonprofit housing groups are aimed at further expanding housing production so that it can meet the needs of families who can only afford to pay about $45 to $75 per month as the total monthly costs for housing.

It must be apparent to anyone who approaches the problem honestly that attainment of rents or charges in that general range can be achieved only through further cost reduction in construction, operation, and maintenance of housing projects. Cooperative housing and nonprofit housing offer real promise of achieving economies in all of these areas. In addition, the provisions of the cooperative housing title of this bill provide for significant savings in financing costs which will be automatically translated into direct reductions in the monthly charges to the participating members.

In this country the cooperative movement, less in housing than in other fields to be sure, has been used again and again with great success. We are all familiar with the outstanding record of the various farmers' cooperatives which provide an excellent illustration of what can be accomplished through cooperative organization.

As I see it, cooperative housing can be an outstanding manifestation of the American way of doing things and of the capacity and willingness of our people to band together in helping themselves to solve their own pressing need for adequate housing within their means. Cooperative housing ventures are by no means novel in this country. Some of us who were reared on a farm no doubt can remember back to the old house raisings and barn raisings. I can. These, in a sense, were early expressions of the cooperative movement—a group of farmers pooling their skills and their labor for the purpose of assisting one another in the construction of a house or a barn within the financial means of its owner. The modern urban housing cooperative may seem a far cry from these rural house raisings, but, fundamentally, the objective is identical.

The cooperative housing title will make it possible to produce housing to rent for approximately 25 percent below the rates at which it can currently be made available through the use of conventional financing devices. In other words, the provisions of the bill will make it possible without Government subsidies for groups of individuals to obtain for themselves housing within their financial means. It will, in short, help to round out our housing program by filling in a gap in the area where today we are least well equipped to bring about an adequate volume of satisfactory housing within the paying abilities of families of moderate income, especially those with children.

In considering the measure now before us, we cannot ignore the human values which are at stake, the many families of modest income for whom the cooperative housing title of this bill can mean the difference between decent housing, without undue financial strain, and inadequate shelter at excessive costs. The past inadequacies in our housing process have condemned countless children to spend their formative years in an environment which is out of keeping with the standard of living which every American should be privileged to enjoy. I can think of no surer safeguard to our American way of life and our aspirations as a people and a democracy than to pass the cooperative housing title of Senate bill 2246 without delay. By so doing we shall have taken another major forward step toward the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family.

Mr. LEHMAN. Mr. President, when we attended grammar school and studied economic geography, we were taught, as I recall, that the three essential needs of man are food, clothing and shelter. Shelter is usually listed as the last of this triumvirate of needs. At the two extremes of civilization—the most primitive and the most highly developed—shelter is the last of these needs to be provided in any adequate sense.

Yet, we recognize, or should recognize, that in a civilized and highly integrated society, adequate housing is one of the keys to social and political health. Slums and congestion breed not only crime and disease, but social unrest and instability. Inadequate housing is as much a threat to national progress and national health as is illiteracy, epidemic, or immorality. Indeed, the latter are frequently incited by the former.

Today we are considering legislation whose objective is to promote the construction of housing for the middle income family—for that great middle section which is a balance wheel, a buttress, and a source of strength for our way of life. These are the family groups whose average annual cash income ranges, on a national statistical average, from $2,800 to $4,400 per year.

Shortly after VJ-day, Msgr. John O'Grady, secretary of the National Conference of Catholic Charities, published a pamphlet entitled "Housing for Middle Income Families." In that pamphlet, written about 4 years ago, Monsignor O'Grady stated:

> The middle-income families * * * are the families that have been overlooked in housing programs, as they have in health and other services. The higher income groups can take care of themselves. Public effort has been concentrated in helping the lowest income groups. Sooner or later the American people must face the fact that under present conditions, millions of middle-income families in the United States cannot secure proper housing at a price they can afford to pay.

In the years since these words were written, the American people have become increasingly aware of the fact—and it is a fact—that many of our middle income families are completely unable to obtain housing which is within their means, and which is also large enough, in terms of space, to meet their needs.

Views identical with those of Monsignor O'Grady were recently expressed by Housing Administrator Raymond Foley and by many other witnesses, who testified in favor of the middle-income housing bill. Similarly, the 1948 annual report of the New York State Commissioner of Housing contains this statement:

> Hardest hit by the housing shortage was the middle-income group, for while private enterprise was rapidly attending to the needs of the higher-income groups and the State was accelerating the production of public housing for the lower-income group, mounting construction costs were making it increasingly difficult for the vast body of middle-income families to obtain housing at prices they could afford.

The supply of existing housing which middle-income families can afford is only a small fraction of what is needed to serve our growing population. New housing of adequate size is beyond the financial reach of many of our middle-income families throughout the country. In higher-cost areas, such as my own State, an extremely high percentage of these families have been priced completely out of the market. Housing which these families can afford to buy is generally too small to serve their needs.

Furthermore, many families are not in a position to buy a house. Some cannot afford to undertake a mortgage debt or to make a substantial down payment. Many families are not permanently settled in their communities. In many of our larger cities, families whose breadwinners are required to live near their work are not in a position to buy a home, simply because land in that vicinity is so expensive that it is impractical to build any housing other than apartment-type houses.

Hence we are faced with a need for both sales houses and rental units for people of middle income—factory workers, white-collar workers, and professionals of every category. A great proportion of all of these particular people are, I may add, war veterans.

This is the situation, Mr. President, and this is the need. I will make a few statistical references to that need in a moment. What I want to emphasize at this point is that this need exists. It is what Mr. Thomas McCabe, Chairman of the Federal Reserve Board, recently called a social demand. It is exactly that. It must be met in a social way. In other words, the Government must take whatever steps are necessary and practical to meet this demand. It is reckless as well as untrue to say that this cooperative housing program is socialism, as some opponents of this program have said. If this is socialism, so is the entire national housing program, including slum clearance. So is our public sewage system, our water system, the postal system, and the public-road system.

Housing for middle income families is an urgent need, Mr. President. It is a need of our Nation, not merely of isolated individuals. It is a need just as much as national defense is a need. In a very real and practical way, this housing program is national defense. Our most dangerous internal enemies today are unrest, discontent, and insecurity. To be part of a strong and vigorous nation, our families must have houses in which to live and grow. Our middle-income families are the ones which are being most sharply pressed and most severely hurt in this regard.

What do we propose to do for these people? The program which has been devised is set forth in S. 2246. The pending measure, the Maybank bill, has six titles and 129 pages. I shall not speak on the whole bill. I do not pretend to be an expert on all of it, although I approve of its principles.

My chief interest, however, is in title III, the title which is concerned with the cooperative housing program. This is the heart of the plan to meet the present need. In this undertaking lies our chief hope for solving the problem, not only from the point of view of the people it would immediately affect, but from the point of view of the entire national economy.

Title III is very much in keeping with the genius of the American people, the genius of initiative and ingenuity—groups of people in their own neighborhoods and communities, solving their own problems, but with the aid and cooperation of the Federal Government. Because the need is national, this must be a national undertaking. But the best and finest way of carrying out this national need is for the people concerned, themselves, to do it. This is the secret of and the justification for the cooperative housing program. What the Federal Government does in title III is merely to make possible the financing of these undertakings, and to advance the first funds, the initial capital investment.

Mr. President, I have been dealing largely in generalities. Now I shall get down to specifics.

I should like to emphasize at this point that the proposed assistance which the Federal Government would give under the proposed legislation is certainly not revolutionary. We are breaking no new ground here, except in the specific type of program which is being proposed. It is a fact that the housing industry in the United States has been the beneficiary of almost constant Federal aid and support over the course of the past 20 years.

There may be technical differences of opinion over whether the proposed program is a good program or a practical program, but for builders to charge that this program is socialism or some sort of unprecedented Government intervention in the housing field is sophistry of the most definite kind.

If it had not been for Government aid and support of housing during the past two decades, and especially in the last few years, the construction industry today would not be the giant which it is. The construction industry boasts of its record in starting almost a million private housing units in 1949. I wonder how many of those units would have been started without Government aid. My guess, and I admit it to be a guess, is that it would have been a far, far smaller number. The construction industry has been the beneficiary of what Mr. Raymond Foley, Administrator of the Home Finance Agency, has called "the most liberal financing aid ever made available by the Government."

Some alarmist voices have been raised against the so-called inflationary dangers inherent in this legislation. I agree that to contribute to inflationary pressures would be a great mistake. But I do not think that this legislation would contribute to inflation.

Let me remind the Senate that the actual amount which is proposed to be made immediately available under the Maybank bill is only $250,000,000 of debentures, to be sold to the public for the period ending July 1, 1951, in addition to an initial investment of $100,000,000 which is reimbursable. I do not consider this amount to be inflationary. I do not even consider this amount to be sufficient, although I must admit that I do not have the standards of expert judgment which would permit me to make an authoritative analysis of the figures.

On July 1, 1951, the President would have authority, under the terms of this legislation, to make additional funds available for the purposes of title III, but only if the President, after taking into account the effect of such an additional outlay on the building industry and the national economy generally, decided that the release of the additional money would be in the public interest. Here is another safeguard against inflationary pressure.

It is strange that the opponents and critics of this legislation should concentrate their inflationary fears on title III—on the cooperative housing provision. If it is asserted that this $1,000,000,000 authorization in title III is inflationary, then we must also conclude that any comparable expenditure made in any part of the housing industry would be equally inflationary. Yet we find that title I of the bill authorizes $1,750,000,000 for the FHA title II insurance program. Every dollar of this $1,750,000,000 is, by the force of simple logic, just as inflationary as a comparable dollar expended or advanced under the provisions of title III. These FHA provisions, then, are one and three-quarter times as inflationary as title III. I submit, Mr. President, that we cannot make fish of the credit in title III, and fowl of the credit in title I.

In any event, the members of the Banking and Currency Committee have gone far to answer the objections based on the fear of inflation. I should like to cite one provision whose sole purpose is to provide an efficient tool against inflation. This provision, contained in section 606 of the bill, authorizes the President of the United States to "reduce the maximum amounts, ratio of loan to value or cost, or maximum maturities of loans for housing made, insured, or guaranteed by any department, independent establishment or agency in the executive branch upon a determination that such action is necessary or desirable to coor-

dinate the housing functions of the Federal Government with its general economic and fiscal policies."

This provision is a strong anti-inflationary device. It furnishes a real emergency brake on any possibly inflationary aspects of the housing program.

I am sure that no Member of the Senate will maintain that we can have a decent standard of living without adequate housing of reasonable quality. The housing industry has pointed with pride to the fact that in 1949 a record number of new housing units, approximately 1,000,000 were started. This figure has been given wide publicity, as indicating the excellent job being done by the construction industry. But the Banking and Currency Committee's supplemental report of February 24 pointed out that a large proportion of these units were of insufficient size to house the average family with two children. In addition, almost all the rental units constructed in 1949 called for rents in a range far beyond the reach of the families proposed to be served by S. 2246.

If these two statements of the Senate Banking and Currency Committee are correct, namely that—first, the greater portion of units produced in 1949 were not adequate for family life, and second, that the units produced, whether adequate or inadequate, were priced out of the range of the middle-income families, how can the housing industry say and continue to say that there is no need for S. 2246? And yet, the housing industry does make such a statement.

In my opinion, the supplemental report on the Maybank amendments, dated February 15, 1950, completely refutes the argument that the housing industry has done an adequate job in providing good housing . for middle-income families. The report says that—

> Nearly 60 percent of all new homes insured under the FHA section 203 program in 1948, which were valued at less than $8,000 (that is, where the total monthly costs were less than $70 to $75 per month) had four or less rooms, and 93 percent had five or less rooms. In other words, virtually no three-bedroom houses were being made available at monthly charges within the means of middle-income families.

Mr. Raymond Foley, in an address to the National Association of Home Builders at their recent Chicago convention, said:

> We need more rental housing at lower rents, privately built. And I mean family sized units—not cramped efficiency units.
>
> We need more moderate-priced houses for larger families.
>
> We need to add considerably to the size of the small economy house commonly offered now below $8,000.
>
> We need a more responsive attitude on the part of lenders and builders alike to the cooperative idea in housing.

In regard to rental housing, the housing shortage has struck hard in my home State and especially in New York City. In 1949, in all the United States, construction of about 985,000 private-housing units was started, of which one-fifth were rental units. Almost all these rental units, or roughly 157,000, were financed under FHA section 608. Since approximately 40 percent of these rental units were built in New York, Baltimore, and Washington, some relief for middle-income families should have been provided in those cities.

Referring again to the report of the Senate Banking and Currency Committee, we find that in the New York and Chicago areas, over 60 percent of the new rental units were offered at rents in excess of $100 per month. The units being offered at less than $80 per month were mostly bachelor apartments having no separate bedrooms, or only one bedroom. In New York City, 64 percent of the apartments had either no separate bedroom or only one bedroom and in Chicago this figure was 71 percent.

It is, of course, socially unsound to build large numbers of apartments with an insufficient number of rooms for family life. But a more immediate danger arises from the fact that if the present trend continues, these apartments, which use up labor and materials which could be utilized to better advantage in family-sized apartments, will become so numerous that they will overtake the demand. If this happens, and if we then have no machinery to stimulate the production of family-size apartments at moderate rentals, the resultant slowdown in the housing industry might well bring us to the brink of a recession. Mr. McCabe of the Federal Reserve Board has said:

> Economically, housing construction is one of our strategic areas of industrial activity, and stability of housing construction is of vital importance to the maintenance of overall economic stability.

Let me point out what everybody knows from his own experience. Rental vacancies in existing housing are almost nonexistent. The turn-over is much too slow to fill the urgent need. Meanwhile, most of the new rental housing is being produced in limited areas and at high rents. In the New York City area, apartments in rental housing projects which were approved for FHA mortgage insurance during the first half of 1949 were generally built to rent at between $90 and $125 per month. Indeed, 10 percent of the apartments were built to rent at over $125 per month. Only 5.6 percent were built to rent at under $80 and only 16 percent were built to rent at under $90 per month. Even more startling is the fact that only 3.3 percent of the apartments had more than two bedrooms, and 64 percent had only one bedroom or no separate bedroom at all. When we remember that the lower rentals apply to the smaller apartments, we reach the inescapable conclusion that none of this housing can serve our middle-income families who have children.

These figures, it is true, apply to FHA insured housing and are limited to the New York City area. However, virtually all apartment-type projects built during the past year throughout the country have been FHA insured, and the figures for the New York City area are by no means exceptional. Similar figures can be cited for Chicago, Detroit, Denver, and other cities.

In my opinion, these figures prove that the need for adequate-sized family units at reasonable rents for middle-income families is not being properly met.

I think I have disposed of both the inflationary argument and the argument that the construction industry is doing or can do the full job that is necessary without Government aid or support. The figures convince me that Government assistance is required and must be supplied. That is the reason why we must have title III.

Many of our States have tried to deal with the problem of moderate-cost housing, particularly for veterans and their families. Among the devices which have been provided by State legislation are low-interest-rate loans and partial tax abatement or exemption. I understand that at least one State has enacted legislation under which outright grants of State funds may be made for privately owned moderate rental housing. Delaware, New Jersey, and my own State of New York have enacted legislation providing for partial tax abatement.

New York, I believe, has done as much as any other State to encourage the provision of middle-income housing. A great deal of good has been accomplished, not the least of which is a practical demonstration of the advantages of soundly planned housing cooperatives for middle-income families. However, it is clear that States and localities, acting alone, cannot possibly do the job which must be done. A review of the New York State experience will make that clear.

After World War I, the State of New York was faced with a housing shortage which, while not as severe as the present-day shortage, nevertheless caused much hardship. Accordingly, in 1920, the New York Legislature permitted cities to adopt legislation under which new housing construction would enjoy a 10-year period of tax exemption.

This authority was taken advantage of by the city of New York. As intended, the plan did encourage the immediate construction of additional housing. However, there were very serious defects in the plan. The savings resulting from the partial tax abatement were not passed on to the consumers of the housing. Instead, the tax benefits were capitalized in the price of the housing. Studies made by the State board of housing revealed that the exemption produced one- and two-family houses, mostly of inferior quality. The houses were made available at prices or rents considerably higher than families of moderate income could pay. Profits gained by the builders were excessive.

In 1926 a housing companies law was enacted in New York to overcome the defects of the earlier legislation. This later law was designed to produce housing which moderate-income families could afford, while at the same time avoiding material loss of tax revenues. Under this later legislation, partial tax abatement was granted to housing companies which agreed to accept certain controls over rents or charges for the housing and which agreed to limit their profits. Income limitations were also established in determining the eligibility of tenants for this low rental housing.

Controls over financing, rentals, and dividends had the effect of confining the

tax abatement to housing for moderate-income families only. The tax aids, along with powers of condemnation which were also made available under the 1926 State law, made it possible for a limited amount of slum clearance to be carried out in connection with some of the housing. Thus, the Knickerbocker Village project in New York City was constructed in 1934 on the site of a notorious slum area.

The very first project undertaken under the terms of the 1926 law was the amalgamated cooperative housing project sponsored by the Amalgamated Clothing Workers Union on a very desirable, though not expensive, site in a suburban area. I am proud to have been personally associated, although in a small way, with the development of that very fine housing cooperative. Although it was a pioneering effort, it is still today a model for other cooperative housing projects.

In all, 11 limited-dividend projects, containing about 6,000 apartments, were built under the New York State housing companies law prior to World War II. Partial tax abatement in New York has thus helped, to a limited extent, to clear some slum areas and to provide some moderate-rental housing. Savings of several dollars per room each month have resulted, and have been passed on to occupants of limited-dividend and cooperative housing projects. Thus, service has been rendered to middle-income families who could not otherwise have been adequately served, and there has been constructed housing which would not otherwise have been built within any foreseeable period of time.

New York's efforts, which I have described at some length, were very worth while, but it is perfectly clear that even the thriving State of New York could not even begin to do the job that had to be done and still must be done.

I wish to dwell for another moment on the tax-exemption problem, because I understand that it is one of the arguments which has been used against this proposed legislation. The fear has been expressed that title III of this proposed legislation will result in a vast mushrooming of tax-exempt housing developments, placing an undue or an unfair burden upon the tax-paying home owners of the localities in question, and will severely handicap the local communities in carrying out their financial responsibilities. Mr. President, this fear is without foundation. There is nothing in this bill, and certainly nothing in title III, which grants tax exemptions to these cooperative housing ventures. The Federal Government does not request or require the local governments to refrain from taxing these cooperatives. There are only three States in the Union which now grant certain tax abatements to housing developments if certain State requirements are met. These States are New York, Delaware, and New Jersey.

Certainly the Members of the Senate will agree that if these States or their municipalities wish to grant tax abatements to housing cooperatives, that is a matter of concern to the States involved. The States have the right either to grant or to withhold these benefits. I wish to emphasize that certainly there is nothing in this bill which would require them to do so.

I may add that the machinery provided under New York law will not, by any means, automatically grant tax abatements to the housing cooperatives which might be formed under the terms of this proposed Federal legislation. On the contrary, under the terms of the New York law, each cooperative that makes application must first secure a positive certification from the New York Commissioner of Housing; and, second, must secure such certification from the local governing body of the community in which the project is located.

No, Mr. President; I do not think title III represents a threat to the tax structure of our localities. On the contrary, I think it will strengthen that structure in the long run. The State and local officials certainly can be depended upon to gage and control this situation in such a way as to safeguard their own interests. They have that power under the law. Nothing in this proposed Federal law will diminish their power or authority. It merely will make that authority more significant and meaningful.

Meanwhile, whatever savings in taxes are made by these cooperative ventures are certain to be passed on to the occupants of this housing. These middle-income families—and I must emphasize this point most strongly—would not be property owners and would not be paying taxes in these localities if these Government supports and aids were not provided.

Mr. President, on the basis of the experience of New York State, three conclusions may be drawn:

First, soundly conceived and planned cooperative housing projects are able to achieve great savings, while at the same time providing good housing which is adequate to serve the needs of families with children.

Second, without additional Federal assistance, not even the most vigorous efforts made by States and by local communities, including the States and communities which are best able to help themselves, can do much more than stimulate the production of a very small portion of the housing which our middle-income families with children so desperately need.

Third, the provisions of Senate bill 2246 will not, as some of its opponents have charged, encourage the spread of State or local tax exemption for housing.

Mr. President, I have not attempted to cover all the beneficial and constructive aspects of title III of the bill. I have not discussed the low interest rate and the long amortization period made possible by the ingenious financing devices worked out in such a careful and practical manner by the brilliant and distinguished members of the Banking and Currency Committee.

These aspects have been discussed in other speeches on the floor, and will be covered by some of my colleagues in a much more detailed manner than I could. I wish only to say, in conclusion, that this middle-income housing bill represents a tremendous and vital undertaking in behalf of the public welfare. It is a bold thrust forward into the future, making rich use of the good experience of the past.

Let there be none so unimaginative as to shrink from this ingenious program. Let there be none who is unwilling to take whatever steps that it is necessary to take to meet this national need. I appeal for the support of this proposed legislation, whose ends must be served and whose means must compel our confidence.

Mr. SCHOEPPEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SALTONSTALL. Mr. President, the Senator from Kansas [Mr. SCHOEPPEL] who suggested the absence of a quorum is out of the minority leader's seat at this time, and I am for the time being occupying it. I have conferred with the Senator from Ohio [Mr. BRICKER] who is about to take the floor, and also with the majority leader. With their approval, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. BRICKER. Mr. President, I wish to discuss briefly this afternoon the pending housing bill, S. 2246, and particularly to direct the thinking of the Senate and of myself to title III, which is the cooperative housing section. Title III is something new in the housing law, something different in kind and character from anything we have had. Heretofore there have been certain direct-loan provisions in the development of the housing program, but nothing of a character exactly similar to this. Because of the misunderstanding on the part of many as to the real character of the provision, I think it should be analyzed.

In my opinion, the most constructive thing which could be done at this time by the Senate or by its Committee on Banking and Currency would be to give attention to a complete recodification of the housing statutes. They are so complicated and so complex that, at the present time, they cover, in fine print, a sheet about two feet long by a foot and a half wide, merely outlining the different titles of the various provisions of the several acts which have been passed by the Congress. It is difficult for a Member of this body even to follow clearly the ramifications and complexities of the housing laws as they presently exist. As we approach the subject matter of the pending housing bill, and particularly the cooperative housing title, I think we should ever keep in mind that we ought to be concerned with the general over-all public interest, not with a particular sectional interest, a particular class interest, or a group interest in the housing program.

There has been a great deal of confusion about title III, because of the description that has been given to it.

It has been described as one providing housing for the middle-income groups. It is nothing in the world except a direct, special grant of Government benefits to the cooperative movement. I say that, with full knowledge that it was the intent and purpose I think of the witnesses appearing in support of this title, or a great many of them at least, so to slant the testimony that those who oppose it would be put in the position of opposing cooperatives. That is not a new experience of course either on the part of witnesses or on the part of Senators on the floor of the Senate. We have had other similar experiences within the past year or two. I recall a Presidential appointee, whose confirmation was not opposed by some Senators because he was supposed to be associated with the cooperative movement.

The testimony, as I say, of many witnesses before the Senate Banking and Currency Committee was slanted to the proposition that one who opposes title III, of necessity is opposing the cooperative movement. That is the furthest thing from the truth. I believe there is no Member of the Senate who honestly opposes the cooperative movement. It is an integral part of our program of development, and I do not know that there is anyone who would not agree with the report of the staff of the Committee on Housing and Rents of the Banking and Currency Committee, which refers to the advantages of cooperation.

I invite attention to the report. It is found in the records of the Banking and Currency Committee and was but recently issued by the staff. In this report, there is outlined in detail very clearly and correctly the advantages of the cooperative movement in the field of housing. Several things are mentioned, including savings in purchase of sites, savings in site development, savings in professional fees, savings in construction costs, savings through self-help, savings in cost of financing, and savings in maintenance and operating costs. It also outlines certain nonmonetary advantages. I commend to the Members of the Senate a reading of the report. Most of it I can heartily approve, and I think most of it the members of the Banking and Currency Committee can heartily approve. It is clear evidence of the fact that in opposing title III we are not opposing the cooperative movement in the housing field, where it has many advantages. I do not think cooperatives ought to be given special consideration, as they are in many places. I do not think there should be partiality shown toward them, in the tax field, particularly. I do not think they ought to be given the special governmental consideration proposed by title III of the bill.

Under section 213 of the FHA provisions of S. 2246 as reported, cooperatives have equal rights with all other citizens. They can have mortgages insured just as an individual can. And, if they do that, they still maintain the advantages that are cited so well by the staff of the Banking and Currency Committee in the document to which I have referred.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. BRICKER. I am glad to yield.

Mr. SALTONSTALL. I shall appreciate it very much if the Senator will clear up a matter which is in my mind. I read the recent speech of the Senator from Alabama [Mr. SPARKMAN], and I read likewise the speech of the Senator from New Hampshire [Mr. TOBEY] regarding his amendment. Do I correctly understand that, if the Senate adopts the amendment of the Senator from Ohio, cooperatives will still be able to get mortgage-insurance assistance, but not direct loans from the Government; and that, if the amendment of the Senator from New York [Mr. IVES] and the Senator from New Hampshire [Mr. TOBEY] is adopted, it would simply emphasize and clarify the existing provisions of law relative to the opportunity of cooperatives to get insurance, but that they would not be able to obtain direct loans?

Mr. BRICKER. The Senator from Massachusetts is correct in that assumption. My amendment proposes to strike title III——

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BRICKER. May I answer the Senator from Massachusetts, and then I shall be glad to yield.

The amendment which I have prepared and which is now on the table and will be called up for a vote tomorrow would strike title III, which is the cooperative section, providing for direct loans, although a majority of the committee deny that it is direct lending. But the distinction is without a difference. It is in fact a direct loan under another name and in another suit of clothes. At the present time the cooperatives have the same benefit of mortgage insurance under FHA, under section 213, specifically, which any individual, corporation, or anyone else desiring to borrow money may have. The difference lies in the rate of interest. Title III provides—and it is an ingenious device—for lending money at an extremely low rate of interest. At the present time I think the rate would probably be from 3 to 3¼ percent. That money would be made available to cooperatives on loans running from 50 to 63 years.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Vermont.

Mr. FLANDERS. Did I correctly understand the Senator from Ohio to say to the Senator from Massachusetts that it was based on Government loans to cooperatives?

Mr. BRICKER. It is expressly based on loans by the National Cooperative Mortgage Association, which would be nothing but an agent, an arm, of the Housing Authority, of money which has been collected from the public through the issuance of Government-insured debentures. In essence, that amounts to direct Government lending. I care not whether they are called debentures, notes, or bonds of the Government. It is a means of pumping money into a project, money which is guaranteed ultimately by the Government. If the money were not guaranteed, it would not be possible to sell the debentures.

Mr. FLANDERS. Does the Senator feel that borrowing money from the public, through the Housing Corporation, and insuring the debentures, is fundamentally different from an FHA mortgage, which is also insured by the Government and which also uses private funds in the same way as do the debentures?

Mr. BRICKER. The FHA has issued approximately $20,000,000 of debentures. That is done only when it forecloses on a mortgage, takes over property, and loses money. Then debentures are issued against the property.

Mr. FLANDERS. I am asking the Senator from Ohio to assure us that it is fundamentally different from passing private funds through the Housing Corporation instead of passing them through FHA mortgages.

Mr. BRICKER. There is a decided difference.

Mr. FLANDERS. Is it not a fact——

Mr. BRICKER. There is a distinct difference. In one case we are insuring the private lender against loss, and in the other case we are providing funds for cooperatives. It is the difference between insurance against loss and insurance of assets or construction capital for use in building.

Mr. FLANDERS. I must say to the Senator from Ohio that the distinction begins to get quite vague. I suggest that it is possible to look at it as an insurance of private loans to cooperative housing.

Mr. BRICKER. Title III bears very much less relation to the insurance provisions of the FHA than it does to the Government's issuing bonds and loaning money directly.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. SALTONSTALL. I should like the Senator to answer the second part of my question, in which I am very much interested. In other words, if the Tobey-Ives amendment should be adopted, it would merely clarify what can now be done by cooperatives. How much would it do in addition that cannot now be done under the law?

Mr. BRICKER. It points up section 213. I do not intend to debate the Tobey-Ives amendment. It is my understanding that my amendment to strike title III will be submitted first, and if it is not adopted, then the Tobey-Ives substitute will be presented. The Tobey-Ives substitute is certainly far preferable to the provisions of title III. But I do not know that it is necessary, because, in my judgment, section 213 adequately takes care of the cooperatives that might need Government assistance. I do not think a great many of them need it, because of the inherent advantages the cooperative has over the private individual. I believe the cooperatives can stand on their own feet.

Mr. IVES. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from New York.

Mr. IVES. The Senator from New York should like to ask the able Senator from Ohio if it is not a fact that the amendment which has been offered by the able Senator from New Hampshire [Mr. TOBEY] and myself does a little more than to point up section 213.

Mr. BRICKER. Yes; it does.

Mr. IVES. It puts special emphasis on the development of cooperative housing and the advancement of the program so as to make the idea of cooperative housing more generally acceptable among the people themselves, so that the program generally can be adopted. That is the purpose of our amendment.

Mr. BRICKER. I appreciate the statement of the Senator from New York, and I agree with him exactly, but I am not sure that the cooperative movement itself, even in the housing field, needs special Government inducements. I think there have been many accomplishments which commend it to the public without special Government consideration such as is given under the bill.

Mr. President, the only way the housing situation ultimately will be solved is by getting construction back into private hands under private capital. When that is done, we shall get cheaper houses and better houses, because of the competitive factors in the industry. Twenty-five years from now we shall not be very proud of a good deal of the housing which has been and is being erected during this era. I do not condemn the Government mortgage-insurance program. I have supported it. It has been necessary, because of the shortage in housing, that the Government give some impetus to the housing movement. But at this time, with the housing program proceeding as it is all over the country, with a million units a year being built or started, and with 50 percent of housing construction starts being under Government insurance, either GI insurance or FHA insurance—and that is the record of last year—we in the Congress should be thinking of getting the Government out of the housing business if we are ever ultimately to return to a sound foundation of competitive building, instead of reaching out for new fields in which the Government may enter into the housing business. Title III is something new, Mr. President. It is pumping Government money out to a separate group, set apart, which has an advantage that is not given to the individual, either under FHA or the GI bill of rights.

Mr. President, I am hopeful that we may begin, at some time in the near future, to get the Government out of the housing picture so that cheaper and better housing may be provided.

This cooperative program outlined in Title III was inspired in the minds of some of the members of the Committee on Banking and Currency by a trip to some foreign countries in connection with cooperative housing. Some of us went abroad to look over the housing program in the Scandinavian countries, in England, and also in the low countries. Their housing program is especially adapted to their needs, and their needs are desperate in many instances. Their supplies of material are short; labor is not in the great supply in which we find it in this Nation; they do not have the architectural and engineering ability in many of those countries to meet their needs. So, with their limited materials and labor, they have adopted a cooperative housing program which is an ingenious thing in itself and which has more or less satisfactorily met their needs. But let it be remembered that we live in a free country, in a private-capital country, a country which is supposed to encourage private enterprise; we live in a country which should encourage thrift and saving and which should give to the individual an opportunity to meet his own individual needs and to provide his own social security and his own ultimate security against the day when he can no longer work. The other nations referred to are entirely socialistic, even England. They believe in complete planning; they believe in directing the flow of labor into various channels; they believe in giving favors here and withdrawing opportunities there. I remember very distinctly, in Sweden, when we asked how they determined where and what kind of housing cooperatives would be favored with government-guaranteed private loans, the reply was, "We especially favor the shipping industry, or any industry which enters into foreign trade. To an applicant engaged in labor in foreign trade or in the shipping industry, we give special permission."

I then asked a question which was suggested to me by a trip which I made through an area in Stockholm, which had some beautiful old homes, gorgeous places. I said, "Can you build a house like this in Sweden at this time?" The answer was, "No." I said, "Do you expect ever to be able to return to that kind of a program, when persons can build homes of which they can be proud, which will be show places?" The reply was, "We do not look forward to that time soon, but we hope that at some time we shall get back to it."

I inquired, "Who gives the right and the privilege of building a single home?" I was informed that that is prevented in many places. In most of those nations one cannot build a private home unless he receives the government's permission. I said, "When is government permission given?" The reply was, "In cases of special need. If a person is engaged in shipping, or is the president, for instance, of a big exporting company, we will give him permission to build a home which he can construct according to his own ideas of architecture."

It brought home to me, just as the pending bill does, that it is an implement of political power in the hands of the Housing Administrator. He could give there and withhold here. The only protection in the bill against sectional favoritism is a provision that not more than 10 percent may be loaned in any one State in the Union. However, there is no protection against limiting the money, in the discretion of the Administrator, to one group or another, or some other special group, which it might be desired to affect politically, or whose votes it might be desired to influence at some time, perhaps, or something of that nature. I am not charging that it has been done, or that it would be done, but it gives power to an Administrator to withhold here or to give there special Government favors to a select group of citizens.

I believe it is time to get back to the old-time consideration of the very fundamental fact that all Americans should be treated alike by their Government, and that every American should have equality of opportunity, whether or not he belongs to an organization. It should be remembered also, that ultimately under the bill as it now contemplates, or will contemplate in the future, only 1½ percent of the middle-income group will get any special consideration.

Furthermore, the Government should not, by a special program of financing, encourage people to do something which they would not ordinarily do. The offer of cheap money and long-term Government investment represents an inducement to people to join a cooperative movement, whether they personally desire it or not. They must do it if they wish to take advantage of the special considerations of cheap money and long-term payment.

The bill has been named a housing bill. It has even been referred to as a home-owning bill. By no stretch of the imagination could it be called a home-owning bill, because there is never a time under its provisions when actual ownership of a home is achieved. There is a possibility under the bill that an individual may buy a free-standing home. That means that if there is an individual unit, built as part of a cooperative project, someday a person may own it. However, under the bill, the occupant of an apartment never owns his own apartment. All he has is the right to occupy it. He cannot dispose of it except for the money which he has invested in it, and then only to the cooperative. He cannot realize any profit on it at any time. His family, if it keeps up the payments on it, may live in it after his decease.

The loan is for 50 years. Few, if any, so-called purchasers will ever live to see the loan paid out. It is altogether likely, if construction is of the character I have observed in some Government housing programs, that the building itself will not outlive the life of the mortgage on it, especially if it runs for 60 years. So there are many things we should consider before we recklessly move into a program of cooperative housing.

Mr. President, last week I placed in the RECORD two editorials to which I should like especially to invite the attention of the Senate. One of them, entitled "Housing Is a Misnomer," was placed in the RECORD on Monday, February 20, which was the legislative day of Wednesday, January 4, 1950. It is an editorial from the New York Times of February 20, 1950. I merely wish to read briefly from the editorial to support the position I have taken, and to confirm some of the statements I have made regarding the bill and its implications.

The first paragraph quotes from Mr. McCabe, Chairman of the Federal Reserve Board, as follows:

> Thomas B. McCabe, Chairman of the Federal Reserve Board, speaking for that body, has gone on record as opposed to the administration's $2,000,000,000 so-called middle-income home-financing bill, as now set up. The Board's position is hardly surprising. Nobody charged as the Reserve Board is with responsibility for stabilizing the Nation's credit system could conscientiously or logically support a measure so economically irresponsible.

That represents substantially the testimony which Mr. McCabe gave before the committee. The $2,000,000,000 figure cited in the editorial has since been reduced to $1,000,000,000 by action of the committee.

Continuing, but without reading the intermediate paragraphs, the editorial goes on to say:

> Specifically, the bill calls for the creation of another Government lending agency, this one to be known as the National Mortgage Corporation of Housing Cooperatives.

That is rather an alliterative title. The editorial continues:

> The new institution would be authorized to make long-term low-interest rate loans to housing cooperatives and other nonprofit organizations for housing purposes. The proposed terms for such loans are so fantastically liberal that they come close to being merely thinly disguised subsidies.

Toward the end the editorial says:

> No wonder that Mr. McCabe observed that "We know of no mortgage credit currently available in this country on amortization terms of 50 to 60 years or at interest rates such as are contemplated here."

Then, concluding with their own judgment, they say:

> Surveying the provisions of this bill, we find ourselves tempted to repeat an observation we made after going through the Brannan farm bill—namely, that no measure which rested on a sound economic basis would have to be made so thoroughly delectable as this one politically.

The New York Times in that editorial supports fully the position taken by Mr. McCabe when he came before the Committee on Banking and Currency. Not only does Mr. McCabe take this position—and he said he spoke for the Board—but Mr. Eccles, who has lived through the whole life of the housing program, practically, is likewise opposed to the proposal. We tried to have him come before the committee to testify, but it was too late to get him here, as the bill was about ready to be reported. Therefore, he did not testify, but I think we could support the testimony of Mr. McCabe with that of nearly every other member of the Federal Reserve Board. Regardless of the intermediate Government corporation that is created to issue debentures and lend money to cooperatives, in spite of the intermediate concern of the administrative corporation, the bill proposes to pump a billion dollars of inflation into our economy—and, under the original measure, it would have been two billion—and that at a time when very dangerous inflationary trends are already apparent; at a time when a million homes are being built, and there is promise that there will be more built this year than last year; at a time when there is a shortage in some few lines of building material; and at a time when building costs are starting to come down, so that private enterprise is going in, and more of the middle-income group can quickly buy their own homes and properly finance them. This program will reverse that trend, and further add to the dangerous inflationary trend.

Mr. President, when we vote on the bill, we ought to be perfectly sure that we are voting not alone for a billion dollars, because just so surely as that we assemble here tomorrow to cast our votes upon the pending measure, we will find that next year this Authority will be back to Congress asking for another billion dollars, or perhaps another $2,000,000,000. That has been the history of the whole housing program. Under that impetus and under that history, under the thought that power begets power, and money desires more money, and favors lead to the granting of other favors, last year half of the houses of the country were built under the Government insurance program, though no one ever contemplated that or dreamed of that for a moment when the original bill was enacted.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Vermont.

Mr. FLANDERS. Did I understand the Senator correctly to say that there was danger that under the pending bill the Housing Administration might come back to Congress for one or two billion dollars more at some time?

Mr. BRICKER. Not a danger; it is an assurance, in my opinion, judging by the history of the past.

Mr. FLANDERS. Under what provision of the bill would they ask for that money?

Mr. BRICKER. They would ask for authority to issue more debentures and to obtain more money to lend to the cooperative movement.

Mr. FLANDERS. They would not ask for money from the Federal Treasury, would they?

Mr. BRICKER. No; but they would ask authority to lend money obtained from the sale of Government-insured debentures at low rates to this movement.

Mr. FLANDERS. So they would be asking for authorization to borrow from the public money for cooperative housing?

Mr. BRICKER. That is correct. It is no different from the Government issuing bonds. It is the same thing.

Mr. FLANDERS. However, there is no increase in the Government debt involved in the fearful transaction the Senator is seeing in prospect.

Mr. BRICKER. That is one of the insidious inequities and dangers of the bill itself. It is true that the Government obligation does not appear in the balance sheet of the Government. It does not enter into the deficit spending balance sheet about which the public is now hearing so much. But it is the same thing, because it is pumping public credit into the housing program.

Mr. FLANDERS. Is not the same objection to be raised against the pumping of private money into FHA mortgages?

Mr. BRICKER. Yes; I agree 100 percent. There is the same inflationary feature in connection with that.

Mr. DWORSHAK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Ohio yield to the Senator from Idaho?

Mr. BRICKER. I yield.

Mr. DWORSHAK. While it is a laudable objective to stimulate home building and home owning, I am speculating as to what the possibilities are through this artificial-aid stimulus provided by the Government, insofar as the middle-income group is concerned. Is it not possible there may be some economic dislocation resultant from this particular program, so that possibly a year or two hence other economic groups of citizens will find it necessary, as a matter of self-protection, to come forward and ask for governmental assistance so that they, too, may be able to enjoy the privilege of home building and home owning?

Mr. BRICKER. The Senator from Idaho is quite correct. There can be no question that others are entitled to the same benefits and the same Government aids the cooperative movement is entitled to. What about the veteran, the GI, who has borrowed money at 4 percent, who lives just across the street from one of these cooperative movements and sees another veteran obtaining 3-percent or 3¼-percent Government money which he has 50 years to pay back, a period which is the probable range of his lifetime and most likely a period which will be clear beyond his productive years? The first veteran can justly say, "My Government is not treating me fairly. I am also a GI. I am entitled to 3-percent money and I am going to get it." He comes to the Congress and asks for it. Certainly such discrimination represents unfair treatment to the GI. It is unfair to all who have come in under the FHA program and are paying 5 or 5½ precent on money for their homes. It is not any great favor to offer cheap money and poorly built houses at a low rate of interest and under terms of repayment to people who will, during the duration of the payment period pass clear beyond the constructive, the productive years of their life. That is no great favor.

Mr. IVES. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. IVES. The Senator from New York would like to ask the able Senator from Ohio if by the very process which he has suggested he does not visualize a possible time when there will be a hue and cry for a complete refinancing of all mortgage loans outstanding, with the idea that the rate should be 3 percent?

Mr. BRICKER. The lowest rate.

Mr. IVES. When loans then outstanding would be taken up and refinanced on a new basis?

Mr. BRICKER. I think that that situation will be here next year if we adopt title III. I think next year the Congress of the United States will be

called upon to bring all the interest rates down to the lowest common denominator level. That is the way suggested in the cooperative movement. And there is no answer to it. Others are entitled to the same rate as the cooperatives. There is no reason, aside from the ability to participate in the cooperative movement, why Government should especially give them favors, as I see it.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. FLANDERS. As to the apparent assumption made by the Senator from Ohio in his answer to the Senator from New York, does it involve or does it not involve the idea that the Government can set interest rates that are unacceptable to money lenders?

Mr. BRICKER. I think the Senator from Vermont, with his vast banking experience——

Mr. FLANDERS. Of 2 years.

Mr. BRICKER. And his knowledge of economics, is well aware of the fact that Government is controlling the interest rates at this very moment.

Mr. FLANDERS. I agree with the Senator from Ohio on that point, and I am on record as being against the artificial keeping down of Government interest rates by the means presently in effect. But whatever the market rates may be, and however they may be controlled, does the Senator from Ohio feel that interest rates on FHA loans, or any other type of loan, can be brought down to the rates proposed in this bill unless the service charges connected therewith, which are given freely by the cooperatives, are also taken care of by the Government, and does the Senator expect that the Senate would ever vote that the Government should take care of the service charges on FHA loans?

Mr. BRICKER. I would not be surprised at anything that might be done in the way of housing or financing housing. It is a very short step from this program to FHA, and a very short step from FHA to Government lending. The only thing that has prevented it, as the Senator knows, is the good judgment of the Congress of the United States. There are enthusiasts today who would take us into that field without hesitation.

Mr. President, a moment ago I mentioned the editorial in the New York Times and another in the Christian Science Monitor. I have another editorial here which I wish to bring to the attention of the Senate. It is entitled "Leaky Housing." It is from Life magazine of March 13, and is as follows:

LEAKY HOUSING

Readers of this page are aware that we distrust the excessive spread of state welfarism. This week, however, we are taking a leaf from the welfarists' book and judging a pending administration proposal by their standards. The measure we have in mind is intended to supply housing to so-called middle-income groups, and by accepted welfare standards it is a bad piece of legislation.

In the old days the ideal criterion of a good law was that it should apply to everyone impartially, whether poor, rich, or of the middle condition. But such Olympian evenhandedness could not withstand the march of history and the irony of people like Anatole France, who once remarked that "the law in its majestic equality forbids the rich as well as the poor to sleep under bridges." Under a changing conception of fairness, discrimination between classes has come to seem socially right when it is applied to such things as income-tax rates and aid to the needy. It has never been deemed right, however, to permit discrimination between people in identical categories: even the advanced state welfarist professes to believe that equals should be treated equally.

The proposed middle-income-housing legislation actually promises to treat equals unequally. The bills now pending before the Banking and Currency Committees of the two Houses of Congress would make home-purchase money available at 3 percent interest to citizens in the middle-third income bracket (roughly $2,700–$4,400 a year). In addition to the low interest rate the bill would provide amortization of loans over a 50- or even a 60-year period. But to get this easy money the applicant must first elect to become a member of a Government-financed housing cooperative. This is where the discrimination between equals comes in. For, where a cooperatively minded householder would be getting his money at 3 percent with a lifetime to pay it off, middle-income people who prefer to obtain houses on their own will still have to pay 4 percent or more, even with FHA help. As for the 1,750,000 veterans who are now getting housing money at 4 percent with a 25-year amortization privilege, many of them are in the middle-income brackets. Would they take the sight of other middle-income people getting 60-year amortization money at 3 percent without screaming to high heaven about the very obvious injustice of it all?

If the new middle-income housing bill passes Congress it will, in effect, drive the general mortgage rate down toward 3 percent. (Equals will insist on being treated equally.) This would undoubtedly serve to stimulate the housing market, but what practical good would such stimulus do as long as the Nation is already in the ecstatic throes of a housing boom? One million new homes are in the works for 1950, and labor, lumber, contracting charges, and architects' fees are already sky high. The net effect of cheaper money would not be more homes; it would be costlier labor and more expensive Douglas fir and white pine with resultant hardship on all home builders, rich or poor.

Government has entered the area of housing to stay; even such antistatists as Senator TAFT are willing to vote for public slum clearance and low-cost public housing. But in housing, as in other things, Government will do well to stick to the principle of treating equals equally. Otherwise, even by welfarist standards, Government will become an abhorrent monstrosity.

Mr. President, I cannot agree with all the intemperate language of the editorial, and yet it has the essence of truth in it. One of the most stabilizing factors in our whole econmy is the building industry. When it is down, our economy is down. When it is up, our economy is up. Instead of building in the next year or two enough houses to take care of all our needs, and then facing, as the Senator from Idaho said, a declining economic situation, when there will be losses and foreclosures, it would be far better for our economy gradually to move into that period and have available for labor in that day some portion of the housing program which today, if prosecuted to completion, may result even in dangerous overbuilding.

There are indications on every side that there will be, or that there has been, over-building in the housing industry. It is apparent right here in Washington in some instances now.

Mr. President, one of the greatest assets of our country is the equity the individual homeowner has in his home. I believe in home owning. I think the more owners of homes there are in our country the sounder our economy is going to be, and, I know, the safer our society will be from the intrusion of any alien philosophies of life. But this bill does not mean home owning; it does not mean owning an equity in a home. It only goes to the right to live in the quarters to be provided, and then only as to those which are built free standing, and which likely will be only a very insignificant or small part of the program.

So not only are we attacking here the very foundations of home-owning and of owning an equity in a home, but likewise we are putting the Government in a position of competing with itself in its other programs and of bringing on the day when the low interest rate referred to in the editorial in Life magazine will be demanded by the other groups, as was suggested a little while ago by the Senator from New York.

Mr. President, I could cite many authorities on that point. Among them is the Metropolitan Housing and Planning Council, of Chicago, which outlines its opposition to this measure. I shall not read into the RECORD the provisions of its communication on the subject, except to say that, in the first place, it claims that this measure is inflationary; in the second place, it claims that this measure will undermine the Government's public-housing program, as I suggested, by having the Government enter into competition with itself in the FHA and the GI programs. The letter also suggests that this measure is discriminatory. We have already discussed that point. Further, the letter suggests that the nonprofit provision of this measure is precarious, and that legislation now in effect favors the middle-income families.

Mr. President, a moment ago I referred to 8,000,000 of the middle-income families. We can compute the number of them in almost any way we wish; there are various formulas for doing so. Possibly they constitute the middle one-third of the income groups of the country, the remaining two-thirds being divided between the upper-income groups and the lower-income groups, although a different formula than that was used in the Government housing bill.

But let me read what this authority has to say in regard to the present preferences given to middle-income families:

During the past 2 years the national building volume approached or passed previous peak years of residential construction. The major percentage of this construction is being built for the middle-income group, as evidenced by the following FHA figures, which show that in the year 1947 82.2 percent of the financing of new construction and 82 percent of the financing of existing construction through FHA was for families with incomes of less than $5,000 per year; and in 1948 72.6 percent of new construction and 77.4 percent of existing construction

financed was for families whose annual incomes were less than $5,000. FHA policy limits its insurance authorization to monthly payments no higher than 25 percent of the purchaser's income.

The last objection raised in the letter is:

If it is an experiment, it is too ambitious.

Mr. President, in the testimony given before the subcommittee of the House of Representatives Appropriations Committee in the Eighty-first Congress, Mr. Richards, of the FHA, testified as follows:

Mr. RICHARDS. Mr. Chairman, I have a short statement. If agreeable, I will read it.

Mr. Chairman and members of the committee, I would like to summarize as clearly and briefly as I can the main points of the FHA program and budget for the fiscal year 1951.

Fiscal 1951 is expected to be the biggest year in the history of FHA operations. More applications will be examined, more housing units will be started and completed under the FHA program, and more insurance will be written by FHA than ever before. Applications covering over 830,000 dwelling units will be examined, as compared with approximately 600,000 last fiscal year. More than half a million dwelling units are expected to be started under the FHA programs in 1951, as compared with approximately 276,000 which were started in the fiscal year just past. The trend of actual operations in the current year fully supports the 1951 estimates. In the current year about 723,000 units were expected to be examined. Actual receipts of applications during the first 6 months of the year were 8 percent higher than the estimates for that period, and in January more than 105,000 unit applications were received, the highest volume for any month in the history of FHA. And may I say that is in the dead of winter, also. Already in the first 6 months, more than half of the fiscal year estimate of 416,000 units have started, with the heavy building season still to come.

FHA will continue to give strong emphasis to lower cost and lower rent housing. A significant downward trend is already apparent under FHA programs.

Mr. President, in my judgment, the best way to reverse the trend is for the Government to put another $1,000,000,000 into the cooperative-housing movement, thus raising the cost of materials and competing in the labor market. We will deprive the individual of the right to build his own home, because cheaper money will compete with him in the housing field.

Later in his testimony Mr. Richards said:

In the first 4 months of 1949, the production of housing was way below the first 4 months of 1948.

Mr. President, that is correct; at that time the cost of money was rising somewhat, and there was a fear that we were coming into a depression and that that might mean lower prices. The psychological result was that people simply were not moving either into the building field or into other business fields generally.

I read further from Mr. Richards' testimony before the subcommittee of the House of Representatives Appropriations Committee in the Eighty-first Congress, second session:

Mr. RICHARDS. In the first 4 months of 1949 the production of housing was way below the first 4 months of 1948, but with this economy housing program that we put on and encouraged, with the devices that we had at that time, business started jumping up in May. By the end of the year they had exceeded total volume in 1948, despite the fact that the first 4 months were terrible compared with it.

What happened? Actually, there is no question but what industry, in effect, was retooling to get into this lower-price field. Instead of building the $12,000, $13,000, $15,000 house in quantity and $4,000 to $8,000 house in smaller quantities, they reversed it and built the $4,000 to $8,000 houses in great quantities and $10,000 to $15,000 house in smaller quantities, and by the end of this year the market was healthy on all, not only the lower-priced house but the higher-priced house.

Insofar as cost is concerned, our cost figures do not show any great drop during the calendar year 1949; however, since the peak of the costs after the war, there has been some drop, and, of course, this varies from area to area, roughly, 10 percent.

Later on Mr. Richards said:

They are definitely getting into this lower-price rental and lower-price sales field.

That is the testimony of Mr. Richards, who is the head of the Federal Housing Administration.

Mr. President, I think we should examine some of the provisions of this bill, particularly as they apply to the present cooperative movement. All the testimony before the committee by the representatives of the cooperatives and the representatives of other groups was to the effect that the cooperative movement is a fine thing—with which statement we agree, of course. I remember that Mr. Murray Lincoln, a citizen of my State, came here and testified before the committee in favor of the bill. As an exhibit he referred—and I know the whole situation in regard to this matter—to the project at Bellevue, Ohio, at what is called the Amsden Heights Development. He emphasized—I do not know how he could have done so more strongly—that the objective sought by title III can be accomplished under the present law, without any special favors, and that they can do so because of their economies of operation and because of the very nature of the cooperative organization itself.

I wish to say that Mr. Lincoln is really the leader of the cooperative movement in the United States, especially as it applies to farm cooperatives. Although his testimony supported this measure, the evidence he submitted is proof positive that enactment of this bill is not needed at the present time. That is likewise the ultimate conclusion of the staff of the Banking and Currency Committee, which did such an able job in surveying the entire cooperative movement.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. FULBRIGHT. Would it be correct to sum up the Senator's statement in regard to that point in this way: That although under the existing legislation everything that could be done under the proposed title III can be done, yet the real difference is simply a larger subsidy on the part of the Government to accomplish the objectives of title III? Is that correct?

Mr. BRICKER. That is correct.

Mr. FULBRIGHT. Is that the only basic difference?

Mr. BRICKER. That is the only reason why there would be any desire for it—in other words, because of the low-interest rates and the long-term loans.

Mr. FULBRIGHT. In effect, in looking to the ultimate liquidation of the projects, the bill, if enacted, would mean that if there were a loss, the Government would have to pay out larger amounts of money. Is that correct?

Mr. BRICKER. That is correct, because under the law the issuance of Government-guaranteed debentures is authorized.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. HOLLAND. I have been following with great interest the remarks of the able Senator from Ohio. I must say that I think he is completely sound in the position he is taking in opposing title III of the pending measure.

I should like to ask the Senator several questions which I think may point up some of the things which, at least in the minds of some of us who have been exploring the field covered by this measure, have not been entirely clear, and which we think should be clearly stated in the RECORD.

The first question is this: Am I correct in my understanding that this measure, in respect to the dwellings to be built under its provisions, applies not only to the type of dwellings generally referred to as cooperative apartments, but to all kinds of building units, whether they are multiple units under one roof or simply dual units or merely one unit under one roof?

Mr. BRICKER. That is correct. The bill provides for that decision to be left to the discretion of the cooperative organization itself.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. HOLLAND. In other words, it is correct, is it not, that in addition to the ordinary type of construction referred to as the cooperative apartment, all other types of dwelling are covered by the measure, and that, among others, a cooperative or nonprofit corporation organized specifically for the purpose of building one-family houses or units, with title to be held by the cooperative but occupancy to be by the families of members of the cooperative, would come clearly within the purview of the measure?

Mr. BRICKER. That is correct.

Mr. HOLLAND. If the Senator will yield further, it is correct then, is it not, that in the case of such an organization, either a cooperative or a nonprofit organization, the individual families who would occupy the one-family unit dwellings would be getting, in effect, preferred consideration as the result of this

measure, which would be given through the right to have the construction accomplished on long-term obligations with a very small rate of interest?

Mr. BRICKER. That is exactly the situation.

Mr. HOLLAND. If the Senator will yield further, are we correct in our understanding that there is a considerable disparity between the interest permitted in such cases as I have just outlined, and that which is allowed to veterans of any war of the United States borrowing under the present supposed-to-be highly liberal provisions, which allow veterans to build and own homes of their own?

Mr. BRICKER. That is true. The interest rate is somewhat beclouded because the provision is rather complex. But at the present time it is the estimate that the interest rate would be between 3 and 3¼ percent. That, of course, will be determined by the rate at which money can be borrowed from the public by the cooperative mortgage association.

Mr. HOLLAND. I thank the Senator. I wanted to assure the Senator that his statements thus far have coincided completely with the conclusions I have reached after studying the legislation, namely, that the rate of interest is designed to be, under present money market conditions, from 3 to 3¼ percent. Does the Senator mind stating for the RECORD clearly what the rate of interest is, under present conditions, for veterans' housing loans?

Mr. BRICKER. It is 4 percent on a portion of the loans, 4½ percent on the remainder.

Mr. HOLLAND. Then, there is a differential in favor of the man who, under the proposed legislation, would borrow for the purpose of building a home, which he would not even own but would simply occupy as a member of the cooperative which would have procured the loan and purchased it? There is a differential in favor of that type of family; that is to say, it has an advantage of about 1 percent, as against the family of the veteran who may have procured a loan under present veterans' housing provisions. Is that correct?

Mr. BRICKER. The differential would be about 1 percent.

Mr. HOLLAND. Or about 1¼ percent, would not the Senator say?

Mr. BRICKER. That is correct.

Mr. HOLLAND. Will the Senator likewise state whether approximately the same difference would exist between the borrowers under the presently considered legislation, borrowers who would be members of a cooperative, and borrowers under the ordinary FHA program who might have borrowed and built exactly comparable or similar homes, perhaps just across the street or in adjoining property, from that which would be selected by the cooperative for the construction of homes for its members?

Mr. BRICKER. There would be the same discrimination against those operating under the FHA program as there would be against those operating under the GI program.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. HOLLAND. Will the Senator point out any explanation or justification or reason which has been given by the sponsors of the bill as a justification for the discrimination against the veteran, and against millions of borrowers under ordinary FHA loans, who in good faith have borrowed and built their little homes, compared with the families who would be brought under the provisions of the pending legislation?

Mr. BRICKER. I can see no justifiable reason for it, myself. That is why I am opposing it. If cooperatives are entitled to that kind of money, of course, the GI's are entitled to it, and the others under the FHA program, and in my judgment it will be brought about.

Mr. HOLLAND. Mr. President, will the Senator yield for one more question?

Mr. BRICKER. I yield to the Senator from Florida.

Mr. HOLLAND. Is it not clearly and inescapably true that the passage of this legislation, and the very real discrimination which would be accomplished under it, is an invitation and almost an assurance of the Government's being called upon to bring this method of treatment or this method of financing into the field of veterans' housing and ordinary housing for the general public, and perhaps into other fields, such as agricultural credits, in which the Government now operates, but on a much higher interest-rate basis for other citizens, than for those proposed to be covered by the pending bill?

Mr. BRICKER. I think that is exactly true, and I, as one who believes that the Government should treat all its citizens alike, do not see how the Congress could resist any effort toward giving the most favorable consideration to all alike

Mr. HOLLAND. Mr President, I wish to say I thoroughly agree with the Senator in all his answers to the questions. The Senate, by the passage of this measure, would put itself in the position of discriminating in favor of a select or chosen group of citizens, as against the veterans, as against other citizens wishing to own their own homes, as against those borrowing money from various governmental agencies, who would be required to pay higher rates of interest, such as small-business men borrowing from the RFC, such as those who borrow from the Agricultural Credit Administration, in which case they are really borrowing their own money, because they have paid back any Federal capital. It is inconceivable to me that the Congress could take this kind of position without feeling that it was committing itself to a course of action under which ultimately the Government would be required to step into the full field of financing all these manifold activities, to the extermination of private credit and largely to the extermination of any private pride of ownership and pride in the development of one's own property. I think the Senator is to be commended for opposing strenuously as he does the adoption of title III of the pending measure.

Mr. BRICKER. I thank the Senator from Florida for the clear explanation of his position in regard to the subject. I appreciate his support very much.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. I merely want to comment upon two phases of the discussion. I understood the Senator from Ohio to say that there is an interest rate provided in the pending bill that is a lower rate of interest at which cooperatives can obtain money from the mixed ownership corporation which would lend them money than the rate veterans can get. I think the Senator from Ohio will agree with me. I sat in at all the hearings. We have our differences of opinion, but I think the Senator will agree with me that in every case when the veterans' interest rates have been questioned in the committee, I, as one member, have always voted in favor of a 4-percent rate of interest for veterans, even though it was below the FHA rate. Of course, private people buy the FHA mortgages and resell them, in many instances, at a large profit. RFC could sell every mortgage it owns today at 103 and 104, possibly, if it desired. But I do not want the RECORD to show that there is any discrimination against the veterans, because there is no fixed interest rate provided in the bill for cooperatives. The Senator from Ohio and I have differed in committee, though I think he will agree with me that it was never intended by any proponent of the measure to discriminate against the veterans or others. There is no interest rate written into the bill. The interest rate can be 6 percent, if that is what it cost the mixed-ownership corporation to borrow the money from private lenders and to service the loans to cooperatives. The interest rate can be 3 percent, if the money is available at that rate. I do not want it to appear in the RECORD that the bill discriminates against anyone. The Senator from Ohio and I differ with respect to title III, and he has an amendment to strike out the entire title. He has gone about it in a way that Senators can take a stand on it, and either vote for it or against it. Nevertheless, it was never the intention on the part of anyone favoring title III to discriminate against veterans in the matter of interest rates. I submit that to the Senator from Ohio.

Mr. BRICKER. I appreciate the suggestion of the Senator from South Carolina. There is no fixing of the rate, but according to the testimony, as I understood, the interest rates at the present time generally would be between 3 and 3¼ percent for the cooperatives.

Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. MAYBANK. Of course, interest rates in general are down to 3¾ percent. Those who have the FHA mortgages now are selling them at a premium, and are making the difference as a profit. The RFC could sell every mortgage in its portfolio, because the general market interest rate has gone down. But we should not be charged with discriminating against anyone. I am glad the interest rates have gone down, for the benefit of the people.

Mr. BRICKER. I appreciate the latter suggestion of the Senator from South Carolina, because it emphasizes what I said a moment ago, that private money is available for most of the building programs at the present time, or the paper held by the FHA and the RFC would not be bought. I think plenty of money is available at the going rates of interest today, which are not high at all, for the entire building program, especially in this field. The Senator will remember a reference in the report of the staff of the committee to a loan to a very large cooperative which I think ran several million dollars, on which the interest rate was 3 percent.

Mr. MAYBANK. Mr. President, if the Senator will yield, I understand his position, and I do not want the record to show that those who are supporting title III have any objection to the Senator from Ohio opposing it to the end. The Senator is opposing it in the right way by offering to strike it all out. But when we provided for lending money to cooperatives, it was never suggested to us that we were discriminating against FHA, which charged certain rates of interest, or against insurance companies which are getting certain rates of interest. I am really glad they can get them. But, I repeat, there was no intention on the part of anyone supporting title III to discriminate against veterans, because of the provisions relating to cooperatives. I refer particularly to the 3-percent rate of interest forecast by some witnesses before the subcommittee, which probably will be 5 percent next year; no one knows.

Mr. BRICKER. If it is 5 percent next year, it will mean that the rates have increased tremendously and that the Federal Reserve Board and the Secretary of the Treasury have failed to maintain a reasonable rate.

Mr. MAYBANK. Mr. President, as the Senator well knows, after Mr. McCabe testified, certain changes were made. The terms were changed to a 5-percent immediate down payment by the cooperative, plus one-half of 1 percent estimated to cover overhead of the mixed-ownership corporation, plus another one-quarter of 1 percent to take care of any losses. That was done after representatives of the Federal Reserve Board testified. But I do not want the RECORD to show that the Senator from Florida suggested that there was discrimination. There was no intent to discriminate against the veterans. I am sure the veterans do not think there is discrimination. If they thought there was discrimination, they would have so testified before the committee.

Mr. BRICKER. Let us say, without using the word "discriminatory," that title III provides to cooperatives the advantages of from three-quarters to 1 percent in interest rates, and a 15- to 25-year extension of the amortization period, over similar provisions of the GI and FHA programs.

Mr. MAYBANK. We do not know what the rate will be next year. I want the Senate of the United States to know that the rate at which cooperators can borrow money under this bill will be based upon the interest rate the private market sets on debentures issued by the mixed-ownership corporation. It might be 5 percent; it might be 2½ percent. There can be no guaranty as to what the rate will be.

I thank the Senator from Ohio.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. HOLLAND. No one, certainly not the junior Senator from Florida, would for a moment impute to the distinguished Senator from South Carolina any desire to discriminate against the veterans. At the same time, the Senator from Florida feels that it is his very clear duty to point out the great discrepancy which exists between the two types of loans.

Mr. MAYBANK. Mr. President, will the Senator yield for one moment?

Mr. BRICKER. I shall be glad to yield in a moment.

Mr. HOLLAND. I should like to ask the Senator from Ohio, if he will, to state whether this recital is contained on page 58 of the report of the Committee on Banking and Currency to accompany the amendment in the nature of a substitute for Senate bill 2246, which is the measure now pending. I read from the report, as follows:

> Your committee believes that this provision probably means a rate of about 3¼ percent on the initial mortgage loans made by the Corporation out of $100,000,000 capital investment, since the estimates indicate that this rate will provide an adequate spread over and above the cost of capital initially supplied by the Government.

Is that statement contained in the committee report as the recommendation, finding, and statement of the committee to the Senate?

Mr. BRICKER. That is correct. The Senator was reading from the committee report.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. HOLLAND. Is it meant by that statement that it is the finding of the committee and its report to the Senate that it believes that a 3¼-percent interest rate will be the rate which will operate as to loans made under the $100,000,000 capital investment issue to come out of the Treasury of the United States to provide the first $100,000,000 worth of stock of the proposed new corporation and for the loaning of the first quarter of a billion dollars in addition to the $100,000,000 which is to be derived from the sale of bonds and obligations whose payments will be insured by the United States Government?

Mr. BRICKER. There can be no question that that was the judgment of the committee. The rate would be approximately 3¼ percent, under the provisions of the bill. If that were not true, there would be no argument for the bill. The supporters of the bill set out across the board the lower monthly payments made possible by the loan terms provided under the bill.

Mr. HOLLAND. It was the feeling of the committee that three and a quarter percent would be the interest rate on the loans made under the $100,000,000 capital to be invested by the United States Treasury and on the first $250,000,000 from the receipts of the first sales insured by the United States Government, and on the receipts of $750,000,000 from the rest of the sales in the event the President should decide that such additional sales should be made.

Mr. BRICKER. That is thoroughly supported by the evidence.

Mr. HOLLAND. Mr. President, if the Senator will yield further, I should like to ask one more question. I should like to ask the Senator whether there is in this measure any provision whatsoever to reduce the interest rate on GI loans, or the interest rate to the ordinary FHA borrowers, who constitute the great bulk of borrowers under the Housing Act, or in any way to give to either of those great groups of citizens the advantage of the reduced interest rate which is proposed by title III to be given to those who shall borrow as members of cooperatives and of nonprofit organizations.

Mr. BRICKER. There is nothing in the bill which in any way affects any of the other loans, and there is nothing in the bill, as I remember the details, that would in any way affect interest rates. There is some shifting of percentages of amounts upon which insurance will be given.

Mr. HOLLAND. I thank the Senator.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. Mr. President, I want, again, to make it plain that there is no interest rate fixed under the bill. The interest rate next year may be 5 percent, it may be 6 percent, it may be 2½ percent. Any Senator's guess is as good as another's as to what the rate will be. When the committee wrote the bill, it wrote it so that private banks and insurance companies might buy these debentures and mortgages. There is no interest rate fixed in the bill and there is no appropriation provided for in the bill by way of subsidies. There was an interest rate of 3 percent mentioned in the bill S. 2246 introduced last year. That is what has confused many persons, judging from letters which I have received. We rewrote the bill and omitted any fixed-interest rate. The rate to the cooperative will be whatever rate the mixed-ownership corporation can get from private banks or investment companies on sale of its debentures plus enough to cover overhead. If cooperatives on this basis can get a rate of 3¼ percent today, I am happy for the cooperators and for persons who can thus join together. Most of the persons who will apply for loans will be veterans' groups, with children, who are now huddled together in cities where they cannot obtain financing to acquire their own homes.

I thank the Senator from Ohio.

Mr. BRICKER. Mr. President, it is perfectly clear that there is not a fixed-interest rate in the bill. However, the

interest rate will be determined by the Government guaranty of the debentures which are issued to the public by the corporation which reuses the money under a limitation of one-quarter of 1 percent or one-half percent for the use of cooperatives. Let me refer to one provision of the bill with reference to the debentures, which are fully insured by the Government. They shall bear interest at a rate determined by the Corporation, but not to exceed 3 percent per annum, payable semiannually. So there is a limit on the interest rate on the debentures which will be issued to take care of the obligations of the Corporation made under the act, and this will be reflected in the interest rate on the money lent to the cooperative borrowers.

Mr. IVES. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from New York.

Mr. IVES. In line with the comment which has just been made respecting the matter of interest rates on debentures, the Senator from New York would like to ask the able Senator from Ohio whether it is not a fact, with the going rate of interest on direct United States Government obligations at approximately 2½ percent, that the rate of interest to be charged on obligations of this character—and I now speak of debentures—would very likely not exceed the going rate of 2½ percent by more than one-half or three-fourths of 1 percent.

Mr. BRICKER. There is no real reason for believing that it would exceed that rate at all, because the debentures would be fully Government-insured, and they would be sold in the same manner that Government bonds are sold. As I said awhile ago to the Senator from Vermont, one of the insidious things about the proposal is that it does not show up in the Government's balance sheet. It does not become a part of direct public obligations which the public can see and read.

Mr. IVES. The Senator from New York would like to inquire if the able Senator from Ohio does not believe that the maximum spread which the Senator from New York has indicated is approximately accurate. The Senator from New York realizes that the debentures could presumably be sold for 2½ percent, if the market were to take them. However, in all probability there would be a necessity for a little extra charge, or a little higher rate, because of the fact that the bonds are not actually direct Government obligations, but only indirectly so.

Mr. BRICKER. It would be a very small difference, if any.

Mr. IVES. The Senator from New York would assume, therefore, that the spread would not be more than one-half or three-fourths of 1 percent, as indicated.

Mr. BRICKER. I would say that the spread would not be more than one-eighth or one-fourth of 1 percent. That would be my guess, based upon my experience with that kind of Government financing.

I believe I have pointed out very clearly that this is long-term credit at a rather cheap interest rate. I wish to refer again to what Mr. McCabe had to say in his testimony before the committee:

> Mr. McCABE. Our fundamental concern is with the financial terms. We know of no mortgage credit currently available in this country on amortization terms of 50 to 60 years or at interest rates such as are contemplated here.

There must be an advantage in interest rates and an advantage in amortization terms, or there would be no real reason for the bill, because already under the provisions of the present law cooperatives can avail themselves of advantages which are given to individuals.

I believe, too, that we should look at this question in the light of present financial conditions and the 1951 budget as submitted by the administration to Congress. The budget for 1951, as the Presiding Officer so well understands, calls for a total expenditure of $42,439,000,000, with estimated receipts of $37,306,000,000, representing a deficit of $5,133,000,000. Therefore, the proposed legislation emphasizes the acceptance of a program of deficit financing by the administration, which can mean inevitably but one thing; namely, a watering down of our currency and an inflationary trend. The issuance of the debentures, which puts Government money into circulation, because the debentures are negotiable, adds $1,000,000,000 more, in the inflationary trend, to the $5,133,000,000 which is the estimated deficit for this year.

It has been said that there is no direct Government liability in title III. There is certainly a contingent liability on the part of the Government. The latest figures on contingent liabilities of the Federal Government today are approximately $200,000,000,000. Not all of them will mature. Not all of them will become direct Government liabilities. However, they stand as a threat that some of them—we know not how many, and we hope none—may become part of direct Government obligations, in addition to the already staggering total of two-hundred-and-fifty-some-odd billion dollars of direct Government obligations at this time.

So we must look at this proposal as an expansion of a program which is diluting the money and credit of the country, and in the light of the already staggering direct and contingent liability of the Federal Government. We must look at it, likewise, in the light of the fact that we are now building a million homes a year. We must look at it in the light of the fact that the Government is already insuring loans on approximately one-half of those units. We must look at it in the light of the fact that the building industry will be needed as a stabilizing influence in the national economy at a time when there may be a threatened slide downward in our economy. We should not overbuild today, but should retain some of the housing need against the day when our economy may need bolstering up. We should look at this proposal in the light of the fact that this is a special consideration of Government favor for a group in our society which already has shown by its practices that it does not need Government support in order to give to its members the advantage of the cooperative movement.

Mr. President, I have clearly shown that those of us who oppose title III as an unnecessary expansion of Government into another field of housing, when we ought to be pulling out of the housing business, are not opposed to the cooperative movement as such. We are opposed to the special consideration, by way of cheap money, which is given in the bill to the cooperative movement. It is a disadvantage to the man who has built his own home, who has raised his family, and who has educated his children. He must pay taxes to take care of the subsidy which is an inevitable part of this kind of program. I shall speak further on the subject of subsidy tomorrow when the bill comes on for debate. At this time I yield the floor.

Mr. BRICKER subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks on the housing bill an editorial which I have read since the conclusion of my remarks. The editorial is entitled "Middle-Income Housing," and is published in the Wall Street Journal of today. In presenting the editorial for printing in the RECORD, I wish to say that it contains an error in its consideration of the Ives-Tobey amendment. The editor looks upon it as an amendment rather than as a substitute for title III. With that exception I wish to say that I agree with the sentiments expressed in the editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MIDDLE INCOME HOUSING

If things go according to schedule, the Senate will vote tomorrow on the administration's bill to promote the building of homes for the so-called middle income group. The House is expected to debate a companion measure next week.

Senator SPARKMAN of Alabama, in charge of the project in the upper chamber, asserts that the bill offers "a practicable means of enlisting private capital" in the building of homes at rentals within the means of families having annual incomes of $2,840 to $4,425. It is obviously a sequel to last year's law setting up a Federal housing project for the lowest income layer of the population and for slum clearance with substantial Government aid.

We think this middle income housing bill should not pass, not even in the amended form proposed by Senators TOBEY and IVES. It is not true that you enlist private capital by offering loans of Government-supplied funds. The private capital concerned goes not into housing construction ventures but into the Government bonds which a deficit Treasury is obliged to issue to finance the scheme. The alternative—available only when the Treasury is operating with a surplus—is that the private capital committed to the housing project is taken from the Federal taxpayers.

Like last year's housing program, this one has the nature of an entering wedge. The original form of the pending Senate bill would have authorized a new national mortgage corporation to lend up to $2,000,000,000 to approved housing cooperatives. This limit was reduced to $1,000,000,000 before the bill reached the Senate floor. Now it is clear that neither $1,000,000,000 nor $2,000,000,000 would go far to satisfy the housing ambitions of all the middle-income families in the United States. If this project gets under

way, it is only a matter of time when Congress will be called upon to raise the lending ceiling.

The administration bill contains other provisions for expanding the range of Government lending or mortgage guaranties outside the middle-income area. A group of Republicans in the House has estimated that the ultimate liability its several provisions would impose on the United States Treasury could come to as much as $8,000,000,000.

This newspaper does not know just how this estimate was calculated. But it agrees with the Republican group that blind legislation is dangerous to the American economy and even to the solvency of the Government itself. Senator SPARKMAN says the Government-assisted housing cooperatives would provide cheaper housing than private enterprise construction because of economies in financing, construction, and maintenance. We think he is mistaken. What he takes for economy in financing is in fact only a shifting of part of the financing costs from the beneficiaries of the scheme to others—the general body of Federal taxpayers who through the Treasury supply the low-rate capital loans. The other economies he anticipates are more than likely to prove imaginary.

The Federal Government could in the not too long run do more for low- and middle-income families, for the farmers, for the unemployed, for the youth of the land seeking education, and for all in need of better medical attention by making an end of its wanton deficit financing than by passing all the special assistance measures now pressed upon Congress.

Mr. JOHNSON of Colorado obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I send to the desk an amendment in connection with section 608 of the Housing Act. There has been much discussion of that section, which expired on the 1st of March. A great many contractors and other business people have applied for Federal Housing Administration insurance of mortgage loans and are interested in this section. In substance, the amendment would give the Federal Housing Commissioner an opportunity to review those loans, and applications filed in the field offices as of February 1 will be considered.

My amendment differs principally from the other amendments which have been offered in that, as one who desires to keep down inflation and to keep down Federal authorizations, I call in my amendment for the deduction of the $400,000,000 authorized by the amendment from another section in the bill, so that the over-all $3,600,000,000 authorization will not be increased. We have already reduced it from $6,000,000,000, and this $400,000,000 would be taken out of the $750,000,000 authorization in section 610 of the National Housing Act, as amended, leaving only $350,000,000 authorization in section 610. The $400,000,000 authorization thus saved would be made available for processing some pending applications under section 608, about which business people and contractors throughout the country have conferred with many Senators.

The Senator from Nebraska [Mr. WHERRY] presented a resolution, and others proposed to do likewise, and I said I was going to present one on the floor to take care of some pending applications, because time was too limited for us to hold hearings on any amendments which were sent to the committee.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I have not the floor. The Senator from Colorado has the floor.

Mr. JOHNSON of Colorado. I do not care to yield for a speech, because I have an appointment which I desire to keep.

The PRESIDING OFFICER. Does the Senator from South Carolina desire to have the amendment printed and lie on the table?

Mr. MAYBANK. Yes; to be considered tomorrow.

The PRESIDING OFFICER. Or to be considered as the pending amendment?

Mr. MAYBANK. I desire to have it printed and to lie on the table until tomorrow.

Mr. WHERRY. Mr. President, will the Senator from Colorado yield so that I can ask the Senator from South Carolina a question?

Mr. JOHNSON of Colorado. I do not care to yield very long, because I have an appointment at half past 3.

Mr. WHERRY. Will the Senator from South Carolina permit me to ask him a few questions after the distinguished Senator from Colorado has concluded his remarks?

Mr. MAYBANK. I may say to the Senator from Nebraska that there is a meeting which I am supposed to attend at 3 o'clock. If I am in the Chamber, I shall be only too glad to answer his questions.

Mr. WHERRY. Let me ask the Senator a question. He has offered an amendment. The inference is left by the remarks of the Senator from South Carolina that I attempted to amend either section 608 or some other portion of the Housing Act in order to continue section 608 beyond the date of March 1, and that that is highly inflationary.

Mr. MAYBANK. It is correct that it was suggested to us that such an extension would be inflationary or authorization of too much money for housing purposes at this time would be inflationary.

Mr. WHERRY. I should like to say that that is not what my joint resolution calls for at all. The joint resolution which the Senator from Nebraska introduced——

Mr. MAYBANK. I understood the Senator was going to ask me a question.

Mr. WHERRY. I am going to.

Mr. MAYBANK. I never suggested that the Senator's resolution was highly inflationary.

Mr. WHERRY. I understood the Senator to say that the other amendments which have been offered on the floor were different from his because the amendment he is offering is to another section, and therefore it is not inflationary. The resolution I introduced had nothing to do with extending section 608 or any other provision of the Housing Act.

Mr. MAYBANK. The Senator from South Carolina never intended to suggest that it did.

Mr. WHERRY. I felt that the committee should, if possible, hold a hearing on the resolution to see if it would not be the fair thing to give those who had filed their applications under section 608, as early as last November, the courtesy and the fair treatment of processing those applications. My resolution does not even contain a provision that any of the applications be passed. It is simply that they be processed. Is not that true?

Mr. MAYBANK. Mr. President, let me repeat what I remember having said about the joint resolution the Senator from Nebraska introduced.

Mr. WHERRY. What the Senator said on the floor.

Mr. MAYBANK. Yes; because the bill was on the floor, having been reported from the committee the day after the Senator introduced the joint resolution.

Mr. WHERRY. The day after I introduced the joint resolution?

Mr. MAYBANK. Yes.

Mr. WHERRY. But when I introduced the joint resolution there was not any bill before the Senate for consideration.

Mr. MAYBANK. The committee had already voted by a vote of 7 to 6 to report the bill, if I am not mistaken.

Mr. WHERRY. It was not on the calendar. That is the point I was making.

Mr. MAYBANK. No.

Mr. WHERRY. Will the Senator remain on the floor for a few minutes so we can make the RECORD clear on this point?

Mr. MAYBANK. Certainly. I am in no hurry to go anywhere, and will remain as long as the Senator desires to have me remain.

Mr. WHERRY. The Senator from Colorado [Mr. JOHNSON] wishes to make a speech.

LICENSING OF MOTION PICTURES IN INTERSTATE COMMERCE

Mr. JOHNSON of Colorado. Mr. President, now that the stupid film about a pregnant woman and a volcano has exploited America with the usual finesse, to the mutual delight of RKO and the debased Rossellini, are we merely to yawn wearily, greatly relieved that this hideous thing is finished, and then forget it? I hope not. A way must be found to protect the people in the future against that kind of a gyp.

According to an NEA Hollywood byline by Erskine Johnson, dated February 25, Stromboli will make ten to twenty-five million dollars at the box office. Quoting Erskine Johnson directly:

> Ingrid and Roberto certainly will have no financial worries. With their agents, MCA, they formed a company to produce the film. They'll collect 60 percent of the profits, RKO 40 percent.

Since Rossellini can escape American income taxes effectively, this has been a profitable touch for him.

He has been quoted as saying that he would not accept his share of the profit since RKO had cut his film. That statement is a typical Rossellini publicity

gag. When this money-mad home-wrecker does not collect every cent, including blood money, it will be the millennium.

At this point I ask unanimous consent to have printed in the RECORD an article entitled "Rossellini's Posturing Deemed a Publicity Gag by Hollywood," published in Variety of February 22, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROSSELLINI'S POSTURING DEEMED A PUBLICITY GAG BY HOLLYWOOD

Hollywood yesterday saw Roberto Rossellini's outburst in Rome that he would not accept any profits from Stromboli as a new effort to get publicity for himself and the picture. He claimed in Rome that he was renouncing all claims to the film's American earnings because "RKO has mutilated it to the extent that I do not recognize it as mine" and said he would release his own version in Europe. He and Ingrid Bergman own 60 percent of the film.

Several months ago Universal's foreign prexy Joseph Seidelman was approached by an emissary of the Italian producer-director with an offer to sell U his and Miss Bergman's share of the picture. U prexy Nate Blumberg turned the proposition down cold.

Rossellini is known as a troublemaker in the industry. Most studios shy away from him. His latest squawk, regarded by Hollywood insiders as just another means of obtaining publicity, falls flat here. Both he and Miss Bergman like the Yankee dollar too well to give it up.

Mr. JOHNSON of Colorado. Mr. President, even in this modern age of surprise it is upsetting to have our most popular but pregnant Hollywood movie queen, her condition the result of an illicit affair, play the part of a cheap, chiseling female, to add spice to a silly story which lacks appeal of its own. It is apparent to everyone now that, to bolster the box-office take, Stromboli simply had to have a private scandal on the part of the leading lady.

Originally RKO did not plan it that way, of course, but as they watched this sickening scandal develop and unfold, they smacked their greedy lips and laid deep plans to convert its morbid appeal into cash. Their disgusting publicity campaign for it permitted no revolting bedroom scene to escape, and stressed passion in its worst sense. RKO had word that the anticipated birth should take place about February 15, so that was the day RKO selected to run the film in their theaters. The nauseating commercial opportunism displayed by this corporation and their partner, the vile and unspeakable Rossellini, sets an all-time low in shameless exploitation and disregard for good public morals. When they deliberately exhibited the moral turpitude of the leading lady to pack their theaters, how can they contend that since the weak, pointless, and ugly film itself was not definitely immoral, no question of morality was involved?

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Timed Release of Stromboli Disgusting," written by William T. Mooring and published in the Catholic Virginian of February 17, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIMED RELEASE OF STROMBOLI DISGUSTING

(By William H. Mooring)

For any temporary advantage which Howard Hughes and his RKO company can wring from the scandal of Stromboli, the Hollywood movie industry, RKO included, must eventually pay through the nose.

In a disgusting spectacle of commercial opportunism which sets an all-time low in theatrical showmanship, RKO announces an obviously timed blanket release for the paramour's picture.

Barnum, the circus barker of a decade now gone, waxed rich on the physical mistakes and monstrosities of nature. Show business has gone places since then.

It now exploits the twists of the human mind, the defects of the human will, and the stains of the human soul.

In this conspiracy of deception, press and radio aid and abet. Sinful intrigue is passed off as sacred love and the whole sordid affair is held to be sanctified by the oils of personality.

The unconscionable purveyors of Stromboli do not err in innocence.

They look furtively over their shoulders, wondering what the public will do about all this. Especially the Christian public.

They learn that the National Legion of Decency, steadfast in its policy of evaluating only the moral content of the film without reference to the moral caliber of those connected with its making, has classified Stromboli as unobjectionable for adults.

This means that the film itself is not morally bad. It does not mean that the film represents good entertainment. Discriminating people may well ask themselves what, in the known circumstances, is to be expected. There still is sound logic in the slogan that "you cannot make a silk purse out of a sow's ear."

Catholics of mature age are free to patronize Stromboli if they wish, but among the 27,000,000 within the United States of America it seems inevitable that many will turn in revulsion from a film in connection with which shameful scandal is shamelessly exploited.

Some theater owners to their own great credit and that of the movie industry have already done so. They will not book Stromboli.

Mr. J. P. Fineran, president of Syndicate Theaters, operating a chain of movie houses in the Middle West, with laudable courage says:

"It is time the theater owners of the Nation refused to play pictures starring persons who bring discredit to themselves and the motion-picture business."

In Britain and certain other foreign countries theater owners associations may invoke standing resolutions against films which are offered on notoriety values.

PITY FOR ACTRESS

One cannot have known Ingrid Bergman as I have known her without feeling a deep stirring of pity beneath all the justifiable condemnation.

One senses also that while the first chapter of her story—and ours—was written in blood 2,000 years ago, the ending as yet undecided may bring its co-mingling of bitter tears.

We might leave her, as she has said she would wish to be left, to her privacy and her conscience and by exchanging a prayer for each prattling paragraph and a firm resolution for each fetid headline, aid in the expiation of the disgrace brought upon the precious institution of a free press.

Under our Legion of Decency pledge we do not patronize theaters which as a matter of policy exploit immorality on the screen. We surely cannot regard as less reprehensible film companies and theater managements who, to attract our patronage, deliberately and outrageously exploit the immorality of living human beings.

Nor would it be recriminatory were there a total Christian boycott of any and every agency, including newspapers and radio stations, guilty of contributing to this vile and audacious capitalization of human transgression.

Mr. JOHNSON of Colorado. Mr. President, I have no disposition to torture Ingrid Bergman or to weary my colleagues by discussing in the Senate her lamentable tragedy; but I feel compelled as a legislator to try to do something constructive about the problem it introduces. The movie industry, with haughty and high-handed demeanor, sneered at the efforts of women's clubs, church groups, and city censorship boards to keep the Stromboli scandal out of their communities. RKO sought an injunction in the courts to thwart mayors who would restrain theaters from showing this film. RKO ignored the Catholic recommendation that Stromboli be not shown to youths. Every youngster everywhere who had a thin dime to invest was coaxed to see it. State legislatures, like city officials, found to their dismay that they were powerless to prevent the showing of a film having the legal right to cross State lines. The industry's czar sat back and complacently let the storm of protest wear itself out. At least he could have held up the showing of Stromboli for a time, perhaps a year, to indicate his respect for the protests voiced by the people, but he didn't lift a finger. I should like to ask the president of the motion-picture association, the Honorable Eric Johnston, on what basis he permits films to be shown in America which are produced by persons who themselves are barred from seting foot on American soil on the grounds of moral turpitude. If their conduct makes Bergman and Rossellini, the free-love cultists, unfit to enter America personally, why should their films have free access to American theaters? Obviously, only Congress, under the commerce clause, had the authority to do anything about it, and Congress did not have time to act before the film had been exploited for all the traffic would bear.

Nevertheless, now Congress can and should curb by law the movie industry's "people be damned" attitude in such a case so that never again with impunity will Hollywood run roughshod over the righteous indignation of an aroused American public. This is a democracy in which the people have the right to be considered. Accordingly, I am introducing a bill today to set up a system of Federal controls to function when questions of bad morals arise with respect to the showing of films. The public must not be left impotent and without a remedy as they were left when Stromboli was forced down their throats.

My bill requires the licensing of actors, actresses, producers, and films by a division of the Department of Commerce. The object is to insure wholesome motion pictures for the people and to eliminate

persons of low character from making and appearing in films. The division of Government which my bill provides for will be entirely self-supporting since the revenues from license fees should produce more than $4 000,000 annually.

Mr. President, out of order I ask unanimous consent to introduce a bill and ask for its appropriate reference and that it be printed in the RECORD. The bill is to provide for the licensing of motion pictures in interstate commerce, and for other purposes.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Is there objection? The Chair hears none, and it is so ordered.

The bill (S. 3237) to provide for the licensing of motion pictures in interstate commerce, and for other purposes, introduced by Mr. JOHNSON of Colorado, was read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Motion Picture Licensing Act."

DEFINITIONS

SEC. 2. As used in this act—

(1) The terms "interstate commerce" means commerce (i) between any State, Territory, possession, or the District of Columbia, and any place outside thereof; (ii) between points within the same State, Territory, possession, or the District of Columbia, but through any places outside thereof; or (iii) within any Territory, or possession, or within the District of Columbia.

(2) The term "Secretary" means the Secretary of Commerce.

(3) The term "actor or actress" means an individual who appears in a speaking role in any motion picture, and who receives compensation for such appearance.

(4) The term "person" means any individual, partnership, association, corporation, business trust, legal representative, or group of persons.

(5) The term "distributor" means the person having primary responsibility for the leasing, rental, or sale for exhibition in the United States, its Territories, or possessions, of any motion picture film.

(6) The term "motion picture" does not include any motion picture made or produced by or for (i) the Government of the United States, (ii) the government of any State, Territory, possession, or the District of Columbia, or (iii) any person for other than exhibition purposes.

(7) The term "exhibition" means (i) the showing of a motion picture to the public, upon payment of an admission fee, in a place regularly devoted to, or intended for, the showing of motion pictures, or (ii) the transmission of such motion picture, or any part thereof, by air waves for showing on, or by means of, standard television equipment.

LICENSING OF ACTORS, ACTRESSES, AND PRODUCERS

SEC. 3. (a) The Secretary of Commerce shall, upon written application, issue to any eligible individual (1) upon payment of a fee of $1, a license authorizing such individual to appear as an actor or actress in any motion picture, or (2) upon payment of a fee of $100, a license authorizing such individual to produce any motion picture. Such application shall set forth such facts as the Secretary may require for the purpose of determining whether such individual is eligible for such license under the provisions of subsection (b), and shall be signed by the applicant under oath or affirmation.

(b) No individual shall be eligible for a license under this section who has been finally adjudged guilty by any court of competent jurisdiction of a crime involving moral turpitude, or who admits committing acts constituting the essential elements of a crime involving moral turpitude.

(c) A license issued under the authority of this section shall be in such form as the Secretary shall by regulations prescribe, and shall be valid, unless revoked, for the lifetime of the holder. No individual shall accept employment or continue in employment as actor or actress in connection with the production of any motion picture made in whole or in part within the United States, its Territories, or possessions, for exhibition in interstate commerce, or after shipment in interstate commerce, unless he possesses an unrevoked license issued under subsection (a) (1), and no individual shall produce any such motion picture unless he possesses an unrevoked license issued under subsection (a) (2).

LICENSING OF MOTION PICTURES

SEC. 4. (a) Before the distributor of any motion-picture film shall release such film for exhibition in interstate commerce, or after shipment in interstate commerce, he shall make written application to the Secretary for a license authorizing such exhibition. Such application shall set forth such facts as the Secretary may by regulations prescribe, and shall be signed by the distributor, or a duly authorized agent or attorney of the distributor. The Secretary, at any time after the filing of such application and before granting a license, may require from an applicant further written statements of fact, or a visual demonstration of the contents of such film, or both, whenever necessary to determine whether such film is eligible for licensing.

(b) No motion picture film made or produced in whole or in part in the United States, its Territories or possessions, shall be eligible for licensing unless the Secretary shall find (1) that all persons appearing as actors or actresses in such film possess, or, if deceased, possessed at time of death, unrevoked licenses issued under section 3 (a) (1), (2) that the individuals producing such films, who are required under this act to obtain licenses, possess, or, if deceased, possessed at time of death, unrevoked licenses issued under section 3 (a) (2), (3) that such film cannot reasonably be expected to contribute to juvenile delinquency, and (4) that such film is not reasonably calculated to encourage a contempt for law, or public or private morality.

(c) No motion picture film wholly made or produced outside the United States, its Territories or possessions, shall be eligible for licensing unless the Secretary shall find (1) that such film cannot reasonably be expected to contribute to juvenile delinquency, (2) that such film is not reasonably calculated to encourage a contempt for law, or public or private morality, and (3) that the producers of, and actors or actresses in, such motion picture are not criminals or persons of ill repute.

(d) A license shall be issued under this section to any distributor making proper application therefor in respect of any eligible motion picture film upon payment of a fee of $10,000. Such license shall be in such form as the Secretary shall by regulations prescribe and shall authorize the release of such film for exhibition in interstate commerce, or after shipment in interstate commerce, and shall be valid until revoked. Public notice of the issuance of any such license shall be given in such manner as the Secretary shall prescribe, and a copy thereof furnished to any interested person upon his application.

(e) Nothing contained in this section, or in any other provision of this act, shall be construed as authorizing the exhibition of any motion picture in any State, Territory, possession, or in the District of Columbia, in contravention of any valid law, regulation, or ordinance, or decree in effect in such State, Territory, possession, or District of Columbia.

EXHIBITION OF UNLICENSED FILMS PROHIBITED

SEC. 5. The exhibition of any motion picture film in respect of which a valid license has not been issued, or after public notice of a final order revoking the license of any motion picture has been given, in accordance with the provisions of this act, in interstate commerce, or after shipment in interstate commerce, is hereby declared unlawful.

HEARING AFTER REFUSAL OF LICENSE

SEC. 6. Any applicant to whom a license is denied under section 3 or 4 may, within 60 days after such denial, file a petition to compel the Secretary to issue a license in any district court of the United States in which the applicant resides, or, in the case of an applicant under section 4, in which the applicant resides or has its principal office, or in the District court of the United States for the District of Columbia. If the district court determines that the petitioner is eligible under the provisions of this act for a license, or that a license has been denied upon the basis of an arbitrary or capricious finding made by the Secretary, or under his authority, it shall order the Secretary to issue to the applicant, upon payment of the required fee, the license to which he is lawfully entitled and for which he made proper application. Proceedings filed pursuant to this section shall be summary in form. Such proceedings shall be set for hearing at the earliest possible time. Appeals from the decision of the district court may be taken as in ordinary civil actions.

REVOCATION OF LICENSE

SEC. 7. (a) Any license issued under section 3 or 4 may be revoked by the Secretary because of conditions arising subsequent to the issuance of such license which would warrant the Secretary to refuse to grant a license on the original application. No order or revocation shall take effect until 20 days' notice in writing thereof has been given to the licensee stating the cause for the proposed revocation. Such licensee may make written application to the Secretary at any time within said 20 days for a hearing upon such order, and upon the filing of such written application such order of revocation shall stand suspended until the conclusion of the hearing conducted under such rules as the Secretary shall prescribe. At the hearing any party in interest may appear and give evidence. Upon the conclusion of such hearing the Secretary shall affirm or revoke such order of revocation. Public notice of any final order revoking a license issued under this act shall be given by the Secretary in such manner as he shall by regulations prescribe.

(b) Within 30 days after a final order revoking a license issued under this act has been made, the aggrieved person or persons may obtain a review of such order, in the court of appeals of the United States for any circuit wherein such person resides, or has a place of business, by filing in such court a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be served upon the Secretary. The Secretary shall, upon the service of such petition, certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, or set aside such order.

(c) The review by the court in any case brought under this section shall be limited to questions of law. No objection to the order of the Secretary shall be considered by the court unless such objection shall have

been urged before the Secretary. The finding of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive. The judgment of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254, title 28, United States Code.

DELEGATION OF POWERS BY SECRETARY

SEC. 8. Any of the powers or duties conferred by this act upon the Secretary may, under such rules and regulations as he may prescribe, be delegated to and exercised by an Assistant Secretary of Commerce. Any action taken by such Assistant Secretary pursuant to such delegation shall have the same force and effect as if taken by the Secretary.

CRIMINAL PENALTIES

SEC. 9. (a) Any person who shall willfully accept employment, or continue as employment, as actor or actress, in connection with the production of any motion picture without possessing a valid, unrevoked license as required by this act, shall be punished by a fine of $1,000.

(b) Any person who shall willfully produce any motion picture without possessing a valid, unrevoked license as required by this act, shall be punished by a fine of $5,000.

(c) Any person who shall willfully release any motion-picture film for exhibition in interstate commerce, or after shipment in interstate commerce, in violation of the provisions of this act, shall be punished by a fine of $10,000.

(d) Any person who shall willfully exhibit any motion picture in violation of the provisions of this act, shall be punished by a fine of $1,000.

APPLICABILITY

SEC. 10. Nothing in this act shall be construed to apply to any individual who is the producer of, or an actor or actress in, any motion picture, if the production of such motion picture was commenced prior to the effective date of this act and completed within 1 year after the effective date of this act, or to the release or exhibition of any such motion picture.

EFFECTIVE DATE

SEC. 11. This act shall take effect upon the expiration of the ninetieth day after the date of its enactment.

Mr. JOHNSON of Colorado. Mr. President, doubtless someone will observe that art must be kept free, a theory to which I subscribe wholeheartedly. But, let us not confuse the freedom to commercialize immorality and lewdness with freedom of art.

Hollywood for the most part is made up of fine, wholesome, clean, respectable, God-fearing people. Their standards with respect to decency are as high, if not higher, than any cross-section of American life. Only a small contingency are moral outlaws. The Rossellinis among them, thank God, are few and far between. But due to the excessive publicity involved in producing film entertainment, sin receives a big play. Only evil makes news; good, clean, wholesome things as a rule are not heard.

Millions of impressionable young people follow with enthusiam every move of the glamor boys and girls who are expected to set the styles for the rest of the country. These show people live in a fishbowl 24 hours a day. It is a part of their profession. Preachers and teachers, who must also be circumspect in their private lives, understand what I am talking about. But where preachers and teachers influence hundreds, the movie stars influence tens of thousands, and even millions. If a movie queen insists upon a private life, let her first divorce herself from the movies. When she feels the urge to go on an immoral binge as a few of them do, she should have respect enough for her chosen profession to retire from it and forever remain in retirement. That is not asking too much.

But a few glamorized Hollywood idols labor under the illusion that even while they can have a totally "do as they please" private life. It cannot be. For one thing, the industry's own publicity outlets will not let them do so. The other day Victor Mature observed "Hollywood can be a very uncomfortable place for those who think they can do anything secretly. You cannot get away with it." I hasten to add they must not be permitted to get away with it and remain in pictures.

The public did not ask Bergman to appear in Stromboli, nor did the public suggest that RKO and Rossellini exploit her private life to pull in the cash customers; but, when her indulgence was publicized widely by RKO and Rossellini for a fat profit in which she shared, she cannot complain if the Congress protects the morals of the people. No one heard Bergman suggest that Stromboli be suppressed so that she might be kept out of the limelight. She took the money, too, did she not? If she craves the privacy of a humble citizen, let her first retire from her public career. Neither she nor anyone else can eat her cake and have it, too. Now it is reported that she wants to be left alone with her conscience and her son. Personally, I doubt that she will retire as long as it is possible for her and Rossellini to extract an American dollar from this generous and fabulous land.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Ingrid Will So Star for Roberto Again"; published in the Washington Times-Herald of March 12, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALONG BROADWAY

INGRID WILL SO STAR FOR ROBERTO AGAIN

(By Dorothy Kilgallen)

NEW YORK, March 11.—You can make a bet on this one: Ingrid Bergman, who renounced her career a few months ago, will make another picture with Roberto Rossellini within the year.

Mr. JOHNSON of Colorado. Mr. President, her very sincerely regretted nosedive from the highest pinnacle of respectability, fame, and glory, to the role of a common mistress must be kept in mind as exhibit A in the RKO-Rossellini case. Otherwise, I should rejoice to see the curtain of obscurity hide her from further pain and ignominy. But she, Rossellini, and RKO have invited restraints by law and I shall do my best to see that they get what they have asked for.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by George Sokolsky, published in the Washington Times-Herald of February 19, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THESE DAYS

(By George Sokolsky)

As much as I dislike writing about Ingrid Bergman and her illicit relations, I find myself impelled to quarrel with those who speak of facing the sinner with pity and compassion and giving the impression thereby that religion approves of sin.

Such a view not only misrepresents religion but is utterly without logic. And it is necessary to fight it hard. For the trouble with the Bergman business is that it is not private; it is public. Ingrid Bergman and her associate made it public. They chose to act a private play in public.

Pity and compassion are unrelated to approval. We may pity the convicted murderer but we do not approve of the murderer. It seems so sad that anyone would be a murderer and maybe it is a pity that we have to execute the poor devil. But, then again, he should not have committed the murder. He had a choice not to commit murder.

The apologists for Ingrid Bergman, unwittingly, I am sure, give the picture of a naive, romantic young lady who wandered afar from the social conventions in pursuit of romance.

Nonsense. This is a woman in her thirties, the mother of an 11-year-old child, an actress of wide experience, who knows precisely what she has done and revels in it publicly.

She has chosen to flout the mores of her race brazenly. I cannot see what pity or compassion have to do with condoning a brassily noisy rejection of marriage vows, with infidelity and adultery, with bringing a child into the world out of wedlock, with bringing shame to the innocent child, Pia.

Of course, I pity Ingrid Bergman. I pity her for being brazen; a grown woman who acts like a juvenile delinquent and gets caught. I pity her for lacking a respect for moral law.

But by that pity, I do not mean to indicate any respect for her, or any association with her, even to the extent of seeing any of her pictures again.

She was not driven by hunger and privation to abandon home, husband, and child. She lived in luxury, comfort, and wealth, and if her husband no longer pleased her, her responsibility to her child, Pia, remained unchanged and moral conduct and the proprieties required her to restrain herself from having a child until she could, under civil law at least, conform to our way of life.

It has long been a tradition among my people that it is more evil to commit a sin in public than in private, because the public sin adds to the offense a brazen attitude, a flouting of decency and an example to others.

The Talmud, in interpreting a passage in the prophet, Habakkuk, makes the point that if a learned man is impelled by his evil nature to sin, let him go to another city and disguise himself.

What this means, in simple fact, is that if Ingrid can get away with such brass, why not your daughter? And if your daughter, why not every little girl, until marriage as an institution is abolished and the world is filled with fatherless and motherless children. Tragic results of deep emotion do happen, but not as an excellent example to be followed.

The point is further made by Ingrid's defenders that lots of women do the same. That can have nothing to do with us. "Thou shalt not commit adultery," is often breached. And none of us is so perfect as never to have broken the moral code.

Yet, even the sinners that we are, we must fight for the preservation of moral law or

we abandon civilization. Our own sins may not be used to condone evil.

And so, when one pleading for Ingrid Bergman asks us to have compassion on the sinner, on the grounds that we, too, have sinned, he omits the word, repentant. For that is the whole of the matter. If there is no repentance, but rather pride and glory in the sin, then wrong is made to appear as right and the world becomes topsy-turvy.

Decent people must challenge the devil's theology that would make Ingrid Bergman's license a saintly act.

Mr. JOHNSON of Colorado. Mr. President, even though its wicked element, like the wicked element in all activities, is totally irresponsible, I think the vast majority of the Hollywood set is meeting its over-all challenge admirably well. No one wants to invoke unnecessary blue laws and lay down unreasonable restraints upon an industry which has added so much to the zest of life in these confused days. Such a course would defeat its own purpose. Art must be kept as free as art deserves to be kept free. What is proposed here is a practical method whereby the mad dogs of the industry may be put on a leash to protect public morals; nothing more.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Prison Paper Takes a Swipe at Radio Crime Programs," published in the Washington Times-Herald of March 13, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRISON PAPER TAKES A SWIPE AT RADIO CRIME PROGRAMS

WETHERSFIELD, CONN., March 12.—The Monthly Record, published by a group of inmates at the Connecticut State Prison here and circulated outside, has taken up cudgels against radio crime programs.

In an article entitled "Fifteen Thousand Murders a Month," a writer-inmate says:

"I object. I vehemently object. I get glassy-eyed with anger and my trigger finger jerks spasmodically every time I think how the radio crime presentation industry operates its debasing crime schools."

The writer said he had listened to 50 radio crime programs in 2 weeks, one of which gave details on how to "snatch 75 G's worth of diamonds," while another showed how to "case a bank for a 50-G stick-up."

Also included, he said, were programs which told how to blackmail recently widowed women out of 5 and 10 G's apiece, and gave details on a 40-grand kidnaping plot, with a little murder and extortion thrown in.

Mr. JOHNSON of Colorado. Mr. President, regardless of its many other implications, Mrs. Peter Lindstrom's unconventional free-love conduct must be regarded for what it is—an assault upon the institution of marriage. It must be accepted, too, as a direct challenge to the family unit as the basis for our civilization. Had some friendless streetwalker pulled such a stunt, it would not have meant so much, but we have here the pin-up girl of millions; Hollywood's sweetheart; a celebrated international figure, who has started a crusade against the holy bond of matrimony. The April number of the magazine Pageant has prepared a list of what it terms "The Most Powerful Women in America." On that list Ingrid Bergman and Rita Hayworth, Hollywood's two current apostles of degradation, are listed as being powerful women along with Eleanor Roosevelt, Bess Truman, Princess Elizabeth, Margaret Chase Smith, Helen Gahagan Douglas, Sister Elizabeth Kenny, Emily Post, Helen Keller, Eve Curie, and Kate Smith.

To make up this list 272 women journalists in America each were asked by Pageant to vote for the five women whom they considered the most powerful women of this momentous time. With respect to this poll, Pageant observes:

We asked women of the press and radio—editors and writers whose job it is to keep close tabs on the contemporary scene—to tell us what five women exert the greatest influence on modern American life, not only in their own fields, not only on other women, but on the whole American scene.

On such a test these 272 women could not be honest and not cast some of their votes for Bergman and Hayworth, even though rebellion must have been in their hearts as they did so.

I believe Ingrid Bergman is one of the most powerful women on this earth today—I regret to say a powerful influence for evil.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Readers' Protests Prevent Bergman-Rossellini Series," under a New York date line.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

READERS' PROTESTS PREVENT BERGMAN-ROSSELLINI SERIES

NEW YORK.—A storm of protests from readers of the San Diego Journal led that paper to file its planned series on the Bergman-Rossellini romance in the wastebasket, it is reported in the current issue of Editor and Publisher Magazine, newspaper trade weekly.

When the Journal announced that it intended to run the series, Editor and Publisher relates, protests began to come in. The paper then called for comments to determine whether a majority of readers wanted to hear about the Saga of Stromboli. Within 24 hours the verdict was an overwhelming no. The Journal decided, "We're filing the Bergman-Rossellini story—in the wastebasket."

In a blistering editorial in the same issue, Editor and Publisher denounces newspapers across the country for glamorizing the birth of Miss Bergman's baby. "The newspapers," the editorial claims "are a party to glorifying infidelity and illegitimacy plus all the cheap and tawdry things associated with them."

The editorial declares that the newspapers failed to explain to their readers—especially the young—that this story is not typical of our moral code. It points out that such a romance as this constitutes a threat to the moral stability of millions of young people too naive to soundly appraise the glamorous Bergman and the romantic artist, Rossellini.

Mr. JOHNSON of Colorado. Mr. President, most of the world's leading religions make the family unit the keystone of their moral core. Rossellini has never shown any respect for marriage. Women have moved in and out of his treacherous life in a never-ending stream. He thinks it is clever to steal another man's wife, rob a child of her mother, ruin a great career, and convert her tremendous influence potential for good wholesome things into a menace for society.

This is the man RKO has selected to picture as an inspired artist. To make an inspired hero out of a common love thief takes ingenuity and plenty of crust. Rossellini had no respect for his own marriage, which had been solemnized by the Catholic Church. He had no respect for the marriage of his gracious host, Dr. Lindstrom, when he was the trusted guest in his home, and he has nothing but a sneer for the nuptial vows of anyone. When a home-wrecker like Rossellini gets caught red-handed in a bedroom raid of this kind and gets shot like the dog he is, the unwritten law in America usually turns the slayer loose with a generous pat on the back. That is what we here think of such degenerates. Shall we turn millions of impressionable youth over to that kind of a character builder? The motion-picture industry must rise above such a low conception of its responsibilities.

The story of Bergman and Rossellini is indeed a frightful tragedy filled with brazen indifference, degradation, international intrigue, pathos, and humiliation, in which many innocent people, including a little girl and a new-born babe, are grievously hurt.

Rossellini bribed his former wife to annul his marriage to her; he bribed the Italian court to validate the fake annulment; he bribed the Mexican mail order court to divorce Dr. Lindstrom and his wife in a fake procedure; and he tried to bribe Swedish diplomats to validate that fake Mexican divorce. Rossellini is the law. When he snaps his fingers all puppets jump.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Vatican Press Ready To Blast Ingrid, Roberto," published in the Washington Times-Herald of February 16, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VATICAN PRESS READY TO BLAST INGRID, ROBERTO

VATICAN CITY, February 15.—The official Vatican newspaper, Osservatore Romano, in next Sunday's issue will deliver a blast at the free and easy manner in which Italian courts have been granting annulments of marriages lately. It will single out for special attention the case of film director Roberto Rossellini and his "living publicly in adultery" with Swedish movie actress Ingrid Bergman.

One of the judges of the Sacred Rota, Msgr. Dino Staffa, in an editorial already set in type, voices stern disapproval of the action of one of the Italian courts of appeal (Turin), which has approved more than 360 dissolutions of marriage.

Such court decrees, Monsignor Staffa writes, "practically amounting to divorces," are contrary to specific provisions of the Lateran treaty between Italy and the Holy See. The treaty provides that ecclesiastical courts alone are competent to dissolve marriages contracted in the Catholic Church.

Besides Rossellini, Monsignor Staffa mentions the annulment cases of the Italian soccer football star, Valentino Mazzola, who was killed a few months ago in an airplane crash, and Communist leader Umberto Terracini.

Of Rossellini and Ingrid the editorial says:

"Their situation, even if they contract a new civil marriage, is that of two people

living publicly in adultery. The notoriety of their persons and acts only increases their responsibility before God."

Mr. JOHNSON of Colorado. Mr. President, Dr. and Mrs. Peter Lindstrom met Roberto Rossellini for the first time in Paris about 2 years ago. Mrs. Lindstrom suggested she would like to appear in one of his productions. Accordingly, some months afterward, he called on the Lindstroms in their home to pursue the matter further. Dr. Lindstrom invited him to make his home with them while he was in Hollywood. The good doctor little suspected that he was offering hospitality to a treacherous viper. But his generous offer and his implicit trust in one whom he regarded as a family friend were rewarded by the violation of his wife and the wrecking of his home.

When Rossellini, the love pirate, returned to Rome smirking over his conquest, it was not Mrs. Lindstrom's scalp which hung from the conquering hero's belt—it was her very soul. The soul of Hollywood's greatest star.

In due time her shadow walked out of her previously happy home, deserting her husband, abandoning her little 11-year-old daughter, and it chased 10,000 miles over land and sea to the bed of her married paramour in Rome. Now Mrs. Peter Lindstrom, and what is left of her, has brought two children into the world—one has no mother; the other is illegitimate.

Mr. President, I ask unanimous consent to have printed in the RECORD an article written by Jay Carmody, entitled "Stromboli Has Pathos as Ingrid's Swan Song," published in the Washington Star of February 19, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STROMBOLI HAS PATHOS AS INGRID'S SWAN SONG—PICTURE REPORTED AS HER FINAL EFFORT WOEFULLY INFERIOR TO HER STANDARD

(By Jay Carmody)

If it is true, as Roberto Rossellini says, that Ingrid Bergman will never make another movie, Stromboli represents not only her last but also her weakest performance as a major cinema actress.

The dramatic irony of this was overwhelmingly recorded last week by the Nation's motion-picture critics when Stromboli opened simultaneously in more than 350 theaters across the country. With the merest of bows to the months' old furor of Rossellini-Bergman publicity, they took a cold objective look at the picture and set it down as a pathetic exhibit to come from artists of such caliber.

Stromboli is truly an incredible performance on the parts of both its star and the man who wrote, produced, and directed it. This judgment of it has nothing to do with the moral standing of its principals in the world community.

ROSSELLINI'S FAILURE GREATEST

It is simply that Stromboli falls so far below the artistic standard expected—almost notoriously so in the case of Rossellini.

With a possible exception of Vittorio de Sica, another Italian who made Shoeshine and The Bicycle Thief, it has been the recent judgment of critics that Rossellini was the great film maker of the period. His spectacular success with Open City and Paisan provided the basis of this rating which remained unshaken despite Rossellini's obvious lapse in Germany, Year Zero.

Remarking the inferiority of this screen play to its predecessors, critics granted Rossellini the mercy of a brave try that missed its mark. They found occasion for no such kindliness in the case of Stromboli. As shown in America—under the producer's protest that it has been ruthlessly edited—it is a miserably inept work, meaningless as to story, grotesque in performance, confused in direction, and profoundly dull.

PICTURE'S COST WAS SMALL

What success it will have at the box office, which remains to be seen, will derive entirely from the curiosity value in it generated by the extraneous publicity. Incidentally, in this connection, it is worthy of note that the financial prospects for Stromboli are brighter for the fact that its production cost was characteristically low. Outside of Miss Bergman's services, and she is reportedly working on a percentage of the film's profits, there was virtually no item of significant cost in the production.

There were but few sets of negligible expense, since most of the picture was shot on location on the Italian island. Apart from Miss Bergman, the other members of the cast were amateurs (brave, but rank). And, with the exception of her wardrobe which was inexpensive although overdone, costuming costs were limited to virtual zero.

This will help Stromboli should it need this sort of assistance.

What will not help it, perhaps most flagrantly among its several elements, is, first of all, a wretchedly inadequate story. This script, reportedly set down by Rossellini on 13 pages of foolscap, is a masterpiece of vagueness as it is represented in the version of the film being shown in America.

In a hazy way, it parallels Miss Bergman's recent personal experience. To think of it as a paraphrase of that experience, however, would be odiously unflattering to the actress who was Hollywood's most popular figure for so many years.

HEROINE AN OPPORTUNIST

The heroine Rossellini has written for Miss Bergman to play is a singularly unappealing character. Granting she is a girl to whom fate has been indifferent, if not actually unkind, she is played as a petulant, opportunist beauty willing to trade virtue for any form of material advantage. It is Rossellini's point, in his protest from Rome, that this is only half of the character as he set it in Stromboli. As the picture ends, however, she is the same treacherously beautiful opportunist that she is at the beginning.

If Miss Bergman is trying to show regeneration in her return to the ugly Stromboli village and her simple, fisherman husband, her performance is lamentably inferior to anything she has done before.

With whatever of justice Rossellini protests the cutting of Stromboli by its Hollywood distributor, he has no out whatever on the caliber of performance in the picture. As director of the film, he should have been able to suggest to Miss Bergman that mere posturing would never define the character of the girl Karen.

LESSER PLAYERS PITIABLE

Moreover, he might have insisted that an almost superhuman performance was demanded of her if there was to be any suggestion of drama in the relations of her character with the terribly frightened amateurs playing the other figures. Rossellini has had signal success in the past with completely uninitiated players, but in Stromboli each performance is a betrayal of whatever sense the picture might have made.

As Miss Bergman's possible swan song, it is one best forgotten as quickly as possible.

Mr. JOHNSON of Colorado. Mr. President, Mrs. Lindstrom was a superb artist. She was voted the most popular actress in 1948. She was by very long odds my own favorite actress of all time, and I have been enjoying moving pictures for more than 40 years. Millions of American movie fans adored and idolized her. Not only was her interpretation magnificent beyond description, but her home life was ideal, where she lived quietly and happily with her devoted little family. She was a sweet and understanding person with an attractive personality which captivated everyone on and off the screen. God has been very good to Ingrid Bergman.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Daily Variety Poll Picks Film Tops," published in the February 22, 1950, issue of Variety.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DAILY VARIETY POLL PICKS FILM TOPS

Hollywood's greats of the half century have been picked by the industry. More than 200 filmites who have been in the business 25 years or more participated in a poll conducted by Daily Variety during the past few weeks. They named Gone With the Wind the all-time great picture; Charlie Chaplin, best actor; Greta Garbo, best actress; Irving Thalberg, best producer, and David Wark Griffith, best director.

Ingrid Bergman was named second and Bette Davis and Olivia de Havilland tied for third among the all-time actresses.

Mr. JOHNSON of Colorado. Mr. President, no one can reflect upon her sudden plunge from the highest pinnacle of respect to the gutter without feeling that she is the victim of some kind of hypnotic influence. Medical men describe that dreaded mental disease schizophrenia as a personality disorganization leading to a retreat from reality into fantasy wherein thinking is confused and emotion is incongruous. That diagnosis might fit her case.

If she no longer loved her husband and could not tolerate him, or if she had any serious complaint against him, she could have divorced him in a court of justice without censure; and that is what a rational woman would have done. But as late as last summer she was quoted as saying, "There will be no divorce. None is necessary."

No normal mother would have abandoned her own daughter at the very age when her daughter needed her most.

Even mothers among the dumb beasts defend their brood with their lives. Her unnatural attitude toward her own little girl surely indicates a mental abnormality.

The United States of America has been wonderful to Mrs. Peter Lindstrom. Here she gained happiness, fame, millions of friends, leisure, and great wealth. No normal person would deliberately exile herself from such a land unless she were laboring under some sort of mental obsession. Under our law no alien guilty of moral turpitude can set foot on American soil again. Mrs. Peter Lindstrom has deliberately exiled herself forever from the country which was so good to her. The most pitiful story in American history is the Man Without a Country.

A person totally without friends is more or less free from responsibility, but

a person with millions of friends who love her and revere her and have implicit faith in her, bears a tremendous responsibility. Nothing is so sobering and conducive to noble conduct as the faith of people. No one can make me believe that a thoughtful, sincere, and understanding person such as Mrs. Peter Lindstrom in her right mind has always been, would ever let these hosts of gentle people down.

Mrs. Peter Lindstrom was not a young and giddy girl. She was a middle-aged woman with wide experiences in human emotions. Human emotion, in fact, was the basis of her profession, which she simply had to comprehend thoroughly to succeed. She had reached heights which are for only the few to attain. She has handled her difficult assignments in difficult plays majestically. She appeared at her best in pictures requiring the portrayal of a serious saintly person. Her background, breeding, temperament, habits, and religion, make her a displaced person in her present low position.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a newspaper article entitled "Common Sense in Hollywood," written by Mrs. Walter Ferguson.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMON SENSE IN HOLLYWOOD

(By Mrs. Walter Ferguson)

I see by the papers that some Hollywood stars have started a "Back to God" movement. Even if they never make it, maybe they'll get back to common sense. As a customer, I'd settle for that.

If we leave out the current blood-and-thunder war hits, most movies are made to appeal to women. Like our popular fiction they dish up soft soap to girls.

For example: Careers which take many years to attain in real life can be grabbed off by any heroine before she's out of her twenties. Nor does she ever lack male admirers.

If she chances to lose a lover, there are several old ones hanging around begging to marry her. And while the pictures emphasize the value of true love, you will notice that the screen hero is always handsome and has plenty of money.

A little application of common sense in our movie fare might clear up a lot of fuzzy thinking in the younger set. After all, God gave us gumption, too; why don't we use it? And even a little gumption dispensed via the movies, the papers, and the radio might help girls to understand several facts about life.

Marriage is a career that requires hard work.

Happiness is a byproduct of living, and can never be found by the person who runs after it.

Love is not something to be caught and held in the hand like a bird. To possess it, you must give it away.

The surest way to grow in charm, popularity, and character is to recognize duty and live up to responsibilities.

And if we ever get back to God, we shall discover that life was not given to us for pleasure seeking and self-indulgence, but must be used in the service of others, which is the best way we can glorify Him.

Mr. JOHNSON of Colorado. Mr. President, she jumped at the chance to play a degrading and stultifying role in Stromboli, a play without a message. Doubtless it was the worst assignment she has ever played. The Catholic Church rated it unfit for youth. Mrs. Lindstrom had a little girl of her own, but she accepted a role which was not fit for children to see. Rossellini showed small appreciation for her great talents and little respect for her enviable professional reputation when he offered her this role; and he added injury to insult when he supported her with ham actors because he could hire them cheap. Whatever Rossellini's faults, he does know art from the grotesque, and he must have known from the beginning that this picture had no merit.

He complains now that RKO cut out the spicy portions which made a good story out of his hideous narrative. Had they cut out everything except the belching volcano it would have been better.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Dud," published in the Pathfinder News magazine of March 8, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DUD

Seldom has a new movie opened more explosively than Stromboli (RKO), starring Ingrid Bergman under, as the admen delicately put it, "the inspired direction of Roberto Rossellini."

For weeks before the opening the news headlines had built the picture up with stories of an international scandal involving the Swedish-born Miss Bergman, her husband, Dr. Peter Lindstrom, and Italian director Rossellini. Then, almost on the eve of the premiere, Miss Bergman produced the climax: she gave birth to a son, which Rossellini claimed as his own.

Almost as if this were a new kind of publicity stunt, Hollywood moved in to capitalize on it. Stromboli, it was announced, would open with "saturation bookings"—simultaneously in hundreds of theaters across the country (100 in the New York City area alone, eclipsing the mere 54-house premiere of the sensational Duel in the Sun).

Women's clubs, church groups, city censorship boards and at least one State Senate helped things along by publicity condemning Miss Bergman, the movie, or both. Some exhibitors refused to book the picture. Even as the theater doors opened, newspaper headlines screamed: "Ingrid Is Living in Sin, States Vatican Judge."

But, after the big fuze had burned to the end, the bombshell went off with a faint pop. Stromboli, as a movie, is hardly worth banning. Its worst sin is that it is dull. It is far from scandalous, except perhaps as the collaborative effort of one of Hollywood's top actresses and a man who has been hailed, on the basis of such outstanding films as Open City and Paisan, as one of the world's great directors.

It is clumsy, disjointed, lacking in anything like dramatic force. Miss Bergman plays a worldly woman who marries an Italian fisherman because that is the only way she can get out of a displaced persons' camp near Rome. The fisherman takes her to his home on Stromboli, and there she is repelled by the unfriendly natives, the rocky terrain, the low standard of living, and the volcano, which erupts periodically and is known to the fisherfolk simply as "Him."

The heroine tries to escape, is overcome by fumes from the volcano, toys briefly with the notion of committing suicide, falls asleep, and awakes to announce that she has seen the light and is happy to go back to her husband and bear his child.

Rossellini has had great luck in the past making his films up as he went along. But Stromboli aspires to be a study of one woman, a revelation of character. And that is precisely what it is not. Despite the "inspired direction," Miss Bergman gives a performance that is totally lacking in perception, emotional power, and vitality.

Last week, as most United States critics joined voices in panning the movie, Rossellini protested. Numerous cuts made in the film after it reached Hollywood, he said, had removed most of its drama and its meaning. From Hollywood, RKO admitted that some cutting had been done to make Stromboli acceptable to United States audiences; furthermore, with the star in the hospital and the rest of the cast on an Italian island, it had been impossible to reshoot any of the scenes. Reportedly among the cuts: a scene in which Ingrid Bergman, after her tangle with the volcano, announces that she is pregnant.

Mr. JOHNSON of Colorado. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point an article entitled "Criticizes Papers for Printing Scandal Stories," published in the Tablet, of February 18, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRITICIZES PAPERS FOR PRINTING SCANDAL STORIES

PROVIDENCE, R. I., February 13.—Newspapers should not have printed the Ingrid Bergman-Rossellini or the Ali Khan-Rita Hayworth stories, according to Gov. John O. Pastore, of Rhode Island.

The governor's statement was made in response to a question put to him at a meeting of the Greater Providence Ministers' Association.

An association member had asked how greater cooperation could be obtained in publishing stories of the constructive side of government. As a father of small children, the clergyman said, he was concerned over the cynicism of the press and the printing of scandal and crime stories.

"I'll answer your question first by saying that I personally feel that the Ali Khan-Rita Hayworth stories never should have been printed," Governor Pastore said. "The Rossellini-Bergman story should never have been in the newspapers, but it sells more papers."

Mr. JOHNSON of Colorado. Mr. President, Mrs. Lindstrom's baby was expected February 15. Rossellini conspired with RKO to release his picture on that date in order to take full advantage of the scandal which involved her. The film was so flat that it simply had to have an inside scandal to support it. They knew the film would have the hearty approval of the so-called motion picture czar, regardless of its quality or its implications, and they cared not that its showing at that time would be offensive to discriminating movie house patrons, and would inflict lasting injury upon the industry. The RKO publicity stressed passion and brazenly termed Rossellini inspired. If this swine is inspired, he is inspired by the devil.

America has two favorite national pastimes. Both appeal to me strongly. One is baseball, the other moving pictures. Each has made an extraordinary contribution to our entertainment and to the way we live. Most of the people

connected directly with these two splendid entertainment institutions are good, wholesome people. Evil influences are jealous of their prestige and threaten constantly to move in on them. While only a very small percentage of lice have been able to attach themselves to either, it behooves both to be on their guard constantly. Eternal vigilance and the courage to weed out enemies is the price of their growing popularity and continued high entertainment status.

Accordingly, both baseball and the motion picture industry have appointed czars to guard against the inherent dangers always present in the entertainment world. The baseball czar has met his responsibility with courage and decisive action and good judgment, while unfortunately the motion picture czar is merely the front for the money changers of his association. With one eye on the cash register and the other constantly winking at evil, he has permitted scandal to pile up on scandal until the movies, a powerful influence for wholesome life, have lost the confidence of the people. It breeds contempt for society's most precious conventions, and contributes greatly to juvenile delinquency and crime generally.

If a ball player even speaks to gamblers and low characters, he is hauled before Commissioner Chandler and forced to give an accounting. On the other hand, if a film producer or star becomes involved with the underworld which makes him or her notorious, he gets top booking. Shelley Winters, the scintillating Hollywood star, said recently, "The only trouble about being virtuous in this town is that you can't brag about it."

Stars go to jail for brawling or peddling "reefers" or get into the papers for negotiating a Mexican mail-order divorce, whereupon they are cast in a leading role so the industry may cash in on their notoriety while it is hot. A spicy scandal of any kind is a great box-office attraction. Rita Hayworth, who got herself involved in a triangle and ended up with a new baby and the title of princess, is being courted now by American producers who want to make the most of her spectacular experience. England, not celebrated for her puritanic theatrical appetite, complains that our films promote juvenile crime.

Some years ago a famous baseball club "threw" a game for the gamblers. All players with knowledge that it was done along with the perpetrators were suspended from baseball for life and were not thereafter permitted even to attend a baseball game. Pretty drastic punishment, but it saved baseball. A few years ago another group of players was suspended for 5 years for a lesser offense. They were denied the right to play in a regular ball park, and no ballplayer in organized baseball was allowed to play with them or against them. They were top stars and it almost ended their brilliant baseball careers, but it brought respect to the game.

Some seasons ago a very able and famous manager edited a newspaper column in which statements detrimental to baseball were made. He was suspended for a year. This seemed pretty harsh, but it did worlds of good for the national pastime. No ballplayer can do anything which will reflect on baseball or be detrimental to it and not be called to account. Not so with the motion-picture industry. Everything short of murder is exploited. It could keep its own house in order, just as baseball does, if it would, but it fails to do so. It thinks more of the quick dollar than it does of its own good name. Hence, Congress, much to my regret, is compelled to act in a matter which should not be dumped in the lap of Congress at all.

If out of the degradation associated with Stromboli, decency and common sense can be established in Hollywood, Ingrid Bergman will not have destroyed her career for naught. Out of her ashes may come a better Hollywood.

INTERNATIONAL ATHLETIC CONTEST

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter received from a sports fan relative to an important athletic contest to be held in Washington on the 21st day of next month.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 13, 1950.

Hon. MATTHEW M. NEELY,
Chairman, Senate Committee on the District of Columbia, Washington, D. C.

DEAR SENATOR NEELY: Will you not kindly invite the attention of the President and Members of the Senate to the fact that an amateur sporting event known as the International Golden Gloves will be held in Washington on the 21st day of next April. Its sponsor is the Times-Herald Welfare Association.

This is to be an athletic contest between the Washington golden gloves' team and the outstanding amateur boxers of Europe. It will bring to our Nation's Capital young men from many of the great European countries. I understand that Russia has been invited to participate, and that she is now considering the acceptance of the invitation.

In these troubled times when all of good will are striving desperately to understand each other it seems to me that the Washington Times-Herald should be commended for sponsoring this event in the interest of good sportsmanship and better international relations.

With the kindest of regards, I am,
Very sincerely,
A DISTRICT OF COLUMBIA SPORT FAN.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. MAYBANK. Mr. President, a few moments ago the Senator from Nebraska [Mr. WHERRY] and I were discussing an amendment to the committee amendment, and I sent it to the desk. I now ask unanimous consent that it be made the pending question.

The VICE PRESIDENT. The amendment to the committee amendment is in order. Has it been offered?

Mr. MAYBANK. Mr. President, I sent it to the desk, and I now ask that it be made the pending question.

The VICE PRESIDENT. The Senator earlier asked that it lie on the table. Does the Senator now offer the amendment to the committee amendment?

Mr. MAYBANK. Mr. President, I now withdraw the former request, with the permission of the Senator from Nebraska.

The VICE PRESIDENT. Does the Senator from South Carolina now offer the amendment to the committee amendment?

Mr. MAYBANK. I do.

The VICE PRESIDENT. The Secretary will state the amendment.

Mr. MAYBANK. Mr. President, I think that may clear up the situation.

Mr. WHERRY. Mr. President, reserving the right to object, let me say that I have no disposition to insist that the amendment to the committee amendment be taken up out of order. I was merely going to ask questions about it, because tomorrow, under the unanimous-consent agreement, there may not be an opportunity to do so.

So it is immaterial to me whether the Senator takes up the amendment to the committee amendment now or tomorrow.

The VICE PRESIDENT. It is in order to be offered now.

Mr. MAYBANK. Mr. President, I should like to offer it, with the understanding—because previously I requested that it lie on the table—that the Senator from Nebraska may, by unanimous consent, have an opportunity to ask questions about it.

The VICE PRESIDENT. Unanimous consent is not required for that purpose. The Senator has previously asked that the amendment to the committee amendment lie on the table. If he now offers the amendment to the committee amendment, it will be pending tomorrow, when the committee amendment is reached tomorrow.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. If the amendment to the committee amendment is offered now, that does not mean that it will be voted on before the other amendments; does it?

The VICE PRESIDENT. It is an amendment to the committee amendment, and will have to be voted upon before the committee amendment is voted upon, in any event.

Mr. WHERRY. That is correct. So if it is offered now to the committee amendment, that will not disturb in any way the parliamentary procedure to be followed; will it?

The VICE PRESIDENT. No; it will not.

Mr. WHERRY. Therefore, Mr. President, it is immaterial to me whether the Senator from South Carolina offers the amendment to the committee amendment now or offers it later. I shall not object to the unanimous-consent request.

The VICE PRESIDENT. Unanimous consent is not required for that purpose.

Mr. MAYBANK. Mr. President, as I understand the situation, the unanimous-consent agreement which has been entered provides that the Senate shall vote commencing at 4:30 tomorrow afternoon on the committee amendment, which is in the nature of a clean bill.

The VICE PRESIDENT. Yes; the agreement provides that the voting on the committee amendment and on all amendments thereto shall commence at that hour tomorrow, without further debate.

If the amendment to the committee amendment which now is under discussion is offered, it will be voted on at that time.

Mr. MAYBANK. Then I should like to have it made the pending question.

The VICE PRESIDENT. If it is offered, it automatically becomes the pending question.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. Has the Senator from South Carolina yielded the floor?

Mr. MAYBANK. No. But it was understood that the Senator from Nebraska wished to ask me a few questions.

Mr. WHERRY. Mr. President, if the Senator from South Carolina does not mind, I should like to obtain the floor. Then I shall ask the questions of the Senator from South Carolina, because I should like to make a statement about the matter before I ask the questions.

Mr. MAYBANK. Very well.

Mr. WHERRY. Mr. President, in order to refresh the memory of Senators who are interested in the housing bill, and particularly in the amendment which was offered several days ago by the junior Senator from Nebraska, before the bill was reported, I may say for the benefit of Senators who are particularly interested in section 608 that I had sent to the Housing and Home Finance Administration several communications which I had received; and also being very much interested in so-called military housing, that matter was taken up with him. However, at that time much interest was displayed by contractors throughout the country who had filed their applications under what is known as section 608 of the National Housing Act. The present amendment which is offered as a substitute is an amendment to that act.

I had written to the Housing and Home Finance Administration. On February 24—as shown at page 2326 of the CONGRESSIONAL RECORD—the Senator from South Carolina [Mr. MAYBANK], the chairman of the Banking and Currency Committee, which handles this legislation, addressed the Senate, stating:

Mr. MAYBANK. Mr. President, I ask unanimous consent to read a letter from the Housing and Home Finance Agency, and to comment briefly upon it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. MAYBANK. Mr. President, I wish to say that last evening the Committee on Banking and Currency voted to report a housing bill by a vote of 9 to 4. Certain members of the committee reserved the right to file minority views, and others reserved the right to file individual statements or amendments.

Then the letter the distinguished Senator read to the Senate follows; and in the letter an attempt is made to justify some relief, at least, which might be forthcoming in the new housing bill, which, if I may summarize it, simply means, I believe, that those coming under section 608 would be called upon to qualify under the new section 207 of the bill. Of course, Mr. President, it is all right with me if they wish to do so; but the conditions applying under section 207 I would say are vastly different from the conditions which were in full force and effect under section 608.

It was then that I engaged the distinguished Senator from South Carolina in colloquy, and I said I had prepared to the bill an amendment, on which I wished to be heard, if I possibly could, before the committee reported the bill. The amendment simply provided that all the applications which had been placed on file prior to the termination of section 608 should be given consideration and processed before those who had made those applications would be required to do anything else. In the colloquy that morning, the distinguished Senator said, "I may be incorrect, now, in the amount, but I think it ran well over a billion dollars that would have to be processed if all of them were approved." Is that correct?

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. WHERRY. I yield.

Mr. MAYBANK. Since the Senator read the RECORD, I want to call his attention to the fact that we had reported the bill the evening before.

Mr. WHERRY. I beg pardon?

Mr. MAYBANK. We had reported the bill, the previous afternoon, before the discussion occurred. Did not I so understand the Senator in what he read?

Mr. WHERRY. What the Senator said was:

I ask unanimous consent to read a letter from the Housing and Home Finance Agency, and to comment briefly upon it.

The Senator then said:

I wish to say that last evening the Committee on Banking and Currency voted to report a housing bill.

Mr. MAYBANK. Yes.

Mr. WHERRY. But the Senator said he had held it up, because certain minority reports were to be filed.

Mr. MAYBANK. That is correct. The Senator is correct. The committee had ordered the bill reported by whatever vote the Senator read. I think it was——

Mr. WHERRY. Five to four.

Mr. MAYBANK. No; nine to four.

Mr. WHERRY. Nine to four.

Mr. MAYBANK. The question then came up regarding section 608. I stated, as I remember, that the amount involved was nearly a billion dollars. The Senator is correct. The President had $300,000,000 which he had been authorized to release by the October legislation, Public Law 387, so there was left, with the $400,000,000 which was available, about $700,000,000.

Mr. WHERRY. That is correct.

Mr. MAYBANK. It later turned out to be about $500,000,000.

Mr. WHERRY. That is correct.

Mr. MAYBANK. I may say to the Senator that as soon as I could get around to it, on February 28, as I recall, I sent for Mr. Foley and Mr. Richards. I called their attention to the resolution which had been offered by the distinguished Senator from Nebraska. After the committee had met and had heard Mr. Richards and Mr. Foley, I said:

Senator WHERRY has a resolution here, which I told him I would hold hearings on when I had this executive session today, because it was brought up in the Senate today. It is Joint Resolution 154. His resolution calls for increasing the amount of the insurance authorization under section 608 by $500,000,000, for section 608 applications filed by March 1.

Mr. WHERRY. That is correct.

Mr. MAYBANK. We proceeded with the discussion. It was decided not to hold hearings, because there was already a bill on the calendar, and the substance of the testimony given by Mr. Foley and Mr. Richards was to the effect that they thought $400,000,000 would provide for the people who are entitled to secure insurance commitments under section 608, who had filed their applications in the field prior to February 1.

Mr. WHERRY. I am in full accord with the statement made by the Senator from South Carolina. There is one more thing which happened in the colloquy that morning. It was that the junior Senator from Nebraska certainly went on record to the effect that he was not in favor of making huge appropriations to carry on an inflationary building program under section 608, or under any other section. I was in entire sympathy with the Senator from South Carolina, except that I did say—and I feel just as strongly about it now—that all applications which were on file, "made in good faith," are the words I used, should at least be processed and either accepted or rejected under the old section 608. I am sure the Senator will agree I made that statement that morning.

Mr. MAYBANK. The Senator did. The Senator told me he was not going to ask for an extension of section 608.

Mr. WHERRY. That is correct.

Mr. MAYBANK. But that all he was going to ask for was an additional authorization. I may say I think the little confusion that came about a while ago, if it may be called confusion, might have been occasioned when the Senator from Ohio [Mr. BRICKER] remarked that the Federal Government has liabilities outstanding of approximately $300,000,000,000, and it is very inflationary. The $300,000,000,000, of course, includes a debt of $256,000,000,000. What I had to say was that in the amendment I had sent to the desk, instead of increasing the authorizations to take care of applications under section 608, I had deducted those authorizations from another section in the National Housing Act as amended. So the over-all increase in authorizations under my amendment would be $500,000,000 less than if we had adopted the Senator's resolution. If the Senator will bear with me, I did not intend to suggest that it was inflationary, because, if one goes into the authorizations and the debts of the Federal Government, he must include all the veterans' life insurance policies, and realize

that perhaps there will be so many casualties this year or next year. It is impossible to figure housing authorizations as one figures the debt of the country, because, as I plainly pointed out while there had already been a housing authorization of $18,000,000,000, the borrowers had already paid back $8,000,000,000. The Government has a surplus of $250,000,000 in cash from the Housing and Home Finance Agency. That is all I meant to intimate, that the amendment I offered would take care of deserving applicants under section 608, but the authorization required, would be transferred from another section of the National Housing Act, so that the increased authorization for housing under the committee substitute for S. 2246 would still only be $3,600,000,000, instead of $6,000,000,000, as originally proposed. So, if the Senator believes that I suggested that he was advocating inflation, I certainly did not intend to do so, and I do not think the housing bill is the least bit inflationary. In fact, it is a conservative measure.

Mr. WHERRY. I should like to ask the Senator another question.

Mr. MAYBANK. Whatever the Senator wants to ask me, I shall be glad to try to answer.

Mr. WHERRY. I want to ask the distinguished Senator this question: In the proposed amendment the Senator now offers, he would amend section 603 (a), would he not?

Mr. MAYBANK. That is correct.

Mr. WHERRY. That is the same section the Senator from Nebraska had in mind.

Mr. MAYBANK. I was not questioning the Senator. The only difference I may say to the Senator from Nebraska is, I am taking the $400,000,000 authorization for section 608 out of the $750,000,000 available under section 610 rather than increasing the authorizations in the bill by $400,000,000. Now, I do not think that it is inflationary, I may say to the Senator from Nebraska, nor did I charge his plan with being inflationary, because the least inflationary thing we have done is the pending housing measures, under which people could be housed by private industry to the extent of 50 percent of the total housing construction.

Mr. LONG. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. WHERRY. If the Senator does not mind, I should like to clarify the record, and if the Senator will bear with me, what I want to do is to see if there is any difference in the amendments, other than the amounts.

Mr. MAYBANK. Yes; there is the difference between 85 and 90 percent of necessary current cost as the maximum mortgage insurance.

Mr. WHERRY. Very well. The Senator drops the insurance from 90 to 85 percent.

Mr. MAYBANK. Will the Senator let me explain that?

Mr. WHERRY. If the Senator does not mind, let us understand the difference in the amendments, and then the Senator may make any explanation he wants to make. Is it not true that we propose to amend the same section, but there is a difference, in that the amendment I submitted would provide $500,000,000, while the amendment the Senator from South Carolina offered would provide $400,000,000.

Mr. MAYBANK. Insurance.

Mr. WHERRY. What I want to ask the Senator is this: After hearing the testimony—I was not called upon to give testimony on the resolution but the Senator mentioned that Mr. Foley and Mr. Richards appeared—does the Senator feel that $400,000,000 is ample to take care of all applications made in good faith under section 608?

Mr. MAYBANK. I can only say to the Senator that applications for the extra $100,000,000 of insurance which the Senator's resolution would provide were not in good faith and honorable, according to the testimony Mr. Richards and Mr. Foley gave.

Mr. WHERRY. There is in the amendment not only the difference as between 90 and 85, but there is also a difference, in that the Senator's proposal takes care of all applications filed in the field prior to February 1.

Mr. MAYBANK. February 1.

Mr. WHERRY. It was my understanding on the floor, the day we had the original colloquy, that the Senator felt that a good breaking-off point was February 13, I believe, or February 15, because, as I understood the Senator on that day—possibly on the floor or possibly off the floor, I cannot say which—a notification that went out from the Federal Housing Commissioner—I believe he is the one who gave the information—that it would be impossible to process all the applications that came in after that date. Is that correct, or approximately correct?

Mr. MAYBANK. The Senator is in general correct. In speaking of the date, whether it be February 1 or February 15, the Washington date and the field date were never discussed, and my information is that the housing authorities sent notice in January that they thought they might not be able to process applications made in the field under section 608 after February 1. I am giving the Senator the benefit of what I was told. Therefore, that would correspond to applications which could have been processed very rapidly and received here in Washington by the Federal Housing Commissioner up to around the 15th or 20th of February. There might have been a misunderstanding about that.

Mr. LONG rose.

Mr. WHERRY. If the Senator from Louisiana wants to ask a question on this particular item, I shall be glad to yield to him, but if not, I should like to finish, if I can, with this colloquy.

Mr. LONG. Go ahead. I will save the question until later.

Mr. WHERRY. I thank the Senator very much. In the amendment now offered by the distinguished Senator from South Carolina, it is provided that in the case of any application for insurance under section 608 of the National Housing Act received by the Federal Housing Commissioner on or before March 1, 1950, and not rejected or committed upon, the mortgagee, upon reapplication for insurance of a mortgage under section 207, with respect to the same property or project, shall receive credit for any application fee paid in connection with the prior application. If the application for insurance under section 608 was received by the Commissioner, on or before February 1, 1950——

Mr. MAYBANK. That is supposed to be in the field.

Mr. WHERRY. That is the point I make. It is not in the amendment, and it may make an important difference whether the application was received in the field, or at Washington, by February 1, and if we could reconcile that difference, it might clarify the whole thing; so the only difference would be the amounts——

Mr. MAYBANK. Mr. President, if the Senator believes it would be wise I would be glad to modify the amendment and make the date February 1 refer to applications filed in the field by that date under section 608. Even though some applications may have been received in the field by February 1, they may have been rejected later in Washington because they did not properly conform to the statutory requirements.

Mr. WHERRY. When an application is rejected, is any point made of the date upon which it was filed?

Mr. MAYBANK. The agency was discouraging applications in the field after February 1. The field offices were notified of the danger that processing of applications might not be completed. They were so notified in January, because the authorization even then was in danger of running out.

Mr. WHERRY. They have been doing that ever since the act went into effect.

Mr. MAYBANK. I think the Senator will agree with me that Members of the Senate have fallen into the habit of introducing temporary extending resolutions. That is one reason why I am glad the housing bill is up for consideration in its entirety.

Mr. WHERRY. I am not asking to have section 608 of the bill extended 1 day after March 1.

Mr. MAYBANK. I did not suggest that the Senator was trying to extend section 608.

Mr. WHERRY. All I am trying to find out is what is the intent of the amendment. My own feeling is that if a contractor, in good faith, has complied with the provisions of section 608, has made his surveys, and has deposited his money, no matter who he may be or where he is located, he should have his application processed. I do not say that it should be approved, but if he has met all the conditions under section 608 and has gone to the necessary expense of carrying out his purpose—and many contractors have invested thousands of dollars—his application should receive consideration.

I offered a resolution which could have been acted upon almost immediately and sent to the House. This is an amendment to the Housing Act, which might be tied up in conference for several weeks before action is taken.

Mr. MAYBANK. Mr. President, I have the greatest appreciation for the Senator's resolution, but, to my best knowledge, if it had extended section 608

it would not have been considered at all. As it was, the funds authorized under section 608 were completely used up before the March 1 expiration of the section was ever reached.

Mr. WHERRY. I did not know there were hearings or I would have appeared before the committee.

Mr. MAYBANK. We did not have any formal hearings.

Mr. WHERRY. The committee heard Mr. Foley.

Mr. President, I do not know how anyone could get the impression that Senate Joint Resolution 154 proposed an extension of section 608. It certainly did not. All it provided for was $500,000,000 to keep as a reserve fund for such applications as might be approved. If they were not approved, the money would not be expended.

I appreciate the good work which the Senator from South Carolina has done, but I should like to know whether the amount of money now suggested is sufficient to do what the Senator thinks ought to be done in processing these applications. The Senator says that if it fails to do it he is perfectly willing to ask for an additional appropriation to carry out the law in the event the applications are approved.

The second point is the date. I cannot see why, if an application is made in good faith, there should be any date applied. If it is, I submit that we should be specific as to whether it refers to a date in the field or the date on which the application reached Washington. I think there is a vast difference between considering the matter in the form of a resolution or in the form of an amendment. My purpose is simply to take care of those applications which, because of either a bottleneck or some other reason, might not be approved.

Mr. MAYBANK. I will say to the Senator that we set the date of February 1 because the Federal Housing Commissioner had written all its field offices because the money available as insurance authorization under section 608 was about to run out.

Mr. WHERRY. Would the Senator place that letter in the RECORD?

Mr. MAYBANK. Yes.

Mr. WHERRY. Is that the same letter about which the Senator told me? The first I ever heard of a letter was when the Senator himself told me of one which was dated January 13 or January 15.

Mr. MAYBANK. It was written in January. The letter will be placed in the RECORD.

I might say to the Senator—this is my personal opinion—that the Senate would never have adopted any resolution with reference to section 608. The Senator from Illinois brought out in the hearings that in the past 2 months $700,000,000 worth of applications were made under section 608, or about one-third of the total amount of applications approved under section 608 were made in the past 2 months. He went on to say that 30 times as many applications were received in January and February as had been received in any other similar length of time. The Federal Housing Commissioner on January 23 wrote his warning on the danger that applications after that time might not be able to be processed.

Mr. WHERRY. If the Senator from South Carolina will permit me, I should like to ask him a question there.

Mr. MAYBANK. Certainly.

Mr. WHERRY. The colloquy between the Senator from South Carolina and the Senator from Nebraska on February 24 was to the effect that I had knowledge of three applications. One was filed in my own State, in November. There were some 550 units involved, and the contractor, a very reliable man, had put up the required fee in compliance with the law.

Another application to which I had reference was filed in December, prior to Christmas 1949. Neither of those applications had ever been approved or rejected; they had not yet been considered. After I made that statement information was received regarding the applications of contractors with dates running back into November whose applications had not been processed. That was the reason I introduced the resolution.

Mr. MAYBANK. The Senator is eminently correct. Not only have persons written me letters but they have come to my house on Sundays to tell me about applications which had been filed since November and December. Some of those applications were looked into by the Housing Administration and were sent back because of some difficulty with municipal ordinances.

I will say to the Senator that the letter to which reference was previously made was written on January 23.

Mr. WHERRY. If the Senator does not object, I should like to have it inserted as a part of his remarks so as to make the record complete.

Mr. President, I ask unanimous consent that the letter from Mr. Richards be inserted at this point in the RECORD as part of the remarks of the Senator from South Carolina.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., January 23, 1950.

To: Directors and chief underwriters of all field offices.

Subject: Meeting current processing problems.

With the large volume of applications being received by field offices and the accompanying pressure to process section 608 cases before the scheduled expiration date of March 1, 1950, it has been deemed advisable to reiterate the FHA policy of quality rather than quantity processing. Furthermore to assure uniformity throughout the field offices directors are requested to observe carefully the following points:

1. Quality processing: Regardless of the proportions of the workload there can be no compromise with adequate processing. We must not lose sight of the fact that in meeting the long-range goals of the National Housing Act the prime prerequisite must be quality processing of all applications submitted for mortgage insurance.

2. No overtime: To avoid hurried and inadequate processing, as well as possible inefficiencies because of overwork, it has been determined that no overtime—compensatory or paid—is to be used in order to process section 608 applications before the statutory expiration date.

3. Processing in regular course of business shall not be distorted: The operation of field offices shall not be distorted by putting aside office processing of 203 cases or inspections in order to speed up the 608 cases as this would be inequitable to the approved mortgagees and the public interested in those cases.

4. Incomplete applications shall not be accepted: In the past when we have been approaching a scheduled expiration date, field offices have been confronted with the problem of the submission of applications that are not complete, but are merely being submitted in order to beat the deadline. This practice should not be condoned and incomplete applications should be rejected.

5. Field offices shall not refuse to accept 608 applications: No field office should refuse to accept 608 applications where all documents have been executed and submitted in accordance with our requirements even though, in the best judgment of the director and chief underwriter, it will not be possible to process them before the scheduled expiration date.

6. Mortgagees shall be notified with regard to fees: Mortgagees, upon submitting section 608 applications, shall be notified, preferably in writing, that if the case is processed to the point where cost estimating has been completed but not committed upon prior to the expiration date, the fee will not be refunded as it will have been earned by the processing work done. It should, however, be pointed out that in these cases which were processed but not committed upon, the mortgagee will have the option of converting to section 207 and being credited with the examination fee paid.

Strict observance of these measures will be, it is felt, to the best interest of approved mortgagees, sponsors, the administration, and the housing program in general.

Very truly yours,

FRANKLIN D. RICHARDS,
Commissioner.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LONG. I wonder if the Senator is aware that under section 608 loans may be actually unsound and represent loans for housing development in amounts far greater than the cost of building the houses?

Mr. WHERRY. That is completely beside the point. In the resolution which I offered I did not in any way ask for an expansion of the act. The provisions of section 608 were fought out on the floor of the Senate at one time. Those of us who have been against the give-away money and give-away show have opposed all this so-called housing. I am not going into the merits of the act. I have forgotten the exact vote on section 608 when it was finally adopted. I do not know anything about that. However, that is not what is being attempted to be done by the proposed legislation or by the resolution. It all goes back to the provisions of the act. Whether the provisions were right or wrong is completely beside the point.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. WHERRY. The Senator has asked me a question, and I should like to answer it. I have referred to contractors who, without any notice from the

Housing and Home Finance Administrator, or anyone else, complied with the provisions of the act. I say they are entitled to have their proposals either rejected or approved; one or the other. If they are to be rejected, all well and good. However, they have just as much right to have their applications processed as any other contractor who comes under the provisions of section 608. That is my position, absolutely—period. I am not passing now upon the merits of section 608 or any other section of the Housing Act.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. WHERRY. I am always glad to yield to my friend from Louisiana.

Mr. LONG. Does the Senator believe that the Federal Government should guarantee loans in the amount of hundreds of milions of dollars, or possibly a billion dollars, if the loans are actually unsound, and represent loans for housing develepments in amounts far greater than the cost of building the houses?

Mr. WHERRY. Mr. President, my record in the Senate is an answer to the Senator's question. I say once again that that is not the question which is involved here. It is not a question of whether the act was inflationary, or whether it was a poor risk, or whether this or that should not have been done. If I had my way, private enterprise would take care of all the housing we could possibly get, so far as I am concerned.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. WHERRY. I am answering the Senator's question. The Senator asks such long questions that I must take a little longer to answer them.

Mr. LONG. I am happy to listen to the Senator from Nebraska.

Mr. WHERRY. The question is not one of the merits of section 608. So far as I am concerned, it is simply a question of administration. When I first took up the matter, I was not particularly interested in it. I did so only in behalf of the two or three constituents I referred to. They are good, honest people. They did exactly what the act provided they should do. When I found that no action had been taken on their applications, I asked for the reason. The answer was that there was a bottleneck. It was stated that many applications had not been processed and more applications were on file than could be taken care of. I could see how that might happen. As one interested in economy, I certainly do not wish to give the agency any more personnel than they need. The act died on March 1. No one is asking to have it extended. It is a vicious piece of legislation, which should never have been passed in the first place. However, inasmuch as it was on the statute books, and inasmuch as thousands of persons have complied with its requirements, why should we legislate against persons who have never even had their applications looked at or processed?

If there is a good defense for February 15, or some other date, or if a letter is written to persons who have filed applications, saying that it was done with full knowledge that they never had their applications processed, that is an entirely different matter. That is the reason why I asked the distinguished Senator from South Carolina, whom I respect and hold in as deep regard as I hold any other Member of the Senate, whether there was any justification at all for the date, or whether it should be February 1 in the field, or February 15 in Washington. I do not know about those things. All I say is that any contractor who in good faith filed his application has the right to have it either rejected or approved. That is all. That is a question of administration.

If the Senate were to make that possible, it would comply with the suggestion of the junior Senator from Nebraska in introducing the joint resolution. Although there is considerable difference between the amendment to the bill and the joint resolution, I can see that the distinguished Senator from South Carolina has at least put forth a good effort in order to do what I should like to see done relative to contractors who in good faith filed their applications.

Mr. LONG. Does not the Senator feel that when the Committee on Banking and Currency in October of last year reported a new housing bill which cut down the guaranty from 90 to 80 percent, it served notice on people who wanted section 608 projects that they would have to put some equity into them? Does not the Senator feel, further, that with the limited amount of money available under section 608, notice was served that there simply was not going to be any more money after the money which had been allotted for that purpose had run out?

Mr. WHERRY. Mr. President, the Senator asks me too many questions, and they are double-barreled in several respects. No one desires sounder loans than does the junior Senator from Nebraska. I am not saying that the security should be 80 percent, or 90 percent, or 75 percent. I should like to say to the distinguished Senator from Louisiana that if he felt that way about it, long before this was brought to my attention he could have offered an amendment to do the very thing he is suggesting. I am quite satisfied that no one would feel more kindly toward getting a safe loan than I do. However, I doubt that Mr. Foley would agree with the Senator from Louisiana.

Mr. LONG. I should like to say to the Senator from Nebraska that I offered an amendment in committee calling for 80 percent, and Mr. Foley agreed with it.

Mr. WHERRY. I wondered whether he would agree with such a provision. So far as I am concerned, there is no one who would rather have a safe loan than I would. However, once again I should like to say to the Senator from Louisiana that the question is as to the legislation itself and it runs to the merits of the bill. It has nothing to do with the joint resolution which has been introduced by the junior Senator from Nebraska, not any more than legislation on an entirely different subject would have to do with the joint resolution I offered.

Mr. President, a constituent of mine worked for more than 5½ months to develop one project; he put up his money; he made the survey; he got everything ready; he got the loan; he put up his 1½ percent, and his application has never been looked at by the Department here. I know the Senator from Louisiana realizes that is not fair or right or just. Regardless of the merits of the legislation, he knows that that man is entitled to his day in court, and his day in court is to have his application either rejected or approved.

Mr. LONG. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield once more.

Mr. LONG. If a man has worked 5 months to get up this wonderful project, would it not seem logical that he would have enough confidence to put up a little of his own money?

Mr. WHERRY. He put in all of his money that the provisions of the act required. He is just as much of an enterpriser as I am, and he is just as safe and sound as is the Senator from Louisiana. Whatever the conditions were, that man would meet them, and if we wrote in 80 percent, he would be one of the first to comply. He is one of the most honorable men I have ever known. He is merely doing what the legislation itself provides. If there is anything wrong with the legislation, it should have been amended a long time ago.

Mr. MAYBANK and Mr. LONG addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield, and if so, to whom?

Mr. WHERRY. I am glad to yield to either one or both of the Senators.

Mr. MAYBANK. I merely desired to state that February 1 was fixed as the date because the letter was written on January 23, and everyone in the field was notified by the 1st of February.

I wish to call attention again to misinformation which appears in this evening's newspaper, which again implies that the bill provides that cooperatives will pay 3½ percent interest on their loans. There is not a line in the bill about a fixed rate of interest to cooperatives. Some witnesses came before the committee and said they thought they could get 3 percent interest for a cooperative in New York or Chicago. The interest paid under the bill by cooperatives will be what can be arranged for in connection with the sale of debentures by the mixed-ownership corporation plus enough to cover overhead of the corporation. The witnesses said the corporation would be able to sell the debentures at 3 or 3½ percent interest per annum. There is not a word in the bill about interest. I am trying to bring that out because of misinformation throughout the country about provisions in this bill about the interest rate to be charged to housing cooperatives.

Mr. WHERRY. Mr. President, I merely desire to make one closing remark. I appreciate what the Senator from South Carolina has said, but that is on an entirely different subject. He was engaging earlier today in a colloquy with the Senator from Ohio [Mr. BRICKER], and what he has just said pertains to that.

What I desire to make clear in the RECORD is that I am not offering legislation to extend section 608 or any other

section. I am not offering any legislation to continue any of the Housing Act. I merely introduced a joint resolution, before the pending bill came to the floor, to clarify a situation in which the administration of the law had broken down. I believe that if the joint resolution could have been passed, it might have given us the relief we needed to process remaining applications.

I wish to say, in conclusion, that I am not in favor of any inflationary housing legislation. If section 608 needs amending, and needs to have written into it conditions different from those appearing in it today, that will be brought out on the Senate floor during the debate on the bill itself. The measure we are discussing has to do only with applications which have not been rejected or approved, and it seems to me that inasmuch as the Senator's amendment has set aside $400,000,000, he has gone a long way toward accomplishing the objective. I am not an expert on housing. I did not hear the testimony.

Mr. President, if for any reason the proposed legislation should go to conference, I still think the Senator from South Carolina should bring up my joint resolution so that action could be taken with respect to section 608 anyway, regardless of what happens to the housing bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 161) to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in connection with the investigation ordered by Senate Resolution 231, Eighty-first Congress.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. KERR, Mr. THOMAS, Mr. KIRWAN, Mr. WHITTEN, Mr. TABER, Mr. WIGGLESWORTH, and Mr. STEFAN were appointed managers on the part of the House at the conference.

BASING-POINT AND FREIGHT-ABSORPTION PRICES

Mr. LUCAS. Mr. President, the message which has just come to the Senate from the House covers a conference report, which is a privileged matter. Since a unanimous-consent agreement is now in effect for the Senate to vote tomorrow on the housing bill, that vote will take precedence tomorrow, I presume, over consideration of the conference report. However, I am wondering whether there will be any lengthy discussion on the conference report.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LONG. I can assure the Senator that as one who is very much interested in the report I should like to debate it at some length. Other Senators are also interested in debating it. I very much hope that the Senator may be able to have a precise time fixed at which we may begin debate on this conference report before we vote on it.

I wonder if the distinguished minority leader might also be willing to agree on some day certain on which the conference report can be brought up for debate and for a vote.

Mr. WHERRY. Mr. President, I wish to assure the Senator from Louisiana and the majority leader, too, that it is perfectly agreeable to set a day certain. If the majority leader wishes to take some time to think it over before agreeing to a day certain, very well. I agree with the Senator from Louisiana, however, that we ought to set a time when all Senators who are interested in the subject can be heard. I do not know why one time is not as good as another.

Mr. LUCAS. Perhaps we should wait until tomorrow, when, after a quorum has been had, the matter may be discussed briefly. The subject is, of course, an important one.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ROBERTSON. In view of the possibility of several Senators leaving tomorrow afternoon, I should like to know whether the first vote tomorrow, at 4:30 p. m., would come on the Bricker amendment to strike out title 3.

Mr. LUCAS. I cannot tell the Senator that.

The VICE PRESIDENT. The pending amendment, offered by the Senator from South Carolina [Mr. MAYBANK], would be the first to be voted on.

TECHNICAL RESEARCH FOR SMALL BUSINESS

Mr. LUCAS. Mr. President, on January 30 I introduced a bill which would authorize the Reconstruction Finance Corporation to guarantee small-business loans up to 90 percent. At that time I stated that any program which would effectively help small business must be comprehensive in nature.

I particularly called attention to the needs of small business for technical assistance.

I called the Senate's attention to the many thousands of patents and the vast amount of technical information in the possession of the United States Government. I stated that consideration should be given immediately to the possibility of authorizing a Government agency, such as the Bureau of Standards, to further develop this technical knowledge and to make it available to American industry.

In giving greater thought to this particular question, I have become more convinced that positive steps should be taken to make available to the independent small-business enterprises in America the benefit of modern technological research.

The progress which has been made along technical lines over the last few years has contributed immeasurably to our ever-mounting high standard of living. However, these technical strides have also created a very serious and critical problem for a large part of American small business. This problem must be solved if these independent enterprises are to survive and prosper in the years ahead.

In many respects these technological advances have had a more profound impact upon existing methods of producing and marketing than the industrial revolution had in its days. If small business is to survive, it must keep pace in this new age.

Large business corporations have been able to maintain modern technical laboratories and research staffs which have kept them abreast with technical advances. These large business enterprises by means of their trained staffs are also able to take advantage of the vast technical knowledge which has been accumulated by our Government during the war years. In these respects, the average small-business enterprise, with no laboratory facilities and with very little technical experience, is suffering a real disadvantage.

On one of my recent trips to Illinois I talked to the heads of a number of small manufacturing concerns in central Illinois, and I found that the one thing they are more fearful of than any other is that big business will ultimately take over the small-business concerns which are now being operated. If that should happen, I undertake to say it would be a grave misfortune. It would be a serious mistake for the Government to stand by while small business falls by the wayside, simply because small-business enterprises are unable to compete with larger firms which are so well equipped along technical lines.

The large business corporations are in an extremely superior competitive position. These firms which have this technical advantage are able to manufacture a product of uniform quality at a much lower unit cost than can a small manufacturer or processor which, through lack of technical knowledge, must oftentimes employ outmoded methods of production. As a result, long-established independent manufacturers are being gradually pushed out of many markets.

Likewise, the small-business man, with scant technical experience, has been unable to take advantage of many valuable purchasing techniques which are being used to great advantage by the larger firms. These include purchasing on specification and acceptance testing. If small companies were encouraged to use such devices they would save many millions of dollars yearly through the elimination of waste in raw materials.

Also, the average small firm is unequipped to use scientific tests during the manufacturing process which assure uniformity of quality. As a result, the quality of the end product often varies among small companies and is frequently

below the standards of the larger producers. This fact alone has disqualified small businesses from receiving Government orders and has prevented them from supplying other markets where a high degree of uniformity in quality is required.

Mr. President, I can testify that during the war one small company after another found itself unable to obtain Government contracts because of that very fact. They were unable to produce with that high degree of uniformity which the military departments of the Government required.

As technology advances the advantage which these larger firms have over the smaller ones will continually mount. This is a problem that should be given the serious consideration of every Senator. It is fundamental; the very existence of small business as we know it depends upon its solution.

As all Senators know, a bill was passed by the Senate on August 10 of last year which would permit the Secretary of Commerce to set up a clearinghouse for technical information and make such knowledge available to American business and industry.

The object of that bill is highly meritorious. However, it appears to go no further than to direct the Secretary to channelize existing technical information to American business enterprises.

I do not believe that the serious problem faced by small business will be solved by merely making available the existing technical information in the possession of the Government. Certainly this information would be helpful to small business. The issue, however, is much more basic. The information which the Government now has was obtained at random; some of it came from enemy aliens, while other information was gained through war production. Small-business enterprises in America require much more than this.

The problem must be approached directly. It is not sufficient merely to offer to small business the random technical knowledge which has been collected by the Government, much of which would probably prove unadaptable to problems facing these business enterprises.

In addition, there must be made available the kind of technical assistance which small business needs and, in my opinion, such information can only be made available under a program which is equipped to survey the technical problems now encountered by these small firms.

It has been my view for some time that the technical problems of small business can be met only through an affirmative and positive program set up directly for the benefit of such enterprises.

At my request the Bureau of Standards has made a survey of its own research facilities. I have been advised that it is equipped to undertake a program of technical research in the interest of small business.

Also, at my request, the Bureau made an exhaustive survey of the patents in the possession of the Government. Some of these could be developed for the use of these business enterprises.

I am continuing my studies of this question with a view of offering amendments of this nature to my bill on small business loans. It seems to me that the Government, under the direction of the Secretary of Commerce, using existing facilities such as the Bureau of Standards, could institute a program of technical research in the interest of small business.

Such a program would place emphasis upon better manufacturing and production processes suitable to small business enterprises. New tools and instruments could be developed by these small companies from patterns laid down by the Government. Also, the use of new materials could be studied. A program of this sort could be gradually broadened to include more industries.

Under this program there could be made available to small business, general information of a technical nature covering such matters as modern methods of inventory control, purchasing on specification, acceptance testing, and quality control of production. It is my firm belief that a program such as the one I have outlined is essential if small business is to compete on even terms with our larger business enterprises in this technological age.

In fact, I believe such a program is essential if small business is to survive in this new era. Every Senator should give serious consideration to this very important question.

Mr. CAPEHART and Mr. LONG addressed the Chair.

The VICE PRESIDENT. Has the Senator from Illinois concluded?

Mr. LUCAS. Yes.

I yield first to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I do not think anyone can quarrel with the statement the able Senator from Illinois has just made. However, I think the matter might well be pursued in a different direction, namely, in respect to the point that one of the largest problems of the small-business man is, not so much technological knowledge and his ability to produce, even at a lesser cost, but his ability to sell, his ability to get orders.

My observation has been that the Federal Government has grown so large, and particularly the national defense establishments have grown so large, that they are prone not to give orders to the small-business man, but they like to do business with the larger manufacturers. There are a number of reasons for that attitude, one of which is that possibly the larger manufacturer is able to produce under one roof everything they want; second, that dealing with the larger manufacturer eliminates a certain amount of expense on the part of the National Defense Establishment, as it is cheaper to do business with one firm, rather than with 100.

Mr. President, if we are to have a proper distribution of the Government's business, and primarily the orders of the National Defense Establishment, I think we must insist, by means of legislation on the subject, that the National Defense Establishment, if it does not do so voluntarily, shall allocate and divide its business among more manufacturers, having in mind, of course, the small manufacturers and small-business men.

I think therein lies the trouble today in the case of the small-business man, particularly when he comes to do business with the Government, namely, that the Government is so big and the Government's orders are so large that the Government prefers to do business with an individual concern which can handle all the orders in its own business, rather than to have to divide the order among 100 or 500 or 1,000 business firms.

I think the problem of the small-business man today is one of distribution, one of orders. I am not so much worried about the possibility that the small-business man will not be able to compete in respect to price or quality, as I am about his inability, because of the bigness of the Government and the bigness of labor and the bigness of much business, to compete for orders with large manufacturers. That is where the small-business man is dropping behind, simply because he cannot get the business, and primarily because he cannot secure business from the Government.

I am not in a position to say at the moment whether the governmental agencies themselves will distribute the business among the small-business men, or whether we shall have to compel them to do so by means of legislation. But I agree with the able Senator from Illinois that it is a big problem. I congratulate him upon speaking on this subject and upon taking an interest in the small-business men.

I wished to call the attention of the Senate to the fact that the problem is not only one of technology and production, but likewise is one of distribution and sales. I think the biggest offender in the United States today, in respect to discriminating against the small-business men on orders, is the Government itself, and primarily the National Defense Establishment of the Government. It should be compelled to make a better distribution of its orders among the thousands and thousands of small-business men throughout the United States, instead of simply placing with one big manufacturer an order which runs into millions and millions of dollars, and then hoping and praying that the big manufacturer in turn will let a little of that order trickle down to the small-business men of America.

Mr. President, I am speaking from experience, not from any other standpoint. I have been "up against the gun." I know what I am talking about. I have had experience along this line, and I know exactly the problems of the small-business men in securing business from the Government. It is primarily that the Government establishments do not like to do business with the small-business men because to do so costs them more money and requires more time and effort on their part. As a result, the Government establishments do not do business with the small-business men.

Mr. LUCAS. Mr. President, I thank the Senator from Indiana for the contribution he has made. I do not disagree with the position he takes. A comprehensive program for small business in-

cludes assistance along lines of distribution and of salesmanship, as well as in the field of patent development and technological research.

Mr. President, on a number of occasions during the war, after investigating the problems of a small concern, I found that the Army or Navy had refused to continue its contract with the particular company because the small firm lacked the technical information required for the preparation of the necessary precision tools for the production of highly uniform products which the armed services needed. The military departments could not afford to take chances.

The point I wish to emphasize is this: If the Department of Commerce had been able to give technical aid to small business before the war along the lines which I have suggested, when the war came the small-business men would have known, from the blueprints or the patterns or the plans which were laid down, exactly what they had to do. As it was they were forced to experiment for themselves, which they could not do so successfully as could the larger concerns, which had proper laboratory facilities. If the program I suggested today had been in effect before the recent war, the Government during hostilities would have been able to deal on a much larger scale with the smaller business enterprises.

There is a sound basis for the statement made by the distinguished Senator from Indiana. The National Defense Establishment in times of stress has, no doubt, dealt with small business in the manner described by the Senator, and I presume that perhaps it does the same in times of peace. The National Defense Establishment wishes to place orders where it knows the orders can be filled with the highest precision products in the quickest time, and probably with the least effort on its part. I do not deny that; I know it occurred during the war.

I believe, however, that the problem can be approached in a way that will remedy the situation discussed by the distinguished Senator and which I discussed. If we can have placed on the statute books legislation to this end we will be taking positive steps in saving the small industries of the United States.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CAPEHART. I have no quarrel with the suggestion the able Senator has made or with anything he has said. I simply wish to add to what he has said by stating that I think we solve only half the problem when we help the small-business man in respect to production technique; and engineering difficulties. That solves only half the problem; and we must go forward and must take care of the other half, which is to insist, first, that the big Government, which buys billions of dollars' worth of materials, shall distribute the business among the small-business men, rather than among the big-business men, either of its own accord or by law; and, second, if we expect the small-business men to get a portion of that business and of that market, we must eliminate monopolies and, in my opinion, we must strengthen the Federal Trade Commission in respect to enabling it to eliminate many practices in which the big-business men indulge in keeping the small-business men from even getting started. That is what I would recommend.

I should like to join with the able Senator from Illinois in doing what he is trying to do, and I would add to it the taking of the necessary steps in regard to the sales and the distribution end.

Mr. LUCAS. Mr. President, I thank the Senator from Indiana. He and I do not disagree on basic principles.

My suggestion to the Senator from Indiana is that he work on the distribution phase of the program. Before long I shall appear before the Banking and Currency Committee to testify on the bill I introduced some time ago to provide loans to small business, and I shall at that time offer concrete suggestions on the technological phases of the problem. I hope the Senator from Indiana will also place his support behind the research phase of this question.

Mr. CAPEHART. I shall be very happy to join with the able Senator from Illinois in that connection.

Mr. LUCAS. I hope the Senator from Indiana will work along the lines he has suggested, so that we may have reported such a bill as will solve many of the serious problems facing small business.

Mr. CAPEHART. I shall be happy to do so. At the moment, Mr. President, I would even go so far as to urge the enactment of legislation compelling the Government to make a wider distribution of its orders and of the purchases of materials.

Mr. LUCAS. Mr. President, I yield the floor.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. LONG. Mr. President, I send to the desk, and ask to have printed and lie on the table, an amendment to the committee amendment.

The VICE PRESIDENT. The amendment submitted by the Senator from Louisiana to the committee amendment will be received, printed, and lie on the table.

Mr. LONG. Mr. President, the amendment to the committee amendment which I have sent to the desk proposes on page 15, line 10, to change the figure "90 percent" to "85 percent"; and in line 14, to change the figure "60 percent" to "70 percent."

The purpose of the amendment is to require that in the rental housing which is to be constructed in the future, there will be some equity investment on the part of the persons building the housing units. It is unfortunately true, as the junior Senator from Louisiana certainly knows, and as anyone who is familiar with the prevailing investment situation well knows, that in a great number of section 608 housing projects which have now been constructed, the amount of Government guaranty which was 90 percent of the estimated cost of the housing project, has actually exceeded the amount actually invested in building the projects. In some cases the housing projects have been constructed for 70 cents on the dollar, on what it was estimated it would cost to build them. We have found that contractors would apply for section 608 loans through corporations in which they owned all the stock. They would contract with themselves to build the housing project. They would have a contractor's fee of, let us say, 5 percent profit, and from 3 to 5 percent for the contractor's cost, which fortunately for them, would never have to be invested in these housing projects, because they were their own contractors. They would allow for an architect's fee of 5 percent, which was never invested, because fortunately, they did not care to have an architect to keep themselves honest. They would have fees for development of land, or for land, put in at a price of, let us say 10 percent of the housing project, when the land had only cost them 3 percent, and they had done their own developing, so the development cost was never invested in these projects. Then, they would build the housing projects on a schedule of cost that was estimated to be the cost for a typical building contractor, and frequently the section 608 builder proved to be either a good or an extremely good, efficient contractor, with the result that there was about another 10-percent saving. Many of them have confided in me that where the Government guaranteed 90 percent of the estimated cost of the building, of section 608 rental-housing projects, they built them for 70 cents on the dollar, pocketed 20 cents on the dollar, with the Federal Government guaranteeing the entire loan. If and when someone goes to the cleaners for these unsound guaranties, the United States Government will be the one that will take the cleaning.

Fortunately, up to this point, we have not had any heavy loss on these section 608 projects. It is my opinion that by guaranteeing loans in amounts greater than it costs to build the housing projects we have encouraged the utmost of irresponsibility in building rental housing projects. We have encouraged people to build housing projects on which the Government has guaranteed more than $2,000,000,000, and which, the minute we have the first turning back of cost, the owners may turn the projects back to the Government and walk out and leave them.

In my opinion, such a proposal is unsound, and, as a member of the Subcommittee on Housing, I proposed to reduce the guaranty to 80 percent, from 90 percent. That was suggested last October. That was reported in the housing bill which was placed on the Senate Calendar last year. The House last year adopted a proposal for an 85-percent guaranty, recognizing the fact that the guaranty was exceeding the investment, and that it was unsound for the Government to guarantee any loan for housing projects in an amount greater than it cost to build the project. We have the prospect of the same thing happening again unless we wake up in time to prevent it.

We have a slightly more conservative provision in section 207, which would guarantee 90 percent of loans for rental housing, where $7,000 would be the per family unit cost. It is slightly more conservative, because in this instance the value will be placed on the estimation of the value of the property, rather than the estimated cost of building the project. That will cause the FHA to be slightly more conservative. But it is my opinion that permitting the 90-percent guaranties will still permit people to build these housing projects at less than the amount at which the Government guarantees the loan. Therefore, Mr. President, I propose in my amendment to reduce the amount by 5 percent, to 85 percent, in order that we may have a better prospect of assuring our Government in guaranteeing loans for rental housing that there might be some small amount of equity investment on the part of the speculators building rental houses.

In order to show that I want to be fair to the real-estate speculators and others who are used to making great profits, with Uncle Sam taking all of the risk, I want to go along with them insofar as the cost exceeds $7,000, and let them have a guaranty, not 60 percent of the estimated value of the amount $7,000 per unit, but a guaranty of 70 percent. I am willing to give them 10 percent more when the amount of $7,000 per unit has been exceeded in the cost, because I believe we can have some prospect of having some equity investment in that part. But, insofar as the 90-percent guaranty is concerned, I believe it would be unsound to guarantee more than 85 percent, because those who will be building these projects in many cases will be their own contractors, so we do not need to allow them a contractor's profit; in many cases, they are their own achitects, so we do not need to give an allowance for an architect's fees; in many cases, they are their own land developers, so we do not need to let them have a profit for developing the land. By cutting the guaranty down to 85 percent, we will stand a fair prospect of assuring that there will be some equity investment on the part of those who build these rental housing projects. They will have to show such confidence in their undertaking that at least they would be willing to actually invest some of their own money when they build rental properties.

Unfortunately, to this date, the effort under section 608 to help private industry solve the housing problem, has not worked out to reduce rent. We find all over the Nation that we are beginning to have vacancies in section 608 projects. It is not because we have too many apartment buildings. It is because we have subsidized a system whereby the costs for the construction of these housing projects went sky high, and we are guaranteeing people that if they build high-rent projects they will not lose any money, if the projects stand idle, but that Uncle Sam will take over the loss in the long run.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LONG. I yield to the distinguished Senator from Georgia.

Mr. RUSSELL. I think there is a great deal of merit in the Senator's contention. I know that there are a number of these people, particularly those who have been most zealous in promoting the applications, who have a system of related corporations; that is, one of them will be in the rental business, another in the construction business, and another in the development business, but the stock in all of them is held by the same individuals. Does the Senator know whether or not the tenants in any of these areas have derived any benefit from the 20 percent that has been pocketed by the construction corporation, or the development corporation, or the rental corporation, or are the rents based on the fictitious value of 90 percent that the Government has actually put in, for an apartment that cost 70 percent, or at most, only 70 percent?

Mr. LONG. I regret to inform the junior Senator from Georgia that the rents on these properties are not based on the fictitious 90 percent. The rents on these properties are based on the fictitious 100 percent. The rents on these properties will allow a fair return on the 90 percent that is never invested, and allow for approximately 17 percent return on the other 10 percent that is never invested in these properties. That is why the rent goes sky high.

Mr. RUSSELL. So the tenants, then, are paying rent to cover the amortization costs on the 30 percent that is actually not in the building at all?

Mr. LONG. That is correct; the tenants are paying rents to amortize what is estimated to be a fair investment on the part of people who have walked away with the cash in their pockets, without ever having invested it. It is simply my thought that if these housing projects are to be constructed, and the Government is to guarantee the loan, a man who wants Uncle Sam to guarantee practically the entire cost of building the project should at least show his confidence in the merit of his own contract and his own idea, to the point that he would assume some small risk of investing some of his own money in the housing project, on which the present risks are so little in comparison with the great profit to be reaped.

Mr. President, it has always been my feeling that the principal justification for our Government's activity in the housing field was to enable individuals to own their own homes and to pay for them on reasonable terms.

To this day the Government's activity in the housing field has cost very little; the reserves have greatly exceeded the losses. At the same time FHA mortgage insurance has enabled millions of families to borrow money in larger sums on lower interest rates and longer terms than would have been possible before. It has increased home ownership, home construction, building activity, employment. It has improved business conditions.

At the same time it has created an alternative to families who pay rent. They can build their own homes if rents go out of sight. It has also held down interest rates for other private home loans by the competitive effect.

This has not been accomplished without opposition. Some people believe in high interest rates for the workingman. Some people are in the exclusive business of collecting interest on their money. Some landlords would not like to see America become a Nation of home owners, tenancy being a necessary phase of their business.

Some real-estate people and some speculators, accustomed to collecting fees for various and sundry services, do not like to see people working together with the aid of their Government to perform many of the same services for themselves.

Such people vigorously opposed the original FHA; yet for many of them the result has enabled them to work more rather than less. They are getting less interest but they have made more loans and the loans are better protected. They are collecting smaller fees but the increased volume has made them more money.

We have the same factors at work as we attempt to pass title IV to assist people to join together as cooperatives and thus acquire title to the apartment buildings in which they live.

This is about as close as we can come to applying the home-ownership concept to apartment dwellers in the cities. Since they cannot own their individual homes, the next best thing would be to help them own shares in a cooperative which in turn owns the apartment building.

Following the FHA principle, we have provided for a loan for the expected life of the property—not to exceed 50 years—but notice that if we apply the required equity to the unpaid balance on the mortgage, and if the cooperators can keep the apartments occupied and payments up to date, the 50-year loan will be paid out in only 36 years.

There should be no argument about that provision. Many frame structures in my State are over 100 years old and still in good condition. Mount Vernon is more than 150 years old. In Europe masonry construction over 800 years old is not unusual. Certainly 50 years is not an unreasonable term.

Mr. President, if people are to borrow money and pay interest on it for a lifetime, it stands to reason that they need to acquire the money at the lowest possible rate. A difference of 1 percent interest over a period of 50 years could amount to almost 50 percent of the amount of the principal. On such a long-term loan we must keep the interest rate low, otherwise the borrowers will find that they have paid much more in interest than they have on the principal.

Therefore we propose to permit cooperatives to make a 1-percent saving in interest rates by servicing their own loans. This they can do through a special mortgage association for cooperatives. The Federal savings and loan banks borrow money at 3 percent and loan it out at 4 percent. The difference is accounted for by the closing and servicing of the mortgage loans. We propose to permit the cooperatives to perform that function for themselves and thereby affect a saving of 1 percent on their interest rate.

There is nothing new about this idea of cooperatives working together to borrow money on terms better than any one of them could obtain individually. Cooperatives have been doing just that in Sweden for many years. In fact, it is this one factor that makes possible the greatest item of savings in cooperative housing. Yet this is the saving that the Tobey-Ives substitute seeks to deny the cooperatives.

Today I speak for one-third of the people of our Nation. Some years ago, during the great depression, it was fashionable and popular to speak of the forgotten man, the man who had lost his job and was drifting homeless, unwanted, from breadline to breadline.

But ever since this country was first founded there has existed an unforgettable third: the third that has made our Nation what it is today. This third is often referred to as the middle-income group, a group of families who now earn somewhere between $2,500 and $4,800 per annum, or between about $50 and $90 per week. The size and the income of this group have varied over the years, but the contributions which these people have made to our Nation's greatness have always been paramount. These are not the people who in the past have lived either in storied mansions or in slums. These are our average, typical American families. We need no statistics or surveys to show that the welfare and prosperity of our Nation depends on this great middle-income group.

We must remember, too, that most of our veterans and most of our skilled workers now belong to this group. Indeed, the middle-income group is the bulwark of our democracy. If we need any further proof, we may take a look at the iron-curtain countries. There the middle-income group as we know it is either rapidly disappearing under autocratic, totalitarian regimes, or has been liquidated entirely. One thing you can be sure of: communism cannot tolerate the middle-income group. These people believe too strongly in the American dream of a free society where the individual can develop his full powers to contribute to and benefit from the society he lives in.

Despite the basic importance of these middle-income families to our social and economic well-being, many of them are today being denied the fundamental opportunity that every American believes should be his—that is, to have a decent home of his own and to raise his family according to American standards of living. We have come a long way through our housing aids to private enterprise to lower the relative cost of housing to the consumer and to broaden the market that the private industry can serve. We have started and expanded effective aids to our local communities to enable them to clear out their slums and to provide adequate housing for many of the low-income families now living in slums and other inadequate housing.

But we are forced to recognize that there exists today, after a costly war and its resulting domestic and international obligations, a serious and baffling housing problem. A large segment of our families of steady but modest income continue to find themselves in a position where neither the industry nor the local community can serve them with adequate housing. The fact is that we must seek additional and supplementary means of utilizing private enterprise to meet the housing needs of those middle-income families now left out of the private housing market. In this bill we have a private-ownership device which has well served similar needs in other parts of our economy—the device of cooperative action.

I know that opponents of this measure have advanced reams of statistics to claim that homes are being produced within the reach of everyone who needs one. But statistics arranged to plead a special purpose are less impressive than are objective facts. The objective facts are that hundreds of thousands of families of moderate means have sought in vain for housing that they can afford, have been told by lenders that they lack the down payment and the income to obtain the housing that is on the market. This is particularly true in the larger cities, but it is a problem everywhere. Anyone who knows the actual situation in his home town and State knows that to be the fact of the matter, and that any statistics to the contrary are wrong. These statistics are wrong because they ignore the basic fact that housing, though a national problem, must be applied to the individual family's needs. It is of little comfort to the $50-a-week wage earner in Buffalo to be told by these statistical soothsayers that his housing troubles are over—that the crystal ball reveals a neat little bungalow, right in his price class, down in Baton Rouge, La. Furthermore, the housing problem of larger families has increased tremendously in recent years. Families with several children have become discouraged by their hopeless trek among the thousands of minimum-size, two-bedroom houses that have been built in the name of economy. These houses, which have swelled the statistical totals, are cheap enough, but not large enough, for middle-income families with children.

We must also recognize that, for a large proportion of our middle-income families who work and serve in our offices, plants, and stores in high-cost metropolitan areas, the prospect of the free-standing vine-covered cottage of a half century ago is still inviting but no longer practical. Their only present hope for decent housing lies in a well-planned, multiple-dwelling type of housing project, accessible to urban employment and served by schools and other community facilities, and with space for their children to breathe and play and grow. If these people, living in our large cities in high-cost areas, are to enjoy that pride of ownership and feeling of security which come with ownership of and control over one's home, then they must do so through the cooperative device. It is only through the cooperative device that an apartment house or garden-dwelling type of project can be owned and controlled by its occupants.

In this connection, it is interesting to note that not even the opponents of this bill have claimed that the rentals now being charged in the new, commercially owned apartment house developments in our cities, even with the liberal FHA aids that have been available, either meet or can meet the needs of a broad range of our middle-income families On the other hand, testimony given before the Banking and Currency Committee shows that, through the savings possible by means of cooperative housing, monthly payments on such housing could be reduced by some 25 percent below the typical rents of apartment projects built under FHA's special section 608 rental insurance program.

I am firmly convinced that housing cooperatives furnish an efficient, effective, and economical method for assisting many middle-income families to avail themselves of the privileges of home ownership, and that they furthermore embody the very essence of democratic action and of free American enterprise that springs from and returns its benefits to the people.

Cooperatives are no strangers to our country. Cooperatives are, after all, only a group of people who have organized to get for themselves in concert what they have been unable to get as individuals. We are all familiar with and accept the role in our economy played by the farm cooperatives, which buy and sell billions of dollars of products every year.

Nor are cooperatives confined to agriculture. We are well acquainted with mutual savings banks, mutual life insurance companies, and other cooperative enterprises in the field of big business. Many of our daily papers rely on the news gathered and distributed by the Associated Press, a news-gathering cooperative.

The chief argument of the opponents of the cooperative housing measure seems to be that it will favor a special group. This argument makes as much sense as saying that the establishment of a municipal fire department favors the special group whose houses are on fire. Or that a highway improvement favors the special group of motorists, to the detriment of pedestrians.

The tradition of all housing legislation since the early thirties has been to help private enterprise through Government support reach more and more of the housing market. For instance, the Federal Housing Administration was created to make it possible for lending institutions to reach more home buyers through low-cost financing on liberal terms. This program did not help everyone directly, but it brought into the housing market a large group of borrowers who could not otherwise be served and it gave a new stability and breadth to the entire home mortgage field and to the building industry, thus benefiting the whole economy.

In 1949 more than one-third of all the housing built was constructed with FHA backing, and almost all large rental projects were constructed with such backing. We have not heard and do not hear any opposition to this Government assistance to a private enterprise effort from those who oppose the cooperative housing measure.

The Federal home loan banks were established to assure adequate reserve funds for home loans to thousands of savings and loan institutions. Much of the savings invested in these institutions is insured by the Federal Savings and Loan Insurance Corporation, so that more money would be encouraged to go into the housing market. In 1949 almost one-third of the nonfarm mortgages of $20,000 or less, most of them home loans, were made by savings and loan associations. We have not heard and do not hear opposition to these Government supports of a private enterprise effort from those who oppose the cooperative housing measure.

So that veterans would be aided in buying a home, the Government backs mortgages made by private lenders with approval by the Veterans' Administration. Over 1,500,000 veterans have purchased their homes with VA-guaranteed loans. And we have not heard and do not hear any opposition to this Government help to a private-enterprise effort from those who oppose the cooperative-housing measure.

Now, following traditional lines already laid down by previous experience, we are attempting to help private enterprise reach still another part of the middle-income housing market that it has been able to serve only in part. In this cooperative-housing title, we are attempting to assist a form of private enterprise which our present housing aids do not effectively assist. We are doing so in order to meet an area of housing need which admittedly is not fully served by our present means of Government assistance to the traditional forms of private housing enterprise. Yet, although this cooperative-housing measure parallels in many respects the formula through which the traditional forms of private housing enterprise are assisted by the FHA, the Veterans' Administration, and the Federal Home Loan Bank System, we encounter opposition from the very groups that have heretofore embraced and benefited from Government support of their private activities in the housing field, and which even seek to extend and broaden the benefits they receive under these existing programs.

The housing measure which we are now considering makes available technical assistance to housing cooperatives in the same way that special guidance was provided when other programs of assistance to private housing enterprise were launched.

It establishes a mixed-ownership corporation, similar to those set up under the Federal Home Loan Bank System. It authorizes the corporation to start with capital supplied by the Federal Government, but with participation, and eventually full stock ownership, by borrowing cooperative and nonprofit organizations—also a pattern already successfully used in other fields.

The mixed-ownership corporation is authorized to obtain additional loan funds by selling its obligations on the private investment market. In the unlikely event of a default on such obligations, Government-guaranteed debentures would be issued in their place. These debentures would be identical with those which the FHA issues against defaulted mortgages which it has insured. For 16 years now the FHA has successfully operated a program in which the Government has underwritten certain mortgage loans, thus effectively protecting the private lender and encouraging him to invest more funds in housing and on terms more suited both to the needs of the operative builder who constructs the housing and to the individual consumer who buys the housing.

These are not strange or unproven methods which the pending bill proposes. They are widely used and accepted in private-mortgage financing. Then why the opposition from certain groups when we try to provide Government assistance to reach the forgotten part of the middle-income third of our Nation? And why the transparent smoke-screen attempt to hide the private-enterprise nature of this measure by crying "socialism?"

Since when, Mr. President, is it socialism to help the people who live in an apartment building to own it, any more than it would be socialism to help people to own their homes?

Is it un-American to help people to acquire a proprietary interest in their own domicile? The American ideal certainly does not contemplate America as a Nation of tenants paying higher rents than they can afford. When a man owns his home, or when he owns his share of his apartment building, he has a stake in our system of private property. He is then willing to defend the right of private property because he owns some of it. When we promote the concept of home ownership we strengthen our democracy.

Would not these everlasting alarmists ever realize that our Nation must make progress for the betterment of its people or slowly wither on the vine? Why must they oppose all progress? Above all, why must they always raise their hue and cry every time we try to do something truly good for our country?

Is it not about time someone told them the story about the little boy who cried "wolf, wolf" so much that no one would listen to him when the real wolf appeared?

These people who cried "socialism" to the Securities and Exchange Commission, to the FDIC, to the REA, to social security, unemployment compensation insurance, and FHA, now scream the same old thing when we undertake cooperative housing. How often do they expect to be proved wrong before their judgment becomes discredited in the eyes of the public?

The representative of the American Bankers Association, testifying on the housing cooperative measure, stated:

> We recognize cooperatives, individually owned businesses, partnerships, and corporations as different forms of private business institutions.

I think it only pertinent to ask, why has this recognition not been accorded in fact as well as in words?

The question raised by the cooperative housing title of this bill is not one of socialism or private enterprise, of Government participation or special privilege. It is a question of whether a widely used, generally approved approach—that of enabling people to join with each other to meet a need that they are unable to satisfy as individuals—is to be applied to the urgent problem of housing a sizable and important group of our citizens.

We can debate here for months and years, but the fact will remain that here is a democratic, practical approach to an unanswered housing problem that cannot be ignored. Unless we do act, the means for these families to join together to serve themselves will continue to be lacking. This bill offers hope to thousands of families of achieving the security of their own home under an American standard of living. Destroy that hope and you have invited far more serious dangers to the American system than any of the imagined fears and scare phrases that the opposition to this bill has yet dreamed up.

The wonder is, since this proposal is so characteristically democratic in nature and is based on methods that have been so successfully used and hailed even by those who oppose it, that we have been so long in establishing an aggressive program to develop the principle of cooperation in housing, as we have done in other fields. This is a sound answer, a practical private-ownership answer, a typically American answer to the remaining great housing need in the middle-income field. Such a program is needed and it should be supplied now.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LONG. I am very happy to yield to the distinguished senior Senator from South Carolina.

Mr. MAYBANK. I was not in the Chamber during most of the Senator's speech, but I listened attentively to the conclusion of it. Did the Senator bring out that under our democratic form of government the cooperative housing projects would have to pay school district taxes, city taxes, State taxes, and other taxes, and that they would not be granted exemption by any provision of the pending committee amendment in the nature of a substitute?

Mr. LONG. I am glad that the Senator has brought out that point. It is my desire to see that cooperatives will not be tax-exempt. It is my desire to see to it that they pay their fair share of taxes. I wish only to give them the opportunity to finance cooperative housing on the best available terms, with the Government insuring their loans.

Mr. MAYBANK. I am happy that the Senator feels that way about it, because there has been some misunderstanding about the interest rate to be paid by housing cooperatives for their loans. As the distinguished Senator knows, there is no fixed interest rate provided in the committee amendment. It would be based upon the interest rate for which mixed ownership corporation debentures can be sold.

There has been some misunderstanding about taxation. These projects are not exempt from any local taxes, and they are not exempt from any city, State, or school district taxes by any provision

in the pending committee substitute for S. 2246.

Mr. LONG. I am glad that the Senator has brought out that point. The cooperative units would not be tax exempt, and the rate at which they would borrow money would be the rate at which private enterprise was willing to loan the money to them. The difference between the committee bill and the Tobey-Ives substitute is that the committee bill would permit cooperatives, by working together as an association, to save a great amount of money on interest rates, which could not be saved if each of them had to apply individually for a loan in the private money market, and by servicing their own loans to make still greater savings.

RESULTS OF AMERICAN FOREIGN POLICY

Mr. JENNER. Mr. President, when I returned from a trip around the world last December, I issued a statement to the press in which I charged that the bipartisan foreign policy was the damnation of America and was rapidly becoming the curse of Europe and Asia as well. Since that time, I regret to say, I have failed to find any evidence whatever which would compel me to change my mind. Instead, to the contrary, I have been continually confronted with more overwhelming proof in support of my charge.

So completely convincing has this proof become that even the most outspoken supporters of the bipartisan foreign policy now are pouring out their frightening confessions of its disastrous consequences.

As the following documentation will prove, the bipartisan foreign policy has been hiding outrageous betrayals of American principles, a disgraceful abandonment of our vital interests, a vicious undermining of our economic and financial solvency, and the flagrant neglect of even the minimum requirement for an impregnable national defense. In other words, Mr. President, these so-called champions of the bipartisan foreign policy have at long last been forced to admit that we have been made the victims of the most gigantic face-saving fraud in history, and that as a consequence, we have been only aggravating the ills of the whole world, playing into the hands of Stalin, threatening our own future as a free people, and postponing the evil day of reckoning.

Mr. President, the sorry truth is, as the following record will show, that every single principle on which the conduct of the war and of our international meddling since the war has been based, is now crumbling before our eyes.

First, we were propagandized into believing that Russia was a peace-loving ally upon whom we could count for general cooperation in the just solution of all the economic, social, political, and military problems of a postwar world.

Second, we were promised that the principles of the Atlantic Charter would provide the base for the forthcoming peace treaties. These principles we also were propagandized into believing Russia had endorsed and would continue to endorse.

Third, we were promised that the system of sovereign and independent states, and the whole system of international laws upon which that system has been based, would be preserved, and that these nations would be permitted also to join in solving the world problems as sovereign and independent states.

Fourth, we were promised that the vanquished peoples of Germany, Italy, and Japan would be reincorporated into the family of peace-loving nations on the basis of equal access to the trade and raw materials of the world.

Fifth, we were promised that there would be preserved in all the nations, stable elements of society with whom we could enter into long-term social, economic, and diplomatic contracts.

Yet, the plain fact is, every one of these principles have been repudiated by the secret diplomacy of Teheran, Yalta, and Potsdam, which changed what set out to be a war of limited objectives in Europe and Asia into a world revolution.

Sixth, although the pro-Russian sellout of our vital interests and security was finally forced into the open, every single principle on which our policies have been based since then has also collapsed.

On February 6, 1950, writing in the Washington Post, Joseph and Stewart Alsop admitted:

> It begins to be possible to foresee a great event here in Washington—nothing less than a sharp change in the whole tempo, scope, and plan of basic American policy. What has been happening in effect, is the rapid collapse of all the assumptions on which policy has been based since the 1943 election. There have been three of these assumptions: (1) That the Soviet Union wished to achieve its aims by the peaceful conquest of infiltration; (2) that the American monopoly on atomic weapons would continue to operate as a final safeguard against Soviet aggression; (3) that there was, therefore, all the time in the world to win the cold war.

Seventh, all of the ballyhoo about the United Nations being our only hope of peace, now has been so completely exploded that the New York Times itself admitted on February 11, 1950:

> We see thorough sabotage of the diplomatic machinery of the whole world—in the UN, in the Far East and southeast Asia, and in the European satellite countries. Diplomats are quarantined or expelled, visas are not granted, treaties and agreements are violated; in all ways the Soviet world is being cut off from the West.

Eighth, the North Atlantic Pact was based on the asumption that we alone had the atomic bomb, and now the February 11 issue, of the New York Times, reveals that—

> Many Frenchmen conclude, as did Gen. Pierre Bellotte, deputy chief of staff, that the Atlantic Pact has not solved any defense policies, and that the Truman Doctrine and the Acheson policy offer little assurance of safety to western Europe.

I am quoting further:

> The comment is made that it may also have rendered western Europe permanently defenseless—unless it acquired such bombs, which do not form a part of the military aid from the United States proffered as a consequence of the Atlantic Pact.

Ninth, the basis upon which the Marshall plan was framed is now disintegrating before our eyes, and as the Washington Post of February 10, 1950 admits, the second annual report of the Organization for European Economic Recovery reveals that—

> Attempts to eliminate dollar deficits solely by increasing exports to dollar markets are simply out of question by 1953 and, for that matter, for the indefinite future.

Since the success of the Marshall plan was based upon continued access by the European nations to the rich raw materials, resources and trade monopolies of their colonial possessions in the Far East, the expansion of communism in Asia is destroying any hope whatever of restoring European economic stability.

There is little wonder, then, that on February 14, 1950, Will Clayton again warned that—

> Stalin is winning the cold war. The Communists are closing in on us east and west. Even if we should be so fortunate as to escape another shooting war, there will hardly be any occasion for great rejoicing if we find ourselves whipped by this new technique, isolated politically and economically, our friends picked off one by one and added to Russia's satellites.

And, as what seems to me to be irrefutable proof of the suicidal course we are following, there is the statement of Sir Herbert Broadley, Deputy Director General of the Food and Agricultural Organization who, according to Lowell Mellett in the Evening Star, has revealed that—

> Whereas, before the war, he says, 22 percent of the population subsisted on 2,000 calories or less a day, now that underfed proportion has risen to 35 percent. Today, he says, there is less protein available for 80 percent of the world's population than there was before the war.

And, on the same day, Joseph and Stewart Alsop wrote:

> Everything now depends, therefore, on whether Acheson and his staff, having faced so many other unpalatable facts, are also willing to face the fact that world power balance is now rapidly shifting in the Kremlin's favor.

The point is, Mr. President, that our foreign policy is crumbling around our heads, all over the world.

On February 11, 1950, the New York Times itself admitted:

> Our policy is in a state of transition. We are faced with new elements and new conditions in every area in which this Government has to operate, and these drastic changes demand a fresh look at the problems and a reappraisal of our power to deal with them.

On February 6, 1950, Hanson W. Baldwin, one of America's ablest military analysts, writing in the New York Times, warned of the frightening consequences of this bipartisan foreign policy on the domestic scene, when he said:

> The hounds of fear gave voice again last week on the trail of our liberties. This danger to freedom and to all our past concepts of democracy is one of the less obvious but most important results of the President's announcement about the hydrogen bomb. * * *
>
> Even before the events of the last week, we had approached dangerously close in several fields to government, not of, for and by the people, but to government in camera, in which momentous decisions affecting our lives and our liberties were made without

the knowledge, much less the concurrence, of the people.

Congress, for instance, has been called upon to pass on defense budgets and to discuss foreign policy without having the factual basis that can alone provide a sound basis, that can alone provide a sound platform for debate. * * *

There must be less, not more, secrecy. Congress cannot abdicate its constitutional prerogatives; the Executive cannot arrogate tremendous powers; the people cannot docilely accept far-reaching secret decisions and increasing restrictions on information fundamental to policy, if democracy is to continue viable.

But now, Mr. President, on March 14, 1950, Mr. Walter Lippmann, writing in the Washington Post, admits that the bipartisan foreign policy has been leading us down a blind alley, the end of which we have reached and into a predicament about which Secretary Acheson admits there is nothing that can be done. I quote from Mr. Lippmann:

There must be a better way to run a government, which is supposed to be leading the free peoples of the world, than to announce daily that the Senate does not trust the Secretary of State and that the Secretary of State is afraid the people cannot be trusted.

Clearly we are not focusing our total resources, including our resources of brain power and of heart. Why not? Because we have not been given any objective on which to focus.

But, in fact, what we see is that Mr. Acheson has nothing new to propose to the Russians and that he has nothing new to propose to the American people and to our allies. Thus, the diplomatic situation is frozen in Washington while the actual situation in Europe and Asia is deteriorating. The State Department has for the time being run out of ideas which evoke energy, offer hope, and create confidence.

If Washington won't try, then Paris, London, Bonn, Delhi, Tokyo, and the rest will try, for what is happening as a consequence of the freeze-up in Washington is that the leadership we had by virtue of our ideas and our power is rapidly disintegrating. We are losing touch with the peoples of the world—with their fears, their hopes, their needs, their purposes, and their will to survive.

Mr. President, it is obvious now that the American people are confronted with catastrophic failure as a consequence of the outrageous bipartisan foreign policy which they have been forced to support during these postwar years. The complete paralysis of the executive branch of Government which now has resulted, presents a historic challenge to the Members of the United States Senate, who, up until this hour, have had their own independence of action paralyzed as well.

The consequence of the secret diplomacy of the past certainly has been sufficiently disastrous to warn us all how suicidal it would be for us now to stand idly by and permit ourselves to become the victims of a new outbreak of secret diplomacy, the consequences of which would spell our death warrant as a free people.

Mr. President, it is my solemn conviction that if we are to prevent our being plunged into such a new era of secret diplomacy, it is our duty to stand on our own feet and salvage what we can from the existing wreckage of this bipartisan fraud. This means that we cannot permit our ship of state to continue to drift aimlessly on the rising tide of international anarchy, and that wherever and whenever possible, we must take over the reins of leadership and at least must force a repudiation of the obviously suicidal policies to which we continue to be a party.

Mr. President, there is one area in which our crucial interests are today at stake, and in which the United States Senate must take immediate action, if we are not to be completely sold out, again, into the hands of Russia. I am speaking of our relationship with the new Federal German Republic, and I am specifically referring to the self-defeating, economic insanity to which we continue to be a party, and which we continue to force the American people to underwrite.

Mr. President, I am referring to the shocking news that the British are busily engaged in destroying the German peacetime industrial potential and are shipping the plants essential to that potential behind the iron curtain to the east, and are blowing up buildings that are desperately needed for peacetime purposes. This senseless destruction has been carried out to the point where even the concrete foundations of those buildings are bored to a depth of 20 feet, filled with dynamite, and then blown up. Think of it, Mr. President. That is what is going on at this very moment, when the whole future of Europe, which is dependent upon the future of Germany, hangs in the balance.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Indiana yield to the Senator from Nebraska?

Mr. JENNER. I am glad to yield.

Mr. WHERRY. Mr. President, the distinguished Senator from Indiana prefaced his remarks by stating that just before Congress convened he made a trip around the world and visited many of these countries. In view of the statement the Senator has made about the dismantling and destruction of plants in western Germany, I should like to ask him whether it is true that in the British zone or the French zone, or in both of them, the activities have gone away beyond dismantling; and I should like to ask the Senator whether the British Government or the French Government are permitting the destruction of buildings which might be converted to civilian, peacetime use.

Mr. JENNER. There is absolutely no question about that, Mr. President, and it is going on at this time. I am attempting to point out to the Senate that we must act now, or else we shall be sold out again to Russia. All this activity is a part of a program to destroy our economic stability and to make Russia more powerful.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. JENNER. I am glad to yield.

Mr. WHERRY. What impact does that destruction, which goes beyond dismantling, have upon the citizens of the new German Republic?

Mr. JENNER. Destruction is being made of buildings and factories that are needed for the rebuilding of Germany and its peacetime production. The factories which are being destroyed have nothing to do with war. Therefore, that destruction is playing right into the hands of the Communists, because Gerhardt Eisler—let me refer to him as a specific example—is saying to the people of the new German Republic, "If you will go along with us we will retake this land and we will put you back to work." In other words, Mr. President, unemployment is increasing the unrest all the time; and idle people cannot be kept from going communistic, especially as they are forced to be idle by the destruction of factories in western Germany which can be used for peacetime activities.

Mr. President, I wish to present nothing but the facts that surround the policy of wanton, brutal, senseless destruction that continues to go on, at the very time when we are being told to pour out more and more billions of dollars to strengthen the economic backbone and political stability of those people, who stand at the threshold of new threats of Communist infiltration and expansion. I wish to present these facts, Mr. President, for the particular consideration of members of the Senate Foreign Relations Committee, the Senate Committee on the Judiciary, and the Senate Appropriations Committee, in an effort to bring home to them what a violation of the American principles of decency and justice and what a threat to our own national security are involved in a continuation of this economic madness.

Mr. President, none of the members of the Foreign Relations Committee are now on the floor of the Senate, but I hope they will read these remarks in the RECORD.

As I have said, I also wish to call this matter to the attention of the Judiciary Committee and to the attention of the Appropriations Committee, the latter being the committee which handles the bills by which are appropriated the billions of dollars we are spending for this senseless program in western Europe.

The distinguished junior Senator from Nebraska is a member of the Appropriations Committee, as I recall.

Mr. WHERRY. Mr. President, if the Senator will yield, let me say that I have the honor of being a member of that committee.

Mr. JENNER. I wish to call to his attention a release of March 12. This is from the Commercial Appeal's Washington bureau, on Sunday morning, March 12, and it refers to the dismantling:

A demand that dismantling of German industrial plants be stopped "at once" was lodged Sunday with Secretary of State Acheson by Senator EASTLAND, Democrat, of Mississippi.

The Mississippian, in a letter to the Secretary, also protested English demands for a harsh treaty with Japan. He cal'ed both the continued plant dismantling and the treaty demands parts of a British plan to effectively eliminate German and Japanese commercial competition.

Senator EASTLAND's demand followed by 24 hours the ultimatum by Senators MCKELLAR, Democrat, of Tennessee, and WHERRY, Republican, of Nebraska, that the dismantling be stopped. The McKellar-Wherry ultimatum was issued to John J. McCloy, United States High Commissioner for Germany, at a meet-

ing of the Senate Appropriations Committee. Senators McKELLAR and WHERRY confronted Commissioner McCloy with direct reports from Germany of "wanton destruction" by the British of plants that could produce in competition with them.

Mr. President, I should like to ask the distinguished Senator from Nebraska whether he has had a reply from Mr. McCloy in regard to this wanton destruction in Germany. I should like to know whether anyone has taken an interest in this important subject.

Mr. WHERRY. Mr. President, I noticed that the Senator said the release was made by the Senator from Mississippi [Mr. EASTLAND].

Mr. JENNER. I said it is a release from the Commercial Appeal's Washington bureau.

Mr. WHERRY. I ask that question because the evidence which was given in the committee by the High Commissioner, Mr. McCloy, was given in executive session. For that reason, as a member of the committee, I would not feel free to comment upon the evidence he gave, because it has not yet been released, although, inasmuch as the release to which the Senator from Indiana has referred has been made, it is now public information. So I can say that the High Commissioner was before the Appropriations Committee and was there in an attempt to justify the appropriation for that administration in connection with the new government in Germany.

Mr. President, the distinguished High Commissioner was before the committee practically all afternoon, attempting to justify the administration costs. I cannot release the figure which was given in that connection because it has not been released by the committee. But in interrogating the High Commissioner the question of dismantling arose.

I did not know that the Senator from Indiana was going to mention the release in which the Senator from Mississippi [Mr. EASTLAND] is quoted; but when I asked the Senator, prior to the time he made the release public, whether he had seen this destruction and dismantling, I understood that he replied that he had.

Mr. JENNER. I did not see it, but I know it is going on now.

Mr. WHERRY. Then that bears on the release, because the evidence adduced shows that in British-occupied Germany plants are being destroyed—not dismantled, but absolutely blown up, blown out of existence, buildings which could be used for purposes of the reconstruction of the civilian economy.

I have one particular town in mind. Once again, Mr. President, I shall not state the name, because, as I have said, I am not at liberty to do so, because the chairman of the committee has not yet released the information. But I have in mind one German town in which a steel plant is located. It was not included in the Petersburg agreement; that agreement did not cover the question of whether that plant should be dismantled or destroyed. But for purposes of international relationships which stem directly from the Secretary of State, Mr. Acheson, it was agreed that the plant had a war potential and that it could not be operated economically, and that therefore the plant, instead of being dismantled—and let us bear in mind that the plant was erected only during the latter part of the war—was to be destroyed. Yet the blast furnaces which have been used to produce steel could be converted immediately to produce fertilizer. Other parts of the installation could be used to produce cement, to be used for civilian purposes, so that 15,000 people inhabiting the area could find employment, and the people could be kept satisfied under the new regime. It is not a question of dismantling, it is a question of complete destruction.

Mr. JENNER. It is a question of wanton destruction.

Mr. WHERRY. This particular incident is one that was brought to the attention of Mr. McCloy. I want to be fair to him. I think Mr. McCloy has done possibly as well as he could, under the circumstances, with what he had to work with in Germany; I mean, with a Secretary of State who carries out such a mandate. But the so-called dismantling the Senator is talking about of course has to do with our request that it be stopped until a review can be had.

Mr. JENNER. Has the Senator received a reply?

Mr. WHERRY. I received a reply from the State Department this morning saying that Mr. McCloy had been in conversation with the authorities of the British Government, and would report immediately upon his return to Germany. I understood he was to return today. He is to report as to what is to be the continued policy, at least at this one plant. I want to tell the Senator I have evidence that it is only one, and while it is true that many plants which could have been saved have either been dismantled or destroyed, yet there are still plants which can be converted to civilian use, which would mean much toward rehabilitation of the German economy.

The Senator knows as well as I do that if we are to fight communism, one of the choice spots in Europe is in the very heart of the Ruhr, and in the German area, where the people certainly dislike communism and, that, if given any opportunity at all from a moral, educational, and governmental standpoint, they will do their level best to thwart the threat of communism in that section of Germany.

So I am very happy with what Mr. McCloy has promised, and I hope that in this one instance, at least, something can be salvaged. But I want to say now that if the joint resolution introduced a year ago by the junior Senator from Nebraska and a long list of other Senators—about 40, I believe, altogether—had been acted upon by the Foreign Relations Committee of the Senate, we could have saved the taxpayers of the United States millions upon millions of dollars, which they will now be called upon to pay in order to rehabilitate some of the very plants which have either been dismantled, carried off, or absolutely destroyed.

Mr. JENNER. Or else we will be driving the Germans into the hands of the Russians.

Mr. WHERRY. There is no doubt about that.

Mr. JENNER. I thank the distinguished Senator. At this point in my remarks, I should like to have the release which was issued by the Washington bureau of the Commercial Appeal printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

DISMANTLING

WASHINGTON, March 12.—A demand that dismantling of German industrial plants be stopped at once was lodged Sunday with Secretary of State Acheson by Senator EASTLAND, Democrat, of Mississippi.

The Mississippian, in a letter to the Secretary, also protested English demands for a harsh treaty with Japan. He called both the continued plant dismantling and the treaty demands parts of a British plan to effectively eliminate German and Japanese commercial competition.

Senator EASTLAND's demand followed by 24 hours the ultimatum by Senators McKELLAR, Democrat, of Tennessee, and WHERRY, Republican, of Nebraska, that the dismantling be stopped. The McKellar-Wherry ultimatum was issued to John J. McCloy, United States High Commissioner for Germany at a meeting of the Senate Appropriations Committee. Senators McKELLAR and WHERRY confronted Commissioner McCloy with direct reports from Germany of wanton destruction by the British of plants that could produce in competition with them.

As a result of the McKellar-Wherry outburst Commissioner McCloy promised to at once telephone the British High Commissioner in Germany and order a moratorium on dismantling activities until the matter can be gone into more thoroughly.

"England is trying to tear up Germany while we are called on to spend billions of dollars feeding the German people" Senator EASTLAND wrote Secretary Acheson.

"England is demanding a harsh peace treaty with Japan so as to put Japan out of the Asiatic markets. They want Japanese and German competition. If England wins her point regarding the treaty it will make Japan a permanent ward of this country at a cost of billions of dollars.

"It is time our State Department acted to protect the interests of the United States. It is the Russian policy to destroy those countries. The Russians know that where poverty, disease, and human misery prevail, communism is strong. We are following the English lead and we are playing the Russian game. Our own do-gooders and Anglophiles are nothing but Russian fifth columnists in the end result.

"England's present policy, which it appears we are following will do grave damage to the future prosperity and security of the United States. The German people hold the balance of power between western civilization and the mongrel hordes of Communist Asia.

"It is to the very highest interest of the United States that we build up Germany and Japan as prosperous, strong allies and as barriers against Russian expansion. It must be remembered that they first must be conquered before the United States can be successfully attacked."

During the past week the British were forced to call out troops and tanks to protect their crews dismantling the Goering steel works at Brunswick, Germany, near the Russian zone border. Tearing down of the plant has thrown 15,000 Germans out of work and according to information given the Appropriations Committee the Russians have taken advantage of the unrest by telling the Germans that if the Russian zone could be extended to take in the plant they would put everyone back to work.

Mr. JENNER. Mr. President, as I have said, I want to present nothing but the facts surrounding the policy of wanton, brutal, senseless destruction that continues to go on, at the very time when we are being told to pour out more and more billions to strengthen the economic backbone and political stability of those peoples who stand at the threshold of new threats of Communist infiltration and expansion. I want to present these facts for the particular consideration of Members of the Senate. I want to try to bring home to them what a violation of the American principles of decency and justice and what a threat to our own national security are involved in a continuation of this economic madness.

I want to present this picture against the background of what we ought to be doing, to throw into even bolder relief the criminal betrayal of the American people which this program of senseless destruction constitutes.

On March 10, 1950, one of our ablest interpreters of international affairs, William H. Chamberlain, writing in the Wall Street Journal, warned us:

> It is high time to stop barking up wrong trees in Germany and to consider means of implementing our professed objective of bringing as much of Germany as we can influence, on equal terms, into a closer west European federation. Measures that are indispensable to this end are the dropping of all one-sided economic restrictions and controls, the transformation of the high commissioners into ambassadors and the metamorphosis of the obsolete occupation into some kind of protective friendly alliance.
>
> Unless solid progress along these lines is achieved quickly, we may experience a debacle of policy in Germany compared with which the Communist conquest of China may seem a very minor set-back.

Mr. President, the necessity for just such a change of policy was recognized in the Petersburg agreement of November 22, 1949, signed between Chancelor Adenauer and the high commissioners, when, in section 9, the Petersburg agreement states:

> The question of the termination of the state of war was discussed. Although such termination may be consistent with the spirit of this protocol, it presents considerable legal and practical difficulties which need to be examined.

I refer to this Petersburg agreement because with its signing we were lead to believe that the question of dismantling the German peacetime industrial potential had been settled to the mutual satisfaction of all parties concerned.

Yet I have now learned that 3 weeks before the Petersburg agreement was signed the British Dismantling Office drafted a secret order for the wanton destruction of the peacetime industrial potential of the Reichswerke Salzgitter, located near Brunswick in the British zone. This plant was not a war potential; it produced Thomas steel, which, because of its large percentage of phosphorus, was useless for armament purposes and served only the structural steel needs of peacetime enterprise. In spite of this fact, the British issued the order for the destruction of this plant.

It is significant that this plant is located right on the Russian frontier, in a community of 120,000 people. The community represents 18,000 workers, of whom 15,000 are now unemployed.

In spite of rising unemployment throughout Germany; in spite of the terrible housing shortage which would make it impossible to move these workers to other areas; in spite of the fact the Communists led by Gerhardt Eisler are telling these people that if they will only help to push the iron curtain west to include this plant, the Russians will put them back to work; in spite of the fact that no democratic government can long count on the political support of a working class which finds the bread being blasted from the mouths of its children with every new explosion that destroys the workers' job, the British moved into this plant and without notice to anyone, and in violation of both the letter and the spirit of the Petersburg agreement, began to dynamite the very foundation of the buildings.

As though these facts are not scandalous enough, the British have refused even to consider alternative proposals submitted to them by the directors of the plant, pleading for the retention of the existing buildings so they could be converted into alternative peacetime uses for schools, for housing projects, for hospitals, for repair of railway equipment, for the manufacture of cement and of phosphoric fertilizer.

It is a shocking commentary on the kind of international cooperation which the American people have had forced down their throats in recent years. It constitutes nothing but outrageous contempt for the constitutional duties and functions of the United States Senate. This wanton destruction is not debatable on any American platform or in any American institution where our traditional respect for justice and our love of liberty are still held paramount.

Mr. President, I have only brought to the attention of the Senate one illustration of the economic insanity which underlies our treatment of the German people and of the new federal government of Germany. It is my understanding that some of these facts have already been presented to the Senate Appropriations Committee, that they so shocked some of the members of that committee that they have requested Mr. McCloy to do something about it.

I am personally convinced that nothing really constructive can be done to bring this whole senseless program of destruction to a halt, until members of these various Senate committees, and the membership of the Senate itself, put an end to it. The junior Senator from Nebraska has said that Mr. McCloy is to be back in Germany, and that they are expecting some word from him.

Therefore, I suggest that a Senate committee be empowered to investigate the whole matter. It should be up to the Senate Committee on Foreign Relations to look into this senseless destruction. I demand a moratorium until a genuine, rational and just agreement can be reached to stop this wanton destruction once and for all.

We are merely playing Stalin's game. We are going to drive the Germans into Stalin's army. And God knows, with Russia now controlling 800,000,000 people, if the German people come within her orbit, we can expect plenty of trouble for this country.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. WHERRY. I should like to ask the Senator a question. I appreciate the suggestion which has been made that a committee of the Senate should be eyewitnesses of this program of destruction. I agree with the distinguished Senator, but I should like to ask him, even if we had such a committee, does he think the administration would change its foreign policy, even though the facts have been brought to its attention time and time again?

Mr. JENNER. We are spending billions of dollars of the American taxpayers' money in Germany, and yet we are playing right into the hands of Russia. So long as Congress controls the purse strings, if we cannot get Acheson and the little Red termites in the State Department to act, at least we can cut off the profits.

Mr. WHERRY. The point I was raising was that a year ago 44 Senators asked the Foreign Relations Committee to make a review of the dismantling and destruction of German plants. That resolution went to the Foreign Relations Committee. Arguments were made, perhaps not as forcefully as those which the distinguished Senator from Indiana has made today, which gave an irrefutable example, so far as destruction is concerned, but time and time again the question has been brought to the attention of the administration leadership and to the attention of Mr. Acheson, and we have not yet been able to get the committee even to consider the resolution.

Mr. JENNER. Back of the whole rotten business is the bipartisan foreign policy. If it were not for that, we could get to the bottom of the facts. But they play right into the hands of Russia. They kiss each other over the destruction of Europe.

Mr. WHERRY. If such an investigating committee should bring back examples of the destruction that is going on, what more could be done than has been done to get the administration to change its policy? What can be done?

I have done my level best to withhold appropriations. If that could be done, we could not only accomplish this, but many of the other things which the distinguished Senator has mentioned in his statement this afternoon. The Senator knows that we have attempted to get ECA funds reduced or to have a stipulation written into the law that there must be free convertibility of currency. It is admitted that unless that be done, we cannot accomplish the purposes of the act. Have we not wasted money if we come to the end of the ECA and have not carried out the purposes of the act?

Mr. JENNER. Of course it is wasted. I have just quoted from men who have stated that by the end of 1953 the dollar shortage will not be solved, and it will be some time in the future—God knows when—when it will be solved. By following this silly policy we are driving the German people into the arms of Rus-

sia. We are supposed to be fighting a cold war, but all we are doing is playing the State Department's game. Its entire policy has been set to the tempo of helping Russia accomplish her objective.

Mr. WHERRY. The State Department knows all about the plants which the Senator has mentioned.

Mr. JENNER. It is part of the State Department's program. They want to drive the Germans into the hands of the Russians.

Mr. WHERRY. There is more which the Senator has not told the Senate. I should like to have the Senator tell about the reception which was received; I should like the Senate to know the impact upon the German people. We are spending money to build morale, and then, in a town in which there are 18,000 persons unemployed, we find this situation. The excuse is given that we cannot operate economically, but the same contractors and engineers who constructed this plant have gone into nearby sections and built exactly the same kind of plants, which are producing the same kind of steel. Yet we blow up this plant, which could not only make steel but could manufacture fertilizer, cement, and other products which are so necessary to the civilian economy.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. DOUGLAS. I notice the Senator said, "we blow" these plants up. I do not think the Senator means that, does he?

Mr. JENNER. The British Government does it with the acquiescence of the American Government. We are furnishing money under the Marshall plan——

Mr. DOUGLAS. Will the Senator from Nebraska permit me to ask a question?

Mr. WHERRY. When I said, "We," I meant that the State Department is permitting to continue the policy of dismantling and destroying German plants, without hampering the British in any way. In that respect we are responsible. I should like to have the Senator read the RECORD of a year ago, to refresh his memory, because it happens that I took a vital interest in the matter, and I know the distinguished Senator from Illinois has constituents who are just as vitally interested as are some of my constituents in Nebraska. It is true that the State Department has yielded—perhaps it was the only way out—to pressures not only to dismantle but to destroy useful buildings which could have been converted into manufacturing products for the civilian economy.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Indiana yield to the Senator from Illinois?

Mr. JENNER. I yield.

Mr. DOUGLAS. It so happens that the Senator from Illinois joined the Senator from Nebraska on that occasion; but this is the first time I have ever heard the Senator identify himself with the British.

Mr. WHERRY. I want it perfectly understood that I am not identifying myself with the British or the French, but only with the good old United States of America, and I am constructively criticizing the State Department which places us in the position of permitting this dismantling to continue. It is not in accord, I think, with the program in the Petersburg agreement. Where is the authority obtained to destroy these buildings? Destruction and dismantling are two different things.

Have I satisfactorily explained my use of the word "we"?

Mr. DOUGLAS. Yes.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. BUTLER. Mr. President, several days ago my colleague from Nebraska [Mr. WHERRY] and I introduced an amendment to the pending housing bill to which I invite the attention of the Senate. In order that the RECORD may be complete, I ask that our amendment may be printed at the conclusion of my remarks. I might explain that this amendment is identical with the Senate resolution introduced as a separate measure by my colleague a few days previously.

Very simply, the amendment provides for the processing and insurance of section 608 applications which were filed prior to the expiration date of March 1.

There is nothing very complicated about this proposal. On half a dozen previous occasions we have written into law that section 608 would expire after a certain date. On every previous occasion when we have come up to the deadline date, we have extended it so as to permit additional applications for large-scale rental projects under this section to be filed and processed.

Now it seems to be the sense of the Senate that we should not continue section 608 authority indefinitely, and that is perfectly agreeable to me. It was an emergency program, of course. At the same time, I can see no possible sense in cutting the program off so abruptly.

The amendment I am discussing does not propose a further extension of the program at all. It merely provides for processing those applications which have already been filed. I suggest that it was very natural for builders to file applications under this section up to the very deadline in view of the experience they had had repeatedly of extensions of the dead-line date.

Furthermore, it is obvious that adoption of this amendment will not commit the Congress to extension again and again of the program. We are not proposing that new applications be accepted or processed. We merely want to permit those applications filed before the deadline to be handled in a manner that is fair to the applicant. I believe it might have been better in the first place if the cut-off date had been applied to the filing of applications rather than the granting of commitments. If that had been done, there would have been no problem. However, there is no harm done, provided we adopt this amendment.

Many of the applicants have gone to considerable expense in preparing these applications, and I believe it is a matter of good faith on our part. It has been said that some of these applications could be converted to section 207 projects, but obviously there are others which could not be converted to the new section, and it is that type of application that I am chiefly concerned about.

As stated previously, section 608 was emergency legislation, and none of us want to continue it indefinitely. It did involve fairly considerable risk to the Federal Government, although as a practical matter our financial experience with these projects has been exceptionally good. The point is whether there is still enough of an emergency to justify these projects.

It has been interesting to me to observe that some of those who are opposed to further 608 projects also contend that there is sufficient of an emergency to justify continuation of rent controls. In fact, we all know that if we need additional housing in this country, section 608 is the quickest way to get it.

This whole bill is based on the premise that we need additional housing. Other sections of the bill propose financing methods which are nothing more or less than extraordinary and which, in my judgment, will involve exceptional risk and very heavy losses to the Federal Government. In these circumstances, it seems to me to be elementary common sense to permit the processing of those section 608 applications which were already filed before the deadline date, and thus meet the need for housing at least to that extent.

There being no objection, the amendment, was ordered to be printed in the RECORD, as follows:

That the National Housing Act, as amended, is hereby amended by striking out of the first proviso in section 603 (a) "$6,150,000,000" and inserting in lieu thereof "$6,650,000,000," by striking out of said proviso "$6,650,000,000" and inserting in lieu thereof "$7,150,000,000," and by adding at the end of the second proviso in section 603 (a) a comma and the following: "or (iii) pursuant to an application filed prior to March 1, 1950."

Mr. DOUGLAS obtained the floor.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. How large an amount does the Senator propose to authorize in order to take care of the additional section 608 applications?

Mr. BUTLER. The proposal is that we allow only those applications which were on file as of March 1.

Mr. SPARKMAN. How much additional money would be required?

Mr. BUTLER. I do not know.

Mr. WHERRY. Mr. President, will the Senator yield so that I may answer the question?

Mr. DOUGLAS. I shall be very glad to farm out this time.

Mr. WHERRY. I very much appreciate the consideration of my colleague.

The question has been argued back and forth all afternoon between the distinguished Senator from South Carolina and the junior Senator from Nebraska. The reason why it has been debated is that the distinguished Senator from South Carolina offered an amendment which provides about the same thing as is asked for in this proposed amendment. The Maybank amendment provides for $400,000,000 additional. The amendment offered by the senior and junior Senators from Nebraska provides for $500,000,000. The distinguished Senator from South Carolina says he has reference to a different section and takes the allocation out of the $750,000,000 allocation already made.

I do not think it makes much difference, except that the Senator says that his amendment will take care of all the applications made in good faith which were filed in the field by February 1. So the difference between the amendment offered by the Senator from South Carolina and that offered by the Senators from Nebraska would be the difference between the dates of February 1 and March 1.

Statements have been made to the effect that if all applications were processed up to March 1, an additional $500,000,000 might be required. The Senator from South Carolina stated this afternoon that he did not know, because he could not tell how many applications might be approved or might be rejected, but he feels that $400,000,000 will be ample to take care of the projects which might be approved, applications for which were filed in the field by February 1. He stated that if any were filed, in good faith, before that time, and required an additional amount up to February 1, he would be glad to ask for another $100,000,000, if necessary, to take care of the situation.

There is a difference, however, between the original joint resolution I offered and the amendment, namely, that this is an amendment to the housing bill, and the joint resolution would not have had to run the hurdle the housing bill must run. If the housing bill gets swamped in a conference, as it may, it may be a month or several weeks before relief can be had, while if the joint resolution had been taken up on its own merits relief might have been had immediately for applicants under section 608. But once again the difference is $100,000,000. I do not think it makes any difference whether it is taken out of one section or another; we would still be using money. That is what the Senator said, and I respect him for it. The cut-off date is February 1 instead of March 1.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. I regret that engagements have prevented me from being on the floor during the entire debate this afternoon. I suppose the question has been covered time after time, but personally I am strongly in favor of section 608 projects, and some relief being given. I think section 608 has been of remarkable advantage. However, all the members of our committee believe it is time to cut it off, and we served notice well ahead of time that it was going to be cut off.

Mr. WHERRY. When did the Senator serve that notice?

Mr. SPARKMAN. Last fall, in October, when it was extended, it was said that it would not be extended again starting with January 1, and when we had hearings on the pending housing measure we said repeatedly that we would not extend section 608.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I shall be glad to yield if I have gained the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. I have released the floor.

Mr. WHERRY. Mr. President, I do not wish to detain the Senator or interrupt his speech. While it is true that there was to be no extension, neither the junior nor the senior Senator from Nebraska tried to extend section 608. What I wish to know is whether there was any date when the housing authorities, whoever they are, issued to the public a statement that no more applications would be received.

Mr. SPARKMAN. Oh, no.

Mr. WHERRY. Or anything of that nature.

Mr. SPARKMAN. No; but on January 23, if I remember the date correctly, the Federal Housing Administration did notify its various field offices, and instructed them in turn to notify all applicants after February 1, that most likely their applications would not be approved. But, that is not the point of my statement. I do not wish to argue that point. Whatever the Senate and the House agree on will be agreeable to me. I am in favor of doing equity with the people who in good faith have made their applications.

However, I wish the RECORD to show, Mr. President, that there has been a great deal of opposition to the housing measure on the ground of its being inflationary. I wish to state here and now that the most inflationary part of the bill is that which provides for section 608. I wish to bring out the point that during the 9 years while section 608 has been in existence, FHA has insured $2,180,000,000 worth of housing under the program. Yet, during the 2 months of January and February applications have come in to the extent of $700,000,000, which is 33⅓ percent of the amount under the whole program during the previous 9 years.

People all over the country have urged us by all means to take care of the three-quarter billion dollars' worth of section 608 projects, the most inflationary part, the most costly part, and the part which the Government insures to the fullest extent. The same people oppose the cooperative housing feature, which is the least inflationary of the whole bill, even less than title II, covering FHA. I wish the RECORD to show also that what Congress is asked to do now is to put $700,000,000 into section 608 housing in the course of 2 months, when we have put in only three times that much in the course of 9 years. That is the one thing I wish to bring out.

Now, Mr. President, I send to the desk two amendments to the pending measure which I propose to offer, and I ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. WHERRY. Will the Senator yield for one observation?

The PRESIDING OFFICER. The Senator from Illinois still has the floor.

Mr. DOUGLAS. I am always glad to yield to the dart-thrower from Nebraska.

Mr. WHERRY. I appreciate the distinguished Senator's courtesy, and thank him for yielding. I do not wish to prolong the debate, and I wish to have it understood that so far as the junior Senator and the senior Senator from Nebraska are concerned, the resolution and the amendment do not go to the merits of section 608 at all. Whether it takes $700,000,000 of the last 2 months or a billion or $500,000,000 in the last 2 months, if the legislation was wrong, or if the merits of the bill were wrong, that is one thing. All that the senior and junior Senators from Nebraska attempt to do with their amendment is to see that fair and full justice is done to those who complied with the provisions of the act, and filed their applications. If there is a bottleneck which stopped the processing, I am sure it was because of administration. All I am asking is what our amendment would do, and what the joint resolution in the first place would have done, namely, where applications have been made in good faith under the provisions of the act, to have the Government process them. If it does not want to approve them, very well. If it wants to reject the applications, that is all right. I am not talking about the merits of section 608. I am talking about the way the act should have been administered. If it is true that on January 23 the administration issued a letter saying, "We cannot process any more; we are not going to do it," that is one thing.

No hearing was held on my joint resolution. I would have liked to have the opportunity to attend such a hearing. I am not a housing expert, and I have the greatest respect for the Senator from Alabama, who has worked so hard on the subject of housing. Perhaps that is why I ask him about notice.

Mr. SPARKMAN. It is true that we did not have a formal hearing on the Senator's joint resolution, but at the time he introduced it—of course we knew the problem was before us—we did have a conference in the committee, and we asked the Housing Commissioner to come before the committee. I believe the Senator received a copy of the Commissioner's testimony, and it was discussed in the light of the Senator's joint resolution. The only reason why we did not have a hearing on the Senator's joint resolution was because we felt that the housing bill would come before the Senate long before the joint resolution could be brought up, and we felt it was the proper way in which to handle the matter.

Mr. WHERRY. I appreciate the Senator's answer. I could have attended the hearing of the committee and given my

interpretation of my joint resolution. I think it was a courtesy due the Senator from Nebraska. For several reasons, I regret that I did not have an opportunity to speak on its behalf. One of the reasons is that one or two Senators apparently believe that the joint resolution would extend the act. I have tried to make it very plain that there was no provision for the extension of section 608 at all. The joint resolution, if passed, would have provided for the processing of the applications. That is all. The second reason is that I do not agree with my distinguished friend from Alabama. I believe the joint resolution could have been passed, if it could have been reported by the committee, more quickly than we could pass a housing bill through both Houses of Congress. Perhaps I am wrong. However, I have seen many conferences, and I believe that if we could have handled the matter separately, we could have gotten it through and obtained relief earlier. But there is not much difference between the amendment offered by the Senator from South Carolina and the joint resolution introduced by the Senator from Nebraska.

Mr. LONG. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. The Senator from Illinois has the floor, but I am glad to answer any question.

Mr. LONG. I should like to assure the junior Senator from Nebraska that I made the suggestion in committee that we attempt to hold a special hearing in order that the junior Senator from Nebraska could present his views in regard to this matter, but there seemed to be some feeling on the part of the members of the committee that if we did that we would have to hear many other witnesses, and that that would unduly delay the enactment of housing legislation.

Mr. DOUGLAS. Mr. President, earlier in the afternoon the junior Senator from Ohio [Mr. BRICKER] asked to have printed in the RECORD an editorial from this afternoon's Evening Star which is very criitcal of title III of the bill now before the Senate. The editorial criticizes the bill on the ground that it is discriminatory and unsound, and that it grants a subsidy apparently in the form of a governmental lower rate of interest than can be obtained in the private commercial market.

For the sake of the RECORD, I should like to point out that the economies which, in our judgment, will reduce rents by from one-third, under title III, are not derived from any subsidy whatever. We estimate that an $8,000, four and one-half room unit, which would cost $90 a month for a person to rent, under section 608, can be rented for $67 under title III. With a saving of $4.30, on a smaller vacancy, of 3 percent rather than 7 percent, a saving of $5.60 in operating expenses, with the members of the cooperative doing a large portion of the work, and a saving of $7 and a little over in the form of lower interest and amortization.

Mr. President, I think it very important for the Senate to realize that there is no governmental subsidy contained in this lower interest rate. The bonds issued by the National Mortgage Corporation for Housing Cooperatives are to be floated in the private market, subscribed for by private investors, and the interest rate upon them will be the market rate of interest. I want to make thoroughly clear that it is the private market rate of interest which will be at the basis of the interest rate charged to the cooperatives themselves.

Then there will be added to this an allowance of one-fourth of 1 percent as a reserve for possible losses—that is prescribed in the bill—and allowances for administrative expenses of the Corporation, which are to be met by the borrowers, not by the Government, which will probably amount to one-half of 1 percent; and that there will be a further addition for the establishment and maintenance of other necessary corporate reserves of approximately one-eighth of 1 percent. In other words, the interest rate which the cooperatives will pay will cover the full private interest rate, plus the administrative additions, plus the reserve for losses; and there will be no governmental subsidy whatsoever.

Mr. President, there has been some newspaper discussion about this matter, and I ask unanimous consent that there be inserted in the body of the RECORD, first, an original editorial of the New York Times of February 20, 1950, attacking title III; then a reply by my distinguished colleague the Senator from Alabama [Mr. SPARKMAN] which appeared in a later issue of the New York Times of February 25; then the rejoinder of the New York Times in the same issue under the heading "What is a subsidy?"; then a letter which I addressed to the New York Times on March 2, 1950, replying to their criticism of the Senator from Alabama, which has not yet appeared in that newspaper.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

[From the New York Times of February 20, 1950]

"HOUSING" IS A MISNOMER

Thomas B. McCabe, Chairman of the Federal Reserve Board, speaking for that body, has gone on record as opposed to the administration's $2,000,000,000 so-called middle-income home-financing bill, as now set up. The Board's position is hardly surprising. No body charged as the Reserve Board is with responsibility for stabilizing the Nation's credit system could conscientiously or logically support a measure so economically irresponsible.

This newspaper has consistently favored public-housing programs where they could be justified on legitimate humanitarian or social grounds. But to describe this proposed bill as a "housing" program in that sense of the term is a complete misnomer. The plan is not restricted to families with substandard incomes. The Internal Revenue Bureau classes persons in brackets up to $6,000 as in the middle-income group. Actually, this bill doesn't even include that limitation. The nearest it comes to it is to provide that the particular residential project contemplated should meet the need of "moderate-income families in the locality."

Specifically, the bill calls for the creation of another Government lending agency, this one to be known as the National Mortgage Corporation of Housing Cooperatives. The new institution would be authorized to make long-term low-interest rate loans to housing cooperatives and other nonprofit organizations for housing purposes. The proposed terms for such loans are so fantastically liberal that they come close to being merely thinly disguised subsidies. Lending rates would be only slightly higher than those at which the United States Government itself can borrow. In fact, the bill provides that the two should be tied together. The loans would be amortized over a period of 50 years—half a century. Nor is that all. An extension of another 10 years would be obtainable by the borrower; also, the Corporation would be authorized to defer payment on both principal and interest for as long as 3 years during the life of the loan. No wonder that Mr. McCabe observed that: "We know of no mortgage credit currently available in this country on amortization terms of 50 to 60 years or at interest rates such as are contemplated here."

Surveying the provisions of this bill, we find ourselves tempted to repeat an observation we made after going through the Brannan farm bill—namely, that no measure which rested on a sound economic basis would have to be made so thoroughly delectable as this one politically.

[From the New York Times of February 25, 1950]

MIDDLE-INCOME HOUSING—SENATOR SPARKMAN DEFENDS LEGISLATION AS AID IN SOLVING LIVING PROBLEM

To the EDITOR OF THE NEW YORK TIMES:

I find it hard to believe that the New York Times, in an editorial February 20, can so categorically label as "economically irresponsible" the middle-income housing legislation.

While it is true that the legislation contemplates that loans for housing projects for middle-income families would be available to housing cooperatives and nonprofit corporations at a low rate of interest, no subsidy "thinly disguised" or otherwise is involved. The legislation provides that the loans will be made at whatever rate of interest is determined to be necessary in order to return to the National Mortgage Corporation for Housing Cooperatives the cost of money to it plus the spread necessary for defraying all of its administrative expenses and for establishing and maintaining necessary reserves, including the specific reserve for losses which is required to be established under the legislation.

I do not recall that anyone has said that the parallel operations of the Federal home-loan banks in making loan funds available to financial institutions at rates only slightly higher than those at which the United States Government can borrow should be regarded as so fantastically liberal that they come close to being merely thinly disguised subsidies.

RESERVE FOR LOSSES

In terms of the required reserve for possible losses under the provisions of the legislation the ratio of the cushion for losses to outstanding contingent liability at the end of the 15 years after the authorized loans were made would be 15½ percent. This would compare to the 3⅓-percent ratio of available cushion to outstanding liability under the FHA's title II program after about 15 years of operation.

In the case of a rental housing project built and operated for profit the limited equity of the owner is a basic reason for the lender limiting the maturity of the loan (FHA, 33 years) as he faces the risk that the owner may "milk" the project in order to realize the greatest profit in early years. No such risk would be involved in the case of housing operated by a cooperative or other nonprofit corporation. The importance of this factor in relation to a sound and appropriate amortization period for rental housing financing was recognized by the Congress when it enacted the Housing Act of 1948 adding the yield insurance title to the FHA program. Under that title, where direct or

equity investment is used for the entire cost, a 50-year amortization period is expressly authorized, and it was not considered fantastically liberal by anyone.

With respect to the assurance of adequate maintenance and repairs, a cooperative organization is particularly adapted to eliminate risk to the lender over a long term. Unlike tenants in rental projects, occupants of cooperative housing have every incentive to maintain their property in first-class condition.

The lender is protected and the tenant benefited by the provisions requiring that the location and physical planning of the housing project must afford reasonable assurance as to the stability of the neighborhood, and the dwellings in the project must meet sound standards of design, construction, livability, and size for adequate family life. The design and construction of the project must also be such that economies are promoted through efficiency in operation, management, and otherwise. The cooperative must agree to maintain the project in good condition throughout the life of the loan, and to establish and maintain such adequate reserves for repairs, maintenance, and replacements as the corporation shall require in the loan agreement.

MODERATE INCOME DEFINED

The editorial also categorically states that the plan is not restricted to families with substandard incomes. The legislation provides that no loan may be made unless the project is to be occupied predominantly by families of moderate income. Families of moderate income are specifically defined as "any family of two or more persons within the estimated middle one-third according to total money income from all sources of all such families in the locality or metropolitan area where the housing project is to be located." For the country as a whole this would mean urban families having incomes of from $2,800 to $4,400 a year. For New York City it would be higher.

The need for decent housing for adequate family life which moderate-income groups can afford is attested by the fact that the State of New York thought it so necessary and so urgent that it enacted legislation providing that housing cooperatives could be partially tax exempt—a real subsidy. The small-home owners and other real-estate owners provide this subsidy. Our bill, without any tax exemption, subsidy, or shifting of the burden, would enable moderate-income families to solve their own housing problems in a way truly American.

JOHN SPARKMAN,
Chairman, Subcommittee on Housing and Rents.

WASHINGTON, *February 21, 1950.*

WHAT IS A SUBSIDY?

On February 16 Thomas B. McCabe, Chairman of the Federal Reserve Board, appeared before the Senate Banking Committee, where, as spokesman for the Board, he criticized sharply the financial set-up of the administration's proposed middle-income housing plan. This newspaper supported the position of the Reserve Board without reservation. The financial terms on which this measure rested, we observed, were "so fantastically liberal that they come close to being merely thinly disguised subsidies."

Elsewhere on this page today we print a letter from Senator SPARKMAN, of Alabama, a member of the Senate Banking Committee. Senator SPARKMAN takes issue with our conclusion. He declares that the original bill involved no subsidy, thinly disguised or otherwise. But we believe Senator SPARKMAN must know that under the terms of this so-called housing plan it was contemplated (1) that the first $100,000,000 of capital was to be put up by the United States Treasury (though it would be ultimately repayable); (2) that the debentures of the mortgage bank which raised the money would be guaranteed by the United States Government; (3) that they would be tax exempt; and (4) that they would be eligible for purchase by the Federal Reserve banks. If these do not constitute subsidies in Senator SPARKMAN'S lexicon, then we would very much like to know how he defines that term.

It is interesting that this point should be raised by the Senator from Alabama, since it appears to have been his own idea to go all the way and have the Government finance these housing cooperatives directly. That would be no less unsound, in our opinion, but it would have been a more forthright way of doing the job. It would at least have the merit of enabling everyone to see just what this administration bill actually proposed to do—namely, to finance one economic group in the community at rates which would undercut those extended under corresponding conditions to other groups of borrowers, and which would, therefore, threaten the whole credit rate structure of the Nation.

It remains to be noted that on Thursday the full Senate committee overruled its subcommittee by knocking out the proposed subsidy of a Government guaranty. In recording this fact, the Associated Press reports that "Senator SPARKMAN said the change would be in line with the recommendations of the Federal Reserve Board."

MARCH 2, 1950.

The EDITOR, THE NEW YORK TIMES,
Times Building, New York, N. Y.

DEAR MR. EDITOR: In a February 20 editorial, the New York Times stated that the middle-income housing legislation was economically irresponsible because the terms of the loans were so fantastically liberal that they come close to being thinly disguised subsidies. Two bases for such a conclusion were stated: First, the loans would be made at rates only slightly higher than those at which the United States Government itself can borrow. Second, a 50-year amortization period was provided.

In a letter which the New York Times printed on February 25, Senator SPARKMAN indicated why neither of the two stated bases would support the subsidy contention and stated that no subsidy, thinly disguised or otherwise, is involved. However, on that same day, in an editorial commenting upon Senator SPARKMAN'S letter, the New York Times alleges four new bases to support its subsidy contention, and asks if these do not constitute subsidies * * * then we would very much like to know how that term is defined.

In its commonly accepted meaning, the term subsidy is defined as a gift or donation of funds or property from a government to a private person or company to assist in the establishment or support of an enterprise deemed advantageous to the public. Let us measure against this commonly accepted meaning of the term the four new bases now alleged in support of the subsidy contention.

First, "the first $100,000,000 of capital was to be put up by the United States Treasury." The legislation specifically provides (section 307) not only that this initial capital shall be repaid (as parenthetically noted in the editorial) but also the stock held by the Treasury "shall be preferred as to dividends and assets of the Corporation and shall be entitled to cumulative dividends for each year at a rate determined by the Secretary of the Treasury" who would take into account the probable term of the stock investment and the current rate being paid on such obligations of the United States. In order to make our intent perfectly clear, I intend to offer an amendment which will specifically require the Corporation to return to the Government the interest on the capital advanced as well as the principal. This is not a subsidy. I am trying to apply the same principle to commercial banks and the FDIC. The United States Treasury and the Federal Reserve Bank supplied the initial $289,000,000 capital of the Federal Deposit Insurance Corporation, but the law did not require the FDIC to reimburse the Treasury for the cost of such funds to the Treasury. For the 15-year period during which the Government subscribed capital stock was outstanding, the cost of those funds to the Government at 2 percent per annum amounted to about $80,564,000. I was successful in getting S. 2822 revised so that FDIC will have to repay in full the interest due. I hope this principle can be retained in both the FDIC and in the middle-income housing bill.

Second, "the debentures which would be issued by the mortgage bank would be guaranteed by the United States Government." The mere fact of guaranty does not support the subsidy contention; it could do so only if it may reasonably be expected that the Government will be called upon to make payment under its guaranty in order to absorb losses. The debentures issued by the Federal Housing Administration are fully guaranteed by the Government. Nevertheless, we do not regard the FHA mortgage-insurance program as a subsidy program because experience has shown that the reserves built up by payments assessed against borrowers who use the system have been adequate to pay all losses. As pointed out in Senator SPARKMAN'S letter, under the middle-income housing legislation the payments required to be assessed against the borrowers who use that system would result in a ratio of reserves for possible losses to outstanding liability about five times greater than is the case in the FHA.

Third, the debentures would be tax exempt. This implies Federal subsidy in the form of exemption from Federal income taxes. The legislation provides and the committee report (p. 87) states: "The debentures or other obligations issued by the Corporation are not exempt, as to either principal or interest, from Federal taxes, including, of course, Federal income taxes." Nor are they exempt from surtaxes, estate, inheritance, or gift taxes imposed by the States or local taxing authorities.

Fourth, the debentures would be eligible for purchase by the Federal Reserve banks.

In connection with open-market operations, the Federal Reserve banks are authorized to purchase direct obligations of the United States and obligations fully guaranteed by the United States. This is a general power granted in the interest of proper management of the public debt; it is not, as the editorial seems to imply, a special grant of authority in aid of the middle-income housing plan. While the editorial seems to imply that subsidy or cost is invoked in the open-market operations of the Federal Reserve banks, it is interesting to note that over the 2-year period, 1947–49, the system's total transactions in Government securities amounted to almost $80,000,000,000, and this resulted in a profit of about $9,000,000. Income of the Federal Reserve banks from Government bonds held was $155,000,000 in 1947 and $300,000,000 in 1948.

The February 25 editorial also states "It remains to be noted that on Thursday, the full Senate committee overruled its subcommittee by knocking out the proposed subsidy of a Government guaranty," and that "Senator SPARKMAN said the change would be in line with the recommendations of the Federal Reserve Board." The committee did not overrule; it adopted an amendment offered by Senator SPARKMAN. The committee did not knock out the Government guaranty in the sense implied in your editorial; it conformed the middle-income

housing legislation to the FHA-insured mortgage system by providing the guaranteed debentures would be issued—as in the case of the FHA—only in the event of a default. An examination of the testimony that the Chairman of the Federal Reserve Board will indicate that he expressed some concern over the fact that, if sizable amounts of Government-guaranteed obligations were issued, the Board would have to take them into consideration in connection with its open market transactions. It will also indicate that the Board did not consider the FHA guaranteed debenture system objectional in this respect because the FHA issues guaranteed debentures only in exchange for defaulted mortgages and the amounts issued are relatively small in relation to the total amounts of FHA insurance authorization. Senator SPARKMAN'S amendment completely meets that problem.

As I have asked many witnesses who didn't seem aware of all the safeguards and sound provisions included in this bill, "doesn't it seem like a pretty good bill after all"?

Sincerely yours,

PAUL H. DOUGLAS,
United States Senator from Illinois.

Mr. DOUGLAS. Mr. President, I furthermore ask unanimous consent that there be printed in the body of the RECORD a reply which I have had prepared to a letter circulated by the United States Chamber of Commerce critical of title III.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

COOPERATIVE HOUSING—TITLE III OF S. 2246—REFUTATION OF CHAMBER OF COMMERCE COMMENTS

I. COVERING LETTER FROM CLARENCE R. MILES, OF CHAMBER OF COMMERCE, TO MEMBERS OF CONGRESS

The extent of the current operations of the Federal National Mortgage Association, referred to by Mr. Miles, is indeed a matter of serious concern, and legislation will be developed by the Committee on Banking and Currency to reduce the impact of these operations on the budget of the United States. However, the Federal National Mortgage Association would have no connection with the National Mortgage Corporation for Housing Cooperatives, and the main similarity between the two organizations is a somewhat similar name.

Any proposal sincerely based on cutting the Government's support of housing credit would not single out title III of the additional amendment to S. 2246, which would provide financing for about 125,000 privately built homes over a period of years for families otherwise unable to afford them. Any such proposal would be more interested in the several billions of dollars worth of credit being granted annually by the Federal Government to other forms of private housing construction, including $15,000 to $20,000 houses, under existing and periodic extensions of Federal legislation.

In any event, it is clear that the desirability of enacting title III of the bill does not depend on the extent of the Federal Government's assistance to all housing. Obviously, middle-income families should be given at least as much consideration as higher-income families. Consequently, if title III presents any problem regarding the Government's over-all housing credit, it is the problem of determining how much of the additional credit which would be made available under the S. 2246 additional amendment for various housing programs should be made available for middle-income families under title III.

II. CHAMBER OF COMMERCE SUMMARY ANALYSIS OF PROPOSED COOPERATIVE HOUSING LEGISLATION

A. Direct Government lending

The charge is made that the provisions of the S. 2246 additional amendment relating to the National Mortgage Corporation for Housing Cooperatives, are a thin disguise for direct Government lending. It is stated that the prospect of retiring the capital stock of the Corporation by subscriptions from borrowing cooperatives is exceedingly remote; that the debentures issued by the Corporation are in essence Government bonds; and that the Government retains a great deal of control over the National Mortgage Corporation for Housing Cooperatives.

It simply is not true that the prospect of retiring the Government capital by stock subscriptions is exceedingly remote. On the contrary, such stock subscriptions are required as a condition for receiving mortgage loans. Stock equal in amount of 5 percent of the mortgage loan must be purchased before the project is completed. Thus, the operations of the Corporation could not even begin unless private stock subscriptions are made as prescribed in the bill. An almost identical stock purchase plan, for instance, has proven successful in the case of the Federal home loan banks. In that case, the Government's capital has been reduced from $125,000,000 to $75,000,000 in a 16-year period, and private stock holdings have in that period risen so that they now stand at more than $136,000,000.

The Federal guaranty under title III of the debentures of the Corporation is identical in principle with the Federal guaranty of debentures issued by the FHA in the case of default on an FHA mortgage. The only difference is the point at which the guaranty applies. This is fully explained at pages 61 through 66 of the report on the additional amendment to S. 2246 made by the Senate Committee on Banking and Currency. Finally, it should be noted that the controls over the Corporation by the Government are very appropriate and very proper since it is true (as the Chamber of Commerce specifically points out) that the initial capital stock investment is a Government investment which should be protected.

The truth of the matter is that the mixed ownership device is a tool which is very well designed to permit $1,000,000,000 of private funds to be invested. The cooperative housing proposal would restrict major Government participation to a contingent liability, which is no different in principle from the Government's liability under the FHA system, and to an initial investment of capital stock which is no different from the investment originally made by the Government in the Federal home loan banks.

B. Individual versus cooperative owner

The charge is made that the proposal places the individual home owner at a competitive disadvantage with the cooperative owner because of the lower interest rates, longer maturities, and small down payments under the cooperative housing title.

This completely overlooks the fact that different problems call for different remedies and that American families are not engaged in a competitive business of buying and selling homes. Rather, they all desire adequate housing which they can afford. The Government addressed itself to the problems of the lowest-income third of our families when it enacted public-housing and slum-clearance legislation. The upper-income third of our families and some of our middle-income families (particularly in the lower-cost areas) are being adequately served by the building industry largely as a result of the Federal aids provided under FHA, HLBB, and VA programs. The needs of many of our middle-income families in all areas, and of a very wide range of middle-income families in our high-cost areas, however, are simply not being met. Housing is simply not being made available at prices they can afford. This condition results in placing such families at a competitive disadvantage with respect to filling their housing needs. This is a real competitive disadvantage unlike the purely hypothetical competitive disadvantage to which the chamber of commerce refers.

The advantages of low interest rates and longer maturities for cooperative-housing loans are justified simply because they result in lower housing charges. Cooperative housing is the only form of private enterprise which assures that these advantages will be passed on directly to the consumer. These advantages for cooperative housing are further justified because of the ownership characteristics of the housing, the absence of any incentive to "water" the investment and to "milk" the property, and the stability of value inherent in property which serves a stable middle-income market rather than a sharply fluctuating high-income market. Thus, those few banks and insurance companies which are familiar with well-planned cooperative-housing projects and limited-dividend projects in New York have made mortgage loans to such projects at 3½ percent interest rates. Similarly, the Congress recognized that long-range investment, as against speculative investment, warranted longer maturities. The yield-insurance title of the National Housing Act, added by Public Law 901, Eightieth Congress, provides for 50-year amortization periods.

Also, the maximum down payment required under the bill of cooperative owners is 5 percent, as stated by the Chamber of Commerce. Similar down payments are provided under several sections of the National Housing Act for the same reason that they would be provided under this bill, namely, to give additional incentives to reach the middle-income market. Thus, a home mortgage not exceeding $6,000, where the mortgagor is the owner and occupant, may be insured by FHA where the mortgage is as high as 95 percent of the value of the dwelling and where the mortgage has a maturity as long as 30 years. Where a mortgage exceeds $6,000, the maximum maturity cannot exceed 25 years and the maximum ratio of mortgage amount to value varies from 80 to 90 percent, depending on the dollar amount of the mortgage.

Obviously, any reduction in housing costs may give future home purchasers an advantage not being given to persons now purchasing homes. No one can seriously contend that this is a reason for not making every effort toward reducing housing costs which are the core of our entire housing problem.

Finally, it should be noted that the bill is not merely intended to help cooperative housing as such. It utilizes cooperative housing as a means of encouraging additional housing for middle-income families, and any middle-income family in need of housing is free to join with other such families in order to receive the benefits of the bill.

C. Government competes with itself

The charge is made that the bill puts the Government into competition with itself because it offers more favorable financing terms than are offered under other programs.

This argument overlooks the fact that cooperative housing is a form of private enterprise which can make its contribution to the solution of the particularly difficult middle-income phase of the housing problem just as other forms of private enterprise contribute to meeting this and other phases of the problem. Cooperative and nonprofit housing enterprise should receive aid appropriate to its capacity to contribute and to its needs, just as other forms of private

enterprise receive differing aids which are appropriate to their differing circumstances. For example, the Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation assisted in the development of savings and loan associations and continue to assist such associations in making a useful and substantial contribution to filling our housing needs.

Similarly, the FHA administers several distinct programs, each of which enables different elements in our private enterprise system to make their maximum contributions to filling our housing needs. Different aids are provided for lower cost sales housing, for higher cost sales housing, for speculative rental housing, for long-range investment in rental housing, for factory-built housing, for on-site prefabricated housing, and for industries which specialize in the modernization and improvement of existing homes. For instance, a 95 percent, 30 year mortgage of less than $6,000 may be compared with an 80 percent, 25 year mortgage on a home valued at $20,000 under the present FHA system. Even in the case of rental housing there are substantial variations in FHA mortgage terms. Pursuant to section 207 of the National Housing Act, an insured mortgage not exceeding $6,000 per family unit may have a maturity of 40 years and be equal to 90 percent of the value of the property, while a mortgage exceeding $6,000 per unit has a maximum maturity of about 33 years and cannot exceed 80 percent of the value of the property. No one would contend that the FHA is competing with itself because of these different mortgage terms.

So long as each of these aids are justified, soundly conceived, and soundly administered, there is no reason to raise any question of the Government competing with itself. Certainly, there is not the slightest reason to believe that a device for serving a limited additional number of middle-income families who are not now being served will jeopardize the contingent liability of the Government under other housing programs.

D. Private lenders put at disadvantage

1. The charge has been made that the proposed Corporation is given a competitive advantage over other lending institutions. First, it is stated that the proposed National Mortgage Corporation for Housing Cooperatives is not required to pay corporate income taxes and other corporate taxes.

This charge has an element of absurdity since the Corporation (along with the Federal home-loan banks and other mixed-ownership corporations) is not a profit-making enterprise.

2. It is also stated that the Corporation is not required to maintain reserves for safety or liquidity comparable to other lending institutions.

This statement is false. The reserves which will be maintained by this Corporation will be more than adequate. This is fully explained at pages 63 through 66 and page 85 of the report of the additional amendment to S. 2246 by the Senate Committee on Banking and Currency.

3. It is also stated that the special reserve for losses by the Corporation is set at ¼ percent annually on outstanding mortgage balances as compared with the ½ percent set for FHA loans.

This statement overlooks the fact that the ¼-percent reserve in the case of the Corporation is an actual reserve for losses, whereas the ½-percent premium collected by the FHA covers its administrative expenses as well as reserves for losses. Indeed, under the FHA system a little over ¼ percent is applied for administrative expenses leaving a little under ¼ percent as a reserve for losses. Furthermore, this statement overlooks the fact that additional reserves, over and above the ¼ percent statutory reserve, will be required by the Housing Administrator if he deems such additional reserves necessary. Finally, it should be noted that the stock subscriptions by borrowing cooperative housing corporations amount to 5 percent of the original mortgage loan prior to the completion of the projects. These factors, plus the further capital stock subscriptions which all borrowers are required to make, provide an additional cushion against possible loss. These points are explained in detail in the Banking and Currency Committee's report at pages 63 through 66.

4. It is stated that funds of the Corporation are obtainable on practically the same basis as Treasury financing.

It is true that the funds will be obtainable at a small cost above the interest cost of money to the Government. However, there is no reason why the cost to the Corporation should be higher. It should be noted that funds of the Federal Home Loan Banks are obtainable on similarly favorable terms.

It is very important to note that the entire question of competition with other lenders is an artificial question since the Corporation will make loans in a field into which private lenders have refused to enter and since the housing served by these loans is housing which would not otherwise be financed and would not otherwise be built.

E. Adverse effects on private lending

The charge is made that the proposal would lead to a substantial reduction in private residential mortgage lending activity because the lending activity of the Corporation will create demands for similar borrowing facilities for individual home owners and that, under such circumstances, private lending institutions could not meet the competition of the Corporation.

This argument overlooks the fact that the cooperative housing and nonprofit housing financed under this title will constitute a limited number of units; that it will serve a limited group not now being adequately served; and that the vast majority of middle-income families, along with all families who fall in the upper income third, will continue, and indeed will prefer, to be served by existing housing (both sales and rental), by new individually owned sales housing, and by new rental housing, including housing of more expensive construction than will be permitted under this bill.

The statement is also made that "the indifference of Government to considerations of pecuniary risk in connection with its credit operations" increases the difficulty of maintaining a private credit system along with a public system.

The error inherent in this argument is that it assumes that the mortgage loans made under this title will be made without reference to considerations of pecuniary risk. On the contrary, this bill contains numerous safeguards which will assure that the mortgage loans to cooperative and nonprofit corporations will be very sound and conservative. The mortgage loan will in each instance be approved only if the housing is well planned, well located, of sound but not elaborate construction, and fills a need for moderate income housing.

It should be remembered also that housing which is made available at rentals or charges sufficiently low to serve middle-income families is far less subject to fluctuations in value than more expensive housing. It should be remembered also that, unlike speculative rental housing, there will be no incentive in connection with the housing aided under this title to "water" the investment through inflated land costs or fictional charges for architects' services or builders' overhead; neither will there be any incentive to "milk" the property in its early years. Indeed, the cooperative and nonprofit corporations will have every incentive to maintain values on a long-range basis. These facts, along with the cushion against losses discussed in D. (3) above, completely refute the implication that the corporation will be indifferent "to considerations of pecuniary risk."

F. Adverse effects on public debt, building costs, present investments

1. The charge is made that the proposed legislation would permit the equivalent of an increase of $1,000,000,000 in the public debt and that the obligations of the Mortgage Corporation "would be in direct competition with Treasury issues."

The obligations of the Corporation would not be obligations of the United States, and, accordingly, would not increase the public debt. The original obligations of the Corporation would not themselves even be guaranteed by the Government. Only in the event of default by the Corporation would there be issued certain Government-guaranteed debentures (in substitution for the defaulted obligations), and the liability of the Government on these debentures would be contingent only, as in the case of FHA debentures. This contingent liability would be adequately protected by the value inherent in the properties securing the individual mortgages to the Corporation. The provision for the substitution of Government-guaranteed debentures is in effect no more an addition to the public debt than is the mortgage insurance of the FHA. The fact that the issuance of the authorized obligations of the Corporation would take place over a period of several years would make negligible any possible competition of these obligations with Treasury issues.

2. The charge is made that the "mortgage credit under this proposal would upset the current stability in construction costs."

This statement reflects a lack of faith in American enterprise. While last year was a record home-building year, only slightly over 1,000,000 homes were constructed. Representatives of the National Association of Real Estate Boards have testified that money and labor and materials are available to build a million and a half units a year. It has become apparent that the need for higher-priced homes and apartments has been met to a large extent, and money and labor and materials must actually find new markets if the volume of construction is not to drop. As against the million and a half homes which could be constructed in a year, the program contemplated by this legislation (under which a total of only 125,000 dwelling units would be constructed over a period of several years and for which funds would be provided for mortgages on no more than 40,000 units during the first year) should have no inflationary effect upon building construction or investment. It appears extremely unlikely that the impact of this program could possibly drive construction prices to higher levels. Because of the search for better and more efficient methods of construction, prices should, if anything, tend to be lower as a result of the enactment of this legislation.

3. It is charged that the proposal "would have a disruptive influence on other real estate investment."

This fear is groundless. In view of the relatively small investment to be made in this housing, it is highly unlikely that it would have an appreciable effect upon real-estate investment as a whole. Such effect as it would have would be the effect only of any proposal which would provide housing at a lower cost for families within the middle-income group at price levels within their means. This program is designed to, and

would, merely supplement other existing programs to aid and assist the construction of housing of a more adequate size within the price limits of this group. Special advantages are already offered and proposed through the FHA for the provision of other additional housing of this character. This program would supplement and round out the other programs.

Mr. DOUGLAS. Finally, since there has been a great deal of criticism of this new corporation on the ground that it is an innovation, I should like to point out that there are at least four mixed-ownership corporations which the Government has set up, the Federal home loan bank, the 12 Federal land banks, the banks for cooperatives, and the Federal Deposit Insurance Corporation. There are mixed Corporations. Senators, when they study the bill, will find that at the end of 5 years the control of this Corporation will pass away from the Government into the hands of the cooperatives themselves. I now ask unanimous consent to have inserted in the RECORD at this point an analysis which I have prepared of these mixed-ownership Government Corporations.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Mixed-ownership Government corporations

	Federal home-loan banks	Federal land banks	Banks for cooperatives	Federal Deposit Insurance Corporation
Origin and purpose	The Federal home loan banks were created in 1932 to serve as a permanent reservoir of credit for thrift and home-financing institutions.	The 12 Federal land banks were established in 1917 to provide long-term farm mortgage credit at rates of interest in keeping with the cost of borrowed funds plus a necessary margin for operating expenses.	The banks for cooperatives were chartered by the Farm Credit Administration in 1933 to provide credit facilities to farmers-cooperative associations for agricultural production purposes.	The FDIC was established under authority of the Banking Act of 1933 and 1935. Its principal functions are to insure deposits up to a maximum of $5,000 for each depositor; to extend financial aid to distressed banks; and to act as receiver for closed insured banks.
Federal capital investment authorized.	$125,000,000	$125,000,000	Indefinite authorization—actual amount paid in determined by the Governor of the Farm Credit Administration. Initial amount, $110,000,000.	$150,000,000.
Maximum paid in	$124,741,000 (June 30, 1949)	$125,000,000 (1939)	$178,500,000 (Dec. 31, 1949)	$150,000,000.
Outstanding	$75,221,900 (Jan. 31, 1950)	None	$178,500,000 (Dec. 31, 1949)	None.
Repayments	$49,519,100 (Jan. 31, 1950)	$244,288,180 (Dec. 31, 1949)	$60,000,000 (Dec. 31, 1949)	$289,000,000.
Private capital investment:				
At origin	$79,559,450	$107,870	None	$139,000,000.
Current	$138,289,125 (Jan. 31, 1950)	$57,885,528 (Dec. 31, 1949)	$15,417,200 (Dec. 31, 1949)	None.
Dividends on Federal investment:				
Average annual rate	1.33034 percent		None	Do.
Total to Dec. 31, 1949	$25,157,660.92	None	do	Do.
Paid-in surplus:				
Government		$187,689,511 (1939)	do	Do.
Private		None	do	Do.
Earned surplus, Dec. 31, 1949	$26,996,581	$109,541,582	$31,564,520	$1,200,000,000.
Reserves as of Dec. 31, 1949:				
Contingencies	$4,785,651		$5,800,000 (policy—not legal requirement).	Earned surplus available for use as reserve.
Legal reserve	$13,184,046	$96,386,883	$11,979,326	
Borrowings from the public:				
Maximum outstanding	$515,000,000 (Dec. 31, 1948)	$1,970,000,000	$30,000,000 (Feb. 1, 1950)	None.
Current	$204,225,000 (Dec. 31, 1949)	$715,701,500 (Dec. 31, 1949)	$30,000,000 (Feb. 1, 1950)	Do.
Loans outstanding:				
Maximum	$515,016,000 (Dec. 31, 1948)	$2,701,924,721 (Dec. 31, 1935)	$309,928,998 (Nov. 30, 1949)	$58,900,000 (Dec. 31, 1939).
Dec. 31, 1949	$433,429,150	$916,861,856	$302,202,925	$3,400,000.
Total loans made through Dec. 31, 1949.	$2,942,711,670	$4,141,450,500	$3,929,459,277	$111,800,000.

Mr. DOUGLAS. Mr. President, I submit two amendments to the committee amendment, which I ask to have printed and placed upon the desks of Senators tomorrow.

The PRESIDING OFFICER. The amendments will be received, printed, and will lie on the table.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 161) to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in connection with the investigation ordered by Senate Resolution 231, Eighty-first Congress, and it was signed by the Vice President.

RECESS

Mr. DOUGLAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 16 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 15, 1950, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 14, 1950

The House met at 12 o'clock noon.

The Reverend Marion S. Michael, pastor of Marvin Memorial Methodist Church, Silver Spring, Md., offered the following prayer:

Eternal God, our Father, who art the maker and ruler of all, we would pause to give affirmation of our faith in Thee. We do claim Thee as our Father. We look to Thee as the ultimate giver of every good and perfect gift. We beseech Thee, therefore, that Thou wouldst so direct this great body that all of its workings might be translated in terms of goodness under Thyself.

We look to Thee as a God who is interested in persons. With this understanding of Thyself and Thy will, may Thy tender blessings be upon each Member of this legislative body. And as we ask this blessing of Thee, may it be understood that the greatest peace a man may know is that which cometh from Thee. May we soon learn that no man, no nation, may be at peace until it is at peace with Thee.

These things we ask in the name of our Saviour, Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, without amendment, a bill of the House of the following title:

H. R. 6670. An act to incorporate the Girl Scouts of the United States of America, and for other purposes.

The message also announced that the Senate had passed a bill and a joint resolution of the following title, in which the concurrence of the House is requested:

S. 2822. An act to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264); and

S. J. Res. 161. Joint resolution to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in Connecticut with the investigation ordered by Senate Resolution 231, Eighty-first Congress.

REDUCTION IN DUTY ON CALCINED BAUXITE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5226) to amend paragraph 207 of the Tariff Act of 1930.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. RICH. Mr. Speaker, reserving the right to object, what are you going to do with the tariff under this bill?

Mr. DOUGHTON. We are going to reduce the tariff on imports of calcined bauxite, which is used in the manufacture of firebrick.

Under present law calcined bauxite imported into the United States is subject to a duty at the rate of $2.25 to $3 per long ton. The purpose of this bill, H. R. 5226, is to establish a specified rate of $1 per long ton for calcined bauxite when imported for use in the manufacture of firebrick or other refractories.

The grade of calcined bauxite required for firebrick and other refractories is not available domestically. Consequently, the reduction in rate of duty does not constitute a threat to domestic producers of bauxite. Moreover, the calcined bauxite imported for refractories will conserve the domestic supply of diaspore, which is becoming very scarce.

The bill was introduced by the gentleman from Missouri, the distinguished chairman of the Committee on Appropriations [Mr. CANNON]. It was reported unanimously by the Committee on Ways and Means, which received favorable reports from the Departments of State, Commerce, and Treasury.

Mr. RICH. I understand that the gentleman from North Carolina usually brings in legislation that is sound. But I am interested in what the State Department is going to do in the reduction of tariffs, and letting everything come into this country. After a while, what will our laborers and working people do when they want jobs? That is what I am trying to find out. Where is this administration going, in the reduction of tariffs? Keeping foreign mills in operation and our own mills closed down and our people out of work.

We do not want any more of it, as far as I am concerned, and I know the gentleman from North Carolina agrees with me.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 207 of the Tariff Act of 1930 is hereby amended by adding at the end thereof "bauxite, calcined, $1 per ton."

With the following committee amendment:

Page 1, line 4, strike out all of line 4 and the first three words on line 5, and insert: "amended by inserting immediately before the words 'fuller's earth' the following: 'bauxite, calcined, when imported to be used in the manufacture of firebrick, or other refractories, under such regulations as the Secretary of the Treasury shall prescribe, $1 per ton'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BARTLETT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. TRIMBLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a report.

Mr. McMILLAN of South Carolina asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech made by a Senator from his home county.

Mr. ALBERT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a release by the Department of the Interior.

Mr. YOUNG asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. YATES asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include a telegram, a letter, and other excerpts.

Mr. HART asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. FERNÓS-ISERN asked and was given permission to extend his remarks in the Appendix of the RECORD.

LEAVE OF ABSENCE

Mr. YATES. Mr. Speaker, I ask unanimous consent that leave of absence may be granted my colleague the gentleman from New York [Mr. ROOSEVELT] because of illness in his family.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REASONS WHY H. R. 7402, THE MIDDLE-INCOME HOUSING BILL, PROVIDING HOMES FOR MIDDLE-INCOME FAMILIES THROUGH COOPERATIVES AND NON-PROFIT ORGANIZATIONS, IS NEEDED

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, within a few days we will have before us an extremely important bill in the interest of a most deserving and up to now discriminated-against group—a housing bill for the white-collar worker and the man in the middle-income bracket—who has been urging and appealing for aid similar to that given to the lower-income groups and those with the higher incomes. If there ever was a need for legislation of this nature, it is now.

This bill does not call for a subsidy. It provides for private cooperative activity in the field of housing with Federal aid through a national mortgage corporation or housing cooperatives to assure successful operation at a minimum cost. The bill is an excellent one, but I believe provision should be made for individual releases, as well as provision for resale in the event of default by any member of the cooperative without profit.

Every time we have passed a housing bill, private industry has promised to build homes within the reach of these people, but they have failed miserably to meet their requirements.

Yes, they have built homes that this group cannot afford—well beyond their reach, selling for from $12,500 to $25,000, as well as apartment buildings where the rent is from $75 to $125 a month and over. With the high cost of living, these people cannot afford these high rents. Those who did take the risk of buying these high-priced homes have not been able to retain them.

Consequently, I hope when this bill comes up you will not be misled, notwithstanding the opposition of the avaricious real-estate manipulators, and profiteering builders, but that it will receive the support of a majority of you gentlemen who often express your sympathy for the needy but invariably cast your votes for the wealthy. I have listened to a number of radio talks and have received many letters and telegrams from that group of lobbyists against this measure as well as rent control. I hope their crocodile tears will not mislead you.

If you Republicans and some of you southern Democrats had not opposed housing bills in the past, the shortage in homes would nearly be over and this bill would not be necessary. Ex-servicemen and white-collar workers could have had homes for around $7,500, but your opposition caused such delay as to deprive these men of the opportunity and aid which they are deserving of. Between the man who earns from $2,400 to $3,600 a year and the man who earns that much a week or month, I am for the first group.

We provided for low-income housing under previous housing legislation. Unfortunately these homes were not priced as we had hoped for, notwithstanding the many guaranties and advantages in loans we provided to the private home builders at extremely low and favorable terms.

Unfortunately the vast majority of these homes under the present low-mortgage arrangements we granted are beyond the reach of the middle-income group, as they average from $12,500 to $25,000, as I said before.

It is true that in some sections of the country some cheap homes have been built, but without basements, poorly constructed, away from transportation, out in the sticks, without sewers and in many instances without water. Instead of being homes they are chicken coops. I fear these make for the potential slum areas of the future with which we will have to contend.

Consequently this bill provides for building homes through cooperatives and

nonprofit organizations that can be built and should be built even in the large cities where the shortage is the greatest, as well as in the suburbs, at prices ranging from $8,000 to $9,000. This price range can be accomplished under this bill because through the cooperative system building materials can be acquired at wholesale prices and construction costs can be kept at a minimum.

Personally I have not been wedded to the cooperative plan promoted in many of the large cities for the purpose of forcing tenants to buy units in apartment buildings at exorbitant prices, and I have criticized them severely. To my mind, it was a racket. This bill, however, will not permit any such scandalous operation.

This bill actually aims to provide homes for the white-collar worker and the middle-income group through cooperatives at an interest rate approximately the same as that provided for in other home-building legislation enacted by Congress, notwithstanding what is said to the contrary.

The objection some raise that this interest rate is lower than provided for veterans in other housing legislation is just another smoke screen thrown up by those who are opposed to all housing legislation. Veterans are not excluded from this bill. Many veterans will take advantage of the provisions of this legislation, in addition to the middle-income group mentioned above, and they are the people who need a roof over their heads the most.

Let me repeat, the basic purpose of this legislation is to provide adequate, livable homes of sufficient size for the average family to live comfortably and economically at monthly payments which the normal middle-income family can afford. It embraces a field which has not been covered by housing legislation to date. It benefits that great in-between group in our economy—solid, sound, and dependable—which is usually ignored when we consider beneficial legislation such as this. They represent a very vital part of our economy. They have suffered long in their search for adequate housing. They can be counted on to carry out their responsibilities under the cooperative plan incorporated herein. They are entitled to our aid and assistance in providing the shelter they have so long sought.

This group is not looking for a subsidy, this bill provides none. Interest charges for mortgage loans to cooperatives and nonprofit corporations will be sufficient to pay all costs of the National Mortgage Corporation for Housing Cooperatives set up under this bill. This includes the cost of the money which the Corporation borrows from the public, all administrative expenses, special reserves sufficient to cover losses, and any general reserves which may be required.

The basic security for any mortgage loan is the value of the property on which it is made and the economic stability of the borrower. There is every assurance that, because of the cooperative requirement in this bill, it will bring into membership the class of real citizen who will take pride in the land and area in which his home is to be built and that he will exert every effort to carry out his obligation to the cooperative and promote the success of the venture, and become a more valuable citizen.

With the cost of his home kept within his means—with monthly payments which he knows he can definitely afford—the likelihood of defaults in rental or monthly payments will be negligible. He will take pride in his possession and there will be every incentive on his part to keep his property in first-class condition. There is not the remotest likelihood that any slum areas will result from this type of home construction, as is bound to result from some of the privately financed and built so-called low-cost housing in many sections of the country. Why, the newspapers have been filled with stories throughout the land of these so-called low-income private projects where tenants were driven out with the first heavy rainfall, where local building regulations were violated in wholesale fashion, where veterans and others were compelled to sue to get the return of their money due to flimsy and faulty construction and profiteering. Under the provisions of this bill, which authorizes the Housing Commissioner to assist in the organization of cooperatives and in the planning, construction, and operation of their projects, the rackets in many of the private housing projects, the faulty construction, and the excessive profits are fully protected against. In addition, the Government is benefited through protection against losses on mortgage loans to these cooperatives.

The opposition to this bill by the private mortgage lenders and builders seems to center on the fear that operations under it will have a serious effect on their business. The contrary, however, is true. The general effect will be to increase the total market for private housing rather than take the market away from established builders. Whenever and wherever you build solid, substantial homes in this country you are adding to the basic strength of our economy and our very existence as a nation. Home ownership is a pillar of strength in any nation; a well-housed, contented family circle is America's most positive answer to any threat of communism or totalitarianism; it is the foundation stone of true democracy. We are, in this legislation, endeavoring to carry out the true spirit of Americanism—by giving to a large segment of our population the opportunity of owning his own castle without any weight around his neck—without the fear of ultimate loss of all he has endeavored to save—with the assurance that he and his family are to be able to live in comfort and contentment, within his means, and with equal opportunity with those in the higher bracket incomes to provide his children, not only with the necessities of life, but with some of the comforts that only a home of one's own can provide.

There are intangible savings to our Government and to our local communities too that could well run into the millions through the elimination of broken-up homes, the care of wayward children and the crimes that result therefrom, and the broken spirits of those who overreach in their desire to have homes only to lose their all when they find their incomes will not permit them to carry the load they have contracted for.

Mr. Speaker, this legislation is sound, it is practical, it is free enterprise in its fullest sense. No one can justly criticize this form of cooperative enterprise. Nor can anyone sensibly oppose the true purpose embodied in this legislation—to provide substantial homes at lowest possible cost to a deserving segment of our people. This bill has my wholehearted support and approval, and I hope it will receive the substantial support it merits.

As one who has, ever since 1935, urged and advocated liberal housing legislation to provide homes for veterans and all needing reasonable shelter, naturally I am in favor of this new cooperative aid program which I honestly feel can and will work out successfully.

The SPEAKER. The time of the gentleman from Illinois has expired.

SPECIAL ORDER

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order granted me for today may be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. KEE (at the request of Mr. JAVITS) was granted permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. PLUMLEY asked and was given permission to extend his remarks in the Appendix of the RECORD, and to include a newspaper editorial.

ORGANIZED CRIME

Mr. MACY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in connection with a resolution I recently introduced.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, in connection with the resolution for a general country-wide crime investigation I have just introduced, unanimous consent is requested for inclusion of a few brief remarks at this point.

The time has come when Congress can no longer close its eyes to the tentacles of organized crime which now reach into every State of the Nation. Government itself has been challenged by big-time crime syndicates and daily the press is filled with accounts of their defiant and corrupting insolence to our properly constituted authorities.

It is the duty of Congress to examine into this at once, and I believe, if need be, strengthen present statutes or adopt new ones to curb and destroy these lawless interstate elements.

The threat to our moral and economic well-being from these cartels in crime can no longer be tolerated.

WASTE OF SURPLUS FOODS AND OF PUBLIC FUNDS

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I received late yesterday a letter from the White House, signed by Mr. Matthew J. Connelly, Secretary to the President, and I inserted it in the RECORD. Mr. Connelly said that the President had received my letter and telegrams. Then he wrote:

He has asked the Secretary of Agriculture to give your correspondence his careful and appropriate consideration—

Whatever that may mean. In any event, I have not heard from the President. I realize that he is at sea, both literally and figuratively. I hope he is not too seasick to read this telegram and do something about it, because the farther he gets from Washington the more it costs me to reach him. In my telegram of today addressed to him on the yacht *Williamsburg*, en route to his vacation in Florida, I said:

Another $60,000 wasted. Total loss attributable to inaction $2,400,000. Urge immediate remedial action.

Tomorrow is the dead line for filing income-tax returns, but there are another 1,533 persons whose tax payments have been wasted in the last 24 hours alone, due to this inaction and flagrant waste of funds.

I am confident they will not forgive this inaction or forget this waste of their hard-earned tax dollars. I am even more confident that they will be furious if this good food spoils because of this situation.

I have heard it suggested that my efforts have been critical but not constructive. I admit I have been critical. I shall continue to be critical where criticism is justified. But may I point out that the RECORD since February 2 has been replete with constant references to H. R. 7136, filed that day by the gentleman from Pennsylvania [Mr. CORBETT], H. R. 7138, filed by the gentleman from New York [Mr. KEATING], H. R. 7135, filed by the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.], and H. R. 7137, filed by myself. We have devoted a great deal of effort toward obtaining reports from the Department of Agriculture on these bills, but have been confronted with bureaucratic inaction and silence. We and 24 other Republicans have urged early hearings before the committee, have continuously reiterated requests for such hearings and committee action so that the House may be in a position to take prompt, affirmative, constructive, and remedial action. I said that it, in my opinion, would not be required under the existing law because I agree with the Secretary's associate solicitor, Mr. Edward M. Shulman, and the crystal clear statements made by the senior Senator from Vermont, Senator AIKEN, and the junior Senator from New Mexico, Senator ANDERSON. But in view of the Secretary's stubborn attitude, I am anxious that we pass our bills or some bill like them as soon as possible to force him to recognize the imperative necessity for prompt action to stop this senseless waste of public funds, and get this food to people who can and will eat it before it spoils. If anyone can suggest any other and better course of action I stand ready to join in that effort. I am interested only in results at the earliest moment. Until such a suggestion is made I shall continue to criticize what I believe to be indefensible, inexcusable, and inexplicable delay and inaction as frequently as I can secure recognition. I shall continue to point out the enormously increasing pure waste of the hard-earned dollars of American taxpayers. I shall continue to report the extent of destruction and spoilage of good food as frequently as I can secure facts. I might add it is increasingly difficult to obtain those facts or, for that matter, any facts. Others have referred to iron curtains in other departments. I can assure you there is a very effective one in Agriculture.

If anyone chooses to defend the Secretary, or the President, or anyone else responsible, directly or indirectly, for permitting this mess to continue, that is his privilege. But I suggest that he is going to find it difficult to defend or explain it to the men and women in his district who pay direct or indirect taxes to the Federal Government, or to the hundreds, perhaps thousands, of men, women, and children who could qualify to receive and eat these food items today if this red tape could be untangled. And I defy anyone to take this floor and assert that that cannot be done.

EXTENSION OF REMARKS

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the Appendix of the RECORD and include a brief newspaper article.

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper clipping.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio address by the gentleman from Kansas [Mr. HOPE].

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a guest editorial by the Governor of Oregon.

THE SOCIALIST GOVERNMENT IN ENGLAND

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, we have heard a great deal of late about the British elections and the Socialist Government in England. I think it might be of some interest to hear what a member of the British Parliament has to say on the subject, and I would like to read a part of his letter, dated March 8, 1950, which I received today:

It is obvious to all thinking people that the Socialists have so mishandled the country's finances and that we have been living beyond our means for so long that the economic drought is bound to be felt very soon. Whether the drought will be strong enough to bring those people to their senses who are now living in a fool's paradise is anybody's guess.

I am one of those who think that if we suffer under another 5 years of socialism we are unlikely ever to be able to return to the free-enterprise or Christian democratic system in which you and I believe so profoundly. What a strange anomaly it is that socialism should have been bolstered up in this country for 5 years by the generosity of your taxpayers living in the free-enterprise country.

PENSIONS UNDER THE FAIR DEAL SOCIAL-SECURITY PROGRAM

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, while 8,400,000 men and women over the country, who are more than 65 years of age, receive no social security, the taxpayers subsidize a program for the lucky few. The administration's New Deal, Fair Deal social-security program favors the high-salaried and the well-to-do and discriminates against the poor, the humble, and the low paid.

A $250-a-month man, who retires this year, will draw $16 a month more from the Government than the worker whose average wage has been $100 a month. This higher-paid man, on the basis of his contributions, has purchased a monthly annuity of $2.47 more than the lower-paid man, but he gets $16 more. The taxpayers of America pay the difference.

Has not the well-paid man had a better opportunity to provide for his own retirement than the lower-paid man? Is not the lower-paid man more in need of help from his Government?

This system is neither social nor insurance. It is plain racket.

MORATORIUM ON NEW SPENDING LEGISLATION

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, the Committee on Appropriations has been busy, through its nine subcommittees, since the first week of this session, in their respective hearing rooms, trying to decrease Federal spending.

Working from 10 in the morning until 5 or later in the evening, day in and day out, some progress toward economy has been made. Members of these subcommittees, to a limited degree, have enjoyed a sense of duty well done, sometimes a feeling of elation, when they have succeeded in trimming $5,000, $50,000, or $100,000 here, and cutting a half million, sometimes a million or more there.

However, those pleasant reactions are dashed to earth when we emerge from the seclusion of our committee rooms to learn that while we have been saving

small sums the other Members of the House have been busily engaged in passing bills calling for greater and even a greater spending—ofttimes running into many millions of dollars.

Then the feeling of elation is replaced with a sense of futility or frustration, which can be cured only by stopping the spending in its tracks, on the floor of this House before it gets a start. Otherwise no real savings to the taxpayers can ever be achieved.

For that reason I am today introducing the following resolution calling for a moratorium on bills and resolutions, except those for national defense, which call for new or increased spending items, until such time as we know what Federal revenues will be and the grand total of expenditures through appropriations:

Resolution to defer legislation to authorize new Government expenditures

Whereas the growing cost of the Federal Government can be met only by increased Federal debt, evidenced by the issuance of more bonds; and

Whereas the tremendous Federal debt imposes upon the already overburdened taxpayers an enormous fixed interest charge, which will be increased debt; and

Whereas strict economy is needed to balance the budget, and stop the growth of Federal debt; and

Whereas all laws enacted by Congress, directly or indirectly, add to the growing cost and expense of the Federal Government: Now, therefore, be it

Resolved by the House of Representatives, That no bill or resolution which calls for new or increased spending of Federal funds, except for national defense, shall be considered in the House of Representatives until and after the passage of the Appropriation Act for the fiscal year 1951, and the passage of the Revenue Act of 1950, now being considered in the Committee on Ways and Means.

Mr. Speaker, with this resolution adopted, perhaps we can have a more realistic view of the road down which we are traveling.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SIMPSON of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include an address by Hon. M. Vashti Burr.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include two items, also extraneous matter.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

A SOCIALIST GOVERNMENT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, may I say to the gentleman from Michigan [Mr. DONDERO], who received that letter from a member of Parliament of Great Britain condemning us for sending money over there to keep that Socialist Government alive, that I nor has the gentleman from Michigan ever voted for any of that spending money. They are squandering our dollars. Look at this Treasury report of the United States, and you will see how far we are going in the red, billions a year; yet, at the same time, we give our money to all these foreign governments and make our people pay for it in the form of taxes. Remember the final tax-payment day is tomorrow. Taxes. Taxes. Taxes. If you do not get in your tax return the Government will penalize you because you have not paid your taxes. On this great tax day that comes tomorrow, it seems to me that the Members of Congress who believe like the gentleman from Michigan, in not being for socialism, and want to help the British from being Socialists, should not vote for any more ECA funds. We need this money to take care of our own people. If we do not take care of our own people we will not find anyone from these foreign countries coming over here to look after our taxpayers. So to you Members who are going to be asked for more of these billions of dollars to help out the foreigners, I say help America. Stop meddling in foreign entanglements.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

REAR ADM. JOEL T. BOONE

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, the ouster of Rear Adm. Joel T. Boone, who is incidentally the most decorated medical officer in the Nation, is further evidence of the iron curtain that is being lowered by the administration over all sources of information in the Government to which Congress and the American people should have access. The removal of Admiral Louis E. Denfeld as Chief of Naval Operations apparently was merely a forerunner of a purge of all those in the armed services who do not conform to the policies laid down by President Truman and his Secretary of Defense Louis Johnson or who dare to raise their voices in protest. The Congress has been repeatedly refused information sought by its various standing committees and its special committees of inquiry, particularly in connection with subversive elements on the Government pay rolls.

I, for one, deplore these tactics of reprisal, the endless suppression of vital information and the cloak of secrecy which is gradually obscuring Government operations from the sight of the American people.

WAR EXCISE SO-CALLED LUXURY TAXES SHOULD BE REPEALED WITHOUT DELAY

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, yesterday the Ways and Means Committee, according to press reports, voted on the question of immediate repeal of war excise so-called luxury taxes immediately. The vote was distinctly a party vote. The Democrats say "No," the Republicans say "Yes."

The public should be fully apprised of the fact that postponement of repeal of excise taxes is the responsibility of the Democratic Party. If there are any Democratic Members of this House who do not agree with the vote of the Ways and Means Committee to postpone action on the repeal of these taxes, they have the opportunity now to sign a discharge petition filed by the gentleman from Iowa [Mr. MARTIN] which has been on the Clerk's desk for some time to repeal all excise taxes immediately. This House and the public demand action. I think it is about time now that we have the privilege and the opportunity of signing the discharge petition to proceed in spite of the vote of the members of the Ways and Means Committee of yesterday and bring this issue to the House for immediate action.

By this postponement of action it means that the public will continue to pay war excise so-called luxury taxes for perhaps another year on baby oil, cosmetics, luggage, jewelry, transportation, and many other everyday services and commodities, and the war has been over 5 years.

The public demand has been ignored by the Democrats. The thousands and thousands of petitions of theatergoers has been ignored. The appeals from the public for tax relief has been ignored and let there be no mistake about it, the Democratic members of the Ways and Means Committee are responsible.

The SPEAKER. The time of the gentleman from California has expired.

REAR ADM. JOEL T. BOONE

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I want to back my good friend the gentleman from California [Mr. JACKSON] in reference to what is going on down in the executive departments and I think it is high time that this House addressed itself to the problem of whether Congress has a right to information that it desires on vital matters in the executive branch of the Government. The administration is operating a virtual reign of terror inside the armed services where anyone who sticks his head up and gives Congress information, or who fails to toe the line in keeping with the demands of the administration is summarily fired.

The latest to be ousted is Rear Adm. Joel T. Boone. He has walked the plank just like Admiral Denfeld. Where do these orders come from? Could it be

that we have a Goering in the making—an heir apparent to the White House? How much longer is Congress going to put up with this state of affairs?

I think it is time that the Committee on Armed Services looked into the whole matter.

EXTENSION OF REMARKS

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD in three instances and include extraneous matter.

EXCISE TAXES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the gentleman from California [Mr. McDONOUGH] made a 1-minute speech a moment ago. The facts are not as stated by the gentleman. The basic question involved in the vote yesterday was whether or not the budget would be further unbalanced from six to eight hundred million dollars by the motion of the Republican members of the Committee on Ways and Means. Now, let our minds go back 2 years. President Truman recommended the extension of the wartime excise taxes for 1 year; the Republican Party made them permanent. But, they did that after they had already put through a tax bill which benefited the large income-tax payers greatly by reducing the Federal revenue by $5,500,000,000. So, the ultimate result of the vote yesterday on the motion offered by the Republican Members, if carried, would have been to further unbalance the budget by from six to eight hundred million dollars. The Democratic Members voted correctly and in the interest of the people of the country.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, my good friend the majority leader [Mr. McCORMACK] has gone afield in his defense of his committee. I would like to call the attention of the gentleman to the fact that the extension of the excise taxes was recommended by the President. It was overwhelmingly supported by the Democratic Members of Congress, and the bill was signed by the President. These actions all gave approval to the carrying of the taxes as permanent rather than disturbing business annually by a continuance. But it was never our idea to continue them 1 day longer than necessary.

There is no way in the world in which he or his party can side-step responsibility for aiding in this program of procedure. I further want to say that the Republicans, in 1949, believing that the time had then arrived for repeal, submitted a request and a bill that these taxes be repealed. No action has been taken in response to that demand, although it is over 14 months. Furthermore, it is well to know that every day you delay the repeal of these excise taxes, you put people out of work; you stagnate business; you increase unemployment rolls; and the payments that must be made for the unemployed people. Continuance of these taxes will destroy the economy of this country, and the responsibility rests with those who delay action. If we wait as has been intimated until June we could put the country into a disastrous tail spin.

Only Monday a New York City jewelry concern showed in its report a profit of only $17,000 against a profit of over $325,000 in 1948. Much of the blame was attached to the excise taxes which had slowed down purchases.

It is unfair to these industries to bear a heavier burden than other industrial concerns. They should have an equal chance to do business, give employment to workers and through prosperity contribute to the Treasury.

Let us quit quibbling about the past and give the people the relief they are demanding from every section of the country. Let us do it without further delay.

That the record will be made crystal clear as to who voted to make these excise taxes fixed in 1947, I take from page 692 in the CONGRESSIONAL RECORD of January 29, 1947, roll call vote No. 3 which gives the ayes and nays. The roll call:

[Roll No. 3]

Yeas—374: Albert; Allen, Calif.; Allen, Ill.; Allen, La.; Almond; Andersen, H. Carl; Anderson, Calif.; Andresen, August H.; Andrews, Ala.; Andrews, N. Y.; Angell; Arends; Arnold; Auchincloss; Bakewell; Banta; Barden; Barrett; Bates, Ky.; Bates, Mass.; Battle; Beall; Beckworth; Bell; Bender; Bennett, Mich.; Bennett, Mo.; Bishop; Blackney; Blatnik; Boggs, Del.; Bolton; Bonner; Boykin; Bradley, Calif.; Bradley, Mich.; Brooks; Brophy; Brown, Ga.; Bryson; Buchanan; Buck; Buffett; Bulwinkle; Burke; Burleson; Busbey; Butler; Byrnes, Wis.; Camp; Canfield; Cannon; Carroll; Case, N. J.; Case, S. Dak.; Chadwick; Chapman; Chelf; Chenoweth; Chiperfield; Church; Clark; Clason; Clements; Clevenger; Clippinger; Coffin; Cole, N. Y.; Colmer; Combs; Cooley; Corbett; Cotton; Coudert; Courtney; Cox; Cravens; Crawford; Crosser; Crow; Cunningham; Curtis; Dague; D'Alesandro; Davis, Ga.; Davis, Tenn.; Deane; Devitt; D'Ewart; Dingell; Dolliver; Dondero; Donohue; Dorn; Doughton; Drewry; Durham; Eaton; Eberharter; Elliott; Ellis; Ellsworth; Elsaesser; Elston; Engel, Mich.; Engle, Calif.; Evins; Fallon; Feighan; Fellows; Fenton; Fisher; Flannagan; Fletcher; Fogarty; Folger; Foote; Forand; Fuller; Fulton; Gallagher; Gamble; Gary; Gathings; Gavin; Gearhart; Gerlach; Gifford; Gillette; Gillie; Goff; Goodwin; Gore; Gorski; Gossett; Graham; Granger; Grant, Ala.; Grant, Ind.; Gregory; Griffiths; Gross; Gwinn, N. Y.; Gwynne, Iowa; Hale; Hall, Edwin Arthur; Hall, Leonard W.; Halleck; Hardy; Harless, Ariz.; Harness, Ind.; Harris; Harrison; Hart; Hartley; Havenner; Hays; Hedrick; Hendricks; Herter; Heselton; Hess; Hill; Hinshaw; Hobbs; Hoeven; Hoffman; Holifield; Holmes; Hope; Horan; Howell; Hull; Jackson, Calif.; Jackson, Wash.; Jarman; Javits; Jenison; Jenkins, Ohio; Jenkins, Pa.; Jennings; Jensen; Johnson, Calif.; Johnson, Ill.; Johnson, Ind.; Johnson, Okla.; Johnson, Tex.; Jones, N. C.; Jones, Ohio; Jones, Wash.; Jonkman; Judd; Karsten, Mo.; Kean; Kearney; Kearns; Keating; Kee; Keefe; Kefauver; Kennedy; Kerr; Kersten, Wis.; Kilburn; Kilday; King; Knutson; Kunkel; Landis; Lane; Lanham; Latham; Lea; LeCompte; LeFevre; Lemke; Lesinski; Lewis; Lodge; Love; Lucas; Lusk; Lyle; Lynch; McConnell; McCormack; McDonough; McDowell; McGarvey; McMahon; McMillan, S. C.; MacKinnon; Mahon; Maloney; Manasco; Mansfield, Mont.; Mansfield, Tex.; Martin, Iowa; Mason; Mathews; Meade, Ky.; Meade, Md.; Merrow; Meyer; Michener; Miller, Calif.; Miller, Conn.; Miller, Md.; Miller, Nebr.; Mills; Mitchell; Monroney; Morgan; Morris; Morton; Muhlenberg; Mundt; Murdock; Murray, Tenn.; Murray, Wis.; Nixon; Nodar; Norblad; Norman; Norton; O'Hara; O'Konski; Owens; Pace; Passman; Patman; Patterson; Peden; Peterson; Philbin; Phillips, Calif.; Phillips, Tenn.; Pickett; Ploeser; Plumley; Poage; Potts; Poulson; Preston, Price, Fla.; Price, Ill.; Priest; Rabin; Rains; Ramey; Rankin; Rayburn; Redden; Reed, Ill.; Reed, N. Y.; Reeves; Rich; Richards; Riehlman; Riley; Rivers; Rizley; Robertson; Robsion; Rockwell; Rogers, Fla.; Rogers, Mass.; Rohrbough; Ross; Russell; Sadlak; St. George; Sanborn; Sarbacher; Sasscer; Schwabe, Mo.; Schwabe, Okla.; Scoblick; Scott, Hardie; Scott, Hugh D., Jr.; Scrivner; Seely-Brown; Shafer; Sheppard; Short; Sikes; Simpson, Ill.; Simpson, Pa.; Smathers; Smith, Kans.; Smith, Maine; Smith, Va.; Smith, Wis.; Snyder; Spence; Springer; Stanley; Stefan; Stevenson; Stigler; Stockman; Sundstrom; Taber; Talle; Teague; Thomas, N. J.; Thomas, Tex.; Thomason; Tibbott; Tollefson; Trimble; Twyman; Vail; Van Zandt; Vinson; Vorys; Vursell; Wadsworth; Walter; Weichel; Welch; Whittington; Wigglesworth; Williams; Wilson, Ind.; Wilson, Tex.; Winstead; Wolcott; Wolverton; Wood; Woodruff; Worley; Youngblood; Zimmerman.

Nays—35: Abernethy; Bloom; Brehm; Celler; Dawson, Ill.; Dawson, Utah; Domengeaux; Gordon; Hand; Hébert; Heffernan; Huber; Kelley; Keogh; Kirwan; Klein; Larcade; McCowen; McGregor; Madden; Marcantonio; Morrison; O'Brien; O'Toole; Pfeifer; Powell; Rayfiel; Rooney; Sadowski; Smith, Ohio; Somers; Stratton; Towe; Wheeler; Whitten.

Not voting—22: Bland; Boggs, La.; Bramblett; Brown, Ohio; Buckley; Byrne, N. Y.; Carson; Cole, Kans.; Cole, Mo.; Cooper; Delaney; Dirksen; Douglas; Fernandez; Hagen; McMillen, Ill.; Macy; Norrell; Rees; Sabath; Taylor; West.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Cole of Missouri for, with Mr. Hagen against.

General pairs until further notice:

Mr. Bramblett with Mr. West.

Mr. Carson with Mr. Delaney.

Mr. McMillen of Illinois with Mr. Fernandez.

Mr. Dirksen with Mr. Bland.

Mr. Brown of Ohio with Mr. Boggs of Louisiana.

Mr. Rees with Mr. Cooper.

Mr. Mason with Mr. Byrne of New York.

Mr. Cole of Kansas with Mr. Sabath.

Mr. Taylor with Mr. Buckley.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, the attempts this morning from the Republican

side of the aisle to smear and besmirch the Democrats on the question of excise taxes is typical of their campaigning for the past 24 years. For the 22 of the last 24 years the American people have recognized this dishonesty and repudiated the party. During the campaign for control of the Eightieth Congress the Republican Party and in particular the gentleman who was to become chairman of the Ways and Means Committee in that Congress promised the American people that they would wipe out the existing wartime excise taxes. On January 3, 1947, the Republican Party took over the Congress and with it the Ways and Means Committee. Taking the then chairman, Knutson, at his word I introduced on January 6, 1947, a resolution to reduce all of these excise taxes to their prewar levels. During the 2 years of the Eightieth Congress I repeatedly spoke on the floor of this House and appeared on 12 occasions before the committee asking that the legislation be considered. I attempted to obtain the cooperation of the Republican leadership and found that they were not interested. I caused hundreds of letters to be sent to the chairman of the Ways and Means Committee and to the Republican members of that committee in an effort to have the bill reported out, but the Republicans would have no part of it.

Today it is sham and hypocrisy for the Republicans to attempt to imply that they have any interest in reducing excise taxes.

EXTENSION OF REMARKS

Mr. ABBITT asked and was given permission to extend his remarks in the RECORD and include an editorial from the Farmville Herald of March 10, 1950.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD in four instances, and in three to include extraneous matter.

PROFITS OF GENERAL MOTORS

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, we have all heard that the battle cry of the Republicans is to be "Liberty versus socialism." One would suppose from their statements that socialism is what we have here at the present time.

I should like to suggest to the gentlemen on the left side of this aisle that they get the New York Times of March 14 and look on the front page, all of you that have not done so. You will find that General Motors made the greatest net profit in 1948 it had ever made in its history, and in 1949 increased that profit 49 percent in spite of the socialism that is reported by Republicans to be wrecking our Government and ruining our industry. I submit that that is the darnedest, funniest kind of socialism that ever I have seen or heard of.

EXCISE TAXES

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, on January 10, 1947, President Truman recommended to the Congress that it continue wartime excise taxes for the period of 1 year only. The Republican Eightieth Congress denied his request. Instead, it voted up legislation continuing permanently the wartime excise taxes which have proved so oppressive to our people. This was on Roll Call No. 3, Eightieth Congress, first session, January 29, 1947, page 692, CONGRESSIONAL RECORD.

I was somewhat surprised at the statement of the minority leader, the distinguished gentleman from Massachustts, that this vote was well nigh unanimous. I find upon just hastily examining the CONGRESSIONAL RECORD that the gentleman from Ohio [Mr. HUBER], the gentleman from Ohio [Mr. KIRWAN], and a number of other Democratic Congressmen, more than 30 as I recall it, on that day voted against the Republican effort to make these obnoxious, discriminatory, and regressive excise taxes permanent.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Massachusetts, the distinguished majority leader.

Mr. McCORMACK. That came after they had brought about a reduction of $5,500,000,000, with the big income-tax payers getting the benefit.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, it is very seldom that I refer to any article or make any comment with reference to newspaper implications regarding legislation that we consider here in the House of Representatives. I cannot help, however, but reply to the implication that was carried in the Washington Post this morning with reference to the bill that was considered yesterday which proposed to extend the Alcoholic Beverage Control Act, in which it was indicated that the members of the House Committee on the District of Columbia reversed their attitude.

As far as my position is concerned, there is nothing inconsistent and I think the House should know that I advised a reporter of the Post yesterday when he called that in the committee I voted against reporting the bill and I voted against it in the House. The purpose of the newspaper article was again to malign the Members of Congress with their organ for the proposed home rule bill. My colleague the gentleman from Massachusetts [Mr. HESELTON] took advantage of it and extended himself by saying that was the reason home rule ought to be provided for the District of Columbia, when he voted against it himself and as a good lawyer knows very well, the Constitution says the Congress of the United States has exclusive jurisdiction over legislation for the District of Columbia.

I regret the Washington Post would inadvertently publish such unfair and erroneous implications about the members of the District Committee when such legislation as highly controversial as the liquor question is considered, bringing in FEPC as an excuse for dilatory tactics in order to promote their high-pressure efforts for so-called home rule.

I am also sorry my friend and colleague the gentleman from Massachusetts [Mr. HESELTON] would join in such implications.

EXTENSION OF REMARKS

Mr. SULLIVAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the St. Louis Star-Times on railway safety entitled "Missouri Pacific Moves Ahead."

Mr. RODINO asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and to include an editorial.

Mr. GORSKI asked and was given permission to extend his remarks in the RECORD.

EXCISE TAXES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, there are just two matters that I want to get straight. In the first place, the President recommended the extension of excise taxes, as you say, for a year. That is correct. But many of us have discovered as you extend them year by year as the end of that year approaches many people stop buying just as they have stopped buying now, because of the proposal to cut back excise taxes.

Therefore, knowing that the matter was always within the power of the Congress, we made an extension, without any time limit, which I submit was a smart thing to do. By no stretch of the imagination can it be considered a permanent extension.

Secondly, my very good friend from Massachusetts has again played that broken record about the tax bill enacted by the Eightieth Congress.

In the first place he should remember it was passed over a veto, which means that a lot of Democrats voted for it. Why did they vote for it? Because it was a good, sound, fair tax bill. It took 7,000,000 people in the lowest bracket off the rolls completely. Seventy-one percent of the tax relief went to people making $5,000 a year or less. I have heard no Democrat advocate its repeal, and the President has not asked repeal. If it was a bad bill, why do you not come in now and repeal it? You know why you do not do that—because it is a good bill.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the

House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I just want to add a word to that which the gentleman from Indiana has so ably said.

I have failed to see in the records of the House any bill introduced by my good friend from Massachusetts [Mr. McCORMACK] to repeal the tax-reduction law passed by the Eightieth Congress, and to thereby reinstate the burden of taxes which we took off the poor people of this country.

I also point out that the President of the United States has never sent any message to the Congress requesting that tax-reduction legislation passed by the Eightieth Congress be repealed. No, the President has not had the temerity to suggest we reimpose upon the small income group the taxes which the Republican Eightieth Congress took off of them, properly and rightfully.

Mr. O'TOOLE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. O'TOOLE. Does the gentleman from Ohio recall that when the Eightieth Congress was finished with their tax plan and tax law, that the people promptly turned them down and turned them out?

Mr. BROWN of Ohio. Oh, that is an old, old story. But does the gentleman deny the Democratic Congress, which came into power last year, has not seen fit to do anything about repealing the tax law passed by the Eightieth Congress?

I defy the gentleman to now get up on the floor of the House and demand the repeal of that Republican tax-reduction law. Let the gentleman from New York stand up here and now tell the people of America that he wants to reimpose those taxes on them, if he dares.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks made previously to include the roll call showing the vote taken when those excise taxes were made permanent, in which list I find so many of the distinguished Democrats voted "aye," including the majority leader, and the chairman of the Committee on Ways and Means, and which also shows that there were only 35 Members who voted in opposition.

This is found at page 692 of the RECORD of January 29, 1947, roll call No. 3.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

REPEAL OF EXCISE TAXES

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, I want to look at the record. The Democratic Congress in 1945 passed a tax-reduction bill, two-thirds of the relief given in that bill went to big business in the repeal of the excess-profits tax. I voted for that bill because I thought it was a good bill. That bill was signed by the President in face of a $21,000,000,000 deficit that year. Then in the Eightieth Congress we passed a tax-reduction bill, 71 percent of the tax relief given in that bill went to the small-income people. That tax-reduction bill was passed in the face of an $8,400,000,000 surplus. It was vetoed by the President in face of that surplus, and it was passed over his veto.

So let us look at the record. That is the record.

The SPEAKER. The time of the gentleman from Illinois has expired.

VETERAN HOSPITALS

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, some reference was made this morning to the various members of the Department of the Army getting fired, and why the Armed Services Committee did not do something about it. I might say the matter has been given consideration by the Armed Services Committee. However, I do want to call the attention of the House to the fact that the Secretary of Defense recently issued a directive closing or curtailing 12 hospitals in which there are hundreds of our veterans. The surgeons general of the Army, Navy, or Air Force, or the Veterans' Administration were not consulted in this matter until after a directive had been issued to close hospitals on July 1 of this year.

One hospital in my State, the Valley Forge General Hospital, at Phoenixville, a 1,900-bed hospital, was built in 1943 at a cost of $10,500,000. It would cost approximately $43,000,000 to duplicate it today. This hospital is to be closed. It specializes in many varied services for veterans, such as plastic surgery, psychiatric treatment, and many others. If this hospital is closed as scheduled, it will bring about, in my opinion, a critical situation. Nevertheless, the order has been issued to close this hospital—one of the 12 to be closed or curtailed—in the economy program to effectuate a saving estimated at $30,000,000—which is debatable.

Now we recently voted $60,000,000 for aid to Korea. There is no economy when it comes to foreign spending, and we spend millions of dollars for potato subsidies. I say if we want to effect economies, cut out the foreign spending, cut out the potato subsidies, but let us not try to effect economies at the expense of the American veterans, soldiers and their dependents. Until such a time as the Veterans' Administration has amply provided for facilities to take care of these veterans, these hospitals should be retained. To close an institution that would cost approximately $43,000,000 to duplicate is not sound to my way of thinking.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

REPORT FROM SECRETARY OF STATE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 527)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments, and ordered printed:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State on the operations of the Department of State under section 2 of Public Law 584, Seventy-ninth Congress, as required by that law.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 14, 1950.*

(Enclosure: Report from the Secretary of State concerning Public Law 584.)

THE LATE HONORABLE FRED C. GILCHRIST

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, it is my sad duty to inform the House of Representatives of the death of Hon. Fred C. Gilchrist, of Laurens, Iowa, last Friday. Mr. Gilchrist represented the Sixth Iowa District in Congress during the Seventy-second to Seventy-eighth Congresses, inclusive. During his service here in Congress he made an outstanding record by his work as a member of the Committee on Agriculture, and in his service on that committee he made a great contribution to the stabilizing of agriculture when agriculture was most seriously in need of help.

Mr. Gilchrist had a great understanding of agricultural problems based upon his own personal experience in Iowa, especially as a leader in the Iowa State Legislature prior to his coming to Congress. He carried a major role in the writing of the warehouse laws of Iowa at a time when Iowa was taking the lead in the development of such laws.

The four senior Members of the Iowa delegation in the House of Representatives today came to Congress together in January 1939 and all of us looked to Fred Gilchrist with great pride as our leader in agricultural legislation. He became dean of our delegation at the death of Congressman Dowell in February 1940 and was our dean during the last 5 years of his service in the House of Representatives. We benefited tremendously by his wise leadership. He was a grand fellow and a real friend and his counsel was always sound and constructive. Iowa and our Nation have lost a great leader in his death.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent that the gentleman

from Iowa [Mr. DOLLIVER], who represents the district formerly represented by Mr. Gilchrist, may extend his remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DOLLIVER. Mr. Speaker, word has just been received of the death of Hon. Fred C. Gilchrist, of Laurens, Iowa, for 14 years a Member of the House of Representatives from the Sixth Iowa District.

My acquaintance and friendship with Mr. Gilchrist extends over a period of many years. It is with deep regret and sorrow that I have learned of his passing. He was a man of extraordinary ability and integrity. Over a long period of years he was a competent, honest, and efficient public servant, both in the State of Iowa and in the National Congress.

A man of genuine friendliness, all whom he knew became attached to him with "hoops of steel."

His service to agriculture during the period of his legislative service was exceeded by none and equaled by very few. He originated the plan now so widely used of storing nonperishable grains on the farm. That plan has been followed throughout the United States with a greater degree of success than any other segment of the agricultural program.

His sympathy for and understanding of farm problems is easily understood when it is remembered that he spent most of his life in a rural community among the fertile acres of the great Middle West. He had a comprehensive understanding of the problems of the people who tilled the soil and was extremely sympathetic to their needs and requirements. For many years he served on the Agriculture Committee of the National House of Representatives and held a high place in the esteem and confidence of his colleagues, both Republican and Democratic.

Mr. Gilchrist was possessed of a capacious mind and endowed with a fine sense of humor. He was fair and just in his dealings with his fellow men. In his family affairs, he was an exemplar. He raised a fine family, every one of whom is a credit to him and the community in which they live. My deepest sympathy goes out to them in the bereavement they have suffered.

Fred Gilchrist was a god-fearing man. He believed the truth of the scriptures and practiced them. His family and friends can take comfort in the fact of his faith in God. Surely here was a man who obeyed the divine injunction to "speak justly, love mercy and walk humbly before God."

Mr. LECOMPTE. Mr. Speaker, my heart was filled with sadness when the message came Friday of the untimely death of a very gallant figure. The older Members of the House will remember the courage with which Fred Gilchrist always stood up to be counted and with which he defended agriculture and measures in the interest of the underprivileged, the neglected, and the folks of small opportunity. In Fred Gilchrist all phases of agriculture had an able champion.

He was cast in a heroic mold, he was always courageous, he was a man who was devoted to his friends and his family. His service covered 14 years in this House, and many years of valuable service in Iowa. One of the truly big men of Iowa is gone.

My heart goes out to a grief-stricken wife and children at this time. But his life was complete and full; he had rendered very great service in high places and in low places, and those of us who knew Fred Gilchrist will remember a man who was always faithful to duty at all times. We will not soon see his like again.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. McCORMACK. I am very sorry to hear of the death of our late colleague, Fred Gilchrist. I remember him well. He and I developed a very close friendship. I considered him not only one of the most studious, but also one of the ablest Members of the House of Representatives during his distinguished period of service in this body; above all, he was a gentleman.

I join with my colleagues from Iowa in expressing my sympathy in the passing of our former colleague, and to his loved ones I extend my profound sympathy in their bereavement.

Mr. TALLE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. TALLE. Mr. Speaker, it is difficult to find words adequate to express the profound sense of sorrow and loss occasioned by the death of our former colleague and beloved friend, the Honorable Fred C. Gilchrist, of Laurens, Iowa.

When I began my service in this Chamber in the Seventy-sixth Congress, he, as a veteran legislator in the Iowa delegation, was one of the first Members to greet me. His friendly and wise counsel was of genuine help to me. I treasure the memory of the years we served together.

Fred Gilchrist's fourscore years were devoted to serving his community, his State, and the Nation. Country-school teacher, superintendent of schools, lawyer, prairie politician—the story of his life is a dramatic incident in Americana. A deep and abiding love of the soil was embedded in his great heart, and he labored long and tirelessly in the General Assembly of Iowa and in the Congress of the United States as a valiant champion of the American farmer.

Our sympathy goes out to his family in this tragic hour.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. JENSEN. Mr. Speaker, Hon. Fred C. Gilchrist was truly a great and good man, a loving husband and father. He was a patriot of the highest order, an able legislator, a true friend, a deep thinker, a square dealer, and a Christian gentleman. I extend my heartfelt sympathies to his good wife and family. God rest his soul.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. CUNNINGHAM. Mr. Speaker, news of the passing of Hon. Fred Gilchrist was a profound shock to me. When I came to Congress in 1941, Fred Gilchrist was the first Member I met. He took me to his office and immediately called each Member of the Iowa delegation, of which he was dean. From that day until the end of his service in the House he was like a father to me. He was always helpful, kind, gracious, and considerate. He was tolerant in his views. Fred Gilchrist was a deep student of American history. He put the welfare of his country ahead of all else. He was a true patriot. His influence for good will always be remembered.

My heart goes out to the members of his family at this hour of sorrow.

Iowa has lost a valuable citizen, and the Nation a real statesman.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Speaker, it was with deep regret that I learned of the passing of my good friend and former colleague, Fred C. Gilchrist. He was the dean of the Iowa delegation when I first came to Congress, and served with honor and distinction throughout the 14 years of his service here. He was a valuable member of the Committee on Agriculture of the House of Representatives, and it was with genuine pride that he served on that committee as a Representative of the leading agricultural State in the Union. He was at his best when he could champion the best interests of the Iowa farmer. Indeed, he was the farmer's friend. It was my rare privilege to succeed Representative Gilchrist on the Committee on Agriculture when he retired from Congress 5 years ago.

Fred Gilchrist was an individualist and was that kind of a wholesome and lovable person whom we all like to number among our friends. He had a keen sense of humor and enjoyed mingling with his fellowmen. He was a fine family man. There is nothing he liked better than to be surrounded by his friends and loved ones. He contributed much to his community, State, and Nation. Iowa is a better place in which to live because of the many years Fred Gilchrist contributed to the welfare of its people. I extend my deepest sympathy to Mrs. Gilchrist and all members of the family.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, it was not my privilege to have had the opportunity to serve in Congress with the late and Honorable Fred C. Gilchrist, but I became quite well acquainted with him during his service as a member of the Iowa Senate.

I shall ever remember the almost single-handed fight Fred Gilchrist made in the Iowa Legislature against the attempts by certain interests to saddle the State of Iowa with a huge bonded debt. And I recall the valuable legal services he rendered in the dark days of the depression to farmers who were being dispossessed of their lands and chattels.

This service he performed, not with assurance of compensation, but because he recognized the injustices that were being perpetrated upon a people who had too little control of the adverse circumstances that befell them.

Fred Gilchrist was a firm defender of the rights of the everyday citizen. Our country and the State of Iowa has lost a good citizen and a good public servant.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Kansas.

Mr. HOPE. Mr. Speaker, Fred Gilchrist during his service in the Congress was a close associate and a very dear friend of mine. In his death I feel a sense of deep personal loss.

He will long be remembered in this body for his integrity, his indefatigable industry, and his friendliness. He represented the people of his district faithfully and well. He was conscientious in the discharge of his duties as a legislator, whether on the floor or in committee. He was a man of principle but broad-minded and fair in his consideration of legislative matters.

Coming as he did from a great agricultural State and district, he had an intense interest in all legislation affecting farmers and rural communities. He became an authority on the difficult subject of farm legislation. The farmers of this Nation owe him a debt of gratitude for his interest in their welfare.

My deepest sympathy goes to the members of his family in their great bereavement.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, those of us who were well acquainted with our former colleague, the Honorable Fred Gilchrist, of Iowa, are saddened over the news of his death. I had the privilege of serving with him on the Committee on Agriculture. Mr. Gilchrist, or Fred as we affectionately called him, was a man of sterling character and high purpose. He served his State and the Nation with distinction and honor, and I shall always treasure his friendship. I am grateful to my colleagues from Iowa for permitting me to express my personal feelings over the passing of this good friend, and I join with Members of the House in extending my sincere sympathy to Mrs. Gilchrist and her family in their sorrow.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, the passing of Fred Gilchrist reminds us that the milestones along the highway of life become the monuments to departed friends.

No man in this House enjoyed more the respect of every Member, regardless of party affiliation, than did Mr. Gilchrist.

His life was gentle, and the elements
So mix'd in him that Nature might stand up
And say to all the world, "This was a man!"

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SURPLUS COMMODITIES

Mr. WHITE of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITE of California. Mr. Speaker, for several days past now, the gentleman from Massachusetts [Mr. HESELTON] has registered complaint about the amount of storage charges the Government is paying out on commodities. I wonder if the gentleman would care to recommend anything to the Congress of the United States as to what should be done with those commodities. Should we dump them into the ocean or something like that? Does he not realize that those products have been accumulated in accordance with a program which has been endorsed by both political parties? I wonder if he would care to shift over to the proposal made last Saturday by a subcommittee of the Republican National Committee, their point No. 4, which reads: "Unrestricted livestock production, supported at full parity at market by government purchases." Now, what would we do with the hogs? Would we keep feeding them if we bought them and run up charges much higher than the ordinary storage charges on commodities or would we put them in storage to keep them from rotting? I ask the gentleman the next time he complains about these storage charges to please come forward with a constructive alternative proposal.

If the gentleman is talking about turning some of these perishable commodities over to charitable institutions, he should know that the present law provides that these commodities may be turned over to those institutions. However, the gentleman also should know that the Farm Bureau and Republican-dominated coalition which passed the present law provided for paying freight when the food is for animals but prohibited it when for human consumption. The Congress is now working on amending this law to take care of this situation and if the gentleman from Massachusetts will be patient, this situation will be rectified very soon I hope.

EXCISE TAXES

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, in the flurry of speeches that have been made on the floor this morning regarding excise taxes, I think we have at last established two points beyond the peradventure of a doubt.

For the first time I have heard the Republican leadership admit that their party made excise taxes permanent taxes. Up until now the Republican leadership has tried to tell us they were just temporary taxes, and that all they were doing was extending them. Now they have admitted that they did write into the tax structure of the United States excise taxes, sales taxes, if you please, as a permanent part of our tax structure.

Secondly, they have admitted that in spite of the efforts of the President to get those permanent taxes repealed, that they now only want to repeal them if they can further unbalance the budget. So far as I am concerned, I am for repealing those taxes, but I agree with the President, since they have been made a permanent part of our tax structure by the Republican Party, if we remove them, we must replace them with other taxes.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Massachusetts, the distinguished majority leader.

Mr. McCORMACK. After they passed the iniquitous tax bill that the people repudiated in 1948, they were caught in the trap. They made the excise taxes permanent and there was nothing further we could do to further unbalance the budget. They vote one way and talk another way, as usual.

Mr. BIEMILLER. I thank the gentleman for his contribution.

EXTENSION OF REMARKS

Mr. BECKWORTH. Mr. Speaker, on yesterday I asked unanimous consent to extend my remarks in the RECORD and include some extraneous matter. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $451, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

EXCISE TAXES

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROOK. Mr. Speaker, I harbor nothing against any organization or class of people. I do not want to see taxes any higher than they need be, and if these excise taxes are brought before this House, I certainly will vote to repeal some of them and substantially reduce others. However, there is one organization, and I refer to no other than the Western Union, that is carrying a stamp on each and every telegram that I pay for and send to my constituents, or my constituents send to me. Some of my telegrams that consist of 11 words will carry a stamp that has 21 words asking repeal of excise tax on telegrams. Now, what I want to know is who authorized West-

ern Union to put a rider message on my telegrams that I send to my constituents or my constituents send to me? Attaching stamps is a wrong thing to do, a wrong practice, and I am asking that somebody account for that practice. If I were to send a letter and the postman would put a message on it, it would amount to the same thing. I know who introduced this excise tax bill in 1947. A predecessor of mine introduced the bill and it was supported by every Republican Member from the State of Indiana. My Democratic colleague the gentleman from Indiana [Mr. MADDEN] voted against it, and Mr. Ludlow, had he not been ill, would have voted against it. This bill that became Public Law No. 17 took tax off the big boys and put it on the little boys. You had to have it to supplant the tax saved big interests.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, the gentleman from California [Mr. WHITE] just a minute ago referred to our colleague the gentleman from Massachusetts [Mr. HESELTON] and inquired as to whether the gentleman from Massachusetts had any remedies or suggestions to offer for the glut of potatoes and other surpluses. Evidently the gentleman was not on the floor the seven, eight or nine times that the gentleman from Massachusetts has made specific suggestions, namely, that these surplus commodities, dried eggs, dried milk, potatoes, and other commodities be used for the school-lunch program, for child welfare organizations, Federal and State relief and welfare agencies, and for other private charitable organizations. The gentleman from Massachusetts has made specific suggestions, good suggestions, and has steadily pressed the House Agriculture Committee and the Department of Agriculture for action upon his specific program. I hope the next time he speaks on the subject the gentleman from California will have the privilege of hearing him.

By the way, I realize that these gentlemen on the Democratic side of the aisle who have objected to the Republican income-tax reductions by which 7,000,000 people were taken off the roll are all very busy gentlemen, including the majority leader. If they are too busy to introduce a bill to repeal that tax reduction and put those 7,000,000 people back on the roll, I will be glad to draft the bill for them as a public service. If you are not willing to accept my generous offer, I shall be forced to conclude that the concern you pretended to feel for the common man has, indeed, gone with the wind, the oratorical wind, that is.

EXTENSION OF REMARKS

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include a resolution.

CANADA BENEFITS BY ECA AND UNITED STATES TRADE POLICY

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, since the ECA was launched in April 1948 our Nation has poured out nearly $8,000,000,000 to assist the European nations down the road toward economic recovery. More than a billion of this money has gone to Canada, which has supplied many millions of dollars' worth of grain, lumber, machinery, and other products to these European nations. Canada has collected nearly 14 percent of those United States dollars we have been furnishing the ECA.

As a result of this ECA business Canada is having a boom. Our neighbors to the north have reduced their national debt about 13 percent since the end of the war, they have balanced their budget and have an $87,000,000 surplus, and they have even repealed or slashed many of their wartime excise taxes.

Now, I am glad to see the Canadians so prosperous, but when their prosperity is at the expense of our own lumber, fisheries, and milling industries of the Pacific Northwest I believe it is time we reexamine our foreign trade policy. Are we as a nation going to finance a program that is having an adverse effect upon a large portion of our economy?

LUMBER

Let us see what has happened during the last year or so in the forest-products industry, a principal industry in western Washington and Oregon. The United Kingdom recently asked for bids on 87,000,000,000 board-feet of lumber under the ECA program. British Columbia mills underquoted American mills and received 95 percent of this business. American mills got $200,000 in business while Canadian mills got $1,900,000. This purchase was made with American dollars supplied through ECA.

The irony of it is that those American mills which lost the business to Canada are paying part of that $8,000,000,000 we are pouring into ECA. They are being taxed and their tax money is spent in Canada to run themselves out of business. Is there any justice in that?

Besides underselling our lumber mills in the foreign market, the British Columbia mills now are beginning to take away the markets of our Northwest mills on the Atlantic coast. Up until 1948 no British Columbia lumber was shipped by water to the Atlantic Coast. But mills in Washington and Oregon found a market there for lumber which had grown to 552,724,033 board feet in 1948. That same year British Columbia shipped 96,071,921 board feet to the Atlantic coast.

Last year our Northwest sawmills supplied 1,021,381,829 board feet to the Atlantic coast, while British Columbia mills sold 303,525,459 board feet there. If the lumber demand on the Atlantic coast should drop tomorrow, the Canadians undoubtedly will cut their prices to hold their volume at the expense of the American mills.

Under present conditions British Columbia mills can drop their delivered price to the Atlantic coast about $10.60 per thousand and still net the same f. o. b. mill price in Canadian dollars that American mills are today netting in American dollars. With their substantially lower wage costs and other advantages, the Canadian mills can reduce their prices to a level which would ruin the Washington-Oregon lumber industry.

A number of factors make it possible for the Canadians to undersell our mills. For example, the base wage in Oregon and Washington sawmills is $1.45 an hour. In western British Columbia the base wage is $1.07½ per hour. On the basis of wage costs alone most Canadian mills can undersell American mills and frequently have done so.

Last summer the Canadian Government fixed the exchange rate on the Canadian dollar at 90 cents. One Canadian dollar is now worth 90 cents in American money. To the lumber industry this means that Canadian sawmills can sell their product in the United States, or any other world market where American dollars are available, at the current market price in American dollars and receive a net return at the mill 10 percent greater than can an American mill selling at the same market price.

Large quantities of British Columbia's lumber are shipped by water from their ports to Boston, New York, Philadelphia, and other Atlantic seaboard cities by tramp steamers of various nationalities. American mills, under the Transportation Act of 1920 and amendments thereto, must use ships of American registry. Costs of operations of American ships are substantially higher than costs of operation of any foreign ships, due principally to the much higher wages paid by American shipowners. Freight rates on American ships therefore nearly always are higher than those applying on foreign ships. This means that British Columbia mills can ship lumber to the Atlantic coast on tramp steamers at $4 to $8 per thousand less than American mills can ship to the same destinations.

Under provisions of the reciprocal trade treaty the duty and excise tax applicable to lumber imports into the United States have twice been reduced until they are now 75 cents per thousand board feet excise tax and 25 cents per thousand duty. This $1 duty and excise tax on Canadian imports is so negligible in view of the other substantial advantages enjoyed by British Columbia shippers that it does not give the slightest protection to American producers.

WHEAT

Most of these advantages enjoyed by Canada—lower wages, rate of exchange, transportation costs, and so forth—apply as well on wheat and canned salmon. Take wheat, for example, where the Government-supported price is higher than the level of world prices. Northwest flour millers must pay more for their wheat than do Canadian millers, who

therefore can undersell United States flour producers.

During 1946, 1947, and 1948 the Philippines were one of the best foreign markets for Northwest flour. During those years we supplied nearly 74 percent of the flour imported into the Philippines, and the Canadians furnished about 26 percent. The shipment of Australian flour to the Philippines during that period was negligible.

Last year our Northwest millers began to lose that Philippine market to Canada. Month by month the percentage of flour imported into the Philippines from Canada rose, while our exports to the Philippines declined. Whereas in January of 1949 Canada furnished 21 percent of the flour, at the end of the year Canada was supplying about 60 percent of the Philippine flour. The United States had about 40 percent of the market. If this trend continues the Northwest soon will have completely lost its best foreign market for flour.

The Canadians can also undersell our Northwest millers because the devaluation of the Canadian dollar gave them a 10-percent differential. Their wheat prices now are about 25 cents per bushel below our Government support prices.

Since the wheat-flour mills in the Pacific Northwest are dependent upon a continuing flow of flour into export trade, the loss of this Philippine market has made itself felt in sharply reduced mill operations. Several mills in the area are completely shut down and others are running at reduced capacities. The Government, which is largely responsible for the situation, must provide our millers with some positive assistance.

There are two ways in which the Government can help. First, it can be done by the inauguration of a general subsidy program outside of that contemplated under the International Wheat Agreement, which will permit the United States to meet foreign competition in export markets.

An alternate mechanism is available through the Commodity Credit Corporation under which wheat would be made available to export flour millers at prices which are competitive with Canadian and Australian wheat prices. This would be the simplest solution because the CCC has already the authority to do this.

Canada has also benefited through purchases of bread grains by ECA nations with United States dollars. Since the inception of the program Canada has received $425,000,000 worth of this business. Included in this amount was $354,000,000 worth of wheat, although the United States Department of Agriculture has in storage some 400,000,000 bushels of surplus domestic wheat for which it has no market.

FISH

Imports of Canadian fish products into the United States have jumped from $13,000,000 in 1938 to $62,000,000 in 1948. Reduced tariffs under reciprocal trade agreements permit Canadians to undersell United States producers in United States markets. Domestic industry has been hit, resulting in considerable unemployment in some areas, notably New England.

All of these factors I have outlined have an adverse effect on three great industries in the State of Washington—lumber, grain, and fishing. The industries have tried to solve their own problems, but some of the difficulties seem beyond their range of influence.

However, Congress can place a limiting quota on imports into this country. It can increase the duties on those commodities imported in excess of quotas. ECA can require that American lumber producers be given more consideration when foreign nations purchase their requirements with ECA dollars. Congress might require that all lumber used in FHA-financed houses be made in the United States.

Certainly some action must be taken if these three great industries in the Pacific Northwest are to remain healthy in the face of this Canadian competition.

NATIONAL SOCIALISM

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, my very distinguished colleague from the State of Missouri showed great indignation at the thought our Government could in any way be socialistic, and as proof that it was not socialistic he cited the case of the profits of the General Motors Corp. I am afraid that is a very poor example, if I may say so to the gentleman, because if he has ever studied national socialism abroad he will know that the great corporations flourish under national socialism. It is the small-business man that goes to the wall and is sacrificed. Small business is not doing too well right now in the United States of America. I happen to know, because I happen to have been one of them.

EXCISE TAXES

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, my purpose is to congratulate the gentleman from Missouri [Mr. CHRISTOPHER] on having discovered one business, at least, that has made a profit—General Motors—and he might have added, paid a rather large tax into the Federal Government, a tax which must have assisted materially in operating the Government at no greater deficit than we have. But the thing that was worrying me, and I am all confused about it, is that the gentleman from Massachusetts, as he often does, just put me all in a tangle and a snarl. If I understood him correctly, he was kicking about the Republicans repealing some taxes in the Eightieth Congress. He was also talking about the excise taxes. Is the gentleman against the excise taxes and does he want them repealed? Did he not vote for excise taxes? If he would answer me, it might help.

Mr. McCORMACK. Would the gentleman make his question a little more intelligent?

Mr. HOFFMAN of Michigan. Did the gentleman vote for excise taxes?

Mr. McCORMACK. What excise taxes?

Mr. HOFFMAN of Michigan. The ones the gentleman has been talking about today, the same ones he has been talking about.

Mr. McCORMACK. Yes.

Mr. HOFFMAN of Michigan. Does the gentleman want them repealed?

Mr. McCORMACK. The President recommended an extension of 1 year; is that right?

Mr. HOFFMAN of Michigan. The gentleman voted for them; did he not?

Mr. McCORMACK. Is that right? The gentleman's party brought them in and made them permanent.

Mr. HOFFMAN of Michigan. Will the Members please note. The gentleman has not answered either question. I asked, Did the gentleman vote for the excise taxes? Does he now want them repealed?

The SPEAKER. The time of the gentleman from Michigan has expired.

THE TAX PROBLEM

Mr. COUDERT. Mr. Speaker, we have heard a great deal of talk about taxes and tax reforms. But I have not heard anybody go to the heart of this tax problem, or point the finger at the one great evil or suggest the one great reform which would solve our problem. I suggest we give serious consideration to repealing the sixteenth amendment, to repealing the income-tax amendment, and then let us see what will happen.

The income tax itself has been the source of nearly all our troubles. Without it we would not be talking about socialism today. The Federal Government would not have the power to confiscate all the wealth, earnings, and property of the people of the United States. Without the income-tax amendment it would not have the power to destroy the States and thereby destroy the Federal system.

I suggest, Mr. Speaker, that the House in considering revision of the general tax structure, give some consideration to that suggestion.

The SPEAKER. The time of the gentleman from New York has expired.

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

EXCISE TAXES

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, as dad used to say on the way to the woodshed, "This may hurt a little, but as a result, you will be a better man for it."

To my good friend, the gentleman from Indiana [Mr. CROOK], I would like to say I would not accuse him of intentionally lying, but I will have to say he was very ill-informed, or at least he handles the truth with extreme recklessness. The wartime excise tax was passed by the Congress in 1943, before his predecessor, the distinguished former Representative from his district, Bob Grant, was even a member of the Committee on Ways and Means. He had nothing to do with the introduction of wartime excise legislation.

I might say to the gentleman from Indiana, maybe he thinks it is fine to put a 20-percent tax on the simple luxuries and everyday necessities of middle-income and low-income people, but I think it is terrible.

The SPEAKER. The time of the gentleman from Indiana has expired.

LEGALITY OF CERTAIN PRICING PRACTICES

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 96]

Battle	Gore	Poulson
Bolling	Gossett	Quinn
Boykin	Heller	Rabaut
Buckley, N. Y.	Hoffman, Ill.	Rains
Bulwinkle	Jenkins	Reed, N. Y.
Burdick	Johnson	Rivers
Byrne, N. Y.	Kean	Roosevelt
Chatham	Kennedy	Sadowski
Chiperfield	King	Shafer
Clemente	McGrath	Sheppard
Clevenger	Magee	Smathers
Davies, N. Y.	Merrow	Smith, Ohio
Dawson	Michener	Smith, Va.
DeGraffenried	Monroney	Staggers
Dingell	Murphy	Thompson
Dolliver	Norton	Vinson
Douglas	O'Hara, Minn.	Whitaker
Doyle	Pace	Withrow
Ellsworth	Pfeiffer, William L.	Wolverton
Fogarty	Philbin	
Gilmer		

The SPEAKER pro tempore (Mr. COOPER). On this roll call 372 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LEGALITY OF CERTAIN PRICING PRACTICES

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the debate on the conference report be extended for one-half hour, to be equally divided between the two sides.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. HALLECK. Reserving the right to object, Mr. Speaker, I do not like to object to a request of this sort, but this matter has been before the House, I think, three times before and has been debated time and again. There is another matter that is pressing for action before the House. I have discussed the matter with numerous Members who are interested. Therefore, I shall be constrained to object.

The SPEAKER pro tempore. The Clerk will read the statement.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "(except where such absorption of freight would be such that its effect upon competition will be to substantially lessen competition)"; and the House agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the House amendment; and the House agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: ", and this may include the maintenance above or below the price of such competitor, of a differential in price which such seller customarily maintains, except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice"; and the House agree to the same.

Amendment numbered 4: That the Senate recede from its disagreement to the amendment of the House numbered 4 and agree to the same.

EMANUEL CELLER,
FRANCIS E. WALTER,
EARL C. MICHENER,
CLIFFORD P. CASE,
Managers on the Part of the House.

PAT MCCARRAN,
HERBERT R. O'CONOR,
ALEXANDER WILEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On October 13, 1949, a conference report to accompany S. 1008 was filed (Rept. No. 1422) together with an accompanying statement of the managers on the part of the House. The report was approved by the House, but was returned to conference by the Senate in order to make an amendment to section 4 (d) of the bill requested by the Attorney General.

The present report is precisely the same as the prior report as to amendments Nos. 1, 2, and 3, and what was then said about those amendments is here endorsed and incorporated by reference.

Amendment No. 4 adopts the original House version of the bill in accordance with the recommendation of the Attorney General.

EMANUEL CELLER,
FRANCIS E. WALTER,
EARL C. MICHENER,
CLIFFORD P. CASE,
Managers on the Part of the House.

Mr. CELLER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. REED] and now yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, this bill was introduced on the Senate floor. It was entirely different from any bill that was then pending. It goes much beyond what was originally intended. On this bill no public hearings have been conducted. Representatives of small business came here from all over the country and clamored for an opportunity to be heard in opposition to this bill. They were denied that opportunity.

This is a bad bill. If it becomes law, it will legalize identical pricing by steel and cement companies at a time when we are spending billions for public roads. Do you not believe there should be competition in the sale or the purchase of cement?

This conference report should be recommitted to the conferees. That motion will be made. That will be in the interest of these people who have been asking that we defeat this bill: the druggists, the grocers, the gasoline dealers, 16 different organizations. Every genuine small-business organization in America is opposed to this bill, every one of them without exception.

This bill would destroy our antitrust laws. The chamber of commerce in your home town doubtless wants a local industry. If this bill becomes law, it will prevent any opportunity in the future for your local chamber of commerce to secure a local industry in your area. When Mr. Fairless, president of United States Steel, came before our committee I asked him the question if outgoing freight absorption would not help decentralization of industry. Mr. Fairless replied, "I am not certain I am in favor of decentralization." And he is not in favor of it.

That is the reason Mr. Fairless, head of United States Steel, is sponsoring this particular bill. It is to freeze industry

where it is and prevent the decentralization of industry. Do you know how it affects your districts and your States? No. Why?—because there are no hearings so that your businessmen could be given an opportunity to testify. That is why you did not know. I venture to say this bill would not receive 10 percent of the votes in the House if hearings had been conducted and testimony presented and you had the opportunity to read that testimony.

This bill will unduly help the Pennsylvania area. I am not against the State of Pennsylvania. Certainly I do not blame their fine Representatives in this body. I do object to any unfair advantage to any State—Texas or Pennsylvania. This bill will freeze industry where it is. It will be harmful to the rest of the country. That is the truth about this bill. In section 3, they go outside of any freight absorption and invalidate a court decision. Imagine that. The courts have held against Standard Oil of Indiana in favor of the small gasoline dealers. This section of the bill will invalidate that court decision. It is like a governor pardoning a prisoner who is charged with crime before the jury comes in. That is what you would be doing here. Gentlemen, it is not fair and it is not right.

Freight absorption, as such, is not illegal. It is perfectly legal. Anybody can absorb freight if they want to absorb it because it is part of the price. It is part of the purchase price. But if you vote for this bill, you are voting to legalize what the Supreme Court has heretofore outlawed, namely the use of freight absorption as a vehicle to fix prices and create monopoly. When you vote for this bill you vote to undo what the Supreme Court said. I do not think it should be done. This bill is fully explained by Mr. Freer, former Commissioner of the Federal Trade Commission.

He was a Republican appointee and was confirmed three times. He is a good man and he knows all about it. Read the article in the Appendix of the CONGRESSIONAL RECORD. It is on page A1850. Look at that article. He analyzed it section by section. He is an able lawyer and you can depend on him.

When you read that article, I doubt that you will be in favor of this conference report. This conference report should be sent back and the conferees should carry out the instructions of the two bodies. This bill will promote monopoly. It will repeal fair-trade laws. It has a devastating effect on the small business of this country. It should be sent back to conference.

The SPEAKER pro tempore (Mr. COOPER). The time of the gentleman from Texas has expired.

Mr. CELLER. Mr. Speaker, I yield 13 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, today and, it seems, every day that S. 1008 comes to the floor for discussion is "red herring" day. Just recently, on February 28, an overwhelming majority of this body voted to send this much-maligned bill back to conference. We are here again today to take action on the recommendation of the conferees which varies in only one particular from that bill which was reported by the conferees last year.

On the occasion of the last debate on the subject I took the floor, as I have so often in the past, to describe in plain English what the bill is all about. Much to my surprise and hurt, a few days later in the Appendix of the RECORD for March 6, I observed that my able colleague and good friend, Congressman KARST, took me to task in a singularly unpleasant way by inferring that I have been guilty of misrepresenting the facts to you. This is either a serious charge or one which is more of a tribute to its author's valor than to the discernment and understanding of his advisers. Perhaps it is both. Be that as it may, my colleagues in the House know that my constant effort here has always been to lend clarity to any discussion in which I participate, rather than sound and fury.

Because I think that a point by point refutation of the gentleman's ill-advised statement would help to clear the air, I shall proceed to dissect his case by citing chapter and verse.

First, is he aware of the meaning of the term "obiter dicta"? He may confuse it with a dissenting opinion, for he makes reference to the obiter dicta of a justice in the Cement Institute case to the effect that the issue of whether a seller acting independently could or could not absorb freight had not been determined by the Court. I find this thought expressed in the dissenting opinion of Mr. Justice Burton (333 U. S. 683, 733). As all of us know who have taken the trouble to examine the reported decision, the offensive dicta of the Court is contained in part in footnote 19 on page 721 of Justice Black's majority opinion. But I am charitable; bear with me further.

I am again taken to task for my statement to you that the obiter dicta remarks of the Justice in the Cement case had been picked up by the district court judge in the Rigid Steel Conduit case and cited as the law, whereas the Rigid Steel case was never before a district court, but went, like all Federal Trade Commission appeals must go, directly to the circuit court. To this count of the indictment I plead guilty, for, as any law-school student knows, Federal Trade Commission appeals hurdle the district courts and go directly to the courts of appeals. But in the heat of debate it is pardonable error to refer to the district court when all listeners understood me to mean the circuit court. Here, however, is a clear case of damnum absque injuria—wrong without injury. But then the gentleman proceeds to challenge me to bring in the judge's opinion in the Rigid Steel case and show to you wherein it relies on the Cement case dicta. I accept the challenge, and call to your attention the decision of the circuit court in the Rigid Steel case, in One Hundred and Sixty-eight Federal Second 175, at page 181, and quote the court:

> In the light of that opinion (i. e., Cement case), we cannot say that the Commission (i. e., Federal Trade Commission) was wrong in concluding that the individual use of the basing-point method as here used does constitute an unfair method of competition.

Mind you, this was the decision of the circuit court on the question of whether the individual use of the basing-point method, with the knowledge that other sellers use it, does not constitute an unfair method of competition. It is more than evident to even those of us least familiar with this problem that my flat statement of February 28 is not only corroborated by these references, but that this particular point was the heart of the Rigid Steel case.

To proceed, at another point of his bristling remarks the gentleman endeavors to paint a beautiful picture of unanimity in the judgments of the experts—Freer, Wooden and McIntyre, of the Federal Trade Commission—that the law as they interpret it does not prohibit individual freight absorption, and that the Commission has never brought a case against sellers who were acting independently in absorbing freight. I submit to you again the Rigid Steel case to confound these platitudes. There the defendants Spang Chelfant and Clifton Conduit were acquitted under count 1, the conspiracy count, and found guilty under count 2, which did not charge a conspiracy, which would indicate that in the court's opinion independent freight absorption itself was illegal as an unfair method of competition. To point this up more sharply I call your attention to the brief filed by the Commissioner in that case. Let me quote from the circuit court brief filed by the Commission in that case:

> Under count II the issue is simply whether the concurrent use of the basing-point practice * * * constitutes * * * an unfair method of competition within the meaning of section 5 of the Federal Trade Commission Act. * * * We grant that no issues of conspiracy arise under count II * * *. We contend, of course, that on this record the basing-point practice is not a method of meeting competition but a device that automatically frustrates competition.
>
> However, we confine our agreement and acceptance to count I because it is only in count I that such a charge is made and it may well be that the questions arising under count II are more important than those arising under count I.
>
> Count II and a corresponding part of the order are frankly directed against the basing-point practice as being, per se, an unfair method of competition, even though not predicated on combination and conspiracy.
>
> There is no question at issue under count II whether the facts * * * involve a combination or conspiracy * * * counsel for the Commission expressly refrain from so contending as such a question here would be purely academic * * * and the court is not called upon to resolve it.

If your conception of the English language coincides with mine, an absence of conspiracy would necessarily imply independent, individual action, yet the court in the Rigid Steel case found this to be illegal, and the words of the court on page 181 of its reported decision, clearly predicate this conclusion on the dicta in the Cement case.

But this is not all. Much capital has been made of the misleading charge that inadequate hearings were held in the House of Representatives. On previous occasions when this charge has been made on the floor we have contented ourselves with stating the fact that upwards

of 1,600 pages of congressional hearings have been printed on the subject. Through oversight I have neglected to mention the fact, and so did the gentleman from Missouri [Mr. KARST], that the House Small Business Committee held hearings in June and July of last year which stretched to 303 pages, including exhibits, and involved at least 15 witnesses. And what do you think these hearings were entitled? The title reads "Small Business Objections on Basing-Point Legislation, Particularly S. 1008." Now I invite the attention of my colleagues to the significant fact that, of those who testified, only five were small-business representatives in the proper sense, and of those five fully four had already aired their views extensively at previous congressional hearings on the subject. I sometimes wonder who is misleading whom.

Next we learn in reading the article of the distinguished gentleman, if any of you has had the patience to do so, that the purpose of the Robinson-Patman Act was to prevent good-faith meeting of competition from being a complete defense to a charge of price discrimination. True, as to this I am not charged with abusing the facts, but merely with characterizing the Kefauver amendment as an attempt to legislate into the law the rule of the circuit court of appeals in the Standard Oil of Indiana case. There is much to be said on this score. When I state my basic position in favor of regarding good-faith meeting of competition as a full defense in such cases, I am in good company. Before the Standard Oil decision was announced last year, the associate general counsel for the Federal Trade Commission, the Assistant Attorney General in charge of the Antitrust Division, and the assistant to the Attorney General all agreed with my interpretation of the present law making good-faith meeting of competition a full defense—see hearings on S. 236, Eighty-first Congress, pages 77, 92, 93, 320. Even the late Walter B. Wooden, long an ardent champion of mandatory f. o. b. mill pricing, wrote in an FTC report to the TNEC—Monograph No. 42, at page 139—as follows:

> From its enactment in 1914 until its amendment in 1936, the Clayton Act specifically safeguarded the right of a seller to discriminate in price for various reasons, among them being discrimination in good faith to meet competition. The amended act now safeguards the right of a seller to discriminate in price in good faith to meet an equally low price of a competitor, but he has the burden of proof on that question. This right is guaranteed by statute and could not be curtailed by any mandate or order of the Commission. The Commission has never proposed that this right be disturbed by amendment of the statute. The right of self-defense against competitive price attacks is as vital in a competitive economy as the right of self-defense against personal attack.

All of these opinions preceded the Standard Oil decision. After the decision, in a letter to the House Judiciary Committee dated June 9, 1949, the FTC wrote:

> All of the Commissioners believe that on balance it would be preferable to make the good-faith meeting of competition a complete defense.
>
> To refuse to make the good-faith meeting of competition a complete defense necessarily involves the risk of impairing the vigor of competition among sellers. The Council of Economic Advisers apparently had this risk in mind in its report to the President in December 1948, in which it referred to the tendency of the law of price discrimination to lead to soft competition. (Hearing on S. 1008 (81st Cong.) before the House Committee on the Judiciary, p. 61.)

You may draw your own conclusions.

Of all of the hoary old canards that has been dragged out against the bill in its recent history, none is more pernicious and disreputable than the one about the bill resurrecting the basing-point system. Again and again this has been the rallying call for that hardy band who daily fill our ears and our mail with dire predictions. I am glad that the gentleman from Missouri [Mr. KARST] has an enlightened view of this, judging from his endorsement of my assurance that S. 1008 does not legalize the basing-point system—single, multiple, or even the invisible type. But he has avoided Scylla only to be enveloped in Charybdis, for he now sounds the tocsin against the bill because, he says, it will legalize the "single-zone-pricing system." Now, perhaps I am not as good an economist as my friend, but if by single-zone-pricing system he refers to either postage-stamp pricing or parcel-post pricing, then I cannot see exactly why he fears these two old acceptable methods of doing business, provided all purchasers within a zone are treated indiscriminately. Is this the beginning of a new and even more fearsome phase of this war of words? I hope not, for my stock of economic jargon, not too good at best, cannot withstand a new barrage of semantics.

I shall finish on a moderate note, for undoubtedly the gentleman from Missouri [Mr. KARST] was pardonably in error in stating as he did that S. 1008 was substituted in the Senate for the Johnson bill. I happen to know about this, for I authored and introduced in the House, H. R. 2222, a basing-point moratorium bill prior to the introduction of the Senate companion bill, S. 1008. Neither related to the Johnson bill, which provided a permanent solution unlike the moratorium idea. As it came to pass, S. 1008 was amended on the floor of the Senate by substituting the full text of the O'Mahoney bill, S. 1974, which latter bill number was dropped as is the procedure. However, error on such a minor point in a bill which has undergone such a bewildering career is pardonable and, as I said, I am charitable to my critics.

And now, with the record clear, and with a bill before you to which nothing can be added by way of explanation that has not already been said too often, I urge the membership of this House to adopt the report of the conferees in exactly the form it is submitted and put to rest what for too long has been the source of more heat than of light.

(Mr. WALTER asked and was given permission to revise and extend his remarks.)

Mr. REED of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. CASE].

Mr. CASE of New Jersey. Mr. Speaker, my colleague, the chairman of the subcommittee, has done such a complete job in explaining the action of the conferees on this bill that I do not have very much to say. I may say again that what you have before you today is, with one exception, exactly the same thing that the conferees brought before you previously and which you approved. The exception is that the Senate receded from its objection to an amendment which the House had made to the bill and accepted the House language. Your conferees were faced then with the situation in which the Senate conferees had completely agreed with what the conferees had done previously—and the House had approved—in respect to three of the four House amendments to the bill and, in respect of the fourth amendment, had accepted the original position of the House.

I would be misleading you if I said that this is going to satisfy everybody. Of course, it will not. The people who voted several days ago to insist on the so-called Carroll amendment will not find their wishes met. The people who desire the so-called Kefauver amendment in its exact language will not find their wishes met. We did, in our previous conferences, attempt to give effect to the substance of the intent of both amendments, using different language. I thought that we had done the job pretty well. The House sustained us when the matter was last before us, and the conferees bring you back the matter in the same form, except that we are a little better off in that the Senate has accepted our original language as to the fourth amendment.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Ohio.

Mr. VORYS. Is this language "except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice" taken from any existing law, so that that language has any court interpretation behind it?

Mr. CASE of New Jersey. That language has been the subject of many court interpretations. Much of it comes from various of the existing antitrust laws, the Sherman Act, the Clayton Act, the Federal Trade Commission Act, and all of it has been construed in one or more decisions of the courts.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is there anything in this conference report that in any manner injures the small wholesale or retail-business man, as some people have claimed?

Mr. CASE of New Jersey. In my opinion there is absolutely no injury to any legitimate enterprise at all, big or little. It does not put a blanket over inefficient

business and it does not permit soft competition, the kind I believe the opponents, or some opposed to this conference report, would like to have. But it cannot injure the proper interests of any business enterprise.

Mr. HESELTON. Mr. Speaker, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Massachusetts.

Mr. HESELTON. I wonder if the gentleman would address himself to what I know he has seen, a very careful statement by a former Chairman of the Federal Trade Commission, which deals with procedure:

> Section 3, despite the Carroll amendment, not only might restore this defect in enforcement of the old section 2, but also might add even more difficulties of enforcement than existed in the administration of old section 2. For example, predatory price cutting, a tool of monopoly rather than that of healthy competition, is presently hard to reach because it is defended as a defensive meeting of local competition; under section 3, it might become almost impossible.

Is not that a very real possibility if we adopt this conference report?

Mr. CASE of New Jersey. I do not think the way to meet a difficulty in the administration of existing law is to make new bad law. I do not think the way to increase competition, and prevent predatory practices, is to eliminate competition. So, I disagree with the approach of the Federal Trade Commission as represented by the quotation from Mr. Freer's article.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. JACKSON of Washington. Mr. Speaker, ever since the very first time that S. 1008, the so-called basing-point bill, appeared on the floor of this House, I have opposed it. I have done so because I think that its long-run effects will be bad for our Nation's economy, bad for the economy of the Pacific Northwest, and particularly bad for small business.

In my opinion, Mr. Speaker, this is one of the most complicated subjects of legislation—and one of the least understood—that has come before the House this session. The whole problem of delivered pricing systems is filled with technicalities of economics, of law, and of business practices. It is not a problem that is easily or quickly understood. It is no surprise to me that many of the best businessmen in my district have written urging that I support this legislation.

In all honesty, I think it must be said that while the former basing-point industries are going through a period of adjustment, prices on a few selected items may be somewhat higher. Yet I am convinced that the long-run benefits to every single business in the Pacific Northwest resulting from a breaking up of systematic industry-wide basing-point systems will far outweigh any short-run disadvantages. I believe that if such systems are given the sanction of law through this bill, the economic life and future of the Northwest will be to an unfortunate extent, in the hands of industry leaders who make their headquarters, not in our region, but primarily in the East.

You will note, Mr. Speaker, that I have been careful to use the word "systematic" when I refer to evil basing-point systems. This is important, because many people believe that the Supreme Court and the Federal Trade Commission are out to stop all types of freight absorption. That is not the case. What they are trying to prevent is the industry-wide use of a system which permits every company to quote identical delivered prices to a given buyer, at any particular location, with the result that competition is greatly reduced.

The Federal Trade Commission has announced that it does not object to the practice of absorbing freight if it is used competitively. Its record of complaints backs this up; it has never attacked competitive freight absorption. What the FTC is against, and what the Supreme Court is against, is concerted action on an industry-wide basis.

Here is the way such a system works. Certain plants in an industry announce that they are basing points, and they announce the base price at their mill. Under the system, no other plant will quote to a prospective buyer a delivered price lower than the base price at the basing point nearest the buyer, plus the cost of the freight between that basing point and the buyer. Now if the mill which finally gets the contract is located farther from the buyer than the basing point is, the actual cost of freight will be greater than what he charges the customer, since he is only charging the cost of freight from basing point to customer. In this case he has to assume the burden of this extra freight himself, and the profit he realizes is small. This is called "absorbing freight." In that case, the customer probably feels he is getting a good deal.

But what if the mill which gets the contract is closer to the customer than is the basing point? In that case, he still charges the customer the cost of freight from the basing point, even though the goods never actually travel that distance. The added charge in this case is called "phantom freight.", The actual cost of freight is less than what the seller is paid for freight and his profit is high. In this case, the customer is getting a bad deal.

Now it stands to reason that, for an entire industry, no one is going to take consistently the low profits involved in freight absorption unless he expects to be compensated in some measure, at least, either by phantom-freight profits, or by the setting of such a high base price throughout the industry that all the members make a profit, even though they have to absorb some freight in the long run.

It is important to realize that once the members have agreed to agree on using the same basing points and the same delivered prices, very few conferences or communications are necessary. All each company has to know is the publicly announced base prices at particular locations, the publicly announced freight rates, and certain other special charges, and he will be able to quote exactly the same delivered prices as all the other firms who are using the system. That makes it very hard to prove that these firms are conspiring. In the steel industry, for example, the original agreement to agree was made around the turn of the century.

It is also important to realize that this system works best when the industry is dominated by a few companies. This is the case in steel and cement. If an individual firm steps out of line, the "major domos" of the industry agree that they will take a temporary licking in their shipments to that particular area, absorb a great deal of freight, and through very low prices, either drive the "bad boy" out of business or into line. This has actually happened.

Now, let us see what the systematic use of a basing-point system means to the Nation.

First, if it is used as effectively as it was in the cement industry, it means that price competition is entirely eliminated. To show you what I mean, on April 23, 1936, when the United States Engineers in Tucumcari, N. Mex., opened 11 sealed separate bids for cement, they found that each of the 11 bidders had quoted the same price per barrel of cement, down to one ten-thousandths of a cent. They all quoted $3.286854 per barrel. I think that there are few businessmen who would disagree that if price competition is eliminated to that extent, the competitive free-enterprise system, in which I wholeheartedly believe, means very little.

Second, not only does it mean that prices can be fixed by the industry as a whole, but it means that they will probably be fixed at a fairly high level, so that in averaging out freight absorption and phantom freight, everyone is sure to make a profit.

Third, it means that industry is heavily concentrated in places which are often quite illogical, and it means that it is extremely difficult for new industries to grow up where the demand for them exists. Why, for instance, should Detroit, which uses 15 percent of our steel production, have the capacity to produce only 5 percent of all our steel? And why should Pittsburgh retain 40 percent of the Nation's steel capacity when the industries in that area consume only half that amount?

Such a heavy concentration of industry might have very serious results should our Nation be plunged into another war. Even now, it means that there is a great deal of unnecessary shipping, or cross-hauling, which is particularly bad for the Northwest, as I shall show in a moment.

Fourth, it means that there are no natural market areas. There is no advantage in being located close to a producing mill. There is an advantage to being located near basing points, but these are chosen by the industry, and are usually tightly packed together. This makes even more serious the heavy concentration in the East—not only of the basing-point industries themselves, but of the fabricators which use their products. The growth of industry cannot follow the growth and distribution of demand. It must continue to be warped around an artificial system.

Fifth, in industries already dominated by a few giant concerns, a basing-point

system makes it much easier for these giants to maintain their control of the industry, its expansion and its price structure. The big fellows are always able to absorb freight much more easily than the small concerns.

That is what systematic basing points mean to the Nation's economy. What about the Northwest? What does it mean to us?

First, it means that if this systematic basing-point practice is perpetuated by law—and it will be if S. 1008 goes into effect—the Northwest will never get lower prices for such products as some steel items. We will always be at the mercy of industries which have their dominant locations in the East. The closest basing point for many of the steel items we use is on the east coast. That means that even if we want to get our steel from California, the price we pay will include the cost of transporting the steel all the way from the east coast, even though it does not travel that distance. Now, it is true that we do gain some advantage when the steel industry absorbs freight to our area. But our demands have little or nothing to do with this. They absorb only when they absolutely have to. There is no incentive for them to build new plants in our area, which would employ more people.

In short, if systematic basing-point schemes are perpetuated, we will probably never get lower prices, and we will probably never get the expansion in our industry which western demands call for. If the Supreme Court decision is allowed to stand, while we may face higher prices in some selected products for a short time, it will not be long before we will see the growth of new plants in our area—and then we will be able to reap the advantages not only of being close to the producing points, with the resulting lower freight costs—but also the advantages of greater employment and purchasing power for the Northwest. In my opinion, this can only have a good effect, in the long run, on every business in the Northwest.

To give you an idea of how certain industries have begun to decentralize since the Cement decision—and this process will continue if the Supreme Court ruling stands—I should like to insert in the RECORD at this point a list of the new cement plants constructed, as well as those which have been expanded, in the single year that has elapsed since the Cement decision. You will see that the States that have benefited from this growth are almost all in the South and in the Middle and far West.

Item No.	State	Company	Data on new plants and improvements on existing installations, 1949
1	Alabama	The Ideal Cement Co	To increase capacity of Mobile plant.
2	Alaska	Alaska Portland Cement Co	New $2,500,000 plant proposed—1,500 barrels daily.
3	Arizona	Arizona Portland Cement Co	New $3,976,000 plant at Rillito—2,000 barrels daily.
4	Arkansas	Ideal Cement Co	Plans to double capacity at Okay plant.
5	California	Calaveras Portland Cement Co	Plans to increase capacity 80 percent.
6	do	Riverside Portland Cement Co	Plans to increase capacity at Oro Grande plant to 3,500,000 barrels.
7	do	Whitewater Portland Cement Co. (Samuel Guiberson)	Plans new $15,000,000 plant near Palm Springs.
8	do	California Portland Cement Co	Improvements and general rehabilitation of the Colton plant.
9	Colorado	The Ideal Cement Co	Improvements, increased production of Portland plant by 1,000 barrels per day.
10	Florida	Florida Portland Cement Co	Plans to increase capacity at Tampa plant.
11	do	Lehigh Portland Cement Co	9,500 acres cement-bearing materials near Flagler Beach.
12	Idaho	Lewiston Area Development Association, Inc	Announced that a $4,000,000 cement plant will be constructed in that area—capacity 3,000 barrels daily.
13	Illinois	General Portland Cement Co	$4,000,000 expansion program at Chicago.
14	do	Medusa Portland Cement Co	Improvement program for Dixon plant.
15	Iowa	Dewey Portland Cement Co	Improvements at Davenport plant to increase production 40 percent.
16	do	Northwestern States Portland Cement Co	Carrying on $1,000,000 improvements at Mason City plant.
17	Kansas	Monarch Cement Co	Plans to increase capacity to 700,000 barrels annually at Humboldt plant.
18	do	Universal-Atlas Cement Co	Plans modernization of Independence plant.
19	Louisiana	Lone Star Cement Corp	Completed $1,000,000 improvements which boosted capacity 50 percent to 6,400 barrels per day.
20	Missouri	Missouri Portland Cement Co	New 6,000-barrel plant at Prospect Hill—to be completed in 1950.
21	Montana	Ideal Cement Co	Improvements completed doubling plant capacity at Trident.
22	do	Permanente Cement Co	490 acres cement-bearing materials—Helena.
23	North Carolina		1949 assembly proposes a new State-owned plant. Plan an $8,000,000 cement plant in Raleigh area.
24	North Dakota		State legislature grants $25,000 for survey to establish cement plant.
25	Ohio	Diamond Portland Cement Co	Completed improvements increasing capacity Middle Branch plant 50 percent.
26	do	Universal-Atlas Cement Co	Plans modernization of Osborn plant.
27	Oklahoma	Dewey Cement Co	Began $1,445,000 expansion program at Bartlesville plant.
28	do	Ideal Cement Co	To increase capacity at Ada plant.
29	Pennsylvania	Penn-Dixie Cement Corp	Plans improvements at West Winfield plant.
30	do	Medusa Portland Cement Co	Improvements at York and Wampum plants—part of multimillion-dollar program.
31	Puerto Rico	Ponce Cement Corp	Plans to increase capacity to 10,000,000 sacks annually (2,500,000 barrels).
32	do	Puerto Rico Cement Corp	Plans to increase capacity.
33	South Dakota	South Dakota State cement plant	Plans to double capacity to 4,000 barrels daily.
34	Tennessee	Signal Mountain Portland Cement Co	Plans to increase capacity at Chattanooga plant.
35	Texas	Tex-Mex.s Cement Co	New $6,000,000 plant at Corpus Christi.
36	do	Lone Star Cement Co	Plans to increase capacity 20 to 25 percent at New Orleans.
37	do	Trinity Portland Cement Co	Plans to increase capacity at Eagle Ford, Fort Worth, and Waco plants.
38	do	Ideal Cement Co	Plans to double capacity at Houston plant.
39	do	Lone Star Cement Corp	New plant near Sweetwater.
40	Virginia	(a) Lone Star Cement Co (b) Universal-Atlas Cement Corp	1,700 barrels daily—plans to build new plant near Roanoke. Capacity unknown.
41	Washington	Lehigh Portland Cement Co	Plans to increase capacity.

The steel tubing industry is undergoing a similar change—gradually and quietly, without the tremendous uprooting of workers that had been predicted by the exponents of basing-point systems.

The Pacific Northwest suffers in an even more serious way from this systematic basing point plan. The cost of freight absorption backfires on our region in the shipping of raw aluminum.

Primarily because of the tremendous sources of low-cost power in the Northwest, our region produces 50 percent of the Nation's aluminum ingots. Yet the aluminum products which are made from those ingots are manufactured in the East. Why should this be? If our region is so suitable for the production of the raw material, why is it not logical that fabricators should locate near the raw material producing plants?

The answer lies in two facts. One: the aluminum producers of the Northwest absorb the freight on shipments going east, so that there is no particular reason for the fabricators to locate near the aluminum mills. Two: to cover the cost of this freight absorption, the price of aluminum in the Northwest must be, and is set at a high level. So the Northwest suffers doubly: We do not get the industrial development that would naturally come to us under a freely competitive system; and we have to pay abnormally high prices for our aluminum. In some cases, we might actually be buying products fabricated in the East out of Northwest aluminum and then shipped out to the Northwest again.

Now it is claimed that the purpose of S. 1008 is to clarify the decisions of the Supreme Court. Actually, Mr. Speaker, this bill goes beyond that, and makes serious inroads on the antimonopoly legislation the Congress has passed in order to protect small business. The associations of small and independent businessmen realize this, and they oppose this bill.

In particular, S. 1008 tears the heart out of the Robinson-Patman Act of 1936. Before that act was passed, if a firm could show that a particular pricing practice was based on "good faith in meeting the price of a competitor," that was sufficient to clear such a firm of charges of unfair competition or discrimination. But under the Robinson-Patman Act, if it could be shown that competition had been lessened, "good faith" was no longer a defense.

S. 1008 restores the "good faith" defense. To show you what that means, let me cite the Standard Oil of Indiana case, now pending before the Supreme

Court. Standard Oil is charged with charging a price below its regular level to four selected companies, while maintaining regular prices for its other customers. That is price discrimination. But if the "good faith defense" is restored by S. 1008, all Standard has to show is that they were only doing this to meet some other competitor's price.

There is also language in S. 1008 that will make it much more difficult to show that competition has been reduced enough to justify a cease and desist order from the Federal Trade Commission. That gives monopolies or firms that dominate an industry considerably more leeway in which to operate.

In my opinion, Mr. Speaker, no new legislation is needed, for the following reasons:

First. Freight absorption, as such, has not been outlawed. When individually and competitively used, it is still legal. The courts have said that it is concerted action that results in systematic price discrimination that is objectionable.

Second. The Federal Trade Commission has stated clearly and frequently that it does not object to individual, competitive freight absorption. Its record of complaints backs up its stated position.

Third. The "postage stamp" delivery rate (delivered prices are the same all over the country) was "okayed" by the Supreme Court in the Staley case, and so does not need to be specifically condoned by Congress, as it is in S. 1008.

In short, Mr. Speaker, I think that S. 1008 is an unnecessary piece of legislation that will have extremely damaging effects on our national economy, and on the economy of the Pacific Northwest in particular. Its enactment will mean that the Congress has turned its back on small business.

Mr. REED of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I am rising in support of this conference report upon the basing point bill. May I comment to the gentleman from Texas that many people from Pennsylvania put the good of the country above any sectional interests. May I also report to the gentleman from Texas that all this screaming about monopoly and all this dying publicly for small business sometimes, when repeated too often, sounds just a little as if it were not done for the purpose of the particular bill, let us say.

As to the inference of the other gentleman who commented on Mr. Fairless, we, in Pennsylvania, are very proud of Benjamin Fairless and his progressive management policies. He certainly has the best interests of the country at heart. In my district, we are not only proud of Mr. Fairless, but of Philip Murray, and David J. McDonald of the steel workers, whose leadership also contributes to the amazing productive records of the whole basic steel industry. These three men are all fine leaders in difficult times, and adequately represent their respective points of view.

May I say that on the basing point bill, Mr. Fairless has stated that his company was not particularly concerned about the legislation, because they have plants in every strategic location.

The real issue here is whether our economy will have good competition under a law that does not favor monopoly and does not hurt small business; or whether on the other hand we shall have a Balkanizing of the country into little districts that can compete only within themselves and are blocked off geographically from every other district.

Our country has become great because within the country there has been opportunity for competition on a Nation-wide basis in a Nation-wide market.

I sincerely hope you will support this basing point bill and vote for the conference report.

Mr. CELLER. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Speaker, this is one of the most complex pieces of legislation this body has had to consider since I have been a Member. How can we be expected to vote intelligently upon this type of legislation in a debate where each side is given only 15 or 20 minutes?

I venture to say there are not 15 individuals in this body that really understand this legislation.

Some months ago when we first began consideration of this bill I did not associate myself with those who were trying to distinguish between the basing point and the mill net theory. I was interested in the immediate effect of the legislation before us.

Now I should like to ask the gentleman from New York, the chairman of this committee, what is the purpose and the intent of section 1 of this bill. Is it for the purpose of clarifying the dicta in certain court decisions?

Mr. CELLER. I believe that is a fair statement, because the obiter dicta apparently had in the minds of some the effect of nullifying the decision of the Supreme Court.

Mr. CARROLL. So that the intent may be clear, may I propound this further question: Is it the desire of the chairman of this committee or the committee itself to extend or to change present statutes or the decisions of the courts with reference to the use of the basing point practice?

Mr. CELLER. This first section sought to clear up the obiter dicta indulged in by Mr. Justice Black in the Cement case. It is declaratory, in my opinion, of what the law was.

Mr. CARROLL. Dicta has no force and effect in law; any lawyer knows that. If that is the only purpose of the legislation, why draft it? It has been said it will clear up confusion. I had a purpose in asking the gentleman from New York that question, because I want the record to show that we are not extending the application of this doctrine so there is no necessity to further litigate this matter. Our intent is clear. Since the cement decision that industry has not been operating under the basing point system. Today they are operating under the mill net-f. o. b. practice.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. CARROLL. Yes, if I may have more time. I should like to discuss this for 30 minutes.

Mr. CELLER. The trouble is that the Supreme Court in the Rigid Steel case by a 4 to 4 decision picked up that obiter dicta in the Cement case.

Mr. CARROLL. I make the point that the cement industry today all over this Nation is not using the basing point system.

Let me tell you about steel. Since the cease-and-desist order came out on cement, steel is not using the basing-point system. They are using the mill-net theory. Why? Because they are now in a sellers' market. Why do they want this bill? When they move into a buyers' market and they have more competition they intend to return to the price-fixing formula. That is the reason for this bill.

The announced objective of S. 1008—the clarification of any confusion which may exist among businessmen as a result of recent Supreme Court decisions on freight absorption—can be attained without injury to the Robinson-Patman Act. This will be possible, however, only if the House amendments to S. 1008 are retained.

I intend to offer a motion to recommit this bill to conference in order that the so-called Carroll amendments, as previously adopted by the House, again will be incorporated in the bill. I am unalterably opposed to this back-door method of emasculating the Robinson-Patman section of the Clayton Act.

Every Member of this body who is interested in preserving independent business, rather than encouraging the growth of monopolies, should stand ready to fight for the preservation of the Robinson-Patman Act. As Senators KEFAUVER, DOUGLAS, LONG, MORSE, and others have warned you, as the Federal Trade Commission has warned you, as the chairman of the House Committee on the Judiciary previously warned you, and as Congressmen BOGGS and PATMAN have warned you, enactment of S. 1008 without the House amendments will strike a serious blow at the Robinson-Patman Act.

The issue before you at this time is simple. In the course of this debate, I sincerely hope that we shall not allow the issue to be confused. The question this body must decide today is whether small business will continue to be given a fair chance to compete, or whether it will be stripped of its greatest protection and left to the mercy of business giants. I am confident that your answer will be that small business must and shall be protected, and that the House shall insist as strongly as possible upon the amendments which it wisely added to S. 1008 when the bill first came up for passage. This is no issue which can be compromised. The amendments must be retained, or we shall have struck at the very foundations of small businesses throughout the Nation.

The SPEAKER pro tempore. The time of the gentleman from Colorado has expired.

Mr. CARROLL. Mr. Speaker, I ask unanimous consent to extend the time for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. FULTON. Mr. Speaker, I object.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and seventy-two Members are present, not a quorum.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 97]

Battle	Heller	Plumley
Bolling	Hinshaw	Poulson
Buckley, N. Y.	Hoffman, Ill.	Quinn
Bulwinkle	Jenkins	Rabaut
Burdick	Johnson	Reed, N. Y.
Chatham	Kean	Rivers
Chiperfield	McGrath	Roosevelt
Clemente	Macy	Sabath
Clevenger	Magee	Sadowski
Dawson	Merrow	Shafer
DeGraffenried	Michener	Sheppard
Dingell	Monroney	Smathers
Dolliver	Morton	Smith, Ohio
Douglas	Murphy	Smith, Va.
Doyle	Norton	Staggers
Ellsworth	O'Neill	Whitaker
Fogarty	Pfeiffer,	Wolverton
Gilmer	William L.	Worley
Gore	Philbin	
Gossett	Phillips, Calif.	

The SPEAKER pro tempore (Mr. COOPER). On this roll call 375 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LEGALITY OF CERTAIN PRICING PRACTICES

Mr. TACKETT. Mr. Speaker, I wanted to ask the gentleman from Pennsylvania, who a minute ago objected to the extension of the time, if he would now withdraw his objection.

Mr. FULTON. Mr. Speaker, if the request for time is reduced, I will not object. But, we have been over this a number of times.

Mr. TACKETT. Would the gentleman make it 30 minutes?

Mr. MASON. Mr. Speaker, I will object to any extension of time.

Mr. TACKETT. Mr. Speaker, realizing that a great number of the Members of this House are just as anxious as I am to know something about this legislation, I do not think it would hurt for us to find out something about it, and for us to have 30 minutes additional time.

Mr. MASON. Mr. Speaker, in view of the fact that we have gone over this ground three separate times in the House, I object.

Mr. TACKETT. Then I ask for 15 minutes' time.

Mr. MASON. I object to any extension of time.

Mr. REED of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I want first of all to advise the membership that I was not a party to having the quorum call. I think that, as frequently happens when we do have a quorum call, we have here about as many Members as we had when the call was begun.

Secondly, may I point out in corroboration of what has just been said that this bill was on the floor of the House in the last session and there was fully debated under the rule, general debate, and then debated under the 5-minute rule, and the bill was then adopted. Subsequently, there was debate on the adoption of the conference report and the matter was thoroughly discussed again. When the conference action came back, as the result of action, or lack of action, in the other body, the matter of returning it to conference, which was a perfectly simple thing, was again debated for a full hour, so we had the benefit of that discussion.

In the meantime, for months and months speeches were made under special order, and at various times we have received literature, so I think we are well informed.

Let us review the history of this matter, because I hope we will adopt this conference report and have this matter disposed of. The House has spoken many times by an overwhelming majority as to what it thought ought to be done, so let us do it.

To begin with, the first time this legislation came before the House it was adopted without a record vote. Subsequently the conference report was adopted by a vote of 200 to 104. Then it was sent back to conference by a vote of 240 to 144.

The only reason the conference report was not adopted in the other body was that the Justice Department raised a technical question as to the language of section 4 (d) of the conference report. The matter is now back before us as a result of a conference had by Democratic Members of the other body with the Attorney General, the Assistant to the Attorney General, and the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice. This is all recited in the CONGRESSIONAL RECORD of January 20, 1950, beginning at page 677. As a result of that conference the position of the Justice Department has been made clear. After all, they are the people who are in charge of enforcement of the antitrust laws, and if anyone here wants to plead ignorance of what this is about he might take the word of the Justice Department and their experts who are dealing with this subject all the time. In a formal communication over the signature of the Assistant to the Attorney General, speaking for the Department of Justice, on January 13 of this year, the Department of Justice said:

> We have no objection to the enactment of sections 1, 2, and 3 in their present form.
>
> We have no objection to the definitions of the first three.

The only objection to the entire bill as contained in the first conferee's report was in respect to the fourth subsection, 4 (d). The Justice Department recommended language in these precise words to cure their objection:

> (d) The term "the effect may be" shall mean that there is reasonable probability of the specified effect.

That is the exact language that was in the House bill originally.

That language is now back in the bill, in this conference report, as a direct result of the intervention of the Justice Department. Can anyone longer be disturbed?

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. CELLER. Would the gentleman also say at the intervention of the managers on the part of the House?

Mr. HALLECK. I appreciate that, sir. I am glad to have that correction, because the managers on the part of the House, and the members of the Committee on the Judiciary, from the beginning have not wanted to sabotage any antitrust or antimonopoly legislation. As has been said here time and again, the desire has always been to clarify a situation which has caused what has become almost a chaotic condition in many industries and small industries, particularly, because of the obiter dicta in the Supreme Court case. You cannot blow hot and cold on that. It either is in there to mean something, or it does not mean anything. But in any event it has caused concern.

Suggestion is made as to the language of the Carroll and Kefauver amendments.

The conference did not adopt the exact language of either one of those amendments, but adopted the substance of both of them.

As to the position of small business, I am informed that the gentleman from Texas was meeting with the Joint House and Senate Committee on the Economic Report, and there questioned a Member of the other body who is the author of this legislation originally, Senator O'MAHONEY of Wyoming, as to its effect on small business.

My information is that the Senator said he was prepared to demonstrate this legislation is in the interest of small business and not destructive of small business.

Certainly no one can challenge my interest in the problems of small business. I started 10 years ago on the Small Business Committee working with retail associations and all manner of small-business associations and small manufacturers and distributors all across the land trying to do the things which would promote their best interests. I supported the Robinson-Patman Act. I voted for it and spoke for it. If I thought there was anything here to destroy that act, then I would be here trying to do something about it.

But, as has been said time and again, I cannot find anything in the language here which would indicate any such result as that. It is significant, I think, that when the gentleman from Texas talks so fervently for small business, the burden of his argument is that freight absorption or delivered prices, or something like that, has some sort of an adverse effect in respect to what he thinks is the problem of small business. He may be against freight absorption on delivered prices but I know not many Members here are. They know how vital they are in our whole economy.

Well, that is not the basis, as I understand it, of some of the objections which have come to us from certain small-business organizations. They are interested in the Robinson-Patman Act, and so am I.

I certainly hope we can go on and get this matter once and for all behind us. All of the objections of substance, the real objections made by the opposition, have been cleared by the Department of Justice. The bill is fair and equitable and necessary to business, big and small, and ought to be adopted.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. CELLER. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Mr. Speaker, throughout the debate on this legislation the assertion has been repeatedly made that this measure has been adequately debated, that hearings have been held, and that each Member who desired to inform himself on the issues involved has had ample and sufficient time to do so. As a matter of fact, as I pointed out several weeks ago, the hearings lasted for about 30 minutes before the committee. They were devoted primarily to a plea on the part of the gentleman from Texas [Mr. PATMAN] that the small business concerns interested in this legislation be given a chance to testify.

When the legislation first came to the floor of this body, I believe with one exception, the members of the Judiciary Committee were committed to its passage. Therefore, those of us who were opposed to it were deprived of the opportunity of having time during general debate, but finally we succeeded in adopting the Carroll amendment. That amendment was written into this bill and it was then adopted by this House. Briefly, that is what has happened in the House of Representatives. When the bill went to conference the Carroll amendment was eliminated.

When the conference report came back several weeks ago, the opposition to the conference report was given 13 minutes altogether. Here today we have made repeated requests; first, for a half an hour, and then for 15 minutes; and these have all been turned down. No, this bill has not been adequately debated.

This bill has been sold to the Members of this body as an effort to legalize freight absorption, and the establishment of a standard price for the sale of manufactured goods all over the United States. If that was all that was involved, I do not believe there would be the slightest objection to it. The facts, however, are quite to the contrary.

First, there is nothing illegal today about absorbing freight and setting a standard price. The only argument that asserts that it is illegal is that it was based upon obiter dicta in a court decision. As was so ably pointed out, obiter dicta has no force of law.

I now address my remarks particularly to the Members of this body from the South, the West, New England, and the undeveloped areas of the United States. In doing so I certainly do not do so with any malice toward Pennsylvania or some of the other States where there is a heavy concentration of industry. I bow to you and pay due respect to the combination of management, labor, and ingenuity which has made this possible. But I do object, and I believe every Member of this body from the West, from the South, and from New England who studies this bill will object, to the perpetuation of a system which makes it impossible for those of us in our areas to compete fairly with Pennsylvania and the other States which now have this concentration of industry. I do object to the unfair freight-rate structure and the discrimination against our waterways.

I cite to you as an illustration of such discrimination the case of Birmingham, Ala. The only reason I mention Birmingham, Ala., is because here is a concrete illustration of the problem involved in this legislation. There is operated a steel mill. That is what is involved here. Steel, not soap, as the gentleman from Indiana [Mr. HALLECK] maintains. Everybody knows you can sell a bar of soap legally today for a uniform price anywhere in the United States of America. But anybody who has had the pressure I have had on this legislation knows that the pressure is coming from the steel corporations concentrated in Pennsylvania.

Now, how is it working in Birmingham? There you have the most ideal situation in the United States of America for the production of steel, because there is an outcropping of limestone and of coal, and a plentiful supply of coke and ore. Nevertheless, the Birmingham mills, in the last year for which the figures are available, supplied only 62 percent of the steel used in the nine counties surrounding Birmingham, Ala. Those mills supplied only 27 percent of the steel used in the neighboring State of Mississippi.

And so on down the line to a small percentage of the steel used in the State of Texas. Mr. Speaker, that is the issue involved here. Will you perpetuate this system which has colonized so much of this country?

Mr. Speaker, I believe that most Members of this body from the South, the West, and New England would like to see steel mills established in their regions. And why should they not have them?

Certainly, in each of these areas the demand for steel is far in excess of the supply. Certainly, each of the regions is either naturally endowed with the necessary raw materials for steel making as is true of the South and the West, or can readily secure them at low cost from nearby sources, as is true of New England, which will be able to use the newly discovered Labrador ores. Certainly each of these areas has the labor force required to operate a steel mill. Certainly, the capital is locally available for the construction of the mills. In other words, the demand, the raw materials, the labor force, the capital—all of the necessary ingredients are present. But will steel mills in these areas be erected?

If S. 1008 is passed, the answer is, "No." The restoration of the basing-point system spells finis to the hopes of these great areas for a steel industry of their own. Why is this so? Let me answer by recounting what has actually happened to the mills located in one of these areas, the South. The experience of the mills at Birmingham, Ala., provides a vivid illustration of what happened to a mill in an outlying area under the basing-point system.

As is well known, the Birmingham mills are the most efficient in the country. They are the only mills in the land which are located virtually in the midst of the three raw materials required for steel production—iron ore, coking coal, and limestone. Hence, the failure of the Birmingham mills to gain anything more than a relatively small share of the southern market cannot be traced to high costs or inefficiency.

One would think that under normal conditions southern buyers would secure a fairly large proportion of their steel requirements from the Birmingham mills not only because of their lower mill costs but also because of the smaller transportation charges involved.

Actually, under the basing-point system both of these advantages are wiped out, since the delivered price to any given buyer is the same from all mills. The delivered price to the buyer in Birmingham itself is the same whether he buys from the Birmingham mills, from Pittsburgh, from Chicago, from Sparrows Point, from Cleveland, or from any of the other places where steel is produced. This is the unique feature of the basing-point system—identical delivered prices from all mills to any given destination point.

Therefore, since under the basing-point system there is no advantage to the southern buyers in purchasing their steel from Birmingham, they have bought in large quantities from the distant northern mills. We have always believed this to be true. Now we have the facts to prove it. On February 20, 1950, I put into the CONGRESSIONAL RECORD some very interesting figures, prepared by Dr. George Stocking, of Vanderbilt University, showing the extent to which, under the basing-point system, the Birmingham mills have been deprived of the southern market.

These figures show that during February 1939 the nine Alabama counties surrounding Birmingham obtained no less than 37.4 percent of their structural shapes from distant sources, most of which—27.9 percent—coming from faraway Chicago. Buyers in all other Alabama counties relied to an even smaller extent on Birmingham mills, obtaining nearly half—47.5 percent—of their structural shapes from northern mills.

The neighboring State of Mississippi obtained no less than 72.1 percent of its structural shapes from the remote northern production centers. Georgia secured 33.5 percent of its structural shapes from the northern mills; Tennessee, 45.6 percent; Florida, 36.6 percent; North Carolina, 91.4 percent; Kentucky, 94.7 percent; and Texas, 82 percent.

Obviously, if the basing-point system had not been in existence, there would have been two incentives for southern

buyers to purchase from the Birmingham mills: First, the lower costs of the Birmingham mills and, second, lower transportation expenses—which in a heavy product such as steel is an important factor. Thus, if the buyers in the nine Alabama counties surrounding Birmingham had obtained their structural shapes from Birmingham their freight charges would have only been 94 cents a ton as compared to $11 to $15 a ton for shipments from the northern mills. In all of the Southern States the saving in transportation costs as a result of buying from Birmingham rather than from the northern mills would have been substantial. By buying from Birmingham, Mississippians would have saved about $11 a ton; Georgians would have saved about $7 a ton; Tennesseans about $5 a ton; Floridians about $5 a ton; Carolinians from $3 to $4 a ton; and Kentuckians from $3 to $10 a ton.

The material prepared by Dr. Stocking shows that the same situation prevails with other steel products such as steel plates, plain drawn wire, hot-rolled strip and hot-rolled sheets, the Birmingham mills obtaining only a small share of the southern market and southern buyers paying delivered prices which contained high freight costs from northern mills.

There is one other lesson to be learned from these figures. If the delivered price to a southern buyer is the same from Birmingham as from a distant northern mill—as is the case under the basing-point system—then it must follow that the delivered price must necessarily have been established at an extremely high level. Only if the delivered price in the South is fantastically high could northern steel mills ship into the South, absorbing freight charges ranging from $10 to $20 a ton and still make a profit. All of us know that the northern steel mills are not in business for their health. When they ship into the South it is for the purpose of making a profit, but if on such shipments they are absorbing freight charges of from $10 to $20 a ton they would obviously lose money unless the delivered price in the South were set at an extraordinarily high level. This, of course, is exactly what occurs under the basing-point system. As the Supreme Court held in the Cement case, the basing-point system is a handy instrument to bring about elimination of any kind of price competition. In other words, through the mechanism of the basing-point system the steel companies have been able to eliminate price competition and set delivered prices at levels so high as to enable the established northern mills to make a profit on sales to practically any area. Without the basing-point system, they will find it extremely difficult to engage in this form of price fixing.

In conclusion let me raise this question: If under the basing-point system the Birmingham mills, with all their advantages, have not been able to secure more than a small share of the southern market, how could it be expected that if the system is restored, new mills in the South or the West or New England will fare any better? If the Birmingham mills get only 28 percent of the adjoining Mississippi market, only 12 percent of the Texas market, and so on, how could it be expected that under the basing-point system a new mill in the West, in New England, or in the South, for that matter, could do any better? It is most unlikely that the cost of such a mill would be any lower than those of the Birmingham mills. It is unlikely that the excess of demand over supply would be any greater than it has been in the South. It is unlikely that such mills would have available a larger labor force. On what basis, then, can it be expected that under the basing-point system such mills will succeed in obtaining a reasonably large share of their home market, when the Birmingham mills—the lowest-cost mills in the country—have so conspicuously failed?

That, Mr. Speaker, is the question with which every Member of this body from the South, the West, and New England should be immediately concerned.

The SPEAKER pro tempore. The time of the gentleman from Louisiana has expired.

Mr. ABBITT. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana may be allowed to proceed for five additional minutes, notwithstanding the hour rule.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from Virginia?

Mr. MASON. Mr. Speaker, I object.

Mr. WAGNER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and forty-one Members are present, a quorum.

Mr. CELLER. Mr. Speaker, I yield myself 1 minute.

Mr. REED of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from New York.

Mr. CELLER. Mr. Speaker——

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. Is it not a fact that seven out of the eight conferees of the House and the Senate agreed to and signed this report?

Mr. CELLER. That is correct.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield briefly to the gentleman from Colorado.

Mr. CARROLL. I wish to say merely that the Carroll amendments are not in this conference report, and I am going to offer a motion to recommit the bill to the committee of conference.

Mr. CELLER. Mr. Speaker, there are some Members opposing this bill who would like to have this matter go on interminably, like Tennyson's brook. This matter has been argued and reargued, hashed and rehashed, and rehashed again for months and months, and it is about time that we put the seal of quietus on this matter here and now. It is ridiculous to have the democratic processes of parliamentary procedure stymied as is the wont of some Members opposing this bill.

Mr. Speaker, I have been accused of being inconsistent in that I refused to sign the first conference report but did sign the second. I simply repeat what Emerson once said: "Consistency sometimes is the hobgoblin of small minds." The climates out of which the reports sprang are different. At the time of the second report I found opposition to a compromise completely futile. I had worked diligently and sincerely to get the House bill accepted in toto. In the first stages I fought hard and even refused to sign the conference report, which the House accepted. The House negated my action. In the last stages I felt it useless and abortive to struggle against overwhelming odds. In the interest of getting some bill, I signed the second report.

Now, we have accomplished a great deal by this second conference report. It is a compromise. That is what all conference reports are in the main.

What are the duties of a manager on the part of either House? It is not his duty to be a crusader or to impress his own views only. He is the servant of the House. He must go to a conference and bring back the best he can. He cannot be only the impassioned special pleader. He is sort of a catalytical agent that seeks to resolve the differences. That is what I have been trying to do, sincerely, I assure you.

Mr. Speaker, I said that this conference report is a compromise. It is a compromise that I subscribe to because the House wanted a compromise. Speaker Byrns said on January 17, 1935:

> The Chair would not assume that gentlemen would accept a position as conferee and not stand for what the House wants.

What does the House want? Let us review this situation. Firstly, the House passed the Senate bill with amendments; secondly, the House accepted the first conference report sans the House amendments despite the pleas of the gentlemen from Texas, Louisiana, and Colorado; thirdly, the House approved my motion to send the bill to a second conference; fourthly, the House tabled the motion offered by the gentleman from Colorado which motion was an insistence upon the House amendments.

What does that all add up to? First, it means the House wants some sort of bill. The House is tired of this dilly-dallying. It wants an end to this sabotage. Secondly, the House does not insist upon the House amendments originally including the Carroll amendment, because the motion to insist upon the Carroll amendment was tabled. Thirdly, I may say to my distinguished friend the gentleman from Colorado he took the risk, and he lost because the House tabled his motion to insist upon his own amendment.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Colorado.

Mr. CARROLL. The gentleman from Colorado took a risk, so the gentleman from New York says. The gentleman from Colorado had a right to assume the

chairman of the committee would abide by his previous statement in which he said to this body that he refused to sign the report because this was a bad bill, that it was an extremely bad bill.

Mr. CELLER. I said a moment ago that consistency is the hobgoblin sometimes of small minds. My personal choice would be not to accept the bill in its entirety. But I am here in a representative capacity. I am a House manager. I went forth and battled for the complete House bill originally. I could not get it. It was like trying to break one's head against a stone wall, and I was not going to break my head. I did the best I could. The House managers did the best they could and they brought back not the best bill, nor a perfect bill, but a fairly good bill under all the circumstances.

As to section 4 we got the House version in its entirety. As to section 3 there was a compromise as between the House provisions and the Senate bill. As to section 2 we did not accept the Carroll amendment but we did accept the Kefauver amendment substantially—not exactly, but substantially.

I think therefore we have done a fairly good job. We are entitled to some credit with reference to that job and we should not be subjected to the denunciation we have heard on the floor of the House.

For these reasons I deplore the attitude of some of the Members who say: If you do not play my way I am going to pick up my marbles and go elsewhere. That is what some of the Members opposing this conference report are doing. It is their attitude. It is not a proper attitude. If we were all to assume that attitude we would not get any legislation at all. All legislation here is always the subject of compromise.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Speaker, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. DAVENPORT].

Mr. REED of Illinois. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. DAVENPORT] one additional minute.

Mr. DAVENPORT. Mr. Speaker, it is most amazing to me, a small-business man who, every week in the year in the course of carrying on my business, has to contact small retailers and wholesalers, to hear statements on the floor of this House which attempt to make the basing-point system of pricing appear to be a monopolistic practice and injurious to small business. In all my contacts with small-business men, and I contact hundreds of them every month, I have yet to hear one of them express such sentiments. You can take it from me that the small-business men, retailers, and wholesalers, in the Pittsburgh area, who depend for their livelihood on the purchasing power of the tens of thousands of workers in the steel industry certainly are not anxious to eliminate the basing-point system under which Pittsburgh has become the world's leader in steel production.

Pittsburgh has produced this country successfully through two wars, and contributed to the highest standard of living yet achieved by any society. We will not allow the defamers of the basing-point system to produce a multitude of ghost steel towns in the capital of the steel industry. We are for the wise adjustments worked out by the Federal Trade Commission in the pricing of steel. We from Pittsburgh will not permit selfish interests from other regions to decimate our steel plants, create ghost towns along our rivers, throw thousands of working population into unemployment and poverty.

What is the issue?

Are selfish interests in the West trying—by the force of Government action—to compel the exploitation of uneconomic resources that have been paying no return to their owners for decades?

Is the basing-point cry a smoke screen behind which selfish interests from outlying regions of the country are attempting to rape the great steel centers of America?

I come from Pittsburgh, a district that produces one-fourth of our Nation's steel, and that makes more steel ingots than all of Soviet Russia. We are against monopoly, and we are for fair prices for the consumers of steel.

The basing-point system means the sale of a commodity at a delivered price uniform to all buyers throughout the country. We have basing points in many American commodities. We have it with Hershey bars, we have it with Wrigley gum, and we have it with our Government postage stamps. The purpose of the basing-point system is to even out or average the difference in the cost of distribution among all users. By this system consumers are able to avoid a bill for freight for the long distance from the point of production.

If the steel industry is forced to an f. o. b. mill-pricing system as a permanent way of doing business, chaos will arise with a return to a buyers' market in steel. How much simpler and more efficient to have a price which averages out all freight charges so that distant purchasers are not put to a disadvantage in competing with manufacturers close to the mill. How much fairer to the people of the Pittsburgh area whose livelihoods are tied directly and indirectly to the steel industry. Winston Churchill said, "England must export or die." And I say for Pittsburgh, "We must sell our surplus steel beyond Pittsburgh or we will have man-made depression in our midst." The capricious Supreme Court decisions regarding the basing-point system are an unprecedented and thoughtless action which must be revoked before they stunt our economic health. It is up to us to undo the damage.

Mr. REED of Illinois. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. The gentleman is my neighbor on the north, in the district he represents. The district I represent is the third industrial district in Pennsylvania and the seventh in the world. Every letter I have received has been in favor of this bill. In numerous instances they have stressed the fact that the writer represents small business.

Mr. KEARNS. I thank the gentleman from Pennsylvania.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Indiana.

Mr. JACOBS. May I ask the gentleman whether or not it is his judgment that section 2 of this bill reverses the Indiana Standard Oil decision?

Mr. KEARNS. I do not have an Indiana lawyer with me, so I cannot answer that.

Mr. Speaker, we have had Tennyson referred to during the debate today, so it seems to me at this stage of the consideration of this particular legislation we might as well bring in Shakespeare and say this is "Much ado about nothing."

There has been no piece of legislation that has been kicked around the floor as this bill has. The House has been very conscientious in the consideration of this legislation.

I believe when Justice Black said that there was a doubt in his mind about the legality of this legislation the House of Representatives and the Senate of the United States were duly concerned, and that it became their objective to consider the legislation seriously again and remove all doubts regarding it.

The gentleman from Colorado [Mr. CARROLL] said when he was on the floor that he thought this was aimed purposely at fixing prices. I cannot agree with the gentleman, although he may have that belief.

The gentleman from Louisiana [Mr. BOGGS] made the statement that he was interested in steel down in Louisiana. I am interested in steel in Louisiana. I want any State in the Union that wants a steel mill to have a steel mill and be in business just as much as any steel mill in Pittsburgh. We are not trying to regulate the States that will have steel companies, but we do want every man in business, whether it be in a steel company, a fabricator, or whether he be a man selling soap, or whatever product it may be, to have the right of competition in the United States.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Louisiana. I mentioned his name.

Mr. BOGGS of Louisiana. I appreciate the gentleman's magnanimous reference to my fine State. Has the gentleman ever heard of "Pittsburgh plus"? There will never be a steel mill in Louisiana as long as you have that.

Mr. KEARNS. I do not agree with the gentleman. I think in the last moments of this legislation the House as a whole and the Members here today are willing to accept one decision. The gentleman from New York [Mr. CELLER], the chairman of this committee, and his associates, including the gentleman from Pennsylvania [Mr. WALTER]—and on this side we have our Members who have considered this legislation seriously—there

is no question but that the members of the Committee on the Judiciary have had doubt in their minds as to the merits of the legislation, and that is why it has been reconsidered in the House. Now we have come to the conclusion that we feel this legislation is good for the United States of America—not for any particular people, not for any particular section, but for the whole country. Again, may I say to the gentleman from Louisiana, you mentioned this is for steel. Let us consider steel for a moment, because I know and you know that as steel goes, so goes the Nation.

We know what happens to production in America and what happens to every fabricator and any other business when the steel mills of America shut down, so let us all unite in favor of this legislation for the good of the country.

Mr. REED of Illinois. Mr. Speaker, will the gentleman yield?

Mr. KEARNS. I yield.

Mr. REED of Illinois. I merely want to point out to the House that no Member who was opposed to this legislation and has asked for time on this side has been refused time.

Mr. MITCHELL. Mr. Speaker, the Pacific Northwest will develop a sound and prosperous regional economy if the artificial restrictions of monopoly are removed. The basing-point system is one of these restrictions hampering the industrial growth of that area. S. 1008, which seeks to perpetuate the basing-point system, is legislation detrimental to the long-range interests of the Pacific Northwest and to the whole Nation. It should be defeated.

We of the Northwest know well the inefficient and uneconomic practices of long rail hauls and of the cross hauling. Undue concentration of basic industrial plants in the East has forced our consumers to pay extra tolls in higher prices, while opportunities for local industry and new jobs have been kept beyond our reach.

Under the basing-point system of uniform delivered pricing, local consumers have had little incentive to look for a local supply, and would-be local producers could not expect long to survive. The far-away plant, through freight absorption, could and did meet the price of a closer or even of a local supplier. To compensate for the amount of freight absorbed, the steel or cement companies, for example, often charge fictitious or phantom freight to other consumers, who thus found themselves penalized even though they were nearer to the source of supply. This system worked in favor of the old established plant locations and made their continued operation possible even at uneconomic production points.

On the other hand, it placed into the hands of the steel and cement barons a powerful tool with which to prevent the possible intrusion of competition. A new producer would be foolhardy and brave indeed if he risked his money on a plant which powerful eastern interests could easily and automatically put out of business through the simple device of matching his price through freight absorption. By this system of dumping, the big integrated steel producers have insured the continued operation of their plants in Pittsburgh. By this means they have obstructed the growth of any competitor and of any independent source of steel in the South and the West.

Only when the demand in these regions became so pressing that the people began to threaten to take matters in their own hands and to establish their own local plants did United States Steel, or one of the other big producers, condescend to take a second look. That second look in several instances has resulted in the construction of branch plants to take care of the regional demands. On other occasions it has led to the establishment of a basing point closer to the regional points of consumption. But never did the eastern steel interests take such steps until the threat of local action became too imminent. By constructing their own plants, rather than permitting local interests to participate in the production of steel, they made sure that they would retain control of the production, pricing, and distribution in the industry.

What does all this mean? It means that the steel consumers of the South and the West, instead of trading with a source of supply which is responsive to local needs and attuned to local development, just continue to do business with a concern controlled by industrial and financial leaders in a remote eastern city. Moreover this concern could overnight abandon its new industrial outposts if the management felt that its heavy investments in the present uneconomic location required such retrenchment.

The passage of S. 1008 would perpetuate this situation, and not only permit monopolistic industries to return to the basing-point system but give them additional license to use whatever methods of price discrimination they might choose against small and independent competitors.

How the basing-point system restricts our Northwest industrial growth and the opportunities which would be created by removal of this restriction practice were described to a Senate committee during the Eightieth Congress by Prof. Vernon A. Mund, of the University of Washington, a noted authority on monopoly problems. Professor Mund testified:

> Many businessmen in the Pacific Northwest state that the practice of freight absorption, by which distant eastern mills dump into this area by absorbing some freight, has definitely served to retard the development of local industry—such as steel making—because local demand is readily supplied by the eastern mills. Regular and continuous freight absorption by eastern mills, moreover, also serves to discourage new enterprise. A person planning to start a new business, for example, is faced with the very real prospect and fear that large eastern mills will absorb variable amounts of freight on sales in this area and quote prices which are quite unprofitable.
>
> With rising freight rates and with an elimination of regular and sporadic freight absorption, local demand will tend to be supplied by local mills. If local mills are free to make their prices independently, moreover, local prices for the basic commodities will tend to decline as production grows, and new fabricating industries will be attracted to this area. Industrial decentralization will thus be promoted, and our Nation will be made less vulnerable in the event of war.

The aluminum industry, which practices freight absorption on a Nation-wide scale, demonstrates how the Pacific Northwest is thereby deprived of the full benefits in local jobs and pay rolls which could flow from a truly competitive pricing system. Two professors from the University of Washington noted in a recent letter:

> The Pacific Northwest is now producing approximately 50 percent of the total aluminum-ingot production in the United States. Yet the fabricating facilities are being located in Eastern States. Under the freight allowed (that is, freight absorption) system, ingot prices are so high locally that they offer no inducement to location near the source of supply. That means jobs for easterners and high prices for westerners for aluminum products.

It was my privilege, some years ago, to lend a hand in the making of public policy which reopened the great wartime aluminum plants of the Pacific Northwest to new producers and new peacetime production. It was my thought then, and it continues to be my thought, that these basic production plants should serve as the core of a balanced regional industry, with many small fabricating plants utilizing the basic metal to work new wonders in the aluminum industry. The fabricating plants provide the bulk of employment in the industry. Only if these plants are established can we justify the huge power consumption required for the making of raw metal and derive the legitimate benefits of the natural economic advantage we possess in local resources. Competition pricing in aluminum will help provide the necessary incentives for the development of a balanced regional aluminum industry.

The Aluminum Co. of America, which first created this strait-jacket on the tremendous productive potential of the Northwest, curiously enough, is also controlled from Pittsburgh. Its management must have learned from its neighbors in the Steel City that the surest way of preventing the intrusion of price competition from local establishments, is to lace the entire industry tightly into the elegant corset of the basing-point system. It makes for such smooth, uniform lines on the garment of the price structure. But, make no mistake, this corset has rigid stays, and no two-way stretch.

This is the system which the high-power lobbyists for the steel and cement trusts would perpetuate through the enactment of S. 1008. Rejection of S. 1008 would really be tantamount to a point-4 program for our own South and West at no cost to the taxpayer—but at a saving to everyone.

Instead they would have us set back the clock to the days before the Supreme Court's decision in the Cement Institute case in the spring of 1948. And yet, the beneficial results of this decision, and of the industry's shift to f. o. b. pricing are already in evidence.

Since that fateful April day of 1948, construction of 41 separate projects to improve and expand cement capacity

has been started. Where are these facilities being built? Not in the old, surplus cement-producing areas. They are going up in the regions which formerly had felt the blight of the basing-point system. In 20 States west of the Mississippi and south of Mason and Dixon's line and in Alaska and Puerto Rico, cement consumers will have new local sources of supply. No longer will they have to pay some ghostly phantom freight from some distant basing point, under this development. They will pay only the price at the nearby mill plus actual carrying charges. This, of course, will continue only if we reject S. 1008.

For the citizens of Alabama, Arizona, Arkansas, California, and through the alphabet down to the State of Washington, these new local sources of cement should prove tangible evidence of the gains to be made when a concentrated industry can no longer exercise its strangle hold through the system of uniform delivered pricing. It should reflect immediate benefits in lower cement prices in the tremendous State and county highway- and road-construction programs, which, according to a recent report from the Joint Committee on the Economic Report, are required to remedy current deficiencies. It will make a sizable difference in the State and county budgets, whether cement is bought close by on competitive bid, without the imposition of phantom freight, or from a long distance with high freight charges and at uniformly fixed prices.

While the farmers at the crossroads of the Nation have reason to rejoice over this development, the railroads have complained that f. o. b. pricing and the development of local sources of supplies of basic products will rob them of the heavy toll.

A spokesman for the Association of American Railroads told the Capehart committee that if the basing-point system were ended, buyers would have an incentive to purchase from local plants because of the cheaper transportation costs. He added that cross hauling would be considerably restricted, and that decentralization of production would take place.

This is just one of the many illustrations which might be cited which would indicate the possibility of reduced costs and more abundant production in the interest of the whole economy.

We who oppose S. 1008 do not wish to see continued a system of featherbedding for some at the expense of all consumers, especially those in the South and the West.

The SPEAKER. All time has expired.

Mr. CELLER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

Mr. CARROLL. Mr. Speaker, I offer a privileged motion.

The Clerk read as follows:

Mr. CARROLL moves to recommit the conference report on S. 1008 to the committee of conference.

Mr. CELLER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. CARROLL) there were—ayes 105, noes 149.

Mr. CARROLL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 175, nays 204, not voting 53, as follows:

[Roll No. 98]

YEAS—175

Abbitt	Granger	Murphy
Abernethy	Grant	Murray, Tenn.
Addonizio	Gregory	Noland
Albert	Gross	O'Brien, Mich.
Allen, La.	Hagen	O'Konski
Andersen, H. Carl	Hand	O'Sullivan
Aspinall	Hare	Pace
Bailey	Hart	Passman
Barden	Havenner	Patman
Baring	Hays, Ark.	Patten
Bates, Ky.	Hays, Ohio	Perkins
Beckworth	Hébert	Phillips, Tenn.
Bennett, Fla.	Heffernan	Poage
Bentsen	Heselton	Polk
Biemiller	Holifield	Powell
Blatnik	Howell	Preston
Boggs, La.	Huber	Price
Bolling	Hull	Priest
Bolton, Md.	Irving	Rains
Bosone	Jackson, Wash.	Rankin
Bramblett	Jacobs	Redden
Breen	Javits	Rees
Brooks	Jones, Ala.	Richards
Brown, Ga.	Jones, Mo.	Rodino
Bryson	Jones, N. C.	Rooney
Burke	Karst	Sasscer
Burleson	Karsten	Shelley
Camp	Keating	Sims
Canfield	Kee	Steed
Cannon	Kelly, N. Y.	Stigler
Carlyle	King	Sullivan
Carnahan	Klein	Sutton
Carroll	Kruse	Tauriello
Christopher	Lane	Thompson
Chudoff	Lanham	Thornberry
Combs	Larcade	Tollefson
Cooley	Lemke	Trimble
Cooper	Lesinski	Underwood
Crook	Lyle	Vinson
Crosser	Lynch	Wagner
Davis, Ga.	McCarthy	Walsh
Davis, Tenn.	McGuire	Welch
Deane	McKinnon	Wheeler
Denton	McMillan, S. C.	White, Calif.
D'Ewart	Mack, Ill.	White, Idaho
Dollinger	Mack, Wash.	Wickersham
Durham	Madden	Wier
Elliott	Mansfield	Williams
Engel, Mich.	Marcantonio	Willis
Evins	Marsalis	Wilson, Okla.
Feighan	Marshall	Winstead
Forand	Miller, Calif.	Withrow
Frazier	Mills	Wood
Furcolo	Mitchell	Woodhouse
Garmatz	Morris	Worley
Gathings	Morrison	Yates
Golden	Moulder	Young
Gorski	Multer	Zablocki
	Murdock	

NAYS—204

Allen, Calif.	Byrne, N. Y.	Eaton
Allen, Ill.	Byrnes, Wis.	Eberharter
Anderson, Calif.	Case, N. J.	Elston
Andresen, August H.	Case, S. Dak.	Engle, Calif.
Andrews	Cavalcante	Fallon
Angell	Celler	Fellows
Arends	Chelf	Fenton
Auchincloss	Chesney	Fernandez
Barrett, Pa.	Church	Fisher
Barrett, Wyo.	Cole, Kans.	Flood
Bates, Mass.	Cole, N. Y.	Ford
Beall	Colmer	Fugate
Bennett, Mich.	Corbett	Fulton
Bishop	Cotton	Gamble
Blackney	Coudert	Gary
Boggs, Del.	Crawford	Gavin
Bolton, Ohio	Cunningham	Gillette
Bonner	Curtis	Goodwin
Boykin	Dague	Gordon
Brehm	Davenport	Graham
Brown, Ohio	Davies, N. Y.	Granahan
Buchanan	Davis, Wis.	Green
Buckley, Ill.	Delaney	Gwinn
Burnside	Dondero	Hale
Burton	Donohue	Hall, Edwin Arthur
	Doughton	Hall, Leonard W.
	McConnell	Sadlak
	McCormack	St. George
	McCulloch	Sanborn
	McDonough	Saylor
	McGregor	Scott, Hardie
	McMillen, Ill.	Scott, Hugh D., Jr.
	McSweeney	Scrivner
	Mahon	Scudder
	Martin, Iowa	Secrest
	Martin, Mass.	Short
	Mason	Sikes
	Meyer	Simpson, Ill.
	Miles	Simpson, Pa.
	Miller, Md.	Smith, Kans.
	Miller, Nebr.	Smith, Wis.
	Morgan	Spence
	Morton	Stanley
	Murray, Wis.	Stefan
	Nelson	Stockman
	Nicholson	Taber
	Nixon	Tackett
	Norblad	Talle
	Norrell	Taylor
	O'Brien, Ill.	Teague
	O'Hara, Ill.	Thomas
	O'Neill	Towe
	O'Toole	Van Zandt
	Patterson	Velde
	Peterson	Vorys
	Pfeifer, Joseph L.	Vursell
	Phillips, Calif.	Wadsworth
	Pickett	Walter
	Plumley	Weichel
	Potter	Werdel
	Ramsay	Whitten
	Reed, Ill.	Whittington
	Regan	Widnall
	Rhodes	Wigglesworth
	Ribicoff	Wilson, Ind.
	Rich	Wilson, Tex.
	Riehlman	Wolcott
	Rogers, Fla.	Woodruff
	Rogers, Mass.	

NOT VOTING—53

Battle	Gossett	Poulson
Buckley, N. Y.	Harrison	Quinn
Bulwinkle	Heller	Rabaut
Burdick	Hoffman, Ill.	Reed, N. Y.
Chatham	Jenkins	Rivers
Chiperfield	Johnson	Roosevelt
Clemente	Kean	Sabath
Clevenger	Kerr	Sadowski
Cox	McGrath	Shafer
Dawson	Macy	Sheppard
DeGraffenried	Magee	Smathers
Dingell	Merrow	Smith, Ohio
Dolliver	Michener	Smith, Va.
Douglas	Monroney	Staggers
Doyle	Norton	Whitaker
Ellsworth	O'Hara, Minn.	Wolverton
Fogarty	Pfeiffer, William L.	
Gilmer	Philbin	
Gore		

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Roosevelt for, with Mr. Gilmer against.
Mr. Battle for, with Mr. Wolverton against.
Mr. Rabaut for, with Mr. Michener against.
Mr. McGrath for, with Mr. Jenkins against.
Mrs. Douglas for, with Mr. Smith of Virginia against.
Mr. Sadowski for, with Mr. Chiperfield against.
Mrs. Norton for, with Mr. William L. Pfeiffer against.
Mr. Doyle for, with Mr. Philbin against.
Mr. Fogarty for, with Mr. Johnson against.
Mr. Buckley of New York for, with Mr. Whitaker against.
Mr. Heller for, with Mr. Ellsworth against.
Mr. Dawson for, with Mr. Kean against.
Mr. Dingell for, with Mr. Dolliver against.
Mr. Kerr for, with Mr. Clemente against.
Mr. Sheppard for, with Mr. Quinn against.
Mr. Monroney for, with Mr. Magee against.

Until further notice:

Mr. Staggers with Mr. Macy.
Mr. Smathers with Mr. Smith of Ohio.
Mr. Rivers with Mr. Clevenger.
Mr. deGraffenried with Mr. Merrow.
Mr. Cox with Mr. O'Hara of Minnesota.
Mr. Chatham with Mr. Shafer.

Mr. Sabath with Mr. Reed of New York.
Mr Gossett with Mr. Poulson.
Mr. Gore with Mr. Hoffman of Illinois.

Mr. ROONEY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

URGENCY DEFICIENCY BILL, 1950

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON, KERR, THOMAS, KIRWAN, WHITTEN, TABER, WIGGLESWORTH, and STEFAN.

SENATE COMMITTEE ON FOREIGN RELATIONS

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 161.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I am not going to object, may I inquire of the gentleman from New York if this is merely giving the Senate the right to engage counsel from the departments?

Mr. CELLER. Partly that. It also permits the employment of counsel who might be indisposed to take the assignment because of certain restrictions of the United States Code which would preclude them from prosecuting any claims against the Government. We have done this in innumerable cases, particularly with regard to dollar-a-year men.

Mr. MARTIN of Massachusetts. The bill has passed the other body?

Mr. CELLER. Yes.

Mr. MARTIN of Massachusetts. And the other body has requested the concurrence of the House?

Mr. CELLER. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That service or employment of any person as an attorney on a temporary basis to assist the Senate Committee on Foreign Relations, or its duly authorized subcommittee, in the investigation ordered by Senate Resolution 231, agreed to February 22, 1950, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BUCKLEY of Illinois asked and was given permission to extend his remarks in the RECORD.

NATIONAL MINERALS ACT OF 1949

Mr. PETERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2105, with Mr. BOGGS of Louisiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PETERSON. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the bill S. 2105 is a bill to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

It was explained in part yesterday. Its purpose is to assist the mining industry and particularly small mines which produce many metals needed for stock piling. In many instances it has been shown when a mine reaches a certain depth and is abandoned, that the ores left there by reason of the filling up of the mine or pit can never be recovered and ofttimes roof falls are such that it is impractical at a latter date when there is a crisis and need for these strategic minerals arises, to recover them.

The purpose of this act is to have them on a stand-by basis so that when there is a crisis and we need these minerals and metals we can have them and can operate the mine or we can bring those ores to the surface so that they can be utilized.

The methods of utilization are clearly set forth in the act itself. The purposes of the act are such that it will assist materially in peacetime when labor is available and transportation is available and while the mines are open. Experience proved the last time that when we needed these minerals and metals so badly we did not have them.

Mr. Chairman, I reserve the balance of my time and now yield 12 minutes to the gentleman from California [Mr. ENGLE].

Mr. ENGLE of California. Mr. Chairman, I think it would be well in the first instance to read the policy section of the bill. It is as follows:

(a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States, and that every effort be made to encourage the development and maintenance of sources of these metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials. To this end it is the further policy of the Congress that every effort be made to maintain a sound and active mining industry within the United States; to expand exploration for those ores and other mineral substances which are essential to the common defense or the industrial needs of the United States; and to prevent the discontinuance of mine operations under such circumstances as to make it probable that production would not or could not be resumed when needed for the national economy or security.

How does this bill propose to do this? There are two methods by which this measure proposes to help in the conservation and exploration of minerals and metals.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. NICHOLSON. Did the Munitions Board appear before the committee in favor of this bill?

Mr. ENGLE of California. The Munitions Board appeared many times before our committee, but not in connection with this particular legislation.

Mr. NICHOLSON. Do you know of any reason why they should not appear if this was to be set up for strategic materials in case of war?

Mr. ENGLE of California. The Munitions Board did appear before our committee, but has expressed no particular position with reference to this legislation.

As I was saying, there are two methods by which this bill hopes to aid the mining industry in this country and to develop a sound domestic mining industry.

The first is through what is called conservation; by maintaining those supplies of strategic and critical minerals and metals which we now have, in two ways: First, by maintaining the mines which we now have, on a stand-by basis, in order not to lose those resources which we have in the ground and are now discovered. As an illustration, in Michigan the copper mines are as much as two or three thousand feet deep.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. BENNETT of Michigan. There are copper mines in northern Michigan as deep as 9,000 feet.

Mr. ENGLE of California. I accept the gentleman's correction.

Mr. BENNETT of Michigan. During the last war, the War Production Board came to northern Michigan, when some of those mines had closed, offering millions of dollars to try to reopen them. They were filled with water, and it was absolutely too late to do anything about it. That vast source of supply was unavailable in the war effort.

Mr. ENGLE of California. That is absolutely correct. When those deep mines fill up with water, it becomes uneconomical to go in and get that material out. When those mines, which are now closed—and the figures appear in yesterday's RECORD of the mines in the United States which were closed—it is impossible to go back into those mines and get out that material, because it becomes uneconomical to do so.

This bill proposes that in those instances where that situation exists, the Federal Government will step in, helping the mine operator to maintain his property on a stand-by basis. In other words, keep the water pumped out and keep up the timbering, so that that resource will be ready for the Nation, for the national economy, or in the event of a national emergency.

Secondly, this bill would authorize the Federal Government to make a contract with a miner, under some circumstances, to purchase sufficient of his material to keep him in operation. In some instances it is cheaper to keep a mine going on a minimum basis than it is to maintain the mine on a stand-by basis. Under those circumstances, the Federal Government, under this bill, would be authorized to step in and buy sufficient of the production only to keep the mine in a condition of minimum operation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. ENGLE of California. Those, briefly, are the methods which are proposed in this measure for conserving the resources which we now have, and which are discovered, and which, if not protected and preserved, will be lost forever to the Nation.

I am sure some of you will remember when we had the bauxite deposit in Arkansas which was going to be lost if we did not continue the work done during the war. At that time we appropriated some $500,000 at the request of the Representatives from Arkansas to go into that mine and clean it out so that the national resource represented in that mine would not be lost to the Nation. It should be remembered that in stock piling these materials, in bringing about this minimum production, the material will go into the national stock pile. We are not only stock piling a natural resource but we are also stock piling the manpower necessary to make the natural resource usable. There is no resource in the Nation which is in as short supply as manpower during wartime. During the last war copper production dropped off very substantially due to the fact that manpower was taken out of the copper mines and placed in the military service. Then we tried to reach back into the military service and get those men taken out of the service and put back in the copper mines, but we found that a very difficult and slow process. When we have this material above ground we not only preserve the natural resource but we have also stock piled the manpower necessary to make the resource available in a usable form. That is the first, the matter of conservation. The second is that the bill proposes to give aid to exploration. In this the Federal Government merely participates with the private mine operator on a matching basis in doing exploration work in those mines where it is thought there will be a reasonable opportunity of discovering new and higher grades of minerals and metals.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. HERTER. Yesterday it was implied that the explorations done under this bill would be done as usual exploration is, through geological surveys, through diamond drilling, and so on, looking for new metals. There is nothing in this bill as I read it for that kind of exploration; it is only to help in the underground work for existing structures. Is that not correct?

Mr. ENGLE of California. No; that is not correct.

Mr. HERTER. Will the gentleman point out, aside from the preamble, point out in the body of the bill any provision under which any help can be given for diamond drilling or for geophysical surveys, or anything of that kind that is not entirely underground work for existing mines?

Mr. ENGLE of California. There is no limitation in the bill so far as I know in regard to how the exploration work shall be carried out. The word "exploration" is defined on page 10, at line 15, as follows:

> (d) "Exploration" means exploration in the United States for unknown or undeveloped sources of metals or minerals, including undeveloped extensions of known deposits, conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts, including recognized and sound procedures for obtaining pertinent geological information, and including metallurgical research on processes for the production of such metals or minerals.

Is that broad enough to satisfy the gentleman?

Mr. HERTER. That is broad enough in some respects, but when you go further in the bill you find that there is a 50–50 matching, and it is all for existing work; there is no provision such as I indicated. Perhaps the gentleman can point out whether or not the Board can give an individual 100 percent of his costs in geophysical work and in generally looking for new and strategic and critical materials. I cannot find it in the bill.

Mr. ENGLE of California. The Board has very broad powers. The powers of the Board are set forth in section 4 on page 3 of the bill. The Board is given the power to determine the particular metals, minerals, or the ores thereof and specifications therefor that shall be eligible for aid for conservation, and the particular metals or minerals that shall be eligible for aid for exploration. In other words, I take it that this Board has the power to lay down the regulations and to pick out the minerals and metals which will be available for exploration.

Mr. SHORT. Mr. Chairman, if the gentleman will yield, I suggest that the gentleman will note that under section 4 of the act the statement is made:

> To carry out the policy of this act the Board shall by regulation determine the amount of appropriated money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation, on the other hand; and also the amount of appropriated money to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals, as specified by the Board.

Mr. ENGLE of California. The gentleman is correct. I think I should emphasize again the matters which I mentioned yesterday in speaking on the rule; namely, the fact that the President of the United States in his budget message and the Hoover Commission task-force report both take identically the same position, that we have exhausted the mineral resources of this Nation through efforts in two great wars.

It is necessary that we do more exploratory work in order to develop new sources of these strategic and critical minerals and metals. This bill is a direct implementation of the recommendation in the President's budget message and in the recommendation of the Hoover Commission report.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Massachusetts.

Mr. HERTER. Can the gentleman point out where in the bill, if he, himself, were in the business of mining chrome and he wished to explore entirely new properties, he would get money from the Federal Government and how that would be paid to him, whether it would be on a matching basis or otherwise, because I do not think it is clear anywhere in the bill?

Mr. ENGLE of California. Under section 6 (a), page 5, line 4, and the regulations under which I would apply it are set forth under section 4, page 3, as laid down by the Board, and the method by which the money would be presented would be decided under subsection (c) of section 10, page 13, line 4, of the bill.

Mr. HERTER. I have examined every one of those sections and I am still very much confused. The very first power of the Board is in allocating money for exploration—a total of $80,000,000 per year. Then there is nothing in the bill to indicate that the entire $80,000,000 or the $40,000,000 allocated could not be used by the geologists of the Bureau of Mines. I am assuming that the primary purpose of this bill is to save uneconomic mining today. It is not for the kind of exploration that the gentleman has in mind for a new area in which to locate strategic and critical materials.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Montana.

Mr. D'EWART. In the case of chrome we already know where there are ore deposits sufficient to supply this Nation for years to come. In my own district during the war the Government developed a mine, spending some $22,000,000. When we captured Africa we immediately abandoned that mine, moved out the machinery and equipment, and the mine stands there today in an idle condition. Seventy-five percent of the known chrome deposits of this Nation are located in that area.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Massachusetts.

Mr. HERTER. The bill having been drafted originally and passing the Senate originally was confined to three metals.

Mr. ENGLE of California. No.

Mr. HERTER. It was confined to the base metals of lead, zinc, and copper. The amendment that appears in the bill put in by the House extends it to all the other metals that have been mentioned, is that not correct?

Mr. ENGLE of California. I want to comment on the statement by the gentleman from Massachusetts because he made the statement yesterday that this bill is not substantially the bill considered by the Senate, that it was very substantially modified, and it was implied from that and anyone would believe who did not read the bill or was not familiar with it that the House had completely changed the structure of this legislation.

I call attention to the bill, S. 2105, which was reported by the House committee on October 11, 1949. There are 13 pages in the bill and if you will examine it and follow along with me I will indicate the amendments which were made which I think will make it perfectly apparent that there has not been any really substantial change in this legislation.

There are no amendments on page 1, none on page 2, none on page 3, none on page 4, and none on page 5, except in the last sentence of page 5 the language is stricken; but that, I may say to the gentleman from Massachusetts, was not in the bill considered by the Senate committee but was the so-called Cordon amendment which was put in by the Senate.

There is no change on page 6, no change on page 7. On page 8 we added one sentence which appears in italics at line 2, the purpose of that being to make it possible for the General Services Administration to get funds to carry out the storage of these materials when turned over to them, but it does not change the basic philosophy of the bill at all.

That is the only amendment on page 8. There is none on page 9 and there is none on page 10. There is added a portion of a sentence on page 11 which adds to the small-mines section "manganese, mica, chromite, mercury, and tungsten ores and ores of other minerals and metals the average monthly production of which, by quantity, approximates the market value of 100 tons of lead computed and fixed as of the effective date of this act, the quantity limitation for each mineral and metal thereafter to remain unchanged."

On page 12 there were three paragraphs added. Two of those relate to procedure in filing reports, and the other relates to how the funds shall be advanced, the purpose of the last paragraph being that a miner not be required to put up $100,000 and then seek $50,000 reimbursement from the Government, but rather that they be permitted to match funds to carry out the work. I think it is perfectly obvious from that statement that this is substantially the same bill in character, in approach, in philosophy, and in every other way that was considered by the Senate committee.

I believe that the gentleman from Massachusetts was misled by the small-mines section which appears on page 11, line 10. Initially the small base metal mines were defined for special treatment. The bill covered all the others also. But these small mines were defined for special treatment: Lead, zinc, and copper. To that were added manganese, mica, chromite, mercury, and tungsten ores and ores of other minerals and metals the average monthly production of which, by quantity, approximates the market value of 100 tons of lead.

I believe that the gentleman from Massachusetts was misled by that section. The bill has always applied to the whole field of critical and strategic metals and minerals. There was just one little section making a special small-mines provision for copper, lead, and zinc. It applied solely to the three to begin with, and it was later amplified as a small mines section to cover some of the others.

Mr. HERTER. I am sure the gentleman did not intend to pass over the amendment on page 6, which he has completely forgotten, which strikes out entirely the reimbursable provision for exploration payments made by the United States, no matter how much money in the future an individual mine may make.

Mr. ENGLE of California. If the gentleman will recall, I mentioned the language at the bottom of page 5 and the top of page 6, the so-called Cordon amendment——

Mr. KEATING. Mr. Chairman, if the gentleman will yield, that is the amendment that I wanted to interrogate the gentleman about. I appreciate what he said that this was put in on the floor in the other body, but it seems to me that the elimination of that sentence constitutes a very important distinction between this bill and the one that passed the Senate. I would appreciate it if the gentleman would address himself to that.

Mr. ENGLE of California. I will attempt to do that. The amendment which was placed in in the Senate called the Cordon amendment, would provide that where a miner struck something, you might say, or found something in his exploration efforts, which were participated in by the Government, that he should then pay back to the Government the amount of money advanced for exploration. That is a very plausible proposition on the face of it. But, we found out that the administrative difficulties of it were so serious that we had to take it out. We came to the conclusion that it would cloud the title of every mining enterprise in the country which took advantage of this legislation for all times to come. If a man took $50,000 of Federal money to put out into a hole in the ground or an extension of his known workings and did not find a thing, and later on, 2 or 3 years or 5 years later, came back again, and with his own capital extended those workings, then the question would arise whether or not there was a claim against him for this $50,000 which had been put in. In other words, the advance of that money would be a cloud upon every mining title in the country and would practically exclude in many instances participation in this fund by anyone. That is point No. 1. And, those practical difficulties were so serious that the mining people did not want anything to do with it, and the agencies which were going to administer this legislation did not want anything to do with it. In short, the public agencies which had worked very diligently on this legislation, and it has been cleared by the Interior Department and all of its agencies and also through the Bureau of the Budget, did not want that provision. The miners did not want it.

In addition, there was this further consideration, that we are not putting the Federal Government into partnership with the mining people. That is not our intention. The national good which is to be served by the expenditure of the Federal money allowed for exploration under this bill is to be the additions to the total amount of the national wealth in newly discovered and richer ore bodies. This is not supposed to be a partnership transaction at all. If it was not for the fact that it is in the national interest and safety to have these ore bodies discovered and to know what the natural resources of this country are, we would not be advocating this legislation at all. But because it is, it stands on its own feet and without any business participation which may result in all sorts of practical complications for the average businessman at a later time.

Mr. KEATING. Is it not the intention under section 6 to create a relationship of debtor and creditor between the Government and these mining industries? I realize that, as the gentleman says, it is not intended to create a partnership, but it does look to me as if it is the intention to create a debtor-creditor relationship. If that is so, then when the miner makes money out of his mine, why should he not pay back the money he has borrowed from the Government, just as a home owner has to pay back his mortgage money, or as any other debtor pays back his money?

Mr. ENGLE of California. For the simple reason, as I have said to the gentleman, that it is not the intention of this legislation to create a partnership arrangement at all, and for the practical reason that making this a debtor-creditor relationship would cloud the title of these mining enterprises for the Lord knows how long.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. WHITE of Idaho. Is it not a fact the Government will recapture most of this money in the form of income taxes paid by the miners?

Mr. ENGLE of California. I want to come to that later, if I can talk about the mechanics of this bill a little.

Mr. HERTER. Mr. Chairman, will the gentleman yield for a question that I think is pertinent at this point?

Mr. ENGLE of California. I yield to the gentleman from Massachusetts.

Mr. HERTER. The President is now recommending that the depletion allowances be changed. If his recommendation that the depletion allowances be changed is carried out, will not that hurt the mines of this country infinitely more than this bill could possibly help them?

Mr. ENGLE of California. It certainly will. I call the gentleman's attention to the fact that there is nothing now pending that I know of where the President has recommended the change of the depletion allowance on these strategics, on the metallics. He has advocated it, I understand, for oil and the nonmetallics.

Mr. KEATING. If the President's suggestion on depletion is adopted and this bill is passed, then it will be Uncle Sam himself paying that tax rather than the miner. Will not that be the result of it? The depletion credit will react to the disadvantage of the United States Government.

Mr. ENGLE of California. I am against taking away the depletion allowance given to the mining industry. It is certainly inconsistent with the philosophy of this bill.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Colorado.

Mr. CARROLL. The gentleman is absolutely correct. There is nothing in that part of the President's program that has anything to do with the reduction of the depletion allowance with reference to the metallic mining industry.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Montana.

Mr. MANSFIELD. I think the gentleman should bring to the attention of the House that this is an investment by Uncle Sam in American resources. If this help is not forthcoming American industry and security will suffer as a result.

I wish the gentleman would tell the House just how dependent we are at the present time upon such products as chrome and manganese, of both of which we have huge deposits in the United States. Further, there are other materials not included in this proposal which we have to depend on being imported from outside this country to take care of our own interests.

Mr. ENGLE of California. I thank the gentleman for his contribution. As an illustration of what he says, it takes 14 pounds of manganese to make a ton of steel, and you cannot make a ton of steel without 14 pounds of manganese. We import into this country over 90 percent of the manganese used in the huge steel industry here. At the present time we do not have enough stocks of manganese in our current bins and supply lines to last this country more than a year in case we get into war.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. KEEFE. If we have such great stores of manganese and chrome undeveloped in this country, why is it that we are importing all these minerals? Can the gentleman give us the answer to that question?

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield so that I might answer the gentleman's question?

Mr. ENGLE of California. I yield.

Mr. MANSFIELD. These ores are low-grade ores and it would cost a great deal of money to open up the mines. At the present time we are buying high-grade manganese and chrome from overseas, which we have to have to run our mills.

Mr. KEEFE. In other words we are buying them cheaper than we can produce them here. Is that not the reason?

Mr. ENGLE of California. That is correct.

Mr. KEEFE. Yes. And because we are buying them cheaper from foreign countries and importing them, our own mines cannot operate and this bill proposes to subsidize them so that they can operate. Is that not what this bill does?

Mr. ENGLE of California. This bill does not create a direct subsidy.

Mr. KEEFE. Well, call it what you will, but that is what it amounts to. But if we had tariff protection for these mines, they might be able to operate without a subsidy, is that not true?

Mr. ENGLE of California. I doubt that. There are some things about the tariff, I will say to the gentleman.

Mr. KEEFE. Let us not beat the devil around the bush. Let us get down to fundamentals and that is what is involved in this legislation fundamentally. I am not saying whether I am for it or against it, but that is what is involved, is that not true?

Mr. ENGLE of California. I will say to the gentleman a tariff is not legislatively feasible at this time, and we are trying to do something now for the mining industry.

Mr. KEEFE. If you applied that same situation to every industry which is now being subjected to foreign competition we will have a pretty big bill for subsidies for those industries.

Mr. ENGLE of California. They are not as essential. They are not in the same category as the mining industry. There are some things we can get along without, but we cannot get along without manganese if we get into war. We have to have it to make steel. If we are importing 90 percent of it and do not have enough of a stock pile and do not have our own mines ready to go, then, my friend, we are going to get licked. They will shoot bullets through our tanks as if the tanks were made out of cheese.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield.

Mr. SHORT. I think that the devaluation of currencies in other countries would largely nullify the protection that any tariff would give our mineral industry in this country.

Do not forget that the miners in many foreign countries receive for a whole day's work just about what a miner in this country receives for 1 hour's work. We cannot compete with that kind of cheap foreign labor.

Mr. KEEFE. If the gentleman will yield further, there is a provision for $80,000,000 a year for 3 years, as I understand it—or is it for 5 years?

Mr. SHORT. It can run for 5 years. It is supposed to be 3, but the contract can be extended.

Mr. KEEFE. What will the situation be at the end of 5 years or 3 years? Will it still be the same?

Mr. SHORT. We are hoping there will be enough exploration and new discoveries made, so that the industry can get back on its feet.

The gentleman from Massachusetts, I think, will agree 100 percent with the statement that should the President's recommendation for depletion allowance be adopted, it will do the industry more harm than the benefits which we could derive by the passage of this bill.

Mr. ENGLE of California. I thank the gentleman for his contribution.

Mr. CRAWFORD. Mr. Chairman, I yield a half a minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I have asked for this time for the purpose of inquiring of the gentleman from Florida, the chairman of the Committee on Public Lands [Mr. PETERSON], what are the plans for the balance of the day? Are we going to try to finish this bill?

Mr. PETERSON. We hope to finish general debate and then read the first section, at which time a motion will be made that the Committee rise.

Mr. BROWN of Ohio. In other words, an endeavor will be made to conclude general debate and read the first section, but not to go under the 5-minute rule, and then a motion will be made that the Committee rise?

Mr. PETERSON. Yes.

Mr. BROWN of Ohio. In other words, no amendments are to be considered today?

Mr. PETERSON. No; it is not contemplated to consider any amendments today.

Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma.

Mr. WILSON of Oklahoma. Mr. Chairman, on behalf of my colleague from Oklahoma [Mr. GILMER], who is in the hospital, I ask unanimous consent that his remarks on this very important bill may be included at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GILMER. Mr. Chairman, many mines within the United States that produce strategic metals and minerals, which are always critical to military and naval operations in time of war, are now badly in need of the sustaining legislation included in the provisions of Senate

bill 2105, now before us—the United States, as a Nation, is vitally interested in this legislation for it provides a plan for stock piling certain strategic and critical metals and minerals as a safeguard to national security and defense. This bill also supplies the means for preserving our domestic mines for potential production in time of war, as well as providing encouragement for exploration and discovery of new deposits of these essential ores.

In northeastern Oklahoma, in my district, Oklahoma's First, there is a lead- and zinc-producing area that is having great difficulty in continuing mining operations in competition with foreign mines. The importation of foreign-mined lead and zinc has only been effective for about a year in depressing the price of these metals below the cost of production from the Oklahoma mines. I am confident this condition prevails generally among our domestic mines producing lead, zinc, and copper, and other strategic metals and minerals.

During the war, when there was an increased demand for these critical metals, the available supply was reduced because of the foreign supply being cut off by the war, either by the mines falling into the hands of the enemy or through destruction of our shipping by the enemy. Then, the Nation had to depend almost entirely upon its domestic mines for many strategic metals and minerals then in critical supply.

This condition was too serious and too recent for the Congress of the United States to ignore and not take adequate precautions against the recurrence of a similar situation. I am sure every Member of the House present here today vividly remembers the tremendous effort that was necessary during the war to obtain these metals that were so vital to the war effort. Although we were successful in conquering our foes in World War II, yet there is little doubt but that the scarcity of strategic and critical materials, including the metals and minerals covered in this bill under discussion here today, prolonged the war to some extent and resulted in increased costs in both men and treasure.

I believe it is the heighth of folly to spend billions of dollars toward building up a system of security and defense during the present cold war without including a plan for stock piling strategic minerals and metals and preserving our domestic mines that produce them, as well as encouraging exploration and discovery of new sources of supply that may lie hidden in the depths of the earth within the boundaries of the United States.

Some of the mines in my district have already closed down, and others are watching the progress of this bill, hoping that the Congress will pass this legislation that is necessary to continued operations in many of the domestic mines. Further delay in enacting this legislation, or failure to enact it at all, will work an extreme hardship on many American communities whose citizens are dependent upon the business activity of mining as their principal source of income. Already, in my district, a number of mines have been abandoned and have filled, or are filling, with water; and the ores remaining within these mines can only be recovered through great expenditures to recondition them as a result of their abandonment—others are irretrievably lost.

Citizens of this mining area see in this bill hope for a restoration of activity that will promote their personal security. If they are mine workers, they will be aided directly by getting back on private pay rolls and off government relief rolls. If they are merchants or professional people, or workers in allied industries, they will be indirectly aided through generally improved economic conditions in the community. If, on the other hand, this legislation fails, many of the people in mining communities will lose their source of income and will either require assistance from the relief rolls or secure positions in other industries, probably encroaching on the employment of other citizens. Many mine operators will lose hope and many more mines will be abandoned, thus directly weakening the ability of the defense establishment to defend this country in time of war.

This is a very important bill. It is designed to provide for the common defense and promote the general welfare, and I strongly recommend it for your favorable consideration.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, 25 minutes ago the Subcommittee on Appropriations for the Armed Services gave me a 10-minute recess to extend my remarks because we are now marking up the bill.

I have been sitting here, and I am not finding any fault with anybody. I have, however, been waiting to make, admittedly, one of the best and most conclusive speeches in favor of this bill that could have been made had I been afforded the opportunity so to do. Since I have not been afforded it, and since I must return to my committee, I wish to say hastily that I do not know anything about diamond drilling and all this other stuff I have heard so much about, nor do I favor too many of these amendments which have been proposed. I am, however, telling you if you do not make it possible by reason of this authorization and the appropriations which have already been made in the independent offices bill—which would build up a stockpile of necessary metals—to continue to develop and to explore those Green Mountains up there which are lined with this copper which you need as strategic minerals, somebody's going to make an awful mistake. This is not a subsidy. This is protection foresold. This is an act to provide for sustentation. I am not fooling.

Nobody should stop the further development of that avenue of possible escape for this country as of a time when America is bound to be forgotten.

I yield back the remainder of my time.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am for this bill, but I am fully aware that it is not even a toehold. It is not even a good beginning to get our mining industry on its feet. However, it is not a subsidy. I want you to get that out of your minds. It is an investment that the Government of the United States is making with the mining industry to get that which is essential for national defense.

The former Secretary of the Interior, and also the head of the Bureau of Mines and Mining testified before our committee when I was chairman of the Subcommittee on Mines and Mining, that the stock pile was nil. I want to say also that the Munitions Board agreed to it at that time, and I think it is still nil. The question is how are we going to get that stock pile in a position so that we will have national defense in case of an emergency, in case of war. One of the admirals told me that the principal objective of buying this material abroad was not helping the mining industry nor for national defense, but was for the purpose of getting more American dollars into the hands of foreigners with which to further deplete the things in our own Nation that belong to unborn generations.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. D'EWART. I would like to say that the gentleman from North Dakota [Mr. LEMKE] was chairman of the Committee on Mines and Mining when the research work and study was made on which this legislation is based. He was the chairman when this volume was written, and he knows well the need of this country and the things that are not in our stock pile and that should be. It was under his leadership that the basis for this legislation was set up, and it was under his leadership that this study was made that demonstrated so clearly that if we are going to be prepared for war we must do more than the Munitions Board has been willing to do.

Mr. LEMKE. I thank the gentleman for that contribution. I will state that I felt I was doing my duty to the Nation to get a stock pile. I think we are all aware of the necessity of a stock pile, and this bill simply assists in getting that stock pile, but it does not go far enough and some day we will have to go further. I will say frankly that in executive session many Members agreed with us but said they got their orders from higher up and that they had to do publicly that which they did not wish to do personally. Let us get down to the basis again that we throw partisanship and politics out of the window and work for the best interests of our Nation.

In connection with the necessity of stock piling, as I said, the Munitions Board admirals and generals told us that in case of war we would be through at the end of a year. When we asked what would happen after the end of the year, they threw their hands up in horror. I leave the verification of that statement to my friend the gentleman from Montana [Mr. D'EWART] who was a member of the committee at that time.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. BENNETT of Michigan. Does the gentleman know how many millions of

dollars this country has spent under our foreign policy in a program to subsidize the other nations of the world in the development of their mineral industry so that they in turn can send them over to this country under reduced tariffs and undersell every producer in the United States?

Mr. LEMKE. I do not know the exact millions, but I do know that in one country it was $30,000,000, and that it was pointed out that in case of war with Russia we would not be able to get 1 pound of material from that particular country because of submarines.

Mr. BENNETT of Michigan. Is it not a fact that not only are we subsidizing the British copper industry, but by the process of devaluation of their currency, as mentioned by the gentleman from Missouri a few minutes ago, they have an additional advantage: Not only do they have our money, but they have devalued their own money and are able to undersell every American producer in these strategic materials.

Mr. LEMKE. The gentleman is absolutely correct. They have a further advantage also in the matter of lower wages, 10 cents an hour in some of the competitive nations whom we are financing and putting back on their feet, as compared to our dollar and a quarter an hour wage, or $11 a day in our own mines. If we are going to have an industry we must protect it from foreign competition of slave and semislave underpaid labor.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, your Committee on Public Lands has explored exhaustively all possibilities of stimulating domestic production of the critical minerals. Largely because of administration policy, we have been forced to discard them one after another.

The National Minerals Advisory Council, which was appointed by the Secretary of the Interior to consider and make recommendations on national mineral policies suggested that tax policy was an important factor in mineral development. In a report made last fall, the committee said "Excessive taxation is a principal cause of the lack in interest in exploration for and development of new mineral resources."

To remedy this condition and to provide incentive for new discovery and development, the council outlined six major changes in our Federal tax structure which it said "must be made in the tax structure as applied to mining." They are:

First. A tax-free period for new mines.

Second. Development and preliminary mining expenses.

Third. Deductions for losses from unprofitable ventures.

Fourth. Adequate allowances for percentage depletion.

Fifth. Tax-free depletion allowances to stockholders.

Sixth. Full allowance for years of loss.

Here is a sound suggestion to build a healthy mining industry. However, in his recent tax message to Congress, the President had this to say:

> I know of no loophole in the tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and mining interests. * * *
>
> A forward-looking resources program does not require that we give hundreds of millions of dollars annually in tax exemptions to a favored few at the expense of the many.

This attitude is the exact opposite of the recommendations made by the Advisory Council to the Secretary of the Interior.

I think the Members of this House will recognize the hopelessness of attacking the mining problem through the medium of tax policy while the President holds these views.

Increased tariffs and quotas were carefully considered by your committee as another method of encouraging our small domestic mines. I need only mention increased tariffs and quotas for every Member of this House to recognize the futility of attempting action in this direction in the face of the administration's reciprocal trade and foreign-aid programs. It has been considered, however, in the other body in a bulletin last session entitled "Status of Government Policy and Legislation With Regard to Smaller Marginal Mines." On page 5 of this report the subcommittee, of the Small Business Committee, states its belief that "more study should be given to the effect upon the domestic mineral economy of tariff cutting, especially now that domestic self-sufficiency is, in many respects, becoming of greater importance for security reasons than the benefits which may accrue to our foreign trade policies."

Tariffs and quotas would be a much better solution of our problem than the proposed bill, but none thinks for a moment that they are possible under present administration policy.

There is yet another method set up in present law that could and should have provided the necessary incentive to the production of these strategic minerals, if the Chief Executive had issued the necessary directives. I refer to the Stock Piling Act of 1946, Public Law 520 of the Seventy-ninth Congress.

Section 1 of this act reads as follows:

> That the natural resources of the United States in certain strategic and critical materials being deficient or insufficiently developed to supply the industrial, military, and naval needs of the country for common defense, it is the policy of the Congress and the purpose and intent of this act to provide for the acquisition and retention of stocks of these materials and to encourage the conservation and development of sources of these materials within the United States, and thereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency.

Section 3 of this act states that "the Secretary of War and the Secretary of the Navy shall direct the Secretary of the Treasury, through the medium of the Procurement Division, of his Department to (a) make purchases of strategic and critical materials with due regard to the objectives of this act, which purchases shall be made in accordance with title III of the act of March 3, 1933" which is the "Buy American" clause.

There is the law, clearly signifying the intent of Congress to do the very thing proposed in this section, and to do it in accord with the "Buy American" clause which has been interpreted to mean that "a differential of 25 percent will apply in favor of domestic articles."

Why, then, do we need this new proposed law? Simply because the Procurement Division of the Government, under the Munitions Board and with the advice of the National Security Resources Board, under what is in effect a directive from the President, refused to follow the "Buy American" clause as a policy.

In hearings on this subject the following colloquy is found between Rear Adm. Roger W. Paine, Navy member of the executive board, Munitions Board:

> Mr. D'EWART. When this matter was before us last time, the original Stock Piling Act, we put in a "Buy American" clause. Did the President of the United States, in effect, direct you to ignore that?
>
> Admiral PAINE. Yes.

As a result of this deliberate refusal to carry out the intent of the Congress, the stock-piling program has fallen far behind its objectives. A recent issue of the Washington Post contains a story on the subject in which the Munitions Board is described as searching desperately for new sources of manganese in South Africa, South America, and other far places, because our Russian source of supply has been cut off. Had the Munitions Board followed the intent of Congress, and exerted itself to develop domestic supply, it would not be faced with this serious situation, it would not need to search the far corners of the world for manganese, we would not have to spend hours debating this legislation, and the United States, with a healthy mining industry, would be well on its way to assured self-sufficiency in this most important metal.

The late, great Theodore Roosevelt told us we should speak lightly but carry a strong stick. This administration has been speaking loudly, but it has tossed away the stick.

Our committee explored all possible avenues to meet the critical situation in our mining industry. We studied liberalized taxation, tariffs, quotas, and "Buy American" stock piling. We found each of them closed because of administration policy. We therefore offer, regretfully, a subsidy bill. Since subsidy seems to be the administration's answer for every problem, from soy beans to Siam, this measure may meet with approval.

We feel that the international situation makes it imperative that our domestic production of strategic minerals be stimulated. The proposed law is limited as to time. Contracts may be entered for only a 3-year period, and must terminate in 5 years. Perhaps by that time we will have a more enlightened and practical administration. In the meantime we dare not delay. We recommend the favorable consideration of the bill.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I, too, wish to add my endorsement along with my Oklahoma colleagues, GEORGE HOWARD WILSON and DIXIE GILMER, and the others who have spoken on this very important bill. This measure will be highly beneficial to our national defense program. It will be of special benefit to the development of Oklahoma minerals, especially to the tri-State zinc area.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, mining is one of the three great fundamental, basic industries in this country. It takes its place by the side of commerce and agriculture. Indeed, to a large extent commerce and agriculture are both dependent upon mining, because if there were no mines the farmer would find it impossible to have a plow, a hoe, a rake, or any bit of farm machinery. Without mining, commerce would be at a standstill; there would be no telephone, telegraph, locomotive, airplane, or automobile.

Mining is not a local matter. This is not a sectional bill. It affects practically all of our Western States. Its effect will be felt in Vermont, in Michigan, in Wisconsin, and Illinois, and particularly down in the tri-State mining district of Missouri, Kansas, and Oklahoma. It will be felt in the deep South—in the Carolinas, Georgia, Alabama, and Mississippi. So, there is nothing about it that favors a particular group or particular section over another section, but it is something that is vitally necessary to the entire economy of our country.

Mining is an essential industry for a healthy, progressive, and prosperous domestic peacetime economy, and it is absolutely indispensable in time of war. So, for these two reasons, to support our domestic economy in time of peace, and more particularly to make this Nation secure and safe in time of an emergency, I think every Member of this House, whether he comes from a mining district or not, would be justified in supporting this measure.

And, I wish to repeat what I said yesterday, particularly for the benefit of those Representatives from the large, populous, highly industrialized, manufacturing States in the North and the East, that if the mining industry in this country is to collapse or fail, certainly every one of these States that furnish so much of the materials that is consumed by the mining industry will feel the ill effects. Mines not only produce but they consume timber, steel, and all sorts and kinds of machinery.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. WHITE of Idaho. Do they not supply the raw materials the manufacturers use in fabricating the things in everyday use, so that if they are in short supply the price goes up?

Mr. SHORT. The gentleman is 100 percent correct. When mines are in an active state and condition, what happens? They produce the raw materials for manufacturers. They pay enormous taxes to the Federal, State, and local governments. They employ millions of men at high wages, who consume the products of the farm and of the factory. But when mines are forced to close down they fill with water, they cave in, and soon reach a state where it is unprofitable if not next to prohibitive to recover certain ores that are irreparably lost. That is exactly what happens.

Mr. WHITE of Idaho. There is an old saying that when Ford was making his Model T cars they used 60 pounds of lead in the batteries and bearings on every car.

Mr. SHORT. That is very true. And miners when out of work draw unemployment compensation. When that fund is exhausted they go on relief. We do not want a repetition of this vicious thing. This bill will help to avoid such an occurrence.

Mr. Chairman, at the moment concerted effort is being made by those charged with looking after the national-defense needs of this country to mobilize the Nation's mineral resources. Nonferrous minerals are an essential part of these resources.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. BENNETT of Michigan. Right on that point I do not think there is any question in anybody's mind that this Government can buy strategic and critical metals and minerals from foreign countries today to be put in our stock pile.

Mr. SHORT. Because of cheap labor. The American miner receives more money for one hour's work than the foreign miner receives for a full day.

Mr. BENNETT of Michigan. Because of cheap labor, they can run our industries out of business, particularly the deep mines of this country. But what is going to happen in time of future emergency? Where are you going to get the copper then, or the zinc, the chrome, the lead, and the other materials?

Mr. SHORT. We cannot wait until we get to that point before we start developing the mines, because the mines cannot be developed or discovered overnight. They must be kept active.

Mr. BENNETT of Michigan. And after they are filled with water it is too late to get the ore out of them.

Mr. SHORT. I say that the ores are irretrievably lost, one of the greatest natural resources and assets of this Nation. We must not let this happen.

The United States Bureau of Mines, in its report (R. I. 4490) dated July 1, 1949, states that there are approximately 66,100,000 tons of marginal zinc and lead ores with a combined assay of 4 percent which may be recovered in the Tri-State district situated in Kansas, Oklahoma, and Missouri. Unfortunately only a small portion of this huge ore reserve can be recovered at present market prices without some Government aid. The Tri-State zinc-lead district, from 1907 to 1948, has supplied 40 percent of the Nation's zinc and more than 10 percent of its total lead production, but today it is in great economic distress. It has great tonnages of marginal ores, efficient plants and operating equipment, including rail transportation, experienced trained personnel, and all of the organized facilities required for high efficiency operation, but it lacks one factor which will revitalize and restore it to national and community usefulness, a market for its product which will again permit it to produce.

Mr. Chairman, this great mining area has contributed greatly to the mineral requirements necessary to win two world wars and as a result the reserves of the area have been depleted insofar as high grade ore is concerned. Thus, it becomes necessary to do additional exploration work in the field and to ask for Government aid in the production of the remaining marginal reserves, otherwise an important national resource may forever be lost to the Nation. We cannot neglect the impelling duty of doing all in our power to establish an adequate and continuing supply of metals for the defense of our country. Such a supply can come only from our own mines by stimulating exploration for new deposits and conserving to the last ton those marginal ores already developed and known to exist within our mines. Dependence upon foreign sources of supply is hazardous and dangerous. If the conflict should occur, which our Government is now preparing against, embargoes of war and metal shipments of neutral and unsympathetic countries abroad would be a certainty and all means of ocean transportation would immediately become imperiled and unreliable. Fifty-two of the 60 tankers carrying oil from South America to the United States were sunk by Nazi submarines in this war. Russia might do even more. Our national defense authorities advise that in spite of the powerful and terrifying new weapons of war which have been recently developed and improved the next war will very probably be fought with about the same materials as we have used in previous wars, namely, metals. At present we do not have an adequate supply of minerals within our own borders to defend this country if such defense entails a prolonged world-wide war. No important new mineral deposits have been discovered in the United States since the early 1920's. Consequently we have been mining and using unprecedented amounts of our known ore reserves. Since World War I and throughout World War II our reserves have been steadily diminishing. Private industry has done what it could to replace our reserves but neither wars, nor depressions, nor the tax laws have been helpful. The Bureau of Mines has helped to develop ore reserves, although their funds and personnel to assist are both limited.

The position of the United States as a creditor nation forces us to follow a foreign policy dedicated to the stimulation and encouragement of imports. Metals are one of the important items being imported into this country. In 1949 some 400,000 tons of lead were shipped into this country from abroad, 360,000 tons of zinc were imported, and approximately 500,000 tons of copper were shipped in. These importations have had a terrific effect on the domestic mining industry and have resulted in a reduction in mineral prices today which is causing 85 percent of our mines, which are now operating, to do so at a loss.

Metal mining is a basic industry and if we are to continue to follow a policy of national security we must protect the American domestic mining industry as a matter of national policy to safeguard the security of this Nation.

Many of our marginal mines have already been abandoned. Others are marking time in varying steps of dismantlement pending the outcome of the action of this Congress on S. 2105. With the enactment of this legislation the base of our metal-mining industry can be increased through the provisions covering the exploration for new ore deposits and our reserve condition can be materially increased through the conservation section of the measure. It should bring into production marginal mining areas which are now closed down, or may soon be closed down as a result of the present low price for minerals.

Mr. Chairman, I urge the passage of this legislation in behalf of the interests of this Nation in order that we may face the future with confidence knowing that the national safety and security of the Nation will be best served by doing so.

Mr. PETERSON. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, as has been stated heretofore, this exact legislation has already been considered by the House under a motion to suspend the rules last fall, and a majority of the House voted in favor of it—to be specific, 176 to 118. This legislation in the form of a Senate bill has already passed the Senate without a dissenting vote.

As the days go by, the necessity for such legislation becomes more apparent. During the recent United Nations conference at Lake Success last summer, it was there stated that "the critical shortage in metals is most seriously felt up to now only with respect to tin, lead, and zinc, but signs are apparent that assessable deposits of copper, nickel, manganese, wolfram, and antimony are diminishing and new discovery is not keeping pace with demand. The situation, though general for the whole world, is becoming acute in the Western Hemisphere, chiefly the countries around the North Atlantic border."

It is a well-known fact that instead of improving the exploration of metals so necessary for the security of the Nation, the contrary is true. In my own State of New Mexico, ore mines at Silver City have closed since that conference at Lake Success. Many of the small mines are closing every day, and once abandoned, they may be irrevocably lost.

This legislation will give the industry an incentive to keep those mines open and to explore new ones.

In view of the past history of this legislation, I am certain that the House will not vote to defeat this, the last step in the enactment of this legislation which now has the approval of the Bureau of the Budget, the Bureau of Mines, the General Services Agency, and inferentially the approval of the President since the only objections the President had to similar legislation heretofore enacted have been eliminated.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. PETERSON. Mr. Chairman, I yield 10 minues to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, there seems to be such a scarcity or shortage of technical knowledge about mining that I wish more of the committee could be present to listen to my explanation of mining and what this bill means.

I might explain there is a well-settled rule in connection with the mechanics of mining that ore is not considered as proven until it is blocked out. In a lawsuit, or in making an inventory, it must be proven or blocked out. To be blocked out it must be exposed on three sides. You must run a tunnel at the top, a shaft down the side, and a tunnel under it. When you have done that you have a known ore reserve that can be measured and estimated in a mine.

In answer to some of the questions asked on the floor, I would say that this bill, besides opening new mines and proving new ore bodies, will assist mining companies and miners in blocking out their ore in mines that are now in operation. Mines may work out to a certain level, and they may have mined out the ore to that extent, but there may be untold reserves if the mine can be deepened and the ore in the lower levels can only be proved. In order to do that, you must finance the sinking of a shaft. You must get access to the lower levels of the mine property. When you reach a certain point, it is customary to run an exploration tunnel or drift on each level at each hundred feet. You go down, say, with a shaft of a thousand feet. You stop at each hundred feet and cut a mine station and run through the ore. and block out what is in the level. You go on down to another level, and so on, until you get to the bottom. That development work cannot be done today with the income derived from the sale of ore. You have to have capital and you must have financial assistance in blocking out the ore in proved mines, and particularly in new mines. So that this bill will bring in reserve ore that will be useful and that must be had in case of an emergency such as we had during the last two wars, when we had to have ore and raw materials to fabricate defense armaments.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. SHORT. I would like to ask the gentleman if this bill does not do three things: It provides for exploration, that is, new discoveries; it provides for conservation of known ores that we now have; and it also provides for stock piling for this emergency to which you have referred.

Mr. WHITE of Idaho. Yes, sir. Ore does not have to be above ground to be stockpiled. If it is proven underground and ready to be extracted, it is just as effectively stockpiled as if it was out in a heap on the surface.

Mr. SHORT. The gentleman is quite right. I am sorry the gentleman from Massachusetts [Mr. HERTER] is not present. He is an intelligent man and can comprehend the meaning of simple language. But he is laboring under a totally false and erroneous impression that this bill will only take care of those submarginal, uneconomical mines, whereas, on page 6, this bill very definitely and specifically states, in line 9:

> In the case of a project for exploration, the examining experts—

That means the mining engineer, the geologists, and other necessary technicians—

> In the case of a project for exploration, the examinging experts shall certify whether the project offers reasonable promise of discovering unknown or undeveloped sources of metals or minerals.

Mr. WHITE of Idaho. Yes.

Mr. SHORT. It does provide for exploration of sources that are not already known. I believe that this language should be put in the RECORD at this time to prove that the gentleman from Massachusetts has left an entirely wrong impression.

Mr. WHITE of Idaho. The gentleman from Massachusetts has labored under that impression because he did not know the mechanics of mining.

This Congress has already made the appropriation and sent out Bureau of Mines exploration parties with diamond drills to inventory the metal resources of this country on any promising properties such as the gentleman has described by exploring the ore in the deeper levels of the vein by diamond-drill holes. These holes prove the existence of ore, but it costs about $5 a foot to sink a diamond-drill hole, and some of these holes go down 2,000 feet, so it is rather expensive exploration. The Government has already made that exploration and proven the existence of the ore in many mines, but it will take weeks and months before a shaft can be sunk and the ore made accessible. There is only a small-diameter diamond-drill hole down there, but it is proven that the ore is there. Then you have to come in with your crew, sink your shaft, and run your tunnels back and forth. When you do that and find the ore is there, then the ore is stockpiled just as effectively underground as it would be above ground.

Now, I wish to go a little further and explain why a mine would be lost if you let it fill with water. In the first place, your ore deposit frequently is in ground that has been fractured, crushed, and broken up; it is called heavy ground. You go into it by sinking shafts and driving tunnels, extract your ore, and put up frames of heavy timbers to support your tunnels. It is the general practice in mining to put something back when you take the ore away so you fill the openings which you have made, fill them with crushed material, waste rock which the miners call gob. As long as the mine is dry and pumped out that crushed material will lie there on top of those timbers. But when you let water in and the timbers and the fill get heavy with water the weight of the gob on the timbers is so great that they are crushed, and the tunnels and shafts fill and your

mine is hopelessly wrecked. In ordinary mining practice in that kind of ground you cannot afford to let the mine lie idle and take water, as the miners say, and crush down the timbers and close off the openings. It would cost more to reopen and reexcavate that caved material than it would to go out and sink a new mine; it is practically hopeless to reopen the old one. It is cheaper to put in new workings than it is to reopen a mine that is destroyed under those conditions.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. BENNETT of Michigan. I just want to make this point in connection with the subsidy feature of this bill: Quite a little has been said about the cost of this bill to the Government and how much of a subsidy it involves, and the period of years that it covers, the money that is spent under this bill for conservation, that is, money that is spent in the operation of the mine where the Government goes in and buys the output of the mine. The minerals and metals that are purchased belong to the United States Government and are put in the stock pile for the Munitions Board or some other stock pile and there remain until the Government disposes of it either by sale or by use in case of a national emergency. To that extent the Government is getting something that it ought to have, something that it needs, and, incidentally, something that will not spoil, something that will not deteriorate, and something that will cost very little to store.

Mr. WHITE of Idaho. I cannot yield further; my time is short. I wish to call attention to the fact that what has happened in the lumber industry is similar to what is being done here. The Government owns its national forests; they are in the rugged mountain sections of the West that are inaccessible; they are isolated. Right here on this floor we appropriated $25,000,000 a year to build roads to make that timber accessible so that lumber companies could go in there and get at the timber. The Federal departments not only made Government timber accessible but they also made privately owned timber accessible by building the necessary roads. This is really a road bill. A shaft or a tunnel into an underground ore body is a haulage way at the opening through which you lower the mine timbers, the car, rails, and all sorts of mine machinery and equipment, the passageway for the compressed air line, electric cables going in, and the water pipes and ventilation pipe casings, with ladderways for the miners. A second compartment is used to hoist the waste rock and ore and let down timber and mine supplies and equipment.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Vermont.

Mr. PLUMLEY. The word "subsidy" as applied to this bill is incorrect. It is substance and sustentation rather than subsidy.

Mr. WHITE of Idaho. The gentleman from Vermont makes a very good point when he says it is not a subsidy but an investment. That is what this money that will be advanced really is. It is an investment.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. PETERSON. Mr. Chairman, I yield to the gentleman five additional minutes.

Mr. WHITE of Idaho. Mr. Chairman, this legislation is of vital importance to our national defense.

Today if you and I had an undeveloped mining property in Africa or any of the Marshall plan countries and needed money to develop it we could get the money from the United States Treasury by making an application to the Critical Materials Division of the Economic Cooperation Administration, and it would be approved right here on Pennsylvania Avenue.

All we ask in this bill is for our Government to do for the mining industry in this country just a small part of what it is doing for mining companies and the mining industry in foreign countries.

Our Government is carrying out a Marshall plan mining development and metals procurement program that is flooding our market with foreign metals, closing our producing mines, and stagnating the development of any new mines.

Many of the new mines have proven ore deposits, but are unable to obtain the necessary capital to finance their development. The Government's program in financing the development of foreign mines is also cutting down this country's tax income.

Mr. Chairman, this bill will provide for our natonal defense because it will assist in opening up and making available in our own country the nonferrous metals vitally necessary for the manufacture and movement of armaments used in war. This legislation will assist our country by providing additional sources of tax money to finance our Government in times of peace and war.

Mr. Chairman, there is not a truck or an automobile that rolls on a highway anywhere, or an airplane that flies the skies, or a submarine that plows the seas that does not depend on lead storage batteries and on lead and antimony shaft bearings.

Mr. Chairman, in the State of Idaho, which I have the honor to represent, while we produce no oil or iron, and we have practically no coal, nevertheless mining this year led all the other industries in the payment of taxes.

Mr. Chairman, some people seem to think that if we pass this bill and new mines are opened up, metal will flood the market. That will not be the case. Mines do not work that way any more than a man with a sawmill, who gets financial assistance to construct a road through his stand of timber, would proceed to manufacture all of his timber the first year.

In mining, even after you get your shaft down and tunnels driven, and open up the ore in the lower levels of your vein, the extraction of the ore is a slow, long-drawn-out process.

Our largest lead producer in Idaho, the Bunker Hill and Sullivan Mine, has been mining its ore bodies for over 60 years, and the end is far from being in sight.

So it is with nonferrous mines all over the country. Physical limitations make the extraction and milling of ore a slow process.

What this bill will do is to assist in sinking mine shafts and driving development tunnels. The deepening of a shaft is necessarily a slow mine operation. Only a very few men—usually three or four—can work at the bottom of a mine shaft, and a hundred feet a month is the average record in sinking a shaft.

Mr. Chairman, if we have another national emergency as we did when World War II broke on this country, and we need vast quantities of copper and zinc to make brass and manufacture shells, and lead for storage batteries, mercury for fulmination caps, and antimony to make shaft and axle bearings; and tungsten, molybdenum, and chrome for steel alloys, it will be too slow and too late to start opening new mines to work underground deposits of the indispensable nonferrous metals.

Mr. Chairman, it has long been a maxim in this country that "In time of peace prepare for war." Let us pass this bill and do as much for our domestic mining industry as we are doing for mining companies in foreign countries.

Let us not neglect our mines at home that are contributing so liberally in paying the taxes that support our Government, while we are paying out hundreds of millions of dollars to finance our competitors in building up foreign mining industries that do not contribute a cent of tax money to our Treasury.

Mr. CRAWFORD. Mr. Chairman, I yield 1 minute to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, some of these would-be scholars have undertaken to take me for a ride because I objected to the use of the word "subsidy" and said I would prefer to use the word "sustentation." They said there was no such word.

Now, let me read you this definition. It is defined as: "Preservation; conservation; as, the sustentation of peace in a nation." So, take it or leave it.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I think that the purpose of this bill as stated in title to the act—and I think we could stay with this title very wisely—is "to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals." I want to say that to find deposits, to determine the extent and the quality and then to find methods of developing the metals in this country takes years of hard, unremunerative labor to achieve. And then, always, there is the matter of conserving our natural resources. In the good old days those boys that went out through the West with the look of distance in their eyes—we called them prospectors—lived for years on grubstakes. In those days they found these metals, sometimes by

error or mistake, and sometimes almost by miracle. The kick of a mule uncovered one of the richest veins in the Coeur d'Alenes as my colleague from Idaho so well knows. We developed these metals; we became rich. Steel and the alloys—and it is largely the alloy materials that we are talking about here— made it possible for us to develop our great mass-production industries here and to participate in the winning of two great wars. But, if I have time, just a little more about that later.

Then somebody invented an expanding tax system in this country and we found taxes closing in upon the work of finding, developing, and bringing into being this fundamentally essential material. I think if you took a referendum among the mining industry in the United States today, among the miners who understand the problem of managing a mine, that they would say tax reduction or tax modification comes first.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Montana.

Mr. D'EWART. There is a report that I mentioned in the talk I made recently put out by a committee set up by the Secretary of the Interior entitled "Mining Taxation. Change in Federal Tax Laws Needed To Encourage Mining Enterprise." That brings out the very point the gentleman is making, and perhaps it is the best way: Change the tax laws to encourage and give incentive to a sound economy.

Mr. HORAN. A just and proper tariff has been another means that has protected a growing industry in this Nation of ours. I say just and fair tariff, because we can build those tariff walls too high, we all know that, and if we are wise we will admit it. I think that a sane choice of the operators of the mining industry and the miners of America who would study this matter would be some revision and protection by way of our reciprocal trade treaty policies. I think, however, that my colleague from California stated it very charitably when he said that those two avenues were not legislatively feasible at this time. We have had a stock piling bill vetoed by the President. So that brings us back to how we can get those men with a look of distance in their eyes out prospecting again. How to induce people who are willing to dedicate their lives on grubstakes for a number of years in order to provide strategic materials for our country. We have before us a bill that is acceptable, and a bill that I support, because I think it is the most acceptable measure that we might get through the House at this time.

During the war I tried to develop, by any means, some low-grade nickel-bearing ores in my district. I was told by men who were close to the War Production Board and the steel industry at that time that when the war broke out and we saw how low our critical materials were, the faces of the leaders of the steel industry went white. We did develop national emergency steels. We developed them by inducing men to develop the chrome deposits in Mr. D'EWART's home State and elsewhere in the West and throughout the Nation. We got the critical materials from foreign countries by sacrificing ships, so that only one or two got through where five left our shores to go to the foreign nations to bring back these metals so necessary if we were going to have armor plate.

The Navy never let up on their insistence on the highest grade of armor plate, but I call attention to the fact that in the Washington Post about 5 years ago there was an editorial stating that somebody in the Government should explain why so many of our Sherman tanks were being pierced by bullets in the Battle of the Bulge. There was too little nickel in that armor plate.

If we are going into another war we had better have the best armor we can find, and we can find it here at home.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Chairman, I spoke at length on this bill yesterday. I am for it.

We have had some very interesting material presented here this afternoon by gentlemen from various sections of the country. I think it is regrettable that there were not more Members present to hear the arguments advanced.

This is a vitally necessary bill. In Nevada, where mining is the very life blood of the State, where we have copper, tungsten, lead, zinc, manganese, and all the other strategic metals, it would be a veritable death knell for the State if this bill should fail to pass.

Mining, in our State, is a permanent issue, and a basic one. The men who work in the mines have built their homes and reared their families there. When the mines close, and they are closing day by day—a mine in Ely, Nev., closed the other day and 375 men were let out—these men cannot pick up their families and move to another place, as Mr. HOFFMAN suggested when he said that miners should be put on relief and trained to different jobs.

Going into the vital necessity of this issue, we do not want to put any more money into foreign countries to develop their strategic metals, when our own mining industry has reached a point of desperation. And from the standpoint of national defense, this mines aid measure presents more than a sectional matter, for it involves the security of our whole Nation.

I cannot say much more, for I must leave for the west coast tonight. However, I do want to say that I am vitally interested in this legislation. It means everything to the State of Nevada.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield to the gentleman from Missouri.

Mr. SHORT. While I cannot divulge some secret information and figures that I have given to our Committee on Armed Services, I can state to the Members of the House that the Munitions Board has spent only one-third as much money for domestic metals as it has for foreign metals.

Mr. BARING. I thank the gentleman.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield.

Mr. ENGLE of California. Prior to the time we got after them so substantially about it, it was less than that. Only a year or two ago the total amount of domestic acquisitions through the Munitions Board was 13 percent of the total amount of materials in the stock pile.

Mr. SHORT. The gentleman is right. We should continue to put more heat on them.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BARING. I yield.

Mr. WHITE of Idaho. As a matter of fact, over one billion dollars has been appropriated for the Munitions Board and the Munitions Board has spent over 60 percent of it in foreign countries.

Mr. BARING. The gentleman is correct.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. MEYER].

Mr. MEYER. Mr. Chairman, I rise in support of the pending measure, S. 2105. The time has come when the country must decide what to do about mineral deposits whose contribution to our national economy and our national defense will be grievously impaired if special assistance is not given.

In the tri-State mining area, a part of which is in the congressional district which I have the honor to represent, and about which the gentleman from Missouri [Mr. SHORT] has so eloquently spoken, we have large reserves of zinc and lead which will be forever lost to the Nation unless the measure before us or a plan of like nature is enacted to stimulate production and exploration of these critical and strategic metals and minerals.

It has been estimated by the United States Bureau of Mines that there are 66,100,000 tons of strategic crude-ore reserves in this district, which when refined will produce 1,000,000 and 250,000 tons, respectively, of zinc and lead metal.

Unless some incentive plan for the development of these reserves is provided, the outlook for operators in the Tri-State area is most serious. Already many mines have been shut down with widespread unemployment ensuing. This is not just a case of private or local hardship but is a matter of national public interest, because the abandonment or shutting down of these mines will cause loss of the resources or greatly increase the cost of its eventual utilization.

In urging the enactment of this measure before us, I wish to stress that in the tri-State area where sizable operations now exist most of the enormous interconnected underground workings are empty of water and the mine, transportation, and treatment facilities are at hand and thousands of skilled workers are residents in the area. If these advantages are allowed to lapse, the cost at some future time of dewatering, of pollution, and of equipping and manning the operations would certainly be vastly greater than that of saving the resources while they are readily available.

As a matter of fact, extensive iron deposits are found in the upper levels of these workings and when submerged by water an acid condition is created and the Federal courts have ruled that they can never be dewatered because of stream pollution.

You will recall that during the last World-War period we found ourselves suddenly without rubber and many other vital necessities. It took a great deal of time to build up a production of substitutes or locate additional reserves. None of us doubt that another emergency will require speed never before needed for war mobilization. It behooves us then to protect our national safety and economy in the matter of strategic materials. Lead and zinc rate very high in such a category.

The enactment of this measure, therefore, is most important for two reasons. First, for national defense. With the improvement in submarine warfare which has been given so much publicity recently, we cannot afford to rely upon water-borne materials in our essential needs. Secondly, in our broad view of economic and foreign policy, we cannot afford to rely too heavily upon foreign sources for materials absolutely necessary to keep our industrial machine functioning. Our basic wealth, meaning our factories and our productive capacity, has rested upon the development of domestic national resources. If we cease to keep our industrial machine in smooth operation we must have available a satisfactory, unceasing flow of raw minerals and metals. If we cease to obtain these materials domestically, then we shall become a processing nation as distinguished from a producing nation. We shall become another England, compelled to be the policeman of the world, to enter into every armed conflict to force, if necessary, other countries to furnish us raw materials and force their purchasing our fabricated goods. Such a course will compel us to have the biggest armed forces in the world and inevitably lead to a quicker clash with Russia.

I therefore think it is vital to the future of America that we do everything to find new domestic sources of strategic and critical metals and minerals so that we may be independent and may continue our present American way. The best way to find new mines is to foster an active, healthy mining industry. By putting a large number of small mines into operation, it is inevitable that some should yield new rich ore bodies, and in such discovery lies our future prosperity and peace.

Mr. Chairman, the United States must have a real mineral policy and a realistic natural resources conservation program. I feel this is embodied in the pending bill, and I urge the Members to vote "yes" on this measure.

Mr. Chairman, I yield back the balance of my time.

Mr. CRAWFORD. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, this bill is definitely necessary, not only to save a large segment of the American mining industry but it is irrevocably tied up with our national defense, as has been pointed out so many times today.

I have heard many Members on this floor in discussing this measure and in discussing other proposals that provide money to be spent for purposes of improving our own national welfare, talk about economy. I admire the gentleman from Pennsylvania [Mr. RICH] for his consistency. He is for economy all the way down the line, both foreign and domestic. But we have many Members in this House who constantly say we cannot afford to spend any money at home; that we have to cut down, but who will vote millions of dollars for Korea, and every other Hottentot country around the globe; give every dollar that Europe wants. You have heard gentlemen today and you will hear them tomorrow in opposition to this bill, who can trump up any kind of a conceivable excuse to give money to Europe or Asia. They can always find justification for it, but when it comes to domestic expenditure, when it comes to spending money for conserving our own national resources, they become as penurious as Scrooge.

I think it is time we became economy-minded in our foreign expenditures. If we must balance our budget, let us stop throwing our money all over the globe. Let us conserve it in that respect first.

This is not a subsidy bill. This payment for exploration benefits under this bill is not any different than the soil-conservation payments, which we give to the farmers. We are giving the farmer money to conserve his soil and make it better and make it more fertile, because we know that in doing so we are making this country a better Nation. The same thing applies to the development and exploration of our minerals and metals. Furthermore, it has the additional feature of providing needed reserves in time of national emergency. We did not have copper during the last war when we needed it so desperately. I know what those people did when they came up to Michigan from the War Production Board. We had many abandoned mines that had to be closed during the depression of the thirties. They were filled with water. It was too late to go down through that water to get the copper so vitally needed.

All this bill is designed to do is to keep those mines open. It does not provide any profit for the mine owner or the producer. But it does assure this Nation of the availability of this source of supply.

May I remind you that twice before we have voted in favor of measures which would have provided Government financial assistance to our mineral industry. There has been no change in the issue. Let me point out to you, however, that during the 3 years in which we have failed to settle the issue there has been only a further deterioration of our metal-mining industry. I have seen in my own district important copper mines forced to shut down by economic pressure, mines which were deemed essential in World War II to help supply our needs of copper. Our Members from the western mining States have seen the same thing happen to many of their copper, lead, zinc, and other metal mines.

But this is not all. The very existence of entire mining districts of the country is gravely threatened. Last summer the copper industry was struck by a slump which brought the price of copper down from 23½ cents per pound to 16 cents per pound. All mining in the Michigan copper district ceased from May 1 until early September. Some 2,500 workers were forced to live on unemployment benefits during this period. The permanent closing of the mines seemed probable and, in fact, almost took place. The livelihood of at least 35,000 people living in such towns as Hancock, Calumet, and Laurium, wholly dependent on the mines for their existence, was at stake. This is no exaggeration.

Even under present economic circumstances it is questionable as to how long the Michigan copper district can survive. No mining district can long survive without exploration and development work. Possibly, if present conditions in copper improve substantially, the Michigan copper district may not have to take advantage of S. 2105. But we cannot forget the experience of last summer. As to my district, if another slump comes along, and it could well happen even in 1950, the Michigan copper district could not again shut down temporarily and try to weather the storm. They would shut down permanently. The 35,000 people in that immediate area, wholly dependent on the copper mining operations there, would join the other DP's of the mining areas of the West in the same situation. What would happen to them? I do not know.

The question reduces itself as to whether the metal mining industry in this country is worth while saving. If you believe we can afford to rely on foreign copper, lead, zinc, tungsten, antimony, mercury, and so forth, to supply our country's needs in case of another war and if you think mining is unimportant in respect to the economy of the country, then you will oppose S. 2105. If you believe that we need in this country a healthy mining industry for the Nation's defense, and for our general well-being, you will vote for it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 6 minutes to the gentleman from Iowa [Mr. MARTIN].

M.. MARTIN of Iowa. Mr. Chairman, I commend the Committee on Public Lands for their good work in bringing before us the bill now under discussion.

I shall discuss the need for the enactment of S. 2105 from the standpoint of our need for it in our national defense program. Because of my long experience with the stock-pile program I will discuss the purpose of this bill with special emphasis upon our military stock-pile program. This approach calls for some discussion of the background of Public Law 520 of the Seventy-ninth Congress known as the Strategic and Critical Materials Stock-Piling Act.

When I first came to Congress in January 1939, I found, to my surprise, that there was no stock-pile legislation and the only official action of Congress recognizing the need for stock piles up to that time was an item of $3,500,000 in

the Navy appropriation bill for the fiscal year 1938 and an item of $500,000 in the Navy appropriation bill for the fiscal year 1939. My first important task on the Committee on Military Affairs was to help in the development of stock-pile legislation that resulted in the enactment of Public Law 117 of the Seventy-sixth Congress, our first Stock Pile Act. This act was revised and brought up to date in 1946 by the enactment of Public Law 520 of the Seventy-ninth Congress and that act still stands as our Strategic and Critical Materials Stock Piling Act.

Four principal points of interest stood out in the development of this legislation, namely, first, the decision between free trade or tariff protection; second, the transfer of strategic and critical materials from other Government agencies to the stock piles established pursuant to Public Law 520; third, the "buy American" policy; and fourth, the fixing of responsibility for preparedness in strategic and critical materials and steps taken to achieve such preparedness. I shall discuss only briefly the first three of these points and then devote most of my time to the fourth point which is most in issue in the consideration of S. 2105 now before us.

First. The decision between free trade or tariff protection.

During the development of Public, 520—Seventy-ninth Congress, the Committee on Military Affairs took up the study of the bill, S. 752, which came to us with 12 sections, section 10 of which provided for the admission into the United States of strategic materials free of any tariff duty. Our committee report of April 4, 1946, which is House Report No. 1869 of the Seventy-ninth Congress, second session, points out on page 5 that—

> We have deleted a section in the Senate bill which would have permitted duty-free importation of materials purchased from foreign sources for stock pile.

The bill went to conference and came back with section 10 restored to the bill by the committee on conference. You will find this in House Report No. 2235, June 6, 1946. At my insistence the bill was re-referred to the conference committee to reexamine the policy and the committee on conference then brought out a new conference report which is House Report No. 2457, dated July 3, 1946, in which section 10 was again stricken from the bill. That action by the committee on conference was approved by the House and Senate and by the President when Public Law 520 of the Seventy-ninth Congress was enacted into law. It leaves the importation of strategic and critical materials subject to our tariff laws. However, these tariff rates are inadequate protection today largely due to the unsettled monetary conditions in many foreign countries that are potential sources of strategic and critical materials.

Second. The transfer of strategic and critical materials from other Government agencies to the stock piles established pursuant to Public, 520.

In the development of Public Law 520 the thought of the Committee on Military Affairs was first to require the transfer of all surplus strategic materials from any governmental agency holding such material, to the stock piles established pursuant to that act.

The gentleman from North Carolina [Mr. DURHAM] and I wrote that provision into the law but we permitted a loophole to be written into the law at that point as follows:

> There shall be exempt from this requirement such amount of any material as is necessary to make up any deficiency of the supply of such material for the current requirements of industry as determined by the Civilian Production Administration or its successor.

An act of July 25, 1940, had given the Reconstruction Finance Corporation broad authority to produce, acquire, and transport materials for defense, and the Reconstruction Finance Corporation had conducted most of the Government activity in strategic materials during World War II. Altogether they had purchased strategic and critical materials in the sum of $11,140,000,000. To my deep chagrin, I was told by the RFC in their letter to me dated January 22, 1948, that of that vast amount of material only $410,085,000 had been channeled to national defense stock piles up to that date and that all the material had been disposed of except $213,517,000. I have just today been informed that the total transferred from all Government agencies to the stock pile is now $451,425,771.

Third. The "Buy American" policy.

The "Buy American" policy was first established in the act of March 3, 1933. It is found in title III, Forty-seventh Statute, page 1520. As a member of the minority side of the Committee on Military Affairs, I joined with the other nine members of the minority side in signing my first minority report to major legislation March 23, 1939, and in that report one of the principal points was our insistence on the inclusion of the provisions of the "Buy American" Act in the legislation we were then developing. You will find our minority report including that point in part 2 of House Report No. 283 of the Seventy-sixth Congress, first session. The "Buy American" clause was written into Public Law 117.

When the Military Affairs Committee was writing Public Law 520 of the Seventy-ninth Congress, this issue again came up for consideration, and I recall that the gentleman from North Carolina [Mr. DURHAM] and I insisted on including the "Buy American" clause in Public Law 520. Strangely, President Truman's statement, on approving that act, July 23, 1946, singled out the "Buy American" clause for criticism, and his statement included the following:

> This act should not be used as a device to give domestic interests an advantage over foreign producers of strategic materials greater than that provided by the tariff laws.

In the years that followed, interpretations were given by the Bureau of Federal Supply limiting the margin between domestic and foreign purchases to a differential of 25 percent.

I know you will be interested in the views of the Army as reflected in a textbook used at West Point entitled "Raw Materials in War and Peace," in which at page 134 appears the following statement:

> Unfortunately the influence of powerful pressure groups was strong encugh to prevent the elimination of "Buy American" clause which vitiated the 1939 act and which now reappears in Public Act 520.

The gentleman from North Carolina, CARL DURHAM, and I are the ones apparently who were the victims of the so-called powerful pressure groups, and I can say here and now that the "Buy American" clause went into that law because of our insistence based upon our own deep conviction that a healthy mining industry within our own country is the greatest bulwark of adequate national defense. So far as I know, no pressure group and no individual urged me to act on that point but I took a firm stand based upon my own firm belief that our national defense structure required a vigorous mining industry in addition to any stock piling that we could reasonably expect to secure.

In the light of this discussion, it is interesting to note that three-fourths of all the strategic and critical materials purchased since the end of World War II for the stock pile were purchased in foreign countries.

Fourth. The fixing of responsibility for preparedness in strategic and critical materials and steps taken to achieve such preparedness.

The National Security Act of 1947 gives the Munitions Board the responsibility to make recommendations as to policies in connection with the procurement or disposition of strategic and critical materials and the maintenance of adequate reserves of such materials.

The first paragraph of Public Law 520, Seventy-ninth Congress, states clearly and unequivocally a two-fold policy of the Congress as to the purpose and intent of that act, first, to provide the acquisition and retention of stocks of strategic and critical materials; and second, to encourage the conservation and development of sources of these materials within the United States and thereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in time of national emergency.

From my observation up to this time we have expended most of our energy on the first part of this twofold program and we have had a long hard fight to get the stock-pile program itself rolling. Public Law 520 mapped out a 5-year program for accumulating our basic stock piles and after 3½ years of effort the Munitions Board Annual Report of January 23, 1950, shows that we had only 30.4 percent of that stock pile on hand January 23 of this year.

One other great source of adequate preparedness in this field was ballyhooed here in Congress when we adopted the Marshall plan. An effort was made to convey the impression that huge supplies of strategic and critical materials were forthcoming if we would only shovel out untold billions of our dollars to nations receiving ECA assistance. Today the Munitions Board has just reported to me that the total value of strategic and

critical materials received from ECA countries under that program is $31,489,119 as of January 23. We have been told also that President Truman's point 4 program will lead to another great source of such materials but no materials have yet been received from foreign countries under the point 4 program. Having failed to secure an appreciable quantity of strategic and critical materials by transfer from RFC and other Government agencies and having failed to acquire a stock pile above 30 percent of our yardstick under the administration of Public Law 520 by the Munitions Board and having secured such a small amount of strategic and critical materials through ECA and point 4 programs, you can readily see why I still insist on the second point of the two-fold policy set out in paragraph 1 of that act, namely, to encourage the conservation and development of sources of these materials within the United States.

From the above discussion you can see why I was so shocked when I received a copy of a letter written by Mr. T. J. Hargrave, Chairman of the Munitions Board, May 11, 1948, to Congressman CHARLES H. RUSSELL, in which Mr. Hargrave made the following statement:

> Because all potential sources should and must be available to us in reaching our objectives promptly, it is my firm opinion that a strong and effective mining industry in this country is a source of strength in the maintenance of our national security. While I do not feel that the Munitions Board is qualified to determine how that goal can most effectively be achieved, there is no question that a demonstrated capability within our borders to supply our needs for critical materials from a flourishing mining industry would be a most important factor in our national security.

The policy stated by Mr. Hargrave in that letter is again repeated by the Munitions Board in its annual report of January 23, 1950, as follows:

> The Munitions Board has not taken a position as to the expediency of any action to keep domestic mines in operation. Nevertheless, the Board does recognize the impact both on military strength and on stock piling of any decline in domestic minerals production. A strong, prosperous, and efficient domestic mining industry is basic to the national security.

With this failure of the Munitions Board to grasp the significance of their responsibility to the extent of actively supporting legislation for the building of a vigorous private mining industry in keeping with the provisions of Public Law 520, Seventy-ninth Congress, and in keeping with their responsibilities set out in the National Security Act of 1947, I find also that the failure of the President to name a permanent Chairman of the National Security Resources Board has been accompanied by ineffective action by that Board to carry out the responsibilities charged to it in the National Security Act of 1947. This exceedingly dangerous combination of inaction puts it up to Congress more than at any time in history to take effective action to build up our national security. We must adopt policies supplementing the stock-pile program. Our consideration of S. 2105 today gives us an opportunity to get more effective results and more adequate national defense. Adequate national security requires a large stock pile of metals and minerals, and national security must also be supported by producing mines, mills, and smelters with organized working forces and capacity for sustained and adequate production of materials important for military and civilian needs. This two-fold program is the real and fundamental backbone of national defense.

I urge the passage of S. 2105.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. SHORT. The gentleman mentioned the Munitions Board. The fact is the Munitions Board is ignoring its duty.

Mr. MARTIN of Iowa. Yes; I agree with the gentleman.

Mr. SHORT. They spent three times as much money for foreign metals as they spent for domestic metals.

Mr. MARTIN of Iowa. The gentleman is absolutely right.

Mr. CRAWFORD. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. PETERSON. Mr. Chairman, I yield 5½ minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I want to thank the gentlemen for yielding me this time at this hour in the proceedings of the House of Representatives. I regret that I may strike what may be termed a discordant note in the discussion on this bill.

From what I have heard on the floor of this House, this bill is of much interest to many members from the Western States. I have tried to work with western Congressmen and western people to advance their projects; but in the consideration of this measure, I feel that we have some most unusual features to consider.

In the first place, this is a new program which we ask the United States Government to undertake. It is a new program which will involve the expenditure of $80,000,000 per year over a 5-year period; or, in other words, a total expenditure of $400,000,000. We are asked to consider this new program at a time when we are already in difficulty in the handling of Federal programs. We are asked to embark upon it when we cannot meet our current obligations as a Government out of current funds. In other words, we are operating in the red by some five billion dollars.

I do not like subsidy programs generally. And this is a program to subsidize mining throughout this country. With this in mind, we are called upon to spend a huge amount of money over a period of 5 years.

Mr. Chairman, for a long period of time I have felt that this Congress should have a more orderly method of undertaking new programs. With a heavy deficit developing this year, we should embark on new undertakings only after careful consideration and only after we have planned for proper reductions or substitutions of present expenditures. It occurs to me at this time that this Government is no longer in a position to adopt, if it ever was, all of the new and highly alluring and appealing programs which may lend themselves to our attention. On the contrary, as a proper means of husbanding the funds of the people of the United States, this Congress should at the beginning of each calendar year officially outline and formally adopt new programs requiring money to be undertaken by the Central Government. In other words, we should budget our legislative efforts; and, at that time, if we find we are short of money, and in recent years we seem always to be short of money, we should not adopt a new program regardless of how meritorious it may be or how it may appeal to our attention until we are satisfied about finances.

Unless we take such an attitude, Mr. Chairman, we will continue to expand all over the legislative map. No project with a pleasant appeal will be denied by this Congress and no adequate effort will be made to appraise the importance of those presented. Some of these worthy programs should certainly be set aside as proper ones for exclusive State attention. Some of them should be considered non-Federal programs; and we should, without intervention or interference on our part, permit local instrumentalities and agencies to proceed with them.

On the other hand, other programs lend themselves especially to the work of the Federal Government. They require our finances and our efforts; and they should receive both. Some are time honored; and I recognized that we should continue them on a substantial basis. Unless we proceed in a more orderly manner to select those programs which need, and shall receive, our help, rejecting those which are not considered worthy of Federal attention, we cannot hope at any early date to balance the budget and bring our Government finances into an orderly condition.

In the light of these brief observations, Mr. Chairman, it is my purpose to oppose this bill. Others in this House, I am satisfied, are following the same line of thought and may do likewise.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. ENGLE of California. The gentelman has stated that this program runs for 5 years and costs $400,000,000. The bill calls for 3 years, but the contract authorization in the bill is for 2 years. So it is possibie, if a contract was made on the last day of the 3-year period, the program, or that much of it, would run for 5 years, but quite obviously there will be only a few of those contracts. I call that to the attention of the gentleman in order to point out that the maximum for this bill is really three times eighty or $240,000,000 plus any extensions, rather than $400,000,000.

Mr. BROOKS. The gentleman does not quarrel with me in the statement that this is an entirely new program and that we are operating in a deficit, in the red, and that some consideration should be made to finance this program before we put it through.

Mr. ENGLE of California. Yes, and then again, I want to ask the Chairman,

we appropriated last year $16,000,000,000 for defense——

Mr. BROOKS. This Congress has approved projects for many years and has not been able to carry them through because there was no money available. I have no opposition to a meritorious program of developing the mines and the mining interests throughout the United States of America, and I certainly, above everything else, stand for the accumulation of stock piling of strategic and critical materials. I devoted a large part of my legislative life toward that work, but I think this, when we set up a new program, we should be prepared to finance that program.

Mr. ENGLE of California. Does not the gentleman think it is more sensible to take $80,000,000 out of that $16,000,000,000 we are putting into our armed services and putting it in the mining industry in this country so that we will have some manganese, copper, chrome and tungsten and those other essentials of war if we ever get into a war? What is the use of spending $16,000,000,000 on a military program and not have the chrome and the steel to make it go after we build it up?

Mr. BROOKS. What is the use to embark on a program if we cannot finance it, and how can we finance any program if we become a bankrupt Nation?

Mr. ENGLE of California. Let us take 8 percent of $1,000,000,000 out of the $16,000,000,000 appropriated and put it into this program. There is the economic way to do it and a sensible one.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. I wonder if the gentleman would be willing to cut the ECA fund to a sufficient extent to finance this program.

Mr. BROOKS. I expect to vote to cut ECA funds, but until the Congress adopts the attitude that we are going to cut the fund sufficient to finance other new programs, I see no other way out. Here you come in with a new program that has not yet been approved by this Congress. You know that the Government is running into the red by billions of dollars, and you make no provision to finance the program, and until you do that, I do not see how you can proceed in an orderly, legislative manner. I had not intended to say this, but this matter resolves itself into questions that are deep in my heart and my mind.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, during this general debate on the mining bill, I have sat here directly in front of the portrait of George Washington, and occasionally looked up at our newly remodeled ceiling at the great seal of the State of Arizona which is the seventh from the southeast corner of the House Chamber. Noticing the design on the seal of Arizona, it appropriately shows irrigated fields in the foreground and mineral bearing mountains in the background, and over the scene is the Latin phrase, "Ditat Deus," which being translated means "God enriches." All of this brings to mind the fact that Arizona is and has been for many years the greatest copper-producing State of the Union. That fact accounts for the copper star on the flag of the State of Arizona. The Latin phrase is appropriate, for certainly God has enriched that land, and I want to remind my colleagues that out of the mineral richness of those mountains has come most of the copper which has enabled us to win two world wars.

Am I then interested in the legislation before us simply from the standpoint of the mining interest in my own State? Far from it. I wish to make clear my stand in regard to such legislation as the pending bill and why I take this interest. I am disheartened that mining in the State of Arizona—and I think this is true in other parts of the West—has fallen into the hands of a few great corporations, and the little fellows have lost out. When I went to Arizona more than a third of a century ago, there were more than 50 substantial mining companies taking copper ore from her soil. Today there are not a tenth of that number. These few, however, produce much more than the many formerly produced. Large mines grow out of small mines, but the future is not bright if there are not a great many small mines from which a few great mines can grow. The pending legislation is designed to enable many small mines to prove their ore deposits and if worthy, to become great mines, but without such legislation that cannot happen.

I have been interested in this type of legislation for 14 years. Yesterday I spoke of appearing before the House Military Affairs Committee in May 1937 when the Faddis bill was being considered. That was a bill to require us to obtain from foreign countries strategic minerals and metals. At that time I pointed out the folly of our attempting to get manganese from Russia on the terms which the bill proposed. I asked that the word "shall" be eliminated and "may" substituted for it and that that legislation contain the "Buy American" clause. I pointed out that day, 14 years ago, that great quantities of manganese were to be found at Artillery Peak, in Mohave County, Ariz. I was opposed at that time by members of the committee and departments of the Government who seemed determined that manganese should be obtained from Russia and certain other countries. In view of the fact that manganese is absolutely necessary in the production of high-grade steel—that manganese is to the steel industry what starch is to the laundry industry—it seemed extremely unwise that we should be so dependent upon any foreign country for the production of such a necessary thing either in peace or in war.

I know the desirability of foreign trade. I know there are some strategic and critical materials which we do not produce at home, and I have always favored stock piling such from abroad, but I have the feeling that we ought to divide our efforts in such a way as to procure from abroad materials such as tin and a few others and at the same time produce from our own resources such as manganese and mercury and others which we do have and can produce even though the cost be higher than foreign production. Only half of this program is not enough, but the two parts of it must be carried along together, being sure that a functioning, active mining industry is the best security either in war or in peace.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, I, too, heartily support the pending legislation because I believe it is an intelligent approach to a necessary national defense program. I believe it is necessary to an integrated economy throughout the United States, and I believe that it is necessary to keep the small mine operators and the prospectors in my district in a position to render a service to our economy which they otherwise would be handicapped in doing.

Mr. Chairman, it should be apparent to every thinking American that the United States Government needs a constructive mineral program. No nation can long remain strong without an adequate immediate supply of the necessary minerals vital to its economy.

The mines in my State were worked at full speed to produce the metals badly needed to win the war. Development programs were sidetracked in an all-out effort to get out the greatest amount of metal in the shortest possible time.

No industry made greater sacrifices for victory than did the mining industry. Surely, Mr. Chairman, we cannot turn a deaf ear on the plea of this vital industry for understanding of its present predicament or encouragement for its continued operation.

In the tri-State region, including Kansas, Oklahoma, and Missouri, the mines are closing down because the Congress of the United States has not seen fit to pass S. 2105, which provides at least a minimum opportunity of stimulating production. In the Rocky Mountain area we are attempting to meet the requirements of a peacetime economy under the highest cost conditions known in the history of the mining industry. In Wisconsin, Illinois, Michigan, and even in the far West, similar conditions prevail.

Are these conditions under which miners attempt to carry on the result of any negligence on the part of the mine workers or mine management? No, Mr. Chairman; they are the result of conditions over which the mining industry has no control. They are, in fact, the result of the activities of a Government which has placed many burdens on an industry which is already overburdened with so many problems that only the stronghearted and courageous are able to survive.

My plea today, Mr. Chairman, is particularly for the small miner, the fellow

who is being pushed to the wall, the fellow who is the little businessman of one of the most basic of industries in the Nation, the fellow who goes out in the hills of our great country, prospects, explores, and develops the mineral resources of the Nation. The same kind of a fellow who today is being encouraged to find minerals and to produce them by other governments in other lands.

Mr. Chairman, are we so blind to our responsibility, so busy with granting loans to other countries, so internationally minded that we have forgotten the assurances we gave our metal miners during the war that we would not let them down after our enemies had been smashed with armaments largely produced from American mines?

Our mineral reserves are dangerously low; in fact, we could not produce enough zinc or copper to meet the requirements of a war. What about our civilian needs for metals—the battery for your car and mine, the lead cable for your telephone, or the zinc die-casting for the innumerable items you and I need? How about the copper we have so recently refused tariff protection?

No, Mr. Chairman, I believe my colleagues in the Eighty-first Congress will cherish the opportunity to help the lead, zinc, and copper miners in the marginal mines of America continue their mining operations and will not be misled by a few selfish big companies which stand to profit from the closing down of the hundreds of smaller mines.

The facts are well established, based on Government studies which cannot be refuted, that 270 mines producing one-fourth of our domestic lead in excess of one-third of our zinc and one-fourth of our copper, have inadequate margins to preserve and perpetuate themselves on the basis of present metal prices and costs. Seventy-three percent of our western mines are closed.

My position, Mr. Chairman, is that the marginal mines of America must have a program as provided in Senator O'Mahoney's bill, S. 2105, or America will suffer losses in closed-down mines which will be irreparable. Think of the displaced persons, the destruction of whole communities, the losses of domestic markets for manufactured goods, and farm products, the waste of natural resources which come from the closing down of mines which may never be reopened once they have caved and disintegrated.

Mr. Chairman, I have the utmost confidence in my colleagues who are aware of these conditions and who believe in keeping America strong at a time when to do otherwise would be the utmost folly. America needs its mines active and operating.

The legislation before us will keep American mines in operation until Congress has devised a better plan to encourage and stimulate the basic mining industry.

Mr. PETERSON. Mr. Chairman, I ask unanimous consent that all Members who so desire be permitted to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "National Minerals Act of 1949."

Mr. PETERSON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. COLE of New York (at the request of Mr. CRAWFORD) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. TALLE (at the request of Mr. CRAWFORD) was given permission to extend his remarks in the RECORD and include an article from Human Events.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. QUINN (at the request of Mr. DELANEY), for 2 weeks, on account of illness.

To Mr. SMITH of Virginia (at the request of Mr. STANLEY), for Tuesday, March 14, 1950, on account of official business.

To Mr. RIVERS, Mr. DOYLE, Mr. CLEMENTE, Mr. SHAFER, and Mr. JOHNSON (at the request of Mr. VINSON), until March 27.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2822. An act to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264), to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6670. An act to incorporate the Girl Scouts of the United States of America, and for other purposes.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 161. Joint resolution to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in connection with the investigation ordered by Senate Resolution 231, Eighty-first Congress.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6670. An act to incorporate the Girl Scouts of the United States of America, and for other purposes.

ADJOURNMENT

Mr. ENGLE of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 15, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1309. A letter from the Acting Secretary of Commerce, transmitting the tenth quarterly report required under the Export Control Act of 1949 and the Second Decontrol Act of 1947, as amended; to the Committee on Banking and Currency.

1310. A letter from the Archivist of the United States, transmitting a report on records, or lists, or schedules covering records, proposed for disposal by certain Government agencies; to the Committee on House Administration.

1311. A letter from the Acting Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill for the relief of Lyon F. Hibberd and the estate of George T. Erb"; to the Committee on the Judiciary.

1312. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill authorizing the Secretary of the Interior to exchange certain Government-owned buildings on the Mescalero Reservation, N. Mex., for certain property owned by the Women's Board of Domestic Missions of the Reformed Church in America"; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Armed Services. H. R. 7579. A bill to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes; without amendment (Rept. No. 1773). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILSON of Texas: Committee on the Judiciary. H. Con. Res. 130. Concurrent resolution relating to the holding in 1950 of the Dr. Thomas Walker Bicentennial Historical Pageant; without amendment (Rept. No. 1774). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 44. An act for the relief of Arthur O. Fisher; without amendment (Rept. No. 1759). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 46. An act for the relief of Primitivo Urcelay-Ruiz; without amendment (Rept. No. 1760). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 609. An act for the relief of Mrs. Bertie Grace Chan Leong; without amendment (Rept. No. 1761). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 48. Concurrent resolution favoring the suspension of deportation of certain aliens; with amendment (Rept. No. 1762). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 51. Concurrent resolution favoring the suspension of certain aliens; without amendment (Rept. No. 1763). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2631. A bill to authorize cancellation of deportation in the case of Frank Grimaldi; without amendment (Rept. No. 1764). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7084. A bill for the relief of Yoshiko Ishii Teves; with amendment (Rept. No. 1765). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7194. A bill for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns; with amendment (Rept. No. 1766). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7279. A bill for the relief of Umeko Stevenson; without amendment (Rept. No. 1767). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4343. A bill for the relief of J. P. Acker; without amendment (Rept. No. 1768). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 5199. A bill for the relief of Mr. and Mrs. Thurman L. Bomar; without amendment (Rept. No. 1769). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5846. A bill for the relief of Mrs. Lillian Coolidge; with amendment (Rept. No. 1770). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 6371. A bill for the relief of J. O. Evans; with amendment (Rept. No. 1771). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 7540. A bill for the relief of Louise Peters Lewis; without amendment (Rept. No. 1772). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIS:

H. R. 7687. A bill to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School; to the Committee on Public Lands.

By Mr. DAWSON:

H. R. 7688. A bill to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior; to the Committee on Expenditures in the Executive Departments.

By Mr. HART:

H. R. 7689. A bill to amend certain acts relating to the retired status of the Director of the Coast and Geodetic Survey; to the Committee on Merchant Marine and Fisheries.

By Mr. LEMKE:

H. R. 7690. A bill to extend the internal-revenue laws of the United States to its incorporated and unincorporated territories, and for other purposes; to the Committee on Ways and Means.

By Mr. PATTEN:

H. R. 7691. A bill to authorize an agreement between the United States and Mexico for the joint operation and maintenance by the International Boundary and Water Commission, United States and Mexico, of the Douglas-Agua Prieta sanitation project, and for other purposes; to the Committee on Foreign Affairs.

By Mr. SADOWSKI:

H. R. 7692. A bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BENNETT of Florida:

H. R. 7693. A bill to transfer the vessel *Theodore N. Gill* from the United States Maritime Commission to the Fish and Wildlife Service; to the Committee on Merchant Marine and Fisheries.

By Mr. CHUDOFF:

H. R. 7694. A bill to make certain graduates of maritime schools who have served 2 years as licensed officers on United States vessels eligible for appointment as permanent commissioned officers in the Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. DAVIS of Georgia:

H. R. 7695. A bill to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; to the Committee on the District of Columbia.

By Mr. VELDE:

H. R. 7696. A bill to establish fair and equitable rules of conduct to govern labor and management in their relations with one another, with individual workers, and with the public, to protect the interests of the public in controversies between labor and management, and for other purposes; to the Committee on Education and Labor.

By Mr. VINSON:

H. R. 7697. A bill to amend the National Security Act of 1947, as amended, and for other purposes; to the Committee on Armed Services.

By Mr. PATTERSON:

H. R. 7698. A bill to provide that postmasters, officers, and employees in the postal field service shall be entitled to receive each year the same number of days of annual leave and sick leave as other employees in the executive branch of the Government; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON:

H. R. 7699. A bill to amend the act of July 24, 1941 (55 Stat. 605), as amended, so as to remove the discrimination now existing against certain members of the Fleet Reserve and Fleet Marine Corps Reserve; to the Committee on Armed Services.

By Mr. WHITTINGTON:

H. R. 7700. A bill to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. GRANGER:

H. Con. Res. 184. Concurrent resolution authorizing the holding of ceremonies in the rotunda in connection with the presentation of a statue of the late Brigham Young; to the Committee on House Administration.

H. Con. Res. 185. Concurrent resolution accepting the statue of Brigham Young to be placed in Statuary Hall; to the Committee on House Administration.

By Mrs. BOSONE:

H. Con. Res. 186. Concurrent resolution authorizing a statue of the late Brigham Young, of Utah, to be placed in Statuary Hall; to the Committee on House Administration.

By Mr. MACY:

H. Res. 509. Resolution for the investigation of organized crime; to the Committee on Rules.

By Mr. SCRIVNER:

H. Res. 510. Resolution to defer legislation to authorize new Government expenditures; to the Committee on Rules.

By Mr. VINSON:

H. Res. 511. Resolution providing for the consideration of the bill H. R. 7579, to extend the Rubber Act of 1948; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Idaho, requesting that funds be set aside for immediate use in controlling the spread of weeds in cooperation with the State of Idaho and local governments; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of South Carolina, requesting the adoption of the report of the Commission on Reorganization of the Executive Branch of the Government; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. COUDERT:

H. R. 7701. A bill for the relief of Leon Tanzer; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 7702. A bill for the relief of Hans Lederer; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 7703. A bill for the relief of Joseph A. Ninteau; to the Committee on the Judiciary.

By Mr. SADOWSKI:

H. R. 7704. A bill for the relief of Jobad Ali; to the Committee on the Judiciary.

H. R. 7705. A bill for the relief of Francesco Cantalini; to the Committee on the Judiciary.

By Mr. YATES:

H. R. 7706. A bill for the relief of Ayako Kurihara; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred, as follows:

1987. By Mr. LECOMPTE: Petition of Members of the Shannon City (Iowa) Methodist Church and the Arispe (Iowa) Methodist Church, expressing approval of the Langer-Bryson bill prohibiting alcoholic-beverage advertising; to the Committee on Interstate and Foreign Commerce.

1988. By Mr. MARSHALL (by request): Petition of Mrs. Wallace Larson and other citizens of Annandale and South Haven, Minn., requesting the passage of a bill to prohibit the advertising of alcoholic beverages in interstate commerce through the newspapers and radio; to the Committee on Interstate and Foreign Commerce.

1989. By Mr. SMITH of Wisconsin: Resolutions of Walworth County Council, the American Legion, Department of Wisconsin, Sharon, Wis., urging that an Air Force Academy be established in the Lake Geneva, Wis., area; to the Committee on Armed Services.

1990. By the SPEAKER: Petition of Mrs. N. W. Ellis and others, Miami, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MARCH 15, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, grant us, we beseech Thee, the grace of toiling in these fields of time in the sense of the eternal. We bring our stained lives to the holiness that shames our uncleanness, to the love that forgives our iniquities, to the truth that reveals our falseness, to the patience that outlasts our fickleness. In the brooding silence of this still moment before the rush of another day, may open windows of faith flood our darkness with light, that in Thy sunshine's blaze our life may brighter, fairer be. Give us inner greatness of spirit and clearness of vision to meet and match the large designs of this glorious yet demanding day, that we may keep step with the drumbeat of Thy purpose which is marching on. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MAYBANK, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 14, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5226) to amend paragraph 207 of the Tariff Act of 1930, in which it requested the concurrence of the Senate.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MAYBANK, and by unanimous consent, a subcommittee of the Committee on Agriculture and Forestry was authorized to meet this afternoon during the session of the Senate.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. MAYBANK. Mr. President, yesterday I offered an amendment to authorize an additional $400,000,000 to permit FHA to process applications for insurance of loans under section 608 which were received in the field offices before February 1.

I offered it as an amendment to title III. However, because I do not want to influence the vote of any Senator with reference to his convictions on title III, I shall withdraw my previous amendment and substitute a new amendment which proposes to amend title I, section 18, page 26, line 10.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CAIN. Is the Senator in possession of information on the basis of which he could advise the Senate of the number of FHA section 608 loans which are presently either in default or are anticipated will be in default in the next 6 months?

Mr. MAYBANK. I do not have any information as to the number of loans in default. The only information I have concerns loans which have been approved in the field since February 1, which have been sent to Washington, but which have not been processed because of the lack of funds. To the best of my recollection, they amount to approximately $400,000,000.

Mr. CAIN. May I inquire if the sum which the Senator has just mentioned is for appropriations against projects which have not yet been actually started?

Mr. MAYBANK. The Senator is correct.

Mr. CAIN. So that, if approval was not secured from the Senate, no section 608 loans presently in operation or in process of construction would be insured?

Mr. MAYBANK. The Senator is correct, except that the President had left an authorization in the amount of $300,000,000, which he turned over some 2 weeks ago.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. Of course, the statement made by the distinguished Senator from Washington is obviously correct, provided the amount does not exceed $400,000,000.

Mr. MAYBANK. I stated the figure to the best of my knowledge. Mr. Foley and Mr. Richards said it would amount to approximately $400,000,000.

Mr. WHERRY. The Senator from South Carolina, as I understand, is asking unanimous consent to withdraw the amendment which he offered yesterday.

Mr. MAYBANK. Yes, I have asked unanimous consent to withdraw the amendment which the Senator offered yesterday to title III.

Mr. WHERRY. And, then, the distinguished Senator wishes to do what?

Mr. MAYBANK. To offer a new amendment, proposing to amend title I.

Mr. WHERRY. And the reason for that is that there is no clear-cut division in the Senate with respect to title I?

Mr. MAYBANK. There is no controversy on title I.

Mr. WHERRY. The Senator feels it is an important amendment and it should not be jeopardized by offering it as an amendment to title III?

Mr. MAYBANK. That is correct.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. The Senator from South Carolina can withdraw his amendment without unanimous consent. Does he withdraw his amendment?

Mr. MAYBANK. I withdraw my amendment, and in its place I wish to offer an amendment to title I, instead of to title III. I shall send the amendment to the desk.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Is the amendment of the Senator from South Carolina the pending question?

The VICE PRESIDENT. The amendment was withdrawn. It must be offered again.

Mr. WHERRY. That is why I asked the question of the Chair.

The VICE PRESIDENT. The amendment has not been offered. Therefore it is not the pending question.

PROTECTION OF AMERICAN WORKINGMEN AND INVESTORS FROM LOW-COST AND SLAVE FOREIGN PRODUCTS

Mr. MALONE. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Nevada?

Mr. MAYBANK. I yield.

FLOOR UNDER WAGES AND INVESTMENTS

Mr. MALONE. Mr. President, the workingmen of this Nation are again turning to the Republican Party, because the Republican Party is the only political party which is now fighting to protect their jobs against the encroachment of foreign competition, made possible by the low-wage standards and slave labor abroad; such imports are being encouraged through the Democratic administration to compete with our higher wage-living standard workingmen. They have removed the floor under wages and investments.

FOREIGN TRADE ON BASIS OF FAIR AND REASONABLE COMPETITION

The Republican Party now has a plank in its platform which says in effect that world trade shall be developed "on a basis of fair and reasonable competition," and that "products of underpaid foreign labor shall not be admitted to this country on terms which endanger the living standards of the American workman or the American farmer, or threaten serious injury to a domestic industry."

This principle would definitely reestablish the floor under wages and investments and hold our standard of living while we are assisting the foreign nations to raise their own.

EIGHTY-FIVE PERCENT FARM PRODUCTS WOULD NOT NEED SUBSIDY

Mr. President, I point out that 85 percent of the farm products of this country would not need subsidies if we had adopted the flexible-import-fee principle in place of the 1934 Trade Agreements Act. The flexible-import-fee principle to replace the 1934 Trade Agreements Act, as extended, would be administered by a foreign-trade authority under a bill introduced by the junior Senator from Nevada.

It will be remembered that I offered the bill in 1948–49 and offered it as a substitute for the 1934 Trade Agreements Act in September 1949.

IMPORT FEE—DIFFERENTIAL OF COST

The flexible import fee would represent the differential of cost, due mostly to the difference between the wage-standard of living of this Nation and that of competitive countries. Many mills,

mines, and factories are shutting down, and American workers are being thrown out of work because of the present stupid foreign economic policy of the administration. Many factors would be considered by the Tariff Commission turned into a Foreign Trade Authority.

TRADITIONAL FRIEND OF THE WORKINGMAN

Mr. President, the Republican Party is the traditional friend of the American worker. The workingman voted the Republican ticket in years past because workers wanted to protect their jobs, their homes, and other things in America which they loved. They are coming home now, because the Republican Party has returned to its destined role of protecting things American.

RESOLUTION—CENTRAL LABOR TRADE COUNCILS

I have several resolutions which were passed by the workingmen of my State of Nevada through their Central Labor Trade Councils and other organizations.

Mr. MAYBANK. Mr. President, there is a division of time from 12:30 on the pending bill. When I yielded to the Senator from Nevada I thought it was only for the purpose of making an insertion in the RECORD. Several other Senators wish to make insertions in the RECORD, following which we shall have a quorum call. So I should like to ask the Senator to expedite his statement.

Mr. MALONE. I shall need only about 3 minutes more. I offer as part of my remarks at this time a resolution adopted by local lodge No. 705, International Association of Machinists, Sparks, Nev., approving the flexible import fee principle of encouraging foreign trade:

INTERNATIONAL ASSOCIATION
OF MACHINISTS,
LOCAL LODGE, No. 705,
Sparks, Nev., September 16, 1949.

The Honorable GEORGE W. MALONE,
United States Senator,
United States Senate,
Washington, D. C.

SIR: The legislative committee of Local Lodge, No. 705, International Association of Machinists, Sparks, Nev., reported favorably on the matter of the flexible import fee.

Whereupon the membership unanimously instructed the legislative committee to inform you that Local Lodge, No. 705, International Association of Machinists, Sparks, Nev., has gone on record in favor of the flexible import fee.

The legislative committee wishes to commend the Senator for his hard work and initiative.

Yours truly,

SATIRIOS SOUKAROS,
Chairman,
GEORGE H. SHELTON,
JOHN L. ROBERTSON,
Legislative Committee.

I offer a further resolution, adopted by Pioche Union Local, No. 407, CIO, sent to me by Thomas L. Hutchings, president of the local—approving the flexible-import-fee principle of establishing a floor under wages and investments—and for defeating the International Trade Organization:

PIOCHE, NEV., *January 17, 1950.*

Senator G. W. MALONE,
Senate Office Building.

DEAR SIR: By unanimous vote Pioche Union Local, No. 407, CIO, disapprove part 4 plan of the President which includes the International Trade Organization agreement and urge that you do everything possible to substitute flexible import fee as outlined in your talk at Pioche, Nev., on December 15, 1949.

Yours truly,

THOMAS L. HUTCHINGS,
President, Local No. 407.

I offer a further resolution sent to me by Doug Hawkins, president of the White Pine County Central Labor Council—approving the flexible import fee method of reestablishing a floor under wages and investments—asserting that the free-trade policy adopted under the 1934 Trade Agreement as amended it causing unemployment and loss of taxable property:

EAST ELY, NEV., *January 19, 1950.*

Senator MALONE,
United States Senate Office Building:

We call your attention to the following resolution adopted by the White Pine County Central Labor Council. Whereas the selective free-trade policy is removing the floor from under American wages and investments, causing unemployment and loss of taxable property, and whereas the haphazard lowering of the import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this country and foreign competitive nations, has severely injured the nonferrous mining industry, therefore be it resolved, that a telegram be sent to each of our national Senators asking them to do what they can toward correcting this deplorable situation.

DOUG HAWKINS,
President, White Pine County Central Labor Council.

I offer these resolutions in support of the flexible-import-fee principle and against the Trade Agreements Act.

I now offer for the record a news release, released as of today by the junior Senator from Nevada.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 15, 1950.—United States Senator GEORGE W. MALONE, Republican, Nevada, said today on the floor of the Senate that labor workingmen are returning to the principles of the Republican Party, and to support this he read telegrams received from labor-union officials. "The workingmen are again turning to the Republican Party," said Senator MALONE, "because this party is the only one now fighting to protect their jobs against the encroachment of foreign competition, competition made possible by the low-wage standard and slave labor abroad."

Senator MALONE pointed out that the Republican Party had put a plank in its platform to the effect that world trade shall be developed on a basis of fair and reasonable competition and that products of underpaid foreign labor shall not be admitted to this country on terms which endanger the living standards of the American workman or the American farmer, or threaten serious injury to a domestic industry.

Senator MALONE has been leading the fight on this subject. He has offered the flexible-import-fee principle to replace the 1934 Trade Agreements Act, as extended. "Administered by a Foreign Trade Authority, the import fee would represent the differential of cost, due mostly to the difference between the wage standard of living of this Nation and that of competitive countries," Senator MALONE explained, adding that "many mills, mines, and factories are shutting down and our American workers are being thrown out of work because of the present stupid foreign economic policy of the administration."

Said Senator MALONE: "The Republican Party is the traditional friend of the American worker. Labor voted the Republican ticket in years past because they wanted to protect their jobs, their homes, and other things in America which they loved. They are coming home now, because the Republican Party has returned to its destined role of protecting things American."

Mr. MALONE. Mr. President, I offer a dispatch from the Cincinnati (Ohio) Inquirer, dated February 25, 1950, by Merryle S. Rukeyser, International News Service economic commentator.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

UNITED STATES POLICY OPENS DOOR WIDE TO IMPORT OF ECONOMIC ILLS OF OTHERS—TRADE COMPETITION IS SEEN AS MOST COSTLY TO GOOD OLD UNCLE SAM

(By Merryle S. Rukeyser)

Concurrently with the reduction of import barriers through devaluation in Great Britain and 22 other countries and the reduction of individual tariff rates, the administration is expected to ask the present Congress also to approve the International Trade Organization Charter developed at the Havana Conference. Approval of both Houses will be necessary.

The net effect of these policies is to invite other nations to export their economic troubles to us.

When, if, and as the European countries improve the quantity and efficiency of their production, competition in the home market from abroad may become a more visible factor in the domestic business outlook.

Some analysts compute that the currency maneuver, when offsets are limited, will tend to put us at a 15-percent cost differential as compared with foreign competitors.

PLANNERS FACE DILEMMA

If the theorists, who are ballyhooing for bigger and better imports, should at long last achieve a modicum of success and if in the process substantial unemployment develops at home, the economic planners at Washington will be hard put to find a solution.

For they have spread the hope that it will now be feasible to accomplish full employment at all times.

If holding a dollar steady while other currencies were devalued should create a disturbing volume of imports in the United States of America, there will doubtless develop agitation for relief through money tinkering. Eventually this might center around a formula for once more marking up the price of gold.

In view of the vogue for irredeemable paper money around the world, it should be recognized that old-fashioned fixed-tariff rates may indeed be obsolete. For the effectiveness of fixed tariffs can indeed be vitiated by money tinkering. If the tariff is fixed and rigid, it can in effect be obliterated by manipulation of foreign exchange rates.

In view of this, it may be that the modern tool for regulation of international commerce proposed by Senator GEORGE W. MALONE, Republican, of Nevada, for a flexible import fee deserves reexamination.

CITES GOP CREED

Senator MALONE believes that the recent 2,500-word revised credo of the Republican Party, which calls for a foreign-trade policy on the basis of "fair and reasonable" competition, gives new significance to the proposal which he first made to the Senate in 1948.

Under the Malone plan, a fact-finding body, such as the old Tariff Commission, would vary the import fee as conditions change. It would provide a mechanism for implementing the suggestion by Bernard M.

Baruch that we admit goods duty free from those countries which maintain wage and living standards equal to our own.

Presumably the flexible fee would be adjusted to offset differentials in cost, depriving foreign countries of any trade benefit resulting from sweating their own labor or tinkering with their money.

Of course, the determination of cost differentials is a complicated process. The payer of high wage rates does not necessarily have the highest unit labor cost. On the contrary, through efficiency, through the constructive effect of incentives, and through the use of bigger and better mechanized labor-aiding tools, the payer of the highest wage rates may under some circumstances actually have the lowest wage costs.

The merit of the Malone proposal is that it would not leave American industry and labor out on a limb, dependent on anybody's theory. It would safeguard American interests with actual fact finding, and would obviate the opportunity whereby foreigners could benefit at our expense through manipulation.

It is significant that recently alert labor executives are becoming aware of labor's stake in this whole matter. There may not be much industry in Nevada, but Senator MALONE takes pride in the fact that the State CIO organization in Nevada has endorsed the principle of the flexible import fee.

Mr. MALONE. Mr. President, I now offer for the RECORD at this point an Associated Press dispatch from the Reno Evening Gazette, dated March 3, 1950, entitled "MALONE Blasts ECA Proposals To Up Imports—Says Investors, United States Workers Abandoned":

MALONE BLASTS ECA PROPOSALS TO UP IMPORTS—SAYS INVESTORS, UNITED STATES WORKERS ABANDONED

WASHINGTON, March 3.—Economic cooperation administration proposals to step up sales of foreign-made goods in the United States drew sharp fire from Republicans in the Senate Wednesday.

Senators MALONE, of Nevada, WHERRY, of Nebraska, and JENNER, of Indiana, spoke out against such proposals made before the Foreign Relations Committee by Secretary of State Acheson and ECA Chief Paul Hoffman.

MALONE, long a bitter critic of administration foreign-trade policies, told the Senate:

"American statesmanship has apparently reached a new low even for a socialistically inclined State Department."

Hoffman, backed by Acheson, had suggested that imports from European Marshall-plan countries be stepped up by at least $1,000,000,000 yearly. The ECA chief said this would be one of the best ways to ease western Europe's dollar shortage.

MALONE also quoted Acheson as saying in New York several weeks ago that "we must want to devote our time and energy to discovering and bringing in imports."

MALONE said the Acheson statement marked the final abandonment of the American workingmen and investors. He added:

"With approximately 6,000,000 unemployed and probably 12,000,000 partially unemployed in this country at the present time, and with the number increasing each day in the textile, crockery, precision instruments, lumber and wood products, mining, agriculture, petroleum, and other vital industries, Mr. Dean Acheson, Secretary of State, and Mr. Paul Hoffman, Director of ECA, have the effrontery to tell a United States Senate Foreign Relations Committee that the State Department's free-trade program should be continued."

WHERRY said Hoffman "is dictating our domestic policy" in trade and that to bring in $1,000,000,000 worth of European goods will dislocate American industries.

JENNER said Acheson and Hoffman are giving the American people only two choices—either continue giving money to Europe or give them our American markets.

Mr. President, I now offer a resolution adopted by the thirtieth annual meeting of the Nevada State Farm Bureau on December 2, 1949, approving the flexible import-fee principle to be substituted for the 1934 Trade Agreements Act, as extended, and developing foreign trade on a basis of fair and reasonable competition:

EXCERPT FROM RESOLUTIONS ADOPTED AT THE THIRTIETH ANNUAL MEETING OF THE NEVADA STATE FARM BUREAU, ELY, NEV., DECEMBER 2, 1949

DOMESTIC AND FOREIGN POLICY

Resolution 17

Whereas the selective free-trade policy adopted by the State Department, based upon the Trade Agreements Act of 1934, is lowering the American living standards through the lowering of wages and is causing unemployment and a subsequent decline in the demand for agricultural products: Therefore be it

Resolved, That the Nevada State Farm Bureau adopts and recommends that the American Farm Bureau Federation support a domestic and foreign policy containing the following features:

I. Foreign policy

(a) Protection of private investments in foreign countries.

(b) Free convertibility of European currencies in terms of dollars.

(c) Consolidation of the European nations into a United States of Europe and the erasing of all present trade barriers.

(d) Equal access to the trade of all nations of the world subject only to the action of the individual nations.

II. National policy

(a) Set up a flexible import fee which would be based upon "fair and reasonable" competition administered by a reorganized, experienced tariff commission in the same manner as the long-established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress of a reasonable return on the investment. Under a flexible import-fee principle, a market is immediately established for the goods of foreign nations on a basis of "fair and reasonable" competition with our own—other nations in good conscience cannot ask for more. By so doing, America's domestic agricultural market would be greatly stabilized and cease to be a dumping ground for world surpluses. We are a land of agricultural abundance striving to maintain a standard of living unparalleled by any other nation in the world; be it further

Resolved, That the lowering of import fees and tariffs without regard to the differential of the cost of production, due largely to the difference in living standards of this Nation and of foreign competitive nations, has a demoralizing effect on our agricultural markets, as well as those of other industries, thereby causing unemployment and loss of revenue to the American farmer.

Mr. President, I now offer a resolution passed by the Nevada Republican State Executive Committee on November 15, 1950, against the International Trade Organization which is designed to divide our markets with the low-wage and slave living standard foreign nations, putting definite conditions on further aid to Europe, and adopting the flexible import-fee principle as a substitute for the free-trade practice under the 1934 Trade Agreements Act, as extended, and for a definite floor under wages and investments.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

DOMESTIC AND FOREIGN POLICY RESOLUTION, NEVADA REPUBLICAN STATE EXECUTIVE COMMITTEE, 1950 AND 1952 PLATFORM, NOVEMBER 15, 1949

Whereas the selective free-trade policy adopted by the State Department, based upon the Trade Agreements Act, is removing the floor from under wages and investments—causing unemployment and loss of taxable property; and

Whereas the proposed International Trade Organization, consisting of 58 nations, each with 1 vote, to which it is suggested that this Nation assign all of its right to adjust tariffs and import fees for the protection of the workingmen and investments in the United States of America, would complete the job of wrecking our economy; and

Whereas the policy of making up the trade-balance deficits of the European nations (16 ECA nations) in cash each year without definite conditions for its utilization is simply reestablishing the century-old feud and rivalries among such nations: Therefore be it

Resolved, That the Republican State Executive Committee of Nevada hereby adopts and recommends to the National Republican Committee for adoption an American domestic and foreign policy:

1. A DOMESTIC (NATIONAL) POLICY

A. The flexible import fee principle, based upon fair and reasonable competition, administered by a reorganized experienced tariff commission, to be known as the foreign trade authority, in the same manner as the long-established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress, of a reasonable return on the investment, to be substituted for the 1934 Trade Agreements Act as extended.

Under the flexible import for principle a market is immediately established for the goods of foreign nations on a basis of fair and reasonable competition with our own—they cannot in good conscience ask for more.

2. A FOREIGN (INTERNATIONAL) POLICY—AS A CONDITION OF FURTHER AID TO EUROPE

A. Integrity of private investments.

B. A United States of Europe—including Germany without trade barriers of any kind.

C. Free convertibility of the European currencies in the terms of the dollar.

D. Equal access to the trade of the nations of the world—subject only to the action of such individual nations; be it further

Resolved, That the so-called bipartisan policy, including the support of the administration's three-part free-trade program has destroyed our traditional floor-under-wages policy and has contributed materially to the defeat of the Republican Party; and

That the haphazard lowering of the import fees and tariffs, without regard to the differential of the cost of production due largely to the difference in living standards of this country and the foreign competitive nations, has severely injured the mining, petroleum, agricultural, textiles, pottery, lumber, precision instruments, and many other industries, thereby causing unusual unemployment and loss of taxable property; and

That we are, by our own actions, removing the floor under wages and investments in this Nation and in effect transferring American jobs to foreign soil.

Mr. MALONE. Mr. President, I offer for the RECORD at this point the Promotion of World Trade plank headed

"Statement of Republican Principles and Objectives," adopted by the Republican National Committee on February 6, 1950.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We favor the promotion of world trade on the basis of fair and reasonable competition and we assert that this can be done within the Republican principle that foreign products of underpaid foreign labor shall not be admitted to this country on terms which endanger the living standards of the American workman or the American farmer, or threaten serious injury to a domestic industry. A strong American economy is a vital factor for our security.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. MAYBANK. Mr. President, I shall yield only for insertions in the RECORD, because the time is divided from 12:30 o'clock on.

The VICE PRESIDENT. The Senator cannot do that except by unanimous consent.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senator from South Carolina be permitted to yield for insertions in the RECORD only.

The VICE PRESIDENT. It is better practice, the Chair will say, for the Senator from South Carolina to yield the floor and then let the Chair recognize Senators under a general unanimous-consent agreement of that sort.

Without objection, the Chair will recognize Senators for that purpose.

The Chair hears no objection.

Mr. MAYBANK. Mr. President, I thoroughly agree with the Chair. But first I send to the desk the amendment I offered a few moments ago.

The VICE PRESIDENT. Does the Senator from South Carolina offer his amendment at the present time?

Mr. MAYBANK. I offer the amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, it is proposed to strike out all of lines 10 through 14 and insert in lieu thereof the following:

SEC. 118. (a) Section 610 of the National Housing Act, as amended, is amended by striking out "$750,000,000" in paragraph (2) of the first sentence and inserting "$350,000,000."

(b) Notwithstanding the second proviso of section 603 (a) of the National Housing Act, as amended, mortgages otherwise eligible for insurance under the provisions of section 608 of said act may be hereafter insured thereunder if the application for such insurance was received in any field office by the Federal Housing Commissioner on or before January 31, 1950: *Provided*, That for any such mortgage the percentage limitation on the maximum mortgage amount in section 608 (b) (3) (B) shall be 85 percent in lieu of 90 percent. For the purpose of mortgages insured pursuant to this section 118, the aggregate amount of principal obligations authorized to be insured under section 608 of said act is increased by not to exceed $400,000,000. In the case of any application for insurance under section 608 of the National Housing Act which was received by the Federal Housing Commissioner on or before March 1, 1950, and not rejected or committed upon, the mortgagee upon reapplication for insurance of a mortgage under section 207 with respect to the same property or project shall receive credit for any application fee paid in connection with the prior application. If the application for insurance under section 608 was received by the Commissioner on or after February 1, 1950, the mortgagee shall, at any time within 90 days after the enactment of this provision and prior to rejection of such application or issuance of a commitment thereunder, also have the right at its option to withdraw such application and receive from the Federal Housing Commissioner the return of any application fee previously paid to him in connection therewith.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. The Senator from South Carolina.

Mr. MAYBANK. Do I correctly understand that a unanimous-consent agreement has been reached that Senators may place matters in the RECORD?

The VICE PRESIDENT. Yes.

Mr. MAYBANK. I yield the floor.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON EXPORT CONTROL AND ALLOCATION POWERS

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, the tenth quarterly report of the Secretary of Commerce on export control and allocation powers (with an accompanying report); to the Committee on Banking and Currency.

EXCHANGE OF CERTAIN GOVERNMENT-OWNED BUILDINGS, MESCALERO RESERVATION, N. MEX.

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation authorizing the Secretary of the Interior to exchange certain Government-owned buildings on the Mescalero Reservation, N. Mex., for certain property owned by the Women's Board of Domestic Missions of the Reformed Church in America (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON FINANCIAL ASSISTANCE TO PUBLIC-SCHOOL DISTRICTS

A letter from the Secretary of the Interior, reporting, pursuant to law, on financial assistance to public-school districts; to the Committee on Interior and Insular Affairs.

MEDICAL EXAMINATION (SEAFARERS) CONVENTION

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to give effect to the Medical Examination (Seafarers) Convention, 1946, adopted at the twenty-eighth (Maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946 (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

FOOD AND CATERING (SHIPS' CREWS) CONVENTION

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to give effect to the Food and Catering (Ships' Crews) Convention, 1946, adopted at the twenty-eighth (Maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946 (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

CERTIFICATION OF SHIPS' COOKS CONVENTION

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to give effect to the Certification of Ships' Cooks Convention, 1946, adopted at the twenty-eighth (Maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946 (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

CERTIFICATION OF ABLE SEAMEN

A letter from the Secretary of Labor, relating to the Convention No. 74, concerning the certification of able seamen (Executive Z, 80th Cong., 1st sess.); to the Committee on Foreign Relations.

REPORT OF LIBRARIAN OF CONGRESS

A letter from the Librarian of Congress, transmitting, pursuant to law, his annual report as Librarian of Congress, for the fiscal year ended June 30, 1949, together with a complete set of the Quarterly Journal of Current Acquisitions, the Supplements to the Annual Report (with accompanying documents); to the Committe on Rules and Administration.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Idaho; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 1

"To the Honorable Senate and the House of Representatives of the United States of America, in Congress Assembled:

"We, your memorialists, the Senate and the House of Representatives of the State of Idaho, in special called legislative session, assembled, most respectfully represent and petition as follows:

"Whereas poisonous and noxious weeds on federally controlled lands constitute a serious menace to the livestock and agricultural interests of the Western States, including the State of Idaho; and

"Whereas this menace is continually becoming more important from the introduction of new weeds (such as Halogeton glomeratus) and the continuous spread of weeds already present; and

"Whereas it is impossible for the States and local governments to successfully control this menace on these lands; and

"Whereas the State of Idaho and local governments are ready and willing to spend funds and use the services of organized weed programs to help in the control of this menace; and

"Whereas there is a great need for adequate surveys of infested areas for research and to develop control methods: Now, therefore, be it

"Resolved, That the Senate and House of Representatives of the State of Idaho, in a special called session of legislature assembled, do hereby memorialize and petition the Congress of the United States assembled, that funds be set aside for immediate use in controlling the spread of these weeds in cooperation with the State of Idaho and local governments; and that research and personnel of the Department of the Interior, and its various agencies, and the Department of Agriculture, and its various agencies, be activated to take immediate steps in cooperation with the State of Idaho and local governments to successfully combat this menace; be it further

"Resolved, That the secretary of state of the State of Idaho, be and he hereby is directed to forward copies of this memorial to the President of the United States Senate, and to the Speaker of the House of Representatives."

A resolution adopted by Sergeant Ernest W. Wall Post, No. 698, Veterans of Foreign Wars of the United States of America, of North Sacramento, Calif., favoring the enactment of House bill 4167, to liberalize the require-

ment for payment of pension in certain cases to veterans and their widows and children; to the Committee on Finance.

Resolutions adopted by Local Union 1104, of St. Louis, Mo., Local, No. 879, of St. Paul, Minn., and Local No. 599, of Flint, Mich., all members of the United Automobile, Aircraft, and Agricultural Implement Workers of America (UAW-CIO), favoring the enactment of Senate bill 110, the so-called labor-extension bill; to the Committee on Labor and Public Welfare.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 15, 1950, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 161) to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in connection with the investigation ordered by S. Res. 231, Eighty-first Congress.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ:

S. 3240. A bill for the relief of Renzo Petroni; and

S. 3241. A bill for the relief of George Brander Paloheimo and Eva Leonora Paloheimo; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 3242. A bill authorizing the issuance of a patent in fee to Nancy Takes Enemy Under Baggage; to the Committee on Interior and Insular Affairs.

By Mr. WILEY (by request):

S. 3243. A bill to exempt certain real property in the District of Columbia from taxation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. O'CONOR:

S. 3244. A bill to give effect to the certification of ships' cooks convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946;

S. 3245. A bill to give effect to the medical examination (seafarers) convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946; and

S. 3246. A bill to give effect to the food and catering (ships' crews) convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946; to the Committee on Interstate and Foreign Commerce.

By Mr. McFARLAND:

S. 3247. A bill to provide Government protection to widows and children of deceased World War II veterans; and

S. 3248. A bill to establish equitable income limitations in relation to payment of compensation to widows, children, and dependent parents of deceased veterans; to the Committee on Finance.

By Mr. LEHMAN:

S. 3249. A bill for the relief of Lazarz Ajces; to the Committee on the Judiciary.

By Mr. NEELY:

S. 3250. A bill for the relief of Marne Post, No. 28, American Legion, New Martinsville, W. Va.; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 3251. A bill relating to the promotion of certain officers and former officers of the Army of the United States, or of the Air Force of the United States, or of any component thereof, retired for physical disability; to the Committee on Armed Services.

(Mr. HUMPHREY introduced Senate bill 3252, to authorize a survey, research, and construction necessary to develop the use of peat, and for other purposes, which was referred to the Committee on Interior and Insular Affairs, and appears under a separate heading.)

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENTS

Mr. BRIDGES submitted an amendment intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS submitted an amendment intended to be proposed by him to House bill 5472, supra, which was ordered to lie on the table and to be printed.

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to House bill 5472, supra, which was ordered to lie on th etable and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5226) to amend paragraph 207 of the Tariff Act of 1930 was read twice by its title, and referred to the Committee on Finance.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Robert A. Riddell, of Los Angeles, Calif., to be collector of internal revenue for the sixth district of California.

By Mr. CONNALLY, from the Committee on Foreign Relations:

David McK. Key, of Tennessee, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Burma;

George A. Garrett, of the District of Columbia, now Envoy Extraordinary and Minister Plenipotentiary to Ireland, to be Ambassador Extraordinary and Plenipotentiary to Ireland;

John B. Blandford, Jr., of Virginia, to be the representative of the United States on the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East; and

Leon L. Cowles, of Utah, and sundry other persons, for appointment or promotion in the diplomatic service.

Julius C. Holmes and sundry other persons for promotion in the Diplomatic and Foreign Service.

ESTABLISHMENT OF FEES FOR SPECIAL FEDERAL SERVICES—STATEMENT BY SENATOR McCLELLAN

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD a statement prepared by him on the establishment of fees for special Federal services, which appears in the Appendix.]

COMPULSORY LICENSING OF MOTION-PICTURE INDUSTRY—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him regarding the proposal to establish compulsory licensing of the motion-picture industry, which appears in the Appendix.]

THE MARSHALL PLAN—LETTER FROM PAUL HOFFMAN

[Mr. GREEN asked and obtained leave to have printed in the RECORD an article by Philip C. Gunion relating to the Marshall plan, together with a letter from Paul Hoffman, which appear in the Appendix.]

THE PRESIDENT'S REORGANIZATION PLANS—EDITORIAL FROM WASHINGTON POST

[Mr. IVES asked and obtained leave to have printed in the RECORD an editorial entitled "Streamlined Boards," from the Washington Post of March 15, 1950, which appears in the Appendix.]

THE OLEOMARGARINE LAW — ARTICLE FROM THE WALL STREET JOURNAL

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article relating to the oleomargarine law, from the Wall Street Journal of March 11, 1950, which appears in the Appendix.]

RURAL ELECTRIFICATION—STATEMENT BY CLYDE T. ELLIS

[Mr. HILL asked and obtained leave to have printed in the RECORD a statement regarding rural electrification by Mr. Clyde T. Ellis, executive manager of the National Rural Electric Cooperative Association, at its annual meeting in Chicago on March 6, 1950, which appears in the Appendix.]

REGULATION OF NATURAL GAS

Mr. JOHNSON of Texas. Mr. President, the Senate soon will begin consideration of S. 1498, a bill to preserve our established policies of natural-gas-industry regulation.

I am sure Senators will be interested in the benefits which the consuming public has received from the regulatory controls which S. 1498 will preserve and keep in force. For that reason, I ask unanimous consent to include in the RECORD three charts, showing, "Residential heating fuels indexes of average retail prices," "Commodities consumers' price index for United States," and "Average retail prices of house-heating fuels in United States."

Also, for the information of Senators, I ask to have printed two newspaper articles from the New York Times of February 26, 1950, and the Washington Star of March 14, 1950.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

Residential heating fuels—indexes of average retail prices

[1939=100]

Year	Gas (residential space heating)	Coal		Fuel oil (No. 2)
		Anthracite (all sizes)	Bituminous (all sizes)	
1939	100.0	100.0	100.0	100.0
1940	98.7	105.9	101.4	105.0
1941	97.3	110.7	107.1	108.0
1942	95.5	114.8	112.5	121.0
1943	95.2	121.9	117.4	130.0
1944	94.8	129.3	121.7	130.0
1945	94.0	133.3	124.2	122.0
1946	93.0	147.9	131.0	129.0
1947	89.0	158.0	152.0	161.0
1948	89.0	176.0	181.0	190.0

Source of data: U. S. Department of Labor, Bureau of Labor Statistics, Bulletin No. 950.

Commodities—consumers' price index for United States

[January 1939=100]

Year	Gas	Food	Housing	Clothing	House furnishings	Sundries	All items
1935	101.3	104.8	81.6	103.2	95.9	97.2	97.4
1936	100.7	105.8	90.4	101.5	97.1	97.8	99.5
1937	99.8	109.9	100.3	105.8	104.2	99.2	103.8
1938	99.9	102.1	100.9	102.2	101.4	100.2	101.1
1939	99.8	99.5	100.1	100.0	100.3	100.1	99.8
1940	99.0	100.8	100.3	100.5	101.8	101.0	100.6
1941	97.6	111.0	102.2	104.5	107.3	103.7	105.8
1942	97.4	130.3	104.6	122.9	123.5	110.2	117.1
1943	96.6	145.1	104.5	126.0	124.6	115.0	123.8
1944	95.9	142.9	104.6	130.7	126.4	121.0	125.4
1945	95.3	145.7	104.6	133.4	128.6	123.6	127.4
1946	93.3	164.6	104.7	139.2	135.4	128.6	136.1
1947	93.7	203.2	105.9	150.9	149.5	138.4	153.8
1948	94.5	217.9	110.6	156.0	156.9	146.6	163.2

Source of data: National Industrial Conference Board, New York.

Average retail prices of house-heating fuels in United States

[Cents per million effective B. t. u.'s [1]]

Year	Coal		Fuel oil No. 2	Natural gas
	Bituminous	Anthracite		
1935	0.80	1.07	---	1.07
1936	.81	1.11	---	1.05
1937	.82	1.07	0.85	1.05
1938	.83	1.07	.81	1.06
1939	.82	1.04	.80	1.05
1940	.83	1.09	.85	1.02
1941	.87	1.15	.87	1.03
1942	.91	1.20	.98	1.01
1943	.95	1.27	1.04	1.00
1944	.99	1.34	1.04	.99
1945	1.01	1.39	.98	.98
1946	1.05	1.53	1.04	.97
1947	1.25	1.65	1.29	.94
1948	1.48	1.84	1.53	.93

[1] Reflects utilization efficiencies obtained from Technical Bulletin of Housing and Home Financing Agency, March 1948 (Coal, 40 percent; fuel oil, 60 percent; gas, 70 percent.)

Source of data: Based on prices obtained from U. S. Bureau of Mines and U. S. Department of Labor.

[From the New York Times of February 26, 1950]

COAL, WIN OR LOSE, FACES HARD FUTURE—INDUSTRY MUST COMPETE WITH OIL AND NATURAL GAS, BOTH OF WHICH ARE CHEAPER—3-DAY MINE WEEK IS SEEN—ENORMOUS RESERVES MAKE GAS A MORE FORMIDABLE FOE THAN EVEN FUEL OIL

(By J. H. Carmical)

Regardless of how or when the present labor difficulties in coal mining are settled, it is becoming increasingly clear that the industry is in for a difficult period. With a large part of its former outlets lost to oil and natural gas, it may be the first of any major industry in the postwar period to undergo a long and sharp retrenchment in operations.

After stocks, now virtually exhausted, are replenished, it is estimated that the operation of mines three days a week might meet the Nation's coal requirements. If the trend to other fuels should continue, even a much lower operating schedule might be sufficient to meet the demand should industrial activity decline from its present high level.

Several factors account for the present difficult position of coal. The chief of these probably is price. To absorb the increases in wages of the miners and in transportation costs the price of coal now is relatively higher than its two main competing fuels—fuel oil and natural gas.

COAL COSTS LARGER

About four barrels of heavy fuel oil are equivalent in heating units to a ton of coal. The price of fuel oil at Gulf coast ports is $1.65 a barrel and at New York $2.05. When freight and other charges are taken into consideration, it is estimated that at Atlantic and Gulf coast points coal costs $1 to $2 a ton more than fuel oil.

With the rapid construction of natural gas pipe lines both coal and fuel oil will be faced with increased competition. It is estimated that 6,000 cubic feet of natural gas is equivalent in heating units to one barrel of fuel oil and that 24,000 cubic feet is equal to a ton of coal. Natural gas is available at many points in the North Atlantic area at 26 to 47 cents a thousand cubic feet when purchased under contract for a long period. The price at the wells in the Southwest and midcontinent producing areas ranges from 7 to 15 cents a thousand cubic feet.

In some respects natural gas is a more formidable competitor with coal than fuel oil. At inland points, unless near an oil refinery, freight rates in some instances make fuel oil less attractive than coal, particularly if near the coal fields. However, with the transcontinental natural gas pipe lines passing near or through these inland points, gas may be made available cheaper than at coastal points, where fuel-oil prices usually are lower.

GAS RESERVES ENORMOUS

Both fuel oil and natural gas may be considered to be by-products of the petroleum industry. In virtually every producing well some natural gas must be produced along with the oil. In some fields gas may not be even stored in the ground after the liquid has been removed. Before the cut-back in crude oil production in Texas at the end of 1948, it was estimated that 1,000,000,000 cubic feet of gas a day was being "flared"—that is, burned in the air. The known reserves of natural gas are enormous and they are being added to daily despite increased consumption.

Although domestic refiners have been steadily cutting their production of heavy fuel oil with improved refining processes, the development of huge oil resources in Latin America and the Middle East has assured a steady flow of fuel oil at relatively low prices. It is estimated that the shut-in crude oil production is 2,000,000 barrels a day, divided about equally between the United States and foreign sources.

CALIFORNIA OIL OUTPUT UP

Fuel oil prices are much below those of the war period, but the flow from California to the Atlantic coast may establish a record this winter. In the last few months of 1949 some 6,000,000 barrels were sent here from California, and indications are that an additional 10,000,000 barrels may come here by this summer.

California produces a heavy type of crude oil that, when refined, leaves greater quantities of residual fuel oil from a barrel than does crude oil from other fields in this country. However, since 1940 very little heavy fuel oil from California has been sent to the east coast. Reflecting the decline in consumption by the railroads because of their dieselization program and the inroads natural gas has made in the Pacific coast markets, stocks of heavy fuel oil in California in mid-September were 40,000,000 barrels, or more than double those of a year earlier.

The use of coal by the railroads is dropping steadily as they convert from steam to Diesel-electric power. Virtually every railroad is striving to become 100-percent dieselized as rapidly as possible, and it is only a question of a few years before the use of steam engines is a thing of the past. Before the dieselization program started the railroads used 20 to 25 percent of the coal mined each year in this country.

While some other markets may be recovered through price reductions and other considerations, the chances are that price concessions would not result in the railroads again turning to coal. In many ways, the Diesel-electric locomotive is more economical. It requires less costly servicing and may be kept virtually in continuous operation. In addition, it can haul heavier trains than the steam engine.

One of the cures suggested for the coal industry is that the miners be placed on a 2-day or 3-day workweek. This was made last week by William Green, head of the American Federation of Labor. However, such a plan would result in higher operating costs, which would mean still higher prices and thus would prevent the industry from holding its markets, rather than helping it to do so.

Involved in the fortunes of the industry are 400,000 miners and several thousand operators, plus a large number of retailers and others engaged in the distribution of the fuel. Because of the large number of persons involved Federal intervention may result, unless some steps are taken to bring about more efficient production and lower prices in order to hold the present markets and to recover some already lost.

[From the Washington (D. C.) Star]

TWENTY-FIVE-CENT COAL INCREASE DUE TODAY IN PITTSBURGH

PITTSBURGH, March 14.—Retail price increases ranging up to 25 cents a ton on most grades of soft coal are expected today in the Pittsburgh area.

The Pittsburgh Post-Gazette said a survey after the recent soft-coal strike showed retail dealers anticipate a 10-cent-a-ton raise in wholesale prices by the Pittsburgh Consolidation Coal Co., largest producer here.

The coal company said an announcement would be made on its price policy today.

Retail spokesmen, who said they did not expect any increases on stoker and prepared smokeless coal, pointed out they have absorbed one increase in drivers' wages and two in freight rates. These increases, coupled with the expected boost in the wholesale price of coal, would mean a total jump in retail rates of about 25 cents a ton, they said.

Retail soft-coal prices in the Pittsburgh area now range from $9.95 a ton to $10.50, depending on the grade.

AMENDMENT OF THE NATIONAL HOUSING ACT, AS AMENDED

The Senate resumed the consideration of the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes.

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Malone
Anderson	Hendrickson	Martin
Benton	Hickenlooper	Maybank
Brewster	Hill	Millikin
Bricker	Hoey	Mundt
Bridges	Holland	Murray
Butler	Humphrey	Myers
Byrd	Ives	Neely
Cain	Jenner	O'Conor
Capehart	Johnson, Colo.	O'Mahoney
Chapman	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Connally	Kefauver	Saltonstall
Cordon	Kem	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Kilgore	Smith, N. J.
Dworshak	Knowland	Sparkman
Ecton	Langer	Stennis
Ellender	Lehman	Taylor
Ferguson	Lodge	Thomas, Okla.
Flanders	Long	Thye
Frear	Lucas	Tobey
Fulbright	McCarthy	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Withers

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Wyoming [Mr. HUNT] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Oregon [Mr. MORSE] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

Under the unanimous-consent agreement, from now until 4:30 the time is equally divided between the proponents and the opponents, to be controlled, respectively, by the Senator from South Carolina [Mr. MAYBANK] and the Senator from New Hampshire [Mr. TOBEY].

The Senator from South Carolina is now recognized.

Mr. MAYBANK. Mr. President, I have conferred with the distinguished Senator from New Hampshire respecting division of time. At this point I wish to make a short statement, following which the Senator from New Hampshire will take charge of the time during the first hour. We will later agree as to the disposition of time thereafter.

Mr. President, in view of the fact that there has been much misunderstanding throughout the press and among the public generally regarding title III, I want to make perfectly clear to the Senate that my good friend, the chairman of the subcommittee of the Committee on Banking and Currency, the distinguished Senator from Alabama [Mr. SPARKMAN], has no bill at this time before the Senate. Last October, at the request of the Senator from Alabama and other Senators, it was my privilege to move the extension of certain titles then in the bill. When Congress reconvened last January I submitted an amendment as a substitute for the bill. I submitted that amendment for hearing purposes only. Extensive hearings were held by the Committee on Banking and Currency, and by a vote of 9 to 4 the committee reported a clean bill.

In connection with that bill there was some discussion respecting what was called title III. I may say that the title III for which I voted and which, with the aid of the Senator from Alabama, we succeeded in having reported from the committee, was a completely revised title III. After hearing representatives of the Federal Reserve Board, we provided for a 5 percent down payment plus 5 percent over a period of 20 years, and one-quarter per cent a year to take care of any losses.

Mr. President, the press has carried various interpretations of title III, and has spread some misinformation respecting it, but I am sure my friends, both those who were opposed to title III and those who were in agreement with its provisions, and particularly members of the Committee on Banking and Currency, will substantiate the statement I make, which is that we rewrote the bill, redefined its application, changed its authorization, changed it to an insurance bill, and reduced the amount provided in it from $2,000,000,000 to $1,000,000,000. I want to make these points perfectly clear to the Senate.

I also want to say that I have read in the newspapers the statement that an interest rate is to be set. Title III carries no interest rate. If any Senator can show me where the bill carries a provision for an interest rate I shall vote against the bill myself. However, if someone should suggest an amendment providing for an interest rate of not less than 4 percent, I myself would accept such an amendment.

I want it clearly set forth in the CONGRESSIONAL RECORD, which is the record for the future, that there is no set interest rate in the bill, and that the bill coming from the Banking and Currency Committee is a clean bill, and contains no provision for grants, except in the case of technical assistance with respect to projects which people or communities might organize. The title has been changed to an insurance program like the FHA program and debentures are to be sold by the corporation representing those who build a project, after they have put up their 5 percent and have agreed to pay another 5 percent over a period of years, and also have agreed to put up one-fourth of 1 percent a year as an insurance charge to take care of any losses.

Mr. President, I wish to make that clear, because yesterday, to my utter amazement, a question as to the effect of the bill on war veterans was brought before the Senate. I think I do not have to make any statement in that connection, because the war veterans of South Carolina and those of the other States well know how I stand on matters affecting them. But it was charged that after we had written the bill title III resulted in discrimination against war veterans.

Mr. President, it is my judgment that those who will use title III the most will be war veterans who have returned home and are now married and are living with their families, but who, unfortunately, have no adequate place to live or which they themselves own. Under the bill they will be able to have two-room or three-room apartments in cooperatives, and will be able to raise their families in the way a good American is entitled to live.

So as to keep the record clear, because of the charges that war veterans will be discriminated against, I wish to read a telegram which I received this morning from the director of the national legislative commission of the American Legion. I may say, Mr. President, that I have talked to Legionnaires, to Veterans of Foreign Wars, to Disabled War Veterans; indeed, I have talked to all the war-veteran groups. They have come to my office and they have come before the committee. I would be the last one, as they well know, to have anything to do with the passage of any law which might discriminate against them.

So I wish to read the telegram:

> During the debate on middle-income housing bill, S. 2246, yesterday statements were made by the opponents that the bill would be discriminatory to veterans who have purchased homes under GI bill at 4 percent. For such use as you may care to make of it in any further debate on the bill, I would like to restate the position of the American Legion in support of the measure, and to state further that the American Legion does not feel it would discriminate against veterans who have already purchased homes at 4 percent. It is also our opinion that the compromise proposal would be meaningless and would not accomplish the purpose of the bill, which is to help meet the housing needs of the middle-income veteran who is completely priced out of the present housing market.

In other words, Mr. President, the veterans are now priced out of the housing market. Senators will have a chance to vote for or against title III, to give the veterans who have families and who are in the middle-income brackets a chance to be benefited.

I yield now to the Senator from New Hampshire.

The VICE PRESIDENT. The Senator from South Carolina has used 5 minutes of his own time.

The Senator from New Hampshire is recognized at this time.

Mr. TOBEY. Mr. President, before I present the first speaker, I should like to make a comment about the unanimous consent agreement. I read from it:

> *Ordered further,* That the time * * * be equally divided—
>
> And so forth—
>
> between * * * the Senator from South Carolina [Mr. MAYBANK] and the Senator from New Hampshire [Mr. TOBEY].

And the unanimous-consent agreement refers to me as an opponent of the bill. Mr. President, I was assigned this job, not as an opponent of the bill, but as one who with the Senator from New York has joined in a report substituting a revised version of title III for the present title III of the bill. Therefore, I do not want the statement about me as an opponent of the bill to stand unchallenged. Our sole interest is in the substitute for title III of the bill.

Mr. President, I assign to the Senator from Washington [Mr. CAIN] 20 minutes time.

The VICE PRESIDENT. The Senator from Washington is recognized for 20 minutes.

Mr. TOBEY. At this time let me ask the Senator from Washington whether he wishes to have a quorum call had.

Mr. CAIN. No; but I thank the Senator for the suggestion.

Mr. TOBEY. Very well.

Mr. CAIN. Mr. President, the junior Senator from Washington is most certain that the veterans of America will not only read but will carefuly consider what has just been uttered by my friend and colleague, the distinguished Senator

from South Carolina [Mr. MAYBANK], the chairman of the Banking and Currency Committee of the United States Senate, with respect to title III of the pending bill. I would encourage every veteran to think about what the Senator from South Carolina has just said in support of that title, and compare those comments with what I say, for I wish to call to the attention of the same group of Americans, referred to as veterans—of whom I am, have been and will continue to be one for as long as I live—some editorial comments which recently have been offered to the American people on the subject of title III.

Mr. President, there are four newspapers in the city of Washington, D. C., some of which generally favor the administration and some of which are most often in opposition to the administration. But when it comes to the question of whether the Senate should approve title III in its present form and on the basis of principle, there is no disagreement among the newspapers of the Nation's Capital, so far as I can determine. Each of these great papers urge the elimination of title III. I shall not burden the Senate by reading in their entirety each of these editorials, but I should like to draw certain significant passages to the attention of thoughtful men and women in this body and throughout the land.

In the Evening Star of Tuesday, March 14, the leading editorial has this heading—and let us begin to think about it; and if what this editorial says is true, let us prevent the passage, either now or at any time in the future, of title III:

Special favors for a special group.

Mr. President, as an American veteran, I do not wish to find myself, if that be the case, in any special group, be it in respect to housing or in respect to any other field of human endeavor.

The Evening Star's editorial begins by saying:

It goes without saying that legislation which purports to help the middle-income ($2,700–$4,400) group to get cheaper housing carries tremendous popular appeal. That is why the administration is backing it to the limit. That is why the chairman of the Democratic National Committee, Mr. Boyle, is calling all politicians to apply the heat to Senators when they vote tomorrow. But no matter how popular may be the appeal, the legislation is bad and it ought to be defeated.

Further down in this provocative editorial comment, I find these observations:

The bill ought to be defeated on other grounds.

Other than because it is a bad bill, Mr. President.

It would place private housing, including FHA and veterans' housing, at a serious competitive disadvantage.

Mr. President, let me interpolate at this point a statement that, as a veteran and as a Senator, I believe that those statements are undeniably true.

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from South Carolina?

Mr. CAIN. If the Senator will permit me to conclude my reference to the remaining portions of the editorial, I shall be pleased then to yield.

The editorial continues:

It would in time weaken the stability of billions of private funds invested in such housing by insurance companies, building and loan companies and millions of middle-income men and women whose savings have been put into the independent purchase of homes. For when the Government makes cheap money available, nobody can beat the Government at offering cheaper money.

Again I may state parenthetically, I would say on bended knees, if it were necesary, to every American veteran, "Believe the truth of that comment, that you cannot compete with a Federal Government which takes from the substance of the people who make up this great count y of ours."

Mr. President, another newspaper in Washington, D. C., is the Times-Herald, generally an opponent of the administration and of the President, but a great newspaper. Its lead editorial today is headed "Kill That Bill." The editorial begins as follows:

The Senate is scheduled to vote today on S. 2246, the so-called "Housing Act of 1950." This bill should be knocked on the head and forgotten.

It contains, for instance, the proposition to create another huge class of sucker-citizens who are to be bound to the wheel of Government under the false impression that they can get something from it for nothing.

It continues:

All this, supposedly to relieve the housing shortage.

In fact, United States taxpayers, including the ones who submit to the so-called cooperatives, are underwriting the whole thing.

Again, Mr. President, I would say parenthetically, "Oh, you American veterans, appreciate that fact, which happens to be mentioned by the Times-Herald as it is being mentioned all over the country by thoughtful people everywhere."

The editorial goes on:

In fact, United States taxpayers, including the ones who submit to the so-called cooperatives, are underwriting the whole thing. Any loss is on them. But any gain goes to the exceptional fellow who is smart enough to shift his obligations to the next one who gets into the cooperative in his place or just repudiates the whole thing.

Of course, the absurdity of this undertaking is obvious on its face.

The Times-Herald calls the proposition an absurdity. I can only speak for the junior Senator from Washington, who, had he not used the "absurd," would have called this section dangerous and unnecessary, and certainly a disservice over a period of time to the very group of fine American citizens whom the section is designed to help.

There is a third newspaper in Washington, D. C., the Washington Post. Its editorial of this date carries the headline, "Co-op housing bill." Toward the end of the editorial—for I seek to take from the editorials not repetitious comment—it has this to say:

Closely related to this point is the question of whether the Government should, as a matter of policy, offer mortgage money at 3¼ percent to co-ops when private builders must pay 4½ percent under FHA.

Mr. President, I wish that the Senate, instead of having agreed to vote on this most fundamental matter at 4:30 this afternoon, could have allowed weeks, if necessary, for the debate—I wonder whether Senators appreciate that the contingent liability of the Government today under the Federal Housing Administration and under the Veterans' Administration, with reference to the guarantee of mortgages at 4 and 4½ percent, runs to approximately, I think, $18,000,000,000. There are several million American veterans who have not thought it unreasonable to borrow money, under the VA loan guarantee, at 4 percent, in order that they may own a home. The maturity on such loans runs from 20 to 25 years, and yet under title III of the bill we are saying to that same American citizen—and he happens in this case to be a veteran—"Do you, or do you not want to become a sucker-citizen," as the Times-Herald suggests in its leading editorial this morning? Why pay 4 percent over a period of 20 or 25 years, under which terms you are expected to be self-reliant and to pay off your obligations and to leave a paid-up estate to your wife and children. Why do that? Here is an attractive cooperative venture. The same government that requires you as a veteran to pay 4 percent in 20 years under the VA will make it available to you, at a guess—the most liberal guess made by any proponent—of 3¼ percent. There is a great difference between 3¼ and 4 percent. But, what is much more sinister, I think, so far as the veteran is concerned, is that the cooperative title III will permit him 50 years in which to pay off the mortgage, when he gets but 20 to 25 years in which to pay it off under other competing Federal agencies. And at the end of 50 years, which I may say will not bother the average American veterans, because he will long since have gone to his fathers, the mortgage under title III can be refinanced and extended to 60 years. If that does not solve all the problems which may occur 60 years from now, they can extend it for another 3 years. If Senators had the time which we ought to have agreed with ourselves to take for discussing this subject, we would have explored the question of whether there is reason or insanity in permitting the Federal Government, in a day of financial stress, to create a competitor within its own system.

Moreover, can any man who is prepared to vote for title III begin to say with any degree of accuracy what the adverse effect of the passage of title III will be on the $17,000,000,000 or $18,000,000,000 of contingent liabilities under housing programs and guaranties already made available to the American people by the same Federal Government which this afternoon seeks to create a corporation called a cooperative?

Mr. TOBEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. CAIN. I am happy to yield to the Senator from New Hampshire.

Mr. TOBEY. The disparity which the Senator suggests in interest rates avail-

able under the proposed legislation to the so-called middle-income group putting it as mildly as he can, constitutes, in his and my opinion, does it not, a gross injustice?

Mr. CAIN. First, I may say to my colleague, the Senator from New Hampshire, it creates a tremendous injustice to the American people. Second, it is an injustice to the people who will be encouraged to take advantage of rates to which they are not entitled. Again, it is obviously a great disservice and an injustice to the great bulk of the American people who will be expected, out of their earnings, to provide special privileges to another group of American citizens.

Mr. President, I should like to read the remainder of that paragraph, which aroused my vehemence and my indignation on this question of interest rates and maturities:

In addition to that favored treatment—

Referring again to interest rates and maturities—

the Sparkman bill would set up a special agency to give technical assistance to housing co-ops and to make advance planning loans to them. In order—

How important it is for us to think about this.

In order to take advantage of these benefits, groups having no cohesive unity might be encouraged to venture into cooperative housing.

Again I state parenthetically, Mr. President, I have many reasons for opposing title III, but the one stated by the Washington Post is to my mind a major one.

If title III becomes the law of the land, we shall be saying to persons who never heard of cooperatives in the communities and States in which they live: "This law tells you to begin to think about the desirability of living in a group society as opposed to living in your own single house with your wife and your family."

Mr. President, there are certain factors which, to my mind, have made America the envy not only of the world but of ourselves, if we stop to think about the matter, and some of those factors are the self-reliance, the energy, and the courage which are the attributes of a nation of home owners. This afternoon, at 4:30 o'clock, it is being proposed that the Federal Government shall be the agent used to encourage people to disregard the blessings and the magnificent benefits which have come out of our past.

The editorial goes on to say:

We cannot help thinking that the bill provides too much nursing for a movement which, after all, owes its strength to private initiative on a cooperative basis.

A futile attempt has been made to place those of us who oppose this provision in the position of being opposed to cooperatives. But we are not. I believe as much in the right of a cooperative association to be formed as does the Washington Post, but I think it is wholly illegitimate, singularly evil, to have the Federal Government using tax dollars from everyone else to give preferential benefits to a cooperative movement as a result of Federal intervention, initiative, and special dispensation.

I read further from the editorial:

In this connection it is well to remember that the present law gives cooperatives an opportunity to operate under FHA. Senator TOBEY makes a strong case for further perfection of this method instead of launching a new rival program.

Mr. President, it is my understanding that if the motion to strike title III shall not prevail, the Senator from New Hampshire [Mr. TOBEY] and the Senator from New York [Mr. IVES] will offer an amendment to perfect the cooperative intention under prevailing provisions, instruments, and procedures of the FHA.

There is another newspaper in Washington, D. C., Mr. President—the Washington Daily News. So far as I know, it has not editorialized on title III, but I thought my colleagues would like to have brought to their attention what three editorial boards, out of four, in the Nation's Capital think about the proposals which we are to consider from now until 4:30 o'clock this afternoon.

Mr. President, the Christian Science Monitor is generally thought of as being about as sound, fair, and reasonable as is any newspaper in the United States of America. If my mind does not betray me, the Christian Science Monitor was a strong supporter of the subsidized public housing bill which was passed and became law during the last session of the Congress. But, with reference to title III, the Christian Science Monitor says it would be unwise and not in the public interest for this proposal to be favorably acted upon in this session of the Eighty-first Congress. I shall read one paragraph only from the editorial appearing in the Christian Science Monitor of Saturday, February 25:

It is not surprising that various features of this proposed legislation have excited controversy. There is considerable basis for the charge that it is another rather thinly disguished subsidy, calculated to elicit support from that large portion of the electorate which is held to be the backbone of the economy, the middle-income group. The question naturally arises why this group, which pays such a heavy proportion of the taxes, should get what amounts to a subsidy paid for largely by themselves.

Mr. President, I should like to hear any Senator of fair mind say that the subsidy and the payments are not going to come partly out of those persons who will benefit from the passage of title III.

Mr. President, Life magazine, which, so far as I know, is very independent in its thinking, is sometimes tremendously in favor of an administration proposal, but sometimes it has also editorialized in opposition, as it did in last week's issue. I should like to read from that editorial, which is entitled "Leaky Housing."

The proposed middle-income housing legislation actually promises to treat equals unequally.

Mr. President, I think it does.

The bills now pending before the Banking and Currency Committees of the two Houses of Congress would make home-purchase money available at 3 percent interest to citizens in the middle-third income bracket (roughly $2,700–$4,400 a year). In addition to the low interest rate the bill would provide amortization of loans over a 50- or even a 60-year period. But to get this easy money the applicant must first elect to become a member of a Government-financed housing cooperative. This is where the discrimination between equals comes in. For, where a cooperatively minded householder would be getting his money at 3 percent with a lifetime to pay it off, middle-income people who prefer to obtain houses on their own would still have to pay 4 percent or more, even with FHA help.

The VICE PRESIDENT. The time of the Senator from Washington has expired.

Mr. CAIN. Mr. President, I think the Senator from New Hampshire will yield me two additional minutes.

The VICE PRESIDENT. Does the Senator from New Hampshire yield two additional minutes to the Senator from Washington?

Mr. TOBEY. I do.

The VICE PRESIDENT. The Senator from Washington is recognized for two additional minutes.

Mr. CAIN. Mr. President, I continue reading from the editorial:

As for the 1,750,000 veterans who are now getting housing money at 4 percent with a 25-year amortization privilege, many of them are in the middle-income brackets. Would they take the sight of other middle-income people getting 60-year amortization money at 3 percent without screaming to high heaven about the very obvious injustice of it all?

Mr. President, I shall make reference only to the fact that in a very thought-provoking editorial entitled "Economics and Finance," appearing in the New York Times of Monday, February 27, 1950, we find that that great medium of public expression which was so strenuously in support of the passage, in the last session, of the subsidized low-rent housing program, sees fit totally to disagree in this instance with the proponents of title III. The basis of its contention is that it creates unfair competition among existing Government agencies, and, in the long run, will turn out to be a great disservice to all American citizens, who, sooner or later, must pay and satisfy the obligations which are imposed upon them by those of us who speak in their name on the floor of the United States Senate and in the House of Representatives.

Mr. MAYBANK. Mr. President, I desire to yield 5 minutes to the junior Senator from New York and, following that, 15 minutes to the Senator from Idaho.

The VICE PRESIDENT. The junior Senator from New York is recognized for 5 minutes.

Mr. LEHMAN. Mr. President, I rise in support of the Maybank substitute for Senate bill 2246. I should like to say at the outset that I am opposed to the Tobey-Ives substitute. I am opposed to it because it is merely a legal impersonation of the real thing. It would not and cannot provide housing—either sales or rental units—at the low cost which is essential if we would do what we are setting out to do—build adequate housing for middle-income families. By requiring an interest rate of 4½ percent

and an amortization period of 40 years, the Tobey-Ives bill cuts off its own means to spite its purpose.

There is no point, Mr. President, in providing new sources of credit or additional sources of credit for lending institutions and building and loan associations just for the sake of providing more credit, or in order to make a gesture toward cooperative housing. Cooperative housing, itself, is meaningless unless it can provide better housing at cheaper prices, the kind of housing that is needed for the middle-income groups.

There is already provision in the present housing act for cooperative housing. The law contains the necessary words. But words are meaningless unless they carry within them the promise of the kind of program which can work, and fulfill the purposes we have in mind.

There is nothing magic in a housing cooperative, except that profits are not permitted. But the cooperatives must be able to make real savings in the services they can provide for their members, or else the cooperative is meaningless. There would be no purpose, Mr. President, in forming a housewives' grocery cooperative, if the cooperatives were required to buy groceries at the corner grocery store, at the prevailing prices.

No, Mr. President, the cooperative must have some advantage for the members. It must enable them to do as a group what they could not do as individuals. That is the whole purpose of a cooperative. It is the whole purpose of the Maybank substitute.

That is why, Mr. President, some of the opponents of this legislation say plausibly that they are not opposed to cooperative housing as such. Oh, no, Mr. President, they are not. But what they do oppose is permitting the cooperative housing ventures to obtain the two most essential elements of cooperative housing—capital and credit—at rates which are low enough to enable these cooperative groups to serve the purpose for which they would be organized under this act.

We are told by lending institutions that the Federal Government must not make direct loans to individuals or even to cooperatives—that they say, is socialistic. And yet we find that under the existing FNMA program, a lending institution can make a loan to an individual, taking his mortgage as security. The lending institution can then turn immediately around and sell that same mortgage to FNMA. This is nothing more or less than a thinly disguised loan from the Federal Government, with the middleman making his profit without incurring any risk.

Recently Mr. Rodney Lockwood, former president of the National Association of Home Builders, told the Senate Banking and Currency Committee, that cooperatives "should not be provided directly or indirectly with Government subsidies, or special financing or tax devices available only to them and not freely available to all other citizens or other forms of business enterprise."

This is the philosophy of the opposition. It is perfectly all right, according to these people, for the lending institutions to be provided with special Government subsidies, credits, insurance, and other aids, but to grant special and suitable aids to cooperatives is wrong.

Mr. President, if we are going to provide middle-income housing, we must provide it by the formula worked out so carefully and so painstakingly by the Banking and Currency Committee, or we are not going to provide it at all. Let us not deceive ourselves. Let us not deceive the American public. Let us not deceive the middle-income families of America.

The Maybank substitute is the answer, Mr. President. It is the only answer which is before the Senate. There are no hobgoblins hidden away in its pages. There is no socialism tucked away in title III. It is a good bill, a sound bill, and a practical bill. As I explained at such great length to the Senate yesterday, there are no tax exemptions or other secret weapons given to cooperatives in this legislation.

The VICE PRESIDENT. The time of the Senator from New York has expired.

Mr. LEHMAN. May I ask for a half minute more?

The VICE PRESIDENT. The Chair cannot give it to the Senator.

Mr. LEHMAN. I ask for a half minute more.

Mr. SPARKMAN. I shall take the responsibility of yielding a half minute more to the Senator from New York.

The VICE PRESIDENT. The Senator is recognized for a half minute more.

Mr. LEHMAN. All that is done is to make it possible for middle-income groups to band together to take advantage of special Federal aids which are offered because it is in the national interest to provide adequate housing for these people. This is no hand-out, and no give-away. It is just forward-looking Americanism, and I hope the Senate will approve the substitute bill.

The VICE PRESIDENT. The time of the Senator from New York has expired. The Senator from South Carolina has yielded 15 minutes to the Senator from Idaho.

Mr. TAYLOR. Mr. President, I am not a member of the subcommittee of the Committee on Banking and Currency. However, I have a very keen interest in housing. As one who has never lived in a new house, I believe it would be nice to live in one some time, and I should like to see other people have the opportunity, at least, of living in a new house, just to see how it felt.

I have a brother in California who is in the middle-income group which we seek to help here today. He is a railroad engineer. Naturally, he and his wife wish to live decently. They have three young daughters, who are growing up, and they bought a house—if it can be called a house. In reality it was a converted chicken coop. That is not a figure of speech. It had been a chicken coop, which was converted into a house, the walls being 4 inches thick, of 2-by-4 construction, with siding on the inside and outside. The house practically fell down on them. Termites got into it. They had to get it fixed up as best they possibly could. Then they decided to get something more substantial and they sold the house, they bought another house. It is quite a nice house, an old house. In fact, about 2 weeks ago my brother, in trying to repair the roof, fell off the ladder and broke his arm. Nevertheless, even a house in that shape was so expensive for my brother, who, as I have said, is in the middle-income group, that he has had to work 16 hours a day, very often, as a railroad engineer. It is practically ruining his health. It probably will ruin his health if he keeps it up for any extended period of time. To show how desperately people crave a decent place in which to live, in order to pay for the home, my sister-in-law is working in a hospital. She is working very hard. She should not have to do that, to leave her girls, who are growing up, without the constant care of a mother. But in order to try to hang on to this house, she is doing what I have recounted.

Mr. President, I do not believe that should be necessary in this great, rich country of ours. My reason for coming to the United States Senate, the only reason why I ever decided to run for office, was the fact that I felt there was no logical reason for people in this country to be deprived of a decent living when there was plenty available on every hand. It if takes action by Congress to make the plenty, the abundance, which is in our country, available to the people, by means such as this cooperative housing provision, then I certainly am for it.

The Senator from Washington [Mr. CAIN] quoted at some length from newspaper editorials. It seems the newspapers are against this cooperative-housing provision. I can only say that if I were going to let such things influence my thinking, the fact that the newspapers were against it would seem to convince me that it must be all right, because the newspapers have been against me, and I know I am all right. They have been against me about 100 percent in the State of Idaho. They were about 95 percent against Roosevelt, and I always thought he was all right. They were about 98 percent against Mr. Truman, and I think he has been doing an excellent job since early 1948. Before that I thought he was somewhat bogged down, but I believe he has his feet out of the mud now, and is doing all right. So I for one am not going to be particularly influenced by what the press has to say about this proposal.

Mr. President, there seems to be a great deal of worry about bankers and the building and loan associations and the insurance companies not going to be able to invest their money profitably. I have a few friends who are bankers and insurance agents, and some who are interested in building and loan companies, and I would like to see them do all right, and they are doing all right. I do not believe that making cooperative-housing money available to the middle-income groups is going to bankrupt or seriously affect the fortunes of my friends who happen to be in the lending business. All through history, from what I can discover, the lenders have never suffered very greatly, but have always done pretty well.

It seems to me that title 3 of the bill is very essential. Those who come under it do not qualify to get housing as low-income groups. They cannot pay the prices demanded, if they do not get the low-income group housing benefit, as I have demonstrated with my brother's case. In fact, my brother is very seriously considering getting rid of the very decent house in which he is living, because it is killing both him and his wife in their attempt to keep up the payments.

I hope the Senate will pass the pending bill, and perhaps my brother and thousands of other people's brothers throughout the Nation who are in the same predicament, who want to be respectable citizens, who want to live up to the middle-class standing which they inherit, can benefit from this cooperative-housing provision. It is my understanding that it not only will make available funds to build apartment houses, cooperative housing, so to speak, under one roof, but it will also make it possible for groups of people to join together and build a subdivision, in which they can have individual houses, and obtain the savings which are provided under the title.

Furthermore, they can buy their building supplies cooperatively in large quantities, which will enable them to save in that respect.

Then they can get together in the fashion of our forefathers and help each other with the construction of their houses wherever they do not meet with too strenuous opposition by reason of the regulations of the unions involved, and I would hope that the unions would be very lenient and tolerant of these people who are trying to help themselves.

Mr. President, housing is just about the most important item in our existence. Next to food, I would say it was the most important. So I very sincerely urge that my colleagues give their sympathetic attention to this provision of the bill.

I believe that nothing can do more to make our people satisfied, to make them enthusiastic about our free democratic way of living, than to do everything we can, as the Congress, the ruling legislative body of the country, to see to it that people have an opportunity for decent housing.

The people of Sweden have gone in quite extensively for cooperative housing. A group of Senators from the Banking and Currency Committee went to Sweden last summer. Unfortunately, I was not in a position to travel with them. I wish I could have done so. The people of Sweden are certainly doing a very excellent job of fighting ideologies to which we are opposed. Although they are right under the gun, so to speak, right next door to the Russian bear, nevertheless, because the Swedes do take care of their people by cooperative means and by other practical means, they have a miraculous standard of living, if one takes into consideration the resources available to our friends the Swedes, compared with the resources available to us in this great country.

I think we should profit by the example set by our friends in Sweden and do everything we can for the people of our country by means of cooperatives and through other methods which some of our friends like to call socialistic, or even communistic, for that matter. The Swedes go in for cooperatives in a big way. Considerable Swedish industry is owned by the people. Nevertheless, they have a high standard of living. They do not have a dictatorship. They have a great deal of private enterprise, and it is on a sound basis.

I feel that if we are going to maintain our free democratic way of life, if we are going to maintain our democratic political system, if we are going to prevent spread of alien ideologies in this country, the one thing we must do is see to it that our people are well-housed, well-fed, well-clothed, have an opportunity for a decent education, and medical care. If we will do that I am certain that we will have nothing to worry about in this great country of ours. We will not have to transform ourselves into a totalitarian state, as some people seem to want us to do, in order to maintain our way of life.

We cannot simply legislate against the subversive activities that would seem to threaten us. We must legislate for the things that make people desire our way of life more than the other way of life.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The Chair recognizes the Senator from New Hampshire.

Mr. TOBEY. Mr. President, I yield 20 minutes to the distinguished Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas for 20 minutes.

Mr. FULBRIGHT. Mr. President, I realize that the pending bill has been very thoroughly covered in its general aspects. There are two or three points particularly to which I wanted to refer. One point especially was raised yesterday with regard to the interest rate, and there seemed to be some difference of opinion among those on the floor as to what are the provisions of the bill with regard to the probable interest rate. I wish to comment on that at this time.

The National Mortgage Corporation for Housing Cooperatives would have greater control over the kind of housing it would finance and the timing of its operations than existing agencies have for the most part. The Corporation would be in a stronger position to enforce standards in the public interest and to audit costs. It would also be in a position to minimize the inflationary influences of building it financed. All these advantages could, of course, be nullified if the program were used, as other programs have been used, to satisfy housing demands faster than is economically desirable. In other words, I think the timing of the whole program a very basic and important element.

In general effect, the cooperative financing plan is closely similar to much of the financing now being done with FHA-insured mortgages, although the mechanism used would be different. Under the FHA plan, private lenders advance their own money on mortgages covering either existing properties or properties to be built. The loan may represent not more than 80 percent of the value of an existing house, as determined by FHA, and if Senate bill 2246 is enacted, may be as high as 90 or 95 percent of FHA's estimate of value in the case of new construction, which, according to many, may be equal to or greater than actual construction cost. The loan may bear interest at not more than 4, 4½, or 5 percent, depending on the transaction involved, and may run for as long as 20, 25, or 32 years.

In addition to interest, the borrower under an FHA mortgage pays an annual insurance premium of one-half of 1 percent, in most cases, of the average outstanding principal. Out of this premium FHA pays its operating expenses and sets up a reserve fund to pay losses. Credits to this reserve have apparently amounted to about one-fourth of 1 percent of outstanding balances. If a mortgagor defaults, the mortgagee has the task of foreclosing. After foreclosure, he may turn the title over to FHA and in exchange obtain debentures payable by FHA and fully guaranteed by the United States, which are negotiable, bear interest at not more than 3 percent, and mature 3 years after the maturity of the defaulted mortgage. In practice, FHA has called such debentures very soon after issue. It is that difference, the very important difference between the way the mortgagee is treated, and what he has to do in the case of FHA, and what would happen under the proposal in title III, about which I think there was some confusion yesterday.

Under the cooperative financing plan, the proposed National Mortgage Corporation for Housing Cooperatives would obtain its initial capital of $100,000,000 from the Treasury, as other housing agencies such as FHA, HOLC, and the Federal home-loan banks obtained their capital, and would be authorized to have outstanding eventually not more than $1,000,000,000 of debentures. These debentures would not be guaranteed, but would provide that, if the Corporation defaulted on its debentures, it would exchange them for debentures fully guaranteed by the United States which would be negotiable, bear interest at not more than 3 percent, and mature 3 years after the maturity of the original debenture.

Cooperative associations or nonprofit housing corporations would be able to borrow from the Corporation only for the construction of housing for middle-income families. Before borrowing from the Corporation they would be able to obtain a certain amount of technical assistance from the Housing and Home Finance Agency, and, if the project looked sound, a loan for planning and development from the HHFA, which would be paid off from the proceeds of loans from the Corporation.

Property loans from the Corporation would run for as long as 50 years, and would provide for possible extensions to a maximum of 63 years. The loans would bear interest at the rate determined by the Corporation so as to cover the cost of money to the Corporation, operating expenses, any reserves the

Corporation might decide on, and a sum equivalent to one-fourth of 1 percent of the outstanding loan balance to be credited to an insurance fund against which losses on mortgages would be charged.

The maximum amount of loan would be the cost of the borrower's project, but the borrower would buy stock in the Corporation equivalent to 2½ percent at the time of application, another 2½ percent on completion of construction, and 5 percent during the succeeding 20 years. When the loan had been paid down so that the remaining balance was equal to the amount of the borrower's stock, the stock could be applied as payment in full. The report of the Senate Committee on Banking and Currency calculates that a 50-year loan would be paid off in this way in 36 years. When the private capital in the Corporation amounts to one-half of the Government capital, the Corporation would begin retiring the Government capital.

Mr. President, I hope the statement I have just made will clarify the question about the interest rate which may be charged by the proposed Corporation.

Senate bill 2246 is the latest, and I think probably not the last, of a series of legislative actions and proposals designed to provide special Government aid to enable the American people to obtain housing of higher quality and at lower prices than might be available without such aid.

The major question is whether this chain of development, in which Senate bill 2246 is the latest link, has gone further than is necessary and is leading to the establishment of special privilege groups and to the accumulation of financing procedures which will operate as inflationary stimulants, with the danger of overbuilding and a subsequent collapse of values.

Mr. President, I think the analogy which has been referred to in the debate on the floor, as between this bill and the HOLC, is a completely erroneous one. The circumstances of the initiation of the HOLC were exactly the opposite of the circumstances which exist today. The objection of the Federal Reserve Board to this proposed legislation is primarily, I think, on the ground of its influence upon the fiscal situation of the Government.

In that respect, I wish to say a word with regard to the committee. At the last minute, in fact, on the last day, after the hearings were closed, and when the committee were seeking to mark up the bill, the committee asked the Federal Reserve Board to submit its opinion on the proposed legislation. It had not been submitted to the subcommittee on housing and had not been studied by the members of the committee. The Chairman of the Federal Reserve Board, Mr. McCabe, came before the committee and submitted a report disapproving of title III of the proposed legislation.

Later, because of the long experience of the former Chairman of the Federal Reserve Board, Mr. Eccles, I sought to have him appear before the committee and give his personal views about this proposed legislation. As everyone knows, he was Chairman of the Board of Governors of the Federal Reserve System for many years—from 1936, as I recall, until last year. The committee voted against having any further statements. So I personally requested a statement from former Chairman Eccles on the question of the effect of the proposed housing finance on the Federal Reserve policies. By that I mean particularly what would be the effect of the issuance of the debentures by the proposed corporation upon the policies of the Federal Reserve System, which as everyone knows are supposed to bring about as much stability in our economic system as they possibly can.

The province of the Federal Reserve System has been greatly complicated by the enormous size of the national debt, and they now have difficulties in commating a tendency to inflation. So I think this statement is a very good one. Unfortunately, under the time limitation under which we are operating, I do not have time to read it. Therefore, I ask unanimous consent that it be printed at this point in the RECORD, as a part of my remarks. I want to make it clear that this statement was furnished by Governor Eccles at my request.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EFFECT OF HOUSING FINANCE ON FEDERAL RESERVE POLICIES

STATEMENT PREPARED BY REQUEST BY MARRINER S. ECCLES, MEMBER OF BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Under title III of Senate bill 2246—the Housing Act of 1950—the obligations which would be issued by the proposed National Mortgage Corporation for Housing Cooperatives would compete directly with Government securities in the money market. They would be purchased largely by banks and other investors, which otherwise would probably hold Government securities. As a result, either the Federal Reserve would have to purchase additional Government securities, thus creating new bank reserves, or prices of Government securities would decline, i. e., interest rates would rise.

Although the protective aspects of the Corporation's obligations authorized by the bill are designed to be similar to those of FHA mortgage insurance, there are important differences between the two. Apart from the original capital of the Corporation, the funds extended by the Corporation would be private funds, but the ultimate lender, i. e., the purchaser of the debenture, is more adequately protected against difficulties and risk of loss than is the mortgagee or holder of an FHA-insured mortgage. If the Corporation defaults on a debenture, it itself makes the exchange for a guaranteed debenture, whereas if an FHA mortgagor defaults on his mortgage, FHA makes the exchange of the mortgage for a guaranteed debenture after the mortgagee has foreclosed and obtained title to the property. It would be reasonable to expect, moreover, that the Corporation would have less occasion to make use of the guaranty because, while FHA issues guaranteed debentures for every individual mortgage which is foreclosed, the Corporation would not have to issue guaranteed debentures in exchange for its other debentures until a very large proportion of its mortgages had gone bad and its capital surplus, and reserves had been impaired to a point where the Corporation could not meet its obligations.

For these reasons and because of the other safeguards, the Corporation's debentures issued to obtain new funds should have an even more favorable market than the obligations of other Government Corporations, such as Federal Land Banks, which are not protected in the same manner, and would be in effect the same as guaranteed Government securities. The competition which would arise in the market between Government securities and obligations of the Corporation would, therefore, be very direct. Most of the buyers of the debentures would be banks, institutions, and other investors that would probably otherwise hold Government securities.

As the bill stands, the Corporation would have a great deal of discretion about the gross interest rate to charge borrowers and the mortgage maturities to permit. The Corporation would probably be able to borrow at slightly above the long-term Government rate, and the lowest gross rate to borrowers might be little over 8 percent, although it would have the authority to charge higher rates and build up reserves. On the other hand, by issuing short-term debentures, the Corporation might get its money as low as 1¼ or 1½ percent, which might permit a gross rate much lower than 3 percent.

If the Corporation were to obtain funds for long-term mortgage lending by borrowing substantial amounts on short-term obligations, it would not only run the risk of adverse market fluctuations, but it would in all likelihood obtain these short-term funds largely from expansion of bank credit. This could be undesirable in a period when general credit policy was directed toward limiting expansion of bank credit.

In view of the safeguards with respect to capital of the Corporation and insurance reserves against the debentures included in the law, it is unnecessary to add the undesirable feature of what is in effect a direct Government guaranty of the debentures. The Corporation should be able to borrow on terms just as favorable as the Federal land banks and the home-loan banks, which now have no such guaranty. The debentures then would be more truly of the nature of private obligations and compete less directly with Government securities.

The practice of issuing securities guaranteed by the Federal Government was abandoned many years ago because such issues came to be viewed as practically the same as direct Government obligations and were an indirect means of keeping the expenditures out of the budget. Issuance of guaranteed obligations has the same effect as an increase in the public debt. Investors buying the new securities might sell direct obligations of the Government. Either the prices of Government securities would fall and interest rates rise or the Federal Reserve would have to support the market by buying securities, thus creating bank reserves.

Action by the Federal Reserve of this nature might at times be inconsistent with major aims and statutory obligations of the Federal Reserve. An excellent description of the appropriate aims and procedures of Federal Reserve policies is given in a recent report of the Subcommittee on Monetary, Credit, and Fiscal Policies of the Joint Committee on the Economic Report, after conducting a comprehensive inquiry under the chairmanship of Senator DOUGLAS. This description may be summarized and paraphrased approximately as follows:

The role of the Federal Reserve in our economy is to supply the banking system with adequate lending power to support a growing and relatively stable economy and to exercise restraint upon excessive credit expansion that will lead to instability. This task has been made exceptionally difficult by the tremendous wartime growth of the public debt, the pervasive distribution of Government securities among many holders, and the tendency of these holders to view their securities as liquid assets readily convertible into money to be spent or otherwise invested.

Attempts to sell these securities, unless buyers are readily available, tend to lower their prices, which means a rise in interest rates. In the absence of a demand by other investors, declining prices can be prevented only by Federal Reserve purchases. But any expansion of Federal Reserve credit has the effect of supplying banks with additional reserve funds, on the basis of which the banking system by lending or investing and relending can expand bank credit, and the volume of money, by many times the amount of the reserves supplied.

This process of monetary inflation can be somewhat restrained by limiting Federal Reserve purchases of Government securities. As the Douglas subcommittee report pointed out,[1] "the essential characteristic of a monetary policy that will promote general economic stability is its timely flexibility." But Federal Reserve policies cannot be varied in response to changing needs without affecting interest rates. For the Federal Reserve to endeavor to maintain a rigid level of interest rates would mean supplying all credit demands in time of expansion and absorbing all of the unused supply of credit in times of contracting demands. Such policies would tend to create instability, because they would tend to reinforce both the expansion and the contraction phases of economic fluctuation.

Another general point which should be kept in mind is that there are many interest rates which reflect, on the one hand, varying degrees of risk and liquidity involved in different obligations and, on the other hand, the supplies of funds that may be seeking relative safety and liquidity at the sacrifice of higher return or vice versa. For example, the Treasury can borrow at between 1 and 1¼ percent on short-term obligations and at less than 2½ percent on long-term bonds, while business borrowers at banks pay from 1½ to more than 6 percent, depending on the size and risk of the loan, and consumer loans carry higher interest charges. These differences in the structure of interest rates must be taken into consideration in the determination of Federal Reserve policies.

What bearing do these observations have on housing finance and housing legislation? An important aspect of most of the housing legislation of the past two decades has been to make it possible for lenders to tap money markets at lower rates of interest and on more favorable terms than were previously available. These were and are, on the whole, desirable aims, as institutional arrangements in the mortgage market have had much need for improvement. Particularly during periods of depression and substantial unemployment it was most helpful to facilitate the flow of available investable funds into the mortgage market at reduced rates of interest. It is quite another matter, however, to adopt measures which will lead to the creation of new money to finance construction at a time when activity is already fully utilizing available supplies of material and labor and prices are higher than a large portion of potential buyers can afford.

The aim of many of the measures adopted and proposed has been to lower the cost of housing by obtaining low interest rates on mortgages—an important cost of home ownership. This is generally done by attaching some sort of Government insurance or guarantee to the mortgages or to the obligations of mortgage lending agencies or by providing facilities for increasing their liquidity. One result is that these obligations can tap sources of loanable funds that would otherwise not have been available to them. The lower rates and increased availability of funds tends to stimulate borrowing.

[1] Monetary, Credit, and Fiscal Policies, report of the Subcommittee on Monetary, Credit, and Fiscal Policies of the Joint Committee on the Economic Report, January 23, 1950, p. 19.

Obligations guaranteed or insured by the Federal Government are to a considerable degree competitive with Government securities; therefore an increase in such obligations is likely to result in a decline in prices of Government bonds, i. e., a rise in interest rates. In the absence of a large unused supply of loanable funds in that sector of the market, the only way a general rise in interest rates could be avoided would be by Federal Reserve purchases of Government securities, which would mean the creation of new money.

Thus the issuance of additional amounts of obligations directly or indirectly guaranteed by the Federal Government would have the effect either of depressing the prices of Government securities or of requiring creation of supplies of new money by the Federal Reserve. In the case of the first alternative, the benefits of lower interest rates expected by the sponsors of the measures to provide cheaper housing would not be fully realized and, in addition, all other Government securities would decline in price. In the latter case the inflationary policies might result in higher prices. Whether such a result ensues depends upon the general economic situation at the time.

It is because of these possible consequences that the Federal Reserve has a particular interest in housing finance and in the various legislative proposals that have been made. Their effects on the economy, and perhaps their success in accomplishing their objectives, will in the final analysis influence, or be influenced by, Federal Reserve policies.

While the monetary consequences of financing the amount of debentures proposed under the present bill might be slight, the principle, however, is one which, if adopted in a moderate amount for one purpose, might well be extended in magnitude and scope. It is difficult to provide special privileges to one group and deny them to others. This principle, if widely adopted, could unduly stimulate housing construction at lowered interest costs and eventually undermine the values of existing houses and of mortgages outstanding against them. It would be at first an inflationary factor and ultimately lead to a deflation of values.

Mr. FULBRIGHT. Mr. President, along that line, and to show that one of the most responsible committees of the Congress feels as I do about the function of the Federal Reserve System, I wish to read one paragraph from the report of the Subcommittee on Monetary, Credit, and Fiscal Policies, of the Joint Committee on the Economic Report of the Congress of the United States. The chairman of the subcommittee was the Senator from Illinois [Mr. DOUGLAS]. This is a recommendation, I may say, which the committee made to the Congress in its report. I read now from the third paragraph on page 31:

> It is the will of Congress that the primary power and responsibility for regulating the supply, availability, and cost of credit in general shall be vested in the duly constituted authorities of the Federal Reserve System, and that Treasury action relative to money, credit, and transactions in the Federal debt shall be made consistent with the policies of the Federal Reserve.

In view of that statement, made so recently by that very important committee of the Congress, it seems to me that the view of the Federal Reserve Board should have been considered more seriously and its suggestions with regard to this proposed legislation should have been given more weight. But, of course, as all of us know, that has not been the case; and there seems to be a very great difference of view as between the majority of the committee and the Federal Reserve Board.

I wish to point out here that this question was decided by the very narrow majority of one; the decision in the committee on reporting the bill and the vote in the committee on title III was carried by a majority of one. So there was a very deep-seated difference of opinion with regard to the validity of this particular section of the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield for a brief question. As the Senator from Illinois knows, I have only a few minutes.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator for a question.

Mr. MAYBANK. I was going to suggest that the time consumed as a result of the question the Senator from Illinois desires to ask can be taken from the time I have at my disposal.

The PRESIDING OFFICER. Does the Senator from South Carolina yield time for that purpose?

Mr. MAYBANK. I yield from my time whatever time may be taken from the time allowed the Senator from Arkansas by the question which is to be asked by the Senator from Illinois.

The PRESIDING OFFICER. Very well; it is so understood.

Mr. DOUGLAS. Mr. President, I take it that the Senator from Arkansas is aware of the fact that the Chairman of the Federal Reserve Board, Mr. McCabe, of whom I have a very high opinion, took the absolutely inconsistent position that the original $2,000,000,000 provided for cooperative housing was inflationary, but that the $3,225,000,000 provided for FHA was not inflationary. I submit that the Federal Reserve Board has been completely confused on this subject and has been riding its horses in opposite directions.

Mr. FULBRIGHT. Mr. President, in response to the Senator from Illinois, who of course is a very accomplished economist, I should like to say that as I read the statement of the Federal Reserve Board—not the debate in which the Senator from Illinois engaged, but the Board's statement, together with the statement of former Chairman Eccles, which I have just placed in the RECORD—I am unable to see the deep-seated inconsistency to which the Senator from Illinois refers.

The fact of the matter is that the statement of former Chairman Eccles and the statement of the present Chairman of the Federal Reserve Board, which did not go into this question to anywhere near the same extent as did the statement which I have just placed in the RECORD, make a very important distinction between the character of the securities to be issued by the proposed corporation, the new bureau which is to be created by title III, and the insurance of mortgages under the existing FHA program. In his statement Mr. Eccles points out how much more competitive these debentures will be, how much more like existing Government bonds they will be, how their tendency will be to drive

down the price of bonds, which in effect will make the Federal Reserve System purchase those bonds, under the present policies of the Government—largely dominated, I may say, by the Treasury, I think—in direct opposition to the recommendations of the distinguished Senator from Illinois in the report from which I have just read. A few moments before the Senator from Illinois entered the Chamber, I was recommending to the Senate that all Senators study carefully the report of the Senator from Illinois. In that report, which was dictated largely by the Senator from Illinois, Senators will see the true doctrine, which I think is entirely inconsistent with his present position with regard to the effect of title III of this proposed legislation.

The PRESIDING OFFICER. The Senator from South Carolina is advised that 3 minutes of his time have been consumed by the colloquy.

Mr. MAYBANK. I thank the Chair.

Mr. FULBRIGHT. Mr. President, if we are speaking of inconsistencies, I would say that the difference between the present position of the Senator from Illinois and the position of the Senator from Illinois in his own report with regard to this proposed legislation is much more marked than is the difference or the inconsistency between the position which the Federal Reserve Board took on the $2,000,000,000 proposed in title III and the position it took on the $3,000,000,000-plus under the other titles of this bill. I think the difference in the character of the financing that is to be used under title III is quite sufficient to distinguish it from the other method which is to be used, namely, that used for the insurance program under FHA. Certainly that point is made very clear, and I think quite persuasive, in the statement of Mr. Eccles, which I have just placed in the RECORD.

Mr. President, let me inquire how much time I have remaining.

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. FULBRIGHT. Mr. President, I shall have to submit for the RECORD, without reading, certain of the material which I have before me. I desire to make a record. I wish to call the attention of the Senate to an article appearing in this morning's Washington Post, and in a moment I shall request that the entire article be printed in the RECORD. However, I wish to call particular attention to the last paragraph of the article, which quotes a statement made by the former Chairman of the Federal Reserve Board, Mr. Eccles, when he appeared before a congressional committee in 1947:

> The more the backlog of demand for housing is filled at exorbitant prices now, the smaller will be the cushion under the entire industry when prices come down, and therefore, the more intense the deflation in the industry will be.

In other words, Mr. President, that is the central point, namely, that at this moment we have had a very satisfactory building program. A month ago everyone was complimenting the country on having maintained a million-unit pace last year, and I would say that everyone thought that was satisfactory.

Now some persons desire to put on top of that an additional program, involving no one knows how much money, in the end, to step up that program, which will mean higher prices not only for the newer homes but for all homes, because of the higher prices of material and labor. That will induce the instability which all of us say we do not like to have in our economy.

It seems to me, Mr. President, that it would be much better if we could try to maintain a fairly level building program, somewhere in the neighborhood of a million units a year over a period of 5 or 10 years, rather than to step up the program to a million and a half units a year now, and then have complete collapse after 3 or 4 years. I think the influence of this legislation, particularly title III, would be to make for much greater instability in the entire industry than there would be if we were to let it go along under the existing legislation, which I had thought we would do. That is the inherent evil of this kind of stepping up and pouring on in a situation which is already booming. I refer to the additional demand for housing.

Mr. President, I ask that the entire article from the Washington Post dealing with the subject be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLITICAL ECONOMY—PIECEMEAL-PLAN DANGER SHOWN IN HOUSING BILL

(By Ysabel and Robert Rennie)

The administration's controversial middle-income housing bill, which has been reported out of committee in both Houses, reached the Senate floor last Saturday.

There are really three housing bills. One was voted by the House last session; the second has just come out of the House Rules Committee; while the Senate bill embodies the provisions of both House measures. These bills are trying to increase the housing supply in several ways: (1) By guaranteeing larger loans to veterans ($7,500 instead of the present $4,000); (2) by providing very low interest rates on loans to housing cooperatives; (3) by lowering present high building standards for FHA mortgages in outlying areas; and (4) by increasing the amortization period on mortgages—that is, the time allowed for repayment of the principal.

The most controversial provision is that for direct loans to housing cooperatives. The legislation as now written would establish a National Mortgage Corporation for Housing Cooperatives. This corporation would make mortgage loans to housing cooperatives to provide homes for the middle-income group, those families making somewhere between $2,800 and $4 400 a year. The loans would run for 50 years, and bear interest at a rate the sponsors believe would not, at least for the initial loans, exceed 3 or 3⅛ percent.

THREE PERCENT INTEREST

Under the usual mortgage terms (20 year amortization, 4½ percent interest), a $10,000 mortgage costs $63.30 a month for principal and interest. A 50-year mortgage at 3 percent would only cost $32.20. This difference would bring home ownership well within the capacity of present middle incomes in this country.

The question arises: Why do two-thirds of all families need Government assistance to afford decent housing?

The answer lies in the high cost of construction, a high cost, which goes back in large measure to the feast-and-famine nature of the industry. Low productivity, restrictive labor practices and speculation all arise from the same underlying cause.

The Government hopes to solve high-cost housing by low-cost mortgages. This policy, by making money cheap, has given builders fewer incentives to cut costs and has thereby contributed to the amount of water in postwar construction.

Today we are faced with the situation where the market for expensive houses has been tapped. If the building boom is not to collapse, there must either be lower costs or still cheaper financing. The housing bill proposes the second solution.

Under FHA's system of equal monthly payments on mortgages, very little is repaid in the first few years. The older system of amortization provided larger total installments at the beginning, when the house was new, and as the house grew older, the payments dwindled until the whole principal had been paid.

The FHA system, introduced at the bottom of the depression, has never had to meet the test of declining real-estate values. Suppose we extend this principle to 40- or 50-year mortgages, as the present bill proposes. The house would grow older, comparable rentals would decline, but the burden of monthly payments would be exactly as great in the forty-ninth year as when the house was new.

COSTS INFLATED

Today's housing costs are highly inflated. Under this bill a home buyer could commit himself to a lifetime obligation on the basis of a speculative home price. When the present housing boom is over millions of home owners will be struggling with mortgages higher than the value of their homes. They would be able to rent comparable quarters for much less than their monthly mortgage payments.

In 1929, just before the crash, mortgage debt in this country totaled a little over $19,000,000,000. Today it is more than $38,000,000,000.

When business activity declines, millions of home owners will default through no fault of their own. For most of the others the struggle to keep their homes will mean curtailed spending on food, clothing, and consumers' durables. By cutting off consumer spending when it is most needed, this will tend to intensify the decline.

The present legislation, however well-intended, shows the danger of piecemeal planning. In a clumsy attempt to get middle-income housing, it will have unsettling effects on our control of credit, the costs of building, our debt structure, and on the whole price level.

The bunching of construction in a speculative boom like the present one will only add to the instability of our economy. As the then chairman of the Federal Reserve Board, Marriner Eccles, told a congressional committee in 1947:

"The more the backlog of demand for housing is filled at exorbitant prices now, the smaller will be the cushion under the entire industry when prices come down, and therefore, the more intense the deflation in the industry will be." Plain talk, and very much to the point.

Mr. FULBRIGHT. I also have an editorial from Life magazine of March 13, 1950, entitled "Leaky Housing," commenting upon the same subject, which I think would be interesting to the Senate. I ask that it be inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LEAKY HOUSING

Readers of this page are aware that we distrust the excessive spread of state welfarism. This week, however, we are taking

a leaf from the welfarists' book and judging a pending administration proposal by their standards. The measure we have in mind is intended to supply housing to so-called middle-income groups, and by accepted welfare standards it is a bad piece of legislation.

In the old days the ideal criterion of a good law was that it should apply to everyone impartially, whether poor, rich or of the "middle condition." But such Olympian evenhandedness could not withstand the march of history and the irony of people like Anatole France, who once remarked that "the law in its majestic equality forbids the rich as well as the poor to sleep under bridges." Under a changing conception of fairness, discrimination between classes has come to seem socially right when it is applied to such things as income-tax rates and aid to the needy. It has never been deemed right, however, to permit discrimination between people in identical categories: even the advanced state welfarist professes to believe that equals should be treated equally.

The proposed middle-income housing legislation actually promises to treat equals unequally. The bills now pending before the Banking and Currency Committees of the two Houses of Congress would make home-purchase money available at 3 percent interest to citizens in the middle-third income bracket (roughly $2,700–$4,000 a year). In addition to the low interest rate the bill would provide amortization of loans over a 50- or even a 60-year period. But to get this easy money the applicant must first elect to become a member of a Government-financed housing cooperative. This is where the discrimination between equals comes in. For, where a cooperatively minded householder would be getting his money at 3 percent with a lifetime to pay it off, middle-income people who prefer to obtain houses on their own would still have to pay 4 percent or more, even with FHA help. As for the 1,750,000 veterans who are now getting housing money at 4 percent with a 25-year amortization privilege, many of them are in the middle-income brackets. Would they take the sight of other middle-income people getting 60-year amortization money at 3 percent without screaming to high heaven about the very obvious injustice of it all?

If the new middle-income housing bill passes Congress it will, in effect, drive the general mortgage rate down toward 3 percent. Equals will insist on being treated equally. This would undoubtedly serve to stimulate the housing market, but what practical good would such stimulus do as long as the Nation is already in the ecstatic throes of a housing boom? One million new homes are in the works for 1950, and labor, lumber, contracting charges, and architects' fees are already sky high The net effect of cheaper money would not be more homes; it would be costlier labor and more expensive Douglas fir and white pine with resultant hardship on all home builders, rich or poor.

Government has entered the area of housing to stay; even such antistatists as Senator TAFT are willing to vote for public-slum clearance and low-cost public housing. But in housing, as in other things, Government will do well to stick to the principle of treating equals equally. Otherwise, even by welfarist standards, Government will become an abhorrent monstrosity.

Mr. FULBRIGHT. Mr. President, I also want to call attention to a letter on this subject which I received today. It relates to a question which has been discussed in the committee, namely, that if we set the new interest rate lower than the existing rate of interest on FHA and VA, there will immediately be pressure to lower the interest rate and to give the same amortization terms as we are giving to the cooperative housing. In a letter I received, dated March 9, from the Director of the Veterans of Foreign Wars, he made exactly that point; and here it is, before the legislation is passed, a letter in which he is already requesting that amortization terms of the VA mortgages be extended. I should say it would not be 2 weeks until all others interested in housing will be wanting to have the same privileges, which, as we said in committee, would have the effect of a general lowering of all interest rates on housing and, in the long run, would mean an increase in subsidy from the Federal Government. Furthermore, in the long run, there is serious question whether, having taken on these obligations at the very top of the building boom, there will not be a great loss to the Government. I think most of us are reconciled to there being a loss, but when we cut down the interest rate, all we are doing is to increase the ultimate loss to the Government. That is what I mean by saying we are increasing the subsidy. That would be the effect. The idea that there is some magic about lowering the interest rate, and that no one is going to have to pay for it, is a lot of nonsense. If that be true, why do we not eliminate entirely the interest rate and give them the money? If there is any logic in the idea that this is all net gain, and no one pays for it, then we ought to go on and abolish all of it and give everyone a house. That should be perfection to those who support title III.

Mr. President, I am not sure whether the editorial published in this morning's Washington Post, entitled "Co-op Housing Bill" was inserted in the RECORD. I. not, I ask that it be inserted in full at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CO-OP HOUSING BILL

Senator SPARKMAN'S middle-income housing bill on which the Senate will vote today has many appealing features. It is designed to aid a group that is said to benefit little from the present FHA and public-housing programs. The bill would transfer most of the burden of financing the program from governmental to private shoulders. It would doubtless stimulate the cooperative movement which Americans have found useful in meeting many other economic problems outside the housing fields. Nevertheless, we are persuaded that enactment of the bill at this time would not be in keeping with the best interests of the country.

One significant fact is that a vast number of homes are now being built—most of them with governmental aid of one sort or another. The total reached more than a million homes last year; this year the estimate is 900,000 dwelling units. While it is true that a great many of these are beyond the economic reach of middle-income families, Senator SPARKMAN himself pointed out that about 51 percent of the homes financed with the aid of FHA in 1948 were purchased by families with annual incomes from $2,400 to $4,200. This is the group that the cooperative housing bill is especially designed to aid. Most of these low-cost FHA homes are in the low-building-cost areas rather than in the big cities. It should not be assumed, however, that the existing programs discriminate against middle-income families.

The major objection to giving cooperative housing associations the extremely generous incentives provided in the Sparkman bill is the one voiced by officials of the Federal Reserve Board and reiterated on the Senate floor by Senator TOBEY. The bill would permit the proposed National Mortgage Corporation for Housing Cooperatives to lend co-ops 100 percent of the development cost of their projects over a period as long as 50 years at an interest rate estimated at from 3 to 3¼ percent. If the program should prove to be successful, the effect would be to give our economic system a strong shot in the arm at a time when it is already operating in high gear. That is what the Federal Reserve officials told the committee in guarded technical language. "If amortization is stretched further to 50 and 60 years in periods of high activity like the present," said Winfield Riefler, the Board's chief economist, "you are setting a precedent throughout the mortgage market that might come home to roost very seriously." This is no time to court inflation. If the country were in a depression, the situation would be an entirely different one. The bill has been modified to meet this criticism in part, but we doubt that it has been modified enough."

Closely related to this point is the question of whether the Government should, as a matter of policy, offer mortgage money at 3¼ percent to co-ops when private builders must pay 4½ percent under FHA. In addition to that favored treatment, the Sparkman bill would set up a special agency to give technical assistance to housing co-ops and to make advance planning loans to them. In order to take advantage of these benefits, groups having no cohesive unity might be encouraged to venture into cooperative housing. We cannot help thinking that the bill provides too much nursing for a movement which, after all, owes its strength to private initiative on a cooperative basis. In this connection it is well to remember that the present law gives cooperatives an opportunity to operate under FHA. Senator TOBEY makes a strong case for further perfection of this method instead of launching a new rival program.

More important, however, are the over-all economic objections to the Sparkman bill at this time. Economy is required to steady the general economy and to ready it in case of emergency needs. The Government has already gone too far with socially desirable programs that it cannot finance with the present tax structure. When to this fact is added the danger of upsetting the mortgage market with overly liberal credit pushed out through Government guaranties, the case for rejection of the bill by the Senate seems to be very strong.

Mr. FULBRIGHT. I merely want to call attention, for the purpose of the RECORD, to the testimony of Mr. McCabe, as it appears on page 374 of part 2 of our hearings. I shall not take the time to read it at this moment, but it made very clear the attitude of the present Board of Governors of the Federal Reserve System toward the pending legislation.

I have certain remarks, of a more general nature, which I have prepared, but which I do not have time to read. I ask that they be inserted at this point in the RECORD. These are my own remarks, and I desire them inserted in the RECORD, in order to complete my statement.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

S. 2246 is the latest, and probably not the last, of a series of legislative actions and proposals designed to provide special Government aid to enable the American people to obtain housing of higher quality and at lower prices than might be available without such aid.

The major question is whether this chain of development, in which S. 2246 is the latest link, has gone further than is necessary and is leading to establishment of special-privilege groups and to the accumulation of financing procedures which will operate as inflationary stimulants with the danger of overbuilding and subsequent collapse of values.

The early actions of the Federal Government to intervene in housing problems were reasonably successful before the war in achieving their purposes, which were mainly to encourage the formation of stronger mortgage financing institutions, to secure greater mobility of funds available for mortgage lending, to relieve distress—on the part of both mortgage lenders and debtors—and to provide a method of distributing the risk of home ownership and financing in such a way that people would be willing to take their proper share of the risks.

Before the war, the Federal Housing Administration was successful in achieving a distribution of risks which made for wide acceptability of insured mortgages. This led to the use of the insured mortgage as a device by which the Federal Government assumed the risk of emergency building during the defense and war periods, and since the war, the Government has continued to assume a larger part of the risks of lenders and builders than was necessary or desirable.

The prewar progress toward raising standards of construction has been halted, and the Government has become a party to lowering standards, and shares the risk of this deterioration with the borrowing home owners. In the case of rental housing, the owners do not even share the risk, the Government carries practically all of it.

The borrowing home owner has been encouraged to overlook his risk by being able to obtain insured loans almost large enough to cover, in many cases, the entire cost of the property, and by having his monthly payment cut—both through low interest rates and through long amortization periods—to a level that is in many cases less than the cost of renting.

All of this has been done with the object of broadening the market for housing. Toward the end of the war it was decided that the market had been made so broad that veterans returning from the services would not be able to compete successfully for housing. So an entirely separate program, providing still easier financing terms, was provided for veterans—but without curtailing any of the easy terms on new housing available to nonveterans.

Maximum interest rates have been legislated at a level which is so low as to stimulate demand beyond the supply of savings available. So the Government is forced to advance the funds through "Fannie May," thus adding to the Government deficit and inflating the cost of housing. It is now proposed in S. 2246 that the Veterans' Administration have power to make direct loans, using additional Government money. Maturities have been lengthened so that 25 years has become common, and, under some programs, 30 years is possible.

This easing of terms has been introduced at a time when demand would have been strong enough in any case to absorb the supply of housing that could be made available. People wanted houses. Enough of them had funds for larger down payments, and had sufficient incomes to support larger monthly payments.

It has been argued that not every family could have met the more traditional terms. This is true, but it is also true that even under the best of circumstances, not every family can have a new house. The supply of housing can be increased only slowly, even when building goes forward at capacity. The 1,000,000 houses built in 1949, for example, added only about 2½ percent to the total supply. The bulk of the families must depend upon existing houses for their homes.

When demand for housing rises rapidly, as it did after the war, building is stimulated. But building cannot be increased indefinitely. When demand increases faster than building can increase, consumers are bidding against each other for land, labor, and materials to build new houses, and for possession of old houses.

So the fact that not every family could have met more traditional mortgage terms does not mean that the easier terms got many more families into houses. Under more traditional terms, many families would not have been in the market. With the easier terms, many families have been priced out of the market. More houses may have been built since the war in the very strong market which Federal programs have helped to produce than would otherwise have been built. But it may be doubted that this additional building will compensate for the inflation of building costs and property values which has also resulted.

Problems have been raised for the future. We have used extremely easy terms during a period of high economic activity and demand for housing, when people had large amounts of accumulated savings. What terms shall we offer in a period of lower economic activity or slack demand for housing, or when people's savings are smaller or needed for other purposes? We may very well find that the cheap credit we have offered in recent years will turn out to be very expensive.

These programs have not only created inflation in the housing market, but have also added to general monetary inflation. Widespread extension of credit on mortgages, stimulated by the Federal programs, has resulted in over-all monetary expansion. At a time when Federal Reserve authorities were attempting to restrain inflationary pressures by appropriate actions to make credit more difficult to obtain, insurance companies and other investors in Government securities have been encouraged to sell such securities and obtain insured mortgages. The Federal Reserve has had to support the market for Government securities and indirectly that for insured mortgages. In this process additional inflationary bank reserves have been created.

Title III of S. 2246: In part, the provisions of title III reflect the competitive deterioration of standards which has developed in mortgage-financing programs during the past decade. Just as it was felt necessary to make terms under the Servicemen's Readjustment Act somewhat easier than those available under the FHA programs of the time, and then to successively relax terms under both programs, it is now felt necessary to ease terms for middle-income families who want to try obtaining housing through cooperative efforts. It is difficult to see what other effect progressive relaxation of terms by Government action can have, or whether the process can logically stop. Someone is always likely to be priced out of the market by relaxed terms which sustain inflation. And there will always be someone who cannot meet even the easiest terms.

The conclusions that may be drawn from an appraisal of the bill and comparisons with existing legislation may be summarized as follows:

1. The middle-income cooperative-housing provisions would within the limits established by the act stimulate the building of cooperative projects, because of the more favorable terms than would otherwise be available.

2. These projects would have definite advantages in competition with existing and other newly constructed projects and would tend to depress the markets for other housing.

3. Purchasers of the Corporation's debentures would be much more adequately protected against risk and the inconvenience of foreclosure and default than is generally the case for other Government corporations such as Federal-land banks and home-loan banks.

4. The debentures would be practically the same as Government-guaranteed obligations, thus in effect restoring a practice which was abandoned years ago as undesirable.

5. Under the guaranties and safeguards now in the bill, the Corporation should be able to borrow in the money market in competition with Government securities at only slightly higher rates.

6. The effect on the monetary situation of the issuance of such securities would be practically the same as a government deficit. Purchasers would either sell or refrain from buying Government securities in the form of direct obligations. Banks, and to some extent the Federal Reserve, would then have to buy more Government securities. The result would be an expansion in bank credit and the supply of money, that is, a credit inflation.

We should be moving away from, instead of further into, the kind of program that has developed toward socialization of housing credit.

Mr. FULBRIGHT. Mr. President, do I correctly understand that I have consumed all my time?

The PRESIDING OFFICER. The Senator had one more minute, when the Chair advised the Senator, provided he did not take into consideration the 3 minutes that had been used by the Senator from South Carolina [Mr. MAYBANK].

Mr. FULBRIGHT. I thought the Chair had indicated that my time was up.

I can only say I hope the title III will be stricken from the bill. In my opinion, everything that can be done under title III can be done under the remaining sections of the bill, the only difference being on the extent of the cost. I mean it is a larger subsidy. It is a device to give a larger subsidy to a particular group. I think that is the only substantial difference. The other difference is that the impact upon our economy is much greater, under the particular kind of financing that is provided in title III. The impact is much greater than under the regular FHA method of financing.

Mr. MAYBANK. Mr. President, I do not desire to go into any lengthy speech again about the interest rate. No interest rate is provided, and so I send to the desk an amendment to make the interest rate 4 percent. There has never been an interest rate.

The PRESIDING OFFICER. Does the Senator request that it lie on the table?

Mr. MAYBANK. I request that the amendment be read, and that it be voted on.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 89, in line 22, after the word "rate", it is proposed to insert the words "which shall not be less than 4 percent per annum."

Mr. MAYBANK. Mr. President, I desire to make a brief statement. I know that publicity throughout the country has been disseminated in a desire to defeat title III. Everyone should know that there is no interest rate provided

in the bill. Because a witness came before the committee and testified that he thought they could get money at 3 percent or 3½ percent, the press and radio have picked it up and have stated that we have included an interest rate. We have not. The rate might be 6 percent, it might be 3 percent, but the bill as reported, does not fix an interest rate. I stated yesterday, and I now repeat, if any Senator can show me that there is an interest rate provided in the bill, I, myself, shall vote against the bill.

The original bill introduced last year carried an interest rate. At the request of the Senator from Alabama [Mr. SPARKMAN] the bill was held up, and an amendment to the bill was offered last year to make it plain that no interest rate was fixed on any Government guaranty. It is easy enough for those who do not want title III, who do not want provision made for middle-income families and for veterans with children so that they may have decent places in which to live, to broadcast misinformation.

The Senator from Arkansas referred to a letter from the Veterans of Foreign Wars. I received a similar letter this morning. They complain about the implications of section 606. I ask that the letter be made a part of my remarks at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D. C., March 13, 1950.

Senator BURNET R. MAYBANK,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAYBANK: This office is very much disturbed over the implications of section 606 of the additional amendment in the nature of a substitute in the bill, S. 2246, which would grant to the President the authority to reduce maximum principal amounts, ratios of loan to value or cost, or maximum maturities of any type of loans for housing which may be insured or guaranteed by a Goverment agency.

This section was not contained in the original bill, or first amendment, which served as the basis for hearings early this year and in 1949. Apparently the section was placed in the bill at the request of the Administrator of the Housing and Home Finance Agency and considered by the committee in executive session. As a result, neither this organization nor the other proponents of the bill had an opportunity to voice their objections at the hearings on the measure.

The implications of the section, particularly as it affects the Servicemen's Readjustment Act of 1944, are far-reaching. No longer will the veteran have the statutory protection of loan guaranty granted him by a grateful Congress in 1944. The President upon the recommendation of some other agency, not concerned with the GI home-loan program, could literally nullify this veterans' program by reducing the amount of guaranty, maturity period, and ratio of loan to value or cost.

Surely the Congress should reserve for itself the authority to adjust the housing credit of the Nation. Surely the Congress should reserve for itself the authority to lessen the benefit granted millions of veterans of World War II in the home-loan program of the GI bill of rights.

In behalf of the members of the Veterans of Foreign Wars of the United States, I strongly urge you to reconsider this section and cause it to be stricken from the bill. Should you deem this impractical, I hope you will at least consider adding a proviso to section 606 as follows:

"*Provided,* That nothing contained in this section shall apply to loans guaranteed under section 501 of the Servicemen's Readjustment Act of 1944, as amended."

The GI home-loan program has but a few more years to run. Surely it merits a strengthening at this late date, rather than an emasculation, which enactment of this section may very likely bring about.

Respectfully yours,
OMAR B. KETCHUM,
Director.

Mr. MAYBANK. Mr. President, I yield the next 13 minutes——

Mr. TOBEY. Mr. President, will the Senator give me 1 minute?

Mr. MAYBANK. Yes.

Mr. TOBEY. In the oratorio of the Messiah, by Handel, there appear the words, "Why do the heathen imagine a vain thing?" I am paraphrasing it now and applying it to the Senate of the United States. "Why does the Senate of the United States imagine a vain thing?" What is that vain thing? It is the procedure under which we work. Here is a handful of Senators. Senators rise to speak on this important matter but no one hears them, for the Senators are not on the floor. Their words fall on the vacant air. They place things in the RECORD for the benefit of the Senate, in the vain hope that Senators may read them before they vote. Will they read them? Not until they see them in the RECORD tomorrow morning. Could there be anything more ridiculous than the procedural policy of the Senate? I ask it in all due respect. In the way we carry on the debate, not a word of it will come to most of the Senators until tomorrow. But we have agreed to vote at 4:30 today. So the words are spoken on desert air. In addition, not a word of the things that are placed in the RECORD will be seen until tomorrow morning, after the Senate shall have voted. When will we grow up? When will we begin to act as mature men? When will we change the rules of the Senate to provide some way whereby words of wisdom and pure gold, when, as, and if they flow from the lips of men on both sides of the aisle, will fall upon fertile ground, and not on arid soil?

Mr. MAYBANK. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Ninety minutes.

Mr. MAYBANK. I yield 15 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 15 minutes.

Mr. FLANDERS. I shall confine my remarks to title III of the bill, which provides for the support of cooperative housing.

First let me state the reasons for my interest in housing since my first session in the Senate now more than 3 years ago. It has been my conviction that the main concern of government in welfare should not be with equality of wealth or equality of income. It should concern itself with equality of opportunity. That is the democratic way of approaching welfare.

Equality of opportunity relates primarily to education, health, and housing, for if the citizens of the country, and particularly the children of the country, grow up in slums, are afflicted with incurable diseases and have their educations neglected, they are denied equality of opportunity . This is not bad merely for them but for the country as a whole, because such children when they grow up are easily attracted into lives of crime, but still more easily, and still more importantly, become easy recruits to communism. My interest in last year's housing bill was supported by this line of reasoning.

The present housing bill has an additional interest for me, in that it seeks to encourage cooperative housing in this country. My interest in the cooperative movement is of many years' standing and began long before my election to the Senate. It is based on my conviction that there should be an alternative to the profit system as we know it. That alternative should not be old-fashioned socialism or State socialism, or communism. The alternative is to be found in the existing cooperative movement. This movement is in reality a form of private business, though a competing form. It is likewise a great and effective means of adult education in that it gives business experience and knowledge of business problems to many citizens who would otherwise never have that experience and knowledge.

For many years, however, I have felt that the cooperative movement would not come of age and stand upon its own feet until it was treated tax-wise in the same way that any other business is treated. There is no tax discrimination in favor of some cooperative undertakings. There is such favor shown to other types. I believe the charge of unfair competition can be brought against cooperatives who are able to plough back their earnings into expansion and improvement without handicap, where other private businesses are taxed on the profits they so employ. I am looking forward to the time when the cooperative movement will come of age and when these discriminations will be evened out.

Now let us get back to the housing bill. I am interested in it because it encourages cooperative housing. This movement is seen at its best in Sweden, where many thousands of people have gotten together and, under the guidance of the overhead cooperative organization, have built apartment houses or single- and double-house suburban developments. They have had, many of them, the experience of assisting in the development, building, and maintenance of these residences. While the arrangements under which they were built gave them favorable costs under competitive conditions, there has developed among them a sense of ownership and a strong sense of the responsibilities of ownership. I believe the same development can take place in this country and that this bill makes it possible.

Let me clear up a number of misapprehensions about the bill. The Government does not lend money to the cooperatives. As the bill was first proposed, it

would have done so. I therefore voted against it in subcommittee, again in committee, and would have fought it on the floor. After our trip to Sweden, the committee concluded that private funds should be available, and the bill has been changed so that private funds in the form of debentures issued by a Government corporation are insured by the Government in exactly the same way that FHA mortgages are insured.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FLANDERS. I shall be glad to yield to the Senator from South Carolina.

Mr. MAYBANK. Is there any interest mentioned in the bill?

Mr. FLANDERS. No; there is none mentioned in the bill. I shall come to that point later.

Mr. MAYBANK. I thank the Senator.

Mr. FLANDERS. Mr. President, this Corporation itself does have governmental support. It is set up with an initial $100,000,000 of capital stock subscribed by the Government. After the capital stock reaches $150,000,000 by stock subscription by cooperative members, the additional funds are applied to retire the Government subscription. This organization pays interest to the Government the same as in the case of the Rural Electrification Administration. In that respect it differs from the irrigation bonds which pay no interest.

Not only are the Government funds expected to be retired from this Corporation, but provision is made for its becoming cooperatively managed, as is the case with the Swedish system. Its Government directors are progressively retired in favor of directors drawn from the cooperative movement. It is a self-liquidating venture.

Criticism has been made of the low interest rate which will be available to the cooperators. It should be noted that this rate is not one set in the law. It will be determined by the rate at which money can be obtained on the open market. The reasons for expecting a lower rate principally result from the fact that the cost of servicing these debentures will be very much less than the service costs on the FHA mortgages. They will be serviced by the cooperatives themselves. This being the case, the cooperatives are entitled to any interest rate which the money market feels the debentures are worth.

I mentioned the fact that the funds for setting up this organization bear interest. At the same time it should be noted that there are no tax advantages given the cooperatives. Their profits are taxed in the way that any business profits are taxed. Furthermore they are subject to full State and local taxation on their real estate. They compete on even terms with individual private building and are entitled to the lower interest rate because they perform services which make that rate acceptable to money lenders.

Finally, this deals no blow at the building industry. Bids will be advertised and accepted on the same basis that would take place with purely private housing developments, and the bill is so drawn that it will not make heavy additional drains on scarce labor and scarce material. This avoids the inflationary effect.

Why has the device of the Government Corporation been written into the bill? Why not put the whole thing directly under FHA? The reason for this is that the Swedish development has shown the necessity for a central organization to give initial guidance to corporations of citizens who wish to engage in cooperative housing. They are for the most part inexperienced in the more difficult points of business relating to real-estate development. Like all sensible American citizens they have a capacity for absorbing business knowledge and experience, and it is one of the great advantages of the cooperative movement that it educates its members in this direction, but it cannot be expected that a group of citizens would have at the beginning all that such an undertaking requires. It is the function of the Government Corporation to furnish counsel, assistance, means of financing, and perform other services until the cooperative becomes a going institution on its own.

If we can make in this country some such record as the Swedish cooperatives have built up, I am sure that every citizen will be proud of the results.

Mr. MAYBANK. Mr. President, this morning I read a telegram from the American Legion highly endorsing this measure. The members of that organization know that there is no interest charge in this bill. They know there is no direct grant, because they appeared before the committee and testified.

It is now my pleasure to read a letter from a very distinguished American, Mr. Omar B. Ketchum, director of the Veterans of Foreign Wars:

> Reports have reached me that several Members of the Senate have voiced opposition to title III of the bill S. 2246, relating to cooperatives, and are contending that the title represents a discrimination against veterans who are obtaining 4-percent loans under the GI bill of rights with a 25-year amortization.

Mr. President, as I have said there is no interest rate in the bill. An interest rate was fixed in the bill last year, about which the Washington Post printed an editorial this morning, but this is not that bill. The members of the American Legion, the members of the Veterans of Foreign Wars, and the people of the United States will know before the debate has finished what the facts are. I am sorry, as is the Senator from New Hampshire [Mr. TOBEY], that there are not more Senators present. I have never seen, in all my experience in public life, so much misinformation passed out to the people of America as has been the case with reference to this bill.

I read further from the letter of Mr. Ketchum:

> There is no basis for the contention that the cooperative provision represents a discrimination against the veteran who utilizes the benefits of the GI home-loan program. Under the GI bill it is true that the veteran pays a larger interest rate but, at the same time, he has greater freedom in the selection of the type of house he wants, its location, and of course he can sell it at any time, at a profit.
>
> The veteran or nonveteran participating in the cooperative provision would receive a saving in the financing but would not have an opportunity to sell at a profit and, in addition, he would have to conform to the plan of development of the cooperative. I am unable, therefore, to concur in the belief held by these Members of the Senate that title III represents a discrimination against the veteran.

Mr. President, I spoke at length on that point yesterday. I think I am able to say, as chairman of the Committee on Banking and Currency, that after conferences lasting more than a year, no person has ever come to me with any such statements as have been heard here. They have approved the proposed legislation. Last year, when we deferred the bill which was then before the Senate, many persons were very much upset because we extended it only from October until March.

I should like to read the concluding paragraph of the letter:

> Our experience in the field of housing has led us to the inescapable conclusion that many veterans because of low income are unable to avail themselves of the benefits of the GI bill of rights. For these, enactment of title III would provide the means whereby they could acquire decent homes for themselves and their families within their modest means to pay.

Mr. President, it is the head of the Veterans of Foreign Wars who is speaking in this letter. The members of that organization know there is no interest rate in this bill; they know there is no discrimination. The people of the United States will find out, when we get through voting this afternoon, that more persons know what is going on around Washington than some Members of the Senate may think is the case.

Mr. President, I should like to repeat the last sentence which I read:

> For these, enactment of title III would provide the means whereby they could acquire decent homes for themselves and their families within their modest means to pay. In behalf of the thousands of delegates to our fiftieth national convention who endorsed unanimously—

Mr. President, there was not a vote against title III in that convention—

> In behalf of the thousands of delegates to our fiftieth national convention who endorsed unanimously the cooperative program envisioned by this bill, I hope the Senate will approve title III along with the rest of the bill.

Mr. President, I shall interpose short remarks from time to time today during the debate, because I want the record to show clearly that the veterans of the United States are for title III. I want the record to show that there was not any so-called disrespect intended to my friend, the Senator from Alabama [Mr. SPARKMAN]. The Senator withdrew his bill last year at my request. This is an entirely new bill. It is an insurance bill. It gives the middle-income group of the country, the poor people, the same chance which thousands of people more fortunate than they have had under the FHA provision.

I ask that the letter be included in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D. C., March 15, 1950.

Senator BURNET R. MAYBANK,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAYBANK: Reports have reached me that several Members of the Senate have voiced opposition to title III of the bill S. 2246, relating to cooperatives, and are contending that the title represents a discrimination against veterans who are obtaining 4-percent loans under the GI bill of rights with a 25-year amortization. On the other hand, those participating in the benefits of title III would receive a lower rate of interest and a longer period of amortization.

There is no basis for the contention that the cooperative provision represents a discrimination against the veteran who utilizes the benefits of the GI home loan program. Under the GI bill, it is true that the veteran pays a larger interest rate, but at the same time he has greater freedom in the selection of the type of house he wants, its location, and, of course, he can sell it at any time at a profit.

The veteran or nonveteran participating in the cooperative provision would receive a saving in the financing, but would not have an opportunity to sell at a profit, and in addition, he would have to conform to the plan of development of the cooperative. I am unable, therefore, to concur in the belief held by these Members of the Senate that title III represents a discrimination against the veteran.

Our experience in the field of housing has led us to the inescapable conclusion that many veterans, because of low income, are unable to avail themselves of the benefits of the GI bill of rights. For these, enactment of title III would provide the means whereby they could acquire decent homes for themselves and their families within their modest means to pay. In behalf of the thousands of delegates to our fiftieth national convention who endorsed unanimously the cooperative program envisioned by this bill, I hope the Senate will approve title III along with the rest of the bill.

Respectfully yours,
OMAR B. KETCHUM,
Director.

Mr. MAYBANK. I yield 15 minutes to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, the purpose of the pending bill is to help to provide housing for the middle-income third of our population or those families which have annual incomes of from $2,800 to $4,400 a year, in larger cities, and for those with somewhat under those incomes who live in the smaller cities and towns. It is aimed to provide decent housing under substantially the conditions now provided under FHA for the upper third income group, with the exception that cooperative projects which would be large-scale, or wholesale, projects, with probably 500 to 1,000 units in each, and with a capital investment of from $4,000,000 to $8,000,000, shall be provided with access to investment capital at wholesale rates. They should not be compelled to pay retail rates.

FHA which has been in effect for about 15 years, has helped to provide for the upper third of our population Government-insured loans made by private lenders for the construction and improvement of housing. During these 15 years approximately $18,500,000,000 have been loaned under FHA of which nearly 10 billion is now outstanding. There is, therefore, a contingent liability, which the Federal Government has assumed, of nearly $10,000,000,000 on private loans. So far as housing is concerned, the loans have thus far primarily benefited people in the upper third of our income groups. It is the upper third which has primarily benefited, because the housing developed under FHA in our cities has been primarily above $8,000 a unit and indeed all too often $10,000 a unit or above.

It is virtually impossible for medium-income families to meet such a figure under present carrying charges. About all that a middle-income family can pay for rent is 20 percent, or, at the most, 25 percent, of its income. Therefore, a range is established of between $800 and $1,100 a year for rent. It is impossible, under FHA construction, for families who are in this middle-income third to be accommodated. As a matter of fact, the only way FHA has been able to dip into this middle group has been in cases in which so-called accommodation apartments or accommodation houses have been built. That is simply a term for overcrowded apartments or overcrowded houses. It is a term for a one-bedroom house, or a house with a bedroom and an alcove. It does not mean a house with two adequate bedrooms, or, best of all, a house with three bedrooms, so as to provide one bedroom for the mother and father and one bedroom for children of each sex. That is the American home, the home with three bedrooms, which FHA has not been able to help people in the middle-income group to acquire, because it has been tied to existing business conditions in the realty business.

Nevertheless, the Government has taken on a $10,000,000,000 contingent liability in order to develop housing for the upper third of the population. I am not attacking the proposal. I am simply pointing out that it represents housing for a section of our population which, on the whole, needs housing the least. We have taken on a contingent liability of $10,000,000,000 which, while it has not yet caused much of a loss, because we have been sailing in clear waters, with rising prices, full employment, and high profits, may nevertheless turn into a loss if we have falling prices, unemployment, and reduced profits. Should that happen it will become a Government subsidy for the groups in the population which need a subsidy the least.

I have been somewhat struck by the inconsistency, to say the least, of the people who were perfectly happy about providing another three and one-quarter billion for a group which needs housing the least, but who declared that putting $2,000,000,000 into housing for the middle-income third would be inflationary. Now, when we have scaled the whole program down by putting a billion and three-quarters into FHA, and only a billion into title III, it is the billion dollars about which these people get excited, and it is the one and three-quarter billion under FHA which they swallow without protest. Apparently it is only the billion dollar proposal under title III which is inflationary. The $1,750,000,000, which would have a much greater effect, is glossed over. Not only that, but amendments have been offered whose effect would be to pour an additional $500,000,000 into section 608 provisions. This is the worst type of speculative building we have had. It is for cheap apartment house construction, where little or no money has been put up by the promoters. The proposal now is made to put another $500,000,000 into the 608 program in order to bail out people who made their applications prior to March 1 with the knowledge that the previous law was going to expire.

Mr. President, the Senator from Louisiana exposed section 608 on the floor of the Senate yesterday, and now the very ones who are objecting to putting $1,000,000,000 into title III are coming forward and demanding that half a billion be poured into section 608 housing.

Mr. LONG. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Louisiana.

Mr. LONG. I appreciate the Senator's kind reference to me. I should like to ask the Senator from Illinois, who has been so conscientious in his consideration of the housing bill, whether in his opinion the section 608 loans are not probably the most unsound loans the Government has ever had anything to do with.

Mr. DOUGLAS. That is my judgment. The Senator from Louisiana has again and again pointed out that the private sponsors of the section 608 loans do not have to make any real investment on their own part. He exposed that in very complete fashion. Contractors' profits, architects' fees, and the like, are counted as their contribution, and there is virtually no money coming from the ordinary private investors in section 608 loans, but the opponents of title III are proposing that an additional half a billion be poured into such loans.

Mr. LONG. As a matter of fact, Mr. President, I can inform the Senator that some private investors obtain loans of 90 percent of the estimated cost of a section 608 project, but build the project at 70 percent, and walk away with 20 cents on the dollar of Government money on which they take no risk whatsoever.

Mr. DOUGLAS. Mr. President, in title III we are making an honest attempt to get down to the middle income third by reducing rental costs and reducing the items which go into costs. The cooperative is an admirable way of reducing these costs. In the first place, the cooperative furnishes within its own members some business people, some draftsmanship experts, some architects, and so forth. These men generally, pitch in and give their services at greatly-below-cost figures, so that they start off with lower costs than obtain in the ordinary venture, and that helps out in many ways.

Once the building is constructed, moreover, the cooperative does not have to make as large a charge for possible vacancies as a private enterprise. In the ordinary section 608 venture, the owner or manager adds to cost an allowance of at least 7 percent for vacancies and,

hence increases rents by that amount. He adds that allowance of 7 percent for vacancies, moreover, even though the vacancies do not exist. This point was developed in the testimony in the hearings again and again, namely, that there is a 7-percent allowance even though there are no vacancies. In the cooperative only those vacancies which actually exist will be a cost against the apartments which are rented, and experience indicates that these will not exceed 3 percent, and may be less. On an $8,000 apartment, in which, under section 608, the rents would be $90 a month, this should effect a saving of approximately $4 a month.

In the third place, in a cooperative the members can provide a portion of the maintenance themselves. They can do some of the painting, they can help take care of the grounds, they can mend the windows, they can do for their collective property what we all do individually for our own houses, and they can reduce the maintenance cost, according to the actual experience, both in public housing and in private cooperative ventures, by approximately $6 a month more. So we have savings of $10 a month which the cooperative can bring about.

Then, since the cooperative returns to its members the savings which it makes, and is not organized for the purpose of making a profit, the profit which normally would have to go to the owners can now be distributed to the members and the tenants, and that represents a saving of another $7 a month.

Therefore the ordinary cooperative structure brings with it savings of around $17 a month, or close to 20 percent.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from South Carolina.

Mr. MAYBANK. I wonder if the Senator is going to touch on the fact that the cooperatives are not tax exempt, but have to pay State, county, municipal, and school district taxes.

Mr. DOUGLAS. I am very glad the Senator from South Carolina has brought that point out again. The cooperatives will pay the same taxes to the localities, to the States and to the Federal Government, that the private builders pay.

I may be asked, "If this is a good venture, why cannot the cooperatives secure loans under the FHA?" That is the challenge which has been more or less thrown at us by many Senators from the other side of the aisle, and by some of our brethren on this side of the aisle, I am sorry to say. I will tell the Senators why. In the first place, in order to secure these loans the cooperatives will have to go to private lending institutions; and private lending institutions do not as a whole like cooperatives. Private lending institutions in the real estate field do business with private real estate men and private builders, and they want to make the loans to them. They do not necessarily regard the cooperatives as un-American, but they tend to regard them as strange, as new, and as somewhat hostile, and they do not want to make loans to them.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. That is not the case in the REA with its rural electrification, is it?

Mr. DOUGLAS. No. That is where the Government broke through the private credit system and made its loans direct.

Mr. MAYBANK. We have not done that.

Mr. DOUGLAS. No; we have not. Indeed we have not.

Mr. MAYBANK. I am for the REA.

Mr. DOUGLAS. I understand the Senator is.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. As a matter of fact, has not the Government made possible loans to farm cooperatives through banks for cooperatives which the Federal Government has set up, recognizing that cooperatives could not borrow from the ordinary sources?

Mr. DOUGLAS. Exactly. We do not go as far as that.

Another point. The private lending institutions want to lend at retail credit rates. Although the cooperatives will be large organizations seeking $4,000,000 loans or $8,000,000 loans, the private lenders will want to treat them as though they were a man building a $10,000 house. Although the cooperatives will be buying credit at wholesale, the lending institutions will be wanting to sell them credit at retail rates, or around 4½ or 5 percent.

Then in addition the authorities in FHA, while estimable gentlemen, generally come from the real estate industry, and commonly hope to return to that industry at a higher salary some day, and they in general do not want to do anything which will get them in bad repute with their fellow realtors. They, therefore, tend to pour cold water on the applications of cooperatives, and make it difficult for the cooperatives to obtain credit. This was developed in the hearings so far as Detroit, California, and many other places are concerned.

So what we find is this, that despite the economic advantages of housing cooperatives, there is a roadblock in the way of their obtaining credit. All the present bill does is to try to remove that road block and to enable the cooperatives to have their case judged on its merits and to obtain wholesale credit at wholesale rates.

The PRESIDENT pro tempore. The time of the Senator from Illinois has expired.

Mr. MAYBANK. Mr. President, I should like to yield five more minutes of the time controlled by me to the Senator from Illinois.

The PRESIDENT pro tempore. The Senator from Illinois is recognized for five more minutes.

Mr. DOUGLAS. All the bill does is to set up a mixed corporation, in which the Government puts up the initial capital, but which is to be retired by contributions by the cooperatives. This corporation then borrows money in the private open market at the commercial rates. It buys this money wholesale and then passes it on to the cooperative at cost, namely the cost of borrowing, plus the cost of administration, plus the cost of reserves. We had hoped that this could be done at an ultimate retail interest rate of around 3¼ percent. Had that been possible we would have saved another $8 a month, and have produced a net saving of $25.

Mr. President, I am very frank to say that this proposal has run into the opposition of the great lending institutions of the country and the small lending institutions of the country, and they have joined with the real estate group to try to prevent wholesale credit being sold at wholesale rates. And the Senator from South Carolina [Mr. MAYBANK], with his back against the wall—and he has made a manful fight for the bill—has now, I understand, submitted an amendment permitting the interest rate to go up to 4 percent.

As has been developed by the Senator from Louisiana [Mr. LONG] and by other Senators, this mixed corporation is not a new thing. It is what we established when we created the Federal land bank, the Banks for Cooperatives, and the Home Owners Loan bank It does not go so far as we did in the REA, where there is a direct governmental loan at 2 percent. This is not a direct governmental loan. The whole thing is to be conducted under private enterprise, with this mixed corporation merely as the intermediary, borrowing money in large sums at low rates of interest, and passing it on to the cooperatives at cost. That is all there is to it.

I submit that there are certain groups in this community that, in my judgment, ought to be ashamed of themselves for the opposition they have given to the bill; and there are many editorial writers scattered all over the United States who ought to search their consciences tonight as to whether they have given the correct interpretation of the bill as it now stands.

Mr. President, this is a very real issue. The middle third of our population is the group more than any other upon which the country really rests. It is the group for whom we have done nothing in the way of housing. It is time now that we made a beginning, and I hope very much the bill may be passed.

Mr. MAYBANK. Mr. President, it is my understanding that I have 55 minutes left. I understand the distinguished Senator from New Hampshire now desires to yield some of the time controlled by him.

Mr. TOBEY. Mr. President, I yield to the distinguished Senator from Ohio [Mr. BRICKER] as much time as he desires up to 25 minutes.

Mr. BRICKER. Mr. President, there is a great deal of confusion in the thinking with regard to this bill and the motion which I have filed to strike out title III, the cooperative housing title.

The distinguished Senator from Illinois [Mr. DOUGLAS] has just suggested that nothing of any substantial character has been done in the housing program, and that now is the time to begin.

Last year there were built in this country 1,000,000 homes for American citizens. This year, judging from the start that has been made, a greater number than that will be built. I note that building in January of this year was 60 percent above the mark for last year. The first 4 months of last year were not high months; nevertheless this indicates that this year an increased number of homes will be built in America. That will have been accomplished to no small degree because of the impetus given to the building program by FHA and by the veterans' loans. Last year more than 50 percent of the total homes built were under mortgages insured by those two legal processes. Now we are asked to add another one.

I discussed yesterday the interest rates proposed under title III. It is perfectly apparent at the present time that, under the bill as reported by the committee, the interest rates will be approximately 3¼ to 3½ percent. At any time they are bound to be lower than the normal interest rates because of the Government guaranty of the debentures which are issued for the purpose of securing the money.

Mr. President, in order that it may be clearly understood, I think it is essential to review briefly how money will be secured for the purpose of lending to cooperatives. The National Mortgage Corporation for Housing Cooperatives, as it is called in the bill, is created by the Government with $100,000,000 of Government capital poured into it. It issues debentures, which are sold to the public generally. They are negotiable. They enter into the channels of trade. They become securities for loans, and thereby, under this bill, there is pumped into the credit of the country generally a billion dollars and the billions of dollars more which will be added to it if the program is started this year. That money is loaned by the Corporation at a low interest rate to the cooperative housing projects which may make application. These loans will run from 40 to 50 years. The standard minimum is 50 years, but there is a possibility of paying the loans under unusual circumstances in less than 50 years. The period can be increased to 60 years or 63 years of duration.

That, Mr. President, is bad enough. Few if any persons will live to see the home paid for, or the individual's share of the cooperative ever in his own possession. It is altogether likely that the buildings, if they are of the character we have seen in so many places recently, will not outlive the mortgage itself which is taken by the Corporation on the project.

But now we have the distinguished chairman of the committee, realizing the absurdity of that situation, realizing the faults in the bill itself, proposing to the Senate that we adopt a minimum of 4 percent for loans. That is even worse than the original proposal, and it points out clearly the fallacy of the whole program.

There is no need to try to write a bill on the floor of the Senate as between 3½ and 4 percent interest. What we are asked to do to the poor cooperating tenants who have been lured to participate by cheap money and by organizations in which they may believe, would be to tie a debt of 200 percent of the original capital upon every man that goes into one of these cooperative housing projects. That is worse than the old three-percenters used to do. When they would get hold of a borrower they would hold onto him and hold onto him and hold onto him until finally he owed more than he had borrowed in the first place. Two hundred percent of the original investment will be paid out in the life of these projects in interest to the United States Government. It is unsound, it is fallacious, and I do not think the Senate intends to put its stamp of approval upon this kind of experimentation at this time when we are already building 1,000,000 homes, and one-half of them are under insurance provided in the VA and in the FHA programs.

It has been suggested by the distinguished Senator from New Hampshire that he wants an alternative to the private capitalistic system of economy now prevailing in the United States. Mr. President, I do not want any alternative to that system. I want to preserve it, I want to strengthen it, I want to make it adaptable to the needs of this day; to the changing, present-day conditions, to the increased complexities of industry, and to the demands of the people of America. I want no alternative to the system we have. We have done a very good job, as the world recognizes today, under the private capitalistic system, and it should be the determination of every Member of the Senate to preserve that system.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. BRICKER. I yield.

Mr. TOBEY. I do not wish to interrupt the Senator from Ohio; but a moment ago I think he was referring to the distinguished Senator from Vermont, not the Senator from New Hampshire. The Connecticut River is all that lies between the two States, and they dwell together in amity and comity.

Mr. BRICKER. Yes; I am glad the Senator from New Hampshire has made that statement. It was the Senator from Vermont to whom I was referring, and I am glad to have the RECORD so show.

Mr. President, I have no opposition to the capitalistic system, and I do not think any Senator who is going to support title III has any opposition to it.

If we refer to the reports of the Banking and Currency Committee, prepared by the staff of that committee—and an admirable job has been done—we see there that the cooperatives should and do stand on their own feet, that they have much merit and much strength within themselves. They are a part of our present capitalistic structure. Apparently the Senator from Illinois has not read that report, because he said that people who are in the business of lending money will not lend money to cooperatives. That statement simply is not substantiated by the facts, and in that connection I refer the Senator from Illinois to the reports of his own committee. There is presently a loan of that sort in the amount of $6,000,000,000 by one of the large financial institutions of the United States. There are 20 or 25 cooperative organizations today that are held up and generally referred to as being most successful in the business field and in the field of housing, and there is much satisfaction which comes from the availability of these projects. Yet all that has been developed without the granting of any special favors or without any long-term cheap money, which ultimately will have a destructive effect upon the Government program which now is in operation. We shall cut down on the loans which now are made available to the public through FHA and through the veterans' loans, by forcing in cheap money, by pumping it into our credit system, by inflating our currency, which already is dangerously inflated, almost to the point of explosion; and we shall have the Government using 3-percent money, or whatever the percentage might be—perhaps 4 percent, if the amendment is adopted—in competing with itself in the field of FHA and in the field of veterans' loans.

Mr. President, in the statement made a moment ago by the distinguished Senator from South Carolina, the chairman of the committee, reference was made to the American Legion. Many of us belong to the American Legion. I happen to be a charter member of that organization, as I know some other Members of the Senate are. I know how resolutions are adopted at meetings of such organizations. I know that the guiding spirit of the resolution referred to by the Senator from South Carolina is an attorney for the Philadelphia Public Housing Authority. He is a protagonist of this special kind of thing. I understand how such resolutions are submitted to the American Legion. At its convention, someone makes a speech in favor of the adoption of such a resolution. No one else who is there understands what the resolution is all about—with the result that the resolution is adopted, and then is sent to the Members of Congress, and they are to assume that the resolution carries the weight and the judgment and perhaps the voting of the members of the American Legion. Mr. President, that simply is not the situation at all.

Mention has been made——

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. No; Mr. President, I decline to yield. The Senator from South Carolina has had his time.

Mr. President, mention was made a moment ago that there are on this side of the aisle Senators who are opposing this proposal, and that most of the Senators on the other side of the aisle are in favor of it; and an apology was made by a distinguished Senator for those on his side of the aisle who are not supporting the proposal for this cooperative movement. Possibly that gives a little bit of meaning to one of the provisions of title III, which I wish to read for the

information of the Senate. It did not make very much sense to me in the beginning, but now perhaps it is being clarified. Lower-case letters were used in printing that portion of the title, but possibly capital letters should have been used. I refer to the statement at the bottom of page 69, that the movement "will contribute to the sound integral character and success of such cooperatives, provide necessary leadership therein, involve democratic voting principles."

Mr. President, if the word "democratic" had been spelled with a capital letter, the explanation made a little while ago by the Senator from Illinois might have been a little more obvious.

I wish to call attention to a rather absurd thing in this measure, Mr. President. It is supposed to be for the benefit of families of moderate income, to help the moderate-income families. But it is nothing of the kind. That description has been added to this measure for the purpose of making it sound good, for the purpose of attracting attention, possibly for the purpose of getting a few more votes for the bill on the floor of the Senate, because all of us are for the middle-income group of families; all of us like to think of ourselves as belonging to the group of great, average American citizens; and therefore we are in favor of helping them.

But title III is not for anything of that kind. It is a measure for cooperatives, for cooperatives alone, to promote special favors for a group of our people who might belong to some organization—perhaps a labor union or perhaps some other group—or who might be in some particular industry or might be engaged in this or that kind of business.

Mr. President, in the promotion of this measure a great deal of emphasis has been placed on the social aspect. It was suggested by the Senator from Vermont, a while ago, that we are trying to build a better social atmosphere for the people who will live in these housing units. Of course, all of use are in favor of that. Last year we passed a bill for the elimination of slums and for better housing for the lower-income group. Yet a moment ago it was suggested that this measure should be enacted into law for the purpose of helping those who cannot help themselves. However, this measure is not for any purpose of that kind. It is a Government-support measure, a measure for the promotion of a particular group of people, for a particular purpose—perhaps the purpose defined in what I read a moment ago, when I was reading from the amendment.

But this measure is not for the purpose of helping people of moderate income to acquire housing. There is no assurance in this measure that any person will be able to get into one of the cooperatives. A cooperative can keep any person out, if it wishes to do so; or a cooperative can invite a person in, if it wishes to do so. In any event, these provisions will apply to only about 1 percent of the 8,000,000 people in the middle-income group who will need housing, and that is a very small minority of them. Title III provides, in part:

Assist (1) families of moderate income in acquiring (subject to the right of the cooperative to repurchase)—

Mr. President, under this bill that man will never own his home. He will never have a title in fee simple to the place in which he lives, because the cooperative will not permit him to have it. On the contrary, the cooperative may bring in someone to whom they owe a special favor. The cooperative will not necessarily permit the man who already happens to be in the cooperative to remain in it, because there will be no profit in it. There will be a profit of only a few dollars on a thousand, for the first 4 or 5 years, anyway.

So the right to be given under the provisions of title III will be merely a right of tenancy, which will be provided to strengthen the cooperative movement by granting it special Government favors. Mr. President, when favors can be granted by any Government organization, those favors can likewise be withdrawn. This measure is an implement of political power, and nothing else, proposed to be put into the hands of a special group; and the taxpayers of the Nation will have to pay for the really extensive subsidy provided in this measure.

First, Mr. President, there is a subsidy of the administrative cost; second, there is a subsidy by means of providing lower interest rates; third, there is a subsidy in the sense that the Government will get the money for the cooperatives, whereas they could well go to private sources and could, operating through private channels, get the money for themselves.

Mr. President, I read further from title III:

Subject to the right of the cooperative to repurchase—

In other words, he might sometime hope to have—

ownership of their individual dwellings where such dwellings are free standing—

In other words, meaning a separate house.

I read further from title III:

And (2) the association of persons into such cooperatives, who—

This is interesting and intriguing—

by reason of their like interests, association together in other fields, or otherwise—

Mr. President, what are the "like interests" of people, because of which we wish to put them together into a housing project? What are their associations together that would bring them into such a cooperative housing project, and how would they ever become dissociated if they desired to move?

A moment ago mention was made by the distinguished Senator from Vermont [Mr. FLANDERS] of the situation in Sweden. I observed that also, along with him. I wish to commend the Swedes for the things they have done. But, Mr. President, let us remember that Sweden is a completely socialistic country, where labor is herded in one place and directed in another place, where special favors are given to those who are in the shipping industry and to those working for cooperatives that are engaged in the export business.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BRICKER. I am glad to yield.

Mr. THYE. Let me inquire of the Senator whether Sweden has anything comparable to our FHA.

Mr. BRICKER. No; the Swedish system uses private money up to 60 percent of the entire cost of the project; and then the government, without interest, puts in 30 percent, up to 90 percent.

Mr. THYE. Sweden has no such authority as exists under our FHA, has it?

Mr. BRICKER. No; Sweden has a special set-up; and, under the government, the cooperatives control the housing program.

Mr. THYE. Sweden has nothing comparable to our special arrangements for GI loans, has it?

Mr. BRICKER. No; it has not. The Swedish Government puts in the money at the top, rather than, as we do, insure FHA loans and GI loans.

Mr. THYE. The United States has gone forward with a housing program which has been entirely different from that of the Swedish Government. Is that correct?

Mr. BRICKER. That is correct.

Mr. THYE. The program followed by the United States has been of greater assistance to the people than the Swedish plan has been. Is that true?

Mr. BRICKER. Yes; by far.

Mr. THYE. The Swedish program has nothing comparable to our slum-clearance procedures, in the way of national legislation, has it?

Mr. BRICKER. No. However, Mr. President, I will say for the Swedish people that, to my observation, we saw very few slums in their cities.

Mr. THYE. I would say that, from what I saw of their cities, their housing situation is excellent.

But I wished to inquire of the Senator whether he thought the Swedes have achieved that excellency under a system similar to ours.

Mr. BRICKER. No; their system is not comparable to ours, because as the Senator from Minnesota knows, their system is almost completely socialistic, in that they control the flow of labor and the migration of people from one place to another and the kind of cooperative which shall be emphasized, and where cities shall be built, and where highways shall be built, and how they shall be built, and everything in connection with living conditions.

Mr. President, it might be that Senators would wish to have the Government develop cooperatives among people of like interests, although that is a hard thing to understand. I cannot understand it in connection with a housing program. Yet I did observe in Sweden—and I think the Senator from Minnesota will confirm this—that there were in the newspapers there, in both the daily newspapers and the Sunday newspapers,

whole pages of advertisements by persons who wanted to move from one cooperative apartment to another. They had to advertise in the newspapers, and they could not leave the cooperative apartment in which they were living until they could find someone who would take their apartment off their hands, on the basis of the money they had in it; and then those persons would hope they might get another apartment somewhere else, under more favorable circumstances and conditions. So they are tied down to a program, extending almost beyond the end of their lives, in most instances.

I presented yesterday for the RECORD several editorials from different newspapers. Let me say, in commending the Senator from Washington, that as he pointed out a moment ago, most of the newspapers from which he read supported last year the public-housing program. I hold in my hand the Evening Star editorial of last night, which I think has already been presented. But let me read the last paragraph, again, for purposes of emphasis:

Responsible Members of Congress will consider this bill on its merits, and not because the real-estate lobby opposes it—

And I do not know whether they do or not—

or the Democratic National Committee favors it.

And I do not know whether they do or not, except I know telegrams have been sent out, and a great deal of pressure has been brought to bear. I have been told by Senators that that is the situation.

If so considered, it ought to be defeated by a healthy margin.

That comes from one of the great newspapers of the Capital City.

I turn to another editorial from my home State, an editorial which appeared in the Cleveland Plain Dealer, which has for 100 years, I presume, been a newspaper of democratic persuasion. This is what it has to say in an editorial on March 14, 1950:

A DELUSION IN HOUSING

The Senate is scheduled to begin voting tomorrow on a bill which would put the Federal Government in a gargantuan new business enterprise, exert a definitely inflationary effect on an important segment of the economy, and, in effect, increase the Government's dangerously high indebtedness by another one or two billion dollars.

Continuing, it said:

If the Senate is not swayed by a political catch phrase—"A housing program for the middle-income group"—it will reject the bill as being unsound, and as one which would do nothing, absolutely nothing, to reduce the cost of housing, to bring better shelter within the purchasing and renting power of more people.

Mr. President, the pending bill, and title III of the bill, do not in any way attack the serious problem in housing, which is the high price and high cost of materials at the present time. The bill only goes to the cost of money, which does not go to the root of the trouble. Continuing, the Plain Dealer said:

The price would not be cut; the monthly payments would be lowered, but the purchaser would be paying more in the long run because of the higher aggregate of interest over a longer period of years. That would be a subsidization of inefficient methods, just as the present Federal bills would subsidize present-day builders' inefficient and excessive demands. They are equally fallacious.

That is the word for the Federal legislation providing Government-guaranteed loans for the middle-income class—fallacious.

I have here several other editorials. I think this one was introduced by the distinguished Senator from Arkansas [Mr. FULBRIGHT] a little while ago, "Piecemeal-plan danger shown in housing bill," but let me read it again for emphasis. The last paragraph of the article reads as follows:

The more the backlog of demand for housing is filled at exorbitant prices now, the smaller will be the cushion under the entire industry when prices come down, and therefore, the more intense the deflation in the industry will be. Plain talk and very much to the point.

I have another editorial, one from the Washington Post, which I think has been placed in the RECORD. That newspaper has been one of the strongest exponents of the Government housing program. It supported the bill last year in full, and I think had a decided effect possibly on the outcome of voting on that bill. Here it is opposed, and again for emphasis let me read the concluding paragraph:

More important, however, are the over-all economic objections to the Sparkman bill at this time. Economy is required to steady the general economy and to ready it in case of emergency needs. The Government has already gone too far with socially desirable programs that it cannot finance with the present tax structure. When to this fact is added the danger of upsetting the mortgage market with overly liberal credit pushed out through Government guarantees, the case for rejection of the bill by the Senate seems to be very strong.

A few moments ago mention was made by the Senator from Illinois to the effect that private lending authorities will not lend to cooperative movements. The pending bill itself would invade the field of private lending, to the detriment of those who have saved a little bit of money, which is still a virtue, regardless of the attacks made upon that fundamental principle of the American way of living. It would deprive these people of an opportunity of investing their money in savings and loan associations, depositing in banks or mutual associations to be reinvested in real-estate loans. It is an attack at the very foundation of the life insurance companies, because it will mean ultimately one thing—a lowering of the general interest rates in the field of housing generally. That means dividends will be cut off or cut down to the holders of life-insurance policies, of whom there are some 86,000,000 in this country. It means that they cannot compete in the market. It means that the investor will have to buy Government securities, securities guaranteed by the Government, rather than deposit his money in private financial institutions, which have done so much to build the economy of the Nation, and which are responsible today for the outstanding housing development we are experiencing.

Mention was also made a while ago that we ought to do this because the housing cooperatives can effect certain economies in the building and in the maintenance of the housing projects. The fact is that the bill itself prevents those economies. The bill itself requires that labor standards be maintained in the local community, and if one contributes his service, under the law, before the administrator of title III may approve it, he has to be paid the same as the standard of labor which is set in that community. The architect's fees have to be the standard architect's fees in the community.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. TOBEY. Mr. President, does the Senator from Ohio care to have a few minutes more?

Mr. BRICKER. I shall be glad to take about 2 minutes more in which to conclude.

Mr. TOBEY. The Senator has it.

Mr. BRICKER. So, Mr. President, appreciating the opportunity which has been afforded me to point out only a few of the fallacies and dangers which are attendant upon title III, I hope it may be stricken from the bill. Certainly it is even more important that it should be stricken in view of the amendment which has been suggested by the distinguished chairman of the committee of a minimum of 4 percent, thus tying upon the occupants and upon the cooperatives 200 percent of interest before they will be able to pay out to the Government. It is a curb upon the building program. It is an inflationary process which will force up the prices of materials used in house building. Title III is inflationary in that it will pump into our economy generally a billion dollars, which will be added to, no doubt, in the years which lie ahead. It is a program which will curb and hinder and break down the Government building program now under FHA and under the GI loan program, which has built in the last year a million houses, 50 percent of them insured under those programs; and this year with in excess of a million more houses built, practically 50 percent of them will be insured, if the Congress does its duty by the housing industry.

Mr. TOBEY. Mr. President, I shall be glad to yield 5 or 10 minutes to the Senator from New Jersey [Mr. SMITH], or such part of it as he may wish to use.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for any part of 10 minutes he may choose to use.

Mr. SMITH of New Jersey. Mr. President, by way of preliminary to my brief remarks, I wish to say that I have been very much impressed by the care and deliberation given the pending bill by the

committee. I think we all owe a debt of gratitude to them. I think it has been one of the most interesting and stimulating debates on a vitally important subject that we have had here in a long time.

Mr. President, I have followed with much interest and considerable concern the debate on S. 2246, the so-called middle-income housing bill, which has now been reported by the committee in the form of an additional amendment, in the nature of a substitute, to S. 2246 as originally proposed.

I want to make it perfectly clear at the outset that I am in sympathy with the reasonable extension and modification of the activities of the Federal Housing Authority. I recognize that the FHA has, through its mortgage insurance program, made a real and constructive contribution to the rapid building of much-needed housing in this country. I am convinced of the social and economic desirability of decent and adequate housing for the people of this country. I supported the Housing Act of 1949 because I believed that the disgraceful slum areas in our Nation should be obliterated, and because I felt that only through Federal aid could this problem be practically and successfully solved.

I am particularly concerned, however, over title III of the committee amendment to S. 2246, providing for a new National Mortgage Corporation for Housing Cooperatives.

In my judgment, title III as recommended by the committee offers an unsound and impractical plan which may jeopardize, rather than be a constructive addition to, our entire housing program. My objections to this title are not based on any opposition to housing cooperatives as such. On the contrary, I feel that such groups may make a real contribution to the continued maintenance of a sound housing program. For this reason I shall support the substitute amendment to title III proposed by the Senator from New Hampshire [Mr. TOBEY] and the Senator from New York [Mr. IVES] which seems to me to offer a reasonable and practical plan for the encouragement of cooperative housing.

Mr. President, any legislation which involves an expenditure of Federal funds and the assumption by the Federal Government of new and far-reaching commitments should be scrutinized with the greatest care.

I think, Mr. President, that in the times through which we are living, that statement is particularly important.

It should not be passed unless it meets a demonstrable need, contributes to the over-all stability of the economy, and provides for Federal assistance only in those areas where State assistance, or private initiative and private enterprise are not available to meet that need.

I should like to emphasize the point, Mr. President, that we should at this time go back to our reliance upon State initiative and State assistance, and, so far as we can, rely on private operations, and, as soon as we can, get away from the necessity of the Federal Government's joining in these programs.

I believe that the substitute TOBEY-IVES amendment meets these criteria. It recognizes that the cooperative program may offer a constructive and progressive way to decrease housing costs and to enlist the support of groups of people who are willing to work together and shoulder the responsibility for making plans for their own housing and carrying them through to a successful conclusion. It provides for limited Federal assistance to such groups without discriminating against other individuals and groups. It utilizes the tested financing principles of our present FHA program.

As I have previously said, I feel in sympathy with our FHA program, and I think that to continue the principles of it is a sound and wise policy.

It provides for continuing study of the potentialities of housing cooperatives, so that we may discover the way in which such cooperative enterprises may best contribute to the maintenance of a prosperous and adequate housing industry.

On the other hand, title III of the committee amendment to S. 2246 seems to me to set up new and cumbersome Government machinery that is not only not necessary but also inappropriate to meet the needs of the situation. My most serious objection to title III of the committee amendment is that it provides for Government encroachment in the mortgage-lending field.

I do not want to have the Government in the lending field if that can possibly be avoided.

I believe that arrangements for Government-insured private lending, such as are utilized under normal FHA procedures and are provided for in the Tobey-Ives amendment, would not only be adequate, but greatly preferable.

We have before us then, Mr. President, the choice between alternative approaches to the encouragement of cooperative housing in the United States. The Tobey-Ives amendment offers a reasonable, practical approach, without providing for further Government encroachment in the mortgage-lending field, without establishing a new Government bureaucracy, without discriminating against those people who are already taking advantage of the financing arrangements under the present and future FHA and GI mortgage-insurance programs and without committing the Federal Government to the creation of a large amount of new liability. In all these respects, Mr. President, it is much the sounder proposal and I shall support it.

In conclusion, Mr. President, I would like to call the attention of the Senate to an editorial in today's Washington Post, which I understand has been placed in the RECORD, which discusses a number of objections to title III of the committee amendment and concludes by stating:

> The Government has already gone too far with socially desirable programs that it cannot finance with the present tax structure. When to this fact is added the danger of upsetting the mortgage market with overly liberal credit pushed out through Government guaranties, the case for rejection of the bill by the Senate seems to be very strong.

So, Mr. President, I shall support the Tobey-Ives amendment, and I sincerely hope it will prevail.

Mr. MAYBANK. Mr. President, I send to the desk an amendment about which I think there can be no controversy. It simply makes effective certain recommendations made by the Hoover Commission under Reorganization Plan No. 14.

The amendment would provide that the Secretary of Labor shall issue standards, regulations, and procedures, and make necessary investigations, in connection with the enforcement of the labor standards provisions of the bill. The actual enforcing authority, however, would continue to be vested in the administering agencies.

The amendment brings the enforcement procedures with respect to the bill's labor standards provisions into conformity with Reorganization Plan No. 14 of 1950, submitted by the President to the Congress on March 13, 1950. It is consistent with a recommendation made by the Hoover Commission that enforcement authority with respect to labor clauses in public contracts be vested in the Secretary of Labor.

If Reorganization Plan No. 14 does not go into effect the amendment will not be effective.

I have discussed the amendment with the chairman of the Committee on Expenditures in the Executive Departments and shall not go into further detail regarding it.

The PRESIDING OFFICER. The amendment will be received and lie on the table.

Mr. MAYBANK. Mr. President, I understand that the Senator from New Hampshire [Mr. TOBEY] has agreed that the next 25 minutes be allotted to me.

Mr. TOBEY. Yes; and as much more time as the Senator desires.

Mr. MAYBANK. I thank the Senator.

Mr. President, I ask that 15 minutes be given to the Senator from Pennsylvania [Mr. MYERS].

The PRESIDING OFFICER (Mr. FREAR in the chair). The Senator from Pennsylvania is recognized for 15 minutes.

Mr. MYERS. Mr. President, I intend to give my full support to the Housing Act of 1950 as reported to the Senate by the Banking and Currency Committee in the form of Senate bill 2246. As has been the case with other legislation processed by that committee, under the chairmanship of the distinguished Senator from South Carolina [Mr. MAYBANK] Senate bill 2246 is a thorough, realistic, and sound proposal to aid families of moderate income in their efforts to obtain decent housing under financing terms which they can afford to pay.

The measure as reported to the Senate, Mr. President, does not have any trick provisions that say one thing and mean another. The bill does not propose a huge hand-out or raid on the Federal Treasury.

What the committee has proposed is the extension of a time-tested method to encourage home-building. The most

controversial provision in the bill—in fact, the only provision over which there is any real controversy—is title III, which, as all of us know by now, outlines a method by which cooperative and nonprofit rental housing may be developed.

The other features in the bill, the continuation of the basic FHA insurance programs, with of course some changes which now appear desirable in light of more recent developments, the disposition of remaining war housing, the now adequate mechanism proposed to give veterans a real opportunity to build their homes under a revised GI bill, the direct loans to colleges for needed housing to be used for students and faculty alike, and, lastly, of course, the RFC loan program to assist in the development of prefabricated housing, are all provisions which are now pretty much removed from the realm of disagreement.

The real heart of Senate bill 2246, Mr. President, is in title III. This provision is the one by which help will be made available to that almost-forgotten group of American families who, in the postwar period, have found it virtually impossible to procure adequate housing within their means.

When we were debating the low-rent public housing program adopted by the Eighty-first Congress last year, I pointed out that the public housing program was going to help those whose incomes were simply on the bottom of the economic heap, and I also pointed out that there were then—as there are now—simply millions of families earning incomes just above the level which would entitle them to live in publicly owned rental housing. I remarked that these people wished to build their own homes, but could not do so on the existing market with its high building costs and prohibitive financing methods.

It was certainly my understanding when we passed the public housing bill last year—and I am confident it was the understanding of a large majority of Congress—that we would also face in the Eighty-first Congress the problem raised by that great group of families who were self-sufficient but who at the same time were priced out of the housing market. I felt just as certain then as I do now that new financing methods could be worked out to offer real assistance to families of modest incomes through financing methods that were completely in keeping with our free-enterprise system. I am completely satisfied that title III meets all these requirements.

I should like to look back at just a bit of history, Mr. President. Twenty-five years ago, the population of the United States was approximately 115,000,000 people. In that year of 1925 a record number of 937,000 private residential dwellings were put under construction. This stood as the high-water mark for home construction until last year, 1949, when for the first time in 24 years the old record was broken by having begun construction on more than 1,000,000 residential units.

I think it is important to point out several things in connection with our home building efforts in this 25-year period. For one thing, construction fell steadily after 1925, and in the bottom year of the depression, 1933, less than one-tenth as many homes were started as in the year of 1925; to be more exact, about 93,000.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. MAYBANK. The Senator is more familiar with the situation in Pennsylvania than I am, but does the Senator know that 50 percent of the homes which were built in the United States last year and which are expected to be built this year were built and are going to be built with Federal aid under one title or another?

Mr. MYERS. Undoubtedly that is correct.

Mr. MAYBANK. In Pennsylvania, as I understand, it is a little less than 50 percent.

Mr. MYERS. I believe that is correct.

Of course, conditions improved after 1933, and housing construction picked up considerably. But the advent of the war halted progress again, and by the close of World War II, we were faced with a tremendous backlog in terms of housing needs. For one thing, we had failed for a substantial part of 20 years even to build enough housing to replace homes that became uninhabitable as a consequence simply of wearing out.

Of course, the story is much more complicated than that. If we assume, as I do not think is really so, that an annual building program of 937,000 homes for 115,000,000 Americans in 1925 was sufficient to meet our needs at that time, it is quite apparent that 1,000,000 homes in the year 1949 when we had increased our population by almost one-third, up to 150,000,000 people, is not adequate to meet our needs today. In other words, I do not believe a 10-percent increase in record housing construction is adequate to meet a 30 percent increase in population.

I firmly believe, Mr. President, that we must establish as our goal a yearly production of 1,500,000 homes within the next 15 years. This is just about half again what we did last year. This raises the question, therefore, of what will be necessary to reach the 2,000,000 goal.

I want to make it clear, too, that I believe this can be accomplished only through encouraging the growth of our home-building industry on a free-enterprise basis. This is the way we have traditionally operated this American economy of ours, and I know this is the way all of us want to continue to operate in this fashion.

If we look carefully at the types of housing constructed last year, it is at once apparent that most of it was priced far out of reach of one of the most important family groups in America. By this I simply mean that group with 2 or 3 children whose incomes are modest, ranging from, say, $2,500 a year to about $4,000. Here, as has been pointed out so frequently in debate, is the backbone of this country.

It is perfectly clear that this group simply cannot undertake financing a $10,000 to $15,000 home. These families of moderate income must shop in a market ranging from $50 to $70 a month as the total payment to retire a mortgage on any home they seek to purchase.

It is pretty clear, Mr. President, that we did not build many houses in that price group during the past year when our home construction exceeded a million dwellings.

But it is not only important to the moderate-income people that we make it possible for them to buy a home, but it is vitally important to our home-building industry that new markets for housing are developed if the building industry and the industries which supply materials and furnishings for homes are to expand and stay economically sound.

As matters stand now, we are drying up the market for expensive housing, because the people who can afford it are rapidly filling their needs, and are either satisfied where they live at present, or have recently acquired a new home.

So it is clear to me, at least, that the housing market must be opened to more families, or the entire building industry will soon start feeling the effects of a vanishing market.

The major question before us, Mr. President, then becomes one of examining the method proposed in title III to meet the needs of the middle-income families. We must inquire as to two points. First, will title III accomplish the purpose for which it is intended? Secondly, is the method proposed in title III compatible with our traditional free enterprise system? My answer to both these questions is a very emphatic "Yes."

As to my first question, whether the encouragement of housing cooperatives will meet head-on the problem of providing reasonably-priced housing for moderate income families, I feel this matter is pretty well conceded even by those who oppose the cooperative mechanism itself. It is apparent to anyone who examines the advantages of the cooperative home-ownership method that through it great reductions in price of individual homes are possible through savings that can be achieved all along the line.

When the cooperative acquires an entire tract of land for all the members, the price of individual lots is greatly lowered as compared with prices that would be required if the lots were purchased separately. The same kind of savings result through the quantity purchase of building materials which a cooperative may do, and which the individual home builder cannot do. And by having a single contract with a builder to erect all the homes in the cooperative development, the unit price of construction can also be lowered.

Finally, of course, the financing method proposed in title II gives some real assistance to the individual family because the mortgage matures over a 50-year period instead of 20 or 25 years. Furthermore, the rates of interest are considerably lower than those available

through ordinary financing methods, which generally range up to 5½ percent.

So without any question, the cooperative method can produce housing well within the means of middle-income families, there is no doubt about it.

So we come down, finally, Mr. President, to my second question: Is the method proposed in title III compatible with our traditional free enterprise system? And that, after all, is the real focal point of our debate.

As I have already indicated, I am completely satisfied that the methods set forth in title III are time-tested and long-accepted parts of our basic private enterprise picture. Now just what is it that we are dealing with here? First, we are saying that loans will be available to assist in setting up a cooperative and in acquiring the land it will need. This is the sort of thing which has been done for years not only in our housing programs, but in our farm programs, and in many other measures which have assisted our people initially to organize themselves into a group to accomplish some perfectly legal and needed purpose.

Secondly, we are saying that cooperatives may borrow money supplied by private investors to cover the total mortgage on the cooperative. This is not money from the Federal Treasury in the form of a direct loan to cover the mortgage. It is—and I repeat—money raised from private investors who purchase debentures in the cooperative bank.

Finally, we are saying that Government mortgage insurance shall be available to protect the holders of the debentures against a possible default on the cooperative mortgage. There is certainly no Member of Congress who is not aware that Federal mortgage insurance has proven itself again and again in the past 15 years in other types of building programs financed by private investors. It is true that the FHA mortgage was originally criticized, and it was called socialistic, because some people thought it would do away with private enterprise. It would be interesting to read in newspapers and periodicals of that time the comments which were made about the road down to socialism which we would be taking if we were to adopt the FHA principle.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. MAYBANK. I yield 3 minutes more to the Senator from Pennsylvania.

Mr. MYERS. It is true that private lending agencies, or some of them, at first refused to lend money if the mortgage was to be covered by FHA insurance.

But that was a long time ago, Mr. President. Today the lending agencies will in many cases absolutely refuse to make a home loan unless the mortgage can qualify for FHA insurance, and, furthermore, as has been repeatedly pointed out in the debate on S. 2246, FHA insurance has paid its way and proven itself. It has today a premium balance about 10 times greater than the total payments which have been made through mortgage defaults.

So it is perfectly obvious that the essential idea of FHA-type insurance has not socialized anybody; it is obvious that it has been of material aid both to private investors in insuring them against loss; and it is obvious that mortgage insurance sponsored through our Federal programs has made it possible for millions of families to acquire a home when private lenders would otherwise have turned them down unless some form of insurance was provided.

Now, title III visualizes the use of similar mortgage-insurance methods to insure the risk of the private investor who seeks to put his money into the cooperative program.

So, Mr. President, I submit that the proposal set forth in title III is completely in keeping with our entire free-enterprise system.

I think there has been a great deal of confusion on this point. I believe some of those who have opposed title III feel that somehow this will ultimately replace the private lender and private builder from the housing picture. Nothing could be further from the truth. In the first place, the cooperative program is designed for those families who today simply are not buying homes. The cooperative program is creating a market that does not exist now. It is not replacing the private builder and lender who seek to build housing at a profit from a market that now exists. The cooperative program does not touch that field at all.

I am satisfied that as we gradually enlarge our home-building industry, and develop along with it new methods of construction, as I am sure we are doing, and will continue to do, that the price of all construction—profit and nonprofit alike—will gradually give us much more for our money. The net effect of this will be more people at work in this vast business of housing our people. It will mean a big expansion for building of all types, and, most important of all, it will move us along faster at the job of building the homes which so many of our people so desperately need.

I am convinced that title III is the way we should do this if we are to keep faith with our veterans, and with all their fellow Americans who today simply cannot afford a decent place to live.

Mr. MAYBANK. Mr. President, I yield to the distinguished junior Senator from Connecticut [Mr. BENTON] whatever time he may need.

The PRESIDING OFFICER. The junior Senator from Connecticut is recognized for whatever time he may need.

Mr. BENTON. Mr. President, I intend to call up after 4:30 o'clock this afternoon, my amendment lettered A, dated March 14, to the committee amendment to S. 2246.

In Connecticut we have a very successful State home ownership program which is based upon direct loans at low interest rates through banks to families with incomes between $2,500 and $3,700 a year. These loans are insured by the FHA or by a combination of the FHA and the VA. Under section 500d of the Servicemen's Readjustment Act, the VA can process automatically combination loans approved by the FHA which are made by any Federal Land Bank, national bank, state bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company. Obviously the State does not fall within any one of these classifications, and at the present time each application must be processed individually both by the FHA and the VA. This places an unreasonable burden of work upon the VA.

The purpose of my amendment would be to permit loans made under our State program to be processed in the same manner in which most other combination loans are handled. This is the only purpose of the amendment.

Its language has been worked out in cooperation with the Veterans Administration. I understand the Chairman of the committee has no objection to it.

Mr. MAYBANK. I am glad to say, Mr. President, that it will be a privilege to me, as chairman of the committee, to accept the amendment proposed by the distinguished Senator from Connecticut. He knows the situation in Connecticut, of course, far better than I do, but I know that what his amendment calls for is generally needed.

Mr. President, I now yield such time as he may desire to take, to the distinguished Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, in the few moments the distinguished chairman has yielded to me I should like to make one or two observations with reference to the pending measure. First of all, I should like to have my colleagues take the veneer off the talk we have heard this afternoon and the preceding days. In other words, let us rub off the polish, let us get rid of the fringe issues and get down to the substance of what the debate is all about. It is obviously over title III. It is obviously over cooperative housing.

There are those who would have us believe that cooperative housing and cooperative development in America are something new, unusual, dreadful, damaging, and demoralizing. However, the Congress has seen fit to provide for the American farmer to have his rural electrification cooperative without any serious injury to American industry, American standards, or American prosperity.

The record of REA cooperative associations wherein farmers join together to own their own electric lines, to own their own generating plants has been one of splendid success. In fact, the REA Act goes much further than the legislation which is now being considered by the Senate in the proposed measure. Under REA there are direct Government loans. In this legislation, the middle-income housing bill, there are no direct Government loans provided. So I say, let us take a look at the real issue. Those issues can be pretty well summarized in about three categories.

No. 1. Is there a need for middle-income housing? Is there a need for a better housing program to meet the housing needs of that great middle-income group between $2,500 a year income and $4,500 a year income, which represents about one-third, I believe, of the urban families, and an even larger number of rural families? I doubt if any Member of the Congress, regardless of partisan preference, would deny that

there is a need for a better housing program for the middle-income group. I doubt that any Member of the Congress would deny the desirability of home ownership. I have heard very few people say that they think this will be a better America if more people rent houses from more landlords.

So I think the answer to the first issue, "Is there a need for more middle-income housing?" is clearly outlined in the report of the committee. I think the answer has been made again and again by everybody interested in the home-building industry. Yes, there is a need, a clear-cut need for more middle-income housing.

The second question we automatically ask ourselves then is this: Does the pending measure deny private enterprise an opportunity to meet the housing need? Does the bill deny the building industry of America, the private building industry, the private financing industry of this country, an opportunity to meet the needs of the middle-income market? I submit that there is nothing in the pending legislation that in any way would curb the activities of the loan companies or the building and loan associations—there is nothing in the pending measure that says to the building industry, "You cannot build." In fact the pending measure encourages the building industry and the lending industry to continue to meet the housing needs of middle-income groups or middle-income families.

The third question we ask ourselves then is this—and this is the question which is frequently posed on the floor of the Senate: Does the bill socialize housing? Does the bill in any way put the hand of Government more into the housing field? Does the bill do something that we have not already done? Does the bill, in other words, destroy the principle, the very meritorious principle, of individual home ownership? My answer is clear and categorical. The bill in no way socializes housing; the bill in no way destroys the principle of home ownership; the bill in fact underwrites individual home ownership and promotes an interest on the part of the middle-income group in maintaining, owning, and using their own housing facilities.

At this point, Mr. President, I should like to quote from a debate in which I took part with the executive vice president, National Association of Real Estate Boards, Mr. Herbert U. Nelson. The debate took place in Washington, D. C., at the Statler Hotel, on the evening of December 14, 1948. I think my colleagues will be interested to know what Mr. Nelson had to say about cooperative housing. Mr. Nelson, as the executive vice president of the National Association of Real Estate Boards should be interested in the building industry. I quote from Mr. Nelson. He came forward with this suggestion while we were discussing the public housing bill:

> Mr. NELSON. Mr. HUMPHREY, I agree with that, and I wanted to mention in this discussion some housing which I saw in Sweden this summer, built by the cooperatives, which helps the white-collar class in that country very effectively, and which also serves the low-income group. These are tenant-owned houses, not only houses, but apartments, and they are privately owned and operated, but they are assisted by government loans, and in some cases by government grants. And they reach very low rents and they perform a very satisfactory type of housing. And I hope we can have this matter as a matter of discussion when Congress reassembles to discuss this question.

May I read on the same page another comment by Mr. Nelson:

> The merit of the Swedish system is that it leads to home ownership, and the occupants of this housing do not merely become permanent wards of the Government, which I think is one of the handicaps of so-called public housing. We have done some figuring on what we could do with this Swedish idea here if we tried it, and we could get down to rents as low as $21 a month—that is, payments in lieu of rent—if a certain amount of grants were made. And on self-sustaining cooperatives, we think that if there were some system of Federal loans, we could get down to rents of $45 a month.

Now, what does this statement mean? It means that Mr. Nelson, the paid representative of the Real Estate Boards, in an open debate over the airways of this land not only is for cooperative housing but he is for direct Government grants and loans for cooperative housing. At least he was on December 14, 1948. I understand he was severely chastised some time later, and there was a bit of retraction in terms of the Federal loans and the Federal grants. The proposal which is now before us does not call for Federal loans, does not call for direct Federal assistance.

This proposal calls for the middle-income people to get the same break in life that the bankers are getting. It appears to me that the leading newspapers of this country are being influenced by the savings and loan companies, the banking profession, and some of the big real estate companies. It is an amazing thing that all at once, after newspaper after newspaper has supported public housing—the kind of housing that nobody can make any money out of—suddenly these same papers find something bad in middle-income cooperative housing. Yes; cooperative housing that permits private investors to buy debentures so that cooperatives can borrow money from a cooperative housing bank and those loans will be mortgage insured just exactly as the mortgages of any banking institution in this country are insured. What is good for the banks ought to be good for the cooperatives.

What this ultimately amounts to is simply this: Cooperative housing loan interest rates may provide a yardstick for all interest rates. Let the junior Senator from Minnesota go on record right now. I am for low interest rates. I have watched America being bled white by high interest rates. The average little fellow who tries to build a home spends half his life paying interest. And the lower our interest rates can be and still maintain the solvency of this country and the solvency of our financial system the better. I am not going to sugar-coat this issue. I say quite frankly that a 4½ percent interest rate on insured mortgages is too high; and if we can get the rate down to 4 percent or lower, we will be doing a service for the country.

Mr. President, I should like to present for the RECORD an anlysis of how I believe cooperative housing deserves a lower interest rate, because of the fact that there is one mortgage, rather than hundreds of small mortgages. The analysis states how the servicing charges will be much less. So I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, my analysis of the interest rates and of how I feel that the cooperative-housing program provides for more economical building and more economical financing.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Is there objection?

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

HOW CO-OPS SAVE MONEY

The reason that I am in favor of this middle-income legislation is that in making cooperative housing a major vehicle for providing homes for the American people we are making a significant cost saving technique available to them. We are all in favor of any new building material which will do a job better and cheaper. We put a section in the Housing Act of 1949 directing the HHFA to set up a division to search out new building techniques to achieve such cost reduction.

There are four basic ways in which the use of the cooperative technique reduces housing costs. I will develop these further, but let me list them:

1. It makes available for home ownership the use of multiple building forms hitherto only available to builders of rental housing.
2. Cooperative housing fully justifies a lower interest rate, longer amortization, and hence reduces monthly housing costs.
3. Home ownership makes it unnecessary to charge against the housing consumer such fees as vacancy allowances and sale commissions.
4. Home ownership reduces the rate of depreciation of the property.

In the first of these four ways cooperative housing lowers costs. It can be seen that the savings really amount to something in that a saving of about a thousand dollars per family is possible through the use of the multiple housing types, particularly the attached house and garden apartment as opposed to the one family free-standing house. This saving is not only the obvious saving of about one end wall in three, but adds up to the thousand-dollar figure when one takes into consideration the reduction of paving, elimination of unnecessary walks and individual driveways, the grouping of garages into parking compounds and the like. While here I'm stressing the cost reduction aspect, it should not be overlooked that in this cost reduction the housing itself is made more spacious, is better designed; the neighborhood looks better and, with no extra costs, achieves larger private gardens as well as common parks and play areas where small children may play in perfect safety.

The second item has received a lot of attention from the bankers. They say that the reduction of interest rates to cooperatives is just a bonanza to co-ops and as such doesn't reflect a genuine cost saving feature of cooperative home building and ownership. I submit that just the opposite is the case. The longer amortization is justified most simply by the fact that when you write a mortgage for a corporation—in this case a soundly organized nonprofit corporation—you write a mortgage for an entity which has perpetual life. Hence it becomes entirely feasible to tie the length of the mortgage to the life of the building. The bill permits up to 50 years. This could well be longer.

I am informed that the New York life insurance companies have expressed a willingness to advance money to cooperatives up to 70 years. In Sweden ferro-concrete buildings may be amortized up to a hundred years. So you see, the provisions of the bill are not at all too liberal, in fact they are to conservative. Remember, that the Administrator of the new Cooperative Housing Agency is directed to see to it that the construction in each case will justify the length of amortization, that the 50 years is permissive, not mandatory.

The lower interest rate this bill offers cooperatives has come in for even more abuse, equally unjustified. The difference between the 4½ percent now required of FHA insured houses offered for sale and the suggested 3 percent to cooperatives represents the cost of collecting and keeping track of a lot of small mortgages. When you combine all these little mortgages into one big one there is a considerable saving in bookkeeping alone. Add to this the cost of possible foreclosure in the case of individual mortgages, the checking on the state of the property so that the banker's equity is protected, it can be seen that the 1½ percent interest reduction offered cooperatives by this bill only represents a savings achieved by the cooperative. If we do not give this savings to the cooperative which earns it by its own assumption of the service functions we shall be simply giving it to the bankers who have not earned it. If you look closely at their argument against this phase of the bill you can see that what the bankers who have raised this argument want is a cut—entirely unearned—just a tribute—for themselves.

The third group of savings are based on the fact that this is home ownership and as such the initial share capital and the constantly accruing equity of the member family takes the place of the vacancy allowance in rental housing. While co-op housing will have lower vacancy ratios than rental housing since it will be built to consumer specifications at honest costs, such vacancy costs as there may be will be assumed by the member family just as if he owned a home. In this respect cooperative housing works exactly as home ownership. When a family moves, the cooperative moves in a family on the waiting list. If there are no families on the waiting list, the outgoing family's equity takes the loss until either the dwelling is rented or a new member is found. Financially this is exactly like individual ownership, but since the co-op is there with its better environment and organization the outgoing family stands a better chance of getting a replacement than if he were alone. Furthermore, the cost of transferring membership is saved, the customary 5 percent real-estate fee is a positive saving at this point.

Finally, the cooperator is a home owner and as such he will take the customary better care of his own property than the renter. I need not labor this point; you all agree with me on this item. But let me just briefly itemize some of these savings. First, there won't be the damage in co-op housing customary in rental projects since the cooperator knows that if he abuses his home he will have to make the abuse good out of his equity when he leaves. So you see, there is every incentive to keep up the property. He can do his own interior painting in accordance with his ability and wishes with the cooperative to see that it is done correctly. Outside maintenance should be by the cooperative so, as experience has shown that this is the cheapest in the long run—the entire neighborhood gets painted when it needs it, all the roofs are repaired when necessary, and so forth.

I'm not saying that every cooperative will achieve these savings in the same manner or in the same degree. One of the beauties of this bill is that cooperative housing is a flexible instrument and can adapt itself to local conditions and customs.

In closing I want to say that here we have the most important cost-reduction technique in housing that this House has considered. It is economically sound, it gives more housing to the consumer for less money. What more can we ask I say, let's pass this bill now.

Mr. HUMPHREY. Mr. President, this is a question as to whether or not the Congress will support the program and policy of the financial interests engaged in the loan business, or support title III of the pending measure which meets the needs of millions of our people. Mr. President, we are not talking now about individual dwelling units, but we are talking about housing to be provided by a nonprofit, cooperative association. I submit this type of association is worthy of our consideration and of the helping hand of the Government. The interest rates which will be forthcoming will be sufficient to pay back the costs, to pay the service charges, and to pay a profit to those who have made the investment by purchasing the debentures. It is sound business and good public policy.

Mr. MAYBANK. Mr. President, I yield 5 minutes to the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, I offer and send to the desk an amendment to perfect the amendment which I offered yesterday. The amendment deals with the proposed title 207 of the present bill, providing that a loan up to 90 percent may be made on rental units, when the cost of the average unit does not exceed $7,000.

Yesterday I explained how, under title 608, builders are building such projects at anywhere from 80 to 70 cents on the dollar of the estimated cost, and are pocketing the difference between 90 cents and the 70 or 80 cents which it costs them to build those housing projects.

I understand that an amendment may be offered in an attempt once again to place the private-rental housing projects on the basis of cost, rather than on the basis of value. If that is done, I shall certainly oppose it, because I believe we need to be more and more conservative with these projects, in order to be sure that there is actually some cash equity investment on the part of speculators, who risk so little in building such houses, and who have so much to gain from building them.

Mr. President, in that connection, I should like to state that I have the assurance of many members of the Banking and Currency Committee—in fact, of a majority of the members of the committee—that they will go along with this amendment.

I certainly hope the Senate will see fit to reduce to 85 percent the 90-percent loan provision for private rental housing.

In addition, as regards the amount that the cost of each unit exceeds $7,000, I would be willing to permit the loan to be 70 percent, rather than 60 percent, of the estimated value, in order to be a little liberal on the higher figure, but to be sure that in the future there would be some equity investment in the construction of private rental housing.

Mr. President, briefly, the argument has boiled down to a few points, insofar as cooperative housing is concerned. One of them is the complaint about the low interest rates which the middle-income group might have the benefit of if we pass a cooperative housing bill; and the statement is made that the veterans are paying 4 percent and that other groups are paying 4½ percent.

Mr. President, this measure does not spell out the interest rate which the cooperatives will pay for their loans. Nothing is said about the interest rate they will pay. The bill merely says that the Government will guarantee the mortgage, just as the Government guarantees FHA mortgages, and that the cooperatives can work together, through a corporation for cooperatives, and can go to the private lenders and can borrow money at the best rate they are able to obtain from them. As the junior Senator from Illinois [Mr. DOUGLAS] so ably pointed out, what certain persons wish to deny the middle-income group is the ability to go to the credit market and get their money on wholesale terms, rather than on retail terms, in connection with incurring a debt on which they will pay for the remainder of their lifetime.

Under those circumstances, is it not proper that many people working together should be able to borrow on the wholesale market, rather than on the retail market? Would not it be better and fair enough to let those persons band together, so that they could save perhaps up to 1 percent interest on the amount of money they will borrow, and on which they will have to pay interest for the remainder of their lives?

Mr. President, it is bad enough that the people in such circumstances have to borrow money and pay any interest, whether 4 percent or otherwise. So far as I am concerned, it is not proper to say that the people in the middle-income brackets cannot borrow money for less than 4 percent interest.

Mr. President, we have heard much of the fact that veterans are having to pay 4 percent interest. So far as I am concerned, I should be glad to support any reasonable device whereby we might make it possible for veterans to pay, in acquiring their homes, less than 4 percent interest. If we find any way by which we can help veterans borrow money from private groups for less than 4 percent interest, I submit that the same persons who today are opposing the proposal that might enable middle-income people to obtain credit at 3 percent interest, will be the same ones who will be fighting the attempts of veterans to obtain money for anything less than 4 percent.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. Mr. President, I should like to have 30 seconds additional time, if the Senator from South Carolina will yield that much additional time to me.

Mr. MAYBANK. I yield 30 seconds additional to the Senator from Louisiana.

Mr. LONG. I thank the Senator.

Mr. President, this provision will not undermine Americanism. On the contrary, it will strengthen Americanism, by making it possible for persons in the

middle-income brackets to own their own homes, and thereby to acquire an interest in the private-property system on which our country is founded.

Mr. MAYBANK. Mr. President, as I understand, an agreement was reached for the Senator from New York to address the Senate at 10 minutes of 4.

Mr. TOBEY. At 13 minutes of 4.

Mr. MAYBANK. And then the Senator from Illinois [Mr. LUCAS] is to speak.

Mr. TOBEY. Yes; at 17 minutes past 4; and I have given the Senator 3 minutes, to go with the 10 minutes he has from the Senator from South Carolina; so the Senator from Illinois will have 13 minutes.

Mr. MAYBANK. Then, Mr. President, I yield the remainder of the time available to me, other than those 13 minutes, to the distinguished chairman of the subcommittee.

The VICE PRESIDENT. The Senator has only 18 minutes remaining, and the Chair understands that he yields 5 minutes to the Senator from Alabama [Mr. SPARKMAN].

Mr. TOBEY. Mr. President, how much time is the Senator from South Carolina yielding to the Senator from Alabama?

Mr. MAYBANK. Mr. President, I am glad to yield to the Senator from Alabama any time I have remaining.

Mr. TOBEY. Mr. President, how much time does the opposition have remaining?

The VICE PRESIDENT. About 17 minutes.

Mr. TOBEY. And how much time do I have?

The VICE PRESIDENT. Forty-one minutes.

Mr. TOBEY. Very well. I yield to the Senator from Washington [Mr. CAIN] 5 minutes, at the present time.

Mr. MAYBANK. Mr. President, the time consumed by the discussion we have just had will not come out of the time allotted to either side; will it?

The VICE PRESIDENT. Everything comes out of the time.

Mr. MAYBANK. That is correct; time is of the essence, as I realize.

The Senator from New Hampshire has agreed to yield 3 minutes additional to the Senator from Illinois [Mr. LUCAS], as I understand.

Mr. TOBEY. That is correct.

Mr. President, I now yield 5 minutes to the Senator from Washington.

The VICE PRESIDENT. The Senator from Washington is recognized for 5 minutes.

Mr. CAIN. Mr. President, the advocates of title III, or the cooperative section of Senate bill 2246, seek—as it seems most clear to me—to establish an agency and a principle affecting the Federal Government, which in a period of financial stress cannot be supported by the facts or defended. If title III is approved by the Senate today, it will add to the prevailing evils of inflation; it will provide liberalized housing credit to Americans in large number who now benefit from housing credit which is both reasonable and available; it will discriminate between Americans in the middle-income group; it will give to one Federal housing agency unfair competitive advantages over another Federal housing agency, to the possible future ruin of both; it will encourage Americans, by Government largesse and bounty, to think seriously of living in a group society, rather than as family units in a single home, it will mean, because of the total absence of a proved need, that no serious consideration will be given or can be given in the days to come either to sound money or a balanced budget; and, finally, and most tragically, it will set the stage and will clear the decks for special-group requests and pressures for special benefits yet undreamed of, even before the present session of Congress ends.

Mr. President, on Monday, March 13, the junior Senator from Washington spoke at reasonable length in support of his amendment which would strike from Senate bill 2246 the provision which would authorize direct Government loans to GI's, or veterans, if you please. Permit me now briefly to summarize my opposition to that provision, which is section 512, as set forth on page 108 of the bill.

First, there is more than ample 4-percent GI money available to the veterans of America, on today's money market.

Second, FNMA is now operating as a 100-percent secondary market, with ample funds, and actually is selling GI section 501 loans at a premium.

Third, building costs are down, on the average, approximately 10 percent, from a year ago.

Fourth, a recent change in Veterans' Administration regulations is helpful to veterans, because a 1 percent origination charge has been agreed to, in lieu of certain closing costs.

My fifth reason for opposing section 512 is that no single witness appeared in support of this provision, nor was there a word of testimony in support of it from any Government official or any representative of an organized veterans' group at the 1950 hearings.

Lastly, Mr. President, the bill, H. R. 6070, which was passed by the House of Representatives in August 1949, and which is presently on the Senate calendar, contains no such provisions for direct loans to veterans.

I hope that in due time, this afternoon, the amendment will prevail. I feel strongly about it; because, being a veteran myself, I think it is not contrary to the facts to state that the average American veteran, faced as he is with today's financial problems, considers himself neither to be entitled to nor desirous of seeking a direct Federal loan which is not available, and which should not be made available, to other American citizens.

The VICE PRESIDENT. The time of the Senator from Washington has expired.

Mr. MAYBANK. Mr. President, I yield the remainder of my time, whatever it may be, to the Senator from Alabama [Mr. SPARKMAN].

The VICE PRESIDENT. The Senator has 17 minutes left. The Senator from Alabama is recognized for 17 minutes.

Mr. SPARKMAN. Seventeen minutes, Mr. President?

The VICE PRESIDENT. That is correct.

Mr. SPARKMAN. For this side?

The VICE PRESIDENT. Yes.

Mr. TOBEY. Mr. President, I yield to the Senator from Alabama 3 minutes of my time.

The VICE PRESIDENT. The Senator from Alabama is recognized for 20 minutes.

Mr. SPARKMAN. Mr. President, I wish I had time to discuss this highly controversial measure in the light of our over-all housing program, because it is to be taken as a part of the entire program. However, in 20 minutes it is rather difficult to give it adequate treatment.

Before I begin my discussion, let me say the Senator from Florida [Mr. HOLLAND] has been very much interested in the proposal to transfer the ownership of the farm labor camps from the Department of Agriculture to the Housing Agency. I have had prepared a statement relating to the policy of the housing agency in disposing of those units, in case that part of the bill is referred to. Rather than take time to discuss it, I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FLORIDA CAMP SITUATION

There are eight camps in Florida. None have been sold. They are under the jurisdiction of the United States Department of Agriculture. All are being operated under temporary licensing agreements. Six are being operated by three local public housing authorities. The other two (in Dade County) by a nonprofit association of farmers. This association has stated orally that a housing authority could be organized there and that they could get along with such an arrangement very well.

In H. R. 4009 a section similar to section 205, title II, S. 2246, was eliminated by the House of Representatives in 1949. In response to a request by the Florida spokesman this section has been further clarified in the Senate bill by adding the words "Such projects shall be operated for the principal purpose of housing persons engaged in agricultural work." While this section provides the Public Housing Administration with other disposal methods in addition to that specified in the bill the other methods are only included to provide a method in the event no disposals to housing authorities are possible. The PHA has given its word to extend every effort to dispose in this manner to local housing agencies. This bill provides for continuing temporary licensing agreements or use permits specifically to allow for—

1. Proper rehabilitation of the facilities prior to transfer.

2. Organization on the local level of local public housing authorities and arrangements by such authorities to receive the camps.

PHA has stated such transfer will be made as early as possible—it has no desire to continue its direct jurisdiction of the facilities and only wants to place them in the hands of local public agencies so that they can be operated within the framework established by the United States Housing Act of 1937.

Mr. SPARKMAN. Mr. President, let me say at the outset that the desire of our committee, which has jurisdiction over housing legislation, is to try to make certain that at least a million housing

units will be built every year. As a matter of fact, two different congressional committees, making a study of the problem, a housing committee of the Senate, I believe in 1945, and a joint housing committee in 1948, said it would be necessary to build at the rate of 1,500,000 units a year, in order to catch up by 1950. During the past year 1,019,000 units were built. It is the highest number in the history of the country. The next highest number was 968,000, in 1925. Most of the predictions are that 1,000,000 units will not be built this year. Most of those who are engaged in the building industry and in the finance field say about 900,000 units will be constructed.

Mr. President, if we have a run of 900,000 units a year and no more, there will continue to be a great housing shortage. Furthermore, we are going to have a problem of unemployment, and all the attendant problems incident to such a situation.

Much has been said here about the appearance of the Chairman of the Federal Reserve Board before the committee. But nothing has been said that I have heard thus far about his statement that it was absolutely essential to the economy of the country that we maintain a high level of building activity. He rather agrees that approximately 1,000,000 units a year was about what we needed. I want to read a very brief question I put to Mr. McCabe, after some discussion of the subject, and his answer. I said:

I believe you would agree with me that we do not want any great drop in the building industry, assuming that things go along on a pretty stable condition, is not that right?

Mr. McCabe replied:

That is right.

There was considerably more discussion, but all of it had to do with that very thing, that we must maintain a high building level. During the 14 years I have been in the Congress, I think I can say that the most vicious, unfair, and unfounded attack, so far as facts are concerned, has been made on this particular piece of legislation that I have ever seen. I do not believe I have ever seen a piece of legislation about which more misinformation was disseminated. All in the world anyone has to do, who is familiar with the legislation, is to read the editorials which have been placed in the RECORD today, to realize that the writers of those editorials do not comprehend the legislation, or are purposely trying to mislead the people.

Mr. President, I want to discuss the pending subject very briefly. First, let me say something about the question of discrimination. I regret that the chairman of the committee has felt compelled to offer an amendment fixing the interest rate not be less than 4 percent. He felt it necessary to do that, and I shall go along with him on the amendment. But I regret it was necessary to offer it, because the arrangements contemplated by this particular legislation do not justify a rate of interest of 4 percent, where the handling of the mortgages is done on a wholesale basis, and the purchaser of the securities has no problem of servicing or processing.

In the report of the committee will be found the names of four different insurance companies, located in different sections of the country, whose records we studied. They all told us that after they charged for servicing and processing, they received a yield of approximately 3 percent, or not more than 3-percent interest. That is exactly what we propose to do, namely, to let the cooperative do the servicing, and to relieve the mortgage buyer or the security buyer of that expenditure.

So far as discrimination is concerned, is it not strange that most of the arguments made on the subject of discrimination have been with reference to the veterans? Yet every single veterans' organization in the country came forward to ask for this legislation and to testify for it. Telegrams have been placed in the RECORD today saying it is not discriminatory.

Mr. President, back yonder nearly a quarter of a century ago, when I was just starting out as a young lawyer, I built a home and I borrowed money. I paid 6-percent interest. Many mortgages were then drawing 8-percent interest, and more amortized over a period of 10 years. I thought it was a good mortgage. I managed to pay it. I had to have a moratorium during that time because the depression came. A private insurance company gave me a 3-year moratorium, which is exactly what we provide in the pending bill, and about which so many people complain. Did I feel that I was discriminated against because later on interest rates went down and other people could get more favorable rates? When private money was being loaned at 6-percent interest, and we set up a 4-percent loan for the GI's of World War II, did I, as a veteran of World War I, feel that I was discriminated against? Not at all.

I recently happened to pick up a New York newspaper in which I read an advertisement of a Federal savings and loan association. They have 12 different lending plans, running from 6 percent down to 3½ percent. Do the people who have to take the 6-percent loans feel that they are being discriminated against? No; they are paying for what they get, and they are getting what they pay for. That is exactly what we provide in the pending bill. There is not a dime of subsidy in the bill, any more than there is in FHA.

Mr. President, much has been said about the Federal Reserve Board recommendations. I do not believe I have heard anyone mention that Mr. McCabe, in presenting the statement for the Federal Reserve Board, said, "We believe you ought to go into a cooperative housing program; it should be on a smaller scale than the bill now provides. At that time, the bill provided $2,000,000,000. So we cut it down, and if the amendment offered by the chairman of the committee, in fact, as a committee amendment is agreed to, the total authorization will be $600,000,000. It is not money out of the Government Treasury; it is the total authorization.

Furthermore, Mr. McCabe said he believed provision should be made for technical advice and assistance, and the bill makes such provision. He did not like the guaranteed bonds with which it was proposed to finance the housing; he said it ought to follow the FHA insurance plan. So we changed it, and wrote into the bill a provision and I should like all Senators to listen to this, because there has been more misinformation about this than any other one thing—we wrote into the bill a provision for financing, which is identical with the FHA insurance plan. The only difference is that we build up a higher, a bigger reserve to protect against losses, than is done in any part of the FHA program.

FHA title II has been in existence for 15 years, and a reserve of 3½ percent has been built up. Title VI, section 608, has been running for 9 years, and a reserve of about 2 percent has been built up. When this will have been operating for 15 years, we shall have a reserve of more than 15 percent.

Much has been said regarding the long period of amortization, but nothing has been said regarding the equities and the reserve for paying off. In effect, 36 years is the real program. When we passed title VI of the Housing Act we provided for a period of 32 years and 7 months. When we passed section 213 we provided for an amortization period of 40 years. When we lend to the farmers for farm housing, we lend for 40 years.

The VICE PRESIDENT. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. Mr. President, according to the announcement made when I began, I had 20 minutes. I have used only 10 minutes.

The VICE PRESIDENT. The Chair is advised by the clerk that the time was to run to 3:49 o'clock.

Mr. TOBEY. I had 41 minutes. I gave to the distinguished majority leader 3 minutes. The Senator from Alabama——

The VICE PRESIDENT. The Chair understood that the Senator from Illinois was to have 10 minutes. When the Senator from South Carolina [Mr. MAYBANK] yielded to the Senator from Alabama all his time, that did not leave any time for any other Senator.

Mr. SPARKMAN. Mr. President, of course, if the time has expired, it has expired. But I understood the Presiding Officer to say that I had 17 minutes. Then the Senator from New Hampshire [Mr. TOBEY] yielded me 3 minutes, which made 20 minutes.

Mr. TOBEY. Mr. President, tempus fugit.

Mr. LUCAS. Mr. President, I yield 3 minutes of my time to the Senator from Alabama.

Mr. SPARKMAN. I hesitate to accept it, but I should like to add this further word: The Corporation provided for in this bill is exactly the same as that provided under the FDIC bill. It is exactly the same as the one provided for in connection with the home loan bank. It is exactly the same kind of a Corpora-

tion. The Government still owns $75,000,000 worth of stock in that Corporation.

In the name of private enterprise, a great many persons are fighting this proposed legislation. The Senator from Ohio [Mr. BRICKER] had a remarkable tribute to pay to cooperatives as being the purest kind of private enterprise. In this instance the principle involved is not socialistic, because it is the same as the principle which applies to FHA. I call attention to the fact that of all the big housing programs, this is the only one which makes any provision whatsoever for the Government's ever getting out of the program. The Corporation eventually becomes a private corporation, owned by the persons who own their homes. There is no other part of the Government housing program from which the Government can ever withdraw. There is no provision for the Government's ever getting out of FHA. Title II of the FHA law is permanent. There is no way for the Government to get out of any of the other programs. I shall go along with any private group to try to get the Government out of housing. This is the first program which has ever been offered to help to bring about that situation. The same persons who fought FDIC and who have fought practically every new movement are the persons who are leading the vicious fight against this proposed legislation.

Mr. TOBEY. Mr. President, I yield 30 minutes to the senior Senator from New York [Mr. IVES].

The VICE PRESIDENT. The senior Senator from New York is recognized for 30 minutes.

Mr. IVES, Mr. President, in supporting the substitute amendment to title III of Senate bill 2246, which has been offered by Senator TOBEY and myself, I call the attention of Senators to our supplemental views which appear on pages 99, 100, and 101 of the committee report. This expression of our views and Senator TOBEY'S statement of last Friday represent an important part of my personal opposition to title III, as it is now written.

It seems to me that the question of housing should not be viewed separately, alone, and apart from the other elements in our public and private economy. Neither should any of these matters be viewed exclusively from the standpoint of desirability. The question immediately arises—what is the need and how much can we afford? Now, these questions may appear to be somewhat old-fashioned, but it seems to me that unless we begin soon to recognize the intrinsic value in the so-called basic virtues and past policies by which our Nation has grown great, someday we are going to be in for a rude—perhaps disastrous—awakening.

In this connection, I read, from a Washington Post editorial, which I understand has been inserted in the RECORD:

> More important, however, are the over-all economic objections to the Sparkman bill at this time. Economy is required to steady the general economy and to ready it in case of emergency needs. The Government has already gone too far with socially desirable programs that it cannot finance with the present tax structure.

If there is one thing above all others which can turn our whole economy into a tailspin, it is an overextension and overexpansion of credit, whether it be private credit or public credit. I have not forgotten October of 1929. I have not forgotten the forces which provoked the financial crash of that year, a crash resulting in the great depression of the 1930's. I have not forgotten that the primary cause of that crash was the overexpansion of private credit. And let me state here and now that the social and economic devastation wrought by an overexpansion of governmental credit would be infiinitely greater than were the consequences of the 1929 debacle. In fact, had it not been for the excellent condition of our governmental credit in the 1930's, we should not have been able to weather the depression as we did.

So, today, as we contemplate so callously the expenditure of additional billions—whether they be private or public obligations—it seems to me we would do well to pause and consider the direction we are taking. In a period of prosperity we are continuing to pile up a national debt which only a miracle can liquidate without disaster to the country. With all the economic traffic lights against us, we are proceeding to plunge headlong down that dizzy thoroughfare which leads to a pot of gold at the foot of a rainbow where, we are told, our national income will exceed $300,000,000,000, perhaps even a trillion dollars. As in a dream world, we stagger on blindly, sometimes seemingly in all directions at once, defying experience and reality.

What memories of 1928 and 1929 come to mind if one pauses long enough to grasp the significance of current trends. Does anyone remember the predictions of that great economist, Prof. Irving Fisher, who said that there was to be no top to the stock market, no top to values, no top to prosperity, that we were merely in the infancy of our great development—almost at the very moment when the crash came? Nor was Professor Fisher alone in his optimism, for in those years most unpopular and rare was that economist who dared to resort to common sense and to warn of impending catastrophe.

So now, as we so ambitiously look to the future of housing, we would do well to consider where our housing program is at the moment. The majority committee report which so strongly advocates the enactment of the Maybank-Sparkman version of title III makes little use of 1949 housing statistics. This is indeed unfortunate because 1949 was the banner year for housing construction in the United States. Well over 900,000 private housing units were begun and public building of various sorts brought the over-all total to more than 1,000,000 units.

Happily, the prospects for 1950 and even for well into 1951 appear to be excellent. Even the weather, which has been mild, has contributed to this end. The impact of the Housing Act of 1949, with its provisions for a huge program of public housing and slum clearance, will be felt increasingly during the coming months.

Data from the Housing and Home Finance Agency and from the Public Housing Administration reveal most illuminatingly the progress that is being made under the Housing Act of 1949.

I ask unanimous consent that they be incorporated in the RECORD at this point.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

MEMORANDUM FROM THE OFFICE OF THE ADMINISTRATOR, HOUSING AND HOME FINANCE AGENCY, WASHINGTON, D. C., MARCH 6, 1950

With 49 communities already participating officially in the new billion-dollar slum-clearance and urban-redevelopment program, and a score preparing to participate, the Housing and Home Finance Agency is now prepared to handle preliminary-planning loans as the second step in the program, HHFA Administrator Raymond M. Foley said today.

The preliminary loans, for which communities may apply after they have been granted capital-grant reservations, will permit communities to go forward with initial planning of specific projects, Mr. Foley said.

Nathaniel S. Keith, Director of the Division of Slum Clearance and Urban Redevelopment, said that the purpose of preliminary and final advance loans was to yield the data to enable communities to enter into loan and grant contracts with the Federal Government and get their projects actually under way.

The 49 communities which are already officially participating in the program represent almost every geographic area of the country and range in size from the small town of Robbins, Ill., which had a 1940 census population of 1,349, to New York City, which had a 1940 census population of 7,500,000. Seven of the cities are under 25,000, nine are under 50,000, and ten others are under 100,000.

The cities began participation by applying for Federal-grant aid through resolutions of their official governing bodies, which expressed the intention of the communities to initiate slum-clearance and urban-redevelopment projects before July 1, 1951, and to meet all of the requirements of title I of the Housing Act of 1949. These requirements include the planning of projects in accordance with an over-all plan of community development, plans for the adequate rehousing of families displaced by slum-clearance or urban-redevelopment projects, and the provision of maximum opportunity for private enterprise to participate in the redevelopment.

In addition to the 49 communities, 6 other cities have pending official requests for capital-grant reservations and more than 20 other cities have indicated they are preparing requests. The capital-grant reservations, which are not final commitments since contracts for Federal aid will be entered into only on the basis of fully developed specific projects, are being made out of the first $200,000,000 portion of the $500,000,000 capital-grant fund created for use during 5 years by the Housing Act.

A few cities have plans already prepared and can bypass the preliminary-loan stage, but most are in an early planning stage and

will seek preliminary advances out of the $1,000,000,000 loan fund authorized by the act over a 5-year period, according to their reports to the Housing and Home Finance Agency.

The purpose of the capital grants, under terms of the Housing Act, is to assist cities in slum-clearance and urban-redevelopment projects by absorbing up to two-thirds of the deficit resulting from acquiring slum or blighted-area land, preparing it for a new use in accordance with the community's redevelopment plan, and reselling it for public or private use at its reuse value. The individual community must pay at least one-third of the deficit.

The total of capital-grant funds reserved to the 49 cities is $77,748,650.

The complete list of capital-grant reservations, with cities classified by States, is as follows:

State and city	1940 population	Redevelopment agency	Amount of reservation
Alabama:			
Birmingham	268,000	Housing Authority of the Birmingham District	$2,500,000
Montgomery	78,000	Housing Authority, City of Montgomery	938,210
Mobile	79,000	Mobile Housing Board	635,180
Arkansas: Little Rock	88,000	Little Rock Housing Authority	659,680
California:			
San Bernardino	43,646	Housing Authority of the County of San Bernardino	179,340
San Francisco	635,000	The Redevelopment Agency of the City and County of San Francisco	2,154,330
Florida:			
Daytona Beach	40,000	Housing Authority of the City of Daytona	161,140
Dade County	195,000	Housing Authority of the City of Miami	419,580
Lakeland	22,000	Housing Authority of the City of Lakeland	203,070
Miami	172,000	Housing Authority of the City of Miami	666,610
Tampa	108,000	Housing Authority of the City of Tampa	699,650
West Palm Beach	34,000	Housing Authority of the City of West Palm Beach	195,580
Georgia:			
Albany	20,000	Housing Authority of City of Albany	200,830
Columbus	53,000	Housing Authority of City of Columbus	600,000
Savannah	96,000	Housing Authority of City of Savannah	943,110
Indiana: Indianapolis	387,000	Indianapolis Redevelopment Commission	2,676,730
Illinois:			
Chicago	3,300,000	Chicago Land Clearance Commission	14,420,910
Chicago Heights	22,461	Housing Authority of the County of Cook	132,860
Harvey	17,878	do	78,540
Peoria	105,000	The Peoria Housing Authority	700,000
Robbins	1,349	Housing Authority of the County of Cook	26,110
Waukegan	34,000	Waukegan Housing Authority	182,280
Minnesota:			
Minneapolis	492,000	Minneapolis Housing and Redevelopment Authority	2,375,000
St. Paul	288,000	The St. Paul Housing and Redevelopment Authority	1,276,870
Michigan: Detroit	1,623,000	Detroit Housing Commission	4,311,440
New Jersey:			
Newark	430,000	Redevelopment Agency of the City of Newark	2,212,980
New Brunswick	42,000	Housing Authority of the City of New Brunswick	141,540
Jersey City	301,000	Jersey City Redevelopment Agency	1,402,800
Perth Amboy	41,000	Housing Authority of the City of Perth Amboy	177,170
New York:			
Albany	131,000	Albany Housing Authority	516,300
Buffalo	576,000	Buffalo Municipal Housing Authority	1,574,040
New York	7,500,000	The city of New York	16,000,000
Schenectady	88,000	The city of Schenectady	210,240
Ohio:			
Cincinnati	456,000	The city of Cincinnati	3,742,830
Youngstown	168,000	The city of Youngstown	822,780
Pennsylvania:			
Ambridge	19,000	Beaver County Urban Redevelopment Authority	155,190
Beaver Falls	17,000	The Beaver Falls Urban Redevelopment Authority	84,560
Easton	34,000	Easton Redevelopment Agency	203,490
McKeesport	55,000	Housing Authority of the City of McKeesport, Pa	538,300
Rhode Island:			
Newport	31,000	Redevelopment Agency of Newport	103,390
Providence	254,000	Providence Redevelopment Authority	1,165,570
Tennessee:			
Jackson	24,000	Board of Commissioners of the City of Jackson	300,000
Knoxville	112,000	Knoxville Housing Authority	1,025,710
Nashville	167,000	Nashville Housing Authority	1,861,230
Memphis	292,000	Memphis Housing Authority	2,942,660
Texas:			
Corpus Christi	57,000	Corpus Christi Housing Authority	506,800
Dallas	294,000	Housing Authority of the City of Dallas	1,758,400
Waco	56,000	The city of Waco	467,180
Wisconsin: Milwaukee	588,000	Housing Authority of the City of Milwaukee	2,498,440

DATA FROM PUBLIC HOUSING ADMINISTRATION

Applications from local housing authorities have been processed and reservations of dwelling units approved for over 283,000 dwelling units. This is in excess of the amounts for which the beginning of construction may be authorized pursuant to the Housing Act of 1949 during the first 2 years. Preliminary loans have been authorized by the President for 262,000 units in 420 localities and funds have actually been advanced to local housing authorities to cover the initial preconstruction planning for 170,000 units.

Cooperation agreements between the local housing authorities and the governing bodies of the localities have been approved for approximately 100,000 units. It is contemplated that a substantial number of units will be placed under construction this summer. Further, it is anticipated that 175,000 family units will have been placed under construction contract by June 30, 1951.

Mr. IVES. Mr. President, from these data it can be reasonably assumed that if there is any drop in private housing construction during 1950—a rather remote possibility—public housing and other public construction should far more than make up the difference.

Insofar as the title III which is presently in the bill before us is concerned, I recently received from Mr. Herman T. Stichman, the New York State Housing Commissioner, a statement containing his ideas about it. Because the statement is so excellent and because Mr. Stichman is undoubtedly second to no one in the country as a housing authority I read it:

Instead of eliminating inefficiency and waste in building methods and preventing excessive demands, the bill seeks to reduce carrying charges by providing for the lending of mortgage money by the Federal Government through the device of a Federal guaranty, with an annual interest rate which it appears may be 3 percent, and lengthening the mortgage period to 50 years, or in the event of refinancing, to 60 years, with provisions for extending these periods three more years. This will not cut total actual costs; it will make them still higher so far as the man paying the bill is concerned.

Increasing the mortgage period from 34½ years to 60 years, which would undoubtedly be availed of under the refinancing provisions of the Maybank-Sparkman bill, would increase total interest payments by 90.9 percent, almost double; i. e., by $5,510.62 on a loan in the principal amount of $10,000 at a 3-percent interest rate, and would effect only a 22.8 percent reduction in the amount of carrying charges. Total interest payments over a 60-year period on such a loan would amount to $11,574.21, so that the borrower would be paying $21,574.21 to pay off a $10,000 loan.

Mr. President, in this connection I should like to point out that if the amendment which has been proposed by the distinguished Senator from South Carolina, which would require a minimum interest rate on the proposed debentures of 4 percent, were to be agreed to, these figures would be very materially increased, and the actual interest rate for the period involved instead of being $11,574 would be approximately $16,000, and the total cost to the buyer instead

of being $21,574, would be about $26,000. I continue to read:

Whom would that help? Is that cutting costs? Increasing the mortgage period to 50 years would increase the aggregate of interest payments by 53.7 percent, i. e., by $3,255.07 on a similar loan, and reduce monthly carrying charges only 17 percent.

As I pointed out just now, the change in the interest rate which has been proposed would upset all these figures, and very much to the disadvantage of the homeowner.

Mr. Stichman says further:

There is room for Federal aid in this essential field of cooperative housing and reducing home building costs, but the present bill gives no real help; it does not cut costs. Instead, it would increase the aggregate of carrying charges and merely spreads the heavier burden over a longer period of years. So far as supposed savings are concerned, there is shadow through the device of a Government guaranty, which would bring a lower annual interest rate but would carry with it greater aggregate outlay, and obvious inflationary possibilities today. But there is no substance. There is no effort to cut real costs by spurring technological advances, encouraging efficient building practices and definitely and specifically limiting builders' profits, in return for the benefits of the low interest rate and Government guaranty, which would aid builders. This would eliminate a continuation of the unfair and excessive speculative builders' demands which we have witnessed in other FHA housing programs.

It is as though the clothing or the radio, television, or automobile industries, instead of introducing efficient mass-production methods to lower true costs and meet competition, had asked that the Government provide purchasers with direct long-term Government loans or long-term Government-guaranteed loans at a similarly devised lower interest rate to enable such consumers to buy their products, and then offered the result as an example of cost savings. The price would not be cut; the monthly payments would be lowered, but the purchaser would be paying more in the long run because of the higher aggregate of interest over a longer period of years. That would be a subsidization of inefficient methods, just as the present bill would subsidize present-day builders' inefficiencies and excessive demands. They are equally fallacious.

The bill would demonstrate nothing to the country at large; the only people who would receive the benefits, questionable as they are in view of the increase in total carrying charges, would be those living in housing built under the Federal program. What we need instead is an open laboratory, just as we have in New York, to demonstrate how all building costs can be reduced—whether built with Federal financing or private financing, unless it is proposed to have the Federal Government finance all the housing needed now and in the future.

New York State's cooperative housing program does demonstrate how efficient building methods can reduce building costs; it proves that the responsibility for present-day high costs has been that of certain speculative builders and not that of labor, because at Bell Park Gardens, our first pilot project for 800 veterans families now completed in the Borough of Queens, we have used the same workingmen, the same materials, paid the same prices for land, and used the same private lenders, but we have been watchful and efficient and limited the profits to a reasonable amount.

The bankers have been so enthusiastic about our laboratory-housing program and the hope it offers of stabilizing the home-building economy that they reduced the interest rate to 3½ percent. So productive was labor at Bell Park Gardens, and so efficient the contractors, that there will be a dividend of about $400,000; which we have provided will go to the cooperators, on the total building construction cost of about $7,500,000. This is equivalent to a reduction of about $100 in individual down payments per room, reducing them to about $140 per room, or to an appreciable reduction in monthly carrying charges. Those monthly carrying charges leading to mutual home ownership are now only a little over $14 per room, including amortization of the mortgage, interest, heat, repairs, and maintenance. That is housing that the forgotten family can really afford. The contractors are making a good but reasonable profit, and are sufficiently satisfied that they are looking for more business.

Under the Maybank-Sparkman bill the contractors would get the additional $400,000 which has been saved under our plan, instead of the cooperators, and the cooperators would have the privilege of paying almost double the amount of interest for 60 years, the remainder of their lives; that is, if they came from long-lived families.

We have found that most builders are willing to accept limitations of their profits to reasonable figures, under our program, because of the hope it offers of stabilizing the home-building industry and eliminating booms and busts. They are anxious to participate.

A program similar to that of New York would provide a true laboratory of home-building costs in every State of the Union.

This concludes Mr. Stichman's statement.

However, Mr. President, I personally object to a basic provision of title III, which is perhaps more fundamental than anything appearing in the joint statement of Senator TOBEY and myself or in that of Commissioner Stichman. I am opposed to the creation of a new governmental corporation, the purpose of which is to enter the field of private enterprise in competition with private enterprise when there is no genuine need for this form of governmental intrusion.

This is not a question of governmental aid for public or private housing. For many years I have supported this kind of aid, both in the Legislature of New York State and in the Senate of the United States. I have taken the position that in those areas of our economy where the people need financial assistance and cannot themselves obtain such assistance through private source, government should provide it. This principle is especially applicable in the field of housing; and in keeping with it, there have been established the various agencies of Government, both National and State, to provide funds either directly or indirectly for the purpose in question.

In the matter under consideration, however, there need be no lack of Federal assistance, if the substitute offered by Senator TOBEY and myself is agreed to. A broad program of cooperative housing can be undertaken through the utilization of facilities and procedures which are already available. In fact, to make more available these facilities, we provide for a new Assistant Federal Housing Commissioner to be appointed by the President, by and with the advice and consent of the Senate, and to direct and stimulate the development of the cooperative housing program. At the same time, we would retain the operation of this program within the Federal Housing Administration.

We would emphasize the processes which are essential to the stimulation of cooperative housing through providing means for the establishment of such private housing corporations as may be helpful in the advancement of the program. We would provide means through studies and other promotional activity for the expansion of private cooperative housing associations or organizations and for obtaining a maximum amount of private investment in cooperative housing.

All these things we would do—and more—without requiring the establishment of a new governmental corporation and without making big Government bigger.

At this point I ask unanimous consent that there be incorporated a joint statement issued by the Senator from New Hampshire [Mr. TOBEY] and myself, which gives more detailed information concerning the substance of our proposal.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT BY SENATORS TOBEY AND IVES CONCERNING THE SUBSTANCE OF THE PROPOSED SUBSTITUTE AMENDMENT TO TITLE III OF S. 2246

We are today proposing a complete substitute to the Maybank amendment to title III of S. 2246. In so doing we are seeking to establish what we believe all of us on the Banking Committee agree upon, namely, a sound constructive approach toward the encouragement of cooperative housing in America.

We wish to state that we disagree that the Maybank proposals to amend title III of S. 2246 are the best or only way to accomplish what we all seek to do. In fact, we are convinced beyond a reasonable shadow of doubt that the discriminatory interest rates, the billion dollars of new Government liability, and the creation of a new bureaucracy will in themselves be injurious to the objective of sound cooperative housing. What we need is a sound, moderate, constructive program, and not a financial scheme.

Our amendment falls within the over-all pattern of FHA mortgage insurance and is in accord with the views presented to this committee by the Federal Reserve Board.

The important points in our proposal are as follows:

1. The amendment which we are offering retains the preamble to the Maybank cooperative-housing amendment which was suggested by Senator FLANDERS, indicating our firm belief in the cooperative program.

2. We have provided for a certain degree of independence for the new Assistant Federal Housing Commissioner, who will direct this program, by providing for his appointment by the President, by and with the advice and consent of the Senate. He will, however, remain within the Federal Housing Administration.

3. We have provided for technical aid and assistance to cooperatives, and our amendment will make possible the preliminary advance of funds in the sum of $10,000,000, as contrasted with $25,000,000 made available for the same purpose in the Maybank amendment.

4. In order further to encourage and expedite the cooperative housing program, our

amendment provides that the previous criteria applied by the Federal Housing Administrator, namely, that the principal activity of the mortgagee is lending on or investing in mortgages and that the mortgagee has had experience in mortgage investment, need not be controlling if the Commissioner determines that such mortgagee can adequately service the mortgage. For example, labor unions or other nonprofit organizations which could not meet the previous criteria and which have funds available can participate as a mortgagee in this program under the expanded definition.

5. To assist in determining additional appropriate and desirable legislative and other means for encouraging the development of cooperative and similar housing corporations and for facilitating the production of housing by such corporations, our amendment authorizes and directs the Commissioner to undertake and conduct full and complete studies, including but not limited to—

(a) Methods for promoting the organization of private, regional, and local cooperative housing associations, or similar organizations, to build or operate (or both to build and operate) housing accommodations, and (1) to make experience gained in connection with such housing fully available to other such organizations; (2) to consolidate, wherever feasible, and in the interests of greater efficiency and economy, the personnel and facilities used for the development and management of cooperative housing; and (3) to establish and maintain competent skills and services required to supply to other such organizations the technical advice and assistance required in the planning, financing, development, construction, acquisition, and operation and management of cooperative housing.

(b) Methods for securing, from both existing and untapped sources, the maximum amount of private investment in housing developed by cooperative housing corporations and similar organizations.

(c) Methods for reducing costs and charges to the occupants of cooperative housing through reduced interest rates on private housing loans, reduced original capital costs, lower maintenance and repair costs, self-help, and other means.

The Commissioner is also directed to report to the Congress, within 2 years after the date of enactment of this act, the results of his studies with such recommendations for legislation or otherwise as he may deem desirable.

Mr. IVES. Mr. President, I realize that the provisions of the original Maybank amendment have been altered materially since it was first considered by the Senate Committee on Banking and Currency. I realize that its approach to the problem of cooperative housing is less ambitious and less dangerous to our Government's credit than when it was first offered.

But the fact remains that the notes to be issued by the corporation which would be directly guaranteed as to principal and interest in case of default and which would be given the same tax status as that of Government bonds, in effect and in truth would be Government bonds. The main difference, I am advised, is that these guaranteed notes would not show up in the budget as a Treasury transaction.

The further fact remains, moreover, that the Maybank amendment still retains the corporate plan by which to carry out the cooperative housing program. It still retains those characteristics apparent in the incipient stage of a malignant growth which later are likely to expand and absorb all the facilities and instrumentalities, both public and private, in the housing field.

It is not just a question of interest rates, although these rates, through the operation of the governmental corporation which is here proposed, might well be placed at a level that would be injurious both to public credit and to private finance, while at the same time being discriminatory with respect to other housing financing. It is not just a question of an excessive period of amortization, much as this excess violates every principle of mortgage financing. These inducements to prospective owners of cooperative housing would prove ultimately to be either harmful from the standpoint of the private owner or most troublesome for Government itself.

I make these statements, Mr. President, as they appear in my prepared text, because the low interest rates and excessive amortization period constitute the chief inducements in the Maybank amendment. If the amendment which is now proposed by the senior Senator from South Carolina, and which would require a minimum interest rate of 4 percent on the debentures, were to be agreed to, and the present title III as thus amended were to be enacted, the inducements to which I have referred would almost disappear, and the Maybank-Sparkman cooperative housing proposal would become so unattractive as to be almost worthless to prospective cooperative home owners.

Be all this as it may, Mr. President, separately and alone, no one of them contains my major objection to the corporate plan.

It is the combination of these and other inducements in the corporate plan which gives to it so dangerous an aspect. Actively promoted and logically carried out, and in and of itself and through its own expansion and repressive influence upon competing private institutions, it might set in motion forces in Government which would completely supplant these institutions by usurping their functions and depriving them of business, with the inevitable unhappy consequences for depositors in savings bank and savings and loan associations and for insurance company policyholders.

I know that it is claimed that already the Federal Government has invaded the field of private finance through the establishment of Federal financial institutions; but I would point out that in these particular cases such invasion in the first instance has been occasioned by conditions where private resources were either inadequate or unavailable.

No condition of this nature would exist in the field of cooperative housing if the substitute amendment offered by the Senator from New Hampshire [Mr. TOBEY] and myself were to be agreed to. Ample are the present facilities of our governmental agencies to meet the requirements of any cooperative housing program, if these facilities were to be fully utilized as contemplated by the terms of the substitute amendment.

As I have stated, I do not differ as to the principle involved in Federal aid for cooperative housing. I do differ on the question of method. I believe firmly that the proposal contained in the Maybank amendment is unwarranted and dangerous. I believe firmly that the proposal contained in our substitute amendment is wholly adequate to meet the need for cooperative housing.

Mr. TOBEY. Mr. President, how much time have I left?

The VICE PRESIDENT. The Chair is informed the Senator has 13 minutes left. That cannot be so, however, because there is not that much time in all remaining.

Mr. TOBEY. That can hardly be so; I agree.

Mr. LUCAS. I believe the Senator has 10 minutes, Mr. President.

Mr. TOBEY. Mr. President, I yield 1 minute to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, 1 minute is not a great deal of time in which to make a statement upon this important matter. I do wish to cover two points as briefly as I can.

First, it has been assumed that 3¼ percent interest rate would be the most favorable which could be afforded under this set-up, because that figure is stated in the report of the committee.

I call to the attention of the Senate this sentence from the statement prepared by Mr. Marriner S. Eccles, member of the Board of Governors of the Federal Reserve System, which was placed in the RECORD today by the Senator from Arkansas [Mr. FULBRIGHT]:

> On the other hand, by issuing short-term debentures the Corporation might get its money as low as 1¼ or 1½ percent, which might permit a gross rate much lower than 3 percent.

On the second point, Mr. President, even if the amendment to be offered by the Senator from South Carolina [Mr. MAYBANK], stating a minimum interest rate at 4 percent, were to prevail, it is my understanding that the following wording, which I quote from page 93 of the bill, would still remain in it:

> Such debentures * * * shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guarantee shall be expressed on the face of the debenture.

Mr. President, so long as that expression remains in the bill I think it is dangerous and unwarranted legislation and would be a complete departure, insofar as this Nation is concerned, from tried, true, and sound methods of financing housing construction.

The VICE PRESIDENT. The time of the Senator from Florida has expired.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. The Chair is somewhat confused respecting the division of time. Does the Senator from South Carolina yield time to the Senator from Illinois?

Mr. MAYBANK. Mr. President, I yield the remainder of the time I control to the Senator from Illinois.

Mr. TOBEY. Mr. President, I also yield the remainder of the time at my disposition.

The VICE PRESIDENT. The Senator from Illinois is recognized.

Mr. LUCAS. I first want to commend the able chairman of the Committee on Banking and Currency, the Senator from South Carolina [Mr. MAYBANK], and the able chairman of the subcommittee, the Senator from Alabama [Mr. SPARKMAN] who have worked so long and so laboriously to bring out this housing bill.

Mr. President, the bill which we are considering today would go far in meeting the critical need of our middle-income families for adequate housing at moderate cost.

The President, in his message to the Congress on January 4, 1950, emphasized the seriousness of this problem in these words:

> With the help of various Government programs we have made progress in the last few years in increasing the number of homes. Despite this increase there is still an acute shortage of housing for the lower- and middle-income groups, especially in large metropolitan areas.

At the time the Housing Act of 1949 was enacted, all of us understood that it did not provide the comprehensive housing program that was needed It made great strides toward meeting the needs of the lower-income groups of our society. It did nothing to help the middle-income families.

The bill now before the Senate is designed to encourage the construction of housing for the middle-income group. As has been said by various Members of the Senate who favor the bill, it continues many of the fine features of the FHA. It increases the authorization for the permanent insurance program and sets up a workable mortgage insurance for rental housing. However, the controversial part of this entire bill is the provision in title III for housing cooperatives.

Most of the criticism of the middle-income housing bill has been leveled against those provsions which would encourage housing cooperatives.

Title III establishes the National Mortgage Corporation for Housing Cooperatives. The Government would supply the initial capital of $100,000,000. The corporation would be authorized to have outstanding at one time an amount in loans not exceeding $1,000,000,000.

As private capital is subscribed the Government capital would be retired until the corporation eventually would be completely privately financed. I cannot lay too much stress upon that particular feature of the bill. In addition amounts up to $25,000,000 might be loaned by the Government to assist cooperatives in formulating plans for housing projects.

Mr. President, we need only turn to the experience gained through the operation of the Home Owners' Loan Corporation to find proof of the soundness of corporations of this type.

Sixteen years ago the arguments of those who opposed the Home Owners' Loan Corporation were very similar to the arguments we are hearing now. It was prophesied that that legislation would cost $1,000,000,000 at the minimum.

It was said that the home owners' loan legislation was communistic, that it was socialistic, just as opponents of this measure are now saying that the features involved in this housing bill are socialistic and communistic. The statements made at that time were absurd and ridiculous, just as the similar statements with respect to the pending measure are absurd and ridiculous today.

Congress was not impressed by these dire prophecies and established this Corporation which saved the homes of millions who were in distress. This was a Corporation whose capital was supplied by the Federal Government. Banks, investment companies, and others, who held mortgages which appeared insecure, turned those mortgages over to HOLC and received in return bonds or cash. In this way $3,500,000,000 of emergency financing was accomplished by the Home Owners' Loan Corporation.

On June 30, 1949, the deficit of HOLC had been entirely wiped out and it had a surplus of millions of dollars. Instead of losing the billion dollars the prophets of gloom predicted, this Corporation will wind up its operations with a tremendous profit.

In recent years the HOLC has been liquidating its assets in an orderly way. It has been doing this despite the efforts of Members of the House and the Senate to speed up that liquidation.

In 1943, a Republican Member of Congress succeeded in amending an appropriation bill in order to force the immediate liquidation of the Home Owners' Loan Corporation. The amendment passed the House of Representatives, but it was rejected by the Senate.

An amendment of this type would have forced that Corporation to transfer to private investment companies most of its good mortgages. It has been estimated that such an amendment alone would have drained from the Treasury approximately $400,000,000.

I wish to emphasize to the Members of the Senate that if these attempts had been successful, a sound financial structure would have been converted into a losing proposition.

Mr. President, here and now, I wish to prophesy to the Members of the Senate that if the Congress enacts this measure, so far as orderly liquidation is concerned, the same thing will occur that has occurred in the case of the Home Owners' Loan Corporation.

When we hear arguments against the financial soundness of corporations such as that proposed in this bill, let us keep in mind the experience we have gained with HOLC.

I have gone into some detail in describing the experience we have had with HOLC because of its similarity to the Corporation established by the committee bill. I do so because of the attacks which have been made on this measure.

The able Senator from Alabama [Mr. SPARKMAN] in his magnificent speech in regard to this proposal said that probably—whether by design or through ignorance—there has been more misinformation spread abroad on this measure than on any other which has been before the Congress in a long time.

Mr. President, there are three main differences between the National Mortgage Corporation for Housing Cooperatives and the HOLC, each of which will substantially reduce the risks of loss below those of HOLC.

In the first place, provision is made for the complete ownership of this Corporation by private capital. This means that the Government's funds used as the original capital investment will be repaid in the future. This also lessens the likelihood that attempts will be made to force a disorderly liquidation at a tremendous cost to the taxpayers, as has been attempted with the HOLC.

Second, the Home Owners' Loan Corporation as a policy took up mortgages that were poor risks. As expressed in propaganda of that day, the credit was not advanced to solvent concerns. Under this measure, the Corporation for Housing Cooperatives would make loans to organizations that are financially sound.

A third safeguard is found in the provision for building up a reserve, which is contained in the pending measure. Through small premium charges, reserve funds will be accumulated to cover losses which might occur if individual cooperatives default.

Mr. President, this review of the record of the HOLC should emphasize to all Senators the soundness of a financial program such as this. It is vital that housing for the middle-income group be provided. This measure will encourage the needed construction.

Mr. President, in conclusion, I wish to repeat what I previously stated, that the Congress of the United States cannot go wrong if it takes as a yardstick the Home Owners' Loan Corporation, which has been a tremendous success from the standpoint of the Government and for the people for whom it has operated, and goes along with the cooperative features of the housing measure now before the Senate.

If my reasoning is correct, this proposition comes before the Senate at this time on a stronger footing and on a more secure basis, from a financial aspect, than did the Home Owners' Loan Corporation measure which was enacted by the Congress some 16 years ago. Everyone knows that the Home Owners' Loan Corporation has been a complete success, saving the homes of more than 1,000,000 persons, and making millions upon millions of dollars for the Federal Government.

Mr. President, I sincerely hope that title III will not be stricken from this measure. I sincerely hope that the Tobey-Ives amendment to it will be rejected. Let us stand with the committee which has brought forth such a constructive and forward-reaching measure.

Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Butler	Connally
Anderson	Byrd	Cordon
Benton	Cain	Donnell
Brewster	Capehart	Douglas
Bricker	Chapman	Dworshak
Bridges	Chavez	Ecton

Ellender	Kefauver	Myers
Ferguson	Kem	Neely
Flanders	Kerr	O'Conor
Frear	Kilgore	O'Mahoney
Fulbright	Knowland	Robertson
George	Langer	Russell
Gillette	Lehman	Saltonstall
Graham	Lodge	Schoeppel
Green	Long	Smith, Maine
Gurney	Lucas	Smith, N. J.
Hayden	McCarthy	Sparkman
Hendrickson	McClellan	Stennis
Hickenlooper	McFarland	Taylor
Hill	McKellar	Thomas, Okla.
Hoey	McMahon	Thye
Holland	Magnuson	Tobey
Humphrey	Malone	Watkins
Ives	Martin	Wherry
Jenner	Maybank	Wiley
Johnson, Colo.	Millikin	Williams
Johnson, Tex.	Mundt	Withers
Johnston, S. C.	Murray	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment of the Senator from South Carolina [Mr. MAYBANK], on page 26.

Mr. WHERRY. Mr. President, is that amendment subject to amendment?

The VICE PRESIDENT. The Maybank amendment, being in the first degree, is subject to amendment.

Mr. WHERRY. Mr. President, as an amendment to that amendment, I offer the following: Strike out the date "January 31" and insert "February 15."

Mr. THYE. Mr. President, I request that I be permitted to associate myself with that amendment to the Maybank amendment, namely, to change the date from January 31 to February 15.

The VICE PRESIDENT. Under the rule, only one Senator can offer an amendment from the floor. The Senator from Nebraska has offered the amendment to the amendment of the Senator from South Carolina.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. Under the unanimous-consent order, all debate has concluded.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. MAYBANK. I rise to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. If the amendment to my amendment is adopted, thus changing the date to February 15 in respect to the filing of applications, which date is 3 weeks after the time applicants were notified not to file them, Mr. President, I ask this question——

Mr. WHERRY. Mr. President, I call for the regular order.

Mr. MAYBANK. Mr. President, how much more money would that cost?

The VICE PRESIDENT. That is not a parliamentary inquiry.

Mr. WHERRY. Mr. President, debate is not now in order, of course.

The VICE PRESIDENT. That is correct.

What has been stated by the Senator from South Carolina is not a parliamentary inquiry.

Mr. MAYBANK. Mr. President, what would be the cost of the amendment of the Senator from Nebraska to my amendment?

The VICE PRESIDENT. No Senator can engage in debate at this time. The question propounded by the Senator from South Carolina is not a parliamentary inquiry on which the Chair can pass.

Mr. LUCAS. Mr. President, I demand the regular order.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska to the amendment of the Senator from South Carolina on page 26.

Mr. RUSSELL. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator from Georgia address the Chair?

Mr. RUSSELL. I desire to have the amendment stated. This measure is full of dates, and I wish to know what date will be changed by the amendment of the Senator from Nebraska to the amendment of the Senator from South Carolina, if it is adopted.

The VICE PRESIDENT. The Secretary will state the amendment offered by the Senator from Nebraska to the amendment of the Senator from South Carolina.

The LEGISLATIVE CLERK. On page 1 of the amendment of Mr. MAYBANK, in section 118 (b) it is proposed to strike out "January 31, 1950" and to insert in lieu thereof "February 15, 1950."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Nebraska to the amendment of the Senator from South Carolina on page 26.

Mr. WHERRY, Mr. MAYBANK, and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. O'MAHONEY (when Mr. HUNT's name was called). I announce that my colleague the junior Senator from Wyoming [Mr. HUNT] is temporarily indisposed. He is undergoing a check-up at the hospital and is unable to be present. If he were present, he would vote "nay."

The roll call was concluded.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

I announce further that if present and voting the Senator from Rhode Island [Mr. LEAHY], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business. If present and voting, the Senator from Kansas would vote "yea."

The Senator from Oregon [Mr. MORSE], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Oregon [Mr. MORSE] is paired with the Senator from Ohio [Mr. TAFT]. If present and voting the Senator from Oregon would vote "nay" and the Senator from Ohio would vote "yea."

The result was announced—yeas 26, nays 57, as follows:

YEAS—26

Brewster	Ferguson	Millikin
Bricker	Gurney	Mundt
Bridges	Hickenlooper	Schoeppel
Butler	Humphrey	Thye
Capehart	Jenner	Watkins
Cordon	Knowland	Wherry
Donnell	McCarthy	Wiley
Dworshak	Malone	Williams
Ecton	Martin	

NAYS—57

Aiken	Hill	McMahon
Anderson	Hoey	Magnuson
Benton	Holland	Maybank
Byrd	Ives	Murray
Cain	Johnson, Colo.	Myers
Chapman	Johnson, Tex.	Neely
Chavez	Johnston, S. C.	O'Conor
Connally	Kefauver	O'Mahoney
Douglas	Kem	Robertson
Ellender	Kerr	Russell
Flanders	Kilgore	Saltonstall
Frear	Langer	Smith, Maine
Fulbright	Lehman	Smith, N. J.
George	Lodge	Sparkman
Gillette	Long	Stennis
Graham	Lucas	Taylor
Green	McClellan	Thomas, Okla.
Hayden	McFarland	Tobey
Hendrickson	McKellar	Withers

NOT VOTING—13

Darby	McCarran	Tydings
Downey	Morse	Vandenberg
Eastland	Pepper	Young
Hunt	Taft	
Leahy	Thomas, Utah	

So Mr. WHERRY's amendment to Mr. MAYBANK's amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

Mr. MCCARTHY. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. MCCARTHY. I would like to call up an amendment which is lying on the desk, and I would also like to ask unanimous consent to have inserted in the CONGRESSIONAL RECORD at this point a letter from Mr. Omar Ketchum, director of the national legislative service of the Veterans of Foreign Wars, together with a brief explanation.

The VICE PRESIDENT. Is there objection?

Mr. LUCAS. I object.

The VICE PRESIDENT. Objection is heard.

The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The amendment was agreed to.

Mr. BRICKER. Mr. President, I wish at this time to call up my amendment B. I ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The legislative clerk read the amendment as follows:

1. Strike out all of title III of said bill; and

2. Strike out all of subsection (f) commencing on line 9 of page 24 and insert the following subsection in lieu thereof:

"(f) The Commissioner is authorized, with respect to mortgages insured or to be insured under this section, to furnish technical advice and assistance in the organization of corporations or trusts of the character described in subsection (a) of this section and in the planning, development, construction, and operation of their housing projects. In the performance of, and with respect to, the functions, powers, and duties, vested in him by this section, the Commissioner, notwithstanding the provisions of any other law, shall appoint an Assistant Commissioner to administer the provisions of this section under the direction and supervision of the Commissioner."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER].

Mr. BRICKER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. MAYBANK. A point of order, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. I have a perfecting amendment to title III which I offered, to provide a definite interest rate. I desire to withdraw that amendment, pending the vote on the amendment offered by the Senator from Ohio [Mr. BRICKER]. I have conferred with the Senator. Perhaps I may be violating the rule——

The VICE PRESIDENT. The Senator withdraws the amendment to which he refers. The Chair would like to state to the Senator that the amendment to which he refers was part of the amendment which has just been voted upon, and which was agreed to.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. I offered an amendment to title III, specifically providing an interest rate of 4 percent on loans to cooperatives. It is that amendment I desire to withdraw for the time being.

The VICE PRESIDENT. The Chair was misadvised. The amendment regarding the rate of interest was not a part of the Senator's amendment which was agreed to.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. After the amendment offered by the Senator from Ohio [Mr. BRICKER] is voted on, I would still have an opportunity to perfect my amendment to title III, would I not?

The VICE PRESIDENT. If title III is eliminated from the bill, there will be no further chance to perfect it.

Mr. MAYBANK. And if it is not eliminated from the bill?

The VICE PRESIDENT. If it is not eliminated it will be open to amendment.

Mr. MAYBANK. Mr. President, I desire to say——

The VICE PRESIDENT. The Senator cannot debate the question now. The Senator has withdrawn his 4 percent amendment. Therefore, the question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCARTHY (when his name was called). On this and another amendment to the bill, I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. However, I understand if he were present, he would vote the same as I propose to vote on this amendment. Therefore, I shall cast my vote. I vote "yea."

Mr. TOBEY (when his name was called). On this vote I have a pair with the distinguished Senator from Michigan [Mr. VANDENBERG]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

Mr. WITHERS (when his name was called). I have a pair with the senior Senator from Ohio [Mr. TAFT]. If he were present he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. O'MAHONEY. Mr. President, with respect to the absence of my colleague, the junior Senator from Wyoming [Mr. HUNT], I desire to make the same announcement that I made before. In voting on this amendment, he would vote "nay."

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

On this vote the Senator from Florida [Mr. PEPPER] is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting the Senator from Florida would vote "nay," and the Senator from Maryland would vote "yea."

I announce further that if present and voting the Senator from Rhode Island [Mr. LEAHY] and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Oregon [Mr. MORSE] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Ohio [Mr. TAFT] is paired with the Senator from Kentucky [Mr. WITHERS] and his pair has been announced previously.

The Senator from Michigan [Mr. VANDENBERG] is paired with the Senator from New Hampshire [Mr. TOBEY] and his pair has been announced previously.

The Senator from Kansas [Mr. DARBY] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Oregon would vote "nay."

The result was announced—yeas 43, nays 38, as follows:

YEAS—43

Brewster	George	Mundt
Bricker	Gillette	O'Conor
Bridges	Gurney	Robertson
Butler	Hendrickson	Russell
Byrd	Hickenlooper	Saltonstall
Cain	Hoey	Schoeppel
Capehart	Holland	Smith, N. J.
Chapman	Jenner	Stennis
Cordon	Kem	Thye
Donnell	Knowland	Watkins
Dworshak	McCarthy	Wherry
Ecton	McClellan	Wiley
Ellender	Malone	Williams
Ferguson	Martin	
Fulbright	Millikin	

NAYS—38

Aiken	Ives	McKellar
Anderson	Johnson, Colo.	McMahon
Benton	Johnson, Tex.	Magnuson
Chavez	Johnston, S. C.	Maybank
Connally	Kefauver	Murray
Douglas	Kerr	Myers
Flanders	Kilgore	Neely
Frear	Langer	O'Mahoney
Graham	Lehman	Smith, Maine
Green	Lodge	Sparkman
Hayden	Long	Taylor
Hill	Lucas	Thomas, Okla.
Humphrey	McFarland	

NOT VOTING—15

Darby	McCarran	Tobey
Downey	Morse	Tydings
Eastland	Pepper	Vandenberg
Hunt	Taft	Withers
Leahy	Thomas, Utah	Young

So Mr. BRICKER's amendment was agreed to.

Mr. WHERRY. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. BRICKER. Mr. President, I move that that motion be laid on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio.

The motion to lay on the table was agreed to.

Mr. IVES. Mr. President, I offer the amendment which I send to the desk, and ask to have stated.

The VICE PRESIDENT. Does the Senator desire to have the entire amendment read?

Mr. IVES. No, Mr. President. I think that is not necessary. I think the Senate understands what is in the amendment. It has been well discussed.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. May I inquire what this amendment does, and where in the bill it is to go? Is it an amendment to title III?

The VICE PRESIDENT. It provides for a new title, "Cooperative Housing."

Mr. IVES. Mr. President, I ask unanimous consent to speak for 1 minute concerning this amendment.

Mr. BRICKER. Reserving the right to object, a parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. BRICKER. Is this amendment offered in the nature of an amendment to Senate bill 2246, or to the amendment in the nature of a substitute?

The VICE PRESIDENT. It is offered to the committee amendment which is in the nature of a substitute for the original bill.

Mr. MAYBANK. Mr. President, reserving the right to object, I ask for the same privilege, to explain the reason why some of us are opposed to the amendment.

Mr. LUCAS. Mr. President, I object.

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BRICKER. Mr. President, is not an amendment of this nature out of order?

The VICE PRESIDENT. It is offered as a new amendment to the bill.

Mr. IVES. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. IVES. To explain affirmatively what the amendment provides for, if it is not to be read.

The VICE PRESIDENT. The Secretary will state the amendment.

The Chief Clerk proceeded to read the amendment of Mr. IVES, and read as follows:

Strike out all of title III and insert in lieu thereof the following:

"TITLE III—COOPERATIVE HOUSING

"PURPOSE

"SEC. 301. The purpose of this title is to provide an affirmative and vigorous program of assistance to nonprofit cooperative housing corporations in the production and management of housing of sound standards of design, construction, livability, and size for adequate family life, in well-planned, integrated residential neighborhoods (1) by providing necessary technical assistance and advice in the organization of such cooperative corporations and in the planning, financing, development, construction, and operation of their housing projects; (2) by making limited financial assistance, in the form of preliminary advances of funds, available to soundly organized cooperative housing corporations to enable them to develop specific plans for their housing projects; and (3) to provide mortgage insurance on liberal terms for such housing projects.

"ASSISTANT FEDERAL HOUSING COMMISSIONER

"SEC. 302. The President shall appoint, by and with the advice and consent of the Senate, an Assistant Federal Housing Commissioner to administer the provisions of this title (including section 213 of the National Housing Act, as amended) under the direction and supervision of the Federal Housing Commissioner (hereinafter referred to as Commissioner).

"TECHNICAL AID TO COOPERATIVES

"SEC. 303. To assist in achieving the purposes of this title, the Commission is authorized and directed to furnish technical advice and assistance (1) in the organization of (i) any nonprofit cooperative ownership housing corporation the permanent occupancy of the dwellings of which is restricted to members of such corporation, or (ii) any nonprofit corporation organized for the purpose of construction of homes for members of the corporation; and (2) in the planning, financing, development, construction, acquisition, and operation and management of the housing project or projects of any such corporation.

"PRELIMINARY ADVANCES OF FUNDS

"SEC. 304. (a) To further assist in carrying out the purposes of this title, the Commissioner, upon application by a cooperative or other nonprofit corporation of the character described in section 303 (1) may make a preliminary advance of funds to such corporation to assist in the formulation of a proposed housing project to be eligible for mortgage insurance under section 213 of the National Housing Act, as amended: *Provided*, That such preliminary advance of funds shall be limited to the amounts required for necessary work preliminary to construction, and shall in no event exceed an amount equal to 5 percent of the amount which the Commissioner estimates will be the replacement cost of the housing project when the proposed improvements are completed: *And provided further*, That no such advance of funds shall be made until the Commissioner shall have determined that such corporation is a bona fide nonprofit cooperative ownership housing corporation or a nonprofit corporation of the character described in section 303 (1), that such corporation and its proposed methods of operation are such as will avoid its use for speculative purposes or the payment of excessive fees, salaries, or charges in connection with the housing project, and that the organization and proposed methods of operation of the corporation are such as will encourage the association therein of persons who will contribute to the sound integral character and success thereof, provide necessary leadership therein, and involve democratic voting principles."

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. MAYBANK. To submit a unanimous-consent request.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. The distinguished senior Senator from New York stated that the Senate was familiar with his amendment, and I was wondering if we could dispense with the reading of the entire amendment.

Mr. IVES. Mr. President, the only reason why the amendment is being read is that the senior Senator from New York asked unanimous consent to have 1 minute to tell what the amendment provides, not to argue for it at all, but merely to inform the Senate of the nature of the amendment. That request was denied. Therefore the senior Senator from New York thought it advisable that the amendment be read.

Mr. MAYBANK. I thank the Senator.

Mr. IVES. I should like to make a request, if it is in order.

The VICE PRESIDENT. It is in order to request that further reading be dispensed with.

Mr. IVES. I ask that the further reading be dispensed with and that I be permitted, in the same breath, to indicate what the amendment proposes.

Mr. WHERRY. One minute?

Mr. IVES. One minute or less.

The VICE PRESIDENT. Is there objection to the request, first, of the Senator from South Carolina that further reading of the amendment be dispensed with?

Mr. WATKINS. I object.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York that further reading be dispensed with and that he be allowed 1 minute in which to explain the amendment?

Mr. CAIN. Mr. President, reserving the right to object, I wonder if it is the intention of the Senate to permit similar 1-minute expressions to be made about other important amendments which on their face may not be clearly understood.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Regular order.

The VICE PRESIDENT. The regular order is, Is there objection? The Chair hears none.

Mr. CAIN. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington object?

Mr. CAIN. The Senator from Washington objects if it is not the intention of the Senate to permit similar expressions on other amendments.

Mr. WATKINS. Mr. President, I objected to the request.

Mr. WHERRY. Mr. President, the Senator from Utah has objected.

The VICE PRESIDENT. Objection is heard. The Secretary will proceed with the reading of the amendment.

Mr. WATKINS. Mr. President, may we have order?

The VICE PRESIDENT. The Senate will be in order.

The Chief Clerk resumed and concluded the reading of the amendment, as follows:

"Such advance of funds shall bear interest at 3 percent and shall be repaid out of the proceeds of any construction or other loan obtained for the project by such cooperative or other nonprofit corporation.

"(b) In carrying out the provisions of this section, the Commissioner shall (in addition to his other powers and duties) have (1) the powers and duties authorized by section 1 of the National Housing Act, as amended, for the purpose of carrying out any provisions of that act, and (2) the powers and duties provided in that act with respect to property acquired or to be acquired by the Commissioner for any purpose thereunder.

"PROVISION OF FUNDS

"SEC. 305. (a) To obtain funds for preliminary advances as provided in section 304, the Commissioner may, with the approval of the President, issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $10,000,000.

"(b) Notes or other obligations issued by the Commissioner under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from

the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All purchases, sales, and redemptions by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"(c) Funds made available to the Commissioner pursuant to the provisions of this section shall be deposited in a checking account or accounts with the Treasurer of the United States. Principal repayments on advances made under section 304 shall be applied to the retirement of notes or other obligations issued by the Commissioner pursuant to this section: *Provided*, That this requirement shall not be construed as limiting the authority of the Commissioner under section 305 (a). Other receipts and assets obtained or held by the Commissioner in connection with the performance of his functions under this title shall be available for any of his functions thereunder. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for administrative expenses of the Commissioner in carrying out his functions under sections 303, 304, and 307 of this title.

"SEC. 306. Title II of the National Housing Act, as amended, is hereby amended by inserting a new section reading as follows:

"'COOPERATIVE HOUSING INSURANCE

"'SEC. 213. (a) The purpose of this section is to provide an effective program of mortgage insurance which will make a substantial contribution toward meeting the housing needs of American families. The Commissioner is authorized and directed in the administration of this section to take affirmative steps to facilitate and accelerate operations hereunder and to promptly modify or eliminate any procedures or requirements that prove to be obstacles to the planning or development of housing projects acceptable for purposes of mortgage insurance hereunder. The Commissioner is also directed to administer this section pursuant to regulations and administrative requirements prepared for and specifically adapted to cooperatives, and to avoid the use of rigid or inflexible standardization in its requirements which would prevent cooperatives from planning their construction to meet the needs and desires of their members.

"'(b) In addition to mortgages insured under section 207 of this title, the Commissioner is authorized to insure mortgages as defined in section 207 (a) of this title (including advances on such mortgages during construction), which cover property held by—

"'(1) a nonprofit cooperative ownership housing corporation the permanent occupancy of the dwellings of which is restricted to members of such corporation; or

"'(2) a nonprofit corporation organized for the purpose of construction of homes for members of the corporation;

which corporations are regulated or restricted for the purposes and in the manner provided in paragraphs numbered (1) and (2) of subsection (b) of section 207 of this title.

"'(c) To be eligible for insurance under this section a mortgage on any property or project of a corporation of the character described in paragraph numbered (1) of subsection (b) of this section shall involve a principal obligation in an amount—

"'(1) not to exceed $5,000,000;

"'(2) not to exceed $8,100 per family unit for such part of such property or project as may be attributable to dwelling use, except that if the Commission finds that the needs of individual members of the corporation could more adequately be met by per room limitations, the mortgage may involve a principal obligation in an amount not to exceed $1,800 per room for such part of such project to be occupied by such members; and not to exceed 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed: *Provided*, That (i) such maximum dollar amount shall be increased by $9 per family unit or $2 per room, as the case may be, for each 1 percent of the membership of the corporation which consists of veterans of World War II and such maximum ratio of loan to cost shall be increased by one-tenth of 1 percent for each 1 percent of the membership of the corporation which consists of veterans of World War II, if evidence satisfactory to the Commissioner is furnished to establish that the benefits of such increase will accrue to the members of the corporation who are veterans of World War II in the form of the elimination of the down payment which the corporation would otherwise require in order to supply the difference between the amount of the mortgage loan and the estimated replacement cost of the property or project, or (ii) if at least 75 percent of the membership of the corporation consists of veterans of World War II, the mortgage may involve a principal obligation not to exceed $9,000 per family unit or $2,000 per room as the case may be and not to exceed 100 percent of the amount which the Commissioner estimates as the replacement cost of the property or project when the proposed improvements are completed.

"'(d) To be eligible for insurance under this section a mortgage on any property or project of a corporation of the character described in paragraph numbered (2) of subsection (b) of this section shall involve a principal obligation in an amount not to exceed $5,000,000 and not to exceed the greater of the following amounts:

"'(1) A sum computed on the basis of a separate mortgage for each single-family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project, equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of paragraph (A), paragraph (C), or paragraph (D) of section 203 (b) (2) of this act if the mortgagor were the owner and occupant who had made any required payment on account of the property prescribed in such paragraph.

"'(2) A sum equal to the maximum amount which does not exceed either of the limitations on the amount of the principal obligation of the mortgage prescribed by paragraph numbered (2) (exclusive of clause (ii) of the proviso thereof) of subsection (c) of this section.

"'(e) Any mortgage insured under this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgage property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release, and a mortgage on any project of a corporation of the character described in paragraph numbered (2) of subsection (b) of this section may provide that, at any time after the completion of the construction of the project, such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage, insured under this section, on a property or project of a corporation of the character described in paragraph numbered (1) of subsection (b) of this section may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"'(f) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), and (p) of section 207 of this title shall be applicable to mortgages insured under this section.

"'(g) In order to encourage and facilitate investment in mortgages insured under this section, a mortgage otherwise eligible for insurance hereunder may be insured, notwithstanding the fact that the principal activity of the mortgagee is not lending on or investing in mortgages and the mortgagee has not had experience in mortgage investment, if the Commissioner determines that such mortgagee can adequately service the mortgage.'

"STUDIES AND REPORT

"SEC. 307. (a) To assist in determining additional appropriate and desirable legislative and other means for encouraging the development of cooperative and similar housing corporations and for facilitating the production of housing by such corporations, the Commissioner is hereby authorized and directed to undertake and conduct full and complete studies including but not limited to—

"(1) studies of methods for promoting the organization of private regional and local cooperative housing associations or similar organizations to build or operate (or to both build and operate) housing accommodations, and (i) to make experience gained in connection with such housing fully available to other such organizations, (ii) to consolidate, wherever feasible and in the interests of greater efficiency and economy, the personnel and facilities used for the development and management of cooperative housing, and (iii) to establish and maintain competent skills and services required to supply to other such organizations the technical advice and assistance required in the planning, financing, development, construction, acquisition, and operation and management of cooperative housing;

"(2) studies of methods for securing, from both existing and untapped sources, the maximum amount of private investment in housing developed by cooperative housing corporations and similar organizations;

"(3) studies of methods for reducing costs and charges to the occupants of cooperative housing through reduced interest rates on private housing loans, reduced original capital costs, lower maintenance and repair costs, self-help, and other means.

"(b) The Commissioner shall report to the Congress within 2 years after the date of enactment of this act the results of his studies with such recommendations for legislation or otherwise as he may deem desirable.

"DEFINITIONS

"SEC. 308. As used in this title (including section 213 of the National Housing Act, as amended), the following terms shall have the meanings, respectively, ascribed to them below, and unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) The term 'corporation' shall mean either 'corporation' or 'trust' and references to members of such corporations shall with respect to trusts mean the beneficiaries thereof.

"(b) 'Housing project' shall mean a project (including all property, real and personal,

contracts, rights, and choses in action acquired, owned, or held by a cooperative housing corporation in connection therewith) of a cooperative housing corporation designed and used primarily for the purpose of providing dwellings: *Provided*, That nothing in this title shall be construed as prohibiting the inclusion in a housing project of such stores, offices, or other commercial facilities, recreational or community facilities, or other nondwelling facilities as are necessary appurtenances to such housing project.

"FNMA LOANS ON INSURED MORTGAGES

"SEC. 309. Section 301 (a) of the National Housing Act, as amended, is hereby amended by adding the following new paragraph between paragraph (1) and paragraph (2) and redesignating paragraph (2) as paragraph '(3)':

"'(2) to make real estate loans which are accepted for insurance or insured under section 213 of this act: *Provided*, That no such loan shall be made by the Association unless the financial assistance applied for is not otherwise available on reasonable terms.'".

Strike out all of section 115 of the bill beginning on page 19.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES].

Mr. IVES. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McCARTHY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. WILLIAMS (when his name was called). On this vote I have a pair with the senior Senator from Michigan [Mr. VANDENBERG]. If present, the senior Senator from Michigan would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. WITHERS (when his name was called). On this vote I have a pair with the senior Senator from Ohio [Mr. TAFT]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. O'MAHONEY. Mr. President, I make the same announcement with respect to my colleague [Mr. HUNT] that I made on the previous vote. If present my colleague would vote "nay."

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

I announce further that if present and voting, the Senator from Rhode Island [Mr. LEAHY], the Senator from Florida [Mr. PEPPER], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Oregon [Mr. MORSE] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Ohio [Mr. TAFT] is paired with the Senator from Kentucky [Mr. WITHERS], and his pair has been announced previously.

The Senator from Michigan [Mr. VANDENBERG] is paired with the Senator from Delaware [Mr. WILLIAMS], and his pair has been announced previously.

The Senator from Kansas [Mr. DARBY] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Kansas would vote "nay" and the Senator from Oregon would vote "yea."

The result was announced—yeas 14, nays 66, as follows:

YEAS—14

Aiken	Langer	Smith, N. J.
Flanders	Lodge	Thye
Hendrickson	Malone	Tobey
Ives	Saltonstall	Watkins
Kefauver	Smith, Maine	

NAYS—66

Anderson	Gillette	McFarland
Benton	Graham	McKellar
Brewster	Green	McMahon
Bricker	Gurney	Magnuson
Bridges	Hayden	Martin
Butler	Hickenlooper	Maybank
Byrd	Hill	Millikin
Cain	Hoey	Mundt
Capehart	Holland	Murray
Chapman	Humphrey	Myers
Chavez	Jenner	Neely
Connally	Johnson, Colo.	O'Conor
Cordon	Johnson, Tex	O'Mahoney
Donnell	Johnston, S. C.	Robertson
Douglas	Kem	Russell
Dworshak	Kerr	Schoeppel
Ecton	Kilgore	Sparkman
Ellender	Knowland	Stennis
Ferguson	Lehman	Taylor
Frear	Long	Thomas, Okla.
Fulbright	Lucas	Wherry
George	McClellan	Wiley

NOT VOTING—16

Darby	McCarthy	Vandenberg
Downey	Morse	Williams
Eastland	Pepper	Withers
Hunt	Taft	Young
Leahy	Thomas, Utah	
McCarran	Tydings	

So the amendment of Mr. IVES was rejected.

Mr. McCARTHY. Mr. President, I send to the desk an amendment which I ask to have stated.

I also ask unanimous consent to have inserted in the body of the RECORD at this point a letter from Mr. Omar B. Ketchum, legislative director of the Veterans of Foreign Wars, together with a brief explanation of the purpose of the amendment.

Mr. LUCAS. Mr. President, I am constrained to object to the latter request at this time.

The VICE PRESIDENT. Objection is heard.

Mr. McCARTHY. Mr. President, I ask to have the amendment stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 113, at the end of title IV it is proposed to add a new subsection as follows:

(g) By striking out "25 years" in the second proviso of section 500 (b) and inserting in lieu thereof "30 years."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. MCCARTHY].

Mr. McCARTHY. Mr. President, on the amendment I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was rejected.

Mr. LONG. Mr. President, I call up my amendment lettered "D" and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 15, line 10, it is proposed to strike out "90" and insert "85."

On page 15, line 14, it is proposed to strike out "60" and substitute "70."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG]. [Putting the question.] The "noes" seem to have it.

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. JENNER (when his name was called). On this vote I have a pair with the senior Senator from Ohio [Mr. TAFT]. If the Senator from Ohio were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Wyoming [Mr. HUNT] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

I announce further that, if present and voting, the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business. If present and voting, the Senator from Kansas would vote "yea."

The Senator from Oregon [Mr. MORSE] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "yea."

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Ohio [Mr. TAFT] is paired with the Senator from Indiana [Mr. JENNER] and his pair has been announced previously.

The result was announced—yeas 61, nays 21, as follows:

YEAS—61

Aiken	Hoey	Millikin
Anderson	Holland	Murray
Benton	Humphrey	Neely
Butler	Ives	O'Conor
Byrd	Johnson, Colo.	O'Mahoney
Cain	Johnson, Tex.	Robertson
Capehart	Kefauver	Russell
Chapman	Kerr	Saltonstall
Chavez	Kilgore	Schoeppel
Connally	Knowland	Smith, Maine
Cordon	Langer	Smith, N. J.
Douglas	Lehman	Stennis
Dworshak	Lodge	Thomas, Okla.
Ellender	Long	Thye
Flanders	Lucas	Tobey
Frear	McClellan	Watkins
Fulbright	McKellar	Wherry
George	McMahon	Wiley
Gillette	Magnuson	Williams
Green	Malone	
Hendrickson	Maybank	

NAYS—21

Brewster	Gurney	McFarland
Bricker	Hayden	Martin
Bridges	Hickenlooper	Mundt
Donnell	Hill	Myers
Ecton	Johnston, S. C.	Sparkman
Ferguson	Kem	Taylor
Graham	McCarthy	Withers

NOT VOTING—14

Darby	Leahy	Thomas, Utah
Downey	McCarran	Tydings
Eastland	Morse	Vandenberg
Hunt	Pepper	Young
Jenner	Taft	

So Mr. LONG's amendment was agreed to.

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. Mr. President, I previously sent to the desk today, a perfecting amendment to my amendment. Was that a part of the amendment which has just been voted upon and agreed to?

The VICE PRESIDENT. The Chair does not know.

Mr. LONG. It changes the figure "$8,100" to "$8,050."

The VICE PRESIDENT. It was not a part of the amendment which was read.

Mr. LONG. Then, Mr. President, I offer that amendment.

The VICE PRESIDENT. The Senator cannot offer an amendment to an amendment which has been agreed to.

Mr. LONG. I offer it as an amendment, which I have sent to the desk.

The VICE PRESIDENT. It seems to be offered at a separate place, and it will be stated.

The CHIEF CLERK. On page 16, in line 14, it is proposed to strike out "8,100" and insert "8,050."

Mr. LONG. Mr. President, that was intended to go with the other amendment. It will make a difference of only $50.

The VICE PRESIDENT. Debate is not in order.

The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. CAIN. Mr. President, I call up my amendment initialed "M"; and on the question of its adoption, I ask for the yeas and nays.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 108, beginning with line 15, it is proposed to strike out all through line 17 on page 113.

Mr. CAIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Washington [Mr. CAIN].

The amendment was rejected.

Mr. BENTON. Mr. President, I call up my amendment dated 3-14-50—A.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 106, after line 5, it is proposed to insert the following new subsection:

(b) By inserting after "District of Columbia" in the first sentence of section 500 (d) a comma and the following: "or by any State."

On page 106, line 6, strike out "(b)" and insert in lieu thereof "(c)."

On page 106, line 24, strike out "(c)" and insert in lieu thereof "(d)."

On page 107, line 15, strike out "(d)" and insert in lieu thereof "(e)."

On page 108, line 1, strike out "(e)" and insert in lieu thereof "(f)."

On page 108, line 15, strike out "(f)" and insert in lieu thereof "(g)."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BENTON]. [Putting the question.]

The "noes" seem to have it.

Mr. MAYBANK. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. CAIN. Mr. President, I call up my amendment initialed "N."

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 48, line 24, beginning with the comma following "605 (b)" it is proposed to strike out all down to and including "606" in line 25.

On page 49, beginning with line 10, strike out all through line 7 on page 59.

On page 59, line 8, strike out "Sec. 607" and insert "Sec. 606.".

On page 59, line 9, beginning with the comma following "housing", strike out all down to and including the comma following "act" in line 11.

On page 58, line 3, strike out "607 (b)" and insert "606 (b)."

On page 60, line 15, strike out "Sec. 608." and insert "Sec. 607.".

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Washington [Mr. CAIN].

The amendment was rejected.

The VICE PRESIDENT. The bill is still open to amendment.

Mr. FREAR. Mr. President, I offer the amendment which I send to the desk and ask to have stated. I hope the amendment will be agreed to.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 11, it is proposed to strike out line 11, and to insert the following: "with another dwelling or dwellings: *Provided*, That the Commissioner may increase such dollar amount limitation by not exceeding $4,500 for each additional family dwelling unit in excess of two located on such property, or."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Delaware [Mr. FREAR]. [Putting the question.]

The "noes" appear to have it.

Mr. FREAR. Mr. President, I call for a division.

On a division, the amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator desire recognition?

Mr. MAYBANK. I send to the desk an amendment.

The VICE PRESIDENT. The Chair is informed that the Senator has sent two amendments to the desk. Which one does the Senator want read?

Mr. MAYBANK. Mr. President, I desire the amendments to be read in order, No. 1 and No. 2.

The VICE PRESIDENT. The Secretary will read the first amendment.

The LEGISLATIVE CLERK. On page 123, line 11, it is proposed to insert the following as a proviso at the end of section 606: "*Provided*, That nothing contained in this section shall apply to loans guaranteed under section 501 of the Servicemen's Readjustment Act of 1944, as amended."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will read the next amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The LEGISLATIVE CLERK. On page 28, it is proposed to strike out lines 10 through 14, and to insert the following:

SEC. 118. Section 603 (a) of said act, as amended, is amended by striking out the period at the end thereof and adding the following: "*And provided further*, That, notwithstanding the first proviso of this subsection, mortgages may be insured under section 609 and section 611 of this title if the aggregate amounts of principal obligations of mortgages insured under said sections plus the aggregate amount of principal obligations of mortgages insured under section 610 of this title do not exceed the limitation contained in said section 610 upon the aggregate amount of principal obligations of mortgages insured pursuant to said section."

Mr. BRICKER. Mr. President, I ask unanimous consent that the Senator from South Carolina be permitted 3 minutes in which to explain the amendment. It has not been submitted heretofore to the Senate. None of us have

seen it, and we do not know what the Senator is talking about.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio? The Chair hears none, and the Senator from South Carolina is recognized for 3 minutes.

Mr. MAYBANK. Mr. President, I shall be glad to explain the amendment. FHA mortgage insurance for the manufacture of prefabricated houses and for large-scale modernized construction, and the manufacture of prefabricated houses, under section 609 and 611 of the National Housing Act, is subject to the over-all limitations on the amount of mortgage insurance under title VI, for which there is no remaining authorization. However, the authorization under section 610 of the act for the FHA insurance of mortgages on Government constructed war housing projects and Greentown projects sold by the Government will continue in effect and is adequate to cover insurance under that section and also section 609 and section 611. This amendment would therefore, place insurance pursuant to sections 609 and 611 under the section 610 authorization.

I may say to the Senator from Ohio that yesterday afternoon, when he and I were debating the bill on the Senate floor, we had a special meeting in connection with the situation regarding loans for prefabricated houses, and also yesterday morning, in the Committee on Banking and Currency. Yesterday afternoon when our committee met in the Appropriations Committee room and because I was unable to be present at the time, having been occupied on the floor of the Senate, I requested the Senator from Illinois [Mr. DOUGLAS], who was present, and the Senator from Vermont [Mr. FLANDERS], who I think was present, and the Senator from Arkansas [Mr. FULBRIGHT], and others, to work out any necessary amendments which they felt would be in the interest of the bill. I understood a majority of our committee was present when they met in the Appropriations Committee room when I was on the floor of the Senate.

I may say to the Senator from Ohio, I have followed the bill every step of the way from its start until now; but yesterday afternoon I could not attend the meeting because I was engaged in a debate with the Senator from Nebraska and the Senator from Ohio. I assumed that this amendment is what the majority of the committee had worked out yesterday.

Mr. ROBERTSON. Mr. President, will the Senator from South Carolina yield?

The VICE PRESIDENT. The time of the Senator from South Carolina has expired.

Mr. ROBERTSON. I ask unanimous consent that the Senator from South Carolina have 1 minute more, in which to answer a question.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator from South Carolina is recognized for one more minute.

Mr. MAYBANK. I shall be glad to answer.

Mr. ROBERTSON. While the Senator from South Carolina was engaged in debate on the floor, the remainder of his committee had answered his call to meet in the main room of the Appropriations Committee to consider one or two amendments to the pending bill.

Mr. MAYBANK. The Senator is correct.

Mr. ROBERTSON. One of those amendments provided that the present power of the RFC to finance prefabricated houses, such as Lustron, should be transferred to another agency. Another amendment was that the so-called FNMA loans of RFC should be transferred to another agency. The committee voted not to endorse either of those amendments. Is that what is involved in the amendments now pending?

The VICE PRESIDENT. The Senator's time has expired again.

Mr. MAYBANK. I ask unanimous consent for five additional moments, so that this matter may be cleared up.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none.

Mr. MAYBANK. It was my understanding that this is the amendment which our committee worked out yesterday afternoon.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CAPEHART. Mr. President, I am a member of the committee, and I was present during the time about which the able Senator is talking. If my memory is correct, the committee voted to do nothing about the matter, suggesting that at a later date possibly a bill might well be introduced to accomplish its purpose.

Mr. MAYBANK. Mr. President, as I said before, I was not at the meeting. I understood that this amendment represented the sentiment of the committee.

Mr. WHERRY. Mr. President, if I may ask the distinguished Senator from South Carolina once again, will he tell us what is in the amendment? I ask that respectfully, because I am not interested in knowing about the meeting, but I would like to know what is in the amendment.

Mr. MAYBANK. I will say to my friend, the Senator from Nebraska, I was on the Senate floor, trying to clear up section 608 with him at the time. One of the matters which the committee discussed proposed to transfer certain powers of the RFC over prefabricated homes to the Housing and Home Finance Agency.

Mr. WHERRY. Is that what is in the amendment—the transfer of authority, which is now being asked to be taken out of RFC and transferred to the Home Owners' Loan Corporation or to the Housing and Home Finance Agency?

Mr. MAYBANK. As I understand the discussion——

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I am only too happy to yield for a question.

Mr. SALTONSTALL. I should like to ask the Senator from South Carolina this question: After listening to the Senator from Virginia and the Senator from Indiana, I inquire was not the amendment which was just adopted one of the two the committee decided not to do anything about?

Mr. MAYBANK. No, I beg the Senator's pardon; the other amendment, which was just adopted, was not taken up yesterday afternoon. It was an amendment which was suggested by the Veterans of Foreign Wars.

Mr. SALTONSTALL. Was that amendment considered by the committee and endorsed?

Mr. MAYBANK. Mr. President, I want to make certain. I had two minor amendments relating to loans or insurance for loans for prefabricated houses. One of them, I was told, was considered yesterday afternoon when I was in the Senate. The other was an amendment which was suggested sometime ago but which the committee did not consider.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. I would like to get the other amendment back, first. I do not want to make a misstatement.

Mr. SALTONSTALL. Was the amendment considered yesterday afternoon considered and recommended by the committee previously?

Mr. MAYBANK. It was not considered previously, and it was not recommended by the committee, and neither was the amendment recommended by the Veterans of Foreign Wars, which was just adopted.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. FULBRIGHT. I think the amendment that was handed to me is a different amendment, relating to a different part of the bill. I think the Senator has the wrong amendment.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. The Senator from South Carolina has the floor.

Mr. MAYBANK. Apparently the amendment which was sent back to me was not the amendment which the committee had discussed yesterday afternoon and to which my remarks concerning committee agreements were addressed. I therefore withdraw the amendment.

The VICE PRESIDENT. The Senator withdraws the amendment. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I offer the amendment which I previously proposed, initialed "G."

The VICE PRESIDENT. The Secretary will state the amendment.

The legislative clerk read as follows:

(a) On page 24, strike out the period at the end of line 8 and insert the following: "except individual mortgages insured pursuant to subsection (d) of this section covering the individual dwellings in the project, and as to such individual mortgages the provisions of subsections (a), (c), (d), (e), (f), (g), and (h) of section 204 shall be applicable."

(b) On page 29, strike out the word "and" at the end of line 3; and strike out the period at the end of line 17 and insert a semicolon, the word "and," and the following:

"(3) by striking out the period at the end of subsection (d) and inserting the following: 'covering a project described in subsec-

tion (b) of this section, and the provisions of subsections (a), (b), (c), (d), (e), (f), and (h) of section 604 shall be applicable to the individual mortgages insured pursuant to subsection (b) (4) of this section covering individual dwellings in the project.'"

Mr. WHERRY. Mr. President, I ask unanimous consent that the distinguished Senator from Alabama have 3 minutes in which to explain this amendment and that questions may be asked.

The VICE PRESIDENT. Is there objection?

Mr. LUCAS. Mr. President, reserving the right to object, I am not going to object to this request, but this is the last explanation that will be made.

Mr. BRIDGES. I object.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN]. [Putting the question.] The ayes seem to have it——

Mr. SPARKMAN. Mr. President, I ask for a division.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HICKENLOOPER. Had the Chair not already announced the result of the vote?

The VICE PRESIDENT. Yes, but the Senator from Alabama was on his feet asking recognition, and the Chair recognized him. The Senator from Alabama asked for a division.

The Senate proceeded to divide.

Mr. BRIDGES. Mr. President——

The VICE PRESIDENT. The Chair is in the process of counting.

Mr. BRIDGES. Before the Chair announces the result——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. BRIDGES. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Wyoming [Mr. HUNT] are necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Delaware [Mr. FREAR] and the Senator from Pennsylvania [Mr. MYERS] are unavoidably detained on official business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

I announce further that if present and voting the Senator from Rhode Island [Mr. LEAHY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business. If present and voting, the Senator from Kansas would vote "yea."

The Senator from Oregon [Mr. MORSE] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "yea."

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The result was announced—yeas 59, nays 21, as follows:

YEAS—59

Aiken	Humphrey	Maybank
Anderson	Ives	Murray
Benton	Johnson, Colo.	Neely
Chapman	Johnson, Tex.	O'Conor
Chavez	Johnston, S. C.	O'Mahoney
Connally	Kefauver	Robertson
Cordon	Kerr	Russell
Douglas	Kilgore	Saltonstall
Ellender	Knowland	Schoeppel
Flanders	Langer	Smith, Maine
Fulbright	Lehman	Smith, N. J.
George	Lodge	Sparkman
Gillette	Long	Stennis
Graham	Lucas	Taylor
Green	McCarthy	Thomas, Okla.
Hayden	McClellan	Thye
Hendrickson	McFarland	Tobey
Hill	McKellar	Wherry
Hoey	McMahon	Withers
Holland	Magnuson	

NAYS—21

Brewster	Dworshak	Malone
Bricker	Ecton	Martin
Bridges	Ferguson	Millikin
Butler	Gurney	Mundt
Cain	Hickenlooper	Watkins
Capehart	Jenner	Wiley
Donnell	Kem	Williams

NOT VOTING—16

Byrd	Leahy	Thomas, Utah
Darby	McCarran	Tydings
Downey	Morse	Vandenberg
Eastland	Myers	Young
Frear	Pepper	
Hunt	Taft	

So Mr. SPARKMAN's amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment which was discussed a moment ago, but through mistake the amendment the committee adopted yesterday was not offered. I ask that the amendment be read.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 123, it is proposed to strike out all of lines 24 and 25; to strike out all of pages 124, 125, 126, and 127; and on page 128, to strike out all of lines 1 through 14 and appropriately renumber the succeeding sections.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. FULBRIGHT].

The amendment was agreed to.

Mr. IVES. Mr. President, I offer the amendment, which I send to the desk.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 108 it is proposed to strike out all after the word "effective" in line 4 through the word "subsection" in line 14 and insert in lieu thereof the words "on January 1, 1951."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New York.

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be offered, the question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is, Shall the bill pass?

The bill (S. 2246) was passed.

The VICE PRESIDENT. Without objection, the sections will be renumbered and the titles corrected in accordance with the provisions of the bill as completed.

Mr. MAYBANK. Mr. President, I ask to have printed in the RECORD a letter from the American Federation of Labor, as well as a letter from Mr. Foley, the Administrator of the Housing and Home Finance Agency, in connection with the Tobey-Ives substitute for title III.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 14, 1950.

To Each United States Senator:

The American Federation of Labor is wholeheartedly supporting S. 2246, the middle income housing bill.

There can be no doubt that additional legislation is needed to meet the acute housing needs of this group whose incomes are too high to qualify them for public housing and too low to afford the new homes being constructed by private builders. Title III of the bill would help meet this need by a very modest cooperative housing program to be financed by private funds, entirely without Government subsidy.

Senators TOBEY and IVES have offered a substitute amendment to title III. No matter how well meaning their intentions in offering this substitute, the basic facts are that it is completely inadequate for meeting this housing problem. This is why:

1. The substitute does not provide for a middle-income housing program; in fact, the rents achievable under its provisions would average $80 a month, far above the means of the average middle-income family.

2. Cooperatives would not be able to obtain private financing but instead would have to rely on direct loans from the Federal Government, which are specifically provided for by the substitute. This opens the program to all the objections raised by Federal Reserve Board Chairman Thomas B. McCabe.

3. The program would be seriously handicapped by an unfriendly administration.

The enclosed memorandum gives additional material regarding the substitute. In behalf of 8,500,000 members of the American Federation of Labor, I specifically request that you vote for S. 2246, as reported by the Senate Banking and Currency Committee.

Sincerely,

WM. GREEN,
President, American Federation of Labor.

ANALYSIS OF TOBEY-IVES AMENDMENT TO MIDDLE-INCOME HOUSING BILL, S. 2246

INTRODUCTION

The Tobey-Ives amendment to S. 2246 would strike out title III of the bill, the cooperative-housing program for middle-income families, introduced by Senator MAYBANK and reported out by the Senate Banking and Currency Committee, and replace it with an entirely new title based on section 213 of the bill. This section was designed to provide cooperative housing for higher-income families under the usual type of FHA financing and FHA administration. Although the Tobey-Ives amendment nowhere specifically states that it is a program for middle-income families, it must be assumed that its sponsors regard it as a suitable substitute for the middle-income program contained in the Maybank title III.

MAIN FEATURES OF AMENDMENT

Financing: The amendment provides for financing of FHA-insured mortgages of cooperative housing projects at a 4-percent interest rate, plus one-half of 1 percent for insurance premium, for a 40-year amortization period. It also authorizes the FHA Commissioner to make preliminary advances of 5 percent of the total cost for planning work preliminary to construction. Such loans are to bear interest at 3 percent. Permanent construction loans are to be obtained from ordinary mortgage-lending institutions, except that the amendment provides that a mortgage otherwise eligible for insurance under this section may be insured by an organization even if its principal activity is not mortgage lending. Its sponsors have indicated that they have in mind the possibility that labor unions and other organizations may have sufficient funds to finance these projects. The amendment further provides that if loans cannot be obtained from private sources "on reasonable terms," the Federal National Mortgage Association (FNMA) is authorized to make direct real-estate loans to housing cooperatives set up under this section.

Administration: All statutory authority for the administration of the program is lodged with the Commissioner of the Federal Housing Administration. However, the amendment provides that the President shall appoint, by and with the advice and consent of the Senate, an Assistant Federal Housing Commissioner to administer this program under the "direction and supervision" of the FHA Commissioner.

Types of projects: The amendment provides for two types of projects—(1) cooperative-housing projects, the permanent occupancy of the dwellings of which is restricted to the members of the cooperative; and (2) so-called building cooperatives, in which the cooperative exists only for the purpose of constructing homes for its members. In the latter case, both the title to the property and the mortgage would be held by the individual occupants of the homes. Under the first type of organization, there is no possibility for any kind of individual ownership. Under the second type, the cooperative in effect, ceases to exist after the homes are constructed.

Studies: The amendment authorizes the FHA Commissioner to undertake a series of studies involving various aspects of cooperative housing and to report to the Congress the results of such studies within 2 years after the legislation is enacted.

COMMENTS

1. The amendment does not provide for a middle-income housing program.

Title III of the Maybank bill very specifically states that its purpose is to meet the housing needs of families of moderate income, and it also specifies that the cooperative-housing groups assisted under the legislation must undertake a housing project designed to meet the housing needs of families of moderate income (p. 72, lines 12–13). In contrast the Tobey-Ives amendment never once refers to moderate-income families. This is clearly understandable because the amendment simply does not permit construction of housing for middle-income families.

The following table indicates the monthly rents which could be achieved for a 4½-room unit costing $8,000 under the Maybank title III and under the Tobey-Ives amendment. Because the interest rate to be obtained from the private-money market may fluctuate under the Maybank title III program, figures have been included for both a 3¼ percent interest rate and 3½ percent interest rate. The figures for the Tobey-Ives amendment assume a 100-percent loan to a veterans' cooperative-housing project under the financing terms of the amendment, namely 4 percent for 40 years. The figures for the Maybank title III project assume a 90-percent loan for a 50-year amortization period. The following are the achievable rents:

	Maybank, title III		Tobey-Ives amendment, 4 percent, 40 years
	3¼ percent, 50 years	3½ percent, 50 years	
Debt service	$27.07	$28.33	[1] $36.77
Operating expenses	24.40	24.40	[2] 27.20
Real-estate taxes	10.67	10.67	10.67
Vacancy allowance	1.98	2.02	[3] 4.08
Contingency reserve	1.86	1.90	[4] 1.18
Total	65.98	67.32	79.90

[1] Includes ½ of 1 percent for mortgage insurance premium.

[2] Operating expenses are assumed to be midway between those for a cooperative housing project under the Maybank title III and an FHA 608 project on the assumption that the families in the projects under the Tobey-Ives amendment would require more services than the lower income families in the projects under the Maybank title III but less services than average families in 608 projects.

[3] Vacancy allowance is assumed to be midway between the 3 percent expected for projects under the Maybank title III program and 7 percent in section 608 projects.

[4] Because of the greater amount allowed for operating expenses and vacancy allowance, a contingency reserve of only 1¼ percent is assumed compared with 3 percent for Maybank title III projects.

Only families whose incomes are more than $4,000 could afford to pay a rent of $80 a month, assuming that no more than 25 percent of income should be spent for rent including utilities. Since the middle-third of American families include those of income of $2,800 to $4,400 a year, it is clear that the Tobey-Ives amendment cannot meet the needs of the overwhelming majority of middle-income families.

2. By providing for direct loans from the Federal Government, the Tobey-Ives amendment is open to all the criticisms offered by Chairman McCabe of the Federal Reserve Board.

The sponsors of the Maybank title III are so confident of the ability of the National Mortgage Corporation for Housing Cooperatives to obtain sufficient funds from private sources to finance the program that they have made no provision whatsoever for direct loans to housing cooperatives. Under the Maybank title III program, the funds to finance the mortgage lending operations of the new mortgage corporation would be obtained by selling income debentures (bonds) to private sources. No direct Government lending would be involved; the debentures would not even be directly guaranteed by the Federal Government.

The sponsors of the Tobey-Ives amendment, on the other hand, apparently do not have the same confidence that private funds will be available for their program. Under this amendment, the FHA will be insuring 40-year, 4 percent mortgages issued by private lending institutions to cooperatives. However, if this type of mortgage "is not available on reasonable terms," the Federal National Mortgage Association (FNMA) is authorized to make a direct Government loan under these terms to the cooperative concerned. (P. 14, lines 12–21 of the Tobey-Ives amendment.)

What will happen under this provision of the Tobey-Ives amendment?

Existing cooperatives attempting to obtain financing for their housing projects have encountered stubborn resistance from the ordinary type of mortgage lenders. Chairman McCabe of the Federal Reserve Board commented on this problem in his testimony before the Senate Banking and Currency Committee:

"We understand that cooperative projects have encountered some difficulty in obtaining construction loans because of the lack of familiarity of lenders with this type of operation. Perhaps some special provision should be devised to remedy this particular situation." (Middle-Income Housing Hearings, p. 362.)

The Tobey-Ives amendment contains no "special provision * * * to remedy this particular situation." In view of the experience which cooperatives have had in meeting this problem, there is no reason to believe that private lenders will change their policies and make construction loans to cooperatives.

Under these circumstances, the only way cooperatives will be able to function under the Tobey-Ives amendment will be to invoke the provisions for direct Government loans. This will add directly to the current budget deficit and United States public debt, creating problems of debt management and credit control against which Chairman McCabe specifically warned.

Under the existing title III program, these problems will not arise. Because the income debentures of the new National Mortgage Corporation for Housing Cooperatives will attract funds from the investment market (rather than the mortgage market), it can reasonably be expected that such funds will be forthcoming. Since no Government funds would be utilized, there would be no problems of the public debt or credit control.

3. The type of administration provided by the Tobey-Ives amendment would seriously handicap any cooperative housing program.

The Tobey-Ives amendment would place administration of the entire program in the hands of FHA. It is true that a new position, Assistant Federal Housing Commissioner, would be created, but he would function under the direction and supervision of the Commissioner.

Unfortunately, the sad truth is that the FHA has simply proved itself extremely hostile to cooperative housing. Individual cooperative projects have found that FHA personnel and practices have, to use the words of Senator TOBEY, "thrown stumbling blocks in the way of FHA cooperative housing" (CONGRESSIONAL RECORD, March 10, 1950, p. 3167).

It is extremely difficult to understand how an agency hostile to cooperative housing under a 1948 law is suddenly to be made friendly by the enactment of a new law 2 years later.

Under the Maybank title III program, administration would be vested in a new division in the Office of the Administrator, Housing and Home Finance Agency. An even more preferable method of administration, one recommended by all labor, veterans, and public-interest groups, would be to establish a separate constituent agency (on an equal level with FHA and the Public Housing Administration) within the HHFA.

4. The Tobey-Ives amendment contains none of the incentives to voluntary effort contained in the Maybank title III.

Instead, it only pays lip service to this important feature of the program by direct-

ing the FHA Commissioner to make studies of various aspects of cooperative housing. The Maybank title III directs the Administrator of the program to encourage voluntary efforts on the part of the cooperatives to assume initiative and leadership and to supply necessary skills and services through their own resources so that eventually the program will be entirely divorced from Government participation or assistance (p. 20, lines 2–21).

5. The Tobey-Ives amendment is vague as to the size of the program it contemplates.

Whereas the Maybank title III program authorizes mortgage loans of a specified amount (an initial $250,000,000, which may be supplemented, upon authorization by the President, by an additional $750,000,000), the size of the program authorized under the Tobey-Ives amendment is limited only by the $1,750,000,000 fund which wil be available for all FHA housing under title II of the National Housing Act. The only direct limitation on the size of the program under the Tobey-Ives amendment is that a revolving fund of $10,000,000 is provided for preliminary planning for cooperative housing projects up to 5 percent of the construction cost. This would allow initially for the planning of cooperative housing projects up to a total cost of $200,000,000, which is approximately the same as the $250,000,000 initially authorized under the Maybank title III program. The $10,000,000, however, is a revolving fund and there is no limit on the total amount that may be used for preliminary loans.

While the sponsors of the Tobey-Ives amendment criticize the Maybank title III program because of its huge size, actually their amendment allows for approximately the same size initial program as the Maybank title III, but, unlike the latter, provides no over-all ceiling on the eventual size of the program.

6. The Tobey-Ives amendment contains no adequate safeguards against speculation.

Both the Tobey-Ives amendment and the Maybank title III contemplate some kind of individual home ownership under a cooperative housing program. Under the Maybank title III, a member of the cooperative can obtain individual title to a free-standing home, even though there is still a blanket mortgage covering the entire project. There is a specific safeguard against speculation by the provision that the cooperative retains the right to repurchase individual free-standing dwellings, even when their occupants have obtained title to them. On the other hand, one type of project under the Tobey-Ives amendment would be a nonprofit corporation organized solely for the purpose of constructing homes for its members. However, once such homes are constructed, the occupant would own it outright, and presumably would be able to sell it for a speculative profit if he so desires.

7. The Tobey-Ives amendment's provision for mortgage financing by organizations such as trade-unions, which are not in the mortgage lending field, cannot be effective.

There are very few trade-unions or other citizens' organizations which have either the funds or technical knowledge needed to finance large-scale housing projects.

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., March 13, 1950.

Hon. BURNET R. MAYBANK,
United States Senate,
Washington, D. C.

DEAR SENATOR MAYBANK: In response to your request, I submit herewith my views on the amendment proposed by the Honorable CHARLES W. TOBEY, for himself, and the Honorable IRVING M. IVES, as a substitute for title III of the additional amendment to S. 2246.

Based upon my long and intimate experience with the FHA and housing generally, this proposed amendment cannot be appropriately considered, in the true sense, as a substitute for title III. The objective of this amendment is stated to be "the encouragement of cooperative housing in America."

The objective of title III is not the encouragement of cooperative housing as such. Its objective is directed to certain problem areas in the field of middle-income housing. Its objective is the establishment of an effective means which, without subsidy, can put the monthly cost of adequate housing within the reach of many of our families of moderate income, particularly those with two or more children living in high-cost areas, who otherwise would be unable to obtain such housing, even with the additional and improved FHA aids provided by title I of the additional amendment. To attain its objective, it uses the cooperative or nonprofit form of business enterprise because that is the only form of private enterprise through which the savings in financing costs would certainly inure directly to the benefit of the moderate-income families in those problem areas, in the form of lower monthly costs, rather than to the benefit of the speculative builders, in the form of additional profits.

Some may have the impression that the FHA's authority to insure housing cooperatives was first provided in 1948. On the contrary, the FHA has always had authority to insure housing cooperatives. The Housing Act of 1948 merely liberalized that authority by providing that, in the case of housing cooperatives, the insurance could equal 95 percent of replacement cost, as compared to 80 or 90 percent of value in other cases. Last year the Administration recommended further liberalizations in the FHA's authority to insure housing cooperatives. These recommendations were designed to enable veteran members of such cooperatives to secure the benefits of 100-percent financing. They were included in S. 2246, as originally reported, and they are now included in title I of the additional amendment, as section 213 of the National Housing Act.

While the FHA has always had authority to insure housing cooperatives, and that authority was further liberalized in 1948, few housing cooperatives have been insured. Some have suggested that this is because the FHA has been unsympathetic to, and has thrown stumbling blocks in the way of housing cooperatives. This is not the case. I wish to state emphatically that the policy of the Housing and Home Finance Agency, including the FHA, has not been, is not now, and, in the future, will not be unsympathetic to housing cooperatives in any way. The principal reason why few housing cooperatives have been insured by the FHA is the fact that private lenders have been reluctant to finance housing cooperatives. The FHA is a purely voluntary system available for use by lending institutions who want to use it. The FHA cannot compel private lenders to use the mortgage insurance system, or to make any particular type of mortgage loan. It can only point the way. This it has done.

In essence, the substitute amendment is nothing more than this section 213, to which there have been added provisions for a new Assistant Commissioner for this section, to be appointed by the President, by and with the advice and consent of the Senate; preliminary advances for project planning; and a 2-year study of housing cooperatives by the Federal Housing Commissioner.

It is my considered judgment, as well as that of Federal Housing Commissioner Richards whose advice and counsel I have had in the preparation of this letter, that the additional provisions to section 213 which are included in the substitute amendment would not materially increase the effectiveness of operations otherwise possible under section 213, and certainly do not, in any way, make section 213 a comparable or adequate substitute for title III. While the further liberalizations included as the new section 213 are desirable additions to the FHA's operations, they cannot be expected to change materially the general attitudes of private lenders, or to result generally in housing at monthly costs within the means of those families of moderate income to which title III is especially directed.

Sincerely yours,

RAYMOND M. FOLEY,
Administrator.

STUDY OF FUEL RESERVES

Mr. MYERS. Mr. President, I ask unanimous consent to submit a resolution to authorize a full and complete investigation and study of the available fuel reserves of the United States, with the aim of formulating an over-all domestic fuel policy.

In submitting this resolution, I am fully aware that in relatively recent times two somewhat related proposals have been submitted to the Senate. I am referring here to Senate Joint Resolution 157, introduced on March 1 by the distinguished junior Senator from Minnesota [Mr. HUMPHREY], for himself and Senators MORSE of Oregon and DOUGLAS of Illinois. Secondly, I have in mind Senate bill 3215, introduced March 8 by the distinguished Senator from Wyoming [Mr. O'MAHONEY].

Both Senate Joint Resolution 157 and S. 3215 propose to establish commissions dealing with the coal industry and its related products. I would like to say, Mr. President, in connection with each of these that both proposals direct their attention at an issue of primary importance to the United States and the world.

It will be recalled that in President Truman's message to the Congress of March 3, 1950, at which time he requested the Congress for special emergency legislation to provide for Government operation of the coal mines until agreement between the operators and the union have been reached, the President stated that the coal industry had been sick for a long time, and he stated further that in his opinion, the recurrent labor-management strife over coal contracts was merely a symptom of the crisis condition in which that industry finds itself today.

The resolution I am proposing at this time, Mr. President, recognizes this critical coal situation which is now before us. If, however, my resolution went no further than this, I would certainly have no purpose in wishing to introduce it.

My resolution is broader. It is my personal belief that we cannot consider coal as an isolated energy source.

I feel, that if we are to arrive at a national fuel policy—a policy I believe we are long overdue in arriving at—I think we must direct the same kind of attention to every known or conceivable fuel source. My resolution contemplates such an investigation with one important exception: it does not, for I think obvious reasons, include within its scope an exhaustive inquiry into the field of atomic energy. International considerations for the moment require that we consider the atom all by itself.

Otherwise, Mr. President, my resolution proposes that the Senate conduct a study into our existing, and foreseeable, fuel resources. This would necessarily mean that we would have to examine, not

only our coal reserves, but our reserves of oil, natural gas, and our potential development of hydroelectric power. Such a study also means that we should examine such research matters as are now being conducted in the field of oil shales, and the availability of synthetic petroleum from coal. Such a study would also consider the availability of foreign imports, and our opportunities for stock piling against some national emergency.

My resolution visualizes an investigation that will have to be conducted along a broad front, if that investigation can ultimately become the basis for recommending a national fuel policy. That fuel policy cannot, under present world conditions, confine itself exclusively to our peacetime domestic needs of the future. It would have to weigh heavily factors affecting the national security in time of war. Thus it would be necessary to consider not only what our wartime needs might be but, as well, a careful look would have to be made at the extent to which we are at present dependent upon imports which might, in the time of war, be cut off either for a relatively short time or perhaps for some considerable period. An excellent illustration of this kind of problem, for example, is the still well-remembered rubber difficulty which confronted us early in 1942 when the Japanese attack spread across the Southwest Pacific and cut off our supply of the natural product that we had previously obtained in that area. It is against such contingencies as these that a national fuel policy could protect us.

So, in summary, Mr. President, my resolution is a two-step affair. It proposes, first, that we assess our present fuel reserves, not just of coal, but of all the fuels which today and in the future will operate this vast economy of ours. This investigative stage will not confine itself to our present technological developments, but an examination must be made as well of the technological progress we may expect through additional research into every phase of our fuel program. This investigation should also determine our energy needs both for peace and war.

When the facts are all in, Mr. President, we will then have a sound basis on which it should be possible to draw up an over-all fuel policy which will place in their proper perspective coal, oil, natural gas, and water power. It is to determine a domestic policy which would provide us with the highest possible standard of living in peacetime and the greatest possible security in the event some national or international emergency might arise.

In drawing up my resolution, I had an opportunity to discuss this question with the able chairman of the Senate Committee on Interior and Insular Affairs, the distinguished Senator from Wyoming [Mr. O'MAHONEY]. I feel certain that the committee will give my proposals the careful consideration which matters of such primary importance to our national well-being deserve.

There being no objection, the resolution (S. Res. 239), submitted by Mr. MYERS was received, and referred to the Committee on Interior and Insular Affairs, as follows:

Resolved, That the Senate Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized and directed (1) to make a full and complete investigation and study of the available fuel reserves of the United States and the present and probable future rates of consumption thereof; (2) to formulate a national fuel policy to meet the needs of the United States in times of peace and war, such policy to include the use of all fuels and energy resources except atomic energy; (3) to study and recommend methods of encouraging developments to assure the availability of fuels adequate for an expanding economy and the security of the United States; and (4) to report to the Senate at the earliest practicable date, not later than September 15, 1950, the results of its investigation and study together with its recommendations.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, and is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of any of the departments or agencies of the Government. The expenses of the committee under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

REGULATION OF NATURAL GAS

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1498, Calendar No. 563.

The VICE PRESIDENT. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment.

Mr. CHAVEZ. Mr. President, may I ask the Senator from Illinois whether it is his purpose to call up the rivers and harbors construction program bill after the pending measure shall have been disposed of?

Mr. LUCAS. That is the purpose.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Washington.

Mr. MAGNUSON. I should like to ask the Senator from Illinois how long he anticipates consideration of the natural gas bill will take. My reason for asking the question is that several Senators who are interested in the rivers, harbors, and flood control bill have asked me the question. We have some very important amendments to submit, and we should like to know whether it may be taken up some time in the middle of next week, perhaps on Tuesday or Wednesday.

Mr. LUCAS. The Senator from Washington has been a Member of the Senate almost as long as has the Senator from Illinois, and he understands the right of Senators to speak whenever they wish, and to cease and desist whenever they wish. Therefore, it is impossible for me to advise the Senator from Washington how long debate will take on the natural-gas bill or on the rivers and harbors flood control bill.

Mr. MAGNUSON. Does the Senator anticipate that it may be literally a "gas" bill?

Mr. LUCAS. I do not care to debate that point with the Senator from Washington. Frequently, as the Senator knows, when an attempt is made to anticipate how long consideration of a bill will take, and advice to that effect is given to a Senator, it is later realized how grossly in error one can be. I do not wish to attempt to do that any more.

Mr. WHERRY. In view of the question asked by the distinguished Senator from Washington, I should like to ask a similar question with respect to the conference report on the so-called basing-point legislation, which is before the Senate as a privileged matter. May the report be brought up during debate on the natural-gas bill?

Mr. LUCAS. A Senator may at any time move to take up the basing-point conference report if he desires. I have moved to take up the natural-gas bill. The conference report on the basing-point bill may be taken up at any time.

Mr. WHERRY. I should like to ask the distinguished majority leader if he has information from the Senators who are handling the conference report as to whether or not it may be taken up by Thursday or Friday of this week.

Mr. LUCAS. I have talked to various Members of the Senate, but there is no certainty as to when they will call it up.

Mr. President, if no other Senator desires to ask me any more questions with respect to the natural-gas bill, I relinquish the floor.

ANNIVERSARY OF THE BIRTH OF ANDREW JACKSON

Mr. LANGER. Mr. President, I have been surprised—more than that, dismayed—to sit here all afternoon on this historic day and not see one single Democrat, not one member of the great Democratic Party, pay tribute to the hero and patron saint of the Democratic Party on the occasion of his birthday.

May I ask the Democrats now if they have ever heard of Andrew Jackson? Why have they passed his birthday in silence? Today is the great Jackson's birthday.

Or, Mr. President, if I may be pardoned, do they only remember him when it comes to raising money at $100 a plate? They seem to hold Jackson Day dinners on nearly every day in the year but his birthday. Why?

I call the attention of the gentlemen of the press in the gallery to the fact that not one single Democrat has risen on this floor to pay even lip service to the man who organized and founded the Democratic Party as we know it today. Why? Is it because on some of these matters which are now pending before the Senate they would rather forget Jackson's heroic championing of the underprivileged, the lowly, the humble, the dispossessed and disinherited of the earth?

I personally honor the man whose fighting spirit, whose championship of

the underprivileged, thrilled a nation a hundred and twenty years ago.

Is it embarrassing to bring up the name of Jackson now when we are fighting for a housing bill to house the millions who lack proper shelter? Are there some in and out of this Chamber who would prefer to forget this great President who never failed—and I say this advisedly—who never failed to champion the lowly, the humble, the dispossessed and disinherited of the earth?

It is almost exactly 114 years ago today, Mr. President, that a Senator from Mississippi stood on the floor of this body and said that the President of the United States had repeatedly urged that the public land be limited to actual settlers—that it should not be sold to speculators.

If the Senators from Mississippi are present, they will remember his name—Robert J. Walker. Walker reminded the Senate that Congress had done nothing about the President's recommendation. He reminded this body that the President of the United States had been ignored. He told them they had treated his idea, his proposal, with contempt. He there and then served notice that on the following day he would move an amendment to the land bill to limit the sales of the public lands to actual settlers, to farmers who would really till the soil. Yes, Mr. President, the new and fledgling Senator from Mississippi said he would do that. And no sooner had he said it than Henry Clay, and all the great representatives of the money power in the United States poured out their wrath on him. These men not only represented the money power, they represented the horde of speculators that wanted to use the public lands to make quick profits.

We out in the great Northwest, Mr. President, whose fathers and forefathers settled upon this great public domain, have always honored Andrew Jackson for the fact that he saw to it that the speculators did not take this land away from those who really wanted to settle upon it, those who wanted to take a small piece of 160 acres and make it their home.

This man, Walker, of Mississippi, was told that the President of the United States should not be taken seriously, that his scheme was a crackpot idea, that a committee of his own party had turned it down.

But Walker stuck to his guns. "At 12 noon tomorrow," he said, "I shall call for a roll call on my amendment."

That did it, Mr. President. The speculators were alarmed. Here was a Member of the Senate taking the President of the United States seriously. They were angry. But they were also confident. They thought the amendment would be overwhelmingly beaten. But what happened

I will tell the Senate what happened. That night Andrew Jackson, sitting in the White House, called in every true friend of the farmers, of the settlers, he could find. He asked each and every one of them as a personal favor to him to back Walker's amendment. And the next day it was defeated by only one vote. Think of it, Mr. President, only one vote.

I do not need to tell Senators where Jackson would be standing today. Just as he fought the speculators in land, so he would be fighting the speculators in housing and banking.

He would be fighting to help those who cannot help themselves.

I do not have to tell Senators how he destroyed single-handed the first great banking monopoly to arise in this country—the Bank of the United States, a great private central bank operating on the credit of the United States.

This bank, headed by Nicholas Biddle of Philadelphia, held the small-business men and farmers of America in terror. The bank was so powerful that it could reach into the Cabinet of the President and threaten the President of the United States—but the bank and its crowd forgot the man of iron who happened to be President. That man was Andrew Jackson.

And when he heard of their threats and of their power, he said, "By the Eternal, I will destroy it." And he did destroy it. Not until after the Civil War did the banking crowd return to power.

This magnificent story has been told in a book, Democracy in the Making: The Jackson-Tyler Era, by Hugh Russell Fraser, Bobbs-Merrill, 1938. It is a book that many of the Members of the Senate have read, but which I, a Republican, because of the fact that no Democrat has mentioned the name of this great President upon the floor today, would ask every Democrat upon the floor to reread either tonight or tomorrow.

Mr. President, the hour is late, but I ask, how is it possible that the birthday of the great Democratic President could have been ignored by the Democrats themselves?

Mr. LUCAS. Mr. President, I congratulate the Senator from North Dakota upon the magnificent speech he has made in behalf of a great Democrat. No one could make that kind of a speech unless he really believed in the principles of the Democratic Party. True we have not said anything about Andrew Jackson here today, but we have been following in the footsteps of Jackson in seeking to have enacted legislation for the benefit of the common people. Instead of talking about him on this day, we have really been acting in accordance with the principles for which he stood.

Mr. DOUGLAS. Mr. President, will my colleague yield?

Mr. LUCAS. I yield to my colleague from Illinois.

Mr. DOUGLAS. Mr. President, I, too, congratulate the Senator from North Dakota for the very able address he has just delivered. The Senator from North Dakota has not always thought on international issues along with the Democratic Party, but on domestic issues he has been a progressive Senator. We hope the magnificent address he delivered this afternoon is a prelude to his crossing the aisle and joining us; and when he does we will throw our arms about him and greet him as a brother who is really in the fold.

Mr. HUMPHREY subsequently said: Mr. President, I regret that I was not here in the Chamber at the moment when the distinguished Senator from North Dakota delivered his speech, so that I could associate myself with his remarks. I wish to take a moment at this time to let my friend and colleague, the Senator from North Dakota, know that it is my intention to travel to his State on March 30, to address a meeting of the good and the faithful, the Democrats of that State, at the city of Bismarck, I believe; the occasion will be the Jackson Day dinner. I shall be more than happy to convey to those fine people of North Dakota the substance of the splendid speech which the Senator from North Dakota delivered on the floor of the Senate this afternoon. I know that not only will the Democrats there be happy to hear those sentiments, but also the great body of citizens of North Dakota known as the Nonpartisan League of North Dakota will find the remarks of the Senator from North Dakota an added inducement to them to affiliate with the liberal Democratic Party which the distinguished State of North Dakota can do so much to keep liberal and to help liberalize and to keep on the pathway of progressive legislation.

So, Mr. President, let me congratulate my friend the Senator from North Dakota. I have always been an admirer of his and of his progressive program and the progressive legislation he has advocated. Today I know he has drawn his strength from deep wells of spiritual resources; and we join with him in admiration and respect for the great President Andrew Jackson.

COMMUNISTS IN GOVERNMENT SERVICE—CLERICAL AND OTHER ASSISTANTS

Mr. HAYDEN. Mr. President, by direction of the Committee on Rules and Administration, I report favorably Senate Resolution 237, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 237), reported by Mr. TYDINGS, from the Committee on Foreign Relations on March 8, as follows:

Resolved, That in conducting the study and investigation authorized and directed by Senate Resolution 231, agreed to February 21, 1950, as to whether persons who are disloyal to the United States are or have been employed by the Department of State, the Committee on Foreign Relations, or any duly authorized subcommittee thereof, hereby is authorized, during the Eighty-first Congress, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable and to expend not to exceed $25,000, to be paid from the contingent fund of the Senate on vouchers approved by the chairman of the committee or subcommittee.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. WHERRY. Mr. President, reserving the right to object, may I ask my distinguished colleague, the chairman of the Committee on Rules and Administration, if all the members of the committee with whom the chairman communicated respecting the resolution, on both sides of the aisle, were favorable to reporting the resolution?

Mr. HAYDEN. The entire committee, every member of it, approved the resolution.

Mr. WHERRY. And the resolution is reported today in order to expedite matters so as not to have to wait until the regular committee meeting next Wednesday?

Mr. HAYDEN. That is correct.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 237) was considered and agreed to.

PROPOSED LICENSING OF MOTION PICTURES IN INTERSTATE COMMERCE

Mr. KNOWLAND. Mr. President, I shall not detain the Senate very long. Yesterday a bill was introduced by the senior Senator from Colorado [Mr. JOHNSON] to license the moving-picture industry. I believe that would be a dangerous precedent, which ought not to be set by the Senate and the House of Representatives, because it would be only a step from licensing that one great industry to licensing the press and the publications of books and magazines.

The argument is made that because of certain personalities in the industry or because of certain films which are produced, the throttling of a great industry is warranted. I do not believe that to be a sound argument. I do not believe that a vast industry should be condemned because there have been some in the industry with whom the Senator from Colorado or others may not agree.

I think we lose sight of the fact that in this great industry, which happens to be centered in my State of California, there are thousands of individuals employed both as professional actors and actresses, and also in the various skilled trades connected with the industry. I think we are apt to lose sight of the fact that in the industry, both among the actors and also among those holding other positions, there were a great number who served the Nation in the Army, in the Navy, and in the Air Force during the war. I believe there are few if any studios that, in addition to having service flags containing stars representing large numbers of their employees who served during the wartime do not have some gold stars on their service flags.

I call the attention of the Senate to the fact that during the wartime period members of the profession gave generously of their time and energy in traveling to distant places, in the Far East and in Europe, to help entertain members of the Army, Navy, and Air Force. I call the attention of the Senate to the fact that during that entire period of time moving-picture films played an important part in the maintenance of the morale of our troops on overseas and domestic assignments.

I call the attention of the Senate and the country to the fact that there is hardly a single community chest drive or a Red Cross campaign, or an infantile paralysis campaign, or any other worthy project that does not call upon and generously receive the help of people representing the moving-picture industry.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Does the Senator from California yield to the Senator from Minnesota?

Mr. KNOWLAND. I yield.

Mr. THYE. I should like to commend the able Senator from California for bringing to our attention what the people of the motion-picture industry have done to further very worthy projects and undertakings in our country. I distinctly recall how they helped us in Minnesota in assisting Sister Kenny in the undertaking she was conducting to combat the infantile paralysis threat with which we were confronted at that particular time, when the epidemic raged so violently in Minnesota.

So I am grateful to the Senator from California for bringing to the attention of the Senate and of the public generally the very worthy projects and undertakings to which the people engaged in the motion-picture industry have contributed so greatly.

Mr. KNOWLAND. I thank the Senator for his remarks.

Mr. President, it seems almost superfluous for a Senator to have to stand on the floor of the Senate and point out these things, but sometimes our memories are very short, indeed.

As I have said, there has not been a worthy project or undertaking carried on anywhere in this great country that has not requested and very generously received the help of the motion-picture industry. Too often I think we are prone to pick out a situation which is not representative of the industry and magnify it out of all proportion.

I happen to know personally many of the people in the motion-picture industry. We find that the overwhelming number of them are fine family people, raising their families in the section of California where the industry is located, devoted to the interests of their community, attending their churches, participating in their community activities, taking part in civic affairs.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. LANGER. The distinguished Senator from California knows a great many of the movie people. Does he happen to know a man by the name of Charlie Chaplin?

Mr. KNOWLAND. Of course I know who he is.

Mr. LANGER. Does the Senator know that the other day, just a week ago, Charlie Chaplin announced that he would not become a citizen of the United States?

Mr. KNOWLAND. Mr. President, I am not saying that there are not in the film industry persons with whose policies I am not in agreement and with whose policies the Senator from North Dakota might not agree. But I wish to say that the great, overwhelming number of the people in the motion-picture industry are citizens of the United States; they have given their services to their country, both in time of war and in time of peace; they have contributed to the growth of their communities; they have participated as good citizens and as good family people in the development of their respective areas.

I do not believe it is any more fair to pick out, as a basis for criticism of the motion-picture industry, a very small minority of the people engaged in it, than it would be to pick out a very small minority of the people of the Government who may have betrayed their trust. That is not something which is representative of government as a whole; and any minority group in the industry is not representative of the industry as a whole.

I wish to say, without fear of contradiction, that in my judgment the motion-picture industry of the United States is preeminent among all the motion-picture industries throughout the world. The people in that industry differ, even as we in the Congress of the United States differ. There are among them Republicans, Democrats, conservatives, liberals, all types of people; in the film industry there are all types of people, just as there are in any other line of endeavor.

But, Mr. President, I say that the overwhelming number of the people engaged in the motion picture industry are good American citizens; they have made a great contribution to the life of the Nation; they have made, and make every day, a great contribution in the entertainment field. In the atomic age in which we now live, where tensions become very taut at times, people can get relaxation for a few hours at their corner motion picture theaters or by going downtown to the motion picture theaters there. They contribute greatly to the tax revenues of both the Federal Government and the governments of the various States and municipalities.

I have wished to take a few minutes of the time of the Senate today to call this matter to the attention of the Senate. I shall have more to say about it later. But I think it is a very great mistake to attempt to bring before the Congress a proposed piece of legislation calling for licensing, to punish an entire industry which has grown up and has made its contribution to the life of America. For that reason I wished to call this matter to the attention of the Senate today.

DEVELOPMENT AND USE OF PEAT—BILL INTRODUCED

Mr. HUMPHREY. Mr. President, I am about to ask consent to introduce and send to the desk a bill, and to request its appropriate reference. At this time I should like to make a few remarks pertaining to it.

I ask unanimous consent to introduce a bill to authorize a survey and research and construction necessary to develop the use of peat, and for other purposes. I send the bill to the desk, and request its appropriate reference.

We in America face a serious problem of inadequate power and fuel supplies in many sections of the country. That was momentarily referred to by the distinguished Senator from Pennsylvania [Mr. MYERS]. I say that it is a serious

problem. The recent coal strike emphasized this problem vividly for the American people. Therefore, I join Representative FRED MARSHALL, of the Sixth Congressional District in Minnesota, in sponsoring this proposed legislation. He has introduced a similar bill in the House of Representatives; and I am introducing in the Senate this bill, which is like the one he has introduced.

Minnesota, like other inland States, must depend upon not only eastern supplies for coal and fuel, but upon long overland and overwater transportation. As a result, in our State the growth of new industry has been retarded. This development has serious consequences for our country as a whole, since it contributes to the creation of dangerous, highly centralized industrial areas in other parts of the country.

The bill which Representative MARSHALL has introduced in the House and which I introduce in the Senate seeks to explore a possible solution to this problem by stimulating the development and utilization of our peat resources. More than 11,200 square miles in the United States have peat deposits. Our State, with a density of peat deposits of over 5,000,000 acres, can yield 7,000,000,000 tons of air-dried peat. This is equivalent to 2,500,000,000 tons of bituminous coal.

Peat deposits in Minnesota remain one of the greatest untapped resources of our State. Efficient use of peat fuel can turn much of the present waste of that ore into a wealth of natural resources which will materially strengthen the economy of our State, encourage industrial development in our State by providing economical short-haul fuel, and also stimulate the processing of taconite in northern Minnesota by providing a readily available fuel supply. Mr. President, I wish to emphasize the importance of taconite in northern Minnesota.

Other countries of the world have been using peat for centuries as a source of fuel. The United States ranks fifth behind Russia, Canada, Finland, and Sweden in peat deposits. Within our country, peat is found in large quantities only in Minnesota and Florida, with more than half of the best-quality deposits being found in Minnesota.

Because of these facts, it is important for both my State of Minnesota and our country as a whole that our peat resources be developed; and I am proud to join my colleague in the House of Representatives, Representative MARSHALL, in introducing this bill.

There being no objection, the bill (S. 3252) to authorize a survey, research, and construction necessary to develop the use of peat, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

ERIC JOHNSTON

Mr. CAIN. Mr. President, during the course of the proceedings yesterday, a very good friend of mine the senior Senator from Colorado [Mr. JOHNSON] took to task an even better friend of mine, Mr. Eric Johnston, of Washington, D. C., and of Spokane, Wash. I state that Mr. Eric Johnston is an even closer friend of mine than is the Senator from Colorado because I have known Eric Johnston nearly all my life.

It seems to me that much of the criticism which was offered yesterday on the floor of the Senate by the Senator from Colorado concerning the gentleman from Washington, D. C., and from the State of Washington came about because of a lack of information in the hands of the senior Senator from Colorado.

Mr. President, if my wish comes true, I hope that in a very few minutes the senior Senator from Colorado will know more about Mr. Eric Johnston than the Senator from Colorado knows about any other living human being anywhere.

Mr. President, for about 15 to 20 minutes, because it will give me great pleasure and satisfaction to do so, I desire to raise my individual voice in behalf of Eric Johnston, president of the Motion Picture Association of America. He was described on this floor yesterday as the front man for the money changers of his association. He was described as the czar of the motion-picture industry who keeps one eye on the cash register and with the other winks at evil.

Since Eric Johnston cannot speak for himself from this floor, I welcome the opportunity to speak for him in the spirit of duty and in the spirit of warmest enthusiasm.

Eric Johnston is my constituent and my friend. His home is in my State. I know the story of his life as so many of us in Washington know it. There is no citizen of my State who commands greater admiration, greater respect, or greater real affection from those who know him best—his fellow citizens and mine.

We knew him as a boy growing up in humble surroundings and fighting for an education; we watched him carve out a successful career in business; we have watched him emerge into national prominence as a business statesman. And now he has moved into the international scene as the leading figure in what is perhaps our most international industry—the motion picture industry.

We know him for a man of flawless reputation. We have known him for a long time.

Let me start at the beginning, with Eric Johnston, the boy, eager to improve himself and win a high place in life. Like so many other American boys of humble origin, he had to work for his education. He was a newsboy on the streets of Spokane; he was a stevedore on the Seattle docks to put himself through college; he was a side-line newspaper reporter. He turned his hand to anything honorable that he could find.

The most revealing fact about his penniless, work-filled boyhood is that he felt no resentment at the time and his hardships left no sediment of bitterness afterward. It never occurred to Eric Johnston that he was a victim of society. He saw nothing shameful in being poor. He did not think that the people who paid him pennies for his newspapers were exploiting him. His struggle did not stir him to revolt. Instead, they were a spur to his ambition. From what I know of Eric Johnston, the boy, I know it never crossed his mind that he would remain forever removed from the higher things of life.

He grew up in a swelling city. He absorbed the expansive freedom of spirit that was in the wide vistas of the great Pacific Northwest and the strength that was in the rugged, untamed country of the Spokane River. It infused him with a rugged purpose. The very air throbbed with the impulse of making good. It was a welcome challenge to a boy who asked for nothing but a chance.

Does a boy who sprung from this kind of background grow up to "front" for money changers?

Came World War I to find Eric Johnston still in college. He was chosen as an officer candidate by the Marine Corps. In 1918, he determined he would make a life career of the corps. At 22, he was a captain and was detailed to the United States Legation guard at Peking, China. Later, he was assistant naval attaché and traveled into interior China, Siberia, and Japan.

In 1921, a serious injury in Peking hospitalized him for a year and forced his retirement from the Marines. That changed the pattern of his life.

His doctor ordered him to stay outdoors as much as possible. He became a door-to-door salesman of vacuum cleaners. What might have looked like a meager opportunity, Eric Johnston turned into the kick-off of a spectacular career in business that everybody in my State is proud of.

From door-to-door selling, we find him in partnership in a hole-in-the-wall business. We find the business expanding and flourishing, and at the age of 33, Eric Johnston was well on his way to prominence in west coast business circles. Today, he heads up four business enterprises in the Pacific Northwest, employing hundreds of men who do not look on him as a front for anything except as a front for their well-being.

His own community recognized his leadership ability when they chose him president of the Spokane Chamber of Commerce.

Then the Northwest sent him on to speak for it in national business circles. He was elected a director of the Chamber of Commerce of the United States.

In 1942, he became the national chamber's president, and he is the only man who has ever served four terms in that position.

Mr. President, let me tell you what Forbes magazine said of Eric Johnston in 1947 when it cited him, after a Nation-wide poll, as one of the 50 outstanding businessmen in the United States. It said:

> Expert in industrial relations and an ardent believer in the American way of life, whose enlightened policies gave to the United States Chamber of Commerce enhanced prestige as an agency for the promotion of friendly understanding by interpreting American industry to the whole Nation and to other nations beyond the seas.

In less formal language than the citation but reviewing Eric Johnston's spectacular career, the magazine went on to say:

Johnston, whose jet-propelled rise from Spokane electrical goods manufacturer to international prominence is something phenomenal, even in this land of Horatio Alger heroes, set forth his ideas on free trade, labor-management and the state of the Nation, present and future. He also got in a few plugs for the moving picture industry, which he avers is "an integral part of our total trade and cannot be considered separately."

Of the endless starry-eyed talk about American ideals, Johnston declares that they, like everything else, must be considered in practical terms. He is idealistic about capitalism, and has been sneeringly termed its "shining knight;" but his arguments in defense of this much-maligned system are wholly realistic. "So far, in spite of our magnificent successes, some of which we must admit were the result of fool's luck," he says, "we have given little more than lip service to capitalism. If we believe in capitalism as we say we do, it is about time we went hell-bent for capitalism."

As head of the United States Chamber of Commerce, he made so much history that he was reelected four times, a record. He spoke up for business when most industrialists were looking for a hideout. He charged the Roosevelt administration with throttling business, and not only get by with it, but won grudging respect from the New Dealers. He even won the admiration of labor, which regards him as a businessman who talks their language.

Johnston talked about as bluntly as any businessman has talked to labor in recent years when he told delegates to the International Alliance of Theatrical Stage Employees and Motion Picture Operators Convention in 1946 that—

The American union which does not believe in full production is doomed to oblivion.

Johnston then went on:

The whole world is breaking its neck trying to emulate American production methods, and here we are breaking our necks trying to run away from them.

Calling for the elimination of make-work practices, work stoppages, slowdowns, and strikes, he told the startled union leaders that—

Just as surely as an outraged public twisted industry's arm until it cried for mercy, it will twist yours if you persist in these practices.

Mr. President, does that sound like a front for money changers or anybody else?

Eric Johnston has been equally frank with American business. He has defended it with vigor when he felt it was right. He has never hesitated to say so when he believed it to be wrong.

He talked straight from the shoulder when he told American business it must win and deserve the respect and confidence of the American public by developing a social consciousness and by seeing that social progress keeps pace with economic progress in America.

Does this sound like somebody's front man?

The whole Nation remembers how Eric Johnston brought labor and management together for greater unity in all-out war production. In a way unprecedented in the past, he induced labor and management to sit down together at the same table to plan out and to blend their best efforts for victory.

Our Government has drawn on his extensive knowledge of business and international affairs. He was a member of the War Manpower Commission Management-Labor Policy Committee. He was a member of the State Department's postwar Economic Foreign Policy Committee. He served on the Inter-American Development Commission, the War Production Advisory Committee for Civilian Policy, the Advisory Board of the Office of Economic Stabilization, and the War Mobilization and Reconversion Advisory Board. More recently, he was appointed to the Public Advisory Board of the Economic Cooperation Administration.

On September 29, 1947, Eric Johnston was presented the Medal of Merit. The citation said:

For especially meritorious conduct in the performance of outstanding services for the Government of the United States.

Is the Medal of Merit awarded to men who front for money-changers?

Universities and colleges have honored Eric Johnston with degrees. Whitworth College, Whitman College, Rhode Island State College, Boston University, Lafayette College, Tufts, the University of Southern California, and Washington State College all have given recognition to his outstanding public service.

Do these institutions shower their honors lightly on men who front for money changers?

Mr. President, I have no intention of getting into the controversy over the Bergman-Rossellini affair or of discussing the pros and cons of the Stromboli case. But yesterday Mr. Johnston was described as a czar who could—as if he were a real commissar in Russia—have prevented the exhibition of the picture Stromboli and forever have banned Ingrid Bergman from the screen.

Mr. President, Eric Johnston is no czar. He is one of those Americans who believes there is no room for czars of any kind in our country. Thank God, Mr. President, that the American people still reign supreme in America. Theirs is the freedom of choice, either at the box office or the ballot box, and that is the way, Mr. President, I hope it always will be.

The American motion-picture industry, like any other industry, has its weaknesses as well as its virtues. It has made some inferior pictures, but it has made a vastly greater host of good ones. It has brought wholesome entertainment to millions of Americans and to millions of people everywhere.

It was said here yesterday that Eric Johnston should have banned the picture Stromboli and condemned Ingrid Bergman to everlasting perdition. Such was the purport of the language if not its phraseology.

What are the facts? Eric Johnston has no authority to pass on private lives of workers in the motion-picture industry. We have no commissars of public morals in America. That is the last thing we want. Vest just one man with commissar power to control individual morals and, before long, we would all be told what to do.

I have heard, Mr. President, Mr. Johnston describe his trips to the iron-curtain countries where he has been successful in having American films shown on the screen. This has given the people of those unhappy lands virtually their only contact with the Western World.

I have heard Mr. Johnston tell of how motion pictures are being more and more employed as animated blackboards in our schools—to teach science, nature, mathematics, literature, history, geography, and, indeed, to teach the broad, broad subject of international understanding.

The motion-picture industry makes these films in 16-millimeter form freely available to education, and it does not make or want a penny's worth of profit.

Do money changers perform this kind of public service?

Mr. President, who does not know that Eric Johnston is an ambassador abroad for America's democratic capitalism? Who does not know that he has been called the best salesman we have for the American way?

Who does not know that his way of defining the American pattern for living in a democratic world carries weight around the globe?

Mr. President, when I determined today to say a word in behalf of Eric Johnston, I turned naturally to his best-selling book, America Unlimited, wherein he sums up the American credo in inspiring language.

In summation, I should like to quote briefly from that book, for I believe that a man's own writings better express what is in his heart and soul and mind than do any words from someone else.

And here is the American credo of Eric Johnston:

The two essentials in the American pattern of life and thought are freedom and opportunity. These were the values for which men and women of many nations, races, tongues, and cultures uprooted themselves to come to America—from the first boatload of colonists to the latest shipload of immigrants. They were the goals for which generations of pioneers ventured into the unknown West, into hazardous economic undertakings, into scientific and technological explorations. And today they remain the most vital national value. As long as we continue to measure events, institutions, and programs with the yardsticks of freedom and opportunity, we cannot stray too far from the highroad of the great American adventure.

A kindly providence has endowed this continent with all that mortal man needs to live amply, happily, and at peace. Those who came to share the providential largesse had the great additional advantage of starting from scratch. Their obligations were not to any master, but to themselves; not to the past, but to the future. They were not labeled and confined forever to some special social class, but left free to express the best that was in them as individuals.

Here, for not much more than 200 years we have therefore been evolving a new civilization and a new race of men on the foundation of that natural abundance. Any metallurgist will tell you that the toughest, most resistant metals are not "pure" ores but alloys that blend the most valuable qualities of many ores. It is thus with the American, who fuses in his blood and his spirit the virtues and vitalities of many races,

creeds, and cultures—giving us an amalgam that is new, unique, and immeasurably strong.

That is why tolerance is necessarily and rightly a supreme American characteristic. It is, in truth, another word for freedom. If ever the sad day arrives when our tolerance begins to crumble and decay, we shall know that the adventure is ended. Happily that day is too far off to be discerned.

True, there are crackpots and psychopaths and even foreign agents in our midst who preach group and race hatreds. But they are few and without authority, morally outcast and despised by the overwhelming mass of Americans. They seem more numerous and stronger than they really are because they shout so shrilly, and also because the exception always attracts more attention than the rule. The fact that they are so conspicuous is further proof that such men and their ideas don't belong in our free country.

We Americans are a warm, generous, friendly people. We need seek no special credit for this, because at bottom these qualities are the proofs that we have been a lucky people. Our tolerance and openhandedness are the results, in large measure, of the spaciousness and natural wealth of our country. There was no inducement to the niggardly spirit, no reason for the murderous envies that have defaced other civilizations in this and former times. The polluted breath of tyranny has always and easily been swept away by the clean winds over our great prairies and towering mountains.

As a nation our nerves are steady and our heart is in the right place. The willingness to save life by losing life for great ideals has been demonstrated by Americans on a score of battlefields. Our spirit is robust, hardened by recent adversity, and refined by recent sacrifice. We can confront the future not with empty bravado but with true courage; and with an optimism based not only on inner certainty but on a conscious dedication to the American dream of justice and happiness for all.

If ever humankind and geography have been brought together under the most propitious circumstances, it is here in the United States of America. One feels almost that the kindly providence which contrived this miracle is watching anxiously to see how the epic test of man's capacity for grandeur is working out. Can man, thus richly dowered with all the prerequisites of greatness, live up to his magnificent opportunity? Can he temper his spirit and lift his mind to new and unprecedented levels?

If he can, then this is America unlimited.

Mr. President, is that the credo of a man who fronts for money changers? No, Mr. President; it is the credo of a man imbued with devotion to those things that have made America great. It is the credo of a man who has given sterling service to his country in time of peace and in time of war. It is the credo of a man with abiding faith in America and in his fellow man.

Mr. President, I invite these remarks about a very good friend and a great American, Mr. Eric Johnston, to the considered study of another splendid American and a good friend, the senior Senator from Colorado [Mr. JOHNSON].

RECESS

Mr. DOUGLAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 16, 1950, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 15, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of all goodness, we beseech Thee to be present and favorable unto these Thy servants, granting unto them grace and wisdom to perform the duties of their high calling with a pure and steadfast devotion.

May our hearts expand with pride that our beloved country, conceived in sacrifice and dedicated to Thy glory, is seeking to bring blessedness to all mankind.

Show us how we may mobilize the moral and spiritual resources and implement them in building a social order whose spirit is that of brotherhood and good will.

In the name of the Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD in two instances, in each to include some newspaper articles from the New York Times.

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. WICKERSHAM asked and was given permission to extend his remarks in the RECORD in three instances, and in another instance to include extraneous matter.

Mr. PASSMAN asked and was given permission to extend his remarks in the RECORD in two instances, in each to include a newspaper article.

Mr. RODINO asked and was given permission to extend his remarks in the RECORD and include a letter from the department commander of the American Legion, New Jersey.

Mr. REDDEN asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. MCKINNON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Oceanside, Calif., newspaper.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a newspaper article on aviation.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances, in each to include newspaper editorials.

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House for 15 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

EXTENSION OF REMARKS

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD.

SOCIALISM IN AMERICA

Mr. KEARNEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNEY. Mr. Speaker, if I wanted to socialize the United States, I would do exactly what the administration is doing. I know that the American people are against socialism, just as the Australians, the New Zealanders, and almost half of the British are against it. I know that if the American people were asked to choose between liberty and socialism, all but a handful would vote for liberty.

The administration knows this too, so they are using a back-door approach. They are demanding more Government spending and more taxes. We are now paying about 30 percent of our income to the tax collector, and the administration wants to increase it. They would sap the vitality of our people and drag them down into the quicksand of an ever-growing Government. And then, if the administration succeeds, they will fasten their dictatorship on the American people.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

[Mr. ANGELL addressed the House. His remarks appear in the Appendix.]

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. CHURCH addressed the House. His remarks appear in the Appendix.]

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial from the San Diego Union.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. KEEFE addressed the House. His remarks appear in the Appendix.]

THE INEQUITIES OF SOCIAL-SECURITY PENSIONS

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

SOCIAL SECURITY, NO. 8

Mr. CURTIS. Mr. Speaker, in a certain town in this country there lives a widow whose husband died before the

social-security law was enacted. She was left with five little children.

If this family needs help in addition to what this widow can make from her own toil our social security offers her nothing but the chance to prove to welfare workers that she needs relief.

Across the street is another widow with the same number of children. Her husband earned $50 in a calendar quarter for six quarters in employment covered by social security. This husband was taxed the grand total of $3 in social-security taxes on his earnings. The Federal Government will send to this family a check, as a matter of right, without any strings attached, to the widow and one for each of the children under 18 years of age, which will continue until the youngest one is 18. If the widow is alive at 65 they will resume payments to her as a matter of right without a needs test. These benefits will run into the thousands of dollars.

Why all this discrimination between these two families? Certainly it cannot be on the basis that one family paid for their benefits. If the taxpayers of America are to be taxed to help orphans, and I favor that, why not help all orphans? If they are to be taxed to help widows, and I favor that, why not help all widows? The social-security law is not a benevolent law. It is a cruel, harsh, and unjust lottery.

GOVERNMENT TAXES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, spring is in the air. I am told that in the spring a young man's fancy lightly turns to thoughts of some young woman. But alas, he gets no encouragement from the Truman administration. In fact, the Federal Government acts more like a crotchety sourpuss that is opposed to romance, love, and the other pleasant things that happen in the spring.

Suppose our young man decides to propose. He has to pay a 20-percent tax on the engagement ring. And suppose they get married. Another 20-percent tax on the wedding ring. And suppose in due time they acquire an offspring. Then the taxes really start—20 percent on each bottle of baby oil, 20 percent on each can of baby powder, 20 percent on each bottle of baby lotion, and 20 percent on each jar of baby creams.

Here is the pay-off: These taxes are called luxury taxes. I ask: Why should a family be classed a luxury?

TAXES

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, taxes, taxes, taxes.

The situation in Washington today is enough in itself to cause great consternation and the country is reaping the bitter fruit of Truman taxation.

We now have 4,684,000 people without jobs, the highest since August 1941. The Department of Labor lists 43 areas where unemployment has grown to the point where it is at the crucial stage.

If the Truman administration really wants to do anything about this tailspin, it will reduce taxes. Everyone knows, for example, how excise taxes are stifling many industries—transportation, communications, jewelry, furs, entertainment, and many others.

What the American people really want today is a sound, free-growing America. They are tired of spending and taxation and today are lifting their voices crying for relief from this tremendous burden of taxation that has been imposed upon them.

Instead of balancing the budget, cutting down expenses the administration is constantly presenting new programs and talking about increased taxes. I want to be specifically recorded as being unalterably opposed to continued deficit financing. But all we get from the administration is the same old answer—deficit on top of deficit, tax on top of tax.

The continuation of this spending program will lead us into bankruptcy. The issue is whether we are to continue good, sound, governmental policies, maintain the solvency of this Nation, and the preservation of our American way; or, degenerate into some bureaucratically controlled or planned economy with a regimented people being told what to do, when to do it, and how to do it by the Government.

The challenge before us is whether we are to surrender to these new philosophies of government, or restore sound governmental policies and thinking; whether we are to let the freedom of opportunity we enjoy pass on, or whether we have the determination to change the trend of thinking and preserve in America those ideals and principles which have been handed on to us.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I want to address a few words to the women of the United States; they are:

Ladies, when the tax gougers made up their "sucker" tax list you were placed right at the top and you have been there ever since.

You head that list because all of your toilet articles and cosmetics are classified by the Government as luxuries and as such are subject to the 20 percent luxury tax.

They are not luxuries. The American way of life has made these articles as essential to you women as daily shaving is to the average man.

The truth is that the Washington taxmasters looked upon you women as a "soft touch" when this tax became law and they have not changed their minds since.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[Mr. JENSEN addressed the House. His remarks appear in the Appendix.]

TAXES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to say a word of sympathy for the men of the country with regard to their excise taxes. From the time they get up in the morning they pay a tax on everything. They have already paid a tax on their pajamas. They pay a tax on their bath soap and on their shaving lotion, and shaving soaps or shaving creams. They pay a tax on their razor that they shave with, they pay a tax on the brush and comb for their hair, on their hair tonic, and the oil for their hair. They pay a tax on their tooth paste and their tooth brush. They pay a tax on their nail scissors or nail file, and on all of their toilet articles. They pay a hidden tax on the fruit juice they drink and on every item that they eat for breakfast, including coffee and even the bread they eat. They pay a tax on the percolators, on their toasters, and last but not least they must pay a tax on that all-important smoke.

Mr. Speaker, I just want to say a word for the men of the country regarding their taxes.

Mr. LOVRE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. LOVRE. Mr. Speaker, we Americans are great ones to set aside a day or a week in observance of an event in our history, or of some worth-while cause.

Therefore, I think that it would be most fitting to designate a special day to honor and to pay tribute to the most exploited man in all our history—the overtaxed American.

For 16 out of the last 18 years the Democratic administration has been piling the taxes on him until he is now shackled hand and foot. It is apparent that emancipation for him is not in sight. The only break he got in 18 long years was the tax reduction passed over President Truman's veto by the Republican Eightieth Congress. Consequently the least we can do is to fix a time to

give him proper recognition for the pain, penalty, and punishment he is undergoing at the hands of the Democrat tax masters.

Mr. Speaker, it was stated on the floor of the House a short time ago that the Jefferson $100-per-plate banquet recently held in Washington was in the nature of a celebration—a banquet celebrating the accomplishments of 16 years of New Deal and Fair Deal spending for the benefit of the people.

Today fifty-two-odd-million tax-weary Americans, rich and poor alike, are reminded of the stark fact that they are paying the bill for this celebration themselves, that something for nothing is a myth. They realize as never before that everybody pays no matter how much money he makes.

These fifty-two-odd-million taxpayers are weary because:

First. They have witnessed that 16 years of spending and deficit refinancing by this and the Roosevelt administration has brought—not stability—but inflation. The dollar buys less and less. They realize that today the dollar is worth only 59 percent of what it was in 1940.

Second. They realize that no matter how much or how little money they earn or how they earn it, whether as a laborer, farmer, businessman, or anything else, they do not have any constitutional right to keep one dime of it. They realize today that they are living at the sufferance of the party in control of our Government insofar as their income is concerned.

Third. They realize that all are paying for the Truman socialistic bill, rich and poor alike.

Fourth. They realize that a government, similar to a private family that constantly goes further and further into debt, inevitably meets up with disaster.

Mr. Speaker, let each of us today, income-tax day, rededicate ourselves to the relief of the American taxpayers—the backbone of America—by reinstituting the American characteristics which have made this country great; namely, individual initiative, thrift, courage, self-reliance, personal responsibility, and religious faith for Government hand-outs and socialistic schemes designed to buy American votes and sell the free-enterprise system down the river.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a speech she made in Massachusetts.

Mr. SHAFER (at the request of Mr. WOODRUFF) asked and was given permission to extend his remarks in the RECORD and include a pamphlet called A Call to Veterans notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $300.68 to print.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in the RECORD and include an editorial.

HIDDEN TAXES

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, 300 years ago a Government employee in Holland named Johannes van den Broeck won a Government-sponsored contest for a new kind of tax.

If such a contest were held today, there is no question about who would win. Our Democratic friends who have been in power since 1933 would win in a walkaway. They have dreamed up new taxes by the score and they have hidden them so deeply that no one can unearth all of them. Counting only the taxes that can be traced, we find there are 639 hidden taxes on a new small house, 151 hidden taxes on a loaf of bread, 116 hidden taxes on a man's suit, 150 hidden taxes on a woman's hat, and 100 hidden taxes on an egg.

Yes, the administration spenders have done well in devising new taxes to harass our people and they have done well in hiding them in order to fool the people. But they have not taken the pain out of the taxes. In fact, as the tax load grows heavier and heavier, the pain becomes worse and worse. It is high time to administer medicine.

DR. WILLIAM H. ALEXANDER—HIGH TAXES

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I would like to call to the attention of my friends that down in the State of Oklahoma there is a man by the name of Dr. William H. Alexander, who was going to run on the Democratic ticket for United States Senator, but he found out that they did not want him, so he said, "I am going to run on the Republican ticket."

Then he goes on and says:

I think the greatest harm that has come to our country in the last 30 years is to bring up a segment of the people to believe if they won't work the Government will care for them.

I was once broad-minded toward socialism, but now I am against it because of what it does to people and to individuals. How long can we go against thrift, which is honesty in action, and spend $5,000,000,000 more than we take in in a prosperous year?

We never will get rid of this wishful thinking until we get rid of the Santa Claus complex, and I can prove it isn't Santa Claus. The Government robs man of his ability to do.

We are selling out personal liberty after personal liberty. When we sell our personal liberties to any overhead—I don't care what it is—you begin the toboggan slide that ends up by the overhead saying: "Little man, you go this far, and no farther."

If it continues, in 5 years we will find our democracy gone.

He is a great preacher. He has over 3,000 people in his church. He has visited our community and I know him personally. I hope the Republicans accept him wholeheartedly, and that they will elect him to the United States Senate.

Mr. Speaker, now a word on taxes. March 15 should be set aside as a day of national mourning. Crepe should be draped around the pocketbook of every taxpayer. With a wild spender in the White House, a balanced budget is dead as a mackerel. Only once since 1930 has the Government's budget been balanced. That was during the Eightieth Congress, when the Republicans were in control of the public's purse. In every other year the story has been the same: spend, borrow, tax, and write out another deficit.

Mr. Truman wants to spend $42,400,000,000 during the coming year. Even after saddling us with back-breaking taxes, the President would have to borrow $5,100,000,000.

If we cannot balance our budget in prosperous times like these, how can we during hard times? Deficit spending will finally result in the downfall of our Republic and chaos for all the free peoples of the world.

TAXES

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, this is March 15, otherwise known as high-tax Harry's holiday.

I have written and dedicated to him a poem entitled "Owed to the Tax Collector."

The poem is as follows:

No baby oil for you, young man,
Bareback babe, with cheeks of tan.
We cannot pay the Federal tax,
No, we can't give you oily whacks.
We'd like to pat you, head to toe,
With baby powder soft as doe.
Chafing's a trial, it is true
But there's nothing we can do.
By the rules of Uncle Sam
You're a luxury, little lamb.
The skin we loved to touch with powder
We sadly pat while you yell louder.
You can scratch and roll and squirm
While the tax man laughs, the worm.
"Tax his hide," he shouts with gall,
"Babies? How I hate 'em all."
So now you know, my little man,
Why mama votes Republican.

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I understand the country is suffering today from an epidemic of what is known as

March 15 fever. The symptoms are an uneasy stomach, constant perspiring, trembling hands, and loud ringing sounds in the head. The ailment is usually brought on by paying a staggering income tax.

Until now no treatment for this strange malady has been known to man. But today I am finally able to prescribe a treatment. I suggest that the ideal way to avoid any trace of March 15 fever is to climb aboard a 243-foot yacht with your cronies and head for the balmy delights of Florida. Then when the fateful day of March 15 arrives, you can be at an ideal place, far out at sea, where never is heard that terrible word "taxes." There you just drift along in a pleasant little dream world all your own.

PERMISSION TO ADDRESS THE HOUSE

Mr. STOCKMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

[Mr. STOCKMAN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. KUNKEL (at the request of Mr. KILBURN) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. COUDERT asked and was given permission to extend his remarks in the RECORD.

Mr. HARVEY, Mr. REES, and Mr. HALE asked and were given permission to extend their remarks in the RECORD and include editorials.

CANADA

Mr. POTTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. POTTER. Mr. Speaker, I think this day should be known as T. T. D., that is, Truman's Tax Day.

Mr. Speaker, our good friend to the north, Canada, since the end of World War II has decreased its income taxes three times, has repealed its wartime excise taxes, and has lowered its excess-profits tax. Its national income has increased each year. It has balanced its budget each year, and it has paid a substantial sum on its national debt. We should learn a lesson from Canada. You cannot get real prosperity from a high-tax administration.

PERMISSION TO ADDRESS THE HOUSE

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include copies of two letters, two newspaper editorials, and a news item.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. HESELTON addressed the House. His remarks appear in the Appendix.]

TAXES

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, there was a time when the people were perturbed by the ides of March. Nowadays the thing that worries them is the "owed" in March.

TAX REDUCTION

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, every small-business man in this tax-burdened Nation of ours requires a bookkeeper regardless of how many he might have on his pay roll. Among them are Chinese laundrymen who have no difficulty figuring the price of doing up a few shirts and socks by flicking the beads back and forth on bamboo sticks of the abacus. However, this ancient and dependable calculating board, used for over a thousand years—one of which I hold in my hand—is no longer any good to the Chinese or any other user of the abacus in compiling unending and complicated reports for income tax, unemployment-compensation tax, sales tax, social-security tax, withholding tax, to mention some of the various categories of taxes not forgetting the wartime excise taxes from which the aroused American taxpayer demands relief.

PROFITS

Mr. REDDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. REDDEN. Mr. Speaker, from the debate that has come from my left this morning one would think that the Republicans are the only people in America who pay taxes. I am delighted to say that is not true. Payment of taxes naturally means profits and only from profits can taxes be exacted. The Democrats evidently are not saying much about taxes because they realize they have made a sufficient amount of profit upon which to pay taxes, and upon which they ought to pay taxes. So when we hear "taxes, taxes, taxes" this morning, we might add to that song, "profits, profits, profits."

This is not 1932 when the average man in America was dealing with the referee in bankruptcy because of losses. It is a new age of profits for all when we are called upon to report our gains. So again I say "Taxes, taxes, taxes from profits profits, profits."

REPUBLICAN PARTY POLICY

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, the Republican National Committee must have been extremely busy writing these 1-minute speeches that we have heard this morning. Never in the 14 years that I have been a Member of the House have I been treated to so much original thought emanating from the Republican side. These precious gems were delivered by such cute little fellows whose smiling faces did not betray for a second that they were novelties to them too.

The Republican Party really has but one objection to President Truman. That was his insistence upon being reelected in the last Presidential race. He just refused to fall in with their plans. He failed to recognize that their contours had not been given the opportunity to make impressions on the seats that they were planning to occupy. He upset all Curley Brooks' Republican inauguration plans and compelled the GOP to return their rented suits and top hats without having a chance to wear them. Eightieth Congress chairmen had not even become accustomed to the title when Mr. Truman said, "That's all boys. The game is up."

Today at noon it was stated over the radio that the Republican National Platform Committee announced that the future policy of their Members both in the House and in the other body would be to vote for all appropriation bills and at the same time abolish all taxes.

Be careful my GOP stalwarts, election again is just around the corner.

FAIR EMPLOYMENT PRACTICES BOARD

Mr. POWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks, and extend my remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWELL. Mr. Speaker, I have a speech prepared here many pages long. I am going to place it in the RECORD because of its length. I would like to say that the Fair Employment Board of the Civil Service Commission instructed our Treasury Department to give an examination this morning open to all of our citizens. There is in the House of Representatives now a bill, H. R. 7185, reported out of our Committee on Post Office and Civil Service, as of Friday, with the express purpose of contravening the action of the Fair Employment Board of the Treasury Department.

I would like the Members of the House to read this speech which I have prepared so that they will know just what is happening here in direct violation of the President's order, of the order of the Secretary of the Treasury, and contrary to the platforms of both sides of this House.

REPUBLICAN NATIONAL COMMITTEE PROPAGANDA MILL

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I am sure the House has enjoyed the efforts of the Republican National Committee propaganda mill here today. I know that the businessmen of this country and the wage earners of the country have an acquaintanceship today with the Collector of Internal Revenue. They are now paying income taxes on income earned during the past year, just as in previous years, in Democratic national administrations, they have paid taxes on their profits.

What a contrast when we look back to 1932.

The acquaintanceship of American businessmen back in those Republican days was only with the referees in bankruptcy.

American wage earners in the days of Hoover—and few there were—the soup lines were longer than the work lines—also were acquainted with the sheriff and the constable foreclosing on their homes. No one will ever forget the bankrupt condition of American business and our people in 1932 at the end of 12 years of Republican misrule.

THE REPUBLICAN PARTY

Mr. TAURIELLO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TAURIELLO. Mr. Speaker, I come from the great city of Buffalo, N. Y. Buffalo is a windy city, especially during the winter months when strong winds blow in from Lake Erie. Despite this, it is known as the Queen City of the Lakes and the City of Good Neighbors. However, I have never felt so much wind blowing as I have this morning in the well of the House, coming from the Republican side.

The distinguished gentleman from New York [Mr. RIEHLMAN] made mention that the taxpayer is sick today. Well, the taxpayer is not sick because he is employed and has the money to pay his taxes. It is the Republican Party that is sick. The diagnosis is very simple. They are suffering from simple fever which produces "talkarrhea" and a brain block which makes it impossible for them to offer any constructive program to the people of this Nation.

EXTENSION OF REMARKS

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MARCANTONIO asked and was given permission to extend his remarks in the RECORD in two instances and to include editorials.

SPECIAL ORDER GRANTED

Mr. MARCANTONIO asked and was given permission to address the House for 30 minutes tomorrow following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

SILENCE IS GOLDEN

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, I too wish to send via the well of this House, a message to President Harry S. Truman and claim as my right to do so the fact that I am one of two State and Federal candidates for public office in Nebraska, in 1948, who supported you for the Presidency openly and vigorously.

Almost every day now, we witness a talking psychosis indulged in by a number of men who seem to have nothing but wind between their ears. They are calling upon you to answer their silly provocative questions. Please do not answer them, Mr. President, but let them enjoy to the fullest, the charity of your exquisite silence. Let silence like a poultice come to heal the blows of senseless reactionary sound.

You will always remember, I know, the old verse:

It is only the lighter waters which fly,
From the sea on a windy day.
And the deep blue ocean never replies,
To the sybillant voice of the spray.

TAX DAY

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I am sure both you and I have enjoyed the remarks which have been made from both sides of the aisle on this day, the 15th day of March, the day upon which the American people pay their Federal income taxes.

I arise simply to call to the attention of the 7,000,000 Americans who are today not paying Federal income taxes that their exemption from such taxes is entirely due to the tax-reduction bill enacted by the Republican Eightieth Congress.

I would also like to call attention to those taxpayers who have been compelled to file their tax returns and pay taxes today that they would be paying much more in Federal income taxes on this fateful day were it not for the enactment of the tax-reduction bill by the great and sound Republican Eightieth Congress, which, for the first time in the last 20 years in the Nation's history gave tax relief to the American people.

The Republican Eightieth Congress reversed the trend. Instead of increasing Federal spending, we reduced it. Instead of raising taxes, we cut them. Compare that record of the Republican Eightieth Congress, if you please, with that of the Democratic Eighty-first Congress—the "spendingest" Congress in the peacetime history of our Republic.

THE EIGHTIETH CONGRESS

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, if I did not know better, I would almost believe that the thinking processes of my good friend from Ohio had become atrophied. Everybody in the United States, almost, has succeeded in forgetting the Eightieth Congress except the gentleman from Ohio [Mr. BROWN]. And then he has to remind them of it.

THE DIGNITY OF CONGRESS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I probably shall wish to expunge from the RECORD the remarks I contemplate to make on the urge of resistance. I have been here 17 years. I submit to you I never saw this Congress before so desecrated by blank, blank cheap politics as it has been attempted today for purely partisan political purposes. This is no place to lay such a cheap basis for a campaign.

This Congress has a record to maintain. As of its original constitution for the purposes contained in the articles which made it, it should be beneath the dignity of anyone who is a Member of it to talk about constipation of brains and diarrhea of the mouth and certain other things we heard this morning. I regret that it has to appear that anyone should make a speech so stupid as the one made by the gentleman from New York [Mr. TAURIELLO], who referred to constipation of brains and diarrhea of the mouth of the Eightieth Congress. I am using that only as an example.

The people look up to us, whether deserved or not; they should look up to us, they have set us up to represent them. Deservedly or not, they have placed upon us a very great responsibility. I am not fooling. I have tried to carry my own part and always to try to represent my people.

When I consider whether or not I should run again because of experience gained to the advantage of Vermont, I am wondering if I want to run again with such a group as is around me as would indulge in the type of conversation we have had to listen to today.

The Congress of the United States should preserve its dignity. It should always be entitled to the respect expected of it by those who send us here to represent them. This is not a ward

meeting hall, a precinct convocation, nor smoke-filled back-room session for cheap political oratory, else we would not be here, for it is assumed we are above it.

I recognize the fact it is not for me or for any other Member to try to lecture Congress; however, such language as was used is not appropriate as I understand it nor is it in keeping with the dignity of this body. That is what I think, and only for what it is worth. I resent such abuse of constitutional privilege as exercised by the gentleman from Ohio.

The SPEAKER. The time of the gentleman from Vermont has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. HOFFMAN of Michigan addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio address to be given on Friday, March 17, by the gentleman from Michigan [Mr. POTTER].

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

Mr. CELLER (when the Committee on the Judiciary was called). Mr. Speaker, by direction of the Committee on the Judiciary I call up the bill (H. R. 4703) relating to the internal security of the United States.

The Clerk read the title of the bill.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 99]

Baring	Ellsworth	Merrow
Battle	Fogarty	Michener
Boykin	Furcolo	Monroney
Brooks	Gilmer	Morrison
Buckley, N. Y.	Gossett	Murphy
Bulwinkle	Heller	Nixon
Burdick	Hoffman, Ill.	Norrell
Byrne, N. Y.	Horan	Norton
Chatham	Jenkins	O'Hara, Minn.
Chiperfield	Jennings	Passman
Clemente	Johnson	Pfeiffer,
Clevenger	King	William L.
Dawson	Kirwan	Philbin
DeGraffenried	Kunkel	Poulson
Dingell	Lichtenwalter	Quinn
Dolliver	McCormack	Rabaut
Dondero	McGrath	Rains
Douglas	Macy	Reed, N. Y.
Doyle	Magee	Rivers
Rooney	Shafer	Whitaker
Roosevelt	Sheppard	White, Calif.
Sabath	Short	Whittington
Sadowski	Smathers	Woodhouse
Scott, Hardie	Smith, Ohio	

The SPEAKER. On this roll call 362 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INTERNAL SECURITY OF THE UNITED STATES

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4703, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CELLER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill now before you, H. R. 4703, relating to the internal security of the United States, was reported a long time ago, to wit, May 20 of last year, by the Committee on the Judiciary of the House.

A request was sent to the Committee on Rules for a hearing on the rule. On several occasions since then the chairman of that committee has sought to have a hearing, but for reasons beyond his control, as well as mine, a hearing has not yet been held.

In the meantime the Attorney General of the United States has on several occasions requested that the Congress expedite its approval of this security measure.

In bringing the bill up at this time under the Calendar Wednesday procedure, it is not in any sense an expression of dissatisfaction of the failure to get action from the Committee on Rules, for the circumstances were purely fortuitous, but rather because the Calendar Wednesday procedure happens to be a convenient vehicle.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. HERTER. The gentleman has referred a good many times to the fact that the committee was unable to get a rule from the Committee on Rules. The Committee on Rules held extended hearings on this bill, which the gentleman from Pennsylvania [Mr. WALTER] presented in extenso, as well as several other members of the committee reporting it.

The majority of the members of the Committee on Rules tried to get a vote on this so it could be brought to the floor of the House. We were told over and over again that Members of the House wanted to appear in opposition to this bill. But no member of the Committee on Rules could find out who those Members were. It was arbitrarily set over again and again against the wishes of the majority members of the committee.

That is the reason this bill has not received a rule.

Mr. CELLER. I, of course, offer no criticism against the Committee on Rules or any of its members. I hope the Members understand that.

Mr. HERTER. I merely thought that the record ought to be kept straight. The majority of the members were willing to vote for a rule on this bill.

Mr. CELLER. As I said, since the Committee on the Judiciary had the call today, the committee felt it appropriate to bring this bill up under the procedure prescribed for Calendar Wednesday.

I may say that the report from the Committee on the Judiciary was unanimous; in fact, no one appeared in opposition to this bill when we conducted hearings. We wrote to a number of organizations interested in civil liberties and in civil rights, but no one of these organizations saw fit to voice any opposition by appearance before the Subcommittee of the Committee on the Judiciary which held hearings on the bill.

In its original form the bill was drafted by the Interdepartmental Intelligence Committee, a joint group consisting of representatives of the Department of Justice, the Military Intelligence of the Department of the Army, the Office of Naval Intelligence of the Department of the Navy, and the Central Intelligence Agency. All the intelligence agencies of the Government, therefore, united in a request to the Committee on the Judiciary to adopt this measure. As chairman of that committee I urge that the House adopt this measure.

When first presented to us the bill contained a provision concerning wire-tapping. The members of the Committee on the Judiciary felt that it would be improvident and improper to accept the recommendations of these various intelligence units concerning wire-tapping. This bill does not in any respect whatever touch the wire-tapping statutes that may exist today. It is my understanding that wire-tapping is not illegal per se; wire-tapping may be exercised but under decisions of the Supreme Court, any information obtained as a result of wire-tapping cannot be used in evidence in any of our courts. Suffice to say, we did not accept the recommendations of the intelligence units concerning wire-tapping.

I shall not attempt to describe in minute detail the provisions of the bill except to say that it relates to the strengthening of the internal security of our Nation. Other members of the committee who studied the bill intensively will undertake its detailed analysis to you. I do want to assure you, however, that it is not an hysteria bill, but instead a very stable, thoughtful, and necessary effort to tighten up those provisions of existing law which our recent experience in combating subversive activity in this country indicates to be highly desirable.

There are serious gaps in our security laws which must be filled, and this bill measurably fills them. We cannot allow people, citizens and aliens alike, opportunities to get valuable classified and other information, data, and records vital to our security and have that information, data, and records used and disseminated to our grave discomfort and with danger to our security. Our laws presently are weak and must be strength-

ened in that regard, and that is exactly what this bill purports to do.

While military laws are adequate to deal with military personnel, most of the troublesome cases of military security violations are of persons not subject to military law. In some cases it may be undesirable for reasons of policy to resort to the military law even where the violator is subject to military law, if adequate civil law is available. This bill seeks to make our civil laws available in these matters.

We have ample evidence on all sides of people unfortunately seeking to bore from within (Trojan horses, we might call them) who must be prevented from taking, and acquiring, and stealing valuable information vital to our defense, affecting our foreign policy, and definitely related to our security.

In general, Section 1 of the bill compels persons having in their possession certain enumerated classes of items to surrender the same under penalty for refusal to do so. Presently, the law affords no adequate punishment. For example, there is no violation unless the specific person entitled by law to receive the documents makes the demand for their return. This is frequently impossible because of unavoidable absence. Presently, those in possession of items and records relating to the national defense who negligently permit unauthorized removal commit a punishable offense. This bill extends the offense to persons who know the material entrusted to them has been illegally removed, lost, stolen or destroyed and who fail to report the loss or theft promptly to their superior officer. The present penalties are increased in this bill for conspiracy to commit the forbidden acts from $10,000 or 5 years or both to 10 years or $10,000 or both. This increased penalty conforms to the general statute. It makes, in a word, the conspiracy to commit an offense as grave as the crime itself.

Section 2 in general increases the statute of limitation for espionage from 3 to 10 years. The Department of Justice wanted no statute of limitations at all, but in its wisdom the Committee on the Judiciary felt it would be improper to have no statute of limitation and the increase was from 3 years as presently fixed in the statute to 10 years.

Section 3 amends the Foreign Agents Registration Act so as to make failure to register a continuing offense.

Section 4 delegates to the Secretary of Defense the power to promulgate orders and regulations, the violations of which are made punishable by fine and imprisonment for the security of new military installations.

There may be some question as to whether this Congress has the right to delegate broad authority like that to the Secretary of National Defense and permit him to make regulations and rules concerning military installations and to prescribe penalties. The Judiciary Committee has consulted many precedents in that regard and those precedents clearly indicate that the Congress has the right to delegate to executive agencies this power to promulgate security regulations of a criminal nature. The Supreme Court has frequently sustained that delegation of power to the executive branch.

The only criticism that the Supreme Court has offered is that there must be clearness and clarity in the writing of the statute so as to clearly and succinctly describe the limits of the grant of power. We have taken the pains and trouble to limit this grant of power. We have tried to place the grant in the clearest language so that he who runs may read; therefore, we deem that this provision concerning the delegation of power to the Secretary of Defense is perfactly constitutional.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRAHAM. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Chairman, on this day of decision for millions of taxpayers, a friend of mine has placed in my hand a priceless piece of American prose. With due apology to the memory of Abraham Lincoln, I should like to call it to the attention of my colleagues:

> One score and 16 years ago our fathers brought forth upon this Nation a new tax, conceived in desperation and dedicated to the proposition that all men are fair game. * * * Now we are engaged in a great mass calculation, testing whether that taxpayer, or any other taxpayer, so confused and so impoverished, can long endure. * * * We are met on Form 1040. We have come to dedicate a large portion of our income to a final resting place with those men who have spent their lives, so that they may spend our money. It is altogether anguish and torture that we should do this. But, in the legal sense, we cannot evade, we cannot cheat, we cannot underestimate this tax. The collectors, clever and sly, who computed it, have gone far beyond our power to add or subtract. Our creditors will little note, nor long remember, what we pay here. * * * It is for us, the taxpayers, rather to be devoted here to the tax return which the Government has thus far so nobly spent. It is rather for us to be dedicated to the great task remaining before us, that from these vanishing dollars we take increased devotion to the few remaining that we may highly resolve that next year will not find us in a higher bracket. * * * That this taxpayer, underpaid, shall figure out more deductions and that taxation, of the people, by the Congress, and for the Government, shall not cause our solvency to perish.

Mr. GRAHAM. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

AMERICAN TAXPAYERS FOOT THE BILLS FOR THE COLD WAR

Mr. ANGELL. Mr. Chairman, it is significant to point out that the outlay of the United States for war purposes is more than twice that of all 11 other Atlantic countries. Now the United States has in its current budget $13,500,000,000 for defense costs. The combined total of Great Britain, France, Canada, Italy, Netherlands, Belgium, Norway, Denmark, Portugal, Luxemburg, and Iceland is only $5,100,000,000. In other words Uncle Sam is footing most of the bill for the cold war. The budgets of the nations allied with us give a much smaller slice to national defense. This does not include the program of the administration to arm western Europe. The portions of the national budgets spent on arms in these nations is as follows: United States, 31.9 percent; Italy, 25.2 percent; Netherlands, 20.8 percent; Portugal, 20.8 percent; Britain, 20 percent; France, 16.3 percent; Canada, 15.2 percent; Norway, 14.1 percent; Denmark, 11.9 percent; Belgium, 8.5 percent; Luxemburg, 2 percent; Iceland, none.

These are pertinent facts which led me to make the statement in previous newsletters that we could reduce the costs of Government and the national budget in the allocation of funds to be spent overseas by 25 to 50 percent in many cases, and not only thereby save the American taxpayers billions of dollars and enable us to balance the budget and cut out deficit spending but we would in the long run be giving a bigger boost to these foreign countries. Under the present procedure we are educating them to lean on Uncle Sam for their bread and butter and the sooner we adopt a sensible program which will put them on a self-sustaining basis, the better it will be for the nations themselves as well as for the United States Treasury. Foreign aid should be a springboard for self-help and not a wheel chair of permanent doles. We have already spread abroad since the war's end over $30,000,000,000 wrung from American taxpayers. Let us call a halt to this waste of tax dollars. This is March 15 and the tax-ridden American citizens today must pay their exorbitant tax bills. Let us give them a break and cut to the bone these unnecessary expenditures.

Mr. CELLER. Mr. Chairman, I yield 8 minutes to the gentleman from South Carolina [Mr. BRYSON].

Mr. BRYSON. Mr. Chairman, one of the most highly appreciated assignments I have thus far received at the hands of my distinguished chairman, the gentleman from New York [Mr. CELLER] was when he authorized me to present this important piece of legislation, H. R. 4703.

As is stated on page 2 of the report, the bill was originally drafted by the Interdepartmental Intelligence Committee, a joint group consisting of representatives of the Department of Justice, the Military Intelligence Division of the Department of the Army, the Office of Naval Intelligence of the Department of he Navy, and the Central Intelligence Agency. Our committee carefully considered the suggestions made and have worked out what we believe to be an adequate, yet acceptable, bill. It is interesting to note that the bill comes before you today with the unanimous

backing of the House Judiciary Committee. This is not usually the case. It is natural that there should be an honest diversity of opinions among our 27 members regardless as to political affiliations. This legislation is sorely needed and has been neglected too long. Individual opinions have been waived in minor details so as to get proper safeguards written into our statute law.

We have been astounded during the past few years to find that there are certain weaknesses and inadequate provisions of law to deal with those who would betray and destroy our country. In view of the several cases which have been disposed of by the courts or are now in process of litigation, let us arouse ourselves to the great need for immediate action. I shall not enumerate or name the individual cases to which I refer. You know about them. The fact that we have failed to provide proper safeguards should be an inducement to make sure that these wicked acts in the future are adequately covered under the law.

Since this is the final unpleasant day to pay our income taxes, we listened this morning to repeated criticisms of the way our Government is being run. Some of the criticisms are justified. In spite of all our shortcomings and imperfections our country is still the most favored one. We have the only, and last remaining real free Government on the face of this troubled world. In no other country are citizens permitted to criticize those in high places without fear. There is hardly a person in the world who would not literally give his right arm for the privilege of coming to and living in our beloved country.

Because we are the recipients of countless blessings, let us be admonished that under whom much is given much in like manner is required. You may rest assured that there is nothing in this pending bill that will operate adversely against any honest, upright, law-abiding citizen. We have been far too lenient, I fear, with those who would destroy us.

As the chairman of the subcommittee handling this legislation, I now invite your honest criticisms but I plead with you to cooperate with us to the end that this needed protection be speedily provided.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BRYSON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I agree with what the gentleman from South Carolina has said; of course. Every person on the Federal pay roll ought to be like Caesar's wife, above suspicion.

Mr. BRYSON. Certainly.

Mr. RANKIN. Whenever a suspicion rests upon an individual on the Federal pay roll, a suspicion that is really based on something tangible, that person ought to be removed; I do not care who he is or what administration is in power.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BRYSON. I yield to the gentleman from Louisiana.

Mr. BROOKS. I should like to ask the gentleman about another phase of this bill. The other day I heard of an instance where someone had in his possession a detailed aerial map of the Oak Ridge atomic-energy plant. Is there anything in this bill that would stop people from making flights of that sort where they could make aerial maps and then circulate them around generally?

Mr. BRYSON. I believe the bill in its present form will take care of a situation like that. We at least hope so. If it develops in the debate that it is not sufficient, I hope a proper amendment will be offered.

Mr. BROOKS. It seems to me it is extremely hazardous to permit photographs to be taken indiscriminately of plants of that character, and then permit those photographs to get loose and perhaps get into alien hands.

Mr. RANKIN. If the gentleman will yield further, the FBI's letter on Edward U. Condon, head of the Bureau of Standards, branded him as the weakest link in our atomic security. That was one of the most damaging letters I have ever known to be written about a man on the Federal pay roll, but he is there yet. Whenever conditions like that arise, a man on whom the FBI would make such a report ought to be removed from the Federal pay roll.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BRYSON. I yield to the gentleman from Illinois.

Mr. JONAS. I am in accord with most of the provisions of this bill. I think we need additional safeguards, especially after what has been disclosed by the court trials. But I call the gentleman's attention to paragraph (f) on page 4 of the bill, where it is provided that gross negligence is punishable by a fine of $10,000 or imprisonment for 10 years. Gross negligence basically is confined to civil proceedings, and it is susceptible to a thousand interpretations. It seems to me it is rather harsh, in the light of all that has been going on in this country, to subject the American people to an interpretation of gross negligence where they have hanging over their heads a penalty involving imprisonment for 10 years and a fine of $10,000.

Mr. WILLIS. That is in the law today. This bill makes no change in that portion of the law.

Mr. BRYSON. I certainly would not want to change it so as to make it weaker or less applicable.

Mr. GRAHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GOODWIN], a member of the committee.

Mr. GOODWIN. Mr. Chairman, the very splendid analysis of this bill just given by the distinguished chairman of the committee, the gentleman from New York [Mr. CELLER], and the very fine statement of the chairman of the subcommittee, the gentleman from South Carolina [Mr. BRYSON], leave very little necessary to be said. The bill is aptly and succinctly described by its title. It relates to the internal security of the United States.

It is a national defense bill. It came to the committee and now comes to the House after careful preparation and much study in committee. In the preparation of the original draft there was intensive collaboration among representatives from the Department of Justice, the Military Intelligence Division of the Department of the Army, the Office of Naval Intelligence of the Department of the Navy, and the Central Intelligence Agency, these several units making up the Departmental Intelligence Committee.

H. R. 4703 is intended to close up loopholes which the Department of Justice and the Department of Defense feel are present in existing law by reason of which opportunities are open for the unauthorized acquiring both by citizens and aliens of information vital to our national security and making it possible for such information to be used against the public safety without fear of prosecution. It is not necessary to recount instances fresh in the minds of us all indicating the necessity for the strongest possible legislation to prevent the collection and dissemination of information relating to the national defense of such a nature as to clearly constitute a threat to our national security by making it possible for a foreign nation to acquire information or material of tremendous value to that nation because vital to our own defense and security.

So far as I know, there has been no responsible, legitimate opposition voiced to this bill, except possibly some that may have come to the committee after the close of the hearings from certain individuals or groups who may honestly and conscientiously believe there is something in this proposal which would restrict civil liberties.

It seems to me, Mr. Chairman, we must remember that the rights and liberties of the individual cease when the rights of the people intervene and become paramount in the interest of the national safety. I think we ought also to remember that when we think of our vaunted and boasted civil liberties, we might well pause to reflect that these liberties and rights might very easily disappear unless we in the legislative halls do everything within our power to insure that this Republic shall exercise its right and its duty of self-preservation.

By rendering to the several agencies of the Government whose responsibility it is to protect and maintain the national safety the facilities provided by this legislation, we will make it easier for the Government to defend itself from subversive elements within our borders as well as enemies on the outside. We are also setting up additional insurance to guarantee the perpetuity of the Republic in order that individual citizens may continue to enjoy their rights and liberties.

No honest citizen need be fearful of any consequences which could possibly flow to him as a result of the passage of this legislation. No citizen, who is loyal and willing to admit that the interests of his Government outweigh any personal interests he may have, need fear that any of his civil liberties or the individual rights of any other citizen are in any degree violated by this proposed amendment to our internal security law. I hope the bill will pass unanimously and speedily become the law of the land.

Mr. GRAHAM. Mr. Chairman, I yield 12 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I believe we are all interested and in agreement on the purposes of this bill.

The question then comes up as to the proper methods of approaching the problem. We all want to protect the internal security of the United States, both in peace and in war, but we also want to protect the civil liberties of the United States. The question then is, Where is the dividing line between the legitimate interests of internal security and where is the legitimate interest of the freedom of the people? Where those interests of the freedom of the people begin, then the people should have the right to freedom without suspicion and without their actions being taken for anything other than the free actions of free people.

May I ask the committee what several items mean, so that we will have them for the record?

I notice under paragraph (a) of the bill, if anyone flies over, for example, a work of defense, or a canal or railroad or camp or factory, if it is connected with the national defense—it does not have to be United States owned, it can just simply be constructed originally for defense—if this occurs and the location is within the exclusive jurisdiction of the United States it is an offense under this act. How far does that provision go?

Mr. TACKETT. If the gentleman will read the first line of that paragraph which says:

Whoever, for the purpose of obtaining information respecting the national defense with intent or reason to believe that the information is to be used to the injury of the United States—

If he then goes ahead and flies over and takes some pictures, he is guilty.

Mr. FULTON. Who has the "reason to believe"? Is that phrase definite enough?

Mr. TACKETT. That would be like any other question in the trial. It would be necessary for you to prove he had reason to believe that it would be to the detriment of the United States, or be to the detriment of the national defense of this country, or helpful to some foreign country.

Mr. FULTON. Must the overt acts that individual has taken of themselves show a reasonable belief, or must it be proved by intent that the person who is doing the acts reasonably believed they would help a foreign power?

Mr. TACKETT. You mean whether or not it is necessary to prove his intent?

Mr. FULTON. Yes. What kind of proof do you have to have on this intent?

Mr. TACKETT. I will admit that it is not required to prove intent beyond a reasonable doubt when the national defense is concerned, as it is in ordinary crimes which are tried in the various courts of the country.

Mr. FULTON. That is the point I am trying to bring out. May I say to you, if that is the intent of the committee, then this legislation, so far as that particular provision is concerned, is unconstitutional.

Mr. TACKETT. We do not think it is.

Mr. FULTON. Congress cannot change the criminal statutes so as to find a man guilty without adequate proof, simply because of his supposed intent. You must have some overt act and then intent which have to be proved beyond a reasonable doubt, which question is submitted to the jury. If the committee does not have that in mind as a test, then to me this provision is unconstitutional.

Mr. FELLOWS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. FELLOWS. The provision that the gentlemen are talking about contains the word "intent." There has to be an intent. If the gentleman will read that paragraph he will find out there has to be the kind of intent he was talking about.

Mr. FULTON. I agree with the gentleman from Maine on that. However, let me ask you this question as to proof. As the gentleman from Oklahoma and I were discussing, How do we prove that intent, by what means, and by what weight of evidence under this section?

Mr. FELLOWS. Of course, you have to prove intent beyond a reasonable doubt, the same as you do in any crime.

Mr. FULTON. The gentleman from Maine therefore disagrees with the gentleman from Oklahoma because the gentleman from Oklahoma has just said under this provision it is not intended by the committee that the proof shall be beyond a reasonable doubt.

Mr. TACKETT. Mr. Chairman, if the gentleman will yield further, may I explain that in my opinion I do not think you have exactly what I intended to say. I say that this bill does modify intent, but in this particular paragraph which you are talking about it could not modify what is ordinarily used as intent on this particular phase of the bill.

Mr. FULTON. Then in conclusion even under this paragraph, the act plus the intent must be proved by evidence which is beyond a reasonable doubt?

Mr. TACKETT. Sure; that is plain.

Mr. FULTON. But that is exactly opposite to what the gentleman said previously.

Mr. TACKETT. The gentleman is mistaken, because I was talking about the general provisions of this bill; in other words, for the gathering, transmitting, and losing of information concerning the national defense. At the present time it is necessary to prove beyond a reasonable doubt the intent and purpose of the person when he has information that he lost to the hands of someone that would be detrimental to this country.

Mr. FULTON. My purpose in asking these questions is to clear this matter of necessary proof. May I ask of the Chairman: There is no intent by the provisions of this bill to change the rules of evidence commonly accepted in the United States and to allow any crime alleged under the provisions of this bill to be proved by less than "beyond a reasonable doubt"?

Mr. CELLER. The gentleman states it exactly. There is no attempt on the part of the committee in offering this bill to change the ordinary rules of evidence with reference to proof by the prosecuting officer.

Mr. FULTON. One further question, on page 2, line 7, the bill states "within the exclusive jurisdiction of the United States." Does that mean jurisdiction in the legal sense as to courts, or does that mean only an installation under the control and operated or owned by the United States?

Mr. CELLER. That means the general jurisdiction of the United States.

Mr. FULTON. So it does not, then, mean the limiting of this particular provision simply to particular installations either owned or operated exclusively by the United States?

Mr. CELLER. No.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. JONAS. I call the gentleman's attention to page 1 of the bill, paragraph (a). The gentleman will notice that the expression there is in the alternative:

Whoever, for the purpose of obtaining information respecting the national defense with intent or reason—

The gentleman will notice the alternative "or"—

with intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation.

So, if you leave out the word "intent" the man could be convicted on "reason to believe" under this section.

Mr. FULTON. I should like for the chairman to hear that. Would the gentleman repeat it?

Mr. JONAS. I am calling attention to paragraph (a) on page 1 where it states:

Whoever, for the purpose of obtaining information respecting the national defense with intent or reason to believe—

That is stated in the alternative. Even if intent were stricken out the man could be convicted on "reason to believe" and intent would not have to be proved.

Mr. FULTON. But each one must be proved beyond a reasonable doubt.

Mr. JONAS. It is "reason" or "intent."

Mr. CELLER. It is in the alternative; and "reason to believe" is pretty close to "intent," is it not?

Mr. FULTON. But the proof on each must be beyond a reasonable doubt, must it not?

Mr. CELLER. Yes, either "intent" or "reason to believe." I do not see very much difference between them.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. RANKIN. Just before the last war Japanese officers were strutting around this capital with photographic instruments taking pictures of everything they could find. I was over in Hawaii in 1937 and found the same condition prevailing there. When the time came for the storming of Pearl Harbor those same Japanese traitors used that information to help destroy the American Navy. From my viewpoint you cannot make this language too strong. I doubt if any foreign power has a right

to fly its planes over our places of national defense.

Mr. FULTON. The point we are making here is to make the language clear so that when proper cases come up the courts will then know what the intent of Congress is. That is the purpose we have in mind.

Mr. RANKIN. I would make it as strong as it possibly could be made. The safety of America comes first.

Mr. FULTON. I direct the attention of the chairman of the committee to page 6, line 19, subsection (5) where the language reads:

> Any person who has knowledge of or has received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a government of a foreign country or a foreign political party—

Will the gentleman from New York tell the Committee what he understands that to mean? Suppose I know about the Conservative Party in England and that I learned about it in school, had received instruction on it, and had knowledge of it—and this language, too, is in the alternative—how far does this offense under this subsection (5) go? Are we condemning persons acting in a legitimate political interest, or does it have to be the kind of party that we would label here as subversive of democratic institutions? There is no label indicative of that in this bill.

Mr. CELLER. Read the balance of that subdivision 5, page 7:

> has been acquired solely by reason of academic or personal interest not under the supervision of or in preparation for service with the government of a foreign country or a foreign political party or unless, by reason of employment at any time by the Department of Justice—

And so forth. That language modifies what the gentleman first said.

Mr. FULTON. But if the Conservative Party in England put out a brochure and if I had it, then I would be guilty.

Mr. CELLER. It all depends upon the purposes to which the action alluded. If he did it, and it comes squarely within that language at the end of the paragraph on page 7 I think he would be guilty.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, may I admit in the beginning that I was a bit confused a while ago during the colloquy with the gentleman from Pennsylvania. I was thinking of subsection 1 (d) with respect to intent and I wish the Members would read on page 3 of the report the provisions of subsection 1 (d):

> Subsection 1 (d) provides that those having lawful possession of the items described therein relating to the national defense who willfully communicate, or cause to be communicated, or attempt to communicate them to an unauthorized person, or who willfully fail to deliver them to an authorized person on demand, shall be guilty of a crime.

Here is the portion that I think is of particular interest:

> No showing of intent is necessary as an element of the offense, provided the possessor has reason to believe that the material communicated could be used to the detriment of the United States or to the advantage of a foreign nation. The absence of a requirement for intent is justified, it is believed, in contrast to the express requirement of intent in subsections 1 (a), 1 (b), and 1 (c), in view of the fact that subsection 1 (d) deals with persons presumably in closer relationship to the Government which they seek to betray.

That portion of the report clarifies the question involved concerning the required intent under this proposed legislation.

Mr. WALTER. Does that not merely shift the burden of proof?

Mr. TACKETT. This merely shifts the burden of proof of ordinary intent. What the courts require in this country concerning intent is not in the least changed.

There is but one subsection of this bill that would be involved in the "intent" controversy. No showing of intent is necessary as an element of the offense under subsection 1 (d).

Mr. Chairman, this bill simply attempts to take care of some cases of late that we all know about, and that have happened during the last few years pertaining to the gathering of, the transmitting of, or the intentional losing of, information affecting the national defense, detrimental to our country and helpful to some other country.

The statute of limitations has been changed so that a person may be prosecuted for an offense as late as 10 years after the offense has been committed rather than the present requirement that he be prosecuted within 3 years. It was first suggested that the statute of limitations be entirely removed; but, that would be a hardship on an innocent accused person because his witnesses may have vanished or have died or some other things might have taken place. The lapse of memory would preclude him from having a proper defense. Therefore, the committee felt a 10-year statute of limitations was sufficient.

This bill under section 3 provides a penalty for failure to register and makes it a continuing offense for an organization to fail to register.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Michigan.

Mr. FORD. Would the change in the statute of limitations from 3 to 10 years open up the possibility of penalizing those more than 3 years from this date or from the date of the enactment of this act back? It would be retroactive for 10 years; is that correct?

Mr. TACKETT. No. Should 3 years time have expired since an alleged offense has been committed, this legislation would not make possible the opportunity to prosecute the offender. However, should 3 years time not have expired by the time this proposed legislation becomes effective, the statute of limitations will be extended concerning any previous offenses.

Mr. WALTER. If the statute of limitations has already run, then the case could not be reopened. However, if the statute has run only partly, then it would be extended to the full period of 10 years.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Mississippi.

Mr. RANKIN. The statute of limitations, though, does not run in favor of a man who is outside of the jurisdiction of the United States. Say, if he has escaped and gone to a foreign country, the statute of limitations does not run in his favor.

Mr. TACKETT. That is the present law. The Secretary of Defense is authorized under the provisions of this proposed legislation, to prescribe regulations and penalties for the security of the military installations. Now, that portion of the bill might be the most controversial, I do not know, but we can all well imagine instances wherein it is necessary that we not wait for the Congress to pass legislation that would protect the military installations of this country.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Would the chairman of the committee explain the meaning of subsection (5) of section 3? Will the gentleman explain how that was written, so that the language becomes clear?

Mr. CELLER. I think the gentleman from Pennsylvania has raised a good point. The language is not too clear, and I think we ought to clear it.

On page 6, line 19, there should be a comma after the word "of" and a comma on line 20 after the word "in" so that subsection (5) would read: "any person who has knowledge of, or has received instruction or assignment in, the espionage". At the appropriate time, I shall offer that amendment.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. GRAHAM. Mr. Chairman, I yield 9 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, the purpose of the bill we are now considering is to protect the safety of the United States against the spying or treasonable activities on the part of any person or persons. The bill should be enacted into law to prevent anyone from acquiring information vital to our national security and using that information for the advantage of a foreign power and to the disadvantage and danger of the United States without fear of prosecution in our courts and punishment under our laws. The protection afforded by this measure will safeguard our defense installations where our weapons and munitions are manufactured. This measure is necessary to protect the great war plants where our guns, ships, ammunition, and the atomic bomb are manufactured. Conviction for violation of these provisions of the act is punishable by a fine of not more than $10,000 and by imprisonment of not more than 10 years, or both.

Anyone who wilfully and unlawfully discloses information within his knowledge that affects the national safety is made liable to a fine of $5,000 or imprisonment for not more than 1 year, or both.

The act extends the statute of limitations from 3 to 10 years, so that one violating the act may be prosecuted and convicted any time within 10 years after he violates the act. The statute of limitations does not commence to run during the term of office of any officer of the United States who violates the act until such person's term of office has expired.

Mr. Chairman, this bill is not aimed at any decent citizen in this country. No loyal citizen, no American who is attached to his Government and is loyal to it need fear that he will come within the sweep of the condemnation of this statute. I have no concern for anybody who wants to hamstring or betray, for money or for any other purpose, this Government, and I am happy to state that we do not produce that kind of people down in my neck of the woods in eastern Tennessee. That is one reason why the Government located the Atomic Energy Plant at Oak Ridge in Anderson and in Roane Counties in my district. It was put there, in the first place, because it is far removed from the coast, protected by mountains and by hills; and, in the second place, because it was located in a section of the country which is more predominantly 100 percent American than any other section of the country, and I do not say that in derogation of anybody who has come here from a foreign country in order to become a good citizen, who becomes naturalized and takes the oath of allegiance.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. Please let me finish.

Mr. RANKIN. I was going to give the gentleman the main reasons for putting the Atomic Energy Plant at Oak Ridge.

Mr. JENNINGS. I am going to come to that, if you will give me a chance.

It was put there because of the unquestioned loyalty of those people. A few miles from Oak Ridge is located the greatest aluminum plant in the world. During the war 13,000 men, women, boys, and girls, both colored and white, were employed in that aluminum plant, and among that 13,000 employees each and every one of them, with one exception, was a native-born American. That could not happen anywhere else in this great country of ours.

In the third place, the atomic energy plant was located where it was because we had an unlimited quantity of hydroelectric power due to the fact that it was located within the heart of the area where has been built the Tennessee Valley Authority and the greatest system of hydro-electric plants in the world.

Those are the three reasons why it came there. During all the time the bomb was being fabricated there was no suggestion of any espionage, no suggestion of any leak of any secrets. People did not try to find out what it was all about. Some of the girls that worked down there, when they passed by some of those plants may have lost their bobby pins out of their hair, they would jump out of their hair, but that did not disclose anything.

I am not worried about the meaning of anybody's intent, I am not worried about anybody's violating this law and feeling the halter drawn by virtue of doing something that he has reason to believe will be inimical and dangerous to the security of this Nation. Every lawyer knows what intent means. As used in this statute, it is a desire, a purpose to do anything that is condemned by this proposed law. A man is presumed ordinarily to intend the necessary consequences of his own act. A person who has sense enough to be engaged as a spy or a traitor by a foreign government or an agency representing a foreign government, or an enemy of this country, if he was stealing some secret process from Oak Ridge or some other defense plant in this country, would know what he was up to.

I am not disposed to split hairs on questions like this. I had a friend some years ago who lived at Williamsburg, Ky., which is across the State line from where I dwelt in Jellicoe, Tenn. He had been a Member of Congress. He would come up to my town and I would say, "Charlie, how are you feeling today?" He would say, "Fine, John, fine as frog hair, but not fractional."

In this proposed act we are not dealing in fractional frog hair or fractional any kind of hair. We are not splitting hairs.

I have no apprehension, no mental disturbance about the danger of this law to anyone who seeks to injure or to betray this country. I subscribe to the doctrine of Bobby Burns, that it is the fear of hell and the hangman's noose that keeps the wretch in order. Let them know once and for all that we have a statute on the books with teeth in it, and that if they violate it J. Edgar Hoover's men or somebody else who is in the law enforcement business and the crime prevention business of this Government will put their finger on him. I believe the arm of this country should be long enough and strong enough to reach the collar of every traitor beneath the flag and bring him into a United States district court, where he will be indicted and where he will be arraigned and put on trial before 12 honest men, honest jurors, and where a judge learned in the law will know how to instruct the jury.

There is nothing highly technical about this. I am not trying to punch any sifter holes in this law by asking questions and quibbling and fumbling around with it. Just let it be said once and for all that this is a law for the protection of the United States of America, and it is aimed at a man who wants to betray this country.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Mississippi.

Mr. RANKIN. I thoroughly agree with the gentleman on that statement, but I want to add two more reasons this plant was placed at Oak Ridge. The prime reason was that it was close to an ample supply of hydroelectric power.

Mr. JENNINGS. I just said that.

Mr. RANKIN. The other was that it was on a navigable stream and can be reached by barges at all times of the year and it is only a short distance from the Tennessee River, which is navigable all the time. More than a million tons of essential materials have been delivered to Oak Ridge by barges.

Mr. JENNINGS. No; it is not navigable, in the sense that it can be navigated by a big steamboat, but it is full of water and it is wet, and they use it in carrying on that atomic energy plant at Oak Ridge. I wish the river were navigable. Oak Ridge is on Clinch River. You can go up and down it in a duck boat, a fishing boat, but you cannot use a steamboat on it. The big thing about which we can all rejoice is that it is down there where the people are loyal, where it is away from the coast, and where there is plenty of electricity.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. CASE of South Dakota. This bill extends the time under which the acts complained of could be prosecuted?

Mr. JENNINGS. That is true.

Mr. CASE of South Dakota. I think that is important.

Mr. JENNINGS. It is important.

Mr. CASE of South Dakota. In connection with some of the espionage activities the Committee on Un-American Activities has been investigating in the past year, we found that the statute of limitations on certain things has run out, and about the only way you can get at some of these things is to charge people with perjury. They should be charged with the original crime.

Mr. JENNINGS. It is too bad they could not be charged with both perjury and treason. I am talking about Alger Hiss and all of his cohorts and accessories both before and after the fact, and within the sweep of that language comes Acheson, our good-for-nothing Secretary of State.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. KEATING. I simply wanted to say to the gentleman in my judgment the people of his district demonstrated their loyalty as good Americans best by sending the gentleman here to Congress.

Mr. JENNINGS. I appreciate those kind words, and I am grateful for the support of my friends in my district.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Chairman, this bill, H. R. 4703, relates to the internal security of the United States.

Section 1 (a) virtually reenacts existing law making it a crime for a person to go upon a vessel or other work for defense for the purpose of obtaining information respecting the national defense, with intent or reason to believe that the information is to be used to the injury of the United States.

The only new language is the addition of Air Force bases to the list of places defined in the present act.

Section 1 (b) restates existing law making it a crime for a person to make copies of or to make away with plans, blueprints, and other listed items, with the intent aforesaid.

The only new language is the addition of the word "matter" to the list of items in the present law. The term is designed to include such physical matter as uranium or analogous substances which are not precisely within the scope of the balance of the enumerated items.

Section 1 (c) also restates existing law making it a crime for a person to receive from another code book, for example, and other items listed, knowing or having reason to believe that it has been obtained to the injury of the United States.

Again, the only new language is the addition of the word "matter" to the provisions of the present law.

Subsections 1 (d) and (e) split the fourth paragraph of section 793 of title 18 of the United States Code into two parts in order to draw a distinction between a person having lawful possession and a person having unauthorized possession of a map, code book, for example, and other listed items.

Under subsection 1 (d) if a person has lawful possession of such material and delivers the same to another person not authorized to receive it, or willfully retains it and fails to deliver it on demand, he commits a crime. A demand is necessary because such person had lawful possession to begin with, but a showing of intent is necessary if the person has reason to believe that the material communicated could be used to the detriment of the United States.

Under subsection (e) if a person has unauthorized possession of such an item and delivers it to one not authorized to receive it, or willfully retains it and fails to deliver it, he commits the crime. Here a demand is unnecessary, because the possession is unauthorized and the person had no business obtaining the material to begin with. Note that the term "unauthorized" instead of "unlawful" possession is used so as to preclude the need for proof of illegal possession.

Both subsections (d) and (e) make the transmission of information relating to the national defense unlawful.

Under present law it is made a crime for a person having lawful possession of a document, for example, and other listed items to permit it to be removed from its proper place through gross negligence. Section 1 (f) (2) makes it likewise unlawful for a person having knowledge that such material has been removed or stolen, not to report it.

In all instances the crime is made punishable by a fine of not more than $10,000 or imprisonment of not more than 10 years, or both.

Section 1 (g) makes a conspiracy to commit the crimes above listed as grave as the commission of the crime itself, and punishable in the same way.

Section 2 increases the statute of limitations in prosecutions under the preceding sections from 3 to 10 years. The Hiss case is an example of a situation which, if one period of limitations had been adequate, prosecution could have been had against Hiss and Chambers. Although we do not know the precise facts in the Fuchs case, it is possible that under present law, had Fuchs been held for action in the United States he would go scot free through the shortness of the statute of limitations in the present law.

Section 3 amends the Foreign Agents Registration Act of 1938.

It provides that a person who has received instructions in espionage, counterespionage, or sabotage service of a foreign country must register—Fuchs.

It exempts from the provisions of the law, however, persons who acquired such knowledge solely by reason of academic or personal interest, not under the supervision of or in preparation for service with a foreign power.

And section 3 makes the failure to register a continuing offense, so as to postpone the commencement of the statute of limitations.

Section 4 delegates to the Secretary of Defense the power to promulgate orders and regulations, the violations of which are made punishable. These security regulations, however, must relate to the protection of the military establishments listed, such as ports, water-front facilities and so on against fire, sabotage, and so forth. Congress gave such authority to the Secretary of the Navy during the war but the act expired June 30, 1947. The committee has satisfied itself that such delegation of authority is constitutional. Many similar delegations have occurred in the past and upon being tested in court their constitutionality has been confirmed. Nor does the committee feel that the broad power conferred on the National Military Establishment is a bit more than necessary for minimum security purposes in this atomic age.

Mr. GRAHAM. Mr. Chairman, I yield myself 3 minutes.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. GRAHAM. Mr. Chairman, those of us who have lived through the last decade have realized the changing situation in America. No longer are we an isolated nation.

We are dealing now in terms of possible warfare, in terms of chemistry, in terms of high explosives. It is becoming increasingly apparent that there are serious loopholes and modes of escape in our defense laws, and the necessity we are under of closing those loopholes. Various departments of our Government have awakened to the necessity of meeting this situation adequately and conclusively. This bill is designed for that very purpose.

Without going into any of the technicalities of the bill, I may state that it has for its end the protection of America, to prevent the recurrence of such things as you and I have witnessed within the last few years, the escaping of valuable material from this country, the disclosure of secrets that are highly necessary for our own protection.

No citizen who obeys the law has any occasion to fear the provisions of this act. I urge that we honestly and earnestly protect ourselves in the enactment of this adequate legislation.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, there is nothing wrong with this bill except that it does not go far enough. I rise with the utmost respect for our chairman—for he also later was the author of a wire-tapping bill—to make sure that no one misunderstands his statement that the Committee on the Judiciary was unanimously in favor of deleting those provisions of the bill which dealt with wire tapping. There are many of us on that committee who thoroughly agree that any provisions that are reasonable, that clothe the FBI and the Intelligence units of our Defense Establishment with the power of wire tapping for their peculiar purposes, including the use of the product of such wire tapping in evidence. But we were in the minority. I cannot help thinking, however, and as long as I can think and voice my thoughts, I am for such wire tapping. I remember that 6 or 8 months before Pearl Harbor my wire-tapping bill with those provisions was voted down in this House by less than 10 votes, and that Mr. Justice Roberts in the Pearl Harbor report said that if we had had the protection of an adequate wire-tapping authorization, the tragedy of Pearl Harbor might have been avoided.

I was for Mr. Justice Sutherland's dissenting opinion when it was held that the Federal Communications Act meant to outlaw legitimate wire tapping. I am still for it, and I believe that it ought to be the law of the land, no matter whether it comes through the Supreme Court or through Congress.

I quote from Mr. Justice Sutherland's dissenting opinion, concurred in by Mr. Justice McReynolds:

> I think the word "person" used in the statute does not include an officer of the Federal Government, actually engaged in the detection of crime and the enforcement of the criminal statutes of the United States, who has good reason to believe that a telephone is being, or is about to be, used as an aid to the commission or concealment of a crime. The decision just made will necessarily have the effect of enabling the most depraved criminals to further their criminal plans over the telephone, in the secure knowledge that even if these plans involve kidnapping and murder, their telephone conversations can never be intercepted by officers of the law and revealed in court. If Congress thus intended to tie the hands of the Government in its effort to protect the people against lawlessness of the most serious character, it would have said so in a more definite way than by the use of the ambiguous word "person." *Commonwealth* v. *Welosky* (276 Mass. 398, 403–404, 406; 177 N. E. 656.))
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> My abhorrence of the odious practices of the town gossip, the peeping tom, and the private eavesdropper is quite as strong as that of any of my brethren. But to put the sworn officers of the law, engaged in the detection and apprehension of organized gangs of criminals, in the same category, is to lose all sense of proportion. (*Nardone* v. *U. S.* (302 U. S. 385, 387.))

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always glad to yield to the distinguished gentleman from Tennessee.

Mr. JENNINGS. I am happy to say in that connection that I recall the occasion when the bill the gentleman brought in to legalize wire tapping in cases such as we are talking about now and its use as evidence in court, and I

voted in favor of it. I have been happy about it ever since.

Mr. HOBBS. And a great many others voted likewise; so did the members of the Committee on the Judiciary when they reported the bill overwhelmingly.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. With pleasure, sir.

Mr. FULTON. Is the gentleman in favor of tapping the wires of Congressmen and Senators? And are they tapped now?

Mr. HOBBS. I am in favor of allowing the FBI, our Federal investigatorial body, in which I have the utmost confidence—also the national defense intelligence groups—to tap wires indiscriminately to detect criminals, no matter who they are; and if the first one they catch is SAM HOBBS, God bless them; I would still be for them.

Mr. FULTON. Then, as a member of the committee, may I ask the gentleman: Are any Congressmen's wires tapped now by the FBI?

Mr. HOBBS. I know of none; and I do not believe so. I still believe that we ought to authorize the law enforcement agencies of this Government at least to the extent of enabling them to compete with criminals who tap wires indiscriminately always and all the time, 24 hours a day.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always happy to yield to the gentleman from New Jersey.

Mr. CANFIELD. In response to the interrogation of the gentleman from Pennsylvania, may I say that we of the Subcommittee on Appropriations for the legislative branch recently had before us witnesses representing the telephone company who testified that in no instance were the wires of a Member of Congress being tapped insofar as they knew.

Mr. HOBBS. I thank the gentleman from New Jersey for that enlightening information.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman.

Mr. FULTON. Then the inferences of a newspaper columnist recently that there was wire tapping of the phones of Members of Congress is incorrect, is that right?

Mr. CANFIELD. The testimony is that Members' wires are not tapped.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. GRAHAM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CANFIELD. Mr. Chairman, may I say in addition to what I said a moment ago that I believe the practice indulged in by some Federal agencies of having the telephone company install recording devices to be used by those agencies to record telephonic conversations with Members of Congress is entirely improper, especially for those agencies not concerned in any way with the national defense.

Mr. HOBBS. Of course, the gentleman and I are in hearty accord on that point. I know of no one who favors any such practice.

Mr. CELLER. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Chairman, I want to use this 3 minutes to refer again to those taxes and taxes and taxes that were referred to here so often this morning. Yesterday during the time when 1-minute speeches were in order I referred on the floor of the House to the 49 percent increase in profits after taxes of General Motors over their profits of 1948. The gentlewoman from New York informed me later in the course of the morning that under socialistic forms of government great corporations prospered. We do not have a socialistic form of government or anything bordering on socialism. So I thought I would check the record to see just what basis there was for her statement.

I found on checking that the tobacco manufacturers of the United States, and all through the industry, increased their profits in 1949 over 1948 by 12 percent; chemicals 10 percent; cement 18 percent; glass 28 percent; agricultural implements 22 percent; autos and trucks, clear across the industry, 31 percent; mines 6 percent; chain stores 22 percent; transportation 28 percent; amusements 12 percent; electric power 8 percent; telephone and telegraph 4 percent; construction 7 percent; farm casualty insurance companies 65 percent; investment companies 18 percent; finance companies 13 percent.

I do not like pessimists who come to the floor of the House every day to tell us something to be sorry about, something to be afraid of or be scared over. While we are looking at the dark side, let us look at the light side once in a while. This country is enjoying the greatest business prosperity ever known in peacetime.

I am glad that these things are true. I am glad we do not have that depression that was prophesied by Republicans a year ago. I am glad that business is prospering and under the Truman administration it is prospering, and that is not socialism.

When you come down to the income tax, Mr. Chairman, it is the fairest tax in the world. I may owe 80 percent of the going value of a property. I pay property taxes on the part of the business I own and the part of it I do not own. Its operation may show a net loss, yet I pay taxes on full value of the property just the same. But in the case of the income tax I can deduct wages and I can deduct depreciation and if I do not show a net I do not have a tax to pay. I tell you that the income tax is the fairest tax, the most just tax, that has ever been levied in the United States and I hope that every gentleman within the sound of my voice will never see the time come when he will love his money more than he will love his country.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. GRAHAM. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, my distinguished colleague from Missouri [Mr. CHRISTOPHER] has again come back on the same subject that he and I were discussing yesterday. I cannot see that anything he has said this afternoon changes my argument in any way. He has again read off a long list of large corporations that have made large profits. We all know that. My contention was that when the gentleman brought this up as an argument against socialism and the Socialist state, he was taking the wrong end of the argument. I did not speak specifically of the United States, because I do not consider that this country is yet socialistic. I believe the gentleman and I agree at least on that.

I would like to point out, however, that what I did say was that under national socialism the big corporations flourished. That cannot be denied. I refer the gentleman to Italy and Germany before the war. The great cartels were there and were flourishing; in fact, after the war we treated the heads of those big corporations as war criminals, and it may be a consolation to the gentleman from Missouri, and to some others who do not care very much about big business, to realize that after the next war, if we should meet reverses, the president of the Chrysler Corp., the board of directors of General Motors, and others, will probably go to the Siberian salt mines with the distinguished Members of the House of Representatives and the Senate of the United States.

No; big government and big business go hand in hand, and small business is being pushed more and more to the wall. It is not quite there yet, but what we want to do, and what I am sure my distinguished colleague wants to do as much as I, is to save the small businesses of the United States of America.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, with such inspection as I have been able to give to this bill, I think it is a good bill. I know what you are trying to do here, from my work on the Atomic Energy Committee, and I think it has a worthy object.

However, on page 8, beginning with section (a), on line 10, I want to ask if some language could not be substituted there which would put the approval of such regulations as are promulgated up to the President of the United States in place of the Secretary of Defense, or any military commander designated by the Secretary of Defense.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. CELLER. I personally would be agreeable to an amendment which would provide in effect that the Secretary of Defense would have to first get the approval of the President of the United States to promulgate such regulations.

Mr. HOLIFIELD. I thank the chairman of the committee.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. JAVITS. I was concerned about exactly the same thing, and propose to offer an amendment which I would like to submit to the gentleman to see if it would not meet our joint views. My amendment proposes, in line 14, to insert the words "reasonably required."

Now, if the gentleman will read it, I will tell him what it means.

Mr. HOLIFIELD. I have read it, and I have considered those words already, and I believe there can be better language evolved.

I would suggest that the following language be stricken in line 12, after the word "promulgated", "or approved by the Secretary of Defense or by any military commander designated by the Secretary of Defense." Those words, in my opinion, should be removed and "President of the United States" substituted. The reason I make this request is this: We are in another section of the bill giving the President the power to extend the scope of this act.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I have an amendment I intend to offer which will perhaps meet the gentleman's objections to the existing language. On page 8, line 12, after "promulgated" strike out "or approved by the Secretary of Defense or by any military commander designated by the Secretary of Defense" and insert in lieu thereof "by the Secretary of Defense, approved by the President of the United States."

Mr. HOLIFIELD. That would be satisfactory to me. The point at issue is this. Under the present language, as I construe it, any military commander, even though he might be in charge of a squad of men at some obscure station, could promulgate a rule or regulation which would bring the unwary violator under a penalty of a fine of $5,000 or imprisonment for 1 year. I believe that is going a little bit further than we want to go in peacetime in giving power to an obscure military commander. I would not even want to give it to the Secretary of Defense, although I respect him very highly. It is not a personal matter. I believe that in time of war these things have to be done, but I am very wary of giving additional powers in peacetime to this great, sprawling military establishment, which spends six-sevenths of our procurement in our economic plane, and has such a tremendous effect on our universities through grants-in-aid to scientific research, and so forth. I believe the country is entirely protected by having the President approve such rules or regulations as the Secretary of Defense might promulgate, but it would give the civilian part of the United States one more check against arbitrary use of military power in peacetime.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I can see the apprehension under which the gentleman might labor, that corporals, sergeants, and lieutenants might issue such directives, but does not the gentleman realize that the military commanders here referred to are generals who are in charge of an area? Does the gentleman doubt the patriotism of the Secretary of Defense or the good sense of the Secretary of Defense or of a man big enough to be a general in charge of an area or an Army corps? I think the gentleman is looking under the bed for something that is not there.

Mr. HOLIFIELD. I do not doubt the patriotism of the Secretary of Defense or any member of the National Defense Establishment but I might be inclined to doubt the wisdom of some obscure corporal or lieutenant who might be carried away by the emotion of his patriotism and act unwisely.

Mr. JENNINGS. I think the gentleman is seeing something there which does not exist.

Mr. GRAHAM. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The fact of the matter is that I think the amendment suggested by the gentleman from Pennsylvania [Mr. WALTER] is sufficient guard to take care of the situation raised by the gentleman from California, who has just left the floor. I would call his attention to the fact that he does not need to be concerned, it seems to me, about some obscure corporal or lieutenant or sergeant issuing regulations, because this law as drawn states that it must be promulgated or approved by the Secretary of Defense or by any military commander designated by the Secretary of Defense. So the hobgoblin the gentleman from California sees could not possibly exist under the very language of the law itself.

Mr. JAVITS. I should like to raise this question with the gentleman from California and the gentleman from Pennsylvania. One of my colleagues raised with me a very pertinent question of a "No smoking" sign in an ordinary quartermaster's depot, which could, I might tell the gentleman from Wisconsin, be under the command of a junior officer—might such a man, because there was a sign posted saying "No smoking," be held liable under this severe section.

The question I raise is whether we are better off as a matter of policy leaving these regulations to the President, which is what the gentleman from Pennsylvania proposes, or are we better off leaving it to a court to determine, at the same time it determines whether or not a misdemeanor has been committed. This could be done by providing for a determination whether or not the regulation which was violated was "reasonably required" for—and I use the words of the section—"the protection or security" of the particular installation?

Mr. HOLIFIELD. I would have this remark to make, and I am not a lawyer, so I may be wrong. I know of a recent instance at Oak Ridge where an appeal to a civil court was denied on the ground of lack of jurisdiction. The plaintiff was ordered to go to the Federal court in order to obtain relief. Of course, you have to go through certain procedures to be heard by a Federal court, as the gentleman knows.

Mr. JAVITS. Could we have the views of the gentleman from Pennsylvania on that subject, whether he would rather have the court or the President determine this question of the reasonableness of the regulation?

Mr. WALTER. I am quite certain the gentleman has an overabundance of caution to protect the rights of the people. This is entirely adequate. It certainly does not seem to me that this is the sort of thing to be interpreted by the courts.

Mr. JAVITS. I thank the gentleman and am sure that the amendment will be offered at the proper time.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. RODINO].

Mr. RODINO. Mr. Chairman, there is no doubt in my mind that we are all aware of the threats being made to our form of Government and to the liberties guaranteed to all of us by our Constitution. No loyal American will question the need for the greatest amount of security—when we are threatened in this manner. Since this threat is new and strange to America—America must exert every effort and find every conceivable means to cope with these subversive forces which threaten it.

We owe it ourselves, we owe it to our children to preserve the interests of the United States. What good our rights if they will eventually be destroyed by lack of adequate protection from subversive forces? For this reason it is imperative we improve our security legislation so that we discourage and prevent a certain amount of espionage.

Some question may be raised as to the validity of this measure from the point of constitutionality because it delegates to the Secretary of Defense the power to promulgate orders and regulations, violations of which are made punishable by fine and imprisonment provided in the section 4, for the security of enumerated military installations.

Many precedents exist for the delegation by Congress to executive agencies of its legislative power to promulgate security regulations of a criminal nature. The Supreme Court, on numerous occasions has sustained such delegation. The only criterion has been the clarity of the statute in describing the limits and objects of the grant. It is the opinion of the committee that this requirement is satisfied.

Let us also remember that in these troubled uncertain days the security forces of this country must be equipped to respond quickly to emergencies. And the failure to be able to respond instantaneously because of the lack of power

to adopt such regulations instantaneously could serve to cripple our security.

Mr. Chairman, we need this added protection. Therefore, I urge passage of this bill.

Mr. CELLER. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I rise in support of H. R. 4703. I hope and urge that it will be passed unanimously. We need this law to strengthen the internal security of our country. I also take this occasion to urge the Judiciary Committee to hold hearings on House Joint Resolution 9. I introduced House Joint Resolution 9 in the first month of the Eighty-first Congress. It provides for a treason penalty for persons who give aid or assistance to agents of a foreign nation seeking to overthrow the United States Government, whether or not by force or violence. At present there is no such thing as peace-time treason, for the Constitution limits the crime to making war on the United States or giving aid to a nation at war with the United States. The constitutional provision should be broadened to cover peace-time treason, by providing that one is a traitor if he gives aid or assistance to an agent of a country seeking to overthrow the United States Government. The omission should be corrected immediately and I hope that House Joint Resolution 9 will receive the immediate attention of the House Judiciary Committee so we in Congress can vote on this measure.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

THE MISSING LINK IN OUR DEFENSE PROGRAM

Mr. RANKIN. Mr. Chairman, first permit me to say I agree with the distinguished gentleman from Tennessee [Mr. JENNINGS], so far as what he said about the people of that area are concerned.

That area is filled with the finest Anglo-Saxon people in the world, and they not only occupy that area, but all the way down through Tennessee, Mississippi, Alabama, Georgia, and Florida.

I agree with the gentleman from Tennessee that it was fortunate that this project has a mountain range between it and the ocean. It is about 800 miles we will say, from the Gulf of Mexico. Those facts were all in favor of the establishment of this, the greatest national defense on earth, at Oak Ridge.

But the most important qualification is the fact that it is adjacent to the Tennessee Valley Authority, the greatest development ever wrought by the hand of man, where an ample supply of hydroelectric power was available at all times for the development of the atomic bomb.

Another one very important fact is that it has a connection with the Gulf by barge. The Tennessee River is navigable and the Clinch is navigable for barge transportation. These facts made this the ideal location for this, the greatest of all defense plants.

As I pointed out, more than a million tons of essential materials have been delivered to Oak Ridge by barge, to say nothing of the materials shipped out.

Let me call your attention to the fact that now that this, the greatest defense plant the world has ever known, is the one on which America must depend in case of another conflict. For that reason I have been pressing the Congress, the Army engineers have been pressing the Congress, and other Members of Congress have been pressing for the construction of the connection with the Tennessee River and the Gulf of Mexico at Mobile by way of the Tombigbee.

That will cut the water distance from Mobile to Oak Ridge by more than 800 miles and cut the cost of transportation from Mobile to Oak Ridge by approximately 50 percent, at the same time giving us two outlets to the sea instead of one.

This Tennessee-Tombigbee inland waterway is the missing link in our national defense program, as well as the missing link in our internal-waterway system and should be constructed as quickly as possible.

Now, getting back to the proposition of prosecuting these criminals, so far as I am concerned, I do not think the statute of limitations ought to run against treason at all; I think you have been extremely lenient, extremely mild, in writing into this bill the qualifications that you have so far as the statute of limitations is concerned.

Any man who will betray his country or anybody who comes here for that purpose and violates the laws of the land in order to betray the American Government, ought to be hanged when he is caught. It ought to be the same penalty that we apply for murder.

There are plenty of Japs in this country, and especially in Hawaii, today who participated in the perpetration of the Pearl Harbor disaster. I do not care how long it has been. I do not care if it has been 50 years, when one of them is caught, who helped to direct the attacks on Pearl Harbor, he ought to be hanged by the neck until he is dead.

As far as I am concerned, therefore, you cannot extend this statute of limitations too far, because all traitors, all disloyal men ought to be faced with it. I think that we have been too lenient. We are too lenient now.

If I had my way, there would be a housecleaning in every department of this Government, and wherever there was doubt as to the loyalty of an individual on the Federal payroll, that individual would go off at once.

Until we clean house and fumigate every department of our Government, this country is not going to be safe.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CELLER. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The gentleman from New York has 7 minutes remaining.

Mr. GRAHAM. Mr. Chairman, I yield the remainder of my time to the gentleman from New York, if he desires to use it.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I hope I am not taking too much time, but some of us are striving to perfect the bill. May I call the attention of the Chairman of the Committee, and also the attention of the gentleman from Pennsylvania [Mr. GRAHAM] to page 6, line 21, where the bill states:

Counterespionage, or sabotage service or tactics of a government of a foreign country—

I believe that it is necessary that the bill be amended to read "subversive tactics," or "tactics subversive to democratic institutions." The word "subversive" if inserted before the word "tactics" makes the language clear as to the intent of the committee.

Mr. CELLER. Would not the word "sabotage" refer to "tactics" also?

Mr. FULTON. I believe not, because the sentence structure is put in the alternative. If the word "sabotage" were an adjective that modified the phrase "espionage, counter-espionage service and tactics," the gentleman would be correct.

Mr. CELLER. I see no objection to the addition of the word "subversive" in line 21, before the word "tactics."

Mr. FULTON. Thank you, I believe that addition will strengthen the bill, and I hope that amendment may be done by consent at the proper time.

Under the present law there is power, placed in an appropriation act, for the respective secretaries to remove during the fiscal year 1950, summarily, any employee of the State Department, the Defense Department, and the Departments of the Army, the Navy, and the Air Force. That power summarily to remove people under Civil Service in these departments expires on June 30, 1950. I have prepared a bill, but have not yet introduced it, to protect the security of the United States by extending for a limited period, that is, from June 30, 1950, to June 30, 1951, the summary termination by the respective Secretaries of the employment of any officer or employee of the Department of State, or the Department of Defense. It would seem to me, because that is now in the law solely through a provision in an appropriation bill, that there should be substantive legislation providing for it. I therefore would add it by amendment to this act, because it certainly relates to the internal security of the country.

If I may do so, I would point out to the Chairman of the Committee and to the gentleman from Pennsylvania [Mr. GRAHAM], that the Department of State is covered in the appropriation bill carrying salaries and expenses for the Department, under Public Law 179 of the Eighty-first Congress.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CELLER. While I sympathize with the gentleman's point of view, I should like to know whether it would be appropriate in a bill of this character, since the gentleman's proposal concerns personnel of Government departments

and has something to do with appropriations. Would it not be well to consider it in a separate bill with separate hearings rather than to bring it up on the floor at this time?

Mr. FULTON. The idea of this bill is that there should be the same rule on this subject matter in each department; as matters stand at the present there is not. The power of summary removal of these persons exists through a provision in appropriation bills. We should have substantive legislation on the subject because it deals with a separate subject and does not relate solely to salaries.

Mr. CELLER. As I said, this rather catches the members of the committee unawares. It is of far-reaching character and should be considered on its own merits rather than as a mere appendage to a bill of this character.

Mr. FULTON. If that is the way the gentleman feels about it, I will submit it separately as.a bill rather than as an amendment to the pending measure.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. ELSTON. Can the gentleman tell us whether or not the bill adequately and fully protects atomic-enery installations?

Mr. FULTON. I will refer that to the chairman of the committee for an answer, whether this act fully protects the atomic-energy installations.

Mr. CELLER. I believe it does. A close reading of the bill indicates that.

Mr. ELSTON. Does it also protect laboratories and universities not owned by the Federal Government but acting as contractors for the Government?

Mr. CELLER. The gentleman from New York [Mr. COLE] has an amendment which I have looked at and which he will offer that will cover the situation of laboratories as outlined by the gentleman.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That title 18, United States Code, section 793, be, and the same is hereby, amended, to read as follows:

"(a) Whoever, for the purpose of obtaining information respecting the national defense with intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation, goes upon, enters, flies over, or otherwise obtains information concerning any vessel, aircraft, work of defense, navy yard, naval station, submarine base, fueling station, fort, battery, torpedo station, dockyard, canal, railroad, arsenal, camp, factory, mine, telegraph, telephone, wireless, or signal station, building, Air Force base, office, or other place connected with the national defense, owned or constructed, or in progress of construction by the United States or under the control of the United States, or of any of its officers, departments or agencies, or within the exclusive jurisdiction of the United States, or any place in which any vessel, aircraft, arms, munitions, or other materials or instruments for use in time of war are being made, prepared, repaired, or stored, under any contract or agreement with the United States, or any department or agency thereof, or with any person on behalf of the United States, or otherwise on behalf of the United States, or any prohibited place so designated by the President by proclamation in time of war or in case of national emergency in which anything for the use of the Army, Navy, or Air Force is being prepared or constructed or stored, information as to which prohibited place the President has determined would be prejudicial to the national defense; or

"(b) Whoever, for the purpose aforesaid, and with like intent or reason to believe, copies, takes, makes, or obtains, or attempts to copy, take, make, or obtain, any sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, document, matter, writing, or note of anything connected with the national defense; or

"(c) Whoever, for the purpose aforesaid, receives or obtains or agrees or attempts to receive or obtain from any person, or from any source whatever, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, matter, or note, of anything connnected with the national defense, knowing or having reason to believe, at the time he receives or obtains, or agrees or attempts to receive or obtain it, that it has been or will be obtained, taken, made, or disposed of by any person contrary to the provisions of this chapter; or

"(d) Whoever, lawfully having possession of, access to, control over, or being entrusted with any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, matter, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits, or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit, or cause to be communicated, delivered, or transmitted, the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it on demand to the officer or employee of the United States entitled to receive it; or

"(e) Whoever having unauthorized possession of, access to, or control over any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, matter, or note relating to the national defense, or information relating to the national defense which could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits, or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit, or cause to be communicated, delivered, or transmitted, the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it; or

"(f) Whoever, being entrusted with or having lawful possession or control of any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, note, matter, or information relating to the national defense, (1) through gross negligence permits the same to be removed from its proper place of custody or delivered to anyone in violation of his trust, or to be lost, stolen, abstracted, or destroyed, or (2) having knowledge that the same has been illegally removed from its proper place of custody or delivered to anyone in violation of his trust, or lost, or stolen, abstracted, or destroyed, and fails to make prompt report of such loss, theft, abstraction, or destruction to his superior officer—

"Shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

"(g) If two or more persons conspire to violate any of the foregoing provisions of this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy."

SEC. 2. An indictment for any violation of title 18, United States Code, section 792, 793; or 794 may be found at any time within 10 years next after such violation shall have been committed. This section shall not authorize prosecution, trial, or punishment for any offense now barred by the provisions of existing law.

SEC. 3. The act of June 8, 1938 (52 Stat. 631; 22 U. S. C. 611–621), entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," as amended, is hereby further amended as follows:

(a) Strike out the word "and" at the end of section 1 (c) (3), insert the word "and" at the end of section 1 (c) (4), and add the following subsection immediately after section 1 (c) (4):

"(5) Any person who has knowledge of or has received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a government of a foreign country or a foreign political party, unless such knowledge, instruction, or assignment has been acquired by reason of civilian, military, or police service with the United States Government, the governments of the several States, their political subdivisions, the District of Columbia, the Territories, the Canal Zone, or the insular possessions, or unless such knowledge has been acquired solely by reason of academic or personal interest not under the supervision of or in preparation for service with the government of a foreign country or a foreign political party or unless, by reason of employment at any time by the Department of Justice or the Central Intelligence Agency, such person has made full written disclosure of such knowledge or instruction to officials within those agencies, such disclosure has been made a matter of record in the files of the agency concerned, and a written determination has been made by the Attorney General or the Director of Central Intelligence that registration would not be in the interest of national security."

(b) Add the following subsection immediately after section 8 (d):

"8 (e) Failure to file any such registration statement or supplements thereto as is required by either section 2 (a) or section 2 (b) shall be considered a continuing offense for as long as such failure exists, notwithstanding any statute of limitation or other statute to the contrary."

SEC. 4. (a) Whoever willfully shall violate any such regulation or order as, pursuant to lawful authority, shall be or has been promulgated or approved by the Secretary of Defense or by any military commander designated by the Secretary of Defense for the protection or security of military or naval aircraft, airports, airport facilities, vessels, harbors, ports, piers, water-front facilities, bases, forts, posts, laboratories, stations, vehicles, equipment, explosives, or other property or places subject to the jurisdiction, administration, or in the custody of the National Military Establishment, any department or agency of which said establishment consists, or any officer or employee of said establishment, department, or agency, relating to fire hazards, fire protection, lighting, machinery, guard service, disrepair, disuse, or other unsatisfactory conditions thereon, or the ingress thereto, or egress or removal of persons therefrom, or otherwise providing for safeguarding the same against destruction, loss, or injury by acci-

dent, or by enemy action, sabotage, or other subversive actions, shall be guilty of a misdemeanor and upon conviction thereof shall be liable to a fine of not to exceed $5,000 or to imprisonment for not more than 1 year, or both.

(b) "Every such regulation or order shall be posted in conspicuous or appropriate places.

(c) "In time of war, or national emergency as proclaimed by the President, the provisions of this section may be extended by Presidential proclamation to include such property and places as the President may therein designate in the interest of national security."

(d) If any provision of this section or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this section and the application of such provision to other circumstances shall not be affected thereby.

With the following committee amendments:

Page 5, strike out lines 15 to 20, inclusive, and insert:

"SEC. 2. (a) The analysis of chapter 213 of title 18, United States Code, immediately preceding section 3281 of such title, is amended by adding at the end thereof the following new item:

"'3291. Espionage and security of defense information.'

"(b) Chapter 213 of title 18, United States Code, is amended by adding after section 3290 the following new section:

"'§ 3291. Espionage and security of defense information.

"'An indictment for any violation of section 792, 793, or 794 of this title may be found at any time within 10 years next after such violation shall have been committed.'"

Page 7, line 20, strike out "8."

Page 7, strike out line 25 and insert the following:

"SEC. 4. (a) The analysis of chapter 67 of title 18, United States Code, immediately preceding section 1381 of such title, is amended by adding at the end thereof the following new item:

"'1385. Promulgation of security regulations.'

"(b) Chapter 67, title 18, United States Code, is amended by adding after section 1384 the following new section:

"'§ 1385. Promulgation of security regulations.'"

Page 9, line 7, strike out "(b)" and insert "(c)."

Page 9, line 9, strike out "(c)" and insert "(d)."

Page 9, strike out lines 14 to 18 and insert the following:

"SEC. 5. If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this Act and the application of such provision to other circumstances shall not be affected thereby."

The committee amendments were agreed to.

Mr. CELLER. Mr. Chairman, I offer certain perfecting amendments:

The Clerk read as follows:

Amendments offered by Mr. CELLER: Page 7, line 1, strike out the word "Sates" and insert the word "States."

Page 8, line 20, insert the words "or of" after the word "Establishment."

Page 8, line 21, insert the word "of" after the word "or" where it occurs the first time.

Page 9, line 7, strike out "(c)" and substitute "(b)."

Page 9, line 9, strike out "(d)" and insert "(c)."

Page 6, line 19, insert a comma after the word "of."

Page 6, line 20, insert a comma after the word "in."

Page 6, line 21, after the words "service or", insert "subversive."

The amendments were agreed to.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Page 8, line 12, after the word "promulgated" strike out "or approved by the Secretary of Defense or by any military commander designated by the Secretary of Defense" and insert "by the Secretary of Defense and approved by the President of the United States".

Mr. VELDE. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Illinois.

Mr. VELDE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Chairman, I favor and will support H. R. 4703. I think that my colleagues will agree in my brief service here that I have been diligent in protecting all of the rights and freedoms guaranteed to the American people by the Constitution. Since our Constitution was written, Congress and the American people have seen fit to revise and amend it many times. Each time a law is written, or the Constitution amended, we find that some previous right or freedom guaranteed by the Constitution has been modified or taken away entirely and it is right and proper in many cases that these rights and freedoms should be taken away. The law in a republic, such as that in which we live, is necessarily molded to fit the changing times or the changing public opinion. This bill, H. R. 4703, is designed partly to meet a disgraceful situation which has arisen in this country in the past quarter century. This bill is made necessary because of a group of American citizens who have as their ideal and philosophy the overthrow of our constitutional form of government by force and violence. Most people in the United States cherish their right to live in a free republic. This group of subversives to whom I have referred previously are deliberately and with premeditation attempting to destroy that sacred right that we loyal American citizens cherish; so if by passage of this bill, as the gentleman from New York, [Mr. MARCANTONIO] has suggested, we do deprive some of our citizens of some rights presently guaranteed by the Constitution, we are on the other hand protecting the more cherished and blessed right of an overwhelming majority of the American people.

While I can see no particular reason for arbitrarily setting the statute of limitations for peacetime espionage at 10 years, I do agree that 10 years after a criminal act is committed should be long enough to allow our Federal Government to act. I feel that there should probably not be any statute of limitations at all, but am willing to abide by the decision of the distinguished members of the Judiciary Committee. Lest my support of this bill be misunderstood, let me say here and now that I do not feel that it is the answer by any means to the problem of espionage and subversion existing today in the United States. We can pass all of the laws we want to here in Congress and we still could not solve this problem. I am convinced that in order to meet the problem we must have a President, Attorney General, and an administration which will actively and openly engage in a campaign to enforce our already existing laws against the crime of peacetime espionage and against subversion. The present administration and the administrations over the past 20 years have failed, refused, or neglected to enter into such a campaign. The record of law enforcement over this period of years, especially in the espionage and subversive-activity field, has been disgraceful. We need only cite a few cases to illustrate these failures. The administration has seen fit to use the heretofore 3-year statute of limitations on the crime of peacetime espionage as an excuse for its failure to protect the internal security of the United States. The prosecution for most of the acts of espionage that have been so excused could have been brought within 3 years after the act was committed had we an aggresive, loyal, and active administration—so, the passage of this bill might be compared to locking the barn after the horse has been stolen—and I suppose that the administration will, if it suits its purpose, avoid or defer prosecution for the crimes this bill defines in future cases. Congress, however, cannot be blamed for failure to provide the tools of prosecution if this bill is passed. I therefore urge my colleagues to support this bill without weakening amendments.

Mr. WALTER. Mr. Chairman, in the bill as reported by the committee, a vast amount of power has been delegated to the Secretary of Defense who, in turn, has the power to delegate this authority to subordinate officers. If this authority were exercised by officers on the top, that the distinguished gentleman from Tennessee mentioned a moment ago, nobody would have to be apprehensive on the abuse of power. But there are cases, that everybody who has ever served in the military knows full well, where junior officers have been given commands in outlying outposts where they are law unto themselves, and it certainly seems to me that the small amount of delay incidental to having a proposed regulation approved by the Secretary of Defense and the President of the United States would in nowise work any hardship whatsoever.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. JAVITS. I compliment the gentleman on that amendment, and make the observation that security in our Government will be better served by equity and fairness and great care for the rights of individuals than in any other way.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. POTTER. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. POTTER. Mr. Chairman, it is after much soul searching that I deem it necessary to take the floor today to evidence my great concern over the activities of our State Department.

The hearings now being held by a committee of the other body bring to light further evidence of State Department employees who are poor security risks. The charges alone are shocking, but the concerted efforts made by the policy makers of the State Department to hide the records of these employees from public view is utterly disgusting and inexcusable.

Mr. Chairman, we have at the present time many men in confinement because during battle they became scared and afraid, and so were charged with desertion. Many of these were young, inexperienced boys. How can we justify keeping these young men in confinement when at the same time the Government is allowing people, who have histories branding them as poor security risks, handling confidential and secret Government documents? Not only are these people in a position where they can do our country immense damage by relaying secret information to a potential enemy but many of such Government employees hold policy-making positions where they can influence policy detrimental to our national interest.

I am confident there are thousands of people in these great United States, whose loyalty to their country is above reproach, who could handle the positions now held by those whose histories have been blackened by kowtowing with Communist and Communist-front organizations. I see no reason why the burden of proof to establish loyalty should not rest with the individual, whether he be now employed by the Government or whether he is seeking Federal employment, rather than with the Government. The claims now being made by the State Department that there is no security risk involved by any of its employees do not ring true to my ears. We all remember Alger Hiss. He was claimed to be a good security risk before his indictment. We also know that Alger Hiss was not working alone; that he had others who aided him in his apparatus. The country's confidence in the State Department would be restored if it were evidenced that our Secretary of State was making a sincere effort in ridding his Department of individuals whose ideologies are foreign to ours.

I noted in day before yesterday evening's Washington Star, in the column by Constantine Brown, that the Secretary of State plans on touring the country for the explicit purpose of selling the American people on his foreign policy. I wish to take this opportunity to invite the Secretary of State to Michigan's Eleventh District, the district it is my privilege to represent. This so he can explain to our people the State Department's appeasement of Russia's selling China down the river; explain, particularly to our citizenry who are of Polish descent, the administration's justification of the sell-out of Poland to Russia at Yalta. Yes; I believe the people of Michigan's Eleventh District would also be interested in knowing why the State Department quaked and quivered when Gubitchev was convicted of espionage, with the result that State Department officials used their influence to have his sentence suspended and allowing Gubitchev to be sent back to Russia. This action despite the fact that at the present time we have the American citizen Vogeler, after a mock trial, spending 15 years at hard labor in some Communist concentration camp. Yes, Mr. Speaker, we also have two American marines, who have been held over 2 years without trial by the Communists of China with little effort being made by the State Department to secure their release. All over the world American citizens in the Soviet sphere of influence are being subjugated to harsh humiliating treatment. This constant appeasement of communism smacks of the Chamberlain era of not too long ago. If the Secretary of State can sell the American people on his so-called foreign policy, then this master salesman could sell earmuffs in Panama.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I yield to the gentleman from Michigan.

Mr. DONDERO. The gentleman's address brought back to my mind what are known here in Washington as the Jaffe cases, where six people, arrested by the FBI, and they do not arrest people unless they have the goods on them, succeeded in taking 151 files out of the State Department and Naval Intelligence. They were found 257 miles from Washington. They could not have done that unless they had assistance from inside the State Department.

Mr. POTTER. I thank the gentleman for his contribution.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

OUR DISTINGUISHED SECRETARY OF STATE

I think at this point in the discussion of H. R. 4703, it is most appropriate that we note for the record a few cogent facts about our Secretary of State, Dean Acheson.

Our country is most fortunate—and I emphasize most fortunate—that in these strained and crucial times the post of Secretary of State is occupied by a man with courage, integrity, humility, and compassion. There is a desperate need for statesmen of vision and forethought. There is just as desperate a need to stop the tide of hysteria which threatens to engulf and overwhelm the attributes of good sense and calm judgment.

We should give humble thanks that our Secretary of State has firmly resisted the unhealthy, ill-conceived pressures of this hysteria—a hysteria that gives heat but no light. How well could we fare if the Secretary of State permitted himself to be whirled about by the political winds that blow hot and cold as dictated by the personal politics of each Member of Congress?

The conduct of foreign affairs is the constitutional responsibility of the President and his Secretary of State. Our critics abroad if they were to judge from these oratorical blasts could easily infer a concerted movement on the part of the misguided to discharge the President of this responsibility and place it—the Constitution notwithstanding—in the hands of the legislative body.

Jefferson refused to allow two of his Cabinet officers to reveal Cabinet documents in the trial of Aaron Burr.

Washington refused to yield to demand of Senate to submit documents to support the Jay Treaty.

Monroe, in 1825, declined to turn over to Congress certain documents relating to two naval officers being investigated on Capitol Hill.

Recently the Judiciary Committee submitted an opinion that certain legislative records are impervious to judicial subpena.

All these precedents clearly indicate separation of executive, judicial, and legislative branches.

Determination, primarily, of our foreign policy is not in the judicial branch; nor yet in the legislative branch. It lies with the President and his Secretary of State.

Sound criticism is always a healthy manifestation of the democratic way of life, but criticism motivated by personal fortune is a disservice to the country. It breeds internal and external confusion when ill-founded. Such has been this merry-go-round of attacks against Mr. Acheson personally and as Secretary of State that the conclusion could easily be reached that we have not one but 435 secretaries of state in the House of Representatives and 96 secretaries of state in the Senate.

One undeniable effect of this pattern of irresponsible statements has been the undermining of Mr. Acheson's authority in diplomatic discussions abroad. It has raised serious doubts in the minds of friendly nations whether there can be any degree of continuity of foreign policy and raised the question as well of how much reliance can be placed upon the representations of our own diplomats.

I touch upon this problem now because I feel it is related to the question of our internal security. Efforts to protect our internal security must be affected by our external relations with other countries. No internal security can be foolproof if the conduct of our foreign affairs is haphazard—creating such gaps that cannot be filled even if 100 laws affecting internal security were passed.

Mr. Acheson is now carrying burdens which few men would undertake were they charged with his responsibility to find the right answers if civilization, as we know it, is to continue.

It is one thing to make a speech on the floor of the House for home consumption, and it is quite another thing to know that the road you take can lead to either peace or war. The man who makes a speech for local consumption can retire to safety after the words have been spoken. He has no Atlas on his shoulders.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. HUBER. I hold no brief for Chambers or Alger Hiss, but should not the record show that the last person who employed Alger Hiss was John Foster Dulles?

Mr. CELLER. If that is the fact, the record should show it. I hold no brief for the gentlemen named by the gentleman from Ohio. However, I believe the Secretary is a man of great compassion and that was exemplified by his conduct relative to one of the men named.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PLUMLEY. Mr. Chairman, I ask unanimous consent to insert my remarks in the RECORD at this point in answer to the statement made by the gentleman from New York.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Chairman, rather impromptu and spontaneously and with no opportunity to give to such a matter the consideration to which it is entitled, reserving the right to revise and to extend and later to enlarge these remarks, may I say I possibly take my responsibility as too heavy a burden. However, there comes a time when to hold one's peace is to choke to death disrespectfully. So I am constrained to say I admit I distrust the security involved in the statement just made by my friend the gentleman from New York [Mr. CELLER]. Vermont, unfortunately, has been dragged into these discussions off the floor by the tail, so to speak, since Alger Hiss and others are and have been summer residents of Vermont. It is true we do have a group of national and international Communists in Vermont. It is true we have their sympathizers and fellow travelers in one or two of our colleges, and at least one in our legislature. The facts are not to be denied.

The extent to which these people have expanded both openly and subversively their influence and their control of legislation, education, politics, and elsewhere has only to be checked to be appreciated.

It has gone too far, too soon, despite all some of us could do.

In my State its influence is subversive and destructive and will be ruinous unless some notice be taken by those who should feel some responsibility for what will happen to the next generation unless they have the guts to call names.

The truth is no man should be allowed or permitted to conduct our negotiations with foreign governments who smells of and is so attached to a traitor to this Government that he counts his loyalty to that friend of more importance than that he should feel to the country of which he is the agent, meaning Mr. Acheson.

It is time to think that over, Mr. CELLER.

Mr. COLE of New York. Mr. Chairman, I have two amendments to offer. I ask unanimous consent that both amendments be considered together.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 2, line 10, after "time of war" insert a comma and the following: "including items relating to nuclear energy"; and on line 10, after the word "repaired" insert "processed".

Amendment offered by Mr. COLE of New York: On page 2, line 11, after "or stored", insert "or a subject of research and development".

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. CELLER. I see no objection whatsoever to these amendments.

Mr. COLE of New York. Mr. Chairman, I am happy to hear the chairman of the committee make that statement and will take the time of the committee only to indicate the purpose of the amendments. I am certain the objective of the Committee on the Judiciary is to include all phases of our national defense program, even including the atomic energy or nuclear energy phases. I think the bill, as drafted, properly covers all those phases with respect to plants, or facilities, or installations owned or controlled by the Government of the United States.

However, there is to my mind a doubt as to whether it applies to work done in connection with national defense or the atomic energy program in installations not owned by the Government, but under work done through contract with the Government. So it is for the purpose of making certain that those activities are covered by this bill, that these amendments are designed.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. DURHAM. I am not sure how far the gentleman's amendment goes. I wish the gentleman would explain whether he believes that this would cover the entire field of atomic energy or nuclear fission, that is in the nonsecret and the nonweapon field as well as the weapon field.

Mr. COLE of New York. As to that I would not at the moment be able to say, except to venture the opinion that it does not cover unclassified material or information, that is material, even though connected with the nuclear energy program which is open for the information of the public. I think that would not be covered by this law any more than information with respect to any of our implements of war which are not classified.

Mr. DURHAM. I hope the gentleman's amendment does not go beyond the point of usefulness for war. This bill carries very serious fines. We have at the present time projects in schools and universities throughout the country in the matter of atomic research and I am wondering whether or not those people would be subjected by this amendment to the pains and penalties of the bill; will the gentleman explain that?

Mr. COLE of New York. I would say that if those people were engaged in research activities related to nuclear energy to be used in connection with instruments of warfare they would be covered by the act, and I think they should be.

Mr. DURHAM. It is a question of definition that disturbs me if nuclear fission covers the entire field. That definition, as the gentleman knows, has not been made very clear as yet.

Mr. COLE of New York. I call the gentleman's attention to the fact that my amendment applies only with respect to items related to instruments of warfare. I think if there is some atomic energy program not related to war that this amendment would not cover such case.

Mr. DURHAM. I believe the gentleman agrees with me that there are other uses for atomic energy rather than those of warfare and I do not believe it necessary to make this bill apply to information beyond the field of weapons of warfare.

Mr. COLE of New York. I suggest to the gentleman that he read the bill with the amendment which has been proposed. It would read as follows:

Any place in which any vessel, aircraft, arms, munitions, or other materials or instruments for use in wartime, including items relating to nuclear energy are being made, prepared, repaired, processed or stored, or are the subject of research and development.

So it would be my opinion, and the amendment is offered for that purpose, to limit the features of this bill to research and development in connection with nuclear energy related to instruments of war.

Mr. DURHAM. What effect does the gentleman think this amendment would have on the industrial use of nuclear energy, for instance?

Mr. COLE of New York. I would say that this amendment would not affect that information, nor is it intended that it should, because that information, I think, is properly protected in the atomic energy law itself.

Mr. DURHAM. If the gentleman feels that it does not go too far, I see no objection to the amendment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Without objection, the amendments offered by the gentleman from New York [Mr. COLE] will be agreed to.

There was no objection.

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: On page 6, at the end of line 8, insert the following: "*Provided,* That such period of limitation shall not commence to run in regard to any such violation or violations by any officer, agent, or employee of the United States during any period that such individual holds the office, position, employment, or appointment he held at the time such offense was committed."

Mr. JACOBS. Mr. Chairman, this amendment will leave the statute of limitations in the bill as it is written; in other words, 10 years, in reference to the offenses to which that limitation applies. I think there are three in section 2. But it does arrest the running of the

statute of limitations in reference to any person who holds an office or an appointment or is an employee of the United States Government.

The philosophy back of the amendment is substantially this: Public office is a public trust. Any man who holds a position of trust with the Government is also probably in a position to conceal the offense that he might have committed. That is one factor. A second factor is that perhaps he would be in a position of influence so as to prevent the commencement of a prosecution. The statute of limitations, therefore, should not run until after he has vacated the office or position of trust that he held.

This language is taken from a bill, H. R. 1759, which I introduced on January 24 of last year, but concerning which, so far as I know, there have been no hearings. At least I have not been informed of any. It seems to me it is a perfectly sound principle that any man who holds a position of public trust should not have the statute of limitations toll as against him so long as he holds that position. That is the philosophy back of this amendment, I think it is sound and should be adopted.

Mr. WILLIS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana.

Mr. Chairman, any statute should have a reasonable period of limitation as part of it. Unless you limit the period of time during which a man might be prosecuted you are going to have a situation as the gentleman from Arkansas suggested. Witnesses might disappear, witnesses might die, the defendant might be deprived of a defense he originally had, and thus too great a burden is placed on the individual.

This amendment also would discriminate against American citizens as compared with foreign agents possibly. You would have one statute of limitations applicable to American citizens employed by the Government and another one that would apply, for instance, to a foreign agent who came here and violated the law. I do not know offhand whether this amendment would strike at the constitutionality of this act. I do not think it would be fair to provide one period of limitation for employees of the Government and another period of limitation for a foreign agent.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Indiana.

Mr. JACOBS. Does not the gentleman think the Congress has the right under the Constitution to make a provision that has a reasonable basis and does he not further believe it is a reasonable basis that a man who holds public office is in a better position to conceal his offense or to prevent prosecution from being commenced?

Mr. WILLIS. I do not believe a Federal employee is a greater violator in that respect than a foreign agent. A foreign agent is going to keep secret the violation just the same. Congress, of course, has the power to establish periods of limitation, but within the four corners of the statute they should apply to all persons affected.

Mr. CELLER. In other words, the Constitution would be offended because it would not be equal protection to all?

Mr. WILLIS. Yes.

Mr. CELLER. The amendment offered by the distinguished gentleman from Indiana extends the statute of limitations beyond 10 years?

Mr. WILLIS. Surely. It might be 70 years. A man might be employed 60 years and the period would start only after the termination of his employment.

Mr. CELLER. Is it not also a fact that the Attorney General wanted the statute to be unlimited?

Mr. WILLIS. The gentleman is correct.

Mr. CELLER. But the Committee on the Judiciary felt there should be some limitation. They figured 10 years was long enough because many similar statutes have a statute of limitations of 10 years.

Mr. WILLIS. The gentleman is correct.

Mr. JACOBS. Is the gentleman not aware of the fact that the running of the statute of limitations is frequently tolled in cases where there are affirmative acts to conceal the commission of the offense?

Mr. WILLIS. Yes, but wherever that is so all persons similarly situated under that statute are treated in the same way.

Mr. JACOBS. Would not all persons similarly situated who hold an office of public trust and are thus in a position to conceal the offense they commit and are thus in a position to influence commencement of the prosecution? Would they not be similarly situated?

Mr. WILLIS. I said "persons similarly situated." I should have said "all persons affected under the terms of the statute should be treated alike."

Mr. JACOBS. Does not the gentleman agree that under this amendment every person would be treated alike. If he is in public office he is thus treated. If he is not charged with a public trust, then the 10-year statute of limitations starts.

Mr. WILLIS. Under the gentleman's amendment all persons within the law and under the law would not be similarly treated and I therefore oppose the amendment.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. O'SULLIVAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment offered by the gentleman from Indiana [Mr. JACOBS], is a good one. We have to keep in mind that the statute of limitations is not a right. It is a privilege. You have to plead it specially if you want to take advantage of it, as was shown in the late Capone case. The Supreme Court of the United States refused to entertain Capone's action for a writ of habeas corpus because he had not pleaded the statute of limitations at the right time and had therefore waived the right to insist upon same.

There is nothing unconstitutional about the amendment offered by the gentleman from Indiana. You must be aware of the fact that in many States treason and murder never outlaw, and in some of the Southern States rape never outlaws, and, as I recall it, in the State of Nebraska forgery and arson along with murder and treason never outlaw. I do not believe it is correct to say that this law would be held to be unconstitutional because you do not have the same statutory period of limitation apply in each and every classification of people.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. O'SULLIVAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. The statute of limitations with reference to fraud in civil actions frequently starts running from the discovery of the fraud; is that not true?

Mr. O'SULLIVAN. That is correct.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. O'SULLIVAN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. On the merits of this proposal, the gentleman from Louisiana seems to think we would be treating our own people worse than foreign agents. Does the gentleman not think it is a more serious crime to occupy a position of trust with the Government and betray that trust than for a foreign agent to betray the United States while he is here?

Mr. O'SULLIVAN. I think so, and I would say this also, that "to whom much is given much is expected." We have given much to our public servants even after we exclude the salary and the honor of holding public office. As Grover Cleveland so aptly said, "a public office is a public trust," and you cannot deal too lightly—too gently—with people who hold public office and positions of trust and responsibility with the Government, and then are recreant to their trusts, and do great disservice to their country as recent criminal trials have disclosed.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. O'SULLIVAN. I yield to the gentleman from Michigan.

Mr. DONDERO. The statute of limitations in many of the States does not outlaw murder. Should not treason take the same form, because treason can become mass murder?

Mr. O'SULLIVAN. That is correct. I do not see anything wrong with this amendment at all. I think it strikes at the heart of the very purpose sought to be attained by this bill to prevent first of all disloyalty on the part of persons in the Government service and give alien spies a bad time.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. O'SULLIVAN. I yield to the gentleman from Louisiana.

Mr. WILLIS. Of course, this is not a statute dealing with treason at all.

Mr. O'SULLIVAN. This law attempts to deal with treason's first cousin and with spies also.

Mr. WILLIS. Well, I would say the action is treasonable in the sense that it is reprehensible, but this is not a statute dealing with treason.

Mr. O'SULLIVAN. No, because treason is defined by the Constitution of the United States, and you cannot overrule the Constitution of the United States by legislative action. That is why we have had some prosecutions for offenses less than treason recently. Similar prosecu-

tions, if this bill passes, are contemplated by this law. I repeat again that the thing denounced by this law is the first cousin of treason, according to my way of looking at it.

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield?

Mr. O'SULLIVAN. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. May I note that in the Commonwealth of Pennsylvania we do have a statute of limitations that applies to public officers similar to this amendment, where the public officer has under his control public records which he might alter or falsify, but still he is renewed in public office, and the statute says that we can prosecute him within a period of 7 years after he relinquishes the possession of those public documents, and that is exactly what this amendment does.

Mr. O'SULLIVAN. That is very correct. I do not see anything wrong with this amendment at all. I think it is a good amendment. I know it is possible for public-office holders sometimes to cover up their misdeeds, and if they continue in office long enough, then they cannot be prosecuted often after they leave office.

I intend to support the amendment offered by the gentleman from Indiana [Mr. JACOBS] because I believe it is a good amendment. I believe it is an amendment that is right, and I want to say in the language of the gentleman from Mississippi [Mr. RANKIN], who preceded me here today, that this law cannot be made too strict—too strong from the penalty standpoint—as far as I am concerned.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us read this amendment for a moment and consider it. Here it is. This is in respect now to the period of time within which prosecutions can be brought against a person violating any of the provisions of this act:

Provided, That such period of limitations shall not commence to run in regard to any such violation or violations by any officer, agent, or employee of the United States during any period that such individual holds the office, position, employment, or appointment he held at the time such offense was committed.

This is a good amendment. It should be adopted. There is no reason why any man or woman who occupies a position of trust and who is sworn to uphold and protect and defend the Constitution of this country and faithfully perform the duties of his or her trust—I say, there is no reason why such a person who in violation of his or her oath of office and in violation of his or her trust and the duties which he or she swore that they would perform faithfully and honestly—I say, there is no reason why they should use that position as a shield or as a screen or as a protection against their own wrongs. It is fundamental that no one should be permitted to take advantage of his or her own wrong.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Ohio.

Mr. ELSTON. It is not unusual, is it, for State statutes to provide that the statute of limitations shall not begin to run in fraud cases until the fraud is discovered?

Mr. JENNINGS. That is true, and much more should that be the law when it is a case of treasonable misconduct.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from North Carolina.

Mr. COOLEY. We have also passed Federal laws prohibiting persons who have been employed in the Government in certain positions of trust from practicing before the departments with which they were formerly associated.

Mr. JENNINGS. That is true. They are prohibited from taking advantage of what they learned while serving the Government. They should not go out and unhorse or disembowel or split the pockets of the Government and profit by the training they received while in the pay of the Government. It is time to get rid of these lice that crawl over the body politic and feed on the Government.

I compliment my friend from Indiana on his thoughtfulness in offering this amendment. It should be adopted. In fact, there ought not to be any votes against it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4703) relating to the internal security of the United States, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. MARCANTONIO and Mr. KEARNEY objected to the vote on the ground that a quorum was not present and made the point of order that a quorum was not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 368, nays 2, not voting 62, as follows:

[Roll No. 100]

YEAS—368

Abbitt	Delaney	Jennings
Abernethy	Denton	Jensen
Addonizio	D'Ewart	Jonas
Albert	Dingell	Jones, Ala.
Allen, Calif.	Dollinger	Jones, Mo.
Allen, Ill.	Dondero	Jones, N. C.
Allen, La.	Donohue	Judd
Andersen, H. Carl	Doughton	Karst
	Durham	Karsten
Anderson, Calif.	Eaton	Kean
Andresen August H.	Eberharter	Kearney
	Elliott	Kearns
Andrews	Ellsworth	Keating
Angell	Elston	Kee
Arends	Engel, Mich.	Keefe
Aspinall	Engle, Calif.	Kelley, Pa.
Auchincloss	Evins	Kelly, N. Y.
Bailey	Fallon	Kennedy
Barden	Feighan	Keogh
Barrett, Pa.	Fellows	Kerr
Barrett, Wyo.	Fenton	Kilburn
Bates, Ky.	Fisher	Kilday
Bates, Mass.	Flood	King
Beall	Forand	Klein
Beckworth	Ford	Kruse
Bennett, Fla.	Frazier	Lane
Bennett, Mich.	Fugate	Lanham
Bentsen	Fulton	Larcade
Biemiller	Furcolo	Latham
Bishop	Gamble	LeCompte
Blackney	Garmatz	LeFevre
Blatnik	Gary	Lemke
Boggs, Del.	Gathings	Lesinski
Boggs, La.	Gavin	Lind
Bolling	Gillette	Linehan
Bolton, Md.	Golden	Lodge
Bolton, Ohio	Goodwin	Lovre
Bonner	Gordon	Lucas
Bosone	Gore	Lyle
Boykin	Gorski	Lynch
Bramblett	Graham	McConnell
Breen	Granahan	McCulloch
Brehm	Granger	McDonough
Brooks	Grant	McGregor
Brown, Ga.	Green	McGuire
Brown, Ohio	Gregory	McKinnon
Bryson	Gross	McMillan, S. C.
Buchanan	Gwinn	McMillen, Ill.
Buckley, Ill.	Hagen	McSweeney
Burke	Hale	Mack, Ill.
Burleson	Hall, Edwin Arthur	Mack, Wash.
Burnside		Madden
Burton	Hall, Leonard W.	Mahon
Byrnes, Wis.		Mansfield
Camp	Halleck	Marsalis
Canfield	Hand	Marshall
Cannon	Harden	Martin, Iowa
Carlyle	Hardy	Martin, Mass.
Carnahan	Hare	Mason
Carroll	Harris	Meyer
Case, N. J.	Harrison	Miles
Case, S. Dak.	Hart	Miller, Calif.
Cavalcante	Harvey	Miller, Md.
Celler	Havenner	Miller, Nebr.
Chelf	Hays, Ark.	Mills
Chesney	Hays, Ohio	Mitchell
Christopher	Hébert	Morgan
Chudoff	Hedrick	Morris
Church	Herlong	Morrison
Cole, Kans.	Herter	Morton
Cole, N. Y.	Heselton	Moulder
Colmer	Hill	Multer
Combs	Hinshaw	Murdock
Cooley	Hobbs	Murphy
Cooper	Hoeven	Murray, Tenn.
Corbett	Hoffman, Mich.	Murray, Wis.
Cotton	Holifield	Nelson
Coudert	Holmes	Nicholson
Cox	Hope	Nixon
Crawford	Howell	Noland
Crosser	Huber	Norblad
Cunningham	Hull	Norrell
Curtis	Irving	O'Brien, Ill.
Dague	Jackson, Calif.	O'Brien, Mich.
Davenport	Jackson, Wash.	O'Hara, Ill.
Davis, Ga.	Jacobs	O'Konski
Davis, Tenn.	James	O'Neill
Davis, Wis.	Javits	O'Sullivan
Deane	Jenison	O'Toole

Pace	Sasscer	Underwood
Passman	Saylor	Van Zandt
Patman	Scott,	Velde
Patten	Hugh D., Jr.	Vinson
Patterson	Scrivner	Vorys
Perkins	Scudder	Vursell
Peterson	Secrest	Wadsworth
Pfeifer,	Shelley	Wagner
Joseph L.	Short	Walsh
Phillips, Calif.	Sikes	Walter
Phillips, Tenn.	Simpson, Ill.	Weichel
Pickett	Simpson, Pa.	Welch
Plumley	Sims	Werdel
Poage	Smith, Kans.	Wheeler
Polk	Smith, Va.	White, Idaho
Potter	Smith, Wis.	Whitten
Preston	Spence	Wickersham
Price	Staggers	Widnall
Priest	Stanley	Wier
Ramsay	Steed	Wigglesworth
Rankin	Stefan	Williams
Redden	Stigler	Willis
Reed, Ill.	Stockman	Wilson, Ind.
Rees	Sullivan	Wilson, Okla.
Regan	Sutton	Wilson, Tex.
Rhodes	Taber	Winstead
Ribicoff	Tackett	Withrow
Rich	Talle	Wolcott
Richards	Tauriello	Wolverton
Riehlman	Taylor	Wood
Rodino	Teague	Woodhouse
Rogers, Fla.	Thomas	Woodruff
Rogers, Mass.	Thompson	Yates
Sadlak	Thornberry	Young
St. George	Tollefson	Zablocki
Sanborn	Trimble	

NAYS—2

Marcantonio	Powell

NOT VOTING—62

Baring	Heffernan	Philbin
Battle	Heller	Poulson
Buckley, N. Y.	Hoffman, Ill.	Quinn
Bulwinkle	Horan	Rabaut
Burdick	Jenkins	Rains
Byrne, N. Y.	Johnson	Reed, N. Y.
Chatham	Kirwan	Rivers
Chiperfield	Kunkel	Rooney
Clemente	Lichtenwalter	Roosevelt
Clevenger	McCarthy	Sabath
Crook	McCormack	Sadowski
Davies, N. Y.	McGrath	Scott, Hardie
Dawson	Macy	Shafer
DeGraffenried	Magee	Sheppard
Dolliver	Merrow	Smathers
Douglas	Michener	Smith, Ohio
Doyle	Monroney	Towe
Fernandez	Norton	Whitaker
Fogarty	O'Hara, Minn.	White, Calif.
Gilmer	Pfeiffer,	Whittington
Gossett	William L.	Worley

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Gilmer with Mr. Macy.

Mr. Baring with Mr. Michener.

Mr. Rabaut with Mr. William L. Pfeiffer.

Mr. Roosevelt with Mr. Towe.

Mrs. Norton with Mr. Dolliver.

Mrs. Douglas with Mr. Chiperfield.

Mr. Battle with Mr. Kunkel.

Mr. Crook with Mr. Lichtenwalter.

Mr. Heller with Mr. Reed of New York.

Mr. Byrne of New York with Mr. Hardie Scott.

Mr. McCormack with Mr. Shafer.

Mr. Sadowski with Mr. Jenkins.

Mr. Whitaker with Mr. O'Hara of Minnesota.

Mr. Smathers with Mr. Smith of Ohio.

Mr. McGrath with Mr. Merrow.

Mr. White of California with Mr. Hoffman of Illinois.

Mr. Doyle with Mr. Poulson.

Mr. Fogarty with Mr. Clevenger.

Mr. Magee with Mr. Horan.

Mr. Rains with Mr. Johnson.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

COMMITTEE ON AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a conference report and statement on House Joint Resolution 398.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMITTEE ON RULES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMODITY CREDIT CORPORATION

Mr. McSWEENEY, from the Committee on Rules, reported the following resolution (H. Res. 513, Rept. No. 1783), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON PUBLIC LANDS

Mr. LESINSKI. Mr. Speaker, by direction of the Committee on Education and Labor, I ask unanimous consent that that committee be discharged from the further consideration of the following bills and that they be referred to the Committee on Public Lands:

H. R. 7462, to reestablish a Civilian Conservation Corps; to provide for the conservation of natural resources and the development of human resources through the employment of youthful citizens in the performance of useful work, including job training and instruction in good work habits; and for other purposes.

H. R. 7463, to reestablish a Civilian Conservation Corps; to provide for the conservation of natural resources and the development of human resources through the employment of youthful citizens in the performance of useful work, including job training and instruction in good work habits; and for other purposes.

H. R. 7523, to reestablish a Civilian Conservation Corps; to provide for the conservation of natural resources and the development of human resources through the employment of youthful citizens in the performance of useful work, including job training and instruction in good work habits; and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRACTITIONERS BEFORE ADMINISTRATIVE AGENCIES

Mr. WALTER. Mr. Speaker, by direction of the Committee on the Judiciary, I call up the bill (H. R. 4446) to protect the public with respect to practitioners before administrative agencies.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 4446, with Mr. BIEMILLER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WALTER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the measure under consideration is designed to provide a uniform method of qualifying practitioners before the Government agencies. The subject matter of this bill was contained in the Administrative Procedure Act, but at the time that legislation was adopted it was deemed advisable to separate the two proposals.

This bill was on the Consent Calendar, and would probably have been adopted by unanimous consent but for the fact that several of the Members were concerned about the opposition the American Institute of Accountants had to the proposal. Since that time a committee of the American Bar Association and the Committee of the American Institute of Accountants have reconciled their differences, and I am now authorized by the American Institute of Accountants to state that this group not only is no longer opposed to the measure but feels that it is in the public interest to enact it as quickly as possible.

Another group was opposed to the bill, namely, the so-called class B practitioners, consisting of traffic managers and people of that sort, who represented various trade organizations. The committee has incorporated in the bill language which will protect their right to practice, not as lawyers or accountants, before the several Government agencies.

In a word, the bill does this: It provides for the creation of a committee of five, four members being in the executive branch of the Government and the fifth being a member of the bar selected by the President by and with the advice and consent of the Senate, all of whom serve without compensation. This committee will provide uniform regulations for the admission of regularly qualified practitioners to practice before each and every one of the executive branches of the Government.

One of the reasons that prompted those of us who have been interested in this legislation to espouse it has been the fact that many members of the bars of the courts of last resort in their States have come to Washington to represent clients and, when they got here, found they were not qualified to practice be-

fore this or that or the other one of the several hundred agencies.

A uniform method is provided for the qualification of lawyers in good standing in their States. When they receive the necessary credentials, they will be entitled to practice before any of the Government agencies.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HOFFMAN of Michigan. Do I correctly understand that if a lawyer is in good standing in his own State all he needs to do is produce his credentials here?

Mr. WALTER. Exactly. He submits the kind of evidence he submits when he is admitted to practice before the Supreme Court of the United States, a certificate from the court that he is a member of the bar in good standing.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Iowa.

Mr. GROSS. This goes beyond attorneys, does it not?

Mr. WALTER. It goes beyond attorneys in this, that there are what are known as class B practitioners.

They are the representatives of the brotherhoods and the various veterans' organizations and groups of that sort. They are permitted to carry on the kind of practices in which they are engaged today. However, they are not, because they are entitled to practice in a particular agency, empowered to practice law and engage in practices beyond the employment which qualifies them to practice where they are now practicing.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. WHITE of Idaho. The commission will promulgate these rules, but who will enforce them?

Mr. WALTER. The commission will have the authority to revoke the privilege of a practitioner as a result of any abuse of the rights given him by the commission.

Mr. WHITE of Idaho. Under the provision of the bill, then, the commission makes the rules and then enforces them by having the right of revoking the privilege. It is a license arrangement, then, is that it?

Mr. WALTER. That is right. If a person is guilty of improper practice before an agency and complaint is made, then the commission decides that.

Mr. WHITE of Idaho. Do the provisions of this bill apply to the whole United States, or just to the District of Columbia?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WALTER. Mr. Chairman, I yield myself three additional minutes.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. GATHINGS. Mr. Chairman, I commend the gentleman for bringing in this meritorious bill. Regarding the internal revenue service, what is the provision of the bill with respect to that agency as to who can practice before the internal revenue service?

Mr. WALTER. Those accountants engage now in the preparation of income tax returns and in the settlement of disputes with respect to income taxes are permitted to carry on the same practices in which they are now engaged.

Mr. GATHINGS. The gentleman has answered my question.

Mr. WALTER. That is not interfered with.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield for a question?

Mr. WALTER. I yield.

Mr. H. CARL ANDERSEN. What would be the situation in the case of an accountant who is not a certified public accountant?

Mr. WALTER. That accountant could continue the practice that he now is engaged in. The only thing he could not do would be to get up to the point where an effort was being made which would ultimately find its way into the courts.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. KEOGH. In New York we have a number of practitioners before the Bureau of Immigration and Naturalization who are specialists in their field, but who are not lawyers. Would they be affected by this bill?

Mr. WALTER. They would not be affected. I call the gentleman's attention to page 8 of the report where he will find this language:

> Previously licensed nonlawyer practitioners will be entitled, by the third sentence of section 6, to new credentials under this bill enabling them to continue in their practice.

Mr. KEOGH. I thank the gentleman very much.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. JAVITS. Section 6 says:

> So long as and to the extent that any agency shall find it necessary in the public interest and in the interest of the parties—

And so on, which permits the licensing of nonlawyers. Is that intended to change existing law, or just to continue existing situations in each agency insofar as its power over those who practice before it right now?

Mr. WALTER. We felt that this language preserved existing practice in the several agencies with respect to the issuing of licenses to all practitioners before that particular agency.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman be good enough to answer the question which he did not have an opportunity to answer before?

Mr. WALTER. This applies all over the United States.

Mr. REED of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am taking this time to ask some further questions of the chairman of the committee. This bill provides, does it not, for what amounts to the creation of still another commission or agency of Government?

Mr. WALTER. I suppose technically speaking that is the fact, but it actually means this: It is not going to cost the Government a penny. It means that the commission will consist of men who are already in the employ of the Government. This is an added function of that group and I am certain that after the new set-up has been determined, this agency will not have a great deal to do.

Mr. GROSS. On page 3 of the bill you say:

> For the purposes of this act the Credentials Committee shall appoint a secretary, have such staff, other assistance, or advisory services or committees as may be required, incur obligations, make rules, issue individual notices by mail requiring the renewal of credentials from time to time, fix compensatory admission and renewal fees, and require the submission of necessary information from any person or agency.

Does the gentleman recognize that that is a "shotgun" proposition?

Mr. WALTER. Of course it is not a "shotgun" proposition. I am certain that the fee charged to practice will more than cover the very minor expense involved in setting up the agency.

Mr. GROSS. What will be the fee under this provision?

Mr. WALTER. That has not been determined.

Mr. GROSS. Who will determine it?

Mr. WALTER. This Commission will determine it. My guess is that it will not exceed $15. It will be a very nominal fee.

Mr. GROSS. That fee will be paid by those who hire people to represent them here; is that right?

Mr. WALTER. No; it will be paid for by the practitioner. Ultimately, of course, it will come out of the client's pocket.

Mr. GROSS. Yes; that is certainly right.

Mr. WALTER. That is not an uncommon thing, you know.

Mr. GROSS. I understand that perfectly.

On page 4 the bill states:

> Individuals admitted to practice under section 5 or 6 shall honor, and presiding and deciding officers in any agency proceeding shall conduct themselves in accordance with, the canons of judicial ethics generally applicable to members of the judiciary.

Is there some question that administrative officials in Government today are not conducting themselves properly?

Mr. WALTER. No; this does not apply to the people that the gentleman is talking about; this applies to practitioners.

Mr. GROSS. But the language of the bill reads "presiding and deciding officers in any agency."

Mr. WALTER. This merely means, of course, that the proper respect should be shown by the practitioner to the person before whom he is practicing.

Mr. GROSS. I understand that would be the administrative official, presiding or deciding officer. And this says that they shall conduct themselves under the canons of judicial ethics.

Mr. WALTER. The canons of judicial ethics, of course, are very well known.

I may say to the gentleman that a copy of them may be found in the library of the Committee on the Judiciary or in the library here in the Capitol.

Mr. GROSS. Mr. Chairman, I submit that this has all the appearances of being something on the order of a lawyers' WPA, and I am opposed to it.

Mr. WALTER. Mr. Chairman, we have no further requests for time on this side.

Mr. GRAHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I should like to ask the chairman of the committee a question. What is the position under this bill of certified public accountants appearing before the agencies of the Government? In other words, to what extent will they be eliminated from practice, if at all?

Mr. WALTER. I am sure that the gentleman from Michigan was not on the floor when I made my brief opening statement, or he would have heard me read from a letter from the American Institute of Accountants, in which they stated that the opposition they had originally was withdrawn and that they are now not only in favor of the bill, but they urge that it be acted on promptly.

Mr. CRAWFORD. I was in the telephone booth at the time that was read and did not hear it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GROSS. May I say that the accountants in Iowa, and the traffic managers of Iowa and the Iowa Commerce Commission have in no wise dropped their opposition to this measure.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. I call the gentleman's attention to section 6 on page 5 in which it is stated that—

> So long as and to the extent that any agency shall find it necessary in the public interest and in the interest of parties to agency proceedings before it to authorize practice by individuals not subject to section 5—

And so forth. At any time an agency can decide that it is not in the public interest to receive public accountants or anyone else to represent someone as an agent, and rule out public accountants or any other profession. That is my fear.

Mr. CRAWFORD. That is the part of the language that I was questioning.

May I also ask the chairman of the committee another question? Under the chairman's interpretation of this language are public accountants unquestionably authorized to appear before the Tax Court or the Tax Appeals Board?

Mr. WALTER. Yes.

Mr. CRAWFORD. Without any strings on them imposed by this bill?

Mr. WALTER. No strings whatsoever. As a matter of fact, the language which guarantees them the privilege of that type of practice was agreed to between them and the American Bar Association.

Mr. CRAWFORD. Will the gentleman refer to the bill and give us that language?

Mr. HINSHAW. While the gentleman from Pennsylvania is looking up that language will the gentleman from Michigan yield?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. There is a grandfather's clause in the bill beginning in line 4 on page 6, but so far as future admissions to practice are concerned, I see no guaranty whatsoever.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield for a question?

Mr. CRAWFORD. I yield.

Mr. H. CARL ANDERSEN. Just what was the crying need that brought about this legislation? Does the gentleman know?

Mr. CRAWFORD. I intended to ask the chairman of the committee that very question. Will the gentleman from Pensylvania answer?

Mr. WALTER. For a great many years lawyers throughout the United States have been embarrassed because of their inability to represent clients when they came to Washington. They found when they got here they either had to retain some District of Columbia lawyer or were embarrassed when they finally appeared before the agency to find they had to be especially admitted. All of this took a lot of time, caused a lot of delay and was very costly. That is one thing.

The second reason is that Washington seems to be the gathering place for all of the elements of all of the bars in the Nation that have questionable standing at those bars. There are a great many people in the District of Columbia today who were about to be disbarred from the bars of the several States. They came here and hold themselves out as lawyers but to use the vernacular many of them are nothing but fixers.

It is the idea of the Judiciary Committee to set up somewhere some authority to prevent that type of individual from preying on many people who have legitimate claims against the United States.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. REED of Illinois. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CRAWFORD. Mr. Chairman, may I ask the chairman of the committee about the language on page 1, the first sentence of section 2. Is that the language which the certified accountants agree to?

Mr. WALTER. The language which the gentleman is interested in starts in line 21, page 5, section 6:

> The Credentials Committee shall issue credentials to applicants under this section—

And so forth.

Mr. CRAWFORD. Well, I think that is a restriction because, it seems to me it puts the power as to whether or not a certified public accountant shall practice entirely in the hands of the Credentials Committee and is not based on the certificate of qualifications which the CPA laws of the various States give.

Mr. WALTER. The certified accountants committee or association felt that the mere presentation of their license in the States was sufficient to meet the provisions of this section. As a matter of fact, this section was written with that in mind.

Mr. CRAWFORD. That is the big question that stands in my mind as to why that presentation would not qualify them.

Now, going back to section 2 where it reads: "shall have the same meaning as in the Administrative Procedure Act (Public Law 404, 79th Cong.) except that the term 'agency' shall not include the Tax Court of the United States."

What is the committee's interpretation of that language?

Mr. WALTER. The Tax Court of the United States is not an agency within the strict meaning of that term. That is the reason for the difference in this language. The Tax Court has its own rules.

Mr. CRAWFORD. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. REED of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I would like to ask the distinguished gentleman from Pennsylvania several questions relative to this legislation. I have in mind the effect this would have upon representatives of the brotherhoods who appear before the several administrative agencies of the Government. First, would the gentleman say that the ICC is an administrative agency?

Mr. WALTER. Yes, of course. A representative of the brotherhoods appeared before the Judiciary Committee at the time of the hearings and made their position very clear. We felt that in this section we take care of that type of practitioner so that their legitimate practices in that agency will in nowise be interfered with.

Mr. WITHROW. However, this Credentials Committee that is set up will have to pass on their qualifications to appear before the ICC for example.

Mr. WALTER. No; it will not work that way. The ICC passes on them. The ICC will certify over the names of those people who have qualified from time to time and then they will be given the necessary credentials.

Mr. WITHROW. Who have qualified from time to time?

Mr. WALTER. To practice before the ICC.

Mr. WITHROW. But, now, what about those who represent the brotherhoods in the future and want to appear before the ICC?

Mr. WALTER. They can qualify in the same way that the people qualified who are already engaged in that practice.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Michigan.

Mr. CRAWFORD. As I understand this bill, the Credentials Committee cannot be nonpartisan.

Mr. WITHROW. I do not know. They have a lawyer on the Credentials Committee and three others.

Mr. CRAWFORD. Personally, I think this bill gives the Credentials Committee the power, if it desires to do so, to channel this practice into the hands of a selected group of people. I think it does that.

Mr. WITHROW. I do not know so much about this or how it will really work, but it seems to me that this Credentials Committee will have an awful lot of authority. First of all, from the report of the committee, it is very apparent that the committee considers that the Credentials Committee shall pass upon the moral character of all those people who are given the right to practice before these administrative agencies. That is found on page 3 of the report. Moreover, it says that the public is entitled to representation by persons not only of good moral character, but equipped with the necessary technical skill and understanding of professional responsibility. I say to you that that is quite an authority to vest in the Credentials Committee. Who are they to determine the moral character of a man who is sent down by a group of people to represent those people?

Mr. WALTER. The authority given there, if the gentleman will yield, is the authority vested in the State Board of Law Examiners in every State of the Union and of the District of Columbia. That is the usual qualification. It certainly does not mean what I think the gentleman has in mind.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. In following up the question to the chairman relative to the status of the representatives of the brotherhoods, just how would our farm organizations fare with this particular bill? Perhaps we could ask the chairman that. The great farm organizations are naturally interested in freight rate cases that come before the Interstate Commerce Commission and cases that might come before the Federal Trade Commission. How would they be affected by this particular legislation?

Mr. WITHROW. I would like to have the chairman answer that question. I fear for their status.

Mr. WALTER. Let me assure the gentleman and the gentleman from Minnesota that those representatives have nothing to fear whatsoever. They have the right to continue in the practice that they are now engaged in, and I am sure that they are convinced that they are protected under the provisions of this measure in their right to practice.

Mr. WITHROW. I thank the gentleman.

Mr. CRAWFORD. Mr. Chairman, if the gentleman will yield, if I understood the chairman, those who are now practicing would be protected under the grandfather clause, pointed out by the gentleman from California, but the new men, as I understand this bill, would be subjected to the scrutiny of the Credentials Committee. Now, suppose company A, for instance, hires a man who is very capable from the standpoint of appearing before Government agencies to represent the company's business, and the Credentials Committee finds that his morals do not square with their rules; what does that company do? Go find some other fellow and give him 4 or 5 years' training so that he understands the company's technical problems, or is he kicked off and left out in the cold?

Mr. WITHROW. I think that is a danger in the bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I would like to ask my colleague from Wisconsin: What sort of standard would they have down here for morals, anyway? You have heard about the State Department. How could any standards that they have here hurt anybody? Anybody could come in under their measuring stick.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WALTER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I should like to ask a question or two now that this thing has reached the point of inquiry. I want to determine if what we do here and now may not turn out as badly as happened after we changed the Board of Tax Appeals to the United States Tax Court.

I am not so satisfied with what the Tax Court has undertaken to do. It is completely in violation of what we in Congress believed that court was created for. It has gotten to the point where certain questions are asked applicants who seek to practice before the Tax Court. It is now known as the Tax Court. It used to be the Board of Tax Appeals. The Supreme Court said it is an administrative agency. It never was a court, and I do not believe it ever will be a court, and it ought not to be a court.

Under the Legislative Reorganization Act the control of the legislation was taken away from the Committee on Ways and Means, which created the original United States Board of Tax Appeals. I am wondering if in this instance we are not running into a situation similar to that which we faced with the so-called Tax Court, which has enabled them to inaugurate a line of questioning of applicants that is purely legalistic. A man can be qualified in every respect, but if he is asked a lot of technical, legalistic questions he flunks, and he is disqualified.

That is not what they had led us to believe at any time they were going to do, but that is precisely what I understand they are now doing, to make tax practice exclusively a field for lawyers.

I am told by our committee experts, by Mr. Colin Stam himself, that in certain respects, in certain types of tax cases, it is far more important to have a good accountant than it is to have a lawyer. As a matter of fact, you do not have to have a lawyer. The truth of the matter is, that the Board of Tax Appeals was created to provide an informal procedure for settlement of tax disputes. Now you have all the formality, all the "flamdoodle," all the togas, and you have to bow and scrape as you do in a police court. We did not ever intend that it should be that way. It was intended that a taxpayer could come in there with his coveralls, that he could sit across the table from the so-called judges, and find out exactly where he stood, and he could present his case in his own way.

Now, however, they are trying to get away from all of that informality which, by the way, is preliminary to asking for judicial privileges of another sort, as I understand tenure pensions, and all that, as provided for the rest of the judges.

Had we anticipated this at the time the name was changed from the Board of Tax Appeals to the United States Tax Court it would never have happened, but they got it by misrepresenting their case, and we yielded. We found later that we were betrayed. I use that word advisedly. We were betrayed, so far as I am concerned, and I have never become reconciled to it.

Let me ask my good friend from Pennsylvania, Is it intended by this legislation to exclude, by a legalistic line of questioning, anybody who might otherwise be qualified to practice before these boards, missions, or commissions?

Mr. WALTER. No, it is not. I am quite certain the language of the bill is very plain in that respect. I am sure the accountants are satisfied that they can continue their practice in the Tax Court.

Mr. DINGELL. What about the practical laymen who were neither lawyers nor accountants? Take, for example, a man who has served on the Committee on Ways and Means for 20 years. He might be able to give a lawyer a pretty good lesson in taxation.

Mr. WALTER. Except that perhaps he would make the kind of record in the Tax Court that would be very difficult for a court of appeals to pass on.

Mr. DINGELL. But if he were otherwise competent to represent somebody after having left Congress, he would nevertheless be excluded if he had not taken an examination which was prescribed by a lot of lawyers?

Mr. WALTER. It would be up to the rules, of course. If he could pass the examination, he would qualify.

Mr. DINGELL. That is exactly what I am talking about, but the examination and rules, if drafted by lawyers, might be such as to exclude a layman.

Mr. WALTERS. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I am in disagreement with the gentleman from Pennsylvania [Mr. WALTER], the distinguished chairman of this subcommittee, whom we all hold in such high regard. I know he is the author of the Administrative Procedures Act. May I ask the gentleman if a lawyer from his State of Pennsylvania or my State of Tennessee came to Washington and wanted to appear before the Bureau of Internal Revenue or some other agency of the Government, whether it would be necessary for him to go before a board or pay a fee to qualify him to take care of some service for some client back in his home town? Does this bill create a monopoly for the District lawyers and the District accountants?

Mr. WALTER. I hope that is not the fact, and that just the opposite will be the case.

Mr. REED of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, this is rather a deep subject for me to be involved in, since I am not an attorney. I want it thoroughly understood I have a high regard for every member of the Committee on the Judiciary and for most every attorney that I know personally. My ambition was to be an attorney myself when I was a young lad but for good reasons I was not so fortunate. However, I can read and think, and I have learned that every good law must be based on good common American sense and be fair to all it affects.

In reading this bill and hearing the debate, I find some things in it which greatly concern me. In plain words it looks bad to me. Would the gentleman from Pennsylvania [Mr. WALTER], the chairman of the committee, answer a few questions for me?

I am going to have to reduce this thing down to layman's language. After all, there are a number of good, common, ordinary laymen in the House of Representatives and the country is full of them. What I would like to know is this: We have from every State many people coming to Washington representing reputable organizations and necessary organizations such as farm organizations, lumbermen's, grocerymen's, and business organizations, and every kind. Many of those representatives are not attorneys. But they know their business from top to bottom. They have lived with the problems concerning them all their lives. Is there anything in this bill which denies them the privilege of going before any agency of Government where they can get permission to go and testify in favor of or against any legislation which might be proposed in the Congress, or to propose legislatior, or to favor or oppose some rule or regulation of their business imposed by an agency of Government?

Mr. WALTER. No, they would not be. These groups, such as chambers of commerce, boards of trade, representatives of farm groups, and people of that sort are not prohibited from acting as spokesmen for their particular organization in the affected agency.

Mr. JENSEN. Would they necessarily have to be certified by this credentials committee?

Mr. WALTER. They would not, unless they were making it a practice to carry on these activities right along. But for a casual appearance, it would not be necessary.

May I just add one further thing in answer to that question. On page 2, line 4, you will see "'practice' means regularly appearing, participating, or offering to do so in behalf of others for a consideration."

Mr. JENSEN. If the gentleman will answer the following question, I believe we will get to the heart of what is bothering me. Today we have many representatives about whom I have just spoken. Can they continue if this bill becomes law, to carry on their functions as they have in the past without interference by any provision of this bill?

Mr. WALTER. Yes, they would be qualified and would continue to qualify to do what they have been doing in the past.

Mr. JENSEN. What if an organization changed representatives? Would the new representative have the same rights?

Mr. WALTER. Yes, he would still have the authority, provided he was not regularly engaged as a representative for various groups for a consideration. If he came here with the kind of people you are talking about and appeared for them, there is no reason why a new statesman could not appear every time this particular group felt they had a matter to present to the Government.

Mr. JENSEN. Now, this man is being paid by the association he represents. Did I hear you say that if he were not being paid, he could practice before the agency without going before this committee and getting clearance?

Mr. WALTER. You mean to say if there is somebody in Washington who acts as a public relations man for various groups and is being compensated right along? That type of person would have to obtain credentials to appear and practice.

Mr. JENSEN. What if a man does not live in Washington? What if he is a farmer, for instance, and represents a farm organization?

Mr. WALTER. There is no reason in the world why he cannot come here with his farm organization any time they have any matter to present to the Department of Agriculture.

Mr. JENSEN. Suppose he is the secretary of a farm organization and he is paid as such and he comes here to Washington to appear before an agency of Government in the capacity of a representative for that farm organization?

Is it necessary for him under the provisions of this bill to get a clearance before the proposed certifying committee?

Mr. WALTER. As an officer or regular full-time employee of a corporation or other organization appearing on its behalf, then he very clearly does not have to obtain any particular permission to appear on behalf of that organization.

Mr. JENSEN. Whether he be an attorney or not?

Mr. WALTER. It does not make any difference whether he is an attorney or not; if he is employed by this organization, then he has the right to appear before that agency.

Mr. JENSEN. Without going before this committee and getting permission to appear?

Mr. WALTER. Exactly.

Mr. JENSEN. So there will be no change in the present status of people in that category whether this bill is made law or not? Am I right?

Mr. KEEFE. Mr. Chairman, will the gentleman yield to me on that point?

Mr. JENSEN. I am pleased to yield to one of the most able attorneys, and possibly the most able attorney in this House, the gentleman from Wisconsin [Mr. KEEFE], because I am seeking light.

Mr. KEEFE. I do not think the situation should be left as broad as the answer of the gentleman from Pennsylvania would seem to indicate.

The individual the gentleman is talking about who comes down to represent an organization, to appear before an administrative agency of Government, would be permitted to appear without credentials provided the rules and regulations of that agency of Government permit such; and that is the wording of the law.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GRAHAM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WALTER. The only prohibition, I may say to the gentleman from Wisconsin, would come in a hearing under section 7 or 8 of the Administrative Procedures Act, and that is the type of hearing from the decision of which there may be an appeal to the courts; it is the type of hearing where a record is made.

Mr. KEEFE. I call the gentleman's attention to the plain wording of the act, subsection (6) on page 2:

> If permitted by rule of the agency in any proceeding not conducted pursuant to section 7 or 8 of the Administrative Procedure Act, by an officer or regular full-time employee of a corporation or other organization on its behalf.

Under those regulations that are presently in existence which require some regulatory standards to be met by people who come before an administrative agency of Government, the gentleman from Pennsylvania does not mean to tell the gentleman from Iowa that under this law anybody could come down here and in violation of existing rules be permitted to appear and practice, so to speak, and present a matter to an administrative agency of Government that is not recognized under presently existing rules and regulations in that agency of Government?

Mr. WALTER. Of course not, because I am assuming that if this man should come here to appear before this agency he would have the qualifications required by the agency with respect to his appearance.

Mr. KEEFE. He certainly would have to do that before they would permit him to appear; that is a certainty.

Mr. WALTER. That is what that type of representative is doing today.

Mr. JENNINGS. I ask the gentleman from Wisconsin if I am right in understanding that this provision which he has just cited leaves it entirely within the discretion of the agency before which this person wants to appear as to whether or not the agency will allow him to appear.

Mr. KEEFE. Answering the gentleman's question, I do not, of course, pretend to be the last word on this at all, but I have studied this proposition, and I have been licensed to practice in years past before agencies of the Government; I know what I had to do as a lawyer attempting to practice before the Treasury Department. I think I know that every department of the Government has certain rules and regulations governing the

conduct of people who appear in proceedings pending before it, whether they be lawyers or nonlawyers, CPA's or what not. But just read the act; this is what it states:

Nothing in this act shall prevent appearance or participation in an agency proceeding if permitted by rule of the agency in any proceeding not conducted pursuant to section 7 or 8 of the Administrative Procedure Act by an officer or regular full-time employee of a corporation or other organization on its behalf.

I interpret that language to mean that if some gentleman from your district or mine represents an organization that is interested in a matter pending before an administrative agency of Government and he is not a practicing agent or attorney who comes down here asking to be heard on that matter, he would be permitted to be heard provided he complied with the rules and regulations that would permit that individual to appear under existing regulations. Is that correct? I ask the gentleman from Pennsylvania.

Mr. WALTER. That is it exactly.

Mr. KEEFE. Is not that the fact? And if the rules and regulations drawn by the Department are such as to preclude such an individual from appearing he would be denied the right to appear. If that is not the law as it is written, then I cannot read English. You agree to that, do you, Mr. Chairman?

Mr. JENSEN. In my studied opinion this bill is not good in its present form at least. I sincerely hope plenty of time will be given and taken to go into every phase of it fully and completely before we must vote on final passage for certainly this is a long departure from regular procedure in our land of free speech as we know it, and most of us want it to remain.

Mr. GRAHAM. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I would like to question the language on page 8, line 18, and if the members of the committee here present will read that language I think they will be interested. It says:

No subsequent legislation shall be held to supersede or modify any provision or application of this act except to the extent that such legislation shall do so expressly.

Ordinarily it is held that a subsequent act which differs from an act already on the books, to the extent that the subsequent act modifies or in anywise changes the law in respect to the original act, whether or not that act is mentioned, the law is changed by the subsequent act. Now we are going to be required to expressly refer to this act, which will in due course become buried in the statutes quite deeply, in order to make any change whatsoever or modification in respect to some subsequent legislation's intent; otherwise the intent of the subsequent legislation will not have the effect that the committee bringing it here thinks it will have. I would like to have the committee members express themselves on that.

Mr. WALTER. This is the language in the Administrative Procedure Act and is the language employed to save provisions or legislation that are intended to remain in effect where subsequent legislation repeals or modifies or changes existing statutes, the idea being to keep in effect all parts of the statute except that which is expressly modified, repealed or changed.

Mr. HINSHAW. In other words, you have to expressly refer to this act in a subsequent act in order to modify it in any respect?

Mr. WALTER. Exactly.

Mr. HINSHAW. For example, if the Civil Aeronautics Board should have representing some individual or corporation an agent who might be an accountant or somebody else, and if the Committee on Interstate and Foreign Commerce were to bring in such legislation that would permit this representation, no such representation could be had unless the new legislation presented by my committee expressly referred to this act. I wonder whether or not an amendment to a bill of that character which was offered on the floor of the House to amend the Civil Aeronautics Act would be considered germane to that bill? I doubt it. May I ask the gentleman to answer that question?

Mr. WALTER. Would the gentleman repeat his question?

Mr. HINSHAW. I would be glad to repeat it. I am assuming that my own committee, which deals with a good many transportation agencies in the Government, brings a bill to the floor of the House without necessarily mentioning directly a change that it proposes in that bill in the nature of proceedings before such an agency; then on the floor of the House that committee, through its ranking member, intends to offer an amendment to that bill duly amending this bill to permit such a practice. I wonder if the gentleman, in his great experience as a chairman of the Committe of the Whole house, would know whether such an amendment would be germane or not?

Mr. WALTER. I certainly think it would be. It is practicing before an agency whose legislation is being considered, and would not in any wise affect the germaneness of that sort of a proposal. This can only prevent the accidental repeal of any section of the bill.

Mr. HINSHAW. Even on purpose?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GRAHAM. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HINSHAW. Mr. Chairman, I should like to ask a question now concerning the language on page 5, line 5, to which I referred when the gentleman from Michigan [Mr. CRAWFORD] was addressing the committee. The agencies referred to in section 6, lines 15 to 20, have the power to make rules as to who may act as agent or attorney before them in proceedings not subject to sections 7 and 8 of the Administrative Procedure Act.

Mr. WALTER. Yes; some of the agencies have that power today, given to them by statute.

Mr. HINSHAW. They have the power to determine who may practice. Do they have the power to exclude?

Mr. WALTER. They have the power to exclude, to this extent: They can provide for qualifications, and if those qualifications are not met, those who cannot meet them are, of course, excluded from practicing.

Mr. HINSHAW. I do not know at the moment of any case in which members of my own profession would want to practice before an agency in any proceeding under the Administrative Procedures Act, but they certainly represent a great many different organizations as professional people. My own profession, as the gentleman knows, is that of civil engineer, and I am a member of the American Society of Civil Engineers which has, I think, as good a code of ethics as has the bar, and yet I find here that it is quite possible to exclude members of my profession from practicing before an agency of the Government as an agent of principals. Is that wrong, or am I correct?

Mr. WALTER. I think the gentleman is wrong, except this: that certainly he does not believe in his particular profession he is qualified to practice law any more than a lawyer feels he is qualified to practice as an engineer.

Mr. HINSHAW. I have found a lot of lawyers who thought they could practice engineering as well as law. I am rather unhappy about this bill, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GRAHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, if we go back to page 2—I want to ask the chairman of the committee, the gentleman from Pennsylvania [Mr. WALTER]—you outline certain categories which would not be prevented from, you say, "appearance or participation in any agency proceeding" for five purposes there designated. Is there any difference between appearing and participating and practicing?

Mr. WALTER. Appearing, participating, and practicing?

Mr. HOFFMAN of Michigan. Is there any difference between appearing and participating and practicing, as that term is used?

Mr. WALTER. Well, of course, this is not considered practicing. These exceptions are not considered as practicing before an agency.

Mr. HOFFMAN of Michigan. Well, say a man was an expert and represented a certain agency, any farm group, for example, if I understood your remarks here in answer to some questions by the gentleman from Wisconsin [Mr. KEEFE], if that man was here he could represent, say, the Farm Bureau, but if he wanted, for hire, to represent two or three other farm groups, he could not do that unless he complied with the provisions of this act.

Mr. WALTER. Then he is an independent contractor and he is no longer an agent for any particular group. He then becomes an independent contractor, and is then a practitioner, but must qualify to practice.

Mr. HOFFMAN of Michigan. So that all that the ordinary, average citizen

could do would be to appear and practice for his own organization?

Mr. WALTER. Exactly.

Mr. HOFFMAN of Michigan. Well, is it not true, for example, if I am arrested, even though I am not a lawyer, I can practice all the way from the city court clear up to the Supreme Court; can I not?

Mr. WALTER. Yes, indeed.

Mr. HOFFMAN of Michigan. Your rule, then, for the department, is much stricter, is it not?

Mr. WALTER. No, no. Any individual can appear on his own behalf or on behalf of his organization, but what this is principally aimed at is this man who, for example, will pick up a bill that has been introduced and alarm a number of people and try to get an organization together to collect dues in order to retain him to represent them. That is the type of thing we are shooting at.

Mr. HOFFMAN of Michigan. I know what you are shooting at, but while you are getting that fellow are you not also filling full of lead the fellow who is just an ordinary citizen? He appears as a witness and then suppose he wants to carry his case on up. Then he becomes a practitioner.

Mr. WALTER. No, indeed. If he is appearing on his own behalf he can appear anywhere at any time; he cannot be excluded. He does not have to qualify.

Mr. HOFFMAN of Michigan. He can make his own record, file his own brief, and all that?

Mr. WALTER. Yes.

Mr. HOFFMAN of Michigan. That relieves me a lot.

Mr. GRAHAM. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, I think of all the remarkable measures that have ever come before Congress this is the most so. On page 3 it is provided:

> For the purposes of this act the Credentials Committee shall appoint a secretary, have such staff, other assistance, or advisory services or committees as may be required, incur obligations, make rules, issue individual notices by mail requiring the renewal of credentials from time to time, fix compensatory admission and removal fees, and require the submission of necessary information from any person or agency.

That is unlimited power. There is not a board in the Government today that has the power this Committee would have.

The bill provides later that any person violating any of the rules they arbitrarily set shall be subject to a fine of $5,000 or a year's imprisonment. This is an unlimited bill. It ought to be killed and killed quickly.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HULL. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Would the gentleman inform me just when we are going to quit creating new agencies of government?

Mr. HULL. I cannot tell the gentleman that. I do not think we should ever create one like this bill proposes.

Mr. GRAHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, there are a few things in connection with this legislation I should like to understand before I am asked to vote on it.

Under the situation that exists today, every executive department of Government has certain rules or regulations governing practice before that department. Is or is not that true?

Mr. WALTER. I am sure that is the case.

Mr. KEEFE. I know it is with respect to the departments I have sought to appear before in times past. They presently have the authority, do they not, in each department to make rules and regulations governing the conduct of attorneys or agents or individuals that may appear before them in proceedings pending before executive or administrative agencies of the Government?

Mr. WALTER. If by "conduct" the gentleman means qualifications, that is the case.

Mr. KEEFE. All right, now; we will not go into the question of misconduct or into moral fitness or background or that sort of thing. But at least any department of Government today under the time-honored practice that has been indulged in can make rules and regulations that govern the conduct of individuals, lawyers, agents, or anybody else that appears before that body in matters that are pending?

Mr. WALTER. That is correct.

Mr. KEEFE. I cannot quite understand why it is necessary to have such a very tight piece of legislation as is presented here. I understand what you are trying to do. You are trying to weed out a few fellows who have brought some discredit on the practice before these agencies. But it seems to me that any administrative agency of Government or any executive department of Government presently has the power to control the situation. If they act in behalf of the agency or the executive department or act under existing authority to protect themselves or the public, we would not need all this great technical and complicated machinery that is set up here establishing a Board of Credentials that has very wide, vast authority.

I am in sympathy with the objectives the committee has in mind, but I do agree with those who have criticized this bill that it is giving a vast authority to this Board with respect to a few individuals who may seek to practice. All those who are presently admitted and licensed by the departments will be permitted to carry on without any difficulty at all under the grandfather clause of this bill. So it is only going to deal with individual people who seek to practice within these departments. Is it not perfectly clear, therefore, that we can deal with this problem if the departments themselves want to deal with them under their existing power to prescribe rules and regulations pertaining to the practice by attorneys and agents before these commissions and administrative and executive departments of the Government?

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. WALTER. One of the very reasons for this legislation has been the position taken by all of the bar associations all over the Nation that nobody knows exactly what the qualifications are to practice before every agency. With the dozens and hundreds of agencies that we have, each with the authority to set up its own regulations, nobody knows what the qualifications are for the particular practice in any particular agency. It is felt, through the enactment of this type of legislation, there will ultimately be a mass of uniform regulations so that anybody can come in and know exactly what the regulations are.

Mr. KEEFE. That is exactly what I am afraid of. An individual who has practiced before one of these agencies and who has sought to be admitted to practice, certainly knows what the rules and regulations are and what he has to comply with in order to practice. You cannot go down to the Treasury Department and appear before any division of the Treasury Department unless you are licensed to practice under the rules and regulations of the Treasury Department.

I doubt if you can do it before any other agency.

I appreciate the diligent effort being made to deal with this problem, but I personally feel we are setting up a new tribunal which is going to make the rules and regulations governing admission covering all administrative agencies of Government and all departments of Government and that the grant of power in this legislation, so far as I am concerned, is a little too great at the present moment. I would want to give this more consideration than I have been able to give in these few minutes that we have been discussing it this afternoon.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

It has been said that under the present rules and regulations they will permit the agency to set up its own requirements.

Mr. KEEFE. That is as I understand it.

Mr. BONNER. What is the purpose of repeating that in this legislation?

Mr. KEEFE. The purpose of it is very clear, may I say to my good friend, the gentleman from North Carolina [Mr. BONNER]. All the agencies have their separate and individual rules and regulations, so that if I want to practice before the Treasury Department, I have to comply with their regulations and rules and if I want to step over and appear befor the State Department in another matter, I have to comply with their rules.

If I want to go into the Department of Agriculture, I have to comply with their rules. No one knows what all these rules are. But I found no difficulty in my appearances down here before becoming a Member of Congress, and I do not think there is any great difficulty to be experienced by anybody who wants to appear before any of these departments. These departments have the

power at the present time to control the character and type of practitioners who will appear before those departments.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. LANHAM. Under this bill they may still make additional requirements, is that not correct?

Mr. KEEFE. Oh, yes. That is the very purpose of it.

Mr. LANHAM. So a man still will not know any more than he does now?

Mr. KEEFE. He will not know until this board has finally acted. And they will change those regulations from time to time, perhaps.

Mr LANHAM. But the point I am making is that even with that, these boys can make additional rules and regulations.

Mr. KEEFE. Yes.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. GRAHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr GROSS].

Mr. GROSS. Mr. Chairman, there have been some questions raised by the gentleman from Iowa [Mr. JENSEN] about who will be permitted to appear before an agency. I would like to call attention to a conversation between the distinguished gentleman from Pennsylvania and myself last July 6, as it appears in the RECORD. At that time I said:

> What about traffic managers?
>
> Mr. WALTER. They are protected under this bill; also representatives of chambers of commerce, boards of trade people, and men of that sort who appear specially in proceedings in the departments.
>
> Mr. GROSS. Must they obtain credentials from anyone in order to be able to appear?
>
> Mr. WALTER. No; they do not have to, unless they are appearing generally. But for the purpose of one hearing or where they appear casually, representing the chamber of commerce of the gentleman's home town or before the Federal Communications Commission, for example, they could appear without credentials.

Apparently if they appear more than casually they are going to have to come under the terms of this proposition. I think that is in contradiction to the gentleman's statement of a while ago that a representative of a farm organization can come in and appear at any time.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. KEATING. I think the proposition that the gentleman from Pennsylvania was referring to was on page 2, exemption No. 6, as contained in the bill. It provides that any officer or regular full-time employee of a corporation or other organization may appear on its behalf without complying with the requirements of this law.

In other words, that is one of the exemptions set forth in the law, it being expressly provided that the act shall not apply to that.

Mr. GROSS. That does not take care of the part-time employee.

Mr. KEATING. No. It applies, of course, only to the regular full-time employee. The gentleman is quite correct about that.

Mr. GROSS. I am sure that if, as the distinguished gentleman from Pennsylvania says, we are considering here legislation to take care of "fixers" he would agree with me that it would be wiser to deal with it on the basis of "fixers" and not take in everybody broadside in this legislation.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GRAHAM. Mr. Chairman, we have no further requests for time on this side.

Mr. WALTER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, due to the fact that I am a member of the Committee on the Judiciary, and to the further fact that I am a lawyer, I hesitate to make any statement about this bill because I cannot make any favorable remarks concerning this proposal. In short, as the report states, the bill provides for the licensing and disciplining of administrative practitioners. This requires a definition of practice and the method for the disciplining of lawyers and nonlawyers. Provision is made for the maintenance of standards of conduct for such licensed practitioners and for disciplinary proceedings.

When I was a member of the Arkansas State Legislature I recall that many bills were always before the legislature in an effort to protect the lawyers from somebody. Some of the lawyers of the country were always afraid that some nonlawyer was going to take some business away from him. I cannot agree that a good lawyer has anything to worry about just because a person outside the legal profession happens to get some lucrative piece of business that an ordinary lawyer might want.

Mr. Chairman, we all know what this legislation is for; there is no use kidding ourselves about it. This legislation is designed to help a group of people in Washington, D. C., carry on all of the lobbying that is necessary before the agencies of the Federal Government, and they want to be sure that some little peckerwood from down in my State or your State does not come up here tampering with their business.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. HOFFMAN of Michigan. Did I understand the gentleman to say that this was a bill to help the five-percenters?

Mr. TACKETT. This bill is going to help raise the fee above 5 percent.

The American Bar Association or any other great organization—and I am a strong believer in them—cannot truthfully say that this legislation is needed. They know, and I know, that this is not a thing in the world other than a lobbying bill to authorize the lobbying by a select group. That is all it amounts to.

Mr. Chairman, do you not believe that any person in the United States of America who is a good loyal citizen should have the right to come up here on behalf of himself or his neighbors? Oh, they say, Yes; he can come on behalf of himself, true, and participate in any activities before any department of the Federal Government just as freely as somebdy who has passed some certain kind of examination that only the lawyers in the District of Columbia could pass.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. NICHOLSON. This applies to every State in the Union and any Federal Government agency, does it not?

Mr. TACKETT. Yes.

Mr. NICHOLSON. So, notwithstanding the fact I was once a Massachusetts legislator, if I went down and wanted to appear before the Housing Board I could not unless I were a lawyer.

Mr. TACKETT. No; and even though you were a lawyer you would have to pass an examination. Being a lawyer would not get you in. You would first have to be able to meet the rules and regulations of this great big organization we are proposing to bring into existence by virtue of this bill.

Mr. NICHOLSON. I could not go down there and represent my client unless I were a lawyer or unless I passed some kind of an examination to prove that I was a natural man, or something like that.

Mr. TACKETT. To see whether or not you were qualified. If the gentleman were a nonprofessional he would have to prove that he was a professional before he could do professional business.

Mr. NICHOLSON. But the bill states that I have got to be a natural person.

Mr. TACKETT. Yes.

Mr. NICHOLSON. I do not know what that means. I am just about as much in the dark now as I was when this debate started.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. CURTIS. Is there any guarantee that a Government department will proceed according to law?

Mr. TACKETT. The report states that modern government is changing so fast and so rapidly that it is necessary for us to make all these people who appear before this modern Government modern people. They have got to be modern representatives before they can appear before any Federal agency.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from California.

Mr. HINSHAW. Would not this bill require any attorney in any town, city, or county in the United States to obtain credentials before he could practice on behalf of his clients before the local agencies of the Federal Government?

Mr. TACKETT. Right.

Mr. HINSHAW. Whether it be a housing agency, the OPA, or any other agency?

Mr. TACKETT. Right.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WALTER. Mr. Chairman, I yield the gentleman one additional minute.

Mr. TACKETT. Mr. Chairman, some lawyers in this country seem to think that the lobbying of this country is supposed to be done by lawyers. In the first place, a good lawyer is not worried about

the right to lobby, he is not worried about some little JP out in the country writing some deed that perhaps his office would write if the JP was not there. This bill is going to help a group of people where the Federal agencies of this country are located, especially the lawyers of the District of Columbia, and down in my State the lawyers of Little Rock where the Federal agencies are located within Arkansas.

Mr. Chairman, there is no reason in the world for anyone to vote for this measure.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Pennsylvania.

Mr. RICH. Would it not be just as reasonable to say that all Members of Congress should be lawyers as it would be to pass this legislation?

Mr. TACKETT. I just cannot believe it is necessary for someone to prove his qualifications in order to do business with a Federal agency. If he is not worth a hoot, the Federal agency will not pay any attention to him anyway.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. WALTER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BIEMILLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4446) to protect the public with respect to practitioners before administrative agencies, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MORRIS asked and was given permission to extend his remarks in the RECORD and include a statement he made yesterday before the Committee on Finance, United States Senate, on the subject of social security, and particularly on old-age assistance and old-age pensions.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a letter to a friend.

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD.

Mr. TEAGUE (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

SPECIAL ORDER GRANTED

Mr. DAVENPORT asked and was given permission to address the House tomorrow for 1 hour following disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 15 minutes.

LIBERTY VERSUS SOCIALISM

Mr. HOFFMAN of Michigan. Mr. Speaker, yesterday the gentleman from Missouri [Mr. CHRISTOPHER]—page 3315 of the RECORD—as proof that the political issue today is not liberty versus socialism called attention to the fact that General Motors in 1948 made the greatest net profit it had ever made, and in 1949 increased that profit 49 percent.

This, said the gentleman, was "in spite of the socialism that is reported by Republicans to be wrecking our Government and ruining our industry."

It is quite true that the socialism or regimentation so extensively practiced by the preceding and the present administration has not yet extended its blighting hand to General Motors and some other industries.

The beneficial activities of General Motors should be sufficient to convince even a gentleman from Missouri that we should go no farther along the road toward socialism.

If he wants illustrations of what the trend toward socialism can do to the country's economy, all he needs to do is to refer to and consider the administration's program which has dealt with potatoes, eggs, and other commodities. The prices of practically all these commodities have, to the consumer, been high, and in addition the consumer has contributed to the billions of dollars paid others for the production of the necessities of life which he was compelled to purchase.

The gentleman said nothing about the price of coal, a basic fuel upon which many of our industries depend and which is being priced out of the market by the administration's political shenanigans with organized labor. Steel is in a somewhat similar situation.

The administration, by its support to various pension and subsidy plans is raising the price of practically everything in common use and shortly, unless the trend stops, we will not only find ourselves unable to purchase the necessities of life, but we will have ruinous inflation.

The administration and some union leaders would socialize all industry, beginning with the mines, going on to the telephone and transportation industries, and then jumping over into manufacturing.

The unions, though they have millions of dollars in their respective treasuries, always, while telling management how to operate their businesses; while always demanding an increase in wages, never have seen fit to, by practical demonstration, show management its errors; create or purchase a factory and operate it in accordance with the rules it lays down for others.

If Mr. Murray, Mr. Green, Mr. Reuther are sincere and sure of their ground, one of the quickest ways to a solution of all labor troubles would be to combine their cash resources, engage in business, and show the way to industry.

The gentleman from Missouri may, or he may not, condemn private enterprise. The administration all too often seeks to circumscribe its activities.

But, notwithstanding the handicaps it has been forced to meet, it is apparent from the article to which the gentleman referred, that General Motors Corp. is not only paying its 434,000 stockholders a dividend of $14.64 per share of common stock but, out of its earnings, it paid taxes of $580,000,000, which is equivalent to a tax charge of $13.20 a share on every share of its common stock.

Moreover, 4,204 of its employees received in cash and common-stock bonuses to be paid in annual installments over a period of not more than 5 years amounting to $49,887,505.

The corporation gave employment to hundreds of thousands of workers many of whom might otherwise have been out of jobs.

Just how many jobs have Murray, Green, and Reuther provided for workers during 1948? What has any one of the three gentlemen had to do with either the production or the sales of General Motors' products which has been of benefit either to the public or to the employees of the corporation?

If General Motors or other industrial corporations could be forced out of existence, would any of the heads of these unions and their associates provide employment? Undoubtedly, they would do what they did before when unemployment increased. They would ask the Federal Government to create jobs including leaf-raking and others of like uselessness, and ask the taxpayer to pay the bill.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. JAVITS] is recognized for 30 minutes.

UNITED STATES POLICY IN THE NEAR EAST

Mr. JAVITS. Mr. Speaker, this is a report of an inquiry made in Israel in the course of my work on the European Study Mission of the House Foreign Affairs Committee in November and December last, and of subsequent developments.

The strategic area in the eastern Mediterranean continues to be as it has for centuries the crossroads between Asia and the west; hence its vital importance. It happens, too, that this whole area is backward from the point of view of economic and political conditions—as witness, for example, the numerous changes of government in Syria within the last year—feudal conditions of land tenure, and high illiteracy and disease rates. The situation is very well described in a news story by the distinguished roving reporter, Cyrus L. Sulzberger, in the New York Times, of Monday, June 13, 1949, from which I quote:

> Arabs with whom this writer has talked and who in no sense can be described as Communist says: "Our countries demand social reform. We are not getting it from our own governments. We did not get it from the British. The United States is the most powerful country in the world today. Yet Washington's diplomatic contacts appear in a large measure to be limited to those who are now in the seats of power in the Arab world. We warn you, they cannot remain there long. There is more ignorance and poverty beside more medieval wealth existing side by side in the Middle East than anywhere in Europe."

The Near East situation is today explosive enough so that it could burst into flame at any time through internal revolt.

The area went through a state of great tension in the period 1947–48 in connection with the efforts of the United Nations to settle the problem of partition of Palestine. This situation erupted into a full-scale Arab attack on Israel after the declaration of Israel's independence on May 14, 1948. Israel was invaded on the north by Syria and Lebanon, on the east by Jordan, and on the south by Egypt. This Arab attack which developed into a full-scale war between the Arab states and Israel continued until armistice agreements were signed with the invading Arab states by Israel in 1949. Since that time, armistice has prevailed in Palestine. The Egyptian forces are in occupation of a narrow strip of land about 24 miles long and 5 miles wide on the coast contiguous to the most settled part of Israel called the Gaza Strip; while the forces of Jordan control the ancient city of Jerusalem as well as most of the rest of Palestine outside of Israel. In addition to the territory assigned by the UN partition resolution, Israel as a result of the armistice agreements holds western Galilee and the new city of Jerusalem, a city which was developed primarily by the Jews during the last 70 years.

The other external factor of major importance is the presence of 726,000 Arab refugees from what is now the territory of Israel and who left that area when the Arab armies began their invasion in the early fall of 1948 at the behest of the fanatical Arab leaders who had sparked the invasion. These refugees are largely concentrated in Arab Palestine outside Israel, in the Gaza Strip referred to above, and in Lebanon and Syria. Their condition is one of privation as the Arab states have refused to accept any major responsibility for them and they have been left largely to international care through the United Nations. The United Nations Economic Survey Commission for the Middle East, appointed by the UN to consider the situation, under the chairmanship of Gordon R. Clapp of the United States, found that there were 652,000 of such cases needing care and maintenance and that this could best be accomplished under a $54,900,000 program for works projects and care and maintenance to which the United States was invited to contribute 50 percent.

Israel, too, is inundated by refugees; its population has almost doubled since May 1948, and some 80,000 Jewish refugees from Europe, north Africa, and the Arab states are living in canvas tent-camps under conditions of hardship in Israel.

Surprisingly enough the state of tension which I have described is not especially highlighted by the situation in Jerusalem for both Israel and Jordan which divide the city between their forces appear to take it for granted that the United Nations proposal for internationalization is so impractical that it cannot be implemented. The whole machinery of government and administration and the whole economy of the new city are established as part of Israel and the 95 percent of its population which is Jewish has too freshly in mind its near obliteration by the invading Arab armies in 1948 to take any chances on internationalization. Jordan on its side finds its national aspirations completely inconsistent with internationalization. Protection of the holy places which is so critically important to the whole western world is now being considered in terms of an international regime under the UN control—with perhaps also an international curatorship—specifically safeguarding the rights of the Christian, Jewish, and Moslem faiths and the integrity of their shrines as well as full and convenient access to them, and with both Israel and Jordan guaranteeing those rights under penalty of international sanctions in the event of any violation.

This was the state of affairs which I found when I visited Israel last November. A condition of tension, a condition of the suspension of war but not of peace, a condition of overwhelming problems for the small new state of Israel, of great austerity—far more than is found even in Britain—for the people of Israel, and of real hardship for the Jewish refugees—as indeed it is for the Arab refugees, too. Yet in the midst of this tension and difficulty an event was occurring of the most serious consequence for the peace of the world, for I found that an arms race was in full swing between the Arab states and Israel based upon the widespread shipment of arms to the Arab states by Great Britain; while the Arab press and radio were full of fulminations against Israel, promising a second round in the Arab-Israeli war.

The world had been warned against the danger of an arms race in that area in connection with the action of the Security Council of the United Nations which on August 11, 1949, voted to lift the arms embargo which had been imposed on the Near East by the Security Council's resolution of May 29, 1948. Acting Palestine Mediator Ralph Bunche, commenting at that time, said:

> Certainly, should an arms race develop in that area as a result of the lifting of the existing injunction, it would not serve the interests of permanent peace in the Near East.

His comment was directed to the statements of the United States, British, and the French representatives on the Security Council incident to the resolution lifting the arms embargo to the following effect. Senator Austin said:

> So far as the United States is concerned, it does not intend to allow the export of arms which would permit a competitive arms race in the area.

And in fact an embargo on arms exports to the Near East had been imposed by the United States as early as December 1947.

M. Chauvel of France said:

> I do not think that any country represented here, nor any other country, has the slightest interest in unleashing an armaments race in the Near East or anywhere else.

Sir Terrence Shone of Great Britain said:

> Any supplies of arms which we may send would be for the internal security and defense requirements of the states concerned. This, of course, does not mean that we wish anything in the nature of an arms race, to which Mr. Eban made allusion, to develop in the Middle East or anywhere else. Far from it.

At about the same time that this Security Council resolution was passed the Arabs were already threatening a second round of the war against Israel. Thus we find the following statements in the Arab press around that time:

According to Falastin, a popular Transjordan daily paper, and the Near East broadcasting station on August 9, 1949, Dr. Fadel Jamali, former foreign minister and now permanent Iraqi delegate to the UN, stated in Bagdad:

> Unless the ministries of education in the various Arab countries plan now to educate a new generation of active youth who will not be satisfied with words alone, there is no doubt but that the Arabs will lose the second round—

Of the war against Israel—

just as they lost the first.

Radio Damascus, on June 27, 1949, stated:

> The Arabs have lost the first round of the Palestine war because they followed the advice of the British and the Americans. They will not be so short-sighted in the second round.

On the anniversary of the Arab invasion of Palestine, May 14, 1949, a Cairo paper said to be close to court circles, the Akhbar El Yom, wrote:

> The Palestine war is not yet over. Egyptian blood which drenched the soil of Palestine has laid a path along which we are in duty bound to tread to clinch the victory for which our martyrs fought.

After the Syrian-Israel armistice agreement had been concluded, Al Nazzar, a Syrian daily paper, wrote on July 23, 1949:

> We would say frankly to all the Arab states and to all the Arab people now that the curtain has finally fallen on what we hope to be the first round of the Palestine struggle—may this armistice be of short duration, during which time we may endeavor to reinforce ourselves and increase our potential in order that we may destroy the dangers which surround us before they succeed in destroying us.

When I returned to the United States on December 28, 1949, I wrote to the Honorable Dean Acheson, Secretary of State, reporting on these facts and stating that I had checked them in London in December and was satisfied that the British were shipping heavy arms such as naval frigates and jet fighter planes, armored cars, heavy tanks, and automatic rifles to Egypt, Iraq, and Jordan, and perhaps to Syria as well. I raised the question of the grave danger of the misuse of these arms for a renewed assault against Israel and the shattering of the peace of the Near East—instead of as claimed to buttress the defenses of the Arab states concerned. In a frank reply to my letter, a reply which has set in train the vigorous discussion now

going on about this subject, the Secretary of State, while agreeing "that a renewal of the Arab-Israeli conflict would be a tragic development, which the world community must bend every effort to prevent," admitted that the British Government was "furnishing certain categories of arms to Iraq, Jordan, and Egypt, under the treaty arrangements which bind Great Britain to those countries." The Secretary then made the following statement of policy:

> It should be recalled that the Arab states are but a part of the Middle East area, a region the security of which, is of great importance to the west. It is desirable that the countries in this part of the world obtain from reliable and friendly sources such arms which they may need for their legitimate security requirements. * * * Arms shipments to the Arab states and Israel should be limited to those necessary for the purpose of maintaining internal law and order by the Government concerned in the legitimate exercise of constituted authority, and for the purpose of providing for reasonable requirements of self-defense.

It is reported that on February 27 last, Israel taking the Secretary of State at his word, requested arms shipments from the United States. The question now arises whether the United States should honor this request and on that point it is understood that the United States has requested full information on the existing status of arms and armaments in Israel. It seems only logical that the United States should also request information on the existing status of arms and armaments in the Arab states as well and also on the shipments made and proposed by Britain since the Security Council acted to lift the arms embargo, and the terms upon which these have been made. For it is unthinkable that our close ally in the effort to maintain international peace—Great Britain—should be feeding the flames of an arms race in the Near East while we stand idly by.

The Secretary of State implied in his letter to me that British shipments were for the purpose of providing for the reasonable requirements of self defense of the Arab states receiving the shipments. Questions of internal security may be laid aside, as jet fighter planes and gunboats let alone heavy tanks are hardly needed to maintain internal security. The question then arises whether the British arms shipments are justified because they are intended to buttress Arab defenses against any threat from the Communist East. It is of course clear from the attitude of the Arab states themselves that the danger of a misuse of these arms for a renewed war against Israel in the Near East is far more iminent than their use against Communist expansion. But aside from that, the effectiveness of any Arab stand against communism without Israel as party to the alliance is highly problematic. In the Arab-Israeli war, Israel, with a population of close to a million, was a match for and indeed repulsed the armies of the Arab states with a population of over 36,000,000. I do not wish to belabor old causes but to mention only that the record of the Arab states in World War II also gives no great assurance in this regard.

The whole world knows the name of Glubb Pasha, commander of the Arab Legion of Transjordan, in the Arab-Israeli war. This commander, an Englishman, discussing the Iraq revolt of 1941 against the British which was in that area almost a mortal wound, said:

> The British of course always knew we were going to win the war, but at the time of these operations every Arab was perfectly convinced that Britain was finished for ever, and that it could only be a question of weeks before Germany took over Arabia. The Iraqis were perfectly sure of this or they would not have declared war on us. * * *
> In brief, during the 6 weeks before the fall of Bagdad, every Arab was convinced that we were done for. Every Arab force previously organized by us mutinied and refused to fight for us, or faded away in desertions. The men of the Arab Legion alone not only stood firmly by us, but played a most active, energetic, and valuable part in our little campaign.

The Iraqi revolt broke out against Britain on May 2, 1941. At that time Britain was under the German blitz; British forces had just been evacuated from Greece; the Vichy government was installed in France and General Wavell, British commander in the Near East according to Winston Churchill's memoirs said, "I consider the prolongation of fighting in Iraq would seriously endanger the defense of Palestine and Egypt." In the Iraqi revolt it soon appeared that the Nazis were a mainspring, for German aircraft supported the Iraqi effort.

The grim story of the Mufti of Jerusalem—Haj Amin-el-Hasseine—has been told time and again. He was not only in the 1941 Iraqui revolt at the behest of the Axis Powers, but made common cause with Mussolini and Hitler as an emigree to Rome and Berlin. For the rest of the war he became the close ally of Hitler and Mussolini, organized propaganda, espionage, and fifth-column activities in the Near East for the Nazi-Fascist Axis, established Arab legions and the Arab Brigade for them, organized Moslems into military units in Axis-occupied countries and in North Africa and Russia, and became a fanatical party to Hitler's campaign of genocide.

This record is to be contrasted with the 26,000 Palestine Jews who fought as a Jewish brigade with the British forces with great distinction throughout the war in its Mediterranean phase.

With respect to the participation by the rest of the Arab states in World War II, Egypt, Saudi Arabia, Syria, and Lebanon did not declare war on Nazi Germany until February 26, 1945, at which time it was a condition precedent for admission to the United Nations. Egyptian forces in the course of the war did patrol and guard duty within Egypt, while the Allies—largely British ground forces and American air forces—spent a billion and a half dollars in Egypt alone.

Turning now again to the rearming of the Arab states, it is most significant to note that while all the Arab states have contributed but $6,760,347 for the relief of the Palestine Arab refugees, totaling 652,000 who need relief, according to the report of the Clapp commission, during the 13 months from December 1, 1948, to December 31, 1949, of which Egypt's contribution was $1,920,050, Egyptian military expenses aggregated approximately 30 percent of her total budget for fiscal 1948–49—50,024,410 Egyptian pounds—$140,000,000 at the present rate of exchange. This fact is adduced from the testimony before the House Foreign Affairs Committee within the last few weeks by Hon. George C. McGhee, Assistant Secretary of State, in charge of the Near East. With this figure may be compared an estimated cost of about $250 for the resettlement of each Palestine Arab refugee, or a total for the 652,000 of about $163,000,000—just a little more than a year's military expenses for Egypt. The Egyptian arms figure may also be compared with her expenditure of 10,000,000 Egyptian pounds—$40,000,000—for the same purpose for 1947–48.

This recapitulation of facts regarding the arms race in the Near East shows that it is being fed and nurtured under a completely misguided British policy which appears to have at least the tacit approval of our State Department. The ineffectiveness of Arab forces in the Arab-Israeli war, and their very small role in World War II makes any present expectations of their effective resistance to Communist aggression unjustified, certainly not without the addition of the proven effectiveness of the Israeli forces. We are led also to certain fundamental conclusions as to the course of action United States foreign policy in the Near East should follow. Up to now, the letter to me of the Secretary of State of January 12 last implies in my view that we have been following British policy there, and using British arguments to justify it. British policy is apparently founded on trying to maintain in the Near East British power prestige and superiority, without regard to the actual situation either of the area itself or of Britain herself. Britain appears to be making in the Near East almost a conscious effort to carve it out and retain it as her special preserve for world political purposes, as the area in which she has special interests and special rights with little regard to the general international situation. This the United States cannot afford to permit, let alone follow. A good deal of the military matériel in question might well be part of United States lend-lease, the $24,000,000,000 balance of which was settled with the British in March 1946 for $650,000,000 on long-term partial payments at very low interest and with a very generous escape clause. We certainly have a right to consider this factor in assessing the whole British policy of arms sales to the Arab states.

In a previous effort to establish a positive policy for the United States in respect to the Near East, 44 Representatives and 6 Senators on May 18, 1949, introduced House Joint Resolution 427 et sequentia and Senate Joint Resolution 98 calling for the appointment by the President of a Near East Development Commission to investigate and make recommendations on, first, immigration and resettlement of displaced persons and refugees; second, improvement of standards of living, social services and educational opportunities; third, establishment and

development of agricultural and industrial projects to increase productivity; and fourth, improvement of opportunities for technical and university education. At that time it was pointed out by this group that vast potentialities exist in the Near East for redeeming 10,000,000 to 15,000,000 new cultivatible acres of agricultural land; as these areas now being neglected had in ancient times supported great civilizations and great population centers. An estimate of $500,000,000 was given as the cost of such projects largely to be located in the river valleys of the Jordan, the Tigris, the Euphrates and the White Nile. This policy was not taken up by the administration and while the report of the UN—Clapp—Mission indicated that political and social conditions are not ripe as yet for large-scale projects of this kind, the United States Near East diplomatic representatives meeting at Cairo recently appeared to indicate that such a program was essential. The sponsors of House Joint Resolution 427 et sequentia had also pointed out that the Near East urgently needs for its development consumer goods, for which it has depended for some decades on the British under the conditions of a feudal type of economy of the very poor and the very rich. The redevelopment of this area could require Israel as a workshop to produce consumer goods—light metals, textiles, hardware, furniture, household appliances and processed foods which the Near East urgently needs.

Accordingly, I suggest for consideration of the Department of State, and the American people, the following six-point foreign policy to be pursued by us in the Near East:

First. Divorcement of the United States from British imperial interests in the Near East; endorsement of the interest of the people of the Christian, Moslem, and Jewish faiths in the security of the holy places and the placing of them under international control, and in the peace, security and economic, political and social development and reconstruction of the Near East.

Second. A review of the situation of arms and armaments in the Arab states and in Israel with a view toward establishing the balanced strategic requirements in that area between them.

Third. A specific request by the United States to Great Britain to refrain from further shipments of arms, aircraft, and naval vessels to the Arab states until the foregoing steps have been accomplished.

Fourth. Consideration by the Security Council of the UN or by a special meeting of the General Assembly (a) of the developing arms race in the Near East, (b) of the situation regarding Jerusalem with a view (i) to establishing a regime for the administration of the holy places there and throughout Palestine, and (ii) to the impracticability of proceeding with the internationalization of Jerusalem.

Fifth. United States insistence on full British cooperation in a renewed drive for peace treaties between Israel and the Arab states.

Sixth. Establishment of the Near East Development Commission, as called for by the House and Senate resolutions—House Joint Resolution 427 and Senate Joint Resolution 98—and implementation of the work of such commission by the early initiation of point 4 projects, both by the United States and by the United Nations.

Continuation of present policies and present developments by the United States, without seeking corrective action has already involved widespread protest including protests from our principal labor organizations, the A. F. of L. and the CIO. Peace and necessary development in the Near East, hence the protection of that area from communism, will not be earned by a program of inaction in the face of acknowledged facts, any more than peace and freedom were so earned in China. The activation of our Near East policy is essential and affirmative action is called for..

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. YATES. May I say to the gentleman that when I returned from Israel and stopped in England on my way home I visited the office of the American Ambassador and reported to him the fact that there were many news reports which had indicated that England was arming the Arabs at a very rapid rate, and that the Arab papers were beating the war drums looking to the second round of their fight with the Israeli.

At that time I was sought to be appeased by the representative of the American Ambassador to whom I spoke, who suggested that these so-called statements in the Arab newspapers were nothing more than propaganda, that nothing would result. I think, however, that since that time events have disclosed that the situation is deteriorating rapidly, and that unless our Government does intervene to check the flow of arms war may very well break out.

May I state this further, that I wrote to the Secretary of State, I think about 2 weeks ago, at which time I asked the Secretary of State to check the matter to determine just what was happening. I received a letter from the Secretary's office, signed by one Jack McFall, I think, which indicated that they were considering furnishing arms to the Israeli, as well as to the Arabs, in view of their position of arming the peace-loving countries in the cold war situation.

Mr. JAVITS. I thank the gentleman for his contribution. May I point out to the gentleman that Britain furnishing arms either for blocked sterling which Egypt, Jordan, or Iraq might have tied up in Britain, or on a straight government to government basis, is a far different thing from a small nation like Israel trying to find arms in the United States. There is a difference in the terms of payment and the opportunity for acquisition. Besides, our aim should not be to arm potential belligerents but rather to seek peace.

Mr. YATES. I know the gentleman has made a very comprehensive study of the situation. I wonder whether the gentleman on the basis of his study has been able to determine whether or not the arms which England has been giving to Egypt have in turn been transshipped in a measure to any of the other Arab countries.

Mr. JAVITS. We are unable to surely ascertain that fact, except that, as I stated, the unusually large amount of the Egyptian budget which is devoted to arms purchases and arming the Egyptian forces indicates the fact that there is adequate potential, either directly or through the Arab League, for Egypt to arm others of the Arab states in the Near East.

Mr. YATES. The reason for my question was that I had recently seen a report in the Christian Science Monitor which indicated that arms were being furnished by Egypt to Iraq and several other of the Arab countries, which would indicate that Egypt can very well be acting as a funnel.

EXTENSION OF REMARKS

Mr. FALLON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter written to Paul M. Herzog, Chairman of the National Labor Relations Board, calling his attention to the case of Max Perlow, which has been before the Board for some time and has not been adjudicated. I think it is one of the most important cases that has come for trial under the anti-Communist oath under the Taft-Hartley law; and with that I would like to include an editorial from the New York Times and a report from the Committee on Un-American Activities.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 30 minutes.

FOREIGN COMPETITION

Mr. LANE. Mr. Speaker, I voted for ECA because I believe in its broad objectives. World peace is impossible without world recovery.

In that process, however, I do not feel that the United States should be called upon to make all of the sacrifices.

Out of our accumulated wealth we are giving generously to repair the war-shattered economies of Europe. That should be enough. It is both unjust and dangerous to sacrifice the jobs of American workers in addition, for we cannot bear such a double burden. High taxes and unemployment will not only dry up the aid we are giving to European nations, but will cause grievous harm to our own people. This is happening in New England.

Reciprocal trade was meant to be fair. It was never intended that ECA dollars should subsidize foreign manufacturers and foreign workers to the extent that their products would undersell our manufacturers and workers in the domestic market of the United States.

The General Agreement on Tariffs and Trade, released by the State Department in February 1950, provides escape clauses to protect our industries. In the case I have in mind, they are not being

enforced. Unless this gap is plugged up immediately, the breach could widen to the point where our market would be flooded with foreign goods, depressing our own economy and paralyzing the Nation with widespread unemployment.

ECA pump-priming is coming back to haunt us because we are leaning forward on reciprocal trade to the point where it is out of balance, giving foreign industries an advantage over our own.

The December 1949 issue of the Labor Market, published by the United States Department of Labor, reveals that, of the 32 areas of heaviest unemployment in the Nation, 16 are in New England. And the situation has not improved much since then.

There are several factors responsible for this recession. Not the least among them is the academic manner in which our Government doubles in reciprocal trade, over-solicitous of foreign claims, while remaining strangely indifferent to the American workers who have lost their jobs through such policies.

Here is a capsule case, symptomatic of others, which proves the need of tightening up on the administration of reciprocal trade. I will quote in full the letter received from the A. C. Lawrence Leather Co., of Peabody, Mass., under date of February 28, 1950:

DEAR SIR: A rather important section of this company's business is devoted to the production of leather known as chamois, which is produced from sheepskins. This product, as you may know, is used for military purposes, gas straining, and all kinds of civilian use.

For some time we have been subjected to increasingly intense and unfair competition from imported English chamois. The facts in connection with this matter seem to be as follows:

1. After paying ocean freight and duty, English chamois skins can be sold in this country at approximately 25 percent less than prices which are current with us at the present time. Our present prices, incidentally, will not allow us a profit.

2. Raw skins for chamois purposes, apart from those produced in England and Scotland and the United States, come mainly from New Zealand and a few from South America. In spite of the radically reduced prices on English-finished chamois, English tanners are outbidding United States tanners for the suitable raw skins available.

3. It is obvious that the British government is subsidizing the English chamois-tanning industry either directly or indirectly.

It seems apparent that English buying of the raw skins above-mentioned, at higher prices than Americans can pay and the subsidizing of finished chamois which is then sold at about 25 percent under the American product are supported by the continuing flow of ECA dollars to maintain the British economy.

5. Imports of chamois from the United Kingdom totaled in December 1949, 16,453 dozen skins compared with 1,312 dozen in December 1948. Please note the record of imports which clearly portrays the present trend as compared with some years in the past.

6. Lastly, we have in the neighborhood of 100 of our employees working on the production of chamois skins. Needless to say, if this disastrous and unfair English competition continues, we will have to cease making a similar product. The possibility, therefore, is the laying off of 100 or more people.

We shall appreciate anything which you can do to stop the above-described conditions.

If there is anything further which you desire in the way of information, please let us know.

Very truly yours,
A. C. LAWRENCE LEATHER CO.,
STEPHEN PALMER, *Vice President.*

Mr. Speaker, there are some who opposed ECA in the beginning, on the ground that it was subsidizing British socialism. The majority viewpoint, however, was concerned with restoring British economy—among others—in the interests of world stability and peace. Furthermore, the issue of socialism within Britain, was something for the British people to decide, and there are recent indications that they have decided to check the development of all-powerful government.

My primary concern, however, is the welfare of the American people and I do not propose to assist British socialism in undermining the American home market, with the aid of American dollars and with the aid of a reciprocal-trade program which is negligent in protecting the initiative, efficiency, and thrift of our people.

There is no surer way to commit economic suicide than to subsidize others against ourselves.

I, therefore, request that the Government dust off, read, and enforce the antidumping and countervailing duties provisions in article VI of the General Agreement on Tariffs and Trade, which will save American industries and American workers from unfair competition in our domestic markets.

How can the British buy raw skins at higher prices than the Americans can pay then add manufacturing and transportation costs, pay the present 15-percent import duty to the United States, and then sell their product at 25 percent less than the same American product here in the United States without subsidies from their own Government?

Impossible.

And where is the money coming from to pay those subsidies? From taxes levied on American workers and manufacturers and given to British by the ECA.

This is cutthroat competition, performed on our own throats.

On this matter of dumping, just look at the record.

In 1939, 11,339 dozen pieces of chamois leather were imported from the United Kingdom to the United States.

In 1949 this had jumped to 54,871 dozen pieces. Of this yearly total, more than half were imported in the last 3 months of 1949, or since devaluation of the British pound.

In paragraph 2 of article VI of the General Agreement on Tariffs and Trade it states:

In order to offset or prevent dumping, a contracting party may levy on any dumped product an antidumping duty not greater in amount than the margin of dumping in respect of such product. For the purposes of this article, the margin of dumping is the price difference determined in accordance with the provisions of paragraph 1.

In paragraph 1b (11) a product is to be considered as being introduced into the commerce of an importing country at less than its normal value, if the price of the product exported from one country to another is less than—among other comparisons—"the cost of the production of the product in the country of origin plus a reasonable addition for selling cost and profit."

Again, to underscore the discrepancy, the British pay higher prices for raw skins, pay manufacturing and shipping costs, a 15-percent import duty, and then undersell American processors of the same product by 25 percent.

It cannot be done without British subsidies, paid for by American taxpayers, and resulting in loss of business and loss of jobs in the American tanning industry.

To offset this disadvantage, countervailing duties can be imposed on English imports, if the Government of the United States has any interest in protecting the livelihood of its own people.

In paragraph 3, we find this instrument of relief:

The term "countervailing duty" shall be understood to mean a special duty levied for the purpose of offsetting any bounty or subsidy bestowed, directly or indirectly, upon the manufacture, production, or export of any merchandise.

Why is not this countervailing duty being levied against imports of chamois leather from the United Kingdom, in order to give our tanning industry a fair chance?

Just a fair chance, that is all we are asking from our own United States Government.

This it will give if—if it is not lost in the fog of theory. If it is concerned with mounting unemployment among American workers.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BARING, for an indefinite period, on account of official business.

ADJOURNMENT

Mr. McSWEENEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.) the House adjourned until tomorrow, Thursday, March 16, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1313. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to give effect to the Food and Catering (Ships' Crews) Convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946"; to the Committee on Merchant Marine and Fisheries.

1314. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to give effect to the certification of Ships' Cooks Convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946"; to the Committee on Merchant Marine and Fisheries.

1315. A letter from the Secretary of Labor, transmitting a draft of proposed legislation

entitled "A bill to give effect to the Medical Examination (Seafarers) Convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6-29, 1946"; to the Committee on Merchant Marine and Fisheries.

1316. A letter from the Librarian of Congress, transmitting the Annual Report of the Librarian of Congress, for the fiscal year ending June 30, 1949; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TACKETT: Committee on the Judiciary. H. R. 4386. A bill to amend section 2 (a) and section 7 of the Foreign Agents Registration Act of 1938, as amended, to make failure of registration a continuing offense, and to continue the obligation of officers, directors, and persons acting as such, to comply with the act despite dissolution of a foreign agent; without amendment (Rept. No. 1775). Referred to the Committee of the Whole House on the State of the Union.

Mr. McSWEENEY: Committee on Rules. House Resolution 513. Resolution for consideration of H. R. 6567, a bill to increase the borrowing power of Commodity Credit Corporation; without amendment (Rept. No. 1783). Referred to the House Calendar.

Mr. COOLEY: Committee of conference. House Joint Resolution 398. Joint resolution relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended (Rept. No. 1784). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. WALTER: Committee on the Judiciary. H. R. 1110. A bill for the relief of Ann Irene Feikema; with amendment (Rept. No. 1776). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2591. A bill for the relief of Giovanna Parisi, Michelina Valletta, Yolanda Altieri, Generosa Tamburi, Carolina Picciano, and Giovanna Turtur; without amendment (Rept. No. 1777). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4903. A bill for the relief of Krikor G. Guiragossian; with amendment (Rept. No. 1778). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7338. A bill for the relief of Asano Teramoto; with amendment (Rept. No. 1779). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7410. A bill for the relief of Mrs. Kiyoko Tanaka Perez; with amendment (Rept. No. 1780). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7427. A bill for the relief of Mrs. June Noda Loman; with amendment (Rept. No. 1781). Referred to the Committee of the Whole House.

Mr. BRYSON: Committee on the Judiciary. H. R. 7609. A bill to grant a renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War; without amendment (Rept. No. 1782). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 7707. A bill to provide a correctional system for juvenile delinquents proceeded against in the courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. AUCHINCLOSS:

H. R. 7708. A bill to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.; to the Committee on Armed Services.

By Mr. BENNETT of Florida:

H. R. 7709. A bill to provide for the acquisition, investigation, and preservation of lands to commemorate the historic Fort Caroline settlement, St. Johns Bluff, Fla.; to the Committee on Public Lands.

By Mr. HART (by request):

H. R. 7710. A bill to provide that certain vessels shall be subject to the laws relating to steam vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KING:

H. R. 7711. A bill to authorize and direct the Secretary of the Treasury to make a study, and a report to Congress, with respect to the collecting of fees and charges by agencies of the Government for the purpose of raising additional revenue; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 7712. A bill to provide nonquota immigration status for legally adopted children of United States citizens and for children coming to the United States for legal adoption by United States citizens; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H. R. 7713. A bill to authorize the Secretary of the Interior, acting through the Bureau of Mines, to engage in research and experimentation with respect to gas and dust hazards in manufacturing plants; to the Committee on Public Lands.

By Mr. SABATH:

H. R. 7714. A bill to authorize the General Services Administrator to design and construct a new Federal office building at Chicago, Ill., on land now owned or hereafter acquired by the United States, and for other purposes; to the Committee on Public Works.

By Mr. McCARTHY:

H. R. 7715. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H. R. 7716. A bill to protect the security of the United States by permitting for a limited period the summary termination of employment of any officer or employee of the Department of State or of the Department of Defense; to the Committee on Post Office and Civil Service.

By Mr. JACKSON of Washington:

H. R. 7717. A bill to give effect to the Medical Examination (Seafarers) Convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6-29, 1946; to the Committee on Merchant Marine and Fisheries.

H. R. 7718. A bill to give effect to the Food and Catering (Ships' Crews) Convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6-29, 1946; to the Committee on Merchant Marine and Fisheries.

H. R. 7719. A bill to give effect to the Certification of Ships' Cooks Convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6-29, 1946; to the Committee on Merchant Marine and Fisheries.

By Mr. EVINS:

H. R. 7720. A bill to provide for the construction of post-office buildings in local communities where the residents purchase bonds in an amount sufficient to finance the construction cost, and for other purposes; to the Committee on Ways and Means.

By Mr. WIER:

H. R. 7721. A bill to reestablish a Civilian Conservation Corps; to provide for the conservation of natural resources and the development of human resources through the employment of youthful citizens in the performance of useful work, including job training and instruction in good work habits, and for other purposes; to the Committee on Public Lands.

By Mr. WOODHOUSE:

H. R. 7722. A bill to provide for the acquisition and preservation, as a part of the National Capital Parks system, the Old Stone House in the District of Columbia; to the Committee on Public Lands.

By Mr. DONOHUE:

H. R. 7723. A bill to increase permanently the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Armed Services.

By Mr. JENNINGS:

H. R. 7724. A bill to amend the Contract Settlement Act of 1944, as amended, to provide that no payments thereunder shall be made prior to audit by the Comptroller General; to the Committee on the Judiciary.

By Mr. COUDERT:

H. J. Res. 439. Joint resolution proposing an amendment to the Constitution of the United States relative to the power of Congress to impose income taxes; to the Committee on the Judiciary.

By Mr. CHURCH:

H. Res. 512. Resolution rejecting Reorganization Plan No. 12 of 1950; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 7725. A bill for the relief of Mr. Attilio Cantoni; to the Committee on the Judiciary.

By Mr. BARRETT of Pennsylvania:

H. R. 7726. A bill for the relief of Sisters M. Crocefissa, M. Reginalda, and M. Leonida; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 7727. A bill for the relief of Dorrance Ulvin and Guy F. Allen; to the Committee on the Judiciary.

H. R. 7728. A bill for the relief of Lyon F. Hibberd and the estate of George T. Erb; to the Committee on the Judiciary.

By Mr. CASE of New Jersey:

H. R. 7729. A bill for the relief of Mrs. Jennie M. Gardner; to the Committee on the Judiciary.

By Mr. CHELF (by request):

H. R. 7730. A bill for the relief of Dr. Ludwig A. Sternberger; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 7731. A bill for the relief of the Morgan Foods Corp.; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 7732. A bill for the relief of Warren C. Baggett; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 7733. A bill for the relief of Sisters Rita Pinto de Carvalho, Maria Leite da Silva, Carmelinda Lopes de Aguiar, Maria Adozinda da Fonseca Melo, Joaquine de Jesus, and Maria Luisa Pinto Carvalho; to the Committee on the Judiciary.

By Mr MARTIN of Iowa:

H. R. 7734. A bill for the relief of James Carroll; to the Committee on the Judiciary.

By Mr. NIXON:

H. R. 7735. A bill to authorize the Secretary of the Army to grant to the Southern California Edison Co. an easement and right-of-way for electric transmission line purposes in the Santa Fe flood-control basin and the San Gabriel River improvement, California; to the Committee on Armed Services.

By Mr. WHITE of Idaho:

H. R. 7736. A bill for the relief of Hans Hauser; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1991. By Mr. SMITH of Wisconsin: Resolution of Local No. 60 UAW-CIO, Racine, Wis., supporting and urging the adoption of H. R. 1380, the labor extension bill; to the Committee on Education and Labor.

1992. By the SPEAKER: Petition of Nettie R. Austin and others, Miami, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 16, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, once more a new day with its golden hours lies before us. We are grateful for a laboring place in thy vineyard.

In work that keeps faith sweet and strong Thou callest us to be fellow laborers with Thee.

In the midst of crushing cares and frenzied fears which characterize these troubled days, may the healing balm of Thy presence restore our jaded souls. Forgive the petulance of our impatience which is revealed in our discouragements, in our hasty judgments, in our childish outbursts, because the kingdom of love and justice and peace seems so long delayed. Strengthen us to play our part in the life of our times, to think clearly, to speak kindly, to act bravely, to walk in the light as Thou art in the light, to keep the faith, and at last to finish our course with the well done of the Master of all good workmen. We ask in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 15, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 4703) relating to the internal security of the United States, in which it requested the concurrence of the Senate.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Subcommittee on Labor Management Relations of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Agriculture and Forestry was authorized to meet during the sessions of the Senate for the remainder of this week and next week.

On request of Mr. LUCAS, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. FLANDERS was excused from attendance on the session of the Senate tomorrow.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Mundt
Brewster	Humphrey	Murray
Bricker	Ives	Myers
Bridges	Jenner	Neely
Butler	Johnson, Colo.	O'Conor
Byrd	Johnson, Tex.	O'Mahoney
Cain	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Dworshak	Langer	Sparkman
Ecton	Lehman	Stennis
Ellender	Lodge	Taft
Ferguson	Long	Taylor
Flanders	Lucas	Thomas, Okla.
George	McCarthy	Thye
Gillette	McClellan	Tobey
Graham	McFarland	Tydings
Green	McKellar	Watkins
Gurney	McMahon	Wherry
Hayden	Magnuson	Wiley
Hendrickson	Malone	Williams
Hickenlooper	Martin	Withers

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] is absent because of a death in his family.

The Senator from California [Mr. DOWNEY] and the Senator from Wyoming [Mr. HUNT] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Oregon [Mr. MORSE] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

REMOVAL OF SLUDGE IN THE DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2205) to authorize the Commissioners of the District of Columbia to provide for the removal of sludge, which was, on line 9, strike out "with or without competitive bidding."

Mr. KEFAUVER. Mr. President, by direction of the Committee on the District of Columbia, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

INVESTIGATION OF CRIME AND CRIMINAL ACTIVITIES

Mr. KEFAUVER. Mr. President, many leading citizens of Greater Miami, Fla., have organized the Crime Commission of Greater Miami and have given greatly of their time and money in an effort toward the elimination of crime in that section of the country. The committee, under the presidency of Jack R. Younger and under the supervision of Daniel P. Sullivan, operating director, has done much in the interest of law enforcement. The directors of the commission at its meeting on March 9, 1950, adopted a resolution in support of Senate Resolution 202, to authorize the Committee on the Judiciary of the Senate to investigate organized crime. I submit for appropriate reference the resolution adopted by the board of directors of the Crime Commission of Greater Miami, Fla., and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the Honorable ESTES KEFAUVER, United States Senator from Tennessee, has taken vigorous steps resulting in the Judiciary Committee of the United States Senate providing for a fund to be used for the purpose of investigating crime and criminal activities in the United States; and

Whereas the Crime Commission of Greater Miami believes that there is great and urgent need for a factual and searching investigation into crime in this country toward the anticipated end that such conditions may be eradicated in the public interest; and

Whereas the Crime Commission of Greater Miami has as its object the seeking of better law enforcement and more widespread respect for law; and has given its cooperation in the premises to Senator KEFAUVER: Now, therefore, be it

Resolved by the Board of Directors of the Crime Commission of Greater Miami in meeting assembled this 9th day of March 1950, That Senator KEFAUVER be commended for his timely and praiseworthy efforts toward such investigation, it being the conviction of said commission that such efforts and investigation are and will be for the permanent good of the law-abiding citizenry of this country; be it further

Resolved, That copies of this resolution be forwarded to Senator KEFAUVER, the President of the United States, the United States Senators from the State of Florida, and the local press.

Passed and adopted at Miami, Fla., this 9th day of March 1950.

THE CRIME COMMISSION
OF GREATER MIAMI,
By JACK R. YOUNGER, *President.*

WOOL SUPPORT PRICES

Mr. HICKENLOOPER. Mr. President, I am in receipt of a letter from M. Glen Birlingmair, general manager of the Iowa Sheep and Wool Growers Cooperative, Inc., of Des Moines, Iowa, under date of March 9, 1950, transmitting a resolution adopted by the Iowa Sheep and Wool Growers Cooperative at their 1950 annual meeting in Des Moines, relating to the method of determining wool-support prices for 1950. I ask unanimous consent that the letter and resolution be appropriately referred and printed in the RECORD.

There being no objection, the letter and resolution were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

IOWA SHEEP AND WOOL
GROWERS' COOPERATIVE,
Des Moines, Iowa, March 9, 1950.

Hon. BOURKE B. HICKENLOOPER,
United States Senate,
Washington, D. C.

DEAR SENATOR HICKENLOOPER: Enclosed herewith you will find a resolution which was unanimously adopted on March 7, 1950, by Iowa wool producers at their annual meeting in Des Moines. May I call your attention to the fact that in response to the request of Harry Reed recommendations from wool-producer groups were presented to the wool division as follows:

At Denver, Colo., December 6, 7, and 8, by National Wool Growers' Association.

At Boston, Mass., on December 12, by 22 State cooperatives through the National Wool Marketing Corp.

At Washington, D. C., on January 16, 1950, by the American Farm Bureau Federation, the Farmers' Union, the Pacific Wool Growers, the National Wool Marketing Corp., and the National Wool Growers' Association, with Howard Vaughn, of California, presenting definite suggestions for the 1950 wool program.

On that date it was understood that 90 percent of parity would be established as the basis for 1950 wool support price, and thus the average support price would be higher in 1950 than the 42.3 cents per pound used in 1949.

It now appears that very few of the suggestions made by wool-producer representatives have been adopted by the wool department in Washington, and that much of the value of the wool support-price program may be lost because of the plan to base the 1950 support prices, by grades, on the 1-year price relationship that existed during 1949—which was abnormally low on medium wool—rather than to base the support prices, by grades, on the 10-year average price which is the basis for parity.

Such action would be a severe blow to the wool producers in the fleece-wool States, such as Iowa, and would tend to further discourage sheep numbers, which are at an all-time low. We do not feel this was the intent of Congress in passing the Agricultural Act of 1949 and submit the enclosed resolution as evidence of our protest, and we will deeply appreciate any assistance you can give us in this matter.

Very truly yours,
M. GLEN BIRLINGMAIR,
General Manager.

The following resolution was presented at the annual meeting of the Iowa Sheep and Wool Growers Cooperative held at the Kirkwood Hotel, Des Moines, Iowa, on March 7, 1950:

"Whereas the February 23, 1950, release of the Bureau of Agricultural Economics indicates that the 1950 purchase price for the various grades of wool may be based on grade differentials established by market prices during 1949; and

"Whereas the 1949 prices on medium fleece wools were abnormally low, both because of slow demand and due to the sale of CCC wool of the medium grades at prices 4 or 5 cents below cost to the CCC, and also because of CCC disposal of medium-grade stock piles for previous years; and

"Whereas a large percent of the wool produced in Iowa is medium wool: Now, therefore, be it

"*Resolved,* That the Iowa Sheep and Wool Growers Cooperative in annual meeting assembled, representing about 8,000 wool producers, demand that the Production and Marketing Administration give a complete and impartial hearing to association representatives of the fleece-wool States and to the National Wool Marketing Corporation, before establishing any new method of determining wool-support prices for 1950."

Moved by Donald F. Pullin, Waterloo, seconded by Raymond Sayre, Ackworth, that the above resolution be adopted and copies sent to Iowa Congressmen, and wool officials in Washington. After a complete discussion, the resolution was unanimously adopted.

RECOMMENDATIONS OF WISCONSIN COMMITTEE ON HOOVER COMMISSION

Mr. WILEY. Mr. President, Wisconsin, like other States of the Union, is fortunate in having an active committee on Hoover Commission findings which is bringing to the attention of our people important facts on the significance of Government reorganization. I have previously placed in the CONGRESSIONAL RECORD resolutions sent to me by the Wisconsin committee. At this time, I have in my hand three additional resolutions adopted by the members of the committee and their alternates pertaining to legislation now pending before the Senate.

While there is a considerable amount of controversy involved in this reorganization legislation, I feel that my colleagues will want to give these various bills their very earnest attention, particularly in view of the staggering Government deficit now existing and the need for overhauling the obsolete structure of Uncle Sam's departments and agencies.

The Wisconsin Committee on Hoover Commission Findings contains a cross-section of leaders in labor, management, agriculture, women's, veterans', and related groups.

Moreover, as I have indicated, while there is a difference of opinion on several of the reorganization plans, there is no disagreement with them in any quarter on the need for greater economy and efficiency in Uncle Sam's sprawling 2,000,000-man establishment.

I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD and appropriately referred the text of three of the Wisconsin committee's resolutions received by me a few hours ago, followed by the names of the membership of that distinguished committee.

There being no objection, the resolutions were referred to the Committee on Expenditures in the Executive Departments, and the resolutions were ordered to be printed in the RECORD, together with the names of the membership of the committee, as follows:

Whereas the Hoover Commission has made recommendations for improving the budgeting and accounting system of the Federal Government; and

Whereas it has been recognized for a number of years that the Federal budgeting and accounting system should be modernized through installation of an up-to-date system; and

Whereas an integrated accounting system would provide tools of management which are indispensable to the Chief Executive, would provide information for more adequate financial reports to the Congress and the public, and would fix responsibility in the handling and use of Government funds which would strengthen postaudit functions; and

Whereas the taxpayers, who are the stockholders in the Nation's biggest business, have a right to expect that the financial operations of the Federal Government be handled in the most efficient manner; and

Whereas a performance budget and modern accounting system have been provided for in S. 2054: Now, therefore, be it

Resolved, That members of the Wisconsin Committee on Hoover Commission Findings do hereby go on record as favoring the adoption of S. 2054, as amended, relating to the modernization of the Federal budgeting and accounting system; and be it further

Resolved, That copies of this resolution be sent to all Members of Congress from the State of Wisconsin.

Whereas the Hoover Commission has pointed out that the Post Office Department now operates under 58 separate appropriations, each of which must be reviewed by the Department, approved by Congress and appropriated to individual post offices each quarter through the Bureau of the Budget; and

Whereas the audit of 42,000 post offices, currently conducted by the General Accounting Office, an independent agency, results in a 6 months' delay before the full report is submitted to the Postmaster General, preventing a businesslike financial check on post office functions; and

Whereas bills S. 2212 and H. R. 5775 would place the Post Office Department on a business basis, provide an improved system of budgeting, accounting, and auditing through transfer of accounting functions from the Comptroller General to the Postmaster General, and establish a postal revolving fund

to simplify the operation of the Department through the reuse of postal receipts: Now, therefore, be it

Resolved, That members of the Wisconsin Committee on Hoover Commission Findings go on record as urging the adoption of bills S. 2212 and H. R. 5775 to improve budgeting and accounting procedures within the postal department; and be it further

Resolved, That these measures are vital to a program of self-support for the Post Office Department; and be it further

Resolved, That copies of this resolution be sent to all Members of Congress from the State of Wisconsin.

Whereas one of the largest handicaps to efficiency within the Post Office Department is the political appointment by the President with consent of the majority of the Senate of first-, second-, and third-class postmasters; and

Whereas bill S. 2213 would provide that the Postmaster General appoint postmasters at post offices of all classes without term and under rules governing the classified civil service; and

Whereas the adoption of the bill would, in effect, place all postmasters under the merit system with resultant benefits of individual incentive and organizational efficiency; and

Whereas the passage of this measure would clearly demonstrate the sincere determination of the Congress to eliminate inefficiency and thus enable the American taxpayer to receive more for his tax dollar: Now, therefore, be it

Resolved, That the members of the Wisconsin Committee on Hoover Commission Findings go on record as urging the adoption of bill S. 2213 to establish merit as the criterion for all postmaster positions rather than political favor; and be it further

Resolved, That copies of this resolution be sent to all Members of Congress from the State of Wisconsin.

Adopted, Madison, March 9, 1950.

THE WISCONSIN COMMITTEE ON HOOVER COMMISSION FINDINGS, MADISON, WIS.

Walter J. Kohler, Jr., chairman; John A. Lawton, vice chairman; Mrs. R. J. Douglas, secretary; Gavin W. McKerrow, Dr. Carey Croneis, executive committee.

Mrs. E. D. Bixby, Rhinelander, treasurer, Wisconsin Federation of Women's Clubs.

Dr. Carey Croneis, Beloit, president, Beloit College.

Joseph Cutler, Milwaukee, president, Johnson Service Co.

Mrs. R. J. Douglas, Juda, leader in women's agricultural organizations.

Jerome Fox, Chilton, mayor, former member, State legislature.

George H. Haberman, Milwaukee, president, Wisconsin State Federation of Labor.

Walter J. Kohler, Jr., Kohler, president, the Vollrath Co., Sheboygan.

John A. Lawton, Madison, executive secretary and general counsel, Wisconsin State Federation of County and Municipal Employees.

John P. McGalloway, Fond du Lac, president, Wisconsin Bar Association.

Gavin W. McKerrow, Pewaukee, president, Golden Guernsey Dairy Cooperative.

Alex L. Nicol, Sparta, speaker, Wisconsin State Assembly.

Frank L. Panzer, Oakfield, president pro tempore, Wisconsin State Senate.

G. V. Rork, Eau Claire, president, Northern States Power Co.

Herman Steffes, Milwaukee, president, State CIO Council.

Robert E. Tehan, district judge.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on the District of Columbia:

H. R. 2554. A bill to amend the District of Columbia Credit Unions Act of 1932; without amendment (Rept. No. 1342); and

H. R. 4229. A bill to amend section 17 of the District of Columbia Alcoholic Beverage Control Act; without amendment (Rept. No. 1343).

By Mr. KEFAUVER, from the Committee on the District of Columbia:

S. 3176. A bill to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District; without amendment (Rept. No. 1344).

By Mr. SALTONSTALL, from the Committee on Armed Services:

H. R. 4316. A bill to repeal the authority to assess certain owners of nonmilitary buildings situated within the limits of the Fort Monroe Military Reservation, and for other purposes; without amendment (Rept. No. 1345).

By Mr. GURNEY, from the Committee on Armed Services:

H. R. 6171. A bill to authorize commissioned officers of the Army, Navy, Air Force, and Marine Corps to administer certain oaths, and for other purposes; with an amendment (Rept. No. 1346).

By Mr. CAIN, from the Committee on Armed Services:

H. R. 3205. A bill to provide an extension of the time for making application for terminal-leave pay; without amendment (Rept. No. 1348).

AMENDMENT OF CAREER COMPENSATION ACT OF 1949—REPORT OF A COMMITTEE

Mr. GURNEY. Mr. President, from the Committee on Armed Services, I report an original bill to amend section 415 of the Career Compensation Act of 1949, to extend the effective date of that section to December 31, 1950, and for other purposes, and I submit a report (No. 1347) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 3255) to amend section 415 of the Career Compensation Act of 1949, to extend the effective date of that section to December 31, 1950, and for other purposes, was read twice by its title, and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

S. 3253. A bill for the relief of Lyon F. Hibberd and the estate of George T. Erb; to the Committee on Armed Services.

(Mr. LEHMAN introduced Senate bill 3254, to provide for designation of the United States Veterans' Administration hospital at Buffalo, N. Y., as the "Buffalo Veterans' Memorial Hosptial," which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

(Mr. GURNEY, from the Committee on Armed Services, reported an original bill (S. 3255) to amend sec. 415 of the Career Compensation Act of 1949, to extend the effective date of that section to December 31, 1950, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

DESIGNATION OF VETERANS' ADMINISTRATION HOSPITAL AT BUFFALO, N. Y., AS BUFFALO VETERANS' MEMORIAL HOSPITAL

Mr. LEHMAN. Mr. President, I introduce for appropriate reference a bill to provide for the designation of the United States veterans' hospital at Buffalo, N. Y., as the Buffalo Veterans' Memorial Hospital. The designation would be in conformity with the desire of the common council of the city of Buffalo, which on January 10, 1950, memorialized the Congress of the United States to pass appropriate legislation giving this name to the veterans' hospital, and naming the wings of the hospital after Buffalo veterans who were winners of the Congressional Medal of Honor.

I have also received correspondence from the Ninth Infantry Division Association, greater Buffalo chapter, asking that the name of this hospital be the Buffalo veterans' hospital.

Mr. President, the city of Buffalo provided the land for the hospital and gave it gratis to the Federal Government. This certainly involves a moral obligation to name the hospital just as the officials of the city of Buffalo desire it.

I intend no disrespect for the late Walter Gresham Andrews who was a fine citizen and outstanding American, in memory of whom it has otherwise been proposed to name this hospital. I merely wish to support the desires of the citizens of the city in which this hospital will be located. I hope the Armed Services Committee will give favorable consideration to the bill.

The bill (S. 3254) to provide for designation of the United States Veterans' Administration hospital at Buffalo, N. Y., as the "Buffalo Veterans' Memorial Hospital," introduced by Mr. LEHMAN, was read twice by its title, and referred to the Committee on Labor and Public Welfare.

UNIFICATION OF IRELAND

Mr. LEHMAN. Mr. President, I submit for appropriate reference a resolution calling upon this body to express its sense that a plebiscite ought to be held to determine the sentiments of the people of Ireland toward the unification of their country.

The resolution (S. Res. 240), submitted by Mr. LEHMAN, was referred to the Committee on Foreign Relations, as follows:

Whereas the House of Representatives, Sixty-fifth Congress (1919), third session, by House Joint Resolution 357, duly passed a resolution declaring that the people of Ireland should have the right to determine the form of government under which they desired to live; and

Whereas, in the intervening 30 years, the people of Ireland have so determined, but the effect of their determination has been thwarted, and they have, in fact, been deprived of the right to the form of government under which they desire to live; and

Whereas 26 of the 32 counties of Ireland have been successful in obtaining international recognition for the Republic of Ireland which has, as its basic law, a constitution modeled upon our own American Constitution: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Republic of Ireland should embrace

the entire territory of Ireland unless the clear majority of all of the people of Ireland, in a free plebiscite, determine and declare to the contrary.

HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 4703) relating to the internal security of the United States, was read twice by its title, and ordered to be placed on the calendar.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. NEELY, from the Committee on the District of Columbia:

Kenneth W. Spencer, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for the remainder of the term expiring June 30, 1950.

NECESSITY FOR CONSTRUCTION OF ST. LAWRENCE SEAWAY TO MEET CRITICAL IRON-ORE SITUATION—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him relative to the necessity for the construction of the St. Lawrence seaway in order to meet the critical iron-ore situation, which appears in the Appendix.]

THE BYRD COMMITTEE—ADDRESS BY SENATOR MARTIN

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD a radio address entitled "Happenings in Washington," delivered by Senator MARTIN on March 12, 1950, dealing with the work of the Joint Committee on Reduction of Nonessential Federal Expenditures, which appears in the Appendix.]

THE AMERICAN WAY—ADDRESS BY OTTO E. KOEGEL

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address entitled "The American Way," delivered by Otto E. Koegel, a member of the New York Bar, at the American University, Washington, D. C., on February 23, 1950, which appears in the Appendix.]

KERR NATURAL-GAS PROPOSAL—LETTER FROM EMBY KAYE, OF TULSA, OKLA.

[Mr. KERR asked and obtained leave to have printed in the RECORD a letter written by Emby Kaye, of Tulsa, Okla., dealing with the Kerr natural-gas proposal, and published in today's Washington Post, which appears in the Appendix.]

CIVIL RIGHTS—STATEMENT OF MEMBERS OF THE ROUND THE WORLD TOWN MEETING OF THE AIR SEMINAR

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a statement addressed to the Eighty-first Congress by a group of citizens who were members of the Round the World Town Meeting of the Air Seminar, which appears in the Appendix.]

DISABILITY INSURANCE—LETTER FROM HENRIETTE C. EPSTEIN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a letter regarding disability insurance, addressed by Mrs. Abraham Epstein, to the editor of the New York Times and published in the issue of the Times of February 21, 1950, which appears in the Appendix.]

GAS BARRAGE—EDITORIAL FROM THE WASHINGTON POST

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an editorial entitled "Gas Barrage," from the Washington Post of March 16, 1950, which appears in the Appendix.]

BRITISH NATIONAL HEALTH SERVICE—AN EDITORIAL

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Never Take This Road," published in the Washington (Pa.) Reporter on Thursday, March 9, 1950, which appears in the RECORD.]

RED HERRINGS—EDITORIAL FROM THE DAILY LEADER, MADISON, S. DAK.

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "The Crawl Stroke," published in the Daily Leader, of Madison, S. Dak., on March 1, 1950, which appears in the Appendix.]

EXCISE TAXES—STATEMENT BY SENATOR BUTLER

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a statement, relating to changes in excise taxes, made by him before the Committee on Ways and Means of the House of Representatives on March 3, 1950, which appears in the Appendix.]

RURAL ELECTRIC COOPERATIVES—EDITORIAL FROM THE OMAHA DAILY JOURNAL-STOCKMAN

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "Supporting Electric Cooperatives," from the Omaha Daily Journal-Stockman of March 14, 1950, which appears in the Appendix.]

SALE OF COCA-COLA IN FRANCE—STATEMENT BY JAMES A. FARLEY

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a statement issued by Hon. James A. Farley, chairman of the board of the Coca-Cola Export Corp., regarding the sale of Coca-Cola in France, which appears in the Appendix.]

BOARD OF ANALYSIS FOR ENGINEERING PROJECTS

Mr. O'MAHONEY. Mr. President, yesterday I submitted and asked to have printed an amendment which I propose to offer at the proper time to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. At the time I submitted the amendment I issued a press statement. I ask unanimous consent that the text of the amendment, and my explanatory statement, may be printed in the body of the RECORD.

There being no objection, the amendment and explanatory statement were ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, viz: At the end of the bill add a new title, as follows:

"TITLE III—BOARD OF ANALYSIS FOR ENGINEERING PROJECTS

"SEC. 301. No budget estimate shall be transmitted to the Congress with respect to any project or modification of a project, or any preliminary examination and survey with respect to any project or modification of a project, adopted or authorized under this act, until such project, modification, or examination and survey shall have been approved by the Board of Analysis for Engineering Projects established under section 302.

"SEC. 302. (a) There is hereby created in the Executive Office of the President a Board of Analysis for Engineering Projects. The Board shall be composed of five members who shall be appointed by the President from among persons of outstanding ability, experience, and attainments in the engineering fields. The members of the Board shall receive compensation at the rate of $15,000 per annum.

"(b) It shall be the duty of the Board, under the direction and control of the President, to make investigations, analyze and report with recommendations on all contemplated major public projects involving flood control, water supply and development, irrigation, reclamation, rivers, harbors, and canals, and on all contemplated major public, quasi public, and mixed hydroelectric power development projects. Such investigations, analyses, and reports shall include, in addition to the engineering aspects of the projects, consideration of the property of the projects and their economic feasibility and benefit to the public, particularly in relation to their ultimate costs.

"(c) The various departments, agencies, and establishments of the Government are directed to cooperate with the Board in the performance of its duties under this section.

"(d) There is hereby authorized to be appropriated the sum of $150,000 annually to carry out the provisions of this title."

BOARD OF ENGINEERING ANALYSIS

STATEMENT BY SENATOR O'MAHONEY

One of the most significant recommendations of the Hoover Commission for the promotion of economy in Government administration was that there should be established in the Office of the President a special board of analysis for engineering projects to review, as to feasibility, all water-development projects. The purpose of this commission was to afford an opportunity for a group of qualified high-ranking engineers, independent of any bureau or agency affiliations, to examine the proposed plans of construction before authorization.

This was a part of the general recommendation of the Hoover Commission that the Bureau of Reclamation and Army engineers should be combined in one agency. This recommendation is now under study by the President and the Bureau of the Budget, but it is evident there can be no action prior to the consideration of the pending rivers and harbors bill. This measure, as recommended by the Public Works Committee, contains 23 major projects and 21 inland-harbor projects, the total estimated cost of which would be approximately $1,500,000,000. The bill authorizes appropriations for the immediate expenditure of a quarter of a billion dollars on the 23 projects. The Committee on Interior and Insular Affairs has recommended an amendment to provide for Bureau of Reclamation development in the Columbia River Basin and to establish a Columbia Basin account, to which will be accredited the revenues to be derived in the future from the power projects authorized to be constructed by the Army engineers and the Bureau of Reclamation. There are 13 reclamation and power projects included in this amendment to be constructed by the Bureau of Reclamation at a cost of $413,000,000.

The total estimated cost of the Army engineers' projects and the Bureau of Reclamation projects contained in this bill, together with projects in this area which have heretofore been authorized, will probably exceed $4,000,000,000.

Water development is essential. Flood control, power, irrigation, reclamation, and

similar projects are productive of wealth and should not be abandoned.

It has seemed to me highly desirable to progress that before any estimates are submitted for the construction of these projects they should be subjected to the impartial review recommended by the Hoover Commission.

There has been a record of competition, of overlapping, and of wasteful expenditure in water-development projects, which, if the proper utilization of our water resources is to be effected must be eliminated. I believe the establishment of the independent board of analysis is an essential first step.

I am therefore offering an amendment which will prohibit the Bureau of the Budget from submitting any estimates until a report has been received from the Board of Analysis, the establishment of which is also provided in the amendment.

AMERICAN CIVIL LIBERTIES UNION—OPINION ON S. 2311

Mr. LANGER. Mr. President, last week I filed minority views of the Committee on the Judiciary on the Mundt-Ferguson, Johnston bill, S. 2311. I ask unanimous consent to have printed in the RECORD an opinion on the bill written by Arthur Garfield Hays, general counsel of the American Civil Liberties Union, setting forth reasons why the bill should not be passed.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

MEMORANDUM WITH REGARD TO S. 1194, AS REPORTED TO THE COMMITTEE ON THE JUDICIARY OF THE SENATE OF THE UNITED STATES

The American Civil Liberties Union is unalterably opposed to any denial of civil liberties, and is therefore opposed to any denial of civil liberties which may masquerade under the term of communism. We have no sympathy or association with communism. We oppose Communist deception and infiltration. And we also oppose S. 1194 and S. 1196 primarily on the ground of unconstitutionality, as a bill of attainder which is likewise a serious violation of freedom of speech and thought, and as a bill which will in effect aid a Communist denial of civil liberties by making martyrs of Communists, driving them underground, with resultant greater chances of success on their part than ever before.

S. 1196, introduced by Senator FERGUSON, is so similar to Senator MUNDT'S bill, S. 1194, that it needs no separate analysis. The major points wherein it differs from S. 1194 will be indicated by footnotes. All that follows will be devoted to an analysis of S. 1194.

1. As has already been stated, the bill would have the inevitable effect of driving the Communist movement underground. Communists have already announced that they would not comply with the provisions of this bill. Such noncompliance would, of course, drive Communists to seek refuge in underground activities. Furthermore, we believe that there are adequate laws now on the statute books to combat any clear and present danger from communism, which is all the proponents of this bill seek to safeguard against. Among these are the Espionage Act, operative only in time of war (50 U. S. C. A. 33), the Peace Time Sedition Act (18 U. S. C. A., secs. 9 to 13), the Subversive Organizations Registration Act (18 U. S. C. A., secs. 14 to 17), and the Foreign Agents Registration Act (22 U. S. C. A., secs. 611 to 621).

2. While we are strenuously opposed to the views of those who would be immediately affected by S. 1194, we must recognize the perils to which legislation of this type would expose the whole Nation.

Today Communists are condemned as un-American because their motives are suspected; and so, if S. 1194 were to become law, those who furthered the Communists' program would be penalized. What of tomorrow? May the Congress of some future day conclude that other political faiths are equally un-American and subversive and must, therefore, be subjected to restraints and penalties? Can we safely accept the proposition that the advocacy of ideas may be forbidden, without reference to specific acts of a criminal nature? We think that our whole constitutional development shows that actions, not beliefs or ultimate goals, must be the sole tests of legality.

Chief Justice Hughes declared a decade ago: "The greater the importance of safeguarding the country from incitements to the overthrow of our institutions by force and violence, the more imperative is the need to preserve inviolate the constitutional rights of free speech, free press, and free assembly in order to maintain the opportunity for free political discussion, to the end that Government may be responsive to the will of the people and that changes, if desired, may be obtained by peaceful means. Therein lies the security of the Republic, the very foundation of constitutional government." (*De Jonge* v. *Oregon* (299 U. S. 353, 365).) These words have apt application to the present problem. If it be true, as S. 1194 seeks to declare, that our American institutions are threatened by advocacy of a totalitarianism alien to our traditions, we must meet the threat not by direct or indirect repression, but by the free political discussion which is the very cornerstone of democracy. And in this connection it is well to recall Mr. Justice Jackson's observation that "freedom to differ is not limited to things that do not matter much. That would be a mere shadow of freedom. The test of its substance is the right to differ as to things that touch the heart of the existing order" (*Board of Education* v. *Burnette* (319 U. S. 624, 642)).

3. The bill has two major objectives. It imposes criminal sanctions for a large number of activities; it seeks to compel the registration of certain kinds of Communist organizations. Before considering the provisions of the bill in detail we wish to point to two underlying aspects which in our opinion render most of its provisions unconstitutional: (1) the definitions of the bill, and (2) the fact that determination of the basic issue in regard to the character of the organization is left to the Subversive Activities Commission rather than to the courts.

There are two basic terms in the bill—"Communist political organization" (sec. 3-3) and "Communist-front organization" (sec. 3-4). Neither is defined with sufficient precision. It would appear also that a finding could be based on any one of criteria set forth in section 14. In the case of political organizations, the criteria is control by a foreign government or political organization, plus operation "primarily to advance the objectives of the world Communist movement." Either criterion can be determined on the basis of a series of considerations set forth in section 14, many of them wholly unrelated and entirely unlawful. Among those mentioned are the extent of nondeviation of its views and policies from those of foreign Communist governments and organizations and the extent to which the organization resists the efforts to obtain information with regard to its membership. Included are also matters more directly connected with control by a foreign government.

In the case of front organizations, the criterion is either control by a Communist political organization or a finding that the suspected front is primarily operated to give aid to a Communist political organization, a Communist foreign government, or the world Communist movement. Either of these criteria can be established on the basis of the identity of persons active in management, the sources or use of funds, and the positions taken by the organization on matters of policy.

We submit that such catch-all definitions transgress the requirements of certainty imposed by the due-process clause and operate as a serious impairment of freedom of speech and association. (See *Winters* v. *New York* (68 Sup. Ct. 665).)

4. The foregoing is rendered even more objectionable by the fact that the Government may be able to avoid offering proof before a judge and jury that the suspected organization comes within the category of the law. For the bill in its registration provisions (sec. 7) compels action by an organization designated as coming within the scope of the law by the Subversive Activities Commission under the administrative provisions of section 14. Moreover, failure to register is then a crime (sec. 16). (It is not clear whether it is criminal to fail to register before a formal designation is made.) Membership in an organization that has not registered is then a crime (sec. 10). Use of the mails or instrumentalities of interstate commerce or of the radio is a crime unless accompanied by a statement that a Communist organization is responsible for the utterance (secs. 11 and 16 (c)).

Since it is contemplated that the Subversive Activities Commission will determine which organizations are within the scope of the law, the Government may contend in a prosecution under the law that it need only show failure to register, failure to label speeches or printed matter or continuance of membership, and that the order of the Subversive Activities Commission if upheld on appeal is conclusive. That we submit is in violation of the provisons of the sixth amendment which guarantees trial by jury and a right of confrontation of witnesses (*Kirby* v. *United States* (174 U. S. 47)).

5. Section 4 creates criminal penalties wholly independent of the two types of organizations we have been discussing. Any conspiracy or agreement to perform any act which would substantially facilitate or aid in the establishment of a "totalitarian dictatorship" is punished by a possible fine of $10,000 or imprisonment for 10 years, plus ineligibility for public office, provided the dictatorship is under the control of a foreign government or individual. Domestic efforts to produce totalitarianism are left untouched. The bill quite plainly is aimed at every effort in this direction and is not limited to acts of violence and to overt acts at all. For it expressly punishes an agreement to do any act which would substantially "facilitate or aid" the establishment of such a dictatorship. The last clause of this section contains the unusual provision that a prosecution under it shall never be barred by limitations.

There is now a definition as such of what constitutes "totalitarian dictatorship," lacking in last year's Mundt bill. But beyond that, it is quite clear that this provision on its face is not applicable to acts alone, but to speech and publication as well. It is hard to imagine phrases broader than those used as a method of criminal liability, except perhaps the phrase used last year, i. e., "in any manner." In *Winters* v. *New York*, the Court said: "A statute so vague and indefinite, in form and as interpreted as to permit within the scope of its language the punishment of incidents fairly within the protection of the guarantee of free speech is void on its face."

As to the rest of section 4, it is so vague that one would not know with any certainty what actions would subject one to criminal liability. What exactly is prohibited in the injunction against "knowingly to combine, conspire, or agree[1] with any other person to perform any act which would substantially facilitate or aid in the establishment of a totalitarian dictatorship"? If a group files a brief amicus in the trial of the Communist leaders in New York and helps secure their acquittal, is this an agreement or combina-

[1] S. 1196 omits the words "or agree."

tion which would aid such an establishment? Note that there is not even a requirement of intent—it is sufficient if the agreement aids the establishment. Is an attorney who defends a Communist in a political trial guilty under this section? Where is the line to be drawn? As stated in the *Winters* case, supra, "where a statute is so vague as to make criminal an innocent act, a conviction under it cannot be sustained. (*Herndon* v. *Lowery* (301 U. S. 242, 259.") See also *Stromberg* v. *California*, (283 U. S. 359, 369.)

Finally, this section would even outlaw a proposal to amend the Constitution to establish a totalitarian dictatorship.

6. Section 5 prohibits employment in the service of the United States, excepting only for elective offices, of any person who is a member of a Communist political organization.

We have consistently opposed the blanket prescription of persons from Government service merely because of their affiliations. They may be totally out of sympathy with the subversive policies of that organization, or may have joined because of personal reasons. We find no justice in the broad scope of this bill whatever may be the question of its constitutionality.

7. Section 6 forbids the issuance of passports to members of such a political organization. We have always been of the opinion that there should be as few restrictions as possible on travel both into and out of the United States. We see no justification for the restrictions here imposed.

8. The registration requirements of section 7 require the annual listing of officers and an accounting of receipts and activities with a statement of the sources of funds. The Attorney General is authorized to specify the details. These are required of both types of organizations. Political but not front organizations must also list annually the names and addresses of members. The Attorney General is required to notify any individual listed as a member.

Section 9 provides that the registration data is available for public inspection and that the Attorney General should annually submit to Congress a list of organizations and of the data given, including names of members.

We are of the opinion that these registration provisions, as well as the provision of section 11, which require the labeling of all material circulated by either of these organizations, are serious impairments of speech and association, and that they fall within the ban of the principles laid down in a host of Supreme Court decisions. We wish only to call specific attention to Judge Rutledge's statement in *Thomas* v. *Collins* (323 U. S. 516) where he said:

"As a matter of principle, a requirement of registration in order to make a public speech would seem generally incompatible with the exercise of free speech and free assembly."

9. The administrative provisions call for little comment. Section 14 requires full hearing, with provision for subpenas, before any determination by the Subversive Activities Commission. The Commission must make written findings. An organization which has registered may apply for a determination that it does not come within the law and that its registration be canceled.

Section 15 allows judicial review by the Court of Appeals of the District of Columbia with final review by the United States Supreme Court. The findings of the Commission are to be conclusive if supported by the preponderance of the evidence.[2] We have no criticisms of these provisions, except as indicated above. We oppose the possibility of a finding by the Commission which may be conclusive in a criminal prosecution against an individual.

10. Permeating the bill are two concepts, the unconstitutionality of which cannot be doubted.

(a) The proposed bill imposes disabilities merely on the basis or organizational affiliation and not on the basis of personal illegal acts.

In recent years no doctrine has been more bitterly attacked than the several legislative and executive attempts to impose guilt by association. Prof. Zechariah Chafee, Jr., in his Free Speech in the United States (1941) poignantly illustrates the dangers and absurdities of the doctrine (pp. 470–484).

Under section 10, a member of a Communist political organization may go to jail for 5 years merely for belonging to such a group if it has not registered. The default of the organization in failing to comply with the law is imputed to each member, thereby resulting in the commission of a separate crime by each member for further adherence to the organization. As Mr. Justice Jackson stated, "if any fundamental assumption underlies our system, it is that guilt is personal." *Korematsu* v. *U. S.* (323 U. S. 214). Section 10 is therefore unconstitutional. See Mr. Justice Murphy in *Bridge* v. *Wilson* (326 U. S. 135).

(b) The proposed legislation imposes disabilities by legislative proscription rather than by judicial trial and hence is unconstitutional as a bill of attainder.

A bill of attainder is defined as a legislative act which inflicts punishment without a judicial trial. *Cummings* v. *Mo.* (4 Wall. 277). The present bill constitutes a congressional determination that in effect all members of a Communist political organization are automatically subjected to certain penalties merely by the fact of membership. The bill by the registration provisions removes the right of privacy from them. They may not obtain or seek privileges, such as passports or Federal jobs, to which other persons are eligible. It is hard to see a distinction between a statute prescribing certain oaths as a condition to practice law in the Federal courts and a statute such as the one under consideration. If the Supreme Court has ruled the former unconstitutional because of some presumption of guilt which would be the basis for the denial of the privilege, then the latter, which does not merely presume guilt but finds it conclusively, must also fall. *Cummings* v. *Mo.*, supra; *Ex parte Garland* (4 Wall. 333), and see as particularly in point, *United States* v. *Lovett* (328 U. S. 303, 315, 317).

We do not doubt furthermore, that while Congress may define conspiracy, it is the responsibility of the courts alone to decide what groups fall within the definition. The definition of a Communist political organization is an ill-disguised method to define the Communist Party as an international conspiracy. The use of the term "Communist" brings the statute within the Lovett case's dictum that "legislative acts, no matter what their form, that apply to named individuals or to easily ascertainable members of a group * * * are bills of attainder." *United States* v. *Lovett*, supra, 315.

11. We think that it is sufficiently clear that registration of an organization found by the Attorney General to be a Communist political organization, would automatically subject officers and members of the group to the criminal provisions under section 4. Thus, under the bill, compliance with the law automatically is prima facie evidence of commission of a crime. This legal paradox is merely one indication of the dangers inherent in the bill. This conclusion is reached by the following analysis.

Under section 7, Communist political organizations are required to register with the Attorney General. Such groups are defined in section 14 on the basis of some or all of the following considerations, e. g., the extent and nature of its activities, including the expression of views and beliefs or the extent to which its policies are under the "direction and control of the world Communist movement as defined under section 2 of the act." In section 2, there is a congressional finding that the world Communist movement exists to "establish a Communist totalitarian dictatorship in all countries of the world." Under section 4A, it is made unlawful to agree to perform any act which would facilitate or aid in the establishment within the United States a "totalitarian dictatorship under the control of a foreign government." Thus, it is clear that registration of an organization, if not conclusive, would be at least prima facie evidence that its members are guilty of a substantive crime. Clearly the act in this manner establishes guilt by association, a concept held illegal by the Supreme Court. (See *Kotteakos* v. *U. S.* (328 U. S. 750).)

12. Any registration required by the Attorney General of a Communist political organization because of its views and policies (sec. 14 (e) (1)) or because of the alleged identity of its views with a foreign government or organization (sec. 14 (e) (2)) would seem to be a clear violation of the constitutional principle against prior restraints on beliefs or opinions.

(a) There would seem to be great doubt whether organizations may be subject to special treatment by law because of views alone. Certainly, it would not be maintained that a statute subjecting an organization to criminal penalties merely because of its beliefs, in the absence of any acts on its part, would be constitutional. (See *De Jonge* v. *Oregon*, supra, *Taylor* v. *Mississippi* (318 U. S. 583).) Registration which is akin to licensing would similarly seem to fall within the constitutional ban. (See various Jehovah's Witnesses leaflet cases, e. g., *Lovell* v. *Griffin* (303 U. S. 444), *Schneider* v. *Irvington* (308 U. S. 147), and *Murdock* v. *Pennsylvania* (319 U. S. 105).)

(b) Under section 11, organizations which are registered may not use the mails unless the material is identified. There is thus a double violation of the rule against prior restraints. Compare the Collins case, mentioned on page 8 of our memorandum, which, we believe, correctly states the law.

(c) Proposals for disclosure may be sustained where related to some Federal function, such as special postal rates or identification of foreign agents. But in no law covering such cases have specific groups or organizations easily identified been singled out for special treatment. This, we believe, is not only sound public policy but good constitutional law.

[2] The Ferguson bill, in effect, would require only support by substantial evidence.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. JOHNSON of Colorado. Mr. President, Senate bill 1498, to amend the Natural Gas Act of 1938, was introduced on April 4, 1949, by the senior Senator from Oklahoma [Mr. THOMAS] and the junior Senator from Oklahoma [Mr. KERR]. It was referred to the Senate Committee on Interstate and Foreign Commerce, and on May 5, 1949, I appointed a subcommittee to consider it. The subcommittee consisted of the junior Senator from Texas [Mr. JOHNSON], chairman, and the Senator from Pennsylvania [Mr. MYERS], the Senator from Arizona [Mr. MCFARLAND], the Senator from Ohio [Mr. BRICKER], and the late Senator Reed, of Kansas. The subcommittee held 7 days of searching hearings in May and June 1949. The printed

volume comprises more than 500 pages of testimony and exhibits.

On June 13, 1949, the subcommittee rewrote Senate bill 1498 and reported it favorably to the full committee by the unanimous vote of 5 to nothing. As amended by the subcommittee, the bill differed substantially from the original Kerr bill. On June 22, 1949, by a vote of 7 to 5, the full committee ordered the subcommittee substitute reported favorably to the Senate, and on June 24, 1949, that was done. The committee report, Senate Report No. 567, was printed in the hearings, page 512, for the convenience and information of the Senate.

I wish to make it clear that our committee has given this matter long and serious and studious consideration.

The committee feels that it is necessary now to adopt an amendment to the Natural Gas Act of 1938 in order to eliminate the confusion which exists in the Federal Power Commission and in the natural-gas industry with respect to the interpretation of the Natural Gas Act and the jurisdiction of the Federal Power Commission thereunder, following the Supreme Court decision in the so-called *Interstate Natural Gas Co. case,* (331 U. S. p. 682.) The full text of the Supreme Court's decision appears in the printed hearings on page 508. Section 1 (b) of the Natural Gas Act of 1938 spells out the transportation and sales to which the act applies, and contains an exemption phrase specifically exempting from regulation all other transportation and sales, and specifically the production or gathering of natural gas. Mr. President, I wish to stress the phrase "production or gathering of natural gas." The language of section 1 (b) of the act seems conclusive; and from a careful review of the debate when the 1938 act was before the Senate, I am certain that Congress intended to exempt the production or gathering of natural gas from Federal regulation. Mr. President, I may say that I was in the Senate at that time; I was a member of the Interstate Commerce Committee, as it was called in those days; and I am familiar with the legislative consideration of the Natural Gas Act of 1938, from its inception.

Ever since the Natural Gas Act has been on the statute books—approximately 12 years—the Federal Power Commission has interpreted it to mean that the Commission does not have jurisdiction over arm's-length sales of natural gas by independent producers and gatherers. Then in 1947 came the Supreme Court decision which has been and is the subject of wide and varied interpretation. By many it was construed to mean that the Commission had incorrectly interpreted and administered the phrase in section 1 (b) exempting "the gathering or production of natural gas."

The Federal Power Commission clarified the situation temporarily by issuing this public statement on August 7, 1947:

> The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertion of jurisdiction by the Commission under the Natural Gas Act.

That is Federal Power Commission Order No. 139.

Then came the reversal. Three members of the Federal Power Commission threatened to assume jurisdictional authority over the independent producers and gatherers of natural gas.

This threat has spread confusion and has created uncertainty, not only throughout the natural-gas industry, but also in the minds of the regulatory commissions of the States. Many Members of Congress, too, have felt that it not only would be directly contrary to the intent of Congress as expressed in the Natural Gas Act, but would be an unwarranted usurpation of legislative authority by an administrative agency.

A substitute is now proposed for Senate bill 1498, as amended by the Senate Interstate and Foreign Commerce Committee.

I am speaking now of the bill which was reported to the Senate by the Committee on Interstate and Foreign Commerce. The substitute would eliminate all confusion by giving the Federal Power Commission definite and clear-cut standards to follow in its administration of the law.

Mr. President, I emphasize that point for the reason that I wish the Senate to know that the Members of the Senate who have been interested in the enactment of this measure have left no stone unturned to make it as acceptable to the consumers of gas and to the people we represent here as it is possible to make it. The sponsors of this proposed legislation have been anxious to clarify—that is the object of the amendment, in the first place—and not to further confuse the matter. So they have been very diligent. They did not stop until they had made every effort to make the amendment, which will be before the Senate when the substitute is offered, just as protective as it is possible to make legislation of this kind.

An excellent legislative history of the Natural Gas Act may be found in the brief filed with the Federal Power Commission by the National Association of Railroad and Utilities Commissioners in the Columbian Fuel Corp. case back in 1940. The brief appears in the printed hearings on Senate bill 1498 at page 481. I hope all Senators will take the time to read it, because it clearly shows that in the 1938 act Congress did not intend to regulate the independent producers and gatherers. I particularly call to the attention of the Senate the portion of the brief—it appears at page 490 of the hearings—which quotes the distinguished former chairman of the committee, former Senator Burton K. Wheeler, of Montana. He handled the original Natural Gas Act on the floor of the Senate, and he made those very significant and revealing statements as to the intent of the bill with respect to producers and gatherers. In response to questions propounded by former Senator Austin, of Vermont, Chairman Wheeler said:

> It—
>
> Meaning the Gas Act of 1938—
>
> does not attempt to regulate the producers of natural gas or the distributors of natural gas, but only those who sell at wholesale in interstate commerce. It is limited to transportation in interstate commerce, and it affects only those who sell gas at wholesale.

The State commissions, in support of their contention that the producers and gatherers were not intended to be covered by the act, make the very telling point that not a single producer or gatherer not engaged in the transportation after the gas left the gathering lines, appeared at the hearings on the bill.

Mr. KEM. Mr. President, will the Senator from Colorado yield, or does he prefer not to yield for questions during the course of his remarks?

Mr. JOHNSON of Colorado. I am glad to yield.

Mr. KEM. I should like to ask the Senator whether the present Natural Gas Act, as construed by the Supreme Court of the United States in the Interstate Natural Gas Co. case, does not cover the authority to fix the price of those who sell at wholesale in interstate commerce, as referred to in the language of Senator Wheeler, which the Senator from Colorado has just quoted? In other words, if a producer in the field sells to a pipe-line company for the purpose of transportation in interstate commerce, is not that a sale at wholesale in interstate commerce?

Mr. JOHNSON of Colorado. No; of course, it is not.

Mr. KEM. Why is it not?

Mr. JOHNSON of Colorado. It is not at all a sale at wholesale. It cannot be so considered.

Mr. KEM. Why not?

Mr. JOHNSON of Colorado. Because it is not a wholesale sale.

Mr. KEM. A sale at wholesale is a large quantity sale, is it not?

Mr. JOHNSON of Colorado. The Senator may have the definition. I would have to say it is not a wholesale sale.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Colorado yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Texas?

Mr. JOHNSON of Colorado. I yield.

Mr. JOHNSON of Texas. I may say, commenting on the question asked by the Senator from Missouri, that the Senate, in all fairness, should know that the contention is made by the proponents of the Olds plan that the word "wholesale" can be stretched back to the original producer. Mr. Olds, after changing his mind in 1947, conceived it as a possible loophole. For 10 years he had quoted the decision from which the Senator is reading. But after he changed his mind, he interpreted a producer's original sale within a State as wholesale. That, however, was not the interpretation given to "wholesale sales" in the House committee, on the House floor, in the Sen-

ate committee, or on the Senate floor. I invite the attention of the Senator from Colorado to the question asked by the eminent former Senator, Mr. Austin, of the chairman of the committee, when the original legislation was being debated. Mr. Austin asked:

Is the bill limited in its scope to the regulation and transportation?

The reply of Senator Wheeler, chairman of the committee, was:

Yes. It is limited to transportation in interstate commerce, and it affects only those who sell gas wholesale.

The producer sells to the transporter. The transporter transports it, and then makes a wholesale sale—not a retail sale, but a wholesale sale—at the city gate; and that is what is called a wholesale sale. It is the only sense in which the term "wholesale sale" was used in all the hearings, in all the legislative history, and in all the decisions of the Commission and of the Court, except in one instance, and that was by authority of the Olds plan, and of Mr. Olds himself, who was trying to find a loophole.

Mr. KEM. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KEM. I do not think we have to do here with any interpretation placed on the law by Mr. Olds. Let us not try Mr. Olds. Senators have tried him once. Let us deal with the law as interpreted by the Supreme Court of the United States.

Mr. JOHNSON of Colorado. We did not try Mr. Olds.

Mr. KEM. The Supreme Court of the United States, in the Interstate Gas Co. case, has interpreted the law. It says the Natural Gas Act has to do with and covers the sale by producers in the field to distributors in interstate commerce. I see no reason for dragging Mr. Olds' name into this affair.

Mr. JOHNSON of Colorado. Mr. President, I refuse to yield further, if the Senator does not show the ordinary respect when he interrupts.

The PRESIDING OFFICER. The Senator from Colorado declines to yield further to the Senator from Missouri.

Mr. JOHNSON of Colorado. We are not trying Mr. Olds. Mr. Olds was in charge of the Federal Power Commission as Chairman, and he had a duty to perform. I presume he performed it. We have a right to discuss Mr. Olds' administration without any trial. It is not a trial.

To proceed with my statement, Mr. President, not a single producer or gatherer not engaged in the transportation after the gas had left the gathering lines, appeared at the hearings on the bill. Had they thought it affected them, we may be very certain they would have been here, and would have been here in numbers. They are alert, and they certainly are going to protect their interests if it is possible for them to do so. But they relied upon the statements which were made in the hearings, statements which were made on the floor of the Senate and in the House of Representatives; and they did not appear. They did not testify, for the simple reason that they understood the bill did not apply to them. They relied upon the explicit declaration of the Solicitor of the Federal Power Commission, who was loaned as an aid to the House committee, that production and sales of producers and gatherers were not within the application of the bill. A full discussion of the association's position on this point and its conclusions appear in the hearings at pages 491 and 492.

In its administration of the Natural Gas Act for a period of 11 years prior to 1949, the Federal Power Commission repeatedly declared and held that it had no jurisdiction, and would exercise no jurisdiction, over the arm's-length sales of natural gas by independent producers and gatherers. The substitute for Senate bill 1498 redeclares this policy, and it does nothing else.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. JOHNSON of Texas. The Senator from Colorado speaks of the position reiterated by the Power Commission time and time again. Since the eminent Senator from Missouri has quoted the Supreme Court in the Interstate case, I wonder whether the Senator from Colorado does not remember that, in that case, the Federal Power Commission, in the brief filed before the Court, took the position that it had no jurisdiction over producers and gatherers?

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I yield.

Mr. DOUGLAS. I should like to ask, whatever position may have been taken in the brief, is it not a fact that the Supreme Court, in the Interstate Gas Co. case, which involved a company engaged in selling gas, and three pipe-line companies, said:

We have no doubt that the sales are in interstate commerce.

I quote from the opinion of the Supreme Court. It was the unanimous opinion, handed down by Chief Justice Vinson.

Mr. JOHNSON of Colorado. I should like to ask whether Congress makes the laws, or whether the Supreme Court does?

Mr. KEM. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Colorado yield, and if so, to whom?

Mr. JOHNSON of Colorado. I yield first to the Senator from Illinois, for a question.

Mr. DOUGLAS. Is it not true that the Natural Gas Act itself gives to the Commission the power to regulate the sale of gas in interstate commerce? That is explicitly provided in the act.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Oklahoma.

Mr. KERR. I would like to call the Senator's attention to the language of the act having to do with interstate sales, wherein the act does not say it applies to the sale of natural gas in interstate commerce. It says it applies to the sale of natural gas in interstate commerce for resale for ultimate public consumption—tying the resale to the ultimate public consumption of it, in order to make it perfectly clear that it did not apply to it when it was limited only to a mere sale in interstate commerce.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Illinois.

Mr. DOUGLAS. Section 1 (b) reads:

The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use.

Mr. KERR. Did the Senator find a comma in the last phrase?

Mr. DOUGLAS. I find a comma after "domestic."

Mr. KERR. But did the Senator find a comma in that phrase, after it had said "to the sale in interstate commerce," and before the following language had been added: "for resale for ultimate public consumption"?

Mr. DOUGLAS. In the copy I have I do not find it.

Mr. KERR. The Senator will not find it in the bill as the Congress passed it, either.

Mr. DOUGLAS. Mr. President, I should like to ask my distinguished colleague and friend, the genial Senator from Oklahoma, whether he denies that the natural gas which enters the pipe lines is ultimately resold and ultimately goes into the hands of the public? Of course, it ultimately goes into the hands of the public. It starts from the gathering lines, then moves into the pipe lines, and from the pipe lines into the distributing companies, and from the distributing companies to the ultimate retail consumers. It is an organic whole.

Mr. KERR. If the Senator from Colorado will yield I shall be glad to answer that question.

Mr. JOHNSON of Colorado. I yield.

Mr. KERR. It may eventually take that course, but that was not the course designated by the producer when he sold it. He sold it in intrastate commerce, and thereby lost control of it. He had no say as to where it might go. Therefore, the provisions of the act do not apply to him, for the reason that he had not sold it in interstate commerce for resale for ultimate public consumption.

Mr. DOUGLAS. I have read the writings of school men, including Thomas Aquinas and others, but I never before met with such a distinction.

Mr. KERR. When the Senator brings Thomas Aquinas into it he goes a little beyond me.

Mr. KEM. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KEM. I should like to ask the Senator from Colorado if the Supreme Court did not hold as follows in the Natural Gas case:

A natural-gas company subject to the Natural Gas Act of 1938 produces some gas and purchases some gas, which it mingles and

conducts through a system of field, branch, and main lines (all within a single State) into its main trunk line, whence it is sold to interstate pipe-line companies for transportation, resale, and ultimate consumption in other States.

The entire movement from the wells to the purchasing company is a continuous process, without interruption for storage, processing, or other purposes.

Held: That the Federal Power Commission has jurisdiction * * * to regulate such consumption.

Mr. JOHNSON of Colorado. All I can say is that the Federal Power Commission, following the Supreme Court's decision, issued a statement in which it held that the Supreme Court decision did not give the authority which the Senator from Missouri thinks it did.

Mr. KEM. It seems obvious that the Federal Power Commission cannot repeal an act of Congress and cannot overrule a decision of the Supreme Court of the United States.

Mr. JOHNSON of Colorado. It did not attempt to overrule the decision of the Supreme Court. What it attempted to do was to interpret what the Court had said and also what Congress had said. The language which the Senator has read from the decision of the Supreme Court is, I admit, very confusing. That is the reason for the pending measure which is now before the Senate. It is because of the confusion which was thrown into the issue by the Supreme Court decision. But I repeat that following that decision the Federal Power Commission, which has a good staff of attorneys who are familiar with the law and with every possible angle and phase of it, issued a statement to the effect that it did not acquire jurisdiction over the gathering of gas.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KERR. Was it not an order, rather than a statement?

Mr. JOHNSON of Colorado. Yes. I will say it was an order, if the Senator is going to be technical. An order is a more formal action than is a statement. I thank the Senator for calling it to my attention.

Mr. KEM. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KEM. Does the Senator himself find anything confusing in the decision of the Supreme Court of the United States in the Interstate Gas Co. case?

Mr. JOHNSON of Colorado. If I do find it confusing, I am in very good company, because it has confused everyone else. If I am the one who is not confused, I am the exception to the rule.

Mr. KEM. Does it confuse the Senator from Colorado?

Mr. JOHNSON of Colorado. Certainly it confuses the Senator from Colorado; and judging from the questions the Senator from Missouri has asked, I would say he is even more confused than is the Senator from Colorado.

Mr. KEM. In what respect? It seems to me to be a plain decision.

Mr. JOHNSON of Colorado. This is what the Commission said about it: Reference was made at the hearings to the pending case before the Supreme Court of the United States, Interstate Natural Gas Co., Inc. against the Federal Power Commission, and the subsequent decision of the Court on June 10, 1947, addressed to the particular circumstances of that case, which involved the operation of a natural gas company subject to the act, immediately became the basis for divers interpretations and agitations by interested parties as to its implications regarding the jurisdictional status under the act of independent producers and gatherers. Because of those interpretations and misinterpretations the Commission, in order to clarify the matter, issued its famous order No. 139.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KERR. Is it not a fact that that order is still on the Commission's records, that it has never been changed by the Commission, and that only as recently as a little while ago the Commission was issuing orders stating that arm's length sales by independents come within the purview of the exemptions declared by order No. 139?

Mr. JOHNSON of Colorado. That is, of course, correct. Furthermore, it was necessary in order to protect the consumers of gas for the Federal Power Commission to issue its order. It was issued for the very good reason that unless it did issue that order there might be a very extreme shortage of gas and the price might skyrocket. The Commission found it necessary, in order to protect the consumer whom it was created to protect, to issue order No. 139.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. DOUGLAS. Was order No. 139 a unanimous opinion by the Federal Power Commission?

Mr. JOHNSON of Colorado. It was a 4-to-1 opinion, I think.

Mr. DOUGLAS. I believe it was a 3-to-1 opinion.

Mr. KERR. It was a 3-to-1 opinion.

Mr. DOUGLAS. Who was the dissenting Commissioner, may I ask?

Mr. JOHNSON of Colorado. Draper was the dissenting Commissioner.

Mr. DOUGLAS. The dissenter was not Commissioner Olds, but Commissioner Draper, a Wyoming Republican. It was Commissioner Draper who said that the Interstate Gas Co. case ruled and that the Commission should not voluntarily give up what the Supreme Court said it possessed.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. In a moment I shall be glad to yield.

I have evidence that the confusion still persisted until September 1949, because a telegram was sent to the Delhi Oil Corp. of Dallas, Tex., attention of C. W. Murchison, president, in which it was stated:

FEDERAL POWER COMMISSION,
Washington, D. C., September 27, 1949.

Mr. C. W. MURCHISON,
President, Delhi Oil Corp.,
Dallas, Tex.:

In further reply to your letter of August 1, we suggest that the basic question involved is the legal effect of our order No. 139, our rule 2.54, and our order of March 10, 1949, matters concerning which you no doubt have the advice of counsel. The Commission is unable, in the circumstances, to express a conclusive opinion as to whether you will or will not be subject to regulation under the Natural Gas Act by virtue of proposed sale of natural gas to El Paso.

By direction of the Commission. Commissioner Buchanan concurring in part.

LEON M. FUQUAY,
Secretary.

So, if the Senator from Missouri charges me with being confused with respect to the decision of the Supreme Court, I have some very distinguished company.

Mr. KEM. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KEM. I did not charge the Senator from Colorado with being confused. He is quite mistaken. I asked him if he was confused, and I expected his answer to be that he was not confused. Instead he answered that he was.

Mr. JOHNSON of Colorado. The Senator asked me a question and put an inflection into his question which made me feel it was an accusation.

Mr. KEM. A man cannot be sent to jail for his inflection. The Senator misunderstood me. Let me make this clear. It seems to me that if the personnel of the Federal Power Commission have become confused and have not functioned as they should, the obvious thing to do is to change the personnel.

When the Senator from Colorado opposed reappointment of one of the members of the Power Commission, I voted with the Senator because I thought he was right. I thought the Commission had become confused, and I thought perhaps it had done other things it should not have done. However, I wish to say that the Natural Gas Act, as interpreted by the Supreme Court of the United States in the Interstate Gas Co. case, is, to my mind, plain enough, and there is no confusion about it.

Mr. JOHNSON of Colorado. I do not believe it is proper to remove a Commissioner simply because he does not interpret the law the way one thinks it should be interpreted. If a reasonable doubt exists that the law is clear, the law should be clarified by Congress. We should not remove a Commissioner for his views upon a particular law. That is why we have the proposed legislation before us.

A few days ago the Denver Post pointed out that there was no necessity for the Kerr bill, because it would not change the present law and would not change the present method of handling sales of gas. It said that it would be better to withhold the enactment of legislation until a proposal was made to change the present method of handling such matters.

I agree with that only in part. It is up to Congress to make its acts clear and precise so as to avoid the kind of confusion which has occurred in this particular instance.

I now yield to the Senator from Arizona.

Mr. McFARLAND. I should like to ask the distinguished chairman of the committee if the confusion about the law which seems to exist on the floor today,

did not exist in the committee, and if it was not almost the unanimous opinion of the committee that the law should be clarified. If Senators believe the producers of gas should be regulated, they should come forward with a bill which would clarify the law. Even if they believe that they should not be regulated, the law should be clarified. The purpose of the pending legislation is to clarify the law, because it is now holding back industry in this field. I hope to point out later in a discussion of this proposed legislation, in my own time, that this confusion is holding back industry. We cannot expect industry to go forward when confusion exists as to the law.

I say to my good friend from Illinois that if he favors regulation, he should propose a bill to clarify the law. Up to the present time, for the past 12 years, there have never been presented to the committee any facts which would justify such a bill. We should clarify the law. That is the main reason why we of the consumer States were compelled to go along with this legislation. We had previously killed the Moore-Rizley bill, because we thought it went too far. When the pending proposal was submitted, which merely keeps the law in the status in which it has been held to be by the Commission for 12 long years, we thought that it would be better for the consumer and for everyone else to go along with the proposed legislation. If it develops at a later date that additional legislation on this subject is needed, Congress can legislate.

I wish to ask the distinguished Senator from Colorado a question. We have been talking all the time about the first decision of the Supreme Court. I should like to ask the Senator about the Panhandle Eastern decision of the Supreme Court, which was handed down on June 20, 1949, and ask him if the language of the Supreme Court I am about to read sheds any light on the question? I am quoting from page 8 of the decision:

> We held that the Commission in exercising its rate-making authority could include the fair value of the producing and gathering facilities in the rate base of a natural-gas company. The primary duty of the Commission is to fix just and reasonable rates for the transportation and sale of natural gas in interstate commerce for resale. For this purpose the Court permitted the Commission to examine and consider the cost of production and gathering. The use of such data for rate making is not a precedent for regulation of any part of production or marketing. Before the Colorado Interstate decision, it was apparent that the value of producing facilities and the cost of gas bought by a natural-gas company from producers would be weighty factors in rate making whether a rate-base method or other method for fixing rates was used. Low valuation by the Commission of producing properties or low-cost allowance for purchased gas discourages exploration for gas or its sale in interstate commerce. Congress knew this necessary relationship between production and distribution but excluded the Commission from exercising any direct control or regulation over the actual production and gathering of natural gas.

Mr. JOHNSON of Colorado. Mr. President, that language appears clearer to me than does the language of the previous decision. But I wish to repeat that I think that the law should be enacted by the Congress, not by the Supreme Court and not by the Federal Power Commission or any other commission. I am glad the Senator paid tribute to that attitude, and that he has asked those who do not like the way the law reads to come forward with an amendment, if they desire to change the law, and not try to change it by action of the Federal Power Commission, or rely upon a Supreme Court decision which might very well be confusing.

Mr. McFARLAND. Mr. President, may I ask the distinguished Senator one more question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Colorado yield to the Senator from Arizona?

Mr. JOHNSON of Colorado. I yield.

Mr. McFARLAND. I wish to ask the distinguished Senator whether, before the last Commissioner was appointed, it was not a fact that, so far as all the information we could gather was concerned, the Commission stood 2 to 2 on this question, and stands that way today, so that the interpretation by one man, the new Commissioner, is what is going to govern.

Mr. President, I submit that that is not proper. Congress should not place such a responsibility on one man, but we ought to face the issue fairly and squarely. If, as is indicated by the distinguished Senator from Illinois, he wants to try to regulate this industry, he should come forward with proposed legislation designed to regulate it. If we are not going to do that, let us clarify the present law and make it plain that the Commission does not have the power. Let us not leave the matter in the air so that a change in the personnel of the Commission could result in a change of the law from year to year. That is not fair to the producer, it is not fair to the consumer, it is not fair to Congress, it is not fair to anyone. If we expect an industry to go forward, we must make plain the laws which govern it, and not leave it to the whim or the change of mind of a commissioner, as heretofore, or to the appointment of a new commissioner in the future.

Mr. JOHNSON of Colorado. Of course, the Senator from Arizona is absolutely correct. My understanding is that the Commissioner who holds the balance of power on the Commission would like to have the Congress speak. The decision in this case is one which should be made by Congress. I feel very certain that the Commissioner who holds the balance of power is anxious that the Congress speak and write the law so that there may not remain the confusion which has existed so long, and which still exists in the Commission itself.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Illinois.

Mr. DOUGLAS. I believe we could clear this matter up very quickly by indicating what the questions in dispute are. I join with the Senator from Colorado and the Senator from Arizona in believing that this matter has gone to such a point that it is properly a question for congressional determination. In my opinion, the original law was clear, that sales of gas in interstate commerce, when the gas was ultimately destined for retail consumption, could be regulated by the Federal Power Commission. I think the law is explicit on that point. It was upheld in a unanimous opinion of the Supreme Court in the Interstate Gas Co. case. The Panhandle case, which has been quoted, is a different matter entirely. It deals with acreage and production rather than with sales.

Mr. JOHNSON of Texas rose.

Mr. DOUGLAS. Please permit me to finish. But it is quite true that, with the shifting position of the Commission as new facts develop, and so forth, the regulatory attitude has changed from time to time. I think it is important that the Congress should deal with this matter.

I do not know whether the Senator from Oklahoma is aware of it, but I have always said when I have made a formal speech on the subject, and I will say it now, that I think he has rendered a public service by bringing this issue forward for decision by Congress. Where we differ is that he would take away the power of the Federal Commission to regulate rates for gas sold by nontransporting producers to pipe lines. I believe that power of the Commission should be retained. I welcome a vote on that matter. A vote for the Kerr amendment will mean a vote for the abolition of regulation in this big area. A vote against the Kerr amendment will be a vote for regulation. If we defeat the Kerr bill, as I hope we will, we will make it plain that Congress in 1950 stands where Congress stood in 1938, believing that regulation should be exercised in the public interest. Thus far I agree with the statement of the Senator from Colorado that this issue should be cleared up by congressional action, and I welcome the proposal by the Senator from Oklahoma.

Mr. KERR. Mr. President, will the Senator from Colorado yield for a question?

Mr. JOHNSON of Colorado. I will yield in a moment. First, I want to say to the Senator from Illinois that I am glad he has joined in advocating that the issue be cleared up by legislation. I do not come to the same conclusion he does with respect to the vote that is going to be had on the so-called Kerr bill. I believe that a vote for the bill will be a vote to clarify a very confused issue, and I believe that a vote against the Kerr bill will be a vote to leave this whole matter in a state of confusion.

I now yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, I should like to ask the Senator from Colorado first if the reading of the telegram from the Commission to the Delhi Oil Corp., about whether or not they would be regulated if they made a certain sale, did not indicate that it was rather apparent that the Commission itself was confused when they said that they were unable to express an opinion as to whether or not

such sale would be subject to regulation. Does the Senator think that evidences considerable confusion?

Mr. JOHNSON of Colorado. Yes; I would consider it an admission of confusion.

Mr. KERR. Then what does the Senator think about the state of mind of the Commissioner who was able to concur only in part.

Mr. JOHNSON of Colorado. I would say that that indicates even more confusion.

Mr. KERR. Then, with reference to the statement by the distinguished Senator from Illinois that the independent producer should be regulated in the price he receives for the natural gas he sells which may eventually find its way into interstate commerce, I should like to ask the Senator from Illinois if he is aware of the fact that the interstate transporters sell about one-sixth of all the gas they transport to industrial consumers; that such sale is not regulated by the Commission, and that there is no control on the interstate carriers of the profits they may make in the sale of that part of the gas which they sell; and that the suggestion he has made would result in the amazing situation of the independent producer being entirely regulated as to what price he could receive, and the pipe-line company itself, which was created as a monopoly, would be unregulated in the amount of profit it could make on the part that it now sells direct to industrial consumers or which it may choose to sell in that market in the future?

Mr. DOUGLAS. Mr. President——

Mr. JOHNSON of Colorado. I yield to the Senator from Illinois.

Mr. DOUGLAS. The Senator from Oklahoma, with his profound knowledge of the industry, has submitted a very interesting question. I should like first to know the full purport of the question. Does the Senator from Oklahoma maintain that sales of natural gas in interstate commerce for industrial uses are exempt from the regulatory powers of the Commission?

Mr. KERR. The sales by the transportation companies which they now make and have through the years made direct to industrial consumers——

Mr. DOUGLAS. Outside the State or inside?

Mr. KERR. Anywhere; which at this time accounts for something like 16 or 17 percent of all the gas sold by interstate transporters, is not now regulated, and the profit they make on it is not regulated, nor is there any limitation upon them as to how much gas they may buy in the future and sell direct in that market with the price unregulated and their profits unregulated.

Mr. DOUGLAS. I should like to refer the Senator to section 717 (b) of the Natural Gas Act, with which the Senator is doubtless familiar.

Mr. KERR. I will tell the Senator from Illinois that he is now referring me to a matter about which I know something.

Mr. DOUGLAS. I grant that, sir. The Senator from Oklahoma is well aware of the fact that there is an exemption with respect to—

> The sale in interstate commerce of natural gas for resale for ultimate public consumption—

I ask the Senator to notice these words—

> for domestic, commercial, industrial, or any other use and to natural-gas companies engaged in such transportation.

The only possibility that gas produced by pipe-line companies and distributed by pipe-line companies would be exempt might possibly be in the case of gas produced within a State and sold within the same State.

Mr. KERR. Not at all. The long practice of the Commission through the years has been that any gas sold by the interstate transporter direct to industrial consumers is unregulated, the profit is unregulated, and the amount he makes on it is not taken into account in figuring what he is allowed to make on the regulated part of his industry.

Mr. DOUGLAS. Does the Senator mean that the Commission does not have the power to decrease rates already established; and does he mean that they would not have the power to——

Mr. KERR. They do not have that power; and they have not exercised that power and they now disclaim having it.

Mr. JOHNSON of Colorado. Mr. President, I wish to continue my remarks. I hope I will not be interrupted until I shall complete them. I wish to complete them now. Every Senator will have a full opportunity to discuss the bill. I hope there will be discussion of it. The questions which have been asked, and the colloquy which has occurred is very interesting and has thrown considerable light upon the issue. But I want to proceed with what I have to say, and then turn the floor over to other Senators.

In its administration of the Natural Gas Act for a period of 11 years prior to 1949, the Federal Power Commission repeatedly declared and held that it had no jurisdiction and would exercise no jurisdiction over the arm's-length sales of natural gas by independent producers and gatherers.

The substitute for S. 1498 redeclares this policy. It does nothing else. It does not take from the Federal Power Commission any jurisdiction that it has ever exercised over anyone engaged in any phase of the natural-gas business. All the proponents of this legislation ask is that the present law be clarified in view of the divided opinion in the Federal Power Commission. That is the only thing that this bill does. Nothing less and nothing more. Conversely, I might add, there has been no effective affirmative showing that regulation of the independent producers and gatherers is necessary and in the public interest, nor is there any legislation before us to require such regulation.

In 1947 a number of bills were introduced to amend the Natural Gas Act. Among them was H. R. 4099 by Representative PRIEST, of Tennessee. H. R. 4099 was similar in language and purpose to the bill now before us.

On July 10, 1947, shortly after the Supreme Court had handed down its decision in the Interstate case, the full membership of the Federal Power Commission joined in sending a letter to the House Interstate and Foreign Commerce Committee. The letter was signed by Nelson Lee Smith, Chairman of the Commission, and it reads as follows:

FEDERAL POWER COMMISSION,
Washington, D. C., July 10, 1947.

Hon. CHARLES A. WOLVERTON,
Chairman, House Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in response to your request of July 9, for an early comment by the Commission regarding H. R. 4099, a bill introduced by Congressman PRIEST, of Tennessee.

The Federal Power Commission urges the enactment of this bill at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of this Commission.

The enactment of this bill would dispel the uncertainty regarding the status of such independent producers and gatherers which has been created following the recent decision of the Supreme Court in the Interstate case. Such action by the Congress now should dispose of this important and noncontroversial matter.

This procedure would enable the Congress to defer action on the many other aspects of natural gas regulation involved in the complexities, uncertainties, and ambiguities of H. R. 4051 (the Rizley bill), to which we referred in detail in our statement of July 1 to you and the members of your committee. As you know, all these problems are being carefully analyzed by the Commission, in cooperation with all interested parties, in the natural gas investigation (Docket No. G-580). A full report of this investigation will be submitted to the Congress for its consideration within the next few months.

I am authorized to state that the position of the Commission in this matter is fully in accord with the legislative program of the President.

Respectfully yours,
NELSON LEE SMITH,
Chairman.

Now we have there the Chairman of the Federal Power Commission speaking for the whole Commission and speaking for the President of the United States and the administration, in a letter in which he endorses legislation which is similar to the substitute measure which is before the Senate today.

However, the Eightieth Congress adjourned without enacting House bill 4099 or similar legislation. Confusion as to the status of the independent producers and gatherers continued unabated, and there was a growing fear that the Federal Power Commission might seek to extend its jurisdiction to cover them. The independent producers were reluctant to enter into contracts to supply natural gas, for fear they would be brought under regulation. In order to eliminate that fear and to clear the atmosphere, the Federal Power Commission, on August 7, 1947, issued its now famous order 139, which reads as follows:

FEDERAL POWER COMMISSION

Before Commissioners Nelson Lee Smith (chairman), Claude L. Draper, Leland Olds, and Harrington Wimberly.

(Docket No. R-106—August 7, 1947)

IN THE MATTER OF A RULE TO MAKE CLEAR THE POSITION OF THE COMMISSION REGARDING THE INDEPENDENT PRODUCTION OR GATHERING OF NATURAL GAS

(Order No. 139)

SUPPLEMENTING THE COMMISSION'S GENERAL RULES, INCLUDING RULES OF PRACTICE AND PROCEDURE—PART 03, SUBSTANTIVE RULES, GENERAL POLICY, AND INTERPRETATIONS

For the reasons stated below, it seems appropriate and desirable at this juncture for the Commission to adopt and promulgate the rule contained herein, which is designed to relieve any existing uncertainty regarding the Commission's position that it will not seek to assert jurisdiction over the sale of natural gas to interstate pipe lines by independent producers or gatherers.

Following the release in March 1947 of the staff report in Docket No. G-580 on this subject, entitled "Section 1 (b) of the Natural Gas Act With Reference to Production and Gathering," the Commission consistently therewith on May 27, 1947, issued a notice of proposed rule making in this matter. At that time, since there were prevalent many expressions of uncertainty as to the Commission's interpretation of section 1 (b) of the act with reference to the status of independent producers and gatherers of natural gas, and as to its intentions with respect thereto, it seemed evident that a formal administrative rule was necessary to affirm our belief that it was the intent of Congress to exempt such independent producers and gatherers when it enacted the Natural Gas Act in 1938.

During the first session of the Eightieth Congress, which adjourned on July 27, 1947, various bills regarding this matter, as well as other important proposals for amending the Natural Gas Act, were introduced and considered by the Congress. At the hearings on these bills before the Senate and House Committees on Interstate and Foreign Commerce, the Commission likewise stated its view that independent operators who produce or gather natural gas and sell it at arm's length to natural-gas companies subsequently transporting such natural gas in interstate commerce are exempt from the provisions of the Natural Gas Act.

Reference also was made at these hearings to the pending case before the Supreme Court of the United States in *Interstate Natural Gas Company, Inc.* v. *Federal Power Commission*. The subsequent decision of the Court on June 10, 1947, addressed to the particular circumstances of that case which involved the operations of a natural-gas company subject to the act, immediately became the basis for diverse interpretations and agitations by interested parties as to its implications regarding the jurisdictional status under the act of independent producers and gatherers.

In view of these circumstances, the Commission urged the immediate adoption of H. R. 4099, the specific and sole purpose of which was to make entirely clear the exemption of the independent production and gathering of natural gas from the provisions of the Natural Gas Act. This proposed amendment, however, was not enacted during the closing days of the session of the Congress which has just ended.

This brief review of developments in this matter has been presented so that there may be no basis for misunderstanding or continuing expressions of fear and uncertainty regarding this matter which is noncontroversial. The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act.

The rule herein has this specific purpose and is issued at this time because the Congress has not yet reaffirmed such exemption by amending the act. It is also our intention, in keeping with the position heretofore taken, to continue to recommend to the Congress that it take appropriate clarifying legislative action regarding this matter.

Finding that such action is necessary and appropriate to clarify the meaning of section 1 (b) of the Natural Gas Act, the Commission, * * * hereby adopts and promulgates the following rule:

"SEC. 03.79. Jurisdictional status of independent producers and gatherers: The Federal Power Commission is of the opinion that it was the intent of the Congress that the control of production or gathering of natural gas should remain a function of the States and that the Natural Gas Act should not provide for regulation of those subjects.

"For the purpose of administering the Natural Gas Act, the Commission will construe the exemption contained in section 1 (b), to the effect that the provisions of the act shall not apply to the 'production or gathering' of natural gas, as including arm's-length sales of natural gas by independent producers and gatherers, made during the course or upon completion of production and gathering. The Commission, consistent with this construction, will not assert jurisdiction over such producers and gatherers who might be subject to jurisdiction solely because of such sales."

The interpretative rule hereby adopted shall become effective August 7, 1947. The secretary of the Commission shall cause publication of this order to be made in the Federal Register, and further, shall serve copies thereof on all interested parties.

By the Commission. Commissioner Draper dissenting.

LEON M. FUQUAY,
Secretary.

Date of issuance, August 15, 1947.

That order was approved by Commissioners Smith, Draper, Olds, and Wimberly. Commissioner Draper dissented, stating in part:

In the light of the Supreme Court decision and the failure of Congress to pass a clarifying law, it is my opinion that the Commission should content itself with a statement that it does not intend to seek opportunity to expand its jurisdiction but must look forward to the next session of Congress for positive legislation clearly defining its power.

Order 139 was issued approximately 2½ years ago. It is still in full force and effect.

Senate bill 1498, as amended, deletes no language now contained in the Natural Gas Act. It adds only such language as we feel is essential to preserve the exemption of arm's-length sales by independent producers and gatherers of natural gas, as now recognized by the Federal Power Commission.

The Natural Gas Act, as administered by the Federal Power Commission for the past 12 years, has resulted in substantial benefits to both the producers and the consumers of natural gas. During those years the average price paid to southwestern producers, who furnish most of the gas used in this country, has been increased from approximately 3 cents per 1,000 cubic feet to approximately 5 cents per 1,000 cubic feet. At the same time, Mr. President, the average price paid by the domestic consumer in the principal consuming areas has been decreased approximately 10 cents per 1,000 cubic feet, or from around 70 cents per thousand cubic feet at the burner tip to approximately 60 cents per 1,000 cubic feet.

This reduction in price paid by the domestic consumer has been made possible because of the greatly increased volume of gas transported and distributed. The producer has received on an average 5 or 6 percent of the consumer's dollar. The other 94 cents of the consumer's dollar has gone to the transporter and the distributor. The vast expansion of these facilities has made it possible for the unit cost in the operations that involve the most of the expense to be substantially reduced.

The expansion and extension of natural-gas pipe lines, stretching from the South and West to the North and East, has developed until today they are greater in extent than all of the railroad systems of the country. Together with connecting lines, the total exceeds 250,000 miles. The current rate of expansion and addition is the fastest it has ever been. New England is clamoring for this delightful fuel. To maintain the operation of the present system and to provide adequate supplies from the reservoirs of energy in our producing areas, the freest possible flow from the producer to the consumer is necessary.

The Committee on Interstate and Foreign Commerce feels that this can best be brought about, to the continuous and growing benefit of the consumer and producer, by the passage of Senate bill 1498, as amended. This bill, in my opinion, will make it easier for the little producer to market his product. Increased competition will increase the supply of gas, so that gas-starved areas, such as New England, will be served much sooner than otherwise will be possible.

Recently the authors of Senate bill 1498, the senior Senator from Oklahoma [Mr. THOMAS] and the junior Senator from Oklahoma [Mr. KERR], introduced an amendment in the nature of a substitute for it. Although the substitute amendment has not been formally considered by the Interstate and Foreign Commerce Committee, and therefore I do not know how individual members of the committee feel about it, speaking for myself, alone, I believe this amendment, offered by the authors of the bill, has great merit, in that it still further clarifies the language and intent of the law without otherwise changing in any way either the original intent of the Congress or the jurisdictional interpretation of the law by the Federal Power Commission down through the years since the passage of the original act. Although I have not consulted the other members of the committee, I am confident that they likewise will give their assent and approval to the proposed substitute which is lying on the table.

In closing, Mr. President, there is one ghost that I wish to lay at rest. That is the ghost of the so-called Rizley-Moore bill. The Rizley-Moore bill is as dead as a door nail. It was rejected by my

committee during the Eightieth Congress—on May 13, 1948—by the decisive vote of 9 to 4. I was one of the nine who helped to bury it.

I know that attempts have been made by some newspaper columnists and others to confuse the issue before us. They are the ones who are confused. Recently the able and keen journalist, Thomas L. Stokes, writing in the Washington Evening Star under date of February 17, 1950, stated that Senate bill 1498 is similar to the Rizley-Moore bill. Mr. President, that statement simply does not square with the facts, and I hope Senators will not be misled by it. I say to the Senate advisedly that the bill before us bears no more resemblance to the Rizley-Moore bill than American democracy bears to the totalitarian Government of Soviet Russia.

The Stokes article is a perfect example of the confusion that exists, and which this bill seeks to eliminate.

Before I yield the floor, Mr. President, let me again emphasize that the pending bill applies only to the independent producers and gatherers. These independents have never been regulated. So all we are doing is to reaffirm a policy that has been in effect for many, many years. As the distinguished junior Senator from Texas [Mr. JOHNSON] pointed out last summer, when his subcommittee by unanimous vote reported this bill favorably to the full committee:

> If we permit an OPA price to be placed upon the commodity of an independent gas producer, through default of our congressional duties, that will be the only instance in our economy where a nonutility price is fixed. No present or foreseeable peril to the consumer exists which would justify such isolated price-fixing.

Mr. President, this measure is status quo legislation. When the President of the United States affixes his signature to Senate bill 1498, not a single change will take place in the administration of the Natural Gas Act. The Commission will neither expand nor contract its regulatory authority. It will continue to administer the act precisely as it has been doing for the past 12 years.

Mr. President, household gas users in Colorado and Wyoming who are served by the Colorado Interstate Gas Co. and its subsidiary, the Colorado-Wyoming Gas Co., have been alarmed by the charge that if the so-called Kerr bill, Senate bill 1498, as amended, is enacted into law, their gas bills will be doubled or trebled. Mr. President, the Kerr bill does not affect in any degree the utilities which serve Colorado and Wyoming. They will remain, as they are today, completely under the jurisdiction of the Federal Power Commission.

Mr. President, I ask unanimous consent to insert at this point in the RECORD three documents which support that fact. The first is a factual statement by me which describes the utilities which serve Colorado and Wyoming.

The second is a statement by the Federal Power Commission with regard to the application of the Colorado Interstate Gas Co. to acquire all the natural gas facilities of the Canadian River Gas Co., contingent upon approval of a merger and permission to extend their pipe line from Lakin, Kans., to the Canadian River natural gas field.

The third document is a letter addressed to me from Robert W. Hendee, president of the Colorado Interstate Gas Co., describing in detail their operation, and proving beyond any doubt that the Kerr bill cannot affect in any degree the rates on gas delivered by them to Colorado and Wyoming consumers.

The PRESIDING OFFICER (Mr. THYE in the chair). Is there objection?

There being no objection, the statements and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF COLORADO

Colorado Interstate Gas Co., a Delaware corporation, commenced operations in 1928 to transport gas from Clayton Junction (New Mexico-Texas State line) to the city gates of Denver, Colorado Springs, Pueblo, and towns along the route, and, at the outskirts of Denver delivered gas to Colorado-Wyoming Gas Co., serving Cheyenne and intervening towns. The company is owned 42½ percent by Union Securities Corp., 42½ percent by Southwestern Development Co., and 15 percent by Public Service Co., of Colorado (the distributing company in most of the communities served by this pipe line). The gas supply source of this pipe line is from 206,000 acres of proven gas lands in the Texas Panhandle field located in Moore, Hartley, Potter, Hutchinson, and Carson Counties. These lands contained an estimated reserve in excess of 4,500,000,000,000 cubic feet (January 1, 1950, estimated reserve is 3,300,000,000,000 cubic feet), and were owned by Canadian River Gas Co., which drilled the wells, gathered the gas, extracted the heavier components of the gas (natural gasoline) to make same fit for gas transmission by pipe line, and transported same to Clayton Junction. Southwestern Development Co. owns the capital stock of Canadian River Gas Co. Southwestern Development Co. ownership is approximately 51 percent Sinclair Oil Corp., 47 percent Mission Corp., and 2 percent miscellaneous. Colorado Interstate had a 20-year contract to purchase this gas at Clayton Junction at cost to Canadian River (this contract has been renewed for an additional 20 years, and can be further renewed if Colorado Interstate so desires). One of the conditions contributory to the cost contract was that all moneys for development would be furnished by Colorado Interstate over and above the exhaustion of the original loan made Canadian River for development of its properties and Canadian River thereafter could not mortgage its properties.

Natural Gas Pipeline Co. of America (serving Chicago and environs) had a 20-year contract with Colorado Interstate to purchase one-fourth of its requirements at Gray, Okla., at 7 cents per thousand cubic feet. Texoma Natural Gas Co., a subsidiary of Natural Gas Pipeline Co., received the gas from Canadian River at its Fritch Station in Hutchinson County, Tex., and transported the gas to Gray, Okla., for the account of Colorado Interstate. The price for gas delivered at Gray, Okla., was 7 cents per thousand cubic feet. Some 10 years ago the Federal Power Commission investigated the rates charged by Colorado Interstate to Natural Gas Pipeline Co. of America and at the city gates in communities in Colorado, and the price paid by Colorado Interstate to Canadian River for this supply of gas. This resulted in the 7-cent rate being lowered to 3.5 cents per thousand cubic feet plus regulated transportation cost charged by Texoma and the fixing of a price to Canadian River at Clayton Junction of 4 cents per thousand cubic feet. Natural Gas Pipeline at the end of its 20-year contract had the right of renewal for a second 20 years, however, due to the fact that the price had been lowered from 7 cents per thousand cubic feet, Colorado Interstate maintains the contract is not renewable, and the same is presently in litigation. The rate investigation resulted in rate reductions to the consumer in Colorado so that his average bill is less than that of the consumer in the city of Dallas in the heart of the gas-producing territory, and Omaha, Nebr., a comparable city geographically, and the Colorado consumer's house-heating bill is far less than the consumer's in Kansas City and Oklahoma City.

The combined original investment for the transmission system of Colorado Interstate and Canadian River to transport gas from the Panhandle field to Denver was approximately $15,000,000. During the war the proven area of the Kansas Hugoton gas field was greatly extended, and in 1946 the management of Colorado Interstate considered that, in order to continue its record of uninterrupted service to its customers in Colorado, it should connect to the north end of the Kansas Hugoton field. This decision was motivated not only by the fact that the source of supply of gas for peak winter heating loads would be closer to the consumer and therefore at less cost, but also by the further fact that an additional reserve (eight-tenths of a trillion cubic feet) was made available to the people of Colorado and said line would provide the first leg of a gas system ultimately designed to further tap the Panhandle field (in 1952 or 1953) and thereby greatly reduce the hazards to continuity of gas supply to the people of Colorado, which would always be imminent if two lines were laid side by side directly from Denver to the Panhandle field. This line was completed in 1948 with an expenditure of approximately $14,000,000. At the time it was decided to lay this line to the Kansas Hugoton field the going price of gas at the wellhead was 4 to 5 cents per thousand cubic feet, but by the time Colorado Interstate had contracted for its initial purchases in this field the price had gone to approximately 6 cents per thousand cubic feet at the wellhead. This was occasioned not only by Colorado Interstate's entrance into the field, but also by the announcement by Stanolind Oil & Gas Co. of its intention to build a Fischer-Tropsch plant in the field and of enlargements by Cities Service Gas Co. and Northern Natural Gas Co. of their respective gas pipe-line systems. Since that time the price of gas at the wellhead has advanced to 10 cents per thousand cubic feet (Cities Service Oil Co.-Northern Natural Gas Co. contract November 1949). There are no large blocks of acreage in the Kansas Hugoton field now available for contract to Colorado Interstate or any other market. There are some scattered pieces which could be purchased with a gathering cost alone of from 3 to 4 cents per thousand cubic feet.

Considering all these factors the management of Colorado Interstate has decided that, with the impending demand, particularly for house-heating service, and to best serve the people of the growing communities of Colorado, it is imperative that the 180-mile pipe line connecting link from Lakin to Bivins Station must be made immediately, rather than deferred until 1952 or 1953. This connecting link will cost approximately $7,000,000. The necessary wells—since proration and with the demands of royalty interests—bring the 1950 budget to over $12,000,000. The borrowing capacity of Colorado Interstate, as such, is now limited to less than $4,000,000 by the maximum debt to property ratio stipulated in its present loan agreement with Guaranty Trust Co. and Prudential Life Insurance Co. An increase in this capacity is possible only by virtue of future property additions by Colo-

rado Interstate. The only basis on which the management of this company sees that it can give the continued service to the people of Colorado is that Colorado Interstate and Canadian River be allowed to merge, whereby the valuable property of Canadian River will be available for mortgage security. Accordingly, Colorado Interstate and Canadian River have filed such petition with the Federal Power Commission and the Securities and Exchange Commission, praying for such action.

It should be remembered that Colorado Interstate has made, and is making, uninterrupted gas service available to the people of Denver and other cities and towns in Colorado and Wyoming at prices far lower than in the city of Dallas, and much lower for house heating than Kansas City and Oklahoma City. The house-heating problem in Colorado concerns a much larger percentage of the population than in either Texas, Oklahoma, Kansas, or Missouri, due to the extremes of temperature. It is so much easier to turn a valve and have gas heat instantly—and cheaper—than to fire up a coal stove. The desirability of gas and its continued supply for the growing population of Colorado, particularly for house heating, should be borne in mind. That is the position that Colorado Interstate Gas Co. is taking in this matter in its attempt to anticipate the needs of its customers years in advance. The merger plan and the construction of the Lakin to Bivins line have been carefully studied and planned so that no increase in the price for gas received by Colorado Interstate will be necessary to enable that company to meet its growing market demand.

MERGER OF CANADIAN RIVER GAS CO. INTO COLORADO INTERSTATE GAS CO. PROPOSED; COLORADO INTERSTATE THEN PLANS CONSTRUCTION PROGRAM

WASHINGTON, D. C., February 16, 1950.—The Federal Power Commission has been asked to authorize Colorado Interstate Gas Co. (1) to acquire all the natural-gas facilities of Canadian River Gas Co., and, contingent upon approval of the proposed merger, (2) to construct a 175-mile transmission line which would carry additional natural gas to the Rocky Mountain market area.

The application, filed jointly by the two companies, says that the merger is necessary to enable Colorado Interstate to secure an adequate financing base for the proposed pipe-line construction program, which is estimated to cost $8,645,000, plus an additional investment of approximately $3,583,000 in production and gathering facilities.

Under the proposed merger plan, Colorado Interstate will acquire all of Canadian River's outstanding common stock from Southwestern Development Co. As consideration, Southwestern will receive all the liquid hydrocarbons contained in the natural gas now owned by Canadian River in the west Panhandle field, and in other instances, marketing rights and a share of the proceeds in connection with the extraction and sale of other liquid hydrocarbons.

Canadian River's gas reserves are now in effect dedicated to Colorado, with the exception of certain sales contracts, under a 1928 contract. Canadian River's properties, located in Texas and New Mexico, consist of gas leases, gas estates, wells, gathering lines, compressor stations, and transmission lines.

The 175-mile 20-inch line which Colorado Interstate proposes to construct will extend from the west Panhandle (Texas) gas field to the company's Lakin (Kans.) compressor station, and will deliver gas into the Lakin-to-Denver pipe line. Colorado Interstate said the line is necessary in order to serve the vastly expanded requirements of its resale customers in its Rocky Mountain area market. A 4,800-horsepower compressor station would be built at the southern terminus of the line, and a gasoline plant and dehydration plant would be constructed on the discharge side of the projected compressor station.

Colorado Interstate hopes to complete the construction in time to have the facilities available for the 1950-51 heating season.

Colorado Interstate's home office is in Colorado Springs, Colo., and Canadian River's is in Amarillo, Tex.

COLORADO INTERSTATE GAS CO.,
Colorado Springs, Colo., February 17, 1950.
Subject: Kerr bill, S. 1498.
Hon. EDWIN C. JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSON: In accordance with a request from Loiseau, president, Public Service Co. of Colorado, we are pleased to send you a report on what affect the Kerr bill, S. 1498, if passed, would have on the cost of natural gas service in the cities supplied by our company.

In 1928 the Colorado Interstate Gas Co. and the Canadian River Gas Co. entered into a contract under which the Colorado Interstate Gas Co. had control over the gas reserves of the Canadian River Gas Co., subject to a priority in favor of certain sales contracts of Canadian River for supplying certain Texas markets. The terms of this contract require Colorado Interstate to provide Canadian River with all funds needed for capital expenditures. If Canadian River's operations do not produce sufficient funds to meet its cash requirements, then Colorado Interstate must pay to Canadian River each year the amount required to enable Canadian River to meet all of its obligations, including the repayment of the capital advances previously made by Colorado. Also, if Canadian River's operations produce funds in excess of requirements, the excess funds are transferred to Colorado Interstate. In other words, Colorado Interstate receives gas from Canadian River at the bare cost of Canadian River's operations.

The Federal Power Commission presently has complete control of the gas rate tariffs of both Colorado Interstate Gas Co. and Canadian River Gas Co. Both companies are natural gas companies under the Natural Gas Act. The Kerr bill would not exempt the operations of either company in the Panhandle field from the jurisdiction of the Federal Power Commission. The delivery of gas by Canadian River to Colorado Interstate is not an act of an independent producer making an arm's length sale contract as defined in the Kerr bill because 42½ percent of the stock of the Interstate Gas Co. and 100 percent of the stock of Canadian River Gas Co. was owned by the same company when the contract was made. The Kerr bill cannot affect the cost of gas delivered by Canadian River to Colorado Interstate nor can it affect the contractual relationship between the two companies.

The Canadian River Gas Co. presently controls the gas reserves under 219,380 acres of proven gas lands in the Texas Panhandle field. The gas reserves are estimated to be over 3,278,000,000,000 cubic feet at a 14.65 pound measurement pressure base and at an abandonment pressure of 50 pounds as of January 1, 1950. As of this same date 169 gas wells have been drilled and connected to Canadian River Gas Co.'s system. It is expected that 153 additional wells will fully develop the Canadian River acreage, and it is planned to drill 146 of these during the next 10-year period.

Colorado Interstate is presently making well head purchases of gas from independent producers in the Kansas-Hugoton gas field. These purchases are being made under contracts which were arrived at through arm's length negotiations, and the contractual prices are, with the exception of one contract covering only 6 percent of the presently dedicated acreage, less than the minimum well head price of 8 cents established in the Kansas portion of the Hugoton field by the Kansas Corporation Commission. The actual contract prices of gas are 6 cents per 1,000 cubic feet for the first 5 years of the contract, 6½ cents for the next 5-year period 7 cents for the next 5-year period, and a negotiated price after 15 years. The Kansas Corporation Commission minimum price for well head delivery, as set in their price-fixing order effective March 1, 1949, is 8 cents per 1,000 cubic feet. This minimum price being more than that stipulated by our gas purchase contracts, determines the price Colorado Interstate Gas Co. must pay producers in the field.

The passage of the Kerr bill could not affect our present gas-purchase contracts until about 1963 except the one contract in Kansas-Hugoton field that is on a year-to-year basis. The gas purchased on this contract represents only 6 percent of the Hugoton acreage and approximately 1½ percent of Interstate Gas Co.'s requirements which will continue to diminish in future years as more gas is obtained from Canadian River Gas Co. An increased purchase price on 2 percent of requirements can't possibly be enough to change the cost of gas to Colorado users.

The gas delivered to Colorado Interstate Gas Co. by independent producers in the Hugoton field would be exempt under the provision of the Kerr bill from Federal Power Commission regulation. After the fixed-price periods of these contracts expire, which in most cases is 1963, it is estimated that 17 percent of the annual deliveries of gas through the Colorado Interstate Gas Co.'s system would come from the Hugoton area, and at that time 23 percent of the estimated remaining reserves would be in the Hugoton area. For these deliveries and reserves, the gas producers would then have the right to negotiate a new gas sale price. Before any change in burner-tip price to the ultimate consumer could be made, the Federal Power Commission and other regulatory authorities would have to give their approval.

One of the producers, before entering into a contract to sell their gas production to Colorado Interstate Gas Co. at the well head, obtained a ruling from the Federal Power Commission that such sale would not make them a natural-gas company under the Natural Gas Act and subject to Federal Power Commission regulation. Other producers relied on the wording of the Natural Gas Act which did not place production and gathering under Federal Power Commission jurisdiction. However, one producer wrote the following provision into the gas purchase and sales contract with Colorado Interstate Gas Co.:

"Should the Federal Power Commission, or any successor board or commission which takes over the functions of said Federal Power Commission, exercise its jurisdiction as to the production, gathering or sale of the gas for delivery under this contract, seller shall have the right to terminate this agreement upon 10 days' written notice to buyer."

If the Kerr bill is not passed, it will endanger the prospects of Colorado Interstate Gas Co. securing additional reserves from independent producers since the producers do not wish to put themselves in the position of being subject to FPC regulation through sale of their gas in interstate commerce. It might also endanger the continuation of some contracts.

As of January 1, 1950, the gas reserves in the Kansas-Hugoton field dedicated to the

markets of Colorado Interstate Gas Co. were as follows:

	Acreage	Proven reserves (cubic feet)
Long-term contracts (15 years and more)	128,478	824,467,000,000
Short-term contracts (1 year and thereafter)	8,044	2,306,000,000
Total	136,522	826,773,000,000

The above reserve figures for long-term contracts are based on a 14.65 pound measurement pressure base and with an abandonment pressure of 50 pounds. The short-term contract reserve are at the same pressure base but reflect only one year's estimated production.

There are at present 201 drilled and connected wells on the Hugoton dedicated acreage and room for 12 more wells, of which 6 are now in the process of being completed.

Passage of the Kerr bill would not affect in any way the present price of gas now being paid by Colorado Interstate Gas Co. for gas purchased for resale in Colorado and elsewhere since, (1) all gas purchases from Canadian River Gas Co. are now subject to FPC regulations and would continue to be so subject, and (2) the price of all gas purchases in the Kansas-Hugoton field is fixed by contract and the price of such purchased gas is subject to the Kansas Corp. commission's minimum price-fixing order.

Colorado Interstate Gas Co. and Canadian River Gas Co. have recently made application to the Federal Power Commission to merge into one company whereby Colorado Interstate Gas Co. would take over the properties and operation of Canadian River and would own the gas from the bottom of the wells to its point of delivery to resale gas utilities. The proposal for this unified operation under one company is further evidence there is no possibility of the Kerr bill affecting the continued FPC jurisdiction over the functions of production, gathering and transmission of such gas.

Yours truly,

ROBERT W. HENDEE,
President.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I yield.

Mr. KERR. Is it not a fact that in any consuming market today being served with natural gas furnished by interstate transportation companies, either the entire transaction is regulated by the Federal Power Commission, up to and including the sale at the city gate, or the interstate transportation companies are being furnished natural gas by independent producers under contracts fixing the price, which extend into the future for periods of from 10 to 20 to 30 years?

Mr. JOHNSON of Colorado. That is my understanding. I know that is true of Colorado household consumers. We get gas from the Canadian River reserve. I may add that in Denver we get our gas at a price cheaper than that paid by the consumers in Dallas, Tex., right by the producing field. In Denver we get gas at a price cheaper than the price paid by consumers at Omaha or at Kansas City, which geographically are about the same distance from the great gas fields of Texas, Oklahoma, and Kansas. The Kerr bill will not affect in the slightest degree the gas rates in Colorado and Wyoming.

Mr. KERR. Is it not a fact that it will not in any degree affect any contract now in existence under which independent producers have bound themselves for periods of from 20 to 50 years in the future to furnish gas to the interstate transporters who are now furnishing it to other markets all over the northern and eastern sections of the country?

Mr. JOHNSON of Colorado. That is correct, insofar as the contract covers it. I do not want the statement to go beyond the existing contract. The Senator asked me about the contract which now exists.

Mr. KERR. All contracts which now exist.

Mr. JOHNSON of Colorado. That is correct. With that limitation, I may say the Senator has stated the case correctly.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator, taking an instance from my own city of Kansas City, if the price in Oklahoma of gas destined for Kansas City, is raised, and the utility supplying Kansas City goes to the Missouri Public Utilities Commission and says, "Our cost in the field is higher, and we must have a higher rate" is it not likely that a higher rate will be accorded?

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I will yield, but——

Mr. KEM. I should like to have the answer of the Senator from Colorado, if the Senator from Oklahoma does not mind.

Mr. JOHNSON of Colorado. I shall be glad to attempt to answer the question. Of course, the Senator has not stated the full case.

Mr. KEM. No. It is merely skeletonized, of course.

Mr. JOHNSON of Colorado. It will depend upon the existing contracts, if there are contracts. The utility serving Kansas City I am sure has contracts which extend far into the future, and during the life of those contracts, there will be no change. There cannot be any change, regardless of whether the gas is procured from independent gatherers or is produced from reserves owned by pipe-line companies. If it is produced from reserves owned by the pipelines, there can be no change whatever; the Kerr bill will not affect the situation in the slightest degree, because those reserves are dedicated to the use of the consumers in Kansas City, and the Federal Power Commission has complete and full jurisdiction over them.

In the case of gas used by the consumers in Denver, it is sold to them, through the gas reserve and utility arrangement, at what it costs to produce the gas. It is an extremely low price. I do not know what the particular situation is in Kansas City. I do not know what contracts are outstanding, or what contracts cover the situation. But I am very certain that Kansas City has protected itself with a long-range contract.

Mr. KEM. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KEM. Let me say I failed to make myself clear. I meant to ask the Senator, suppose the price in the field, charged to the wholesale company—the pipe-line company—is raised; then is it not likely that a higher price will result ultimately to the consumer?

Mr. JOHNSON of Colorado. The price cannot be raised, if the contract does not provide for raising the price. If the price is going to be raised, and if the Senator wants to start with the assumption that the price of gas is going to be higher——

Mr. KEM. "Is raised"—let us start with that.

Mr. JOHNSON of Colorado. If the price of gas is going to be higher at the producing end of the pipe line, of course it is going to be higher at the delivering end of the pipe line. There is no escape from that.

Mr. KEM. That is the way it seems to me.

Mr. JOHNSON of Colorado. But the bill in itself does not bring about a condition of that kind, at all.

Mr. KEM. But it permits it to occur, without regulation or restriction. Is not that correct?

Mr. JOHNSON of Colorado. No; indeed, it does not. There is one thing I think a great many Senators are overlooking. The States producing gas, under their own laws, which they have the right to enact, can place a tax on the gas which is produced. I am surprised that they have not done so before, but I am very certain they will do it, unless the Kerr bill is enacted, and unless we get rid of the confusion which now exists. I think the States in their own self-defense are going to have to place a tax on all the gas which leaves their States; and when they do that, the extra tax is bound to be passed on to the ultimate consumers.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KERR. In such a situation even the contract with the independent producer could not protect the ultimate consumer.

Mr. JOHNSON of Colorado. That is correct. The law of the State would take priority.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. JOHNSON of Colorado. I yield.

Mr. KERR. As I understood the question of the Senator from Missouri, he asked the Senator from Colorado whether, in case the distributing company in Kansas City had its price raised by the producers in the field, certain results would not be produced. I should like to ask the Senator from Colorado if this is not the situation: The local distributing company in Kansas City has no contract with producers in the field; has it?

Mr. JOHNSON of Colorado. That is correct.

Mr. KERR. The distributing company in Kansas City makes its contract with the interstate carrier, does it not?

Mr. JOHNSON of Colorado. That is correct.

Mr. KERR. The Federal Power Commission regulates the price which the interstate carrier may charge at the city gate, does it not?

Mr. JOHNSON of Colorado. That is correct.

Mr. KERR. The interstate carrier either transports its own gas, in which event the entire transaction is regulated by the Federal Power Commission——

Mr. JOHNSON of Colorado. Because the whole thing is a utility.

Mr. KERR. Yes—or it gets additional gas from the independent producers, by contract.

Mr. JOHNSON of Colorado. That is correct.

Mr. KERR. In such a case, is it not placed before the Federal Power Commission, when the transporter asks for a permit either to install new transportation facilities or to expand its existing facilities?

Mr. JOHNSON of Colorado. Of course, that is so.

Mr. KERR. Can the transporting company get gas reserves over and above those it already owns and has contracted for, to deliver to the consumer-distributor? Is there any way for it to get it, except by contract with someone who has it?

Mr. JOHNSON of Colorado. There is no other way to get it.

Mr. KERR. Is it not the sole purpose of the Kerr bill to continue in the future, as it has been in the past, the right and privilege of the independent producer to make a contract to sell his gas, if the pipe-line company wants to buy it, and then be protected by his contract, at the same time that he is bound by his contract?

Mr. JOHNSON of Colorado. That is my understanding; otherwise I would not be supporting the Kerr bill.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I am glad to yield.

Mr. KEM. The Senator spoke of the fact that if certain property is dedicated to the use of a certain consuming public, it cannot be removed from that use. The Senator had in mind only the distributing facilities, did he not? He did not refer to the gas leases or gas reserves as being dedicated?

Mr. JOHNSON of Colorado. The gas reserves are dedicated.

Mr. KEM. If the Senator will yield, I ask him whether the Supreme Court of the United States, in the case of Federal Power Commission against Panhandle Eastern Pipeline Co., decided June 20, 1949, reported in Three Hundred and Thirty-seventh United States Reports, page 498, did not hold to the contrary? Did not the Court in that case hold that a company engaged in interstate commerce might sell its gas leases if it chose to do so, or might otherwise dispose of them?

Mr. JOHNSON of Colorado. I am not competent to answer the Senator's question. I do not know all the conditions which surrounded the decision. But my understanding is that the Supreme Court in that instance was dealing with gas reserves which had not been dedicated.

Mr. KEM. They had been dedicated by the Panhandle Eastern Pipeline Co. in the sense that they were held for the purpose of supplying the city of Detroit and other eastern cities, had they not?

Mr. JOHNSON of Colorado. My understanding is they had not, but I am not advised fully as to that, and I cannot give the Senator an authoritative answer, except to state my own opinion, which is that the reserves were not dedicated.

Mr. KEM. But the Senator is still of the opinion, is he not, that any reserves held by a gas company cannot be sold, and that the leases cannot be transferred?

Mr. JOHNSON of Colorado. That is, if the reserve is dedicated. I feel very certain of that, because it is an important matter to my State.

Mr. KEM. What constitutes a dedication?

Mr. JOHNSON of Colorado. We have reserves in the Canadian field in Texas, which serve Colorado. We get the gas from those reserves, and if the reserves could be sold regardless of the dedication, we would of course be terribly concerned. The Kerr bill does not deal with that question in any degree. We feel perfectly safe in the belief that the Federal Power Commission, having full control over the gas reserves in the Canadian field, will protect consumers in Colorado and Wyoming.

Mr. KEM. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KEM. Would the Senator from Colorado be surprised to learn that the Supreme Court of the United States has held that under those circumstances the Federal Power Commission has no authority to prevent the alienation or transfer of reserves?

Mr. JOHNSON of Colorado. I do not understand any such thing. I am quite familiar with the Canadian River gas reserves and the conditions under which they are dedicated to the use of Colorado and Wyoming consumers. I am positive that when the pipe-line company came before the Federal Power Commission and received permission to bring gas from its own reserves to Denver and to other points in Colorado and in Wyoming, it was recognized as a utility; it was given a certificate as a utility, and the gas reserves were included in the utility and are a part of it.

Mr. KEM. Would the Senator permit me to read a portion of the syllabus in the Panhandle Eastern Pipeline Co. case?

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I shall be glad to have the Senator from Missouri read from the syllabus, but, before he does so, what is the question of the Senator from Oklahoma?

Mr. KERR. If the Supreme Court of the United States has made such a ruling, the Kerr bill does not expand it, does it?

Mr. JOHNSON of Colorado. That is what I have tried to say over and over again.

Mr. KERR. If the regulated utility company does not have the power at this time to make such a transfer, the Kerr bill would not give it such power, would it?

Mr. JOHNSON of Colorado. That is what I have been trying to say, but I did not say it quite so well as has the Senator from Oklahoma.

Mr. KEM. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KEM. I think the Senator has made himself quite clear, as he usually does.

For the RECORD I should like to read a portion of the syllabus in the Panhandle Eastern Pipeline Co. case:

> The conclusion reached is supported by the undisputed finding by the district court that it has been the practice for natural-gas companies to trade freely in gas leases and that the Commission has never before asserted the right to regulate the transfer of such leases.
>
> Since the Commission could not stop the transfer of a gas lease, it was not entitled to an injunction delaying such a transfer until it could complete an investigation and determine its own power and the necessity for using it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. SALTONSTALL. I come from Massachusetts, which, of course, is not a gas-producing State. Perhaps the Senator from Colorado has already answered the question I am about to ask, and if he has, I apologize. Will the passage of the Kerr bill, so-called, affect the supply of natural gas that may come into a State such as Massachusetts?

Mr. JOHNSON of Colorado. I do not know what the actual situation is with respect to the supply of gas.

Mr. SALTONSTALL. There is no natural gas in Massachusetts.

Mr. JOHNSON of Colorado. I know that but I do not know where its gas supply comes from, nor the condition in which it is received.

I would say, generally speaking, that gas comes from two sources. It is either purchased by the pipe-line company from independent producers of gas and transported to the consumer by pipe line, or the pipe-line company itself owns the gas reserve. If the pipe-line company serving Massachusetts owns its own gas reserve, or if Massachusetts has a long-term contract with independent producers of gas, the Kerr bill would not in any way affect the situation. If, however, a new pipe line were to be constructed in the producing areas of Kansas, Oklahoma, Texas, or other producing States, and the pipe-line company had no gas reserves, it would have to buy them at the best possible price.

Mr. SALTONSTALL. In the opinion of the Senator, would the Kerr bill stimulate the production of natural gas, or would it have no effect on the production?

Mr. JOHNSON of Colorado. It would stimulate the production by independents, for the reason that many of the independents produce natural gas and gasoline. In many instances, in Louisiana and some of the other gas-producing States, more gasoline than natural gas is produced. The companies are not going to sell that natural gas in interstate commerce if by doing so they turn over their production of gasoline to regulation by the Federal Power Commission; in that event they are not going to sell any natural gas in interstate trade. They do not have to sell it. They can keep it, or dispose of it in their own State, or do something else with it, but they are not going to run the risk of placing their whole operation, including their gasoline production and crude-oil production, under the Federal Power Commission, because when the Federal Power Commission gets control it will not allow them anything but a small percentage of profit, and the profit decreases year by year as depreciation sets in. So they will not run that sort of a risk.

I know the Senator from Arizona is going to invite the attention of the Senate to a situation in which consumers in his State are placed. They are trying to buy gas in Texas. The Texas producers will not sell until this point is cleared up. So, Arizona has to go without gas until the matter is decided. The producer cannot take the risk of selling in interstate commerce his gasoline and crude oil and having the Federal Power Commission allow a very low rate of profit.

Suppose a gas company is looking for gas reserves, and drillers drill 10 holes, 9 of which are dry. The tenth hole produces gas. The Federal Power Commission will not give the company any credit for the nine dry holes. The Federal Power Commission estimates what it cost to drill one hole which contains gas, and it capitalizes the operation on that one hole. It restricts the profit to 6 percent in connection with the cost of drilling that one hole. Producers are not going to play ball that way; they cannot afford to. It is uneconomic.

So the answer to the Senator's question is that the Kerr bill should, in most instances, create a larger supply of gas and should, therefore, reduce the price.

Mr. SALTONSTALL. If the Kerr bill should not pass, then is it the opinion of the Senator from Colorado that the supply of natural gas would be retarded?

Mr. JOHNSON of Colorado. It would be diminished, yes, and the price would go up. That is what I think.

Mr. SALTONSTALL. Perhaps the Senator has already answered this question. If the Kerr bill is passed and production of the wells is not permitted, will it not be easier to increase the price of gas at the production point?

Mr. JOHNSON of Colorado. I think the Kerr bill will increase the supply of gas at the point of production, and it ought, therefore, to decrease the price to the consumer. It should have that trend.

Mr. SALTONSTALL. I should like to ask one more question. I ask it as one who has had no experience in this matter. How much competition is there in the production of natural gas?

Mr. JOHNSON of Colorado. There is some competition, of course, but when the price of gas is reduced to such a low point that a company cannot produce at a profit, there is not very much of an incentive for production. The price of gas is very, very low. I do not know of any other commodity whose price is quite so low as is the price of natural gas. It is the cheapest commodity of which I know.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. KERR. If the Senator from Massachusetts would care to look at this exhibit, it will give him in part the answer to his question.

I have here an exhibit from the Federal Power Commission showing contracts made by independent producers with interstate pipe line companies. For instance, the first one shows Cities Service Gas Co. contracts from 1915 through 1944. It shows the initial price of the gas. I invite the Senator's attention to this exhibit in order to show that the price is fairly stable. One of the largest carriers in the country is the Tennessee Gas Transmission Co. I am not certain, but I think the Tennessee Gas Transmission Co. is trying to get into the section from which the distinguished Senator comes.

I invite the Senator's attention to the list of the Tennessee company's purchases and contracts. From 1946 to 1949 the price ranged from 3¾ cents to 6 cents. The page I now indicate shows the contracts made in 1947 and 1948. The price ranged from a low of 6 cents to a high of 8 cents. The next page shows the contracts made in 1949, a year later. The Senator will note that the average is even lower than the prices contracted for in the preceding year. It illustrates where the interstate transporters get their gas. The contracts illustrate the further fact that most of the contracts made in the past 2 years, since the confusion became so complete, contain a provision that if, by reason of the fact that the gas is sold and is later moved in interstate commerce, the Federal Power Commission should seek to impose its price fixing regulation over the independent producer, his contract to deliver automatically terminates.

Mr. SALTONSTALL. What is the purpose of that clause?

Mr. KERR. The purpose of the clause is to prevent the confiscation of his property by the Federal Power Commission. All the producer wants is an opportunity to sell his gas on the basis of what it is worth.

The Senator asked if there was competition between producers. There is competition for every market which is available. By the same token, there is competition among purchasers for the supplies which are available. More than 60 percent of all gas produced is consumed in the States where it is produced. However, the producers are just as eager to sell in interstate commerce as in intrastate commerce. They are ready, willing, and able to furnish gas out of abundant reserves, as is illustrated by the fact that some 15 years ago the annual consumption was about 3,000,000,000,000 cubic feet. The known reserves as of that time were sufficient to last for from 20 to 25 years. Due to the activities of the greatest natural-gas salesman in history, John L. Lewis, the demand has doubled in the past 15 years, and today the consumption is 6,000,000,000,000 cubic feet a year. Yet, as of this hour, there are 30 to 35 years of known reserves available to furnish the consuming market, which of itself proves that competition exists as between the producers, and proves the further fact that potential competition exists by reason of the fact that anybody looking for gas can drill a well anywhere he wants to, if he can get the lease and get the well down.

Mr. SALTONSTALL. I ask the same question of the Senator from Oklahoma I propounded earlier: Will the so-called Kerr bill, in his opinion, help to get natural gas to Massachusetts or retard it?

Mr. KERR. It will insure the opportunity of getting natural gas into Massachusetts at a reasonable price. The defeat of the bill will retard the process. Let me illustrate the situation.

Mr. SALTONSTALL. It has just been suggested to me to ask the Senator from Oklahoma if he will state how the enactment of the Kerr bill will insure the bringing of natural gas into Massachusetts.

Mr. KERR. The producers at this time supply or have agreed to supply, if permitted to do so without regulation, every legitimate demand which has been evidenced. As of this hour sufficient gas is being blown into the air in connection with the production of oil to double the amount of gas now flowing in interstate commerce to the northern and eastern markets. As of this hour sufficient gas is being blown into the air to furnish every city in New England an ample supply of gas for every residential consumer.

Mr. SALTONSTALL. Then the assumption of the Senator from Oklahoma is that if the pending bill becomes law the independent producer will be more inclined to get that gas into consumption, rather than have it blown into the air?

Mr. KERR. Certainly. He is anxious to sell it. He wants to sell it, but he does not want to make a contract to sell it which will bind him but which will not protect him.

Mr. TOBEY. Is the gas which is blown up readily recoverable?

Mr. KERR. It is not recoverable after it goes up into the air; but it is recoverable in the state of production.

I will ask my colleagues to bear in mind, in that regard, that one of the purposes which gas has always served is in the lifting of oil from the same horizon. In fact, for many years the only gas that was produced was produced from oil wells. It came out with the oil, and it served the purpose of lifting the oil. Go through the State of Pennsylvania, and into the section of the country represented by the Senators who have just been interrogating me, and tens of thousands of stripper oil wells

will be found producing one or two barrels of oil, perhaps three, or perhaps half a barrel. It is produced by pumping. In those oil sands there is today twice as much oil as has been produced from them in all the time they have been producing since discovery. But the oil has nothing to push it out of the sand into the opening, therefore its production is very slow.

In the discovery of oil, most frequently gas was discovered with it, and served the purpose of pushing the oil out and up. But through the years its value as a fuel has developed. So the amount which has been wasted in the production of oil has been greatly reduced.

The El Paso Natural Gas Co. has contracted, mostly from areas where the gas previously had gone into the air in the manner which I have explained, for something like a billion cubic feet a day to be transported to California. So there is a vast quantity of gas there.

There are more areas where gas has been found, and where the development program is being held up awaiting the day when there will be a market for it. All the producer asks is the opportunity to supply the market by the terms of a contract which will protect him at the same time it binds him.

Mr. TOBEY. Mr. President, I should like to ask the Senator whether it is correct from a scientific standpoint to say that the gas the Senator is speaking of, and which we all like to use for fuel, is the product of the decomposed bodies of prehistoric animals underground.

Mr. KERR. The junior Senator from Oklahoma cannot answer that question. There are many theories as to the original source of gas and oil. I believe that gas must have the same source as coal, because the chemical analyses of the three are almost identical.

Mr. TOBEY. I come from New England, and the Senator answered a question propounded by the distinguished Senator from Massachusetts, as to whether, if the pending bill were enacted, it would enhance the opportunity or outlook for gaining a supply of gas in New England. Would it?

Mr. KERR. It would.

Mr. TOBEY. I know very little about the matter, but I have been told by people in New England who should know that already those owning the transcontinental pipe line, and the Tennessee group, are planning to bring gas into New England. Is the Senator familiar with that?

Mr. KERR. I am.

Mr. TOBEY. A good deal of progress has been made along that line, I am told.

Mr. KERR. That is correct.

Mr. TOBEY. I am also informed that people in some of the Southern States have strenuously objected to the oil being brought to New England, on the ground there is not sufficient gas coming through for their use, and that supplying New England with the gas would cut down their supply further. Is that a justifiable criticism?

Mr. KERR. That view is not correct. In the early days of the production of gas in Oklahoma a law was passed which was so drawn that gas which was produced could not be shipped out of the State. We realize that it is the finest fuel available. We realize it is the most easily handled. The feeling there in the early days was that if the consumption could be limited to the territorial boundaries of the State which produced it, an abundant supply of cheap fuel would attract industry. So a law to that effect was passed. However, it was taken to the Supreme Court of the United States and declared to be unconstitutional on grounds with which the distinguished Senator from New Hampshire, of course, is familiar.

Mr. TOBEY. The Senators from Maine are not present at the moment, but I wish to say that the State of Maine has a provision in its constitution that power developed in Maine cannot be exported outside the State. Why would not the same rule of unconstitutionality under the Supreme Court's ruling apply to that as applies to gas?

Mr. KERR. I would not want to hazard a guess as to its being applicable to a constitutional provision if it applied to power being produced by the State itself.

Mr. TOBEY. It applies to power produced by private companies.

Mr. KERR. But if it applies to power produced by private companies, I am sure the ruling of the Supreme Court would apply.

Mr. TOBEY. The Senator from Maine [Mr. BREWSTER] has just entered the Chamber. I will say to him that I just now spoke to the Senator from Oklahoma respecting the limitation under the constitution, I believe it is, of Maine respecting the exportation of power produced in that State.

Mr. BREWSTER. I will say that in Maine the control of power is through the medium of incorporation. We do not incorporate any company to handle power except under a statutory limitation that they cannot export the power. There has never been a means of challenging that law, no occasion for doing so, so it has not been done. I am sure the Senator from Oklahoma is familiar with the decisions in the natural gas cases in West Virginia and Ohio, in which the attempt there made to obstruct the transportation of natural gas was, as I recall, pronounced unconstitutional.

Mr. KERR. I had just referred to a similar law in Oklahoma which was declared unconstitutional.

Mr. BREWSTER. That leaves it so that it is under Federal control. I had not supposed there was serious question about the constitutionality of the limitation we are considering.

Mr. TOBEY. I may say to the Senator from Maine that what prompted my inquiry was that the Senator from Oklahoma cited a case, and I called attention to the analogy of the situation in Maine, since Maine prohibits the exportation of power produced in that State. I wondered whether the same principle did not apply to the production of power in Maine that applies to the production of the gas we are now considering. I thought the two cases were on all fours. Perhaps I am incorrect about that.

Mr. KERR. The distinguished Senator, as I understood him, had addressed his question to the condition with reference, first, to the willingness of the producers there to sell, and, second, to any possible interference that might be developed legally through any State action against selling and transporting.

Mr. TOBEY. I am one of those who quite agree with the Senator from Oklahoma that gas is a marvelous fuel for use in the home, and unquestionably for use in industry. I am glad to see it brought to New England. The Senator speaks of the companies which now seek to bring gas to the northeastern sections of the United States, and tells us now, as I understand, that objections raised by some States through which the gas passes on its way to New England, are not germane and not justified, the objections being to the effect that there is a lack of sufficient supply; whereas, in truth, there is no lack of supply for the States through which the gas passes as well as for New England.

Mr. KERR. Not at all. But I may well remind the Senator of the fact that, with reference to the two companies now seeking to bring gas to New England, he will find that many of their contracts for supplies—and if I were to hazard a guess as to how many, I would say fully 50 percent—have what is known as an escape clause in them, which provides that if by reason of the implementation of the contract of purchase by the interstate pipe-line company from the independent producer the Federal Power Commission should move in and establish price-fixing jurisdiction over that producer, he would thereby automatically be relieved from the performance of that contract, and the contract as to purchase would end.

Mr. TOBEY. That is a "when, as, and if" proviso, is it not?

Mr. KERR. Yes.

Mr. TOBEY. If the Senator will kindly yield for one more question? As I understand, the bill would free the independent producers from coming under the purview of the Federal Power Commission and the regulation of prices by the Commission. That is true, is it not? If the bill should be passed, it would remove the independent producers from the possibility of having their prices regulated, would it not?

Mr. KERR. The sponsors of the bill take the position that it would reaffirm the exemption of such producers from the provisions of the Gas Act which were written into the act when it was passed.

Mr. TOBEY. Speaking from the standpoint of representing the potential consumers, if the bill should be passed, would it have the tendency to give liberty and freedom to the independent producers to put a price on their goods which they sell to the next strata of business, which would materially affect the price charged the consumer farther up in the scale?

Mr. KERR. I will answer that question by referring the Senator to one of the exhibits which has been placed in the back of the Senate Chamber, and

reminding him that such regulation has never been imposed upon the producer. In these matters he has been free to make contracts with the interstate carriers; he has done so; and since 1936 the price he has received for his gas has been around 5 cents a thousand on the average, and that as of the end of 1948 it was an average of about 6½ cents a thousand.

Mr. TOBEY. And is that somewhat affected by supply and demand?

Mr. KERR. It is entirely affected by supply and demand.

Mr. TOBEY. Let me put it in another way. There is in the ground so much gas potential which can be produced by these entrepreneurs that the price of gas is held down, whereas if there was a scarcity there would be more of a seller's market. Is that correct?

Mr. KERR. The supplies are ample. The scarcity which has been referred to here is not in the supply. But if the Federal Power Commission has the authority to fix the price the producer can get, merely by reason of the fact that he sells in interstate commerce, then the producer will avoid that by simply not selling in interstate commerce.

Mr. TOBEY. It would, of course, limit his market, would it not?

Mr. KERR. I will tell the Senator from New Hampshire how that would affect New England, if he would like to know.

Mr. TOBEY. Yes; I thank the Senator.

Mr. KERR. Considerably more than 50 percent of all gas produced today is consumed in the State where it is produced. Now, we want to have the opportunity, sir, to send it to New England on a reasonable basis, and which, as the Senator sees by the exhibit, will net about one-third of what bituminous coal costs at the mine for a similar amount of heating power, and about one-fifth of what anthracite coal brings at the mine. If we are permitted to do so we will continue to produce the gas and make it available for New England. If, however, we are compelled to refrain from interstate commerce, we will show the manufacturing industry in New England that they can come to the Southwest and get their fuel for one-fourth or one-fifth or one-sixth of what they now pay, and thereby induce them to move where the fuel is. We will be happy to continue to send the fuel to them and to their homes if they want it, and will let us do so on the basis of a free contract.

I heard the distinguished Senator from New Hampshire the other day before the Finance Committee talking about the independent producers of pulpwood and timber.

Mr. TOBEY. The little man.

Mr. KERR. The little man. I want to say in that regard that the little man of whom the Senator from New Hampshire spoke produced in 1948, according to the evidence before the committee, $140,000,000 worth of pulpwood. The independent gas producer in 1948 grossed less than $75,000,000 for all the gas he sold in interstate commerce.

Mr. TOBEY. And the ratio of the gas producer compared to the little pulp man is about what?

Mr. KERR. There are some five or six thousand independent producers of gas, and I think the evidence showed there were some 10,000 independent producers of pulpwood. But I heard the distinguished Senator say that he opposed vesting in a Federal commission the authority to say to one who today is an independent producer of pulpwood that "tomorrow you will have lost that status and become a utility."

Mr. TOBEY. What I said was, as the Senator will remember, that I objected to having these small operators put under the inhibitions and prohibitions of a law which increased restrictions, in order merely to make it easier for some Government bureau or bureaucratic agency to simplify its methods of enforcement. Is that not correct?

Mr. KERR. That is what the Senator said.

Mr. TOBEY. The Senator agrees to that, does he not?

Mr. KERR. I do indeed. I also took the position that no Federal bureau should be given the authority to say to one who today is an independent producer of gas that "by reason of the fact that last night you shipped one cubic foot of your product in interstate commerce, you no longer are an independent. The contracts which you have made have become scraps of paper." That statement was made by Commissioner Olds to the Senator's committee during the hearings.

> And following this you have now become a utility and will be subject to our rate-making regulation, which would limit your return to an amount which reimburses you for your cost plus 6½ percent.

Mr. TOBEY. And what is the present status of this equation before the Federal Power Commission?

Mr. KERR. I would say that it was in a state of about as high a degree of confusion as is possible, as is evidenced by the reading a little while ago by the Senator from Colorado [Mr. JOHNSON] of the telegram which was in response to the request by an independent producer who had made a tentative contract with a pipe-line company to deliver gas for him, to be declared an independent by the Federal Power Commission. The Commission declared him an independent under their Order 139, with which the Senator is familiar.

Some months later the gas being slow getting into Arizona, by reason of the war and high price of pipe line, and so forth, the distinguished senior Senator from Arizona [Mr. HAYDEN] wrote the Federal Power Commission and asked what was the status of the proposed sale by the Delhi to El Paso, and further asking, "If Delhi thus sells, will they come under your jurisdiction?". The Federal Power Commission immediately wrote a letter to the Senator from Arizona saying, "If they do make such sale they will come under our jurisdiction." He showed that to Delhi, who immediately wrote the Commission a letter and said, "In March you issued an order and said that we did not come under your jurisdiction. In July or August you write Senator HAYDEN and tell him we do. Now, do we or do we not?"

Mr. TOBEY. When did the Federal Power Commission speak?

Mr. KERR. They spoke in August of last year, and they said: "We are unable to state whether or not such sale and its execution will subject you to our jurisdiction." Then I think the confusion reached its greatest height when this statement was added: "Commissioner Buchanan concurs in part."

So I would say to the Senator from New Hampshire that I do not know how a situation could be more confused.

Mr. TOBEY. Mr. President, I should like to make one more comment, and then I shall be through. I appreciate the Senator's courtesy in this connection.

Forty years ago the Cities Service Co. offered for sale in New England the stock of a subsidiary of theirs that was in the gas business. The critics of that organization and its securities said, "The natural-gas supplies are very uncertain, and New England capital with any degree of prudence cannot afford to invest in any such uncertain thing as natural gas and these securities."

That was 40 years ago. But, in my judgment, today there is more natural gas in sight than there was in that era. Is that correct?

Mr. KERR. I explained to the Senator from New Hampshire that about 15 years ago the annual consumption of natural gas was approximately 3,000,000,000,000 cubic feet, and at that time we had known reserves which would supply the country on that basis for 20 or 25 years.

In this brief period of time, the consumption has more than doubled, and at this hour we have from 30 to 35 years of known reserves, sufficient to supply 6,000,000,000,000 cubic feet a year.

Mr. TOBEY. I am grateful to the Senator for his kindness.

Mr. KERR. I am grateful to the Senator for his courtesy and interest.

The PRESIDING OFFICER (Mr. LODGE in the chair). The question is on agreeing to the committee amendment.

Mr. LANGER. Mr. President, I think this bill can well be summed up by quoting from the testimony given by the Senator from Oklahoma [Mr. KERR] himself. I shall read from page 220 of the hearings held before the committee. At that time Mr. Olds was testifying.

Mr. KERR. Mr. President, will the Senator yield?

Mr. LANGER. I yield for a question.

Mr. KERR. Do I correctly understand that the Senator from North Dakota is about to give the testimony of the Senator from Oklahoma or the testimony of Commissioner Olds?

Mr. LANGER. The testimony of Commissioner Olds and the testimony of the Senator from Oklahoma himself.

Mr. KERR. I thank the Senator.

Mr. LANGER. On page 220 of the hearings we find that Mr. Olds said:

> Turning now to the trend in field prices, I believe the chief proponents of S. 1498 are interested in higher field prices for natural gas.

The distinguished Senator from Oklahoma [Mr. KERR] then said:

That will be admitted.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield for a question.

Mr. KERR. Does the Senator from North Dakota know of producers in any field of endeavor in this Nation who are not interested in higher prices?

Mr. LANGER. My answer is that the average person who is interested in higher prices, if he is engaged in an honest business, does not object to regulation. As I shall show by reading further from the testimony given before the committee, the natural-gas producers intend to get higher prices, but at the same time they oppose regulation by the Federal Government.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. KERR. Was the statement by Commissioner Olds to the effect that he believed there were those who were interested in higher prices, or was his statement that their purpose in this bill was to achieve higher prices?

Mr. LANGER. The best answer to that question is to read the testimony of Mr. Olds.

Mr. KERR. Will the Senator do so?

Mr. LANGER. I have already read it. I refer again to page 220 of the hearings:

Turning now to the trend in field prices, I believe the chief proponents of S. 1498 are interested in higher field prices for natural gas.

And then the distinguished Senator from Oklahoma said:

That will be admitted.

Mr. KERR. Mr. President, I would not insult the intelligence of the distinguished Senator from North Dakota or of Commissioner Olds or of anyone else by presuming to say that anyone engaged in any legitimate business was not interested in higher prices, nor would I insult their intelligence by saying that a statement to that effect was a declaration of purpose with reference to an activity.

Mr. LANGER. Mr. President, my reply to that simply is that the proponents of this bill are interested in getting higher prices at the expense of the consumers in the United States of America. As one United States Senator, Mr. President, who is opposed to monopoly and is opposed to having monopolies get higher prices, I therefore am opposed to this measure; and I have a perfect right to say why I am opposed to it.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. KERR. The Senator from North Dakota is aware, is he not, of the fact that the price of natural gas to the producer has gone up some 2 cents a thousand, on the average, in the past 15 years?

Mr. LANGER. Yes; I am familiar with that, from the testimony given before the committee.

Mr. KERR. Will the Senator from North Dakota tell the Senate of a single case in the history of the jurisdiction of the Federal Power Commission and its regulation of interstate carriers where it has yet allowed an increase in the price charged by an interstate carrier at the city gate to any group of consumers?

Mr. LANGER. Mr. President, that is the very purpose of this bill.

Mr. KERR. I ask the Senator if he will show one case.

Mr. LANGER. Mr. President, the Senator from North Dakota is not here to answer questions asked by the Senator from Oklahoma. I am simply stating that under the terms of this bill its purpose is to raise the price of natural gas to the consumer, according to the testimony of my distinguished friend, the Senator from Oklahoma, who is standing before me now.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. KERR. Can the Senator from North Dakota show this Senator or the Senate a single case in the history of this regulatory jurisdiction where any increase that may have been paid to the producers has resulted in an increase by 1 cent to a consumer?

Mr. LANGER. Mr. President, my reply to that, again, is the reply which the distinguished Senator from Oklahoma himself gave when he testified before the committee, following the statement—

Turning now to the trend in field prices, I believe the chief proponents of S. 1498 are interested in higher field prices for natural gas.

Higher prices from whom, Mr. President? Of course, ultimately from the consumer.

My distinguished friend, the Senator from Oklahoma [Mr. KERR], then said:

That will be admitted.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. LANGER. I yield.

Mr. KERR. Can the Senator from North Dakota show the Senate a single example of a producer of natural gas ever having made a sale to a consumer?

Mr. LANGER. I say to my distinguished friend that of course the sales are made by the corporation which sells the natural gas.

Mr. KERR. Is that the producer?

Mr. LANGER. No; the Senator from Oklahoma knows very well that is not ordinarily the producer; it does not necessarily mean the producer.

Mr. KERR. I asked the Senator from North Dakota if he can show a single instance, first, where an increase of price to a producer has resulted in an increased price charged by the transporter to the consumer; and now I ask the Senator if he can show an instance where a subsequent sale has resulted in an increase in price to a consumer.

Mr. DOUGLAS. Mr. President, will the Senator yield to me at this point?

Mr. LANGER. I yield.

Mr. DOUGLAS. Is it not true that the producer customarily sells to the pipe-line company?

Mr. LANGER. That is correct.

Mr. DOUGLAS. And is it not also true that the producer charges the pipe-line company a certain price for the natural gas, and that is the cost of the natural gas to the pipe-line company? And the pipe-line company then distributes the natural gas perhaps hundreds or in some cases well over a thousand miles——

Mr. KERR. It transports it.

Mr. DOUGLAS. Very well; that is a better word.

Mr. KERR. It is the correct word.

Mr. DOUGLAS. Very well—transports the natural gas to the local distributing companies, and makes a charge to the local distributing companies; and the charge to the local distributing companies must be sufficient to meet the transportation costs and profit charges of the pipe-line company, plus the original cost of the natural gas. Is that correct?

Mr. LANGER. That is true, of course; and that process means that the higher the price the producer gets, the higher the price the consumer has to pay.

Mr. DOUGLAS. The distributing company in turn sells the gas to the consumers; and the higher the price the distributing company has to pay to the pipe-line company, the higher the price the consumer has to pay to the distributing company? So, instead of a Tinker-to-Evers-to-Chance combination, what we have is a gatherer-to-a-pipe-line-to-a-distributor combination; and higher prices at any stage of that combination are ultimately transmitted to the consumer; is that correct?

Mr. LANGER. That is correct.

Mr. KERR. Mr. President, will the Senator yield at this point, to permit me to make a statement?

Mr. LANGER. I decline to yield.

Mr. KERR. Mr. President, will the Senator yield at this point for a question?

Mr. LANGER. I decline to yield.

Mr. KERR. Mr. President, will the Senator answer the question I asked?

Mr. LANGER. Mr. President, I decline to yield. I think that question is answered very well by the testimony of former Federal Power Commissioner Olds.

Mr. President, a few minutes ago a question was asked of the distinguished Senator from Colorado about whether or not this is a monopoly. The answer to that is simply that today 10 companies control three-fifths of the 2 great natural-gas fields, Panhandle and Hugoton, which today represent one-fourth of the country's natural-gas reserves. Sponsors of the Kerr-Thomas bill readily admit their interest in higher field prices. Requests for rate increase by pipe-line companies—and this goes directly back to what the distinguished Senator from Illinois said—because of the increased cost of natural gas in the field, are inevitable. Thus it is argued that the field prices are matters of national, rather than local, interest, requiring Federal regulation to protect millions of consumers in the States dependent upon large imports of natural gas for the maintenance of essential utility service.

Mr. President, referring to the testimony of Mr. Olds a member of the Federal Power Commission, I wish to read

certain portions of it. This testimony was given in May and June 1949:

Mr. OLDS. Mr. Chairman, and members of the committee, my name is Leland Olds. I am a member of the Federal Power Commission, having been first appointed by President Roosevelt in June 1939, and having twice, in the past, served as Chairman of the Commission. I am the same Leland Olds who has been referred to on numerous occasions in these hearings. Some, if not many, of the references to my views are erroneous and misleading, and I will ask the indulgence of the committee to comment on them in proper sequence.

Continuing, on page 201, he said further:

This committee in these hearings on S. 1498, a bill to amend the Natural Gas Act, is considering a difficult and important matter which in the last few years has been the subject of much debate.

Mr. President, this is the very meat of the entire matter.

Proponents of S. 1498 have criticized the Federal Power Commission for its interpretation of section 1 (b) of the Natural Gas Act, and they have likewise criticized the courts which, including the Supreme Court of the United States, have similarly interpreted this law.

Mr. President, it is very strange, but whenever the Supreme Court hands down a decision designed to protect the interests of the common people, within a short time we find a law introduced in the Senate to wipe out the protection thus accorded by the Supreme Court.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. TOBEY. That is a case almost on all fours with the Tidelands case. The Senator will remember that after the Supreme Court ruled, instantly there sprang up a thousand knights owing allegiance to the several States. Attorneys general come to Washington to try to set aside a law, pro bono publico.

Mr. LANGER. My distinguished friend from New Hampshire will remember that every Attorney General of the United States, except two, joined in trying to secure passage of the tidelands bill. My distinguished friend will remember further that after the President vetoed it, and there was a failure to pass it over his veto, we found the State of Texas passing a law declaring that it owned the land under the ocean for a distance of 57 miles. The State of Louisiana then came along and passed a law, asserting the claim that it owned the land 100 miles out in the ocean. Not only that, but the oil companies licensed to do business in Texas and Louisiana are actually in those areas today, taking the oil. Those statutes were passed in violation of the Supreme Court decision. Texas asserted a different basis for its claim from that asserted by California, saying that when the State was admitted in 1845, they made certain reservations with respect to the tidelands, though as a matter of fact there had never been any such reservation. In any event, they passed a law saying that the 12½ or 15 percent they received was to go to the school children of Texas to the exclusion of other school children throughout the United States. As the distinguished Senator from New Hampshire said, they did that just as soon as the decision by the Supreme Court had been announced.

Mr. DOUGLAS. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. DOUGLAS. I think the Senator from North Dakota has made a distinguished contribution to the debate in citing the figures regarding natural gas in the two big fields, the Texas Panhandle and the Hugoton fields. These have in them total reserves of around 42,000,000,000,000 cubic feet of gas, out of the supposed total reserve of 174,000,000,000,000, or about one-quarter of the total reserves of the country. I take it the distinguished Senator from North Dakota is aware of the testimony adduced on page 369 of the hearings, which showed that approximately 10 pipe-line companies control a little more than 10,000,000,000,000 cubic feet, or about a fourth of this reserve, and that 16 non-pipe-line companies, the so-called nontransporting producers, control 21,656,000,000,000 cubic feet, more than half the total. Therefore, the so-called independents in these fields are not men in overalls, at the country store, or around the kitchen stove, but they are the big boys, with offices not only in Houston and Dallas, but in New York and Boston. Moreover, there is one petroleum company, Phillips Petroleum Co., with 6,800,000,000,000 cubic feet and there is the Republic Natural Gas Co., with 1,654,000,000,000 cubic feet. The figures are almost astronomical. The Stanolind Oil & Gas Co. has 4,500,000,000,000 cubic feet. It is a subsidiary of Standard Oil. The Shamrock Oil & Gas Corp. has 1,664,000,000,000 cubic feet; the Skelly Oil Co., 1,286,000,000,000; the Hagy, Harrington & Marsh Co., which I believe is a Texas group, has 1,371,000,000,000. So that 10 pipe-line companies, plus the 16 nontransporting producers, control more than 32,320,000,000,000 cubic feet, or three-fourths of the reserve in these two richest fields of the country. So what we have is not widely distributed ownership, but a tightly concentrated ownership. Is the Senator from North Dakota aware of that fact?

Mr. LANGER. Yes.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. The Senator from North Dakota, as well as other Members of the Senate, has just heard the statement made by the distinguished junior Senator from Illinois about the number of companies owning large acreages in the two respective fields. Is the Senator from North Dakota also aware that these companies, when they have made contracts to supply gas to various and sundry municipalities through their pipe-line systems, have dedicated their lease acreages to the fulfillment of those contracts for years and years and years into the future, and some of them, for the life of the field?

Mr. LANGER. It all depends, of course, I may say to my distinguished friend, on the particular contract which has been entered into. It does not mean that they have sold all their gas. For example, in the western part of the State of North Dakota, we get much of our gas from Wyoming and Montana. It does not mean that we take all the gas that is produced in those States. As a matter of fact, we take only a very small percentage of it. Of course, the contracts which are entered into at a definite price have to be carried out.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. SCHOEPPEL. I am wondering whether the Senator from North Dakota is aware of the fact that obviously no great pipe-line company that transports gas, and no producer company can limit its sale of gas to any one area, unless it be a highly concentrated metropolitan area. Therefore, of necessity, does the Senator concede that the gas supply may be going 1,500 or 1,700 miles, supplying various and sundry business institutions and municipalities, and for all types of use?

Mr. LANGER. Including its use in public buildings. That is correct.

Mr. SCHOEPPEL. Yes. Is the Senator not also aware of the fact that in connection with their contracts those companies have a degree of protection which should be accorded the users, domestic, industrial, or otherwise, and that they must have a dedicated percentage of good producing acreages in order to protect those contracts? Is the Senator from North Dakota aware of that?

Mr. LANGER. I am perfectly well aware of it, and there is no objection on my part.

Mr. SCHOEPPEL. I am delighted to hear the Senator say that.

Mr. LANGER. There is no objection on my part. The thing I object to is the attitude of the producers. They should not object to regulation. There is no reason why they should not be regulated. Coming back to what my distinguished friend said about this monopoly, on the other hand, and how a few companies own the supplies, I call the attention of Senators to page 282 of the hearings, from which I read:

Proponents of the proposed amendments to the Natural Gas Act attempt to give the impression that the natural-gas production business is conducted by thousands of small independent producers who are in keen competition with each other to sell natural gas to pipe lines.

The distinguished Senator from Colorado [Mr. JOHNSON] interrupted, saying:

I want to say here that no member of this committee suffers from such illusion. I do not know where you get that assumption.

Mr. Olds said:

Actually—

And this goes into the entire monopoly question—

Actually, the situation is quite different. As shown in the report on the natural-gas investigation which Commissioner Draper and I presented at the 1948 hearings on the Moore-Rizley bill, a relatively small group of big producing interests had established a dominant position in two of the largest natural-gas fields, thereby threatening to reduce the effectiveness of competition as a determinant of field prices.

Our analysis ran to the Panhandle and Hugoton fields in Texas, Oklahoma, and

Kansas, and was set forth in a table which appears on page 147 of that report.

That table shows what, Mr. President? I believe every Senator, before voting upon the pending bill, should read that part of the testimony. To me, it seems absolutely vital.

This table shows that Phillips Petroleum Co. is the largest holder of natural gas in each of the fields, with 20 percent of the Panhandle field total and 15 percent of that in the Hugoton field. The table, reproduced here as table 6 attached to my statement, shows Phillips holding altogether 905,880 acres, or approximately one-sixth of the combined acreage in the two fields, representing possibly 6,794 billion cubic feet of gas. It shows further—

It shows further what, Mr. President? Now, going back again to the testimony that I just read, at page 220, Mr. Olds said:

Turning now to the trend in field prices, I believe the chief proponents of S. 1498 are interested in higher field prices for natural gas.

The junior Senator from Oklahoma said:

That will be admitted.

Turning now to the testimony on page 282:

It shows further that an increase of 5 cents per thousand cubic feet would mean approximately $390,000,000 to Phillips over the life of the reserves.

That would mean an increase of approximately $390,000,000. Who would pay it? The consumers of the United States, of course.

Mr. DOUGLAS. Mr. President——

Mr. LANGER. I yield to the Senator from Illinois.

Mr. DOUGLAS. I take it that the Senator from North Dakota is familiar with table 15, on page 19 of the hearings, and with table 10, on page 16.

Mr. LANGER. Yes.

Mr. DOUGLAS. If the Senator will turn to table 15 he will see that it is estimated that in 1952, of the total sales of interstate pipe-line companies in the seven Southwestern States, Phillips Petroleum Co. will sell 287,798,000 thousand cubic feet, or 12½ percent of the total.

The Chicago corporation will sell 163,162,000 thousand or 7 percent.

The Stanolind Oil & Gas Co., 135,431,000 thousand, or 6 percent of the total.

The Republic Natural Gas Co., a subsidiary of Standard Oil, will sell 90,535,000 thousand or 4 percent of the total.

The Shell Oil Co., 81,721,000 thousand or 3½ percent.

Humble Oil & Refining Co., 79,152,000 thousand or 3½ percent.

Mr. LANGER. Would the distinguished Senator give the figures in thousands of cubic feet?

Mr. DOUGLAS. Perhaps I had better give the figures in billions.

The Magnolia Petroleum Co. will sell 74,739,000 thousands of cubic feet. That would be 74,700,000,000 of cubic feet.

The Sun Oil Co., 73,100,000,000, or 3 percent.

Hagy, Harrington & Marsh, 62,500,000,000, or 2¾ percent.

Skelly Oil Co., 47,700,000,000.

Glassell & Glassell, 39,400,000,000.

Gulf Oil Corp. and subsidiary, 35,700,000,000.

So the first 12 producers would sell more than 50 percent of the gas sold to pipe lines, and the first 35 would sell almost 1,700,000,000,000 or virtually 72 percent of the total, thus indicating the extraordinary concentration which is going on in the big southwestern fields, particularly in Texas, Oklahoma, Louisiana, and Kansas, in which nearly 90 percent of the Nation's gas reserves are located.

Mr. LANGER. That would run into billions and billions of dollars, basing it upon the testimony I have just read, which shows that if the Phillips Petroleum Co. received an increase of 5 cents on 6,795,000,000 cubic feet of gas, it would amount to approximately $390,000,000.

Mr. DOUGLAS. That is during the life of the field.

Mr. LANGER. Yes.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. SCHOEPPEL. Is the distinguished Senator from North Dakota familiar with the chart at the back of the Senate Chamber which shows the series of years from 1936 to 1949 during which the average price of gas per thousand cubic feet sold in the producing States has been only a fraction either under or over 5 cents?

Mr. LANGER. The chances are that in the lean years there may have been some real competition.

Mr. SCHOEPPEL. Mr. President, will the Senator yield further?

Mr. LANGER. I yield.

Mr. SCHOEPPEL. Is the Senator also aware that 1946, 1947, and 1948 were the highest gas-consuming years in the history of the country?

Mr. LANGER. I am aware of that.

Mr. SCHOEPPEL. But still the price remains approximately 5 cents, delivered tremendously long distances from those fields. I am speaking, now, of the field price.

Mr. LANGER. Does the distinguished Senator from Kansas know that at that particular time the concerns about which he is speaking made large profits, as shown by the exhibits in the testimony?

Mr. SCHOEPPEL. Mr. President, will the distinguished Senator yield?

Mr. LANGER. I yield.

Mr. SCHOEPPEL. I have no doubt whatever, I may say to the distinguished Senator, that there were profits made. I should like to ask the distinguished Senator one other question. If the companies which supply industries, municipalities, and public users of all kinds by their vast lengths of pipe lines have life-of-field contracts with the users of gas and have dedicated great acreages to the fulfillment of those contracts, I ask the distinguished Senator how it would be possible to carry out their contracts if the price in the field should be increased to the companies, thereby reflecting itself in the price to the ultimate user.

Mr. LANGER. I may say to my distinguished friend that he is completely begging the question. We are not discussing any particular company that may have dedicated itself or sold all its output.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. DOUGLAS. The Senator from North Dakota, I am sure, is well aware, in reply to the question by the distinguished Senator from Kansas, first, that new pipe lines are constantly being laid in those areas and new contracts are constantly being made, so that on the new contracts prices may be increased and are being increased.

Second, many contracts are being renegotiated at higher prices.

Third, a great many contracts have the so-called most favored nation clause within them, which provides that if the price received by other producers in the field goes up, the price of gas paid by the pipe-line companies which had the original contracts shall also go up automatically.

Fourth, as new pipe lines are laid and attempts are made to gather new gas from the fields, the companies with existing contracts, or the producers or gatherers with existing contracts, will frequently refuse to sign new contracts unless the already existing contracts are renegotiated to provide for an increase in price, so that as a result the upward movement under the new contract is sending the price of gas under the old contract up through all the fields.

Mr. LANGER. I may say to my distinguished friend from Illinois and to my colleague from Kansas that that is particularly described at page 283 of the hearings. Let me read it:

Mr. OLDS. That was a hypothetical 5-cent increase. Actually—

I want the Senator from Kansas to hear this, because it answers the question he asked me a moment ago—

Actually the prices for gas within the last 2 or 3 years have been going up by at least that amount in the average new contract.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. LANGER. I want to finish this particular matter, and then I shall be glad to yield to my good friend from Texas.

I read further from page 283:

Senator JOHNSON. That is the average increase which has taken place in the last couple of years?

Mr. OLDS. We have not been able to test it.

Mr. JOHNSON of Texas. Mr. President, will the Senator now yield?

Mr. LANGER. When I get through I shall be glad to yield.

Mr. OLDS. We have not been able to test it.

Senator JOHNSON. That is a figure out of the air, isn't it?

Mr. OLDS. That is a theoretical figure.

The table shows Stanolind Oil & Gas Co. ranking second in its control of gas acreage in the two fields, with a total of 600,000 acres in the Hugoton field capable of producing possibly 4,500 billion cubic feet of gas over the life of the reserves. To this company an increase of 5 cents per thousand cubic feet, the table indicates, would mean approximately $225,000,000 in the value of its potential gas sales.

The table shows three companies (Phillips Petroleum, Shamrock Oil & Gas Corp., and

Canadian River Gas Co.) controlling more than half of the Panhandle field while the inclusion of Texoma Natural Gas Co. and Cities Service Gas Co. would bring the combined control by five companies to include nearly three-quarters of that great field.

Similarly it shows seven companies (Phillips Petroleum, Stanolind, Panhandle Eastern, Republic Natural Gas Co., Northern Natural Gas Co., and Skelly Oil Co.) controlling considerably more than half of the Hugoton field. Considering the combined acreage of the two fields it appears that over three-fifths of the total is controlled by 10 companies.

Discussing the significance of this table, the report pointed out that an increase of 5 cents per thousand cubic feet in the level of field prices would add $2,100,000,000 to the income for these fields over their life and that, of this total, $1,616,450,000 would go to the 25 dominant interests listed in the table.

Mr. DOUGLAS and Mr. SCHOEPPEL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. LANGER. I yield first to the distinguished Senator from Illinois.

Mr. DOUGLAS. Is it not true that in the pending Phillips case the Phillips Co. has increased the rates to the Wisconsin-Michigan Pipeline Co. by as high as 5 cents a thousand cubic feet, and has forced a renegotiation of the old contracts to that effect? This indicates that the 5 cents is not a hypothetical figure, but represents what is actually being put into effect in the field, and that if the Kerr bill should be enacted it would be perfectly possible for the Phillips Co. to go through with the rate increase, and any effort by the Federal Power Commission to check it would be ineffectual. Hearings have been scheduled by the Federal Power Commission to determine whether or not the increase in rates is justifiable. However, if the Kerr bill is enacted, there will be no point in holding these hearings because the Commission could not act to fix a reasonable price. The result will be that the price increase of 5 cents a thousand cubic feet cannot be reached and the consumers in Michigan and Wisconsin, as well as in Iowa and Missouri who are served by these lines, will pay at least 5 cents a thousand cubic feet more on the gas flowing into those States.

Mr. LANGER. I yield now for a question to the Senator from Kansas.

Mr. JOHNSON of Texas. Will the Senator yield to me now?

Mr. LANGER. I have already yielded to the Senator from Kansas.

Mr. SCHOEPPEL. I should like to ask the distinguished Senator from North Dakota whether he understood the distinguished Senator from Illinois to say that the price was likely to go up 5 cents per thousand cubic feet in the field.

Mr. LANGER. I did not understand him to say that. I understood him to say that the result would be an increase of 5 cents in the price to the consumer.

Mr. SCHOEPPEL. To the ultimate consumer.

Mr. LANGER. To the ultimate consumer.

I now yield to the Senator from Texas.

Mr. JOHNSON of Texas. First I should like to refer the distinguished Senator now occupying the floor to the testimony which he has read at page 283. Mr. Olds made it very clear that "if" the price of gas were doubled—and "if" something else happened—and "if" the reserves were that large—and "if" they lasted that long, the price would increase so much. When he was pinned down, Mr. Olds admitted, first, that the price of gas which the producers sold had not been too high. Secondly, he admitted that the figure he was quoting was a phoney figure, a theoretical figure, a figure pulled out of the air, a typical Andrew H. Brown figure, an Amos and Andy figure. If the Senator will read further from the hearings he will see that Mr. Olds was using a phony figure, as every member of the committee realized before Mr. Olds, had concluded, and as the Senate realized last year when it refused to permit Mr. Olds to continue in high office.

Mr. LANGER. The distinguished Senator from Illinois used the Phillips Petroleum figure. Mr. Olds made it quite clear at page 283 that it was a theoretical figure.

Mr. JOHNSON of Texas. A figure pulled out of the air.

Mr. LANGER. Mr. Olds did not say that. The Senator from Texas said it was a figure out of the air. Mr. Olds said it was a theoretical figure. I wish to read further from Mr. Olds' testimony:

Facts developed since my appearance before this committee in connection with its hearings on the Moore-Rizley bill have enabled me to broaden these figures to include the major gas-producing areas of the United States. These facts show clearly that an increasingly large proportion of pipe-line gas is being supplied by independent producers and that a relatively few large oil and gas companies dominate the production branch of the natural-gas industry. This means that the control exercised by these dominant interests over future field prices of natural gas will have a steadily increasing effect on the rates paid at the consumer ends of natural-gas pipe lines. The contention that the natural-gas production business is conducted by thousands of small independent producers in keen competition with each other to sell natural gas to pipe lines just does not present a true picture of the regulatory problem in the industry.

The fact is that all but about 10 percent of the independent producers in the seven southwestern producing States and all but 3 percent of the independent producers in the country, as a whole, who make sales to interstate pipe lines could be exempted from the jurisdiction of the Commission without substantially affecting the regulatory situation.

I now wish to call the attention of the Senate to another portion of the testimony. I turn to page 233. The distinguished junior Senator from Oklahoma [Mr. KERR] asked this question of Mr. Olds:

Senator KERR. And the price that is being paid today, which is $500,000,000 less than what you say it could be, is still true in spite of the fact that the heavy hand of regulation has not yet been placed upon them.

Mr. OLDS. That is correct. But the prices are very rapidly going up, and you have these escalator clauses, the most-favored-nation clauses, and the industry itself, both in our natural-gas investigation, and in the hearings last year on the bill before this committee, have argued that the price of gas ought to go up to what they call the intrinsic value of gas, just this value that has been talked about this morning, the intrinsic value of gas, as measured in its terms of value in the competitive fuel market. You referred yourself to the B. t. u. content.

This was the next question asked by the distinguished Senator from Oklahoma:

Does this legislation attempt to fix it at this basis?

The answer was:

It attempts to make sure that the natural gas at producer level is free from all regulation.

In other words, the purpose of the legislation so far is twofold, according to the testimony of the distinguished junior Senator from Oklahoma himself. First, it is proposed to increase the price of natural gas in the field.

Mr. JOHNSON of Texas. Will the Senator yield?

Mr. LANGER. One moment. The second purpose is that "It attempts to make sure that the natural gas at producer level is free from all regulation," according to Mr. Olds' testimony, in response to a question by the Senator from Oklahoma.

I now yield to the Senator from Texas.

Mr. JOHNSON of Texas. I think the Senator is correct in his last statement, that the testimony does make it clear that no two or three members of a commission can write a regulation which will place a producer of a raw commodity under OPA price control. I do not think the Senator quite accurately points out the position of the junior Senator from Oklahoma when he says that the purpose of the legislation is to raise prices.

Mr. LANGER. Let me repeat the testimony of the distinguished junior Senator from Oklahoma, as found on page 220. This is his question:

Turning now to the trend in field prices, I believe the chief proponents of S. 1498 are interested in higher——

Mr. JOHNSON of Texas. "Are interested," but are not proposing. Who is not interested in getting a higher price for his commodity? That is different from saying this is legislation proposing it.

Mr. LANGER. I will tell the Senator who is interested in it.

Mr. JOHNSON of Texas. I know who is interested in it; it is the producers.

Mr. LANGER. The Senator from Oklahoma says it will be admitted that the people who are interested are the people who have been so well described by the junior Senator from Illinois, the monopolists, the fellows in control of the field, who want to get every single penny they can get.

Mr. DOUGLAS and Mr. JOHNSON of Texas addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield, and if so, to whom?

Mr. LANGER. I yield first to the Senator from Illinois.

Mr. DOUGLAS. Since the Senator from Illinois has been referred to, let me say that no one should doubt the good faith of the junior Senator from Oklahoma in this matter. I am completely convinced that the Senator from Okla-

homa believes in the righteousness of his cause, that he is sincere in what he says, that he thinks he is acting in the public interest. While I differ very widely with him from the standpoint of public policy, I desire to make it clear on the floor of the Senate that I do not question his motives.

Mr. JOHNSON of Texas. If the Senator from North Dakota will yield, I assume the Senator from Illinois also wants to make it perfectly clear that the Senator from Oklahoma did not say in the hearings that the purpose of the pending bill was to bring about higher prices, as he was quoted by the Senator from North Dakota.

Mr. DOUGLAS. I will let the Senator from Oklahoma interpret his own statement. I desire to make it clear that I do not question and never have questioned the good faith of the Senator from Oklahoma. I think we can conduct this debate on its merits without regard to motives. I believe the Senator from Oklahoma and the Senator from Texas to be completely wrong, but I value them as friends, and they are very good Senators.

Mr. JOHNSON of Texas. Will the Senator from North Dakota yield further?

Mr. LANGER. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. The Senator from North Dakota stated that the proponents of the bill said it had two purposes, that one purpose was to raise prices, and then he quoted, in support of that statement, the statement of the Senator from Oklahoma that of course it would be admitted that all producers were interested in higher prices.

Mr. LANGER. Interested in higher field prices.

Mr. JOHNSON of Texas. The Senator from North Dakota has not been reluctant or hesitant to manifest his interest in higher prices for many commodities which are produced in his State. I assume that if he were questioned very closely now he would admit that he would like to have a little higher price for wheat. That would not necessarily mean that the purpose of the bill he was supporting was to raise prices all over the Nation. The facts show that there is one commodity with respect to which prices have gone down, natural gas. They have gone down 12 percent in 12 years, while with respect to the competing fuels, such as bituminous coal—and I know Senators welcome the agreement reached last week to resume production of bituminous coal—the price of bituminous has gone up 259 percent. Meanwhile the price of natural gas has gone down 12 percent.

I remind the Senator that the 1,600,000,000,000 cubic feet of gas which went into interstate commerce last year brought an average of 5 cents a thousand. The total gross revenue received by all independent producers who sold in interstate commerce was $70,000,000. General Electric's profit statement last year was $133,000,000. The profit of General Motors last year was $600,000,000. John L. Lewis brought about an increase in the cost of coal of $109,000,000. He got more for coal in one agreement last week with the coal associations than all the producers of all the gas received in gross receipts last year.

Mr. LANGER. Mr. President, I do not see how the Senator from North Dakota could have been more fair than he has been in this debate. I have not questioned the motives of any Senator upon the floor. I read from the testimony given before the committee. Certainly any Senator can read the testimony given before any committee without another Senator feeling that his motives are being impugned. One of the best friends I have on this floor is my distinguished friend, the Senator from Oklahoma [Mr. KERR]. I certainly am not impugning his motives. If he feels that the producers of natural gas in the field are entitled to 5 cents or 10 cents more a thousand cubic feet he is certainly entitled to say so on the floor of the Senate. By the same token the distinguished junior Senator from Illinois and the Senator from North Dakota have the right to believe and to say that if such an increase is put into effect it will result in raising the price to the ultimate consumer.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. DOUGLAS. Is it not perfectly true that increases are now taking place? The Phillips contract, for instance, is going up from 5 cents to 8½ cents, and for certain portions of the gas to 10 and 11 cents per 1,000 cubic feet.

Mr. KERR. Mr. President, will the Senator from North Dakota yield for a question?

Mr. LANGER. I yield.

Mr. KERR. Is the Senator aware of the fact that by the transporter being able to renegotiate that contract and double the volume, even though it increases the price to the producer for the over-all amount, the transporter was thereby able to deliver the gas at Detroit at a less price than it could have delivered the original amount at the lesser cost?

Mr. DOUGLAS. If that is the case, and I am not certain that it is——

Mr. KERR. I am. It is the Michigan-Wisconsin case.

Mr. DOUGLAS. If it is the case, what the Senator from Oklahoma is saying is that all the economies resulting from improved transportation methods should go to the gatherers in the field, rather than being shared with consumers, even though tremendous profits are being made already.

Mr. KERR. Not at all. If the Senator would like to have the information as to what that situation was, let me say that the pipeline had a contract for a certain amount of gas, and a permit based upon that amount. They came back to the producer and wanted to buy additional amounts in other areas where the drilling was deeper and more expensive. They said "If you can provide an additional supply we can give you a better price for the over-all average, and by reason of the increased volume of the additional gas it will enable us to give a cheaper price to the consumers in Michigan and Wisconsin."

Mr. DOUGLAS. But is it not true that as a result, Phillips is getting, not 5 cents, but 8½ cents, 10 cents and 11 cents per one thousand cubic feet, or a higher price for gas in the field, and that the Phillips Co. already is doing extremely well, according to its profit and loss statements? I am away from my papers, but I do have some figures with respect to the Phillips Co.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

Mr. DOUGLAS. Mr. President——

Mr. LANGER. Mr. President, I ask unanimous consent that I do not lose the floor while the two Senators are engaged in their colloquy.

The VICE PRESIDENT. Under the rules of the Senate, Senators who are engaged in debate are supposed to occupy their places.

Mr. KERR. Mr. President, I yield to the proposition that the rules of the Senate are more important than information about the subject matter.

Mr. DOUGLAS. Mr. President, I think it is possible to combine both the rules of the Senate and information, and if the Senator from North Dakota will yield——

Mr. LANGER. I yield to the Senator from Illinois.

Mr. DOUGLAS. I should like to point out to my distinguished friend from from Oklahoma that in 1948 the Phillips Petroleum Co. had total assets of $579,000,000, over a half billion dollars; total gross operating revenues of $487,000,000, and the percent of return on common stock and surplus in 1948, after taxes, was 18.7 percent. This profit is phenomenal in view of the 7 or 8 percent normally considered an excellent return.

Since the Phillips case, involving the Wisconsin-Michigan pipe line, has been referred to, is the Senator from North Dakota aware that the additional cost to consumers under the new contract the Phillips Co. is trying to put over, will, according to the staff of the Federal Power Commission, amount to $5,000,000 a year as the minimum? In other words, that the cost of gas has been doubled in about 4 years? This is given, I believe, in the Commission's order of February 9, 1950, docket No. G–1148.

Mr. KERR. Mr. President, will the Senator from North Dakota yield to me for a question?

Mr. LANGER. I yield.

Mr. KERR. If that increased amount results in the Interstate Pipe Line being able to sell gas to their distributing company in Michigan and Wisconsin at a less price than they could have, would it thereby increase the cost to the consumer, or decrease it?

Mr. LANGER. Does the Senator from Illinois want to answer that question?

Mr. KERR. I addressed the question to the Senator from North Dakota, but I should be delighted to have an answer from any Senator who believes he can give it.

Mr. DOUGLAS. Will the Senator from Oklahoma please repeat his question?

Mr. KERR. I shall be glad to do so if I may do so without being out of order.

Mr. LANGER. Mr. President, I yield to the Senator from Oklahoma for that purpose.

Mr. KERR. If the renegotiation of the contract resulted in a greater volume of gas which made it possible for the pipeline company to absorb the increased amount they paid the producer, and yet deliver it in Michigan and Wisconsin at a cheaper price than they could have delivered the lesser quantity of gas, would that contract result in an increase to the consumer or a decrease?

Mr. DOUGLAS. I may say to my good friend from Oklahoma that though I am a very proud citizen of the Midwest, I grew up in New England, and it is the custom of Yankees, when they are asked one question, to reply by asking another. But the reply that I make to the Senator's question has a very real bearing.

Mr. KERR. I may say that is the best technique when the answer to the question is not available.

Mr. DOUGLAS. I think this will become evident to the Senator from Oklahoma. Is it not true that the existing pipe lines are already being utilized to full capacity?

Mr. KERR. No. The pipe line in question was built on one basis, I think involving $100,000,000 or $125,000,000. By the addition of approximately 30 to 35 percent in equipment the capacity of the pipe line was doubled.

Mr. DOUGLAS. But are not the pipe lines now being utilized to full capacity?

Mr. KERR. In accordance with the specifications of the present facilities, but by the installation of additional booster stations, which represent minor investments, their capacity is increased at a far greater rate than the unit cost is increased.

Mr. LUCAS. Mr. President, it is a little difficult for me to hear when the two Senators are so close together. I suggest that they move just a few feet apart at least.

The VICE PRESIDENT. The Chair has no control over the proximity of Senators to each other, except to call attention again to the rule which requires Senators who engage in debate to occupy their places. But sometimes that rule is not enforced meticulously. The Chair, of course, meant no offense when a while ago he suggested to the two Senators engaged in close-fisted debate, that they might resume their places; neither of them being hard of hearing.

Mr. KERR. I should say that is a reasonable request.

Mr. DOUGLAS. Now that we are moving toward our seats, may I say that so great is my regard for the Senator from Oklahoma that it is always well to be as near to him as possible. But now, since a little distance separates us, I may say that it is apparent that the existing pipe lines are already utilized to full capacity, and I cannot quite see how there can be a reduction in overhead by merely putting in more gas. What will have to be done is to build new pipe lines. And if the consumers would not pay more, why did the staff of the Federal Power Commission estimate that the cost would be $5,000,000 more a year? Does the very able Senator from Oklahoma question the computation of the staff?

Mr. KERR. If I may be permitted to answer that question——

Mr. LANGER. I yield for that purpose.

Mr. KERR. Because the question was asked me in lieu of an answer to my question. I will say that I was quoting from the petition of the applicant, the Michigan-Wisconsin Pipeline Co., in which they themselves state that if they are permitted to increase their capacity on the basis applied for, and which will utilize the increased volume of gas which they obtain through the renegotiated contract, their unit cost of transportation will be sufficiently lowered to enable them to absorb the slight increase by the producer, and still deliver the gas at the gate of the city in Michigan or Wisconsin at a less price than would have been in effect had they not been able to renegotiate their contract for the doubled amount of gas. I am quoting from their petition.

Mr. LANGER. In other words, they could charge higher prices in the field, and yet could sell the gas at a lower rate to the consumer?

Mr. KERR. That is correct.

Mr. LANGER. I mean that is their contention.

Mr. KERR. Mr. President, I refer the Senator there to the answer to the question I asked him earlier in the day. I asked him whether he could show a case on record, in spite of the fact that over the years the price has been increased to the independent producers, where the Commission has ever authorized an increased rate by the pipe-line company at the city gate. The Senator from North Dakota did not answer that question.

I am very glad to say to him that my information is that in all of the hundreds of cases before the Commission there has never been such an increase.

Mr. LANGER. I am delighted to have that information from the distinguished Senator.

Mr. President, before yielding the floor, I wish to take up my third point.

First, I mentioned the admission that one purpose of the bill is to increase the price of natural gas; and in that connection I quoted from the testimony appearing on page 220 of the hearings.

The second point is that they do not wish to have any regulation.

Now I come to my third point. I refer now to page 258 of the hearings, where Mr. Olds was testifying. He said:

In that same testimony—

Referring to the testimony on the Moore-Rizley bill, House bill 4051—

I made it plain that I did not think it would be sound to amend the act in such a way—

Mr. President, I want every Senator to note this—

as to preclude "if it becomes necessary, regulation of the wholesales in interstate commerce at the point where the gas is delivered to pipe lines."

Mr. President, that completes my statement of the three reasons for my objection to this bill and why I shall vote against it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton- and peanut-acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

CONFIRMATION—VICE ADM. RUSSELL S. BERKEY

Mr. TYDINGS. Mr. President, from the Committee on Armed Services I report favorably the nomination of Vice Adm. Russell S. Berkey, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Chief of Information, Navy Department.

The VICE PRESIDENT. The nomination will be received and placed on the Executive Calendar.

Mr. TYDINGS. Mr. President, the nomination of Vice Admiral Berkey is a routine promotion. It comes unanimously from the committee, and no objection was heard. It was held in committee for 10 days.

I now ask that, as in executive session, the nomination be confirmed, and the President notified.

The VICE PRESIDENT. Is there objection? The Chair hears none; and, without objection, the nomination is confirmed, and the President will be notified.

AMERICAN POLICY IN THE FAR EAST—SPEECHES BY THE SECRETARY OF STATE

Mr. KNOWLAND. Mr. President, the Secretary of State, Dean Acheson, has made two significant speeches in my State of California. As one who has supported, during the 5 years I have served in the United States Senate, our foreign policy in Europe, and has been critical of our foreign policy in Asia, I commend both of these addresses to the Senate and to the Nation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the speech delivered by the Honorable Dean Acheson yesterday before the Commonwealth Club of California, in San Francisco; and the speech delivered by him before the University of California, at Berkeley.

There being no objection, the speeches were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. DEAN ACHESON, SECRETARY OF STATE, BEFORE THE COMMONWEALTH CLUB OF CALIFORNIA, SAN FRANCISCO, CALIF., MARCH 15, 1950

UNITED STATES POLICY TOWARD ASIA

I am going to talk with you today about our foreign policy toward Asia. Since my time is short, I must stick to the main thread.

First of all, let me remind you that the foreign policy of a free nation in relation to other free nations should be rooted in the fundamental attitudes of the peoples on both sides, and in the facts as they exist.

So far as we are concerned, we know that we are interested in the peoples of Asia as people. We want to help them as people. We do not want to take anything from them for ourselves. We do not want to deny them any opportunity, any freedom, any right. We do not want to use them for any purpose of our own.

On the contrary, we want to help them, in any sensible way we can, to achieve their own goals and ambitions in their own way. We want to do this, because we believe that what the peoples of Asia earnestly desire will make for the kind of a free and productive world in which we and they can live out our lives in peace.

We know that this is our attitude and we say this without qualification of any sort. But we must understand that others will judge us and our intentions not by what we say but by what we do. Actions have always spoken louder than words. Today, amid the welter of distortion which hostile propaganda pours out about us, actions best proclaim our purpose and our intentions.

So it is vitally important that our actions are clear reflections of our purposes. It is vitally important that muddied or emotional thinking should not result in equivocal and mistaken courses. We may know that such actions spring from good hearts, but confused thinking. To others they will be unmistakable proof of ulterior purposes. And have no doubt that there will be no lack of willing tongues to further that message. The end result will be the loss of the priceless asset we have—the confidence of hundreds of millions in our integrity.

Now what are the fundamental attitudes of the Asian peoples? And what are the basic facts in Asia?

We must understand that a new era is in full course in Asia. That whole great region, containing more than half the population of the world, is changing profoundly. The significance of that change, the reason the change is irrevocable, is that it is brought about by a deep and revolutionary movement of the peoples of Asia.

Now that movement, that powerful conviction, is made up of two dominant ideas. The first of these is revulsion against misery and poverty as the normal conditions of life. The second is revulsion against foreign domination. These ideas meet and fuse in the positive conception of national independence. This is both the symbol of aspirations and the means by which they may be achieved.

The desire for national independence is the most powerful spontaneous force in Asia today. It is the common tie among the diverse peoples of Asia, the tie between them and the free peoples of other countries, including the United States. Since the end of the war, more than 500,000,000 people have achieved national independence and self-government—in the Philippines, India, Pakistan, Ceylon, Burma, southern Korea, and Indonesia. The people of Indochina are also moving along this same road, developing with the French a new relationship expressive of their own national aspirations and resting securely on a basis of mutual consent. We welcome this development and shall continue in the future as in the past to encourage it.

In China the same strong longings of the people have reached a different end. Since before the overthrow of the Manchu dynasty in 1912, the Chinese people also have striven for freedom from infringement on their sovereignty, and for improvement of their lives. For years they struggled with unbelievable courage, endurance, and patience gainst the adversities of nature; against internal division and strife; and against foreign enemies, until the end of the war seemed to bring almost within their grasp the achievement of the hopes for which they had been striving.

Then the failure of their government to respond to their needs, its ineptitude and blindness destroyed all their confidence and support. The Nationalist government was overthrown in China not by force of arms. It collapsed from its own inherent weakness and the withdrawal of the people's support.

The Communists won by default, not by what they offered. They employed the well-known Communist technique of probing for weakness and, on finding it, exploiting it to the full. The result is that today the Nationalist government exercises authority only on the islands of Formosa and Hainan.

The revolutionary movement in China, which began a half century ago as an expression of the aspirations of the Chinese people, has been captured, for the present, by the Communists. Their seizure of power has reversed the true purposes of the revolution. For while neighboring peoples, some of them for the first time in centuries, are at last achieving true national independence, China, with its long proud history, is being forced into the Soviet orbit as a dependency of the Soviet political system and the Soviet economy.

Since I spoke in January on the Far East there has been one new and clear indication of Soviet Russia's intentions in China. We see it in the published terms of the Sino-Soviet treaty of friendship, alliance, and mutual assistance of February 14, 1950, and the other agreements concluded and announced at the same time.

The Soviet Union and its most ardent supporters in China may have temporary success in persuading the people of China that these agreements refute the contention of the non-Communist world that alliance with Soviet Russia holds an evil omen of imperialistic domination. These agreements promise help in the rehabilitation of China's war-torn and impoverished economy. They promise, in particular, assistance in the repair and development of China's railroads and industry. The Chinese people may welcome these promises and assurances. But they will not fail, in time, to see where they fall short of China's real needs and desires. And they will wonder about the points upon which the agreements remain silent.

Now, let us examine these assurances and promises of economic aid. First, Soviet Russia has promised to return certain Manchurian property but not the industrial equipment robbed by the Red army in 1945. Is this aid? Is it even a belated admission of a theft which deprived not only China, but all of Asia, of some $2,000,000,000 worth of productive capacity?

Second, Soviet Russia extends to China a $300,000,000 5-year credit at an interest rate of 1 percent yearly. This works out at $60,000,000 each year. This announcement was made only to be followed by the news that the ruble was to be revalued, thus cutting down the effective aid by one-fourth, if the new dollar-ruble rate should be applied to this credit. Thus the Chinese people may find Soviet Russia's credit to be no more than $45,000,000 per year. They can compare this with a grant—not a loan—of $400,000,000 voted by the American Congress to China in the single year 1948.

China's needs are great and pressing. China today faces a prospect of 40,000,000 people suffering from hunger between now and the next crops. Millions may die. And yet, food moves from China to the Soviet Union.

China's need for development capital runs into billions of dollars. In its issue of February 25 the London Economist makes the following penetrating analysis of Chinese needs and hopes and the extent to which they have been dashed by the agreements with Moscow:

"It has not been the purpose of modern-minded Chinese to stagnate in the backwardness of a preindustrial era; for many years they have been possessed by the dream of a rapid industrialization whereby China would break out from its old weakness and poverty and take a place among the nations more in keeping with its vast population and considerable natural resources. There is, indeed, no sign at all of a great program of industrialization to be carried through with Russian aid; the idea seems rather to make China's economy more 'colonial' than before, so that it can provide foodstuffs and raw materials for the new industrial areas of Siberia.

"The more fanatical of the Communist leaders may be content with this, but it must bring a bitter disillusionment to many progressive Chinese who have supported the Communists against the Kuomintang in the belief that the new revolution would clear away obstacles to China's economic development. The new rulers of China have deliberately cut off their country from the possibility of American economic assistance which would have been forthcoming for a United China on a far larger scale and with fewer strings attached than the loan now received with so much official gratitude from Moscow. If any Chinese really thought that Peking could obtain an unconditional and unstinted bounty by turning from Washington to Moscow, the experience of Yugoslavia might have warned him that there are more kicks than halfpence in dependent association with the Soviet empire."

And now as to the political and territorial assurances contained in the agreements. Can the Chinese people fail to observe that, whatever may be the promises for the future, under the terms of the treaty and agreements recently concluded at Moscow, the U. S. S. R. has special rights in China which represent an infringement of China's sovereignty and which are held by no other foreign power. It is Soviet Russia which, despite all the tawdry pretense of the treaty terms, occupies the role of empire builder at China's expense.

These are the realities that must be faced by the Chinese people. In facing them, they can well consider what it means to brush aside an established friendship for newfound and voracious friends. Our friendship has been founded on the belief that anyone who violates the integrity of China is the enemy of China, and is hostile to the interests of the United States. We have 50 years of history and a World War to prove that this belief is not a mere matter of words. This belief has been proved by deeds. We can and shall stand on the record.

We now face the prospect that the Communists may attempt to apply another familiar tactic and use China as a base for probing for other weak spots which they can move into and exploit.

As old friends, we say to the Chinese people that we fully understand that their present unhappy status within the orbit of the Soviet Union is not the result of any choice on their own part, but has been forced upon them. We understand that the Communist basis for their government is similarly not the result of any free choice of their own. We do not intend to tell them what ideologies or form of government they should have. We do not intend to engage in any aggressive adventures against them. The American people will remain in the future, as we have been in the past, the friends of the Chinese people.

But they should understand that, whatever happens within their own country, they can only bring grave trouble on themselves and their friends, both in Asia and beyond, if they are led by their new rulers into aggressive or subversive adventures beyond their borders. Such adventures would violate not only every tradition and interest of the Chinese people, they would violate the

traditions and interests of their Asian neighbors, of the American people, and, indeed, of all free peoples. They would violate the United Nations Charter. They would violate the peace which the charter was designed to preserve.

I say this so that there may be no mistake about the attitude of the United States; no opportunity to distort or twist it; and, so that all in China may know who would be responsible for all that such adventures might bring to pass.

Again, as old friends of the Chinese people, we say to them that the representatives of our country are leaving them not by any wish of ours. They are leaving because the normal and accepted standards of international conduct have not been observed by the Chinese Communist authorities in their treatment of our representatives, and because they have, in effect, even been summarily ejected from their own offices in Peiping. Under such condition our representatives could not fulfill their normal functions. We regret this leaving by our people, but our Chinese friends will understand again where the responsibility lies.

One more word about China, on the subject of trade, in which you here in San Francisco have played such an important part in the past. Our policy is the traditional American one. We have traded with China since before there was a United States of America. In fact, our country was discovered by people seeking a shorter trade route to the Far East. We have traded with China under many regimes and are willing to continue to do so. But here again the decisions do not lie entirely with us.

Trade requires certain standards of conduct. Ships, planes, and traders must be received under conditions of security and decency. Contracts must be honored. There must be some medium of exchange reasonably regulated.

Under these conditions your Government is entirely willing that Americans, in the future as in the past, should buy Chinese goods and sell American goods. It does not propose that Americans should sell goods which may be used to harm us. Nor does this Government propose to give credits or gifts to those who declare their hostility to us and all we stand for. We Americans should be willing to trade with China, as our forefathers did, whenever and insofar as it is made possible in China.

I want to make it entirely clear that we have no desire to thrust this trade upon China, nor is China in a position to extort it from us. In the period 1946–48 the United States supplied over 50 percent of China's imports and bought approximately a quarter of China's exports. Yet those same exports from America were less than 5 percent of our total export and our purchases from China were a mere 2 percent of all we bought abroad. If the present rulers of China wish to believe that we depend on trade with China, we are entirely willing to leave it to the test of experience to prove whether they are right or wrong.

Passing from the difficult problems of China we come to the problems of southeast Asia, which certainly seem no less complex. The circumstances which, added together, create these difficulties, are largely common to the area.

They flow, first, from the fact that, except in Thailand, the governments are governments which are new. They are experiencing the difficulties of organizing and administering the new-found independence of these countries. Problems come, second, from serious economic dislocations. Some of these flow directly from the ravages of war; others from the disruption of trade routes and trade connections. Thirdly, another group of difficulties throughout this whole area stems directly from years of Japanese occupation which broke down many long-standing habits of life, of industry, of government, with resulting internal strife.

It would be difficult enough, even under the best of circumstances and with the undivided help of their friends in other continents, for these new countries in southeast Asia to find their feet and make progress along the difficult road before them. It is, therefore, tragic that, on the contrary, they find themselves in the path of a main thrust of Soviet subversion and expansion. They are subject to influences designed to produce division within each of the countries, and subject to propaganda designed to turn them against those who might be able to help.

An important objective of Soviet propaganda has been to deceive and confuse the world concerning the policy of our Government toward the newly established nations of southeast Asia. The United States consistently has supported and will continue to support the movement of these peoples toward self-government and national independence. Since the late nineteenth century, when we ourselves first became responsible for territories in the Pacific, we have fostered national independence and the growth of free democratic institutions. In our dealings with nations who had similar responsibilities in the Far East, we have urged them to do likewise and have given substantial and tangible assistance in order that such objectives might be realized. We cite our record in regard to Philippine independence. Our recent participation through the United Nations in the Dutch-Indonesian settlement is a more recent example of this policy.

The people of Asia must face the fact that today the major threat to their freedom and to their social and economic progress is the attempted penetration of Asia by Soviet-Communist imperialism and by the colonialism which it contains. The reactionary character of this effort is illustrated by comparing the miserable fate of the European satellites with the emergence of the free nations of Pakistan, India, Burma, Ceylon, Indonesia, and the Philippines, with the full consent and cooperation of those who had earlier exercised control over them.

In speaking to the Press Club in Washington, I pointed out that American assistance can be effective in southeast Asia, as elsewhere, when it is the missing component in a problem which might otherwise be solved. Where the will and the determination exist, where the people are behind their government, American help may be the indispensable element required to produce constructive results. There is no guarantee that it can produce those results, but it has a good chance of succeeding if these other components are present.

President Truman has declared his belief that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures and that we must assist free peoples to work out their own destinies in their own way.

The aid we extend must be of a kind appropriate to the particular situation; it must be fitted into the responsibilities of others, and it must be within the prudent capabilities of our resources.

In some situations it will be military assistance. In others, it may be grants or loans, such as the recent $100,000,000 credit to the Republic of the United States of Indonesia. In still other cases, the need may be for technical assistance.

These are not new principles, nor is the application of them to the Far East a new departure. In Japan, Korea, the Philippines, Indonesia, and Thailand, for example, we have been demonstrating our desire to help where such help can strengthen the cause of freedom.

It has been a great disappointment that help which we rendered on a massive scale to China did not result in bringing peace and economic recovery to the Chinese people as we had hoped. That does not mean that the attempt to help was wrong, nor does it mean that we should not help others who seek to maintain their freedom and independence. It merely underlines that our help can only reinforce the efforts which others are prepared to make on their own behalf.

A recent expression of our desire to assist in specific and concrete ways in southeast Asia has been the dispatch of a mission, composed of technicians under the direction of Mr. R. Allen Griffin of California, formerly deputy head of the China ECA mission. This mission will determine by spot surveys what type of projects is most immediately needed, and which ones might be got under way almost immediately. The mission has been instructed not only to determine suitable projects for quick action, but also to attempt to lay some of the groundwork for the anticipated point 4 program.

We recognize our special ties with the Philippines. There is much still to be repaired in the economy of the islands torn by war. At the request of President Quirino we are going to send out an economic mission to work with the Philippine Government to determine how best to consolidate the gains already made and to lay out what still needs to be done to develop their resources. There will doubtless be situations where our aid added to energetic measures by the Philippine Government will accomplish what otherwise could not be done.

In acting to strengthen the forces of freedom in Asia, we shall work in the spirit and within the framework of the United Nations and in cooperation with other free nations which are in a position to assist.

The free nations of Asia are proceeding with their programs for political stability and economic development aided by the United States and other free nations. There is need for effort, but there is no need to be discouraged. There are sound elements in the situation on which these peoples may build. Their newly won responsibilities are calling up enthusiasm, pride and patriotic support for their own institutions. If they lack at the moment the technical and administrative experience and training they need, these can be overcome by the application of their own energy and demonstrated intelligence. Their countries have rich natural resources which can provide a basis for a flourishing trade with the rest of the world. As stability is achieved, as experience is accumulated and technical and financial assistance becomes effective, I have no doubt that the peoples of Asia will be able to participate fully and equally in the international community both politically and economically.

It is encouraging to see growing agreement about the nature of the problem in Asia. For example, we were much interested in a statement on Australian foreign policy made to the Australian House of Representatives by Mr. Spender, the Minister for External Affairs, on March 9.

Mr. Spender concluded with an enumeration of six principles through which the real democracies of the world could avoid war and preserve their way of life. They must (1) understand the true causes of present international tension, (2) realize that the preservation of their own way of life calls for a sustained and determined effort in all fields, (3) accept the fact that appeasement is completely ineffective and even dangerous, (4) put their own domestic houses in order, (5) cooperate in the many international agencies which already exist to preserve the values in which they believe, and (6) give thought to the creation of more effective methods of cooperative action in those areas where their vital interests are affected.

From what I have said today about our own attitude toward the problems in Asia, it is evident that we believe these points are soundly taken. We welcome the statement of them.

I would like to stress here a point I have made before but which cannot be stressed too often. We frequently hear that the United States is striving to halt the spread of communism. That is far too negative a way of putting it. Of course we want to halt the spread of communism, not because we want to dictate to the Asian people or to any other people what their political and economic institutions should be. We are opposed to the spread of Soviet communism because it is the means, the tool, by which Soviet Russia is attempting to extend its absolute domination over the widest possible areas of the world.

The Asian peoples for the past several decades have been engaged in a revolution in which they have been trying to throw off the poverty and oppression of past centuries. They have been striving for independence, better education, more widespread ownership of the land, and control over their own destiny.

It is no accident that their goals and our goals are the same. The American people have been the leaders in a revolution that has been going on for a century and a half, a revolution by the common people. And the basic objective of American foreign policy is to make possible a world in which all peoples, including the peoples of Asia, can work, in their own way, toward a better life. That is why we are opposed to the spread of communism not only in Asia but elsewhere. It is because this tool of Soviet imperialism perverts the real democratic revolution that has been going on all over the world since long before communism as a world conspiracy had been thought of.

The American people, and we believe the Asian peoples, when they have an opportunity fairly to appraise their interests, oppose Soviet communism for the same reason that they opposed Nazism, Japanese imperialism, or any other form of aggression—that is, because it denies to the people whom it engulfs the right to work toward a better life in their own way. This is why we must unceasingly in all we do and say affirm the positive goals of free peoples. We are for something positive, for the most fundmental urges of the human spirit. We are not and must not allow ourselves to appear merely negative, even though that negation is directed against the most corrupting force now operating in the world.

ADDRESS BY HON. DEAN ACHESON, SECRETARY OF STATE, AT THE UNIVERSITY OF CALIFORNIA, AT BERKELEY, IN CONNECTION WITH THE CONFERENCE ON INTERNATIONAL COOPERATION FOR WORLD ECONOMIC DEVELOPMENT, MARCH 16, 1950

TENSIONS BETWEEN THE UNITED STATES AND THE SOVIET UNION

I wish to make a report to you about the tensions between the United States and the Soviet Union.

Now, the right and obligation of the Secretary of State to speak to his fellow citizens, or to the representatives of other nations, about our foreign relations is not derived from any claim on his part to special knowledge or wisdom which makes him right and other people wrong. It is derived from the fact that our forefathers by free choice worked out and approved a Constitution. This Constitution, with the amendments and interpretations which have made it a living and growing thing, has survived to this day as an expression of the will of the entire people. A president is duly elected under this Constitution with a heavy and solemn responsibility to direct the foreign relations of the American people. The President has, in accordance with law and with the advice and consent of the Senate, appointed a man to serve as Secretary of State to assist him in the conduct of our foreign affairs. This right to speak on your behalf results directly from the constitutional processes by which the American people provide a government for themselves in an orderly, clear, and democratic manner.

A little over 30 years ago there came into power in one of the great countries of the world a group of people who also claim the right to speak on your behalf. That claim was based not on any constitutional procedure, or on any expression of the will of those whose representatives they professed to be. It was based on a claim which those men made to a monopoly of the knowledge of what was right and what was wrong for human beings. They further profess that their claim is based on a body of thought taken over in large part from the writings of a mid-nineteenth century German economist and theorist, Karl Marx.

I have no desire to debate here the errors of one version or another of what is today called Marxism. But I think it must be recognized in the light of the experience of the last hundred years that many of the premises on which Marx based his thought have been belied by the known facts of what has actually happened in the decades since Marx made his studies. Marx's law of capitalist accumulation, his law as to the rate of profit, his prediction of the numerical decline of the middle classes, and of the increase of the class struggle: none of these calculations has been borne out by the experience of the societies of the west. Marx did not foresee the possibility of democratic solutions.

Furthermore, the body of doctrine now professed by the Moscow-controlled Communists is only tenuously identified with Marx's writings and is largely overlaid with Russian imperialism. We certainly cannot accept the thesis that such a doctrine can serve as the justification for the right of a small group of individuals to speak for the great masses of human beings who have never selected them as their spokesmen and whose own opinions they have never consulted.

Now for three decades this group of people, or their successors, has carried on as the rulers of that same great country. They have always, at the same time, maintained the pretense that they are the interpreters of the aspirations of peoples far beyond their borders. In the light of that professed philosophy they have conducted, as masters of the Russian state, a foreign policy which now is the center of the most difficult and troublesome problems of international affairs, problems designed to keep the peoples of the world in a state of deepest apprehension and doubt. In addition to this, they have operated within the limits of the Soviet state on the basis of a domestic policy founded, they say, on the same philosophy.

There are many points in this philosophy, and particularly in the way in which it has already been applied in practice in the Soviet Union and elsewhere, which are not only deeply repugnant to us, but raise questions involving the most basic conceptions of good and evil—questions involving the ultimate moral nature of man. There is no use in attempting to ignore or gloss over the profundity of this conflict of view.

The free society values the individual as an end in himself. It requires of him only that self-discipline and self-restraint which make the rights of each individual compatible with the rights of every other individual. Individual freedom, therefore, implies individual responsibility not to exercise freedom in ways inconsistent with the freedom of other individuals, and responsibility positively to make constructive use of freedom in the building of a just society.

In relations between nations, the prime reliance of the free society is on the strength and appeal of its principles, and it feels no compulsion sooner or later to bring all societies into conformity with it.

It does not fear, rather it welcomes, diversity and derives its strength from freedom of inquiry and tolerance even of antipathetic ideas.

We can see no moral compromise with the contrary theses of international communism: that the end justifies the means, that any and all methods are therefore permissible, and that the dignity of the human individual is of no importance as against the interest of the State.

To our minds, these principles mean, in their practical application, the arrogation to individual human leaders, with all their inevitable frailties and limitations, of powers and pretenses which most of us would be willing to concede only to the infinite wisdom and compassion of a divine being. They mean the police state, with all that that implies; a regimentation of the worker which is hardly distinguishable from slave labor; a loss to society of those things which appear to us to make life worth living; a denial of the fundamental truths embodied in all the great religions of the world.

Here is a moral issue of the clearest nature. It cannot be evaded. Let us make no mistake about it.

Yet it does not follow from this that the two systems, theirs and ours, cannot exist concurrently in this world. Good and evil can and do exist concurrently in the whole great realm of human life. They exist within every individual, within every nation, and within every human group. The struggle between good and evil cannot be confined to governments. That struggle will go on, as it always has, in the wider theater of the human spirit itself.

But it also does not follow from this coexistence of good and evil that the two systems, theirs and ours, will necessarily be able to exist concurrently. That will depend largely on them, for we ourselves do not find impossibility in the prospect of coexistence with the Soviet system.

However much we may sympathize with the Soviet citizens who for reasons bedded deep in history are obliged to live under it, we are not attempting to change the governmental or social structure of the Soviet Union. The Soviet regime, however, has devoted a major portion of its energies and resources to the attempt to impose its system on other peoples. In this attempt it has shown itself prepared to resort to any method or stratagem including subversion, threats, and even military force.

Therefore, if the two systems are to coexist, some acceptable means must be found to free the world from the destructive tensions and anxieties of which it has been the victim in these past years and the continuance of which can hardly be in the interests of any people.

I wish, therefore, to speak to you about those points of greatest difference which must be identified and sooner or later reconciled if the two systems are to live together, if not with mutual respect, at least in reasonable security. What is it which the leaders of international communism could do to make such coexistence more tolerable to everyone?

There are a number of things they could do, which, while leaving much yet to do, would give the world new confidence in the possibility of peaceful change, in the principle and processes of peaceful settlement as an effective means of finding workable solutions in areas of disagreement.

Let us look first at the points where we and they are perhaps most closely in contact, and where the establishment of peace in its

narrowest, most limited sense is dangerously impeded by the absence of common ground.

1. Definition of terms of peace

It is now nearly 5 years since the end of hostilities, and the victorious Allies have been unable to define the terms of peace with the defeated counties. This is a grave, a deeply disturbing fact. For our part, we do not intend nor wish, in fact we do not know how, to create satellites. Nor can we accept a settlement which would make Germany, Japan, or liberated Austria satellites of the Soviet Union. The experience in Hungary, Rumania, and Bulgaria has been one of bitter disappointment and shocking betrayal of the solemn pledges by the wartime Allies. The Soviet leaders joined in the pledge at Tehran that they looked forward "with confidence to the day when all peoples of the world may live free lives, untouched by tyranny, and according to their varying desires and their own consciences." We can accept treaties of peace which would give reality to this pledge and to the interests of all in security.

With regard to Germany, unification under a government chosen in free elections under international observation is a basic element in an acceptable settlement. With that need recognized and with a will to define the terms of peace, a German treaty could be formulated which, while not pretending to solve all of the complex and bitter problems of the German situation, would, nevertheless, go far toward a relaxation of a set of major tensions.

With regard to Austria, that uphappy country is still under occupation because the Soviet leaders do not want a treaty. The political and economic independence of Austria is being sabotaged by the determination of the Soviets, camouflaged in technicalities, to maintain their forces and special interests in eastern Austria.

With regard to Japan, we feel that the Soviet leaders could recognize the interest which nations other than the members of the Council of Foreign Ministers have in a Japanese peace treaty and could refrain from taking positions and insisting on procedures which block progress toward a treaty.

In the Far East generally, there are many points where the Soviet leaders could, if they chose, relax tensions. They could, for example, permit the United Nations' Commission in Korea to carry out its duties by allowing the Commission's entry into north Korea and by accepting its report as the basis for a peaceful settlement of that liberated country's problems. They could repatriate Japanese prisoners of war from Siberian camps. They could refrain from subverting the efforts of the newly independent states of Asia and their native leaders to solve their problems in their own way.

2. Use of force

With regard of the whole group of countries which we are accustomed to think of as the satellite area, the Soviet leaders could withdraw their military and police force and refrain from using the shadow of that force to keep in power persons or regimes which do not command the confidence of the respective peoples, freely expressed through orderly representative processes. In other words, they could elect to observe, in practice, the declaration to which they set their signatures at Yalta concerning liberated Europe.

In this connection we do not insist that these governments have any particular political or social complexion. What concerns us is that they should be truly independent national regimes, with a will of their own and with a decent foundation in popular feeling. We would like to feel, when we deal with these governments, that we are dealing with something representative of the national identity of the peoples in question. We cannot believe that such a situation would be really incompatible with the security of the Soviet Union.

This is a question of elementary good faith, and it is vital to a spirit of confidence that other treaties and other agreements will be honored. Nothing would so alter the international climate as the holding of elections in the satellite states in which the true will of the people could be expressed.

3. Obstruction in the United Nations

The Soviet leaders could drop their policy of obstruction in the United Nations and could instead act as if they believe the United Nations is, as Stalin himself has recently called it, a serious instrumentality for the maintenance of international peace and security. They are simply not acting that way now.

Their policy of walk-out and boycott is a policy that undermines the concept of majority decision. Indeed, they seem deliberately to entrench themselves in a minority position in the United Nations. This was illustrated last fall when they voted against the essentials of peace resolution which solemnly restated and reaffirmed the principles and purposes of the United Nations Charter and which pointed to practical steps which members should take to support the peace.

A respect for the expressed will of the majority is as fundamental to international organization as it is to democracy. We know that a majority of the General Assembly has generally not agreed with the Soviet Union, whereas we ourselves have generally been on the majority side. There is nothing artificial about this situation. It has not been the result of any sleight of hand or pressures on our part. We do not have any satellites whose votes we control. The significant fact is that proposals which have commended themselves to a majority of the members of the United Nations have also commended themselves to us.

Let the Soviet Union put forward in the United Nations genuine proposals conducive to the work of peace, respectful of the real independence of other governments, and appreciative of the role which the United Nations could and should play in the preservation of world stability and the cooperation of nations. They will then doubtless have a majority with them. We will rejoice to see them in such a majority. We will be pleased to be a member of it ourselves.

4. Effective control of atomic energy

The Soviet leaders could join us in seeking realistic and effective arrangements for the control of atomic weapons and the limitation of armaments in general. We know that it is not easy for them under their system to contemplate the functioning on their territory of an authority in which people would participate who are not of their political persuasion.

If we have not hesitated to urge that they as well as we accept this requirement it is because we believe that a spirit of genuine responsibility to mankind is widely present in this world. Many able administrators and scientists could be found to operate such an authority who would be only too happy, regardless of political complexion, to take an elevated and enlightened view of the immense responsibility which would rest upon them. There are men who would scorn to use their powers for the negative purpose of intrigue and destruction. We believe that an authority could be established which would not be controlled or subject to control by either ourselves or the Soviet Union.

5. Attempts at undermining established governments

The Kremlin could refrain from using the Communist apparatus controlled by it throughout the world to attempt to overthrow, by subversive means, established governments with which the Soviet Government stands in an outward state of friendship and respect. In general, it could desist from, and could cooperate in efforts to prevent, indirect aggression across national frontiers—a mode of conduct which is inconsistent with the spirit and the letter of the United Nations Charter.

6. Proper treatment of diplomatic representatives

The Soviet leaders could cooperate with us to the end that the official representatives of all countries are treated everywhere with decency and respect and that an atmosphere is created in which these representatives could function in a normal and helpful manner, conforming to the accepted codes of diplomacy.

The standards of conduct of our own representatives are known from more than a century and a half of American diplomatic experience. These standards are such that all countries which have accepted our representatives in a spirit of respect and confidence over periods of many decades have certainly remained none the worse for it. The independence of those countries has not been undermined; their peoples have not been corrupted; their economies have not been scathed by sabotage.

When we now find our representatives treated as criminals, when we see great official propaganda machines reiterating that they are sinister people and that contact with them is pregnant with danger—we cannot believe that such insinuations are advanced in good faith, and we canot be blind to the obvious implications of such an attitude.

7. Distortion of motives of others

In general, the Soviet leaders could refrain, I think, from systematically distorting to their own peoples the picture of the world outside their borders, and of our country, in particular.

We are not suggesting that they become propagandists for any country or system other than their own. But the Soviet leaders know, and the world knows with what genuine disappointment and concern the people of this country were brought to the realization that the wartime collaboration between the major allies was not to be the beginning of a happier and freer era in the association between the peoples of the Soviet Union and other peoples.

What are we now to conclude from the morbid fancies which their propaganda exudes of a capitalist encirclement, of a United States craftily and systematically plotting another world war? They know, and the world knows, how foreign is the concept of aggressive war to our philosophy and our political system. They know that we are not asking to be the objects of any insincere and effusive demonstrations of sentimental friendship. But we feel that the Soviet leaders could at least permit access to the Soviet Union of persons and ideas from other countries so that other views might be presented to the Russian people.

These are some of the things which we feel that the Soviet leaders could do, which would permit the rational and peaceful development of the coexistence of their system and ours. They are not things that go to the depths of the moral conflict. They are not things that promise the kingdom of heaven. They have been formulated by us, not as moralists but as servants of Government, anxious to get on with the practical problems that lie before us, and to get on with them in a manner consistent with mankind's deep longing for a respite from fear and uncertainty.

Nor have they been formulated as a one-sided bargain. A will to achieve binding, peaceful settlements would be required of all participants. All would have to produce unmistakable evidence of their good faith.

All would have to accept agreements in the observance of which all nations could have real confidence.

The United States is ready, as it has been and always will be, to cooperate in genuine efforts to find peaceful settlements. Our attitude is not inflexible, our opinions are not frozen, our positions are not and will not be obstacles to peace. But it takes more than one to cooperate. If the Soviet Union could join in doing these things I have outlined, we could all face the future with greater security. We could look forward to more than the eventual reduction of some of the present tensions. We could anticipate a return to a more normal and relaxed diplomatic atmosphere, and to progress in the transaction of some of the international business which needs so urgently to be done.

I fear, however, that I must warn you not to raise your hopes. No one who has lived through these postwar years can be sanguine about reaching agreements in which reliance can be placed and which will be observed by the Soviet leaders in good faith. We must not, in our yearning for peace, allow ourselves to be betrayed by vague generalities or beguiling proffers of peace which are unsubstantiated by good faith solidly demonstrated in daily behavior. We are always ready to discuss, to negotiate, to agree, but we are understandably loath to play the role of international sucker. We will take the initiative in the future as we have in the past in seeking agreement whenever there is any indication that this course would be a fruitful one. What is required is genuine evidence in conduct, not just in words, of an intention to solve the immediate problems and remove the tensions which divide us. I see no evidence that the Soviet leaders will change their conduct until the progress of the free world convinces them that they cannot profit from a continuation of these tensions.

So our course of action in the world of hard reality which faces us is not one that is easily charted. It is not one which this Nation can adopt without consideration of the needs and views of other free nations. It is one which requires all the devotion and resolve and wisdom that can be summoned up. We have had and continue to have the assistance and advice of distinguished leaders in all walks of life. We have the benefit of the great public discussion which has been proceeding in the democratic way, by free inquiry and free expression.

It is my purpose in talking with you to point a direction and to define the choices which confront us. We need to stand before the world with our own purpose and position clear.

We want peace, but not at any price. We are ready to negotiate, but not at the expense of rousing false hopes which would be dashed by new failures. We are equally determined to support all real efforts for peaceful settlements and to resist aggression.

The times call for a total diplomacy equal to the task of defense against Soviet expansion and to the task of building the kind of world in which our way of life can flourish. We must continue to press ahead with the building of a free world which is strong in its faith and in its material progress. The alternative is to allow the free nations to succumb one by one to the erosive and encroaching processes of Soviet expansion.

We must not slacken, rather we must reinvigorate, the kind of democratic efforts which are represented by the European recovery program, the North Atlantic and Rio Pacts, the mutual-defense assistance program, the point 4 program for developing the world's new workshops, and assistance in creating the conditions necessary to a growing, many-sided exchange of the world's products.

We must champion an international order based on the United Nations and on the abiding principles of freedom and justice, or accept an international society increasingly torn by destructive rivalries.

We must recognize that our ability to achieve our purposes cannot rest alone on a desire for peace, but that it must be supported by the strength to meet whatever tasks Providence may have in store for us.

We must not make the mistake, in other words, of using Soviet conduct as a standard for our own. Our efforts cannot be merely reactions to the latest moves by the Kremlin. The bipartisan line of American foreign policy has been and must continue to be the constructive task of building, in cooperation with others, the kind of world in which freedom and justice can flourish. We must not be turned aside from this task by the diversionary thrusts of the Soviet Union. And if it is necessary, as it sometimes is, to deal with such a thrust or the threat of one, the effort should be understood as one which, though essential, is outside the main stream of our policy.

Progress is to be gained in the doing of the constructive tasks which give practical affirmation to the principles by which we live.

The success of our efforts rests finally on our faith in ourselves and in the values for which this Republic stands. We will need courage and steadfastness and the cool heads and steady nerves of a citizenry which has always faced the future "with malice toward none; with charity toward all; with firmness in the right, as God gives us to see the right."

Mr. KNOWLAND. Mr. President, I wish to call the attention of the Senate to several significant paragraphs in each of the two speeches the Secretary of State has just made.

He said:

> But we must understand that others will judge us and our intentions not by what we say but by what we do. Actions have always spoken louder than words. Today, amid the welter of distortion which hostile propaganda pours out about us, actions best proclaim our purpose and our intentions.

A little later in his speech before the Commonwealth Club, Mr. Acheson said:

> The people of Asia must face the fact that today the major threat to their freedom and to their social and economic progress is the attempted penetration of Asia by Soviet-Communist imperialism and by the colonialism which that penetration attempts to conceal.

A little further toward the end of his speech before the Commonwealth Club, the Secretary of State said:

> That is why we are opposed to the spread of communism not only in Asia, but elsewhere. It is because this tool of Soviet imperialism perverts the real democratic revolution that has been going on all over the world since long before communism as a world conspiracy had been thought of.

Mr. President, this is no time for our Nation to relax its effort toward gaining a free world of free men.

In his speech yesterday before the Commonwealth Club of California, in San Francisco, the Secretary of State sketched the broad outline of a far eastern policy. So far as it goes, it offers to a considerable degree a foundation upon which a constructive policy could be built. It has one major flaw: It attempts to ignore the realities of 8,000,000 people who constitute those living in the area of the Republic of China on Formosa, Hainan, Kingmen, and the other islands under the effective control of the legal government of that nation.

These people also have a determination to maintain their freedom outside the Communist orbit. There are as many people on Formosa as there are in Australia; there are more than there are in the entire nation of Greece. There are approximately 600,000 soldiers in the army of the Republic of China, at least 300,000 of whom are first-class troops. They are commanded by a first-rate commander, Gen. Sun Leh-jen. That number of troops, Mr. President, I submit, is greater than the number of troops that are available in the combined armies of the Philippines, Australia, the United States of Indonesia, New Zealand, Korea, Indochina, Burma, Siam, Hong Kong, and the United States forces in Japan and Okinawa. Is it realistic, Mr. President, to ignore this fact in making a far eastern policy? I think not.

Mr. President, Hainan is rich in iron ore. Japan's economic recovery is to some extent dependent upon it. Much mutual benefit can be gained from trade between Formosa and Japan, as well as southeastern Asia. Is it realistic to ignore this fact? I think not.

Mr. President, let the past bury its dead of mistakes in policy. The Secretary of State labors the point of mistakes by the Chinese Nationalist Government. He ignores our own. Both Governments made many grave mistakes; but if we argue about those mistakes of the past, and argue that point to its end, our policy finally will be immobilized, and all of Asia may pass into the Communist orbit. Let us clear away the wreckage of the past mistakes, regardless of by whom they may have been made; and let us examine present-day conditions.

I wish to read two significant paragraphs from the speech of the Secretary of State, which I shall discuss in more detail. I quote now from the speech delivered by the Secretary of State before the Commonwealth Club:

> The Nationalist Government was overthrown in China not by force of arms. It collapsed from its own inherent weakness and the withdrawal of the people's support.

Mr. President, as I pointed out, I do not think much useful purpose will be gained by a continual debate over who made the most mistakes in the past. I am freely willing to admit that the Nationalist Government of China made many mistakes; but candor requires that I also point out that our own Government made many mistakes. We could argue that point, as I have said, over a period of months, to the detriment of our own foreign policy and the peace and the security of the world.

But inasmuch as the Secretary of State in his Commonwealth Club speech has mentioned only the mistakes of the Nationalist Government of China, and not of our own, I think it is only fair to point out the inconsistency between the paragraph of his speech I have just read and the one I shall now read, for further in his speech the Secretary of State said:

> As old friends, we say to the Chinese people that we fully understand that their present unhappy status within the orbit of the Soviet Union is not the result of any choice on their own part, but has been forced upon them.

Mr. President, obviously the situation could not have been forced upon them in the one case, as outlined by the Secretary of State, if at the same time, as he says, the Nationalist Government of China collapsed of its own weight. The two statements simply are not consistent.

Mr. President, I regret that the Joint Chiefs of Staff in their recent visit to the Far East did not go to Formosa to get first-hand information. They would have found that the people of Formosa and the people of Hainan are equally as good risks as those of Indochina, Burma, or Siam. In many respects they are better risks, because they have learned much in the bitter school of experience.

At this point I wish to quote further from the speech delivered by the Secretary of State before the Commonwealth Club:

> It has been a great disappointment that help which we rendered on a massive scale in China did not result in bringing peace and economic recovery to the Chinese people as we had hoped. That does not mean that the attempt to help was wrong nor does it mean that we should not help others who seek to maintain their freedom and independence.

Mr. President, I should think that if the Secretary of State had said that it does not mean that we should not help those who seek to maintain freedom and independence, it would have been a more sound statement, because the word "others" would seem to imply that regardless of the fact that the people of the Republic of China may have corrected their mistakes, may have acknowledged them, may now be as prepared to defend their freedom as are the people of Burma or of Indochina or of Siam or of the Philippines or of Korea, yet they are foreclosed from receiving help.

Personally, Mr. President, I do not believe that is the intention of the Secretary of State. I am hopeful that, upon reflection, he will recognize that this great area, containing 7,000,000 people, is an integral part of any far-eastern policy which may be built up in the future.

Mr. President, along the same line, I wish to call attention to the following part of the speech delivered by the Secretary of State:

> Where the people are behind their government, American help may be the indispensable element required to produce constructive results.

If, in the wisdom of the Secretary of State, and the President of the United States, they should find that the people of the islands of Formosa and Hainan have corrected the mistakes of the past, are now prepared to defend their freedom and liberty, that the morale of their troops is as high as I believe it to be, and that they will receive on a parity the same type of consideration that the people of southeast Asia, either in Indochina, in Burma, or in Siam or the Philippines or Korea will receive, once again, Mr. President, I urge the Secretary of State to confer with the foreign ministers of Australia, of New Zealand, the United States of Indonesia, the Philippines, Korea, Burma, Siam, and the Republic of China, looking toward a nonaggression pact or understanding in the Pacific area.

I desire to read along those lines a very significant paragraph of the Secretary's speech before the Commonwealth Club, as follows:

> For example, we were much interested in a statement on Australian foreign policy made to the Australian House of Representatives by Mr. Spender, the Minister for External Affairs, on March 9.
>
> SIX PRINCIPLES ENUMERATED
>
> Mr. Spender concluded with an enumeration of six principles through which the real democracies of the world could avoid war and preserve their way of life. They must (1) understand the true causes of present international tension, (2) realize that the preservation of their own way of life calls for a sustained and determined effort in all fields, (3) accept the fact that appeasement is completely ineffective and even dangerous, (4) put their own domestic houses in order, (5) cooperate in the many international agencies which already exist to preserve the values in which they believe, and (6) give thought to the creation of more effective methods of cooperative action in those areas where their vital interests are affected.
>
> From what I have said today about our own attitude toward the problems in Asia, it is evident that we believe these points are soundly taken. We welcome the statement of them.

In my opinion, Mr. President, this is an encouraging sign on the part of the State Department, that they do recognize that this vast area of the Pacific must have more attention, and that it does not do very much good for the ultimate peace of the world or for the security of the United States to close the door to communism in Europe while we leave it wide open in Asia.

Once again, I urge the Government give some effective leadership to the maintenance of the Republic of China as a member of the United Nations, rather than to have the membership go to the Soviet satellite Chinese Communist Government.

I wish to point out, Mr. President, that if the Communist regime in China gets the seat of the Republic of China in the United Nations, it will give the Soviet bloc not only an additional membership on the Security Council but will give them another veto through which to disrupt the United Nations Organization, and certainly ultimately, though perhaps not forthwith, it would lead to the recognition of the Communist regime in China by most of the members of the United Nations.

I have said before, Mr. President, and I now repeat, that I believe the recognition of the Communist regime in China will prove ultimately to be as great a blow to human freedom as was the Pact of Munich when the liberties and freedom of the people of Czechoslovakia were sold down the river to Nazi Germany.

Mr. President, in his speech at the University of California today, Secretary Acheson had this to say. I think it a very significant quotation, and I wish to read it to the Senate:

> So our course of action in the world of hard reality which faces us is not one which is easily chartered. It is not one which this Nation can adopt without consideration of the needs and views of other free nations. It is one which requires all the devotion and resolve and wisdom that can be summoned up. We have had, and continue to have, the existence and advice of distinguished leaders in all walks of life. We have the benefit of the great public discussion which has been proceeding in the democratic way, by free inquiry and free expression.
>
> It is my purpose in talking with you to point a direction and to define the choices which confront us. We need to stand before the world with our own purpose and position clear.
>
> We want peace, but not at any price. We are ready to negotiate, but not at the expense of rousing false hopes which would be dashed by new failures. We are equally determined to support all real efforts for peaceful settlements and to resist aggression.
>
> The times call for a total diplomacy equal to the task of defense against Soviet expansion and to the task of building the kind of world in which our way of life can flourish. We must continue to press ahead with the building of a free world which is strong in its faith and in its material progress. The alternative is to allow the free nations to succumb one by one to the erosive and encroaching processes of Soviet expansion.
>
> We must not slacken. Rather we must reinvigorate the kind of democratic efforts which are represented by the European recovery program, the North Atlantic and Rio Pacts, the mutual defense assistance program, the point-4 program for developing the world's new workshops, and assistance in creating the conditions necessary to a growing, many-sided exchange of the world's products.
>
> We must champion an international order based on the United Nations and on the abiding principles of freedom and justice, or accept an international society increasingly torn by destructive rivalries.
>
> We must recognize that our ability to achieve our purposes cannot rest alone on a desire for peace, but that it must be supported by the strength to meet whatever tasks Providence may have in store for us.
>
> We must not make the mistake in other words of using Soviet conduct as a standard for our own. Our efforts cannot be merely reactions to the latest moves by the Kremlin.

I draw particular attention to the next sentence in the Secretary's remarks:

> The bipartisan line of American foreign policy has been and must continue to be the constructive task of building in cooperation with others the kind of world in which freedom and justice can flourish. We must not be turned aside from this task by the diversionary thrusts of the Soviet Union, and if it is necessary, as it sometimes is, to deal with such a thrust or the threat of one, the effort should be understood as one which, though essential, is outside the main stream of our policy.

Yes, Mr. President, a basis for our far eastern policy does exist. But full consultation between the Executive and the legislative branch is necessary and desirable. If such a policy is to have support throughout the Nation, the minority party must be fully consulted on any new take-off and not merely, as at times in the past, be informed just prior to or after the crash landing.

I believe, Mr. President, that the broad outline which the Secretary of State has made in his two speeches to which I have referred at least indicates a method of building a policy in the Far East, and I am convinced that, with good will, with the recognition by all Americans, whether they be Democrats or Republicans or

independents, that we do have a grave responsibility and are the last best hope on earth to help maintain a free world of free men, we can evolve a policy which will meet the support of the American people.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TAYLOR in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Mundt
Brewster	Humphrey	Murray
Bricker	Ives	Myers
Bridges	Jenner	Neely
Butler	Johnson, Colo.	O'Conor
Byrd	Johnson, Tex.	O'Mahoney
Cain	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Dworshak	Langer	Sparkman
Ecton	Lehman	Stennis
Ellender	Lodge	Taft
Ferguson	Long	Taylor
Flanders	Lucas	Thomas, Okla.
George	McCarthy	Thye
Gillette	McClellan	Tobey
Graham	McFarland	Tydings
Green	McKellar	Watkins
Gurney	McMahon	Wherry
Hayden	Magnuson	Wiley
Hendrickson	Malone	Williams
Hickenlooper	Martin	Withers

The VICE PRESIDENT. A quorum is present.

Mr. MYERS. Mr. President, I firmly believe that the Senate should reject Senate bill 1498, which is now before us. For a period of years now the question of Federal regulation of natural-gas prices has presented itself to the Congress in a number of different forms. I must concede at the outset of my remarks today that my present stand in opposition to a natural-gas bill to exempt independent producers and gatherers represents a reversal of the position which I took as recently as 2 years ago. I shall go into this question further in my later discussion. I should like, Mr. President, to address myself first to that group of Senators now urging us to adopt the pending measure. I believe that these men are absolutely sincere in taking the position which they do. I do not impute to them any selfish motives. The difference between their position and mine is simply that both of us, looking at the same set of facts, have drawn opposite conclusions. They believe my conclusion is incorrect, and I for my part believe that they are incorrect in the conclusions which they have drawn. But, as I have already said, we are both looking at the same set of facts.

I do not intend today to rehash a long line of orders by the Federal Power Commission. I do not intend to devote my time to a long recital of statistics to corroborate the basic factual generalizations which underlie the question of whether the production and gathering of natural gas should or should not be subject to Federal regulation.

I am deliberately avoiding all of these supporting details because I am convinced that there is no fundamental disagreement as to many of the presently existing circumstances in the natural-gas picture.

What I wish to do is to state, as concisely as I can, first, the general facts upon which there is no disagreement, and, secondly, to set forth the reasons for my belief that the Congress should not exempt from possible regulation the prices of natural gas sold in interstate commerce by independent gatherers and producers who sell at arm's length to the transporting pipe-line companies.

Those who urge us to exempt the independent natural-gas producer on the terms set forth in S. 1498 build a substantial part of their argument around two points. First, they insist that it was not the intent of Congress to regulate the independent producer at the time the Natural Gas Act was passed in 1938.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MYERS. I yield to the Senator from Illinois for a question.

Mr. DOUGLAS. Is it not true that the use of the term "independents" is somewhat unfortunate? It conveys the impression, does it not, that the producers and gatherers are small operators, men in overalls; whereas, in reality, the producers and gatherers of the major portion of the gas sold to pipe lines by nontransporting producers of gas are all big companies, subsidiaries of Standard Oil, such as Humble and Magnolia, as well as Republic, Shelly, Phillips, Gulf, Shell, and so on? Therefore, would it not be better, instead of referring to the producers and gatherers as independents, to use a more semantically appropriate term such as "nontransporting producers," which would not convey the false and erroneous impression of small and honest independents, but would accurately describe them? Would not that be a semantically better word to use?

Mr. MYERS. I would say to the Senator that it might be a much better term to use. Nevertheless, the term "independents" is known. The Federal Power Commission has constantly referred to gas producers other than pipe-line companies as independents. We have referred to them in the hearings as independents, and in my remarks I have used the term in describing the companies. I am sure that Senators, particularly those who are engaged in the debate, understand what is meant by an independent producer of natural gas.

Mr. DOUGLAS. Will the Senator yield for another question?

Mr. MYERS. I yield.

Mr. DOUGLAS. I quite well realize that there has been an unfortunate choice of terminology which gives the proponents of the bill the psychological atmosphere of defending a small independent, and that therefore an aura of language is thrown around the purport of this bill which unintentionally conceals the fact—and I want to emphasize that it is unintentional—that the term refers to large nontransporting producers. Although the Senator may have used the term "independent" in preparing his speech, I hope when he uses the term it will be understood that he is using it in a Pickwickian sense, and that, in reality, it is the large nontransporting producers—the big gas and oil companies—to whom he refers.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MYERS. In a moment. I am sure that those who are now present in the Senate, and, of course, Senators who read the RECORD, will, indeed, understand the sense in which I used the word "independents."

Mr. DOUGLAS. In other words, it means the nontransporting producers?

Mr. MYERS. It does.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. JOHNSON of Texas. I am sure the Senator from Pennsylvania, who is one of the outstanding members of the committee, has not been misled by the phony sales figures referred to, and I am sure the Senator from Pennsylvania does not agree that every person who makes a sale produces all the gas that is sold. For instance, there was submitted to the committee a list of so-called sales made to interstate pipe lines, but in each and every instance the sale made, while representing a percentage of the product of the man making the sale, also represented producers ranging from 100 to 200 to 300 in different fields. The reason is, as the Senator from Pennsylvania knows—apparently the Senator from Illinois does not—that someone must process the gas, and when the processing takes place the man who has the money to spend, three or four million dollars, to erect the plant, then in turn must buy from two or three hundred individual producers.

The bill does not apply merely to the sale. It applies to the production of each of the producers. Although the Federal Power Commission in its testimony stated that as nearly as they could guess there were 2,300 producers, the figures of the Railroad Commission of Texas indicate that there are almost 2,000 individual producers in that one State, and some 50,000 royalty owners, all of whom are affected by the bill. So it is misleading when someone attempts to tell the Senate that, because a sale is made by one firm, that firm has done all the producing, because that one firm is only the vendor for three or four hundred others.

Mr. MYERS. I think that oftentimes happens, but I am sure the Senator from Texas understands that it is not my purpose to mislead any Senators on this question.

To repeat. What I wish to do is to state as concisely as I can, first, the general facts upon which there is no disagreement, and, secondly, to set forth the reasons for my belief that the Congress should not exempt from possible regulation the processing and natural-gas sale in interstate commerce by—probably I should use quotation marks—"independent" gatherers and producers who sell at arm's length to the transporting pipe-line companies.

Those who urge us to exempt the independent natural-gas producer on the terms set forth in S. 1498 build a substantial part of their argument around two points. First, they insist that it was not the intent of Congress to regulate the independent producer at the time the Natural Gas Act was passed in 1938.

Second, they point to the fact that it has been only in recent time that the Federal Power Commission itself has sought to exert its regulatory jurisdiction over the pricing practices of the independent producer and gatherer. In effect, they say, as to this second point, that even if the Federal Power Commission had such a jurisdiction, it has allowed the jurisdiction to lapse by its failure to exercise it for a number of years after the passage of the 1938 law.

Mr. President, I do not believe that either one of these two points has any bearing whatsoever on the question which the Senate must decide for itself in voting on S. 1498. I firmly believe that the question before us is confined solely to what our intent is today regarding regulation of the independent arm's-length producer of natural gas. In other words, we should make up our minds on this bill in terms of what policy is best for this country at the present time and for the future as we can presently judge it.

Mr. KERR. Mr. President, will the Senator from Pennsylvania yield?

Mr. MYERS. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. In view of the fact that the Senator has said that he believes the policy should be determined on the basis of the best interests of the country, does he think that policy should be determined by the Congress or by a creature of the Congress, to wit, the Federal Power Commission?

Mr. MYERS. I definitely think it should be determined by the Congress.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. MYERS. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that if we vote for the Kerr bill we vote for the exemption from regulation of sales to pipe lines, by nontransporting producers and gatherers, whereas if we defeat the Kerr bill we indicate very clearly that we believe such sales should be regulated? The issue is drawn.

Mr. MYERS. As to the Senator's latter statement, I shall endeavor to develop that in my remarks as I go along.

Mr. DOUGLAS. I thank the Senator.

Mr. KERR. If the answer to that should happen to be in the affirmative, then the Federal Power Commission would be confronted by the dilemma that, on the one hand, one-half of the Congress had indicated that they intended it to be on the basis of its original passage, and that the other half of the Congress intended otherwise, in line with the Senator's question, and in view of the fact that the House has passed another measure.

Mr. MYERS. I do not think so. I shall develop that particular theme as I proceed.

In determining what our policy should be as of this year of 1950, we must take into consideration the developments in the natural gas industry up to this time. I do not say we should neglect entirely what our intention might have been 12 years ago at a day that the natural-gas industry was in a considerably different position from that in which it now finds itself. But I do say that our intent as of 1938—as of the time that the natural-gas picture was quite different from the present—I do say that our intent as of 1938 is relatively unimportant as compared to the question of what our intent should be today with respect to natural gas price regulation which will, on the one hand, safeguard the consumer, and on the other, deal reasonably with those who gather and produce natural gas.

So, Mr. President, I repeat, it is my firm belief that any argument over 1938 congressional intent has no real place in the present discussion. Nor is there a place in our discussion for the argument that the Power Commission has permitted its jurisdiction to lapse simply because it found it unnecessary to exercise that jurisdiction for a period of years.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. KERR. Is the Senator familiar with the language of the Supreme Court in the case of Federal Power Commission against Panhandle Eastern, handed down June 20, 1949, in which it said:

> Thus for over 10 years the Commission has never claimed the right to regulate dealings in gas acreage. Failure to use such an important power for so long a time indicates to us that the Commission did not believe the power existed. In the light of that history we should not by an extravagant, even if abstractly possible, mode of interpretation push powers granted over transportation and rates so as to include production. If possible all sections of the act must be reconciled so as to produce a symmetrical whole. We cannot attribute to Congress the intent to grant such far-reaching powers as implicit in the act when that body has endeavored to be precise and explicit in defining the limits to the exercise of Federal power.

The Court further said:

> If the Commission is of the opinion that it should have power to control the disposition of leases by natural-gas companies, it is authorized to call the attention of Congress to that fact.

Mr. MYERS. Does not that language address itself to the question of acreage rather than to the question of production and gathering?

Mr. KERR. I was referring to that language primarily, because the Supreme Court said first that the failure of the Commission to exercise the power of regulation for some 10 years indicated to the Court that the Commission did not think it had the power; and second, that if the Commission, after thus failing to exercise the power and evidencing that they did not think they had it, now felt that they should be given that power, they were in a position to present that matter to the Congress for its action.

Mr. MYERS. I do not believe that that language was controlling in that case. The mere fact that the Commission did not exercise this jurisdiction was the point upon which the action turned. But I definitely say that the mere fact that an administrative agency does not exercise its jurisdiction is not in itself legal proof that the agency has no such jurisdiction. There may be other circumstances involved. But the mere fact of failure to exercise the power in my mind is not legal proof that they do not possess the jurisdiction.

Mr. KERR. Does the Senator from Pennsylvania think the Federal Power Commission has that jurisdiction?

Mr. MYERS. Has which jurisdiction?

Mr. KERR. To regulate arm's-length sales by independent producers?

Mr. MYERS. I think they do.

Mr. KERR. Did the Senator make the statement in a hearing with reference to a bill when he was a member of the Interstate and Foreign Commerce Committee:

> Senator MYERS. Mr. Smith, I do not think that case gives you any authority to regulate arm's-length sales.

Mr. MYERS. Which case is that?

Mr. KERR. The Interstate Gas Co. case.

> It seems clear enough to me that there is no authority in that decision given you to regulate arm's-length sales of those who are independent producers or gatherers.

Did the Senator from Pennsylvania make that statement?

Mr. MYERS. I made that statement. The Senator from Oklahoma was off the floor when I began my remarks, when I said:

> I must concede at the outset of my remarks today and that my present stand represents a reversal of the position which I took as recently as 2 years ago.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MYERS. If the Senator from Oklahoma has finished.

Mr. KERR. I had understood that the Senator from Pennsylvania made that statement, but I interpreted that statement to mean that the Senator now thinks the Commission should have the power to regulate independent producers, and I address myself to the Senator——

Mr. MYERS. I do believe that.

Mr. KERR. And I address myself in the first part of this question to whether the Senator thinks they have it.

Mr. MYERS. Oh, I think that if we reject the bill and also look at language appearing even in the Interstate case, then it can be well regarded that the Commission will have the power to regulate the sale of gas produced by independents. If the Senator will permit me to develop that theme, I frankly admit a reversal of the position I took 2 years ago. I think there has been a change in the entire situation. I do not think that at that time, during those hearings, we had before us the question of the independent. Those were hearings on the question of giving an exemption to the pipe-line producers, and all our attention was directed to the pipe-line producers. At that time we had little evidence before us as to the independents, although much evidence on this point has developed since then. But during the course of that debate in the committee, the fundamental point before us was the development of the facts in regard to the pipe-line companies.

I frankly admit a change in position, a reversal in position.

Mr. KERR. I do not think the Senator understood my question.

Mr. MYERS. Yes; I did. I have said that if this bill is rejected, then I think we can well say that the Commission has the power to regulate the independents. I should prefer positive legislation definitely spelling that out; but I believe that if we reject this bill, that action will be sufficient to permit the Commission to exercise jurisdiction over the independents. I should like to see it followed, however, by positive legislation which will allow no room for disagreement, but will set forth the matter in black and white, so that even the opponents of such a position nevertheless must admit that is the law because it is spelled out in a law which the Congress has passed and the President has signed.

I should much prefer that, but I do not think the enactment of such legislation is possible. However, I think this bill should be rejected, and I shall endeavor to develop that theme as I proceed.

Mr. KERR. I should like to get, if I may, both for my own benefit and for the benefit of the RECORD, an understanding of the Senator's position. I gather that when he made the statement, he had the Interstate case decision before him.

Mr. MYERS. I do not recall now; that was several years ago. But I assume that we had it before the committee.

Mr. KERR. So if at that time, as the Senator now states, that decision did not give the authority to regulate such sales made at arm's length, although now the Senator says he believes it did——

Mr. MYERS. No; I do not say that decision gave that authority. In a moment I shall quote from the decision.

Mr. KERR. I asked the Senator whether he thought the Commission had the power to regulate arm's-length sales by the independents; and I understood him to say that he thought it did have.

Mr. MYERS. That is true. I do not think there is any misunderstanding.

Mr. KERR. If the Interstate decision did not give it that authority, where did it get the authority to do so?

Mr. MYERS. Mr. President, if the Senator will permit me to proceed a little further with my statement, I shall come to the Senator's point, because I think I can spell out the answer to that very question. Although the answer may not satisfy the Senator from Oklahoma, nevertheless we then shall have something on that point in the RECORD, and then we can debate it back and forth.

Mr. KERR. I shall be glad to have the Senator do so. But if the Senator had an idea as to where he thought the Commission got the authority, I take it that he would be able to tell me now.

Mr. MYERS. I think the Commission got it from the act which was passed by Congress in 1938. I think the Commission has it in that act, and I do not think any decision of the Court has ever indicated that the Commission does not have the power. In fact, the Court said in that case:

> It cannot be doubted that their regulation is predominantly a matter of national, as contrasted to local concern. All the gas sold in these transactions is destined for consumption in States other than Louisiana. Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

I think there was some clarifying language; and I do not say that in that decision the Court ipso facto, in so many words, said that the Commission had power to regulate the sale of natural gas produced by independents.

Mr. KERR. Then will the Senator permit me to ask another question?

Mr. MYERS. Certainly.

Mr. KERR. Did not the Senator at the same time make the statement that—

> I think the committee is rather unanimous that independents do not come within the jurisdiction of the act.

Mr. MYERS. That is correct.

Mr. KERR. If the Senator thought they did not come within it, and if he thought the decision in the Interstate case did not bring them within it, yet if he now thinks they are within it, is it not a fact that he has changed both his position with reference to what the law should be and his position with reference to what the law is?

Mr. MYERS. No; I think I have changed my position as to what the law is. I do not think I have changed my position on the first quotation as to the Interstate case, because I do not even say now that the Interstate case gives that authority; I do not say that anyone can interpret the Interstate case in such a way as to hold that it absolutely, without any doubt or question, confers such jurisdiction upon the Federal Power Commission.

I say I have changed my mind, as everyone knows, for, as the Senator from Oklahoma knows, in the committee during all the hearings we had on the bill of the Senator from Oklahoma I took a position, both in subcommittee and in the full committee, in the course of the hearings, in opposition to the bill.

When we discussed the Moore-Rizley bill we did not concern ourselves particularly with the independents or with the question of how much money they were making or the question of whether they were the "blue chip" companies of the country; but at that time our concern was chiefly with the pipe line companies and whether they could exert undue influence upon the consumers and perhaps could charge unreasonable rates, and whether they were able to charge prices out of proportion to a fair and reasonable rate of return. The question then before us was whether that could be done; and the point was that, if it could be done, it would be a bad thing.

But we did not then have before us all the information we should have had in regard to the independents. As a matter of fact, at that time we were not concerned with the independents, because the whole fight then was as to the gas produced by the pipe-line companies.

After looking into the matter further over a 2-year period, and after finding that 70 percent of the gas the pipe-line companies transport will come from independents, I say it is almost impossible to chip off a part of an operation—to say that the pipe-line companies will be regulated in respect to the gas they produce but will not be regulated in respect to the gas that is produced by independents and is also sent through the pipe lines.

In other words, Mr. President, I say that it is impossible for us to say that a part of their operation will be regulated, that part of the gas they transport will be regulated, but that the largest part of the gas they transport will be outside of regulation. I do not think such a position is a good one. As I have given the matter further study, I believe that my position is logical.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KERR. Mr. President——

Mr. JOHNSON of Texas. Mr. President——

Mr. MYERS. Mr. President, I have been yielding to the Senator from Oklahoma [Mr. KERR]. The Senator from Illinois [Mr. DOUGLAS] has been on his feet for some time seeking recognition. I shall yield now to him. After doing so I shall yield to my good friend the Senator from Texas [Mr. JOHNSON].

Mr. DOUGLAS. Mr. President, the distinguished Senator from Pennsylvania undoubtedly listened to the testimony of Mr. Hayden W. Head, of Corpus Christi, Tex., which is to be found on page 105 and following pages of the hearings. Apparently Mr. Head is a distinguished attorney for certain private gas interests. Yet, after the Supreme Court had rendered its opinion in the Interstate case, and after the Commission, by a vote of 3 to 1, in Order No. 139, had disavowed any intention of utilizing the powers conferred upon it, Mr. Head, although an attorney for a private oil company, declared that—

> Commissioner Draper was eminently correct in his dissent. I agreed with his dissent, and when called on by my client—

That is to say, a private company—

> for further opinion after Order No. 139 had been issued, necessarily rendered to it the opinion that the Commission could rescind Order No. 139 at any time, that it did not have the power to waive its jurisdiction, and if it entered into this contract providing for the interstate sale of gas it would immediately become subject to the jurisdiction of the Commission and a utility.

Mr. President, there is an interpretation, by a distinguished representative of certain private gas interests, to the effect that the Commission did not, merely by issuing Order No. 139, strip itself of potential authority to use the powers conferred on it both by the act and by the decisions of the Court.

I take it that what the distinguished Senator from Pennsylvania now is saying is precisely what that very able attorney for those private gas interests already has said, and that the two positions are virtually identical.

Mr. MYERS. Mr. President, I thank the Senator from Illinois for that fine contribution.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me for a moment?

Mr. KERR. Mr. President——

Mr. MYERS. Mr. President, in just a moment I shall yield further to the Senator from Oklahoma [Mr. KERR]. First, I yield to the senior Senator from Oklahoma [Mr. THOMAS], to permit him to address himself for a moment to another matter.

Mr. THOMAS of Oklahoma submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the joint resolution, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"'(4) Any part of the acreage allotted for 1950 to individual farms in any county under the provisions of this section which will not be planted to cotton and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments to the extent necessary to provide such farms with the allotments authorized under paragraph (5) of this subsection. If any acreage remains after providing such allotments, it may be apportioned in amounts determined by the county committee to be fair and reasonable to other farms in the same county receiving allotments which the county committee determines are inadequate and not representative in view of their past production of cotton and to new farms in such county. No allotment shall be made, or increased, by reason of this paragraph to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. Any transfer of allotment under this paragraph shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except in accordance with paragraph (1) (B) and the proviso in paragraph (2) of this subsection: *Provided*, That any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm and may be reapportioned in the manner set forth above. In any subsequent year, unless hereafter otherwise provided by law, acreage surrendered under this paragraph and reallocated pursuant to applications filed in accordance with the provisions of paragraph (5) of this section shall be credited to the State and county in determining acreage allotments.

"'(5) Notwithstanding any other provision of law and without reducing any farm acreage allotment determined pursuant to the foregoing provisions of this subsection, each farm acreage allotment for 1950 shall be increased by such amount as may be necessary to provide an allotment equal to the larger of 65 per centum of the average acreage planted to cotton (or regarded as planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) on the farm in 1946, 1947, and 1948, or 45 per centum of the highest acreage planted to cotton (or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress) on the farm in any one of such three years; but no such allotment shall be increased by reason of this provision to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. An increase in any 1950 farm acreage allotment shall be made pursuant to this paragraph only upon application in writing by the owner or operator of the farm within such reasonable period of time (in no event less than fifteen days) as may be prescribed by the Secretary. The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this paragraph shall not be taken into account in establishing future State, county, and farm acreage allotments.

"'(6) Notwithstanding any other provision of law, the Secretary shall use not more than 50,000 acres (which shall be in addition to the national acreage allotment) for the purpose of making emergency cotton acreage allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by the insects known as "green bugs." Such acreage shall be allocated under regulations promulgated by the Secretary, shall provide for a cotton allocation and marketing quota for the 1950 crop only, and shall not be considered as giving to any farm, county, or State any credit or history for the purposes of cotton allocations in any subsequent year: *Provided*, That in no event shall any farm be allotted more than one acre of cotton under the provisions of this section for each two acres of other crops which have been destroyed.'

"SEC. 2. Notwithstanding the provisions of section 363 of the Agricultural Adjustment Act of 1938, any farmer who is dissatisfied with his farm acreage allotment for the 1950 cotton crop may, within fifteen days after mailing to him of notice as provided in section 362 of that Act, or within fifteen days after the effective date of this resolution, whichever date is later, have such allotment reviewed in accordance with the provisions of said Act.

"SEC. 3. Notwithstanding any other provision of law, Irish potatoes acquired under the 1949 price support program shall, if the Secretary of Agriculture determines such action necessary to prevent their loss through destruction, deterioration, or spoilage before they can be disposed of more advantageously than as herein provided, be made available under such terms and conditions as he deems appropriate and in the public interest (including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section) to school-lunch programs, the Bureau of Indian Affairs, Federal, State, or local public welfare organizations, private or international nonprofit welfare organizations, penal institutions, and nonprofit hospitals; except that, in the case of disposition to private or international nonprofit welfare organizations for the assistance of needy persons outside the United States, the transportation and handling costs to be borne by the Government shall be limited to the movement of such potatoes to the nearest port. Any such agency or institution desiring to acquire surplus potatoes shall make application to the Secretary of Agriculture.

"SEC. 4. No price support shall be made available for any Irish potatoes of the 1950 crop harvested after the enactment of this joint resolution unless marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, are in effect with respect to such potatoes. Price supports shall be limited to (1) those potatoes produced by eligible growers which, under the terms of any marketing order, may be marketed or transported in the normal channels of domestic commerce, plus (2) such additional potatoes as the Secretary determines necessary to include in order to avoid discrimination between producing areas. Notwithstanding the foregoing provisions, if the Secretary of Agriculture determines that sufficient time is lacking for the development and issuance of a marketing order for any area prior to the beginning of the marketing season for such area or that a marketing order is not practicable for any area, he may make price support available for potatoes grown in such area. If price support is made available for potatoes in any area in which a marketing order is not in effect, such price support operations shall be limited to (1) potatoes produced by eligible growers which may be marketed or transported in the normal channels of domestic commerce in compliance with such marketing practices as the Secretary of Agriculture may prescribe, plus (2) such additional potatoes as the Secretary determines necessary to include in order to avoid discrimination between producing areas.

"SEC. 5. For the crop year of 1951 and thereafter no price support shall be made available for any Irish potatoes unless marketing quotas are in effect with respect to such potatoes.

"SEC. 6. (a) That section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subsections:

"'(g) Beginning with the 1950 crop of peanuts, payment of the marketing penalty as provided in subsection (a) will not be required on any excess peanuts which are delivered to or marketed through an agency or agencies designated each year by the Secretary. Any peanuts received under this subsection by such agency shall be sold by such agency (i) for crushing for oil under a sales agreement approved by the Secretary; (ii) for cleaning and shelling at prices not less than those established for quota peanuts under any peanut diversion, peanut loan, or peanut purchase program; or (iii) for seed at prices established by the Secretary. For all peanuts so delivered to a designated agency under this subsection, producers shall be paid for the portion of the lot constituting excess peanuts, the prevailing market value thereof for crushing for oil, less the estimated cost of storing, handling, and selling such peanuts: *Provided*, That for the 1950 crop if the Secretary determines that the supply of any type of peanuts is insufficient to meet the demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for such purposes, the Secretary shall permit the sale, for cleaning and shelling, of the excess peanuts of such type so delivered. Such sales shall be in quantities necessary to meet such demand and at prices not less than those at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for cleaning and shelling. The proceeds received from the sale of such peanuts of such type for cleaning and shelling shall, after deduction of the price paid to producers and other costs incurred in connection therewith, including estimated cost of proration, be prorated proportionately among all of the producers delivering excess peanuts of such type to designated agencies under this section. Any person who, pursuant to the provisions of this subsection, acquires peanuts for crushing for oil and who uses or disposes of such peanuts for any pur-

pose other than that for which acquired shall pay a penalty to the United States, at a rate equal to the marketing penalty prescribed in subsection (a), upon the peanuts so used or disposed of and shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both, for each and every offense. Operations under this subsection shall be carried on under regulations prescribed by the Secretary.

"'(h) For the purposes of price support with respect to the 1950 and subsequent crops of peanuts, a "cooperator" shall be (1) a producer on whose farm the acreage of peanuts picked or threshed does not exceed the farm acreage allotment or (2) a producer on whose farm the acreage of peanuts picked or threshed exceeds the farm acreage allotment provided any peanuts picked or threshed in excess of the farm marketing quota are delivered to or marketed through an agency or agencies designated by the Secretary pursuant to subsection (g) in accordance with regulations prescribed by the Secretary.

"'(i) The provisions of subsections (g) and (h) of this section shall not apply with respect to any crop when marketing quotas are in effect on the corresponding crop for soybeans.'

"(b) That the third sentence in paragraph (d) of section 358 is amended to read as follows: 'Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years.'

"SEC. 7. Notwithstanding any other provision of law, for 1950, the peanut acreage allotment for any State shall not be reduced by a percentage larger than the percentage by which the 1950 national acreage allotment is below the 1949 national acreage allotment. The allotment for any State shall be increased to the extent required to provide such minimum State allotment and such acreage required shall be in addition to the national acreage allotment. The additional acreage authorized by this section shall not be taken into account in establishing future acreage allotments."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the joint resolution, and agree to the same with an amendment as follows: Amend the title so as to read: "Joint resolution relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price support for potatoes."

And the Senate agree to the same.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLYDE R. HOEY,
EDWARD J. THYE,
Managers on the Part of the Senate.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
Managers on the Part of the House.

Mr. THOMAS of Oklahoma. Mr. President, let me say just a word in explanation of the report. It is in respect to a joint resolution which, if enacted, will permit the reallocation of some cotton acreage, so that cotton may be planted on that acreage.

Under the present law, a certain number of farmers have acreage that they will not plant this year. This measure is intended to make it possible for the reallocation of that acreage to farmers who wish to plant cotton.

This measure also applies to peanuts, and it has in it some provisions affecting potatoes.

It is true that some of the members of the committee of conference did not sign the conference report. The distinguished majority leader, the Senator from Illinois [Mr. LUCAS], on our side of the aisle, did not sign it; and some of the minority members did not sign it.

Because of that fact, I assume that it would not be proper for me to attempt to get the conference report before the Senate this afternoon. But I wish to serve notice that at the session of the Senate tomorrow, I shall ask for consideration of the report.

Mr. SALTONSTALL. Mr. President, reserving the right to object, let me say that so far as I know——

The VICE PRESIDENT. No request for unanimous consent has been made. The report lies on the table until it is taken up. It is a privileged matter, and can be brought up at any time.

Mr. SALTONSTALL. Then, Mr. President, I should like to make a brief statement.

Sitting in the minority leader's chair for the time being, let me say that I know of no reason why the report should not be brought up tomorrow. I trust and hope that, as the Senator from Oklahoma has said, it will not be brought up tonight, because I am confident that there will be debate on it and many Senators will be interested in making their positions clear, before the final vote is taken on it.

Mr. THOMAS of Oklahoma. I thank the Senator.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. MYERS. Mr. President, let me say——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me at this time?

Mr. MYERS. I yield.

Mr. JOHNSON of Texas. Mr. President, I am sure the Senator from Pennsylvania does not wish to leave the impression that he did not favor the amendments to the Kerr bill which took out from under that bill the natural gas production of the pipe-line companies.

Mr. MYERS. I do not quite understand the question.

Mr. JOHNSON of Texas. The original Kerr bill, as the Senator knows, not only provided that independent producers would be exempt from jurisdiction, but also provided that all natural gas production would be exempt.

Mr. MYERS. Of course. In the original Kerr bill there was a provision which could be interpreted as exempting the pipe-line producers.

Mr. JOHNSON of Texas. If I remember correctly, the Senator thought the bill which the subcommittee reported was the bill that should be reported, and that no exemptions should be extended for the protection of the pipe lines.

Mr. MYERS. The Senator is certainly correct.

Mr. JOHNSON of Texas. The Senator from Pennsylvania has felt all along, has he not, until the subcommittee acted, that independents were exempt and should be exempt, and that the law exempted them, and that the Interstate decision in the case should not change it.

Mr. MYERS. I would not say that the Senator from Pennsylvania felt that way all along, until the subcommittee acted. After the controversy over the Moore-Rizley bill had ended, and the controversy arose as to the exemption of independents, and the Senator from Pennsylvania had a further opportunity to study and to look into the matter, he then came to the conclusion that it would not be proper in the public interest to exempt independents. As I said in the beginning, that was a change in position. Many people who 2 or 3 years ago, when the Moore-Rizley bill was before us, took the position that independents should be exempt, reversed their position, too.

Mr. DOUGLAS rose.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MYERS. Just a moment.

Mr. JOHNSON of Texas. The Senator is aware that of the Commission, as now constituted, two members of it, believe that the Interstate case gives them authority to put price controls upon producers while two members of the Commission do not believe they have such authority. What is the Senator's view? Does he believe they have authority, or does he believe they do not? I recall to the Senator's memory his statement, appearing on page 109 of the hearings on H. R. 4051, in which the Senator said:

> I do not think that case—
>
> Speaking of the Interstate case—
>
> gives you any authority to regulate arm's-length sales, but it seems clear enough to me that there is no authority in that decision given you to regulate arm's-length sales of those who are independent producers.

If the act did not give them authority, and if the Court's decision did not give them the authority, which side of the fence is the Senator on? Does he think they have authority?

Mr. MYERS. I may say to my friend from Texas, the Senator from Oklahoma propounded the same question to me. I do not mean to have my trend of thought interrupted too frequently by repetitions of an identical question. Of course, I always am hesitant to say I refuse to yield, because I always want to yield to my colleagues at any time; but before I have had an opportunity to develop my thought, the same question has been fired at me several times, and I began with the frank admission of a change in viewpoint, after I had read all the facts. That being known, and it having been said by me a number of times, I see no reason for constantly emphasizing it. I have admitted it. I have admitted it frankly. I think my position was wrong at that time. I am convinced my position is correct today.

Mr. JOHNSON of Texas. Does the Senator mean his position was wrong in regard to the case? That is all I am

asking him. He has not yet made it clear.

Mr. MYERS. I said to the Senator from Oklahoma that I would direct my attention to that. I endeavored to answer the Senator from Oklahoma, who asked me the same identical question.

Mr. McFARLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Arizona?

Mr. MYERS. I yield.

Mr. McFARLAND. It is my hope that those who are opposing the pending legislation will not take the position that a mere defeat of the bill on the floor will settle the matter. That would leave the question in even a more chaotic state, for the reason that the House has passed a bill, which indicates they do not think the Federal Power Commission has this authority. If any action by the Senate could be interpreted as saying, "We think it has," then we would have the House making one interpretation, and the Senate, another. Let us make the matter plain. Let us pass legislation, one way or other. That is the only proper way to proceed, and we know that to be so. Of course, it is a great deal easier to defeat a bill than it is to get good legislation passed. But let us face it. Let those who oppose the pending bill come forward with a bill, as a substitute, giving the Commission power to regulate. Let us not dodge the issue. Let us make it plain, so that, once for all, we shall have the matter settled. I submit it is the only proper way to proceed.

Mr. MYERS. The Senator knows that another Senator brought up the same question. I think the Senator from Oklahoma also said, "Well, where are we, since the House has passed the bill? If the Senate rejects it, where will we be?" This is the second time we have had that point raised.

Mr. McFARLAND. I regret that very much.

Mr. MYERS. I may say to the Senator, he knows full well we could not get out of committee a bill so worded as to spell out this jurisdiction and to give it to the Federal Power Commission, because those who would vote for such a bill are not in the majority on the committee. The pending bill was reported by the committee. Certainly, a bill diametrically opposite from it could not be reported by the committee. I ask, why is there such anxiety to change the law, if it is felt that no authority is vested in the Commission at the present time? It must be thought there is some authority. It must be thought the Commission can seek to exercise such authority, otherwise I do not think Senators would be so insistent to have enacted legislation which sets forth in so many words that the Commission does not have any such authority.

Mr. McFARLAND and Mr. LONG addressed the Chair.

Mr. MYERS. I shall yield a few more times; but I should like to be able to present my side of the picture. I think this is the first speech on the part of the opponents of the measure. There has been debate during the day, but I think this is the first prepared address in opposition to the bill. Certainly, if we are going to chop it up into very tiny pieces, it will have no effect whatever. But I still will yield to the Senator from Arizona.

Mr. McFARLAND. The proposition which the Senator from Arizona wanted to present was that of clarification of the law. It is very evident, in the Senate, as it was very evident in the committee, that there is a difference of opinion as to what the law is. In the interest of a development of the industry, the law should be clarified. As I stated in the absence of the Senator this morning, instances can be cited of this confusion in the law retarding industry. A mere defeat of the pending bill will not clarify the situation. Does not the Senator from Pennsylvania admit that there is confusion? Does he not admit there are different viewpoints? Does he not admit the subject should be clarified? Would it not be easy for the opponents of the measure to propose a substitute?

Mr. MYERS. I admit the law needs clarification. I admit there is confusion. But I do not seek to clarify it by definitely exempting the independent producers.

Mr. WITHERS, Mr. CONNALLY, and Mr. DOUGLAS rose.

Mr. MYERS. I think the Senator from Illinois has been on his feet for some time. After I yield to him, I shall yield to the Senator from Kentucky.

Mr. DOUGLAS. Does not the experience of the Senator from Pennsylvania, in finding himself quite frequently interrupted in making a speech, reminiscent of the title of a play by the celebrated Greek playwright Aristophanes entitled "The Wasps"?

Mr. MYERS. I yield to the Senator from Kentucky.

Mr. WITHERS. I want to be clear as to the position of the Senator from Pennsylvania.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MYERS. I have yielded to the Senator from Kentucky.

Mr. McFARLAND. I should like to inquire if the Senator from Illinois is referring to the Senator from Arizona as a wasp, or is he referring to himself, inasmuch as he has interrupted more than has any other Senator?

Mr. DOUGLAS. I would say to the Senator from Arizona that we both may have the qualities of the wasp.

The VICE PRESIDENT. The Senator from Pennsylvania had yielded to the Senator from Kentucky.

Mr. WITHERS. I wanted to ask the Senator from Pennsylvania a question. From what the Senator has said thus far, I have not obtained a clear conception of his viewpoint.

Mr. MYERS. I am sure the Senator has not obtained a clear conception of it.

Mr. WITHERS. I should like to have the Senator, if he can, answer this question for me: Does he consider the pending bill to be clear enough so that parties who read it can understand whether Congress intended that the Board should have the right to fix the price of gasoline for independent producers? Does the Senator think it is a clear provision, to that extent?

Mr. MYERS. I think when the debate is concluded, and when a vote is had on the bill, it will be definitely clear as to what the Senate believes.

Mr. WITHERS. Let me ask the Senator a further question. The Commission has in the past decided, has it not, that it did not have jurisdiction over the subject? Has not the Commission once so held?

Mr. MYERS. I do not know. They adopted a regulation, in which they stated they would not exercise——

Mr. JOHNSON of Texas. I remind the Senator of the Columbia case and the Billings case, and many other cases, all through the years.

Mr. WITHERS. If the Commission have held one way, and are now holding the reverse, after a lapse of 10 years, does not that afford some evidence that the act itself is confusing as to whether the authority exists?

Mr. MYERS. I would welcome the Senator as a cosponsor of legislation designed to make it definitely certain and clear that they do have such jurisdiction.

Mr. WITHERS. That raises the next question, then, as to whether the Congress has the right to pass such a law. Is that correct? Does the Congress have the right to control the price of a commodity?

Mr. MYERS. The prices of certain commodities which are being produced are controlled.

Mr. WITHERS. But that is where the contract has already been made with the carrier, is it not?

Mr. MYERS. As was said by a young lady, the city solicitor of Pittsburgh, who came before the committee some years ago to testify against the Moore-Rizley bill, "This is not a commodity such as garters and girdles." It is not a commodity, in the same sense.

Mr. WITHERS. Does the Senator mean that gas is not a commodity?

Mr. MYERS. Not in the sense we generally use that term.

Mr. WITHERS. It is a fuel.

Mr. MYERS. The Senator may call it a fuel, or whatever he wants.

Mr. WITHERS. The Senator would not call gas a commodity?

Mr. MYERS. I do not mean to debate whether it is or is not a commodity. I say it is in a different category. I will come to that. If my thought is not clear to the Senator, I can well understand it, because, with all the interruptions, it has been difficult for me to develop my position on the pending measure. But, if the Senator will permit, I think I can give him a clear and concise statement of my thinking in regard to the subject.

Mr. WITHERS. I merely wanted to cover the ground that has been traversed thus far. I think basically the Senator would first want an understanding of what the existing law provides. That would be my idea.

Mr. MYERS. The Senator from Pennsylvania has not even had the time to go into that. I may say that I am proposing to do that, but thus far I have not been able to do so.

Mr. WITHERS. I thought perhaps the Senator would want us to understand what the law is, before discussing the

pending bill; that is, that he would want to state his opinion of the existing law.

Mr. MYERS. I have not yet been able to do that. I have thus far been unable to discuss the existing law. I propose to do so.

Mr. WITHERS. I understood the Senator to say he thought certain powers and rights existed under and by virtue of the existing law. That was the basis of my question.

Mr. MYERS. The Senator has said that.

Mr. WITHERS. The Senator did say that. I wanted to ask the Senator about what he had already stated. If I correctly understand the Senator, in a case in which the Court has held, after a lapse of 10 years——

Mr. MYERS. A different question was there involved—a question of acreage. It had nothing to do with the production or gathering of gas.

Mr. WITHERS. They were not attempting to fix the price of independent producers.

Mr. MYERS. Is the Senator referring now to the Supreme Court decision?

Mr. WITHERS. I am referring to operations under the entire act.

Mr. MYERS. The Senator from Oklahoma [Mr. KERR] quoted a Supreme Court decision which had to do with acreage, but had nothing to do with the sale of gas produced by independent pipeline companies, or any other group.

Mr. WITHERS. The effect of my question is this: Has the Commission ever attempted to control the price of gas?

Mr. MYERS. No; it has not. I addressed myself to that point very definitely and specifically, and stated that the mere fact that it did not assume jurisdiction was not in and of itself conclusive, by any means, that it did not have such jurisdiction.

Mr. WITHERS. When was the act passed?

Mr. MYERS. In 1938.

Mr. WITHERS. From 1938 to 1950 the Commission has been derelict——

Mr. MYERS. The Senator should not attempt to put words into my mouth. I did not say the Commission was derelict. The whole picture has changed.

Mr. WITHERS. Has the law changed?

Mr. MYERS. The law is the same. The whole picture has changed since 1938.

Mr. WITHERS. Would it not be a better plan, if the picture has changed, to change the law more nearly to conform to the picture?

Mr. MYERS. I should be happy to have the Senator join with me in sponsoring such a bill.

Mr. WITHERS. I had not reached that point.

Mr. MYERS. I thought the Senator wanted to clarify the law. If he wants to clarify it, I should welcome his help and assistance. But this bill would determine for all time that the Federal Power Commission has no jurisdiction whatsoever over gas produced by independents.

Mr. WITHERS. But the Congress would still have the right to amend or modify the law.

Mr. MYERS. Of course.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MYERS. I shall be happy to yield to the distinguished Senator from Texas.

Mr. CONNALLY. I do not want to annoy the Senator.

Mr. MYERS. The Senator from Texas never annoys the Senator from Pennsylvania. I am happy to yield to him.

Mr. CONNALLY. If the Senator does not want to yield, it is perfectly all right.

Mr. MYERS. I have already yielded, and I am delighted to do so.

Mr. CONNALLY. I assume the Senator is opposing the bill. Am I correct in that assumption?

Mr. MYERS. I am surprised that the Senator should address such a question to me, because my very first statement was that I was opposed to the bill.

Mr. CONNALLY. I did not hear the first statement the Senator made, and I am sorry. I understood him to say he had not got down to what he wished to discuss, or I would not ask him the question. Will the Senator point out whether he is in favor of giving the Federal Power Commission the authority to regulate the prices of independent producers of coal shipped in interstate commerce?

Mr. MYERS. The Senator intends to address himself to that very subject, and to oil, and other commodities.

Mr. CONNALLY. I hope the Senator will do so. I should like to be informed of the distinction, if there is any, between heat generated by oil and heat generated by coal, leaving out geography.

Mr. MYERS. Yes, indeed.

Mr. CONNALLY. It may be a little difficult for the Senator from Pennsylvania to do that. The Senator spoke of the picture having changed. Is it not true that the coal picture has changed very radically in the recent past, and it is estimated that the consumers of coal will have to pay more than they paid before the recent strike? How much is that figure?

Mr. JOHNSON of Texas. Mr. President, will the Senator yield, so that I may answer the senior Senator from Texas?

Mr. MYERS. I yield.

Mr. JOHNSON of Texas. It is $109,000,000 a year. Last year the gross revenue of the gas producers was approximately $70,000,000.

Mr. CONNALLY. In other words, coal consumers will have to pay more than will the consumers of natural gas. I assume that is also true as to consumers of oil. Oil is merely toughened gas, is it not?

Mr. MYERS. That may be as accurate a definition as any other.

Mr. CONNALLY. It is a definition.

Mr. MYERS. I think it is good to have a little levity injected into the discussion.

Mr. CONNALLY. I did not intend it as levity. I meant it to be horse sense. After all, is not coal composed of carbon, and is it not about the same as oil except that it is in a hardened form?

Mr. MYERS. I do not think its chemical content is exactly the same.

Mr. CONNALLY. There are many varieties of coal and many varieties of oil.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MYERS. I do not think the Senator from Texas has completed his questions.

Mr. CONNALLY. I wish the Senator from Pennsylvania would show a distinction between the fellow who gets heat from gas and the fellow who gets heat from coal.

Mr. MYERS. I do not know that I can show a distinction between the fellows, but I think I can show a distinction between coal and natural gas, that one should be regulated and the other probably should not be regulated.

Mr. CONNALLY. North of a certain line it should be regulated, and south of a certain line it should not be regulated.

Mr. MYERS. Or possibly east of a certain line. I should prefer that the Senator put it east and west instead of north and south.

Mr. CONNALLY. Some persons in Kansas and Nebraska, and even farther south, raise beef cattle. The cattle are shipped to a point where there is plenty of corn, they are fed there, and then shipped to Chicago. Would the Senator favor a law which provided that a man would have to figure out what his animal was worth in Texas or some other State, find out what it cost there, and add on 6 percent to regulate the price of that beef in Pennsylvania?

Mr. MYERS. Of course I would not favor it. The Senator knows that we are not heating homes with cows or cotton.

Mr. CONNALLY. We are heating our bodies with beef. It sustains life.

Mr. MYERS. I agree with the Senator that we should not regulate the prices of such commodities. I am in complete accord with the Senator on that question.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. KERR. I believe the Senator said the decision from which the Senator from Oklahoma quoted turned on the sale of acreage and had nothing to do with the provisions of law with reference to the control of production.

Mr. MYERS. To which decision is the Senator referring?

Mr. KERR. The Panhandle Eastern case.

Mr. MYERS. It involved a question of acreage, and not the sale of gas.

Mr. KERR. Not the regulation of production.

Mr. MYERS. That is correct; not the sale of gas, I said.

Mr. KERR. Will the Senator permit me to read just one brief paragraph?

Mr. MYERS. Certainly.

Mr. KERR. It reads as follows:

> To accept these arguments springing from power to allow interstate service, fix rates, and control abandonment would establish wide control by the Federal Power Commission over the production and gathering of gas. It would invite expansion of power into other phases of the forbidden area. It would be an assumption of powers specifically denied the Commission by the words of the act as explained in the report and on the floor of both Houses of Congress. The legislative history of this act is replete with evidence of the care taken by Congress to keep the power over the production and gathering of gas within the States.

I should like to have the Senator, if he has the time and the disposition so to do, to address himself to this point: If a provision in the law stated that it would have no application to the production and gathering of gas and would prevent the Federal Power Commission from having jurisdiction over the sale of acreage from which gas was to be produced, how could it keep from forbidding the Federal Power Commission from having jurisdiction over that gas under that acreage when produced by the man who owned it? What is there about it that makes any distinction between his right to sell gas in the ground by selling the acreage, on the one hand, and selling it through a pipe from the gas-producing horizon, on the other hand?

Mr. MYERS. I now yield to the Senator from Illinois.

Mr. KERR. Does the Senator yield to the Senator from Illinois without answering the question?

Mr. MYERS. I shall come to that.

Mr. DOUGLAS. The Senator from Pennsylvania is perfectly competent to answer the question.

Mr. KERR. How does the Senator know he is?

Mr. DOUGLAS. I know because I consulted with him and I am quite well acquainted with his argument. He would say that since the act exempts the production and gathering of gas, the Commission could not extend its powers to control acreage, but that since the act specifically gives to the Commission the power to regulate the sale in interstate commerce of gas destined for ultimate consumption, it most certainly could regulate the price at which that gas is sold.

Mr. MYERS. I think the Senator is correct. In one instance, it is a question of land, and land is under the jurisdiction of State laws. It certainly does not come within the purview of a Federal law. I think both cases are easily distinguishable.

To get back to my original thought, before developing my reasons for this stand, I wish first to set forth the two possibilities which confront us as we consider S. 1498.

First. By adopting this bill we categorically remove from any possible regulation the field prices charged by the so-called independent gatherer or producer of natural gas who deals at arm's length with the pipe lines which transport gas to the ultimate consumers. There is no other construction which we can give this bill.

Second. If we reject S. 1498, we express as the intent of Congress precisely the construction given the 1938 Gas Act by a unanimous Supreme Court on June 16, 1947. The case then before the Supreme Court was the now well-known *Interstate Natural Gas Co., Inc.* v. *the Federal Power Commission* (331 U. S. 682). The opinion in that case clearly recognizes that the power to regulate interstate sales of natural gas in the field is essential both to the purposes set forth in the Natural Gas Act of 1938 and for the protection of the public. I shall repeat here the now famous words from that case:

> It cannot be doubted that their regulation is predominantly a matter of national, as contrasted with local, concern * * *. Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers of gas, including the ultimate consumers. It was to avoid such situations that the Natural Gas Act was passed.

There is no doubt about it, Mr. President. If the Congress rejects S. 1498, it will clearly be our intent that the Natural Gas Act of 1938 means just exactly what the Supreme Court said it meant in the Interstate case nearly 3 years ago. It is worth repeating, I believe, that the Court unanimously agreed on this question.

In other words, the law as it now stands at this very moment gives a clear ground for saying that there can be no effective regulation of natural-gas prices unless the prices charged at the well, in the gas field itself, are also subject to regulation. I think it is perfectly obvious that prices on a field level are passed directly on to the ultimate price paid by the gas consumer. If field prices take a marked jump, the regulation of the pipe lines which transport it to the consumer is just about meaningless, because that regulation necessarily would have to consider the initial price paid the producers and gatherers of the product.

So the question boils down to this: Should we intend today to regulate natural-gas prices charged in interstate sale? My answer to this is a categorical "yes."

Let me point out just a little bit of history. As every Member of Congress knows, the power to regulate interstate commerce is exclusively within the jurisdiction of the Federal Government itself. This is a constitutional requirement. It is not a matter of court construction, and the Constitution itself is explicit on this point. The Constitution forbids any State to burden interstate commerce by any State regulations which operate on the flow of commerce in interstate channels. It was because of this constitutional requirement that efforts attempted by producer States of natural gas to regulate the flow of this product in interstate commerce have consistently been held by our Supreme Court to be unconstitutional, because such State regulation did in fact operate as a burden upon interstate trade. The same reasoning has also been applied when consumer States have sought to protect themselves through State regulation.

It was against this background that the Natural Gas Act of 1938 came into being. In adopting the principle of Federal regulation of the interstate sale of natural gas, the Congress recognized that unless Federal regulation was adopted, there would be no regulation which any State could undertake.

Back in 1938 we had the undisputed fact that natural gas was literally going to waste in the then known fields, and that where buyers could be found, the field price was usually a cent or two per 1,000 cubic feet.

Why were these prices so low? The answer to this question can be found in the fact that gas in the field cannot be sold to the interstate consumer at all unless pipe lines, connecting the wells with the consumer, are available. We have never yet developed any other practical and economical means of transporting gas to the consumer. This fact alone sets natural gas apart from any other fuel. I wish the Senator from Texas [Mr. CONNALLY] were present. Petroleum, for example, may be carried by tank cars on railroads, by seagoing tankers, by pipe line, and so forth. So far as coal is concerned, it may be carried from the mines by truck or rail, barge or boat, or some combination of these means. Thus, if the prices in a given coal or oil field rise perceptibly as compared with prices elsewhere, the consumer can get a break by having his coal or oil delivered to him from some other field where prices are lower.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. KERR. Does the Senator take the position that if an independent producer does not sell to the interstate pipeline company, he will not have an opportunity to sell gas?

Mr. MYERS. No.

Mr. KERR. Is the Senator aware of the fact that more than half of the gas is consumed in the States where it is produced?

Mr. MYERS. Yes; I understand.

Mr. KERR. Will the Senator yield for a further question?

Mr. MYERS. I yield.

Mr. KERR. Is the Senator aware that an interstate pipe-line company may build a pipe line and have no gas to transport in it?

Mr. MYERS. That is quite correct.

Mr. KERR. How does the Senator think the gas should be secured by the pipe line?

Mr. MYERS. It should be secured by the company's producing its own gas or buying the gas from independents in order to transport it.

Mr. KERR. If a gas company were to produce its own gas, it unquestionably would come under the regulation of the Commission. Is that correct?

Mr. MYERS. Yes; that is correct.

Mr. KERR. The Senator feels that if it needs gas in addition to the gas it produces, it should buy it from independents?

Mr. MYERS. It must buy gas, if it needs it.

Mr. KERR. How does the Senator think it should buy the gas?

Mr. MYERS. What does the Senator mean?

Mr. KERR. Does he believe that the pipe-line company ought to be permitted to make an offer which the producer would be compelled to accept?

Mr. MYERS. No.

Mr. KERR. Does the Senator believe that the price should be arrived at as the result of bargaining and contract?

Mr. MYERS. I believe so, where possible.

Mr. KERR. Where gas cannot be secured in that manner, how does the Senator believe it should be secured?

Mr. MYERS. I believe it should be purchased. I believe that there should be some reasonable regulations prescribed by the commission to govern that very subject. I do not mean to sug-

gest the same formula which is used for the producers, or the same field price.

Mr. KERR. The Senator does not understand my question. Does the Commission now have any regulatory power to compel a producer to sell gas if he does not wish to sell it?

Mr. MYERS. Not that I know of.

Mr. KERR. If the gas belongs to the producer and he has the right to sell it or not, should the sale be by contract?

Mr. MYERS. Of course.

Mr. KERR. If a contract has been made, should the contract be binding?

Mr. MYERS. Of course, a contract should be binding.

Mr. KERR. Then what is there for the Federal Power Commission to regulate with reference to the price paid to a producer?

Mr. MYERS. I think the Senator's question answers itself. What is there to be regulated? There are still further contracts to be made.

Mr. KERR. The Senator said that gas could not be secured except by a binding contract.

Mr. MYERS. Certainly.

Mr. KERR. If a contract is binding, and the producer is paid in accordance with it, what is there for the Federal Power Commission to regulate with reference to the producer?

Mr. MYERS. The Commission should see to it that it is a reasonable contract.

Mr. KERR. If it is not a reasonable contract, should it be thrown out or reformed?

Mr. MYERS. The Senator from Oklahoma, I am sure, really does not believe in the bugaboo that gas producers will not be willing to put gas into pipe lines if there is to be regulation by the Commission. I believe they will welcome the outlet, and I believe the Commission will determine——

Mr. KERR. As Americans they have a right to welcome or not.

Mr. MYERS. To welcome what?

Mr. KERR. They have a right to welcome or not.

Mr. MYERS. I do not understand the Senator.

Mr. KERR. The producers would have a right to welcome, or not to welcome.

Mr. MYERS. Certainly.

Mr. KERR. Let us get back to a point which the Senator made earlier. He said that the price should be fixed by contract.

Mr. MYERS. The Senator knows my position. The Senator knows that I am advocating that the Commission have some jurisdiction in determining the reasonableness of prices which independent producers receive from pipe-line companies for their gas. I believe the Commission can determine what is a reasonable price. I believe producers will welcome such regulation, because they wish to sell their product. I do not believe all the gas is going to be used intrastate. I believe that under regulation we shall have plenty of gas coming through.

Mr. KERR. The Senator stated that neither the Commission nor the pipe-line company had the power to compel a producer to sell.

Mr. MYERS. That is correct.

Mr. KERR. Is that correct?

Mr. MYERS. Yes. Neither has anyone the power to compel them to build a pipe line. Nevertheless, pipe-line companies are building pipe lines and they are buying gas.

Mr. KERR. Let us talk about the producer. If no one has the power to compel the producer to sell the gas, and if the only way he can be induced to sell gas is under the terms of a binding contract, will the Senator tell us what remains for the Federal Power Commission to regulate?

Mr. MYERS. May we understand each other. I said the "reasonableness" of the contract.

Mr. KERR. The Senator had not actually gotten up to that point, but I will refer to it later.

Mr. MYERS. I intend to do so. I said that they would determine the reasonableness of the contract.

Mr. KERR. But the Senator said that they do not have the power to compel the independent to sell.

Mr. MYERS. That is very true. I do not think they have.

Mr. KERR. Then if they do not have the power to compel him to sell how would they have the power to compel him to accept a price less than the one he was offered to induce him to sell?

Mr. MYERS. Now, they fix the field prices for the pipe-line producers.

Mr. KERR. We are not talking about the pipe-line producers.

Mr. MYERS. No, we are not; I understand that. Of course, we are not talking about them. I believe the Senator's point is that the independents might object to the terms of the contract as being unreasonable, and therefore they would not sell to the pipe lines.

Mr. KERR. They would not sign the contracts.

Mr. MYERS. I disagree with the Senator. I think they would sell.

Mr. KERR. The Senator will admit the possibility that they might not sell?

Mr. MYERS. Oh, yes; I will admit the possibility.

Mr. DOUGLAS. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. KERR. I think the Senator from Pennsylvania is perfectly able to take care of himself.

Mr. DOUGLAS. I am sure the Senator from Oklahoma does, but, if I may say so, I should like, so to speak, to shed light on—

A darkling plain
Swept with confused alarms of struggle and flight,
Where ignorant armies clash by night.

Mr. KERR. And the torch must be held aloft in the hands of the Senator from Illinois.

Now if the Senator from Pennsylvania will permit; he admits that no one has the power to compel the independent producer to sell.

Mr. MYERS. Yes.

Mr. KERR. Then having the right to sell or not to sell, the Senator admits that the independent producer has the right to agree to or reject a contract offered him. Having agreed to it and accepted it, does the Senator think it is binding?

Mr. MYERS. The Senator is speaking of contracts which have already been executed?

Mr. KERR. Let us take that step. He has the right to make it or not, does he not?

Mr. MYERS. Yes.

Mr. KERR. If he does make it, does the Senator think it ought to be a binding contract?

Mr. MYERS. A contract that has already been executed and been in force?

Mr. KERR. It could not have been a contract unless it had been executed.

Mr. MYERS. We can speak of the future, and we can speak of the present. Let us not be facetious, please. The Senator from Oklahoma is speaking of a contract that is now executed.

Mr. KERR. No; we were speaking about a contract that had not been.

Mr. MYERS. Oh.

Mr. KERR. We are speaking about a producer that had gas, and a pipe-line company that wanted to buy it, and I asked the Senator how that would be accomplished, and he said by a contract.

Mr. MYERS. I said that I did not think there was any legal power within the Federal Power Commission yesterday, today, or tomorrow, to compel the independent to sell his gas to anyone. That he is a free agent and can sell his gas to whomsoever he wants and can enter into a contract with whomsoever he desires.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MYERS. In just a moment. Are we in agreement there?

Mr. KERR. Yes.

Mr. MYERS. At least we have one area of agreement.

Mr. KERR. Yes. Then having entered in the contract, ought it to be binding on the producer to sell in accordance with its terms?

Mr. MYERS. Certainly.

Mr. KERR. Should it be binding on the producer to pay in accordance with its terms?

Mr. MYERS. Surely.

Mr. KERR. Then what does the Federal Power Commission have to regulate with reference to the seller?

Mr. MYERS. The Commission can say to the pipe lines, "We will not permit you to enter into an agreement with an independent to pay an unreasonable price for the gas you are going to transport."

Mr. KERR. I agree with the Senator. But that is not the question in the bill, nor is that the question before the Senate.

Mr. MYERS. Oh, I think it is.

Mr. KERR. Oh, no.

Mr. MYERS. I think it is.

Mr. KERR. Then the Senator does not understand the issue.

Mr. MYERS. Yes; the Senator from Pennsylvania does understand it.

Mr. KERR. The issue is whether the independent operator shall have the right to make the contract and then be paid in accordance with its terms, and that is the sole issue.

Mr. MYERS. Of course, but under the bill the independent producer could enter into a contract; he could charge an unreasonable price for his gas. The pipe-line company would pay an unreasonable price and would simply pass it along.

Mr. KERR. Then what does the Senator think the Commission ought to have the jurisdiction to do?

Mr. MYERS. The Commission should have the jurisdiction, I repeat, to prohibit——

Mr. KERR. The contract?

Mr. MYERS. Say the contract, if the Senator wants to. I said it once. I will say it again. I think it is the same thing. The Commission should have the power to say to the pipe-line company, "That is an unconscionable price, an unreasonable price, that was fixed, and which they are receiving for their gas, and we, as a commission, because we have jurisdiction over you, the pipe-line companies, will not allow you to pay this unconscionable or unreasonable price for this gas."

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KERR. I agree with the Senator on that point.

Mr. MYERS. I will yield to the Senator from Illinois now, and later yield to the Senator from Oklahoma again.

Mr. DOUGLAS. Is it not true that the distinguished Senator from Oklahoma is somewhat confused in his thinking on this point? Is it not true that he seems to think that the pipe line can either purchase or not purchase from the nontransporting producer, and that the nontransporting producer can either sell or not sell, and that, therefore, the parties are free? If they were free, we would have a relative state of competition, and competition would to a large degree be self-regulating, and we would not need public regulation. But, as a matter of fact, are not the nontransporting producers, on the one hand, and the pipe-line companies on the other, indissoluably connected once the gathering lines and mains have been laid? Once the gathering lines and mains have been laid, the producers and gatherers can sell only to the pipe lines, and the pipe lines can buy only from the producers and gatherers. There is no trial marriage there at all. The expense of ripping up the pipe lines and associating with another pipe line or another set of producers would be too great. So the purchase of gas cannot be shifted from one person to another or the sale of gas from one person to another. Once a pipe line is laid, competition practically ceases altogether.

Mr. LONG rose.

Mr. DOUGLAS. I may say to my distinguished friend, the Senator from Louisiana, I think the confusion under which my good friend, the Senator from Oklahoma, has unfortunately been laboring for these many months and years, will be completely cleared up.

Mr. KERR. I want to pursue my question, if I may, for one more moment.

Mr. DOUGLAS. I believe I have not yet finished the interrogation of the Senator from Pennsylvania.

Mr. KERR. Unless I am mistaken, the Senator has not yet begun it.

Mr. DOUGLAS. I should like to ask the Senator from Pennsylvania this question: Since there is no freedom of purchase or sale, since they are tied to each other by pipe lines, the terms of the transactions are not the ordinary competitive terms of transaction, but they are bound together in a monopoly situation. When the supply of gas is vastly in excess of the quantity of gas demanded, then the pipe line is "top dog." But when the supply of gas is restricted compared to the demand for gas, as is now the case, then the nontransporting producers and gatherers are "top dog," and the pipe lines, in order to obtain the gas, largely have to pay what the nontransporting producers ask. Under those conditions, in order to prevent forced sales and high prices, which will ultimately be transferred, as the eminent Senator from Pennsylvania has so well said, to the ultimate consumer, in order to protect the ultimate consumer, the arm of the Federal Government has had given to it, in the Gas Act, power to prevent an unjust and usurious price being exacted by the nontransporting producers who are in a strategic position, and who have the pipe lines by the throat, who can boost the prices. Is that not true?

Mr. MYERS. There is much virtue in what the Senator from Illinois has said.

Mr. DOUGLAS. Will not a full appreciation of this point clear up the mental confusion under which our very distinguished and very able friend from Oklahoma has been laboring for these many years, and therefore is not the discussion this afternoon extremely helpful to clarify the confusion under which the proponents of this legislation have been laboring?

Mr. MYERS. I thank the Senator from Illinois. I am going to yield once more to the Senator from Oklahoma, after which I shall yield to the Senator from Louisiana, and then I am going to finish my remarks, after which we can have our cat-and-dog fight, or free-for-all, after I finish my remarks.

I first yield to the Senator from Oklahoma.

Mr. KERR. I appreciate that very much. As one who has spent his life in the gas fields of the Southwest I wish to say with respect to the remarks of one who never saw a gas field in his life——

Mr. MYERS. Is the Senator referring to the Senator from Pennsylvania?

Mr. KERR. No; I am speaking about the Senator from Illinois. As I was about to say, a producer and a pipe-line company can make a deal and terminate it according to the terms of the contract. A producer can sell to any one of any number of pipe lines. A pipe line can buy from any number of producers. As the Senator from Pennsylvania said, there is no way for them to make a transaction without a contract. Both of them being free to enter into a contract, and the Senator from Pennsylvania having said that he feels that if they do enter into such contract it should be binding upon both parties, I now would be very grateful to him if he would tell the Senate what there is for the Federal Power Commission to regulate in regard to the price paid the producer selling under the terms of that valid contract?

Mr. MYERS. I thought I had answered that question, but I might merely say that I do not understand then why all the furor, why there is even need for the bill, why Senators are using up so much effort to pass the gas bill if the Commission has no power and no jurisdiction, if it cannot interfere with any contracts. Then why all this trouble and time spent on the bill?

Mr. KERR. The Senator said the Commission did have jurisdiction, and I asked him to tell us how it would be implemented.

Mr. MYERS. I thought I went into that matter thoroughly.

I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator from Illinois indicated that the production of gas was a more or less complete monopolistic proposition with the supply tied up in a few hands. I am sure the Senator from Pennsylvania realizes, does he not, as a member of the Committee on Interstate and Foreign Commerce, that in States such as my own there are independent people, completely independent, owning nothing more than one individual well, with the well capped over, who hope that some day somebody will be willing to lay pipe to their well and give them any kind of a price for their product. The average price paid for gas in Louisiana is much less than the average paid throughout the Southwest for gas. Many owners of such wells would like to be able to sell their gas at any price. I am sure the Senator from Pennsylvania realizes that there is gas available.

Mr. MYERS. Particularly, if buyers would go to Louisiana to get gas.

Mr. LONG. Louisiana will sell some.

Mr. MYERS. Mr. President, I have only this one copy of my prepared remarks. I think there was another copy, and I believe it was sent to the Press Gallery. But it seems to me that a number of persons must have seen it, because attempts are being made to ask me questions about matters which I have not yet reached in delivering my address to the Senate.

A moment ago I said that petroleum and coal may be carried by various means and facilities, and that if the prices in a given coal field or a given oil field rise perceptibly, as compared with prices elsewhere, the consumer can get a "break" by having his coal or his oil delivered to him from some other field where prices are lower.

Certainly that is not true in the case of natural gas. Once a pipe line connects a gas field to the consumer, the only protection available to the consumer against a sudden rise in natural-gas prices—and I have already pointed this out—is either to shift to another fuel, such as coal or oil, or to await the day when a new pipeline connection ties him into a field where gas prices are lower. As I have already pointed out, the immediate value of gas stored in a given field is meaningless unless pipe lines are available to carry the product to consumers.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ANDERSON in the chair). Does the Senator from Pennsylvania yield to the Senator from Louisiana?

Mr. MYERS. Mr. President, I prefer to complete my statement, before yielding further.

A rough analogy to the position of the gas consumer is that of a person receiving a blood transfusion. If, midway through the transfusion, the donor suddenly decides to raise his price, the recipient of the transfusion has no recourse other than to pay the price and continue to take the donor's blood until his life is saved. Perhaps that is an exaggerated comparison, but it certainly conveys the idea, for, as all of us know, pipe lines are costly to build and their construction takes a long time. Thus, either until the consumer has shifted to another fuel, or until a new pipe line into a lower-priced field is available, the consumer simply has to sit and take it.

I think that comparison makes it quite apparent that the situation of the gas consumer is markedly different from that of consumers of other fuels, for the natural gas consumer is dealing with a product which has many monopoly characteristics.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at this point for a short question?

Mr. MYERS. Mr. President, I cannot refuse to yield to my warm, close, personal friend, the junior Senator from Texas [Mr. JOHNSON]; so of course I yield to him.

Mr. JOHNSON of Texas. Mr. President, the Senator from Pennsylvania has talked about the natural-gas producers as monopoly producers.

Mr. MYERS. No; I have said that natural gas has some monoply characteristics.

Mr. JOHNSON of Texas. The Senator from Pennsylvania is aware, is he not, of the fact that the price of natural gas to the consumers has gone down 12 percent in 15 years, although during the same period of time the price of coal has increased 259 percent?

Mr. MYERS. I am aware of that.

Mr. JOHNSON of Texas. The Senator from Pennsylvania also is aware, is he not. of the fact that just a few weeks ago it was not very easy to get coal.

Mr. MYERS. That is true. Also, a few years ago it was not very easy to get oil.

Mr. JOHNSON of Texas. And it will not be easy to get natural gas if this bill is not enacted.

Mr. MYERS. Of course, Mr. President, the Senator recalls the statement in the testimony before the committee that the price of gas will go up if this bill is enacted into law. I have a very real and definite recollection of that testimony.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. MYERS. Very well; I yield.

Mr. LONG. The Senator from Pennsylvania does not think, does he, that a natural-gas producer gets a better price because the pipe lines are the only means of transporting his gas? I ask that question because actually many producers have no other way of getting anything for their gas, the pipe lines are the only means by which the gas can be transported.

Mr. MYERS. That is true. But I am thinking of the consumer, who must take the gas from the pipe line and from those producers, or else the consumer will not get any natural gas at all.

As I have just said, Mr. President, I think a study of the question makes it quite apparent that the situation of the gas consumer is markedly different from that of consumers of other fuels, for the gas consumer is dealing with a product which, as I have said—and I repeat—has many monopoly characteristics.

It has been urged, Mr. President, that merely the enactment of Senate bill 1498 will not per se raise gas prices. This argument does not sway me at all. It would be the same to argue that boring a hole in the bottom of a boat does not per se sink it.

It should be made clear, too, Mr. President, that the enactment of Senate bill 1498, should the Senate agree to do so, would merely exempt the independent gatherer and producer who deals at arm's length with the transporting pipe lines. The pending bill does not, as did the Moore-Rizley bill, which was defeated in the Eightieth Congress, propose to exempt, as well, the price regulation of field prices charged by the pipe lines on gas gathered from fields owned by the pipe-line companies themselves.

Of course, from the standpoint of the pipe-line companies who do own gas fields from which they take part of the gas carried in their lines, those companies argue that if the so-called independent is freed from regulation—as Senate bill 1498 proposes—the bill would gravely discriminate against the pipeline companies who did own gas fields of their own which concededly would remain under Federal regulation if Senate bill 1498 is enacted. The argument of these companies is that they, too, should have their field prices freed from Federal regulation. If that recommendation were carried through, it would take us back to the Moore-Rizley bill of the Eightieth Congress.

At the time when the Moore-Rizley bill was being considered, several years ago, I opposed it strenuously for what was to me the obvious reason that removal of field price regulation of natural gas would simply mean that field prices could very possibly rise to the point where Federal regulation over the pipe lines would be without any real meaning.

I did concede at the time when the Moore-Rizley bill was being considered that I would go along with a bill which would exempt from regulation the independent gatherer and producer who dealt at arm's length with the pipe-line carriers. However, I am now satisfied that the more recent developments in the natural-gas picture do not justify making an exception in favor of the independent producer. But as I say, my position several years ago would have been, in effect, to support what Senate bill 1498 now proposes to do.

I have indicated that my present position is determined by more recent facts and developments which have come to light since 1948. To support this, I should like to make a few general observations. For one thing, a larger and larger percentage of the gas now flowing through the existing pipe lines is supplied by the so-called independent. In the early days when the Federal Power Commission exercised its regulatory power over the prices of natural gas, the big problem was that of regulating the field prices charged by the pipe-line owners on the gas produced in their own fields. It was for this reason that the FPC did not find it necessary to exercise any regulation over the independents, because regulation of the prices charged by the producers-transporters were sufficient to maintain reasonable prices of natural gas in interstate commerce.

That picture has undergone a radical change as more and more people in the urban areas of the country have undertaken the use of natural gas. This new development has meant that larger and larger amounts of gas have been sold to the pipe-line companies by the so-called independents, and it is estimated that by 1952 more than 70 percent of the Nation's gas supply will be procured from the independents, and they are the ones who would be completely exempt from any regulation if this bill should be enacted into law.

The net effect of this development is that the independent is rapidly entering the picture as a major factor in the determination of the price the consumer pays for natural gas. This, as I have already pointed out, was not the case in earlier years when over-all price regulation was possible simply through regulation of the field prices charged by the pipe lines in the sale of gas produced from their own wells.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. KERR. I understood the Senator from Pennsylvania to say that in recent years the independents have become a major factor in supplying natural gas for the pipe lines to furnish to the consumers.

Mr. MYERS. I said that it is estimated that by 1952 they will supply 70 percent of the natural gas transported.

Mr. KERR. So far as that is concerned, the record is that it will be 80 percent.

But I was addressing my question to what the Senator just said. Is that what he just said?

Mr. MYERS. Yes.

Mr. KERR. Then, is the Senator from Pennsylvania aware of the fact that the independent producers have never been regulated?

Mr. MYERS. Mr. President, I thought we discussed that point about a dozen times here, today.

Mr. KERR. Is the answer "yes" or "no"?

Mr. MYERS. Mr. President, the Senator knows that the answer is "yes." We have had that point under discussion time and time again in the debate here, namely, that the Senator from

Oklahoma is aware that the independents have never been regulated.

In fact, we engaged in that debate for some time. The Senator from Oklahoma and I had a colloquy on that point, and in it I said that the fact that the Commission had not exercised jurisdiction over the independents was not conclusive, to my mind.

Mr. KERR. However, I believe the Senator from Pennsylvania first answered the question in the affirmative, namely, that the independents have moved into the picture, and now furnish up to 65 percent or 70 percent of the natural gas, and shortly will furnish much more.

Mr. MYERS. That is correct.

Mr. KERR. And they have never been regulated.

The Senator is further aware, is he not, of the fact that during that time the price of natural gas to the consumers has gone down 10 cents a thousand, or, over all, 12 percent?

Mr. MYERS. The price is not going down now. The Senator does not mean to give the impression, does he, that the price of natural gas is going down today?

Mr. KERR. I am asking the Senator from Pennsylvania if it is a fact that today the consumer of natural gas pays 12 percent less for it than he paid 15 years ago.

Mr. MYERS. If the Senator from Oklahoma says that is a fact, I shall certainly accept it.

Mr. KERR. I am asking the Senator whether that is the evidence which was submitted before the committee.

Mr. MYERS. I do not recall; but if the Senator from Oklahoma says it is, I will accept it.

Mr. KERR. In view of that fact, how can the Senator from Pennsylvania say that failure to regulate the independents would have a detrimental result on the consumer?

Mr. MYERS. I say that we are reaching the position today—today; the Senator from Oklahoma should remember that the emphasis now is on the situation today and what it will be tomorrow. I say that today the independents are coming more and more into the field. The price of natural gas is going up today. It will go up tomorrow.

I have said before that in the committee, when we held hearings on the bill, the evidence which was submitted was that if the bill is enacted, the price of natural gas will go up.

Mr. KERR. I certainly do not agree with the Senator from Pennsylvania.

Mr. MYERS. Mr. President, I do not have time to debate any further with the Senator from Oklahoma. But at the hearings I myself questioned several witnesses, and they admitted that. It may be true that the price has dropped below what it was 15 years ago.

Mr. KERR. Is it or is it not true?

Mr. MYERS. I will take the Senator's word for it.

Mr. KERR. The Senator should not take my word for it.

Mr. MYERS. I will take the Senator's word on anything.

Mr. KERR. And I would take the Senator's word on anything, if he knows. If he does not know, I would inform him.

Mr. MYERS. Then I am asking to be informed.

Mr. KERR. The record in the committee, by Mr. Olds, was to that effect.

I ask the Senator this question: In an unregulated situation, in which the independent producer without regulation has moved in, until today he is furnishing 70 percent of the entire market, and during which time the price to the consumer has gone down 12 percent, how is such a situation so dangerous that a continuation of the identical circumstances would now result in detriment to the consumer?

Mr. MYERS. As time goes on, the independent is becoming a more powerful force in this entire field. The independent is supplying more gas. In former years the independent was not supplying gas in the same percentage. The independent is now on top. The independent now controls the situation.

Mr. KERR. Mr. President, will the Senator yield at that point?

Mr. MYERS. Yes, of course.

Mr. KERR. How then are the consumers to get gas unless the independents find it and sell it to the pipe lines?

Mr. MYERS. The consumers will never get gas, unless the independents find it and sell it to the pipe lines.

Mr. KERR. And does the Senator still think the sale should be by contract?

Mr. MYERS. Of course. Are we back to that question now?

Mr. KERR. Then will the Senator address himself to the question I asked a while ago? What is there for the Federal Power Commission to regulate?

Mr. MYERS. Let me go back. The Senator may have left the Chamber, or he may have been busily engaged otherwise when we talked about the failure to regulate in prior days. I had this to say:

> In the early days, when the Federal Power Commission exercised its regulatory power over the prices of gas, the big problem was that of regulating the field prices charged by the pipe-line owners of the gas produced in their own fields. It was for this reason that the FPC did not find it necessary to exercise any regulation over the independent, because regulation of the prices charged by the producer-transporter were sufficient to maintain reasonable prices of natural gas in interstate commerce.

I say the conditions have changed, and I think the independent has now come into a more powerful position. The Commission says, "We must look into that field. There was no necessity for doing it. We think we had the power. We did not exercise it, to protect the consumer, but now we think we should."

Another worrisome factor confronts us here in terms of the future of gas prices in the fact that of the known gas reserves, about 85 percent are now held by the so-called "independents" whose prices S. 1498 seeks to exempt from Federal regulation. This would, of course, mean that in the future, efforts to regulate field prices of gas produced in fields owned by the pipe lines would be confined to about 15 percent of the total supply—and quite obviously, regulation in this small fraction of the market would be meaningless. There is a further argument advanced by those who support S. 1498 to the effect that our free-enterprise system has traditionally operated on the basis of the law of supply and demand, that pricing under our private enterprise economy is determined on the theory of anything the traffic will bear, and that competition will tend to keep prices down.

I agree with that as a general statement. It covers the largest part of our economy. I should, however, like to remind those who put this argument before us that for 60 years the Congress has recognized that the doctrine of "anything the traffic will bear" has some basic limitations when any industry acquires monopoly characteristics. The first expression of this appeared in the Sherman Act, and as every Member of Congress is fully aware, monopoly practices have continued to pose vexing problems in the field of Federal legislation.

It is certainly not my contention that the natural gas industry is a monopoly in the sense that we conceive of certain natural monopolies, such as the public utilities, the telephone service, electric power, and our water systems. Each of these "natural" monopolies operates under circumstances in which risks are relatively small, and their regulation, which is frequently carried out on a state or local level, has proceeded on the grounds of fixed but relatively small rates of return on the investment.

In terms of natural gas, we do not find the same conditions existing to that degree. We find, instead, a product which has an immediate use only when the sources of supply are tied in by pipe lines to the ultimate consumers. Under these circumstances, as I have already pointed out, the consumer then becomes dependent upon the gas sources in the fields to which existing pipe lines connect. Thus, the consumer cannot shop around in a market of other gas fields with lower prices, when those other fields are not connected to his pipe-line network. So any chage in field prices quite naturally is reflected directly in consumer prices.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MYERS. I yield now to the Senator from Oklahoma.

Mr. JOHNSON of Texas. Mr. President, will the Senator first yield, to permit me to ask a question on that particular subject?

Mr. MYERS. I have just yielded to the Senator from Oklahoma.

Mr. JOHNSON of Texas. Will the Senator from Oklahoma permit me to ask one question?

Mr. KERR. Certainly.

Mr. JOHNSON of Texas. Will the Senator from Pennsylvania cite one instance in which the increase in producer price has ever been reflected in an increase in consumer price?

Mr. MYERS. Am I to understand the Senator from Texas to mean that if a pipe-line company must pay more for the gas it transports, the additional cost is not reflected in the price charge to the consumer?

Mr. JOHNSON of Texas. The Senator says it has not been.

Mr. MYERS. No; I have not said that.

Mr. JOHNSON of Texas. No; I say it. I say there has not been one applica-

tion to increase rates to a pipe-line company because of the increase in the producer's price, in the Senator's State. The Senator has served in both Houses of the Congress for some time, and his State has been producing gas for a long time, and there was being received during 1948 a price of 24 cents for the gas he wants to put a ceiling on in Texas of 4 cents. I have not heard anyone advocate price controls on gas. It seems to me the States of Illinois and Pennsylvania, both great coal producers as well as gas producers——

Mr. MYERS. And oil, too.

Mr. JOHNSON of Texas. It seems to me they have been a mighty long time coming around to the point. But, now, since their gas is gone and they need ours, they come to the conclusion that perhaps we ought to have a little OPA, so long as it does not apply to them.

Mr. MYERS. That is not the premise upon which the Senator from Pennsylvania bases his argument.

Mr. JOHNSON of Texas. Does the Senator think gas prices are too high now?

Mr. MYERS. Generally I think gas prices are not too high. I will admit that, generally, gas prices are not too high.

Mr. JOHNSON of Texas. The Senator is always very fair, and his knowledge of the question is wide. No person came before the committee to testify that the price was too high, not even Mr. Olds. Mr. Olds stated in response to a question by me, on page 358:

> I do not think the average price of gas today is too high.

But what? He looked into his crystal ball and thought, perhaps, maybe, it might get too high down the road; therefore, let us have OPA today.

Mr. MYERS. In fact, I do not think the Senator from Texas fully understands the position of some of the coal-producing States. I have received telegrams from several coal operators advocating the passage of the pending bill. They would like to see the price of natural gas go up. They would like to see the spread lessened, so that the price of gas would be eventually about the same as the price of coal. Some of the operators are advocating that.

Mr. JOHNSON of Texas. I do not think the Senator will find that that is the position of the coal industry generally. The Senator no doubt will recall——

Mr. MYERS. Let me read three telegrams from coal operators. I will yield in a minute. First, let me read this telegram:

> The coal operators are very much interested in the Kerr-Thomas bill S. 1498, and it means much to our coal industry. Therefore, I would appreciate your support of this bill.

From another company:

> We are very much in favor of Kerr-Thomas bill S. 1498. Would appreciate your support.

Another telegram reads:

> We are very much in favor of Kerr-Thomas bill S. 1498. Would appreciate your support.

Mr. JOHNSON of Texas. The Senator picks out three isolated operators. I know the Senator would not knowingly produce a phony telegram, but I do know the National Coal Association demanded the reappointment of the author of the regulation. I know that both the National Coal Association and the United Mine Workers opposed the granting of certificates to build pipe lines from Texas to the Senator's State.

Mr. MYERS. That is correct.

Mr. JOHNSON of Texas. I know that the National Coal Association and John L. Lewis, once they could not prevent issuance of the certificates, demanded that we confine the use of gas to superior uses.

I know that last year, when the Olds plan was under consideration, the officers of the National Coal Association, in convention, stated that they wanted Mr. Olds reappointed, because Mr. Olds had been a friend of the coal industry. I know the Senator is aware of that.

Mr. MYERS. Of course, the Senator does not mean to say the telegrams I produced a while ago were phony.

Mr. JOHNSON of Texas. No. I said the Senator would not knowingly present three telegrams, presuming to speak for the industry, which were not authentic.

Mr. MYERS. The Senator from Pennsylvania had no intention of presenting them, and I did not say they spoke for the industry. I had a telegram from a coal operator I knew. I was rather amazed that a coal operator should telegraph or write asking me to vote for the pending bill.

Mr. KERR. Mr. President, will the Senator yield to allow me to tell him why that was done.

Mr. JOHNSON of Texas. Just one more statement. I want the Senator to look at an article from the New York Times, dated October 8, 1949, so he will be laboring under no misapprehensions as to the position of the coal industry.

It reads:

> RENAMING OF OLDS DEMANDED BY NCA—COAL GROUP'S FINAL SESSION FOR FPC REAPPOINTMENT ON SOUND STAND ON NATURAL GAS
>
> The National Coal Association yesterday endorsed the reappointment of Leland Olds as a member of the Federal Power Commission. Speaking at closing sessions of the bituminous coal producing industry's thirty-second annual convention at the Waldorf-Astoria Hotel, Charles A. Owen, NCA president, said the coal producers feel that Commissioner Olds has been very sound in his treatment of natural-gas matters coming before the Commission. "We are hopeful that he will be continued in office," Mr. Owen said.

Mr. MYERS. We had a complete debate on Mr. Olds.

Mr. JOHNSON of Texas. Mr. Olds' position, though, is that there should be price control, and the coal association says it is a very sound position.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MYERS. I should like to finish now. I should like to say to the Senator from Oklahoma, I have been very generous.

Mr. KERR. Will the Senator yield for a brief question?

Mr. MYERS. I should like to finish. After I have finished, I shall be glad to yield.

The conditions which existed a dozen years or so ago, under which the going field price of natural gas was a cent or two per thousand cubic feet, have changed completely by the fact that once pipe lines have connected the fields to a consumer market, the demand for natural gas among consumers has risen steadily until we find ourselves today in a situation where it is readily conceivable the independent producers will shortly be able to increase their prices by tremendous percentages over the 1938 levels, not because their production costs have risen to that extent, but simply because consumers have become reliant upon natural-gas supplies and will be forced to bear whatever costs the producers think they can get away with.

I admit that regulation of field prices charged by gatherers and producers, whether independent or owned by the pipe-line companies, cannot be carried out by the standards of a low fixed return applied to such natural monopolies as the telephone. It is perfectly obvious that the natural-gas industry is a somewhat riskier venture. Thousands of dollars may go into efforts to put wells in what look to be prospective gas fields, only to have the entire investment lost when no gas is located. And it is perfectly obvious that there should be ample encouragement given gas producers to seek new sources of supply, which necessarily entails a high risk.

So, in regulating the field prices of all gas—as I firmly believe we should do as a matter of national policy—the Federal Power Commission must continue, as it has in the past, to take heavily into consideration the risk factor involved in providing inducements to seek new gas fields.

What I believe Federal Power Commission regulation should seek to achieve—what I am convinced the FPC is now authorized to do, and should do in light of recent developments—is to work out a balance which on the one hand considers the prices the consumers now pay and should pay for the gas they use, and which, on the other hand, weighs the costs of producing gas and the costs of finding and developing new sources of supply in terms of allowing adequate profits to the producers in both ventures.

This does not mean, however, that gas prices should be permitted to seek the level which the traffic will bear. If gas prices were permitted to shape up on the basis of what the producers could conceivably get, the ultimate consumer prices would, in all probability, bear no relation whatsoever to the costs of gathering, the costs of bringing in new fields, and reasonable profits to the gathering and producing industry. Instead, the prices could go sky high, totally unrelated to costs and reasonable profits.

The consumer would certainly pay through the nose for something like this.

I have one last thought before summing up what I have discussed. I was asked regarding it earlier in the debate. We have had brought repeatedly to our attention in recent years the growing sickness of the coal industry as a result of rising production costs resulting not

only from long-overdue wage increases, but as well from the fact that coal is getting increasingly hard to mine, in that the supplies are in many instances difficult to get at. Coal close to the surface and certain grades such as coking coal are both disappearing.

Only yesterday, I introduced Senate Resolution 239 which proposes a thorough study by the Senate Interior and Insular Affairs Committee into our reserves of all fuels. My purpose, as I explained in introducing my resolution, was to develop the facts we must have in order to determine a domestic fuel policy. I believe we must do this as quickly as we can. We know that certain of our fuel resources are limited. We know that research is now making and will in the future make many changes in the relationships between our various fuels. In my resolution I asked that the committee recommend a national fuel policy which would place each of our fuels in its proper perspective, and I urged upon them the need to consider not only the needs of a peacetime domestic economy, but to consider as well the needs we might face in the possible event of a national or international emergency.

I firmly believe that such a study of our fuel picture will give us the concrete answers as to what the problems of the coal industry are, and what the problems of our other fuel industries are. I believe that we must define those problems clearly before any half-baked solution to them is attempted.

I realize that natural gas has caused some of the hardship faced by the coal industry in my own State of Pennsylvania. I do not believe, however, that it is a sound solution to the coal problem to remove regulation from natural gas in order to boost gas prices and seek to bail out coal at the expense of some 40,000,000 natural-gas consumers. An honest solution to the coal difficulty can be found, but I do not believe the passage of Senate bill 1498 is an honest solution to coal's trouble.

So, Mr. President, I repeat what I said at the start of my remarks. The sole question before us is what our policy should be in the future regarding the regulation of natural-gas prices to the consumer on a basis which will amply protect the producer. If we adopt Senate bill 1498 we are saying that the producer will then be free to charge any prices the traffic will bear, completely independent of what his costs and profits may be. If we refuse to adopt Senate bill 1498, we are giving voice to our intent that the Natural Gas Act of 1938, as construed by the Supreme Court in the Interstate case of 1947, is our policy for the present and for the future.

The stakes in this question are tremendous. Millions of private families will be affected by our decision. So will thousands of industries which now rely on natural gas, and so, of course, will the profits of the gas producers be affected.

I urge the Senate to reject Senate bill 1498. If there are questions which come up as a consequence of later developments, we can consider them in orderly fashion. As matters now stand, I am absolutely convinced that the independent producer and gatherer of natural gas will suffer no hardship if the authority to regulate his field prices for sales in interstate commerce is continued in the Federal Power Commission. I am also convinced that millions of people have a great deal to lose if the so-called independents are exempted from possible regulation.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MYERS. I yield to the Senator from Louisiana.

Mr. LONG. Does the Senator know whether the National Coal Association is for or against the fixing of the price of producers of natural gas?

Mr. MYERS. I think the National Coal Association is against the proposed legislation. I am not sure. I have not talked to any of their representatives or been in consultation with them. I think the Senator from Oklahoma or the Senator from Texas said they were opposed to it.

Mr. LONG. Did the Senator see the figures placed in the RECORD yesterday by the Senator from Texas to the effect that, based on 1948, the cost per million B. t. u.'s of bituminous coal is $1.48, of anthracite coal, $1.85, of fuel oil No. 2, $1.53, and of natural gas, 93 cents?

Mr. MYERS. No; I did not see those figures. I am glad to have them brought to my attention, however.

Mr. LONG. Those figures are based on the prices given by the Bureau of Mines and the United States Department of Labor, indicating that heating by gas costs about as much as heating by coal or oil.

Mr. MYERS. That may be very true.

Mr. LONG. If the consumers in the Senator's State of Pennsylvania could get all the gas they wanted at one-half the cost of heating by coal, it would stand to reason that in the long run coal would be slowly driven out of the picture.

Mr. MYERS. I do not think coal will be driven out of the picture. Much of it is used for other purposes. It might be affected, but I think that is a hypothetical question.

Mr. LONG. Its use might be enormously reduced.

Mr. MYERS. The Senator may be correct.

Mr. LONG. The price at which coal is sold might also be reduced.

Mr. MYERS. Gas prices are fair and reasonable. I am fearful that prices may go up because of the great spread. The independents are doing very well. Most of the coal operators are in a rather bad financial position, but the producers of natural gas are in fine financial shape. I fear that because of the spread between the fuels, human nature being what it is, prices will be increased. My recollection of the testimony is that the enactment of this bill would result in some price increases. Not that the bill grants that authority, but there may be some attempt to regulate, and they are holding back and not going ahead with the price increases. That is human nature. I can well understand why they might do that.

Mr. LONG. Has it ever occurred to the Senator that the coal industry might want to place every conceivable regulation on the gas industry, not in the hope of keeping down gas prices but in the hope of preventing natural gas from being sold on the market in which coal is now being sold. By imposing price regulations and various other regulations on the gas industry the further development of gas could be prevented.

Mr. MYERS. I do not think the Senator needs to worry about coal. Coal will be found in Pennsylvania long after natural gas is exhausted, I believe.

Mr. LONG. The coal producers in Pennsylvania would like to sell their coal as soon as they can for the best prices they can get, just as the Louisiana gas producers want to sell their gas at the best prices they can get.

Mr. MYERS. I have not been approached by the mine workers or other persons with reference to the subject. This is a bad bill. My argument is not made merely because there are anthracite and bituminous coal mines in my State. I believe, however, that consumers should be protected from a possible price increase which I believe is in the offing.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. JOHNSON of Texas. The Senator wants more and cheaper gas in Pennsylvania. Is that correct?

Mr. MYERS. Not cheaper gas. I think gas is very well priced now. I can remember when we were debating the Moore-Rizley bill that the pipe-line companies were in the "blue chip" class of America.

Mr. JOHNSON of Texas. I do not think there is any doubt about that. I thought that was one of the reasons why the Senator went along with me in not exempting the production of the pipeline companies.

Mr. MYERS. When the bill was first introduced I did not think the Senator who introduced it meant to exempt them. I think it is the best possible bill that could have come out of the committee. I congratulate and compliment the members of the committee who reported it for endeavoring to do everything possible to safeguard the public against exemption for pipe-line producers. The members of the committee wanted to give an exemption to the independents, and they stuck to it. They eliminated many features in the bill which I did not like. I think they did as well as they could in reporting a bill. I know they are sincere, and I said in the opening of my remarks that I know they are sincere. We draw different conclusions from the same set of facts. They are of the opinion that this bill is in the best interest of the consumer and is good for the country. I believe it is not in the best interest of the consumer. By no means, however, do I infer in remarks which I have made that proponents of the bill are not sincere in what they have proposed and in what they have said and will say on the floor.

Mr. KERR. Mr. President, will the Senator yield for one further question, which I had neglected to ask him?

Mr. MYERS. I yield.

Mr. KERR. I believe the Senator said that consumers have become accustomed

to using natural gas, and would have no alternative if the source of supply were no longer available.

Mr. MYERS. Except to convert to another type of fuel. I said if prices were increased, and there was only one pipe line bringing in natural gas, and consumers had to take their supply from that one source, the consumers would have to pay the higher price unless they wished to convert to another fuel.

Mr. KERR. Is it not a fact that in every city along the Atlantic seaboard gas-manufacturing systems and operations have been set up by which manufactured gas is sold to consumers? Is it not also a fact that such manufactured gas is now being used either exclusively or on a part time or stand-by basis? Is it not a fact that in every city where natural gas is sold, manufactured-gas facilities are kept on a stand-by basis?

Mr. MYERS. I know that gas is being manufactured in the city of Philadelphia, my home town. I cannot speak for other cities. I know that gas is being used as a fuel in new construction.

Mr. KERR. If conversion has been made in part or altogether from manufactured gas to natural gas, with manufactured-gas facilities being kept in a stand-by basis, and the supply of natural gas were to decrease or cease——

Mr. MYERS. Not stand-by. In most newly constructed residences it is not in a stand-by status. The home is heated with manufactured gas.

Mr. KERR. I understand.

Mr. MYERS. If prices were to get out of line, the only thing the consumer could do would be to convert to coal, or oil, or some other fuel.

Mr. KERR. Either the Senator does not understand me or I have not made myself plain. Where an extension is made it is from the same pipe line which can carry natural gas, or part natural and part manufactured gas, or manufactured gas. So that if either were to cease or decrease, the other could be increased. Is that not correct?

Mr. MYERS. I do not know that there is really enough gas on a stand-by basis. Consumption of natural gas is constantly growing in the East. However, I do not know that that is so important in the debate.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 930) to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. PACE, Mr. POAGE, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

LICENSING OF MOTION PICTURES IN INTERSTATE COMMERCE

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial which appeared in the Times-Herald this morning with respect to a statement I made on the floor of the Senate yesterday. This editorial is designed to ridicule Wayne Coy, Chairman of the Federal Communications Commission, as well as myself as "morons waving pistols."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MORONS WAVING PISTOLS

In the last 48 hours, two power-crazy types on the Government pay roll here in Washington have demonstrated a threat to this Republic far worse than Stalin or any H-bombs he may have stolen from us with the aid of local traitors.

These two are ED JOHNSON, Democrat, of Colorado, chairman of the Senate Commerce Committee, and Wayne Coy, Democrat, of Indiana, Chairman of the Federal Communications Commission.

JOHNSON took the Senate floor on Tuesday and wasted a considerable amount of taxpayers' money filling the air and the CONGRESSIONAL RECORD with abuse of Ingrid Bergman, Roberto Rossellini, and Rita Hayworth.

His professions of outraged virtues leave any knowledgeable beholder cold. Anybody who has served in the United States Senate as long as he has cannot be honestly surprised at the most depraved of human conduct, let alone anything as routine as misbehaving actresses.

JOHNSON'S motive for his bellowing is disclosed in his demand that the United States Government license actors, actresses, and movie companies. Why? So, he says, as to insure only clean films by clean people.

This would be just so much more comedy, except that the committee of which JOHNSON happens to be chairman has general charge of congressional meddling in the movie industry.

Assuming the Government had the power to judge who will be what JOHNSON calls a clean movie actress, could it use that power accurately, let alone justly? Well, JOHNSON answered that himself in his very own speech.

One of the big points he made was that Ingrid had fooled him by looking so pure and noble back when she was playing such roles as Joan of Arc. Now his feelings are hurt, he moans, to find out she is at heart just a "tart."

How, then, would he have known not to give Ingrid a license to practice acting when she first came here from Sweden? You see—just another mere man fooled by a pretty face.

THE LUST FOR POWER

But fooled or not, a Government agent with a license over any business is a dangerous and powerful person. For now, consider the other case noted above, Chairman Coy, of the Communications Commission.

Make of it what you will, his outfit is the close companion and executive "buddy" of JOHNSON'S Committee on Commerce. Coy is a constant applicant to that committee for more authority. JOHNSON helps him get it.

By more than odd coincidence, just as JOHNSON was braying on the Senate floor about the need for the Federal Government to strong-arm the movies, Coy was giving out the doctrine that radio, over which the Communications Commission has total power, broadcasts too much mystery and liverystable humor.

Who hired Coy to judge such matters? Not the people of the United States. The people of this country are competent to judge what they want to hear on the radio, and they do judge by just snapping off the dial, just as they judge movies at the box office.

Government licensing of movie actors, radio shows, and such things—as all of us very well know—is the road to death for this Republic.

The staggering thing is that any politician would dare seriously to undertake such a project. That tells us how near we are to being taken over altogether.

Mr. JOHNSON of Colorado. Mr. President, in contrast to this editorial, I ask unanimous consent to have printed a news service story from Detroit, dated March 15, published in the Washington Post on March 16, which reports that radio and television programs were criticized at the annual convention of the National Catholic Conference on Family Life.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RADIO, TV PROGRAMS CRITICIZED FOR SHIRKING RESPONSIBILITY

DETROIT, March 15.—The closing sessions of the eighteenth annual convention of the National Catholic Conference on Family Life here today heard an urgent plea for the Nation's business, radio, and television leaders to provide more programs with principles of family life.

Richard E. Hobbs, radio chairman of the Detroit Archdiocesan Council of Catholic Men, told the 500 delegates that radio and television programs are failing to meet their responsibility to the Christian home.

"The sponsor who controls the commercial has much to say as to what is put on the air," Hobbs declared. "The type of program you hear or see is determined by the sponsor and the broadcast, and although the program may be quite acceptable it does not necessarily mean that it is good for you.

"Radio and television fill the need for entertainment, recreation and relaxation for the family, but too often they miss the source and principle of family life. They fail to give God the place he deserves."

Hobbs said he didn't mean a great increase in strictly religious programs but rather a much greater integration of religious principles into every program, because the programs reach 95 percent of American homes.

The Rev. Bertin Roll, director general of the Archconfraternity of Christian Mothers, declared, "The world today is what mothers are and it will never be any better than the mothers" in an urgent plea for a return of Christian teaching in the home.

Mr. JOHNSON of Colorado. Mr. President, I also ask unanimous consent to have inserted in the body of the RECORD a pertinent extract from the address by Hon. Wayne Coy, Chairman of the Federal Communications Commission, at the annual radio conference on station problems at the University of Oklahoma on March 14. This portion of his speech deals with the sharp decline of general standards in both radio and television.

Significantly, Chairman Coy quotes extensively from letters transmitted to him by numerous Senators deploring the poor taste, and even the downright indecency of many programs.

I commend this speech to every Senator, since it will help answer the scores of letters addressed to Senators' offices on this subject. Chairman Coy is deserving of the hearty commendation of everyone for his plain spoken discussion of this delicate but vital matter.

Even more credit is due him for his courageous warning that the industry must put its house in order.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

On the whole, I think we have an excellent broadcast service. I see some signs of deterioration of program service in the aural field due to the competitive impact of television in the larger markets of the country. I likewise see some indications of a trend to inferior programing in the field of television because of the expense of programing and because of the desire of television broadcasters and television network operators to reduce their losses or to get larger profits.

In view of the fact that this conference is advertised as a "grass roots sounding board" I would now like to sound off about a couple of problems that are causing increasing concern on the part of the public. What I have to say here is not intended to be directed at the broadcasters or telecasters of this area who may or may not be in attendance at this conference. Nor do I include them out. I include them in along with all the broadcasters and telecasters in the country. I want to speak about poor taste and crime programs on the air.

We have been getting an increasing amount of mail and an increasing amount of verbal comment, too, on both subjects. And so have various Members of Congress, many of whom have passed on the complaints to us.

The growth of television, with its vastly more powerful impact, has intensified the reaction of the public to both types of broadcasting.

Of course, we do not require any complaints to learn about the trend toward bad taste, particularly by some of these comedians and MC's. Anyone who has eyes or ears can learn for himself what is going on.

When Congress drafted the Communications Act, it included a prohibition against "obscene, indecent, or profane language." It did not include any prohibition against poor taste. Apparently Congress assumed that the licensees would exercise good judgment concerning good taste.

It seems to me that the question of just how bad poor taste can get before it verges over into downright obscenity or indecency may be settled one of these days if the present drift in that direction is not checked.

I am fully aware that many broadcasters are troubled by the material that flows out to them from the networks. They would cut it if it appeared in a show originating at their own station. But coming from a network, on an all-or-none basis, they feel helpless and act that way except in a few cases.

Here is a complaint received by the Federal Communications Commission concerning this kind of uninhibited behavior in front of the microphone and the television camera:

"I'm no prude and I can keep up with the rest of the crowd when it comes to telling a spicy story, but there is a time and place for it and the right time and place for a lot of blank's off-color cracks is on the stage of a night-club floor show where one expects to hear them—not on the air."

"Degrading antics," vulgar double entendre," and "downright indecency" are phrases we find in our letters of complaint.

When a comedian gets so big that his network can no longer handle him, then we have a case of the tail wagging the dog. The boy who used to express himself with chalk on a wall is now provided with a television screen. The world has moved from the horse and buggy days to the electronic age but this type of comedian is still peddling livery stable humor. The radio and the television carry him straight into the home without having taken the precaution to see that he is house-broken. Propriety is sacrified for profits. The result is off-color television—tainted television.

Clearly, there must be a day of reckoning. One doesn't have to be a Comstock to resent the risque, ribald, raffish sort of thing we are getting. But it is the sort of thing that breeds Comstockery and all its attendant evils.

The Commission is rightly prohibited from censorship. On the other hand, it is required to see that the stations operate in the public interest. Violating the law regarding obscenity, indecency, and profanity is not in the public interest. Poor taste is not in the public interest.

I think it is far better for the radio station licensees and the networks to clean house before public opinion demands the more drastic remedy of governmental action.

It is far better for the 3,000 licensees and the radio networks to do what they know in their hearts is the proper things to do than to have such delicate matters as good taste thrust for settlement upon a commission of 7 members in Washington, D. C.

More than a year ago, speaking before the Television Broadcasters Association, I said: "The American home is not a night club. It is not a theater. It is not a midway. The attitude that people bring to those places is not the attitude they bring to their homes or suffer others to bring. If you take precautions now not to be tempted to the primrose path, you will be saving this art from the excesses, the remorse, the clamor for reform, the struggles for redemption that plague, in varying degrees, almost every other form of communication."

That advice is still valid today.

When Harry Lauder died a few days ago there was a wave of sadness in the hearts of millions of Americans who had been delighted with his entertainment. Talk about giving the people what they want; the American people responded to his wholesome humor by flocking to him and helping him break box-office records. He did not find it necessary to resort to livery-stable humor or any other kind of off-color humor. Joe Laurie, Jr., writing of Lauder in Variety, said that the Scotsman's material was "always clean—clean as a kitten's gum."

Clean as a kitten's gum is the way that American radio and television—the great American home entertainment—ought to be always.

And now a look at the crime on the air.

The Commission is the recipient of mounting protests against the merchants of death and hawkers of horror on radio and television.

Our files of letters protesting crime programs are bulging. The situation is rapidly worsening.

Here is a letter from a constituent forwarded to the Commission recently by United States Senator HERBERT LEHMAN, of New York:

"The programs are obviously designed for children, who must indeed make up by far the great majority of the audience. Almost without exception they deal with crimes of violence such as arson, larceny, and especially murder. Murder particularly is committed casually, sometimes most gruesomely, and is portrayed with hair-raising sound effects that leave nothing to the imagination. The impression given a youngster is that these horrible things are commonplace. My 7-year-old boy is no longer shocked by stories of murder; he has become calloused to it. It is true that none of these programs glorify crime; the criminal is always apprehended. But the last impression left with the young listener is merely that the criminal has been arrested. The inexperienced child cannot grasp the significance of this, and it must appear as a rather mild consequence. It may be argued that the child can be prohibited from listening to the offending programs, and insofar as that is possible in our own home, that is the practice. But this is not always easy to enforce. Surely programs based on wholesome adventure such as sports, exploration, biographies of our great men, and so forth, could be written, and it is my observation that children listen to such programs just as eagerly if they are available.

"Can no pressure be brought upon the broadcasting companies to consider the possible consequences of their programs? The licensed privilege of using the radio waves must surely involve some responsibility upon the part of the broadcasters in such matters. Is the Federal Communications Commission the agency which might exert the necessary influence, or is additional legislation required?"

And here is another letter transmitted to us by United States Senator SCOTT LUCAS, of Illinois:

"I am writing to you in behalf of my interest in my two small children, and, I believe, the interest of thousands of other youngsters who have access to television programs. It is my hope that you will find within your power and disposition the means, whether by legislation or otherwise, to secure a control over a certain type of television program—specifically the crime and horror program, which goes into detail depicting various ways to commit crime, including mayhem and murder. Most of these programs, it appears, involve the portrayal of mentally deranged characters having homicidal tendencies.

"I presume the argument for this type of program is that they show crime does not pay. However, it seems to me that this argument is far outweighed by the psychological disturbance and sordid mental impressions created in the minds of youngsters who, I am certain, comprise a very substantial portion of the video audience. The horror and suspense angles involved in these programs are alone an unbalancing factor for children, let alone how they affect adults."

An attorney in Nebraska writes as follows:

"The utter lack of any evidence of a conscience by these advertisers and the complete disregard of any moral responsibility whatever is sufficient to show the need of external control of this real evil, and I know of no other means of such control unless your Commission accepts that responsibility.

"I am advised through the press that you have recently taken some action to eliminate or lessen 'give-away' programs. A sincere comparison of those programs, and their ill effects on Americans, with the 100 percent evil influence of horror and crime stories, should convince you of the greater need of action by the Commission for control of the latter. You hear only a small number of the millions of daily complaints by parents because the average parent is not a member of a union or organization which acts as a group, or has any means of expressing themselves, excepting as individuals, as I am here doing. But please be assured that there is deep concern by 100 percent of the parents of children between the ages of 5 and 18 years.

"May we have some assurance of your immediate action to curb this growing evil?"

The problem of the portrayal of crime on the radio and other mediums has been studied by a committee of the American Bar Association, headed by Arthur J. Freund, of St. Louis. Summing up 2 years of intensive study, he gave a report which was reprinted in the CONGRESSIONAL RECORD at the request of Senator WAYNE MORSE. In this report, he remarked:

"Unless the abuses are curbed and the evils eliminated, neither the American Bar Association nor the mediums, with all of their resources and resourcefulness, will be able to stem the tide of restrictive legislation."

From a speech by James V. Bennett, Superintendent of the Federal Bureau of Prisons, Department of Justice:

"I feel that crime mysteries have a definite influence on delinquency tendencies of borderline children. Furthermore, young people are inclined to identify themselves with a criminal hero, not with the law enforcement agencies."

And here's a letter received by the Commission just the other day from the president of a large transcontinental trucking corporation in Illinois:

"As a member of the public my object in writing this letter is to ask that something be done to lessen the impact on our children, of the blood and thunder, shooting, murder, and assault programs now put on during the evening hours by certain advertisers, and which are beamed directly at our young people at a very impressionable age.

"In the humble opinion of the writer, the Federal Communications Commission should force the discontinuance immediately, of these blood and thunder, shooting programs. The sooner it is done, certainly the better off the children will be."

The tenth district (Los Angeles) of the California Congress of Parents and Teachers, in an effort to get the facts on effects of crime programs, sent a questionnaire to more than 300 pediatricians, sociologists, neuropsychiatrists, and psychologists. Here are the results:

Ninety percent said that radio crime programs have a detrimental psychological effect on children.

Ninety-three percent said radio thriller shows and programs ending in suspense have a bad effect.

Eighty-one percent said that present-day radio programs contribute to children's deliquency or antisocial behavior.

Sixty-three percent conceded that American children need an emotional escape. (This is the favorite apology for such programs.)

But 83 percent said that such emotional escape cannot be safely provided by thrilling radio programs.

Last fall the Southern California Association for Better Radio and Television made a survey of television programs scheduled between 6 p. m. and 9 p. m. on Los Angeles stations for 1 week. It found no crime programs on KFI-TV. Here is what it found on the other stations:

Ninety-one murders, 7 stage hold-ups, 3 kidnapings, 10 thefts, 4 burglaries, 2 cases of arson, 2 jail breaks, 1 murder by explosion of 15 to 20 people, 2 suicides, 1 case of blackmail. Cases of assault and battery too numerous to tabulate. Also cases of attempted murder. Much of action takes place in saloons. Brawls too numerous to mention, also drunkenness. Crooked judges, crooked sheriffs, crooked juries.

The association sent a copy of this survey to each of the Los Angeles television stations. That was 3 months ago. Last week the association informed me that not one of the stations that carried the crime programs had offered to talk over the survey, not one had indicated it wanted to correct the situation, although an improvement has been noted in the early evening programs of the NBC station. This is certainly not a very encouraging attitude on the part of the members of an industry that makes so much of its sensitivity to public opinion.

Is it possible that broadcasters who make such a fetish of surveys and audience reaction measurements are overlooking the most obvious and most effective fact-finding technique of all—that of merely sitting down with representative listeners and discussing matters frankly and fully? I think that that would be preferable to sitting cloistered in an ivory tower and trying to bunch audience reaction from charts and graphs.

I suggest that public-spirited citizens elsewhere who are concerned about this problem combine for organized study and action in their communities, calling upon their local pediatricians, sociologists, and psychologists to assist them. I wish particularly to endorse the plea made in the National Parent-Teacher Magazine by Mrs. Clara S. Logan, president of the Southern California Association for Better Radio and Television:

"Radio should be a partnership—broadcasters and listeners, cooperating to improve an institution that ranks with the schools and the press as a major feature of everyday family life. Because broadcasters are using air lanes that belong to the people of the United States, they have a heavy responsibility. And because radio programs in this country are a commercial enterprise, we, the listeners, must show ourselves ready to support good programs. Eventually, if we campaign with intelligence as well as vigor, our children will get from their radios the feast they deserve."

The Commission, of course, is charged with issuing licenses in the public interest and with renewing those licenses only if the public interest is served. However, the Commission cannot regulate the day-to-day operation of a station nor pass on the licensee's day-to-day judgment in matters of bad taste or in the handling of crime programs except in gross instances. When the Commission considers the renewal application of a station, it weighs the over-all operation of a station during its entire license period to determine if that over-all operation has been in the public interest. The most effective day-to-day check on a licensee's program is an immediate and intelligent reaction from the listening public.

I would like to close my discussion of bad taste and crime programs on the television and radio by quoting from an observer and teacher of many years ago. It is the Apostle Paul speaking to the Corinthians: "Be not deceived: evil communications corrupt good manners."

I think it particularly appropriate to talk about problems of the public interest at a conference sponsored by the university. An educational institution is performing an important function with respect to the broadcasting industry when it is a source of trained personnel for the operation of broadcasting and television stations. It is a fine thing that there is such close relationship between the broadcaster and the university that the university curriculum in this field can be directed more and more to the operating problems of broadcast stations. I think the university neglects its responsibility in this specialized field of training if it does not seek to educate its young men and young women to recognize and attach significance to the problems of public interest in this field, as well as be able to handle traffic in a broadcast station or sell advertising to those who may not want to buy it.

Ladies and gentlemen, the theme of this conference is Great Expectations. The broadcasters and the public have every right to expectations of a high order for the future of broadcasting. But those expectations will not be realized unless we all work together to keep broadcasting's sights high, to avoid the shoddy and to keep improving the product.

We have in broadcasting today many outstanding examples of entertainment and educational programs that eminently serve the public interest, shows that are welcomed and cherished in the family circle week after week and year after year. One of these entertainers opens his program by thanking his audience for admitting him and his troupe into their homes. That is the spirit in which I think all those in radio and television should approach the microphone or the camera.

American radio generally offers such a wealth of wholesome entertainment and helpful educational and cultural programs that it cannot afford to do itself a disservice by allowing a few thoughtless offenders to tarnish radio's good name. Radio's general reputation as one of the most important forces in our society, a key leader in community betterment, and as a preeminent factor in American homelife has been built up through the years by the dint of hard work, imagination, vision, and public spirit on the part of thousands of people in the broadcasting industry. The continuing job of all of us is to protect the gains already made and to strive for an even greater future.

In the years ahead, we will find many new frontiers ahead in broadcasting—both in the technical phase and in the programing phase. Let us resolve now that we will plan and work to make the expectations of today become the reality of tomorrow.

Mr. JOHNSON of Colorado. Mr. President, in conclusion, I ask unanimous consent that there be inserted in the body of the RECORD at this point a letter which I have written to Chairman Coy with respect to another theatened assault on public morals.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 6, 1950.

Hon. WAYNE COY,
Chairman, Federal Communications Commission, Washington, D. C.

DEAR MR. CHAIRMAN: I have read your speech of March 14 delivered at the University of Oklahoma with a great deal of interest and approbation. Your comments dealing with the complaints being received by the Commission, and by Members of Congress, with respect to the type of programing over both aural radio and television are timely and factual. I am gratified that the chairman of the Federal Communications Commission has plainly and clearly warned licensees in both media that they cannot ignore public feelings and their own public responsibility.

Like you, I do not want to see censorship and Government control of radio and television programing. But it must be made clear that the Commission has a specific responsibility under the public-interest clause and that it has ample enforcement authority under that grant of power.

Of course, compared with certain other media, particularly the movies, radio, and television are relatively clean and wholesome; certainly thus far American television operators have been far more discriminating and careful than the motion-picture industry. I believe they must continue to be on guard.

In this connection, an observation by Louella Parsons which appeared in her column in the Washington Times-Herald of Monday, March 13, is disturbing. I quote:

"LOUELLA PARSONS IN HOLLYWOOD

"Ingrid Bergman, who said she was retiring from motion pictures, didn't include television in her retirement. She and Roberto Rossellini have agreed to do a series of half-hour dramatic films for American TV release this summer.

"This comes straight from Richard Ney, now in Italy, who was offered the male lead in the first three. Rossellini will direct—not produce. That job falls to Sandra Pallivicini with the Italian Imcom Co.—but I'll wager Rossellini will be the boss."

It would appear from this story that Rossellini is so anxious to pick up American dollars that he now plans to use television to exhibit his "fallen star" in the American home. Since both of these alien characters are guilty of moral turpitude, they cannot set foot on American soil under our immigration laws. Therefore, it would be incongruous to parade their films before millions of parents and their children.

However, as we know, they were able to force their film into American theaters last month over the vigorous protest of the people and obviously they think they can repeat the offense by selling film to television stations.

It would be most unfortunate if American television licensees were to be unwise enough to deal with such immoral characters, since television actually enters the home physically and entertains the family circle in a most intimate relationship. I am really grateful to television for the relatively splendid job that has been done thus far. My family and their friends enjoy most of the programs immensely and especially the theatricals where talented artists appear in plays which are free from vulgar and degrading scenes and language. While I hope that neither the Commission nor the Congress will be compelled to fix programing standards for the industry, nevertheless I feel that I should call your attention to the brazen threat which is implied in the Parsons story.

Sincerely,

EDWIN C. JOHNSON,
Chairman.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, the conference report on House Joint Resolution 398 I understand will be brought up tomorrow. I desire to put into the RECORD a few items, so that Senators may know what they are voting on in connection with the questions involved.

There is a provision in the bill which allots an additional 50,000 acres to farm communities whose crops have been substantially destroyed by the insect known as the green bug. I merely wish to call to the attention of the Senate the fact that for every acre that has been destroyed by the green bug, thousands of acres have been destroyed by the boll weevil, and if we are to begin to protect against insects, this is a good time to start doing it. We can protect the potato acres in the State of the distinguished Senator from Maine against the encroachments of the potato bug, and if any are interested in moonshine, there can be protection against lightning bugs. There is no limit to it.

Mr. President, in my opinion, this is an important conference report, and we should look at it with great caution, if bugs of a particular kind are to be singled out and acreage protected.

Mr. President, some weeks ago I addressed a letter to the ECA with reference to the purchase of peanuts by ECA. It has been brought to my attention that great quantities of peanuts have been bought by ECA at cost, and additional quantities have been bought by ECA in connection with the assistance programs.

The record quite clearly shows that in certain instances the purchase price of these peanuts ran to as much as 33½ cents a pound, once they were crushed into oil, and since other oils and lards had been available at fractions of those prices, I could not understand why ECA, which was somewhat pressed for funds, was spending this money for peanuts. So I took the matter up with two men I regard as the finest public officials, Mr. William C. Foster, who has long been connected with the ECA, and Dr. D. A. FitzGerald, who for many years was with the Department of Agriculture, and so far as I am concerned, is one of the world's great authorities on food problems.

It is pointed out in the reply of these gentlemen that prior to February 11, 1949, when world exports of foods and oils were under allocation, ECA had to take peanuts. Fat was piling up in every warehouse, and ECA had to buy peanuts. Some who do not understand why the price of tallow fell to the depths to which it did fall might be interested in the memorandum of Dr. FitzGerald and Mr. Foster, which was sent to me under date of March 1, 1950. I ask unanimous consent that it may be made a part of the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MARCH 1, 1950.

To: William C. Foster.
From: D. A. FitzGerald.
Subject: Senator ANDERSON's inquiry concerning ECA financial peanut purchases.

Prior to February 11, 1949, world exports of fats and oils were under allocation recommendation by the International Emergency Food Council, and United States exports were under strict export allocation and export control by the Department of Commerce. Thus the participating countries had either to take the kind of United States materials allocated to them or do without. During the 1948–49 fiscal year prior to February 11, 1949, these allocations included considerable quantities of peanuts priced at the support level of 16¼ cents a pound. The cost of the oil contained in these peanuts works out to 33.4 cents a pound. Part of the time prior to February 11, 1949, domestic peanut oil prices ranged as high as 33.4 cents a pound; at other times they were lower. But under the strict allocation system buyers did not have any opportunity to switch from one commodity to another.

Between February 11, 1949 and the end of the 1948–49 fiscal year, a few authorizations for peanuts were issued at a price of 10½ cents a pound. The cost of the oil contained in these nuts would work out to about 21 cents a pound. The 10½-cent price was negotiated out with the Department of Agriculture and involved the payment of nearly 6 cents a pound subsidy from section 32 funds. Domestic peanut oil prices ranged both above and below 21 cents a pound during this period.

All our authorizations during 1949–50 for peanuts are at a price of 8⅛ cents a pound. The cost of the oil contained in the nuts at this price works out to 15½ cents. Since the support price for peanuts during the current year is 16¼ cents a pound, the maximum subsidy from section 32 funds of 8⅛ cents has been involved. There have been times since July 1, 1949, when peanut oil could be purchased for less than 15¼ cents a pound, but it should be noted that the purchase of peanuts saves the dollar costs of processing which are, of course, reflected in the computed oil price of 15¼ cents. Furthermore, these peanuts were required primarily to replace Philippine copra for which no authorizations have been issued since April 1949. Certain processing plants in Europe cannot economically use crushing material with a low oil content. When it was felt necessary to discontinue authorizations for Philippine copra, American peanuts constituted the best available substitute.

The circumstances governing the issuance of the several procurement authorizations for peanuts and the comparison of costs are quite involved. Should it be desirable, we would be happy to have our people go into this matter exhaustively with Senator ANDERSON'S staff.

Mr. ANDERSON. Mr. President, there was prepared by the assistant clerk of the Committee on Agriculture and Forestry on February 10 a memorandum on the peanut-price program. I do not desire to reproduce all of the material, because it is available in the Department of Agriculture files, but I think the memorandum from the assistant clerk of the committee is important, supplemented by two tables which he prepared as to the allocations of peanuts. I think it will show that of the additional 100,000 acres, something more than 93,000 go to two States, and the figures which accompany the information will show that the domestic consumption of peanuts has been going steadily downward since 1944, a drop in the consumption for principal commercial edible purposes from nearly 700,000 tons to about 463,000 tons in 1948. There has been a tremendous amount of crushing, but the gradual drop in the use of peanuts for edible purposes is interesting, and if there be no objection I ask unanimous consent to incorporate in the RECORD at this point the two-page statement by the assistant clerk of the committee, and the tables prepared by him.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

FEBRUARY 10, 1950.

MEMORANDUM ON PEANUT PRICE SUPPORT PROGRAM

Each year a national marketing quota for peanuts must be proclaimed which will make available a supply equal to the average quantity of peanuts harvested for nuts during the 5 years immediately preceding the year in which such quota is proclaimed, adjusted for current trends and prospective demand conditions. A representative of the Department of Agriculture states that the above provision gives the Secretary of Agriculture enough latitude to proclaim a realistic marketing quota which will bring supplies in line with demand. However, a combination of circumstances has prevented the accomplishment of that goal in 1949 and 1950 as explained below.

Peanut acreage was increased greatly during the war in response to the demand for peanuts for oil. In announcing the 1948 national marketing quota, which was later suspended, and in proclaiming the 1949 marketing quota, the Department used its authority to adjust the quota for trends and gave consideration to the fact that a too abrupt drop in acreage could have been dis-

astrous to the industry. Again in 1950, the quota was increased above that determined necessary by the Secretary by direction of Public Law 272, Eighty-first Congress, which provides that the national acreage allotment in 1950 cannot be less than 2,100,000 acres.

The attached press release, dated November 30, 1949, records the proclamation of the 1950 quota. The quota of 643,000 tons was determined on the basis of the peanut consumption from 1944 to 1948, inclusive, and a table is attached giving that data. The estimated uses of the national marketing quota of 643,000 tons are as follows: Commercial edible purposes, 460,000 tons; seed, 80,000 tons; home and local edible uses, 40,000 tons; fed and lost on farms, 8,500 tons; damaged and unfit for edible use, 24,500 tons; and exports for edible use, 30,000 tons.

Public Law 272, Eighty-first Congress, provides that any State peanut-acreage allotment shall not be less than (1) the allotment established for such State for the 1941 crop, or (2) 60 percent of the peanut acreage harvested for nuts in 1948. As a result, the acreage allotments for all States except Louisiana, Mississippi, Missouri, and New Mexico were increased to comply with that proviso. However, this proviso will not determine the minimum State acreage allotments for certain States after 1950 as Public Law 272 also provides that, if the national acreage allotment for any year subsequent to 1950 is less than 2,100,000 acres, each State's allotment shall be its 1950 allotment times the percentage the national acreage allotment of that year is of 2,100,000 acres.

It will be noted that because of Public Law 272, Eighty-first Congress, the national acreage allotment was increased from 1,933,835 acres, determined as necessary to supply the quota of 643,000 tons, to 2,100,000 acres. In reporting on Senate Joint Resolution 146, which is identical to House Joint Resolution 398, now pending before the committee, the Department of Agriculture stated that the resolution would increase the national acreage allotment by an additional 100,194 acres. A table is attached giving a break-down by States receiving these proposed increases, and other peanut-acreage information. The Department estimates this additional acreage would produce 33,315 tons of peanuts, and as they would not be required for use in domestic edible channels, they would be sold for crushing. At current oil prices, the Department further estimates this diversion would cost the Government between $3,500,000 and $4,000,000.

As stated previously, the national acreage allotment for 1950 has already been increased by 166,165 acres because of Public Law 272, Eighty-first Congress. According to the data used in computing the increased production under Senate Joint Resolution 146, 166,165 acres would produce approximately 55,250 tons above current consumption and could be expected to incur an additional cost to the Government of approximately $6,000,000. Temporary provisos in the present law and the enactment of the pending legislation, therefore, could mean an additional cost of from $9,500,000 to $10,000,000.

Tables presenting the operations of the 1948 peanut-price-support program and disposition of the stocks acquired under that program are attached. It will be noted that the 1948 program cost $25,651,153.24, and was incurred on domestic sales for crushing. A total of 111,369 tons of Government stock peanuts were sold for crushing from the 1948 crop. This amount is included in the 463,000 tons listed in the table on consumption of peanuts as used for commercial edible purposes. In the original 1950 national marketing quota of 643,000 tons, it was estimated 460,000 tons would have to be consumed in that category. How much of this amount the Government will have to take off the market and sell for crushing for oil will largely determine the cost of the 1950 peanut program.

The docket presented to the Board of Directors of the Commodity Credit Corporation in June 1949 for the support of the 1949 crop of peanuts contained an estimate of a $35,000,000 loss to be expected in the 1949 program. As of December 31, 1949, the program on the 1949 crop had cost $29,500,000. Revised estimates made in November 1949 place the total expected cost at $38,587,000.

JAMES M. KENDALL,
Assistant Clerk.

Peanut consumption, 1944–48

[Tons]

	1944	1945	1946	1947	1948
Commercial edible purposes	694,000	647,000	519,000	490,000	463,000
Seed	120,000	116,000	123,000	114,000	95,000
Home and local edible uses	40,000	40,000	40,000	58,000	43,000
Fed and lost on farm	12,000	11,000	13,000	13,000	12,000
Exported for edible purposes	15,000	34,000	45,000	49,000	30,000
Total	881,000	848,000	740,000	724,000	643,000

Peanut production and acreage allotments

[Acres]

	Average 1937–46 acreage	1947 acreage	1948 acreage allotment [1]	1948 production goal	1948 harvested acreage	1949 acreage allotment	1950 acreage allotment	Increase under H.J. Res. 398
Alabama	405,000	463,000	362,447	418,000	449,000	399,821	274,907	44,466
Arizona			500		1,600	401	960	
Arkansas	21,000	8,000	8,604	10,000	8,000	8,418	5,473	1,251
California			1,257			1,257	1,257	
Florida	93,000	105,000	73,526	100,000	110,000	83,882	73,236	
Georgia	852,000	1,124,000	782,838	950,000	1,169,000	878,024	701,400	
Louisiana	11,000	5,000	4,152	6,000	3,000	4,041	2,506	722
Mississippi	26,000	15,000	13,910	20,000	15,000	14,129	9,272	2,014
Missouri			500		200	401	279	41
New Mexico	7,000	14,000	6,559	8,000	9,000	8,641	5,959	943
North Carolina	268,000	292,000	225,702	270,000	295,000	243,035	225,702	
Oklahoma	136,000	325,000	147,197	200,000	306,000	188,336	183,600	
South Carolina	28,000	26,000	24,259	30,000	26,000	25,613	18,375	2,084
Tennessee	8,000	5,000	5,187	6,000	5,000	5,739	4,766	
Texas	533,000	836,000	562,626	666,000	752,000	625,788	451,200	48,673
Virginia	149,000	162,000	141,108	155,000	164,000	141,444	141,108	
United States	2,534,000	3,380,000	2,360,372	2,839,000	3,312,200	2,628,970	2,100,000	100,194

[1] 1948 acreage allotment was suspended.

Commodity Credit Corporation: Operations in price support of 1948-crop peanuts

[Quantity in pounds]

Particulars	Farmers' stock	Shelled
Acquired by CCC:		
Purchases	312,818,252	597,130,049
Farmers' stock converted to shelled	−121,754,297	82,606,225
Total for disposition	191,063,955	679,736,274
Disposition:		
Inventory adjustment (shrinkage, etc.)	5,601,773	1,506
Sales	185,462,182	[1] 679,734,768
Total disposition	191,063,955	679,736,274
Inventory, Dec. 31, 1949	0	0

[1] See separate analysis of sales.

Commodity Credit Corporation—Analysis of sales 1948 peanuts

	Pounds
Shelled peanuts:	
Domestic sales for crushing	[1] 222,738,425
Export sales:	
To Army at cost	215,144,569
To ECA countries at cost	82,574,194
Total	297,718,763
Sales under sec. 112 (e), Foreign Assistance Act:	
Army and bizone	48,770,014
ECA countries (other than Army and bizone)	110,507,566
Total	[2] 159,277,580
Total export sales	456,996,343
Total, shelled peanuts	679,734,768
Farmers' stock peanuts (all domestic sales):	
For seed and edible uses at no loss	19,209,272
Domestic sales for crushing	[1] 166,252,911
Total, farmers' stock peanuts	185,462,183

[1] Net loss to CCC on 1948 crop peanuts to Dec. 31, 1949, was $25,651,153.24, all of which was on domestic sales for crushing.

[2] Payments from sec. 32 funds with respect to 1948 peanuts exported under sec. 112 (e) of the Foreign Assistance Act amounted to $10,167,023.28.

NOTE.—Purchase of peanut butter for distribution to schools with school-lunch funds (sec. 6) amounted to 4,286,925 pounds at a purchase cost of $949,769.36.

Mr. ANDERSON. Finally, Mr. President, because I believe that we ought to pay a little attention to the studious work done by the Department of Agriculture on this matter, I think there should be incorporated in the RECORD at this point a portion of a letter to the distinguished chairman of the Senate Committee on Agriculture and Forestry, addressed to him by the Secretary of Agriculture on March 2. I ask that that portion of the letter starting on page 5 and continuing through the first two paragraphs on page 6, dealing with the subject of peanuts, be incorporated in the RECORD at this point.

There being no objection, the extract from the letter was ordered to be printed in the RECORD, as follows:

PEANUTS

Section 4 of House Joint Resolution 398 is essentially the same as H. R. 4081 which passed the House on May 2 and was referred to the Senate Committee on Agriculture and Forestry. Both would permit the production of excess peanuts for oil use.

We are attaching a report which we submitted to you as chairman of the Senate Committee on Agriculture and Forestry on June 3, 1949, recommending that H. R. 4081 not be passed. This recommendation was made because the outlook for fats and oils does not warrant any encouragement for the production of excess peanuts for crushing into oil, and it is generally accepted that growers cannot normally produce peanuts at a profit if they are sold at prices based on oil and meal values.

Any exception made in marketing-quota legislation permitting growers to produce excess peanuts may stimulate pressure to expand the same principle to other dual-purpose commodities. This provision which permits the production of peanuts beyond the edible requirements defeats the objective of acreage-allotment and marketing-quota programs by creating competition with other oil crops, such as soybeans and cottonseed.

It should also be mentioned that experience in administering peanut marketing quota programs has shown that the number of violations and attempted violations are in direct relationship to the number of producers with excess acreage.

For these reasons, the Department is opposed to these provisions.

Mr. ANDERSON. Mr. President, I point out that the Department of Agriculture is unalterably opposed to the so-called George amendment. It points out that experience in administering the peanut marketing quota program has shown that the number of violations, admitted violations, are in direct relationship to the number of producers with excess acreage.

This amendment, which the Senate has adopted, and which the conferees have retained in the bill, permits any amount of excess acreage, permits every peanut producer in the United States to have excess acreage, and I say opens the door to the greatest violation of the peanut regulations this country has ever seen, at a time when the peanut program is calculated to cost, for the 1949 crop, a sum in excess of $28,000,000.

I think it is important to note that the potato program, which is causing us untold headaches every day, arises out of a 21 percent overproduction of potatoes, but we are having a 50 percent overproduction of peanuts, and contemplating having a greater overproduction next year, by the terms of the amendment.

Further, I should like to include in the RECORD the letter from the Secretary of Agriculture to the Chairman of the Senate Committee on Agriculture and Forestry under date of June 3, which deals again with the same matter; when the Senate Committee on Agriculture and Forestry voted almost without a dissenting vote to reject the very proposal which is now being carried in the conference report. Here we have the spectacle of the Senate Committee on Agriculture and Forestry studying carefully an amendment, refusing to concur in the amendment, turning it down completely, and then on the floor of the Senate accepting a floor amendment which does precisely what the committee, after having given it thorough study, had said was a bad thing. The reason the Secretary of Agriculture took the position he did was because he recognized that there was ahead of us a surplus situation. Therefore I should like unanimous consent to incorporate his letter of June 3, 1949, at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 3, 1949.

HON. ELMER THOMAS,
Chairman, Senate Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR THOMAS: This is in reply to your committee's request for a report on H. R. 4081, a bill to amend section 359 of the Agricultural Adjustment Act of 1938, as amended, in order to permit the delivery of excess peanuts to agencies designated by the Secretary of Agriculture and to define the term "cooperator" with respect to price supports for peanuts, and for other purposes, which passed the House on May 2 and is presently being considered by your committee. In its present form, the bill restores the authority for the operation of a two-price program for peanuts, beginning with the 1949 crop, similar to that in effect during the 1941 and 1942 crops.

This bill preserves the major use for peanuts, cleaning and shelling for edible purposes, and the minor or residual use, crushing for oil and meal, with due regard for normal difference in market value for these respective uses. It provides the support price of 90 percent of parity for quota production on allotted acreage and the current oil mill price for the production in excess of the quota production. Existing legislation does not give any encouragement to the production of excess peanuts. An excess producer is a noncooperator, not entitled to price support on any production, except for the support provided on his excess production at the rate of 60 percent of the basic support price, and is required to pay a penalty equivalent to 50 percent of the basic support price on the excess production when marketed.

Experience in administering peanut marketing programs has shown that the percentage of violations and attempted violations are in direct relationship to the percentage of excess producers. The bill offers an incentive for farmers to produce excess peanuts by providing eligibility for 90 percent of parity support on their quota production if they deliver their excess production to a designated agency of the Secretary at the current oil mill price.

The fats and oils outlook does not warrant any encouragement for the production of excess peanuts for crushing into oil and it is generally accepted that growers cannot produce peanuts at a profit to be sold at current oil-mill prices. During the war period, subsidy for the production of peanuts for oil was much higher than any other domestic-oil crop. Any exception made in marketing-quota legislation permitting growers to produce excess peanuts may stimulate pressure to expand the same principle to any other dual-purpose commodity. This bill, or any bill which permits the production of peanuts beyond the edible requirements, defeats the objective of the acreage allotment and marketing-quota program by creating competition with other oil crops, such as soybeans and cottonseed. These crops may well be under acreage allotments and marketing quotas in the near future.

The Department recommends that the bill not be passed.

In view of the subsequent request we have not obtained advice from the Bureau of the Budget as to the relationship of this proposed legislation to the program of the President.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Mr. ANDERSON. Mr. President, I shall not attempt to put into the RECORD at this point the periodical National Food Situation for January–March 1950. It would be interesting to all the Members of the Senate if they might read the section on fats and oils carried on pages 12 and 13. I do not care to incorporate all that in the RECORD, which I assume will already run to substantial proportions, but I want to call attention to two or three significant sentences:

During 1949 the inventory of fats and oils underwent sharp changes. At the beginning of the year, stocks were 126,000,000 pounds greater than on January 1, 1948, and by April 1 were over 300,000,000 pounds higher than on the comparable date in 1948.

I wish to read from page 13:

Large exports of lard and edible vegetable oils in 1949 prevented sharper price declines for these products than did occur.

Then in a later paragraph on page 13:

Output of edible fats and oils (including oil equivalent of anticipated exports of soybeans and peanuts) in the year beginning October 1949, probably will total approximately 8,900,000,000 pounds, more than 100,000,000 pounds greater than the year earlier. Increases in butter and lard are expected to more than offset a decline in peanut oil.

I suggest, Mr. President, that a decline in peanut oil is not going to occur in view of the terrific permission granted by this bill for the free and unlimited production of peanuts for oil, regardless of the restrictions there may be on peanuts for so-called edible purposes. I recognize that the production of peanuts for oil involves a production of a peanut that is edible, but we also recognize that it is not the type of peanut that generally is associated with the edible trade.

I point out that when hog prices drop—in 1950 and the first few months of 1951—every Senator who voted for the conference report embracing the George amendment will realize that he voted to contribute a factor toward the reduction of hog prices and the reduction of soybean prices. We absolutely cannot produce unlimited quantities of peanut oil without perhaps very seriously influencing the market, which is already in bad shape.

I do not intend to point out that this is a sort of regional agricultural bill, but I believe it is significant that the only thing we can say, I think, in behalf of the conference report is that, at the price of all the things, we may get rid of the potato-support program. It

seems to me that the Senate ought to be able to come to a better solution than having to pay a price such as this, which would involve unlimited production of peanuts for oil.

I am not nearly so distressed, Mr. President, over the extra acreage for cotton. I think it is too much. The conferees in their wisdom have decided it is not too much. I am not so distressed that they have changed the Senate figure from 60 to 65 percent. We know that all these gadgets which disturb a previously decided upon acreage program cause trouble. But when there is added to that an open-end commitment that the Government will take all the peanuts that may be produced for oil, and may take them at current market prices, supposedly holding them at the current market prices until the accumulation is tremendous, and then dumping them at prices far below the current market prices, I think that is a step that the Congress ought to consider a long time.

Mr. President, I was afraid that Members of the Senate might not have known that the Department of Agriculture has strongly recommended, and I believe has wisely recommended, against this provision, and I think the Members of the Senate should know that the Senate Committee on Agriculture and Forestry, having considered it, decided that it would have no part of it and would not even report the bill from the committee. I think it is too bad.

EXECUTIVE SESSION

Mr. SPARKMAN. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to, and the Senate proceeded to consider executive business.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). The nominations on the Executive Calendar will be stated.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of Richard F. Mitchell, of Iowa, to be an Interstate Commerce Commissioner for a term expiring December 31, 1956.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED NATIONS

The legislative clerk read the nomination of John B. Blandford, Jr., of Virginia, to be representative of the United States of America on the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Robert A. Riddell, of Los Angeles, Calif., to be collector of internal revenue, sixth district of California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

Mr. SPARKMAN. I ask that the President be notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified.

RECESS

Mr. SPARKMAN. I understand there is no further business to come before the Senate today. Therefore, as in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 17, 1950, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 16 (legislative day of March 8), 1950:

INTERSTATE COMMERCE COMMISSION

Richard F. Mitchell to be an Interstate Commerce Commissioner for a term expiring December 31, 1956.

UNITED NATIONS

John B. Blandford, Jr., to be Representative of the United States of America on the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

DIPLOMATIC AND FOREIGN SERVICE

David McK. Key to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Burma.

George A. Garrett to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

To be consuls general

Leon L. Cowles
Robert F. Hale

To be consuls of the United States of America

John F. Fitzgerald
Harold M. Granata
Edward S. Parker

To be secretaries in the diplomatic service of the United States of America

James E. Bowers — Harold M. Midkiff
Thaddeus C. Martin — Harold J. Noble

To be a Foreign Service officer of the class of career Minister of the United States of America

Julius C. Holmes

To be consul general of the United States of America

Paul J. Reveley

To be consuls of the United States of America

Charles B. Borell
Myron H. Schraud

To be vice consul of the United States of America

Ben A. Thirkield

COLLECTOR OF INTERNAL REVENUE

Robert A. Riddell to be collector of internal revenue, sixth district of California.

IN THE NAVY

Vice Adm. Russell S. Berkey, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Chief of Information, Navy Department.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 16, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Our Heavenly Father, whose wisdom we cannot comprehend and whose divine love transcends all human love, may we daily enter into that fellowship of believers who are the seekers and finders of God.

Illumine our minds and hearts by Thy Spirit and deliver us from everything that darkens and mars the image of God in which we have been created.

Hasten the coming of that blessed day when men everywhere shall walk in the glorious liberty of the sons of God, and find their joy and peace in the Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. PLUMLEY (at the request of Mr. GRAHAM) was given permission to extend his remarks in the RECORD and include two editorials.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in three instances and include in each extraneous matter.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. TABER asked and was given permission to extend his remarks in the RECORD.

Mr. CAMP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a full summarization of a bill which I have introduced this morning, the rules of limitation as to length of same to the contrary notwithstanding.

The SPEAKER. Without objection, and notwithstanding the cost, the extension will be made.

There was no objection.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. MACK of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MURPHY asked and was given permission to extend his remarks in the RECORD in three instances; in one to include an editorial, in another to include an article, and in the third to include an address.

DANGERS OF POLLUTION

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY. Mr. Speaker, I have introduced Joint Resolution 416 for the purpose of eliminating dangerous health hazards from air pollution. Many of the Members may be aware of the fact that the tragedy in November 1948 which cost the lives of 20 persons and made 6,000 others ill in Donora, Pa., resulted in a year-long investigation by the Public Health Service. That investigation proved for the first time that contamination of the air by industrial processes can have serious health effects. Since that time 25 other cities and industrial areas—including my district of Staten Island—have requested the Public Health Service to make extended studies of their air-pollution problems. There is a real and urgent need for immediate research about the nature of these health effects from air pollution, but at present the Public Health Service is unable to do it because of the lack of funds. My bill asks that the Public Health Service be authorized to make a 3-year study of the air-pollution problem in all parts of the country and then report to Congress with an appraisal of the entire situation and with recommendations for the solution to the health hazards from our industrial air pollution. A similar bill was offered last fall by Mr. KELLEY and Mr. EBERHARTER, both of Pennsylvania. I am sure that they will agree with me that some kind of action is imperative. There are some methods now known to control air pollution, but I believe we must go further and find more practicable and economically feasible methods within the reach of all industries. We are the leading industrial nation in the world. We certainly must not allow the citizens of our industrial communities to suffer from this hitherto unsuspected danger without doing something about it. I believe that House Joint Resolution 416 would do much to eliminate air pollution hazards and enlist the help of Congress to that end.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 30 minutes on Monday and Tuesday next, following any special orders heretofore entered.

EMERGENCY COTTON QUOTA ADJUSTMENTS

Mr. COOLEY. Mr. Speaker, I call up the conference report on the resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 101]

Allen, Ill.	Fogarty	Norton
Baring	Furcolo	O'Hara, Minn.
Barrett, Pa.	Gilmer	Pfeifer,
Battle	Gossett	Joseph L.
Bennett, Fla.	Granahan	Pfeiffer,
Buckley, N. Y.	Hall,	William, L.
Bulwinkle	Leonard W.	Philbin
Burdick	Heffernan	Plumley
Burke	Heller	Potter
Byrne, N. Y.	Hoffman, Ill.	Poulson
Case, S. Dak.	Horan	Powell
Celler	Jacobs	Quinn
Chatham	Jenison	Rabaut
Chiperfield	Jenkins	Reed, N. Y.
Christopher	Johnson	Rivers
Clemente	Kee	Roosevelt
Clevenger	Kelly, N. Y.	Sabath
Cole, N. Y.	Kirwan	Sadowski
Crook	Klein	Scott,
Dawson	Kunkel	Hardie
Deane	LeFevre	Shafer
DeGraffenried	Lichtenwalter	Sheppard
Dingell	McCormack	Smathers
Dollinger	McGrath	Smith, Ohio
Dolliver	Macy	Whitaker
Douglas	Magee	White, Calif.
Doyle	Merrow	Whittington
Eaton	Michener	Wigglesworth
Elliott	Miles	Willis
Feighan	Monroney	Withrow
Fellows	Morton	Young

The SPEAKER. On this roll call 343 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EMERGENCY COTTON QUOTA ADJUSTMENTS

The SPEAKER. The Clerk will read the statement of the managers on the part of the House.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1784)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the joint resolution, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"'(4) Any part of the acreage allotted for 1950 to individual farms in any county under the provisions of this section which will not be planted to cotton and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments to the extent necessary to provide such farms with the allotments authorized under paragraph (5) of this subsection. If any acreage remains after providing such allotments, it may be apportioned in amounts determined by the county committee to be fair and reasonable to other farms in the same county receiving allotments which the county committee determines are inadequate and not representative in view of their past production of cotton and to new farms in such county. No allotment shall be made, or increased, by reason of this paragraph to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. Any transfer of allotment under this paragraph shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except in accordance with paragraph (1) (B) and the proviso in paragraph (2) of this subsection: *Provided*, That any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm and may be reapportioned in the manner set forth above. In any subsequent year, unless hereafter otherwise provided by law, acreage surrendered under this paragraph and reallocated pursuant to applications filed in accordance with the provisions of paragraph (5) of this section shall be credited to the State and county in determining acreage allotments.

"'(5) Notwithstanding any other provision of law and without reducing any farm acreage allotment determined pursuant to the foregoing provisions of this subsection, each farm acreage allotment for 1950 shall be increased by such amount as may be necessary to provide an allotment equal to the larger of 65 per centum of the average acreage planted to cotton (or regarded as planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) on the farm in 1946, 1947, and 1948, or 45 per centum of the highest acreage planted to cotton (or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress) on the farm in any one of such three years; but no such allotment shall be increased by reason of this provision to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. An increase in any 1950 farm acreage allotment shall be made pursuant to this paragraph only upon application in writing by the owner or operator of the farm within such reasonable period of time (in no event less than fifteen days) as may be prescribed by the Secretary. The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this paragraph shall not be taken into account in establishing future State, county, and farm acreage allotments.

"'(6) Notwithstanding any other provision of law, the Secretary shall use not more than 50,000 acres (which shall be in addition to the national acreage allotment) for the purpose of making emergency cotton acreage allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by the insects known as "green bugs". Such acreage shall be allocated under regulations promulgated by the Secretary, shall provide for a cotton allocation and marketing quota for the 1950 crop only, and shall not be considered as giving to any farm, county, or State any credit or history for the purposes of cotton allocations in any subsequent year: *Provided*, That in no event shall any farm be allotted more than one acre of cotton under the provisions of this section for each two acres of other crops which have been destroyed.'

"SEC. 2. Notwithstanding the provisions of section 363 of the Agricultural Adjustment Act of 1938, any farmer who is dissatisfied with his farm acreage allotment for the 1950

cotton crop may, within fifteen days after mailing to him of notice as provided in section 362 of that Act, or within fifteen days after the effective date of this resolution, whichever date is later, have such allotment reviewed in accordance with the provisions of said Act.

"SEC. 3. Notwithstanding any other provision of law, Irish potatoes acquired under the 1949 price support program shall, if the Secretary of Agriculture determines such action necessary to prevent their loss through destruction, deterioration, or spoilage before they can be disposed of more advantageously than as herein provided, be made available under such terms and conditions as he deems appropriate and in the public interest (including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section) to school-lunch programs, the Bureau of Indian Affairs, Federal, State, or local public welfare organizations, private or international nonprofit welfare organizations, penal institutions, and nonprofit hospitals; except that, in the case of disposition to private or international nonprofit welfare organizations for the assistance of needy persons outside the United States, the transportation and handling costs to be borne by the Government shall be limited to the movement of such potatoes to the nearest port. Any such agency or institution desiring to acquire surplus potatoes shall make application to the Secretary of Agriculture.

"SEC. 4. No price support shall be made available for any Irish potatoes of the 1950 crop harvested after the enactment of this joint resolution unless marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, are in effect with respect to such potatoes. Price support shall be limited to (1) those potatoes produced by eligible growers which, under the terms of any marketing order, may be marketed or transported in the normal channels of domestic commerce, plus (2) such additional potatoes as the Secretary determines necessary to include in order to avoid discrimination between producing areas. Notwithstanding the foregoing provisions, if the Secretary of Agriculture determines that sufficient time is lacking for the development and issuance of a marketing order for any area prior to the beginning of the marketing season for such area or that a marketing order is not practicable for any area, he may make price support available for potatoes grown in such area. If price support is made available for potatoes in any area in which a marketing order is not in effect, such price support operations shall be limited to (1) potatoes produced by eligible growers which may be marketed or transported in the normal channels of domestic commerce in compliance with such marketing practices as the Secretary of Agriculture may prescribe, plus (2) such additional potatoes as the Secretary determines necessary to include in order to avoid discrimination between producing areas.

"SEC. 5. For the crop year of 1951 and thereafter no price support shall be made available for any Irish potatoes unless marketing quotas are in effect with respect to such potatoes.

"SEC. 6. (a) That section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subsections:

"'(g) Beginning with the 1950 crop of peanuts, payment of the marketing penalty as provided in subsection (a) will not be required on any excess peanuts which are delivered to or marketed through an agency or agencies designated each year by the Secretary. Any peanuts received under this subsection by such agency shall be sold by such agency (i) for crushing for oil under a sales agreement approved by the Secretary; (ii) for cleaning and shelling at prices not less than those established for quota peanuts under any peanut diversion, peanut loan, or peanut purchase program; or (iii) for seed at prices established by the Secretary. For all peanuts so delivered to a designated agency under this subsection, producers shall be paid for the portion of the lot constituting excess peanuts, the prevailing market value thereof for crushing for oil, less the estimated cost of storing, handling, and selling such peanuts: *Provided*, That for the 1950 crop if the Secretary determines that the supply of any type of peanuts is insufficient to meet the demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for such purposes, the Secretary shall permit the sale, for cleaning and shelling, of the excess peanuts of such type so delivered. Such sales shall be in quantities necessary to meet such demand and at prices not less than those at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for cleaning and shelling. The proceeds received from the sale of such peanuts of such type for cleaning and shelling shall, after deduction of the price paid to producers and other costs incurred in connection therewith, including estimated cost of proration, be prorated proportionately among all of the producers delivering excess peanuts of such type to designated agencies under this section. Any person who, pursuant to the provisions of this subsection, acquires peanuts for crushing for oil and who uses or disposes of such peanuts for any purpose other than that for which acquired shall pay a penalty to the United States, at a rate equal to the marketing penalty prescribed in subsection (a), upon the peanuts so used or disposed of and shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both, for each and every offense. Operations under this subsection shall be carried on under regulations prescribed by the Secretary.

"'(h) For the purposes of price support with respect to the 1950 and subsequent crops of peanuts, a "cooperator" shall be (1) a producer on whose farm the acreage of peanuts picked or threshed does not exceed the farm acreage allotment or (2) a producer on whose farm the acreage of peanuts picked or threshed exceeds the farm acreage allotment provided any peanuts picked or threshed in excess of the farm marketing quota are delivered to or marketed through an agency or agencies designated by the Secretary pursuant to subsection (g) in accordance with regulations prescribed by the Secretary.

"'(i) The provisions of subsections (g) and (h) of this section shall not apply with respect to any crop when marketing quotas are in effect on the corresponding crop for soybeans.'

"(b) That the third sentence in paragraph (d) of section 358 is amended to read as follows: 'Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years.'

"SEC. 7. Notwithstanding any other provision of law, for 1950, the peanut acreage allotment for any State shall not be reduced by a percentage larger than the percentage by which the 1950 national acreage allotment is below the 1949 national acreage allotment. The allotment for any State shall be increased to the extent required to provide such minimum State allotment and such acreage required shall be in addition to the national acreage allotment. The additional acreage authorized by this section shall not be taken into account in establishing future acreage allotments."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the joint resolution, and agree to the same with an amendment as follows: Amend the title so as to read: "Joint resolution relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price support for potatoes."

And the Senate agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLYDE R. HOEY,
EDWARD J. THYE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House joint resolution and inserted a substitute amendment. The committee of conference has agreed to recommend that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House joint resolution and the Senate amendment.

The conference substitute relates to cotton, peanuts, and potatoes. Except for clarifying or minor changes, the differences between the conference substitute and the joint resolution as passed by the House are explained below:

SECTION 1—COTTON ACREAGE ALLOTMENTS

(1) The first paragraph of this section, although reworded, is in substance the same as section 2 of the resolution as passed by the House. It authorizes the reallotment in 1950 of any acreage allotted to individual farms under the provisions of section 344 of the Agricultural Adjustment Act of 1938, as amended, which will not be planted to cotton on the farm receiving the allotment originally and which is voluntarily surrendered by the owner or operator of the farm to the county committee.

Such surrendered acreage is to be apportioned to other farms in the same county receiving allotments to the extent necessary to provide for such farms the allotments authorized under paragraph 5 of section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, which is a new paragraph added by section 1 of the conference substitute. Any acreage remaining after providing for such minimum allotments may be apportioned in amounts determined by the county committee to be fair and reasonable to other farms in the same county receiving allotments which the county committee determines are inadequate and not representative in view of their past production of cotton, and to new farms in the county. No allotment shall be made or increased under this paragraph to an acreage in excess of 40 percent of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary of Agriculture.

Any allotment surrendered and transferred under this paragraph shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is

transferred, except that such acreage will not be regarded as having been planted for the purpose of determining the highest acreage planted under section 344 (f) (1) (B) and the proviso in section 344 (f) (2) of the Agricultural Adjustment Act of 1938, as amended.

Any acreage surrendered and transferred under this paragraph will be credited to the State and county in determining acreage allotments.

(2) The House joint resolution provided for the establishment in 1950 of minimum farm allotments equal to the larger of 70 percent of the average acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, during the years 1946, 1947, and 1948, or 50 percent of the highest acreage planted (or regarded as planted) on the farm in any one of such years, with the limitation that no farm could receive an allotment under this provision making a total allotment in excess of 40 percent of the acreage on the farm which is tilled annually or in regular rotation, as determined in accordance with regulations prescribed by the Secretary of Agriculture.

The conference substitute changes this provision by providing for the establishment of minimum farm allotments equal to the larger of 65 percent of the average acreage planted or regarded as planted to cotton during the years 1946, 1947, and 1948 (instead of 70 percent as provided in the House joint resolution) or 45 percent of the highest acreage planted to cotton or regarded as planted to cotton in any one of such years (instead of 50 percent as provided in the House resolution).

The provisions limiting such increases to 40 percent of the acreage on the farm tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary, are the same as those contained in the resolution as it was passed by the House.

In order for any farm to receive an increased allotment under this measure, the owner or operator of the farm must apply in writing within a reasonable period of time (not less than fifteen days) to be fixed by the Secretary. The resolution as passed by the House required farmers not only to file applications but also certify that the increased allotment would be used. The conference substitute eliminated the provision requiring certification and added the provision requiring a reasonable period of time within whch such applications could be filed.

The additional acreage required to be allotted under the conference substitute is to be in addition to the county, State, and national acreage allotments proclaimed by the Secretary for the 1950 crop of cotton, and the production from such acreage is to be in addition to the cotton marketing quota for such crop. The additional acreage, however, is not to be taken into account in establishing future State, county and farm acreage allotments. This is the same as the provision contained in the resolution as it passed the House.

The resolution as passed by the House and the conference substitute both provide in substance that notwithstanding any other provision of law, the allotments authorized are to be a specified percentage of the acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, during the specified base years. The effect of this provision is to remove any requirement which may have existed heretofore that the aggregate of farm histories of plantings within counties should be adjusted so as to equal the acreages estimated by the Bureau of Agricultural Economics. This will enable farmers, if they are dissatisfied with their allotments, to establish their actual history of plantings during the base years and have the allotments authorized under this resolution based upon the actual histories which may be established.

(3) The third paragraph of section 1 of the conference substitute adds a new provision authorizing and directing the Secretary to use not more than 50,000 acres to make emergency cotton allotments to farmers whose 1950 crops have been substantially destroyed by "green bugs". The acreage thus provided is to be in addition to the national acreage allotment and will not be credited to the history of the farm, county, or State. The paragraph further provides that in no event shall any farm receive more than one acre of cotton allocation for each two acres of other crops which have been destroyed.

SECTION 2—REVIEW OF FARM HISTORY AND COTTON ACREAGE ALLOTMENTS

Section 2 of the conference substitute is the same as section 3 of the joint resolution as passed by the House. This section will give any farmer who is dissatisfied with his farm acreage for the 1950 crop, fifteen days after the effective date of this resolution to apply for a review of his allotment, even though the time for applying for such review may have expired. This section will also give any farmer who receives a notice of any change in his 1950 allotment or of the denial or the granting of an application for an adjustment under the provisions of this Act, fifteen days within which to have such action reviewed by a review committee.

The Department of Agriculture has indicated that in arriving at the allotments authorized under this joint resolution, it intends to use in the first instance the figures of acreages planted or regarded as planted to cotton on the farm as determined by the State and county committees and used in computing farm acreage allotments under the current provisions of the Agricultural Adjustment Act of 1938, as amended, including the provisions of Public Laws 272 and 439, Eighty-first Congress. Therefore, any farmer who is dissatisfied with the farm acreage history which has been established by the county committee, to obtain any correction or adjustment in such farm acreage history, would have to appeal to a review committee. Many farmers who were dissatisfied with the cotton history established for their farms for the years 1946, 1947, and 1948, or their war crop history, did not apply for review for the reason that the farm history did not enter into the calculation of the farm allotment except as a limiting factor. Other farmers who did seek a review to have the correct history established for their farms, were informed that the review committees would not be able to grant any relief, because a correction in the farm history for the farm would not result in any change in the allotment.

Since the allotment provisions of the resolutions are based upon cotton and war crop history, the farm history for each of these years is of controlling importance in arriving at the allotments authorized under the resolution. Therefore, any farmer who believes that his farm history has not been correctly determined by the county committee may obtain a review by the review committee and have such history correctly determined upon proper proof of the facts. Under this resolution the review committee may, upon such evidence as it deems sufficient to warrant such action, adjust the cotton acreage history for individual farms without regard to any requirement or action by the county committees that individual farm histories in the aggregate were not permitted to exceed the county acreage as determined by the Bureau of Agricultural Economics. In reviewing farm cotton and war crop history, the review committees may consider the matter de novo and are not limited to that evidence or information which was submitted to the county committees and may make adjustments in farm histories and farm allotments even though the county committees by administrative regulation or instructions are precluded from making such adjustments. The committee of conference is informed by the Department of Agriculture that the review committees are authorized under existing regulations to review the farm cotton acreage history determined in connection with the 1950 crop and to make such corrections as are warranted upon the evidence presented to them. In short, it is the intent of the committee that this provision will afford farmers an opportunity to prove the correctness or incorrectness of any data used in connection with the establishment of the farm history or the farm allotments based thereon. It is also the intent of the committee that the Department should take appropriate action through the State and local committees to inform farmers of their appeal rights under the provisions of this resolution, so that farmers will have full opportunity to have any inequities in farm allotments eliminated.

SECTIONS 3, 4, AND 5—POTATOES

Sections 3, 4, and 5 relate to potatoes. There was no reference to potatoes in the resolution as it passed the House. The provisions contained in the conference amendment are a considerable modification of the provisions relating to potatoes adopted by the Senate.

(1) Section 3 applies to Irish potatoes acquired under the 1949 price support program. Its purpose is to provide the Secretary with broad discretionary authority whenever surplus potatoes cannot be used more advantageously to dispose of these potatoes as food for human consumption rather than permitting their destruction or loss through spoilage. This is to be accomplished, when necessary, by giving such potatoes to eligible recipients.

Specifically, the section removes any doubt which may have existed as to the Secretary's authority to pay all or part of the transportation and handling charges on such potatoes where he finds such action to be necessary, in order to carry out the purposes of the section. The list of eligible recipients of surplus potatoes is somewhat broader than that contained in section 416 of the Agricultural Act of 1949. It is not the intention of the committee that the Secretary shall establish any uniform rule as to payment of handling and transportation charges with respect to all recipients, but rather that he shall establish in each case such "terms and conditions" as he deems appropriate and in the public interest and in furtherance of the purpose of this section.

It is the hope of the committee that under the authority of this section the Secretary will find it possible to eliminate some of the "red tape" which the committee feels has heretofore handicapped distribution of these potatoes for food purposes and will be able to pursue with diligence a program of finding use for such potatoes as human food rather than permitting their destruction.

(2) Section 4 makes compliance with marketing orders, or marketing practices prescribed by the Secretary, prerequisite to price support on potatoes of the 1950 crop harvested after enactment of this joint resolution. Marketing agreements and orders are established under the authority of the Agricultural Marketing Agreement Act of 1937. They are in effect at this time with respect to a large proportion of the commercial potato production.

If the Secretary finds that there is not time before the 1950 marketing season starts to develop and issue a marketing order in any area not now covered by such an order, or that an order is impracticable for potatoes grown in such area, he may make price supports available in such areas under marketing practices prescribed by him which will be comparable in terms to the marketing orders in effect in other areas.

The committee is aware that marketing orders, and presumably marketing practice requirements promulgated by the Secretary, may not be exactly uniform in the various potato production areas. The section, therefore, authorizes and directs the Secretary to include in the price support program such "additional potatoes" as he determines necessary to avoid discrimination between areas because of differences in the terms of the marketing orders and practices.

The price support program authorized by this section is different in several important respects from that now in effect. The Secretary is required to make price supports available only in those areas in which there are marketing orders in effect at the time potatoes are harvested but he may make them available to producers in other areas under prescribed marketing practices if he determines that there is insufficient time to put a marketing order into effect or that a marketing order is impracticable for such areas.

In those areas where price support is in effect, it is limited to "eligible growers" and to the potatoes produced by such growers which can be marketed in commercial channels under terms of the marketing orders or marketing practices prescribed by the Secretary (plus such additional potatoes as it may be necessary to support to prevent discrimination). In the past, price support has been extended to all merchantable potatoes, including those of inferior grades which are not permitted to be marketed under marketing orders and therefore will not be eligible for support under this legislation.

Section 5 prohibits price support for Irish potatoes in 1951 and thereafter unless marketing quotas are in effect. The committee of conference was aware that there is no existing legislative authority for the establishment of marketing quotas for potatoes and that in the absence of affirmative action by Congress, any price support for potatoes in 1951 is barred by this section. The committee was also aware that consideration of new price-support legislation for potatoes is already under way in Congress and it is not its intention that this section should be regarded as in any way limiting or affecting that proposed legislation, but merely as an expression of the present intention of Congress with respect to the 1951 potato crop in the event that no new legislation affecting that crop is enacted.

SECTIONS 6 AND 7—PEANUTS

(1) Section 6 of the conference substitute relates to peanuts and amends Section 359 of the Agricultural Adjustment Act of 1938, as amended, by adding three new subsections. The provisions contained in the conference amendment are substantially the same as the provisions inserted by the Senate Amendment.

They are also substantially the same as those contained in H. R. 4081 which was passed unanimously by the House on May 2, 1949. This section, except for minor differences which will be explained below, simply restores provisions of the Act which were inadvertently repealed in connection with an amendment adopted by the Act of August 1, 1947 (Public Law 323, 80th Congress). This section restores the authority for the operation of a two price program for peanuts similar to that which was in effect during 1941 and 1942 under the then existing Section 359 (b) of the Agricultural Adjustment Act of 1938.

The proviso in subsection (g) is new and is applicable only to the 1950 crop. It is designed to require the Secretary to make any excess peanuts of a type which is in short supply available for cleaning and shelling for edible purposes at prices not less than those at which the Commodity Credit Corporation may sell peanuts and to prorate the proceeds received therefrom, after deduction of all costs incurred in connection with the handling of such type of peanuts, among all the producers delivering excess peanuts of such type.

Subsection (i) which did not appear in H. R. 4081 provides that subsection (g) and (h) will not be operative with respect to any crop of peanuts when marketing quotas are in effect on the corresponding crop of soybeans.

It is anticipated and intended under the terms of this section that the excess peanuts will be marketed promptly by the designated agency and shall not under any conditions or circumstances be held in storage by either such agency or the Secretary of Agriculture for the purpose of using the same or for the same to be used in determining the total supply or the supply percentage for either price support purposes, or the amount of the national marketing quota for peanuts. And in the event any of said peanuts should be carried over, irrespective of the reason or circumstances, they are not to be used for either of said purposes.

Paragraph (b) of section 6 which was not included in H. R. 4081, merely provides that any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years. This provision makes it clear that excess peanuts may not be used to augment base history for allotment purposes.

Except for the differences referred to above, section 6 is the same as the provision which the House approved unanimously on May 2, 1949.

(2) Section 7 of the conference substitute is the same as section 5 of the joint resolution as it passed the House. It relates to peanut acreage allotments for 1950 only, and provides that for 1950 no State shall have its peanut acreage allotment reduced by a percentage larger than the percentage by which the 1950 national peanut acreage allotment as heretofore proclaimed is below the 1949 national peanut acreage allotment. This section provides relief to those States which received reductions in their 1950 allotments in excess of the reduction in the national allotment. The additional acreage required to eliminate these inequities is not to be taken into account in establishing acreage allotments in subsequent years.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
Managers on the Part of the House.

Mr. COOLEY. Mr. Speaker, I yield myself 25 minutes.

Mr. Speaker, after about 2 weeks in conference on House Joint Resolution 398, the conferees finally reached agreement. In introducing this resolution I was prompted by a sense of justice, equity, and fair play. It was deemed necessary to correct inequities which had resulted from the cotton-quota law which was passed in the last session of Congress and by further inequities in the peanut State acreage allotments for the States of Alabama and Texas. The inequities in the cotton-acreage allotments were caused by several factors, the ultimate effect of which could not be appreciated fully at the time of the passage of the law. This situation was fully discussed when the original resolution was under consideration in the House. The inequities in the peanut State acreage allotments were caused by a provision, the purpose of which was to improve an unfortunate situation which existed in Oklahoma. We intended, by the provision which was proposed by the gentleman from Alabama [Mr. GRANT] to place the States of Alabama and Texas in the same relative position with other States, in which peanuts are grown, as they were in at the time that producers voted in a referendum for marketing quotas. Unfortunately, the peanut provision in our resolution was not retained by the Senate Committee on Agriculture. Actually, the Senate committee struck out everything after the enacting clause and inserted a very different bill, a measure which was highly objectionable to the House conferees. By Senate action not only was the peanut provision dropped, but likewise important provisions dealing with cotton-acreage allotments were drastically changed or altogether eliminated.

The Senate bill provided for an increase in the national acreage of wheat of about 4,500,000 acres. The section of the Senate bill which provided for appeals by growers of cotton might easily have resulted in increases in the national cotton-acreage allotment greatly in excess of that which would have resulted from the resolution passed by the House. This appeal provision would have given broad discretion to local committees which might in some instances have been subjected to the pressures and influences of friendships. In this situation it was not possible to determine to what extent cotton-acreage allotments might have been increased. The same thing in a more or less degree will, of course, be true in the application of any appeal provision, but the important difference between the two provisions dealing with appeals is the fact that under the one finally accepted, appeals will be heard by members of an appeal committee, the members of which will be removed from local influences and should base their decisions upon actual evidence and histories presented by farmers on such appeals. While the Senate conferees contended that the cotton provisions of the Senate bill would only result in an increase in the national cotton-acreage allotment of about 800,000 acres, the best information we were able to obtain clearly indicated that the acreage allotment might possibly result in an increase of twice that much acreage.

The Senate also brought potatoes into the picture, and the Senate bill contained some important provisions dealing with the potato program. The House Resolution dealt only with cotton and peanuts, but in conference we were faced with another measure which dealt not only with cotton and peanuts but also with wheat and potatoes. The bill as it is now presented contains no reference to wheat. All provisions dealing with wheat were eliminated. While the Senate bill provided for an increase of four and one-half million acres in the national wheat acreage allotment, we offered a proposition which would have resulted in an increase of only 800,000 acres in the wheat acreage allotment, but unfortunately we were unable to agree upon any provision dealing with wheat; so we finally agreed to eliminate all references to wheat. You will recall that my original resolution contained provisions dealing with wheat, but at the request of the author of those provisions, the gentleman from Kansas

[Mr. HOPE], when the matter became controversial, the provisions were deleted in committee and were not actually presented to the House. Immediately after this action was taken, I appointed a subcommittee to further consider possible changes in the wheat-quota law. That subcommittee has conducted hearings and has considered the matter in executive session and I understand is now ready to report to the full committee.

I am glad to report that the cotton provisions of the original resolution are now substantially intact. In an effort to compose differences, and after holding out for 10 days or more, we agreed to change the 70-percent provision of our bill to 65 percent, on the condition that the Senate agree to accept our 50-percent provision, upon our agreeing to reduce the 50 percent to 45 percent; so as the matter is now presented, no farm acreage allotment may be reduced below the higher of 65 percent of the average acreage planted in 1946 to 1948 and 45 percent of the highest acreage planted in any one of the 3 years, credit being given for war crops in both instances. Our 40-percent provision was likewise accepted.

The Grant peanut provision was accepted in conference, was restored to, and is now in the bill. We accepted the George amendment, which provided for peanuts to be grown for oil and added to this provision a proposal which was suggested by my colleague, the gentleman from North Carolina, Congressman BONNER, the effect of which was to permit the Secretary of Agriculture to resell into the edible trade peanuts which had been purchased to be crushed into oil, if and when the Secretary determined that there was a shortage of such type of peanuts for the edible trade. This provision, in the event of a resale of peanuts into the edible trade by the Secretary, would require the Secretary to pay back to the farmer delivering such peanuts such profit as may be derived from a sale for edible purposes. This provision is deemed in all respects fair and reasonable in view of the fact that there is frequently a shortage of certain types of peanuts that are usually used in the edible trade, and when there is a shortage the particular type of peanuts sells substantially above support prices.

I have discussed the changes dealing with cotton and with peanuts and have pointed out the fact that wheat was eliminated. I now desire to call attention to the provisions of the bill which deals with potatoes.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MILLER of Nebraska. Did the committee find any discrepancies and inequities in relation to wheat and corn allocations, which ought to be corrected?

Mr. COOLEY. I do not think any inequities in the corn and wheat situation have been called to the attention of the committee. At the request of the gentleman from Kansas [Mr. HOPE], I included in the resolution a provision dealing with wheat acreage allotments. Later, at Mr. HOPE's request that provision was withdrawn. It was later reinserted in the other body. In the conference it was likewise again withdrawn. We offered in conference a provision which had been drafted by the gentleman from Kansas [Mr. HOPE] and a subcommittee which I appointed which would have increased the national acreage allotment on wheat by approximately 800,000 acres. But when the matter became controversial in conference, all reference to wheat was eliminated and it is not now in the bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Having in mind that the Government has either by purchase or loan more than a billion dollars' worth of cotton, I want to ask the gentleman about the act of 1949 which provided for a 21,000,000-acreage allotment for cotton. As I recollect the bill which passed the House, which we are considering now, proposed an increase above the 21,000,000 acres of approximately 2,000,000 acres. Would the gentleman tell the House how many acres the conference report provides as an increase over and above the 21,000,000 acres?

Mr. COOLEY. I would like to mention the fact that until we passed the law of 1949 rewriting the cotton quota provisions, the national acreage for cotton could not be reduced below 27,000,000 acres. By the act of 1949 we cut that 27,000,000 acres to 21,000,000 acres. All of the experts told us that with a minimum of 21,000,000 acres allotment, probably 2,000,000 acres would not be planted.

Now, to do justice and equity among all the cotton farmers, this resolution which is now before us was introduced. We bring it back to the House now with less acreage to be added to the national acreage allotment than was provided in the original House resolution. When we brought the resolution before the House, we stated at that time, based upon information which had been furnished to our committee, that the national acreage allotment would likely have to be increased 1,400,000 acres. This resolution provides for increases substantially below that, I would say probably 200,000 acres less than the acreage increase contemplated by the original resolution, which would mean that probably the increase would be from 1,100,000 to 1,200,000 acres to be added.

But I hope you will bear in mind that of the 21,000,000 acres, probably 2,000,000 acres will not be planted. That is referred to as frozen acreage. We did provide in this resolution for the reallocation of frozen or unused acreage. If a farmer desires additional acreage, he may make application for the additional acreage and it can be taken from the acreage which has been voluntarily surrendered by his neighbors. But whether he gets the increase from the surrendered acreage or otherwise, the fact is under this bill no farmer can be cut below 65 percent of the average acreage planted in the years 1946, 1947 and 1948.

The original House resolution provided he could not be cut below 70 percent of his overage plantings for 1946, 1947, and 1948, or he could not be cut below 50 percent of the highest acreage planted in any one of those 3 years and in both instances credit would be given for war crops under laws which have been on the books for some time. Now, the 70-percent provision was finally reduced to 65 percent and the 50-percent provision was finally reduced to 45 percent. With those two changes the cotton provisions of the bill now before us are substantially as contained in the House resolution.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BOGGS of Louisiana. I should like to ask the gentleman about potatoes. Do I understand this conference report continues the support prices on potatoes without establishing quotas for 1950?

Mr. COOLEY. There are three provisions in the pending measure which deal with potatoes. One deals with the 1949 crop, the other with the 1950 crop and the third with the 1951 crop. On the 1949 crop we liberalized and enlarged the authority of the Secretary of Agriculture to dispose of the potatoes of the 1949 crop, even to the extent of paying freight charges to the point of consumption or to the terminal at the point of consumption or to port cities and at shipside in the event that the potatoes are to be exported to some foreign welfare agency. We also increased the number of agencies that the Secretary may give potatoes to. That is with reference to the 1949 crop.

With reference to the 1950 crop, we provide that the support price shall continue, but the Secretary is given authority to impose marketing agreements or orders, if time will permit the imposition of such agreements or orders.

But in any event, if no agreements or orders are imposed, if it is impracticable or if time will not permit the imposition of such agreements or orders, then he can impose certain marketing practices which will enable him to keep off the market grades of undesirable potatoes and he will be no longer required to support the price of potatoes which are kept off the market.

Mr. BOGGS of Louisiana. That does not mean, then, does it, that there will be any restriction on the growing of potatoes this year?

Mr. COOLEY. No, except for the fact that about 85 percent of the crop, as I understand, is now under marketing agreements and orders.

With reference to the 1951 potato crop, we provide that there will be no support program for potatoes in 1951 unless we do have marketing quotas. The committee is aware of the fact that there is no machinery now in existence which will enable the Secretary to impose marketing quotas on potatoes, so that provision certainly contemplates some further action by Congress which will provide the machinery so that we can have marketing quotas on potatoes.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HUGH D. SCOTT, JR. The conference report includes the provisions which are contemplated in bills introduced by several Members on this side of the House, including myself, with re-

gard to the distribution of surplus potatoes to school-lunch programs, welfare, and other agencies. What I should like to know is why these provisions are included in this conference report. In other words, why are we asked to accept a good and desirable thing in the reduction of the surplus of potatoes while at the same time we are running the risk of increasing the surplus in such crops as cotton and peanuts? Can we not get this potato problem separately so we can deal with it on its own merits?

Mr. COOLEY. The gentleman will recall that there was no mention of potatoes when the resolution first came up. That provision was put in by the Senate. Some Senators wanted potatoes in the bill. Others thought we ought to end the support program for potatoes and chop it off abruptly. Some wanted a quota provision to apply to the 1950 crop, but others were unwilling to make it applicable to the 1950 crop, for the reason that potatoes have already been planted and in some sections of the country are now being harvested, and it would not be fair to the growers, say, in a northeastern section, to subject them to marketing quotas and limitations which would not be imposed on growers in other areas.

But this provision that we have here now will enable the Secretary to keep the undesirable culls off the market, and to that extent will relieve him of that financial burden that is now imposed.

Mr. HUGH D. SCOTT, JR. The gentleman will understand that my question is not directed against the potato growers; I am asking why it is that we must accept some relief to the consumer and to the taxpayer with regard to the storage of potatoes in this bill? It occurs to me that the purpose is to sweeten the bill for passage so that some of us who come from consumer districts may be prevailed upon to support the cotton provisions.

Mr. COOLEY. I am sorry, but I do not understand the import of the gentleman's question. I wish the gentleman would restate the question clearly.

Mr. HUGH D. SCOTT, JR. The question stated as clearly as I can state it, is this: Many of us believe that the potato surplus could be relieved by the provision for the payment of transportation to school-lunch programs and relief agencies.

Mr. COOLEY. That is in the bill.

Mr. HUGH D. SCOTT, JR. That is in the bill?

Mr. COOLEY. Yes.

Mr. HUGH D. SCOTT, JR. My question, then, is: Why is that language which would be of benefit to farmers generally included in a bill which provides for further subsidies to cotton and peanuts?

Mr. COOLEY. It is in the bill because the Senate of the United States put it in the bill; that is the reason it is in there. It was not put in by the House committee in an effort to sweeten the bill at all.

I would like to say further with regard to the gentleman's remarks that this bill includes additional subsidies to the cotton farmer and the peanut farmer; that I stated when this bill was before the House for consideration originally that I was not interested, and I did not believe any other member of my committee was interested in increasing the acreage of any of these crops. The only and the single reason that we brought it here was because we knew that it was needed in the interest of justice and fair play among farmers.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I am happy to yield to the gentleman from Georgia.

Mr. PACE. In response to the question of the gentleman from Pennsylvania as to the proposition of sweetening the bill—there is less acreage for cotton in the bill now than there was when it passed the House without any potato provision. So it did not need to be sweetened.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BOGGS of Louisiana. Just recently, a week or two ago, in the city of New Orleans there were two shiploads of Canadian potatoes imported into that American community, and I am informed that there is not an American potato for sale in the markets of New Orleans. In the light of all this, will the gentleman explain to the House why some affirmative action has not been taken on this potato-support program for 1950?

Mr. COOLEY. The reason is just as I stated a moment ago. We had already embarked upon the 1950 program and potatoes have been planted under marketing agreements. It would not be fair to the farmers to change that program now at this late hour because you could not make its application uniform throughout all areas.

Mr. BOGGS of Louisiana. Will we be confronted with a repetition of this thing at the end of this year when they start harvesting the 1950 crop?

Mr. COOLEY. No. I stated a moment ago that in 1951 we will have no support program for potatoes unless in the meantime the Congress has taken action which provides marketing quotas.

Mr. BOGGS of Louisiana. The trouble has come up on the 1949 crop. The 1950 crop is not an issue before the Congress now, or the 1951 crop.

Mr. COOLEY. We are dealing with the 1950 crop, and in dealing with it we are liberalizing the authority of the Secretary in almost identical language as that which was requested by him.

Mr. BOGGS of Louisiana. Except for the elimination of nonmarketable potatoes, are there any changes in the act?

Mr. COOLEY. Yes; there are changes in the act.

Mr. BOGGS of Louisiana. But there is nothing to stop a producer from producing potatoes and getting support from the Government such as is happening in Maine right now?

Mr. COOLEY. We have no marketing quotas for potatoes.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I think in fairness the answer to the gentleman from Louisiana is that under the present law there are restrictions.

Mr. COOLEY. Eighty-five percent of the potatoes are now being produced under marketing agreements, as I understand.

Mr. MURRAY of Wisconsin. There is not a free market so far as the average farmer is concerned. He is restricted to the amount of potatoes he can grow right now. That is still in the law.

Mr. COOLEY. It is a voluntary reduction by virtue of the marketing agreements, not by virtue of marketing quotas.

Mr. MURRAY of Wisconsin. The Secretary of Agriculture determines how many acres can be grown.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. BARDEN. Did I understand the gentleman to say this was put in the bill in the Senate?

Mr. COOLEY. Yes.

Mr. BARDEN. Has there been any discussion by the House Committee on Agriculture?

Mr. COOLEY. Not since the resolution.

Mr. BARDEN. I am interested to know where the recommendations came from that support the law now in the resolution. Does it come from the Department?

Mr. COOLEY. With regard to what particular phase of it?

Mr. BARDEN. With regard to potatoes.

Mr. COOLEY. I just stated a moment ago we have 3 provisions in here that deal with potatoes, one dealing with the 1949 crop, the 1950 crop and the 1951 crop.

Mr. BARDEN. I am talking about 1950 and 1951.

Mr. COOLEY. 1950 and 1951?

Mr. BARDEN. Yes.

Mr. COOLEY. I have not heard any expression from anybody in the Department with regard to the 1951 crop. That was put in as an amendment in the Senate and that provision was that we would have no support program for potatoes in 1951 unless in the meantime we had provided for quotas.

Mr. BARDEN. The gentleman is aware of the fact we had acreage quotas for various States in the law prior to this and that the Eastern Shore potato growers—that is, on the eastern seaboard—have generally stayed within their quotas up to date. North Carolina, for instance, stayed below its quota each year. At the time that the Secretary of Agriculture appeared for a hearing many of the Congressmen from this coast asked him to either take a strict across-the-board cut in acreage or a percentage arrangement, any way he might see fit, but not shift the acreage from one State to another. The Secretary himself listened to that for 3 hours. We warned him that the very trouble he is now in would come about if he did not desist from moving the acreage to California and other high production States.

Mr. COOLEY. What is the gentleman's question?

Mr. BARDEN. I am trying to have some discussion of the effect of leaving

the whole program to the Secretary of Agriculture.

Mr. COOLEY. We are not leaving the whole program to the Secretary of Agriculture. The Congress has given him a direction with regard to three separate and distinct crops.

Mr. BARDEN. Here is what he did with the potato acreage, and the gentleman is aware of it: He has cut the North Carolina acreage, for instance, from 35,000 acres, gradually whittled it down, and while that State was staying within its quota, California was exceeding its quota and has built up its acreage from 35,000 to approximately 70,000. If the gentleman wants to know where the surpluses are coming from, we can tell him.

Mr. COOLEY. What the gentleman has just said would be very appropriately stated before our committee when we start further hearings on a long-range potato program.

Mr. BARDEN. That does not do us any good now.

Mr. COOLEY. The resolution now before the House tries to deal intelligently with a very perplexing and deplorable problem—that of potatoes.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Louisiana.

Mr. BROOKS. I mention to the gentleman the peculiar problem in Louisiana, which is moving unused acreage from areas where it is not needed; for instance, from the sugar area and the rice area and the strawberry area and the sweetpotato area. Is there anything in this conference report that will help us at all in that situation?

Mr. COOLEY. I tried to make it clear that we are dealing with the 1949 crop in one way, the 1950 crop in another way, and the 1951 crop in another way.

Mr. BROOKS. I am referring to cotton now.

Mr. COOLEY. Well, the cotton provisions are substantially as they were when the resolution came before the House.

Mr. BROOKS. I spoke at that time in the hope that something would be done to permit a shift of acreage from one county or one parish to another, so as to come to these areas where it could be used.

Mr. COOLEY. We have a provision for voluntary surrender of acreage. If acreage is voluntarily surrendered it may thereafter be reallocated. In our resolution we provided that local committees might reallocate acreage which had been voluntarily surrendered and allotted to farmers, upon application and upon certification by the applicant that the acreage would actually be planted. The specific language requiring a certification that the acreage would be planted is not now in the bill but it is believed that local committees will not reallocate the acreage or give it to anyone unless the committee is satisfied that it will actually be planted. At any rate this bill is a 1-year—1950 stop gap—piece of legislation. Our subcommittee which is charged with the responsibility of writing or rewriting the cotton quota law, is now at work and has been at work for some time. Public hearings have been held and all persons desiring to be heard have been heard. Under the splendid leadership of the gentleman from Georgia, STEVE PACE, the chairman of that subcommittee, I am certain that all phases of the law will be restudied and reviewed and we have every right to hope that this subcommittee will come forth with constructive recommendations.

It is easy to criticize but it is not always easy to construct. I know that our committee carefully and conscientiously considered the cotton quota law when it was written last year. I likewise know that no human being could possibly have foreseen the results which were achieved. I realize, of course, that many people contend that they knew what was going to happen. Regardless of what they say about it, I know that they did not know what was going to happen. Had they known why did they not sound off then rather than to wait and then demonstrate their evidence of smartness. I actually have never known a more sincere or conscientious group of men than those, on my committee, who worked on the cotton quota law. I know they are smart, I know they are honest and sincere, and I know that we did the very best we could.

If any of us, or if anyone else, can come forth with worthwhile suggestions as to how this law should be amended, I now, as chairman of the committee, invite you to come to our committee room and I assure you that you shall be heard.

This conference report should be approved and adopted and I submit it to you confidently believing that it will be approved and adopted.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I had not intended to say anything on this conference report until the discussion got into the field of potatoes, which always seems to call for some remarks. The thing that has amazed me in the discussion so far has been the remarks and the questions of the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.], who intimated that because this conference report has in it some provisions of a bill which he introduced, and goes, at least part way, in the direction he has been urging the House to go, that he is not going to support the bill. Now, I just do not understand what kind of argument that is.

The bill, of course, as it passed the House, had no reference to potatoes. The Senate included potatoes, and the provisions in question, which were referred to by the gentleman from Pennsylvania, not only make it possible for the distribution of potatoes to institutions and for overseas shipments to be carried on more effectively and expeditiously, but they also enlarge to some extent the groups to which such donations of potatoes may be made. I think that is all to the good. That is the objective toward which the gentleman from Pennsylvania and the gentleman from Massachusetts [Mr. HESELTON] and others have been driving, and I should think that in view of the victory that they have won by reason of the fact that these provisions are now in the bill they would go along and support the report, which does go quite a distance in the direction they have been urging us to go.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. WADSWORTH. Will the gentleman describe or recite the agencies or establishments to which these free distributions may be made?

Mr. HOPE. Well, it is all outlined in the report. It is provided that the Secretary, in order to prevent loss due to destruction, deterioration, or spoilage of potatoes, may make them available under such terms and conditions as he deems appropriate and in the public interest—including the payment of transportation and handling costs—to the extent necessary to effectuate the purposes of this section, to school-lunch programs, the Bureau of Indian Affairs, Federal, State, and local welfare organizations, private and international nonprofit welfare organizations, penal institutions, and nonprivate hospitals.

Mr. CORBETT. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I also was the author of one of those bills. I simply want to ask why, if this is a good provision for potatoes, it should not be included for all other perishable foodstuffs that are being stored.

Mr. HOPE. I think the gentleman is perfectly right, except the conferees in this case had no jurisdiction over other surplus commodities. Potatoes were inserted in the bill in the Senate, but none of the other commodities were covered by the bill.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. BONNER. With respect to the 1950 crop of potatoes, am I correct in understanding that no area growing white potatoes will receive support prices unless that area has marketing agreements already in effect or accepts the marketing agreements proclaimed by the Secretary of Agriculture?

Mr. HOPE. For the 1950 crop?

Mr. BONNER. For the 1950 crop.

Mr. HOPE. It is not quite that specific, because section 4 provides some exceptions to that situation. It states:

> Nothwithstanding the foregoing provisions, if the Secretary of Agriculture determines that sufficient time is lacking for the development and issuance of a marketing order for any area prior to the beginning of the marketing season for such area or that a marketing order is not practicable for any area, he may make price support available for potatoes grown in such area.

That covers the situations where it might be too late now to work out the provisions of a marketing order, or areas where production was small and scattered and it was not practicable to use marketing orders.

Mr. BONNER. The intent of the 1950 marketing season is to bring all potatoes

under a marketing agreement if possible?

Mr. HOPE. Yes, that is the purpose and the intent, with the exception I have mentioned.

Mr. BONNER. During the discussion on the potato question in what areas was it thought impossible to have marketing agreements?

Mr. HOPE. I yield to the gentleman from Georgia [Mr. PACE] to answer that.

Mr. PACE. The bill contemplates that if it is either too late or impracticable to have a marketing agreement and order the Secretary of Agriculture can put into effect marketing practices that are comparable with the marketing agreement and order, but if he finds there is some isolated area in a State where there may be but 200 acres of commercial potatoes, it would be impracticable to have a marketing agreement and order there, and in that case he can invoke marketing practices which are comparable with a marketing order and require the producers to conform to the marketing practices in order to enjoy the support price.

Then, the most important thing is that the only potatoes which are supported are the potatoes which can move into commerce under the terms of the marketing order or marketing practices. It will eliminate the enormous cost the Government has sustained under the potato program.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Speaker, it is true that I introduced a resolution with three of my colleagues on February 2 which set up a priority for disposition of all food commodities which is somewhat like the priority set up in this conference report with reference to surplus potatos alone. It provides also for the use of funds up to the equivalent of 6 months storage costs in order to handle and transport these commodities.

I am pleased that the gentleman from Kansas, who I consider certainly one of the greatest authorities on agriculture in this House, feels that we have won something of a victory in establishing this principle. I confess I consider it, with all due deference to him, as a Pyrrhic victory. It is likely to bring down on our heads the whole structure of this price support program.

I represent a fairly large agricultural district in Massachusetts, and I am hearing constantly from them. They are worried. We heard last night of prominent farmers in Missouri who are worried and stated so publicly. We are building up a program under which we are storing at tremendous expenses surpluses in danger of deteriorating.

It is true that we go part way here. We provide a means of getting this particular food to people who need it. But we have run into all kinds of contradictions. The gentleman from New York [Mr. COLE] found that he could provide potatoes in his district only to people who were on the welfare rolls, whereas I found that my people could get these potatoes even though they were not on the welfare rolls if they were certified by the clergy as being in need. We should consider this whole problem and all its ramifications immediately and on the merits. No piecemeal approach will be satisfactory.

As the conference report very properly states, this is an effort to cut through and eliminate some of the red tape which the committee feels has heretofore handicapped the distribution of these potatoes for food purposes, but I am afraid it is the wrong approach. I know the difficulties that confronted the conferees. This came in from the other body. You did not have any chance to discuss this over-all proposal we have dealing with as these other surplus food commodities. We have to face that and face it soon.

Dried eggs are spoiling; butter is becoming rancid. These food items are located in New York, Newark, Hoboken, and all over the eastern seaboard. There are millions of pounds of these commodities and we have not done anything about it. I just say to you I think the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] is entirely right when he says that we should have this particular approach dealt with on its merits, and that you gentlemen who represent cotton- and peanut-growing districts should not ask us to come in and approve additional storage of peanuts and cotton, which we cannot use.

It is going to cost us millions of dollars. It is not going to help this country, it is going to hurt us. It is not going to help this farm program. I confidently predict there will be a growing demand from the farmers themselves that we change this program even perhaps to the extent of wiping out price supports if need be. That suggestion is coming down from Maine, Massachusetts, New Hampshire, New York, New Jersey, and from all over the eastern seaboard.

They cannot stand this much longer. And above everything else, may I say to the gentleman from North Carolina [Mr. COOLEY], I talked last night with a member of the advisory board, a very fine gentleman who has been recently appointed to that board. I think you know him and I think you respect him. I know he has the regard of the junior Senator from New Mexico. He has been here consulting with the Secretary and with the Department for months. He is afraid of this, and I am afraid of it—the consumers of this country are going to become so outraged they are going to insist we change this program.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. COOLEY. Does the gentleman realize that we reduce the cotton acreage?

Mr. HESELTON. I do.

Mr. COOLEY. We reduce the cotton acreage from 27,000,000 to 21,000,000.

Mr. HESELTON. Yes, sir. How many millions of bales are you going to have left over?

Mr. COOLEY. There is no argument about that. We are going to have less bales on hand now in our carry-over than we have had in 7 out of the last 10 years—and it is only about 1 year's supply. If we put it in warehouses and locked it up and never brought it out, it would still not be a bad investment for the Government.

Mr. HESELTON. I do not argue with you on that. I do not argue that you may not have a good investment in cotton. I think you have, but consideration must be given to ECA and other foreign supply purchases in determining the true profit. I do not pretend to be an expert on peanuts. I do not know how many millions of pounds of shelled peanuts you have in storage, but you have a lot.

Mr. COOLEY. Does the gentleman realize that cotton will keep indefinitely?

Mr. HESELTON. I do.

Mr. COOLEY. I saw a bale of cotton in the cotton exchange in New Orleans the other day which I think was 85 years old.

Mr. HESELTON. How much did it cost to store that bale of cotton for 85 years?

Mr. COOLEY. The cotton exchange has been paying it, I suppose. It was there as an exhibit. But the cotton program has not cost the Government any money yet. Of course, there is a potential loss involved. But if the farmers are given fair machinery which will enable them to reduce their acreage, they will work off this surplus without involving the Government in any loss. I agree with you that there is a problem with respect to these other commodities, but the gentleman must realize that we did not have the problems of these other commodities before the conference committee, and we could only deal with potatoes.

Mr. HESELTON. I am asking that something be done now. This report recognizes and establishes the fundamental principle. There should be no further delay in extending it to other food commodities. I now include a copy of a telegram I sent the President last night about the situation existing here:

WASHINGTON, D. C., *March 15, 1950.*

The PRESIDENT,
Key West, Fla.:

No action reported here to this time. Please will you not put an end to this tragic farce and waste of public funds endangering good food needed by your fellow-Americans now.

JOHN W. HESELTON,
Member of Congress.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I follow the gentleman from Massachusetts most appropriately. I represent a very large city district. The key to this farm-price-support program, I would like to say to the chairman of the Committee on Agriculture—which is largely composed of members who are interested in communities in which agriculture is the dominant economic effort—is not so much what it is going to cost the Government in storage, or even in support of prices; the key to it is in the rising opposition in big city districts like that I represent against the high cost of food and the high cost to the people of articles made out of agricultural commodities.

Generally, 40 percent of the normal city worker's budget, when he earns

about $50 a week, is now devoted to food. City working people are rising up in opposition, and they want to know why an inflexible 90 percent of parity price support? Why not a flexible price support? Why not some attention on the part of the Committee on Agriculture in consultation with other committees and the large number of Members of the House from the cities as to what can be done to bring down consumer prices, and why consumer prices, which the city dweller pays, are, as they believe, being held up by this parity-price program?

For our fellow citizens engaged in agriculture this is a most important issue. City dwellers' support is needed for farm programs, and farm programs provided they retain a fair balance between farm and city will have such support. A mutual accommodation to each other's needs is essential to the general interest of all.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. COOLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Speaker, I will not take up the full time, but I want to interrogate my chairman and also the ranking Member in regard to wheat acreage. I would like to ask the chairman whether this conference report did contain any section concerning wheat when it passed the House?

Mr. COOLEY. The gentleman is correct. It did not.

Mr. HILL. Then the other body passed an amendment, or did have a section in it concerning the control of wheat acreage as you went into conference? Is that correct?

Mr. COOLEY. That provision would have added 4½ million acres to the national acreage allotment.

Mr. HILL. What was the attitude of the conference committee on that wheat-acreage control, because that is what it was, regardless of what it would add?

Mr. COOLEY. I think that the Senate conferees would have been greatly embarrassed had we accepted that provision which would have added 4,500,000 acres to the national acreage allotment. As I stated a moment ago, the subcommittee which I appointed had hearings on the wheat crop, and they came up with a proposition only involving 800,000 acres. But we were not able to agree on either, so we eliminated both.

Mr. HILL. What are the future plans on wheat legislation of the chairman and the Committee on Agriculture?

Mr. COOLEY. I understand that the subcommittee is now ready to report to the full committee and it is my purpose to call a meeting of the full committee whenever I am requested to do so by the chairman of the subcommittee, and we will then sit down to talk about the wheat problem.

Mr. HILL. If the gentleman from North Carolina does not mind, I should like to ask a question of the gentleman from Kansas [Mr. HOPE], whose district borders mine. In the State of Kansas they produce about 20 percent of all the wheat produced in the United States. The question is: What can we expect in the future on wheat legislation? What may we expect in the days just ahead?

Mr. HOPE. As the gentleman knows, the subcommittee of the Committee on Agriculture is now considering wheat legislation. The gentleman from Colorado is a very industrious and able member of that committee, and is doing a fine job representing his constituents on that committee and protecting their situation, which is an unusual one because of the rapid increase in wheat acreage in that area with recent years.

I would remind the gentleman that we have the assurance of the chairman of the subcommittee, the gentleman from Texas [Mr. WORLEY], and of the chairman of the full committee that as soon as the subcommittee finishes its hearings we shall be able to report legislation which will, I think, take care of this situation as well as that of other areas similarly situated.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, this conference report, as has been pointed out, covers a number of controversial issues with reference to cotton, peanuts, and potatoes particularly. Unfortunately we can only vote the report up or down and will have no opportunity to vote against some features of the report which may be objectional to us and at the same time support those we favor. I favor the provisions with reference to the disposal of surplus potatoes as it will afford some relief to a distressing situation and permit the Commodity Credit Corporation to make surplus potatoes available to relief agencies and others in need and to pay the freight where necessary.

In order to avoid the destruction of edible foods, as has been proposed by the Secretary of Agriculture, I introduced H. R. 7208 which would make it illegal for the Secretary of Agriculture or any other Government agency to destroy edible foodstuffs held by the Federal Government and purchased under the price-support program, and which would make it mandatory upon such agencies to make all such food commodities available to such persons and agencies. Unfortunately this conference report does not go far enough, as it covers only potatoes but should cover all surplus food commodities held under the support program. It is better to take a half a loaf than none at all and I will, for that reason, support the conference report.

There are, however, some other commodities which vitally affect the economy of the Pacific Northwest and particularly my own congressional district and the State of Oregon which I desire to discuss at this time by reason of the fact that the problems with respect to them are of an emergency nature.

Mr. Speaker, we are confronted in my congressional district in Oregon as well as the Pacific Northwest generally and many other sections of the United States with a serious problem which is undermining the basic economy of the area. I refer to the regulations and operations of the Federal Government with respect to permitting American dollars under ECA and other foreign programs to be used in the disrupting of the markets at home and abroad for major commodities produced here in the United States. I have in mind, particularly in my area, lumber, wheat, and flour and some other agricultural products. I have had the matter up with Administrator Hoffman, of the ECA, with Secretary of State Dean Acheson and with Secretary Brannan of the Department of Agriculture, as such Secretary and as chairman of the Board of the Commodity Credit Corporation, and thus far I have not received any assurance that the Government agencies will cooperate in protecting American producers and protecting the American domestic and foreign markets.

On February 23 I wrote to Secretary Acheson, as follows:

I represent the Third Congressional District of Oregon in the National Congress, which is the area in which the city of Portland is situated, and many of my constituents are engaged in the flour milling industry, and all of us in the Northwest, as well as throughout the United States generally, are deeply interested in the critical problem facing these millers by reason of the destruction of their export trade as well as the serious inroads in the domestic trade. The operations of the Federal Government are such that they are materially contributing to this serious problem facing the millers and I am calling it to your attention in the hope that through the activities of your office, which are contributing to the difficulties of millers, you may be able to modify existing programs or put into effect new programs that will give these American millers the opportunity to participate in the export trade of their products which they formerly enjoyed; much of their competition comes from the use of American dollars supplied through ECA and other United States contributions to foreign countries.

What I have said with reference to the flour milling industry is equally applicable to the lumber industry which is so important in my own district in the Northwest. I have been advised that the Commercial Bulletin of Boston in its last Saturday's report states that the production of Canadian lumber for the year 1949 is estimated to be 5,250,000,000 board feet of which 31 percent or 1,627,500,000 board feet was exported to the United States. This points up the problem to which I have referred. In reverse, American lumber exporters are finding their export market absorbed by competition from purchases made with American tax dollars and in addition are having the domestic market flooded by importations from abroad. This same program is likewise helping to bring about the unfortunate potato surplus situation facing us. Importations of Canadian potatoes are underselling the American grown products resulting in heavy expenditures by the United States in the support program.

I will appreciate it if you will advise me with respect to the problems facing our millers and lumbermen and what remedies you have to suggest.

I am just in receipt today of a reply from Jack K. McFall, Assistant Secretary, under date of March 15 as follows:

I refer to your letter of February 23, 1950, regarding foreign trade in wheat, flour, lum-

ber, and potatoes, with particular reference to Canadian competition.

You state that American producers should have the opportunity to participate in exporting their products, and that much of their competition comes from the use of American dollars supplied through Economic Cooperation Administration and other foreign aid. In this connection I may point out that the Economic Cooperation Administration is expected to carry on its programs as economically as possible, that the participating countries are expected to award contracts to the lowest bidders, which is in any case to their interest, and that United States producers have therefore the same opportunities to compete as producers in Canada and elsewhere.

You refer to a critical problem facing American flour millers by reason of the destruction of their export trade, as well as the serious inroads in the domestic trade. Exports of flour milled wholly of United States wheat averaged 8,000,000 100-pound sacks annually from 1937–41. Due to conditions abroad during the war, United States exports reached high levels, averaging 19,000,000 sacks from 1942–46; and increasing further in 1947 and 1948 to 75,000,000 sacks annually. Exports during the first 9 months of 1949 amounted to 25,000,000 sacks. United States imports of wheat flour and related products, exclusive of quantities imported for milling in bond and export, are limited by quota to the very nominal amount of 40,000 sacks per year.

As to softwood lumber, annual imports average only about 5 percent of production. Imports in 1947 amounted to 1,092,000,000 board feet, in 1948 to 1,652,000,000 and 1949 to 1,425,000,000. Exports have almost equaled imports. In 1947, for example, exports amounted to 968,000,000 board feet, compared with imports of 1,092,000,000.

You state further that importations of Canadian potatoes are underselling the American-grown product, resulting in heavy expenditures by the United States in the price-support program. It is true that imports of potatoes add to the public expenditures required to maintain a given price-support level. The real difficulty is that the high level of price supports maintained under existing legislation creates a profitable market for imports of Canadian potatoes, despite the existence of a relatively high import duty. These prices were sufficient to attract imports valued at $9,000,000 in 1948 and $13,000,000 in 1949. The value of United States production in 1948 was $690,000,000; the value of the 1949 crop is not yet available, but the estimated cost of $100,000,000 for the surplus only is many times the value of imports and even had there been no imports whatever the United States would be faced with an acute problem of overproduction at present price-support levels. Despite the increase in imports in recent years, the quantity imported in 1949 was only 2.4 percent of production.

Your attention is called to the fact that the value of exports to Canada considerably exceeds that of imports from Canada. Total exports from the United States to Canada in 1948 amounted to $1,900,000,000, compared with imports from Canada of $1,500,000,000. It would certainly be a mistake for this country to take any action which might provoke retaliation on the part of Canada or other nations, or be incompatible with United States foreign-trade policy, under which we are cooperating with other nations of the world to bring about the revival and expansion of world trade by reducing barriers and promoting mutual understanding and cooperation in the solution of problems relating to international trade.

Your letter has been referred to the Committee for Reciprocity Information which, in turn, will bring it to the attention of the interested officers in all of the eight agencies concerned with trade-agreement matters for consideration in possible future negotiations with Canada. I am also sending a copy of your letter and of this reply directly to the Economic Cooperation Administration.

It will be noted from the examination of this correspondence that the protests I made have not resulted in any solution of this serious problem. The Secretary of State reiterates the position taken throughout, that in the purchase of commodities under ECA program, purchases are made on a competitive basis and American producers are given equal treatment with foreign producers. This, however, is not borne out in practice. Owing to the devaluation of the pound sterling and the manipulations of the currency of Great Britain and the Empire countries together with the manipulations of the specifications and technical requirements in the bids the American producers are left holding the sack. This is true in respect to both lumber and American produced flour.

The State of Oregon has the largest stand of commercial timber of any State in the Union. Much of the economy of the State depends upon a prosperous lumber industry. At the present time the export trade of lumber from Oregon is approximately nil due to the operations of the ECA, the State Department, and the manipulation of Britain and its colonies of its currency and the closing of the doors for off-shore sales by American producers. I am informed that during 1949 more than 300,000,000 board feet of British Columbia lumber was sold and shipped to our east-coast markets and nearly 7,000,000 feet reached the California market which is one of the largest outlets for Oregon lumber.

During 1948 a total of 96,071,920 feet of lumber was imported by the Atlantic Coast States of the United States from British Columbia. However, in 1949, British Columbia shipped 303,525,459 feet of lumber into these States or more than a threefold increase over the previous year. Figures on the month-by-month shipments reveal that these shipments have been increasing by leaps and bounds. Imports of lumber from Canada by Atlantic Coast States were 87,153,747 feet in the first half of 1949 and 216,371,713 feet in the second half of that year. The November and December imports were the heaviest of any months of the year. Canadian imports were 50,728,682 board feet in January 1950.

If this flooding of the American Atlantic-coast market by Canadian lumber continues to increase, and there is every indication that it will increase, serious damage will be done both to the prosperity of the Pacific-coast lumber industry and to the employment of those who work in the woods and mills. The 303,525,459 feet of lumber imported last year by the Atlantic Coast States from British Columbia was valued at approximately $14,000,000 of which about $7,000,000 was a direct labor charge. In short these 1949 imports of lumber from British Columbia represented a loss of $7,000,000 in wages to American logging camp and lumber mill workers. Furthermore, since the Canadian lumber shipments were made in foreign vessels, American carriers lost $2,500,000 in freight revenues, a large part of which would have gone to American stevedores and sailors. The prevailing heavy demand for lumber has placed the industry temporarily on a sellers' market with the result that the potential damage inherent in continuing heavy Canadian lumber imports may not at the moment be apparent. However, once the lumber industry returns to a buyers' market, which, it inevitably some day soon will, great injury will be done to the Pacific coast American-lumber industry and its employees.

Canadian lumber producers can undercut and undersell the mills of Oregon and Washington for a variety of reasons. In the first place wages in the lumber industry of British Columbia are $1.075 an hour compared to $1.45 an hour in Oregon and Washington. Furthermore, the Canadian wage is paid in Canadian dollars which have been devalued by 10 percent, which makes the Canadian wage rate in reality only 97½ cents in terms of American dollars. Also Canada, because she can use tramp steamers in intercoastal trade while American shippers must employ American vessels, gains a further advantage of about $6 a thousand in freight rates. The only offset to these advantages possessed by the Canadians is the present tariff duty of only $1 a thousand feet on Canadian lumber imports. There was formerly a duty of $4, but it now has been reduced to only $1 and affords no protection.

Lumbermen advise me that there is a differential of nearly $11 per thousand board feet in costs favoring the British Columbia producer. Lumbermen also advise me that it is due entirely to the attitude of our State Department that nothing is done to overcome this hardship visited upon the American lumber producers. On the other hand, the office of the Secretary of State seems more concerned with the foreign producers than with American producers. The Commercial Bulletin of Boston on February 18, 1950, reported that the production of Canadian lumber for the year 1949 is estimated at 5,250,000,000 board feet, of which 31 percent, or 1,627,500,000 board feet, was exported to the United States, resulting in the total disruption of the American market. We have the heaviest unemployed roll at the present time of American workers than at any time for 8 years—approximately 5,000,000. In our own State unemployment is heavy, resulting from the very manipulation of the lumber and agricultural markets by Federal agencies to which I refer.

Dant & Russell, Inc., a heavy exporter of Pacific coast lumber and shingles, in my congressional district, commenting upon the manipulations of the lumber market resulting in the shutting out of American lumber from foreign markets recently called attention to these facts concerning some of the obvious discriminations against American lumber suppliers in the current British inquiry No. 5—revised by British Timber Control February 2, 1950.

Item 509 is obviously arranged to favor British Columbia production. This

specification allows 25 percent hemlock or balsam and calls for lengths 8 feet and longer, minimum average 15 feet, 30 percent to be odd lengths. Most American mills are not in a position to supply odd lengths on account of trimmer limitations. In normal times American mills have supplied hundreds of millions of feet to England without this stipulation having been included. The first postwar British inquiries did not require this. Only when it became desirable that the Canadians obtain the entire business were these stipulations included in the schedules.

In item 509A where it is possible for American mills to compete, no hemlock or balsam is permitted, and the lengths in the merchantable and selected merchantable must be 16 by 32 feet allowing 10 percent 10 by 15 feet. This means that in order for American mills to compete they must supply unusually long lengths. The Canadians, however, may supply all their short lengths in item 509 and all their long lengths in 509A. They thus have a double advantage.

The same conditions are repeated in items 513 and 513A, and in 515 and 515A. In item 518, there is no restriction on lengths, merely different group prices for 41 by 50 feet, 51 by 60 feet and 61 by 70 feet. It is impossible to average out different suppliers prices on this basis. The Canadian prices on long timbers have consistently been low. The specifications as supplied, however, is unknown to American mills. We definitely feel that the lengths supplied were not a reasonable assortment of all lengths.

While it is difficult to prove that these specifications were made up with the above-mentioned aim in view, it is obvious to practical lumbermen that this is the case.

As for the conditions of sale, on previous occasions the British Timber Control denied that the Canadian cartel had an opportunity to negotiate contracts. In each instance, however, just before closing the orders, representatives of this cartel have flown to London. In the current schedule, however, among the terms included, in No. 7 the words appear "when negotiating contracts," and also "when contracts are negotiated." No. 8 states that "buyers do not engage to accept the lowest or any tender." From this it is obvious that American bids will have little consideration.

The British have refused to consider bids from certain ports in the Pacific Northwest in the United States of America, for example Newport and Eureka, and in some instances Coos Bay. These are perfectly satisfactory ports of call for American ships and for many vessels of the Pacific Coast European Conference serving in the same trades as the British, and of size equivalent to those used by the British regularly.

ECA regulations specifically state that 50 percent of ECA products should be moved by American ships; yet no American ships were chartered for the recent British Timber Control purchases, nor as far as we can find, have ships of other nationalities than British. The result is that we are subsidizing the British merchant marine, as well as providing funds for England to use to advance the interests of her colonies and dominions. These lumbermen feel that we are being taxed to death to support the British Empire with absolutely nothing given in return or even an honest opportunity to supply our goods.

As a result, it has reached a point where it is almost impossible to get American mills interested in quoting prices or making bids, as they feel it is hopeless to attempt to compete with the Canadians' depreciated exchange, lower wages, and lower stumpage, unfair manipulations by the British timber control, and the failure of the ECA to be of any assistance.

All I have said with reference to lumber so far as the results are concerned applies to the flour-milling industry as well. As the result of the operations of the State Department and the ECA and the manipulations of Great Britain and other purchasers under the ECA program, the American flour miller is denied the opportunity to dispose of American processed flour in foreign countries receiving American dollars under the foreign-aid program. With special reference to my district, the Portland, Oreg. area, Pacific Northwest flour-milling operations have fallen from 105.8 percent of capacity in 1946 to 53.7 percent in December 1949. Some 5,000 workers are normally employed in the mills affected. This information comes from the chairman of the Portland Labor-Management Committee. The State Unemployment Compensation Committee of Oregon advises that unemployed claimants for relief in the first week of February in Oregon totaled 71,818, a new high peak. The North Pacific Miller's Association informed me that the Philippine Islands area is one of the last remaining important markets for Pacific Northwest wheat and that with the price advantage Canadian millers have, they have jumped their percentage of Philippine business from 21 percent in January 1949 to approximately 55 percent at the present time. As a result the flour mills in my district are being compelled to run on limited shifts or completely close down. A notable instance in Oregon is the Pillsbury Mills at Astoria, Oreg., which has run two units, 6,000 hundredweights, for over 20 years, but now has had to close one unit by reason of lack of export business.

Wheat is perhaps the Northwest's most important crop and the economy of the Northwest is threatened with extinction by the critical loss of the normal markets for wheat farmers and flour processors. This is due in the main to the manipulations of the State Department, Department of Agriculture, Commodity Credit Corporation, and the program of the administration in failing to protect American producers and American workmen against the unjustified, and indefensible operations of foreign purchasers under United States tacit consent or manipulations and to a large extent financed by American dollars. Northwest producers of heavy commodities have suffered materially by the high freight rates which have destroyed substantial eastern markets. Export markets have been destroyed as I have stated because Canada and Australia can undersell the Northwest in the Far East, Central and South America and China by reason of the policy of the State Department and of the United States in failing to accord any protection to the American producers. Under existing law the Government agencies in control have authority to act with reference to these critical problems and to protect the American producers and American workers but they fail to do so as is shown by the correspondence I have included in these remarks. The Federal agencies have refused to provide any protection for export flour sold to foreign countries outside the international wheat agreement or to take any action to meet class 2 export wheat prices of Canada or to take active steps in the development of new markets for American wheat and flour and particularly in the Orient.

On February 16 I wrote to Secretary Brannan, both as Secretary of Agriculture and as Chairman of the Board of the Commodity Credit Corporation with reference to this problem, saying:

> A number of the flour milling concerns in the Northwest and particularly in my congressional district, which includes Portland, Oreg., are deeply concerned and aroused over the conditions that exist with reference to the flour exports of the United States and the low percentage of the American flour finding export market by reason of the heavy shipment from Australia and Canada with which American flour exporters cannot compete under existing conditions. As a result many of these mills have had to curtail their operations. A notable instance is the Pillsbury mills at Astoria, Oreg., which has run two units, 6000 cwts. for over 20 years but now has had to close one unit by reason of lack of export business. In view of the fact that the United States is furnishing American dollars for much of the flour that is being purchased from competitors of American flour mills, it would seem to be indefensible that a program is not put into effect that would save the American flour milling industry. I will be obliged if you will advise me if the Department of Agriculture and particularly the Commodity Credit Corporation will not meet this problem in a forthright manner and save this great industry.

Although it is a month today since my letter was written I have not yet had the courtesy of an acknowledgment.

In view of the fact that a number of Government agencies have to do with this problem and the administration is clothed with sufficient authority and power to give relief I presented the problem not only to the Secretary of State and to the Secretary of Agriculture but I also presented it to Paul G. Hoffman, Administrator of the ECA. I wrote to Administrator Hoffman as follows:

> I represent the Third Congressional District of Oregon in the national Congress, which is the area in which the city of Portland is situated and many of my constituents are engaged in the flour milling industry and all of us in the Northwest, as well as throughout the United States generally, are deeply interested in the critical problem facing these millers by reason of the destruction of their export trade as well as the serious inroads in the domestic trade. The operations of the Federal Government are such that they are materially contributing to this serious problem facing the millers and I am calling it to your attention

in the hope that through the activities of your office, which are contributing to the difficulties of millers, you may be able to modify existing programs or put into effect new programs that will give these American millers the opportunity to participate in the export trade of their products which they formerly enjoyed; much of their competition comes from the use of American dollars supplied through ECA and other United States contributions to foreign countries.

What I have said with reference to the flour milling industry is equally applicable to the lumber industry which is so important in my own district in the Northwest. I have been advised that the Commercial Bulletin of Boston in its last Saturday's report states that the production of Canadian lumber for the year 1949 is estimated to be 5,250,000,000 board feet of which 31 percent or 1,627,000,000 board feet was exported to the United States. This points up the problem to which I have referred. In reverse, American lumber exporters are finding their export market absorbed by competition from purchases made with American tax dollars and in addition are having the domestic market flooded by importations from abroad. This same program is likewise helping to bring about the unfortunate potato surplus situation facing us. Imported Canadian potatoes are underselling the American grown products resulting in heavy expenditures by the United States in the support program.

I will appreciate it if you will advise me with respect to the problems facing our millers and lumbermen and what remedies you have to suggest.

The Deputy Administrator of ECA, William Foster, on February 27, acknowledged receipt of my communication advising that a detailed reply would be given me in the near future. Thus far I have received no further communication from ECA.

The problem, however, is so acute and of such an emergency nature and is resulting in so much hardship to the economy of the Northwest and the district that I represent that I feel that immediate steps should be taken to afford relief to our own American people. We have sent overseas more than 30 billions of dollars since the war ended to help foreign countries, some of which were our enemies in the last war and others may be our potential enemies in a third world war, which, God grant, may never take place. For our own people here at home who are tax-ridden to the point of desperation, justice demands that some steps be taken to protect their interests, and particularly the great segment of our Nation engaged in agriculture and the lumbering and flour milling industries. If the Administration and the various agencies concerned with these problems continue to take a negative position so far as America is concerned, devoting their energies and protection to the relief of foreign countries to the exclusion of American interests, the time will soon come when the economy of America will not be able to meet our commitments overseas.

Mr. Speaker, I most sincerely urge that all of us here in the Congress who are concerned with the protection of American industries and American laborers join hands in this problem to afford relief to our own people, both industry and labor, before it is too late.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. CARROLL. I would like to associate myself with the remarks of the gentleman from Colorado [Mr. HILL]. It is extremely important for every Member to have a clear understanding of the situation faced by the wheat farmers in Colorado and neighboring States today.

In these States, and particularly in Colorado, the acreage planted in wheat increased tremendously during the war years and the period immediately following the war. This acreage increase was encouraged by the Department of Agriculture because of the great need for wheat here and abroad. Now we are faced with a condition of surplus rather than shortage. The dry-land wheat farmer is realistic enough to realize that acreage adjustments must be made, but he cannot make these adjustments too rapidly or too drastically without facing economic ruin.

Immediately after the war hundreds of veterans returned to these States and began wheat farming. These veterans desire to settle permanently on the land. They are interested in following sound conservation practices so that the land will remain productive for decades to come.

Last year the Department of Agriculture originally proposed a wheat-acreage reduction which would have cut production on many of these farms in Colorado and neighboring States as much as 80 percent. The estimated loss to the economy of Colorado alone if that formula had been applied would have been $35,000,000.

The proposed reduction would have been much more drastic in Colorado and the other new wheat States than in the States which have been large producers of wheat for many years. This was true because the acreage allotment was based on a 10-year history of wheat plantings, and in Colorado there are many thousands of acres which have been planted in wheat only for the past few years.

Last year, we were successful in adding the so-called summer fallow amendment to the law. This amendment took into account the special problems of the new wheat States, and authorized additional acreages in these States to farmers who followed proper summer fallowing practices.

The amendment added to the law last year had the effect of increasing wheat acreage by about four and one-half million acres above the allotment which would have been in effect otherwise. This was considerably more than we had anticipated. The increase over the estimates was a result of an interpretation of the term "summer fallowing" to include the regular crop rotation practices followed in many parts of the Nation. I do not believe this was the intent of the authors of the amendment.

Notwithstanding this broad interpretation of the amendment, Department of Agriculture figures show that the summer fallow amendment actually had the effect of decreasing total wheat plantings throughout the Nation, rather than increasing them.

The reason for this is obvious. If a wheat farmer is required to reduce his acreage 70 or 80 percent in order to obtain government price support, he is faced with two alternatives. He may reduce his acreage and virtually go out of business. That is one alternative. The other is for him to forego price supports entirely, plant all his land to wheat, and take his chances on the open market when the time comes for him to sell his product.

From my conversations with wheat farmers, I am convinced that nearly all of them wish to comply with the acreage allotments, if the allotments are reasonable. If the allotments are not reasonable, however, farmers will not comply, and we can hardly blame them for such action. So long as the government supports the price of wheat produced in compliance, the non-complying farmer has a good chance of selling his wheat on the open market at a price fairly close to the support price.

As a result, unreasonable reductions in the acreage allotments actually tend to increase the total wheat production, rather than hold it within limits.

A provision continuing the summer fallow amendment on a modified basis was added to the bill now before us in the Senate. This provision, introduced by the Senators from Colorado, would have added about 1,700,000 acres to the total wheat allotment throughout the Nation, in comparison with 4,500,000 acres last year. It would have continued the policy of a gradual cut-back in wheat acreage which was established by the Congress last year.

It is regrettable that the conference committee failed to accept the summer fallow amendment which was approved by the Senate. The amendment would have brought desperately needed relief to the dry-land wheat farmers. In addition, it would have encouraged the use of sound soil-conservation practices, and undoubtedly would have resulted in an over-all reduction in the total of acres planted to wheat.

I was pleased to note the assurance given by the gentleman from Kansas [Mr. HOPE] in this debate that the Committee on Agriculture plans to report a separate wheat bill which will give consideration to the special problems of the wheat farmers in Colorado and neighboring States. These farmers are ready and willing to go along with a program of gradual reduction of their acreages, but they cannot accept reductions which would mean virtual annihilation for this entire segment of our western economy.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. COOLEY. Mr. Speaker, I yield the gentleman from Colorado one additional minute.

Mr. HILL. I may say to the gentleman from Colorado [Mr. CARROLL] that not only will there be that economic loss to the State, but the Federal Government will lose plenty in the matter of tax collections. Let me say, however, that I am 100 percent in support of this committee's report. And let me say to Members from the sidewalks of New York and other large cities who think that limiting acreage is going to take care of the situation and get you cheap food prices, that you are all wrong. You talk about cutting the cotton acreage from 46,000,000 acres down to 21,000,000—that is right,

from 46 to 21; and you conclude that the same situation applies in wheat. Let me remind you that we had a billion-bushel wheat crop way back in 1915. You cannot cut back your wheat crop—listen to this, some of you folks from the city areas—you cannot cut back your wheat crop and get cheap bread. The only way on earth that you can have cheap food is to have good crops. We must learn to live with surpluses—they should become a part of our supplies—cheap food can be supplied only when we have good crops.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Speaker, as I understand, this legislation as it left the floor of the House contained provisions dealing only with cotton and peanuts. That was brought about because of the application of the law that we passed a year ago having produced certain inequities, some serious inequities in various places. It was our intention only, so far as the House was concerned, not to increase the acreage of cotton or peanuts, but simply that we were in the position of having to do something about inequities. We corrected the inequities. As I understand, this bill comes back to us reducing even the acreage we agreed to when the bill was before the House originally by at least 200,000 acres. Is that correct?

Mr. COOLEY. The gentleman is correct.

Mr. GRANGER. That is the situation as I understand it so far as peanuts and cotton are concerned; and the House has already acted on that matter before. The question now comes, as I read the conference report, of doing something affirmatively in the disposition of the surpluses we have in that we provide that freight may be paid on potatoes to distribute them to welfare agencies. Is that right?

Mr. COOLEY. The gentleman is correct; and, may I say further, that anyone concerned about the potato situation should give consideration to the fact that if you vote against this bill you are voting to maintain the status quo with respect to the potato program; whereas, if you vote for it you do something in the direction of eliminating culls from the market and in controlling the flow in commerce.

Mr. GRANGER. That is right. Then for 1951 we have something affirmative and that is we provide they will be brought under acreage control; is that right?

Mr. COOLEY. In 1951.

Mr. GRANGER. 1951.

Mr. COOLEY. In 1950 we bring them under marketing agreements and in 1951 under maketing quotas.

Mr. GRANGER. This provides that even in 1950 the Secretary is clothed with authority to improve the situation as it exists today. Therefore, if you vote against the conference report you certainly will not be voting in the interest of economy and in the interest of bettering the potato situation.

The SPEAKER. The time of the gentleman from Utah has expired.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, it is my understanding that this law does not apply to sweetpotatoes at all?

Mr. COOLEY. That is correct.

Mr. RANKIN. Mr. Speaker, I want to say also that in my opinion Congress is starting off on a very dangerous program of regimenting the farmers of this country. The result, I fear, will be to drive many small farmers from their fields.

I shall vote to recommit this bill, in the hope that the conferees may work out a better solution, one that will protect the small farmer, who I fear is being punished by having the acreage reduced to where he cannot make a living, even on his own land.

If Congress is going to do anything at all about limiting acreage, you should require reduction first by those farmers, or planters, who have been planting all of their land in cotton and not diversifying at all.

From my viewpoint, it is an outrage to take these small farmers who have been diversifying throughout the years, and who have reduced their cotton acreage to the irreducible minimum, and whose land is not as rich as it is in some other areas—it is an outrage to come along now and force them to reduce their acreage still further, thereby depriving them of an opportunity of raising a sufficient amount of cotton to meet their obligations, without requiring the ones who have never diversified to follow their example, and diversify accordingly.

As I have said before, I believe this program has held the price of cotton down instead of holding it up, because the Government has been able to hold over the market the millions of bales of cotton now in its possession. If cotton had risen to its normal level, in my opinion, the farmers would have got more than double what they have received for their cotton during the last few years.

I hope this bill is recommitted and that the conferees will work out a more sane solution of this vital problem.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Speaker, just a few minutes ago the gentleman from North Carolina [Mr. BARDEN] described a situation which exists with respect to cotton. The same condition exists with respect to rice that he described. May I point out also that there are bills introduced on this side of the aisle providing for the disposition of surplus Irish potatoes and other surplus commodities. I introduced two, one on February 2, 1950, H. R. 7134, and another one on March 3, House Joint Resolution 430.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, I want to bring to the attention of the membership something that has been absolutely omitted from this discussion. There is a human problem involved here that we cannot escape. When you reduce the cotton acreage from 46,000,000 down to 21,000,000 acres that is a cut of more than 50 percent. When you leave it there you have eliminated, not the owners of the land, nor the proprietors who farm it, but the workers who have been taught for generations nothing but the raising of cotton, and you will require the dispossession of more than half of the agricultural labor from their homes. They are the displaced persons who should be our first concern. These 3,000,000 people must go somewhere. The answer is: They will be forced onto relief rolls. They will sit down in your laps.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. MARSALIS].

Mr. MARSALIS. Mr. Speaker, it is very disappointing that the conferees in their conference concerning House Joint Resolution 398 saw fit to remove the wheat amendment adopted by the other body. This amendment was similar to section 5, Public Law 272, which was passed at the first session of the Eighty-first Congress and which the Department of Agriculture admits was a good law to the extent that had it not been enacted something over a half million additional acres would have been planted to wheat that were not planted. The wheat farmers in Colorado complied well with this amendment and had it been adopted earlier in the last session I think compliance would have been complete.

During the recent war a large portion of the eastern part of my district, at the request of the Government, was planted to wheat. Formerly it had been used as grazing land, having a good stand of buffalo and other natural grasses. The soil proved well adapted to wheat and the area contributed much toward helping to supply that commodity during the shortage that existed during the war and for a period thereafter. When surpluses began to accumulate and it was found necessary last year to put into effect acreage allotments, the grain growers of Colorado recognized the necessity but felt that in view of the circumstances they should not be cut more than the national average. However, under the terms of the law as it first existed, without the amendment later adopted, it was found that certain areas of the State not having a sufficient historic basis would be cut in some instances as high as 60 and 70 percent. This would have produced tragic results as these lands could not be reconverted to grass and therefore the owners had no other cash crops these dry lands could sustain. It would take years to obtain a sufficient stand of grass to again support grazing of cattle.

The amendment provided that no one would be entitled to the extra consideration that did not comply with soil conservation practices, including summer fallow. As I said, it worked extremely well and actually considerably less wheat was sown than expected as many of the farmers not previously doing so con-

verted a part of their land into summer fallow.

It has been stated that the subcommittee will continue consideration of a wheat bill and will try to work out a suitable formula whereby the wheat growers in the eastern section of Colorado and in other places similarly situated will not be unduly penalized by acreage allotments.

I am most hopeful that the Agriculture Committee will bring forth a bill doing justice to those wheat growers that face ruin otherwise, and that the Congress will recognize the fairness of such a bill.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Maine [Mr. FELLOWS].

Mr. FELLOWS. Mr. Speaker, the reason why we have these rules and regulations with reference to acreage allotments, or even agreements, or marketing quotas, is because there is a surplus of some given commodity, as an existing fact or a reasonable probability.

How can anybody make a workable plan having to do with potatoes or any other commodity—a plan which is predicated upon curtailment of acreage, allotments of acreage, or even marketing quotas—as long as, under the Reciprocal Trade Agreements, Canada can supply the surplus of 20,000,000 bushels, more or less, which throws out of balance the entire economy and the effectiveness of any plan?

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Speaker, I have before me a letter from a welfare worker in my district in which she states there is an elderly pensioner who was planting 8 acres of cotton last year and she says his cotton acreage has been reduced to two-tenths of 1 acre. Of course, his pension will have to be increased.

I have here a letter sent out on March 11 by the Production and Marketing Administration office in my home county. It states to a farmer:

> We have had so many applications filed for new 1950 cotton allotments, and have only a small acreage set aside for new allotments, that your cotton allotment will factor out less than 2 acres.

I submit to the membership of this House that there are thousands of such cases in this country and although you have been told repeatedly that no one is going to be cut less than 5 acres, that still does not obtain. In my opinion more of you will hear about the types of letters I am referring to. Mr. Green, who got the letter saying he would have less than 2 acres, states to me:

> I am enclosing the answer to the application that I made. Now, as you know, I have grown cotton all my life and if I can't plant cotton now, I will be forced off the farm in order to pay for my place and make a living.

The previous statement was:

> I would like to have some advice on this cotton program. In 1948 I bought a place of 33 acres for my home.

He is given less than 2 acres of cotton. He has grown cotton all of his life. If you feel that is justice to the small farmer, I think you have another thought coming. I have said all along the farm program must be modified to make it fairer to the family-size farms if it, the farm program, is to endure.

STATE DEPARTMENT OF PUBLIC WELFARE,
Gladewater, Tex., February 23, 1950.

Hon. LINDLEY BECKWORTH,
Member, Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: I would like to have some information on the AAA program. In my work I will probably have dealings with it.

I am interested in one case in particular where a man is farming and trying to help himself. He made 2 bales of cotton last year on 8 acres of land. This is the first time cotton has been raised there in several years. He made a net profit of $155. They tell him now that since cotton was not raised there in 1946–47–48 that he will only be allowed two-tenths of 1 acre, of cotton, not enough to pay him to plant any cotton at all. His old-age assistance will have to be raised to take care of this.

Please send me what information you can.

Yours very truly,
MARTHA H. ABBOTT,
Field Worker.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Gilmer, Tex., March 11, 1950.

JAMES E. GREEN,
Gilmer, Tex.

DEAR PRODUCER: This is in reference to your application filed for a new 1950 cotton acreage allotment.

We have had so many applications filed for new 1950 cotton allotments, and have only a small acreage set aside for new allotments, that your cotton allotment will factor out less than 2 acres. What this Office would like to know at once, and not later than Wednesday, March 15, 1950, is whether you would want that small cotton acreage allotment. Please reply either in person or by letter by Wednesday, March 15, 1950.

This office does not want to set up allotments on new farms if they will not use the small acreage. All new allotments are going to be very small.

Thanking you for your cooperation.

Very truly yours,
LEWIS E. STRACENER, Jr.,
Administrative Officer, Upshur County PMA.

GILMER, TEX., *March 14, 1950.*

Hon. LINDLEY BECKWORTH.

DEAR SIR: I would like to have some advice on this cotton program. In 1948 I bought a place of 33 acres for my home. This place had no cotton on it in the years required in the program. I made application for a cotton allotment of 4 acres. I am enclosing the answer to the application that I made. Now, as you know, I have grown cotton all my life and if I can't plant cotton now, I will be forced off the farm in order to pay for my place and make a living.

So will you please advise me at once in the matter. You will remember me as J. E. Green of the Little Mound Community.

J. E. GREEN.

Mr. Speaker, please note what is said about conserving soil in connection with allotments:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 9, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This acknowledges your letter of February 21, 1950, regarding soil conservation practices necessary in order for a person to sell a farm commodity at the Government parity price.

It is not required that soil conservation practices be carried out in order that producers may obtain price support on any commodity for which such price support is available. It is necessary for the producer to comply with restrictions on the acreage planted to the commodity in order to be eligible to participate in the price-support program. The maximum level of price support is, however, 90 percent of the parity price, rather than the full parity price.

Sincerely yours,
K. T. HUTCHINSON,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., March 2, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This refers to your letter of February 21 addressed to Mr. E. A. Miller of the Extension Service in which you asked to be advised of the various soil conservation practices a farmer must perform in order to be eligible for Government price support on cotton.

There are no conservation practices that must be carried out on a farm in order for such farm to be eligible for Government price support on cotton. A farmer's eligibility for price support on cotton is determined on the basis of whether the acreage planted to cotton is within the farm cotton allotment. On any farm where the acreage planted to cotton is within the farm allotment, all cotton produced is eligible for the price support.

Very truly yours,
B. F. VANCE,
Chairman, State PMA Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington, D. C., March 1, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of February 21, 1950, in which you inquired concerning soil-conservation practices which a person must carry out in order to sell his cotton at the Government parity price.

The regulations with respect to acreage allotments or marketing quotas for cotton, wheat, and other crops do not require a farmer to carry out conservation practices in order to be eligible for the Government support price on the commodities which he produces. A farmer is eligible for the full support price for these commodities if he plants within his acreage allotments.

Sincerely yours,
RALPH S. TRIGG,
Administrator.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D. C., February 10, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,

DEAR MR. BECKWORTH: In reply to your telephone request of yesterday, it seems to me that it would be only fair and just in arriving at cotton-acreage allotments—and allotments with respect to other clean-tilled crops—to give reasonable consideration to those farms where a considerable reduction in acreage has already been made as a part of the soil-conservation work carried out by a farmer.

In the letter you sent down from Mr. J. O. Wafe, of Celina, Tex., dated February 2, 1950, the point was made that while he was quite satisfied with his own allotment, he had seen

many farms where it appeared that the land was being very largely used for clean-tilled crops.

I have not yet had the opportunity to check recent legislative acts pertaining to acreage shifts and allotments, so that what I have to say at the moment represents my general conviction without any exhaustive study of the matter or examination of departmental ideas and policies.

I know that the Government—everybody—benefits from sound soil conservation, such as that now being done through the technical assistance the Soil Conservation Service is providing 2,148 local soil-conservation districts in the country. I don't mean that benefits are not being derived from other conservation sources. Federal and State, but I am better acquainted with the details of the work the Soil Conservation Service is doing.

With painstaking care we have helped the farmers make scientific conservation plans for their farms, and then have helped them apply the conservation measures included in these plans to their lands, according to the kind and needs of their lands, as determined by slope, condition of the land, soil, susceptibility to erosion, drainage conditions, etc. This is a job which is done scientifically; it has been applied thus far to approximately 120,000,000 acres throughout the country, and an additional large acreage has been scientifically planned. All of the work is based on carefully made physical land surveys. So, when we recommend to farmers that certain areas of their land be shifted from clean tillage to rotational cropping, including soil-improving grasses and legumes, or to permanent grass or trees, we are perfectly sure, and the farmers are satisfied, that the recommendations have been properly carried out.

Everybody benefits, including the Nation, and to repeat: It does seem to me that if it is at all possible to give some recognition to what has already been done in the way of acreage shifts in the interest of sound soil conservation, it should be used in determining farm acreage allotments. I can understand that this might involve somewhat closer scrutiny than would be required by an over-all, fixed percentage reduction. But it does seem that in spite of what might be considered administrative difficulties, some workable way should be developed which would give credit for a good job of conservation land-use adjustment already done by a farmer.

If we can help further, we will be glad to do so. I am returning your letter from Mr. Wafe.

Sincerely,

H. H. BENNETT, *Chief.*

CELINA, TEX., *February 2, 1950.*

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington.

DEAR MR. BECKWORTH: I have received the letter you received from Mr. B. T. Vance of College Station. I am ready to admit that my allotment is very liberal as a general rule among small farmers. But some have about as much as usual, and claim it is be cause they do not sow any wheat. That is the general plea. What has sowing wheat got to do with reducing cotton acreage. On my way to Knoxville, Tenn., last May I crossed eastern Arkansas. It seemed all in cotton, not 1 acre in corn that I saw. Thousands of acres in cotton. I crossed the north end of Mississippi all the way and I didn't see one single acre that I thought corn and I think I know corn. And north Alabama looked about the same. It seems like somebody as well as south and west Texas is raising too much cotton.

Sorry to bother you and take up so much of your valuable time. I feel sure you are doing your best to see that all of the small farmers get their just dues as well as myself for which I sure thank you. I am sending other record under separate cover.

J. O. WAFE.

P. S.—Any service I can be to you, command me; will gladly do all I can.—J. O.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 8, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of December 29, 1949, which was written on the bottom of our letter to you dated December 20, 1949, and to your letter dated December 5, 1949, regarding the establishment of cotton-acreage allotments for farms.

As we explained in our letter to you of December 20, 1949, there are many factors which may influence the size of a 1950 farm cotton-acreage allotment. Any attempt to take a hypothetical example and convert it into a statement of fact as to the size of a 1950 cotton-acreage allotment for an actual farm might be misleading. Consequently, we cannot say with certainty what the size of an allotment would be for a farm such as described in your letter of December 5, 1949, irrespective of the location of the farm.

Sincerely yours,

K. T. HUTCHINSON,
Assistant Secretary.

DEPARTMENT OF AGRICULTURE,
December 20, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: Your letter dated December 5, addressed to Dr. Bennett, Chief, Soil Conservation Service, in which you requested information regarding the establishment of a cotton acreage allotment for a farm on which cotton was planted on 100 acres of land for each of the last 10 years, has been referred to this office for attention and reply.

The Agricultural Adjustment Act of 1938, as amended, including amendments under Public Laws 272 and 439, Eighty-first Congress, does not provide any authority to reduce the 1950 cotton acreage allotment established under the provisions of that act so as to penalize a farm because of the operator's failure to carry out diversified cropping practices over the past 10 years. Insofar as the amount of the cotton acreage allotment established for this farm is concerned, many factors which affect the size of the allotment must be considered in determining the allotment.

The size of the farm cotton acreage allotment is influenced by the amount of the county allotments, the acreage of cotton and cropland on the farm and on other cotton farms in the county, the specified crops to be excluded from cropland on the farm and on other farms in the county in determining cotton allotments, any adjustment in the allotment which might be made by the county committee or any increase in the allotment to meet the minimum allotment provisions. The cotton acreage allotment for the farm referred to in your letter will vary between counties and within the county depending on the size of the uniform county percentage applied in accordance with the provisions of the law which varies considerably between counties in the Delta areas and depending on the adjustment in the farm acreage allotments by the county committee from the county acreage reserves. Therefore, unless we know the location and identity of the farm in question we cannot furnish the information requested in your letter.

County committees in all counties have made the necessary computations in determining farm cotton allotments and farm operators have been advised of the cotton acreage allotments established for their farms.

Very truly yours,

RALPH S. TRIGG,
Administrator.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D. C., December 21, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: We have your letter of December 17 inquiring about payments for pasture work.

The Soil Conservation Service extends technical aid to farmers in soil conservation districts upon request. It does not make any conservation payments. Such payments are handled by the Agricultural Conservation Programs Branch of the Production and Marketing Administration. We are, therefore, referring this matter to Mr. A. V. McCormack, Director of that division, for attention.

Sincerely,

F. J. HOPKINS,
Acting Chief.

Mr. Speaker, please note who can vote in 1950:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 10, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This acknowledges your letter of January 28 regarding the effects on the 1951 cotton acreage allotment for a farm from which the 1950 allotment was released under the provisions of H. J. Res. 398.

In view of the large number of variables entering into the determination of farm acreage allotments for cotton it is not possible to determine how the 1951 cotton acreage allotment for a farm may be affected where the operator released the entire 1950 allotment for reapportionment to other farms under the provisions of H. J. Res. 398. This resolution makes no provision for restoring released cotton acreage allotments as a part of the farm cotton history for 1950 after the operator surrendered such acreage.

The following are some of the factors which could result in a change in the farm allotment in 1951 from 1950:

1. Assume in the example given in your letter that the farm had a 10-acre cotton history in 1946 and none for 1947 and 1948. Under such circumstances the farm would be ineligible to receive a 1951 allotment on the basis of the provisions in the law for old cotton farms because cotton was not planted or regarded as planted on the farm in 1947, 1948 or 1950. However, the county committee may establish an allotment for cotton under the provisions of the law for new cotton farms.

2. Assume that the highest acreage planted or regarded as planted to cotton on the farm was in 1946 and that the 1950 allotment was limited to such highest acreage of cotton, the 1951 allotment for the farm would be reduced to the highest acreage planted or regarded as planted to cotton in 1947–48 unless the county committee made an adjustment from the county acreage reserve.

3. It is not likely that the 1951 county cropland factor will remain the same as the 1950 factor in a large number of counties. In many counties such factor will be reduced considerably because 1950 new cotton farms will be considered as old cotton farms in 1951 and the 1951 allotments for such new 1950 farms apportioned from the county allotment on the basis as for other old cotton farms in the county. In counties where a

considerable number of 1950 new farm allotments were established the 1951 county cropland factor will be reduced and, therefore, the 1951 allotments for 1950 old farms will be reduced accordingly. On the other hand, where a considerable number of 1950 old cotton farms lose eligibility for cotton allotments in 1951, it is conceivable that the county factor will be increased thereby increasing allotments for 1951 farms. Therefore, even if the farm allotment is not affected by conditions under (1) or (2) above, the 1951 allotment may be reduced or increased with respect to the 1950 allotment according to the change in the county cropland factor.

4. Since the county committee may reserve not in excess of 15 percent of the county allotment for making adjustments in farm allotments and for establishing new farm allotments, there is no way to predict what adjustment may be made by the committee in the 1951 farm allotment or what allotment may be established for the farm in the event it becomes necessary to establish a new farm allotment for it.

There are a number of other important factors which may cause changes in the farm allotment for 1951. It is believed, however, that the factors outlined above will show that we could not definitely state at this time how the 1951 farm allotment may be affected by the release and reapportionment provisions of House Joint Resolution 398.

Public Law 272, Eighty-first Congress, provides that, following the issuance of a marketing quota proclamation, the Secretary shall conduct a referendum of farmers engaged in the production of cotton in the calendar year in which the referendum is held. According to this provision, if marketing quotas are proclaimed for the 1951 crop of cotton, a farmer who was not actually engaged in the production of cotton in 1950 would not be eligible to vote in the referendum affecting the 1951 crop.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

RUSK, TEX., *February 13, 1950.*

Representative LINDLEY BECKWORTH,
Washington, D. C.

MY DEAR REPRESENTATIVE: I want to write you a few lines to testify about this small farmer (cotton-farmer allotments) and also thank you many times for your effort you have been trying to give us "poor one horse begging for 5-acre farmers."

I'm a War II veteran partly disabled. Just a one-horse farmer. "Life-time farmer." Lease my land, 75 acres, about 35 acres of cultivable land. Due to my disability I've only cultivated a few acres the past 5 years except last year I grew 6 acres of cotton so this year I only allowed nine-tenths of a acre. But this is only a small situation as it is this way all around me. Lots haven't even got any yet, all grew cotton last year. So I turned in my nine-tenths acre. They said I could sign up as a new grower and get 5 acres. But the 5 acres have never been given yet. There has been several hundred farmers here in Cherokee County to sign up hoping to get just 5 acres. The AAA office has been crowded with poor farmers, both white and Negroes. Just the same as begging to get just as many as 5 acres. If they could. These men that has crowded the AAA offices may in my way of seeing things be crowding a WPA line one of these days or years, following all of this. The banks have already turned thumbs down on all farmers or most all that couldn't get any cotton allotment. As they know truck corps won't pay this year. This is how I think about all of this. These that has been able to get large allotments both in this county and in all counties and all States. Nine out of every ten of them has plenty a good living without growing cotton. Most of them owns a lot of land and stock and over half of it worked and harvested by hired labor. But it is different with us 5-acre farmers. Nine out of ten don't own very fine stock at all. Just have to work very hard labor to get bread and a few clothes for our families. You can take the 4-H Clubs and FFA. I think they are a good thing. But you know it to be a fact there is not one winner out of hundred in live stock that is a poor farm boys. Their dads own large farms and ranches or either live in town with good jobs. I like to see people own lots, but I hate to see people try to root the 5-acre farmers out. They got to live also. Most of them has the largest families to care for.

Well, I'm proud we have a Representative just like you to represent the poor people. Here's hoping there will be something done to help the small farmers.

Very sincerely,

HARLAND SHUPTRINE.

DEPARTMENT OF AGRICULTURE,
February 3, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter dated January 14, 1950, regarding the extent to which the several Cotton States set aside the maximum State cotton acreage reserves provided by Public Law 272, Eighty-first Congress.

We are enclosing a copy of the Regulations Pertaining to Acreage Allotments and Marketing Quotas for the 1950 Crop of Cotton. The act specifically set forth that the State committees may reserve not to exceed 10 percent of the State acreage allotment for certain specified adjustment. Therefore, the Department did not attempt to tell the State committees what percentage reserve they should withhold.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 23, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of February 7 concerning black-eye peas and black-eye beans. Dry black eyes, whether called peas or beans, were supported in 1943 and 1944. Neither will be supported in 1950.

Black eyes in the South are considered more perishable than others principally because of the difference in climate. Also, most warehouse facilities in other areas are better equipped to cope with insect infestation in black eyes.

Sincerely yours,

A. J. LOVELAND,
Acting Secretary.

EAST TEXAS AGRICULTURAL COUNCIL,
Tyler, Tex., February 4, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR LINDLEY: I am enclosing two responses that I have had thus far from county PMA committees on proposed amendments to the cotton-acreage-allotment program. I note in the paper where some pretty definite action is being taken there, so am passing this on for whatever it is worth without waiting until we get responses from the other counties.

Very truly yours,

C. R. HEATON,
Director.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Gilmer, Tex., January 28, 1950.

Mr. C. R. HEATON,
Director, East Texas Agricultural Council, Tyler, Tex.

DEAR MR. HEATON: This is in reply to your letter dated January 27, 1950, addressed to Lewis E. Stracener, Jr., secretary of Upshur County PMA, Gilmer, Tex.

We heartily endorse the proposed amendment to the cotton-acreage-allotment law, permitting cotton allotments being set up, based on a minimum of 20 per cent of the cropland of the farm for all farms desiring to plant cotton in 1950, those farms that have not grown cotton during the base period.

An amendment based on the above proposal would be much better than what we now have. 1950 allotments for Upshur County were set up on a 0.1239 percent of the cropland, with only 250 acres for new growers. This county is expecting 500 new growers to file application for a 1950 cotton allotment that have no allotment set up for farms.

Very truly yours,

W. B. HOLLINSHEAD,
R. L. WHITE,
E. C. PALMER,
Member of Upshur County PMA Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Carthage, Tex., January 31, 1950.

Mr. C. R. HEATON,
Director, Agricultural Council,
Chamber of Commerce, Tyler, Tex.

DEAR MR. HEATON: Thank you for your letter of the 27th expressing concern of the cotton-allotment program as it affects east Texas. Certainly cotton farmers are in a very bad position under the present circumstances. No one knows better than the county PMA committees.

Our percent of cropland for history farms is only 0.1398 percent, which is considerably less than the 20 percent figure you mention for new growers.

The Panola County Committee would like an amendment as follows:

"Irrespective of the allotment established on a history farm such allotment shall not be less than 70 percent of the average acreage planted to cotton in 1946, 1947, and 1948 (as reported by the farmer) provided this such figure does not exceed 30 percent of the cropland on the farm.

"Cotton acreage shall be available for new grower farms on the basis of one-half the county factor (15 percent of the cropland).

"Any operator on a farm having a cotton allotment shall be privileged to surrender such allotment to the county committee for reapportionment to other farms in the county."

Mr. Heaton, the above would help very much in this county, and would not take too much acreage. Unless some relief is given, the income of east Texas farmers will be reduced by 50 or 75 percent.

Be assured of our sincere appreciation for your interest in this program and advise when we can be of further assistance.

Yours very truly,

T. L. VINCENT,
Secretary PMA, Panola County.

L. S. GREADY COTTON WAREHOUSE,
Wills Point, Tex., February 14, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR LINDLEY: I thank you for the copy of letter to all members of the cotton subcommittee, and your suggestion to have someone from our section to testify. It is important, as you know, that testimony be

given as to how drastic the cut in the cotton acreage is on many farms in this section.

I talked to Roy, our mutual friend R. W. Curtis, and there is a plan to have a farm owner and cotton grower testify and there is a good chance to get this done.

Even though I am not a cotton grower, my work is directly with and dependent on the cotton farmer and has been for over 30 years, and I am concerned with his welfare, and that a fair and proper adjustment be made in the cotton acreage allotment, on many of the farms on which the cotton acreage has been reduced, to the extent that it will be difficult for these farms to be worked.

There are some very serious conditions in connection with the operation of the cotton warehouses. Also some personal matters, on which I need your advice, but it will be necessary to make a trip to New Orleans first and will then write you.

With every good wish, I am,

Sincerely,

L. S. GREADY.

P. S.—I am returning herewith the copy of letter which you sent to me.

ROBERTS IMPLEMENT CO.,
Carthage, Tex., February 13, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR LINDLEY: I am returning the correspondence as requested and thanks for letting me read it. I have waited this long to return it hoping I would have someone located who would be willing to appear before the committee. So far have failed to locate anybody.

My interest is twofold in that I am a retailer of farm machinery as well as a farmer. I can afford to lose what I stand to lose from actually planting cotton more than I can from the loss of business caused by cotton allotments. I had tentative orders for over $50,000 worth of farm equipment which were placed with us last fall, but after the acreage was set up as it was we can just wipe those orders off the books.

When we are hurt the groceryman, and every other merchant is hurt likewise. It just means taking that much business out of Carthage. There is one angle I do not like about the whole thing and that is this. In so many words it tells any man who would like to farm that has never farmed before that he can not. I just wonder if the Miners Union would bar any man from joining the union to mine coal just because he did not mine coal in 1946, 1947, or 1948? Are we getting to the place where we are to be told just what we can do for a living and what we can not do? If I can produce a garden hoe as cheap as the next man am I barred because I did not make garden hoes the last 3 or 4 years?

When we tell any man he can not raise cotton and not give him any, say in the voting on allotments, because he was not farming prior to 1949, then we are getting into very deep water. To me there has been far too much time and money wasted in trying to keep the Democrats in Washington instead of trying to cure this country of its ills.

In connection with this statement I want to say that you are one of the few that I know of that has gone all out for the people who elected you. I try keeping up with what goes on on Capitol Hill and in most all instances you and I see eye for eye. That does not mean that you are smart in every mans books just because you think like I do for I am wrong in many cases but it does cause me to have more faith in you and how my business is going to be locked after up there.

There is another matter which I think needs some immediate attention and that is the excise taxes. Taxes on such items as tires which in many cases are not luxuries is beyond me. Many people depend on a car for a living and the car cannot go without tires so wherein are they luxuries? For me the law can be stricken off the books. There are many people who also think as I do.

It is true that they bring much money which is needed to run this country but until some of the waste is stopped I am afraid we will not be in a position to buy tires much longer anyway. I had in mind just a short note but if I go much further I will end up with a letter so for now I say good luck and that I am for you 100 percent. If I can ever assist you in any way just let me know.

Sincerely yours,

FORREST E. ROBERTS.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Carthage, Tex., March 13, 1950.

DEAR LINDLEY: Have been unable to get any farmers to consider going to Washington on the 20th. They don't know enough of the details of the program. All they know is that allotments are too low and additional acreage is needed. Do hope someone from your district can go. Farmers express very favorable comments on your efforts in this connection. They know you are doing everything possible.

Regards,

TOM VINCENTZ,
Secretary, PMA, Panola County, Tex.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Canton, Tex., February 15, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: In reference to your invitation to send a representative from this county to meet with the agricultural subcommittee during the week of February 20, I wish to advise that unless a specific date could be arranged, we would be unable to send a representative. Please send us further particulars about the hearing and the exact purpose of the hearing.

If this hearing is in regard to reserves set aside for new grower cotton allotments, we wish to give you the following information in regard to this county. Our reserve for new-grower farms is 427 acres. To date we have received 523 applications for new-grower allotments. The total acreage requested on these applications is approximately 4,000 acres. You can see from these figures that the situation is hopeless. Any help you can give on this matter will be greatly appreciated.

M. L. CHEATHAM,
R. W. BROWN,
County Committee,
Van Zandt County PMA.

HENDERSON, TEX., *February 15, 1950.*

DEAR MR. BECKWORTH: I am returning the letter you sent me. I know of no one who would come to the meeting there. I would like to but wouldn't have the money to spare just now for the trip, and, as I am under the care of a doctor, I couldn't stay away long.

Thanks just the same for all the kindness and help you have given us.

FRED HAMILTON.

[From the Wood County Democrat, Quitman, Tex., of February 16, 1950]

A news item states that Congressman BECKWORTH wants an east Texas farmer to testify in Washington before the cotton-quota subcommittee; however, he will be required to pay his own expenses. And what we want to know is who ever heard of an east Texas cotton farmer making enough money to get to Washington on? Evidently Mr. BECKWORTH was thinking about some of those main potato farmers that we have been reading about.

GLADEWATER, TEX., *February 24, 1950.*

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR LINDLEY: I received your mimeographed letter signed by STEPHEN PACE with your added note about sending a representative to testify in our behalf.

Due to the expense of going, and coming, plue expense while in Washington would make it almost impossible for this to ever come about. I have been busy on my job and have not had a chance to seek out others like myself in this area who are confronted with the same situation to tell them of the meeting of the growers during the week of February 20. But after due consideration I felt that they would feel the same as I about the matter.

However, may I again express my thanks to you for your letters, and so forth, and your many courtesies shown me, both personal and on the cotton-quota situation.

Your friend,

W. M. TAYLOR.

P. S.—Hope this finds you folks in good health.

Mr. Speaker, I include some letters and other data about cotton allotments:

CANTON, TEX.,
February 24, 1950.

MR. LINDLEY BECKWORTH: I am writing you to see if you can be of any help to us about getting any cotton acreage on the farm that we are now on. We have 158 acres of land leased. We payed a high price for it and now not 1 acre of cotton have we been allowed on it. How in the world is the little farmer agoing to get by and pay debts if he can't raise something to pay with. It isn't what the little farmer raises it is the big bugs and they are the only ones that is allowed cotton. I know of some that are drawing the old-age assistance that are allowed cotton on their farms. Why they will do anything like that I don't know.

If you can be of any help to us any way of getting any cotton acreage on this place I wish you would do so for we went in debt to buy a gas system and ice box. So if we can't get any cotton acreage well I just don't know how we will make it. The farm that we are on is the Sellman farm here at Canton in Van Zandt County.

If we could just get 12 acres on this place we have the two tracts of land rented. I know that we should get some cotton on them if things are carried on right.

My husband has been to see them time and again and not a word have we heard from them.

Please help us if you can at all.

Mrs. JESSE J. STALEY.

FLINT, TEX., *March 4, 1950.*

DEAR SIR: I am writing in regard to the cotton allotment in Smith County; the AAA tells me there is only 600 acres established for new growers and that 400 farms have applied for allotments.

Now here is the question. I came out of the Army in February of 1946. I went in the Army in June of 1943. When I went in I was 18 years old. I didn't have anything at all when I came out of the Army; ever since that time I have grown a little cotton. I have bought me a farm, which hasn't had any cotton on it, and the AAA seems to think I will be lucky to get any on it. I think I am acting fair when I only ask for 5 acres of cotton of 66 acres of cultivable land. Some men have been allowed 5 acres of cotton and a considerable amount less than that, and if I don't get 5 acres I am going to have to go out of business. Sir, I would

like your suggestions on this matter. I don't know whether you can help me, but I sure hope so. Surely there must be some way I can get help on this matter.

Yours sincerely,

LIONAL A. STEELE.

WASHINGTON, D. C., *March 3, 1950.*

Hon. CHARLES BRANNAN,
Secretary of Agriculture,
Washington, D. C.

DEAR SECRETARY BRANNAN: I quote the pertinent part of a letter I have received from Mr. Lee R. Inman, Route No. 1, Big Sandy, Tex.:

"As you know, I have always been a farmer and always raised cotton. Now the farmers are allotted and for some reasons there is an error here on my main farm. They haven't given me an acre of cotton. I can't live and pay utility bills without some cotton and peanut acreage—the only thing we can sell to raise a little money. We farmers are handicapped. We can't sell potatoes or peas. We can't get anything for our eggs. * * * land owners here around me from 15 to 20 and 25 acres of cotton. The land has been used for pasture for years, the owners are offering now to rent that land to farmers who have been deprived cotton acreage. It's a shame for a land owner to have to go away from home to work cotton. I have talked to many, many farm men who are having to work for wages to make a living and I will have to do the same thing if something isn't done."

Any help you can give Mr. Inman will be appreciated by him. Your suggestions I'll welcome.

Sincerely,

LINDLEY BECKWORTH,
Member of Congress.

EDGEWOOD, TEX., *January 1, 1950.*

DEAR MR. BECKWORTH: I am writing you about the cotton acreage in Van Zandt. Well, LINDLEY, I am asking you about why I am not getting any cotton allotment. They say I will have to sign a new growers agreement to get any allotment. I am not a new grower, for I have been farming for 40 years, and that is why I am not a new grower. I have a farm with 81 acres in it. I can't sign as a new grower. I haven't planted any cotton since 1941, but I have farmed all these years. I will close for this time.

Yours very truly,

M. A. MCCLELLON.

HENDERSON, TEX., *January 30, 1950.*

DEAR MR. BECKWORTH: I am in receipt of your letters regarding my cotton allotment, and I want to thank you so much for your great effort, trying to help me. I am sure you will do all in your power in trying to help get it raised and I can't express how I do appreciate your kindness.

I went to the AAA office this afternoon for first time I have ever been there. I felt so out of place, but I told them my business there, and they told me they could not do anything until they heard further. They said they were supposed to get some extra acres in cotton allotment and they would do what they could since we didn't plant any cotton in 1946, 1947, 1948. My husband had kidney trouble and could not get any help, and he could not pick cotton these late years on account of help and his health. He raised some peanuts, each year they came off in time when he could get a little help. We did have quite a bit of cotton this year on the farm. We rented some acres out and had about 25 or 30 acres planted this year, but part of that was planted late after my husband died and didn't do but very little good, as boll weevils ate it up. I don't know how to go about this, but all I can say, I really need the acreage. It is not small farmers like ourselves that hurts. It is these big farmers that plant more than they can harvest, probably have from 100 to several hundred acres. We always worked for what we had and got it by honest dealing with everyone, and I pray God helps in helping me carry on the business in a fair and honest way.

I do think they could give me more acreage than 8 acres. One man in the office told me they should give me at least 20 acres on a 132-acre farm, but if they don't think I should have it, well it is up to them, but I told them anything they could do to help me would be very highly appreciated.

I want to thank you again from my heart for what you are doing to help me. I am just a poor hard-working woman, but thank God, I have lived a life that I have gained lots and lots of friends and I would not exchange friendship for all the money in the world, for I think good true friends are worth their weight in gold.

May God bless you and yours and help you in all your undertakings.

Thanks lots for everything.

Yours respectfully,

MRS. MARVIN GRAY.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Farwell, Tex., January 28, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
Washington, D. C.

HON. LINDLEY BECKWORTH: Regarding your recent letter about amount of cotton reserved in setting up 1950 cotton allotments and amount of allotment needed:

Question. Did your county cotton committee reserve the full percent you could reserve.

Answer. Yes, so we could make upward adjustments where the cotton committee thought they were deserved and would help the producer entitled to more acreage; however this reserve was not nearly enough to satisfy the need.

Question. Does your county need any additional cotton acreage to keep genuine cotton farmers and genuine cotton tenants farming? How many acres?

Answer. Yes, we are very badly in need of additional acres in the amount of 2,500 acres. We feel it would take this many additional acres to give the cotton farmers of Parmer County more nearly what they deserve.

Sincerely yours,

ROYCE J. CAMP,
Secretary Parmer County Cotton Committee.

WASHINGTON, D. C., *March 4, 1950.*

DEAR SECRETARY BRANNAN: I quote the pertinent part of a letter I have received from Mr. Alf Morris, First National Bank, Winnsboro, Tex.:

"It is really heart rending to talk to these farmers who own 40 or 100 acres of land, and who will be allowed to plant 3, 5, or 8 acres of cotton. Most of them grew hogs and chickens during the war days to help out the food situation, and now with hog prices down, they cannot turn back to their staple crops because of the quota."

Mr. Morris will appreciate any information you can give him.

Sincerely,

LINDLEY BECKWORTH,
Member of Congress.

[From the Washington, D. C., Post of February 2, 1950]

FARM GROUP HITS HOUSE COTTON BILL

America's biggest farm organization, the American Farm Bureau Federation, yesterday came out against a House-approved cotton-acreage bill as too liberal to cotton farmers.

Walter L. Randolph, president of the Alabama Farm Bureau, urged that additional acreage allowed for cotton growers be cut 50 percent.

The bill, which would permit from one and one-half to two and one-half million additional acres to be planted in cotton next year, was designed to take care of so-called hardship cases. Congress last year passed a bill that would reduce the Nation's cotton acreage from 27,000,000 to around 21,000,000 acres this year. Many complaints that the measure was unfair led to the new House bill.

Senator CLINTON P. ANDERSON, Democrat, of New Mexico, one of the authors of the original measure, had Randolph emphasize that "probably" 90 percent of the Nation's cotton growers "are not quarreling" about their allotments.

The same bill would also grant more liberal acreage allotments to peanut growers. Randolph recommended such action, speaking, he said, for himself but not for the National Farm Bureau. Under the Anderson bill, he said, Alabama peanut growers were cut 30 percent; Texas, 28 percent; but nationally the cut averaged only 20 percent.

Representative CECIL F. WHITE, Democrat, of California, opposed any changes in the House bill. In fact, he said, the House bill was not liberal enough.

COLLEGE STATION, TEX., *February 6, 1950.*

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of January 30 in which you enclosed a copy of a letter from Mr. Jim Davidson, Route 5, Box 366, Gilmer, Tex. Mr. Davidson had requested your assistance in securing a cotton allotment for his farm.

From available evidence, it appears that the State and county committees could not establish a Group I cotton allotment for Mr. Davidson's farm because there was no cotton history or war crop credits in one or more of the years 1946–48. Also, it appears that Mr. Davidson has applied to his county committee for a Group II or new farm cotton allotment.

We expect to complete the establishment of Group II farm cotton allotments about March 1, after which Mr. Davidson and all others who have applied timely will be notified by their local county PMA committees.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

COLLEGE STATION, TEX., *February 6, 1950.*

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of January 30 with which you enclosed an exact copy of a letter from Mr. Malvin Cain of the Cain Banking Co., Winnsboro, Tex. Mr. Cain pointed out the problem of financing farming operations for producers whose farms are not eligible for regular or group I cotton and peanut allotments for the 1950 crop year.

It is believed that most of the farms referred to by Mr. Cain are those on which no farming operations were conducted prior to the 1949 crop year since 1942 or 1943. In these instances the operators or owners should apply to their local PMA county committees for group II or new farm allotments. Each county committee has withheld a small portion of the regular county allotment for use in establishing new farm allotments for both cotton and peanuts. It should be pointed out that because of the large number of requests for new farm allotments and the small reserve withheld for for the purpose, group II allotments may be

small when compared with allotments established for group I or regular cotton and peanut farms.

Also, it appears that Mr. Cain overlooks the basic fact that leads to acreage allotments and marketing quotas on cotton and peanuts. Preliminary estimates indicate that we will have about 8,000,000 bales of old-crop cotton carried over to the new cotton marketing year that begins August 1, 1950. This carry-over of cotton is almost equivalent to our domestic need for cotton for a 12-month period. Therefore, as we see it, it is in the interest of the entire cotton industry, as well as in the interest of cotton farmers, to bring cotton production more in line with the need for cotton for domestic and export purposes.

As for peanuts, per capita consumption reached 6.5 pounds during war years when other more expensive foods were rationed. Preliminary estimates for 1949 indicate that per capita consumption of peanuts will be 4 pounds, while the 1950 national acreage allotment for peanuts, if planted, would result in supplies considerably in excess of this amount. Therefore, it can be said that cotton and peanut farmers need to reduce acreage with the assurance of receiving fair prices for production from alloted acreages. There is then little, if any, need for our having additional cotton and peanut farmers producing these crops since it has already been demonstrated that established cotton and peanut farmers can produce in excess of all visible requirements.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., December 5, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives, Congress of the United States, Gladewater, Tex.

DEAR MR. BECKWORTH: This will reply to your memorandum of December 2 with which you enclosed a quotation from the Dallas Morning News of December 1, to the effect that the 1950 national peanut acreage allotment was approximately 20 percent less than the 1949 acreage.

According to available information, the 1950 State peanut acreage allotment will be 451,000 acres as compared with the 1949 State allotment of 625,000 acres. Although we do not have complete data, it is likely that not more than 560,000 acres of peanuts were picked or threshed in Texas from the 1949 crop and, if so, the reduction referred to in the newspaper would be about correct.

The reduction in State allotment will mean that as a general rule 1950 farm peanut allotments will be approximately 30 percent less than the 1949 allotments. This substantial reduction will mean that many small peanut farmers may not have sufficient allotment to justify the growing of peanuts. As a result, many of them will find it necessary to turn to some other crop or livestock enterprise so that they will have some agricultural produce to sell. This step seems desirable in many east Texas counties because of the high cost of production per unit.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

DELAY-HARBER, INC.,
Tyler, Tex., February 9, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
Washington, D. C.

DEAR LINDLEY: Received the CONGRESSIONAL RECORDS and also the correspondence you forwarded to me and have read all of the correspondence and most of the remarks you made in the CONGRESSIONAL RECORD with a great deal of interest. I wish to commend you for your untiring efforts in the behalf of the small farmer of east Texas.

The farmers of Smith County are badly demoralized and are not at all pleased with the way this plan is working and being applied. A large number will be compelled to abandon their farms and seek a living otherwise.

Notice you are having a hearing on February 20. Is this meeting with reference to the distribution of the 1,400,000 acres (additional cotton acreage) covered by a later amendment? If so, in your judgment would it be worth while to send a delegation of farmers and others who are vitally interested from Smith County to Washington to appear before the committee—and would there be any chance to get an increase in the allotment coming to our county—since we feel we are being grossly discriminated against.

One thing I can't understand is the method used to compute the county factor. I construe the 10.6 percent allotment of cultivated lands to cotton in Smith County would make our factor 10—while this varies with counties all over the State—some having more than double this figure.

Under separate cover, I am returning the literature and want to thank you very much for your ever readiness to assist.

With kindest regards, I am,

Sincerely yours,

TOM H. DELAY.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Carthage, Tex., February 8, 1950.

Hon. LINDLEY BECKWORTH,
Representative, Third District of Texas, Washington, D. C.

DEAR MR. BECKWORTH: This will acknowledge your letter of February 4 in which reference was made to correspondence from Mr. Zan R. May, route 2, Joaquin, Tex.

At Mr. May's request and to correct any error that might have occurred we sent a representative from this office to measure the cropland on his farm. We were careful to instruct our employee to measure all the cropland on the farm and were pleased that Mr. May assisted him and apparently was satisfied that all cropland had been included.

The primary reason for Mr. May's small allotment is due not to erroneous cropland measurement but to the small allotment available to the county—only 13.98 percent of the cropland is allowed for cotton. In Mr. May's case this means that for him to get 24 acres of cotton allotment under the law he would need to have approximately 175 acres of cropland; whereas, our records show this to be a 100-acre farm with 51.2 acres of cropland.

I discussed Mr. May's allotment of 7.2 acres with him a few days ago and he has reason to be dissatisfied with his allotment along with several hundred other farmers in this county.

Please assure Mr. May that we are most sympathetic toward his case and willing to help in any way possible, however we have regulations to be followed in establishing allotments and they sometimes work hardships on deserving men such as Mr. May.

I trust that this information will be helpful to you in replying to Mr. May's letter.

Yours very truly,

T. L. VINCENT,
Secretary, Panola County PMA.

LINDLEY BECKWORTH, *Congressman.*

DEAR SIR: I want more acres of land to work on my farm. Last year three renters worked 70 acres on my farm and this year we have been cut to 10 acres.

I, J. C. Gossett, am the owner of this 100 acres of land serial No. E-318. One of my renters turned my cotton acres in without me knowing it and he didn't turn it in right.

I am 84 years old and I am not able to work and that is all I have to live on, is the rent out of my cotton.

I also have to pay taxes on my place out of my rent. With just 10 acres of cotton I just don't see how I can do it. Now cut of 70 acres I don't see why I can't have more than 10 acres.

Please let me hear from you just as soon as possible.

J. C. GOSSETT.

HENDERSON, TEX.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., February 16, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 4 in which you quoted the pertinent portion of a letter from Mr. Alf Morris, First National Bank, Winnsboro, Tex. Mr. Morris had complained regarding small cotton allotments for east Texas farms.

All farm cotton allotments in Texas have been established in strict accordance with regulations and instructions issued by the Secretary of Agriculture. The regulations and instructions represent interpretations of public laws passed by the Congress providing for the establishment of farm acreage allotments and marketing quotas for cotton. The application of the provisions of some of these public laws, of course, has resulted in inequitable farm allotments in many cases.

In recognition of the inequitable farm cotton allotments, the Congress is now considering amendatory cotton legislation which, if enacted into law, would materially increase the allotments for farms with substantial cotton histories during the years 1946–48. I suggest that Mr. Morris be advised of the progress made toward enactment of such legislation so that this information may be passed on to interested farmers.

Very truly yours,

R. T. PRICE,
Executive Officer.

UNITED STATES DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., February 14, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 3 with which you enclosed a copy of a letter from Mr. M. A. McClellon, Route 1, Edgewood, Tex. Mr. McClellon had requested your assistance in securing a cotton allotment for his Van Zandt County farm.

Under existing cotton legislation, State and county PMA Committees are required to establish group I or regular cotton allotments for farms with cotton history in 1946, 1947, or 1948 irrespective of who will operate the farm during the year for which the cotton allotment is being made or irrespective of the cotton production experience of such operator. Similarly, a group II or new farm cotton allotment may be determined for a farm on which there is not cotton history in 1946, 1947, or 1948, irrespective of the cotton production experience of the person who will operate the group II farm in 1950. Therefore, Mr. McClellon should execute an application for a group II cotton allotment for his 81-acre farm and file it with his local county PMA committee promptly if he expects to get a 1950 cotton allotment for the farm.

Very truly yours,

B. F. VANCE,
Chairman State Committee.

UNITED STATES DEPARTMENT
OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., February 14, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of January 24 with which you enclosed a copy of a letter from Mr. E. E. Stone, Route 2, Longview, Tex. Mr. Stone had requested your assistance in securing cotton allotments or larger cotton allotments for his farms in Gregg and Upshur Counties.

We have obtained all of the records for his Gregg County farm and have checked the data used in computing the farm allotment of 13 acres. The allotment has been correctly established in accordance with existing regulations and instructions. As to his farm in Upshur County, there was no cotton history in 1946, 1947, or 1948, with the result that a group I or regular cotton allotment could not be established by that county committee. Mr. Stone should file an application for a group II cotton allotment with the Upshur County committee as soon as possible. We expect to complete the determination of group II cotton allotments soon after March 1, after which Mr. Stone will be advised by the Upshur County committee.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., February 13, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your leter of February 3 with which you enclosed a letter from Mr. W. I. Crew of Grand Saline, Tex. Mr. Crew had complained further regarding the 1950 cotton allotment for his farm and made further reference to amendatory cotton legislation now being considered by the Congress.

According to available information, the farm that he is operating in 1950 was not eligible for a group I or regular cotton allotment since it did not have cotton history in 1946, 1947, or 1948. Therefore, under existing legislation, the farm is eligible only for a group II or new farm cotton allotment. There is, of course, the possibility that amendatory legislation now being considered will result in a larger allotment for his farm than that which can be established under group II allotment instructions.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., February 16, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 7 with which you enclosed a copy of a letter from Mr. M. L. Wallace of Grand Saline, Tex. Mr. Wallace had requested your assistance in securing cotton allotments for two farms that are owned and operated by his son.

As we understand the letter, the two farms were not eligible for group I cotton allotments since there was no cotton history on either farm during the years 1946–48. Also, it appears that Mr. Wallace has applied properly to his county committee for a group II or "new" farm cotton allotment.

We expect to complete the establishment of group I cotton allotments shortly after March 1. Mr. Wallace will be advised by his county committee at that time.

Very truly yours,

R. T. PRICE,
Executive Officer.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., February 16, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 6 with which you enclosed a copy of a letter from Opal R. Adams of Grand Saline, Tex. Mrs. Adams had requested your assistance in securing cotton allotments for the two farms that she plans to operate in 1950.

We have not requested an investigation of the accuracy of the 5-acre cotton allotment that has been established for the farm that Mrs. Adams owns and operates. It is possible that amendatory legislation now being considered by the Congress will result in an increase in this allotment but I cannot state the amount since I do not know the provisions of such legislation.

As to the farm that she is renting, it appears that there was no cotton history during the years 1946, 1947, and 1948 with the result that the county committee could not establish a group I or regular cotton allotment. Therefore, Mrs. Adams should apply to her local county committee for a group II or new farm cotton allotment. We expect to complete the establishment of group II cotton allotments soon after March 1, at which time Mrs. Adams will be advised by her county committee.

Very truly yours,

R. T. PRICE,
Executive Officer.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., February 17, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 10 with which you enclosed a copy of a letter from Mr. L. M. Abbott, of Eustace, Tex. Mr. Abbott had complained about the cotton allotments for his two farms.

It is probable that amendatory cotton legislation now being considered by the Congress will result in an increase in the 5-acre allotment already established for one of his farms. However, any increase is entirely dependent on action taken by the Congress and the provisions of final legislation. As to the other farm, which had no cotton history during the years 1946–48, Mr. Abbott should apply to his local county committee for a group II or new farm cotton allotment. We expect to complete establishment of group II cotton allotments soon after March 1. Mr. Abbott will be advised by his county committee at that time.

Very truly yours,

R. T. PRICE,
Executive Officer.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., February 13, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 4 with regard to my letter of January 30 on the allocation of the 1950 State cotton allotment to our counties. Particular reference is made to the allocation of the county allotment to farms on which such allotment would be planted.

For your information and files, I am attaching a summary of recommendations to revise cotton marketing quota legislation that were made by the Texas State committee to the Department of Agriculture in January of 1949. Many of these recommendations were included in the Department recommendations to the Congress in February, March, and April of 1949. However, Public Law 272, passed by the Eighty-first Congress, does not contain the method of apportioning the county cotton allotment among farms as was recommended by the Texas State committee or the Department of Agriculture.

During its December 1949 meeting the State committee made the following recommendation to the Administrator of the Production and Marketing Administration: That the Secretary's regulations include a provision for the release of all or a part of farm cotton allotments that will not be needed or used, and for the reapportionment of such released acreage by the State and county committees among counties and farms on which there is need for additional allotment.

Very truly yours,

B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
College Station, Tex., February 15, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of January 30 in which you quoted the pertinent part of a letter received from Ethel Magers O'Bryant, 311½ South Bonner Street, Jacksonville, Tex. Mrs. O'Bryant had complained regarding the 1950 cotton allotment for her Smith County farm.

We have referred the complaint to the Smith County Committee and I am pleased to quote a portion of the reply as follows:

"No cotton was reported by Joe Vickers for the years 1945, 1946, 1947, or 1948. He did report a war crop to have been planted during these years, this crop being sweetpotatoes.

"The reporter who took the crop history on this farm interviewed Joe Vickers and this person signed same.

"In checking back on years prior to this period the acreages as follows were found: Cotton planted 1942—12.0 acres, cotton planted 1941—17.1 acres; cotton planted 1940—15.0 acres, this being the crop of Ira Fleming as reported in your letter."

We have also obtained a copy of the farm acreage report executed by Joe Vickers which shows that no cotton was planted on the farm in 1945, 1946, 1947, or 1948. However, cotton war crop credits of 5.0 acres were correctly computed for the farm in 1946 and 1947 with the result that the farm was eligible for and received a 1950 cotton allotment of 6.0 acres. All of the data used in and the computation of the farm allotment have been found to be correct. Therefore, under existing cotton legislation, neither the State committee nor the county committee can increase the allotment as originally established.

Very truly yours,

R. T. PRICE,
Executive Officer.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Washington, D. C., February 20, 1950.
Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of December 19, 1949, with further reference to the 1950 cotton-acreage allotment for Upshur County, Tex.

The 1950 State cotton acreage allotment for Texas was in accordance with law established on the basis of 95 percent of the average acreage of cotton actually planted in 1947 and 1948. Also the county allotments, less the State reserve, were established on the basis of 95 percent of the average acreage of cotton actually planted in the counties in 1947 and 1948. This means that, insofar as the cotton acreage history for Upshur and other Texas counties is concerned, only the acreages planted to cotton in 1947 and 1948 in such counties were used in establishing the initial 1950 county cotton acreage allotments.

We do not have knowledge of any survey having been made by the Department to determine the reason for the reduction in cotton acreage in Upshur County from 1942 to the more recent years.

Sincerely yours,

FRANK K. WOOLLEY,
Acting Administrator.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 20, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to the following letters which you recently forwarded to the Department for information concerning 1950 cotton acreage allotments:

Mr. Jim Davidson, Route 5, Box 366, Gilmer, Tex., January 27, 1950.

Mr. M. A. McClellon, Route 1, Edgewood, Tex., January 1, 1950.

Mrs. Grady Sawyer, Route 1, Arp, Tex., January 16, 1950.

Messrs. M. L. Wallace and W. L. Wallace, Route 2, Box 107, Grand Saline, Tex., February 1, 1950.

The legislation under which the 1950 national cotton acreage allotment was apportioned to States, counties, and farms is specific as to the manner in which the apportionment shall be made. The regulations and instructions with respect to establishing county and farm acreage allotments for 1950, which have been issued to the State and county production and marketing administration committees, who are directly in charge of establishing farm cotton acreage allotments in their respective States and counties, conform to the provisions of the applicable laws.

It appears that the persons named above are interested in farms which may be eligible only for new farm cotton allotments. If that is true they should contact their local county PMA committees in order to file application for a new farm cotton allotment for 1950. Since a closing date for the acceptance of such applications may be established by the State committee, it is suggested that they act promptly if they desire a cotton allotment for 1950.

A provision of the Agricultural Adjustment Act of 1938, as amended, including amendments made by Public Laws 272 and 439, Eighty-first Congress, permits a new farm cotton acreage allotment to be established, under certain specified conditions, for a farm on which cotton was not planted (or was not regarded as planted in 1946 or 1947 under Public Law 12, 79th Cong.) in any of the years 1946, 1947, or 1948.

Sincerely yours,

A. J. LOVELAND,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., February 21, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 15 with which you enclosed an exact copy of a letter from Mr. J. C. Gossett, Route 5, Henderson, Tex. Mr. Gossett had requested your assistance in securing a larger cotton allotment for his farm.

We are not conducting an investigation of the complaint made by Mr. Gossett since it is believed that the 10-acre allotment already established is correct. Therefore any increase in the farm cotton allotment must come as a result of amendatory cotton legislation. In all probability, legislation now being considered by the Congress may increase the cotton allotment for this farm but I cannot state the amount since I do not have information here as to the provisions of the bill now before the Senate Subcommittee on Agriculture and Forestry.

I suggest that Mr. Gossett be advised to present his problem to the Rusk County Committee who will be glad to show him how farm cotton allotments are figured and who will advise him if his farm cotton allotment can be increased under the provisions of any legislation passed by the Congress.

Very truly yours,

R. T. PRICE,
Executive Officer.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., February 21, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 12 with which you enclosed a letter from Mr. Ira Breazeale, of Quitman, Tex. Mr. Breazeale called your attention to the very difficult problem of establishing adequate new-farm allotments for cotton and peanuts for 1950 in Wood County.

Each county committee is permitted under existing legislation to withhold a small portion of its county allotment for use in establishing allotments on farms on which the commodity had not been produced during the three base years. These base years are 1946, 1947, and 1948 for cotton and 1947, 1948, and 1949 for peanuts. The amount of such reserve is necessarily small because the total county allotment represents the amount of contribution that the county has made to the State and National acreage history during the base years. Therefore it is entirely possible that such reserve will not be sufficient for establishing large acreage allotments for all farms for which applications are timely filed with the local county committee.

We expect to complete the establishment of new-farm cotton and peanut allotments within the next 2 or 3 weeks, after which farm operators will be notified.

Very truly yours,

R. T. PRICE,
Executive Officer.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 8, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of December 30, 1949, regarding the cotton acreage allotment for the State of Texas.

The cotton acreage allotments apportioned to Texas and to the counties in Texas were made in conformity with the provisions of Public Laws 272 and 439, Eighty-first Congress.

We realize that many inequities and hardship cases have resulted in the application of the provisions of the act in establishing individual farm cotton acreage allotments. We believe, however, that more equitable allotments could have been established by giving the history of recent cotton plantings on the farm more consideration rather than establishing farm allotments primarily on the basis of cropland.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., March 10, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of February 28 in which you requested information as to the method used in establishing the State reserve acreage for the 1950 cotton allotment program. I regret that we did not interpret your letter of February 4 correctly.

In arriving at the percentage of the 1950 State cotton acreage allotment that would be set aside in a reserve, we were required to give consideration to these factors:

1. Adjustment in computed county allotments for upward trend in cotton plantings.

2. Adjustment in computed county allotments for abnormal conditions affecting cotton plantings.

3. Acreage to assist county committees with the adjustment of allotments for 5- to 15-acre allotment farms.

4. Acreage to assist county committees with the making of group II or new farm cotton allotments in newly developed areas.

5. Acreage to assist county committees in the establishment of minimum acreage allotments for small cotton farms.

The amount of State reserve needed for making trend adjustments was estimated as follows: Since county allotments were based on the 1947–48 average planted acreage, little, if any, adjustment in computed county allotments appeared necessary for increased cotton plantings in the 2 years. However, the 1948 acreage was materially greater than the 1947 acreage in several counties which indicated that (a) cotton plantings were materially increased in 1948 on the same farms that planted cotton in 1947, or (b) many farms planted cotton in 1948 and none in 1947. To recognize this trend in county acreage if the 1948 acreage was more than 110 percent of the 1947–48 average acreage, the State committee instructed that adjustments be performed in amounts equal to 10 percent of the increase in 1948 planted acreage over the 1947 planted acreage.

A. 1948 cotton acreage in counties qualifying for trend adjustment, 1,009,290 acres.

B. 1947 cotton acreage in counties qualifying for trend adjustment, 662,774 acres.

C. Increase from 1947 to 1948, 346,516 acres.

D. Ten percent of item C, 34,650 acres.

In this connection the Congress passed Public Law 28 in August of last year which prohibits the Secretary of Agriculture from using 1949 farm, county, and State cotton acreages in the establishment of future farm, county, and State cotton acreage allotments and marketing quotas. Therefore, even though the 1949 cotton plantings were materially increased over 1948 cotton plantings in many east Texas counties, the State committee could not recognize 1949 county cotton acreages in the trend adjustments.

The amount of State reserve needed for making adjustments for abnormal conditions affecting cotton plantings was estimated as follows: Many counties, particularly in the eastern part of the State, planted less cotton in 1947 and 1948 as compared with 1941 plantings. The decrease in cotton plantings can be attributed to many factors including (a) permanent change from cotton to improved pastures, specialty crops, and livestock or dairy production; (b) permanent change

from cotton to peanuts and general crop production; (c) abnormal weather conditions; (d) shortage of irrigation water and soil crusting; (e) insect damage prior to July 1 of each year; (f) disproportionate movement of farm operators and farm labor from cotton farm to more remunerative off-farm employment or to the armed services; and (g) war crop production instead of cotton in 1947.

It was, of course, extremely difficult to evaluate properly the contribution of each of these and other causes to the reduced cotton plantings in 1947 and 1948 and to make appropriate adjustments in computed county allotments. The State committee instructed that if the 1947–48 average cotton acreage was less than the 1941 county cotton acreage, an allotment adjustment equal to 10 percent of the decrease in acreage be made.

(a) Total of decreases in county cotton acreages for the State, 1,390,930 acres.

(b) Ten percent of item (a), 139,000 acres.

The amount of State reserve for assisting county committees with the making of adjustments in 5- to 15-acre allotment farms was estimated as follows: Since the act strongly suggests that substantial adjustments shall be made in indicated farm cotton allotments of between 5 and 15 acres, the State committee instructed that 50 percent of the requirements for 5- to 15-acre farm adjustments under the 1942 cotton acreage allotment program be set aside in the State reserve and that each county be allocated such amount only for that purpose.

(a) Acreage allotment required for 5- to 15-acre farm adjustments other than 1942 program in all counties, 92,212 acres.

(b) Fifty percent of the 1942 requirements, 46,106 acres.

The State reserve acreage for assisting county committees with the making of group II or new farm cotton allotments in newly developed areas was estimated as follows: A survey of all Texas counties showed that there were about 189,500 acres of cropland in farms that have been placed in cultivation for the first time during the 1949 calendar year and that cotton was planted on all or nearly all of this cropland. Since land, labor, and equipment were available for cotton production on such farms in 1949 and would be available for cotton production in 1950, and since many of these farms were located in counties with small allotments or no allotments, the State committee instructed that an amount equal to 10 percent of such cropland acreage be included in the State reserve.

(a) Ten percent of 189,500 equals 18,950.

The amount of State reserve required for making minimum farm acreage allotments was estimated as follows: The act directs that each farm with cotton history during one or more of the base years (1946, 1947, and 1948 were considered the base years for 1950 farm cotton allotment purposes) shall receive an allotment of not less than the smaller of 5.0 acres or the highest cotton history during the three base years. There were about 42,000 farms that received adjustments under the minimum farm allotment provision for the 1942 program. It was estimated that 1.2 acres was the average amount of adjustment for these small farms. The State committee instructed that 50,400 acres of the State allotment be held in reserve for assisting county committees with the making of minimum farm cotton allotments in all counties.

(a) Forty-two thousand farms by 1.2 acres equals 50,400 acres.

(b) Items 1 (d) plus 2 (b) plus 3 (b) plus 4 (a) plus 5 (a) equals 289,106 acres.

The estimated State reserve divided by the State acreage allotment of 7,637,029 acres gives a percentage of 3.8.

These computations and estimates were required to be completed before farm cotton allotments were approved for the State Committee. Some minor adjustments in State committee instructions were made after more accurate county and farm cotton data became available from county listing sheets.

I trust that this is the information requested in your letter of February 4. The actual distribution of such reserves is shown on the tabulation of county cotton allotment data that was transmitted to your office about February 1.

Very truly yours,

B. F. VANCE,
Chairman, State PMA Committee.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 3, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of January 23 regarding the extent to which House Joint Resolution 398, if enacted, would alleviate the inequities in cotton acreage allotments which have developed incident to the application of existing legislation.

It is believed that House Joint Resolution 398 is probably as good a measure as can be devised, under present circumstances, to help alleviate the inequities which now exist. If this resolution is enacted, it probably will not correct all inequities. As a matter of fact it probably will be impossible to devise measures, in the short time now remaining before cotton planting time, which will iron out all such inequities.

Sincerely yours,

H. T. HUTCHINSON,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 7, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of December 5, 1949, requesting our opinion regarding a proposed minimum cotton acreage allotment of 20 percent of the cropland.

The Department has made recommendations to the Congress concerning the establishing of farm cotton acreage allotments. It is our opinion that whenever cotton-acreage allotments are established for farms primarily on a cropland basis, rather than on a basis of the history of cotton planted during a recent period of years, inequitable and unsatisfactory allotments will inevitably result.

Sincerely yours,

H. T. HUTCHINSON,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 7, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of January 16 with which you enclosed a copy of a letter to you from Mr. B. A. Dinwiddie, secretary, Rusk County Production and Marketing Administration committee, pertaining to cotton-acreage allotments.

In view of the fact that the statistics furnished you by Mr. Dinwiddie were based on a survey involving only 20 percent of the farms in the county, we are unable to determine whether the sample farm data are accurate or representative of all farms in the county. Our records here in Washington do not include the acreage set up as a reserve for new grower allotments, or the number of applications for new grower allotments which have been received in the county.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 28, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter dated December 5, 1949, requesting information as to whether more than 20 percent of the county reserve can be used to provide fair and reasonable allotments for farms in the 5- to 15-acre group.

The Agricultural Adjustment Act of 1938, as amended, including amendments made by Public Laws 272 and 439, Eighty-first Congress, provides that not less than 20 percent of the county reserve shall, to the extent required, be allotted upon such basis as is fair and reasonable to farms in that county whose allotments determined under other provisions were from 5 to 15 acres. The part of the county acreage reserve which could have been used for this group of farms was not limited to 20 percent of the county reserve.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

Mr. Speaker, it is interesting to note some of the comments in connection with other agricultural pursuits:

CAMP COUNTY CHAMBER OF COMMERCE,
Pittsburg, Tex., February 10, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: We are enclosing herewith a copy of a resolution adopted by our board of directors at the February meeting, relative to the need for an extended price support program for sweet potatoes for the 1950 crop.

We know that since our congressional district produces approximately 3,000,000 bushels of sweet potatoes annually, which is more than the other 10 largest producing districts in Texas put together, that you will naturally want to protect our interests.

We sincerely hope that you will introduce legislation providing a program similar to the one suggested in the resolution or at least will give it your heartiest support in committee hearings and when it reaches the floor.

If this organization can do anything to assist in securing this legislation please do not hesitate to call upon us as we are vitally interested in this program.

Very truly yours,

CAMP COUNTY CHAMBER OF COMMERCE,
RUSSELL WALTERS, *President.*
JOE B. WINKLE,
Chairman, Agriculture Commitee.

RESOLUTION ADOPTED FEBRUARY 6, 1950, BY THE BOARD OF DIRECTORS OF THE CAMP COUNTY CHAMBER OF COMMERCE

Whereas it appears to the directors of the Camp County Chamber of Commerce that cotton acreage in this community will be greatly reduced by the new allotment program for 1950; and

Whereas it appears that the sweetpotato acreage will be substantially increased as a result thereof; and

Whereas sweetpotatoes are our most valuable source of agricultural income; and

Whereas it appears that this source of income is in danger of being drastically reduced if our growers are forced to sell their production on an overcrowded market: Now, therefore, be it

Resolved, That the president and chairman of the agriculture committee be and are hereby instructed to contact our Representatives in Congress, members of the United States Department of Agriculture and other individuals of influence and submit

copies of this resolution for their consideration; and be it further

Resolved, That these persons be requested to seek the authorization of a support-price program on sweet potatoes for the 1950–51 growing and marketing season that will be—

1. Equal to or higher than the current support price on United States No. 1 sweetpotatoes, and

2. For a period extending to May 1, 1951, to cover the entire storage period, rather than for the shorter period of the current program; and be it further

Resolved, That a copy of this resolution be sent to the local newspapers.

Adopted by unanimous vote.

RUSSELL WALTERS,
President.

Attest:

O. A. "AL" HALL,
Manager.

J. B. WINKLE,
Chairman, Agriculture Committee.

DEPARTMENT OF AGRICULTURE,
Washington, March 3, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letters of February 13 and 20, 1950, enclosing a letter and a resolution from the Camp County Chamber of Commerce, and also a letter from T. L. Arthur, Jr., Lindale, Tex. These letters requested price support for the 1950 crop of sweetpotatoes.

Under present legislation, price support on sweetpotatoes is not mandatory, and according to the Agricultural Act of 1949, before price-support operations can be undertaken for other than basic and designated nonbasic commodities, consideration must be given to the factors specified in section 401 (b) of the act. One of the factors that must be considered in connection with sweetpotatoes is the ability and willingness of producers to keep supplies in line with demand.

In 1949 the sweetpotato supply was about in balance with demand. The Department's suggested acreage for 1950 has not been issued, but it is expected no increase in acreage will be suggested. We believe that any substantial increase in sweetpotato acreage in 1950 could result in serious marketing difficulties and lower prices to growers.

This matter was discussed in your telephone conversations on February 20, with Mr. K. W. Schaible, and on February 23, with Mr. O. G. Strauss of our Fruit and Vegetable Branch, Production and Marketing Administration.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

LINDALE PUBLIC SCHOOLS,
Lindale, Tex., February 16, 1950.

The Honorable LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR SIR: A meeting of approximately 250 Smith County men, mostly farmers, who were interested in producing, processing, and marketing sweetpotatoes, was held at the Lindale High School on the afternoon of February 14. The program was devoted to discussions of production and marketing problems as they particularly affect east Texas and Smith County sweetpotato producers. A large representation of the leading producers and buyers of Smith County were at this meeting.

It was the consensus of opinion of the group that some effort should be made whereby a support price of sweetpotatoes should be put into effect since we do have a small cotton acreage (14,500) for this year and since our farmers are likely to increase their sweetpotato acreage in an effort to have a dependable cash crop for this year.

The group, which authorized me to refer to them as the sweetpotato producers of Smith County and to act as their secretary, went on record as authorizing me to write you concerning this matter. It was their unanimous request that this information be passed on to you and that your continued cooperation be solicited in whatever effort you might make toward a support price for sweetpotatoes.

We would like to have your thinking concerning the possibility of such a program if you believe that such an effort would be feasible at this time.

It is possible that you will need other information concerning probable acreage for this year, possible percentages of grades to be marketed, etc. If you do need this kind of information we shall be glad to supply it.

I see no reason to go into detail in this letter in giving reasons why this sort of a program is needed here as I feel that you are familiar with this problem as it affects our people in general.

I shall appreciate anything that you can do relative to this problem. I would like to hear from you so that I will be in a position to report to this group concerning your thoughts on this question.

With best of personal regards to you and yours, I am,

Yours truly,

T. L. ARTHUR, Jr.,
Teacher of Vocational Agriculture.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 23, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letters of February 3 and February 6, 1950, in which you inquire about price support for sweetpotatoes in anticipation of increased acreage resulting from a reduction in the acerage devoted to cotton. In accordance with your request, Mr. C. O. Strauss, of our Fruit and Vegetable Branch, PMA, discussed this matter with you by telephone.

The Agricultural Act of 1949 does not provide mandatory price support for sweetpotatoes. According to the act, before price-support operations can be undertaken for other than basic and designated nonbasic commodities, consideration must be given to the factors specified in section 401 (b) of the act. One of the factors that must be considered is the ability and willingness of producers to keep supplies in line with demand.

Although the Department's suggested acreage for sweetpotatoes in 1950 has not been issued, it is expected that no increase in acreage will be suggested. The relationship of supply and demand for sweetpotatoes was about in balance in 1949. Any substanstantial increase in production in 1950 is expected to result in lower prices to growers. The East Texas Agricultural Council apparently recognizes this situation.

If marketing difficulties are encountered for 1950 crop sweetpotatoes, it will be necessary to give full consideration to the applicable factors under section 401 (b) of the Agricultural Act of 1949 in connection with any request for assistance by means of surplus removal operations.

Sincerely yours,

A. J. LOVELAND,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
College Station, Tex., February 27, 1950.

Mr. C. E. KENNEDY,
Pittsburg, Tex.

DEAR MR. KENNEDY: The honorable Congressman LINDLEY BECKWORTH has today contacted this office in your behalf regarding sweetpotato support-price program for your area.

The 1949 support-price program provided that a purchase agreement be executed prior to November 16, 1949, if potatoes were to be offered to the Government after January 1, 1950. There were no agreements signed by either dealer or grower in the east Texas area.

On February 23 this office contacted Mr. Ken Schible of the Fruit and Vegetable Branch, Washington, D. C., regarding the possibility of setting up a sweetpotato purchase program for the east Texas area. We were advised that this was possible and are now assembling the necessary information to submit to Washington. It is entirely possible that a purchase program will be authorized, but not as long as the market price is above the Government support price. At the present time the market is $2.60 per bushel on the United States No. 1 grade and the Government support on the same grade will be only $2 per bushel.

We want to assure you that this office, with the cooperation of our Washington officials, will do everything possible to help dispose of your potatoes.

Yours very truly,

STATE PMA COMMITTEE,
B. F. VANCE, *Chairman.*
By DENNIS M. POE,
Purchase Representative.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., February 21, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Congress of the United States,
Washington, D. C.

DEAR MR. BECKWORTH: I wish to acknowledge a letter and a copy of the resolutions of the Camp County Chamber of Commerce addressed the Honorable J. FRANK WILSON, Member of Congress.

It is realized that the sweetpotato industry in the northeast and east Texas plays an important part in the economy of the farmers in this area, and that serious consideration should be given to formulating the 1950–51 sweetpotato support price program.

It is hoped that if and when the program is formulated and announced, it will be one which will assist in alleviating financial hardships which may otherwise be suffered by sweetpotato growers in Texas.

Yours very truly,

R. T. PRICE,
Executive Officer.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 23, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of February 7 concerning black eye peas and black eye beans. Dry black eyes, whether called peas or beans, were supported in 1943 and 1944. Neither will be supported in 1950.

Black eyes in the South are considered more perishable than others principally because of the difference in climate. Also, most warehouse facilities in other areas are better equipped to cope with insect infestation in black eyes.

Sincerely yours,

A. J. LOVELAND,
Acting Secretary.

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF AGRICULTURAL ECONOMICS.

THE OUTLOOK FOR VEGETABLES IN 1950

(Statement presented by Herbert W. Mumford, Jr., at the twenty-seventh annual agricultural outlook conference, Washington, D. C., November 2, 1949)

The year 1950 is expected to be slightly less favorable for vegetable growers than 1949 has been. Although prices received by farm-

ers in general are expected to fall only slightly from 1949 levels, these declines are apt to be larger than any declines in farmers' cost of production.

Demand for fresh vegetables in 1950 is expected to be only slightly less strong than it has been in 1949.

Onions and carrots are likely to bring—and cabbage may bring—higher prices to growers in early 1950 than they did in early 1949, in part because we will be going into the winter this year with much smaller stocks in storage. Prospective acreages of truck crops for harvest during January, February, and March are not greatly different from the acreages harvested a year earlier, but yields are apt to be higher than they were last winter when unfavorable weather cut yields below the levels of recent years.

Canada has removed all restrictions on the importation of fresh vegetables from the United States. Therefore, it is likely that our exports of winter season fresh vegetables to Canada will increase this winter over last, particularly vegetables other than lettuce, tomatoes, cabbage, carrots, spinach, and celery. Restrictions on these six crops were removed for part of last winter.

Consumer demand for canned and frozen vegetables in the first quarter of 1950 is expected to be about as strong as in 1949. Demand later in the year may be slightly weaker, particularly if ample supplies of fresh vegetables are available. However, the upward trend in per capita consumption which has been evident in the past decade or so, is expected to hold consumption of both canned and frozen vegetables near their recent high levels.

Production of green lima beans, snap beans, sweet corn, pimentos, and spinach for commercial processing has been large again this year. If we can assume that the size of these crops indicates correspondingly large canned and frozen packs, then it is likely that processor demand for these crops in 1950 may show some slackening from the present very high levels and those of recent years. However, no substantial reduction in prices to growers by commercial processors is expected in 1950 on tomatoes, green peas, or cabbage for kraut, because substantial adjustments in price or acreage of these crops were made in 1949. Current stocks of frozen vegetables are considerably larger than a year earlier, reflecting a very large frozen pack. While complete data are not available, it is believed that total stocks of canned vegetables are little, if any, larger than a year earlier.

Little, if any, improvement in demand for potatoes is expected in 1950. There is a possibility that consumers may look at potatoes more favorably as their cost of living makes further inroads on their available funds. However, no permanent reversal of the long-time down trend in per capita consumption of potatoes is foreseen at this time. The carry-over of potatoes next January 1 will be considerably smaller than that of a year earlier, and prices received by farmers for the 1949 crop probably will average well above the 60 percent of parity support level, but somewhat below a year earlier when support was 90 percent of parity on the 1948 crop.

In 1950, production probably will again exceed demand at prices equivalent to 60 percent of parity. Marketing agreements will be used to help keep the less desirable grades and sizes off the market. Price support for potatoes in 1950 is mandatory at from 60 to 90 percent of parity.

Sweetpotato production in 1950 could increase somewhat over the crops of the past few years without glutting the market. Price support of sweetpotatoes in 1950 is permissible but not mandatory.

The outlook for producers of dry edible beans and dry field peas in 1950 is not favorable. Very large stocks or dry beans and ample stocks of dry peas will be carried over from the 1948 and 1949 crops. Domestic demand is expected to remain reasonably stable at only a slightly lower level than in 1949. Export demand, however, is expected to be weaker. Price support on these two crops is permissible but not mandatory. Acreage allotments are probable on dry beans and possible on dry peas.

DEPARTMENT OF AGRICULTURE,
BUREAU OF AGRICULTURAL ECONOMICS,
Washington, D. C., January 31, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: At the request of Prof. William H. Brittingham, Agricultural and Mechanical College of Texas, we are enclosing copies of the 1949 Annual Summary—Commercial Truck Crops for Fresh Markets, the latest issue of the Demand and Price Situation, and the outlook reports for fruits and vegetables. We are also enclosing the most recent issues of the Vegetable Situation and Truck Crop News. These reports contain information on the production and prices of vegetables in Texas and the outlook for fruits and vegetables.

Very truly yours,
FRANKLIN THACKREY,
Director of Economic Information.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington, D. C., January 25, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your two letters of December 29 and 31, 1949, concerning the outlook for eggs and poultry during 1950.

I am enclosing a copy of the Outlook issue of the poultry and egg situation and a copy of the most recent issue of this publication. This publication is issued by the Bureau of Agricultural Economics.

In addition to what is given in this publication, I should like to comment that for several years the poultry and egg industry has been quite profitable to producers. Egg prices have been supported for several years at 90 percent of parity, and this has led to a very heavy rate of egg production. Prices of chickens have been relatively good because of high consumer incomes, and relatively high prices for meats.

The poultry industry finds it is in a difficult position, however, at the beginning of 1950. The egg price support level has been reduced for 1950 under the terms of the Agricultural Act of 1949. Egg and chicken production is substantially higher than a year ago. Price levels are lower and the industry is currently going through a period of adjustment which I believe will prove to be healthy.

In spite of the present situation, the long-time outlook for the poultry industry is, I believe, a good one. If consumer incomes remain high, the consumption of eggs and poultry should also be high. The fact that farmers generally are expected to raise fewer chicks this spring for flock replacement purposes indicates that this fall and next year egg prices should improve.

The turkey industry appears to be rather optimistic about the outlook. They have just informed the Department of Agriculture that they intend to raise 1 percent more turkeys in 1950 than they raised in 1949.

Sincerely yours,
JOHN I. THOMPSON,
Assistant Administrator.

COOPERATIVE EXTENSION
WORK IN AGRICULTURE
AND HOME ECONOMICS,
College Station, Tex., January 17, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This is in reply to your letter of January 10, 1950.

The different phases of the poultry industry at present do not look too bright for the experienced poultryman; therefore, it would be rather discouraging to a person who was planning to go into the business as a first experience. I think, however, that this condition is temporary inasmuch as all of the segments of the poultry industry have a rather short cycle with reference to the peaks and valleys of the prices received for the different commodities.

In many respects I think it is better for a person to go into the business when prices are the lowest rather than when they are at the peak. We, of course, at present have just gone through the selling of one of the largest turkey crops in the history of the industry and at a much lower price than was received in 1948. Egg prices have dropped in the last 4 weeks to the lowest level in a number of years. The broiler prices have also dropped in the heavy broiler producing areas of the Nation and, of course, Texas is one of these areas.

From these remarks it would seem that the picture of the poultry industry is rather dark; however, I firmly believe that the industry is one in which people will still continue to receive from a small amount of money on some farms to other farms that will receive their entire livelihood from this enterprise.

I think the location that a person going into the business selects will have much to do with the possibility of success. If they locate where market facilities are available and where the facility is paying for products based on quality, then they are much more likely to succeed, if they have a high-quality product for sale. As an illustration of this, farmers are receiving at present 40 cents a dozen for grade-A large eggs in Hallettsville, whereas farmers selling on a current-receipt basis are being offered 28 to 30 cents.

I think the size of the business would also have an influence on whether a person should begin in any phase of the poultry industry at the present time. Other facts which I think might influence a beginner would be capital available, ownership or rental of premises where business is to be located, personal interest in the business, size of family, and many other facts which might enter into whether a person would be successful as a beginner in the poultry industry.

In my work with poultrymen throughout the State on such problems, it is always my recommendation that I discuss with them in detail many of the items which I have listed here, and also I like to visit the location where they propose starting a business, as this usually brings to mind many questions which should be discussed.

I trust that this will give you some of the information which you need and if I can be of further assistance to you, I will be very happy to do so.

Very truly yours,
F. Z. BEANBLOSSOM,
Poultry Marketing Specialist.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 26, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of January 5 enclosing a letter

from Mr. and Mrs. J. H. Banks of Quitman, Tex., concerning the egg and feed price situation.

In recent weeks farm sales of eggs throughout the Nation expanded tremendously as a result of a relatively large pullet flock and exceedingly favorable weather conditions. Market prices declined substantially due to this increased production of eggs. Moreover, the egg driers in the Midwest who were cooperating under the egg price support program were offered more eggs than they could use in their plants, with the result that in many communities egg prices declined below the certified price of 35 cents which driers were required to pay. The Department seriously considered this problem and came to the conclusion that the only alternative would have been to inaugurate a comprehensive purchase program for both frozen and shell eggs in addition to dried egg purchases. Since the support program for 1949 terminated on December 31, 1949, it did not appear advisable to broaden the program so late in the year and for such a relatively short period of time. As a result, the egg market during December sought lower levels based upon supply and demand conditions.

Under the provisions of the Agricultural Act of 1949, eggs and poultry products are in a large group of commodities for which price support is nonmandatory. The law requires that if any of these products are supported, the support price may not exceed 90 percent of parity. The law sets forth eight factors which are to be considered in determining whether price-support operations shall be undertaken, and in determining the level of such support. After full consideration of these eight factors, it was decided to announce the support of egg prices in 1950 at a national annual average producer price of 37 cents per dozen. In order to help achieve this objective, the Department announced on December 30, 1949, that it would buy dried eggs from midwestern processing plants that would agree to pay farmers an average of 25 cents at the farm, or 27 cents at the drying plant. Copies of three press releases and a background statement which explains the price-support program in detail are enclosed.

Laying flocks have not yet reached their peak in production and in many cases sales of eggs at this time of year probably do not completely offset feed costs. However, it is expected that producers who follow good poultry husbandry practices will begin to show some returns over feed costs as their flocks come into full production during the next month or so. As was indicated in the press release of December 21, poultrymen are urged to give careful consideration to their management practices that lead to the greatest possible efficiency in production and marketing. Such practices will include careful culling and efficient use of feed.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington, D. C., January 16, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of December 31, 1949, requesting information as to the outlook for those who might like to enter into the cattle business.

Prospects for the cattle industry continue to look good. Cattle prices have been above parity for the past 11 years, and recently they have been further above parity than the prices of any other agricultural product of major importance. While cattle prices have had their ups and downs, they have not declined to levels of serious consequence to the cattle producer. Some cattle finishers who filled their lots last year with high-priced, heavy cattle took some severe losses, but cattle feeding is more speculative than the type of cattle raising generally followed in Texas.

Cattle prices in 1950 are not likely to be greatly different from that of 1949. Factors which may tend to cause slightly lower prices will be increased supplies of pork, possibly some reduction in business activity during the latter part of the year, and probably some decline in prices of all commodities as supplies of manufactured goods become more plentiful. Also, it is expected that cattle prices during the next several years will maintain a more favorable price relationship to other agricultural commodities than existed prior to the war.

Cattle numbers in the United States were reduced from a record peak of 85,500,000 head in 1945 to around 78,000,000 at the beginning of 1948. In reducing numbers during these years, the cattle industry provided record supplies of beef. During the immediate postwar years, cattle herds were reduced by heavy selling because of the uncertainty as to how much prices would decline with the adjustment to peacetime conditions. It has become increasingly apparent, however, that cattle prices would continue on a substantially higher level than during the prewar period. As a result, many cattlemen started shaping their herds for greater beef production by holding back more cows and heifers for replacement purposes. An increase in numbers on farms has apparently occurred in 1949, and further increases are expected during the next several years.

The cattle industry is dependent largely upon the domestic economy. Very little beef is exported, and imports of beef are small in comparison to our total consumption. It is expected, therefore, that prosperity in the cattle industry will be very closely tied to prosperity of the over-all economy. The changes which have occurred in our economy during the last 10 years have been particularly favorable to the cattle industry. Increased wages and a higher level of employment have resulted in stronger consumer preference for beef than in prewar years, and, if consumer incomes remain high, it is expected that favorable prices for cattle will continue. However, if consumer incomes fall and the average person is forced to reduce his expenditures for the higher priced foods he prefers, beef prices may be among the first to suffer from the decline.

Another factor which strongly favors the cattle industry is the increase in population. Our population increase has been nearly two million a year for several years, a faster rate than was formerly anticipated. The population increases that can be expected mean a potentially larger market for cattle. Since most of the production of beef must come from the United States, the Department believes that an increase in cattle numbers is desirable in the years ahead to meet the needs of our population increase and high consumer demand. This need for increased cattle numbers also fits in with the need for decreasing the acreage of wheat, cotton, and other crops now being produced in surplus.

Along with this favorable outlook for cattle, it might be advisable to add a word of caution for those who might desire to start a cattle enterprise for the first time. A succesful cattle production operation requires competent management. There are many difficulties in the enterprise which may not be apparent to those inexperienced in cattle raising. Therefore, anyone starting into cattle production should thoroughly acquaint himself with all of the problems involved and should be adequately prepared to conduct the operation efficiently.

We are enclosing an address on the prospects for the cattle industry in the Nation as a whole.

Sincerely yours,

RALPH S. TRIGG,
Administrator.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., January 12, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: I have your letter of December 29 requesting information about dairy and beef cattle. I believe the location of the farmer contemplating going into the dairy business would have a great deal to do with his success. If the farmer is located in a deficient area—that is, where dairy products are being shipped in—prospects may be very good for a reasonable profit, provided the farmer is in a position to grow good pastures and produce some feed. Of course, I am sure you realize that dairying is a business that requires a great deal of expense. I doubt that the average farmer who has had any experience in the dairy business would profit by going into it to great extent. In other words, I think the farmer should grow into the business.

The outlook for beef cattle is very good. This all depends, of course, on the national economic picture for the next few years. If the national income remains high, it appears that beef cattle should be a very profitable business for the next few years.

I think east Texas has made wonderful strides in developing good pastures and in improving their breeds of beef cattle during the past few years. Farmers in that section of the State have an opportunity, as we see it here, to increase beef cattle, provided they will continue to improve the pastures along with their cattle.

Sincerely yours,

B. F. VANCE,
Chairman, State PMA Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington, D. C., January 13, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your recent telephone call to Philip E. Nelson, director, dairy branch, and your letter of December 31 requesting information concerning opportunities in the dairy processing field.

Milk production in 1949 approximated 118,000,000,000 pounds. The production, processing, and distribution of milk and its products represent an established major agricultural industry, carried on in every State. This industry appears more likely to expand than contract in the near future.

The opportunities to enter the dairy processing business differ considerably by areas, according to the volumes of milk production and the existing facilities and competition in each locality. Substantial capital, as well as experience and knowledge as to manufacturing methods are important in this field. Tables 8 and 9 beginning on pages 11 and 12 of the enclosed issue of Production of Manufactured Dairy Products, 1948, contain data on the production of different manufactured dairy products by States. Tables 10 to 23 show the number of plants producing different products by States. Milk production and other data are contained in the enclosed copy of Farm Production, Disposition, and Income from Milk, 1947–48.

As requested we are listing the national trade organizations in the manufactured dairy products field.

American Butter Institute, Inc., Russell Fifer, executive secretary, 110 North Franklin Street, Chicago, Ill.

American Dry Milk Institute, Inc., B. W. Fairbanks, director, 221 North LaSalle Street, Chicago, Ill.

International Association of Ice Cream Manufacturers, Robert C. Hibben, executive

secretary, 912 Seventeenth Street NW., Washington, D. C.

National Cheese Institute, Inc., E. W. Gaumnitz, executive secretary, 110 North Franklin Street, Chicago, Ill.

Sincerely yours,

JOHN I. THOMPSON,
Assistant Administrator.

SOUTHERN DAIRIES, INC.,
Washington, D. C., January 12, 1950.

Hon. LINDLEY BECKWORTH,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: Mr. L. A. Van Bomel, president of National Dairy Products Corp., has asked us to furnish you with the information requested in your notation on his letter to you dated January 5, 1950.

I am assuming that you had in mind the total investment a dairy farmer in the South would have to make in a farm in order to produce grade A fluid milk and one which would be large enough to make him a comfortable living. If my assumption is correct, then I believe you can use the following figures as an approximation of what that investment would be.

In my opinion, 30 cows would be needed, and if the farmer milked an average of 20 cows per day, they would produce about 60 gallons, or 516 pounds, of milk.

The following figures are based on needing 3 acres of land per cow, and presupposes that the farmer will raise the major part of all of his feed requirements:

100 acres of land at $100 per acre	$10,000
House	8,000
30 cows (good grade cows, not registered) at $250 per head	7,500
Milking barn	7,000
Farm machinery and equipment	7,500
Total investment	40,000

I trust that the foregoing is the information which you desire. However, if you wish additional data along these lines please let me know, and I will try my best to furnish it to you.

Mr. Van Bomel's letter of January 5, 1950, is enclosed herewith, per your request.

Sincerely yours,

H. E. BURTON.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington, D. C., January 12, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letters of December 31, 1949, inquiring as to the outlook for persons who might like to enter the cantaloup and watermelon business.

Annual crops such as the two mentioned are subject to wide fluctuations in price from year to year depending on the acreage planted, growing conditions, and yields obtained. Acreage and price data reveal that high prices in one year are frequently followed the next season by large plantings and unprofitable returns.

Some increases in plantings of vegetable crops have come about as a result of reduced acreage allotments for price-supported crops. Because of this, there may be a trend in vegetable and melon crops during coming seasons in the direction of larger acreages and lower prices.

The attached table shows a general downward trend, not only in acreage and production, but also in prices for Texas cantaloups and watermelons from the high points reached during and immediately after the close of the war. While postwar prices appear to compare favorably with prewar returns, it should be borne in mind that production and handling costs are much higher than before the war.

There would appear to be no economic justification for any marked increase in the acreage of these crops in Texas at this time.

Sincerely yours,

RALPH S. TRIGG,
Administrator.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 9, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of December 14, 1949, inquiring whether this Department could or would support the price of watermelons, cantaloups, turnip greens, and cucumbers during the coming season.

The Agricultural Act of 1949 makes price support mandatory for certain designated farm products, and optional for others subject to certain considerations specified in the act. Among these considerations are the supply of the commodity in relation to the demand, its importance to the national economy, the availability of funds, the ability to dispose of stocks acquired, and the ability and willingness of producers to keep supplies in line with demand.

With respect to the relative importance in the national economy of the commodities named, cantaloups, watermelons, and cucumbers are included among the 15 leading vegetable crops in total farm value. They rank considerably lower in this respect than some other commodities, such as lettuce and celery, which are not included in the Department's purchase programs. Turnip greens rank low among vegetable crops in farm value.

In order to achieve maximum dietetic benefits with available funds to school children and other recipients of purchased commodities, it has been the aim to restrict purchases to those commodities having a relatively high nutritive value in proportion to the purchase price. Cantaloups, watermelons, and cucumbers all rank low by this standard. Although the nutritional value of turnip greens is high as compared with other vegetables, the unfamiliarity of people in most sections of the country with this commodity restricts the area of possible distribution.

Purchases of surplus commodities are limited by the capacity of available outlets. Since school lunches constitute the principal outlet for most commodities, the volume of possible purchases is greatly restricted during the summer vacation period, when most cantaloups and watermelons are harvested in your State.

In view of the above-mentioned considerations, the commodities named in your letter have not been included among the commodities eligible for purchase by the Department.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

FARMERS HOME ADMINISTRATION,
January 5, 1950.

About 4,200 direct and insured farm-ownership loans will be made in fiscal year 1950. Most of these loans will be for the purchase and development of farms though some will be to present owners for enlargement or development of their present farms.

About 13,400 farm owners will be assisted in improving their dwellings or other farm buildings in 1950 through the farm-housing program authorized by title V of the Housing Act of 1949.

About 123,000 farmers will receive production and subsistence loans for purchasing livestock, equipment, feed and seed, and for other farm needs. In addition, perhaps $10,000,000 will be loaned to farmers suffering production disasters.

Comparable figures for Texas

Direct and insured farm ownership loans	235
Farm-housing loans	1,050
Production and subsistence loans	6,610
Disaster loans	$2,000,000

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., January 5, 1950.

Hon. LINDLEY BECKWORTH,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: I have your letter of December 29, requesting information concerning the poultry business.

With the present price support of $0.25 a dozen for eggs, I doubt that the average commercial poultry producer can make any money if he has to buy his feed. Based upon my experience, I do believe that the average east Texas farmer would be able to profitably maintain a small flock of laying hens, provided a large portion of the feed is produced on the farm. As you know, east Texas has rather long growing seasons and such crops as oats, rye grass, and Bermuda grass can be provided for green feed for chickens, thus enabling the farmer to produce eggs cheaper than may be the case in the more northern States.

Thanking you for your interest in this matter, I remain

Yours very truly,

B. F. VANCE,
Chairman, State Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
College Station, Tex., January 6, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: This will reply to your letter of December 30, in which you asked a number of questions about corn-acreage allotments for 1950.

We were recently advised by the grain branch of the Production and Marketing Administration that the 1950 corn-acreage-allotment program would not be applicable to any Texas county. Under existing legislation, none of the Texas counties can qualify as being a commercial corn-producing county.

At the same time, we were advised that it may be necessary to establish corn-acreage allotments in some Texas counties for the 1951 and future programs. As you know, the use of hybrid seed has increased very sharply in this State during the last 10 years, with the result that approximately two-thirds of the 1949 crop was planted with hybrids.

Very truly yours,

B. F. VANCE,
Chairman, Texas PMA Committee.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington, D. C., January 6, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: We are pleased to give you the information requested from W. D. Termohlen, Director of the Poultry Branch of this Administration.

The attached lists will give you the names and addresses of the principal national, regional, and Texas poultry and egg associations.

Regarding the poultry and egg situation for 1950, I believe this can be summarized best by quoting from the outlook issue of the

Poultry and Egg Situation, as prepared by the Bureau of Agricultural Economics of this Department:

"American farmers in 1950 are likely to raise somewhat fewer chickens and turkeys than the very large numbers they produced this year. However, egg supplies in the coming year will remain abundant. The laying flock on January 1 will be larger than a year earlier, and January–June egg production will accordingly exceed this year. The farm prices likely to result may induce farmers to raise fewer chickens in the spring of 1950. This leads to a prospect of a smaller laying flock in the fall.

"The possible smaller egg production which may result in the later months of 1950 may be largely offset by an expected increase in commercial cold storage holdings compared with 1949.

"The prices paid to farmers for eggs and chickens, including broilers, are likely to average lower in 1950 than in 1949. This is indicated by the prospect that economic activity and consumer demand will continue to decline slightly from the 1948 peaks, and also by the prospective supplies of eggs and poultry meat. Through the first half of 1950, eggs will be more plentiful than in 1949. In the early fall, normal-sized storage stocks would tend to partly compensate for seasonally low-egg supplies, with the result that sharp and sudden price peaks may be avoided. Poultry supplies in the first months of 1950 are likely to include much larger cold storage stocks of chicken and turkey than the year before. Before midyear, marketings of farm chickens will increase seasonally. This prospect does not indicate that poultry prices will rise significantly from September 1949 levels. Since September prices are lower than the average to date for 1949, the 1950 average price is likely to be significantly under 1949.

"The declines expected in 1950 from the high 1949 levels of chicken and turkey output are likely to be more moderate than would be expected on the basis of price outlook alone. The record large feed supplies for the year 1949–50, plus the availability of family labor on farms and the desire to maintain farm income, may partly offset price prospects in determining the volume of 1950 poultry output. Prices for poultry ration in 1950 are expected to be lower than in 1949 but not by enough to offset the effect of the prospective decline in egg and poultry prices upon farmers' incomes from the poultry enterprise."

Mr. Termohlen understood that you were especially interested in the poultry and egg outlook for 1950, as relating to a proposal made by a group of east Texas, who are planning to go into the egg and poultry business rather extensively. In view of the situation as outlined in the above summary, our Poultry Branch would recommend that under present conditions that the group referred to be advised to proceed with caution and not get into the production of either eggs or broilers beyond the requirements or demand of known markets.

For your further information, I am enclosing a copy of the 1950 outlook issue of the Poultry and Egg Situation.

We will be very glad to furnish you any additional information that you may desire.

Sincerely yours,

RALPH S. TRIGG,
Administrator.

NEW JERSEY SENATE,
January 6, 1950.

Hon. LINDLEY BECKWORTH,
House Office Building,
Washington, D. C.

DEAR LINDLEY: Right now the poultry industry is passing through a difficult period which we hope will clear up within the next 6 or 8 months.

The immediate prospects of the industry depend largely on the stabilization of egg and poultry meat prices. It seems to me that the support price on feed must be in line with the support price on eggs and meat if the poultryman is to expect any margin of profit.

It might be a good idea for you to write the poultry experiment stations connected with the State colleges in some of the eastern States. I am sure you will find them in a position to give you a fairly clear picture of the situation in the poultry world today.

With kind regards and best wishes for a happy new year.

Sincerely,

ELMER H. WENE.

IOWA SWINE PRODUCERS' ASSOCIATION,
Des Moines, Iowa, January 3, 1950.

Mr. LINDLEY BECKWORTH,
Member of Congress, Third District of Texas, House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: I feel that the United States can maintain and support the increase in swine production of this last year through its added population and increased income as long as we have employment. I would not advise too much expansion in swine production but feel the amount we are having now would be a profitable enterprise.

Sincerely,

WILBUR L. PLAGER,
Field Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., December 20, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of December 5, 1949, in which you ask why black eyes are not supported along with other beans and peas.

Dry black eyes are marketed in an entirely different manner than are dry edible peas and their utilization is substantially different. They are marketed and consumed in the same manner, generally speaking, as are dry beans.

Black eyes have not been included in the price-support program for the following reasons:

1. The price-support program on beans was originally designed to obtain additional production to meet wartime requirements and black-eye beans are not suitable for shipment abroad.

2. Black eyes are not comparable in storability with other beans, particularly in the South and Southwest, because of much greater susceptibility to insect infestation.

3. Over-production of black eyes can take place very easily because of the relatively large area in which they can be produced.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., December 9, 1949.

Hon. LINDLEY BECKWORTH,
Member of Congress, Washington, D. C.

DEAR MR. BECKWORTH: This will acknowledge receipt of a clipping from the December 1, 1949, issue of the Dallas Morning News relative to Government-owned stocks of nonfat dry-milk solids.

On the basis of current market quotations, the value of this powder is approximately $28,000,000.

In accordance with your request, we are returning to you herewith the newspaper clipping.

Sincerely yours,

K. T. HUTCHINSON,
Assistant Secretary.

[From the Dallas (Tex.) Morning News of December 1, 1949]

DRIED MILK HOARD POSES KNOTTY PROBLEM FOR UNITED STATES

WASHINGTON, November 30.—The Government is hoarding huge stocks of an important food nutrient.

Agriculture Department experts say it is most needed in the national diet.

Department officials are getting gray wondering how to make the food available to consumers.

The nutrient is calcium. Rich supplies of it are contained in the 230,000,000 pounds of dry skimmed milk now locked in the Government's price-support stocks.

Manufacturers of the milk powder say bakers should use more of it to enrich their bread. But bakers are reluctant to add to their production costs. They say the powder costs too much because the Government is holding up the price.

Manufacturers represented by the American Dry Milk Institute, Inc., counter by asking that the Government subsidize increased use of the powder in bread baking.

The bread makers oppose this plan. The American Bakers Association declared recently that such a subsidy might lead to Government regimentation of their industry.

The Government has big stocks of the powder because of a standing offer to buy it at a relatively high price. The Government could stop propping the price. The law doesn't require it.

But if the Government withdrew price props for skimmed milk, agriculture officials fear the price would collapse. Many Midwest dairy-hog farmers would save cream for butter and feed the skimmed milk to hogs instead of taking whole milk to market.

Agriculture officials also argue that if price supports were eliminated for skimmed milk powder, the price of butter, an end milk byproduct, would go up. Under the milk support law, the Government props the milk price by buying butter and skimmed milk powder. If it dropped powder supports, it would have to boost butter supports to keep up the price of milk.

The dried milk manufacturers are stumping the country to convince bakers they should enrich bread with more skimmed milk powder. But they admit it's a slow educational process.

To give the move a shot in the arm, the manufacturers suggest that the Government resell the powder it buys to bakers at lower prices. They propose that bakers using in excess of a national average of 2.5 percent dry skim milk should be subsidized to the extent of half of the cost of all additional quantities they use in bread-making.

The board of governors of the American Bakers Association, meeting at Atlantic City, N. J., recently made it clear they want no part of such a plan.

In official Agriculture Department circles there are two schools of thought. Some officials think it's a fine idea. They say it really wouldn't be a subsidy. It would merely allow bakers to get the powder at a price closer to what the price would be if the Government wasn't propping it.

But other officials believe the bakers eventually will have to increase enrichment of their bread with or without a subsidy. If that's going to happen, they ask, why pay them a subsidy?

DEPARTMENT OF AGRICULTURE,
Washington, D. C., November 16, 1949.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your two letters of October 18, 1949, with respect to methods of supporting fruits and vegetables.

There is enclosed a copy of Miscellaneous Publication 683 Price Programs of the United States Department of Agriculture, 1949. This publication will provide you with much of the detailed information in which you are interested.

Price-support operation for fruits and vegetables are limited to dry beans and peas, potatoes and sweetpotatoes. Assistance is provided growers of other fruits and vegetables by means of surplus-removal-purchase operations as needs arise, depending upon the funds and outlets available to the Department and other considerations.

Dry beans of specified classes including baby lima and pinto are supported since they were Steagall commodities. Dry whole peas are similarly supported, but black eyes are not supported. In our normal classification we consider black eyes as beans rather than as peas. Black eyes are not supported because the Department did not ask for increased production of this class during the war, since outlets outside of the United States were practically nonexistent.

Support of the 1949 crop of dry beans is at 80 percent of parity, and the support on dry peas is at 60 percent. In each program the support is given by means of loans and purchase agreements available to producers. On dry peas the Department supports the price of the commodity as it comes from the threshers; whereas on dry beans, the support is on a cleaned and graded basis which service is normally done by local warehousemen. The reason for the distinction is that excess peas which might be acquired under the price-support program could very well have only a feed outlet. For feed purposes, the amount by which the value of cleaned peas would exceed that of thresher-run peas would be insufficient to cover the cost of cleaning.

Copies of the press releases and the program regulations for the 1949 support programs on dry beans and peas are enclosed.

In the case of vegetables other than potatoes and sweetpotatoes for fresh-market sales, price support is not mandatory. Our operations are limited by available funds and outlets and the perishable nature of the commodity. These commodities are grown commercially in nearly all of the States. The period between planting and harvesting is short for most of these vegetables. Areas planted vary from a fraction of an acre to large-scale operations. Double and even triple cropping is not unusual. Marketing seasons between areas are finely drawn and frequently overlap because of variable weather conditions. Prices during a market season vary widely, frequently from very high to very low levels. Consequently, we do not announce in advance support-price levels. To do so would tend to encourage acreage expansion and we have no practical means of acreage allotments. We are compelled to confine our operations to surplus removal programs as market gluts arise and to a few important commodities for which outlets to school lunch and other eligible institutions are available. The thinking behind this type of program simply is that by removing the spot surpluses, market prices will improve sufficiently to be of benefit to the grower. Our maximum purchase prices for these operations are based on 75 percent of the individual commodity parity prices.

Mandatory price support for potatoes has been in effect since 1943, first as a Steagall crop, and presently under the Agricultural Act of 1948. The principal support method is by purchases, particularly in connection with the early crop, but loans have been an important supplement in the late-producing areas where large quantities are stored and where markets frequently are depressed as a result of growers' needs for cash at harvest time. Price support announcements for the ensuing crop season usually are made in the late fall or winter. They contain an outline of the basic plan, including conditions of eligibility. Beginning in 1947, only growers planting within their individual farm potato-acreage allotments have been permitted to participate.

Under prewar conditions, it was assumed that for all consumption purposes, production of about 360,000,000 to 370,000,000 bushels was needed. More recently 350,000,000 bushels has been the production goal, but there is some evidence that even this figure is too high and that with normal quality a supply as low as 335,000,000 bushels would be adequate. On a per capita basis, annual consumption has been declining steadily for over half a century at a rate close to 1 percent per year. More recently the rate of decline has been accelerated, and 1948 consumption is estimated at 108 pounds per capita compared with averages of 182 pounds for the 1909–13 period and 131 pounds for the 1935–39 period. As to crop disposition, data for the 1944–48 period show an average of 79 percent of the potato crop sold for food and seed, the balance being consumed as food and seed on the farms where grown, and wasted or fed to livestock. It should be observed, however, that the percentage sold includes sales to the Department under price-support programs.

Price support of sweetpotatoes is mandatory through December 31, 1949, because it is a Steagall commodity. The current crop will be supported in accordance with the Agricultural Act of 1948, at prices which will return growers not less than 60 percent or more than 90 percent of parity at the beginning of the marketing season (July 1, 1949). Beginning January 1, 1950, sweetpotatoes will be in the same category as other vegetables on which price support is optional. However, since December 31 is about the middle of the sweetpotato marketing season and a basic change in support was undesirable in the middle of the season, the Department committed itself to support the 1949 crop of sweetpotatoes at an average of 80 percent of the July 1, 1949, parity. A press release giving the schedule of prices and details of the 1949 sweetpotato price-support program is enclosed.

During the 5-year period (1943–47) the Bureau of Agricultural Economics estimates that approximately 43 percent of the total production of sweetpotatoes was sold. They estimate that about 32 percent was used in the farm household. The remainder was used for seed, fed to livestock, and lost through waste after harvest. The 1949 production is estimated at 51,900,000 bushels. On the basis of these averages it is estimated that about 22,300,000 bushels would be sold and the farm household would consume 16,600,000 bushels.

The Department has no price-support program for figs. It has announced a program under which diversion payments of 3 cents a pound will be made on up to 1,000 tons of Black Mission figs. These figs are being contributed voluntarily by producers to a surplus pool for disposition outside of normal trade channels.

Surplus-removal programs have been undertaken for a number of deciduous fruits during the 1949 season. Fresh pears, apples, and prunes were purchased during August and September. Purchases of each of these fresh fruits were undertaken in an endeavor to improve market conditions then prevailing for these fruits. Purchases of these commodities were distributed under the school-lunch program and to eligible agencies and institutions and the rate of purchase was governed by the capacity of the outlets to utilize the fruit.

A total of 1,093 cars of Bartlett pears was purchased in California, Oregon, and Washington during the period August 2 through September 20, 1949. Purchases were made at the price of $2.15 per box f. o. b. shipping point. At the start of the program the purchase price was measurably above the then prevailing commercial market price, whereas at the termination of purchases the commercial market price had improved and, in fact, increased to a level above the purchase price.

There were 135 cars of Gravenstein apples purchased in California during the period August 2 through August 21, 1949, at $1.90 per box f. o. b. The California Gravenstein apple industry during the 1949 season adopted a series of rigorous marketing controls designed to improve prices to producers, and the purchases under this program were adapted to the marketing-control pattern established by the industry.

There were 75 cars of Italian prunes purchased in Idaho during the first 2 weeks in September. The purchases of this commodity were made at a price of $1.10 per one-half bushel basket f. o. b. shipping point.

In an endeavor to assist growers of peaches in the United States to market relatively abundant supplies of freestone peaches in the late-producing States and of clingstone peaches grown on the Pacific coast there were 937,210 cases of canned peaches purchased for distribution under the school-lunch program. Purchases of this commodity were made on an offer-and-acceptance basis, and the average price paid for all canned peaches was $4.06 per case delivered to destinations.

Purchases of fresh apples for distribution under the school-lunch program and to eligible agencies and institutions currently are being made by the Department. The purchase price at the present time is $1.70 per box or bushel, f. o. b. shipping point for specified varieties and sizes of fruit. Only United States No. 1 apples are being purchased, and the rate of purchase is geared to the capacity of the available outlets to utilize fresh apples. Purchases under this program were started during the week beginning October 10 and authorizations have been issued for purchases of over 2,000 cars during the first 6 weeks of operation of the program. Purchases are being made in 28 States and allocations to each State are based on the proportionate share of the total United States commercial production contributed by that State.

In an endeavor to assist the United States apple and winter-pear industries to regain their export outlets, the Department has issued an export payment program under which a subsidy of 50 percent of the f. a. s. price, but not more than $1.25 per box or per bushel, is made to exporters for apples or winter pears destined to the Economic Cooperation Administration and Western Hemisphere countries with the exception of Canada, Mexico, Cuba, and Venezuela. The eligible countries are those whose purchasing of United States apples and winter pears have been curtailed as a result of a shortage of dollar exchange. Copies of the announcements indicating the terms and conditions of these programs are enclosed.

Citrus fruits have been purchased in periods of surplus during the last few seasons to the extent that funds and outlets were available. These purchases were made under surplus removal programs rather than price-support programs. Substantial purchases were made during the 1947–48 season when prices to growers were very low. Purchases during that fiscal year were equivalent to approximately 5,500,000 boxes of grapefruit and 3,300,000 boxes of oranges.

Prior to the severe freezes which occurred in the citrus fruit-producing areas of Texas, California, and Arizona last winter the Department has instituted a purchase program for concentrated orange juce and a quantity of this product equivalent to about 1,250,000 boxes was acquired for use in school lunches.

Purchase programs for citrus fruit were discontinued last season after these freezes since prices advanced materially. The Texas freeze resulted in very large losses of both fruit and trees in the Rio Grande Valley. As a result, a disaster area was designated and the Farmers Home Administration has made loans available to growers for rehabilitating and replanting groves. In addition to the purchase program during the 1948–49 season an export subsidy program was issued for citrus fruits. Under this program approximately 750,000 boxes (fresh equivalent) of oranges and grapefruit were exported to the Marshall-plan countries.

We are now giving consideration to the marketing situation for the 1949–50 citrus-fruit crop, the harvesting of which has just started. A large crop of oranges is expected but the grapefruit crop will be drastically reduced as a result of the freezes last winter. Texas grapefruit growers whose groves were not seriously damaged by the freeze should have a profitable season in 1949–50.

Sincerely yours.

A. J. LOVELAND,
Under Secretary.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, this bill, as far as cotton is concerned, is an improvement over the measure that passed the House, which I opposed. I want to direct my remarks to potatoes, because that is in the report, and was not considered when we had the House bill up for consideration.

Our troubles with potatoes today is largely due to maladministration of the support program and to large imports of potatoes from Canada. It is now estimated that close to 20,000,000 bushels of Canadian potatoes will come into our American market from the 1949 crop, which means that the Commodity Credit Corporation, or our Government, will have to buy 2 bushels of American potatoes to make up for the loss of the American consumer market and to hold the price up in this country for American-grown potatoes.

Mr. FELLOWS. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Maine.

Mr. FELLOWS. And that 20,000,000 bushels is substantially what they figure will be the surplus, so far as our crop is concerned in the eastern part of the United States; is that not correct?

Mr. AUGUST H. ANDRESEN. The imports of Canadian potatoes will increase our surplus by the amount of the imports.

Mr. FELLOWS. Is it not within the power of the President and the Secretary of Agriculture to stop that importation?

Mr. AUGUST H. ANDRESEN. It is my understanding that under section 22 of the Agricultural Adjustment Act the President has the power to place a quota or a virtual embargo upon all potatoes that are imported when our Government is conducting a support program on potatoes.

Mr. FELLOWS. And is not the effect of this program to support Canadian potatoes as well as our own?

Mr. AUGUST H. ANDRESEN. Well, it supports the price of potatoes in Canada and provides a market for them in this country.

I want to call your attention to a particular matter with reference to potatoes. The law provides that the Commodity Credit Corporation can dispose of its potatoes to any other governmental agency for any price. But what do we find today? My distinguished and able colleague from New York [Mr. LEFEVRE] advises me that the Army Quartermaster depot of Chicago is advertising up in the State of New York and in the city of Poughkeepsie for bids on 376,000 bushels of potatoes and 580,000 dozens of eggs to be bought on bid in the market by the Government. The Army refuses to buy them from the Commodity Credit Corporation at 1 cent a bushel for potatoes, or half a cent a dozen for the eggs.

Now, it seems to me, in the interest of economy, that these governmental agencies should get together and use the surpluses of food that we now have, because we have them on hand. The taxpayers have paid for them.

Since the 1st of February, the Government has spent $13,000,000 to buy eggs; good, fresh eggs. That is since the 1st of February; and yet the Quartermaster Corps, to supply a hospital up in Michigan, is advertising now for 580,000 dozen to go up to your State, I will say to my colleague from Michigan, and for 376,000 bushels of potatoes, when the Secretary of Agriculture says that he is going to dump 50,000,000 bushels of potatoes, and that millions of dozens of eggs are spoiling. I would not be a bit surprised but what those potatoes will be Canadian potatoes, because they will underbid the price at Poughkeepsie, or other places, and the Government may be feeding our boys in the hospitals in Michigan, Canadian potatoes paid for by the American taxpayers, when we have millions, yes, nearly $90,000,000 worth of potatoes on hand that we could give away. Is that not a crime? I think these agencies had better get together to stop this waste of the taxpayers money. No wonder the potato program has failed.

Now, let me point out one other matter for the benefit of some of the potato growers of the country. The gentleman from Georgia [Mr. PACE] stated that the Secretary of Agriculture could put marketing practices into operation which would be equivalent to marketing agreements, had they been voted. Those marketing practices specified by the Secretary of Agriculture which are equivalent to marketing agreements, can be put into operation without a vote of the producers, for the crop year 1950, in all areas where they do not have marketing agreements or marketing quotas, so that this is one instance when the Secretary of Agriculture is given absolute authority in those areas to put these marketing practices into operation; in fact, he could stop the marketing of potatoes in certain areas if they did not meet the standard set up by him, and the potato producers would not have anything to say about it.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Speaking of this importation of potatoes, there is now a provision in the tariff law that can be invoked by the President to shut out these importations.

Mr. AUGUST H. ANDRESEN. I said that a few moments ago. The gentleman probably was not in the Chamber. Those restrictions are in section 22, and can be put into operation by the President on any program upon which we have a support price program, provided it does not interfere with the reciprocal trade agreements. But we have fulfilled the quota to Canada, where they can ship in 5,000,000 bushels under the reciprocal trade law at 37½ cents a bushel tariff or one-half the regular duty. The quota has been filled and we will have ten to fifteen million additional bushels of potatoes coming into this country from the 1949 Canadian crop.

The potato support program has failed because of maladministration and large imports of potatoes from Canada. It is quite evident that Secretary Brannan is doing everything that he can to destroy the price-support program for perishable commodities.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Speaker, I am wholeheartedly in favor of the adoption of the conference report. I feel that the conferees should be commended for their work in largely maintaining the House position and bringing us this conference agreement which will alleviate many gross inequities which exist in connection with the administration of Public Law 272 of the Eighty-first Congress, first session.

The gentleman from New York [Mr. JAVITS] has stated that many of the people in his district were opposed to price supports for agricultural commodities because of the high cost of food. I feel that I am qualified to discuss the question of food costs, since I do practically all of the family grocery buying; that is, I shop at the grocery stores on Saturdays and am familiar with the present food costs. I want to say to the gentleman from New York [Mr. JAVITS] that the cost of foods are appreciably lower today than a year ago. Foods have declined in price about 20 percent or more in the last few months. This is true with respect to fruits, vegetables, canned foods, and all cuts of meats, especially pork. While the farmer is getting less for the commodities produced by him there has been no decline in wages. As a matter of fact, wages have increased.

Only yesterday I attended a fashion show sponsored by the National Cotton Council of America. Different types of dresses and wearing apparel made from cotton were modeled for the assembled guests. The dresses ranged in price from $18.95 to $149. For each dress that retailed for these figures the cotton farmer received about 50 or 60 cents for his long, hard labor in the production of raw cotton. Yet, some Members will come on this floor and fight support prices on agricultural commodities saying that the price paid farmers for the production of their labor is too high. The cotton farmer earns about 30 cents an hour for his work on the farm while industrial

labor is enjoying a minimum wage written into law by this Congress of 75 cents an hour.

This cotton emergency legislation has for its purpose the removal of hardships suffered by cotton farmers and to prevent and avoid hundreds and hundreds of farm tenants and share croppers from being thrown out of employment because of the excessive reduction in acreage which has been made to farmers throughout the Cotton Belt. Public Law 272 allocated cotton acreage on the basis of a percentage of cropland on the cotton farms within the county and did not take into consideration the cotton history of the farmers who brought the history to the particular county. It, therefore, became necessary that a history formula be written as an amendment to the law in order to relieve the many inequities which had resulted from the cotton-control law passed last year.

It has been charged here that to enact this emergency cotton proposal would result in the allocation of too much acreage during the crop year 1950. I challenge that statement. To begin with, it was necessary that cotton-control legislation be placed on the statute books since the Secretary of Agriculture would have been compelled to have allocated no fewer than 27,000,000 acres for cotton production in 1950 under the laws that were on the statute books prior to the passage of Public Law 272 last summer. We cut down the national allotment of 27,000,000 acres to 21,000,000 acres in this 1949 act. This conference report which we are now considering would add about 1,100,000 additional acres for 1950. Let me call your attention to the fact that there will be considerable underplanting of allotments in 1950. Why do I say this? The Cotton Subcommitte of the House Agriculture Committee has been engaged in hearings in an effort to remove objections to the cotton-control law. Witnesses have appeared before our committee from various cotton States. Many of these witnesses are cotton farmers. They tell us that in their counties so much of the allotment that has been made to the farmers will not be planted in 1950. They say many of these farmers have gone out of cotton and are growing some other crop and do not intend to plant the allotment which has been given them as a result of the percentage of cropland-factor allocation. I have here the actual record year by year of the national allotment of cotton, the number of acres actually planted and the percentage of the acres that were planted compared with the total allotment in the years that the cotton-control program was in effect. In 1938 the Department of Agriculture allocated 27,493,000 acres to cotton. Of this allotment 24,943,000 acres were planted which is 90.7 percent of the allocated acres. In 1939 there were 27,863,000 acres allocated and only 24,622,000 acres planted which is 88.4 percent of the allocated acres. In 1940 there were 27,545,000 acres allocated and only 24,772,000 acres planted which is 89.9 percent of the allocated acres. In 1941 there were 27,399,000 acres allocated and only 22,956,000 acres planted which is 83.8 percent of the allocated acres. In 1942 there were 27,280,000 acres allocated and only 23,103,000 acres planted which is 84.7 percent of the allocated acres. In 1943 there were 27,203,000 acres allocated and only 21,798,000 acres planted which is 80.1 percent of the allocated acres. During the years the program has been in effect there has been an average of 14 or 15 percent of the allocated cotton acres which have been unplanted. Even if 12 percent of the allocated 21,000,000 acres for 1950 would not be planted, that would be 2,400,000 acres which would not be planted this year. It can readily be seen that by the adding of the 1,300,000 acres which is expected to be added by virtue of the passage of this bill, there would still be some 1,300,000 acres of cotton less planted in the year 1950 than the 21,000,000 which was provided under the legislation which Congress enacted in August of 1949.

Mr. Speaker, I hope the conference report will be agreed to.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Speaker, the gentleman from Texas [Mr. BECKWORTH] cited a case of a person who bought a farm in 1948. He realizes, as does every Member of this House, that we passed a law in the first session of the Eighty-first Congress—Public Law 28—which outlawed new cotton acreage. This person who bought the farm in 1948 and did not plant until 1949 is not entitled to any acreage except as a new grower, which allotment he got.

I hope this conference report is adopted.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Tennessee.

Mr. COOPER. Is it not true that this conference report is intended to improve the existing situation?

Mr. SUTTON. It definitely is.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, some of you represent the large metropolitan areas. I particularly want to propound a question to those who represent large consumer groups; especially those of you who feel that this farm program has in some way imposed a burden upon your people. Let me ask you in all sincerity, What commodity has dropped in price during the past 2 years as food has? Has the price of automobiles gone down as rapidly as food? Has shelter gone down as rapidly as food? Has the cost of fuel decreased? Have the city-produced goods the farmers buy dropped like the cost of food? Have wages gone down as rapidly as food? Has rent gone down as rapidly as food? Has any other commodity for which the American people have to spend a large portion of their money decreased as food has decreased in price?

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. JAVITS. Food prices, of course, have just about doubled, whereas all other prices have not.

Mr. POAGE. Food prices in the last 2 years have materially dropped. In fact, farm prices are off about 23 percent, I believe. I do not think the gentleman can point to a single other item of household expense that has dropped that much.

Mr. JAVITS. Will the gentleman permit me to answer?

Mr. POAGE. The gentleman's answer was incorrect. Food prices have not doubled in the last 2 years. On the contrary, they have decreased.

Mr. JAVITS. The gentleman asked a question.

Mr. POAGE. I asked the gentleman to answer my question. He did not answer it. He cannot answer it. The gentleman did not attempt to answer the question. I simply called for a plain answer, and the answer is not what the gentleman from New York would like for it to be. If his people are not today receiving substantially cheaper food than they did 2 years ago, it is due to the amounts taken by the citizens of his own city as distribution costs for the farmer is today receiving only about three-fourths as much for food as he was 2 years ago, and the city people of America are still spending a smaller percent of their income for food than are the people of any other nation of the world. Have wages dropped during the past year as rapidly as the price of food? Has the cost of building a home dropped as rapidly during the past year as the price of food? Food has dropped substantially. It is the price of things farmers have to buy, not the price of things farmers have to sell that has not dropped. Has the farm program imposed an unfair burden upon the consumers of the city areas or has the maintenance of fixed or rising costs of industrial goods imposed an unfair burden on farmers?

Mr. Speaker, in this bill there is one item only that has been the subject of serious attack on this floor, and that is the potato program. The House did not put any reference to potatoes in our bill. We were simply asking for justice for those farmers whose allotments of cotton and peanuts had been cut to where they could not make a living. That is all we asked for. The Senate felt that we should put into this bill some provision in regard to potatoes. Everyone wants to limit the Government's liability as to potatoes. This is not a potato bill, and under our rules the conference committee has no power to make it a potato bill. We do, however, have three provisions in this bill, every one of which reduces the obligation of the Government in regard to potatoes, every one of which will result in a lesser expenditure in the future than we have had in the past in regard to potatoes.

Probably we do not go as far as some of you would like to go, but we do definitely move in the direction of controlling

potato production and reducing the obligation of the Government. These provisions are not all that might have been placed in a potato bill. They are not all that will doubtless be in the potato bill on which the Senate committee began work this morning, but they are provisions on which I am sure all of us are in substantial agreement. We may favor going further, but we can at least agree that we should go this far. Let us not take the cake that is offered us just because there is no ice cream to go with it. The acceptance of this bill in nowise limits our power to deal further with potatoes, but the rules of the conference committee made it impossible for us to go any further in this bill.

Are you for reducing the obligation of the Government, or do you want to continue the disastrous potato program we have had in the past? The question is clear. If you want to continue it, vote against this conference report. If you want to stop it, vote for this conference report.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I would like to call to the attention of the country that again the agricultural lobby is going full steam ahead. When the matter of the price-support program was up in the last session there were 59 minutes allotted by the Agriculture Committee for the people for the bill and 1 minute against. In this particular session, there are now 58 minutes for the people for this conference report and 2 minutes given to the people against. The country is greatly disturbed over these programs, and in view of the outcome of the program of last year, the pros and cons of the issues are entitled to be fully heard.

May I say to the farmers of the country, unless you permit half of the time for debate in this House for those in opposition to talk out some of these problems, and to give the points of view of the public a..d the consumers, these programs are going to come to a brick wall and crash. We people ir the consumer districts, and we have farms in them too, want fair treatment by the agricultural lobby, or the farmers will be the losers in the end. The American people including the farmers believe in fair and equal treatment.

There has been not one word said in this conference report nor in the statement of the managers on the part of the House, as to the cost to the Treasury, which is the cost to the American taxpayer, of these programs. I would like to finish by asking the chairman of the committee, and the ranking minority Member on the Republican side, what is the estimated cost of this bill? Even Secretary of Agriculture Brannan claims the prices the consumers must pay under this legislation are too high, and the American taxpayers' money is being used to make these prices high under ill-advised rigid price-support programs. We taxpayers are entitled to ask, "How much?"

Mr. COOLEY. Mr. Speaker, I yield the remaining time to the gentleman from Georgia [Mr. PACE], chairman of the Cotton Subcommittee which handled the cotton bill in 1949.

Mr. PACE. Mr. Speaker, first I should like to clear up one matter. The question has been asked here why food commodities, other than potatoes, have not been included in these provisions. The answer is, of course, first, that potatoes was all that the Senate amendment dealt with. Secondly, you understand that the only problem involved here, with respect to the present surplus of potatoes, is the cost of transportation. Under section 416 of the 1949 act, which covered eggs and butter and potatoes, the Secretary can give them away, but that section 416 provided that the recipients should pay the cost of transportation. All we have done here in this bill is to relieve the recipients, the school-lunch program, welfare and other organizations, from paying the cost of transportation. We don't think the cost of transportation with regard to eggs and butter is significant enough to have to be dealt with; that is, to require the Government to pay transportation charges. Under the law as it is today, if it appears that eggs or butter will deteriorate they may be given to these same organizations, except that those organizations at least would have to pay the transportation charges.

Mr. Speaker, I want to say just a word about cotton. Last year we had nearly 27,000,000 acres in cotton. The law now provides that for this year there shall not be allocated over 21,000,000 acres. It is contemplated that next year the acreage will be reduced to about seventeen or eighteen million acres. We estimate that, of the 21,000,000 acres allocated, between two and three million acres will not be planted. Therefore, after making the adjustments in acreage authorized by this bill, which will require about a million to one million two hundred thousand acres, I estimate personally from all the information I have secured, there will still be less than 21,000,000 acres of cotton planted this year.

We will have a carry-over on the 1st of next August of about 8,000,000 bales of cotton. A normal carry-over is four to five million bales. You understand, you must have a cotton carry-over to carry the mills and to move in commerce between the 1st day of August and the time the crop is harvested and ginned, moved to the warehouses, and becomes available in the market. Up to this time the cotton program has made for your Government nearly $250,000,000 in profits. There have been no losses in the cotton-support program so far. There is in the Cotton Quota Act a provision that will automatically cut down this extra 3,000,000-bale surplus at the rate of 1,000,000 bales a year. The act expressly says that hereafter the Secretary of Agriculture may fix the acreage at that number of acres which will produce 1,000,000 bales less than the cotton which is consumed and exported the preceding year, which should make an automatic compulsory reduction down to a normal carry-over of cotton within about 3 years.

I am sure that is not thoroughly understood.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. KEATING. I am interested in the gentleman's statement that the cotton program had resulted in no loss to the Government, but indeed a profit.

Mr. PACE. That is right.

Mr. KEATING. We have often heard that statement on the floor of the House. Of course, I know the gentleman's reputation for fairness, and I realize that he would also want the House to know the proper reason why there has not been a loss to the Government and why it does show a paper profit to the Government, and that reason is the large shipments of cotton overseas under the ECA and other programs which have been credited to the Commodity Credit Corporation, but which are still out-of-pocket to the American taxpayers.

Mr. PACE. I think the principal reason it has shown a profit is that a great deal of it was cotton which was produced in 1934, 1937, and 1938, which the Government acquired at a low price and then sold at a high price during the war. I think that is the principal reason why it shows a profit. Of course, if the purchases of cotton which have been made with ECA funds should all be charged against the price-support program and the Commodity Credit Corporation, then the cotton program would show heavy losses. But certainly no such action was ever contemplated by the Congress. The farmers must pay their share of the taxes for the European recovery program. Certainly they should not also be charged with the costs of the program in some other manner.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. GRANT. Mr. Speaker, time does not permit any detailed explanation by me of this conference report. However, I do think that it represents an equitable compromise of the differences between the House and Senate.

No effort has been made here to write a long-range farm allotment program. The bill that this House passed and which your conferees carried to conference dealt only with cotton and a minor provision to adjust an inequality in peanut allotment. These provisions applied only to the year 1950.

The Senate conferees brought to the conference a somewhat different bill but whose purpose was the same as the House, namely to adjust inequalities in the cotton allotment for 1950. They also had a provision dealing with peanuts diverted for oil purpose, one for increased wheat allotments, and a section dealing with potatoes. The wheat provision was eliminated.

This conference report brought to you today represents a compromise secured by 11 days' meeting between the two groups. It is not all that we wanted in the way of a more equitable adjustment of cotton allotments, but was the best

that could be secured, and in the main is one that I believe should be accepted by the House at this time.

Other speakers have told you more in detail just what the bill will do insofar as potatoes are concerned. The Senate began, on yesterday, hearings on this important subject, and I am sure that the House will soon begin such hearings, so that this problem will be finally settled in a way that is fair to the growers and to the Nation.

Mr. ABBITT. Mr. Speaker, I favor the adoption of the conference report and I desire to take this opportunity to explain the situation regarding the serious problems of our peanut growers.

In the agricultural program peanuts are classified as one of the six basic commodities. Although there are several separate and distinct types of peanuts serving separate and distinct demands and uses they are treated as one commodity in one over-all program.

The main types of peanuts are the Virginia-type, which is grown almost exclusively in Virginia, North Carolina and northern South Carolina; the Valencia-type peanut, which is grown in Tennessee and New Mexico, but the acreage is very small for this type peanut and it could well be classed with the Virginia-type peanut; the Spanish-type peanut, and the runner-type peanut.

In 1949 there was an acreage allotment cut of approximately one-half million acres in the production of peanuts. In 1950 there was proposed a cut of approximately one-half million; and in 1951 there will probably be a cut of approximately 300,000 acres.

Fortunately, the peanut growers of Virginia were not forced to take a reduction in acreage allotments for the year 1950 due to a special proviso that was inserted in the Agricultural Adjustment Act when it was amended last year, 1949. This proviso, in effect, provides that no State should be cut below their 1941 acreage allotments for the crop year 1950, but after 1950 there is no such provision.

At present, the growers of the Virginia-type peanut are not overproducing and, as a matter of fact, they barely produced enough to supply the demands of the normal trade. Approximately 25 percent of the Virginia-type peanuts are sold to the consumers in the shell as edible peanuts; about 40 percent are sold for salted peanuts; 10 to 15 percent go into candy and the remainder or approximately 15 percent go into peanut butter. The amount of Virginia peanuts used in peanut butter is the only use of Virginia-type peanuts that is in competition with any other type of peanut. In other words, the Virginia-type peanut goes into a trade that is not supplied by other types of peanuts with the exception of a very small percentage of the crop. As stated above, there is not a surplus of the Virginia-type peanuts, as the normal trade takes up the amount produced.

Even though there is not a surplus of the Virginia-type peanuts—as a matter of fact, there is a scarcity of same—the producers of the Virginia-type peanut will be compelled, in 1951, to take a considerable cut in acreage allotments through no fault of their own overproduction if the law remains as at present, due to the fact that peanuts are considered in one entire program and not by types and according to need of said types, as there is a tremendous surplus of peanuts as a whole. Therefore, when a cut is declared, it must be straight across the board, as there is no authority in the present law to distinguish between the different types according to the needs of the trade. It is estimated that Virginia growers will be compelled, in 1951, to take a cut of approximately 21,000 acres in the face of a real shortage on the market today of the type of peanut grown by them.

In an effort to remedy the situation and to allow each separate and distinct type of peanut to stand on its own merit and thereby produce an amount sufficient to supply the normal trade and demand, I introduced in the House of Representatives on January 30, 1950, H. R. 7044, the purpose of which is to treat each of the types of peanuts as a separate commodity and require establishment of a separate quota and allotments for each type. In this respect, the marketing-quotas provision for peanuts, when amended, would follow the existing provision of the present Agricultural Act concerning tobacco quotas and allotments under which each kind of tobacco is treated as a separate commodity. This means that each type of peanut would be allotted sufficient acreage to supply its normal trade demands rather than each type being cut simply because there is an over-all surplus of the peanuts regardless of the trade demands for particular type. This would mean a considerable saving of money to the Federal Government, as the peanut program in the past has cost the Government in subsidies, whereas the Virginia-type peanuts have cost very little. The tobacco program has worked out admirably and has cost the Government almost nothing by way of subsidies. We have every reason to believe that the peanut program could be worked out the same.

If H. R. 7044 is enacted into law, it will mean that the growers of each type peanut will be allotted sufficient amounts to supply the trade for their particular type of peanut, which means that the growers of Virginia-type peanuts should not be cut, but, in all probability, would have a small increase.

I think it is incumbent upon Congress to provide a farm program that is sound economically and one which should as nearly as possible stand on its own merit. Unless we do this, I am afraid that we will wreck the entire agricultural program, which would greatly endanger the stability of this country. For a long time we in the Congress have been stating that we desired to set up an agricultural program that was sound economically and one that would not reflect discredit upon the producers of our agricultural products. This bill contemplates just that and gives to the growers that which is justly due them—to wit, sufficient acreage allotments to meet the normal trade demands for their product. We should ask no more and could be expected to demand no less.

Mr. MILLER of Maryland. Mr. Speaker, although from an agricultural district and deeply interested in the welfare of all farming areas, I find that I am unable to go along with the conference report. While the effort it contains to put the brakes on overproduction of Irish potatoes and to adopt a common-sense plan for disposing of the surplus is highly to be commended, I share the feeling of my colleague, the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] that it is unfortunate that the Irish potato question cannot be dealt with on its merits and without being coupled with increased acreage allotments for unrelated products such as cotton and peanuts. I am doubtful also of the advisability of delegating to the Secretary of Agriculture the blanket authority provided with respect to the 1950 crop.

Sometimes plans designed to decrease production have a mysterious way of ending by doing just the opposite in certain favored areas.

Let me call attention to what has developed with respect to this year's agreements with regard to Irish potatoes as formulated by the Fruit and Vegetable Branch of the Department of Agriculture.

While it was administratively determined to reduce production of Irish potatoes for 1950 to some 333,000,000 bushels, the result has been to increase the commercial acreage allotment of some 13 States. Oklahoma's allotment, for example, has been raised 17 percent, Nevada 45 percent, Illinois 20 percent, and so it goes.

My State of Maryland has been reduced to 84 percent and when the complicated formula is expressed in acres, using the average national commercial yield of 173 bushels per acre for the past 3 years as the basis, the State of Maryland is allowed under the present program only 4,200 acres, which represents fewer for the whole State than were planted normally in a single small county in my district—Worcester—before World War II.

I am advised that in applying the complicated formula, 25 percent of the surplus purchases from 1945 to 1948 were deducted from the average production of those years. In addition a large deduction at the rate of 105 bushels per acre for the estimated noncommercial acreage was also made. The result was as described.

The scheme is fine in theory but depends to a great extent on figures secured from partial sampling or estimates. The final result is startlingly unfair with respect to a State like Maryland which has grown Irish potatoes from early colonial times. To put it another way, why should Maryland be reduced 16 percent, or Vermont 23 percent, when the national reduction is only 7 percent and Nevada gets a 45-percent increase? This is a new type of redistribution of wealth.

Taken in connection with the entry of millions of bushels of Canadian potatoes into American markets, while surpluses are bulging from the storehouses all over the Nation, the whole fantastic picture of controls and more controls becomes alarming.

Mr. Speaker, I think piecemeal legislation such as contemplated by the conference report will only add to our difficulties.

For the record, let me include a table showing the tabulation of the percent of acreage allotment for 1950, as compared with 1949 of each of the Irish potato-producing States:

	Percent
United States	93
Maine	85
New York (Long Island)	98
New York (up-State)	86
Pennsylvania	88
Michigan	90
Wisconsin	88
Minnesota	99
North Dakota	85
South Dakota	94
Nebraska	98
Montana	81
Idaho	99
Wyoming	83
Colorado	94
Utah	92
Nevada	145
Washington	86
Oregon	91
California (late)	90
New Hampshire	95
Vermont	77
Massachusetts	97
Rhode Island	88
Connecticut	96
West Virginia	78
Ohio	105
Indiana	74
Illinois	120
Iowa	135
New Mexico	111
New Jersey	101
Delaware	100
Maryland	84
Virginia	91
Kentucky	103
Missouri	100
Kansas	108
Arizona	120
North Carolina	99
South Carolina	113
Georgia	109
Florida	97
Tennessee	110
Alabama	100
Mississippi	80
Arkansas	100
Louisiana	98
Oklahoma	117
Texas	99
California (early)	96

Mr. MURDOCK. Mr. Speaker, it was welcome news, as stated by the gentleman from Georgia [Mr. PACE] that the purpose of this measure, insofar as it relates to potatoes, is to see that surplus potatoes are disposed of for human consumption rather than to be dumped or destroyed. I so understood him to state that fact. To me it has seemed a cruel shame to destroy such food as potatoes at any time.

Some days ago, in conversation with the Governor and other officials of Arizona in regard to hungry children, I made it clear that surplus food was available if the recipients paid the cost of transportation and the distribution was made through a recognized relief agency. As I understand the present measure, this provision has been further liberalized regarding potatoes so that such surpluses may be given away, and in certain cases the cost of transportation may be provided. That ought to provide relief in many cases. I feel that it will be particularly helpful to cases of need on Indian reservations as well as need in some of our migratory labor camps.

THE DEPARTMENT OF AGRICULTURE HAS BUNGLED THE PROGRAM OF PERISHABLE COMMODITIES

Mr. REES. Mr. Speaker, when this bill originally passed the House, it provided for increases in the cotton acreage program. It also provided for adjustment of acreages of peanuts. It comes back to the House with an amendment that deals with surplus potatoes.

Mr. Speaker, it is my opinion that the Department of Agriculture should have dealt with the disposal of perishable surplus commodities long ago. Now it appears the whole thing is a hodge podge affair.

Certainly the Department of Agriculture ought to have formulated a plan with regard to the use and disposal of such commodities. It seems incredible that the Army is today bidding for 376,000 pounds of potatoes, for which the taxpayers will have to pay the market price. This price is supported by taxpayers' funds.

At the same time, the Secretary of Agriculture is either dumping millions of pounds of potatoes paid for by the taxpayers, or selling them at the rate of 1 cent per pound, to be used for fertilizer. Furthermore, Army hospitals, veterans' hospitals, and other Government institutions are buying millions of pounds of potatoes at the market price. So, the taxpayers not only support the prices, but at the same time, buy the potatoes at the Government support price. Not only that, but Canadian producers are presently selling millions of pounds of potatoes in the United States, some of which probably go to our Government institutions.

Certainly every tax supported institution in the country ought to be using perishable commodities in the hands of the Government, wherever they are needed. The same thing applies to eggs and to dried milk. A few days ago an Army installation agreed to buy 580,000 dozen eggs. Those eggs are being paid for out of taxpayers' funds. At the same time, the Commodity Credit Corporation is buying hundreds of thousands of eggs, and putting them in storage, in order to keep up the price of eggs. Another branch of the Government, the United States Army, goes out and uses money from the same treasury to buy eggs in the market.

Mr. Speaker, let me repeat, the Department of Agriculture ought to wake up to the seriousness of this situation. They should see to it that where perishable commodities that are in surplus are being purchased for institutions supported by taxpayers' money, they should be furnished without requiring the taxpayers of this country to pay for them again.

Mr. HARRIS. Mr. Speaker, this conference report represents a compromise between the resolution as passed the House January 31 and the Senate February 27. I am sure the conferees have put forth every effort to reconcile these differences in the best possible way, keeping in mind the interest and welfare of the people as well as correcting to a great extent very grave and serious inequities and injustices to many farmers.

I have read with interest the conference report and compared the principal differences between the House and Senate versions. The result no doubt represents an improvement over the existing situation caused by the act last year reestablishing marketing quotas and controls.

I personally thought that the resolution as passed the House was highly restrictive and should have been the minimum requirements of farmers in complying with the control act. It is difficult to understand that the national reduction to comply with the minimum acres is about 23 percent and yet many farmers are required to take a reduction according to this report by 35 percent of their average planting of 1946, 1947, and 1948.

I recognize, of course, that trends must be considered and new growers, the five-acre limitation and other individual problems, requiring so many gadgets affecting the cotton-quota act. We said in the House when it passed that 30 percent should be the maximum amount any farmer would be reduced providing it stayed within the 40-percent total tillable cropland. There are other provisions which I recognize are not satisfactory, and I do not believe that we are giving the measure of relief that many farmers are entitled to have.

I do recognize, however, Mr. Speaker, that time is important and this compromise represents some relief that the farmers need to have now. For that reason, the conferees, the members of this committee, are to be congratulated and commended for their efforts in getting it out and particularly in maintaining as much of the House provision, correcting inequities as contained in this report.

I want to compliment the committee for including in the report the statement as to the manner in which the Department of Agriculture will administer this act and arrive at allotments being authorized.

This statement is in conformity with the letter I placed in the CONGRESSIONAL RECORD, January 30, at page 1129, addressed to me and signed by Mr. Frank K. Woolley, Deputy Administrator, as to the intention of the Department and how they will proceed to carry out the provisions of this resolution.

Also, in my discussion a few minutes ago with the chairman of the committee, he stated that this was the procedure that would be used in determining the allotments.

As I said in January when this matter was being considered, it is important that the record be made clear and the farmers be fully advised as to the application of this program to the individual farm. If this is understood, I feel sure the problems will be much simpler.

The important provisions of this report, as I understand, are:

First. It extends relief to a great many cotton farmers endeavoring to correct gross inequities for this year, 1950. Since it applies only to this year, it will obviously be necessary at a later date in this session to do something about the future.

Second. No farm can be reduced below 65 percent of the average planting for the years of 1946–48, provided it is not more than 40 percent of the total tillable crop land. The House originally passed it, giving 70 percent of the average years and the Senate passed it with 60 percent. The 65 percent finally agreed to is the compromise. The 40-percent limitation of total crop land was included in both the House and Senate version.

Third. However, no grower is entitled to 45 percent of any one of the 3-year base if it is higher than his 3-year average would be. As the House passed it, it was 50 percent of any 1 year of the 3-year base, if higher than the average of the 3 years. The Senate version contained no such provision at all.

Fourth. The Senate version contained a provision that other controlled crops would be deducted from the total crop land in determining the allotments. This final provision as I understand it deletes that method and all crop lands are included in determining the allotment by percentage factor.

Fifth. The authority for review as provided by the House originally as is contained in this report is a most important part of this report. The House provision I observed has prevailed in this respect and a farmer may have his request reviewed by a review committee to determine the acreage to which he is justly entitled. This is the heart of this resolution, giving the farmer an opportunity to prove that he is entitled to acreage which heretofore he has been denied.

This provides as is contained in the report that notwithstanding any other provision of law, the allotments authorized are to be a specified percentage of the acreage planted to cotton, and so forth. This means the actual acreage grown on a farm will be the determining factor, and the effect of this provision, therefore, is to remove any requirements which may have existed heretofore that the aggregate of farm history of planting within the counties should be adjusted so as to equal the acreages estimated by the Bureau of Agricultural Economics.

In other words, this will permit the farmer to establish his actual history of planting during the base years and receive allotments under this resolution based on the actual history that he can establish.

Sixth. And then the provision with reference to surrendered acreages. Any acreage surrendered voluntarily by the owner or operator of a farm to the county committee is to be apportioned to other farms in the county without operating to reduce the allotment for the farm for any subsequent year. This means any acreage voluntarily surrendered may be reallotted by the county committee and utilized toward establishing more equitable allotments to the farms in that county and will not work a hardship in the future on the farm surrendering such acres.

No doubt this will be of some help to many farmers in my area, Mr. Speaker, though I feel yet that many will not receive sufficient acres needed to maintain a livelihood on which they have heretofore depended from producing this commodity.

Mr. KEATING. Mr. Speaker, when this bill to increase the acreage allotments on cotton and peanuts was before us, I voted against it and I cannot now support the conference report.

We are already subsidizing the cotton and peanut farmers to an unwarranted extent, with the result that we are building up huge surpluses of both of these commodities in Government warehouses. Then the pressure, of course, increases to ship more and more cotton overseas. Now to increase the acreage allotment simply means that we sink millions more in this venture, on top of the staggering load that the overburdened backs of our taxpayers are already carrying.

On top of the millions involved in the cost of this program, we are frankly advised that we will shortly be confronted with a bill to increase the wheat acreage allotments. Indeed, it is transparent that support for this measure has been assured by the promise that similar generous treatment will be accorded to the other large agricultural interests who are lined up with the cotton, peanut, and tobacco producers, to wring tribute from the oppressed taxpayers of our land.

Now, what have they done? They have brought in to us some bait in the form of sections 3, 4, and 5 of this bill relating to potatoes. This is done in the hope that it will enlist support for a measure otherwise indefensible; that we will swallow the bitter, in order to enjoy the sweet.

But no one is fooled by this sugarcoating of an unpalatable mess by adding a provision that would permit the Secretary of Agriculture to pay the freight on surplus foods for welfare agencies and needy people.

The fact is that the Secretary of Agriculture has had authority under existing legislation to dispose of surplus foods to welfare agencies. He has seen fit to hide behind a poorly founded legal opinion that he could pay freight to convert surpluses into cattle feed, but not for human consumption. The result of this maladministration by the Secretary of Agriculture caused three Republican colleagues and myself over a month ago to file bills to compel action to get the perishable food, not only potatoes, but also dried eggs, dried milk, and other products into the hands of the needy people of this country, instead of seeing it spoil.

Though the chairman of the Committee on Agriculture assured us of prompt action, it has not been forthcoming. We have to date had no hearings on our bills despite repeated requests. Instead of that a part of this relief, relating to potatoes only, is tacked on to this cotton and peanut grab to sweeten it up for broader support.

The problem involved in this disposition of surpluses is an entirely separate one from the effort to provide larger subsidized acreage for the cotton and peanut farmers. The two things have no relation to each other. Each should be considered and stand on its own merits, or lack thereof. No one should be misled or cajoled into voting for this conference report with the thought in mind that he is thereby lending his support to the measures which we offered on February 2 to prevent waste and assure proper utilization of the food commodities in Government warehouses throughout the country. All four authors of these bills divorce themselves from any connection with these seductive tactics. Indeed, the resort to employment of this device attests to the inherent weakness of the bill itself. My colleagues who joined in the introduction of these bills, and others of like mind, will, I feel sure, oppose the adoption of this conference report.

Mr. JONES of Missouri. Mr. Speaker, at this time I rise to support the conference report in which the House and Senate conferees have compromised the differences which arose through the amendments adopted by the Senate when that body was considering House Joint Resolution 398 which we adopted in this House several weeks ago.

Despite the fact that the conferees on the part of the House were compelled to make some concessions, I commend the managers on the part of the House for their diligence in preserving those provisions which in my opinion will be most beneficial toward correcting some of the inequities in the cotton-acreage allotments which were provided in the legislation we passed last fall.

I am particularly happy that section 3 in the joint resolution which was adopted by the House has been preserved in section 2 of the conference substitute. This is the section which will give any farmer who is dissatisfied with his farm acreage allotment for the 1950 crop 15 days after the effective date of this resolution to apply for a review of his allotment even though the time for applying for such review may have expired. In this connection I would call particular attention to that part of the statement of the managers on the part of the House which appears under section 2 on page 8 of the conference report. This opportunity to apply for an appeal to a review committee will in itself correct some of the inequities which now exist in several of the counties in my district. While the managers have stated that it is the intent of the committee that the Department of Agriculture should take appropriate action to inform farmers of their appeal rights under the provisions of this resolution, it is also my intention to see that all farmers in my district are fully informed as to the procedure which they will be required to follow in order to have any inequities in farm allotments eliminated.

Due to the limited time which has been allotted to a discussion of the conference report, I feel that many of the Members have not had the opportunity to read and to understand the several

provisions which are included in this legislation which has been amended since it was last before the House. Those who were against any increase in cotton acreage allotments should understand that the report which we are considering at this time is not as liberal as the legislation which we passed here a few weeks ago.

Those who have been critical of the potato program should understand that by voting to adopt this conference report they will be giving the Secretary of Agriculture authority to eliminate some of the red tape which has heretofore served as a handicap in the distribution of surplus potatoes for food purposes and will permit him to develop a program permitting the use of surplus potatoes as human food rather than permitting their destruction. It is unfortunate that some of those who have been most critical of this program have indicated their opposition to the conference report despite the fact that some progress has been made in reducing the potato surplus and every assurance has been given that permanent legislation dealing with the potato problem will be forthcoming at an early date.

The conferees in my opinion have done a magnificent job and this report merits the support of every Member of this House.

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. EDWIN ARTHUR HALL. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. EDWIN ARTHUR HALL moves to recommit the conference report to the committee of conference.

Mr. COOLEY. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. EDWIN ARTHUR HALL) there were—ayes 39, noes 122.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER. The Chair thinks it is obvious that a quorum is not present. The roll call is automatic. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 116, nays 225, not voting 91, as follows:

[Roll No. 102]

YEAS—116

Addonizio	Bolling	Case, N. J.
Auchincloss	Bosone	Chesney
Bates, Mass.	Buckley, Ill.	Chudoff
Biemiller	Burnside	Church
Boggs, Del.	Byrnes, Wis.	Corbett
Boggs, La.	Canfield	Cotton
Coudert	Irving	Rankin
Dague	James	Rees
Davenport	Javits	Ribicoff
Davis, Wis.	Jonas	Rich
Delaney	Karst	Riehlman
Donohue	Kean	Rodino
Eaton	Kearns	Rogers, Mass.
Elston	Keating	Rooney
Fellows	Kennedy	St. George
Fenton	Kilburn	Sanborn
Ford	Latham	Saylor
Fulton	LeFevre	Scott, Hugh D., Jr.
Gamble	Linehan	Scrivner
Gavin	Lodge	Secrest
Gillette	McConnell	Shelley
Goodwin	McCulloch	Simpson, Pa.
Gordon	McDonough	Smith, Kans.
Gorski	McGregor	Smith, Wis.
Graham	Mack, Ill.	Taber
Gwinn	Mack, Wash.	Tauriello
Hale	Martin, Mass.	Taylor
Hall, Edwin Arthur	Mason	Towe
Hall, Leonard W.	Miller, Md.	Van Zandt
Hand	Mitchell	Vorys
Havenner	Murray, Wis.	Wadsworth
Hays, Ohio	Nelson	Wagner
Herter	Nicholson	Weichel
Heselton	O'Brien, Ill.	Widnall
Hinshaw	O'Hara, Ill.	Withrow
Hoffman, Mich.	O'Konski	Wolcott
Holifield	O'Toole	Wolverton
Huber	Patterson	Yates
	Plumley	
	Potter	

NAYS—225

Abbitt	Feighan	Mansfield
Abernethy	Fernandez	Marcantonio
Albert	Fisher	Marsalis
Allen, Calif.	Flood	Martin, Iowa
Allen, La.	Forand	Meyer
Andersen, H. Carl	Frazier	Miles
Anderson, Calif.	Fugate	Miller, Calif.
Andresen, August H.	Garmatz	Miller, Nebr.
Andrews	Gary	Mills
Angell	Gathings	Morgan
Arends	Golden	Morris
Aspinall	Gore	Morrison
Bailey	Granger	Moulder
Barden	Grant	Murdock
Barrett, Wyo.	Gregory	Murphy
Bates, Ky.	Gross	Murray, Tenn.
Beckworth	Hagen	Nixon
Bennett, Mich.	Halleck	Noland
Bentsen	Harden	Norblad
Bishop	Hardy	O'Brien, Mich.
Blackney	Hare	O'Sullivan
Blatnik	Harris	Pace
Bolton, Md.	Harrison	Passman
Bonner	Harvey	Patman
Boykin	Hays, Ark.	Patten
Bramblett	Hébert	Perkins
Breen	Hedrick	Peterson
Brehm	Herlong	Phillips, Tenn.
Brooks	Hill	Pickett
Brown, Ga.	Hobbs	Poage
Brown, Ohio	Hoeven	Polk
Bryson	Holmes	Preston
Buchanan	Hope	Price
Burdick	Howell	Priest
Burleson	Hull	Rains
Burton	Jackson, Wash.	Ramsay
Camp	Jacobs	Redden
Cannon	Jenison	Reed, Ill.
Carlyle	Jennings	Regan
Carnahan	Jensen	Rhodes
Carroll	Jones, Ala.	Richards
Case, S. Dak.	Jones, Mo.	Rogers, Fla.
Cavalcante	Jones, N. C.	Sasscer
Celler	Judd	Scudder
Chelf	Karsten	Short
Cole, Kans.	Kee	Sikes
Colmer	Keefe	Simpson, Ill.
Combs	Kelley, Pa.	Sims
Cooley	Kerr	Smith, Va.
Cooper	King	Spence
Cox	Kruse	Staggers
Crawford	Lane	Stanley
Crosser	Lanham	Steed
Cunningham	Larcade	Stefan
Curtis	LeCompte	Stigler
Davies, N. Y.	Lemke	Stockman
Davis, Ga.	Lesinski	Sullivan
Davis, Tenn.	Lind	Sutton
Denton	Lovre	Tackett
D'Ewart	Lucas	Talle
Dondero	Lyle	Teague
Doughton	Lynch	Thompson
Durham	McCarthy	Thornberry
Ellsworth	McGuire	Tollefson
Engel, Mich.	McKinnon	Trimble
Engle, Calif.	McMillan, S. C.	Underwood
Evins	McMillen, Ill.	Vinson
Fallon	McSweeney	Vursell
	Madden	Walsh
	Mahon	Welch
Werdel	Williams	Wood
Wheeler	Willis	Woodhouse
White, Idaho	Wilson, Ind.	Woodruff
Whitten	Wilson, Okla.	Worley
Wickersham	Wilson, Tex.	Zablocki
Wier	Winstead	

NOT VOTING—91

Allen, Ill.	Gossett	O'Hara, Minn.
Baring	Granahan	O'Neill
Barrett, Pa.	Green	Pfeifer, Joseph L.
Battle	Hart	Pfeiffer, William L.
Beall	Heffernan	Philbin
Bennett, Fla.	Heller	Phillips, Calif.
Bolton, Ohio	Hoffman, Ill.	Poulson
Buckley, N. Y.	Horan	Powell
Bulwinkle	Jackson, Calif.	Quinn
Burke	Jenkins	Rabaut
Byrne, N. Y.	Johnson	Reed, N. Y.
Chatham	Kearney	Rivers
Chiperfield	Kelly, N. Y.	Roosevelt
Christopher	Keogh	Sabath
Clemente	Kilday	Sadlak
Clevenger	Kirwan	Sadowski
Cole, N. Y.	Klein	Scott, Hardie
Crook	Kunkel	Shafer
Dawson	Lichtenwalter	Sheppard
Deane	McCormack	Smathers
DeGraffenried	McGrath	Smith, Ohio
Dingell	Macy	Thomas
Dollinger	Magee	Velde
Dolliver	Marshall	Walter
Douglas	Merrow	Whitaker
Doyle	Michener	White, Calif.
Eberharter	Monroney	Whittington
Elliott	Morton	Wigglesworth
Fogarty	Multer	Young
Furcolo	Norrell	
Gilmer	Norton	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wigglesworth for, with Mr. Smathers against.

Mr. Smith of Ohio for, with Mr. Battle against.

Mr. Clemente for, with Mr. Thomas against.

Mr. Kearney for, with Mr. Horan against.

Mr. Macy for, with Mr. Dolliver against.

Mrs. Bolton of Ohio for, with Mr. Christopher against.

Mr. Hardie Scott for, with Mr. Walter against.

Mr. Quinn for, with Mr. White of California against.

Mr. Hart for, with Mr. Deane against.

Until further notice:

Mr. Sadowski with Mr. Michener.

Mr. deGraffenried with Mr. Phillips of California.

Mr. Bennett of Florida with Mr. Reed of New York.

Mr. Chatham with Mr. Hoffman of Illinois.

Mr. Crook with Mr. Jenkins.

Mr. O'Neill with Mr. Shafer.

Mr. Gilmer with Mr. William L. Pfeiffer.

Mrs. Douglas with Mr. Clevenger.

Mr. Doyle with Mr. Allen of Illinois.

Mr. Sheppard with Mr. Kunkel.

Mr. Magee with Mr. Morton.

Mr. Whitaker with Mr. Sadlak.

Mr. Gossett with Mr. Jackson of California.

Mr. Baring with Mr. Velde.

Mr. Burke with Mr. Johnson.

Mr. Elliott with Mr. O'Hara of Minnesota.

Mr. Whittington with Mr. Merrow.

Mr. Byrne of New York with Mr. Lichtenwalter.

Mr. Rabaut with Mr. Chiperfield.

Mr. Rivers with Mr. Cole of New York.

Mr. Monroney with Mr. Beall.

Mr. SCUDDER and Mr. JUDD changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the conference report.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. FORD. Mr. Speaker, I ask for a division.

The House divided.

The SPEAKER. On this vote, by division, there are—ayes 150, noes 66, and the Chair counts himself, making 217 Members present, a quorum.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2246. An act to amend the National Housing Act, as amended, and for other purposes.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–17.

GENERAL LEAVE TO EXTEND ON CONFERENCE REPORT

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to revise and extend their remarks on the conference report just adopted.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

NATIONAL MINERALS ACT OF 1949

The SPEAKER. The gentleman from Florida [Mr. PETERSON] is recognized.

Mr. PETERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill Senate 2105, with Mr. BOGGS of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, March 14, the Clerk had read through section 1 of the bill.

Mr. PETERSON. Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that the bill be printed in the RECORD, and that the bill be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The bill reads as follows:

SEC. 2. (a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States, and that every effort be made to encourage the development and maintenance of sources of these metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials. To this end it is the further policy of the Congress that every effort be made to maintain a sound and active mining industry within the United States; to expand exploration for those ores and other mineral substances which are essential to the common defense or the industrial needs of the United States; and to prevent the discontinuance of mine operations under such circumstances as to make it probable that production would not or could not be resumed when needed for the national economy or security.

(b) In carrying out these policies small mining enterprises shall be encouraged to apply for aid under this act, and for this purpose the Secretary of the Interior shall provide small mining enterprises with full information concerning this act, and shall make special provision for expeditious handling of applications from small mining enterprises.

SEC. 3. A Minerals Conservation Board, consisting of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, and the Secretary of the Treasury, is hereby established. The Secretary of the Interior shall be the executive chairman of the Board. The members of the Board may delegate their powers, functions, and duties, including those relating to appeals, to suitable officers of their respective agencies.

SEC. 4. To carry out the policy of this act, the Board shall by regulation determine—

(a) the amount of appropriated money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation, on the other hand;

(b) the amount of appropriated money to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals, as specified by the Board;

(c) the amount of appropriated money to be allocated to the aid of conservation of any metal or mineral or group of metals or minerals, as specified by the Board;

(d) the maximum price or the minimum price, or both, which may be paid for the purchase of any metal or mineral for conservation: *Provided*, That adequate allowance shall be made for depletion and depreciation in computing costs of operation or maintenance;

(e) the maximum amount or the minimum amount, or both, which may be paid on account of participation in the costs of maintenance for conservation with respect to any metal or mineral;

(f) the maximum amount or the minimum amount, or both, which may be paid to any producer or class of producers on account of exploration for any metal or mineral or group of metals or minerals, and the ratio which the Government's contribution for exploration shall bear to the contribution of any producer or class of producers for exploration;

(g) the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;

(h) the particular metals or minerals that shall be eligible for aid for exploration; and

(i) the time limits or dates within which contracts for aid for conservation shall terminate.

SEC. 5. (a) The Board shall promulgate such rules and regulations as may be necessary to carry out its functions and duties under this act, and to provide fair and equitable treatment for all applicants for aid.

(b) The Secretary, subject to the rules and regulations of the Board, may prescribe rules and regulations for carrying out the provisions of this act and which must be complied with by applicants for contracts under the provisions of this act.

(c) The Secretary may delegate any of his functions under this act.

(d) All rules and regulations issued under the authority contained in this section shall be published in the Federal Register.

SEC. 6. (a) Any producer may file with the Secretary an application for financial aid in carrying out a specified project for exploration or financial aid to conserve a deposit of ores or minerals. An application to conserve may be either for aid by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit. The application and the project for aid disclosed by the application must conform to the express policy and provisions of this act and with the rules and regulations of the Board and of the Secretary: *Provided, however*, That simple contracts covering exploration projects shall be awarded upon application to small base-metal mines and such contracts shall provide for the payment by the United States of one-half of the total reasonable costs of all tunnels, shafts, winzes, and raises in such a mine if the application or examination discloses that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals. All contracts covering exploration projects shall contain provisions for repayment to the United States of sums paid by the United States pursuant thereto, liability for such repayment to be limited to payment of a reasonable portion of profits accruing from production resulting from such exploration.

(b) The Secretary shall cause qualified mining engineers, geologists, and any other necessary technicians to make examination of and to report on each application, and to certify it to the Secretary either for acceptance, as presented or subject to specified modifications, or for rejection. In the case of a project for exploration, the examining experts shall certify whether the project offers reasonable promise of discovering unknown or undeveloped sources of metals or minerals. In the case of a project for aid to conserve a deposit of ores or minerals, either by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit, the examining experts, considering economic and practical factors, shall certify whether the project offers reasonable promise of maintaining in stand-by condition or in production, as the case may be, a property the production from which would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances as to make it probable that for economic or technical reasons such production would not or could not be resumed when needed for the national economy or security.

(c) The Secretary shall either accept and approve the application, subject to any modification therein which he may require, or he shall reject it: *Provided*, That if the Secretary's action on the application conflicts with the recommendation and certification of the examining experts, he shall refer the application to the Board; and the Board shall either confirm and approve the action of the Secretary, or shall reverse it, or

shall direct the Secretary to reconsider it. Confirmation or reversal of the Secretary's action by the Board shall be final, and direction to reconsider shall place the application in the same status it was in before action upon it by the Secretary. If the Secretary accepts the application, either in its original or modified form, the terms of the application and acceptance shall be merged in a formal, written contract. Any applicant who is dissatisfied with the decision of the Secretary upon his application, may at any time within 30 days after receipt of notice of the decision, unless further time is granted by the Board, appeal to the Board, and the Board, as expeditiously as possible, shall review the entire matter, make its findings thereon, and notify the applicant of its decision, which shall be final.

(d) All metals or minerals purchased under the provisions of this section, or such equivalent quantities thereof as may be permitted by the contract with the producer, shall be delivered by the producer to and shall be received by the Administrator of General Services at such places and times as may be provided in the contract. The Administrator shall from time to time, and in any event before selling them in the open market, notify the Munitions Board of the inventory of metals or minerals held by him under the provisions of this act and shall continue to hold all metals or minerals received by him under this act until at least 60 days after he has given the Munitions Board notice that they are so held. The Munitions Board may, as long as any such metals or minerals are held by the Administrator, (1) direct the Administrator to transfer any of them to the national security stock pile in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act, as amended (53 Stat. 811, 60 Stat. 596), or (2) within 60 days after such notice from the Administrator direct him to hold any such metals or minerals listed in the notice until 60 days after the next succeeding appropriation for purchases for the stock pile has become available. Unless notified by the Munitions Board to either transfer any of such metals or minerals or to continue to hold them as provided in this subsection, the Administrator shall sell them in the open market if and when open-market prices will return to the Government at least the approximate average price paid by the Government for the metals or minerals, and only in such quantities as will not materially depress the market. No metal or mineral shall be transferred into the national security stock pile under the provisions of this act unless the material has been found to be strategic and critical as provided in the Strategic and Critical Materials Stock Piling Act, and meets established specifications as to quality and degree of refinement or processing, and unless such transfer is consistent with the current stock-piling procurement program of the Munitions Board. All moneys received by the Administrator of General Services from such sales in the open market shall be for deposit in miscellaneous receipts of the Treasury, and any transfer of metals or minerals to the national security stock pile shall be covered by a transfer of funds from appropriations available for purchases for the stock pile to miscellaneous receipts of the Treasury in amounts approximating what the cost of the metals or minerals would have been if purchased in the open market at the time of transfer.

(e) All contracts entered into under the provisions of this section—(1) shall contain an express provision that they are subject to the availability of appropriated money; and (2) may be entered into without regard to sections 3648 and 3709 of the Revised Statutes, as amended, or other provisions of law prescribing the manner of making contracts on behalf of the United States.

(f) No contracts shall be entered into under the provisions of this section for a period exceeding 2 years or after the expiration of 3 years from the effective date of this act.

SEC. 7. As used in this act—

(a) "Secretary," standing by itself, means the Secretary of the Interior.

(b) "Administrator" means the Administrator of General Services.

(c) "Board" means the Minerals Conservation Board.

(d) "Exploration" means exploration in the United States for unknown or undeveloped sources of metals or minerals, including undeveloped extensions of known deposits, conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts including recognized and sound procedures for obtaining pertinent geological information, and including metallurgical research on processes for the production of such metals or minerals.

(e) "Production" means the production of ores or minerals from mines in the United States, or from tailings, dumps, slags, or residues of such mines, which the Secretary determines would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances with respect to each particular mine as to make it probable that for economic or technical reasons such production would not or could not be resumed promptly when needed for the national economy or security.

(f) "Small base metal mines" means mines or deposits of ores primarily producing or which in the course of conducting an exploration project primarily produce lead, zinc, or copper ores, or ores containing a combination of such metals, the average aggregate monthly production of which does not exceed 100 tons of lead, zinc, and copper metal combined.

(g) "Producer" means any person or persons or legal entity by whom or for whose account and interest exploration, maintenance, or production is to be or is being performed.

(h) "United States," when used in a geographical sense, means the United States and its Territories and possessions.

SEC. 8. This act shall not be construed as superseding or amending the Atomic Energy Act of 1946 (60 Stat. 755), as amended.

SEC. 9. There is hereby authorized to be appropriated not to exceed $80,000,000 annually for carrying out the provisions of this act, including payments to producers for exploration, maintenance, and production, and the costs of administration, such funds to remain available until expended.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read, as follows:

Committee amendment: Page 5, line 16, after the word "small", strike out the words "base metal."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read, as follows:

Page 5, line 22, after the word "minerals", strike out the balance of line 22 and all of lines 23 and 24, and on page 6 strike out all of lines 1, 2, and 3.

Mr. HERTER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. HERTER. Mr. Chairman, what the committee has done is to strike out an amendment that was accepted in the Senate, known as the Cordon amendment. That amendment was an effort to recapture for the Federal Government at least a part of the very large sums of money that are going to be paid out under this bill. I will read the part which the Committee now moves to strike. These are the words:

All contracts covering exploration projects shall contain provisions for repayment to the United States of sums paid by the United States pursuant thereto, liability for such repayment to be limited to payment of a reasonable portion of profits accruing from production resulting from such exploration.

Mr. Chairman, when I previously raised the question of striking out that particular amendment adopted in the Senate, the chairman of the subcommittee handling this matter said that the reason the House had stricken it out was that to leave it in might cloud the titles of some of these mines. I believe that every Member of this House who has had any experience with mining will know that the titles to mines are very frequently clouded and very frequently the mines are mortgaged by one form of borrowing or another, or royalties. It is very seldom that title to a mine is changed without some provision either for royalty payments being made to some initial owner or some repayment of borrowings previously made in the development of that mine. For that reason, it seems to me that the argument for striking this language out is entirely invalid.

All that this provision of the bill does is to say that if profits are made in the future as the result of Government money being advanced for exploration, then a reasonable amount of those profits should be set aside for repaying the Government. It seems to me that that is only a reasonable provision, and I hope that the amendment will not be adopted.

Mr. ENGLE of California. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. ENGLE of California. Mr. Chairman, the subject matter of this amendment which was under consideration the other day is found on page 5, line 23, of the bill. As previously indicated, the language was inserted in the Senate and provides in effect that if there is some discovery as the result of exploration work participated in by the Government, that the Government shall be repaid for the amount of money advanced for the exploration work. On the face of it, as I said before, that appears to be a very plausible proposition, but in practical operation it will not work.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Massachusetts.

Mr. HERTER. Repayment is made only from profits and a reasonable proportion of profits to be made in the future on that mine, is that correct?

Mr. ENGLE of California. That is the intention of it.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. Will the gentleman comment on the feasibility of the administrative workings out of a clause which says "a reasonable portion of the profits"? In other words, how would any administrative body make such determination?

Mr. ENGLE of California. That is precisely the trouble with this amendment which on the face of it, as I say, appears to be entirely plausible, yet when you try to work it out you will find out if you leave this provision in the bill it will cloud the title of every mine taking advantage of this exploration provision. There will be an obligation hanging over that mine of an undetermined amount and for an undetermined period of time and the financial operation in connection with that mine, by the sale of stock or otherwise, will be clouded by the possibility that at some time in the future a Government agency may claim that that mine owes the Government money for the exploration funds provided to carry out the exploration work.

If it were possible to go into a mine, find the material, get a high-grade ore, develop it, develop a profit and pay it off, it would work out. But that is not the way these mining operations go. It may be that the Government and the miner will participate in an exploration program, each putting in $50,000, and nothing substantial will be developed. Then 2 or 3 years later by an extension of those same workings, or maybe as much as 10 years later by an extension of those same workings, some valuable deposits will be found and you would immediately as a result of this language have a claim against the mine or the possibility of a claim against the mine.

If this provision is left in the bill it is altogether possible it will defeat the very purposes of the exploration provision because mines which are substantial, where they have done work for a long period of time, where they have substantial investments, will be extremely reluctant to go into a deal with the Government whereby for a long period of time, for an undetermined amount and for an undetermined period, they may be subject to a claim or a lien by the Federal Government. It defeats the very purposes of this provision of the bill.

In addition to that, Government participation in exploration in these mines has not been written into the law because we want the Federal Government to go into partnership in the mining business with the mine operators. It is because there is a national interest in the discovery of these newer and higher-grade ore bodies and our national interest is served by exploration for those new and higher-grade ore bodies. It is not necessary in order to compensate the Government in the national interest to enter into a partnership arrangement or any repayment whatever. For instance, in connection with soil conservation payments there is no return to the Government. It is because of the national good brought about by soil-conservation practices that the Government advances that money. It is exactly the same proposition in connection with the exploration for new minerals and metals.

I hope that the committee amendment is sustained and that this committee will support the committee amendment.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the committee amendment and support the position taken by the gentleman from Massachusetts [Mr. HERTER]. May I say at the outset that I shall vote against this measure—I want to be frank—no matter what happens to this amendment. The least we can do, however, if we are going to pass this bill is to provide for repayment to the United States of the sums paid by the United States, provided these mines make a profit.

It seems to me a far cry from responsible legislating to come in here and argue seriously that if this subsidy is given to these mining interests and they go out and make a profit Uncle Sam should not get paid back the money which he has advanced to them. The argument is made by the committee and the very able gentleman from California that it is not desired to put the Government into a partnership with the mining interests.

The provisions of section 6, it seems to me, when read carefully, indicate an intention to create a debtor-creditor relationship, not one of partnership. We are asked to advance these funds by way of subsidy to these companies. Of course, my position is that any advances should be paid back just like any other debt, whether the venture yields a profit or a loss, but for the committee to suggest that we strike out the provision that the Government will not be paid back, even when there is a profit, it seems to me reveals even more clearly, if that were necessary, the purpose of this legislation and the motives of the financial interests which are backing it.

I want to say a few words about this measure, apart from this amendment. I sense growing in this country a mounting wave of opposition to these enormous spending programs in every field of activity, whether it be cotton or tobacco or lead or manganese, or whatever is involved. The people are demanding less, not more, spending, in the face of a Federal budget already running $5,000,000,000 annually in the red.

My able neighbor, and our colleague from New York [Mr. WADSWORTH] a few days ago in discussing the bill to subsidize libraries throughout the United States, made some pertinent remarks on the subject of launching into new fields of spending.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Missouri.

Mr. SHORT. I spoke against that bill and voted against it, but that bill is entirely different than the piece of legislation now under consideration. The gentleman is attacking one of the three great basic industries in this country.

Mr. KEATING. I do not want to argue with the gentleman because of the shortness of time. I am not attacking any industry. It is my fervent hope and prayer that we have not sunk to the point where it is considered an attack on an industry to contend that it should stand on its own feet and not ask for a crutch from Uncle Sam.

Mr. SHORT. The gentleman cannot argue, because it is obvious on its face.

Mr. KEATING. It so happens that I voted against that bill, and I shall vote against this one. The gentleman and I may be in difference in that respect, and I am making no attack upon him for his support of this bill. Since I understand he has more lead mines in his district than any other in the country.

I want to refer to the remarks made by my colleague from New York, for whom we all entertain the highest respect. He said that he would fight and vote against any bill which would increase the future financial commitments of the Federal Government "unless I am confronted with some dire crisis in which dollars and cents cannot count."

In other words, he is saying to us that we must scrutinize with increasing care these daily recurring suggestions for raids on the public purse.

Now that is the position that we simply must take if we are to fulfill our obligations to those we represent in a responsible fashion.

His words have increased in the area that I represent, and all through New York State, an already well-developed sentiment against going into vast new projects for large expenditures. With the movement sparked by the Rochester Times-Union, there has been formed in my community, the Legion of Obstinate Men and Women. Let me tell you how that came about. The gentleman from New York made the remark that perhaps, having taken the position which he did, he would be charged with being "an obstinate old man." Now, those of us who know him realize, in the first place, that he is not old; and we also might question whether he is obstinate.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. "Obstinate" is defined in the dictionary as "not yielding, not easily subdued, adhering to an opinion, purpose, or course." In that sense there is certainly nothing reprehensible in obstinacy.

In these application blanks for the Legion of Obstinate Men and Women, which I will have here for my colleagues—and I invite them all to enlist in this campaign, extending a particularly cordial invitation to my Democratic colleagues—it says:

> I am a member of the Legion of Obstinate Men and Women, an informal group of citizens and taxpayers who carry enough tax load now.
>
> I believe with Congressman JAMES W. WADSWORTH that every bill that will increase the future financial commitments of the

Federal Government, except when confronted with some dire emergency affecting the life of the Nation, must be defeated.

Be obstinate with us. Yours for a solvent America.

Down below it defines the word "obstinate," as I have indicated.

Mr. Chairman, this is certainly a bill where we can afford to be obstinate. Indeed, I conceive that to be our obligation. There are many, even connected with the mining industry, who sense the unfairness and the imperfections of this measure and the dangers inherent in the constantly expanding demands for handouts by various segments of our economy. Here we are importuned to subsidize some companies that cannot make a go of it themselves. If you are successful in this business, you cannot get any subsidy. In other words, we put a premium on inefficiency. When are we going to subsidize the grocers and the bakers and the textile manufacturers, the coal operators, the oil companies, and all the other people in this country in business who can make a legitimate claim that the product they manufacture is necessary for our national defense, just the same as these mining interests make that claim? Let us look at the manganese picture here. The trouble with manganese is the too low import duty on it. What are we doing? We are sending American taxpayers' dollars to Madagascar to stimulate over there the production of manganese, and then we are lowering our tariffs to bring more of it in here, and then we are turning around today and seeking by this bill to stick the taxpayers again in order to subsidize our local mining interests that are producing manganese. That kind of business is ridiculous. That kind of business must stop. This country cannot continue in that manner to squander the taxpayers' dollars. Our financial security and our survival demand that we call a halt to such irresponsible action.

We can wave no magic wand and produce the $400,000,000 contemplated by this bill. There is one place and one only where we can raise this money. That is out of the pockets and pay envelopes of our people. When the time comes to vote, I hope we will all remember that obvious, but sometimes forgotten fact.

Mr. WHITE of Idaho. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish the gentleman from Massachusetts [Mr. HERTER] would listen to the presentation I am about to make because I think he voted for the ECA, the Marshall plan, and the appropriations that have been made thereunder. Now he is opposing doing some little thing for mining similar to what has been done for the Marshall plan countries to give financial help to our own domestic miners, who pay the taxes and support our Government, and produce here at home the metals needed for the national defense.

I have in my hand, Mr. Chairman, the release under date of December 16, 1949, put out by the Economic Cooperation Administration, which states:

Under the contract which was signed with the Newmont Mining Corp. with headquarters in New York City, ECA will advance $3,600,000 in Marshall plan funds to this corporation for the modernization and expansion of mines owned by the Société des Mines de Zellidja and located at Boubeker, French Morocco.

That is a fund with no strings on it to develop competing mines in French Morocco. Lead is already being produced and delivered to this country from these mines in Morocco, and is having the effect of closing our mines. If our domestic mining industry could get half the attention and half the assistance we are giving foreign countries that do not pay 1 cent of taxes to support our Government, we would not be here with this bill.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Missouri.

Mr. SHORT. I think the gentleman should point out that we have extended $30,000,000, or rather, given $30,000,000 to Yugoslavia for the development of her mines. She ships that mineral into this country in competition with our own domestic industry. That has brought it to the very brink of disaster.

Mr. WHITE of Idaho. May I say to the gentleman from Massachusetts who was so obstinate in opposition to this legislation that the mining industry of this country is working under a terrible handicap. The ECA trying to develop the economies of the Marshall plan countries, which means practically most of Europe, including the British Empire. Those countries have nothing to send us. They have no agricultural products, for they can hardly feed themselves. Their factories produce little. The only thing they have over there to produce and send us is the things in the ground, the mineral resources. They are bringing those minerals out wholesale and shoving them into this country and destroying our domestic market for our local mining industry. We cannot even give our mining industry a little bit of a lift to carry on and produce metal and build up an industry that pays taxes all along the line. Taxes paid by the mining companies, the withholding taxes paid by the men, the taxes paid by the suppliers, the taxes of the railroads that handle the transportation—there is a whole string of mining taxes and income taxes our Government receives that we do not want to have snuffed out and shut off.

Mr. SHORT. After investing these millions abroad, if we became embroiled in a war with Soviet Russia it is highly doubtful that we would bring in 1 pound of metal from Yugoslavia. When you spend money here you have both the goods and the money. When you send it abroad you lose both.

Mr. WHITE of Idaho. Let me read from a second release from this great ECA, under date of February 17, 1950:

The Marshall plan has stepped into French West Africa to bring potential wealth out of the desert and into the world's trade markets. The Economic Cooperation Administration said today that most of the $31,000,000 worth of American goods and machinery allocated to the territory has been shipped to the Ivory Coast for the improvement of roads, ports and airfields, the mining of gold and ore deposits.

We have sat here and shut down our mines, our gold mines during the war, but we kept the gold mines going in foreign countries by shipping them rationed mine machinery. Now we are financing the production of nonferrous metal in Africa, but we will not do anything for our mining industry here. I cannot understand the inconsistency of the gentleman.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. WHITE of Idaho. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. HERTER. What the gentleman is saying is that the mining industry of this country is being injured by low tariffs and that the industry is not being protected by proper tariffs on minerals coming in from other countries; is that not true?

Mr. WHITE of Idaho. What difference would it make if we had a high tariff, if you take our good taxpayers' money and send it over there to foreign countries to develop our competitors' mines and bring these metals into this country. What difference would the tariff make if we finance the development and production and we pay to bring all these metals to this country?

Mr. HERTER. It would not be economic to develop those mines; and as the gentleman knows, it was his party all the way through that put over the Reciprocal Trade Agreements Act and under the Reciprocal Trade Agreements Act there has been a steady lowering of the tariffs on many of the various products that the gentleman himself is trying to support at the present time.

Mr. WHITE of Idaho. Then does the gentleman mean to tell this committee that he did not vote for the Marshall plan? And did not vote for that appropriation that is being used to finance the development of mines in foreign countries?

Mr. HERTER. I did and I have no apology to make. I think it is one of the things that has saved this Nation.

Mr. WHITE of Idaho. With the way the money he voted to appropriate is being handled, I think the gentleman should go out and make an abject apology to our own domestic mining industry, which supports the Government and pays income taxes to pay the cost of Government.

Mr. HERTER. Does the gentleman get a tremendous subsidy today on the silver which is produced in his State?

Mr. WHITE of Idaho. We do not get any subsidy on silver. I wish the gentleman would inform himself on silver, if he intends to talk about it. I did not intend to talk about silver, but if he will take the restrictions off of international exchange on silver, silver will go to more than the metal price of the dollar, which is $1.29 per ounce.

Mr. HERTER. The gentleman knows that the open market price of silver is

about 72 cents, and the gentleman's silver miners are getting 91 cents.

Mr. WHITE of Idaho. The gentleman will admit nothing. There is an old adage in this world that "use creates demand and demand creates value." The use of silver as money has been shut off in many countries, including India, today. You cannot take an ounce of silver into India—that great country where people depend on and use silver for money. The Government has cut off their supply of money metal and demonetized the standard silver rupee. You cannot put a dollar in India of natural silver, and these restrictions operate to make the world price of silver lower under such artificial conditions.

Mr. HERTER. We are burying a lot of silver that is useless today.

Mr. WHITE of Idaho. That silver is in use. Let me tell my friend, and I do not want to get diverted to a silver argument in this discussion, but when he goes down and cashes a check with the Sergeant at Arms and receives $10 in silver certificates, it does not cost Uncle Sam in payment for his services here $10 but $5 to pay him. It is perfectly good money not only here but all over the world.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. BENNETT of Michigan. The gentleman from Massachusetts says it is uneconomical to support the domestic mining industry, or at least a large segment of it. Then he blames the condition of this industry on the low tariffs.

Mr. HERTER. If the gentleman will stand to be corrected, may I point out to him that he has misquoted me?

Mr. BENNETT of Michigan. I will leave that to the record. The gentleman said we were supporting, by this legislation, uneconomic mines in this country, or a mining industry that was uneconomic.

Then he seeks to blame that situation on the tariff. The real fact is that the primary blame is not on the tariff but on the ECA subsidization of the mining industry.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mrs. BOSONE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Utah?

There was no objection.

Mrs. BOSONE. Mr. Chairman, I want to speak against this amendment and all of the other amendments. We have been a long time arriving at the bill which is before the House today. Certainly I am not for any stick-candy legislation. I believe that is what the gentleman from New York was alluding to when he said the other day that he guessed he would be called an obstinate old man if he voted against all support legislation.

I do not think this is a subsidy bill. I, too, am questioning subsidy bills. It may be trite, but it is true that a country is as rich as its natural resources will permit it to be. The legislation which is before us today is basic. There is no stick-candy stuff connected with this type of legislation at all. It seems to me that about the most important legislation we could have in this Congress would be a bill to authorize research in natural resources with particular emphasis on mineral resources, because mineral resources will give us a healthy economy in this country and a security in national defense.

When I was a little girl I remember seeing dozens and dozens of prospectors in the State of Utah. Today and for years I have not known one prospector. Prospectors are just unheard of.

Let us look at this chart which bears out this statement. I want the gentlemen from Massachusetts, and Ohio, and New York to look at this chart and see where we are going so far as mineral resources are concerned.

The chart begins with 1870 and deals with mineral patents. In the period between 1830 and 1895 we had about 3,020 mineral patents. In the period between 1900 and 1905 there were about 2,500 patents. Today, 1950, we have 22—22 mineral patents in the entire United States. Twenty-two only. The decline is alarming.

The same thing is true in the matter of acres. At the height of mining activity in the West we had about 100,000 acres in the United States being explored for minerals as against 5,000 today.

What does that mean to this country? What does it mean to New York? And what does it mean to Maine, to Massachusetts, to Illinois, to Ohio, to Pennsylvania? In general debate the other day we had portrayed graphically what it would mean to defense; but what would it mean to the States? What does it mean to our own pocketbooks? What does it mean to our industry? And that seems to be the thing in which so many are vitally interested today, what it means to industry. After all, it will not make much difference what it means to industry unless we are going to secure ourselves against war. That was touched upon the other day. Let me touch upon the industrial side at this time.

Consumption of minerals in the United States has been steadily on the upgrade with the increasing manufacturing activity and industrial expansion in the United States. In the world between 1899 and 1918 the output of iron, copper, lead, and zinc have been tripled.

You know, Mr. Chairman, our first mines were discovered on the surface. I think it was one of the greatest mines in Nevada that was discovered by two brothers sitting on a hilltop. One kicked a rock over and discovered some very valuable ore, showing that there was a valuable mineral vein close by. The thing that has happened in past years is that we have surveyed the surface of the earth in the West and we have exhausted surface mineral deposits. Now we have to go down into the bowels of the earth to see what is there to sustain our mineral wealth in this country, and that takes money, and it is up to this country to encourage the development and exploration in that type of work that will take us down underneath the surface.

You can see what we are up against when you consider what has happened in the case of copper. The phenomenal increase in copper consumption, from 336,000 tons in 1910 to 1,250,000 tons in 1947, will probably not keep up indefinitely. Perhaps with our big mines that are operating today at full blast we have enough at this time. We were especially fortunate in the last two wars in that we were in a position to prepare ourselves for 2 years ahead of each war. In 1917 we had practically 3 years in which to prepare ourselves, and we had 2 years this last time in which to prepare. But do not think for 1 minute that all our mineral resources came from this country.

Do you know how many minerals during the last war were being imported from Europe and from outside this country? A total of 65 minerals used by America in World War II came from abroad, and for 27 of these there was no domestic source of supply whatsoever: Antimony, copper, lead, manganese, mercury, mica, quartz, tungsten, vanadium, and zinc. We imported these by the thousands of tons from outside this country. And what happened to some of them? At the beginning of the war a great quantity of them went to the bottom of the sea. We are not going to have that time in which to prepare again; we must be ready the next time war strikes, for we will not have 2 years in which to prepare.

Again let me tell you what the mines and mineral resources mean to industry in these United States. Let us take the mineral value in electrical appliances. tungsten, for instance, $88,000,000 for the United States as a whole; for Connecticut, $23,000,000; for Illinois, $20,000,000; for Ohio, $23,000,000. Let us see what mineral values are tied up in agricultural machinery: For the United States as a whole $89,000,000; for Illinois, $42,000,000; for Indiana, $10,000,000; for New York State, $6,000,000; and for Ohio, $5,000,000.

Let us see what mineral values are tied up in motor vehicles. This industry meant $1,319,000,000 in the United States.

Some Members say that this is a Western bill, "It does not pertain to me. I live back East where it does not touch me." We would be rather naive to think that the prosperity of New York and New York Harbor did not touch us in Salt Lake City, because it does, and you know it does. A healthy economy depends upon the prosperity of each section of this country.

Speaking now of mineral values in connection with the manufacture of motor vehicles: Illinois $28,000,000, Ohio $113,000,000, Pennsylvania $39,000,000, Wisconsin $52,000,000, Michigan $971,000,000, Indiana $96,000,000, New York State $62,000,000.

The bill before us does touch our pocketbooks, it does touch us industrially and we must develop our natural resources in minerals in order to provide, and I repeat again, a healthy economy in this great country of ours.

I wanted to say something, because I have some very valuable figures, on the value of our mineral resources to a security program; however, that was touched on the other day so very well.

The CHAIRMAN. The time of the gentlewoman from Utah has expired.

Mr. ENGLE of California. Mr. Chairman, I ask unanimous consent that the gentlewoman from Utah be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentlewoman yield?

Mrs. BOSONE. I yield to the gentleman from Pennsylvania.

Mr. HUGH D. SCOTT, JR. The gentlewoman has asked what this bill would mean to Pennsylvania. If my figures are approximately correct, and I think they are, the bill would mean mining the taxpayers of Pennsylvania to the extent of about $40,000,000 over a 5-year period. May I ask the gentlewoman why she says a bill which provides $400,000,000 for the mining interests of the country is not a subsidy? It seems to me to be as much a subsidy as potatoes, cotton, peanuts, or anything else we have been considering.

Mrs. BOSONE. We can do without peanuts, can we not? However I would vote for peanuts and cotton to secure a stable economy. We must be conscious always that we cannot do without our mineral resources. You could not conduct one of your mines in Pennsylvania without the mineral resources being developed. You could not get the machinery without these resources.

Mr. HUGH D. SCOTT, JR. The gentlewoman, I am sure, is aware of the fact there are great piles and tons of ore around Bingham, Utah.

Mrs. BOSONE. Yes.

Mr. HUGH D. SCOTT, JR. Tons of copper ore and other metal. Has the gentlewoman done anything to prevent the excessive importation into this country and into her State of those ores which are interfering with domestic mining?

Mrs. BOSONE. I think we might get ourselves involved if we go into that aspect of it.

Mr. MANSFIELD. Mr. Chairman, will the gentlewoman yield?

Mrs. BOSONE. I yield to the gentleman from Montana.

Mr. MANSFIELD. I think the gentle lady from Utah is to be complimented for the comprehensive speech on S. 2107 that she has given the committee this afternoon. In response to the question raised by the gentleman from Pennsylvania, I want to say that taking, for example, the steel mills in Pennsylvania, if they do not get the chrome and the manganese necessary to harden their steel, the rest of the domestic economy in turn would not be able to get automobiles, refrigerators, and the like. So there is an interdependence between the metal industry of the West and the economy of the country as a whole. I wish that we would discuss that as much as we have discussed the security angle of this bill.

Mrs. BOSONE. I think we should.

The CHAIRMAN. The time of the gentlewoman from Utah has again expired.

Mr. D'EWART. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, I desire to address myself in particular to the committee amendment and in opposition to the proposal offered by the gentleman from Massachusetts [Mr. HERTER] that this committee amendment not be written into the bill.

Why are we here today with this particular piece of legislation? Why do we need this bill? What are we trying to do by writing this bill into law? During the war we had 800 small mines operating in this country. We had a healthy small-mining industry. What is the situation today? Possibly a dozen of those small mines are operating. Why are we facing this situation today? Because of the policy followed by the administration in three or four different ways. For instance, encouraging imports from Russia of minerals that are produced by slave labor, involving no labor cost at all, minerals produced in India at 28 cents a day and imported into this country at ballast rates, a rate that our labor cannot compete with.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Missouri.

Mr. SHORT. In spite of the buy-American clause we wrote into Public Law 520, the Munitions Board has spent three times as much for foreign metals as it has for domestic metals.

Mr. D'EWART. The gentleman is correct. That is another reason why we are here with this bill today. We have Public Law 520. Public Law 520 has a buy-American clause, and by direction of the President of the Board that was charged with the purchase of these minerals was directed to ignore the buy-American clause so that they could bring these metals in, resulting in stifling the small-mining industry.

There was another way we could have helped this industry which was prevented by the policy of the administration and that was tax relief. The Secretary of the Interior himself appointed an advisory committee that recommended six propositions for tax relief. The President of the United States sent a message to the Congress the other day recommending, in effect, that taxes on mines be increased, a mining industry that is so sick that nearly 800 mines have closed down since the war.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I wonder if the gentleman realizes that there is before the Committee on Ways and Means at the present time a recommendation of the President and of the Secretary of the Treasury to the effect that the percentage depletion on nonmetallic minerals at the present time is at the rate of 15 percent, and they have recommended it be cut to 5 percent. Now, where is the consistency of a policy of that kind?

Mr. D'EWART. That is the very proposition I spoke of a moment ago. The President's tax program is going to make a sick mining industry sicker, and it may close down these last 12 small mines.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from New Jersey.

Mr. HAND. The gentleman has made a couple of points with which a great many of us, on this side particularly, agree, and that is that the sickness in the mining industry has been caused by the policy of the administration. Surely the gentleman is not advocating that all this be cured by the Government's agreeing to spend $400,000,000.

Mr. D'EWART. I am very glad the gentleman raised that point because I want to address certain remarks to it. In this case these small mines are producing metals that are necessary if we are to be prepared for war. We cannot be prepared without them. Now, we do not like a subsidy. I do not like it and our committee does not like a subsidy, but we have to face a serious situation. We brought in a bill a year ago and it was defeated on this floor by 17 votes when we had to have two-thirds to pass it. That was a better bill than this, but it was defeated. This is the only kind of a bill that is acceptable to the administration and that can get by without a veto. This thing is important; we must produce these minerals; and, therefore, we are bringing this bill here today in the interest of national defense. This bill gives complete control to the Department of the Interior over these small mines. The gentleman from Massachusetts [Mr. HERTER] said the other day that this is a loosely drawn bill. If he will read the bill carefully, he will find that it is not a loosely drawn bill. Complete control of any mine that accepts money under this bill will pass to the Secretary of the Interior.

This bill is for only 5 years. We do not want to take over these mines at the end of 5 years, and if the committee amendment is not left in the bill, it may result in the Federal Government taking title to the mines. I do not believe any of you want that. I hope the committee amendment will be adopted.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is very important in this discussion to confine ourselves to the reason this legislation is before us. The gentleman from Montana who just preceded me has spoken of Public Law 520, passed by the Seventy-ninth Congress. I also want to associate myself with the very splendid statement made by the gentlewoman from Utah. This is not a western bill. This is a national bill involving national defense. We should not confuse the issue by sectional arguments.

In Public Law 520, this is the declaration by this Congress:

> That the natural resources of the United States in certain strategic and critical materials being deficient or insufficiently developed to supply the industrial, military, and naval needs of the country for common defense, it is the policy of the Congress and the

purpose and intent of this act to provide for the acquisition and retention of stocks of these materials and to encourage the conservation—

That is what we are talking about in this bill—

and development of sources of these materials within the United States, and thereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency.

During the Eightieth Congress I was pleased to be associated with Republicans and Democrats on the Public Lands Committee. In that Eightieth Congress, controlled by the Republican Party, the Public Lands Committee was unanimous in support of a bill that in my opinion was a better bill and would have been more beneficial to the mining industry than this one. We are now confronted with the fact that this bill is the best legislation we can bring before this body during this session. I do not believe the gentleman from Montana [Mr. D'EWART] meant to make a partisan issue out of this problem. We are not trying to blame anybody. We are trying to conserve and to develop new exploration for strategic minerals.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. BYRNES of Wisconsin. I wonder if the gentleman could tell us what he believes is the cause of the present plight of the mining industry, then.

Mr. CARROLL. There are a number of factors.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. ENGLE of California. One of the things that accounts for the current condition of the mining industry is the fact that in the last war we gutted our mines and because of the shortage of manpower did not do the normal exploration work which is usually done ahead of the mining enterprise in the main parts of the mine. Therefore, we have not developed reserves and we do not have the reserves now in the domestic mines to meet the kind of competition we have to meet.

Mr. CARROLL. Of course, that is so. Let us get away from political or sectional discussion of this important legislation. The gentleman from California [Mr. ENGLE], who has just addressed you, the gentleman from Montana [Mr. D'EWART], and the gentleman from North Dakota [Mr. LEMKE], all know that when we had the Munitions Board before us in 1947 we asked, "What are you doing to stimulate domestic production?" The very issue of importing foreign minerals came before that body. We asked, "What are you going to do about stimulating domestic production?" We found out that they had no program, and we said to them, "Why don't you go back to the localities, to wherever there is a mining association and bring those mining groups together to find out what they can do to conserve minerals or to encourage new exploration?"

It was only a few months after that that the then Secretary of the Interior, Mr. Krug, talked about a billion-dollar exploration program, as being vital to the defense of this Nation.

What are we doing in this bill? Actually we are doing but little. We are going to attempt to conserve minerals and to aid new exploration.

What do we mean, conserve the mines? A mine is not like a factory, where you can put a key in the lock and close the door and cover it with a little canvas, and then come back to it. If you do not operate a mine continually, the timbers will rot.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. This is what is happening to the mines of the Nation. As the mines are being watered we are losing them. Even in the oil industry they have had to go into secondary discovery and exploration. You cannot do that in the metal mines. It costs millions and millions of dollars to unwater mines.

I have before me this report from the Munitions Board. I have been critical of their program. The gentleman from California was the one who was pressing all the time for the theory of "Buy American." As the gentleman from Missouri just said, they have not followed that program.

There is nothing sectional in this bill. It is vital to the Nation. I can see some logic behind the amendment and the support for it by the gentleman from Massachusetts. As I read the debate on the floor of the other body and as I examined the amendment, it seemed to me at first blush that it was reasonable, and as I talked about it to the Members who have wider experience in this field. We know it may place a cloud upon the legal titles, we know it will stop development, we know it will stop conservation.

This is a very, very serious issue. Any individual who is interested in our national defense, any individual who is familiar with the policy of the Munitions Board knows that they contemplated an expenditure of some $13,000,000,000, but do you know that after 3 years they have stock piled only 31 percent of the strategic minerals deemed as essential?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Missouri.

Mr. SHORT. I think it would be appropriate at this point to read from the report of the Senate Committee on Military Affairs of November 29, 1945. We have been waiting for 5 years to get action, and we have not gotten it yet. The Armed Services Committee, then the Senate Committee on Military Affairs, had this to say in November of 1945:

Minerals and other raw materials are the very foundation of the industries which more perhaps than anything else have enabled these United States to win the victory in World War II.

It continues:

The need (to enact new legislation to assure preparedness in case of another emergency) is greater now than ever before because the tremendous consumption of strategic materials during the recent war efforts has resulted, according to the Department of the Interior, in an appalling depletion of our own domestic resources. It is essential to take steps now to recoup our losses not only by the acquisition of adequate stock piles but by the development of new sources of supply.

Mr. CARROLL. Is the Munitions Board in favor of this legislation?

Mr. SHORT. Yes.

Mr. CARROLL. And the Military Establishment?

Mr. SHORT. Yes; and the National Resources Board, both committees of the Senate and House are for it.

Mr. CARROLL. And this is the unanimous action on the part of the Committee on Public Lands?

Mr. SHORT. It is the only bill we could get. It is not as good as we would like to have, but something is better than nothing.

Mr. CARROLL. The mining industry of the West is in desperate condition. Blight has stricken the mining towns, from which once poured many millions of dollars in mineral wealth. In many famed mining areas operations are virtually at a standstill. More than 80 percent of the Colorado metal mines operating in 1940, for example, since have been forced to close, and the same story is true of other Western States. Our mountainsides are dotted with abandoned mines. Ore cars and hoists are rusting away, timbers are decaying, and shafts are filling with water.

Naturally, it is tragic for those of us who love the West to see a great industry fall upon such evil days. However, I do not wish to urge the passage of S. 2105 on sentimental or sectional grounds. This bill is not important because it will benefit one industry or one portion of the Nation; it is important because it will benefit the entire Nation through the discovery and conservation of irreplaceable mineral resources.

Two great wars have scattered our mineral reserves to the four quarters of the globe. Millions of tons of metals produced in the United States are rusting in foreign battlefields or are lost in ocean depths. Authorities have stated that during the twentieth century mankind has dissipated more of its mineral resources than during its entire previous history.

In recent years exploration and discovery of new reserves of minerals have fallen behind our needs. Through a combination of circumstances the domestic mining industry has fallen into grave economic difficulties. We have been relying more and more upon the importation, rather than the domestic production, of some strategic minerals. In wartime, however, the shipment of metals or ores is risky and uncertain. If our domestic mining industry is allowed to continue its process of decay, we should have no chance of resuming the full production of vital minerals speedily enough to avert critical shortages during an emergency period. We

cannot neglect these resources if we are to remain strong, for metals are the sinews of modern warfare.

Aid for the mining industry is long overdue. We have been wrestling with legislation in this field since the Seventy-ninth Congress, and the industry has suffered staggering disappointments each time it appeared that relief was at hand.

The bill now before us does not provide a subsidy or a premium price. S. 2105 is extremely modest in approach and scope. It represents the smallest possible amount of relief which can be really effective in starting the mining industry back out of the economic doldrums.

S. 2105 deals with two major problems. The first is the need for discovery of new sources of minerals and metals within the borders of the United States. The second is the need for conservation of known mineral resources. Both of these needs are urgent. Our exploration has not been keeping pace with the increasing demands of our economy. We also have been losing known mineral resources through the abandonment of many mining operations. Everyone who is familiar with the industry knows that it is extremely difficult to return a mine to operation once it has been abandoned. Even when it is possible, such action usually is not practical because of the large expenditure involved.

S. 2105 would stimulate exploration and encourage conservation of mineral resources without any danger that the mining industry will be socialized or controlled by the Federal Government. As a matter of fact, the bill should provide a powerful encouragement to free enterprise, since it would lend aid to small mines which otherwise might be absorbed by large, monopolistic corporations.

Exploration would be stimulated by authorizing the Government to share with mine operators the cost of projects which offer reasonable hope of the discovery of new mineral resources, and which could not be conducted without Government aid. Since the private operator will have to risk his own funds in order to obtain any help from the Government, it is not likely that this provision will be used to finance any wild-goose chases.

Conservation would be accomplished through operation of the same principle. The Government would be authorized to contribute to the cost of maintaining mines in a stand-by status or to keep them in production through the purchase of their products. Aid would be limited to mines which otherwise would be abandoned or remain inactive. Government aid would be provided through individual contracts entered into with mine operators, and special provision would be made for small mines to obtain such contracts easily and quickly. Contracts would not be allowed to extend for more than 2 years, and no contracts could be signed after 3 years from the effective date of the act.

Minerals purchased under the act would be delivered to the General Services Administration, which would be required to offer them to the Munitions Board for transfer to the stock pile of strategic materials. If they are not acquired by the Munitions Board, they may be sold in the open market only if they do not depress the market materially. They cannot be sold at less than the approximate average price for which they were purchased by the Government.

A ceiling of $80,000,000 a year would be established for carrying out the purposes of the act. None of this money, of course, would be expended without specific appropriation by Congress during the years the act is in operation. The Minerals Conservation Board established by the act would have broad powers to determine how the Government aid would be allocated.

S. 2105 is far from perfect legislation. The bill is the result of a series of compromises, and it is my opinion that further action will be needed in the future to allow the mining industry to stand on its own feet again. However, passage of S. 2105 is essential at this time. The miners of the West have attempted to keep their industry alive under the most difficult circumstances. They cannot hold out much longer without aid of some type. If this great industry goes under, the Nation will be left in an extremely vulnerable position in any future national emergency. Not only the welfare of the West, but the national interest, demand the passage of this bill.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. PETERSON. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 13 minutes, with 3 minutes reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I want to speak in support of the amendment offered by the gentleman from Massachusetts [Mr. HERTER] and to read for your information certain pertinent paragraphs of the Engineering and Mining Journal for October 1949. Referring to this particular bill, S. 2105, it says:

> Government subsidization is obviously the antithesis and murderer of private enterprise. On what grounds, then, can the mining industry believe in the one and also accept the doubtful aid of the other.

Further on, it says:

> The bill is hastily written and contains too much of the imagination of the proposed administrators to represent a portion of the industry proper.

Finally it says:

> Despite the changes which were written in the other body, S. 2105 still offers a threat rather than a benefit to the miners. It is a hastily and loosely drawn piece of legislation. It lacks the support even of the industry elements who would receive its subsidy, and its justification as in the national interest is doubtful where no doubt should exist.

In terms of the authority with which that particular publication speaks, it occurs to me that certainly the very least we could do is to write in the amendment offered by the gentleman from Massachusetts.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS] for a minute and a half.

Mr. PHILLIPS of California. Mr. Chairman, the subcommittee of the Committee on Appropriations, has before it some 35 agencies of Government. Among them are two agencies somewhat related to this subject, the one having to do with financing the atomic-energy program, and the other with financing the purchase of strategic and critical materials. That agency came to us this year asking for $640,000,000 in money, in cash, of which some $600,000,000 was for the purchase of strategic materials, and the balance for administrative expenses.

In a minute and a half all I can say is that to me this is not just a subsidy bill; this is a bill which is directly related to the production and stock piling of materials for which we are presently putting aside money to purchase these or similar materials from domestic or foreign sources. It is desirable that we should encourage and support our own strategic industries.

I shall vote in favor of the bill, and I ask my friends, the gentleman from Massachusetts [Mr. HESELTON] and the gentleman from Massachusetts [Mr. HERTER], to think of a conclusion I have not heard discussed. There may be academic merit in the arguments they are making, but the clouding of the title and the possibility of giving an interest in the mines to the Government could lead to eventual Federal control of the mines. I do not want that. While the bill is not perfect, I support it and will vote for it.

The CHAIRMAN. The gentleman from Wisconsin [Mr. KEEFE] is recognized.

Mr. KEEFE. Mr. Chairman, I wish to direct my attention specifically to the amendment which is before us, which I do not understand to be the Herter amendment; I understand that the amendment before us is a committee amendment which proposes to strike out the words in lines 22, 23, and 24 on page 5, and lines 1, 2, and 3 on page 6. That is all there is before this House at the present moment, as I understand. There has been a lot of talk about other things that do not relate themselves to the specific problem that confronts the House at this very moment.

I agree with the gentleman from Massachusetts that perhaps there are some administrative difficulties that would confront the Administrator in administering the provisions of the so-called Cordon amendment which is proposed to be stricken under the House ruling. I do not understand how in the name of conscience it would be possible to administer the Cordon amendment; and I think, as far as I have been able to give study to the situation, that the House committee has acted very wisely in striking that language out of the bill. It would provoke the greatest amount of administrative difficulty that I can conceive of were that language left in the bill, and would destroy the very purpose for which this legislation is intended.

The pending legislation is in no sense perfect. It does not present the answer

to all of the fundamental problems that confront the mining industry of this Nation. The best brains of the mining industry have been applied to this problem for years, and every possible suggestion for the relief of that industry has been fully explored with the result that the pending bill, imperfect as it may be, reflects the sentiment of Americans who are interested in the protection and preservation of that industry as an essential and vital instrument of national defense and the protection and development of our industrial economy.

As I understand it, it proposes two fundamental things: First, it proposes to stimulate the search for additional mineral reserves, but in so doing puts upon the company or individual the responsibility for matching Federal dollars in that venture. When the presently known mineral reserves are examined it is apparent that it is absolutely vital to the national-defense requirements of this Nation that additional mineral reserves be found.

Second, the existing operations, especially in those mines "marginal" in character, are unable to operate in view of world conditions, and if they are permitted to close down and disintegrate, those reserves of great potential character will be lost. This bill proposes to aid presently existing mineral operations so as to maintain a stand-by or working status at least. It further has the potentiality of providing employment that touches and affects the whole economy of the Nation.

While I am opposed generally to the conditions of constant subsidization of industry and while I am opposed to the grants of power and authority that are centralized in one man under this bill, careful consideration of all the facts leads me to the inescapable conclusion that the mining industry at present is threatened and thus the national defense of this Nation and its whole economy is threatened if perchance the international situation might force a shutdown in the importations of foreign minerals. We all recall the desperate measures that were indulged in during the last war, and no sensible American can view the future without being alarmed. The passage of this bill will insure the increase of stock piling of vital metals that are so critically needed in time of international stress. If war does not come, then as in the past any stock piles of strategic minerals or metals accumulated by the Government might well naturally flow into industrial channels and thus afford a bulwark of protection to the whole economy.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The gentleman from New Jersey [Mr. HAND] is recognized for a minute and a half.

Mr. HAND. Mr. Chairman, in the short time available I should like respectfully to suggest that we are here representing the people of the United States and not the mine owners who are involved in this bill, and that when it is suggested, as it has been from time to time on the floor, that we ought to be very careful how we dare cloud titles to these properties, or that we ought not to do anything which the mining interests will oppose because they do not like it, that they do not like to go into partnership with the Government of the United States, I suggest that we are here representing the Government of the United States, a Government which is preparing to spend over a period of years $400,000,000 in this mining work. I suggest that we have a perfect right in order to protect at least a part of that investment to cloud the titles if we wish, or put any other condition on the use of this money that we wish in order that we may get at least a part of this money back.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. NICHOLSON. Mr. Chairman, I ask unanimous consent that the time allotted to me may be used by the gentleman from New Jersey [Mr. HAND].

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HAND. I do not know that I shall need the additional minute and a half, but since the gentleman has been so courteous as to give it to me I will make a reference to the bill as a whole and not to the committee amendment in particular. It has been suggested on a number of occasions on the floor this afternoon that this bill is of immediate necessity because it is important to the national defense and to the stock-piling program. It has been called to my attention by the gentleman from Massachusetts [Mr. HERTER] that on page 10 of the very committee report on the bill with which we are dealing there is a letter from the Bureau of the Budget, page 10, paragraph 4 or 5, I think it is. The Bureau of the Budget notes this among other things—and, of course, I shall not have time to read it all:

> We note that the provisions in the redraft for these conservation aids are entirely disassociated from the Government's stockpiling program.

Mr. ENGLE of California. Mr. Chairman, will the gentleman read the next sentence, please?

Mr. HAND. I would be glad to.

> The only relationship between the two programs is that materials acquired by the Government, pursuant to conservation aids, are made available to the stock pile, if suitable to its purposes, on precisely the same conditions as are any materials privately produced for sale on the open market.

The concluding part of the paragraph reads as follows:

> Under no circumstances should their separate objectives become confused in the process of developing conservation legislation.

Mr. Chairman, as far as I am concerned, I see no evidence of a crisis, no evidence of the needs of the national defense which, in view of our seriously unbalanced budget, in the face of a $6,000,000,000 deficit this year, would warrant the Members of this House spending an additional $400,000,000 on this program.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON. Mr. Chairman, when we asked to restrict debate on this amendment there were other sections to consider beyond this particular one and I wanted to get a vote on this section while it is fresh in our minds.

The gentleman from Wisconsin has laid his finger on the whole problem here. The committee went over the matter very carefully and the Members on both sides, Democrats and Republicans alike, favored the committee amendment and because of administrative details, cloud on title, and uncertainty they did not favor any change from the committee amendment.

I hope the Members will sustain the committee. My recollection is this was unanimously approved in the committee after very lengthy study.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The Government agencies that will administer this law are in favor of the committee amendment, are they not?

Mr. PETERSON. Yes, they are. Otherwise it would be very hard to administer.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. HERTER) there were—ayes 59, noes 16.

So the committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Committee amendment: Page 8, line 2, insert after the period the following language: "The Secretary shall transfer to the Administrator for the performance of his functions hereunder such funds as the Administrator, with the approval of the Director of the Bureau of the Budget shall determine to be necessary, in addition to any funds appropriated to the General Services Administration, for the proper performance of said functions."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Committee amendment: Page 11, line 10, strike out "base metal".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Committee amendment: Page 11, line 12, after the word "produce", insert "(a)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Committee amendment: Page 11, line 16, after the word "combined", insert the following "and (b) manganese, mica, chromite, mercury, and tungsten ores and ores of other minerals and metals the average monthly production of which, by quantity, approximates the market value of 100 tons of lead computed and fixed as of the effective date of this act, the quantity limitation for each mineral and metal thereafter to remain unchanged."

Mr. ENGLE of California. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE of California to the committee amendment: On page 11, line 18, after the comma and following the word "quantity", insert the words "does not exceed" and strike out the word "approximates" and substitute the word approximately".

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this legislation. You know, this bill has had an interesting history to me. I checked up the record on this type of legislation, and I quite agree with the gentleman from Colorado when he said that the bill that was passed by the Eightieth Congress was much more important legislation as far as assisting our mining industry is concerned than this present bill.

I call to the attention of my friends on the left how they marched up the hill and voted for this bill in the Eightieth Congress, and I hold the record here in my hand. It was on July 22, 1947. It is a peculiar thing about this bill that this House has passed this legislation twice; not once, but twice. The first time it passed this House it passed it by 175 to 78. That was in July 1947.

Then we come along in 1949, and we passed it again—yes, we did. But in July 1949, "We are going to pass it." How? By suspension of the rules. And then the rule is suspended; we must have two-thirds majority, but we passed the bill by a majority. Here is the vote, it was 176 ayes and 118 noes. But we still did not have any legislation.

The first bill, as you know, was vetoed by the President. That bill set up a Mining Commission which, in my personal opinion, would have done much more for the mining industry. We are just now making the very faintest start to help the mining industry which is in real difficulty. Only this morning there came to my desk an article carrying obituary material. The last issue of the American Mining Congress Journal says:

Five strategic metals—chromium, mercury, antimony, tungsten, and manganese—essential for industry in peacetime and doubly essential in wartime are normally produced in considerable amounts within the United States. As a result of tariff reductions, international monetary devaluation, ECA operations and general governmental apathy, production of these metals has to all intents and purposes ceased. All of these metals must now be obtained from trans-Atlantic or trans-Pacific sources. Let us hope that our Navy's antisubmarine weapons are adequate to permit importation in time of war, for without these five metals it is doubtful if we could win a war with any first-class power.

It was just this morning that that came to my desk.

Now, let me turn over to the Mining Year Book, 1950. You talk about the metal mines that are closed. I am telling you, here is the percentage that has been closed, and I want to read them in the RECORD. Here we are making just a little peace offer, shall I say, to again start the mining operations in these United States fearful that we might be involved in another war.

Why, only this morning, while I was eating my breakfast I heard a great war hero say we might have another Pearl Harbor before many months or words to that effect. If that is anywhere near true, and I do not doubt the statement, and I can tell you his name if you want it, Kenney, one of the great heroes of World War II—if he thinks we are that close to war, we had better pay attention to some of these things.

The following mines have closed down since 1940: California, 1,431; Colorado, 933; Arizona, 901; Montana, 688; Idaho, 653; Nevada, 624; Oregon, 281; New Mexico, 250; Washington, 140; Utah, 92; and Wyoming, 9; ranging in percent from 43 to 92 percent. And then some of these boys on my right, and I suppose a few on my left, think they should not do anything to bring back our own metal mining into full production. I wish you would read that sign that faces you there and stop at the end of that first comma, "Let us develop the resources of our own land," and you would not vote against this bill.

I am not personally strong for it, but it is a move in the right direction. Is it not about time that we gave a little consideration to some of our own industries in this country? You passed a bill this morning subsidizing cotton and peanuts, and you will probably have one on wheat and hogs before too long. I suppose some of you folks opposing this bill are in favor of abolishing the entire farming operations of this country. Let us use a little common sense and exercise judgment, because we may get into another war and we do need this material. No chance to import it from foreign countries.

Mr. Chairman, let me say it is about time we considered the products of agriculture, the products of our mines as really critical and strategic materials, surely all necessary in time of war or of great emergency. This legislation should pass.

Passage of S. 2105 is essential to maintain a sound economy in the United States.

Many sections of our great country are largely dependent upon metal mining for the maintenance of a sound economy just like other sections depend on farming or manufacturing to support their economy.

Members of Congress know that much of the money spent for foreign aid is returned to the industries in the various producing sections of the Nation where those items needed by the peoples of foreign countries are purchased with foreign aid funds. But what of the metal-producing sections of the United States. Those sections which were called upon to produce the sinews of war when our Nation's very existence depended upon our ability to produce the metals needed by our armed forces? Our foreign aid program has practically destroyed those areas.

Ships returning to our shores are bringing in huge amounts of metal—metal produced at wage scales far below those of the American worker—metal transported in ships subsidized by our Government docking in harbors likewise subsidized while the American metal producer must ship his products by rail across the country at higher rates than ever before to markets along the eastern seaboard. He is faced with increased costs by reason of other governmental programs which have affected his ability to produce in competition with low cost foreign production. Devalued currencies, elimination or curtailment of tariffs, and a hundred and one other programs have worked hardships upon the American metal miner to a point that he is now confronted with disaster unless Congress passes S. 2105. Look at the records. More lead imported into this country in 1949 than during any peacetime year in our history driving the price from 21½ cents a pound down to less than 9¾ cents and the end isn't in sight according to the Wall Street Journal.

To keep a healthy, going metal mining industry is as essential to the welfare of our people as to maintain a national defense program. In fact a strong defense program is useless without a mining industry to back it up in time of need. Have we forgotten our experiences during the recent war when ships bringing metal to this country vitally needed by our war agencies were being torpedoed at our very coast line. If we allow our mines to close down, cave in, and disintegrate think of the cost of trying to put them back in production when whole communities in which they are located will have migrated elsewhere. Irreplaceable know-how will be lost and America will find that it is indeed folly to place our security on a dangerous and costly dependence on foreign production.

The question, as I see it, is not how can we afford to pass this legislation but how can we afford not to pass it. I do not blame the executive heads of international mining concerns from trying to make more profits for their companies by using foreign labor to produce metals to sell on the American market at less than it can be produced here by American workmen under American standards but the future of our country and the safety of our people should not be placed in jeopardy by any such procedure. I for one think such a policy of destroying our mines in the hope of getting our metal elsewhere will prove to be a most costly error.

We must keep our domestic mining industry in a healthy condition as part of the national defense program of our Nation. S. 2105 should receive the unanimous support of this House.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are discussing a bill here that certainly should be classified as affecting one of the basic industries and of special interest to the whole country.

I admit, however, that what I shall have to say is motivated by the fact that I have seen the results of what has happened in many of the communities in my district as a result of the closing of the mines. As the gentleman from Colorado said, since 1940 about 77 percent of all the mines have closed.

The peculiar thing in the West in the mining areas is that the great communities are built around the mines. The whole community life is dependent upon what happens to those mines. When they are closed the whole community is out of work. Many of the men own their homes. They cannot be shifted to other jobs. They are just put there, and there is nothing that you can do about it. As a result of that, all their unemployment insurance is gone, and thousands of them are on relief. These are the conditions in the mining areas in my State, and it affects the economy of the whole country.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Will the gentleman tell us why these mines are closed?

Mr. GRANGER. I will be glad to do that for my friend from Massachusetts.

There are a lot of things that have caused the mines to close. In the first place, since the war we have had a devaluation of the currencies of many countries, that have practically made our tariffs inoperative. That is one thing. Another thing is that we have reduced the tariffs. I will admit that; but never with my consent have we done that. Under the reciprocal-trade agreements we have reduced the tariff. This Congress by its own actions on two occasions I know of suspended the tariff on copper and lead, which has added to the difficulty.

An additional cause is that during the war when the pressure was on to get everything we could out of the mines, as has been stated here before, everything that was easy to get was gotten out for war purposes. As the result, the expensive ores have been left in the ground, where they are expensive to get out now. There is no profit in it. Therefore, they are closed and the men are out of work.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Montana.

Mr. MANSFIELD. The gentleman from Utah has given a very good explanation in response to the question of the gentleman from Massachusetts. It was the policy during the war on the part of this Government to go out and urge by every means possible that these prospects be developed as much as possible. With the end of the war we let these people loose, and many of them had invested their shirts. There was nothing they could do. They suffered a great loss and the country suffered a great loss, too.

Further, since the war we have taken off the 2 cents a pound tariff on copper, and at the present time there is a move on to suspend that tax for another year. I hope this tax on copper is maintained because it is necessary for the small mine operators of this country.

Mr. GRANGER. As I recall, the gentleman from Montana and I are the only ones who voted against the suspension of the tariff at that time.

What are we trying to do here? You have a basic industry, as has been said over and over again. You cannot fight wars or you cannot have any assurance that you are going to have national security if you do not have these metals and strategic minerals available.

This bill is not what I would like. I would like to do something to stimulate mining. This bill will not do that to any great extent. In my opinion, it is simply a defense measure, and there is very little else to it.

There is just one thing the Congress has to realize, that years ago most of these mines were discovered by prospectors. They would take a burro and go out into the hills, and they surveyed pretty much the whole country. The old prospector is gone. There is no profit in mining now. Who is going to explore to try to get material if there is no profit in it? Who is going to do it?

If you had to pay the whole cost on the basis of national defense, you could do it on that basis of making new discoveries. Perhaps they have not all been discovered, but it is an expensive business at this time.

Mr. Chairman, I trust that the House will vote overwhelmingly for this legislation.

Mr. MILLER of Nebraska. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it had not been my intention to speak on this bill which came out of my committee. I have been somewhat troubled with many provisions in the legislation. I did vote for recommitting the bill when it was before the Congress the last time it was considered. There are a number of reasons why our mines are in trouble. I presume this bill might give them a little help to open some of the mines that have been closed. However, we must remember that about 70 percent of the mines in the Western States have been closed, some of them have been damaged so that they never will be opened again. It would not be profitable to open them. Why have they closed? As the gentleman preceding me has said, during the war we tried to stimulate the production of metals. We bought metals wherever we could get them. We have since the war tried to buy metals from all the countries of the world through the Munitions Board. I think the program there calls for over $3,000,000,000 eventually to be spent for that purpose.

The Munitions Board today could stimulate these marginal mines if they wanted to. They could buy metals. There is nothing in the legislation which would prohibit them from buying metals from the American side of the ledger if they wanted to. But they are not doing it.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. SHORT. Not only are they free to do that, but they really have the duty to do it because of the "Buy American" clause. They have ignored that because they seem to be completely under the control of the State Department that wants to take care of Canada, Mexico, Yugoslavia, and every other country before taking care of our own country.

Mr. MILLER of Nebraska. Of course. That is just the pattern I might say, not only in metals but in many other products and materials in this country—I care not whether they are metals or beans or potatoes. I was down before the Board last week on the matter of beans. The members of the President's Cabinet sit there listening to your argument on the question of why the tariff on dried edible beans should not be reduced. They have reduced the tariff 50 percent and they are going to reduce it another 50 percent in the face of the fact that there are 5,000,000 100-pound bags of beans in this country and there are going to be another 5,000,000 100-pound bags of beans next year. Yet, they reduce the tariff. The farms have had their acreage cut this year, and they are going to have their acreage cut next year so that they can bring in more beans from Chile and from all over the world so that our farmers can get more acreage cuts so it will cost us more money. That is still the pattern. I felt the perfect futility of appearing before the Board. I think it was merely window dressing for decisions which had already been made.

But here we have a bill where I think the Members of the House will have to decide: are we going to try to keep the mining industry alive by making available $80,000,000 a year for a 5-year period, or are we going to let some of these mines go by the board? I confess I have been troubled about features of the bill. It is nothing more than an attempt to help an industry which is sick and some of which has already died and where rigor mortis has developed and they will never recover. But if the policy of our Munitions Board and our State Department of buying metals all over the world in preference to what we have in this country follow this policy then this little $80,000,000 which we are going to give each year to the mining industry is just peanuts. It does not help at all. But between us I think we have to decide whether we are going to help the mining industry here at home. Sure, war might come along and then we would be in desperate straits. Some mines are already flooded and we can get nothing from those mines.

I had a little experience as a young man just out of medical college. I was up in one of the mines in northern Michigan. It was a good copper mine. It was forced to close after the First World War. I do not believe it is operating now. That mine could be in operation today with a healthy economy and not sick and demoralized and gone to pieces, had our Government had a different policy toward the mines in this country. But they have not had a different policy. This bill has not changed it. The thing you must decide is, Shall we give them some money so that they can keep on going, or encourage the Munitions Board to buy strategic metals all over the world?

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. PETERSON. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ENGLE] to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 15, add the following new section:

"SEC. 10. (a) Each producer shall at all times have access to a complete file of all copies of all calculations and analyses and determinations used as a basis for aid under this act, or modification or denial of his application, and shall be furnished a copy of each such analysis.

"(b) The Secretary shall make annual reports to Congress on the operations under this act on April 15, 1950, and February 15 of each succeeding year. Such reports shall include current and summary information detailing the activities and results obtained and anticipated pursuant to this act, and such other pertinent information concerning the administration of this act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"(c) Advance payments may be made for exploration projects, in such amounts and on such terms as the Secretary deems appropriate, where the producer certifies the need for such advance payments as working capital. Advance payments received by operators shall not be commingled with other funds and shall be subject to post-audit."

Mr. PETERSON. Mr. Chairman, on behalf of the committee I offer an amendment to the committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. PETERSON to the committee amendment: Page 12, line 21, after the date "April 15", strike out the figure "1950" and insert in lieu thereof the figure "1951."

The committee amendment as amended was agreed to.

Mr. PETERSON. Mr. Chairman, I have on the desk four committee amendments which I ask be considered.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment offered by Mr. PETERSON: On page 4, after line 13 and before line 14, insert a new subsection (j) as follows:

"(j) when the method of production used will affect the greatest conservation and use of these metals and minerals."

Mr. PETERSON. Mr. Chairman, this amendment is offered at the request of the gentleman from Pennsylvania [Mr. CAVALCANTE] and the committee has agreed to accept it.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. PETERSON: On page 9, line 9, after the word "act", insert a comma.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. PETERSON: On page 11, line 8, after the word "resumed", strike out the word "promptly."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. PETERSON: On page 12, line 9, after the word "appropriated", insert "to the Department of the Interior."

Mr. PETERSON. Mr. Chairman, this amendment was suggested by the gentleman from Wisconsin [Mr. KEEFE] and the committee has agreed to accept it.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ENGLE of California. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. ENGLE of California: On page 5, line 19, strike out the word "the"; and on line 20 strike out the words "application or" and substitute the following: "It is determined upon", and after the word "examination", strike out the word "discloses."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The gentleman from North Carolina is recognized for 10 minutes.

Mr. DURHAM. Mr. Chairman, I take this time to clarify, or try to clarify, our position on a matter that is important to the whole country. I believe no one can accuse me of not trying to do what I could since becoming a Member of this body to keep this great industry on a sound basis, so I think every Member of this House should first ask himself if he has carried out his obligation to his country from a national defense standpoint, and also has he carried out his obligation to keep this great industry open and operating. I believe we have.

In 1939, when this subject was first brought up from the national defense standpoint we adopted Public Law 117, and your National Defense Committee at that time, and this Congress, wrote a definite policy which has just been read by the gentleman from Colorado, in Public Law 520. I was chairman of the subcommittee which wrote that measure. We carried forward from Public Law 117 the exact language stating our policy. I will not read it again, because you have heard it and know what it is; it is a "Buy American" policy.

What else have we done here as Members of this body? We have provided a tremendous sum of money with which the members of the Committee on Appropriations are familiar. It amounts to more than a billion and a half dollars for this program. The Munitions Board and the National Resources Planning Board, which we put in the National Defense Act last year, and properly so, have the authority to carry out this program. Personally, I am disappointed because they have not carried it out and I believe it is the fault of the Members of this House who have not urged that this be done. For the last 18 months I have been urging it. Here today we find ourselves in a predicament we do not like.

We have over there $400,000,000 that we can use right today for contract authority and purchases. The Munitions Board and the National Resources Planning Board have full authority today to pay the purchase price for whatever is mined here in American mines. The Congress recognized that in 1939.

We knew that we were going to face the situation of a differential which would be bad for the mines in this country because of wage differences. That has happened. Today a miner in Brazil will get about 40 cents while a miner in this country has to have $9 to live on. I have no objection to that. But we should recognize we have either got to go to a subsidy program, or we have to go to a purchase program to keep these mines open. I believe in the purchase program. Congress has given to the Department the money to keep these mines open, and they should keep them open.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Montana.

Mr. D'EWART. They can not only pay the market price, but can pay up to 25 percent over the market price when it is in the national interest?

Mr. DURHAM. I do not care to take up the committee's time but I am afraid we are getting ourselves into a position here where we are not going to do what we think we are going to do for the mine interests, and that is what I am concerned about. As I said before, nobody can accuse me of not trying to do something for this industry. As the gentleman said a few minutes ago, you have to develop your basic resources and your elements. Most of these things are elements in the ground. We have it to do.

I do not like this way of doing it. I think we should stick to the policy we have previously adopted. The law is on the books and Congress has appropriated the money. In a few days we will bring out $750,000,000 more, which will give you a total of over a billion dollars for this agency to purchase these minerals and metals and put them in a stock pile.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. May we assume that the Munitions Board does not want to exercise its right under existing law to provide money for the

operation of these mines because it does not believe it necessary?

Mr. DURHAM. I will let the gentleman come to his own conclusion on that. I have my own, and I have a very definite opinion.

Mr. SIMPSON of Pennsylvania. I ask that question in all seriousness. The gentleman has expressed himself as not liking to do in a legislative body what he thinks they should do. Should we not pass legislation to have them perform their duty?

Mr. DURHAM. I think they can perform it under the present law and should perform it.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from North Carolina.

Mr. REDDEN. May I ask the gentleman, since we already have authority according to what he has told us, why does the gentleman think they have not carried out their duty under the law to which the gentleman refers?

Mr. DURHAM. Well, that is a long story, and I do not care to go into that at this time. In reference to purchase of these critical materials offshore we have to do it and we have done a pretty good job. We get 6 months' reports on this matter, which I have recently studied for quite some time. They have done a very good job in the last 12 months, but they have done a poor job on domestic materials. This is where some action is needed. Every member of the committee, I think, is familiar with that.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Arizona.

Mr. MURDOCK. I want to compliment the gentleman for his stand in regard to strategic and critical minerals and metals during the years I have known him. I hope the gentleman will approve this legislation and help us pass it although it is not what he would like, and even though he does not think it is done in quite the right way as he views it. I agree with him that we ought to pay attention to this stock-pile business first, last, and all the time as a matter of national defense. This bill, of course, goes part of the way in that direction. Before I sit down I want to say to the committee that the gentleman from North Carolina has been steadfast in his views for stock piling for national defense.

Mr. DURHAM. I appreciate the gentleman's statement. I do not have a mine within 100 miles of me. I believe every Member of the House has carried out his obligation. I think now somebody else should carry out their obligation.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I would like to ask the gentleman, who is well informed on this whole matter of stock piling and the funds that Congress has heretofore made available in connection with the stock-piling program, is it possible under that program to spend or to advance any money at all for exploratory purposes?

Mr. DURHAM. It says so in Public Law 520 plainly, I believe. They can do everything in this act, if they want to and care to and in my opinion I believe they will admit that they can do it. If they do not have the authority then we should amend the act so they will have to.

Mr. KEEFE. But they have not done it.

Mr. DURHAM. They have not done it. I do not like to spend more money, when we have the money in our pockets that we can spend today to do this job. I think we can do it without one piece of legislation being brought before the floor of this House.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Did the gentleman consider that all over this country there are mines in the initial stage of development, that, if they were accessible, could be operated at a profit and supply us with material for defense purposes?

Mr. DURHAM. I believe that these mines should be kept open. I have supported that policy, and I have since I have been a Member of this body. I do not believe this is a sectional thing. I have to have plowshares in North Carolina, and we have to have other necessary products that come from the mines, so I see no reason why it should be a sectional thing.

Mr. WHITE of Idaho. My question was not keeping the mines open but directed to the possibility of opening new mines, in the initial stage of development, and putting them into production.

Mr. DURHAM. I am one of those gentlemen who feel that this material in the ground is worth more than it is above the ground. You have to get this out and put it in a position for manufacture, and you cannot wait 12 months or 2 years like we used to wait for war to come. This measure will eventually cost $400,000,000 and should be defeated.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. PETERSON. Mr. Chairman, I ask unanimous consent that debate on the bill be limited to 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, there has been some question raised over here on the Republican side regarding amount of cost of the stock-piling program being a national cost that will come out of the taxpayers' pockets. The value of your stock pile is now much higher than we have paid for it, and there is no prospect of its going lower than it is now. Let war come, and our immediate need for the stock pile, you will be glad we have it, even at a much higher price than present costs. I cannot imagine any Representative disapproving this program on that ground.

There has been a lot said here about leaving this entirely to the military officials, and I will tell you why I am not willing to do that. I have here the report of the Munitions Board, where they stepped aside completely—and I gave this in my talk day before yesterday and their statement was quoted by me—from any responsibility on the matter of mining industry policy.

I also have here the statement of the President when he signed Public Law 520, in which he made the statement that—

> This act should not be used as a device to give domestic interests an advantage over foreign producers of strategic materials greater than that provided by the tariff laws.

Then I have the statement of John Steelman, who is now Assistant to the President and acting chairman of the National Security Resources Board that—

> Purchases in such cases should be at not over the market price and, in view of the magnitude of purchases by the Government, some concession from the market price might even be expected.

That is the policy of the President, the Munitions Board, and the National Security Resources Board, and the private mining industry cannot rely on that kind of backing, or lack of backing, to build a healthy mining industry.

I subscribe to the policy that was established in Public Law 117 of the Seventy-sixth Congress and Public Law 520 of the Seventy-ninth Congress in stating emphatically that we have both a stock-piling responsibility, and also a mine health responsibility. In my judgment, those two responsibilities are equally important.

This bill has to do with the health of the private mining industry in America, and mines of America are behind the men behind the guns. We must have a healthy mining industry or we will greatly weaken our national defense.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from North Carolina.

Mr. REDDEN. I would like to say that while it is true that they do have authority to do the very thing that is set up in this legislation, they also have the authority to spend the money that is allocated under the other bill in foreign countries, and that is where they spend it, and they are not spending a dollar in the United States.

Mr. MARTIN of Iowa. The gentleman is exactly right. Three-fourths of the purchases made postwar, and all ECA funds have been expended in foreign lands. Further, we swallowed a great big ECA here under the promise it would bring us strategic minerals. We have received from ECA countries a total of only $31,000,000 worth of strategic minerals. That is less than eleven one-hundredths of 1 percent of the funds we have sent into foreign lands. We cannot depend on that source for the supply of strategic and critical materials we need.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. KEATING: On page 9, line 2, after "shall", insert "thereafter"; and after the word "market", strike out "if and", and also lines 3, 4, and 5 up to and including "minerals" and insert "at open market prices at such time or times."

Mr. KEATING. This amendment is offered in order to provide for sale of the metals, not transferred to the national security stock pile, on the open market with all possible speed in order not to build up large Government inventories and in order to avoid excessive storage charges. It is in line with the recommendations of the Bureau of the Budget.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Florida.

Mr. PETERSON. I have discussed the amendment with the gentleman from New York and have conferred with the members of the committee. The amendment is acceptable to the committee.

Mr. KEATING. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. BARRETT].

Mr. BARRETT of Wyoming. Mr. Chairman, I am going to support this bill. It is not the kind of bill I would like to have before us today, but in the light of the position taken by the administration, it is the best bill that we can get.

Nations, like individuals, act in self-interest. It is incumbent on this Congress to protect the safety and security of the United States. I think myself that if the laws that are on the books today were properly and fairly administered we would not need this legislation. Our committee heard testimony from the Munitions Board. Why do they not administer the "Buy American" clause in Public, 520, as they should? The conclusion is irresistible, to my way of thinking, that pressure has been brought to bear upon that Board by the State Department to forego the provisions of existing law and to proceed on the theory that we owe an obligation to look after the interests of foreign countries rather than our own.

Russia is looking after its own interests. It is one of the big producers of chrome. We are practically dependent upon the shipments from Russia today for that commodity. We are dependent on foreign production for much of our manganese.

We have had similar experience with the State Department on wool legislation a couple of years ago. We passed legislation to impose an import fee on foreign wool coming into this country in order to protect our price-support program and the purchase program of wool, but the State Department prevailed upon the President to veto that legislation. Today they are proposing to make further reductions in the tariff on woolen fabrics.

We have thousands of miners out of work in this country. They cannot operate these mines in competition with the cheap foreign labor in South America, Africa, Russia, and elsewhere in the world. We are exporting jobs by the thousands day after day.

It seems to me that the Congress of the United States should stand up and say to the State Department that it is high time we look after the laboring people—the small-business people—including the small mine operators and the miners of this country. Most of our difficulties in the mining area of America can be traced to the tariff policies of the State Department, to the failure of the administration to carry out the "Buy American" policy, and to foreign competition encouraged under ECA.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BARRETT of Wyoming. I yield to the gentleman from Iowa.

Mr. JENSEN. I appreciate the fine speech the gentleman has made, which is customary when the gentleman takes the floor. We know that we cannot expect any tariff to be placed where it should be for at least 3 years. Is not that a fact?

Mr. BARRETT of Wyoming. I thank the gentleman. I am afraid the gentleman is correct. The administration would have to reverse its position, and I am sure there is little likelihood of that.

Mr. JENSEN. There may be an emergency within the 3 years.

Mr. BARRETT of Wyoming. The gentleman is correct; there could well be.

Mr. JENSEN. I direct the attention of my colleagues to the inscription over the door to the press gallery immediately above the Speaker's rostrum, which reads as follows:

Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

I commend that statement by Daniel Webster to your thoughtful consideration, my colleagues.

Mr. BARRETT of Wyoming. You are eminently correct, Mr. JENSEN. This bill is essentially a measure to conserve and develop our mineral resources. By all manner or means, we should make wise use of our land and water resources for the benefit of all of the people of the country.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, there are wheels within wheels which operate with respect to matters of legislation of this character. I think there are a couple of wheels operating here which are discernible to a person who wants to take the time to look into it.

Mr. Chairman, I was not in favor of this legislation originally when it first came on the floor. But I am frank to say I have taken the time to go into some of the background of the opposition to this legislation and have made a study of it, since it was announced that it was going to be taken up on the floor. I have come to the inescapable conclusion I cannot as a citizen of America, faced with world conditions as they are, fail to vote for this legislation and to implement the efforts being made to provide critical materials and to provide for the maintaining and guarding of the mineral resources of this Nation and further than that, to develop the mineral resources of this Nation so that we will be able to defend ourselves in the event of any emergency which may take place.

I know there are some big operators who have mineral resources in this country who are also working all over the world. I know those people who are getting ECA money and RFC money to operate in various foreign nations can bring that ore in here much cheaper than it can be produced domestically and they are not interested in seeing this legislation pass.

But if we are going to be free of the threat of disaster we must keep and maintain those small mines in this country in a position to go into operation to produce the domestically needed production to make our country safe. I would like to say many other things, but one cannot do it in 3 minutes.

I simply want to make the frank confession that, having been opposed to what appeared to be the spirit of this bill, I now find myself forced unalterably to support it. I want to say to the distinguished gentleman who raised the issue of what was provided in existing law, Public Law 520, that I carefully read that law and while I find some language in the preamble that refers to the development of mineral resources, I find no language in the law that implements the language of the preamble. It has been interpreted, apparently, by the National Resources Board, and those in charge of the purchase of critical materials as not authorizing the exploration and development of the mineral resources of this country.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. MARTIN of Iowa. That preamble states a policy and the Munitions Board should support it, and they are sidestepping it, instead.

Mr. KEEFE. Yes, it states a policy, but the language of the bill itself which activates that policy does not provide for exploration and development.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, I am completely in favor of the development of the natural resources of the United States, and I have no objection to the development and aiding of the mining industry. I am, however, very seriously concerned by the implications of this bill. Ever since I have been a Member of this House we have been attempting to establish a stockpile of strategic materials in the United States.

What is a strategic material? First of all, a critical material is one necessary for the prosecution of a war. A strategic material is a critical material which must be imported.

In 1939 when we attempted to establish a stockpile in the United States we were frustrated by exactly this same effort providing for the domestic production of strategic materials. You are talking nonsense, because there is no strategic material that is domestically produced.

The gentleman from California [Mr. ENGLE], day before yesterday, I believe it was, let the cat out of the bag on this. I do not think he intended to do it. He said we ought to take $80,000,000 out of the $16,000,000,000 defense budget and channel it into the mining industry. That is exactly what you are attempting to do here in promoting the mining industry. I am for promoting the mining industry, but do not hook it on to national defense. Let us not find ourselves in the same position we were at the time of Pearl Harbor when we did not have manganese, chrome, tungsten, rubber, and all of those strategic materials in this country. In fact, in 1939, we held the bill in the Committee on Military Affairs for a matter of weeks insisting upon $100,000,000 a year for 5 years. The President said he would approve nothing in excess of $25,000,000 a year for 5 years, but finally agreed to $100,000,000. We passed the bill, and when it went to the Committee on Appropriations the domestic mining industries went in there and objected and insisted that $25,000,000 would be sufficient, that the additional money should be channeled into domestic production. We came to Pearl Harbor without strategic materials exactly because of this situation.

Develop your mining industry, subsidize it if you will, but divorce it from your military program.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I decline to yield to the gentleman who has all the lead mines of the United States in his district. I appreciate the gentleman's position.

Mr. SHORT. I wish I had some more.

Mr. KILDAY. I do too, and I hope they are developed, and that your production continues and expands. But during peace time, let us, while the sea lanes are open, bring in the raw materials that we must have in the event of war and do it as part of our defense program. Let us not rehabilitate the mining industry of the United States at the expense of the defense budget. If you are going to channel $80,000,000 into the mining industry it should not be taken from the defense budget. These things should be separate.

The bill should be defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Colorado [Mr. MARSALIS].

Mr. MARSALIS. Mr. Chairman——

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield for a brief statement?

Mr. MARSALIS. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I wish to correct one impression left by the gentleman from Texas [Mr. KILDAY] in trying to draw an exact line between strategic and critical materials. The Munitions Board in all their annual reports referring to the two made no distinction; they are inseparable. We are talking about critical materials and about developing some of the strategic materials into production through discovery and development if possible so that they may be hereafter classified as critical. The line between strategic and critical is not and cannot be exactly drawn even by the Munitions Board, and it is our hope that we can cut down the number and amount for which we are dependent on foreign countries.

Mr. MARSALIS. Mr. Chairman, in connection with this bill and whether there is or is not a difference between strategic and critical materials, the fact still remains that at the present time 73 percent of the western metal mines that were operating in 1940 are now closed, and 700 to 800 of the mines that were actively producing manganese, chromite, tungsten, mica, and such materials in the period 1941–44 are now closed, and only 12 such mines in this country are now operating and producing these metals. The fact remains, as stated in an article in the Mining Congress Journal, of November 1949, that this country finds itself in complete dependence on Spain, Italy, and Yugoslavia for mercury; on Communist China, Korea, and Bolivia for tungsten; on similar uncertain resources for antimony; on the Philippines, Turkey, and Africa for chromium; and on Russia, Africa, and India for manganese. We most certainly do have a lot of these same metals and minerals in this country, and it is high time that we put our mines into operation which are capable of producing them and relieve ourselves of complete dependence on such uncertain and in some cases unfriendly sources.

In spite of the law adopted in 1939 to which the gentleman from North Carolina referred, it still took this Nation some 2 years after war started before its mines had attained the peak of operation and to the point at which we became known as the arsenal of democracy. At the start of that war our mining situation was in better condition as it is today. Hurried efforts were made to reopen old mines. Some were reopened at great expense and in other cases it was found that the expense and time involved in such an operation made it not feasible, as it was cheaper to locate new mines instead. Miners who were not employed in this industry at the start of the war were drafted into the Army and hurried efforts were made to locate and release such persons for mine work. This was a slow process. Every effort was made to bring in critical and strategic materials from other countries with the result that 70 to 90 percent of all ships carrying same were destroyed. In the case of bauxite being brought from South America, 52 to 56 ships carrying same were destroyed and 50 out of 60 tankers bringing oil from South America were also destroyed. The situation became so acute that much of the necessary metals were flown to this country by air.

We are living in a troubled world and the present outlook is uncertain and fraught with danger. It seems most appropriate that every effort should be taken at this time to do something to put our mining industry on a more stable foundation. This bill is at least a step in that direction. We have many marginal mines that are able to stay in operation at this time only by extracting the richer ores and not proceeding with an orderly, well-developed program. If this bill fails to pass, these mines will probably also have to close.

For the reasons stated I favor the passage of this bill. It is a bill to aid the small mines who are not in position to continue without some help. It provides exploration assistance to a maximum of 50 percent of the cost involved for those seeking to discover new mineral and metal deposits. It also provides needed assistance for those marginal mines that have already been or will be forced to close as a result of devaluation of currency in other countries. This devaluation has in turn depressed the market values of metals in this country to the extent that they can no longer be produced profitably by other than large, well-financed companies.

I do not feel that this bill will actually cost the Government the full amount which it spends. A part of the funds at least will be returned to the Government by way of income tax and also by a lessening of present relief rolls. A part of the money spent with mines in this country will go toward building up the Government's stock piles of strategic and critical materials, and an additional portion of the metals purchased by the Government will in turn be sold to domestic users.

The industrial progress of our Nation has been due to the fact that it was found to be rich in metal and mineral deposits. It was this industry that furnished the means of our becoming a great industrial Nation and which contributed so greatly to the needs of our own country and its allies during both recent wars.

This industry must not be allowed to deteriorate further in these critical times. It seems to me that it is not a case of whether or not we can afford to pass this bill but rather whether or not we can afford not to pass it.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, we boast here on the floor of the House and through the newspapers that this is the richest Nation in the world. I call to your attention that we through lend-lease and through the past World War have shot away and given away billions upon billions of the resources of this country. It seems to be the policy of this administration to further drain the resources of this country and to further attempt to enrich the other countries of the world to the detriment of our own country.

There might be some sense in passing this bill if we would take $400,000,000 off the ECA that will appear before this House shortly. But I am troubled over this bill and I am troubled over the policy that comes from the top down. I am reminded that in the Eightieth Congress we passed a reciprocal trade bill and we put in peril points. If we had passed a bill with peril points in this Eighty-first

Congress as many of us urged, and the administration had enforced those peril points there would be little use for this legislation today.

If we pass this bill today we are adopting a policy of substituting subsidies for tariffs. Everyone within the hearing of my voice knows that if we had protected the mining industry properly with tariffs instead of continually lowering the tariffs through reciprocal trade agreements and otherwise, it would not be necessary to have this legislation here today calling for a subsidy of something like $400,000,000.

Mr. Chairman, this bill, S. 2105, to subsidize marginal mineral mines, largely in the West, will cost $80,000,000 a year for five long years, or a total amount of $400,000,000. While many of these mines need help, this is not the way to aid them. The War Munitions Board has been voted millions of dollars by a previous Congress and were given authority in that legislation to buy the minerals from these mines at 25 percent above the normal price level where necessary in order to encourage the expansion and production of these minerals we need for national defense. They have failed to carry out the intent of Congress and instead are buying the great majority of minerals such as are produced in our own mines from foreign countries.

In the last ECA bill, wherein we voted billions for Europe and other countries, there was a provision for purchasing strategic minerals, and millions of dollars were provided for that purpose. Only a very few millions of dollars of strategic minerals were purchased under that authority.

In fact, it has been the policy of this administration to purchase these strategic minerals from abroad, which builds up the economy of those countries, and, at the same time, we allow hundreds of small marginal mines to be closed down because American dollars by the millions are being used to buy minerals abroad, which dollars should be used to purchase minerals from our own mines.

Mr. Chairman, in addition to that, we have almost completely wiped out tariffs on the importation of such minerals in competition with our own mines. In fact, this administration has deliberately substituted the subsidizing of our own industries rather than placing a tariff against imports coming in from other countries that wreck our own business and throw our own men out of employment. It has been said on the floor today that over a hundred thousand men formerly employed in these mines are idle today.

Mr. Chairman, we should defeat this bill and compel other agencies of Government to follow the intent of Congress and render the necessary aid to these mines that need it.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, a very important point seems to have been overlooked in discussing the operation of our domestic mines. There are many mines in this country in the initial stage of development that if they had a little financial help to open the lower levels of the mine that can produce ore at a profit. There are a great many little mines in this country that could do the same thing that big mines have done in the past if you will help them put in the necessary equipment, and help them with such as sinking shafts and running the tunnels, and so forth. They could go into profitable production and at the same time pile up the things we need for our national defense.

A gentleman has made a point here about strategic and critical metals. I want to cite an instance in the State of Idaho that has come to my attention. This Congress had the foresight to appropriate money to finance the Bureau of Mines in making an inventory of the metal resources of the country. They went 85 miles back over the mountains in Idaho to where there was a company operating a new mine. They went in to test the ground by drilling deep in the vein to find how much antimony the Government could figure on. Unexpectedly, and this was a godsend to the American people, they struck a large body of tungsten ore that we previously had to depend on China for our supply, and our supply of tungsten was cut off by the Jap Navy. This was at a critical time when we needed tungsten to make the necessary alloys for rifles, cannon, armament, and alloy steel here in America. Today while I stand here talking to you, they are building a big new smelter in this isolated area over in the mountains of Idaho to smelt antimony, a metal that is vitally needed to manufacture bearings for automobiles, airplanes and every kind of a shaft that turns in a boxing.

So the plan that is being proposed here to assist mine development has already been worked out by the Government and put to test.

I want to call your attention to another thing. This Congress, from time to time, has appropriated money to build access roads for the timber industry. We are appropriating $25,000,000 a year to build access roads to get back into isolated stands of Government-owned timber. We are appropriating money to open private ownerships, and this is right in line with the Government policy and program to give financial assistance for the development of the ore leaders of new mines and explore and open up the ore leaders in mines needing financial assistance in their deeper development.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, the chief reason why I have supported this and similar legislation in the committee and on the floor of the House is that the mining industry in this country is sick and needs a great deal of legislative attention. The mining industry is a basic industry and without a sound mining industry we cannot have a stable economic system in time of peace nor can we have the best national security at any time without a functioning mining industry.

One of the most conclusive proofs from the last war, showing the folly of relying upon necessary materials from overseas is bauxite for our aluminum for airplane building. At the beginning of our war program we sought to get bauxite from South America and bring it by ship across the Gulf of Mexico. A great number of shiploads were lost due to the submarine activity and only about one-tenth of the ships attempting the crossing eluded the submarines and reached our shore with their cargo of bauxite. We never could have had the great airplane-building program which was developed if we had not developed a supply of bauxite within our own country. However, it took time to do this, which time would probably not be permitted in case of another such war.

It is vitally important to stock pile necessary minerals and metals. It is the part of wisdom to obtain some of these from overseas, especially when they are not to be found in abundance in our own land. I would even favor stock piling some of the products of the mines from abroad even though we do produce the same in this country, provided we develop a going mining industry at the same time here at home. Reasonableness should apply in the latter case. I do not think it wise to go to either extreme and say that we must stock pile such material exclusively from abroad nor on the other hand, say that we must stock pile exclusively from home production. A reasonable policy would avoid either extreme.

I think one reason for an extreme policy of stock piling from abroad is the fallacious idea that we have now become a have-not nation. If it were true that we have become a have-not country in respect to all these minerals and metals, which I do not for a moment concede, then we would need to stock pile from abroad. It seems that there is one school of thought based on that philosophy. I am sure we are not in that category in respect to most of these necessary minerals and metals, as one school would have us believe, but if we do not keep a functioning and thriving industry we can easily place ourselves in the category of a have-not nation with respect to any mineral or metal. That could become true regardless of any amount of that mineral or metal which actually might be under our feet. Therefore, continual exploration and development is the only sure road of national safety and economic sufficiency.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. REGAN].

Mr. REGAN. Mr. Chairman, I have no mines in my district, but I do believe that this is something for the good of all America, and as an American I am heartily supporting this bill before us.

I regret that the gentleman from Massachusetts [Mr. HESELTON] is not here. He spoke in opposition to this bill. Yet I recall that not more than 2 years ago he went before this House every day with the strong plea for the people that he represented in Massachusetts to get more fuel oil for their burners to warm

their homes. It was right after the war and it was not available and they could not be supplied with fuel oil. I venture, Members of the House, that the gentleman from Massachusetts will be here if we should ever have a war again, which God forbid, and will regret that he did not see to it that we do have the necessary metals to defend our country.

We recently had a rendition of George Washington's Farewell Address. As the people come to this country they see at the entrance of New York harbor the Statute of Liberty, liberty enlightening the world. We have on our Supreme Court Building the engraving, "Equal justice to all under law." The only admonition that the Members of this House have in stone is engraved above the Speaker's desk up here, which says, "Let us develop the resources of our land."

That is what we are attempting to do under this bill. It is not a subsidy. It is an investment in America, and by the passage of this bill we will develop the resources that will bring back the return of that money several fold through the proceeds of those mines that may be developed and discovered. I hope that all the Members of the House will enthusiastically support the passage of this much-needed legislation for the good of all of America, and no special district or division.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. REGAN. I yield to the gentleman from Massachusetts.

Mr. HESELTON. I just wanted to have the gentleman know that I am here and very much interested in his remarks.

Mr. REGAN. I am very pleased to see the gentleman here, and I hope he will support this bill like I supported his fuel oil measure.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ENGLE] to close debate.

Mr. ENGLE of California. Mr. Chairman, there has been some reference made to the attitude of our friends on the Committee on Armed Services, and I was very much disappointed when the gentleman from Texas, the ranking member of the Committee on Armed Services, rose to oppose this legislation.

Mr. REGAN. Mr. Chairman, if the gentleman will yield, is there anything in the bill that says that this fund should come from the armed services?

Mr. ENGLE of California. None whatever. The reference I made to that the other day was in connection with some argument made here about economy. I made the statement that there was appropriated $16,000,000,000 for the armed services of the Nation, and no money whatever to supply our Military Establishment with the necessary ores, minerals, and metals to keep it in operation.

But I want to call the attention of the House to the fact that this measure has been endorsed by the Secretary of Defense, Mr. Johnson, in a letter under date of March 4, 1950, in which he says:

> While the Department of Defense has not officially reported to the Congress on the proposal, as a matter of general policy we have heretofore supported all reasonable measures designed to provide a strong, productive, and efficient mining industry. Such support has been based on the theory that a healthy mining industry is necessary in the interest of national security.

The Munitions Board, which has been mentioned here today, has also endorsed this legislation. In a letter, under date of October 7, 1949, addressed to our chairman, the Munitions Board, referring to H. R. 6110, which is the House bill equivalent of S. 2105, now under consideration, said as follows:

> The principal purpose of the bill is to strengthen the domestic mining industry. It is the position of the Department of Defense that any reasonable measure designed to support a strong, productive, and efficient mining industry is in the interest of national security.
>
> The Department of Defense has, however, consistently stated that any program designed to provide such support should remain entirely distinct from the program of stock piling for national security purposes. Under no circumstances should the separate objectives of the two programs become confused in the process of developing legislation supporting the mining industry.

Major General Timberlake goes on in the same letter to say that—

> This report has been coordinated among the departments and boards in the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

Which clearly indicates that the policy of the Department of Defense in this country is in favor of this legislation.

In addition, the Munitions Board in its stock-piling report to this Congress issued a press release, and I will read a paragraph of it. It is issued under date of February 1, 1950:

> The report emphasized that stock piling alone is not enough to provide national security in the event of a war. Some materials cannot be stock piled fast enough because world production is too low to meet current industrial needs, and other materials cannot be stored in sufficient quantities because they require too frequent rotation.
>
> The Munitions Board is aware, the report said, of the impact on both national strength and on stock piling of any decline in domestic-minerals production, and believes that a strong, prosperous, and efficient mining industry is basic to the national security.

Every agency of Government is for this bill. It has the support of the Interior Department, and has been cleared by the Bureau of the Budget. I hope the House will pass it.

Mr. PETERSON. Mr. Chairman, I ask unanimous consent that all Members who desire to do so be allowed to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. WERDEL. Mr. Chairman, the question has been asked here today, "Why are the United States mines closed?" I think in the closing minutes of debate, it should be frankly admitted that this great, flourishing industry of the greatest Nation in the history of the world has become useless. Seventy-five percent of our mines are closed. They have been killed.

It will not help the mining industry or the security of our country if we seek to hoodwink the citizens and defenders of the country by being less than frank in this congressional debate. The reason our mining industry is not producing is that in a so-called free competing economy, it has been rendered unable, by governmental interference and shortsightedness, to produce and sell even in our domestic market. This administration has entered into reciprocal trade agreements with foreign countries which do not even protect our mines against slave labor and cheap wage rates in foreign countries. Congress has delegated to the Executive its constitutional power to regulate tariffs. It is to be assumed that the framers of our Consitution insisted upon writing that power of the legislature into the Constitution because the experiences of history in the business of government demonstrated that such power had to be in the legislative branch and not in the executive branch. However, having foolishly delegated it, it will now take a two-thirds vote to regain it from a hostile President, whether he be Democrat or Republican.

It has been admitted by all speakers in the course of these debates that the mines that produce our critical and strategic metals are closed. Their underground tunnels are caving in. There are no State or Federal laws which require the compiling of statistics to record for posterity the value of those mines and their ore bodies. Many of them have caved in and their operators have traveled on to the next world, leaving no records for the security of this Nation to be used at the time of crisis that is sure to come when those ore bodies will again be necessary for its defense. The admissions in debate have not only referred to marginal producers but include hundreds of mines that were operated at a profit prior to the days of the economic planners.

I think it should also be noted here that there is at least an implied admission in the administration's position on this bill that the intent is to level off the standards of living of the world. The view is not to raise the standard of living in foreign lands but it is to level ours downward so that it will not exceed the conditions of workingmen in other countries. This administration even allows metals such as quicksilver to be produced with slave labor by political prisoners and marketed by the governments of such countries in our domestic market. Now that our mines are closed, it means literally that the operators and workers are on the city streets and in many instances are a welfare burden to their local communities.

Under such circumstances, the only way our mining industry can be put back into business for the profit of this Nation is either to subsidize the industry to the extent of the difference in wage costs and the cost of materials in this country as compared to those of competing countries, or a tariff in a similar amount to protect our domestic market. It would only postpone the financial troubles of mining operators to provide a temporary subsidy. However, this bill neither provides a subsidy for profitable operation of mines nor a tariff.

This bill requires us to admit, as we should, that for security reasons of the country, mine operators will be aided in new discovery operations and in retimbering underground workings so as to retain for the Nation valuable ore bodies already opened up but unable to produce in free enterprise under the policies of our present administration.

I know it is the desire of every man in the House to reactivate our mining industry to its glorious position that made our effort in the First World War and the Second World War effective. This bill will not do that. This bill will only prevent the mines from being lost if they are not able to produce at a profit at the present time.

In approaching this subject, we should have in mind that the one nation which opposes us today has, as its annual national budget, the total producing capacity of 190,000,000 people working 12 hours a day under any conditions that their Government prescribes. That is the national budget of Russia. Political prisoners are operating Russia's mines. We must also remember that when we are attacked, it will be after we are measured off. It will be after our opponent has estimated our strength and our ability to fight. When we are measured off, they will know the value of our stock piles of critical and strategic metals. They will estimate the cost to us if we undertake to convoy manganese and other metals we may need from India or other places in the world where mines are then open and exposed ore bodies may be tapped.

It should be crystal clear to all of us that no matter what our stock piles are, the day that we are measured off, will be a day of thanksgiving if our Government, through wise action and foresight, knows what is in the ground in our mining areas and what we can produce. It is inconceivable to me that any Government official can reasonably and safely estimate the necessary size of stock piles of critical and strategic metals for the defense of this country unless he knows the time necessary for us to produce such metals from our own mines. He would also have to know the value and extent of our developed ore bodies when the hour of crisis comes, when our Military Establishments and this Congress will know that the aggressor has estimated our stock piles. Our people will indeed be grateful for the action that I hope this Congress takes today in regard to this bill.

The discussion of this subject reminds me of the early years of my life spent in the vicinity of Death Valley. It recalls to me the present ghost cities of Death Valley and the Panamint area—such cities as Skiddoo and Panamint City. I am forced to recall the names of such men as Shorty Harris, who has now crossed the Great Divide. I also recall persons still living, such as Slim Seldom Seen and the Queen of the Desert, Josie Bishop. For 12 years, Josie Bishop has sought to determine the actual value of a large pitchblende deposit, but she needs assistance in exploratory work. On two occasions, proper officers of security departments of our Government have investigated her radium claims. However, proper determination of values require that work be done underground.

It is of supreme importance to the security of this country that such exploratory work be done when properly qualified men reasonably believe that exploration will bring disclosure of critical and strategic metals for the welfare of the country.

The real security of our country, in the long run, will be measured by our ability to produce manganese, copper, zinc, silver, lead, and other critical and strategic metals domestically.

I know that these discussions may only stimulate a recollection of the romance attributed to the mining areas of our country. However, I assure you the problem is real, the decision is urgent, if we, as a Nation, are to have the ability to produce those things that we need.

Two years ago similar legislation was passed by both Houses, but was vetoed by the President. Last year this bill was considered under an application of the rules of the House requiring a two-thirds vote. It did not at that time gain the requisite votes for its passage, but it did receive a substantial majority in this House, and it has already passed the Senate. I also realize that there is opposition to the passage of this bill, which I believe arises from those who are now profiting by the importation of critical and strategic metals for our stock piles. Those purchases are at the expense of our taxpayers. Those expenses far exceed the cost of this bill. The opposition of such importers will always exist and will undoubtedly grow stronger. If our Nation is to remain strong, that opposition must be beaten, and there is no time like today.

A full consideration of this problem has required the remarks that I have made. In closing, I hope that the President will not find it necessary to again veto the subject of this bill if it is passed. As I have pointed out, it is undisputed in debate that our great mining industry has been destroyed. Any veto of this legislation or administrative opposition can therefore only be construed as an attempt to avoid the admission that such destruction is the result of a failure to reasonably exercise the tariff powers delegated from this body to the President.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes, pursuant to House Resolution 419, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. HERTER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HERTER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. HERTER moves to recommit the bill S. 2105 to the Committee on Public Lands.

Mr. PETERSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. HERTER) there were—ayes 58, noes 76.

Mr. HERTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 155, nays 161, answered "present" 2, not voting 114, as follows:

[Roll No. 103]

YEAS—155

Abbitt	Golden	Mason
Addonizio	Goodwin	Miller, Md.
Andersen, H. Carl	Gore	Miller, Nebr.
	Graham	Mills
Andresen, August H.	Gross	Murray, Tenn.
	Gwinn	Murray, Wis.
Arends	Hale	Nicholson
Auchincloss	Hall, Edwin Arthur	Norblad
Barden		Norrell
Bates, Mass.	Hall, Leonard W.	O'Brien, Ill.
Boggs, Del.		O'Toole
Boggs, La.	Halleck	Patterson
Bolton, Md.	Hand	Pickett
Bolton, Ohio	Harden	Poage
Bonner	Hardy	Polk
Brehm	Hare	Preston
Brooks	Harris	Ramsay
Brown, Ga.	Harrison	Reed, Ill.
Brown, Ohio	Hart	Rees
Bryson	Harvey	Ribicoff
Burleson	Hébert	Rich
Burnside	Hedrick	Riehlman
Burton	Herter	Rodino
Byrnes, Wis.	Heselton	Rogers, Mass.
Camp	Hoeven	Rooney
Cannon	Hoffman, Mich.	Saylor
Carlyle	Howell	Scott, Hugh D., Jr.
Case, N. J.	Hull	
Chesney	Jennings	Scrivner
Colmer	Jonas	Secrest
Cooley	Judd	Simpson, Ill.
Cooper	Kean	Simpson, Pa.
Corbett	Kearns	Smith, Va.
Cotton	Keating	Smith, Wis.
Curtis	Kerr	Stanley
Davis, Ga.	Kilburn	Stefan
Davis, Tenn.	Kilday	Taber
Doughton	Kruse	Tackett
Durham	Larcade	Talle
Ellsworth	Latham	Taylor
Elston	LeCompte	Teague
Evins	Lodge	Towe
Fisher	Lovre	Van Zandt
Forand	Lynch	Vorys
Ford	McConnell	Vursell
Frazier	McCulloch	Wadsworth
Fulton	McGregor	Weichel
Gamble	McMillen, Ill.	Wheeler
Gary	Mack, Wash.	Whitten
Gathings	Mahon	Widnall
Gavin	Martin, Mass.	Williams

Willis	Winstead	Woodhouse
Wilson, Ind.	Wolverton	
Wilson, Tex.	Wood	

NAYS—161

Abernethy	Havenner	O'Hara, Ill.
Albert	Hays, Ohio	O'Konski
Allen, Calif.	Herlong	O'Sullivan
Allen, La.	Hill	Pace
Anderson, Calif.	Hinshaw	Passman
Andrews	Hobbs	Patman
Angell	Holifield	Patten
Aspinall	Holmes	Perkins
Bailey	Irving	Peterson
Barrett, Wyo.	Jackson, Calif.	Phillips, Tenn.
Bates, Ky.	Jackson, Wash.	Plumley
Beckworth	Jacobs	Potter
Bennett, Mich.	Jenison	Price
Bentsen	Jensen	Priest
Biemiller	Jones, Ala.	Rankin
Bishop	Jones, Mo.	Redden
Blackney	Jones, N. C.	Regan
Blatnik	Karst	Rhodes
Bolling	Karsten	Richards
Bosone	Kee	Rogers, Fla.
Bramblett	Keefe	Sanborn
Breen	Kelley, Pa.	Scudder
Buchanan	King	Shelley
Buckley, Ill.	Lane	Short
Burdick	Lanham	Sikes
Carnahan	LeFevre	Sims
Carroll	Lemke	Smith, Kans.
Case, S. Dak.	Lesinski	Spence
Chelf	Lind	Staggers
Chudoff	Linehan	Steed
Church	McCarthy	Stigler
Cole, Kans.	McDonough	Sullivan
Crawford	McKinnon	Sutton
Crosser	McSweeney	Tauriello
Cunningham	Mack, Ill.	Thomas
Davenport	Madden	Thompson
Davies, N. Y.	Mansfield	Thornberry
Davis, Wis.	Marcantonio	Tollefson
Delaney	Marsalis	Trimble
Denton	Marshall	Underwood
D'Ewart	Martin, Iowa	Wagner
Donohue	Meyer	Walsh
Eberharter	Miles	Welch
Engel, Mich.	Miller, Calif.	Werdel
Engle, Calif.	Mitchell	White, Idaho
Fenton	Morgan	Wickersham
Fernandez	Morris	Wier
Fugate	Morrison	Wilson, Okla.
Gordon	Moulder	Withrow
Gorski	Murdock	Wolcott
Granger	Nelson	Woodruff
Grant	Nixon	Yates
Gregory	Noland	Zablocki
Hagen	O'Brien, Mich.	

ANSWERED "PRESENT"—2

Huber Lucas

NOT VOTING—114

Allen, Ill.	Flood	Murphy
Baring	Fogarty	Norton
Barrett, Pa.	Furcolo	O'Hara, Minn.
Battle	Garmatz	O'Neill
Beall	Gillette	Pfeifer,
Bennett, Fla.	Gilmer	Joseph L.
Boykin	Gossett	Pfeiffer,
Buckley, N. Y.	Granahan	William L.
Bulwinkle	Green	Philbin
Burke	Hays, Ark.	Phillips, Calif.
Byrne, N. Y.	Heffernan	Poulson
Canfield	Heller	Powell
Cavalcante	Hoffman, Ill.	Quinn
Celler	Hope	Rabaut
Chatham	Horan	Rains
Chiperfield	James	Reed, N. Y.
Christopher	Javits	Rivers
Clemente	Jenkins	Roosevelt
Clevenger	Johnson	Sabath
Cole, N. Y.	Kearney	Sadlak
Combs	Kelly, N. Y.	Sadowski
Coudert	Kennedy	St. George
Cox	Keogh	Sasscer
Crook	Kirwan	Scott, Hardie
Dague	Klein	Shafer
Dawson	Kunkel	Sheppard
Deane	Lichtenwalter	Smathers
DeGraffenried	Lyle	Smith, Ohio
Dingell	McCormack	Stockman
Dollinger	McGrath	Velde
Dolliver	McGuire	Vinson
Dondero	McMillan, S. C.	Walter
Douglas	Macy	Whitaker
Doyle	Magee	White, Calif.
Eaton	Merrow	Whittington
Elliott	Michener	Wigglesworth
Fallon	Monroney	Worley
Feighan	Morton	Young
Fellows	Multer	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Huber for, with Mr. Christopher against.

Mr. Wigglesworth for, with Mr. Horan against.

Mr. Battle for, with Mr. Stockman against.

Mr. Lucas for, with Mr. Baring against.

Mr. Sadlak for, with Mr. Hoffman of Illinois against.

Mr. Bennett of Florida for, with Mr. Sabath against.

Mr. Dondero for, with Mr. Johnson against.

Mr. Canfield for, with Mr. Walter against.

Mr. James for, with Mr. deGraffenried against.

Mr. Garmatz for, with Mr. Michener against.

Mr. Kunkel for, with Mr. Rains against.

Mr. Dague for, with Mr. Poulson against.

Mr. Macy for, with Mr. Gilmer against.

Mr. Morton for, with Mr. Cavalcante against.

Mr. Smith of Ohio for, with Mr. Hays of Arkansas against.

Mrs. St. George for, with Mr. Deane against.

Mr. Celler for, with Mr. Phillips of California against.

Mr. Fallon for, with Mr. Rabaut against.

Mr. McGuire for, with Mr. Roosevelt against.

Mr. Coudert for, with Mr. McCormack against.

Mr. Velde for, with Mrs. Douglas against.

Mr. Keogh for, with Mr. Doyle against.

Mrs. Kelly of New York for, with Mr. Dingell against.

Mr. Heller for, with Mr. Crook against.

Mr. Heffernan for, with Mr. Sadowski against.

Mr. Murphy for, with Mr. Whitaker against.

Mr. Multer for, with Mr. White of California against.

Mr. Joseph L. Pfeifer for, with Mr. Klein against.

Mr. McGrath for, with Mr. Burke against.

Mr. Dollinger for, with Mr. Powell against.

Mr. Byrne of New York for, with Mr. Philbin against.

Mr. Buckley of New York for, with Mr. O'Neill against.

Until further notice:

Mr. Barrett of Pennsylvania with Mr. Allen of Illinois.

Mr. Green with Mr. Beall.

Mr. Graham with Mr. Gillette.

Mr. Gossett with Mr. Dolliver.

Mr. Quinn with Mr. Fellows.

Mr. Clemente with Mr. Cole of New York.

Mr. Chatham with Mr. Chiperfield.

Mr. Cox with Mr. Lichtenwalter.

Mr. Vinson with Mr. Merrow.

Mr. Whittington with Mr. William L. Pfeiffer.

Mr. Young with Mr. Reed of New York.

Mr. Smathers with Mr. Jenkins.

Mr. Rivers with Mr. Shafer.

Mr. Sheppard with Mr. Hardie Scott.

Mr. Kirwan with Mr. O'Hara of Minnesota.

Mr. Feighan with Mr. Hope.

Messrs. LINEHAN, O'HARA of Illinois, EBERHARTER, HAYS of Ohio, and CHELF changed their votes from "yea" to "nay."

Mr. LUCAS. Mr. Speaker, I have a live pair with the gentleman from Nevada, Mr. BARING. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HUBER. Mr. Speaker, I have a live pair with the gentleman from Missouri, Mr. CHRISTOPHER. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. HERTER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 144, nays 166, answered "present" 2, not voting 120, as follows:

[Roll No. 104]

YEAS—144

Albert	Hill	O'Konski
Allen, Calif.	Hinshaw	O'Sullivan
Allen, La.	Holifield	Pace
Anderson, Calif.	Holmes	Passman
Andrews	Irving	Patman
Aspinall	Jackson, Wash.	Patten
Bailey	Jacobs	Perkins
Barrett, Wyo.	Jenison	Peterson
Beckworth	Jensen	Phillips, Tenn.
Bennett, Mich.	Jones, Ala.	Plumley
Bentsen	Jones, Mo.	Potter
Biemiller	Jones, N. C.	Price
Bishop	Judd	Priest
Blackney	Karst	Rankin
Blatnik	Karsten	Redden
Bolling	Kee	Regan
Bosone	Kelley, Pa.	Rhodes
Bramblett	King	Rogers, Fla.
Breen	Lane	Sanborn
Buchanan	Lanham	Scudder
Burdick	LeFevre	Shelley
Carnahan	Lemke	Short
Carroll	Lesinski	Sims
Case, S. Dak.	Lind	Smith, Kans.
Chelf	McCarthy	Spence
Chudoff	McDonough	Staggers
Church	McKinnon	Steed
Cole, Kans.	McSweeney	Stigler
Crawford	Mack, Ill.	Sullivan
Crosser	Madden	Thomas
Cunningham	Mahon	Thompson
Davenport	Mansfield	Thornberry
Davis, Wis.	Marcantonio	Tollefson
Delaney	Marsalis	Trimble
Denton	Marshall	Underwood
D'Ewart	Martin, Iowa	Wagner
Eberharter	Meyer	Walsh
Engel, Mich.	Miles	Welch
Engle, Calif.	Miller, Calif.	Werdel
Fernandez	Mitchell	White, Idaho
Fugate	Morgan	Wickersham
Gordon	Morris	Wier
Granger	Morrison	Wilson, Okla.
Grant	Moulder	Withrow
Gregory	Murdock	Wolcott
Hagen	Nelson	Woodruff
Hall, Edwin Arthur	Nixon	Zablocki
Havenner	Noland	
	O'Brien, Mich.	

NAYS—166

Abbitt	Chesney	Graham
Abernethy	Colmer	Gross
Addonizio	Cooley	Gwinn
Andersen, H. Carl	Cooper	Hale
	Corbett	Hall, Leonard W.
Andresen, August H.	Cotton	Halleck
	Curtis	Hand
Auchincloss	Davis, Ga.	Harden
Barden	Davis, Tenn.	Hardy
Bates, Ky.	Donohue	Hare
Bates, Mass.	Doughton	Harris
Boggs, Del.	Durham	Harrison
Boggs, La.	Ellsworth	Hart
Bolton, Ohio	Elston	Harvey
Bonner	Evins	Hays, Ohio
Brehm	Fenton	Hébert
Brooks	Fisher	Hedrick
Brown, Ga.	Forand	Herlong
Brown, Ohio	Ford	Herter
Bryson	Frazier	Heselton
Buckley, Ill.	Fulton	Hobbs
Burleson	Gamble	Hoeven
Burnside	Gary	Hoffman, Mich.
Burton	Gathings	Howell
Byrnes, Wis.	Gavin	Hull
Camp	Golden	Jackson, Calif.
Cannon	Goodwin	Jennings
Carlyle	Gore	Jonas
Case, N. J.	Gorski	

Kean	Norrell	Stanley
Kearns	O'Brien, Ill.	Stefan
Keating	O'Hara, Ill.	Sutton
Kerr	O'Toole	Taber
Kilburn	Patterson	Tackett
Kilday	Pickett	Talle
Kruse	Poage	Tauriello
Larcade	Polk	Taylor
Latham	Preston	Teague
LeCompte	Ramsay	Towe
Linehan	Reed, Ill.	Van Zandt
Lodge	Rees	Vorys
Lovre	Ribicoff	Vursell
Lynch	Rich	Wadsworth
McConnell	Richards	Welchel
McCulloch	Richlman	Wheeler
McGregor	Rodino	Whitten
McMillan, S. C.	Rogers, Mass.	Widnall
McMillen, Ill.	Rooney	Williams
Mack, Wash.	Saylor	Willis
Martin, Mass.	Scott,	Wilson, Ind.
Miller, Md.	Hugh D., Jr.	Wilson, Tex.
Miller, Nebr.	Scrivner	Winstead
Mills	Secrest	Wolverton
Murray, Tenn.	Simpson, Ill.	Wood
Murray, Wis.	Simpson, Pa.	Woodhouse
Nicholson	Smith, Va	Yates
Norblad	Smith, Wis.	

ANSWERED "PRESENT"—2

Huber Lucas

NOT VOTING—120

Allen, Ill.	Feighan	Multer
Angell	Fellows	Murphy
Arends	Flood	Norton
Baring	Fogarty	O'Hara, Minn.
Barrett, Pa.	Furcolo	O'Neill
Battle	Garmatz	Pfeifer,
Beall	Gillette	Joseph L.
Bennett, Fla.	Gilmer	Pfeiffer,
Bolton, Md.	Gossett	William L.
Boykin	Granahan	Philbin
Buckley, N. Y.	Green	Phillips, Calif.
Bulwinkle	Hays, Ark.	Poulson
Burke	Heffernan	Powell
Byrne, N. Y.	Heller	Quinn
Canfield	Hoffman, Ill.	Rabaut
Cavalcante	Hope	Rains
Celler	Horan	Reed, N. Y.
Chatham	James	Rivers
Chiperfield	Javits	Roosevelt
Christopher	Jenkins	Sabath
Clemente	Johnson	Sadlak
Clevenger	Kearney	Sadowski
Cole, N. Y.	Keefe	St. George
Combs	Kelly, N. Y.	Sasscer
Coudert	Kennedy	Scott, Hardie
Cox	Keogh	Shafer
Crook	Kirwan	Sheppard
Dague	Klein	Sikes
Davies, N. Y.	Kunkel	Smathers
Dawson	Lichtenwalter	Smith, Ohio
Deane	Lyle	Stockman
DeGraffenried	McCormack	Velde
Dingell	McGrath	Vinson
Dollinger	McGuire	Walter
Dolliver	Macy	Whitaker
Dondero	Magee	White, Calif.
Douglas	Mason	Whittington
Doyle	Merrow	Wigglesworth
Eaton	Michener	Worley
Elliott	Monroney	Young
Fallon	Morton	

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Christopher for, with Mr. Huber against.

Mr. Baring for, with Mr. Lucas against.

Mr. Horan for, with Mr. Wigglesworth against.

Mr. Stockman for, with Mr. Battle against.

Mr. Hoffman of Illinois for, with Mr. Sadlak against.

Mr. Sabath for, with Mr. Bennett of Florida against.

Mr. Johnson for, with Mr. Dondero against.

Mr. Walter for, with Mr. Canfield against.

Mr. deGraffenried for, with Mr. James against.

Mr. Michener for, with Mr. Garmatz against.

Mr. Rains for, with Mr. Kunkel against.

Mr. Poulson for, with Mr. Dague against.

Mr. Gilmer for, with Mr. Macy against.

Mr. Cavalcante for, with Mr. Morton against.

Mr. Hays of Arkansas for, with Mr. Smith of Ohio against.

Mr. Deane for, with Mrs. St. George against.

Mr. Phillips of California for, with Mr. Celler against.

Mr. Rabaut for, with Mr. Fallon against.

Mr. Roosevelt for, with Mr. McGuire against.

Mr. McCormack for, with Mr. Coudert against.

Mrs. Douglas for, with Mr. Velde against.

Mr. Doyle for, with Mr. Keogh against.

Mr. Dingell for, with Mr. Kelly of New York against.

Mr. Crook for, with Mr. Heller against.

Mr. Sadowski for, with Mr. Heffernan against.

Mr. Whitaker for, with Mr. Murphy against.

Mr. White of California for, with Mr. Multer against.

Mr. Klein for, with Mr. Joseph L. Preifer against.

Mr. Burke for, with Mr. McGrath against.

Mr. Powell for, with Mr. Dollinger against.

Mr. Philbin for, with Mr. Byrne of New York against.

Mr. O'Neill for, with Mr. Buckley of New York against.

Mr. Angell for, with Mr. Arends against.

Until further notice:

Mr. Barrett of Pennsylvania with Mr. Allen of Illinois.

Mr. Green with Mr. Chiperfield.

Mr. Granahan with Mr. Dolliver.

Mr. Gossett with Mr. Eaton.

Mr. Quinn with Mr. Fellows.

Mr. Clemente with Mr. Shafer.

Mr. Chatham with Mr. Hardie Scott.

Mr. Cox with Mr. Reed of New York.

Mr. Vinson with Mr. O'Hara of Minnesota.

Mr. Whittington with Mr. Lichtenwalter.

Mr. Young with Mr. Keefe.

Mr. Kennedy with Mr. Beall.

Mr. Smathers with Mr. Cole of New York.

Mr. Rivers with Mr. Clevenger.

Mr. Sheppard with Mr. Gillette.

Mr. Kirwan with Mr. Hope.

Mr. Feighan with Mr. Jenkins.

Mr. Magee with Mr. William L. Pfeiffer.

Mr. Elliott with Mr. Mason.

Mr. Monroney with Mr. Merrow.

Messrs. BUCKLEY of Illinois and LINEHAN changed their votes from "yea" to "nay."

Mr. LUCAS. Mr. Speaker, I have a live pair with the gentleman from Nevada, Mr. BARING. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. HUBER. Mr. Speaker, I have a live pair with the gentleman from Missouri, Mr. CHRISTOPHER. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

Mr. TABER. Mr. Speaker, I move to reconsider the vote just taken and lay that motion on the table.

The motion was agreed to.

PROGRAM FOR NEXT WEEK, DISPENSING WITH CALENDAR WEDNESDAY, AND ADJOURNMENT OVER

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the acting majority leader as to the program for next week.

Mr. PRIEST. Mr. Speaker, before replying to the inquiry of the distinguished minority leader, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, in reply to the inquiry of the minority leader, may I say that Monday is Consent Calendar day. In addition to that there will be one suspension. That suspension is on H. R. 7057, veterans' land-grant colleges. Following this suspension, it is proposed to begin general debate on H. R. 7402, the housing bill. There is, as I understand, 4 hours of general debate on that bill.

Tuesday will be Private Calendar day, and a continuation of the housing bill.

On Wednesday we will continue the housing bill, and hope to finish the bill that day.

Following the housing bill, we will take up for consideration H. R. 6567, the commodity-credit bill, and then the following bills in order: House Resolution 503, Stevens-Blackney contest case; H. R. 7058, amending the laws relating to the Military and Naval Academies; and S. 2596, regulation of veterans' schools.

If there is any change in the program, it will be announced later. Of course, as usual, conference reports will be called up at any time they are ready.

Mr. MARTIN of Massachusetts. And it is the purpose to adjourn over tonight until Monday?

Mr. PRIEST. That is the plan at this time.

Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MARTIN of Massachusetts. I thank the gentleman.

RECLAMATION PROJECTS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include some resolutions passed by the Committee on Public Lands.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I insert at this point in the RECORD four resolutions which were adopted by the Public Lands Committee of the House on March 9, 1950, and two acts relating to this procedure, concerning the expenditure of rehabilitation and betterment costs on certain reclamation projects. These resolutions approve the findings of the Secretary of the Interior on these contracts as outlined in his letters to both the Senate Committee on Interior and Insular Affairs and to the Public Lands Committee on the House of Representatives.

On October 7, 1949, the President approved an act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects, and on March 3, this year, an act was approved amending that act to a slight degree, whereby it becomes possible for the above-named committees to express their approval of the determination by the Secretary of the Interior of the terms of a contract for the repayment of rehabilitation and betterment costs on reclamation projects.

These resolutions are in relation to the Grand Valley project, in Colorado; the Midvale irrigation district, Riverton reclamation project, in Wyoming; the Goshen and Gering and Fort Laramie irrigation districts, North Platte reclamation project, in Wyoming and Nebraska; and the Salt River Valley Water Users' Association, Salt River project, in Arizona.

The two acts referred to and the resolutions which were adopted on March 9, 1950, by the Public Lands Committee of the House are also included.

Resolution concerning the expenditure of rehabilitation and betterment funds on the Garfield gravity division, Grand Valley project, Colorado

Whereas the act of October 7, 1949 (Public Law No. 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.), provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated February 24, 1950, the Secretary of the Interior submitted to the Committee on Public Lands his findings relating to the return of rehabilitation and betterment funds to be expended on the Garfield gravity division, Grand Valley project, Colorado; and

Whereas the Committee on Public Lands has, in session with a quorum present, this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Public Lands give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON PUBLIC LANDS,
J. HARDIN PETERSON, *Chairman*.

Adopted this 9th day of March 1950.

Resolution concerning the expenditure of rehabilitation and betterment funds on the Midvale irrigation district, Riverton reclamation project, Wyoming

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.) provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated January 23, 1950, the Secretary of the Interior submitted to the Committee on Public Lands his findings relating to the return of rehabilitation and betterment funds to be expended on the Midvale irrigation district, Riverton reclamation project, Wyoming; and

Whereas the Committee on Public Lands has, in session with a quorum present, this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Public Lands give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON PUBLIC LANDS,
J. HARDIN PETERSON, *Chairman*.

Adopted this 9th day of March, 1950.

Resolution concerning the expenditure of rehabilitation and betterment funds on the Goshen and Gering and Fort Laramie irrigation districts, North Platte reclamation project, Wyoming and Nebraska

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.) provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated February 27, 1950, the Secretary of the Interior submitted to the Committee on Public Lands his findings relating to the return of rehabilitation and betterment funds to be expended on the Goshen and Gering and Fort Laramie irrigation districts, North Platte reclamation project, Wyoming and Nebraska; and

Whereas the Committee on Public Lands has, in session with a quorum present, this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Public Lands give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON PUBLIC LANDS,
J. HARDIN PETERSON, *Chairman*.

Adopted this 9th day of March 1950.

Resolution concerning the expenditure of rehabilitation and betterment funds on the Salt River Valley Water Users' Association, Salt River project, Arizona

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.), provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated February 13, 1950, the Secretary of the Interior submitted to the Committee on Public Lands his findings relating to the return of rehabilitation and betterment funds to be expended on the Salt River Valley Water Users' Association, Salt River project, Arizona; and

Whereas the Committee on Public Lands has, in session with a quorum present, this day approved the finding of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Public Lands give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON PUBLIC LANDS,
J. HARDIN PETERSON,
Chairman.

Adopted this 9th day of March 1950.

[Public Law 335—81st Cong.]
[Ch. 650—1st sess.]
H. R. 1694

An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects

Be it enacted, etc., That expenditures of funds hereafter specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) shall be made only after the organizations concerned shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior in the light of their outstanding repayment obligations, and which shall, to the fullest practicable extent, be scheduled for return with their construction charge installments or otherwise scheduled as he shall determine. No such determination of the Secretary of the Interior shall become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives. The term "rehabilitation and betterment," as used in this act, shall mean maintenance, including replacemnts, which cannot be financed currently, as otherwise contemplated by the Federal reclamation laws in the case of operation and maintenance costs, but shall not include construction, the costs of which are returnable, in whole or in part, through "construction charges" as that term

is defined in section 2 (d) of the Reclamation Project Act of 1939 (53 Stat. 1187). Such rehabilitation and betterment work may be performed by contract, by force-account, or, notwithstanding any other law and subject only to such reasonable terms and conditions as the Secretary of the Interior shall deem appropriate for the protection of the United States, by contract entered into with the organization concerned whereby such organization shall perform such work.

SEC. 2. This act shall be deemed a supplement to the Federal reclamation laws.

Approved October 7, 1949.

[Public Law 451—81st Cong.]

[Ch. 47—2d sess.]

H. R. 7220

An act to expedite the rehabilitation of Federal reclamation projects in certain cases

Be it enacted, etc., That the second sentence of the act entitled "An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects", approved October 7, 1949, is amended by striking out the period at the end thereof and inserting a semicolon and the following: "except that, any such determination may become effective prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval: *Provided,* That when Congress is not in session the Secretary's determination if accompanied by a finding by the Secretary that substantial hardship to the water users concerned or substantial further injury to the project works will result, shall become effective when the chairman and ranking minority member of each such committee shall file with the Secretary their written approval of said findings."

Approved March 3, 1950.

STATE RURAL REHABILITATION CORPORATIONS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 930) to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina. [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, PACE, POAGE, HOPE, and AUGUST H. ANDRESEN.

EXTENSION OF REMARKS

Mr. BOYKIN (at the request of Mr. PETERSON), Mr. LINEHAN (at the request of Mr. MCSWEENEY), and Mr. CHUDOFF (at the request of Mr. HOLIFIELD) were given permission to extend their remarks in the RECORD.

Mr. PRICE and Mr. HOLIFIELD asked and were given permission to extend their remarks in the RECORD.

Mr. HARRIS asked and was given permission to extend his remarks in the RECORD and include a communication.

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include a report of the Wayne County Soil Conservation District.

Mr. HESELTON asked and was given permission to revise and extend the remarks he made on the conference report on House Joint Resolution 398 and include certain correspondence.

Mr. BARRETT of Wyoming asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. CURTIS asked and was given permission to extend his remarks in the RECORD and include a statement he made before the Senate Finance Committee today.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter and a resolution passed by the Women of Latin America Conference.

Mr. REED of Illinois asked and was given permission to extend his remarks in the RECORD and include an address by Col. Robert M. Woodward, of Chicago.

Mr. SAYLOR asked and was given permission to extend his remarks in the RECORD and include an editorial with regard to Hon. JAMES E. VAN ZANDT.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include some printed matter.

Mr. JENISON asked and was given permission to extend his remarks in the RECORD and include an address by Harold E. Stassen.

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, and in one to include an address on that great Irish-American hero, Commodore John Barry.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRYSON. Mr. Speaker, on yesterday I was given permission to extend my remarks in the RECORD and include an article on aviation. I am informed by the Public Printer that it is estimated to make three pages of the RECORD at a cost of $246, but I ask unanimous consent that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, the other day I was given permission to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that it will make 5½ pages of the RECORD, at a cost of $451. I ask unanimous consent that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. COUDERT (at the request of Mr. CRAWFORD) was given permission to extend his remarks in the Appendix of the RECORD.

SOCIAL SECURITY

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I am quite intrigued by the fact that one of my colleagues has suddenly blossomed into a writer of serials. He is turning out, chapter by chapter, his own version of the social-security law.

The serial he is now daily pumping into the CONGRESSIONAL RECORD reminds one of a trite soap opera.

These distorted epistles on social security must be confusing to the reader.

Today's chapter deals with old people not covered by social security.

Yet the author of these little daily gems has not supported any movement on the floor of this House to bring in under the social-security system millions of farm workers, domestics, and others not now covered.

Yet in today's chapter he sheds tears for these people. Perhaps, although he is not a poet, he is using poetic license when he pleads for a cause he has never openly championed, so far as I know.

EXTENSION OF REMARKS

Mr. GWINN asked and was given permission to extend his remarks in the RECORD and include a sermon by Rev. Walter R. Courtenay, of Nashville, Tenn., notwithstanding the fact that it was estimated by the Public Printer to exceed two pages of the RECORD and cost $222.68.

Mr. MCCULLOCH. Mr. Speaker, in view of the action of the House on successive Thursdays, I ask unanimous consent to extend my remarks in the RECORD and include an article by William Henry Chamberlin, from the Wall Street Journal.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ST. PATRICK'S DAY

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in regard to St. Patrick and the celebration of St. Patrick's Day.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, upon entering the House Chamber this afternoon after walking through the white snowfall so strange to a Californian, my eye was struck by the flashes of brilliant green with which so many of the Members have adorned themselves today. I thought at once of how beautifully that association of colors symbolizes the spirit and ideals of that saint whose feast day tomorrow, the 17th of March, those Members are anticipating.

Within St. Patrick's breast there burnt with white heat a flame of zealous ardor; and wherever that ardent flame was felt there burgeoned as do the green buds of an Irish spring the love of God and His charity, and the hatred of misery and

oppression to which his life was dedicated. Down through the centuries that flame has continued to burn, ignited in the hearts of each succeeding generation, and burning more brightly in the face of calamity, persecution, and partition. So brightly has it burned that the memory of St. Patrick is still as green in the hearts of Irishmen and of all freedom-loving peoples as are the Irish hills whose slopes he trod.

I need not speak at length here of the contributions to culture and to Christian civilization which stemmed from the seeds St. Patrick sowed. From the Book of Kells to the heroic struggle against infamy waged by the O'Connells and De Valeras of modern times the pages of history are replete with that story. Those seeds have been transplanted throughout the world as is evidenced by the "wearing of the green" so evident on the floor today. It is no more than right then, that this body, borne as it was out of a struggle more successfully but no more fiercely fought than that waged by the spiritual sons of St. Patrick in Ireland toward a like goal, should pause a moment today to reflect upon the heritage we owe to the Brittany shepherd boy whose memory we shall toast, and whose blessing we shall seek tomorrow.

Wherever hearts are lifted in prayer, there will you find the patron saint of Ireland; wherever the poor are fed and the hungry clothed, there breathes his charitable spirit, and wherever men join together in small bands or mighty hosts to give battle to the forces of oppression, there at the head will march the indomitable warrior in the army of righteousness, St. Patrick. May his spirit look down upon us here too, and, noting with a friendly smile the shamrocks and the Irish green, move us to follow in his path.

SPECIAL ORDERS GRANTED

Mr. AUGUST H. ANDRESEN asked and was given permission to address the House for 30 minutes on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

Mr. JACKSON of California asked and was given permission to address the House for 30 minutes on Thursday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include an open letter to the Chicago Association of Commerce which was published in the March edition of Work, a publication of the Catholic Labor Alliance.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. MARCANTONIO] is recognized for 30 minutes.

PUERTO RICAN INDEPENDENCE VERSUS THE NERO OF FORTALEZA—HIS SATURNALIA OF CORRUPTION AND HIS OPERATION BOOBY-TRAP

Mr. MARCANTONIO. Mr. Speaker, the Resident Commissioner of Puerto Rico, the Honorable FERNÓS-ISERN, introduced the other day H. R. 7674. The bill is described as a bill to provide for the organization of a constitutional government by the people of Puerto Rico.

The mere fact that this bill was introduced is a confession on the part of the present rulers of Puerto Rico that the Puerto Rican people are restive under the present colonial status, and that they no longer want any part of it.

The question of colonialism in Puerto Rico, however, will not be solved by H. R. 7674. This bill is an evasion of the real question. It dodges the issue and is a form of escapism, an attempt to put to sleep the aspirations of the Puerto Rican people for democracy and independence. It is a snare and a delusion and is intended to perpetuate the present system of imperialism imposed on the Puerto Rican people by selfish interests in these United States.

What this bill actually is can be found in the words of Mr. FERNÓS-ISERN in a statement he inserted in the CONGRESSIONAL RECORD on Tuesday, March 14, 1950:

> The Congress of the United States since 1900 has provided for the operation of Federal laws in Puerto Rico. It has determined the economic relationships to exist between Puerto Rico and the mainland. It has determined that the people of Puerto Rico are United States citizens. Such legal and economic provisions of our organic act the people of Puerto Rico are not aiming to disturb. Rather, they wish to reaffirm them and expressly register their consent to their application.

This is an admission on the part of the author of the bill that its pupose is to perpetuate the present system of colonialism under which the people of Puerto Rico are now suffering.

Then, again, in the same statement inserted in the RECORD, Tuesday, March 14, 1950, the gentleman from Puerto Rico [Mr. FERNÓS-ISERN] again says:

> The Federal provisions of the present organic act would be reaffirmed under my bill. They are needful regulations for the establishment and maintenance of proper relations between the island and the mainland by the Federal Government.

In the light of this language of the author, and in the light of the language of the bill, the conclusion is inescapable that the bill is a meaningless gesture submitted for the sole purpose of negating the desire of the people of Puerto Rico for democracy and independence; it seeks to divert the attention of the people from the issue of independence. Here is a bill that does not even ask for statehood. It is a supine reaffirmation of the status quo in Puerto Rico under the guise of a meaningless self-government.

This proposal of the Muñoz Marín administration cannot be accepted as having been offered in good faith. Mr. Muñoz Marín knows better than to expect the establishment of a commonwealth which cannot be established under the provisions of our Constitution.

This last proposal of Muñoz Marín can be described as Operation Desperation on the part of those who in the past have led the people to believe that they supported independence, when they were out of power, and now when confronted with responsibility of office employ this artifice to renege on past promises and declarations for independence.

As against this empty gesture, I today have reintroduced my independence bill.

Mr. Speaker, in order to pass honest judgment on this last empty proposal of the Muñoz Marín administration, in contrast with my proposal for genuine independence, I submit that it is of utmost importance that we must first examine our relations with Puerto Rico; that we examine its present government, and that we seek a solution of its most pressing problems.

Puerto Rico was taken over by us by force of arms. This action was subsequently ratified by the Treaty of Paris in 1898. As a result Puerto Rico is a colony of the United States.

When we took over this country, which was discovered by Columbus in 1493, and which was under the jurisdiction of Spain until 1898, the Puerto Rican people had won over from Spain, through centuries of struggle, an autonomous charter which guaranteed the people substantial sovereignty. Under that charter the people of Puerto Rico had complete home rule, and besides, had the power of making their own tariff laws and of entering into commercial trade agreements with other countries. The autonomous charter could not be revoked or amended but on the petition of the Puerto Rican Parliament.

We substituted for the autonomous government which the Puerto Ricans had won over from Spain, a colonial form of government. Under our present relationship, which the Fernós-Isern bill would not change, Puerto Rico, according to our Supreme Court, "belongs to but does not form part of the United States." The government of Puerto Rico is organized under an organic act passed by this Congress, the Jones Act, which can be amended or annulled by us without consulting the people of Puerto Rico. The laws passed by the Legislature of Puerto Rico can be amended, suspended, or revoked by Congress. Every law approved by the legislature must be sent to this Congress which can exercise its veto power over them. The Supreme Court of the United States can declare unconstitutional the laws passed by the Legislature of Puerto Rico. The President of the United States holds a veto power over the Puerto Rico Legislature. The President of the United States appoints the judges of the supreme court, the auditor for Puerto Rico, and all Federal officials in the island, including the judge of the Federal court. Appeals are taken from the Supreme Court of Puerto Rico to the Circuit Court of Appeals for the First Circuit in Boston. We have exclusive jurisdiction in such vital matters as bankruptcy, navigation, air law, radio, immigration, conscription—in time of

peace and of war—and other matters. The structure within which the Puerto Rican government operates cannot be altered, annulled, or in any way modified by the people of Puerto Rico.

We have encircled Puerto Rico within our tariff walls. We have imposed upon that country the coast-wise shipping laws. We bind the Puerto Ricans with the treaties we negotiated without their participation in such negotiations. We can force Puerto Rico, as we have done twice through the past 50 years, into a war without consulting them in advance, and we can take over their territory, as we have done on numerous occasions in spite of the great need that they have for land, for air, naval, military, and submarine needs of ours.

All this the Muñoz Marín empty proposal for alleged self-government would perpetuate. All this the Muñoz Marín government accepts. All this would be continued, this status quo would be made permanent under H. R. 7674. Not one iota of this colonialism that I have described would be changed by the recent Fernós-Isern-Muñoz Marín proposal.

Let me remind you that the Puerto Rican people have no representation in this Congress. The Puerto Rican people are allowed only to send here a Resident Commissioner who has a voice in matters affecting Puerto Rico, but who has no vote.

This, too, would be perpetuated under Mr. FERNÓS-ISERN'S bill. It is shameful and tragic that Mr. Muñoz Marín has tried to lead people here in Washington to believe that the Puerto Ricans give their blessing to this system of colonialism which I am describing, and that they want this system continued through the enactment of H. R. 7674.

Under the Spanish regime at the time we took over Puerto Rico from Spain the people of Puerto Rico had representation in the Spanish Cortes or Parliament. They had representation in the senate and 16 representatives in the Spanish House at Madrid.

We can tax the Puerto Rican people besides having the power to send them to war. Thus we do not only impose upon the Puerto Ricans taxation without representation, but we also impose upon them a tax on the blood of their people.

This, too, Muñoz Marín would perpetuate through the enactment of H. R. 7674.

During the 51 years that Puerto Rico has been under our jurisdiction we have used that island and its people to our advantage. We have established, as I have said before, air, naval, military, and submarine bases in Puerto Rican territory. We have conscripted Puerto Ricans in two wars and have sent them to fight for us in two wars. In the last war over 500,000 Puerto Ricans were drafted and 80,000 were actually under arms. Many of them were in action and many died for the cause of democracy. As a result of the workings of the tariff laws, and the imposition upon the Puerto Ricans of the coastwise-shipping laws, and the denial to them of power to negotiate for reciprocal trade agreements, we have excluded them from world markets. They buy 98 percent of their imports in the United States. For the year 1948 Puerto Rico bought $337,000,000 in goods from the United States and sold us $199,000,000 worth of goods. The balance of trade thus favors us by $138,000,000. The shipping companies which hold a monopoly in Puerto Rico have made huge profits in the island during the last half century. This can be said also of our banks which are doing business in the island, of the insurance companies, of the Wall Street financial interests, and of several other big American concerns. We have found in Puerto Rico an outlet for our rice, our beans, our codfish, our shoes, clothes, manufactured products, and many other items which number over 1,000.

Again, all this is not changed one iota by the Muñoz Marín proposal. In fact, H. R. 7674 accepts this form of exploitation.

Besides, Congress does not allow Puerto Rico to refine but 15 percent of its total production of sugar. The other 85 percent is refined in the United States by our refiners at a loss to Puerto Rico of over $30,000,000. This is an outright discrimination exercised by this Congress against the Puerto Rican people, which exemplifies the colonial status of the island.

Here again the last Muñoz Marín empty gesture H. R. 7674 does not attempt to remedy this situation, nor provides any means for remedying it.

Futhermore, under the Sugar Act passed by this Congress, the Federal Department of Agriculture has fixed for Puerto Rico an annual export quota of 910,000 tons of sugar, and an annual domestic quota of 100,000 tons. Puerto Rico produced 1,277,482 tons in 1949. Ninety-six thousand tons of excess are in the hands of Puerto Rican producers today. It is estimated that at the end of 1950 there will be an excess of 250,000 tons in the hands of Puerto Rican producers. Even though the annual consumption of sugar in the United States has gone up to 7,800,000 tons, the basic quota of Puerto Rico has not been increased substantially. This has been so because the Sugar Act passed by this Congress provides that the normal Puerto Rican quota of 910,000 tons a year can be reduced if the normal consumption, as fixed by the United States Department of Agriculture, is less than 7,000,000 tons, while no provision is made for an increase when the annual consumption goes over 7,000,000 tons a year.

Here again let me remind the people of Puerto Rico that with the adoption of H. R. 7674 this situation with respect to sugar will not be changed, and that the Puerto Rican sugar quota will continue to be dependent on the will of the Congress of the United States.

Under our rule the people of Puerto Rico have seen the destruction of their coffee trade. That has been so because we offer no tariff protection to coffee. We do that because we produce no coffee in the United States. Our tariff is drafted to protect our crops. If we protect sugar which is a Puerto Rican product, it is because we produce 2,000,000 tons of sugar right here in the United States. If we buy Puerto Rican sugar it is because we have a normal consumption of 7,000,000 tons a year. Coffee was one of the most important cash products to Puerto Rico in 1898 when Puerto Rico had a market for its well-known product in 17 nations. Today Puerto Rico not only is not a coffee-exporting country, but it imports coffee from the United States, which is not a coffee-producing nation. We buy coffee from Brazil and other countries and sell it to the people of Puerto Rico. Today, when the price of coffee has gone up, the Puerto Rican people have been unable to take advantage of the world situation because the coffee growers are ruined. It is important to point out that over 15 percent of the Puerto Rican people live on the production of the coffee-producing region.

Furthermore we afford no real protection to the Puerto Rican tobacco. We fix the price of the articles we sell the Puerto Ricans and of the articles which they sell us. In short, we have a strangle hold upon the Puerto Rican economy and have reduced that country to a state of misery and abysmal poverty.

Neither Puerto Rican coffee nor Puerto Rican tobacco can be protected with the enactment of H. R. 7674. These products will remain the victims of our strangle hold upon the economy of Puerto Rico So that H. R. 7674 is definitely an empty gesture. It fails to deal with the fundamental problems of Puerto Rico. It fails to protect Puerto Rican economy. It fails to relieve Puerto Rico from the yoke of imperialism and colonial exploitation under which it is suffering. It fails to establish democracy for Puerto Rico, and therefore fails to give Puerto Rico self-government in the real sense of the word.

Again I repeat the Muñoz Marín proposal perpetuates one of the worst forms of colonial exploitation.

Under the colonial system of exploitation which I have just described, we have now in Puerto Rico over 300,000 unemployed out of a total population of 2,200,000 inhabitants. That would amount, more or less, to 21,000,000 unemployed in the United States.

One of the vicious results of this system of exploitation is that we have right now in Puerto Rico 309,000 children of school age without school facilities out of a school population of 688,000 children. The rest do not receive adequate education. They just go to school for half a day. From 6 to 7 persons out of 100 graduate from high school under the half-a-day training program in force. The average person in the rural areas receives the quivalent of 2 years' schooling in the United States, for the average person in Puerto Rico goes to school for 4 years on a half-day basis. The people of Puerto Rico do not have the educational facilities offered to the citizens of the poorest State in the United States.

The conclusions stated above are not my own. They are the conclusions arrived at recently by a committee of experts of Columbia University hired by the government of Puerto Rico to make a survey of the educational facilities of the people of the island.

We have in Puerto Rico the worst slums of the Western Hemisphere. The tourist going to the island is greeted by the slum called La Perla—the Pearl. When he departs he is bade farewell by El Fangrito—Little Mud. La Perla and El Fan-

grito are two of the typical slums of the island. Last December saw destruction and misery in some of the slums of the island when an unusually high tide of the Atlantic wiped away many of the houses in La Perla, San Juan, Palo Seco in Toa Baja and Palmarito and other places in the city of Arecibo.

There exists a municipal hospital system in Puerto Rico which has been characterized by the health commissioner of the island, Dr. Juan A. Pons, as one which offers the people a service worse than the one given its dogs in a hospital for animals.

About three-quarters of the total population of Puerto Rico is at present ill-clothed and ill-housed.

To help the people of Puerto Rico this Congress has made no appropriation for educational facilities. We have not extended to the island the total benefits of the Social Security Act. We have done nothing to correct the transportation conditions in the island. We have limited, as I said before, the production and refining of sugar. We have done nothing to protect coffee and tobacco production, while we have directed obstacles in the path of the development of the needle trade industry, which is undergoing right now a crisis.

To take care of the immediate needs of the Puerto Rican people it is imperative that we enact a program which will help these people to face the impending crisis. Among the immediate measures which should be adopted are the following:

First. Allow Puerto Rico to refine its sugar production.

Second. Increase the Puerto Rican sugar quota to absorb present and estimated excess. This requires an amendment to the Sugar Act which would provide—

That in the event that the sugar consumption of the United States is considered by the United States Department of Agriculture to be in excess of 7,000,000 tons a year, the basic quota of Puerto Rico of 910,000 tons be raised accordingly.

Another solution would be to permit the Puerto Rican producers to sell their excess in the world market at 1 cent less than the price and have Congress appropriate $6,000,000 to compensate the Puerto Rican producers for their loss.

Third. Extend to Puerto Rico all the benefits of the Social Security Act.

Fourth. Extend to Puerto Rico Federal aid to an amount not less than $10,000,000 to extend its educational facilities.

Fifth. Legislate to help in a program of coffee and tobacco rehabilitation.

Sixth. Take measures to end discrimination against Puerto Rican workers in the United States. Enact a genuine FEPC bill.

Seventh. Give back to the people of Vieques the land which has been taken away from them by the United States Navy. This land is not used at the present time by the Navy, and the people of Vieques have been displaced en masse from their homes and they are undergoing a terrible plight. During last Christmas the mayor of Vieques sent a message to the Governor of Puerto Rico telling him that the people of Vieques were so desperate that they were asking only for a Christmas dinner.

Eighth. Appropriate money for the establishment of a Federal Public Works program on a large scale to relieve the unemployed.

To solve the problem of Puerto Rico on a permanent basis it is imperative that colonialism be ended in the island, and that the people of Puerto Rico be allowed to draft their own constitution as a free and independent nation, and not as a colony as provided in H. R. 7674. Provisions should be taken at the adoption of my independence bill to insure the transformation of the colonial economy which we have developed in Puerto Rico since 1898 into the economy of a free and independent nation.

The trend in our time is towards the liquidation of colonialism everywhere and the granting of recognition to new and independent nations, to work together under the framework of the United Nations. The trend is also toward international cooperation and toward the offering of help to small nations, so that they can better develop their economies, and so that they can better help in the building of a better world.

The Muñoz Marín-Fernós-Isern proposal runs counter to this trend, and it is therefore reactionary and imbedded in the decayed structure of colonialism.

The people of Puerto Rico can only solve their economic problem through industrialization. In order to develop a wide program of industrialization they must have power to make their own tariff laws, to negotiate reciprocal trade agreements, to make their own coastwise shipping laws, and to have complete jurisdiction over their territory and land, their waters, their air, and their people. They cannot have these powers under colonialism. They cannot have these powers under H. R. 7674. They cannot have these powers under statehood. They can only have these powers under their own sovereignty in a free and independent nation, a nation able to enter into negotiation with other countries on a basis of equality and of justice.

What Puerto Rico needs to solve its problems is sovereignty—full sovereignty. The Muñoz Marín proposal denies even limited sovereignty to the people of Puerto Rico.

The people and Government of the United States are bound to help the people of Puerto Rico. It is our responsibility because we have exploited them for over half a century. It is our responsibility because we have cut them off from world markets. It is our responsibility because we have made them dependent on our own economy. It is our responsibility because they have helped fight two of our wars. It is our responsibility because they are a hard-working and progressive people, with a noble tradition of solidarity in the Western Hemisphere, and with a noble cultural heritage.

The people and Government of the United States cannot and will not deny help to a free Republic of Puerto Rico. I am confident that Americans will assist the people of Puerto Rico in their struggle for independence when they are given a true picture of our relations with Puerto Rico.

We have a false picture in Congress and in the United States of what has been going on in Puerto Rico, because the colonial government there is headed by a governor who is working hand in hand with imperialistic interests, and whose job it is to give the impression to the people of the United States and to the world that Puerto Rico is not a colony, but a country of free and contended people to whom we have extended a fair deal.

The name of that man is Luis Muñoz Marín. Under his government we have seen floundering the most extravagant, luxurious, pompous, and irresponsible bureaucratic government that anyone can imagine.

This character Muñoz Marín may be accurately described as the Nero of La Fortaleza — the Governor's palace. While his people starve, and at their expense, he has built for himself a false reputation here in the United States as a champion of the jibaros—peasants—of Puerto Rico, when as a matter of fact, like Nero, he ignores their suffering and lives well at their expense.

This man came to power as a champion of independence, as a champion of the underdog, as a champion of simple, austere life in public service. And now he is a renegade of independence, he is working hand in hand with the Wall Street crowd, and he has established in the island an era of the most extravagant and expensive government that the people of Puerto Rico have ever seen. He has used public money for his own personal propaganda. He pays the publicity agent, Hamilton Wright, $140,000 a year. Incidentally, some of the newspapers in the United States are beneficiaries of this propaganda slush fund. One of the chief apologists for Muñoz Marín is the New York Herald Tribune. An examination of the advertising in the New York Herald Tribune will expose it as one of the chief beneficiaries of this huge propaganda fund which is squeezed out of the bloodless veins of the people of Puerto Rico. Of course the propaganda slush fund is clothed under the guise of propaganda for Puerto Rican products, but it is actually personal propaganda for Luis Muñoz Marín, and for the colonial system. Most of the propaganda from Puerto Rico which we read centers around Muñoz Marín to promote him personally, and to alibi the present system of colonial exploitation. Besides the money paid as a retainer, thousands and thousands of dollars are spent in publicity in American magazines and periodicals to promote Muñoz Marín personally, and to cover up the indecent exploitation of the Puerto Rican people under the present colonial status.

This man uses public money for his personal propaganda without accounting to the people of Puerto Rico. His inauguration last year was the most grandiose, Roman circus, carnival-like festivity which anyone has ever seen. Four hundred people from all over Latin

America and the United States were invited to the ceremonies, and all the expenses were paid by the people of Puerto Rico, from air transportation, hotel accommodations, taxis, and for all kinds of extra entertainment. Up to this time nobody knows exactly the amount of money which was expended during this inauguration, but it is known that an enormous amount of money was expended and that the fees far exceeded the appropriation for the expenses of the inauguration for the President of the United States. The legislature did not make any appropriation in advance for these ceremonies. After they had taken place bills of deficiency were sent to the legislature without any specific accounting being given, and they were approved by the legislature without discussion of the specific items and amounts, and in the midst of a standing applause of the stooges of Muñoz Marín in the legislature.

With this inauguration there was inaugurated in Puerto Rico one of the worst saturnalias of corruption in the history of governments.

Mr. Speaker, I wish to state right here, however, that neither Mr. Muñoz Marín nor his administration are the product of Puerto Rico. They are the product of colonial exploitation. They are the minions of our colonial status imposed on the people of Puerto Rico. Their actions do not reflect on either the integrity or the honor of the people of Puerto Rico. They merely prove again that puppets of imperialism never serve the best interests of their people.

Here is some more on Mr. Muñoz Marín.

Every week different persons from various places are invited to stay with Muñoz Marín at the Governor's palace known as La Fortaleza. There again the sole purpose is that of obtaining personal publicity and to cover up for colonialism. No account for the parties nor for the expenses is given to the people. The entertainment is most extravagant. Members of the House who have been entertained at La Fortaleza will bear me out. However, I doubt if the visiting Congressmen knew that the entertainment came out of the pockets of the suffering people of Puerto Rico. This type of entertainment is shocking because Puerto Rico is poor and its people are poor. All this despite the preelection promises of Muñoz Marín to institute a program of austerity and simplicity in the public life of that country.

This Nero of Fortaleza has at his disposal large numbers of automobiles. His personal bodyguard is unprecedented in size. The number of attendants and retainers at Fortaleza have been abnormally increased, and so has the number of political parasites on the governmental structure rapidly multiplied.

Again, Mr. Speaker, I say that all this is a byproduct of our colonial status and not the product of the people of Puerto Rico.

Let me call the attention of the Members of this House who are so critical of large Government expenditures here to the following salaries paid to the favorites of this colonial emperor of ours in Puerto Rico. Here is a list of salaries which would make even our local grafters gasp:

Antonio Luchetti, head of the Water Resources Authority	$30,000
(This man also gets expenses, automobile, chauffeur, and a residence which is a palace.)	
Rafael Buscaglia, president, Development Bank	30,000
Esteban Bird, vice president, Development Bank	28,000
E. R. Bonniwell, finance director, Development Bank (plus expenses)	22,000
J. R. Hanson, manager, Glass Factory of the Puerto Rico Industrial Development Co	20,000
Teodoro Moscoso, president, Puerto Rico Development Co	18,000
Sergio Cuevas Bustamante, director, Puerto Rico Aqueduct Service	15,000
Thomas A. Fennell, manager, Agricultural Co. of Puerto Rico (plus expenses)	12,000
(Mr. Fennell was dropped as manager after terrific public protest, but was retained as an absentee expert at a salary, according to my information, of $5,000.)	
Jose Acosta Velarde, director, Land Authority	12,000
Mariano Ramirez, vice president, Development Co	12,000
David Ramirez, vice president, Development Co. (this officer was dropped later on)	12,000
Rafael Fernandez Garcia, vice president, Development Co	12,000
Homer J. Miller, manager, Paper Factory of Development Co. (this factory closed because of huge deficit and lack of market)	12,000

The information that I am herewith revealing was dug up by an economist, Eliezer Curet Cuevas, while working for a Puerto Rican newspaper, El Mundo, and the information was published in that paper on January 23, 1949. He pointed out that 17 executives of the Puerto Rican Government and the various government corporations and authorities are receiving salaries amounting to approximately $300,000 a year.

On the other hand, Mr. Cuevas pointed out that the salaries received by the small government employees had been reduced from 1940 to 1948. That is so because the cost of living in Puerto Rico has increased in the island much faster than the salaries of the small employees.

There are other salaries, the exact amounts of which I do not have. I understand that many of the salaries I have recited, as well as others, have been raised since Mr. Cuevas published his article on January 23, 1949.

Accompanying this extravaganza of fancy salaries, let us see what the Muñoz Marín government has done with respect to government finances.

Under the leadership of Muñoz Marín, the government has embarked on a loan program from Wall Street. It has issued bonds which were sold in Wall Street for $50,000,000 at a very high interest rate. It is negotiating an additional loan for this agency, the Water Resources Authority. To guarantee these bonds they pledged the property of the Water Resources Authority. It also issued bonds which it sold in Wall Street in the amount of $22,700,000, also at a high interest rate for the Aqueduct and Sewerage Service of Puerto Rico. It negotiated this loan for $22,700,000 even though they are expending the money at the rate of about $4,000,000 a year—the balance is deposited in private banks and draws no interest, while the people of Puerto Rico are paying an interest rate on the total amount of the bonds.

It should be pointed out that Mr. Bonniwell, the financial adviser of the Government of Puerto Rico, was related to the bond firm of Wall Street, B. J. Van Ingen & Co. That firm negotiated the first $20,000,000 in bonds for the Water Resources Authority when Mr. Bonniwell was connected with the firm. After that he went to work with the government of Puerto Rico, and that firm participated in the negotiation of the $22,700,000 in bonds negotiated by the Aqueduct and Sewerage Service. The commission which is paid to the firm which negotiated the bonds is fixed by the government bank of which Mr. Bonniwell is financial adviser.

While the people's finance is being squandered and the people's financial ability is being exploited, let us see how the local government itself operates, and again here I repeat, this is not the product of the people of Puerto Rico but the product of colonialism in its worst form.

Mr. Muñoz Marín has tried to centralize in his own hands all the government of Puerto Rico. Now he is planning to eliminate the municipal assemblies and usurp the powers of the municipal officers—to be controlled by the governor.

The most important decisions of the legislature are made at dinners which are given at La Fortaleza to the legislators by Mr. Muñoz Marín. The legislators will not pass bills which have not the previous approval of Muñoz. Actually every bill is written completely at La Fortaleza.

Now, as to the fundamental economy of Puerto Rico itself, let us examine the following:

Because of the special war conditions, huge amounts of moneys entered the government of Puerto Rico. According to a report which was filed by the governor of Puerto Rico before the United Nations, from June 30, 1940 to June 30, 1949, $713,000,000 went to the treasury of Puerto Rico. From this, $144,000,000 were appropriated for the insular agencies and authorities. Besides, these agencies received $72,000,000 from the sale of bonds. In spite of these bonds, Munoz Marin has done nothing to promote in a fundamental way the Puerto Rican economy. This has been partly so because of the inner inequities of the colonial structure and partly so because of the incompetence of Muñoz Marín, and because of this extravagant and expensive government, and his extravagant and expensive way of living.

Out of the money received, he appropriated $15,000,000 for the Agriculture Development Co. which was a flop. The money, under the direction of Mr. Thomas Fennell, a totally incompetent person, was squandered.

Eleven million dollars were appropriated for five government plants—cement, paper, glass, shoe, and ceramics. All of these plants except the cement plant

have operated at a deficit. The glass plant ceased its operation last August because of lack of market. The other 4 employ only 820 workers.

This is the story of the industrialization program of Muñoz Marín which has proven to be a complete failure.

Another agency of the government, the transportation authority, which is a government monopoly of transportation within the metropolitan zone—that is San Juan and surroundings, including Rio Piedras—gives nothing but inefficient service and it has been operating at a deficit of over $1,000,000.

Fundamentally, all these agencies and especially the land authority are used for political purposes. Of course, I am in favor of the principle involved in the establishing and functioning of all these authorities. I have defended the land authority. I have defended also the land policies of the government of Puerto Rico, up to and including the establishment of the land authority. I have favored the proportional benefit fund. I have also favored the water resources authority and others. But I am against the use of the land authority as a political agency, and I am against the mortgage of the properties of the water resources authority and of the aqueducts to the Wall Street crowd. The water resources were formerly in the hands of the Puerto Rican Railway Light & Power Co. Now they are in the hands of the bondholders of Wall Street. The same can be said of the aqueducts of Puerto Rico. As a result of that the water rates and the electric light rates have gone up to the extent that protest demonstrations have been organized by consumers in Puerto Rico.

Muñoz Marín has changed the whole philosophy under which the authorities were created, and has used them to his political advantage. To do this he has allied himself with Wall Street vested interests and he is today their stooge and servant. He has mortgaged these authorities to Wall Street interests.

We have heard through the fancy, high-paid advertising, a great deal about Operation Boot Strap, but to the people of Puerto Rico the Muñoz Marín administration can be called Operation Booby Trap. The following story of the Caribe Hilton Hotel demonstrates what I mean when I say the Muñoz Marín administration is Operation Booby Trap for the people of Puerto Rico.

The story on the Caribe Hilton Hotel is an example of the Government's policies to attract industries. The Government of Puerto Rico built the hotel at a cost of $7,000,000. The hotel has 300 rooms. Then, after it was built, the Government leased the hotel to the Hilton Hotel Corp. on a 20-year lease.

Muñoz Marín has not even revealed the amount for which the hotel was leased, even though the people have asked for this information. This is part of the policy of secrecy in the Government—the people are never given information about the way the money is expended. Everything that was used, including furniture, was flown from the United States. Even the sugar came from the United States to Puerto Rico, and also most of the employees were taken from the United States to Puerto Rico. The expenses for propaganda, as announced by the management, went over $150,000, and the Government of Puerto Rico pays half of that amount. Up to this time they have paid $75,000.

The Government policy to attract industries to Puerto Rico is based on the principle of constructing the plans for the firms to go into Puerto Rico and to equip them. Then the firms are tax-exempt for a period of 12 years. These firms, like Textron, want a guaranty that the minimum salary will not be raised, so that these firms expect to do business on the basis of paying starvation wages to the workers of Puerto Rico. Textron recently said that if the minimum wage is increased from the 25 cents an hour which they are paying now they will move from Puerto Rico.

The Caribe Hilton Hotel was also exempted from paying taxes.

All these industries which may go to Puerto Rico can leave the island whenever they choose and leave the Puerto Ricans with all the expenses already incurred. So we can see that all this industrialization program of Muñoz Marín is just hooey. It is, I repeat, not Operation Boot Strap, but Operation Booby Trap for the people of Puerto Rico.

While Muñoz Marín is engaged in Operation Booby Trap for the people of Puerto Rico, let us see what is happening to the people themselves.

The cost of living in Puerto Rico has gone up about 300 percent since 1940 while salaries and wages have had only a slight increase and now are going down. The huge amounts of money which entered the Puerto Rican treasury were because of the revenue on rum and the high taxes collected from the people of Puerto Rico. I would like to here note that in Congress I protected the income from rum for the treasury of Puerto Rico.

There was in general an artificial atmosphere of prosperity because 80,000 Puerto Ricans were under arms and their relatives were receiving benefits; war construction was going on and there were war government jobs. Muñoz Marín squandered the huge amounts of money received. No permanent works were built by him. No substantial reserve was established. Muñoz Marín received from 1940 to 1948 in his government more money than the total amount of money received by the successive governments of the island from Juan Ponce de Leon, the first governor under Spain, to 1940.

During the war the price of sugar was frozen to prewar prices, 1939. On the other hand no control was put on the items imported from the United States. The result was that while the price of sugar was kept low the price of rice, beans, codfish, lard, meat, butter, bacon, machinery, and so forth, went up to a fantastic level. It has been figured out by economists of great prestige in the island, that because of this the people of Puerto Rico lost an average of $80,000,000 a year since 1940, or about $540,000,000 during the war years.

And again let me repeat, the number of unemployed in Puerto Rico totals 300,000 out of a population of 2,200,000 inhabitants.

Yes, the Muñoz Marín rule is indeed Operation Booby Trap for the people of Puerto Rico.

While the government of Puerto Rico has been so diligent in its extravagant and expensive propaganda, it has taken no measures to insure the safety of the people of Puerto Rico. Last year—1949—we saw the worst disaster in the history of Puerto Rico. There was an air crash in Puntas Arenas where over 50 persons were killed. The lack of supervision at the airport was responsible and we must blame the government of Puerto Rico for this.

There was a fire in San Juan last March—1949—where eight people were burned to death. They were unable to escape because there are no fire escapes in any of the buildings in San Juan and because the entrance halls were blocked by the wares and boxes of small merchants who rent space in these halls.

Last June there was a typical extravagant fiesta which was organized by Felisa Rincon, the appointed city administrator. Because of the big crowd in a structure which was built for dancing, the structure collapsed and two persons were killed and others injured. This accident was due to the negligence of the authorities. It occurred at night. The morning after the accident the whole structure had disappeared, so that the people have never been able to determine what really happened and who was responsible for the accident.

There have been several explosions in government works belonging to the water resources authority and workers have lost their lives because of the lack of safety measures and the complete negligence of the government.

Mr. Speaker, I could go on and recount many more incidents of the neglect of the people of Puerto Rico by its present rulers. I could go on and recite many more phases of the exploitation of the people of Puerto Rico. I shall from time to time recite more chapters from the story of the sordid saturnalia of corruption and graft which now exists under our Nero of Fortaleza, the puppet of our colonialism.

My purpose in this speech, however, is to establish, which I believe I have done:

First. That H. R. 7674 is an empty gesture and a device to cover up, and to perpetuate the colonialism and exploitation imposed on the people of Puerto Rico by selfish interests in the United States.

Second. That the graft and corruption by the present rulers of Puerto Rico is not the product of the people of Puerto Rico, but the byproduct of the system of colonialism and exploitation under which the people of Puerto Rico are suffering.

Third. That the suggestions which I have made for immediate solution of Puerto Rico's immediate problems are of immediate character and must be enacted immediately to save the Puerto Rican people from further suffering.

Fourth. That the only real solution for Puerto Rico and its problems is to grant to the people of Puerto Rico full sovereignty; the only guaranty which the people of Puerto Rico can have to solve their problems—yes, the full sovereignty of a free and independent nation, and

this, I submit, can be achieved by the enactment of my bill.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. EBERHARTER. I, together with some other Members of the House, was down in Puerto Rico a couple of months ago. None of the members of our subcommittee agree at all with the statements made by the gentleman from New York. There was an election in Puerto Rico and the present party got over 60 percent of the votes.

Mr. MARCANTONIO. Of course, the gentleman spent his time at Fortaleza, the Governor's palace, where he was extravagantly entertained and grossly misled by Muñoz Marín.

Mr. EBERHARTER. I want to say that we went through the country.

Mr. MARCANTONIO. Just a moment. Whatever traveling he did in Puerto Rico was done under the Governor's auspices. I doubt if the gentleman was permitted to see much of the havoc caused by colonialism in Puerto Rico. I also doubt whether the gentleman knew that that entertainment was paid for out of the empty pockets of the people of Puerto Rico. These entertainments at Fortaleza by the present Governor of Puerto Rico are very fine. They afford the Members a good time, but at the same time the entertainment helps cover up the real picture of what exists in Puerto Rico. The gentleman from Pennsylvania referred to the election of 1948. I shall discuss even that in another speech soon. However, that is neither here nor there. I challenge the gentleman to refute the facts that I have mentioned in my speech. These facts are uncontrovertible and no amount of hocus-pocus and good times extended by Muñoz-Marín to House Members will explain these facts away.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. DAVENPORT] is recognized for 60 minutes.

ST. PATRICK'S DAY

Mr. DAVENPORT. Mr. Speaker, I would like at this time to offer on behalf of the Members of the House our thanks to a former Member of Congress, Mr. Costello, and the Irish Embassy for sending over these beatiful green carnations which were certainly most appreciated. They helped greatly to grace the Congress today.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield.

Mr. YATES. Mr. Speaker, the green carnations which all of the Representatives in this Chamber are wearing today remind us that tomorrow is St. Patrick's Day.

It is most appropriate that all of the Representatives should do this, for it shows that the celebration of St. Patrick's Day is observed not only by the Irish. Rather it is a celebration in which all Americans participate as a reminder of the contributions which the Irish have made to the social, economic, and political development of our great land. We in this House are of varying faiths and ethnic origins. But we are all Americans and proud to pay tribute to one of our distinguished groups, which has meant so much to America.

This year the people of Ireland and the people of the United States will celebrate one of the happiest of St. Patrick's Days because of two great events which have recently occurred. First, the signing by the Government of Ireland and the Government of the United States of a treaty of friendship, commerce, and navigation, a treaty which will prove an additional bond between ourselves and the people of Ireland; and secondly, the raising of the legations in each country to embassy status. The President and the State Department are to be congratulated on taking this step in advancing the international position of Ireland, by placing our mutual diplomatic representation on the highest level possible among nations of the world.

The first tangible step in the treaty of commerce has already been taken. In August of this year Irish manufacturers will display their wares in the great international Trade fair to be held in my home city of Chicago, and I am happy to learn that the Government of Ireland has made funds available so that Irish-made goods can be viewed by the American purchasing public.

Mr. Speaker, only a small portion of Ireland remains outside the sovereignty of the Irish Government. Let us hope that one day soon all of Ireland will be free and united. Then the celebration of St. Patrick's Day will be an even more joyous occasion.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield.

Mr. McSWEENEY. Mr. Speaker, as a Member of Irish descent, I wish to commend the distinguished gentleman from Pennsylvania, who with ability always brings before us timely matters, and for making it possible for all of us to participate in the recognition of this great day, which means so much to all of us of Ireland.

Mr. DAVENPORT. I thank the gentleman.

Mr. TAURIELLO. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield.

IRISH PARTITION THE ONLY BLOT

Mr. TAURIELLO. Mr. Speaker, on St. Patrick's Day every year the thoughts of Irishmen, and indeed of many others who are not numbered among the 30,000,000 people of Irish descent in the United States, naturally turn to the little island on the fringe of western Europe.

This year, in particular, we Americans are glad to salute the Republic of Ireland and to note the progress that has been made both politically and economically during the past generation. While so much of the world is a prey to grievous economic and ideological problems, the example of Ireland is indeed refreshing. There the people themselves, ably led by their distinguished political leaders are getting results that could not have been anticipated a generation ago—making solid progress in afforestation, reclamation of marshland, and in bringing electricity to the farmsteads scattered throughout Ireland.

The United States owes a deep debt of gratitude to Ireland, for at every stage of their development Irishmen were there to help with brain and brawn. Was not a great percentage of Washington's Army Irish by blood and birth?

It is indeed ironical today that Ireland, which has done so much to further the cause of freedom throughout the world, should have six northeastern counties still occupied by Great Britain. Those six counties contain some of the most hallowed shrines, the graves of St. Patrick, St. Brigid, and St. Columbkille, and many other historic spots so dear to the hearts of the Irish people. Ireland was partitioned by Britain despite overwhelming agreement by Irishmen on the question of Irish unity. The dismemberment was done in such a way that an artificial area was created, which never had a previous existence. The purpose of the boundary was to create a permanent Tory majority and thus to maintain a British stronghold there.

This is not a spectacle on which freedom-loving Americans can afford to look with equanimity, for freedom, like peace, is indivisible, and a threat to freedom or the denial of freedom in any part of the world threatens freedom everywhere.

We Americans love our flag. We can understand the respect with which the Irish look upon the tricolor of green, white, and orange which received its baptism of blood and flame in the glorious Easter rising of 1916. We cannot but be astounded to learn that in one part of Ireland the flag of Ireland is forbidden by law. Let me quote in this connection the words of the distinguished Irish Minister for Foreign Affairs. On Tuesday of this week, March 14, 1950, Mr. Sean McBride was asked in the Irish house of representatives—Dail Eireann—whether his attention had been drawn to a report of the case in Armagh—in occupied Ireland—in which Irishmen had been charged and convicted for displaying the Irish flag, and, if so, whether he proposed to make a statement. Mr. McBride replying said—I will quote his words:

> As soon as my attention was drawn to the report in question I made inquiries to satisfy myself that the facts were as stated. A strong protest was then made to the British Government on the 31st January last. It was pointed out that the continuance of a state of affairs wherein a law was in existence and enforced which purported to render it a criminal offense to display the Irish flag in Ireland was provocative and caused deep offense to Irish national sentiment.
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> It was further pointed out to the British Government that while the Irish Government did not admit Britain's claim to exercise jurisdiction over any portion of Ireland, the British Government must nevertheless, by purporting to include a portion of Ireland in the United Kingdom, accept responsibility for such laws and acts.

In my opinion, this provocative situation for which the British Government cannot elude responsibility merits the serious attention of this House. I think that it is time that the British Government be told in no uncertain terms that the American taxpayer cannot be expected to subsidize indefinitely, through ECA funds and otherwise, a regime which unjustly occupies six counties of Ireland.

It is my belief that if the United States would take the initiative in bringing together British and Irish statesmen for a round-table conference on the partition problem, in a proper atmosphere of good will, a solution could be quickly found which would restore her sundered territory to Ireland and strengthen the forces of democracy throughout the world.

Ireland must be united. We in America must dedicate ourselves to her cause and assure her of our full support. In doing so, we shall be keeping faith with the brave Irish patriots who have contributed full measure to our own freedom. In doing so, we shall be reaffirming our belief in the inalienable right of all peoples to be free and self-governing and we shall be offering hope to many small nations who are now dominated by the forces of totalitarianism.

Mr. DAVENPORT. Mr. Speaker, I wish to say to the gentleman from New York that we fully realize, of course, that St. Patrick was not of Irish extraction; he did come from Italy or France. But from whatever country he came, the 3 or 4 years he was in Ireland he was really and truly Irish.

Mr. TAURIELLO. That is right.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield.

Mr. McDONOUGH. Mr. Speaker, I join with the gentleman from Pennsylvania in celebrating at this early hour before the arrival of the great day of the Irish, the 17th of March, the commemoration of St. Patrick, who exemplifies the Irish all over the world and has for centuries.

Today, notwithstanding all the culture, all the art, all the science, all the military brains it has given to the world, Ireland is suffering from oppression by Great Britain because of the fact that she does not permit the northern six counties known as Ulster to be part of a united Ireland, territory that Eire is entitled to. Let us hope that in the expressions we may make today we may inspire some sentiment among the hearts of the Irish throughout the world to help Ireland become a united nation and to restore to it the six northern counties to which it is entitled.

John A. Costello made the following statement which gives a brief but comprehensive view of the religious spirit of Ireland:

Ireland is a small country. Its material wealth is comparatively insignificant and it has no acquisitive or imperialistic ambitions. In its constitution Ireland affirms its devotion to the ideal of peace and friendly cooperation among nations founded on international justice and morality. Though a small nation, it wields an influence in the world far in excess of what its mere physical size and the smallness of its population might warrant. We are sometimes accused of acting as if we were a big nation. In fact we are. Our exiles who have gone to practically every part in the world have created for their motherland, a spiritual dominion which more than compensates for her lack of size or material wealth. The Irish at home are only one section of a great race which has spread itself throughout the world, particularly in the great countries in North America and the Pacific area.

More than ever today, we conceive the need of the world for spiritual fortification when the dark forces of materialism are threatening the foundations on which the great Christian nations of the earth have endeavored to build for their people peace and concord. Before the American continent was discovered, Irishmen were bringing religion to the barbaric tribes of eastern Europe and teaching philosophy in the court of Charlemagne. St. Colmcille brought tidings of Christianity to the Pict, the Briton, and the Scandinavian. He laid the foundations of the great monastic citadel of Iona which was to become the source from which missionaries carried the faith to Britain and Iceland. St. Columbanus dedicated his life to spreading the Faith in France, Switzerland, and Italy, and students from every part of Europe were welcomed to the famous Irish seminaries and colleges. All our national instincts urge us to cooperate with democratic countries and our missioners still labor in the darkest parts of the world.

At present when the world is living under the shadow of impending catastrophe which may well wreck our civilization, all peoples of good will must search for the method of building a citadel against such catastrophe.

Mr. DAVENPORT. I thank the gentleman from California.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield to the gentleman from Montana.

Mr. MANSFIELD. Mr. Speaker, I wish to join with the gentleman from Pennsylvania in this commemoration of the feast day of St. Patrick and to join with others in extending our thanks to our former colleague, the Honorable John Costello, and the American League for an Undivided Ireland, for sending us this great mass of green carnations which have been so prominent in the Chamber today.

I was very pleased recently when this country raised the status of the American Legation in Dublin to an embassy and to learn that in return the Irish Minister to this country will become the Irish Ambassador to the United States.

Another thing I hope to live to see as a reward for the many contributions Ireland has made to the welfare of this country, is the doing away with the unnatural boundary line between the six northern counties of Ulster and the Republic of Eire. When that happy day comes the Irish Republic will be a reality in fact as well as in name, and when that day comes Eire will have the natural frontiers which are hers by right and which will be exemplified in the waters surrounding that sacred isle. I hope that day will not be too far distant.

The people of my State of Montana join me wholeheartedly, I know, when I extend greetings to the people of Ireland on this day which commemorates the feast of that great Irishman and universal man, St. Patrick.

Mr. DAVENPORT. I thank the gentleman from Montana, who is known not only in the United States but throughout the world for being one of Ireland's most faithful friends.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very glad to speak for myself and also for my district on this day when you do honor to your St. Patrick. The gentleman knows how I have felt about a united Ireland.

I want to express my gratitude to the Irish Ambassador for the beautiful green carnations.

A very happy thing just happened to me. I discovered that the gentleman from Ohio [Mr. McSWEENEY] and I, are descended from the same ancestor, and I am extremely proud that I have a bit of Irish blood in my veins. I think sometimes my behavior proves that I do.

I wish the gentleman all success in what he is trying to do for Ireland. I am most grateful to the Irish in my district, for their contribution to my district, to the State of Massachusetts, and to the Nation.

Mr. DAVENPORT. I thank the gentlewoman from Massachusetts, and yield to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Speaker, I congratulate the distinguished gentleman from Pennsylvania [Mr. DAVENPORT] on his fine presentation of his subject and wish to present now a few more humble remarks of my own if I may be permitted to do so.

As usual St. Patrick's Day is approaching again. It is a great day for the Irish. I heard a poor, weak, old Irishman, in fact he is the only one I have ever known, tell his wife the following: "Well St. Patrick's Day is tomorrow and I have to get drunk again, and my Lord, how I hate it." I am sure that none of us here today share this vulgar regret.

I had the privilege one time to hear the shortest St. Patrick's Day speech ever made, and it was as follows: "Once upon a time there was an Irish man and a motherly Irish woman and now thank God there are millions of them."

Unfortunately I do not have now and never hope to have such masterful brevity of expression.

I do hope that you can bear with me for a little while while I speak my humble speech, and may I begin by saying that I am happy indeed to be permitted to take part in this pre-St. Patrick's Day speech making. St. Patrick's Day is not only a great day for the Irish now, but it has always been, since first the warring Irish chiefs and their invading armies captured the poor boy St. Patrick, no one knows where for sure, and made a slave of him during which time he learned their language and their most intimate ways, customs, and thinking, and all of their good as well as bad qualities, and finally escaped and returned to his native land, nobody knows for sure where, and after spending some years equipping himself for the religious conquest of Ireland, which, according to the ancient Irish writings, was the greatest triumph of all times from a religious, educational, and propaganda standpoint.

His birthplace has been claimed by many countries, among them being England, Scotland, Wales, and Germany. To my way of thinking Fulda, Germany, the city of the cathedral, has the most easily believable claim. In fact today and for centuries it has laid claim to the

tomb of St. Patrick and has the tomb to prove it.

St. Patrick's conversion of Ireland, according to an ancient book I was privileged once to read, was a very well organized venture. He moved with a large staff of people from place to place. He brought with him skilled artisans to teach the men trades. He brought with him the other sex to teach the women the arts of cooking, needlework, and other kindred household arts which would enable them to preside properly over a home.

My colleague from Nebraska, CARL CURTIS, claims that St. Patrick was of Swedish birth and that his surname was Johnson. If that be a fact, may I say jokingly only, that he, St. Patrick, is perhaps the first, last, and only Swedish saint that I know of, and that Sweden will never need more than one saint because St. Patrick paid it all for them—paid it all for the Swedes.

He brought teachers of music and of other basic arts with him to enable the people to turn to them for inspiration and for heavenly things and for comfort and solace in the dark days which were then ahead for them. He enlisted the aid of men and boys in building a church and other necessary buildings. He ordained a priest or priests from the native population, and trained women who would dedicate exclusively their lives to God. When he had prepared this religious community he passed on to the next, but only after he had brought about a condition where that community could become to a large extent self-operating and self-sustaining, and actually better physically, mentally, and morally for his having lived in their community for a time. It is claimed that he organized a great number of such communities, variously estimated from 87 upward. Regardless of whether or not these estimates are correct it cannot be disputed that St. Patrick led a saintly, industrious, and effective life, else his memory would not be with us today, and the record of his achievements would not be alive today as brightly as when he walked as a man this mundane sphere.

Historians are also in disagreement as to the correct age of St. Patrick, some claiming that he died in his sixties and others that in age he reached and passed the century mark. As proof of his ripe old age it is argued that he could not have accomplished the great things which he did unless he had been blessed by a long life. I so contended a few years ago as a St. Patrick's Day speaker, and afterwards learned from a Columban priest stationed at the great Irish missionary school at St. Columban's, Nebraska, a few miles south of Omaha, that St. Patrick really died in his late sixties. He said that the claim that St. Patrick died an extremely old man arose because the people of the Jewish faith were always arguing with the Irish about whether the greatest man who ever lived was either Moses or St. Patrick, and they finally agreed that both were equally great men. The Jews then argued that God loved Moses more than St. Patrick because he permitted Moses to live longer on earth than he did St. Patrick.

Of course, the actual age of Moses was authentically established and the age of St. Patrick was not really known, so the Irish, never to be outdone, placed officially St. Patrick's age beyond the age of Moses and have rested rather securely upon that accomplishment ever since.

In passing I want to observe that St. Patrick is the only slave known to the world who ever succeeded in putting by thought, word, and deed, exclusively, practically a whole nation under the sweet burden and the light yoke of Christianity, and planted in each succeeding generation of Irishmen the firm thought that they should never traduce the ancient faith of their ancestors, and should suffer imprisonment, scourging, and other tortures, and even death rather than renounce their beautiful religion.

Due to the divine touch of St. Patrick the greatest warriors of the then world, the Irish, laid down their battle plans and war struggles and became warriors of the cross, and where they had theretofore been battle-minded pillagers and invaders of neighboring islands and the whole continent of Europe, and had ofttimes left their own dead in the remotest passes of the Alps, they then began their bloodless invasion of the world armed only with the Old Testament, the four Gospels, and the Cross, preaching the law of the new dispensation, and bringing spiritual joy and happiness and hope to a religion-dwarfed and religion-starved world, and eventually earned, I am sure, many eternal rewards and everlasting happiness.

In my opinion any man who could and did do these great and good things surely is the greatest man since the days of the sainted Nazarene and his saintly apostles.

Mr. DAVENPORT. I thank the gentleman from Nebraska.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. CHESNEY].

Mr. CHESNEY. Mr. Speaker, tomorrow, March 17, is St. Patrick's Day.

For many, many years throughout the world, men and women of Irish ancestry will pause to honor and pay tribute to the great patron saint of Ireland, St. Patrick.

Ireland has been called a little bit of heaven which fell from out the sky one day. This may be a bit of fantasy, but the contributions of the Irish race to our Nation is not fantasy. The Irish contributed much to the building and preservation of our great Nation. Everyone has heard of the fighting Irish. This name has been well earned, because our land has been liberally sprinkled with the blood of these brave Irish people in the building of our railroads and bridges, the construction of tunnels under our mighty rivers and mountains, and on every battleground in many countries where America fought to preserve its liberty and its democratic principles of life.

They fought in the war of independence; they fought in the Civil War for the preservation of the Union; they fought in World War I and in World War II, and if there should be a world war III, God forbid that there is, the Irish will be in that fight—once more for the preservation of our great Nation.

On behalf of our grateful Nation, I extend sincere thanks to these Irish patriots, fellow citizens, faithful and brave Americans, who have given their lives and fortunes to make our country great.

Mr. DAVENPORT. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. RODINO].

Mr. RODINO. Mr. Speaker, I wish to join with my many colleagues in the House who lay claim to Ireland as the land of their ancestral background, to commemorate the anniversary of the death of the patron saint of Ireland, and persons of Irish blood all over the world—the good St. Patrick. It is a happy custom, this veneration of the memory and deeds of the good saint, this wearing of the green, this enjoyment of good fellowship. All these are an integral part of the celebration of March 17th.

I have always enjoyed St. Patrick's Day gatherings. Somehow, you always meet so many different nationalities besides the Irish at these gatherings. St. Patrick's Day is no longer just an Irish holiday. It has come to be an all-American day. I think this is as it should be. It is fitting and proper that the entire Christian world should honor the memory of one of her truly great heroes and that all peoples should be able to profit from the splendid example of the patron saint of Ireland.

Thomas Paine is the author of that much-quoted phrase "These are times that try men's souls." Perhaps that statement is applicable to every era of man's history. It is certainly applicable to our world today and was equally true of St. Patrick's age as well.

St. Patrick was born probably about the year 387 when the Roman Empire was crumbling into ruins under the sledge-hammer blows of the northern barbarians. St. Patrick was not born in Ireland but somewhere in Britain. At 16 he was carried off from his father's farm by a raiding band from across the Irish Sea. For 6 years he was a serf on the land of an Irish chieftain until he escaped to France. Here he studied and prepared himself for his life's work—that of leading the Irish people from ignorance to knowledge, from slavery to freedom, from unbelief to transcendent faith.

Consecrated a bishop in the year 432, St. Patrick returned to Ireland and on Easter Even of that year lighted a Christian flame on the Hill of Tara which today still burns unquenchably in the heart of every Irishman the world over. That flame is symbolic of much more than Christianity alone, for it was Ireland that preserved culture and civilization in Europe when on the continent the Huns, the Vandals, and the Franks were pulling down the faltering Roman Empire stone by stone. In Great Britain, the Angles, Saxons, and Jutes swept everything before them. In all of western Europe, the only land not conquered by the barbarians was Ireland. She became the school of the west during the Dark Ages and eventually sent back her culture and civilization into Europe once again, as centuries later she was to send her sons and daughters to lands all over the world. Until the Norse invasion broke over Ireland at the end of the eighth century, the Irish Church was, both in learning

and in missionary enthusiasm, the pioneer of European progress. Irish bishops occupied 'sees in France, Germany, Switzerland, and Italy. A chain of Irish monasteries extended from Brittany to Bulgaria.

The accomplishments of Irish scholars were not confined to the church alone. They were the foremost teachers in the schools established by Charlemagne. Ireland had become the bastion of Christianity and culture for the entire western world, a beacon light on the rim of Europe. This was indeed a fitting monument to the zeal, the devotion, and the faith of St. Patrick.

In sending out her light and her truth during these early days, Ireland set a pattern which was not to be changed. During the next thousand years her people, oppressed in their homeland, found liberty—or found death—on the soil of every foreign land on earth. Ireland gave Austria a field marshal, Count Maximilian Browne, 1705–57; gave France a President, Marshal Maurice MacMahon, 1808–93; Spain a Premier, Leopoldo O'Donnell, 1809–67; Cuba a captain-general, Alexander O'Reilly, 1722–94; Chile her George Washington in the person of Bernardo O'Higgins, 1778–1842; Australia a Prime Minister, Sir Charles Gavan Duffy, 1816–1903; and countless others as well.

It is our America, however, that has welcomed the Irish with open arms, as indeed she has welcomed the oppressed of every western nation. By the same token, of all the nations on earth, it is America that has profited most from the influx of Ireland's manhood and womanhood. From 1700 to 1789 more Irish arrived in America than any other one nationality. Prior to the American Revolution, there were nearly 100,000 native-born Irish living in the Colonies. Between 1820 and 1860, nearly 2,000,000 Irish immigrants came to the United States.

Our country has been repaid many times over, both in peace and in war, for her warm welcome. Some of her most famous sons have proudly looked to the Emerald Isle as the home of their ancestors. John Hancock and 11 other signers of the Declaration of Independence were of Irish lineage. Patrick Henry will never be forgotten as an orator so long as liberty lives on earth. Robert Morris financed our American Revolution. John Barry was our first naval commodore.

Six Presidents of the United States have been proud of the Irish blood in their veins—Andrew Jackson, James K. Polk, James Buchanan, Chester A. Arthur, William McKinley, and Woodrow Wilson.

At the Battle of Fredericksburg in 1862, the Irish Brigade recruited from New York City and commanded by Gen. Thomas F. Meagher, sacrificed a thousand of its 1,200 men to the Union cause on Marye's Heights.

So it has been in every war in which the United States has been engaged. Who can forget the valor and devotion of Father Francis Patrick Duffy, chaplain of New York's fabled Fighting Sixty-ninth of World War I fame?

The late Robert Ripley of "Believe It or Not" has left this concise epitome of Irish valor in World War II:

American men and women of Irish descent who took part in World War II compiled an enviable record. They have lived up to the glorious traditions established by their forefathers on every battlefield in every portion of the globe throughout the centuries.

What then is the significance of St. Patrick's Day to us in this midpoint year of the twentieth century? Why have men of good will gathered together across our Nation to pay tribute to the good saint and hail the feats of Ireland and the Irish?

As we know full well, "these are times that try men's souls." Once again the world is beset by a barbarian out of the East, a barbarian infinitely more ruthless, more cruel, more cunning than the simple savages who finally overthrew the Roman Empire. This barbarian is communism. Our Nation now, as Ireland over a thousand years ago, is the bastion of democracy, the beacon light on the rim—not of Europe—but of the world itself. In the midst of this cold-war struggle with communism, let each of us have the faith in the future, the determination to forge ahead in a just cause, the strength garnered from a firm belief in God. These qualities were St. Patrick's inspiration in the fifth century. They were Ireland's inspiration during long, dreary centuries of oppression. Let them be ours today. Let us go forth and fight the good fight of faith, secure in the knowledge that democracy and our great Nation with God's help shall prevail.

All over the world today will be heard the toast "Erin go Bragh!"—Ireland forever.

I too say "Erin go Bragh!" but much more emphatically I say, in the words of Daniel Webster, "Liberty and the Union, now and forever, one and inseparable."

Mr. DAVENPORT. Mr. Speaker, I yield to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, there is nothing I can add to the song of praise with which annually on St. Patrick's Day the world voices its appreciation of the contribution which Irish blood has made to every land. In my father's veins coursed not one drop of Anglo-Saxon blood, but the Mary Barratt of his heart, who now lies buried by his side, was English. He taught me ever to be proud of the Irish in me and the English in me and to respect those of other races and of other strains for their pride in what the circumstances of birth had placed in them. I am grateful more than I have words to express to my father and my mother, one wholly a Celt and the other wholly an Anglo-Saxon, that I grew up a stranger to the feel of prejudice. If wherever ugly discrimination raises its head I am prone to rush into the action, it is because of the teachings and the example of an Irish father and an English mother who thought that prejudices permitted to be planted in the mind of childhood would dwarf the brain and undermine the character. One rule of caution which my father followed and which I have passed on to my sons was to exercise such care in the signing of the name O'Hara that never should the apostrophe by inadvertence seem not discernible. The apostrophe between the "O" and "H" should be as easily seen as the flag at the top or a flagpole. There are quite a number of apostrophe names on the roll call of the House, and the only regret I have, and I am sure that good old Milesian King Hara would have shared it, is that my fellow O'HARA in the House, the distinguished and beloved gentleman from Minnesota, having risen to the heights of glory as one of the football immortals of Notre Dame, should have been shanghaied by the party of stuffed shirts and silk hats. But O'HARA of Minnesota and O'HARA of Illinois, on this occasion, unlike those of most roll calls, will vote together for the glory of Ireland. This is a better world by far because of the life and works of the patron saint of the Emerald Isle. Confidently we look for the day when the land that he loved will be a united Ireland.

Mr. DAVENPORT. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I extend my appreciation to the gentleman from Pennsylvania for giving me this opportunity to pay just tribute to that lovable St. Patrick.

We of Irish descent, are not the largest group in the United States, but we come close to being one of the most influential. And I am not thinking in terms of politics when I say this. Our fellow-Americans of Italian, French, Polish, Jewish and other origins, have their special days which we honor with them. However, I do not believe I exaggerate when I say that St. Patrick's Day has a unique sentiment that cannot help but charm others who are not privileged to trace their lineage to the Emerald Isle.

It warms our hearts to hear the cheerful greetings of those who do not look Irish, but who certainly enter into the spirit of this day. The radio is full of Irish songs and melodies that have been taken to heart by all and have indeed become a part of America.

In the pride and happiness and music of this day which so many of us take for granted, we seldom inquire into the mainsprings of our emotion. Who was this St. Patrick whose name is being spoken by tens of millions? Surely, it is but right that we devote a few minutes of our time to the life of a man who by his deeds, won the rare crown of sainthood.

St. Patrick was born about A. D. 389, the son of a small land-owner who lived at a place called Banna-nuenta. He was brought up as a shepherd and tended the flocks of a chieftain by the name of Milchu on the green hills of County Antrim. At the young age of 16, while tending the sheep, he was set upon by bandits. They took the young shepherd and his drove of sheep into Connaught and kept him captive there for 6 years. At the end of that time he made his escape on a ship used for exporting fierce Irish wolf hounds. He landed on the coast of Gaul and eventually made his way to a monastery where he lived for

several years and studied the principles of Christianity.

While in the monastery, he saw in a dream a man named Victorious, bearing many epistles in his hands. On one of these, St. Patrick read the words, "The Voice of the Irish," and imagined he heard his people say: "We pray thee, holy youth, come and walk among us as before." This vision inspired him to return to Ireland as a missionary. He spent about 14 years preparing himself for his mission and, after being ordained a deacon, went back to teach his people.

At first the Irish were ready to stone him for attempting an innovation in the religion of their ancestors. He obtained a hearing, however, and to explain his point picked a shamrock from the roadside, using the three leaves on one stem to illustrate the principle of the Holy Trinity. This simple comparison so greatly impressed his hearers that they allowed themselves to be baptized there and then.

For, as St. Patrick said:

Is it any more strange that these persons should be united in one God than it is for three leaves of clover to grow upon one stalk?

This faith which St. Patrick taught the Irish, and which we practice today, has been the strength and inspiration of the Irish people through centuries of toil and hunger and suffering under the yoke of an alien rule. The faith of Irishmen in Christianity could never be shaken. It has not only been a consolation to them in time of trouble, but it has enabled them to face the trials of this life with grace and beauty and an abundant heart for their fellowmen, thanks to their spiritual leader, St. Patrick.

During his long ministry, he founded many churches, and the story of his good works spread through the land, and his was the name that brought spiritual unity to the people. With the inspiration of their true faith, the Irish blossomed forth with a culture and a zest for learning that became the model for European civilization.

After reaching a ripe old age, St. Patrick died at Saul, County Down, on March 17, and was buried in a shroud made by St. Brigid. Each of Ireland's counties was then ruled by a chieftain, and it was within the dun, or fort, of the Down chieftain that the blessed patriarch was buried. To St. Patrick's funeral came, from all parts, bishops, priests, and people of all ranks, who gathered in prayerful reverence around the tomb of the father of their faith. Nearly 1,500 years have gone since that memorable day. The same spirit of reverencing the anniversary has survived in the hearts of all true Irishmen. We rejoice in the true faith which he brought to us, knowing that it gives strength and meaning to our mortal life and prepares us for our just reward in the life to come.

St. Patrick was preeminently the spiritual leader of the Irish people. But the Christian doctrine which he preached had in it the seeds of liberty and independence which have left an indelible impression on the Irish character. This belief in the dignity of human personality, as made in the image of God, has been a prominent factor in the development of our American democracy, which all of our great men have recognized.

On the night of March 16, 1776, George Washington issued special orders permitting liberty to all of his soldiers wishing to make merry on the 17th. "Boston"—by Washington's command—if spoken to an officer of the guard, immediately gave the individual soldier permission to leave camp for the day, the words "St. Patrick" being the countersign. Washington understood the meaning of this observance for so many who fought under him. As a consequence, he selected as brigadier general of the day, Gen. John Sullivan, who played such an important role in the siege of Boston.

The Irish helped to make it a double celebration when, on that St. Patrick's Day, they marched at the head of the Revolutionary Army into Boston on the heels of the retreating British. And by a strange coincidence, their band played Yankee Doodle, which has the same air as the old Irish song called All the Way to Galway.

The Irish personality is blessed with many gifts, and so, on this day, we experience many emotions. First, we give thanks to God for the supreme gift of faith. And then, in song and story, we express our happiness. The Irish are a witty people and imaginative, too. And from the folklore of the race we draw upon a rich store of fancy, particularly the one which tells of St. Patrick driving the snakes out of Ireland. True enough, there are none of these evil creatures in the land of our forefathers. For St. Patrick "drove them into the bogs, and banished all the vermin."

From which, if I may be permitted, I would like to draw a parable. Just as Ireland is one of the very few countries in which there are no snakes, by the same token, it is one of the few that are not menaced by the poisonous bite of communism.

There are two—and only two systems in the world of today—which are powerful enough to attract the political allegiance of the confused human race. One is the Christian democracy in which we live. The other is the modern form of slavery called communism, in which man is promised the material comforts of this life if he will forfeit his independence of mind and spirit to the all-powerful state.

Let us not underestimate the strength of this atheistic creed which is spreading over the world. In the short span of 30 years more than one-fifth of the world's land mass has passed under its influence. Even here, in our own country, they are busy boring from within, setting class against class, skillfully plying their destructive technique, and getting ready for the day when they hope to seize power out of chaos.

Some of you may scoff at this statement, saying, "The Communists in the United States are few in number—so few that they are difficult to find."

To which I reply, "You are right as far as you go, but don't stop there." Remember that an organized few, knowing where they are going, and inspired by a fanatical zeal, are more effective than the many who are not aware of what is happening, until it is too late.

And remember that there are many sincere, though gullible, Americans, whose opinions are close to the Communist line, even though they do not realize it.

Let us face the issue squarely. All the peoples of this world, in these tempestuous times, are desperately seeking security. We, in the United States, with tragic memories of boom and bust and depression and war, are striving to win freedom from fear and want. But, to win that goal, we must not, and shall not, surrender our faith in God and in the democracy which comes closer to fulfilling His divine law.

Whatever the problems which crowd the American scene, and we frankly acknowledge them, will not be solved by plans alone. For man is not a mere cog in the wheel of a machine. He is a creature made in the image of God with the spirit in him to rise above his weaknesses, through prayer and constant Christian effort to live up to the moral law.

Since the beginning of this century, when man was dazzled by the scientific toys which he had invented, he began to think that in science he would find all the answers to the mystery of life. Carried away by his own ego, he turned has back on God.

And now he faces, here on this earth, the grim possibility of a day of reckoning. He has invented a Frankenstein which threatens to destroy him. Before the awesome power of atomic energy he stands worried and helpless. There is no scientific answer to the control of this tremendous force. A few men, in positions of responsibility, have the fate of civilization in their hands. You and I, and hundreds of millions of others, are appalled by the fact that a few men could destroy us—a few men seized by a sudden and overmastering human weakness.

We are thankful that this secret is presently known only to a few leaders of our country who have been reared in the God-fearing tradition. Burdened by this responsibility, they are working mightily to perfect a system of international controls for the protection of all nations and all men so that this power may be employed for the advancement of man and not for his destruction.

But other nations, lustful for the enjoyment of power at the expense of moral law, may be on the verge of knowing this secret before international controls are established.

Then what?

In our prayers let us ask that God's grace may come to those who have turned their backs on Him, and whose only law is victory at any price, not alone that of property and life, but of all the spiritual truths which man has come to know through ages of trial.

And in our daily living let us work to make America strong in body and in soul. The vicious doctrines creeping over the world are reaching toward us. Some-

where we must stand up and say, "Stop," and I fear the time for that is near at hand.

All of us deplore war, but recent experience should have taught us that appeasement is the surest road to war. Better for ourselves and our children that we be clear and firm about this now than pay a frightful price for our weakness later on.

Communism is spreading and gaining power. It is aggressive because it believes that Americans have turned back to personal living, closing their eyes to the reality of the world outside the borders of their country.

There are only two big powers in the world of today: Russia and the United States. A fateful decision is shaping up at Washington, a decision which you, the people, should help to make, and that is what shall be America's foreign policy on the global scale? We cannot sit idly by and allow communism to extend its control over the rest of the world, for then we shall stand pitifully alone.

Fanatic Communist Parties are active all over Europe and in many parts of Asia and South America, and communism is the foe of democracy and religion.

We would be disloyal to our Christian faith which is the heart of our American life, if we refused to face this fact.

We, of Irish extraction, are a sentimental people. On St. Patrick's Day, we like to recall the ancient glories, and it is well that we do. The dauntless faith and love of freedom, so characteristic of all Irishmen, must be nourished at the fountain of the past, to strengthen us for the duties which we must meet today and tomorrow.

By the grace of Holy Communion we have cleansed our hearts before God.

Tomorrow, the happy seventeenth, we shall rekindle memories of the great saint whose vision and courage banished paganism from the land our ancestors came from.

Following the cross of Christ in which our American democracy has faith, we in this year of 1950 cannot falter in our step.

A new paganism is challenging the world and all the truths that we hold dear.

True to St. Patrick and the shining example which he gave us, we, in whom the freedom-loving blood of the Irish flows, will be alert to our danger.

In common with our fellow Americans, and the oppressed of all lands who look to us for moral leadership, we shall be firm in the right, as God gives us to see the right, and be vigilant in defense of our liberties.

Before the rock of our faith the evil tide of communism will press in vain.

At this point I would like to quote the following poem written by Robert Taylor, when he was Governor of Tennessee:

A TRIBUTE TO IRELAND

If I were a sculptor and could chisel out of marble my image of a hero, I would make it the image of an Irishman sacrificing his life and hope on the altar of his country, and I would carve on its pedestal the name of Robert Emmet.

If I were a painter I would make the canvas eloquent with the deeds of the bravest people that ever lived, whose proud spirit no power can ever conquer, and whose loyalty and devotion to the hopes of a free country no tyrant can ever crush, and I would write beneath that picture "Ireland."

If I were a poet I would melt the world to tears with the pathos of my songs. I would touch the heart of humanity with the mournful threnody of Ireland's wrongs and Erin's woes. I would weave the shamrock and roses in a garland of glory for the Emerald Isle and land of martyrs and memories, the cradle of heroes and nursery of liberty.

Tortured in dungeons, murdered on scaffolds, robbed of the fruit of their sweat and toil, scourged by famine and plundered by the vagaries of a heartless power, driven as the autumn winds before the winter winds, the sturdy race of Erin's sons and daughters have been scattered over the face of the earth.

Homeless only in the land of the nativity but princesses and lords in every other country, where manhood is measured by the measures of man.

Mr. DAVENPORT. Mr. Speaker, tomorrow is the anniversary of the death of the patron saint of Ireland, the great St. Patrick.

Tomorrow is the day when the sons and daughters of the Gael in every land gather together to express their devotion to the saint who, in the year A. D. 500 converted the Irish from the darkness of paganism to Christianity.

The faith that was given to the Irish by St. Patrick was the thing that sustained them through 700 years of persecution.

You will note that tomorrow is the anniversary of the death of St. Patrick and not the anniversary of his birth and that is because the Irish believe that death is not the end, but that it is the doorway to eternal life.

It was the inspiration and the spiritual guidance of St. Patrick that was chiefly responsible for molding the national characters of the Irish people. It was he more than anybody else who was responsible for the great renaissance of religion and learning that made it possible for the tiny island of saints and scholars to send teachers and missionaries throughout all of Europe who kept the light of civilization and culture burning during the Dark Ages.

Every people that has become great has had a symbol which has led them on and bought about that greatness. In every land and in every time this has been so. To the Irish race St. Patrick has been that symbol. He has symbolized the spirit of Ireland and the faith and the rugged courage that has sent Irishmen forth to fight and to live and sometimes to die in behalf of the things in which they sincerely believed. What St. Patrick has meant to Ireland so Americanism, as a new spirit of a new people, has welded together all of the beliefs and hopes of men and women from every part of the world in our own United States of America. It is this oneness out of many, this complete belief in an ideal of government to improve human existence. It is this belief that has made America great and will preserve America now and in the future. The Irish have contributed much to the history and greatness of this country as they have to their own and to other nations of the world.

The faith for which St. Patrick stood, the faith which he brought to Ireland and which has been the strength of Irishmen since St. Patrick landed on the Emerald Isle—that faith today is the strongest bulwark in defense against communism which seeks to destroy faith and breed distrust among free men.

The Irish have helped to make this a united nation and hope that someday the Irish may be a united people in their own land. All Irishmen everywhere, here and wherever else the sun sets and rises, I am sure, look forward to that St. Patrick's Day when they can celebrate the anniversary of this great saint—when Ireland is one nation, indivisible, united in fact, as well as in spirit.

Mr. GORSKI. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield to the gentleman from New York.

Mr. GORSKI. Mr. Speaker, on March 17 throughout the world, people of the Irish race honor St. Patrick, the Apostle of Ireland, but we might well remember that St. Patrick is not only an Irish saint but one whose feast is commemorated in the calendar of the Universal Church. In these troubled days, we can draw solace from the fact that the Irish people continued their struggle for liberty of conscience and freedom from oppression for seven long and terrible centuries. Their perseverance is a reminder that no tyranny, however powerful and omnipotent it may seem, must eventually be overcome by the innate desire of the human heart for freedom. Therefore, in this great democracy of ours, to the building of which the Irish gave their energy and their zeal, St. Patrick's Day is remembered not only by those whose ancestors came from the island beyond the sea but by all who believe that man has an inalienable right to life, liberty, and the pursuit of happiness.

One year has passed and it is with pleasure that I recall that it has seen the bonds between Ireland and the United States, always strong and firm, strengthened by a comprehensive treaty of friendship and by the raising of the status of the diplomatic missions in Dublin and Washington to the rank of Embassy. These two events give proof, if indeed any further were needed, that the two democracies are united both in their devotion to the democratic way of life and in their abhorence of tyranny and oppression.

It is a great day for the Irish; yes, and not only for the Irish but for all freemen and we can hope that before long all peoples of the world will be included in that category. We hope, too, that the coming year will see all Ireland free from sea to sea and that the tricolor of the republic will fly over the hallowed spot in Downpatrick where the great saint lies buried.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield.

Mr. EBERHARTER. Mr. Speaker, I want to add my words of commendation to the gentleman from Pennsylvania for being perhaps the spearhead of this remarkable demonstration which has been

given here in the House Chamber today, glorifying the memory and the achievements of that great legendary figure, St. Patrick. The gentleman from Pennsylvania is to be particularly congratulated because in his first term in this Chamber he has been recognized in order to bring about this hour when members not only of the Irish race but of all races sing their praises of St. Patrick. I am not able myself to claim any Irish blood. The Irish people are my very best friends, and my constituents of various descent have been very kind to me.

Mr. DAVENPORT. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, on this day, as for centuries past, throughout the width and breadth of the land the name of Ireland's patron saint is venerated. There is a very special universality about the celebration of St. Patrick's Day and Americans of all creeds and faiths gather to pay tribute to good St. Patrick, the inspiration of that great land of saint and scholars.

It is well to remember that Ireland, so often bankrupt as far as the material possessions of life are concerned, is rich in the love and loyalty of her children. We all have the highest esteem and admiration for the pioneers from Erin who brought their heritage to this country. They came to America full of abiding hope and for themselves, and their children's children, their faith and their hopes have been justified and fulfilled. With their wealth of courage, good humor, industry, and enthusiasm, they have contributed much to America. The Irish have taken a conspicuous part in maintaining our precious American freedom and saving our cherished form of Government. We, in turn, should now do what we can to help and assure the people of Ireland continued freedom and development of the right to determine the form of government under which they desire to live. Twenty-six of the thirty-two counties in Ireland have been successful in obtaining international recognition for the Republic of Ireland which has, as its basic law, a constitution modeled upon our own American Constitution. With my many friends of Irish ancestry, I hope and pray there will be further recognition, unity and a future undivided Ireland.

With the Son's of St. Patrick, I join in saying, "Beir Buadh agus Beannacht."

Mr. ADDONIZIO. Mr. Speaker, I am happy to join in honoring the beloved patron saint of Ireland and to extend my greetings to my friends of Irish ancestry on this happy feast. It is fitting that we pay tribute to the distinguished contribution of this great race to our Nation. Irish blood, brain, and brawn have been valuable acquisitions to the building of the fabric of American institutions. The Marquis de Chastellus, major general of Rochambeau's army in America, in his American Travel says:

> An Irishman, the instant he sets foot on American ground, becomes ipso facto an American. On more than one imminent occasion Congress owed their existence, and America possibly her preservation, to the fidelity and firmness of the Irish.

That has been true of all succeeding generations of Americans of Irish ancestry; their blood has enriched every battleground from the War of Independence to World War II. But to stress the achievements of Americans of Irish extraction in the role of fighters in a just cause is to give a one-sided picture of their story. In every field of endeavor they have been controlling factors in the upbuilding of our country. They have been a glory and credit to both Erin and the United States which through their lives they have so nobly united. Their Irish valor, Irish decision, and Irish perserverance have filled the pages of American history with a story which has an appeal for all Americans. All of us rejoice in honor of St. Patrick and the land which has come to be known as his own.

SOCIAL SECURITY NO. 4

Mr. CURTIS. Mr. Speaker, I want to call attention to the most unjust and unfair regulations of the social-security system and then give you the Truman administration's position on this rank discrimination against millions of the Nation's aged as expressed by the Social Security Administrator himself.

Although the social-security program has been in force for 13 long years there are 8,400,000 men and women over 65 years of age, who have toiled all their lives, but do not share in its insurance benefits.

Yet 8,400,000 oldsters, who likewise have paid for the system in increased living costs, receive nothing. If they are in need they must declare themselves personally bankrupt, turn the management of their lives over to social-security workers referred to by some as case workers and by others as snoopers. If a friend or a relative gives them some money and the case worker find it out, she cuts their relief payments by that amount. This goes on while retired corporation executives draw big retirements from our social-security system—see CONGRESSIONAL RECORD for Monday, March 13, page 3225.

The apologists for the nefarious social-security racket say that the reason these old people are left out is because the program is new, that it takes time. Yet I am advised by the head authority of the social-security system that 10 years from now there will still be 7,200,000 old men and women outside the social-security insurance law.

You will be shocked, I am sure, when I inform you of the official attitude of the Social Security Administration toward these old people not affected by the social-security insurance law.

It was expressed by Arthur J. Altmeyer, Social Security Administrator, in a television broadcast from New York City, January 24, 1950.

He said: "Their house has already burned down."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HORAN (at the request of Mr. MACK of Washington), on account of illness.

To Mr. HELLER (at the request of Mr. MULTER), for the week of March 13, 1950, on account of illness in family.

To Mr. BROWN of Ohio, on Monday, March 20, on account of official business.

To Mr. MILLER of Nebraska, on March 20 and 21, on account of official business.

ADJOURNMENT

Mr. MANSFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p. m.), under its previous order, the House adjourned until Monday, March 20, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1317. Under clause 2 of rule XXIV, a letter from the Under Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of January 1950, was taken from the Speaker's table and referred to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FALLON: Committee on Public Works. H. R. 5990. A bill to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes; with amendment (Rept. No. 1785). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Armed Services. S. 2559. An act to authorize the extension of officers' retirement benefits to certain persons who while serving as enlisted men in the Army of the United States during World War II were given battlefield promotions to officer grade and were incapacitated for active service as a result of enemy action; with amendment (Rept. No. 1786). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Armed Services. H. R. 3783. A bill authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas; with amendment (Rept. No. 1787). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Armed Services. H. R. 4433. A bill to make retrocession to the Commonwealth of Massachusetts over certain land in Shirley, Mass.; with amendment (Rept. No. 1788). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDERSON of California: Committee on Armed Services. H. R. 4732. A bill to direct the Secretary of the Army to convey certain lands to the Two Rock Union School District, a political subdivision of the State of California, in Sonoma County, Calif., and to furnish said school district water free of

charge; with amendment (Rept. No. 1789). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS of Delaware:

H. R. 7737. A bill to establish a Tax Settlement Board; to the Committee on Ways and Means.

By Mr. CAMP:

H. R. 7738. A bill to provide for revenue revision, to correct tax inequities, and for other purposes; to the Committee on Ways and Means.

By Mr. EVINS:

H. R. 7739. A bill to provide that service of cadets and midshipmen at the service academies during specified periods shall be considered active military or naval wartime service for the purposes of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. NOLAND (by request):

H. R. 7740. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, to insure proper review of disability status of officers discharged from the armed services; to the Committee on Veterans' Affairs.

By Mr. O'HARA of Illinois:

H. R. 7741. A bill to authorize the Secretary of the Interior, acting through the Bureau of Mines, to engage in research and experimentation with respect to gas and dust hazards in manufacturing plants; to the Committee on Public Lands.

By Mr. FARRINGTON:

H. R. 7742. A bill authorizing an annual appropriation to provide more adequate facilities for the care and treatment of Hansen's disease in the Territory of Hawaii; to the Committee on Public Lands.

By Mr. RIBICOFF:

H. R. 7743. A bill to extend for 1 year the authorization for an appropriation for the International Children's Emergency Fund; to the Committee on Foreign Affairs.

By Mr. O'KONSKI:

H. R. 7744. A bill to pay tribal funds to issue of members of the Ojibway or Chippewa Tribe; to the Committee on Public Lands.

By Mr. WIDNALL:

H. R. 7745. A bill authorizing the Housing and Home Finance Administrator to convey certain land to the Housing Authority of the Town of Phillipsburg, N. J.; to the Committee on Banking and Currency.

By Mr. MARCANTONIO:

H. R. 7746. A bill to provide for the withdrawal of the sovereignty of the United States over the island of Puerto Rico and for the recognition of its independence; to provide for the notification thereof to foreign governments; to provide for the assumption by the government of Puerto Rico of obligations under the treaty with Spain on December 10, 1898; to define trade and other relations between the United States and Puerto Rico; to provide for the calling of a convention to frame a constitution for the government of the island of Puerto Rico; to provide for certain mandatory provisions of the proposed constitution; to provide for the submission of the constitution to the people of Puerto Rico and its submission to the President of the United States for his approval; to provide for the adjustment of property rights between the United States and Puerto Rico; to provide for the maintenance of military, coaling, and naval stations by the United States on the island of Puerto Rico until the termination of the war between the United States and Germany and Japan; to continue in force certain statutes until independence has been acknowledged; and for other purposes; to the committee on Public Lands.

By Mr. ANGELL:

H. R. 7747. A bill to authorize the remodeling and extension of the existing main post-office building and to construct a new post-office building in Portland, Oreg., and for other purposes; to the Committee on Public Works.

By Mr. BURLESON:

H. R. 7748. A bill to amend section 3422 of the Internal Revenue Code so as to prevent a contraction of the tax base from which Federal revenues are derived; to the Committee on Ways and Means.

H. R. 7749. A bill to amend section 3422 of the Internal Revenue Code so as to maintain Federal revenues by balancing imports of petroleum with exports of petroleum; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 7750. A bill to authorize the purchase of certain historical documents for the Franklin D. Roosevelt Library; to the Committee on House Administration.

By Mr. TAYLOR:

H. R. 7751. A bill to amend Public Law 439, Eighty-first Congress, cited as the "Agricultural Act of 1949"; to the Committee on Agriculture.

By Mr. FORD:

H. R. 7752. A bill to provide benefits for members of the Reserve components of the armed forces who suffer disability or death from injury or disease incurred while engaged in active service or in active-duty training or inactive training in excess of 30 days or from injury incurred while engaged in active service or in performing active-duty training or inactive-duty training for less than 30 days, and for other purposes; to the Committee on Armed Services.

By Mr. JAVITS:

H. Res. 514. Resolution to help bring about the return of Greek children to their homes in Greece; to the Committee on Foreign Affairs.

By Mrs. BOLTON of Ohio:

H. Res 515. Resolution to help bring about the return of Greek children to their homes in Greece; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 7753. A bill to authorize the Secretary of the Interior to sell certain land on the Chena River to the Tanana Valley Sportsmen's Association, of Fairbanks, Alaska; to the Committee on Public Lands.

By Mr. FARRINGTON:

H. R. 7754. A bill for the relief of Miyoko Yokoi; to the Committee on the Judiciary.

By Mr. HART:

H. R. 7755. A bill for the relief of Eugene J. McMasters; to the Committee on Armed Services.

H. R. 7756. A bill for the relief of Adolphe Segal; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 7757. A bill conferring jurisdiction upon the United States District Court for the District of Hawaii to hear and determine and render judgment upon any claim arising out of money damages, heretofore paid by plaintiff, Trent Trust Co., Ltd., and thereafter distributed in obedience to final judgment and orders of distribution of the Circuit Court, First Judicial Circuit of Hawaii, in suit of Isenberg and others against Trent Trust Co., Ltd., in which the United States was not a party; to the Committee on the Judiciary.

By Mr. SECREST (by request):

H. R. 7758. A bill for the relief of Alfonso Gatti; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1993. By Mr. CASE of South Dakota: Petition of Donald L. Renken, Sioux Falls, S. Dak., and 12 others, requesting favorable consideration of House bill 2446; to the Committee on Post Office and Civil Service.

1994. By Mr. WALTER: Petition of the National Lutheran Council, relative to the expellee problem in Germany and Austria; to the Committee on Foreign Affairs.

1995. By the SPEAKER: Petition of Joseph F. McChristal, city clerk, Revere, Mass., pertaining to Public Law 346, Seventy-eighth Congress, the Servicemen's Readjustment Act of 1944; to the Committee on Veterans' Affairs.

1996. By Mr. LECOMPTE: Petition of the Centerville (Iowa) Women's Club, expressing opposition to compulsory health insurance legislation; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, MARCH 17, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Father Joseph Joshua Mundell, St. Benedict's Catholic Church, Greensboro, N. C., offered the following prayer:

O God, our master and model, we beseech Thee to fulfill in these leaders of our country Thy mercy and graciously make them to be such, and to persevere that they may be able to please Thee in all things.

O, God, on the feast of St. Patrick, confessor and bishop, who preached Thy glory to the gentiles, grant that, through his merits and intercession, these Thy servants may be enabled to accomplish by Thy mercy what Thou hast commanded them to do.

May the blessings of Almighty God, the Father, the Son, and the Holy Ghost, descend upon you all, now and forever. Amen.

THE JOURNAL

On request of Mr. MURRAY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 16, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate today.

On his own request, and by unanimous consent, Mr. SALTONSTALL was excused from attendance on the session of the Senate on Monday.

CALL OF THE ROLL

Mr. MURRAY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Murray
Anderson	Humphrey	Myers
Benton	Hunt	Neely
Brewster	Ives	O'Conor
Bricker	Johnson, Colo.	O'Mahoney
Bridges	Johnson, Tex.	Robertson
Butler	Kefauver	Russell
Byrd	Kem	Saltonstall
Chavez	Kerr	Schoeppel
Connally	Kilgore	Smith, Maine
Cordon	Knowland	Smith, N. J.
Donnell	Langer	Sparkman
Douglas	Lehman	Stennis
Dworshak	Lodge	Taft
Ecton	Lucas	Taylor
Ellender	McCarthy	Thomas, Okla.
Ferguson	McClellan	Thye
Frear	McFarland	Tobey
George	McKellar	Tydings
Gillette	McMahon	Watkins
Gurney	Magnuson	Wherry
Hayden	Malone	Wiley
Hendrickson	Martin	Williams
Hickenlooper	Maybank	Withers
Hill	Millikin	
Hoey	Mundt	

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] is absent because of a death in his family.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. GRAHAM], the Senator from Rhode Island [Mr. GREEN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Vermont [Mr. FLANDERS], the Senator from Oregon [Mr. MORSE], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of illness in his family.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will recognize Senators for the transaction of routine business, for the introduction of bills and resolutions, and the submission of petitions and memorials, without speeches.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DWORSHAK:

S. 3256. A bill directing the transfer to the Department of the Interior by the General Services Administration of certain property in Boise Barracks, Boise, Idaho; to the Committee on Expenditures in the Executive Departments.

By Mr. NEELY:

S. 3257. A bill to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. KEFAUVER:

S. 3258. A bill to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1951; to the Committee on the District of Columbia.

By Mr. KNOWLAND:

S. 3259. A bill for the relief of Ethelyn Isobel Chenalloy; and

S. 3260. A bill for the relief of Richard H. Bush; to the Committee on the Judiciary.

REORGANIZATION OF MISSOURI PACIFIC RAILROAD CO.

Mr. CONNALLY (for himself, Mr. JOHNSON of Colorado, Mr. MCCLELLAN, Mr. MCFARLAND, Mr. JOHNSON of Texas, Mr. THOMAS of Oklahoma, Mr. KERR, Mr. LUCAS, Mr. ELLENDER, Mr. DARBY, Mr. SCHOEPPEL, Mr. CHAVEZ, Mr WHERRY, Mr. DOUGLAS, Mr. FULBRIGHT, Mr. BUTLER, Mr. STENNIS, Mr. EASTLAND, Mr. KEFAUVER, and Mr. LONG) submitted the following resolution (S. Res. 241), which was referred to the Committee on Interstate and Foreign Commerce:

Whereas the Missouri Pacific Railroad Co. and its affiliated companies serving 11 States and operating more than 10,000 miles of railroad has for 17 years been in bankruptcy resulting from the depression following 1929; and

Whereas it is highly desirable to return this railroad to its owners without further extended litigation which will attend the proposed plan of reorganization; and

Whereas during the period of bankruptcy the system spent from its earnings approximately $600,000,000 for retirement of debt, payment of interest on bonds, and for the improvement of the physical plant, including particularly the purchase of new equipment, reduction of grades, and other improved operating facilities, thereby enhancing the equity of the stockholders and increasing the net earning capacity of the railroad; and

Whereas there has been extraordinary industrial development in the territory served by the Missouri Pacific which has greatly increased the earning powers of the railroad; and

Whereas the Interstate Commerce Commission has certified three different plans of reorganization, the last of which again eliminates participation by the common-stock holders and allows but slight participation for the preferred-stock holders after finding that the claims of bondholder-creditors have been fully satisfied; and

Whereas the new plan of reorganization and the report embodying it states that the fair depreciated value of the properties is $715,222,053 and advises, on the basis of capitalizing earnings for various periods, there are bases for capitalization as high as $952,331,711 and the trustee has stated the total system assets are of a value of $835,052,387 and yet the Commission in its final determination fixes $612,000,000 for the permissible capitalization; and

Whereas during the recent period 1941–49 the system has earned after taxes $359,591,731 available for the payment of interest and dividends; and

Whereas on the basis of these earnings figures and after allowing for interest on all outstanding bonds, taxes, and dividends on the preferred stock, there have been average earnings during the period 1941–49 of $16.85 per share on the old common stock, but despite this earnings record, the proposed plan of reorganization would completely wipe out the interest of the old common-stock holders; and

Whereas unless the present plan is modified so as to give the old common-stock holders some recognition in the reorganized company, they will be forced to appeal the plan through the Federal courts, thereby delaying the discharge of the railroad from bankruptcy for a period of several years: Now, therefore, be it

Resolved, That the Senate Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the denial of participation of the old common-stock holders, and the limited participation of the old preferred-stock holders, of the Missouri Pacific Railroad Co. under the reorganization plans certified by the Interstate Commerce Commission. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable.

STATUE OF LATE BRIGHAM YOUNG

Mr. WATKINS submitted the following concurrent resolution (S. Con. Res. 82), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the Brigham Young Statue Commission of Utah is authorized, at its option, (1) to place temporarily in the rotunda of the Capitol a statue of the late Brigham Young, of Utah, and to hold ceremonies in the rotunda on said occasion, or (2) to place such statue in Statuary Hall, between the statues of Ethan Allen and Alexander Hamilton Stephens, and to hold ceremonies upon said occasion either in Statuary Hall or in the rotunda, whichever it deems desirable; and the Architect of the Capitol is authorized to make the necessary arrangements therefor.

ADDRESS BY SENATOR MARTIN BEFORE ANNUAL MEETING OF THE TRI-STATE SHEEP AND WOOL GROWERS ASSOCIATION

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him before the annual meeting of the Tri-State Sheep and Wool Growers Association, at Washington, Pa., on March 10, 1950, which appears in the Appendix.]

RIVERS, HARBORS, AND PUBLIC WORKS IN PENNSYLVANIA—STATEMENT BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a statement on rivers, harbors, and public works in Pennsylvania made by him before the Committee on Appropriations on March 16, 1950, which appears in the Appendix.]

FOREIGN POLICY OF THE UNITED STATES—EDITORIAL COMMENT ON ADDRESS BY SECRETARY OF STATE

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an editorial from the New York Herald Tribune of March 17, 1950, commenting on an address delivered by the Secretary of State in Berkeley, Calif., on March 16, 1950, which appears in the Appendix.]

FARM PRODUCTION AND FARM MARKETS—ADDRESS BY WHEELER McMILLEN

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an address on the

subject Crop Research Reward by Wheeler McMillen, editor in chief of the Farm Journal, as published in the Nebraska Cattleman for March 1950, which appears in the Appendix.]

RADIO STATION WHAM

[Mr. IVES asked and obtained leave to have printed in the RECORD a statement and correspondence relating to radio station WHAM, of Rochester, N. Y., which appear in the Appendix.]

VOTELESS WASHINGTON—ARTICLE BY JESSE C. SUTER

[Mr. NEELY asked and obtained leave to have printed in the RECORD an article entitled "Why Freedom Can't Ring Here," written by Jesse C. Suter, and published in March 1950 issue of the General Federation Club Woman, which appears in the Appendix.]

THE MINISTRATIONS OF RELIGION—ARTICLE BY ERIC BRANDIES

[Mr. NEELY asked and obtained leave to have printed in the RECORD, an article entitled "Looking at Life" written by Eric Brandies, in the Morgantown (W. Va.) New Dominion, of March 15, 1950, which appears in the Appendix.]

NO FEPC RETREAT—EDITORIAL FROM THE METROPOLITAN STAR OF NEW YORK CITY

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "No FEPC Retreat," published in the Metropolitan Star of New York City, of recent date, which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF WILLIAM LEE KNOUS TO BE UNITED STATES DISTRICT JUDGE, DISTRICT OF COLORADO

Mr. WITHERS. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Saturday, April 1, 1950, at 11:30 a. m., in room 424, Senate Office Building, upon the nomination of William Lee Knous, of Colorado, to be United States district judge for the district of Colorado, vice Hon. John Foster Symes, retiring. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Wisconsin [Mr. WILEY].

NOTICE OF HEARING ON NOMINATION OF EDWARD A. TOWSE TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT, TERRITORY OF HAWAII

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Saturday, April 1, 1950, at 11:30 a. m., in room 424, Senate Office Building, upon the nomination of Hon. Edward A. Towse, of Hawaii, to be associate justice of the supreme court, Territory of Hawaii, vice Hon. Albert M. Cristy, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Washington [Mr. MAGNUSON], and the Senator from Michigan [Mr. FERGUSON].

NOTICE OF HEARING ON NOMINATION OF WILLIAM E. STECKLER TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF INDIANA

Mr. JENNER. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Saturday, April 1, 1950, at 11:30 a. m., in room 424, Senate Office Building, upon the nomination of William E. Steckler, of Indiana, to be United States district judge for the southern district of Indiana, vice Hon. Robert C. Baltzell, retired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Indiana [Mr. JENNER].

UNIFORM SYSTEM OF BANKRUPTCY—NOTICE OF HEARING ON H. R. 3111

Mr. GRAHAM. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, March 22, 1950, at 10:30 a. m., in room 424, Senate Office Building, on H. R. 3111, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal subdivision b of section 64, subdivision h of section 70, and section 118 thereof and all acts and parts of acts inconsistent therewith. Persons desiring to be heard should notify the committee not later than Tuesday, March 21, 1950, so that a schedule can be prepared for those who wish to appear and testify. The subcommittee consists of the Senator from North Carolina [Mr. GRAHAM], chairman, the Senator from Tennessee [Mr. KEFAUVER], the Senator from Kentucky [Mr. WITHERS], the Senator from Wisconsin [Mr. WILEY], and the Senator from Missouri [Mr. DONNELL].

NOTICE OF CONSIDERATION OF CONFERENCE REPORT ON COTTON AND PEANUT ACREAGE ALLOTMENTS BILL

Mr. THOMAS of Oklahoma. Mr. President, yesterday I made the statement that I planned to call up today the conference report on the so-called cotton bill. Since I made the statement, several Senators have advised me that they would be absent today, and offices of other Senators have advised me of a similar situation, and they have asked me not to call up the conference report today. In compliance with the requests of so many Senators, I shall not call up the report today. However, I wish to serve notice now that I shall call up the conference report on Monday.

Mr. HICKENLOOPER. Mr. President, I am not objecting, but I am suggesting to the Senator from Oklahoma that more than a week ago I had made definite arrangements to be absent today on matters of some considerable importance. When the Senator from Oklahoma announced that the conference report would be taken up today, I canceled my plans and remained here for that specific reason. I am earnestly hopeful that we may be able to make our plans based upon announcements which are formally made, because I canceled my arrangements for today in order to be in attendance when this important matter came up for discussion.

Mr. THOMAS of Oklahoma. I did not know of any special interest in the subject, either for or against, until after I had made my announcement. After I had made the announcement, word was passed around in some way, and I received many calls from Senators, who I believe are supporters of the bill, advising me that they could not be here today. Not knowing of any particular instance in which inconvenience would result, I advised Senators that so far as I was concerned I would not call up the conference report for consideration today.

THE FEAST OF ST. PATRICK

Mr. MURRAY. Mr. President, today, throughout every corner of the world, wheresoever Irishmen have wandered from their native land, the Feast of St. Patrick is being celebrated. Though it is now more than 14 centuries since Patrick, the patron saint of Ireland, brought the gospel of Christianity to the Irish people, his influence still continues and his memory is cherished in story and song to a greater degree, possibly, than that of any other national hero or saint.

So, Mr. President, I am taking the privilege today of pointing to the tribute we in America are paying to the memory of St. Patrick and the gallant Irish race which has contributed so much to the cause of freedom and democracy here and in the world.

I am sure that every true American sympathizes today with the Irish people in their aspirations to see their country wholly united and freed from the foreign-imposed partition which so unjustly burdens their land. In the days of St. Patrick and all down through the centuries, Ireland always had been one country and one nation. It is only since 1920 that a partition, an illegal partition, of Ireland has been maintained—a partition which has no justification, historically, ethnologically, or geographically.

In the six counties of the north which comprise the partitioned area of northern Ireland, the people are all Irish, members of the Gaelic race. They would resent any claim to the contrary. The same is true throughout the 26 counties in the south of Ireland. They are one people, one race. They never asked for, nor have they ever consented to, the partition of their country. It was not until 1920, after the Irish people had won their right, through British constitutional processes, to set up the Irish Parliament in Dublin, that a conspiracy was hatched by the Tories of Britain to block that program by creating a fictitious division, by setting up a false boundary,

severing the six counties of the north from the rest of Ireland. It was a monstrous fraud, a violation of the laws of Great Britain. The perpetrators of that fraud, under the leadership of Lord Carson, were guilty of treason and should have been hanged for the despicable crime they had perpetrated on the Irish people.

The folly of that partition is shown by the uneconomic conditions which it has produced. During the depression, period prior to the recent war, the northern six-county area was the No. 1 depression area of Great Britain. It is too small a unit upon which to base a sound economy. United with the rest of Ireland, and with existing trade barriers removed, this area and the Irish nation as a whole can maintain as sound an economy as could be established in any country of similar size.

The churches of Ireland recognize no borders in the land. All of the three great church groups in Ireland have their administrative headquarters in Armagh, where St. Patrick is buried. Catholic, Episcopalian, and Presbyterian Church leaders are centered in Armagh, from whence they direct the activities of their churches throughout Ireland. From the six-county area came many of the great Irish patriots, Protestant and Catholic alike, who fought and gave their lives that all Ireland might one day be free.

Lovers of liberty, the Irish are the one strong bulwark in all Europe where the taint of communism has not entered. Wherever you find an Irishman today you will find a champion of democracy and the rights of individuals. Yet his native land is not entirely free. Not until all Ireland is united under one government and one flag will the centuries-old struggle for Irish independence be ended.

So, Mr. President, it is my hope and fervent prayer today that the time will not be far removed when the existing fictitious border in northeastern Ireland will be forever erased, and the people of this happy land will be no longer pitted one against the other to satisfy the maneuverings of British politicians. When next St. Patrick's Day dawns upon the world, may it shed its effulgent light on an Ireland completely free and united.

ONE HUNDRED AND SEVENTY-NINTH ANNUAL DINNER OF THE FRIENDLY SONS OF ST. PATRICK

Mr. MARTIN. Mr. President, I should like to call the attention of the Chair and of my fellow Senators to the fact that tonight in Philadelphia will be held the one hundred and seventy-ninth annual dinner of the Friendly Sons of St. Patrick. Gen. George Washington once was the toastmaster at those dinners and was the orator on those occasions. I may call the attention of my fellow Senators to the fact that at each of the previous 178 dinners, there have been, as there will also be, at the one tonight, four orations—one to the city of Philadelphia, one to the Colony of Pennsylvania, one to the other Colonies, and one to the State of Ireland.

ADDRESS BY THE SECRETARY OF STATE ON FOREIGN POLICY—EDITORIAL FROM NEW YORK HERALD TRIBUNE

Mr. LEHMAN. Mr. President, yesterday afternoon the junior Senator from California [Mr. KNOWLAND] put into the RECORD as a part of his remarks an address delivered before the Commonwealth Club in San Francisco by Secretary of State Dean Acheson, and a second address delivered by him at the University of California at Berkeley. In doing so, the distinguished Senator from California commended both these addresses to the attention of the Senate and of the Nation.

The commendation of these able and forceful addresses, as expressed by the Senator from California, can be joined in without reservation by Members on both sides of this House. These speeches are additional illustrations, should any be needed, of the profound intelligence and patriotism of the Secretary of State.

In an excellent editorial, the New York Herald Tribune today described the speech at Berkeley as a considered capstone set upon that concept of total diplomacy which the Secretary, in a series of remarkable and forceful utterances, has been setting before the Nation and the world.

As the Herald Tribune goes on to say, "Here is a firmness of grasp and sharpness of insight which are beyond challenge save on the most carefully weighed and responsible grounds."

I understand that the editorial from the New York Herald Tribune has already been ordered printed in the RECORD on the request of the Senator from Texas [Mr. CONNALLY]. I shall not, therefore, ask that it be printed in connection with my remarks, but I am sure that it will be of interest to my colleagues, and I commend it to their consideration.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. KEM. Mr. President, I should like to address myself to the pending measure, Senate bill 1498, commonly known as the Kerr bill.

The purpose of the Kerr bill is to amend the Natural Gas Act so that the price of gas in the field may be raised. Mr. President, whenever a price adjustment is necessary it should come after full and open hearings and a well-considered decision by a lawful regulatory agency—not in my judgment, as a result of the removal of restrictions by Congress.

I shall vote against the bill because regulation of the natural gas business by the Federal authority from the first sale in the field is in accord with sound legal principles that have been developed out of many years of experience. Such regulation is necessary for the adequate protection of the interests of the ultimate consumer.

THE PURPOSE OF THE BILL

That the purpose is to raise the price of gas in the field over and above present prices is admitted by the author of the bill, the distinguished Senator from Oklahoma [Mr. KERR] with commendable frankness.

At the hearing before the subcommittee, the following occurred, as shown on page 220 of the printed hearings:

> Mr. OLDS. Turning now to the trend in field prices, I believe the chief proponents of S. 1498 are interested in higher field prices for natural gas.
>
> Senator KERR. That will be admitted.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. KEM. I prefer to complete my prepared remarks, and then I shall be glad to yield.

Mr. KERR. The Senator from Missouri has quoted the Senator from Oklahoma, and I should like to reply.

The VICE PRESIDENT. The Senator from Missouri declines to yield.

Mr. KEM. Mr. President, let there be no mistake then: If the Senate approves this amendment to the Natural Gas Act, it will free from regulation the price which interstate pipe lines pay for gas delivered to them by independent producers. On the other hand, if the Senate rejects the amendment, it will be affirming the jurisdiction to regulate such prices which the highest court in the land has held the Natural Gas Act vests in a duly constituted Federal authority.

At the present time at least 80 percent of all the natural gas in the United States is produced by companies who would come within the definition of "independent" contained in the Kerr bill. Charles S. Rhyne, general counsel of the National Institute of Municipal Law Officers, estimates that the total increase in dollars paid by consumers will amount to more than $200,000,000 a year, on a Nation-wide basis.

Within the past 3 years many additional pipe lines have been constructed in the United States. As a result, many cities that have not previously enjoyed the benefits of natural gas are now being or soon will be served with this most convenient of all fuels. For example, pipe lines from the Southwest are now reaching New York City and Washington for the first time, as well as such cities as Milwaukee in the Middle West. California cities are being connected with the producing fields of Texas and New Mexico. In the cities that are being served for the first time, either gas-burning equipment has been installed or existing equipment has been converted to the use of gas, at great expense to the consumers. After this has been done, Congress now is asked to make it possible for the price of gas to be pushed up, without an examination in the public interest.

The pending bill is a hodgepodge, piecemeal, special-interest proposal. If enacted, it will confuse the issue of Federal regulation and place an additional burden on millions of household consumers. It is an inglorious example of the thinking of too many segments of industry, the leaders of which are willing to have everybody regulated, or competed with, or interfered with by the Federal Government except, of course, themselves.

This bill would remove from the authority of the Federal Power Commission certain vital portions of an important industry. If it is proper to regulate some members of the industry, it is proper to regulate all who are competing in the same field of endeavor. And if some are to be removed from Federal regulation, then all should be removed. If we want to prevent effective regulation under the Natural Gas Act, then let us repeal it. Let us not nullify it by indirection.

THE FREE ENTERPRISE ARGUMENT

Some proponents of the pending bill level the charge at those who are against it as being opposed to free enterprise. Mr. President, as to whether I am a friend of free enterprise, I am willing to stand on my record since I have been a Member of this body—and before.

In accusing us of being opposed to free enterprise, the proponents first set up the usual strawman, and then with great ado proceed to knock it down. The strawman set-up is this: Anyone who favors regulation is opposed to free enterprise. Under this definition, those who favor the purposes of the Interstate Commerce Commission and, in the State field, the various State public-utility regulatory bodies, are opposed to free enterprise. I do not, I cannot, accept this definition.

Free enterprise in our economy consists of private ownership, with private management subject, in the case of public utilities, to reasonable regulation in the public interest. It is said that the administration of the present law by the Federal Power Commission, as formerly constituted, was confused. It may be freely admitted that some of its decisions appear to be inconsistent one with another. But from my point of view the language of the Natural Gas Act is reasonably clear. Any doubt as to its construction with regard to sales in the field has been removed by the decision of the Supreme Court of the United States in the *Interstate Natural Gas Company case* (331 U. S. 682). So what Mr. Olds or some other member of the Commission thought about it at one time or other is immaterial because the highest Court in the land has construed the act, and construed it in language which no one can misunderstand or mistake. We are told that clarification of the act is necessary. But if legislation by Congress in the interest of clarification is necessary, it should not be by way of removing restrictions from a portion of the industry. In other words, the Kerr bill is not the kind of clarification that we should adopt. It would constitute a clarification from one side only—from the standpoint of a special interest alone.

It has been recognized for a hundred years or so in this country, that in order to make the free-enterprise system work, monopolies must be restricted and regulated in the public interest.

Gas, from the consumers' standpoint, is a monopoly. If I want to buy a ton of coal, I can choose 1 of 50 names in the telephone directory in my city. If I want to buy gas, I have just one place to go—that is to the gas company, which has constructed a gas line along the public street in front of my home.

Since the distribution of gas is a legal monopoly, it should be regulated by public authority in the public interest. When the supply of gas is produced in one State and distributed in another, the regulation must be interstate, that is to say, by Federal authority. The Natural Gas Act vests this responsibility in the Federal Power Commission.

Mr. President, I shall have more to say a little later about the idea that interstate commerce in gas can be effectively regulated by State commissions.

AUTHORITY TO REGULATE SHOULD COVER SALES, BUT NOT DETAILS OF PRODUCTION

I now want to address myself to the proposition that the authority to regulate the business should cover sales, but not the details of production. The natural-gas business, together with its affiliate, the oil business, affords one of the best examples we have of the free-enterprise system working efficiently and well. I would be the last one who would want to put the production either of oil or gas under Federal regulation in any way or in any form. For one thing, it is a mining industry. It is a very speculative industry. In the very nature of things, regulation would not work. I do not think it has ever been tried, but it would not work for a public commission to tell a "wild-catter" where and when to spend his money. It is the most speculative of undertakings, and no one, without omniscience and prescience, can tell where oil and gas may be found. I do not know of any commission which has ever attempted to regulate that industry; certainly it would be unsuccessful, if it were attempted.

But on the other hand, if the Commission charged with this duty and responsibility is to be effective, it must have the authority to regulate wholesale sales in interstate commerce all the way down the line, from first to last.

Yesterday in the discussion of the subject, the able Senator from Colorado [Mr. JOHNSON] referred to the colloquy with Senator Wheeler when the natural-gas bill was before the Senate. Senator Wheeler was quoted as saying that it applied to wholesale sales only; that is, to quantity sales only. It does not apply to sales to the consumer. The Federal Power Commission is expressly forbidden the regulation of prices which consumers in the ultimate market pay. But as I say, if the regulation is to be successful, if it is to be any more than a farce, the regulatory authority must have the right to regulate from the first sale on down the line. If it does not do that, how in the name of common sense can the second, third, or fourth sale be regulated? Obviously, the companies would say to the Commission, "Come in and examine my books. I will show you what we have to pay in the field. You are not going to confiscate our property, are you?" Naturally, not.

The Commission cannot successfully regulate prices the last time the gas is sold to the local company unless it also has authority to regulate the price paid for the gas the first time it passes into the pipe line and at all intermediate stages.

Mr. President, there has been a great deal said about the present law being confused. I desire to read what the Supreme Court of the United States has said, and I ask any Senator whether there is any reason to be confused about the language.

In the Interstate gas-rate case, the Supreme Court of the United States held that the Natural Gas Act gives this authority to the Federal Power Commission. I speak of the power to regulate the first sale. Here is the language of the Supreme Court:

> We have held that these sales are in interstate commerce. It cannot be doubted that their regulation is predominantly a matter of national as contrasted to local concern. All the gas sold in these transactions is destined for consumption in States other than Louisiana. Unreasonable charges exacted at this state of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers of the gas including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

Mr. President, with reference to the bogey that we are trying to regulate the producton of gas in the field, the Supreme Court of the United States has spoken on that question and has construed the Natural Gas Act with reference to whether the Federal Power Commission has the power to regulate gas in the field. The case to which I refer is the case of *Federal Power Commission* v. *Panhandle Eastern Pipeline Company*, which appears in Three Hundred and Thirty-seventh United States Reports, page 498, which was decided June 20, 1949. Mr. Justice Reed, who spoke for the Court—there was a dissenting opinion in the case—stated the question before the Court in this language:

> Stated broadly, this certiorari brings before us for review a problem involving the scope of the power over the gas reserves of a gas company given to the Federal Power Commission by the Natural Gas Act. Specifically, the question to be decided is whether a natural-gas company, subject to the act, may sell the leases covering an estimated 12 percent of its total gas reserves without approval, contrary to an order of the Commission.

The facts in the case were these: The Panhandle Eastern Co. owned a considerable reserve of gas in what is known as the Hugoton field in the State of Kansas. It caused the leases covering the reserve to be transferred to another company which was organized, called the Hugoton Producing Co. The plan was to distribute the stock of the Hugoton Producing Co. as a dividend to the stockholders of the Panhandle Eastern Co. The Federal Power Commission learned of the transaction. It issued an order forbidding it. It thought it had the right to regulate production in the field, to that extent, at any rate, but the Supreme Court of the United States denied it an injunction. The Court said, and, I think quite properly, that the Federal Power Commission had no such authority.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KEM. I should prefer, if the able Senator is agreeable, to complete my prepared remarks, and then I shall be glad to go into any details of the matter, and shall welcome inquiries.

Mr. President, here is what the Court said regarding the contention that the Federal Power Commission had the right to regulate production in the field:

> Although these sections—
>
> Referring to the Natural Gas Act—
>
> bear evidence of consideration of the relationship with production properties and other elements of the natural gas business, they do not, even by implication, suggest to us an extension of the regulatory provisions of the act to cover incidents connected with the production or gathering of gas.

Mr. President, if any Senator from now on contends that the Federal Power Commission, under the existing law, has any authority to regulate the production of gas in the field, I invite his attention to the decision of the Supreme Court of the United States in the Panhandle case. I do not mean to say that persons sitting at one time or another on the Federal Power Commission might not have had delusions of grandeur about this question, but I do say that, in view of the plain and explicit provisions of the existing statute as construed by the highest court of the land, there is no reasonable ground for any misapprehension or fear in this respect.

As I have previously stated, I think everyone realizes that the production of gas is a mining operation. We all realize that, if it is to be efficiently and properly carried on, it must be on the responsibility of the persons doing the business. I know that certain producers are fearful about the confiscation of their discovery values. In the oil and gas business that means the advantage which accrues to a man who makes the discovery of a new deposit of oil or gas. He has performed a distinct public service and he is entitled to be protected in his discovery value. Mr. President, we have recognized that principle in the internal revenue laws by which a man who makes such a discovery is given very favorable treatment with reference to depletion.

It seems to me, Mr. President, that fundamentally, no amendment of the existing law is necessary. I think what we need is competent and far-sighted administration of what we have. But if the persons now exercising authority in the Federal Power Commission are inclined to overstep the authority given by the law and need an admonition from the Congress, I, for one, would gladly join the Senator from Oklahoma, and any other Senators who want it done, in putting on the statute books in plain and explicit language the fact that the Federal Power Commission is without authority to regulate the incidents and details of the production of oil and gas. But, Mr. President, it is an entirely different thing, as I shall show in a few minutes, to say that if a producer wants to avail himself of the public-utility market he must not sell at a price fixed by an authority representing the public interest.

Much has been said about the public-utility market being the only market which is available to the producer of natural gas. Of course, he can sell his product for carbon black. He can bottle it and ship it all over the country. That is a free-enterprise endeavor, with no regulation at all. He can sell it to a chemical industry, which is a free industry. He can sell it to a fertilizer industry, which is a free enterprise. No one wishes to regulate his price if he sells it in the field to free-enterprise industries, or ships it out in proper containers, so long as he does not avail himself of public streets and highways and other privileges enjoyed by a utility. What we say is that if he elects—and the election is his own—to avail himself of the public-utility market, the price at which he sells his product must be fixed in the public interest.

Mr. President, experience is a pretty good teacher. I live in a city which has had advantage of natural gas for more than 50 years. It came to our city about the turn of the century. For 50 years the public officials of my city and my State have been concerned with the problem of fixing a fair price for natural gas. I believe the Senate may be interested in some of our experiences, and in what the present public officials in Kansas City think about the problem. I believe our experience in Kansas City is particularly of interest to Congress, because all the gas consumed in Kansas City is produced, not in Missouri, but in other States, namely, in Kansas and Oklahoma. In other words, the people of Missouri are on the consumer end. The people of Kansas and Oklahoma are on the producer end.

The problem of arriving at what is a fair price for gas has been the subject of much litigation in the Federal courts. There have been many proceedings before regulatory bodies, in which various aspects of the matter have been considered and adjusted.

I have the testimony of the city officials of Kansas City with reference to this situation. Let me say, Mr. President, that in giving their testimony the city officials had the advantage of the experience of a long line of predecessors who had wrestled with the problem. In essence, what is important is not what the officials who now occupy the offices for the time being think of the problem, but, rather, the accumulated knowledge and information of some 50 years.

David M. Proctor, city counselor of Kansas City, Mo., appeared before the Senate Committee on Interstate and Foreign Commerce. His testimony appears in the record of the hearings at page 373. He sketched, in language which seems to me to be very important, the possible effects of the passage of the Kerr bill. He testified as follows:

> What effect will these proposed provisions have on the regulation of rates for natural gas transported to the gates of our city by the pipe-line company? I would not offend the intelligence of this committee by attempting a definite answer. However, a brief discussion of possibilities would seem to be in order.

It will be noted, Mr. President, that Mr. Proctor does not claim to know all the answers. He is very modest about his views, but he expresses them in a very effective way. He said further:

> The producers of gas in interstate commerce for resale at arm's length, would be free to explore, produce, gather and process natural gas and deliver same to pipe-line companies without either restraint or fear of regulation by the Federal Power Commission.

It has been said frequently in the discussion of this bill that the Federal Power Commission has never exercised the right to regulate the price of gas which is sold in the field on the first sale. So far as I know, that is entirely correct. However, the important point is that that right has existed. The Federal Power Commission has had the right, as the law is interpreted by the Supreme Court of the United States. That is the important point about regulation. It is not whether the power is used, but the fact that the power exists and can be used in the public interest when it is necessary to use it.

I continue to read from the testimony of Mr. Proctor, as follows:

> Responding to the natural profit motive or urge and encouraged by ever-increasing demands for the commodity, field prices at the point of delivery to the pipe-line companies might rise to a level substantially higher than the prevailing levels, or even higher than a level which could be called just and reasonable. If this situation should result, pipe-line companies could without negotiations or protests pay the higher price and then apply to the Federal Power Commission for increase in rate to the distributing companies.
>
> The Federal Power Commission should, and it probably would, grant an increase in rates to be charged by the pipe-line companies. Then the distributing companies would in turn, apply—in our case to the Missouri Public Utilities Commission—for an increased rate to be charged to the consumers.
>
> The Public Utilities Commission of Missouri would, undoubtedly, order an increase to absorb the higher cost to the distributing company. Thus, an additional cost and burden would be passed on from the field to 100,000 consumers, domestic as well as commercial and industrial, that is those within the corporate limits in Kansas City alone. They would be the unfortunate ultimate victims of a price level originating in the field and passed on almost automatically to the defenseless consumer.

Then, Mr. President, we have the testimony of Hon. William E. Kemp, mayor of Kansas City, who sent the following telegram to the committee, which appears in the record of the hearings at page 374:

> KANSAS CITY, MO., *May 24, 1949.*
>
> The legislation (S. 1498) now pending before Congress will, if enacted, practically nullify the chief purposes of the Federal Natural Gas Act, which is to limit the profits of pipe-line companies engaged in interstate business to a fair and reasonable return on their net invested capital. The proposed legislation constitutes a serious undermining of an act passed in the public interest. I submit that millions of gas users, most of them persons of modest means, are entitled to the continued beneficent and unhampered operation of the act.
>
> To permit a pipe-line company transporting gas to the gates of a city to make an extra profit over present legal return, in producing, gathering, and processing gas in

the field directly or through an affiliate, in addition to a fair return on its invested capital in an essentially monopolistic business, imposes an unjust and unwarranted burden on the consumers.

The Federal Power Commission has not sought and does not now seek to control the price of gas produced or processed in intrastate business, but under the decisions of the courts it has the solemn duty to the public to take into account, in establishing reasonable rates, profits received from such operations by pipe-line companies.

The technical arguments in support of the proposed legislation, with all due respect to the supporters thereof, are a subterfuge for justifying unwarranted corporate profits that will impose an unwarranted burden on millions of consumers.

Representing approximately 100,000 consumers of gas in Kansas City, Mo., I am respectfully looking to the Congress to prevent this definitely backward step. I urge the subcommittee of the Senate Committee on Interstate and Foreign Commerce considering such bill to give this proposed legislation its most serious consideration.

Since the passage of the Natural Gas Act, regulation of rates by the Federal Power Commission has been effective and in the public interest.

Mr. President, let me state again that I do not hold a brief for everything that has been done. I particularly do not hold a brief for some unguarded statements made in the past by some members of the Commission, but I do say that in general their regulation has been in the public interest.

Now let me give an example. For many years in Kansas City we had difficulty in obtaining what the consumers, the residents of the city, regarded as a fair price for natural gas. The natural gas was produced in other States. The commissions of the other States undertook, in good faith, of course, to regulate the price of the gas when it left their States, but they did not have a keen interest in the welfare of the consumers in Missouri. At least they were unable to convince the consumers in Missouri that they had such an interest in their welfare. So the people of Kansas City, Mo., welcomed the passage of the Natural Gas Act. They thought it gave them an opportunity to come to a Federal commission and present facts concerning conditions which had rankled in their minds for many years.

Complaint was filed by the Public Service Commission of Missouri against the Cities Service Gas Co., which serves Kansas City and a number of other cities in Missouri. An order reducing rates in August 1943 in the amount of $4,445,000 followed an exhaustive hearing.

In other words, Mr. President, when the matter was heard in the quiet, solemn atmosphere of a Federal commission, it was found that the people had been overcharged in the amount of $4,445,000. That amount was ordered refunded to them. The order, after another careful hearing in a Federal court, was sustained. About $2,000,000 of the reduction went to the State of Kansas. This case was the culmination of many years of effort on the part of the State utility commissions of Missouri and Kansas to obtain rate reductions from the Cities Service Co. Our experience is not unique in that respect As a matter of fact, since the passage of the Natural Gas Act, the Federal Power Commission has obtained annual reductions of more than $37,000,000 a year.

Those cases are set forth in detail at page 228 of the record of the hearings, and I invite the attention of every Senator to exactly what has been accomplished by the Federal Power Commission under the authority vested in it by the Natural Gas Act. I should like Senators who read that list of cases to ask themselves, "Do we want to do anything that will emasculate, hamper, or hamstring this beneficent regulation which is proceeding under the present law?" In other words, does it not get down to this: Do we want this activity in the public interest to continue unhampered, or do we want to hamstring the Commission by taking away its stick behind the door?

STATE REGULATION IS INSUFFICIENT

Mr. President, it is sometimes said that this regulation should be on the State level. I am a firm believer in the principles of Thomas Jefferson. I believe as much governmental authority should be exercised on the State level as can be properly exercised there. I wish we could send home, and I feel we ought to send home, a great deal of government that is now been arrogated to themselves by Federal officials here in Washington. But this happens to be the kind of case that we cannot send home. I think I can demonstrate that to the satisfaction of everyone who will be good enough to listen.

When gas is consumed in one State, regulation by another State does not meet the situation. Experience has taught us that regulation by a Federal or interstate authority is necessary for the protection of the consumers' interest.

In my opinion, the experience of my own city, which I have just pointed out, is ample evidence of that. I am sure there are many other Senators who could add cumulative testimony if we cared to have an experience meeting.

Mr. President, I suppose there will be no contention about the fact that the paramount purpose of the Natural Gas Act was the regulation of rates. That is what the Congress was concerned about. That is what the people were complaining about. That is the problem to which Congress addressed itself when it passed the Natural Gas Act. As stated by the Supreme Court of the United States in the *Hope Natural Gas Company case* (320 U. S. 591):

> The primary aim of this legislation—
>
> Referring to the Natural Gas Act—
>
> was to protect consumers against exploitation at the hands of natural-gas companies.

The act was intended to regulate the sales which were beyond the jurisdiction of the States. The Committee on Interstate and Foreign Commerce of the House of Representatives, in reporting the bill which became the Natural Gas Act, pointed out that States for years had regulated intrastate transactions and also consumer, that is, retail sales in interstate commerce where such sales were considered local in character. Then the committee said:

> There is no intention in enacting the present legislation to disturb the States in their exercise of such jurisdiction. However, in the case of sales for resale, or so-called wholesale sales, in interstate commerce (for example, sales by producing companies to distributing companies) the legal situation is different. Such transactions have been considered to be not local in character and, even in the absence of congressional action, not subject to State regulation. See *Missouri* v. *Kansas Gas Co.* ((1924) 265 U. S. 298), and *Public Service Commission* v. *Attleboro Steam & Electric Co.* ((1927) 273 U. S. 83). The basic purpose of the present legislation is to occupy this field in which the Supreme Court has held that the States may not act.

Let me say in passing that attention was invited yesterday by the able Senator from Colorado [Mr. JOHNSON]—I am sorry he is not now in the Chamber—about the statement made by former Senator Wheeler at the time the Natural Gas Act was under consideration in the Senate, that the act was intended to apply only to wholesale sales. In the colloquy between the able Senator from Colorado and myself we addressed ourselves to the question whether a sale in the field to the distributing company by a producing company was a wholesale sale. Mr. President, I invite attention to the report of the committee in which it is said:

> However, in the case of sales for resale, or so-called wholesale sales, in interstate commerce (for example, sales by producing companies to distributing companies) the legal situation is different.

Clearly, Mr. President, the sale by a producing company of a great quantity of gas is a wholesale sale. I do not see how it can be anything else. It is clear enough that the committee at the time the Natural Gas Act was passed so understood.

In other words, the main purpose of the act was to regulate the sales beyond the reach of the States. Retail sales to consumers even though in interstate commerce were regulated by the States. Jurisdiction over them was not delegated to the Commission.

SALES IN A UTILITY MARKET

Mr. President, much was said yesterday about the fact that natural-gas producers in the field had to sell to the utility market. I think it is a well-known fact that great quantities of natural gas are consumed in the manufacture of carbon black. Great quantities are consumed for the manufacture of chemicals for fertilizer. It is a well-known fact that a great deal of gas is bottled under pressure, shipped in bottles and containers throughout the United States. All of these, Mr. President, are free enterprise industries. There ought to be no regulation of price, because competition, if given free reign, will take care of that.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. KEM. Mr. President, I shall be very glad to yield to the Senator from Colorado after I have finished with my prepared remarks.

Mr. JOHNSON of Colorado. The Senator from Missouri interrupted me a good many times yesterday.

Mr. KEM. I asked the Senator, when I did so, if he would prefer that I wait,

and the Senator said "No," that he would not.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator from Missouri declines to yield at this time.

Mr. KEM. I certainly want to show the able Senator from Colorado, the chairman of the committee, every consideration, Mr. President, and I will be here as long as he wants to talk about this subject and ask any questions as to my views.

I was saying that these shipments are free-enterprise business, and there is no reason to regulate it. If a farmer in my State or in the Senator's State wants to buy some bottled gas, there are various sources of supply. He can buy the brand put out by the Phillips Co., or by the Shelly Co., or by a number of other companies engaged in that business. The price is regulated in an open market. But if a householder in Denver wants to buy some natural gas delivered through a pipe line, he has only one place to go, and that is to the gas company. That is a monopoly, and monopolies, we have learned the hard way through 100 years of experience, must be regulated in the public interest. If we undertake to let them function without regulation, though I am no prophet or son of a prophet, I believe we will be undermining, we will be sapping the very foundation of the free-enterprise system.

The main purpose of the act was to regulate the sales beyond the reach of the States. Retail sales to consumers, even though in interstate commerce, were regulated by the States. As I have said before, jurisdiction over them is not delegated to the Commission. It is expressly denied that right.

When the producer of natural gas finds it to his advantage to sell to a public utility market, he ought to be subject to regulation. It is utility business just as much as the sale by a gas transporter to a company serving the domestic consumer, or just as much as a sale by the local gas company to the consumer itself. In other words, if we are going to have regulation, there must be the right to regulate all along the line. It may well be that the Commission will not find it necessary in the public interest to fix the price of the first sale in the field; but it must have that right, because if it does not, the whole fabric and structure of regulation will collapse.

Mr. President, I have many friends in the oil and gas industry. I do not shed any crocodile tears about the financial condition of the natural-gas industry. One of the best known geologists and scientists in the industry, and often a spokesman for the industry, is Mr. E. DeGolyer. In November 1948 he said:

> Gas, which only a few short years ago, could not be sold at the wells for 1 cent a thousand cubic feet, is now bringing prices as high as 8 to 15 cents a thousand cubic feet. What other industry has enjoyed such price increases for its product with an ever-increasing demand which should at least assure maintenance of existing price levels for years to come.

Mr. President, it is for that reason, as well as because of the other advantages enjoyed by the oil and gas industry, that I counseled and advised my friends in the natural gas industry not to ask that the pending proposed legislation be enacted.

MAKING THE FREE-ENTERPRISE SYSTEM WORK

Mr. President, for the reasons I have indicated, I believe the Kerr bill would be ill-advised legislation. I think it would be unsound legislation. If clarification of the existing law is desirable, let us not in the name of clarification take a step in the wrong direction—a step that will mean higher gas prices for millions of consumers. Let us carry on, by reasonable regulation of monopoly in all its forms, our earnest effort to make the free-enterprise system work.

Mr. President, now I invite inquiries from any other Members of the Senate who may be interested in my views.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Colorado?

Mr. KEM. I am glad to yield.

Mr. JOHNSON of Colorado. A moment ago I heard the Senator from Missouri say that Missouri does not produce natural gas.

Mr. KEM. That is correct.

Mr. JOHNSON of Colorado. He said that Missouri is a consuming State.

Mr. KEM. That is correct.

Mr. JOHNSON of Colorado. Therefore, the Senator desires to have the natural-gas industry regulated.

Mr. KEM. That is right.

Mr. JOHNSON of Colorado. Missouri does produce corn, does it not?

Mr. KEM. Yes; under the free-enterprise system. There is no occasion to regulate the price of corn, in my judgment.

Mr. JOHNSON of Colorado. No; Missouri produces corn and ships corn, so there is no reason to regulate the price of corn.

Mr. KEM. Missouri ships corn into a highly competitive market.

Mr. JOHNSON of Colorado. Of course, Missouri ships it into a highly competitive market; but the point is that since Missouri produces corn, there should be no regulation of corn.

Mr. KEM. No; that is not the reason.

Mr. JOHNSON of Colorado. Missouri produces coal, and the Senator would not advocate regulation of the coal industry.

Mr. KEM. I explained the reason. I think the Senator from Colorado was absent from the Chamber at that time.

I do not advocate the regulation of coal, for a very simple reason, namely, that if I want to buy coal in Kansas City, I can pick up the telephone book and can call one of perhaps 50 dealers who are actively competing with each other for the market. I am protected by that competition, so far as the price I pay is concerned.

On the other hand, if I want to buy gas, I have only one place to go, and that is to the gas company which has built a line down the street in front of my house, by public authority, under a public franchise. Since I have only one place to go, I must look to the regulatory authority of my State and the regulatory authority here in Washington to protect me in the price I have to pay; otherwise, I am in a position to be gouged.

Mr. JOHNSON of Colorado. At one time the Senator from Missouri was an attorney in an important oil field—that at Casper, Wyo., was he not?

Mr. KEM. Yes, and also in Oklahoma and in other fields.

Mr. JOHNSON of Colorado. The Senator from Missouri is very familiar with the production of oil, of course.

Mr. KEM. I tramped the fields of Oklahoma before the Senator from Oklahoma [Mr. KERR] became the important figure in that industry that he is today.

Mr. JOHNSON of Colorado. I am glad to know of the Senator's fine background with respect to these matters.

Mr. KEM. Yes; I wish to say to the Senate that what I have said is based on years of experience and years of observation in the industry about which I am talking.

Mr. JOHNSON of Colorado. Of course, the Senator is familiar with the fact that a great volume of oil is shipped out of the Wyoming fields in pipe lines. Does he think that oil ought to be regulated by the Federal Power Commission?

Mr. KEM. No; I quite decidedly do not. The reason is that if I want to buy any gasoline—and, of course, some of the gasoline or oil from those fields may come to Washington—I find here in Washington service stations on almost every corner, competing actively for my trade. If the Sherman Antitrust Act is rigorously enforced, as I hope it is—and I shall always aid public officials who are attempting to enforce it—the price of gasoline will take care of itself.

Mr. JOHNSON of Colorado. Of course, the Senator's argument makes it very conclusive that there is only one commodity he desires to have regulated, and that is natural gas.

Mr. KEM. Oh, no; I would ask the Senator from Colorado to be fair. I do not want to get into an argument as to what industries affect the public interest; but, generally speaking, industries that enjoy a monopoly of the market——

Mr. JOHNSON of Colorado. I am not talking about industries; I am talking about commodities or products.

Mr. KEM. Very well; I shall be glad to adopt the Senator's phraseology. It makes no difference from my standpoint. All commodities which are sold in a monopoly market must be regulated, in the public interest. The American people have learned of that necessity by 100 years or more of experience. Before they learned it, our forebears in Great Britain learned it. It is a cornerstone of the Anglo-American system of law.

Mr. JOHNSON of Colorado. I agree completely as to that. But when is the Senator going to answer my question?

Mr. KEM. I shall answer it now.

Mr. JOHNSON of Colorado. When is the Senator going to point out one other commodity which moves in interstate trade which he wishes to have regulated? I should like to have him name one.

Mr. KEM. There are many of them: Electric power, the railroad business, the bus business——

Mr. JOHNSON of Colorado. I am not talking about services; I am talking about commodities. I should like to have the Senator name such a commodity.

Mr. KEM. The Senator from Colorado asked me to name one, and I named it; electric power. I wish to see it regulated, in the public interest. I opposed, as I think the Senator from Colorado did, the enactment of proposed legislation, which recently was before this body, providing for the building of public lines which would compete with the lines of private industry which were furnishing that commodity at prices fixed by the State commission. I said then, and I say now, that under such circumstances, when the prices are fixed by public regulatory bodies, it is improper for the Government to attempt to drive the industry out of business; and I voted then and I shall continue to vote to prevent that from being done. I do not need to apologize for taking that position.

Let me say that the Senator from Colorado does not need to apologize for his position on free enterprise. I think our respective positions are fairly well understood in this body and by the public, and I think our votes in this body are well understood.

I say—as I said many times before I came to the Senate, and as I have said since I have been a Member of the Senate—that if we are to save the free-enterprise system, if we are to make it work, we must, in the public interest, regulate monopoly, wherever it appears.

Mr. JOHNSON of Colorado. I am unable to follow the Senator. I do not see where the consistency is. He favors private enterprise in the production of electric energy and its distribution and sale; but when it comes to natural gas, the Senator immediately says that must be controlled by the Federal Government.

The point I wish to drive home to the Senator is that he has singled out only one commodity.

Mr. KEM. No; I gave the Senator another one, namely, electric power.

Mr JOHNSON of Colorado. The Senator from Missouri is in favor—he has just said so—of the generation of electric energy privately.

Mr. KEM. And of regulation by public authority.

Mr. JOHNSON of Colorado. Very well; regulation by public authority.

I am certainly in favor of regulating utilities. But regulating a utility and regulating a commodity are two different and distinct things. A distinction must be made.

Mr. KEM. No distinction is made in the law. If the Senator will permit me to say so, I think he is referring to a distinction without a difference.

Mr. JOHNSON of Colorado. I am unable to follow the Senator's reasoning. I wish to call his attention to the fact that in almost every city—I presume every city in the United States—the distribution of gas is regulated. I am sure it is regulated in Kansas City, Mo., not by the Federal Government, but by the city of Kansas City or by the State of Missouri.

Mr. KEM. Yes. Before the Senator entered the Chamber, I referred to the case brought by the Public Service Commission of Missouri against the Cities Service Co. It is G-141 on the docket of the Public Service Commission. As the result of that case, and after an exhaustive hearing, the sum of $4,446,000 was awarded to the consumers, customers of the Cities Service Co. The company was then required to maintain lower rates in the future. Surely that result alone would justify the contention made by the people of my State and of my city over a long period of time that Federal regulation in the public interest was necessary for their protection.

Mr. JOHNSON of Colorado. The distribution of the gas which is used in the Senator's city of Kansas City is regulated. It is, of course, regulated. It is not regulated by the Federal Government.

Mr. KEM. I just read to the Senator——

Mr. JOHNSON of Colorado. Let me make the point I desire to make. No one is objecting to that. No one is objecting to the regulation of utilities. They all ought to be regulated, and they are regulated. Under the Natural Gas Act of 1938, the pipe lines came under Federal regulation, as they very properly should have, because they were utilities. But the gas at the delivery end, at the gate of the city, was not regulated by the Federal Government; it was regulated by the State or by the city receiving the gas. The gas at the other end of the pipe line, which was gathered and produced by independents, was not regulated under the law, because it was produced by independents. But when the gas got into the pipe line, and reached the distribution end, it was, of course, placed under regulation by the State. It seems to me we are picking out one commodity of all the commodities produced in this great country and attempting to place it under Federal regulation. I can see no consistency in a policy of that kind. To me it does not seem to be at all consistent.

Mr. KEM. Will the Senator permit me to answer that point, before he proceeds?

Mr. JOHNSON of Colorado. Yes; I shall be glad to have the Senator's answer.

Mr. KEM. The Senator has made two points. In the first place, he says I am singling out one commodity. Of course, I am not undertaking to do that. Any other commodity which is sold in a monopoly market——

Mr. JOHNSON of Colorado. What other commodity?

Mr. KEM. I cited one.

Mr. JOHNSON of Colorado. Yes.

Mr. KEM. Electric power.

Mr. JOHNSON of Colorado. Electric power is produced by a regulated utility.

Mr. KEM. Yes; it is subject to regulation, just as I think gas should be subject to regulation.

The other point the Senator made was that, prior to the enactment of the present Natural Gas Act, the price at the gate of Kansas City was regulated by the State commission; that is, by the State commission of Kansas. That is exactly why the people of my State and city thought the Natural Gas Act was necessary. They believed that someone else, representing them as well as the people of Kansas, should have the duty and responsibility of examining into the price at the gate of Kansas City and of saying whether it was a fair price.

Let us now go back a little further. The Senator wants the price charged by the producer in the field to be entirely free from restriction or regulation.

Mr. JOHNSON of Colorado. That is, unless it is produced by a utility.

Mr. KEM. Yes; 80 percent, as I have just shown—I think the Federal Power Commission shows 87½ percent—of all the gas produced in this country is produced by independents, as defined in the Kerr bill. Let us go back beyond the gate. Let us go back to the price in the field, the wholesale price which the producer in the field charges the first pipe line company. The Senator wants no regulation of that price if the gas is sold by an independent. I say it is necessary to regulate it in the public interest, and I say it for the reason that, if the price in the field is raised, then when the pipe line company delivers the gas to Kansas City, Mo., the company will have to have more money for it, and it will go to the Missouri Public Service Commission to say, "We are having to pay more money in the field; therefore we shall have to have higher rates in Kansas City. Here is our tariff. Examine our books." The Missouri Public Service Commission will examine the books. If it finds the price of gas in the field has gone up, it will say, "We are met with a condition, not a theory; we will have to authorize the payment of higher rates in Kansas City."

What I want to do is to have the price in the field examined by a commission representing the public as a whole; that is, by the Federal Power Commission. If, after a careful and fair hearing, the Commission says the price is too high, then I want it reduced. If, after a careful and fair hearing, the Commission says the new price is proper, then I think the Missouri Public Service Commission has no alternative but to approve the higher schedule of rates; and I, for one, would certainly never raise my voice against its doing so. I do not intend to bore the Senator with the experience of my State, but I have always been an advocate of adequate rates for public utilities.

Mr. JOHNSON of Colorado. As I understood the Senator's argument a few moments ago, he contended that the production of lampblack and other by-products of the natural gas industry could still be unregulated even though natural gas was regulated.

Mr. KEM. Exactly.

Mr. JOHNSON of Colorado. Such products could still move freely in interstate commerce with their price based on supply and demand. That was the Senator's contention, was it not?

Mr. KEM. Exactly—in the field—yes.

Mr. JOHNSON of Colorado. That of course creates a rather difficult problem when we understand what the Natural Gas Act of 1938 actually provides. The act undertook to regulate pipe lines owning their own gas reserves

which were dedicated to specific consumers at the time the pipe-line certificate was granted; all being tied together under one control. But the difficulty with the proposal of the Senator is to regulate a part of the independent's production, and not regulate all of it. Take the Canadian River gas field for instance. The Canadian River gas reserve is tied to the pipe line and the delivery of gas to Colorado and Wyoming; but if the Canadian River Gas Co makes lampblack, or anything else, in connection with its operations, and sustains a profit, the gas company could not keep the profit since the 1938 act limits the profit. Therefore it cannot be regulated, in part.

Mr. KEM. I have no difficulty with that, because the problem with which commissions have been dealing for years—and successfully dealing——

Mr. JOHNSON of Colorado. Ah. They cannot——

Mr. KEM. But let me ask the Senator this: Turning the Senator's own argument back, what would happen if the independents were regulated and the affiliated producers in the same field were not regulated?

Mr. JOHNSON of Colorado. I presume the Senator is talking now about the pipe-line companies that own their gas reserve on the one hand and pipe lines who purchase their gas supply from independent producers. Utility protection was requested by the first group. They ask for the right——

Mr. KEM. They are American citizens. They are entitled to be dealt with fairly in accordance with sound legal principle.

Mr. JOHNSON of Colorado. Of course. They are entitled to the protection which the utility act gives them. They ask for it, because the combined pipe line and their own gas reserves are a utility. But the independent gas producer is an American citizen, too, and he has not asked to be controlled.

Mr. KEM. I want them to enjoy equally the aegis of the Constitution.

Mr. JOHNSON of Colorado. If the Senator cannot see any difference between the pipe-line company, owning reserves of its own, which it has pledged and dedicated to deliver through its own pipe line to certain areas, and the production of gas by an independent, of course, I find it difficult to argue with him.

Mr. KEM. The Senator is putting words in my mouth. I did not say I could not see any difference.

Mr. JOHNSON of Colorado. I am saying the Senator, by his answers, indicates that he does not see any difference.

Mr. KEM. The Senator fails to follow my argument. I said I think it will add greatly to confusion in the field, if independent producers can sell at any price they see fit, and if affiliate producers continue under regulation by the Federal Power Commission.

Mr. JOHNSON of Colorado. It is their gas, is it not? Under the free-enterprise system, it is their gas.

Mr. KEM. Let me deal with that briefly. We often hear that argument made. I want to say a few words about it. It is the producer's gas but the gas is not worth anything unless one of two things can be done with it. It can be turned into a commercial product and sold in the market, or it can be sold to a utility, which in turn will transport it to a market. In other words, the gas is worth something because it enjoys the protection of the Constitution of the United States and the American way of life, and our beneficent system of law. I want the gas producers to have the full benefit of that. I do not want them to have any unfair advantage; and they will, in my judgment, have an unfair advantage if they are permitted to avail themselves of a utility market without regulation in the public interest.

Mr. MILLIKIN and Mr. TOBEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield, and if so, to whom?

Mr. KEM. I yield first to the Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. The Senator has probably answered these questions, but I should like to obtain a little better idea of the scope of his philosophy.

Take the case of an electric utility which supplies electric power to the householder. Let us assume that the electricity is made in a steam plant. Does the Senator carry his theory back to the coal which was supplied to make that electric power?

Mr. KEM. I simply invite the Senator's recollection to the long line of decisions in the books which clearly limit the power of the regulatory authority. The Senator will recall that I do not extend my theory to the purchase of coal.

Mr. MILLIKIN. So that the Senator's theory would not go back to the coal.

Mr. KEM. No. It would not go back to lubricating oil, or to the clothing worn by the workers in the plant, or to the food consumed by the workers. Those things have been worked out in the decisions of our courts over a period of 100 years.

Mr. MILLIKIN. How does the Senator reconcile his not going back to the coal producers and going back to the gas producers?

Mr. KEM. I have been over that point twice, previously, but the Senator from Colorado was not present. If I want to buy coal, I can pick up the telephone directory and find any 1 of 50 firms who are actively competing for my trade. The price is fixed as the result of that competition. If I want to buy gas I must go to the gas company which has constructed a line, under public franchise, upon the public street in front of my house. I have only that one source. When I want to buy coal I can depend on the working of a competitive market. When I want to buy gas, I have to have the price regulated by a public-utility commission in the public interest; otherwise I am very likely to be gouged.

Mr. MILLIKIN. Let us take the elements of cost which go into the manufacture of electric power in a steam plant. Those costs can be built up by raising the price of the furnaces and the other machinery in the steam plant. Would the Senator carry his theory to the makers of the machinery in the steam plant?

Mr. KEM. No; and not to the lubricating oil, not to the food consumed by the workers, and not to the clothes they wear. I would continue with the rules which have been established by the American people over a hundred years of experience governing those matters.

Mr. MILLIKIN. Of course, the case cited by the Senator pretty well establishes it so far as the Federal Power Commission is concerned and so far as the Federal Trade Commission is concerned.

Mr. KEM. The Senator misunderstood me. I think that when regulation is decreed by a legislature or by the Congress, it is well enough established. It has been necessary for legislatures and for the Congress to establish jurisdiction, and sometimes the courts, in working out rules, have not always reached a proper and fair result. When that happens, it is proper and in the public interest for the legislature or the Congress, as the case may be, to intervene and set them right. But, generally speaking, I think the body of case law which has been developed by our courts and commissions during the past 100 years is something of which the American people can well be proud.

Mr. MILLIKIN. I suggest to the distinguished Senator that we are now engaged in the process of making or unmaking law, and that is our function.

Mr. KEM. Yes. The Senator was asking me about coal——

Mr. MILLIKIN. The Senator said he would not go back to the lubricating oil or to the clothing worn by the workers. Will he be good enough to reconcile his theory, so far as gas is concerned, with the manufacturer who supplied the machinery for the steam plant, which is the big element of cost?

Mr. KEM. The big element of cost in what?

Mr. MILLIKIN. In making electricity. That is the big capital cost.

Mr. KEM. That is valued.

Mr. MILLIKIN. Of course it is.

Mr. KEM. That is all right. I do not have any difficulty with that. That is one thing the Commission does.

Mr. MILLIKIN. I am suggesting to the Senator that if it is overvalued the Senator would not apply his theory to the case.

Mr. KEM. That is correct. I understood the Senator asked me whether I would say that the Federal Power Commission should undertake to fix the price paid for coal by a public-utility company.

Mr. MILLIKIN. That was my first question.

Mr. KEM. My reply was that so long as the coal was bought in a competitive market I did not think it was necessary for the Commission to fix the price of it in the public interest.

Mr. MILLIKIN. Is it not the Senator's distinction, if it is a distinction?

Mr. KEM. Is it a difference?

Mr. MILLIKIN. It may be a difference without a distinction. I am now asking the Senator why he does not ap-

ply his principle to the man who sells the machinery and builds the plant for the electric company. Let me lay my premise more accurately——

Mr. KEM. I do not think it is necessary to do that in the public interest.

Mr. MILLIKIN. But if the Senator found that the price was so high that it would raise the price of electricity in Missouri, would he apply his theory to the machinery in that case?

Mr. KEM. If there was evidence of collusion between the vendors and the vendees of the machinery, of course, the Commission could look behind the transaction.

Mr. MILLIKIN. Is not that out of the case here?

Mr. KEM. I think the Senator is talking about something which is not involved here. I agree with the Senator.

Mr. MILLIKIN. The element of collusion would permit the Federal Trade Commission to look into the situation.

Mr. KEM. My understanding is that the able Senator from Oklahoma [Mr. KERR] is asking us to remove all restrictions on the sale of gas in interstate commerce by a producer in the field. I quite agree that if it appeared that there were fraud and collusion in the transaction, we have the Clayton Act and other acts which would fit the case. I do not think we need to legislate particularly with reference to collusion. What I think we should legislate against is a perfectly open and above-board transaction involving a price too high to be sustained in the public interest.

Mr. MILLIKIN. Let us assume that the steam plant raises the cost of electricity. How does the Senator distinguish his willingness to go to gas but his unwillingness to go to the manufacturers of the steam plant?

Mr. KEM. I would not have any trouble with that at all. If the owner of the steam plant was improvident in the purchase of machinery, that would be just too bad for him. He is allowed only a fair value for his steam plant. There is nothing revolutionary or unusual about that.

Mr. MILLIKIN. Let us assume, instead of a steam plant, a hydroelectric plant, the principal cost of which would probably be the generators, the cement in the dams, and so forth. Would the Senator carry his theory over to the makers of the generators and the manufacturers of the cement?

Mr. KEM. There are hydroelectric plants in my State which should never have been constructed.

Mr. MILLIKIN. We probably have gas lines which never should have been built. But I suggest that that does not add any argument to the point.

Mr. KEM. I am merely answering the Senator's question. I have told him that I would not allow the investment if it were improvidently made.

Mr. MILLIKIN. Would the Senator feel that the regulatory power should apply to the maker of the cement and the maker of the generators?

Mr. KEM. I think we must deal at arm's length, in good faith. Otherwise, I would not allow their prices.

Mr. MILLIKIN. Would the Senator, under any circumstances, permit the regulatory power to go to the maker of the generators, the cement, and the steam-plant equipment?

Mr. THYE. Mr. President, will the Senator yield, so that I may answer that question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. KEM. In a moment. I should like to say that this is the most searching examination I have had of my knowledge of public utility law since I took the bar examination, but if the Senator is enjoying it, I am perfectly willing to continue.

Mr. MILLIKIN. I am merely saying that I should like to understand the ramifications of the Senator's doctrine in order to determine how far they go.

Mr. KEM. It is not original with me. I invite the Senator's attention to the reports of the Supreme Court and the reports of the highest court in his own State. The principles have been worked out over many years and in many cases, with a wealth of illustration.

Mr. MILLIKIN. I do not like to see the debate transferred from the Senate of the United States to the capitol in Denver.

Mr. KEM. If the Senator wants to search or challenge my further knowledge of those principles, I shall be glad to submit to the examination.

Mr. MILLIKIN. I am not challenging the Senator's knowledge of anything. I am trying to find out the ramifications and implications of his philosophy.

Mr. KEM. My philosophy is predicated squarely on the Constitution of the United States.

Mr. MILLIKIN. I have no doubt about that.

Mr. KEM. Particularly on the fourteenth amendment.

Mr. MILLIKIN. I have no doubt about that.

Mr. KEM. It is predicated on the doctrine, which is as old as the Anglo-American system of law, that a monopoly must be regulated in the public interest.

Mr. MILLIKIN. Let me ask the Senator again whether he would apply his philosophy, or principle, as he has announced it here, to the cement man, the generator man, the turbine man, and the builder of the gas plant.

Mr. KEM. I have been over that.

As I understand, the rule is that purchases made by a public service company must be provident, and they must be carefully made in the open market. If otherwise, they are not accepted for rate-making purposes.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KEM. I do not wish to cut off the able Senator from Colorado.

Mr. THYE. My thoughts run in a somewhat different channel from those of the very able Senator from Colorado, and I wish to propound a question to him, if the Senator from Missouri will yield.

Mr. KEM. I shall be glad to yield for that purpose.

Mr. THYE. If two pipe lines were constructed from a gas field to a State or a municipality, and the price offered by one pipe line was different from the price offered by the other pipe line, competition would be provided in the field of gas supply, and we could be certain that the price of gas would be governed by competition. It would be similar to the situation with respect to coal, which comes into my State on the Great Northern, the Northern Pacific, the Rock Island, and the Milwaukee, as well as by barge line and truck. I know I have competition in the delivery of coal, but I know I have no competition in the delivery of gas, which comes up to my State by pipe line, because there is only one pipe line into my State. The management of the pipe line can control the price and quantity of the gas. That is why I feel I do not have the benefit of competition in the supply of gas, as I have in the supply of electrical equipment, cement, or any other type of manufactured merchandise on which, as a buyer, I may wish to obtain competitive bids. That is why consideration of S. 1498 offers me a different problem than consideration of any other legislation, because there is no competition in some areas so far as the gas supply is concerned. I see the able Senator from Oklahoma in the Chamber. I know that he is ready to answer my question if the able Senator from Colorado does not answer it.

Mr. MILLIKIN. I am not arguing the case either way. I know competition for gas often exists in the field.

Mr. THYE. In the field; yes.

Mr. MILLIKIN. I know that. I know some differences exist, by the very nature of the products, between assembling, moving, and selling gas, on the one hand, and other products, on the other. However, I am still adhering to my original question: I should like to know how far the Senator's doctrine goes. I should like to know what the limitations are. I should like to know why the producer of gas should be subject to regulation, and not the maker of cement, or the builder of the dam, the hydroelectric project, the turbine, or the coal man.

Mr. KEM. The Senator will not find any provision in the Natural Gas Act relating to the fixing of prices on cement, turbines, or anything of that nature. We are dealing with a statute which gives the Federal Power Commission the right to fix the wholesale price of gas in the field.

Mr. MILLIKIN. If he is permitted to do so, the junior Senator from Colorado would like to deal with the philosophy of the distinguished Senator from Missouri, and ascertain how far the Senator from Missouri would extend regulatory powers. He has excluded the lubricating oils. Has he excluded the maker of the dam, the builder of the steam plant, and the producer of coal?

Mr. KEM. If the Senator from Colorado means to suggest that my philosophy may be of interest to the Senate, I shall be very glad to expound it at considerable length. However, it seems to me the Senate is interested in whether or not the Natural Gas Act requires amendment for the public good.

Mr. MILLIKIN. I believe the Senate should be interested also in the ramifications, implications, and precedents of any law which comes before the Senate.

Mr. KEM. I am interested. I find no difficulty in reconciling the provisions of the Natural Gas Act, as passed some 2 years ago, with sound, legal principles, as defined by the Supreme Court of the United States, by the highest court of my State, and, I assume, by the highest court of the State represented by the able Senator.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Pennsylvania.

Mr. MARTIN. If the Senator will permit me, I should like to make an observation.

There is great competition in the field of what we will call heating. There is coal, there is oil, and there is gas. It is about as heavy a competition as there is in any line in America. One of these fuels is regulated by the utility commissions of the various States. There is no regulation of coal and there is no regulation of the price of oil. Oil probably is used now much more for heating than even gas, and coal more than the two combined.

Mr. KEM. I think the Guffey Act regulates the price of coal to some extent; does it not? If I had been a Member of the Senate at the time the Guffey Act was passed, I would have voted against it.

Mr. MARTIN. As I understand, the Guffey Act is not now in effect. I think it has expired.

What I am getting at is that there is a very highly competitive market so far as heating facilities in the United States are concerned. A man uses in his home for heating purposes the facility which is the most economical or the most convenient. But I am wondering why we pick out gas to be regulated by a great central authority and do not pick out coal and oil.

Mr. KEM. I shall be glad to answer the Senator from Pennsylvania by referring again to the illustration I have previously used. If I desire to buy gas I can buy it only from a gas company, which has constructed a line down my street by public authority. If I wish to buy coal, I can pick up the telephone book and buy it in the competitive market, from one of numerous vendors competing for my business.

Mr. MARTIN. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MARTIN. So far as coal is concerned, there are more different types and varieties of coal than of almost any other product. There are hardly any two veins which have the same number of B. t. u.'s per ton, that contain the same amount of sulfur, or materials of that kind. I do not see any reason why, if we regulate gas, we should not regulate the other two.

So far as oil is concerned, there is usually only one pipe line through which oil is transported. I admit that oil pipe lines are common carriers. But there is great competition between the three types of fuel, and in that way the consumer is protected, by what I think is the finest method possible. It is the method which the Almighty himself provided, giving the individual the right to select the type of fuel he desires to use in the heating of his house.

Mr. KEM. If the Senator will permit me, I will say in reply that the people of my city and my State have found, by experience, the hard way, that the regulation which comes from competition, in the case of natural gas, was not sufficient for the protection of their interests, and they finally got the Natural Gas Act. Then the public utilities commission of my State filed a complaint against the Cities Service Co. in Kansas City, and other places. As a result, $4,500,000 was returned to the consumers, and the tariff rates were cut. Those orders were upheld in the courts as being fair and just, and not confiscatory.

It seems to me perfectly obvious that there was not sufficient competition between gas and other fuels to protect the public interest. They needed regulation by public authority. The result amply demonstrates that to be the case.

Mr. MARTIN. Mr. President, will the Senator yield for another question?

Mr. KEM. I yield.

Mr. MARTIN. Does not the Senator realize that a very small part of the cost of gas as it is piped into the customer's home is the price paid for it in the field, and that the large element of cost is the transportation charge?

Mr. KEM. If I may invite the Senator's attention to the cases which have been disposed of by the Federal Power Commission since its organization, I gather from the names of the companies that several of them which operate in the Senator's own State have been defendants before the Federal Power Commission, and restitutions have been made in the public interest.

I see here the name of the Hope Natural Gas Co. I understand that company operates in the Senator's State. Does it not?

Mr. MARTIN. It operates in the State of West Virginia, although part of the gas it produces is transported to Pennsylvania.

Mr. KEM. It is a subsidiary of the Consolidated Gas Co., is it not?

Mr. MARTIN. That is correct.

Mr. KEM. I notice that dockets Nos. 100, 101, 113, and 127, all actions against the Hope Natural Gas Co., resulted in annual reductions of $3,610,000.

I notice another case, docket No. G-600, Penn-York Natural Gas Corp. Does that operate in the Senator's State?

Mr. MARTIN. Penn-York is probably a subsidiary of the Columbia System.

Mr. KEM. I notice that a restitution was made there in the sum of $53,000.

Mr. MARTIN. May I ask what authority made that restitution?

Mr. KEM. Oh, yes; the Federal Power Commission, under the Natural Gas Act which is now being discussed.

Mr. MARTIN. I may say to my distinguished friend from Missouri that the largest return the customers in Pennsylvania receive is from our own public utility commission, which is local, as the Senator knows, confined to the State level, and which understands the situation much better than could a commission in Washington. It is much less expensive to appear before it than before the centralized authority here in the Federal Government.

Mr. KEM. I agree entirely. As I said before, I believe thoroughly in the principles of Thomas Jefferson. I want just as much government to be responsible on the State level as possible. I hope we can send home to the States much of the authority which has been arrogated to themselves by bureaucrats here in Washington. But it seems to me obvious that when gas is produced in one State and sold to consumers in another there must be interstate regulation in the public interest.

One other company whose name appears in the hearings, and I gather from the name it operates in the Senator's great Commonwealth, is the Atlantic Seaboard Corp. Is that correct?

Mr. MARTIN. The names have been changed so much that I am sorry to say I do not remember. Many such companies operate in Pennsylvania. It may be interesting to the Senator to know that we have coming in from other States probably 20 pipe lines 12 inches in diameter and larger; so I cannot remember all of the companies.

Mr. KEM. It seems to me, if the Senator will permit me to mention it, that, great as my respect is for his wealth of experience as a former governor of his State and a public official with a long career of public service in which the Senator may well take pride and satisfaction, with these transmission lines coming into Pennsylvania from the Southwest, I believe the day will soon arrive, if it has not already arrived, when the people of his State will be glad to have a public authority here in Washington to which they may come and have recourse when questions of rates arise.

Mr. MARTIN. Mr. President, I apologize for taking so much time, and I thank my very distinguished friend from Missouri. It is a great pleasure to hear the Senator's discussions of the great legal issues which are at stake in the proposal now pending before the Senate. But I should like to say to my distinguished friend that I observed my first gas well when, as a very small boy, Andy Carnegie conceived the idea that it would be an economic advantage to pipe gas into the city of Pittsburgh in order to make steel with that fuel. I can recall that people in Pennsylvania felt that that gas should not be transported from one county to another, the thought being that industry should be brought to the place where the gas was available. That principle was espoused by the people of West Virginia. I understand that the people of the State of my good friend, the Senator from Oklahoma, have espoused the same idea. For more than 50 years in Pennsylvania I have complained because, as a consumer of gas, I have naturally thought the price of gas to me was too high. But it is an American prerogative, to complain against corporations, or against the one who supplies us with groceries and hardware and everything else.

Yet we have gotten along very well with regulation at the State level, from

the standpoint of the little fellow. He is the man for whom I have always fought. The strength of American economy lies in the small-business man. I want to say to my distinguished friend that if it becomes necessary for the small producers of gas in the Commonwealth of Pennsylvania to come to Washington to make out their case, many of them will sell out to the larger companies, resulting in greater monopolies. That is the thing against which I have been fighting for years, not only as a citizen, but also as a public official.

I thank the Senator from Missouri very much for having yielded so much time to me.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. KEM. I will yield to the Senator from New Hampshire in a moment. I want to say to the Senator from Pennsylvania two things. In the first place, from what I know of the career of Mr. Carnegie, I think he would be against the Natural Gas Act. He would probably have opposed its enactment, and its enforcement. I think he probably would have taken the same view as does the Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, will the Senator speak a little louder when he refers to the Senator from Oklahoma, so he can be heard on this side of the aisle?

Mr. KEM. Yes, Mr. President, I will do so. I said that I thought probably Andrew Carnegie, if he were now alive, would take the same view of the pending bill that the Senator from Oklahoma takes. But I wanted to say further that I thought a great deal of water had run over the dam since Mr. Carnegie's day. The American people have learned much about the regulation of monopoly. I for one do not want to see them take a backward step by passing the pending measure.

Mr. MARTIN. Mr. President, I again apologize. I do not want to speak for what Mr. Carnegie would do if he were alive. Of course, I am very proud of his accomplishments. But he was for monopoly, and I think he would have wanted the regulation to be controlled in Washington, because, with his great wealth, the talent of lawyers and accountants he had at his command, he could readily come here. The little fellows, however, cannot.

Mr. KEM. If the Senator has in mind any instance in which Mr. Carnegie invited regulation of prices by a public authority, I would be glad if he would advise the Senate, and particularly the Senator from Missouri.

Mr. MARTIN. Of course, in his day there was no regulation.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from New Hampshire.

Mr. TOBEY. Perhaps my only justification, Mr. President, for rising to interrupt the debate is the fact that the distinguished Senator from Missouri has been on his feet a long time, and has been most patient and kindly in answering questions, in my judgment, with a great deal of skill.

As a further justification I quote the statement that "A little nonsense now and then is relished by the best of men."

The Senator from Colorado in questioning the Senator from Missouri brought in the great fundamental item of corn, and asked the Senator from Missouri about corn. I wonder if the Senator from Missouri ever heard this story about corn.

The gentleman in the piece is a southern preacher who had served long and faithfully, and perhaps too long, in his parish, and who looked with longing eyes for a new parish. He heard of one that was vacant about 70 miles away. So he hitched up his mule team to his wagon and drove off to the new parish where he hoped he might locate.

When he returned, 4 or 5 days later, his wife greeted him with the question:

"How did you come out, John? Did you get the church?"

"No, I did not."

"Didn't you preach well?"

"I preached so well that I welled them. The tears ran down their faces."

"Then how did you lose your job?"

"Well, the last night I was there they had the annual church supper. I sat at the head of the table, and the deacon who sat next to me said 'Brother, will you have some corn?' and I passed my glass instead of my plate, and I lost that church." [Laughter.]

Mr. DONNELL. Mr. President, will my colleague yield to me?

Mr. KEM. I yield to my distinguished colleague.

Mr. DONNELL. In line with the reference so eloquently made to "corn," may I recall to the Senator's mind a question which was addressed to him some little time ago by the senior Senator from Colorado [Mr. JOHNSON] in endeavoring to point out that there are very few commodities the price of which is regulated. I remember the senior Senator from Colorado mentioned corn, and the Senator from Missouri very properly, of course, responded that it is in a competitive market, and the price is not regulated. The senior Senator from Colorado likewise mentioned coal, to which the Senator from Missouri made an equally apt and appropriate response, in my opinion. Then the senior Senator from Colorado pressed the question as to whether the Senator from Missouri could call to mind any commodity as to which regulation had been in effect, and the Senator from Missouri again, I think very appropriately, mentioned electric power.

I should like at this moment, if I may, to insert into the RECORD this fact. Someone may later rise and say, "The Senator from Missouri did not even then mention a commodity which is regulated, but gave as an example power, which is something in the nature of a service, something intangible." I point out that the Supreme Court of the United States, as I see it, has very distinctly recognized that electric power is property.

In the case of *Ashwander* v. *Valley Authority* (297 U. S. 330), the Court, referring to the electric energy generated at the Wilson Dam said this:

> The Government acquired full title to the dam site, with all riparian rights. The power of falling water was an inevitable incident of the construction of the dam. That water power came into the exclusive control of the Federal Government.

And then comes this very important sentence:

> The mechanical energy was convertible into electric energy, and the water power, the right to convert it into electric energy, and the electric energy thus produced, constitute property belonging to the United States.

Mr. President, with the kind consent of the distinguished junior Senator from Missouri, I wished to place in the RECORD something to show that electric power is property, and that the criticism which might be made by someone of the Senator's answers to the Senator from Colorado—criticism to the effect that the Senator from Missouri had not mentioned a commodity—would be unfounded. I think the Senator from Missouri made an appropriate and a correct response to the senior Senator from Colorado.

Mr. KEM. Mr. President, I appreciate very much having my distinguished colleague draw on his wide knowledge of the reported cases to cite that very apt and appropriate case.

Mr. KERR. Mr. President, will the Senator yield?

Mr. KEM. I must ask the Senator to wait a moment, please; I yield first to the Senator from Colorado [Mr. MILLIKIN], who has been on his feet for sometime, waiting to ask a further question.

Mr. MILLIKIN. Mr. President, let us take the case of electrical energy, which may be made from water or from coal or from oil or perhaps from wood, I suppose, or from gas. I am still trying to find out why we carry the regulation to one, but not to all.

Mr. KEM. Let me say, in the first place, that I think the distinguished Senator from Colorado is 12 years behind the times. I do not recall whether he was a member of this body when the Natural Gas Act was passed; but that question was one which was debated at considerable length, I have no doubt, at the time when the Natural Gas Act was passed. That question was decided then. Therefore, I do not see any reason for us to turn the wheels of time back some 12 years and reexamine the philosophy which underlay the action of the Congress at that time. However, if the Senator from Colorado wishes to do so, I am perfectly willing to discuss it with him.

I think the distinction he makes is wholly without difference. I think the commodities sold in a competitive market do not require regulation, because they are regulated by the force of competition itself. If they are not, we have the Sherman Antitrust Act and the Clayton Act and various other antimonopoly laws of the Federal Government and the State governments upon which we can rely.

On the other hand, when we deal with a commodity which is sold to the ultimate consumer in a monopoly market, we must have regulation, in the public interest.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. Oil that is sold for the generation of electric power in the Diesel-electric process, goes into a monopoly field. The electrical energy that is generated from coal goes into monopoly field. If electrical energy were generated from wood or if electric energy is generated from gas, it goes into a monopoly field. Will the Senator be kind enough to explain to me why the regulatory power should extend to one, but not to the others?

Mr. KEM. The Congress has found it necessary to extend it only to the commodity itself, namely, natural gas. It has not seen fit to explore any of the various bypaths which the ingenuity of the Senator from Colorado has enabled him to suggest. I hope, for my part, that it will not be necessary to regulate any of those bypaths in the public interest. I feel certain that no such legislation is required at the present time.

Mr. MILLIKIN. Mr. President, does the Senator deny that what might be done in connection with natural gas could furnish a precedent for entering similarly into those other fields?

Mr. KEM. I would hope it would not; I do not see how it could. The commodities the Senator has mentioned are sold in a free competitive market, and I see no reason for public regulation to invade those fields.

Mr. MILLIKIN. Mr. President, will the distinguished Senator suffer me to ask one more question?

Mr. KEM. Oh, any number that the Senator's ingenuity may suggest.

Mr. MILLIKIN. Does the Senator suggest that the gas business at the producing level is a monopoly?

Mr. KEM. No; at the consuming level, and that is why it is necessary——

Mr. MILLIKIN. But perhaps the Senator drew a distinction between coal, oil, and gas, because those raw materials related to the ultimate power have varying degrees of competitive quality. Am I correct as to that?

Mr. KEM. Oh, yes; the Senator is quite correct. The Senator understands the English language perfectly.

Mr. MILLIKIN. I am asking the distinguished Senator whether he regards gas at the producing level, not at the monopoly distributing level, as a monopoly.

Mr. KEM. I covered that point in considerable detail. I previously have explained that when the producer in the field wants to manufacture carbon black, that is free enterprise, and he has no regulation. If he wants to bottle his gas under pressure and send it throughout the United States, that is free enterprise, and no regulation is necessary. If he wants to make the gas into a chemical, that is free enterprise, and no regulation is necessary. If he wants to make the gas into a fertilizer, that is free enterprise, and no regulation is necessary. But if he elects to avail himself of the public utility market, then he must submit to regulation in the public interest.

Mr. MILLIKIN. I suggest to the distinguished Senator that if there is any validity in his distinctions as to the competitive quality of the different raw materials, he must base his case on gas on the premise that gas is a monopoly in the field at the producer level.

Mr. KEM. I appreciate the suggestion of the Senator. I think it is wholly beyond the point. I find no restraint upon myself in that respect, in my logical processes.

Mr. MILLIKIN. I suggest to the distinguished Senator that the theory he has just advanced would apply equally to wood or coal or any of similar commodities. He has not made a distinction.

Mr. KEM. Does the Senator want to go over that again?

Mr. MILLIKIN. I have no desire to go over it again.

Mr. KEM. It does not apply to coal, because coal is sold in a competitive market. It does apply to gas, because gas is sold in a restricted or a monopoly market.

In order to make the regulation at the consumer level effective, it is necessary in the public interest to regulate the price at the first sale in the field and at all intermediate sales. In other words, if the price in the field is raised to an unconscionable level, in the absence of regulation, then that unconscionable price is passed all along the line, and results in a higher price to the consumer, at the consumer level.

Mr. MILLIKIN. The same would be true as to coal, would it not?

Mr. KEM. No.

Mr. MILLIKIN. Or as to oil?

Mr. KEM. It would not be true as to either one of them, because they are sold in a free competitive market.

Mr. MILLIKIN. At the raw-material stage?

Mr. KEM. At all levels.

Mr. MILLIKIN. At the raw-material stage?

Mr. KEM. At all levels.

Mr. MILLIKIN. Let us assume that it is at all levels. What is the effectiveness of the Senator's point, as to the producing stage, the raw-material stage, in the case of raw coal or raw oil?

Mr. KEM. What is the effectiveness of my point?

Mr. MILLIKIN. If I must state it this bluntly, what is the Senator's point?

Mr. KEM. Mr. President, in that connection, let me recall a little story which I heard the other day of the late J. Hamilton Lewis. Senator Joe Robinson, of Arkansas, was expounding at great length on some proposition. Senator J. Hamilton Lewis came into the Senate Chamber and interrupted the distinguished Senator from Arkansas. Senator Lewis said: "If the Senator will yield, I should like to say that the Senator has not made himself clear. I do not understand him."

Senator Robinson said: "Well, obviously, I cannot give the Senator understanding."

Senator Lewis replied, "Yes, quite obviously; one cannot give to another what one does not himself possess."

Mr. MILLIKIN. Mr. President, which of the Senators who has been speaking just now does the distinguished Senator from Missouri put in the role of Senator Robinson, and which in the role of Senator Lewis?

Mr. KEM. I wish to say that if I do not have understanding, obviously I cannot give it to the Senator from Colorado.

Mr. MILLIKIN. I am quite sure the distinguished Senator has understanding.

I understood him to say, in effect, that as to the regulation of the raw material which ultimately finds its way, as one or another source of power, into a monopoly market, regulation can be justified more as to one, because there is not a high degree of competitive quality as to that material, rather than as to another, because it has a great degree of competitive quality.

Mr. KEM. As to one?

Mr. MILLIKIN. Coal, wood, gas——

Mr. KEM. I made no such statement. I suggest that, in my judgment, coal does not require regulation, because at all levels it is on a competitive basis. I also said that, if I had been a Member of the Senate when the Guffey Act—which undertook to regulate the price of coal—was passed, I certainly would have voted against it. I see no reason for regulation of coal at any level.

I invite the Senator's attention again to the example I have often repeated, namely, the situation in which I would find myself in my home town if I wanted to buy coal, and the situation in which I would find myself if I wanted to buy gas.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. Once the coal enters into electricity and enters into the monopoly market, it has precisely the same status, so far as regulation is concerned, as does gas which likewise enters into the monopoly market; am I correct?

Mr. KEM. Yes; I would regulate electricity. I agree thoroughly with the existing legislation on that subject. Perhaps more is needed.

Mr. MILLIKIN. The existing legislation, as I understand, does not regulate the coal.

Mr. KEM. No; but it regulates the electricity.

Mr. MILLIKIN. Exactly.

Mr. KEM. The legislature has not found it ncessary to regulate the coal; why? Because the coal is dealt with in a free, competitive market.

Mr. MILLIKIN. But not after it enters into the monopoly distribution end, which is the end which concerns us.

Mr. KEM. Yes; and when it enters into the monopoly end—that is, when it is transformed into electricity—it is regulated in the public interest.

Mr. MILLIKIN. Is the coal regulated in the public interest because it enters into a monopoly field?

Mr. KEM. I do not care to go over that again unless the Senator wants to. If he does, we shall go over it again. Coal is not regulated at any level because it is regulated by competition at each of the levels. I regard further regulation as unnecessary. Have I made myself clear on that?

Mr. MILLIKIN. Yes.

Mr. KEM. Then let us not go back to it.

Mr. MILLIKIN. Let me ask this question, please: Does the Senator claim that

gas at the producing level is not in the competitive area?

Mr. KEM. At the producing level?

Mr. MILLIKIN. Yes; at the producing level.

Mr. KEM. I think it is necessary to regulate so much of the gas at the producing level as is sold in a public-utility market, and that only. I would depend on the forces of free competition to regulate the price otherwise. I should certainly oppose giving the Federal Power Commission authority to regulate any of the details of production in the field, such as the regulation of where wells should be drilled, or how they should be drilled. I would give them no such power. I agree entirely with the Natural Gas Act as construed by the Supreme Court of the United States, which has said in two cases, first, that the Federal Power Commission has the right to regulate the price at which gas is sold in the field, on the first sale—and I refer to the Interstate Gas Co. case—and second, that it has no right to go behind that sale, to regulate any of the details of production. I refer to the Panhandle pipe-line case.

Mr. MILLIKIN. I asked the Senator, at one point in the debate, whether he regarded gas at the producer level, as being within a monopolistic area; and I think my last question was of the same order, whether he regarded gas in competition——

Mr. KEM. The Senator asked whether I regarded gas at the producing level as being within a monopolistic area. I just said to the Senator it could be manufactured into lampblack; it could be bottled and shipped throughout the United States, and used in the manufacture of chemicals. It could be used to manufacture fertilizer. Clearly there is no monopoly there. There is no reason for regulating the price of gas on any occasion, except one, and that is when the producer elects to avail himself of the public-utility market.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. Then why not, when the coal operator elects to avail himself of the same privilege, or the woodchopper elects to avail himself of the same privilege, or the oil man, the same privilege, why should he not be subject to the same regulation?

Mr. KEM. I do not know how the coal producer would get himself into a position where he would have the privilege of a monopoly market. If the Senator knows, I imagine there would be a large number of coal producers who would like to know how to do it, because it would be a very profitable enterprise for them. But if the coal producer does get himself into a position where he has a monopoly market, if Mr. McGrath, the Attorney General, hears about it, he will be right on the job, I feel sure.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. And if it is an intrastate transaction, then the local officials will enforce, or ought to enforce, the antimonopoly laws of the State. The principle is as old as our system of law. When a person gets into a monopoly position, we do one of three things: We forbid him to do any more business, we send him to jail perhaps for a violation of the antimonopoly laws, or we restrict him, or regulate him.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. Therefore, if the producer of gas puts his gas into the channels which ultimately hit a monopoly market, he is subject to regulation, is he not?

Mr. KEM. Yes, from the very first.

Mr. MILLIKIN. Very well. But if the oil producer elects to put his oil into a source of power, which ultimately hits a monopoly market, he is not subject to regulation, is he?

Mr. KEM. No; he goes to jail for violation of the Sherman antitrust law.

Mr. MILLIKIN. If it goes into any other source of power, in one case we have regulation, and in the other, there is no regulation, is that correct?

Mr. KEM. He goes to jail.

Mr. MILLIKIN. He does not go to jail at all.

Mr. KEM. He ought to, if we believe in the antimonopoly laws, and if the laws are properly enforced.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. Let us assume the case of an independent coal producer who has nothing to do with the distribution either of gas or anything that may be made from it, or with electric power that may be made from it, in the ultimate distributing market; he has nothing to do with it. Here is a gas producer, who has nothing to do with the ultimate market. Here is a man who produces some raw material out of which power can be produced, who has nothing to do with the ultimate monopoly market. They are all in the same position, selling the raw material to someone who will turn it into something to be sold in a monopoly market. Under the Senator's theory, he would put them all in jail.

Mr. KEM. Let me say again—and I have been all over it before—that in the case of coal, the coal is sold in a highly competitive market; therefore the Congress has not seen fit to regulate the sale of coal. On the other hand, gas is sold to the ultimate consumer, in a monopolization market; therefore the Congress has seen fit to regulate the sale of gas, from the first sale in the field to the sale to the ultimate consumer.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. I respectfully suggest that there is not the slightest distinction in what the Senator is pointing out. The coal which is sold locally as coal, of course is in a highly competitive market. I can think of no monopoly aspect. But the coal which is sold to generate electricity, which finds its way into a monopoly market, occupies precisely the same position as gas, serving the same function.

Mr. KEM. Does the Senator mean to say that the company generating electric power would not buy its coal to the best advantage?

Mr. MILLIKIN. I think it would buy the gas to the best advantage, also. Of course, I think it would buy coal to the best advantage.

Mr. KEM. I am perfectly willing to assume and admit that the pipe-line company will buy the gas to the best advantage, but it may pay a price that is too high, and I say that the price should be examined, in a public hearing, before a duly constituted agency, at which both the buyer and seller have an opportunity to be represented.

Mr. MILLIKIN. Mr. President, I understand the Senator's position, but I am trying to find out whether it is consistent to apply his position to gas only, and not to oil and other commodities, such as coal.

Mr. KEM. I think it is. I believe it is entirely consistent. As I have said before, if I want to buy gasoline or lubricating oil, there are many companies competing for my business. I can trade around and find out which has the best price, and I can buy to the best advantage, in an open market. If I want to buy gas, I have no such advantage.

Mr. MILLIKIN. Mr. President, I understood the Senator to say a while ago that he did not regard the gas-producing business at the producing level as a monopoly.

Mr. KEM. The Senator is exactly correct. He understands the English language perfectly. I said that the producer in the field had various outlets to which he could sell his gas, and I did not think the regulation of his price was necessary, except on one occasion, and that is, when he elects to avail himself of the public-utility market. Now, if the Senator can state it any more clearly than that, I shall be glad to have him do so.

Mr. MILLIKIN. No, Mr. President, it is a perfectly clear statement. So I will ask the Senator why the same thing should not be equally applicable when the coal man determines that he will put his coal into a power plant, which will put the power into a monopoly market, or a gas man——

Mr. KEM. Of course, coal is only one of the elements which enter into the manufacture of electric power. There are various other things.

Mr. MILLIKIN. Coal and oil.

Mr. KEM. Ostensibly all of them are dealt in in a competitive market.

Mr. MILLIKIN. Yes.

Mr. KEM. If the Senator finds that any of them are not dealt in in a competitive market, I think he ought to do one of two things. He ought to bring his information to the attention of the Department of Justice, or he should ask the Committee on Interstate and Foreign Commerce to report a bill designed to meet the situation.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. The Senator has repeated several times that the gas business is in a competitive area.

Mr. KEM. In a competitive market; yes. I say there is no reason for the sale

of gas in the field to be regulated, except in one instance, when the owner of the gas decides to avail himself of a public-utility market.

Mr. MILLIKIN. Why not the same, as to oil or coal?

Mr. KEM. I do not think it necessary, and Congress has not thought it necessary. If the Senator from Colorado thinks it necessary to put coal on the same basis as gas, I suggest he bring the facts that he knows of to the attention——

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KEM. No; I do not yield until I finish. I suggest he bring the facts he knows of to the attention of the Committee on Interstate and Foreign Commerce, and perhaps they would report a legislative measure. I myself would oppose such legislation, because I think there is no occasion for it.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. The Senator knows very well that I have not suggested bringing either coal, oil, or gas under regulation.

Mr. KEM. No; but it has been suggested in the Congress.

Mr. MILLIKIN. The alternative the Senator suggests is something that is completely out of the range of argument, as the Senator knows.

Mr. KEM. The Senator from Missouri also knows that the Congress has elected to place gas under regulation from the first sale in the field until it reaches the ultimate consumer. He also knows very well, and the Senator from Colorado is merely trying to test my knowledge of the situation, that the Natural Gas Act so provides, and that it has been construed by the Supreme Court of the United States as so providing. I am saying to the Senator, if he thinks similar legislation is necessary in other fields, let the Senator submit the legislation to the Senate, and we will take a look at it.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. MILLIKIN. My purpose is not to advocate the extension of this doctrine. It is to determine whether it should go thus far; and, if it already goes thus far, whether it should be withdrawn; which is the function of the Congress, and which is the debating function of a Senator.

Mr. KEM. Yes; and I think that is exactly what we should discuss here.

Mr. MILLIKIN. Yes.

Mr. KEM. My position is that the existing legislation is sound, that it should not be repealed in whole or in part.

Mr. AIKEN and Mr. KERR addressed the Chair.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Missouri yield, and if so to whom?

Mr. KEM. I yield first to the Senator from Vermont. After that, I shall be glad to yield to the Senator from Oklahoma.

Mr. AIKEN. Is it not true that the nature of coal or oil is completely changed before it comes under regulation as electricity, whereas it is not true of natural gas?

Mr. KEM. Exactly.

Mr. AIKEN. Can the Senator advise me of any commodity or service depending upon the exercise of the right of eminent domain for its distribution which is not regulated?

Mr. KEM. I know of none.

Mr. AIKEN. Would not the exemption of natural gas from regulation be a departure from the well-approved policy of regulating all services and commodities which depend upon the right of eminent domain?

Mr. KEM. I think it would be distinctly a step backward and would be in the face of the experience of the American people for over 100 years.

I now yield to the Senator from Oklahoma.

Mr. KERR. Does the Senator know where the gas, which is consumed in the city of Washington, comes from?

Mr. KEM. Previously it had been manufactured gas. Recently connection has been made with the Columbia Gas system so that natural gas may be utilized. I think that probably it is coming through the lines now. If it is not at the present time, it will be within a short time.

Mr. KERR. Is it not a fact that in Washington at this time much of the gas used is manufactured gas?

Mr. KEM. Yes. Until the line of the Columbia Gas & Electric Co. was constructed, all of the gas consumed in Washington, according to my understanding, was manufactured gas.

Mr. KERR. Is the Senator aware of the fact that in many great cities in the Northeast all the gas used in local households is manufactured gas?

Mr. KEM. Yes. I referred to that previously. Perhaps the Senator was absent from the Chamber, but I said at that time——

Mr. KERR. Let me ask the Senator this question——

Mr. KEM. I should prefer to answer the Senator's question. I stated that until recently many of the cities of the United States had not had the advantage of natural gas, this most convenient of all fuels. I said that recently a large number of new lines had ben constructed to serve Washington and other cities along the eastern seaboard; that the consumers in those cities had at considerable expense to themselves installed new burners and arranged their households so they could avail themselves of the new fuel. I also said I thought after that was done at such great expense to the consumers, it would be a pity for the Congress to pass a bill the sole purpose of which was to enable producers of gas in the field to raise their prices, and that if they were permitted to raise their prices, the prices would necessarily be carried on and be paid by the ultimate consumers.

Mr. KERR. Would the Senator now care to answer the question which I asked him?

Mr. KEM. I thought I was answering the Senator's question.

Mr. KERR. Is the Senator aware of the fact that much of the gas used in the cities of the Northeast is manufactured gas?

Mr. KEM. I thought I had answered that question. I said that condition existed generally until recently; that all of the cities on the eastern seaboard and in the Northeast had not yet been reached by natural gas, but that many of them were currently served with natural gas.

Mr. KERR. Is the Senator aware of the fact that much of the gas now being used in many cities, and all of the gas used in some cities, is manufactured gas?

Mr. KEM. Yes; I think that is a fair statement.

Mr. KERR. Does the Senator know from what that gas is manufactured?

Mr. KEM. I think it is usually manufactured from oil or from water. There are two processes widely used.

Mr. KERR. Is it not also manufactured from coal?

Mr. KEM. Yes, I think so; a lesser quantity, I may say.

Mr. KERR. Then, in that event, virtually all the coal used by the gas company out of which it manufactures the gas it distributes is supplied on the same basis as the raw gas would be in the field; is it not?

Mr. KEM. No; clearly not. In the case of the coal, it is bought by the local gas company in an open, competitive market.

Mr. KERR. Does the manufacturer of gas in Washington buy coal from a local coal company in Washington?

Mr. KEM. If the Senator will be kind enough to permit me to finish my answer, I think it will be illuminating to him. Perhaps not, but, at any rate, I should like that privilege.

The coal is bought in a competitive market. It is unnecessary to regulate the price, because competition does that. It is necessary to regulate the sale of the gas, from the first sale on, because the gas is sold to the consumer in a monopoly market.

Mr. KERR. Is not the gas which is manufactured from the coal or the oil likewise sold in a monopoly market?

Mr. KEM. Of course the Senator can reduce that to an absurdity.

Mr. KERR. Is it an absurdity when a city with a population of a million persons——

Mr. KEM. Many things go into manufactured gas. There are labor, coal, lubricating oil, supervision, medical attention to the workingmen, the food which the workingmen consume—we can go on ad infinitum. Congress soon found it necessary to look into it. All we are considering today is whether it is necessary to regulate the price of gas in the field. Some 12 years ago, after examining all the facts in connection with the matter, Congress decided it was necessary. Then the question rose as to whether Congress had done it, and the Supreme Court was asked to determine, and that Court in, I think, a unanimous decision, in the Interstate Gas Rate case said, "Yes, the Congress has given the Commission authority to regulate the price of gas from the first sale in the field on down the line."

Mr. KERR. The Senator is still aware of the fact that the basic raw material

from which gas is made in a city using manufactured gas is either coal or oil, is he not?

Mr. KEM. No; I do not think that is correct. Water enters into it a large extent.

Mr. KERR. Does the Senator know of a process of burning gas made out of water.

Mr. KEM. It is a breaking-down process. It is called water gas. It has been made for many years.

Mr. KERR. It is a natural competitor with natural gas, then.

Mr. KEM. It is not so good as natural gas. I have referred to natural gas as being incomparable in its field.

Mr. KERR. The Senator said that electricity is another commodity that is regulated.

Mr. KEM. The Senator from Colorado [Mr. MILLIKIN] challenged me to name one, and I named electricity. In the absence of my law books, I do not recall any others, but there are probably others. At one time innkeepers were regarded as having a monopoly. The idea was that when the stagecoach stopped, the inn was the only place for the traveler to put up for the night. The law stepped in and said it was a monopoly which would have to be regulated in the public interest. We do not hear very much about it any more, but it is still a fundamental principle of law. I think the principle is, if the Senator will bear with me, that whenever monopoly exists, regulation in the public interest is necessary. As the Senator well knows, I am saying that as a firm believer in free enterprise.

Mr. KERR. I thank the Senator for drawing my own conclusions. I assumed he would leave me the privilege of doing that. I wonder if he would yield for a question regarding the innkeeper?

Mr. KEM. I do not deny the Senator that privilege at all; but I am a believer in free enterprise, which is amply established by what I have said and done in the Senate since I have been a Member of the Senate. I invite the Senator's attention to numerous roll calls in which that fact is amply demonstrated.

Mr. KERR. That having been stated, will the Senator yield for a question?

Mr. KEM. This is my time, I remind the Senator. I can say what I like, and I shall continue to do so.

Mr. KERR. That is very fine, but if the Senator does not care to yield for a further question——

Mr. KEM. I shall be glad to yield, but I shall answer any questions the Senator puts to me in my own way, in my own words, in my own time, and at such length as I see fit.

Mr. KERR. The Senator from Oklahoma is aware of that fact, and welcomes it.

Mr. KEM. I thought the Senator had some doubt about it, from the way he spoke.

Mr. KERR. If the Senator cares to indulge in personal remarks, that is all right. I shall refrain from replying at this time if I may now ask the Senator a question about the innkeeper.

Mr. KEM. If the Senator wants to indulge in personalities, let the bars go down. I do not care to do it unless the Senator insists on it.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield.

Mr. KERR. The Senator stated that at one time the business of an innkeeper was declared to be a monopoly.

Mr. KEM. Yes.

Mr. KERR. Does that law go back to the farmer who produced the food sold to the innkeeper who sold it to his guests?

Mr. KEM. I do not recall any decision to that effect.

Mr. KERR. With reference to electricity, which the Senator says is a commodity and is regulated, is he aware that thousands of industries and businesses in this country manufacture their own electricity, which is not regulated?

Mr. KEM. Yes; I am perfectly aware of that fact.

Mr. KERR. Is the Senator aware of the fact that the only electricity which is regulated is that which is manufactured by a regulated utility, and that the regulation of the electricity is by reason of the fact that it is a commodity created and sold by a utility which is regulated?

Mr. KEM. I am perfectly willing to admit, if the Senator wants me to, that electricity is regulated.

Mr. KERR. Is it not manufactured and sold by a regulated utility?

Mr. KEM. Yes.

Mr. KERR. The Senator said that the gas user in the city could buy gas from only one source.

Mr. KEM. That is correct.

Mr. KERR. Has he not just said that gas is available in steel containers in the form of butane and propane?

Mr. KEM. That is not the practical, convenient, economical, or economic way for a resident of a town or city which is served by a public utility to buy his gas. It is not a practical way. The only practical way to buy it is from a gas company.

Mr. KERR. Are not millions of farm families in this country using gas in that form?

Mr. KEM. Yes; but I do not know of any person living in a city or town which is served by a public gas utility company who would find it the convenient or practical way of buying gas.

Mr. KERR. Gas is available to him, however, in that form, is it not?

Mr. KEM. I do not believe producers of bottled gas have ever worked that market. I doubt if delivery of bottled gas is available in Kansas City, my home city. The market for bottled gas is in the rural districts.

Mr. KERR. Is it excluded from Kansas City?

Mr. KEM. Oh, no. It is excluded only to the extent that a householder does not find it to be a practical, convenient, economic, or economical way to buy his fuel.

Mr. KERR. Will the Senator yield for a further question?

Mr. KEM. Yes; gladly.

Mr. KERR. I believe the Senator stated that, as he understood the present law, his position was that an independent producer's sale of gas to a carbon black plant, a manufacturing plant, or a chemical plant is not regulated and should not be regulated.

Mr. KEM. In the field, yes. Of course, if the gas is transmitted by a public utility a very nice question arises as to whether sales for industrial purposes should be regulated. There has been a good deal of litigation on the subject, and I think some of it is still pending in the courts.

Mr. KERR. I believe the Senator's position is that such gas sales by an independent producer are in free private enterprise and unregulated.

Mr. KEM. Yes; in the field.

Mr. KERR. Do I understand the Senator's further position to be that any gas sales made in interstate commerce should be regulated?

Mr. KEM. Yes; that is my position. Whenever a gas manufacturer avails himself of a public-utility market, he must submit to regulation.

Mr. KERR. That part of his sales which is made in interstate commerce is regulated?

Mr. KEM. Yes.

Mr. KERR. Is not the Senator aware of the fact that, under the Natural Gas Act, if any part of a producer's operation is regulated, all of it is regulated?

Mr. KEM. What is the question?

Mr. KERR. Is not the Senator aware of the fact that, under the Natural Gas Act, if any part of a producer's operations is regulated, all operations of the producer are regulated?

Mr. KEM. No; I am aware of quite the contrary.

Mr. KERR. Perhaps the Senator has not read the act.

Mr. KEM. I do not need to read the act. I can read the decision of the Supreme Court of the United States in *Federal Power Commission* v. *Panhandle Eastern Pipeline Co., et al.* (337 U. S. 498).

In that case, Mr. Justice Reed, speaking for the Court, stated the question before the Court in the following language:

> Stated broadly, this certiorari brings before us for review a problem involving the scope of the power over the gas reserves of a natural-gas company given to the Federal Power Commission by the Natural Gas Act. Specifically the question to be decided is whether a natural-gas company, subject to the act, may sell the leases covering an estimated 12 percent of its total gas reserves without the approval and contrary to an order of the Commission.

The Supreme Court went on to state that the Federal Power Commission was entirely beyond its authority——

Mr. KERR. I believe that was a case in which a company sold acreage.

Mr. KEM. I decline to yield until I have finished my answer.

In that case the Supreme Court of the United States said that the Federal Power Commission had acted entirely beyond its power—ultra vires, as the lawyers say—in doing what they had done, namely, forbidding the defendant company from disposing of its leases, which it had held as reserves to supply its customers.

Mr. KERR. Mr. President, will the Senator yield?

Mr. KEM. Not quite yet. The Court said this:

Although these sections bear evidence of congressional consideration of the relationship of production properties to other elements of the natural-gas business, they do not, even by implication, suggest to us an extension of the regulatory provisions of the act to cover incidents connected with the production and gathering of gas.

That was at page 506. The Court further said a very interesting thing, at page 517:

The district court found as a fact, and the finding is undisputed by the Commission, that, "It has been the practice in the natural-gas industry for companies to trade freely in gas leases, and the Commission has never heretofore asserted the right to regulate transfers of such leases." Thus for over 10 years the Commission has never claimed the right to regulate dealings in gas acreage. Failure to use such an important power for so long a time indicates to us that the Commission did not believe the power existed. In the light of that history we should not by an extravagant, even if abstractly possible, mode of interpretation push powers granted over transportation and rates so as to include production. If possible all sections of the act must be reconciled so as to produce a symmetrical whole. We cannot attribute to Congress the intent to grant such far-reaching powers as implicit in the act when that body has endeavored to be precise and explicit in defining the limits to the exercise of Federal power.

In other words, Mr. President, that decision shows clearly that the Congress did not entrust to the Federal Power Commission the authority or duty or responsibility to regulate all the phases of the production business, even though the producer were electing to avail himself of the public utility market.

In this particular case, as the Senator from Oklahoma says, the defendant, the Panhandle Eastern Pipeline Co., had conveyed a large block of oil and gas leases, I think all of its holdings, to a subsidiary called the Hugoton Producing Co., and it proposed to distribute the stock of the Hugoton Producing Co., as a stock dividend to the owners of the Panhandle Eastern Pipeline Co. stock.

The Federal Power Commission, I think under delusions of grandeur, forbade the transfer. They thought, as the Senator was suggesting, that they had the power to regulate all incidents of the producing of gas because the defendant was availing itself of the public-utility market. But the Supreme Court said very clearly that that was not so, that the Commission has nothing to do with the producing business, that it has to keep its hands off it. What it can do under the Natural Gas Act is to regulate the price at the first sale by a producer who is electing to avail himself of the public-utility market.

Mr. KERR. Will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. KERR. In the first place, if the Senator will read the decision, he will find that the acreage involved was 12 percent of the holdings of the company, and not all of it. In the second place, he will find that it had to do with the sale of acreage, and not of gas. He will recall that my question to him was whether or not a company could be permitted to sell a part of its gas to an interstate pipe line and the rest of it to local markets, and be regulated as to the sale that was made of the gas in interstate commerce, or which found its way into interstate commerce, and unregulated as to the sale of gas to the local market. I understood the distinguished Senator to say that that could be the case, and that he thought it should be the case.

Mr. KEM. Mr. President, let me thank the Senator from Oklahoma for directing my attention to the fact that only 12 percent of the total gas reserves of the Panhandle Co. were involved in this case. He was quite correct in that——

Mr. KERR. Does not the Senator find that the Senator from Oklahoma was correct also in his statement that what was involved was the sale of acreage, and not the sale of gas?

Mr. KEM. Exactly. I think I said so.

Mr. KERR. The question addressed to the Senator from Missouri was with reference to a company that sold part of its gas to a company in interstate commerce and part of it locally.

Mr. KEM. We have been over that. It depends on the one to whom the sale is made. If it is made to a public-utility market, then it is subject to regulation, under the Natural Gas Act. If it is in interstate commerce, if the sale is not made to a public-utility market, the Federal Power Commission is wholly without power to regulate it.

Mr. KERR. Is not the Senator aware of the fact that if a producer sells any part of his gas in interstate commerce he thereby comes under the regulation of the Federal Power Commission with reference to all the gas he sells, either locally or in interstate commerce?

Mr. KEM. I am not only not aware of that, but I think quite the contrary is true. I give as my authority the Panhandle Eastern Pipe Line Co. case, to which I have just invited the Senator's attention.

Mr. KERR. If the Senator will read that case, he will find that he has made an equal number of errors as to what that case holds as he has with reference to what he can find in the Panhandle Eastern case.

Mr. KEM. Perhaps the Senator would be kind enough to point out the errors.

Mr. KERR. If the Senator will turn to the Natural Gas Act, he will find that it covers the point the Senator from Oklahoma has just made.

Mr. KEM. Which provision?

Mr. KERR. If he will read section 1 (b) he will find that the provisions of this act have three distinct applications.

Mr. KEM. I have it.

Mr. KERR. I perhaps can quote it to the Senator, if he will follow it in the book.

Mr. KEM. The court in the Interstate Gas Co. case dealt with this question.

Mr. KERR. Will the Senator refer back to the provisions of the act itself?

Mr. KEM. I think I would rather get the Interstate Gas Co. case, because that contains the construction placed on it by the Supreme Court of the United States.

Mr. KERR. The Senator from Missouri will find that the construction the Senator from Oklahoma is now making is supported by the Interstate case.

Mr. KEM. Very well. I have it.

Mr. KERR. Was there something the Senator wanted to read from it?

Mr. KEM. No. I am ready to follow the Senator from Oklahoma in his reading.

Mr. KERR. Being in the legislative body, and having to do with legislation, I addressed the question to the Senator about the provisions of the act, and I thought he was going to answer by reading from the Interstate case.

Mr. KEM. Which provision in the act does the Senator want me to read?

Mr. KERR. Section 1 (b).

Mr. KEM. I would hardly call that an inquiry, but I am perfectly willing that the Senator from Oklahoma read anything he may want to read.

Mr. KERR. Does the Senator from Missouri care to have the Senator from Oklahoma quote it to him?

Mr. KEM. I am perfectly will that the Senator from Oklahoma read anything he may want to read.

Mr. KERR. I read:

The provisions of this act shall apply to the transportation—

Does the Senator from Missouri not have a copy of the act?

Mr. KEM. Yes, I have it here. I have it, thank you.

Mr. KERR. I read:

shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale.

Now, if the Senator from Missouri will turn to section 2——

Mr. KEM. The Senator had better continue and finish reading the paragraph.

Mr. KERR. That is the provision, if the Senator cares to know, that makes a company engaged in such sale a natural-gas company under the act, and which specifies that the provisions of the act shall apply to the company.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KEM. No. Let me answer the question. The Senator from Oklahoma has only read a portion of section 1 (b). The language continues:

But shall not apply to any other transaction or sale——

Mr. KERR. I believe the Senator misread it.

Mr. KEM. It reads:

But shall not apply to any other transportation——

Mr. KERR. "Transportation"; not "transaction."

Mr. KEM. I continue the reading:

transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used in such distribution or to the production or gathering of natural gas.

The Court in this case had before it the question whether the Commission could regulate the first sale in the field where the movement was from the wells

to the purchasing companies in interstate commerce, and the court, after citing the section to which the Senator refers, held as follows. and I am now reading from the syllabus:

The Federal Power Commission has jurisdiction under section 1 (b) of the Natural Gas Act to regulate such sale.

Mr. KERR. If the Senator will read the decision he will find two things involved: One, whether or not such a sale made the company which engaged in it subject to the act; and the other question was whether or not such a sale by a company that was under the act could be regulated. Both under the act and the decision of the court to which the able Senator has referred that the provisions of the act apply to a company engaged in such sales. The Senator will find the holding universal in all cases that where a company comes under the provisions of the act with reference to a sale of any part of its gas, it thereby comes under it with reference to the sale of all its gas, which makes it impossible for the situation to exist to which the Senator refers wherein a local producer could sell in part in interstate commerce and in part to local intrastate markets.

Mr. KEM. I assume that is a question. The Senator is concerned about whether or not I am well informed about the meaning of this case.

Mr. KERR. No; the Senator from Oklahoma is not concerned about that. He is entirely satisfied on that point.

Mr. KEM. I should like to say to the Senator that I read the decision soon after it came out in 1946. I have read it more than once, preparing myself for a discussion of this matter on the floor of the Senate. I believe I am reasonably well informed as to what it holds.

Mr. President, so that the Members of the Senate and others who may be interested may know whether or not I have misinformed the Senate as to its conclusions, I shall ask unanimous consent in a few minutes to insert the entire decision in the body of the RECORD.

Mr. KERR. Will the Senator now yield for a further question?

Mr. KEM. I am glad to yield.

Mr. KERR. I believe the Senator, after having referred to the fact that he had walked the gas fields of the Southwest before the junior Senator from Oklahoma came into being——

Mr. KEM. No, the Senator is mistaken as to what I stated. I said I walked those fields before the Senator from Oklahoma became the important figure in the industry which he now is.

Mr. KERR. I thank the Senator for clearing up that point. I believe the Senator from Missouri followed that by stating that the Federal Power Commission had stated that 87½ percent of the gas moving in interstate commerce was furnished by independent producers.

Mr. KEM. Eighty-seven and one-half percent?

Mr. KERR. I believe that is what the Senator said.

Mr. KEM. It is approximately that. I will refer to the——

Mr. KERR. If the Senator will refer to page 206 of the hearings he will find the percentage given by the Federal Power Commission as 61.76.

Mr. KEM. I am aware of that. There was some confusion in the hearings as to that, but we have a report made last year by the Federal Power Commission on that point, and I shall give the Senator the exact figures. I heard the Senator yesterday say to—I think the Senator from Pennsylvania—that the correct figure was 80 percent produced by the independents and 20 percent by the affiliated pipe-line companies.

Mr. KERR. May I refresh the Senator's memory as to what was said about that?

Mr. KEM. Yes.

Mr. KERR. The Senator from Oklahoma said that when the present contracts for the purchase of additional gas are implemented by the completion of the lines which are to be built or are being planned to purchase and use that gas, the independents would be furnishing 80 percent of the gas moving in interstate commerce.

Mr. KEM. I do not recall the Senator making such an elaborate explanation, but the RECORD will show what the Senator said.

Mr. KERR. The Senator would be glad to give this further information to the Senator from Missouri——

Mr. KEM. Just a moment. The Senator has asked me my authority for the statement that independent producers produce approximately 87½ percent of the gas. According to a report compiled by the Federal Power Commission dated April 20, 1949, there is this allocation between the two groups: Interstate pipeline companies and affiliates, 12.80 percent; independent producers 87.20 percent. Total for the seven States, 100 percent.

Mr. KERR. Is that the statement with reference to the sales in a certain group of States?

Mr. KEM. That is the ownership in the seven Southwest States; yes.

Mr. KERR. Then, the Senator was referring to the ownership of proven reserves, and not to the amount of gas being sold in interstate commerce?

Mr. KEM. Yes; I think that is correct. I think the amount of gas currently sold is somewhere between 70 and 80 percent.

Mr. KERR. Would the Senator yield for a point of information?

Mr. KEM. Yes.

Mr. KERR. The independents own 93 percent of all the reserves in the country. That is the correct figure.

Mr. KEM. That is very illuminating information, which I think the Senate should have in considering the pending measure. It is a much higher figure than I have heard suggested.

Mr. KERR. I think the Senate should understand the reason for it, if the Senator from Missouri will let me give it. The reason for it is that the regulated companies have never tried to find any additional gas, in the main, because they have no incentive to do it. If the consuming market is to be dependent upon what the regulated companies find and produce, there will be a great scarcity of this product.

Mr. KEM. I think I said before that I consider it would be extremely ill-advised for the Federal Power Commission to undertake to regulate the incidents or details of the production of gas. It is a mining industry. It is a highly speculative industry. It requires a high degree of skill and judgment and know-how. Just so surely as the Federal Power Commission or any other regulative body were to attempt to move in and regulate the details of that production, the industry, in my judgment, would become less efficient, and would not serve the public as well as it is now served.

I would look with grave apprehension upon the extension of the concept of public regulation any further into the details of the operation of the producer than has already been done by the existing law. Existing law has said that it is necessary, in the public interest, to regulate the first sale, and I think——

Mr. KERR. Will the Senator show me that provision of the law?

Mr. KEM. I think it is necessary in the public interest to regulate the first sale.

Mr. KERR. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. KERR. The Senator from Oklahoma hands the Senator from Missouri a copy of the Natural Gas Act and asks him to point to that provision in it.

Mr. KEM. I have a copy.

Mr. KERR. Then, will the Senator from Missouri show the Senate that provision in it which says that in the public interest it is necessary to regulate the initial phase, the first sale to the purchaser?

Mr. DONNELL. Mr. President, I make the point of order which was made twice on yesterday against the Senator from Oklahoma. Under the rules of the Senate, Senators are supposed to be at their seats when they speak.

The PRESIDING OFFICER (Mr. ANDERSON in the chair). The Chair thinks the Senator from Oklahoma so understands. The Senator from Missouri will proceed.

Mr. KEM. Mr. President, I appreciate the gesture by the Senator from Oklahoma in making a copy of the Natural Gas Act available to me. I think the Senator must have known that I have one in my desk, and that it was unnecessary for him to make the trip across the floor. But at any rate for his information from now on, I may tell him that I have the Natural Gas Act here. I have the reports of the Supreme Court of the United States in the Interstate Gas Co. case and also in the Panhandle Gas Co. case.

Mr. KERR. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. KEM. Mr. President, first let me say that I consider that I do not know so much about it as does the Senator from Oklahoma, but I am reasonably well informed as to the provisions of that statute and the two decisions interpreting it.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. KEM. I am glad to yield.

Mr. KERR. Will the Senator from Missouri show the Senator from Oklahoma the provision of the act which says that in the public interest it is necessary to regulate the initial sale of gas by the producer?

Mr. KEM. Yes. Previously I put the interstate gas company case in the RECORD.

Mr. JOHNSON of Texas. Mr. President, if the Senator will yield at this point, to permit me to propound a unanimous-consent request for an insertion in the RECORD, I should like to ask to have inserted in the RECORD the Panhandle case, the most recent decision on this subject by the Supreme Court, some 2 years later than the Interstate case.

Mr. KEM. Yes; I yield for that purpose. I thank the Senator for that suggestion. I think both cases should go into the RECORD, and I think perhaps it would be illuminating to the reader if at the same time we put the Natural Gas Act into the RECORD.

Mr. President, in order that the record may be clear, let me say that I take it that pursuant to the requests which have just been made, there will be inserted in the RECORD, first, the Natural Gas Act; second, the decision of the Supreme Court in the Interstate Gas Company case; and, third, the decision of the Supreme Court in the Panhandle Eastern Pipe Line Co. case.

The PRESIDING OFFICER. The Chair does not understand that the order just stated by the Senator from Missouri is the order in which those matters were originally submitted for the RECORD. Does the Senator now request that they be inserted in the RECORD in the order in which he has just listed them?

Mr. KEM. I do.

The PRESIDING OFFICER. Is there objection?

There being no objection, the act and the decisions were ordered to be printed in the RECORD, as follows:

[Public, No. 688—75th Cong.]

[Ch. 556—3d sess.]

H. R. 6586

An act to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes

Be it enacted, etc.—

NECESSITY FOR REGULATION OF NATURAL-GAS COMPANIES

SECTION 1. (a) As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (70th Cong., 1st sess.) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

SEC. 2. When used in this act, unless the context otherwise requires—

(1) "Person" includes an individual or a corporation.

(2) "Corporation" includes any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, receiver or receivers, trustee or trustees of any of the foregoing, but shall not include municipalities as hereinafter defined.

(3) "Municipality" means a city, county, or other political subdivision or agency of a State.

(4) "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States.

(5) "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.

(6) "Natural-gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.

(7) Interstate commerce means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, but only insofar as such commerce takes place within the United States.

(8) State commission means the regulatory body of the State or municipality having jurisdiction to regulate rates and charges for the sale of natural gas to consumers within the State or municipality.

(9) Commission and Commissioner means the Federal Power Commission, and a member thereof, respectively.

EXPORTATION OR IMPORTATION OF NATURAL GAS

SEC. 3. After 6 months from the date on which this act takes effect no person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the Commission authorizing it to do so. The Commission shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest. The Commission may by its order grant such application, in whole or in part, with such modification and upon such terms and conditions as the Commission may find necessary or appropriate, and may from time to time, after opportunity for hearing, and for good cause shown, make such supplemental order in the premises as it may find necessary or appropriate.

RATES AND CHARGES; SCHEDULES; SUSPENSION OF NEW RATES

SEC. 4. (a) All rates and charges made, demanded, or received by any natural-gas company for or in connection with the transportation or sale of natural gas subject to the jurisdiction of the Commission, and all rules and regulations affecting or pertaining to such rates or charges, shall be just and reasonable, and any such rate or charge that is not just and reasonable is hereby declared to be unlawful.

(b) No natural-gas company shall, with respect to any transportation or sale of natural gas subject to the jurisdiction of the Commission, (1) make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, or (2) maintain any unreasonable difference in rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service.

(c) Under such rules and regulations as the Commission may prescribe, every natural-gas company shall file with the Commission, within such time (not less than 60 days from the date this act takes effect) and in such form as the Commission may designate, and shall keep open in convenient form and place for public inspection, schedules showing all rates and charges for any transportation or sale subject to the jurisdiction of the Commission, and the classifications, practices, and regulations affecting such rates and charges, together with all contracts which in any manner affect or relate to such rates, charges, classifications, and services.

(d) Unless the Commission otherwise orders, no change shall be made by any natural-gas company in any such rate, charge, classification, or service, or in any rule, regulation, or contract relating thereto, except after 30 days' notice to the Commission and to the public. Such notice shall be given by filing with the Commission and keeping open for public inspection new schedules stating plainly the change or changes to be made in the schedule or schedules then in force and the time when the change or changes will go into effect. The Commission, for good cause shown, may allow changes to take effect without requiring the 30 days' notice herein provided for by an order specifying the changes so to be made and the time when they shall take effect and the manner in which they shall be filed and published.

(e) Whenever any such new schedule is filed the Commission shall have authority, either upon complaint of any State, municipality, or State commission, or upon its own initiative without complaint, at once, and if it so orders, without answer or formal pleading by the natural-gas company, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, charge, classification, or service; and, pending such hearing and the decision thereon, the Commission, upon filing with such schedules and delivering to the natural-gas company affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such schedules and defer the use of such rate, charge, classification, or service but not for a longer period than 5 months beyond the time when it would otherwise go into effect: *Provided*, That the Commission shall not have authority to suspend the rate, charge, classification, or service for the sale of natural gas for resale for industrial use only; and after full hearings, either completed before or after the rate, charge, classification, or service goes into effect, the Commission may make such orders with reference thereto as would be proper in a proceeding initiated after it had become effective. If the proceeding has not been concluded and an order made at the expiration of the suspension period, on motion of the natural-gas company making the filing, the proposed change of rate, charge, classification, or service shall go into effect. Where increased rates or charges are thus made effective, the Commission may, by order, require the natural-gas company to furnish a bond, to be approved by the Commission, to refund any amounts ordered by the Commission, to keep accurate accounts in detail of all amounts received by reason of such increase, specifying by whom and in whose behalf such amounts were paid, and, upon completion of the hearing and decision, to order such natural-gas company to refund, with interest, the portion of such increased rates or charges by its decision found not justified. At any hearing involving a rate or charge sought to be increased, the burden of proof to show that the increased rate or charge is just and reasonable shall be upon the natural-gas company, and the Commission shall give to the hearing and decision of such questions preference over other questions pending before it and decide the same as speedily as possible.

FIXING RATES AND CHARGES; DETERMINATION OF COST OF PRODUCTION OR TRANSPORTATION

SEC. 5. (a) Whenever the Commission, after a hearing had upon its own motion or upon complaint of any State, municipality, State commission, or gas distributing company, shall find that any rate, charge, or

classification demanded, observed, charged, or collected by any natural-gas company in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, or that any rule, regulation, practice, or contract affecting such rate, charge, or classification is unjust, unreasonable, unduly discriminatory, or preferential, the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order: *Provided, however,* That the Commission shall have no power to order any increase in any rate contained in the currently effective schedule of such natural-gas company on file with the Commission, unless such increase is in accordance with a new schedule filed by such natural-gas company; but the Commission may order a decrease where existing rates are unjust, unduly discriminatory, preferential, otherwise unlawful, or are not the lowest reasonable rates.

(b) The Commission upon its own motion, or upon the request of any State commission, whenever it can do so without prejudice to the efficient and proper conduct of its affairs, may investigate and determine the cost of the production or transportation of natural gas by a natural-gas company in cases where the Commission has no authority to establish a rate governing the transportation or sale of such natural gas.

ASCERTAINMENT OF COST OF PROPERTY

SEC. 6. (a) The Commission may investigate and ascertain the actual legitimate cost of the property of every natural-gas company, the depreciation therein, and, when found necessary for rate-making purposes, other facts which bear on the determination of such cost or depreciation and the fair value of such property.

(b) Every natural-gas company upon request shall file with the Commission an inventory of all or any part of its property and a statement of the original cost thereof, and shall keep the Commission informed regarding the cost of all additions, betterments, extensions, and new construction.

EXTENSION OF FACILITIES—ABANDONMENT OF SERVICE

SEC. 7. (a) Whenever the Commission, after notice and opportunity for hearing, finds such action necessary or desirable in the public interest, it may by order direct a natural-gas company to extend or improve its transportation facilities, to establish physical connection of its transportation facilities with the facilities of, and sell natural gas to, any person or municipality engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public, and for such purpose to extend its transportation facilities to communities immediately adjacent to such facilities or to territory served by such natural-gas company, if the Commission finds that no undue burden will be placed upon such natural-gas company thereby: *Provided,* That the Commission shall have no authority to compel the enlargement of transportation facilities for such purposes, or to compel such natural-gas company to establish physical connection or sell natural gas when to do so would impair its ability to render adequate service to its customers.

(b) No natural-gas company shall abandon all or any portion of its facilities subject to the jurisdiction of the Commission, or any service rendered by means of such facilities, without the permission and approval of the Commission first had and obtained, after due hearing, and a finding by the Commission that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the present or future public convenience or necessity permit such abandonment.

(c) No natural-gas company shall undertake the construction or extension of any facilities for the transportation of natural gas to a market in which natural gas is already being served by another natural-gas company, or acquire or operate any such facilities or extensions thereof, or engage in transportation by means of any new or additional facilities, or sell natural gas in any such market, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity require or will require such new construction or operation of any such facilities or extensions thereof: *Provided, however,* That a natural-gas company already serving a market may enlarge or extend its facilities for the purpose of supplying increased market demands in the territory in which it operates. Whenever any natural-gas company shall make application for a certificate of convenience and necessity under the provisions of this subsection, the Commission shall set the matter for hearing and shall give such reasonable notice of the hearing thereon to all interested persons as in its judgment may be necessary under rules and regulations to be prescribed by the Commission. In passing on applications for certificates of convenience and necessity, the Commission shall give due consideration to the applicant's ability to render and maintain adequate service at rates lower than those prevailing in the territory to be served, it being the intention of Congress that natural gas shall be sold in interstate commerce for resale for ultimate public consumption for domestic, commercial, industrial, or any other use at the lowest possible reasonable rate consistent with the maintenance of adequate service in the public interest.

ACCOUNTS, RECORDS, AND MEMORANDA

SEC. 8. (a) Every natural-gas company shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for purposes of the administration of this act: *Provided, however,* That nothing in this act shall relieve any such natural-gas company from keeping any accounts, memoranda, or records which such natural-gas company may be required to keep by or under authority of the laws of any State. The Commission may prescribe a system of accounts to be kept by such natural-gas companies, and may classify such natural-gas companies and prescribe a system of accounts for each class. The Commission, after notice and opportunity for hearing, may determine by order the accounts in which particular outlays or receipts shall be entered, charged, or credited. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry, and the Commission may suspend a charge or credit pending submission of satisfactory proof in support thereof.

(b) The Commission shall at all times have access to and the right to inspect and examine all accounts, records, and memoranda of natural-gas companies; and it shall be the duty of such natural-gas companies to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda when requested so to do. No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books, records, data, or accounts, except insofar as he may be directed by the Commission or by a court.

(c) The books, accounts, memoranda, and records of any person who controls directly or indirectly a natural-gas company subject to the jurisdiction of the Commission and of any other company controlled by such person, insofar as they relate to transactions with or the business of such natural-gas company, shall be subject to examination on the order of the Commission.

RATES OF DEPRECIATION

SEC. 9. (a) The Commission may, after hearing, require natural-gas companies to carry proper and adequate depreciation and amortization accounts in accordance with such rules, regulations, and forms of account as the Commission may prescribe. The Commission may from time to time ascertain and determine, and by order fix, the proper and adequate rates of depreciation and amortization of the several classes of property of each natural-gas company used or useful in the production, transportation, or sale of natural gas. Each natural-gas company shall conform its depreciation and amortization accounts to the rates so ascertained, determined, and fixed. No natural-gas company subject to the jurisdiction of the Commission shall charge to operating expenses any depreciation or amortization charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a percentage of depreciation or amortization other than that prescribed therefor by the Commission. No such natural-gas company shall in any case include in any form under its operating or other expenses any depreciation, amortization, or other charge or expenditure included elsewhere as a depreciation or amortization charge or otherwise under its operating or other expenses. Nothing in this section shall limit the power of a State commission to determine in the exercise of its jurisdiction, with respect to any natural-gas company, the percentage rates of depreciation or amortization to be allowed, as to any class of property of such natural-gas company, or the composite depreciation or amortization rate, for the purpose of determining rates or charges.

(b) The Commission, before prescribing any rules or requirements as to accounts, records, or memoranda, or as to depreciation or amortization rates, shall notify each State commission having jurisdiction with respect to any natural-gas company involved and shall give reasonable opportunity to each such commission to present its views and shall receive and consider such views and recommendations.

PERIODIC AND SPECIAL REPORTS

SEC. 10. (a) Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, cost of facilities, cost of maintenance and operation of facilities for the production, transportation, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas. The Commission may require any such natural-gas company to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.

(b) It shall be unlawful for any natural-gas company willfully to hinder, delay, or obstruct the making, filing, or keeping of any information, document, report, memorandum, record, or account, required to be made, filed or kept under this act or any rule, regulation, or order thereunder.

STATE COMPACTS; REPORTS ON

SEC. 11. (a) In case two or more States propose to the Congress compacts dealing with the conservation, production, transportation, or distribution of natural gas it shall be the duty of the Commission to assemble pertinent information relative to the matters covered in any such proposed compact, to make public and to report to the Congress information so obtained, together with such recommendations for further legislation as may appear to be appropriate or necessary to carry out the purposes of such proposed compact and to aid in the conservation of natural-gas resources within the United States and in the orderly, equitable, and economic production, transportation, and distribution of natural gas.

(b) It shall be the duty of the Commission to assemble and keep current pertinent information relative to the effect and operation of any compact between two or more States heretofore or hereafter approved by the Congress, to make such information public, and to report to the Congress, from time to time, the information so obtained, together with such recommendations as may appear to be appropriate or necessary to promote the purposes of such compact.

(c) In carrying out the purposes of this act, the Commission shall, so far as practicable, avail itself of the services, records, reports, and information of the executive departments and other agencies of the Government, and the President may, from time to time, direct that such services and facilities be made available to the Commission.

OFFICIALS DEALING IN SECURITIES

SEC. 12. It shall be unlawful for any officer or director of any natural-gas company to receive for his own benefit, directly or indirectly, any money or thing of value in respect to the negotiations, hypothecation, or sale by such natural-gas company of any security issued, or to be issued, by such natural-gas company, or to share in any of the proceeds thereof, or to participate in the making or paying of any dividends, other than liquidating dividends, of such natural-gas company from any funds properly included in capital account.

COMPLAINTS

SEC. 13. Any State, municipality, or State commission complaining of anything done or omitted to be done by any natural-gas company in contravention of the provisions of this act may apply to the Commission by petition, which shall briefly state the facts, whereupon a statement of the complaint thus made shall be forwarded by the Commission to such natural-gas company, which shall be called upon to satisfy the complaint or to the answer the same in writing within a reasonable time to be specified by the Commission.

INVESTIGATIONS BY COMMISSION; ATTENDANCE OF WITNESSES; DEPOSITIONS

SEC. 14. (a) The Commission may investigate any facts, conditions, practices, or matters which it may find necessary or proper in order to determine whether any person has violated or is about to violate any provision of this act or any rule, regulation, or order thereunder, or to aid in the enforcement of the provisions of this act or in prescribing rules or regulations thereunder, or in obtaining information to serve as a basis for recommening further legislation to the Congress. The Commission may permit any person to file with it a statement in writing, under oath or otherwise, as it shall determine, as to any or all facts and circumstances concerning a matter which may be the subject of investigation. The Commission, in its discretion, may publish in the manner authorized by section 312 of the Federal Power Act, and make available to State commissions and municipalities, information concerning any such matter.

(b) The Commission may, after hearing, determine the adequacy or inadequacy of the gas reserves held or controlled by any natural-gas company, or by anyone on its behalf, including its owned or leased properties or royalty contracts; and may also, after hearing, determine the propriety and reasonableness of the inclusion in operating expenses, capital, or surplus of all delay rentals or other forms of rental or compensation for unoperated lands and leases. For the purpose of such determinations, the Commission may require any natural-gas company to file with the Commission true copies of all its lease and royalty agreements with respect to such gas reserves.

(c) For the purpose of any investigation or any other proceeding under this act, any member of the Commission, or any officer designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records which the Commission finds relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or at any designated place of hearing. Witnesses summoned by the Commission to appear before it shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, and other records. Such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found or may be doing business. Any person who willfully shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in his or its power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year, or both.

(e) The testimony of any witness may be taken at the instance of a party, in any proceeding or investigation pending before the Commission, by deposition at any time after the proceeding is at issue. The Commission may also order testimony to be taken by deposition in any proceeding or investigation pending before it at any stage of such proceeding or investigation. Such depositions may be taken before any person authorized to administer oaths not being of counsel or attorney to either of the parties, nor interested in the proceeding or investigation. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, as either may be nearest, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce documentary evidence, in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the Commission, as hereinbefore provided. Such testimony shall be reduced to writing by the person taking deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent.

(f) If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken before an officer or person designated by the Commission, or agreed upon by the parties by stipulation in writing to be filed with the Commission. All depositions must be promptly filed with the Commission.

(g) Witnesses whose depositions are taken as authorized in this act, and the person or officer taking the same, shall be entitled to the same fees as are paid for like services in the courts of the United States.

(h) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, contracts, agreements, or other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

HEARINGS; RULES OF PROCEDURE

SEC. 15. (a) Hearings under this act may be held before the Commission, any member or members thereof, or any representative of the Commission designated by it, and appropriate records thereof shall be kept. In any proceeding before it the Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State commission, municipality, or any representative of interested consumers or security holders, or any competitor of a party to such proceeding, or any other person whose participation in the proceeding may be in the public interest.

(b) All hearings, investigations, and proceedings under this act shall be governed by rules of practice and procedure to be adopted by the Commission, and in the conduct thereof the technical rules of evidence need not be applied. No informality in any hearing, investigation, or proceeding or in the manner of taking testimony shall invalidate any order, decision, rule, or regulation issued under the authority of this act.

ADMINISTRATIVE POWERS OF COMMISSION; RULES, REGULATIONS, AND ORDERS

SEC. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be

filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective 30 days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

USE OF JOINT BOARDS; COOPERATION WITH STATE COMMISSIONS

SEC. 17. (a) The Commission may refer any matter arising in the administration of this act to a board to be composed of a member or members, as determined by the Commission, from the State or each of the States affected or to be affected by such matter. Any such board shall be vested with the same power and be subject to the same duties and liabilities as in the case of a member of the Commission when designated by the Commission to hold any hearings. The action of such board shall have such force and effect and its proceedings shall be conducted in such manner as the Commission shall by regulations prescribe. The board shall be appointed by the Commission from persons nominated by the State commission of each State affected, or by the Governor of such State if there is no State commission. Each State affected shall be entitled to the same number of representatives on the board unless the nominating power of such State waives such right. The Commission shall have discretion to reject the nominee from any State, but shall thereupon invite a new nomination from that State. The members of a board shall receive such allowances for expenses as the Commission shall provide. The Commission may, when in its discretion sufficient reason exists therefor, revoke any reference to such a board.

(b) The Commission may confer with any State commission regarding rate structures, costs, accounts, charges, practices, classifications, and regulations of natural-gas companies; and the Commission is authorized, under such rules and regulations as it shall prescribe, to hold joint hearings with any State commission in connection with any matter with respect to which the Commission is authorized to act. The Commission is authorized in the administration of this act to avail itself of such cooperation, services, records, and facilities as may be afforded by any State commission.

(c) The Commission shall make available to the several State commissions such information and reports as may be of assistance in State regulation of natural-gas companies. Whenever the Commission can do so without prejudice to the efficient and proper conduct of its affairs, it may, upon request from a State commission, make available to such State commission as witnesses any of its trained rate, valuation, or other experts, subject to reimbursement of the compensation and traveling expenses of such witnesses. All sums collected hereunder shall be credited to the appropriation from which the amounts were expended in carrying out the provisions of this subsection.

APPOINTMENT OF OFFICERS AND EMPLOYEES

SEC. 18. The Commission is authorized to appoint and fix the compensation of such officers, attorneys, examiners, and experts as may be necessary for the carrying out its functions under this act, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States; and the Commission may, subject to civil-service laws, appoint such other officers and employees as are necessary for carrying out such functions and fix their salaries in accordance with the Classification Act of 1923, as amended.

REHEARINGS; COURT REVIEW OF ORDERS

SEC. 19. (a) Any person, State, municipality, or State commission aggrieved by an order issued by the Commission in a proceeding under this act to which such person, State, municipality, or State commission is a party may apply for a rehearing within 30 days after the issuance of such order. The application for rehearing shall set forth specifically the ground or grounds upon which such application is based. Upon such application the Commission shall have power to grant or deny rehearing or to abrogate or modify its order without further hearing. Unless the Commission acts upon the application for rehearing within 30 days after it is filed, such application may be deemed to have been denied. No proceeding to review any order of the Commission shall be brought by any person unless such person shall have made application to the Commission for a rehearing thereon.

(b) Any party to a proceeding under this act aggrieved by an order issued by the Commission in such proceeding may obtain a review of such order in the circuit court of appeals of the United States for any circuit wherein the natural-gas company to which the order relates is located or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days after the order of the Commission upon the application for rehearing, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon any member of the Commission and thereupon the Commission shall certify and file with the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission in the application for rehearing unless there is reasonable ground for failure so to do. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings, which if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

(c) The filing of an application for rehearing under subsection (a) shall not, unless specifically ordered by the Commission, operate as a stay of the Commission's order. The commencement of proceedings under subsection (b) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

ENFORCEMENT OF ACT; REGULATIONS AND ORDERS

SEC. 20. (a) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this act, or of any rule, regulation, or order thereunder, it may in its discretion bring an action in the proper district court of the United States, the District Court of the United States for the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices and to enforce compliance with this act or any rule, regulation, or order thereunder, and upon a proper showing a permanent or temporary injunction or decree or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices or concerning apparent violations of the Federal antitrust laws to the Attorney General, who, in his discretion, may institute the necessary criminal proceedings.

(b) Upon application of the Commission the district courts of the United States, the District Court of the United States for the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this act or any rule, regulation, or order of the Commission thereunder.

(c) The Commission may employ such attorneys as it finds necessary for proper legal aid and service of the Commission or its members in the conduct of their work, or for proper representation of the public interest in investigations made by it, or cases or proceedings pending before it, whether at the Commission's own instance or upon complaint, or to appear for or represent the Commission in any case in court; and the expenses of such employment shall be paid out of the appropriation for the Commission.

GENERAL PENALTIES

SEC. 21. (a) Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing in this act prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this act required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished by a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both.

(b) Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding $500 for each and every day during which such offense occurs.

JURISDICTION OF OFFENSES; ENFORCEMENT OF LIABILITIES AND DUTIES

SEC. 22. The District Courts of the United States, the District Court of the United States for the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have exclusive jurisdiction of violations of this act or the rules, regulations, and orders thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, or order thereunder. Any criminal proceeding shall be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, or order thereunder may be brought in any such district or in the district wherein the defendant is an inhabitant, and process in such cases

may be served wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 225 and 347). No costs shall be assessed against the Commission in any judicial proceeding by or against the Commission under this act.

SEPARABILITY OF PROVISIONS

SEC. 23. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 24. This act may be cited as the "Natural Gas Act."

Approved, June 21, 1938.

INTERSTATE NATURAL GAS CO., INC. v. FEDERAL POWER COMMISSION ET AL.—CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE FIFTH CIRCUIT

(No. 733. Argued May 2, 1947.—Decided June 16, 1947)

A natural-gas company subject to the Natural Gas Act of 1938 (52 Stat. 821), produces some gas and purchases some gas, which it mingles and conducts through a system of field, branch, and main lines (all within a single State) into its main trunk line, whence it is sold to interstate pipe-line companies for transportation, resale, and ultimate consumption in other States. The entire movement from the wells to the purchasing companies, through their compression pumps and across the State lines is a continuous process without interruption for storage, processing, or any other purpose.

Held: The Federal Power Commission has jurisdiction under section 1 (b) of the Natural Gas Act to regulate such sales.

(a) Such sales are in interstate commerce within the meaning of section 1 (b) of the Natural Gas Act.

(b) They are not within the clause of section 1 (b) which excepts the production or gathering of natural gas from the Commission's regulatory jurisdiction (156 F. 2d 949) affirmed.

The Federal Power Commission issued an order under section 5 (a) of the Natural Gas Act of 1938 (52 Stat. 821), requiring petitioner to effect substantial rate reductions in certain of its sales of natural gas and to file new schedules of rates and charges (3 FPC 416). The circuit court of appeals denied a review (156 F. 2d 949). This court granted certiorari limited to the question of the Commission's jurisdiction (330 U. S. 852). Affirmed.

William A. Dougherty argued the cause for petitioner. With him on the brief were Henry P. Dart, Jr., and James Lawrence White.

By special leave of Court, James D. Smullen, Assistant Attorney General, argued the cause for the State of Texas et al., as amici curiae, urging reversal. With him on the brief was Price Daniel, attorney general.

Charles E. McGee argued the cause for the Federal Power Commission, respondent. With him on the brief were Acting Solicitor General Washington and Louis W. McKernan.

Briefs of amici curiae were filed in support of petitioners by Mac Q. Williamson, attorney general, for the State of Oklahoma; and Donald C. McCreery, Wesley E. Disney, Charles I. Francis, Russell B. Brown, L. Dan Jones, Forrest M. Darrough, Hiram M. Dow, Walace Hawkins, Harold L. Kennedy, L. G. Owen, and William Henry Rector for the Independent Natural Gas Association of America et al.

Mr. Chief Justice Vinson delivered the opinion of the Court.

This case originated in proceedings before the Federal Power Commission initiated pursuant to section 5 (a) of the Natural Gas Act of 1938.[1] After overruling objections to its jurisdiction, the Commission entered an order requiring the petitioner to effect substantial rate reductions in certain of its sales of natural gas and to file new schedules of rates and charges.[2] Petitioner, in seeking review of the order in the Circuit Court of Appeals, denied the jurisdiction of the Commission to set rates for the sales in issue in this case and asserted that the rates so established were confiscatory. That court, one judge dissenting, denied the petition for review.[3] We granted certiorari limited to the question of the Commission's jurisdiction.

Petitioner owns and operates 110 natural-gas wells and owns or controls over 56,000 acres in the Monroe field of northern Louisiana. Petitioner's main pipe line transports gas southward from the Monroe field through a part of Mississippi and back into Louisiana, where, at Baton Rouge, sales are made to various distributing companies and industrial consumers. Petitioner concedes that with respect to these operations it is a natural-gas company within the meaning of section 3 (6) [4] of the act and that the Commission has jurisdiction to regulate the rates of sales connected therewith.

The issue of this case involves the jurisdiction of the Federal Power Commission to regulate sales made in the field by petitioner to three pipe-line companies, each of which transports the gas so purchased to markets in States other than Louisiana.[5] Gas produced from petitioner's wells flows into petitioner's system of field pipe lines, moving first into branch lines, then into trunk lines, and finally into the main trunk lines from which delivery is made to the three purchasing companies. During the course of this movement petitioner purchases gas from other producers in the field which gas is introduced into petitioner's system at designated points and is there commingled with the gas moving from petitioner's own wells. By far the larger part of the gas so purchased by petitioner has been gathered from various wells of the selling companies before delivery to petitioner is made.[6] The gas moves through petitioner's system at well pressure. Shortly after the sales in question are completed, the gas is directed through the compressor stations of the purchasing companies and is there subjected to increased pressure in order that it may be moved to markets as far distant as Illinois. The entire movement of the gas from the wells to the purchasing companies through the compressor pumps and across the State lines is a continuous process without interruption for storage, processing, or for any other purpose.[7] All the gas sold in these transactions is destined for ultimate public consumption in States other than Louisiana.

It appears that petitioner supplies only a part of the gas purchased by the three pipeline companies in the Monroe field.[8] Counsel for petitioner conceded before the Commission that the prices charged the three pipeline companies were, by agreement, identical with those being charged by other producers in the field. The Commission found that petitioner was an affiliate of one of the three purchasing companies. It was the conclusion of the Commission that the rates charged by petitioner in these sales were "unjust, unreasonable, and unlawful" and ordered rate reductions amounting to $596,320 per year as applied to the volume of gas sold in the test year of 1941.

Petitioner has at no time contended that regulation of its sales to the three purchasing companies is beyond the constitutional powers of Congress. Petitioner has vigorously asserted, however, that Congress did not exercise its full powers in the Natural Gas Act and that in section 1 (b) of the act the jurisdiction of the Federal Power Commission is so limited as to preclude valid regulation of the sales by that agency. Section 1 (b) provides:

"The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

It is not denied that the transactions in question were sales of natural gas for resale for ultimate public consumption.

Petitioner has raised two issues: First, it is contended, the sales are not "in interstate commerce." Second, the sales are a part of "production or gathering" and hence not within the Commission's power of regulation.

We have no doubt that the sales are in interstate commerce. Indeed, petitioner did not contest that position before the Commission, but, so far as the record reveals, raised the issue for the first time in its petition for rehearing in the Circuit Court of Appeals.[9] The Federal Power Commission found that the gas sold to the three pipeline companies moves " * * * in a constant flow from the mouths of the wells from which it is produced through pipe lines be-

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[1] 52 Sta. 821, 15 U. S. C. sec. 717 et seq.; 56 Sta. 83.

[2] 3 F. P. C. 416.

[3] 156 F. 2d 949 (1946).

[4] Section 2 (6), provides: " 'Natural-gas company' means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale."

[5] The three companies include the Mississippi River Fuel Corp., Southern Natural Gas Co., and the United Gas Pipe Line Co. to which gas is sold for the account of the Memphis Natural Gas Co.

[6] Petitioner produced and purchased a total of 51,659,799 thousand cubic feet of gas in the Monroe field during 1941. Of this total, petitioner produced from its own wells 28,819,814 thousand cubic feet. Of the 22,839,985 thousand cubic feet purchased, 95 percent was gathered by the producers before delivery to petitioner; the remaining 5 percent was purchased by petitioner directly at the well heads. Petitioner sold 21,863,278 thousand feet to the three purchasing companies in the transactions in question.

[7] Gas in the Monroe field is "dry" gas and consequently is not subjected to any extraction processing. Before moving into the compressor pumps the gas is run through a series of "scrubbers" which remove dirt and foreign particles. This is accomplished, however, without interruption in the movement.

[8] The transactions in question supply the Mississippi Fuel Corp. with 22 percent of its requirements, 24 percent of the requirements of the Memphis Natural Gas Co., and 16.61 percent of the requirements of Southern Natural Gas Co.

[9] In its complaint filed in the District Court for the Eastern District of Louisiana invoking the equity powers of the court to restrain the Louisiana Public Service Commission from conducting an investigation into petitioner's rates and charges, petitioner specifically asserted that the sales in question are in interstate commerce and thus beyond the jurisdiction of the State commission. The district court granted the requested relief. *Interstate Natural Gas Co.* v. *Public Service Commission* (33 F. Supp. 50; 34 F. Supp. 930 (1940)).

longing to Interstate to the compressor station of the respective purchaser, and thence through said compressor stations into the pipe line of said respective purchaser and thus into and through States other than Louisiana * * *, all without interruption, and said gas is so destined from the moment of its production." The Commission further found that "The gas transported and sold by Interstate to these three pipe-line companies continues its flow in interstate commerce and, as an established course of business well known to Interstate, is destined for resale for ultimate public consumption in * * * markets outside Louisiana."

Under the circumstances described by the Commission, it is clear that the sales in question were quite as much in interstate commerce as they would have been had the pipes of the petitioner crossed the State line before reaching the points of sale.[10] Thus in *Public Utilities Commission* v. *Attleboro Steam & Electric Co.* (273 U. S. 83 (1027)), a sale of electrical energy at the State line was held to be in interstate commerce. Commenting on that case, this court in *Jersey Central Power & Light Co.* v. *Federal Power Commission* (319 U. S. 61, 69 (1943)) stated: "We see no distinction between a sale at or before reaching the State line." There is nothing in the terms of the act or in its legislative history to indicate that Congress intended that a more restricted meaning be attributed to the phrase "in interstate commerce" than that which theretofore had been given to it in the opinions of this court.[11] Section 2 (7) of the act defines "interstate commerce" as "* * * commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, * * *." Clearly the sales in question were a part of commerce being carried on between points in Louisiana and points in other States. There is nothing in that language to suggest that Congress intended that sales consummated before the gas crosses a State line should not be regarded as being "in" such commerce.

Nor are we impressed with the suggestion that the interstate movement of the gas should be regarded as beginning when the gas, theretofore moving through petitioner's pipe-line system at well pressure, is subjected to increased pressure in the compressor stations of the purchasing companies in order that the gas may be moved to the distant markets. Long before the gas reaches the compressor pumps it has been committed to its interstate journey which follows without interruption or deviation. Under such circumstances, the increase of pressure in the compressor stations must be regarded as merely an incident in the interstate commerce rather than as its origin.[12]

The company contends, however, that regardless of whether the sales in question are in interstate commerce, those transactions fall within the clause of section 1 (b) specifically excepting from the Commission's jurisdiction regulation of the production or gathering of natural gas. In evaluating that contention we should not lose sight of the objectives sought to be accomplished by Congress in passing the Natural Gas Act.

In a series of decisions announced prior to the passage of the act, this Court had held that, although Congress had not acted, the regulation of wholesale rates of gas and electrical energy moving in interstate commerce is beyond the constitutional powers of the States.[13] Petitioner, relying in part upon the principles established by those cases, has successfully avoided regulation by the Louisiana Public Service Commission.[14] As we stated in the House committee report, the "basic purpose" of Congress in passing the Natural Gas Act was "to occupy this field in which the Supreme Court has held that the States may not act."[15] In denying the Federal Power Commission jurisdiction to regulate the production or gathering of natural gas, it was not the purpose of Congress to free companies such as petitioner from effective public control. The purpose of that restriction was, rather, to preserve in the States powers of regulation in areas in which the States are constitutionally competent to act. Thus the House committee report states: "The bill takes no authority from State commissions, and is so drawn as to complement and in no manner usurp State regulatory authority."[16] Clearly, among the powers thus reserved to the States is the power to regulate the physical production and gathering of natural gas in the interests of conservation or of any other consideration of legitimate local concern.[17] It was the intention of Congress to give the States full freedom in these matters. Thus, where sales, though technically consummated in interstate commerce, are made during the course of production and gathering and are so closely connected with the local incidents of that process as to render rate regulation by the Federal Power Commission inconsistent or a substantial interference with the exercise by the State of its regulatory functions, the jurisdiction of the Federal Power Commission does not attach.[18] But such conflict must be clearly shown. Exceptions to the primary grant of jurisdiction in the section are to be strictly construed. It is not sufficient to defeat the Commission's jurisdiction over sales for resale in interstate commerce to assert that in the exercise of the power of rate regulation in such cases, local interests may in some degree be affected.[19]

There is nothing in the record to indicate that the regulation in question is in any way inconsistent with the exercise by Louisiana of the powers over production and gathering of natural gas reserved to it by Congress in section 1 (b) of the act. The State in a series of enactments has made elaborate provision for the conservation of its natural gas resources and has established various rules and regulations relating to the production and gathering process.[20] Most of those provisions, presumably, are applicable to petitioner's field operations.[21] The record is devoid of any suggestion that Louisiana has ever opposed the jurisdiction of the Federal Power Commission in this case or has ever urged that Federal regulation of the sales in question would interfere with the exercise by the State of its regulatory functions.[22] We do not suggest that the jurisdiction of the Commission in any case is to be determined by the resistance or lack of resistance on the part of the State to Federal regulation. But in evaluating the company's contention that the State's powers have been invaded, we regard it a matter of some significance that although the State has freely exercised its regulatory powers over the production and gathering of natural gas, there is no evidence of any conflict, present, or threatened, in the performing of those functions by the State with the exercise of the jurisdiction of the Federal Power Commission in this case.

It is not contended that the Commission is precluded from regulating the sales in question by reason of the exception from the Commission's jurisdiction relating to the production of natural gas. Petitioner asserts, however, that the sales to the three pipe-line companies are a part of the gathering process and consequently not within the Commission's power of regulation. This basic contention has given rise to a great many subsidiary questions such as whether the sales were made from petitioner's gathering lines or from petitioner's transmission lines and whether the gathering process continued to the points of sale or was, as the Commission found, completed at some point prior to surrender of custody and passage of title. We have found it unnecessary to resolve those issues. The gas moved by petitioner to the points of sale consisted of gas produced from petitioner's wells commingled with that produced and gathered by other companies and introduced into petitioner's pipe-line system during the course of the movement. By the time the sales are consummated, nothing further in the gathering process remains to be done. We have held that these sales are in interstate commerce. It cannot be doubted that their regulation is predominately a matter of national, as contrasted to local concern. All the gas sold in these transactions is destined for consumption in States other than Louisiana. Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of

[10] *Shafer* v. *Farmers Grain Co.* (268 U. S. 189 (1925)); *Lemke* v. *Farmers Grain Co.* (258 U. S. 50 (1922)); *Dahnke-Walker Milling Co.* v. *Bondurant* (257 U. S. 282 (1921)). And see *Illinois Natural Gas Co.* v. *Central Illinois Public Service Co.* (314 U. S. 498, 503–504 (1942)); *Currin* v. *Wallace* (306 U. S. 1, 10 (1939)); *Peoples Natural Gas Co.* v. *Public Service Comm'n* (270 U. S. 550, 554 (1926)); *Illinois Central R. Co.* v. *Railroad Comm'n* (236 U. S. 157, 163 (1915)). Cf. *Milk Control Board* v. *Eisenberg Farm Products* (306 U. S. 346 (1939)).

[11] *Illinois Natural Gas Co.* v. *Central Illinois Public Service Co.* (314 U. S. 498, 508 (1942)); *Peoples Natural Gas Co.* v. *Federal Power Comm'n* (75 U. S. App. D. C. 235, 127 F. 2d 153 (1942)). Cf. *Jersey Central Power & Light Co.* v. *Federal Power Comm'n* (319 U. S. 61, 70–71 (1943)).

[12] Cf. *Illinois Natural Gas Co.* v. *Central Illinois Public Service Co.*, supra at 504–505; *State Tax Comm'n* v. *Interstate Natural Gas Co.* (284 U. S. 41, 44 (1931)).

[13] *Missouri* v. *Kansas Natural Gas Co.* (265 U. S. 298 (1924)); *Public Utilities Comm'n* v. *Attleboro Steam & Electric Co.* (273 U. S. 83 (1927)); *State Corp. Comm'n* v. *Wichita Gas Co.* (290 U. S. 561 (1934)).

[14] See note 9, *supra*.

[15] H. R. Rep. No. 709, 75th Cong., 1st sess., 2.

[16] *Ibid.*

[17] *Colorado Interstate Gas Co.* v. *Federal Power Comm'n* (324 U. S. 581, 602–603 (1945)).

[18] The Federal Power Commission has not asserted jurisdiction over all sales taking place in the natural-gas fields even though in interstate commerce for resale for ultimate public consumption. *In the Matter of Columbian Fuel Corp.* (2 F. P. C. 200); *In the Matter of Billings Co.* (2 F. P. C. 288). We express no opinion as to the validity of the jurisdictional tests employed by the Commission in these cases.

[19] Cf. *Colorado Interstate Gas Co.* v. *Federal Power Comm'n*, *supra* at 603; *Federal Power Comm'n* v. *Hope Natural Gas Co.* (320 U. S. 591, 607–612 (1944)).

[20] La. Gen. Stat. secs. 4766–4826.2.

[21] The record contains testimony by counsel for petitioner to the effect that these provisions apply to petitioner and that petitioner's operations have conformed with their requirements.

[22] Counsel for the Louisiana Public Service Commission and for two Louisiana municipalities participated in the proceedings before the Federal Power Commission.

the gas, including the ultimate consumer.[23] It was to avoid such situations that the Natural Gas Act was passed.

For reasons stated above, we have concluded that the Federal Power Commission in this case has not exceeded the jurisdiction conferred upon it by Congress in section 1 (b) of the Natural Gas Act.

Affirmed.

SUPREME COURT OF THE UNITED STATES—No. 558—OCTOBER TERM, 1948—FEDERAL POWER COMMISSION, PETITIONER, v. PANHANDLE EASTERN PIPE LINE COMPANY ET AL.—ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

(June 20, 1949)

Mr. Justice Reed delivered the opinion of the Court.

Stated broadly this certiorari brings before us for review a problem involving the scope of the power over the gas reserves of a natural-gas company given to the Federal Power Commission by the Natural Gas Act (52 Stat. 821, as amended, 56 Stat. 83). Specifically the question to be decided is whether a natural-gas company, subject to the act, may sell the leases covering an estimated 12 percent of its total gas reserves without the approval and contrary to an order of the Commission.

The issue is made very sharply because the District Court and the Court of Appeals have refused an injunction, sought by the Commission, to hold the consummation of the sale in abeyance until the Commission, through an admittedly permissible investigation, can determine whether the disposal of these reserves will impair the ability of Panhandle to supply its present and prospective customers in the area which it has undertaken to serve as a public utility. The Commission may find that public interest will best be served by requiring Panhandle to retain these reserves. The public interest has strong appeal to a court of equity for its remedies once a legal right is fairly in controversy.[1]

Respondent, Panhandle Eastern Pipe Line Co. (herein called Panhandle), a Delaware corporation, tranports and markets natural gas in interstate commerce by means of its pipe-line system which runs from Texas into Michigan. In addition it owns or controls gas-producing properties in Kansas, Oklahoma, and Texas.

In September 1948, Panhandle organized Hugoton Production Co. (hereinafter called Hugoton), also a Delaware corporation. On October 11, 1948, pursuant to a written agreement between the two companies, Panhandle transferred to Hugoton gas leases on approximately 97,000 acres of land in Kansas and $675,000 in cash. In return Panhandle received all the outstanding capital stock of Hugoton and the option to purchase on or after January 1, 1965, all or part of the gas produced from this land, which is at present undeveloped and not connected with any pipe-line system. The gas reserves under this acreage are estimated at approximately 700,000,000,000 cubic feet. Hugoton thereafter contracted to sell to the Kansas Power & Light Co. for a period of 15 years from November 1, 1949, to November 1, 1964, the gas produced from these leases, which, according to the contract, was to be consumed wholly within the State of Kansas.

On the same date as the transaction between Panhandle and Hugoton, Panhandle declared a dividend of the Hugoton stock to the holders of its common stock at the rate of one-half share of Hugoton stock for each share of common stock of Panhandle. The dividend was to be paid November 17, 1948, to Panhandle's stockholders of record on October 29, 1948. Nothing called to our attention indicates any control retained by Panhandle over the Hugoton stock.

On October 26, 1948, the Federal Power Commission (hereinafter called the Commission) ordered an investigation "pursuant to the provisions of section 14 of the Natural Gas Act, of the facts and circumstances involved in the formation and proposed operation of the Hugoton Production Co. and the transfer to said company by Panhandle Eastern of the natural-gas reserves * * *." By a supplementary order of November 10, 1948, Hugoton was joined as a party, a date for a public hearing was fixed, and Hugoton and Panhandle ordered to show cause why they should not be directed to cancel the contract, and why Panhandle should not be prohibited from transferring the leases without the consent of the Commission and from distributing the Hugoton stock to its stockholders. Pending a final determination the Commission ordered that the status quo be maintained by Panhandle and Hugoton.

Upon the apparent refusal of Panhandle to comply with this order the Commission on November 13, 1948, instituted the instant suit in the United States District Court for the District of Delaware, seeking a preliminary injunction and a temporary restraining order to compel Panhandle to proceed no further with the stock distribution and to maintain the status quo pending the final determination of the questions for which the hearing before the Commission had been set. The district court issued the temporary restraining order which has been kept in effect by successive orders and which enjoined Panhandle from issuing to its stockholders the dividend of Hugoton stock. Panhandle was ordered to cause Hugoton to refrain from transferring any of the gas leases and from issuing or transferring any of its capital stock. After a hearing the district court refused to grant the preliminary injunction on the ground that there had not been shown any basis for the relief sought by the Commission.

On appeal the Court of Appeals for the Third Circuit affirmed the judgment of the district court on the ground that section 1 (b) of the Natural Gas Act, excluding the production or gathering of natural gas from the Commission's jurisdiction left the transfer of gas leases to State regulation and outside the scope of the Commission's regulatory powers (172 F. 2d. 57). The State Corporation Commission of Kansas had been granted leave to intervene in the Court of Appeals in opposition to the Federal Power Commission.

To consider the important question of the applicability of the Natural Gas Act to this transaction, we granted certiorari (336 U. S. 935).

Without entering upon another review of its legislative history,[2] suffice it to say that the Natural Gas Act did not envisage Federal regulation of the entire natural-gas field to the limit of constitutional power. Rather it contemplated the exercise of Federal power as specified in the act, particularly in that interstate segment which the States were powerless to regulate because of the commerce clause of the Federal Constitution.[3] The jurisdiction of the Federal Power Commission was to complement that of the State regulatory bodies.[4] Accordingly, Congress in section 1 (b) of the act not only prescribed the intended reach of the Commission's power, but also specified the areas into which this power was not to extend.

Section 1 (b) provides as follows:

"(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

"This section determines the act's coverage and does so in the light of the situation existing at the time. Three things and three only Congress drew within its own regulatory power, delegated by the act to its agent, the Federal Power Commission. These were: (1) the transportation of natural gas in interstate commerce; (2) its sale in interstate commerce for resale; and (3) natural gas companies engaged in such transportation or sale." *Panhandle Eastern Pipe Line Co.* v. *Public Service Commission of Indiana* (332 U. S. 507, 516). The act, moreover, expressly exempts from its coverage[5] (1) any other transportation or sale of natural gas; (2) the local distribution of natural gas; (3) the facilities used for local distribution; and (4) the production and gathering of natural gas.

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In *Colorado Interstate Gas Co.* v. *Federal Power Commission* (324 U. S. 581, 603), we

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[23] A number of cases in this Court have held that the reasonableness of cost items such as that incurred by a purchasing pipe-line company in acquiring gas for transportation may be inquired into during the course of subsequent regulation when buyer and seller are affiliated corporations and there is evidence that the sales were not made at arm's length. The Commission found affiliation to exist between petitioner and only one of the three purchasing companies, the Mississippi River Fuel Corporation. There was a finding of "close contractual and operating arrangements" between petitioner and another of the purchasing companies. *Natural Gas Pipeline Co.* v. *Slattery*, 302 U. S. 300 (1937); *Columbus Gas & Fuel Co.* v. *Public Utilities Commission*, 292 U. S. 398 (1934); *Dayton Power & Light Co.* v. *Public Utilities Commission*, 292 U. S. 290 (1934); *Western Distributing Co.* v. *Public Service Commission*, 285 U. S. 119 (1932); *Smith* v. *Illinois Bell Telephone Co.*, 282 U. S. 133 (1930); *United Fuel Gas Co.* v. *Railroad Commission*, 278 U. S. 300 (1929).

[1] *Porter* v. *Warner Co.* (328 U. S. 395, 398); *Yakus* v. *United States* (321 U. S. 414, 440); *Hecht Co.* v. *Bowles* (321 U. S. 321, 331); *Virginian R. Co.* v. *System Federation* (300 U. S. 515, 552); *Harrisonville* v. *Dickey Clay Co.*, (289 U. S. 334, 338).

[2] The legislative history has been discussed by our prior opinions in *Panhandle Eastern Pipe Line Co.* v. *Public Service Comm'n of Indiana* (332 U. S. 507, 514–521); *Interstate Natural Gas Co.* v. *Federal Power Comm'n* (331 U. S. 682, 689–690); *Colorado Interstate Gas Co.* v. *Federal Power Comm'n* (324 U. S. 581, 601–603); *Federal Power Comm'n* v. *Hope Natural Gas Co.* (320 U. S. 591, 609–613); *Illinois Natural Gas Co.* v. *Central Illinois Pub. Serv. Co.* (314 U. S. 498, 506–508).

[3] See H. Rept. No. 2651, 74th Cong., 2d sess., pp. 1–3; H. Rept. No. 709, 75th Cong., 1st sess., pp. 1–4; S. Rept. No. 1162, 75th Cong., 1st sess, pp. 1–3.

[4] See *Public Utilities Comm'n* v. *United Fuel Gas Co.* (317 U. S. 456, 467); *Panhandle Eastern Pipe Line Co.* v. *Public Service Comm'n* (332 U. S. 507, 517–518).

[5] The House report on the act, after quoting the exemption provisions of sec. 1 (b), says: "The quoted words are not actually necessary, as the matters specified therein could not be said fairly to be covered by the language affirmatively stating the jurisdiction of the Commission, but similar language was in previous bills, and, rather than invite the contention, however unfounded, that the elimination of the negative language would broaden the scope of the act, the committee has included it in this bill." H. Rept. No. 709, 75th Cong., 1st sess., p. 3.

said that this phrase comprehended the producing properties and gathering facilities of a natural-gas company. We now adhere to this natural and clear meaning of the words and their obvious expression of congressional intent.[6] Of course, leases are an essential part of production.

The Commission cites sections 5 (b), 6 (a) and (b), 8 (a), 9 (a), 10 (a), and 14 (b) to show that Congress intended "to confer a certain measure of authority upon the Commission" over the production and gathering of gas. These sections empower the Commission to make investigations, to prescribe rules for the keeping of accounts and records by the natural-gas companies, and to require that the companies file such reports as are deemed necessary by the Commission in the proper administration of the act. These powers are inquisitorial in nature and were designed to aid the Commission in exercising its powers and "to serve as a basis for recommending further legislation to the Congress." Section 14 (b), quoted below, comes closest to supporting the Commission's argument but that confers only power to obtain information.[7] * * *

In *Colorado Interstate Gas Co.* v. *Federal Power Commission* (supra, at 602), the Court in considering the more important of these sections said that they described powers which were aids to the "normal conventions" of rate making. We held that the Commission in exercising its rate-making authority could include the fair value of the producing and gathering facilities in the rate base of a natural-gas company. The primary duty of the Commission is to fix just and reasonable rates for the transportation and sale of natural gas in interstate commerce for resale. For this purpose the Court permitted the Commission to examine and consider the cost of production and gathering. The use of such data for rate making is not a precedent for regulation of any part of production or marketing. Before the Colorado Interstate decision, it was apparent that the value of producing facilities and the cost of gas bought by a natural-gas company from producers would be weighty factors in rate making whether a rate-base method or other method for fixing rates was used. Low valuation by the Commission of producing properties or low-cost allowance for purchased gas discourages exploration for gas or its sale in interstate commerce.[8] Congress knew this necessary relationship between production and distribution but excluded the Commission from exercising any direct control or regulation over the actual production and gathering of natural gas.

The Commission urges it has jurisdiction over the transaction between Panhandle and Hugoton from the powers granted to it by section 7 (c) of the act which authorizes it to issue certificates of convenience and necessity for the interstate transportation and sale of natural gas and those granted to it by sections 4 and 5 to determine reasonable rates for such transportation and sale. It is pointed out that Panhandle in three applications for certificates of convenience and necessity to construct additional pipe-line facilities had included the acreage here involved as part of its gas reserves, and certificates were issued upon the finding by the Commission that Panhandle had adequate reserves to warrant its expansion.[9] Moreover Panhandle had been permitted to include these reserves in its rate base as "used and useful property." The Commission, therefore, argues that these gas leases which Panhandle proposes to grant to Hugoton have been dedicated to the discharge of Panhandle's public-utility obligation to render adequate service at reasonable and nondiscriminatory rates. From these circumstances, the Commission concludes that these leases cannot be relinquished by Panhandle without the consent of the Commission, which has the implied power to protect its rate-making function and to insure the maintenance of adequate service by a natural-gas company. Sections 4, 5, and 7 do not concern the producing or gathering of natural gas; rather they have reference to the interstate sale and transportation of gas and are so limited by their express terms. Thus, sections 4 (a), (b), (c), 5 (a), and 7 (c) speak of "transportation or sale of natural gas subject to the jurisdiction of the Commission" while section 7 (a) and (b) refer respectively to "transportation facilities" and "facilities subject to the jurisdiction of the Commission."[10] * * *

The repetition of the words "subject to the jurisdiction" makes clear to us the intent to keep the Commission's hands out of the excepted local matters. The same answer applies to petitioner's argument that section 16 gives it authority to stop sales of leases.[11] The power to do the things appropriate to carry out the provisions of the act can hardly be taken to rescind a prohibition against certain actions.

The Federal Power Commission leans heavily upon section 7 (b) which provides that no natural-gas company may abandon any of its facilities subject to the jurisdiction of the Commission without the prior approval of the Commission.[12] The argument here is that since natural gas is the "lifeblood" of a pipe-line system, a company by disposing of its gas reserves, unhampered by Commission control, may render itself unable to continue service; consequently abandonment of facilities and service without the consent of the Commission will result. The argumen begs the question. The section, like those above, covers only "facilities subject to the jurisdiction of the Commission."

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This probably occurred because the State legislatures, in the interests of conservation, had delegated broad and elaborate power to their regulatory bodies over all aspects of producing gas.[13] The Natural Gas Act was designed to supplement State power and to produce a harmonious and comprehensive regulation of the industry.[14] Neither State nor Federal regulatory body was to encroach upon the jurisdiction of the other.[15] Congress enacted this act after full consideration of the problems of production and distribution. It considered the State interests as well as the national interest. It had both producers and consumers in mind. Legislative adjustments were made to reconcile the conflicting views.

The district court found as a fact, and the finding is undisputed by the Commission, that, "It has been the practice of the natural-gas industry for companies to trade freely in gas leases, and the Commission has never heretofore asserted the right to regulate transfers of such leases." Thus for over 10 years the Commission has never claimed the right to regulate dealings in gas acreage. * * *

The Commission sought by injunction to enforce its order halting the transaction between Panhandle and Hugoton pending the outcome of its investigation. The Commission argues that at any rate the transfer should be enjoined until it can determine its own power and the necessity of using it. Injunctive aid was requested under section 20 (a) [16] of the act and the general equity

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[6] In a brief prepared by the Solicitor of the Federal Power Commission for the House Committee on Interstate and Foreign Commerce on the constitutionality of H. R. 11662, an earlier bill substantially similar to the Natural Gas Act, the following appears as part of the analysis of the bill: "The bill makes no attempt to regulate the production or gathering facilities of a natural-gas company, this function being purely local in character, nor is any attempt made to exercise control over distribution facilities." Hearings before a subcommittee of the House Committee on Interstate and Foreign Commerce on H. R. 11662, 74th Cong., 2d sess.

The Solicitor of the Federal Power Commission in testifying at the same hearing also answered the following question:

"Mr. COLE (member of committee). Does this bill give anywhere the Commission power over the source of natural gas in the different fields in a manner which we might call comparable to that which your Commission now has over hydroelectric generating plants?

"Mr. DEVANE (Solicitor of the FPC). It does not; no, it does not attempt to regulate the gathering rates or the gathering business. Sec. 11, I believe it is, of the bill deals with that."

[7] "(b) The Commission may, after hearing, determine the adequacy or inadequacy of the gas reserves held or controlled by any natural-gas company, or by anyone on its behalf, including its owned or leased properties or royalty contracts; and may also, after hearing, determine the propriety and reasonableness of the inclusion in operating expenses, capital, or surplus of all delay rentals or other forms of rental or compensation for unoperated lands and leases. For the purpose of such determinations, the Commission may require any natural-gas company to file with the Commission true copies of all its lease and royalty agreements with respect to such gas reserves." (See H. Rept. No. 709, 75th Cong., 1st sess., p. 7.)

[8] *Colorado Interstate Gas Co.* v. *Federal Power Comm'n* (324 U. S. 581, 603); *Federal Power Comm'n* v. *Hope Natural Gas Co.* (320 U. S. 591, 610, 612).

[9] 5 P. F. C. 544, 546, 949, 952; F. P. C. Docket G–876, Order of June 10, 1948.

[10] *Colorado Interstate Gas Co.* v. *Federal Power Comm'n* (324 U. S. 581, 598).

[11] "SEC. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. * * *"

[12] "(b) No natural-gas company shall abandon all or any portion of its facilities subject to the jurisdiction of the Commission, or any servce rendered by means of such facilities, without the permission and approval of the Commission first had and obtained, after due hearing, and a finding by the Commission that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the present or future public convenience or necessity permit such abandonment."

[13] See, for example, Kansas Gen. Stat., c. 55, secs. 701–713 (Supp. 1947); Mich. Stat. Ann., c. 97, secs 13.138 (1)–13,140 (10) (Supp. 1947); Okla. Stat. Ann., title 52, c. 3, secs. 81–247; Texas Rev. Civ. Stat., title 102, sec. 6008 et seq. (Vernon, 1925, with Supp. 1948); La. Gen. Stat. secs. 4766–4826.2.

[14] *Public Utilities Commission* v. *United Fuel Gas Co.* (317 U. S. 456, 467).

[15] *Interstate Natural Gas Co.* v. *Federal Power Commission* (331 U. S. 682, 690).

[16] "SEC. 20. (a) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this act, or of any rule, regulation, or order thereunder, it may in its discretion bring an action in the proper district court of the United States, the District Court of the United States for the District of Columbia, or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices and to enforce compliance with this act or any rule, regulation, or order thereunder.

power of the district court. To be entitled to judicial assistance, however, the order issued by the Commission must be valid and based on a statutory grant of power to the Commission. As we have held above that the transfer of undeveloped gas leases is an activity related to the production and gathering of natural gas and beyond the coverage of the act, the authority of the Commission cannot reach the sales. A proposed transfer cannot be stopped by the Commission. It should not be permitted to delay what it cannot prevent.[17] * * *

The judgment of the Court of Appeals is accordingly affirmed.

Mr. Justice Murphy took no part in the consideration or decision of this case.

Mr. Justice Black, with whom Mr. Justice Douglas and Mr. Justice Rutledge concur, dissenting.

The Court's judgment and opinion in this case go far toward scuttling the Natural Gas Act (52 Stat. 821, as amended, 56 Stat 83). In that act Congress declared it "necessary in the public interest" for the Federal Government to regulate natural-gas companies engaged in the interstate transportation and sale of natural gas. Many sections of the act detailed the authority granted the Federal Power Commission to regulate such companies and in addition section 16 granted broad congressional authority to the Commission "to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as * * * necessary or appropriate to carry out the provisions" of the act. Today's opinion interprets this act as denying the Commission all authority to perform any action or issue any order to regulate an interstate company's interest in natural-gas properties. This interpretation deprives the Commission of the power to discharge its congressionally imposed duty to protect the public interest.

The Court's sterilizing interpretation rests on an exception to Commission authority appearing in section 1 (b) of the act.[18] That exception provides that the act shall not apply to "the production or gathering of natural gas." I agree with the Court that this language is unambiguous and that this Court should give the language its clear and natural meaning. Production of gas would thus mean the act of bringing forth gas from the earth, and "gathering" would mean the act of collecting gas after it has been brought forth. Such are the "clear and natural" meanings we had heretofore attributed to these word symbols. *Colorado Interstate Gas Co.* v. *Commission* (324 U. S. 581, 597–604); *Interstate Gas Co.* v. *Power Commission* (331 U. S. 682, 689–691). It was the physical acts incident to the "production and gathering" of gas—local activities—that our prior decisions emphasized Congress intended to leave States free to regulate. Today the Court reads this congressionally granted privilege of States to regulate the act of "production" as an absolute bar to the Federal Power Commission's regulation of the ownership of gas-reserve properties. Gas reserves are indispensable to proper service of interstate customers of an interstate natural-gas company. And in thus limiting the Commission's jurisdiction the Court leaves the Commission impotent to protect the public's interest in having interstate companies maintain adequate gas reserves. This disabling interpretation reads the Federal Act as though it contemplated ineffective regulation, an interpretation directly opposed to that we gave the act in *Panhandle Eastern Pipe Line Co.* v. *Public Service Commission* (332 U. S. 507, 520).

Section 7 (e) of the act requires the Commission to issue certificates of convenience and necessity only if an interstate company is "able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of the act and the requirements, rules, and regulations of the Commission thereunder." As authorized by section 7 (d), the Commission requires applicants for certificates to show "the gas reserves which are to supply the market which is proposed to be served."[19] And section 7 (b) denies a company power to "abandon all or any portion of its facilities subject to the jurisdiction of the Commission." If evidence were needed to show the importance Congress attributed to the gas reserve facilities of a company, that evidence appears in sections 7 (b), 7 (c), and 7 (e). Jurisdiction to regulate a natural-gas company without jurisdiction to regulate its gas reserves would be like granting jurisdiction to regulate railroads without power to regulate the tracks, routes, rights-of-way, etc. And we have held that the Commission has jurisdiction under the Natural Gas Act to consider the gas-producing properties in fixing rates. *Colorado Interstate Co.* v. *Federal Power Commission* (324 U. S. 581); *Panhandle Co.* v. *Power Commission* (324 U. S. 635, 648–649).

The respondent company had its rate base fixed and its ability to serve the public determined on its claim to ownership of the very gas-reserve properties the Court now permits it to sell to an affiliate over the protest of the Commission. According to allegations in the Commission's complaint the respondent gas company has already received from its customers large sums of money from rates which reflected expenses incurred in maintaining these reserves and for exploration and development costs in relation to them. But under the Court's holding today, these properties, increased in value by consumer contributions, can be given away by the respondent company to its newly formed affiliate. Congress could not have intended to render the Commission powerless to protect gas reserves necessary to continued consumer service and paid for by rates fixed to allow development of the reserves.

Furthermore the reserves, costing only $160,000, have now apparently been capitalized by the respondent's affiliated "purchaser" at $10,000,000. If the gas reserves continue to be held by the respondent company the rates will be fixed on the basis of the original $160,000 cost. *Panhandle Co.* v. *Power Comm'n* (324 U. S. 635, 648). It is at least doubtful whether after today's holding the company can be prevented from hereafter charging rates based on the $10,000,000 inflated valuation. Thus the unwholesome practices that the Natural Gas Act was primarily designed to prevent are given a new lease on life. For a purpose of the act was to protect consumers and one of the evils it was aimed to prevent was the holding company technique of transfers and retransfers between parent corporations, their offsprings and affiliates. *Power Comm'n* v. *Hope Gas Co.* (320 U. S. 591, 610).

It seems inconceivable that Congress would have passed an act to regulate natural-gas companies with a wholly neutralizing exception to bar regulation of the gas reserves upon which the whole gas business depended. I cannot attribute such a meaningless and deceptive action to the Congress. While the act itself grants broad Commission powers effectively to regulate gas companies, the Court's interpretation deprives the Commission of power essential to fixing fair rates and to protecting continued services during the life of a company's gas reserves.

Today's opinion regards Congress' action like that of the parent who ordered his offspring to go swimming with a stern admonition not to go near the water.

I would reverse.

Mr. KERR. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. KERR. Will the Senator permit me to read for the record the provision of the Natural Gas Act which sets forth the public-interest clause?

Mr. KEM. I have no objection to having the Senator do so.

Mr. KERR. I read now section 1 (a) of the Natural Gas Act:

As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (70th Cong., 1st sess.) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

Mr. President, will the Senator yield for a further question?

Mr. KEM. I am glad to yield.

Mr. KERR. I understood the Senator to say that he believed that the independent producer who took the risks and encountered the obstacles involved in prospecting for and finding new reserves of oil and gas, should have some recognition.

Mr. KEM. Yes; the discovery value should certainly be recognized.

Mr. KERR. I believe the Senator said it was recognized in the depletion factor in the present Internal Revenue Code.

Mr. KEM. Absolutely; and properly so.

Mr. KERR. Mr. President, will the Senator tell us what that provision is?

Mr. KEM. I do not have that provision before me. I did not expect that point to come up in this discussion.

Mr. KERR. Does the Senator refer to the provision which allows a 27½-percent depletion factor?

Mr. KEM. Naturally.

Mr. KERR. Is the Senator aware of the fact that under the Federal Power Commission's regulation, it permits a producer if regulated, to get back only his investment in the reserve, plus 6½ percent.

Mr. KEM. Mr. President, in order to make myself clear, let me say again what I have previously said, namely, that I hold no brief for the Federal Power Commission. The members of the Commission appeared before the Senator's com-

[17] Cf. *Public Utilities Commission* v. *United Fuel Gas Co.* (317 U. S. 456, 468.)

[18] Today's opinion also relies on a finding of fact by the District Court that the Commission had never heretofore "asserted the right to regulate transfers of such leases." The majority opinion views this finding as an evidence that for 10 years "the Commission did not believe the power existed." But this finding of fact rests only on affidavits offered in respect to a motion for a preliminary injunction and should not be utilized as a prop to support the Court's interpretation of the act. Moreover, the Commission points out that until the present time no such trading as is involved here had taken place. The Commission states in its brief that the finding of fact does not reflect the full picture. Until this time, such trading has taken place with the view of blocking in reserves and improving service, and so far as the Commission is presently aware, not to achieve results which would derogate from the Commission's jurisdiction.

[19] Sec. 57.5 (f) of the Commission's Order No. 99 (7 Fed. Reg. 6844).

mittee; each one of the members of the Commission appeared there. They were examined at great length. The Chairman of the Commission came up for reappointment. His reappointment was opposed on the floor of the Senate by the Senator from Oklahoma and by the junior Senator from Texas and by the senior Senator from Colorado. I voted with them because I thought they had made out a case that the administration by the Chairman of the Federal Power Commission, as Chairman of that Commission, was not what it ought to have been; and at least I, for one, did not want to see him reappointed.

A new appointment has been made, and all of us hope the errors of the past will not be repeated.

I certainly do not want to undertake to defend all the orders which have been made by the Federal Power Commission under the Natural Gas Act. I think the senior Senator from Colorado was quite correct when he said yesterday that there is much about them that is confusing. I think there are glaring inconsistencies. The members of the Commission have clearly reversed themselves on important points.

So I do not want the Senator from Oklahoma to get the idea that I am in any way undertaking to defend or to apologize for the administration of this act by the Federal Power Commission. All I have said, and all I wish the Senate to understand me to believe, is, first, that the Natural Gas Act, as construed by the Supreme Court of the United States in several decisions, is reasonably clear; but, second, if in the opinion of the Senate, and of the Congress as a whole, further clarification is necessary in the public interest, I am perfectly willing to join in such clarification; but I oppose the legislation now pending because it is not clarification in the right direction. It is legislation from a special-interest standpoint only. It disregards wholly the interest of the consuming public, and in our judgment it is thoroughly unsound.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. KERR. Is the Senator aware of the fact that the present basis or formula for regulation by the Federal Power Commission is defined and has been approved by the Supreme Court of the United States?

Mr. KEM. Again, Mr. President, I do not undertake to justify any regulations of the Federal Power Commission. Any that have been tried in the crucible of discussion before the Supreme Court of the United States and the subordinate Federal courts, I would think would be apt to be sound.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. KERR. Is the Senator aware of the fact that some of the regulated companies have gotten back their entire investment from their reserves, and that there now are instances on record where they do not receive a single penny for the gas they produce and put into their systems?

Mr. KEM. Mr. President, let me say to the Senator from Oklahoma that I have been on the floor of the Senate since 12 o'clock. The Senator from Oklahoma has examined me rather thoroughly as to my knowledge of the law and the practice in the industry. I do not believe anything further can be gained by having him ask me whether I know these things. I am sure that under the rules of the Senate there is nothing to prevent the Senator from Oklahoma from stating these facts in his own time.

I suggest that any further elucidation of this matter which the Senator from Oklahoma finds necessary, he should present in his own time, rather than examine me as to my knowledge.

But if there is anything he would like to know about what I think about this act, or why I think it, I shall be glad to answer his questions.

Mr. KERR. Mr. President, will the Senator permit me to ask a question in that regard?

Mr. KEM. Yes, certainly.

Mr. KERR. I understood the Senator to say that the depletion factor was something which was in recognition of the wildcatter when he found a reserve; I believe that is what the Senator said.

Mr. KEM. Yes; I think it is, and I think it ought to be.

Mr. KERR. I wish to remind the Senator that in the case of regulated companies, they reach the point where they receive exactly zero for their gas; and I should like to have the Senator tell the Senate what advantage he thinks they would have if they received a 27½ percent depletion factor on zero.

Mr. KEM. Mr. President, in reply to the Senator, let me state that I have told some of my friends in this industry that in view of the advantages they are now enjoying under the internal revenue laws, if I were they, I would let well enough alone; I would not press the Congress for further special advantages.

Mr. KERR. Would the Senator say that if they found the situation as it exists sufficiently satisfactory but that a Federal agency was about to change it and was threatening confiscation, in the form of regulation, it would be time for the Congress to consider it?

Mr. KEM. I think the first place to consider that is in the Federal courts. Most of the judges do not belong to the political faith to which I belong, but I still have confidence in our judicial system and in their full recognition of the rights of property and in their desire in good faith to protect the citizens of the United States from confiscation of their property.

If the Senator feels that his property is about to be confiscated or that the property of any of his friends is about to be confiscated, their first resort should be to the courts. If they are unable to secure there a recognition of their rights, as they view them, then I think it is perfectly proper for them to come to the Congress.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KEM. I yield to my colleague.

Mr. DONNELL. I appreciate the fact that the Senator has been on his feet for a long time, and I do not wish to keep him on his feet for more than a moment longer.

In view of the figures the Senator from Oklahoma submitted a while ago in regard to the percentage of natural gas furnished by the independent companies, I wish to ask the Senator from Missouri whether he has any objection to my reading into the RECORD at this point a few lines from the CONGRESSIONAL RECORD of yesterday, March 16, on page 3475.

Mr. KEM. I have no objection.

Mr. DONNELL. I read from the CONGRESSIONAL RECORD at that point, as follows:

> Mr. MYERS. I said that it is estimated that by 1952 they will supply 70 percent of the natural gas transported.
>
> Mr. KERR. So far as that is concerned, the record is that it will be 80 percent.

Does the Senator recall that colloquy?

Mr. KEM. Yes; that is what I recall the Senator said, and I invite his attention to it when he mentions a larger figure.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. SALTONSTALL. I know the Senator from Missouri is very tired; but because I have great respect for his opinion, I shall appreciate it if he will give his opinion on two questions which I asked the Senator from Colorado yesterday. He is on the opposite side of this issue. I respect both Senators very much.

We, in Massachusetts, are at the far end of the line by which natural gas is supplied. My question is this: In the opinion of the Senator from Missouri, will we in Massachusetts have a better chance to get natural gas at a reasonable price if this bill does not pass, or will we have a better chance to get natural gas at a reasonable price if this bill does pass?

Mr. KEM. I think Massachusetts will have a much better chance to get gas at a reasonable price, if it does not pass, than if it does. I am neither a prophet nor the son of a prophet, but I feel certain, if the bill passes, the consumers in Massachusetts will sooner or later find themselves in the uncomfortable position of paying more for natural gas than they should.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. KEM. I yield.

Mr. SALTONSTALL. The argument is made on the other side—perhaps the Senator has already answered it—that if the bill is not enacted the reserves will not be tapped. In other words, unless we change the situation, reserves will not be tapped, the supply will be less, and therefore there will be less chance of our getting gas even at any price.

Mr. KEM. I have sufficient confidence in our regulatory bodies to believe that they would not enforce on the producers an unreasonable price. I think they would be sufficiently long-headed to know that if they did that, under our system, the supply would dry up, and that in order to make available to the consumers on the pipe lines an adequate supply of gas, it would be necessary to permit such prices in the field as would not only make the business profitable, but attractive to producers and to other capital. I hope for my part that the

Commission will realize the risks of the business, the fact that it is a mining industry and highly speculative and that for every winner there are perhaps 10 losers and accordingly will not regulate prices at such a point that the business will not be in a sound and healthful condition.

Mr. SALTONSTALL. In other words——

Mr. KEM. Let me say that looking back on the regulation of the public utilities of the country for the past 50 years, I suppose, or as long as we have had regulation by commissions, I think the record shows that the American citizens placed on such commissions are high-class, able, well-informed men, who judge the important matters brought to their attention in a spirit of public service and a disinterestedness which is quite remarkable. But we also ought to bear in mind that to err is human, and that if mistakes are made, there is always available the solemn atmosphere of a Federal court.

Mr. SALTONSTALL. I thank the Senator.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Colorado?

Mr. KEM. I yield.

Mr. JOHNSON of Colorado. I know the Senator is tired, but I do not think this question will take very long. I will limit myself to one question.

Mr. KEM. I shall be glad to answer it, if I can.

Mr. JOHNSON of Colorado. The Senator is familiar, I know, with the Gas Act of 1938. Does the act regulate profits, or does it regulate gas rates?

Mr. KEM. As construed by the Supreme Court of the United States, it gives the Commission the right to regulate the price of the first sale in the field. It gives the right to regulate succeeding sales at wholesale in interstate commerce. It expressly withholds from the Commission the right to regulate consumer prices; that is, sales at the consumer level. In other words, the scope of authority of the Commission is clearly and explicitly defined.

Mr. JOHNSON of Colorado. But the price to which the Senator refers is based, is it not, on profits?

Mr. KEM. That brings up the very interesting subject of rate making. There have been various theories about how the rates should be made. The Supreme Court has changed its view on that question.

Mr. JOHNSON of Colorado. But I am talking about the theory of the Gas Act of 1938.

Mr. KEM. The Federal Power Commission is constrained by the current theory of the Supreme Court, which is that of prudent investment. They have to follow it, and that is one reason, among others, why I do not want to see them undertake the regulation of the details of the business. I think it would be unwise. I think they must approach the matter with a high sense of public duty, and, as I said to the able Senator from Massachusetts, I think they must bear in mind the necessity of keeping a continuous flow of gas in the lines; which I hope they will do. If they do not, I should be one of those who would join enthusiastically in legislation to make their duties and responsibilities more explicit, and to curb their power, if necessary.

Mr. JOHNSON of Colorado. But, under the Natural Gas Act of 1938, the Federal Power Commission regulates the profits, not the rates, and that is a very unusual formula. That sort of regulation is unusual. It is very drastic, it is arbitrary, and it is quite contrary to the free-enterprise system. The danger I see in not carefully considering the matter which is before the Senate is the possibility of extending that policy beyond a certain limit. The limit was gas and pipe lines, or a pipe line, with a gas reserve of its own. That is one of the reasons for the Congress not extending it originally to the gatherers of gas, because it was such a drastic rule, tied to the profits of the companies; and that is why the Congress ought to be very careful in considering the pending legislation, because it is a contrary theory of government and of regulation.

Mr. KEM. I agree entirely with the Senator from Colorado. I know he is critical of the administration of the Federal Power Commission. As the Senator well knows, when we debated the matter in connection with the reappointment of the Chairman I voted with the Senator from Colorado; I thought the points he made were well taken. I myself feel that certain of the decisions of the Federal Power Commission have been unfortunate. However, I am unable to go along with the Senator from Colorado when he thinks the Natural Gas Act, as construed by the Supreme Court, is equally subject to criticism. I find the Natural Gas Act, as construed by the courts, to be a reasonable and a far-seeing piece of legislation.

I believe the Federal Power Commission, in its construction of the act, particularly in the inconsistent positions it has taken and the way it has held one thing one day and then reversed itself and wobbled around has been very unfortunate. It may well be, in view of the decisions and the lack of consistent policy on the part of the Federal Power Commission, that it is advisable for the Congress to clarify the act so that not only will the Commission know what its duties and responsibilities and limitations of power are but the producers in the field also will have some assurance that they will not be improperly and, let us say, foolishly interfered with.

If the Senator from Colorado, as chairman of the important Committee on Interstate and Foreign Commerce, should care to propose legislation designed to clarify the act in that respect, considering the interest both of the consumer and of the producer as well, I think in all probability I would see my way clear to support such legislation. But my reason for being unable to go along with the Senator at this time—and I think perhaps I vote with him oftener than I vote against him—is that he has reported a bill which is of a special-interest character, which approaches the problem only from the standpoint of the producer, while disregarding entirely the interests of the consumer, leaving the consumer in a position where he may well be gouged as a result of unfair, unjustified, and unjustifiable prices paid by the pipe-line companies to the producers in the field.

Mr. JOHNSON of Colorado. From the way the Senator began, if I may interrupt him once more, I thought we were going to reach an area of accord. But now he has spoiled it all by his description of the pending legislation. However, I should like to say that I agree with what the Senator has said about the Gas Act of 1938 . I supported it in committee, and I supported it on the floor of the Senate. I voted for it. I think I voted for a very good bill.

Mr. KEM. I agree.

Mr. JOHNSON of Colorado. But I voted for it with the understanding that it extended only to gas utilities; not beyond that. I was willing to have a bill in which the pipe line and the gas reserve were tied together, were inseparable, and to be considered together. I thought I was voting for the regulation of the profits of a utility of that kind. I did not know that it was going to be extended to everyone who used the pipe lines for the purpose of selling gas in interstate commerce.

Mr. KEM. I respect the Senator's opinion, but I should like to have his view on this point: With respect to the approximately 80 percent of the gas coming from independent producers, if the Commission does not have the right to regulate the first sale in the field, how is the Commission going to regulate effectively subsequent sales?

Mr. JOHNSON of Colorado. The only matter before us at the time we passed the bill was the regulation of the pipe lines, their profits, and the reserves of gas which they owned——

Mr. KEM. Did I make myself clear?

Mr. JOHNSON of Colorado. Yes; I understood what the Senator said. He said it does not go far enough. Maybe it does not go far enough to satisfy the Senator from Missouri, but that is as far as it went.

Mr. KEM. It is not as far as the act goes when construed by the Supreme Court of the United States, because we have that Court's direct construction of it.

Mr. JOHNSON of Colorado. I do not want to discuss the legal question, but I think I could very well show the Senator that in the latest decision of the Supreme Court, the Panhandle Eastern decision, the Court bears out the interpretation I have given. I should like to read two paragraphs taken from that decision:

> While Congress was considering the passage of the Natural Gas Act, a bill (H. R. 5711 and S. 1919, 75th Cong., 1st sess.) was introduced in both Houses of Congress on March 17, 1937, which provided that "this act shall apply to the procurement of natural gas for the purpose of its transmission through pipe lines and its sale, exchange, transmission, or distribution in interstate commerce. * * *" The jurisdiction of the

Federal Power Commission was defined as follows:

"The (Federal Power) Commission shall have jurisdiction over all facilities for the procurement of natural gas for its transmission through pipe lines and its sale"——

Mr. KEM. From what page is the Senator reading?

Mr. JOHNSON of Colorado. From a footnote on page 14.

Mr. KEM. Would the Senator mind if I checked up with him?

Mr. JOHNSON of Colorado. No; I should be glad to have the Senator do so, because I think it is important. I was reading from footnote 16 on page 14, following a colloquy.

Mr. KERR. Mr. President, I do not want to invoke the rule, but I should like to have the RECORD show that by unanimous consent I yielded to the Senator from Missouri to leave his desk and go across the Chamber.

Mr. KEM. I thank the Senator. I think the Senator realizes that what I did was wholly justified by the exigencies of the case; but, if not, I apologize.

Mr. JOHNSON of Colorado. I should like to read further:

The (Federal Power) Commission shall have jurisdiction over all facilities for the procurement of natural gas for its transmission through pipe lines and its sale, or for exchange, or distribution in interstate commerce, and over the transmission of natural gas in pipe lines in interstate commerce and over the sale, or exchange of natural gas in interstate commerce, and over all facilities connected therewith as parts of a system of natural-gas transmission operated in more than one State.

Two bills were before the Congress, but the Supreme Court said:

The provisions of this bill, however, failed of adoption—

Congress rejected it—

instead—

The Supreme Court said—

Congress enacted section 1 (b) with its specific exemptions from the coverage of the act.

Mr. KEM. I quite agree with the Senator. I am glad that Congress rejected the version to which the Senator has referred. I think that would have been very unfortunate legislation. The version which was adopted has been construed by the Supreme Court of the United States to permit only one thing, and that is the regulation of the first sale in the field. The Supreme Court finds the language means that. I see no reason for any citizen to quarrel with the construction placed on the law by the Supreme Court. I certainly do not think Congress should do it. If we are not satisfied with the act as construed by the Supreme Court, it is incumbent upon us to enact legislation which will modify it. I believe the Senator from Colorado has brought before the Senate a bill which should not be passed. I have tried to explain why I think it should not be passed. My reason, briefly, is that it is a special-interest bill, in the interest of producers only. It fails to recognize the interests of the consuming public.

Mr. President, I yield the floor.

Mr. LUCAS. Mr. President, it is now 4 o'clock. I am wondering if any other Senators desire to speak on the subject this afternoon.

Mr. LEHMAN. Mr. President——

Mr. LUCAS. Does the Senator from New York desire to speak upon the pending measure?

Mr. LEHMAN. Yes.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. LEHMAN. Mr. President, I have listened very carefully to the preceding debate on Senate bill 1498 and have read whatever material was available on this question. Even after this reading and studying, however, I cannot even pretend to be in a position to debate the details of this very technical piece of legislation. In its definition and interpretations, taken together with the background of Federal Power Commission regulations and rulings, this bill presents a most complex collection of technicalities. Thus it would be impossible for me to address myself to the details of this legislation and to the implications of one section or another or of one legal definition or another.

Yet I can and must express my opinion on certain over-all aspects of this bill and the over-all effect which it must inevitably have. This effect is not a technical one but a social one, whose implications are not legalistic but economic, with widespread significance for our whole Nation.

While much of the debate has been addressed to the effect on the producers and while it is true that this is a very vital factor, it is also true that we must gage the impact on the consumers. And this is much easier to understand and to appreciate.

Representatives of organized labor and economists associated with no vested interests whatever have advised me that the inevitable effect of this legislation is to raise the price of natural gas delivered to the consumer without commensurate benefit, except to a few producers. I have been advised that the cost of this legislation to the consumers over the next few years may be measured in billions of dollars. As a large consumer of natural gas, the State of New York thus has a very vital interest in this legislation.

The statement is made that this legislation will increase the supply of natural gas. I cannot enter into a discussion of the technical merits of this argument, but I must point out that the supply of natural gas has increased steadily and even astronomically under existing conditions without this legislation.

I am advised that only 70 out of 2,300 gas producers will be the prime beneficiaries. I am told further that three-fourths of the gas which this bill exempts from Federal regulation is controlled by only 3 percent of the producers. This is concentration of control which, in my opinion, calls for regulation. In the face of these figures, competition simply does not exist.

Mr. President, I recently received a telegram from Mayor O'Dwyer, of New York City, urging me to do my utmost to defeat the Kerr bill. I read from that telegram:

This bill is an outrageous attempt to put natural gas producers in a position to raise their rates. This it attempts to do by exempting so-called independent natural gas producers who produce 80 percent of all natural gas in the country, from the price-fixing jurisdiction of the Federal Power Commission. New York City is vitally concerned about this matter. We have recently had natural gas piped into the city through the "Big Inch" and "Little Inch" pipe line and many of our people are now enjoying savings in their utility rates. As a result we expect natural gas to be brought into the city at greatly increased amounts so that the entire city's population will benefit. If the Kerr bill goes into effect, it will enrich natural gas producers at the expense of our people. The Federal Power Commission exercises its jurisdiction to keep natural gas rates at a reasonable and decent level and insure a fair return to the producers. This bill would release the so-called independent natural gas producer from the brake which the Federal Power Commission now has on any upward spiraling of natural gas rates. These so-called independents could then charge for natural gas to the utmost limit of what the traffic would bear. Reliable estimates of experts are that if this bill is passed, the price of natural gas in most parts of the country will be tripled and the increase in dollars to the consumers will be more than $200,000,000 a year. Please do your very utmost to defeat this iniquitous bill.

WILLIAM O'DWYER, *Mayor.*

Mr. President, I represent a State whose industry and economy depend to a large measure, and to an increasing measure, on natural gas. I bespeak their interest when I urge the Members of the Senate to vote as I shall vote, against S. 1498.

Mr. SALTONSTALL. Mr. President will the Senator yield for a question?

Mr. LEHMAN. I am very glad to yield.

Mr. SALTONSTALL. I understand that the Senator speaks for a consumer State, as I do, in representing in part Massachusetts, and that he is basing his opposition primarily on the theory and his opinion that if the bill were to be enacted the price of natural gas to the consumer would inevitably have to go up. Is that correct?

Mr. LEHMAN. That is quite correct. I think no other conclusion would be reasonable. Judging by the debate to which we have listened on the floor of the Senate for the last 2 days, it seems perfectly evident that the purpose of the bill is to make regulation impossible. If such a situation should occur in a market which is by no means competitive, it seems to me to be inevitable that the price to the consumer would rise.

CONSUMPTION OF DAIRY PRODUCTS

Mr. WILEY. Mr. President, I should like to express my personal appreciation for the fine discussion which has been taking place on the floor of the Senate for the past 2 or 3 days in relation to the proposed natural-gas legislation. However, this being St. Patrick's Day, I wish to discuss another subject.

Mr. President, I have previously pointed out that one of the crucial factors in American health is the question of consumption of dairy products. I have pointed out that the action which the Congress and the President took in enacting into law the recent oleomargarine legislation would have tremendously harmful consequences to the future health of the Nation, to the health

of our bodies, and the health of our soil—yes, to our economic health.

In spite of and because of this oleo legislation, the dairy industry will redouble its efforts to improve and expand the consumption of milk and milk products. It is up to our Federal Government to aid in this work by helpful research to discover various channels for milk use. One of the truly vital jobs is now being done by the Bureau of Dairy Industry of the Agriculture Research Administration. This Bureau reports, for example, that right now around 1,000,000 cows are on test with dairy herd improvement associations. Thanks to the DHIA, we are getting increased milk production and better milk production. The average for all cows in the DHIA is, for example, over 8,600 pounds of milk and 350 pounds of butterfat per cow per year. While these figures might not mean much to the average city layman, the meaning to folks in the dairy country is tremendous.

MORE MOUTHS TO FEED

It is expected that by 1960 there will be 10,000,000 more Americans. That means 10,000,000 more mouths to feed. This will, in turn, mean 1,500,000,000 more quarts of milk, 100,000,000 more pounds of butter, 70,000,000 more pounds of cheese, 1,500,000,000 more pounds of meat, 320,000,000 more dozen eggs. All of this assumes, of course, that we have (a) a continuing high level of national income, (b) an intelligent farm program which will encourage adequate but not excessive production, and (c) other necessary factors. If our Government will help the dairy industry meet its problems instead of knocking it around, as it did in this instance of oleo legislation, then the dairy industry will be adequate to its responsibilities to the health of our people.

ARTICLE IN FAMOUS DAIRY PAPER

Mr. President, last month, the famous 101-year-old magazine, the Wisconsin Agriculturist and Farmer, published in Racine in my State, devoted an issue to the problems of the dairy industry during the coming decade.

I have in my hand one of the very helpful summary articles published in that issue entitled "Will They Eat What We Raise?" I ask unanimous consent that its text be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILL THEY EAT WHAT WE RAISE?

How much for milk in 1960? It would be nice to know, wouldn't it? And for the years in between, for that matter.

Should you keep more cows? Will it pay to feed better? Does the dairy picture look bright or bleak?

Well, nobody can tell for sure. But there are some facts that point the way.

Milk production per cow is going up. Efficiency of the dairyman is increasing.

You, and other dairymen, can turn out more milk. That's the way you're headed. But how much milk can be sold at a good price? At what point will surpluses cut net returns to farmers?

We have two big things on our side: Population is increasing. We'll have 10,000,000 more people to feed in 1960.

Then, too, folks are drinking more milk and eating more dairy products of all kinds.

Total milk consumed by civilians in the United States has increased at the following rate:

1928, 96,000,000,000 pounds.
1938, 103,000,000,000 pounds.
1948, 109,000,000,000 pounds.
1960, 121,000,000,000 pounds, if you just add enough to cover population increase, or—
1960, 135,000,000,000 pounds if the average consumer takes 10 percent more milk than in 1948.

Either way that's a lot of milk. Our record to date was 124,000,000,000 pounds in 1945. And that year we shipped a good deal overseas and for men in Army, Navy, and Air Force.

We are sure of the population increase, but we aren't sure the upward trend in milk drinking will continue.

It makes a lot of difference whether the average milk and milk products used per person is 333 pounds, as in 1934, or 432 pounds, as in 1946. And still more difference whether the farm price per hundred is 71 cents, as in 1934; or $1.76, as in 1945.

What chance is there that consumers will continue to clean up milk and milk products at an increasing rate per person? Look at the table below to see what gains have been per person:

	1928	1938	1948
Fluid milk.....pounds..	271.0	265.0	302.0
Cheese.....do....	4.4	5.8	6.8
Evaporated milk.....do....	10.1	15.5	18.7
Ice cream.....do....	9.4	10.1	16.0

Can we keep consumption increasing at this rate? That depends on a number of things:

Quality of milk, and milk products.

High pay rolls.

School-lunch programs, food stamps, and other Federal-State programs.

Educational work to make dairy products more popular.

How important are city pay rolls? One reason consumption went up so fast in the war period is that folks had more money to spend. They spent some of it for milk.

Another way to get more milk into circulation is to see that folks on relief get food stamps with which to buy milk and milk products.

School lunches help get milk in use, too. And so far, only about one-third of the schools of the Nation are in the school-lunch program.

One part of the dairyman's job is to help build up the demand for milk—through education, through bigger city pay rolls, through school lunches, through food stamps.

Population growth alone won't keep the dairy industry at the rate dairymen prefer. Folks have to want to drink milk. And they must have something to buy it with.

What will happen to dairying in the fifties? Wisconsin Agriculturist predicts:

1. Continued shift from manufactured milk to fluid milk.

2. More dairy products consumed per person, as city pay rolls rise.

3. Increase in population, plus increased consumption per person, will use up 20 percent more dairy products in 1960 than we are producing today.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. KEFAUVER. Mr. President, I desire to make a few remarks about the natural gas bill, which is now pending, and to explain the viewpoint which I have against the passage of the bill.

In Tennessee, Mr. President, there has been a great increase in the use of natural gas during the past few years. The western section of the State has been supplied with natural gas for quite a long time. Recently, with the building of the Tennessee gas transmission line, which crosses the central part of Tennessee, natural gas has been coming to Nashville. Recently a permit was issued to bring natural-gas facilities to Chattanooga, Knoxville, and intermediate cities. Applications are now pending for the extension of service to the northeastern area of the State.

I have received a number of letters, telegrams, and messages from mayors of cities and other officials in various parts of Tennessee, who express alarms and fear as to what would happen if the pending legislation were to be passed. Having secured natural-gas facilities and having adjusted themselves to the use of natural gas as a fuel, their fear is that a substantial increase in rates would very adversely affect their interests.

The National Institute of Municipal Law Officers, of which Mr. Joseph W. Anderson, district attorney of Chattanooga, has been an officer for a long time, held a conference on December 7, 1949, at which more than 300 cities of the United States were represented. At the conference the institute unanimously adopted a resolution calling for the defeat of the pending legislation. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas in the Eighty-first Congress there were introduced several bills proposing amendments to the Federal Natural Gas Act, particularly the Harris bill, known as H. R. 1798, and the Kerr bill, known as S. 1498, which bills would weaken the jurisdiction of the Federal Power Commission over natural gas pipe-line companies by excluding the production and gathering of natural gas from such jurisdiction, thereby permitting increases in the prices to be paid for natural gas by the ultimate consumers thereof and thus making possible huge increases in the profits of natural gas pipe-line companies already enjoying handsome returns; and

Whereas the Harris bill, H. R. 1798, has passed the House of Representatives, and the Kerr bill, S. 1498, has been reported favorably to the Senate by the Senate Committee on Interstate and Foreign Commerce, and the proponents of these bills have indicated that efforts will be made to procure passage of at least one of these bills or similar legislation at the forthcoming second session of the Eighty-first Congress; and

Whereas such legislation has heretofore been opposed by the National Institute of Municipal Law Officers and resolutions to such effect were adopted at the 1947 and 1948 annual conference of the institute: Now, therefore, be it

Resolved by the National Institute of Municipal Law Officers, That the president and other officers of the institute and the members of its committee on electric, gas, and telephone rates are hereby authorized and directed to appear before committees of the Eighty-first Congress, second session, and oppose such legislation and any other legislation of similar character seeking to impair the jurisdiction of the Federal Power Com-

mission under the Federal Natural Gas Act or which may permit natural gas pipe-line companies to unfairly or unjustly increase the price of natural gas to the ultimate consumers thereof, and that such officers and committee members take any other action which might be proper to defeat such legislation.

Mr. KEFAUVER. Mr. President, I believe there is considerable merit to both sides of the argument in connection with the pending bill. Everyone wants the natural gas producers to receive a reasonable return for their product. On the other hand, the public has a great interest in seeing that the users of natural gas are not charged an exorbitant or unjustified price for the gas which they use.

Regardless of what may have happened in the past, I wish to discuss some of the arguments which have been made, both pro and con, with reference to what the Natural Gas Act of 1938 means. I believe these arguments should be considered by Congress in deciding whether the public interest requires the enactment of such legislation, in view of the present situation in the natural gas industry, and the situation which is likely to exist in the future.

Mr. President, in this bill we are dealing with the cost of gas utility service to some 40,000,000 people in the United States. Therefore, it is essential that every precaution be observed in order to assure that legislation be not enacted which would unjustifiably increase the cost of this necessary and desirable utility service. It is no answer to an unjustified increase to claim that its effect on the ultimate consumer is a relatively small item in his cost of living. Congress should not lose sight of the fact, in its consideration of legislation, that it is the total impact of these unjustified increases, no matter how little they affect an individual, that is decisive.

Much argument has been presented concerning the intent of Congress when it passed the Natural Gas Act of 1933, in view of the wording of section 1 (b) of the Natural Gas Act, the report of the Committee on Interstate and Foreign Commerce of the House of Representatives, and the opinion of the court.

I have never been able to understand how there could be very much argument against the proposition that the sale by an independent to a transportation line was within the power of regulation of the Federal Power Commission under the act of 1938. The House Committee on Interstate and Foreign Commerce, in reporting the bill which became the Natural Gas Act of 1938 said:

> The States have, of course, for many years regulated sales of natural gas to consumers in intrastate transactions. The States have also been able to regulate sales to consumers even though such sales are in interstate commerce, such sales being considered local in character and in the absence of congressional prohibition subject to State regulation. (See *Pennsylvania Gas Co.* v. *Public Service Commission* ((1920), 252 U. S. 23).) There is no intention in enacting the present legislation to disturb the States in their exercise of such jurisdiction. However, in the case of sales for resale, or so-called wholesale sales, in interstate commerce (for example, sales by producing companies to distributing companies) the legal situation is different. Such transactions have been considered to be not local in character and, even in the absence of congressional action, not subject to State regulation. (See *Missouri* v. *Kansas Gas Co.* ((1924), 265 U. S. 298), and *Public Service Commission* v. *Attleboro Steam & Electric Co.* ((1927) 273 U. S. 83).) The basic purpose of the present legislation is to occupy this field in which the Supreme Court has held that the State may not act.

During the debate on the bill in 1937, which led to the passage of the act of 1938, Representative WOLVERTON, who later became the chairman of the House Interstate and Foreign Commerce Committee, had this to say:

> It is, therefore, the purpose of this legislation to close the gap now existing between Federal and State regulation and control and confer upon the Federal Power Commission the right, duty, and authority to exercise such regulatory power in fixing a fair and reasonable rate for gas that is a part of interstate commerce. It seeks to give similar power to regulate and control interstate commerce in gas as now exists in State regulatory bodies with respect to transactions entirely within the States.

Mr. President, it is generally agreed by practically all the witnesses who appeared before the committee, and by all the experts on this subject, that the authority of the Federal Power Commission to regulate the interstate sales of natural gas by producers and gatherers was affirmed by the Supreme Court in the *Interstate Natural Gas Company* v. *Federal Power Commission* (331 U. S.), which has been so often referred to. While it is true that this case specifically involves field sales by an integrated natural-gas company, most of the witnesses who appeared before the subcommittee agreed that the decision would likewise apply to interstate sales by an independent producer. For instance, in the opinion it is stated:

> It cannot be doubted that their regulation is predominantly a matter of national, as contrasted to local concern. All the gas sold in these transactions is destined for consumption in States other than Louisiana. Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

Mr. President, this opinion, which is a unanimous opinion by the Supreme Court, was written by the present Chief Justice, Mr. Chief Justice Vinson. I think I can safely say that I cannot remember anyone having been on the Supreme Court in recent years who would be more likely to follow the intent of Congress in the opinions he might write, because, as we all know, Mr. Chief Justice Vinson for many years was a very distinguished Member of the House of Representatives, and he was always very zealous in trying to see that the administrative agencies of the Government and also that the courts of the land followed the intention of Congress in administering and in interpreting the laws Congress passed. So it seems to me that the plain purpose of the Natural Gas Act was to protect the consumers of natural gas from exploitation at the hands of the natural-gas companies.

It has been charged here that such regulation might result in confiscation of property of the natural-gas companies; that they might not make a reasonable income. I know there has been some question about the income which is alleged to have been taken from Moody's Financial Manual and Standard and Poor's Corporation Records, which appear in the hearings, but upon examining this record it appears that the major natural-gas companies during the year 1948 and previous years had very substantial returns on common stock and surplus. Many of the records show the profits to run from 25 to 30 percent. Of course, some are somewhat lower. But I do not see many whose return on common stock and surplus was below 15 percent.

Of course, it can be argued that if the Federal Power Commission had the power to regulate the sales in interstate commerce, which I think it does have, these companies would not even be authorized to earn as much as they did in 1948. The testimony of the members of the Commission indicated that their concern was about what the companies had been doing very recently; that if things went on as they did in 1946, 1947, and 1948, even though they had the power to regulate, they probably would not put it into force. So that whereas they have had this power for a long time, it does not seem that the Federal Power Commission has used the power it has had to prevent the natural-gas companies from earning what appears to be a very substantial profit on their investment.

Mr. President, let us see what the witnesses have been saying about the present growth of the natural-gas industry and what is going to happen in the future. Upon conclusion of the war, a tremendous expansion program of the natural-gas industry began. The Federal Power Commission has been literally flooded by applications for the expansion of the existing systems and for construction and operation of entirely new projects. The demand for additional supplies of gas for this program had the immediate effect of bringing about substantial increase in the going field prices of gas. Dr. E. deGolyer, a leading geologist and spokesman for the industry, in November 1948, described this remarkable change in the situation as follows:

> Gas, which only a few short years ago, could not be sold at the wells for 1 cent a thousand cubic feet, is now bringing prices as high as 8 to 15 cents a thousand cubic feet. What other industry has enjoyed such price increases for its product with an ever-increasing demand which should at least assure maintenance of existing price levels for years to come?

During the hearings on the pending bill witnesses also testified to this changed situation. Thus Mr. Jeff A. Robertson, chairman of the Kansas Corporation Commission, testified:

> The cost of gas is steadily rising. I am familiar with asking prices at the well-head

of 10, 11, and 12 cents per 1,000 cubic feet by the various producers.

Mr. R. G. Lawton, vice president and general manager, McAlester Fuel Co., testified in a similar vein that the price of gas at the well-head would continue to increase.

Further information on the trend in field prices was given by Mr. C. Huffman Lewis, representing the Union Producing Co., who testified that his company was negotiating new contracts at higher prices, and that expiring contracts for the purchase of gas were not being renewed unless existing old contracts were also renegotiated at higher prices.

There is also evidence in the record of prices named in specific gas-purchase contracts which clearly shows that such prices are at least double the average well-mouth price of natural gas in 1947. There is also considerable evidence showing that the currently negotiated gas-purchase contracts contain escalator clauses providing automatic price increases in the future, renegotiation clauses which require the pipe-line company to pay the prevailing field price but not less than the contract price after a period of 5, 10, or 15 years has elapsed, and that such contracts also contain what are termed "favored-nation" clauses. These clauses require an upward revision of the contract prices should the pipe-line company in the future pay another producer a higher price for gas or if some other purchaser of gas in the area should offer a higher price.

All such clauses which only recently have come into vogue can mean only one thing, namely, a higher cost of gas to the pipe-line company resulting in higher cost of gas to the ultimate consumer. These factors also emphasize the lack of significance of the past and the need for regulation of sales by independent producers, if unjustified increases are to be prevented and consumers protected against excessive charges.

In the hearings on this bill, all the testimony showed that what the proponents were interested in were higher prices. That is natural; they are not to be condemned for that. On the other hand, if they get higher prices and if the companies in which they are interested earn a reasonable profit—and they have been earning large profits—I cannot see how anyone can have objection to regulation in the interest of the public. The Senator from Oklahoma [Mr. KERR] stated that they were interested in higher field prices; he made that statement in a colloquy with Mr. Olds, who, at that time, was chairman of the Federal Power Commission.

Furthermore, Mr. President, several witnesses who appeared in favor of the proposed legislation testified that in their opinion natural gas was underpriced. Thus, Mr. Hayden Head, representing the Southern Minerals Corp., an independent producer, testified:

> The price of gas is going to increase simply because of the fact that the demand for that gas is going to increase, both intrastate and interstate, and gas had been priced too low for far too long a time. When you bear in mind the fact that gas, on a comparable B. t. u. yardstick with oil, would compare with oil at 36 cents a barrel, say, then we realize that the price of gas is too low and that it must increase as a matter of economics—Federal Power Commission or not.

I agree that in view of the increased cost of operation and other factors, perhaps the natural gas companies are entitled—I think they are—to reasonable increases; and I believe the Federal Power Commission feels so, too.

But in that connection power must be lodged somewhere to prevent exorbitant increases. Mr. Huffman Lewis, who previously has been referred to, made the following statement in response to a question as to whether he looked for an increase in the the price of natural gas in the coming year:

> I suspect there will be some further increases because gas is away underpriced now, according to my way of thinking, when you compare the B. t. u. value of a thousand cubic feet of gas with the B. t. u. value of a ton of coal or a ton of crude oil.

In the light of those statements, in my opinion we must conclude that this proposed legislation is inspired by some producers who are seeking higher and higher profits at the expense of millions of consumers.

Question has been raised as to the justification for regulation of the sale of natural gas in interstate commerce. Certainly it is true that none of us want the Federal Government to regulate this industry and that industry. Regulation can only be justified principally on the basis of a lack of sufficient competition in particular industry to insure that the price will be held down to a reasonable level. If there is sufficient competition, I think there is merit to the argument that the industry should not be regulated. But if the natural-gas industry by its very nature is one in which there cannot be competition which will hold down the prices, or if there is not sufficient competition—as I think was found by the Congress when it passed the Natural Gas Act of 1938—then there is justification for regulation.

Chairman Smith, of the Federal Power Commission, made a very clear statement in this connection:

> As I tried to make clear to Senator MYERS earlier, it seems to me the essential question before you in respect to this legislation is, Do you or do you not think there is enough competition at the producing end of the line adequately to protect the reasonableness of the price, and justify a commission in taking, as an allowable operating expense, what commissions traditionally do take as presumptively reasonable, that is, the result of arm's-length bargaining?
>
> If you think so, I think your answer is one way. If you think not, I think the answer is another.

Thus, Mr. President, it seems that unless the proponents of this bill can establish that there is sufficient competition to assure the public that the price of natural gas will be held down to a reasonable level, they should not ask for the passage of this proposed legislation. We maintain that there is not sufficient competition. We feel that the consumer will not be protected by the present competition, in the absence of regulation.

Let us see what the record shows in regard to competition. There is very little on that point in the record. The showing which is made in that connection is not sufficient to convince anyone that at the producing level there is competition which will hold down the price.

Mr. Ernest O. Thompson, who is a member and chairman of the Texas Railroad Commission, and a very capable man, testified as follows in response to questions by the Senator from Arizona [Mr. MCFARLAND] at the hearings:

> Senator MCFARLAND. How about the competition in the sale of gas; does that pretty well regulate the price there, or what would you say about that?
>
> Mr. THOMPSON. It has brought it up from about 1 or 2 cents up to an average of around 6 cents now. Competition has done that in buying. The average price in the State is around 6 cents a thousand, and at the moment constantly going up, and will until——
>
> Senator MCFARLAND. Well, competition has not kept the price down then; that is what I want to find out.
>
> Mr. THOMPSON. No; it has brought it up.
>
> Senator MCFARLAND. Brought it up?
>
> Mr. THOMPSON. Yes, sir.
>
> Senator MCFARLAND. Competition in the buying market?
>
> Mr. THOMPSON. That is right, sir, people wanting to buy the gas for future use. I think the price of gas will constantly go up until it approaches competitive prices. Six thousand cubic feet of gas has the same B. t. u. content as a barrel of oil, the same energy, heat energy, so that it would give you a relative value.
>
> Senator MCFARLAND. I see.
>
> Mr. THOMPSON. Oil sells for $2.65 a barrel.

Mr. President, I know Mr. Thompson. He knows a great deal about the gas business, and he is a very capable and forthright commissioner of the State of Texas.

The questions asked of him, as I have just read them, indicate that the Senator from Arizona wanted Mr. Thompson to testify in regard to what was the competition at the production end, not at the consuming or receiving end. All of us know that natural gas is the most magnificent fuel which exists, and that there is great competition for it at the consuming end. The consuming end competition has brought up the price. Mr. Thompson testified that it will bring up the price still further, until it reaches the comparative price of other fuels. He did not say—and the testimony in that regard negatives the idea—that there is sufficient competition at the producing end to meet the competition at the consuming end.

Considerable has been said, both in the hearings and in the debate on the floor of the Senate, about the little fellow who may be a gas producer in a small way, and about whether he should be placed under Federal control or whether he is under Federal control. I know some persons have presented the argument that they are only small producers. Certainly there has never been any desire on the part of the Federal Power Commission—as expressed by the Commissioners—to regulate or to have any intention of regulating the small producers of natural gas, and certainly not those who produce less than 2,000,000,000 cubic feet a year.

Mr. KERR. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from Tennessee yield to the Senator from Oklahoma?

Mr. KEFAUVER I yield.

Mr. KERR. Does the Senator think the answer to the question of whether to be regulated or not to be regulated depends upon the Commission or upon the statute?

Mr. KEFAUVER. I say to my distinguished friend that the answer to the question of whether to be regulated depends upon what Congress provides in the statute which is enacted. That statute has been enacted, but of course the administration of the statute is placed in the hands of the Federal Power Commission.

Mr. KERR. Is not the statute very clear that certain things are regulated and certain things are not regulated?

Mr. KEFAUVER. I think the Federal Power Commission has the power—in view of the decision in the Interstate case, it certainly has the power—to regulate the sale, if the Commission feels that it is in the public interest to do so.

Mr. KERR. Does the Commission have the power to regulate or does the Commission have the duty to regulate, if it has either.

Mr. KEFAUVER. The Commission has the duty to regulate if there is a public necessity for it. The Commission may have the power to do so.

Mr. KERR. Is that fixed by statute or by the whim of changing members and majorities of the Commission?

Mr. KEFAUVER. In my opinion it is fixed by the sttaute. I think it has been very unfortunate—and I say this in perfect frankness and in all fairness—and has given rise to a considerable amount of confusion, that there have been varying ideas and whims of the members of the Federal Power Commission as to the power and duty which the Commission has.

Mr. KERR. Then the Senator takes the position, does he, that they now have the duty and the power to regulate the sale in interstate commerce?

Mr. KEFAUVER. I take the position that they have the power to regulate, and if there are exorbitant increases which are not justified by the cost factors, then I would say they have the duty to regulate.

Mr. KERR. Will the Senator read to the Senate the provision of the act which gives them the power to regulate?

Mr. KEFAUVER. The act has been read repeatedly, but the power is given, in my opiinon, in section 1 (b) of the act of 1938. Does the Senator wish me to read it again?

Mr. KERR. I wish the Senator would read the part which he feels gives them the power or the duty to regulate.

Mr. KEFAUVER. I refer to section 1, subparagraphs (a) and (b). Section 1 (b) reads:

> The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

That is the provision.

Mr. KERR. Is it the entire provision, or is there some other phrase or sentence of it that imposes upon the Commission the duty of regulation?

Mr. KEFAUVER. I think we have to read the entire section, I may say to the Senator.

Mr. KERR. Will the Senator point to that part of it which gives the Commission the discretion to regulate big sales but not to regulate little sales? Or is there another provision of the act to the effect that those who do certain things shall be subject to the provisions of the act?

Mr. KEFAUVER. I may say to the distinguished Senator, the House Committee on Interstate and Foreign Commerce, as we all know, has been a thoughtful committee over a period of many years. It seems to me that in reporting the Natural Gas Act of 1938, they stated the cause very clearly.

Mr. KERR. I was not addressing my question to the cause; I was addressing my question to the effect.

Mr. KEFAUVER. They stated the effect very clearly, that the Federal Power Commission did have the power to regulate the sale or resale of gas by an independent producer.

Mr. KERR. Will the Senator show the part of the committee report on which that is based, or the source of the authority—the part which says they shall have discretion as to how big the sales shall be, in order to be regulated, or how small they shall be,in order not to be regulated?

Mr. KEFAUVER. The Senator was not in the Chamber when I quoted from the House report. It is in the RECORD.

Mr. KERR. May I ask a question, at that point?

Mr. KEFAUVER. I may say to the Senator the act does not say anything about "small" or "big." It merely gives the Commission the power of regulating. That is the method. That is what we have been talking about. As to the small amount of gas produced by the 2,300 small producers, who produce less than two billion cubic feet a year, the Commission would have no administrative problem, and the effort to regulate them, or to do anything about it, even if they did charge a higher price, would not be worth while. That is what I have understood.

Mr. KERR. Does the Senator take the position that the Natural Gas Act gives the Commission power to regulate, or the duty to regulate?

Mr. KEFAUVER. It gives the Commission both the power and the duty to regulate, if it becomes necessary to regulate.

Mr. KERR. Does it say that, if it becomes necessary, they shall regulate the sale of natural gas in interstate commerce for resale?

Mr. KEFAUVER. It says, in interstate and foreign commerce, when it "is necessary in the public interest."

Mr. KERR. Is the Senator reading from the act?

Mr. KEFAUVER. I am reading from the act, when it "is necessary in the public interest."

Mr. KERR. I thought the Senator said section 1 (b) was the provision which gave them the power and the duty.

Mr. KEFAUVER. The concluding language of section 1 (a) is the part which gives them the power and the duty, when it "is necessary in the public interest."

Mr. KERR. I thought section 1 (b) was the one which stated that the provisions of the act should apply to certain things.

Mr. KEFAUVER. It is; but section 1 (a) is the general-policy clause. It contains the declaration of policy.

Mr. KERR. Is it a declaration of policy, or does it define the applicability of the act?

Mr. KEFAUVER. The legislative policy is set forth in section 1 (a); the applicability of the act is set forth in section 1 (b).

Mr. KERR. Does the Senator think the Federal Power Commission should have discretion to regulate those whom they think should be regulated, and to not regulate those whom they think should not be regulated?

Mr. KEFAUVER. I think the burden is placed on the Federal Power Commission, by the act, to regulate the sale of natural gas by a gas company, when the gas is going into interstate commerce for resale, if the public interest requires it. Of course, as to the details of carrying it out, we may agree with them, or we may not. I think if they are not doing their job properly, or if we do not agree with the method they are following, the remedy is not to amend the law or to change it, but to get a new Federal Power Commission.

Mr. KERR. The Senator then thinks, does he, that the 2,300, or 23,000—and the figure is more nearly 23,000 than 2,300, I may say to the Senator—independent gas producers in the country, should have, first, the knowledge that, if and when the Federal Commission wants to regulate them, it can, and that if it does not feel that they ought to be regulated, it is not required to do so. Is that the position the Senator takes?

Mr. KEFAUVER. I shall be very frank with the Senator. I had in mind offering an amendment.

Mr. KERR. I was not talking about future legislation; I was talking about the effect of the present law.

Mr. KEFAUVER. Members of the Federal Power Commission feel that, if they had a clear expression of their power—and I think they do have—to regulate——

Mr. KERR. If the Senator will yield, the Senator from Oklahoma would like to say it is not a question of whether they ought to regulate if they have the power. The question is, Do they have the power?

Mr. KEFAUVER. That is correct; but merely because the Commission has the power does not mean that it must use the power, particularly so long as everything is going along all right.

Mr. KERR. Is it possible that the Congress would pass a law giving a group of men in Washington discretionary power as to whether they would regulate someone in industry without imposing upon them the duty so to regulate?

Mr. KEFAUVER. It is possible, I may say to the Senator. Of course, there were other things in connection with the Natural Gas Act. But I may say that, insofar as the price is concerned and the question of whether the price is exorbitant, I do not think they should regulate so long as things are going along all right; and if things continue in that way, I do not think they ought to exercise regulatory power.

Mr. KERR. The Senator thinks then, does he, that we ought to have a government of men with discretionary powers, not a government of law with stated purposes, limitations, and duties?

Mr. KEFAUVER. Practically every law applies only when there is some reason for applying it. We have a great many statutes on the books which are not applied unless a situation arises requiring their application.

Mr. KERR. I understood we were discussing the Natural Gas Act.

Mr. KEFAUVER. That is what we are talking about.

Mr. KERR. The Senator feels, does he, that it ought to be left to the majority of five men, and that they should continue to have discretion to regulate or not regulate in accordance with the changing whims or opinions of a changing majority of the Commission?

Mr. KEFAUVER. I may say to the Senator, Congress necessarily cannot and should not attempt to decide what is a reasonable return, and it should not undertake to decide whether in a given situation a company is receiving a fair income.

Mr. KERR. What is there about the personnel of the Commission that enables them to make such a determination that does not apply to the Congress?

Mr. KEFAUVER. The Congress should not determine whether a consumer is being unjustly charged a high price. I think there are many things like that which we necessarily have to leave to a commission, to whom we delegate responsibility. It should be left to the commission to carry out. The Congress cannot decide upon the merits or demerits of every application for a radio station, every application for the building of a natural-gas pipe line. We can only pass legislation conferring authority and setting up standards to govern the commission in carrying out the intent of the Congress.

Mr. KERR. I thank the Senator for having answered the questions.

Mr. KEFAUVER. I fear I have not answered them very satisfactorily.

Mr. KERR. I think the Senator made his position clear, that he thinks the Federal Power Commission should have the discretionary power to regulate or not, as it sees fit, on the basis that the Congress has neither the power nor the ability to determine it.

Mr. KEFAUVER. I wanted to say the testimony shows, as has been stated by the distinguished Senator from Oklahoma, that about 2,300 of the producers of the country produce less than 2,000,000,000 cubic feet per year. The members of the Federal Power Commission, in order to clarify the matter and to remove any fear that the very small producers may be subject to regulation, have recommended an amendment to exempt them from any possible regulation; and they feel that, so long as they can prevent the very large companies from having a monopoly, or from being in a position where they might obtain a monopoly, the public interest will be protected.

I have never heard the distinguished Senator from Oklahoma give his opinion about the proposed exemption of those producing under 3,000,000,000 or under 2,000,000,000 cubic feet a year, or whose gross sales amount to less than $250,000 a year. Such an exemption would be a little broader than that based on 3,000,000,000 cubic feet of production a year. Does the Senator think that would remedy the situation to any extent, I may ask?

Mr. KERR. The Senator from Oklahoma thinks that Congress passed a legislative enactment with definite provisions, setting forth definite duties of the Federal Power Commission, and setting forth in very definite language what should be and what should not be subject to the provisions of the act. The Senator from Oklahoma has enough respect both for the Congress and for its enactment to think that any creature of the Congress, such as the Federal Power Commission, should administer the laws passed by the Congress, and should not usurp the power, in a discretionary manner, to administer them on the basis of what the Commission thinks the laws ought to be.

Mr. KEFAUVER. I agree with the Senator from Oklahoma as to what he thinks the Commission ought to do, but I think that, necessarily, we must try to leave the matter to some commission, because we know we cannot pass on all the minute questions of rate making and what constitutes proper income. The hearings are great in volume, and the reports are lengthy. The questions involved cannot be settled by conclusions reached by Congress.

I have had in mind, Mr. President, offering an amendment to exempt producers who produce less than 3,000,000,000 cubic feet a year, or in cases where the amount of their sales is less than $250,000 a year. Such an exemption would be constitutional, under the rule laid down by the Supreme Court in *Wilson* v. *New* (242 U. S., 332). In the case of a production of 3,000,000,000 cubic feet a year, approximately 45 or 50 very large companies would be involved which might still be subject to regulation. If it were on the basis of exempting those with sales of less than $250,000 a year, I think approximately 37 or 38 companies would be exempted. The Federal Power Commission, in its report, says that no occasion would ever rise, in its opinion, to regulate the small producers, because they do not control sufficient supplies of gas to place them in a position which would affect materially the interstate movement or the prices of natural gas.

The Commission further said that the small independents could be relieved of all regulatory requirements without seriously affecting the regulatory situation. We know that the Interstate Commerce Commission, by enactments of the Congress, have differentiated railroads according to their length. In most of the acts the number of employees may be a matter to be considered, so that one company may be regulated if it has over a certain number of employees, and a company having less than a certain number of employees may not be regulated.

I have in mind offering an amendment. It seems to me that with that amendment there should be no insistent demand that this bill be passed.

Mr. President, I ask unanimous consent that there may be printed in the RECORD at this point in my remarks a memorandum which I have prepared, showing the natural-gas consumption and the regulations which apply in the State of Tennessee.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

NATURAL GAS—STATE OF TENNESSEE

All of the natural gas sold in the State of Tennessee is imported from the Southwest producing States of Texas and Louisiana. In the east portion of the State the natural-gas supply is brought into the State by Texas Gas Transmission Co. and to the central and eastern areas of the State by Tennessee Gas Transmission Co.

At the present time a large expansion program is underway in east Tennessee under certificate authorizations of the Federal Power Commission. Service to the atomic energy plant at Oak Ridge commenced a few months ago. Construction is underway to bring natural gas to the people of Knoxville, Chattanooga, and other communities in eastern Tennessee and service to these communities is expected to commence in the fall of this year.

An application is now pending before the FPC to extend the pipe-line system to the cities of Bristol, Marristown, Johnson City, Elizabethton, Kingsport, and other communities in northeast Tennessee. If the Commission acts favorably on this application, service to these communities is expected to commence in 1951. All of this expansion of natural-gas service is to be furnished by East Tennessee Natural Gas Co. with gas from the Tennessee Gas Transmission Co.

In 1948, consumers of natural gas in the Memphis and Nashville areas purchased 35,316,000 thousand cubic feet of natural gas. The extension program mentioned above will in itself require more than 47,000,000 thousand cubic feet of natural gas in the year 1952 or one-third more than consumed in the entire State in 1948. Assuming normal growth in the Memphis and Nashville areas, it would appear that in 1952 the people of Tennessee will be buying approximately 90,000,000 thousand cubic feet of natural gas all of which will be secured from the States of Texas and Louisiana.

The gas supply of Tennessee Gas Transmission Co. is obtained entirely from independent producers which, under the Kerr bill, will be removed from the jurisdiction of the Federal Power Commission. The Commission would, however, continue to have jurisdiction over the rates for the natural gas sold by Texas Gas Transmission Co. and Tennessee Gas Transmission Co. to the

local pipe line and distributing companies in Tennessee.

The gas which Tennessee Gas Transmission Co. purchases from independent producers in Texas and Louisiana is bought mostly under long-term purchase contracts. Most of these purchase contracts contain provisions for automatic increases of 1 cent per thousand cubic feet each 5 years and some of the contracts contain so-called favored-nation clauses providing that if Tennessee pays a higher price to any other producer in a specified area it will pay the same price to the contracting seller.

Texas Gas Transmission Co. purchased approximately 44 percent of its gas supply from independent producers in 1948 and the balance from other interstate pipe-line companies. These other companies in turn purchase part of their gas supply and produce part from their own reserves. These sales by pipe-line companies to Texas Gas are, of course, subject to FPC jurisdiction; but, however, the purchases of the other pipeline companies from independent producers would be exempt from regulation if the Kerr bill is enacted.

The contracts between Texas Gas and some of the independent producers provide that if Texas Gas pays other producers in the area a higher price, the contract price may be increased to that level and that in the fourth 5-year period the price may be increased to the highest price then being paid in the Carthage field under any contract providing for a minimum delivery of 25,000,00 cubic feet a day. The contracts also contain escalator clauses providing for a 1-cent-per-thousand-cubic-feet increase each 5 years.

It is a known fact that the price of gas has sharply risen in the producing fields of Texas, Louisiana, and other States since 1946 after remaining relatively stable during the period 1938–46. Natural-gas pipe-line companies purchasing gas in this area are now contracting to pay twice and, in some cases, three times as much per thousand cubic feet as was paid in 1945 and 1946. Renegotiation of the prices named in existing long-term gas-purchase contracts is taking place at a rapid rate. So far, the renegotiation process has not greatly affected the cost of gas to Tennessee Co. An increase of 1 cent per 1,000 cubic feet became effective November 1, 1949, in accordance with the escalator provisions of some contracts.

In view of the upward trend of field prices, and the experiences of pipe-line companies in renewing expiring contracts and purchasing additional volumes of gas, it appears that increases will eventually take place in the prices named in gas-purchase contracts held by Tennessee Gas Transmission Co. and Texas Gas Transmission Co. In this connection, it may be noted that Tennessee Gas will be needing additional gas for the New England markets it proposes to serve, and it is most improbable that such gas can be obtained in 1950 at the prices which prevailed in 1947, 1948, and 1949.

If the proposed legislation is enacted, the Federal Power Commission would be without authority to question the reasonableness of the higher prices charged by producers and to fix such prices where found to be unreasonable. In the absence of fraud, collusion, or affiliation the amounts paid for gas by the pipe-line companies, no matter how unreasonable, must be allowed by the Commission as bona fide costs of operation to be covered by rates charged subsequent purchasers.

Natural gas, with rare exception, has no superiority over manufactured gas except its cheapness. Once a decision is made to substitute natural gas for manufactured gas, such as is taking place in Chattanooga, Knoxville, and other Tennessee communities, it is difficult to turn back, no matter how high the price of natural gas may go or how cheap manufactured gas may become for the reason that the distributing companies and the local pipe-line companies, such as East Tennessee Natural Gas Co. and Tennessee Natural Gas Lines, Inc., must sign binding contracts for periods of 20 years in order to obtain natural gas. Millions of dollars will be invested by the distributing companies and consumers in converting to natural gas or buying new appliances. All of these costs will be an added burden unless the cost of natural gas in the future remains substantially less than the cost of manufactured gas.

The possible increases in the cost of natural gas to consumers in the State of Tennessee will depend upon the ability of the producers to raise the prices named in the gas-purchase contracts through forced renegotiation. A good object lesson in this respect is what has happened to the cost of gas to Michigan-Wisconsin Pipeline Co. where the cost of gas contracted for in 1945 under a long-term contract has nearly doubled. Wisconsin and Michigan consumers are expected to pay the increased costs. The FPC is now investigating Phillips Petroleum Co. which supplies all of Michigan-Wisconsin's gas, but it will not be able to do anything about the increase in price if the Kerr bill is enacted.

The producers frankly state that their aim is to bring the price of gas in the retail markets more in line with the price of other fuels and in the hearings on S. 1498 they compared the price of gas to the price of oil.

In the report of the Federal Power Commission on S. 1498 there is a table (table 17, p. 20) which shows what the application of oil-pricing policies to natural gas would mean. Based upon 1947 gas consumption in Tennessee of some 30,244,000 thousand cubic feet gas on an equivalent heating value basis would have cost consumers $5,822,000 more if priced on the basis of fuel oil. If the same percent of increase were to be applied to the estimated consumption in the State of Tennessee for 1952 of some 90,000,000 thousand cubic feet the people of Tennessee, on such basis, would pay $17,000,000 more than under the present gas rates. This sum would represent the probable upper limit in the pricing of gas which the producers indicate as their goal.

If it is assumed, however, that gas prices would increase only 1 cent a thousand cubic feet, and this is what would happen under the escalator clauses in present contracts, it would mean a $900,000 a year increase each 5 years assuming no further increases in consumption. No reasons have been advanced to justify even this minimum increase. Based on what has already occurred with respect to field prices and the increases experienced by other pipe-line companies, the more probable increase is in the range of from 5 cents to 10 cents per thousand cubic feet. This means an increase of some $4,500,000 to $9,000,000 a year which the consumers of Tennessee would have to bear unless some control over the price of gas entering the interstate lines is maintained by the Federal Government.

Mr. KEFAUVER. Mr. President, I yield the floor.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. JOHNSON of Texas) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. The clerk will read the nomination on the executive calendar.

NOMINATION OF KENNETH W. SPENCER

Mr. McFARLAND. Mr. President, as in executive session, I ask that the Senate confirm the nomination on the executive calendar.

The PRESIDING OFFICER. The nomination will be read.

The Chief Clerk read the nomination of Kenneth W. Spencer, of the District of Columbia, to be a member of the Public Utilities Commission for the remainder of the term expiring June 30, 1950.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified.

RECESS

Mr. McFARLAND. As in legislative session, I move that the Senate stand in recess until next Monday at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 52 minutes p. m.) the Senate took a recess until Monday, March 20, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 17 (legislative day of March 8), 1950:

COAST AND GEODETIC SURVEY

The following-named employee of the Coast and Geodetic Survey to the position indicated:

To be commander

John Laskowski, effective March 1, 1950.

IN THE NAVY

The following-named midshipmen (aviation) to be ensigns in the Navy, from the 2d day of June 1950:

John M. Aungst	James I. Fiscus
William C. Bailey	William O. Fleming
Raymond H. Barker	Forrest Forsythe
Robert W. Barnard	Marion Furrow, Jr.
Robert W. Barnhart	Ronald M. Gerdes
William R. Barrett	Paul H. Gilbert
James W. Basham	Albert H. Giles
Frederick C. Bareswill	Edmund E. Goodwin
William F. Bethmann	Harvey W. Graf
James E. Bigler	Robert B. Habeck
Dean T. Bowen	Paul B. Hamilton
John R. Brinkley	Corydon C. Hardy
William B. Browne	John Harris
Billy M. Burt	Stanley W. Henderson
Thomas J. Cabelus, Jr.	Thomas "A" Henderson
Michael Clarke	Harry K. Herrmann
William L. Cleland	Allen E. Hill
Denzel L. Crist	Carl O. Hitchcock
Robert M. Dagg	George H. Holloman
Richard S. Davidson	William E. Holmes
Frederick P. Davis	William P. Ilgen, Jr.
Michael A. DeCarlo	Frederick T. Jamieson
Melvin R. DeMond	Richard L. Johnson
Warren C. Dukes	John P. Jones
Walter H. Eells, Jr.	Richard Kaiser
William H. Ellis	Donald J. Keefe
Paul H. Engel	Stephen B. Kiedrowski
Robert S. Estes	Herbert W. Kiker, Jr.
Glenn T. Farnworth	Charles E. Knighten
Guthrie E. Farrar	Keith R. Knott
Richard F. Fassula	Fredrick D. Koehler
Richard C. Fenner	Bradley D. Kowalsky
Morris N. Finisy	
Alden G. Finley	

David E. Leue	Bryan C. Rudy
Wilson McCulley, Jr.	Rayford R. Sanders
Richard W. McKee	Robert L. Schaub
Thomas C. Mauney	Kenneth C. Scholl
Harry L. May	Kenneth R. Seal
Edward G. Milway	Merritt J. Sharrett
James A. Morrison	Benjamin F. Shaw
John Mudrock	William D. Smith
Ralph E. Neiger	David A. Sollinger
Sherwood A. Nelson	Walter E. Southall, Jr.
James L. Newman	Aldean H. Steves
Richard T. Newman	William M. Stollenwerck
George E. Niver, Jr.	Gerald J. Sullivan
Cutlar J. Nordyke	Allen LaF. Sweet, Jr.
Jack Norton	John A. Thompson, Jr.
John W. O'Brien	David K. Trubey
William J. O'Donnell	James J. Tyson, Jr.
Charles A. Peacock	Xavier V. Villanueva
Fred J. Pester	Robert C. Wagner
Edward E. Peterman	Clarence E. West
James H. Popejoy	Ralph E. White
Edward B. Powell	Harley D. Wilbur
Eugene H. Prange	Jacob L. H. Wink
Philip S. Randolph, Jr.	Gerald W. Wise
Donald G. Raskob	John J. Wojnar
Lawrence H. Resek	Richard F. Woodruff
Joe "E" Richardson	Robert T. Wooley
John "D" Richardson	Robert H. Wright
Clayton R. Robinson	Paul S. Wuesthoff
John D. Rowe	Henry K. Wylie
Robert Rudman	

The following-named (civilian college graduates) to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT

Thomas A. Glennon

LIEUTENANTS (JUNIOR GRADE)

Robert E. Fairchild	Denton E. Kuhn
John N. Gossom	John W. Pentecost
Frederick W. Koester, III	

The following-named to be ensigns in the Nurse Corps of the Navy:

Eleanor J. Brown	Nancy E. Martin
Rose M. Clemens	Virginia P. Shortell
Ruth A. Higgins	Mildred M. Smith
Geraldine F. Johnson	Vivian E. Smith
Judith A. Johnson	Patricia A. Wywiorski

The following-named officers for temporary or permanent appointment to the grades and corps indicated:

The following-named officer for temporary appointment:

CAPTAIN, MEDICAL CORPS

Greydon G. Boyd

The following-named officers for permanent appointment:

COMMANDER, MEDICAL CORPS

Greydon G. Boyd

LIEUTENANTS, MEDICAL CORPS

Joseph S. Burkle
Richard H. Tullis, Jr.
William R. Walsh

LIEUTENANTS (JUNIOR GRADE), MEDICAL CORPS

Richard E. Lieurance
George E. Magnin

LIEUTENANTS, NURSE CORPS

Evelyn A. Bremer	Ernestine C. Hess
Bernadette E. Golbach	Leona T. Radzai

LIEUTENANT (JUNIOR GRADE), NURSE CORPS

Eleanor R. O'Donnell

CONFIRMATION

Executive nomination confirmed by the Senate March 17 (legislative day of March 8), 1950:

DISTRICT OF COLUMBIA

Kenneth W. Spencer to be a member of the Public Utilities Commission of the District of Columbia for the remainder of the term expiring June 30, 1950.

SENATE

MONDAY, MARCH 20, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, spirit of light and truth, of beauty and freedom, bestow unto us, we pray Thee, Thy sustaining grace, that our strength fail not nor the vision splendid fade in the heat and burden of the day. Make us patient and thoughtful one with another in the fret and jar of these difficult days, remembering that each comrade by our side fights a hard fight and walks a lonely way. Teach us a gentler tone, a sweeter charity of words, and a more healing touch for all the smart of this wounded world. Give us courage for the day and hope for the morrow. May we march with conquering tread in the gathering armies of friendship whose armor is the shield of Thy truth and whose sword is the might of Thy love, against which all the spears of hate cannot ultimately prevail. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 17, 1950, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2205) to authorize the Commissioners of the District of Columbia to provide for the removal of sludge, and it was signed by the Vice President.

LEAVE OF ABSENCE

Mr. SCHOEPPEL. On behalf of the senior Senator from Nebraska [Mr. BUTLER] and the senior Senator from South Dakota [Mr. GURNEY], I ask unanimous consent that they be excused from attendance on the sessions of the Senate, the senior Senator from Nebraska for today and tomorrow, and the senior Senator from South Dakota for this week.

The VICE PRESIDENT. Without objection, the leave is granted.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MCFARLAND, and by unanimous consent, a subcommittee of the Committee on Foreign Relations was authorized to meet this afternoon during the session of the Senate.

On request of Mr. MCFARLAND, and by unanimous consent, the Finance Committee was authorized to sit this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. MCFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Green	Malone
Anderson	Hayden	Martin
Benton	Hendrickson	Maybank
Brewster	Hickenlooper	Millikin
Bricker	Hill	Morse
Bridges	Hoey	Murray
Byrd	Holland	Myers
Cain	Humphrey	O'Conor
Capehart	Ives	O'Mahoney
Chapman	Johnson, Colo.	Pepper
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Dworshak	Knowland	Stennis
Ecton	Langer	Taft
Ellender	Lehman	Taylor
Ferguson	Long	Thye
Flanders	McCarthy	Tobey
Frear	McClellan	Tydings
Fulbright	McFarland	Watkins
George	McKellar	Wiley
Gillette	McMahon	Withers
Graham	Magnuson	Young

Mr. MCFARLAND. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Wyoming [Mr. HUNT], the Senator from Illinois [Mr. LUCAS], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SCHOEPPEL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from South Dakota [Mr. GURNEY], and the Senator from Massachusetts [Mr. SALTONSTALL] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of the death of his father.

The Senator from South Dakota [Mr. MUNDT] is absent on official business.

The Senator from Massachusetts [Mr. LODGE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is absent attending the funeral of a friend.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Unless there is objection, the Chair will recognize Senators for the presentation of petitions and memorials, the introduction of bills and joint resolutions, and other routine matters, without debate and without speeches.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

REPORT ON CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE, UNITED STATES AND MEXICO

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a

report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of January 1950 (with an accompanying report); to the Committee on Agriculture and Forestry.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition from Wilhelm Schaefer, of Middle Village, Long Island, N. Y., relating to a proposal for the improvement of air defense against speedy airplanes or rockets (with an accompanying paper); to the Committee on Armed Services.

The memorial of F. A. Blake, of Cleveland, Ohio, remonstrating against the enactment of legislation to extend rent control; to the Committee on Banking and Currency.

A letter in the nature of a petition from the Washington Society of Professional Engineers, of Seattle, Wash., signed by Howard A. Stingle, president, withdrawing a previously submitted resolution favoring an amendment to House bill 1188, defining and regulating the practice of the profession of engineering and creating a Board of Registration for Professional Engineers in the District of Columbia, and now praying for the enactment of said bill; to the Committee on the District of Columbia.

The memorial of Jane A. Whitham, of Stamford, Conn., remonstrating against the enactment of House bill 6000, to extend and improve the Federal old-age and survivors insurance system; to the Committee on Finance.

The petition of Mrs. E. L. Rogers and sundry other members of the Auxiliary of Post No. 497, Veterans of Foreign Wars of the United States, of Havre, Mont., praying for the enactment of House bill 4617, to liberalize the requirement for payment of pension in certain cases to veterans and their widows and children; to the Committee on Finance.

A resolution adopted by the Johnstown (Pa.) Chapter of the National Secretaries Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Maysville and Mason County (Ky.) Ministerial Association, relating to Federal aid to Catholic and private schools; to the Committee on Labor and Public Welfare.

A telegram in the nature of a memorial from the Real Estate Board of Rochester, N. Y., signed by John D. Tighe, executive secretary, remonstrating against the enactment of Senate bill 2246, to amend the National Housing Act, as amended, and for other purposes; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KEFAUVER (for Mr. HUNT), from the Committee on Armed Services:

S. 2335. A bill to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended; with an amendment (Rept. No. 1349).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

S. 1719. A bill to amend section 3 of the act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma; without amendment (Rept. No. 1350).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 20, 1950, he presented to the President of the United States the enrolled bill (S. 2205) to authorize the Commissioners of the District of Columbia to provide for the removal of sludge.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FERGUSON:

S. 3261. A bill for the relief of Willard Sidmer Ruttan; to the Committee on the Judiciary.

By Mr. CHAVEZ (by request):

S. 3262. A bill to describe the boundaries of the United States Capitol Grounds, to regulate the use of the Capitol Buildings and Grounds, and for other purposes; to the Committee on Public Works.

(Mr. LEHMAN introduced Senate bill 3263, to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. JOHNSTON of South Carolina (by request):

S. 3264. A bill to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System; to the Committee on Post Office and Civil Service.

By Mr. MURRAY (for Mr. MCCARRAN):

S. 3265. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

By Mr. IVES:

S. 3266. A bill for the relief of Annie Litke; to the Committee on the Judiciary.

By Mr. O'CONOR (for Mr. MCCARRAN):

S. 3267. A bill for the relief of Luigi Santovito; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 3268. A bill relating to the payment of national service life insurance of Leo E. Chavez; to the Committee on Finance.

GRANTING OF CERTAIN VETERANS PREFERENCES TO MOTHERS OF DECEASED SERVICEMEN

Mr. LEHMAN. Mr. President, I introduce for appropriate reference a bill to grant certain veterans preferences to mothers of deceased servicemen in cases where the father of such a deceased serviceman is disabled and dependent upon his wife for support.

The bill (S. 3263) to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans, introduced by Mr. LEHMAN, was read twice by its title, and referred to the Committee on Labor and Public Welfare.

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENT

Mr. IVES submitted an amendment intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

THE SPIRITUAL HERITAGE OF ST. PATRICK IN THE MODERN CRISIS—ADDRESS BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD the address delivered by him at the one hundred and forty-seventh anniversary banquet of the Hibernian Society of Baltimore, held on March 18, 1950, which appears in the Appendix.]

MEMBERSHIP OF THE FEDERAL RESERVE BOARD—LETTER FROM HON. M. S. ECCLES

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD a letter addressed by Hon. M. S. Eccles, of the Federal Reserve Board, to Hon. PAUL W. SHAFER, House of Representatives, regarding membership on the Federal Reserve Board, which appears in the Appendix.]

TRAINING PROGRAM FOR THE UNITED STATES COAST GUARD RESERVE—LETTER FROM ADMIRAL FORREST SHERMAN

[Mr. CAIN asked and obtained leave to have printed in the RECORD a letter addressed to him by Admiral Forrest Sherman regarding the need for a training program for the United States Coast Guard Reserve, which appears in the Appendix.]

RENT CONTROL—LETTER FROM JOSEPH WESTON

[Mr. CAIN asked and obtained leave to have printed in the RECORD a letter on the subject of rent control addressed to him by Mr. Joseph Weston, of Tacoma, Wash., which appears in the Appendix.]

MIDDLE-INCOME HOUSING—EDITORIAL FROM THE BOSTON TRAVELER

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Setback for Socialism," published in the Boston Traveler of March 17, 1950, which appears in the Appendix.]

UNITED STATES BAN ON GERMAN SCIENCE—ARTICLE BY KARL H. VON WIEGAND

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article headed "Von Wiegand hits United States ban on German science," written by Karl H. von Wiegand, and published in the Hearst newspapers of recent date, which appears in the Appendix.]

REORGANIZATION OF THE MARITIME COMMISSION—EDITORIAL FROM THE WASHINGTON POST

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an editorial entitled "Maritime Shuffle," from the Washington Post of March 16, 1950, which appears in the Appendix.]

FEPC—EDITORIAL FROM THE STATE, COLUMBIA, S. C.

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "FEPC," published in the March 18, 1950, issue of The State, Columbia, S. C., which appears in the Appendix.]

LIONS INTERNATIONAL—THE LIONS CODE OF ETHICS

[Mr. WILEY asked and obtained leave to have printed in the RECORD excerpts from an article by Melvin Jones, secretary general of Lions International, which appears in the Appendix.]

COMMUNISTS IN GOVERNMENT SERVICE

Mr. LEHMAN. Mr. President, on March 8, the Senate subcommittee of the

Foreign Relations Committee investigating certain charges of Communist infiltration into the State Department heard the junior Senator from Wisconsin on the subject of Judge Dorothy Kenyon. For reasons which I need not discuss, the Senator from Wisconsin sought and obtained the consent of the Senate to print in the body of the CONGRESSIONAL RECORD the full text of remarks which he had prepared for presentation before the Senate subcommittee. I am advised that this is a rather unusual procedure. In order to be perfectly fair to Miss Kenyon, who was accused by the Senator from Wisconsin of numerous subversive associations, it would seem only just that readers of the CONGRESSIONAL RECORD should also have at hand the statement of Miss Kenyon in reply to the charges brought by the Senator from Wisconsin. Because the distinguished lady from New York is a respected constituent of mine, I should like to afford her this privilege and this opportunity to have her side of the case presented in approximately the same position in the RECORD as the charges against her. I ask the unanimous consent of the Senate to print Miss Kenyon's statement in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MISS DOROTHY KENYON BEFORE SENATE FOREIGN RELATIONS SUBCOMMITTEE, MARCH 14, 1950

My name is Dorothy Kenyon. I live at No. 433 West Twenty-first Street, New York City. I am a practicing lawyer with offices located at No. 50 Broadway, New York City.

When I was informed of the accusations that were made against me before this subcommittee last week, I did explode. Doubtless my indignation led me to make some impulsive remarks in unparliamentary language. Reflection, and a recollection refreshed by such investigation as I could make in the interim, now permits a much more dispassionate approach. However, nothing can diminish the deep resentment I feel that such outrageous charges should be publicized before this subcommittee and broadcast over the entire Nation without any notice or warning to me.

My answer to these charges is short, simple, and direct. I am not, and never have been, a Communist. I am not, and never have been a fellow traveler. I am not, and never have been, a supporter of, a member of, or a sympathizer with any organization known to me to be, or suspected by me of being, controlled or dominated by Communists. As emphatically and unreservedly as possible, I deny any connection of any kind or character with communism or its adherents. If this leaves anything unsaid to indicate my total and complete detestation of that political philosophy, it is only because it is impossible for me to express my sentiments. I mean my denial to be all inclusive.

So absolute a negation of the charges should be supplemented with an equally positive, but brief, affirmation of what I am and have been.

I received my bachelor of arts degree from Smith College and my law degree (doctor juris) from New York University Law School. I am a member of Phi Beta Kappa and have been for several years a senator of the united chapters of Phi Beta Kappa.

I come of a family of lawyers, my father having been a patent lawyer in New York City where my brothers and a cousin now practice under the firm name of Kenyon & Kenyon. My father's cousin, William S. Kenyon, was for many years a member of the United States Senate and later a Federal judge in Iowa.

I was admitted to the bar in 1917 and have practiced law continually ever since except during certain periods when I held public office. Mine is a general practice. I am a member of the Bar Association of the City of New York, the New York County Lawyers' Association, the New York State Bar Association, the American Bar Association, the National Women Lawyers' Association, the American Society of International Law, the American Branch of the International Law Association, and several others.

I have held public office three times, first from June 1, 1936, to December 31, 1937, as deputy commissioner of licenses by appointment of Mayor Fiorello LaGuardia, second from January 1, 1939, to December 31, 1939, as municipal court judge in New York City, also by appointment of Mayor LaGuardia, and third, from January 1, 1947, to December 31, 1949, as United States delegate to the Commission on the Status of Women of the United Nations, by appointment of President Truman, ratified and confirmed by the Senate. I was also appointed in January 1938, by the League of Nations as one of a commission of seven jurists (of whom I was the only American) to study the legal status of women throughout the world. This commission continued to operate until the war made further communication between the members impossible. I have also served on a number of governmentally appointed commissions and committees dealing with such subjects as the regulation of employment agencies, minimum-wage legislation, consumer cooperatives corporations, problems growing out of the wartime employment of women, etc. I have also done a small amount of labor arbitration.

My interest in good government led me early into the ranks of the League of Women Voters, of which I have been a member for almost 30 years and which I have served in many capacities and offices. It also led me into the Citizens Union of New York, of which executive committee have been a member for almost 20 years. When the American Labor Party was formed in New York I was one of its earliest members but I left it after our efforts to save it from Communist domination finally failed. I am now an enrolled Democrat. I am also a member of Americans for Democratic Action.

My interest in civil liberties led me equally early into the ranks of the American Civil Liberties Union, of which I have been a member of the board for almost 20 years. In that connection I have fought on many civil-liberties issues and have participated in many briefs amicus in defense of the Bill of Rights.

My interest in education, in labor problems and in the problems of women made me an early member of the American Association of University Women, of which I am now second vice president. I am also a member of the National Board of the YWCA, a director of the Women's City Club of New York, the Association for the Aid of Crippled Children, and the Committee of Women in World Affairs. I was also for many years on the board of the Consumers' League of New York and was for a time its president. I am also a member of numerous other women's organizations.

I am, and always have been, an independent, liberal Democrat, devoted to and actively working for such causes as the improvement of the living and working conditions of labor and the preservation of civil liberties. To the latter cause especially I have given much time and attention and have made speeches on that subject for many years in various parts of the country. At times I have espoused unpopular causes in that connection and have probably made some enemies of those who disagreed with my views.

I am, and always have been, an ardent, outspoken American citizen, yielding to no one in my admiration of the great privileges this country offers to all its sons and daughters and determined to do all I can to maintain those privileges inviolate forever. I am, and always have been, unalterably opposed to anyone who advocates the overthrow of our Government by force or violence or who otherwise engages in subversive activities or entertains subversive ideas.

I am not content to rely on these general denials and observations, and therefore proceed to deal more specifically with the charges against me. In substance, as I understand it, it is claimed that it can be established by documentary proof that I have been at some time a member of 28 or more Communist-front organizations and therefore stand convicted under the doctrine of guilt by association.

Thus far I have not been confronted with this documentary proof and as I am totally unaware of the contents of most of the documents, I am in no position to make any categorical denials or assertions regarding such statements as they may contain. Here and now, however, I can and do state, with the absolute confidence borne of my personal and positive knowledge, that there does not exist and never has existed any genuine document that proves or even tends to prove that I have ever knowingly joined or sponsored or participated in the activities of any organization known to me to be even slightly subversive.

Frankness and caution admonish me to avoid creating false impressions or otherwise putting myself in the position of the lady who protested too much. I cannot and do not deny that my name may have been used, even at times with my consent, in connection with organizations that later proved to be subversive but which, at the time seemed to be engaged in activities or dedicated to objectives which I could and did approve. Nevertheless I challenge and defy anyone to prove that I ever joined, or sponsored, or continued to identify myself with, any organizations or individuals I knew, or had reason to believe, were subversive.

I do not even know the names of all the 28 or more Communist-front organizations I am supposed to have joined. I have taken the list of organizations from the published reports in the press. The names may not be quite accurate and the list is apparently incomplete. It was impossible for me to identify some of the names and events described in those charges. I have done the best I could, however, in the brief time since hearing of them and have searched my files, and my own memory in respect to each one. If any further organizations are alluded to today I shall ask the committee's indulgence for time to investigate and make my replies thereon at a later date.

1

First, let me deny acquaintance with practically every one of the persons mentioned in the charges as being "familiar company" to me, "collaborator," or "fellow Red." I do not know and have never to my knowledge laid eyes on Bernhard J. Stern, Albert Maltz, Anna Louise Strong, William Gropper, Langston Hughes, Hewlett Johnson, Ben Gold, Lee Pressmen, Whittaker Chambers, Howard Fast, Saul Mills, Ella Winter, John Howard Lawson, Henry H. Collins, Rockwell Kent, Lewis Merrill, Mervyn Rathborne, Dirk J. Struick, Harry Bridges, Paul P. Crosbie, Benjamin J. Davis, Charles Krumbein, Morris V. Schappes, Simon W. Gerson, Louis Weinstock, Irving Potash, Helen Selden, or Josephine Herbst.

I once heard Paul Robeson sing at a concert. Harry F. Ward was, in the thirties (before its Communist purge), chairman of the board of the American Civil Liberties

Union, and I, of course, knew him there. Corliss Lamont is still on its board. I met Carol King years ago, before she went "left," but I have seen hardly anything of her in many years. Arthur Kallet's name I vaguely remember, as I vaguely remember Consumer's Union, but he and it date back in my memory at least 15 years, and if he were a Communist then I did not know it.

I may be pardoned for putting the other names mentioned in a different category. They are Mrs. Dean Acheson, Stanley Isaacs, Philip Jessup, and Franklin D. Roosevelt. I am proud to say I have had a slight acquaintance with them all.

To repeat, the rest are unknown to me, except as above mentioned, and the innuendoes as to my relationship with them absolutely false.

Now for the organizations themselves.

2

League of Women Shoppers: I begin with the League of Women Shoppers because my connection with that organization, which was set up to investigate labor disputes, is ancient history, and it was also very short-lived. Evelyn Preston Baldwin, wife of Roger Baldwin, and a close friend of mine, became its president at its founding in 1935 or thereabouts. I was a sponsor. We both withdrew a year or so later. I remember that I did so because I did not approve the way the investigations were being handled. If it was Communist then, neither of us knew it.

3

Political Prisoners' Bail Fund Committee: The Political Prisoners' Bail Fund Committee is also ancient history.

I have no documentation on this organization in my files, but I remember that I served as sponsor for a short time at the request of Roger Baldwin. Mr. Baldwin, who was a trustee of the fund, tells me that he and others set it up about 1925 to write bail in a great variety of worthy cases, some may possibly have involved Communists but most of them definitely did not. It was liquidated about 1934. He regarded it as wholly nonpartisan and non-Communist. It is significant that it is apparently not on any subversive list. It is described in the charges merely as subsidiary to the International Labor Defense, which is on the subversive list. The connection between them is not stated.

4

Consumer's Union: The Consumer's Union is also ancient history. I have never represented Consumer's Union. I had acted as attorney for Consumer's Research in its incorporation and for several years thereafter prior to 1935, but I never acted for Consumer's Union. Consumer's Union came into existence, as I recall it, following a strike and split-up of the business into two organizations. They both test merchandise and give advice as to good buys. This is where I had my short acquaintance with Arthur Kallet. He was with Consumer's Research and later with Consumer's Union.

5

Conference on Pan-American Democracy: The Conference on Pan-American Democracy comes next. I find a letterhead in my file, listing me as a sponsor of this organization, dated March 4, 1939, along with Senator Paul A. Douglas, John Haynes Holmes, Quincy Howe, Stanley Isaacs, and Dr. Ralph W. Sockman, all friends of mine. I remember almost nothing about this organization, except that I think I may have spoken before it in 1938 or thereabouts. I have never heard of it since. I certainly had no idea at that time that it was Communist, and I am sure my other sponsor friends had no such idea, either.

6

National Council of American-Soviet Friendship: Now for the National Council of American-Soviet Friendship. I was never a member of this organization, but I became a sponsor of it (along with many distinguished people) at the height of the war effort (in 1943, I think it was), when the Russians were making their stand before Stalingrad and many of us believed that friendship with the people of Russia was both possible and good. I withdrew my sponsorship some 3 years later, when I had become convinced that the organization was no longer being used for the purposes stated in its title. Not long ago a friend told me that my name had not been removed from the sponsor's list as I had requested, and I wrote demanding its removal. I quote that letter:

"GENTLEMEN: I am advised that you are still carrying my name on your letterhead as a sponsor of your organization.

"I became a sponsor in 1943 or 1944, when the Germans were at the gates of Stalingrad and the United States was deep in admiration of the great courage of the Russian people. Anything which looked toward genuine friendship between the peoples of our two countries was highly desirable. Since then, however, your policy, as I have had occasion to observe it in the press, has had less and less to do with development of genuine friendship between the peoples of our two countries and more and more to do with mere apologetics for the Russian Government, which you have supported no less consistently than you have attacked the United States. This is no way to build friendship, and it makes a mockery of your name and alleged purposes. My sponsorship of the Council as a genuine organ of friendship between the peoples has therefore long since lapsed.

"I have previously requested you to remove my name from your list of sponsors, and I must now insist that you do so.

"Sincerely yours."

I assume that my name has been removed by now, although I have no way of being sure. I have no apologies whatever for sponsoring this organization at the time I did and under those circumstances.

As indicative of the standing it had, it is significant that President Roosevelt himself sent a message of greeting to the Council at its meeting on November 16, 1944, reading as follows:

"I am grateful to you and all those who are celebrating American-Soviet Friendship Day for the words of support and confidence I have received. There is no better tribute we can hold out to our Allies than to continue working in ever-growing accord to establish a peace that will endure. The Dumbarton Oaks Conference was a step in this direction. Other steps will be taken. In line with this objective, such meetings as you are holding in Madison Square Garden and in other great centers throughout the United States are of tremendous assistance and value."

And that President Truman followed it up by another greeting on November 14, 1945, reading as follows:

"The President has asked me to extend to you every good wish for the success of the meeting and to assure you of his interest in all efforts to continue the good relations between this country and the Soviet Union."

As for the Red dean of Canterbury, I certainly never welcomed him at Madison Square Garden nor anywhere else. I surmise that the fact that my name remained on the sponsor list longer than it should have is the explanation of this incident.

7

American Russian Institute: I have no recollection of sponsoring the dinner in question but, since it was given in honor of President Roosevelt, it would not seem inappropriate had I done so.

8

American Lawyers' Committee on American Relations With Spain: Now for the group connected with Spain. This committee was apparently working early in 1939 to lift the embargo on Spain, which was defeated by the combined efforts of revolutionary forces within the community plus Hitler and Mussolini. This organization is not on any subversive list that I can find.

9

Washington Committee To Lift the Spanish Embargo: As for the Washington committee I can find nothing on this in my files.

10

Veterans of Abraham Lincoln Brigade: The Abraham Lincoln Brigade probably belongs in here too. I have no recollection or documentation for this whatever. Furthermore, if the petition which they say I signed really contained a charge that war hysteria was being whipped up by the Roosevelt administration it is inconceivable that I could have signed it, since I myself was then passionately proally and in process of trying to force our Government into greater and greater activity in their behalf rather than less.

11

American Committee for Democracy and Intellectual Freedom: I have no recollection of documentation in respect to signing a petition in my files. I do have correspondence, however, showing that in 1940 I accepted membership on a citizen's committee to promote free public education. The letterhead lists many distinguished college presidents and professors, including Miss Park, former president of Bryn Mawr and Prof. Harold Urey. This organization is not on the Attorney General's list.

12

Greater New York Emergency Conference on Inalienable Rights: I can find nothing on this in my files but I find a press clipping reporting a meeting held in New York February 15, 1940, at which Newbold Morris and Mary Woolley, former president of Mount Holyoke College, were listed as speakers.

13

Advisory Board of Film Audiences for Democracy and Advisory Board of Films for Democracy: I can find nothing on either of these organizations in my files. I may possibly have made a speech before them. Neither of them are on any subversive list that I can find.

14

Shappes Defense Committee.

15

Daily Worker Letter on Simon W. Gerson.

16

American Committee for Anti-Nazi Literature.

17

Advisory Committee of the Citizen's Committee To Aid Striking Seamen.

18

Milk Consumer's Protective Committee: I can find nothing on any of these matters in my files and have no memory of them except a vague recollection of the Gerson and Schappes controversies. If I participated in either of them in any way, I have completely forgotten it, and I am certain that I never approved or endorsed Communist activities in those or any other matters.

19

Congress of American Women: This is one organization I know something about. It is the American affiliate of the Women's International Democratic Federation, a wholly Moscow-controlled body over which I have been battling with Mme. Popova, of the U. S. S. R. at the United Nations for all the years since the creation of the Commission on the Status of Women. To charge me with membership in this organization is nothing short of fantastic.

This completes the roster of specific charges.

One general charge remains, my "constant adherence to the * * * party line," as evidenced by this alleged multiplicity of associations (actually boiled down to a handful and most of them before 1940). Well, how about it? Is this all I have done? Is this the whole of my life? Emphatically no. I have done many other things, some of them strangely inconsistent with the party line, some of them in flat contradiction to it. Let's look at the record in the round and not just a distorted fragment.

In the early years of my life I knew very little and cared less about Communists. They were an utterly negligible factor in my life. During the thirties, however, as world tension increased, they began showing their hand, and by the end of that period I, like others, had come to know and loathe their philosophy. The signing of the Hitler-Stalin pact in October 1939 suddenly made the issues startlingly clear. I voiced those issues in a letter I wrote to Alex Rose, secretary of the American Labor Party, under date of October 10, 1939, as a statement for him to use in conjunction with my candidacy as judge of the municipal court:

"I regard with horror and loathing the Hitler-Stalin pact. I agree with you that any fusing of the brown and red dictatorships is a treacherous blow to world civilization, etc."

Events moved so quickly after that, by February 1940 we had been forced to form a liberal and labor committee, of which I was a member, to safeguard the American Labor Party and to fight the Communist attempt to capture it. At the same time the American Civil Liberties Union found it necessary to purge from its own board all nonbelievers in civil liberties. This action barred from its governing councils anyone "who is a member of any political organization which supports totalitarian dictatorship in any country, or who by his public declarations indicates his support of such a principle." Within this category we include organizations in the United States supporting the totalitarian governments of the Soviet Union and of the Fascist and Nazi countries (such as the Communist Party and the German-American Bund, and others), as well as native organizations with obvious antidemocratic objectives and practices. Needless to say, I was not one of those purged, and I am still a member of that board.

The Communist Party line in 1940–41 was antiwar, anti-French, and anti-British. But it was not my line. Being on the contrary passionately pro-French and pro-British I became increasingly anxious to aid them as the months passed by, first by all means short of war and later by war itself if need be.

I was one of the original members of the so-called William Allen White Committee to Defend America by Aiding the Allies. William Allen White in a telegram invited me to join, saying:

"Here is a life-and-death struggle for every principle we cherish in America, for freedom of speech, of religion, of the ballot, and of every freedom that upholds the dignity of the human spirit. Here all the rights that the common man has fought for during a thousand years are menaced. Terrible as it may seem, the people of our country cannot avoid the consequences of Hitler's victory or of those who are or may be allied with him. A totalitarian victory would wipe out hope for a just and lasting peace."

I favored giving Great Britain overage destroyers, I favored lend lease, selective service, etc. I made many speeches during that period extolling freedom, urging aid to the allies, and criticizing the isolationists and the Communists alike for their opposition.

On May 26, 1941 (a month before Hitler attacked Russia) I joined with other members of that committee in an open letter to the President of the United States, in effect inviting him to declare war on the dictators. It read in part:

"We cannot close our eyes to the wholesale murder of liberty. * * * The dictators have extended their world war and world revolution from continent to continent. * * * The challenge is inescapable. We know that strong action, even armed action, will be required of us."

This was signed, among many others, by Mrs. J. Borden Harriman and Ambassador Lewis W. Douglas. (See attached photostat.)

This history of my efforts during the crucial years 1940–41 hardly needs any gloss but it should give pause to those who dare to call me a Communist.

After Russia had been attacked we all changed our viewpoint slightly and many of us made earnest efforts to be friends with our new allies. I do not apologize for that impulse or effort. I think it was right and good.

However we failed. When the war ended the cold war began and it is intensifying. I have been in the thick of it. Confronted with Madame Popova of the U. S. S. R. at the United Nations I have had a fight on my hands from the outset. At the first meeting of our Commission on the Status of Women held in February 1947, she sought preferential treatment for her particular pet organization, the Women's International Democratic Federation (of which the Congress of American Women is the United States affiliate). I battled her on eight different occasions during that first meeting on that one issue alone, practically single-handed, since some of the other delegates did not yet know what it was all about. They know now, though. The reports and summary records of the Commission's proceedings tell the tale.

The struggle went on at subsequent Commission meetings. It reached its peak at Beirut, Lebanon, last spring (see New York Times clipping of March 26, 1949, attached), when after bitter debate over many things, including equal pay for equal work, I finally demanded of Madame Popova whether women received equal pay for equal work in the Soviet slave labor camps.

The issue was always slavery versus freedom. I raised the point over and over again in writings, speeches, at meetings, even over the Voice of America.

Eventually Moscow answered back. Maria Sharikova, assistant chairman of the Moscow Soviet on the Rights of Women, is reported on January 5, 1949, to have said:

"Dorothy Kenyon, in endeavoring to conceal her reactionary stand has engaged in slandering the Soviet people, in particular Soviet women. In a radio broadcast over the Voice of America, she talks a lot of irresponsible drivel attempting to deny the political, economic, and social equality enjoyed by the women of the U. S. S. R. at the same time painting a glowing picture of the position of women in Britain and the United States, when she knows full well what their position really is. I am shocked at this shameful downright lie, completely unsupported by the tiniest fact. As it happens, Dorothy Kenyon could not quote facts for that would at once disprove her assertions.

"Dorothy Kenyon had engaged in slandering the freest women on earth, the women of the U. S. S. R. However, as any of the thousands of visitors to the U. S. S. R. can witness, the slander indulged in by Dorothy Kenyon can hoodwink no one."

This is my defense. What does it add up to? With all the mistakes and errors of judgment which the best of us can and do commit only too frequently, I submit that the record proves without question that I am a lover of democracy, of individual freedom and of human rights for everybody, a battler, perhaps a little bit too much of a battler sometimes, for the rights of the little fellow, the underdog, the fellow who gets forgotten or frightened or shunned because of unpopular views but who is a human being just the same and entitled to be treated like one. The converse of these things—dictatorship, cruelty, oppression, and slavery are to me intolerable. I cannot live in their air, I must fight back. This is not perhaps a very wise or prudent way to live but it is my way. It has got me into hot water before and probably will again. But my faith in people and my impulse to fight for them is my religion and it is the light by which I live. I also believe that it is America. There is not a Communist bone in my body.

This is a matter of grave consequence to me. Literally overnight, whatever personal and professional reputation and standing I may have acquired after many years in private practice and some in public office, have been seriously jeopardized, if not destroyed by the widespread dissemination of charges of communistic leanings or proclivities that are utterly false. The truth may never catch up with the lie, but insofar as I can, I desire to regain as much of what I have lost as possible and I have faith that this subcommittee will see that justice is done. Of course, I am more than willing to attempt to answer any questions the members of this subcommittee, or anyone permitted by the subcommittee, may care to ask. I conclude with an expression of my appreciation of the opportunity and privilege afforded me so promptly, to answer these charges at this public hearing.

GROVER CLEVELAND'S SON A REPUBLICAN

Mr. BRIDGES. Mr. President, since the Civil War the Democratic Party has had only four Presidents namely, Grover Cleveland, Woodrow Wilson, Franklin D. Roosevelt, and Harry Truman. Mr. Truman has no sons. Woodrow Wilson had no sons. Franklin D. Roosevelt had sons. Some of them are in the Democratic Party, and some are not. For example Franklin Roosevelt, Jr., left the Democratic Party to run as an independent candidate for Congress in New York against a candidate of the Democratic Party as well as a Republican candidate. James Roosevelt opposed Mr. Truman last year and devoted his efforts in behalf of General Eisenhower in the last Democratic Convention. It can be plainly seen that Roosevelt's sons have their doubts about the Democratic Party. I make particular reference today to the son of Grover Cleveland. It is of such importance that I believe it should have the attention of the Senate and the country. Therefore, Mr. President, I ask to have inserted in the body of the RECORD an article entitled "Democrat Cleveland's Son Now Republican," published as an Associated Press dispatch from Tamworth, N. H., dated March 17. I believe it is rather interesting to note that sons of famous Democratic Presidents sometimes change their party designations. The present program of the Fair Deal is more than they can stand, and I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEMOCRAT CLEVELAND'S SON NOW REPUBLICAN

TAMWORTH, N. H., March 17.—A son of the late Democratic President Grover Cleveland has successfully, if modestly, entered the political lists under the Republican banner. He is Francis Cleveland, 46, newly

elected as a selectman at Tamworth's town meeting. Cleveland, a poultryman and summer theater operator, says he has no political aspirations beyond Tamworth's boundaries. He said he became a Republican when President Truman took office.

The VICE PRESIDENT. The Chair would like to suggest to Senators that the Senate is now engaged in the transaction of routine business, and under the unanimous-consent agreement for the transaction of such business, speeches are not now in order. The Chair does not like to call Senators to order for violating such a unanimous-consent agreement, but if the practice which has grown up during the last week or two continues the Chair will have to enforce the rule.

INCREASING UNEMPLOYMENT CAUSED BY FREE-TRADE POLICIES

Mr. MALONE. Mr. President, we have several indications that the administration is now admitting as a fact the steadily increasing unemployment, about which I have been warning the United States Senate. The junior Senator from Nevada has continually called attention to the threat of disaster to American workingmen and to American industry resulting from the administration's free-trade policies. They have removed the floor under wages and investments through the indiscriminate lowering of the tariff and import fees.

Mr. President, the administration's 3-part free-trade program—including the 1934 Trade Agreements Act bringing in the products of low-living-standard labor—the Marshall plan, now ECA, making up the trade balance deficits of the 16 ECA nations in cash and goods—and the proposed International Trade Organization, where the 57 foreign countries could fix any tariffs and import fees—and also fix quotas of production for the member nations—will definitely remove the floor under wages and investments in this Nation, causing unemployment and loss of taxable property.

Mr. President, according to a news dispatch which I shall ask to have inserted in the RECORD, Government agencies say they cannot understand the steadily increasing unemployment—they cannot explain it. But I can.

Small manufacturers—mills, mines, and factories—are curtailing production, some are shutting down, because of competition of foreign goods produced with the low-wage living standard and slave labor of Europe and Asia. American workers and investors are the direct losers, and all businesses are the secondary losers.

Unemployment is steadily increasing, and will continue to do so until we, here in the Senate, call a halt to stupid foreign economic activities of the State Department.

The administration officials need look no further than one of my recent speeches in the Senate for an explanation of the major cause of this increasing unemployment. It results from the Administration's combination foreign and national economic policy which permits unfair competition of foreign goods produced with low-wage living standard and slave labor.

Through the administration's stupid foreign policy in cutting import fees, without regard to the differential in living standards, they are directly attacking the wage-living standards of the workingmen of this country. Mills, mines, factories, and fuel production are being forced to curtail production, and in many instances to shut down, causing steadily increasing unemployment.

The news dispatch says that various steps to meet the unemployment problem are being discussed by the Government agencies and that the steps being considered include several kinds of pump priming. Hold your hats, here we go again for another WPA. We deliberately create unemployment and then appropriate additional taxpayers' money to cure it.

The industrially inexperienced State Department officials speak of lowering tariffs to increase imports so that European countries can obtain dollars to buy American goods, but the master minds fail to explain one more thing: They do not explain how our unemployed, steadily increasing in number because of free-trade imports from low-wage countries, are going to find the money to buy the imports.

Mr. President, in the opinion of many of us, it is time that the Congress of the United States take back its constitutional authority to regulate the national economy through the regulation of imports, and take such regulation out of the hands of an industrially inexperienced State Department, where it was placed by the 1934 Trade Agreements Act. In that connection, I wish to read into the RECORD at this point an article entitled "Increase of Jobless Worries Agencies," written by Fred W. Perkins, and published in the Washington Daily News of March 18, 1950.

INCREASE OF JOBLESS WORRIES AGENCIES

(By Fred W. Perkins)

Government agencies are beginning to worry about the phenomenon of steadily increasing unemployment in a period of apparent national prosperity.

Mr. President, 60 percent of our people are not getting along well. They are having a hard time of paying the increased taxes and keeping the children in school.

Attention is being given to the problem by the President's Council of Economic Advisers and by a Labor Department committee of unemployment headed by William L. Batt, Jr., special assistant to Secretary Maurice J. Tobin.

Unemployment figures have been rising almost steadily since October 1948. The Census Bureau's latest report sets unemployment at 4,700,000. Some officials regard that as near the danger point.

JOBS AT PEAK

On the other hand employment is at a high level—in February a total of 57,500,000, including 6,500,000 in farm occupations. During the farming season the total has been exceeding 60,000,000 in recent years.

But still the number of idle—persons able to work, and looking for jobs—continues to grow. Young people coming out of school, including veterans who have finished their education under the GI law, are an important factor in the estimated annual addition of 600,000 to the potential working force.

Various steps to take up the slack are being discussed—including several kinds of pump priming, such as public works.

Mr. President, we are now priming the pump with five and a half million dollars annually to buy our goods.

DEFICIT A BRAKE

The official disposition at present, however, is to give unemployment situation time to adjust itself. One reason for hesitancy is the $5,000,000,000 deficit the Government already is operating under. Fears of a depression in the near future are scoffed at by administration spokesmen.

I ask unanimous consent to have printed in the RECORD at this point a news release from my office as of this date.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 20.—United States Senator GEORGE W. MALONE (Republican, Nevada) in a brief speech on the floor of the Senate called attention to a news dispatch about steadily increasing unemployment and the fact that Government agencies, "unable to explain it," are beginning to worry about it.

Senator MALONE said that the administration is now admitting what he has been saying for some time. "They need look no further than one of my recent speeches in the Senate for an explanation of the cause of this increasing unemployment," said Senator MALONE. "It results from the administration's foreign economic policy which permits unfair competition of foreign goods produced with low-wage and slave labor."

"Through the administration's stupid foreign policy in cutting import fees they are attacking the workingmen of this country. Mills, mines, and factories are being forced to curtail production and in many instances to shut down, causing steadily increasing unemployment."

Continuing, Senator MALONE said, "The news dispatch says that various steps to meet the unemployment problem are being discussed by the Government agencies and that the steps being considered include several kinds of pump priming. Hold your hats, fellers, here we go again, for another WPA."

Senator MALONE said: "The industrially inexperienced State Department officials speak of lowering tariffs to increase imports so that European countries can obtain dollars to buy American goods, but the master-minds fail to explain one thing: they do not explain how our unemployed, steadily increasing in number because of the free-trade imports, are going to find the money to buy the imports."

Mr. MALONE. Mr. President, special writers are now predicting that the Government—the President—will use the increased unemployment figures as a basis to request tighter controls over the national economy.

We deliberately bring about unemployment through importing the product of low-wage living standard and slave labor and then ask for tighter Government controls and increased appropriations for the relief of such unemployed.

DEATH OF DAUGHTER OF PRESIDENT HAYES—ARTICLE FROM THE WASHINGTON POST

Mr. DONNELL. Mr. President, in connection with what has just been brought to mind by the very interesting comment of the Senator from New Hampshire [Mr. BRIDGES], I call attention to an article published in this morning's Washington Post, which I ask

unanimous consent to have inserted in the RECORD. It deals with the death of the only surviving child of the nineteenth President of the United States, Mrs. Frances Hayes, daughter of Rutherford B. Hayes.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT HAYES' ONLY SURVIVING CHILD DIES

LEWISTON, MAINE, March 19.—Mrs. Frances Hayes, 83, only surviving child of Rutherford B. Hayes, the Nation's nineteenth President, died at a nursing home here tonight after several months' illness.

Mrs. Hayes was born at the family home at Fremont, Ohio, where she will be buried Friday. She was divorced from her husband, Harry E. Smith, following World War I and resumed her maiden name.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by me, together with a letter from Nelson Lee Smith, chairman, the Federal Power Commission, relating to the pending bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS

Mr. President, because of the technical and complex nature of some phases of debate on the pending legislation (S. 1498), I believe it is most important that the RECORD be kept conscientiously accurate.

For that reason, I want to make a brief statement at this point and, also, to include in the RECORD a letter from the Federal Power Commission.

On Thursday, March 16, on page 3476 of the RECORD, I engaged in a brief exchange of questions with the Senator from Pennsylvania [Mr. MYERS], as follows:

"Mr. JOHNSON of Texas. Will the Senator from Pennsylvania cite one instance in which the increase in producer price has ever been reflected in an increase in consumer price?

"Mr. MYERS. Am I to understand the Senator from Texas to mean that if a pipe-line company must pay more for the gas it transports, the additional cost is not reflected in the price charged to the consumer?

"Mr. JOHNSON of Texas. The Senator says it has not been.

"Mr. MYERS. No; I have not said that.

"Mr. JOHNSON of Texas. No; I say it. I say there has not been one application to increase rates to a pipe-line company because of the increase in the producer's price, in the Senator's State."

Prior to the beginning of Senate consideration of S. 1498, I had made extensive inquiry in an effort to find instances where increases in the field price of natural gas had been translated directly and immediately into higher prices for domestic consumers. I found no such case.

I made inquiry about this point with the Federal Power Commission. When I came to the floor Thursday I had no reply from the Commission. On the basis of the information, orally received, I made the remarks which appear in the exchange with the Senator from Pennsylvania.

Upon returning to my office Thursday evening, I found a lengthy letter from the Federal Power Commission, signed by the Chairman, listing increases which the Commission has authorized for some of the transporting companies under its jurisdiction.

Eight increases are listed, ranging from $500 to $950,000. These increases, of course, are increases granted to transporting companies. There is no indication that any of the increase was ever passed on to residential consumers, although they may have been since the Federal Power Commission has no control whatsoever over the burner-tip price of natural gas.

The total of these increases granted, which are based partly on costs other than gas, is slightly more than two million dollars. This is one-fourth of 1 percent of the gross revenues of the natural gas companies under Federal Power Commission.

This letter from the Federal Power Commission also lists some applications for increases now pending; these applications may or may not be approved.

The letter from the Federal Power Commission does not answer the question of whether any price increase in the field has ever been passed along through the pipeline and through the distributor all the way to the kitchen stove. Since the Federal Government does not and canont regulate the burner-tip price of natural gas, it is probably impossible to obtain accurate information on this point from any Federal agency.

The price consumers pay for natural gas is fixed by the city councils and the State commissions. Gas in the field in Texas and the Southwestern producing States averages about 5 cents per thousand cubic feet. That same gas is sold to the housewives and the wage-earners for anywhere from 60 cents to $1.50. The producers' price is the smallest factor in the ultimate rate charged to home consumers.

I believe this explanation is in order at this time. I want each Member to understand this particular point.

FEDERAL POWER COMMISSION,
Washington, March 16, 1950.

Hon. LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

DEAR SENATOR JOHNSON: This letter is in reply to your inquiry of March 14, 1950, as to natural-gas-rate increases authorized by this Commission during the past 5 years as the direct result of increases in the cost of purchased gas.

In general, this Commission in acting upon rate-increase proposals, allows a fair return on a net investment rate base in addition to all costs of the natural-gas company including its purchased gas costs. This "total cost of service plus a fair profit" approach does not permit a precise determination of the exact part of any rate increase which is due to increased cost of purchased gas, or to what extent any increase in cost of purchased gas may have been compensated in part by other items before the increase was allowed to take effect. In the following cases in which rate increases have been permitted by the Commission to take effect, higher costs of purchased gas were either the primary or a major contributing factor in the rate increase:

Increases granted

El Paso Natural Gas Co. increase on Oct. 1, 1949, to southern California companies to take care of increase in cost of purchased gas and increased facilities costs	[1] $900,000
Mississippi River Fuel Corp. increase for gas sold to Crossett Lumber Co. to take care of increase in cost of purchased gas	$31,000
United Gas Pipe Line Co. increase to Mississippi River Fuel Corp. on December 8, 1949, to reflect increased cost of gas purchased	[2] 950,000
Pavilion Natural Gas Co. increase to Churchville Oil and Natural Gas Co. to reflect increased cost of gas purchased	500
Allegany Gas Co.-North Penn Gas Co., Docket Nos. G-597 and G-598, granted Feb. 1, 1946. Increase by reason of fact that local suppy of gas was depleted necessitating the purchase of greater volumes of higher-priced Southwest gas from New York State Natural Gas Corp	50,000
Cabot Gas Corp. increased rates to Pavilion Natural Gas Co. April 18, 1946, by reason of fact that local supply of gas was depleted necessitating the purchase of greater volumes of higher-priced Southwest gas from the New York State Natural Gas Corp	12,300
Penn York Natural Gas Corp. increased on Nov. 20, 1948, by reason of the fact that additional supplies of gas were purchased at higher price from New York State Natural Gas Corp	87,500
West Texas Gas Co. increase to Southern Union Gas Co. by reason of the fact that it has to purchase higher-priced gas from El Paso Natural Gas Co. to meet contract requirements	90,000

[1] At the time of this increase the southern California companies secured additional commitment from El Paso for the delivery of 60,000 thousand cubic feet per day. As a consideration for this increase the southern California companies agreed to an increase in the price for all gas delivered which included previous delivery of 305,000 thousand cubic feet per day. We are not informed whether or not these negotiations were at arm's length.

[2] At the time of this increase Mississippi secured additional commitment from United equivalent to 122,000 thousand cubic feet per day. As a consideration in securing this commitment Mississippi agreed to increase the price under its old contract covering delivery of 73,000 thousand cubic feet per day. We are not informed whether or not these negotiations were at arm's length.

In addition to the above, the following increases have been filed and are pending before the Commission either under formal suspension or informal investigation:

Atlantic Seaboard Corp. has requested an increase of $670,000 to reflect increased cost of gas purchased and increased facilities.

Ohio Fuel Gas Co. has requested an increase of $728,000 to take care of higher purchased gas costs and new facilities.

Hope Natural Gas Co. has requested an increase of $2,000,000 in part to take care of increased costs of purchased gas and because of decreasing revenues from the sale of natural gasoline and other byproducts.

Michigan-Wisconsin Pipe Line Co.: This company was granted a certificate to construct and operate a pipe line extending from the Texas Panhandle to markets in Wisconsin and Michigan. Its sole source of supply is Phillips Petroleum Co. In its initial certificate case it showed a cost of purchased gas of 5 cent per thousand cubic feet. Subsequently, prior to completion of its porject it applied for and was granted a certificate for a larger capacity pipe line. This line was completed last fall and in a hearing concerning its rates for deliveries from such line, in February 1950, the company testified that its purchased gas costs have increased from 5 cents per thousand cubic feet, originally contemplated, to 9 cents per thousand cubic feet (exclusive of a further increase resulting from application of an inflation adjustment provision). In dollars this represents an increase of $2,100,000 annually in charges to customers of Michigan-Wisconsin Pipe Line Co. This company now has pending before the Commission an application to further increase its pipe-line capacity. Evidence presented by the com-

pany indicates that part of the additional supplies of gas required for this project will cost 10 cents and 12 cents per thousand cubic feet with contract provisions providing for 1 cents per thousand cubic feet increases in the price of gas at 5-year intervals.

El Paso Natural Gas Co. has filed a proposed increase of $2,500,000, about one-third of which it attributes to increased costs of purchased gas.

Sincerely yours,

NELSON LEE SMITH,
Chairman.

Mr. BREWSTER. Mr. President, I should like to address myself briefly to the pending measure. It and its predecessors have been before this body for some years. I have been a member of the Senate committee which has considered the proposed legislation, and I have heard very exhaustive presentations of the matter on both sides and very urgent representations from divers interests of one kind or another who are affected. I do not care to become involved in a controversy over the philosophies which may be represented, as I subscribe to the dictum of a very famous Democratic President who was referred to here a moment ago, Grover Cleveland, when he said that it is a condition and not a theory which confronts us. So I am not concerned with some of the legal intricacies or the philosophical arguments which are presented as to whether or not this represents the death of free enterprise, but rather with the very practical problem that under the evidence which has been presented before the committee and which I think is not disputed there exist vast quantities of natural gas. In this period when fuel represents a very important consideration to us in the North, we have just passed through the tragedy of the coal crisis, and there is nothing to indicate that the crisis will not recur with possible increasing intensity as time passes on.

We have seen the price of our fuel oil double in the past few years. Whether that was necessary by economic conditions or whether it represented activities of a character which were primarily concerned with the profit of those interested in that industry, I shall not presume to say. We in the North simply know that the price of both our coal and our oil has risen to tremendous heights, and that the profits, particularly those of the oil companies, have similarly risen. So the costs to us of both those fuels have constantly been increasing; and, so far as coal is concerned, scarcities have repeatedly been occurring.

In this situation, our attention has very properly been drawn to the potentialities of natural gas, the benefits of which we in New England have never hitherto been able to enjoy. Now some of the distributing companies—the pipe lines which bring this great fuel north—are asking for entry into New England. In fact, we have the curious spectacle of several companies suddenly desiring to extend their pipe lines into New England and offering to us some of what are alleged to be the very great advantages of this fuel, both in its economy and in its convenience. Representing in part not only New England, but many of the other Northeastern States, I wish to say that, as a practical matter, it is one of very great and increasing concern.

On the other hand, we have the picture, similarly, of the vast amounts of natural gas which exist in the southwestern area of the United States, and which apparently have not been utilized. I was astonished at the astronomical figures which were presented to us during the consideration of this matter. I believe the figure which seems to be generally accepted is that there are demonstrated reserves of 176 trillion measures of gas, whatever may be the measure which is used in regard to this commodity. The figures are so astronomical that it is impossible for a "Down-East Yankee" to conceive them; but certainly they sound very generous.

Under the operation of existing law and the procedure developed in recent years, question has arisen as to the control of this situation. We are told that the price of this commodity has not risen as others have risen. For that we may be profoundly grateful, particularly if we in New England should be permitted to share in the benefits. We are further told that we need have no concern if we repeal whatever provisions of law seem calculated to leave some control of this situation in the hands of a Federal commission.

Mr. President, speaking as one who has not been enthusiastic about the extension of Federal power, speaking as one who recognizes the perils of this course, as one representative of a great consuming area, I am not able to bring myself to the conclusion that the existing law on this subject, which apparently does leave at least a club in the closet of the Federal Power Commission, possibly enabling it to regulate this situation if the price of this commodity were raised inordinately, should be stricken down at this time, on the very eve of the possible entry of natural gas into the New England area, which hitherto has not been served by it.

Mr. President, I have full appreciation of the significance of private enterprise and of what it means to continue our free-enterprise economy. I could have been more impressed if some of the most ardent advocates of free enterprise in this particular situation had exhibited similar concern last week in their votes regarding the extension of billions of dollars of Government money into another field which has been doing rather well under private enterprise, when they sought to extend the Government's activity to the middle-income homes. It seems to me a little inconsistent that some of the Members of this body who are most vehement in appealing to us to strike down the regulation of the distribution of natural gas in our economy as a matter for a Federal commission, should at the same time be willing to create a new instrumentality unprecedented in many ways in our economy, to enter a new field in direct competition with private enterprise. However, that is what I think we were taught in school to be an argumentum ad hominem rather than an argument going to the essence of the situation; so I shall not rest my consideration of the matter upon that score.

But as a very practical matter of there being a condition rather than a theory, I cannot see how any of us who are responsible for seeing to it that the economy of our northern and eastern area is properly served with fuel supplies can look with anything but very serious concern upon the proposal that the existing law, which apparently even in the mouths of those who advocate this change leaves in the Federal Power Commission some power of regulation, should be stricken down, or altered or moderated at this particular time, in a fuel crisis such as that through which the country is now obviously passing.

For that reason I feel that it would be better, for the present, to leave things as they are. If the industry with this vast resource of natural gas continues to serve us at the very moderate rates which it is alleged have hitherto prevailed, all is well; apparently no one is injured. Up to the present time there is no contention that any power has been exercised unduly or to prevent a fair deal so far as the natural-gas interests are concerned. But if on the other hand, this power should be abolished or moderated or modified, as is so earnestly and persuasively advocated by some of the areas which have the greatest stake in this matter, and we found then that very sharp increases were taking place, it would not be difficult to assign the cause for the increases. A proposal has been submitted for an amendment which apparently contemplates that there may be some possibility of this character. In the amendment proposed by the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], it is provided that—

> It shall be the duty of the Commission to assemble and keep current pertinent information relative to determination of whether by reason of lack of effective competition among producers or gatherers of natural gas, the flow of natural gas into interstate commerce is being or will be unduly retarded or interfered with, or the price of natural gas sold in interstate commerce for resale is being or will be unduly affected. If at any time the Commission shall so determine, it shall report to the President and to the Congress its conclusions together with the data upon which its conclusions are based, and it recommendations, if any, for remedial action.

At this particular time, I do not think that we in the North and East can prudently eliminate whatever controls now prevail in favor of so tenuous a proposal as this, which by its nature contemplates that there may be a very serious problem presented, that the price of gas may go up, that there may be arrangements among the producers which would result in inordinate demands among the consumers, and that, in that event, the Commission shall have power to report its conclusions to the President and the Congress with recommendations for remedial action. I very much fear that the remedial action might be so long delayed that the people for whom we are primarily responsible would find their remedy exceedingly remote.

I am very much interested in this aspect, because, while one does not need to

go into the regional problems which are presented, certain fundamental principles are involved. I am impressed with arguments which were presented as to the attitude of one of our great political parties in serving the interests of the people as portrayed in a historic address by the sponsor and chief advocate of the pending legislation. I refer to a very remarkable address by the Senator from Oklahoma [Mr. KERR] when he was Governor of Oklahoma, delivering his remarks at the Democratic National Convention of 1944, as placed in the RECORD by his present colleague, the senior Senator from Oklahoma [Mr. THOMAS]. I think there are excerpts from that address which might well have a more immediate application in the consideration of the pending legislation. The Senator from Oklahoma at that time took occasion to point out:

Our Republican opponents are not even united among themselves.

He goes on:

Confidentially, my fellow Democrats, real battles are being fought among the tall timbers of the Republican Party. I have never seen a group more keenly suspicious of each other, nor have I ever seen suspicions better founded.

I trust that the Senator from Oklahoma will recognize that expression today might well have an application on the other side of the aisle, where there certainly is a very sharp division, where there is a very real battle being fought, not only on this issue but on a variety of issues—some of which are even more seriously concerned with our security—among what I think could well be termed the "tall timbers" of the Democratic Party. I think it might also be said that no one has ever seen a group more keenly suspicious of each other, nor perhaps one where the suspicions were better founded.

He goes on in this remarkable address to point out something further which I think also has an application not only to the interests and to the individuals concerned, but to the entire fundamental issue, he says:

I know a few whose prosperity is exceeded by their pessimism.

I think that might well have a very pertinent application to those interested in this great oil indusry. Certainly there has been no question about their prosperity, and when one sees the allergies which they have to control of any character, and their pessimism as to the future of our country unless there is moderation of the prevailing law, which has been enacted under the predecessors of this administration, one can sympathize with what the distinguished Senator from Oklahoma said at that time:

Their howls are louder in the midst of the most prosperous times they have ever known than their groans were in the bottom of Hoover's black depression. And this when so many are suffering and sacrificing so heroically and without complaint.

Certainly there can be no complaint from the oil industry at this time as to the very great prosperity it enjoys, and of those who are associated with it in any way. He goes on to say on the next page:

If we favor economic conditions permitting small business to prosper, could we vote to restore the Republican Party to power, under which in 1932 alone 32,000 small businesses failed, or could we vote to remove from power the Democratic administration, under which small business has enjoyed its most profitable years?

I hope that statement is as true today as it was when he made it. If so, the very serious complaint as to the plight of the small oil industry seems to me to be somewhat beside the point.

He goes on to say:

If we in America truly favor the opportunity for the average family to own its home, can we vote to restore to power the party under which more homes and farms were lost and more mortgages foreclosed than during any other similar period, or could we vote to remove the Democratic Party from power when more millions of American homes, both on the farms and in the cities and towns, were saved than during any other time?

Certainly after that glowing statement of the prosperity and progress enjoyed under the existing administration why do we need to be so much concerned as to the continuation of a provision of law under which this glorious result, according to the distinguished Senator from Oklahoma, has been achieved?

He goes on and says:

America and her allies are winning this war because they have planned their work and are now working their plan. They can and must win an abiding peace. International peace, as we of this generation have had to learn twice, is of vital concern to every American. It cannot be achieved by burying our heads in the sand and leaving white tail feathers waving in the breeze.

I hope that does not have application to those who denounce the present law and the present progress of our country and insist that unless this change is brought about, those apostles of a return to another era which they are fond, sometimes, of denouncing, will seek immediately to bring it to pass.

He goes on to discuss the future of the country and the ones who should properly be in control of affairs. He mentions, incidentally, the controversies which then prevailed; he speaks in glowing terms of the value of experience and of the continuance of the conditions which have hitherto prevailed, and says:

Who will represent China? Some man without experience—or Chiang Kai-shek?

Who will represent Russia? One who for the first time will participate in such a meeting and who, no matter how honorable he might be or how able he might sometime become, would thus be greatly handicapped—or will she be represented by her most experienced and strongest—Joseph Stalin?

He goes on and considers the desirability of having the United States represented by someone of experience. Then he goes on to discuss Stalingrad, as follows:

Look at Stalingrad. Whose figure looms amid the defenders? Whose spirit sustains them in the most heroic and awful hour in Russia's history? Who stopped and defeated and now drives Hitler's once mighty armies, once dreaded air force, back and back and back? Mr. Dewey would have discarded him nearly 3 years ago when he was 62 as a "tired old man." But Russia is smarter than that. She marches irresistibly today under the leadership of her much revered, world respected, 65-year-old Joseph Stalin.

I cite this only as indicating that the opinions of all may be subject to error, and I am very sure that the distinguished Senator from Oklahoma who uttered those words in that electoral campaign might wish, perhaps, that they could be recalled today, as we see the same Stalin marching irresistibly forward upon the highway of the tragedies of recent years.

But I come to the conclusion of it, and here the Senator really climbed the heights. It is intimated that those who question the pending legislation regarding natural gas are not disciples of free enterprise, which I am sure I have heard many times from the other side of the aisle, and sometimes from this side, but are the disciples of special privilege; that one who advocates free enterprise is advocating an opportunity for the rights and privileges of the people to be brought into very serious plight. So I am sure that when one discusses special privilege he has in mind the great interests in this country which profited by the expansion of our activities and a very special interest in legislation of this character which would remove existing restraints upon the exercise of otherwise undoubted powers.

So I come to this glowing peroration:

Our President has already made comprehensive plans for America to go forward now, and in the postwar period. He has submitted them to the Congress. Part of them are now law. Others soon will be. It is his proposal and our program that wartime America can and will become a prosperous peacetime America with opportunity for profitable employment for all.

He goes on:

We—

Referring to the great Democratic Party—

We have overrun the ramparts of special privilege and reaction and planted the banner of Democratic liberalism high on the hill of human progress.

Let our opponents—who have grown fat in a prosperity they could not build for themselves—do their worst. Under our great Commander in Chief we will not now retreat. We will not falter in midpassage. We will win.

I suggest, Mr. President, that if anyone has overrun the ramparts of special privilege it would not be those who are opposing the enactment of this proposed legislation, under which it would be possible—I hope it would not be probable, but it certainly would be possible for that segment of our economy which has shown the most amazing prosperity in recent years—I think his precise phrase is "who have grown fat in a prosperity which they could not build for themselves"—further to increase their fat and their prosperity. I can see no reason why those of us in the North and East who are vitally dependent upon this great natural resource for our supply of fuel should at this time join with those who, because they see, apparently, an opportunity for further exploitation of

their particular economic advantage, now seek to strike down the one provision of existing law under which, perhaps, their inordinate advantages may possibly be curtailed.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McFARLAND. I understood at the beginning of the Senator's statement that one of the main reasons why he was opposing this bill was that the prices of coal and oil had doubled.

Mr. BREWSTER. That is correct.

Mr. McFARLAND. Would the Senator advocate that we should go a step further and include the regulation of the prices of coal and oil? Would that help the Senator's section of the country?

Mr. BREWSTER. We may come to that; I do not know. Of course, conditions which have developed in recent years have given us, in our area, at any rate, increasing concern. How we are going to solve the problem I do not think is yet clear. I believe, however, that this is no time, as the Senator from Oklahoma said, to take a step backward. We may have to take some steps forward. But I think this is no time to go backward.

Mr. McFARLAND. I take it from the Senator's statement that if the time comes when his industries cannot get as cheap fuel as they want and need he will be in favor of regulation which will control the price of coal and oil.

Mr. BREWSTER. I believe the Senator from Maine will arrive at his own conclusions in accordance with what seems to him to be the most practicable and most equitable solution at that time. I began my remarks by saying that we face a condition, not a theory, and that I would not became involved in either the philosophy of free enterprise or competing fuels.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. DOUGLAS. I assume that the Senator from Maine, along with the junior Senator from Illinois listened on Friday to the remarks of the very able junior Senator from Missouri [Mr. KEM].

Mr. BREWSTER. I did.

Mr. DOUGLAS. In the course of his remarks the junior Senator from Missouri pointed out that coal and gas were very different commodities. He pointed out that coal could be purchased from any one of a large number of retail coal dealers, the retail coal dealers could purchase their coal, in turn, from a large number of wholesalers, and that wholesalers, in turn, could purchase their coal from a very large number of coal producers. Furthermore, he pointed out that coal could be shipped by railroad, truck, or barge. If the junior Senator from Missouri had gone further, he might have said that, during the siege of Berlin, coal was shipped by airplane. Coal can be moved in a number of ways, and therefore there is free access between buyer and producer. On the other hand, as the junior Senator from Missouri and the senior Senator from Pennsylvania [Mr. MYERS], on the preceding day, pointed out, gas goes through a main, and the customer is tied to the distributing company, the distributing company is tied to the pipe line, and the pipe line is tied to the producer and gatherer. They are bound together. Gas cannot be shipped in a number of ways. Therefore, gas is a natural monopoly. Would not the Senator from Maine say that when the sponsors of the bill are able to ship gas by truck, railway car, or barge, we shall give up regulation?

Mr. BREWSTER. I believe there is considerable differentiation between coal and oil.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I should like to answer the Senator's question. I think the Senator from Illinois has pointed out quite a substantial distinction between coal and gas. I believe there are also other grounds for a similar differentiation.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McFARLAND. Before the Senator from Illinois [Mr. DOUGLAS] entered the debate, I had intended to pursue the discussion further by asking a few more questions of the distinguished Senator from Maine. The fact remains, as the Senator well knows, after listening to the testimony given in the hearings, that the gatherer of gas at arm's length has not been regulated up to the present time. Is that not correct?

Mr. BREWSTER. That is correct. Nobody has been hurt.

Mr. McFARLAND. The fact remains that the price to the consumer has not gone up. That is correct; is it not?

Mr. BREWSTER. That is very gratifying. I certainly hope that condition will not change. Therefore, it is hard for me to understand why persons who are interested in natural gas have become so excited by proposed regulation, unless they contemplate an increase in rates. Such an increase, it seems to me, would be the only cause for such excitement.

Mr. McFARLAND. May I ask the Senator another question?

Mr. BREWSTER. Yes.

Mr. McFARLAND. The Senator from Maine heard the testimony introduced at the hearings. First, I wish to say to the Senator from Maine that the Senator from Arizona is also from a consumer State.

Mr. BREWSTER. Yes.

Mr. McFARLAND. The people of Arizona are also interested in, first, obtaining gas, and, second, obtaining it at a reasonable rate. Naturally, everyone desires to obtain gas as cheaply as possible. However, the Senator from Maine has heard the testimony of some of the witnesses, in which it was developed that a large portion of the gas is developed in the production of oil. It was pointed out in the testimony that oil companies do not wish to become regulated, and for that reason would prefer to flare their gas, or to sell it locally, rather than to ship it to Maine. Such a development may result in sending to Oklahoma and Texas industries which the Senator would like to have in Maine.

Has the Senator from Maine carefully considered the possibility that his section of the United States may not get the natural gas it needs, and that industries, which have made his section flourish so much, might well move to another area of the United States, where they are able to get the needed natural gas? I ask this question because it was developed during the hearings that when a company which produces both oil and gas is regulated, the production of oil would have to be regulated as well as the production of gas. As is contended by some, this might result in the price of natural gas being fixed at practically nothing. The pending bill does not propose making any change in the present situation.

Mr. BREWSTER. Why is it necessary to enact a bill if it will make no changes?

Mr. McFARLAND. For the reason that the development of the natural-gas industry in the United States is being retarded by the confusion in the interpretation of the law.

The PRESIDING OFFICER (Mr. WITHERS in the chair). Just a moment. The Chair is of the opinion that the Senator from Maine had no right to ask the Senator from Arizona a question. His asking a question precipitated the present argument.

Mr. McFARLAND. I am perfectly willing that the Senator ask me a question.

Mr. SCHOEPPEL. Mr. President, I ask that the distinguished Senator from Arizona be permitted to answer the question of the distinguished Senator from Maine.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McFARLAND. I really appreciate being asked the question and the opportunity to answer it. The El Paso Natural Gas Co. has had pending for some time an application for a permit to construct a gas line into California across the northern part of the State of Arizona. The people of the State of Arizona are very much in need of natural gas. The Delhi Gas Co. had a contract to supply the El Paso Natural Gas Co. with the gas. However, a provision in the contract provided that if the Delhi Gas Co. were brought under control of the Federal Power Commission it would have the right to cancel the contract.

Before the hearings were held on the application of the El Paso Gas Co., the Delhi Gas Co. asked for a status determination from the Federal Power Commission, as to whether, if they sold the gas to the El Paso Natural Gas Co., it would bring it under the control of the Federal Power Commission. The Federal Power Commission gave that status determination, and held that it would not bring them under the jurisdiction of the Commission.

In the meantime, my colleague, the senior Senator from Arizona [Mr. HAYDEN], sent a letter to the Federal Power

Commission, and in the reply to that letter, at the direction of three of the members of the Commission, Mr. Olds having shifted his position in the meantime, it was stated, in answer to my colleague's inquiry, that it would bring the Delhi Co. under the jurisdiction of the Federal Power Commission. That was the substance of the letter. So the Delhi Gas Co. stated in a letter that they had no choice other than to cancel their contract and not supply the gas contracted for. The confusion which resulted from this situation at least delayed northern Arizona and California from procuring the needed gas.

The El Paso Natural Gas Co. naturally wanted to build its gas line. So what happened? I am informed that it bought the gas reserve from the Delhi Gas Co. Where is the control? They have paid the price for the reserve, and their price for gas will be based on the price they paid for the reserve. If I am correctly informed, it may result in a higher price than that under the previous contract for the supplying of the gas by the Delhi Gas Co.

I say to the distinguished Senator from Maine that we had better carefully examine this situation before we advocate changes in the law as it has been interpreted by the Federal Power Commission for the last 12 years. If we are to bring the production and gathering of gas under the control of the Federal Power Commission, we had better look at the Panhandle case, and determine whether we should bring the dedicated reserves under the control and jurisdiction of the Federal Power Commission, so that they cannot be sold, or the constituents of the distinguished Senator from Maine may find themselves in the same position in which my constituents in Arizona find themselves; namely, they will not get the gas they want to take the place of coal and oil, which have doubled in price.

Mr. BREWSTER. Mr. President, I very much appreciate the contribution of the Senator from Arizona. I know the amount of study he has given this matter in the committee on which we both serve and I appreciate his concern in getting the right action.

I cannot subscribe to his suggestion that the pending bill proposes no change. Curiously enough, we who oppose the bill under consideration want for the present to leave things as they are, and the Senator from Arizona and the others who advocate the method proposed are the ones who propose a change.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. In a moment. I should like to take at least a minute.

Mr. McFARLAND. Very well.

Mr. BREWSTER. The Senator from Arizona says it may be necessary for us to go a step further. I shall be very much interested to receive the suggestions of the Senator from Arizona, or any other Senator, as to what further steps may be necessary in the approach to this problem. What we know is that as a practical matter natural gas has been moving north. The movement has increased tremendously.

I see before me the chart showing the situation in Illinois, nearly 75 percent of whose gas supply comes from Texas. I see over here the chart representing the State of Pennsylvania, 25 percent of whose gas comes from Texas. Certainly the gas has been moving northward. At this time, as the Senator knows, there are pending applications of several pipe lines for bringing natural gas into New England for the first time. All we know is that this is happening under existing law. Whether it would happen if we repealed existing law I do not know. I do know that what I have described has happened under conditions as they are. Therefore I am a little reluctant to see conditions changed. I cannot believe that those who have been investing hundreds of millions of dollars in pipe lines to bring gas into the North are seriously concerned about securing adequate supplies of natural gas for distribution from the 176 trillion feet of gas which we are advised now exist in that area. It looks to me as though they were seeking outlets rather than seeking to play the dog in the manger and keep their reserves to themselves. That is why I feel that from our standpoint it would be most imprudent to take the step advocated by the Senator from Arizona in striking down at this time the possibility of control of this situation by a Federal Commission.

Mr. McFARLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WITHERS in the chair). Does the Senator from Maine yield to the Senator from Arizona?

Mr. BREWSTER. I yield.

Mr. McFARLAND. The Senator talks about a change, but the truth of the matter is that the proponents of the legislation do not advocate a change. They advocate keeping the situation as it has been interpreted by the Federal Power Commission up to the present time.

Mr. BREWSTER. Then, what is the shooting all about? If everything is all right, let us keep it as it is.

Mr. McFARLAND. Because, if I may answer the Senator, there is a difference of opinion as to what the law is.

Mr. BREWSTER. I appreciate that.

Mr. McFARLAND. And that difference of opinion as to what the law is, is holding back the development of an industry. It has held back and is holding back development in my own State.

Mr. BREWSTER. How is it that pipe lines come away up to New England if they do not serve Arizona? What is the answer to that question? Why are they coming to New England, and seeking to serve other areas, if there is a market at their back door?

Mr. McFARLAND. They have been coming up to New England under the interpretation made by the Federal Power Commission.

Mr. BREWSTER. If that be the case I think we had better keep the interpretation as it is. If they have come to New England under that interpretation, let us retain the interpretation.

Mr. McFARLAND. All in the world the bill would do is to continue that interpretation. That is all the bill itself purports to do.

Mr. BREWSTER. Mr. President, I do not want to do any injustice to the Senator from Arizona. When I spoke of the discussion I referred to the fact that the issue has been under consideration for some time. Let me point out that the issue came——

Mr. McFARLAND. Will the Senator please let me finish my answer to his question?

Mr. BREWSTER. I have the floor. I think the issue came——

Mr. McFARLAND. Mr. President, I do not like to be permitted to give a part of an answer and not be permitted to complete it. However, if that is the way the Senator wants to conduct the proceeding, very well.

Mr. BREWSTER. I am sure I have sought to be very generous in the allocation of time.

Mr. McFARLAND. I was interrupted in the middle of my answer. But go ahead.

Mr. BREWSTER. The point in my remarks, which the Senator from Arizona does not seem to recognize, is that the issue of modifying the existing law, as interpreted, has been before the committee for 3 years. The Senator from Arizona will not dispute that.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McFARLAND. This kind of legislation has not been before the committe for a period of 3 years. As a matter of fact, if my memory serves me correctly, those on our side were unanimous in saying that they would agree to the kind of legislation now pending before the Senate, and would agree to what was provided in the Priest bill, but would not go so far as the Moore-Rizley bill in the matter or regulation. I do not want to——

Mr. BREWSTER. Mr. President——

Mr. McFARLAND. May I conclude?

Mr. BREWSTER. Just a moment. The Senator from Arizona is very well informed that the controversy regarding the interpretation has been going on for some time, and that the current construction which the Senator from Arizona, the Senator from Oklahoma, and other Senators seek to change, is one which has been in effect for a considerable time. To my knowledge, the Senator from Arizona and I have been arguing over this matter for three long years. So during all that period this difficulty has been presented. It is during that period that hundreds of millions of dollars have been put into pipe lines to bring the natural gas north, which is knocking at the doors of New England today in the applications now pending under the existing construction of the law which the Senator from Arizona seeks to change.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McFARLAND. I simply wish to answer the Senator. I call his attention to the fact that we have not been arguing over this matter for a period of 3

years. The legislation which was first introduced was what was known as the Moore-Rizley bill. Both sponsors of that bill were Republicans.

Mr. BREWSTER. Did the Senator from Arizona support that bill?

Mr. McFARLAND. I want to explain the situation to the Senator. It was with Democratic support, coupled with, as I recall, the vote of the Senator from Maine——

Mr. BREWSTER. Yes.

Mr. McFARLAND. And one or two other Republicans, that that bill was killed because it was our opinion that the Moore-Rizley bill went too far.

Mr. BREWSTER. Yes.

Mr. McFARLAND. So it was killed. The bill would have exempted from regulation the pipe-line companies who owned the reserves. It was the opinion of the Senator from Arizona and the opinion of the majority of the committee that the Moore-Rizley bill went too far.

Mr. BREWSTER. The Senator will notice that that precisely demonstrates what I was saying. We had the Moore-Rizley bill. I am glad to know the Senator from Arizona opposed it, as I did. We moved then toward a substitute bill, the passage of which, as the Senator from Arizona says, he advocated and urged, and which I still was reluctant to support. So I think the Senator's statement fully supports my proposition that for 3 years there has been an attempt to modify the existing law as interpreted by the existing Commission. That I think is a fair statement. We have been discussing this matter for 3 years; so it is nothing new.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McFARLAND. The Senator's statement is not correct. In the first place, I have never been an advocate of any legislation in regard to the regulation of the natural-gas business, but did agree to the desirability of the proposed Priest bill.

Mr. BREWSTER. The Senator said he advocated the Priest bill.

Mr. McFARLAND. Let me finish my statement.

Mr. BREWSTER. Not when the Senator from Arizona makes a statement in such conflict with his previous statement.

Mr. McFARLAND. If the Senator does not wish to give me the time necessary to complete my statement, I will make the statement in my own time.

Mr. DOUGLAS. Mr. President, will the Senator yield to me for a question?

Mr. BREWSTER. Yes.

Mr. DOUGLAS. I believe the question of the difference between the Moore-Rizley bill and the so-called Kerr-Thomas bill can be cleared up rather quickly. Is it not true that the Moore-Rizley bill effectively exempted from regulation (a) the price of natural gas gathered and produced by the pipe-line companies, and also (b) the price of gas produced and/or gathered by the nontransporting producers, whereas the so-called Kerr-Thomas bill, while it nominally continues the regulation over the sale of gas produced by the pipe-line companies, strikes away all regulation from the price of gas charged by nontransporting producers and gatherers; that is, it retains (b), of the Moore-Rizley bill which I have mentioned while eliminating (a)?

Now the question comes as to the relative importance of these two types of business. It was developed in the colloquy between the Senator from Pennsylvania [Mr. MYERS] and the other Senators who surrounded him when he made his speech, that in 1952, the share of the nontransporting producers would be over two thirds, and then it was indicated by the Senator from Pennsylvania that it might be even more than that.

I should like to read from the CONGRESSIONAL RECORD on that point. The Senator from Pennsylvania said:

> It is estimated that by 1952 they will supply 70 percent of the natural gas transported.

Then the very able junior Senator from Oklahoma [Mr. KERR] replied:

> So far as that is concerned the record is that it will be 80 percent.

So that by far the most important elements in the natural gas industry are the nontransporting producers and gatherers who will be exempted by this bill. Therefore can we not say that although the Kerr bill may not be precisely identical with the Moore-Rizley bill, it is four-fifths of the Moore-Rizley bill? Indeed if the way is opened up to exempt the nontransporting producers and gatherers, will not the pipe lines very quickly divest themselves of their producing and gathering facilities so that we will have in effect the Moore-Rizley bill once more?

Mr. BREWSTER. It is altogether to be anticipated. I think that is a very fair statement. The point I made was that this involved no new question. In my discussion with the Senator from Arizona I simply made what I thought was a very innocent statement, that we have been arguing—I am willing to modify that and use the word "discussing"—that we have been discussing this matter for 3 years.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. Will the Senator permit me to finish? During that time the question of the construction of the present law by the Federal Power Commission and by the courts had been in issue, and the question whether the Moore-Rizley bill or the Priest bill or the Kerr-Thomas bill should be considered, has been before us. That is all I said, and I think that is an entirely accurate statement.

Whether it is wise for us to make a change in the law as now interpreted seems to me self-evidently the issue which we face.

I am now happy to yield to the Senator from Arizona.

Mr. McFARLAND. The Senator keeps talking about a change. The law as interpreted by the Federal Power Commission's own Order 139, and it remains unchanged up to this time. But it is the confusion which has existed as to the powers of the Federal Power Commission which is holding back the industry.

In answer to the question which has been raised here, would it not be possible for the pipe-line companies to divest themselves of their wells, I want to ask the Senator if he does not agree with me that it is just as probable that the pipe-line companies will buy up the reserves, as the Supreme Court has held, they have a legal right to do in the Panhandle case, and there will then be the monopoly which the Senator fears?

If we do not allow competition to exist among the independent producers in the sale of their gas, in selling the gas to the pipe-line companies, then the pipe-line companies will, rather than be regulated, sell their reserves, just as the Delhi Co. sold its reserves to the El Paso Natural Gas Co.; and then there will develop the monopoly which none of us wishes to see exist.

Mr. BREWSTER. Mr. President, I should like to comment upon what the Senator from Arizona has said. He speaks about the failure of development. As a matter of fact, under existing law, we have seen more development of natural gas potentialities in the northeastern part of the United States than we have ever seen before. Therefore, we are inclined to prefer the things we know, rather than to fly to evils we wot not of. That is our position, and I think it is simply supported by the position of the Senator from Arizona himself.

Mr. KEM and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maine yield; and if so, to whom?

Mr. BREWSTER. I yield first to the Senator from Missouri.

Mr. KEM. Mr. President, the Senator from Arizona referred a few moments ago to a lack of pipe-line development in his State, and he suggested that under the existing law the distribution of natural gas in the State of Arizona is being somewhat retarded.

I wish to refer to the record of the hearings, at page 203, at which point a map, which appears in the hearings opposite page 360, is referred to. That map was interpreted in this way by the witness who then was before the committee:

> Turning to the map, the lines running from Texas to New Mexico, Arizona, and California, identified by the numerals 12, 38, and 44, represent lines authorized by the Commission whereby El Paso Natural Gas Co. will transport gas from the Permian Basin and Panhandle fields in New Mexico and Texas to connecting lines of Pacific Gas & Electric Co., Southern California Gas Co., and Southern Counties Gas Co., of California.

The witness then further stated:

> The gas is primarily for distribution in the Los Angeles and San Francisco areas. El Paso Natural Gas Co. has an application pending to construct a line to deliver additional gas to the San Francisco area from the San Juan Basin in northwestern New Mexico.

Referring to the map which appears opposite page 360, the main trunk line of the El Paso Natural Gas Co. crossing the State of Arizona is shown, as well as a number of smaller distributing lines which are serving the cities in Arizona.

So, clearly, in the period since the time when the Federal Power Commission was given jurisdiction to grant certificates—in other words, from 1940 up to the present time—there has been a very substantial development of the business of distributing natural gas in the State of Arizona.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McFARLAND. Inasmuch as reference has been made to Arizona, let me say that certainly there is a gas line across the southern part of the State of Arizona; and that gas line was built before the first decision was made. Perhaps it would have been built anyway.

Across the northern part of the State, the situation is different. An application is pending——

Mr. KEM. Mr. President, if the Senator will yield, let me ask, What is the decision to which he has just referred?

Mr. McFARLAND. I referred to the Interstate case, the first decision. The gas line across the southern part of Arizona was built before the decision in that case was rendered.

As to the second application, I was trying to point out that the confusion which exists in regard to the interpretation of the law has prevented, at least to the present time, the construction of that gas line. It has delayed its construction for a period of at least a year. I presume that that line will be constructed now, because, if I am correctly informed, the El Paso Gas Co. has bought the reserves of the Delhi Co., so the Delhi Co. naturally will not come within the regulation by the Federal Power Commission as interpreted in the Panhandle decision.

Mr. KEM. Mr. President, if the Senator from Maine will yield to me, let me inquire whether it is a fact that at the time of the hearings, the El Paso Gas Co. had pending before the Federal Power Commission an application for the construction of a line from the San Juan Basin.

Mr. McFARLAND. That is what I was trying to point out. But it was not granted, because the supply was not sufficient.

That contract contained a cancellation clause, to the effect that, as regards the contract which the Delhi Co. had with the El Paso Co., if the Delhi Co. was brought within the regulation of the Federal Power Commission, it would have a right to cancel its contract. According to the reports which I have received and according to my mail, the El Paso Gas Co., because of the fear that it would be brought under the control of the Federal Power Commission, wrote a letter stating that it had no choice other than to cancel its contract.

All during this time the application has been pending, if my memory serves me correctly, it has been pending for a period of approximately 2 years, whereas it should have been granted immediately. But because of confusion as to the law, it has not been granted. However, it should be granted now, because they have bought the reserves.

But the point I am trying to make is that it is not going to serve any purpose, so far as Arizona having cheap natural gas, because I am also informed that a good price was paid for the reserves, and that price will have to be reflected in the price of the natural gas.

This threat of regulation, if it had been in effect, would not have helped Arizona at all. Instead, it has retarded, or at least delayed development.

Mr. KEM. Mr. President, if the Senator from Maine will yield further to me, I should like to say that certainly the Federal Power Commission cannot be charged with responsibility if the reserves which have been discovered and developed in the San Juan Basin are insufficient for the purpose contemplated.

But I should like to say that it is abundantly clear, from the records and the hearings and the map, that in the period of time since the passage of the Natural Gas Act there has been in the State of Arizona a very considerable development in the business of extending the facilities for supplying natural gas.

Mr. BREWSTER. Mr. President, I should like to comment on what the Senator from Arizona has been saying. I understand that the basis of his contention is that under the Natural Gas Act of 1938, development has been stifled, has been held back.

I cannot speak about the precise situation in Arizona, because of the details that are involved, but I can speak, and I think the RECORD should show this clearly, of the history of this matter.

When there is talk about stifling the interstate movement of natural gas, permit me to read the testimony which was given before the committee. I do not think its accuracy will be disputed. I quote now from page 203 of the committee hearings:

> The interstate movement of natural gas has steadily increased, particularly since 1931—

It was going on then—

> and will continue at an accelerated rate. In 1938, the year the Natural Gas Act was passed, interstate transportation totaled 636,600,000,000 cubic feet, while in 1947—

Which was 10 years later—

> the interstate movement was 1,326,800,000,000 cubic feet, an increase of more than 100 percent. The interstate movement of natural gas in 1947 represented 43.8 percent of all gas transported in pipe lines. In view of the fact that the great postwar increases in interstate transportation, represented by certificates issued by the Federal Power Commission, were not reflected in 1947 figures, it is expected that the relative importance of such transportation will increase materially during the next few years. In fact, if all major facilities presently authorized or applied for are constructed, the volumes of natural gas moving in interstate commerce will reach a total in the neighborhood of 3,000,000,000,000 cubic feet.

Listen to this, Mr. President, when there is talk of stifling the development of the interstate transportation of natural gas.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. Mr. President, I know the Senator from Arizona does not like to hear this, but I shall insist that he do. I read further:

> From 1942, when the Federal Power Commission was given certificate jurisdiction, to December 31, 1948, the Commission issued 407 certificates of public convenience and necessity, authorizing 22,567 miles of pipe line, with an estimated cost of facilities aggregating $1,208,348,692. This latter figure is 60 percent of total investment, that is, $1,932,709,000, in gas plant of companies reporting to the Commission at the beginning of Federal regulation in 1938. Applications for certificates pending at the close of 1948 involved proposed additional expenditures of $1,112,000,000.

In other words, in the past 10 years, under the Natural Gas Act, when one talks of stifling competition, we have seen $1,200,000,000 flow into the establishment of facilities for transporting natural gas and we have seen application made for the investment of $1,112,000,000 more to develop the interstate transportation of natural gas. So how is it possible for any Senator on this floor to talk about stifling the development of natural gas?

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. McFARLAND. In the first place, the Senator from Maine puts words into the mouth of the Senator from Arizona which he did not use. No one said anything about stifling or used the word "stifle."

In the second place, I call the attention of the Senator from Maine to the fact that every bit of the development occurred at a time when the independent operators were not regulated.

Mr. BREWSTER. They were then under the same provisions of the law which prevail today.

Mr. McFARLAND. The interpretation by the Federal Power Commission at that time, and up to the present time, is that it has no authority to regulate them. Furthermore, it gave the assurance that they would not be regulated.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. DONNELL. There are two points about which I should like to ask the Senator from Maine very briefly:

First, I wish to ascertain whether he concurs with a certain statement made by the Supreme Court of the United States in the Interstate Gas Co. case. The Senator will recall that in that case reference was made to sales by a producer and gatherer of natural gas to certain pipe-line companies. The Court said this, near the end of the decision:

> Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

Mr. BREWSTER. I think we hold that truth to be self-evident.

Mr. DONNELL. I would concur with the Senator, if I may do so without violating the rules.

The second point about which I wish to ask the Senator is this: In the re-

port of the committee, on page 1, there is a very serious charge; and I should like to know what the Senator from Maine thinks about it. The report says:

This legislation—

Referring to the bill now before the Senate—

is made necessary—

Mr. President, let me point out that I am reading now from the third paragraph on the first page of the committee report. The quotation begins "This legislation." Does the Senator have it before him?

Mr. BREWSTER. Yes.

Mr. DONNELL. I read:

This legislation is made necessary because a threat has now been raised that the Federal Power Commission may, on the basis of a 3-to-2 majority, interpret a law which has been in effect for 11 years, in such a manner that the Commission could assume certain jurisdictional authority over independent producers and gatherers of natural gas; Congress has authorized no such jurisdiction.

So says the report. Then, I quote, as supplementing the last clause, the next immediately following sentence, before I address a question to the Senator:

For such jurisdiction to be asserted or assumed without direction of Congress would be directly contrary to the constitutional division of powers in the Federal Government and would be usurpation of legislative authority by an administrative agency.

The question I now want to ask the Senator is this: I find in the Interstate Natural Gas Company case such language as this, on which, as I understand, the decision is based, and I want to know, in the light of this language, whether the Senator would consider that the Federal Power Commission, by asserting the jurisdiction which is here stated never to have been conferred upon it by Congress, would be guilty of the slightest usurpation, such as is charged in the report? The language which I find in the decision is not very long, and it is as follows:

This case originated in proceedings before the Federal Power Commission, initiated pursuant to section 5 (a) of the Natural Gas Act of 1938.

Later, in the decision it is said:

The issue of this case involves the jurisdiction of the Federal Power Commission to regulate sales made in the field by petitioner to three pipe-line companies, each of which transports the gas so purchased to markets in States other than Louisiana.

Somewhat further:

It was the conclusion of the Commission that the rates charged by petitioner in these sales were unjust, unreasonable, and unlawful, and it ordered rate reductions amounting to $596,320 per year as applied to the volume of gas sold in the year of 1941.

Somewhat further:

For reasons stated above, we have concluded that the Federal Power Commission in this case has not exceeded the jurisdiction conferred upon it by Congress in section 1 (b) of the Natural Gas Act.

The question I ask the distinguished Senator is this: In view of these observations of the Supreme Court bearing directly as I see it on the question at issue, is there any possible basis for the conclusion set forth in the report of the committee that—

For such jurisdiction to be asserted or assumed without direction of Congress would be directly contrary to the constitutional division of powers in the Federal Government and would be usurpation of legislative authority by an administrative agency—

Rather, on the contrary, is it not perfectly clear that under this decision of the United States Supreme Court, the Federal Power Commission is judicially determined to have the jurisdiction which is at issue at this time before the Senate?

Mr. BREWSTER. I may say that in all the time this issue has been before the committee, some 3 or 4 years now, I had not before today heard the proposition challenged that they were in essence appealing from the decision of the Supreme Court. The proponents of this bill did not like the decision of the Supreme Court; but the Supreme Court had settled the issue that the Federal Power Commission did have this jurisdiction. So it was necessary to have legislation in order to oust the Commission of the jurisdiction so obviously determined by the Court to be within their power. It is very interesting to me now—and I am very happy to have my attention called to the language of the committee, which, I agree with the Senator from Missouri, is utterly unwarranted—to note the suggestion that in some subtle way there was some usurpation of power, when the Supreme Court has made it perfectly clear that the power exists and may be exercised at any time. I think the anxiety of those who advocate this change to avoid the possible exercise of the power is extremely revealing as to what might happen if the power were repealed.

Mr. DONNELL. Mr. President, will the Senator yield for one further question?

Mr. BREWSTER. I am glad to yield.

Mr. DONNELL. I think in fairness to those who, in the report of the committee, assert the proposition I have read, and which I think is totally without foundation, it should be pointed out—and I want to ask the Senator's opinion as to whether this would in any sense vary his judgment—that the report of the committee asserts, in the third full paragraph on page 2, that—

Since no court has made a judicial determination of the specific question in point.

I want to say in phrasing this question to the Senator, that as I see it there is one possible distinction between the definition of arm's-length sale, as set forth in the Kerr bill, and the facts of the sales in the Interstate case. It is not, I may say to the Senator, the fact that the pipe lines were affiliates of the petitioner, whereas the definition excludes from arm's length persons not being associated in such manner as is therein stated. I say there is no such distinction on that basis, because it was only one of the three purchasing companies which the Commission found the petitioner to be an affiliate of. But I make the point—and I inquire of the Senator whether it would make any difference in his judgment—that it is conceded by the counsel for the petitioners in the Interstate case that the prices charged the three pipe-line companies were by agreement identical with those being charged by other producers in the field? I submit to the Senator that it is entirely possible that the fact of identical prices might constitute a violation of the Sherman Act; which the Senator will recall is mentioned in the pending bill.

But, Mr. President, in asking the Senator whether the opinion he has expressed, as to whether the criticism on page 1 of the committee report is just, would be changed in any manner by the facts to which I have called his attention, I call to his further attention the fact that the Court nowhere, so far as I can find, indicated that the dicision of the Court was based on any such violation of the Sherman Act. Therefore, Mr. President, after having called to the attention of the Senator this distinction as I see it between the case at bar and the Interstate case, and the case now before us on this bill, but, bearing in mind that the Court laid no emphasis on that distinction, I now ask the Senator whether he is still of the opinion that the charge in the committee's report that the Commission would be usurping power in violation of the constitutional division of the powers in the Federal Government is unfounded?

Mr. BREWSTER. I would go further, and point out, on page 4 of the report, that the committee itself recognizes in its account of the judicial history that, at any rate, there is a very serious body of opinion that supports it, when it says:

The significant disruption in this record of consistent interpretation of the Natural Gas Act first arose in 1947 as a result of a decision by the Supreme Court in the Interstate Natural Gas Co. case (*Interstate Natural Gas Company* v. *Federal Power Commission et al.* (331 U. S. 682)). The facts presented to the Court in this case did not require a judgment as to whether arm's-length sales by independents were exempt under section 1 (b) of the act. Nevertheless, constructions placed upon the Court's opinion by many—although not all—concerned with the problem favored a restrictive interpretation of the exemption of production and gathering. Thus, 9 years after the Natural Gas Act was passed a cloud was cast over the correctness of the Commission's administrative policies and practices.

That in itself, I think, is an acknowledgment that even the committee is disposed to recognize that a substantial and respectable body of opinion, considering the interpretation in the decision of the Supreme Court to which the Senator refers, does think that the question is settled. If I were to appear before the Court to argue one side or the other of a case, I certainly should much rather argue the proposition that the Court's opinion in that case did determine this issue than to take the other horn of the dilemma. I should be much more confident of victory; and I have never thus far seen any indication that our friends on the other side, who advocate this change in the law, are not of that opinion themselves; otherwise they themselves would perhaps wish to take the issue to the Supreme Court.

Mr. DONNELL. Mr. President, will the Senator yield for one final question?

Mr. BREWSTER. I yield.

Mr. DONNELL. Am I correct therefore in understanding that the Senator does not agree with the statement of the committee in its report?—

> For such jurisdiction to be asserted or assumed without direction of Congress would be directly contrary to the constitutional division of powers in the Federal Government and would be usurpation of legislative authority by an administrative agency.

Mr. BREWSTER. I do not believe there is any warrant for such a statement, in my interpretation of the language of the Court.

Mr. DONNELL. I thank the Senator.

Mr. LONG. Mr. President, will the Senator yield in that connection?

Mr. BREWSTER. I should like to point out just one thing, and then I shall yield.

The PRESIDING OFFICER. The Senator from Maine will suspend for a moment. The Chair calls attention to the fact that the rules of the Senate have been violated all afternoon. A Senator rising to ask a question makes a speech. That is not going to be done, except by unanimous consent, in each particular case.

Mr. DONNELL. Mr. President, will the Senator from Maine yield for a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will be seated.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Maine yield for a parliamentary inquiry?

Mr. BREWSTER. I should like to say merely that how the Chair could find any violation of parliamentary procedure in the statements of the Senator from Missouri is beyond me. He was most careful to predicate everything upon a question.

The PRESIDING OFFICER. The Chair is not criticizing the Senator from Missouri, and is surprised that the Senator from Maine even suggested such a thing. The Chair has not criticized any Senator, but has merely called attention to the violation of the rule.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair is prepared to rule that the Senator from Maine shall take his seat, if he permits any more of it.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Maine yield?

Mr. BREWSTER. Very fortunately, the Senate has some control over this matter.

The PRESIDING OFFICER. That will be all right.

Mr. BREWSTER. As well as the present occupant of the Chair.

The PRESIDING OFFICER. The Senator will be seated.

Mr. BREWSTER. If the Chair undertakes to seat me, we shall see what the Senate thinks about it.

The PRESIDING OFFICER. The Senator will be seated.

Mr. BREWSTER. On what ground am I seated?

The PRESIDING OFFICER. On the ground of the remarks the Senator is making to the Chair. The Senator will be seated.

Mr. BREWSTER. I am sure the Senator who is occupying the Chair will withdraw that language.

Mr. DONNELL. Mr. President, a parliamentary inquiry. In the first place, on what basis does the Chair undertake to seat the Senator? In the second place, was the Chair referring to the senior Senator from Missouri?

The PRESIDING OFFICER. The Chair did not refer to any particular Senator. The Chair merely said the rule had been violated all during the day—and it has been. The Chair thinks the Senator has done some of it himself. The Chair is not criticizing anyone.

Mr. McFARLAND rose.

Mr. DONNELL. Mr. President, will the Chair indulge me for just an instant? To my mind, every statement I made, every word I uttered was a part of the question I was asking of the Senator. I most respectfully insist that there was no violation of the rule on my part.

The PRESIDING OFFICER. The Chair does not wish to argue with the Senator from Missouri. The Senator will be seated unless he receives unanimous consent to address the Chair further.

Mr. DONNELL. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I shall be happy to yield for a question.

Mr. McFARLAND. Mr. President, a parliamentary inquiry

The PRESIDING OFFICER. Does the Senator from Maine yield for a parliamentary inquiry?

Mr. BREWSTER. I said I would yield for a question.

Mr. DONNELL. I want to ask the Senator from Maine if, in all his experience as a Member of the Senate, he knows of another instance, under the rules, in which a Senator has been told to be seated because of conduct such as the Senator from Maine has witnessed this afternoon?

Mr. BREWSTER. I do not. I have never seen a Senator on this floor more meticulous in observing the rules regarding debate than is the Senator from Missouri, who, throughout his remarks, has most carefully observed not only the proprieties, but the amenities, as well.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. For what purpose?

Mr. McFARLAND. For a parliamentary inquiry.

Mr. BREWSTER. I shall be happy to yield for a parliamentary inquiry.

Mr. McFARLAND. I understand the situation is that the Chair has held that the rules of the Senate have been violated in the speeches which have been made and in the questions asked. I agree that that has been done——

Mr. BREWSTER. Is this an inquiry?

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Senator from Maine may proceed in order.

The PRESIDING OFFICER. That is all we want to accomplish from now on. The Senator from Maine may proceed.

Mr. McFARLAND. May the Senator yield for a unanimous consent request that he be permitted to proceed?

The PRESIDING OFFICER. Without objection, it is so agreed.

Mr. BREWSTER. Mr. President, I very much appreciate the action of the acting majority leader in permitting the Senator from Maine to continue his discussion. I think the RECORD will abundantly demonstrate that if there was a violation of the rules, it was the result of the indulgence of both the Senator from Maine and the Presiding Officer toward Senators on the other side of the aisle——

Mr. McFARLAND. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I shall be happy to yield for a question.

Mr. McFARLAND. Does not the Senator think the RECORD will speak for itself, and does it not suffice to let it speak for itself?

Mr. BREWSTER. I appreciate the action of the Senator in permitting me to continue.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield to the Senator from Louisiana for a question.

Mr. LONG. Is there not equally strong verbiage to the effect that Congress never intended to confer the power to fix prices on the production of gas or even to fix control over the production or gathering of gas, in the case of Federal Power Commission against Panhandle Eastern, decided on June 20, 1949, when the Court said:

> Although these sections bear evidence of congressional consideration of the relationship of production properties to other elements of the natural-gas business, they do not even by implication suggest to us an extension of the regulatory provisions of the act to cover incidents connected with the production or gathering of gas.

Reading from page 9:

> Nothing in the sections indicates that the power given to the Commission over natural gas companies by section 1 (b) could have been intended to swallow all the exceptions of the same section and thus extend the power of the Commission to the constitutional limit of congressional authority over commerce.

I read further, from page 10 of the opinion:

> To accept these arguments springing from power to allow interstate service, fix rates, and control abandonment would establish wide control by the Federal Power Commission over the production and gathering of gas. It would invite expansion of power into other phases of the forbidden area. It would be an assumption of powers specifically denied the Commission by the words of the act as explained in the report and on the floor of both Houses of Congress. The legislative history of this act is replete with evidence of the care taken by Congress to keep the power over the production and gathering of gas within the States.

Then, further, on page 15:

> Failure to use such an important power for so long a time indicates to us that the Commission did not believe the power existed. In the light of that history we should not by an extravagant, even if abstractly possible, mode of interpretation push powers granted over transportation and rates so as

to include production. If possible all sections of the act must be reconciled so as to produce a symmetrical whole.

Would not that verbiage strongly indicate that the Court held in that case that it was not intended by the act to give the Commission the right to fix rates on the production of natural gas?

Mr. BREWSTER. If the Senator from Louisiana believes that construction is warranted, I suggest that he let the Supreme Court settle the issue, rather than to seek a solution in legislative halls. The very fact that Senators are urging very earnestly that there shall be a legislative enactment is a sufficient demonstration that they do not dare to trust the Supreme Court, or they would readily take the issue there. That is why I am so confident that we are correctly interpreting the decision of the Supreme Court.

Mr. LONG. Is not the Senator from Maine taking the opposite position?

Mr. BREWSTER. I have not yielded for another question.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. To whom does the Senator from Maine yield?

Mr. BREWSTER. I shall yield, first, to the Senator from Illinois, who was on his feet seeking recognition.

Mr. DOUGLAS. May I ask the Senator from Maine if it is not a fact that the so-called Panhandle case dealt with acreage, the allotment of acreage, and the possibility of a pipe-line company's divesting itself of acreage by selling it to another company? Is it not a fact that in this case the Federal Power Commission tried to prevent it? Is it not a fact, Mr. President, may I ask the Senator from Maine, that the Supreme Court said it was proper for the pipe-line company to divest itself, but does it at all follow that the Supreme Court has reversed itself in the opinion it gave in the interstate case, namely, that the sale at wholesale of gas destined for interstate commerce can be regulated by the Federal Power Commission?

I should like to have the privilege of asking the Senator from Maine if he will reply to my question.

Mr. BREWSTER. I prefer to take what I think may be termed a more fundamental position. If the earnest advocates of the passage of this bill have such confidence in the Supreme Court's decision in their favor, I am sure they should repair to the Court rather than to spend time, money, energy, and effort in these busy days in trying to get the Senate to change the law. That is why I am perfectly clear that they themselves do not believe in the construction which they advocate. I am also ready to accept the interpretation of the Panhandle case as given by the Senator from Illinois, as I think it is very pertinent to the question which is before the Senate.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BREWSTER. I shall be happy to yield to the Senator for a question.

Mr. LONG. The Senator from Maine is supporting a bill which the Senator from Louisiana is opposing. I am referring to the basing-point bill. The Senator from Louisiana would have no objection if it only clarified the law.

Mr. BREWSTER. What is the Senator asking me?

Mr. LONG. I would ask the Senator from Maine this question: If the advocates of this bill were seeking merely to clarify the law, would he have any objection?

Mr. BREWSTER. I see no necessity for any clarification, because it seems to me the law is clear. The Federal Power Commission's activities have not been thus far subject to criticism, as the committee points out in its report. The decision of the Supreme Court seems to be clear. Therefore I see no occasion for any action.

In the other case to which the Senator refers, there is very great concern because, as the Senator from Louisiana knows very well, the Federal Trade Commission has acted in the matter, and under its interpretation the whole structure of our economic procedures in transportation has been almost revolutionized to the very great detriment of certain great areas of the country. If it was the intent of Congress to do what we believe it intended to do, we would like to have the law amended. We frankly admit that we are attempting to amend and interpret the law in that way. In that respect the Senator from Louisiana and the Senator from Illinois have a different view from the Senator from Maine. However, I see no fundamental philosophy involved so far as what we are advocating is concerned.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. LONG. Speaking only of the bill which is presently before us, certainly the point could not come up as to whether or not the Federal Power Commission has the right to fix prices at which an independent producer could sell his gas, unless and until the Federal Power Commission changed its own rules and claimed such power.

Mr. BREWSTER. Unless the Commission asserted the power. That is correct.

Mr. LONG. Up to the present time the Federal Power Commission has not asserted such power. Is that correct?

Mr. BREWSTER. That is what is stated in the report of the committee. What the committee had to say is well worth while reading again, because it seems to me to show no reason for excitement on the subject. The committee report contains the following:

> No recommendation has come to Congress from the Commission during the past 11 years requesting that the jurisdictional authority in question be amended or extended. No instance has been cited where the Commission was thwarted in its efforts to protect consumers or regulate industry operations by the prevailing jurisdictional policies.

Therefore one is caused to wonder why so much concern is shown. I say we should leave the law as it is, and wait to see whether there are any assertions by the Federal Power Commission which are in conflict with the law. It seems to me that up to the present time no one's ox has been gored. If assertions are made, it will be time enough to see what their effects are.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. When the Senator refers to the decision of the Supreme Court, does he mean to imply that it was the unanimous opinion of the Supreme Court?

Mr. BREWSTER. No.

Mr. SCHOEPPEL. Therefore, may I inquire of the Senator from Maine whether the distinguished and eminent jurist, Mr. Justice Jackson, who has written some very forceful dissenting opinions on this whole question, might have contributed somewhat to the confusion of Members of the Senate and the House of Representatives and does the Senator believe that that might be some basis for the type of report to which he has just referred.

Mr. BREWSTER. The Supreme Court is composed of nine very eminent gentlemen, and their opinions are entitled to respect. I understand that in the Interstate case the opinion of the Court was unanimous, and that is the case upon which we have chiefly based our discussion on this subject. In many cases there are dissenting opinions. However, if the Senator from Kansas, or any other Senator, feels that the Supreme Court would support his construction of the law, I suggest that he go ahead and find out. That would be a very simple solution.

Mr. SCHOEPPEL. I am sure the Senator from Maine will recall the very recent case of *Federal Power Commission* v. *East Ohio Gas Co. et al.* (338 U. S. R., 464), decided by the Supreme Court in January 1950. As the Senator is aware, in those decisions—and some of them by way of dissent—very serious doubt was cast upon the authority of the Federal Power Commission as granted under the Natural Gas Act of 1938.

Mr. BREWSTER. I know that I have listened for 3 years to arguments on what was the opinion of the Supreme Court. Furthermore, I recall that I listened even longer to arguments in the Tidelands case. It was contended that the Supreme Court had decided 49 times that tidelands belong to the States. I was told that with all the eloquence with which the advocates of the cause could present it. It was worth almost as much as one's life to question the 49 decisions of the Supreme Court on the subject. However, when the Tidelands case was decided by the Supreme Court, its decision was exactly contrary to what we had always been told.

I cite that because argument as to what the Supreme Court has or has not decided, or does or does not think, is a matter about which many honest and eminent men disagree. I continue to repeat that the language of the Supreme Court seems to me to be clear, and I am satisfied with it. If anyone questions what it is, he has an opportunity to find out. However, I do not believe that he should come to Congress and advocate the enactment of legislation of this character on the proposition that it would not make any change in the law. I do not believe such a position is warranted

by the records which we have been threshing over for the past 3 years. That is why I feel as strongly on the subject as I do.

Mr. SCHOEPPEL. Mr. President, does the Senator from Maine infer that there is any other forum to which men of reason and men who are interested in legislation may go, other than the Congress of the United States to change a law of such high importance?

Mr. BREWSTER. I would assume that the legislative body would be the one to enact a law or change a law, and that the Supreme Court would interpret what the legislative body had meant by its enactment. I am willing to rest on that fundamental American principle. However, it seems to me that a very confused picture is being presented on this subject.

Mr. JOHNSON and Mr. CAPEHART addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. BREWSTER. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. I agree with the Senator from Maine that there is much confusion concerning this proposed legislation. There are two matters which I should like to point out to the Senator from Maine.

Mr. BREWSTER. The Senator from Texas was not in the room when the Presiding Officer made it clear that a Senator had to be very careful about asking a question. I am warning the Senator from Texas, because I do not wish to lose the floor.

The PRESIDING OFFICER. The Chair is interested only in following the rules.

Mr. BREWSTER. I agree with the Chair.

The PRESIDING OFFICER. The rule is that a Senator asking for recognition may only ask a question. Is the Chair correct?

Mr. BREWSTER. That is correct.

The PRESIDING OFFICER. The Senator who has the floor has no right to ask a question. Is the Chair correct?

Mr. BREWSTER. That is correct.

The Senator holding the floor has no right to speak to any other Senator except to answer questions.

Mr. JOHNSON of Texas. I agree with the ruling of the Chair, and I shall try to stay within the rule.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The debate has been heated ever since it began, and it is the opinion of the Chair that if one Senator is permitted to make a speech another Senator feels that he should rise and likewise make a speech, and that the only way decorum can be maintained is by following the rules.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BREWSTER. I have yielded to the Senator from Texas for a question.

Mr. JOHNSON of Texas. The Senator and I agree that there is some confusion concerning the proposed legislation. Is that correct?

Mr. BREWSTER. There is no confusion in my mind.

Mr. JOHNSON of Texas. I understood the Senator to say that there was great confusion.

Mr. BREWSTER. It is correct that a number of contradictory opinions have been expressed.

Mr. JOHNSON of Texas. There are two points I wish to bring to the attention of the Senator, if I must do so in the form of a question. The Senator from Maine says, first, why is the pending legislation here? The Senator no doubt is aware of the fact that when the bill was being considered by the committee three members of the Commission, who at that time constituted the majority, interpreted the Interstate case to give them the authority to set a price based upon capital investment plus 6 percent return on a producer's sale, while two other members of the Commission were of the opinion that they had no such authority. Hence that is a reason, when there prevails such a confusing situation as that, why the Congress should attempt to clear the atmosphere.

The second point I wish to make is——

Mr. BREWSTER. If the Senator will allow me to comment on his first query——

Mr. JOHNSON of Texas. I should like to make the other point.

Mr. BREWSTER. I should like to answer the first point first.

Mr. JOHNSON of Texas. Let me finish the statement in the Senator's time. He can take me off the floor, but I should like to call to his attention the fact that the situation I have recounted was the one which confronted the committee. There was the necessity either to clarify the law, and say to the Commission, "Unquestionably, you have this authority and the Congress believes you should exercise it, and we will strip away from the minority of the Commission any justification for their opinion by amplifying the statute," or to do what the committee did.

Some members of the committee, as the Senator no doubt recalls, because he was a member of it in the preceding Congress, though I do not believe he voted at that time——

Mr. BREWSTER. I certainly did.

Mr. JOHNSON of Texas. I am sure the Senator did not feel very strongly about it.

Mr. BREWSTER. Oh, yes; I voted against the Moore-Rizley bill.

Mr. JOHNSON of Texas. I am speaking from my memory of the records and the hearings.

Mr. BREWSTER. I voted against the Moore-Rizley bill 3 years ago. My position has been perfectly clear in this matter.

Now I wish to comment on the first portion of the Senator's question.

Mr. JOHNSON of Texas. I should like to finish the question.

Mr. BREWSTER. I have not heard any question yet. I am a little anxious about the Presiding Officer.

The PRESIDING OFFICER. The Chair is a little anxious about the Senator from Maine. The Chair wants the Senator to observe the rules.

Mr. BREWSTER. I have not heard any question yet.

Mr. JOHNSON of Texas. I will ask the Senator from Maine if he is not aware of the fact that the committee attempted to find whether some area of agreement could not be reached?

Mr. BREWSTER. My answer is that, if the Congress is going to enact legislation every time a Federal commission finds its members in disagreement, we will not be doing anything else. The Supreme Court disagrees, all tribunals disagree, exactly as the Senate does, and if every time there is a difference of opinion among honest and able men, and we have to go ahead and resolve the difference by enacting a law, I am sure we will never finish our task. So that does not disturb me at all.

Mr. JOHNSON of Texas. The Senator is aware of the fact, is he not, that the Commission informed the committee that unless Congress legislated during this session the Commission would place in effect a formula allowing a producer capital investment plus 6 percent?

Mr. BREWSTER. Which they believed they had the power to do under existing law, and which many of us believe is confirmed by the decision of the Supreme Court of the United States, but any of those who disagree with that proposition will have ample opportunity to appeal any action of the Commission to the proper tribunal to ascertain the correct answer. I do not think we are called upon here to enact legislation every time the members of regulatory tribunals disagree among themselves.

Mr. JOHNSON of Texas. The Senator, no doubt, remembers, does he not, that the Commission itself submitted to the Senator's committee a request that legislation be enacted? In order that the Senator may answer my question I wish to read him a letter dated July 10, 1947, subsequent to the interstate decision, addressed to the chairman of the House committee, and placed in the Senate committee hearings:

The letter reads as follows:

> This is in response to your request of July 9 for an early comment by the Commission regarding H. R. 4099, a bill introduced by Congressman PRIEST, of Tennessee.
>
> The Federal Power Commission urges the enactment of this bill at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the National Gas Act and the jurisdiction of this Commission.
>
> The enactment of this bill would dispel the uncertainty—

I should like the attention of the Senator from Maine. I appreciate the Senator from Illinois [Mr. DOUGLAS] coaching him, but I want the Senator from Maine to hear me read from this communication. I repeat:

> The enactment of this bill would dispel the uncertainty—

This is the Commission speaking unanimously to the Senator's committee and to the House committee:

> The enactment of this bill would dispel the uncertainty regarding the status of such independent producers and gatherers which has been created following the recent decision of the Supreme Court in the Interstate

case. Such action by the Congress now should dispose of this important and noncontroversial matter.

This procedure would enable the Congress to defer action on the many other aspects of natural-gas regulation involved in the complexities, uncertainties, and ambiguities of H. R. 4051 (the Rizley bill), to which we referred in detail in our statement of July 1 to you and the members of your committee. As you know all these problems are being carefully analyzed by the Commission, in cooperation with all interested parties, in the Natural Gas Investigation (Docket No. G-580).

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

Mr. JOHNSON of Texas. The letter continues:

A full report of this investigation will be submitted to the Congress for its consideration within the next few months.

I am authorized to state that——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Illinois for a parliamentary inquiry?

Mr. JOHNSON of Texas. Not at the moment—

the position of the Commission in this matter is fully in accord with the legislative program of the President.

Mr. DOUGLAS. Mr. President, will the Senator from Maine yield to me to make a parliamentary inquiry?

Mr. BREWSTER. I yield to the Senator for that purpose.

Mr. DOUGLAS. May I ask the Chair what it is the Senator from Texas is addressing to the Senator from Maine?

Mr. JOHNSON of Texas. I ask the Senator from Maine if he is familiar with the fact that the Commission unanimously, with the approval of the Chief Executive, sent to the Senator's committee and to the House committee a recommendation that Congress exempt the independent producer and gatherer and settle this "noncontroversial" matter that had created great uncertainty in the minds of the Commission?

Mr. BREWSTER. I would be very happy to quote from an even more recent opinion of the Commission as presented to us in connection with the current discussion, under date of May 16, 1949, when the bill was before us. They sent us an opinion signed by three members of the Commission, and this is what they said——

Mr. JOHNSON of Texas. I am aware of what they said.

Mr. BREWSTER. Now the Senator is going to be aware of it in the RECORD, so there will be no question about the letter written in 1947. I hope the Senator from Texas will be a little tolerant, and permit me to continue. The Senator seems to be very uneasy about the matter. The suggestion that the Senator from Maine needed a little prompting was hardly in accord——

Mr. JOHNSON of Texas. No, I asked for the Senator's attention. I simply asked for the Senator's attention.

Mr. BREWSTER. The Senator from Texas is going to give a little attention to this matter now.

Mr. JOHNSON of Texas. I am delighted to do so.

Mr. BREWSTER. The Senator from Texas has asked about the opinion of the Commission. This is what the Commission said in its report to the Senate committee on this matter, and I think the words ought to ring down the avenues of parliamentary consideration with considerable potency to the Members of this body and to the people of the country who are going to be affected:

The proposed amendments—

Speaking of the amendments sponsored by the Senator from Texas—

Forbode—

Rather a $10 word—

forbode a change of the situation which would afford dominant producers of natural gas an opportunity to increase prices practically at will, subject only to the feelings imposed by prices of their fuels. We do not believe this would be in the public interest.

I think the Senator from Texas, if he has such respect for the opinion of the Federal Power Commission, would do well to bear that sentence in mind, as well as the other citation he has quoted. I agree with the Federal Power Commission that it would not be in the public interest to enact the amendments sponsored by the Senator from Texas and other Senators, which would remove all control of this matter and permit, as they say "an opportunity to increase prices practically at will." I am not, as a representative of a great consuming area, prepared to adopt all 46 amendments at this time, and I think the opinion of the Federal Power Commission is entitled to rather respectful consideration in that connection.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I am happy to yield for a question.

Mr. JOHNSON of Texas. Is the Senator aware of any comment that the Federal Power Commission has ever made on any proposal sponsored by the Senator from Texas?

Mr. BREWSTER. I understand that the Senator from Texas was here sponsoring these amendments, and this was a report of the Federal Power Commission, as sent to us in connection with the legislation we were considering before the committee.

Mr. JOHNSON of Texas. No——

Mr. BREWSTER. I do not want to do him an injustice.

Mr. JOHNSON of Texas. The Senator from Texas would like to inform the Senator from Maine that, although the Senator from Texas spent 5 weeks sitting on the subcommittee hearing the evidence, the Senator from Texas did not sponsor any amendment except the amendments now before the Senate. Respecting the original legislation introduced, the Commission by a two to three vote made the statement the Senator from Maine just quoted on an entirely different bill.

The PRESIDING OFFICER. Does the Senator from Maine yield for a statement?

Mr. BREWSTER. I cannot yield for a statement.

Mr. JOHNSON of Texas. At the conclusion of that hearing——

The PRESIDING OFFICER. Did the Chair understand the Senator from Maine to say he has not yielded for a statement?

Mr. BREWSTER. No; I yield for a question only.

Mr. JOHNSON of Texas. I will ask the Senator if he is not aware that, at the conclusion of that hearing the bill the committee considered was not reported. On the other hand, the subcommittee, by a vote of 5 to 0 struck out all after the enacting clause of the measure (S. 1498) to which the report from which the Senator has just read refers, and substituted instead provisions designed to do what the Commission had previously said should be done, in the letter I read?

The PRESIDING OFFICER. Does the Senator from Maine yield for a statement?

Mr. BREWSTER. I cannot yield further, because I think the record——

The PRESIDING OFFICER. The Senator from Maine declines to yield further.

Mr. BREWSTER. Because I think the record is perfectly clear. The amendments which are now before the Senate, as I understand the Senator from Texas, are not the ones to which the Federal Power Commission referred in the statements they submitted to us on May 16, 1949. I suggest to all Members of this body who are considering this matter, that they read the seven-page statement by the Federal Power Commission dealing with this problem, consider the amendments which are now before this body, and see whether or not the things the Federal Power Commission pointed out so poignantly are not equally applicable. If they are not, I would be very interested to have the testimony of the Federal Power Commission or those in authority as to the differentiation which might prevail. But certainly this is the first time I have heard it suggested that the amendments here proposed were not calculated to remove the restrictions of the Federal Power Commission upon its power to regulate the price of gas. It has always been argued before the committee for the past 3 years, that they should remove certain producers and salesmen of natural gas from the restrictions of the Federal Power Commission, which can be calculated to do nothing more than what the Federal Power Commission here so properly pointed out. If the amendments which are now before the Senate do not do that, I should be glad to be advised, but this is the first time I have heard it seriously suggested. It is argued that economically it cannot be done; it is argued that is is keeping the prices down. That is true. It is argued that the Commission has not regulated them, which is true. But why in the name of heaven is this tremendous agitation going on for a change of the law unless it is intended that the prices of the natural gas sold to the pipe lines shall be increased? If there is any other reason under heaven, why this great furor on this matter, I should like to know what it is.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I cannot yield for anything but a question. I have been some time on the floor. If the Senator has any explanations of the matter, I am sure it would be for the benefit of the Senate and for the country for him to make them.

Mr. JOHNSON of Texas. The Senator from Texas plans to make such explanations. The Senator from Texas pointed out that the amendment which the Senate is now considering was sent here originally and recommended by five members of the Commission. At the time we began hearings on S. 1498 the bill as introduced was recommended, by two members of the Commission, as presently constituted. Three members approved it. As a result of that difference of opinion, though people in New England, and people in California are asking for gas, and companies are attempting to buy the gas, some producers are refusing to sell that gas, but are following the Supreme Court decision in the Panhandle case and are selling their gas acreage. So it seemed to the committee that it was desirable that there should be clarification.

I do not want to be aggressive with the Senator about this matter. When he says the Senator from Texas had sponsored an amendment, I want to point out to him that the Senator from Texas proposed to strike out everything after the enacting clause of the original bill S. 1498, and in an attempt to find an area of agreement to substitute the bill which had been submitted to the Eightieth Congress. That was all. Now I think good men, honest men, intelligent men, differ about this matter. Some people feel that the law——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Texas for a statement?

Mr. JOHNSON of Texas. I will ask the Senator if he does not feel that the law——

Mr. BREWSTER. Yes, I will yield to the Senator for a question. I agree with him that honest men differ about this matter as they do about many other matters.

Mr. JOHNSON of Texas. When a commission is confronted with specific contracts and with requests by people desiring gas, and telegraphs back to the producers, "We cannot answer your question because we are too confused," I want to ask the Senator whether in a situation of that kind he does not believe the responsibility rests upon Congress to say, if the Senator from Maine shares the judgment of the Senator from Texas: "We want to make it clear. Since no case has ever gone to the Court directly involving a price ceiling on the independent producer, and since none can go to the Court until the Commission exercises that power, and since by that time great damage would be done, and the door would still be left open, we believe the producer of gas should be subject to the same capital-investment formula plus 6 percent," as the transportation company.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

Mr. JOHNSON of Texas. "Subject to the same capital investment formula, plus 6 percent?"

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. What question is being asked of the Senator from Maine by the Senator from Texas?

Mr. JOHNSON of Texas. Mr. President, let me say that I am asking a question. The Senator from Maine yielded to me, and I asked whether we should do something one way or the other. Now that I have asked the question, after the Senator from Maine replies, he will continue with his speech; and later the Senator from Illinois can express his views in his own time, and I will express mine in my own time.

I merely wish to ask the Senator from Maine whether he concurs in the statement that gas lines are being held in abeyance, they are not being constructed; and because of that, does not the Senator think it is the duty of Congress to say what it means and to try to write the law?

Mr. BREWSTER. Mr. President, I am sorry the Senator from Texas was not here earlier when I expressed myself with all the vehemence I possess in answering a question earlier raised by the Senator from Arizona, who said that the development of natural gas in interstate commerce was being retarded, and that a great expansion would occur if we were to change the law. I pointed out from the testimony given before the committee the vast expansion which has occurred in the past 10 years under this law, and that for the first time in recorded history two or three great pipeline companies today are knocking at the door of New England, trying to transport their gas there, under the existing law. They now have their applications for that purpose pending before the Federal Power Commission; and $2,000,000,000 has been spent either in authorized investments or in connection with applications pending under the existing law. So how Senators on the other side can suggest that there has been any retarding effect on the development of natural gas under those circumstances, is beyond my ability to understand.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield for a question.

Mr. DOUGLAS. I should like to ask the Senator whether the Public Utilities Fortnightly is a very authoritative journal in matters in the public-utility field?

Mr. BREWSTER. Yes; it is very authoritative.

Mr. DOUGLAS. Has the Senator noticed an article in the Public Utilities Fortnightly for March 2, 1950?

Mr. BREWSTER. I have had it called to my attention.

Mr. DOUGLAS. Would the Senator from Maine be interested in having the confusion in the mind of the Senator from Texas on this matter cleared up? I hope the Senator from Texas is on the floor.

Mr. BREWSTER. Yes; he is now sitting in the majority leader's seat.

If the Senator from Illinois asks me whether the article he holds in his hand is calculated to clear up the confusion, I shall be glad to answer.

Mr. DOUGLAS. I should like to have the able Senator from Maine indicate whether the statement I hold in my hand, and from which I am going to read—the statement appeared in the Public Utilities Fortnightly—clarifies the situation; and I should like to call the attention of the Senator to a part of the article, if I may:

> Recently, with the joint sponsorship of his senior colleague, Senator THOMAS (Democrat), KERR introduced a substitute to be offered as an amendment when the Senate takes up his own bill. There is little change, as compared with the original bill reported by the Senate Interstate Commerce Committee, other than the addition of a watchdog clause directing the Federal Power Commission to keep an eye on natural gas producers to be sure that no monopolistic combinations develop to interfere with competitive gas prices. In the event the Commission finds such a thing is happening, it would be required to report the facts to the President and Congress. In reality, this gives the Commission no more policing authority than it now has.

I ask the Senator from Maine whether that indicates that the Senator from Texas is laboring under confusion, in the belief that he has altered his bill.

Mr. BREWSTER. If the Senator from Texas——

Mr. JOHNSON of Texas. Mr. President, I will answer the Senator by saying that so far as any disagreement is concerned——

Mr. BREWSTER. Just a moment, please; I should like to answer, first, the question which has been asked of me.

If the Senator from Texas is basing his proposition that this bill is different from the one which was commented upon by the Federal Power Commission, according to the quotation I read, I would say that the amendment proposed here by the Senator from Oklahoma [Mr. KERR], and concurred in by his senior colleague from Oklahoma [Mr. THOMAS], is a provision to which I have already referred, and is absolutely meaningless. It will not do a thing.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at this point?

Mr. BREWSTER. I yield for a question.

Mr. JOHNSON of Texas. If the Senator wishes to clear up any confusion for which the Senator from Texas may be responsible, let me say the Senator from Texas is not referring to the proposed substitute at all.

No doubt the Senator from Maine will remember the Moore-Rizley bill

Mr. BREWSTER. Yes; I remember it very well.

Mr. JOHNSON of Texas. It covered the independent producers and the production of integrated companies.

Mr. BREWSTER. Yes.

Mr. JOHNSON of Texas. And it covered the production of natural gas by pipe-line companies, and it covered a

formula for earnings for the pipe-line companies.

Senate bill 1498, as originally introduced—and it is the bill on which the hearings were held—provided for the exemption not only of the production of gas by the independent producers but also of the production by the integrated companies. Hearings were held on that bill. At the conclusion of those hearings, after conferences with members of the Commission and conferences with the counsel of the Commission and conferences with the President, the subcommittee, by a vote of 5 to 0, struck out all after the enacting clause in Senate bill 1498, on which bill the hearings had been held; and then, instead of reporting a bill which exempted the independent producers——

The PRESIDING OFFICER. The Chair inquires whether the Senator from Maine yielded for a question.

Mr. BREWSTER. Yes; I yielded for a question.

Mr. JOHNSON of Texas. Mr. President, I am asking a question: Instead of exempting the independent producers——

The PRESIDING OFFICER. The Senator from Maine has yielded for a question, and the Senator from Texas will have to ask a question.

Mr. JOHNSON of Texas. Mr. President, I have asked a question. I asked the Senator from Maine whether he was familiar with what the subcommittee did; and the subcommittee struck from the bill, as introduced—upon which bill the hearings were held, and upon which the report was filed—everything after the enacting clause——

The PRESIDING OFFICER. The Senator from Texas now is answering a question which he has asked himself, in the opinion of the Chair; and the Senator from Texas is out of order.

Mr. JOHNSON of Texas. Mr. President, I now ask the Senator from Maine whether that clears up the confusion, if there is any.

Mr. BREWSTER. The Senator from Maine believes that the objective of all this proposed legislation is to remove the control by the Federal Power Commission over the price of natural gas to be sold to the pipe lines. I do not believe any Senator on this floor will seriously challenge that proposition, which leaves the present proposal open to the very criticism which the Federal Power Commission directed against it, namely, that it would leave within the conscience and the purview and the power of the producers of the natural gas the determination of the price to be charged to the pipe-line companies, which would mean that every consumer in other areas would have to have that amount added to the price he would pay for his fuel. That is the fundamental issue, and it has run all through the Moore-Rizley bill and through the Priest bill and through Senate bill 1498; and it is just as stark naked before this body today as it was when it was originally proposed, and no subterfuge or cloudbursts or charges or eloquent appeals can alter that fundamental fact. That is why we are having this tremendous agitation. Certainly the consumers of natural gas will pay through the nose, if the enactment of bills of this fundamental character is permitted. I do not believe the eloquence of the Senator from Arizona or the eloquence of the Senator from Oklahoma and of other Senators can blind others—at least, not down-East Yankees—to that fundamental fact.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield for a question.

Mr. JOHNSON of Texas. Is the Senator from Maine aware of the fact that neither was the Senator from Texas agitated nor is he eloquent?

Mr. BREWSTER. He seeks to be most persuasive.

Mr. JOHNSON of Texas. But I should like to know whether the Senator from Maine is aware, and whether it is clear to him, that the pending measure is not the proposed legislation upon which the committee wrote its formal report.

Mr. BREWSTER. Does the Senator mean the amendment——

Mr. JOHNSON of Texas. I mean, does the Senator know that the bill now pending, Senate bill 1498, reported by the Senate Interstate and Foreign Commerce Committee, is not the bill upon which the three members of the Power Commission reported?

Mr. BREWSTER. The Senator previously referred to the committee. Does he mean the Commission?

Mr. JOHNSON of Texas. Does the Senator know that the bill reported by the Senate Committee on Interstate and Foreign Commerce is not the bill upon which the three members of the Federal Power Commission reported, and from which report the Senator just read?

Mr. BREWSTER. I understand that perfectly.

Mr. JOHNSON of Texas. If the Senator from Maine understands that, that is all right.

Mr. BREWSTER. The Senator from Texas earlier said that the bill before the Senate is not the one upon which the committee reported. I understand now that he meant to say it is not the one upon which the Commission reported.

Mr. JOHNSON of Texas. Yes. Does the Senator know that it is not the one on which the Commission reported?

Mr. BREWSTER. I understand that perfectly.

I say that the fundamental issue is whether we shall remove the control by the Federal Power Commission over the sale of natural gas. That is the issue, and it is the same, fundamental issue that has run throughout this matter and this proposal.

Mr. DOUGLAS. Mr. President, will the Senator yield for a literary question?

Mr. BREWSTER. I yield for a literary question.

The PRESIDING OFFICER. The Senator from Illinois is recognized to ask a question.

Mr. DOUGLAS. Mr. President, I merely wish to address a literary question to the Senator from Maine. I should like to ask the able Senator from Maine whether the distinction which the able Senator from Texas is endeavoring to draw between the original Kerr bill, the substitute Kerr bill, and the amendment in the nature of a substitute which may later be proposed, reminds the Senator from Maine of the distinction once made by Mr. Dooley in regard to the Baconian controversy. I ask the able Senator from Maine whether he remembers—I assume that he does—that Mr. Dooley was asked the question, "What is the Baconian question?" and Mr. Dooley replied, "That question is whether the plays of the celebrated William Shakespeare were written by William Shakespeare or by a gentleman with the same name." [Laughter.]

Mr. BREWSTER. I am familiar with that literary allusion.

I was trying to say, in my feeble way, what has just now been well expressed by the Senator from Illinois in the academic question he has asked me, namely, that under whatever guise this matter is presented, it is still the same. I think it was Al Smith who said that "It is the same old baloney, no matter how thin you slice it." [Laughter.] Mr. President, I hope that is not unparliamentary language.

But after being "in bed" with this proposition for 3 long years, and after seeing all the metamorphoses through which this matter has passed, we always come back to the one, fundamental fact that the boys who sell the natural gas do not want to be regulated; and they propose to escape, if they can, from the jurisdiction of the Federal Power Commission, as interpreted by the Supreme Court. That is the fundamental issue. I have seen nothing to alter what is my conclusion, after all these years, namely, that the consumers will pay through the nose if this proposed legislation is enacted into law.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield for a question.

Mr. JOHNSON of Texas. The Senator is aware of the fact, is he not, that the independent producer has never been regulated and the Commission never has exercised jurisdiction, and during the 12 years when the price of natural gas dropped 12 percent, the Commission has taken no jurisdiction.

Mr. BREWSTER. I have repeatedly pointed that out since the Senator came to the floor; and I have said, "Since this is so, what is all the shouting and shooting about?"

Mr. President, what is the trouble? There has been tremendous development in the natural-gas field, and $2,000,000,000 has been invested in pipe lines, and natural gas will be brought to New England; all that development has occurred under the existing law and under the existing power of the Federal Power Commission. So why must we change the law now, when everything is working so nicely today for us and for everyone else?

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I am glad to yield for a question.

Mr. JOHNSON of Texas. Is the Senator from Maine of the opinion that the Senator from Texas is shouting and shooting?

Mr. BREWSTER. If the Senator from Texas had listened to the agitation to which I have listened during recent weeks, he would say that someone was shouting and shooting.

Mr. JOHNSON of Texas. Was the Senator from Maine in attendance with the subcommittee for 5 weeks when we listened——

Mr. BREWSTER. Mr. President, I have been on the Committee on Interstate and Foreign Commerce for 4 long years when this matter has been agitated—I do not know that I should say that it has been agitated ad nauseam, but I have heard it discussed over a long, long period.

I have also listened with all the respect I could accord both to the persuasive blandishments of the Senator from Texas and of many of my other colleagues on this floor, and of many of my friends all over the country, who have very strong views on the matter. I have been on the telephone; I have approached in every conceivable way, with all due propriety, to alter my opinion in this matter. But I have not thus far seen how the public interest would be served by accepting the proposals of the Senator from Texas or others who advocate a change of this character.

Mr. JOHNSON of Texas. Mr. President, is the Senator aware of the Panhandle Eastern decision, of June 1949?

Mr. BREWSTER. I have at various times had my attention called to a good many of the cases. I think the Panhandle case was quoted very recently by the Senator from Louisiana, perhaps before the Senator from Texas entered the Chamber. I have said, "If you have any doubt about the views of the Supreme Court, the Supreme Court is doing business."

Mr. JOHNSON of Texas. That is not the point I wish to make.

Mr. BREWSTER. The Chief Justice is in Florida, but I am sure he will be back within a week or so, and that the Court will then be open for business.

Mr. JOHNSON of Texas. The Senator is aware of the proposed plan, advocated by the committee, in the event the Commission takes jurisdiction, is he not?

Mr. BREWSTER. Does the Senator mean that the Commission is considering the necessity of regulating the rates to be charged to the pipe lines in the acquisition of natural gas? Is that what the Senator means?

Mr. JOHNSON of Texas. Not exactly. But the Senator wanted to point out that a proposed plan was put forward on behalf of the majority of the Commission, advanced by Mr. Olds, in which he said that unless the Congress took action, the majority of the then Commission planned to put into effect a ruling taking jurisdiction of the producers, making of each producer a natural-gas company, within the terms of the act, whereby producers would come and file their tariff rates, whereby they would come and submit to a system of uniform accounts; and whereby they would come and comply with the other provisions of the act; and, on the basis of their study of that information, after determining the cost and the individual investment made by each producer, they would place in effect a formula which would permit the producer to receive a return on his capital investment plus 6 percent. The Senator is familiar with that, is he not?

Mr. BREWSTER. Yes. I think the Senator from Texas is also familiar with it, and I think that is why we are being subjected to such tremendous pressure to change the law, because they do not want the Federal Power Commission to assert such jurisdiction; whereas I believe it would be in the public interest for the Commission to do so. If the existing law, as interpreted by the Supreme Court, permits it, I hope it will be done. If it does not permit it, the Senator from Texas and all his associated interests in the field will have ample protection in the courts. That is why I think we had better let well enough alone. It has worked well, thus far, and I am quite a believer in letting nature take its course.

Mr. JOHNSON of Texas. The Senator from Texas does not have any associated interests in the field, unless the Senator means the Members of the Senate who feel as he does.

Mr. BREWSTER. I meant no disparagement.

Mr. JOHNSON of Texas. The Senator makes the issue very clear. I want to agree with the statement.

Mr. BREWSTER. I meant only the people who believe in it.

Mr. JOHNSON of Texas. The Senator is aware, however, that other implications are being drawn, and I wanted to make it clear the Senator intended no such implications. I am sure he did not.

Mr. BREWSTER. There was no such implication on my part.

Mr. JOHNSON of Texas. I think the Senator states it correctly, when he says that is the issue. In other words, we have two plans, plan A and B. The Senator from Texas has no desire to mislead or confuse anyone on the issue. Under the Commission's plan, the Commission, relying on the Interstate decision, which they firmly believe gives them the authority, will make a natural gas company out of each producer. Such producers will have to file their proposed rates, and the Commission will limit them to 6 percent on their investment. The plan proposed in the committee bill is that the Commission shall not have jurisdiction to define a producer as a "natural gas company," require him to comply with the uniform system of accounts, require him to comply with the filing of the tariff rates, and require him to obtain a certificate of convenience and necessity. Instead, the Commission will be limited in its regulatory power so far as a producer sale is concerned, to the same limitations they have exercised in the past 12 years. As the Senator from Maine is no doubt aware, under proposals to bring this clean, cheap commodity to his area, those applications are on file with the Power Commission.

Mr. BREWSTER. Yes.

Mr. JOHNSON of Texas. Before the Commission approves the applications, the applicant must bring to the Commission all the contracts setting forth the rates entered into. He must show these rates to the Commission.

Mr. BREWSTER. Mr. President, I think this is exceeding the bounds. I have been on the floor now, as I am sure the Presiding Officer realizes, for more than 2 hours.

Mr. JOHNSON of Texas. I beg the Senator's pardon. I am sorry.

Mr. BREWSTER. I tried to state my position and make it clear, and I should like to conclude my remarks, so I can have luncheon.

Mr. JOHNSON of Texas. I beg the Senator's pardon.

Mr. BREWSTER. I am sure the Senate will then accord the Senator from Texas and every other Senator concerned ample opportunity for presentation of the case. I merely want to say in conclusion that after all the discussion, the Senator from Texas has been very frank, now, in focusing the issue in this matter, that the question is whether the Federal Power Commission shall have the power to exercise jurisdiction over the price at which the gas is acquired in certain instances by the pipe-line companies.

Mr. JOHNSON of Texas. Cost, plus 6 percent.

Mr. BREWSTER. That is, whether they shall have that jurisdiction and that power. Things have proceeded for 12 years under the Natural Gas Act. The power has not been asserted. The situation has worked out well. In the past 2 or 3 years, the issue has been raised through the Moore-Rizley bill, the Priest bill, and we now have the Kerr bill, and we have the amendment which was proposed. But I think the net result of what the Senator from Texas has now so frankly said is to make it perfectly clear that if the pending legislation were enacted, the Federal Power Commission would be deprived of the authority which the Commission has been seeking to assert, and which the Commission says it is prepared to assert. Whether it is within the jurisdiction accorded the Commission by the Supreme Court, will of course be a matter that will have to be determined. But we get right back to the statement made by the Federal Power Commission in its report of May 16, 1949—and I think this is just as true of the amendments we are considering, as of the proposed amendments to which they refer—

The proposed amendments—

And I will say that all the amendments we are now considering have these qualities—

forbode a change of the situation which would afford dominant producers of natural gas an opportunity to increase prices practically at will subject only to the ceilings imposed by prices of other fuels. We do not believe this would be in the public interest.

The Senator from Maine does not believe it would be in the public interest, and that is the fundamental issue which the Senate must decide. I am one who hopes the Senate will decide to leave the situation as it is and reject the proposed legislation now sponsored so eloquently and earnestly by the Senators from Oklahoma and Texas, and by their distinguished predecessors, who have been for 3 or 4 years advocating a change in the situation. It seems to me the vast investment of $2,000,000,000 in natural-gas pipe lines to serve the northern area,

including New England, is a sufficient answer to the suggestion that under existing law, or under existing policies, present or prospective, there can be any particular concern over an adequate supply of natural gas being available at figures that shall be fair.

With 176,000,000,000,000 feet of natural gas seeking a market, I should at any rate anticipate that the people of New England may perhaps come to be adequately and properly served.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a question, in order that I may make a correction in his statement?

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Texas?

Mr. BREWSTER. I yield for a question.

Mr. JOHNSON of Texas. The Senator from Texas wants to ask the Senator from Maine whether he is aware that the only person who has sponsored this legislation in the form that it is presently found is the majority whip of the House [Mr. PRIEST] and that the legislation under the sponsorship of Mr. PRIEST was recommended by the members of the Commission and by the President; and the Senator's distinguished predecessors refused to accept the legislation and insisted instead on a much more far-reaching bill? I want the Senator to be aware of that when he says that I come on this floor to sponsor legislation sponsored by my distinguished predecessors. I am fearful that he implies a situation that is not exactly correct, because the only sponsorship of this measure that there has been in either body is the committee that now brings it to the floor of this Chamber, and the Representative from Tennessee, Mr. PRIEST.

Mr. BREWSTER. I shall simply say that I think the RECORD is perfectly clear as to the various proposals which have been before this body. In the discussions today I think we have made it perfectly clear. I have said, and I repeat, that the fundamental issue is whether the Federal Power Commission is to be ousted from jurisdiction of determining the price at which natural gas is acquired by the pipe-line companies. That is the fundamental issue. The Supreme Court has used language in the case cited by the Senator from Missouri which indicates to most of us that the Federal Power Commission would be supported in the construction which has been applied. No smoke screen can change that fundamental fact. That is why I believe it is undesirable and unnecessary that we should take action.

The Senator from Texas refers to the unanimous opinions of the Federal Power Commission. It is true that the Court wrote an opinion when a very extreme bill was before it. It recommended a much more moderate bill. But it is also true that when the more moderate bill came in the Federal Power Commission, by its majority, said it would do what it alleged——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. JOHNSON of Texas. The Federal Power Commission has never expressed its opinion of Senate bill 1498 as reported by the committee.

Mr. BREWSTER. That was the bill introduced on May 16, 1949.

Mr. JOHNSON of Texas. That is correct.

Mr. BREWSTER. It expressed the opinion that it would not be in the public interest that the original bill be enacted.

Mr. JOHNSON of Texas. And the committee expressed that opinion, and struck out all after the enacting clause.

Mr. BREWSTER. I say that the same considerations which led the Federal Power Commission to oppose the bill in its original form are equally applicable to the pending bill. So, after 3 or 4 years, the question has been discussed as to the effect of the proposal as reported by the committee and as sponsored by the Senator from Texas. It will be the same as the ultimate effect of the other legislation which was designed to remove the acquisition of natural gas from the control of the Federal Power Commission. If that is not its effect, I see no reason whatever for wasting time in discussion.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. JOHNSON of Texas. The Senator will accord me the same right to my opinion that I accord the Senator to his opinion, will he not?

Mr. BREWSTER. Certainly.

Mr. JOHNSON of Texas. The Senator from Texas is not of the opinion that this proposed legislation would have the same effect. The Senator from Maine would understand if he had been present at a single meeting of the subcommittee.

Mr. BREWSTER. All I know is that for four long years the natural-gas interests have been trying to get out from under the Federal Power Commission. If they are successful in accomplishing that objective, all the natural-gas consumers in the North and East will pay tribute through their noses for the result. I do not believe anyone can successfully challenge the correctness of that statement. That is why I hope this bill will not pass.

Mr. GILLETTE. Mr. President, I intend to confine my remarks on the pending bill mainly to the impact which its passage could have on the 12,000,000 rate-paying consumers of natural gas.

There has been much talk of the confusion which supposedly prevails in the gas industry, in the legal profession, and in Government as to the extent of the Federal Power Commission's jurisdiction over the independent, that is, the nontransporting, producers of natural gas. If there is confusion, a major portion of it appears to be self-induced. Whatever real or imagined confusion there may be in the minds of the proponents of this legislation, they have admirably succeeded in spreading confusion among those of us who are not professional experts in the natural-gas business. Speaking for myself, at least, Mr. President, I will say that the debate so far has left me baffled about what the advocates of this bill really intend it to accomplish.

For example, the proponents assure us that prices to the consumer will not go up if their measure is passed. At the same time, they tell us that they want this bill passed so they can be free of Federal rate regulation and free to obtain higher prices for the gas they sell from their fields into interstate commerce. Who will pay these higher prices if the ultimate consumer does not?

The only way these contradictory claims can be reconciled is to argue that an increased field price would be absorbed somewhere between the field and the ultimate consumer, that is, by the pipe-line transporters of gas or the local State and municipal gas-distributing companies.

The advocates of this bill, therefore, are apparently arguing that they be allowed to raise field prices for natural gas to whatever level they can reach, without any regulatory commission looking into the matter, and that these higher charges shall then be paid for by the pipe-line or local gas-distributing companies, but not, Heaven forbid, by the consumer.

One set of companies, the producers, seriously are asking Congress, by passing this proposed legislation, to authorize them to charge higher prices to another set of companies, the transporters and distributors, which, presumably will then gladly and willingly absorb the higher price, carry the burden, and make no effort to pass it on to the ultimate rate-paying consumer of the gas. This is an extraordinary request to make of the Congress. It is evidence, also, of a touching faith in the magnanimity of the pipe-line transporters and the State and municipal gas distributors. Where in American economic history have we ever seen anything like it?

I wonder, though, what the stockholders of the pipe-line companies and the local gas-distribution companies would say if their managers were so soft-headed as to swallow the increased field price without making any effort to pass it along to the consumer. It is likely that we in Congress would soon be swamped by frantic appeals from them to change the law all over again. So, those who speak of the confusion that supposedly now exists, are in effect arguing that we must cure their confusion by engendering an even more fantastic imbroglio for everybody else.

They would place the Congress in the position of accepting on faith their unproved and unprovable assertion that price rises in the field will not be passed on to consumers at the other end of the pipe line.

But there is no substance to this sort of argument, Mr. President. The pipeline companies and the local gas-distributing companies will not absorb increases in field prices charged them by these so-called independent producers. It is absurd to pretend that they would, and it is unjust to expect that they should.

So, we are forced to conclude that the consumer will have to pay the piper

for any increased field prices for natural gas. That is not intended as a play on words. He is, in fact, obliged to pay the limited increases that are being charged right now, before this bill to remove Federal protection is passed.

This conclusion is reinforced by the discussions which the Northern Natural Gas Co., a pipe-line company supplying Iowa, Nebraska, Minnesota, Illinois, and South Dakota, has been having with the Federal Power Commission recently in informal preparation for a request to raise the price they charge local distributing companies by over $4,000,000 a year. On Monday, March 6, I placed in the CONGRESSIONAL RECORD, at page 2836, a letter about this matter from the Chairman of the Federal Power Commission. I quote a few pertinent sentences from his letter:

> The company attributes $1,100,000 of the increase to the order of the Kansas State Corporation Commission establishing 8 cents per thousand cubic feet as a minimum price for gas purchased in the Hugoton Field in Kansas. The company has also advised the staff that approximately $500,000 additional of the total proposed increase would result from a new contract with the Phillips Petroleum Co., for the purchase of approximately 11,000,000,000 cubic feet of natural gas per year which is to replace an existing contract for the same quantity of gas with the Independent Natural Gas Co.

There is a perfect case in point. Whether the field price is increased by order of a State commission or by renegotiation of contracts by the private producing company, that increase has to be passed on by the Interstate Pipeline Co. to the distributing companies in the States which it serves.

Is anyone so naive as to believe that these distributing companies will absorb the increase? Why should we expect them to? If they can, they will persuade their local or State commissions to authorize them to pass it on to the consumers in their communities, using the same sort of arguments that the Northern Natural Gas Co. will use before the Federal Power Commission: to wit, the field price is being raised; we must raise our price to the next fellow down the line.

I shall not take the time of the Senate by reading all the tentative estimated revenue increases that are expected if this company is authorized to raise its rates. I will note, however, that a large proportion of the increases will be charged against Iowa gas-distributing companies. The Iowa Power & Light Co., for example, will be charged an additional $454,560 per year. Naturally, these increases will be reflected in the gas bills paid by persons in my State who use natural gas.

Therefore, we have now a fairly clear idea of the process: either a State commission in a gas-producing State or a private producing company, by one means or another, raises the field price for natural gas. The pipe-line company then obtains permission to raise the rates it charges the local gas-distributing companies. In their turn, the local distributors obtain permission to pass on the increased charges to the ultimate consumer. It is all very simple.

How can anyone pretend, then, that the consumer does not suffer under a process like this? How much more will he suffer if a bill passed by Congress forbids the Federal Power Commission to retain the authority to regulate the prices of gas at the point of sale into interstate commerce?

Iowa home owners, and home owners in every State in the Union who use this convenient fuel, will inevitably suffer a heavy added burden if the pending bill is enacted. No doubt the price increases will come over a relatively long period of time, not tomorrow morning. But once Federal protection is removed, no State or city commission can prevent producers far away in other States from stepping up the price to whatever the traffic will bear.

Let us consider once more my own State of Iowa. Iowa is not one of the greatest consumers of natural gas in the country, but it is a typical consuming State. It has no natural gas wells, it has no petroleum wells, it has very little coal. It must depend for its fuel on outside sources. In 1948, Iowa consumed approximately 29,000,000,000 cubic feet of natural gas. Consumption has been mounting every month since. Several great interstate pipe lines pass through the State and are tapped by numerous communities en route. On the basis of 1948 consumption alone, a mere 5 cent price rise per thousand cubic feet would cost Iowa gas users another $1,446,435 every year. Without Federal Power Commission regulation, field prices can and will go the limit.

To show how people in Iowa regard this bill, I want to read to the Senate a letter I received from a constituent of mine, an Iowa housewife, who uses natural gas in her home:

> MARCH 15, 1950.
>
> DEAR SENATOR GILLETTE: I am writing the reasons why I think you should vote against the Kerr bill. I do not see how any legislator who pretends to protect the average home owner can defend his position and support this bill.
>
> My mother's entire income is from the rental of four rooms. We have six months of severe winter in the Middle West and the fuel bill and property taxes are the big items in her budget. She and four other families in the block have installed natural gas for heating purposes. She is at the age where it is impossible for her to take care of our coal-heating system. After a very careful study, she converted to natural gas. Because her only income is from rental of part of the home, this matter of annual fuel cost was important. She converted to gas because of the promise that her monthly fuel bill wouldn't run over an amount that could be met.
>
> When you think that four families in one block in our town in Iowa have similar situations, you can see what I mean when I say that this is a dangerous piece of legislation for the ordinary citizen. When you talk about the middle-income group and their housing problems, what about the millions of families like my mother's who built their homes through years of effort without any type of assistance and at 6 percent interest?
>
> If that applies in one home in our small town, how many homes in Iowa, Minnesota, Illinois, Michigan and all of the States in the East will be affected too?
>
> How can any man lay claim to concern in the average citizen or liberal legislation and lend his support to a bill that history shows will result in higher monthly fuel bills to millions of home owners? Where is there a line in our Democratic Party platform even suggesting that such a law be approved by our administration? It is sheer hypocrisy to talk about liberal legislation and democratic principles and then levy a tax on every home in the Nation using natural gas heat—to the tune of $5.00 per month or more—from this year forward.
>
> Very truly yours,
>
> AN IOWA HOUSEWIFE.

Mr. President, I have read that letter as one of many letters which I have received from users of natural gas among the people whom I have the honor in part to represent. I call the attention of interested Senators to a set of figures on possible cost increases to consumers in their States which I placed in the RECORD on March 6, page 2835, exhibit 7. And I would also ask them to note that these figures are based on the consumption figures of 1948. Consumption today, of course, is greater by far, and will in all probability continue to grow larger every year in the foreseeable future.

The price rises indicated in the table to which I refer, therefore, are inadequate estimates for the present or future situation. They are based on the latest available figures of 1948, not on the actual consumption of 1949 or 1950.

It has been conservatively estimated that producers affected by the bill before us stand to gain a minimum of $200,000,000 additional revenue a year after its passage. These $200,000,000 will, I am quite certain, come out of the pockets of the consumer rate payers of the 35 States that consume natural gas.

In passing, Mr. President, it should be pointed out that not only the consumers in non-gas-producting States face heavier charges for the gas they import from outside, but the gas users in the producing States themselves can also expect to pay higher rates whenever the field price goes up. A 5 cent field-price rise on 1948 consumption in Oklahoma would cost consumers another $1,266,640 a year, in Arkansas another two million-odd dollars, in Louisiana $5,563,940 a year, in Texas another $12,752,690 a year—and so on. These increases, I repeat, are estimated on the basis of 1948, not 1950 consumption.

While I do not pretend to expert knowledge of the internal operations of the gas and oil business, such as is possessed by most of the able Senators from the gas-producing States, I am quite satisfied that the Federal Power Commission now has the necessary authority, in the law as enacted by Congress and as interpreted by the Supreme Court, to regulate the sale of gas by independent producers to pipe-line companies in interstate commerce. The fact that the Commission may not yet have exercised its jurisdiction in this regard in no sense means that it does not have that jurisdiction. Indeed, the advocates of this measure in effect admit that the Commission has this authority.

Otherwise they would not be here today trying to exempt independent, nontransporting producers, who sell about 70 percent of all natural gas in interstate commerce, from the Federal Power Commission's jurisdiction.

Yet even under the present situation we see that new price rises in the field are being passed along to consumers. What an opportunity for unlimited price rises there would be if we told the Federal Power Commission that it no longer had the authority to regulate rates of sale. The fact that it has this authority, whether exercised yet or not, is one of the reasons why outrageously unreasonable price gouges have not yet been attempted on any large scale.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Iowa yield to the Senator from Illinois?

Mr. GILLETTE. I yield for a question.

Mr. DOUGLAS. I should like to ask the distinguished Senator from Iowa if it is not a fact that the Democratic Party platform of 1948, far from proposing that existing antitrust laws be weakened, proposed that they should be strengthened.

Mr. GILLETTE. Very definitely; that is correct.

Mr. DOUGLAS. Let me read from the 1948 Democratic platform:

> We pledge an intensive enforcement of the antitrust laws, with adequate appropriations. We advocate the strengthening of existing antitrust laws by closing the gaps which experience has shown have been used to promote the concentration of economic power.

Does not the Democratic platform of 1948 make that statement very clearly?

Mr. GILLETTE. I am sure that was a correct quotation from the Democratic platform.

Mr. DOUGLAS. Is it not a fact that the Democratic candidates for the Senate and for higher offices campaigned throughout the country on the idea that the antitrust laws would be enforced more effectively?

Mr. GILLETTE. I assume they did. I know that the present speaker from Iowa did.

Mr. DOUGLAS. And the junior Senator from the State of Illinois did also, and I think that was common over the country.

Is not the bill in question a proposal, not to close the gaps in the existing law, but to tear open gaps which do not now exist, and to make the present antitrust laws still more ineffective?

Mr. GILLETTE. It definitely seems so to the junior Senator from Iowa.

Mr. DOUGLAS. If the pending bill shall be enacted, therefore, will it not be a violation of the campaign pledges made in 1948?

Mr. GILLETTE. I think it could well be so construed.

Mr. DOUGLAS. And is it not probable that the members of the opposing party would be quick to point that out?

Mr. GILLETTE. I do not think they would hesitate for any length of time.

The possibility that the Commission might decide to invoke its authority is what prevents the producers in the field from skyrocketing their prices. If we are so foolish as to remove what one witness in the committee hearings called "the musket behind the door," we shall have no one to blame but ourselves when the gas consumers begin to flood us with letters of anguished protest against unconscionable increases in their gas bills.

In this debate, Mr. President, we have learned a shocking fact and, Mr. President, I say that very, very earnestly. The producers of natural gas for whose special and particular benefit this legislation is designed, hold today an immense power in their hands—the power to deprive the consumers of the Nation of natural gas by refusing to deliver gas into interstate pipe lines. There has been, in fact, evidence of a very thinly veiled implied threat that this is precisely what some of them intend to do—if their bill is not passed.

We have learned in the debate that somewhat over 50 percent of the contracts signed between independent natural gas producers and interstate pipeline companies that transport gas to our cities' gates contain an escape clause.

This clause, we are told, will permit them to abrogate the contracts unilaterally and refuse to sell their gas to the pipe lines in interstate commerce, if the Federal Power Commission regulates the price they can charge for their gas. In other words, these companies hold in their hands the power, even now, without any legislation of any kind—and they have asserted it here on the floor—to cut off the pipe lines which have no reserves of their own, the State and municipal gas companies which buy all or most of their gas from such pipe lines, and the consumers who use the gas in their homes or their businesses—to cut them off without another cubic foot of gas. These companies can merely put stoppers in their wells and leave the gas underground indefinitely, or let it fly off as pure waste into the blue sky above.

Mr. President, I never thought we would hear on the floor of the United States Senate an assertion made in earnest and in good faith, and with mistaken zeal, that anyone would have the authority so to violate the needs of the public welfare. All over the Nation during the past months there have been inveighings against John L. Lewis, and against the coal producers. We have heard complaints against the owner of the coal mine who says, "This is my mine and I will work it as I see fit. It is my property. If I do not see fit to produce coal what do I care about the public." We have heard complaints against the miner who says, "These hands are mine. I do not have to go into the mine and work if I do not desire or choose to do so." It makes no difference that a factory must close and throw thousands out of work; it makes no difference that a home owner in Illinois, Iowa, Montana, or South Dakota, in the depth of winter, has no fuel; it makes no difference if the schoolhouses close. The public welfare is not an element, they say. Yet there comes a time and there will always come a time, thank God, in national affairs, when the needs of the individuals which we are conserving, and will continue to protect and conserve, must yield, if necessary, to the public welfare and needs. Every law on the statute books, means that the individual had to yield something of his freedom of action to the general welfare.

Yet after all this turmoil over John L. Lewis, and the position the coal industry took, which threatened the whole Nation's economy, we find Senators rising on this floor within the past few days who have asserted that the producers of natural gas have the right to deprive and will, if necessary, deprive millions of users of this necessity, simply because they have, they claim, under contract, the right so to do, regardless of the need, regardless of the public welfare. I will not subscribe to such a position. I repudiate such a position. I repudiate any industry which asserts a claim that it has the right under the guise of phraseology to contravene and destroy public security, public welfare, and public comfort.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. GILLETTE. I yield for a question.

Mr. DOUGLAS. Is it not probable that these threats—and I agree that they are antisocial threats—are really a bluff and that they would not be carried out? Is it not true, for example, that after the Supreme Court rendered its opinion in the Interstate Pipe Line case, in the next year there were 98 applications to construct 8,468 miles of pipe lines, with a capital investment of almost precisely $520,000,000? Is it not a fact that in the next 6 months there were 52 more applications for 2,111 more miles, and a capital investment of $146,500,000, which were granted? So that in the year and one-half after the Interstate case which held that the Commission could take jurisdiction, a total of applications amounting to 10,579 miles and $666,000,000, were made and granted? Does not that indicate that the business was such that the companies felt they could go ahead?

Mr. GILLETTE. Mr. President, I am sure, I will say in answer to the Senator's question, that there is reason to hope that it might be a bluff. But as the Senator recalls, in the Army there is a game called poker. As a cornfield lawyer from Iowa, I was initiated into the game and I learned what a bluff was. Sometimes when I called what I thought was a bluff, it turned out not to be a bluff. When anyone asserts in good faith on the floor of the Senate that he can and will do such a thing, and in addition to that when he announces to the Senators from New England that it might be necessary to take such action as to deprive them of this fuel so that their industries would be removed to some other section of the country, to the economic loss of the New England area, I claim it is unfortunate, even if it is bluff.

Mr. DOUGLAS. Would the Senator from Iowa say that possibly this threat was made in order to influence the vote of the 12 Senators from New England?

Mr. GILLETTE. It is very conceivable that that might have been in the back of the mind of the man who made the statement.

Mr. DOUGLAS. Mr. President, will the Senator from Iowa yield for a further question?

Mr. GILLETTE. I yield.

Mr. DOUGLAS. Is it not true that there were pending on December 31, 1948, in addition to the applications which I have already cited, 41 more applications

for power lines, totaling 14,808 miles, with an estimated cost of $1,112,000,000?

Mr. GILLETTE. That information is very pertinent, and right to the point.

Mr. DOUGLAS. About 21 of those had been granted by May 1, 1949, and construction shortly thereafter began.

Mr. GILLETTE. I thank the Senator. That is a real contribution.

Mr. DOUGLAS. Is it not also true, as can be seen from consulting page 367 of the hearings, table 5, that 80 contracts were entered into by major producers with interstate pipe-line companies for the sale of gas between the first day of July 1947 and the date these data were submitted sometime in 1949; and that these 80 contracts guaranteed to deliver 936,000,000,000 cubic feet of gas, or almost one-third of the gas which had previously gone into interstate commerce?

Mr. GILLETTE. I thank the Senator. Those figures certainly show that we are not dealing with a sick or ailing industry.

Mr. DOUGLAS. In other words, in this industry new pipe lines are being constantly laid, enormous investments of capital are being poured out, new contracts for the sale and consumption of gas are being entered into, and it is also an industry, as the able Senator from Iowa pointed out, in which huge profits are being made?

Mr. GILLETTE. I think there is no question about that. I thank the Senator from Illinois. It is very evident that these producers, astute businessmen as they are, are not throwing money down a rat hole. They know exactly what they are doing.

Referring again to the threats I mentioned a few moments ago—in plain English—what is meant is that they will go out on strike. They will go out on strike not because they cannot make money on their sales of natural gas in interstate commerce. They are making a great deal of money, as the Senator from Illinois has pointed out. They will go on strike because they cannot make all the money the traffic will bear. They will go on strike, let the gas stay in the wells, or go sailing off into the clouds, make not a nickel on the gas sales, but prevent consumers from obtaining a cubic foot of it to heat homes and cook meals, and they will continue making plenty of money on their oil production, letting the gas consumption go by.

What they are telling the American public, in effect, is that if they are not privileged to sell a product on which they have an almost total monopoly at the price they demand—the American public will simply have to bear with it the best it can.

This is a boycott which, I am sure, the American people will not endure. Indeed, any concerted effort by a group of producers to withhold their product from interstate commerce would be an illegal boycott subject to prosecution under the antitrust laws.

Somehow, I cannot believe that the threat is anything more than implied. I cannot seriously believe that any such threat would be carried out. I cannot accept the idea that an industry, which admittedly has profited because of the tactics of the head of the United Mine Workers in driving people from coal to gas, would attempt parallel tactics and withhold a natural resource from the public that depends on it.

Surely those who imply such a threat, who even hint at it, know that what they are asking for, in return, is legislation of a character so drastic as to make them yearn for the good old days when they had nothing to worry about but Federal Power Commission regulation of rates on the sale—just the sale of gas into interstate commerce—not the whole production and gathering of the product. I wonder if possibly they are requesting the Congress to retaliate by removing the bounty placed on oil and gas production through repeal of the annual 27½-cent depletion allowance on petroleum?

After all, we are dealing here with an industry that is characterized both by its inner structure and by its very nature as a monopoly. Let me cite here a statement made by the Senator from Nebraska [Mr. WHERRY] the able minority leader, which I found in an excellent report, No. 25, Eighty-first Congress, first session, entitled "Oil Supply and Distribution Problems."

This was published as a final report of the Special Committee To Study Problems of American Small Business, under the capable chairmanship of the Senator from Nebraska. On page 13, we find this clear and forthright declaration:

> Monopoly as generally understood means control of a product both as to quantity allowed to reach the market and price. If you control the quantity you automatically control the price. Hence, the petroleum industry can be set down as definitely a monopoly.

That, Mr. President, is an admirable summation of the case. The petroleum industry is a monopoly. The natural-gas industry is part and parcel of the petroleum industry, and so it is a part of that monopoly.

There is no need to cite chapter and verse on the character of this industry. It is enough to note that it is increasingly dominated by a few giant corporations which own and control one of the most vital natural resources modern man has ever discovered.

For example, 33 of the largest oil companies hold in lease or in fee 62.5 percent of all acreage containing natural-gas reserves. Over half of these reserves are owned by the largest 14 companies.

The degree of concentration of control over the gas supply held by independent producers is indicated in a Federal Power Commission study made in 1947, which showed that two-thirds of the trillion cubic feet of gas sold to some 32 pipe lines was sold by the 25 largest sellers. Even more striking, the survey showed that 47.6 percent—nearly one-half of that immense quantity of gas—was sold by 10 of the six-hundred-and-some-odd companies selling gas to these pipe lines in that year.

As recently as April 20 last year, a Federal Power Commission report showed that ownership of gas reserves in the seven Southwest States—which contain nearly 90 percent of the known reserves—was divided between interstate pipe lines and independent nontransporting producers as follows: Interstate pipe lines, 12.8 percent; independent producers, 87.2 percent.

Thus, 87 percent of the proven natural-gas reserves are owned by the independent producers, that is, the nontransporting producers. These owners of the 87 percent are the ones who would be exempted from Federal regulation by the bill we are debating.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. KERR in the chair). Does the Senator from Iowa yield to the Senator from Illinois?

Mr. GILLETTE. I yield.

Mr. DOUGLAS. As I understand, the purport of the pending bill is to exempt from regulation the nontransporting producers, who sometimes travel under the alias of "independents"; is that correct?

Mr. GILLETTE. That is quite correct.

Mr. DOUGLAS. And the statement is made that they furnish 87 percent of the total amount of gas.

Mr. GILLETTE. That is very true.

Mr. DOUGLAS. So the difference between the Kerr bill and the Rizley-Moore bill is that the Kerr bill is 87 percent of the Moore-Rizley bill.

Mr. GILLETTE. Yes; it applies to 87 percent of the natural gas.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GILLETTE. I am glad to yield.

Mr. LONG. Do I correctly understand the Senator to say that approximately 30 of the companies produced approximately 60 percent of the natural gas, or something of that sort?

Mr. GILLETTE. I said that 33 of the largest oil companies hold in lease or in fee 62.5 percent of all acreage containing natural-gas reserves.

Mr. LONG. Will the Senator tell me how that would compare with steel, for example, where approximately eight companies have 69 percent of the production; or with aluminum, where three companies have all of the production; or with zinc, where only a few companies have a majority of the production; or with copper, where eight companies control all of the production? Certainly, so far as the concentration of ownership is concerned, the industries to which I have just referred are much more concentrated than is the gas industry. Is not that true?

Mr. GILLETTE. That is true. The Senator from Louisiana cannot argue with me on that point. I think it is a deplorable situation. Certainly it is deplorable when a few companies control one of the Nation's major resources.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. GILLETTE. I yield.

Mr. LONG. Then, if we are to control the price of natural gas because 33 companies control 62.5 percent of all the acreage which contains natural-gas reserves, should not we first control steel, inasmuch as 8 companies have 69 percent of the steel production; or alumi-

num, where 3 companies control all the production; or copper, where 8 companies control practically all the production? In short, should not we first control the industries in which the concentration of ownership is much more pronounced?

Mr. GILLETTE. Yes; of course.

Mr. DOUGLAS. Mr. President, will the Senator from Iowa yield further?

Mr. GILLETTE. I am glad to yield.

Mr. DOUGLAS. Is it not a fact that there is a vital difference between natural gas, on the one hand, and steel, copper, and aluminum, to which the able and learned junior Senator from Louisiana has alluded, on the other hand, namely, that in the case of copper, steel, and aluminum, any purchaser can buy copper, steel, or aluminum, and can have it transported either by railroad or, in some cases, by water, or, in other cases, by truck, or even, upon occasion, if it were especially valuable, by airplane? Is not that true?

Mr. GILLETTE. Undoubtedly there is that difference. But the basic fact remains that when any group controls a natural resource which is essential to the public economy, it should be regulated so as to protect the public economy.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. GILLETTE. I am glad to yield.

Mr. DOUGLAS. Is it not a fact that, on the other hand, in the case of natural gas, the gas cannot be shipped on a railroad or on a barge or on a truck or in an airplane, but it must go through a gas main; and once the main is laid, the pipe lines are tied to the producers and the gatherers, and the distributing companies are tied to the pipe lines, and the consumers are tied to the distributing companies; so they are bound up together? The consumer has to have the gas; and if the prices are higher at one end because the gatherers and producers have raised their prices, will not the increased prices be passed on to the consumers, in the end; and the consumers will not have any recourse? Is not that what differentiates gas from steel, copper, and aluminum, to which the able, charming, and learned Senator from Louisiana has referred?

Mr. GILLETTE. The Senator's assertion is absolutely true. Natural gas is tied to one instrumentality; and it is easy to pass along to the consumer an increase in cost.

But as I have repeatedly said, the fact remains that when one instrumentality affords an opportunity for control, it requires regulation in the public interest and for the sake of the public welfare.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GILLETTE. I am glad to yield.

Mr. LONG. If the Senator from Iowa will look at the chart which is displayed in the Senate Chamber, he will realize that in respect to the prices paid, Louisiana probably receives less for the natural gas produced within her boundaries than does any other State, possibly with the exception of New Mexico. I wonder whether the Senator from Iowa knows that the fact that the producer can ship his product only by a pipe line does not result in his receiving a larger price, but, on the contrary, results in his being paid a smaller price, and means that the monopoly is at the other end—not as applied to the consumer, but as applied to the producer who would like to sell the natural gas. I ask the Senator whether he knows that in Louisiana there are many cases where persons who have drilled for gas have had to cap their wells because no one would go to the expense of building a pipe line to those gas wells; and that because of that situation, such persons, if they are able to sell their gas at all, have to sell it for whatever price they can get, the price they receive often being well below the average of 4 cents which the producers in the State of Louisiana are supposed to get for natural gas?

Mr. GILLETTE. Of course, I am not familiar with the situation in Louisiana. In referring to the chart to which the distinguished Senator just directed my attention, I do observe that the chart is marked in red lines; and I should like to observe that my anxiety is to keep the consumer "out of the red," in respect to unjust charges for natural gas.

Mr. LONG. Mr. President, will the Senator yield to me for a further question?

Mr. DOUGLAS. Mr. President, will the Senator yield to me for a question?

Mr. GILLETTE. I yield first to the Senator from Louisiana.

Mr. LONG. Mr. President, I wonder whether the Senator noticed the figures which were placed in the CONGRESSIONAL RECORD of March 15, as shown at page 3354, by the junior Senator from Texas [Mr. JOHNSON], who showed that, based on the cost of 1,000,000 effective B. t. u.'s of heat, the latest figures being for 1948, natural gas was selling for 93 cents per 1,000,000 B. t. u.'s; fuel oil, for $1.53; anthracite coal, for $1.84; and bituminous coal, for $1.48.

Would not that show that, actually, the producers of natural gas, because they can ship only by means of pipe lines, probably are receiving much less than are the producers of other fuels, rather than receiving more?

Mr. GILLETTE. I had observed the figures, and they are very interesting. However, they are beside the main point which I am trying to discuss.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. DOUGLAS. Is not the question which the able and charming and learned junior Senator from Louisiana has propounded on that point very revealing, because it indicates that it is the purpose of the sponsors of this proposed legislation to raise the price of natural gas to the equivalent of the price of coal, based on the heat content of coal, which would mean, according to the charts which have been displayed here, a tripling in the price of natural gas, in order to bring it up to the same level as the price of bituminous coal, in terms of 1,000,000 B. t. u.'s? Is not that really a very revealing statement, namely, that the purpose of the pending proposal is to have the Senate remove all power of regulation, so that 1,000,000 B. t. u.'s of natural gas will sell for the same price as 1,000,000 B. t. u.'s of coal, or up to that point?

Mr. GILLETTE. Mr. President, I am willing to ascribe to the Senator from Louisiana and to the Senator from Illinois all the charm to which reference has been made. However, I desire to point out the basic issue in this case, if Senators will be so kind as to permit me to proceed.

Mr. LONG. Mr. President, will the Senator yield for a further question, in order to complete the RECORD on this point?

Mr. GILLETTE. Certainly.

Mr. LONG. Actually, the Senator knows, does he not, that the price of natural gas, which is much cheaper than any other fuel, is actually held down, not by the other fuels, which cost so much more, but by the competition of natural gas with natural gas; and does not the Senator know—I am sure he does—that a man who has his gas well capped over, particularly a true independent producer, a small producer, in order to sell his gas at all often will have to sell it at a very low price? Does not the Senator also know that a terrific problem exists in that respect, in that many persons who own natural-gas wells are not able to sell the natural gas from their wells at all, or else they have to sell it at a price less than the price of 4 cents to which reference has been made during this debate?

Mr. GILLETTE. The development and history of the matter show that the gas producers can hold their own very well.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GILLETTE. I am glad to yield.

Mr. DOUGLAS. In view of the fact that the Senator from Louisiana has been asking his questions in term of charts which are marked in red bars, is it not true that the natural-gas companies, far from keeping their books in red ink, are keeping them in enormous amounts of black ink, and, as the Senator from Iowa has indicated, in the last year for which we have fiscal records made a profit of 18 percent after taxes? Is not that true?

Mr. GILLETTE. I am sure they are not in the red.

Mr. President, all long-distance pipeline companies established since 1942 to furnish natural gas to the great metropolitan areas of the Eastern States, as well as several additional pipe-line companies serving large markets in my section of the country, must depend for their supply wholly upon gas controlled by the so-called independent producers.

Once a pipe-line company invests great sums of money in laying down its pipe in a given natural gas field, all possibility of competition among sources of supply comes to an end.

Mr. LONG. Mr. President, will the Senator yield for a question at this point?

Mr. GILLETTE. I shall be glad to yield, but I do not want to start another colloquy.

Mr. LONG. I have only one question in mind.

Mr. GILLETTE. I am sure the Senator will have other questions in mind

in a moment. But I shall be glad to hear the Senator's one question.

Mr. LONG. Does not the Senator know that the Federal Power Commission does not approve contracts for the transmission of gas, unless and until it determines that there is actually sufficient gas under contract to supply the pipe line for the period of as long as 20 years, and that it is only after the gas is actually contracted, which includes the contract price, that the Federal Power Commission approves the contracts for such pipe lines?

Mr. GILLETTE. No; I am very frank to say the Senator from Iowa did not know that.

Mr. LONG. I am certain that would have a great effect, I believe the Senator will agree with me, will he not, that it would have a great effect in keeping down the price, because, the producers must sign a contract to sell their gas over a long period of time—in many instances, even longer than 20 years; in some cases, even for the life of the field, or for the life of the reserves—before the pipe line is ever authorized, and the Federal Power Commission must approve those contracts, as I understand, before the transmission pipe line is approved.

Mr. GILLETTE. I thank the Senator. I promised to yield to the Senator from Illinois for one question.

Mr. DOUGLAS. Is it not a fact that from the figures of the Federal Power Commission, the cost of 1 mile of main pipe line seems to run well over $40,000 or $50,000; that from July 1 to December 31, 1948, applications were granted for 2,111 miles, at an estimated cost of $146,500,000; which would indicate in this case, indeed, an average actual cost of $70,000 a mile, including compressor stations; and, therefore, is the cost not so great that, once the lines have been laid, as the Senator from Iowa has pointed out, they cannot be torn up; they become fixtures; and producer, distributor, pipe-line company, and consumer are all tied together? What the sponsors of the pending legislation propose is to exempt the price at which the gas enters the pipe line.

Mr. GILLETTE. I am sure that statement is correct, and bears out the statement I was making when I was so pleasantly interrupted.

Mr. JOHNSON of Texas. Mr. President, will the Senator allow me to interrupt him again, pleasantly?

Mr. GILLETTE. Does the Senator desire to ask a question?

Mr. JOHNSON of Texas. Is the Senator aware of the fact that at the time the certificate is issued for the construction of the pipe line, the Commission has contracts between the producers and the transporter before it, and if they are unreasonable, unconscionable, or excessive in price, or are the result of collusion the Commission can refuse to issue a certificate?

Mr. GILLETTE. I am sure that is true.

Mr. JOHNSON of Texas. As one who sat for 5 weeks considering the proposals, I should like to ask a question. I think the issue is this, and I want to see whether the Senator agrees with me: If no legislation is passed, the Commission plans to put into effect a ruling which will make the individual producers "natural gas companies," and the Commission will do three things—certify the necessity, require a tariff of rates, and require a uniform system of accounts, just as integrated companies are presently required to do. The Commission in turn will then determine what the gas cost—not what it is worth, but what it cost—just as it does in the case of a pipe line, and it will allow the producer the return of his investment, plus 6 percent. When the Commission continues to function as it has for 12 years, it can regulate the producer, by regulating the transporter and refusing him a certificate if the producer contracts upon which the certificate is based are unconscionable; but this does not limit the producer to his cost plus 6 percent. So the issue is, whether, by defeating the pending legislation, a producer will receive cost plus 6 percent, instead of fair value. Admittedly, cost plus 6 percent will get the Senator cheaper gas if he gets any at all, because the value of most gas greatly exceeds the investment cost plus 6 percent. The proponents of this legislation——

Mr. GILLETTE. I hope the Senator will complete his question as soon as possible.

Mr. JOHNSON of Texas. The proponents of the legislation do not deny that it is possible to legislate cheaper gas on this formula cost plus 6 percent just as the Senator would get any product cheaper if he said, "I will give you only your cost plus 6 percent."

Mr. GILLETTE. Of course, I love the Senator very deeply, and I admit his persuasion and charm, and if I thought the purpose of this change was to save money to the gas consumers in the State of Iowa, instead of charging higher rates, I probably would support it; but I am convinced that is not the purpose.

Mr. DOUGLAS. Mr. President, will the Senator from Iowa yield?

Mr. GILLETTE. I am very glad to yield.

Mr. DOUGLAS. Has not the Senator from Texas, by his question, confirmed the inference which I drew from the question of the Senator from Louisiana? Has not the Senator from Texas refered to the market value of gas, and does he not then say the purpose of the proponents of the legislation is to enable the gas producers to get the market value, by "market value" meaning the amount the producers could get without regulation by increasing the prices, so that one million B. t. u.'s of natural gas would cost approximately the same amount as one million B. t. u.'s of coal or fuel oil? If that were to happen, it would mean a quadrupling of the price of gas in the field. Hotels in Texas would be even more lush than they are now. [Laughter.]

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. GILLETTE. I hope the Senator will not take long.

Mr. LONG. Only one question.

Mr. GILLETTE. But one more question. I take the Senator at his word.

Mr. LONG. With reference to the question asked by the very able, learned, and sincere Senator from Illinois——

Mr. GILLETTE. And the Senator from Iowa endorses that.

Mr. LONG. I should like to ask the Senator from Iowa if it is not also possible, if the gas producer is able to continue to make a profit and to expand his production of gas, selling more and more gas at a profit, that at some time in the future the coal producers and the oil producers will be compelled to bring their prices down to meet gas competition, rather than the price of gas continually going up to meet the price of coal and fuel oil?

Mr. GILLETTE. It is a consummation devoutly to be wished.

Once a pipe-line company invests great sums in laying down its pipe in a given natural gas field, all possibility of competition among sources of supply comes to an end. From one day to the next, a pipe-line company cannot decide that the price in the field where its pipe is laid is too high and that the price in another field elsewhere is more attractive. It cannot suddenly invest tens of millions of dollars more to pick up its line and lay it down again at another source of supply. The pipe-line company is at the mercy of the producer—and, as I have indicated, the consumers are too—unless there is adequate Federal protection.

Mr. President, discussion on this bill has brought one fact powerfully home to me. We have allowed a situation to develop which calls for far more than the defeat of this bill. That we must do, by all means.

But, beyond that, we face a situation which calls for a complete investigation of the industry in question, from top to bottom and through all the labyrinth of its manifold interrelationships. I am not referring merely to the monopoly structure of the industry and the concentration of control and ownership within it. I am referring to a situation in which owners of a precious natural resource—90 percent of which is found in seven States—have the power to sell or to withhold—as they desire or as their interests direct—a fuel on which millions of consumers now depend, and on which tens of millions more will soon depend when present development plans are carried through.

Before proceeding to vote on any measure giving a white card to this monopoly-dominated industry the Congress needs far more evidence on the whole broad petroleum picture. We should have, in particular, testimony concerning the restrictive terms of the newer gas contracts that are being signed. We have heard something of the astonishing escalator clauses that provide automatic rises in field prices every so often; the most-favored-nation clauses that result in every purchase of gas paying the highest going price instead of the lowest; the renegotiation clauses that permit producers to jack up prices under old contracts when the interstate pipe-line purchaser needs additional gas or seeks to renew his contract; and, above all, these curious escape clauses which have been mentioned here

as a menace to consumers in non-gas-producing States. It may be that we should vote to recommit this bill to committee pending further study. Since it is an attempt to change the status quo, it may be enough, for now, to defeat it, and then proceed to a thorough examination of the status quo itself.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. GILLETTE. I wish the Senator would allow me to complete my statement. I shall then be glad to open the door.

Mr. DOUGLAS. Excuse me.

Mr. GILLETTE. I will say, too, Mr. President, that I regard the amendment offered as a substitute for the committee bill as a snare and a delusion. Substituting a simple investigatory provision for positive regulatory power over rates of sale into interstate commerce will be no protection whatever for consumers of Iowa or any other State. Long before any effective remedy might be found, as proposed in the substitute amendment, the evil will have been consummated through long-term contracts exempt from regulation. For, as the act now stands, the Federal Power Commission can take regulatory action on gas purchase contracts, even if it has not yet elected to do so. That deterrent constitutes one of its main elements of consumer protection. Without that power, the Commission will be unable to stand guard, "the musket behind the door," over new contracts.

I will further say, Mr. President, that I might be willing to exempt producers who sell only small and unimportant amounts in interstate commerce, if it could be proved that the public interest does not demand their regulation. But I would certainly go no further. Concentration of ownership and control rests with a few powerful corporations. It is they, and not the little man or the small independent producer, who are most desirous of passing this legislation. It is they who have the power to withhold vast quantities of gas from interstate commerce. It is they who would most benefit by unlimited price rises in the field at the expense of consumers in my State of Iowa and in every other State that uses natural gas.

In conclusion, I will say that any private interest which has monopoly power over a basic natural resource, whether by virtue of its corporative structure or of the peculiar nature of the resource it controls, cannot for long deny the public interest and reject public-utility regulation without digging an ever-deeper grave for the whole private, competitive enterprise system.

To seek the right to charge all the traffic will bear for a natural resource which is held in monopoly control is to invite, sooner or later, ever more stringent public regulation, and finally public ownership.

History is replete with examples of special interests which over reached themselves to the point where they provoked such widespread indignation that governments were finally forced to take action, in the interest of the community at large, to deprive them of their monopoly, their property, and the profits which it yielded them. An uncurbed appetite has invariably led to the destruction of those unable to exercise moderation on their own behalf.

It is, of course, conceivable that this Congress will see fit to pass the bill now under discussion. If this occurs, despite what we do to prevent it, I predict that future Congresses will find it necessary to institute far greater regulatory and restrictive legislation of the industry in question than that which is currently in force. The rigor of such legislation will be in direct proportion to the voracity of those who will benefit by passage of this bill.

Finally, Mr. President, let me say this in all good will: There is no issue here involving sincerity of intentions and the zeal of the proponents of this bill.

Zeal is an admirable quality even when exercised in a cause which is a mistaken one. I have no question of the sincerity, the earnestness, the zeal, and the ability of the proponents of this bill.

Some view the problem from the standpoint of one set of values, others have a different set of values. Nonetheless, a basic issue is at stake. No matter what statesmanlike and humanitarian measures this Congress may enact, when the people of this country learn that we have passed this bill, they will brand the Eighty-first Congress the weakest Congress that has faced a determined special-interest bloc in many a year. The statesmanship and the humanitarianism will be forgotten, eclipsed by the show of weakness that handed over millions of consumers to the mercies of a monopoly dominating a basic national resource.

Just a further word in closing, Mr. President. From the report of the committee I read the concluding sentence of the third paragraph on the first page:

> Furthermore, until such time as Congress is prepared to extend jurisdiction into a wholly new sphere of control, any extension of jurisdiction over independent producers and gatherers would be regulation for regulation's sake alone; no tangible protection to consumers or producers would be assured by the Commission's assumption of regulatory authority at this time.
>
> The bill, herewith recommended, has a limited purpose and a limited effect.

No truer word was ever said. It has a limited purpose, I agree; but it will not have a limited effect if we take away from the control of this basic need for industry such regulation as we now have. If the law needs clarification, here is the place to clarify it. If the proponents of the measure want to be confirmed in their viewpoint, if they want to eliminate all regulation, why do they not come forward with a bill providing for that effect?

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at that point?

Mr. GILLETTE. Certainly.

Mr. JOHNSON of Texas. What regulation do we take away?

Mr. GILLETTE. I will say to my dear friend, if it is not the purpose of the bill to deprive the Federal Power Commission of the power, we are afraid they will assume under the decision of the Supreme Court, there is no purpose.

Mr. JOHNSON of Texas. The Senator contends that is the purpose; but does the Senator from Iowa admit that the Commission has ever exercised that power?

Mr. GILLETTE. Oh, no.

Mr. JOHNSON of Texas. Then how do we take something away from it?

Mr. GILLETTE. It is the fear that the Commission will exercise it, the expectation that it will exercise it, which is the basis and the motivating force behind the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. DOUGLAS. Is it not a fact that the Commission has proceedings pending against the Phillips Petroleum Co., that it intends to exercise its power, and that if the facts justify a ruling, a ruling will be made fixing a maximum price at which gas will be sold to the pipe-line companies; and is it not a fact that it is not an academic question? The Commission is moving to take jurisdiction, and this bill would take jurisdiction away from it. Is not that the fact?

Mr. GILLETTE. If that is not its purpose, the bill has no purpose.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. LONG. The Senator was speaking of the need for an investigation of the gas industry, and I wish to call his attention to the fact that, based on the 1948 figures, the price of gas is approximately 89 percent of what it was in 1939. In other words, it is down 11 percent. But the prices of other fuels have increased. The price of anthracite coal increased by 76 percent; bituminous coal, 81 percent; and fuel oil, 90 percent. So if we are to have an investigation, would it not seem that we should investigate all persons who have raised their prices before we start to investigate the one industry which has reduced its price?

Mr. GILLETTE. I have no objection to an investigation in any field where a threat to the public welfare is evident. The question of which should be investigated first does not interest me.

Mr. LONG. There is a chart behind the Senator containing cost-of-living items, indicating that the price of food has increased 217 percent above what it was before the war. The average for all items is approximately 163 percent. Clothing is up 155 percent; housefurnishings approximately 155 percent. Gas is the only commodity on the entire chart which has gone down in price. Would it not seem that every other item should be investigated before the gas industry is investigated?

Mr. GILLETTE. I am very glad to inform the Senator that the highest item on the chart, food, has been investigated and is being investigated.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GILLETTE. Mr. President, I yield the floor.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CONFERENCE REPORT

Mr. PEPPER. Mr. President, I came up from Florida today upon the advice

that the conference report on the cotton-quota bill would be disposed of by the Senate. That measure is of very great importance to the cotton growers of Florida, and the amendment added to the bill on the suggestion of the able Senator from Georgia [Mr. GEORGE] is of the utmost significance to the peanut growers of Florida. The bill passed respecting cotton quotas at the last session of Congress worked out very fairly and very equitably respecting many of the cotton producers of my State. I have three illustrations given, for example, by the county agent of Madison County, Fla., which is a large producer of cotton. The statement is by W. W. Glenn, the county agent, made to a committee of the House of Representatives on a recent date. Mr. Glenn said that one farmer, with 668.4 acres of cropland, had been growing cotton for many years. His base was 56.6 acres. His allotment was 16.6 acres. The example demonstrates the severity of the cut which that farmer received under last year's act.

Mr. Glenn says also that on another farm, with 1,109.5 acres of crop land, cotton was grown only 1 year. The highest planted acreage was 28.6. The allotment was 28.6. The two farms are 2 miles apart. The figures show that there was no rhyme or reason in the allocation of acreage under the law to the two farms.

Another example cited by Mr. Glenn is a farm with 290.1 acres of crop land, which has been growing cotton for many years. The base is 44 acres. The allotment is 8 acres. That example shows the great need for correction of the inequity which prevails in the cotton-acreage law enacted by Congress last year. Many of us were unhappy about the enactment of the law. It was passed rather hurriedly in the closing days of the session, before it was thoroughly appreciated how unfairly it would operate with respect to many cotton planters. It seems to me to be imperative that the amendments to the law carried in the conference report be adopted. The conference report, if adopted, would grant about 3,500 additional cotton acres to the cotton growers of my State of Florida. While it would make possible the allocation of an increased acreage to many farmers who have been dealt with unfairly under the existing law, it would not take away from any small grower the minimum quota which he is allowed under the law. We would be doing justice to the small and larger grower. I am very hopeful that the Senate will adopt the conference report containing the provisions for the correction of the inequities in the cotton acreage, which at the same time would not take away any of the minimum quotas in acreage allotted to the small grower.

The distinguished Senator from Georgia [Mr. GEORGE] offered an amendment respecting peanut production. Jackson County, in northern Florida, is one of the outstanding producers of peanuts in the Nation. Other counties in the north-central and northwestern part of Florida also produce large quantities of peanuts. The production of peanuts is very important to the whole economy of that section of my State. Because of successive reductions in peanut quotas for edible peanuts, there has been brought about an over-all reduction in edible peanut-acreage quotas of 50 percent in a 3-year period. That is a very severe and sharp reduction of acreage. It has had a very harmful influence upon the peanut industry. I think it was very unwise action on the part of Congress, and will prove hurtful to the general economy, as well as to the economy of the peanut-producing portions of my State.

At Marianna, Fla., in the early part of December of last year, I met with representative growers of Georgia, Florida, and Alabama, who were very much disturbed by the sharp curtailment in peanut acreage quotas for edible peanuts. We discussed at length what might be done to meet the problem. We wished that it might be possible to increase edible peanut acreage quotas. Since that did not seem to offer a promising prospect, we determined to consider the next best thing which we might attempt to do. Finally, after long consideration had been given to the subject, it was decided by the representative growers, especially the small growers, that the best thing to attempt to do was to try to have enacted into law the Pace amendment, which was adopted by the House of Representatives last year.

The Pace amendment was simply the restoration of a provision which was originally embodied in the 1941 peanut acreage quota law. It provided an edible peanut acreage quota, for which there was a support price by the Government. It also permitted a peanut grower to harvest any production in excess of his edible peanut quota and to sell it for oil purposes to some designated representative of the Secretary of Agriculture.

We know that as a general rule peanuts sold for oil purposes, with no support price, bring only about half as much as the grower gets for the edible part of his production with the support price. Nevertheless, we know that the law provides a very stringent and very severe penalty to the grower who harvests even as much as one-tenth of an acre more than his edible quota. The penalty is so severe that the effect upon the grower may be that he will get very little for his total production of peanuts for edible purposes. Because of the severity of the penalty, growers were fearful of harvesting anything even approximating the edible quota. The result was that in the season last year in Jackson County, the largest peanut-producing county, peanut growers harvested only 82 percent of the county's quota, because they were fearful of getting too close to the margin, and lest by going over into the penalty production they get hardly anything at all for the remainder of their crop. For the four counties of Alachua, Marion, Levy, and Gilchrist, the average harvest was only about 65 percent of the quota.

Mr. President, it is very obvious that that is an injustice to the grower. He should not have staring him in the face the prospect of so severe a penalty if he minutely exceeds the quota which may be allocated to him. The amendment offered by the able Senator from Georgia to the bill, and adopted by the Senate, which means that the Senate was in substance adopting the Pace amendment, which had been unanimously adopted by the House of Representatives, is a very salutary measure, because it would permit the grower to harvest of his planting whatever peanut acreage he desired to harvest. If he harvests in excess of his edible quota, the excess over the edible quota may be sold at the oil price to a designated representative of the Secretary of Agriculture, and it is contemplated that the Secretary of Agriculture will in turn sell those peanuts into the oil market, and that the grower will get in substance the oil price for the peanuts. While that price might be only about half what he would get for the peanuts harvested under the edible quota which might be allotted to him, it would mean a great deal to him to be able to get that extra, for two reasons: First, he would be able to harvest his whole quota and not be fearful of being penalized for exceeding his quota even by one-tenth of an acre; second, ofttimes the grower is a small grower, say, of 5 acres production, and he cannot get a picker to come into his field and harvest for him his production on so small an acreage. But if he has as much as 10 acres, or about that, he may have a unit which may make possible the harvesting of his crop by the peanut pickers, in the most economical way, and thereby he will be able to harvest what he would otherwise not be able to harvest.

Under the George amendment there is also the option in the Secretary of Agriculture to sell for edible purposes the excess which the grower produces for oil purposes, provided there is a shortage, and the production for edible purposes does not reach the quota for that purpose, taking an over-all area into account.

Of course, he would not be able to sell those peanuts for less than 105 percent of the support price, but it is entirely possible that there may be a weather condition, or other natural deterrent, which will limit the output of all the peanut production, so that it might be entirely possible that the peanuts produced in given areas in excess of the edible quota might finally be sold for edible purposes, and the profit distributed back to the growers in the area in question, so that they might receive the edible price instead of the oil price for the production.

Mr. President, it seems to me that this is a very fair amendment. As I have said, the House of Representatives adopted it unanimously when it was in the form of the Pace amendment. The Senate has adopted the amendment, and it having passed both Houses, it would seem to me that the Senate would not be the one to object to a Senate amendment in a conference report.

Therefore, Mr. President, I am very hopeful that the Senate will adopt the conference report, and will not repudiate the report because it contains a Senate amendment. I am hopeful, Mr. President, that that will be the action taken by the Senate.

It is generally known, I am sure, that the peanut is the most important oil seed. Completely to outlaw it would, of course,

be economic folly. We in the peanut-producing area believe it produces the finest vegetable oil in America.

Figures released by the Secretary of Agriculture on March 6, 1950, show the following interesting facts: The peanut production was 1,966 short tons in 1949. Cottonseed, 1,600 short tons. Soybeans, 1,490 short tons. Sunflower, 938 short tons. Olive oil, 985 short tons. Sesame, 693 short tons.

Mr. President, I have ventured to make these remarks today because I do not know whether it will be possible for me to be in the Senate tomorrow. If I shall not be able to remain here, then I shall seek to obtain a live pair, because this matter is of very great significance to my State, and I should like my vote to be recorded upon it. I speak of the possibility that the conference report might be acted upon tomorrow, but in conferring today with Mrs. Thomas, the wife of the eminent senior Senator from Oklahoma, she expressed uncertainty as to when the Senator from Oklahoma may be able to return to the Senate. So I do not have the assurance that the report may be taken up tomorrow, even if I were to remain that much longer.

Mr. President, I will add only one other thing. Some have said that the George amendment in the Senate, the Pace amendment in the House, might be unfair to some competing oil. It will be remembered that the soybean, which also produces a competing oil, has the advantage of a support price. Yet it has no quota imposed upon it.

Then there are some who say that there is another competitor, but, Mr. President, that competitor also has the advantage of a support price, but it does not have a quota imposed upon it. Surely, therefore, if a competitor has a support price and no quota, no one should object to our having no quota for this excess peanut production when it has no support price. We are asking no support price. We are asking only for the privilege of selling the excess at the oil price to a designated representative of the Secretary of Agriculture. I think, therefore, it is not a justifiable criticism to say that the George amendment would be unfair to certain competing commodities.

Mr. President, I regret, as do some others, that the potato question was injected into this matter at this time, especially because an opportunity had not been had for full and fair hearings upon the question of what should be done concerning quotas as a condition to support prices for potatoes. Potatoes are an important crop in my State. The potato producers, I believe, might have been given earlier notice if there was to be any marketing agreement or any quota imposed. I think the imposition now of a marketing agreement or a quota as a condition to the receipt of the support price, making so abrupt and sudden a change in the law, without any previous notice, is an unfair approach to the problem, although I am not at all unwilling in final and permanent legislation to do whatever may be the right thing to do by conditioning support prices upon fair compliance with conditions which might properly be imposed. But I do not believe that even that item, included as it is in the conference report, would justify the Senate in rejecting the conference report, which includes a cotton amendment which I think is generally agreeable to the whole Congress, and a peanut amendment adopted unanimously by the House of Representatives, and also adopted at a recent date by the Senate itself. Surely the Senate will not reject a conference report because it contains a Senate amendment adopted after fair discussion by the Senate itself.

I am glad I have had the opportunity to express briefly my views upon the conference report and to express the hope that it will be adopted by the Senate at an early date.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate numbered 4 to the bill, and concurred therein; and that the House had receded from its disagreement to the amendments of the Senate numbered 12, 13, and 16 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE NAVY AND ITS IMPORTANCE

Mr. CAPEHART. Mr. President, it was 156 years ago—on March 19, 1794, to be exact—that the United States Senate passed a bill to furnish a permanent naval armament for this country. Eight days later, on the 27th, President George Washington signed the measure which brought into existence a permanent United States Navy.

The American Revolution was a maritime war. There was little in the way of American sea power then; but the triple forces of France, Spain, and Holland combined into a major factor that eventually won independence for the colonies. America itself had few ships, no organization, mutinous sailors, and poor luck. But the first ragtag crews were led by a few men like John Paul Jones who displayed the talent and initiative which have become traditional with our naval leaders.

General Washington understood sea power, knew how to use it, and developed into something of a naval genius before the Revolutionary War ended. He said:

> In any operation, and under all circumstances, a decisive naval superiority is to be considered as a fundamental principle, and the basis upon which every hope of success must ultimately depend.

Later, as President, George Washington pointed out that our commerce required a naval force to protect it, and then he added something which the American people promptly forgot: that "the most sincere neutrality" offered in itself "little protection against the depredations of nations at war."

"Only a Navy organized and ready to vindicate it from insult or aggression could," he said, "secure respect to a neutral flag." And he added that such a naval force might "even prevent the necessity of going to war" at all.

Thus, the Revolution showed how really badly we needed a strong, well-organized, and well-trained Navy, with sound ships to sail.

The measure which was passed 156 years ago yesterday, was the beginning of a naval service whose glorious traditions for gallantry and heroism and ability have never allowed a foreign enemy to invade our shores.

Yet, in the face of so grave a need, there were many on the floor of the Congress then who questioned our need of any Navy at all. That measure, which was to mark the beginning of a permanent, organized team in the form of a naval service, called for a fleet of six frigates—4 of 44 guns each, and 2 of 36 guns each. Two of those original ships of the United States Navy—and we may well be proud of the glorious past they had—may be seen today in Boston Harbor. They are, of course, the *Constellation* and the *Constitution*.

It was during the Napoleonic wars that American sea power was first used to implement the foreign policy of the recently created United States. Our sea warfare with the so-called Barbary powers in those years wrote some of the brightest pages of American naval history.

During the War of 1812, it was a lack of sea power which nearly proved our undoing, and that war demonstrated the importance of the power to blockade the ports of a country relatively weak in sea power. All the decisive battles were fought on the lakes, where American lake power saved us from probable disaster at the hands of the British.

Again, in the Civil War, the effect of the blockade by sea power eventually proved a major factor in the outcome of that war. Our country learned, or should have learned, from that war that a navy could not be quickly and readily improvised in an emergency. The days were decidedly past when merchant vessels could be converted into efficient men-of-war.

When the Spanish-American War broke out, it was at once recognized that the contest would be primarily naval, and would be won by the nation that secured control of the seas. There is hardly a record in naval history which

shows such complete destruction of the enemy. Again, sea power—in that case, American sea power—was triumphant.

It was Germany's lack of comprehension of the importance of sea power which was a major factor in the ultimate defeat of that nation during both world wars. Germany failed in World War I because she did not have a good enough navy to defeat the British, the French, and the American navies.

Admiral Ernest King has summarized the part played by sea power in World War II in the following comprehensive report:

In the European war, sea power was an essential factor because of the necessity of transmitting our entire military effort across the Atlantic and supporting it there. Without command of the seas, this could not have been done. By contrast to Germany, Japan's armies were intact and undefeated and her air forces only weakened when she surrendered, but her navy had been destroyed and her merchant fleet had been fatally crippled. Dependent upon imported food and raw materials and relying upon sea transport to supply her armies at home and overseas, Japan lost the war because she lost command of the seas.

After crushing France early in the war, Hitler attained supremacy in the air, but was still unable to cross the 20-mile barrier of the English Channel. He did not have the sea power to do it. Japan lost control of the seas, and hence could not stop the inevitable advance toward her homeland and ultimate defeat. On the other hand, the Allies did gain control of the seas and, when they were ready, crossed thousands of miles of ocean to strike where they willed.

Here are some significant words from our Chief of Naval Operations, Admiral Forrest E. Sherman, as he addressed our future naval officers at the Naval Acedmy recently:

The conclusion of nearly every war in our history has produced not only the same contraction in naval strength necessary to peacetime economy which some of us tend to overemphasize and misinterpret today, but also recurring gloomy prophecies that the Navy itself will become obsolete. Thus it was when we scrapped the 1816 program of sailing ships of the line. Thus it was when iron-clads and torpedoes made our great Civil War fleet obsolete. When, after the First World War, we scrapped not only our older battleships but also seven new battleships and four battle cruisers, it was claimed that the airplane had sounded the death knell of surface warships. Earlier the same had been claimed for the submarine. Yet during the Second World War we had to build, man, and take into battle greater fleets of surface ships and greater numbers of naval aircraft than the world had ever envisioned. Today, and tomorrow, and as far ahead as we can see, the airplane and the submarine, and, for that matter, guided missiles and atomic energy, which have been claimed to mark the end of the great navies, will in fact increase naval requirements and result not only in survival but also further development of fighting ships.

Here are a few more significant words on the future importance of the Navy, from probably the best-informed civilian on military matters today, Dr. Vannevar Bush:

The mission of the Navy will be as important and as difficult as it ever has been in history. It will need to employ modern techniques to the utmost, and in ample quantity.

And again:

The days of the Navy are not over, nor are its missions less essential. We are a power in the world and we intend to exert that power, if need be, far from our shores to support our friends and strike an enemy where he is the most vulnerable. * * * We shall still need to sweep enemy forces from the seas, whether they are under its surface or above it.

Mr. President, I am not giving a lecture on the glorious history of the United States Navy. But I thought we might do well to pause for a moment, 166 years after its struggling start, to see what this great Navy of ours has done to keep our country safe and our way of life intact. Just as it was then, the surface of the world is still 70 percent water. Sea power means control of that 70 percent so that our merchantmen and fleets can have free use of the world's sea lanes.

Throughout the proud history of the Navy and in her present and future plans no small part is played by men and women from the great State which I proudly represent here. In World War II alone 3,643 men died in combat, died in prison camps of the enemy, were wounded, or spent time in prison camps of the enemy. Those are only combat casualties and represent but a small proportion of the total number of gallant Indiana men who fought with the United States Navy. I am inordinately proud of them all.

The Hoosier State was the birthplace of many outstanding heroes in the Navy during the recent war. Among them are three officers who earned the Congressional Medal of Honor, the highest award this country has to offer. Also among those naval heroes from the State of Indiana are 46 men who were awarded the Navy Cross, the highest award made by the naval service. Many of the latter were awarded two and three Navy Crosses. All of them, by their gallantry and devotion to their country, have reflected credit, not only on themselves and the United States Navy, but upon the State of which they were a native. I should like to make that list of names a part of the CONGRESSIONAL RECORD. I ask unanimous consent to have printed in the RECORD at this point in my remarks the names, biographies, and addresses of those gallant men from Indiana who served in the Navy.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Rear Adm. M. K. Fleming, United States Navy (retired), was born December 6, 1906, in Winchester. He holds two Legion of Merit awards as well as other medals. Was an aviator, commander of several attack groups during the war. Retired October 1, 1949.

Vice Adm. John H. Cassady, United States Navy, was born April 3, 1896, in Spencer. He is presently the Deputy Chief of Naval Operations (Air) and is a naval aviator. He commanded the carrier U. S. S. *Saratoga* operating with a Pacific task force. He has commanded a carrier division and holds three Legions of Merit, Honorary Commander of the Military Division of the most Excellent Order of the British Empire, awarded him by the Government of Great Britain, as well as other medals.

Rear Adm. Howard H. Good, United States Navy, was born August 12, 1888, in Warren. He served on many warships prior to the entrance of the United States into World War II. He was in command of the cruiser U. S. S. *New Orleans* at Pearl Harbor during the initial bombing of that base by the Japanese. The ship under his command later served with distinction during the Battle of Coral Sea. Besides the Legion of Merit, the admiral holds the Mexican Service Medal, the China Service Medal, and many others. He is now Commandant, Thirteenth Naval District, Seattle, Wash.

Rear Adm. Robert E. Blick, United States Navy, was born July 8, 1899, in Peru. A naval aviator, he also holds a master of science degree in aeronautical engineering from MIT. He commanded carriers during the war and his ships participated with distinction in many campaigns. He holds the Navy Cross, the Legion of Merit with Gold Star, the Presidential Unit Citation, and many other medals. He is now in command of Carrier Division 14.

Rear Adm. Morton D. Willcutts (Medical Corps), United States Navy, was born March 10, 1889, in Carthage. He saw much action in World War I as a medical officer and gained world renown in the Second World War when he was commanding officer of the naval hospital at San Diego. He holds medals awarded him by the Governments of China and Haiti as well as the Legion of Merit, and many other medals. He is now commanding officer, National Naval Medical Center, Bethesda, Md.

Vice Adm. Russell S. Berkey, United States Navy, was born August 4, 1893, in Goshen. Prior to World War II he served in China and Iceland and elsewhere on warships. During the war he commanded the cruiser U. S. S. *Santa Fe* in Alaskan waters then became commander of Cruiser Division 15 which saw much action in the Pacific. He won the Navy Cross, the Distinguished Service Medal, three Legions of Merit, and many other medals. He is now in command of the Seventh Task Fleet with orders to report as chief of information, Navy Department.

Commander Richard N. Antrim, United States Navy, was born December 17, 1907, in Peru. He is one of three Navy men from Indiana who won the Medal of Honor, highest award in the United States, presented to him by President Truman at ceremonies in the White House January 30, 1947, for conspicuous gallantry at the risk of his own life while a prisoner of the Japanese. He also holds the Navy Cross, the Bronze Star Medal, and many other awards.

Rear Adm. Norman Scott, United States Navy, was born August 10, 1889, at Indianapolis. Served on destroyers during World War I, and as naval aide to the President in 1918. He was killed in action during the Battle of Guadalcanal November 23, 1942, while in command of a task force. On December 9, 1942, the President presented the Medal of Honor to Rear Admiral Scott's family. The medal was "for extraordinary heroism and conspicuous intrepidity above and beyond the call of duty."

Col. David M. Shoup, United States Marine Corps, was born December 20, 1904, at Battle Ground. He served in the Philippines, China, and many marine stations within the United States. In the Pacific war he was wounded during the fight for New Georgia Island in the Solomons and again at Tarawa. During the latter engagement, though shocked by an exploding shell and severally wounded by enemy fire, he continued to rally and lead his men until the entire Japanese invasion was annihilated. For this he was awarded the Medal of Honor.

Rear Adm. John B. Heffernan, United States Navy (retired), born October 21, 1894, in Washington; he is now Director, Naval Records and History. He served on destroyers

in both world wars. He commanded a transport division in the assault and recapture of Guam and later commanded the battleship *Tennessee*. He was awarded the Legion of Merit, the Bronze Star Medal with three Gold Stars, the Navy Unit Commendation, as well as many other decorations. His usual residence is 14 George Street, Washington, Ind.

Rear Adm. Royal Rodney Ingersoll, United States Navy (deceased), was born December 4, 1847, in Michigan, retiring from the naval service in 1919 to live in La Porte, Ind., where he died in 1931. The admiral was the father of Admiral Royal Eason Ingersoll, United States Navy, and grandfather of the late Lt. Royal Rodney Ingersoll II. The destroyer U. S. S. *Ingersoll* is named for the late rear admiral and his grandson.

Admiral Raymond Ames Spruance, United States Navy, (retired), was born July 3, 1886, in Maryland, attended high school in Indianapolis and was appointed to the Naval Academy from Indiana. He served on many warships during his naval career and in both world wars. In addition to the Navy Cross, the Distinguished Service Medal with two gold stars, the Distinguished Service Medal, Army, and the Presidential Unit Citation, Admiral Spruance also was presented medals by the Governments of Greece, Belgium, and Great Britain. His wife is the former Margaret V. Dean, of Indianapolis. Official address: Care Monterey Country Club, Del Monte, Calif.

Adm. Jonas H. Ingram, United States Navy (retired), was born October 15, 1886, in Jeffersonville, Ind. For gallantry in battle, at Vera Cruz, Mexico, in April 1914, he was awarded the Medal of Honor. He commanded battleships, destroyers, destroyer divisions, and battle fleets, as well as task forces, during World War II. Besides the Medal of Honor, Admiral Ingram holds the Navy Cross, the Distinguished Service Medal with two gold stars, Purple Heart, and awards from the Governments of Brazil, Belgium, and Great Britain.

Vice Adm. Arthur B. Cook, United States Navy (retired), was born December 11, 1881, in Evansville, Ind. He served in World War I, qualified as a naval aviator in 1928 and served in aviation billets from thence on. He served as commanding officer of the carriers *Lexington* and *Langley*. He served in the Bureau of Aeronautics and as Chief of Air Operational training and as Commandant, Tenth Naval District during the late war. He retired December 1, 1944. His usual residence is Evansville, Ind.

Vice Adm. William S. Farber, United States Navy (retired), was born in Frankfort, Ind., on March 16, 1885. He served on or as commanding officer of many warships in his distinguished career. During the late war he served as head of the Fleet Maintenance Division, as Assistant Chief of Naval Operations for both material and maintenance, and as Deputy Chief of Naval Operations. He has been awarded the Distinguished Service Medal, Legion of Merit, and many other decorations, including one from the Government of France. Official address: Breezeland, RFD 2, Cazenovia, N. Y.

Rear Adm. Edward J. Marquart, United States Navy (retired), was born March 11, 1880, in Valparaiso, Ind. He was an ordnance expert during his career and served at the Naval Gun Factory in Washington during all of World War I, for which work he was awarded a special letter of commendation. He served as commandant of both the Navy Yard, New York, and Third Naval District during Word War II before retiring April 1, 1944. Besides the Legion of Merit, he holds the Spanish Campaign Medal, China Service Medal, Philippine Campaign Medal, and others. Official address: 755 South El Molina, Pasadena, Calif.

Read Adm. Robert W. Hayler, United States Navy, was born June 7, 1891, in Ohio, and attended schools in Muncie, Ind., before entering the Academy in 1910 appointed from the Eighth Indiana District. He won the Navy Cross for heroism while commanding the cruiser *Honolulu* in August 1942, and a second Navy Cross a year later. His ships won the Navy Unit Commendation for action against the Japs. While commander of Cruiser Division 12, he won a third Navy Cross. In addition to his Navy Crosses he also was awarded the Silver Star Medal, Legion of Merit twice, Bronze Star twice, and many other decorations. Official address: 800 East Washington St., Muncie, Ind.

OFFICERS AND ENLISTED MEN OF THE UNITED STATES NAVY BORN IN THE STATE OF INDIANA AWARDED THE NAVY CROSS, DECEMBER 7, 1941–AUGUST 1, 1948

Comdr. Richard Nott Antrim, United States Navy; born, December 17, 1907, Peru, Ind.; home, 109 North Fremont Street, Peru, Ind.

Lt. James W. Barnitz,[1] United States Naval Reserve; born, May 10, 1920, Indianapolis, Ind.; home, Indianapolis, Ind.

Lt. James Henry Bell, United States Naval Reserve, deceased; born, December 19, 1918, Pennville, Ind.; home, 1521 North A Street, Elwood, Ind.

Rear Adm. Russell Stanley Berkey, United States Navy; born August 4, 1893, Goshen, Ind.; home, 1620 South Elleroad Avenue, Tulsa, Okla.

Ens. Norman Burns Bitzegaio, United States Naval Reserve, deceased; born, January 20, 1921, Caumont, Ind; next of kin, 340 Prospect Street, Indianapolis, Ind.

Capt. Robert E. Blic, United States Navy; born, July 8, 1899, Peru, Ind.; home 716 Spring Street, Michigan City, Ind.

Lt. Comdr. John Randolph Bowen, United States Navy; born March 8, 1917, Winona Lake, Ind.; home, 6146 Primrose Avenue, Indianapolis, Ind.

Capt. Maurice E. Browder, United States Navy; born October 22, 1897, Indianapolis, Ind.; home, Indianapolis, Ind.

Capt. Charles A. Buchanan, United States Navy; born, October 28, 1904, Brookville, Ind.; home, 1132 Isabella Avenue, Coronado, Calif.

Lt. Philip W. Cobb, United States Naval Reserve; born, March 24, 1918, Indianapolis, Ind.; home, 1014 Throop Street, Saginaw, Mich.

Lt. Comdr. James W. Coe, United States Navy born, June 13, 1909, Richmond, Ind.; home, 211 North Fifteenth Street, Richmond, Ind.

Lt. Comdr. Albert Joseph Corsi, United States Naval Reserve; born, May 12, 1911, Richmond, Ind.; home, 291 North Walnut Street, East Orange, N. J.

Lt. Comdr. Clement M. Craig,[1] United States Naval Reserve; born, December 4, 1914, Indianapolis, Ind.; home, P. O. box 276, Los Gatos, Calif.

Commander Robert W. Denbo, United States Navy; born, August 2, 1906, Orleans, Ind.; home, 435 West Jefferson, Orleans, Ind.

Lt. (jg) Charles Hall H. Dickey, United States Naval Reserve; born November 25, 1920, Aurora, Ind.; home, 202 First Street, Morristown, Tenn.

Lt. Charles Owen Dodson, Jr., United States Naval Reserve; born, November 17, 1920, Hammond, Ind.; home, National Carbon Co., Niagara Falls, N. Y.

Ernest Willard Downey, boatswain, United States Navy; born, November 3, 1908, Loogootee, Ind.; home, 923 East Whitman Avenue, Pocatello, Idaho.

Ensign William Robinson Evans, United States Naval Reserve, deceased; born, August 11, 1918, Indianapolis, Ind.; next of kin, 5019 North Meridian Street, Indianapolis, Ind.

Commander James Louis Fuelling, Marine Corps, United States Navy; born, July 16, 1913, Allen, Ind.; home, 1720 North Bosart Avenue, Indianapolis, Ind.

[1] Gold Star in lieu of second Navy Cross.

Lt. Ronald Paul Gift, United States Naval Reserve; born, February 20, 1919, Indianapolis, Ind.; home, Marlette, Mich.

Commander Irvin S. Hartman, United States Navy; born, September 14, 1911, Columbia City, Ind.; home, Route 7, Columbia City, Ind.

Commodore Samuel P. Jenkins, United States Navy; born, June 3, 1893, Evansville, Ind.; home, 1145 Twenty-first Street, San Diego, Calif.

Lt. (jg) Robert L. Klingler, United States Naval Reserve; born, January 23, 1921, Clay City, Ind.; home, Clay City, Ind.

Lt. Robert D. Kunkel, United States Naval Reserve; born November 2, 1918, Peru, Ind.; home, Dallas, Tex.

Commander Frank D. Latta, United States Naval Reserve (deceased); born, January 10, 1909, Indianapolis, Ind.; next of kin, 543 South Central Avenue, Burlington, Iowa.

Lt. John C. Livezey, United States Navy (deceased); born, February 12, 1909, New Castle, Ind.; next of kin, 6 Hawthorne Terrace, Leonia, N. J.

Lt. (jg) James Harold Livingston, United States Naval Reserve; born, August 11, 1922, Marble Rock, Ind.; home, 629 Washington Street, Monroe, Mich.

Lt. Carl F. Luedemann, United States Naval Reserve; born, June 11, 1919, Indianapolis, Ind.; home, 1009 Villa Avenue, Indianapolis, Ind.

Ensign Charles O. McDaniel, United States Naval Reserve; born, February 6, 1923, Rushville, Ind.; home, 217 N. Spencer Street, Rushville, Ind.

Lt. Clark William Miller, United States Naval Reserve; born, December 15, 1919, Lebanon, Ind.; home, 212 East Washington Street, Lebanon, Ind.

Ensign James B. Miller, United States Naval Reserve; born, May 12, 1922, Howard County, Ind.; home, 7925 North Main Street, Dayton, Ohio.

Lt. Robert A. Morris, United States Naval Reserve; born, October 11, 1918, Muncie, Ind.; home, Rural Route No. 1, Farmland, Ind.

Capt. Allen Prather Mullinnix, United States Navy; born, December 12, 1898, Attica, Ind.; home, 2714 Thirty-fifth Place NW., Washington, D. C.

Lt. Comdr. Hugh W. Nicholson,[1] United States Naval Reserve; born, February 28, 1912, Campbellsburg, Ind.; home, Campbellsburg, Ind.

Lt. Jerome John O'Dowd, United States Naval Reserve; born, October 15, 1918, Fort Wayne, Ind.; home, 1802 Kingsington Boulevard, Fort Wayne, Ind.

Lt. Comdr. Robert William Ramage, United States Navy; born, October 25, 1918, Indianapolis, Ind.; home, 202 West Forty-fourth Street, Indianapolis, Ind.

Lt. Robert D. Reed, United States Naval Reserve; born, March 8, 1920, Muncie, Ind.; home, 709 Fifth Avenue, Venice, Calif.

Lt. (jg) Robert "G" Riley, United States Naval Reserve; born, January 10, 1921, Buckcreek, Ind.; home, rural route No. 2, Lafayette, Ind.

Commander Joseph Wayne Runyan, United States Naval Reserve; born, November 22, 1913, Terre Haute, Ind.; home, Los Angeles, Calif.

Commander William R. Staggs, United States Naval Reserve; born, November 11, 1912, Valparaiso, Ind.; home, Chicago, Ill.

Lt. Comdr. Alexander Vraciu, United States Naval Reserve; born, November 2, 1918, East Chicago, Ind.; home, 1604 One Hundred and Forty-second Street, East Chicago, Ind.

Lt. Comdr. William Thomas Williams, United States Naval Reserve; born, August 14, 1919, Rockville, Ind.; home, Box 209, Robstown, Tex.

Rual Solen Wilson, MM1c, United States Navy; born, December 24, 1913, Shelburn, Ind.; home, Granite City, Ill.

[1] Gold Star in lieu of second Navy Cross.

Lt. John L. Wirth, United States Navy, deceased; born, April 25, 1917, North Vernon, Ind.; home, Box 316, Route 4, Pensacola, Fla.

Lt. (jg) Charles Edward Young, United States Naval Reserve; born, August 5, 1921, Perry County, Ind.; home, rural route No. 2, Box 209, New Albany, Ind.

Lt. Owen DeWitt Young, United States Naval Reserve; born, May 29, 1920, Fort Wayne, Ind.; home, 20 Westervett, Tenafly, N. J.

DEATH OF L. L. JENNER

Mr. CAPEHART. Mr. President, it is with most profound regret that I announce the death last Friday night of L. L. Jenner, father of the distinguished junior Senator from Indiana.

While his death was not unexpected, yet I know the Members of the Senate would want to know their distinguished colleague was with his father at the time of his passing.

Mr. Jenner had a pardonable pride in the accomplishments of his distinguished son, who followed in his political footsteps.

It was my great fortune to have been personally acquainted with Mr. Jenner, who was a life-long resident of the little town of Marengo, Ind., where he was an active participant in the political and civic affairs of his community.

I know my distinguished colleagues will join with me in this expression of sympathy to the junior Senator from Indiana.

ADMISSION OF ALIENS ADMITTING ACTS OF MORAL TURPITUDE—LEGAL ASPECTS

Mr. JOHNSON of Colorado. Mr. President, since there have been conflicting reports in the news with respect to entrance into the United States of aliens admitting acts of moral turpitude, I have asked the Senate legislative counsel to investigate and interpret the law which governs. I ask unanimous consent to have the memorandum printed in the body of the RECORD, at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

This memorandum is written pursuant to your request for the opinion of this office as to the eligibility of Miss Ingrid Bergman for admission into the United States under the immigration laws.

Section 3 of the Immigration Act of 1917 provides, in material part, as follows:

"SEC. 3. That the following classes of aliens shall be excluded from admission into the United States: * * * persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude."

While the language of this section is mandatory, certain exceptions to the excluding provisions are set forth in the provisos to this section. Among the exceptions are the following: "*Provided further*, That aliens returning after a temporary absence to an unrelinquished United States domicile of seven consecutive years may be admitted in the discretion of the Attorney General, and under such conditions as he may prescribe: * * * *Provided further*, That the Commissioner of Immigration and Naturalization, with the approval of the Attorney General shall issue rules and prescribe conditions, including execution of such bonds as may be necessary, to control and regulate the admission and return of otherwise inadmissible aliens applying for temporary admission."

Section 3 of the Immigation Act of 1917 is applicable equally to aliens who have been admitted to the United States for permanent residence and who are again seeking entry after a temporary visit abroad, to aliens initially seeking admission to the United States for permanent residence, and to aliens seeking to enter the United States temporarily as visitors or for business or pleasure. It will be noted, however, that the two quoted provisos to section 3 permit exceptions from the excluding provisions in the case of aliens of the first- and last-mentioned classes.

The pertinent sections of the immigration regulations issued to supplement the discretionary authority conferred by the two quoted provisos are as follows:

"SEC. 132.1. Aliens returning to unrelinquished domicile; domicile defined: Aliens returning after a temporary absence to an unrelinquished United States domicile of seven consecutive years may be admitted in the discretion of the Attorney General and under such conditions as he may prescribe. In such case satisfactory proof of domicile in the United States for seven consecutive years, and of departure therefrom with the intention of returning thereto, will be exacted. Every case of exclusion for any cause in which the alien has given such proof, shall be promptly brought by the official in charge to the attention of the Attorney General, through the usual official channels, with a complete report of the reasons for the alien's exclusion and of the proof which has been offered of continuous and unrelinquished domicile, together with a statement of the duration of the absence. Domicile, for the purposes of this section, means that place where a person has his true, fixed, and permanent home, and principal establishment, to which, whenever he is absent, he has the intention of returning."

"SEC. 132.4. Excludable aliens applying at seaports for temporary admission without advance consent; procedure: The cases of all aliens of the excludable classes brought to seaports of the United States who apply for temporary admission, except cases within section 132.3, shall be submitted to the department for special ruling. (Section 132.3 relates to certain cases where advance consent to enter is required. It is not pertinent to this discussion.)"

It will be noted that as concerns both aliens who have been lawfully admitted and are returning from a temporary absence and aliens who are seeking admission for temporary purposes, final authority rests in the Attorney General in the consideration of each case.

If Miss Bergman admits that Rossellini is the natural father of her child, it is the opinion of this office that the above-quoted portion of section 3 of the Immigration Act of 1917 is applicable in her case, and, were she seeking admission to the United States for permanent residence for the first time, such provision would mandatorily bar her entry. Inasmuch as she has been previously admitted to the United States for permanent residence, should she seek admission as an alien returning to an unrelinquished United States domicile of seven consecutive years, she could be admitted at the discretion of the Attorney General. In like manner, should she seek entry temporarily as a visitor or for business or pleasure, it would be within the discretion of the Commissioner of Immigration and Naturalization (ultimately in the discretion of the Attorney General) to admit her notwithstanding that she would be otherwise excluded under the immigration laws.

Respectfully,

S. E. RICE.

Mr. JOHNSON of Colorado. Mr. President, it would appear from this opinion that if Ingrid Bergman asserts that the son born to her on February 2, 1950, is both the legal and natural son of Peter Lindstrom, she may enter the United States temporarily or for permanent residence without difficulty.

Roberto Rossellini, however, has registered in Italy this child as his natural son; if she agrees that his declaration is correct, then she has admitted moral turpitude per se and may be permitted to enter the United States for a temporary visit to transact personal business only if the Attorney General of the United States permits her to do so. The discretion to admit her or deny her admittance is given in the law to the Attorney General to exercise.

It now appears that she may be a plaintiff in one case and a defendant in another in a California court. Certainly she is entitled to her day in court and, of course, should be admitted for that purpose even though guilty of moral turpitude.

If she returns here in all likelihood she will receive a reception greater than that accorded Charles Lindbergh, General Eisenhower, or the King and Queen of England. Americans might trample one another for a close view of her, for she is a notorious attraction. The youth of the country will have cause to think that America approves her conduct. Such an interpretation would be most unfortunate, since it would not be true, but it would be far worse if we should bar her entrance for a temporary visit and thereby deny to her her day in court.

URGENT DEFICIENCY BILL, 1950—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I desire to submit a conference report on the urgent deficiency bill, and to ask unanimous consent for its immediate consideration.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. DONNELL. Reserving the right to object; I may say to the distinguished Senator, I personally have no objection to the request, but I think, on a matter of such importance, we should have a quorum call. If the Senator will be kind enough to yield to me for the purpose, I should like to suggest the absence of a quorum.

Mr. McKELLAR. We had a quorum only a few minutes ago. I doubt whether we could get a quorum at this time.

Mr. DONNELL. I may say for the information of the Senator, the recent order for a quorum call was rescinded, and proceedings under it were suspended, by unanimous consent.

Mr. McKELLAR. I shall then let the matter go over until tomorrow, and I will move consideration of the report as soon as the Senate reconvenes.

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—COLUMBIA RIVER BASIN—REPORT OF A COMMITTEE

Mr. DOUGLAS obtained the floor.

Mr. O'MAHONEY. Mr. President, will the Senator from Illinois yield to permit me to present an irrelevant matter?

Mr. DOUGLAS. There is nothing irrelevant, Mr. President, when the Senator from Wyoming proposes it. I am glad to yield to him.

Mr. O'MAHONEY. Mr. President, House bill 5472 authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, was reported from the Public Works Committee on October 7, 1949. In the closing days of the last session, a proposed amendment to that bill, authorizing certain reclamation projects in the Columbia Basin, in the northwestern part of the United States, was referred to the Committee on Interior and Insular Affairs for consideration.

Several days ago, by direction of the committee, I submitted a committee amendment. I now ask unanimous consent to submit a report (No. 1351) from the Committee on Interior and Insular Affairs, dealing with that amendment coming from the Interior and Insular Affairs Committee, and proposed by it to the current rivers and harbors bill. The report will be a supplemental report from the Committee on Interior and Insular Affairs with respect to House bill 5472.

The PRESIDING OFFICER. Without objection, the report will be received and printed.

Has the amendment been submitted?

Mr. O'MAHONEY. Yes; it has.

The PRESIDING OFFICER. Has it been printed?

Mr. O'MAHONEY. Yes.

Mr. President, I thank the Senator from Illinois for his consideration.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. DOUGLAS. Mr. President, am I correct in my understanding that the acting majority leader has asked unanimous consent that I may begin my remarks today, but with the understanding that the Senate will recess at 5:30, to reconvene at 12 o'clock tomorrow, and that my rights to the floor will be undisturbed?

Mr. McFARLAND. Mr. President, I have not made the unanimous-consent request, but I will make the request.

Mr. McKELLAR. May I ask the Senator to include in the request a reservation of my right to submit the conference report on the urgent deficiency bill? It is a matter of the greatest importance, one which will not take more than a few moments, I am constrained to believe.

Mr. DOUGLAS. Does the Senator from Tennessee wish to submit it tonight, or tomorrow?

Mr. McKELLAR. I will take it up tomorrow, just before the Senator resumes.

Mr. DOUGLAS. I shall be very happy to yield for that purpose, but I should first like to find out whether there is an understanding that the Senate will recess tonight at 5:30, and that, if I am then speaking, as I expect to be, my right to the floor will be undisturbed when the Senate reconvenes tomorrow.

Mr. McFARLAND. It was my intention to move to recess at 5:30. I ask unanimous consent that the Senator from Illinois be allowed to resume when the Senate reconvenes tomorrow, and that he be given the right to the floor immediately following the submission of the conference report, without having two speeches counted against him.

Mr. DOUGLAS. I thank the Senator very much.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, this has been an extraordinary debate. Aside from the opening statement by the chairman of the committee, the senior Senator from Colorado [Mr. JOHNSON], there has been no direct statement of the case on behalf of the proponents. The proponents have sat back and have allowed the opponents to make speeches. They have interjected with questions, but have not put forward a positive and constructive series of arguments of their own. So, Mr. President, I have been somewhat at a loss as to how to proceed this evening. I had thought I would begin by stating my reasons for being opposed to the bill, but upon reflection, it seemed to me hardly fair. It seemed to me that since the proponents of the legislation have not advanced the arguments that they intend—I hope—to bring forward in supporting of the bill, that, someone should do it for them; that if they do not bring forward the arguments themselves, then it is the duty of someone else to bring those arguments forward, in order that we may see what merit there is in them. So, Mr. President, I am offering myself up as a votive sacrifice on the altar of fair play, in this late afternoon, to bring forward the arguments that I think the proponents of the pending measure would advance, were they not too timid to advance them.

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order. The Senator may proceed.

Mr. DOUGLAS. Mr. President, as I was saying, it is only fair that the proponents should have their arguments stated, and since they seem to be unwilling to state the arguments themselves, I think it an act of Christian charity on my part to bring forward the arguments and to state them as strongly as I can; and then, in addition, I shall indicate the reasons why the arguments are almost utterly fallacious.

Mr. President, it is very difficult to tell what the present form of S. 1498 is, because we had an original bill; then, as the Senator from Texas pointed out, the bill was changed, and another bill was reported out of committee; and we now have lying on the table an amendment in the nature of a substitute intended to be proposed by the junior Senator from Oklahoma and his colleague. So we have a three-way combination, from which it is difficult to tell precisely what is before us. But, whatever the title, the substance of all the forms, as the Senator from Maine pointed out this afternoon, is the same—to exempt nontransporting producers and gatherers who sell gas to the interstate pipe lines from regulation by the Federal Power Commission.

PRIOR ORDERS OF FEDERAL POWER COMMISSION

The first argument that I think would be advanced by the very able Senator from Oklahoma and the able Senator from Texas and the other able Senators favoring the bill would be that the proposals are essentially designed, so they would say, to continue by law the prior policy of the Federal Power Commission not to regulate sales of gas by nontransporting producers to interstate pipe lines. And they will say that it would remove widespread confusion and uncertainty. What is there to this argument which we have heard upon occasion during the last 3 days of debate?

It seems to me that there is no possible excuse for Congress to perepetuate by law a mistaken policy of the Commission which was later rectified. This is particularly true after Congress has before it all the facts, as I intend to outline them, of a rapidly changing situation which clearly shows the increasing need for regulation of the nontransporting producers for the protection of consumers.

The junior Senator from Texas [Mr. JOHNSON] urges that we leave unmolested the authority which the Commission has utilized through the past 11 years—CONGRESSIONAL RECORD, March 14, 1950, page 3264. This is a plea that Congress be governed by a 1947 judgment of the Commission which even two members of the Commission in 1948 recognized as not fitting the current situation, and as to which, in 1949, as the able Senator from Maine [Mr. BREWSTER] pointed out this afternoon, the Commission had directly reversed itself when it went on record as opposed to the substance of the present bill.

In my judgment, Mr. President, the Senate should rather leave unmolested the authority of the Commission over all sales of gas in interstate commerce for resale, which was expressly granted by Congress in 1938 by sections 1 (b) and 2 (6) of the Natural Gas Act, which was validated by the decisions of the Supreme Court, and which the facts of life in the gas industry clearly show is essential today. I believe the actions of Congress itself in 1938, as interpreted by the Supreme Court, are entitled to greater weight than old, and later reversed, opinions of the Federal Power Commission.

There is no rule of law, in any event, that nonexercise of a power clearly given by Congress constitutes a surrender or destruction of it. As I pointed out this afternoon in the colloquy with the able Senator from Iowa [Mr. GILLETTE], moreover, the Commission is now affirmatively proceeding in the Phillips case to assert jurisdiction. And if Senate bill 1498, or a similar bill, is passed, the consumers will pay price increases which will go into effect by virtue of the increase in price which Phillips is charging.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I shall be very happy to yield for a question.

Mr. LONG. Does the distinguished and able Senator from Illinois happen to know the present rates which the Phillips Co. is charging, and what the proposed rate would be if the increase is granted?

Mr. DOUGLAS. As I understand the situation, the rate set in the 1945 contract with the Michigan-Wisconsin Pipe Line was 5 cents a thousand cubic feet—1,000 B. t. u.'s a cubic foot—and the increase proposed would go to 8½ cents on some amounts of gas, on other amounts to 10 cents, and on still other amounts to as much as 11 cents. The average increase would probably be not far from 5 cents a thousand cubic feet, or virtually a doubling of the rate for gas as sold to the pipe line.

Mr. LONG. What does the Senator say is the price presently charged?

Mr. DOUGLAS. The 1945 contract called for 5 cents a thousand cubic feet. Does that meet with the understanding of the Senator from Louisiana?

Mr. LONG. I was asking for information.

Mr. DOUGLAS. Mr. President, we hear a great deal about legislation in order to clarify the situation. Clarification does not require exemption from regulation. We can clarify the situation without passing the Kerr bill. If we want to clarify the situation, the way to do it is to reject the pending measure. By defeating the Kerr bill we shall clarify the situation and leave the original act of Congress unimpaired; we shall thus clear it up and affirmatively show that we want the price of gas sold by nontransporting producers to interstate pipe lines to be regulated if the prices charged are excessive and are caused by the relatively monopolistic position of the big producers. It is also possible that we might include a proviso like that offered by Congressman CROSSER in the House to exempt smaller producers who are not in any position to exercise a controlling influence on the market in the field. That was hinted at on Friday afternoon by the distinguished junior Senator from Tennessee [Mr. KEFAUVER], when he intimated that he might offer an amendment to exempt small producers from regulation.

The Crosser amendment called for the exemption of all producers who sell less than 2,000,000,000 cubic feet of gas in a year. This might be the standard, or another standard might be sales of less tha $250,000 a year, or some combination of the two.

I do not want to commit myself on the subject of this amendment, because it creates a very real parliamentary problem. Suppose the amendment in the nature of a substitute, such as the Senator from Tennessee hinted at, should replace the present Kerr bill. The bill would then be sent to conference, and the conference committee would undoubtedly prefer the original Kerr bill to the Kefauver amendment. Under those circumstances, we could hardly expect the Senate conferees to fight to their last drop of blood in defense of a measure which they did not originally favor. It is conceivable that under those circumstances, with a lack of inner conviction, and exposed to great outside pressure, the members of the conference committee might yield and accept the House measure, and the issue would once again come back upon the floor of the Senate for another struggle.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be very glad to yield to the very able and distinguished Senator from Colorado, who is chairman of the Committee on Interstate and Foreign Commerce.

Mr. JOHNSON of Colorado. What the Senator has said with respect to a lack of conviction might have something to it, but when he charges pressure from outside agencies I think he is entirely mistaken. I hope he will withdraw that statement.

Mr. DOUGLAS. I was making no charge or insinuation. I merely said it would be human if, given a bill in which one did not believe, with pressure from the House for a measure in which one was in accord, we could hardly expect the Senate conferees to fight to the last drop of blood for a measure which had been passed more or less against their will. My mention of this is merely preparatory to the statement that while I think it is a very difficult situation it might also get us into a very difficult parliamentary situation.

Mr. JOHNSON of Colorado. The only fault I find with the Senator's statement is his reference to outside pressure upon the conferees. I do not believe that outside pressure would have any effect.

Mr. DOUGLAS. May I withdraw the word "pressure" and substitute the word "force"?

Mr. JOHNSON of Colorado. That is a difference without a distinction, I might say.

Mr. DOUGLAS. I should be glad to strike the word "force" and substitute the word "influence." I am trying very hard to be accommodating.

Mr. JOHNSON of Colorado. That would be even worse. But I am not asking the Senator to withdraw anything. I want to state that should the things happen which the Senator is picturing, the Senate conferees will not be affected by outside influence, outside pressure, or outside force.

Mr. DOUGLAS. When I said "outside," I did not mean any force outside the Halls of Congress. I want to make that clear. I was merely referring to the pressure of the House conferees demanding their bill. In case of a head-on collision between the two, we could hardly expect our conferees to move with the same degree of vigor that the House conferees would exhibit.

Mr. JOHNSON of Colorado. Then I misunderstood the Senator.

Mr. DOUGLAS. I believe that if the proponents of this proposed legislation would really understand what we who are opposing it are saying, they would quickly come and join us and would agree to scrap the measure which thus far they have been advancing.

Mr. President, I have sufficiently discussed the first point which I think the proponents of the measure would advance if they were to take the floor. I think the second point they would be likely to make is as follows:

COMPARISON WITH MOORE-RIZLEY BILL

The proponents want to dissociate the present bill from the Moore-Rizley bill. The Moore-Rizley bill was a bad bill, they concede, but this is a radically different bill and a good bill. And they assert that it would do "nothing more and nothing less" than exempt interstate gas sales by nontransporting producers, or the so-called independents.

If I am in error in any way in stating the case of the proponents of this bill, I hope they will correct me. I am trying to do an honest job.

My reply is that, to be sure, the Moore-Rizley bill went a little further than does the Kerr bill. It would have freed from effective price regulation all the gas entering interstate pipe lines, whether produced by the nontransporting producers or by the pipe lines themselves.

But it is important to keep in mind that these nontransporting producers, whose interstate sales the Kerr bill would exempt, control approximately 86 percent of the known supply of gas reserves in the Southwest area. The distinguished proponent of the bill [Mr. KERR] said they will furnish in 1952 approximately 80 percent of the gas to be transported in the country as a whole. That statement will be found at page 3475 of the CONGRESSIONAL RECORD of last Thursday. But if we are to concentrate our attention on the Southwest, in which the big reserves lie, we shall find that the nontransporting producers control approximately 87 percent of the known supply of gas reserves. That came out in the debate this afternoon.

I submit, Mr. President, that consumers cannot be adequately protected if regulatory power is destroyed over 80 to 86 percent of the gas which enters interstate pipe lines. We have been making various estimates, but so far as the country as a whole is concerned the enactment of the proposed legislation would bring into effect about 80 percent of the Moore-Rizley bill.

However, there is the further point, Mr. President, that the passage of the Kerr bill is bound to be followed by heavy pressure for a similar exemption for pipe-line producers to eliminate what would be alleged to be discrimination against them.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. JOHNSON of Colorado. If such a bill does come to the Senate, the Senator from Colorado will certainly be very much opposed to it. The Moore-Rizley bill, H. R. 4051, Eightieth Congress, was debated in the House on July 11, 1947. It passed the House without a record vote being taken. Prior to final passage, the House rejected, without a record vote, an amendment in the nature of a substitute offered by Representative PRIEST. The Priest substitute was identical with the Priest bill, H. R. 4099, to exempt inde-

pendent producers and gatherers. Also prior to final passage, the House rejected, by a roll-call vote of 64 to 253, a motion by Representative CARROLL to recommit the bill with instructions to the committee to report it back to the House forthwith with an amendment in the nature of a substitute, which was identical to the Priest bill, H. R. 4099. Representative CARROLL is from Colorado. Among Representatives supporting the motion were Representative CARROLL, Representative KEFAUVER, and Representative CROSSER, the latter now chairman of the House Interstate and Foreign Commerce Committee. It is quite apparent that these men, who are known to be progressive and liberal in their political views, found a great difference between the Priest bill, which is now the Kerr bill, and the Rizley-Moore bill.

Mr. DOUGLAS. Mr. President, I should like to say, in reply, that the situation has been clearing up in the minds of many Senators. At that time, I was not a Member of the Senate. However, some Senators who are now on the floor were Members of the House of Representatives.

Since 1947 a number of things have become apparent. First, the price of gas, which was stable in the past, began to rise rapidly. Second, instead of pipeline producers controlling the major portion of the gas fields, as was thought to be true 3 years ago, it has become apparent that the independents—I should not call them independents, but the nontransporting producers and gatherers—control the major portion of the gas fields. Third, it is apparent that the nontransporting producers are not small men. They are not men in overalls. They are big oil companies, which are selling the major portion of the gas now sold, and which, in an even greater measure, are holding potential gas reserves, so that in the future they will do a still larger share of the business. Those facts had not been developed in 1947. It took investigation by the Federal Power Commission in 1947 and 1948, and the supplementary facts submitted before the Federal Power Commission in hearings last year, to bring those facts forward.

I believe that as one gets better acquainted with a situation he has a right to change his mind. What has been going on throughout the past year is that the proponents of the bill have been quoting statements made by a regulatory body in 1947, and by Members of Congress in 1947 and 1948, and insisting that these men, who have better information and better knowledge in 1950, should be held to the statements and positions which they took in 1947, when they did not know the situation as well as they do today. And I might add that the three distinguished Members of Congress—Representatives CARROLL and CROSSER, and the Senator from Tennessee [Mr. KEFAUVER]—to whom the Senator from Colorado [Mr. JOHNSON] referred, have in 1949 and 1950 made quite clear their opposition to the Harris bill and the Kerr bill in the light of the facts that have been revealed since 1947.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be very glad to yield to the Senator in just a minute. In other words, Mr. President, the proponents of the pending legislation are taking the position that we do not have a right to learn, and that we do not have a right to change. I now yield to my good friend, the distinguished Senator from Louisiana.

Mr. LONG. Certainly the Senator from Illinois, with his very thorough knowledge of economics gained over a period of many years, would expect the price of a commodity to rise when demand steadily increases. Would he not expect the price to rise at least in some degree when demand continues to increase?

Mr. DOUGLAS. We do not know yet whether or not the prices yield a return which is in excess of a fair return on a fair investment, and we need regulatory studies to determine whether or not that is the case.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. I yield for another question.

Mr. LONG. Would the Senator expect all the industries in the States of Illinois or Pennsylvania to continue to make any profit they can make while not being regulated on the basis of a fair return on investment, but only on the basis of fair competition, while what little bit can be produced in the Southern States and in the Southwestern States is completely controlled or held as public utilities and regulated to a fair return on investment of say, 6 percent, which is the accepted customary fair return on investment?

Mr. DOUGLAS. Mr. President, is the Senator from Louisiana in a polite fashion intimating that I favor regulation for industries outside of Illinois, but not for industries inside Illinois?

Mr. LONG. I never heard the Senator suggest that he would place the industries in his State on a public-utility basis, that is, any of them which have hitherto been known as free-enterprise industries, which produce and compete in a completely free market.

Mr. DOUGLAS. I certainly would not favor having industries which are competitive, or where competition can be restored, placed upon a regulatory basis. It is because of my belief that the gas industry is not competitive in nature, and that it is not possible to have effective competition, that I believe in regulation. So far as that is concerned, I am in favor of regulating the Illinois gas industry as well as that of other States; we have a small gas industry in Illinois. I am ready to say that what is sauce for the goose is sauce for the gander. I am ready to have in Illinois whatever regulation other States have. At the same time, I want to make it clear that I am not proposing that we regulate the price of meat, of corn, coal, or neckties, or of any of these other things.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I am glad to yield to the Senator from Louisiana.

Mr. LONG. I believe I could show the Senator that in my own State great quantities of gas are not being produced because there is no purchaser at present willing to go to the extent of laying a single small pipe line to get the gas to the interstate transporter. Does the Senator feel that there is a complete monopolistic control of the gas industry when there is a large amount of gas but there is no investor willing to put up the money to lay a pipe line to get the gas out at the going price?

Mr. DOUGLAS. I shall develop this point at greater length tomorrow, showing the concentration which exists in the sale of gas to pipe lines and gas reserves. I shall give some specific figures dealing with a number of fields, and showing how a number of fields will be almost completely monopolized by one, two, or in some cases three companies.

Mr. LONG. I am sure the Senator will find that there are undoubtedly many fields where one company has complete control of all production in the field. But that does not mean that there are not also a great number of fields which are completely competitive, where there are many small independents who own only one, two, three, four, or five wells, who would be happy to sell whatever gas they produce.

Mr. DOUGLAS. The evidence on this point will be developed tomorrow.

Mr. President, the Senator from Colorado has said that if a bill were passed to exempt pipe-line producers also, he would oppose it; but I think that if we pass the Kerr bill the pipe-line companies will be able to get their gas properties out from under the regulation by the simple device of selling those properties to other companies.

Indeed, as I read this famous Panhandle-Eastern Pipe Line case, which has been cited so often in the debate, I find that that is exactly what happened. That was an example of a pipe-line company which divested itself of certain gas-producing properties, and the Supreme Court held that that was a perfectly legal thing for it to do. It would therefore be very easy, if the law were changed, for a pipe-line company to sell its properties to nontransporting producers, and for the nontransporting producers then to sell the gas back to the pipe line. Thus the sale of gas would be unregulated. I think we may expect such action if this bill is enacted. The gas now controlled by the pipe-line producers will pass into the hands of the nontransporting producers, the properties being sold at a higher price than otherwise. The whole industry will then be out from under regulation in its producers' sales to pipe lines, and the practical effect of the Moore-Rizley bill will be almost 100 percent accomplished.

Mr. President, those are the first two arguments which the proponents of this legislation probably would have advanced had they taken the floor in support of their own measure. It really hurts my feelings, Mr. President, that here am I, an opponent to the bill, who has to get up and bring forward the arguments for the measure, because the proponents up to date have not advanced

them. Yet I am trying to be fair in stating the facts. There is a certain element of the ludicrous in it.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. LONG. I am sure the proponents of this legislation will urge their arguments for it, and I suppose the Senator from Louisiana will have a few words to say about it later, although I had intended only to listen to the debate. However, I find myself inspired by what the opponents of the measure have had to say, and I feel inclined now to say a few words.

Mr. DOUGLAS. Mr. President, it can be said of the Senator from Louisiana what Dr. Johnson, I believe, said of Oliver Goldsmith, that "he leaves scarcely any subject untouched, and touches nothing that he does not adorn."

Mr. LONG. I would ask the Senator this question with regard to the sale of properties by a pipe line. Assuming there could be had, as I believe there should be in the gas industry and in every other industry, completely free competition in the purchase of gas supplies from the individual producers, what objection would the Senator have if the pipe-line company did sell off all its reserves to independent producers of gas?

Mr. DOUGLAS. Does the Senator mean if there was competition?

Mr. LONG. Yes; if there was completely free competition.

Mr. DOUGLAS. That is a complete impossibility. It is like the title to the song, Yes, We Have No Bananas. What I have been trying to say for 3 days in the colloquy is that since the gas industry is essentially noncompetitive, it is essentially monopolistic, and what makes it monopolistic are the pipe lines and mains. They tie buyer and seller together in an indissoluble fashion. One cannot switch from the other.

I am glad the Senator from Louisiana is listening with such attention. That physical tie-up makes the gas situation completely different from copper, from coal, from other commodities. In the case of coal it can be transported by truck, by railroad, or by barge. The buyer can use these different means of transportation. He may buy from different distributors or producers. He may switch from one to another when he does not like the terms which anyone imposes. Therefore the conditions of competition exist. But once the pipe line or gas main is laid, a switch cannot be made. It costs so much to construct a pipe line that one cannot be torn up and another built.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. LONG. When the Senator says there is no competition because the pipe lines tie the gas together——

Mr. DOUGLAS. It does not tie the gas together. It ties the buyer and seller together.

Mr. LONG. It ties the buyer and seller together. I ask the Senator if this is not the usual situation in the purchase of gas. A man has a gas well located at some remote point on which he is receiving nothing. Someone who has money, who is interested in buying the gas, will then make him an offer for his gas, assuming that a pipe line were to be built and the person who has the gas never gets any competitive offer. It is only when the seller is willing to agree to sell at the price the purchaser is willing to pay that a contract is made. Then the purchaser ties up the seller on a contract for either 10, 15, or 20 years, or for the life of the entire field, to make sure that when he goes to the expense of laying the pipe out to that gas well that the person with the gas well will not have the benefit of that pipe line later to make a more advantageous contract.

Mr. DOUGLAS. Mr. President, let me see if I understand the Senator. When the pipe line or gathering line is initially laid it will tend to be laid to those gas wells where prices are lowest?

Mr. LONG. That is correct.

Mr. DOUGLAS. But once the line is laid then competition ceases.

Mr. LONG. No; I would say to the Senator that before the line is laid the person producing the gas is compelled to sign a contract for a long period of time for the sale of his product, and from that point forward he has no freedom to bargain for a better price. Actually if there is a monopoly, the monopoly is on the other end, because there are very few people who have the money to lay pipe lines out to independent gas wells located in a Southern State or in a Southwestern State.

Mr. DOUGLAS. It may be well that I submit for the RECORD tonight a list of contracts, approximately 100 in number, giving the details under which prices can be increased, so that it can be studied tomorrow and then debated. That list will show that in the vast majority of cases there are automatic increases under existing contracts, and that in a very large proportion of the cases there are most-favored-nation clauses, so that if the prices received by other producers and gatherers go up, the prices of those who hold these contracts go up under their present terms. I think perhaps it would be better all around if I submitted the analysis of these contracts for the RECORD tonight.

Mr. President, I ask unanimous consent to have printed at the end of my remarks for today, copy of the letter—exhibit I—which I addressed to the Federal Power Commission asking for an analysis on this point, the reply—exhibit II—of the Federal Power Commission, the list of contracts—exhibit III—and my analysis of these contracts—exhibit IV. I ask that Senators note particularly the columns headed "Contract rate adjustment" which is about four columns over, and the final column, the most-favored-nation clause. This is an analysis of important contracts of major producers entered into since July 1, 1947.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, the various insertions will be made at the close of Senator's address today.

(See exhibits I, II, III, and IV.)

Mr. DOUGLAS. I think that my analysis of those contracts—exhibit IV—will answer the distinguished Senator from Louisiana, because it shows that this idea that once the contracts are made, there can be no increases in prices, is an erroneous belief.

Mr. LONG. Mr. President, will the Senator further yield for a question?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. LONG. I assume that the Senator is referring primarily to the escalator type contract whose terms recite that if the purchaser later agrees to pay a higher price to another seller that he will give the same consideration to the person entering into the contract originally.

Mr. DOUGLAS. Well, that is the most-favored-nation clause. Then there are also contract provisions requiring renegotiation at stated times. But in addition to that, there are automatic increases provided under these contracts. For instance, I merely mention in the case of the American Republics Corporation contract with the Texas-Eastern Transmission Corporation that in the first 5 years the contract is to be 7½ cents; the next 5 years 8½ cents; the third 5 years 9½ cents; the fourth 5 years 10½ cents, and that these automatic increases are the predominant type. In other words, these contracts are not hard and fast or fixed rates, as has sometimes been implied.

Furthermore, these contracts do not indicate the possible price raises due to renegotiation which may occur when a pipe line company finds it necessary to secure additional gas supplies. In other words, when a pipe line company already has a contract, but wants to draw additional gas from the supplier, the supplier may require the whole original contract to be renegotiated in order that the pipe line may secure additional gas. Thus the price of all the gas, and not merely of the added gas, will be raised. That is precisely what happened in the Phillips-Michigan-Wisconsin Pipe Line case.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. I yield for a question.

Mr. LONG. I assume that the Senator realizes, does he not, that there are two reasons why the so-called escalator clause is bargained for. On the part of the producer it oftentimes is bargained for on the idea that he feels that he is not getting everything for his commodity that he should get, and that he is certain in his mind that over a period of time the purchaser will pay a better price to other people for the same thing. Therefore he would bargain for a clause in his contract that if the purchaser agrees to pay more to subsequent buyers, he will pay the same to the original producer, so the original producer will receive the same benefit of the rise in price.

Mr. DOUGLAS. I am not blaming the producer for including such a clause in the contract. On the contrary, I think it indicates business acumen. But I am pointing out that this means that the producer is not helpless at all in the face of the pipe-line company. That

whatever the others are able to get he frequently is able to get, and in a market in which the seller has the advantage, which tends increasingly to be the case, then the different sellers' prices will go up together on this gas. The first people have not, therefore, missed the boat. That is, the people who signed the contract first have not missed the boat.

Mr. LONG. I am sure the Senator realizes that to this date, however, the gas industry has been one in which the seller had been at an extreme disadvantage, because oftentimes there was no one he could sell to, and many times if there was someone he could sell to it was only one person and left him completely at the mercy of one or two purchasers.

Mr. DOUGLAS. The Senator from Louisiana, with his usual acuteness, has hit upon a very interesting point. What I am trying to say is that the pipe line ties buyer and seller indissolubly together. When the supply exceeded the demand, then the purchaser, which was the pipe-line company, had the advantage. He was top dog.

That was, roughly, the condition in the 1930's, when the new tremendous fields in the Texas Panhandle were utilized. Gas was going to waste down there in enormous quantities. It was being flared. The pipe-line companies came there to buy gas in tremendous quantities. The producers were anxious to sell the gas at any price, and sold it at low prices. The low prices are the reason, in my opinion, why the Federal Power Commission did not take jurisdiction in this matter.

But in the last few years since the end of the war the situation has changed. The superiority of natural gas as a fuel is so great, in comparison with coal, whether bituminous or anthracite, or in comparison with fuel oil, that there is a tremendous demand for gas all through the North, the East, the Midwest, and indeed, in sections of the South. So pipe lines are being laid rapidly, and gathering lines are being laid. The profits already are large.

The question now is whether the nontransporting producers will be able to raise prices until they are close to the prices of coal or fuel oil, in terms of the equivalent number of heating units. In the absence of regulation, there is virtually no limit to the increase in price which the producers of natural gas can get, as indicated by the tables which the proponents of this proposed legislation have submitted for the RECORD.

Under regulation, we can see to it that fair profits are received by the companies, but that the advantages flowing from the use of natural gas be shared with the consumers.

Mr. LONG. Mr. President, I am sure the Senator from Illinois realizes that, in justice to the producers, if they are permitted to make a substantial profit from the sale of their commodity, the development will be much more rapid than it would be if they were limited to a 6-percent return on their investment.

Mr. DOUGLAS. That might result in developing the resources too rapidly. I think there is some question as to the rate of speed at which they should be developed.

Mr. President, there can be no question at the present time, however, that there will not be any withholding of gas by the gas producers, because they are making good money, even at present rates. At higher rates, they would make still more.

Mr. President, in view of the Panhandle Eastern Pipeline Co. decision, one does not have to be a clairvoyant to predict that the escape through the loophole will become a parade if Congress should be so shortsighted as to open it.

Mr. McFARLAND. Mr. President, will the Senator from Illinois yield, to permit me to move that the Senate take a recess until tomorrow, with the understanding that tomorrow the Senator from Illinois will gain the floor following the consideration of the conference report on the deficiency bill?

Mr. DOUGLAS. Mr. President, I shall be glad to do so, provided that I may first submit several matters for the RECORD.

Mr. McFARLAND. Certainly.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD, at the end of my remarks, following the documents concerning the provisions of contracts on price changes a telegram which I addressed to the Federal Power Commission on March 17, exhibit V, on the question raised by the Senator from Texas [Mr. JOHNSON] and by the Senator from Oklahoma [Mr. KERR] of whether there are any cases where the increases of producers' prices have been accompanied by increases in rates charged by pipe-line companies, and whether any applications for rate increases on that ground are now pending, together with a letter which the Federal Power Commission sent in answer to that inquiry, exhibit VI.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegram, and letter were ordered to be printed in the RECORD.

(See exhibits V and VI.)

Mr. DOUGLAS. Mr. President, is it now understood that when the Senate convenes tomorrow, after consideration of the conference report referred to by the chairman of the Appropriations Committee, I shall have the floor?

The PRESIDING OFFICER. That agreement has been made and is part of the RECORD.

EXHIBIT I

WASHINGTON, D. C., *March 13, 1950.*

Hon. NELSON LEE SMITH,
Chairman, Federal Power Commission,
Washington, D. C.

DEAR MR. SMITH: The statistical data included in appendix II of the report of the Federal Power Commission on S. 1498, Eighty-first Congress, first session, for the most part do not include information beyond 1947. If the Commission has compiled data for the years 1948 and 1949 or if it can be compiled without too much difficulty, I should like to have data for such years corresponding to the following-numbered tables in the report:

Table 2, ownership of natural-gas reserves, December 31, 1947.

Table 3, oil and gas acreage held in lease and fee in the United States (net) by 33 leading oil companies, 1947.

Table 7, source of gas supply of interstate pipe-line companies reporting to Federal Power Commission, 1947.

Table 8, source of gas supply of interstate pipe-line companies operating in seven-State area of Arkansas, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas, 1946–47.

Table 14, list of producers making largest sales to interstate pipe-line companies in the States of Arkansas, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas in the year 1947.

On pages 367–369 of the record of the hearings on S. 1498 there is a list of important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947. Would it be possible to supply the pricing provisions of these contracts and of any additional contracts of which the Commission has knowledge that have been negotiated since the tabulation was prepared?

How many of the natural-gas companies subject to the Commission's jurisdiction: (1) own production properties; (2) purchase natural gas from affiliated producers; (3) purchase natural gas at arm's-length from nontransporting producers, and as to the latter, how many of the companies obtain their entire gas supply from such producers?

Faithfully yours,

PAUL H. DOUGLAS.

EXHIBIT II

FEDERAL POWER COMMISSION,
Washington, March 16, 1950.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: This will acknowledge your letter of March 13 in which you request statistical information comparable to certain tables included in the Commission's report and other related material.

Table 2 in the report as set forth on page 13 of the hearings on S. 1498 is misdated, as the figure of 173.869 trillion cubic feet actually represents the reserves at December 31, 1948. Data for 1949 have not yet become available.

The source of the data in table 3 was the Petroleum Data Book. We understand that this book is no longer published, hence no data for the year 1948 or later are available from this source. From published financial reports it has been possible to abstract the acreage holdings for a considerable number of oil and gas companies. A tabulation is attached showing the acreage reported by the 33 companies holding the greatest amounts of acreage. In some instances the acreage held at the end of 1948 was not reported, and in such cases the acreage held at a prior date was used.

Comparable data for tables 7 and 8 for the year 1948 are available, and copies of such tables are attached. The 1949 annual reports of natural-gas companies are not due to be filed with the Commission until April 1, therefore data for 1949 are not presently available.

The preparation of table 14 for the year 1947 required a great amount of detailed analysis work on the part of our staff. To compile similar data for 1948 would require several weeks' work. We assume from your letter that it will be satisfactory to omit compilation of such data.

In response to your request for an up-to-date list of important contracts and the pricing provisions thereof, such as set forth on pages 367–369 of the hearings on S. 1498, such a compilation is attached.

Your letter requests information concerning the source of gas supply of the natural-gas companies subject to the Commission's jurisdiction. Of 118 companies reporting to the Commission in 1948, 51 companies owned

producing properties, 18 companies purchased gas from affiliated producers, and of these 18 companies 12 also owned producing properties and are included in the above figure of 51. Seventy-six natural-gas companies purchased gas in 1948 from independent producers, but of these only 5 obtained their entire supply from this source. In this connection, it should be noted that a large number of natural-gas pipe-line companies purchase their gas supply entirely or in part from other natural-gas pipe-line companies.

We hope this information satisfactorily responds to your inquiry.

Sincerely yours,

FEDERAL POWER COMMISSION,
NELSON LEE SMITH,
Chairman.

Oil and gas acreage held under mineral rights, leaseholds, and in fee by 33 oil and gas companies

	Acres	Date
Standard Oil Co. (New Jersey)	21,847,900	Dec. 31, 1947
Gulf Oil Corp. (Pennsylvania)	11,036,121	Sept. 30, 1947
Socony-Vacuum Oil Co., Inc.	10,515,725	Dec. 31, 1948
The Texas Co	10,319,272	Do.
Standard Oil Co. (Indiana)	9,042,437	Do.
Sun Oil Co	8,432,065	Do.
Phillips Petroleum Co	6,980,498	Do.
Sinclair Oil Corp	5,123,400	Do.
Standard Oil Co. (California)	4,038,228	Do.
Cities Service Co	3,598,000	Dec. 31, 1947[1]
Shell Union Oil Corp	3,411,425	Dec. 31, 1948
Amerada Petroleum Corp	3,313,000	Do.
Atlantic Refining Co	3,101,790	Do.
Continental Oil Co	2,949,137	Do.
Tide Water Associated Oil Co	2,761,953	Do.
Ohio Oil Co	2,661,173	Do.
Skelly Oil Co	2,359,473	Do.
Pure Oil Co	2,270,000	Do.
American Republics Corp	1,852,266	Do.
Union Oil Co. of California	1,270,045	Dec. 31, 1947[1]
Standard Oil Co. (Ohio)	1,205,871	Dec. 31, 1948
Mid-Continent Petroleum Corp	1,191,880	Do.
Houston Oil Co. of Texas	1,143,649	Do.
Superior Oil Co	923,695	Aug. 31, 1942
Barnsdall Oil Co	778,968	Dec. 31, 1948
Louisiana Land & Exploration Co	744,647	Do.
Texas Pacific Coal & Oil Co	690,023	Do.
Lion Oil Co	681,409	Do.
Sunray Oil Corp	625,858	Do.
Warren Petroleum Corp	610,605	June 30, 1948
Western Natural Gas Co	550,768	May 31, 1948
Plymouth Oil Co	489,405	Dec. 31, 1946
Pacific Western Oil Corp	488,756	Dec. 31, 1948
Total	127,409,442	

[1] From Petroleum Data Book, 1948.

Source: Unless otherwise noted the data were taken from Moody's Industrials or Standard Statistics Corporation Records. Companies listed include subsidiaries.

Sources of gas supply of interstate pipe-line companies reporting to Federal Power Commission, 1948

	Thousands of cubic feet	Percent of total
Produced by pipe-line companies	694,214,268	27.38
Produced by affiliates	248,861,686	9.82
Subtotal	943,075,954	37.20
Purchased from independent producers	1,592,284,456	62.80
Total United States	2,535,360,410	100.00

Sources of gas supply of interstate pipe-line companies operating in 7-State area of Arkansas, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas, 1948

	Thousands of cubic feet	Percent of total
Produced by pipe-line companies	472,443,523	22.77
Produced by affiliates	241,558,569	11.64
Subtotal	714,002,092	34.41
Purchased from independent producers	1,361,178,867	65.59
Total, 7-State area	2,075,180,959	100.00

EXHIBIT III

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7¢ (7)	Favored nations clauses (8)
American Republics Corp.:							
Texas Eastern Transmission Corp.	Apr. 12, 1948	Silsbee field	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	⅞ of additional taxes to be paid by buyer.	10,612,000	None.
Piedmont Natural Gas Corp.	Jan. 30, 1950	East Village Mills, Beach Creek, East Beach Creek, Ramers Island, Spurger fields in Texas.	20 and thereafter for life of fields.	First 2 years, 10 cents; second 2 years, 10.5 cents; third 2 years, 11 cents; fourth 2 years, 11.5 cents; fifth 2 years, 12 cents; sixth 2 years, 12.5 cents; seventh 2 years, 13 cents; eighth 2 years, 13.5 cents; ninth 2 years, 14 cents; tenth 2 years, 14.5 cents.	Additional taxes to be borne ⅔ by Piedmont and ⅓ by seller.	4,380,000	If buyer purchases gas in district No. 3 of Texas Railroad Commission at a higher price it must pay seller such higher price.
Total						14,992,000	
Atlantic Refining Co.:							
Texas Eastern Transmission Corp.	June 30, 1947	Jefferson-Rodessa field.	5	6.5 cents	Buyer pays ⅞ of additional taxes.	3,762,000	None.
Tennessee Gas Transmission Co.	Oct. 14, 1949	North Minnie Bock Field, Nueces County, Tex.	20	From initial delivery to Nov. 1, 1949, 4.38623 cents; Nov. 1, 1949, to Nov. 1, 1954, 5.26347 cents; successive 5-year periods by agreement but not less than Nov. 1, 1954, to Nov. 1, 1959, 6.14072 cents; Nov. 1, 1959, to Nov. 1, 1964, 7.01796 cents; Nov. 1, 1964, to end, 7.89521 cents.	Buyer to pay ¾ of additional taxes.	3,500,000	Buyer will pay to seller highest price it is paying to any seller in district No. 4 if higher than price paid to this seller.
Total						7,262,000	
Argo Oil Corp. et al.: Texas Illinois Natural Gas Co.	Jan. 25, 1950	LaGloria area, Texas.	20	First 5 years, 8.5 cents; second 5 years, 10.25 cents; third 5 years, 11.25 cents; fourth 5 years, to be negotiated but not less than 12 cents.	Buyer to pay ¾ of any additional taxes.	27,200,000	If buyer makes any contract prior to first delivery of gas providing for higher price in district No. 4 of Railroad Commission of Texas, then such higher price to be substituted.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company	Date of contract	Producing areas	Term of contract years	Contract rate adjustment to 16.7#-¢/Mcf	Additions to contract rate for taxes	Estimated annual volumes purchased Mcf at 16.7#	Favored nations clauses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Barnsdall Oil Co.: Tennessee Gas Transmission Co.	July 11, 1945, amended Jan. 1, 1949.	Placedo, McFaddin, North McFaddin.	15	First 5 years, 5 cents; second 5 years, 6 cents; third 5 years, 7 cents.	Buyer to pay ¾ of any additional taxes.	(1)	None.
Do	Jan. 1, 1949, amends above dated July 11, 1945.	Placedo, McFaddin, North McFaddin, Heyser fields.	20	Up to Jan. 1, 1954, 6 cents. Then price to be negotiated by 5-year periods, but no less than 7 cents, 8 cents, and 9 cents for respective periods.	do	21, 535, 000	Buyer to pay seller any greater price paid by buyer to any other producer in same railroad commission district.
Do	Apr. 15, 1949	Premont field	20	Up to Nov. 1, 1949, 4 cents; Nov. 1, 1949, to Sept. 1, 1952, 5 cents; Sept. 1, 1952, to Nov. 1, 1954, 6 cents; next 5 years, 7 cents; then by negotiation.	Buyer to pay ¾ of additional excise tax for which seller is liable.	7, 665, 000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district No. 4.
Total						29, 200, 000	
Blanco Oil Co. and A. A. Buchanan: Tennessee Gas Transmission Co.	Mar. 7, 1949	Heyser field	20	Up to Jan. 1, 1954, 6 cents; next 5 years, 7 cents; next 5 years, 8 cents; thereafter 9 cents.	Buyer to pay ¾ of additional taxes.	9, 125, 000	Buyer to pay seller any greater price paid by buyer to any other producer in same railroad commission district.
California Co.: Texas Eastern Transmission Corp.	Sept. 24, 1947	Hico-Knowles field	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	Buyer pays ⅞ of additional taxes.	21, 225, 000	If buyer has entered into or should hereafter enter into a contract for the purchase of gas produced within a radius of 100 miles, then buyer must pay seller any higher price paid within this radius.
The Carter Oil Co.: Interstate Natural Gas Co.	Dec. 30, 1948	Holly Ridge field	5	4.7 cents	Buyer to pay 50 percent of first 1 cent, included in taxes and negotiate others, plus Louisiana gathering taxes.	3, 327, 000	None.
Chicago Corporation et al.: Tennessee Gas Transmission Co.	Feb. 1, 1949	Los Indios and La Reforma Fields.	20	Up to Nov. 1, 1954, 6 cents; next 5 years, 7 cents and thereafter by 5-year periods by negotiation. Seller to get ½ cent per thousand cubic feet for dehydration.	Buyer pays ¾ of additional taxes.	12, 045, 000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 4.
Texas Eastern Transmission Corp.	July 25, 1947	Carthage field	5	6.5 cents	Buyer pays ⅞ of additional taxes.	16, 980, 000	None.
Total						29, 025, 000	
Cities Service Oil Co., et al.: Trunkline Gas Supply Co.	Jan. 26, 1949	Ramsey and Columbus fields.	20	First year, 9 cents. Increased by 0.2 cent for each of next 9 years, then by negotiation.	Buyer to pay ¾ of any additional or increased tax.	5, 939, 000	Buyer shall pay same price to seller as paid to any other seller, or as paid by any other buyer to any other seller in effective cost area.
Claiborne Gasoline Co.: Piedmont Natural Gas Corp.	Dec. 30, 1949	D'Arbonne, Ruston, Dubach, Lisbon, Downsville, and Unionville fields, Louisiana.	20 and thereafter for life of fields.	First 2 years, 10 cents; second 2 years, 10.5 cents; third 2 years, 11 cents; fourth 2 years, 11.5 cents; fifth 2 years, 12 cents; sixth 2 years, 12.5 cents; seventh 2 years, 13 cents; eighth 2 years, 13.5 cents; ninth 2 years, 14 cents; tenth 2 years, 14.5 cents.	Additional taxes to be borne ⅔ by Piedmont and ⅓ by seller.	(1)	If buyer purchases gas within 50-mile radius from another seller at a higher price, buyer must advise seller whether he is willing to pay the higher price to seller under this contract.
Columbian Carbon Co.: El Paso Natural Gas Co.	May 21, 1948	Wasson-Denver-Bennett field.	20	5.6 cents	None	6, 093, 000	None.
Continental Oil Co., et al.: Texas Gas Transmission Corp.	June 3, 1948	West Carthage field.	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	Buyer to pay ⅞ of increased taxes up to 5 cents. If over 5 cents buyer may end contract.	7, 300, 000	Price may be increased during first three 5-year periods if buyer pays others in area higher prices. Price for fourth 5-year period may be increased to highest price then being paid in Carthage field under any contract for minimum delivery of 25,000 M cubic feet per day.
Do	do	East Carthage field.	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	do	16, 414, 000	Price may be increased during first three 5-year periods if buyer pays others in area higher prices. Price for fourth 5-year period may be increased to highest price then being paid in Carthage field under any contract for minimum delivery of 25,000 M cubic feet per day

[1] Not stated.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7#-¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7# (7)	Favored nations clauses (8)
Continental Oil Co.—Con. Transcontinental Gas Pipe Line Corp.	Nov. 5, 1949	Live Oak County, Tex.	20	First 2½ years, 7 cents; next 4 years, 8 cents; next 4 years, 9 cents; next 3 years, 10 cents; next 3 years, 11 cents; next 3½ years, 12 cents.	Buyer shall pay ¾ of all new or increased taxes.	7,205,000	If buyer purchases gas at a higher price in the same railroad commission district, seller may charge the same price. If buyer does not choose to purchase it for that price, seller may terminate the contract.
Total						30,919,000	
Ralph E. Fair, Inc., Ralph E. Fair & Jack Woodward, Inc.: Tennessee Gas Transmission Co.	Apr. 18, 1949	Premont, West Magnolia City and Government wells field areas.	20	For gas delivered north of an east-west line extended from buyer's Pintas dehydration plant in Aqua Dulce field: to Nov. 1, 1949, 5 cents; 5 years, 6 cents; next 5 years, 7 cents; next 5 years, 8 cents; and thereafter, 9 cents. For gas delivered south of line to Nov. 1, 1949, 4 cents; Nov. 1, 1949, to Aug. 15, 1952, 5 cents; Aug. 15, 1952, to Nov. 1, 1954, 6 cents.	Buyer to pay ¾ of additional taxes.		Price to be redetermined prior to beginning of 7-cent price and each subsequent increase and set at the average of the 3 highest prices being paid by all transporters of gas for public consumption in the same railroad commission district. Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 4 north of line described under column 5 for gas delivered north thereof and south of this line for gas delivered south thereof until Sept. 1, 1952, when the 2 areas shall be considered as 1.
Ralph E. Fair, Inc., Ralph E. Fair & Jack Woodward, Inc.: Tennessee Gas Transmission Co.	Nov. 23, 1949, amendment to contract of Apr. 18, 1949, shown on original tabulation.	Premont, West Magnolia, city and Government wells.	20	Modified to apply 7- 8- and 9-cent minimums south of line and to add ½ cent thousand cubic feet dehydration cost to gas purchased south of line after Aug. 15, 1952, and north of line after Sept. 1, 1952.	Buyer to pay ¾ of additional taxes.	9,125,000	Price to be redetermined prior to beginning of 7 cent price and each subsequent increase and set at the average of 3 highest prices being paid by all transporters of gas for public consumption in the same railroad commission district. Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 4 north of line described under column 5 for gas delivered north thereof and south of this line for gas delivered south thereof until Sept. 1, 1952, when the 2 areas shall be considered as one.
Falcon-Seaboard Drill Co. & Charles G. Dunwoody, Jr., Tennessee Gas Transmission Co.	Apr. 22, 1949	Heyser field	20	Up to Nov. 1, 1954, 6 cents; next 5 years, 7 cents; next 5 years, 8 cents; thereafter, 9 cents.	Buyer pays ¾ of additional excise tax for which seller is liable.	9,125,000	Price to be redetermined prior to beginning of 7 cents and each succeeding increase and set at average of 3 highest being paid by transporters of gas for public consumption in railroad commission district 2. Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 2.
N. C. Ginter, et al.: Tennessee Gas Transmission Co.	Aug. 27, 1945	Sarco Creek area	5	5 cents	None	(1)	None.
Do	Mar. 1, 1949, amends contract dated Aug 27, 1945.	do	20	First 5 years, 6 cents; second 5 years, 7 cents; third 5 years, 8 cents; fourth 5 years, 9 cents.	Buyer to pay ¾ of any additional excise tax for which seller is liable.	3,650,000	Price to be redetermined prior to beginning of 7-cent price and each subsequent increase thereafter and set at average of 3 highest prices, then being paid by all transporters of gas for public consumption in railroad commission district 2 under contracts in effect at date of this contract for like or greater quantities of gas, but not less than starting prices stated. Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 2.
Total						3,650,000	

[1] Not stated.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7#-¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7# (7)	Favored nations clauses (8)
Grubb & Hawkins: Trunkline Gas Supply Co.	Aug. 2, 1948	Lakeside, Grand Lake, and Pecan Lake fields.	20	First year 9 cents. Increased by 0.2 cent for each of next 9 years, then negotiation by 5-year periods.	First ½ cent of gathering tax to be borne by seller, thereafter ¾ by buyer and ¼ by seller.	5,911,000	Buyer shall pay same price to seller as paid to any other seller or as paid by any other buyer to any seller in effective cost area.
Gulf Oil Co.: El Paso Natural Gas Co.	Oct. 13, 1947	Drinkard field	20	First 5 years, 7.6 cents; second 5 years, 8.7 cents; third 5 years, 9.7 cents; fourth 5 years, see col. 8.	Increased taxes to be borne equally.	8,068,000	For fourth 5-year period the field market price but not less than 10.7 cents. If buyer shall purchase gas within 250-mile radius for higher price, seller shall be paid that price.
Gulf Refining Corp.: United Gas Pipe Line Co.	Aug. 31, 1949	Lake Hermitage, Quarantine Bay, Venice, and West Bay, La.	20	9 cents Nov. 1, 1956; 10 cents Nov. 1, 1961; thereafter weighted average price in the area.	Buyer to reimburse seller for taxes as of June 1, 1949, and ½ of all taxes after.	22,620,000	None.
Do	do	Grand Bay, La.	20	7 cents Nov. 1, 1956; 8 cents Nov. 1, 1961; thereafter weighted average price in the area.	do	(1)	
Total						22,620,000	
Hagy, Harrington & Marsh: Northern Natural Gas Co.	Sept. 1, 1947	Panhandle field	Indefinite	5.35 cents	Additional taxes to be borne equally.	27,420,000	None.
M. A. Halsey, Power Oil Co., Skelly Oil Co., Sunray Oil Corp.: Piedmont Natural Gas Corp.	Feb. 13, 1950	Athens field, Louisiana.	19 and thereafter at seller's option.	First 2 years, 10 cents; second 2 years, 10.5 cents; third 2 years, 11 cents; fourth 2 years, 11.5 cents; fifth 2 years, 12 cents; sixth 2 years, 12.5 cents; seventh 2 years, 13 cents; eighth 2 years, 13.5 cents; ninth 2 years, 14 cents; tenth 2 years, 14.5 cents.	Additional taxes to be borne ⅔ by Piedmont and ⅓ by seller.	10,950,000	If buyer purchases gas within 50-mile radius from another seller at a higher price, then buyer must meet the higher price.
Humble Oil & Refining Co.: United Gas Pipe Line Co.	Dec. 28, 1948	Lirette, La.	10	0.10 cents	Buyer to reimburse seller for existing taxes (1948) and ½ of all new taxes after June 30, 1950.	(1)	None.
Humble Oil & Refining Co. et al.: Tennessee Gas Transmission Co.	Mar. 11, 1949	Heyser field	5	4 cents until buyer has received into its lateral extending from Heyser field to its main transmission line an aggregate of 15,000,000 M cubic feet, thereafter price to be 5 cents.	Buyer to pay ¾ of additional excise tax for which seller is liable.	21,900,000	Do.
Total						21,900,000	
Hassie Hunt Trust: Texas Eastern Transmission Corp.	Aug. 7, 1947	Lisbon field	20	8 cents	Buyer pays ⅞ of additional taxes.	9,337,000	Do.
H. L. Hunt: Texas Eastern Transmission Corp.	do	Whelan field	20	do	do	24,645,000	Do.
Do	do	Lucky field	20	do	do	19,102,000	Do.
Total						53,084,000	
Hunt Oil Co.: Piedmont Natural Gas Corp.	Feb. 17, 1950	East Haynesville Field, Louisiana.	20 and thereafter at seller's option.	First 2 years, 10 cents; second 2 years, 10.5 cents; third 2 years, 11 cents; fourth 2 years, 11.5 cents; fifth 2 years, 12 cents; sixth 2 years, 12.5 cents; seventh 2 years, 13 cents; eighth 2 years, 13.5 cents; ninth 2 years, 14 cents; tenth 2 years, 14.5 cents.	Additional taxes to be borne ⅔ by Piedmont and ⅓ by seller.	14,600,000	If buyer purchases gas within 50-mile radius from another seller at a higher price, buyer must advise seller whether he is willing to pay the higher price to seller under this contract.
Floyd L. Karsten et al.: Tennessee Gas Transmission Co.	May 31, 1948, amended Mar. 16, 1949	Blue Basin, Daboval, Reitz, Twin Basin, and West Withers areas.	20	5 cents up to Nov. 1, 1949; next 5 years, 6 cents; next 5 years, 7 cents; next 5 years and thereafter by negotiation.	Buyer to pay ¾ of any additional excise tax for which seller is liable.	4,475,000	Amendment of Mar. 16, 1949, added "favored nations" clause. Buyer to pay seller any greater price paid by Buyer to any other producer in railroad commission district 3.
Rogers Lacy, et al.: Transcontinental Gas Pipe Line Cor.	Aug. 29, 1947	Lacy field	20	First 2.5 years, 5 cents; next 4 years, 6 cents; next 4 years, 7 cents; next 3 years, 8 cents; next 3 years, 9 cents; next 3.5 years, 10 cents.	Seller pays all present taxes. Additional taxes: Buyer ¾; seller ¼ but not more than 1 cent.		If buyer purchases gas at a higher price from any other producers in the same district, it must pay the same price to seller or the latter may cancel contract.
Do	Dec. 3, 1949, amendment to contract of Aug. 29, 1947, shown on original tabulation.	do	20	First 2.5 years, 7 cents; next 4 years, 8 cents; next 4 years, 9 cents; next 3 years, 10 cents; next 3 years, 11 cents; next 3½ years, 12 cents.	Increased taxes ¾ by buyer, ¼ by seller.	7,300,000	Do.

[1] Not stated.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7#-¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7# (7)	Favored nations clauses (8)
R. Lacy, Inc., et al.: Texas Gas Transmission Corp.	Feb. 1, 1948	Southeast Carthage field.	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	Buyer to pay ⅞ of increased taxes up to 5 cents. If over 5 cents, buyer may end contract.	27,568,000	Price may be increased during first 3 5-year periods if buyer pays others in area higher prices. Price for fourth 5-year period may be increased to highest price then being paid in Carthage field under any contract for minimum delivery of 25,000 thousand cubic feet per day.
Total						34,868,000	
La Gloria Corp., et al.: Transcontinental Gas Pipe Line Corp	Sept. 12, 1947	La Gloria field	20	First 2.5 years, 5 cents; next 4 years, 6 cents; next 4 years, 7 cents; next 3 years, 8 cents; next 3 years, 9 cents; next 3.5 years, 10 cents.	Seller pays all present taxes. Additional taxes: Buyer, ¾; seller, ¼.		If buyer purchases gas at a higher price from any other producers in the same district, it must pay the same price to seller or the latter may cancel contract.
Texas Eastern Transmission Corp.	Sept. 22, 1947	Waskom field	20	First 8 years, 7.5 cents; second 5 years, 9 cents; third 7 years, 10.5 cents.	Buyer pays ⅞ of additional taxes.	10,188,000	If buyer pays any higher price for gas to any other producer in the same general area, it must meet those prices with seller.
Transcontinental Gas Pipe Line Corp.	May 3, 1949, amendment to contract of Sept. 12, 1947, shown on original tabulation.	La Gloria field	20	First 2.5 years, 7 cents; next 4 years, 8 cents; next 4 years, 9 cents; next 3 years, 10 cents; next 3 years, 11 cents; next 3.5 years, 12 cents.	Increased taxes ¾ by buyer, ¼ by seller.	19,345,000	If buyer purchases gas at a higher price from any other producers in the same district, it must pay the same price to seller or the latter may cancel contract.
Texas-Illinois Natural Gas Pipeline Co.	Feb. 14, 1950	La Gloria area, Texas.	20	First 5 years, 8.5 cents; second 5 years, 10.25 cents; third 5 years, 11.25 cents; fourth 5 years to be negotiated but not less than 12 cents.	Buyer to pay ¾ of any additional taxes.	[2] 9,600,000	If buyer makes any contract prior to first delivery of gas providing for higher price in district 4 of Railroad Commission of Texas, then such higher price to be substituted.
Total						39,133,000	
Lion Oil Co.: Texas Eastern Transmission Corp.	June 1, 1948	Bryceland field	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	Buyer pays ⅞ of additional taxes.	2,326,000	After first 5 year period, buyer must meet top prevailing price within 100 mile radius of contract area.
L. M. Lockhart: Tennessee Gas Transmission Co.	July 22, 1948	Agua Dulce field	20	Nov. 1, 1948, to Nov. 1, 1949, 5 cents; next 5 years, 6 cents; next 5 years, 7 cents; then by negotiation.	do	7,300,000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 4.
C. V. Lyman: Tennessee Gas Transmission Co.	July 19, 1946	Bentonville area	15	First 5 years, 5 cents; second 5 years, 6 cents; third 5 years, 7 cents; (plus ½ cent for dehydration all periods).	None		None.
Tennessee Gas Transmission Co.	Jan. 1, 1949, amends above contract.	do	25	Jan. 11 to Nov. 1, 1949, 5 cents; next 5 years, 6 cents; next 5 years, 7 cents; next 5 years, 8 cents; then by negotiation.	Buyer pays ¾ of additional taxes.	5,475,000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 4.
Total						5,475,000	
Magnolia Petroleum Co. et al.: El Paso Natural Gas Co.	Dec. 4, 1947	Dollarhide field	10, with option for 5 additional years.	First 5 years, 2 cents; thereafter see col. 8.	Increased taxes to be borne equally.	5,379,000	For second 5 years market value of gas in the area to be agreed upon or arbitrated. 5-year periods thereafter weighted average price of all gas sold within 125-mile radius of Andrews, Tex.
United Gas Pipe Line Co.	Mar. 31, 1949	Mud Lake, East Mud Lake, Holly Beach, and Cameron Meadows fields.	10, and from year-to-year thereafter.	First 5 years, 9 cents; second 5 years, 10 cents; plus ¼ cent for dehydration; then negotiation.	Louisiana gathering and severance taxes, plus ½ of any new taxes.	36,500,000	None.
Texas-Illinois Natural Gas Pipeline Co.	Jan. 23, 1950	Old Ocean field, Texas.	20	11 cents for first 5-year period plus 1 cent for each of next two 5-year periods, and fourth 5-year period to be negotiated but not less than 14 cents.	Buyer to pay ¾ of any additional taxes.	36,500,000	If buyer, prior to first delivery of gas hereunder, pays higher price in districts 1, 2, 3, or 4 of Railroad Commission of Texas then price to be renegotiated.
Total						78,379,000	
C. H. Murphy, Sr.: Texas Eastern Transmission Corp.	June 1, 1948	Bryceland field	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5-years, 9.5 cents; fourth 5 years, 10.5 cents.	Buyer pays ⅞ of additional taxes.	1,163,000	After first 5-year period, buyer must meet top prevailing price within 100-mile radius of contract area.
Nueces Corp.: Texas Gas Transmission Co.	Jan. 14, 1949	Agua Dulce field	20	Up to Nov. 1, 1949, 5 cents; next 5 years, 6 cents; next 5 years, 7 cents; then by negotiation.	Buyer pays ¾ of additional taxes.	3,650,000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 4.

[2] For first year and 12,200,000 thereafter.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7#-¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7# (7)	Favored nations clauses (8)
P. H. Pewitt: Texas Eastern Transmission Corp.	July 7, 1947	Jefferson-Rodessa field.	15	First 5 years, 7.5 cents; second 5 years, 9 cents; 10.5 cents thereafter.	Buyer pays ⅞ of additional taxes.	7,162,000	None.
D. H. Perry et al.: Tennessee Gas Transmission Co.	Jan. 14, 1949	Brayton and Agua Dulce fields.	20	Up to Nov. 1, 1949, 5 cents; next 5 years, 6 cents; then by mutual agreement but not less than 7, 8, and 9 cents for successive 5-year periods.	Buyer pays ¾ of additional taxes.	7,300,000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 4.
Phillips Petroleum Co.: El Paso Natural Gas Co.	May 26, 1942	Eunice field	15	First 5 years, 2.04 cents; second 5 years, 2.55 cents; third 5 years, 3.57 cents.	None	(1)	None.
Do	Oct. 13, 1945 (amends above contract).	do	15	First 5 years, 3.06 cents; second 5 years, 3.57 cents; third 5 years, 4.59 cents.	do	(1)	Do.
Do	Nov. 1, 1948 (amends contract of May 26, 1942).	do	15	First 5 years, 3.09 cents; second 5 years, 3.60 cents; third 5 years, 4.63 cents.	do	(1)	Do.
Do	Oct. 27, 1948 (amends contract of May 26, 1942).	Eunice field	15	*½ of monthly volume* / *Cents* / *Cents* First 5 years 3.09 / 5.1 Second 5 years 3.60 / 6.1 Third 5 years 4.63 / 7.1	Additional taxes to be divided but seller's share is not to exceed ¼ cent first 5 years, ½ cent second 5 years, ¾ cent third 5 years.	13,277,000	None.
Do	Oct. 13, 1945	Eunice, Fullerton, Goldsmith, and Seminole fields.	(1)	First 5 years 3.09 / 5.1 Second 5 years 3.60 / 6.1 Third 5 years 4.63 / 7.1	None	(1)	Do.
Do	Oct. 27, 1948 (amends contract above).	do	30	First 5 years 3.6 / 5.6 Second 5 years 4.1 / 6.6 Third 5 years 5.1 / 7.6	Increased taxes shall be paid ¼ by Phillips and ¾ by El Paso.	26,052,000	For the fourth and each succeeding 5-year period price will be weighted average of all gas being sold within 125 miles of Andrews, Tex., exclusive of sales to El Paso. There will be a minimum of 7.6 cents.
Do	Jan. 1, 1948	do	30	First 5 years, 5.6 cents, 1 cent increase each of the next 3 succeeding 5-year periods, thereafter see column 8.	do	26,052,000	At the end of fourth 5-year period price shall be weighted average of all gas being sold from gasoline plants within 125 miles of Andrews, Tex., but not less than 8.7 cents.
Do	July 29, 1948	Panhandle and Hugoton fields.	Nov. 1, 1948, to Jan. 1, 1952.	7.6 cents	do	11,105,000	None.
Do	Aug. 31, 1948	Crane field	30	Until Jan. 1, 1953, 5.3 cents; next 5 years 6.3 cents; next 5 years, 7.3 cents; next 5 years, 8.3 cents; thereafter see column 8.	do	4,885,000	After Jan. 1, 1968, price will be weighted average of the price of all gas being sold in the Permian Basin within 125 miles of the town of Andrews, Tex., but not less than 8.3 cents. If El Paso shall at any time pay more for sour gas produced in the area, it shall pay Phillips the same price less ¼ cent.
Michigan-Wisconsin Pipe Line Co.	Dec. 11, 1945	Hugoton Field	15	First 5 years, 5.1 cents; second 5 years, 5.8 cents; third 5 years, 6.8 cents.			
Do	Aug. 9, 1948 (amends above contract).	do	Life of dedicated acreage.	First 5 years, 7.6 cents; second 5 years, 8.7 cents; third 5 years, 9.7 cents; (continued in column 8).	Buyer to pay ¾ of certain additional taxes.	59,589,000	At end of third 5-year period and each succeeding 5-year period price to be increased by 1 cent or shall be weighted average price then paid by transmission companies operating from Panhandle and Hugoton fields, whichever is higher.
Do	Dec. 1, 1949 amendment to contract of Dec. 11, 1945 as amended Aug. 9, 1948.	do	do	Same as previously reported with the exception that the price for the first 5-year period shall be 8.7 cents instead of 7.6 cents.	do	70,439,000	Do.
Do	Dec. 1, 1949	Below-sea-level gas from the Hugoton field.	As long as commercially feasible.	1951 through 1954, 12.3 cents; 1955 through 1959, 13.3 cents; 1960 through 1964, 14.3 cents; 1965 through 1969, 15.4 cents; thereafter, an increase of 1 cent each 5-year period.	Increased taxes to be borne ¾ by Phillips and ¾ by Michigan-Wisconsin.	23,373,000	For each 5 years after Jan. 1, 1965, favored-nation clause shall be the same as for the Stratford acreage contract below.

[1] Not stated.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company	Date of contract	Producing areas	Term of contract years	Contract rate adjustment to 16.7#-¢/Mcf	Additions to contract rate for taxes	Estimated annual volumes purchased Mcf at 16.7#	Favored nations clauses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Phillips Petroleum Co.: Michigan-Wisconsin Pipe Line Co.	Dec. 1, 1949	Excess gas from Stratford acreage, Hugoton field.	20	To end of 1954, 10.2 cents; 1955 through 1959, 11.2 cents; 1960 through 1964, 12.2 cents; 1965 through 1969, 13.2 cents.	Increased taxes to be borne ¼ by Phillips and ¾ by Michigan-Wisconsin.	16,009,000	For 5 years beginning Jan. 1, 1965, price shall not be less than the highest price paid in the Texas or Oklahoma Hugoton or Texas Panhandle fields for gas of similar pressure or heating value delivered in volumes of at least 10,000 thousand cubic feet per day.
Trunkline Gas Supply Co.	May 26, 1948	Spider field	25	First year, 8.5 cents, increased by 0.2 cent for each of next 14 years then by negotiation but not less than 11.5 cents, 11.7 cents, 11.9 cents, 12.1 cents, and 12.3 cents for each year of fourth 5-year period. Minimum of 13.3 cents for last 5-year period.	¾ of increase of certain taxes borne by buyer.	6,207,000	Buyer shall pay same price to seller as paid to any other seller within 50 miles of Spider field.
Do	Sept. 13, 1948	Chocolate Bayou field.	25	First year, 8.5 cents; increased by 0.2 cent for each of next 14 years then by negotiation but not less than 11.5 cents. 11.7 cents, 11.9 cents, 12.1 cents, and 12.3 cents for each year of fourth 5-year period. Minimum, 13.3 cents for fifth period.	None	12,384,000	Buyer shall pay same price to seller as paid to any other seller in Gulf coast area of Texas.
Total						269,372,000	
Plains Natural Gas Co.: Northern Natural Gas Co.	Sept. 15, 1949	Hugoton field	Life of commercial production.	Until Jan. 1, 1960, 10.7 cents; Jan. 1, 1960, Dec. 31, 1965 by negotiation and arbitration with 10.7 cents minimum 6-year periods. Thereafter by negotiation and arbitration.	Increased taxes, ⅓ by seller, ⅔ by buyer.	28,580,000	None.
Plymouth Oil Co.: El Paso Natural Gas Co.	Oct. 11, 1948	Benedum field	25	First 3 years, 7.6 cents; next 2.5 years, 8.2 cents; next 5 years, 9.5 cents; next 5 years, 10.6 cents; thereafter see column 8.	Increased taxes to be borne ¼ by seller, ¾ by buyer.	21,506,000	For fourth and successive 5-year periods price will be fair market price with 11.6 cents minimum. If at any time buyer pays a higher price in Crane, Upton, Regan, Pecos, or Midland Counties, he shall pay seller that price.
Roussell & Bateman: United Gas Pipe Line Co.	Mar. 7, 1949	Lake Long, La	10 years and year to year after.	6 cents to Mar. 7, 1952; 8 cents, Mar. 7, 1952 to Mar. 7, 1954; 10 cents thereafter.	None	[1]	None.
Shamrock Oil & Gas Corp.: Northern Natural Gas Co.	July 30, 1946,[2] as amended Mar. 23, 1948.	Hugoton field	As long as gas can be delivered in commercial quantities.	Apr. 1, 1948, to Dec. 31, 1952, 6.11 cents; Jan. 1, 1953, to Dec. 31, 1967, 6.62 cents; thereafter the higher of 7.13 cents or weighted average price of gas in Moore and Sherman Counties, plus ½ cent per thousand cubic feet for compression if deliveries are made at not less than 200#.	Additional taxes to be borne ⅔ by buyer.	10,968,000	None.
Do	Sept. 26, 1949	Panhandle and Hugoton fields.	20	First 5 years, 9.1 cents; thereafter, 10.3 cents.	Increased taxes ⅓ by seller, ⅔ by buyer.	8,249,000	Do.
Shamrock Oil & Gas Corp., et al., Northern Natural Gas Co.	do	do	20	do	do	10,147,000	Do.
Total						29,384,000	
Shell Oil Co.: El Paso Natural Gas Co.	Nov. 1, 1945	Wheeler-TXL fields.	20	First 5 years, 3.1 cents; second 5 years, 4.1 cents; third 5 years, 4.6 cents; fourth 5 years, 5.1 cents (minimum).	None	[1]	Do.
Do	July 29, 1947 (amends contract dated Nov. 1, 1945).	do	20	First 5 years, 5.6 cents; second 5 years, 6.6 cents; third 5 years, 7.6 cents; thereafter by agreement or arbitration, 8.7 cents (minimum).	Increased taxes to be borne equally.	14,338,000	Do.
Shell Oil Co. & Coltexo Corp.: El Paso Natural Gas Co.	May 21, 1948	Wasson-Denver-Bennett field.	20	First 5 years, 5.6 cents; second 5 years, 6.6 cents; third 5 years, 7.6 cents; fourth 5 years. (See column 8.)	do	10,752,000	For fourth 5-year period weighted average of all gas sold within 250-mile radius of Andrews, Tex., exclusive of sales to the buyer. Minimum of 8.7 cents. If buyer shall purchase gas within 250 miles of Andrews, Tex., for a higher price, that price shall be paid to seller.

[1] Not stated.
[2] Contract of July 30, 1946, not available.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7¢ (7)	Favored nations clauses (8)
Shell Oil Co.: Texas Eastern Transmission Corp.	June 18, 1948	Sheridan field	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	⅞ of additional taxes to be paid by buyer.	26,531,000	If buyer has entered into or should hereafter enter into a contract at any time for the purchase of gas produced from Texas or Louisiana for any part of the requirements of the pipe line, buyer must meet those prices with seller.
El Paso Natural Gas Co.	Sept. 1, 1948	Monahans field	25	First 5 years, 5.6 cents; second 5 years, 6.6 cents; third 5 years, 7.6 cents: thereafter (see column 8).	Increased taxes to be borne equally.	5,379,000	For fourth and fifth 5-year periods, price is weighted average of all gas sold within 250-mile radius of Andrews, Tex. Minimum of 8.7 cents. If at any time buyer pays more for gas purchased within 250 miles of Andrews, Tex., exclusive of the Texas Panhandle field, buyer shall pay that higher price to seller.
United Gas Pipe Line Co.	Oct. 5, 1944	Gibson, La.	5	4 cents (minimum)	Buyer to reimburse seller for severance production and sales tax.	(1)	None.
Do	Mar. 1, 1949 (amends contract dated Oct. 5, 1944).	do	10	10 cents	Buyer to reimburse seller for all taxes existing (1948) and ½ of all new taxes after June 30, 1950.	4,556,958	Do.
Total						61,556,958	
Sinclair Prairie Oil Co.: Tennessee Gas Transmission Co.	May 27, 1948	Frelsburg and New Ulm areas.	20	Up to Nov. 1, 1949, 5 cents; thereafter to end of first 5 years, 6 cents. Then 5 years at 7 cents. Thereafter by agreement by 5-year periods. Prices to be 1 cent less than above until buyer has received into its lateral from all sources 14,000,000 M cubic feet.	Buyer to pay ¾ of all additional excise taxes for which seller is liable.	9,125,000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 3. Buyer to meet price of any transporter of gas for public consumption in railroad commission district 3.
Skelly Oil Co.: Tennessee Gas Transmission Co.	June 28, 1948	Bay City field	20	First 5 years, 6 cents; second 5 years, 7 cents; thereafter by negotiation.	None	5,110,000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission districts 2 or 3.
Do	Dec. 29, 1948	Logansport field	20	Up to Nov. 1, 1949, 6.5 cents; next 5 years, 7.5 cents; next 5 years, 8.5 cents; then by negotiation.	Buyer pays ¾ of additional excise taxes.	9,490,000	None.
Total						14,600,000	
Slick Oil Co.: El Paso Natural Gas Co.	Sept. 3, 1948	Santa Rosa field	25	First 5 years, 7.6 cents; second 5 years, 8.7 cents; third 5 years, 9.7 cents; fourth 5 years (see column 8).	Increased taxes to be borne ¼ by seller, ¾ by El Paso.	6,500,000	For fourth and successive 5-year periods the fair market price dependent on pressure, quantity, quality, and the price paid for gas from other fields in the Permian Basin, with a minimum of 10.7 cents. If buyer shall purchase gas in Crane, Upton, Regan, Pecos, and Midland Counties for a higher price, seller shall be paid that price.
Slick-Urshel Oil Co.: El Paso Natural Gas Co.	do	Benedum field	25	First 3 years, 7.6 cents; next 2½ years, 8.2 cents; next 5 years, 9.5 cents; next 5 years, 10.6 cents; thereafter see column 8.	Increased taxes to be borne ¼ by seller, ¾ by buyer.	14,337,000	For fourth and successive 5 year periods price will be fair market price with 11.6 cents minimum. If at any time buyer pays a higher price in Crane, Upton, Regan, Pecos, or Midland Counties, he shall pay seller that price.
Sohio Petroleum Co.: Tennessee Gas Transmission Co.	May 2, 1949	Sohio's interests in Calcasieu, Jefferson Davis, Acadia, Lafayette, Vermilion and Cameron Parishes, La.	20	First 4 years, 9¼ cents; second 4 years, 10¼ cents; third 4 years, 11¼ cents; fourth 4 years, 12¼ cents; fifth 4 years, 13¼ cents.	Buyer to pay Louisiana gathering tax and ¾ of any new excise tax including ¾ of any increase in gathering taxes.	27,375,000	For each 4 year period beginning with third, prices to be redetermined and set equal to average of 3 highest being paid for like quantities by transporters of gas for public consumption within the pricing area but not less than those stated under contract rate. Buyer to pay seller any greater price paid by buyer to any other seller in pricing area. Pricing area includes contract area plus the parishes of St. Martin, St. Mary, and Iberia, La.

(1) Included in amendment, Mar. 1, 1949.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7¢-¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7¢ (7)	Favored nations clauses (8)
Sohio Petroleum Co.: trunkline Gas Supply Co.	Mar. 2, 1949	Holmwood Area	20	First year, 9 cents; increased by 0.2 cents for each of next 9 years. Then by negotiation but not less than 10.8 cents for third 5-year period and not less than 11.0 cents, 11.2 cents, 11.4 cents, 11.6 cents, and 11.8 cents for each of last 5 yea s	Buyer to pay all of gathering tax or any new tax up to ½ cent per thousand cubic feet. Over this amount buyer to pay ¾ cents.	11,112,000	Buyer shall pay same price to seller as paid to any other seller or as paid by any other buyer to any seller in effective cost area.
Total						38,487,000	
Southwest Gas Producing Co., et al.: Texas Eastern Transmission Corp.	Sept. 13, 1947	Hico-Dubach field	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	Buyer pays ⅞ of additional taxes.	21,225,000	If buyer has entered into or should hereafter enter into a contract for the purchase of gas produced within a radius of 100 miles, then buyer must pay seller any higher price paid within this radius.
Piedmont Natural Gas Corp.	Feb. 7, 1950	North Ruston, Unionville D'Arbonne, and Bernice fields, Louisiana.	20 and year to year thereafter.	First 2 years, 10 cents; second 2 years, 10.5 cents; third 2 years, 11 cents fourth 2 years, 11.5 cents fifth 2 years, 12 cents; sixth 2 years, 12.5 cents; seventh 2 years, 13 cents; eighth 2 years, 13.5 cents; ninth 2 years, 14 cents; tenth 2 years, 14.5 cents.	Additional taxes to be borne ⅔ by Piedmont and ⅓ by seller.	7,300,000	If buyer purchases gas within 50-mile radius from another seller at a higher price, then buyer must advise seller whether he is willing to pay such higher price to seller
Total						28,525,000	
Southwest Natural Production Co.: Piedmont Natural Gas Corp.	Feb. 27, 1950	D'Arbonne, Ruston, Dubach, Lisbon, Downsville, and Unionville fields, Louisiana.	20 and thereafter for life of fields.	First 2 years, 10 cents; second 2 years, 10.5 cents; third 2 years, 11 cents; fourth 2 years, 11.5 cents; fifth 2 years, 12 cents; sixth 2 years, 12.5 cents; seventh 2 years, 13 cents; eighth 2 years, 13.5 cents; ninth 2 years, 14 cents; tenth 2 years, 14.5 cents.	Additional taxes to be borne ⅔ by Piedmont and ⅓ by seller.	3,650,000	If buyer purchases gas within 50-mile radius from another seller at a higher price, buyer must advise seller whether he is willing to pay the higher price to seller under this contract.
Stanolind Oil & Gas Co., et al.: Texas Eastern Transmission Corp.	Apr. 29, 1948	Hastings and Turtle Bay fields.	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	⅞ of additional taxes to be paid by buyer.	10,612,000	Seller must be notified of any new price schedule paid by buyer for pipe-line gas.
Tennessee Gas Transmission Co.	July 15, 1948	East Bay City field.	20	First 5 years, 6 cents; second 5 years 7 cents; then by negotiation.	None	12,775,000	Buyer to pay seller any greater price paid by buyer to any other producer in railroad commission district 2 or 3.
Piedmont Natural Gas Corp.	Feb. 2, 1950	East Haynesville, La.	20 and thereafter at seller's option.	First 2 years, 10 cents; second 2 years, 10.5 cents; third 2 years, 11 cents; fourth 2 years, 11.5 cents; fifth 2 years, 12 cents; 6th 2 years, 12.5 cents; seventh 2 years, 13 cents; eighth 2 years, 13.5 cents; 9th 2 years, 14 cents; 10th 2 years, 14.5 cents.	Additional taxes to be borne ⅔ by Piedmont and ⅓ by seller.	3,650,000	If buyer purchases gas within 50-mile radius from another seller at a higher price, then buyer must meet the higher price.
Texas Gas Transmission Corp.	Dec. 2, 1948	Lisbon field	20	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	Buyer pays ⅞ of additional taxes.	3,820,000	If buyer has entered into or should hereafter enter into a contract with higher prices at any time for the purchase of gas produced from Texas or Louisiana for any part of the requirements of the pipe line, buyer must meet those prices with seller.
Transcontinental Gas Pipe Line Corp.	Nov. 1, 1949	Greta field, Texas	20	First 2½ years, 7 cents; next 4 years, 8 cents; next 4 years, 9 cents; next 3 years, 10 cents; next 3 years, 11 cents; next 3½ years, 12 cents.	Buyer shall pay ¾ of all new or increased taxes.	7,366,000	If buyer purchases gas at a higher price in the same railroad commission district, seller may charge the same price. If buyer does not choose to purchase it for that price, seller may terminate the contract.
Do	Dec. 1, 1949	Live Oak County, Tex.	20	do	do	4,161,000	Do.
Total						42,384,000	
Sun Oil Co.: Piedmont Natural Gas Corp.	Jan. 25, 1950	Oyster Bayou, Willow slough, Fig Ridge, Seabreeze, Hankamer, North Big Hill, North Winnie - Stowell, and La Belle in Texas.	20	First 2 years, 10.25 cents; second 2 years, 10.75 cents; third 2 years, 11.25 cents; fourth 2 years, 11.75 cents; fifth 2 years, 12.25 cents; sixth 2 years, 12.75 cents; seventh 2 years, 13.25 cents; fifteenth year, 13.75 cents; last 5 years fair market price but not less than average price in original Texas-Illinois Contract for last 5-year period.	Buyer to pay ¾ of additional taxes.	23,725,000	If buyer purchases gas in district No. 3 of Texas railroad commission at a higher price it must pay seller such higher price.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7¢ (7)	Favored nations clauses (8)
Sun Oil Co.—Continued Texas Eastern Transmission Corp.	Apr. 15, 1948..	Delhi and Big Creek fields.	20.....	First 5 years, 6 cents; second 5 years, 7 cents; third 5 years, 8 cents; fourth 5 years, 9 cents.	Buyer pays 7/8 of additional taxes.	6,367,000	Buyer must meet higher price paid to other producers in Louisiana or Texas, giving due consideration to the deduction of 1.5 cents for handling cost.
Texas Eastern Transmission Corp.	May 19, 1948..	North Winnie and Gilbert Ranch fields.	20.....	First 5 years, 7.5 cents; second 5 years, 8.5 cents; third 5 years, 9.5 cents; fourth 5 years, 10.5 cents.	Buyer pays 7/8 of additional taxes.	10,612,000	None.
Transcontinental Gas Pipe Line Corp.	Sept. 24, 1947..	Sun, North Sun, North Rincon, Garcia, Cortez, Yturria, Guerra, and Lockhart fields.	20.....	First 2.5 years, 5 cents; next 4 years, 6 cents; next 4 years, 7 cents; next 3 years, 8 cents; last 6.5 years, 9 cents.	Seller pays all present taxes, additional taxes, buyer 3/4, seller 1/4.	8,213,000	If buyer purchases gas at a higher price from any other producers in the same district, it must pay the same price to seller, or the latter may cancel contract.
Do.....	Apr. 30, 1948..	Egan field.....	20.....	First 5 years, 8.5 cents; second 5 years, 9.5 cents; third 5 years, 10.5 cents; fourth 5 years, not less than 11.5 cents. If seller dehydrates, price is increased by 1/4 cent.	Buyer pays 3/4 of additional taxes plus Louisiana gathering tax.	9,125,000	If buyer purchases gas at a higher price from any other producers in the same district, buyer then must pay the same price to seller or latter may cancel contract.
Transcontinental Gas Pipe Line Corp.	Apr. 30, 1948..	North Markham and north Bay City fields.	20.....	First 5 years, 8.5 cents; second 5 years, 9.5 cents; third 5 years, 10.5 cents; fourth 5 years, not less than 11.5 cents.	Seller pays all present taxes. Additional taxes paid 3/4 by buyer, 1/4 by seller.	21,900,000	If buyer purchases gas at a higher price from any other producers in the same district, it must pay the same price to seller or the latter may cancel contract.
Do.....	Sept. 26, 1949, amendment to contract of Sept. 24, 1947, shown on original tabulation.	Sun, North Sun, North Rincon, Garcia, Cortez, Yturria, Guerra and Lockhart fields.	20.....	First 2 1/2 years, 7 cents; next 4 years, 8 cents; next 4 years, 9 cents; next 3 years, 10 cents; next 3 years, 11 cents; next 3 1/2 years, 12 cents.	Increased taxes 3/4 by buyer, 1/4 by seller.	8,463,000	Do.
Total.....						88,405,000	
Superior Oil Co.: Trunkline Gas Supply Co.	June 11, 1948..	Lakeside, Grand Lake, and Pecan Lake fields.	20.....	First year, 9 cents, increased by 0.2 cent for each of next 9 years, then negotiation by 5-year periods.	First 1/2 cent of gathering tax to be borne by seller, thereafter 3/4 by buyer and 1/4 by seller.	23,334,000	Buyer shall pay same price to seller as paid to any other seller or as paid by any other buyer to any seller in effective cost area.
Do.....	Jan. 19, 1949...	Lake Creek, Pinehurst, and Altair fields.	20.....	....do.....	Buyer to pay 3/4 of any increase in taxes or new excise taxes.	6,870,000	Buyer shall pay same price to seller as paid to any other seller or as paid by any other buyer to any other seller in effective cost area.
Total.....						30,204,000	
Tidewater Associates Oil Co.: United Gas Pipe Line Co.	Sept. 27, 1949..	Venice, La., West Bay, La.	20.....	7 cents, Jan. 1, 1956; 8 cents, Jan. 1, 1960; thereafter, weighted average price in the area.	Buyer to reimburse seller for taxes as of June 1, 1949, and 1/2 of all taxes after.	10,210,000	None.
Union Oil Co., et al.: Transcontinental Gas Pipe Line Corp.	May 8, 1948...	East White Lake, West White Lake, Tigre Lagoon, Vinton, and Fresh Water Bayou fields.	20.....	First 5 years, 8.5 cents; second 5 years, 9.5 cents; third 5 years, 10.5 cents; fourth 5 years, not less than 11.5 cents. If seller dehydrates, price is increased 1/4 cent.	Buyer pays 3/4 of additional taxes, plus 1 cent gathering tax.	.....	If buyer purchases gas at a higher price from any other producers in the same district, buyer then must pay the same price to seller or latter may cancel contract.
Do.....	Sept. 23, 1949 (amendment to contract of May 8, 1948).	....do.....	20.....	First 4 years, 8 1/2 cents; next 4 years, 9 1/2 cents; next 4 years, 10 1/2 cents; thereafter by negotiation, 11 1/2 cent minimum.	....do.....	23,075,000	Do.
United Producing Co.; United Carbon Co.: Cities Service Gas Co.	Mar. 12, 1948..	Hugoton field.....	Not stated..	First 10 years 8.7 cents, thereafter to be negotiated but not less than 8 cents.	Not stated.....	11,830,000	None.
Warren Petroleum Corp.: El Paso Natural Gas Co.	Dec. 1, 1946...	Monument field..	Life of field..	First 5 years, 3.1 cents; second 5 years, 4.1 cents; third 5 years, 4.6 cents; thereafter by agreement or arbitration; 5.1 cents minimum.	None.....	(1)	Do.

[1] Not stated.

Data on important contracts of major producers with interstate pipe-line companies for sale of gas entered into since July 1, 1947, for the sale of natural gas from producing fields in the Southwest—Continued

[Based on contracts in the files of the Federal Power Commission]

Name of company (1)	Date of contract (2)	Producing areas (3)	Term of contract years (4)	Contract rate adjustment to 16.7¢/Mcf (5)	Additions to contract rate for taxes (6)	Estimated annual volumes purchased Mcf at 16.7¢ (7)	Favored nations clauses (8)
Warren Petroleum Corp.—Continued El Paso Natural Gas Co.	June 15, 1948 (amends contract dated Dec. 1, 1946).	Monument field	Life of field	First 10,000 M cubic feet per day: first 5 years, 3.1 cents (3.5 cents if over 205 psig.); second 5 years, 4.5 cents; third 5 years, 5 cents; fourth 5 years, see column 8. Over 10,000 M cubic feet per day: Jan. 1, 1948, to June 30, 1948, 3.1 cents; July 1, 1948, to Dec. 31, 1952, 5.2 cents (5.6 cents if over 205 psia.); second 5 years, 6.6 cents; third 5 years, 7.6 cents; fourth 5 years, see column 8.	Increased taxes to be borne equally except seller's share is not to exceed: first 5 years, ¼ cent; second 5 years, ½ cent; third 5 years, ¾ cent; fourth 5 years, 1 cent.	15,770,000	For fourth and succeeding 5-year periods, price will be the market price at that time with a minimum of 5.5 cents for first 10,000 M cubic feet per day and 8.7 cents for gas over 10,000 M cubic feet per day.
Western Natural Gas Co.: Transcontinental Gas Pipe Line Co.	Sept. 12, 1947	Goebel, Mission Valley, Thomaston, and St. Charles areas.	20	First 2 years, 5 cents; second 2 years, 5.5 cents; third 2 years, 6 cents; fourth 2 years, 6.5 cents; next 4 years, 7 cents; next 3 years, 8 cents; last 5 years, not less than 9 cents plus ¼ cent if seller dehydrates gas.	Seller pays all present taxes. Additional taxes paid ¾ by buyer and ¼ by seller.	10,950,000	If buyer purchases gas at a higher price from any other producers in the same district, it must pay the same price to seller or the latter may cancel contract.
Grand total						1,320,421,958	

EXHIBIT IV

SUMMARY STATEMENT BY SENATOR DOUGLAS ON THE PRICING PROVISIONS OF GAS PURCHASE CONTRACTS

The Federal Power Commission has furnished, at my request, a tabulation of important contracts of major producers with interstate pipe-line companies entered into since July 1, 1947 for the sale of natural gas from producing fields in the Southwest. There are 100 gas-purchase contracts included in the compilation representing the aggregate annual purchase of 1,320,422,000,000 cubic feet from 53 producers. This volume of gas is approximately 57 percent of the natural gas estimated by the Power Commission to be purchased by pipe-line companies from all nontransporting producers in the Southwest in the year 1952.

An analysis of these contracts reveals important information which should be considered in weighing the claims of the proponents, that by reason of these long-term contracts, the price of gas for years ahead is fixed. The degree of concentration of the sales covered by the 100 contracts in the hands of a few big producers is striking, for the 10 largest producers account for 751,000,000,000 cubic feet, or 57 percent of the total. The 15 largest vendors account for 68 percent of the total.

Now as to the pricing provisions: Of the 100 contracts, 95 contain escalator clauses providing for automatic increases in price at intervals of 1, 2, 4, or 5 years. There can be no question but what these clauses will result in higher prices to the producers, higher costs to the pipe lines and distributing companies, and increased rates to the consumers.

Next, we have the renegotiation clauses. And the analysis reveals that 46 or nearly half of these contracts provide for renegotiation of a price during the term of the contract, sometimes, at the end of the first, second, third, or fourth 5-year period. But do these clauses provide for a possible renegotiation at lower prices? Not according to the contracts, for there are stated minimums below which the price cannot go. Prices can go up, but never down.

The next price-increase avenue is the so-called most favored nation clauses, and these clauses are the real pay-offs. Sixty-five of the 100 contracts contain one or more varieties. Let's review a few of these clauses in detail.

Here's one for the Atlantic Refining Co.—a contract with Tennessee Gas Transmission Co., dated October 14, 1949, which says: "Buyer will pay to seller highest price it is paying to any other seller in District No. 4, if higher than price made to this seller."

And here's another one—the Barnsdall Oil Co. contract with Tennessee Gas Transmission Co. Incidentally, this contract which was originally entered into in 1945, was amended last year to provide not only for an increase in the basic contract rate, but for the addition of a "most favored nation" clause. The contract reads: "Buyer to pay seller any greater price paid by buyer to any other producer in the same Railroad Commission District."

A different twist is present in the contract between the California Co., a subsidiary of the Standard Oil Co. of California, and Texas Eastern Transmission Corp., where the favored-nation clause provides: "If buyer has entered into or should hereafter enter into a contract for the purchase of gas produced within a radius of 100 miles of the Hico-Knowles field, the buyer must pay seller any higher price paid within this radius." These contracts to which I have just referred are part of the gas supply of companies proposing to serve the New England markets.

Another sample is contained in the contract of June 3, 1948, between the Continental Oil Co. and Texas Gas Transmission Corp. for the purchase of gas in the Carthage field, which reads: "Price may be increased during first three 5-year periods if buyer pays others in area higher prices. The price for the fourth 5-year period may be increased to highest price then being paid at Carthage field under any contract for minimum delivery of 25,000 m. c. f. per day."

Then we come to the Gulf Oil contract with El Paso Natural Gas Co., which provides that during the fourth 5-year period El Paso shall pay the field market price, but not less than 10.7 cents. If buyer shall purchase gas within a 250-mile radius for higher price, seller shall be paid that price.

And here's one of Sinclair Prairie Oil Co. with Tennessee Gas Transmission Co., dated May 27, 1948, which reads: "Buyer to pay seller any greater price paid by buyer to any other producer in Railroad Commission District No. 3. Buyer to meet price of any transporter of gas for public consumption in Railroad Commission District No. 3."

These are just a few samples of the pricing provisions of these long-term gas-purchase contracts. How in the name of common sense can it be contended that the consumer is adequately protected against price increases in the future, by the terms of these gas-purchase contracts.

EXHIBIT V

MARCH 17, 1950.

FEDERAL POWER COMMISSION,
Washington, D. C.:

In debate yesterday on S. 1498 Senator JOHNSON (Texas) stated there has not been one application to increase rates of a pipeline company because of the increase in the producer's price. In your letter to Senator GILLETTE of February 24, 1950, reference was made to proposed rate increase by Northern Natural Gas Co. What are facts about rate increases granted, presently pending and proposed where cost of purchased gas involved? Would appreciate immediate reply.

Senator PAUL H. DOUGLAS.

EXHIBIT VI

FEDERAL POWER COMMISSION,
Washington, March 17, 1950.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: The following information is submitted in response to your telegram of today:

In general, this Commission in acting upon rate-increase proposals allows a fair return on a net investment rate base in addition to all costs of the natural-gas company including its purchased-gas costs. This "total cost of service plus a fair profit" approach does not permit a precise determination of the exact part of any rate increase which is due to increased cost of purchased gas, or to what extent any increase in cost of purchased gas may have been compensated in part by other items before the increase was allowed to take effect. In the following cases

in which rate increases have been permitted by the Commission to take effect, higher costs of purchased gas were either the primary or a major contributing factor in the rate increase:

Increases granted

El Paso Natural Gas Co. increase on Oct. 1, 1949, to southern California companies to take care of increases in cost of purchased gas and increased-facilities costs	[1] $900,000
Mississippi River Fuel Corp. increase for gas sold to Crossett Lumber Co. to take care of increase in cost of purchased gas	31,000
United Gas Pipe Line Co. increase to Mississippi River Fuel Corp. on Dec. 8, 1949, to reflect increased cost of gas purchased	[2] 950,000
Pavilion Natural Gas Co. increase to Churchville Oil & Natural Gas Co. to reflect increased cost of gas purchased	500
Allegany Gas Co.-North Penn Gas Co., docket Nos. G-597 and G-598, granted Feb. 1, 1946. Increase by reason of fact that local supply of gas was depleted necessitating the purchase of greater volumes of higher priced southwest gas from New York State Natural Gas Corp	50,000
Cabot Gas Corp. increased rates to Pavilion Natural Gas Co. Apr. 18, 1946, by reason of fact that local supply of gas was depleted necessitating the purchase of greater volumes of higher priced southwest gas from New York State Natural Gas Corp	12,300
Penn York Natural Gas Corp. increased on Nov. 20, 1948, by reason of the fact that additional supplies of gas were purchased at higher price from New York State Natural Gas Corp	87,500
West Texas Gas Co. increase to Southern Union Gas Co. by reason of the fact that it has to purchase higher priced gas from El Paso Natural Gas Co. to meet contract requirements	90,000

[1] At the time of this increase the southern California companies secured additional commitment from El Paso for the delivery of 60,000 thousand cubic feet per day. As a consideration for this increase the southern California companies agreed to an increase in the price for all gas delivered which included previous delivery of 305,000 thousand cubic feet per day. We are not informed whether or not these negotiations were at arm's length.

[2] At the time of this increase Mississippi secured additional commitment from United equivalent to 122,000 thousand cubic feet per day. As a consideration in securing this commitment Mississippi agreed to increase the price under its old contract covering delivery of 73,000 thousand cubic feet per day. We are not informed whether or not these negotiations were at arm's length.

In addition to the above, the following increases have been filed and are pending before the Commission either under formal suspension or informal investigation:

Atlantic Seaboard Corp. has requested an increase of $670,000 to reflect increased cost of gas purchased and increased facilities.

Ohio Fuel Gas Co. has requested an increase of $728,000 to take care of higher purchased gas costs and new facilities.

Hope Natural Gas Co. has requested an increase of $2,000,000 in part to take care of increased costs of purchased gas and because of decreasing revenues from the sale of natural gasoline and other byproducts.

Michigan-Wisconsin Pipe Line Co.: This company was granted a certificate to construct and operate a pipe line extending from the Texas Panhandle to markets in Wisconsin and Michigan. Its sole source of supply is Phillips Petroleum Co. In its initial certificate case it showed a cost of purchased gas of 5 cents per thousand cubic feet. Subsequently, prior to completion of its project, it applied for and was granted a certificate for a larger capacity pipe line. This line was completed last fall and in a hearing concerning its rates for deliveries from such line, in February 1950, the company testified that its purchased-gas costs have increased from the 5 cents per thousand cubic feet, originally contemplated, to 9.0 cents per thousand cubic feet (exclusive of a further increase resulting from application of an inflation-adjustment provision). In dollars this represents an increase of $2,100,000 annually in charges to customers of Michigan-Wisconsin Pipe Line Co. This company now has pending before the Commission an application to further increase its pipe-line capacity. Evidence presented by the company indicates that part of the additional supplies of gas required for this project will cost 10 cents and 12 cents per thousand cubic feet with contract provisions providing for 1 cent per thousand cubic feet increases in the price of gas at 5-year intervals.

El Paso Natural Gas Co. has filed a proposed increase of $2,500,000, about one-third of which it attributes to increased costs of purchased gas.

Sincerely yours,

FEDERAL POWER COMMISSION,
By NELSON LEE SMITH, *Chairman.*

RECESS

Mr. McFARLAND. Mr. President, I move that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 21, 1950, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 20, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our gracious benefactor, as we go forth to meet the duties and responsibilities of this new week may we earnestly pray and labor for peace and good will among men.

Grant that the nations of the earth may be eager to win and prove worthy of one another's confidence and be united in the will and the effort to strengthen the bonds of friendship.

Show us how we may bring in that day of blessedness when man shall be too strong to be chained and too large to be imprisoned by anything which defiles and degrades his soul and makes him break faith with his nobler and better self.

In Christ's name we pray. Amen.

The Journal of the proceedings of Thursday, March 16, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2205. An act to authorize the Commissioners of the District of Columbia to provide for the removal of sludge.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–18.

HENRY LUCE, EDITOR OF TIME MAGAZINE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on March 6 Time magazine, edited by Henry Luce, made a vicious attack on me for my fight against the FEPC.

I think it is about time the American people knew that Henry Luce bribed Whittaker Chambers for 9 years at $30,000 a year when he was probably not worth $2,000 a year, and put him up ostensibly as one of the editors of Time magazine, to keep Whittaker Chambers from telling what he knew.

If the Committee on Un-American Activities wants to render a real service to the American people, or if the committee at the other end of the Capitol wants to render a real service to the American people, let them call Whittaker Chambers, the ex-Communist, down here, who has already turned in enough evidence to convict Hiss and a dozen others, and let him tell the American people why old Henry Luce bribed him at $30,000 a year for 9 years to keep him from telling the Congress and the American people what he knew.

APPLYING ANTITRUST LAWS TO UNIONS

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Speaker, during the recent coal strike much resentment was expressed on the floor of this House. The wrath against the conduct of Mr. Lewis and his powerful union was, in my opinion, well justified.

Since the crisis has subsided very little, if anything, is being said or done toward preventing future occurrences of like nature. Mr. Lewis has gained the highest hourly wage rate for his miners that exists in any of the major industries. The auto workers are sixth down the line and the pressure is on Mr. Reuther to demand wage raises. Mr. Murray will soon be ready to start his campaign for increases for his CIO steelworkers. Then will come Mr. Green

of the A. F. of L., who must catch up with the others.

The pressure is on every union head to make his demands and so goes the merry-go-round. The union boss must maintain his position as leader and he can only do so by keeping up with the gains of his competitor. But is it really competition? This type of competition is not strange to the country now, but the union which can tie up a complete segment of our economy, and thereby finally paralyze all business and industry related thereto, must be pretty much monopolistic.

There are measures pending in the House and in the other Chamber which propose to apply the antitrust laws to the powerful unions which are capable of paralyzing this Nation, and I think it is time that consideration be given to those proposals.

The right of labor to organize and bargain collectively need not be denied or impaired, but when any group is able to impose its will upon free people, without self-discipline, and in a manner incompatible with the national welfare, then it becomes the duty of this Congress to protect the rights of those outside these special groups who may, in periods of emergency, be completely at their mercy.

EXTENSION OF REMARKS

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. POLK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks and include a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. POLK addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. PRICE asked and was given permission to extend his remarks in the RECORD in two instances, in each to include extraneous matter.

Mr. GORSKI asked and was given permission to extend his remarks in the RECORD.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD and include an article written by Gov. Ernest Gruening, of Alaska.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD.

STEAM GENERATING PLANTS IN MISSOURI

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, since the 1st of January two steam generating plants have been allowed for my State of Missouri and permission to build two transmission lines has been granted, one to connect with the Norfork on the White River in Arkansas and another to connect with Bull Shoals when it is ready to generate, on the White River, Arkansas, extending up through my State. It has been attacked from many quarters as being socialism and interfering with private business. I want to tell you this morning, 42 cities and towns in the State of Missouri have their own steam generating plants or Diesel-driven plants, which is the same thing. Independence, Mo., which is a suburb of Kansas City, has one of these steam generating plants.

The question I want to ask the House this morning is: If it is communistic and socialistic for all the farmers in the State of Missouri to have two steam generating plants, what is it for these 42 cities and towns to have one apiece?

The following cities and towns in Missouri have municipal generating plants: Albany, Carrollton, El Dorado, Hannibal, Kahoka, Malden, Odessa, Rockport, Vandalia, Bethany, Carthage, Farmington, Harrisonville, Kenneth, Marcelene, Palmyra, Salisbury, West Plains, Butler, Centralia, Fayette, Higginsville, Kirkwood, Marshall, Paris, Shelbina, California, Chillicothe, Fulton, Independence, LaPlata, Memphis, Pleasant Hill, Slater, Canton, Columbia, Gallatin, Jackson, Macon, Monroe City, Poplar Bluff, Trenton, and I am very glad that they do have. My home town of Butler, you will notice, owns its own generating plant. Every one of these towns and cities has a perfect right to generate the current that they use. It is not socialistic nor communistic. Neither is it an infringement on the rights of the private power companies. Neither would it be socialism for the farmers of the State of Missouri to have access to the hydro-electric power generated at flood-control dams, firmed up by two or more steam plants so that their co-op REA lines could have a sure and dependable source of current at a reasonable price—current that would make them as independent of the private power companies as the 42 cities and towns named above.

The average farmer seems to think that when an REA line has been constructed to or past his farm and his house and other buildings have been wired and the line energized and he has demonstrated to himself how great a blessing electric lights and power really are, that his worries are all over. He seems to think that he will always have this service. He stands a very good chance to wake up some day to the cruel fact that an REA line to his farm does not mean continued service at a rate he can afford to pay. If private power companies are allowed to monopolize every kilowatt-hour of current generated as they are trying so desperately to do, the REA co-ops will be forced into bankruptcy and will be taken over by private power companies at a fraction of the cost of construction. Then the rates will be raised and private power companies will begin to reap the crop they are seeking so feverishly to sow at the present time. Missouri co-ops are paying 50 percent more than the national average for power at wholesale today. The supply is limited even at that price and the higher the price paid for current at wholesale the longer it will take the co-ops to pay for the lines and make the system farmer owned. Low voltage has stalled or burned out equipment. New lines have stood for months unenergized while farmers waited for service. These transmission lines and generating plants will guarantee that these conditions will not continue to exist. If REA co-ops must continue to depend on private power companies for every kilowatt-hour of energy they need they will remain indefinitely at the mercy of the power trust. These private power companies will still be in a position to dictate the terms of power contracts. They will continue to tell the co-ops who they can and cannot serve. What areas they can and cannot serve.

One power company president has already told a co-op manager that private power companies were under no obligation to energize lines of the co-ops. I know the power companies are bitterly opposing the construction of these lines and plants in Missouri. One of their emissaries called me recently by long distance from Missouri and informed me in his opinion my attitude on these lines would defeat me in the election this fall. I assured the gentleman that I would far rather see the lines built and the generating plants constructed and be defeated for reelection than to win in the coming election and lose the lines and plants and I mean exactly that.

The SPEAKER. The time of the gentleman from Missouri has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[Mr. MOULDER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. CUNNINGHAM asked and was given permission to extend his remarks in the RECORD and include an editorial.

COLLEGE INTEREST IN CIVICS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRAHAM. Mr. Speaker, today, at Westminster College in New Wilmington, Lawrence County, Pa., in the Twenty-fifth Pennsylvania District, the sessions of a mock Congress will get

under way and continue for the next 3 days.

Over 450 of the some 1,500 students will take part.

Dr. Will W. Orr, president of the college will deliver the message on the state of the Union.

Committees responsible for writing, planning, and reporting bills to the session have been organized for several weeks.

A majority and a minority leader have been selected.

Last week caucuses to formulate party plans for supporting legislation and to select party nominees for permanent speaker, clerks, and parliamentarians were held.

Committees and delegates are patterned after actual party representation in Congress and of course this means that the Democrats will be in control. Bills have been prepared on various subjects of national interest.

Mr. Speaker, I think this is a splendid thing. It evidences the willingness of a considerable group of highly intelligent young people to take a deep interest in the affairs of our Government and to seek to understand the legislative processes of this body.

I am sure that all who participate in this movement will be all the better for having done so.

DOUBLE STANDARD OF PUNISHMENT

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, after thinking it over, the Russian spy Gubitchev has finally decided to accept the invitation of the State Department and will take a cruise today to Russia. Mr. Acheson recommended the cruise, to be paid for out of the United Nations' expense account, in place of the 15-year jail term which ordinarily would go to the convicted spy.

By this action in the Gubitchev case, Mr. Acheson served notice on other foreign agents who are doing espionage and spy work in the United States that if they are caught and found guilty they need fear no severe punishment at our hands, merely a boat ride back home.

The Secretary of State is a two-standard man; punishment and jail for American citizens who work and cooperate with foreign spies; freedom and a boat ride for the spies themselves.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in four separate instances and in each to include extraneous matter.

Mr. DAGUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from a recent issue of the Saturday Evening Post.

Mr. POULSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. DAGUE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. DAGUE addressed the House. His remarks appear in the Appendix.]

RED HERRING

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I should like to propose a $15,000 appropriation for the propagation of red herring. Where you could get the dough I do not know. This, I fear, is a species of fish that may become extinct and that in the fall we are going to have a hard time finding enough of this species of fish for the administration to thrive on. It is possible, of course, that in the fishing that will be done by a certain group of people at Key West these days enough of this species of fish may be caught to last for a while.

Members of Congress, they are now getting ready for the proposal to give some four or five billions for foreign aid under ECA, the most extravagant spending of American funds that has ever been known, so extravagant that the American taxpayer must bend his back in order to meet the conditions of taxation. We shall have to watch out, for about the time that bill is brought to Congress somebody will bring a red herring to drag across our trail, or another bomb will be dropped. It is coming, surely coming, and that very soon. Beware of red herring or bombs. Keep your taxpayers in mind. Be nifty and thrifty in fifty.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

SPECIAL ORDER GRANTED

Mr. ANGELL asked and was given permission to address the House for 15 minutes today following the legislative business and other special orders of the day.

CLARK CLIFFORD

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, we read in the papers the other day that Clark Clifford, who recently resigned as personal counsel to the President, has been appointed Washington attorney for Howard Hughes' Trans-World Airlines.

Then we read yesterday where the first thing that Clifford did after getting this $50,000-a-year job was to fly to Key West for a "social visit" with the President. The Chief Justice of the United States was in Key West at the same time for a "social visit."

Ever since the early days of the New Deal and down through both Democratic administrations we have seen man after man come to Washington, take high positions in the Government, make the proper friends and connections, and then resign to become Washington attorneys for big corporations and big interests.

So Clifford joins the long list of the Corcorans, the Arnolds, the Fortases, the Krugs, and the other gentlemen, each with his background indicating he will be of special benefit to his clients.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House on Wednesday next, March 22, for 10 minutes following disposition of the legislative business of the day and at the conclusion of any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts, Mr. GOLDEN, and Mr. WERDEL asked and were given permission to extend their remarks in the RECORD.

Mr. LOVRE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MACY asked and was given permission to extend his remarks in the RECORD and include two resolutions that he introduced last week.

Mr. ELSTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Cincinnati Enquirer.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include copy of a letter he has written.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD an include two newspaper articles.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. SAYLOR asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. HOBBS asked and was given permission to extend his remarks in the RECORD and include some ancient history.

Mr. WHITTINGTON asked and was given permission to extend his remarks in the RECORD and include an address he delivered at Jackson, Miss., on March 16, 1950.

REFERRAL OF H. R. 993 AND H. R. 7740

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of the bills, H. R. 993 and H. R. 7740, and the bills be referred to the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

VALENTIN GUBITCHEV

Mr. WERDEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WERDEL. Mr. Speaker, in the long history of the United States there is nothing to parallel the action of the State Department in freeing Valentin Gubitchev, the Russian spy.

By directing that Gubitchev be sent back to Russia, Mr. Acheson has belittled our courts and our prosecutors; he has made a complete travesty of justice.

By what authority did the Secretary of State interfere with the orderly process of our laws? When did the people of the United States give the Secretary of State the authority to pardon, parole, or wipe out the penalty provided by our laws for an enemy spy after he was fairly tried and convicted in our courts by a jury of American citizens?

Mr. Acheson's interference in the Gubitchev case is the high water mark in the growing flood of State Department arrogance, interference, muddling, and downright incompetency.

The spy Valentin Gubitchev now is permitted to go home to make an oral report to correct previous written communications in the plan to wreck our Government, our economy, our churches, our cities, and our people.

SURPLUS FOOD

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I am glad to have good news to report this noon that the Committee on Agriculture is scheduled to hold hearings on next Wednesday on resolutions that four of us have introduced to solve this problem of food surpluses. I understand there are 17 or 18 other bills to be considered, which altogether should provide means by which we can break through this mess as far as the distribution of surplus food is concerned.

I must say that over the week end the silence from the Little White House has been resounding. I sent two telegrams, but have received no acknowledgment. This noon I sent another one, reading as follows:

The PRESIDENT,
Key West, Fla.:

I am sure you realize how discouraging it is to me not to receive any acknowledgments of my recent telegrams and not to have any word whatever from either Secretary Brannan or Director Pace in reply to my telegrams to them. In view of the hearings Wednesday morning will you not order action before tomorrow afternoon? Does not this accumulated waste of $2,820,000 impress you?

JOHN W. HESELTON,
Member of Congress.

I also include for the RECORD my telegrams of Saturday and Sunday noons:

SATURDAY

WASHINGTON, D. C., *March 18, 1950.*

The PRESIDENT,
Key West, Fla.:

Have received official notice from Committee on Agriculture that hearings will be held on H. R. 7135, 7136, 7137, and 7138 Wednesday at 10. Since I have not received report of Department of Agriculture, although Mr. Connelly advised me in his letter of March 11 that you had requested the Secretary to give my correspondence his careful and appropriate consideration, may I now request that you remind him of your request. It is still a matter of great concern to me that you have done nothing to terminate this wanton waste of public funds. In the light of the legal opinion of the Associate Solicitor, Mr. Shulman, and of the crystal-clear statements of congressional intention by Senators AIKEN and ANDERSON, will you not take immediate steps to correct the existing situation? May I remind you that a week ago today the authors of these bills requested you to discuss them with Director Pace? Since you have not acknowledged those requests, we have no way of knowing whether the matter was discussed. May I further remind you that the total loss to the American taxpayer since the date these bills were filed now amounts to $2,700,000?

JOHN W. HESELTON,
Member of Congress.

SUNDAY

WASHINGTON, D. C., *March 19, 1950.*

The PRESIDENT,
Key West, Fla.:

Another day lost. Another $60,000 wasted. Total loss since February 2, $2,760,000. That would have paid freight on tons of good food. Please think this over.

JOHN W. HESELTON,
Member of Congress.

EXTENSION OF REMARKS

Mr. HARRISON asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

VALENTIN GUBITCHEV

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, the attention of the House of Representatives has been called to the fact that Valentin Gubitchev will not be sentenced and imprisoned for the offenses which he has been found guilty of having committed, but will be sent back to Russia after being paroled, and complaint has been made that the State Department took charge of the whole affair and paroled the defendant Gubitchev without previous precedent and enabled this man to go back to Russia to report in person concerning his spying activities.

Now, surely in this body matters ought to be stated correctly. I do not wish to needlessly find fault with the gentleman from California [Mr. WERDEL], who previously addressed you, but he is incorrect in heaping all of his blame upon the State Department. The trial judge is the only one who could parole Gubitchev, and in his parole it may further provide that he, Gubitchev, be sent out of our country. The State Department's only action in the matter was in giving its recommendation so to do to the trial judge. I do not believe that the mistaken word ought to go out from the House of Representatives that the State Department is paroling people, because that is not correct. They had a perfect right to make a recommendation to the trial judge, as an interested governmental agency, that Gubitchev should be paroled and returned to Russia, and the trial judge in the regular and orderly way, pursuant to law, could entertain favorably that recommendation and parole the culprit and order his deportation. That has been, and still is, the law of the land.

No one would or should criticize the State Department for making its recommendation to the judge, particularly when the judge entertained such recommendation favorably.

It ill behooves anyone to find fault with the able trial judge who has been given the right by properly established law to exercise a sound legal discretion as to not only what sentence should be pronounced upon a convicted person, but also as to whether or not such person should be paroled, and upon what conditions statutory or otherwise, that parole should be based.

Surely no lawyer in or out of this legislative body can add to his laurels by denouncing the Department of State because they made a recommendation to a court, and surely no lawyer or other person should criticize a judge for discharging his duty under the law, pursuant to his oath.

I sometimes wonder why we have all of this carping criticisms around here about the way and manner in which other public servants discharge their duties in the executive and judicial departments of our Government. These ultrachronic criticizers should not look for the mote in the other fellow's eye but for the king-sized beam in their own.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

BENEFITS FOR ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948

The Clerk called the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, as amended, prior to April 1, 1948.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CONSTRUCT CERTAIN VETERANS' ADMINISTRATION HOSPITALS

The Clerk called the bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SETTLEMENT OF CERTAIN PARTS OF ALASKA BY WAR VETERANS

The Clerk called the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

TRAINING OF VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT

The Clerk called the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944).

Mr. TRIMBLE. Mr. Speaker, a rule has been granted on this bill. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PROVIDING A CIVIL GOVERNMENT FOR GUAM

The Clerk called the bill (H. R. 4499) to provide a civil government for Guam, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTENDING CERTAIN VETERANS' BENEFITS

The Clerk called the bill (H. R. 6561) to extend certain veterans' benefits to or on behalf of dependent husbands and widowers of female veterans.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERISHABLE AGRICULTURAL COMMODITIES ACT

The Clerk called the bill (H. R. 5511) to amend the provisions of the Perishable Agricultural Commodities Act of 1930, relating to practices in the marketing of perishable agricultural commodities.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DEDUCTIONS BY LAND GRANT COLLEGES IN CERTAIN ESTIMATES OF COST PRESENTED TO THE VETERANS' ADMINISTRATION

The Clerk called the bill (H. R. 7057) to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions.

Mr. CUNNINGHAM. Mr. Speaker, I understand that this bill is on the program to be considered today under suspension of the rules. Therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

REQUIRING THE RECORDATION OF SCRIP

The Clerk called the bill (H. R. 5122) to require the recordation of scrip, lieu selection and similar rights.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any owner of, and any person claiming rights to, Valentine scrip, issued under the act of April 5, 1872 (17 Stat. 649); Sioux Half Breed Scrip, issued under the act of July 17, 1854 (10 Stat. 304); Supreme Court scrip, issued under the acts of June 22, 1860 (12 Stat. 85), March 2, 1867 (14 Stat. 544), and June 10, 1872 (17 Stat. 378); Surveyor-General scrip, issued under the act of June 2, 1858 (11 Stat. 294); a soldier's additional homestead right, granted by sections 2306 and 2307 of the Revised Statutes; a forest lieu selection right, assertable under the act of March 3, 1905 (33 Stat. 1264); a lieu selection right conferred by the act of July 1, 1898 (30 Stat. 597); a bounty land warrant issued under the act of March 3, 1855 (10 Stat. 701); or any lieu selection or scrip right or bounty land warrant, or right in the nature of scrip issued under any act of Congress not enumerated herein (except the indemnity selection rights of any State, or of the Territory of Alaska) shall, within 3 years from the effective date of this act, present his holdings or claim for recordation by the Bureau of Land Management.

SEC. 2. In the case of a transfer after the effective date of this act, by assignment, inheritance, operation of law, or otherwise, of a holding or claim of any right required by this act to be recorded, the holding or claim of right so acquired shall be presented to the Bureau of Land Management within 6 months after such transfer for recordation by it; except that where such transfer occurs within the period of 3 years from the effective date of this act and the prior owner has not c mplied with provisions of this act, the owner or claimant by transfer shall have the remainder of such period or a period of 6 months, whichever is the longer, within which to present his claims or holdings for recordation.

SEC. 3. There shall be endorsed on the evidence of the right or warrant each recordation thereof.

SEC. 4. Claims or holdings not presented for recordation as prescribed herein shall become null and void and all rights and interests thereunder shall terminate.

SEC. 5. The Secretary of the Interior is authorized to make rules and regulations to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BIANNUAL PAYMENTS TO STATES UNDER OIL LAND-LEASING ACT

The Clerk called the bill (H. R. 6292) to provide that payments to States under the Oil Land-Leasing Act of 1920 shall be made biannually.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to have some information on this legislation.

Mr. BARRETT of Wyoming. Mr. Speaker, the bill merely provides that the payments be made to the States twice a year rather than annually. At the present time the payments made to the States under the act are nearly a year late in getting to the States. It just provides that the payments will be made twice a year instead of yearly.

Mr. RICH. If it takes them a year now to get the payments, under this legislation they will have to put on a larger force, in order to do it in a half year, and it will cost a whole lot more.

Mr. BARRETT of Wyoming. The gentleman is mistaken. They have reported it will call for little, if any additional expense.

Mr. RICH. Who said that?

Mr. BARRETT of Wyoming. The Department, in its report to the committee.

Mr. RICH. It is not going to cost any more?

Mr. BARRETT of Wyoming. No; it will not cost any more. They can do the work with the same force.

Mr. RICH. If it does not cost any more, I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 35 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, as amended (30 U. S. C., sec. 191), is hereby amended by striking out "after the expiration of each fiscal year" and inserting in lieu thereof "as soon as practicable after December 31 and June 30 of each year."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES PENITENTIARY, TERRE HAUTE, IND.

The Clerk called the bill (S. 1746) to authorize the transfer to the Attorney General of the United States a portion of the Vigo, formerly the Vigo ordnance plant, near Terre Haute, Ind., for use in connection with the United States Penitentiary at Terre Haute.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the War Assets Administrator be, and he hereby is, authorized and directed to transfer to the control and jurisdiction of the Attorney General of the United States, for use in connection with the United States Penitentiary at Terre Haute, Ind., all of that tract of land containing approximately eighty-three and eight-tenths acres, more or less, including all improvements thereon, described as follows: Beginning at the point of intersection of the

centerlines of Dixie Highway No. 41 and Rice Road and extending north along the centerline of Dixie Highway No. 41 approximately six hundred and fifty-six feet and thence northwest along the centerline of Dixie Highway No. 41 approximately one thousand two hundred and nineteen feet to the point of intersection of the centerlines of Dixie Highway No. 41 and Wabash Road and thence west from the point of intersection of the centerlines of Dixie Highway No. 41 and Wabash Road approximately one thousand six hundred and eighty-eight feet to the point of intersection of the centerlines of Wabash Road and Sycamore Road and thence south from the point of intersection of Wabash Road and Sycamore Road approximately one thousand seven hundred and eighty feet to the point of intersection of the centerlines of Sycamore Road and Rice Road and thence east from the point of intersection of the centerlines of Sycamore Road and Rice Road approximately two thousand two hundred and nineteen feet along the centerline of Rice Road to the point of intersection of the centerlines of Rice Road and Dixie Highway No. 41, being the point of beginning, and containing eighty-three and eight-tenths acres, more or less as shown on H. K. Ferguson Co.'s drawing No. 1—1, being a part of the Vigo plant of the Department of the Army near Terre Haute, in Vigo County, State of Indiana; now surplus to the needs of the Department of the Army and in the possession of the War Assets Administrator awaiting disposal.

SEC. 2. The transfer provided for in this act shall be effected without reimbursement or transfer of funds.

Mr. BONNER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONNER: On page 1, line 3, strike out "War Assets" and insert in lieu thereof "General Services"; and on page 3, line 3, strike out "War Assets" and insert in lieu thereof "General Services."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSAL OF WITHDRAWN PUBLIC TRACTS

The Clerk called the bill (S. 1543) to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, Mr. Speaker, I should like to have somebody explain this bill.

Mr. MURDOCK. Mr. Speaker, it is stated that there are 32,000 acres of land situated in the 17 Western States in very small tracts which are within the withdrawn areas of irrigation districts, but too small to be constituted into farms. The bill merely provides that the Secretary shall be empowered to dispose of these to farmers within the given districts under certain conditions specified in the bill.

Mr. RICH. Will the moneys that are received for these lands be collected by the Federal Government and returned to the Treasury?

Mr. MURDOCK. They will be returned to the reclamation fund; that is right.

Mr. RICH. That is a revolving fund, where they use it over and over, and you will get the benefit of it down there in Arizona for years. In other words, we give up the land now and you in Arizona are going to get the land for your own benefit.

Mr. MURDOCK. The land as it lies there now is not being used, and 32,000 acres would contribute materially to our economy.

Mr. RICH. Economy? We have no such thing here in Washington. Does the Department of the Interior approve this legislation?

Mr. MURDOCK. Yes.

Mr. RICH. They recommend it?

Mr. MURDOCK. They recommend it. It is unanimously approved by the committee, recommended for passage by the Department, and it has the approval of the Budget.

Mr. RICH. Was there any objection to it by anybody?

Mr. MURDOCK. An amendment was offered in the committee which took away some of the discretion of the Secretary and provided for the operation of the law in handling such tracts.

Mr. RICH. Is it good legislation or is it bad legislation?

Mr. MURDOCK. It is good legislation. It should be enacted.

Mr. RICH. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in accordance with the provisions of this act and notwithstanding the provisions of any other law, the Secretary of the Interior, hereinafter styled the Secretary, is authorized, in connection with any Federal irrigation project for which water is available, and after finding that such action will be in furtherance of the irrigation project and the act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplemental thereto, hereinafter styled the Reclamation Act, to dispose of any tract of withdrawn public land which, in the opinion of the Secretary, has less than sufficient acreage reasonably required for the support of a family and is too small to be opened to homestead entry and classed as a farm unit under the Reclassification Act.

SEC. 2. The Secretary is authorized to sell such land to resident farm owners or resident entrymen, on the project upon which such land is located, at prices not less than that fixed by independent appraisal approved by the Secretary, and upon such terms and at private sale or at public auction as he may prescribe: *Provided*, That such resident farm landowner or resident entryman shall be permitted to purchase under this act not more than 160 acres of such land, or an area which, together with land already owned or entered on such project shall not exceed 160 irrigable acres.

SEC. 3. After the purchaser has paid to the United States all the amount on the purchase price of such land, a patent shall be issued. Such patents shall contain a reservation of a lien for water charges when deemed appropriate by the Secretary, and reservations of coal or other mineral rights to the same extent as patents issued under the homestead laws and also other reservations, limitations, or conditions as the Secretary may deem proper.

SEC. 4. The moneys derived from the sale of such lands shall be covered into the reclamation fund and be placed to the credit of the project on which such lands are located.

SEC. 5. The Secretary of the Interior is authorized to perform any and all acts and to make rules and regulations necessary and proper for carrying out the purposes of this act.

With the following committee amendment:

Page 2, line 23, strike out "The Secretary may deem proper" and insert "now provided by law."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. THOMAS WALKER BICENTENNIAL HISTORICAL PAGEANT

The Clerk called the concurrent resolution (H. Con. Res. 130) relating to the holding in 1950 of the Dr. Thomas Walker Bicentennial Historical Pageant.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, and I do not intend to object, may I ask the author, the gentleman from Kentucky [Mr. GOLDEN], to explain this resolution?

Mr. GOLDEN. Mr. Speaker, exactly 200 years ago, in 1750, Dr. Thomas Walker left his beautiful plantation home at Castle Heights near Charlottesville, Va., on his great adventure to travel as the first white man into the wilderness of the West.

A national celebration is to take place this year and as this first journey of Dr. Walker was the initial step in carving our Nation out of the wilderness of America, this occasion is of national importance. It is of especial interest and importance to all peoples of Virginia, Tennessee, Kentucky, and West Virginia because these four great States were traversed by Dr. Walker on his famous journey.

The general assemblies and legislatures of the four above-named States have already passed appropriate resolutions not only calling upon the people who reside in those four States but upon the people of America to join in the celebration of this historical event. In addition to this, the other body, the Senate of the United States, has passed an appropriate resolution and there is now pending before this body, the Congress of the United States, a resolution which I introduced requesting that the Congress pass a resolution commemorating the two-hundredth anniversary of this journey and calling it to the attention of the American people, and requesting them to take part in this celebration.

These celebrations will be held all along the traveled route of Dr. Walker in the four States, but on the exact date 200 years from the time that Dr. Walker and his pioneer companions built the first house erected by white man west of the Allegheny Mountains will be held in my congressional district in Knox County, Ky., 5 miles below Barbourville, Ky., on the exact site where this first house and first settlement was built and

made on April 29, 1750. This great journey was made 26 years before the birth of this Nation and the signing of the Declaration of Independence.

Dr. Walker was a very learned gentleman. He was a physician and surgeon, a scholar, and a surveyor. He made the first effort to conquer the western wilderness of the United States and, in fact, this journey gave birth to all of the States west of the Alleghenies and was significant in the building up of this great Nation. At the time Dr. Walker had this great vision that there could be established here an independent nation there were only Thirteen Colonies over here.

The colony of Virginia gave to Dr. Walker and his companions a land grant and a commission authorizing him to go into this unknown expanse of territory and take up 50,000 acres of land for the purpose of establishing a permanent outpost of our early civilization. Fortunately, for future generations, Dr. Walker, being a scholar, kept a daily journal of his travels and he is the first white man known to American history that pushed back with his pioneering, courageous companions into this part of America.

After leaving his home he first went down through that portion of Virginia lying west of Charlottesville and stopped and identified many places that have now become towns and cities, including Marion, Roanoke, Abingdon, and other localities in Virginia. He crossed into what is now the State of Tennessee and visited a point where Kingsport, Tenn., is now located and journeyed on to near Tazewell, Tenn., on the eastern slopes of the great range of mountains at this point, and he is the first white man that found the low gap in this range of mountains and he crossed with his band of pioneers into what was at that time the western portion of America.

He named this range of high mountains the Cumberland Mountains, after the Duke of Cumberland. He named the low gap in these mountains Cumberland Gap, and at this point there is now being established a great national park and it is where the States of Virginia, Tennessee, and Kentucky come together. These three great States have acquired several thousand acres of land and they are in the process of transferring this land to the National Government for the purpose of completing one of the greatest national parks and national shrines in America.

Cumberland Gap is of national interest because in the next century following this first trip of Dr. Walker and his companions most all of the wagon trains filled with pioneers going west in search of freedom and homes passed through this low gap in Cumberland Mountains. Dr. Walker traveled down 4 miles further into what is now known as Bell County, Ky., and the city of Middlesboro; turning north he passed approximately 12 miles further to the present site of the city of Pineville, Ky.

At this point he discovered the river which he named the Cumberland River. This great stream that bears this name is approximately 700 miles long. It has its source in the range of the Cumberland Mountains in the southeastern section of Kentucky and it flows down through a large portion of Kentucky, back into the State of Tennessee and returns to Kentucky and flows into and becomes a great tributary of the Ohio.

After crossing the Cumberland ford at Pineville he passed on northward through what is now Bell and Knox Counties, Ky., near the present site of Barbourville, Ky., and this is one of the oldest cities in the great Commonwealth of Kentucky and one of the early cities of America. Five miles down Cumberland River in Knox County from Barbourville, he and his companions, after Herculean efforts, made a crossing out of this river and went out into the rich river bottoms on the western banks of the Cumberland River and established the first settlement and built the first house in all of the western portion of the United States. This occurred on April 29, 1750.

There has been erected a monument as well as some buildings at this site to commemorate this great man that figures so largely in the early history of America. At the present time there is a Kentucky State park at this site donated to the Commonwealth by the American Legion and other civic and veteran organizations. It is contemplated that within a comparatively short time this property and this Dr. Walker site will be transferred to the United States Government in order that it may become another of our great national shrines.

Pushing further northward, Dr. Walker traveled through many other locations in Kentucky where Kentucky towns are now built up, including Laurel County and London, Ky., Rockcastle County and Mount Vernon, Ky., and on through the present location of Irvine, Ky., in Estill County. Dr. Walker and his pioneer companions then turned into the great State of West Virginia and his journal gives exact accounts and locations of the places he visited, and he pushed on in his return trip to his native colony of Virginia and he returned to his home at Castle Heights.

This great journey occupied many months. It was of a permanent nature and followed up by Dr. Walker on subsequent trips and many other pioneers traveling west followed this route that was first blazed by Dr. Walker and his companions in conquering the great western wilderness of this country. He preceded the great pioneer and Indian fighter, Daniel Boone, by several years. When Boone went into Kentucky he followed the route marked out by Dr. Walker through Cumberland Gap into Kentucky. Dr. Walker and his companions were inspired with the great spirit of freedom. They sought land and homes where they could be free to work out their own livelihood and happiness.

It is a significant fact in the history of the United States that Dr. Walker was named by Peter Jefferson, father of Thomas Jefferson, as the executor of his will, and it is significant that Dr. Walker was also named and appointed as the statutory guardian of Thomas Jefferson, this great American statesman and early President of the United States. We learned that after the death of Peter Jefferson that Dr. Walker had a great deal to do with the early training and education of Thomas Jefferson and to Dr. Walker goes a large share of the credit for forming and molding in Thomas Jefferson one of the greatest statesmen in all history.

Many prominent men and women throughout the United States and many high officials have been invited to and are expected to come and participate in this celebration at Dr. Thomas Walker Park in Kentucky. It is my belief that the passing of this concurrent resolution in the Congress of the United States will do much to mark this great historical event and call it to the attention of the American people, that it will help our people to better appreciate the great founders of this Nation, and it will add much to the love and patriotism of our people for our country.

There has been formed, down in Kentucky, a Dr. Thomas Walker Association. The chairman of this association is a former Governor of Kentucky, Hon. Flem D. Sampson, of Barbourville, Ky.

This association embraces representatives from all the churches, chambers of commerce, Kiwanis Club, Lions Club, women's organizations, all of the veterans' organizations, and the State, county, and city officials of the Commonwealth of Kentucky.

During the comparatively short history of the United States, as compared to many other ancient and modern nations, we have produced three great Americans that all people, without regard to party lines or different religious beliefs, recognize as towering giants, entitled to the love and adoration and respect of the peoples of the world.

Gen. George Washington contributed most by fighting and winning the Revolutionary War, gaining our freedom as a Nation from the mother country and, as President of the United States, helped to lay the ground sills upon which our great American Nation was built.

Thomas Jefferson, who was partially brought up and educated under the guiding hand and with the counsel and advice of Dr. Thomas Walker, besides being one of our greatest Presidents, wrote the Declaration of Independence and breathed the breath of freedom into the American soul.

Abraham Lincoln, who was born and had his early childhood in the wilds and wilderness of early Kentucky, that was first founded, discovered and marked out by Dr. Thomas Walker, saved this Nation of ours and preserved the Unicn in its darkest hours during the Civil War. He brought us through that terrible struggle and enabled us to be united as one and to grow into the great, good and powerful Nation that we are, that now is the beacon light and leader for all the nations of the world toward God and freedom and all that mankind loves and cherishes.

Dr. Thomas Walker married a cousin of Gen. George Washington, and we are told that he was in business with General

Washington and he fought under Washington as a soldier.

It appears to me that Dr. Thomas Walker is in deed and in fact the great connecting link that united the souls of these three great Americans and helped to give birth to a vision that here in this new land there were the possibilities of the greatest Nation under the shining sun.

At the time Dr. Thomas Walker began to shape the destiny of this great Nation by this early trek down through Virginia, Tennessee, and into Kentucky, our forefathers were British subjects.

This occurred 26 years before his protégé, Thomas Jefferson, penned the immortal document, the Declaration of Independence. The Thirteen Original Colonies, at the time Dr. Walker began to move onto the American stage, was nothing more than a few British outposts engaged in trade with England.

It is my deep conviction that this intrepid pioneer, this great physician and surgeon, this courageous soldier, this former Member of the Colonial Congress, Dr. Thomas Walker, as much as any American that ever lived, conceived in his mind a vision that this new land was to become a great Nation.

He not only with great courage and foresight surrounded himself by other courageous, pioneering spirits and marched first into the great western wilderness to start the process of carving out a new Nation, but on the other hand, he began to plant in the minds and souls of the men with whom he was associated, and especially in the great soul and mind of Thomas Jefferson, the spirit of independence and freedom, and he took up, in my opinion, at the very start the great torch and beacon light that led the footsteps of early Americans in the founding of our great Nation.

Up to date, history has not accorded to him the position that he justly deserves.

From his early efforts the great State of Kentucky was formed. He blazed the first trail that led into the west, the far west, and the northwest portions of the United States.

It has often been said that Kentucky is the mother of governors. It is true that her native sons, in continuing this march westward, that Dr. Thomas Walker started, furnished to many great States of the West their chief executives.

It has often been said that the most beautiful women in America were Kentucky born. It should also be remembered that these Kentucky women, over the past century and more, have become the wives and mothers of many great Americans that have emigrated into other States and contributed so much to the building of this great Nation.

For over 100 years Kentucky has been giving up her sons and daughters who have moved away from their native State to take permanent part in the building of other States and to enrich the lives of the peoples of other States.

In this great 1950 Kentucky homecoming, we hope to induce many thousands of former Kentuckians and descendants of Kentuckians who reside in other States to come back to their original home and native land.

We hope also that many of them will settle among us and become permanent residents again of Kentucky.

These United States of ours, with its broad expanse covering many States from the Atlantic to the Pacific and from the Dominion of Canada in the north, to the Gulf of Mexico in the south, presents one great united Nation. Sometimes I conceive of our great Union as if it were a human being, standing upon the warm sands and with her feet dipped into the warm south waters of the Gulf of Mexico and with her great and majestic head towering in the clouds up near the border line of the Dominion of Canada, with her great left arm and hand extending out so that her fingers could dangle in the waters of the great Atlantic Ocean, and with her great right arm stretched across the continent, with the fingers of her right hand bathed in the waters of the great Pacific Ocean. Then there comes to my mind the fact that in the center of this great Nation and in the breast of our beloved United States, down in Kentucky, we find the heart and soul of America.

We want many thousands of former Americans to come back home and live among us. We have a mild and moderate climate. The chivalry and hospitality that has been intermingled with Kentucky history for 200 years is still abundant. If they will return, we can afford them many business opportunities. If they will return and cast their lot with us and help us to create industries to give our people employment, Kentucky will not only stand in the front ranks of American States, as she does in these mental and spiritual virtues, but she will begin to move up among her sister States and become one of the most prosperous and strongest industrial States in the Union.

As a part of this great plan which all Kentuckians should sponsor and promote, and insofar as the Ninth Congressional District of Kentucky is concerned—that district which I have the great honor to serve—I wish to point out to my people the following facts and suggestions:

Down here in the great Ninth District of Kentucky we have some of the most attractive historical shrines of all America.

Shortly there will be created a great national park at Cumberland Gap, where Virginia, Tennessee, and Kentucky come together. This low gap in the Cumberland Mountains, first discovered and crossed by Dr. Thomas Walker, was the gateway through which the wagon trains of early America passed as the western United States was developed. Millions of people will have family histories dating back to the crossing of Cumberland Gap.

Down at Pineville, in Bell County, the Kentucky Ridge Mountain Park has beautiful mountain driveways that can carry tourists up among the clouds and give them views of beauty and grandeur that is not surpassed any other place on earth.

In the next adjoining county of Knox, Dr. Thomas Walker built the first house and settlement ever erected by white man in the western push of American civilization. The Dr. Thomas Walker Park will be visited in the future, as I predict, by millions of people.

The great Cumberland River that flows through the States of Tennessee and Kentucky for 700 miles, has a great river falls at Cumberland Falls, Ky., on the border line between Whitley and McCreary Counties, Ky. It is a scene of great beauty and can be made one of the great shrines of this country.

Traveling further north in the great Ninth District of Kentucky, the Levi Jackson Park, a great historic shrine, is on the outskirts of London in Laurel County, Ky.

Then our tourists, if they will come to see us, can continue to travel over the Walker Trail and visit the great Salt Peter Cave near Mount Vernon, Ky.

A short distance further on, and wholly within the Ninth Congressional District of Kentucky, this year there will be completed the great Wolf Creek Dam and Reservoir, crossing the Cumberland River. In my opinion, this will create one of the playgrounds of America and one of the greatest recreational centers on this continent. This great inland lake of fresh water will be larger than the renowned and famous Norris Dam Lake. The Norris Dam is about 1,800 feet across. The Wolf Creek Dam will be more than 5,000 feet across. There will be a lake created there, near Jamestown, in Russell County, and all the way up the Cumberland River to Cumberland Falls, and there will be a body of fresh water very deep and wide, that is over 110 miles in length and 900 miles around the shore line.

Nearby is the great Dale Hollow Dam and recreation center, just 6 miles from Albany, Ky.

These two great inland lakes will make Jamestown, in Russell County; Burkesville, in Cumberland County; Tompkinsville, in Monroe County; Albany, in Clinton County; Monticello, in Wayne County; and Somerset, in Pulaski County, the center of the most attractive recreational territory anywhere in the United States.

Kentucky has fewer Federal highways than most any other State. If our people can promote the building of great Federal highways into this territory, with one great Federal highway coming out of Tennessee by the national shrine and home place of former Secretary of State Cordell Hull, and pass the home of Sergeant York, the great American hero of World War I, and divide so that one of these great highways will pass through Monroe County and Tompkinsville and on up to one of the great wonders of the world only 75 miles away, Mammoth Cave, and the other branch of this Federal highway going down through Dale Hollow and Albany to Burkesville and Jamestown, into this great lake territory, Wolf Creek Reservoir, with other great national highways coming from the

Smoky Mountain Park in Tennessee, which is now the most frequented and visited national park in America, through Knoxville, Tenn., into Cumberland Gap, through Pineville, Barbourville, Cumberland Falls, Corbin, London, Mt. Vernon, and on into the Wolf Creek Dam territory; and with another branch of the Federal highway coming from Oak Ridge, Tenn., through Jellico into Whitley County and Williamsburg, Ky., and on over to Cumberland Falls, then to Somerset in Pulaski County and Monticello in Wayne County and on to link up with this great system of national highways, then our district in Kentucky, with these great national shrines and Federal highways built up and completed, will be within 1 day's drive of 50,000,000 people, most of whom will want to frequently visit with us on their vacations and outing tours.

There has already been developed great parkways leading out of Washington, D. C., to many historic shrines in the Shenandoah Valley of Virginia and crossing the State of North Carolina to the great Smoky Mountain National Park in Tennessee.

If we can develop our country and link it with the parkways and shrines mentioned above, then we will have a system of Federal highways and national shrines that far surpasses anything located anywhere else in the United States.

We Kentuckians should take this great opportunity of the 1950 Kentucky homecoming and bicentennial celebration at the Dr. Thomas Walker Park site on the 28th, 29th, and 30th of April to promote this great and lasting development of our State.

Kentucky needs a much greater income of money in order that she may support her schools and school teachers, her churches and homes, and give to all of her people more abundant life.

I believe there is a way we can do this within the next few years. Kentucky has a great income from her farms, and especially from tobacco; she has a large income from coal mining and railroading and the production of livestock, but most Kentuckians will be surprised to learn and know that the greatest income Kentucky has even now is from the tourist trade.

If we can build great national highways into our historic spots and build and develop our great State and national parks, as suggested above, with 50,000,000 American citizens living close to us and with us having what can be made into the greatest recreational grounds in America, if we will all cooperate, within a few years we could bring to Kentucky millions of people every year, and if we all become boosters for our section, many of these citizens will settle among us, new industries will spring up, pay rolls will be created for each of our counties and towns, and we can truly build Kentucky into one of the greatest and most prosperous States in the United States.

Mr. CUNNINGHAM. Does the gentleman state that this bill will not cost the Government of the United States any money?

Mr. GOLDEN. That is correct.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress joins with the Legislatures of the States of Kentucky, Virginia, Tennessee, and West Virginia in declaring the wish—

(1) that a bicentennial historical pageant be held in 1950 in such States in celebration of the two hundredth anniversary of the journey of exploration made by Dr. Thomas Walker and his five associates, Ambrose Powell, William Tomlinson, John Hughes, Colby Chew, and Henry Lawless, who left Dr. Walker's home, Castle Hill, near Charlottesville, Va., March 6, 1750, and passed through the region now comprising the Virginia counties of Albemarle, Nelson, Amherst, Bedford, Botetourt, Roanoke, Montgomery, Pulaski, Wise, and Smyth, and on through Sullivan, Hawkins, Hancock, and Claiborne Counties in Tennessee, back into Lee County, Va., through Cumberland Gap and on through the present Kentucky counties of Bell, Knox, Whitley, Laurel, Rockcastle, Jackson, Estill, Powell, Wolfe, Morgan, Johnson, and Martin, and then on through the West Virginia counties of Mingo, Raleigh, Summers, and Greenbrier, and on through Bath and Augusta Counties in Virginia and back to Castle Hill, and of the construction during such journey of the first house west of the Allegheny Mountains near the north bank of the Cumberland River in Knox County, Ky.;

(2) that such pageant be aided by people from all parts of the United States and be participated in by the people individually and through their State and local governments, their schools, churches, clubs, lodges, and other organizations; and

(3) that pageants and exhibits be held at appropriate places along the route taken by Dr. Walker and his associates which will depict the efforts of the early pioneers to carve a nation out of the wilderness, thus affording the people of the United States an opportunity to increase their knowledge and appreciation of their pioneer forefathers and their successful accomplishment of a difficult and dangerous task.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING PUBLIC LAW 359, CHAPTER 287

The Clerk called the bill (H. R. 7185) to amend Public Law 359, chapter 287, Seventy-eighth Congress, second session.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARCANTONIO, Mr. KLEIN, and Mr. JAVITS objected.

The SPEAKER. That is the last eligible bill on the calendar.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, H. R. 7185 is a vicious bill. Its sole purpose is to prevent a small group of Negroes in the Bureau of Engraving and Printing from qualifying for the skilled position of plate printer in that agency.

An examination was given yesterday as a result of a directive issued by President Truman's Fair Employment Board in the Federal Government. Those who passed that examination will never receive appointments if H. R. 7185 becomes law.

Why did the Fair Employment Board order that examination to be given? Let me read from its report, and I quote:

No Negro is or ever has been employed by the Bureau as a plate printer.

No Negro has ever been recruited or employed as an apprentice plate printer at the Bureau.

Over the fiscal years 1938 to 1950, inclusive, the Bureau has recruited 75 apprentice plate printers and it has carried on its rolls an average of 21 such apprentices for each of those years. * * * Of these 75 apprentices 61 were chosen from lists of eligibles certified by the Civil Service Commission from assembled written examinations advertised and held throughout the United States and 14 were recruited by such noncompetitive action as transfer, promotion, or reassignment. Negroes competed in these examinations and were certified as eligible and at the same time qualified Negroes were available for noncompetitive assignment within the Bureau as apprentice plate printers. But none of the 75 apprentices were Negro. In at least one case a Negro eligible failed of appointment while white eligibles of lower rating on the same certificate were appointed.

If this bill passes this House it means that the Democratic-Republican coalition has stated unequivocally in violation of their party platforms that no Negro can hope to work in the crafts in the Federal Government which have been closed to them because of the discriminatory practices which have existed.

DEDUCTIONS BY LAND-GRANT COLLEGES IN CERTAIN ESTIMATES OF COST PRESENTED TO THE VETERANS' ADMINISTRATION

Mr. RANKIN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 7057) to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions.

The Clerk read as follows:

Be it enacted, etc., That, effective as of December 28, 1945, paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following: "In the computation of such estimated cost of teaching personnel and supplies for instruction in the case of any college of agriculture and the mechanic arts, no reduction shall be made by reason of any payments to such college from funds made available pursuant to the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, as amended and supplemented (U. S. C., 1946 ed., title 7, secs. 30–329, inclusive); and in the computation of such estimated cost of teaching personnel and supplies for instruction in the case of any nonprofit educational institution, no reduction shall be made by reason of any payments to such institution from State or municipal or other non-Federal public funds, or from private endowments or gifts or other income from public sources."

SEC. 2. Upon receipt of appropriate claims therefor, the Administrator of Veterans' Affairs is authorized to make adjustments in accordance with this act in contracts which are in effect on the date of approval of this act as well as prior contracts and is authorized to make back payments and refunds in accordance with such adjustments.

The SPEAKER. Is a second demanded?

Mr. HUBER. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HUBER. I am, Mr. Speaker.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, this bill provides that the funds granted annually to land-grant colleges for teaching personnel shall not be deducted from estimates of cost presented to the Veterans' Administration for training veterans.

Since 1862, the Congress has been legislating for the benefit of the land-grant colleges. These funds, as Members know, have been granted mainly for the maintenance of agricultural and mechanical arts colleges throughout the States; I might add, also for military training.

Early in 1946, the Veterans' Administration issued the regulation based on the law enacted in the Seventy-ninth Congress which, among other things, provided that where land-grant colleges submitted cost estimates for adjusted tuition rates, land-grant funds received from the Federal Government for instruction or teaching should be deducted in figuring the cost of tuition to be paid by the Veterans' Administration for the training of veterans.

This regulation apparently was interpreted erroneously by many of the land-grant colleges and it was not until an auditor of the General Accounting Office discovered that the regulation was not being followed that this problem arose.

Two days of hearings were held by the Committee on Veterans' Affairs on this subject and testimony was received from the Association of Land Grant Colleges, the Veterans' Administration, General Acccunting Office, and Federal Security Agency.

The committee believes that the funds which have been appropriated for the benefit of land-grant colleges were meant to be used for the purposes enumerated in those acts, independent of and without regard to the Servicemen's Readjustment Act. Therefore, the committee believes that such funds should not be deducted in figuring the costs of training under the Servicemen's Readjustment Act—GI bill of rights. As the Federal Security Agency pointed out in its report:

> The net result of the reductions now being made by the Veterans' Administration is to convert the Morrill grants * * * to the special purpose of the GI bill and of the veterans' educational program with which that bill is concerned—and from the broader objectives which underlie the Morrill Acts.

The committee believes that the GI bill was not intended to convert the land-grant legislation to any such special purpose.

It has been estimated that something between five and ten billion dollars is involved, and the Veterans' Administration advises that the additional cost for the fiscal year 1950 would approximate $2,000,000.

Let me say, Mr. Speaker, that these land-grant colleges have three functions that the other colleges do not have. One function is to teach agriculture. Another function is to give mechanical training, and a third function is to give military training, in order that we may have a backlog, so to speak, of trained officers in case of a conflict. They have worked marvelously well during the last three wars.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CUNNINGHAM. I would like to ask the gentleman from Mississippi if it is not a fact that prior to the enactment of the GI bill, these land-grant colleges, in computing the tuition they would charge to students, took into consideration the benefits they received from the Federal Government?

In charging tuition under the GI bill to the students they also take it into consideration as they did before. If the ruling of the Veterans' Administration is permitted to stand and this bill is not passed, then the land-grant colleges will in effect have been compelled to grant tuition or education to the veterans at a lesser figure than they grant it or could give it to other students. Is that correct?

Mr. RANKIN. The gentleman from Iowa is entirely correct; that is the picture exactly.

Mr. O'SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. O'SULLIVAN. Is this the legislation about which Mr. Gustafson, of Nebraska University, appeared before the committee?

Mr. RANKIN. Yes.

Mr. O'SULLIVAN. I think it is a very good piece of legislation and am very glad that it is brought before the House at this early date.

Mr. KARSTEN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Missouri.

Mr. KARSTEN. The gentleman referred to military training under the first Morrill Act; that has nothing to do with the problem we have been considering. We are considering the Morrill Act, the Morrell-Nelson Act, and the Bankhead-Jones Act. The military-training feature is found in the original Morrill Act. This is an entirely different situation with respect to the land-grant colleges, and the arguments thus far made have presented a picture about tuition that is not correct. In most of the cases these tuition rates are figured on an estimated basis, and the estimated tuition in all cases generally is higher than the regular grade.

Mr. RANKIN. Mr. Speaker, I decline to yield further for a speech of that kind. The gentleman from Missouri is entirely wrong.

Mr. Speaker, I reserve the remainder of my time.

Mr. HUBER. Mr. Speaker, I yield myself such time as I may use.

As a member of the Committee on Veterans' Affairs which conducted the hearings that the chairman has mentioned, I am satisfied that this is not good legislation. It appears to me that it is double payment.

Here is an opportunity of saving some money, not much to be sure, but here is a chance to save $12,000,000. Let us save it.

Mr. Speaker, this is a most unusual bill. It is beyond understanding why the House Committee on Veterans' Affairs made a favorable report on H. R. 7057. Moreover, I am completely confounded from the action of the gentleman from Mississippi [Mr. RANKIN] in sponsoring legislation of this character. There can be no doubt, and the legislative history on the bill itself is plain and clear in this respect, that if this bill becomes law some 78 land-grant colleges will be permitted to engage in a $5,000,000 raid on the Treasury of the United States. I prefer to use a softer word than "raid" but I must adhere to the facts. The facts are stated clearly and conclusively in the report of the gentleman's committee, and this committee report undoubtedly will start a new pattern for our Government if it becomes enacted into law. This new pattern approves the policy of using the taxpayer's funds for paying the same debt twice. Is not that a ridiculous policy for our Government to adopt? I have always been under the impression that the payment in full of a debt forever discharges the obligation. Committee on Veterans' Affairs, however, has devised a new concept. That is, that the Government should pay its bills twice instead of once.

It may have been that the gentleman's committee acted with the understanding and desire that it was giving the veterans of this country an additional benefit—a benefit not already available to them under the GI bill of rights. This view however, is completely erroneous. The proposed bill gives no other benefit to the veterans than that which he is already entitled to under the GI bill of rights, and this is the explanation for it.

In order to fully understand the import of this legislation it is necessary to review in a general way the history of land-grant colleges. Since the days of the Civil War the Congress has been supporting the land-grant institutions by annual appropriations. There are two acts under which these schools receive grants, the Morrill-Nelson Act and the Bankhead-Jones Act. These acts provide for the annual appropriation of moneys to land-grant colleges, for instruction and the payment of salaries to teachers. Now the argument has been made that these land-grant appropriations are endowments, but that argument cannot be maintained. I do not believe there is anyone who can say that

an annual appropriation by Congress is an endowment fund. The land-grant colleges themselves admitted that the money is used for the purpose of instructing and paying professor's salaries. I do not believe there is anyone who can successfully contend that these moneys are endowments because the facts show that 98 percent of the appropriations are used for just what the law contemplated—salaries for the payment of teachers, and for the fiscal year 1948, $5,000,000 was appropriated by the Congress for such purpose.

A couple of years ago the Congress passed the Serviceman's Readjustment Act providing for educational training of veterans. Under this law the Administrator of Veterans' Affairs is authorized to pay tuition rates to land-grant colleges based on cost estimates of teaching and instruction. In order to determine what the Government owes a land-grant college, such college submits costs data to the Veterans' Administration and the tuition is then paid under the Serviceman's Readjustment Act.

Now, when these land-grant colleges submit their cost estimate a great many of them have failed to deduct the amounts they have received under the land-grant appropriations. It is my view that such a deduction is required under existing law and therefore should be made. This view is also shared by the Comptroller General of the United States, the Administrator of the Veterans' Administration, the Director of the Bureau of the Budget, and the Administrator of the Federal Security Administration, the agency which controls the funds appropriated for land-grant colleges under authority of the Morrill-Nelson Act.

Certainly, these agencies of our Government are in a position to view from a close range the Federal appropriations which are made annually to the land-grant colleges. They too are in a favorable position in seeing that these appropriations are expended according to law.

When these agencies of the Government report to the House committee that if this bill be permitted to become law duplicate payment of Federal funds will be made to the land-grant colleges for the same service—that is teaching and instructing veterans; and the House committee ignores such report, I believe that positive action should be taken by the full House and vote overwhelmingly to defeat H. R. 7057.

Mr. Speaker, I yield 9 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Speaker, I have listened to the statement of the gentleman from Mississippi [Mr. RANKIN] and I am very sorry that I cannot agree with him.

I take this time to bring to the attention of the House the reports of the Bureau of the Budget, the Administrator of Veterans' Affairs, and the Comptroller General on this proposed legislation. These reports clearly show that this bill should not be passed.

The principle involved here is whether the Government should be compelled to pay twice for the same service. This is immediately apparent from the language of the bill. It invalidates a Veterans' Administration regulation numbered 1A, which has been in effect for many years. This regulation provides that where a college submits cost estimates to the Veterans' Administration for payment under the Servicemen's Readjustment Act for the educational training of veterans the Administrator shall take into consideration certain Federal appropriations that have been paid to the institution.

In order to fully understand the import of this legislation it is necessary to review in a general way the history of land-grant colleges. Since the days of the Civil War the Congress has been assisting land-grant institutions by annual appropriations. There are two acts under which these schools receive grants, the Morrill-Nelson Act and the Bankhead-Jones Act. These acts provide for the annual appropriation of about $5,000,000 to land-grant colleges, for instruction and the payment of salaries to teachers. The argument has been made that these land-grant appropriations are endowments, but that argument is certainly not correct. I do not believe there is anyone who can say that such an annual appropriation by Congress is an endowment. The land-grant colleges themselves have admitted that the money is used for the purpose of instructing and paying professors' salaries. The facts show that 98 percent of the appropriations are used for just what the law contemplated—salaries for the payment of teachers.

A few years ago the Congress wisely passed the Servicemen's Readjustment Act providing for educational training of veterans. Under this law the Administrator of Veterans' Affairs is authorized to pay tuition rates to land-grant colleges based on cost estimates of teaching and instructing veterans. In order to determine what the Government owes a land-grant college it submits cost data to the Veterans' Administration showing amounts paid for teaching, salaries, and so forth, and the cost is then paid under the Servicemen's Readjustment Act.

When these land-grant colleges submit their cost estimates a great many of them fail to deduct the items for which they have already received payment under the land-grant appropriations. It is my view that such a deduction should be made.

Take the case of six professors in a western university whose salaries are partially paid under the Morrill-Nelson Act. Here is the voucher which shows $2,000 has been paid to these professors under the Land-Grant Act. Now we find this same university coming in with a cost estimate listing these professors' salaries for reimbursement under the Servicemen's Readjustment Act in the amount of $15,000. No deduction was made for the $2,000 that has already been paid to them. It was paid once by the Government. Should it be paid again?

There are thousands of cases similar to this and if the pending bill is passed it will require the Federal Government to duplicate payments all down the line under the veterans' training program. It seems to me that paying a salary once should be sufficient, and simply because the Government is footing the bill, we should not be required to pay the salary again.

The Veterans' Administrator has insisted upon deducting the amounts these land-grant colleges receive under their regular appropriations. In the committee report which I quote, the Veterans' Administration says:

> Such funds should be taken into consideration in establishing the adjusted rate of compensation to the end that such cost shall not be paid twice out of the Federal Treasury.

That is the position the Veterans' Administration has always taken.

The General Accounting Office has also submitted an adverse report to the Committee on Veterans' Affairs from which I should like to quote a paragraph:

> It is not my intent to disparage to any degree the tremendous task thrust upon the educational institutions by the Servicemen's Readjustment Act, or to cast any aspersions upon the admittedly magnificent job which has been done by such institutions in that respect. However, it is my firm conviction that any formula designed to authorize payment to the land-grant colleges on the basis of the cost of teaching personnel and supplies for instruction, necessarily must provide for the consideration therein of appropriated amounts otherwise made available to the institution by the United States Government for this purpose. To do otherwise and to eliminate such appropriations from consideration as is proposed in the bill being considered by your committee, may be viewed only as resulting in a duplication of payment of such costs by the United States.
>
> This office is unable to furnish an estimate of the probable cost of the proposed legislation.
>
> For the reasons stated, I must recommend against favorable consideration of the bill H. R. 6985.

The position of the Veterans' Administration and the Comptroller General is sound. Had it not been for the war and the Government program of educational benefits for our veterans, these land-grant appropriations would have gone along as they have in the past, paying teachers' salaries for educating their students. It appears to me that the only reason the land-grant colleges complain now is that they see a chance to secure duplicate payments for services that have already been paid for.

I have a letter here which I received a few moments ago from the Bureau of the Budget opposing this bill, which I should like to read:

> EXECUTIVE OFFICE OF THE PRESIDENT,
> BUREAU OF THE BUDGET,
> *Washington D. C., March 20, 1950.*
>
> Hon. FRANK M. KARSTEN,
> *House of Representatives,*
> *Washington, D. C.*
>
> MY DEAR MR. KARSTEN: In response to your request for the views of the Bureau of the Budget respecting H. R. 7057 and related bills, I am attaching a copy of a staff analysis of S. 2909, the Senate bill on the same issue.
>
> In summary the Bureau of the Budget opposes the duplicate payments proposed for the following reasons:

1. There has gone unchallenged since 1899, the rule of the Attorney General that moneys appropriated under the Morrill Act amendments are not endowments since they may not be accumulated and converted into an interest-bearing fund.

2. No institution is required to use the cost-of-instruction alternative for payments from the Veterans' Administration. This basis of payment is entirely voluntary and presumably is chosen because the institution considers payment of regular tuition rates to be inadequate compensation.

3. Acceptance of any of the pending bills would, as a matter of principle, raise questions as to whether payment of actual costs of instruction could in the future be logically and equitably used for other programs in which the Federal Government gives financial assistance to educational institutions. We believe that the principal of reimbursement for actual cost of instruction is sound, and should not be jeopardized at this time by enactment into law of exemption from the income base of educational institutions of funds received under the Morrill Act amendments.

4. The Veterans' Administration makes reduction on account of other Federal funds such as annual payments for vocational education, a type of Federal assistance which we feel, in principle, is indistinguishable from funds received under the Morrill Act amendments.

In view of the foregoing, the Bureau of the Budget recommends against enactment of any of the pending bills.

Sincerely yours,

F. J. LAWTON,
Assistant Director.

Mr. Speaker, that is the agency that speaks for the President of the United States. Certainly I cannot go along with this bill because it would result in duplication of payments all down the line.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to say that Mr. Warren was wrong, and I doubt if the Bureau of the Budget ever went into the proposition thoroughly.

Mr. KARSTEN. I am 100 percent for the land-grant colleges and I am willing to double the money they receive, but I am not going to set a precedent here of paying a bill twice. That is exactly what we are doing if we pass this bill.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Is it not true that the Federal endowment to the land-grant colleges is based upon population of the State and not upon the student load?

Mr. KARSTEN. There is a relationship based on population.

Mr. CUNNINGHAM. Since the student load has been increased and the Federal endowment not increased, if this bill is not passed the land-grant colleges will be forced to furnish tuition or education to the veteran at a lesser percentage than the non-land-grant colleges, is that not correct?

Mr. KARSTEN. May I read to the gentleman here a portion of a letter I secured from a Midwestern university. It relates to erection of stadiums and that sort of thing and states:

The reason for our ability to finance these projects, such as stadiums, without cost to the State is the favorable outcome of our negotiations with the Federal Government in regard to charges the university might make to the Veterans' Administration for its students.

In most of the cases that have come to my attention the tuition rates are higher than the regular rates that have been charged in those land-grant colleges from time immemorial and I may say to the gentleman if the war had not come along these land-grant colleges would have gone along as they have in the past on their $5,000,000 appropriation.

In this case the Government is paying the bill, so they want to be paid twice.

Mr. RANKIN. Mr. Speaker, I yield 7 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, although I have no land-grant school in my district, I am vitally interested in this bill principally because I think there is considerable equity to the point of view of the affected land-grant colleges. There is also a sound basis in law for supporting the position of the land-grant colleges. I admit, however, there are some sound and logical legal arguments in opposition. I introduced H. R. 6665 and I am pleased to find that the Committee on Veterans' Affairs has reported this bill with the gentleman from Mississippi [Mr. RANKIN] as the sponsor.

The answer to the gentleman from Missouri, may I say that the original Morrill Act which was passed in 1864, according to the letter of the Comptroller General, provided as follows:

The first Morrill Act donated the land and the proceeds of the sale of land for the endowment, support, and maintenance of colleges engaged in teaching agriculture and the mechanical arts.

Now, in 1890 there was an amendment to that act, and it provided as follows:

Providing for the further endowment and support of colleges of agriculture and mechanic arts; for the more complete endowment and maintenance of these colleges; for the further endowment in support of these colleges.

The act was further amended in 1907, as follows:

Providing for the more complete endowment and maintenance of land-grand colleges.

Then the Bankhead-Jones Act says "is an order to provide for the more complete endowment and support of colleges established under the Morrill act, as amended and supplemented."

Let us look at the basic problem. I admit there is duplication in the payment, if you believe that the Federal land-grant money which goes to land-grant schools is not an endowment. The money that was originally appropriated for the purchase of those lands for land-grant schools and the money that is appropriated by the Federal Government on an annual basis, are historically considered an endowment regardless of whether or not they are technically an endowment. The land-grant school for many years in good faith have considered and treated those moneys as an endowment. There has been no subterfuge. They have taken the money and used it for good purposes. They have the right to do one or all of several things with the funds from these endowments, either to use it for the construction of buildings or to use it in the payment of teacher personnel and supplies. Some schools have followed one policy, some another. There has been no attempt to hide or cover up even during the GI training period.

Since 1945 we have had a GI training program. The various land-grant schools signed contracts in 1946 with the regional officers of the Veterans' Administration. Those contracts were signed in good faith on the assumption that their previous practices under the land-grant endowments were appropriate. Four years after they signed these contracts and operated under those arrangements, the Veterans' Administration, with the help of the General Accounting Office, comes in and says, "No, you have done it wrong."

Now, what is going to happen to these various State institutions? I can give you the best illustration in the State of Michigan. Michigan State College is a land-grant institution. It has done a fine job on behalf of the GI education program. Michigan State College has a claim filed against it by the Federal Government of around $500,000. The claim has varied from $130,000 to $500,000. If this bill is not approved Michigan State College, its student body and excellent educational program, will suffer immeasurably. A failure to pass this bill will discrimnate against land-grant institutions.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. JUDD. When one considers all the Federal money that has been thrown away in payments to various fly-by-night institutions for education that the veterans did not get, is it not a mere matter of justice that at least as much money per veteran should be paid out of GI funds to these land-grant institutions for the good education they are giving veterans?

Mr. FORD. I would like to say this to the gentleman, that anybody who fails to support this bill and then supports the Taft-Teague bill certainly ought to have his head examined.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Is it not true that if this bill is not passed the total deficits of the land-grant schools will have to be made up either by additional appropriations from the United States Congress, the State legislatures, or increased future tuition under the GI bill, and failure to pass this bill would be taking money out of one pocket to put in the other, just robbing Peter to pay Paul?

Mr. FORD. That is correct.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. DINGELL. I received some correspondence from Dr. Hannah, of Michigan State College at Lansing. Now, it is my assumption that Michigan State College is entirely on the right side of this question, and that any previous funds received under the Bankhead Act or from any other previous source should not be charged against the VA funds. Nothing in any manner should impair the training that is afforded the veterans at such land-grant schools. The Veterans' Administration should pay tuition charges entirely on its own. Am I correct in that deduction?

Mr. FORD. The gentleman from Michigan [Mr. DINGELL] is absolutely correct, and I think he is very familiar with the position that Michigan State and other land-grant institutions find themselves at the present time.

Mr. DINGELL. I have already pledged myself to it and to do what I can for the bill, but I want to be sure that I am right in this assumption.

Mr. FORD. The gentleman is correct. I yield to the gentleman from Texas [Mr. TEAGUE], and I might say at the outset that I intended no disparagement of the gentleman from Texas [Mr. TEAGUE] in my previous comments. I would like to have from the distinguished gentleman his reaction to this bill.

Mr. TEAGUE. I appreciate that. If the gentleman goes into the so-called Taft-Teague bill, he will find it is all right. I think the House should know that the testimony given before our committee shows that the Solicitor of the Veterans' Administration ruled that whichever way the Administrator ruled on this question would be right legally. I think they should also know that the Veterans' Administration National Advisory Board, made up mostly of college presidents, disagreed with him violently on this issue, that he did not have the right to rule the way he did on this.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. DONDERO. This is a bill which corrects the inequity against State colleges that took the income on their endowment fund as a part of the tuition of veterans?

Mr. FORD. That is right.

Mr. DONDERO. It has become very embarrassing to Michigan State College, in our State?

Mr. FORD. Or to any land-grant institution in a similar situation.

Mr. HUBER. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, this is legislation not for veterans but for the land-grant colleges, as I see it. It is going to require that you pay out $12,000,000 more in order to take care of these colleges at once, and how much more no one knows.

The Veterans' Administration made their ruling. The land-grant colleges knew what the legislation was when they accepted the veterans as students. They were all glad to take them, as every college in the United States is willing to do.

But this bill, if passed, will give a preference to the land-grant colleges over other colleges.

If you will take the report that was referred to here today by the chairman of the Committee on Veterans' Affairs the gentleman from Mississippi [Mr. RANKIN] and read the letter to him from the Administrator of Veterans' Affairs, you will not find where they recommend this legislation. Read the letter of Oscar R. Ewing, Administrator of the Federal Security Agency, to the gentleman from Mississippi [Mr. RANKIN], and you will find that they do not recommend that this legislation be passed. Mr. Ewing stated further:

> In view of the urgent request from your committee for a report on this bill, time has not permitted us to obtain advice from the Bureau of the Budget as to the relationship of this bill to the program of the President.

Then read the letter from the Comptroller General of the United States. They recommend that the legislation do not pass. It would do you a lot of good to read that letter. If you can vote for this conscientiously then, I would like to know what your reasons are, because you are not helping the veterans; it is an agricultural land-grant college bill.

Mr. KARSTEN. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Missouri.

Mr. KARSTEN. To that list the gentleman can add the Director of the Bureau of the Budget. He is also opposed to it. The only person speaking for it is the gentleman from Mississippi [Mr. RANKIN].

Mr. RICH. I do not care who is for it. I think we ought to be considering the value of this legislation as to who is going to receive the money and for what purpose and is it justified. It has come out here now as a piece of legislation that you would believe is to assist the veterans, but it is not such legislation at all. I am for land-grant colleges, but do we not take care of the land-grant colleges? Let them not come in here with a subterfuge bill and try to make us believe one thing, that it is for the veterans, when it does not apply to the veterans at all.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to my good colleague from Minnesota, a man whom I love and respect in many things, although lots of times I just cannot agree with him.

Mr. JUDD. I wish I could get some light from my good friend that would permit me to agree with him. Will the gentleman explain why the Federal Government should pay——

Mr. RICH. Twice for this legislation? No; I do not want to pay twice. Once is enough.

Mr. JUDD. Will the gentleman explain why the Federal Government should pay, say, $500 a year to a second-rate school for the tuition and training of a veteran and then pay only $300 a year to the University of Michigan or Chicago or Minnesota, for infinitely better training? Why should not the Government pay the institution for the education it has given?

Mr. RICH. They may pay $500 for the expenses at the ordinary college for training for a particular year, but the Federal Government is already paying the agricultural land-grant colleges. We pay a great part of their expenses. As was said here a while ago, we do not want to pay the bill twice, and that is what you are doing under this legislation. I say you ought to vote this legislation down. Where are you going to get the money? It is time to be nifty and thrifty in fifty.

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall support this legislation. The Massachusetts Agricultural College in Amherst is losing $45,000 a year in the instruction of veterans. I say to the Members that the land-grant colleges and the agricultural colleges will stop taking the veterans if they are going to lose money every year. I shall support the legislation and hope others will do likewise.

Mr. Speaker, when Dr. Arthur S. Adams, president of the University of New Hampshire, testified before our Committee on Veterans' Affairs he submitted to us a list of the institutions that entered into the agreement with the Government and that have had funds deducted. In order to present this information to the House I quote from Dr. Adams' testimony:

> Dr. ADAMS. In starting to read this, I wish to point out, Mr. Chairman and gentlemen, that those institutions which negotiated their contracts on a customary nonresident tuition charge are probably not affected. It is only those institutions which are working on an estimated cost of teaching personnel and supplies that are likely to be affected.
>
> The effect on an institution which received its customary tuition charge, would only be on its justification of the validity of the charge, so it gets into about the second or third rank. Consequently, in reading these comments, you will hear me say, "apparently nonresident fee" or something like that. That means a customary tuition charge.
>
> Alabama Polytechnic Institute has been asked to refund $185,125.40 because of nondeduction.
>
> University of Alaska on an out-of-State fee basis.
>
> Arizona has been on a customary tuition charge and is changing to a cost of teaching personnel and supplies basis with an anticipated loss of $10,000 per year.
>
> Arkansas is on a customary fee basis.
>
> California, customary fee basis.
>
> Colorado, similarly.
>
> Connecticut, similarly.
>
> Delaware, similarly.
>
> Florida, similarly.
>
> Georgia recently changed from customary fee basis to cost of teaching personnel and supplies, with an estimated loss of $70,433.96 per year.
>
> Hawaii has been on a cost of teaching personnel and supplies basis since February 1947. The estimated loss to September 1949 is $45,500.
>
> Illinois is on customary nonresident fee basis and has been since the 1st of February 1946. I see Dr. Morey is concerned about what I am reporting, so I am going to ask

him to come into it, if that meets with your approval.

The CHAIRMAN. Yes.

Dr. MOREY. We have a nonresidence fee basis in a part of the institution, the professional colleges where the fees are normally higher; but we have had a so-called cost of instruction contract basis in all other parts of the institution. There is a request of us to refund $350,000 to date on these contracts because of the Federal fund items and an additional $70,000 for the current year, making up to date a total of $420,000 involved in the University of Illinois.

Dr. ADAMS. Purdue University, which is the A. and M. college of the State of Indiana, has refunded $250,000 in response to requests.

Iowa State College, a $250,000 refund has been requested.

Kansas State College deducted the funds in question and estimated a total loss of $150,000.

Kentucky has had a refund request made on it for $300,000.

Louisiana State University is continually on a cost basis. The estimated loss to them is $200,000. They have always deducted the funds in question.

University of Maine is now on a cost of teaching personnel and supplies basis at an estimated loss of $52,500 per year.

The University of Maryland, in response to a request for refund, has refunded $106,500.

Massachusetts expects to lose $45,000 annually on account of the Federal funds issue.

Minnesota, total loss is estimated at $67,387.

Michigan State has been asked to refund varying amounts, starting with the sum of $490,000, and now the amount currently at issue is of the order of $130,000.

Mississippi is on a nonresident customary tuition charge basis.

Missouri has been requested to refund $525,000.

Montana State College has an estimated loss of $70,000.

Nebraska is in the process now of seeking to justify the out-of-State fee. There is no estimate on its loss.

Nevada has been incurring a loss of around $35,000.

New Hampshire has been on a customary fee basis. Its future status, I may say, has not been yet determined in respect to this issue.

New Jersey is on an out-of-State customary fee basis.

New Mexico, not clear. They were on cost from January 1946 to August 1947. It has no contract presently, but expects to go on cost basis. No refund has been requested from them.

Cornell University, in its college of agriculture and veterinarian medicine and home economics, is the A. and M. college of New York, and is not involved because it charged a customary tuition fee.

North Carolina State is not involved for the same reason—that is North Carolina State College.

North Dakota has incurred a loss estimated at $28,000 to last July 1.

Ohio State, customary fee basis.

Oklahoma A. and M. on cost basis up to September 1947, and nonresident customary fee basis since.

Oregon has incurred a loss of $20,000 this year. In previous years the total is $140,000.

Pennsylvania State College, not involved, since its costs exceeded $500 per student without the Federal issue at all.

Puerto Rico, no refund has been requested of it as yet. It is on a cost basis. No estimate of loss is given.

Rhode Island has estimated deductions which have resulted in a loss of $143,000.

South Carolina. Clemson is the A. and M. college there. It is not involved, because it has been charging a customary fee basis, customary tuition fee.

South Dakota estimates its loss at $125,000 to date.

Tennessee is on a tuition basis, but restudying its justification. It reports that $100,000 is involved.

Texas A. and M. has been on a cost basis from February 1945 to August 1947, since then on a customary nonresidential fee until last fall when it went back to the cost of teaching personnel and supplies basis. Deducted current year under protest at an estimated cost of $17,500. No request has yet been made for refund. It is estimated the past loss would be about $50,000 to $80,000 a year.

Utah Agricultural College has not received any request for refund as yet. The sum in question would amount to about $45,000 a year, with a total loss of $150,000.

Vermont is not involved.

Virginia Polytechnic Institute is not involved.

Washington State College reports that they had deducted the funds in question. The General Accounting Office says that they have not. The State college says that the Veterans' Administration owes it $150,000 and the General Accounting Office says that Washington State College owes the Government $150,000.

West Virginia is on a customary tuition fee basis.

Wisconsin has been on a nonresident fee basis, customary tuition fee basis, to July 1949; currently on a cost of teaching personnel and supplies basis at a loss estimated at $50,000 annually.

Wyoming is on a customary tuition fee basis.

Mr. RANKIN. Mr. Speaker, I yield myself half a minute to say to the gentleman from Missouri [Mr. KARSTEN] that I am not the only one supporting this legislation, as he will find out when he gets back to Missouri, when he finds out that his land-grant college in Missouri was overcharged $525,000.

Mr. HUBER. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, this is another raid on the Public Treasury, this time by some 70 so-called land-grant colleges. It seems to me when a bill is brought before us which is opposed by the Veterans' Administration, the Bureau of the Budget and the Comptroller General, and is only half-heartedly endorsed, if at all, by Mr. Ewing, the Administrator of the Federal Security Agency, not chiefly famed for his advocacy of economy in Government, we ought to pause and investigate it very thoroughly before giving our approval.

In the first place, let it be made entirely clear that this bill has nothing whatever to do with the veterans. Whether we pass it or defeat it, no veteran anywhere will be in any way affected. There have been some appealing arguments made here by Members who represent districts in which these land-grant colleges are located, or to whom appeals have been made by their representatives. I want to deal with one or two of those contentions.

Reference has been made to the Morrill-Nelson and the Bankhead-Jones Acts, authorizing appropriations for these land-grant colleges. The impression has been left with the Members that the Federal funds allotted under those acts were for endowment only, whereas the payments by the Federal Government pursuant to the GI bill of rights are solely for the running expenses of those institutions. Therefore, it is argued, this is not a double payment by Uncle Sam, but rather two separate aid programs for distinct and different purposes.

In the first place, they cannot get away from the fact that these few favored colleges are getting paid twice some $12,000,000 and that both payments are from the same source. From the Government? No; the Government has no money. Every dollar it turned over to this small coterie of preferred educational institutions, thereby discriminating against the thousands that get nothing, must come from the pockets and pay envelopes of our people.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. MANSFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 105]

Barden	Fulton	Morton
Baring	Furcolo	Murphy
Barrett, Pa.	Gilmer	Norton
Bennett, Fla.	Granahan	O'Hara, Minn.
Boggs, Del.	Granger	Peterson
Bosone	Gwinn	Pfeiffer,
Brown, Ohio	Hall,	William L.
Bryson	Leonard W.	Plumley
Buckley, N. Y.	Halleck	Powell
Bulwinkle	Hand	Rains
Burdick	Heffernan	Reed, N. Y.
Carroll	Hoffman, Ill.	Rees
Cavalcante	Horan	Rivers
Celler	Howell	Sabath
Chatham	Irving	Sadlak
Chiperfield	Johnson	Sadowski
Chudoff	Jonas	Scott, Hardie
Clemente	Jones, Ala.	Scott,
Corbett	Karst,	Hugh D., Jr.
Davenport	Kelly, N. Y.	Sheppard
Davies, N. Y.	Keogh	Simpson, Ill.
Dawson	Kunkel	Simpson, Pa.
DeGraffenried	Lane	Smathers
Delaney	Lichtenwalter	Smith, Ohio
Dingell	Linehan	Stanley
Doughton	McCormack	Taylor
Douglas	McKinnon	Towe
Doyle	Mack, Ill.	Velde
Eberharter	Miller, Md.	Walsh
Elliott	Monroney	Withrow
Fisher	Morgan	Wolverton
Frazier	Morrison	Woodhouse

The SPEAKER. On this roll call 339 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEDUCTIONS BY LAND-GRANT COLLEGES IN CERTAIN ESTIMATES OF COST PRESENTED TO THE VETERANS' ADMINISTRATION

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from New York.

Mr. TABER. I wonder why we are being asked to pay these schools twice?

Mr. KEATING. The gentleman has put his finger exactly on the point here.

We are being asked to pay the schools twice. Let there be no doubt on that issue in the mind of any Member when he votes on this bill because under the original Land-Grant Act and the Morrill-Nelson and Bankhead-Jones Acts, which are modifications of it, these funds given to the land-grant colleges were for maintenance and support as well as for endowment.

The argument is made here that they have used the funds paid them under those acts for endowment or permanent improvement. One college near Washington has built a stadium with the taxpayers' dollars. Therefore, they say because they have received those funds is no reason to require that they be credited against moneys received under the GI bill for the general support of the college.

But that is not the way the law reads. It expressly provides that sums acquired under the various land-grant statutes are for maintenance and support as well as endowment. Indeed, in most cases, that is the way funds received have been credited on their books. Therefore, the passage of this measure will not help most of those institutions but only those who have kept their books a certain way.

This bill is discriminatory, therefore, against a majority of the land-grant colleges in this country.

The gentleman from Michigan [Mr. FORD], for whom I entertain the highest regard, made a significant statement in his presentation here. He said this money has been spent by these land-grant colleges, and the State legislatures must make up the difference, if the Federal Government does not. That is just the point. Either the colleges themselves should forego Federal aid long enough to make up for the overpayments they have received or, if true hardships exist and can be clearly demonstrated, the States should step in and relieve them. It should not be the responsibility of the Federal Government to pay them more than once.

Although the amount involved here is not large by Washington standards, the same principle is involved which is so often presented. Uncle Sam, open-handed and big-hearted, is asked to foot the bill.

The legion of obstinate men and women again take up their position behind the fortifications guarding the financial integrity of this Nation. We are against this greedy grab. If it passes, it is my hope that the other body will relegate it to the oblivion it deserves.

(Mrs. ROGERS of Massachusetts asked and was given permission to include in her remarks a list of the States and colleges which have to return to the Federal Government as high as $490,000.)

Mr. RANKIN. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Speaker, I have studied this matter very carefully from the North Carolina angle. I find that the land-grant colleges have done a fine piece of work. I am in favor of this legislation. They have done their specialized work and they should be paid for it. The land-grant college for North Carolina is the North Carolina State College of Agriculture and Engineering of the University of North Carolina at Raleigh, N. C., an exceptionally well equipped and capably run institution of learning.

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. O'SULLIVAN] such time as he may desire.

Mr. O'SULLIVAN. Mr. Speaker, there has been no worth-while reason given here today to influence me in the slightest degree to be against this legislation.

The alleged double-payment argument is just double-talk for the purpose of two-timing this legislation.

The land-grant colleges according to the specific provisions of every previous law concerning them since their creation by Congress in 1862, have been given endowments from time to time by the Federal Government for specifically enumerated purposes without regard to and independent of the Servicemen's Readjustment Act and therefore such funds should not be deducted in figuring costs for the training of veterans under the Servicemen's Readjustment Act. The word endowment was used repeatedly and intentionally—advisedly and not mistakenly. It comes too late now to try to change the specific wording used in previous laws by unsupported present-day opinions, governmental or otherwise.

The laws creating and aiding financially these institutions and the more recent contracts entered into with land-grant colleges by the United States of America for the benefit of veterans of World War II, are something more, I believe, than Russian treaties and agreements—made to be scrapped—and I, for one, will not approve of even the most noble and exalted governmental agency turning Russian, as far as the plain wording of the previous enabling and assisting laws and solemn contracts held by land-grand colleges are concerned.

I assure you that no personal reasons prompt my present actions in this matter.

The University of Nebraska is a land-grant college. It is not in my congressional district, and I never attended college there, but it is a splendid institution which should be given a square deal along with all other land-grant colleges similarly situated. Also Nebraska University, located at Lincoln, Nebr., is headed by a top-flight educator in the person of Chancelor R. G. Gustavson, and I will believe his version of this matter, as related previously to me, rather than what is said here today by the opposition.

This legislation is so right and proper that I believe that I would be doing a great disservice to Nebraska and its State university if I failed to support and vote for this very proper bill. Everyone here today should also make their vote count in favor of this clairifying legislation. Anyone who for the purpose of prejudicing this legislation in the minds of Members of this House, or otherwise, says that the gentleman from Mississippi [Mr. RANKIN] is the only one who is working for and supporting this bill is sadly mistaken—just everlastingly wrong—and makes one remember what the humorist, Artemus Ward, once said concerning a similar situation:

> It's better not to know so darned much than to know so darned much that isn't so.

This bill, as all other legislation coming before this House, should not be considered in a narrow-minded, bigoted way, but in a truly American manner. I hope that I, for one, may always consider legislation fairly and properly, and I am hoping that others present today will approach this subject and make an American decision also, either for or against this bill.

Mr. RANKIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. MOULDER].

Mr. MOULDER. Mr. Speaker, the disinguished chairman, and the Committee on Veterans' Affairs should be complimented on favorably reporting H. R. 7057, for consideration by the House today. This bill will eliminate unfair discrimination against land-grant colleges and universities. The Veterans' Administration made and entered into contracts with colleges and universities providing for reimbursement to such schools for the cost of educational instructions to veterans. This cost includes teaching personnel and supplies, but does not include nor take into consideration various additional items of actual cost to the educational institutions, such as maintenance and depreciation of buildings and equipment, and other costs essential and necessary to provide educational instructions for veterans. Therefore, in fact, many colleges and universities have incurred a loss from their contracts with the Veterans' Administration. In addition to that, if the Veterans' Administration is now permitted to retract and breach its contract with the land-grant colleges and universities by deducting Federal endowment funds from the sum or sums due the land-grant schools, for furnishing educational facilities to veterans, the land-grant colleges and universities will thereby incur an unfair and unprepared-for serious loss as a result of the action of the Veterans' Administration in deducting Federal endowment funds from the amounts due the land-grant colleges and universities for providing educational facilities for veterans.

The land-grant colleges and universities, in good faith, made and entered into their respective contracts with the Veterans' Administration to provide educational facilities for the veterans at less than the actual cost to such colleges and universities. There was no understanding whatsoever in the contracts with reference to any future intention of the Veterans' Administration to claim credit or deduct the moneys received by Federal endowment to the land-grant schools. To permit such an unfair and unjust breach of contract would in effect deprive the land-grant schools of their Federal endowments originally contemplated and provided for in the Morrell Act of July 2, 1862.

The Veterans' Administration program to provide education for veterans, as authorized by this Congress, is a worthy and essential undertaking. However, it certainly would be unjust and unfair to convert the Federal endowment funds, originally granted in the act of 1862 to the land-grant schools, from the original stated purpose to an entirely separate and different program, even though it be worthy and deserving. Furthermore, such an act on the part of the Veterans' Administration, if permitted, would be in violation of good faith and amount to a breach of contract.

The purpose of this bill, H. R. 7057, is to relieve the land-grant colleges and universities of the claims made against them for funds already disbursed for educational instructions, and to restore funds which they should have received. Providing education for the veterans is a Federal obligation and if this bill does not pass we will be shifting this obligation and expense of educating the veterans to the States. This bill will eliminate and prohibit an unfair discrimination against land-grant colleges and universities. The bill will, in effect, compel the Veterans' Administration to fully perform the contracts which it made and entered into with the land-grant colleges and universities. It is fair and equitable. I am unalterably in support of this bill and it deserves the support and vote of the Members of this House.

Mr. RANKIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, the Pennsylvania State College is a land-grant college and is located in my congressional district. I am personally acquainted with the great problem the college has been faced with in regard to the Servicemen's Readjustment Act. I communicated with college officials by telephone, and they are heartily in favor of this legislation.

The main objectives of this bill are contained in the following language contained in House Report No. 1720 accompanying this legislation:

> The committee believes that the funds which have been appropriated from time to time for the benefit of the land-grant colleges were meant to be used for the purposes enumerated in the various acts without regard to the Servicemen's Readjustment Act. It is of the opinion that such funds should not be deducted in figuring costs for the training of veterans under the Servicemen's Readjustment Act. Certainly there was no intent on the part of the Congress to penalize land-grant colleges, yet this would be the result if the Veterans' Administration regulation is permitted to stand. This legislation, therefore, would be effective as of December 28, 1945 (the effective date of Public Law 268 from which the original Veterans' Administration regulation stems), and provides that land-grant funds for teaching would no longer be deducted from the estimated cost prepared for the Veterans' Administration.

In my opinion the House Committee on Veterans' Affairs is correct in the position it has taken on this bill. Anyone who knows land-grant colleges and understands the appropriations they get from Congress annually realizes that legislation of this type is necessary to reimburse land-grant colleges and keep them on a par with endowed colleges. I sincerely hope that all of you will see the fairness and justice of supporting this legislation.

Mr. RANKIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. WHEELER].

Mr. WHEELER. Mr. Speaker, although there is some legal argument against this bill, the argument in favor of equity is far overwhelming. I am supporting the bill now as I did in the committee. I think it should be passed.

The land grant colleges involved in this legislation have acted in good faith and should not be penalized. The whole question of cost involves the amounts that are claimed by the Veterans' Administration to be refunded by the colleges. The future cost of this legislation will be no greater if the bill is passed since if it fails of passage, the schools can change their bookkeeping in such a way as to not be legally liable to include the funds which the bill says should not be included.

In spite of all legal argument against this bill, there is no question but that the fair and equitable thing to do is pass it so that the colleges will not be penalized for having acted honestly and in good faith.

Mr. HUBER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman from Michigan [Mr. FORD] explain just exactly what the benefit of this bill is?

Mr. FORD. I would like to answer any questions of the gentleman from Michigan [Mr. HOFFMAN]. I can best do that by this illustration. Michigan State College is the land-grant college of the State of Michigan. The University of Michigan is not a land-grant college. Under the Morrill-Nelson Act and the Bankhead-Jones Act certain Federal endowments were passed on to Michigan State, the land-grant college.

Mr. HOFFMAN of Michigan. And the university did not get the endowments?

Mr. FORD. The University of Michigan does not get land-grant endowments. At the end of World War II, under the GI bill, contracts were made both with the university and with Michigan State College. Four years after the contract was signed, the General Accounting Office and the Veterans' Administration—come back and say, "Oh, no, you must deduct your land-grant endowments from any and all funds under the GI bill. In other words, a land-grant college, Michigan State in our State, will be put on the same basis with the University of Michigan which is not a land-grant college. In effect any benefits will be wiped out so far as the land-grant colleges are concerned in the State of Michigan. I think that is a fair and honest statement with regard to any States which have similar institutions where comparable problems exist.

I admit this: You can argue both ways on the law. You can make good, sound, legalistic arguments in favor of or against this legislation, but on the basis of equity there is no argument whatsoever for opposing this legislation.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. HUBER. Mr. Speaker, I have no further requests for time.

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. STAGGERS] whatever time I have remaining, and ask unanimous consent that he may have two additional minutes.

The SPEAKER. That request is not in order.

Mr. STAGGERS. Mr. Speaker, I do not impugn the motives of any Member of the House in talking against this bill, but I do question their knowledge of the question before the House. They have made several erroneous statements. In fact, when it was brought before the committee, it came out of the committee without anybody on the final vote saying anything against it.

The opponents of this bill made the statement that double payments are being made to these land-grant colleges. I heard all the testimony which was given before the Veterans' Affairs Committee and to my way of thinking, this statement is not true. I believe if I had the time that I could show you that there is no basis for this statement. You must remember that in all these schools the veterans and nonveterans were mixed together in the classrooms and some of the instructors who were being paid partially by Federal funds might have some veterans, too, in their classes. Likewise, an instructor who was not being paid anything by the Federal Government might be instructing a class almost wholly made up of veterans. Therefore, actually there is no basis for the double-payment accusations.

The previous Federal grants made to the land-grant colleges before the GI educational bill was enacted, were made on the basis of population and not on that of student enrollment, and as we all know, the enrollments in these colleges jumped terrifically after the war and some of them more than doubled. That was the reason for the GI educational bill being enacted—to take care of these drastic increases of students.

The whole question boils down to two or three main issues. One of these is the matter of accounting in the land-grant schools. The ones which charged tuitions on the basis of an out-of-State rate have not been bothered as yet by any of these agencies, while the ones who made their charges on a cost-of-training and personnel basis and kept their records accordingly, are the ones who have had to make a refund.

I ask any opponent of the bill to make a justification for cutting off support to one group just because it decided to use one of two methods of charging tuition fees. It just does not make sense to me.

Many of the schools which have had to make refunds have stated they could

have changed their method of charging for attendance and been exempt from any charges of fraud or other accusations which have been hurled at them.

As we all know, the Veterans' Administration has the right, under the present law, if they feel a college is making an exorbitant charge, they can go over the whole situation and correct any inequities they think are present.

It looks like the Government made a contract with these colleges and now is wishing to renege in their obligations. I am convinced that all the colleges involved bargained in good faith, have kept their records open for inspection, and now after the money has been spent as the Government intended it to be spent on these veterans, they are being asked to refund this amount to the Government because they have previously accepted other moneys from the Federal Government which was granted for an entirely different purpose. Why persecute a college because it wants to be honest?

We have heard a lot of accusations, as I stated in the start of my discussion, but there is no basis for them, and I can say this to the people who are against this bill, that they cannot produce facts to support their claims against the measure.

The SPEAKER. The time of the gentleman from West Virginia has expired. All time has expired.

The question is, Will the House suspend the rules and pass the bill?

The question was taken; and on a division (demanded by Mr. KARSTEN) there were—ayes 110, noes 45.

Mr. KEATING. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The roll call is automatic. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 245, nays 101, not voting 86, as follows:

[Roll No. 106]

YEAS—245

Abernethy	Burnside	Dondero
Albert	Burton	Donohue
Allen, Calif.	Byrne, N. Y.	Ellsworth
Allen, La.	Camp	Engel, Mich.
Anderson, Calif.	Carnahan	Engle, Calif.
Andrews	Case, S. Dak.	Fallon
Angell	Celler	Fellows
Aspinall	Chelf	Fernandez
Auchincloss	Chesney	Flood
Bailey	Christopher	Fogarty
Barrett, Wyo.	Cole, Kans.	Forand
Bates, Ky.	Colmer	Ford
Bates, Mass.	Combs	Furcolo
Battle	Cooley	Garmatz
Beckworth	Cooper	Golden
Bentsen	Cotton	Gordon
Blemiller	Cox	Gore
Bishop	Crawford	Gossett
Blackney	Crook	Grant
Blatnik	Cunningham	Green
Boggs, La.	Davis, Ga.	Gregory
Bolling	Davis, Tenn.	Gross
Bosone	Davis, Wis.	Hagen
Bramblett	Deane	Hall, Edwin Arthur
Brooks	Denton	Harden
Brown, Ga.	D'Ewart	Hare
Buchanan	Dingell	Harris
Buckley, Ill.	Dollinger	Harvey
Burleson	Dolliver	
Havenner	Marshall	Sanborn
Hedrick	Merrow	Sasscer
Heller	Meyer	Saylor
Herlong	Michener	Scrivner
Herter	Miles	Scudder
Hill	Miller, Calif.	Shelley
Hinshaw	Miller, Nebr.	Short
Hoeven	Mills	Sikes
Holmes	Mitchell	Sims
Hope	Morris	Smith, Kans.
Hull	Moulder	Smith, Wis.
Jackson, Calif.	Murdock	Spence
Jackson, Wash.	Murray, Tenn.	Staggers
Jacobs	Murray, Wis.	Steed
Javits	Nixon	Stefan
Jenison	Noland	Stigler
Jenkins	Norblad	Stockman
Jennings	O'Brien, Ill.	Sullivan
Jones, Ala.	O'Brien, Mich.	Sutton
Jones, Mo.	O'Hara, Ill.	Tackett
Jones, N. C.	O'Konski	Talle
Judd	O'Neill	Teague
Kearns	O'Sullivan	Thompson
Kee	O'Toole	Thornberry
Keefe	Pace	Tollefson
Kelley, Pa.	Patman	Trimble
Kerr	Patten	Underwood
Kilday	Patterson	Van Zandt
King	Perkins	Vinson
Klein	Pfeifer, Joseph L.	Walter
Kruse	Philbin	Welch
Lanham	Phillips, Calif.	Werdel
Larcade	Phillips, Tenn.	Wheeler
LeCompte	Pickett	Whitaker
Lemke	Plumley	White, Calif.
Lesinski	Poage	White, Idaho
Lind	Potter	Whitten
Lovre	Poulson	Whittington
Lucas	Preston	Wickersham
Lyle	Price	Wier
Lynch	Priest	Williams
McCarthy	Rabaut	Willis
McDonough	Rains	Wilson, Ind.
McGrath	Ramsay	Wilson, Okla.
McMillan, S. C.	Rankin	Wilson, Tex.
McMillen, Ill.	Rees	Winstead
McSweeney	Regan	Withrow
Mack, Wash.	Rhodes	Wolcott
Madden	Richards	Wood
Magee	Rogers, Fla.	Worley
Mahon	Rogers, Mass.	Yates
Mansfield	Rooney	Zablocki
Marcantonio	Roosevelt	
Marsalis		

NAYS—101

Abbitt	Gary	Martin, Iowa
Addonizio	Gavin	Martin, Mass.
Allen, Ill.	Gillette	Mason
Andersen, H. Carl	Goodwin	Multer
Andresen, August H.	Gorski	Nelson
Arends	Graham	Nicholson
Beall	Hale	Norrell
Bennett, Mich.	Hardy	Passman
Bolton, Md.	Harrison	Polk
Bolton, Ohio	Hart	Quinn
Bonner	Hays, Ark.	Redden
Breen	Hays, Ohio	Reed, Ill.
Brehm	Hébert	Ribicoff
Burke	Heselton	Rich
Byrnes, Wis.	Hobbs	Riehlman
Canfield	Hoffman, Mich.	Rodino
Cannon	Holifield	St. George
Carlyle	Huber	Secrest
Case, N. J.	James	Smith, Va.
Church	Jensen	Taber
Clevenger	Karsten	Tauriello
Coudert	Kean	Thomas
Crosser	Kearney	Velde
Dague	Keating	Vorys
Davies, N. Y.	Kennedy	Vursell
Doughton	Kilburn	Wadsworth
Durham	Kirwan	Wagner
Eaton	Latham	Weichel
Elston	LeFevre	Widnall
Feighan	Lodge	Wigglesworth
Fenton	McConnell	Woodhouse
Fugate	McCulloch	Woodruff
Gamble	McGregor	Young
	McGuire	
	McKinnon	

NOT VOTING—86

Barden	Burdick	Davenport
Baring	Carroll	Dawson
Barrett, Pa.	Cavalcante	DeGraffenried
Bennett, Fla.	Chatham	Delaney
Boggs, Del.	Chiperfield	Douglas
Boykin	Chudoff	Doyle
Brown, Ohio	Clemente	Eberharter
Bryson	Cole, N. Y.	Elliott
Buckley, N. Y.	Corbett	Evins
Bulwinkle	Curtis	Fisher
Frazier	Keogh	Reed, N. Y.
Fulton	Kunkel	Rivers
Gathings	Lane	Sabath
Gilmer	Lichtenwalter	Sadlak
Granahan	Linehan	Sadowski
Granger	McCormack	Scott, Hardie
Gwinn	Mack, Ill.	Scott, Hugh D., Jr.
Hall, Leonard W.	Macy	Shafer
Halleck	Miller, Md.	Sheppard
Hand	Monroney	Simpson, Ill.
Heffernan	Morgan	Simpson, Pa.
Hoffman, Ill.	Morrison	Smathers
Horan	Morton	Smith, Ohio
Howell	Murphy	Stanley
Irving	Norton	Taylor
Johnson	O'Hara, Minn.	Towe
Jonas	Peterson	Walsh
Karst	Pfeiffer, William L.	Wolverton
Kelly, N. Y.	Powell	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Irving with Mr. Boggs of Delaware.
Mr. Gilmer with Mr. Wolverton.
Mrs. Kelly of New York with Mr. Towe.
Mr. Baring with Mr. Corbett.
Mr. Keogh with Mr. Macy.
Mr. Heffernan with Mr. Hand.
Mrs. Douglas with Mr. Halleck.
Mr. McCormack with Mr. Brown of Ohio.
Mr. Doyle with Mr. Kunkel.
Mr. Carroll with Mr. Miller of Maryland.
Mr. Sadowski with Mr. William L. Pfeiffer.
Mr. Monroney with Mr. Hardie Scott.
Mr. Morrison with Mr. Simpson of Pennsylvania.
Mr. Sheppard with Mr. Horan.
Mr. Smathers with Mr. Hoffman of Illinois.
Mrs. Norton with Mr. Leonard W. Hall.
Mr. Lane with Mr. Lichtenwalter.
Mr. Clemente with Mr. Reed of New York.
Mr. Chudoff with Mr. Sadlak.
Mr. Linehan with Mr. Hugh D. Scott, Jr.
Mr. Stanley with Mr. Taylor.
Mr. Murphy with Mr. Jonas.
Mr. Evins with Mr. Cole of New York.
Mr. Eberharter with Mr. Chiperfield.
Mr. Karst with Mr. Gwinn.
Mr. Peterson with Mr. Johnson.
Mr. Barrett of Pennsylvania with Mr. Smith of Ohio.
Mr. Granahan with Mr. O'Hara of Minnesota.
Mr. Bennett of Florida with Mr. Mason.
Mr. Frazier with Mr. Curtis.
Mr. Delaney with Mr. Morton.

Mr. CROSSER, Mr. VORYS, Mr. BREHM, Mr. BENNETT of Michigan, and Mr. WIDNALL changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

GENERAL LEAVE TO EXTEND

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include a speech made by him over television station WXEL, Cleveland, Ohio, from 9:30 to 9:45 p. m., on March 17.

URGENT DEFICIENCY APPROPRIATIONS, 1950

Mr. CANNON submitted the following conference report and statement on the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 1794)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7207) "making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 15, 17, 18, 19 and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 14 and 21, and agree to the same.

The committee of conference report in disagreement amendments numbered 4, 12, 13 and 16.

CLARENCE CANNON,
JOHN H. KERR,
ALBERT THOMAS,
JAMIE L. WHITTEN,
JOHN TABER,
R. B. WIGGLESWORTH,
KARL STEFAN,
Managers on the Part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7207) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1, 2, 3, and 5 pertaining to the Senate: Appropriate gratuity to the widow of former Senator Clyde M. Reed and provide an additional amount of $200,000 for contingent expenses of the Senate, as proposed by the Senate.

Amendment No. 4, pertaining to the Office of the Secretary of the Senate: Reported in disagreement.

Amendments Nos. 6, 7, 8, and 9, pertaining to the House of Representatives: Appropriate gratuities for the widows of deceased Members of the House, as proposed by the Senate.

Amendment No. 10, pertaining to the Office of the Housing Expediter: Appropriates $4,000,000 for salaries and expenses, as proposed by the Senate.

Amendment No. 11: Inserts center heading.

Amendment No. 12, pertaining to the Agricultural Research Administration, Bureau of Entomology and Plant Quarantine: Reported in disagreement.

Amendment No. 13, pertaining to control of forest pests, Forest Pest Control Act: Reported in disagreement.

Amendment No. 14: Inserts center heading.

Amendment No. 15, pertaining to the Department of the Army, civil functions: Deletes provision of the Senate providing for an appropriation of $9,500,000 for flood control, general, as proposed by the House.

Amendment No. 16, pertaining to the Department of the Army, civil functions: Reported in disagreement.

Amendments Nos. 17, 18, 19, and 20, pertaining to the Bureau of Reclamation: Delete provisions of the Senate appropriating amounts for the San Luis Valley project, Colorado, the Lewiston Orchards project, Idaho, and the Boulder Canyon project (All-American Canal), as proposed by the House.

Amendment No. 21, pertaining to the Bureau of Employment Security, Department of Labor: Appropriates $168,000 for Reconversion Unemployment Benefits for Seamen, as proposed by the Senate.

CLARENCE CANNON,
JOHN H. KERR,
ALBERT THOMAS,
JAMIE L. WHITTEN,
JOHN TABER,
R. B. WIGGLESWORTH,
KARL STEFAN,
Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. CANNON. Mr. Speaker, this is the urgent deficiency bill which passed the House on February 9. As the bill went to the Senate it contained only three provisions: One to take care of urgent deficiencies in certain veterans' funds, a second to take care of an acute situation on certain Indian reservations; and a third to finance certain activities of the Atomic Energy Commission requiring immediate attention.

The bill came back from the Senate with several items added. In conference the items which did not require immediate attention or could not be classified as urgent deficiencies were eliminated by the conferees.

As passed by the House the bill totaled $732,485,500. The Senate added $26,243,600, increasing the appropriations proposed by the bill to $758,729,100. After conference with the managers on the part of the other House we submit a bill carrying an appropriation of $739,650,500, an increase of approximately $7,158,000 above the sums proposed by the House.

In this form the bill is calculated to make satisfactory provision for the urgent needs of the agencies involved.

Mr. Speaker, at this time I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the increases that are carried in this bill as it comes from the committee of conference are not large; at the same time, I believe that for the activities it was at all proper to carry funds they are ample. In the matter of the rent-control item, out of the $4,600,000, $2,600,000 is for terminal leave, and $1,400,000 for additional funds. They do not need this amount, but there seemed to be no way of stopping it. They are reimposing rent controls in places where they should not be reimposed, and doing it only to use up their money.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Does the gentleman think it was good economy to take out of the bill all the money for bark weevil control, all money which would have gone to protect the valuable Government-owned white pine stand in Idaho and the Northwest?

Mr. TABER. There was an item carried in the bill, inserted on the floor, of approximately $4,500,000.

Mr. WHITE of Idaho. And all of that went to Oregon and Washington for Douglas fir, not a dollar for the protection of Idaho white pine.

Mr. TABER. Three million two hundred thousand dollars had been provided in the regular bill, and they had a very substantial amount left. The irregularities of the Bureau of Insect and Plant Control have been such that they did not come before any committee with clean hands.

Mr. WHITE of Idaho. We have in north Idaho, $22,000,000 worth of Government-owned white pine, the most valuable species of timber in the national forest and the budget appropriation for the protection of this timber from the ravages of the bark weevil has been stricken from the bill while the appropriation for the control of the budworm mostly affecting privately owned Douglas fir is left in the bill .

Mr. TABER. If they would go ahead and do the job they are asked to do to get rid of and control the big items, such as the spruce budworm, they would have plenty of funds.

Mr. WHITE of Idaho. Let me say to the gentleman that the spruce budworm affects fir in Oregon where most of the lumber is privately owned. It is not much of a menace to Oregon fir, but the Government is suffering a tremendous loss in its most valuable stand of white pine timber with the pine beetle. This pest is affecting a valuable stand of white pine in the State of Idaho and western Montana.

Mr. SANBORN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Idaho.

Mr. SANBORN. In connection with this pine beetle sum, in north Idaho there is a stand of Government timber worth some $22,000,000 that is threatened with this beetle. There was set up in this budget an item of $250,000 to do the job of fighting this beetle. The way this has been cut down it leaves nothing for that work. Unless the work can be of

sufficient magnitude to do a thorough job, there is no use spending any money on it. So this $880,000 that has been set up for the Douglas and white fir in Oregon and Washington leaves nothing to protect the $22,000,000 worth of white pine in northern Idaho, and also an item of $270,000 for the mountain pine beetle in southeastern Idaho and in western Wyoming, around Yellowstone Park. It seems to me that this is a penny-wise-pound-foolish attitude so far as these items are concerned for the simple reason that we are going to lose millions of dollars' worth of fine timber just because we will not spend a few thousand dollars at this time to take care of the situation.

Mr. TABER. The Senators who had charge of this did not present us with any case that might add anything except for the budworm. If the Bureau of Entomology and Plant Quarantine would go at this thing right and if the Bureau of Forestry would go ahead properly they would have plenty of money with what has been heretofore provided to cover the job. They have told us a terrific story, but they have been using up their money keeping folks on the roll doing nothing in the cities instead of going out in the field and keeping it available for things they really ought to do. It is almost impossible to get that Bureau to do anything that is intelligent.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Washington.

Mr. HOLMES. With reference to the problem of the spruce budworm, will the gentleman be kind enough to tell me the amount retained in the conference report?

Mr. TABER. The amount retained in the conference report is $750,000. On the other hand, they have $3,200,000 for the whole year. They have a very large balance remaining from that, so that altogether with this item they will have about $2,000,000 to operate on.

Mr. BARRETT of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. As I understand the gentleman, then, $750,000 was allowed for the spruce budworm and nothing for the mountain pine beetle that is attacking the lodgepole pine in Yellowstone National Park and the Jackson Hole area, including the Grand Teton National Forest.

Mr. TABER. I did not say that. I think they would have plenty of money to provide $250,000 for that beetle if they found they can do it effectively. They have enough money to operate on if we give them this.

Mr. BARRETT of Wyoming. Did I understand the gentleman to say that the money allowed in this conference report or some part of it may be used for the control of the mountain pine beetle that is attacking the lodgepole pine in Wyoming and also for the spruce bark beetle that is destroying spruce in Colorado?

Mr. TABER. I would think they could do it.

Mr. BARRETT of Wyoming. Mr. Speaker, parks and forests in the Yellowstone area are threatened with a mass epidemic of the mountain pine beetle and consequential loss of the thousands of lodgepole pine trees. During the period of 5 years in which this epidemic has prevailed, control methods have been effective and with a full coverage of all infested areas this year, a 75 percent reduction in new attacks can be expected.

The Yellowstone and Grand Teton National Parks are two of Wyoming's greatest attractions. Unless funds for the campaign against mountain pine beetles are made available at an early date, tremendous losses will be suffered in this great playground area. The total cost of control will be $418,000, of which $148,000 is presently available and there is great need for $270,000 to do this control job.

I wish to call your attention to the spruce bark beetle, which presently threatens all the mature spruce timber in Colorado, southern Wyoming, and northern New Mexico. Hordes of these beetles now destroying thousands of acres of timber in northern Colorado are moving northward toward the Wyoming line. The Medicine Bow Forest in Wyoming may be stripped entirely of its beautiful timber unless the necessary appropriations are allowed to launch a real fight against the spruce bark beetle. Included in the Medicine Bow Forest in Wyoming is the Snowy Range, one of southern Wyoming's most scenic spots, which annually attracts thousands of tourists to the State. A successful method of killing this beetle has been perfected by the entomologists of the Department of Agriculture. With adequate appropriations available at the earliest possible date, the large-scale campaign against the spruce bark beetle can be undertaken with the utmost effect.

I am sorry indeed that no appropriations have been made available in this urgent deficiency bill for the continuance of the program against the spruce bark beetle or the mountain pine beetle. If the program is to be carried on expeditiously, the additional funds must be provided for this fiscal year and I trust the committee will give consideration to this item in the next deficiency bill.

If the gentleman from New York will yield further, I would like to discuss the grasshopper situation.

I am sorry that the conference committee saw fit to recommend that the item of $2,200,000 for grasshopper control, as agreed by the other body, be reduced to $1,000,000. I call your attention, Mr. Speaker, to the fact that grasshoppers have been steadily increasing in numbers in the Western States, and the infestation has become of epidemic proportions in at least 14 States. The current outbreak involves both range and crop lands, and is extremely critical in parts of Wyoming, Montana, North Dakota, South Dakota, Nebraska, and other Western States. More than 5,500,000 acres are known to be severally infested at the present time. The history of the grasshoppers shows that the most widespread and destructive outbreaks have their origin in this general area. Unless these infestations are suppressed early this year, many more States may well be involved in infestations later on. The Bureau of Entomology and Plant Quarantine has indicated that grasshoppers will be a major problem in 1950, and certainly the control of grasshoppers at their source is a sound way to fight the infestation. I am indeed sorry that the conference committee saw fit to reduce this item from $2,200,000 to $1,000,000. It has been proposed to cary on this program in cooperation with several States. The Legislature of the State of Wyoming, in special session last month, appropriated $750,000 to match Federal funds of a like amount to fight the infestation of grasshoppers in our State. I sincerely hope that the committee will see fit to include an additional appropriation for this item in the next deficiency bill, as I am convinced that $1,000,000 will be wholly inadequate to get this program under way before the grasshoppers start hatching in May or June.

Certainly we cannot carry on a program of the magnitude necessary with one State putting up $750,000, when a half dozen States are involved, and the Federal Government allowing only $1,000,000 to cooperate in the fight on grasshoppers.

Mr. TABER. I would think the grasshoppers could be taken care of if the Department would use its head and not waste its money, with the money we have given it and the balance which it has left over. They had over $3,000,000 in the original appropriation. The gentleman from Missouri is more familiar with it than I, because he has been in on the hearings on the agricultural bill.

Mr. BARRETT of Wyoming. I understand that there is only a $150,000 carryover in that fund that could be used for that purpose.

Mr. TABER. Well, there must be more than that, because, if I remember right, their balance was $1,200,000. They have wasted enormous sums of money buying automobiles and all kinds of foolishness, and doing a lot of other things that it was not necessary to take up.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Colorado.

Mr. HILL. I would like to ask this question: As to the Engelmann spruce in Colorado, you will find we had a request for $2,885,000. As I understand, you took that sum out. Now, will there be money in the general appropriation bill to carry on this work?

Mr. TABER. Why, there will be an item in there for this organization, but I cannot give offhand what it will be.

Mr. HILL. Another question. I would like to associate myself with the gentleman from Wyoming on this grasshopper fund. While the grasshoppers may originate in Wyoming, they are going to spend a good part of their natural life in Colorado and Nebraska and as far east as the Missouri-Mississippi Valley, and if we do not catch those grasshoppers in their larva stage at the beginning, no one can estimate the damage those grasshoppers are going to cause. Certainly we ought to spend our

money at the point where it will do the most good, which is in the beginning of the grasshopper crop.

Mr. TABER. I think that is correct, and I think they should go after them, instead of fooling away their money on other things that are not necessary.

Mr. SANBORN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SANBORN. Does the gentlemen not think that it would be money well spent to take care of this timber that is being attacked by the pine bettle now, rather than wait until after the timber is ruined?

Mr. TABER. Well, it would be if you could get that bureau over there in the Agriculture Department to do its duty. But when they go to work and waste their money on things that are no good, and do not get anywhere, and you cannot control them, that presents a very difficult picture.

Mr. SANBORN. There is just one time when these beetles can be taken care of, and that is in the spring of the year, and unless the money is put into this urgent deficiency bill, it will be too late to take care of the situation this year. In the meantime we will lose many millions of dollars worth of valuable timber.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I was interested in the observation about getting these people in the Bureau to do their job. I am a little afraid that some of the reports of some derelictions in the Bureau of Entomology are in the background of the committee's mind, and, if so, they should not be charged against the Forest Service. My observation is that the Forest Service has been very expeditious in the handling of its funds for the control of forest pests. The particular item that is involved here does not happen to be in my district, but in prior years I have had occasion to observe the way the Forest Service operated, and I know that they did use their money efficiently and they stopped the infestation with a very high percentage of kill on the first operation.

Mr. TABER. Well, I believe if they will go at things right with the over $3,000,000 that was given them in the regular bill, and this money, that they can do a very good job in that situation.

Mr. D'EWART. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Montana.

Mr. D'EWART. Mr. Speaker, large areas of my congressional district in Montana suffered severe damage from grasshopper infestation last year. The combination of grasshoppers and drought resulted in heavy losses to ranches in Rosebud, Custer, and other southeastern Montana counties, and many hundred thousand acres were involved.

I visited the area in November and December to learn first hand the sentiment of these people concerning the Department of Agriculture's grasshopper control campaign and to try to get some estimate of how serious an infestation might be expected this year.

There was some criticism of instances of apparent waste or extravagance such as were described by the gentleman from Mississippi [Mr. WHITTEN] in earlier hearings on this program. However, the majority of those whom I met were agreed that the Bureau of Entomology and Plant Quarantine had done a good job in helping to prevent even greater losses from the grasshoppers, and they were glad to have had this badly needed assistance from the Bureau.

So many factors enter into the situation, weather included, that it would be very difficult to predict what the grasshopper situation may be this spring. It is entirely possible that we will have another serious infestation. In order to be prepared to meet this menace, if it arises, my constituents and I believe that the Bureau of Entomology should have funds on hand and ready for use when and if the need for Government help becomes apparent. The success of a grasshopper campaign depends in large measure on timing. Some of the waste mentioned in last year's program may have been due to the need for quick action on a large front after lack of preparation permitted the infestation to get out of hand. This year we want to be prepared, and we urge that the $2,200,000 requested be made available with the understanding that it will not be used unless the need arises.

I should add that the campaign last year in Montana was concentrated on public and private range areas, and that the Custer National Forest was largely bypassed. It would appear that some work must be done on that national forest this year for the protection of the forest range as well as the neighboring lands.

I also wish to urge your favorable consideration of the $4,500,000 item requested for control of forest pests. Serious damage is being done to timberland in my State and others. Private owners of timberlands are actively engaged in an effort to control the spruce budworm, bark and pine beetles. The national forests are the responsibility of the Federal Government, and the control programs should be coordinated with the Government bearing its proper share of the burden. Our remaining timber resources are of great value to this country and should be protected with every means at our disposal.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. HOEVEN. Is there any provision in this bill for the eradication of the corn borer?

Mr. TABER. No.

Mr. HOEVEN. Do we have current funds available for that work?

Mr. TABER. There were some funds made available in the regular appropriation bill last year.

Mr. HOEVEN. Are any funds provided for that in the current appropriation bill?

Mr. TABER. I understand there are.

Mr. HOEVEN. I am happy to know that, because the corn borer perhaps is going to be a rather critical thing in the Corn Belt this year; in fact, it is worse this year than it was last year.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Oregon.

Mr. ANGELL. Mr. Speaker, I am glad we are assured that this emergency appropriation carries adequate funds for the control of the insect pest in the Douglas fir forests of Oregon and Washington. My State of Oregon has the largest stand of commercial timber of any State in the Union. These pests are threatening the immense Douglas fir stands of timber. This appropriation for the control and eradication of this pest infesting Douglas fir is a sound investment. The Federal Government owns most of this timber. However, I desire to discuss another emergency matter of great importance to Oregon.

Mr. Speaker, I am disappointed in the position taken by the ECA in response to my protest against the program of this administration and other Government agencies in failing to provide relief for flour millers in the United States and particularly in the Pacific Northwest.

Agriculture and the milling of wheat and other cereals is a major industry of the Pacific coast States and much of their economy depends upon the success of this industry. It has enjoyed a heavy export business in flour throughout the years which is essential to round out its domestic business. Long-haul freight rates deprive it of much of the market of the middle and eastern portion of the United States. The ECA of the State Department and the Commodity Credit Corporation with the use of Marshall plan dollars and an apparent disinterestedness in protecting American flour producers in their off-shore trade have permitted Marshall plan countries to use American dollars to undermine the economy of American flour millers.

They have not only deprived these millers of the foreign markets but they have permitted Canada and other countries benefiting through depreciated currencies and the manipulations of the Marshall plan countries to flood the American markets with imported products, underselling American products which are in oversupply.

The administration through the Secretary of State, the ECA and the Commodity Credit Corporation has authority under existing laws to protect these American producers but refuses to do so. As a result this industry in the Pacific Northwest is being scuttled and thousands of workers employed in the industry are on the unemployed list. I have made repeated vigorous protests to all of these agencies for relief without avail.

I discussed this whole problem on the floor on March 16. My remarks appear in the CONGRESSIONAL RECORD for that date on page 3494. At that time I stated that the Economic Cooperation Administration had advised me that they would reply further to my letter of February 23. I am now in receipt of

that reply dated March 16, 1950, and include it as part of these remarks. An examination of this letter discloses that the flour millers and lumbermen of the Northwest receive no encouragement that effective steps will be taken to protect their interests and to prevent the use of Marshall plan dollars in undermining and destroying the grain, flour mill and lumber industries in the Pacific Northwest. There seems to be greater concern on the part of United States agencies and officials in protecting the economy of the Marshall plan countries overseas than in providing some of the necessary safeguards and protections for American industries and American workers.

The letter I received from the ECA follows:

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., March 16, 1950.

Hon. HOMER D. ANGELL,
House of Representatives,
Washington, D. C.

DEAR MR. ANGELL: This is further in reply to your letter of February 23, 1950, regarding problems of the flour milling and lumber industries of the Pacific Northwest. You noted in your letter that loss of export markets is a primary cause of the problems of the flour milling and lumber industries and that operations of the United States Government, including those of ECA, have contributed to the difficulty.

Flour millers in the Pacific Northwest have lost a substantial part of the export business which they engaged in recent years. Total United States flour exports have dropped markedly, with the percentage of decrease probably being larger in the Pacific Northwest than in other United States areas. Reasons for the heavy decline in exports from the Pacific Northwest include:

1. The Canadian class II wheat price is substantially lower than the United States market price for wheat. As a consequence, Canadian millers are in a better competitive position than are United States millers with respect to foreign flour markets outside the international wheat agreement. The Canadians, therefore, have been selling more flour and United States millers less flour to such markets as the Philippines than was the case in earlier years. The market in the Philippines has always been of principal importance to United States millers in the Pacific Northwest.

2. ECA-financed shipments of United States wheat and wheat flour to China ceased with the Communist capture of most of that country. The Pacific Northwest supplied much of the wheat flour which previously had been financed for China.

3. In the years immediately following World War II, Japan imported wheat flour from the United States, much of which was procured in the Pacific Northwest. This, however, was an unusual situation caused by the world scarcity of breadgrain. We understand that Japan ceased to procure wheat flour when wheat became freely available.

Each of the three foregoing items is a matter which is not within the control of ECA. Financing by ECA has been involved only in the case of item 2, which pertains to China. There is no prospect in the foreseeable future that we shall finance wheat flour for the mainland of China, since the legislation under which we operate prohibits ECA financial assistance to Communist-held areas. There is a remote possibility that some flour might be financed in the coming months for Formosa, but should this transpire the quantity will be so small that benefits to the Pacific Northwest will be negligible. Korea, the only other country in the Pacific receiving ECA aid, does not require imports of wheat or wheat flour. Hence, in future months ECA financed flour procurement will be confined almost exclusively to European countries. Because of transportation costs, west coast millers have found it difficult to compete in the European market with east coast and Gulf flour. Recently, however, we have noted some interest on the part of European countries in the west coast market.

With respect to item 1, the Philippine Government officially filed its acceptance of the International Wheat Agreement on February 27. The Philippines thereby became eligible for Wheat Agreement prices, and United States millers can now compete equally with Canadian millers for much of that business. It is probable, however, that Canadian millers may still be able to underbid United States millers on hard spring wheat flour.

We note your statement that much of the competition of Pacific Northwest mills comes from dollars supplied through ECA to foreign countries. As you know, because of the British dollar crisis ECA agreed to finance during this fiscal year $175,000,000 of United Kingdom wheat purchases in Canada. All ECA-financed procurement, however, of wheat and wheat flour for other countries has been limited this year to the United States. Within the agreed $175,000,000 for the United Kingdom, procurement totaling $140,000,000 has been authorized to date, $11,200,000 being for wheat flour. Most of the latter was authorized last September and none has been authorized since November. We expect to authorize the balance of $35,000,000 for wheat only.

The problem involved in Canadian exports of potatoes to the United States does not fall within the purview of ECA. The Department of Agriculture and the Department of State are more directly concerned, and we believe any information desired should come directly from those Departments. Reply will be made in a few days to that portion of your letter which pertains to lumber.

Sincerely yours,

WILLIAM FOSTER,
Deputy Administrator.

Mr. ANGELL. Mr. Speaker, not only is the export market for the Pacific Northwest lumber being demoralized and in many cases completely destroyed and the export flour-milling industry put on the skids so that the industry is rapidly disintegrating but the Pacific Northwest is also hard hit by the operations of ECA and other Federal agencies with respect to the fishing industry. The fishing industry is a very important one to my State and to the Pacific Northwest and affords employment for a large number of people engaged in that work. During the last 2 years, foreign fishermen sold 50,000,000 pounds of fillets a year in the American market. Prior to the war these importations amounted to less than 10,000,000 pounds per year. As a result of these foreign importations underselling the American-produced product the industry has been hard hit in the Astoria area in my State. It is reported that 15 boats valued at $300,000 which in the past have fished only for soupfin sharks for oil are forced to quit by reason of the slashing of the prices through foreign importations, soupfin shark livers having dropped in price from $11.50 per pound to $3.50 per pound in 1 year. Nets for catching these fish cost from $6,000 to $10,000 a piece and often are lost at sea. A heavy investment is maintained in the Pacific Northwest in this great industry. The Astoria community itself estimates that income from the local fishing fleet amounts to $2,100,000 a year. Dog shark livers which made up 40 to 50 percent of the income, by reason of this foreign competition were reduced in price from 80 cents to 10 cents a pound. Canada, according to these fishermen, supplies 80 percent of the imported fillets prepared by workers receiving 83 cents an hour, equivalent in United States money to 73 cents whereas American workers wage rate at Astoria is $1.18 per hour. Many of these fishery concerns in my State have been compelled to close down by reason of the State Department, the ECA, the Department of Agriculture and other Federal agencies of this administration letting down the bars to unrestricted foreign importations of these fishery products produced under low-wage conditions. I include an article by Lawrence Barber, marine editor of the Oregonian, which appeared in its issue of March 12 in which this deplorable program of the administration with reference to failure to support the fishing industry is discussed in some detail:

COAST FISHERMEN LOSERS DUE TO FOREIGN INFLUX OF EUROPEAN FILLETS, OIL—NORTHWEST INDUSTRY DECLARED DOOMED UNLESS CHANGE MADE IN ECA PLANS

(By Lawrence Barber, marine editor, the Oregonian)

Imported fish, fillets, and fish oils have cut sharply into the business volume in Astoria, Newport, Coos Bay, Grays Harbor, and Puget Sound, the centers of the Pacific Northwest fisheries industry.

The fishermen of these ports believe they have a legitimate complaint to file with the Government, because their business and their spendings in their communities are down 60 percent from the good years of the postwar period. Many of their people and boats are standing by without work, and their wives and daughters in the canneries and filleting plants are suffering from unemployment.

"We blame the ECA and the reciprocal trade agreement for our troubles," said A. H. "Jess" Wright, secretary of the Off-Shore Fishing Vessel Owners' Association, Astoria.

FILLET DOORS OPEN TO IMPORTS

"Through these devices the Government has opened the doors for tremendous importations of fillets and fish oils from other parts of the world, where wages and prices are so far below our wages and prices that we can't compete. It means many fishing boats and fishery plants must go out of business or move away, as several have already."

Wright declared the devaluation of the British pound and Argentine peso also had a demoralizing effect because South African and South American fish-oil producers turned their products into the American market, where prices remained higher than those of Britain. This shut out much of the domestic production, he said.

OTHER FIELDS SUFFERING INROADS

Thomas F. Sandoz, president of the Columbia River Packers Association, likened the fishery situation to that of the American watch and lumber industries, both of which are suffering from heavy importations of competing products.

The fish fillet market was built up in this country by the universal installation of frozen food cabinets in food stores everywhere so that fillets could be kept frozen until housewives picked them up in the stores,

Sandoz said. The big importations from Canada, Iceland, and Newfoundland, where wages and dollar valuations cut the production cost to less than 60 percent the production cost in Astoria, have taken advantage of the new marketing methods.

During the last 2 years, foreign fisherman sold 50,000,000 pounds of fillets a year in the American market. Prior to the recent war, these imports amounted to less than 10,000,000 pounds a year.

ASTORIA ONCE AHEAD

Astoria was the major United States producing center for wartime fillets, the greatest portion going to the armed forces. But those days are gone—Astorians hope not forever.

In a survey of the fishing boat situation, a committee of fishermen told the Astoria Chamber of Commerce Friday that 15 boats valued at more than $300,000 which in the past have fished only for soupfin sharks for oil have been forced to give up because the price received for soupfin shark livers dropped from $11.50 a pound to $3.50 a pound in one year.

Soupfin sharks are scarce, difficult and costly to catch, and represent the most valuable product of the sea aside from ambergris, they said. Nets for catching these fish cost $6,000 to $10,000 each and often are lost at sea.

At the same time, they said, 15 drag boats which had been fishing for bottom fish for the fillet industry have been forced to leave Astoria, while 33 other drag boats have gone into the poorer business of catching scrap fish for mink farmers.

BIG INCOME LOST

They estimated the Astoria community has lost an income from this local fishing fleet amounting to $2,100,000 a year. This is in addition to the loss of a large fleet of Puget Sound boats which has been based at Astoria in recent years.

The delegation of fishermen—Fred Wolleson, Veikko Romppanen, A. J. Conger, Jr., Al Mather, and Art Paquet—said that 40 to 50 percent of the income to the bottom draggers came from dog-shark livers of low potency, which have fallen from a market value of 80 cents a pound to 10 cents during the last 2 years, with the result that many drag boats have been tied up.

Canada, according to the fishermen, supplies 80 percent of the imported fillets, which are prepared and packed by cannery workers who receive 83 cents an hour, the equivalent in United States money of 70 cents an hour, compared with the going hourly wage of $1.18 at Astoria.

They quoted the CRPA as reporting that 500 people had been thrown out of work in its plants. Statements reporting losses in business were compiled by the other fish companies, the marine equipment suppliers, and the shipyards.

PORT MONEY WASTED

William F. MacGregor, member of the Port of Astoria Commission, declared the expenditure of $2,000,000 by the Federal Government for the construction of a new and large fishing boat mooring basin at Astoria "will appear to be a ridiculous waste of public funds if the fishing industry is permitted to disintegrate."

Three fishery concerns have closed down during the last year. One of these was the Washington Laboratories, which closed its Everett office also, and threatens to close its main plant at Seattle unless something is done to save the fish-oil business. Washington Laboratories was one of the Nation's largest suppliers of vitamin A from fish oils until last year.

"This crippling effect upon our fishing industry as the result of our foreign trade policies is the same old story that can be heard from Blaine, Wash., to Rockland, Maine," said Wolleson.

Mr. ANGELL. Mr. Speaker, as reported in the Sunday Star, March 19, the State Department's prestige is at the lowest ebb in its history. Constantine Brown, a foremost analyst in public affairs, in an article discussing the Department in the Star analyzes public mistrust of the Department and feels that faulty diplomacy is to blame. The Department is the prime mover in the whole foreign program which is undermining the industries of the Pacific Northwest particularly, being the Department responsible for the failure of our Government to give some recognition and support to the lumber, flour milling, and fishing industries. It is the State Department that is permitting these major industries to be scuttled by the importation of foreign products produced under low wage scales and brought into the United States at low cost by reason of depreciated currencies and the manipulations of those countries in utilizing Marshall-plan dollars at our taxpayers expense, to undersell the American producers.

Mr. Brown calls attention to the fact in this article that there are more employees in the State Department than at any time in our history. In 1939 the State Department had a little more than 7,000 persons among its personnel and now it has about 24,000. Yet with all of these employees the Department seems to spend its time in working out schemes to help competitors of American producers and American workers to the betterment of the foreign interests and the detriment of our own home people.

I include the Brown article as a part of my remarks:

STATE DEPARTMENT PRESTIGE AT LOWEST EBB IN HISTORY—ANALYST SAYS PUBLIC NOW DISTRUSTS THE GOVERNMENT'S TOP AGENCY AND FEELS FAULTY DIPLOMACY IS TO BLAME

(By Constantine Brown)

At no time in the history of the United States has the State Department been viewed in a more unfavorable light than it is today.

In the past this Department of the Government, which is responsible for the conduct of our foreign relations with other countries, was the target of light criticism.

Its members were described as striped-pants diplomats, mimicking their British colleagues. Others called them cookie-pushers because of the popular belief that our diplomats, at home and abroad, were principally engaged in attending teas and cocktail parties.

Whenever a Congressman wanted to make headlines without stirring up controversy he used the State Department as his punching bag. He could poke fun at its officials and be sure to draw popular applause. The fact that the Department had a substantial number of hard-working and able men, who were devoting their time and energies to difficult and thankless tasks, was generally overlooked.

Also overlooked was the fact that the personnel of the foreign service no longer was drawn from the ranks of the sons of rich men, but, like the armed services, came to represent a cross section of the American people.

Since World War II, however, the State Department has undergone a radical change.

While Franklin D. Roosevelt was President the State Department "was in the White House." That is to say, all the major policies of the United States were determined by the Chief Executive himself. It was his constitutional right to do so.

HULL WAS BYPASSED

But more than that, Mr. Roosevelt after 1940 failed frequently to keep his Secretary of State informed of what went on between himself and the heads of other foreign governments which eventually became our allies. Secretary of State Hull's pride frequently was hurt when he heard days or weeks afterward about decisions or commitments made by the White House on which he should have been consulted and was not.

Mr. Roosevelt's reason for failing so frequently to keep his Secretary of State posted on his maneuvers was that there were too many leaks in the State Department and it was not a good security risk. This is illustrated in the memoirs of Admiral William D. Leahy, "I Was There," when he recounts some of the events which preceded our invasion of North Africa.

Admiral Leahy asked the State Department, on orders from President Roosevelt, to resume sending shipments of food for the people of North Africa and unoccupied France. State Department officials were reluctant to engage in such an act of appeasement. Admiral Leahy says in his memoirs that he could not tell them the real reason for this order, since the State Department was not a good security risk and could not be informed about this first major military operation, which required top secrecy.

President Truman has far less reliance in his own knowledge of international affairs than his predecessor had. Hence, he leaves the handling of these matters entirely in the hands of the men at the head of the State Department.

Mr. Truman never interfered with the activities of James F. Byrnes when he was conducting the Nation's foreign affairs. When the Chief Executive became dissatisfied with his Secretary of State, for reasons other than his handling of international matters, he replaced him with General Marshall, who had carte blanche from the President to do what he pleased.

After General Marshall's retirement Mr. Truman called to the top post in his Cabinet Dean Acheson, whom he has given the same latitude as he gave General Marshall. And as long as Mr. Acheson's conduct of the Nation's foreign affairs does not depart from the line of Mr. Truman's domestic policies, he can do whatever he pleases without fear of interference from his superior in the White House.

PUBLIC GROWS UNEASY

In other words, the State Department is back in the State Department.

But for the first time in our history there is widespread fear and suspicion of our diplomatic establishment, not only among Members of Congress, and the handful of intellectuals, and other persons who are particularly interested in foreign affairs, but among the rank and file of American people.

The man in the street in the United States has become aware, possibly subconsciously, that the nightmarish situation has been caused by faulty handling of our diplomacy. He knows that we won the war on the European and Far Eastern battlefields and is aghast to find that now, 5 years after the war's end, we may be on the threshold of another deadly conflict in which we may become the principal actors and the main target of attack by Russia.

The American public for many years took little if any interest in foreign affairs. That was the job of those fellows in Washington. Since the war, however, it has become more diplomacy-conscious because of the turn of world events. At the same time the man in the street feels that something has gone wrong with those fellows in Washington.

There is no question that the sentencing of Alger Hiss by a court in New York for what, in fact, is high treason has created real concern in the country. The American people have been hearing for some years now that the administration—and the State Department, in particular—was packed with Communists and fellow travelers.

ACHESON CAN BE PUZZLING

When Alger Hiss was found guilty the reaction was strong. The average American can find no excuses for Benedict Arnolds. And people began to wonder whether our present international headaches were not due to the fact that in the past the Government had tolerated such persons, who pilfered the files of the State Department to provide a foreign country—which now our bitterest enemy—with top-secret documents.

Our disaster in China, which was of little concern to the bulk of the American people, began to be appraised at its real value. The State Department's issuance last summer of a white book defending the policy which caused the Chinese debacle now is regarded as a trick of "those fellows in Washington."

To top this uneasiness of the American people came the ill-considered statements by the Secretary of State himself that he did not intend to turn his back on Alger Hiss, the man whom an unbiased American jury had found guilty of perjury.

Mr. Acheson is not easily understood by the rank and file of American people. Unquestionably he is one of the most brilliant and at the same time most controversial Secretaries of State we have ever had. Mr. Acheson is a liberal, but not in the new sense of being a pinko and Russian lover. He has a deep contempt for "stupid, narrow-minded people," and frequently places most Members of Congress in that category.

He does not bargain with his conscience, even if the whole world tells him he is wrong. He is a man of undoubted courage. For instance, he did not hesitate to admit publicly that he had been wrong in his policies toward Spain. He didn't seek alibis but frankly stated that he was wrong—a rare feat for a man in public life. But he prides himself on reaching conclusions by himself and not through the advice of his counsellors or any other outsiders.

He stuck his neck out in the Alger Hiss case, although everybody around him urged him to keep his peace. He was told that if he wanted to jeopardize his job that was his own business. But to create further suspicion and distrust about the State Department was much more than hurting himself as a public official. Not only did he refuse to listen to such advice, but in a spirit of typical "Acheson defiance" he reiterated his sentiments about Hiss and for good measure implied in his statement before a Senate committee that those who did not understand his sentiments were ignorant (a diplomatic way of describing stupidity).

DEPARTMENT'S PRESTIGE LOW

The prestige of the State Department throughout the country today is at its lowest ebb in history. In Congress even the most faithful supporters of the administration have a hard time supporting the State Department's policies and its top-ranking officials. The feeling that there are still other "Alger Hisses" in top Government positions is more widespread than ever.

Why, it is asked, does Mr. Acheson insist on spending large amounts of money in Far Eastern countries which could be toppled over by the Russians and their Chinese Communist associates almost overnight? At the same time he remains adamant against spending even small sums in supporting the Nationalists' military effort on Formosa, where the Nationalists have proved that they can stop a Communist invasion.

Why, it is asked, has Mr. Acheson "influenced" the Joint Chiefs of Staff, allegedly through the Commander in Chief, in declaring that Formosa is of no real strategic importance, when so many Senators and Representatives have been told, off the record, that it is of real value in Pacific defense?

The public, which knows little about Mr. Acheson's character, wonders whether the "Hisses" in the State Department influence the Secretary's judgment.

Questions of treason are sensational and reach the general public much more easily than complex international problems. But together they make for general distrust and fear that we are being sold down the river. This comes at a time when unity of the American people is more important than ever.

The State Department, of course, is top heavy. There are many more employees in that organization than there ever were in the past. In 1939 the State Department had a little more than 7,000 persons among its personnel. Today there are about 24,000.

In 1939 when the State Department's public relations unit was providing the American people with real information—and not propaganda hand-outs intended to affect public thinking—there were only 11 persons, including two messengers, in that organization. Today there are several hundred men and women and real information is as scarce as rain on the Sahara Desert.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CASE of South Dakota. As I understand, the conference report eliminates the advance of some funds for construction on the Randall Dam on the Missouri River flood-control program. Was any consideration given to the possibility that new funds to be carried in the regular appropriation bill might be made available for immediate expenditure in order that the contractor might proceed with his work?

Mr. TABER. That question has never been brought up to the Committee on Civil Functions, but we can give it consideration. The only thing there is about it is that we gave the Randall Dam a very fair amount of money a year ago and they should have proceeded with that in mind. It is almost impossible for us to meet our obligations in other directions and treat the rest of the country fairly and still give a large amount of money to one particular project.

Mr. CASE of South Dakota. I am not disposed to quarrel with the position of the committee in that respect. The rest of the country must be treated fairly. I was just wondering, because my understanding was that the money proposed for the item was to permit the contractors to go ahead and use the machinery which was on the ground. The report was that one contractor was pulling off the job. I hope that the money that is to be made available in the regular bill may be made immediately available upon the approval of the bill.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Vermont.

Mr. PLUMLEY. In answer to the question the gentleman from South Dakota has asked, I think the position he has taken has been substantiated by the Appropriations Committee and by others who have recognized his wishes in the premises.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I understood the gentleman to say to my colleague, the gentleman from Iowa, that there is money in the regular appropriation bill for European corn-borer control, but I was under the impression that that money is for experimental stations and not for actual insect control.

Mr. TABER. I cannot go into the detail of what that is. I am not informed.

Mr. LECOMPTE. The gentleman has nothing to say on that point?

Mr. TABER. No.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. YATES.]

Mr. YATES. Mr. Speaker, this conference report includes a measure of relief from the drastic cut that was administered to the Office of the Housing Expediter last year which did much to cripple rent control regulation. It still will not permit effective operation of that agency because of the $4,000,000 appropriation that is presented in this conference report the sum of $2,600,000 is earmarked to go toward payment of terminal leave for the employees of the Office of the Housing Expediter. That leaves the sum of $1,400,000 to carry on the work of the Office of the Housing Expediter for the entire Nation until June 30, 1950, when the present Rent Control Act expires. While not in so many words sounding the death knell of rent control, as did the amendment proposed by the Senate Appropriations Committee in looking for a liquidation of the agency, this appropriation goes far in the same direction.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. May I ask the gentleman why the Expediter needs more money when there are five or six States that have done away with rent control entirely? Last year the Expediter came in here and got 3 or 4 million in one of these special appropriations. He ran out of money in February or March, and then we had to make up the difference to carry his agency from February until July.

Mr. YATES. If the gentleman will examine the Rent Control Act and the appropriation for the Office of the Housing Expediter for the current year, he will discover that the Housing Expediter received less money this year to carry on his functions than he had received the previous year, to administrate an act which increased his duties over those outlined under the previous year's act. Of course, he was compelled to come back to Congress for a deficiency appropriation.

Mr. Speaker, urban areas such as the city of Chicago are still in urgent need of rent control. I recognize that throughout the Nation vast progress has taken place in constructing homes and rental units and that in many areas,

the need has disappeared for regulation. Not so, in the city of Chicago. We are far behind in our building program and have not yet attained the free and fair housing market which will permit the lifting of rent controls.

I believe I am revealing no confidence when I point out the fact that the appropriations bill for the year 1951 with which the Committee on Appropriations is now dealing, contains no appropriation for the Office of the Housing Expediter. It could not be otherwise because there is no authorization act in existence which would permit an appropriation for such office beyond June 30, 1950. Therefore, I believe it is of the utmost urgency that the House Committee on Banking and Currency undertake hearings as quickly as possible upon legislation to extend rent controls. I see the distinguished chairman of that committee on the floor and I hope that he will listen to my statement.

I believe it is urgent that such hearings be undertaken as quickly as possible because if time be permitted to go by until we approach the end of the present Rent Control Act, we will find that we have no appropriation under which the act may operate. The liquidation of the Office of the Housing Expediter, which to all intents and purposes is compelled by the lack of appropriations, will almost have been accomplished and it will require a much greater expenditure to place the office on an effective working basis again.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. MARCANTONIO. I think we might as well face the facts. It is obvious by this cut in funds and by the fact that nothing is being done at this time that the wheels have been greased to ride rent control out of existence. We note now up in Albany the New York Legislature up there and the Governor are planning to take New York out of Federal rent control, so that the landlords can have a happy holiday in New York State. Federal rent control will be killed unless the tenants of this country make themselves heard through their respective Congressmen.

Mr. YATES. May I point out to the gentleman that we in the State of Illinois have a very difficult situation. Our State legislature is not in session and will not reconvene until January 1951. The rent-control act which the city of Chicago tried to put in effect some years ago was held unconstitutional by the Supreme Court, so we have no legislation which would protect the people of our city in the event that Federal rent controls expire.

Mr. McGRATH. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. McGRATH. Is it not a fact that since the gentleman from New York [Mr. MARCANTONIO] made reference to the situation in Albany, that the Democratic Party is united in favor of rent control for the State of New York?

Mr. YATES. To the best of my knowledge that is true.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. MARCANTONIO. We have not heard the story of the deals that have taken place. When we get all of the stories, then we will exculpate those who are not guilty, and place the blame on those who are guilty.

Mr. YATES. I assume that your internecine warfare will be continued in the chamber of the New York State Legislature.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield.

Mr. JAVITS. Is it not a fact that the question of rent control is not doctrinaire or political, but just is, first, that there is a law on the books and that it ought to be fully administered with enough money to do it; and second, the potent need for its continuance exists in the country?

Mr. YATES. I do not think there is any question about that. The gentleman is entirely correct.

Mr. MARCANTONIO. Mr. Speaker, if the gentleman will yield, it is the gentleman's Governor, Thomas Dewey, who is trying to take New York State out of Federal rent control and the gentleman from New York cannot dodge that one, either.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Speaker, I wish to join in the position and the remarks made by the gentleman from Wyoming [Mr. BARRETT] and the gentleman from Colorado [Mr. HILL] and the gentleman from Idaho [Mr. SANBORN] in their colloquies with the distinguished gentleman from New York [Mr. TABER] regarding the appropriation for insect control in our western forests which appropriation was eliminated by the conference committee report. I wish to bring to the attention of the Members of the House that there is $32,000,000 worth of Englemann spruce timber at stake in the forests of Colorado, and that at this time, an expenditure of $2,885,000 as carried by the Senate bill would have been of very material advantage to the United States.

Mr. Speaker, I would like to ask the distinguished chairman a question, and that was my purpose for asking for this time. Am I correctly advised that there will be a supplemental deficiency appropriation bill which will be studied soon?

Mr. CANNON. In response to the gentleman's inquiry, this bill is intended to carry only urgent deficiencies appropriations where extreme need exists. We expect to begin work on the next deficiency bill following our return after the Easter recess. So far as the individual is concerned, we have provided three-quarters of a million dollars for the spruce budworm in Douglas fir and white fir, because of the urgent need arising from the necessity for immediate attention at this season of the year.

But we are ready to consider the subject further, and if there is justification for additional expenditure we are in position to hold further hearings in connection with the last deficiency bill.

Mr. ASPINALL. And at that time the people who are asking for these appropriations to combat the spruce bark beetle will have a chance to be heard?

Mr. CANNON. Certainly. Opportunity will be afforded all who desire to be heard.

Mr. ASPINALL. Mr. Speaker, I support a deficiency supplemental appropriation requested by the Forest Service for use by them in their program to control various insects which are attacking certain forest areas of the West. I especially support the proposed expenditure of $4,500,000 in addition to the amount now available which is needed presently in five of the Western States. I know personally the situation which exists in my district in Colorado where it is proposed to spend almost $3,000,000 of these additional moneys immediately to help stem the ravages of the spruce bark beetle, which insect has started an attack on an entirely new area in my district within the last few months. I have traveled extensively through these vast forests which are now threatened. I have fished in them and I have hunted in them—just as I have in the White River Forest where the important Engelmann spruce resources have been practically annihilated as of this time. Also, great areas of the Routt National Forest have already been destroyed.

It would be a great catastrophe not only to the economy of my district but the economy of Colorado and the Nation if the Holy Cross National Forest, Grand Mesa National Forest and Gunnison National Forest should be destroyed by this insidious pest. I can assure you that it is a sickening sight to stand in the great wooded area formerly populated by the beautiful Engelmann spruce and view the masses of dead trees covering the mountainsides.

Last year, I had the pleasure of visiting the Smoky Mountain National Park. Among many of the beautiful remembrances I have of that trip—one is not so pleasing and that is the remembrance of the dead chestnut trees which still stand in that area to remind one of the devastating work that has been done by injurious fungi in that locality.

In further support of the proposed program, I wish to add that the control of five important insect epidemics in five Western States will require an expenditure of $4,500,000 in addition to the amount now available and the amount included in the regular estimates for the fiscal year 1951. Work will be done primarily on lands owned by the Federal Government, although three of the projects provide for work on State and privately owned lands which will be carried on cooperatively with appropriate significant contributions from cooperating agencies. Two of these insect epidemics are located in Colorado.

The project which overshadows all others in its magnitude both as to extent of damage and cost of control is the Engelmann spruce bark beetle epidemic which is active on an extensive area in the national forests of Colorado. Developments during the 1949 season convince specialists of the Department of Agriculture that, unless an aggressive

control program is carried out during the 1950 season, the outbreak will assume such magnitude that it will be impossible to control and will ultimately kill practically all the mature spruce timber in Colorado, southern Wyoming and northern New Mexico. The loss of Englemann spruce would be particularly tragic to the State of Colorado where it makes up about 60 percent of all the timber in the State.

Losses in Colorado have already been disastrous. One division of the White River National Forest has been completely devastated by this beetle with a loss of 3,000,000,000 board feet of timber. An additional 1,000,000,000 feet of timber has been killed in other areas. This loss is estimated at $8,000,000. Green timber threatened immediately and in the future is valued at well over $24,000,000.

The possibility of establishment of a paper and pulp plant in Colorado to utilize a large part of this timber in the near future is good. This plant can be perpetuated indefinitely if the green spruce forests are protected from further depredations by this beetle. The establishment and continuous life of such a paper mill will be in an area presently with but very little industrial development. Termination of such an enterprise would mean the displacement of 600 wage earners and their dependents and the abandonment of a plant costing at least $15,000,000.

Recreation is a big business in Colorado. Destruction of the extensive green spruce forests of Colorado would seriously affect this business. Recreation values in the Rocky Mountain National Park and in many other parts of the mountain area of the State would be adversely affected.

Furthermore, watershed values will be adversely affected if such a large quantity of timber is killed over thousands of acres. The headwaters of the Colorado River would be directly adversely affected.

A satisfactory and practical method of killing this beetle in the standing trees has been developed by the entomologists of the Department of Agriculture. The undertaking in Colorado alone is a large one and involves the spraying of 725,000 trees during the 1950 operating season at an expenditure of $2,885,000. In view of the large size of the job, much preparatory work will be required and early authorization of the project is highly desirable. Hence, I urge early enactment of the President's request for $4,500,000 of additional funds for forest pest control to be available immediately and to remain available until December 31, 1950.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Speaker, the gentleman from Colorado anticipated some questions I was going to ask of the chairman. I am glad to note that he has given us his promise that in the next supplemental deficiency bill which will be before this House in a few weeks, he will look into the matter of appropriations necessary for the control of the bark beetle.

I wish to call the attention of the House to the fact that there are four areas in this country which are very much interested in having funds allowed for this particular insect infestation. There is the area in Oregon and Washington which is almost entirely on non-Federal lands; there is the area represented by my friend and colleague the gentleman from Colorado [Mr. ASPINALL], in the Colorado Rockies, which is the most difficult of all to administer and where approximately a little more than $3,000,000 is needed to take care of the insect situation; then there is the northern Idaho area where $255,000 is needed; and there is the Grand Teton and Yellowstone National Parks, where approximately $270,000 is needed. This infestation affects not only Idaho and Wyoming, but also Montana, and we feel that a sum should be contained in the bill to eradicate the bark beetle so that our drainage areas in the Absoraka and Madison River country can be cleared and that the beauty for which our country is famous can be maintained.

I want to repeat that except in Oregon and Washington these infestations are entirely within federally owned forests. Consequently, with this minor exception no non-Federal funds are available. The infestations are like a cancerous growth in that they must be removed entirely or the operation will be a failure. For that reason an attempt at partial control this year would be very unwise. The complete operation called for by the total amount of the estimates should be provided for, and it is my hope that the Deficiency Committee at its next meeting will give very, very serious consideration to this problem which means so much to us.

Supplementing this hasty generalization I submit these further details for your careful consideration.

The break-down on page 3 of the Senate Report No. 1287 shows four major infestations of bark beetles are involved, as follows:

In Oregon and Washington, Douglas-fir country, $880,000. This is State and privately owned land as well as national forests. Consequently cooperative funds are being provided to help fight the attack on non-Federal lands—$320,000. It is understood there is general agreement on the part of both the Senate and House that this fund be provided in this appropriation. It is unquestionably a very important project, involving tremendous values. No serious questions have been raised about it.

A Colorado Rockies infestation. Control cost $3,095,000. Almost 800,000 trees are now infested. But endangered additionally are practically all the timbered stands in the Rocky Mountains of Colorado. This is practically all in the national forests and Rocky Mountain national parks. A previous infestation in the White River section of this country completely devastated it. A dead, gray, tombstone-like forest of snags is left. Two very great values will almost inevitably be lost if this insect attack is not stopped early this year. First, commercial timber values of $34,985,000. Negotiations are far along toward the establishment of a new industry on the west slope of the Rockies to utilize this timber. The Forest Service says that two large companies have spent much money investigating this situation and that both are expected to submit bids for the stumpage within the next 2 weeks. The resulting pulp mill will not only utilize the timber, but mainly will be of great benefit to this underdeveloped country. The second value is considered by many people of even greater importance. The beauty of the Rocky Mountain National Park and of the Colorado Rockies generally would be wrecked. This country provides the only reasonably accessible cool mountain retreat to millions of people in the adjacent plains States. It is a highly valued scenic spot to people from all parts of the Nation. It just must not be allowed to become a vast graveyard of whitened-gray snags.

The Grand Teton and Yellowstone National Parks and surrounding territory in Idaho and Wyoming are immediately endangered. Also in the path of this insect attack is the great belt of timber north of Yellowstone in the Absoraka and Madison River drainages in Montana. Needed is $270,000. Again, two great values are at stake. The timber resource is one of the few commercial resources available in this great scope of country. Already some of the timber is being cut for shipment to the pulp mills in the Lake States. Locally situated industries to utilize this resource should follow eventually. Such work-providing opportunities should not be wasted. The immediate values which have been recognized by the—literally millions—people who have visited the Yellowstone and Grand Teton National Parks are the great scenic values. The beautiful blanket of timber which adds so much to the attractiveness of these great parks is Lodgepole Pine. This is the species which is now being attacked by the bark beetle, in this territory. The effect of such an attack, unless it is stopped, will be the same as in Colorado. Travel in Yellowstone would be like through a graveyard of gray, granite tombs. Unless there is an unexpected act of God it is quite inevitable that this infestation would turn this country into a very despondent area—in contrast to its present highly appreciated, beautiful environment.

A northern Idaho infestation in white pine on the Coeur d'Alene and Clearwater National Forests. Cost to control, $255,000. Estimated value of the timber threatened, $22,000,000.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, I call your attention to the fact that the conference report on this urgent deficiency bill comes before us without printed copies being available to the membership so that we may know the terms of the appropriation items. I

call your attention to the fact that I did not withhold unanimous consent to the request to bring it up now, although it contains at least one item of major interest to everyone in this House who comes from a district in which there are reclamation projects. I did not withhold consent because a greater part of this money comes out of a subcommittee on which I serve; and since it is for the atomic-energy program and for certain other programs, the implementation of the veterans' educational program in particular, I felt the item about which I am going to talk to you now would not, in itself, justify holding up all the other items. I do want to call your attention to the point I now raise.

The Coachella Valley County water district item is the one to which I refer. It is one of the best-developed projects of any with which I am familiar and one to which the Interior Department looks forward with the best hopes of repayment of its contracts. The farmers of the area obligated themselves to make the repayments necessary under the contract. The contract was reopened in 1947 with the concurrence of the farmers and the amount raised to $13,500,000,000. The farmers have a firm contract with the United States Government for that project to be finished. The Bureau of Reclamation says that the money is being exhausted; the farmers of the valley say "No," it has not been exhausted, and the project could be finished within the present contract. The Subcommittee on the Interior Department considers this a controversy between the Bureau and the water district. Instead of saying that the Bureau should finish the job under the terms of a firm contract which has no escape clause, the subcommittee did rather a curious thing, not according to the precedents of that subcommittee, of striking out all of the money with which the project was to be concluded.

Consequently, on the other side of the Capitol a Member of the other body, who also served on the conference committee, put in $750,000 to implement the contract authorization, without which unit No. 7 could not be concluded.

We have reached a very curious stage in the relationship of the Federal Government with its own people, if, first, the implementation of a contract authorization is not to be recognized in a conference committee. The chairman of the committee, the gentleman from Missouri [Mr. CANNON], has just said that only those items were recognized which were urgent. Is there anything more urgent than to keep people working on a unit which is almost finished, repayment on which will begin as soon as it is finished, rather than making it necessary for the contractor to stop work and dissipate all his trained men and his equipment; second, the United States Government has a firm contract with any group of people in the United States without an escape clause, and tries to withdraw and say: "We will not do any more work until you pay us more money."

Finally, if this matter is as urgent as I say it is and as others will say it is before this discussion is ended, is it not desirable that action be taken now rather than remove the entire amount out of an appropriation bill and leave the matter hanging in the air?

It is also important to understand that disinterested public accountants, on investigating the reasons for the exhaustion of the funds, have discovered over $400,000 wrongly charged to this project, and an overestimate, of the cost to conclude the project, of about $500,000. I call this to the attention of my friends from other reclamation areas who have projects now being built by the Bureau of Reclamation. If this can happen in a district estimated to cost only $13,500,000, I urge you to look to the accounting in your districts costing many times that figure. This is not by any means a local problem, any more than a $3,100 a day overhead is a local problem. It suggests an investigation.

The SPEAKER. The time of the gentleman from California has expired.

Mr. CANNON. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. PHILLIPS of California. I thank the chairman.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Iowa.

Mr. JENSEN. I simply want to concur in what the gentleman from California, who represents the district in which the Coachella Valley project is located, and say that the explanation the gentleman has given is just as near accurate as anyone could possibly state it. I concur in the position of the gentleman and hope this Congress will see to it that simple justice is done to those people of the Coachella Valley water district, which has done everything in the world to cooperate and to get this job completed for the good of that valley, the State of California, and the Nation.

Mr. PHILLIPS of California. I thank the gentleman.

Mr. CANNON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, my distinguished colleague from Illinois [Mr. YATES] has rendered a real service to the people of Chicago and of other urban centers in calling the attention of the Members to the necessity of the continuance of rent control for at least another year and the necessity for immediate action in order that authorization may be given in connection with the appropriations.

I do hope that the distinguished chairman of the Committee on Banking and Currency, of which I am a freshman member, will find it possible to give an immediate hearing to the bill introduced by the gentleman from Illinois, our dean [Mr. SABATH]. I appreciate that the committee has been very busy. It has been working every day and there have been many matters of importance that it was necessary for the committee to consider, including housing and urgently needed enlargement of available funds for CCC, but now that these measures are close to being out of the way I hope the committee promptly can take up the matter of rent control. I do feel that there is nothing of more importance to the people of Chicago and of other large cities than legislation which will extend rent control for another year. The tragedy is that private industry, while it has established an unprecedented record in residential construction during the past year, has because of the high cost of labor and materials, as well as other factors, been unable to produce homes within the means of a large number of families to purchase or to rent. The end of rent control at this time would result in forcing many families on the street with no shelter to find within their means. It would not be fair to place these families in that position. In another year we can hope the situation will be changed so that we can relax the controls. This end will be hastened if the cooperative housing bill, which comes before the House this week, is passed.

Mr. DOLLINGER. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from New York, a fellow member of the Banking and Currency Committee.

Mr. DOLLINGER. I am in complete accord with the gentleman's views and feel that the Nation as a whole needs rent control. The State of New York under Governor Dewey is attempting to do away with Federal rent control by the passage of a State rent-control bill. This bill, if passed, would prove the death knell of rent control in New York. It would throw the tenants of New York to the mercy of the real-estate wolves at the end of the State elections this year. It is for that reason that we must reenact Federal rent control and I will again join my colleague in the committee to fight for a strong Federal rent-control law.

Mr. O'HARA of Illinois. I appreciate the comment of the gentleman.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Kentucky, my distinguished and beloved chairman.

Mr. SPENCE. I anticipate that we will have hearings on rent control before very long. There have been some measures we have had to get out of the way and on which we have rules for their consideration. In the near future, however, I think the Committee on Banking and Currency will consider renewal of the Rent Control Act.

Mr. CANNON. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. MARSALIS].

Mr. MARSALIS. Mr. Speaker, I desire to ask the distinguished chairman of the Appropriations Committee what are the intentions of that committee with reference to the San Luis Valley project in Colorado, a deficiency appropriation having been placed in this bill by the other body but disallowed in the conference report.

Mr. CANNON. Mr. Speaker, answering the question of the gentleman from Colorado, we held hearings on the two items to which he refers, but as they were

not considered of sufficient urgency to be included in a bill of this character, they were not included. We shall be glad to give them further consideration when we take up the regular deficiency bill on our return to the House following the Easter recess.

Mr. MARSALIS. It has been my information that this project will have to close down in the very near future unless some additional appropriations are forthcoming soon, so I earnestly hope that the committee will give this matter most serious consideration when they take it up for further study.

I should also like to join my colleagues from the West in urging that the full amount approved by the Bureau of the Budget for insect and pest control be allowed in the next deficiency appropriation bill to be considered by the committee.

Mr. CANNON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 2, at the top of the page, insert the following:

"OFFICE OF THE SECRETARY

"Effective on the first day of the first month following enactment of this act, the appropriation for salaries of officers and employees contained in the Legislative Branch Appropriation Act for the fiscal year 1950 shall be available for the employment of an aide to the Vice President at the basic rate of $2,400 per annum."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 3, line 20, insert:

"AGRICULTURAL RESEARCH ADMINISTRATION

"BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

"Control of emergency outbreaks of insects and plant diseases

"For an additional amount for 'Control of emergency outbreaks of insects and plant diseases,' $2,200,000, to remain available until September 30, 1950; and the limitation under this head in the Department of Agriculture Appropriation Act, 1950, on the purchase of airplanes, is increased from 'three' to 'six'."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In line 6, of the matter inserted by said amendment, strike out "$2,200,000" and insert in lieu thereof "$1,000,000."

In line 7 of the matter inserted by said amendment beginning with the semicolon strike out all down through and including the word "six" in line 10.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 4, line 5, insert:

"CONTROL OF FOREST PESTS

"FOREST PEST CONTROL ACT

"For an additional amount for 'Forest Pest Control Act,' $4,500,000, to remain available until December 31, 1950."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$750,000."

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Idaho [Mr. SANBORN].

Mr. SANBORN. Mr. Speaker, I believe that in this item the committee has made a grave mistake. I believe that the Government in this case is in the same position that a farmer is who is taking care of his crops. A farmer who neglects his crops is certainly doing injury to himself and to his neighborhood.

In this case the pine beetle is menacing thousands of acres of valuable timber: One spot near Yellowstone and another one in northern Idaho, two of the finest pine forests left in the country. The Government owns at least $22,000,000 worth of white pine in northern Idaho that is menaced by the pine beetle. Unless that is taken care of in this deficiency appropriation it will be too late to take care of the situation this year, which leaves the forests to the menace of the pine beetle for another year. If any of you were able to see the effect of the pine beetle, you could see that the pine beetle scourges the forests and leaves them dead and worthless; in fact, less than worthless, and unless the pine beetle is taken care of now the Government will be in danger of losing many millions of dollars worth of this timber. There are many, many places to cut appropriations to good advantage but this is not one of them. The granting of the full amount of this appropriation is exceedingly good business.

Mr. BARRETT of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. SANBORN. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. I want to commend the gentleman for his fine statement. As I understand the remarks made by the chairman of the committee, there is nothing in the conference report providing any funds for the attack on the mountain pine beetle, which you and I are concerned with in our States, or with the spruce beetle in Colorado and in Wyoming.

I wonder if the gentleman will yield to me to ask the chairman of the committee this question:

If the facts warrant it and it is shown clearly that there is an emergency, that we need these funds before the 1st of July, to carry on a fight against the mountain pine beetle and the spruce beetle, and also the grasshoppers, can we have a hearing before the deficiency committee to make a showing that these funds are wholly inadequate?

Mr. CANNON. We shall be glad to give the gentleman a hearing.

Mr. BARRETT of Wyoming. The Bureau of the Budget sent up a request to the Speaker of the House asking for $2,200,000 to fight grasshoppers and $4,500,000 to fight these forest insects that are attacking the spruce in Colorado and the mountain pine in Wyoming and Idaho and spruce-bud worm attacking the fir forests in Washington and Oregon.

The conference report indicates that we are to get only $1,000,000 for the grasshoppers and nothing for the pine and spruce in Wyoming and Colorado.

Mr. CANNON. The committee has already begun work in preparation for the next deficiency bill. We shall be glad to have the gentleman appear or anyone else who wants to be heard on that estimate.

Mr. SANBORN. In this connection, may I say there is just one time to treat these beetles, and that is in the spring of the year. The sum should be adequate to take care of the total operation. It is absolutely worthless to do a partial operation. If the sum that is being suggested in this amendment, which is only $750,000, I believe, were scattered out over the various projects that need attention, the money would be wasted. However, if an adequate sum of money were appropriated in this amendment, then the situation could be met and this valuable timber could be saved which otherwise will be lost.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. SANBORN. I yield.

Mr. WHITE of Idaho. May I ask the chairman of the Committee on Appropriations what plans this committee has to protect the pines from the pine beetle?

Mr. CANNON. There are two items of this character in the budget estimate. One requests an appropriation of $880,000 for control of the spruce budworm in Douglas fir and white fir and the other asks $285,000 for control of the spruce bark beetle. Seven hundred and fifty thousand dollars is provided for the first item; nothing is carried in the conference report for the second item in the Engelmann's spruce.

Mr. WHITE of Idaho. There is not a cent in there to protect the most valuable stand of white pine in western Montana and Idaho. The gentleman mentioned Engelmann's spruce and white and red fir, but the white pine is not mentioned.

Mr. CANNON. The gentleman will find the tabulation on page 48 of the hearings held February 16, 1950.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 4, line 17, insert the following:

"FLOOD CONTROL, GENERAL (EMERGENCY FUND)

"For an additional amount for 'Flood control, general (emergency fund),' as authorized by the Flood Control Act of 1948 (Public Law 858, approved June 30, 1948), $4,000,000, to remain available until expended."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 16 and concur in the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,000,000."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

HOUSING ACT OF 1950

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 505 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 7402) to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families; to amend the National Housing Act, as amended; and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield one-half hour to the gentleman from Illinois [Mr. ALLEN] and retain one-half hour for my own use. I yield myself 7 minutes.

Mr. Speaker, House Resolution 505 makes in order the bill H. R. 7402, which provides housing for the middle-income classes in America, and also extends the Housing Act, which is so important at this time.

I believe all of us have considered housing to be one of the very, very important things which confronts us here in the House of Representatives, and I am convinced of that in my own mind. I know that the best fight that we can make against the encroachment of communism is by having each person in America own as much of America as possible. In other words, every person who has even an equity in a home is a better citizen by having that one item of his own.

So we have been greatly interested in making available to the people of the middle-income groups houses—houses that are good houses and houses which will last through the life of the mortgage—houses that men and women with their children will be proud to own.

This bill provides that type of housing for the people of America.

I have been somewhat worried, as an ex-serviceman, over the fact that the ex-servicemen have had a little higher rate of interest to pay than do the people who will be able to take advantage of this legislation. This legislation provides money at the rate of three or more percent. But this money is to be lent to cooperatives. There naturally will be some administrative costs, so that the rate of interest to the borrower pretty nearly equal to the amount paid by the ex-serviceman for his Federal loan.

This type of housing will make it possible for a man to be in the category, one might say, of a renter. He has long enough time to pay for the housing so that he can, in reality, almost be classed as a renter until he is able to take title to his property.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield.

Mr. YATES. I am interested in what the gentleman has had to say about homes for veterans. Will not this bill permit much greater progress toward housing our veterans than they have had opportunities for having in previous legislation?

Mr. McSWEENEY. I am glad the gentleman from Illinois brought that up. I do believe it will help the ex-servicemen get housing, and I think it will give a wider spread than we have had in the past.

Mr. YATES. I would like to call the attention of the gentleman, if he will yield for a further statement, to a speech which was made by the great Governor of the State of Illinois a few days ago with respect to housing for veterans where he said he wanted shortly to change the expression which is now prevalent among many people: "America—the land of the free—no homes for the brave."

Mr. McSWEENEY. The gentleman from Illinois has called our attention to a very apt expression. In my neighboring city of Akron we were told about a year ago that the highest percentage of ownership of homes in the country was reached in that city. They estimated there were 67 percent of the people in that city who at least had an equity in a home. This was a very high rate. But even with this high rate, we realized that at least 33 percent of the people were renters.

We have heard the statement that there are plenty of homes. In my own district, and I am sure it is true in the districts of my colleagues, there are plenty of homes available in certain categories. They are in the higher-priced group. The tragedy is that many of them are up for immediate sale, but cannot be bought over a long-term program. This is working a severe hardship upon the men and women of what may be called the middle-income group and especially as the distinguished gentleman from Illinois stated, the ex-serviceman who has come back and is anxious to own a home.

The thing I am especially interested in is that the bill does provide for good suitable housing. I think it is unfair to allow a man or woman, because of desperation, to buy a house which may not survive the term of the mortgage. Under this bill there is to be sufficient supervision so that when a person buys a home he or she will have assurance that the house will be built of such material and with such craftsmanship that it will survive the length of the mortgage which many opponents of the bill claim is too long. In reality that gives the person who purchases the house a chance to pay it out almost in the form of rent.

Another important fact is that we continue the title under the FHA Act which, as we all know, has been such an important item in bringing about a building program in America which has really been effectual. The FHA has made it possible not only to build, but for men and women who have owned older homes and who, during the war, had to neglect those homes because of the lack of labor and material, to go ahead under the FHA and rehabilitate their older homes.

So we are making an appeal to you to grant this rule so that we can consider this very important bill. It is an open rule, one that allows all possible chance of debate, granting 4 hours for the discussion and an opportunity to offer any germane amendment. There is no effort on the part of the committee in any way to curtail your consideration of a bill fairly that we feel means so much in America at this time. The thing that I should like in my humble way to express to my colleagues is this—I have taught political economy and I would like to stress the fact—to do something for the well-being of the people, something that lies in what we call a social effort is not socialism; in other words, socialism is a form of government; but an effort to improve the well-being of our people is truly in conformity with the preamble of our Constitution. I am as far away from any socialistic thought as any other Member of this House, but I do believe it is permissible for us to do the things that are expressed in the preamble of our Constitution. We can with a clear conscience, therefore, provide for the general welfare.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

The SPEAKER. The gentleman from Illinois is recognized for 30 minutes.

Mr. ALLEN of Illinois. Mr. Speaker——

Mr. COX. Mr. Speaker, will the gentleman from Illinois yield?

Mr. ALLEN of Illinois. I yield.

Mr. COX. Mr. Speaker, I have asked the gentleman to yield in order that I may make my position on this resolution clear. As a member of the committee, I

voted for the granting of the rule for the consideration of the housing bill, and I made my position clear before the committee at that time, that while it was agreeable to me to report the rule, I reserved the right to vote against the bill. I expect to vote for the adoption of the rule, but if it is adopted, I expect to oppose the bill. I think it is a fatuous sort of measure, that it is a venture that we ought not to make at the present time.

Mr. ALLEN of Illinois. Mr. Speaker, my able colleague from Ohio has explained the provisions of the rule.

Mr. Speaker, this resolution makes in order the consideration of H. R. 7402, a bill to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families; to amend the National Housing Act, as amended; and for other purposes. It is an open rule, providing for 4 hours of general debate, after which it is open for amendments under the 5-minute rule.

I am opposed to this bill for many reasons. First, because as far as I have been able to learn, there has been little demand for its passage by our people back home. I ask you Members if you know any great demand for it, except these schemers here in Washington—job holders who want to keep their jobs. I ask you—how many letters have you received from back home? Very few.

We must all admit that immediately after the war there was a great shortage of housing caused not by the unwillingness of private enterprise to remedy the situation, but because of the shortage of labor and material during the war years. Since the end of the war, private enterprise has done a magnificent job. It is estimated, and agreed by all, that private enterprise will build nearly 1,000,000 dwellings during 1950. They will do the same in 1951, 1952, and so forth, if given the opportunity. That will take care of any problem that might exist—in the American way.

I am opposed to this bill because it is discriminatory in at least two ways. First, because who would be the chosen few to move into these cooperatives and other units? Undoubtedly, some ward committeeman would do the selecting. Secondly, it is discriminatory because while this bill provides for interest rates of approximately 3 percent, the same Government is charging the veterans and farmers 4 and 4½ percent on like governmental loans. Can there be justification in this?

I am opposed to this bill because it will prove costly to the Government. Will anyone deny that presently we are under inflationary prices? I do not want to be a party to saddling on the shoulders of an unsuspecting people a dwelling or a housing unit costing the individual $10,000 or $12,000, when its worth in a few years in all probability will be considerably less. And who will be the loser? Your Government, of course. Your Government that will soon become insolvent if this unparalleled spending continues.

It is costly to the Government because the interest rate is so low that the Government is certain to lose. It is positively impossible for the Government to borrow billions of dollars and loan it for 3 percent interest, without losing, when you take administration costs into account. Consequently, we must face the cold fact that these fantastic interest rates are nothing more than subsidies.

I want to speak briefly about the cooperative features of the bill. I was surprised when our distinguished Banking and Currency Committee included this in the bill. Surely they did not expect us to accept it. The other body has spoken regarding this part of the bill, and I have every reason to believe that the House will speak in the same language.

Mr. Speaker, what is happening to America? I come from northwestern Illinois—the same type of territory that most of you come from. They are not demanding all of these things. They believe in private enterprise and want to be left alone. They know they have the best Government in the world, and they intend to fight to keep it the best Government.

Their ancestors settled in that community nearly a century and a half ago—coming by boat, in covered wagons—with nothing more than a team of oxen, an ax—to a wilderness inhabited by Indians. They knew they had to work or starve. They worked—both men and women.

The Government did not subsidize them. They built their own churches, homes, schools, libraries, and hospitals. They established their own highways, railroads, and communications. Today we have fertile farms, beautiful homes, and efficient factories to the memory of these valiant settlers.

Today, the descendants of these pioneers are greatly concerned. They witness the savings of generations of frugal people being dissipated by a carefree Government "that glorifies in spending more than its income"—even though its people are being taxed to the very limit of their ability to pay. They are alarmed with the demand by their Government for more taxes and more spending. They are alarmed with a Government that continues to interfere with their daily lives. They are alarmed with a Government that has completely abandoned the future in order to live luxuriously in the present.

To give the people of the United States the kind and the amount of government they need at a price they can afford to pay has always been and will continue to be the accepted doctrine in this northwestern Illinois community. They insist that all these unnecessary functions of government be eliminated.

Mr. BENNETT of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. We are subsidizing this kind of a housing program in England today; are we not?

Mr. ALLEN of Illinois. This is practically the foreign ideology of England. They are doing practically the same thing.

Mr. BENNETT of Michigan. If this bill is defeated, can the gentleman tell us whether the money that is saved under its provisions will be used to subsidize this type of program in England and in the rest of the foreign countries under our foreign spending program?

Mr. ALLEN of Illinois. The ones who started this program probably got the idea from the Socialist program in England.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

MUTUAL HOME OWNERSHIP

Mr. PATMAN. Mr. Speaker, I am sorry that the gentleman from Illinois does not understand this bill. It is a private enterprise bill. It has no subsidy, it provides for no subsidy, and it is brought here under an open rule. Anyone can offer any amendment that he desires to offer.

If there is one answer to socialism in one package, it is home ownership. If you make it possible for the people to own their own homes they are not going to become Socialists. They have something to divide.

People who are against socialism, it occurs to me, should be the strongest advocates of this bill. This makes it possible for those in the middle-income group to own their own homes. We have provided for the speculative builders. They have made all kinds of profits out of titles I, II, and VI. No one has objected to that. We have all voted for it. But here is a provision now that helps people who go in together. There will be no ward heeler select the people to go into the housing project. It is not a public housing project; it is a private-enterprise project where people who get together will select their own engineers, their own architects, and their own carpenters and get everything done in a cooperative way. It is really a mutual home-ownership plan, that is what it is.

Now, while the cooperative will get its money for around 3 or 3⅛ percent, when it sells units in that cooperative it will have to have a spread, just like anybody else will have to have, and it will certainly be 4 or 4½ percent. So it is just allowing these people to help themselves. The people in the high-income brackets are able to pay these speculative prices and speculative profits, but the people in the middle-income group are not able to pay them. This will help them get together, build their own homes on a wholesale basis, which will be much cheaper, and keep out the speculator's prices and profits, but pay the people who build them, the contractors, just the same as anyone else would pay them. It is a private enterprise bill to make it possible for people to own their own homes, which is the greatest bulwark against socialism in any country in the world.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman from Illinois, in his argument against the bill, stated that the bill was discriminatory against farmers, in that the farmers had

to pay 4½, even 5 percent, on their loans. Is the gentleman aware of what the rate of interest is on the rural electrification program?

Mr. PATMAN. Yes. It is 2 percent, and I believe most of the Members in this House voted for that 2 percent when they voted for the rural electrification bill.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. It is true that the Government did go out and borrow the money and loan it to the rural electrification and telephone program for less than they paid for it.

Does the gentleman think that is a good argument, when they are bankrupt, to go out and loan money for less than they are paying for it?

Mr. PATMAN. I take issue with the gentleman. The Government can borrow all the money it wants on short-term paper for one-eighth of 1 percent interest and for a reasonably long term for less than 2 percent. This Government's credit is the best credit of any country in the world.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. PRICE. The gentleman from Illinois, my very good friend [Mr. ALLEN], seems greatly disturbed by the interest of the Government in small people who want to own their own homes. I wonder if you could tell the gentleman of some success the Government has had in helping the home owners in this country, for instance, through the Home Owners' Loan Corporation, and how that resulted in a profit to the Treasury of the United States?

Mr. PATMAN. A considerable profit, when it was predicted at the time that the Government would lose over a billion dollars. A few years ago an effort was made to transfer all the good loans to the private investors and let the Government take the loss on the bad loans. But, fortunately, we were able to defeat that move.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. McSWEENEY. Is not true that if we do loan the money under this bill at 3 percent, that the other costs will be absorbed, and that the person who borrows the money will have to take care of it; whereas, on the other loan programs, the administrative costs come out of the Government?

Mr. PATMAN. That is exactly right. The only difference here is that we are letting the people get the benefit of the use of the Government's credit instead of the speculative builders; that is the only difference in the world. We are using the Government's credit in either instance.

HOUSING ACT OF 1950

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following report:

The Committee on Banking and Currency, to whom was referred the bill (H. R. 7402) to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families; to amend the National Housing Act, as amended; and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

I. INTRODUCTORY STATEMENT

Title I of the bill is designed to provide a means whereby good housing can be produced and made available at monthly costs within the means of a broad range of our middle-income families. For this purpose, the title would provide for the use of private investment capital for long-term loans at low-interest rates for financing (on a wholly self-sustaining basis) the development of housing for middle-income families by cooperatives and other nonprofit organizations. It would provide for neecssary technical assistance and advice in the organization of these cooperatives and nonprofit organizations, and for the planning, financing, development, construction, and operation of their housing projects. It would also make limited financial assistance, in the form of preliminary advances of funds, available to soundly organized cooperatives and nonprofit organizations to enable them to develop specific plans for their housing projects for middle-income families.

Your committee firmly believes that this legislation is necessary to a comprehensive national housing program. The gap in our present housing program lies in the area between the families in the lower-income third and the families in the upper-income third. The low-rent public housing authorized in the legislation previously reported by your committee and enacted during the first session of the Eighty-first Congress (Public Law 171, 81st Cong., approved July 15, 1949) will result in the production of good housing available for families in the lowest-income third. The various programs of governmental insurance or guaranty of home loans, to assist the production of housing for sale and for rent, without question, result in a sizable volume of housing available for families in the highest-income third. But, in terms of both volume and suitability for adequate family life, housing that is available, or in prospect of being made available, or families in the middle-income third is wholly inadequate.

Of course, some of the families in the middle-income group are able to purchase or rent satisfactory housing at monthly costs within their financial means. It is clearly recognized that the existing programs of governmental aid to the home-building industry result in the production of some adequate housing in some sections of the country which is available at monthly costs which some middle-income families can afford to pay. However, your committee wishes specifically to point out that recognition of this fact serves only to emphasize and to high light, the corresponding fact; namely, some middle-income families in most areas, and many such families in some areas, are priced out of the market—and this will continue to be the case. Especially in areas marked for urban redevelopment does the problem of rehousing the lower middle-income families where incomes are over the upper limits of eligibility for low-rent public housing, throw almost insuperable obstacles in the way of such redevelopment programs. Your committee wishes, also, to direct attention to the fact that many middle-income families have been forced to purchase homes at prices far beyond their means, and that many others have been forced to acquire homes much too small for, or otherwise ill suited to, their needs.

Many of the provisions to improve and perfect FHA programs which are contained in title II of this bill, and in H. R. 6070 passed by the House of Representatives at the last session of the Congress, are designed to increase, wherever possible, the effectiveness of the Federal Government's aids and incentives to private enterprise not only to build more houses, but also to increase if possible, the proportion of its total production in the moderate-price class, particularly at prices within the means of middle-income families. However, the testimony presented to your committee made it abundantly clear that there will remain a considerable segment of our middle-income families who cannot be served unless an additional and effective means of assistance is provided. This is the big gap in our present housing program. The program which your committee is now recommending in title I is a necessary supplementary program to further close that gap by helping private enterprise meet those further needs.

Your committee wishes to emphasize the fact that it is important that no single proposal should be regarded as a fully effective, total program for housing middle-income families. On the contrary, each should be properly viewed in the context of the total—along with present activities and other provisions also recommended by your committee to help increase the existing supply of housing for middle-income families. The basic importance of title I is that it would provide a new avenue through which many of the families in the middle-income group, who cannot obtain satisfactory housing through other available means (including the additional and improved FHA aids provided by title II of this bill and by H. R. 6070) can obtain housing adequate to their needs. Your committee desires to call specific attention to the fact that, without the legislation contained in this title, many of our middle-income families will not be able to obtain housing adequate for their needs under our present housing program at monthly costs which they can afford to pay. Thus, the title takes a most important and appropriate place as one of the several measures aimed at the special problem confronting middle-income families.

Title II of the bill would make three modifications in the FHA programs. First, it would improve the FHA title I program for the insurance of lending institutions against losses sustained on home modernization and repair loans, and place that program on a permanent basis, which would make unnecessary further periodic extensions of that title such as have occurred over the last 15 years. Second, title II of the bill would increase the FHA's insurance authorization under title II of the National Housing Act by $2,750,000,000. Third, it would improve and liberalize the FHA's permanent program of insurance of loans for large-scale rental housing projects under section 207 so as to provide a workable means of FHA assistance for rental housing when the emergency section 608 program expires on March 1, 1950.

Title III of the bill contains miscellaneous provisions relating to the bill as a whole or to Federal housing programs generally.

II. TITLE I OF BILL—HOUSING FOR MIDDLE-INCOME FAMILIES

A. Explanation of provisions

1. General Explanation

To provide for the production of good housing for middle-income families at monthly costs which such families can afford to pay, the means employed must be such as will permit each and every possible economy in financing, in construction, and in operation of housing to be attained and to be translated directly into corresponding reductions in the monthly charges which the consumer must pay for such housing. Your committee is convinced that, taken alone, no single one of the economies and savings which are made possible by title I of the

bill, can possibly result in a sufficient reduction in the required monthly charges to bring good housing within the reach of a substantial number of middle-income families who otherwise cannot obtain it. However, when all of the economies and savings which are made possible by the title are combined, the total resulting reduction in the monthly costs of housing to the consumer can make it possible for good housing to be made available to a substantial number of these middle-income families.

To make these reductions in monthly costs possible, the title is based on the use of housing cooperatives and similar nonprofit organizations. This is necessary because the cooperative or other nonprofit organization is the only form of private enterprise through which the economies and savings which are achieved in financing, in construction, and in operation of housing are automatically translated directly into corresponding reductions in the monthly charges which the consumer must pay for such housing. Thus, the cooperative or similar nonprofit organization eliminates charges to cover the sponsor's profit (as distinguished from the profit and overhead of the general contractor who builds the housing and which, of course, is also present in the case of housing projects of cooperatives). It also eliminates the charges necessary to return a profit on the owner's equity which is present in the case of the ordinary rental housing project operated for profit. The cooperative or similar nonprofit organization also makes possible savings in management and operation not generally attainable in the case of rental projects operated for profit. Also, the program contemplated by the title is designed to operate in such a way that soundly conceived cooperative housing projects can attain the low-cost, long-term financing which makes possible further substantial savings and economies. The cooperative or nonprofit organization is the only form of private enterprise through which these savings and economies in financing are automatically translated into direct benefits to the consumer in the form of corresponding reductions in the monthly charges which they must pay for the housing. Thus, in an operation of the type contemplated by this title, there could not be a diversion, into speculative profits, of the financing economies made possible under this program.

Title I therefore provides three principal methods of assistance for making possible the development, by cooperatives and other nonprofit organizations, of good housing at monthly charges which a substantial number of middle-income families can afford. First, it provides a means, through a National Mortgage Corporation for Housing Cooperatives, of making possible the use of private investment capital for long-term loans at low-interest rates for financing the development of housing for middle-income families by cooperatives and other nonprofit organizations. Second, it would provide for necessary technical assistance and advice in the organization of housing cooperatives and similar nonprofit organizations, and for the planning, financing, development, construction, and operation of their housing projects. Third, it would make limited financial assistance, in the form of preliminary advances of funds, available to soundly organized housing cooperatives and similar nonprofit organizations to enable them to develop specific plans for their housing projects for middle-income families. The technical assistance and preliminary advances would be furnished through a Cooperative Housing Administration, a new constituent agency established in the Housing and Home Finance Agency. This Administration would be headed by a Cooperative Housing Commissioner appointed by the President.

Also, to encourage and assist the development of a sound cooperative enterprise in the housing field, in which the cooperatives themselves assume initiative and leadership and supply necessary skills and services through their own resources, the title provides that its provisions shall be administered in such manner as will encourage and assist cooperative ownership and other nonprofit housing corporations, individually or through joint undertakings, (1) to make the experience gained in connection with their housing projects fully available to other such organizations, (2) to consolidate, wherever feasible and in the interests of greater efficiency and economy, the personnel and facilities used for the development and management and operation of their housing projects, and (3), as rapidly as feasible, to establish and maintain, through their own resources, competent skills and services required to supply the technical advice and assistance required in the planning, financing, development, construction, acquisition, and operation and management of housing projects by cooperative ownership and other nonprofit housing corporations, to the end that the technical advice and assistance available therefor pursuant to this legislation may be gradually reduced and terminated.

2. Loans to Housing Cooperatives for Middle-Income Housing Projects

These provisions of title I are designed to make it possible to carry out this program of housing for middle-income families through the investment of private capital. The title seeks to make possible the investment of private capital in housing projects of cooperatives and nonprofit organizations through an adaptation of the type of guaranty which has been so successfully used in the mortgage-insurance system of the Federal Housing Administration. It uses essentially the same form of organization as is used in the case of the Federal home-loan banks. The title is also designed to make this program a self-sustaining program, similar to the FHA, with adequate protection to the Government by a specific reserve for possible losses to be built up (as are the FHA insurance reserves) by an annual charge paid by the borrowers, and by additional protection against possible losses in the form of a cushion of private capital supplied by the borrowers. It thus combines the best features gained in the course of more than 15 years' experience with two of our successful means of governmental assistance to private enterprise in housing—the Federal Housing Administration and the Federal home-loan banks.

3. Creation of the National Mortgage Corporation for Housing Cooperatives

The title provides for a National Mortgage Corporation for Housing Cooperatives to be established (under the direction and supervision of the Cooperative Housing Commissioner) as a mixed-ownership corporation, just as is the case with the Federal home-loan banks. Also, as is the case of the Federal home-loan banks, under this title initial capital would be supplied by the Federal Government, with provision for a steady, progressive replacement of this initial Government capital by private share capital supplied through stock investments by borrowing cooperatives. The initial capital of the Corporation, in the amount of not to exceed $100,000,000 would be authorized to be provided by the Government through stock subscription by the Secretary of the Treasury. The Government-subscribed stock would be preferred as to both dividends and assets of the Corporation. It would be entitled to cumulative dividends for each year at least equal to a return on the average amount, at par, of the stock outstanding during such year at a rate determined by the Secretary of the Treasury taking into account the probable term of his stock investment and the current average rate of outstanding marketable obligations of the United States as of the last day of the sixth month of such year. Thus, the Corporation would be required not only to return to the Treasury the capital initially supplied by the Government, but also to reimburse the Treasury for the cost, to the Treasury, of that initial capital.

The Corporation would be authorized to make long-term, low-interest-rate loans to cooperatives and nonprofit organizations to construct housing to be available for middle-income families. Each borrowing cooperative or nonprofit organization would be required, as a condition to obtaining any loan, to subscribe for capital stock in the Corporation in an amount equal to 10 percent of the original principal amount of the loan. In the case of a borrowing cooperative, at least 5 percent must be paid in cash—2½ percent at the time of application for a loan and 2½ percent at the time its housing project is completed and ready for occupancy—with the 5-percent balance to be amortized in not exceeding 20 years. In the case of a nonprofit corporation, where normally there is no opportunity to obtain the cash required for initial stock purchase, the entire subscription could be paid for over a 20-year period. Your committee firmly believes that, in the case of cooperatives, provision for partial deferment of stock purchases is necessary because many middle-income cooperatives will probably not have sufficient cash resources to make full stock purchases immediately and still provide for adequate reserves. The title gives adequate authority for requiring borrowers to establish such additional reserves. Your committee believes this provision desirable as it would permit ample flexibility to make such determinations on the basis of experience and examination of the actual financial resources of applicant cooperatives, whereas a fixed and rigid requirement in law is unnecessary and might well seriously handicap the program. Each cooperative would be required to hold its stock in the Corporation at least until its loan has been paid down to an amount equal to the value of the stock. The stock could then be used to complete repayment of the loan. The proceeds of any sale of the stock to the Corporation or any other purchaser would have to be used, to the extent needed therefor, to pay any unpaid balance of the loan.

After the amount of private share capital paid in by borrowing cooperatives equals $50,000,000—half the maximum amount of initial capital authorized to be provided by Treasury stock subscription—the Corporation must thereafter apply annually all sums paid in as capital to the payment and retirement of the Government-subscribed stock until such stock is retired at par, plus any accrued dividends thereon. The $100,000,000 of capital initially supplied by the Government would thus be replaced with $200,000,000 of privately supplied share capital. This corresponds to the provisions for the eventual retirement of the stock initially subscribed by the Treasury in the Federal home-loan banks, except that, in the case of the banks, retirement of Government-subscribed capital was not required to begin until private share capital equaled the amount of stock held by the Treasury and only 50 percent of the sums thereafter paid in were required to be applied to the payment and retirement of Government stock.

The Corporation would not retire any capital stock held by the Secretary of the Treasury if such retirement would reduce its net capital, reserves, and surplus to an amount less than $150,000,000. The time at which such retirement would take place will depend, of course, upon the speed with which

sound projects of cooperatives are developed. Although no accurate estimate can be made (as to when that period will be reached, it is very important to provide as in this title) the type of financing plan in which, as successful operations are attained, the Government funds initially required to get this program under way will be withdrawn and replaced by privately subscribed share capital. Your committee firmly believes that the capital investments of private cooperative borrowers represent a thoroughly sound and well-justified participation in the risks inherent in a lending enterprise of this sort. They are, in fact, an essential element of the plan, since the required stock investments of borrowers will provide, from the outset, an increasing additional cushion again the contingent risks being assumed by the Government in this enterprise.

(a) Management of Corporation: The management of the Corporation would be vested in a board of five directors appointed by the Cooperative Housing Commissioner. The first directors are to be appointed for staggered terms of 1 to 5 years, but thereafter directors are appointed for 5-year terms. The first and third vacancies resulting from the expiration of the initial terms of office are required to be filled from among members of stockholding corporations or other persons representative of housing cooperatives, and the successors to each of such directors are required to be similarly appointed. This corresponds generally to the Federal home-loan banks where some of the directors are elected by member institutions and some are appointed by the Home Loan Bank Board.

(b) Loans by Corporation: To assist the production of housing of sound standards of design, construction, livability, and size for adequate family life which is to be available for middle-income families, the Corporation could make loans to cooperatives and nonprofit organizations to finance the development of housing projects by such borrowers.

No loan could be made unless the Cooperative Housing Commissioner had certified that the borrower is a bona fide cooperative or nonprofit organization, that there is a need for housing for middle-income families in the locality where the project is to be located, that the membership of the cooperative is composed of middle-income families, and that the monthly charges in the approved initial rent schedule are such as will permit the dwellings to be made available to middle-income families. The Commissioner must also have assurance that the cooperative or nonprofit corporation will not incur or pay any excessive fees, or salaries, or charges in connection with the housing project.

To carry out this or any other purpose of the title, the Corporation would be authorized to require, in any contract or as a prerequisite to any loan, that the borrower be subject to such supervision or control and comply with such conditions with respect to organization, payments and construction, management, and other contracts, as the Corporation deems necessary or desirable.

No such loans could be made by the Corporation unless the following conditions also obtain: First, the location and physical planning of the housing project afford reasonable assurance as to the stability of the neighborhood, and the dwellings in the housing project meet sound standards of design, construction, livability, and size for adequate family life; and, second, the housing project is not of elaborate or extravagant design or construction, and such design and construction and the proposed methods of construction and of operation and maintenance are such as will promote such economies as are contemplated to be achieved through the nonprofit character of the borrower, increased efficiency in production through the use of new or improved materials and techniques and methods of construction or otherwise, increased efficiency in operation and management, minimum necessary operating services, occupant maintenance, or otherwise; and, third, in the case of a cooperative, at least 50 percent of the members have been obtained prior to application for the loan, and at least 80 percent of the members have been obtained prior to the receipt of proceeds under the loan.

No loan may involve a principal obligation in an amount (1) in excess of the development cost of the housing project, or (2) in excess of the maximum amount within which the project must be constructed in order that the dwellings therein may be made available for families of moderate income at rentals or charges within their means. Any such mortgage loan must provide for complete amortization within a period of 50 years, by periodic payments, upon such terms as the Corporation shall prescribe. In the event of the refinancing of such a loan, within such period as the Corporation shall prescribe, the amortization period could be extended to a date not later than 60 years after the date of the original mortgage. Such an extension may be desirable in a case where the cost to the Corporation of capital investment and borrowings from the private market makes necessary an increase in the rate of interest which, pursuant to this title, the Corporation is required to charge on the mortgage loan. Without such extension, the increase otherwise resulting in the rents or charges for the dwellings in the housing project may adversely affect the stability of such housing project.

The mortgage loan could, in the discretion of the Corporation, include provisions for the deferment of payments of principal and interest thereunder, but such deferments could not in the aggrgate result in an extension of the maturity of the mortgage for a period of more than 3 years, nor could any such deferments result in an extension of the maturity of the mortgage for more than 3 years beyond the mortgage maturity otherwise authorized. It is expected, of course, that such deferments would be granted only where emergency relief, in the form of a moratorium, was necessary because the inability of the mortgagor to meet payments was due to economic conditions, unemployment, or other misfortune beyond its control.

(c) Rate of interest on loans by Corporation: Loans made by the Corporation would have to bear interest at a rate fixed by the Corporation taking into account the cost to the Corporation of capital investment and borrowings from the private investment market, plus a percentage sufficient to compensate the Corporation for the estimated overhead and administrative expenses in connection with such loans, and for proportionate payments to required reserves. The title provides that the Corporation will make loans at whatever rate is determined to be necessary, taking into account the cost of money to it and the spread necessary for defraying administrative expenses and establishing and maintaining necessary corporate reserves, including the required specific reserve for losses. No fixed interest rate is prescribed in the title. However, it is estimated that, at least so far as initial loans are concerned, this provision probably means a rate of about 3 to 3⅛ percent on the mortgage loans made by the Corporation, since the estimates indicate that this rate will provide an adequate spread over and above the cost of the capital initially supplied by the Government and the probable rate on the Corporation's securities first issued to investors.

These provisions of the title in combination with the provisions relating to the provision of private share capital by borrowing cooperatives and the provisions relating to a minimum charge to borrowers of one-quarter of 1 percent to be set aside as a specific reserve for possible losses, are based upon the experience of the FHA and the Federal home-loan banks and are intended to assure that the entire operation of the Corporation will be on a fully self-sustaining basis just as in the case of FHA and the Federal home-loan banks.

(d) Specific reserve for possible losses: The Corporation is required to carry to a specific reserve account for losses, semiannually from interest receipts on its mortgage loans, amounts equal to one-quarter of 1 percent per annum of the then outstanding balance of such loans. In addition to the specific reserve account for losses, the title provides that the Cooperative Housing Commissioner shall require the establishment and maintenance of such other reserves as he deems necessary.

(e) Types of stock and dividends: Capital stock of the Corporation which is held by the Secretary of the Treasury is preferred as to both dividends and assets. Such stock is entitled to cumulative dividends for each year at least equal to a return on the average amount, at par, of such stock outstanding during such fiscal year at a rate determined by the Secretary of the Treasury, taking into account the probable term of the stock investment and the current average rate on outstanding marketable obligations of the United States. The effect of these provisions of the title is to reimburse the Treasury for the cost of the initial capital funds of the Corporation which are supplied by the Government. Dividends could not be paid by the Corporation except out of net earnings remaining after all reserves and required charge-offs on account of depreciation or impairment of assets have been provided for.

(f) Loan funds by sale of debentures: The Corporation is authorized to issue and have outstanding on and after July 1, 1950, notes or other obligations in an aggregate amount not to exceed $300,000,000 except that with the approval of the President such aggregate amount could be increased at any time or times on or after July 1, 1951, by additional amounts aggregating not more than $1,700,000,000 upon a determination by the President, taking into account the general effect of any such increase upon conditions in the building industry and upon the national economy, that such increase is in the public interest.

It is expected that the Corporation will raise the bulk of its funds needed for mortgage-lending purposes through the issuance of its own obligations on the private market. These obligations are restricted in amount by three limitations. First, the amount outstanding at any one time could not exceed 15 times the Corporation's outstanding capital stock and surplus. Second, the volume of obligations outstanding at any one time could not exceed the unpaid principal balance of mortgage loans and cash holdings of the Corporation. Third, the total size of the program is limited to $2,000,000,000, of which $300,000,000 would become available July 1, 1950. The remaining $1,700,000,000 dollars, which would become available July 1, 1951, can be used only with the approval of the President. In this respect, the title follows the procedure heretofore established by the Congress in connection with FHA authorizations.

The obligations of the Corporation would be unconditionally guaranteed by the United States, as are those issued by the FHA to mortgagees in case of foreclosures under the FHA insured mortgage system.

(g) Taxation: All real property and all tangible personal property of the Corporation

would be subject to State and local taxation. All real property of the Corporation would also be subject to special assessments for local improvements. Otherwise, the Corporation, including its franchise, capital, reserves, surplus, income, assets, and other property would be exempt from Federal, State, and local taxes, just as is the case of the Federal home-loan banks, the Federal Savings and Loan Insurance Corporation, and the Federal Deposit Insurance Corporation.

The debentures or other obligations issued by the Corporation would not be exempt, as to either principal or interest, from Federal taxes, including, of course, Federal income taxes. However, just as in the case of debentures or other obligations issued by the Federal home-loans banks or the Federal Deposit Insurance Corporation, such debentures or obligations would be exempt from State and local taxes, other than surtaxes, estate, inheritance, and gift taxes.

(h) Protection of labor standards; veterans' preferences: The title contains provisions for the protection of labor standards similar to those contained in title I of the Housing Act of 1949, including provision for the payment to laborers and mechanics of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act.

Also included are provisions for veterans' preference, similar to those included in the Housing Act of 1949, with respect to the occupancy of any housing built and rented by nonprofit organizations with assistance under the title.

4. Technical Advice and Assistance to Housing Cooperatives

One of the reasons why the development of housing cooperatives has not been more widespread is the lack of accumulated experience, such as exists in other areas of housing, through which groups of prospective cooperators could obtain assistance and guidance in proper organization and in planning, constructing, and operating their projects. Testimony presented to your committee made clear that this assistance is desirable.

The title therefore provides that the Cooperative Housing Commissioner shall undertake a program of technical advice and assistance in the organization of cooperative and nonprofit housing corporations. The carrying out of this responsibility would require the development of recommended plans and methods for the sound organization of cooperatives, including technical advice and assistance in their formation and in the planning, construction, and operation of their projects. Your committee also believes it important to make certain that cooperatives are soundly organized on the basis of true cooperative principles, with every possible precaution against speculative exploitation of such organizations. A well-administered program of technical assistance is the best way of accomplishing this.

Your committee also believes that technical advice and assistance must be undertaken at the outset if a fair and practicable opportunity is to be given to cooperatives in the housing field. It is a type of activity no different from that undertaken from time to time in many other areas by the Federal Government. It is similar to the professional and technical guidance supplied through the Department of Agriculture that has accomplished such outstanding results in the farm field and in the case of rural electrification. It parallels the technical service and assistance that was undertaken through the Home Loan Bank Board when authorization was first given for the Federal chartering of savings and loan institutions. It is comparable to the great variety of services rendered to the building industry, land developers, mortgage lenders, and individuals by the Federal Housing Administration program.

5. Preliminary Advances of Funds to Housing Cooperatives for Planning Projects

Related to the task of giving technical advice and assistance in the formation and organization of cooperatives, is the task of providing adequate funds for the development of plans and specifications for a particular housing project. It is customary to capitalize in the cost of a rental project preliminary expenses, including architectural services. In the administration of the FHA section 608 rental-housing program, for example, amounts up to 5 percent of project cost may be included for these purposes. Similar expenses must be incurred by cooperatives and nonprofit corporations, of course. Actual experience has demonstrated the extreme difficulty which such organizations have encountered in their efforts to obtain funds for this purpose from normal lending sources. It is apparent that a new program relying on the formation of what, in many areas, will be a new type of private enterprise may well be seriously impeded without provision for some relatively small preliminary advances to enable such organizations to undertake and pay for the complicated job of formulating a housing project or development. The title therefore authorizes the Cooperative Housing Commissioner to make preliminary advances of funds to soundly organized housing cooperatives and nonprofit housing corporations to enable them to formulate specific plans for the projects they propose to undertake. The provisions of the title limit such advances to the amounts needed by the cooperative in order to undertake necessary work preliminary to construction and may not exceed, in any event, 5 percent of the estimated cost of the housing project. It is probable that the maximum would be required only in the case of relatively small housing projects, and that on larger projects such advances would probably run to about 3 percent of estimated project cost. These advances would, of course, be paid out only as actual progress was made in the formulation of the project and in the actual preparation of plans, thus reducing the risk involved in making such advances. It is intended that any such advances could be made in contemplation of repayment solely from the proceeds of the permanent loan on the housing project. No advances would be made under the title unless there was reasonable assurance that the cooperative or nonprofit organization would be able to develop a housing project eligible for a permanent loan.

For this purpose a $25,000,000 revolving fund is provided. Such preliminary advances must bear interest at one-half of 1 percent above the annual rate of interest (or if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more.

Testimony presented to your committee made clear that preliminary advances, along with technical advice and assistance, are desirable to assure the sound development of a cooperative housing project and to obtain the lowest possible costs. One of the dangers inherent in any type of housing undertaking is excessive costs resulting from unwarranted fees for services, speculative land sales, and charges by promoters or others which could be avoided with sound planning and guidance.

With this assistance and funds for developing sound plans, cooperatives will not be forced to pay for planning and related services on an excessive or contingent fee basis. They will be able to present definite proposals to competent architects and to deal with them and others furnishing services on a negotiated contract basis. Advances of funds will thus put cooperatives in a position where they can obtain necessary technical services on a sound and economical basis, and avoid excessive fees and charges.

6. Protection Against Speculation

To further guard against the use of the cooperatives or nonprofit organizations for speculative purposes, the title prohibits any advances of funds unless the Cooperative Housing Commissioner has taken steps to assure that the organization of the cooperative and its proposed methods of operation are such as will avoid its use for such purposes, and will also avoid the payment of excessive fees, charges, or salaries in connection with its proposed housing project. For the purpose of carrying out this and other provisions of the title, the Commissioner would be authorized to provide, in any agreement with respect to the advance of funds, for such supervision of the borrower or prior approval of its payments, contracts, or other actions as he deems necessary or desirable. The Commissioner would also be authorized to require, as a condition to any advance, that the borrower be chartered or organized in such manner as will best carry out the purposes of the title.

7. Type of Housing Which Could Be Built

The title leaves entirely to the housing coopertative or nonprofit corporation the choice as to what type of housing is to be built. The cooperatives and nonprofit organizations are thus free to undertake to build whatever type of housing best suits the needs of their members or may be customary in the locality or community where it is to be located. In the smaller communities where there is no scarcity of suitable building sites and land costs are relatively low, it is probable that many cooperatives would build free-standing, single-family houses or twin houses. In the larger metropolitan areas where suitable building sites are not as plentiful and land costs generally are higher, it is probable that many cooperatives would find it preferable to build garden-type apartments.

The title provides that the housing must not be of elaborate or extravagant design or construction, and that such design and construction and the proposed methods of construction and of operation and maintenance are such as will promote such economies as are contemplated to be achieved through the nonprofit character of the borrower, increased efficiency in production through the use of new or improved materials and techniques and methods of construction or otherwise, increased efficiency in operation and management, minimum necessary operating services, occupant maintenance, or otherwise. It also provides that the location and physical planning of the housing project will afford reasonable assurance as to the stability of the neighborhood, and the dwellings in the housing project will meet sound standards of design, construction, livability, and size for adequate family life. Finally, the title requires that the cooperative must establish an initial schedule of rents for the project which will permit the dwellings in the project to be made available for families of moderate income.

Within these limitations, the cooperatives, and nonprofit corporations are thus free to build whatever type of housing is best suited to the needs of their members and is acceptable in the community where it is to be located.

B. Housing needs of middle-income families

1. Definition of Middle-Income Families

Under title I of the bill, a middle-income family means "any family of two or more

persons within the estimated middle one-third, according to total money income from all sources, of all such families in the locality or metropolitan area where the housing project is to be located." This means, on the basis of all urban areas, families whose cash incomes were between $2,800 and $4,400 a year, according to the latest Bureau of the Census study. This study showed that, in 1948, one-third of the urban families in this country had annual incomes within that range.

Of course, the actual income range of the middle-income families in a particular community may vary somewhat from the national average range. For example, in cities with a population of 1,000,000 or more, one-third of the families had incomes within the range of $3,135 to $4,841. In smaller communities with a population of 2,500 to 10,000, the range is $2,451 to $3,929.

The distribution by total money income level for families of two or more persons in 1948 is shown in the following table:

Distribution by total money income level for families of 2 or more persons, 1948

Families	Non-farm, total	Urban, total	Size of urban place of residence				
			1,000,000 and over	250,000 to 999,999	50,000 to 249,999	10,000 to 49,999	2,500 to 9,999
Number.....thousa ds..	31,817	23,287	4,536	4,160	4,940	7,135	2,516
Percentage distribution: Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under $500	3.1	2.6	2.4	1.5	2.7	2.2	3.4
$500 to $999	4.2	3.6	2.0	2.9	3.5	4.2	5.8
$1,000 to $1,499	5.8	5.0	3.7	4.3	4.7	5.7	7.0
$1,500 to $1,999	6.7	5.9	4.7	4.8	5.3	6.9	7.7
$2,000 to $2,499	10.3	9.4	8.2	8.7	9.6	10.1	10.4
$2,500 to $2,999	10.4	10.0	8.8	10.8	10.5	9.1	12.0
$3,000 to $3,499	12.2	12.5	13.0	13.2	13.0	11.6	11.9
$3,500 to $3,999	9.9	10.3	9.9	11.8	9.7	10.2	9.9
$4,000 to $4,499	8.5	8.9	9.2	8.6	9.5	8.3	9.8
$4,500 to $4,999	6.0	6.4	6.9	6.5	7.0	6.4	4.4
$5,000 to $5,999	9.1	9.9	11.5	11.3	9.7	9.4	7.0
$6,000 to $9,999	10.9	12.2	16.0	12.6	11.8	11.3	8.4
$10,000 and over	3.0	3.3	3.6	3.0	3.2	3.7	2.3
Median income	$3,388	$3,551	$3,859	$3,660	$3,450	$3,466	$3,157
Income ranges:							
Lowest third.....below..	−2,654	−2,840	−3,135	−3,012	−2,857	−2,676	−2,451
Middle third	−2,654	−2,840	−3,135	−3,012	−2,857	−2,676	−2,451
	−4,247	−4,425	−4,841	−4,507	−4,416	−4,349	−3,929
Upper third.....above..	−4,247	−4,425	−4,841	−4,507	−4,416	−4,349	−3,929

2. Inability of Present Housing Programs To Meet the Needs of Middle-Income Families

Your committee has given thorough consideration to extensive testimony and data on this subject and is firmly convinced that the housing needs of middle-income families are not being adequately met. The data clearly supports the commonly accepted fact that housing production is wholly inadequate to meet the needs of the average American families because either the prices or charges for too much of this housing are beyond the means of such families or the accommodations are too small or otherwise inadequate for family life. Before considering some of this data, it may be pointed out that on the basis of the usually accepted rule that monthly expenditures for shelter should not exceed 20 percent of income, housing for middle-income urban families for the country as a whole should be available at shelter rents—that is, the monthly costs of living quarters, excluding utility charges—arranging from about $47 per month to $73 per month, or at a median shelter rent of approximately $60 per month. Since the cost of utilities is estimated to average about $8.50 per month, the median gross rent—that is, the total costs of living quarters, including all utilities—would be $60 plus $8.50, or about $69. This may be compared with rents or charges for housing actually being produced.

(a) Rental housing: In the case of rental housing where, measured in volume alone, the record of the past 2 years is good, the inability to serve the middle-income market has been very pronounced. The result is that families, particularly families with children, who, for one reason or another, are not in a position to buy a home are particularly hard hit. Almost all new rental housing consists of FHA section 608 units. Geographically, most of these units are concentrated in the eastern part of the country and in a few metropolitan areas. Two-thirds of all FHA section 608 rental units built, started, or under commitment are in the eastern seaboard States, including the New England States, Pennsylvania, and West Virginia. About 60 percent are concentrated in the metropolitan areas of New York, Washington, D. C.; Newark, N. J.; Philadelphia, Pa.; Baltimore, Md.; Richmond-Norfolk, Va.; Atlanta, Ga.; Chicago, Ill.; and Los Angeles, Calif. About 40 percent of the net commitments issued are for projects in the metropolitan areas of New York, Baltimore, and Washington.

Even for the country as a whole, FHA figures for section 608 projects covered by insurance commitments issued during the first 6 months of 1949 show that over 55 percent of the apartments were to rent for $80 or more, while 93 percent of the apartments had two bedrooms or less, and almost 50 percent had either no bedroom or only one bedroom.

These FHA figures also show that only in the South was there a significant portion of the FHA section 608 apartments which were to rent at under $60. In the New York and Chicago areas over 60 percent of the units were offered at rents in excess of $100 per month, and only about 5 percent were offered to rent at under $80 per month. The units being offered at less than $80 a month are mostly efficiency units having no separate bedroom, or 1-bedroom apartments. During the same period in the entire State of Colorado, not a single proposed new 608 apartment was reported as being scheduled to rent at under $80 per month, and 25 percent of the units reported were scheduled to rent at $125 or more. In the Detroit area, not a single unit was reported as being scheduled to rent at under $70, and almost 60 percent of the units reported were scheduled to rent at $90 to $100. More currently, in Washington, D. C., the press reports the start of two new FHA section 608 projects. One consists of 1,135 units, of which 990 are efficiency units having no separate bedroom and renting at $90 per month, and 145 are 1-bedroom apartments renting at from $145 to $165 per month. The other consisted of 224 units, of which 67 are efficiency units having no separate bedroom and renting at $90 per month; 92 are 1-bedroom units to rent at $120 per month; and 65 are 2-bedroom units to rent at $150 per month.

There has been a growing tendency for an increasing proportion of new rentals to be very small units—efficiency units, without any separate bedroom, and 1-bedroom units—which are not suited at all to the needs of families with children. According to Census Bureau studies, 38 percent of the urban families in 1948 were families of four or more persons. Hence, the plight of middle-income families who have children is even more pronounced than the rental figures by themselves would indicate. For the United States as a whole, 49 percent of the units in 608 projects had no separate bedroom or only one bedroom, as shown by the figures for FHA section 608 projects covered by insurance commitments issued during the first 6 months of 1949. Units with two bedrooms amounted to 44 percent of the total. Out of the total, only 7 percent had five or more rooms; that is, three or more bedrooms. In many cities an even larger proportion of small units predominated. For example, in New York, 64 percent of the apartments had either no separate bedroom or only one bedroom, and in Chicago, this figure was 71 percent. Indeed, over 25 percent of all the FHA section 608 units for which commitments were issued during this period were apartments having less than three rooms.

This may be contrasted with Schoolcraft Gardens, a project undertaken by a housing cooperative in Detroit. In this project, 18 percent of the units have four bedrooms, 30 percent have three bedrooms, 48 percent have two bedrooms, and only 4 percent are one-bedroom units. No efficiency units are included in this project.

(b) Sales housing: Opposition witnesses who appeared before your committee quoted FHA statistics as to the substantial number of families with incomes below $4,800 who had purchased homes in 1949 as conclusive proof that the housing needs of middle-income families were being adequately met. However, in citing these FHA statistics as to incomes of families purchasing new homes, these opposition witnesses did not cite equally pertinent FHA statistics which show that the families with incomes of $4,200 to $4,800 who purchased new homes insured under section 203 were undertaking a total monthly housing expense of $83 per month. Moreover, such statistics fail completely to show the inadequacies of much of this housing for normal family living, especially for families with children. Accordingly, your committee desires to call attention to certain other data which have an extremely important bearing on the question of whether the needs of middle-income families are being adequately served.

First, these statistics cited by the opposition witnesses as proof of the fact that the housing needs of middle-income families are being adequately met deal only with the annual incomes of families purchasing new homes. They do not indicate, in any way, whether the homes purchased were suited to the housing needs of the families who purchased them. The following table shows the number of rooms in relation to the FHA valuation (valuation is not the cost—actual prices of houses were usually higher) of the property for new single-family homes insured by the FHA under section 203 in 1948.

Rooms by property valuation, based on FHA-insured mortgages secured by new single-family homes, sec 203, 1948

FHA property valuation [1]	Percentage distribution	Median number of rooms [2]	Percentage distribution of rooms					
			3 rooms	4 rooms	5 rooms	6 rooms	7 to 9 rooms	Total
New homes:								
Less than $4,000	0.1	4.3	42.8	28.6	23.8	4.8	----------	100.0
$4,000 to $4,999	1.0	4.6	11.1	68.7	15.3	3.7	1.2	100.0
$5,000 to $5,999	6.7	4.6	3.1	75.6	19.2	1.8	.3	100.0
$6,000 to $6,999	14.1	4.8	2.2	56.7	37.0	3.6	.5	100.0
$7,000 to $7,999	16.0	5.1	.6	46.5	42.5	10.0	.4	100.0
$8,000 to $8,999	15.7	5.3	.3	36.8	43.7	18.2	1.0	100.0
$9,000 to $9,999	15.6	5.6	.2	23.7	44.4	30.3	1.4	100.0
$10,000 to $10,999	11.8	5.9	.3	16.8	38.3	41.9	2.7	100.0
$11,000 to $11,999	7.1	6.1	.3	10.1	36.0	48.1	5.5	100.0
$12,000 to $13,999	7.4	6.3	.2	6.4	29.7	54.7	9.0	100.0
$14,000 to $15,999	2.7	6.5	----------	2.8	20.6	56.4	20.2	100.0
$16,000 or more	1.8	6.7	----------	3.0	15.1	42.1	39.8	100.0
Total	100.0	5.4	.9	34.0	37.4	24.5	3.2	100.0
Median valuation	----------	----------	$6,306	$7,431	$8,756	$10,484	$12,971	$8,721

[1] FHA property valuation includes valuation of the house, all other physical improvements, and land.
[2] Excludes bathrooms, toilet compartments, closets, halls, and similar spaces.

As previously indicated in this report of your committee, the total monthly housing costs for middle-income families of two or more persons in urban areas should be at a median figure of about $69 per month. The total monthly costs on an FHA-insured home valued at $8,000 run about $70 to $75 per month. It is to be noted that, for the country as a whole, nearly 60 percent of all new homes insured under the FHA section 203 program in 1948, which were valued at less than $8,000 (that is, where the total monthly costs were less than $70 to $75 per month), had four or less rooms, and 93 percent had five or less rooms. In other words, virtually no three-bedroom houses were being made available at monthly costs within the means of middle-income families.

In connection with housing built for sale, there is another important consideration that is not reflected in the statistics generally cited by representatives of the home-building industry in support of the claim that the needs of middle-income families are being adequately served. In the prewar years, the FHA minimum standards were generally accepted by the home-building industry as exactly what they were intended to be—an indication that any property which fell below those standards would, under no circumstances, be eligible for FHA insurance, and that any property which too closely approached those minimum standards would very probably be regarded as ineligible for FHA insurance. They certainly were not regarded (as today there is an increasing tendency to regard them) as the base, to be exceeded only to the extent necessary to obtain FHA insurance. Today the tendency is to start with the minimum and to provide more than the bare minimum only to the extent necessary to qualify for insurance.

During the war period when it was essential to conserve and to limit the use of critical materials, even for housing that was urgently needed for the successful prosecution of the war, these FHA minimum standards offered a convenient means for so limiting the use of such critical materials. Today, almost 5 years after the war, when material shortages no longer exist, the home-building industry tends to build down to these minimum standards rather than to build up from them. In other words, there is an increasing tendency to regard these the minimum standards as representing housing which is entirely satisfactory for adequate family living.

For the country as a whole, 26 percent of new homes insured under the FHA section 203 program in 1948 had floor areas (measured at the outside surface of exterior walls) of less than 800 square feet and 38 percent had floor areas of 800 to 1,000 square feet.

New homes insured under the FHA section 203 program in 1948 involving floor areas of 600 to 700 square feet had a median valuation of about $6,500; for those having 700 to 800 square feet, the median valuation was about $7,300; and for those having 800 to 900 square feet, the median valuation was about $8,600.

(c) Use of housing data: Your committee wishes to emphasize the importance of a correct usage of statistical data with respect to the housing needs of middle-income families. Notwithstanding the above facts on this subject, most of the witnesses opposing this title of the bill based their opposition on the ground that, in their opinion, housing adequate to meet the needs of middle-income families was generally being made available to them at monthly costs which they could afford to pay, and that therefore no need existed for the legislation. On analysis, these contentions were found to be based upon a misuse of statistical data. Some incorrect uses of this data have been discussed. More importantly, however, these contentions were based on statistics purporting to show that a given percentage of all the housing produced in this country during 1948 or 1949 was sold or rented at prices or rentals which were within the means of a certain substantial percentage of all American families. Such statements were based on the fallacy of balancing off the small low-cost and often low-standard homes, most of which are produced in smaller communities and in sections of the country where prevailing construction costs and income levels are lower, or where savings in home construction are possible because the climate is milder, against the housing needs of middle-income families in the larger communities and in high-cost areas.

(d) General economic effect of housing production for middle-income families: With respect to rental housing production, there is one further matter of national significance that your committee wishes to point out. A great deal of attention has been given to the fact that during 1949, the previous record for new home construction was exceeded with construction starts of 1,019,000 new housing units, of which 985,000 were new private housing units. The previous record high was in 1925—Almost a quarter of a century ago—when construction of 937,000 private housing units was started. In 1949, construction of about 985,000 private housing units was started, of which about a fifth were rental units. Almost all of the rental units were financed under the FHA section 608 program and, as indicated in the preceding section of this report, far too large a proportion of the FHA section 608 units were efficiency units having no separate bedroom or were units having only one bedroom. As also indicated, the monthly rents for the FHA section 608 rental units were generally at levels beyond the reach of middle-income families. The social effects resulting from any continued volume production of such a large proportion of apartments having no separate bedroom or only one bedroom seems certainly open to serious question. Also, from the standpoint of our economy it is perfectly apparent that the ability of the market to absorb even two-bedroom apartments to rent at the figures discussed above is narrowly limited. Yet, over one-fifth of our 1949 all-time record for housing production consisted of rental housing. Much of it was of a type the continued volume production of which is not socially desirable, even if it were economically feasible. Most of it was at rent levels so high that its continued production in volume is probably not economically feasible.

It is therefore apparent that, unless there is provided an additional and effective means of assistance for the production of more housing of sound standards of design and sufficient size for adequate family life at monthly charges which more middle-income families can pay—unless we further close this gap in our present housing program—we must also face the very real prospect of a serious decline in our annual volume of housing production, with its resulting depressive effect on other elements of our national economy.

There is thus presented a choice of two alternatives. By providing this additional and effective means for further closing this gap by making possible the production of more housing which middle-income families can afford, we can meet the urgent needs of many middle-income families who otherwise will not be able to obtain housing adequate to their needs, and we can keep our annual volume of housing construction at a level which will make an appropriate contribution to a prosperous and an expanding national economy. By failing to provide this additional and effective means for further closing this gap, we will leave many of our middle-income families without housing adequate to their needs, and we must be prepared to accept a substantial decline in our annual volume of housing construction, with its resulting effect of contracting, rather than expanding, the employment, production, and purchasing power of our people. For example, it is estimated that, at current levels of production, each 100,000 units of housing provides, on and off the site, for 200,000 man-years of employment. Compared with total consumer expenditures, it has been shown that, over the 10-year period from 1930 to 1939, the American people, as consumers, spent more for household rent and operation than any other item except food and tobacco combined.

Consumer expenditures for household rent and operation amounted to about 29 percent of all consumer expenditures. It is to be noted, in this connection, that consumer expenditures for housing are not only a prime factor in the family budget, but are also a prime conditioning factor throughout the whole national economy because they also create both a direct and indirect demand for the products of industry, agriculture, and labor.

The program provided for in this title of the bill cannot reasonably be expected to result in immediate volume production of housing for middle-income families, for necessarily it takes time to get any new program started. Your committee is convinced that the title represents a sound and desirable addition to existing permanent housing legislation designed to assist in achieving and maintaining the high annual volume of new home construction which is required to meet our national housing needs. Sound

and sensible housing action taken now can avoid the necessity for costly and less desirable emergency housing action later.

C. Reduced charges and rents to middle-income families

1. Amount of Reductions in Monthly Costs Achievable Under Title I of Bill

As previously stated in this report, to be generally available for middle-income families for the country as a whole, adequate housing would have to rent at a median gross figure (that is, including utilities) of about $69 per month. Also only about 25 percent of the FHA section 608 rental units covered by commitments issued during the first 6 months of 1949 were scheduled to rent for less than $70 per month, and only 44 percent were scheduled to rent for less than $80 per month. Moreover, in most cases, the figures for FHA section 608 rental units do not include all utilities. In addition, as previously indicated, most of these FHA section 608 units scheduled to rent at less than $80 per month were efficiency units having no separate bedroom, or one-bedroom units, not suited at all to families with children.

For an FHA section 608 two-bedroom unit with a construction cost of $8,000 the gross monthly rent would be $90.32. Under this title, the gross monthly rent for a two-bedroom unit with a construction cost of $8,000, with interest at 3 percent, the gross monthly rent would be $64.37—a reduction in the gross monthly cost of $25.65. This is a reduction of more than 25 percent in the gross monthly cost of housing to the consumer. It can bring housing of sound standards of design and construction and of sufficient size for adequate family life well within the reach of a broad range of our middle-income families who cannot now obtain it.

As previously indicated, this title does not establish a fixed rate of interest on the loans made by the National Mortgage Corporation for Housing Cooperatives. It provides that the Corporation shall make the loans authorized at the lowest rate which can be attained and return to the Corporation sufficient income to pay the cost of loan funds to it, to defray all its administrative expenses, and to maintain necessary corporate reserves, including the required specific reserve for losses. Your committee believes—and the testimony presented to us supports that belief—that, at least so far as initial loans are concerned, this probably means a rate of about 3 to 3⅛ percent on the mortgage loans made by the Corporation, since it is estimated that this figure will provide an adequate spread over and above the cost of the capital initially supplied by the Government and the probable rate on the Corporation's securities first issued to investors.

A detailed break-down of these figures as to gross monthly rentals is shown in the following table:

Comparison of estimated gross monthly rental on an $8,000, 2-bedroom unit financed under title I of the bill with a 90-percent mortgage insured by FHA under sec. 608

	Cooperative or nonprofit project (3-percent interest rate)	FHA sec. 608 project
Income:		
Gross dwelling income	$64.67	$90.32
Less vacancy allowance	[1] 1.94	[2] 6.32
Gross income expectancy	62.73	84.00

[1] Vacancy reserve of 3 percent used in view of cooperative feature and low rental rate.
[2] Vacancy allowance of 7 percent

Comparison of estimated gross monthly rental on an $8,000, 2-bedroom unit financed under title I of the bill with a 90-percent mortgage insured by FHA under sec. 608—Continued

	Cooperative or nonprofit project (3-percent interest rate)	FHA sec. 608 project
Operating expenses and taxes:		
Operating expenses	[3] $24.40	[4] $30.00
Real-estate taxes	[5] 10.67	[5] 10.67
Total	35.07	40.67
Cash available after operating expenses and taxes	27.66	43.33
Debt service:		
Interest and amortization	[6] 25.83	[7] 33.00
One-half of 1 percent on outstanding balance		[8] 3.00
Total debt service	25.83	36.00
Cash available after debt service	[9] 1.83	[10] 7.33

[3] Operating expenses—including all utilities and a reserve for replacement—of $24.40 per unit per month assuming same experience as on PHA low-rent housing assisted under USHA Act.
[4] These figures for estimated operating expenses represent actual operating experience on large-scale rental housing projects insured by the FHA, adjusted to reflect what in the opinion of FHA represents a national average operating cost on a well-run project—including utilities used by the tenants.
[5] Real-estate taxes at 1.6 percent annually on total cost.
[6] Loan at $8,000 for 50 years on a level annuity basis.
[7] Includes principal and interest payments on a $7,200 mortgage at 4 percent for 32 years, 7 months, on a level annuity basis.
[8] Mortgage insurance premium of one-half of 1 percent of the oustanding balance.
[9] Contingency reserve of 3 percent of taxes, operating expenses, and debt service.
[10] Funds available for income tax, reserves, and dividends.

The table shows that, for a two-bedroom unit costing $8,000, the monthly costs to the consumer can be reduced, from the costs under FHA section 608, by about $25 per month. Your committee calls attention to the fact that there are also other beneficial results of this title as compared with FHA section 608 which, although they are of important significance, cannot be shown in the table.

The table merely shows savings achievable, through the financing and management, on a two-bedroom unit under this title as contrasted with FHA section 608, with identical cost or value of $8,000. Your committee, therefore, desires to direct attention to the fact that, under the FHA section 608 system, the $8,000 figure could include (a) the sponsor's profit (as distinguished from the profit and overhead of the general contractor who builds the housing and which, of course, is also present in the case of housing projects of cooperatives; (b) land at an inflated value rather than at the actual purchase price; (c) a 5-percent architectural fee even if standard plans were used and no architectural fees (or much less than 5 percent therefor) were actually incurred. The total of such costs could, in some cases, amount to as much as $1,000. In the case of housing projects of cooperatives, the first two items are not present in any case, and the latter is present only to the extent that architectural fees are actually incurred and translated into value in terms of the design of the housing. The result is that, in the case of this title, the $8,000 unit ordinarily would mean either (a) more house, in terms of living space or quality, than the $8,000 FHA section 608 unit, or (b) the same amount of house provided at substantially less than $8,000, with corresponding further reductions in monthly costs beyond the $25 reduction indicated above as resulting from financing and management savings possible under this title.

2. Basis for estimates

The estimates of gross monthly rents achievable under the title are based upon a large body of actual experience, and your committee believes they are conservative and reasonable.

(a) Operating expenses: The estimate of $24.40 per month for operating expenses in the case of cooperative housing projects under the title is based on a large volume of actual experience of the Public Housing Administration. The actual experience showed an average monthly operating expense of $20.50 per unit per month. However, in the estimate used by your committee, the actual expenses were adjusted upward to $24.40 per unit per month. The estimate used by your committee is also in accord with the actual experience gained in New York City in the cooperative housing projects which are operated under New York State limited-dividend legislation. The average operating expense in these projects, allocated to a 4½-room apartment for the 12 months ending August 31, 1948, was $25.33 per month. In this connection, it should also be noted that New York City is a very-high-cost area.

These estimates concerning operating costs are also consistent with the very reasonable expectation that certain of the operating and maintenance functions in cooperative housing can and will be performed by the occupants on a self-help basis. This is particularly true of painting and redecorating. Finally, it is certainly reasonable to assume that the families living in cooperative housing will, as a matter of common prudence as well as because of natural pride of ownership, take the best possible care of the housing in which they live and which they themselves own.

A detailed break-down of the estimated operating expenses for a unit in a cooperative housing project compared with the estimated operating expenses for a unit in an FHA section 608 project and the bases for such estimates are shown below.

Estimated monthly operating expense per dwelling unit for a moderate-income cooperative project compared with an FHA sec. 608 project

	Cooperative	FHA sec. 608
Administrative expense	$3.25	$4.50
Utilities, including lighting of public space, miscellaneous power, tenant utilities, water, fuel, and heating pay roll	8.50	10.95
Repairs, maintenance, including decorating repairs, grounds expense, and miscellaneous maintenance	6.13	9.16
Reserve for replacements	3.52	2.63
Operating services, including janitorial service, and miscellaneous operating expense	2.00	2.63
Insurance	1.00	1.03
Total monthly operating expenses	24.40	30.90

The estimate of about $31 for operating expenses of the FHA section 608 project unit was based upon the review of the operating experience of 54 walk-up apartment projects containing an average of 155.8 units per project or a total number of units in excess of 8,400. Walk-up apartment projects were chosen to provide a basis for estimating operating costs because such projects would be more comparable than elevator structures with the probable type of building constructed by cooperative or nonprofit organizations.

These projects were chosen from an area extending from New York and Chicago metropolitan districts on the north to Vir-

ginia on the south, and to as far west as St. Louis, Mo. The northern part of New York State, New England, and the more extreme northern portions of the Midwest were eliminated because of the much higher costs due to climate. Likewise, the experience in the more southern regions of the country was not considered because of the much lower costs resulting from the milder climate.

The projects which were selected for review were those which had been in operation for at least two full years in order to have available cost information for an entire year other than the first such year after completion. They included projects which were insured under either section 608 or section 207 of the National Housing Act. Consequently some of the projects had been in operation since before the war, others were completed during the war, and others shortly after the end of the war.

The estimate was based on an item-by-item review of the major expense components. For each major expense category, a reasonable middle ground was chosen in view of the actual range of variation in the average expense item of each of the 54 projects. This examination included all of the operating cost data that were available for the year 1949, and reflects a small decline in some expense items that apparently occurred in most of the reporting project during 1949.

The estimate of about $25 per unit per month operating expense for the cooperative and nonprofit project was based upon the most recent national average operating expense of low-rent public housing of $20.50 per unit per month. This figure includes administrative expense, all utilities and heat, repairs, maintenance, replacements, operating expenses, and insurance. On December 31, 1948, there were 636 low-rent public housing projects, including PWA projects, with a total of 193,807 dwelling units.

With the national average figure as a base, upward adjustments were made to allow for an amount of services that a cooperative or nonprofit project might be expected to render that was greater than provided in a low-rent public housing project. Upward adjustments were also made in the actual utility cost on the public housing projects. Additional upward adjustments were made to allow for the location of nonprofit or cooperative projects in the higher cost urban areas, with particular emphasis being given to the experience of the larger eastern urban localities within the area from which FHA experience was drawn. The estimate also assumed that in a cooperative or nonprofit project tenants would undertake to perform certain of the operating and maintenance functions which are performed by the management in the ordinary private operation.

The estimate of the cost of replacements for a nonprofit or cooperative project unit of $3.52 is higher than the replacement cost of $2.63 on the FHA section 608 unit per month because of the longer term of loan used for the cooperative project. The use of a longer term over which replacements are to be made requires the inclusion of more items of longer life in the estimate of cost. With the use of a 50-year term, the estimate of operating expenses for the FHA section 608 project would be raised substantially above the $31 figure.

(b) Vacancy and collection losses: The same conservative approach was used in connection with the allowance for vacancy and collection losses in connection with cooperative housing projects under the title. The actual experience of the Public Housing Administration in connection with low-rent public-housing projects shows vacancy and collection losses of less than 1 percent.

Also, the experience obtained in over 1,000 units of cooperative housing in New York City which are operated pursuant to New York State limited-dividend legislation shows a vacancy-and-collection loss ratio, from the inception of the projects through August 31, 1947, of only 2.64 percent. These projects were completed between 1927 and 1932. Thus the period covered by the experience is not limited to a single phase of the economic cycle, nor is it limited to a period of housing shortage. The explanation of these results may be found not only in the nature of cooperative ownership or other nonspeculative housing, but also in the fact that vacancy losses always tend to be much lower—particularly in time of depression—in moderate-cost housing than in higher-cost housing.

D. Factual basis for long-term amortization of loans to cooperatives

Title I of the bill provides that loans made for housing projects of cooperatives or other nonprofit organizations "shall provide for complete amortization within a period of 50 years by periodic payments." It also provides that, in the event of the refinancing of such loan "the amortization period may be extended to a date not later than 60 years after the date of the original mortgage." However, no such extension could be made unless the Corporation determined that the increase otherwise resulting in rents or charges for dwellings in the housing project involved would adversely affect the stability of such project.

This amortization period, permitting reductions in monthly charges to the members of the cooperative, is essential to effective operations under the title. These reductions, together with other savings made possible under the title, are necessary to bring the monthly charges within the means of a broad range of middle-income families, as previously explained.

Although this amortization period is longer than that involved in most conventional forms of home financing, your committee is convinced that such period is entirely appropriate and sound for loans to borrowers under the title. This is not because the physical characteristics of the housing, in terms of its construction, would be essentially different from those of other projects, but because of the nature of the cooperative itself and the relationship of its members to the dwellings involved. Your committee believes it important to point out that the maturities of loans in conventional types of financing for soundly constructed rental housing accommodations are not limited by the expected physical durability of the structures. Such structures, with adequate maintenance, could obviously last far longer than the maturities currently prevailing with respect to loans on rental properties operated for profit, or the maximum amortization period provided in the title. The maturities of loans on rental projects operated for profit are limited by such factors as the extent of the equity involved, or the reserves for and asurance of future maintenance, as well as less substantive factors such as the type of amortization schedule used, depreciation for tax purposes, or the mere traditional practice of lending institutions.

In the case of a rental housing project built and operated for profit, the limited equity of the owner is a basic reason for the lender limiting the maturity of the loan, as he faces the risk that the owner may "milk" the project in order to realize the greatest profit in early years. No such risk would be involved, of course, in the case of housing operated by a cooperative or other nonprofit corporation. The importance of this factor in relation to a sound and appropriate amortization period for rental housing financing was recognized by the Congress when it enacted the Housing Act of 1948 adding the yield-insurance title to the FHA program. Under that title, where direct or equity investment is used for the entire cost, a 50-year amortization period is expressly authorized.

Similarly, with respect to the assurance of adequate maintenance and repairs, a cooperative organization is particularly adapted to eliminate risk to the lender over a long term. Unlike tenants in rental projects, occupants of cooperative housing have every incentive to maintain their property in first-class condition. Each has a pride of ownership which not only assures better maintenance of the propery but also affords a stability which further protects the lender. This becomes greater as the occupant increases his individual equity in his dwelling. In addition, the cooperative organization affords the lender the protection of group continuity and the permanent succession of the cooperative corporation. None of these important factors are present in the case of loans for rental properties operated for profit.

The title also contains provisions specifically designed to protect the investment of the National Mortgage Corporation over the authorized period of amortization, as well as to benefit the members of the cooperative. For example, the location and physical planning of the housing project must afford reasonable assurance as to the stability of the neighborhood, and the dwellings in the project must meet sound standards of design, construction, livability, and size for adequate family life. The design and construction of the project must also be such that economies are promoted through efficiency in operation, management, and otherwise. The cooperative must agree to maintain the project in good condition throughout the life of the loan, and to establish and maintain such adequate reserves for repairs, maintenance, and replacements as the Corporation shall require in the loan agreement.

As indicated above, the amortization period for a loan under the title could be extended in cases of refinancing. This is necessary in order to avoid increases in rents or charges to occupants of the housing involved which would affect the stability of the project. This flexibility is essential to a fully effective operation under the title. It is obvious that the payments of interest on and retirement of the debentures issued by the Corporation to obtain additional loan funds beyond its original capital must be appropriately related to the scheduled repayments on the mortgage loans which it has made to borrowing cooperatives and nonprofit organizations. It is also intended that the Corporation shall obtain its loan funds from the private investment market at the lowest possible rate in order that the benefits thereof may be translated to the housing consumer in the rate which the Corporation must fix for the loans it makes to finance housing projects of eligible borrowers.

It is expected that the maturities of the debentures issued by the Corporation would be of such period as would obtain a low rate of interest approximating the rate on bonds of the Federal Government having a maturity of 10 years or more. It would, therefore, be expected that the Corporation would schedule the amortization payments on the mortgage loans it makes on a 50-year basis, but would either make 20-year mortgage loans with provision for refinancing, or make 50-year mortgage loans reserving the right to require refinancing, in the event that the cost to the Corporation of capital investment and borrowings from the private market makes necessary an increase in the rate of interest which the Corporation is requested to charge. This would retain the flexibility necessary to assure that payments on the mortgage loans could be adjusted to reflect any increase in the cost of loan funds obtained by the Corporation, while permitting the benefits of the lowest obtainable interest cost to be reflected in the rate of

interest charged on loans made by the Corporation. For example, let us assume that the initial mortgage loans were at a rate of 3 percent with payments scheduled on a 50-year amortization schedule on a 20-year maturity with provision for refinancing. If the 20-year debentures were refinanced at the twentieth year at the same rate as the original debentures, the mortgage loan could simply be extended for another 20 years, with a similar provision for refinancing without any change in the interest rate or in the amortization schedule. On the other hand, if, because of changes in the money market, it became necessary to refinance the original debentures at a slightly higher rate, the mortgage loan would then also be refinanced at a rate of interest reflecting the increased cost of the loan funds to the Corporation. In any such case, the increase in rents which, otherwise, would result could be reduced or eliminated by extension of the amortization period of up to not more than 10 years.

E. Factual basis for low-interest-rate financing for cooperatives

1. Necessary To Bring Housing Charges Within Means of Middle-Income Families

As previously explained, there is a gap in our present housing program. Other provisions included in this bill, and in H. R. 6070 passed by the House of Representatives, are designed to perfect and improve the programs for the insurance or guaranty of home-mortgage loans under the FHA and the Veterans' Administration—to increase, wherever possible, the effectiveness of these Government aids and incentives to private enterprise not only to build more houses but also to increase, if possible, the proportion of total production in the more moderate price class. Even with these perfected and additional aids, it was made abundantly clear to your committee that there will remain a considerable segment of our middle-income families who cannot obtain housing adequate to their needs without an additional means of assistance specifically directed to the production of housing of sound standards, livability, and sufficient size for adequate family life and available at monthly costs which these families can afford to pay.

The basic and fundamental objective of this title is to provide a sound and practicable means whereby good housing of sound standards, livability, and sufficient size for adequate family life can be produced and made available at monthly charges which more middle-income families can afford. To achieve this objective, it is essential that every possible economy in financing construction, and maintenance be translated directly into corresponding reductions in the monthly charges which the individual consumer must pay for that housing.

Taken alone, no single one of the economies and savings made possible by the title will result in a reduction in the monthly charges sufficient to permit good housing to be brought within the reach of a substantial number of middle-income families. Taken together, however, the combined savings and economies (of which long-term, low-cost financing is one) which are made possible by the title can result in such a reduction in the monthly charges as will bring the housing within the means of a broad range of our middle-income families.

The cooperative or nonprofit organization is the only form of private enterprise through which the savings achieved in financing, in construction, and in management are automatically translated into direct benefits to the consumer in the form of corresponding reductions in the monthly costs which he must pay for his housing. The title is designed to operate in such a way that soundly conceived cooperate housing projects will be able to secure the low-cost financing essential to reduced monthly charges, and the benefits and savings thereby achieved are, in a cooperative or nonprofit operation, automatically translated into direct benefits to consumers in the form of reduced monthly charges.

2. Avoids Any Use of Federal Subsidy or Tax Exemption

This title has been carefully prepared to avoid any Federal subsidy. Interest charges for mortgage loans to cooperatives and nonprofit corporations must be sufficient to pay all costs of the National Mortgage Corporation for Housing Cooperatives. This includes the cost of the money which the Corporation borrows from the public, administrative expenses of the Corporation, special reserves sufficient to cover losses, and any general reserves which the Cooperative Housing Commissioner may require. The danger of any ultimate loss by the Federal Government is further reduced by required subscription to the Corporation's capital stock by borrowing cooperatives as previously explained. As is shown in detail in the table appearing in section F. 1 of the report on this title, the specific reserves for losses of one-quarter of 1 percent and the private-capital-stock subscription by borrowers will build up a substantial cushion against any possible future losses.

The basic security for any mortgage loan, of course, is the value of the property on which it is made and the economic stability of the borrower. Because of the required adherence to sound planning and construction standards by the cooperatives and the elimination of speculative profits in construction and management of their projects, the inherent value of these projects will offer much better mortgage security than is now found in many rental projects built and operated for profit. The income from cooperative projects also is likely to be more stable over the years because rents or monthly charges will be lower than otherwise available and the occupants will own the projects and thus have every incentive to keep them in first-class condition.

The initial stock investment in the Corporation to be made by the Government would be limited to $100,000,000; would bear cumulative dividends; would be preferred as to dividends and assets; and would be replaced over a period of time by stock investment made by private borrowers.

All of the administrative expenses of the National Mortgage Corporation for Housing Cooperatives will be met from the interest and fees charged borrowers. The interest charged must be high enough to cover the general administrative costs of the Corporation, and the costs for special services, such as inspections, will be met from fees paid by the borrowing cooperatives.

The title authorizes the Cooperative Housing Commissioner to assist in the organization of housing cooperatives and in the planning, construction, and operation of their projects. Although this assistance naturally involves certain administrative expenses by the Federal Government, it is not a subsidy in any accepted meaning of the term. Rather, it is a public service comparable to many others furnished by the Federal Government. It is also designed to benefit the Government by protecting against losses on the mortgage loans to cooperatives.

Many of those who oppose certain other features of the title agree that a program of technical assistance by the Government to housing cooperatives would serve a laudable public purpose and would be entirely justified. There are numerous precedents for such technical aid by the Government. For example, the Federal Home Loan Bank Board gave extensive assistance in the organization of Federal (mutual) savings and loan associations in the early years after the chartering of these institutions was authorized in 1933. Also, it is comparable to the professional guidance furnished by the Department of Agriculture to agricultural production and marketing cooperatives and to rural electric utility cooperatives. The great variety of services rendered to the building industry, mortgage lenders and individuals by the Federal Housing Administration is also comparable.

Your committee also wishes to point out that the title would direct the Cooperative Housing Commissioner to administer the program in such a manner that the cooperatives themselves, acting individually or through joint undertakings, would, as soon as feasible, supply their own technical advice and assistance and thereby gradually reduce and terminate such technical advice and assistance by the Commissioner.

The Cooperative Housing Commissioner would also be authorized to make preliminary advances to cooperatives to assist them in making plans for housing projects which are eligible for mortgage loans from the National Mortgage Corporation for Housing Cooperatives. This would in no sense be a subsidy program. The preliminary advances would have to be repaid out of the mortgage loans and the borrower would have to pay interest on the advances equal to the cost of money to the Treasury, plus one-half of 1 percent per annum. The sound initial guidance furnished through technical advice and assistance under the title would materially reduce the chance of losses on the advances. Before any advances could be made, the Cooperative Housing Commissioner would have to determine that the borrower is a bona fide cooperative or nonprofit corporation whose methods of operation are such as will avoid the use of funds for any speculative purpose or the payment of excessive fees, salaries, or charges.

With respect to taxation, the title specifically provides that all real and tangible personal property of the National Mortgage Corporation for Housing Cooperatives shall be subject to State, county, municipal, or local taxation, and also any special assessments for local improvements. There is nothing in the title which would in any way provide or require that the property of housing cooperatives would be exempt in any way from State and local taxation. So far as the taxation of property of housing cooperatives is concerned, the title simply recognizes that it is a matter controlled entirely by State and local law.

At present, only three States (New York, New Jersey, and Delaware) have adopted limited-dividend housing corporation laws which provide partial tax exemption as a means of encouraging the provision of housing for persons of moderate income. The principal reason for the action of the three States in granting partial tax exemption for limited dividend housing corporations appears to be a particularly urgent need for middle-income housing and the complete lack of any feasible alternative means to assist the production of good housing which middle-income families can afford. The program contemplated by the title will make it possible for housing cooperatives to achieve rents or monthly charges low enough to meet the needs of a broad range of middle-income families without the necessity of resorting to any tax exemptions for their housing projects. Thus, the title would avoid the necessity for States or cities to grant tax exemption in order to assist the production of good housing within the means of middle-income families.

Income from obligations issued by the National Mortgage Corporation for Housing Cooperatives would be subject to all Federal income taxes. Like obligations issued by the Federal home-loan banks, the Federal Savings and Loan Insurance Corporation, and the Federal Deposit Insurance Corporation, obligations of the National Mortgage Cor-

poration for Housing Cooperatives would be exempt from State and local taxes—except surtaxes, estate, inheritance, and gift taxes.

8. Strengthens Private Enterprise in Field of Housing

A large part of the opposition to the title by representatives of mortgage lenders and operative builders appearing before your committee appeared to be based on fear that operations under it would adversely affect their business. After careful consideration, we are convinced that such fears are groundless and that the title will expand, rather than contract, the field of private enterprise in housing and further support the private enterprise system. Your committee does not recommend the title as a panacea to supply all our housing needs. The $2,000,000,000 authorization for mortgage loans to middle-income cooperatives would cover the cost of 250,000 dwelling units at $8,000 per unit. It will take several years for middle-income cooperatives to organize and build this many units. Annual production contemplated under the program therefore, is small in relation to the more than a million houses built last year. Most of the middle-income families who will be able to obtain adequate homes with the assistance offered by this program would be unable, otherwise, to obtain housing suitable to their needs. All of the families whose incomes are in the upper third of all incomes in their communities and many middle-income families will continue to build and finance their houses or to rent as they do now. The title, therefore, will have the general effect of increasing the total market for private housing rather than taking the market away from established builders and lenders.

Actually, middle-income cooperatives will make it possible for many families, not otherwise able to do so, to acquire good housing suited to their needs.

There have been occasions in the past when programs designed to broaden a particular market were opposed as unfair competition. Your committee has found, for example, an illuminating example in the history of our rural-electrification program. When this program was being considered by the Congress in 1935–36, the representatives of private power interests charged that this program would mean ruinous competition to established private enterprise. The facts fail completely to bear out these dire prophecies. In 1935 only 11 percent of our farms were electrified. Today, close to 80 percent of American farms enjoy the benefits of electric power. By no means all of this progress has resulted from loans by the Rural Electrification Administration. As a matter of fact, it is quite interesting to observe that, about 10 years later during the 1945 hearings on the REA program, the president of the Wisconsin Power & Light Co. quite frankly admitted that the establishment of the REA program had a good deal to do with private utility companies expanding their operations to include the electrification of many rural areas. About half of the improvement in the electrification of the farms of the country is directly attributable to facilities financed by the REA. The remaining half represents expanded activities of the private utility companies in rural areas, much of which, admittedly, was stimulated by the program of the REA.

There seems every reason to believe that a similar experience would result from the institution of a sound program of assistance and financing to housing cooperatives. Far from resulting in a drying up of conventional building and financing, your committee is convinced that the title would prove a healthful stimulus to other forms of private enterprise.

The theory has been advanced that many families who have already purchased homes, and undertaken mortgage-loan obligations in connection with their purchases, will deliberately default on these obligations in order to obtain the benefits of the lower financing charges available under the title. Your committee is satisfied that such a theory has no basis in fact.

In the first place, the average American family respects the financial obligations which it undertakes—particularly in the case of obligations assumed in connection with the purchase of its home. This is a clearly supportable statement, and is backed, not only by the day-to-day experience of home-financing institutions, but also by the loan-repayment record of borrowers from the Home Owners' Loan Corporation. Furthermore, most of the families who have already purchased homes would not be eligible under the terms of the title, as they would not be middle-income families. In any event your committee understands that loans would not be made to cooperatives which were not soundly organized, and this obviously means that the bylaws of any such cooperatives would render ineligible for membership therein any person whose payment record in connection with obligations previously contracted for indicated that he was not a satisfactory credit risk.

Your committee also calls attention to the fact that actual experience today indicates this theory has no basis in fact. In many areas of the country today families have purchased homes with conventional home financing with interest at 1 or 1½ percent higher than the 4-percent maximum obtaining on GI loans, or the 4½-percent maximum obtaining on FHA loans. There has been no indication that such families are deliberately defaulting on the obligations which they have undertaken in order to get the benefits of the lower financing charges obtainable under the GI or FHA home loan guaranty and insurance programs.

It has been suggested to your committee that the low rate of interest obtainable on loans made by the National Mortgage Corporation for housing cooperatives under the title would adversely affect the return on the savings of individuals invested in banks or insurance companies.

In this connection attention should be directed to the fact that the Corporation would obtain the bulk of its loan funds by selling its guaranteed debentures in the private investment market. Unlike mortgage loans, this type of securities does not involve any servicing costs to the purchaser. The rate of interest on such debentures is therefore a net rate, whereas the rate of interest on mortgage loans is a gross rate.

Data were furnished your committee indicating the costs involved in mortgage loans to the lenders making them. The data were based on the experience of four insurance companies—Mutual Life Insurance of New York, Business Men's Assurance Co. of Kansas City, Liberty National Life Insurance Co. of Birmingham, and National Life Insurance Co. of Vermont. The data showed that, on FHA-insured mortgage loans bearing a gross interest rate of 4½ percent, the costs of procuring and servicing the loans, together with a pro rata share of administrative expenses, brought the gross rate of 4½ percent down to a net rate of about 3 percent. It was also indicated to your committee that the experience of these companies is probably more favorable than the experience of mortgage lenders as a whole for whom a gross rate of 4½ percent, therefore, probably means a net rate of less than 3 percent. Thus, having the advantage of geographical diversification, and a better balanced loan portfolio in terms of type and size of mortgages, these insurance companies probably are able to show lower costs and hence a more favorable net return than is true of many of the small local lenders. The extent of the variation in the costs of procuring and servicing mortgage loans is one of the subjects under investigation in the as yet uncompleted study of mortgage lending by the National Bureau of Economic Research. One volume of this study—Urban Mortgage Lending by Life Insurance Companies, by Dr. R. J. Saulnier—will show that, even among insurance companies themselves, the elements of interest cost differ widely depending upon the size of the company and its scale of mortgage-lending activity.

It is a well-established fact in financial circles that lenders tend to prefer bonds to mortgages. Greater liquidity, lower servicing costs and expenses all are factors bearing upon this preference. It, therefore, seems entirely clear that the debentures issued under the title would represent a sound and profitable investment for life-insurance companies, banks, investment portfolios, and similar types of investors. Far from adversely affecting the return which individuals may receive on their savings deposited in banks or invested in insurance, such securities would offer one of the soundest sources of investments through which individual depositors and investors may obtain a steady rate of return on their savings and investments.

F. Comparison of title I with existing aids to home financing

1. Federal Housing Administration

For more than 15 years, there has been operated through the Federal Housing Administration a system whereby the Federal Government insures home-mortgage loans. Under the FHA the Federal Government insures the lending institution against any loss on home-mortgage loans which meet certain predetermined standards.

The FHA charges a premium of one-half of 1 percent on the loans which it insures and, from these premium charges, builds up a specific reserve account which is primarily liable for the payment of any losses. At the same time it was clearly recognized that, if the FHA program was to operate effectively, lenders probably would not be willing to make insured home-mortgage loans in reliance solely upon the reserves thus built up for the payment of any losses which they might sustain on their insured loans. To make the FHA system fully effective, therefore, the Federal Government placed its full faith and credit behind the FHA insurance by guaranteeing that, whenever necessary, any losses sustained by any lender on an FHA-insured loan would be paid out of the United States Treasury, and by unconditionally pledging the full faith and credit of the United States to such payments.

During these more than 15 years of operation, the Federal Government has not been called upon to make good upon its guaranty of those FHA-insured home-mortgage loans, and the FHA system has been operated on a self-sustaining basis. Nevertheless, this successful experience does not in any way alter the fact that, if defaults on FHA-insured home-mortgage loans exhaust the FHA insurance reserves, the Federal Government must make good, out of United States Treasury funds, on the contingent liability it has assumed.

Your committee desires to point out that there is no essential difference between the basic principles of the FHA system and the basic principles of the system to be provided by this title. Reduced to its basic essentials, this title is merely an adaptation of the FHA system.

Under the FHA system, the Federal Government guarantees to pay any loss which a lender sustains on any FHA-insured home-mortgage loan. If an insured loan is defaulted, the FHA takes over the defaulted property and gives the lender FHA debentures in an amount equal to the unpaid balance of the defaulted loan. Those debentures are fully and unconditionally guaranteed, as to payment of both principal and

interest, by the United States of America. The appropriate FHA insurance fund, or reserve for losses, is primarily liable for the payment of those debentures, but, if for any reason funds sufficient for the payment of both principal of and interest on those debentures are not on hand, the debenture holder simply presents them to the Treasury of the United States for payment.

Under this title the debentures issued by the National Mortgage Corporation for Housing Cooperatives to obtain home-mortgage-loan funds would be similarly guaranteed. Likewise, the funds of the Corporation—income from loan repayments, the specific reserve for losses (which, like the FHA insurance reserve fund, is built up from premiums charged to borrowers), other reserves, and share capital—are primarily liable for the payment of those debentures. It is only when and if the funds of the Corporation are insufficient for the payment of maturing debentures that the contingent liability assumed by the Federal Government may be invoked. Therefore, insofar as the Government guaranty and contingent liability is concerned, the principle involved in this title is identical with the principle involved in the FHA-insured-mortgage system.

It may be said that, under this title, the Government guaranty is applied at a different point than is the case under the FHA system. Technically, of course, this is entirely correct. Under the title, the guaranty is applied to the debentures issued by the Corporation to obtain loan funds. In the case of the FHA-insured-mortgage system, the guaranty is applied to the debentures which the FHA issues to the lender upon default on an insured mortgage. Your committee desires to point out, however, that, although the Government guaranty is applied at a different point, the result is exactly the same insofar as concerns, first, the contingent liability assumed by the Government, and, second, the type of the risk to Government under the contingent liability thus assumed.

First. As to the assumption of contingent liability, it is the same in both cases. In the case of this title, the contingent liability assumed by the Government is assumed when the Corporation issues its debentures, since they are guaranteed by the Government. In the case of the FHA, even though the guaranteed debentures are not actually issued until the insured loan is in default, and may never be issued, the contingent liability is nevertheless assumed at the time the FHA insures the loan. This is so because the insurance of the loan is a binding contract obligating the FHA to issue the guaranteed debentures upon default of the loan. Thus, under the FHA, when the insurance contract is executed by the FHA, the Federal Government at that point assumes a contingent liability in the full amount of the insured loan.

Second. As to the type of the risk, it is the same in both cases. In the case of this title, the contingent liability of the Government is protected, in the final analysis, by the value inherent in the properties securing the mortgage loans which the Corporation makes. In the case of the FHA-insured-mortgage system, the contingent liability of the Government is protected, in the final analysis, by the value inherent in the properties underlying the mortgages the FHA insures.

In the FHA system, insurance reserves for the payment of losses are built up from (a) an initial payment by the Reconstruction Finance Corporation, or the Treasury, to the insurance fund (initial Reconstruction Finance Corporation, or Treasury, payments authorized to be made to insurance reserves amounted to $35,000,000), and (b) income, derived from premiums and fees charged the borrowers, and income from investments, which (after the payment of the costs of FHA's administrative expenses) are carried into the insurance reserves.

Under this title, funds for the payment of losses are likewise built up from several sources. First, a charge of one-quarter of 1 percent of the outstanding loan balance is paid by the borrower and must be carried semiannually to the special reserve account for losses. Second, additional reserves may be required as necessary to be built up from charges to the borrower. Third, privately subscribed share capital is supplied through stock subscriptions (equal to 10 percent of the original principal amount of their loans) of borrowing cooperatives. The full amount of loans authorized would result in private share capital in the amount of $200,000,000 in not more than 20 years after the loans were made. While losses, if any, would be payable primarily out of reserves and surplus, nevertheless the privately subscribed share capital paid in would also be available for payment of losses before the Federal Government could be called upon to make good upon the contingent liability it assumes.

The FHA charges borrowers a premium at the rate of one-half of 1 percent annually on the outstanding loan balance. Under this title, the Corporation would be required to charge borrowers one-quarter of 1 percent annually on the outstanding loan balance, and all such payments must be carried to the special reserve for losses. However, the difference between the FHA premium charge of one-half of 1 percent and the Corporation's charge of one-quarter of 1 percent does not mean that the same differential obtains in the percentages of the funds actually carried to reserves for losses.

Out of the one-half of 1 percent premium charges, and other income from fees and investments, the FHA must pay its administrative expenses. Of the one-half of 1 percent premium charges received by the FHA, about one-fourth of 1 percent has had to be used by the FHA for administrative expenses, leaving only about one-quarter of 1 percent of the premium charge available for reserves for losses. For example, FHA premium income for the fiscal years 1948 and 1949 amounted to about $16,600,000 of which $7,200,000—a little less than one-quarter of 1 percent—was available for reserves for losses. The entire one-quarter of 1 percent of the Corporation's premium charge must be carried to the special reserve for losses, and the rate of interest charged to borrowers by the Corporation must be sufficient (in addition to the one-quarter of 1 percent for the reserve for losses) to yield a return large enough to pay all the administrative expenses of the Corporation.

The rate of reserve accumulation of the Corporation also deserves attention. If the entire loan program authorized by this title is spread over a 5-year period, the reserve at the end of the following 10 years would be about $58,000,000. This is because the reserve accumulates most rapidly in the early years, since the premium charge of one-quarter of 1 percent is based on the outstanding balance of the mortgage loans which are being reduced by the periodic payments of the borrowers.

Also at the end of the following 10 years, in addition to the increase in the reserve from about $58,000,000 to about $99,000,000, the entire $200,000,000 of private share capital would have been paid in.

There is shown in the following table the relationship between the outstanding loan balance and the estimated premium reserve and private share capital with respect to the program contemplated under this title for each year during the life of the entire $2,000,000,000 loan program.

Estimated premium reserve and private share capital of National Mortgage Corporation for Housing Cooperatives under title I of the bill related to the outstanding balance on mortgages of cooperatives and nonprofit corporations

[In thousands of dollars]

As of end of program year[1]—	Aggregate amount loaned[2]	Outstanding loan balance[3]	Aggregate premium reserve[4]	Aggregate amount of private share capital[5]	Total cushion against loss[6]	Ratio of cushion to outstanding loan balance
1	$116,000	$116,000	$96	$2,813	$2,909	2.5
2	478,000	477,790	781	11,033	11,814	2.5
3	1,016,000	1,013,537	2,576	25,549	28,125	2.8
4	1,616,000	1,607,568	5,838	44,228	50,066	3.1
5	1,939,000	1,919,362	10,340	59,533	69,873	3.6
6	2,000,000	1,964,313	15,251	68,947	84,198	4.3
7	----------	1,946,355	20,128	76,447	96,575	5.0
8	----------	1,927,832	24,942	83,947	108,889	5.6
9	----------	1,908,720	29,735	91,447	121,182	6.3
10	----------	1,889,001	34,505	98,947	133,452	7.1
11	----------	1,868,655	39,226	106,447	145,673	7.8
12	----------	1,847,662	43,876	113,947	157,823	8.5
13	----------	1,825,999	48,453	121,447	169,900	9.3
14	----------	1,803,646	52,987	128,947	181,934	10.1
15	----------	1,780,584	57,477	136,447	193,924	10.9
16	----------	1,756,793	61,899	143,947	205,846	11.7
17	----------	1,732,250	66,249	151,447	217,696	12.6
18	----------	1,706,932	70,547	158,947	229,494	13.4
19	----------	1,680,812	74,797	166,447	241,244	14.4
20	----------	1,653,861	78,980	173,947	252,927	15.3
21	----------	1,626,055	83,076	181,447	264,523	16.3
22	----------	1,597,362	87,103	188,539	275,642	17.3
23	----------	1,567,755	91,063	194,336	285,399	18.2
24	----------	1,537,207	94,944	198,156	293,100	19.1
25	----------	1,505,692	98,749	199,726	298,475	19.8
26	----------	1,473,185	102,488	200,000	302,488	20.5
27	----------	1,439,652	106,139	200,000	306,139	21.3
28	----------	1,405,057	109,694	200,000	309,694	22.0
29	----------	1,369,367	113,169	200,000	313,169	22.9
30	----------	1,332,560	116,548	200,000	316,548	23.8
31	----------	1,294,602	119,840	200,000	319,840	24.7
32	----------	1,255,387	123,035	200,000	323,035	25.7
33	----------	1,214,958	126,119	200,000	326,119	26.8
34	----------	1,173,247	129,107	200,000	329,107	28.1
35	----------	1,130,216	131,991	200,000	331,991	29.4
36	----------	1,085,829	134,771	200,000	334,771	30.8
37	----------	1,040,033	137,440	200,000	337,440	32.4
38	----------	992,787	139,988	200,000	339,988	34.2
39	----------	944,038	142,417	200,000	342,417	36.3
40	----------	893,738	144,720	200,000	344,720	38.6
41	----------	841,838	146,897	200,000	346,897	41.2
42	----------	788,288	148,938	200,000	348,938	44.3
43	----------	733,040	150,845	200,000	350,845	47.9
44	----------	676,046	152,615	200,000	352,615	52.2
45	----------	617,254	154,239	200,000	354,239	57.4
46	----------	556,600	155,717	200,000	355,717	63.9
47	----------	494,021	157,039	200,000	357,039	72.3
48	----------	429,455	158,205	200,000	358,205	83.4

[1] Assuming that construction is started on $200,000,000 in the first year, $400,000,000 in the second year, $600,000,000 in each of the third and fourth years, and $200,000,000 in the fifth year, for a total program of $2,000,000,000. Also, that construction started in each year is divided into quarters with variations in the volume of starts because of seasonal factors. A construction period of 1 year was assumed, with payments of interest during construction but no amortization of the principal of the mortgage until 6 months after completion of construction. Thus, part of the 50-year mortgages will start to be amortized in the second program year, and others in third, fourth, fifth, and a minor amount in the sixth program year.

[2] While the construction started was assumed to be spread over 5 years, a small amount of construction work would not be completed until the sixth year when the last of the $2,000,000,000 is assumed to be loaned out.

[3] Assuming mortgages of 50-year maturity bearing interest at the rate of 3¼ percent per annum, with level monthly payments composed of interest and principal. This interest rate includes ¼ percent for accumulating reserves against losses on loans.

[4] Accumulated reserve assuming a rate of ¼ of 1 percent annually on the outstanding balance of the mortgage. This represents the amount of the reserve before deducting losses. Also, this reserve does not reflect additions which would result from the return to be earned on excess reserves by investing such excess reserves in Government securities.

[5] Assuming one-half of loans made would be on projects of cooperatives and one-half on projects of nonprofit corporations. On the former, an investment in the capital stock of the National Mortgage Corporation equal to 2½ percent of the original principal amount of the loan was assumed upon application, an additional 2½ percent upon completion of construction, and 5 percent spread over the next 20 years. On the nonprofit corporations, the total of 10 percent was spread over the 20-year period after completion of construction. The figures are cumulative.

[6] Represents sum of aggregate premium reserve and aggregate amount of private share capital in each year.

Estimated premium reserve and private share capital of National Mortgage Corporation for Housing Cooperatives under title I of the bill related to the outstanding balance on mortgages of cooperatives and nonprofit corporations—Continued

[In thousands of dollars]

As of end of program year[1]—	Aggregate amount loaned[2]	Outstanding loan balance[3]	Aggregate premium reserve[4]	Aggregate amount of private share capital[5]	Total cushion against loss[6]	Ratio of cushion to outstanding loan balance
49	----------	$362,836	$159,206	$200,000	$359,206	99.0
50[7]	----------	279,689	159,998	180,000	339,998	121.6
51	----------	187,528	160,557	140,000	300,557	160.3
52	----------	94,083	160,867	80,000	240,867	256.0
53	----------	21,741	160,970	20,000	180,970	832.3
54	----------	0	160,983	0	160,983	------

[7] In this program year, the outstanding balance on the oldest mortgages (those on which amortization began in the second program year) would be reduced to a point where the cumulative private share investment applicable to those mortgages would offset the balance due. Accordingly, the outstanding balance on these mortgages was wiped out and the private share investment reduced correspondingly. This first occurs in the fiftieth program year or the forty-eighth year of the life of the mortgage. The private share credit would reduce the 50-year term of the mortgage by more than 2½ years.

The nonprofit character of eligible borrowers under this title eliminates the incentive for design and construction directed primarily toward the immediate attainment of larger profits at the expense of long-term value in terms of adequate size and space for family living. Moreover, there are present ownership characteristics which are not present in rental housing projects, since the members of housing cooperative are owners rather than renters.

In cooperative housing projects, there is also eliminated any incentive, which may exist on rental projects operated for profit, to "milk" the project in order to realize the greatest profit in the early years. In housing cooperatives the incentive is to maintain the property in first-class condition at all times, since each member is an owner of the housing and is steadily increasing the values of his equity in the property. Moreover, the cooperative organization has a permanent interest in adequately maintaining the property. In addition, a cooperative housing project would probably exercise a more stabilizing influence in maintaining neighborhood values than the ordinary rental project. In the latter case, the occupants have little personal interest in the permanent value of the project or of the surrounding properties.

In addition, with the lower monthly charges possible through housing cooperatives under the title, the housing serves a broader market which is subject to smaller fluctuations in rents and values—particularly under less favorable economic conditions. This further reduces the risk of loss.

Your committee is strongly of the opinion that the program provided by title I of the bill which involves no more risk than is involved in most FHA operations, is needed, is sound, and is thoroughly justified. This is particularly so, since the benefits of such a program go directly to middle-income families who need housing and who, in keeping with the American tradition of individual freedom and enterprise, are willing to meet their own problems if they are afforded the opportunity and a practicable means for doing so.

2. Federal home-loan banks

In many respects the Federal home-loan banks closely parallel the principles on which the operations contemplated by title I of the bill are based. The Federal home-loan banks make loans or advances of funds primarily to member borrowing institutions for relending by such borrowers in the form of home-mortgage loans. Such loans or advances of funds are made by the banks upon the security of first-mortgage loans deposited as collateral by the borrowing institution with the bank. The loans or advances of funds made by the banks to borrowing institutions bear a low rate of interest, currently 2 to 2½ percent, which reflects the cost of loan funds to the banks plus the spread necessary for defraying all administrative expenses, and the maintenance of necessary reserves. The banks obtain their loan funds from three sources—subscriptions to their capital stock by member institutions, deposits of member institutions, and the sale of their consolidated debentures. Thus the Federal home-loan banks provide for their members—primarily savings and loan associations—not only a large volume of potential credit, but also cheaper money and a type of credit adapted to their needs.

It is also interesting to note that the organizations to which the banks make loans or advances of funds are largely cooperatives or mutual ownership organizations in that they are owned by the individual shareholders. In fact, in some States they are known as cooperative banks.

The Federal home-loan banks, like the National Mortgage Corporation for Housing Cooperatives under this title were established as mixed-ownership corporations, each having a minimum capital of not less than $5,000,000. In order to assist in their organization the Secretary of the Treasury was directed to subscribe, on behalf of the United States, for such part of the minimum capital of each bank as was not subscribed for by members, but not exceeding $125,000,000, and the Secretary of the Treasury did subscribe to $124,741,000 of such stock. This compares with the $100,000,000 Treasury stock subscription in National Mortgage Corporation for Housing Cooperatives authorized under this title.

Each member is required to subscribe to capital stock of the Federal home loan bank in an amount equal to 1 percent of the unpaid balance of the subscriber's home-mortgage loans, but not less than $500. Initial investments by members were small.

The legislation establishing the Federal home loan banks also provided that, after the amount of capital of a bank paid in by members equals the amount subscribed by the Secretary of the Treasury, thereafter one-half of all sums paid in as capital shall be applied annually to the payment and retirement of the shares initially subscribed by the Federal Government. This compares with the provisions of this title that when the private share capital in the National Mortgage Corporation for Housing Cooperatives paid in by borrowing cooperatives equals $50,000,000 (one-half the amount authorized to be subscribed initially by the Secretary of the Treasury), thereafter all sums paid in as capital shall be applied annually to the payment and retirement of the capital stock held by the Government.

In the case of the Federal home-loan banks, of the approximately $125,000,000 capital stock originally subscribed by the Secretary of the Treasury, approximately $55,000,000 had been retired as of January 31, 1950, leaving about $75,000,000 outstanding.

As indicated above, the Federal home loan banks obtain the bulk of their funds with which to make loans or advances of funds to borrowing institutions by the sale of their consolidated debentures. Such debentures are the joint and several obligations of all the banks. Up to January 1, 1949, total obligations of slightly in excess of $1,800,000,000 had been issued, of which a little over $1,600,000,000 had been retired, leaving about $200,000,000 outstanding.

In general, the banks issue short-term debentures maturing in about a year, and thus obtain at very low rates of interest funds for relending to borrowing institutions. The banks have been obtaining such funds, through the sale of 6- to 12-month paper, at from 1¼ percent to 1¾ percent. On the basis of the average daily balance outstanding during the 38-month period from October 1946 to December 1949, the total average cost to the banks on their consolidated obligations was about 1½ percent.

While the debentures issued by the banks to obtain loan funds are not guaranteed by the United States, as would be the case in connection with the debentures issued by the Corporation under this title, an alternative aid, in the form of an emergency line of credit to the United States Treasury, has been recommended. This would give the banks the right to borrow up to not exceeding $1,000,000,000 directly from the United States Treasury. Legislation (H. R. 6743) to provide for the Federal home-loan banks this $1,000,000,000 line of credit from the Treasury has already passed the House of Representatives.

3. Home Owners' Loan Corporation

The essential soundness of the program contemplated by title I of the bill derives from the fact that it would bring the total monthly costs of housing well within the financial resources and capacity of a broad range of our middle-income families. This is borne out by the experience of the Home Owners' Loan Corporation, which stands as a demonstration of the respect of the average American family for the financial obligations which they undertake to acquire and keep a home, and to the soundness of a program based on bringing monthly housing costs within the financial resources and capacity of the borrower.

During the depression in the early thirties, the Home Owners' Loan Corporation was created in order to help individuals who were in fiancial distress to save their homes. For a 3-year period from 1933 to 1936 the Corporation was authorized (1) to acquire, in exchange for bonds issued by it, home mortgages and other obligations and liens secured by real estate and (2) in connection with any such exchange, to make advances in cash to pay the taxes and assessments on the real estate and to provide for necessary maintenance and make necessary repairs.

The bonds which the Corporation issued to the banks and other financial institutions in exchange for the defaulted mortgages held by them on the properties of distressed individual home owners were fully and unconditionally guaranteed by the United States. The Corporation was authorized to issue 4¾ billion dollars of such bonds.

In addition the Secretary of the Treasury subscribed to $200,000,000 of capital stock in the Corporation.

The Corporation originally loaned about $3,500,000,000 to refinance the mortgages of more than a million American home owners who were victims of the depression. Most of these home owners were in arrears nearly 2 years on principal and interest, and 3 years on taxes, and it was contended by some that the operations of the Home Owners' Loan Corporation might result in a loss to the Government of perhaps $1,000,000,000. Instead, at the end of 13 years of liquidation, less than 10 percent of the cumulative investment was outstanding at the end of the calendar year 1949. The Corporation has recently repaid the last of the funds which it borrowed through the sale of its $3,500,000,000 of bonds guaranteed by the Government. It now appears that when the liquidation of its remaining loans is completed during the next 2 years, the Home Owners' Loan Corporation will be able to return, without impairment, the entire $200,000,000 of capital originally

subscribed by the Government, and a surplus which, according to present estimates, may run as high as $25,000,000.

In the course of its operations, the Corporation extended a helping hand to thousands of financial institutions by taking over $3,000,000,000 of delinquent mortgage loans at a time when no other refinancing was available. The Corporation also helped thousands of local government units by advancing $485,000,000 to pay delinquent taxes. Not least among its services was the fact that the Corporation gave impetus to long-term, direct-reducing mortgage loans which has had a beneficial influence on the entire structure and procedure of home financing. Its 15-year monthly payment loans with interest of not more than 5 percent on the declining unpaid balance gave substantial evidence throughout the United States of the fairness and value of this type of loan in contrast to the expensive, short-term loan with its renewal fees and its recurring threats of loss. Moreover, the collection policy of the Corporation, together with the servicing methods which it developed to help home owners, also contributed to the security of the home owner and of the Nation.

III. TITLE II OF THE BILL—AMENDMENTS TO THE NATIONAL HOUSING ACT

A. Extension of title I insurance authorization for improvement loans

The bill would extend on a permanent basis the program for insurance of modernization and repair loans under title I of the National Housing Act. The present authorization under title I would, under present law, expire on March 1, 1950.

Under the existing title I program, lending institutions now may be insured against loss up to 10 percent of the net amounts they advance for all eligible title I loans. During the first 11 months of 1949, over 1,094,000 loans with total net proceeds of more than $535,600,000 were recorded for insurance under title I. Most of these loans covered repairs, alterations, or improvements to residential structures.

Your committee recommends this extension of title I of the act on a permanent basis in consideration of the need for preserving and maintaining the present housing supply. The preservation of our existing supply of sound and acceptable housing, and the conversion of larger structures into a greater number of smaller dwellings are important phases of meeting the over-all housing needs of the country. The title I insurance of financial institutions against loss on property-improvement loans has made a substantial contribution toward meeting these housing needs by making credit available on reasonable terms to home owners for maintenance, improvement, and rehabilitation of their structures. Most of such loans are unsecured character loans having maturities up to a maximum of 3 years and 32 days. Without this insurance system, many private lenders are hesitant to make unsecured loans of this nature, seldom permit maturity periods in excess of 1 year for any such loans made, and generally charge the borrower higher discount rates which, not infrequently, amount to an effective cost to the borrower of 12 percent or more. The insurance also provides a control on financing charges by establishing a maximum rate which may be paid by the borrower on eligible loans.

Other provisions of the bill relating to FHA title I loans are made necessary by placing the title I authorization on a permanent basis. As previously indicated, a lending institution is insured against loss up to 10 percent of the net amount it advances on all eligible title I loans. This 10 percent of the net amounts advanced (referred to as the title I insurance reserve of the institution) increases, of course, in dollar amount as additional title I loans are made. In view of the fact that title I would be made permanent, your committee believes it desirable that provision be made whereby the insured lending institutions will not be credited with excessive protection against loss, as loans are repaid. Accordingly, the amendment would make provision for periodic adjustments in the dollar amount of the reserve of each financial institution. One-fifth of such reserve would be cut back at the expiration of each 6-month period, beginning January 1, 1953. For administrative convenience, reserve cut-backs would be made on July 1 and January 1 of each year. After March 1, 1950, the reserve would be based on loans made after that date.

B. Increase in title II mortgage insurance authorization

Several temporary increases in the mortgage insurance authorization under title II of the National Housing Act have been recommended by your committee and enacted by the Congress during the past year. Such increases were included in the Housing Act of 1949 and in Public Laws 278 and 387 enacted by the first session of this Congress. In recommending them, your committee recognized that the increases involved were insufficient for more than very temporary periods. On the basis of further study of this matter, your committee now recommends provisions in the bill to increase the authorization to care for anticipated title II insurance operations of the FHA. These provisions would in effect grant an immediate increase of $1,250,000,000 in the title II revolving fund authorization and permit the President to increase the total authorization by an additional $1,500,000,000.

During the past few months, this title II authorization has been used at the average monthly rate of about $178,000,000, and the recent increases in its amount will not permit operations to continue more than a month or so longer. It is therefore essential that an increase be provided at this time. After the expiration of the section 608 mortgage insurance program, section 207 rental housing mortgage insurance may be expected to require a much larger portion of the title II authorization.

C. Amendments of section 207, permanent mortgage insurance program for rental housing

Almost all recent private rental housing construction has been assisted under the emergency temporary mortgage insurance authorization contained in section 608 of the National Housing Act. This authorization has been used to the almost complete exclusion of mortgage insurance under the permanent rental housing authorization contained in section 207 of the act. The provisions of section 608 will, under existing law, expire on March 1, 1950. Accordingly, provisions of title II of the bill would make certain changes in section 207 in order to provide a better method for the insurance of mortgages on rental housing projects on the basis of permanent legislative authorization. In its proposals for modification of this section, your committee has given particular attention to encouraging production of a greater number of moderate rental accommodations of adequate size for family living.

One change which would be made in section 207 would be the addition of an express provision that the insurance of mortgages under that section is intended to facilitate particularly the production of rental accommodations of design and size suitable for family living at reasonable rents. The Federal Housing Commissioner would be authorized and directed to take action, by regulation or otherwise, to direct the benefits of mortgage insurance under section 207 primarily to projects making adequate provision for families with children and in which every effort has been made to achieve moderate rental charges. Every mortgage hereafter insured under this section would have to contain a provision that in the selection of tenants there would be no discrimination against a family by reason of the fact that there are children in the family. Upon sale of the property while mortgage insurance is in effect, the purchaser would have to file with the Commissioner an agreement expressing such intent. Violation of any such provision or undertaking would constitute a default in the terms of the mortgage, permitting the calling of the entire balance due and permitting foreclosure.

Title II of the bill would also change the existing section 207 by providing a sliding scale for the ratio of loan to value on a pattern similar to that established under section 203 of the National Housing Act for single-family owner-occupied homes. At the present time, the principal amount of a rental housing mortgage insured under section 207 may not exceed 80 percent of the value of the property nor $8,100 per family unit, except that in the case of certain mortgages on housing of cooperatives this dollar limitation may be $1,800 per room. The bill would provide that the principal amount of such a mortgage could not exceed the sum of 90 percent of the first $7,000 of value per family unit and 60 percent of the value between $7,000 and $10,000 per family unit. In addition, the maximum mortgage amount of $8,100 per family unit would be permitted only with respect to projects averaging 4½ or more rooms per family unit. With respect to projects averaging less than 4½ rooms, the maximum mortgage amount would be restricted to $7,500 per family unit. Your committee believes that this special restriction on mortgage amounts for smaller units will provide substantial encouragement for the production of rental accommodations of adequate size for families with children. These limitations in section 207 may be compared with the ceilings of $8,100 per family unit and 90 percent of necessary current cost under section 608.

In recognition of the higher costs and the other conditions in Alaska peculiar to that Territory, the maximum ratio of loan to value applicable elsewhere would not apply to housing in Alaska, but a mortgage insured on such housing could not exceed in principal amount 90 percent of the estimated replacement cost of the property. The dollar limits contained in section 207 would be increased by one-third in Alaska pursuant to the provisions of the Alaska Housing Act passed last year (Public Law 52, 81st Cong.).

The bill would increase the maximum charges which FHA can make for appraisal and inspection fees under section 207 (d) of the act from one-half of 1 percent to 1 percent. This change would be made in view of the experience of the FHA showing that proper examination of applications for rental properties and adequate inspection of such properties involve appraisal and inspection costs of at least eight-tenths of 1 percent.

D. Amendments to title VI

Prior to February 1, 1950, the field offices of FHA were advised to inform all applicants for mortgage insurance under section 608 that due to the impeding expiration on March 1, 1950, of the insurance commitment authority under the section, the filing expenses involved in connection with such applications would be strictly at the risk of the applicant. To give protection to applicants who had filed applications for mortgage insurance prior to February 1, 1950, authority would be given that, to the extent of available insurance authority, such applications would continue to be processed and commitments issued after the March 1, 1950, termination date.

A technical amendment would be made to section 610 of the National Housing Act, as

amended, making clear that within a period of 2 years after the sale of the so-called Greenbelt Town properties by the Government, that these properties would be eligible for FHA mortgage-insurance financing.

E. National Housing Act—general

Attention of the committee was called to the fact that in some cases there had been abuses through speculative resale of commitments obtained for FHA mortgage insurance. It is the sense of the committee that appropriate regulations could and should be issued by the Federal Housing Commissioner to prevent speculations in any FHA mortgage-insurance commitments.

IV. TITLE III OF THE BILL—GENERAL PROVISIONS

This title contains one important provision which relates to Federal housing programs generally. It would permit the President under certain circumstances to reduce the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of housing loans made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation, as defined in the Government Corporation Control Act. The President would be authorized to exercise this power in the event that he determined, in the light of general economic conditions and conditions in the building industry, that such action was necessary or desirable to coordinate the housing functions and activities of the Federal Government with its general economic and fiscal policies. In determining the necessity or desirability of any such action the President would have available, of course, the advice and assistance not only of the housing agencies of the Government but of the various other agencies of the Government having an interest in fiscal, economic, and related functions. Thus, the President would be empowered to adjust the housing credit of the Government to meet changing economic conditions and to assure that a consistent credit policy would be followed with respect to all of the housing functions administered by Government agencies. Your committee believes it to be highly desirable that such coordinating power be vested in the President.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, my colleague from Illinois, whom I respect very highly, and to whom I am deeply indebted for giving me this time, asked the question which, knowing him, I know not to be rhetorical. He says, "Who wants this bill?" I would like to point out that the people who want this bill are a very material proportion of the 15,000,000 American families who are in what is called the gap; people who earn somewhere between $2,500 and $4,000 a year, and who just cannot get new rental housing today at any reasonable figure and who cannot find other rental housing at all. Now, that is a fact and not an opinion.

We had, right after the end of the war, an estimated 3,000,000 veterans living doubled up with their relatives, or living in what in New York City are generally rat-infested dwellings, or even wet cellars, where their children can, and do, develop all kinds of chronic illnesses, and what we have to decide is how far we have gone to improve that condition. The answer is that we have not gone very far at all. It is estimated that only about 25 to 30 percent of that problem has been taken care of in the 5 years since the end of the war.

Speaking now to those who supported the housing bill which went through last year, and which had a public housing title, I think when we put that through there was a clear implication that we were not going to let the case for these middle-income families who were in the gap, as I have described it, go by default, but that we would address ourselves to some kind of a balanced housing program to include them.

This leads us here to discussing a question of basic governmental philosophy. I believe it will be made very clear before the debate is over that there just is not a way for years to come, in which private industry alone can fill up the need for these middle-income gap families.

The question is, Shall there be the interposition of government to deal with that very acute social problem or shall we let these families suffer? That is a very real, fundamental question of policy and indeed of a philosophy of life which is involved. I line up with those who say that the Government has to interpose itself to do something about it. This bill seems to be a very feasible way in which to accomplish that result.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. YATES. In the gentleman's opinion, does this bill propose to invade the field where private industry has already operated?

Mr. JAVITS. I think the record on that is very clear. Private industry just has not been able to do the job. That is a fact, that is not a theory.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Ohio.

Mr. McSWEENEY. Is it not true that mutual insurance started through mutual organizations, where neighbors tried to help each other out?

Mr. JAVITS. The most rugged individualists in the country are the farmers, and the cooperative movement has had its greatest growth and greatest increase among farmers. In addition, I think we all know that the cooperative idea does get down to the local level. It is for local administration. Therefore, it should have a very balanced appeal to the very people who argue for the fact that we should get all these programs back to the communities. This is a way to do it.

Mr. McSWEENEY. Is not one of the basic reasons for government to be established that it sets up a mutual arrangement by which we can help each other?

Mr. JAVITS. Yes; I agree with the gentleman.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, this bill has distinctively two component parts. Title I of the bill is devoted to housing for middle-income families. There are some 8,000,000 families in this Nation falling into the middle-income group whose annual average income approximates from $2,450 to about $3,900 in communities of average size, of about 2,500 to 10,000 persons. In the larger communities, of a million or more, the average income level will run somewhere between $3,100 and $4,800.

The first part of this bill contains the so-called cooperative-housing feature. This bill attempts in a small way to make available mutual home ownership for people in this income group.

The second part of the bill contains very attractive features for the home builders, who have been the beneficiaries of liberal housing terms over the past 15 years in this Nation. It sets up and makes available some two and three-quarter billion dollars whereby under title II the mortgage-insurance authorization will be extended on a basis which is now permanent. In the same title it extends title I insurance and sets it up on a permanent basis likewise. This title covers modernization loans, also.

Section 608, multiple family dwelling apartments section, which expired February 28, 1950, has been redrafted and set up into a new section, known as 207.

This morning when I appeared in my office there were a number of builders, developers, and other people interested in learning whether or not 608 was to be continued and whether additional authorizations were to be approved to cover all applications submitted prior to February 28, 1950. Title II of this bill is designed to take care of those people. Amendments will be offered here on the floor to provide for those who were not able to be taken care of up to March 1, 1950. This is a very desirable feature of this bill and almost amounts to a complete subsidy to the builders and promoters and those who have really enjoyed a bonanza because of our very liberal financing program since the war and prior to that time.

Certainly no one would want to vote against the rule on this measure because the proposed legislation is most attractive to all groups interested. It is designed to help those people who have not been able to purchase or rent new construction at the existing prices. They will by mutual home ownership, as we did in the building of our Nation in the early years, get together and work together and work out a cooperative home ownership plan on a mutual ownership basis.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BROWN of Georgia. Section 608 expired on the 28th of February.

Mr. BUCHANAN. The gentleman from Georgia is correct and the funds available were committed by the 1st of February and it will be necessary to honor additional requests filed prior to February 28. There have been a number of applications, I believe, amounting to several hundred million dollars which

have come in during the month of February alone.

Mr. BROWN of Georgia. Many people have had their home loan processed, or their inquiry processed, regarding a loan of from five to fifteen thousand dollars, and they understood that they would get the loan. Then they woke up to find that the thing had expired and the money was gone. Do you not think that the Government should carry out its contract made with these people after the inducement that they offered to them?

Mr. BUCHANAN. I most certainly do. The gentleman and I discussed that matter in the Committee on Banking and Currency this morning. When a committee amendment is offered from the floor I shall support that amendment for that particular purpose.

I am sure in the course of the debate on this bill the various contradictions and inconsistencies and some of the very gross exaggerations will be clarified by the members of the committee so that the membership will have a clear analysis of just what this bill purports to do and whom it purports to help.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, there has been much confusion unfortunately about this bill in the newspapers and on the radio. There has been an attempt to smear it as another socialistic move on the part of the proponents of this bill. There has been an attempt to label it as discriminatory legislation. There has been an attempt to represent that it is highly inflationary. Of course, you have heard the arguments that this will invade the field of private enterprise. Incidentally, you also heard the charge again today that this is an attempt to bring a foreign ideology into our statutes.

In the 15-month period, from September 1948 to December 1949 I had occasion several times to go through most of Europe. I went on three different occasions, twice at my own expense, and once as chairman of subcommittee No. 1 of the House Committee on Banking and Currency. The committee confirmed, as I had originally found on previous occasions that the cooperative movement has been in existence through most of Europe for about 100 years. It is a private enterprise movement. There is nothing socialistic or collectivistic about the cooperative movement either there or in this country as we have had it for many, many years. In England and in France there is little or no cooperative movement of any kind. The cooperatives get no encouragement from private enterprise or from government in either country. You know the political philosophies that are coming to the fore in those countries today.

Let us look at what has happened in the other countries like Denmark, Norway, Sweden, Holland, and Switzerland, where the cooperative movement has received encouragement and has done a tremendously effective job, not only in other fields, but particularly in the field of housing. They are solving their housing problems in those countries in three ways: (1), by government assistance to the lowest income groups; (2) by private speculative building where the owner or operator builds or operates for a profit, and (3) by the cooperative movement. This bill calls for a cooperative movement which unlike that of some of the countries abroad is to operate without subsidy and without tax exemption and on a private-enterprise basis. In England and in France there is little or no home-owning desire. In the Scandinavian countries, and the Low Countries, and in Switzerland, the desire to own one's own home, to own a piece of the land, has been encouraged and furthered to the greatest extent. Wherever you go in those lands you are impressed with the home-owning instinct of the people.

The result is that in those countries the people are vigorously—yes, violently anticommunistic. There is neither socialization nor nationalization of either credit or building enterprise and there is no tendency toward any such philosophy of government.

The surest way to make a convert to capitalism and to individualism is to give a family a piece of property or an equity in it no matter how little. Give him the opportunity to call something his own and he will fight to the death the efforts of socialism or communism to take it away.

There is no discrimination in this bill. No public official is going to come along and say, "John, you can join this movement," "Jim, you cannot join this movement."

Any group that desires, voluntarily, to gather together into a cooperative organization for the purpose of erecting one-family homes, fully detached and free-standing homes, or multiple-family homes, can gather together in a cooperative organization and, if this bill becomes law, can then get the financing they need to get contractors in private enterprise fields to supply them with their materials and labor to erect their buildings and when the homes are completed, the members of that cooperative will occupy them and pay for the maintenance thereof, and also pay back every dollar of financing.

It has been mentioned that this bill has a three or three and a half percent interest rate, which is discriminatory, because others must pay four or four and a half percent. There is no fixed rate of interest in this bill. The provisions for the interest in this bill require that whatever it costs to sell these debentures to the public must be paid by the cooperative. In other words, the money that will be loaned on the mortgage is going to be subscribed by the general public and whatever the rate of interest those bond will bear will have to be paid by the cooperative mortgagor and, in addition, the mortgagor will be required to pay every penny that is necessary for the operation of this national cooperative mortgage corporation. So there will be no Government subsidy to pay for the operation of that cooperative association. In addition, the mortgagor will pay as part of the interest rate one-quarter of 1 percent as a reserve against unforeseen losses. If no such losses occur, then before the end of the loan period they will have accumulated enough money to anticipate or prepay the balance of the mortgage before it matures by its terms.

Let me briefly summarize; in this bill there is no discrimination, no Government building, no subsidies, no guarantee of low interest rates, no dangerous inflation, no competition with private enterprise, and no socialism.

It is encouragement of home-owning in the best American tradition.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may need to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and insert the committee's report on this bill, the Housing Act of 1950, dated February 23, 1950, and submitted by Mr. SPENCE, the chairman, over to page 42, indicated by marks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McSWEENEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

The SPEAKER. We will not proceed further with the consideration of this bill today.

The Chair will entertain unanimous-consent requests at this time.

EXTENSION OF REMARKS

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD and include brief quotations.

Mr. KEEFE asked and was given permission to revise and extend his remarks and include a letter.

Mr. BEALL asked and was given permission to revise and extend his remarks and include a resolution.

Mr. THOMPSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an announcement by the Governor of Texas.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts in the form of questions and answers on the bill H. R. 7402.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in five separate instances and in each to include extraneous matter.

Mr. ROOSEVELT asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and include extraneous matter.

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. McGRATH (at the request of Mr. PRICE) was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. FOAGE asked and was given permission to extend his remarks in the RECORD and include certain statistics.

SPECIAL ORDER TRANSFERRED

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that the special order I had for today may be transferred to tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

A. & P. ARCH VIOLATOR AND CONVICTED CRIMINAL, BOASTS OF TIMES IT "BEAT THE RAP"—A. & P. DELIBERATELY PLANNED ELIMINATION OF COMPETITORS—A. & P.'S LOCAL CUTTHROAT PRICE CAMPAIGNS LASTED FROM 2 TO 9 YEARS—A. & P. USED BOYCOTTS, BLACKLISTING, AND THREATS ON MANUFACTURERS AND FARMERS—A. & P.'S STOLEN REBATES AND ALLOWANCES USED TO CRUSH INDEPENDENT MERCHANTS IN PRICE WARS—A. & P.'S RACKETEERING BROUGHT FINANCIAL RUIN TO SMALLER GROCERY STORES AND MEAT MARKETS—ATTORNEY GENERAL REFUTES RUMORS OF A COMPROMISE SETTLEMENT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, on October 6, last, I had occasion to address this House on the subject of the antitrust suit recently filed by the Department of Justice against the A. & P. chain-store organization. Since that date there have been several important developments in this matter which I am sure will be of interest to the Members of the House.

As you will recall, in 1944 the Department of Justice instituted criminal proceedings against the A. & P. organization—consisting of some 10 or 12 corporations wholly owned and controlled by two men—John and George Hartford—charging that A. & P. had conspired for over 20 years to violate the Federal antitrust laws.

The Government charged that A. & P. deliberately destroyed competition in selected local areas by the predatory use of its $2,000,000,000 massed buying and selling power. A. & P.'s illegal scheme consisted essentially, as the Members of this House will recall, of selecting local areas in which to expand A. & P.'s percentage control of available business and then selling at below the cost of doing business in these selected local areas for as long as was necessary to take the business away from A. & P.'s retail competitors. These localized price wars were planned out in advance, and in some cases ran on for from one or two to as many as nine consecutive years in particular localities.

It is tragic the way some of these small men have struggled for an existence when they were selected for extermination by the great A. & P. They would spend everything they had in the world, their savings, they would borrow on their life insurance, they would borrow from their relatives, they would get all the money they could from any source whatever, and their families would work nights and days and Sundays to try to survive, but A. & P. would finally get them. They would struggle for 1 or 2 years, sometimes as long as 9 years. A. & P. methods would lead local people to believe that the independent merchants were cheating them on prices.

It is the most cruel thing that has ever happened in our country. That went on and the A. & P. has been convicted of it.

You will remember that A. & P. developed a two-way subsidization to finance these price wars. By boycotts, blacklisting, and threats, A. & P. coerced manufacturers and farmers to grant preferential prices, allowances, and rebates to A. & P. A. & P. employed these rebates and allowances to subsidize loss selling in its planned price wars. Furthermore, A. & P.'s suppliers were compelled to increase their prices to other grocers to recover the rebates paid to A. & P., thus increasing A. & P.'s advantage over its competitors at the retail selling end. Independent grocery stores and meat dealers could not compete fairly with A. & P. because they were compelled to pay substantially more than A. & P. for the same meat and grocery items.

A. & P. MADE CONSUMERS IN OTHER LOCALITIES PAY FOR WEAPONS USED TO DESTROY INDEPENDENT MERCHANTS

The second means used by A. & P. to subsidize its program of planned price wars was that of increasing its prices in A. & P. stores outside the areas selected by A. & P. for loss operations. Losses sustained in a price war conducted in town X to destroy local competition there were paid for by raising prices in A. & P. stores located in town Y to a point sufficient both to cover the losses in town X, and to give A. & P. the over-all company-wide profits it desired.

A. & P. WAXED FAT ON THE FLESH AND BLOOD OF ITS SMALLER COMPETITORS

The whole scheme presented a continuous process of monopoly expansion and destruction of competition. As A. & P. grew bigger by destroying retail competitors, A. & P. was able to force manufacturers to grant it larger and larger rebates, and was also able to constantly expand into new areas. As the amount of the rebates which A. & P. received grew larger, and as the number of areas it could use to subsidize losses in selected localities increased, A. & P. was better able to destroy its retail competitors. The exercise of this power again increased A. & P.'s volume of business, and the extent of its operations. By this endless spiral of monopolistic activity, A. & P. increased its annual volume of business from some 350 millions in 1924 to over 2¾ billions in 1949, and literally thousands of independent American businessmen were bankrupted and destroyed.

These two childless brothers, George and John Hartford, have destroyed business ownership opportunities of a million young men, most of whom served our country during World War I or World War II.

The Members of the House will recall that A. & P. was tried by a Federal district court for these criminal offenses under the antitrust statutes, and in September 1946 was found guilty beyond all reasonable doubt and fined in the amount of $175,000. A. & P. appealed this verdict to the Federal court of appeals. In February of 1949, that court unanimously affirmed the verdict of the district court. A. & P. for reasons best known to itself chose not to carry the case to the Supreme Court for review.

A. & P. AFRAID TO FACE THE COURTS, LAUNCHES PROPAGANDA CAMPAIGN AFTER CONVICTION OF CRIMINAL VIOLATION OF SHERMAN ACT

With the successful completion of the criminal phase of the proceedings, the Department of Justice on September 15, 1949, filed a civil complaint against the A. & P. defendants. The civil complaint charged A. & P. with the same offenses as had been alleged in the criminal suit. The purpose of the civil suit, as the Attorney General announced at the time of its filing, was to prevent the continuance of the unlawful practices of which A. & P. had been found guilty.

Immediately upon the filing of this civil suit, A. & P. launched a Nationwide propaganda campaign against the Department of Justice. This campaign, involving the expenditure of millions upon millions of dollars, is still continuing. Full-page newspaper advertisements are being run in an estimated 2,500 daily and weekly publications, posters are plastered on the windows and walls of A. & P.'s 6,000 stores, tear sheets are thrust upon housewives who patronize these A. & P. stores, speeches are being delivered by A. & P. executives and by employees of A. & P.'s private public relations firm headed by Carl Byoir—one of the defendants who was convicted and fined $15,000 in the criminal case—A. & P. field men are canvassing the country contacting manufacturers who sell to A. & P. landlords who rent to A. & P. newspapers which carry A. & P. advertising, unions who represent A. & P. employees, and others in similar positions. Despite its criminal conviction of Nationwide restraints of trade after a full trial, and despite the unanimous affirmance of this criminal conviction by a Federal court of appeals, A. & P. is telling the American public that the charges made against it are false, that A. & P. is really being attacked simply because it has grown large and prosperous through efficiency, and that the Department's purpose in this unwarranted suit is to destroy A. & P. merely because it is big. A. & P. promises to fight the case to the bitter end—not merely on its own behalf, of course, but in the interests of the general public which it purports to serve.

At this point it might be of interest to say that this is conclusive evidence that this one concern is bigger than the United States Government. It is at least in one respect, and that is that this huge

concern can spend millions and millions of dollars to disseminate false propaganda, yet the Government of the United States is unable to answer it in the same newspapers. The Congress will not appropriate money for that purpose; the money is not available, and therefore, the A. & P. is just printing everything that A. & P. wants to print, with the knowledge that the United States Government cannot possibly answer the A. & P. in the columns of the same paper. That is an unfair advantage and indicates clearly and is conclusive proof that in that respect this huge concern is bigger than the United States Government itself.

A. & P. PLEADS "NOT GUILTY" TO AMERICAN HOUSEWIVES IN MULTI-MILLION-DOLLAR DISTORTION OF TRUTH

A. & P. knows full well, as does every Member of this House, that this propaganda is a complete fabrication. A. & P. knows that the charges made by the Department of Justice in this civil suit are no longer open to dispute. A. & P. knows that a Federal district court has already found it guilty beyond all reasonable doubt of the scheme to destroy competition alleged by the Government.

This was not a case where a preponderance of the evidence would convict, but it was a case where it required proof beyond a reasonable doubt of all the charges alleged against the A. & P., and they were found guilty beyond a reasonable doubt.

A. & P. knows that this verdict was unanimously affirmed by the United States Court of Appeals, and that A. & P. accepted this judgment and declined to ask the Supreme Court to review it. A. & P. knows full well that the only substantial question remaining in the pending civil suit is the nature of the relief which is necessary to prevent A. & P. from continuing the illegal activities of which it has already been found guilty.

A. & P.'s purpose in deliberately concealing the facts is apparent. A. & P. is well aware that it can no longer deny in court that it has for 20 years ruthlessly destroyed competition to the injury of businessmen and consumers alike, but A. & P. still has hope that it may be able to prevent the entry of a court order against it which will effectively control A. & P.'s predatory activities. The $175,000 fine which A. & P. has paid meant substantially nothing to a business whose annual sales exceed two and three-quarters billions of dollars. A proper court decree in a civil suit, on the other hand, might be so framed as to compel A. & P. to abandon its lucrative but illegal activities. A. & P. is therefore seeking by means of its propaganda campaign to bring pressure to bear upon the Department of Justice and the Court so that this civil suit will be abandoned or so weakened as to be ineffectual. A. & P.'s distorted and misleading newspaper advertisements, posters, handbills, speeches, and personal contacts are all intended to induce members of the public to write to their Congressmen, to their Senators, to the President, and to the Attorney General, asking that the Government's civil action be dropped. A. & P. knows that this propaganda campaign would fail in its purpose if the public knew the facts. A. & P. knows that, if it disclosed the real charges against A. & P., if A. & P. admitted that the duly constituted trial and appellate courts of the United States had found A. & P. guilty of these charges, the public would wholeheartedly support the Government in its effort to prevent the continuance by A. & P. of its criminal conduct.

A. & P. LOSES FACE WITH PUBLIC WHEN TRUTH IS KNOWN

Let me describe a personal experience in this connection that has probably been shared by most of the Members of this House. I recently received a letter from one of my constituents protesting the Government's civil suit against A. & P. on the grounds that it constituted an attack upon size, efficiency, and low prices. My constituent asked that I do everything possible to see that the suit was stopped. I wrote to my constituent, simply reciting the fact that A. & P. had been convicted of antitrust violations, briefly describing these violations in the language used by the court of appeals in affirming the conviction, and stating that the purpose of the Government's civil suit was to prevent a continuance of this criminal conduct. In a few days, I had this answer from my constituent, and I quote:

> Many thanks for the fine and informative letter which I received in regard to the A. & P. case. The facts which you recite were unknown to us. The A. & P. failed to tell us all about this in their full-page advertising propaganda in the daily papers.
>
> There is no question but that the people, given a chance to know the truth about A. & P. would side with the Government in its attempt to control this giant organization which stands guilty of so much which is bad in a real democracy.
>
> The millions of dollars recently spent and being spent by A. & P. have had a terrible effect upon the people in general who are willing to believe A. & P.'s charges against the Government attorneys but who also, I find, are very much surprised to learn that A. & P. does not tell the truth.
>
> Again many thanks.

A. & P.'S ILLICIT DOLLARS, OR HOW FREE IS THE PRESS?

It is unfortunately true that many of the newspapers of the country are cooperating with A. & P., consciously or unconsciously, in the suppression of the facts concerning the suit against A. & P. For example, most of you know that three of the four daily newspapers here in the Nation's Capital refused to accept a paid advertisement offered by George J. Burger, vice president in charge of the Washington office of the National Federation of Independent Business, setting out the facts in reply to A. & P.'s propaganda ads, although all three of these papers had carried and are still carrying the A. & P. advertisements on the subject. Only one Washington paper, the News, accepted the ad of the independent businessmen. Why? Robert L. Riggs, Capital columnist of the Louisville Courier-Journal, interviewed a member of the advertising staff of the News and got this answer, and I quote: "It's perfectly clear why we published the reply and three other papers refused to do so. The other three (Washington newspapers) get grocery advertising from A. & P. every week. We don't get any. I have no doubt whatever that, if we carried A. & P. ads regularly, we also would have refused the ad." Riggs goes on to report that the News advertising man closed his revealing comments with the remark that "if you quote me by name on this, I will take an oath that I was sick in bed at the time you did your telephoning and that I never heard of you in my life." Incidentally, most newspapers around the country not only refused to carry ads replying to A. & P.'s misrepresentations about the Government suit, but also suppressed the story that three out of four Washington papers had done the same thing. Although this story was wired to their home offices by reporters connected with newspapers throughout the country, only the Christian Science Monitor, the Louisville Courier-Journal, and the New Yorker printed a line about it.

A. & P. CASE HISTORY SUPPRESSED BY MANY NEWSPAPERS WHEN MADE PUBLIC BY THE PEOPLE'S DEFENDER, THE ATTORNEY GENERAL OF THE UNITED STATES

In an effort to make the facts available to the public, both the Attorney General of the United States and the Assistant Attorney General in charge of the Antitrust Division have publicly refuted each of the misrepresentations in A. & P.'s ads by a recitation of the facts as they have been found to exist by the Federal courts. Normally the statements of such responsible public officials upon a question of great public interest would be considered important news worthy of extended front-page attention. Yet in an independent survey conducted by the Columbia Broadcasting System and reported over that network in its program titled "CBS Views the News," it was disclosed that the metropolitan newspapers had either totally suppressed the statements of the Attorney General and his Assistant, or had given them a few lines buried in the papers' back pages.

A. & P. EDITORIALS UNMASKED WHEN A. & P. OVERPLAYS PROPAGANDA HAND—SEVEN HUNDRED EDITORIALS FLOW FROM SAME DECEPTIVE INK POT

A. & P.'s efficient hand is also clearly discernible in the editorial comment relating to this antitrust suit which has appeared in papers from coast to coast. The readers of any given one of these widely separated newspapers might very well have supposed that the editorial he read in his local journal represented the honest independent thought of the editor of that paper. But A. & P., in its anxiety that no single propaganda possibility be overlooked, took a fatal step. A. & P. assiduously brought together and reprinted in a single booklet over 700 of these editorials taken from papers all over the country. Set side by side, these "independent" editorials read suspiciously alike. Paragraph after paragraph in editorials from newspapers published the same day a thousand miles apart is identical in language and even in punctuation. The column of a single writer, a Mr. Boissat, is published in full as an editorial, without identifying the source, in 48 different newspapers spread around

the Nation. Telltale phrases appear over and over in other editorials which are otherwise written to give the appearance of local origin. "Do the American people want A. & P. put out of business?", "The original purpose of the antitrust laws—," "Many years ago before World War I," "When Washington attorneys met in New York," "hold no brief for A. & P.", "is not competent to judge"—these and many other similar phrases crop up again and again in editorials masquerading as the independent product of editors writing at widely scattered points.

Obviously our independent editors, who have so irresponsibly repeated A. & P.'s misrepresentations and distortions in the editorial columns of their papers, have found inspiration from some common source.

A. & P.'S ROTTEN PEACHES—HOW A. & P.'S PROPAGANDA MACHINE WORKED IN YEARS GONE BY

It is a fair assumption that that source is closely connected with A. & P. The evidence in the record at the Danville criminal trial offers an amusing illustration of the way in which this process works. It appears that in the summer of 1941 A. & P. desired to have a particular type of news story concerning the peach crop printed as widely as possible. Then, as now, Carl Byoir was A. & P.'s public relations counsel charged with handling this sort of thing. On June 4, 1941, Carl Byoir's New York City office wrote a letter to one of A. & P.'s employees in Chicago. I quote portions of this letter taken from A. & P.'s files as it appears in the record of the criminal trial:

I am enclosing a copy of the peach story for Illinois as per our telephone conversation yesterday.

* * * We think that it is a good story from the standpoint of A. & P. * * *

I have lettered the story just as it will be mailed out. That is to say, crediting the Illinois Fruit Exchange as the inspiration point and mailing source for the story.

If Day O. K.'s the story, we would run off copies on our machines here, put them in envelopes addressed to various newspapers in the peach-producing area, express them to Carbondale so that they could be mailed from that city. Everything of course is without cost to either Day or the exchange and we only ask use of his name and that he have the letters put in the mail when we send them.

A. & P.'s collection of editorials concerning the civil antitrust suit against them will reveal to any objective examiner that they were undoubtedly written by the New York City office of A. & P.'s publicity man—Carl Byoir—run off on Carl Byoir's machines, and shipped out by Carl Byoir's efficient staff to the various newspapers in which they later appeared as the unbiased expression of opinion of the editors of America's free press.

A. & P.'S FAILURE TO MENTION CRIMINAL CONVICTION IN FIRST SERIES OF ADVERTISEMENTS AROUSES PUBLIC'S DESIRE TO LEARN ALL THE FACTS

Fortunately, A. & P.'s suppression and distortion of the facts relating to its violation of the antitrust laws has not been wholly successful. As more and more people have learned of A. & P.'s conviction of Nation-wide restraints and monopolistic practices, a marked swing of public opinion against A. & P. has become apparent. Undoubtedly this shift in public opinion has been sharply accelerated by the action of A. & P. in suppressing in its original ads all mention of the criminal conviction of A. & P. which conclusively settled all questions of fact against A. & P. The American public has reacted strongly against A. & P.'s patent effort to conceal so obviously vital a factor. In recent A. & P. advertisements, the chain organization has exhibited an almost hysterical effort to correct this error in their propaganda campaign. Knowing that they can no longer effectively suppress the fact that they have already been convicted of the identical charges upon which the Government's civil suit is based, A. & P. is now seeking to attack the soundness of this conviction itself.

A. & P. NOW TRIES ANOTHER METHOD OF DECEPTION—EVERYEODY NOW KNOWS A. & P. WAS CONVICTED OF CRIMINAL VIOLATION OF THE ANTITRUST LAWS

It is unlikely that A. & P. will gain many adherents through this latest move. The American people have exhibited a sound dispositon to accept the verdict of their duly constituted courts and juries as against the self-serving declarations made by defendants in the public press. You will recall that A. & P. appealed its conviction to the court of appeals and that that court unanimously affirmed the trial court's verdict of guilty. You will also recall that A. & P. did not ask the Supreme Court to again review the evidence, though A. & P. had the right to do so. I think that most Americans are going to ask why A. & P. did not carry its case to the Supreme Court if it was really so sure that its conviction was improper, and I think that most Americans are going to resent A. & P.'s attack upon the fairness of our Federal judiciary and recognize it for just what it is—the desperate last stand of a business organization that knows that it has been fairly convicted of seeking to destroy free competitive enterprise, and which is now attempting to avoid the Government's efforts to compel it to cease its predatory activities.

A. & P.'S NEW PROPAGANDA METHODS SHOULD BE GIVEN CAREFUL SCRUTINY—A. & P. BRAGS ABOUT THE TIMES IT WAS ARRESTED BUT NOT CONVICTED

I think it is worth while, however, to examine A. & P.'s new propaganda technique in some detail.

In the first two ads which appeared in this series, A. & P. has called attention to two criminal antitrust suits in which the judges directed a verdict in favor of the defendants, including A. & P. One of these cases involved an alleged conspiracy between A. & P. and several other defendants to fix the price at which bread was sold in the District of Columbia. In the second suit, the so-called North Carolina Potato case, an A. & P. subsidiary was charged, along with several other concerns, with an attempt to fix the price paid to farmers for potatoes. In both of these cases, the judge directed verdicts in favor of the defendants without letting the jury act. Personally, I regret that these judges did not see fit to permit the jury to pass on the evidence. Nevertheless I am perfectly willing to accept the courts' decisions that A. & P. was not guilty of entering into these two local price-fixing agreements as charged. Obviously A. & P. also believes that we should accept the judgment of our courts in these two cases without question. By the very same token, A. & P. must be taken as admitting that the district and circuit court judges were right when, in the later Danville criminal case, they found that A. & P. was guilty of the Nation-wide conspiracy to destroy competition which is the subject matter of the pending civil suit against A. & P.

A. & P. BOASTS OF DISMISSAL OF INDICTMENT AT DALLAS IN 1944—THE TRUTH DISTORTED IN THIRD AD OF NEW SERIES

In its more recent advertisements, A. & P. has told the American public about what A. & P. says is still a third case in which the courts held in favor of A. & P. In these advertisements, which are perhaps the most viciously distorted of all that A. & P. has published to date, A. & P. asserts that in dismissing an antitrust indictment against A. & P. in Dallas, Tex., back in 1944, the Government confessed that this indictment was not well-founded. Nothing could be further from the truth. This is actually what happened: The Federal district judge in Dallas dismissed an indictment against A. & P. on a preliminary motion before trial on the ground that the indictment was technically deficient as a legal pleading. The United States appealed and the court of appeals reversed the district court and sent the matter back for trial. However, the district judge then struck out large sections of the allegations against A. & P. in the indictment, stating that the Government would not be permitted to offer any evidence on these charges. Rather than go to trial on a mutilated and partial charge, the Government dismissed the indictment. On the very same day the Government filed a new criminal pleading in another district court, realleging exactly the same offenses. This new criminal pleading, gentlemen, was the very one upon which A. & P. went to trial, was convicted, fined $175,000, and unsuccessfully appealed. This was the very criminal case upon which the pending civil suit is based. In short, the "victory" which A. & P. made so much of in its paid advertisements was upon nothing more than a preliminary motion before trial in the very criminal proceedings in which A. & P. was ultimately found guilty beyond reasonable doubt of Nation-wide restraints of trade in the grocery business.

Needless to say, A. & P. does not give its readers the benefit of these facts. A. & P. dwells upon its acquittal in two local price-fixing cases, and its "victory" on a preliminary motion in the major criminal proceeding charging Nation-wide conspiracy, in which A. & P. was ultimately convicted at Danville. A. & P.

magnifies and distorts these minor setbacks in the Government's long and earnest effort to control A. & P.'s persistent trade-restraining activities—A. & P. hoping that by this means it can discredit the Federal court of appeals' unanimously affirmed major criminal conviction, upon which the pending civil suit is based and which A. & P. has sought so desperately to conceal from the public.

A. & P. DOES NOT TELL THE PUBLIC ABOUT ITS MANY CONVICTIONS—JUST ABOUT THE INSTANCES WHEN A. & P. TEMPORARILY OUTSMARTED THE LAW—SO LET US TAKE A LOOK AT THE RECORD

Let me briefly recount some of the other phases in the Government's long struggle to halt A. & P.'s repeated violations of the antitrust laws—incidents which, you may be sure, have not been and will not be mentioned in A. & P.'s advertisements.

The fact is that A. & P. has been charged with repeated and persistent violation of the antitrust laws over a long period of years. In 1938, the Federal Trade Commission found A. & P. guilty of willful violations of the Robinson-Patman Antitrust Act and ordered A. & P. to cease and desist from these illegal and trade-restraining activities. A. & P. appealed to the court of appeals, but that court upheld the Federal Trade Commission's order. The Supreme Court refused to consider A. & P.'s appeal. On three different occasions in 1941 and 1942, A. & P. was indicted criminally for fixing prices in violation of the Sherman Antitrust Act, and in each case A. & P. was fined either upon a verdict of guilty or upon a plea of nolo contendere. On still four other occasions, civil suits were filed by the Department of Justice, charging A. & P. with having entered into agreements to raise and fix the prices at which groceries were sold in various States, including Connecticut, Massachusetts, Rhode Island, and Maine. In each of these cases, A. & P., without attempting to put in a defense, consented to the entry of a court order against it enjoining A. & P. from price fixing and the use of coercive tactics against independents who cut prices. Still two other antitrust cases against A. & P. are awaiting trial at this moment. One of these is the civil suit to which A. & P.'s advertising campaign is directed—the civil action designed to prevent the continuance of the Nation-wide restraints of trade of which A. & P. was convicted at Danville. The second pending suit is a criminal indictment in which A. & P. is charged with entering into a conspiracy to raise and fix the wholesale and retail price of American cheese and cheese products.

A. & P. ANTITRUST CASES USUALLY INVOLVE CONSPIRACY TO RAISE GROCERY PRICES AT RETAIL LEVELS

I am sure that the Members of this House will have noticed one particularly striking thing about these many Sherman Act cases against A. & P. Most of them involve conspiracies between A. & P. and others to raise the retail price of grocery items. You will recall that in the Danville trial A. & P. was convicted, among other things, of selecting particular local areas for the expansion of its business and then selling below cost in these selected localities for the purpose of driving its local competitors out of business. Now here in these other antitrust suits we see the inevitable consequence of A. & P.'s whole monopolistic program—once A. & P. has subdued or driven out its competitors, it conspires with those who are still in business to raise prices and extract a monopoly profit.

A. & P. CONVICTED MANY TIMES IN DISTRICT OF COLUMBIA ALONE FOR CHEATING CUSTOMERS BY THE SHORT-WEIGHT METHOD

But this does not end the listing of A. & P.'s appearances before the bar of Federal justice—appearances that will not, you may be sure, receive any mention in A. & P.'s ads. At the close of each of these ads, A. & P. invariably places a short statement in bold-faced type.

This statement reads, and I quote:

No one can make us believe that it is a crime to sell the best quality food at the lowest possible price.

We all know, of course, that A. & P. was convicted at the Danville trial of raising its prices sufficiently in noncompetitive areas to more than make up for the low prices it used to destroy competition in selected localities. And other incidents in A. & P.'s long court record—incidents which do not appear in A. & P.'s ads—throw further light upon these fictitious low prices that A. & P. makes so much of. I refer to the fact that here in the police court of the District of Columbia A. & P. was charged on 41 separate occasions with short-weighing A. & P. customers in violation of the weights and measures statutes. In other words, they were charged with just plain cheating of their customers. A. & P. was tried and convicted of these charges in the police court. These convictions were affirmed both by the Federal court of appeals and by the Supreme Court of the United States.

Price is a relative matter. Whether the price is low or not depends upon what you get for your money. The A. & P. customers who—according to the District of Columbia Police Court, the United States Court of Appeals, and the United States Supreme Court—these A. & P. customers who paid for a pound, and got a good deal less than 16 ounces for their money, probably look with a healthy suspicion upon A. & P.'s so-called low prices.

I would like here and now to invite the A. & P. to tell the people about these 41 convictions for short-weighting—or plain, ordinary cheating—in its next propaganda advertising series.

A. & P. STORE MANAGERS REQUIRED TO SEND THE MAIN OFFICE MORE CASH THAN THEY HAVE GOODS—WHO PAYS FOR THE OVERAGE? NOT THE HARTFORD BOYS

Short-weighting and overcharging in A. & P. stores—petty thievery, if you please—is not a matter of accidental and infrequent occurrences. The record in the Danville criminal case established that A. & P.'s pretended low prices were supported by a systematic policy of selling more than A. & P. ever had in stock. A. & P. referred to this practice as stock gains. What it meant was that, if A. & P. delivered 100 pounds of potatoes to an A. & P. store manager, that manager was expected to sell 103 pounds of potatoes. I have in my hand a printed copy of instructions that A. & P. issued to its supervisors. This document was taken from the files of A. & P. and is a part of the public record in the Danville criminal case against A. & P. The document reads as follows:

It has become necessary to place into effect immediately the following ruling relating to stock results.

Whenever a manager has a final stock shortage for 1 month and a gain the next, and so on, up and down each month for four consecutive months, and the total stock losses exceed the total stock gains for the 4-month period, in which the manager has been in full charge of the store, then the assistant superintendent is to relieve him of his duties and offer him a position as clerk for further training. If the offer is refused, his dismissal from our services will then be in order (GX 2951, Tr. 10347).

A. & P. STORE MANAGERS FORCED TO SUBMIT TO UNDERWEIGHT TECHNIQUE OR LOSE JOBS

In short, if an A. & P. store manager failed to sell more groceries than A. & P. delivered to him, he was to be reduced to a clerk's job or fired. A. & P. did not tell the store manager how he was expected to accomplish this remarkable feat and still sell those groceries at the so-called low prices which A. & P. fixed for him. But A. & P. knew that there was only one way the A. & P. store manager could do it and that was by cheating the customer—a heavy thumb on the scale, an overcharge for an item purchased, the addition to the customer's bill of an item the customer did not get. By one means or another the store manager had to see to it that the A. & P. customer who paid for a pound a potatoes at A. & P.'s low prices actually received only 12 ounces of potatoes for her money or he would be fired by A. & P. As an A. & P. official stated, and again I quote the record:

It is almost an impossibility to have a legitimate stock gain in self-service stores if all the merchandise is sold at the invoice prices and there is no manipulation.

A. & P. store managers were compelled to manipulate or lose their jobs. By means of this planned manipulation of the weights and prices of groceries it pretended to sell so cheaply, A. & P. collected $2,827,963 in the year 1939 alone. In that year these stock gains constituted over 13 percent of all of A. & P.'s total profits. Figures for 1940 and 1941 are comparable. In each of these years A. & P. collected about $2,000,000 by short-weighting and short-changing the housewives of America who shopped in A. & P. stores, and in both years this constituted about 10 percent of A. & P.'s total net profits from all sources.

I invite A. & P. to discuss the foregoing facts in its next propaganda advertisement.

A. & P. CRIES "WOLF" AS GOVERNMENT PRESSES CIVIL SUIT IN BEHALF OF AMERICAN HOUSEWIVES

Inspired by A. & P.'s distortions and misrepresentations, some people have suggested that the relief sought by the Government in the pending civil suit is too harsh. A. & P. has loudly shouted that the Department of Justice seeks to destroy A. & P., and pleads that all that is necessary to put an end to any of

A. & P.'s illegal activities is a simple order from the court telling A. & P. to stop acting badly.

In a recent public address, Herbert A. Bergson, Assistant Attorney General in charge of the Antitrust Division, stated the position of the Department of Justice with respect to the purpose and necessity of the relief which the Government asks the Court to grant. I think that the Members of the House will be interested in Mr. Bergson's remarks, and I quote:

Attorney General J. Howard McGrath has stated that the purpose of the present civil suit is to prevent the continuance of A. & P.'s unlawful practices. The public record of A. & P.'s business conduct amply demonstrates that injunctive relief alone would not be sufficient to bring an end to A. & P.'s violations of the Sherman Act. A. & P. has made it clear that it is incapable of abandoning its predatory activities merely because a court orders it to do so.

In January of 1938 an order was issued directing A. & P. to cease and desist from its practice of demanding discriminatory rebates and price preference. The United States Court of Appeals upheld the order and the Supreme Court refused to consider A. & P.'s appeal. Yet in the criminal antitrust case the Federal courts found beyond all reasonable doubt that, as a matter of deliberate policy and in flagrant disregard of the 1938 order, A. & P. had continued to extort such price preferences from its sources of supply.

Let me give you another example from the public record. In 1948 a Federal grand jury sitting in Chicago returned two indictments involving, among other things, the payment of discriminatory cash rebates to A. & P. by two milk-distributing companies, in violation of the Robinson-Patman Act. These indictments allege that in 1942, the year in which the criminal case against A. & P. was instituted, A. & P. received $130,000 in secret cash rebates on its purchases of milk in the Chicago area alone.

The grand jury found that A. & P. continued to receive discriminatory rebates year after year as the criminal antitrust case was being fought in the courts. It collected a total of $1,200,000 from these two milk companies in Chicago during the period from 1942 to 1947. In 1946, the year in which the district court returned its verdict of guilty against A. & P. in the companion criminal antitrust proceedings, A. & P.'s secret rebates from these two companies alone amounted to $244,000. In 1947, while the appeal in the antitrust case was pending in the court of appeals, the grand jury charged that A. & P. collected $313,000 in secret rebates just from these Chicago milk purchases, an amount almost twice as great as $175,000 in fines that A. & P. eventually paid for its antitrust violation.

Surely, in the light of this record, it would be folly to assume that A. & P. can now be expected to conform its conduct to the law if the courts merely issue an injunction against it. I would fail in my duty to enforce the antitrust laws if I were to represent to the court that such a decree would be effective.

I have therefore informed the court in the formal allegations of the civil complaint against A. & P. that these defendants, and I quote the complaint:

"Have successfully frustrated a series of attempts by the Federal Trade Commission, various Federal Courts, and the Congress of the United States over a period of many years to require defendants to regularly buy on terms proportionately equal to those on which defendants' competitors regularly buy."

For this and other reasons which will be adduced at the trial I have felt compelled to ask that further steps be taken to remove the power—which A. & P. has so persistently abused—to destroy competition.

To accomplish this in accordance with long-settled antitrust principles, among other things we have requested in the civil case (1) separation of A. & P. into seven independent chains in accordance with its present seven divisions; (2) dissolution of the Atlantic Commission Co.; and (3) divorcement of A. & P.'s manufacturing and processing operations from its retail operations.

A. & P. at present has approximately 6,000 retail stores. These stores are divided into seven territorial divisions. Each division has its own president and operating staff. Centralized control of all of A. & P.'s policies is now vested technically in these divisional presidents, who meet quarterly with John and George Hartford, who own 99.97 percent of the A. & P. to discuss policy matters. In actuality, however, the divisional presidents hold office at the pleasure of these two owners, who dominate the policy-making meetings.

The Government asks that each of the seven existing divisions of A. & P. be made independent so that their buying power cannot be massed to coerce suppliers to grant preferential rebates to A. & P. This independence will also prevent the manipulation of one division for the purpose of knocking out competition in another. These independent chains will follow the same breakdown which A. & P. has itself adopted for administrative efficiency. Since each of these new organizations will consist of some 850 retail stores and the warehouses from which they are now supplied, they will be able to bring to consumers the maximum savings of mass distribution.

In seeking the dissolution of Acco, the Government is attempting to eliminate an instrumentality of A. & P. whose conduct the Court said was so odorous over the years that it permeated and tainted the entire structure of the A. & P. system.

The Government also seeks to divorce A. & P.'s manufacturing and processing activities from its retailing business. This is not because we believe that there is anything illegal in a retailer's ownership or control of manufacturing subsidiaries. It is because A. & P. has demonstrated that it will not use its subsidiaries in a lawful manner. The purpose of this relief is to terminate the use of these manufacturing subsidiaries as clubs with which to extort discriminatory rebates from suppliers.

I wish to make it clear that the aim of this case is to restore active and vigorous competition to the food industry. The remedies we seek will not impair efficiency. Rather, they should make for greater efficiency by increasing competition.

Nothing in the relief we seek portends any of the dire consequences so irresponsibly forecast in A. & P.'s advertisements. This case will not destroy A. & P. It will not result in the closing of a single A. & P. store. Not a single A. & P. employee should lose his job. Not a single landlord renting real estate to A. & P. should lose a tenant. Not a single hauler providing A. & P. with trucking services should lose his livelihood. Not a single farmer, food processor, or manufacturer selling to A. & P. should lose his outlet. The Nation's food bill will not be raised.

Instead A. & P. will be unable to procure preferential rebates from suppliers. Consequently the price of merchandise sold to A. & P.'s competitors will be reduced. Fair competition will then operate to pass these reductions on to consumers. The more than 90 percent who buy from A. & P.'s competitors as well as the A. & P. customers in areas used to subsidize A. & P.'s stores being deliberately operated at a loss to eliminate competitors—in short the vast majority of the American public will benefit.

Our society has sought through vigorous enforcement of the antitrust laws to maintain competition as a means of securing better products and lower prices. The purpose of the A. & P. case is to insure the operation of this principle in the grocery field.

ATTORNEY GENERAL REFUTES RUMORS OF COMPROMISE SETTLEMENT

Several newspapers recently reported that the Attorney General had indicated a willingness to settle the A. & P. case for something less than Mr. Bergson had said was the essential minimum necessary to prevent the continuance of A. & P.'s criminal activities. I know that the House will be interested in the following brief announcement which the Attorney General issued in refutation of these unfounded rumors:

Attorney General McGrath in commenting on a quote which appeared today in a New York newspaper concerning the A. & P. case said that it is the policy of the Department of Justice to discuss settlement of any civil antitrust case with any defendant, and that if the A. & P. desires to enter into a consent judgment granting the type of relief the Government is seeking in that case, he will consider it.

PROS AND CONS OF A. & P. ANTITRUST CASE

Mr. Speaker, an article recently appeared in the Farmers Union Herald, about the A. & P. case, which gives the pros and cons of it. It is as follows:

Few antitrust suits of the Government have raised so much public comment and confusion as the case of the Government versus the Great Atlantic & Pacific Tea Co. (A. & P.).

Part of the confusion of the case is caused by the complex nature. More confusion is caused by the A. & P.'s $5,000,000 advertising campaign to sell its position to the public.

Not many newspapers in the Northwest have carried both sides of the controversy. Here is a round-up of both sides, reprinted from the Christian Science Monitor:

From the A. & P. ads:

"We sincerely believe that we have helped the American people eat better and live better. We believe that hundreds of thousands of farmers and manufacturers who have voluntarily sought our business have profited by our fast, low-cost distribution of their products.

"We know that thousands of businessmen—the landlords who rent us our stores, the haulers who operate our trucks, the people who supply us with goods and services—have a big stake in our operations.

"Obviously, all these people will suffer if this company is put out of business."

From the Government:

"The aim of this case is to restore active and vigorous competition to the food industry. The remedies we seek will not impair efficiency. Rather, they should make for greater efficiency by increasing competition.

"Nothing in the relief we seek portends any of the dire consequences so irresponsibly forecast in A. & P.'s advertisement. This case will not 'destroy' A. & P. It will not result in the closing of a single A. & P. store. Not a single A. & P. employee should lose his job. Not a single landlord renting real estate to A. & P. should lose a tenant. Not a single hauler providing A. & P. with truck services should lose his livelihood. Not a single farmer, food processor, or manufacturer selling to A. & P. should lose his outlet. The Nation's food bill will not be raised.

"Instead A. & P. will be unable to procure preferential rebates from suppliers. Consequently the price of merchandise sold to

A. & P.'s competitors will be reduced. Fair competition will then operate to pass these reductions on to consumers. The more than 90 percent who buy from A. & P.'s competitors as well as the A. & P. customers in areas used to subsidize A. & P.'s stores being deliberately operated at a loss to eliminate competitors—in short the vast majority of the American public will benefit." (Assistant Attorney General H. A. Bergson.)

From A. & P. ads:

"The American people have shown that they like our low-price policy by coming to our stores to do their shopping. If A. & P. is big, it is because the American people, by their patronage, have made it big.

"Obviously it is the theory of the antitrust lawyers that the people have no right to patronize a company, if their patronage will make that company grow; and that any big business must be destroyed simply because it is big, and even if the public gets hurt in the process."

From the courts:

"One cannot escape the conclusion as one follows the devious manipulations of A. & P. to get price advantages, that it succeeded in obtaining preferential discounts not by force of its large purchasing power and buying advantage * * * but through its abuse of that power by threats to boycott suppliers and place them on its individual blacklist, and by threats to go into the manufacturing and processing business itself. It already possessed a considerable establishment and experience that would enable it to get quickly and successfully into such business if a recalcitrant supplier, processor, or manufacturer did not yield.

"The A. & P. organization was urged to keep secret whatever preferences it received. These predatory discounts and other preferences amounted to 22.15 percent of A. & P.'s total profits in 1939, 22.47 percent in 1940, and 24.59 percent in 1941." (Opinion of Judge Sherman Minton.)

From A. & P. ads:

"Last Thursday in New York, the antitrust lawyers from Washington filed a suit to put A. & P. out of business.

"They asked the court to order us to get rid of most of our stores and also the manufacturing facilities. This would mean higher food prices for you. It would mean less food on every dinner table, and fewer dollars in every pay envelope.

"It would mean the end of A. & P. as you know it."

From the Government:

"The reaction of A. & P. to the filing of this complaint was, under the guise of outraged innocence, a Nation-wide advertising campaign to discredit the Government's case. The truth is that A. & P. has been convicted in a criminal case of substantially the same practices charged in our complaint. * * *

"The criminal conviction of the A. & P. was unanimously affirmed by the Court of Appeals for the Seventh Circuit, and A. & P. paid maximum fines totaling $175,000." (Attorney General J. Howard McGrath.)

From A. & P. ads:

"Why do they want to put A. & P. out of business?

"The answer is to be found in the formal complaint 'they' have filed with the court. They say * * * and these are the antitrust lawyers' own words * * * that we 'have regularly undersold competing retailers.'

"To this charge we plead guilty:

"We confess that for the past 90 years we have constantly stepped up the efficiency of our operations in order to give our customers more and more good food for their money."

From the Government:

"A typical deception is found in the A. & P. advertisement which reads: 'They say * * * and these are the antitrust lawyers' own words * * * that we have regularly undersold competing retailers.'

"This advertisement asserts that this is the charge against A. & P. And to this charge A. & P. in headline type pleads guilty. These words were deliberately lifted out of context. I'll read you the paragraph of the complaint in which they are found:

"'Defendants, by coercing and receiving unlawful buying preferences, have become enabled to and have regularly undersold, regularly taken patronage away from, and sometimes eliminated competing retailers who have bought in substantial compliance with applicable Federal laws prohibiting the sale of merchandise on discriminatory terms'." (Assistant Attorney General Bergson.)

From A. & P. ads:

An advertisement of a grocer in Waynesboro, Ga., reprinted in an A. & P. advertisement:

"A word for our competitor, the Great Atlantic & Pacific Tea Co.

"There has been a move by the antitrust department of the Federal Government to destroy our leading competitor, the A. & P. Food Store.

"The A. & P. Co. is definitely our strongest competitor—they keep us hopping. But, we are still in business—and expanding. We do it by selling quality merchandise, buying at a close margin, and selling at closer margin.

"The so-called 'trust-busters' charge that the A. & P. Co. control some of the production and processing ends of the food business. As a result, they hold the cost price down on foods.

"Well, what's wrong with this?

"If A. & P. holds the costs down, it makes our suppliers hold their costs down to the same competitive level. They can sell cheaper, and so can we.

"We intend to continue to try to sell better merchandise than A. & P.; we also will continue to have competitive prices.

"But, we don't believe the Government, or any individual should try to break up a firm that is doing a good, clean, efficient job of serving the people of this country.

"C. WHIT BLOUNT,
"Waynesboro Groceteria."

From the Government:

"I noticed that in one of its advertisements A. & P. takes its hat off to a grocer in Waynesboro, Ga., because he says he likes to have A. & P. as a competitor. I wonder if he would have had the same feeling of complacency about A. & P. if A. & P. had decided that he had no place in the grocery business and gave him the Richmond treatment. This treatment can best be described in A. & P.'s own words. I quote from a letter written by an A. & P. official to the manager of the Richmond warehouse. It is a part of the record of the criminal case and reads as follows:

"'I certainly don't think that the Sanitary next door to you at Carey Avenue is a competitor and the hotter we can make our program the quicker this outfit will realize that they have no place in the supermarket business in Richmond.'

"A. & P. was in a position to make that threat good as the court said, and I quote: 'There is evidence in this record of how local competitors were quickly eliminated under the lethal competition put upon them by A. & P. when armed with its monopoly power.'" (Assistant Attorney General Bergson.)

A. & P. ADS ARE JUST PLAIN BUNK

Mr. Speaker, in the March issue of the United Automobile Worker, an interesting article appeared entitled "A. & P. Ads Are Just Plain Bunk." It is as follows:

No more heart-rending story has been wrung out of the bosom of big business than the harrowing tale of persecution which the Great Atlantic and Pacific Tea Co. has been telling in full-page ads throughout the country.

It takes a lot of space and money to recite all the cruel things the Department of Justice is doing to the A. & P. But one of the A. & P. vice presidents recently told an audience that the cost of these ads is charged against taxes as normal business expense "and it's bringing us lots of new business," he added.

Only trouble with the A. & P. story is—it's bunk.

The other side of the story doesn't get told in newspapers. (A. & P. ads are profitable for the papers, too.) The Government side of the story knocks into a cocked hat the A. & P. claim of how it only wants to save money for its customers.

OTHER SIDE

This side of the story is told in the opinion of the Federal judge who presided at the trial where A. & P.'s commercial conduct over a period of 20 years was brought to light, resulting in the conviction of A. & P. and a fine of $175,000. It is told again in the unanimous opinion of the three-man circuit court of appeals, which upheld this conviction. It is told dramatically, but without words, by the fact that A. & P. decided not to appeal its conviction to the Supreme Court.

What is this side of the story? In brief it is the story of a business giant grown too big for its britches, grown too big to obey the law, using the power of its great size to force its suppliers to grant unlawful price concessions, based not upon economy, but only on compulsion.

Here are some of the things the court of appeals said:

"As the evidence showed in this case, A. & P. received quantity discounts that bore no relation to any cost savings to the supplier * * * the primary consideration with A. & P. seemed to be to get the discounts, lawfully, if possible, but to get them at all events * * * the unlawful discounts were to be received by A. & P. as its due, regardless * * * to obtain these preferences, pressure was put on suppliers not by the use but by the abuse of A. & P.'s tremendous buying power."

FORCED HIGH PRICES

These concessions which suppliers were forced to give to A. & P. they had to recover by charging higher prices to A. & P.'s competitors, the Court said:

"This price advantage given A. & P. by the suppliers was not 'twice blessed' like the quality of mercy that 'droppeth as the gentle rain from heaven.' It did not bless 'him that gives and him that takes.' Only A. & P. was blessed, and the supplier had to make his profit out of his other customers at higher prices, which were passed on to the competition A. & P. met in the retail field."

The story goes on to tell how A. & P. used these confessions forced out of suppliers to put the bite on its competitors in the retail grocery business:

"With the concession on the buying level acquired by the predatory application of its massed purchasing power, A. & P. was enabled to pressure its competitors on the selling level even to the extent of selling below cost and making up the loss in areas where competitive conditions were more favorable * * * there is evidence in this record how some local grocers were quickly eliminated under the lethal competition put upon them by A. & P. when armed with its monopoly power."

These sales below cost, sometimes maintained for an entire year throughout large sections of the country, took business away from A. & P.'s competitors and increased its own sales by almost exactly the amounts it had set up as its target for the year.

FIX OR BE FIRED

The story laid before the judges by the Department of Justice also tells how this

giant corporation sometimes told store managers to come out long at inventory time. Ordinary shrinkage, waste, and pilferage in a grocery store invariably will result in a shortage at inventory time. When the inventory comes out long, the customers have come out short. That's the only way it can happen. But read the rule laid down by one A. & P. official writing to a subordinate, as quoted in this trial:

"It has become necessary to place into effect immediately the following ruling relating to stock results: Whenever a manager has a final stock shortage for 1 month and again the next and so on, 'up' and 'down' each month for four consecutive months, and the total stock losses exceed the total stock gains for the 4-month period, then the assistant superintendent is to relieve him of his duties and offer him a position as clerk for further training. If the offer is refused, his dismissal from our services will then be in order."

The trial record also tells how A. & P. set up a commission company to buy farmers' produce, and how it used this company to put the bite on farmers and shippers and to gain special favors for A. & P. over other grocery retailers. There is a story also of steps taken to get farmers' co-op managers under the influence of A. & P., and of consumer groups and farm organizations set up to serve the purposes of A. & P. by its public relations agent, Carl Byoir.

No more vivid story of abuse of power by the giant of an industry has been written into a court opinion in a long time.

PRESS WON'T TELL

This is the story the A. & P. ads don't tell. This is the story people don't read in the newspapers which carry A. & P. ads. The ads make much of some unsuccessful attempts of the Department of Justice to bring A. & P. to book. But they don't tell about still other cases where A. & P. took the rap and was fined, or the cases in which A. & P. consented to court orders against its illegal practices. They also fail to mention the 1938 conviction of A. & P. for shortweighting its customers in the District of Columbia. A. & P. carried this case to the higher courts and lost.

A. & P. tells the public that the present action which the Department of Justice has brought will destroy it and force the public to pay higher food prices. This is a civil action asking the court to split up the A. & P. into seven regional chains, and to separate these from its national buying and manufacturing operations, which are the source of its power.

PURPOSE OF SUIT

Purpose of this action is to cut the A. & P. down to size, in the hope that when so cut down it will obey the laws of the United States. What else can the Government do, the Attorney General asks. He points out that in 1938 A. & P. was ordered by the Federal Trade Commission to stop forcing these illegal rebates out of suppliers; that the courts upheld this order; and that A. & P. when brought into court in the 1944 criminal action, was still doing what the courts had told it not to do.

Then it was found guilty in the criminal case and fined. That was in 1946. While this conviction was on appeal to the Circuit Court, the Government caught it once again exacting illegal rebates. It was indicted in 1948 for forcing two Chicago dairy companies to pay illegal rebates. These rebates from two suppliers had added up in just a few years to three times the $175,000 fine that had been imposed on it for 20 years of unlawful conduct.

NO PRICE RAISE

A. & P., of course, wants the public to believe that the Government's present action, if successful, will raise grocery prices. The court record pretty well cuts the ground from under that argument, because it showed that much of the apparent economy of A. & P. was achieved at the expense of its competitors who were forced to pay more because A. & P. paid less. It showed also that prices charged to A. & P. customers in some areas were used to subsidize prices below cost to customers in other areas. And it showed that, at some times and in some districts at least, it expected store managers to average out on inventory in favor of A. & P. instead of in the customers' favor. And it showed that year after year A. & P. store managers averaged out on inventory in favor of A. & P. at the expense of their customers.

THE TRUTH ABOUT THE A. & P.

Mr. Speaker, the following article by Amos S. Basel, is very revealing. It relates to the A. & P. case and discloses that this food combine undersells small grocers by undermining them. It is as follows:

About 3 months ago the Great Atlantic & Pacific Co. declared war on the Government of the United States. In a series of full-page ads run in newspapers across the country, in hundreds of thousands of blown-up handbills, in enlarged posters hung in the windows of all its stores, A. & P. announced its defense of the "people" against their Government. The "antitrust lawyers from Washington" were denounced for attempting to destroy "free enterprise," for plotting to raise prices, and for scheming against the virtuous, defenseless A. & P. The cause of this uproar was an antitrust suit filed by the Government seeking the destruction of this colossus. According to A. & P. propaganda, thousands of people rallied to their support. Congressmen and the Department of Justice have supposedly been deluged with mail. Editorials have been written condemning the Government's action. The situation became so agitated that the Attorney General himself held a press conference to explain it all.

The real facts behind this shouting have been very carefully obscured by the A. & P. ads. When the Government attempted to reply to them a large number of papers "missed" the story; those that ran it buried it. These are the facts.

The A. & P. empire consists of 14 separate corporations tied together at the top in a holding company. Ninety-nine percent of the stock is in the John Hartford trust, controlled by two octogenarians, George A. and John L. Hartford, sons of the founder. In addition to operating 6,000 retail stores, thousands of warehouses and slaughterhouses, A. & P. is one of the largest coffee roasters, one of the biggest canners, the second largest baker in the United States.

In 1946, in a criminal suit instituted in a Federal district court in Illinois, A. & P. and many of its officers and directors was convicted of violating the Sherman Antitrust Act. After a trial extending over many months, Judge Walter Lindley, a Republican district court judge, and a veteran of 25 years on the bench, found A. & P. guilty beyond a reasonable doubt. The case was appealed to the United States Circuit Court of Appeals for the Seventh Circuit. Three judges unanimously affirmed the lower court. The opinion was written by Judge Sherman Minton, subsequently elevated to the United States Supreme Court by President Truman. The attack upon A. & P. did not come about because it sells at low prices, as the ads would have you believe. A. & P. was prosecuted because it has established a consistent policy of abusing its size and power and so damaging others. It was found guilty of operating in restraint of trade and conducting a partial monopoly.

It paid a fine of $175,000 and did not attempt an appeal to the United States Supreme Court.

A. & P. does not undersell others only because it is efficient. It provides lower prices because it violates the law. The courts found that A. & P. had succeeded in obtaining excessive discounts from its suppliers by the abuse of its huge purchasing power. It threatened to boycott these suppliers and place them on individual blacklists or enter into manufacturing or processing businesses itself, in competition with them, if its price demands were not met. The court found that the discounts A. & P. forced on its suppliers, in that way, required suppliers to make their profit out of other customers by charging higher prices which were passed on to A. & P. competitors. This, said the court, was a studied attempt upon the part of A. & P. to create a two-price level—one for A. & P. and the second for competitors.

These discounts were arranged as concealed kick-backs in the form of advertising display, bag and label allowances, in an attempt to evade the law. The predatory discounts blackjacked from suppliers yielded A. & P. 22.5 percent of its profit in 1939, 22.47 in 1940, and 24.59 in 194.. In those years the profits from its retail operations varied from approximately 6 to 11 percent. Based on these percentages of earnings, A. & P. cannot be considered to be in the retail-food business. Retailing is only an incidental part of its activities. In some years it has made almost as much money out of the Atlantic Commission Corp.—a subsidiary it has set up as a wholesale purchasing agent for itself and others—as it does out of retailing. When the profits from all of its other sources as manufacturer, processor, importer, canner, and baker are added, the result is such a huge combination of economic power which can be wielded in so many directions, that it is almost impossible for any independent to compete with it. It is like a pygmy boxing Joe Louis.

The independents exist only on A. & P. sufferance. They live because they provide credit, make deliveries, stay open late at night and Sundays. A & P. through its integrated operation, could expand to include these personal services provided by small grocers, if it wanted to. If it expands in this direction it will absorb a high additional percentage of the market. Although A. & P. does only 6 percent of the total retail-food business in the United States, the figures do not reflect its hold on our total grocery bill.

A. & P.'s 6,000 stores do a gross volume of over $2,000,000,000 a year in limited, concentrated areas. The goal of the operation is to have stores only in cities where the gross available retail grocery business is $20,000 a week or more. In those spots its stated aim is to capture at least 20 percent of the business. This, of course, precludes operating in small towns and sparsely settled areas. In the larger towns and cities A. & P. has driven countless independent competitors to the wall. In many places it does over 50 percent of the business. Unless the brakes are applied to A. &. P. and the other huge chains, it is probable that thousands of additional independents will disappear.

This colossus also saps the economic strength of the smaller communities by siphoning moneys that properly belong there into the pockets of its absentee owners in New York, the Hartfords. Local banks, insurance brokers, lawyers, and others who should receive the income an independent would leave in the community are replaced by huge firms in New York who do the business for the whole chain leaving only crumbs to the local communities. The small town boy becomes a clerk in an industrial bureaucracy rather than a corner grocer. The vice thus created by A. & P.'s integrated operation is what the Sherman Antitrust Act was aimed to end. Its purpose was to attempt to disburse wealth and power throughout the community, so as to keep a small

group from gaining the control of our economic system, which inevitably means control of our political system.

Those who attack the welfare state as leading us toward socialism would be much better advised, if they really believed in the free-enterprise system, to attack huge concentrations of economic power. Many economists believe that socialism would not have been necessary in Britain if industrial power had been dispersed more widely; it is interesting that the British Socialist Government put an antitrust law into effect after it came into power. In Germany, on the other hand, the concentration of economic power led to fascism. In the United States we are headed in one of those directions unless something is done to break up the huge industrial oligarchies that we have allowed to grow during the last 50 years.

As of now, 113 companies own 50 percent of the entire industrial plants in the United States. Forty-eight corporations, each capitalized at a billion dollars or more, are richer than many State governments. Three companies do 100 percent of the aluminum business, three companies do 86 percent of the cigarette business. In 43 industries the first four companies account for more than 50 percent of the total production in their fields. Concentration has not yet reached that degree in the retail chain store field, but it is moving fast in that direction.

The Government has picked its toughest case in tackling A. & P. because A. & P. has always appealed to the public on the basis of offering low prices—which it does. The usual pattern of monopoly is to raise prices and restrict production. Superficially, it appears as though antitrust has gone haywire. But vicious price-cutting destroys competition and leads to monopoly. Once that results, prices inevitably rise. To a great extent A. & P.'s low prices are subsidized by the illegal profits that have been squeezed out of the hides of suppliers, who must then perforce raise prices to competitors of A. & P. in order to survive. This widens the spread between what A. & P. charges and what other retailers are required to charge to make a profit. A. & P. already has a huge advantage because of its size, and its integrated operations; these added illegal profits make it almost impossible for others to compete.

The Government, having proven A. & P.'s guilt in the criminal suit, then turned around and started a civil action to break up the empire so that these abuses could not recur. In its civil action the Government will try to divorce the manufacturing business from the retailing business, by dividing the company into 7 competing retail chains, each with about 850 retail stores. This follows the internal set-up now obtaining in A. & P., which, for efficiency reasons, is already broken down into seven separate units, each with its own operating head. If the Government is successful against A. & P., it will no doubt go after the other great retail chain store groups and attempt to force the same pattern upon them.

The result of a Government victory will be to restore a great measure of competition in the food industry, and at the same time leave the competing units large enough to enable them to operate efficiently and sell at reasonable prices. A. & P. has retained John T. Cahill, formerly United States Attorney for the southern district of New York, where the action is pending, to represent them. The case is going to be a difficult one to win. The millions of dollars being spent in advertising propaganda is aimed at bringing heavy pressure to bear on the Department of Justice, and in that way to try to obtain a favorable deal.

In recent years the Sherman Antitrust Act has been revitalized by use. The Truman administration has been particularly active in its enforcement. A victory for the Government over A. & P. would be a great forward step in the enforcement of the law, and in halting the rush toward industrial oligarchy and the extinction of small business. Democracy depends upon the survival of the middle class, the small-business man. The attempt to destroy A. & P. is a heavy blow struck by the Antitrust Division in his defense. The public, whose interest is being enlisted on the side of the A. & P., would be well advised to learn the real facts behind the prosecution, and not be bribed into forcing the "antitrust lawyers" into selling our democratic birthright for a reduction in the price of eggs.

EXTENSION OF REMARKS

Mr. JUDD (at the request of Mr. ALLEN of Illinois) was given permission to extend his remarks in the RECORD in two instances, in each to include extraneous matter.

GOVERNMENT DEFICIT SPENDING LEADS TO INFLATION AND DISASTER

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, during the past 20 years the reported national income has risen from $82,617,000,000 to $223,200,000,000.

During the same period of 20 years, the purchasing power of the dollar has varied widely. In 1929 it was 83.9 cents. In the year 1933 the dollar was worth 112.5 cents in the market place, but for 1950 the dollar averages only 58.2 cents in general buying power.

Between 1929 and 1950, our population increased from 121,770,000 to more than 150,000,000, an increase of 23.3 percent.

Federal, State and local taxes in 1929 took approximately 12 percent of the national income. This year the taxes will take approximately 24 percent of the national income. This fact in itself should cause all men to stop and consider—where is this taxing going to end?

Although the taxes are, and have been heavily increased, all agencies of government, Federal, State and local are spending more money each year than they are able to collect through taxes, licenses, and other sources of revenue. We are going deeper and deeper into debt each day, and piling up a burden for future generations to carry that menaces the future of our liberties.

When the President's Council of Economic Advisers report the national income for 1949 at $223,200,000,000 at first glance the uninformed would believe that we are progressing rapidly to a new era of prosperity. Perish the thought. We are progressing to a new era of inflation and more and more deficit financing.

In the fiscal year, 1949, while our Federal Government went in the red by a reported $1,811,440,047 the deficit this year is expected to be around 5½ billion dollars, and the States last year went in debt a total of $300,000,000 which was in addition to an increase in State debts of $1,300,000,000 from 1946. The States now owe over $4,000,000,000 and the local government debt is estimated to total $16,750,000,000.

The idea of defict spending is not confined to governments alone, for in 1949 the use of consumer credit for installment buying increased by $2,469,000,000 and bank loans and investment increased by a total of $6,500,000,000. Everybody is spending and borrowing, borrowing, and borrowing, robbing Peter to pay Paul and our Government sets the worst possible example.

The burden of a public debt is a brake upon our economy that cannot lightly be disregarded. The interest on the Federal public debt now costs more in 1 year than the total cost of government in any single year prior to 1933, with the exception of 1918 and 1919 when we were in World War I and lending our money all over the world.

The other Members of this Congress no doubt will recall that these foreign governments never really attempted to pay their debts to our people, and with the exception of Finland, the most we received were token payments, and the debts are still on the books of our Treasury. The amounts of principal outstanding in 1948 was $11,230,472,694 and the accumulated interest amounted to $3,857,000,000 more. That is what happened to the money we loaned during and following World War I.

Is any Member of Congress naive enough to believe we will ever collect anything on our World War II loans or the loans made for rehabilitation and reconstruction of foreign nations since 1945?

WE ARE SQUANDERING OUR PEOPLE'S SUBSTANCE

Since July 1, 1945 to January 31, 1950, our Government has used the faith and credit of the people of the United States to make credits, grants, loans, and capital investments in foreign countries in the total amount of over $29,441,000,000 and yet we are asked to appropriate more and more each year for these foreign spending adventures.

WHERE WILL THIS SPENDING END?

Now there is no use arguing the point—we can spend the Nation into bankruptcy. We can build a mountain of debt and a tax burden that will sell our children's children into a bondage of debt that can be lifted only by the drudgery of a Nation of tax slaves.

Perhaps this is the kind of country some people want.

It certainly is not the kind of country our forefathers fought to establish. Nor is it the kind of country that Thomas Jefferson hoped to have when he penned those immortal lines in the Declaration of Independence:

> But when a long train of abuses and usurpations, pursuing invariably the same object evinces a design to reduce them under absolute despotism it is their right, it is their duty, to throw off such Government, and to provide new guards for their future security.

Thomas Jefferson was not a revolutionist of the modern kind, but he did believe that the government was best which governs least, and he wrote:

> I may err in my measures, but shall never deflect from the intention to fortify the public liberty by every possible means, and put it out of the power of the few to riot on the labors of the many.

And he also said:

> I place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared.

As we go on building up the public debt, we ought to stop and consider how long it will be before the load is so heavy that future generations will rebel against paying for a liberty that has been lost.

AND NOW A WORD TO MY REPUBLICAN AND DEMOCRATIC FRIENDS WHO STILL WANT TO SAVE OUR COUNTRY FROM INFLATION AND DISASTER

We have in the Republican Party a so-called group of progressives. They would be progressive by more and more spending today—never thinking of the pay day that must come in the future. Then too, we have the liberal columnists and radio commentators who see only good in the numerous plans to take this free Nation of ours into some form of a world government, in which the sovereignty of the people of the United States would be submerged in a world sovereignty, with all the powers implied, including the power to tax, and that is the power to destroy.

To my Democratic friends who still believe in those fundamental rights of free men, I urge that they be faithful to the ideals of Thomas Jefferson and the doctrine of State sovereignty in a representative government of the people, by the people, and for the people, not a government of, by, and for any international organization, and never a government acceding to the wiles and whims of a Federal bureaucracy, made strong by the power of the public purse.

My fellow colleagues, for many years I have counseled economy. Again I warn you that government is but business for the people. No business can survive unless it lives within its means. So once again I plead for economy now—a balanced budget now, and the preservation of our self respect and dignity in the eyes of the whole civilized world. This is worth more than all the promises of a bountiful tomorrow, a promise based upon borrowing from future generations which is almost as low a maneuver as stealing candy from a baby.

In conclusion, Mr. Speaker, I present for insertion in the record, two tables showing the development of our national income and the growth of the Nation's public debt. The tables show just how we have bought our so-called prosperity at the expense of future generations.

TABLE I.—*Disposable income of the United States, 1929–50*

	National income	Taxes collected [1]	Disposable income
1929	$82, 617, 000, 000	$9, 768, 000, 000	$72, 849, 000, 000
1930	68, 858, 000, 000	10, 277, 000, 000	58, 581, 000, 000
1931	54, 479, 000, 000	9, 305, 000, 000	45, 174, 000, 000
1932	39, 963, 000, 000	8, 151, 000, 000	31, 812, 000, 000
1933	46, 273, 000, 000	7, 508, 000, 000	38, 765, 000, 000
1934	49, 455, 000, 000	8, 778, 000, 000	40, 677, 000, 000
1935	55, 719, 000, 000	9, 736, 000, 000	45, 983, 000, 000
1936	64, 924, 000, 000	10, 508, 000, 000	54, 416, 000, 000
1937	71, 513, 000, 000	12, 192, 000, 000	59, 321, 000, 000
1938	64, 200, 000, 000	13, 113, 000, 000	51, 087, 000, 000
1939	70, 601, 000, 000	12, 429, 000, 000	58, 172, 000, 000
1940	77, 574, 000, 000	12, 907, 000, 000	64, 667, 000, 000
1941	92, 269, 000, 000	15, 195, 000, 000	77, 074, 000, 000
1942	122, 232, 000, 000	20, 929, 000, 000	101, 303, 000, 000
1943	149, 392, 000, 000	29, 732, 000, 000	119, 660, 000, 000
1944	149, 660, 000, 000	49, 226, 000, 000	100, 434, 000, 000
1945	152, 705, 000, 000	49, 985, 000, 000	102, 720, 000, 000
1946	178, 200, 000, 000	47, 200, 000, 000	131, 000, 000, 000
1947	202, 600, 000, 000	48, 600, 000, 000	154, 000, 000, 000
1948	226, 200, 000, 000	50, 200, 000, 000	176, 000, 000, 000
1949	223, 200, 000, 000	51, 169, 000, 000	172, 031, 000, 000
1950 [2]	215, 000, 000, 000	51, 300, 000, 000	163, 700, 000, 000

[1] Taxes collected comprise Federal, State, and local.
[2] Estimated.

TABLE II.—*Disposable income in terms of consumer purchasing power by years 1929–50*

[Index used is the consumers' price index of the Bureau of Labor Statistics, the Federal Reserve Bank of New York, and other authorities]

	Disposable income [1]	Consumer index	Purchasing power	Per capita	Public debt [2]
1929	$72, 849, 000, 000	85. 9	$61, 120, 311, 000	$501. 93	$139. 04
1930	58, 581, 000, 000	86. 0	50, 906, 889, 000	412. 00	131. 51
1931	45, 174, 000, 000	96. 6	43, 638, 084, 000	351. 80	135. 45
1932	31, 812, 000, 000	108. 1	34, 388, 772, 000	275. 46	156. 10
1933	38, 765, 000, 000	112. 5	43, 610, 625, 000	347. 30	179. 48
1934	40, 677, 000, 000	106. 3	42, 239, 651, 000	334. 25	214. 07
1935	45, 983, 000, 000	102. 7	47, 224, 541, 000	371. 11	225. 55
1936	54, 416, 000, 000	100. 5	54, 688, 080, 000	427. 08	263. 79
1937	59, 321, 000, 000	96. 3	57, 126, 123, 000	443. 45	282. 75
1938	51, 087, 000, 000	98. 9	50, 525, 043, 000	389. 93	286. 27
1939	58, 172, 000, 000	100. 2	58, 278, 344, 000	445. 48	308. 98
1940	64, 667, 000, 000	99. 4	64, 279, 018, 000	471. 98	325. 59
1941	77, 074, 000, 000	94. 5	72, 834, 930, 000	547. 39	367. 57
1942	101, 303, 000, 000	85. 4	86, 512, 763, 000	646. 72	537. 80
1943	119, 660, 000, 000	80. 8	96, 685, 280, 000	721. 53	1, 001. 46
1944	100, 434, 000, 000	79. 7	80, 045, 898, 000	603. 85	1, 455. 67
1945	102, 720, 000, 000	79. 5	80, 635, 200, 000	610. 85	1, 853. 21
1946	131, 000, 000, 000	73. 5	96, 285, 000, 000	688. 24	1, 907. 62
1947	154, 000, 000, 000	65. 0	100, 100, 000, 000	690. 30	1, 793. 23
1948	176, 000, 000, 000	61. 1	107, 536, 000, 000	734. 00	1, 721. 29
1949	172, 031, 000, 000	59. 1	101, 670, 321, 000	676. 80	1, 709. 41
1950 (estimated)	163, 700, 000, 000	58. 2	95, 273, 400, 000	630. 95	1, 746. 08

[1] Disposable income is the remaining part of national income after deducting Federal, State, and local tax collections. By multiplying the disposable income by the consumers' price index for all commodities, the relative purchasing power of the disposable income is shown.
[2] Public debt represents per capita distribution of the Federal debt only. For the year 1949, the total public debt, Federal, State, and local was approximately $1,834 per capita.

EXTENSION OF REMARKS

Mr. CARNAHAN (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and to include an editorial.

PLAN NO. 12—TAFT-HARTLEY ACT

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, because the people have become frightened by the enormous public debt, excessive taxes, and what they regard as wasteful spending by the Federal Government, there is a Nation-wide demand for economy and efficiency in the Federal Government.

The Hoover Commission, nonpartisan, having but one objective—greater efficiency, economy in connection with Federal expenditures, was the answer of the Congress to the people's protest against waste, inefficiency.

Unfortunately, President Truman has taken advantage of the situation and apparently, attempting to use the move for economy to destroy the Taft-Hartley Act which he vetoed, which he has failed, as it was his official duty, to support and enforce, has sent down plan No. 12.

Hearings on plan 12 are scheduled for tomorrow, Tuesday, at 10 o'clock before the Committee on Expenditures in the Executive Departments.

Because it will be argued that the Hoover Commission recommended the procedure set forth in plan No. 12, there is printed herewith the report of the task-force's recommendations written by Robert R. Bowie and Owen D. Young, and the Commission's recommendations of March 3, 1949.

That report insofar as it relates to the National Labor Relations Board, is chapter 3, pages 134 to 141, inclusive, of appendix N of the Task Force Report on Regulatory Commissions dated January 1949, and reads as follows:

CHAPTER XIII. NATIONAL LABOR RELATIONS BOARD

The present National Labor Relations Board was created by the Labor Management Relations Act of 1947, and began to operate as recently as August 22, 1947. Its predecessor of the same name, established by the National Labor Relations Act of 1935 (popularly called the Wagner Act), differed from the present agency both in structure and functions.

Under the Wagner Act, the Board was a unified organization, with three Board members at the head and the general counsel, as well as other operating officials, subordinate to them. The Board was vested with the statutory authority to prevent designated unfair labor practices by employers and to determine employee representation for the purpose of collective bargaining.

The present National Labor Relations Board, on the other hand, is a bifurcated agency. The general counsel, whose duties are defined by statute, operates independently of the five-member Board and supervises the field staff of the agency. Moreover, the functions of the new National Labor Relations Board have been expanded to include the prevention of various practices by labor unions. Thus, while the present Board inherited the name, the functions (in modified form) and some of the staff of the original National Labor Relations Board, it is essentially a new organization.

A. FUNCTIONS OF NATIONAL LABOR RELATIONS BOARD

As a basis for considering the structure of the agency, it is essential to understand clearly its various functions and the respective roles of the Board and the general counsel in performing them. The major duties may be classified as follows:

Specific unfair practices

The duties of the Board with respect to unfair labor practices under sections 8 (a) (2), (3), and (4) of the act may be considered primarily judicial in character. The statute is fairly definite, and the Board's role consists largely in applying the statutory standards to specific factual situations. Thus, where discharge of an employee is alleged to be discriminatory (sec. 8 (a) (3)), the Board determines whether the allegation is justified, and upon an affirmative finding, orders the employee reinstated.

In such cases, the general counsel's role is similar to that of a prosecutor. Upon the filing of a complaint, it is his duty to prosecute if he considers that the alleged action constitutes a violation of the law. He or his subordinates present the case first before a trial examiner, then before the Board, and if need be, before a Federal court.

Unfair union practices

With respect to certain provisions added by the amended act, the procedure is the same, but the Board must fill in the content of general terms. For example, the act forbids unions to restrain or coerce employees as to their right to organize or refrain from doing so. Here the Board must decide whether specific practices constitute the forbidden restraint or coercion.

Duty to bargain

In enforcing the duty of employers and labor unions to bargain collectively under certain conditions, the Board exercises more of a regulatory power (secs. 8 (a) (5) and 8 (b) (3). While the act defines collective bargaining, the Board is faced with the task of determining the scope of the bargaining requirement, and to some extent the content of collective agreements. Thus, the Board may have to decide whether an employer must bargain as to a pension plan, or a trade union must bargain as to union working rules. In such cases, the Board is called upon to establish standards for the guidance of the parties.

Here also the role of the general counsel is different because of the greater generality of the act. The statute vests in him final discretion as to issuance of the necessary complaints. If the general counsel refused to issue a complaint on the ground that the employer or trade union is within its legal rights in refusing to bargain, the complainant has no appeal to the Board or the courts. Thus the general counsel possesses a species of rule-making power: His interpretation of the particular section may very well be conclusive.

Bargaining agents

In supervising the selection of employee bargaining representatives, much of the Board's work entails only the application of definite statutory language, but some of it involves wider discretion in fixing the standard to be applied. The Board must decide, for example, whether the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof. The statute provides some negative guides, but little of an affirmative nature, obliging the Board to delve deeply into such factors as past industrial practices, the type of industry involved, trade union structure, and other economic details in order to establish criteria for unit determination.

The general counsel's responsibilities in representation cases are largely of an administrative character. The regional offices that process the papers initially, conduct elections, and sometimes issue certificates to duly designated bargaining agents, are under his exclusive direction and supervision. It is his duty to carry out Board policy in this category of disputes. Obviously, this work has little in common with prosecution; the general counsel is in this respect an administrative agent of the Board.

Jurisdictional disputes

The jurisdictional dispute provisions of the act, sections 8 (b) (4) (d) and 10 (k), entail still another type of function. By directing the Board to hear and determine interunion disputes over the allocation of work, Congress clothed it with rule-making power in one of the most intricate areas of industrial relations. For example, the Board might be called upon to determine whether pipe is to be laid by members of the plumbers' union or the laborers' union. Nothing in the statute offers even the slightest guidance in a problem of this kind, which has hitherto been within the domain of private arbitration.

Initiation fees

Section 8 (b) (5) of the act enjoins the Board to prohibit the levying of excessive or discriminatory union initiation fees where the union shop exists, after taking into account among other relevant factors, the practices and customs of labor organizations in the particular industry, and the wage currently paid to the employees affected. Here the Board must inquire into the internal operations of trade unions, and establish standards on the basis of its findings.

The general counsel again may refuse to press a charge that excessive initiation fees have been levied, and thus make an authoritative interpretation of the statute.

B. RELATION OF STRUCTURE TO SUBSTANCE

Any attempt to assess the organization of the National Labor Relations Board is complicated by several major difficulties. The most obvious is the limited experience under the new legislation. Thus far, the work of the Board and general counsel has been largely exploratory and the structure and methods have not yet hardened into final forms.

Far more basic, however, is wide divergence of opinion about underlying policy as to labor relations. It proved nearly impossible to get interested parties to discuss organization or administration separately from substantive questions about the present act. Almost invariably, proposals for improving administration were viewed through the glass of their policy implications and judged accordingly.

This is entirely natural and indeed inevitable. In the long run, stability of administration can be achieved only by reconciling the divergent views of management, labor, and the public as to the appropriate role of Government in industrial relations. It will be the task of responsible representatives of the interested parties and the public to work for the achievement of a common ground in the period ahead. Once this is attained, organizational problems should prove more amenable to solution.

Accordingly, we have concluded that specific recommendations as to structure would have very limited value at this time, while the substantive issues remain unsettled. However, it will be useful, we believe, to call attention to certain problems of organization and administration revealed by our inquiry. In our opinion these must be taken into account and dealt with in any revision of the statute.

C. PROCEDURAL DELAY

Among the administrative shortcomings revealed by our staff report, none seemed to us more serious than the procedural delay that presently characterizes National Labor Relations Board operation.

Importance and extent of delay

The Federal Government has entered the field of industrial relations to the extent of policing the economic weapons used by employers and trade unions, and of providing machinery whereby workers may designate their bargaining representatives in an orderly fashion. Having assumed this role, it is incumbent upon the Government to assure that its machinery does not impede satisfactory industrial relations through procrastination and delay. If collective bargaining is hindered by the failure or inability of the administrative agency to act promptly, then the Government mechanism is obviously deficient.

At present, a lapse of from 1½ to 2 years must be expected between the filing of a complaint and final Board decision in unfair labor practice cases. This means, for example, that it may be 2 years before a worker who claims that he was discriminatorily discharged can secure an adjudication of his rights; or that an employer may be obliged to wait a similar period before his charge that a union has refused to bargain with him is heard.

Almost 6 months are required to process contested representation cases, from filing of petition to final Board decision. Thus, an employer and a trade union who are genuinely anxious to reach agreement may be delayed for this period if a rival union contests the bargaining agency.

Causes of delay

The National Labor Relations Board is aware of the problem, and is making herculean efforts to speed its decisional processes. While the passage of time may ease the problem, as the Board work becomes more routine, no real improvement can be anticipated on this account in the near future. Procedural delay and its attendant disadvantages are likely to persist during the next few years, given continuance of the present allocation of functions.

The chief bottleneck is the Board, rather than the general counsel or any of his operational divisions. But this is not due to inefficiency or dilatoriness of the members of the Board. On the contrary, they work exceedingly hard, and now use panels of three to speed the handling of the case load. The volume of their output compares favorably with that of any other regulatory agency.

The fault lies in the system itself. A larger volume of work is generated than can be disposed of by the Board in a reasonable manner. It is estimated that merely in order to remain current, without making provision for amortization of the large backlog of cases that exists, the Board must render approximately 25 unfair labor practice decisions and 94 representation decisions per month in contested cases. In addition there are stipulated cases, which require some Board attention: Union shop election matters; questions of general policy; and administrative responsibilities.

This work load must be viewed against the background of the Board's obligations. As yet there have been few substantive interpretations of the Labor-Management Relations Act, although many questions have been raised. The Board must have time to deliberate in deciding these questions, which may be of crucial importance for the future of American labor relations.

Possible methods of correction

Our staff makes the following proposals toward a solution of the procedural delay problem:

1. Decisions rendered by trial examiners at the conclusion of unfair labor practice trials should become final orders of the Board, unless within a specified period they are certified to the Board for review, either by the issuing trial examiner or by a panel of the Board.

2. Regional directors should be authorized to order prehearing elections, and to direct the holding of posthearing elections after ruling upon disputed issues in representation cases. Appeal to the Board from such rulings would be permitted only with the consent of the regional director or upon the Board's own motion.

The rationale of this scheme lies in the possible diminution of the board's work load through its control of the case intake. Presumably, on routine matters the decision of the trial examiner and regional director would be final. Only novel and significant issues would be presented to the board itself.

These proposals were submitted for comment to a number of individuals conversant with the operations of the National Labor Relations Board. In general, they were agreed upon the necessity of an immediate attack upon the problem and some favored

a trial of the proposals. Others stated various objections to them, but the alternative schemes suggested also have drawbacks of their own.

It was commonly suggested, for example, that an increase in the membership of the board to 7, 9, or 11 would permit expansion of the panel system and thus lead to increased output. This fails to take into account the serious risk that a larger board would probably require more time to decide the important cases in which full board action proved necessary. Another proposal was for final decision of cases by single board members where the effect is to affirm the trial examiner; reversal would presumably require submission to the full board.

In our opinion, the proposals of our staff merit serious consideration, despite some disadvantages. In any event, we are convinced that some experimentation with them or alternative devices is preferable to accepting the indefinite continuation of procedural delay.

D. THE GENERAL COUNSEL

Another problem that has caused us considerable concern is the position of the General Counsel. As indicated above, he is a prosecutor, an administrator, a policy maker. The incumbent, Mr. Robert Denham, has noted that his powers "are broad and absolute and his authority final to an outstanding degree seldom accorded a single officer in a peacetime agency."[1]

The existence of such an office, independent both of the Federal departmental structure and of the Board, marks a departure from previous administrative practice. If permitted to set a pattern for future Government organization, it may lead to a diffusion of responsibility.

Such an official is in a peculiarly exposed position. In view of the wide powers of the office, it is inevitably subject to heavy pressure from all sides, and lacks the protection of either a multiheaded agency or an executive department in resisting such pressures. Experience during the first year indicates a tendency to develop close working relations with the joint congressional committee established by the act. To the extent that this has involved advice and suggestions with respect to interpretation of the act and its application to specific situations, the practice seems doubtful and likely to blur the desirable separation between the legislature and administration.

But the administrative position of the general counsel is also anomalous. Thus the field offices under his supervision are engaged partly in representation work which is the direct responsibility of the Board, and partly in investigating, issuing, and prosecuting complaints, on which the general counsel has final authority. Under the act, the Board has the authority to appoint the regional directors and other employees. In part, as has been seen, the work of the general counsel is essentially prosecution of violations of specific offenses under the act. But insofar as his actions establish policy, they are of the kind frequently assigned to an independent commission.

The unusual positon of the general counsel has given rise to several internal administrative problems. One is significant enough to be noted here: In unfair labor practice cases, regional directors issue complaints, though only with the approval of the general counsel in some types of cases. The finality of refusal to issue a complaint has led to demands for an appeal; and it has been further urged that an appeal to the same unit in the counsel's office whose advice was followed in the original refusal is illusory, and that the appeal should be to an independent body. This problem highlights the nature of the authority the general counsel is exercising.

Our conclusion is that the present position of the general counsel is an unstable one. Various proposals have been made for integrating the position more securely into the Government structure. Some have suggested assigning him to the Department of Labor or of Justice, but each has serious draw-backs as the preceding discussion of his functions should indicate.

Our staff recommends the creation, by Executive order, of a council of labor under the chairmanship of the Secretary of Labor, and including the general counsel and other Federal officials concerned with labor problems. The function of the council would be to coordinate Federal labor policy and to advise the President on appropriate action. This represents a compromise between the present independent status of the general counsel and his subordination to a department head.

Others have strongly urged that the office should again be placed under the Board. To this the objection is made that the prosecuting functions should be separate from the hearing of complaints. But as has already been indicated, only in part are his present duties genuinely prosecution; some parts are administrative and parts are a species of rule or policy making. It may be that the administrative and policy-making functions could be subordinated more clearly to the Board's control while still maintaining an adequate separation of the truly prosecuting activities.

E. FILING REQUIREMENTS

There is one noncontroversial matter in which it should be possible to effect a saving both to the Government and to party litigants with little difficulty. The statute now requires that the data specified in sections 9 (f) and (g), pertaining to union organizations and finances, must be filed with the Labor Department, while the non-Communist affidavits required by section 9 (h) must be filed directly with the National Labor Relations Board. There appears to be no sound reason for not processing the information in one agency. Whether that agency be the Department of Labor or the National Labor Relations Board seems less important than that the consolidation be effectuated.

F. CONCLUSIONS

The Labor Management Relations Act recognized that only through continuing scrutiny of the act in operation could its defects be eliminated and the basic purpose of promoting harmonious industrial relations be prompted. The act established a Joint Committee on Labor-Management Relations with its object the study of the administration and operation of existing Federal laws relating to labor relations.

We recommend that any review of the act take account of the factors to which the preceding discussion directs attention. We would especially emphasize the following:

1. No stable administrative structure will be feasible unless the framework of policy is basically acceptable to labor, management, and the public.

2. In devising the administrative structure, the character of the functions being performed should be carefully analyzed to avoid some of the present complexity.

3. A primary objective should be to reduce sharply the procedural delay inherent in the present structure and methods of operation.

The office of general counsel should not be left independent of both the Board and the executive departments but should be integrated more closely into one or the other according to the functions to be performed.

The Commission's recommendations were forwarded to the Congress on March 3, 1949.

The Commission's recommendations, insofar as they related to regulatory commissions were 12 in number. Only recommendations Nos. 1, 3, 4, 5, and 6 would affect the National Labor Relations Board and the general counsel of the Board. Those recommendations read as follows:

1. We recommend that all administrative responsibility be vested in the chairman of the commission.

3. This Commission recommends that the statutes be amended to provide that a commissioner, upon the expiration of his term, continue to hold office until his successor has been appointed and qualified; subject, of course, to the general statutes on hold-over appointments.[1]

4. The Commission, therefore, recommends that the salaries of all of the commissioners and board member should be substantially raised.

5. The Commission recommends increases in the salaries of staff members so as to attract persons of high professional competence to these positions.

6. The Commission, therefore, recommends that the statutes be amended so as to permit the commissions to delegate routine, preliminary, and less important work to members of the staffs under their supervision.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. MACK (at the request of Mr. PRICE), on account of illness in immediate family.

To Mr. BOGGS of Delaware (at the request of Mr. WOODRUFF), for today, on attendance at the funeral of former Representative Wiley.

To Mr. KARST, for today and tomorrow, on account of official business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2205. An act to authorize the Commissioners of the District of Columbia to provide for the removal of sludge.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 13 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 21, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1318. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated January 30, 1950, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Wailoa stream and its tributaries on the Island of Hawaii, T. H., authorized by the Flood Control Act approved on August 11, 1939 (H. Doc. No. 529); to the Committee on Public Works and ordered to be printed, with one illustration

1319. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated

[1] Remarks of Robert N. Denham before the labor relations section of the American Bar Association, Cleveland, September 23, 1947.

[1] Dean Acheson and James Forrestal dissented on No. 3.

September 12, 1949, submitting an interim report, together with accompanying papers and illustrations, on a survey of Meadow Valley, Wash., and lower Muddy River, Nev. This interim report is submitted under the authority for a preliminary examination and survey of Virgin River and tributaries in Nevada, Arizona and Utah, authorized by the Flood Control Act approved on June 28, 1938 (H. Doc. No. 530); to the Committee on Public Works and ordered to be printed, with three illustrations.

1320. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 28, 1949, submitting a report, together with accompanying papers and illustrations, on a review of reports on, and preliminary examinations and surveys of, the Columbia River and tributaries, northwestern United States, made pursuant to several congressional authorizations listed in the report (H. Doc. No. 531); to the Committee on Public Works and ordered to be printed, with illustrations.

1321. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $6,677,000 for the Department of Agriculture (H. Doc. No. 532); to the Committee on Appropriations and ordered to be printed.

1322. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill for the relief of M. S. Davis"; to the Committee on the Judiciary.

1323. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend sections 544 and 546 of title 28, United States Code"; to the Committee on the Judiciary.

1324. A letter from the Under Secretary of State, transmitting a report and recommendations concerning claims against the United States for losses and damages inflicted on persons and property in Portuguese territory by United States armed forces during World War II in violation of neutral rights; to the Committee on Foreign Affairs.

1325. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1326. A letter from the Secretary, Smithsonian Institution, transmitting the report of the Secretary of the Smithsonian Institution on the National Air Museum; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REDDEN: Committee on Public Lands. H. R. 175. A bill to amend the Hawaiian Organic Act so as to reduce the residence qualification in divorce proceedings from 2 years to 1 year; without amendment (Rept. No. 1790). Referred to the House Calendar.

Mr. REDDEN: Committee on Public Lands. H. R. 176. A bill to amend section 83 of the Hawaiian Organic Act to provide that women may serve on juries in the Territory of Hawaii; without amendment (Rept. No. 1791). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 179. A bill to provide for the appointment of the adjutant general of the Territory of Hawaii; without amendment (Rept. No. 1792). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 5964. A bill to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases; without amendment (Rept. No. 1793). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee of conference. H. R. 7207. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 1794). Ordered to be printed.

Mr. ANDERSON of California: Committee on Armed Services. H. R. 6825. A bill to extend the time limits for the award of certain decorations, and for other purposes; with amendment (Rept. No. 1795). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Armed Services. S. 2911. An act to authorize the President to appoint Lt. Col. Charles H. Bonesteel as Executive Director of the European Coordinating Committee under the Mutual Defense Assistance Act of 1949, without affecting his military status and perquisites; with amendment (Rept. No. 1796). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HUBER (by request):

H. R. 7759. A bill to extend pension benefits payable under the Veterans Regulations to persons who served with the United States military occupation forces in Germany during World War I; to the Committee on Veterans' Affairs.

By Mr. McDONOUGH:

H. R. 7760. A bill to extend the benefits of the laws granting pensions to veterans of the war with Spain to certain persons who served as teamsters in such war; to the Committee on Veterans' Affairs.

By Mr. PRICE:

H. R. 7761. A bill to provide for advancement of certain retired officers of the armed forces on the retired list; to the Committee on Armed Services.

By Mr. RANKIN (by request):

H. R. 7762. A bill to amend the existing law to provide the privilege of renewing expiring 5-year level-premium term policies of United States Government life insurance and to fix the premium rate for the sixth and successive periods; to the Committee on Veteran's Affairs.

By Mr. WHITE of California:

H. R. 7763. A bill to amend Public law 439, Eighty-first Congress, cited as the "Agricultural Act of 1949"; to the Committee on Agriculture.

By Mr. VINSON:

H. R. 7764. A bill to authorize the construction of modern naval vessels, and for other purposes; to the Committee on Armed Services.

By Mr. HERLONG:

H. R. 7765. A bill to amend chapter 38 of the Internal Revenue Code so as to allow reasonable attorneys' fees to the prevailing taxpayer in certain suits and proceedings; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 7766. A bill to provide for a nationally uniform system of automobile registration; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL:

H. R. 7767. A bill to provide for the payment of extra compensation for certain work heretofore performed by customs officers and employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KLEIN:

H. R. 7768. A bill to increase the normal tax and surtax exemption, and the exemption for dependents, from $600 to $1,000; to the Committee on Ways and Means.

By Mr. SMITH of Wisconsin:

H. R. 7769. A bill to repeal the withholding tax on wages and salaries; to the Committee on Ways and Means.

By Mr. WHITE of Idaho:

H. R. 7770. A bill to authorize loans to assist farmers in clearing cut-over timber lands; to the Committee on Agriculture.

By Mr. HESELTON:

H. R. 7771. A bill to provide equitable relief to contractors supplying dairy products to armed forces; to the Committee on Agriculture.

By Mr. ABBITT:

H. J. Res. 440. Joint resolution to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the speech delivered by Patrick Henry on March 23, 1775; to the Committee on Post Office and Civil Service.

By Mr. HOFFMAN of Michigan:

H. Res. 516. Resolution rejecting Reorganization Plan No. 12 of 1950; to the Committee on Expenditures in the Executive Departments.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Mississippi, requesting the enactment of legislation to prevent Federal liquor licenses from being issued to any inhabitant of any State wherein the sale of intoxicating liquors is prohibited; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOSONE:

H. R. 7772. A bill for the relief of Mehdi Omana; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. R. 7773. A bill authorizing the issuance of a patent in fee to Nancy Takes Enemy Under Baggage; to the Committee on Public Lands.

By Mr. JACKSON of California:

H. R. 7774. A bill for the relief of Mr. and Mrs. Charles Fuxman and their three daughters; to the Committee on the Judiciary.

H. R. 7775. A bill for the relief of John A. Hogg and Mrs. Leona Pearl Hogg; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 7776. A bill for the relief of Bela Abeles and Maria Abeles; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 7777. A bill for the relief of Mrs. Beverly Brunell Roth; to the Committee on the Judiciary.

By Mr. RAINS:

H. R. 7778. A bill for the relief of Miyoko Oishi; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 7779. A bill for the relief of Mrs. Stamatia Lymperopoulos and Leonidas Stavros Limperopoulos; to the Committees on the Judiciary.

H. R. 7780. A bill for the relief of James J. O'Loughlin; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 7781. A bill for the relief of Paul I. Courtright; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 7782. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Damaso P. Perez and Mercedes Ruth Cobb Perez, his wife, their heirs, administrators, or assigns, against the United States of America; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 7783. A bill for the relief of Mrs. Donald Rafter; to the Committee on the Judiciary.

By Mr. WEICHEL:

H. R. 7784. A bill for the relief of Mrs. George Baum, mother of deceased Second Lt. Paul F. Baum; to the Committee on Armed Services.

H. R. 7785. A bill for the relief of Mrs. Mary F. Meyer, mother of deceased Second Lt. Edward L. Meyer; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1997. By Mr. JENISON: Resolution of the Joint Veterans Committee of Danville, Ill., in favor of economy in governmental operative costs where feasible but protesting the present basis of the reduction in force of the Veterans' Administration as removing personnel necessary for the proper care of sick and disabled veterans, and urging a congressional investigation of the procedure; to the Committee on Veterans' Affairs.

1998. By Mr. LECOMPTE: Petition of sundry citizens of Russell, Iowa, in opposition to H. R. 2428, a bill to prohibit liquor advertising; to the Committee on Interstate and Foreign Commerce.

1999. By Mr. MARTIN of Massachusetts: Petition signed by certain voters in the State of Florida, concerning the Townsend plan; to the Committee on Ways and Means.

2000. By Mr. SMITH of Wisconsin: Resolution adopted by the members of the Beloit Taxpayers' League, Beloit, Wis., urging the adoption of the Hoover Commission's recommendations; to the Committee on Expenditures in the Executive Departments.

2001. By the SPEAKER: Petition of P. Harry Byerly, secretary, District of Columbia Society, Sons of the American Revolution, Washington, D. C., urging the Congress to consider the many bills that have been introduced on the subjects of communism and espionage and enact laws for the protection of the United States and its citizens and institutions from Communists and spies; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 21, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, amid the tensions of these days freighted with destiny, we seek in Thy presence a saving experience of inner quiet and certainty. As Thy servants and the people's, in this temple of democracy, save us from the perversion of power that has not Thee in awe. Upon the altar of freedom may there ever be lifted the offering of a humble and a contrite heart.

Come to us, we pray Thee, in the common life that entangles us. Meet us in the thorny questions which confront us. Make Thy highways through the very perplexities through which our fallible understanding can see no light. So, without stumbling and without stain, may we follow the gleam of the kindly light until the day is ended and our work is done. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 20, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 1543) to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 1746) to authorize the transfer to the Attorney General of the United States of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., for use in connection with the United States Penitentiary at Terre Haute, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5122. An act to require the recordation of scrip, lieu selection and similar rights;

H. R. 6292. An act to provide that payments to States under the Oil Land Leasing Act of 1920 shall be made biannually; and

H. R. 7057. An act to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MYERS, and by unanimous consent, the Senate Committee on Foreign Relations was authorized to meet this afternoon during the session of the Senate.

Also on request of Mr. MYERS, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to sit during the session of the Senate this afternoon.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. HICKENLOOPER was excused from attendance on the sessions of the Senate the remainder of this week and Monday and Tuesday of next week.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Maybank
Anderson	Hendrickson	Millikin
Benton	Hickenlooper	Morse
Brewster	Hill	Mundt
Bricker	Hoey	Murray
Bridges	Holland	Myers
Byrd	Humphrey	Neely
Cain	Ives	O'Mahoney
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Darby	Kerr	Smith, N. J.
Donnell	Kilgore	Sparkman
Douglas	Knowland	Stennis
Dworshak	Langer	Taft
Ecton	Lehman	Taylor
Ellender	Long	Thye
Ferguson	McCarthy	Tobey
Flanders	McClellan	Tydings
Frear	McFarland	Watkins
Fulbright	McKellar	Wiley
George	McMahon	Williams
Gillette	Magnuson	Withers
Graham	Malone	Young
Green	Martin	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Maryland [Mr. O'CONOR], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Wyoming [Mr. HUNT], the Senator from Illinois [Mr. LUCAS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] and the Senator from South Dakota [Mr. GURNEY] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of the death of his father.

The Senator from Massachusetts [Mr. LODGE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. MYERS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present other routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Under the order of yesterday, the junior Senator from Illinois [Mr. DOUGLAS] has the floor. Does he yield, without losing the floor?

Mr. DOUGLAS. I am very glad to yield if I do not lose my place on the floor.

The VICE PRESIDENT. Without objection, the unanimous consent is granted.

The Chair would like to make an observation before we begin with the routine morning hour, as it really is. After an adjournment, when the Senate next meets there is a morning hour for the presentation of petitions and memorials, the introduction of bills, and the like. No debate is in order, not even for 1 minute. Speeches are not in order.

The Chair has considered that the unanimous consent asked every morning when the Senate meets following a recess, to enable Senators to go through a morning hour, without speeches and without debate, presents a condition similar to that which would exist if the Senate were in a morning hour after an adjournment.

It is always difficult for the Chair to know how long a Senator is going to talk when he rises under the unanimous-consent agreement to introduce something for the RECORD. The Chair feels that Senators should observe the unanimous-consent agreement; that routine matters are to be presented without speeches and without debate. When a Senator rises and begins to speak it is impossible for the Chair to know whether he has a 5-minute or a 40-minute speech to deliver, and speeches of any length are out of order under the unanimous-consent agreement.

The Chair hopes that Senators will observe the agreement. It is embarrassing to the Chair to be compelled to call a Senator to order when he is making a speech in violation of the agreement. The Chair has been rather lenient in this matter, so that Senators might make brief statements in connection with something they were putting into the RECORD, but the Chair hopes all Senators will observe the agreement and not take advantage of the morning hour to make speeches, either on matters before the Senate or extraneous matters.

TRANSFER TO ATTORNEY GENERAL OF PORTION OF VIGO PLANT, TERRE HAUTE, IND.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1746) to authorize the transfer to the Attorney General of the United States of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., for use in connection with the United States Penitentiary at Terre Haute, which were, on page 1, line 3, strike out "War Assets" and insert "General Services"; and on page 3, line 3, strike out "War Assets" and insert "General Services."

Mr. McCLELLAN. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

M. S. DAVIS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation for the relief of M. S. Davis, which, with the accompanying papers, was referred to the Committee on the Judiciary.

PETITION AND MEMORIAL

A petition and a memorial were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

The petition of Rose Selmes, of Norwich, Conn., praying for the enactment of legislation providing statehood for Alaska; to the Committee on Interior and Insular Affairs.

The memorial of Edward F. Wesolowski, Sr., of Chicago, Ill., remonstrating against the reentrance of Ingrid Bergman into the United States; to the Committee on the Judiciary.

ST. LAWRENCE SEAWAY — RESOLUTION FROM DELAWARE COUNTY ELECTRIC COOPERATIVE, NEW YORK

Mr. LEHMAN. Mr. President, I have recently received from the Delaware County Electric Cooperative of New York State a resolution adopted by that cooperative urging the construction on the St. Lawrence River of the necessary works for the generation of public power for the benefit of the people of New York and New England. I am happy to have received the resolution and to know of the interest of the farmers of Delaware County in the St. Lawrence project. I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

NEED FOR ST. LAWRENCE POWER DEVELOPMENT

The Delaware County Electric Cooperative, Inc., was formed on July 18, 1941, to borrow money from the Rural Electrification Administration for the purpose of bringing the benefits of electricity to 4,000 farms and 16,000 farm people in Delaware County, N. Y.

The cooperative up to this date has delivered central-station electricity to 1,200 farms, transporting power purchased from a commercial power company. During the period of initial line construction, this same commercial power company built many miles of line, which previously had been considered uneconomical, for the purpose of preventing the cooperative from serving the number of consumers necessary to provide reasonable rates and make the Government loan secure.

The commercial power company supplies power to the cooperative at rates greatly in excess of charges made by other private utilities to other cooperatives. The rate is 61 percent above the national average rate to cooperatives and up to 300 percent more than rates to cooperatives in hydroelectric power areas.

Consumers of the cooperative, as a result of high power cost, pay rates that retard the development of this rural area and place it at a serious competitive disadvantage. Many farms just out of reach of the cooperative lines are unable to obtain electric service, as they cannot pay the private company charges to build to them, and the cooperative cannot afford to do so at present electricity rates: Now, therefore, be it

Resolved, That the Government of the United States, for the people of New York and New England, construct on the St. Lawrence River a hydroelectric project to bring the blessings of abundant and cheap electricity, and that the Government of the United States build transmission lines to carry the power to load centers and preferential public consumers.

Mr. HOLLAND rose.

The VICE PRESIDENT. The Senator from Florida.

Mr. HOLLAND. I was merely going to request the regular order, in pursuance of what I understood to be the request of the Presiding Officer.

The VICE PRESIDENT. The Chair thanks the Senator.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 2387. A bill authorizing the Governor of Alaska to fix certain fees and charges with respect to elections; with amendments (Rept. No. 1357);

H. R. 2783. A bill to authorize the Secretary of the Interior to convey a certain parcel of land, with improvements, to the city of Alpena, Mich.; without amendment (Rept. No. 1353); and

H. R. 4289. A bill to require settlers on public lands in Alaska to record notice of their settlement claims in the land office for the district in which the lands are situated, and for other purposes; without amendment (Rept. No. 1354).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

S. 1959. A bill to commemorate Jim White and his contribution to the early history of Carlsbad Caverns, in the State of New Mexico, and for other purposes; without amendment (Rept. No. 1355); and

S. 2274. A bill to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes; without amendment (Rept. No. 1356).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 3117. A bill to amend the act entitled "An act to authorize the Postmaster General to impose demurrage charges on undelivered collect-on-delivery parcels," approved May 23, 1930, as amended (39 U. S. C. 246c); without amendment (Rept. No. 1359).

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

H. R. 6475. A bill to amend the Postal Rate Revision and Federal Employees Salary Act of 1948 to provide for the consideration of claims for the payment of certain postal notes filed later than 1 year from the last day of the month of issue; without amendment (Rept. No. 1360).

DESIGNATION OF RESERVOIR ON COLORADO RIVER AS LAKE MOHAVE—REPORT OF A COMMITTEE

Mr. MALONE. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, without amendment, the bill (S. 2117) to provide for the designation of the reservoir to be formed by the Davis Dam on the Colorado River as Lake Mohave, and I submit a report (No. 1352) thereon. I introduced the bill on June 2, 1949.

Davis Dam is situated in the southwestern part of the State of Nevada and in close proximity to the Mohave Desert and the Mohave Indian Reservation. The name "Lake Mohave" was the choice of the residents. Lake Mohave represents man-made changes which increase production and make habitable additional desert areas of the grea Southwest.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAFT:

S. 3269. A bill for the relief of Nicholas Hodos; to the Committee on the Judiciary.

By Mr. MARTIN:

S. 3270. A bill for the relief of Michel H. Frank, Bessie Frank, and Herbert Frank; to the Committee on the Judiciary.

By Mr. HENDRICKSON:

S. 3271. A bill for the relief of Mrs. Jennie M. Gardner; to the Committee on Finance.

By Mr. MURRAY:

S. 3272. A bill to provide for the transfer of a certain tract of land to Richland County, Mont.; and

S. 3273. A bill to declare that the United States holds certain lands in trust for the Blackfeet Indian Tribe of Montana; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY (for Mr. PEPPER):

S. 3274. A bill to amend section 8c (6) of the Agricultural Adjustment Act; to the Committee on Agriculture and Forestry.

S. 3275. A bill for the relief of Cecilio Lim; to the Committee on the Judiciary.

By Mr. GEORGE (for Mr. PEPPER):

S. 3276. A bill to amend section 3469 of the Internal Revenue Code in order to exempt from the excise tax on transportation the transportation of persons for fishing purposes; to the Committee on Finance.

By Mr. WILEY:

S. 3277. A bill for the relief of Dr. Janos Kemeny and his wife, Gertrude; to the Committee on the Judiciary.

By Mr. HICKENLOOPER:

S. 3278. A bill for the relief of Joseph Skaletzky; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3279. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to permit the retirement at age 58 of rural mail carriers with 28 years of service; to the Committee on Post Office and Civil Service.

S. 3280. A bill for the relief of Mrs. Hildegard Pielecki Kennedy; to the Committee on the Judiciary.

(Mr. LEHMAN introduced Senate Joint Resolution 162, providing for an investigation by the Secretary of Agriculture into the effect on American agriculture of the repeal of certain taxes relating to oleomargarine, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENT

Mr. HENDRICKSON (for himself and Mr. SMITH of New Jersey) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

TAX REDUCTION—AMENDMENT

Mr. LEHMAN. Mr. President, I submit for appropriate reference an amendment which would grant a special tax reduction to taxpayers who are disabled and thus handicapped in earning their livelihood, and is intended to be proposed by me to the tax bill when it comes from the House of Representatives.

The VICE PRESIDENT. The amendment will be printed. Does the Senator wish to refer it to the Committee on Finance?

Mr. LEHMAN. I beg your pardon?

The VICE PRESIDENT. Is it an amendment to a bill on the calendar?

Mr. LEHMAN. No; the bill is not on the calendar.

The VICE PRESIDENT. The Chair will refer the amendment to the Committee on Finance.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 5122. An act to require the recordation of scrip, lieu selection, and similar rights; and

H. R. 6292. An act to provide that payments to States under the Oil Land Leasing Act of 1920 shall be made biannually; to the Committee on Interior and Insular Affairs.

H. R. 7057. An act to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions; to the Committee on Labor and Public Welfare.

ACCOMPLISHMENTS OF THE AMERICAN MEDICAL PROFESSION AND OF WISCONSIN PHYSICIANS

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject of the 12-point program of the American Medical Association and the accomplishments of Wisconsin physicians along each of the 12 lines, and also the text of the program of the American Medical Association and the record of Wisconsin achievements as printed in the medical-forum section of the Wisconsin Medical Journal in its issue of January 1950, which appears in the Appendix.]

MEDICAL SCHOOL AT YESHIVA UNIVERSITY—ADDRESS BY HON. PAUL E. LOCKWOOD

[Mr. IVES asked and obtained leave to have printed in the RECORD an address delivered by the Honorable Paul E. Lockwood at the third annual dinner sponsored by the Society for the Establishment of a Medical College at Yeshiva University, held at the Hotel Commodore in New York on Sunday, February 5, 1950, which appears in the Appendix.]

EARLE D. WILLEY, OF DELAWARE

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial from the Journal-Every Evening, of Wilmington, Del., of the issue of March 18, 1950, entitled "Earle D. Willey," which appears in the Appendix.]

DECISION OF HONG KONG COURT AWARDING CERTAIN AIRCRAFT TO CHINESE COMMUNISTS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "Hong Kong With His Majesty's Compliments," published in Time magazine of March 6, 1950, which appears in the Appendix.]

RED CHINA MAY GET AN AIR FORCE AND NAVY—ARTICLE BY CLYDE FARNSWORTH

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "Red China May Get an Air Force and Navy," written by Clyde Farnsworth, and published in the Washington Daily News of March 17, 1950, which appears in the Appendix.]

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Sundry postmasters.

ANALYSIS OF REORGANIZATION PLANS

Mr. McCLELLAN. Mr. President, the staff of the Senate Committee on Expenditures in the Executive Departments have prepared an analysis of the 21 reorganization plans submitted by the President, pointing out wherein they conform with and wherein they differ from the Hoover Commission recommendations. I ask unanimous consent that the analysis be printed in the body of the RECORD for the information of the Senate.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—COMPARISON OF REORGANIZATION PLANS SUBMITTED MARCH 13, 1950, WITH HOOVER COMMISSION RECOMMENDATIONS

REORGANIZATION PLAN	CONFORMANCE WITH HOOVER COMMISSION RECOMMENDATIONS	DIVERGENCE FROM HOOVER COMMISSION RECOMMENDATIONS
No. 1—Department of Treasury		
Provisions: (a) Vests in Secretary of Treasury all functions of all other Department officers, employees, and offices; (b) authorizes Secretary of Treasury to delegate functions to any officer, employee, or office of the Department; (c) establishes Administrative Assistant Secretary in Department.	Conforms with Commission's recommendations in part III of Report No. 1 on General Management. Transfer of functions to Secretary will permit implementation of recommendations 1 and 4 of Report No. 11 on Treasury Department. Partially implements recommendations Nos. 5, 6, and 8 of Report No. 11, including the establishment of an Administrative Assistant Secretary.	Does not incorporate Hoover Commission recommendations to transfer (a) Bureau of Narcotics to the Department of Justice; (b) United States Coast Guard to the Department of Commerce; (c) Marine functions of the Bureau of Customs to the Department of Commerce; (d) to establish a Domestic Lending Council under the chairmanship of the Secretary of the Treasury with members from various Government lending agencies; nor that (e) supervision of the operations of the RFC, FDIC, and the Export-Import Bank be vested in the Secretary of the Treasury.

REORGANIZATION PLAN	CONFORMANCE WITH HOOVER COMMISSION RECOMMENDATIONS	DIVERGENCE FROM HOOVER COMMISSION RECOMMENDATIONS
		Surety bonding (recommendation No. 10, Rept. No. 11) is subject to legislative action, now pending. Does not create an Accountant General, covered by pending legislation.
No. 2—Department of Justice Provisions: (a) Vests in Attorney General all functions of all other officers, employees, and offices of the Department of Justice; (b) authorizes Attorney General to delegate functions to any officer, employee, or offices of the Department of Justice; (c) changes the title of "Assistant to the Attorney General" to "Deputy Attorney General"; (d) establishes additional Assistant Attorney General. Abolishes office of Assistant Solicitor General. Provides that incumbent Assistant Solicitor General shall without reappointment be First Assistant Attorney General; (c) establishes an Administrative Assistant Attorney General.	Conforms with Hoover Commission's recommendations in part III of Report No. 1 on General Management.	No Commission report on the Department of Justice.
No. 3—Department of the Interior Provisions: (a) Vests in Secretary of Interior all functions of all other officers, employees, and offices of the Department; (b) authorizes Secretary to delegate functions to any officer, employee, or office of the Department; (c) establishes an additional Assistant Secretary of Interior; (d) establishes an Administrative Secretary of Interior.	Conforms with Commission's recommendations in part III of Report No. 1 on General Management. Transfer of functions to Secretary, will permit implementation of Recommendation No. 8 on Department organization of Report No. 14, the Department of the Interior (subject to transfers outlined in the next column). Conforms to Recommendations Nos. 5, 6, and 7 of Report No. 14.	Does not (a) establish National Public Works Board; (b) transfer civil functions of United States Corps of Engineers; (c) Public Buildings Construction; (d) Community Services functions and other major construction; (e) or tin smelter from RFC, to Department of the Interior; nor (f) transfer Bureau of Indian Affairs; (g) Bureau of Land Management; or (h) Commercial Fisheries from Department of the Interior, as Hoover Commission recommended.
No. 4—Department of Agriculture Provisions: Vests in Secretary of Agriculture all functions of other officers, employees, and offices of Department; (b) authorizes Secretary to transfer functions to any officers, employees, or office of Department; (c) establishes two additional Assistant Secretaries of Agriculture; (d) establishes an Administrative Assistant Secretary of Agriculture.	Conforms with Hoover Commission's recommendations in part III of Report No. 1 on General Management, and to Recommendations 1 to 7, inclusive, of Report No. 6, Department of Agriculture, relating to reorganization of Department and reallocation of functions.	Does not (a) provide for restriction of Federal conservation payments; (b) policy changes in community adjustment programs; (c) transfers of food regulatory functions to Department of Agriculture; (d) consolidation of Forest Service, Bureau of Land Management, and Soil Conservation Service, nor for (e) transfer of Bureau of Land Management from Department of the Interior, as recommended by the Commission. Other recommendations requiring substantive legislation not included.
No. 5—Department of Commerce Provisions: Vests in Secretary of Commerce all functions of all other officers, employees, and offices of Department; (b) authorizes Secretary to delegate functions to any officers, employees or office of Department; (c) establishes an Administrative Assistant Secretary.	Conforms to Hoover Commission's recommendations in part III of Report No. 1 on general management. Partially implements (except for transfers outlined in next column) through vesting of functions in the Secretary, reorganizations outline in parts I, II, and III of Report No. 10, Department of Commerce and establishes an Administrative Assistant Secretary.	Does not provide for (a) the grouping of all nonregulatory transportation activities in the Department; transfer of (b) business operations of Maritime Commission; [1] (c) motor-carrier safety functions from Interstate Commerce Commission to Department; (d) car service, safety functions, and railroad-consolidation planning from Interstate Commerce Commission to Department; (e) commercial fisheries activities from Department of Interior to Department of Commerce, as Hoover Commission recommended. Also, does not (f) establish Bureau of Civil Aviation to administer Civil Aeronautcs Administration; (g) prescribe air safety regulations subject to review by CAB and incorporate National Advisory Committee for Aeronautics; (h) vest in Secretary of Commerce responsibility for the establishment of air, rail, and water transportation route patterns; nor (i) for the initiation of regulatory action when carriers are at variance.
No. 6—Department of Labor Provisions: (a) Vests in Secretary of Labor all functions of other officers, employees, and offices of the Department; (b) authorizes Secretary of Labor to delegate functions to any officer, employee, or office of the Department; (c) establishes an Administrative Assistant Secretary.	Conforms with Commission's recommendations in part III of Report No. 1 on general management. Implements part III of Report No. 13, on the Department of Labor relating to departmental reorganization, by vesting all functions in the Secretary and establishing an Administrative Secretary.	Does not transfer to Department of Labor (a) Bureau of Employee Compensation (and Appeals Board) from Federal Security Agency; [2] (b) the Selective Service System which is of independent status; (c) determination of minimum wage for seamen from the Maritime Commission; (d) enforcement of labor standards in Government contracts from contracting agencies; [3] (e) wage-research surveys now conducted by various Federal agencies; and (f) Division of Industrial Hygiene from Public Health Service, as recommended by the Hoover Commission.

[1] See Reorganization Plan No. 21.
[2] See Reorganization Plan No. 19.
[3] See Reorganization Plan No. 14.

REORGANIZATION PLAN	CONFORMANCE WITH HOOVER COMMISSION RECOMMENDATIONS	DIVERGENCE FROM HOOVER COMMISSION RECOMMENDATIONS
No. 7—Interstate Commerce Commission Provisions: (a) Vests in chairman the following executive functions: (1) Appointment and supervision of personnel; (2) distribution of business among personnel or administrative units, and (3) the use and expenditure of funds, subject to general policies, regulatory decisions and determinations authorized by statute. (b) Provides that the Commission shall approve appointment by the chairman of the heads of major administrative units, that regularly employed personnel in the immediate offices of commissioners other than the chairman are not affected by the proposed reorganization plan, that the reviewing of budget estimates and the distribution of appropriated funds shall be reserved to the Commission and that the Director of Locomotive Inspection and two assistant directors shall perform their functions subject to the direction of the chairman; (c) authorizes the chairman to delegate to any officer, employee, or administrative unit any function; (d) transfers functions of the Commission with respect to choosing a chairman from commissioners to the President.	Vests administrative responsibility in Commission chairman, and authorizes chairman to delegate functions as recommended by Hoover Commission in its reports on General Management (pt. III) and Regulatory Commissions (recommendations Nos. 1 and 6).	Does not (a) increase commissioners' or staff salaries;[4] (b) provide that commissioners, upon expiration of terms, hold office until successor is appointed and qualified; (c) nor transfer to Department of Commerce ICC, safety, equipment inspection, and car service functions. Incorporates a provision not included in Hoover Commission report transferring functions of the Commission with respect to choosing a chairman from among its membership to the President.
No. 8—Federal Trade Commission Provisions: In major purpose, identical with provisions affecting the Interstate Commerce Commission above.	Vests administrative responsibility in Commission chairman, and authorizes chairman to delegate functions as recommended by Hoover Commission in its reports on General Management (pt. III) and Regulatory Commissions (recommendations No. 1 and 6).	Does not (a) amend statutes to increase commissioners' or staff salaries:[4] (b) provide that commissioners upon expiration of terms shall hold office until successor is appointed and qualified, but transfers functions of the Commission with respect to choosing a chairman from among its membership to the President as recommended by Commission task force. (The Hoover Commission made no recommendations directed exclusively to the Federal Trade Commission in its final report.)
No. 9—Federal Power Commission In major purpose identical with provisions affecting the ICC.	Same as preceding paragraph.	Does not (a) transfer power planning functions of Federal Power Commission to the Department of the Interior; (b) provide that members of Commission may be removable only for cause; (c) for expiration of Commissioner's terms; (d) salary increases,[4] etc., as Hoover Commission recommended. Also transfers functions of the Commission with respect to choosing a Chairman from among its membership to the President, not included in Hoover Commission recommendations.
No. 10—Securities and Exchange Commission In major purpose identical with provisions affecting ICC.	Same as preceding paragraph.	Same as above, except for (a).
No. 11—Federal Communications Commission Provisions: In major purpose, identical with provisions of ICC with exception of section pertaining to designation of chairman which is already provided by law.	Same as preceding paragraph.	Same as above, except for (a) and designation of Chairman, already provided by law.
No. 12—National Labor Relations Board Provisions: In major purpose, identical with provisions of ICC above with two important deviations: (1) transfers functions of the General Counsel of the Board to the Chairman, as well as functions of the NLRB itself; (2) transfers all functions of the General Counsel not transferred to the Chairman to the Board, and abolishes the General Counsel. The plan does not provide for appointment of Chairman by the President which is already provided by law.	Vests administrative responsibility in commission chairman, and authorizes chairman to delegate functions as recommended by Hoover Commission in its reports on general management (pt. III) and regulatory commissions (recommendations Nos. 1 and 6).	The Hoover Commission made no recommendation exclusively affecting NLRB.
No. 13—Civil Aeronautics Board Provisions: In major purpose, identical with provisions of ICC, except no section with respect to designation of Chairman is included, since this is already provided in existing law.	Same as preceding paragraph.	Does not transfer to Department of Commerce promulgation of aircraft safety regulations with right of appeal to CAB.

[4] Public Law No. 359, 81st Cong., increased salaries of Commissioners, and Public Law No. 429, increased salaries of classified personnel.

REORGANIZATION PLAN	CONFORMANCE WITH HOOVER COMMISSION RECOMMENDATIONS	DIVERGENCE FROM HOOVER COMMISSION RECOMMENDATIONS
No. 14—Labor standards enforcement Provisions: Vests responsibility for establishment of, compliance with, and enforcement of labor standards in Government contracts in the Secretary of Labor.	Conforms to Hoover Commission recommendation in its report on the Department of Labor.	None.
No. 15—Alaska and Virgin Islands public works Provisions: Transfers responsibility of the General Services Administrator for public-works programs in Alaska and the Virgin Islands to the Secretary of Interior.	No specific recommendation, but conforms with the Hoover Commission general recommendations that all Federal public works be established within the reorganized Department of Interior.	
No. 16—Assistance to school districts and water-pollution control Provisions: Transfers the school assistance and water-pollution control activities of the General Services Administration to the Federal Security Agency.	Not specifically recommended, but in general accord with the Hoover Commission's determination that such programs involving Federal-State relations be concentrated where feasible, within the Federal Security Agency, and its general advocacy for grouping activities according to their major purpose.	
No. 17—Public-works advance planning and other functions Provisions: (a) Transfers the administration of Federal grants to State and local governments for advance planning of public works from the General Services Administration to the Housing and Home Finance Agency; (b) transfers administration of sewers, schools, and hospitals and other community facilities constructed under title II of the Lanham Act of 1940, as amended, from the General Services Administration to the Housing and Home Finance Agency.	None.	Contrary to Hoover Commission recommendation the Bureau of Community Services of the Federal Works Agency (now in the General Services Administration) be transferred along with all major public-works activities to the Department of the Interior.[5]
No. 18—Building- and space-management functions Provisions: Transfers to the Administrator of General Services Administration functions of various Federal agencies with respect to leasing, maintenance, space control, and custody of Federal office buildings, with specified exclusions.	In conformance with the Hoover Commissions recommendation No. 6 in Report No. 3 on General Services.	None.
No. 19—Employees' compensation functions Provisions: Transfers from the Federal Security Agency to the Department of Labor the Bureau of Employee Compensation and Appeals Board and their functions.	In conformance with Hoover Commission recommendation No. 2 in Report No. 13 on the Department of Labor.	None.
No. 20—Statutes at large and other matters Provisions: Transfers from Secretary of State to Administrator of General Services Administration certain record-keeping, certification, and publication functions pertaining to official documents. Abolishes certain obsolete statutory duties of the Secretary of State.	In general conformance with the Hoover Commission recommendations concerning improved administrative management of executive agencies, by consolidating certain common functions and services in General Services Administration.	
No. 21—The Maritime Commission Provisions: Establishes a Maritime Board and a Maritime Administration in the Department of Commerce. Abolishes the Maritime Commission. Transfers to the Maritime Board the regulatory functions of the Commission. Vests directly in the Board the determination and the granting of construction and operating subsidies. Transfers to the Maritime Administration the operating functions of the Commission including the carrying out of subsidy agreements made by the Board. Provides that Chairman of the Board shall be ex officio the Maritime Administrator and as such head of the Maritime Administration.	The Hoover Commission recommended that the "business" operations of the Maritime Commission (referred to as functions dealing with construction, operation, charter, and sale of ships) be placed within the Department of Commerce. It also recommended that "the agency in charge" be given budgeting, accounting, and auditing flexibility established by the Corporation Control Act of 1945. (Recommendation No. 2, Rept. No. 10, on Department of Commerce).	The Hoover Commission did not recommend establishment of a Maritime Board within the Department of Commerce. It recommended that functions of the Maritime Commission relating to rates, conditions of service and the granting of subsidies remain with the Maritime Commission.
	NOTE.—Reorganization Plans 1 through 6, summarized above, exclude transfers to Department heads of two classes of functions which are retained in present status: (1) functions of hearing examiners under the Administrative Procedure Act, and (2) functions of Government corporations in the departments covered by the plans.	

[5] Contrary to intent of Congress under the act of October 13, 1949, Public Law No. 352.

REORGANIZATION PLAN NO. 12

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared regarding Reorganization Plan No. 12.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Among the 21 reorganization plans submitted by the President as part of the Hoover Commission recommendations, Plan No. 12 abolishes the general counsel of the National Labor Relations Board and transfers all of his duties to the Chairman of the Board. I shall introduce a resolution disapproving this plan, first, because it is not in accord with the Hoover recommendations; second, because it attempts to reverse by Executive action a basic matter of policy determined by Congress 3 years ago; third, because it proposes an unsound mixing of the prosecuting and judicial functions of the National Labor Relations Board similar to that responsible for the greatest miscarriages of justice this country has ever seen under the Wagner Act; and fourth, because it is an attempt to use the Hoover Commission report for political purposes.

1. The plan is not in accord with the Hoover Commission recommendations. The only basis for the plan is contained in a single sentence in the recommendation for regulatory commissions in general which reads: "We recommend that all administrative responsibility be vested in the Chairman of the Commission." A reading of the entire report makes it clear that what the committee had in mind were the ordinary day-to-day matters of routine administration which have customarily taken the time of all members of the Commission.

There is no indication whatever that the Hoover Commission had in mind the extensive prosecuting functions of the National Labor Relations Board with its widely extended field force or anything which resembles it. In fact, the task force report on which the committee's report is based does not recommended the abolition of the general counsel. While it criticizes the present plan of organization, it concludes:

"Our staff recommends the creation by Executive order of a council of labor under the chairmanship of the Secretary of Labor and including the general counsel and other Federal officials concerned with labor problems. The function of the council would be to coordinate Federal labor policy and to advise the President on appropriate action. This represents a compromise between the present independent status of the general counsel and his subordination to a department head.

"Others have strongly urged that the office should again be placed under the Board. To this the objection is made that the prosecuting functions should be separate from the hearing of complaints. But as has already been indicated, only in part are his present duties general prosecution; some parts are administrative and parts are a species of rule or policy making. It may be that the administrative and policy-making functions could be subordinated more clearly to the Board's control while still maintaining an adequate separation of the truly prosecuting activities."

It may be seen that the task force did not even consider the abolition of the general counsel as proposed in the present plan.

2. The plan reverses a recent action of Congress taken after extensive debate and consideration. It is, in effect, an attempt to repeal by indirect action section 3 (d) of the Labor-Management Relations Act of 1947 passed over the President's veto, which reads as follows:

"(d) There shall be a general counsel of the Board who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years. The general counsel of the Board shall exercise general supervision over all attorneys employed by the Board (other than trial examiners and legal assistants to Board examiners) and over the officers and employees in the regional offices. He shall have final authority, on behalf of the Board, in respect of the investigation of charges and issuance of complaints under section 10, and in respect of the prosecution of such complaints before the Board, and shall have such other duties as the Board may prescribe or as may be provided by law."

Efforts to repeal the Labor-Management Relations Act of 1947 were defeated at the last session, and now it is sought to accomplish some part of that purpose by indirection. This is not a proper use of the Reorganization Act.

It may be noted here that the same effort to overrule Congress is made in Reorganization Plan No. 6, which transfers all functions of the Wage and Hour Administrator to the Secretary of Labor. This proposal has been rejected by Congress three times, the last time in 1949 in connection with amendments to the wage-hour law contained in the Thomas-Lesinski bill.

3. The plan is completely unsound with reference to the organization of the National Labor Relations Board. It is worse even than the original Wagner Act, because it centers such tremendous power in the Chairman of the Board. He becomes the principal prosecutor, passing on the policy of all unfair labor charges. He appoints both the prosecutor and the examiner who tries the case. He then presides over the Board that finally judges the case. Having individual responsibility, he is much less able or likely to delegate the prosecuting functions than if those functions were vested in the entire Board, as in the original Wagner Act. The Board was practically forced to delegate the prosecuting functions to one line of subordinates while giving the judicial functions to another. Some complaint has been made of the tremendous powers given to Mr. Denham under the present law. This plan would give three times that power to the Chairman of the Board.

The position of the National Labor Relations Board is unique among regulatory commissions. It regulates both the employers and the labor unions in their conduct of labor-management relations. The feeling runs high between these two groups, and it is peculiarly important that the Board be completely impartial and judicial in its actions. The Administrative Procedures Act recognizes in part the general desirability of separating prosecuting and judicial functions in regulatory commissions. But Congress felt that this separation was of even greater importance in the field of labor relations, and therefore set up the general counsel as a semi-independent prosecuting division. He merely has the right to initiate proceedings. The Board and the courts must make the final decision on the justice of his case. It is difficult to see how anyone, who, after careful examination, orders a prosecution to be instituted, can thereafter be a truly impartial judge of the correctness of his own action. The plan therefore denies the fundamental principle established by Congress that the Government shall be an impartial judge between contending interests.

As part of a general effort to compromise the proposal to repeal the law, and hoping to secure unanimous agreement from the minority in the Labor Committee, I agreed last year with great doubt to the subordination of the general counsel to the Board. But I never would have agreed to the transfer of his powers to the Chairman. It was shown at that time that severe conflict had developed between the Board and the general counsel on matters of jurisdiction. I believed then that we could take care of the matter by providing for a clearer definition of the powers of the general counsel, and a summary determination by the Board on questions of jurisdiction. We did not have time, however, to prepare the proper amendments, and I hoped that the House might do so when it came to consider the bill.

4. This plan, it seems to me, is an attempt to use the Hoover Report for political purposes and as means of nullifying the Labor-Management Relations Act of 1947. The President has just demonstrated the greatest reluctance in enforcing it. The Department of Justice is making no evident attempt at enforcement. It has taken no action on perjury in non-Communist affidavits, and little action, if any, on political contributions by labor unions. One of its opinions tends to nullify some of the definite regulations imposed by the law on welfare funds. Some of the Board's recent decisions suggest a desire to weaken the act as much as possible. The abolition of the general counsel is apparently intended to reenforce this nullification procedure.

REPRESENTATION IN UNITED NATIONS

Mr. KNOWLAND. Mr. President, I ask to have printed in the body of the RECORD a letter from Trygve Lie, Secretary-General of the United Nations, addressed to the President of the Security Council, transmitting a memorandum on the legal aspects of the problem of representation in the United Nations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER DATED MARCH 8, 1950, FROM THE SECRETARY-GENERAL TO THE PRESIDENT OF THE SECURITY COUNCIL, TRANSMITTING A MEMORANDUM ON THE LEGAL ASPECTS OF THE PROBLEM OF REPRESENTATION IN THE UNITED NATIONS

During the month of February 1950 I had a number of informal conversations with members of the Security Council in connection with the question of representation of states in the United Nations. In view of the proposal made by the representative of India for certain changes in the rules of procedure of the Security Council on this subject, I requested the preparation of a confidential memorandum on the legal aspects of the problem for my information. Some of the representatives on the Security Council to whom I mentioned this memorandum asked to see it, and I therefore gave copies to those representatives who were at that time present in New York.

References to this memorandum have now appeared in the press, and I feel it appropriate that the full text now be made available to all members of the Council. I am therefore circulating copies of this letter and of the memorandum unofficially to all members and am also releasing the text of the memorandum to the press.

TRYGVE LIE,
Secretary-General.

UN CHINA ROW—ARTICLE FROM NEW YORK TIMES

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "British Move Fails in UN China Row," published in the New York Times on March 21, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH MOVE FAILS IN UNITED NATIONS CHINA ROW—LONDON'S DELEGATE TRIES TO GET CUBA, ECUADOR, AND EGYPT TO BACK COMMUNISTS

(By Thomas J. Hamilton)

LAKE SUCCESS, March 20.—A recent attempt by Britain to break the deadlock over the admission of Communist China to the United Nations Security Council has failed to produce any result, it was disclosed today.

British circles said that Sir Terence Shone, British deputy representative, acting on instructions from Foreign Secretary Ernest Bevin, had called on the representatives of Cuba, Ecuador, and Egypt to express the British Government's concern over the deadlock, which was followed by a Soviet walkout.

These three countries were chosen because they appeared to present the best possibilities of changing their position and voting for the admission of Communist China. However, Sir Terence also presented Mr. Bevin's views to Ernest A. Gross, deputy United States representative.

ADMISSION SEEN INEVITABLE

Mr. Bevin's message, it was stated, emphasized that the admission of Communist China to the Security Council was inevitable sooner or later, and that it would be better for the Council to settle the issue rather than leave it to be decided by some minor United Nations organ. The message stated also that there was a possibility that the existence of the United Nations might be endangered if the deadlock, together with the Soviet walk-out, continued.

The conversations with the four representatives were said to have taken place 10 days ago, and Ecuador's subsequent announcement that she would abstain in the Security Council destroyed any possibility for the time being at least, that the talks would alter the situation. The United States and Cuba are standing by their decision to oppose the expulsion of Nationalist China or the admission of Communist China, and Egypt is now expected to abstain.

However, under Security Council rules an abstension on this question is equivalent to a vote against, and British circles conceded today that it would be impossible for the present to get the seven necessary votes in favor of seating the Communists. Although the British Government had just recognized the Communist regime, Britain abstained last January on a Soviet resolution to expel the Nationalists from the Security Council, holding that it was premature.

BRITAIN PLANS NO MOTION

British circles reiterated today that Britain would vote for a resolution to seat the Communists, if this would produce a majority, but said that Britain would not introduce such a resolution now because it would be "useless." They denied that Mr. Bevin's move was made to improve relations with the Communist regime, which, presumably in retaliation for Britain's abstention, has refused thus far to agree on arrangements for the exchange of Ambassadors.

Britain's abstention last January was actuated by desire to prevent the Soviet Union from using the China question as a means of creating a split between Britain and the United States on the China issue. On the other hand, Britain recognized the Communist regime to protect British trade and investments in China, and British policy thus has tried to take the two contradictory factors—the United States position and British economic interests—into account.

The prevailing belief among other delegates is that the United States, Britain, and France, as the three western powers with the largest stage in the Far East, should now develop a common policy toward China. Failing agreement by the three western powers it is now expected that the deadlock may continue until the General Assembly convenes in September.

CHINESE REPRESENTATION IN UNITED NATIONS

Mr. KNOWLAND. Mr. President, I ask to have printed in the body of the RECORD a letter of protest from the permanent representative of China to the Secretary-General of the United Nations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 13, 1950.

His Excellency TRYGVE LIE,
Secretary-General, the United Nations,
Lake Success, N. Y.

DEAR MR. SECRETARY-GENERAL: On March 8, at 4:30 p. m., 2 hours after you circulated your memorandum on legal aspects of problems of representation in the United Nations, I protested orally to you against your memorandum and reserved my right to make a further statement on it. I have now been instructed by my Government to lodge with you the formal protest of my Government.

China's struggle for freedom and national independence has a number of fronts—the Formosa front, the Hainan front, the mainland front with a number of sectors, and the UN front.

The UN front is moral in nature and is of vital importance. Success or failure on the UN front affects the decisions on the other fronts. Your memorandum is a deliberate attack on China's UN front. In time it will be recognized as also an attack on the cause of freedom throughout the world.

So long as the National Government of China continues to exist and fight the Communists, the latter are in no position to throw their full energies into expansion in southeast Asia. If the National Government of China should cease to struggle against communism in China, the Chinese Communists would then be able to throw their full power into southeast Asia. There can be no question that the spread of communism in Asia would hasten the coming of World War III. For this reason, the United Nations, founded to preserve world peace, should lend its influence to support the National Government of China. If it is too much to expect you to use your influence against communism, it is certainly not too much to expect you to remain at least neutral in this world struggle.

You think that the question of Chinese representation in the United Nations deadlocks all negotiations relating to several other important problems of the world, such as the problem of atomic energy. This problem antedates the problem of Chinese representation by 4 years. The two problems have no relation to each other. If you believe that the problem of Chinese representation is the obstacle toward a solution of the atomic-energy problem, the precedent set by the Dumbarton Oaks talks, where the foundations of the United Nations were laid, might be followed by the six sponsoring powers in their consultations on atomic energy.

The other problems which afflict the world today, such as the question of Germany, are not formally on the agenda of the Security Council or of the General Assembly.

The deadlock in the United Nations comes from the walk-out of the Soviet delegation in face of decisions made by organs of the United Nations to continue to recognize the delegation of the National Government of China. These decisions were all made according to the rules of procedure of the organs concerned. The responsibility for the deadlock is the Soviet walk-out, which is recognized by all as being illegal and a violation of the Charter. If you desire to remove the deadlock, the proper place to apply your influence is with the Soviet delegation.

Since the beginning of the United Nations, the Soviet delegation has not made a single constructive contribution to the work of the Organization. The Soviet Union has already a rival organization in the Cominform. It uses the United Nations only for the purposes of obstruction and propaganda. Nevertheless, you published a memorandum with the purpose of appeasing the Soviet delegation by sacrificing the delegation of the National Government of China.

It is for these reasons that I have ventured to characterize your memorandum as bad politics.

On the technical side your memorandum asserts that it is wrong to link the question of representation with the question of recognition by member governments. International law has nothing direct to say for or against this linkage. As practiced in the League of Nations, as well as in the United Nations, this linkage is the general rule; the few cases of nonoperation of linkage which your memorandum cited have been the exceptions. The Soviet delegation, in voting on admission of new members, specifically stressed the linkage between representation and recognition. In spite of the advisory opinion of the International Court of Justice, the Soviet veto on a number of applications for membership holds today. The Deputy Representative of the United States to the United Nations, in his press statement of March 8, made it clear that the American Government would continue to support my delegation and to vote against admission of a Communist delegation for the specific reason that the United States continued to recognize the National Government of China.

Your memorandum proposes a new criterion, namely, "whether the new government exercises effective authority within the territory of the state and is habitually obeyed by the bulk of the population." The individual governments, in deciding to accord recognition to, or withhold recognition from, a new government, must take into consideration the very criterion that you suggest for deciding on representation. In fact, recognition and representation are based on similar considerations. The linkage between recognition and representation is only natural and inevitable.

If you wish to institute "an inquiry as to whether the new government exercises effective authority within the territory of the state and is habitually obeyed by the bulk of the population," the only possible procedure, consistent with the principles of the Charter, is a fair and free election. In spite of appearances, the Communist regime in China does not have the support of the Chinese people. Its ideology and program are un-Chinese. Internationally, the Communist regime is regarded by the Chinese people as a puppet regime. Today the opposition to the Communist regime is stronger than it was a year ago. Before long the world will hear more about the hatred of the Chinese people for the Chinese Communists.

Article 100 of the charter states inter alia: "They (the Secretary-General and the staff) shall refrain from any action which might reflect on their positions as international officers responsible only to the Organization." The impartiality of the Secretary-General and his staff in all questions under controversy is one of the essential foundations of the United Nations. In the present instance you have supplied argument against my delegation and in favor of the Soviet delegation. You have destroyed public confidence in the impartiality of the Secretariat.

The question in which you have intervened was originally raised by the Soviet delegation in the various organs of the United Nations, beginning with the Security Council in Jan-

uary of this year. In every instance a positive decision was made in accordance with the rules of procedure. As Secretary-General, your duty is to execute and administer the decisions of the Councils and Commissions. It is not your duty to call into question the wisdom of the decisions of the organs of the United Nations.

On February 9 when I questioned you on your intervention in the question of Chinese representation, you promised me to refrain from any further action on the question during the next 2 or 3 months and to consult me in advance if you find it necessary to make a move at the end of the period. In circulating the memorandum, you violated your promise.

The Secretariat is free to circulate data papers to furnish background information on any question under debate. Your memorandum is, however, certainly not a data paper and was not circulated in the way that data papers are usually circulated, that is, simultaneous distribution to all members of the body for which the data paper is prepared.

My Government do not wish to put a narrow interpretation to article 99 of the charter, which is the only article that assigns a sphere of political action to the Secretary-General. That article authorizes the Secretary General to bring to the attention of the Security Council any matter which in his opinion would threaten the maintenance of international peace and security. Nobody can believe that the question of Chinese representation may threaten the maintenance of international peace and security. Even if it were such a matter, you should not have circulated a secret memorandum to a limited number of the delegates to the Security Council, excluding the delegation which is most directly concerned.

For these reasons, your memorandum and the mode of its circulation constitute bad law.

Today, with such bad politics and bad law, you have intervened against the interests of my country; tomorrow you can do the same thing against the interests of other countries. The organization of international security is vitiated by an element of insecurity at its very center, particularly for the smaller and weaker countries.

I request that this letter be circulated among the delegations in the same way that your memorandum was circulated.

Yours respectfully,

TINGFU F. TSIANG,
Permanent Representative of China to the United Nations.

The VICE PRESIDENT. Are there any further routine matters? If not, the Senator from Illinois is recognized.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, I make a point of order with reference to the conference report on House Joint Resolution 398.

The VICE PRESIDENT. A point of order would not lie until the conference report is before the Senate.

Mr. ELLENDER. I ask unanimous consent that the Senate proceed to the consideration of the conference report on House Joint Resolution 398, with the understanding that the distinguished Senator from Illinois will not lose the floor.

The VICE PRESIDENT. While the conference report is a privileged matter, a Senator who has the floor cannot be taken from the floor unless he agrees to the consideration of the conference report. Does the Senator from Illinois yield for the purpose of taking up the conference report, with the understanding that he does not lose the floor?

Mr. DOUGLAS. I shall be very glad to yield time not exceeding 30 minutes for consideration of the conference report, provided it is understood that at the end of that time I do not lose my right to the floor.

Mr. ELLENDER. I doubt that it will take more than 5 minutes to dispose of the conference report, Mr. President.

Mr. WILLIAMS. Mr. President, I know it will take more than 5 minutes to dispose of the conference report. If the Senator from Illinois limits the time to 30 minutes, I suggest that he proceed with his speech, because consideration of the conference report will take longer than 30 minutes.

The VICE PRESIDENT. The Senator from Illinois may yield for that purpose such time as he wishes to yield.

Mr. ELLENDER. Does the Senator from Illinois yield?

Mr. DOUGLAS. Yes; with the understanding that I mentioned.

Mr. ELLENDER. I renew my request, Mr. President.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report, which is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the joint resolution, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"'(4) Any part of the acreage allotted for 1950 to individual farms in any county under the provisions of this section which will not be planted to cotton and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments to the extent necessary to provide such farms with the allotments authorized under paragraph (5) of this subsection. If any acreage remains after providing such allotments, it may be apportioned in amounts determined by the county committee to be fair and reasonable to other farms in the same county receiving allotments which the county committee determines are inadequate and not representative in view of their past production of cotton and to new farms in such county. No allotment shall be made, or increased, by reason of this paragraph to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. Any transfer of allotment under this paragraph shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except in accordance with paragraph (1) (B) and the proviso in paragraph (2) of this subsection: *Provided*, That any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm and may be reapportioned in the manner set forth above. In any subsequent year, unless hereafter otherwise provided by law, acreage surrendered under this paragraph and reallocated pursuant to applications filed in accordance with the provisions of paragraph (5) of this section shall be credited to the State and county in determining acreage allotments.

"'(5) Notwithstanding any other provision of law and without reducing any farm acreage allotment determined pursuant to the foregoing provisions of this subsection, each farm acreage allotment for 1950 shall be increased by such amount as may be necessary to provide an allotment equal to the larger of 65 per centum of the average acreage planted to cotton (or regarded as planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) on the farm in 1946, 1947, and 1948, or 45 per centum of the highest acreage planted to cotton (or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress) on the farm in any one of such three years; but no such allotment shall be increased by reason of this provision to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. An increase in any 1950 farm acreage allotment shall be made pursuant to this paragraph only upon application in writing by the owner or operator of the farm within such reasonable period of time (in no event less than fifteen days) as may be prescribed by the Secretary. The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this paragraph shall not be taken into account in establishing future State, county, and farm acreage allotments.

"'(6) Notwithstanding any other provision of law, the Secretary shall use not more than 50,000 acres (which shall be in addition to the national acreage allotment) for the purpose of making emergency cotton acreage allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by the insects known as "green bugs." Such acreage shall be allocated under regulations promulgated by the Secretary, shall provide for a cotton allocation and marketing quota for the 1950 crop only, and shall not be considered as giving to any farm, county, or State any credit or history for the purposes of cotton allocations in any subsequent year: *Provided*, That in no event shall any farm be allotted more than one acre of cotton under the provisions of this section for each two acres of other crops which have been destroyed.'

"SEC. 2. Notwithstanding the provisions of section 363 of the Agricultural Adjustment Act of 1938, any farmer who is dissatisfied with his farm acreage allotment for the 1950 cotton crop may, within fifteen days after mailing to him of notice as provided in section 362 of that Act, or within fifteen days after the effective date of this resolution, whichever date is later, have such allotment reviewed in accordance with the provisions of said Act.

"SEC. 3. Notwithstanding any other provision of law, Irish potatoes acquired under the 1949 price support program shall, if the Secretary of Agriculture determines such action

necessary to prevent their loss through destruction, deterioration, or spoilage before they can be disposed of more advantageously than as herein provided, be made available under such terms and conditions as he deems appropriate and in the public interest (including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section) to school-lunch programs, the Bureau of Indian Affairs, Federal, State, or local public welfare organizations, private or international nonprofit welfare organizations, penal institutions, and nonprofit hospitals; except that, in the case of disposition to private or international nonprofit welfare organizations for the assistance of needy persons outside the United States, the transportation and handling costs to be borne by the Government shall be limited to the movement of such potatoes to the nearest port. Any such agency or institution desiring to acquire surplus potatoes shall make application to the Secretary of Agriculture.

"SEC. 4. No price support shall be made available for any Irish potatoes of the 1950 crop harvested after the enactment of this joint resolution unless marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, are in effect with respect to such potatoes. Price support shall be limited to (1) those potatoes produced by eligible growers which, under the terms of any marketing order, may be marketed or transported in the normal channels of domestic commerce, plus (2) such additional potatoes as the Secretary determines necessary to include in order to avoid discrimination between producing areas. Notwithstanding the foregoing provisions, if the Secretary of Agriculture determines that sufficient time is lacking for the development and issuance of a marketing order for any area prior to the beginning of the marketing season for such area or that a marketing order is not practicable for any area, he may make price support available for potatoes grown in such area. If price support is made available for potatoes in any area in which a marketing order is not in effect, such price support operations shall be limited to (1) potatoes produced by eligible growers which may be marketed or transported in the normal channels of domestic commerce in compliance with such marketing practices as the Secretary of Agriculture may prescribe, plus (2) such additional potatoes as the Secretary determines necessary to include in order to avoid discrimination between producing areas.

"SEC. 5. For the crop year of 1951 and thereafter no price support shall be made available for any Irish potatoes unless marketing quotas are in effect with respect to such potatoes.

"SEC. 6. (a) That section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subsections:

"'(g) Beginning with the 1950 crop of peanuts, payment of the marketing penalty as provided in subsection (a) will not be required on any excess peanuts which are delivered to or marketed through an agency or agencies designated each year by the Secretary. Any peanuts received under this subsection by such agency shall be sold by such agency (i) for crushing for oil under a sales agreement approved by the Secretary; (ii) for cleaning and shelling at prices not less than those established for quota peanuts under any peanut diversion, peanut loan, or peanut purchase program; or (iii) for seed at prices established by the Secretary. For all peanuts so delivered to a designated agency under this subsection, producers shall be paid for the portion of the lot constituting excess peanuts, the prevailing market value thereof for crushing for oil, less the estimated cost of storing, handling, and selling such peanuts: *Provided*, That for the 1950 crop if the Secretary determines that the supply of any type of peanuts is insufficient to meet the demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for such purposes, the Secretary shall permit the sale, for cleaning and shelling, of the excess peanuts of such type so delivered. Such sales shall be in quantities necessary to meet such demand and at prices not less than those at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for cleaning and shelling. The proceeds received from the sale of such peanuts of such type for cleaning and shelling shall, after deduction of the price paid to producers and other costs incurred in connection therewith, including estimated cost of proration, be prorated proportionately among all of the producers delivering excess peanuts of such type to designated agencies under this section. Any person who, pursuant to the provisions of this subsection, acquires peanuts for crushing for oil and who uses or disposes of such peanuts for any purpose other than that for which acquired shall pay a penalty to the United States, at a rate equal to the marketing penalty prescribed in subsection (a), upon the peanuts so used or disposed of and shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both, for each and every offense. Operations under this subsection shall be carried on under regulations prescribed by the Secretary.

"'(h) For the purposes of price support with respect to the 1950 and subsequent crops of peanuts, a "cooperator" shall be (1) a producer on whose farm the acreage of peanuts picked or threshed does not exceed the farm acreage allotment, or (2) a producer on whose farm the acreage of peanuts picked or threshed exceeds the farm acreage allotment provided any peanuts picked or threshed in excess of the farm marketing quota are delivered to or marketed through an agency or agencies designated by the Secretary pursuant to subsection (g) in accordance with regulations prescribed by the Secretary.

"'(i) The provisions of subsections (g) and (h) of this section shall not apply with respect to any crop when marketing quotas are in effect on the corresponding crop for soybeans.'

"(b) That the third sentence in paragraph (d) of section 358 is amended to read as follows: 'Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years.'

"SEC. 7. Notwithstanding any other provision of law, for 1950, the peanut acreage allotment for any State shall not be reduced by a percentage larger than the percentage by which the 1950 national acreage allotment is below the 1949 national acreage allotment. The allotment for any State shall be increased to the extent required to provide such minimum State allotment and such acreage required shall be in addition to the national acreage allotment. The additional acreage authorized by this section shall not be taken into account in establishing future acreage allotments."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the joint resolution, and agree to the same with an amendment as follows: Amend the title so as to read: "Joint resolution relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price support for potatoes."

And the Senate agree to the same.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLYDE R. HOEY,
EDWARD J. THYE,
Managers on the Part of the Senate.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
Managers on the Part of the House.

Mr. ANDERSON. Mr. President, I make a point of order against the conference report on the basis the language which appears in paragraph 6, page 2. I submit that under Senate rule 27 this is new matter. Paragraph 6 provides that 50,000 acres of cotton are to be allocated to any area where green bugs have consumed the growing crop. Aside from the fact that there are many varieties of green bugs, I point out that this is land which is now in winter wheat, and if there is a destruction of winter wheat it is proposed to make an emergency allocation of 50,000 acres of cotton. Mr. President, nothing similar to that is in any law, and nothing similar to that was in any Senate or House bill. It is completely foreign to the allocation of cotton to make emergency allocations for the relief of farmers who may have suffered losses on their winter wheat crop. Mr. President, I suggest that the provision is wholly out of order in the bill, and that the bill should be returned to conference, under the rule.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I point out that the proposed allowance for the growing of 50,000 acres additional cotton will apply almost wholly to the State of Oklahoma and that there is no comparable provision allowing the growing of other crops in areas where wheat is affected by green bugs, outside the Cotton Belt.

Mr. ANDERSON. That is correct; but to me the important point is that the provision deals with wheat acreage. It is in a cotton acreage bill or a peanut acreage bill, and there is nothing in the Senate or House bill that would permit the inclusion in it of a provision dealing with losses incurred in winter wheat.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. I wish to state, Mr. President, that I raised that point in conference. I was of the opinion then as I am now, that the amendment is new matter and should not have been included in the bill agreed to in conference. In order to save time I now ask that the question be submitted to the chair for adjudication.

The VICE PRESIDENT. Does any other Senator desire to speak on the point of order?

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WILLIAMS. Would remarks on the conference report itself be in order at this time?

The VICE PRESIDENT. They would not. Any debate relating to the point of order is in the discretion of the Chair. The Chair does not desire to hear either arguments or statements not relating to the point of order at this time.

Mr. WILLIAMS. I should like to speak to the conference report, not to the point of order.

The VICE PRESIDENT. That is probably on the merits of the conference report.

Mr. ANDERSON. Mr. President, I hope there will be no remarks addressed to the conference report itself. The distinguished Senator from Louisiana has greed that we will not go into that question now, by reason of the agreement heretofore entered into with the distinguished Senator from Illinois [Mr. DOUGLAS].

Mr. ELLENDER. That is the reason, Mr. President, I suggested that the discussion should not require more than 5 minutes.

The VICE PRESIDENT. Under the rules of the Senate, when a substitute for a House bill is adopted by the Senate, and the matter goes to conference, there has always been allowed a little more leeway, either in the House or Senate, in the adoption of modifications to the bill by conferees. But the rule specifically provides, even in that case, that no matter not contained in either bill shall be admitted by the conferees. Reasonable modifications which are germane to a provision either of the House or the Senate measures or to a complete substitute may be included in a report by the conferees. But extraneous matter which is wholly beyond the purview of the conferees, which is not contained in either the House bill or the Senate substitute, may not be included in the conference report. Neither the House bill nor the Senate substitute had any reference whatever to an allotment of land on account of green bugs. So that seems to the Chair to be a complete and new provision in the conference report. Therefore, the Chair sustains the point of order.

Mr. ELLENDER. Mr. President, I move that the Senate further insist on its amendments, ask a further conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The VICE PRESIDENT. Without objection, the motion is agreed to, and the Chair appoints the Senator from Oklahoma [Mr. THOMAS], the Senator from Louisiana [Mr. ELLENDER], the Senator from Illinois [Mr. LUCAS], the Senator from North Carolina [Mr. HOEY], the Senator from Vermont [Mr. AIKEN], the Senator from North Dakota [Mr. YOUNG], and the Senator from Minnesota [Mr. THYE], conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. RALPH E. CHURCH, late a Representative from the State of Illinois, and transmitted the resolutions of the House thereon.

URGENT DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield, in order that the distinguished senior Senator from Tennessee [Mr. MCKELLAR] may bring before the Senate a conference report on House bill 7207, making appropriations to supply urgent deficiencies in certain appropriations?

Mr. DOUGLAS. I shall be glad to do so; I think it will be a delightful interlude.

Mr. MCKELLAR. Mr. President, I thank the Senator from Illinois very much.

I submit a conference report on House bill 7207, making appropriations to supply urgent deficiencies in certain appropriations, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 15, 17, 18, 19, and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 14, and 21, and agree to the same.

The committee of conference report in disagreement amendments numbered 4, 12, 13, and 16.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,
Managers on the Part of the Senate.

CLARENCE CANNON,
JOHN H. KERR,
ALBERT THOMAS,
JAMIE L. WHITTEN,
JOHN TABER,
R. B. WIGGLESWORTH,
KARL STEFAN,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the request for the immediate consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MCKELLAR. Mr. President, I move the adoption of the report.

Mr. LONG. Mr. President, I should like to ask the distinguished Senator what change has been made on page 4, in line 21 of the bill. It is my impression that the conference report reduces the figure of $4,000,000 to $1,000,000 at that point. The amendment affected by that change was submitted by the Senator from Louisiana, and it provides funds for emergency flood-control work which must be done.

Mr. MCKELLAR. That is true. The Senate voted $4,000,000 for the emergency control work, but the House conferees were adamant. The best we could possibly get was an allowance of $1,000,000. It is understood that this item can be taken up later on, in connection with the next deficiency appropriation bill.

Mr. LONG. Do I correctly understand that there will be a subsequent deficiency appropriation bill?

Mr. MCKELLAR. Yes; there will be a later bill.

Mr. LONG. And do I also correctly understand that the emergency work of this sort which must be done will be considered in connection with that later bill?

Mr. MCKELLAR. The Senator is correct about it; there will be a later bill.

Mr. LONG. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MCKELLAR. I yield.

Mr. MILLIKIN. In the bill as it was passed by the Senate there was an authorization for $4,000,000 for forest pest control, and in the same general connection there was also an additional item of $2,500,000. Those items included the control of beetles which are destroying our western forests. That is a problem of special urgency in the State of Colorado, where vast damage has already been done. I understand that the same problem exists in other forest areas.

The distinguished senior Senator from Colorado [Mr. JOHNSON] is not now in the Chamber; but I know that if he were here, he would join in my request for information as to why that item was dropped from the conference report.

Mr. MCKELLAR. It was not dropped. What happened was that the Senate adopted such an amendment. By the way, as the bill was originally passed by the House of Representatives, it did not contain such a provision. But in the Senate committee, and subsequently in the Senate, an appropriation of $4,500,000 was voted for the control of forest pests, including spruce budworms and other pests. But the conferees on the part of the House were adamant in regard to that item. We simply could not get more than the $750,000.

Mr. MILLIKIN. Mr. President, I should like to ask the distinguished Senator from Tennessee whether the senior Senator from Colorado and the junior Senator from Colorado and possibly other Senators who are interested in the matter may hope that we can bring up this matter again.

Mr. MCKELLAR. I think that unquestionably it should be brought up again. The committee was very doubtful whether $750,000 would be sufficient to permit the performance of the work that is required to be done. Undoubtedly, if it is not sufficient, when the matter is brought up again a further appropriation will be voted by the Senate.

Incidentally, let me say that the members of the conference committee on the part of the House of Representatives rather indicated that if the pests were still a problem or if this amount were found to be insufficient, they would give the matter their very best consideration at the time of the next appropriation bill.

Mr. MILLIKIN. That is very heartening, because this is truly an emergency. We are losing vast areas of fine forest land through lack of sufficient funds to bring about control of pests which are devastating the forests.

Mr. McKELLAR. The evidence before the Senate committee was to that effect; at least, it convinced me, and I think it convinced the other members of the committee. We did not have a great deal of trouble in having the Senate adopt the amendment providing for a larger appropriation for this item. But in the conference we had to yield in part to the House.

Mr. MILLIKIN. The junior Senator from Colorado feels heartened by the Senator's assurance that the matter can be brought up at the time of the next deficiency appropriation bill.

Mr. McKELLAR. Yes; I invite the Senator to come before the committee, and the clerk of the committee will notify the Senator when to come.

Mr. MILLIKIN. It is always a pleasure to be there, and we shall be delighted to bring up this matter later, when we hope it will also receive the favorable consideration of the House.

Mr. McKELLAR. We shall do our best.

Mr. MILLIKIN. Mr. President, will the Senator yield for a further question?

Mr. McKELLAR. I yield.

Mr. MILLIKIN. I notice the committee dropped the item for the San Luis Valley project in Colorado, in the sum of $630,000, involving the completion of a dam, the construction of which is under way. There is real need for getting ahead with the work. I was wondering, on behalf of myself and the senior Senator from Colorado, what happened to it?

Mr. McKELLAR. It had not passed the House originally, and the House conferees were unwilling to agree to it. The best we could get out of them was a compromise agreement to take it up in connection with the second deficiency bill, which will probably pass and be in conference about May 1. I think it would be very wise, if the Senator would come before the Senate committee at that time to make a further statement about it.

Mr. MILLIKIN. May I indulge the reasonable hope that the Senate committee again will give us the same solicitous attention they did before?

Mr. McKELLAR. I should think there would be no doubt about it.

Mr. MILLIKIN. May I ask the distinguished Senator whether he feels that, when the item comes before the House again, the prospects of getting it through are not too gloomy?

Mr. McKELLAR. I am hopeful, and that is all I can say until action is taken.

Mr. MILLIKIN. I deeply appreciate the responses of the distinguished Senator, and I know that my own gratitude over his courtesy would be shared by the senior Senator from Colorado, if he were present.

Mr. HOLLAND. Mr. President, I regret to note that apparently the item for the accomplishment of speedy repairs to the levees around Lake Okeechobee, which were eroded very heavily in the storms last fall, has been stricken from the bill by the conference committee. The Senate will recall that the item was for $1,000,000, and that the distinguished chairman of the Appropriations Committee, along with the Senator from Florida, strongly supported the item when it was under consideration by the Senate.

I should like to ask the distinguished Senator at this time—and my question is not only on my own behalf, but also on behalf of my senior colleague, who is equally concerned about the matter—whether there is an unalterable opposition on the part of the House conferees, or whether they are merely asking that the matter come up in the next deficiency hearings, to be considered upon the supplemental estimate, which the Senator will remember came in too late for hearing before the House committee, as the first deficiency measure was being considered by the House committee?

Mr. McKELLAR. I may state to the Senator that the Lake Okeechobee item is in substantially the identical situation of the San Luis Valley project of Colorado and the Lewiston Orchards project in Idaho. The House Members were not obdurate about it in the least. They even suggested it might be best to give it consideration in the second deficiency appropriation bill. I am sure that that is what will be done. I may say to the Senator, as I said to the Senator from Colorado, I am hopeful of having it included in the next bill. It will certainly go into the next bill on the Senate side.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. McKELLAR. I am glad to yield.

Mr. DWORSHAK. I should like to have information regarding amendment No. 13, relating to the control of forest pests. The Senate provided an appropriation of $4,500,000. What was the final compromise on it?

Mr. McKELLAR. Seven hundred and fifty thousand dollars.

Mr. DWORSHAK. As the entire amount?

Mr. McKELLAR. As the entire amount.

Mr. DWORSHAK. Will the Senator kindly advise me what was done with the two items in the Senate bill providing $270,000 for the mountain-pine beetle in eastern Idaho and western Wyoming?

Mr. McKELLAR. They were omitted. The House conferees would not agree to them at all.

Mr. DWORSHAK. It is difficult for me to understand why those two deletions were made, because they wholly and completely deal with timber in forests owned by the Federal Government. It so happens that last September I made an inspection tour of 3 days in the area affected by one of the items. I saw many thousands of valuable pine trees dying because of the insidious attacks of pine beetles. If there is to be a loss of several millions of dollars in valuable pine forests owned by the Federal Government, it certainly does not appear to be justified at this time to eliminate the small appropriation of an emergency nature, and then have the Federal Government experience excessive losses later on.

Mr. McKELLAR. That was the argument of the Senate conferees. The Senator from Arizona [Mr. HAYDEN], who, I note, is in the Chamber, gave his attention to this matter. In conference all the Senate conferees insisted very strongly upon the Senate amendment, but the item as it appears in the report was the best we could get. We have hope for a better result in the future in connection with the second deficiency bill.

Mr. HAYDEN. Mr. President, if I may interrupt, the Senate conferees urged that the entire amount was supported by a budget estimate; but it was not included in the original budget estimate submitted to the House in connection with this particular deficiency appropriation bill. Therefore it had not been considered by the House committee. We were told that immediately after the Easter recess the House would take up a further deficiency bill, and that at that time, with a budget estimate for these items, they would be given careful consideration; but, not having been considered by the House committee, and having only general information, they felt they would not be justified in agreeing to these appropriations which had been approved by the Senate.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. McKELLAR. I will yield in a moment. I suggest to the Senator, though I do not know that he needs any suggestion at all, that if I were in his place, I should certainly see that the budget estimate was presented to the House and its Appropriations Committee. It would make our way very much easier indeed, and I believe it would result in getting an appropriation as the Senator desires.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. DWORSHAK. I appreciate the assurance on the part of the distinguished chairman of the Senate Committee on Appropriations, but I also want to stress the point that it was very vital that the appropriation be included in the urgent deficiency bill, because it is necessary for the Forest Service officials to make their plans early in the spring to combat the pine beetle. If there were a delay until May or June, and a comparable appropriation were then made available, it probably would defeat the entire program of the Forest Service for the current calendar year.

Mr. McKELLAR. I may say to the Senator that is exactly what was argued by the Senate conferees before the conference committee. But the Senator has

served on conference committees, and he knows it is a question of give and take. They were simply against it, and that is all there was to it, as my friend, the Senator from Arizona, knows, since he also was on the conference committee.

Mr. DWORSHAK. I appreciate the attitude on the part of the Senators from Tennessee and Arizona. Having served on the Appropriations Committee, I appreciate that sometimes difficulties are encountered in the matter of procedure which make it hard to defend a certain position. I regret very much that the conferees agreed to submit a report with those two deletions. In the final analysis, the Federal Government will save a few thousand dollars now, but later many millions of dollars of valuable pine owned by the Government will probably be jeopardized.

Mr. TAYLOR. Mr. President, I should like to make a brief statement relative to the conference report which is under consideration. I cannot refrain from expressing my disappointment with reference to certain items which have been deleted from the urgent deficiency appropriation bill, as to which, if the appropriation had been made, we would save far greater expenditures in the future. For example, the Lewiston orchard project in Idaho has been under construction for several years. On a number of occasions the work has come to a standstill because of appropriations running out. There is a reclamation office located there which has to be continued at an expense of several thousand dollars a month. The contractors remove their equipment and have to come back again. If we could have the amount which had been approved by the budget, $245,000, I believe, we could have finished the project. As it is, the appropriation will again run out, the contractors will remove their equipment, and there will have to be many thousands of dollars appropriated with which to finish the project. One contractor, rather than see the taxpayers suffer the extra expense of his removing his equipment, went ahead and finished his contract at an expense of $60,000, out of his own pocket. He will have to wait for his money. He is not a rich man. He is a small contractor, and will have to carry the burden for the taxpayers.

Relative to the fund for insect-pest control, I cannot see the wisdom of permitting our forests to be killed by insects, when an appropriation of a few hundreds of thousands of dollars at the present time could save an expenditure of millions of dollars later on. It will be fruitless at that time.

There is another item which I should like to mention, while I am on my feet. There is a new poisonous weed which has made its appearance in the West, called halogeton. It is said to have come from central Asia. If I were one who saw red behind every bush, I might say the Reds had sent it over to this country to cause us further consternation, because this particular weed is a terrible killer. It is getting started, and if we could get an appropriation for its eradication, for which I am going to ask in connection with the next deficiency bill, although I am not very much encouraged after the deletion of the other items which I have mentioned——

Mr. McKELLAR. It was not before either House. I invite the Senator's attention to the fact that $750,000 was appropriated for the eradication of the budworm, the bark beetle, and other insects which have been mentioned. We shall do the best we can when the question comes up again.

Mr. TAYLOR. I should like to continue for a moment, if the Senator will permit me. It is difficult to get all Senators here at once, and I may talk to some Senators at this time to whom I may not be able to talk at another time.

Only an expert can distinguish halogeton from the ordinary thistle. It is very poisonous. Thirteen hundred sheep got into a patch of it and 1,000 of them died within 2 hours, the rest of the herd died when the rancher got them back to his home ranch, and he was wiped out.

I am in favor of economy, Mr. President, but I think we would do well to build up our own country and preserve our own natural resources. I am more convinced as time goes on that when a show-down occurs and it comes to a matter of a shooting war, which I hope will not happen, we are going to have to depend on our own resources to back the men in the field. They are going to be our men, if we are to accomplish anything worth mentioning. I am hopeful that the Congress will, by some miracle, get over the idea of economizing on everything which is for the benefit of our people in order to build up our country and conserve our resources and make us strong. We hardly ever say a word against appropriating any number of millions of dollars to be given to Chiang Kai-shek so he can buy an estate in Virginia, or to be sent to Indochina for a fake government over there, or to all the other places around the world in which we are building up armaments for a potential enemy to take over.

That is the way I feel about it, Mr. President, and I wanted to get it off my chest at this time.

Mr. McKELLAR. I think the Senator had better take it up with the House committee and get it off his chest, because that committee is the one which is standing in his way.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7207, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
March 20, 1950.

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 4 to the bill (H. R. 7207) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, and concur therein:

That the House recede from its disagreement to the amendment of the Senate No. 12 and agree to the same with an amendment, as follows: In line 6 of the matter inserted by said amendment, strike out "$2,200,000" and insert in lieu thereof "$1,000,000"; in line 7 of the matter inserted by said amendment beginning with the semicolon, strike out all down through and including the word "six" in line 10.

That the House recede from its disagreement to the amendment of the Senate No. 13 and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$750,000."

That the House recede from its disagreement to the amendment of the Senate No. 16 and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,000,000."

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 12, 13, and 16.

The motion was agreed to.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. DOUGLAS. Mr. President, I yield 5 minutes to the distinguished senior Senator from New York [Mr. IVES], with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the Senator can yield 5 minutes only by unanimous consent.

Mr. DOUGLAS. I ask unanimous consent that I may yield 5 minutes to the distinguished senior Senator from New York.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and the Senator from New York may proceed.

AMERICAN POLICY IN THE NEAR EAST—ISRAEL AND THE ARAB COUNTRIES

Mr. IVES. Mr. President, this Nation's policy toward Israel has never been distinguished by its consistency. On the contrary, that policy has been so characterized by repeated reversals of position and shifts of purpose that "vacillating" has been the term most often used to describe it.

We now have at hand fresh evidence that our policy with respect to the Israeli-Arab conflict remains marked by its habitual inconsistency. This evidence is provided by our State Department's attitude with regard to the rearmament of the Arab nations by Great Britain.

When, on August 4, 1949, the United Nations Security Council voted to lift the arms embargo previously imposed on the states involved in the fighting in Israel, the Honorable Warren Austin, American Delegate to the Security Council, gave solemn assurance that it was not the policy of this Nation to tolerate any development in the matter of supplying arms to the nations of the Middle East, which would foster an armaments race in that part of the world. Said Ambassador Austin at that time:

> So far as the United States is concerned, it does not intend to allow the export of arms which would permit a competitive arms race in the area.

This statement presumably represented official American policy as of August of last year. It was a policy apparently concurred in by the British Government,

whose Security Council representative stated:

> We, for our part, would not be in favor of middle eastern states acquiring war matériel in excess of their legitimate defense requirements.

Since that time, the states of Egypt, the Hashemite Kingdom of Jordan, and Iraq—the very states which were the most active and aggressive participants in the Arab war on Israel—have secured from Great Britain quantities and types of arms and armaments which patently are far beyond what is demanded by the requirements of the maintenance of internal security and of reasonable self-defense. It is reported reliably that whole squadrons of the latest model jet planes, substantial shipments of heavy artillery, and large numbers of powerful tanks are pouring into these states from the United Kingdom in ever-increasing quantities. Moreover, the receipt of this war matériel is being accompanied by open references to a "second round" and inflammatory threats of throwing the Jewish people into the sea.

The result of such a situation is that the new State of Israel, quite understandably alarmed, is seeking to bolster its own military defenses. An armaments race has in fact, and contrary to the pious expressions of the official representatives of this nation and Great Britain last August, been allowed to develop.

The State Department is now citing as justification for its supine acquiescence in the British rearmament of the Arab states the strategic importance of the Middle East in the cold war between the western nations and the U. S. S. R.

If that is now our official position, we can clearly see that an even more absurd inconsistency has arisen from the conduct of our affairs in the Middle East.

Is not the State of Israel in this strategic region? Is not Israel as important a global crossroads as Jordan, or Iraq, or Syria? Does not Israel, therefore, warrant at least a part of that consideration which is being so lavishly bestowed by the west on the Arab states?

Great Britain sells new weapons to old customers, but refuses arms and training facilities to Israel. And the American State Department persists in interfering with the purchase of war matériel here by that state, in the creation of which we played such a conspicuous role. Is this consistent, or even sensible? Certainly neither the negative part of the Arab states in World War II nor their record in their aggressive war on Israel can justify such gross discrimination on the basis of military considerations.

The last thing that the new state of Israel desires is a renewal of the conflict with her Arab neighbors. Israel has neither the time, the resources, nor the inclination for war. Ever since the termination of hostilities, the Israeli leaders have been stressing Israel's need for a peace which will permit her to attack the almost overwhelmingly difficult problems which beset her.

If, however, Israel sees all around her the Arab nations girding for a second round, she must, of course, rearm, too. Obviously, no alternative exists. Any other course would be the way to national suicide.

If, for reasons of global strategy, we are to condone and encourage the rearmament of the Arab states of the Middle East, it should be apparent even to the most unmilitary layman, or to the Department of State of the United States, that our policy should be to permit Israel the same degree of rearmament. A preponderance of military strength by either party to the conflict within the Middle East may mean all-out war within that important region—war which, it is generally agreed, would benefit no nation except the Soviet Union.

For all these reasons, therefore, I insist that it is only equitable and realistic for our State Department to adopt a more affirmative position on this question than it has demonstrated thus far. Arms must be made available to Israel just as they are being placed at the disposal of the Arab states. Both our boasted spirit of fair play and our intelligent self-interest demand it.

I thank the able Senator from Illinois.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. IVES. The Senator from New York does not have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor. Does the Senator from Illinois yield to the Senator from Maine for the purpose of asking a question of the Senator from New York?

Mr. DOUGLAS. I ask the Senate's consent to yield for a brief period of time so that the Senator from Maine may address a question to the Senator from New York.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Maine may proceed.

Mr. BREWSTER. I did not hear all of the Senator's remarks, and he may have referred to the point which I have in mind. If so, I wish to apologize. However, in connection with the furnishing of arms, which is being done, as the Senator from New York knows, to Egypt, Iran, and Iraq, but not to Israel, did the Senator from New York call attention to, or does he see any significance in the fact that during the last war, when the German invaders were at the very gates of Cairo, the Egyptians refused even then to raise a gun or fire a shot?

Mr. IVES. In reply to the question of the Senator from Maine, the Senator from New York would say that he did not make specific reference to that point, but did make reference to the general attitude of the Arab states during the war, which indicated that that had been their general over-all attitude.

Mr. BREWSTER. Would that not be indicative of the fact that we would be rearming countries which, even when their own borders were invaded by an enemy determined to dominate them, would not raise a gun in their own defense, and that we would be apparently calmly assuming that they would be one of the bulwarks of our defense, and were to be the custodians of some of our most indispensable raw materials?

Mr. IVES. That was the essence of the remarks made by the Senator from New York, and the Senator from New York is grateful to the Senator from Maine for his observations. The Senator from New York again thanks the distinguished Senator from Illinois.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. DOUGLAS. Mr. President, when I secured the floor late yesterday I was faced with the fact that except for the brief opening statement made by the Senator from Colorado [Mr. JOHNSON], the proponents of the Kerr bill had not advanced any direct, coherent, or connected series of arguments for their measure. While we have had three full days of debate upon the Kerr bill, the proponents have apparently been sitting back and not presenting their case. Seven opponents of the measure have taken the floor and, as they have done so, have been subjected to a barrage of questioning. But, aside from the senior Senator from Calorado, the proponents of the measure have not themselves presented arguments for the bill in any coherent and concrete manner.

Mr. President, I shall not presume to pass judgment as to why the supporters of this proposed legislation have not taken the floor in defense of this measure. In any event, yesterday afternoon I felt that in the interest of clarity, fair play, and Christian charity, I should devote my time then to stating the arguments which might be advanced in support of the Kerr bill. In the time which I then had available, I was able to take up only two arguments which the proponents of this bill might advance; namely, first, that it was designed to end confusion; and, second, that the Kerr bill is sharply differentiated from the Moore-Rizley bill of unhappy memory. I tried to state those two arguments accurately and fairly. But, inasmuch as those two contentions are, to my mind, unsound and lead to wrong conclusions, I also felt compelled to show the fallacy of those arguments.

Mr. President, I am prepared either this afternoon or at a later date to mention other arguments in support of the bill and, in a similar fashion, to show their incorrectness, should the proponents of the bill continue to be coy. It is sometimes valuable to inoculate a person with a small dose of the disease against which one is trying to protect him, in order that his system may become immune to further attack. Should the proponents of this measure continue to hold back and not present their arguments, I may be compelled to hold the floor for a brief additional time on their behalf, and then to try as best I may to demolish the arguments which they themselves should have brought forward.

But, Mr. President, today I should like to discuss this measure itself and to indicate the reasons why in my judgment it is a bad bill and why the Senate should not pass it, and why, if by any chance the

Senate does pass it, the President of the United States should veto it.

ISSUE WELCOMED

Let me say, to begin with, Mr. President, that I am glad that this bill proposed by the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], and reported by the junior Senator from Texas [Mr. JOHNSON], is now presented to Congress for decision. I believe this is a matter of public policy for the legislative branch of our Government to determine, and that it is far too important for us to leave to administrative agencies with their shifting personnel and at times their somewhat changing viewpoints.

I happen to believe that the Senators from Oklahoma and Texas are mistaken in wanting to exempt from regulation the price of gas which is charged by producers and gatherers who are not affiliated with the pipe lines. In my judgment this group might better be termed "nontransporting producers and gatherers," rather than independent producers, inasmuch as the word "independent" suggests that they are companies small in size or individuals in overalls, which they distinctly are not. The nontransporting producers and gatherers, as I shall show in the course of my address, are, in the main, the big oil and gas companies, subsidiaries and affiliates of Standard Oil, Shell, Gulf, Skelly, Phillips, Republic, and so on. The attempt to put overalls on these companies and to dress them up as independents is at variance with the facts. So, Mr. President, in the interest of clarity of language—I believe, semantic clarity—I suggest that we should refer to this group not as "independents," but as nontransporting producers and gatherers. It is in that sense that I shall speak of them.

Mr. President, I have a somewhat lengthy speech, divided into a series of issues, and I know that the proponents of the measure, though they may be coy about taking the floor directly, are expert and pertinacious in questioning. I suggest to them that I shall be very glad to yield at the conclusion of each one of the subdivisions of my address, and to submit to questioning on the subject matter of the subdivision completed. But I hope that I may be permitted to develop a coherent argument within each subdivision and then, after a decent period of time has passed in questioning on one subdivision, that I may pass to another. In order to be perfectly fair to those who are proposing the bill, I should like to place in their hands now the first subdivision which I shall discuss, covering the basic issues involved, so that they may follow me as I proceed, so that their questioning may be closer and more precise. I shall appreciate it if the distinguished junior Senator from Oklahoma and the distinguished junior Senator from Texas, if they are in the Chamber, may now listen to the first part of my speech, so that their questioning may be even more vigorous than it would be otherwise.

BASIC ISSUES INVOLVED

Mr. President, what are the basic issues which are involved in the bill? I think it will be shown that natural gas is basically dissimilar to coal, oil, copper and other raw materials since all elements in the industry from the producers and gathers through the pipe-line companies to the distributors to the ultimate consumers are bound irretrievably and organically to each other by the pipe lines and mains which carry the gas and which effectively prevent anyone along the way from disengaging himself and getting his supplies elsewhere. If a producer of coal or fuel oil raises his price, a buyer can have trucks or railroads haul his supplies from another producer which charges a lower price. Thus competition is feasible in the case of coal or fuel oil. But gas can be economically transported only by pipe lines, and if a gas producer raises his price, the expense of tearing up a pipe line and laying a new one prevents a buyer from taking advantage of a lower price in a different field. Since the transportation of gas is therefore in its nature monopolistic and not competitive, I believe that price regulation should be applied to the nontransporting producers as well as the interstate pipe lines themselves. But the Kerr-Thomas bill would prevent this and does so specifically. It specifically prevents the nontransporting producers and gatherers from having the price of the gas which they sell to the interstate pipe lines regulated by the Federal Power Commission.

When the debate opened last week, the distinguished senior Senator from Texas [Mr. CONNALLY] said, "If you propose to regulate gas, why should you not regulate coal? Coal is merely toughened-up gas. Why should you not regulate coal?" The answer is found in what I have already said. Let me say that coal can be transported in any one of a number of different ways, by railroad, by truck, by barge, even by airplane. If the price goes up, the buyer is not tied to one type of transportation; he can switch. Gas, I repeat, has to go through the gas main if it is to be transported economically and, once laid, it must continue to do so.

Mr. LONG. Mr. President, will the Senator from Illinois yield for a question? He persists in making the same error, and I should like to ask a question in regard to it.

The VICE PRESIDENT. The Senator from Illinois has stated he will decline to yield, except at the conclusion of each of the subdivisions of his statement.

Mr. DOUGLAS. The Senator from Louisiana was probably not in the Chamber when I said that I should be very glad to submit to questioning at the end of each subdivision of my speech. If there are any errors, they can be brought out at that time.

I may say that if gas could be economically transported on a boat or on a truck or on a railway car or through the air, so that the buyer could get his gas in any one of several different ways, I should be the first to come forward with a bill to exempt pipe lines and all sellers of gas from regulation. When the distinguished Senator from Texas is able to demonstrate that gas can be so transported economically, I shall then propose that the Federal Natural Gas Act be repealed. But so long as gas goes through a gas main, then it is my belief that we should retain regulation all the way through.

PRODUCERS, PIPE-LINE COMPANIES, DISTRIBUTORS, AND CONSUMERS ARE BOUND TOGETHER

As we move into a discussion of the issues which are involved in the bill, I hope we shall all hold this central fact in our minds. That is the way in which the gathering lines or mains connecting the producing wells with the pipe lines tie in the nontransporting producers and gatherers and the pipe lines together and hence also bind the distributing companies and the consumers together with them in an organic unity from which none of them can withdraw. It costs a great deal of money to lay the gathering lines which connect the gas wells with the pipe line. It does not pay to lay duplicating lines so that the same well or group of wells supplies different pipe lines.

Mr. President, I am not experienced in the producing end of the business. My experience with the gas industry has been largely derived from the consuming end. It seems to me, however, that those who live in the shadow of the gas stove are as much interested in the matter as those who live in the shadow of the gas well. The figures which I should now like to give on the cost of pipe lines and gathering lines should therefore be subject to correction by the very distinguished experts in this industry, who happen to be proponents of the bill.

It is my understanding from the figures which I have worked out that a mile of major pipe line which is accompanied by compressor stations would probably cost $70,000 a mile, and that the cost of a mile of a major pipe line not accompanied by compressor stations would range between $25,000 and $50,000 a mile; that the small main lines connecting a well with the lateral lines running out from a pipe line will cost between $3,500 and $5,000 a mile, and that the cost of the lateral pipe lines from the wells to the main pipe line will run somewhere between $5,000 and $20,000 a mile. If the figures are in error, I hope the distinguished experts in this industry will correct me, so that we may have an accurate statement; but I do not think the margin of error is too great. In view of the costs indicated by me, I want to emphasize again that, once the pipe lines have been laid, it does not pay to lay duplicating lines so that the same well or group of wells supplies the same pipe lines, and it does not pay to tear up pipe lines or gathering lines and tie up with another group.

Once the gathering lines or mains have been laid between the gas wells and the pipe lines, the two are bound together in a virtually indissoluble union. As I have said, the expense of ripping up the gathering lines and then laying others to connect the pipe line with another well or groups of wells is just too great to permit it to be done. For better or for worse, they are tied together. It is not a trial marriage; it is a contract "until death do them part."

When natural gas is plentiful relative to demand, as in the thirties, the pipe lines are top dogs in relation to the nontransporting producers. That is why in

the thirties popular indignation at high prices was directed at the pipe lines; but when the demand for gas is outrunning the existing quantity of natural gas being produced and when new pipe lines and gathering lines are being laid to new fields, as is now the case, the nontransporting producers become the top dogs and are able to get a very high price for their gas. These high costs to the pipe line then become transferred along the chain which we have already traced, and fall, finally, upon the consumers at the far end of the gas mains. If we allow high and excessive prices to be charged by the nontransporting producers, the families which use gas for cooking and heating and the industries which also use it will foot the bills.

HIGHER PRODUCER PRICES MEAN HIGHER CONSUMERS' PRICES

Mr. President, in this connection I should like to call attention to a statement which I am sure was inadvertently made by the distinguished junior Senator from Texas [Mr. JOHNSON] when we were debating last week. He said there had not been a single instance of higher prices being charged by nontransporting producers and gatherers in connection with a request by a pipe line for higher prices. I communicated with the Federal Power Commission on this question, and I have received a reply which will be found in the CONGRESSIONAL RECORD of yesterday, which is on the desks of Senators, at pages 3640 and 3641, to which I request Senators to turn. I want to make it clear that the statement by the Senator from Texas was an unintentional error and in no sense uttered with any intent to deceive; but the Federal Power Commission, under date of March 17, replied to me and said that in eight cases, which are listed on page 3641, applications by pipe lines had not only been made for such increases in prices, but had been granted, and that the sum total of these increases amounted to slightly more than $2,000,000 a year.

There were also listed five cases which were pending, totaling $11,000,000, which, it seems to me, if they represent bona fide increases in costs, and if the Kerr bill shall pass, the Federal Power Commission will be compelled to allow the costs to the pipe lines, therefore, to the distributing companies, and, therefore, to the ultimate consumers. Higher costs at the beginning of the process represent, therefore, higher gas prices at its end.

GOOD FAITH OF BILL'S PROPONENTS NOT QUESTIONED

Mr. President, while I disagree with the Kerr bill, I want to make it clear that I do not question the good faith and sincerity of Senators who are trying to exempt interstate sales by the nontransporting producers and gatherers. Instead, I am convinced that they sincerely feel they are right, that they are merely spelling out what they believe to be the original intent of Congress, and what in the summer of 1947 was the tentative opinion of the majority of the Federal Power Commission.

In the words of an illustrious predecessor from my State, I should like to assure those Senators that while I feel compelled to draw my sword in behalf of what I believe to be the interest of the public, I shall tip my rapier with a rose, and I can assure them that there is no venom on its point. I hope they will, in turn, give those of us who are opposed to this measure equal credit for good intentions. I hope they will believe that the junior Senator from Missouri [Mr. KEM], whose very able address on this subject last Friday should be read by every Senator, was swayed by the public interest when he rose to attack the Kerr bill, and that the same principle swayed the senior Senator from Maine [Mr. BREWSTER] yesterday when he spoke, the junior Senator from Tennessee [Mr. KEFAUVER], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from Iowa [Mr. GILLETTE], and all the other Members of the Senate.

THE REAL ISSUES AT STAKE

Mr. President, the real issues which are at stake in the Kerr-Thomas bill are simple, yet crucial in their nature. They can be stated in two forms. I shall state the first form, and then the second form. The first form is this:

Should (a) the field price of natural gas going into the interstate pipe lines be allowed to rise to the full extent of what the domestic and industrial markets for gas will bear?

This is what the junior Senator from Texas apparently referred to when he spoke of the market value of gas—what can be got for it if the price were not regulated on the basis of the market prices of the alternative fuels, coal, and fuel oil.

If this is done it will permit the owners of the reserves to pocket virtually all the differential advantages in cost which gas possesses in comparison with coal or fuel oil.

I did not know that the proponents of the measure were going to introduce for display such handsome charts as they have displayed, and I therefore prepared some figures which are supplementary to the charts but which really only bear out the point which they develop.

The Panhandle-Eastern Pipe Line Co. in its 1948 report estimated the average price of natural gas sold by it for industrial purposes in its service area at slightly under 20 cents for 1,000,000 B. t. u.'s, or only one-half the comparable coal cost of about 38 cents. I take it that we all know that the figure of 1,000,000 B. t. u.'s for natural gas is built up as follows: There are approximately a thousand British thermal units in each cubic foot of natural gas, and, therefore, for a thousand cubic feet we have a million British thermal units. As I say, the average price of natural gas was 20 cents. According to the Panhandle-Eastern Pipe Line Co., that was only half of the comparable coal cost, or approximately 38 cents for 1,000,000 B. t. u.'s. This 20-cent figure is only about one-third of the comparable fuel oil cost of 57 cents.

It is in that difference between the price of natural gas as delivered and the price of coal and fuel oil as delivered that the great possibilities for gain under the Kerr bill occur. Remove the price of natural gas from regulation, allow the price of natural gas in the field to rise close to the full equivalent price for equivalent amounts of the other fuels, and we make possible enormous increases in the price of natural gas as compared with the price of coal or of fuel oil. It could be 20 cents, 30 cents, and possibly even higher for 1,000 cubic feet. Applying that figure to the total volume of sales, we get the total possible added cost.

Mr. President, as I shall develop the point I would say that natural gas in the field would go up $100,000,000, as a minimum. If natural gas were to rise to the fuel-oil equivalent, based on 1952 sales, $500,000,000 would be added to gas prices.

Mr. LONG. Mr. President——

Mr. DOUGLAS. Mr. President, I am in the ungracious position of telling the junior Senator from Louisiana that when I finish with this section of my address I shall be very glad to yield to him for questioning, or to any other Senator.

I shall now state the other alternative. Or (b) should the field price of natural gas sold in interstate commerce be subject to regulation which, while yielding an adequate return on the legitimate amounts invested, would give the consumers the benefits which the use of gas brings in excess of these legitimate costs and returns.

I wish to make it clear that we who oppose the bill desire that the producers and gatherers of natural gas should get back not only their costs but get a fair profit on their investment. We want that. All we object to is their getting an excessive profit, an unreasonable profit, an unconscionable profit. We want to make it clear that we are not trying to grind down either poor companies or rich companies to a rate of return which is below what is fair and reasonable.

I have stated the economic and legal problem with which we have to deal. If we believe that the producers of gas should be allowed to charge whatever the traffic will bear, we should vote for the Kerr-Thomas bill. If we believe that gas is a utility, we should vote against it and give a mandate to the Federal Power Commission to regulate the field prices of gas for interstate commerce subject, of course, to review by the courts. This is the first way in which the issue now before the Senate and the country can be stated.

Stated in human rather than in abstract terms, it is a question of whether we should allow these concentrated gains to fall into the hands of the small groups of big and wealthy oil companies and oilmen who now control the vast preponderance of the oil and gas resources of the Nation or whether these advantages should be shared with the 40,000,000 and more consumers and the thousands of industrial users. Phrased still more simply, it is whether the great gifts of nature, placed here, we believe, by divine power, are to be appropriated by the few or be administered as a trusteeship for the people of the Nation when these resources are essential to consumers but do not lend themselves to competitive methods of sales and distribution. If we believe they should be appropriated by the wealthy few, we should vote for the Kerr-Thomas bill. If we

believe they should be utilized for the many, we should vote against it.

The stakes are large, Mr. President. They amount probably to from $100,000,000 to $500,000,000 a year. Since the amount of the known gas reserves of 176,000,000,000,000 cubic feet or about 30 years' supply, the total extra amounts at stake are between four and sixteen billion dollars for the gas reserves as a whole. We are not playing for small chips. The bill involves hundreds of millions of dollars a year, and billions of dollars over the period of the life of the gas reserves.

Amidst all the minutiae of the discussion these are the basic issues, and we should not allow details or personalities to obscure our judgments. I do not pretend to know whether Congress intended in 1938 to regulate the sale of gas by nontransporting producers to interstate pipe lines or not. The distinguished Senator from Oklahoma [Mr. KERR] believes not and quotes some testimony before a congressional committee to support his point. The Supreme Court in a unanimous opinion delivered in 1947 in the *Interstate case* (331 U. S. 682) thought differently. The Court believed that such powers were granted, and that the exemption of the production and gathering of gas in section 1 (b) of the act did not apply to the sale of that gas in interstate commerce. The Court in that case held that in order to protect the consumers at the end of the interstate pipe line from unreasonable charges, Congress had intended to regulate the price of gas as it entered the interstate pipe line.

As I have said, I do not intend to pass upon the question of the original intent of Congress. I do not think it is controlling. But I cannot pronounce as unreasonable an interpretation which has been placed on the act by the unanimous decision of our highest tribunal which in other matters is so often widely divided. The real issue is what we are going to do here and now, and whether we are going to turn over all the great advantages of natural gas to a small group of big operators, or whether we are going to try to regulate its price in interstate commerce in the interests both of the consumers and the owners of the gas rights.

This is the issue which we, as a legislative body, must decide, and not whether a former member of the Commission broke faith in changing his mind. I happen to believe, and I think I shall be able to show later in my remarks, that while this change came later, in 1948, and expressed again in 1949, in the hearings on the Kerr bill it was far better late than never; that Mr. Olds' error was not in saying in February 1948 that we should regulate the price of gas sold to interstate pipe lines, but in saying in August 1947 that we should not. But we should not try to evade the basic decision which only we must now make by blaming the Supreme Court or the Federal Power Commission. We must make up our own minds.

Mr. President, this ends the first subdivision of my speech. I shall be very glad to yield to the Senator from Louisiana for any question he may desire to submit.

Mr. LONG. Mr. President, the Senator said there would be a great increase in the price of natural gas if the price were brought up to the point where it would be commensurate with the cost of coal or of fuel oil for heating. I ask the Senator whether he knows, based on the figures which appear in the RECORD on page 3354, that in 1935 the cost of natural gas for heating was actually more than was the cost of coal. As a matter of fact, in 1935, according to these figures, which I understand are from the United States Bureau of Mines and the United States Department of Labor, the cost for 1,000,000 effective British thermal units of bituminous coal was 80 cents; of anthracite, 1.07 cents; and the cost for natural gas at that time was 1.07 cents. But the prices of bituminous coal, anthracite, and fuel oil, all of which were previously cheaper than gas, since 1935 continued to skyrocket, while the price of natural gas came down continuously.

I should like to ask the Senator whether, in view of the fact that gas once sold for practically the same price as coal and oil, whether the increase he fears was made possible by the fact that the gas producers were bringing down the gas price to the consumers, while the price of the other fuels was going up.

Mr. DOUGLAS. In the first place, Mr. President, the Senator is dealing with the prices paid by domestic consumers, not price paid commercially or industrially.

Mr. LONG. I was under the impression that the Senator was seeking to protect the housewife, not major industries.

Mr. DOUGLAS. I am seeking to protect both. I was going to point out that the figures which the Senator gives, so far as the price for the domestic consumer is concerned, are much higher than the figures which I have. I should like to read some figures from Gas Facts, published by the American Gas Association, pages 107 to 126, which indicate an average price for 1948—what was the Senator's figure for 1948?

Mr. LONG. The price for 1,000,000 effective B. t. u.'s in 1948 was 0.93 cent.

Mr. DOUGLAS. My figure from Gas Facts for residential gas service is 0.636 cent, or about one-third less.

Mr. LONG. The Senator is much kinder to the gas interests than was the Senator from Texas, who put these figures into the RECORD.

Mr. DOUGLAS. I am not trying to be kind or unkind. I am merely trying to give the facts. And here are figures drawn from the volume, Gas Facts, published by the American Gas Association.

Mr. LONG. Those figures relate to what?

Mr. DOUGLAS. To residential natural-gas service.

Mr. LONG. Per million effective B. t. u.'s?

Mr. DOUGLAS. Per thousand cubic feet, but that is a million B. t. u.'s.

Mr. LONG. I believe the Senator will find that that is not exactly correct; that 1,000,000 B. t. u.'s and 1,000 cubic feet are two different units, and that, therefore, the figures could probably be reconciled.

Mr. DOUGLAS. I always thought the average thermal content of a cubic foot of natural gas was approximately 1,000 B. t. u.'s. If I am wrong, the distinguished Senator from Oklahoma [Mr. KERR], who sits just two places from me, can correct me.

Mr. LONG. I believe the Senator will find that the figures placed in the RECORD by the junior Senator from Texas, which are compiled by the United States Bureau of Mines in the United States Department of Labor, are probably substantially correct respecting the cost of gas heat compared to other fuels. The point I had in mind, and on which I wished to interrogate the Senator, however, was this: Even if the figures are a little bit off one way or the other, does not the fact remain that coal has increased in price almost twice what it was in 1935, that oil has increased almost twice, while gas has been going down in price? Inasmuch as the Senator from Illinois would decry the possible rise in gas prices, I should like to ask him why he feels that gas should be denied the same competitive chance that coal and oil have already taken advantage of?

Mr. DOUGLAS. I have dealt previously with the fact that the price of coal can be regulated on the basis of competition. The same is true in the case of oil. Oil may go through a pipe line, but it does not have to. Oil can also be transported in tankers, it can be transported in tank cars, and it can be transported by truck. Therefore the buyer can transfer from one seller to another if one seller is jacking up the price. If the Senator from Louisiana can find a way to have gas economically transported by truck or by train or by boat, then I will vote for the Kerr bill; but until the Senator can do that, I am opposed to the bill.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. DOUGLAS. Certainly.

Mr. LONG. In an earlier attempt to ask a question, at which time the Senator did not feel disposed to yield, I wanted to point out to him that because gas can be transported only by pipe it does not cost more, but it costs less. I submit to the Senator that the facts prove that the Senator from Illinois is completely wrong in saying that gas costs more because it can only be transported by pipe. The figures show that bituminous coal and anthracite coal have been going through the ceiling in price increases while the price of gas has been going down in the past 15 years.

Mr. DOUGLAS. May I point out to my very distinguished colleague that I think his figures on the average cost per thousand cubic feet or million B. t. u.'s are excessive? Instead of his figure of 90 cents it should be around 63 cents. That is borne out by the testimony given before the committee itself. I should like to produce some of the material which was

brought out in the hearing. I ask the Senator to turn to page 362 of the hearings.

Mr. LONG. The Senator is stating in effect that the Senator from Louisiana is saying that the price of gas is higher than it actually is, which would be to further my argument.

Mr. DOUGLAS. Unintentionally, But I ask the Senator to turn to page 362 of the hearings and look at the chart which shows the average natural gas prices to consumers in the United States, 1938–47. If the Senator will look at that chart he will see that it shows the price in cents; that the average domestic price in 1947 was almost precisely 65 cents; the average commercial price was about 44 cents; the average industrial price was about 17 cents. So that instead of the 90-cent figure the Senator gives for domestic purposes, the figure should be down to about 60 cents.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I yield to the Senator from Louisiana.

Mr. LONG. I may suggest to the Senator that one of the differences between the figures we are using is that the Senator has been thinking in terms of and dealing in units of 1,000 cubic feet of gas, while the Senator from Louisiana has been talking in terms of cost per 1,000,000 effective B. t. u.'s of heating value. But I should like to ask the Senator from Illinois, who has referred to the chart on page 362 of the hearings, if that chart and other charts produced in the hearings do not show that in every instance the price of natural gas from 1938 to 1947 has gone down rather than up, whether it be domestic, domestic and commercial, or entirely commercial?

Mr. DOUGLAS. Mr. President, we do not deny that. As a matter of fact that is the primary reason that the Federal Power Commission did not assume regulatory authority over the nontransporting producers and gatherers. So far from that fact weakening our case, it indicates the reason why the Commission did not assert its powers in the decade between the passage of the Natural Gas Act and the introduction of the Moore-Rizley bill.

Mr. LONG. Mr. President, will the Senator yield for a further question.

Mr. DOUGLAS. I am delighted to yield to the Senator from Louisiana.

Mr. LONG. The very able and brilliant Senator from Illinois referred me to page 362 of the hearings. Will the Senator kindly look at the succeeding page 363 and will he note there the chart which shows that the price of oil and the price of coal have gone up enormously from 1939 to 1948, and will he at the same time note that the price of natural gas has gone down?

Mr. DOUGLAS. It remained relatively steady.

Mr. LONG. Would not the fact that natural gas in 1939 cost more than coal or oil, but that it had gone steadily down, while coal and oil have had enormous price rises tend to show that the fact that natural gas is transmitted by pipe has not enabled the natural-gas producers to receive as good a price for their commodities in the past 10 years as have the producers of coal and oil?

Mr. DOUGLAS. Mr. President, I do not need to explain to gentlemen in the gas fields what has happened in the gas industry during the past 15 years. What has happened is that a great natural resource has been made available in large quantities by the introduction of pipe lines and gathering lines, and that these resources have been made available to the consumers. I think that is very fine. Incidentally, the pipe lines have done very well out of it, and the nontransporting producers and gatherers have done extremely well out of it. No one has been hurt. But now what the proponents of the bill would allow is to let the price of natural gas increase and thus give unconscionable profit to the producers in the field, to the detriment of the consumer. Why should Senators resent the consumer receiving a break from the low prices of natural gas so long as the producers and gatherers and pipe-line companies have done well? If economies are possible, why not help the consumer.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am delighted to yield. There is no one in the Senate with whom I love to discuss these issues more than I do with my good friend the junior Senator from Louisiana who, in my judgment, is going to be one of the greatest Senators this country has had in a long time.

Mr. LONG. The Senator from Louisiana will never excel the greatness of the very able and learned Senator from Illinois, I assure him.

I would point out, however, that the charts show that the gas industry is the industry which has been giving the consumer a break. If the Senator will look at the last chart to the left, from where we are presently standing, in the back of the Chamber, the index of average retail price, he will see that with respect to all commodities the American consumer has had to buy from 1939 to the present day, the gas industry is the only one that has brought down the cost of its commodity; that, while the food industry has increased its price 217 percent over its 1939 price, and while the average cost for all items is up 65 percent, household furnishings being up about 55 percent and all the others having gone up, housing, which is still under control, being one which has had the smallest rise, 10-percent increase, all during that time, while everything else was going up, natural gas to the consumer was the only item to go down.

Mr. DOUGLAS. Mr. President, may I have unanimous consent to answer the question by propounding another to the junior Senator from Louisiana?

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. May I ask if it is the contention of the junior Senator from Louisiana that gas prices should rise by as much as coal and fuel-oil prices?

Mr. LONG. No; the junior Senator from Louisiana is not urging that point, but the junior Senator from Louisiana feels that natural gas without regulation and without price control, while everything else was increasing in price, sold on a free and competitive market actually reduced in price to the consumer. I feel that based on that record, the gas industry should be commended, rather than taken under Federal control and Federal regulation.

Mr. DOUGLAS. I would say that the arrangements from 1938 to 1947 were excellent for all parties. The consumers got natural gas at a steady price; and because of a greater replacement of manufactured gas by natural gas, the price of gas as a whole declined. The producers did very well out of it, as some of the profit figures will show.

But since 1947 what has been occurring has been an upward movement in the price of gas, probably beyond that justified by cost, or at least possibly beyond that justified by cost, giving still further profits in excess of what would be a reasonable return on fair value.

Mr. LONG. However, I am sure the Senator from Illinois realizes, does he not, that in every industry, since 1939, profits have increased, and some of them have increased enormously. As a matter of fact, the Senator from Illinois and the Senator from Louisiana at the present time are fighting the basing-point bill, in an effort to keep major industries from increasing their prices. But we know that all of them have increased their prices and their profits since 1939.

Mr. DOUGLAS. Let me say in that connection that I am delighted to serve under the junior Senator from Louisiana in fighting the basing-point bill; and he deserves the thanks of the entire country for his fight on that measure. Although we are on opposite sides in connection with the consideration of the measure pending before the Senate today, when the basing-point bill comes before the Senate we shall be fighting shoulder to shoulder.

Mr. President, that is one of the charming things about service in this body, namely, one's allies of today may be his opponents of tomorrow, and his opponents of today may be his allies of tomorrow.

But regardless of whether the Senator from Louisiana is either for me or against me, I shall always have a great affection for him.

Mr. President, we are not attempting to make our case on the basis of relative profits in the gas industry at the present time, as compared with previous times. Later I shall submit evidence to show that profits in relationship to invested capital are extremely high, so far as this industry is concerned. It is on that basis, and on that basis alone, that I shall present my discussion, not on the basis of profits made today as compared with those made in 1939.

Mr. LONG. Mr. President, the junior Senator from Louisiana is sufficiently well aware of the views of the junior Senator from Illinois, however, to know that the junior Senator from Illinois does not object to high profits, assuming that there is no absence of good, legitimate competition in the free system of American enterprise.

Mr. DOUGLAS. That is correct. In other words, if there is competition, I

believe in having a price sufficient to clear the market. If that brings profits with it, that is all right. In fact, high profits tend to bring into competition more producers, persuading them to enter the field, and thus lowering prices and profits. Profits serve as a regulator of the competitive economic system.

But in the case of a natural monopoly, such as gas, high profits under those conditions are an indication that the consumer is being not only temporarily gouged but permanently gouged.

Mr. LONG. Mr. President, when the Senator from Illinois speaks of monopoly in respect to the supply of natural gas, let me inquire whether he knows that in my own State of Louisiana—and I am sure there must be other States of the Union in which the same situation exists—many gas wells are capped over and are not in use. I do not necessarily refer to wells owned by large corporations; in many cases they are owned by people of very moderate circumstances. In many cases a man who owns only one gas well, which sometimes is called a "poor boy" well, is unable to find in his vicinity a pipe line, and therefore he is unable to sell the gas which could be produced from his well. The result is that many persons who drill wells, using the so-called poor-boy method, are sitting there with excellent wells capable of producing considerable quantities of natural gas, but, unfortunately, they have no sale for it, and they are hoping that someone will build a pipe line to the area in which their wells are located and thus take the natural gas which can be produced from their wells. Certainly that situation does not indicate a monopolistic condition, does it?

Mr. DOUGLAS. I shall deal with that point later in my remarks, if the Senator will be patient with me for a little while until then.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KERR. I understood the Senator from Illinois to say that because of the introduction of natural gas into areas which previously had been served with manufactured gas, the price of the combined product to the consumer was brought down.

Mr. DOUGLAS. That is my understanding. That was our experience in Chicago.

Mr. KERR. There can be no question about it. But I am sure the Senator from Illinois is also aware of the fact that the chart on page 362 to which he referred is limited to natural-gas prices.

Mr. DOUGLAS. That is correct.

Mr. KERR. That chart does not relate at all to the price of a mixture of natural gas and manufactured gas.

Mr. DOUGLAS. That is correct. My remarks on that point were primarily addressed, I believe, to certain charts which the proponents of the proposed legislation had submitted.

The chart entitled "Retail House Heating Fuel Prices" relates to the price of the mixture. No; I withdraw that statement. That chart relates only to natural gas itself.

Mr. KERR. Does the Senator from Illinois believe that he will find that he was wrong in that regard?

Mr. DOUGLAS. Yes; and whenever I am wrong, I am glad to admit it.

Mr. President, I think the record will show that the price of natural gas alone diminished throughout the United States up to 1947, but I think the record will also show that the price of a mixture of natural gas and manufactured gas declined in many locations. I think the record will show that the mixing of natural gas with manufactured gas resulted in a reduction of price in many metropolitan centers, not only in Chicago, but also in New York, Philadelphia, and Washington.

Mr. KERR. And its price will do so in the future, when it is permitted to be used.

Mr. DOUGLAS. Mr. President, I am not arguing against natural gas. I believe it is one of God's blessings. But I believe the benefits of natural gas should be shared with the consumers, not be reserved only for the producers. That is my point.

Mr. KERR. The Senator from Illinois said that from the chart on page 362 it will be found that the average domestic price of natural gas to consumers is now about 65 cents a thousand cubic feet.

Mr. DOUGLAS. That was in 1947. If the Senator would like to have later figures I shall give them as I proceed.

Mr. President, if there are no further questions on the first part of my remarks, I should like to pass to the second part. However, before I do so I should like to comment on the point made by the junior Senator from Louisiana [Mr. LONG]. He stated that the price of natural gas had gone down over a period of time, whereas the price of unregulated products had gone up. That would seem to me to be attributable to regulation at the consuming end. I should also like to point out that from 1935 to the end of 1948 the price of electricity fell by approximately 16 points, or a little more than 15 percent. This indicates that the regulatory system is working much better than had been believed, and that it is protecting consumers. At the same time, if we look at the financial statements issued by big gas companies and big electrical companies, we find that they also are doing very well, thank you.

II. HISTORICAL DEVELOPMENT OF NATURAL-GAS REGULATION

I wish now to take up the historical development of natural-gas regulation, because I think it will clear up some of the misapprehensions which have developed, and which have been expressed on the floor of the Senate by the proponents of the bill.

While our decision must primarily look forward to what is best for our country in the future rather than backward in an effort to find inconsistencies of interpretation, it will help to put our problems more sharply in focus if we briefly review some of the history, and see how they came into being.

The sale of gas to consumers, like that of electrical power and water, was early recognized as being monopolistic and not competitive. Had it been competitive we could safely have trusted to the more or less self-regulating forces of competition to protect consumers against excessive charges. But in the gas industry we could not have competition with its duplicating gas mains. Instead, consumers were given only a Hobson's choice. They had to take gas from one company or go without. It was that or else. They could not buy from two or more companies either alternatively or at the same time. In the absence of regulation the gas-distributing companies, like the power, water, traction, and telephone companies, could charge the consumers what the traffic would bear and could and did reap monopoly profits.

STATE REGULATORY COMMISSIONS SET UP

Since the public by the very nature of the industry was deprived of the self-regulating protection of competition, various States, beginning with Massachusetts, Wisconsin, and New York, tried to provide a substitute. They set up regulatory commissions to fix gas rates which, while yielding a fair return on fair value to the companies, were also to prevent these companies from making monopoly profits by charging what the traffic would bear. This was not public ownership. It was an attempt to avoid public ownership by providing for private ownership and operation but with public regulation to protect consumers and also investors. It was not socialism, as some may imply, but America's answer to socialism.

These regulatory commissions operated with varying success, sometimes unfortunately being controlled by the very companies whom they were presumed to regulate. That story has been written large in the political history of practically every State, particularly in some of the large industrial States, and we encountered it in my own State of Illinois.

But the State commissions did at least keep prices down below what the private monopolies would otherwise have charged. As long as they were dealing with gas which was manufactured locally, they could fix a value on the local-gas plants as well as on the distributing systems and determine what the rates should be in order to yield a fair return. There was some difficulty, however, in the Ohio Valley where a great deal of the natural gas of the Appalachian field was shipped across State lines, notably from West Virginia into both Ohio and Pennsylvania. For the local distributing companies were tied to the pipe lines in the same manner that the consumers were tied to them.

The distributing company could not buy from rival pipe-line companies at the same time. The excessive cost of duplicating pipe lines prevented that. And once the connection with the pipe line was made, it could not easily be broken. The local distributing company could not ask the pipe line to take its connecting lines away just because the pipe line increased the price of the gas which is poured into the local companies' mains. They were tied together and when the pipe line upped its prices, the distributing company had to follow suit

and keep in tune. And the consumers paid the fiddler.

The prelude for this big battle which we are now waging, primarily, over the question of gas from the Southwest, had its trial run in connection with the case of gas coming from the natural-gas fields of the Appalachian area, and going into Ohio and Pennsylvania and certain other States.

STATE REGULATORY COMMISSIONS INEFFECTIVE

When the natural gas was produced, gathered, and distributed all within the same State, for instance, West Virginia gas produced, gathered, and distributed all within West Virginia, then the State public utilities commission could and did control the prices charged. But when, as increasingly became the case, the gas was produced and gathered in one State and then transported in a pipe line across State boundaries, State regulation became impossible. For by decisions of the United States Supreme Court, the various State utility commissions were prohibited from regulating the prices which the pipe-line companies fixed at the State gateways, and frequently these rates were greatly padded and enormous profits were made by the companies.

In fact, in two leading cases, *Missouri* v. *Kansas Gas Co.* (265 U. S. 298) and *Public Utilities Commission* v. *Attleboro Steam and Electric Co.* (273 U. S. 83), to which the junior Senator from Missouri referred last Friday, and which were cited in the House and Senate committee reports on the natural-gas bill, the effect of the rulings was that the price of gas in interstate commerce could not be regulated either by the States into which the gas was piped or by the States out of which it was sent. As the Court specifically stated in the Attleboro case, "the forwarding State obviously has no more authority than the receiving State to place a burden upon interstate commerce." The price of gas could not, therefore, be regulated by the States when it moved between States and it was not regulated by the Federal Government. While the sale of gas was recognized as a public utility, a no-man's land was thus created which was exempt from regulation in which the private companies were thus enabled to charge monopoly prices and hence were allowed to reap unreasonable profits at the expense of consumers.

RAPID EXPANSION OF NATURAL-GAS USE

But it was the discovery and utilization of natural gas in the Texas Panhandle and in Oklahoma and Kansas which highlighted the need for Federal regulation. Natural gas was cheap, abundant, and was going to waste in enormous quantities. Both because it was cheap and because it had a higher heat content than manufactured gas—that is, 1,000 thermal units as compared to approximately 540 for manufactured gas—pipe lines were built to bring this gas into the industrial centers of the Middle West. The pipe-line companies thus formed often came into being as a joint enterprise of the big city utilities with the owners of the gas reserves. An example of this was the Natural Gas Pipe Line Co. which was formed by the Peoples Gas Co., of my own city of Chicago, with Standard Oil of New Jersey, and others owning gas reserves. The pipe-line companies were thus in control of large gas rights and themselves produced the major portion of the gas which they transported and sold to affiliated distributing utilities. In these cases we had virtually an integrated and unified operation from the gas fields in Texas to the consumers in the cities.

There was a big surplus of gas in the Panhandle and the pipe-line companies were also able to buy some of it from others, whom we shall call nontransporting producers and gathers, and to buy this gas at a very low price. In the thirties, it was distinctly a buyers' market for natural gas. Sometimes the price was between 1 and 2 cents a thousand cubic feet and in few cases did it exceed 3 cents per thousand cubic feet.

I can well remember in the early 1930's when a group of us brought action against the Peoples Gas Co. of Chicago which was then controlled by Samuel Insull because we believed there was too great a spread between the low money value of natural gas in the field and the high price for gas which we paid in Chicago, after it had been mixed with manufactured gas. But since there was no Federal law, we were virtually powerless to question the value which the pipe-line company claimed for its gas when it delivered this gas to its affiliated company, the Insull-controlled Peoples Gas Co.

PASSAGE OF NATURAL GAS ACT OF 1938

To plug this gap, the Federal Natural Gas Act was passed in 1938. Its purpose was to eliminate this no-man's land by giving the Federal Government the power to regulate the gas prices which, as I have said, the States could not regulate. As the committee said in its report on the Natural Gas Act, "The basic purpose of the present legislation is to occupy this field in which the Supreme Court has held that the States may not act." In section 1 (B) jurisdiction was taken over "the transportation of natural gas in interstate commerce"; there are now some words omitted, but the meaning is not altered, "the sale in interstate commerce of natural gas for resale for ultimate public consumption." A few further words are omitted, but again the meaning is not altered, "and natural-gas companies engaged in such transportation or sale." Furthermore, the act defined a natural-gas company to be "a person engaged in the transportation of natural gas in interstate commerce or the sale in interstate commerce of such gas for resale"—section 2 (6).

It can, therefore, properly be argued that while attention was primarily centered on the pipe-line companies which were at that time, 1938, the main producers, Congress also granted the Federal Power Commission the power to regulate the price which the nontransporting producers and gatherers got for their gas when it was sold to the interstate pipe lines, because the sale in interstate commerce of natural gas for resale for ultimate public consumption was to be regulated.

Nor does the fact that the act exempted the production and gathering of natural gas from regulation mean that Congress intended this exemption to apply to the sale of the natural gas after it has been gathered and as it started to flow into the pipe lines on its subterranean journey to the ultimate consumers in other States.

FPC BEGAN TO REGULATE PIPE-LINE COMPANIES FIRST

But whatever may have been its intrinsic authority, whether from the very beginning the Federal Power Commission believed it had the authority to deal with prices charged by nontransporting producers and gatherers, or whether it did not believe it had that power, the Federal Power Commission wisely chose to attack the immediate evil in its course of procedure. That was the great discrepancy between the cost of the gas which the pipe-line companies produced and transported, and the final charge which they made for it.

The first decision came in 1940 when the Commission lowered the rates charged by the Natural Gas Pipe Line Co. to Peoples Gas of Chicago and other companies by approximately $4,000,000 a year. In the next 7 years until the fall of 1947, the Commission handed down no less than 20 separate decisions which reduced the charges made by the interstate companies on gas which they sold by $37,459,000 a year—Senate hearings, page 21. These have come to savings of over $300,000,000—hearings, page 229—$269,000,000 to 1948. The figures in the hearings should be increased by the added $37,500,000 savings which have been received since then. These savings in turn have been passed on to the ultimate consumers in nearly all cases by the State regulating bodies and have, therefore been of enormous aid to the tens of millions who use gas.

It is perfectly true that the Commission during this period did not attempt to take jurisdiction over the prices charged for gas by the nontransporting producers and gatherers. That is perfectly true. But I submit that it was largely true because the Commission was busy with the pipe lines, which were then the primary problem. It did good work with the pipe lines, as we have seen. The fact that the price of natural gas remained not only low but also stable throughout this period probably made the Commission feel that there was no need to regulate the sales made by the nontransporting producers and gatherers. That was not an immediate problem. So the Commission dealt with the pipe-line issue. This feeling was strengthened by the common belief which was then cultivated that the nontransporting producers were genuine small-scale independents who, competing fiercely with each other, did not need regulation.

I think this feeling had been stimulated by the actual facts in the Appalachian fields. In the Appalachian fields the nontransporting producers and gatherers do tend to be small independent individuals or companies. There are only three non-transporting producers and gatherers, as I understand it, of any appreciable size in this area, and really only two that are up in the class of truly big companies. There are some 1,600 in-

dependent producers and gatherers there, and since this was the first field developed it was natural for the Power Commission to think that the conditions which prevailed in the Appalachian field prevailed elsewhere over the country and were true of the Panhandle and the newly opened Hugoton fields as well.

THE INTERSTATE CASE AND THE MOORE-RIZLEY BILL

I think these were the perfectly natural reasons which caused the Federal Power Commission to refrain from attempting to regulate the nontransporting producers during the years from 1940 to 1947. In that year two important and conflicting events occurred. The first was the unanimous decision of the Supreme Court in the Interstate case, which has been referred to a number of times on the floor of the Senate. In this case, the Court held, as the junior Senator from Missouri [Mr. KEM] pointed out last week, that the sale of natural gas made by the Interstate Co. to three other pipe-line companies was in interstate commerce and that the sale of this gas was not a part of "production or gathering" which was exempt from regulation and that consequently, it was under the jurisdiction of the Federal Power Commission. In strong and logical language, the Court declared that—

> Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers of gas including the ultimate consumer. It was to avoid such situations—

And this is the language of the Court—

> It was to avoid such situations that the Natural Gas Act was passed.

At the same time the decision was being made, the Moore-Rizley bill—H. R. 4051, Eightieth Congress—was being pressed in Congress, and actually passed the House, as the Harris bill, the House counterpart of the Kerr bill has passed the House at this session. The Moore-Rizley bill would have exempted from regulation all sales of natural gas by the nontransporting producers as does S. 1498 but it would also have had the effect of exempting gas produced by the pipeline companies.

It looked for a time as though the Moore-Rizley bill would pass the Senate. While the issue was still apparently in doubt, the Priest bill—H. R. 4099, Eightieth Congress—was introduced as a counteracting measure and compromise. This provided only for the specific exemption of the sales of gas gathered by nontransporting producers, but would have retained regulation over gas produced by pipe-line companies.

Both the Moore-Rizley bill and the Priest bill failed of passage, and the Federal Power Commission, by a vote of 3 to 1, on August 7, 1947, issued its celebrated Order No. 139, in which it declared that despite the Supreme Court decision in the Interstate case it would not try to take jurisdiction over sales in interstate commerce by nontransporting producers and gatherers.

Let us now look at the personnel connected with this matter. It should be noted that Commissioner Olds sided with the majority on this matter. Commissioner Draper, however, dissented, taking what seems to me to have been the correct position that the Commission could not properly surrender jurisdiction which the Supreme Court had unanimously declared it to possess under an act of Congress. May it be remarked also that Commissioner Draper is a Republican and has never been charged with radicalism. But later the Commission finished its investigation of the gas industry and issued its Order No. 139. It had collected voluminous testimony. It had thoroughly collected facts covering the entire industry. It had gone into the question in great detail, and after it had issued Order No. 139 it began to study the evidence, and finally made two reports, one report signed by Commissioner Olds and Commissioner Draper, the other report signed by Commissioner Smith and Commissioner Wimberly.

FPC STUDY SHOWS EXTENT OF RISING PRICES AND INCREASING DEGREE OF CONCENTRATION

Whatever report we take, if we go back to the basis of agreed-upon facts, it is perfectly clear that the reports revealed that one change was going on in the field, and that the Commission's views had been erroneous in respect to two other matters. In the first place, the investigation showed that the price of natural gas in the field, which had been relatively stable for the preceding 10 years, was just beginning to move up rather rapidly. That was the first thing. So the Commission could not disregard a matter which hitherto it had been possible for them to gloss over.

Second, they found that gas was being produced in the southwestern field primarily not so much by small independents in overalls, as had been true in the Appalachians, or by the sturdy wildcatters, as by the big companies, such as Phillips, Skelly, the Standard companies, Sun, Texas, Republic, Magnolia, and the like. It also developed, upon examination of the signing up of gas rights upon acreage, that the concentration of ownership of the potential reserves was even greater than in respect to the current sales of gas. Third, it was also becoming evident that the major portion of the gas was being produced, not by the pipeline companies themselves, which were under regulation, but by the big nontransporting producers and gatherers, to whom I have previously referred. That meant that as those nontransporting producers boosted the price of natural gas which they sold to the pipe lines, the higher costs would necessarily be carried on into higher prices for the ultimate consumer.

It followed, therefore, that to attempt to protect the gas consumers by interstate regulation, without regulating the price of gas sold by these big and dominant nontransporting producers, would be like trying to make an omelet without eggs or to play Hamlet without the Dane. These were the facts developed in 1948 after the celebrated Order No. 139, which, I believe, caused Commissioner Olds in 1948 to change his opinion and to join Mr. Draper in the position which the latter had always held. Certainly, Mr. Olds had nothing to gain and everything to lose personally by this shift. If he continued to favor the exemption of the nontransporting producers, he could feel assured that the gas industry would raise no objection to his confirmation in 1949 when his term expired; while, if he reversed himself, he knew that his old writings of over 20 years back would be dug out and used against him, and that he would be at once smeared and probably defeated for confirmation. Let me make it clear that I hold no brief for Mr. Olds' writings of the twenties, and I have no intention of refighting his case at this time. It was fought on the floor of the Senate during the last session, and I have no intention of repeating it. But I think it is worth noting that Mr. Olds made a manly choice in 1948 and 1949 in deciding to protect what he believed to be the interests of the public, even though it possibly meant disaster to himself. That fact deserves to be known. Furthermore, it became well known that not only Commissioner Olds but also the new Commissioner, Thomas Buchanan, agreed with Commissioner Draper, and that, therefore, a majority of the Commission were in favor of regulating the price of gas sold by the big nontransporting producers and gatherers. This development naturally made the big producers press vigorously for enactment of the Kerr-Thomas bill, which specifically exempts their sales from regulation. The issue is, therefore, now squarely joined. The issue is legislative; it is also administrative. The same groups which want the Kerr-Thomas bill passed also want to control the Federal Power Commission. So this battle is joined on an administrative and appointive level, as well as on a legislative level.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. KEFAUVER. I wish to make sure that I correctly understand the difference between the Moore-Rizley bill and the Kerr bill which is now before the Senate. Is it not true that the only difference is the omission of the integrated companies, which account for 13 percent of the gas that is sold——

Mr. DOUGLAS. Of the gas reserves, I would say.

Mr. KEFAUVER. Of the gas reserves?

Mr. DOUGLAS. Yes; the figure is 87 percent of gas reserves controlled by the nontransporting producers in the Southwest States. The distinguished junior Senator from Oklahoma [Mr. KERR] said on the floor of the Senate last Friday—and the statement has been repeated a number of times since then—that in terms of gas produced in the entire country and sold in interstate commerce, the nontransporting producers and gatherers sold approximately 80 percent, and the pipe lines produced for themselves about 20 percent.

Mr. KEFAUVER. So the Moore-Rizley bill would have exempted all of them, and the Kerr bill would exempt 80 percent of them; is that correct?

Mr. DOUGLAS. That is correct.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes; but before yielding to the Senator from Oklahoma, let me say that I should have stated that the estimates of sales made by the able junior Senator from Oklahoma were for 1952 rather than for the present year.

Now, I shall be glad to yield to the Senator from Oklahoma to permit him to ask a question.

Mr. KERR. The Senator has just stated what I had in mind.

Mr. KEFAUVER. Mr. President, I should like to make a further inquiry of the Senator, if he will yield to me.

Mr. DOUGLAS. I yield.

Mr. KEFAUVER. Is it not true that the argument to the effect that the Federal Power Commission never used its power of regulation between 1938, when the Natural Gas Act was passed, and 1948, when the situation changed, is not particularly applicable, because there are many Federal regulatory powers which are not put into operation until a certain situation develops? Does the Senator agree with me about that?

Mr. DOUGLAS. I am not an attorney, as is the distinguished junior Senator from Tennessee. Therefore certainly I do not wish to pronounce definitely on this point. But from such reading of the law as I have done, I say that I have never thought that a right unused was a right abandoned. I think there are latent powers expressly granted by Congress which can be called into play even though the situation for a few years previously has not justified their actually being applied. If I am incorrect on that point, the many able attorneys in this body doubtless will set me right.

Mr. KEFAUVER. Is it not a fact that, under section 2 of the Clayton Act, which is amended by the Robinson-Patman Act, when sales of a certain kind are made in violation of the rules and regulations the Commission has the power to do something about that matter; but so long as the act is not violated there is no reason for the Commission to put into operation the regulatory power it has? Would not a similar situation occur under section 7 of the Clayton Act, where it is provided that the Federal Power Commission has a right to prohibit sales of the stock of one corporation to another if that would result in the establishment of a monopoly; but so long as there are no such sales the use of the regulatory power is not necessary? Would not those situations be analogous to the situation we have had in connection with the regulation of natural gas—because if there is no necessity for putting the regulation into force, it is not put into force; but that does not mean that the Federal Power Commission loses the right of regulation. Does the Senator agree with me about that?

Mr. DOUGLAS. In reply to the distinguished junior Senator from Tennessee I would say that I think he is completely correct. The situation prior to 1947 and the facts as then known to the Federal Power Commission did not furnish a basis for action against the nontransporting producers and gatherers.

However, I wish to say that I think the Federal Power Commission made a great mistake in issuing order No. 139, and I think Commissioner Olds made a mistake in agreeing to it. That has given the proponents of this proposed legislation a handle which they use when they say that these powers to regulate should be permanently abandoned. What I tried to say at the conclusion of the debate yesterday was that regulatory bodies and legislative bodies should be given a chance to learn and to change their attitude as new facts and new situations develop.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. LONG. As a matter of fact, I wonder whether the Senator might not feel that there is really a legitimate ambiguity in the actual language of the act at present on the statute books—in other words, that it could be argued either way.

Mr. DOUGLAS. I think the position that the Federal Power Commission did not have the power could be argued only with some difficulty and some torturing of the language of the act. But if the Senator will examine the sheets of my intended remarks, which I gave him earlier today, he will observe the statement that I think this issue should be expressly clarified by legislative action, and I welcome this proposal. I am ready to buy a bouquet of flowers and present them to the distinguished junior Senator from Oklahoma [Mr. KERR] for bringing this matter before the Congress. Senators who believe that the Government should not have this power should vote for the Kerr bill. Senators who believe that the Government should have this power should vote against the Kerr bill. I hope all Senators will vote against the Kerr bill and will thus make clear to the country the meaning of this Congress in this connection.

Now I should like to ask the distinguished junior Senator from Oklahoma whether he would prefer violets or crocuses?

Mr. KERR. Mr. President, in answer to that question, let me say that inasmuch as I have not yet seen either one tendered to me, I am still in a position to decide. [Laughter.]

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. LONG. From the Senator's answer, I take it that the Senator from Illinois agrees with me that there is a legitimate ambiguity under the terms of the act. For example, the Interstate case has, as I understand it, obiter dictum to the effect that the Government does have the right to regulate, while it is my understanding that the Panhandle case, which we referred to yesterday, has obiter dictum which would imply that the Government does not have the power to regulate.

I take it that the Senator from Illinois agrees that there is a substantial ambiguity as to whether or not the Government was ever intended to be given the power to regulate the price at which the independent producer sells his gas.

Mr. DOUGLAS. Let me say to the Senator that we who fought shoulder to shoulder to prevent the basing-point system from being fastened on the American people know how high-priced lawyers can always find an ambiguity in the clearest possible language. The ingenuity of the legal profession is unlimited. A lawyer, if he is able enough, will find an ambiguity to be present. To my mind, the ambiguity is not in the statute.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. KEFAUVER. In view of the fact that during these days most of the opinions of the Supreme Court are rendered by a divided court, I wonder whether the Senator does not feel that the fact that there was a unanimous opinion in the Interstate case, holding that the Natural Gas Act gave the Federal Power Commission authority to regulate, if it found it necessary to do so, is not a pretty good answer to the argument that there is ambiguity—a unanimous opinion on the question by the United States Supreme Court?

Mr. DOUGLAS. I may say in reply to the junior Senator from Tennessee, I should feel that I would have to know a great deal of law in order to pronounce a unanimous opinion of the United States Supreme Court unreasonable or ambiguous.

Mr. KEFAUVER. Does not the junior Senator from Illinois also think, since the opinion of the Supreme Court in the Interstate case was written by Mr. Chief Justice Vinson, who had served with distinction for so many years in the House of Representatives, that he peculiarly would be apt to follow the legislative intent of the Congress in interpreting the Natural Gas Act?

Mr. DOUGLAS. I think the junior Senator from Tennessee has made a point which I have not previously heard in the debate, but which is a very significant one. Here is a case in which the Chief Justice, who rendered the opinion, had himself been a Legislator when the act was passed, and therefore knew at first hand the intent of Congress. I have never before heard the point made, but I think the junior Senator from Tennessee has made a 10-strike.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DOUGLAS. If I may follow this out for a moment, I want to introduce a wisecrack. I would say that one of the best ways of having decisions of the Supreme Court follow the intent of Congress would be to appoint Members of Congress to the Supreme Court. I hope that in the future the ranks of the Supreme Court may be recruited from the Members of this body, in which I believe there are a large number of potential candidates. [Laughter.] I am very glad now to yield to the Senator from Tennessee for a question.

Mr. KEFAUVER. The distinguished Senator from Illinois being an economist, I know all lawyers in Congress appreciate his willingness to look after our interests. I may say that many of us would be very happy to join the Senator if a resolution to the effect that Members of Congress possess eligibility, background, and qualifications to sit on courts, particularly if we are bumped aside in a congressional election in the years to come.

Mr. DOUGLAS. Parenthetically I may say I think it would be a very healthy influence, for the Members of Congress, particularly of the Senate, would know the intent of this body, and they would be able to deal with questions affecting legislative intent much better than law professors thumbing through the CONGRESSIONAL RECORD and then throwing out the window what they may have found in the RECORD.

Mr. KEFAUVER. I should like to call to the attention of the distinguished Senator from Illinois to one matter about which he is slightly mistaken. It is that Mr. Chief Justice Vinson was on the circuit court of appeals in 1938, at the time the Natural Gas Act was passed. But it should be noted that he has always kept in very close contact with Congress.

Mr. DOUGLAS. I have heard that.

Mr. KEFAUVER. I think if there is any member of the judiciary who would give full weight to the intent of Congress, it would be the distinguished Chief Justice of the Supreme Court.

Mr. DOUGLAS. I am glad to have this correction made, because I would say that of all judges, Chief Justice Vinson has the most sensitive Geiger counter to detect the atomic content of congressional intent.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield to the distinguished junior Senator from Louisiana.

Mr. LONG. Referring to page 7 of the committee report, in the appendix to the report, there is a quotation from the hearings on the pending gas bill. Mr. Lea, the chairman of the committee, asked the then Solicitor of the Federal Power Commission, Mr. DeVane, what the meaning of the proposed gas bill would be. If the Senator will glance at it, he will note that Mr. DeVane, the Solicitor General of the Federal Power Commission, testifying at the committee hearing on the pending gas bill, said, as I take it, that there could be no regulation of the price, and he used the term "at arm's length." I quote from page 8, Mr. DeVane's last answer, in which he said:

> No; not the prices which are paid to the gatherer; that is binding if the transaction is at arm's length. If the transaction is not at arm's length, of course, its reasonableness may be inquired into, under decisions of the Supreme Court.

I wonder if that does not indicate that certainly the legal officer of the Federal Power Commission, who undoubtedly had something to do with the drafting and formulation of the pending bill, thought that the Commission would not have any control over the price the independent producer would charge the gatherer or the pipe line.

Mr. DOUGLAS. I may say to the junior Senator from Louisiana, that I referred to that testimony by Mr. DeVane in my prepared address, when I said the distinguished junior Senator from Oklahoma had mentioned the testimony given by one person before the Commission, in support of his contention. So I was aware of it, and I made due mention of it in my address. I would merely say I think we should beware of taking a statement made by a witness, even an attorney for the Federal Power Commission, as indicating congressional intent; that the statement should be considered, but should not be considered controlling.

Mr. LONG. Certainly, when the authorized representative of the Federal Power Commision appears at the hearings before a committee of Congress and explains what a proposed act means, the hearing being one that concerns the power to be granted the Federal Power Commission, and the duly authorized representative of the Federal Power Commission says the bill would not give the Commission the power to fix rates over independent producers, would it not seem that anyone who might have any doubts about whether it would give them such authority would have his apprehensions quieted, so to speak, and feel that there was no prospect of any such power being conferred? Would not that be sufficient?

Mr. DOUGLAS. I may say to the distinguished, able, and charming junior Senator from Louisiana that he has quoted the testimony of Mr. DeVane given before the committee. Let me read from the committee report in the Seventy-fifth Congress, first session, on this matter. I shall read from the bottom of page 1 and continue to page 2, and then submit the citation to the junior Senator from Louisiana for confirmation.

Mr. LONG. Was that the Congress which passed the original bill?

Mr. DOUGLAS. It is the same Congress which passed the bill, and the committee report relates to that bill. The committee report, I submit, should be more controlling than the testimony of a witness. I read from the report:

> The bill is substantially identical with H. R. 12680 which, as amended, was reported by the Committee on Interstate and Foreign Commerce of the Seventy-fourth Congress, second session, with a recommendation that it pass. If enacted, the present bill would for the first time provide for the regulation of natural-gas companies transporting and selling natural gas in interstate commerce. It confers jurisdiction upon the Federal Power Commission over the transportation of natural gas in interstate commerce—

Mr. President, listen to this—

> and the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use.

Then it goes on:

> The States have, of course, for many years regulated sales of natural gas to consumers in interstate transactions. The States have also been able to regulate sales to consumers even though such sales are in interstate commerce, such sales being considered local in character and in the absence of congressional prohibition subject to State regulation. * * * There is no intention in enacting the present legislation to disturb the States in their exercise of such jurisdiction.

That is the precise point developed by the junior Senator from Oklahoma on the first day, that gas sold directly by pipe-line companies to industrial users, as to individual consumers, without going through the hands of distributing companies, was exempt from Federal regulation under the present act.

Mr. KERR. Mr. President, if the Senator from Illinois is going to quote the Senator from Oklahoma, I should appreciate his quoting the Senator from Oklahoma, not misquoting him.

Mr. DOUGLAS. I beg the Senator's pardon. There was no intention to misquote. We shall check the record.

Mr. KERR. Would the Senator like to know at this time the statement which was made by the junior Senator from Oklahoma?

Mr. DOUGLAS. Yes, indeed.

Mr. KERR. The junior Senator from Oklahoma made the statement that a great deal of the gas sold by the interstate transporting companies——

Mr. DOUGLAS. Pipe lines?

Mr. KERR. Is sold by such interstate pipe-line companies direct to industrial users.

Mr. DOUGLAS. That is what I thought I said the Senator from Oklahoma had declared.

Mr. KERR. And that such sales are not regulated, regardless of whether they are interstate or intrastate.

Mr. DOUGLAS. That is what I thought I said.

Mr. KERR. They had no relation whatever to the example referred to by the Senator from Illinois.

Mr. DOUGLAS. There is no difference between us. I find that I accurately quoted the statement of the Senator. I hope the Senator from Oklahoma will not leave, because I am coming to a significant passage. Listen to this:

> However, in the case of sales for resale, or so-called wholesale sales in interstate commerce—

Notice this parenthetical statement—

> (for example, sales by producing companies to distributing companies) the legal situation is different. Such transactions have been considered to be local in character, and even in the absence of congressional action, not subject to State regulation. * * * The basic purpose of the present legislation is to occupy this field in which the Supreme Court has held that the States may not act.

One of the fields in which the States cannot act, but in which the committee declared the bill provided the Federal Government would act, would be sales by producing companies to distributing companies, and that covers not merely sales by pipe lines to distributing companies but sales by producing companies in the field to pipe lines, because they are also distributing companies.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I shall be very glad to yield.

Mr. KERR. Does the Senator realize the difference between a distributing company and a transporting company?

Mr. DOUGLAS. I should say that a pipe line is also a distributing company.

Mr. KERR. The only reason the Senator would say that is because he does not know. If the Senator is interested in any kind of an explanation of the language, the Senator from Oklahoma would be delighted to give it to him.

Mr. DOUGLAS. I hope the Senator from Oklahoma on his own time will take up that question.

Mr. KERR. The Senator asked me not to leave, and I thought he invited a discussion.

Mr. DOUGLAS. I shall be glad to yield for a question. I am not going to turn over the floor for a speech by the Senator from Oklahoma. Yesterday the Presiding Officer called attention to the fact that such action was a violation of the rules of the Senate, and that any Senator violating the rules would be compelled to sit down. He nearly forced the Senator from Maine to sit down. I do not propose to put myself in such a parliamentary position as that in which the Senator from Maine was placed yesterday.

Mr. KERR. I do not blame the Senator from Illinois for not wanting to be in the same position as that occupied by the Senator from Maine——

Mr. DOUGLAS. I am delighted to be in his position. We went to the same college, and I occupied a room he once had. It was in good order, too.

Mr. KERR. I asked the Senator if he understood the difference between sales for resale or so-called wholesale sales, and the ordinary sale of gas by a producer.

Mr. DOUGLAS. I should say that a wholesale sale would be a sale in large quantities to a company which did not consume the product itself, but passed it on and resold the large quantities to a number of other purchasers. Therefore, I should say that a sale at wholesale would be a sale by a gas producer and gatherer to an interstate pipe line, in large quantities, which the pipe line then transports and distributes.

Mr. KERR. Is not the junior Senator from Illinois aware of the fact that the average producer does not sell either to a pipe-line company or to a distributor or a gatherer for resale? Is he not aware of the fact that when a producer sells gas to a gatherer who comes to the wells to buy, he has no more control over whether that gas is resold, manufactured into fertilizer, or manufactured into carbon black, than if he had had no part in it whatever?

Mr. DOUGLAS. Is it not a fact that a great part of it does go for resale? Some of it is diverted for local industrial uses around Texas, but most of it is resold.

Mr. KERR. Quite the contrary. Most of it is not resold.

Mr. DOUGLAS. Are all the gas figures wrong, then?

Mr. KERR. No; but we are often wrong when we try to read them and do not understand them, as is the junior Senator from Illinois when he refers to the sale by a producer to a gatherer as being a wholesale sale of gas. It has about the same resemblance to the wholesale sale of gas as would the sale by a farmer of a carload of wheat, when he sells it to the miller who makes it into flour.

Mr. DOUGLAS. I am somewhat at a loss——

Mr. KERR. I am aware of that fact. [Laughter.] Bear in mind that the junior Senator from Oklahoma came into this debate only at what he thought was the Senator's invitation.

Mr. DOUGLAS. I am always delighted to have the Senator from Oklahoma participate. I was going to say that I am somewhat at a loss to understand some of the points which the Senator has introduced. Is he maintaining that the gas which is gathered in Oklahoma and Texas does not go North through pipe lines for commercial or industrial use? If not, what happens to it?

Mr. KERR. Most of the gas produced, even in the great State of Texas, is consumed in Texas. Most of the gas produced in all the gas-producing States is consumed in the States in which it is produced.

Mr. DOUGLAS. The able junior Senator from Oklahoma is perfectly aware of the fact that we are not saying that intrastate sales should be federally regulated. We are merely saying that interstate sales should be regulated.

Mr. KERR. The junior Senator from Oklahoma came into this discussion when it was apparent that the junior Senator from Illinois was confusing the language of the act which refers to sales for resale for ultimate public consumption with sales by a producer to a local gatherer over which the producer has no more control than has the producer of wheat or corn over the product made and the action taken by the grist mill or the miller to whom the product is sold.

Mr. DOUGLAS. I would again reply to my very able friend that we are saying only that sales for resale in interstate commerce should be federally regulated. Sales in intrastate commerce for local consumption should not be thus regulated, but sales for resale in interstate commerce should be regulated. We submit that gas sold by producers and gatherers to pipe lines, which goes across State lines and is resold, comes under the provisions of the act, and should come under its provisions.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. I shall be glad to yield for a question.

Mr. KERR. The average producer never sells either to a transporter, an interstate pipe line, or a distributor.

Mr. DOUGLAS. Does he sell to a gatherer?

Mr. KERR. He sells to a gatherer, to a carbon-black plant, or to a gasoline-extraction plant, having complete control over it. In that regard, the Senator from Illinois made a proposal the result of which, if he were serious, or if the junior Senator from Oklahoma were technical, would cause the junior Senator from Illinois to become a joint author of the bill.

Mr. DOUGLAS. God deliver us from that!

Mr. KERR. I am sure that He will, to our mutual gratification.

Mr. DOUGLAS. The mutual gratification of both the good Lord and the junior Senator from Oklahoma? The Senator can include me in that. I should like to be with the Lord, and I should like to be with the junior Senator from Oklahoma, but not on this particular question.

Mr. KERR. When the producer sells the gas, the purchaser may make it into liquid, which may be transported in trucks, boxcars, wagons, or any other vehicle. Much of it is so transported, and much of it in that form goes into the State of the junior Senator from Illinois.

Mr. DOUGLAS. In the form of carbon black, in trucks?

Mr. KERR. No; in the form of liquefied gas, transported in trucks or cars.

Mr. DOUGLAS. That exactly brings out the point I have been trying to establish. When gas can be shipped economically by truck, by railroad, or by barge, so as to compete with gas shipped in pipe lines, we do not want to regulate it, because the purchaser can buy from any one of a number of possible suppliers. But when it comes in by pipe line without effective competition, we do want to regulate it, because the purchaser is tied to the seller. That is all we are trying to do, and that is what the Senator from Oklahoma is trying to prevent.

Mr. KERR. Therein is the basic error on the part of the junior Senator from Illinois, because he can never accomplish what he has referred to. One hundred percent of the gas which the producer sells may be carried in trucks, barges, or boxcars——

Mr. DOUGLAS. I have a gas range in my house. If I can get gas which is shipped by truck, as cheaply as it can be transported through a pipe line that will be fine. But that gas range is hitched up to a gas main.

Mr. KERR. If it is, it was hitched up by the junior Senator from Illinois.

Mr. DOUGLAS. I did not hitch it up. The company hitched it up.

Mr. KERR. There are hundreds of distributors in Cook County, Ill., who will sell to the junior Senator from Illinois all the gas he wants in liquid form, in steel containers, which has been shipped into the State by truck, barge, or boxcar, and is available for him to purchase at any time he wants it.

Mr. DOUGLAS. I have two questions. First, what is the relative amount of gas which is shipped by truck for household and industrial uses, as compared with gas sent through pipe lines? Second, what are the comparative prices of the two?

Mr. KERR. I am glad the junior Senator from Illinois asked me the question.

Mr. DOUGLAS. The junior Senator from Illinois would be glad if the junior Senator from Oklahoma would answer the question.

Mr. KERR. He aims to. I thought I had the exact figures. Tens of millions of dollars worth of natural gas is shipped in that way.

Mr. DOUGLAS. For domestic use?

Mr. KERR. For domestic use.

Mr. DOUGLAS. Not industrial use? Not in the form of carbon black?

Mr. KERR. Not in the form of carbon black. Carbon black is the result of natural gas which has been used. Liquefied gas is gas in a different form, and may be used for either industrial or household purposes. It is available, and is being shipped by thousands of carloads all over the Nation. It is being shipped into the State which is so ably represented by the

junior Senator from Illinois, and is used by tens of thousands of his constituents, and is available at any time to any of them.

Mr. DOUGLAS. I inquired about shipments by railroads, as compared with shipments by pipe line, and about comparative prices.

Mr. KERR. There is much more shipped by pipe line.

Mr. DOUGLAS. How much more?

Mr. KERR. There is much more shipped by pipe line than in the other way. After all, I am giving the junior Senator from Illinois more knowledge in a few minutes than he has in some weeks. If he will give me a list of questions he has in mind, I shall give him detailed answers. However, every cubic foot of gas can be liquefied and can be shipped in the manner which has been described by the junior Senator from Oklahoma.

Mr. DOUGLAS. At what cost? Is it commercially practicable for the consumer to buy it in that form in competition with gas delivered through a main?

Mr. KERR. Yes; it is commercially practicable to do it.

Mr. DOUGLAS. Why is investment being made in the construction of pipe lines? Why is not gas shipped by truck and railroad, if that is the best way to ship it?

Mr. KERR. I am glad to have that question asked. Pipe lines are built for the benefit of consumers.

Mr. DOUGLAS. Is it merely a philanthropic venture?

Mr. KERR. No; not at all; far from it. Pipe lines are built for the benefit of the consumer and not for the benefit of the producer.

Mr. DOUGLAS. I thought pipe lines were built for the benefit of the consumer, and also to get a return on the capital invested in their construction.

Mr. KERR. Not at all. The producers do not own them. They do not build them and they have no purpose in building them.

Mr. DOUGLAS. I refer to the companies which organized them.

Mr. KERR. They are built for the benefit of the consumer. However, when the junior Senator from Illinois makes the broad statement that he will become a joint author of the bill when gas can be transported by any other method, I wish to state to him that he will either have to retract the statement or become a joint author of the bill.

Mr. DOUGLAS. I should have said when gas can be transported economically in that manner in any appreciable quantity.

Mr. KERR. It is now.

Mr. DOUGLAS. For urban consumption?

Mr. KERR. It is now.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question, but I would like to say that, first, gas which is liquefied is much more expensive than that sent by pipe lines, and, second, it is not used for domestic consumption where pipe lines are available. Therefore, it cannot compete.

Mr. ROBERTSON. I preface my question by saying that I have been attending a meeting of a subcommittee of the Committee on Appropriations, and I have not been able to follow the full discussion by the distinguished Senator from Illinois. However, there is one phase of the bill which gives me concern. I have received many letters to the effect that if this bill were enacted there would be no competition among gas producers, and as a result combinations could be created for the sale of gas which might increase the cost of gas to consumers by approximately $200,000,000 a year. Mr. President, I hope that the distinguished Senator from Illinois will express his views on that subject.

Then I should like very much to have the distinguished Senator from Oklahoma give me the benefit of his practical knowledge. I have flown over some gas fields, and I have seen the little flames of gas burning. They can be seen burning at night. Evidently there is no sale for that gas, or it would not be permitted to burn. There must be many of them. I do not know whether they are so controlled that a few companies with a pipe line could dominate the production of gas and act to control prices outside the antitrust laws. To me that is one of the big issues in the consideration of this bill. Frankly, as a matter of principle, in voting against the bill I would be most reluctant to be subscribing by implication to the theory that it is desirable to have the Federal Government control production at the point of origin and perhaps before a product is ever even moved toward what we might properly call interstate commerce.

Mr. DOUGLAS. In reply to the distinguished Senator from Virginia, I should like to say that the point he brings up is one which I intend to take up in the next main subdivision of my address. The evidence which I shall produce will show that the major portion of the gas now sold by nontransporting producers and gatherers to pipe lines for resale across State borders is in the hands of a relatively small number of companies.

Mr. LONG. Mr. President——

Mr. DOUGLAS. Will not the Senator from Louisiana permit me to answer the question? A still larger number of the gas reserves are in the hands of a small number of companies, and this is particularly so in the great gas reservoir of the United States, the southwestern area.

Furthermore, I am going to make a detailed analysis of a considerable number of specific fields, namely, the Panhandle field, the Hugoton field, and a large number of smaller fields, with reserves totaling 37,000,000,000,000 cubic feet of gas, or one-third of the total supply. In the case of the Panhandle and Hugoton fields, the control is very tightly concentrated in a handful of companies, and in the other fields the control in each of the field is in the hands of one, two, or at most three companies.

There is one final point I should like to bring out. We are not suggesting that the production of gas should be regulated. I desire to emphasize that. Production and gathering were specifically exempted under the original Natural Gas Act, and we are not proposing to introduce any control over production and gathering. That is in the hands of the States.

For instance, flaring, to which the junior Senator from Virginia has referred, has been prevented by State action, I understand, in Texas, and the questions concerning the spacing of wells, and the like, should be left in the hands of the States. We are merely proposing to retain the power to control the price at which the gas is sold by the producer or gatherer to the pipe line for interstate transportation and resale. That is all we are proposing to do.

Mr. ROBERTSON. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. ROBERTSON. I hope the Senator will clearly elucidate the point just made, because, frankly, I have not been able to follow the argument which, as I understand the Senator, he is making, namely, "We are not going to control your production, but if your only outlet and possibility for sale is by pipe line that moves eventually into interstate commerce, then we are going to regulate your price." If that is done, why is not the production regulated, because the production will depend on what the producer gets for the gas, and that is to be regulated. If he has plenty of other markets, that is something else, but I assume that the average gas producer wants to sell his gas for fuel consumption, and if that is what is to be regulated, I cannot follow the argument that the production is not being regulated. If I had a coal mine, and the Government should say, "You can produce all the coal you want to produce, but when it gets to the coal tipple, if you load it into cars for interstate commerce, we are not going to regulate your production, but we will fix the price you are going to get for your coal," I think it would be pretty well regulated.

Mr. DOUGLAS. The Senator means it would have an indirect influence on the quantity produced?

Mr. ROBERTSON. I would say it would have a very great influence.

Mr. DOUGLAS. It would have an indirect influence, but we are simply saying there should be no direct Federal control, no control over the amount of gas to be produced, or the wells to be sunk, or the methods by which the gas, once produced, is to be gathered, but merely Federal regulation of the price at which the gas enters the interstate pipe line for resale, that is all. This is less than half the total amount of gas produced. Does that satisfy the Senator from Virginia, or at least partially satisfy him?

Mr. ROBERTSON. Partially; yes.

Mr. KERR. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield to the Senator from Oklahoma.

Mr. KERR. Is not the Senator from Illinois aware of the fact that section 1 (b) of the Natural Gas Act does not say that certain things shall be and certain other things shall not be regulated,

but that the provision to which he refers reads as follows——

Mr. DOUGLAS. Is the Senator about to quote section 1 (b)?

Mr. KERR. Yes.

Mr. DOUGLAS. Which chapter?

Mr. KERR. The act is not divided into chapters. It is section 1 (b) of the act.

Mr. DOUGLAS. I have it. I have the United States Code, which is divided into chapters. I beg the Senator's pardon. I did not wish to score a point on the Senator. I have the provision here.

Mr. KERR. I know it by heart. I will ask the Senator to follow it in the law:

> The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale of natural gas in interstate commerce——

Mr. DOUGLAS. There is no "natural gas" at that point.

Mr. KERR. The section continues:

> to the sale in interstate commerce of natural gas for resale for ultimate public consumption for commercial, industrial, and domestic purposes——

Mr. DOUGLAS. Or any other use.

Mr. ROBERTSON. Did not the Senator from Oklahoma leave out a comma? [Laughter.]

Mr. KERR. I may have—

> and to natural-gas companies engaged in such transportation or sale, but—

And I will interpolate a little here, and if it is incorrect, the Senator from Illinois will correct me.

The provisions of this act—

> shall not apply to any other transportation or sale * * * or to the local distribution of natural gas or to the facilities used for such local distribution.

Mr. DOUGLAS. It says "distribution," rather than "local distribution."

Mr. KERR. "Local" was by interpolation.

Mr. DOUGLAS. That is all right.

Mr. KERR. "Or to the production or gathering of natural gas."

Mr. DOUGLAS. Period.

Mr. KERR. Period. The end of section 1 (b). In other words, the provision does not set forth that certain regulations shall be had with reference to certain operations. It specifically states that the provisions of the act shall apply on the one hand to certain designated operations and on the other hand it says that the sections of the act shall not even apply to the production or gathering of gas. Is not that correct?

Mr. DOUGLAS. Mr. President, I find myself in a very difficult position. Yesterday the Presiding Officer compelled the Senator from Maine [Mr. BREWSTER], or tried to compel the Senator from Maine, to take his seat because he permitted a fellow Senator to make a speech under the guise of a question. I hope the distinguished Presiding Officer at the present time does not compel me to take my seat, because the very able junior Senator from Oklahoma made a speech under the guise of a question.

I therefore ask unanimous consent that I may be permitted to reply to this question without losing my rights to the floor.

The PRESIDING OFFICER. As the Senator is no doubt aware, he does not need such consent.

Mr. DOUGLAS. No; the ruling which was made yesterday was that a Senator did need such consent. Do I understand, therefore, that the Senator from Illinois——

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator has that privilege.

Mr. DOUGLAS. I thank the Chair.

I should like to ask the junior Senator from Oklahoma what conclusion he draws from section 1 (b) which he quoted with great accuracy, or with relative accuracy.

The PRESIDING OFFICER. The Chair will say to the Senator from Illinois that he is prohibited from asking a question of the Senator from Oklahoma.

Mr. DOUGLAS. Since I am prohibited from asking a question I will say that I cannot understand at all what the Senator from Oklahoma means by his reference to this passage of the act.

Mr. KERR. Mr. President, will the Senator yield for a question there?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. KERR. The Senator from Illinois thinks the provisions of the act have some relevancy to this matter, does he not?

Mr. DOUGLAS. Of course they do.

Mr. KERR. The Senator from Illinois has been setting forth, has he not—and this is another question, if the Senator will yield—certain conclusions based upon the language of the act?

Mr. DOUGLAS. The conclusion which the Senator from Illinois has been setting forth only goes as far as the unanimous opinion handed down by the United States Supreme Court in the Interstate case. The United States Supreme Court in the Interstate case, in the unanimous opinion, said that this phrase from the act—

> The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use—

Constituted authority for the Federal Power Commission to fix the price of gas at which one producing company could sell gas to other pipe-line companies in the field. That is all I have said and it is not for me to pronounce a unanimous opinion of the United States Supreme Court to be foolish.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. ROBERTSON. First, on the decision of the Supreme Court, let me ask if I am correct in assuming that when the interstate transporter was also the producer and the gas moved from his production immediately into interstate lines, the Court said, "We are not going to cut a line there as to where they started in interstate, and where they can pick it up in interstate commerce. We are going to hold that transaction as being interstate commerce"? Was that the ruling?

Mr. DOUGLAS. I do not think it was the full ruling; no.

Mr. ROBERTSON. Was I correct up to that point? That was my interpretation of the case.

Mr. KERR. Mr. President, will the Senator yield to a question from the Senator from Oklahoma?

The PRESIDING OFFICER. Does the Senator from Illinois yield for a question?

Mr. DOUGLAS. The last footnote in the case tells the situation which existed. I read footnote 23:

> A number of cases in this Court have held that the reasonableness of cost items such as that incurred by a purchasing pipe-line company in acquiring gas for transportation may be inquired into during the course of subsequent regulation when buyer and seller are affiliated corporations and there is evidence that the sales were not made at arms length. The Commission found affiliation to exist between petitioner and only one of the three purchasing companies, the Mississippi River Fuel Corp. There was a finding of close contractual and operating arrangements between petitioner and another of the purchasing companies.

But by omission it is said that the third was unaffiliated, and that the sale from the producing company to the unaffiliated company was subject to regulation under the act. It is on that basis that we believe the Supreme Court held in principle that sales by nontransporting producers and gatherers not affiliated with pipe-line companies but to pipeline companies, can be regulated under the existing act.

Mr. ROBERTSON. Mr. President, will the Senator yield for one more question?

Mr. DOUGLAS. I will yield for another question.

Mr. ROBERTSON. I wish the Senator would clear for me the conflict in my mental processes between what I understood the Senator from Oklahoma to claim and what I understand the Senator from Illinois to claim. When the Senator from Oklahoma cited section——

Mr. KERR. Section 1 (b).

Mr. ROBERTSON. Section 1 (b), I understood him to claim that section 1 (b) prohibited the Federal Government from controling production. Previous to that I understood the distinguished Senator from Illinois to claim that the Federal Government should not control production unless it was shown that the gas was moving through some gathering line, through some interstate line, and then the Federal Government could control production. That leaves me in a state of confusion, and I should like the distinguished Senator from Illinois to clarify that point for me and to state just what he does claim with respect to the control of production.

Mr. DOUGLAS. In the first place, I may say that we do not want the Federal Government to have any direct control over production or gathering, but the Supreme Court expressly held that the exemption of production and gathering did not exclude under interstate sales from regulation. But we say that the purpose of the Kerr bill is to take from the jurisdiction of the Federal Power Commission the sales of gas by nontransporting producers and gatherers to interstate pipe-line companies. The

best confirmation of this purpose is the statement which the Senator from Oklahoma [Mr. KERR] himself made before the committee, and I read from page 470 of the hearings. I will wait until the Senator from Oklahoma finds the passage, page 470.

Mr. LEWIS (reading):

"Except as hereinafter provided, the provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale."

Senator KERR. That is in the present act, the present law.

Mr. LEWIS. That is right. It is expressed a little differently.

Senator KERR. No; it is exactly those words.

Mr. LEWIS. I mean paragraph B taken as a whole.

Senator KERR. You let me read to you from the present act and you show me the difference.

Mr. LEWIS. Take the first line, you will see the difference.

Senator KERR. The only thing you have read so far that is not in the present act is the words "except as hereinafter provided."

Mr. LEWIS. And I think that is very important, and the answer to the problem that you are asking me about—to the question.

Now listen to this:

Senator KERR. I will tell you frankly the purpose of the Kerr Act is to take people out from under the jurisdiction of the Federal Power Commission, not to put them under it.

If they are taken from under the jurisdiction of the Commission, that means that he is conceding that the Federal Power Commission has jurisdiction now. One does not take persons or things from under jurisdiction which does not exist.

Mr. KERR. Is the Senator aware of the fact that the committee changed the language of the Kerr bill as originally introduced to that which now appears in it as it is before the Senate? In the original Kerr bill there was a provision which would permit even an interstate pipe-line company in its nonutility operations to make arm's-length sales, but that provision was deleted from the bill by the committee. The bill now before the Senate does not have that provision in it, and therefore is entirely different in that regard than was the Kerr bill as it was originally introduced. Does not the Senator from Illinois know that?

Mr. DOUGLAS. I will say in reply to the distinguished Senator from Oklahoma that this issue was raised on the floor of the Senate several times yesterday by the distinguished Senator from Texas [Mr. JOHNSON], who is now serving as the Presiding Officer. The senior Senator from Maine [Mr. BREWSTER] and I both pointed out that whatever the difference may be in language, the purpose of all these variants of the Kerr bill is the same—to exempt from regulation the sale of gas by nontransporting producers and gatherers to interstate pipe lines.

I shall recall to the memory of the distinguished junior Senator from Texas, our present Presiding Officer, that upon my stating that to be so, I distinctly saw him nod his head. If I misunderstood the signal of the junior Senator from Texas, he can make that evident, if it is not a violation of parliamentary procedure for him to do so.

The PRESIDING OFFICER. The Chair will state that at the proper time and the proper place, the Senator from Illinois will have ample opportunity to understand, if possible, the views of the Senator from Texas.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield. I may say that I do hope the junior Senator from Texas will present his views and that he will be able to express them clearly.

Mr. KERR. Did the Senator from Illinois quote from the remarks of the junior Senator from Oklahoma?

Mr. DOUGLAS. I quoted from the remarks of the distinguished junior Senator from Oklahoma, as they appear in the hearings held before a subcommittee of the Committee on Interstate and Foreign Commerce of the United States Senate, in the Eighty-first Congress, first session, in connection with the consideration of Senate bill 1498, and I referred to page 470 of those hearings. Does the Senator from Oklahoma say I gave an incorrect quotation?

Mr. KERR. No; I say that was my statement, and I made it in reference to the bill I introduced. But I ask the Senator from Illinois whether he is aware of the fact that the bill now before the Senate is entirely different, in that regard, from the bill introduced by the Senator from Oklahoma which was then under consideration by the committee, and to which the reference was made.

Mr. DOUGLAS. I shall be very happy to have the Senator from Oklahoma in due course differentiate on this point, and I shall listen to him with great attention.

Mr. WILLIAMS and Mr. KERR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I yield first to the Senator from Oklahoma.

Mr. KERR. Mr. President, will the Senator from Illinois permit me now to answer the question the Senator from Virginia referred to a while ago, and as to which the Senator said he would like to have my answer? If the Senator does not choose to yield now for that purpose, that will be perfectly all right.

Mr. DOUGLAS. Mr. President, let me say that earlier I promised the Senator from Delaware [Mr. WILLIAMS] that I would yield to him, to permit him to make a brief statement in regard to a matter about which he has already issued a press release. I understand that in order to fulfill his obligation to the press, he probably should make the speech by 3:20 p. m. today.

However, before yielding to the Senator from Delaware, I should like to complete one statement. Then, if it will be satisfactory to the Senator from Oklahoma, I shall be glad to yield to the Senator from Delaware. Upon the conclusion of the speech by the Senator from Delaware, I shall be glad to take the floor again, and then I shall yield to the Senator from Oklahoma.

The PRESIDING OFFICER. Does the Senator from Illinois now ask unanimous consent that he be permitted to yield to the Senator from Delaware, to permit the Senator from Delaware to make a speech at this time?

Mr. DOUGLAS. Mr. President, first I wish to finish the second part of my address. We have reached only the second part. There are five more parts to come.

When this colloquy began some minutes ago, I had stated that the Federal Power Commission reversed itself in 1948, and said that it would take jurisdiction over sales of natural gas to pipe lines by nontransporting producers and gatherers. I should like to develop that point further. Indeed, as this debate opens, the Federal Power Commission is scheduled to hold a hearing in Bartlesville, Okla., to determine whether the Phillips Petroleum Co. is justified in raising its price by nearly 5 cents per 1,000 cubic feet to the Michigan-Wisconsin Pipe Line Co. If the Kerr bill is enacted, that case will of necessity be thrown out, and the consumers of the States of Iowa, Missouri, Wisconsin, and Michigan will have to pay at least $5,000,000 a year more for their gas, and ultimately very much more than that. In other words, the Commission now is moving to take jurisdiction; and the Kerr bill, if enacted, would prevent the Commission from taking jurisdiction.

Mr. President, I ask unanimous consent that I may yield the floor at this time, for a period not exceeding 20 minutes, to the senior Senator from Delaware [Mr. WILLIAMS], with the understanding that when he completes his presentation, I may resume the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. I further ask that the remarks which are about to be made by the Senator from Delaware may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Mr. WILLIAMS addressed the Senate on the agricultural program. His remarks appear following the speech of Mr. DOUGLAS.)

Mr. DOUGLAS. Mr. President, before continuing my formal address, I should like to deal with a point which was injected into the discussion some time ago——

Mr. KEM. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. DOUGLAS. I should be very happy to yield for that purpose.

The VICE PRESIDENT. The Senator would not be entitled to the floor unless he receives unanimous consent.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may yield to the Senator from Missouri for the purpose of his suggesting the absence of a quorum, with the understanding that I shall not lose the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KEM. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Illinois has the floor.

Mr. DOUGLAS. Mr. President, in view of the fact that certain statements were made during the colloquy some time ago to the effect that gas could be transported economically across State lines by other means than pipe lines, I think I should make a very short statement for the RECORD at this point. As I understand, piped gas is almost pure methane, and gas which is shipped in containers is butane and propane, which are primarily used in farm homes and in areas not served by pipe lines. If my information is correct, in most places bottled gas is four to five times as expensive to residential consumers as natural gas which moves through pipe lines. The United States consumption of liquefied petroleum gas in 1948, other than for chemical manufacturing was 132,000,000,000 cubic feet, while gas transported through interstate pipe lines amounted to 2,500,000,000,000 cubic feet or 19 times as much.

Mr. President, I should like now to take up, if I may, the question which the junior Senator from Virginia [Mr. ROBERTSON] raised, namely, the degree of concentration and the lack of competition in the gas industry. In the Senate committee hearings on the bill, the implication was raised that enactment of the bill would greatly benefit the small gas producers and that fierce competition between the alleged small producers would serve to keep prices down. Thus, for example, Mr. R. G. Lawton, of the McAlester Fuel Co. said, as it appears on page 167 of the hearings:

> There are many thousands of individuals engaged in the production of oil and gas throughout the United States.

He later stated:

> Intense competition is always present in the oil and gas business.

That raises an extremely interesting point, namely, just who would profit most from the passage of this bill. Are they the small, struggling independents whose owners wear overalls and work in the fields with the men, or, are they the big shots behind Wall Street desks who control the Leviathans such as Standard Oil, Phillips, the Texas Co., Gulf, Sun Oil, and Shell? Would it primarily benefit those thrifty enterpreneurs who are trying to make a go of their hardy little enterprises, or will it, for the most part, increase the profits on such family fortunes as the Rockefellers, the Mellons, the Pews, the Phillipses, and Queen Wilhelmina, of Holland.

Mr. President, I desire to have it clearly understood that in identifying some of the families which lie behind these great companies, I am not making any personal reflection upon the character of the persons who compose these families. It is not my privilege to know many of them, but I do know one or two members of one of the families I have mentioned, and I can say that no finer people individually, I believe, are in the United States, and that their purposes are humane and decent. I want to make it clearly understood that I am not accusing them in any way of malfeasance in this matter. It is a simple matter of fact, however, that the proposals which are being advanced would increase the family fortunes of the groups which are in either a dominant or influential position within the big companies I have mentioned.

Mr. HOLLAND. Mr. President, will the Senator yield in order that I may ask unanimous consent to make a statement respecting the intention of the acting leadership?

Mr. DOUGLAS. Mr. President, I am very glad to yield to the Senator from Florida for that purpose, with the understanding that I shall not lose my rights to the floor thereby.

The VICE PRESIDENT. Without objection, the Senator from Illinois yields for the purpose indicated.

Mr. HOLLAND. Mr. President, the acting minority leader, the Senator from Massachusetts [Mr. SALTONSTALL] and the acting majority leader, the Senator from Florida, who is speaking, have conferred together, and have conferred with other Senators on the floor. An agreement has been made that we shall recess about 6 o'clock, and, that in the meantime no vote will be sought by the leadership. I wanted to make that announcement for the information of the Senate.

Mr. DOUGLAS. Mr. President, I now want to take up three rather closely related points, first the degree of concentration of ownership and control in the sales of gas; second, the concentration and control in the gas reserves; and third, the question of the profits made by these companies to see whether or not they are suffering. In this respect I shall depart slightly from the advance copies of my speech.

DEGREE OF CONCENTRATION OF OWNERSHIP AND CONTROL IN NATURAL GAS PRODUCTION

To determine the extent to which we can depend on competition to regulate prices we should note the degree of concentration of ownership and control in the field of natural-gas production. It is true that there are 2,300 producers of natural gas in the country who sell to the interstate pipe lines—1,600 of those are in the Appalachian area. I call particularly to the attention of the Senate the fact that 3 percent of the 2,300, or 69, accounted for 70 percent of all the sales in 1947. But the most important thing to remember is that the seven Southwestern States, Arkansas, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas contain nearly 90 percent of all the gas reserves in the country. The official figure is 88.8 percent, which appears on page 13 of the hearings, in table No. 1.

Moreover, the percentage sales by individual companies in this area is even more revealing. It is estimated that by 1952 the Phillips Petroleum Co. will sell approximately 287,000,000,000 cubic feet, or 12½ percent, of all the gas moving out of this area. I may say that these estimates were printed in the hearings and have not been challenged by the proponents of the bill.

The Chicago Corp. will sell 163,000,000,000 cubic feet, or 7 percent of the total.

The Stanolind Oil & Gas Co., which is a subsidiary of Standard Oil of Indiana, will sell 135,000,000,000 cubic feet, or 6 percent of the total.

The Republic Natural Gas Co. will sell 90,500,000,000 cubic feet, or 4 percent of the total.

The Shell Oil Co. will sell 81,700,000,000 cubic feet, or 3½ percent of the total. It is well known that one of the leading stockholders in the Royal Dutch Shell Co., which controls the Shell Oil Co., is Queen Wilhelmina, of Holland.

The Humble Oil & Refining Co. will sell 79,100,000,000 cubic feet, or 3½ percent.

The Magnolia Petroleum Co. will sell 74,700,000,000 cubic feet, or 3 percent of the total. Both Humble and Magnolia are subsidiaries of Standard Oil companies.

The Sun Oil Co. will sell 73,100,000,000 cubic feet, or 3 percent of the total. It is well known that the Sun Oil Co. is dominated by the Pew family of Chester and Philadelphia.

Hagy, Harrington & Marsh will sell 62,500,000,000 cubic feet, or 2¾ percent of the total.

Skelly Oil Co. will sell 47,700,000,000 cubic feet, or 2 percent of the total.

Glassell & Glassell will sell 39,400,000,000 cubic feet, or 1¾ percent of the total.

The Gulf Oil Corp. and subsidiary will sell 35,700,000,000 cubic feet, or 1½ percent of the total.

The first 12 companies, which I have read, will sell in all, more than 50 percent of all the gas which will be transported in 2 years out of the southwestern area and sold to pipe lines, and the 23 remaining companies will sell a further 22 percent; so that the first 35 companies will sell 72 percent of the total, or 1,671,000,000,000 cubic feet, leaving to the remaining 565 producers 654,000,000,000 cubic feet, or 28 percent of the total.

Mr. President, I ask unanimous consent to have placed in the RECORD at this point in my remarks table No. 1, which shows the degree of concentration in the southwestern gas fields.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Estimated sales in 1952 to interstate pipe-line companies by producers in States of Arkansas, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas who would be exempted under S. 1498* [1]

Name of producer	Thousands of cubic feet	Percent of total
1. Phillips Petroleum Co.	[2] 287,798,000	12½
2. The Chicago Corp.	163,162,000	7
3. Stanolind Oil & Gas Co.	135,431,000	6
4. Republic Natural Gas Co.	90,535,000	4
5. Shell Oil Co.	81,721,000	3½
6. Humble Oil & Refining Co.	79,152,000	3½
7. Magnolia Petroleum Co.	74,739,000	3
8. Sun Oil Co.	73,151,000	3
9. Hagy, Harrington & Marsh	62,550,000	2¾
10. Skelly Oil Co.	47,738,000	2
11. Glassell & Glassell	39,441,000	1¾

[1] From hearings, table 15, p. 19.

[2] Exclusive of sales to Independent Natural Gas Co., an affiliate.

TABLE I—Continued

Name of producer	Thousands of cubic feet	Percent of total
12. Gulf Oil Corp. and subsidiary	35,716,000	1½
13. Southwest Gas Producing Co.	34,862,000	
14. H. L. Hunt & Hassie Hunt Trust	31,787,000	
15. Continental Oil Co.	31,003,000	
16. Southern Carbon Co.	30,972,000	
17. Shamrock Oil & Gas Corp.	30,922,000	
18. Warren Petroleum Corp.	28,213,000	
19. United Carbon Co.	26,964,000	
20. Rogers Lacy, et al.	25,684,000	
21. Plymouth Oil Co.	24,513,000	
22. Cities Service Oil Co.	[3] 24,405,000	
23. Western Natural Gas Co.	[4] 22,813,000	
24. Union Oil Co. of California.	22,192,000	
25. The California Co.	21,995,000	
26. Slick-Urschel Oil Co.	20,429,000	
27. Texas Gulf Producing Co.	19,023,000	
28. Oklahoma Natural Gas Co.	18,250,000	
29. Barnsdall Oil Co.	16,200,000	
30. Floyd L. Karsten	14,895,000	
31. Ohio Oil Co.	11,747,000	
32. Fin-Ker Oil & Gas Production Co.	11,693,000	
33. Sinclair Prairie Oil Co.	11,187,000	
34. Tidewater - Associated Oil Co.	10,285,000	
35. Ray Stephens, Inc.	9,942,000	
Total (35 producers)	1,671,110,000	
Remaining 565 producers	654,438,000	28
Grand total (600 producers) [5]	2,325,548,000	100

[3] Exclusive of sales to Cities Service Gas Co., an affiliate.
[4] Exclusive of sales to El Paso Natural Gas Co., an affiliate.
[5] From hearings, table 10, p. 16.

NOTE.—First 12 over 50 percent; first 35 nearly 72 percent.

Mr. DOUGLAS. Mr. President, the table is interesting because the majority of the companies shown on it are either the major oil and gas companies or their affiliates. Stanolind, Humble, and Magnolia, which are No. 3, No. 6, and No. 7, respectively in the list, are affiliates of Standard Oil of Indiana, Standard Oil of New Jersey, and Socony-Vacuum, which is, of course, Standard of New York.

Mr. President, by allowing these companies to charge whatever the traffic will bear, which is the exact intent of Senate bill 1498, profits will expand enormously.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. MORSE. Does the Senator have in the list the Phillips Petroleum Co.?

Mr. DOUGLAS. Yes. The Phillips Petroleum Co. is the largest seller of natural gas of all. The estimated sales of the Phillips Petroleum Co. for 1952 to interstate pipe lines are 287,000,000,000 cubic feet, or 12½ percent of the total.

Mr. MORSE. Is it true, then, that the Phillips Petroleum Co. would be one of the principal beneficiaries of the freedom from regulation the bill seeks to provide?

Mr. DOUGLAS. That is correct.

Mr. MORSE. Does the Senator from Illinois agree with the Senator from Oregon that it would appear that once again we have before us an issue in which big business seeks once more to get himself into a preferred position so that it can carry out what seems to be one of its dominating principles, namely, more and more for the few and less and less for the many?

Mr. DOUGLAS. I think that would be the effect of the bill. In connection with the question of the distinguished Senator from Oregon, I should like to read from the thirty-second annual report, for 1949, of the Phillips Petroleum Co., on page 10, as follows:

There is pending before Congress legislation designed to make it clear that an independent producer and gatherer of gas, like the company—

Namely—and this is my interjection—like the Phillips Petroleum Co.—

is not subject to the jurisdiction of the Federal Power Commission.

Mr. President, profits will expand enormously. I am going to introduce some figures into the RECORD shortly showing that profits are already very high, but they will be made even higher. These profits will primarily go into the pockets of the big families and others. I would say that these people are hiding behind the skirts or, should I say, the overalls of the poor but honest, hard-working, small entrepreneur.

COMPETITION CANNOT OPERATE TO REGULATE PRICES

But, the bill's proponents insist, competition among these companies will keep prices and hence profits down. In order to understand the degree to which competition can come into play among the nontransporting producers of natural gas, we must look at the degree of concentration in individual fields, for we must remember, as I have said, that gas is economically transported only through pipe lines. As I have said again and again, it is an expensive undertaking for a pipe-line company to lay a pipe line to an individual field; and if the producers in that field raise their price, the pipe-line company must pay it or must face the alternative of tearing out the pipe line and laying a new one to another field.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MORSE. Is it not true that if these companies are subjected to the type of regulation which the Federal Power Commission would impose, there is nothing in the field of competition which would prevent them from giving many even more reasonable prices?

Mr. DOUGLAS. Not at all.

Mr. MORSE. Therefore, is it not true that there is no restriction on competition, but there is restriction on exploitation?

Mr. DOUGLAS. That is correct.

Mr. President, the nontransporting producers have the pipe-line companies over a barrel, and they know it. The situation has changed from that which existed in the thirties. The nature of the sale and distribution of natural gas, therefore, renders it monopolistic, not only because it would be uneconomical to have duplicating lines, but also because once laid, it is uneconomical to change pipe lines. Thus, if an individual field is controlled by one producer or by a very few producers, and if a pipe line has been laid to that field, the prices they charge are not subject to competition from other fields. Furthermore, if no pipe line has been laid, the transporting companies are limited in their bargaining to the producers in those fields which are close to their supply lines.

Let us look at some of the individual fields to get an indication of the degree of concentration of ownership. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, table II, showing a partial list of fields which are dominated by a few companies; and I should like to comment upon the table.

The VICE PRESIDENT. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Federal Power Commission list of 80 fields dominated by a few companies*

[Reserves listed are presently under contract to interstate pipe-line companies]

Field	Parish or county	State	Company	Reserves owned		Source of information
				Billions of cubic feet 16.7 p. s. i. a.	Percent of field	
Longwood	Caddo	Louisiana	Phillips Petroleum Co.	87	[1] 50	Exhibits 30 and 134. G-882.
Spider	De Soto	do	Phillips Petroleum Co. and Kerr-McGee Oil Co.	55	[1] 50	Exhibit 31, G-882.
Grand Lake	Cameron	do	Superior Oil Co.	53	110	Exhibit 32, G-882.
Pecan Lake	do	do	do	272	100	Exhibit 118, G-882.
Lakeside	do	do	Superior Oil Co., and Grubb-Hawkins	220	100	Exhibit 34, G-882.
Holmwood	Calcasieu	do	Sohio Petroleum Co.	98	99	Exhibit 35, G-882.
East Holmwood	do	do	do	62	74	Do.
Bell City	do	do	do	37	98	Do.

[1] Above.

TABLE II.—*Federal Power Commission list of 80 fields dominated by a few companies*—Continued

[Reserves listed are presently under contract to interstate pipe-line companies]

Field	Parish or county	State	Company	Reserves owned		Source of information
				Billions of cubic feet 16.7 p. s. i. a.	Percent of field	
Chocolate Bayou	Brasoria and Galveston.	Texas	Phillips Petroleum Co.	216	[1] 90	Exhibit 144, G-882.
			Stanolind Oil & Gas Co.	(2)		
			The Texas Co.	(2)		
Altair	Colorado	do	Superior Oil Co.	31	100	Exhibit 130, G-882.
Lake Creek	Montgomery	do	Superior Oil Co. and Stanolind Oil & Gas Co.	[3] 84	[1] 90	Do.
Columbus	Colorado	do	Cities Service Oil Co.	73	[1] 80	Exhibit 148, G-882.
Ramsey	do	do	do	32	[1] 80	Do.
Lacy	Hidalgo and Cameron.	do	R. Lacy Production Co.	201	[1] 90	Exhibit 163, G-1277.
Starr County fields	Starr	do	Sun Oil Co.	232	[1] 90	Do.
Conoco-Driscoll	Duval	do	Continental Oil Co.	75	100	Do.
Odom	San Patricio	do	Seaboard Oil Co. and Republic Natural Gas Co.	59	[1] 95	Do.
Luby	Nueces	do	Seaboard Oil Co., Stanolind Oil & Gas Co., and Sun Oil Co.	77	[1] 90	Do.
Petronilla	do	do	Seaboard Oil Co. and Stanolind Oil & Gas Co.	106	[1] 90	Do.
Shield	do	do	Stanolind Oil & Gas Co.	14	[1] 90	Do.
Harris-Oakville area	Live Oak	do	Western Natural Gas Co.	86	[1] 90	Do.
			Continental Oil Co.	142		
			Stanolind Oil & Gas Co.	144		
St. Charles	Aransas	do	Western Natural Gas Co.	279	100	Do.
Mission Valley	Victoria	do	do	20	[1] 90	Do.
North Markham and North Bay City	Matagorda	do	Sun Oil Co. and Ohio Oil Co.	702	100	Do.
West Bernard	Wharton	do	Tidewater Associated Oil Co.	82	100	Do.
Egan	Acadia	Louisiana	Sun Oil Co. and Sohio Petroleum Co., et al.	251	[1] 90	Do.
West Cueydan	Vermilion	do	Magnolia Petroleum Co. and Pure Oil Co.	65	100	Do.
Vinton	Calcasieu	do	Union Oil Co. of California	20	[1] 90	Do.
Tigre Lagoon	Iberia and Vermilion.	do	Union Oil Co. of California	479	[1] 90	Do.
East White Lake	Vermilion	do	do	32	100	Do.
West White Lake	do	do	do	20	100	Do.
Fresh Water Bayou	do	do	do	111	100	Do.
East Haynesville	Claiborne	do	Hunt Oil Co.	278	[1] 50	Exhibit 254, G-1105.
Athens	do	do	Skelly Oil Co.	204	[1] 90	Exhibit 256, G-1105.
Oyster Bayou	Chambers	Texas	Sun Oil Co.	44	[1] 95	Exhibit 259, G-1105
Willow slough	do	do	do	304	[1] 95	Do.
Fig Ridge and Seabreeze	do	do	do	180	[1] 95	Do.
La Belle	Jefferson	do	do	50	[1] 95	Do.
East Village Mills	Hardin	Texas	American Republics Corp. and Houston Oil Co.	41	100	Exhibit 255 G-1105.
			Humble Oil & Refining Co.	(2)		
Spurger	Tyler	do	American Republics Corp. and Houston Oil Co.	16	100	Do.
Bear Creek	Bienville	Louisiana	Southern Natural Gas Co.	88	[1] 85	Staff estimate in G-479.
Rio Vista	Contra Costa	California	Standard Oil Co., Amerado Oil Co., and the Texas Co.	[4] 2,128	[1] 75	G-1092.
Barker Dome	San Juan	New Mexico	Delhi Oil Corp., Southern Union, and Production Co.	[4] 327	[1] 70	Staff estimate.
Benedum	Upton	Texas	Slick Urschel Oil Co., and Plymouth Oil Co.	[4] 864	[1] 90	G-1019.
Blanco	San Juan	New Mexico	El Paso Natural Gas Co., Delhi Oil Corp., and Stanolind Oil & Gas Co.	[4] 252	[1] 80	Staff estimate.
Worland	Big Horn, Washakie.	Wyoming	Pure Oil Co.	[4] 362	[1] 80	G-1229.
West Barataria	do	Louisiana	California Co.	15	96.8	Exhibit 16, G-887.
Barataria	do	do	do	10	100	Do.
South Barataria	do	do	do	7	100	Do.
Bayou Perot	do	do	do	9	100	Do.
Delta Farms	La Fourche	do	do	117	100	Do.
Bay Baptiste	Terrebonne	do	Union Producing	74	100	*Do.
De Large	do	do	Fohs Oil Co.	57	50	Do.
			Union Producing Co.	57	50	
Gibson	do	do	Union Producing Co.	158	100 38.2	Do.
			Sun Oil Co.	28	6.9	
			Shell Oil Co.	188	45.4	
			William Hellis	14	3.6	
					94.1	
Good Hope	St. Charles	do	Humble Oil & Refining Co.	9	48.9	Do.
			Pure Oil Co.	1	8.4	
					57.3	
Convent (Hester)	St. James	do	Humble Oil & Refining Co.	41	100	Do.
Houma and North Houma	Terrebonne	do	Union Oil Co. of California	73	100	Do.
South Houma	do	do	Shell Oil Co.	22	100	Do.
La Fourche Crossing	La Fourche	do	Grubbs & Hawkins	27	35	Do.
			Mikton Oil Co.	50	65	Do.
					100	
Lake Long	do	do	Texas Gulf Products Co.	125	99.7	Do.
			Roussel & Bateman		.3	Do.
					100.0	
Lirette	Terrebonne	do	Union Producing Co.	240	30	Do.
			Humble Oil & Refining Co.	572	70	Do.
					100	

[1] Above.
[2] Not stated.
[3] Unitized area covering most of field.
[4] Field totals.

TABLE II.—*Federal Power Commission list of 80 fields dominated by a few companies*—Continued

[Reserves listed are presently under contract to interstate pipe-line companies]

Field	Parish or county	State	Company	Reserves owned		Source of information
				Billions of cubic feet 16.7 p. s. i. a.	Percent of field	
Paradis	St. Charles	Louisiana	Humble Oil & Refining Co	131	10	Exhibit 16, G-887.
			The Texas Co	1,183	90	Do.
				----------	100	
Raceland	La Fourche	do	Tidewater Associated	7	12.4	Do.
			Amorada Petroleum Co	51	87.6	Do.
				----------	100.0	
St. James	St. James	do	Humble Oil & Refining Co	73	100	Do.
Delacroix	Plaquimines	do	The Texas Co	104	100	Do.
Delta Duck Club	do	do	do	156	100	Do.
Garden Island Bay	do	do	do	24	100	Do.
Bateman Lake	St. Marys	do	do	979	100	Do.
Bay St. Blaine	Terrebonne	do	do	25	100	Do.
Caillou Island	do	do	do	123	100	Do.
Dog Leg	do	do	do	36	100	Do.
Lake Barre	do	do	do	44	[1]100	Do.
Lake Pelto	do	do	do	18	100	Do.
Bastion Bay	Plaquimines	do	Phillips Petroleum Co	33	100	Do.
Baxterville	Lemar and Marion Cities.	Mississippi	J. P. Evans Co	6	2.5	Do.
			Gulf Refining Co	145	52	
			Superior Oil Co	35	12.7	
				----------	67.2	
Soso	Smith, Jones, and Jasper.	do	Southern Oil Corp	1	1.0	Do.
			Union Producing Co	26	31.5	
			Gulf Refining Co	77	62.9	
				----------	95.4	
Provident City	La Vaca	Texas	Shell Oil Co	254	96.4	Exhibit 15-B, G-1089.
Sheridan	Colorado	do	do	467	70.7	Do.
Brushy Creek	La Vaca and Dewitt.	do	do	33	100	Do.
Vienna	La Vaca	do	Oil Drilling, Inc	19	94.45	Do.
Total				15,580		

[1] Approximate.

Mr. DOUGLAS. Mr. President, in Louisiana, nine fields with a combined reserve of one and one-half trillion cubic feet are 100 percent owned by the Texas Co. No company other than the Texas Co. has ownership in those nine fields. The pipe-line companies will have to go to the Texas Co. for natural gas in those fields, if they are to get any natural gas from those fields. In Texas, three fields with reserves of three-fourths of a billion cubic feet are owned by the Shell Co. in percentages of 71, 96, and 100 percent. The study of 80 individual fields with combined reserves of 15,500,000,000,000 cubic feet which I have just inserted shows that they are all owned in amounts varying from 50 to 100 percent by one, two, or three companies.

(At this point Mr. DOUGLAS yielded to Mrs. SMITH of Maine, who addressed the Senate on the treatment of disabled veterans and regulars at military hospitals. On request of Mr. DOUGLAS, and, by unanimous consent, the remarks of Mrs. SMITH of Maine were ordered to be printed in the RECORD at the conclusion of the speech of Mr. DOUGLAS.)

Mr. DOUGLAS. Mr. President, I discussed previously the concentration in 80 specific fields which have reserves in all of 15,500,000,000,000 feet. I have covered them in the table which is printed in the text, and to which I ask the attention of Senators. I now want to take up the two largest fields in the United States the Texas Panhandle field and the Hugoton field, which together have reserves of 42,000,000,000,000 cubic feet, or nearly one-fourth of the reserves of the entire country. I should like to point out in this connection that 10 companies control three-fifths of these reserves. I ask unanimous consent to insert a table bearing out this fact at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*Natural gas acreage in the Texas Panhandle and Hugoton gas fields owned in fee or held through leasehold by certain companies, together with estimated reserves and possible values*

	Panhandle field	Hugoton field	Total [1]	Possible reserves at 7,500 thousand cubic feet per acre	Value at 5 cents	Value at 10 cents
Pipe line companies:	*Acres*	*Acres*	*Acres*	*MMcf*	*Mcf*	*Mcf*
Canadian River Gas Co	262,883	----------	262,883	1,971,000	$98,500,000	$197,100,000
Cities Service Gas Co	104,921	201,601	306,522	2,299,000	114,950,000	229,900,000
Consolidated Gas Utilities Corp	17,551	----------	17,551	132,000	6,600,000	13,200,000
El Paso Natural Gas Co	----------	[2] 34,800	34,800	261,000	13,550,000	26,100,000
Kansas-Colorado Utilities Co	----------	6,693	6,693	50,000	2,500,000	5,000,000
Kansas-Nebraska Natural Gas Co	----------	8,080	8,080	61,000	3,050,000	6,100,000
Northern Natural Gas Co	16,005	188,917	204,922	1,537,000	76,850,000	153,700,000
Panhandle Eastern Pipe Line Co	40,269	401,301	441,570	3,312,000	165,600,000	331,200,000
Texoma Natural Gas Co	140,118	----------	140,118	1,050,000	52,500,000	105,000,000
Total for group	581,747	841,392	1,423,139	10,673,000	533,650,000	1,067,300,000
Other companies:						
Cabot Carbon Co	----------	17,920	17,920	134,000	6,700,000	13,400,000
Cities Service Oil Co	----------	33,900	33,900	254,000	12,700,000	25,400,000
Columbian Fuel Corp	----------	55,633	55,633	417,000	20,850,000	41,700,000
Fin-Ker Oil & Gas Production Co	----------	48,200	48,200	362,000	18,100,000	36,200,000
Hagy, Harrington & Marsh	32,990	149,848	182,838	1,371,000	68,550,000	137,100,000
Kansas Natural Gas, Inc	----------	14,980	14,980	112,000	5,600,000	11,200,000
Magnolia Petroleum Co	----------	118,480	118,480	889,000	44,450,000	88,900,000
Peerless Oil & Gas Co	----------	116,000	116,000	870,000	43,500,000	87,000,000
Phillips Petroleum Co	285,000	620,880	905,880	6,794,000	389,700,000	779,400,000
Republic Natural Gas Co	----------	220,501	220,501	1,654,000	82,700,000	165,400,000
Shamrock Oil & Gas Corp	220,000	1,700	221,700	1,664,000	83,200,000	166,400,000

[1] Data on acreage are from testimony in this record and from Commission files and records.
[2] Held by affiliates.

TABLE III—Continued

	Panhandle field	Hugoton field	Total [1]	Possible reserves at 7,500 thousand cubic feet per acre	Value at 5 cents	Value at 10 cents
Other companies—Continued	*Acres*	*Acres*	*Acres*	*MMcf*	*Mcf*	*Mcf*
Sinclair Prairie Oil Co	----------	19,000	19,000	142,000	$7,100,000	$14,200,000
Skelly Oil Co	----------	171,520	171,520	1,286,000	64,300,000	128,600,000
Stanolind Oil & Gas Co	----------	600,000	600,000	4,500,000	225,000,000	450,000,000
United Producing Co	----------	90,920	90,920	682,000	34,100,000	68,200,000
White Eagle Oil Co	----------	70,000	70,000	525,000	26,250,000	52,500,000
Total for group	537,990	2,349,482	2,887,472	21,656,000	1,082,800,000	2,165,600,000
Total acreage listed	1,119,737	3,190,874	4,310,611	32,320,000	1,616,450,000	3,232,900,000
Holdings by others	280,263	1,009,126	1,289,389	9,671,000	483,550,000	967,100,000
Total acreage of field	1,400,000	4,200,000	5,600,000	42,000,000	2,100,000,000	4,200,000,000
Percent of listed acreage to total	80	75	77	----------	----------	----------

Source: Hearings p. 369.

Mr. DOUGLAS. Let us identify some of the companies. Phillips Petroleum Co. is estimated to have reserves in the Panhandle and Hugoton fields of 905,880 acres; the Republic Natural Gas Co., 220,501 acres; Shamrock Oil & Gas Corp., 221,700 acres; Skelly Oil Co., 171,520 acres; Stanolind Oil & Gas Co., 600,000 acres; Hagy, Harrington & Marsh, 182,838 acres; Magnolia Petroleum Co., 118,480 acres; Peerless Oil & Gas Co., 116,000 acres, and so on. The entire group of nontransporting producers which I list, all of whom are large holders, have 2,887,472 acres of a total listed acreage of 4,310,611, or almost two-thirds of the listed acreage.

As a matter of fact, 33 companies hold 62½ percent of all oil and gas acreage in the entire United States.

This is borne out by a table I placed in the RECORD yesterday. This table is a part of exhibit II and may be found on page 3630.

Mr. President, the control of individual fields by one, two, or three companies is the greatest factor in making the selling of gas monopolistic in nature because once lines are laid, the bargaining power of the pipe line company is so diminished that it is practically extinct.

If these big businesses were only making small profits, I would not object to a further increase of price. But the truth of the matter is that they are making enormous profits. I ask unanimous consent to insert a table at this point in my remarks showing a list of the 24 large producers, whose interstate sales of natural gas would be exempt from regulation under Senate bill 1498. The table shows the total assets of the companies, the total gross operating revenues in 1948, and the percentage of return on common stock and surplus in 1948, after taxes have been paid.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IV.—*List of 24 large producers whose interstate sales of natural gas would be exempt from registration under S. 1498*

	1947 position in interstate sales	Total assets, Dec. 31, 1948	Total gross operating revenues, 1948	Percent return on common stock and surplus, 1948, after taxes
Barnsdall Oil Co	24	$52,135,900	$37,150,300	31.6
The Chicago Corp	2	41,490,000	10,440,000	22.6
Cities Service Oil Co	41	(1)	(1)	(1)
Cities Service Co	----------	991,851,300	593,435,000	25.7
Continental Oil Co	7	261,949,800	330,280,800	25.8
Gulf Oil Corp	8	1,191,004,000	1,068,876,500	20.0
Humble Oil & Refining Co	4	861,426,300	1,050,570,400	27.7
Standard Oil Co. of New Jersey	----------	3,526,043,000	3,300,786,000	16.1
Magnolia Petroleum Co	16	(1)	(1)	(1)
Socony-Vacuum Oil Co., Inc	----------	1,443,034,000	1,326,508,300	12.4
Ohio Oil Co	32	203,389,200	191,385,400	28.4
Phillips Petroleum Co	1	579,273,500	487,165,287	18.7
Pure Oil Co	33	270,967,800	281,319,500	23.6
Republic Natural Gas Co	3	[2] 22,760,000	[3] 9,735,100	[3] 24.1
Shamrock Oil & Gas Corp	18	[4] 24,858,500	[5] 21,417,100	[5] 40.8
Shell Oil Co	17	(1)	(1)	(1)
Shell Union Oil Co	----------	640,569,000	830,421,200	29.5
Sinclair-Prairie Oil Co	43	(1)	(1)	(1)
Sinclair Oil Corp	----------	710,125,200	636,568,800	19.4
Skelly Oil Co	6	169,015,500	180,044,400	30.4
Stanolind Oil & Gas Co	5	(1)	(1)	(1)
Standard Oil Co. of Indiana	----------	1,500,049,500	1,236,957,500	13.7
Sun Oil Co	14	278,582,680	447,309,200	19.4
Sunray Oil Co	35	136,030,800	65,527,200	30.0
Superior Oil Co	26	[6] 84,464,600	[7] 53,832,000	[7] 32.0
Texas Gulf Producing Co	15	19,569,200	9,729,500	31.0
The Texas Co	22	1,277,093,800	1,080,886,400	17.9
Union Oil Co. of California	42	298,415,900	208,353,500	16.3
United Carbon Co	12	29,518,600	26,034,900	12.0
Warren Petroleum Corp	25	[2] 57,836,400	[2] 80,495,200	[3] 28.2
Approximate totals and average	----------	14,000,000,000	12,500,000,000	23.9

[1] Producer not reported separately from parent corporation listed below.
[2] June 30, 1948.
[3] Year ended June 30, 1948.
[4] Nov. 30, 1948.
[5] Year ended Nov. 30, 1948.
[6] Aug. 31, 1948
[7] Year ended Aug. 31, 1948.

NOTE.—The above listed producers furnished 62 percent of gas sold in 1947 to interstate pipe-line companies in Southwest.

Source: Speech by Representative CROSSER, Aug. 4, 1949, CONGRESSIONAL RECORD, p. 10795.

Mr. DOUGLAS. I invite attention to some of the rates of profit which are made: Barnsdall Oil Co., 31.6 percent; the Chicago Corp., one of the large groups, 22.6 percent; Cities Service Co., 25.7 percent; Continental Oil Co., 25.8 percent; Gulf Oil Corp., 20 percent; Humble Oil & Refining Co., 27.7 percent. I may say that Humble Oil & Refining Co. is a subsidiary of Standard Oil Co. of New Jersey which itself made 16.1 percent. Socony-Vacuum Oil Co., which controls the Magnolia Petroleum Co., 12.4 percent; Ohio Oil Co., 28.4 percent; Phillips Petroleum Co., 18.7 percent; the Pure Oil Co., 23.6 percent; Republic Natural Gas Co., 24.1 percent; Shamrock Oil & Gas Corp., 40.8 percent; Shell Union Oil Co., 29.5 percent; Sinclair Oil Corp., 19.4 percent; Skelly Oil Co., 30.4 percent; Standard Oil Co. of Indiana, which controls Stanolind Oil & Gas Co., 13.7 percent; Sun Oil Co., 19.4 percent; Sunray Oil Co., 30 percent; Superior Oil Co., 32 percent; Texas Gulf Producing Co., 31 percent; the Texas Co., 17.9 percent; Union Oil Co. of California, 16.3 percent;

United Carbon Co., 12 percent; and Warren Petroleum Corp., 28.2 percent.

This material was given in a speech by Representative CROSSER, on August 4, 1949, and appears at page 10795 of the RECORD.

Mr. President, that shows that these profits are really phenomenal. It shows three affiliates of Standard Oil companies who, in 1947, ranked fourth, fifth, and sixteenth in interstate sales of natural gas. The assets of these three Standard Oil companies alone total nearly $6,500,000,000, and their gross operating revenues amounted to nearly $6,000,000,000. In this list of 24 companies as I have shown, we find the names Standard, Gulf, Shell, Sinclair, Phillips, Texas, and Cities Service. Others, such as Union, Sun, Barnsdall, Sunray, Skelly, and Pure Oil companies are small only in comparison to those previously mentioned, but they are all mammoth corporations with assets ranging from $19,000,000 to $3,500,000,000. The total assets of these 24 companies alone amount to about $14,000,000,000 with gross operating revenues of over $12,500,000,000. Nor are these companies having a tough time making ends meet. Profits after taxes ranged from 12- to over 40-percent return on common stock and surplus, and averaged 24 percent in 1948. These profits can only be called phenomenal in view of the 7 or 8 percent normally considered an excellent return.

But perhaps we can get a better idea of the extent of these profits if we see how much individual companies made after taxes. According to published financial statements, Humble, affiliated with Standard of New Jersey, which ranked fourth in interstate sales of natural gas, made $186,000,000; Standard of Indiana, ranking fifth, made $140,000,000. Gulf, ranking eighth, made $153,500,000. Phillips, ranking first, made nearly $73,000,000. These are not small potatoes. It is not the kind of money made by small operators wearing overalls. But it does indicate the size of the companies who will profit most if regulation is removed.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am very glad to yield for a question.

Mr. HOLLAND. I ask the Senator whether the table which he has just placed in the RECORD shows the earnings of the listed companies derived solely from their handling of natural gas?

Mr. DOUGLAS. The answer is no. These are profits made from the combined gas and oil business, and I want to make that clear. But the combined profits do indicate that the companies are doing very well.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. I am very glad to yield.

Mr. HOLLAND. Does the Senator have a similar list showing the profits based on sales of natural gas alone?

Mr. DOUGLAS. I may say in reply to the Senator from Florida that those figures are not available as the companies report their earnings only on a consolidated basis. If they were available, I would put them in the RECORD. I want to assure the Senator from Florida to that effect. But they are not available.

(At this point Mr. DOUGLAS yielded to Mr. LEHMAN, who addressed the Senate on the effect of the repeal of oleomargarine taxes. On request of Mr. DOUGLAS, and by unanimous consent, the remarks of Mr. LEHMAN were ordered to be printed in the RECORD at the conclusion of the speech of Mr. DOUGLAS.)

Mr. DOUGLAS. Mr. President, there are also artificial means of eliminating competition, in a number of ways.

While gas sales are monopolistic in nature there are also artificial means of eliminating competition. Thus when the number of producers is small it is a simple matter to eliminate competition and even raise prices through informal price agreements. I know that the bill's proponents will say that this is contrary to the Sherman Act, since such agreements are conspiracies in restraint of trade and it is the duty of the Department of Justice to prosecute those violating the law. But, in fact, it is extremely difficult to prove conspiracy, since agreements are not written and the participating companies will not leave documentary evidence lying around.

The ability to reach common price agreements is dependent upon the number of companies operating in a given field. The smaller the number of companies, the greater opportunity there is to set prices at which gas will be sold to pipe lines.

One method of eliminating competition without even making agreements is the so-called most-favored-nation contract. These contracts may provide either that the pipe-line company must always pay as high a price to the contracting producer as it does to any other producer or as high a price as any other pipe-line company pays in a given area. Thus when several producers within an area have this clause in their contract, the pipe-line company will pay them all the same price. The best proof that there is an actual lack of competition however is the fact that producers' prices almost without exception have not varied within individual fields in recent years. I think that was borne out by the facts in the Interstate case.

Thus, it is evident that passage of the bill would primarily benefit the gigantic oil and gas companies rather than the small enterprises and that competition will not regulate prices charged by nontransporting producers because of the expense of ripping out and laying new pipe lines.

RECENT PRICE INCREASES

Mr. President, I now want to turn to the question of the facts with reference to recent price increases.

The Natural Gas Act of 1938 as interpretated by the Supreme Court in the Interstate case, would seem to give the Federal Power Commission the authority to regulate the sales of the nontransporting producers to the interstate pipeline companies. No attempt was made, however, to regulate these sales until the Phillips case in 1948 when prices began to skyrocket. I think we should commend the FPC for not regulating these sales when there was no necessity for it; but we should no less encourage the Commission to step in with regulation when these prices begin to rise with rapidity. Certainly we should not pass a bill denying them the authority the moment the exercise of such authority becomes necessary to protect the public interest.

There is no doubt that natural-gas prices have risen considerably in the past few years and are continuing to spiral upward. In this connection, I should like to read an excerpt from Southwest Boom, an article in Chemical Engineering for April 1949:

> Gas, as the scramble for it by transcontinental pipe-line companies has intensified, has risen in price. Several years ago its price at the well ranged between 3 and 4 cents per thousand cubic feet in Texas, Louisiana, and Oklahoma. Today along the Gulf coast it ranges at the well from 8 to 10 cents per thousand cubic feet.
>
> A few large owners of gas reserves in Texas—

I invite the attention of the Senate to this portion of the statement—

> A few large owners of gas reserves in Texas are known to be sitting on their holdings in a chess game where present taxes and prospects for future higher prices are pieces on the board. Right now these companies are not particularly hard pressed for the revenue.

This indicates that prices have in many cases doubled, and sometimes tripled. Concerning those large owners who are sitting on their holdings in the expectation of future higher prices, I think it is pretty obvious that they are waiting for the passage of this bill.

In other words, some of the reluctance on the part of producing and gathering companies to sell to gas lines, upon which comment has been made on the floor of the Senate in the past few days, is due to the belief on the part of the companies that if only they hold tight, Congress will pass, and the President will sign, the Kerr bill, which will remove them from the field of regulation, and they will be able to charge much higher prices. They are speculating on the fact that Congress and the President will put the Kerr bill into effect. I have no objection to speculation as such, which is a part of the free-enterprise system, but I do object to speculating in commodities which are monopolistic in nature. However, it also seems obvious that most speculation in gas will end with the final disposition of this bill. If it shall be enacted, the gas now held off the market will be sold to interstate pipe lines at monopoly prices. If we beat the bill, these holders will know that regulation will be forthcoming, and that there will be no point in hoping to charge whatever the traffic will bear. The situation will be clarified. The gas will begin to move from these particular holdings into the market.

A further indication of how gas prices have recently risen to high levels can be seen in a statement by Dr. E. DeGolyer, a director of Republic Natural Gas Co.,

one of the largest of the nontransporting producers whose sales would be exempt from regulation by this bill, and who seems to be a completely honest man. Dr. DeGolyer, in a speech before the National Security Traders' Association, at Dallas, Tex., on November 16, 1948, said:

> Gas, which only a few short years ago, could not be sold at the wells for 1 cent a thousand cubic feet, is now bringing prices as high as 8 to 15 cents a thousand cubic feet.

I invite the attention of my good friends who have been talking about how the natural-gas industry has been exploited by low prices to what Dr. DeGolyer further said:

> What other industry has enjoyed such price increases for its product with an ever-increasing demand which should at least assure maintenance of existing price levels for years to come?

That was not said by a United States Senator; it was not said by an opponent of the Kerr bill; it is not a quotation from a Washington columnist; it is what was said by a great geologist, who is a director of one of the largest companies in the country which would be freed from regulation by the enactment of the pending bill.

Contracts which have been negotiated in recent years bear out this statement in reference to recent price increases. I shall be glad to analyze the contracts in detail somewhat later, if the Senate wishes to continue in session. However, it is small wonder that the Federal Power Commission became concerned early in 1948 about protecting natural-gas consumers from exploitation by the big nontransporting producers.

SPECIFIC CASES OF RECENT PRICE INCREASES

Another factor contributing to increased gas prices follows from the monopolistic nature of conditions surrounding the sales and transportation process. Once a pipe-line company lays a line to a field, it loses bargaining power in dealing with the producer to get increasing amounts of gas.

A good illustration of such a situation is that of the Michigan-Wisconsin pipeline company, which contracted in 1945 with the Phillips Co. as the sole supplier for its natural gas. The contract originally set a price of 5 cents per thousand cubic feet. But when contracts were renegotiated, after pipe-line construction was well under way, to take care of the company's growing requirements, the minimum price reached 8½ cents, with some additional gas going at 10 and 11 cents per thousand cubic feet. The Commission's staff has estimated that the additional costs to consumers will reach $5,000,000 as a minimum in this case alone. In other words, the cost of gas doubled in 4 years.

In the Gulf Coast area of Texas, Piedmont Pipeline recently contracted for a price of 10 cents per thousand cubic feet of gas, rising to an eventual 14½ cents. Skelly and Sun Oil Co. are the producers of this gas, some of which is presently under contract to the United and the Arkansas-Louisiana pipe-line companies for 3½ cents.

Thus we can see that gas prices have increased enormously in individual cases. Taking the Southwest as a whole, which, we should remember, contains about 90 percent of the Nation's reserves, we find that the producer's price of gas has gone from a low of 3 cents to a high ranging from 9 to 13½ cents. The source for these figures is the staff memorandum of the Federal Power Commission dated September 9, 1949.

(At this point Mr. DOUGLAS yielded to Mr. FERGUSON, who submitted a report on the protection of the United States against subversive activities. On request of Mr. DOUGLAS, and by unanimous consent, the report and the remarks of Mr. FERGUSON were ordered to be printed in the RECORD at the conclusion of the speech of Mr. DOUGLAS.)

Mr. DOUGLAS. Mr. President, it has been frequently said in the course of these debates that the price of natural gas in the field will not rise because there are already existing contracts which contain a fixed and stated price, and which will run for long periods of time, and therefore we who fear price increases are really seeing spooks which are not there.

CONTRACTS WILL NOT KEEP PRICES FROM RISING

Mr. President, I should like to call to the attention of the Senate a table which was printed on pages 3630 to 3640 in the RECORD of yesterday, listing 100 contracts which had been entered into by nontransporting producers and gatherers with interstate pipe-line companies since July 1, 1947, for the sale of gas from producing wells in the Southwest. I urge that, in addition to going through the list, a summary view of what these contracts provide be obtained. I may say that the Federal Power Commission furnished me with this tabulation.

The 100 gas-purchase contracts included in it represent an annual aggregate purchase of 1,320,000,000,000 cubic feet from 53 separate producers. That is an enormous quantity of gas—1,320,000,000,000 cubic feet a year. It is approximately 57 percent of the natural gas which the Federal Power Commission estimated will be purchased by pipeline companies from all nontransporting producers in the Southwest in the year 1952.

Now let us look at these contracts. In the first place, the 10 largest producers account for 750,000,000,000 cubic feet, or 57 percent of the total covered under these contracts. The 15 largest sellers account for 68 percent of all the gas disposed of under these contracts.

THE ESCALATOR CLAUSES

As to the pricing provisions of the 100 contracts, 95—all but 5—contain escalator clauses which provide for automatic increases in prices at intervals of 1, 2, 4, or 5 years. For example, on page 3639 there is shown a contract between the Sun Oil Co. and the Texas Eastern Transportation Corp. providing for the following contract-rate adjustments: The first 5 years, 6 cents; second 5 years, 7 cents; third 5 years, 8 cents; fourth 5 years, 9 cents.

Then there is shown on the same page another contract of the Sun Oil Co. with the Transcontinental Gas Pipeline Corp.; First 5 years, 8½ cents; second 5 years, 9½ cents; third 5 years, 10½ cents, and so on.

I pick out another contract, shown on page 3638, of the Stanolind Oil & Gas Co. with the Piedmont Natural Gas Corp.: First 2 years, 10 cents; second 2 years, 10½ cents; third 2 years, 11 cents; fourth 2 years, 11½ cents; fifth 2 years, 12 cents; sixth 2 years, 12½ cents; seventh 2 years, 13 cents; eighth 2 years, 13½ cents; ninth 2 years, 14 cents; tenth 2 years, 14½ cents.

I emphasize that 95 o. the 100 contracts contain escalator clauses providing for automatic increases at intervals of 1, 2, 4, or 5 years. There can be no question that these clauses will result in higher prices to the producer, higher costs to the pipe lines and distributing companies, and increased rates to the consumers.

RENEGOTIATION CLAUSES

In addition to the escalator clauses, there are also renegotiation clauses, and the analysis shows that 46, or nearly one-half of these contracts provide for renegotiation of price during the term of the contract, sometimes at the end of the first, second, third, or fourth 5-year periods.

But, Mr. President, do these clauses provide for price renegotiation at a lower price? Is there any provision that the contracts can be renegotiated at a lower price than is contained in the contract? Not according to the contracts, for there are stated minimums below which the price cannot go. The escalator moves upward. It does not move downward. Prices can also go up by renegotiation, but under these contracts, unless they are checked by the Federal Power Commission, the prices can never go down.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DOUGLAS. I yield for a question.

Mr. HUMPHREY. I wonder whether the Senator in his study of the contracts has found a situation wherein a contract was made at a relatively low price for a certain number of cubic feet of gas, then when the gas business increased for the distributor, the second contract to supply the additional gas was made at an extraordinarily high price, running as high as 50-percent to 75-percent increase, in order to cover up for the low price of the original contract? Has the Senator from Illinois found any such evidence?

Mr. DOUGLAS. The case of the Phillips Petroleum Co. and the Michigan-Wisconsin pipe line generally conforms to that standard, and also includes a renegotiated increase on the original contract. As has been mentioned, the first contract in 1945 was for 5 cents per 1,000 cubic feet. There were delays of the pipe-line company in laying the pipe line. It also had to enter into a new contract to obtain more gas. The Phillips Co. took action in the new con-

tract to raise the price of the original volume of gas, as I have said, not by 50 percent, as the Senator from Minnesota modestly suggested, but from 5 cents to 8½ cents, which would be 60 percent as a minimum. Some of the additional gas was to be sold at 10 cents, which would be a 100-percent increase. Some of the gas was to be sold at 11 cents per thousand cubic feet, which would be a 120-percent increase. So the statement of the junior Senator from Minnesota was a very modest one. The figures he suggested were very modest, indeed.

Mr. HUMPHREY. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. HUMPHREY. I wonder if the Senator is familiar with the case of the Northern Natural Gas Co. and its contract relationships with the Independent Natural Gas Co. another interstate pipeline company.

Mr. DOUGLAS. I am not precisely familiar with them, and I ask unanimous consent, Mr. President, that the Senator from Minnesota be permitted to make a statement about that case without my losing my right to the floor thereby.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. I may say in line with the statement the junior Senator from Illinois is making, that the evidence from the Federal Power Commission in reference to the Northern Natural Gas Co. and its relationships with the other interstate pipe line pointed out that within a period of 2 years, when there were new contracts negotiated in order to take care of the needed supply of gas to be delivered to the consumers, there was an increase in prices of 17 percent in one contract, 44 percent in another, 62 percent in a third, 78 percent in a fourth, 80 percent in a fifth, and 89 percent in a sixth, all within a period of 2 years. That, I think, is additional evidence in support of the argument of the Senator from Illinois, that, while it may seem on the surface that some of the prime contracts are reasonable, the 5-cent price, for example, yet when the producer company is, so to speak, held by that contract, it finds it convenient at a later date, in order to supply the additional gas as consumers convert to gas heating, as industry converts to gas as a fuel, to raise the price in the additional contracts for the extra cubic feet of gas needed.

Mr. DOUGLAS. I thank the distinguished Senator from Minnesota for his very excellent statement, which is water on the wheel which I have been trying to turn, namely, that the fact that contracts are originally signed at a low price does not mean that gas will continue to be served at that low price, but that virtually all the contracts contained within themselves clauses permitting prices to be increased. Moreover, if the pipe line has to go back for further quantities of gas, the producing and gathering company, at the price of letting them have additional gas, will compel a renegotiation of the contract which had been originally negotiated at low prices.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. HUMPHREY. Is it not true, once the distributor has found new customers, because of industrial use of gas and consumer use of gas, and once the big pipe line has been built to take the gas to the large industrial areas, that the buyer demand at the end of the pipe line upon the distributing company is so great that actually the producer can in effect say when a new contract is entered into: "Look, if you want any more gas you are going to pay my price"; because already the line has been built and the market has been opened and the producer, in a sense, strange as it may seem, instead of being at the mercy of the pipe line, instead of being at the mercy of the distributor at the other end, actually the distributor and the pipe line are at the mercy of the producer.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Is it not true, then, I ask the Senator from Illinois, that that is the reason why the so-called independent producer is an integral part of a complete interstate system regardless of whether he seems independent as a producer, because ultimately he has the only commodity which can be used in the system which has been developed?

Mr. DOUGLAS. The Senator from Minnesota is completely correct, and he has stated the situation succinctly and accurately. I would make only one change in the statement he has made; namely, I would say let us not call these big companies independent producers, for that name conveys the impression that they are small men, sturdy men, wildcatters who like to move around the Texas and Oklahoma territory prospecting for oil, and the type of individual enterpriser who helped open up the West. That may have been true in the pioneering stages; but now the control of the commodity is in the hands of the big companies, whose headquarters are to be found in Wall Street or Milk Street or in the financial centers of Houston, Dallas, or Tulsa, or in other large financial centers. Those who control those companies are the men in silk hats, if silk hats are still in style. I use the term "silk hat" merely as a bit of haberdashery detail to indicate affluence.

Mr. HUMPHREY. Mr. President, I should like to ask the Senator from Illinois whether in his discussion of the escalator clauses of the contracts and the renegotiation clauses, which provide for renegotiation only one way—in other words, up——

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. It was not his intention to dissipate the illusion that there is 25 to 30 years stability in the initial low-priced contracts to a pipe-line company? Is not that the purpose of the Senator's remarks?

Mr. DOUGLAS. That is correct. It was for that purpose that I asked the Federal Power Commission to furnish material which I have had printed in the CONGRESSIONAL RECORD, and that material takes up 10 full pages of the CONGRESSIONAL RECORD of yesterday. That material sets forth in great detail the situation in that respect. If there are any errors in that material, I ask the proponents of this bill to point them out. To the best of my belief, that material is accurate. It shows that the prices provided by those contracts can be raised, not exactly at will, but with great facility.

Mr. HUMPHREY. The record to date seems to be that the facility in that respect is greater and more available, and that such upward changes can more easily be made now than could have been the case some years ago. Is that correct?

Mr. DOUGLAS. Yes; because natural gas has ceased to be a commodity in a buyers' market, and has become a commodity in a sellers' market.

MOST-FAVORED-NATION CLAUSE

Mr. President, in addition to the ways in which I have already indicated the contracts may be revived, and in addition to the very appropriate interpolation made by the distinguished junior Senator from Minnesota [Mr. HUMPHREY], there is a further way by which the prices within existing contracts may be raised; namely, by the so-called most-favored-nation clauses. These are the pay-offs. If we examine in detail the 100 contracts, we find that 65 of them contain one or more varieties of the most-favored-nation clause. Let us review a few of these clauses in detail. For instance, one of them is to be found in a contract between the Atlantic Refining Co. and the Tennessee Gas Transmission Co., dated October 14, 1949—last fall—which says:

> Buyer will pay to seller highest price it is paying to any other seller in District No. 4, if higher than price made to this seller.

In other words, if the pipe-line company pays to any other producer a higher price than it pays to the Atlantic Refining Co., then automatically the amount paid to the Atlantic Refining Co. will go up accordingly.

Now let us consider another contract—the Barnsdall Oil Co. contract with Tennesseee Gas Transmission Co. Incidentally, this contract which was originally entered into in 1945, was amended last year to provide not only for an increase in the basic contract rate, but for the addition of a most-favored nation clause. The contract reads:

> Buyer to pay seller any greater price paid by buyer to any other producer in the same railroad commission district.

A different twist is present in the contract between the California Co., a subsidiary of the Standard Oil Co. of California, and Texas Eastern Transmission Corp., where the favored-nation clause provides:

> If buyer has entered into or should hereafter enter into a contract for the purchase of gas produced within a radius of 100 miles of the Hico-Knowles Field, the buyer must pay seller any higher price paid within this radius.

That contract is another illustration of the point that, if the price to one goes up, the price goes up to other companies which are covered under such most-favored-nation clauses. As I have said, among the 100 contracts I have cited, 65 contain 1 or more varieties of the most-favored-nation clause. So the

idea that the consumer is protected by contracts at fixed prices which already are in existence is erroneous.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Illinois yield further to the Senator from Minnesota?

Mr. DOUGLAS. I am very glad to yield.

Mr. HUMPHREY. Is it not also possible that in this situation the idea that the consumer is protected by competition is erroneous?

Mr. DOUGLAS. It is completely erroneous.

Mr. HUMPHREY. Because in this situation the competition which seems to apply is competition which raises the price, because, as I have studied those contracts, I observe that in no case does a lower price apply. In other words, if, after contracting to purchase gas for 5 cents a thousand cubic feet, it is found possible for the company to buy gas for 3 cents a thousand cubic feet, nevertheless under such contracts it will not be possible for the company to buy the gas at the lower price.

Mr. DOUGLAS. That is correct. In other words, the most-favored-nation clause brings about higher prices, but not lower prices.

In one of the contracts to which I have referred, the provision is that—

> Buyer will pay to seller highest price it is paying to any other seller in district * * * if higher than price made to this seller.

The contract does not provide that if another price is lower, the price under the contract will be lowered; but that provision works toward a higher price, and only in that direction, just as the renegotiation and escalator clauses work only toward higher prices, not lower prices.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I am glad to yield to the Senator for a question.

Mr. HUMPHREY. My question is this: We assume, do we not, that under competitive enterprise the price would be reduced?

Mr. DOUGLAS. Assuming that price levels remain constant and assuming progress in the industry——

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. And assuming greater volume, we would expect that prices would go down.

Mr. HUMPHREY. For example, the classic case is that of the automobile tire, where increased volume and improved methods and techniques of production have resulted in a lowering of the price, with competition.

But in this case we find that despite the fact that the illusion has been created that there will be also some competition among the alleged independent producers, yet under the "most-favored-nation clause" which is contained in the contracts it is impossible for competition to lower the price.

Mr. DOUGLAS. That is entirely correct, and the Senator from Minnesota has put his finger on a very vital point, namely, that in the situation price changes are upward, not downward. The escalator clauses provide for price changes upward, not downward. The renegotiation clauses provide for price changes upward, not downward. These contracts say, in effect, "Heads, the producer wins; tails, the consumer loses."

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield to my distinguished friend, the Senator from Louisiana, whose subtlety and ability capture the hearts of all of us.

Mr. LONG. Do these contracts provide that the purchaser must take a certain amount of gas; and, if so, what minimum amount of gas do they provide for?

Mr. DOUGLAS. I understand that each one contains a provision for an estimated annual volume of purchases. The Senator from Louisiana will find that in the next to the last column of the table beginning on page 3630. If he will turn to the next to the last column on that page, he will find the estimated annual volume.

Mr. LONG. Does that require that a certain amount of gas be purchased?

Mr. DOUGLAS. That is my understanding.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield for a question.

Mr. HUMPHREY. I wonder whether the Senator from Illinois is familiar with the contract between the Northern Natural Gas Co. and the Republic Natural Gas Co., which was a supplier of natural gas, wherein the Northern Co. had a contract for the purchase of certain quantities of gas; but when it could not use those particular quantities of gas, it was billed for a deficiency—according to the record I have—in the amount of approximately $90,000. In other words, although it did not actually use that much gas, it had to pay for it.

Mr. DOUGLAS. I am not familiar with that case, and I ask unanimous consent that the Senator from Minnesota may be permitted to make a short statement in regard to that point, at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, the record of the Federal Power Commission reveals, as the Chairman of the Commission said, that the Northern Natural Gas Co. deposited $90,000 with the court, under the terms of the contract, and asked for a declaratory judgment concerning the interpretation of the contract. The Republic Co., which supplied the gas, further advised the Northern Co., which was the distributor of the gas, that the contract was canceled, in accordance with the notice submitted, and that the Republic Gas Co. would thereafter bill the Northern Co. at the rate of 12 cents a thousand cubic feet for all gas delivered, as compared with the rate of 5¾ cents a thousand cubic feet of gas, as provided by the original contract.

All I say to the distinguished Senator from Illinois is that under the terms of some contracts it is entirely possible, when the purchase of a certain number of cubic feet of gas is called for by the contracts, that if the distributing company does not use that much gas, it can be billed for it; and if the distributing company is unwilling to pay the bill, its contract for the purchase of gas is canceled, and thereafter it will get a brand-new contract, presumably providing that gas thereafter purchased shall be paid for at higher rates.

I am pointing this out to show the instability of what are called contracts. The American people have been led to believe the contracts, if they are 20-year contracts or 30-year contracts, are what they purport to be. But we find in too many cases, as the Senator from Illinois has pointed out in the RECORD by his splendid analysis, that these are not documents of the kind we ordinarily assume to be contracts. They are contracts containing escalator clauses, renegotiation clauses, "most-favored-nation clauses," and cancellation clauses—contracts which provide for the delivery of a certain amount of gas, which, if not used, involves cancellation, the billing of the company, and the rewriting of a new contract.

I only wanted to bring that out because there is again an illusion being created that the consumer will be protected for, let us say, 20 years, or 15 years, no matter what action the Senate takes on the pending measure; that the contracts have already been written; and that the city of Minneapolis, for example, my home city, is going to be protected, because Northern Natural Gas Co., which supplies gas to the pipe line in that particular area, has a contract, in fact, contracts with several companies. What do I learn from the city engineer of my city, when I talk to him, and when I receive a letter from him, as I did this morning? I learn, if you please, Mr. President, that Northern Natural Gas Co. has already had one of its contracts canceled. The price is doubled. I learn at other times that new contracts have been negotiated under escalator clauses and under the clauses that the Senator from Illinois has mentioned.

I merely want the record to be clear insofar as I am concerned that I do not see protection for 550,000 people in the city of Minneapolis, or 1,000,000 people in the Twin City area, who have pipeline service and distribution service of gas. As a matter of fact, I intend, later on, to place in the RECORD resolutions from the city councils, their consulting engineers, and their public utilities commissions, pointing out what they think will happen and why they think it will happen, documented by the facts as they have been presented by their research engineers.

Mr. DOUGLAS. I thank the distinguished Senator from Minnesota for his very able and complete statement, which is a further bit of evidence of the truth of what we who oppose this bill have all been trying to develop on the floor of the Senate for the past few days, namely, that the contracts do not provide against future increases in the price of gas. How high these increases may go—"may go," I say—is indicated by the testimony of Mr. Thompson, who I believe is a member of the Texas Railroad Commission, and whose testimony can be found on page 67 of the hearings. Since it was a colloquy with the junior Senator from

Arizona [Mr. McFARLAND], it is possible he may be interested in it. I read:

Senator McFARLAND. How about the competition in the sale of gas; does that pretty well regulate the price there, or what would you say about that?

Mr. THOMPSON. It has brought it from about 1 or 2 cents up to an average of around 6 cents now. Competition has done that in buying.

I may interpolate at the moment that Mr. Thompson's idea of competition is that of competition between the buyers or the pipe-line companies. It is not competition between the sellers or the nontransporting producers and gatherers. He continued:

The average price in the State is around 6 cents a thousand, and at the moment constantly going up, and will until——

Senator McFARLAND. Well, competition has not kept the price down then; that is what I want to find out.

Mr. THOMPSON. No; it has brought it up.

Senator McFARLAND. Brought it up?

Mr. THOMPSON. Yes, sir.

Senator McFARLAND. Competition in the buying market?

Mr. THOMPSON. That is right, sir; people wanting to buy the gas for future use. I think the price of gas will constantly go up until it approaches competitive prices. Six thousand cubic feet of gas has the same B. t. u. content as a barrel of oil—the same energy, heat energy—so that it would give you a relative value.

Senator McFARLAND. I see.

Mr. THOMPSON. Oil sells for $2.65 a barrel.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield for a question.

Mr. LONG. As a matter of fact, as I pointed out to the Senator earlier, prior to the time that oil started skyrocketing in price and prior to the time coal started skyrocketing in price, those two fuels sold cheaper than natural gas, but in the last few years those fuels have doubled in price, while natural gas sells much cheaper than do those competing fuels.

Mr. DOUGLAS. I may say in reply to the Senator from Louisiana, who raised the same issue this morning, it is a fact that coal and fuel oil now sell at a higher price for the same amount of thermal capacity than does natural gas, and it is possible therefore for natural gas to go up at least to the price of coal and fuel oil. In addition to that, so far as domestic use is concerned, there are certain advantages connected with natural gas, such as cleanliness, convenience, and so forth, which coal does not possess and which, indeed, fuel oil does not completely possess. So that, in addition to the economic advantage which natural gas now has, it has certain sanitary and housekeeping values.

Mr. LONG. As a matter of fact, oil is now coming down in price, is it not, although coal is still going up? I know that I have heard, and I assume it to be true, that there may be still further reductions in oil, and so if oil keeps coming down, the Senator might not have so much fear when he anticipates increased gas prices, until gas becomes competitive with the price of oil.

Mr. DOUGLAS. I shall be very glad to have the Senator from Louisiana, or any other proponent of the measure, place in the RECORD tables showing the movement of the price of oil, in order that we may know the degree at which it comes down in price. But I think I understood the Senator from Louisiana to say natural gas had an advantage in cost per an equivalent amount of thermal units, as compared with fuel oil.

Mr. LONG. It is my impression that within the last few months oil has come down somewhat in price, and it is expected to go down still more.

Mr. DOUGLAS. I should be very glad indeed to have the distinguished Senator produce facts.

I think the New England Senators should be particularly interested in the most-favored nation clauses, which I have read in the contracts of Atlantic Refining Co., with Tennessee Gas Transmission Co., Barnsdall Oil Co., with Tennessee Gas and the California Co., with Texas Eastern Transportation Corp., because they are among the gas-supply companies proposing to serve the New England markets. Under those clauses if prices go up to any other producer, the prices to these producers selling gas going into the New England market will go up, the prices which the pipe lines will have to charge New England distributing companies will go up, and the prices which the distributing companies will have to charge New England consumers will have to go up. So that New England is not protected from price increase by long-term contracts; in fact, New England will be one of the first regions to be pinched.

Mr. President, another sample of the most-favored-nation clause is contained in the contract of June 3, 1948, between the Continental Oil Co. and Texas Gas Transmission Corp., for the purchase of gas in the West Carthage fields. The clause reads as follows:

Price may be increased during first three 5-year periods if buyer pays others in area higher prices.

If the price goes up to anyone, the price goes up to this company. There is then the further provision:

Price for the fourth 5-year period may be increased to highest price then being paid in Carthage field under any contract for minimum delivery of 25,000,000 cubic feet per day.

We then come to the Gulf Oil Co. contract with El Paso Natural Gas Co., which provides that for the fourth 5-year period El Paso shall pay the field market price, but not less than 10.7 cents. If the buyer shall purchase gas within a 250-mile radius for a higher price, the seller shall be paid that price.

Here is another one in the contract of the Sinclair Prairie Oil Co. with Tennessee Gas Transmission Co., dated May 27, 1948, which reads:

Buyer to pay seller any greater price paid by buyer to any other producer in Railroad Commission District No. 3. Buyer to meet price of any transporter of gas for public consumption in Railroad Commission District No. 3.

Mr. President, I have now given a few examples from 65 of the 100 contracts which contain most-favored-nation clauses. In conjunction with these provisions, or most-favored-nation clauses, the renegotiation clauses, the escalator clauses, the ability to write new contracts when more gas is needed, how in the name of heaven can it be contended that the consumer is adequately protected against price increases in the future by the terms of these gas-purchase contracts?

EXAMPLES OF PRODUCTION COSTS

Mr. President, of course prices would be expected to rise in relation to increased cost of production, but gas prices have in many cases shot up far beyond any increases in production costs. The Federal Power Commission collected figures on production costs among pipeline producers in the Southwest for 1947. They ranged between 1.65 and 4.4 cents per thousand cubic feet at the well head, which included a fair return. It seems reasonable to assume that these figures will be similar in the case of nontransporting producers.

In view of the fact that there will be some discussion concerning the net costs and the difficulties of allocating costs under regulation, I think it would be well to study the table in some detail. I ask unanimous consent that there be inserted in the RECORD at this point in my remarks the table headed "Cost of producing natural gas by interstate pipe-line companies in southwest area—year 1947." The source is, hearings on Senate bill 1498, page 22.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—*Cost of producing natural gas by interstate pipe line companies in southwest area—year 1947*

[Cost in cents per thousand cubic feet]

	Canadian River Gas Co.	Texoma Natural Gas Co.	Cities Service Gas Co.	Northern Natural Gas Co.	Panhandle Eastern Pipe Line Co.	Interstate Natural Gas Co.	Arkansas-Louisiana Gas Co.
Gas produced (Mcf, 14.65 pounds per square inch)	83, 226, 866	81, 038, 695	74, 283, 421	26, 535, 987	51, 331, 224	52, 669, 310	47, 186, 000
Production costs:							
Operation and maintenance	0. 13919	0. 25729	0. 23134	0. 42568	0. 70532	0. 13742	0. 63323
Royalties	. 76496	. 51151	. 63805	. 53101	. 54097	. 06972	. 51626
Depreciation and depletion	. 22184	. 41393	. 29528	. 65116	. 44580	. 55406	1. 14832
Taxes	. 19299	. 28779	. 22622	. 25184	. 26985	. 93085	1. 01521
Exploration and development costs	. 01002	. 36132	. 43963	. 42384	1. 06092	. 10588	. 21346
Subtotal	1. 32900	1. 83184	1. 83052	2. 28353	3. 02386	1. 79793	3. 52648
Return at 6 percent on net investment and working capital allowance	. 31159	. 56060	. 45615	. 47007	. 57278	. 39942	. 86254
Total cost	1. 64059	2. 39244	2. 28667	2. 75360	3. 59564	2. 19735	4. 38902

Source: Hearings, p. 22, table 20.

Mr. DOUGLAS. Mr. President, let us consider the Canadian River Gas Co., which produced in 1947 83,200,000,000 cubic feet of gas. Its total production cost in cents per thousand cubic feet amounted to 1.64059 cents. They were made up as follows, and I read only to the nearest tenth of a cent:

Operation and maintenance	0.14
Royalties	.76
Depreciation and depletion	.22
Taxes	.19
Exploration and development costs	.01
Subtotal	1.329

Including a return at 6 percent on net investment and working capital allowance amounting to .31159 cents the total cost was 1.64059 cents.

Here is a company, Mr. President, making a 6-percent return on a cost of only 1.64 cents per thousand cubic feet as compared with prices being actually received by the nontransporting producers of several times that amount.

Let us take the Texoma Natural Gas Co., which produced 81,000,000,000 cubic feet. Its operation and maintenance cost, in cents per thousand cubic feet, was 0.25729.

Royalties	0.51151
Depreciation and depletion	.41393
Taxes	.28779
Exploration and development costs	.36132

With a return at 6 percent on net investment and working capital allowance of .56060, the total cost of production was 2.39244 cents per 1,000 cubic feet.

In other words, here is a total cost of only 2.39 cents, whereas we have seen average prices by the nontransporting producer of around 6 cents and constantly going up.

The Cities Service Gas Co. produced 74,300,000,000 cubic feet of gas. I give the cost of production figures in cents per thousand cubic feet:

Operation and maintenance	0.23134
Royalties	.63805
Depreciation and depletion	.29528
Taxes	.22622
Exploration and development costs	.43963
Subtotal	1.83052

A return at 6 percent on net investment of working capital allowance, 0.45615, results in a total production cost of 2.28667 a thousand cubic feet.

Contrast that with the actual prices being received by the nontransporting producer and one can see the differential. We may assume that the costs for other gas properties will be similar; at least, in the absence of evidence to the contrary, one would believe that. These figures should be analyzed in detail.

The Northern Natural Gas Co. is, I believe, the company to which the distinguished Senator from Minnesota referred.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. It produced 26,500,000,000 cubic feet of gas. The figures for that company in cents per thousand cubic feet are as follows:

Operation and maintenance	0.42568
Royalties	.53101
Depreciation and depletion	.65116
Taxes	.25184
Exploration and development costs	.42384
Subtotal	2.28353
Return at 6 percent on net investment and working capital allowance	.47007

The total cost was 2.75360 cents per thousand cubic feet.

I should like to ask the distinguished junior Senator from Minnesota what is the price of this natural gas when it gets to Minneapolis.

Mr. HUMPHREY. I might say to the distinguished junior Senator from Illinois that the price I have on record is 5.56 cents per thousand cubic feet.

Mr. DOUGLAS. Is that what the company is allowed?

Mr. HUMPHREY. The company buying the gas pays an average price, and it has ranged up to 6.8 cents under the old schedule. The new schedule runs as high as an 89-percent increase.

Mr. DOUGLAS. Although the costs, as indicated by the Federal Power Commission, were only 2.75 cents, and that gives a 6-percent return on investment and working-capital allowance?

Mr. HUMPHREY. I wanted the Senator to note that, because already the cost items which he has analyzed include a profit, and it appears that the profit which the company makes is more than 100 percent if the buying price is 5.56 cents and the production price is 2.4 cents.

Mr. DOUGLAS. If the actual price is 5.5 cents, it would indicate a return at cost levels of over 40 percent. Of course, cost levels may have changed, so we should not draw too sharp a conclusion. But it does indicate that if in 1947 it cost only 2.75 cents to produce a thousand cubic feet of gas, certainly when it sold at 5.5 cents, the profit must be very large.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield temporarily, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, that will be understood.

Mr. DOUGLAS. It was my intention at this time as the Senator knows, to agree to yield for the consideration of a resolution, the adoption of which resolution would mean a recess of the Senate. May it be understood that I may retain my right to the floor when the Senate reconvenes?

The PRESIDING OFFICER. Does the Senator from Illinois propound such a request?

Mr. DOUGLAS. I ask unanimous consent that I may yield to the Senator from Florida, the acting majority leader, in order that he may be permitted to move a recess of the Senate until 12 o'clock tomorrow, with the understanding that when the Senate reconvenes I shall not lose my rights to the floor, but with the understanding that I shall then yield the floor temporarily, without losing my right, for the transaction of minor business.

The PRESIDING OFFICER. Is there objection?

Mr. McFARLAND. Reserving the right to object—and I shall not object—I should like to say that I want to ask the junior Senator from Illinois how much longer he expects to occupy the floor.

Mr. DOUGLAS. I may say to the distinguished junior Senator from Arizona that I am not quite certain on that point. I prepared a manuscript of approximately 45 pages, and I have succeeded in covering 19 pages. It is not my intention unduly to tax the patience of the Senate. I do wish to develop the argument in detail so that Senators may know what is happening to them. I promise that it is not my purpose to tie up business. I do believe the subject needs an extended discussion.

Mr. McFARLAND. Mr. President, still reserving the right to object, I want to make the observation that this is the second day on which the Senator has spoken on the bill. He used approximately an hour yesterday and has spoken all day today. Usually when a Senator occupies the floor more than 1 day, going into the second day, he is charged with filibustering. Certainly I should not want to see the Senator from Illinois charged with filibustering. He has today farmed out the time, and we have been rather lenient with him; we have permitted him to farm out time to other Senators and have permitted——

Mr. DOUGLAS. Mr. President——

Mr. McFARLAND. Let me complete my sentence. We have permitted him to ask questions, which we wanted him to do. I have a very high regard for the junior Senator from Illinois, and for his ability, his standing in the Senate, and his record of not wanting to see filibusters. I do not want to see him placed in such a position.

I shall not object, Mr. President, to the request, but tomorrow I may decide—and I expect to be on the floor—that it is necessary to object if the regular order is not followed, because I do not think it is a good precedent to allow one Senator to farm out time and conduct the business of the Senate by occupying the floor. I consider that a poor policy.

Still reserving the right to object, I should like to ask the Senator from Illinois—and I note that the junior Senator from Texas [Mr. JOHNSON], who reported the bill, is present—if there is any possibility that we may come to an agreement as to a time to vote on this measure.

Mr. DOUGLAS. First, Mr. President, let me deal with the statements made by the junior Senator from Arizona to the effect that I have farmed out my time to a number of other Members of the Senate. I yielded as a matter of courtesy to Members of the Senate. I would have much preferred to speak continuously and to develop my arguments. However, I yielded on the request of the Senator from New Mexico [Mr. ANDERSON], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Mississippi [Mr. STENNIS], who, I am sure, are all good friends and associates of the acting majority leader. I also yielded

on the request of the Senator from Tennessee [Mr. McKELLAR]. This morning I yielded on the farm bill, and I received the thanks of Senators for yielding, although I was somewhat reluctant to do so. Then I yielded to the senior Senator from New York [Mr. IVES], in order that he might make a statement. That was at his request, not at my suggestion. I yielded to the junior Senator from Maine [Mrs. SMITH], at her request, and not at my suggestion. I yielded to the junior Senator from New York [Mr. LEHMAN], at his request, not at my suggestion.

I have tried to comport myself according to the standards of the Senate, and I have not farmed out my time. I yielded to the senior Senator from Delaware [Mr. WILLIAMS] for 20 minutes. I did not do it for the purpose of farming out my time. I did it at his request, in order that he might deliver a speech which he had prepared and which he had released to the press. I also yielded to the Senator from Michigan [Mr. FERGUSON].

While I know that the Senator from Arizona meant nothing ill in his references, I wish to make it perfectly clear that I have not been tying up the business of the Senate. I have been attempting to let the business of the Senate proceed. That is my first point.

The second point I wish to make concerns filibustering. So far as filibustering is concerned, it is not my intention, nor is it my practice, to filibuster. We have before us an important bill, and it needs to be discussed, and it needs to be discussed thoroughly—very thoroughly, indeed. I challenge any Member of the Senate to say that I have spoken extraneously. I have not given any recipes for "pot likker" and I have not thrown anything else into my speech; neither have I given any quotations from obscure southern writers. I have tried to stick to the point. I am sure that when the people of the country know the facts they will not accuse me of filibustering.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield for a question.

The PRESIDING OFFICER. The Senator from Arizona has the floor, and he is reserving his right to object.

Mr. DOUGLAS. I have not lost the floor.

The PRESIDING OFFICER. No. The Senator's unanimous-consent request is pending, and the Senator from Arizona reserves the right to object.

Mr. McFARLAND. I merely wish to say that I was not criticizing my good friend from Illinois, nor was I complaining about his farming out the time. We all know how to protect ourselves from the farming out of time, if we wish to do so. We have no right to complain if it is done, because we could have objected at the time. My only reason for calling the matter to the attention of the Senator from Illinois was that beginning tomorrow he will have been occupying at least parts of 3 days. I do not wish him to be accused of filibustering. However, it would not make any difference to me whether he read from southern writers, northern writers, no writers at all, or just spoke on his own. I would not complain if he read from southern writers. I would not complain if he read from northern writers. I would not complain if he did not quote from any writers at all. The Senator has a perfect right to read from any writers he desires to quote. I do not know what his inference was when he referred to reading from southern writers. I cannot see that it had any place in the discussion. However, I want him to know that I have no objection to his reading from whatever writers he wishes to read from.

Mr. DOUGLAS. I appreciate the Senator's remarks very much.

Mr. McFARLAND. Now may I ask, reserving the right to object, if there is any possibility of our agreeing on a time for a vote upon the pending measure?

Mr. DOUGLAS. I should have to consult Senators who are associated with me in opposition to the measure. There are still to be heard many Senators who feel very keenly on this issue. It would be clearly impossible for me to make a statement on the subject until I have an opportunity to consult my associates overnight. Therefore I am not in a position to give any assurance on the point which the Senator from Arizona has raised. Mr. President, I do not desire to tie up the Senate. Our task is made somewhat difficult by the fact that the proponents of the legislation have not taken the floor. If I could have assurance that proponents of the legislation will take the floor, so that I would not have to make their speeches for them, we might be able to reach an agreement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. HOLLAND. Mr. President, reserving the right to object, I may say that I have some sympathy for the distinguished junior Senator from Illinois, and I can understand how he would feel somewhat vexed at any suggestion that he was putting on a filibuster, whether a one-man filibuster or otherwise. Having been upon occasion unjustly accused of participating in such an exercise, I can well understand how he would feel put out at being so unjustly accused, when I am sure the whole Senate realizes that he has confined himself to legitimate argument, has not been guilty of repetition, and has argued on the germane issues which are found in the question before the Senate. While he may have from time to time quoted persons whose names, at least to me, were obscure, I think that was completely within his right.

Before stating that I shall have no objection, I merely want to say that I hope that the distinguished junior Senator from Illinois will show himself, in proceedings in the Senate which will transpire in a few weeks, to be as mutually agreeable and as reciprocal in his attitude and in his understanding of the convictions of others as Members of the Senate, other than himself, have been of his own convictions and of his own opinions expressed at some length today. I hope he will be as charitable as his brethren have been today in the matter of the desire of Senators speaking at length upon subjects on which they have deep convictions, to be questioned from time to time by their colleagues upon details which are regarded as of real significance in the course of the debate.

Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. SALTONSTALL. Mr. President, reserving the right to object, I should like to say for the Senators on this side of the aisle, and from the position in which I find myself as the acting minority leader, that I would hope that the Senator from Arizona might make his request and inquiry as to the possibility of a unanimous-consent agreement after the quorum call at the opening of the session tomorrow. The minority leader, the junior Senator from Nebraska [Mr. WHERRY], will be present at that time. He is always interested in unanimous-consent agreements, and I think it would be entirely proper to bring the subject up at that time, and perhaps explore it a little more fully than can be done at this moment.

I shall not object to the unanimous-consent request of the acting majority leader. I wish to add that I have greatly enjoyed the colloquy on the other side of the aisle.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, I merely wish to say, in response to the inquiry of the Senator from Arizona, that yesterday I consulted with the chairman of the full committee, and requested the Parliamentarian to draw up a proposed agreement as to a time for a vote. I submitted the agreement to the chairman of the committee and to some of the proponents of the pending bill, and later to the Senator from Illinois [Mr. DOUGLAS]. The proponents of the bill are ready and willing and able to agree to set a time for a vote on the bill, any reasonable agreement any Senator may propose.

I understood the Senator from Illinois to say that he desired to confer last night with some of his associates in opposition to the bill, and that we would discuss the question today. I understand the Senator's problem. He has occupied the floor today, and I hope he will have opportunity tonight to confer with his associates, and perhaps, as the Senator from Massachusetts suggests, after a quorum is called tomorrow, some reasonable agreement can be reached.

I wish to make the observation that it is a matter of no concern to me how the Senator from Illinois and those opposed to the bill conduct themselves on this floor. I hope that his seniority in this body does not entitle him to determine how the proponents of the bill shall conduct themselves. The chairman of the full committee, a long-respected Member of this body, explained the bill, and while it was not explained to the complete satisfaction of the junior

Senator from Illinois, it was explained to the Senate. We have no desire to influence the opinion of the Senator from Illinois, but the proponents of the bill are prepared to say whatever they desire to say, when they desire to say it.

The PRESIDING OFFICER. Is there objection to the request?

Mr. HUMPHREY. Mr. President, reserving the right to object, I merely wish to sound a happy note for the future, by saying that I have listened to the remarks of our distinguished friend the junior Senator from Illinois, and I join with the acting majority leader in hoping that the debate in the future will be as limited and as informative as have been the very learned and concise remarks of the junior Senator from Illinois. I am looking forward to the happy occasion when the so-called filibuster will not last as long as the time consumed by my very vigorous and learned friend from the State of Illinois.

I desire to say, however, that there are a number of Senators who are interested in the presentation of their views on the subject before the Senate, and I may say, for the able presentation of the Senator from Illinois today, that I have received in my office the handful of telegrams I now exhibit, all of which telegrams are in direct response to the very brilliant and pointed attack the Senator from Illinois has made upon the pending bill. Many of the citizens in my State were unaware of some of the features of the bill, and I am indebted to the Senator from Illinois for the contribution he has made to their enlightenment.

I believe a measure of so great importance as the one now under consideration deserves the fullest discussion and fullest debate. If the Senator from Illinois has prepared some 47 or 42, or whatever the number of pages are of manuscript, I want to be sure that the full manuscript is presented to the Senate, so those of us who can be here will have the opportunity to hear the Senator present it. I believe the cross-examination conducted by the Senator from Illinois, that is, the debate in which he engaged, for example, with the distinguished junior Senator from Oklahoma [Mr. KERR], was a very illuminating and educational one. I believe it is good for us to have such debate on the floor. I only wish the Senator from Illinois could have listening to him as many Senators on the floor of the Senate as I had on the day I introduced a little economy measure. Perhaps we can promote that kind of an audience.

However, I want to reserve the right to object to any agreement which may be brought forward respecting debate on the pending measure. After all, we set aside the displaced-persons bill for several weeks, after it had been under discussion for 10 days. In view of the fact that the Senate was able to do that, I believe we can wait to hear the Senator from Illinois, if it requires 5 days for him to present his full manuscript. I am willing to give him as much time as he needs to present his side of the question.

Mr. McFARLAND. Mr. President, again reserving the right to object, I want to call attention to the fact that the junior Senator from Illinois stated that he regretted that he had to make the speeches for the proponents of the legislation. I am not one who can be classified as a proponent. I expect to vote for the bill, and I expect to support it. I may have a few remarks of my own to make respecting it. However, I would not want the speech being made by the junior Senator from Illinois to be considered as a speech being made on my behalf.

As a matter of fact, I am very much in disagreement with what he has had to say, especially in the last hour. I could not for one moment agree to what he has just said. He has quoted figures which have nothing to do with the debate at all, which have nothing to do with the pending legislation in any way. He has presented merely scare figures. He is talking now about things which the Federal Power Commission will continue to have the right to do if and when the pending bill is passed. I could not if I wanted to, shorten the presentation being made by the junior Senator from Illinois. I feel that we should observe the regular order tomorrow, because when Senators speak more than 2 days they are usually accused of starting on what is termed here "unlimited debate" on a subject. We want to debate the subject in full. We want the people to have a chance to know all about it. It is not termed a filibuster, which is not a very nice word. Of course, I want to protect my good friend, the Senator from Illinois.

Mr. DOUGLAS. I appreciate the solicitude which the junior Senator from Arizona has always shown.

Mr. McFARLAND. So I shall not object.

Mr. LONG. Mr. President, insofar as the junior Senator from Louisiana is concerned I have found that the remarks of the junior Senator from Illinois are extremely learned, brilliantly prepared, and well presented. Personally, the junior Senator from Louisiana has always felt that important issues should have the utmost of explanation and debate on the floor so long as there is anything which can be cleared up in Senators' minds respecting the issues involved. I shall be very happy if the junior Senator from Illinois continues his speech tomorrow.

Mr. DOUGLAS. I thank the Senator from Louisiana. I want to say that when we get into the issue of civil rights, it is my hope and desire that Senators opposed to that measure will be as concise as I have endeavored to be this afternoon.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Do I understand then that I will have the right to the floor when the Senate convenes tomorrow?

The PRESIDING OFFICER. That is the agreement which has just been entered into.

THE AGRICULTURAL PROGRAM

During the delivery of Mr. DOUGLAS' remarks,

Mr. WILLIAMS. Mr. President, the Senate has already sent back to a further conference the conference report on House Joint Resolution 398, which proposes an increase in the acreage allotments of cotton and peanuts, both of which already are in over supply. I think it is well that at this point we consider how much it has cost our Government to maintain the prices on farm commodities during the past 18 months at their artificially high levels.

In outlining the cost of our agricultural program during the past 18 months, that is, the period between June 30, 1948, and December 31, 1949, I wish to direct my remarks not only in opposition to House Joint Resolution 398, but primarily in opposition to S. 2826, a bill which is expected to be placed before the Senate within the next few days. S. 2826 is the bill which proposes to give the Commodity Credit Corporation authority to use an additional $2,000,000,000 which the Secretary of Agriculture claims is the minimum amount necessary to finance the agricultural program for another 12 months.

The existing law now guarantees a minimum of 90 percent on the so-called basic commodities. Unquestionably, if Congress is going to refuse to change this law and lower these support prices, there is no alternative than to authorize this additional $2,000,000,000. However, the most constructive step Congress can take at this time, from the standpoint of both the American farmers and the taxpayers, would be to repeal this 90-percent provision, effective immediately, and thereby remove the necessity for authorizing the additional $2,000,000,000 as requested under S. 2826. We must not forget the American farmer is also a taxpayer and is paying for a proportionate part of his own program.

As evidence of the extravagant cost of this program, we have only to examine the records of the Commodity Credit Corporation for the past 18 months, which shows that their inventories of agricultural commodities have accumulated at an average monthly rate of nearly $200,000,000. For instance, in June 1948 the Commodity Credit Corporation had commitments in agricultural commodities of only $289,106,230.24. Since that time these inventories have increased at an average of nearly $200,000,000 per month, until today their commitments, as of January 31, 1950, have reached the staggering sum of $3,947,423,789.94.

At this point in my remarks, I ask unanimous consent to have inserted in the RECORD chart No. 1 showing how their commitments have increased, by months, beginning with $289,000,000 in June 1948, to slightly under $4,000,000,000 in January 1950. Immediately following this chart, I ask unanimous consent to have inserted in the RECORD a second chart which gives a break-down, by commodities, of this $3,947,423,789.24.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

CHART NO. 1

Total commitments of the Commodity Credit Corporation in the price-support program under loans and inventories as of last day of month

	Value
1948:	
June [1]	$289,106,230.24
July	269,030,883.03
August	313,260,740.74
September	510,565,946.47
October	938,022,876.55
November	1,284,695,194.45
December	1,858,988,764.25
1949:	
January	2,031,395,201.35
February	2,100,708,687.29
March	2,185,122,595.30
April	2,218,296,282.69
May	2,237,238,131.50
June	2,372,543,489.86
July	2,450,201,874.54
August	2,680,470,432.12
September	2,894,305,973.15
October [2]	3,148,577,434.67
November	3,370,189,273.37
December	3,645,129,317.13
1950:	
January	3,947,423,790.14
December	(?)

[1] First projection of the 90-percent support level under the Aiken-Hope Act.

[2] Second projection of the 90-percent support level under the Anderson Act.

CHART NO. 2

Price-support program—commodities as of Jan. 31, 1950, under loans and inventories

Commodity	Unit	Quantity	Value
Cotton, American-Egyptian	Bale	3,008	$887,043.14
Cotton, upland	do	6,459,499	1,012,663,735.17
Cottonseed	Ton	118,922	5,970,611.02
Flax fiber	Pound	178,145	84,157.82
Butter	do	100,736,962	62,434,199.19
Cheese	do	25,307,469	8,517,928.92
Milk	do	274,723,846	35,024,654.58
Linseed oil	do	411,943,603	116,649,786.74
Peanuts	do	246,974,902	24,723,256.60
Peanuts, shelled	do	14,669,287	2,154,587.37
Prunes	do	45,505,465	4,521,250.82
Raisins	do	12,146,130	1,196,838.48
Potato starch	do	10,172,827	607,813.88
Potatoes	Hundredweight	11,480,557	8,074,723.41
Barley	Bushel	52,998,083	66,191,831.91
Beans, dry edible	Hundredweight	11,823,913	90,937,949.93
Corn	Bushel	627,480,162	880,651,070.48
Flaxseed	do	22,237,676	117,671,045.54
Grain sorghums	Hundredweight	42,376,230	105,217,906.02
Oats	Bushel	41,698,990	30,019,467.38
Peas, dry edible	Hundredweight	558,421	1,721,509.53
Rice	do	1,681,208	7,247,314.11
Rye	Bushel	1,563,618	2,416,819.53
Pasture seeds	Pound	725,422	146,515.37
Soybeans	Bushel	13,102,695	28,770,499.58
Wheat	do	475,034,491	1,011,791,572.12
Wool:			
Appraised	Pound	47,993,733	38,052,678.12
Unappraised	do	3,384,417	2,087,752.29
Eggs, dried	do	75,918,088	98,116,167.36
Turkeys	do	1,017,105	421,748.21
Tobacco	do	373,868,064	150,695,353.86
Rosin	do	391,164,467	29,422,549.23
Turpentine	do	5,107,213	2,343,452.23
Total			3,947,423,789.94

Mr. WILLIAMS. Mr. President, not only has this high support level resulted in an accumulation of an unwieldly inventory approaching $4,000,000,000, but the record also shows that this huge inventory has been accumulated during the same 18-month period in which we have purchased and given away at home and abroad agricultural commodities valued at $3,460,738,648.

The financial statement of the Commodity Credit Corporation does not represent the entire cost of our agricultural program, since in the disposition of these commodities the CCC ofttimes sells substantial quantities to other Government agencies, which agencies, in turn, absorb the cost of these commodities.

Those commodities are then given away through these other Government agencies, and the cost appears in their accounts, instead of in the accounts of the CCC.

To illustrate, at this point I ask unanimous consent to have inserted in the RECORD a chart which shows a breakdown by commodities of the total amount expended during the past 18 months. This chart also shows from a taxpayer's standpoint the over-all cost of giving away these products at home and abroad.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

CHART NO. 3

Commodity	Net program results as reported by CCC [1] (*denotes gain)	Sec. 32 [2]	Sec. 6 [3]	Occupied areas [4]	ECA (grants only) [5]	Total
FISCAL YEAR 1949						
Corn	*$527,447			$30,899,902	$91,350,000	$121,722,455
Wheat [6]	820,784			426,560,103	454,923,000	882,303,887
Barley	459,014			25,548,834	11,745,000	37,752,848
Rye [7]	*161,980			648,435	8,178,000	8,664,455
Soybeans [8]	*1,781,877			21,754,761	25,578,000	45,550,884
Cotton [9]	1,000,391	$234,459		868,587	476,499,000	478,602,437
Tobacco	*115,524				100,311,000	100,195,476
Potatoes [10]	203,886,603	10,645,272		24,968,152	696,000	240,196,027
Eggs	773,475	8,429,117		705,016	10,092,000	19,999,608
Milk [11]	*149,334		$2,008,543	11,350,942	25,230,000	38,440,151
Peanuts [12]	23,789,811	10,167,023	988,423	18,508,098	44,022,000	97,475,355
Other [13]	19,766,983	14,266,619	11,427,007	103,727,877	286,317,000	435,505,486
Total	247,760,899	43,742,490	14,423,973	665,540,707	1,534,941,000	2,506,409,069
FIRST HALF, FISCAL YEAR 1950						
Corn	8,400,847			6,051,427	63,597,000	78,049,274
Wheat [6]	18,574,298	1,726,587		89,764,066	74,037,000	184,101,951
Barley	2,422,802			10,051,409	3,393,000	15,867,211
Rye [7]	*121,094			4,591,448		4,470,354
Soybeans [8]	*2,160,675			12,293,807	7,917,000	18,050,132
Cotton [9]	*233,369	442		159,938	279,531,000	279,458,011
Tobacco	*145,808				111,360,000	111,214,192
Potatoes [10]	7,088,513	1,844,626		101,428		9,034,567
Eggs	870,051	702,889				1,572,940
Milk [11]	*273,278			10,266,287	4,089,000	14,082,009
Peanuts [12]	32,163,997	1,106,185	1,628,633	2,331,966	3,567,000	40,797,781
Other [13]	13,768,757	9,815,454	9,757,826	37,356,120	126,933,000	197,631,157
Total	80,355,041	15,196,183	11,386,459	172,967,896	674,424,000	954,329,579
18-month total						3,460,738,648

[1] From Commodity Credit Corporation's reports of financial conditions and operations as of June 30, 1949, and Dec. 31, 1949.

[2] Expenditures under sec. 32 of the Agricultural Adjustment Act of 1935.

[3] Expenditures under sec. 6, National School Lunch Act.

[4] Amounts invoiced to the Army for deliveries of commodities for export to occupied areas; not for consumption by United States armed services.

[5] Provides for all procurements in United States—either available directly to foreign countries for purchase or made available to procurement agency of U. S. Government.

[6] Includes wheat flour.

[7] Includes rye flour.

[8] Includes soybean oil.

[9] Includes cottonseed and cottonseed oil.

[10] Includes potato flour and potato starch.

[11] Includes dried whole milk, dried skimmed milk, and evaporated milk.

[12] Includes peanut butter.

[13] Includes butter, cheese, grain sorghums, oats, rice, flaxseed, lard, linseed oil, tallow, tung oil, apricots, dates, figs; peaches, prunes, raisins, sorghum starch, dry beans; dry peas, honey, sugar, miscellaneous seeds, canned fruit and fruit juices, canned vegetables, meat, fish and fish products, wool, alcohol, sweetpotatoes, pears, citrus fruit, apples, etc.

Mr. WILLIAMS. Mr. President, this chart represents only the transactions upon which there will be no recovery from a taxpayer's standpoint. A large percentage of this loss represents the cost of the agricultural commodities which have been given away in foreign countries, with a substantial part being paid for by ECA funds.

I fully recognize that a part of this loss should be charged against the foreign-aid program, and not necessarily against the farm program. However, from a taxpayer's standpoint, it makes little difference what Government agency spends his money or to which program the cost is charged.

The fact remains that during the past 18 months we have produced in this country approximately $7,500,000,000 worth of agricultural commodities more than we have consumed, all of which have been purchased with the taxpayers' money. Of that amount, nearly $3,500,000,000 worth of agricultural commodities have been given away at home and abroad, while the remaining $4,000,000,000 worth are at the present time deteriorating in our bulging warehouses and caves.

No one will dare estimate the ultimate loss which will be sustained before final disposition has been made of these huge inventories, nor can any estimate be

given as to what this program has cost the American housewife as a result of the withholding of this food from the market. Still the end is not in sight.

Today we were asked to consider a conference report which would increase the acreage of cotton, peanuts, and other commodities. Yet at the same time we are retaining on the books a law which will prohibit the movement of this increased production in the normal channels of trade. The increased production will represent a corresponding increase in our inventories and an additional loss to the taxpayers, with no possible benefit to the American consumer.

Within the next 2 weeks we are going to be asked, in connection with Senate bill 2826, to authorize $2,000,000,000 additional to finance this fantastic program for an additional 12 months. That means that the administration, instead of recognizing and correcting the unsoundness of the entire farm program, is planning to spend another $2,000,000,000 of the taxpayers' money to project the decision beyond the 1950 elections, at which time we will still be confronted with an unsolved agricultural problem, except then we will have $6,000,000,000 in inventories, instead of $4,000,000,000, to say nothing of the loss which will have been sustained on the commodities given away in the meantime.

Not only should we reject this conference report, but next week we should also remove the necessity for the additional $2,000,000,000 by repealing, effective immediately, the fixed 90-percent minimum guaranty on the so-called basic commodities.

In view of the stupendous cost of this program for the past 18 months, and inasmuch as today there is practically no foreign demand for our commodities, except as we see fit to give them away, it is perfectly absurd to continue accumulating these commodities in our warehouses.

As an example of how the true cost of this farm program is concealed from the taxpayer, I call attention to chart No. 3, which shows that, from the taxpayer's standpoint, the total loss sustained on agricultural commodities given away or destroyed for the fiscal year 1949 and the first half of the fiscal year 1950, instead of being $247,760,899 and $80,355,041, respectively, as reported by the Commodity Credit Corporation, actually was $3,460,738,648.

For instance, the first commodity represented in this chart is corn. According to the Commodity Credit Corporation, their transactions on corn during the fiscal year 1949 ended with a profit of $527,447. However, if one will follow through on that year's operations, he will find that this profit was only realized as a result of the sale of over $30,000,000 worth of corn to the Army for free distribution in the occupied areas and the sale of over $91,000,000 to the ECA for free distribution in foreign countries. While it is true that the corn was transferred to other Government agencies at a profit in excess of a half million, from a taxpayer's standpoint, since the corn was given away by the respective agencies, the net loss sustained on corn for that year was $121,722,455.

The CCC reported a profit on its tobacco transactions in fiscal 1949 of $115,524. Again, during the first half of the fiscal year 1950, they reported a profit on tobacco of $145,808. Thus, we find that according to the books of the CCC on its program of supporting tobacco at 42½ cents per pound during the 18-month period between June 30, 1948 and December 31, 1949, it realized a profit for the taxpayers in excess of $260,000. Yet if we follow through the records as disclosed under chart 3 we shall find that this imaginary profit was only the result of the fact that ECA funds were used to purchase over $211,000,000 worth of tobacco during the 18 months' period, which in turn was exported, to be given away in foreign countries. In addition to giving away over $210,000,000 worth of tobacco at the expense of the taxpayers, the CCC at the same time has accumulated in warehouses 373,868,064 pounds of tobacco, at an additional cost of $150,695,353.86, for which we have no prospective market, except to transfer it again to another Government agency to be exported and given away. No one disputes the fact that if ECA funds had not been used to finance the giving away of this $211,000,000 worth of tobacco, our present inventories, instead of being $150,000,000, would be nearer $300,000,000.

Again the same chart indicates that the CCC in 1949 made a profit on milk of $149,334, and during the first half of the fiscal year 1950 it claimed a profit of $273,278. But again we find that the profit was a result of the Corporation's transferring to other Government agencies over $38,000,000 worth of milk in 1949 and over $14,000,000 in the first half of the fiscal year 1950. Therefore, instead of the taxpayers making around $425,000 on the Department of Agriculture's milk program, they actually sustained a loss through the give-away program of over $52,000,000.

The Government claims the support program for eggs during the fiscal year 1949 showed a net loss of only $773,475. But what was not told the taxpayers was that the small loss was possible only as a result of transfers to another department in the Department of Agriculture of eggs valued at $8,429,117. Invoices for these eggs were paid for with section 32 funds, and were then given away in our own country. The loss of nearly $8,500,000 does not show up in the books of the Corporation. During the same year another $10,000,000 worth of eggs was transferred to the ECA program which eggs were paid for by an appropriation from Congress to ECA. The eggs in turn were given away in Europe, and this additional loss of over $10,000,000 naturally, does not appear on the books of the CCC.

During the fiscal year 1949, the Commodity Credit Corporation claims that its loss in supporting peanuts was only $23,789,811, and that during the first half of the fiscal year 1950 its loss on peanuts was only $32,163,997. While this $55,000,000 loss on peanuts during an 18-month period was large enough, yet as can be seen by the chart it does not represent all the expenditures on peanuts. For instance, during the fiscal year 1949, the CCC sold $10,167,023 worth of peanuts to the school-lunch program, and payments to the CCC for this transaction were obtained from section 32 funds. At the same time, $988,423 worth of peanuts or peanut products were also transferred to the same school-lunch program under section 6, and this time payment was received by the Corporation from moneys appropriated by Congress for school lunches.

While both transactions represented outright gifts, and as far as the taxpayers are concerned, 100-percent losses, the cost of the transactions was not included in the annual report of the Commodity Credit Corporation, but the losses were carried as expenditures under section 6 and section 32.

At the same time, the Corporation's annual statement did not take into consideration the $62,000,000 worth of peanuts and peanut products which were transferred to the Army for use in occupied areas and to ECA for free distribution in Europe, the cost of which was paid from funds appropriated by Congress to these respective departments.

Therefore, we find that from a taxpayer's standpoint, instead of the peanut program during the past 18 months costing $55,000,000, as reported by the CCC, the net loss sustained was over $138,000,000.

According to the books of the Commodity Credit Corporation, its net loss on wheat for fiscal year 1949 was $820,784, while during the first half of the fiscal year 1950 they indicate a net loss of $18,574,298. Yet if we follow through on the transactions in their entirety, we find that from a taxpayer's standpoint he is required to pay for wheat valued at $882,303,887, which was given away during the fiscal year 1949. Our wheat donations in the first half of fiscal year 1950 represented $184,101,951. Altogether over $1,000,000,000 worth of wheat was given away, but it was reported to the taxpayers that we sustained a loss of around $19,000,000.

In other words, instead of the taxpayer losing a little less than $20,000,000 on wheat transactions during the past 18 months as indicated by the CCC's report, he has actually donated over $1,000,000,000 to pay for the free distribution of America's wheat throughout the world.

It is interesting to note that during the same 18 months' period in which we have given free distribution to over $1,000,000,000 worth of wheat, we have accumulated additional inventory of over 475,000,000 bushels of wheat purchased at a cost of $1,011,791,572.12, as indicated by chart No. 2 previously inserted. This is nearly enough wheat to last this country another year without harvesting any additional grain.

The conference report which we were today asked to accept would provide for an increase in our cotton acreage, the output of which will result in a further increase in our present substantial inventories and again will represent di-

rectly an additional cost to the American taxpayers.

Already the Commodity Credit Corporation has on hand as of January 31, 1950, over 6,000,000 bales of cotton which cost the taxpayers $1,012,663,735.17. If we examine the annual report of the CCC for the fiscal year 1949 we find that according to their records the net loss sustained on cotton sold during the fiscal year 1949 was $1,000,391 and in the first half of fiscal year 1950 under their support program they actually claim a profit on their operations of $233,369.

If we accept this as final it would seem that the cotton program, considering the amounts involved, has not been too expensive from a taxpayer's standpoint. Yet if we follow through their transactions on this one commodity we find that this small loss for fiscal year 1949 and the slight profit for first half fiscal year 1950 was only made possible by virtue of the fact that other Government agencies purchased cotton in fiscal year 1949 in excess of $478,000,000 and in the first half of fiscal year 1950 these same agencies purchased cotton in excess of $279,000,000, all of which was exported and given away.

Therefore, as far as the taxpayers are concerned, instead of the cotton program costing him less than $700,000 during the past 18 months, he is actually stuck with a loss of over $750,000,000.

The same thing is true with practically all of the items listed in the CCC's report. During the 12 months' period between June 30, 1948, and June 30, 1949, we gave away in this country and abroad agricultural commodities which cost the American taxpayer $2,506,409,069 and again during the 6-month period between June 30, 1949, and December 31, 1949, we gave away an additional $954,329,579 worth of agricultural commodities.

Altogether during the past 18 months we have given away at home and abroad $3,460,738,648 worth of agricultural commodities and at the same time we had accumulated as of January 31, 1950, agricultural commodities under loans and inventories which cost the taxpayer $3,947,423,789.94.

Mr. SALTONSTALL. Mr. President, will the Senator yield at this point for a question?

Mr. WILLIAMS. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I have before me a copy of the Senator's speech. As I understand, the two figures on the commodities we have given away and the commodities we have in inventories total $7,400,000,000. The amount we have given away, $3,460,000,000, is water over the dam, it is money gone, and those are commodities which are out of the possession of the Government. The inventory on hand, $3,947,000,000 is still an inventory. It is not yet a loss to the Government. In fact, it may never become a loss to the Government. Is that correct?

Mr. WILLIAMS. That is partially correct. Conceivably, it may not be lost, or it may result in a loss. No one knows what we are going to do about it. The Department of Agriculture today is offering to sell wheat for export at a discount of approximately 60 cents per bushel below the domestic price. There is practically no market for it. Assuming there were a market, we would sell $1,000,000,000 worth of wheat at a loss of 60 cents a bushel. Corn is also being sold under the market price. Potatoes are offered for export at 1 cent a bag, which would represent a complete loss. Yesterday the House Foreign Affairs Committee, as reported by the press, proposed that we cut the ECA program $1,000,000,000 by suggesting that we give the ECA Administrator $1,000,000,000 worth of agricultural commodities instead of cash for free distribution to countries which neither want or need the commodities. Apparently that would cost our taxpayers $1,000,000,000. A bulletin marked strictly confidental was passing around in the Department of Agriculture some few months ago in which our huge inventories were being discussed. In that bulletin the Secretary pointed out to his agents that a large part of these agricultural commodities could be diverted to the manufacture of industrial alcohol. While he recognized the fact that that would represent a loss, he said this method would provide an ideal way to siphon these huge inventories off into complete disappearance. Apparently it is thought this would further confuse the taxpayers.

Mr. SALTONSTALL. Between June 14, 1948, and the present time, the Government has purchased and given away $3,400,000,000 worth of commodities and has purchased, or will purchase, another $3,900,000,000 worth of commodities. Is that correct?

Mr. WILLIAMS. That is correct except that these purchases have been made. We started in June 1948 with a little less than $290,000,000 inventory, and since that time we have accumulated an inventory of nearly $4,000,000,000.

Mr. SALTONSTALL. Do I correctly understand from the speech of the Senator from Delaware that the Government is purchasing commodities at the rate of $280,000,000 a month?

Mr. WILLIAMS. In January 1950, that was the amount. The average has been approximately $200,000,000.

As I said in the beginning, I fully recognize that the cost of the agricultural commodities which were distributed in Europe under the foreign-aid program should not be assessed in its entirety against the agricultural program. However, from a taxpayer's standpoint, the net result is the same.

What I am trying to emphasize by pointing out these figures is that during the past 18 months we have produced in this country about $7,500,000,000 worth of agricultural commodities more than we have consumed. We have no export markets whatever except from those countries which are willing to accept these products as free gifts.

Everybody recognizes that we cannot continue to give away $2,500,000,000 worth of agricultural commodities annually, nor can we indefinitely continue to increase our inventories on the basis of the past 18 months. Our warehouses today are bulging with nearly $4,000,000,000 worth of merchandise which is rapidly deteriorating.

The Commodity Credit Corporation is unable to sell, and in many instances, is unable to give away this merchandise. Yet we had before us this afternoon a measure which proposed to increase even further the liabilities of this Corporation and thereby necessitate the storing of additional quantities of cotton and peanuts, both of which are already in excessive supply.

In view of this situation I urge that the Senate not be satisfied with rejecting this conference report but that next week, instead of giving the Commodity Credit Corporation an additional $2,000,000,000, let us face the situation and repeal that provision of the law which guarantees these high support prices by making effective immediately the flexible provisions of the Anderson Act instead of waiting until 1952 to lower these support prices.

I do not think that even this would provide the ultimate answer to our farm-support program. However, it is a step in the right direction.

While it is true that the cost of the agricultural-commodities distribution under the ECA program should not all be assessed to the cost of the farm program, it is a fact that were it not for the dumping of these agricultural commodities in Europe during the past 18 months, our inventories in this country would be correspondingly higher.

This is true since, during the past 18 months, practically all of these commodities have been in excess supply, and should we continue the program another 12 months, then we are going to be forced to continue this multi-billion-dollar give-away program either at home or abroad or else inaugurate the greatest mass destruction of food the world has ever known.

In conclusion, Mr. President, to indicate one further example of how the true costs of these programs are being misrepresented, I ask unanimous consent to have incorporated in the RECORD at this point an article which appeared in today's issue of the Washington Post, entitled "Britain Buys 40 Percent of Surplus Dried Eggs."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITAIN BUYS 40 PERCENT OF SURPLUS DRIED EGGS

Announcement will be made at 10 a. m. today that the Commodity Credit Corporation has sold about 40 percent of its enormous stock of surplus dried eggs to Britain.

The announcement was planned for yesterday, but withheld because the British wished to make it simultaneously in London.

The amount involved is reported to be 31,000,000 pounds. The Government has almost 76,000,000 pounds on hand, much of it stored in a limestone cave at Atchison, Kans. The 76,000,000 pounds cost the Government slightly more than $98,000,000.

A pound of eggs represents 3 dozen. The United Kingdom quit purchasing dried eggs several months ago due to a shortage of dollars.

Although the CCC, which conducts the surplus commodities program for the Government, has permission to sell the eggs at give-away prices, it was stated last night that the British are paying a substantial sum. One report was that the price would net about 40 percent the cost of the 31,000,000 pounds to Uncle Sam, or around 50 cents a pound. The cost to CCC was about $1.20 a pound.

Meantime the National Potato Council promised yesterday to try to sell potato growers on accepting strict production controls in order to retain Government price supports. Council members testified before a Senate committee considering strict Government-enforced regulations on potato production beginning next January.

The council opposed a trial run of the Brannan plan on potatoes. It urged higher penalties than the Government proposed for violation of marketing quotas, and asked for higher duties on imports from Canada. It also asked that Congress set up a Potato Advisory Board to advise the Secretary of Agriculture.

Mr. WILLIAMS. Mr. President, from this article I should like to read one short paragraph:

It was stated last night that the British are paying a substantial sum. One report was that the price would net about 40 percent the cost of the 31,000,000 pounds to Uncle Sam, or around 50 cents a pound. The cost to CCC was about $1.20 a pound.

I checked this particular transaction this morning and found that in return for this $40,000,000 worth of eggs, we are not recovering 40 percent, but, actually we recover only 2½ percent of the cost. The Commodity Credit Corporation is going to be paid $7,000,000 but in checking, I find that of the $7,000,000 payment to the Commodity Credit Corporation, $6,000,000 of that amount will be paid by the American taxpayers as follows: $3,000,000 from section 32 funds and $3,000,000 from ECA funds, with the result that Great Britain is actually only paying approximately $1,000,000 for the $40,000,000 worth of eggs. Therefore, on this transaction instead of the taxpayer recovering 40 percent of the cost of the eggs sold yesterday to Great Britain he actually recovers only 2½ percent.

I think we should tell the American taxpayer the truth regarding these programs. Furthermore it is time that someone who advocates a continuation of these high support prices, tell the American people just what they propose to do with this $4,000,000,000 inventory. Are they going to destroy it, continue to give it away, or just let it rot in the warehouses? Mr. President, I thank the junior Senator from Illinois for yielding that I might make this statement.

TREATMENT OF DISABLED RESERVES AND REGULARS AT MIILITARY HOSPITALS

During the delivery of Mr. DOUGLAS' speech,

Mrs. SMITH of Maine. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Maine?

Mr. DOUGLAS. I am glad to yield to the Senator from Maine, with the understanding that I shall not thereby lose my right to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

For how long a time will the Senator from Maine proceed?

Mrs. SMITH of Maine. For 10 or 12 minutes.

The VICE PRESIDENT. The Senator from Maine is recognized.

Mr. DOUGLAS. Mr. President, in this connection I ask unanimous consent that the remarks about to be made by the Senator from Maine may appear in the RECORD following the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

Mrs. SMITH of Maine. Mr. President, among the things in which I have taken great pride during my service in Congress are—

First. My emphasis on brevity in speaking; and

Second. My championing of the civilian soldiers and sailors of our armed forces—the reservists and the veterans.

Today I am going to make the longest speech I have ever made in the Senate, but most of it will be in reading an excellent editorial and news report on the matter to which I am about to address my remarks.

In it, Mr. President, I am informed that there is being prepared an Executive order which would bar from treatment at military hospitals virtually all Reserves—and many Regulars—who have been, or hereafter are, retired for physical disability. I am informed that under this Executive order they would be dumped into the lap of the Veterans' Administration, and these "stepchildren" of the armed forces would become the burden of the Veterans' Administration, instead of the Defense Department, where they properly belong.

I have been concerned with the current curtailment of hospital and medical facilities that the Veterans' Administration is going through. I have asked General Gray, the Veterans' Administrator, for a full report on this matter because if there is any one place where we cannot tolerate penny pinching it is in the case of veterans disabled in the defense of their country. Consequently, this proposed order could not come at a more ill-advised time—right on top of the Veterans' Administration's curtailment of medical and hospital facilities. To do what it proposes and shift the burden of giving hospital and medical service to physically disabled reservists from the Defense Department to the Veterans' Administration, would not only be unfair to the reservists but also would be unfair to the veterans now being cared for by the Veterans' Administration. It would mean that the Veterans' Administration would be more crowded and less able to render the medical and hospital services to which the veterans are entitled.

It would not save the taxpayer any money. Of course, it would look good on the books of the Defense Department, because that Department's expenditures would be cut down that much; but these expenditures would only be shifted over to the Veterans' Administration, and consequently the annual bill of the Veterans' Administration would be increased that much. In other words, it would merely be financial juggling that would actually amount to economy misrepresentation on the part of the Department of Defense and to throwing that paper saving over on to the shoulders of the Veterans' Administration.

I am vitally interested in this subject because for the past several years I have introduced proposed legislation to put reservists on an equal basis with Regulars when it came to physical disability retirements, and I was chairman of the House Armed Services Medical Subcommittee during the Eightieth Congress. I was most gratified last year when the Senator from Colorado [Mr. JOHNSON] offered and obtained the adoption of an amendment to the Career Compensation Act to provide that members of the civilian components heretofore or hereafter retired for physical disability would receive the same rights, pay, benefits, and privileges provided by law or regulation for retired members of the Regular services. This is in Public Law 351. To my way of thinking, the proposed Executive order would certainly violate the spirit and intent of the Johnson amendment.

I hope the Senate Armed Services Committee will look into this matter thoroughly and will obtain a report from the Secretary of Defense on the proposed Executive order. I further hope the President will refuse to sign such proposed Executive order because—

First. It violates the intent and spirit of existing law;

Second. It would burden the Veterans' Administration at the very time that it is curtailing its own hospital and medical facilities;

Third. It would be a misleading, "paper saving," devious act of financial juggling which would not save the taxpayer any money, but which would merely make the Defense Department's annual bill smaller and the Veterans' Administration's annual bill larger;

Fourth. It would constitute a raw deal for not only the personnel affected but also for veterans themselves, inasmuch as the Veterans' Administration facilities would be overtaxed and overcrowded and thus less available for the veterans it now serves; and

Fifth. If the Reserves were good enough to serve and to suffer casualties in war, certainly the Defense Department cannot now shirk its responsibility to care for them.

I should like to read from the editorial page, page 2, of Armed Force, a weekly publication that in many respects is a "watchdog" for the interests of reservists and veterans. I quote that editorial, entitled "Block That Order":

BLOCK THAT ORDER

An Executive order now in the works—prepared but not yet submitted to President Truman for signature—threatens to touch off one of the bitterest controversies yet experienced in the Defense Establishment. As reported in detail in a news story on page 11 of this issue of Armed Force, the order, if issued in its present form, would bar virtually all Reserves and many Regulars who have been, or hereafter are, retired for physical disability from treatment at military hospitals.

As now drafted the order would force all Regulars and Reserves, officers and enlisted, to go to Veterans' Administration hospitals for medical care unless they have completed

14 years of active Federal service. It would also compel all physically retired personnel suffering from such chronic ailments as tuberculosis, palsy, or neuropsychiatric disturbances to go to VA hospitals, regardless of length of service.

It is apparent at the outset that scarcely any reservists, particularly those whose entitlement to disability retirement occurred as a result of World War II, could ever qualify under the 14-year-service provision. Furthermore there is substance to the objection already raised that this sudden switch in medical routine would constitute a breach of faith with respect to Regulars and Reserves alike.

To voice an objection to the proposal is not to impugn the VA or the excellence of its medical facilities. The VA was the first to squawk. It took 13 pages for Deputy Administrator Omar Clark to register VA's objections, the most fundamental of which is that the Veterans' Administration, already faced with critical cutbacks in its hospital program, has neither the hospitals nor the medical staffs to handle the additional load.

Originally the order contemplated that physically retired personnel with only 8 years of active service still would receive medical care in service hospitals. The Budget Bureau countered with 20 years as the minimum, which would have eliminated virtually everyone. The present tentative 14-year proviso smacks very much of a "let's split the difference" philosophy which probably has little relation to the numerical case load or the basic equities involved.

Reserve groups already are up in arms over the proposal and have requested a hearing before the Executive order is submitted to the President. They have many valid objections, some based on unchallengeable logic, others involved in sentiment and tradition. They are virtually unanimous, though, in their conclusion that only confusion would result from the order.

There would seem to be no satisfactory answer to the objection that any claim that the move is dictated by economy is illogical and unsound. To switch those to whom the Government is morally and legally obligated from one method of medical care to another would not reduce their numbers. It might be merely a bookkeeping matter administratively, but it would become an irksome—and in some cases an unjust—burden upon the human beings involved.

The issue points up the fact that there is something notably awry with the entire Federal medical situation. It is not going to be solved by juggling patients or attempting to shirk moral obligations to people legitimately entitled to all the care and attention that can be provided for them. Until a fixed, permanent, and integrated medical policy for the entire Federal Government is finally determined it is cruel and inexcusable to break faith with, or cause worry and anguish among, those to whom the Nation is irrevocably indebted.

I should like to include in my remarks an article appearing on page 11 of Armed Force, entitled "Executive Order Would Bar Many Physically Retired Reserves From Military Hospitals," in which it is stated:

The Navy Department, as has been the custom, desires very strongly to continue to care for its own physically retired personnel, but the Army, as has been the custom with its nonregulars, would like to certify as many retired people as possible to the VA. The Air Force is on record as favoring the care of physically retired personnel in its own hospitals, as long as those persons are on the temporary retired list, and then certifying them to the VA.

I ask unanimous consent that the entire article be inserted at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXECUTIVE ORDER WOULD BAR MANY PHYSICALLY RETIRED RESERVES FROM MILITARY HOSPITALS

Virtually all officers of the civilian components who heretofore have been, or hereafter are, retired for physical disability would be barred from medical care in Army and Navy hospitals if an Executive order prepared this week is issued in its present form.

The order, implementing section 414 of the Career Compensation Act, represents a compromise between the Department of Defense and the Bureau of the Budget, but it still is unacceptable to the Veterans' Administration.

In its present form, the order provides:

1. Regulars and Reserves, officers and enlisted, who heretofore or hereafter are retired for physical disability prior to the completion of 14 years of active Federal service would be required to go to Veterans' Administration hospitals for medical care.

VA GETS CHRONIC CASES

2. Regulars and Reserves, officers and enlisted, who complete 14 or more years of active Federal service prior to retirement for physical disability would retain their entitlement to care in military hospitals.

3. Regardless of length of service, persons retired from the military services because of such chronic illnesses as tuberculosis, palsy, and neuropsychiatric cases would be required to go to VA hospitals for treatment.

4. So long as a person remains on the temporary disability retired list, he would be entitled to treatment and reexamination in military hospitals, regardless of length of service.

5. Starting in fiscal 1951, all physical disability retirement payments would be handled by the three services, using a lump sum to be requested annually as part of the appropriation for the office of the Secretary of Defense.

LEVA DREW UP PLAN

6. Dependents of service personnel retired for physical disability would retain entitlement to medical care, on a space-available basis, in military hospitals, even though their husbands or parents might be required to go to Veterans' Administration hospitals.

The foregoing provisions were drawn up by Marx Leva, Assistant Secretary of Defense, as a compromise after the Bureau of the Budget refused to go along with a Defense Department recommendation that all persons with less than 8 years of active Federal service, when retired, be required to go to VA hospitals.

Frank Pace, Director of the Budget Bureau, countered with a proposal that any such requirement apply to all persons who, when retired physically, have less than 20 years of active Federal service. This was unacceptable to Secretary Louis Johnson.

Both of these proposals were referred to the Veterans' Administration for comment, and Deputy Administrator Omar Clark required 13 pages to register his numerous objections.

Mr. Clark was agreeable to letting the services take over the handling of retirement payments, but he protested that VA simply could not handle the additional patient load that either of the pending proposals would produce. He called attention to the recent cut-back of 16,000 VA hospital beds and pointed out that VA can't get enough doctors and nurses to staff present hospitals adequately.

The Navy Department, as has been the custom, desires very strongly to continue to care for its own physically retired personnel, but the Army, as has been the custom with its nonregulars, would like to certify as many retired people as possible to the VA. The Air Force is on record as favoring the care of physically retired personnel in its own hospitals, as long as those persons are on the temporary retired list, and then certifying them to the VA.

REACTION IS BITTER

When advised of the possible effects of the proposed Executive order, various Reserve officer groups contacted by armed force expressed the following general objections to the plan:

1. Despite the alleged lack of discrimination between Regulars and Reserves, it is common knowledge that few if any Reserves ever expect to complete 14 years of active Federal service, especially in the Navy and Marine Corps.

2. Lack of distinction between officers and enlisted Reserves in VA hospitals would complicate the maintenance of proper officer-enlisted relationships.

3. Military hospitals take a keener interest in the well-being of their own retired personnel than would be the case in VA hospitals.

4. VA hospitals already are overcrowded and most of the facilities are inferior to military hospitals.

5. The red tape that must be overcome to get into a VA hospital is not encountered in gaining admission to most military hospitals.

6. Closing military hospitals and expanding the VA hospital program to care for physically retired personnel will reduce Defense Department expenditures but won't save the Government, as a whole, any money.

7. Many persons retired for physical disability, and who require periodic treatments, have established residences near military hospitals. These they no longer would be entitled to enter.

8. The Reserves were good enough, in time of war, to serve on active duty and suffer casualties, but the Defense Department no longer seems to feel obligated to care for them.

VIOLATES INTENT OF PUBLIC LAW 351

One Reserve officer also called attention to the fact that the current position taken by the Bureau of the Budget represents a complete reversal of the position it took in commenting on the Career Compensation Act when it was before the Senate less than 6 months ago.

At that time the Budget Director advised Senator MILLARD TYDINGS that removal of a provision authorizing the reexamination of persons on the temporary list in VA hospitals would be necessary before the bill would be acceptable.

Many Reserves also regard the proposed Executive order as being contrary to the spirit and intent of Senator EDWARD JOHNSON'S amendment to the Career Compensation Act, wherein it was provided that members of the civilian components heretofore or hereafter retired for physical disability would receive the same rights, pay, benefits, and privileges provided by law or regulation for retired members of the Regular services.

EFFECT OF REPEAL OF OLEOMARGARINE TAXES ON AMERICAN AGRICULTURE

During the delivery of Mr. DOUGLAS' speech,

Mr. LEHMAN Mr. President, will the Senator yield?

Mr. DOUGLAS. I should be very glad to yield, for a limited period of time, to the distinguished and able junior Senator from New York, with the understanding that I shall not lose my rights to the

floor. I ask unanimous consent that the Senator may be permitted to speak and that his remarks be printed at the end of my speech today.

Mr. HOLLAND. Reserving the right to object, I should like to ask the Senator from New York how long a time his remarks will continue.

Mr. LEHMAN. Not more than 8 or 9 minutes. The junior Senator from New York wishes to make a statement and introduce a joint and submit a concurrent resolution with regard to the agriculture of the Nation.

Mr. HOLLAND. I have no objection.

The VICE PRESIDENT. Without objection, the Senator from New York may proceed.

Mr. LEHMAN. Mr. President, last week the Senate approved the conference report on the bill to repeal certain taxes on the oleomargarine industry. The President has signed that bill, and it is now law. That law has created a new situation not only for the oleomargarine industry, but for all the Nation's consumers of dairy products and dairy products substitutes, and for American agriculture, itself.

Some weeks ago, when the oleo bill was before the Senate, I voted for the Wiley-Gillette substitute which would have forbidden the interstate shipment of oleomargarine colored in imitation of butter. At the time, I explained to the Senate that I had taken this position because I feared that the ultimate effects of the oleo bill—without the Wiley-Gillette provisions—would prove much less beneficial and indeed much more dangerous than the mere terms of the legislation itself indicated. I expressed the fear that the consumer would really not benefit in the long run, and that American agriculture would suffer. I did not state this fear as an absolute conviction, but as a very strong possibility. I said that we were taking steps without knowing where these steps would lead.

Now, Mr. President, I am introducing for the consideration of the Senate a joint resolution and at the same time submitting a concurrent resolution, which, if approved, would help to meet the objections which I expressed at that time. These resolutions would provide the necessary protections for the consumer on the one hand, and the necessary information on the basis of which we might take steps to avert serious damage to American agriculture on the other.

The joint resolution would provide for an investigation by the Secretary of Agriculture into the effects of the oleo tax repeal on all the pertinent aspects of American agriculture, with special attention, of course, to the dairy industry.

Such a study would certainly include a consideration of at least four things: First, the extent to which the dairy industry may be forced to find outlets other than butter for its production; second, whether or not other outlets are available; third, the extent to which the production of all dairy products may be curtailed; and, fourth, the impact of such curtailments and adjustments on soil conservation, and other related fields of American agriculture, especially animal agriculture.

It may be that such a study will result in ideas and proposals for the more effective use of dairy products. I am thinking specifically of developments within my own State, where certain hospitals have made very effective use of the 8 pounds of solids left in 100 weight of milk off the farm, after the butterfats have been removed.

Perhaps, also, such a study might throw light on the whole problem of the distribution of fluid milk, so that we may be better able to provide more fluid milk to the consumers at lower retail prices, but still provide an adequate return to the dairy farmer. New York has worked hard and long on this problem of distribution costs. The experience of New York City has led to an increase in the store sales of fluid milk and a decrease in wagon-delivery sales. But I do not think that New York has all the answers, either.

New York, like other sections of the country, needs a greater understanding of all the related factors in the Nation's dairy industry and their individual and collective influence on the production and distribution of dairy products. My resolution therefore calls for a review and study of the entire situation, not in a vacuum but in light of all the facts relevant to the troubled present and future of the dairy industry.

The Congress considered some of these factors when it passed the Agriculture Marketing Act in 1937. From the studies made at that time have come the present marketing agreements in the fluid-milk field. Again in 1949, in revising the Agriculture Adjustment Act, the Congress gave thought to some of the problems faced by the dairy industry.

These studies led to the present price supports for some dairy products. It is now time to look at the whole picture.

We must find out what the effect on our soil-conservation situation would be if the dairy herds of the Dakotas and Minnesota and Wisconsin and Iowa were cut down, if these herds were to be sent to the stockyards for beef and the acreage used for pasturage were to be converted to soil-exhausting crops such as wheat and corn.

We must find out what the situation would be if the milk now converted to butter in these Middle Western States were to come into the metropolitan areas of New York and Washington and Philadelphia, and compete with the milksheds of these metropolitan areas.

These are the facts we need to know as a guide to future legislation and future adjustments for the dairy industry. Most of us take the existence of the dairy industry for granted. Yet, its disappearance or severe curtailment would, indeed, be a tragic development, not for New York State alone but for the Nation. Nations with declining dairy industries sometimes have sad awakenings to the importance of that industry. Ask England. Ask Germany. Ask France.

The concurrent resolution is related to the monopolistic character of the oleomargarine industry. According to information available to me, there are only about 25 major firms manufacturing oleomargarine in the United States. Of these, five firms manufacture 60 percent of the present output. If these figures are accurate—and I believe them to be so—this is monopoly with a vengeance. It is also a fact, Mr. President, that the price of oleomargarine has consistently followed the price of butter as the shadow follows the man, regardless of the price trends in the basic materials from which oleo is manufactured. Thus, it seems to me that unless the Oleo Trust is checked, and unless real competition is introduced into this field, the only beneficiaries of this new law, of this magna carta of the oleomargarine industry, will be a few firms, as compared to the great hardship which will be worked on the thousands of dairy farmers in the United States, and all without commensurate benefit to the consuming public. Unless this monopoly is destroyed, the price of oleomargarine will creep up and up, staying just far enough below the price of butter to cripple that industry, and then finally we may all be at the mercy of this monopoly.

All these fears might not be fully justified, Mr. President. I may have painted too black a picture. But I think we will make no mistake if we enact this resolution and request the Justice Department to make this study and, on the basis of the facts presented, take the necessary steps to safeguard the consuming public.

It may be that under such conditions, some benefit will accrue from the passage of this law, and some of the harm which will be done will be mitigated.

I hope the committees to which these resolutions are referred will give them prompt and sympathetic consideration.

The joint resolution (S. J. Res. 162) providing for an investigation by the Secretary of Agriculture into the effect on American agriculture of the repeal of certain taxes relating to oleomargarine, introduced by Mr. LEHMAN, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The concurrent resolution (S. Con. Res. 83), submitted by Mr. LEHMAN, was received and referred to the Committee on the Judiciary, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that the Department of Justice should, in the exercise of its functions and powers, cause an investigation to be made of the principal firms in the United States engaged in the manufacture of oleomargarine with a view to determining whether any of such firms are violating the antitrust laws, and to prosecute to the fullest extent permitted by law any of such firms as may be found to have violated such laws.

PROTECTION AGAINST SUBVERSIVE ACTIVITIES—REPORT OF A COMMITTEE

During the delivery of Mr. DOUGLAS' speech,

Mr. FERGUSON. Mr. President, will the Senator from Illinois yield that I may make a report?

Mr. DOUGLAS. I ask unanimous consent that I may yield for a few moments to the distinguished junior Senator from

Michigan in order that he may make a report, with the understanding, first, that his report will be printed at the end of my remarks, and, second, that I do not lose my right to the floor.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection? The Chair hears none, and the Senator from Michigan may proceed.

Mr. FERGUSON. Mr. President, from the Committee on the Judiciary, I report favorably, with amendments, the bill (S. 2311) to protect the United States against certain un-American and subversive activities, and for other purposes, and I submit a report (No. 1358) thereon.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar.

The minority views submitted by the Senator from North Dakota [Mr. LANGER] on March 7 will be printed as part 2 of Senate Report No. 1358.

Mr. FERGUSON. Mr. President, it is the purpose of the proposed legislation—

(A) To make unlawful a conspiracy "to perform any act which would substantially contribute" to the establishment within the United States of a totalitarian dictatorship under foreign control.

(B) In view of its foreign-directed character, to require the Communist movement in the United States to operate in the open rather than underground.

(C) To cut the threads which bind the international Communist conspiracy together by restricting international travel of members of the American section of the world Communist movement.

(D) To protect the integrity of the Government itself by denying Government employment to members of the American section of the world Communist movement and by protecting the security secrets of the United States against agents of a foreign government or the Communist movement.

The central provision of the bill is a requirement that Communist political organizations and Communist-front organizations, which are carefully defined on the basis of domination by a foreign government or the world Communist movement, shall register with the Attorney General of the United States.

Registration shall include the name and address of the organization, names, addresses, and duties of its officers; and an accounting of funds obtained and expended, including their source. A Communist political organization, which is distinguished from a Communist-front organization, is also required to register the names and addresses of its membership.

The purpose of registration is—

(a) To expose the Communist movement and protect the public against innocent and unwitting collaboration with it.

(b) To expose, and protect the public against, certain acts which are declared unlawful.

These alone are the acts which are declared in the bill to be unlawful:

First. To conspire to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship under foreign control.

Second. For an employee of the Government to communicate without authorization to another person, who he knows or has reason to believe is an agent of a foreign government or a member of a Communist organization, any information which he knows or has reason to know has been classified by the President or department head as affecting the security of the country. Foreign agents or members of Communist organizations are similarly penalized for receiving or attempting to obtain information which the Government employee is prohibited from transmitting.

Third. To conceal the fact, when seeking office or employment under the United States, that a person is a member of an organization which has been legally found to be a Communist organization.

Fourth. To hold any nonelective office or employment under the United States when such a member.

Fifth. To apply for, or to use, a United States passport when such a member.

Sixth. To fail to file reports which it is his legal duty to file, if a person is an officer of a Communist organization, or to make false statements or willful omissions in such a report.

Seventh. To become or remain a member of a Communist political organization if a person knows that the organization has been legally required to register and has failed to do so.

Eighth. To mail Communist publications, or to broadcast or televise a Communist program, for a Communist organization, without identifying the source or sponsorship.

The bill is thus seen to be inherently simple from a substantive point of view. Aside from the positive requirement of registration and the eight specific prohibitions which have been enumerated, the bulk of the bill is accounted for by the statement of congressional findings and policy and the elaborateness of the procedural safeguards for individuals which it contains.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement of fact with respect to the contracts governing the supply of natural gas going to Colorado and Wyoming from Texas. I know of no area in this country which has the protection enjoyed by Colorado and Wyoming. We need not rely on the Federal Power Commission or the Kerr bill or anything other than the actual contract negotiated in 1928 between the Canadian River Gas Co., as seller, and the Colorado Interstate Gas Co., as buyer.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In the contract dated January 3, 1928, and to run for the life of the field, between Canadian River Gas Co., as seller, Colorado Interstate Gas Co., as buyer, the seller, in effect, dedicates all natural-gas reserves held by it at the time of execution of the contract, and thereafter to be acquired by it, to the service of the buyer subject to certain priorities of service in favor of the Amarillo Oil Co. and the Government's helium plant at Amarillo.

In article 3 of the contract "seller agrees that all lands, gas leaseholds, gas rights, gas contracts, and gas properties described in the schedule * * * and all similar properties hereafter acquired by seller will be diligently operated in a skillful and methodical way to accomplish the production of sufficient amount of natural gas for delivery hereunder and under seller's contracts with the Amarillo Oil Co., exhibits B and C, and under seller's contract with the United States. * * *

"Any such sales to or for consumers located in Amarillo, Tex., and its environs shall have preference over deliveries to buyer hereunder, and any such sales to or for domestic use in the territory described shall have preference over deliveries to buyer hereunder. Subject only to the foregoing reservations, the requirements of buyer for natural gas shall have first preference and call at all times during the continuance of this contract on all the natural gas contained in or to be produced from seller's lands, gas leaseholds, gas rights, gas reserves, and gas wells presently held or hereafter acquired in the nature of covenants running with the land in all lands and on all natural gas purchased by seller from other producers."

In the fourth article of the contract "seller agrees that it will use its best efforts to renew or extend the gas leaseholds, gas rights, gas contracts, and gas estates described in the schedule * * * and similar properties hereafter acquired by seller, and to prevent lapse, forfeiture, or expiration. Buyer shall have the right to renounce its right to receive natural gas from any of the gas leaseholds, gas rights, gas contracts, or gas estates described in such schedule."

Article 19 provides: "This agreement shall enure to the benefit of and be binding upon the successors and assigns of the parties hereto."

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as part of my remarks an editorial which was published in the Denver Post on Friday, March 17, under the heading "How will the Kerr bill work?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW WILL THE KERR BILL WORK?

The why of the controversial Kerr bill which would deny authority to the Federal Power Commission to regulate arm's length sales of natural gas by producers has been a subject of widespread speculation. The United States Supreme Court, in its latest pronouncement on the matter in June 1949, declared the Commission has no such authority under the Natural Gas Act. So why amend the law to prohibit the Commission from doing something the law and the Supreme Court already say it can't do?

The explanation, it appears, is that the Federal Power Commission itself, nearly 2 years ago, asked Congress to do what, in substance, is proposed by the Kerr bill. The purpose of this request was clarification of something which apparently was clarified later by the Supreme Court decision of June 1949, in Panhandle Eastern Pipe Line case.

In this decision, the Supreme Court referred to a Power Commission report which had been transmitted to Congress April 28, 1948. Quoting from part IV of this report which was subscribed to by Commissioners Smith and Wimberly:

"No reasonable basis is found in the (Natural Gas) act or its legislative history for a conclusion that, although the activities

of production and gathering are exempt under section 1 (b), sales of natural gas which are made at arm's length by producers and gatherers who do not thereafter transport it in interstate commerce may be regulated. Unless such a distinction is specifically disclaimed, doubts and uncertainties will continue to be felt and expressed regarding the possible jurisdiction under the Natural Gas Act of those who only produce and gather natural gas and then sell it to others transporting such gas in interstate commerce.

"In view of the present unsettled state of this matter, it is desirable, as the Commission has heretofore recommended, that the Congress should adopt appropriate amendatory legislation to make it clear that independent producers or gatherers of natural gas and their sales thereof to interstate pipe lines, are not subject to the provisions of the Natural Gas Act. Such action will confirm what clearly appears to have been the original intent of Congress when it enacted the Natural Gas Act in 1938."

The Supreme Court declared in the Panhandle Eastern decision that Congress, in passing the Natural Gas Act, "excluded the (Power) Commission from exercising any direct control or regulation over the actual production and gathering of natural gas." It said: "The legislative history of this act is replete with evidence of the care taken by Congress to keep power over production and gathering of gas within the States. * * * The Natural Gas Act did not envisage Federal regulation of the entire natural-gas field to the limit of constitutional power. The jurisdiction of the Federal Power Commission was to complement that of the State regulatory bodies."

For 10 years the Federal Power Commission did not claim authority to regulate the price at which natural gas is sold by a producer to a pipe-line company in arm's length bargaining. But since then some members of the Commission have advanced the theory that it does have this power in spite of explicit provisions of the law to the contrary and the Supreme Court decision of last June. That is the excuse advanced for the Kerr bill. It raises this question:

If the Power Commission is not restrained by present provisions of the Natural Gas Act and a Supreme Court decision from exercising power it does not have, how will passage of another law restrain it?

DEATH OF REPRESENTATIVE CHURCH, OF ILLINOIS

Mr. HOLLAND. Mr. President, I ask that the Presiding Officer lay before the Senate the resolution which has come from the House respecting the death of Representative RALPH E. CHURCH, of Illinois.

The PRESIDING OFFICER laid before the Senate the following resolution from the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
March 21, 1950.

Resolved, That the House has heard with profound sorrow of the death of Hon. RALPH E. CHURCH, a Representative from the State of Illinois.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. HOLLAND. Mr. President, at the request of the two distinguished Senators from Illinois [Mr. LUCAS and Mr. DOUGLAS], I offer a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution submitted by the Senator from Florida on behalf of the Senators from Illinois will be read.

The resolution (S. Res. 242) was read, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. RALPH E. CHURCH, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. SALTONSTALL. Mr. President, as the acting minority leader, I am sure I express the thoughts of every Member on this side of the aisle when I say we extend our deepest sympathy to Mrs. Church on the sudden death of her husband, Representative CHURCH, of Illinois. I knew him personally. I have been in his home in Evanston, Ill. I know of the high regard in which he was held by the citizens of Evanston. His loss will be severely felt by his constituents in Illinois whom he served faithfully and well, and his colleagues in the Congress and all who knew him, will mourn his death.

Representative CHURCH was a hard-working, energetic, sincere man. He was always frank in his expressions. He presented with great courage and sincerity his views upon matters under consideration in the House. I know he took a great deal of pride in making things agreeable for new Members of Congress at the Congressional Club, of which his wife is now president.

Mr. President, I have a personal sense of loss in the sudden death of Representative CHURCH, of Illinois.

Mr. HOLLAND. Mr. President, I did not have the pleasure of a long and intimate acquaintance with Representative CHURCH, but I did have the pleasure of meeting him several times at the Congressional Club. I found him to be a distinguished gentleman, a patriotic American of the first water. I know that his passing will be a source of very great grief to all Members of Congress, and that it will be a real loss to all our people.

Mr. DOUGLAS. Mr. President, in the death of RALPH CHURCH, Illinois and the Nation have suffered a very real loss. Mr. CHURCH was a member of the Illinois State Legislature beginning in 1916. He resigned from the legislature to enter the armed services of the country in the First World War, serving in the Navy. He returned to the legislature after the war, where he served with distinction. He was elected to Congress and placed upon the Naval Affairs Committee, where he rendered distinctive service.

One of the most extraordinary records which Representative CHURCH, I think, has made is that during his entire service in the House of Representatives he never missed a roll call. I think this record will probably never be attained by anyone else who may serve in either branch of the Congress. This perfect record of attendance indicates the conscientiousness with which he approached all his tasks.

Representative CHURCH studied all bills carefully and made up his mind about them. He felt that he must discharge his duty by voting upon them. When he returned to his district he was very energetic in meeting his constituents, becoming acquainted with all their problems, and expressing, in the House, what he believed to be their point of view.

Mrs. Church, his wife, with whom we grieve at the loss of her husband, is one of the most distinguished women of the State of Illinois. She is a graduate of Wellesley College. She has been president of the Wellesley Alumnae Association. She has, I believe, been a trustee of Wellesley College, and has been active in all good causes in Chicago.

Although a member of the opposing political party, I find myself feeling real sorrow at the death of Representative CHURCH. The country has lost a good citizen.

The PRESIDING OFFICER. The question is on agreeing to the resolution submitted by the Senator from Florida [Mr. HOLLAND] on behalf of the Senators from Illinois [Mr. LUCAS and Mr. DOUGLAS].

The resolution was unanimously agreed to.

The PRESIDING OFFICER. The Chair appoints the senior Senator from Illinois [Mr. LUCAS] and the junior Senator from Illinois [Mr. DOUGLAS] as the committee on the part of the Senate to attend the funeral of the deceased Representative.

Mr. DOUGLAS. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was unanimously agreed to; and (at 6 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 22, 1950, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 21, 1950

The House met at 12 o'clock noon.

Rev. Arnold F. Keller, Jr., assistant pastor, Church of the Reformation, Washington, D. C., offered the following prayer:

Our God, Maker and Father, without whom we can do no good and true thing, with whom there is eternal wisdom, hear us in this quiet moment.

Visit us, we pray, with Thy spirit. Cleanse the motives of our living. In-

spire our minds. Dwell in our wills, that in silence and in speech, in action and decision, we may be close to Thee.

We beseech Thee to accompany us throughout this day, for many times we are weak, and many times empty. We need to be reminded of Thy love and Thy tender mercy. And may that love move us to a concern and love for others.

Above all, our Father, keep us humble. Make us always to see that Thou art great and we are small. Help us always to know that the noblest act of this life is an act in Thy service and of Thy will.

On this day we thank Thee for the life and the work of Thy servant who has departed from this life to the next. We commend him to Thy fatherly goodness.

In Jesus' holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

GENERAL APPROPRIATION BILL, 1951

Mr. CANNON, from the Committee on Appropriations, reported the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes (Rept. No. 1797), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE HONORABLE RALPH E. CHURCH

Mr. ALLEN of Illinois. Mr. Speaker, we are deeply shocked with the realization of the sudden passing this morning of our colleague, RALPH E. CHURCH. For many years he has faithfully served a splendid constituency. He earned this continuing confidence of his people by his friendliness, industry, and devotion to duty. He was in the midst of an earnest presentation to the Committee on Expenditures in the Executive Departments of a matter of great interest to his people when he was suddenly stricken.

He passed away as a soldier fighting on the battlefield of peace for principles he regarded as vital to the welfare of his country. He will leave a deep impress upon all of us who in life were privileged to associate with him.

I hestitate to enter the sacred circle of a family sorrow, but I am impelled to express the hope that to those who more intimately mourn, the God of consolation may visit you with the comfort that garrisons the heart against the devastating effect of pain, and that in time you may come to feel that in his life he typified the deepest meaning of life's devotion to family and to Nation.

Mr. Speaker, I yield to the minority leader the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I join with my good friend, the distinguished gentleman from Illinois [Mr. ALLEN], and the Members of the Illinois delegation, in expressing my deep regret in the great loss that has come to them. We of the House have lost a loyal colleague, a patriotic citizen, and a good friend.

RALPH CHURCH had labored with us for a good many years. During that period of time, we had come to admire him for his love of country and his devotion to the land that had given him every opportunity. He was a man of courage and of tenacious purpose. He believed strongly in principles and he fought strongly for those principles. He put the best interests of America above his own ambitions.

It was fitting that this courageous, fighting Congressman should be stricken while aggressively battling for a cause that was dear to his heart. Overcome by his emotion for the cause that he represented, RALPH CHURCH passed away from this world, teaching us the frailties of man and emphasizing that we are apt to be called at any moment by the Great Divinity. We mourn his loss. We mourn this great Christian gentleman who will no longer be with us. We mourn an able Congressman; we mourn the death of a patriotic American and a beloved friend.

To his good wife and family, we extend our deepest sympathy in their hour of sadness.

Mr. ALLEN of Illinois. I yield to the distinguished majority leader the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the passing of our friend, RALPH CHURCH, and the tragic manner in which he has gone to meet the Maker, is not only a very dramatic one, but it leaves a very deep impression upon our minds. I was with him when he died. He appeared today before the Committee on Expenditures in the Executive Departments as a witness, before the full committee. I see some of my colleagues who are members of that committee on the floor now. We will never forget that trying moment. He had presented his case from his angle with great emphasis. He had presented his case from his angle in a very strong manner. It was very apparent to me that he was laboring under a very great strain. He had emphasized his testimony with great emotion, feeling, and strength. It was also apparent to me from the very able presentation of his testimony up to the time of his collapse that he had put many, many hours into the preparation, and each and every one of us knows what a strain that is upon us.

I am referring to this so that it will be made a part of the record that in my opinion, the fact being established that he was performing his duties, that he was laboring under such a strain that if any preexisting condition existed it was accelerated by the strain he was laboring under, and his death was hastened thereby. There is no question but that he died in the line of duty, and there is no question in my mind but that the strain he was laboring under was the aggravating circumstance which hastened and precipitated his death.

RALPH CHURCH, as we know, was a lovable character, a strong debater, and an able legislator; a man of definite views, and, even in disagreement with him, his colleagues thoroughly respected his views, because they knew he was possessed of intellectual honesty.

I join with the Illinois delegation in the expression of sorrow in his untimely passing. I also extend to Mrs. Church and her loved ones my profound sympathies, and with that expression I know goes the sympathy of all the Members of the House.

I repeat, and I say this with emphasis, that he was laboring under great difficulties. I think all members of the committee who were there, and everyone in the room, could testify to that fact. It was very apparent to me that he was laboring under a great strain. It was very apparent, and I repeat, that he had made intense preparation. Many hours were devoted to the preparation of his material that enabled him to formulate his thoughts and to give the testimony that he did to the committee this morning. As a Congressman, he was performing his duty. As a layman, it seems to me that the intensity of feeling that he was possessed of aggravated his condition and hastened and precipitated his death. Medically, I think that fact could very easily be established.

RALPH CHURCH'S death is a sad blow to the House of Representatives.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, an hour and 15 minutes ago I sat in the Committee on Expenditures in the Executive Departments and listened to RALPH CHURCH give what I thought was probably his best presentation of any argument I have ever heard him make in Congress since he has been a Member. As the majority leader has just related, he had been working hard trying to present his side of a case in which he was very much interested.

I have known RALPH CHURCH ever since he came to Congress and I have always considered him one who was trying at all times to do what he thought was best for his constituents and for the people of this country. He was honest, honorable, and fearless. We will all mourn his passing. To me it was a great shock.

I have been here in Congress for a good many years and have seen men pass on, but this was as sudden as any I have seen since I have been a Member of Congress. He seemed to slump over his work, and all seemed to be gone. He certainly died a martyr to the cause in doing what he thought was necessary for him to do in order to represent the people of his district as one would want his district to be represented.

He was a fraternity brother of mine and we had many things in common. We belonged to the Phi Kappa Psi fraternity. Many times we discussed questions of a more or less personal nature. I feel that in the passing of RALPH CHURCH I have lost a real friend.

In concluding, I want to quote a little poem, the author of which I do not

know, but which seems to fit this occasion, at this moment:

And so they sleep forever and a day;
Of that great quietness they do not tell;
Only the face of nature seems to say
That all is well.
Through all the ages death has ever lain
The fact toward which we move the price of thought—
Benignity of fate that takes again
The pain it brought.
Is there more love than this? Great peace they sought,
They tell us nothing; and o'er the hill
The stars rise ceaselessly, and time is naught.
Let us be still.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, the members of the Democratic delegation from the State of Illinois join their Republican colleagues in paying this final tribute to a friend.

I knew RALPH CHURCH from the first day he served in this House, although at the time I was not myself a Member. I have been close to him. Like all the other Members of my Democratic group from the State of Illinois, I held him in high esteem. He was a sincere man, one whom we admired for the energy he put into his work.

He had a distinguished public record in the State of Illinois in the State general assembly, and also here as a Member of this House. I concur wholeheartedly, as I am sure all my colleagues from Illinois do, in the remarks of both the minority leader [Mr. MARTIN] and the majority leader [Mr. MCCORMACK], as to the record of Mr. CHURCH in this body. I extend to his family my deepest and most sincere sympathy.

Mr. ALLEN of Illinos. Mr. Speaker, I yield to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, with my colleagues from Illinois and all other Members of the House, I was shocked beyond words this morning to learn of the death of my good and true friend, RALPH CHURCH, who in line of duty as a Representative of the Thirteenth District of Illinois, when presenting testimony before the House Committee on Expenditures in the Executive Departments left us in death.

It has been both my privilege and my pleasure to know and associate with RALPH CHURCH from the day we were both elected as Members of the Seventy-fourth Congress, which Congress first met in January 1935. During these many years of our association, I came to respect and admire my colleague, RALPH, for the things he stood for and the many things he constantly was doing for somebody. In fact, because of his ever earnest desire to be of help to his fellow men and to serve his district well, the life of RALPH CHURCH has come to an abrupt end. Truly it can be said of him that he died in the service of his country nad fighting for those principles of right and justice which mean so much to each and every American citizen. His was a case of trying to do too much for too many, which task his physical body could not meet. Certainly it will be said of him by his friends, constituents, and fellow Americans that he fought a good fight in giving of his best that someone else might enjoy the fruits thereof.

Those of us who have lived with and enjoyed the privileges of being a friend of this outstanding Christian gentleman and legislator, and we will miss him. The people of his district, the State of Illinois, and the Nation have lost an outstanding citizen and legislator whose first thought was of those he served and lastly of himself.

All of us extend to Mrs. Church and their fine family our sincere and deep sympathy.

Death is only a quiet door
Set in a garden wall;
On gentle hinges it gives, at dusk,
When the thrushes call.

Along the lintel are green leaves,
Beyond, the light lies still;
Very willing and weary feet
Go over that sill.

There is nothing to trouble any heart,
Nothing to hurt at all.
Death is only a quiet door
In an old garden wall.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, death has come to RALPH CHURCH as it must to all men. But it came with such startling suddenness that the shock was much greater than usually is the case when one of our colleagues passes away. RALPH CHURCH was my neighbor for a goodly number of years. His office was immediately to the right of mine. As a result I had ample opportunity to understand him and learn his characteristics. He was without doubt one of the most hard-working men in the House of Representatives. His office would be open at 8 o'clock in the morning and frequently it would still be open at 8 and 9 o'clock at night. He was an intense student of legislation. He gave himself fully and freely to whatever legislation might be up for consideration. He understood his obligations to his people and he appreciated the confidence they had reposed in him and to them he was indeed a most able legislator.

To his wife I extend my most sincere sympathy. She was a most gracious helpmate. She was at his side constantly and had helped him in all of his endeavors. To the Members of the Illinois delegation I extend my sympathy, because I know they will miss his counsel and miss his friendship.

The people of the country, I believe, too, have lost a great legislator.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I have known RALPH CHURCH rather intimately ever since he came here 15 years ago. He served on the Committee on Appropriations with me. He was intensely devoted to his duties on that committee and to the work that he had here in the House. He has given that last full measure of devotion to his duties. I wish to extend to his wife and his family my sincerest and deepest sympathy and my appreciation of a life well spent and devoted to his country's cause.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the sudden passing earlier today of Representative RALPH E. CHURCH, Thirteenth District, Illinois, brought universal sorrow to the entire membership of the House. He was presenting his views on an important reorganization bill to the Committee on Expenditures in the Executive Departments when, without warning, he suddenly stopped, and in a few moments the light of his life had gone out.

RALPH E. CHURCH was well educated. He was a graduate of the University of Michigan, and he was graduated from the law department of Northwestern University. He was admitted to the bar in 1909. He continued to maintain his law office in the city of Chicago until the end.

RALPH E. CHURCH was a patriot. He served his country in war and peace. He was a veteran of World War I, and for many years he was a member of the General Assembly of Illinois. His experience as an outstanding member of the General Assembly of Illinois had prepared him for the House of Representatives.

RALPH E. CHURCH was an industrious and indefatigable worker. He was attentive to duties on his committees. He familiarized himself with all legislation submitted and considered by the committees of which he was a member through the years.

He believed in good government. He advocated a balanced budget. He urged a strong America. He believed that the strength of the United States was in the courage and in the spirit of the people.

RALPH E. CHURCH grew as he continued to serve in the House of Representatives. He increased in political wisdom and in legislative discretion. There were but few Members of the House who grew in the legislative service as RALPH E. CHURCH. His horizon broadened and his convictions deepened with the passing years.

He was devoted to his State and his country. He gave to his district the best thought and the best work of which he was capable. He was courageous to an unusual degree, and he had the courage of his convictions.

RALPH E. CHURCH lived the good life of his time. He has left to his family a good name and to his country a good record.

Mrs. Whittington and Mrs. Church for years have been associated in the work of the Congressional Club, composed of the wives of the Members of the Senate and of the House. I extend to his charming and cultured wife, and to his devoted children, my deepest sympathy. The tragic death of RALPH E. CHURCH at the period of his greatest usefulness as a legislator is a distinct loss to his district, State and country.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. STEFAN].

THE LATE HONORABLE RALPH E. CHURCH, CHRISTIAN LAWMAKER

Mr. STEFAN. Mr. Speaker, our colleague, RALPH CHURCH, is dead in the

line of duty. As this House meets there is one vacant chair. Because of that vacant chair the hearts of all of us are filled with the solemn memory of a true friend, an unswerving patriot, a Christian gentleman.

Sixteen years ago RALPH CHURCH was elected by the people of the Thirteenth Congressional District of Illinois to be their Representative in the Congress of the United States. With the exception of 2 years—during the Seventy-seventh Congress, when he was not in public life—he has served his constituents faithfully and efficiently since the opening days of the Seventy-fourth Congress.

His alert mind was quick to grasp the intricate problems which confronted him. He was as aware of the tremendous stake our Republic has in international affairs as he was of the necessity for building a strong and secure Nation at home. His counsel was a valuable asset of the Committee on Appropriations. His wisdom was appreciated as a member of the Inter-Parliamentary Union. This I know. I had the privilege of serving with him on the Committee on Appropriations. I had the distinction of associating with him as a member of the Inter-Parliamentary Union. I had the honor of entering Congress at the same time he did and being a fellow member of the Seventy-fourth Club.

Only yesterday RALPH CHURCH spoke to me of enjoying exceptionally good health and how he was planning for the future. This has made the shock of his passing doubly great.

The genuine sympathy of all of us who knew him goes out to Mrs. Church. She, like her beloved husband, has given unstintingly of her time and strength to make this country of ours a better place in which to live. As president of the Congressional Club, as the mother of brilliant children, as the constant companion of her husband she had, and has now, our respect, our admiration, and our enduring friendship. In her hour of sorrow we would have her feel that she is not alone.

Today in a committee room, far from his home, a Christian lawmaker died. He died without warning in the performance of his duty to those who had elected him to office. Many of those who helped to send him to Congress did not know him nor did he know them. It has been said that there is no greater glory than "he who would lay down his life for a friend."

I believe that there is a glory even greater than that.

I believe that it is a far, far greater glory to give one's life serving people whom you have never seen, who have never seen you.

I believe that RALPH CHURCH has gone to his God, blessed with the highest tribute a mortal man may own, "He was a trusted servant of his fellow man."

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. REED].

Mr. REED of Illinois. Mr. Speaker, like all of you, I was greatly shocked this morning to learn of the death of our colleague, RALPH CHURCH. He and I were freshmen in the Seventy-fourth Congress.

I had known him prior to his service in Washington when he was a member of the general assembly of Illinois. Although I was not a member of that body, I had occasion quite often to visit Springfield where it convened. His service in the Illinois General Assembly was similar to his service here. Energetic and conscientious, he endeavored at all times to represent the people of his district to the very best of his ability. Those of us who have served with him in this House know how diligently he tried to understand in detail the intricacies of every piece of major legislation that came before the Congress for consideration. In addition thereto he studied exhaustively the bills pending before the committees of which he was a member. These efforts on his part and the multitudinous duties that are necessarily required of a Congressman representing a populous constituency such as his, were a tremendous strain—too great for his physique to support. He died while in performance of his public duties to his Nation and his State.

RALPH CHURCH was born on a farm in Vermilion County, Ill. He was educated at the University of Michigan and Northwestern University and attained the degrees of master of arts and bachelor of laws. He was admitted to the Illinois bar in 1909 and commenced the practice of law in Chicago. In 1916 he was elected to the General Assembly of Illinois. While serving his first term in that body, he volunteered for military service in the war that was then upon us. Honorably discharged, he again sought his seat in the assembly and was triumphantly reelected. He served 16 years in the legislature of our State. In 1934 he was elected to Congress where he served for almost 14 years. As a member of the Committees on Naval Affairs, Expenditures in the Executive Departments, and Appropriations, respectively, he distinguished himself for his punctuality, his willingness to work, and his keen appreciation of the responsibilities that were his to assist in formulating legislation of great importance to the prosperity and security of our Nation.

He leaves to mourn his passing, his devoted wife, two patriotic and accomplished sons, one dutiful and charming daughter, and a host of friends and admirers in Illinois and Washington.

His end, though sudden and tragic, is perhaps the way he would have preferred to have had it. Indeed, it was appropriate that on this, the first day of spring, when we think of sunshine, buds, flowers, and things beautiful, the soul of RALPH CHURCH should ascend from his earthly body, onward and upward to a new, happy, peaceful, and everlasting life in the realms of the hereafter.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, it was my privilege to serve on the Committee on Appropriations with RALPH CHURCH. He was one of the most conscientious members of that committee. He was a man of strong convictions, and he had the courage to fight for those convictions, a characteristic which is greatly needed in these uncertain times. He was an indefatigable worker, and his services will be sorely missed by our committee and by the Congress of the United States.

I extend my heartfelt sympathy to Mrs. Church and the family.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, there is no question about the propriety of the eulogies to our colleague who passed to the great beyond this morning. But to me there is a tremendous example in his sudden leaving. No man knows the ways of the Lord, for it is written, "I will come like a thief in the night." It recalls the words that I once read in an old cemetery:

> Remember, man, as you pass by,
> As you are now so once was I;
> As I am now so will you be.
> Remember, man, eternity.

Members in committee this morning witnessed a soul-stirring example which, in all its silence, thundered a warning to the Members of Congress, both as to the safeguarding of their health and as to their spiritual state in the eyes of Almighty God.

RALPH CHURCH, it seems, left us at a time when he was setting a most perfect example. He was at his duty. That is the splendid example he leaves us, his strenuous devotion to his people, to his Nation, and to the principles which he espoused.

I would conclude by saying:

Father, be near me when my feet are slipping o'er the brink, for it may be I am nearer home, nearer now, than I think.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am profoundly shocked and deeply saddened by this sudden passing of our friend and colleague, RALPH CHURCH. Although I speak with a heavy heart, I am glad I am here at this moment to express briefly a few words in tribute and in honor of this fine gentleman and public servant from the great State of Illinois.

For many years I have enjoyed the pleasure and honor of knowing RALPH CHURCH and serving with him here in Congress. During all these years he was courteous, considerate, and cooperative, He always tried to be helpful and never tried to gain or take advantage in word or deed. He was honest in every sense of the word. His word was his bond. His scrupulous intellectual integrity was matched by his actions and honesty of purpose. His high principles, able leadership, and excellent qualities were well known by the people in his congressional district for they elected him many times to the general assembly of Illinois as well as to the Congress of the United States. The 35 years of his public service is noteworthy testament to his outstanding achievements for his State and his country. The people of Illinois, in his district and throughout the State knew RALPH CHURCH well. They knew they could depend on him. They knew he was always trying to help them. Illinois has lost one of its most outstanding citizens. Congress has lost the counsel

and able leadership of a very fine gentleman. The country has lost a great patriot. We have lost a friend.

Having served for many years on the old Naval Affairs Committee, RALPH CHURCH was a strong friend of the Navy. He believed in sea power. He fought for many years to build our Navy into a strong, efficient, effective military force. He was among the few who worked long and diligently to prepare our Navy for the heavy responsibilities of the last war. He knew full well that a nation to win the war must have control of the sea. Prior to the war he held the rank of lieutenant commander in the United States Naval Reserve. Two of his sons are officers in the Naval Reserve. In full accord with many of the Members of this House, RALPH CHURCH strongly believed that during these eventful last few years the Navy has been reduced in strength to the point of placing the security of the country in jeopardy. He was a loyal, true American, firmly believing it is the duty of Government to see to it that the country is secure against all enemies from without as well as within. RALPH CHURCH was always the same. He was of the people, with the people, and for the people, that this Nation under God might continue to be the finest place in the world to enjoy the fragile comprehension we know as life.

Only just yesterday, RALPH CHURCH asked me to have luncheon with some of his constituents and himself. During this luncheon he discussed the fact he was going to testify today before the Committee on Expenditures in the Executive Departments. He fulfilled his intention. He spoke of how deeply he felt about what he hoped to accomplish by his testimony. During the luncheon he mentioned the vast importance of trying to get across to the people behind the iron curtain what we wanted to do for the world, and how it could be accomplished. Strangely enough, he spoke of women in politics, women that were holding office, and women that were doing work for the benefit of the country and the world. RALPH CHURCH had a deep and tremendous admiration and love for his wife. My deep sympathy goes to her. I think his admiration for his wife and his anxiousness to help her, for he knew she had helped him, is one of the reasons he was so courteous and just and fair to women.

Knowing RALPH CHURCH, as all of us do, we know that he would want events to happen as they did. We know that when he was called he would want to be in full harness, working at top speed. We know he would want to have been on the job serving his people and his country. This was the way he walked with God through the exit from the stage of life.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. O'BRIEN].

Mr. O'BRIEN of Illinois. Mr. Speaker, as a Member of Congress from Illinois, I wish to express my sincere regrets on the sudden and untimely death of our colleague, RALPH E. CHURCH, with whom it was also my privilege and satisfaction to have served in the Illinois Legislature a number of years ago when he represented the Sixth District of Illinois, and I represented the twenty-first.

The people of his congressional district have lost a faithful servant and an untiring worker in their interest. Those who served with him in Congress were in a position to observe best and at close range, his ability, and to recognize his outstanding courage.

His conscientious devotion to duty, a virtue inherent to his character, will serve as his memorial, and I sympathize with his family on their irreparable loss.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. BATES].

Mr. BATES of Kentucky. Mr. Speaker, it is indeed fitting and appropriate that this legislative body pause today to pay tribute to one of our Members who was so suddenly taken away from us this morning. To know RALPH CHURCH was to love him. It has been my privilege to serve with him during the Eighty-first Congress on the Appropriations Committee's Subcommittee for the District of Columbia. With his passing this House has suffered a most untimely loss and I have lost a deep friend. His diligent attention to his duties and his high regard for this Nation and for everything that is America inspired us all. RALPH CHURCH was a man endowed with high ideals and a devotion to his country and to his God. It is, indeed, fitting that if he had to be taken from us that he be taken in the act of fighting for these same ideals for which we all respected him. His passing comes as a shock to his many friends and admirers here in Washington and in his own district. They will be consoled, I am sure, by the mark of friendship and respect their Congressman has left on all who knew him and by an outstanding record he has compiled for service to his fellow men. We often wonder, I am certain, why God sees fit in his omnipotent judgment to take away from us our loved ones and those who are leading lives devoted to the service of humanity and, yet even at a time like this, we are serene in God's goodness and graciousness and console ourselves in the fact that death is only the beginning of life and that even now our beloved colleague is at home with He who is the giver of eternal life. My heartfelt sympathies are extended to his widow and to his family. They will be consoled, I am sure, by the thought that their distinguished father and husband has been called to a higher service and that some day they shall be united with him again in "that city foursquare whose maker and builder is God."

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. DAWSON].

Mr. DAWSON. Mr. Speaker, a soldier passed on today before my committee, a Member of this House, the distinguished Congressman from my State of Illinois, RALPH CHURCH, while testifying there on a matter that concerns every person within these United States. I never heard him, and I have heard him often, give a finer dissertation upon the subject matter he was interested in. I never heard a person show greater concern or more earnestness in his delivery than did our distinguished colleague on this occasion. So I say to you, passing away as he did, carrying out his duty as he saw it, he died a soldier on the field of battle. I grieve with you in his passing. My heart goes out to his loved ones. But I am sure if that great soldier, RALPH CHURCH, could speak to us now and speak to his loved ones, he would speak in the words of a great poet who said:

When all is done and my last word is said,
And ye who loved me murmur "He is dead,"
Weep not for me for fear that I should know
And sorrow too that ye should sorrow so.

When all is done and in the oozing clay
Ye lay this cast of hull of mine away
Pray not for me, for after long despair
The quiet of the grave will be a prayer.

When all is done, say not my day is o'er
That through the night I seek a dimmer shore
Say, rather, that my day has just begun
I greet the dawn and not a setting sun when all is done.

So RALPH CHURCH has gone from us today, but he has gone to a land that is better than the one he occupied here, and while we grieve for him we honor him in the memory of his sincerity, his straightforwardness, and his honesty with us all.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I, too, wish to express my profound sorrow at the tragic occurrence of this morning before our Committee on Expenditures. Our colleague RALPH CHURCH, of Illinois, was making one of the finest presentations I have ever heard. It was obvious that he was making it with great feeling, great seriousness, and great intensity. It so happened that it was on a subject about which he and I disagreed. Last Wednesday he placed in the RECORD an article on this subject and on the following Friday, in all friendliness, I took the opposite position and put an article in the RECORD answering his argument. Just before his testimony he came up to me as I was seated in the committee and asked that he might proceed without interruption in his testimony. I, of course, gladly granted him that privilege. It was during this fine presentation that the tragedy occurred.

I want to pay tribute to his earnestness and his sincerity. This will be a more than ordinary blow, I know, to Mrs. Holifield, because she was very closely associated with Mrs. Church and enjoyed the friendship of Mr. and Mrs. Church, as did I. I express my sympathy to her and her family in this great loss.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, for many years I enjoyed the warm friendship of RALPH CHURCH. Perhaps longer than any other Member of this body have I known RALPH CHURCH. Twice death has struck the Illinois delegation since we came here in 1949, and twice my heart has been broken. I never knew a finer man than RALPH CHURCH.

When I came here a freshman and a Democrat, the smile of RALPH CHURCH met me. I never saw him that he did not greet me with a cheery word. He was a great, fine man. The last time I saw

him his face was rich with the sunshine of a happy heart as he spoke of his two fine sons and the daughter who was his pride, and of his wife who had shared with him the burdens of a rich public service.

I recall not many days ago the gentleman named by the Democrats to oppose him in the elections in November met him here in Washington, and despite the fact that they were miles apart in philosophies and in politics, and soon were to be contesting at the polls, there were no barriers in the mind of RALPH CHURCH, and none in that of his Democratic opponent, to friendly appreciation of the qualities of friendship. RALPH was happy that he had no opposition in the Republican primary and equally happy that his Democratic opponent had no opposition in the Democratic primary. He was that human. As a member of the Congress he was a tireless worker. Late on Saturdays, and often on Sundays, I have seen him going to and from his office. He never took a vacation. His very life he gave to the service of his constituents and of his country.

My heart is broken. To me, something has left this Chamber. As I will look over on the other side in the remaining days I will vision the inspiring presence of RALPH CHURCH.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Speaker, saddened and shocked, I rise to pay tribute to our colleague, RALPH CHURCH, whom Almighty God has just taken from our midst.

In his lifetime, RALPH CHURCH won the love and respect of all who knew him. His service record is replete with constant diligence and outstanding accomplishment in unselfish devotion to his country.

His many friends keenly feel shock and grief at his departure, and I know that I speak for all of us when I say that we are affected with a depth of sorrow that cannot be measured by mere words.

It is only fitting that he should have departed from us while he was engaged in arduous legislative efforts, as he would not have wanted it otherwise.

We are now engaged in the most critical period of our legislative history. RALPH CHURCH has played an important and unselfish part in that history. The accomplishments which we achieve here will serve as a memorial to his departure.

May he rest in eternal peace.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Speaker, it has been a privilege to know and work with my colleague from Illinois, RALPH CHURCH. Mr. CHURCH was a man of fine convictions. You always knew where the gentleman from Illinois [Mr. CHURCH] stood on any issue that he advocated.

He was a convincing debater, a strong party leader, honorable and fearless. We will long miss the steadying influence of RALPH CHURCH, of Illinois. I extend my heartfelt sympathy to Mrs. Church and his family.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Speaker, just a few moments ago I received a telephone call informing me of the unfortunate death of our colleague, RALPH CHURCH. His passing seems to indicate that out of the arduous tasks of the Members of the House, too often come their early separation from this body.

He seemed to be in the best of health, from all outward appearance, and we who served with him hoped, naturally, that he might finish out the long career of service in this body which appeared to stretch out before him for many years in the future.

His early and sudden passing today should serve to remind us all, that in our work here we should do our best as time gives us the opportunity, because we do not know how soon or how suddenly we shall have to lay down our burdens.

It has been my pleasure to know RALPH CHURCH for some 25 years and to know well his splendid wife, and to have met his fine children. They, fortunately, will never have to remember his official acts or his acts in private life, other than in the spirit of pleasant memories and adulation for the clean and useful life he lived, and the honorable and valuable service he has rendered his Government he so faithfully served. He disagreed with many of us at times, but he had the courage of his convictions. As a member of the Illinois Legislature for a number of years, and as a party leader in Chicago, he always held the respect and confidence of his people. In his work in the Illinois House of Representatives as in this body, he exemplified the finest type of clean, personal character. He exhibited the greatest possible interest in the future welfare of his Nation. He had the courage to do what he thought was best for the country at all times.

Mr. Speaker, this is a most unfortunate day for the Members of the Illinois delegation and for the Members of this Congress because a splendid man in the service of his country has answered the last call.

I wish to extend to his family my sincere condolences and I know that the Members of the House all join with me in this expression of sorrow to his wife and children.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks in the RECORD on the life, character, and public service of RALPH CHURCH.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JACOBS. Mr. Speaker, on behalf of the delegation from his neighboring State of Indiana, we join with his good colleagues from Illinois in mourning the untimely death of Representative RALPH CHURCH.

His memory is hallowed even more in view of his passing on while fighting for the causes in which he believed.

To his bereaved, we all extend our sincerest sympathy.

We join in the tribute expressed here today by those with whom he had labored for almost two decades.

Mr. VELDE. Mr. Speaker, it is with a grievous feeling of emotion that I say just a few words in loving memory of Representative RALPH E. CHURCH, a dear close colleague from my home State of Illinois, a fellow member of the Illinois bar and brother Methodist.

RALPH CHURCH's passing came as an extreme shock to those of us who knew him so well. I feel it is rather significant that his passing should come while he was hard at work testifying before a Congressional committee, speaking out for what he firmly believed was for the best interests of America.

There are very few Members of Congress who can match RALPH E. CHURCH's record of attendance in the House. He gave unselfishly of his time and no group of people appreciated that more than those of the Thirteenth District of Illinois who have always elected him to Congress by overwhelming majorities. The people of the State of Illinois will always be grateful for his distinguished service in the State legislature and for his volunteering for service during the First World War.

Words can never express fully the empty feeling which is ours in mourning the passing of a dear friend, RALPH CHURCH, a true patriot and devoted public servant.

Mr. JENISON. Mr. Speaker, perhaps the most telling testimonial to the esteem for RALPH E. CHURCH is to be seen in the sense of loss as expressed so universally by the Members of the Congress on receipt of news of his sudden death. On every hand could be heard the immediate response most indicative of sincere feeling. For Representative CHURCH was a man who won the admiration of his colleagues for his untiring energy and unwavering devotion to the causes in which he believed. His interests ran the entire scale of governmental activity, and he accepted responsibility far beyond the measure of the average person.

As a member of the Illinois delegation I enjoyed the privilege of knowing Representative CHURCH well, and of working with him closely. He was born in my congressional district, and maintained a continuing interest in the problems of that district, as he did so well in his own. He was particularly helpful to me, as a new Member, for he was never too busy to give helpful counsel to a colleague less experienced than he was in the service of the people.

Illinois and the Nation have lost a distinguished public servant in his passing. No leader in public life set for himself higher standards in the performance of his duty and no one came closer to living up to those high standards. In diligence, in conscientious attention to public duty, in study and intelligent understanding of the problems of the Congress and the Nation, he had few, if any, equals.

The circumstances of Representative CHURCH's untimely passing were characteristic, for death came at a moment when he was battling with vigor and understanding for a principle of government he regarded as vital to the welfare of his country. His loss is a loss for the

Nation when leaders of his fidelity to the public trust are sorely needed.

I join most sincerely with my colleagues in expressing sympathy to his wife and children. Words provide but little consolation in such an hour, but the esteem they indicate reflects the obvious truth that a great sense of loss is shared by all who knew Representative CHURCH.

Mr. SIMPSON of Illinois. Mr. Speaker, upon my return this morning from Illinois where I spent the week end, with deep repret I learned of the passing of RALPH CHURCH.

Mr. Speaker, since I have been a Representative I have never known a more loyal or a more industrious Member of Congress who worked in behalf of his district than RALPH CHURCH. Living at the same hotel for the past 8 years with RALPH and Mrs. CHURCH, I have seen him almost daily. I have noticed him leave to attend committee meetings and sessions of the House when he should have taken time out for a hospital rest. His attendance record is of the best, and his district knew and appreciated this. RALPH'S assignment with the Committee on Appropriations called for long, difficult, tedious hours. No constituent from his district or from Illinois ever lacked prompt, courageous attention on the part of RALPH CHURCH.

Mrs. Church and the Church children—Lt. Ralph, Jr., Lt. William, and Miss Marjory—all have the sincere sympathy of this Eighty-first Congress in the passing of an illustrious husband and father.

Mr. Speaker, the Thirteenth Illinois District, the State, and the Nation should know and realize that RALPH CHURCH was a Representative in Congress who just worked out his heart which will only stand so much. Seven terms—14 years—RALPH CHURCH honestly and conscientiously gave.

AT THE LAST

There is so little to be said
Within the presence of the dead,
Although so calm and still they lie,
They know what friends are standing by.

Whose eyes are filled with tears, and who
Have hurried in their tasks to do.
The years have taught them all these things,
Who heeds the door bell when it rings,
Who is the first to come and stay
And kneel beside the bier and pray.

They know whose hands the flowers arranged
And if they didn't, t'would be strange.
If love has prompted us to give
Devoted service while they lived,
They know that we will carry on
And still be true, altho' they're gone,
They know we'll do the last sad tasks
Which love or friendship ever asks.

There is so little to be said
Within the presence of the dead,
For always in the lonely room
Made lovely by a bower of bloom,
Their peaceful faces seem to say
"I knew that you'd be here today."

—*Edgar A. Guest.*

Mr. BISHOP. Mr. Speaker, may I extend my remarks to include the following:

The unexpected passing today of Congressman RALPH E. CHURCH removes one of Illinois' most distinguished citizens. Following a successful law career, he was elected as Representative to the Illinois State Legislature and later volunteered for military service, where he served his country faithfully and well. Prominent in club circles, a member of the Phi Kappa Psi and Delta Chi Fraternities, a Shriner, a real Christian gentleman, RALPH CHURCH will live forever in the minds and hearts of his fellow associates.

As a member of the Illinois delegation in Congress, it has been my privilege to be closely allied with Congressman CHURCH for the past 7 years. His foresight, tolerance, and sincerity of purpose have been outstanding among his many admirable characteristics. His actions were always controlled by diligence and the courage of his convictions. While these words may be dictated by an affectionate remembrance, they still ring true: RALPH E. CHURCH was a man of real value to his State and Nation, and in his death has been lost an unusual citizen and public servant of surpassing usefulness.

To Mrs. Church and the other members of his family I extend heartfelt sympathy and commend them to Him "whose love never faileth." How fittingly your husband and father could have exclaimed in the language of St. Paul: "I have fought a good fight, I have finished my course, I have kept the faith."

Mr. MICHENER. Mr. Speaker, I wish that RALPH CHURCH might be here and listen to these memorial services. It is too bad that so many of the flowers are reserved for the funeral. It is just a couple of hours since the death angel beckoned and Mr. CHURCH'S number was called.

The remarks on this occasion are necessarily extemporaneous and without preparation. They are words coming from the hearts of those uttering them. There is necessarily much repetition, because, regardless of our race, creed, color, or political affiliation, there is one common denominator in each address. In short, RALPH CHURCH lived such a life in the Congress that he merited the respect, confidence, and affection of all of us. He was always a militant fighter for what he believed to be right and had the courage and ability to defend any position he took on any public question. His friends were limited only by his acquaintances. He had adversaries because he seldom agreed for the sake of expediency. Fundamentals meant just that to him.

When Mr. CHURCH came to Congress his office was across the hall from my office. I soon learned to know him well and I heartily support the assertions made here today that there was no more conscientious and hard-working Member in Congress. Friends often cautioned him that there was a limit to human endurance. Nevertheless, accepting these suggestions with a smile, he proceeded on his own course. The end is tragic. However, I am sure he would have preferred to go down in the thick of battle rather than take the less rugged road.

Mr. Speaker, RALPH CHURCH will be missed—yes; greatly missed—not only in the Thirteenth Illinois Congressional District and the State of Illinois but also in Washington, and especially in the Halls of Congress.

I join with my colleagues in paying this tribute of respect to the life and character of a splendid man. His fine wife and children have our sympathy.

Mr. MCMILLEN of Illinois. Mr. Speaker, RALPH CHURCH died as he would desire, in the front trenches of the line of battle, fighting intensely in carrying out the duties of his office and for principles in which he profoundly believed.

No one had greater devotion of duty and patriotism than that which reached to the innermost part of his soul.

I desire at this time to extend my deepest sympathy to Mrs. Church and his children.

Mr. FORAND. Mr. Speaker, once again the grim reaper has reached into our midst and taken from us our distinguished colleague the Honorable RALPH E. CHURCH.

This distinguished Member, my good friend, died with his boots on. Death was sudden. In fact, it interrupted our colleague in the middle of a word while he was forcefully presenting his views before one of the great committees of the House of Representatives.

RALPH CHURCH and I did not always see eye to eye on important subjects affecting the general welfare of our great country, but always I respected his views and he respected mine.

He was a gentleman always. His character was above reproach and his determined efforts always were guided by the highest of motives and intended to bring about legislation that, in his opinion, was for the general welfare of all our people.

RALPH will be missed by all of us, his colleagues. I am sure all join with me in extending to his beloved wife and family our warmest sympathy in their great loss. May they find consolation in the fact that because RALPH CHURCH lived, America is a better place for us to live in.

Mr. CASE of South Dakota. Mr. Speaker, RALPH CHURCH was a rugged individualist who had the courage to state his convictions bluntly and to stand by them.

His head may have been bloody in verbal battles but it was unbowed. He fought consistently and tenaciously for what he believed to be right.

Before I ever came to Congress I knew of RALPH CHURCH as one of the remembered students at Northwestern University. I was interested in meeting him when I came here 14 years ago. My brother lives in the district he represented and we had many mutual friends.

So, his sudden passing strikes me with special force. At such a time one cannot utter all the thoughts that arise. One can only hope that when his time comes he may be remembered as faithful as RALPH CHURCH was to the last minute of his life and extend to his bereaved loved ones our deepest sympathy.

Mr. WOLVERTON. Mr. Speaker, it is with a deep sense of sorrow the House learns of the sudden passing away of our esteemed colleague, RALPH E. CHURCH, a Representative from the State of Illinois.

The service of Mr. CHURCH in this body has been of an outstanding character. At all times he was alert and aggressive in behalf of those matters that

were advantageous to the constituency he represented, and, likewise such matters as would promote the welfare of our Nation and its people.

There has been no Member of this House who was more sincere in the advocacy of the views he held on public questions. He was studious and well prepared on all matters that claimed his attention and interest. He was always actuated by the highest of motives. He was courageous and outspoken where he considered a fundamental principle at stake. We shall miss his presence in the House and the helpful part he took in the business of the House.

We extend to his wife, children, and other loved ones our deep and sincere sympathy.

Mr. RANKIN. Mr. Speaker, today when the sad and shocking news of the death of Hon. RALPH E. CHURCH was announced on the floor of the House, I was not present, but was tied up in a hearing before a Senate committee, and, therefore, did not have the opportunity to pay my humble tribute to this great American at that time.

His sudden passing brought grief to everyone who really knew him. He probably would have preferred to pass out in that manner rather than to linger and suffer for months or years, as others have done.

Someone has said that "After all, it may be best, just in the happiest, sunniest hours of the voyage, while eager winds are kissing every sail, to dash against the unseen rock, and in an instant hear the billows roar above a sunken ship."

Be that as it may, the Members of this Congress will long remember RALPH CHURCH as one of our greatest Americans, one whose loyalty to his country could never be questioned, but who put his devotion to the Nation's welfare above all personal consideration.

My heart goes out, Mr. Speaker, to his elegant wife and his lovely children. They have lost a glorious husband and father.

The people of his district have lost a worthy, conscientious, and patriotic Representative.

The American people have lost one of the greatest friends and defenders our form of government and our American way of life ever had in the Congress of the United States.

God bless his sacred memory.

Mr. YATES. Mr. Speaker, I am stunned to learn of the sudden passing of my friend and colleague, Representative RALPH E. CHURCH, who represented a district close to the one from which I come in Chicago.

I knew RALPH E. CHURCH before I became a Member of the Eighty-first Congress and always had high respect for his ability. It was not until both of us were placed on the Appropriation Committee's Subcommittee for the District of Columbia, however, that I had an opportunity to observe first hand his talents as a legislator. I was impressed with the enthusiasm and conscientiousness with which he approached his duties. He was a hard worker, and he was always dependable. He never shirked his responsibilities. Each of us who had the privilege of working with him know how much he will be missed.

RALPH E. CHURCH was also a friendly and courageous man, and he possessed, too, a lively sense of humor. Rightly can he be called a fine gentleman in every sense of the word, for he was that in his everyday life.

It is a great sorrow to know that he will no longer be with us. His departure means that the country has lost an able legislator; the State of Illinois a trusted public servant; each of us a friend.

We extend to his wife and children our sincere sympathies. The sense of loss which they feel is shared by all of us.

Mr. REED of New York. Mr. Speaker, the sudden passing of our able and esteemed colleague, Hon. RALPH E. CHURCH, of Illinois, came to me as a great shock and personal sorrow. I was unaware until after the death of my good and true friend that for several years past he had labored under the distressing handicap of a serious heart condition. I mention this fact only to emphasize the unyielding fidelity with which, in spite of his affliction, he continued to give the highest order of personal and public service to his constituents and to his country. To RALPH CHURCH public service was a public trust. He was ever true to the principle. My colleagues have paid their tributes in the CONGRESSIONAL RECORD to our departed friend and colleague, and in all that they have said as to his fine character and distinguished public service I heartily concur, therefore I shall not repeat. I shall, however, touch upon a few of his personal traits which have endeared him to all of us who have served with him in the House of Representatives and to all other persons who have known him. RALPH, as he was affectionately known, loved his fellowmen. Never, when the opportunity presented itself to be helpful and serviceable to any person, no matter how humble, did he fail to respond. He radiated good will and kindness. RALPH'S sympathy for those in trouble was inexhaustible, and no personal sacrifice was too great for him to make to alleviate their distress. I can say this from experience and from the heart.

RALPH CHURCH will be ever known to those of us who have served with him as a man of ability, courage, conviction, and integrity. He has bequeathed a good name as a rich and priceless heritage to his devoted wife, his children, and his relatives.

Mrs. Reed and I extend our deepest sympathy to Mrs. Church and her children in their great bereavement.

May the God of infinite love comfort, guard, and protect them.

Mr. POULSON. Mr. Speaker, we naturally were greatly shocked and grieved to hear of the sudden death of our esteemed colleague in the line of duty. It has been my privilege to work with RALPH CHURCH and I would like to pay my respects to him in these few words. He was a gentleman in every sense of the word, friendly, courteous, considerate and honest. He was energetic, persistent and capable and he possessed the greatest attribute needed in legislators today: the courage to back up his convictions.

Mr. JONAS. Mr. Speaker, I was shocked beyond words when I received word of the sudden death of my intimate friend, Hon. RALPH E. CHURCH, of the Thirteenth District of Illinois.

It had been my privilege to know him intimately for many years in private life as well as a public servant both in the Legislature of the State of Illinois and as a Member of Congress. I knew him in the practice of law in Cook County, Ill., and observed his diligence in the preparation of his cases for his clients. In Congress RALPH E. CHURCH was a conscientious and diligent Member in connection with any problem that he undertook and he displayed the great virtue of patience and a clear and sound concept of the subject matter under consideration. To know him was to admire and respect him. He always had time to do things for others without thought of specific reward or selfish consideration for his own welfare.

As a member of the Legislature of the State of Illinois he was known for his forthright stand and complete devotion to his duty. He was punctual in attendance from the very inception of his public career and thus made a record for which he was respected and commended.

When he became a Member of this House he continued his punctuality and pursued the legislation before this House with zeal and courage. He was not always aligned on the popular side of an issue but always aligned with what he thought to be right for his fellowman and his country.

As a member of the Committee on Naval Affairs of the House he was a tireless worker and contributed much in seeing that our Navy was always maintained in keeping with its best tradition and so fortified that it might be always prepared for any contingency facing this country. His loyalty and patriotism for his country transcended in importance with him any other problem of private or public purport.

Later as a member of the Committee on Appropriations he contributed his wisdom, long experience, and energy in an effort to see that every dollar appropriated brought a dollar in value to his countrymen and the Nation. He insisted that every item be justified and necessary for the orderly functions of Government.

In private life he was humble and affable and most devoted to his gracious wife and their three children, Ralph E. Church, Jr., William Church, and Marjorie, and those of us who were privileged to know them in their home life will ever remember the cultured atmosphere in which they resided and the serenity and close contact that prevailed among his family.

Knowing RALPH E. CHURCH as we all did, we know that he would want to go as he did, namely fighting for that which he deemed in the interest of our public welfare and carrying on his duties to the very last second of life on this earth. My sincere and heartfelt sympathy goes out to the widow and children in their grief due to the untimely death of this distinguished citizen, statesman, and kind and loving husband and father.

Mr. SHORT. Mr. Speaker, Members of Congress are no better or no worse than the people who send them here. This body is a mirror in which America reflects itself.

RALPH CHURCH was a good man. He had a high sense of public duty. He was honest, industrious, courageous, and he was always willing to help people regardless of their race, party, or creed.

Mr. Speaker, it was my privilege to have spoken in several places in his congressional district—at Waukegan, Evanston, and Wilmette. Indeed, the largest crowd I ever addressed was in Riverside Park, West Chicago—54,000 people. Neither RALPH CHURCH nor I would consider that great outpouring of people as a tribute to either one of us, because many valuable prizes were awarded that day.

Nevertheless, on that occasion I had scores of people shake my hand and tell me that RALPH CHURCH was their friend, and that they were happy to hear me speak in his behalf. It was, in my opinion, a great tribute to our deceased and beloved colleague—when the tide was definitely running against us politically. In that year he was elected by a substantial majority when Republicans all over the nation were being defeated.

Mr. Speaker, it was during that crucial campaign that I was invited to his beautiful and lovely home in Evanston—a stone's throw from the campus of Northwestern University where he received his law degree after graduating from the University of Michigan. At that time I wondered how one who had studied so hard at Michigan and Northwestern, and who had served his country in the armed services during World War I could find time to win so many friends.

It was because of his thorough background, his basic training, his natural friendliness and most important, the help of his cultured wife, a graduate of Wellesley. He also had served several years in the Illinois State Legislature. There he proved his worth.

Mr. Speaker, I reveal no secrets when I say that Marguerite Church is one of the brightest, most intelligent, capable, and personable women I have ever known. Every Member of this body, and particularly our wives who know Mrs. Church, will testify that she is one of the most dynamic, competent, and effective leaders that we have had in the Congressional Club in Washington. This couple had three fine children—two boys and a girl—all of whom are making splendid records of their own.

We mourn the loss of RALPH CHURCH, to see these strong family ties broken because family life is the strength of any republic. RALPH and Marguerite CHURCH brought their children up in the faith of God and love of service to all mankind.

We need more parents like them.

At times I disagreed with RALPH CHURCH, but when he smiled at me and showed the tolerance of his spirit, the breadth of his vision, and his deep human understanding, I always melted and said unto myself: "RALPH, maybe you are right."

Mr. Speaker, this is the kind of man he was—patient, studious, hard working, forgiving, possessing the soul of kindness which could win the stoniest heart.

I could, but will not say more because words are weak and sentences are frail to express what one truly feels.

May the love of God, which passeth all understanding, rest upon and abide with his loved ones, and may the example he set as a loyal, true American, as a hard working, conscientious, and fearless legislator be a beacon light to inspire and lead us all on to better days.

Mr. ALLEN of Illinois. Mr. Speaker, I submit the following resolution (H. Res. 517).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. RALPH E. CHURCH, a Representative from the State of Illinois.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the gentleman from Illinois [Mr. ALLEN], the gentleman from Illinois [Mr. REED], the gentleman from Illinois [Mr. JONAS], and the gentleman from Illinois [Mr. LINEHAN].

The Clerk will report the further resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 56 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Wednesday, March 22, 1950, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on Appropriations. H. R. 7786. A bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; without amendment (Rept. No. 1797). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CANNON:

H. R. 7786. A bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; to the Committee on Appropriations.

By Mr. DONDERO:

H. R. 7787. A bill to amend the Census Act of June 18, 1929, so as to prohibit inquiries as to income of individuals; to the Committee on Post Office and Civil Service.

By Mr. MOULDER:

H. R. 7788. A bill to extend to the veterans of the Mexican border service of 1916 and 1917 and their widows and minor children all the provisions, privileges, rights, and benefits of laws enacted for the benefit of veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. CROSSER:

H. R. 7789. A bill to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carriers' employees for certain purposes and under certain conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. REES:

H. R. 7790. A bill to amend the Census Act of June 18, 1929, so as to prohibit inquiries as to income of individuals; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 7791. A bill for the relief of Henry Kolish; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 7792. A bill for the relief of Kiyoko Goto; to the Committee on the Judiciary.

H. R. 7793. A bill for the relief of Azuma Imai; to the Committee on the Judiciary.

H. R. 7794. A bill for the relief of Yoshiko Tokeshi; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 7795. A bill for the relief of the heirs of Haym Salomon; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 7796. A bill for the relief of Louis Joseph Casagrande; to the Committee on the Judiciary.

By Mr. WALTER:

H. Con. Res. 187. Concurrent resolution favoring the grant of status of permanent residence to certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2002. Mr. RICH presented a petition of Remembrance Post, No. 442, the American Legion, Renovo, Pa., against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control, which was referred to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, MARCH 22, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, hushing our thoughts to stillness, in sincerity and truth we would bow before Thee who knowest the secrets of our hearts. We pause at this wayside altar not just in a passing ges-

ture of devotion and then to go on our busy way with lives empty of Thee; rather, we come to ask Thy presence and Thy guidance as this day we face the stress of decisions, the strain of toil, the weight of burdens, the call of duty. Despite the brutalities of man to his fellow man, keep love's banners floating o'er us as we march breast forward, with undimmed faith, in the ranks of those who do justly, love mercy, and walk humbly with their God. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. GILLETTE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 21, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 16, 1950:

S. 471. An act for the relief of Lloyd Gordon Findley and Malcolm Hearne Findley, a minor;

S. 576. An act to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah;

S. 1310. An act for the relief of Pierre E. Lefevre;

S. 1552. An act for the relief of Ernest E. Heintz;

S. 1737. An act for the relief of George M. Vaughan;

S. 1764. An act for the relief of George K. Haviland;

S. 2125. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones and others;

S. 2429. An act for the relief of Henrique Santos; and

S. 2441. An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States and the Air National Guard of the United States on active duty in the National Guard Bureau.

On March 18, 1950:

S. 88. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 493. An act to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands; and

S. 1283. An act to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes.

On March 21, 1950:

S. 3159. An act granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1746. An act to authorize the transfer to the Attorney General of the United States of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., for use in connection with the United States Penitentiary at Terre Haute; and

H. R. 7207. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950; and for other purposes.

CONSERVATION OF AMERICA'S RESOURCES

Mr. WILEY. Mr. President, we are all familiar with the fact, I believe, that the week of March 19 to March 25 is being observed as Wildlife Restoration Week. This fine occasion has been sponsored since 1938 by the National Wildlife Federation—a great organization to which I have previously invited attention in comments on the Senate floor.

As I have previously noted, our country has for too long been prodigal in the mismanagement of its resources of field, forest, and waters. We have already ruined for further practical agriculture, one-fifth of our original tillable land and as pointed out in a recent Federation bulletin, this has induced erosion so that one-third of our remaining land is seriously impaired. We have destroyed nearly four-fifths of our original timber stand.

We have so seriously overgrazed three-fourths of our western grasslands that the carrying capacity of most of these lands is probably less than half of what it was even a century ago.

In the light of grave facts such as these I have cited, conservation organizations throughout Wisconsin and the Nation have been crusading against the further dissipation of our resources. The Izaak Walton Leagues of America, the Women's Conservation Leagues of America, the Garden Club Federations—these and dozens of other splendid groups are in this battle for preservation of our resources. In Wisconsin, we have, for example, a Federation of Conservation Clubs which on this very day has written to me rightly protesting against further invasion of the rights of States by so-called valley authorities. This fight against valley authorities' destruction of game and fish and of natural resources is but one of the elements of the over-all conservation drive which we must carry on during National Wildlife Week and every other week of the year.

In this connection, Mr. President, I have in my hands a conservation creed which was composed by Mrs. Edward La Budde, honorary president of the Women's Conservation Leagues of America. I ask unanimous consent that its text be printed at this point in the body of the RECORD.

There being no objection, the creed was ordered to be printed in the RECORD, as follows:

CREED

We know that providence showered this continent with an overabundance of all things necessary for a rich and full life.

Therefore, we pledge ourselves to express our gratitude to the Creator, the source of all good, by doing everything we can to help conserve and perpetuate His handiwork.

We know that in the past, and up to the present day, ruthless exploitation and waste have devastated, and in some instances annihilated, certain valuable natural resources.

Therefore, we will raise our voices in protest whenever danger threatens to that these remaining treasures may be used with care and discretion, because upon their perpetuation depends the life of a free and untrampled America.

We know that we owe certain obligations to posterity and to those who will come after us.

Therefore, we will consistently preach the gospel of conservation. We will hold aloft the torch of good precepts and, finally, hand it down to the next generation with the admonition that the light must never be allowed to fail in order that each succeeding generation—even those who will live in the far off, dim, and distant future—may be assured of some of the blessings which we of this generation are enjoying now.

This is our creed—a part of our religion.

By Mrs. EDWARD LA BUDDE,
Honorary President.

OCTOBER 30, 1942.

CALL OF THE ROLL

Mr. GILLETTE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Green	Maybank
Anderson	Hayden	Millikin
Benton	Hendrickson	Morse
Brewster	Hill	Mundt
Bricker	Hoey	Neely
Bridges	Holland	O'Mahoney
Butler	Humphrey	Robertson
Byrd	Hunt	Russell
Cain	Ives	Saltonstall
Chapman	Johnson, Colo.	Schoeppel
Chavez	Johnson, Tex.	Smith, Maine
Connally	Johnston, S. C.	Smith, N. J.
Cordon	Kem	Sparkman
Darby	Kerr	Stennis
Donnell	Kilgore	Taft
Douglas	Knowland	Taylor
Dworshak	Langer	Thye
Ecton	Lehman	Tobey
Ellender	Long	Tydings
Ferguson	McCarthy	Watkins
Flanders	McClellan	Wherry
Frear	McFarland	Wiley
Fulbright	McKellar	Williams
George	McMahon	Withers
Gillette	Malone	Young
Graham	Martin	

Mr. McFARLAND. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. O'CONOR], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY] and the Senator from Iowa [Mr. HICKENLOOPER] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of the death of his father.

The Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], and the Senator from

Michigan [Mr. VANDENBERG] are necessarily absent.

The PRESIDENT pro tempore. A quorum is present.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. WITHERS, and by unanimous consent, the Subcommittee on Bankruptcy of the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. MAYBANK was excused from attendance on the sessions of the Senate for several days, because of official business.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CHANGE OF CONFEREE

The PRESIDENT pro tempore. The Chair desires to call the attention of the Senate to a letter from the Senator from Illinois [Mr. LUCAS] to the Vice President, asking to be relieved as a conferee on the part of the Senate on House Joint Resolution 398 and asking for the appointment of some other Senator in his place. The request of the Senator from Illinois will be granted, and the Chair appoints the Senator from South Carolina [Mr. JOHNSTON] in his place as one of the conferees on the part of the Senate on the House joint resolution.

TRANSACTION OF ROUTINE BUSINESS

Mr. GILLETTE. Mr. President, under the order of the Senate the junior Senator from Illinois [Mr. DOUGLAS] has the floor. I ask unanimous consent that he may yield the floor to various Senators to introduce bills and joint resolution, present petitions and memorials, and submit routine matters for the RECORD, without debate and without speeches, and without taking the Senator from Illinois from the floor.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT AND RECOMMENDATION CONCERNING CLAIMS FOR LOSSES AND DAMAGES TO CERTAIN PERSONS AND PROPERTY IN PORTUGUESE TERRITORY

A letter from the Under Secretary of State, transmitting a report and recommendation concerning claims against the United States for losses and damages inflicted on persons and property in Portuguese territory by United States armed forces during World War II in violation of neutral rights (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON NORTH FORK KINGS RIVER DEVELOPMENT, CENTRAL VALLEY PROJECT, CALIFORNIA

A letter from the Secretary of the Interior, transmitting, pursuant to law, his report and findings on the initial stage of the North Fork Kings River development, Kings River division, Central Valley project, California (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the chief scout executive of the Boy Scouts of America, New York, N. Y., transmitting, pursuant to law, a report of the Boy Scouts of America, for the year 1949 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL AIR MUSEUM

A letter from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, a report of the Institution on the National Air Museum (with an accompanying report); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"House Concurrent Resolution 11

"Concurrent resolution memorializing Congress to recognize the integrity of the States by enacting proper legislation to prevent Federal liquor licenses from being issued to any inhabitant of any State wherein the sale of intoxicating liquors is prohibited

"Whereas the State of Mississippi has indicated many times by vote of the electorate that it desires to prohibit the sale of intoxicating liquors; and

"Whereas the State of Mississippi has enacted and now has in effect laws accordingly; and

"Whereas the prohibition statutes are a proper exercise of the powers reserved to the States; and

"Whereas it is the duty of the Federal Government to recognize the integrity of States' rights in the proper exercise of their powers; and

"Whereas the sale of Federal liquor licenses to inhabitants of States wherein the sale of intoxicating liquors is prohibited clearly constitutes a violation of the sanctity of States' rights and impairs the State's efforts to enforce its laws: Now, therefore, be it

"*Resolved by the house of representatives of the State of Mississippi (the senate concurring therein)*, That the Congress of the United States be memorialized to enact proper legislation to prevent Federal liquor licenses from being sold in any State wherein the sale of intoxicating liquors is prohibited; further

"*Resolved*, That the Clerk of the House of Representatives be directed to submit a copy of this resolution to each of the Senators and Congressmen representing Mississippi in Congress; and be it further

"*Resolved*, That a copy of this resolution be sent to the presiding officers of the House of Congress and the United States Senate for reference to the proper committees thereof.

"Adopted by the house of representatives January 11, 1950.

"WALTER SILLERS,
"Speaker of the House of Representatives.

"Adopted by the senate January 26, 1950.

"SAM LUMPKIN,
"President of the Senate."

A letter in the nature of a petition from the National Society of Professional Engineers, of Washington, D. C., signed by Paul H. Robbins, executive director, transmitting a copy of a letter from the president of the Washington Society of Professional Engineers of Seattle, Wash., withdrawing their resolution protesting against the enactment of House bill 1188, defining and regulating the practice of the profession of engineering and creating a Board of Registration for Professional Engineers in the District of Columbia (with an accompanying paper); to the Committee on the District of Columbia.

A telegram in the nature of a petition from Post 3914, Veterans of Foreign Wars, of Charles City, Iowa, signed by William J. Hayes, post commander, praying for the enactment of House bill 4617, to liberalize the requirement for payment of pensions in certain cases to veterans and their widows and children; to the Committee on Finance.

A letter in the nature of a memorial from the El Cajon (Calif.) Ministerial Association, remonstrating against the continuance of a Vatican embassy; to the Committee on Foreign Relations.

A resolution adopted by the District of Columbia Society of the Sons of the American Revolution, Washington, D. C., relating to communism and espionage; to the Committee on the Judiciary.

A resolution adopted by the Women's Society of World Service of the Homestead Avenue Evangelical United Brethren Church, of Johnstown, Pa., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

Resolutions adopted by the American Association of School Administrators, in Atlantic City, N. J., relating to Federal aid to education, and so forth; to the Committee on Labor and Public Welfare.

A telegram in the nature of a petition from the Progressive Party of Montana, Great Falls, Mont., signed by Lawrence L. Price, chairman, praying for the enactment of legislation providing a fair employment practices Commission; ordered to lie on the table.

By Mr. TYDINGS:

A petition of sundry citizens of Salisbury, Md., praying for the enactment of legislation to repeal Federal excise taxes; to the Committee on Finance.

A resolution adopted by the Frederick (Md.) Civic Club, favoring the strengthening of the United Nations; to the Committee on Foreign Relations.

A resolution adopted by the Woman's Club of Ten Hills, Md., favoring the enactment of legislation making effective the recommendations of the Hoover Commission on Reorganization of the Executive Branch of the Government; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the Woman's Club of Linthicum Heights, Md., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by Cambridge Lodge, No. 1272, of the Benevolent and Protective Order of Elks, of Cambridge, Md., favoring the enactment of legislation to provide funds for the dredging of Cambridge harbor; to the Committee on Public Works.

RELEASE OF CERTAIN PERSONNEL OF BOSTON REGIONAL OFFICE OF VETERANS' ADMINISTRATION

Mr. SALTONSTALL. Mr. President, on behalf of my colleague the junior Senator from Massachusets [Mr. LODGE] and myself, I present for appropriate reference and ask unanimous consent that there be printed in the proper place in the RECORD a resolution adopted by members of the board of aldermen of the city of Somerville, Mass., relative to the release of 207 employees of the Boston Regional Office of the Veterans' Administration.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Whereas the recent order aimed at releasing two hundred and seven (207) employees of the Boston Regional Office of the Veterans' Administration; and

Whereas other essential and necessary services are to be curtailed causing irreparable and serious damage to the cause of the veterans' services; and

Whereas the billions of dollars being poured into the governments of almost every country in the world makes the action against the very people who kept the world from dictatorship; be it

Resolved, That we, the members of the Somerville Board of Aldermen in meeting duly called, officially protest that such actions are against the best interests of not only the veterans and their families but the community at large; and be it further

Resolved, That copies of these resolutions be forwarded to Congressmen ANGIER L. GOODWIN and JOHN F. KENNEDY and to United States Senators LEVERETT SALTONSTALL and HENRY CABOT LODGE, JR.

DECLINE IN PRICE OF EGGS AND MILK—RESOLUTION OF NIAGARA COUNTY (N. Y.) POMONA GRANGE

Mr. LEHMAN. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Niagara County Pomona Grange asking for the consideration by Congress of the drastic decline in prices for eggs and milk at a time when the cost of corn, which is needed for feed, remains high. The resolution is a reflection of a local feeling which I think the Congress should have in mind as we further consider legislation affecting the various aspects of our agricultural economy.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas the prices of many farm products are determined to a large extent by price supports administered through the Secretary of Agriculture; and

Whereas the price of eggs has dropped 33 percent in a year, the price of milk has decreased 20 percent and scheduled to go still lower, yet corn has gone down only 8 percent on the grain markets; and

Whereas support price of eggs has been dropped to 75 percent of parity, while corn, one of the main ingredients of the feeds we buy, is still held at 90 percent: Therefore, be it

Resolved, That, we the members of Niagara County Pomona Grange, in session assembled at Warrens' Corners Grange Hall on March 11, 1950, urge our Representatives in Washington to use their influence to bring this unfair situation to the attention of those administering the price-support program and push, if necessary, legislation to correct this injustice.

JOSEPH HERR,
Secretary, Legislative Committee,
Niagara County Pomona Grange.
LOCKPORT, N. Y., *March 15, 1950.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 2357. A bill to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel; with amendments (Rept. No. 1362).

By Mr. BENTON, from the Committee on Expenditures in the Executive Departments:

H. Con. Res. 97. Concurrent resolution to provide for a single supply catalog system; without amendment (Rept. No. 1361).

By Mr. HUMPHREY, from the Committee on Expenditures in the Executive Departments:

H. R. 5951. A bill to amend section 3 of the Travel Expense Act of 1949; without amendment (Rept. No. 1364).

By Mr. WATKINS, from the Committee on Interior and Insular Affairs:

H. R. 4070. A bill to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah; without amendment (Rept. No. 1363).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 22, 1950, he presented to the President of the United States the enrolled bill (S. 1746) to authorize the transfer to the Attorney General of the United States of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., for use in connection with the United States Penitentiary at Terre Haute.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ECTON:

S. 3281. A bill authorizing the Secretary of the Interior to issue a patent in fee to Eileen Ida Sanders; to the Committee on Interior and Insular Affairs.

By Mr. NEELY (for himself and Mrs. SMITH of Maine):

S. 3282. A bill to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," approved March 28, 1806; to the Committee on the District of Columbia.

By Mr. LEHMAN:

S. 3283. A bill for the relief of Erzsebet Czobor; to the Committee on the Judiciary.

By Mr. CONNALLY:

S. 3284. A bill for the relief of Mr. and Mrs. Randolph Lee Peterson; to the Committee on the Judiciary.

By Mr. CONNALLY (for Mr. PEPPER):

S. 3285. A bill to provide for the hearing and adjudication of claims which would have been cognizable by the Mixed Claims Commission, United States and Germany, if they had been filed in time; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for Mr. PEPPER):

S. 3286. A bill to authorize the establishment of a wildlife management area in the Florida Keys, Fla., and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 3287. A bill to authorize the Secretary of the Interior to dispose of the remaining lots in the town site of St. Marks, Fla.; to the Committee on Interior and Insular Affairs.

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENTS

Mr. BYRD submitted an amendment intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. HOLLAND (for himself and Mr. PEPPER) submitted an amendment intended to be proposed by them, jointly, to House bill 5472, supra, which was ordered to lie on the table and to be printed.

REDUCTION OF TAXES—AMENDMENT

Mr. GEORGE (for Mr. PEPPER) submitted an amendment intended to be proposed by Mr. PEPPER to a tax-reduction bill, which was referred to the Committee on Finance, and ordered to be printed.

SPECIAL BIPARTISAN COAL COMMISSION—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. HUMPHREY. Mr. President, on March 1, 1950, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], and the Senator from Oregon [Mr. MORSE], I introduced Senate Joint Resolution 157, to establish a Special Bipartisan Coal Commission. I ask unanimous consent at this time to add the name of the Senator from New York [Mr. LEHMAN] as a cosponsor of the joint resolution.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

BROADCAST BY SENATOR KEM ON THE WORK OF THE SENATE

[Mr. KEM asked and obtained leave to have printed in the RECORD a broadcast by him over 26 stations in Missouri, regarding the work of the United States Senate, which appears in the Appendix.]

DISCRIMINATION AGAINST NORTH DAKOTA'S PROCESSED GRAIN MANUFACTURERS—ARTICLE FROM THE BISMARCK TRIBUNE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "Cart Blasts North Dakota Bulk, Processed Freight Variance," from the Bismarck Tribune of March 7, 1950, which appears in the Appendix.]

SENATOR ELBERT THOMAS BACKED BY LABOR IN RACE—ARTICLE BY GOULD LINCOLN

[Mr. WATKINS asked and obtained leave to have printed in the RECORD an article entitled "Senator ELBERT THOMAS Backed by Labor in Race," written by Gould Lincoln, and published in the Washington Evening Star of March 21, 1950, which appears in the Appendix.]

PROPOSED REDUCTION OF PERSONNEL AT VETERANS' HOSPITALS—EDITORIAL FROM THE TOPEKA STATE JOURNAL

[Mr. DARBY asked and obtained leave to have printed in the RECORD an editorial entitled "The Heart of the Matter," relating to the proposed reduction of personnel at Veterans' Hospitals, published in the Topeka State Journal, of Topeka, Kans., March 11, 1950, which appears in the Appendix.]

REFORM IN CONNECTICUT—EDITORIAL FROM WASHINGTON POST

[Mr. BENTON asked and obtained leave to have printed in the RECORD an editorial entitled "Reform In Connecticut," published in the Washington Post of March 21, 1950, which appears in the Appendix.]

THE LEGISLATIVE PROGRAM

Mr. SALTONSTALL. Mr. President, before the junior Senator from Illinois [Mr. DOUGLAS] resumes his remarks, I should like to ask the acting majority leader whether he can give the Senate

any information relative to the plans for today and possibly tomorrow. I have in mind particularly the basing point conference report, the report on the agricultural joint resolution, and whether there has been any discussion of a possible unanimous-consent agreement with relation to the pending natural gas bill.

Mr. GILLETTE. Mr. President, I regret to say that the acting majority leader has not been informed of the program. The only program that is before the Senate, so far as the present occupant of the majority leader's seat knows, is the consideration of the pending bill. If a conference report should come in the meantime, of course, it would have precedence.

Mr. SALTONSTALL. Could the Senator give this side of the aisle any assurance that if conference reports come in, there will be at least 24 hours' notice before they will be taken up? I have in mind the two conference reports which I mentioned.

Mr. GILLETTE. I think there would be no question about giving that assurance. So far as I am informed, I can give no additional information as to the program, except as to proceeding with the consideration of the pending bill. I am informed there may be a request for a unanimous-consent agreement on fixing a time for a vote on the pending measure.

Mr. LANGER. Mr. President, will the Senator from Iowa yield?

Mr. GILLETTE. I yield to the Senator from North Dakota.

Mr. LANGER. With regard to the basing-point measure, on which I filed minority views, I wonder if I could get the assurance of the acting majority leader that I would have 48 hours' notice.

Mr. GILLETTE. The acting majority leader could give no such assurance.

FURTHER STEPS IN THE PROCESS OF WRECKING AMERICAN INDUSTRY

Mr. MALONE. Mr. President, I take the floor briefly to warn American workers and investors that the State Department, under Mr. Acheson, either through ignorance or by diabolical design, is now plotting to wreck American industry and bring on wholesale unemployment and want.

IGNORANCE OR DESIGN

It is due to ignorance on the part of Mr. Acheson's industrially inexperienced officials, or to diabolical design on the part of disloyal un-American officials in his Department. A tariff reduction conference in which this country is to take part is to be held at Torquay, England, starting September 28 of this year. This parley promises to carry through another phase in the plot to sell out America, injuring beyond remedy the American worker and investor.

PRODUCTION CURTAILED

Production of our mines, mills, and factories is being curtailed, and in some instances plants are being shut down, because of the foreign policy of an administration which permits unfair foreign competition of low-wage and slave-labor products from abroad, through the indiscriminate reduction of tariffs and import fees.

All the reports on the coming Torquay, England, conference clearly indicate that the clever foreign representatives and their stooges in our State Department called this parley to still further reduce tariffs and import fees, and the inference is that the cuts will again be substantial. This is another step in the three-part free-trade policy set up by the 1934 Trade Agreements Act, under which the Congress of the United States passed over to the State Department its constitutional responsibility to regulate the economy of the Nation through the regulation of imports; the ECA and the ITO.

FOREIGN NATIONS HAVE INFORMATION WE CANNOT GET

It is my understanding now that the United Kingdom has submitted a list of 400 to 500 items for which it requests reductions in import fees. This is just one country's list. It does not include all the items.

The press in England indicates that it has a list of the imports on which tariff reductions will be allowed. Americans cannot get the lists.

On March 2, 1950, there appeared in the Daily News Record a cable news dispatch from Manchester, England, quoting remarks made by Mr. John Taylor, commercial minister at the British Embassy in Washington, in a speech there in which he promised his English fellow-countrymen that there would be a further tariff reduction by the United States on imported wool products and that efforts in the United States to oppose increased imports from Britain will not be successful.

In a few moments I will offer that news dispatch for the RECORD.

A statement of this sort coming from a member of the British Embassy staff has caused considerable concern on the part of our wool growers and members of the wool-textile industry in this country.

Our own State Department has not as yet released the official list of products on which further tariff reductions will be considered. Furthermore, no public hearings on these proposed tariff cuts have as yet been held by the committee for reciprocity information. In other words, the domestic industries affected have received no official word as to what products are involved, nor have they had the opportunity to state their case.

Under these circumstances, I feel it would be appropriate to ask Mr. Acheson this question: What official information or decision was made available to the British, but withheld from Americans, which could serve as a basis for the public remarks of a member of the British Embassy staff as contained in this news release?

IMPORT FEE CUTS AND UNEMPLOYMENT

The curtailment of production in this country and the resulting growth of unemployment will increase in proportion to the cuts made at the Torquay conference. For every cut which this country agrees to, our State Department negotiators are supposed to obtain cuts in the tariffs of the other countries, but any supposed concessions to us are nullified through embargoes, quotas, and other subterfuges. This is a one-way street, Mr. President. There is nothing reciprocal about it. We are the goats, as usual.

CONGRESS SHOULD TAKE BACK OUR RESPONSIBILITY

We should take back our constitutional responsibility, which we abdicated on the floor of the Senate and relinquished to the State Department in the 1934 Trade Agreements Act as extended. Until we do this, the American workers and investors are at the mercy of either inexperience or un-Americanism in the State Department.

This Congress can, by a simple act, substitute the flexible import-fee principle—foreign trade on a basis of fair and reasonable competition basis—for the 1934 Trade Agreements Act.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point the news dispatch entitled "U. K. Embassy Official Sees U. S. Duty Cuts on British Textiles," published in the Daily News Record of March 2, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U. K. EMBASSY OFFICIAL SEES UNITED STATES DUTY CUTS ON BRITISH TEXTILES

MANCHESTER, ENGLAND, March 1.—John Taylor, commercial minister at the British Embassy in Washington, told the Lancashire textile exporters that they could look forward to tariff reductions on a wide range of goods when the schedules were reviewed in September.

Speaking at the Manchester Chamber of Commerce, Mr. Taylor told the members of the chamber's garment, hosiery, and United States sections that the official American attitude toward imports had changed, and that several import difficulties had already been removed from British goods. He also stated that efforts by special lobbies in the United States to oppose increased imports from Britain will not be successful.

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point, an article entitled "U. S. Maps '3d Round' Tariff Parley As Trade Shift Narrows Dollar Gap," published in the Journal of Commerce on March 8, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES MAPS THIRD ROUND TARIFF PARLEY AS TRADE SHIFT NARROWS DOLLAR GAP—TO RENEGOTIATE WITH UNITED KINGDOM, BENELUX, FRANCE, OTHER 1947 PACT NATIONS

(By Oscar E. Naumann)

WASHINGTON, March 7.—The United States Government intends to engage in broad scale tariff negotiations in September that will further reduce the level of United States customs duties to the world, it was learned today.

The negotiations will be conducted not only between the United States and some 7 new countries that did not participate in the Geneva and Annecy sessions, but also between the United States and the principal original members to the General Agreement on Tariffs and Trade (GATT), it was disclosed.

BROAD IMPACT LIKELY

The result will be that the third round of tariff discussions, to be held at Torquay, England, in September, may be expected

to have a much more far-reaching impact on the level of United States tariffs than was initially thought when the State Department announced it would participate in the Torquay discussions.

Trade quarters and observers had thought that the Torquay meetings would be along the lines of those held last year at Annecy, France, which were for the purpose of negotiating with countries that had not participated at Geneva, when GATT was worked out.

While it is true that seven new countries have been invited to Torquay, just as 13 non-GATT members were invited to Annecy, the principal negotiations in which the United States will take part will be with some of the 23 original contracting parties to GATT.

These original countries will form the basis for major discussions because they are the principal trading countries of the world, except for those behind the iron curtain.

ADD GERMANY TO LIST

Six of the seven new countries are: The Federal Republic of Germany, Austria, Peru, Guatemala, Korea, and Turkey. In comparison with such original GATT members as the United Kingdom, Canada, Brazil, Belgium, The Netherlands, India, Pakistan, Chile, Union of South Africa, France and some 13 others, the trading potential of the seven new countries is not large.

Not all of the 23 GATT members have asked the State Department to consider lists of products on which they would like to see United States tariffs reduced. But many of them, including the most important, have already filed such requests.

The U. K., for instance, has filed a list of 400 or 500 items for which it requests reductions in tariffs here. The list, it is emphasized, is a provisional one and may now include many more products than those on which the British will actually seek reductions at Torquay.

France and the Benelux countries have submitted similar lists. The Benelux list, it is understood, is a single list for the three countries—Belgium, The Netherlands, and Luxemburg—because they have been unifying their custom duties.

Canada has yet to submit a list, but is expected to do so. The Union of South Africa has not submitted a list either, and may not submit one, because most of its exports to the United States are raw materials that are already on the free list here. Australia and Pakistan have submitted lists.

The President still has plenty of legal leeway to further cut United States tariffs—33 percent from present levels, in fact—and since the negotiations will be with this country's principal trading partners, the inference is that the cuts may be substantial.

TO ENCOURAGE IMPORTS

It is the administration's avowed intention to further encourage imports, and tariff reductions constitute the principal instrument for carrying out this policy.

The Trade Agreement Act permits the President to cut United States tariffs a maximum of 50 percent below the levels prevailing January 1, 1945. With all figures based on United States imports during 1947 (so that exact comparisons may be made), the average level of United States tariffs on all dutiable items (free list items not included) on January 1, 1945 was 19.3 percent.

On January 1, 1949, the GATT tariff cuts were in effect, the average level of all United States tariffs on dutiable items was 15 percent. On January 1, 1950, after the Annecy cuts were figured, the average level was 14.5 percent, the United States Tariff Commission has estimated.

FURTHER CUTS POSSIBLE

In order to cut tariffs down to the legal minimum permitted in the Trade Agreements Act, the President could cut until the average level of United States tariffs on dutiable items stood at 9.6 percent. This would be a 33 percent cut from the present average levels.

The other side of the coin, of course, is that the United States engages in reciprocal tariff negotiations, which means that for every cut which this country makes, State Department negotiators are supposed to obtain cuts in the tariffs of the other countries.

American exporters however, will not fully realize the benefit of such cuts until the rest of the world is better supplied with dollars.

CUTS WILL BE GENERAL

As at Geneva and Annecy, tariff cuts to be made at Torquay would be generalized to all GATT members and those made by the United States would be generalized to the world, under the most-favored-nation policy.

The State Department expects to make its formal announcement of the countries and products on which it intends to negotiate some time next month. Since the Department always tries to give at least 30 days' notice of hearings on the subject, the probability is that hearings, to be held by the committee for reciprocity information, will not start until May or June.

Meanwhile, of the 11 countries which negotiated at Annecy with the intention of joining GATT, only two, Haiti and Greece, have so far signed up. However, the other nine have until April 30 to sign the Annecy protocol.

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a statement concerning the countries which will be involved in the tariff negotiations this September 1950, the time of the coming import-reduction conference.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT CONCERNING COUNTRIES INVOLVED

The following countries are the original signatories to the GATT (Geneva Agreement on Tariff and Trade): Australia, Belgium, Brazil, Burma, Canada, Ceylon, Chile, China,[1] Cuba, Czechoslovakia, France, India, Indonesia,[2] Lebanon, Luxemburg, Netherlands, New Zealand, Norway, Pakistan, South Africa, Southern Rhodesia, Syria, United Kingdom, United States.

This agreement was signed on October 31, 1947, and most of the tariff schedules became effective during the early part of 1948.

At Annecy, France, new negotiations were held under the auspices of the GATT, to which 10 new countries were invited. The new countries negotiating for tariff cuts at Annecy were: Denmark, Dominican Republic, Finland, Greece, Haiti, Italy, Liberia, Nicaragua, Sweden, Uruguay.

Of these 10 countries only Greece, Haiti, and Liberia have signed, but since the document is still open for signature until April 30, 1950, it is expected that most of the rest of these countries will also ratify the agreement.

A new meeting is planned again under the auspices of the GATT for September 28, 1950, at Torquay, England, to which, in addition to the earlier countries, the following nations have accepted the invitation to negotiate: Austria, Guatemala, Peru, Philippines, Korea, Turkey, western Germany (attendance not definite).

No information is known yet about the kinds of commodities for which the State Department considers tariff cuts.

[1] Of the original signatories China has withdrawn from GATT, and the Administration is considering voiding the tariff concessions to that country.

[2] Indonesia has become a signatory in its own right since she has gained independence. In her case the concessions to the Netherlands will be applicable.

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an article entitled, "Tariffs Need Further Cuts, Webb Asserts," published in the Washington Post on March 22, 1950. The reference is to Under Secretary of State James E. Webb, where he says that though international agreements have brought the average tariff or dutiable imports to the lowest point in American history we still have a lot of pretty high rates.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TARIFFS NEED FURTHER CUTS, WEBB ASSERTS

NEW YORK, March 21.—Under Secretary of State James E. Webb said tonight American tariffs need to be trimmed further as part of an effort to promote and stabilize world trade.

Though international agreements have brought the average tariff on dutiable imports to the lowest point in American history, "We still have a lot of pretty high rates," he declared.

Reducing these in order to spur imports is among the "short run" measures Webb said should be taken to close the dollar gap in postwar trade. In an address prepared for the Export Managers Club he said major long-run steps already are being taken or are pending, beginning with the Marshall plan for European aid.

Without suggesting specific reductions he noted:

"The ad valorem duty on surgical needles is 40 percent. On Victrola needles, it is 54.9 percent. If you want to import imitation pearls, you would have to pay 60 percent on them. On most kinds of kitchen utensils you would pay 40 percent, and on some kinds of artificial flowers, you would pay 71 percent. On wool blankets the rate is 60.6 percent. On cigarettes it is 104.4 percent."

Mr. MALONE. Mr. President, I ask to have inserted in the RECORD at this point an article from the Southwest Times Record, Fort Smith, Ark.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. Have I lost my right to the floor?

Mr. MALONE. I am through now. I ask unanimous consent to have inserted in the RECORD at this point a dispatch entitled, "There's a Lot of Suicidal Free Trade Talk Going On in the State Department," published in the Southwest Times Record of Fort Smith, Ark.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEMO TO LABOR AND MANAGEMENT—THERE'S A LOT OF SUICIDAL FREE TRADE TALK GOING ON IN STATE DEPARTMENT

(By Ralph A. Lee)

For all their wrangling, labor and management have real interests in common, and it behooves both to sit up and take notice of some of the suicidal free trade thinking that is going on in the State Department.

This country can pauperize itself in pursuit of temporary gains in the ideological struggle with Russia, and it can do so in more ways than one.

It is disturbing enough that so much of the American taxpayer's money is going directly into subsidization of high-cost European manufactures. But now it is proposed that these subsidized manufactures be admitted to the United States to compete on the domestic market wtih goods produced by American labor and American capital.

Some of the testimony of Secretary of State Acheson and ECA Director Paul Hoffman in this connection sounds positively squirrely to persons not daft on the subject of world brotherhood.

Testifying before the Senate Foreign Relations Committee, these gentlemen conceded that factory shut-downs and unemployment would result inevitably if the American market were exposed to a flood of subsidized European manufactured goods.

To meet this situation, they suggested the unemployed be put on compensation insurance or retrained for other types of work, and that management executives be schooled for industries which might replace those bankrupted by foreign imports.

These aren't the mouthings of two fugitives from a butterfly net. They are the considered views of the men carrying the heaviest burden of responsibility in the economic phases of this country's cold war with Russia. How could they have offered such proposals seriously?

The only possible explanation is that they are men dedicated to the concept of a Western World which will survive as a single economic entity or not at all. They are not thinking in terms of what may be good just for the United States. They conceive it their job to think in terms of the survival of what is left of western capitalism.

Europe certainly, and this country possibly, are engaged in an economic Dunkerque. Convinced that if Europe goes down this country will follow eventually, the internationalists in the State Department are willing to take suicidal risks to keep the entire Western economy afloat.

The massive doses of dollars administered by the ECA have had a remarkable effect temporarily, and many European industries are operating at prewar levels. The problem now is to find markets which can absorb the production of Europe's revived industries.

Unless permanent markets are found, Europe can never become self-sustaining, and economic paralysis will spread again. If a general depression is permitted to develop, there will be political repercussions which will sound a death-knell for the philosophy of government this country is trying to sponsor.

There is room for argument with this internationalist concept of all or nothing, and a great many Americans are beginning to wonder whether the State Department should be permitted to pursue it further.

Soft spots are appearing in the economy here at home. As production overtakes demand all along the line, there will be less concern with the troubles of Europe, and more concern with the problems immediately at hand.

The American market right now is the envy of the world, and every nation with goods to sell is eager for a hunk of the business that Americans are doing with one another.

This country can raise the living scale of foreigners only to the extent that it reduces its own living scale. This is true whether its foreign aid takes the form of direct subsidies, the elimination of tariffs against imports, or a combination of the two.

The internationalists insist this country must gamble with its own living scale or Europe will go down, and communism will sweep the continent.

The obvious answer is that this country itself seems to be heading for some form of totalitarianism, without hastening the event by importing the endless woes of Europe.

Mr. MALONE. Mr. President, I ask unanimous consent to insert in the RECORD, at this point, a table from pages 141 and 142 of the ECA report of October 1949 called Document No. 8, giving a list of items on which the ECA suggests tariff reduction, and which gives a hint of what we may expect from this administration.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

List of items on which it is considered that a reduction in the United States tariff would assist United Kingdom exports to United States of America

Tariff paragraph	Commodity	Rate of duty
73	Synthetic pigments	15 percent.
211	Sanitary earthenware	45 percent plus 10 cents per dozen pieces.
212	Sanitary earthenware (if of vitreous china).	60 percent.
212	Bone china table and kitchen articles—plain white.	30 percent but not less than 5 cents per dozen and 25 percent ad valorem.
	Decorated	35 percent but not less than 5 cents per dozen and 30 percent ad valorem.
228	Ophthalmic instruments	Mainly 60 but also 30 and 45 percent.
228 and 360	Scientific instruments	Various—mainly 60, 45, or 40 percent.
337	Card clothing with plated wire and tempered round steel wire.	25 percent.
339	Silverplated candlesticks and candelabra.	50 percent.
339	Electric flatirons (Morphy Richards) and electric toasters.	40 percent.
343	Crochet needles and hooks	$1.15 per thousand plus 40 percent.
343	Knitting needles (particularly aluminum).	30 percent.
353	Electric floor scrubbers for industrial purposes.	15 percent.
359	Dental and surgical needles	Dental, 30 percent. Surgical, 40 percent.
360	Drawing instruments	45 percent.
368	Clocks	Various—from 55 cents each plus 65 percent to $4.50 each plus 65 percent plus for each jewel 25 cents.
368 (a)	Mechanisms for measuring the flow of electricity.	Various according to value—from 27½ cents each plus 33½ percent to $2.25 each plus 32½ percent.
	If containing jewels	12½ cents for each jewel.
372	Knitting machines for fully fashioned hosiery.	40 percent.
372	Other knitting machines	27½ percent.
372	Chocolate—confectionery machinery	Do.
396	Joiners' tools	45 percent.
397	Furniture of metal and wood	22½ percent.
718b	Herring, smoked, kippered, etc	10 percent.
751	Jams	Various—10 to 20 percent ad valorem.
763	Rye grass seed	1½ cents per pound.
901	Cotton yarns—fine	Not bleached, 20 percent; bleached, etc., 25 percent.
904	Cotton piece goods—fine	Not bleached, etc., 27½ percent; bleached, 30 percent; printed, etc., 32 percent.
904a	Cotton cloth of counts exceeding 90—unbleached.	Mainly 27½ percent.
	Cotton cloth 86 and over—bleached	30 percent.
	Cotton cloth 86 and over—printed, dyed or colored.	Do.
	Woven with 2 or more colors—additional duty.	2½ percent.
920	Lace curtains	40 percent.
1007	Linen fire hose	19½ cents per pound plus 15 percent.
1009a	Woven fabrics of flax	40 percent.
1016	Plain linen handkerchiefs—hemmed	25 percent.
1105	Wool rags, waste, and shoddy	Rags 9 cents per pound; shoddy, 14 cents per pound; waste, probably 10½ cents per pound.
1008	Wool cloth weighing not more than 4 ounces per square yard.	37½ cents per pound plus 25 percent.
1109 (a)	Wool cloth weighing over 4 ounces per square yard.	Do.
1109 (b)	Industrial wool felts, belts, blankets, etc.	37½ cents per pound plus 20 percent.
1301	Rayon tow	45 or 50 percent but not less than 40 cents per pound.
1302	Rayon staple	20 percent.
1409	Carbonizing tissues of 10 pound substance and over.	30 percent.
1410	Notebooks	25 percent.
1413	Paper serviettes	35 percent.
1513	Mechanical toys	70 percent.
1513	Rubber toys	50 percent.
1513	Parts of toys not specifically provided for (i. e., mechano parts).	70 percent.
1529	Embroidered linen articles	45 or 70 percent.
Various	Containers of cod-liver oil (the oil is duty free).	Various.
	Of marmalade jars	

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

The VICE PRESIDENT. The Senator from Illinois [Mr. DOUGLAS] is recognized.

Mr. McFARLAND. Mr. President, will the Senator yield to me for a question?

Mr. DOUGLAS. I yield to the Senator from Arizona with the understanding that I do not lose my rights to the floor.

Mr. McFARLAND. I wish to propound an inquiry——

The VICE PRESIDENT. The Chair understood that the Senator from Illinois yielded so Senators could present routine matters for the RECORD, and that he did so after receiving unanimous consent that he would not lose his rights to the floor.

Mr. McFARLAND. I wanted to inquire of the distinguished Senator from Illinois if a unanimous-consent request that the Senate vote on the pending

measure not later than 5 o'clock p. m. Friday would be agreeable to him?

Mr. DOUGLAS. Mr. President, I would say to my distinguished colleague that that is only 2 days off. I would imagine the proponents of the measure, who thus far have not presented their case, would wish to have time in which to advance their arguments, and that it would be uncharitable, therefore, for me to shut them off on their side when they have not taken advantage thus far of the opportunity to present their case.

Secondly, we have a considerable number of speakers who are opposed to the measure who have not yet had a chance to be heard, and who are anxious to speak.

Finally, while I am new to this body, I had inferred that it was rather bad form to consent to a vote on Friday afternoon when so many of the Senators have engagements along the Atlantic seaboard and in the near Middle West.

So it would seem to me, I may say in reply to my dear friend from Arizona, and to the acting majority leader, the Senator from Iowa [Mr. GILLETTE], that it would not be in the public interest for us to enter into a unanimous-consent agreement to vote on Friday.

Mr. McFARLAND. I assume the Senator means he would object to such a request.

Mr. DOUGLAS. I do not think it would be in the public interest.

Mr. McFARLAND. Then the Senator would object?

Mr. DOUGLAS. I wondered if the proponents would submit a counterproposal.

Mr. McFARLAND. Mr. President, would the Senator from Texas [Mr. JOHNSON] object to a vote on this measure at 5 o'clock Friday providing that the time on Friday was divided equally between the proponents and the opponents of the bill?

Mr. JOHNSON of Texas. Mr. President, so far as the Senator from Texas is concerned he made himself perfectly clear yesterday. He is ready to agree to any time that may suit the pleasure of the Senator from Illinois. If the Senator from Illinois would like to have the vote taken on Monday or Tuesday or Wednesday of next week, because Senators who have speaking engagements along the Atlantic seaboard may not be able to be here Friday, that will be perfectly agreeable to the Senator from Texas. I suggest that the Senator from Arizona inquire whether Monday, Tuesday, or Wednesday would be agreeable.

Mr. McFARLAND. I am trying to find out what time would be agreeable.

Mr. DOUGLAS. Mr. President, let me thank my very able and gracious friend the Senator from Texas for suggesting Monday as a possibility. I think that would be satisfactory. I would suggest that the vote be taken at 4 o'clock on Monday, with the time between noon and 4 o'clock to be evenly divided between the proponents and the opponents, and with the further qualification that each hour be evenly divided, so that if the debate began on Monday at 12 o'clock, the hour between 12 and 1 would be evenly divided; the hour between 1 and 2 would be evenly divided; the hour between 2 and 3 would be evenly divided; and the hour between 3 and 4 would be evenly divided, with each side having a total of half of the 4 hours, but thus preventing the proponents from taking the entire last hour.

Mr. KNOWLAND. Mr. President, reserving the right to object——

The VICE PRESIDENT. There is no concrete suggestion before the Chair.

Mr. KNOWLAND. Mr. President, will the Senator from Illinois yield for a suggestion?

Mr. DOUGLAS. I am very glad to yield for a suggestion, provided it is understood that I shall not thereby lose my right to the floor.

Mr. KNOWLAND. I join in the request that by yielding to me for this purpose the Senator from Illinois will not lose his right to the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, keeping in mind the situation the Senate was in the other day, when we were voting on amendments without having an explanation of them, I do not know how many amendments will be presented to the pending bill. It would seem likely that there would not be as many amendments offered to it as were offered to the measure which was voted on by the Senate a few days ago. But it is my intention to object to any proposed unanimous-consent agreement unless provision is made for at least 5 or 10 minutes, prior to the voting upon any amendment, during which the amendment can be explained to the Senate, so that never again shall we find ourselves in a position where the amendments will come before us for voting in rapid-fire order, without even so much as 5 minutes' time for an explanation of each amendment. That is the only basis on which I would object. I hope that in working out unanimous-consent agreements in the future, both the majority and the minority will agree to allow perhaps 10 minutes for an explanation of each amendment, prior to the vote thereon.

Mr. DOUGLAS. Mr. President, I thank the Senator from California for his suggestion, and I think he has made a very constructive one. For my part, speaking for the opponents of the measure, I should be glad to agree to that suggestion. For example, if a motion to recommit were to fail, then the amendments would be taken up in order, with not to exceed 10 minutes to be allowed for the discussion of each amendment, 5 minutes thereof to be allowed the proponents of the amendment, and 5 minutes to be allowed the opponents of the amendment. I think that is a very constructive suggestion. I should be glad to agree to it, so far as I am concerned.

Mr. SALTONSTALL. Mr. President, if the Senator will yield to me, let me say that I am glad the Senator from California made the suggestion. I was going to suggest that each amendment be submitted at least 2 hours before the time of final voting, in order that what the Senator from California has just suggested could be worked out. I think my suggestion represents an easier way of working out that problem, rather than by providing 5 or 10 minutes for explanation of each amendment before the vote on it is taken.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes; provided I do not lose my right to the floor.

Mr. TAFT. I wish to ask a question, namely, whether the Senator is actually requesting unanimous consent.

Mr. DOUGLAS. No; I am not. But a little process of fencing is going on, with each side trying to feel out the other as to the nature of a possible agreement.

Mr. McFARLAND. Mr. President, if the Senator will yield, I should like to say——

Mr. DOUGLAS. I yield, provided it is understood that I do not lose the floor.

The VICE PRESIDENT. The Chair will protect the Senator from Illinois in his right to the floor, while this negotiation is in process.

Mr. DOUGLAS. I thank the Chair very much.

Mr. McFARLAND. Mr. President, later in the day I shall present a proposed unanimous-consent agreement; and I shall submit it to both sides and to the minority leader, to see whether we can arrive at an agreement which will be acceptable to all.

A few minutes ago, question was raised with respect to the conference report on the basing-point bill. I was told the other day that those who desire action on the conference report will not seek to have the Senate take it up until after the measure now pending is disposed of.

Mr. KERR. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Oklahoma?

Mr. DOUGLAS. Yes; with the general understanding which we have hitherto had.

Mr. KERR. Mr. President, the Senator from Oklahoma has a speech to make on this bill. He had hoped to be able to get the floor yesterday. He understood that the Senator from Illinois would need about 3 hours. He had hoped to be able to get the floor today. The Senator from Illinois has the floor, and that is fine.

Mr. President, I do not see how we can even have the remotest idea about a unanimous-consent agreement in regard to a time to vote on the bill until we can have some idea in regard to when the Senator from Illinois will finish his speech.

The opponents of the bill have had most of the time since the debate opened. There are a number of Senators who wish to speak for the bill. If we could have some idea from the Senator from Illinois as to when he will conclude his remarks, then we could formulate our own thinking about what time we might have in connection with this matter. I think we would be happy to help work out, if possible, a unanimous-consent agreement in regard to a time for the vote to be taken on the bill.

Mr. DOUGLAS. Mr. President, I am delighted by the statement just made by

the Senator from Oklahoma. I had hoped that he would take the floor in defense of this bill, prior to the period immediately preceding the final vote on it. I am very happy, indeed, that he is going to take the floor and that other supporters of the bill will take the floor.

I wish to assure the Senator that I believe the time for voting, under the unanimous-consent agreement, should be fixed at a point which will give the proponents of the bill ample time in which to develop their case. If I can be certain that the proponents of the bill will take the floor, it is quite possible that I may be able to abridge some of my speech, because, as I have made clear to the Senate, in the past few days I have been placed in the very embarrassing position of being compelled to give the arguments of the proponents for the bill, since they themselves have not taken the floor. Naturally, I know I cannot bring forward the arguments for the bill as well as the proponents themselves can. So I would be very happy to abridge that section of my remarks and to allow the championship of this measure to go into worthier hands, and not be compelled—opposing the bill, as I do—to be forced, in the interest of fair play, to give the arguments for the bill.

In short, Mr. President, now that the Senator from Oklahoma has said he is ready to take the floor, I think I can abridge my remarks this afternoon. Of course, I never know just how long the questioning is going to take. I find that the proponents of this bill are quite persistent in their questioning and very adroit in it. Of course, it takes some time for the asking of questions and for the answers, as those who have read the RECORD of the debates during the past few days well know.

I welcome the suggestion which has been made. It seems to me the suggestion probably can be worked out, and it now looks as though we are going to have a good, vigorous debate; which is what the country needs, and which is all we ask for.

Mr. McCLELLAN. Mr. President——

The VICE PRESIDENT. There is no proposal for unanimous consent to do anything.

Mr. McCLELLAN. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. With the usual understanding.

The VICE PRESIDENT. The Senator may yield for a question, since he has the floor, without any understanding.

Mr. McCLELLAN. Do I correctly understand the Senator to say it will take him all afternoon to conclude his remarks?

Mr. DOUGLAS. I do not think so, if we may have assurance that the argument of the proponents will be presented. If we do not have such assurance, I think it my duty to present those arguments, and then of course in the public interest, to state why I think the arguments are fallacious. But if we may have a definite assurance that the proponents of the measure will put up a case for their bill, I can then abridge my remarks. I shall probably be compelled to address some very polite questions to the proponents of the measure, but I shall not presume to take their part.

Mr. McCLELLAN. Mr. President, will the Senator from Illinois yield further?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Arkansas for a question?

Mr. DOUGLAS. For a question.

Mr. McCLELLAN. What I am trying to determine is whether those of us who may wish to discuss other subjects pertaining to governmental business, which require attention as well as the particular legislation now pending, may reasonably expect to have to wait until tomorrow or some other day, when the Senator from Illinois shall have finished his remarks, or whether the Senator is going to try to finish today. The question is asked, in order that we may plan accordingly.

Mr. McFARLAND. Mr. President, will the Senator yield that I may make an observation in that connection?

Mr. GILLETTE. Mr. President, I ask the regular order.

The VICE PRESIDENT. The regular order is, the Senator from Illinois has the floor, and will proceed.

Mr. DOUGLAS. Mr. President, in view of the fact that there has been some uncertainty as to the position of President Truman in connection with the Kerr-Thomas gas bill, and in view of the fact that certain rumors have been circulating through the cloakrooms and in other circles of Washington that the President has given his approval to the bill, I think it appropriate to call the attention of the Senate to an article which appeared in the St. Louis Post-Dispatch, Sunday morning, March 19. I should like to read a portion of it and then ask unanimous consent that the remainder be inserted in the RECORD at this point in my remarks.

The headline of the article is as follows: "Truman has not approved Kerr gas bill; aide denies reports that he is for it—word in Key West answers effort to use name to round up votes—counsel, in presence of President, says it is not his policy to give views before legislation reaches him."

The article is signed by George H. Hall, a Washington correspondent of the Post-Dispatch. It is under the date line of Washington, March 18, and it begins as follows:

President Truman's special counsel, Charles S. Murphy, said today, in the presence of Truman, that the President has not indicated his approval of the Kerr natural-gas bill.

In response to a question by the Post-Dispatch, Murphy said that the President has not indicated his approval and that it is not the President's policy to express approval or disapproval of legislation until it reaches his desk.

Earlier today it had been learned that the claim that Truman approves the controversial measure, on which the Senate is expected to vote next week, has been used by supporters of the legislation to persuade wavering Democrats to fall in line. The bill is opposed generally by Republicans and progressive northern Democrats.

REPORT CIRCULATED IN CAPITAL

The Associated Press said reports were circulating in Washington that the President approves the bill and that he had given clearance to it before he left Washington on a vacation trip to the Little White House at Key West, Fla.

The White House comment on the reports was made at Key West, where Murphy and the President were in conference when the Post-Dispatch telephone call was put through. The question was relayed to Murphy by Lt. Comdr. William Rigdon, a White House aide. Murphy said also that he had not, on his own account, indicated approval of the bill.

There had been speculation that Murphy might have mentioned his own position and that this might have been taken to indicate Truman's.

The Kerr bill would prohibit the Federal Power Commission from controlling the gathering and production of gas by the so-called independent operators who sell their gas in the field to pipe-line companies. Opponents of the measure contend passage would result in price increases.

There are further features to the article, which I do not think I shall take the time of the Senate to read, but which I ask to have inserted in the RECORD at this point in my remarks.

There being no objection, the remainder of the article was ordered to be printed in the RECORD, as follows:

CLEARED BILL FOR DEBATE

Since a close vote is expected, the President's position might make a considerable difference. Murphy's statement does not mean that the President privately either approves or disapproves the legislation. It was learned that before Truman left for Florida he cleared the bill with administration leaders for debate in the Senate, but that is not proof of approval.

That implication obviously is being read into the clearance by some, however, Senator LYNDON B. JOHNSON, Democrat of Texas, one of the main supporters of the measure, clearly implied in an interview with the Post-Dispatch today that the bill would not have reached the floor without a White House green light.

JOHNSON further said that the legislation now being hotly debated is the same as the bill introduced in the House in 1947 by Representative J. PERCY PRIEST, Democrat, of Tennessee, and approved by the President and the Federal Power Commission. He attributed the present opposition to the fact that Leland Olds, a former FPC Commissioner, changed his mind on the Priest bill and swung a majority of the Commission to his way of thinking. He indicated it was only logical to suppose that the President still approves the principle of the Priest bill.

The Post-Dispatch was informed by a responsible source that JOHNSON had told colleagues the President favors the bill, which is a modification of a proposed amendment to the Natural Gas Act introduced by Senator ROBERT S. KERR, Democrat, of Oklahoma.

DENIAL BY TEXAS SENATOR

JOHNSON denied this. He said he could not speak for Truman and had not presented Truman's supposed viewpoint to other Senators or to newspapermen. He said the last time he discussed proposed changes in the act with Truman was in June 1949. He said he would not disclose what Truman said on that occasion.

His June conference with Truman was about a week before the Senate Interstate and Foreign Commerce Committee reported a natural-gas bill favorably.

The nearest thing to an official word on Truman's attitude is a letter dated August 1, 1949, sent by Elmer B. Staats, then Acting Director of the Bureau of the Budget, to Senator EDWIN C. JOHNSON, Democrat of Colorado, in which Staats said the Bureau (and by implication the President) was opposed

to the measure reported out by the committee, of which JOHNSON is chairman.

Staats added the President might approve a change in the Natural Gas Act which was recommended by a majority of the Federal Power Commission and which would exempt little producers but hold big producers under the jurisdiction of the FPC.

The committee version since has been modified to include a clause which some think was in the nature of a bid to swing the President's support. This clause provides that the FPC assemble and review data regarding production and distribution to determine whether the flow of gas is being unduly retarded by a lack of competition and whether the price is being unduly affected. The FPC is then to report to the President and Congress, but is given no power to remedy the situation.

Some of the opponents of the measure thought earlier that the President had in fact committed himself to approval. They said pressure by Speaker of the House SAM RAYBURN, of Texas, and other legislators from gas-producing States may have been too strong to resist.

Others feel that Truman is too decent to approve the bill. They think Truman's recommendation that Congress close a tax loophole conferring benefits on oil and gas producers indicates he certainly would not recommend the producers be given the benefits seemingly inherent in the Kerr bill.

SENATOR ON PRICES, MONOPOLY

Senator LYNDON JOHNSON predicted that if the Kerr bill is defeated the independent producers will sell their acreage to the pipe-line companies or try to bring industry to the gas fields. He said no one could say whether approval of the bill would mean a general price increase. He pointed out that many companies purchasing gas in the field have contracts running from 20 years to the life of the field.

These contracts would not apply to natural gas expected to be delivered soon to eastern and far-western cities. He said he was sure, however, that the clause providing for FPC review would prevent profiteering and monopoly.

Opponents of the bill have estimated passage would result in consumer price advances of $200,000,000 to $500,000,000 a year.

Mr. DOUGLAS. Mr. President, I also ask to have unanimous consent that the accompanying editorial in the St. Louis Post-Dispatch of Monday, March 20, be printed in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GOUGE FOR CONSUMERS

As the Senate approaches a vote on the Kerr natural gas bill, supporters of this special interest legislation are down to their last ounce of desperation. Proof of this is their effort to drag the President's name into the issue.

Mr. Truman's special counsel, Charles Murphy, has told the Post-Dispatch that the President has not indicated approval of the Kerr bill. He is not taking sides. Yet the Associated Press told of persistent reports in Washington that Mr. Truman had lent his influence toward passage of the measure.

In view of the White House denial, these reports represent rough tactics. The natural gas lobby is not above such tactics. The lobby narrowly failed to win passage of the Moore-Rizley gas bill in the Eightieth Congress. Another victory for the gas interests was the defeat of Leland Olds for reappointment to the Federal Power Commission. Olds had sought to regulate prices charged by natural gas producers.

Now the Kerr bill is a bold frontal effort to prohibit such regulation. Though the measure would end FPC jurisdiction only over independent gas producers—those not connected with pipe-line companies—the independence of these producers is a misnomer. Most of them are big oil companies. And while there are 2,300 gas producers, 3 percent of them sell 70 percent of the gas.

These producers have gas distributors—pipe lines and local utilities—virtually at their mercy. There can be little competition to hold prices down. Pipe lines are too expensive to be constructed or ripped up in order to take advantage of better prices somewhere else.

Opponents of the Kerr bill think it would increase costs to gas consumers by at least $130,000,000 a year. That would happen if producers raised prices by 5 cents per 1,000 cubic feet, which has already happened in some places. But it is pure speculation just how much more consumers might have to pay gas producers if the Kerr bill were to pass.

Natural gas has become an interstate utility and an essential service for 40,000,000 citizens. The Kerr bill is a direct attack on the welfare of these millions and should be defeated.

Mr. BENTON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Connecticut.

Mr. DOUGLAS. Mr. President, at the conclusion of yesterday's session, the junior Senator from Arizona complained that I had been farming out my time to other Members of the Senate, that under the guise of making a speech myself, I had taken parliamentary control of the situation, and was presuming to dictate the procedure which the Senate should follow. In connection with the statement by the able acting majority leader, I replied that I had yielded only at the urgent request of individual Senators, not at my proposal, and that I yielded only in order to allow the business of the Senate to proceed. I may say I would be very reluctant to yield to the Senator from Connecticut and thus expose myself to a similar charge, unless the acting majority leader gives his approval of the request and states that my yielding does not interfere with the business of the Senate.

Mr. McFARLAND. Mr. President, will the Senator yield, without, of course, waiving his right to the floor?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Arizona?

Mr. DOUGLAS. I yield only if I may reserve my right to the floor.

The VICE PRESIDENT. Without objection, the Senator from Illinois yields, without waiving his right to the floor.

Mr. DOUGLAS. I thank the Vice President.

Mr. McFARLAND. Mr. President, I presume the distinguished Senator from Illinois was referring to the remarks which were made by me yesterday afternoon. I want to emphasize I did not complain of the farming out of time because I know how to keep it from happening, and I do not think any Senator can complain of something taking place which he permits.

The only thing to which I called attention then—and I call attention to it again this morning—is that the distinguished Senator from Illinois started his speech 2 days ago. I am not going to object to the Senator from Illinois yielding to the distinguished Senator from Connecticut so that he may make his maiden speech on the floor of the Senate. I want to see that courtesy extended. But that does not alter my belief that it is a poor procedural policy to have a Senator get the floor and then proceed to farm out the time. The Senator from Illinois has been on the floor for a period of 2 days, and he has been most generous about yielding. I hope Senators will not impose upon the Senator's generosity and good humor, and will finally permit him to finish his speech, on the third day after it was started.

I wanted to make that plain, because I believe that all of us agree that no one of us should obtain control of the floor and dispose of time to other Senators who are entitled to it on their own. Senators have approached me and complained that they had speeches they wanted to make and have had no opportunity to make them. Under the circumstances, I think the best thing that can be done is for Senators to recognize the necessity of allowing the distinguished junior Senator from Illinois to complete his speech, after he yields to the Senator from Connecticut, and not impose further upon his friendly good nature and liberal open-handedness.

Mr. DOUGLAS. Mr. President, I appreciate the very kind remarks of the Senator from Arizona. It is my aim to possess something of the generosity and good nature which he so kindly ascribes to me, and I shall strive most earnestly to attain it. I should appreciate it, however, if the Senator from Arizona would state for the benefit of the RECORD whether he believes my yielding to the Senator from Connecticut would be in the interest of enabling the business of the Senate to proceed.

The VICE PRESIDENT. The Chair will say for the information of Senators that any Senator who has the floor has the right to decline to yield for any purpose. Under the rules, he can yield only for a question. There is no discourtesy involved in the refusal of a Senator to yield to another Senator. That is a right which he enjoys under the rules. He can violate that rule only by unanimous consent. Any Senator can object to any such request if he sees fit to do so, because, if the Chair may be permitted to say so, a practice has grown up in the past few weeks, which, if persisted in, would indefinitely tie up the business of the Senate. The Chair has no control over a Senator's yielding the floor for any purpose for an indefinite period of time.

Mr. DOUGLAS. I shall be very glad to yield to the Senator from Connecticut without losing my right to the floor. I ask unanimous consent that I may so yield, but I should like first, an expression for the RECORD from the distinguished Senator from Arizona as to whether he believes that such a request on my part would be in the interest of enabling the business of the Senate to proceed. I do not want to expose myself to a position in which I might later be

attacked for tying up the business of the Senate. I am very anxious not only to observe the technical rules of the Senate, but to stand high in the esteem of my colleagues.

Mr. McFARLAND. Mr. President, I am not now able to say whether it is in the best interests of the Senate for the Senator from Illinois to yield for the speech of the Senator from Connecticut, because I have not heard his speech. I am sure it will be very enlightening. I give equal credit to my good friend from Illinois for enlightening the Senate during the past 2 days. I should not want to be put in the position of saying that the speech of one Senator is better than that of another Senator.

As I said before, Mr. President, I shall not object to the Senator from Illinois yielding to the Senator from Connecticut, but I again express the hope that no other Senator will impose upon the good nature and the generosity of the Senator from Illinois so that he may be permitted to finish the speech which he started 2 days ago.

Mr. DOUGLAS. Mr. President, I think I should make my position clear in order to disabuse the mind of the Senator from Arizona of certain implications which might have been contained in a possible request for unanimous consent which I have not yet made. I was not asking the Senator from Arizona to pass judgment on the relative merits of the speech by the Senator from Connecticut and the speech by the Senator from Illinois, either before they are made or after they are made. I was merely asking whether the Senator believes that if I propose a unanimous-consent request to enable the Senator from Connecticut to speak, he would think I would be morally justified in so doing, and whether there would be any possibility of criticism from highly placed representatives of my party for doing so.

Mr. McFARLAND. Of course, Mr. President, that is a decision which the distinguished Senator from Illinois will have to make for himself. The Senator from Arizona cannot advise him on that point. All I can say is that I am not going to object.

The VICE PRESIDENT. Is there objection to the Senator from Illinois yielding to the Senator from Connecticut for the purpose of making a speech?

Mr. KERR. Reserving the right to object, I should like to inquire what period of time the unanimous-consent request covers.

The VICE PRESIDENT. The Chair cannot answer that question.

Mr. BENTON. Mr. President, my speech will consume 50 or 55 minutes, or perhaps as much as an hour. I will say that it is manifestly, as the distinguished Senator from Arizona will discover when he hears it, no "farm-out." I should regard it as a most timely speech, keyed to the headlines of this morning's newspapers.

Mr. McFARLAND. Still reserving the right to object, I meant no reflection upon the importance of the speech of the distinguished Senator. Nor can my earlier reference to the inadvisability of farming out time be in any way construed to reflect upon the merit of the speech to be made by the Senator from Connecticut. I merely wanted to reply to the Senator from Illinois that I did not think I should be called upon to pass upon the relative importance of speeches of Senators. I recognize the fact that any speech which the Senator from Connecticut may make will be a very important one, and I certainly should not want in any way to hinder him from making his maiden speech on the floor of the United States Senate. It is for that reason that I offer no objection to the Senator from Illinois yielding at this time to the distinguished Senator from Connecticut. I am sure all of us will listen with interest to his remarks.

Mr. CHAVEZ. Mr. President, reserving the right to object, why should the Senator from Connecticut be asked to explain what kind of a speech he is going to make? He is a Senator of the United States and will make his speech on his own responsibility. We should take it for granted that he will discuss matters which are of interest to the people of the United States. Whether some Senator objects to the Senator from Illinois yielding to the Senator from Connecticut is another question. But I do not think any Senator should be asked beforehand, here or elsewhere, to explain what kind of a speech he will make on any question. If he rises to make a speech we should take it for granted that he takes fully responsibility, under his oath, that it will be something of interest to the people of the Nation.

Mr. DOUGLAS. Mr. President, it so happens that I do know something about what the Senator from Connecticut is going to say if unanimous consent is given. I consider it a very timely subject, and I am sure the Senator will discuss it ably. So, with the thought that I am promoting the public business, I now ask unanimous consent that the Senator from Connecticut be permitted to speak, with the understanding that I shall not lose my right to the floor.

The VICE PRESIDENT. Is there objection?

Mr. McCLELLAN. Mr. President, reserving the right to object, I wonder if the same courtesy will be extended by the able Senator from Illinois to other Senators who wish to speak today.

The VICE PRESIDENT. The Chair cannot answer that question.

Mr. McCLELLAN. I address the question to the Senator from Illinois.

Mr. DOUGLAS. Once again, let me say that I shall be very glad to yield to the Senator from Arkansas, if he so desires, but I am placed in an embarrassing position. If the distinguished Senator from Arkansas will obtain the consent of the acting majority leader——

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CHAVEZ. Is it necessary, under the rules of the Senate, for a Senator to ask any particular Senator for his consent? I have the greatest respect for the Senator from Iowa [Mr. GILLETTE] and for the Senator from Arizona [Mr. McFARLAND], but if the Senator from Illinois wants to yield to the Senator from Arkansas, I do not see any objection.

The VICE PRESIDENT. Any Senator, whether he be the majority leader or the acting majority leader, is just a plain Senator.

Mr. McCLELLAN. Reserving the right to object, I ask the Senator from Illinois if he will yield to me?

The VICE PRESIDENT. There is one unanimous-consent request pending.

The question is, Is there objection to the Senator from Illinois yielding to the Senator from Connecticut to make a speech, without affecting his right to the floor?

Mr. McCLELLAN. Mr. President, reserving the right to object, I may say that I wish to speak this afternoon. I intended to speak yesterday. I do not know how long it will take to discuss the pending bill, but if the practice is going to be indulged in of parceling out time, I do not want any favoritism shown. If I can get the able Senator from Illinois to yield to me this afternoon, I intend to ask unanimous consent to address the Senate for 30 minutes without his losing the floor. I do not object to his keeping the floor. But the pending bill is not the only business of the Government which needs attention. If I do not get that consent this afternoon, then from now on I intend to remain on the floor, and the harsh rules which generally apply to a filibuster will be invoked, and I shall object to dilatory practices and proceedings. I desired to make this announcement.

The VICE PRESIDENT. The question is, Is there objection to the request of the Senator from Illinois?

Mr. WILLIAMS. Mr. President, reserving the right to object—and I do not intend to object to the request of the Senator from Illinois at this time—I wish to point out that yesterday, in farming out the time, the Senator from Illinois yielded to the Senator from Delaware and others on this side of the aisle with the understanding that not to exceed 20 minutes would be allowed to any Senator. I happened to be one yesterday who had to insert a major portion of my remarks in the RECORD in order to come within the time limit which was specified by the Senator from Illinois.

The question now is, If the Senator from Illinois is going to yield today to Senators to make unanimous-consent requests, will he extend to Senators on this side of the aisle the privilege of occupying the floor for the same length of time he allows on the other side of the aisle?

Mr. DOUGLAS. Mr. President, I think I have been more generous to the junior Senator from Connecticut today than I was to the senior Senator from Delaware yesterday. If I have been guilty of favoritism, I plead guilty on the ground that the junior Senator from Connecticut is about to make his maiden speech in the Senate, this being the first time he has taken the floor to address this body, whereas there have been many occasions when the senior Senator from Delaware has been able to speak before the Senate. It seems to me that as a matter of generosity to our new colleague we should not impose a strict time limit upon him.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois? The Chair hears none. The Senator from Connecticut is recognized.

THE STRUGGLE FOR THE MINDS AND LOYALTIES OF MANKIND—PROPOSING A MARSHALL PLAN OF IDEAS

Mr. BENTON. Mr. President, this has been a very illuminating discussion for me, and, indeed, an education to me as just a plain Senator. I am particularly happy that this occasion coincides with the visit on the floor of the Senate today of Gov. Adlai Stevenson, of Illinois, with whom I was associated in the State Department, because today, in line with the timeliness of the headlines in the morning newspapers, I wish to invite the attention of the Senate to an aspect of our foreign relations which seems to me at once crucially important and relatively neglected. It is an aspect toward which all the events of the past several years, and particularly the events of the past several months and weeks have pointed. Today, I should like to make some proposals concerning this neglected aspect of our foreign relations.

Page three of the Sunday New York Times editorial section was largely devoted to Secretary Acheson and the State Department. This was a most ominous page. It was a page of special interest to me in view of my service in the State Department. I believe I am the only Member of the Senate in some years who has served in the State Department.

Prominent on this page was a cartoon of a terrified turtle with his head drawn in, his legs stuck out, and his eyes blazing with fear. The turtle is labeled "State Department." The cartoon is titled "Aiming at the Head," and the bricks which come hurling at the helpless turtle are labeled "Attacks," "Charges," "Criticism," "Challenge," "Probe."

Arthur Krock's two-column story, next to this cartoon, states that persons who have observed American diplomacy at first hand for a long time are hard put to it to cite a period in which the premier Cabinet member and his Department have been so bitterly assailed and had so few defenders. Mr. Krock states that "responsible observers were heard to say that the department had actually ceased to function in essential partnership with Congress."

When I was in Connecticut this week end, I found the people were not talking about Secretary Acheson's two important and clarifying speeches in California. Dean Acheson is, of course, a native of Connecticut. Indeed he is perhaps our most famous export. His fellow nutmeggers, however, were not talking about our foreign policy and what we can do to clarify it and to strengthen it. They were echoing the doubt and uncertainty of the newspaper headlines, the fear and suspicion again precipitated by the accusations of the Senator from Wisconsin [Mr. McCARTHY]. They were talking about what our distinguished Ambassador, Philip Jessup, has correctly called "utterly irresponsible" charges. And they were deeply troubled.

Indeed, it seems to be the irrepressible fate of any foreign office always to live in an air of uncertainty and suspicion, even when it is fortunate enough to have the gifted leadership of a Dean Acheson. I shall not go so far categorically as to say the State Department is run admirably, to use the President's adverb. I will content myself with saying it has never been run so well before. In every country the critics of the foreign policy are everywhere. They always have been. I fear they always will be. Who has ever heard of a popular foreign office, at any time, in any country?

These occupational hazards always produce problems. Ordinarily we bear with them if only because we do not know what to do about them. When I served in the State Department under Secretary Byrnes, I saw him suffer from them. I saw General Marshall suffer, and now it is Dean Acheson, in spite of the great reforms he has achieved in the Department and the loyal and able key subordinates he is developing. Harrying and tormenting Dean Acheson until he quits his great post is not the way to cure the problems of the Department. You certainly do not cure a man's headache by cutting off his head.

The role for Congress should not be that of the executioner. Indeed, Congress must play a decisive role in foreign policy, but this role cannot be constructive unless Congress aids and counsels the Department in its efforts to take world leadership. Certainly we shall not get the bold and imaginative planning the times require so long as the State Department is forced to cower like a tormented turtle. Remarkable it is how much leadership we have had from the Department, and how effective the Department has been in view of the climate of hostility in which it is operating.

I now urge upon the Senate its cooperation and leadership in a new area of foreign policy, an area which can prove crucial to the struggle for peace itself. I urge the Foreign Relations Committee to devote itself to this grossly neglected area.

In the field of foreign policy, let us in Congress now devote ourselves to those things which we the people of the United States can really do something about. Let us talk more about the things we can do and much less about the things we cannot do. I do not mean that I necessarily object to speeches about what the Russians should do. I object to them only when they divert us from the things which we ourselves can and should do. Such talk about Russia is of course needed; it is needed to clear the air and to show the American people what we are up against; but I fear it has temporarily so focused our minds on the obdurate men of the Kremlin that we bury our heads in the sands of our own frustration.

There is of course, one point that is constantly valid. This point is not whether the Russian tyranny is terrible. It is terrible. It is not whether the Russian surge of aggression should be halted. It should be halted. The constantly valid point is, "What action is it now legitimate for us to take; what is today within our potential power of achievement?" While it takes two parties to make an agreement, it takes only one to do something intelligent about the lack of agreement.

One obvious area within our own power is our armed forces. Unhappily, we must have these, and to this fact we are trained by tradition and by history. Another area is the hydrogen bomb, and this, too, is an old area, but in a new dress. The hydrogen bomb is the 1950 version of Attila and Genghis Khan. But surely we are beginning to learn that we cannot win the struggle now raging between the allies of freedom and the slaves of communism merely by force and the threat of force, or even by the threat of extermination.

It has been charged that no great idea has been forthcoming in the field of our foreign policy—no new challenging and constructive idea to which the Nation and the world will rally.

I do not agree with this charge. The United States has backed such vital ideas as UNRRA, of which the Senator from New York [Mr. LEHMAN] was the head, the Marshall plan, the Atlantic Pact, and now point 4. The ideas themselves are big, even if on occasion perhaps they have been imperfectly projected and little understood.

But history is seldom written in terms of big ideas, and surely never by big ideas unaided by bold projection and courageous leadership. While the critics may bewail our lack of the big idea, I suggest that our democratic ideals are indeed the biggest idea of all. Let us now begin to create a big package through the clarification and projection of these ideals. Let us make a package so big and so strong that it will give new faith to our own people and to struggling peoples everywhere.

Walter Lippmann recently wrote:

> We are losing touch with the peoples of the world—with their fears, their hopes, their needs, their purposes, and their will to survive—and we are talking not to them but to ourselves in a self-induced mood of defeatism and impotence about how much we must distrust one another and our own better instincts and our own capacity to think and believe.

We Americans have been told a hundred times in the 5 years since the end of the shooting war—I suppose it has been said a hundred times on the floor of this Chamber—that the contest now raging all over the world is, in its essence, a struggle for the minds and loyalties of men. We have been reminded again and again that, in this struggle, bullets and bombs, shells, and flame, do not change men's minds or win their loyalty. Yet at the end of five years we are still preoccupied with physical force as though this were the answer to our present problems with the Russians.

Secretary Acheson has stated the new orientation of our foreign policy in five words: "Strength at points of weakness." This leads me to ask my colleagues in the Senate, wherein are we weak? Is it in military power? Is our industry weak? Is our diplomacy a point of weakness? No; our weakness, our Achilles heel, springs from a failure of

analysis, a failure to accept the basic proposition that the struggle for the minds and the loyalty of mankind is the heart of the matter. We have failed in analysis and we have failed in action. Here is an area where we can act boldly. Here we can be imaginative. In this area we are not dependent on the Kremlin. We do not need a meeting with Marshal Stalin. I suggest that we quit wringing our hands. Let us give to this area the great faith and the great talent of which we are capable. Indeed, we should be devoting ourselves to it if there were no Politburo and if the Russian power instantly vanished from the earth. But how many Americans are there who recognize—as the Russians so clearly do—that the prime objective of total diplomacy is to win men's minds and loyalties? Total diplomacy, to be total, must include as a major element psychological efforts directed at whole peoples. It must include practical means, direct as well as indirect, for waging psychological diplomacy. Only last Sunday, Bertrand Russell wrote in the New York Times magazine that—

> Before very long psychology, and especially mass psychology, will be recognized as the most important of all sciences from the standpoint of human welfare.

He said further:

> Whether civilization can long survive—now—depends upon psychology.

My plea today is not a new one for me and it is familiar to many in the Senate, notably the members of the Foreign Relations and Appropriations Committees before which I have appeared so often. But with each passing day in the three years since those appearances it has become increasingly clear that, as Mr. Acheson has said, agreements with the Russians have had no value other than to record an existing situation and to register power balance. Are we not now ready to admit that what people in various areas of the world know, think, and feel is a key factor in the power balance? In the older diplomacy force, military might, lay in the background of most negotiations, sometimes very close to the surface. In most recent years economic considerations have played an increasing role. Today the diplomacy of public opinion is the emerging factor. Indeed, the diplomacy of public opinion is here for all to see—or perhaps I should say for all who will look.

Mr. President, it was not until the 1930's that the State Department set up a major division for economics, as the Senator from Illinois [Mr. DOUGLAS] will recall, and not until 1945 that it began to organize to deal with international public opinion. Yet it seems to me much of the justification for military and economic measures has always been psychological—the military measures to convince the potential war-maker that he will not get away with it, and the economic measures because hungry and hopeless people have always been easy victims of subversion.

By far the most imaginative step we have taken in our foreign relations since 1945 has been the Marshall plan. Is it an accident that it now seems the most successful step? It has had perhaps the most brilliant leadership of any operating department of our Government, but it was brilliant in concept as well. The Marshall plan has been no mere containment of communism. It has aimed at a positive rollback for communism, an ideological as well as an economic defeat for communism. It was boldly conceived on a scale adequate to the need. It was designed to close the dollar gap until recovery could permit Europe to earn its own way.

With this success before us, is it not time—and past time—for us to create a world-wide Marshall plan in the field of ideas? Let us now aim to close the mental gap between ourselves and the people of the world. The mental gap is far more dangerous than the dollar gap. Unless we close it, our efforts to close the dollar gap may boomerang upon us. The mental gap cannot be easily and quickly cured. It cannot be bought by money alone. It is the gap through which communism is now pouring its deadly poison into the mind, into the conscience, and the emotions of mankind.

Communism began as propaganda. It survived for more than half a century as propaganda. Its greatest heroes have been propagandists. It is Lenin and Marx, the propagandists, who are enshrined in Red Square and in the hearts of their countrymen. Its greatest advances have been scored by a combination of propaganda and political warfare. It is not the Red army which is fighting for the victories.

Mr. George Kennan, counselor of the State Department, and one of our keenest students of Russia, writes in this month's Reader's Digest that—

> It is hardly likely that the Russians are now charting an early military onslaught on the Western World.

We all hope he is right.

And indeed, why should they attack us? The very milk of the Marxist doctrine is that a capitalist economy such as ours must collapse because of what the Marxists call our inner contradictions. That belief that we will collapse is as basic to Communist thinking as the belief in life after death is to the Christian faith. The real military danger to Russia, Communists believe, is that capitalism, vainly trying to avert collapse, must engage in ever greater imperialistic ventures and, in its death throes, lash out at the Soviet Union. Fortunately our death throes do not seem very imminent.

However, say the Communists, this final Armageddon can be avoided if the non-Communist countries can be weakened from within, confused, and divided and set against each other. Thus, communism by its very nature must be aggressive. But its characteristic form of aggression is not that of hurling armies across frontiers. Mr. Kennan describes Soviet expansionism as sly and cautious.

We of the Western World have, of course, had described for us a thousand times the methods of Communist aggression—incessant and skillful propaganda, followed up by political infiltration, sabotage, and disruption and then the seizure of power by a minority and the consolidation of power by suppression and terror. In this process the Russian Army is merely a reserve component. The front line is propaganda and political skulduggery.

Even where a shooting war develops, propaganda is the key for the U. S. S. R. China is an example. The State Department white paper tells us that in 1945 the army of Generalissimo Chiang was stronger than the Chinese Communist army. The Russian Army was not involved. But Chiang could not produce—or at least could not project—a program that appealed to the masses of the Chinese people. The Communists, with Moscow guidance, and with incessant, skillful, and usually lying propaganda, could and did project such a program. That is why so many tens of millions of Chinese welcomed the Communists as liberators.

The Communists, employing Moscow-trained Chinese propagandists in the villages, centered their attack on the ancient evils of land tenure, under which landlords could and did lay claim to as much as 75 percent of a peasant's produce. They promised reforms. There was no one in the villages, with equal vigor and skill, telling the Chinese peasants that the entire theory and history of communism could lead only to the forced collectivization of the land they love. Yet, if that single point had been explained, the outcome of the Chinese war might have been different.

We sent to China billions of dollars' worth of arms and armaments. We might more effectively have sent motion-picture projectors and radio sets.

Day in and day out, in two score languages, in every medium of communication from a whispered rumor to a globe-girdling radio, everywhere from a remote Burmese village to the Security Council of the United Nations, the Communists play the same propaganda tune, though the words are sometimes changed to fit the time and place; but the tune never changes. For 2 years in the State Department, I read daily reports on communism's propaganda program throughout the world. Make no mistake, it is very skillful and it is very effective. There has never been anything like it, anything so skillful and so effective in its mass impact. As applied to its principal target of abuse, the United States, the tune is always the same. It revolves around five themes which never vary:

First. The United States is headed for a cataclysmic economic crash.

Second. The rulers of the United States are Fascists, warmongers, and monopolists.

Third. Although the rich in the United States are getting richer, everybody else is getting poorer and there is starvation, unrest, and growing sympathy for the Soviet Union among the masses.

Fourth. America's vaunted freedom is a fraud, and our doctrine of equality is belied by racial and religious discrimination.

Fifth. Our character is bad—we are culturally barbarous, money-mad, lawless, crime-ridden, and effete.

If you were a voter in a nation subject to Communist attack and trying to make up its mind, or a legislator, or a foreign minister, and if wherever you turned you heard rumors and forecasts of economic

disaster for America, and if you heard nothing in rebuttal, would you care to tie your political and economic future to that of the United States? Would you care to emulate America's methods? Let us not forget that the first victims of propaganda are the propagandists themselves; the Kremlin and Communists everywhere survey the American scene through the acute distortion glass of their own dogma. They never hear anything but their own propaganda. This miscalculation of America can be highly dangerous—as Hitler and the Japanese demonstrated to us.

In many countries, the news about the United States gives the impression that we are continuously in the grip of a major crisis. Our production dip last year was compared with the early months of 1929. Our potato surplus is pictured as a typical example of capitalist mishandling.

If the United States refuses loans and favors, it is portrayed as rich and selfish. If it makes foreign loans, or grants favors, or embarks on an historical program, such as the Marshall plan, it is seeking to enslave foreign people. If it takes a firm position on any matter, it is militaristic and imperialistic. If it yields, it is weak-kneed and its action is an indication that the United States is withdrawing again to isolationism.

What do the Communists tell the world about themselves? They say they are the true champions of peace; that they are the protectors of national sovereignty, the hope of subject peoples who are striving for independence; that their social system is the only one that offers justice and equality for all; that their economic system is the only one that can efficiently convert the resources of the earth to human use; and that only through their system can mankind reach its fullest development in art and in science.

The Communists practiced the technique of the "big lie" long before Hitler discovered it and wrote about it in Mein Kampf. They learned that, in propaganda, the best defense is an attack. They not only seem to be getting away with it; they are getting away with it. Mr. President, we must question the truth of the old adage that actions always speak louder than words. Here I must disagree most emphatically with Secretary Acheson in his San Francisco speech. The words may do the job alone for the Communists, but for us the words must at least accompany the actions if the actions are to be understood.

Indeed, if the Communists can fool enough of the people enough of the time—long enough to seize power in these critical areas and suppress all critical voices in their purges—they do not need to worry about whether they can fool all the people all of the time.

We are in the crucial moments, it seems to me, of a struggle for the minds and loyalties of mankind. The United States is in a world political campaign. What the United States stands for must be freely elected by the peoples of the world. Every day must be a campaign day for the United States.

The Russians are conducting a very dirty campaign, and I am sure there are Members of this body who out of their own experience should know what it is like to be up against a dirty political campaign. For our part, we are scarcely campaigning at all. A campaign demands the systematic clarification of issues. It means the projection of a "platform." It means developing and hammering a few positive themes. As the Senator from Connecticut [Mr. McMAHON] so eloquently pointed out, it means doing these things in a loud enough voice so it can be heard. Yes, no one campaigns in a whisper.

Specifically in behalf of the United States, let us begin in earnest to dramatize abroad the strength and stability of our economy. Let us make clear that, although we have many problems, under the American business system our whole people, and not just the few, share a high and rising standard of living. Let us dramatize our peaceful record and our peaceful intentions—our devotion to the ideal of political and economic independence for all peoples, our desire to help all friendly peoples. Let us demonstrate that we seek to practice democracy here at home, and that we are making steady progress in the elimination of the undemocratic aspects of our national life. We should not boast about our scientific and cultural achievements, but neither should we let others underrate them. Finally, let us explain that we are a people slow to anger, but united and mighty in a righteous cause.

Any campaign, Mr. President, even a moral crusade, requires organization. I, therefore, propose that the United States now undertake to organize its campaign for men's minds and loyalties on a scale commensurate with the need and commensurate with the stakes. Fortunately, we have on our side a priceless asset: we have no need to lie.

Specifically, I propose six steps:

First. Maintenance, through the United Nations and through our own diplomacy, of a steady and steadily increasing pressure in behalf of world-wide freedom of information. The entire American press, I may say, is deeply interested in that subject.

Second. Acceleration of the work of the United Nations Educational, Scientific, and Cultural Organization to the point where, with effective leadership, it has a chance to make a significant, perhaps decisive, contribution to peace.

Third. Development of the activities of the Offices of International Information and Educational Exchange in the Department of State, in the following ways, among many others:

(a) Preparation and execution of a comprehensive world-wide program to exhibit documentary and educational motion pictures designed to explain the democratic principles and ideals which underlie our foreign policy.

(b) Significant and immediate expansion of our program for bringing foreign students to the United States.

(c) Creation of a world broadcasting network capable of broadcasting on long wave, short wave, or medium wave, with an ultimate goal of reaching virtually every radio set in the world.

I may say parenthetically, while our present domestic radio and the publicity it gets in the American press is effective, our international radio does not reach an appreciable number of the world's sets with a satisfactory signal. It is a very weak reed. It is indeed, as I once stated and as the senior Senator from Connecticut [Mr. McMAHON] has stated, a whisper, not a voice.

(d) The use of any and all possible means to reach people who are shut off from the free world by censorship and by suppression.

Fourth. Promotion of democratic education abroad, notably in the occupied areas of Germany and Japan.

Fifth. Convening of a conference of non-Communist nations now conducting international information programs, with a view of reaching a better understanding on common themes and on greatly increasing the effectiveness of the projection of such themes.

Sixth. Encouragement of the establishment of a nongovernmental agency to help inspire and guide the efforts of the millions of private American citizens who might use their talents and resources and contacts overseas in furtherance of the programs and objectives of this resolution.

Mr. President, these six steps have been incorporated into a resolution, which I now submit on behalf of myself and a group of twelve other Senators who have associated themselves with me.

The PRESIDING OFFICER (Mr. WITHERS in the chair). The resolution will be received and appropriately referred.

The resolution (S. Res. 243) submitted by Mr. BENTON (for himself, Mr. DOUGLAS, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GRAHAM, Mr. HENDRICKSON, Mr. LEHMAN, Mr. McMAHON, Mr. MORSE, Mr. MUNDT, Mrs. SMITH of Maine, Mr. SPARKMAN, and Mr. TOBEY) was received and referred to the Committee on Foreign Relations, as follows:

Whereas the struggle now raging between freedom and communism is a contest for the minds and loyalties of men; and

Whereas in such a struggle force and threat of force do not change men's minds or win their loyalties; and

Whereas the real methods of Communist aggression—incessant and skillful propaganda designed to prepare the way for political infiltration, for sabotage and for the consolidation of power by suppression and terror—whereas these tactics have poisoned and continue to poison the minds of hundreds of millions throughout the world; and

Whereas we have learned that such Communist methods cannot be beaten back by arms and dollars alone but require world-wide offensive in behalf of the ideas which express our democratic principles and aspirations: Therefore be it

Resolved, That the United States should initiate and vigorously prosecute a greatly expanded program of information and education among all the peoples of the world to the full extent that they can be reached—with a view to closing the mental gulf that separates the United States from other peoples and that now blockades the universal hope for freedom and peace.

It is the sense of the Senate that any such program should encompass, among other things—

(1) Maintenance, through the United Nations and through our own diplomacy, of a steady and steadily increasing pressure in

behalf of world-wide freedom of information.

(2) Acceleration of the work of the United Nations Educational, Scientific, and Cultural Organization to the point where, with effective leadership, it has a chance to make a significant, perhaps decisive, contribution to peace.

(3) Development of the activities of the Offices of International Information and Educational Exchange in the Department of State, in the following ways among many others:

(a) Preparation and execution of a comprehensive world-wide program to exhibit documentary and educational motion pictures designed to explain the democratic principles and ideals which underlie our foreign policy.

(b) Significant and immediate expansion of our program for bringing foreign students to the United States.

(c) Creation of a world broadcasting network capable of broadcasting on long wave, short wave, or medium wave, with an ultimate goal of reaching virtually every radio set in the world.

(d) The use of any and all possible means to reach people who are shut off from the free world by censorship and by suppression.

(4) Promotion of democratic education abroad, notably in the occupied areas of Germany and Japan.

(5) Convening of a conference of non-Communist nations now conducting international information programs, with a view to reaching a better understanding on common themes and on greatly increasing the effectiveness of the projection of such themes.

(6) Encouragement of the establishment of a nongovernmental agency to help inspire and guide the efforts of the millions of private American citizens who might use their talents and resources and contacts overseas in furtherance of the programs and objectives of this resolution.

Resolved further, That it is the sense of the Senate that the international propagation of the democratic creed be made an instrument of supreme national policy—by the development of a Marshall plan in the field of ideas.

Mr. BENTON. We do not feel these six steps cover the field by any means, but we feel that they illustrate how the international propagation of the democratic creed can and should be made an instrument of supreme national policy.

The kind of program we have in mind—a full-throated voice and not a whisper—might turn the tide that is running against us in many areas of the world in this struggle for freedom.

We have placed freedom of the press first in the list, by which we mean the freedom of all media of communication. Had we known its significance, it should have been an aggressive goal over the past several decades. But prior to the war it received very little emphasis in the formulation of our foreign policy. The immediate problem with regard to press freedom is to rally the wavering nations, the peoples who are uncertain which direction they should take, in this area, as in so many others. The hard fact is that, even excluding the Communist countries, freedom of the press in the rest of the world is in worse shape today than it has been at any time in this century. Note that I am excluding the Communist nations, when I make that statement. More than half the member states of the United Nations now practice some form of censorship. Yet, as I saw at Geneva in 1948, when I had the privilege of serving as chairman of the United States delegation to the United Nations Conference on Freedom of the Press, it is possible to reverse this trend, and to put the Communists on the defensive where they belong. Mr. Vishinsky's adroit maneuver in charging the western press with war-mongering did not prevail, and the Communists most often found themselves voting as a lonely bloc of six. With high-level leadership the United States can and indeed, must make substantial progress in this area during the next few years.

The purpose of UNESCO, the subject of the second step, is of course aimed directly at men's minds. Its objectives are those of the free world, and parallel closely the long-term objectives of United States foreign policy. It expresses the common purposes of the civilized world. Fifty-four nations are members. Russia is not a member, and its veto in this particular United Nations Organization does not apply. If we work through UNESCO, we cannot be charged with cultural imperialism. Indeed, there are many areas where UNESCO can be far more effective than can the United States alone. Germany may be such a one, where UNESCO can work across the zonal boundaries, the French zone and the English zone, as well as the United States zone. If we can make grants to the United Nations for the implementation of point 4, I do not see why we cannot make grants to UNESCO for German education—or even for radio broadcasting—if we feel that such efforts are in our own interest. The Executive Committee of our United States National Commission for UNESCO, which was created by act of Congress and is one of the most distinguished groups in this country, last month formally petitioned the Secretary of State to instruct the United States delegation to the next UNESCO conference to urge the Director General to develop over and beyond the regular scope of UNESCO certain extraordinary projects capable of making a large-scale contribution to world peace and security, in the hope that such special task force projects, imaginatively conceived, might become of such consequence as to warrant special financing from public and private sources.

I hope Congress will welcome this kind of leadership on the part of this distinguished group in its own effort to assist the State Department. UNESCO today is subsisting on a mere $8,000,000 annual budget—much less than the budgets of many American universities. It has an $8,000,000 program, which is all an $8,000,000 budget affords.

The third step deals with the development of the State Department's information and educational activities. Last fall, the State Department and the Budget Bureau cut back the program proposal from $44,000,000 to $31,000,000. The distinguished members of the Advisory Commission on International Information, which was created by the Smith-Mundt Act, in their latest report to Congress, have sharply criticized the Department and the Bureau for those cuts.

But even the projected $44,000,000 budget was woefully inadequate when judged, as it should be judged, as a part of the defense budget and as a part of the defense program. This kind of opportunity requires money. Some people call it big money, and big money it should be in comparison to the budget of the Library of Congress. Some people call it small money, and small, indeed, is the cost in contrast to the atom and hydrogen bombs, the ECA, or the Navy. What I am talking about, of course, has the same objective exactly, which is our national security, as the hydrogen bomb, the ECA, and the Navy.

The inventions of this century in the field of communications are as outstanding technically as those in any other field of human activity. They are potentially far more important to the future of mankind than any others. I contend they are far more important to our future than the development of atomic power. They, too, are a matter of life and death, for no other problem rivals the enormity of the international misunderstanding, this mental gap, which we now face.

We are not yet using the motion picture and the radio and the printing press in the international field. For all practical purposes, it may be said we are not using them at all. Their impact today, in our interests, is that of a midget. I make an exception of the Hollywood motion picture, with its varying types of impact. They do have the potential strength of a giant, and my plea today is that we give them a chance.

Nothing equals the motion picture in its capacity for gripping and holding masses of people, and communicating information and attitudes in vivid, remarkable form.

If we are in earnest about reaching the minds and touching the loyalties of mankind we must be prepared to carry out a program which would enable us to exhibit documentary motion pictures to at least one-fourth of the population of the earth once a month. We need to get the pictures. We do not have them now. We need to show them. Their impact can indeed change the fact of history.

Broadcasting also is a unique medium. It is instantaneous. It is cheap. It can overlap censorship at boundaries. Mr. Edward Barrett, our able and promising new Assistant Secretary of State for Public Affairs, tells me he is optimistic about the possibility of overcoming the Soviet jamming.

The technical talent of the United States should be devoted to that problem. I am told that the Russians are depending far more on jamming our broadcasts than we have ever considered with regard to their broadcasts.

Unlike publications or motion pictures it can reach remote and rural areas as easily as metropolitan centers. It presupposes no requirement of literacy. It is not affected by shortage of paper or film stock.

But short-wave broadcasting is not enough, even if we had adequate trans-

mitters which we have not. What is required is a unified, world-wide network capable of laying a signal into every receiver in the world-medium wave or long wave as well as short wave. This can be done, despite many obstacles, if we have the will to do it.

Such a distinguished military authority as General Bedell Smith, in talking about this problem some months back—because I have been advocating it for the past 2 years in talks and speeches—told me that he regarded this network as an essential part of our defense program. He speaks from the background of the Army and of his career in Moscow as our Ambassador.

The next point, Mr. President, is with reference to ex-students.

Ex-students from America have always been among our best friends abroad. Many of them go home to become leaders of their countries. They do not want to be like us; we do not want them to be; we just want them to know at first hand what is true and untrue about us, and why we are as we are. This they learn when they are here with us, and they are by far our most valuable ambassadors when they return to their homes.

I personally favor an exchange program which would absorb as many as 100,000 foreign students a year, a three or four hundred percent increase over our present foreign enrollment. Although there would be much private support, such an extensive program might cost us as much as $100,000,000 a year. That would be two-thirds the cost, say, of a new dreadnaught or a battleship or an airplane carrier.

I am convinced such a program would be worth the money. I shall give you one example, out of hundreds, and this example shows that we should bring not only students to this country but people of all types who have potential influence—professors, newspapermen, trade-union leaders, and so forth, so they can see for themselves.

The ECA, under its technical assistance program, brought 600 people from European industry and agriculture last year to study our methods. Two among the 600 were influential Italian labor leaders. When these two had seen American labor-management relations at first hand, when they had seen that our workers share in the benefits of increased productivity, and from the use of labor-saving machinery, when they had seen that competition is not without its economic value to our workers, they went back to Italy, pulled 700,000 workers out of the big Communist-dominated general trade-union, and launched an independent union. Mr. Hoffman of the ECA vouches for this story.

Step four of the resolution calls for the promotion of democratic education abroad, notably in the occupied areas of Germany and Japan. I shall only make one comment on this point. Is there anyone, I wonder, who feels that the United States has done a good job in this area in Germany? Yet a democratic Germany is the key to Europe's future. As Assistant Secretary of State, I joined with the War Department in sending an educational survey mission to the United States Zone. In transmitting its report to Secretary Byrnes I stressed two proposals: First, that a determined effort be made to persuade the Germans to abandon the caste element in their school system, and to open their schools to more equal opportunity for all children; and second, a plan to bring 5,000 carefully screened German students to this country each year. These recommendations are still good. They still remain to be implemented. If we do not work along these lines, how can we hope for a democratic Germany? Surely the news of the hydrogen bomb will not produce democracy on the Rhine. We require not merely an airlift between Frankfurt and Berlin under pressure from the Russians, but an intellectual airlift between Berlin and the Mississippi.

I shall not elaborate here on steps five and six, as they seem self-evident. Surely it can be most helpful if the non-Communist nations now conducting international information programs—and there are some thirty of them—meet to discuss their common problems in an effort to agree on some common themes and ideas in the face of a common danger. Further, surely the private resources of the country should be encouraged and stimulated. One example of what can be done privately was the announcement last month of Radio Free Europe, a new broadcasting facility established by the National Committee for Free Europe, through which prominent exiles from iron-curtain countries will speak to their home peoples. Backing this effort are men of the stature of General Eisenhower, Allen Dulles, and Joseph Grew.

In the type of broad and vigorous program which I have outlined there will be a constant temptation to ape the Russians in their tactics of subversive warfare and so-called "black" propaganda. Should we open an "Agit-Prop" school in Washington for our foreign sympathizers, training them in the tactics of infiltration, when to call a general strike, the technique of street fighting, what ministries to demand in a coalition government? Should we secretly finance undergrounds behind the iron curtain? Should we, through blinds and front organizations, surreptitiously buy and finance newspapers and radio stations abroad? No; in our hands such weapons would be self-defeating. They are useful in the power struggle only for the temporary seizure of power by a minority clique; they are effective only when seizure is consolidated by ruthless suppression and terror. Every step we take should be open, honest, identified, and to the fullest possible extent in cooperation with other governments.

Such a program as I have outlined has two great virtues. It is realistic, practical, hard-headed, and hard-boiled because it is pitched precisely at the central issue of our time—the world-wide struggle for the minds and loyalties of mankind. Thus it calls for weapons appropriate to such a struggle, not for the weapons of past wars. But above all, it calls for the mobilization of those elements in our life which most become us as men, the appeal to reason and truth. In the ultimate victory of such an appeal we can, because we are human in a world of humans, hold final confidence.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. McFARLAND. Mr. President, I congratulate the Senator from Connecticut for his very able and constructive speech.

Mr. BENTON. I thank the Senator.

Mr. FLANDERS and Mr. McMAHON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Connecticut yield; and if so, to whom?

Mr. BENTON. I shall be glad to yield to the Senator from Vermont and then to the Senator from Connecticut.

Mr. FLANDERS. I have no choice of precedence.

Mr. BENTON. Then I shall yield to my colleague from Connecticut.

Mr. McMAHON. Mr. President, I wish to say that we are very glad to have a Senator among us who has had such an intimate connection with the things of which he has spoken and a connection of which he may, indeed, be very proud. It was through the junior Senator from Connecticut that the Voice of America attained the virility which it possesses today, a virility which he knows and I know can be increased if the Congress of the United States will take to its heart and mind the truths which the Senator has enunciated so brilliantly on the floor of the Senate. The Senator is so right. The present struggle is one for the minds and hearts and loyalties of men. When we talk about building strength, if we conceive that strength to be only in the economic or the military field, we shall lose the struggle, and civilization itself will be lost. Only by the mobilization of freemen in the cause of freedom can those who espouse slavery be put to rout. The Senator has the answer. I truly hope that the Congress of the United States will listen to it, will understand it, and will act on it.

Mr. BENTON. I am very grateful for the comments which my colleague has made. In my work with the Senator, when I was in the State Department, he was one of the very first to see the issue, and almost from the day he entered the Senate has most courageously and consistently espoused it.

I now yield to the distinguished Senator from Vermont.

Mr. FLANDERS. Mr. President, I wish to join with other Senators who have spoken in appreciation of the brilliance and effectiveness of the Senator's presentation of the possibility of closing the mental gaps and winning the cold war by other means than the piling up of armaments. As the Senator from Connecticut was making his address my mind happened to pick up the paragraph at the end of page three of the mimeographed copy, and I saw there these words:

> The mental gap is far more dangerous than the dollar gap. Unless we close it, our efforts to close the dollar gap may boomerang upon us. The mental gap cannot be easily and quickly cured. It cannot be bought by money alone.

It is a very ambitious program which the Senator from Connecticut has laid before the Senate. I wonder whether he would not agree that it should be implemented, not by so many hundreds of millions of dollars alone, but by the presentation of specific programs, so that we may have assurance that the programs will follow the lines which he has described. I have become quite critical in my mind of the usefulness of pouring out appropriations alone. I hope the Senate will concern itself with implementing effective and carefully worked out programs, and then be willing to appropriate the necessary funds to carry them out.

Mr. BENTON. Mr. President, I thank the Senator from Vermont. I subscribe to his ambition and desire that in these fields we talk in as specific and concrete terms as possible with thoughts and ideas, as well as money.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BENTON. I am very glad to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I am very happy to associate myself with the resolution presented by the Senator from Connecticut. I wish particularly to emphasize the point which the Senator made in regard to the part which schools play in conditioning people in democratic processes. We often overlook the fact that probably the greatest influence which we have in America, from the standpoint of conditioning the American people in the ways of democratic processes, is the American school system. After all, it is through schools and practice of democratic habits by the children of America that we develop our children into free men and free women. The point which the Senator has made in his speech about our failure, which has been a great failure, to inculcate in the younger generations of the countries which we have been occupying since the end of the war some ideas of democratic processes within their school systems, is one of the appalling mistakes which America has made in recent years.

In the fall of 1946, for example, I traveled through the American area in Germany, and I was disappointed and saddened by what I observed, namely, the complete failure, on the part of American occupying authorities, as it seemed to me, to democratize the German schools. So far as I could see, as the Senator from Connecticut has pointed out, the caste system in German education, the totalitarian concepts which characterized the Germans for so long, were still embedded in the entire educational system of Germany.

I have not been in Japan, and some other sections in which I understand this problem is still a very serious one. I assure the Senator from Connecticut that I give my complete support to the objectives of his resolution, and I would join with him in emphasizing the importance of our approaching the problem of democratizing the world from the standpoint of democratic educational systems. As we teach the children of the various countries the true significance of freedom which characterizes the whole democratic structure of our own country, we have a hope for permanent peace.

The difference between free education and an indoctrinated education is a great one. Of course, it is to the indoctrination of totalitarianism, which characterizes the German education still, I am afraid, as well as Russian education, and education in most of the other countries of the world where the great fight for freedom still has to be won, that we need to direct some of our major attention.

In my judgment, money spent, not only in the United States, but in furnishing aid to the educational systems abroad to the extent that we can, through exchange students, through sending American educators over there to assist the educators in those countries, and establishing their programs for sound democratic educational systems, is money well spent.

I close with the comment that I think the Senator from Connecticut is sound in his speech when he points out, as I think the speech does, that the American people are going to have to be willing in the next year, and the next and the next, indeed for half a century, for that is the length of time it is going to take to win the peace, to teach peoples abroad the essence of freedom. Unless we establish freedom in the educational systems of the world, we are not going to have freedom in the politics of the governments of the world. The fight between freedom and totalitarianism is the essence of the fight for peace.

Mr. President, I direct the attention of the American people, through the very able speech of the Senator from Connecticut, to the problem of education in the way of democracy, because unless men learn the meaning of freedom, we cannot expect them to practice the principles of freedom.

Mr. BENTON. Mr. President, the very well known reporter of the New York Times, Drew Middleton, reported three or four months back, in a most directive dispatch from Germany, that views like those just announced by the Senator from Oregon are eminently correct, that no progress has been made, so far as he could observe, in breaking down the terrible caste system in the German schools, by which, at the end of the fourth grade, children are channeled and divided largely according to the wealth or prestige of their parents, so far as educational opportunities are concerned in the schools to which they are sent after they are 10 or 11 or 12 years old.

I do not feel that the reports prepared under a group of most eminent educators on Germany and Japan have had the attention of the State Department, the Department of Defense, and the Congress which they deserve. We called upon 12 or 15 of the most distinguished Americans in the field of education to go to Germany and write a report. We sent a similar group to Japan to write a report, under the leadership of President George D. Stoddard, of the University of Illinois. To the best of my knowledge those reports have not been implemented, either in proposals or in appropriations. I hope that the comments of the Senator from Oregon may precipitate some consideration of these reports.

Mr. SMITH of New Jersey. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from New Jersey?

Mr. BENTON. I am very happy to yield to the distinguished Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I regret that a luncheon engagement prevented me from hearing the entire address delivered by the Senator from Connecticut, but he will recall that he talked to me a number of times about it, and he will also recall that when he was Assistant Secretary of State, and had in hand the development of the Voice of America program, there was at least one Senator on this side of the aisle who was a hearty supporter of his objective.

There is no doubt in my mind that, as I understand the Senator has pointed out in his address, there is an area in the war which is going on that we must develop much more fully. I refer to the war for men's minds, the cold war of legitimate propaganda, the cold war of education, the contest between our western traditions, our western Christian civilization, and the atheistic materialism which is creeping over the world through another and different concept of civilization. So, I say to the distinguished Senator that what he is aiming at has my hearty interest and hearty support, as a member of the Foreign Relations Committee, and I understand that the resolution presented by the Senator will come before that committee for consideration and hearing.

Mr. BENTON. I hope so.

Mr. SMITH of New Jersey. I shall certainly apply what abilities I may have to the study of this matter, to considering it with the distinguished Senator and with others who may be interested, in order that we may view it in the right focus and throw the spotlight on the vital importance of the struggle to present to the world the great traditions of America from the days of its founders, the traditions of freedom founded on the toil, sweat, and tears of our ancestors, and of thousands of years of struggle of the human race.

I congratulate the Senator from Connecticut in presenting this point in his maiden speech in the Senate, and from this side of the aisle I give him my best wishes and expression of support for the thought he has presented to us today.

Mr. BENTON. Mr. President, I am very grateful to the Senator from New Jersey. The Senator has now given me another reason for being grateful to him. I very well remember when I came up to the Senate and talked to the Senator from Michigan [Mr. VANDENBERG] about the problem of getting leadership in the Senate for the legislation so urgently required by the State Department. It was the Senator from New Jersey who then took the leadership and directed so many individuals along the road to the success-

ful enactment of the bill which bears the Senator's name. The Senator indeed has done a great pioneering service, without which I think it is safe to say we would not have the structure upon which we now hope to build and develop further.

Mr. SMITH of New Jersey. I thank the Senator from Connecticut for his kind words.

Mr. LEHMAN. Mr. President, will the Senator from Connecticut yield to me?

Mr. BENTON. I am glad to yield to the Senator from New York.

Mr. LEHMAN. I shall not long detain the distinguished Senator from Illinois from pursuing the subject which he has been debating. I merely wish to take a moment to congratulate the Senator from Connecticut for the very fine speech he has just delivered. I am not congratulating him merely because it is his maiden speech. Had the Senator been a Member of the Senate for a dozen years the speech he has just delivered would still be worthy of our congratulations.

I want to express my satisfaction, first of all, with the courageous and intelligent defense made by my distinguished colleague from Connecticut of that much-maligned and much-to-be-admired man, the Secretary of State. What the Senator from Connecticut has said of Secretary Acheson expresses my own thoughts as if he had divined them. In Secretary Acheson the Nation has a public servant of vision, profound intelligence, courage, resourcefulness, and high patriotism—qualities without which we would have no hope today of winning in the great struggle for peace in which we are engaged.

I also want to say that I am very proud and happy to be associated with the Senator from Connecticut, and other Senators, in the sponsorship of the resolution which he has submitted and which I hope will receive the sympathetic consideration and the approval of the Foreign Relations Committee and of the Senate.

I fully agree with what the distinguished Senator from Oregon [Mr. MORSE] has said, and what the Senator from New Jersey [Mr. SMITH] has said, that the struggle on which we are embarked involves largely the minds of the young men and women of the world. And we must realize that men's minds cannot be won to our cause except by patient efforts, by increasing good will, by perseverance and vision.

I listened last night to a speech delivered by the Secretary-General of the United Nations, Trygve Lie. He also emphasized that patience will be required to achieve peace, and stressed the fact that we must not permit ourselves to become discouraged if success does not come overnight.

I again heartily congratulate the distinguished Senator from Connecticut.

Mr. BENTON. Mr. President, I thank the Senator from New York. There is, of course, no one in this body whose congratulations could be more pleasing to me than those of the Senator from New York, with his extensive background in the area involved, which I have been discussing today.

Mr. President, I yield the floor.

EXTENSION OF CERTAIN PATENTS HELD BY VETERANS OF WORLD WAR II—CONFERENCE REPORT

During the delivery of Mr. BENTON's speech,

Mr. WILEY. Mr. President, will the Senator from Connecticut yield to me so I may present a privileged matter?

Mr. BENTON. I yield for that purpose.

Mr. WILEY. Mr. President, I submit a conference report and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. WITHERS in the chair). The report will be read.

The legislative clerk read the report, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4692) to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its amendment.
>
> JAMES O. EASTLAND,
> HERBERT R. O'CONOR,
> ALEXANDER WILEY,
> *Managers on the Part of the Senate.*
>
> JOS. R. BRYSON,
> E. E. WILLIS,
> J. C. BOGGS,
> *Managers on the Part of the House.*

Mr. DONNELL and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. The Chair believes the Senator from Missouri rose first, and recognizes the Senator from Missouri.

Mr. DONNELL. Mr. President, I yield to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I would suggest the absence of a quorum, because a quorum should be had before the conference report is considered.

The PRESIDING OFFICER. Does the Senator from Connecticut yield for the call of the roll?

Mr. WILEY. Mr. President, I do not believe it would be fair to my friend the Senator from Connecticut to take such action now. I ask that the consideration of the conference report be postponed until a later time.

The PRESIDING OFFICER. The report will lie on the table.

Mr. BENTON. I thank the Senator from Wisconsin. I am grateful to him for making that statement, because I should like to complete my prepared speech.

COTTON-ACREAGE ALLOTMENTS

The PRESIDING OFFICER. The Senator from Illinois is entitled to the floor.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield to me so that I may make a short statement relative to cotton-acreage allotments? As the distinguished Senator from Illinois knows, a subcommittee of the Committee on Banking and Currency having to do with the Reconstruction Finance Corporation will hold a meeting at 3 o'clock today. The Senate was kind enough to grant me leave of absence for several days to attend subcommittee meetings. I wish to make a short statement for the RECORD.

Mr. DOUGLAS. Mr. President, I yield to the Senator from South Carolina, provided I do not lose the floor by doing so.

The PRESIDING OFFICER. Is there objection to the Senator from Illinois yielding to the Senator from South Carolina, without losing the floor? The Chair hears none, and it is so ordered.

Mr. MAYBANK. Mr. President, the problem of cotton-acreage allotments is a serious one. With the eyes of most of the world turned in our direction, the size of our annual cotton crop is a major consideration. Whether through aid shipments or simply in the normal foreign-trade channels, cotton is now a great concern to those of us who represent the cotton-producing States.

While I favor the approval of the resolution approved in free conference, I want to express my regret that the conferees were not able to go even farther. The enactment of House Joint Resolution 398 will be of some benefit to the cotton farmers, but it is not enough.

Our farmers, Mr. President, have borne unreasonable burdens through the years. They have never failed to come through and feed and clothe our Nation, both during periods of war and peace, and through prosperity and depression.

We continue to pay high prices for food and clothes with the feeling that the farmer is doing well at these prices. Nothing could be further from the truth, Mr. President. Actually the farmer's share is the least of the purchase price.

In the case of cotton, we must make an effort to balance our annual supply with the market demand plus a normal carry-over. This carry-over, Senators will understand, is the amount of cotton needed to supply the mills and to move in commerce between the 1st of August and the time the crop is harvested, ginned, moved to the warehouses, and becomes available in the market. The normal carry-over should be between four and five million bales. The estimated carry-over on the 1st of next August is about 8,000,000 bales.

Last year we planted nearly 27,000,000 acres in cotton. The law now provides that, this year, no more than 21,000,000 acres shall be allocated. On the basis of previous years, we can be reasonably sure that between two and three million of these allotted acres will not be planted. It is, therefore, reasonable to believe that this year's planting will amount to well under 21,000,000 acres.

I repeat my belief earlier expressed, Mr. President, that the joint resolution does not go far enough.

I firmly believe that the Government would be making a serious mistake if it failed to offer every possible protection to the farmers. The plan for a year-to-year reduction in acreage is sound. I believe it is not generally realized that this plan, in about 3 years, should bring about an automatic reduction to a normal carry-over.

It should be better known that the market adjustments, through acreage

allotments, are being fairly shared by the farmers themselves.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

Mr. DOUGLAS. Mr. President, it may seem something of a come-down to turn from the discussion of great international issues to the question of gas. It may, indeed, seem to be a sort of a great fall in the level of debate of the Senate. But, Mr. President, democracy is integral. It concerns itself with the relationship of nations and the relationship of peoples, and it is, of course, highly important that we should win the allegiance of mankind for democratic principles abroad. I, too, wish to congratulate the able junior Senator from Connecticut for the very fine speech which he made at the beginning of his senatorial career.

Mr. President, democracy, however, is something which we should have internally, as well as something which we should export. Indeed, if we do not have it internally, it will be very difficult, if not impossible, for us to export it. The good book says:

> If * * * the light that is in thee be darkness, how great is that darkness.

I believe it is highly important that the Congress of the United States should deal with the pending bill in a way to prove that we intend to represent the interests of the great proportion of the American citizens who are consumers, and not the small group of big gas-producing and gathering companies which stand to make tens of millions, hundreds of millions, and possibly, indeed, billions of dollars by this bill.

PRODUCTION COSTS

Mr. President, before I begin my connected remarks this afternoon, I should like to utter a few explanatory comments concerning table 5, which I inserted in the CONGRESSIONAL RECORD at page 3733, yesterday. That table sets forth the cost of producing natural gas by interstate pipe-line companies in the Southwest area for the year 1947, and shows production costs to range from 1.64 cents per 1,000 cubic feet to 4.39 cents per 1,000 cubic feet.

I may say in the first place that though these figures are for interstate pipe lines, they are for production costs for interstate pipe lines, and it is presumable that the production costs for nontransporting producers would be of a similar nature; at least until other evidence is brought forward I think we can assume that that is so.

I want to call the attention of the Senate, however, to the fact that these are production costs at the wellhead, and that they do not include gathering costs, and in all fairness that qualification should be made. So we would agree that there are gathering costs which should be added to the production costs. But it is also true that these figures do not give any credit for the gasoline extracted as a byproduct from the gas, and therefore we have two items: The gathering costs which were not included, which would raise the total cost, and a credit for the byproduct, which would diminish the cost in question.

Mr. President, I think I can make a rough generalization that when gas prices in the Southwest go above 5 cents per thousand cubic feet there is good reason to believe that excessive profits are being made. But I am willing to grant that, for the purpose of considering the bill, this figure is beside the point. If the bill should fail, and the Federal Power Commission should begin to regulate the field price of gas sold by the nontransporting producers, as it has started to do in the Phillips case, the cost of production, whatever it may be, must be considered in setting the price of this gas—not merely the cost of production, but a fair return on the investment. Furthermore, even though a price set by contract is not high enough to cover production costs, the producers would be able to file with the Commission an application for a price increase. If the Commission found their claims valid, the Commission would order the price increased accordingly.

CONTRACTS ALONE NO PROTECTION FOR CONSUMER, WHILE PRODUCERS WOULD HAVE PROTECTION UNDER REGULATION

It is sometimes said that the Commission only reduces prices. Mr. President, that is not so. If any of the outstanding contracts do not give a fair return to the companies their investment, the Commission has the power to increase prices in order to protect the nontransporting producers and gatherers from the effects of earlier contracts; but the procedure of the Commission is different from that under the contracts I analyzed yesterday during the debate. Under those older contracts, I pointed out that the price moves upward, but not downward. There is no provision for escalator clauses which would cause the price to go down, or for renegotiation at lower prices, nor is there a least-favored-nation clause. Those contracts include most-favored-nation clauses, provision for renegotiation at higher prices and escalator clauses under which the price moves upward, not downward.

But under the Commission's procedure, it could either increase prices or decrease prices. The Commission is not limited to decreasing prices which it regards as excessive; it could also increase prices which it might regard as inadequate and has already done so, as indicated by the letter from the Federal Power Commission which appears in the CONGRESSIONAL RECORD of March 20 commencing at page 3640. That is a point which is highly important to bear in mind in dealing with the subject of utility regulation.

It is also important to remember that any decision of a commission will be subject to judicial review, so that the courts, not the administrative body, will have the right of final determination as to what is a fair and reasonable rate and what is a fair and reasonable profit.

PROBABILITY OF FUTURE PRICE INCREASES

Mr. President, thus far I have been talking about increases in prices which have recently occurred and examining certain cost figures. Let me now discuss the question of the probability of future price increases. What then is likely to happen to the price of gas in the future if S. 1498 becomes law. The best proof that prices will continue an accelerating movement upward if we pass this bill can be seen in the desire of the producers to bring the price of gas up to the price of other fuels on an equivalent heat-value basis, which is to say, on the basis of what the traffic will bear.

PRODUCERS WANT TO CHARGE WHAT THE TRAFFIC WILL BEAR

Mr. Edward Falk presented a study during the Senate hearings on the Moore-Rizley bill in 1947, emphasizing the disparity between gas prices and other fuel prices, to support the general thesis of the industry that natural gas should be allowed to price itself at its intrinsic value in the competitive fuel markets. President Hargrove, of Texas Eastern Transmission Corp., expressed the same thought when he urged that natural gas prices should be fixed in the competitive fuel market, on the theory that natural gas is a premium fuel—FPC report on S. 1498, hearings, page 7.

President Vernon F. Taylor, of Peerless Oil & Gas Co., stated his views concerning the price of gas at the wellhead, by saying:

> It was worth what it could be sold for * * * less what it would cost to get it there. (FPC report on Kerr bill, hearings, p. 11.)

Mr. B. A. Hardy, past president of the Independent Petroleum Association, has urged that—

> Competition between fuels should be left to the determination and decision of free competition stripped of the influence of special groups and advantages resulting from attempted administrative control. (FPC report on Kerr bill, hearings, p. 11.)

In answer to a statement that the proponents of Senate bill 1498 are interested in higher field prices for natural gas, the junior Senator from Oklahoma [Mr. KERR], who is a sponsor of the bill, stated:

> That will be admitted. (Hearings, p. 220.)

POSSIBILITY OF TREMENDOUS PRICE INCREASES TO CONSUMERS

Mr. President, the foregoing statements and other statements clearly indicate that the producers intend to raise their prices and, as we have seen, that they want to charge as much as they can get, and probably will do so if they are given the green light by the passage of this bill.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. KERR. Does the Senator from Illinois know of any city now being furnished with natural gas or any pipe-line permit which has been issued or any case where application has been made for the issuance of a permit for a pipe line, where the reserves are not under contract?

Mr. DOUGLAS. Let me say in reply to my friend the Senator from Oklahoma that on page 3640 of the CONGRESSIONAL RECORD for Monday, I introduced a letter from the Federal Power Commission showing that in eight cases it granted increases to pipe-line companies because the price of gas sold to them had increased. I pointed out that in five cases

which are pending, requests are made for increases totaling $11,000,000.

Mr. KERR. Mr. President, did the Senator from Illinois understand my question?

Mr. DOUGLAS. If I have not, I shall appreciate it if the Senator from Oklahoma will make it clearer.

Mr. KERR. My question was, Does the Senator from Illinois know of any consuming area now being furnished with natural gas, or any consuming area to be furnished with natural gas under permits which heretofore have been granted for pipe lines, or any consuming area to be furnished under applications for permits for pipe lines, where the reserves for those areas are not already under contract, first, with reference to justification for the issuance of the original permit and, second, with reference to justification for the issuance of a permit for expanded capacities?

Mr. DOUGLAS. Mr. President, I should like to ask unanimous consent that I may ask the Senator from Oklahoma a clarifying question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Is it the contention of the Senator from Oklahoma that since the Federal Power Commission has passed on these contracts, it already has approved them as being reasonable? Is that the contention of the Senator from Oklahoma?

Mr. KERR. Not at all. The position of the Senator from Oklahoma is that every consuming area now being served with natural gas is being served from reserves which were under contract before the pipe line was built or from reserves which have been put under contract and have been added to those available to that consuming market; that those contracts run for periods of from 20 to 50 years in the future; that that situation exists with reference to every permit which has been issued, but where the line has not been completed; and that that situation exists with reference to every permit requested, where the facility is sought to be built to transport gas to a consuming market. The position of the Senator from Oklahoma is not only that those contracts are in existence, but that they are binding on the producers, and that natural gas is the only fuel, among all those available, as to which the users of the fuel are protected with reference to the price at which the producer will furnish the fuel for periods of from 20 to 50 years in the future.

Mr. DOUGLAS. Has the Senator from Oklahoma finished?

Mr. KERR. I have finished the answer to that question; yes.

Mr. DOUGLAS. Of course, it is true that there are contracts between the pipe-line companies and the nontransporting producers and gatherers. But the fact that there are contracts does not give adequate security as to the prices which are to be charged under those contracts. If the Senator from Oklahoma will look at the CONGRESSIONAL RECORD for March 20 and will see the list of 100 contracts, appearing from page 3630 to page 3640, as I submitted the list for the RECORD, and if he will read the discussion in which I participated yesterday in regard to them, he will observe that I pointed out that in 95 cases the contracts had escalator clauses providing for automatic increases in price.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I should like to finish this answer first, please.

And the Senator will see that, in the second place, 46 or nearly half of those contracts contained renegotiation clauses which always provided for price changes upward, not downward; that 65 of the contracts had "most favored nation" clauses, so that if an increase in price were given to any other producer in the field, the increase in price would be extended to the company in question; and I pointed out, therefore, that those contracts do not offer adequate future protection against increases in price.

Now I am glad to yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. Certainly; I am glad to yield for a question.

Mr. KERR. With reference to the contracts which have what the Senator calls escalator clauses, do they not provide that gas will be furnished for a period of, let us say, 5 years at a certain amount; and for an additional 5 years at a certain amount, usually half a cent or 1 cent a thousand cubic feet more; and then for a period of another 5 years at a certain amount, usually half a cent or another cent a thousand cubic feet more; and then for another 5 years; and is it not a fact that although the escalator clause is there, the price is fixed for those terms of years in advance?

Mr. DOUGLAS. Even the escalator clauses would be subject to the renegotiation and most-favored-nation provisions.

Mr. KERR. Mr. President, if the Senator from Illinois will answer one question at a time, I shall refer to the most-favored-nation clauses in a moment. Does the Senator from Illinois mind answering the question I asked him?

Mr. DOUGLAS. I shall be delighted to answer the question of the Senator from Oklahoma, and I ask that he observe the same desire to develop the true facts which I shall try to exhibit.

Now I shall take up first——

Mr. KERR. Mr. President, will the Senator permit me to make a remark at this point?

Mr. DOUGLAS. No; I do not yield at this point.

Mr. KERR. Very well.

Mr. DOUGLAS. So far as the periods are concerned, as I pointed out, there are intervals of 1, 2, 4 and 5 years, under the escalator clause; not uniformly 5 years. If the Senator from Oklahoma will turn to page 3630 of the CONGRESSIONAL RECORD, he will find that the interval provided for in the contract between the American Republics Corp. and the Piedmont Natural Gas Corp. was 2 years, and he will find a number of other cases where the interval was 1 year where the price of gas moves up each year.

Now let me say—and then I shall yield for a question—that even with the escalator clauses, there is a further possibility for renegotiation and for the most-favored-nation clauses to operate in a number of cases. If I am wrong, I wish to be corrected; but according to my tabulation, the analysis shows that 46, or nearly one-half, of those contracts provide for renegotiation of the price during the term of the contract, sometimes at the end of the first, second, third, or fourth 5-year period, but always upward; and that 65 have most-favored-nation clauses, so that if prices increase to one producer in that area, prices increase to all the producers under contracts having such clauses.

If I have made any misstatement on this point, I shall be very glad to have the Senator from Oklahoma correct me.

Mr. KERR. The Senator from Oklahoma would be delighted to have the Senator answer his question.

Mr. DOUGLAS. Then I shall ask the reporter to read the question, please.

The Official Reporter (Herbert N. Budlong) read as follows:

> Mr. KERR. With reference to the contracts which have what the Senator calls escalator clauses, do they not provide that gas will be furnished for a period of, let us say, 5 years at a certain amount; and for an additional 5 years at a certain amount, usually half a cent or 1 cent a 1,000 cubic feet more; and then for a period of another 5 years at a certain amount, usually half a cent or another cent a 1,000 cubic feet more; and then for another 5 years; and is it not a fact that although the escalator clause is there, the price is fixed for those terms of years in advance?

Mr. DOUGLAS. I may say that the escalator clause as I have said, provides for an increase after periods of 1, 2, 4, and 5 years, not just 5 years, although I suppose a fairly common step in the escalator clauses is the 5-year period. But there are also some of which are increased annually, and some which are increased every 2 and some every 4 years. Will the reporter read the latter part of the question? I did not quite answer that.

The Official Reporter read as follows:

> And is it not a fact that although the escalator clause is there, the price is fixed for those terms of years in advance?

Mr. DOUGLAS. "Is it not a fact that although the escalator clause is there, the price is fixed for a period of years in advance?" Is that the question?

Mr. KERR. For those terms of years.

Mr. DOUGLAS. For those terms of years? I would say not. In those 65 cases, for there is in addition the most-favored-nation clause. As I understand the most-favored-nation clause, if at any time the buyer pays a higher price to any seller, then the price to the particular company which has the contract will be increased automatically; so the answer to the second part of the question would be, according to the best information I now have, No. If I am wrong on that, I should welcome correction.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. I am very glad to yield.

Mr. KERR. Aside from what the Senator refers to as the "most-favored-nation clause," will he admit that the price to be paid the producer is fixed in the contract for a period of 20 years or longer in the average or usual case?

Mr. DOUGLAS. Then, do I correctly understand the Senator from Oklahoma to admit that the most-favored-nation clause does prevent the same price from being fixed for a period of 20 years?

Mr. KERR. If the Senator from Illinois will answer the question, the Senator from Oklahoma would be glad to ask the Senator about the most-favored-nation clause. But what the Senator from Oklahoma would like to do is to be able to get the Senator from Illinois to answer any part of the question as to which he is willing to make a positive statement, without making a speech in answer to a question.

Mr. DOUGLAS. The Senator from Illinois is perfectly willing to answer any question, and to deal with it in a courteous manner. Will the Reporter please read the question?

The Official Reporter (Earl H. Pendell) read as follows:

> Aside from what the Senator refers to as the "most-favored-nation clause," will he admit that the price to be paid the producer is fixed in the contract for a period of 20 years or longer in the average or usual case?

Mr. DOUGLAS. No; I will not admit that, because 95 of the 100 contracts have escalator clauses, and 46 of them have renegotiation clauses. While those renegotiations in some cases occur at the end of the contract, in other cases they occur at the end of the first 5-year period, the second 5-year period, and the third 5-year period.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. May I ask, is the answer satisfactory to the Senator from Oklahoma?

Mr. KERR. It is no answer at all. The next question will disclose that.

Mr. DOUGLAS. Very well.

Mr. KERR. Is it not a fact that the contracts which have renegotiation clauses with reference to each of the 5-year periods do not have escalator clauses fixing the price for the 5-year periods?

Mr. DOUGLAS. That the two are exclusive, in other words?

Mr. KERR. In the average contract about which the Senator is talking.

Mr. DOUGLAS. I would have to study each one of the 100 contracts. On the face of it, the mathematical calculation indicates to my mind that they are not mutually exclusive in the 100 contracts, of which the analysis shows 46 provide for renegotiation, 65 for most-favored-nation treatment. Forty-six plus 65 makes 111, and we only had 100 contracts to deal with originally; of which, furthermore, 95 had escalator clauses; so some of them must have combinations. As a matter of fact, at least 60 percent must have both most-favored-nation clauses and escalator clauses.

Mr. KERR. Then does the Senator take the position that a contract would be a contract, which set forth that gas would be furnished for a certain period of years at a certain price for designated periods, and still had the provision that it would be renegotiated every 5 years? I should like to ask the Senator the question, What reason would there be for putting a definite price in a contract for a period of 5 years, or for each 5-year period for 20 years in the future, and then to say they were going to renegotiate the contract every 5 years in the future?

Mr. DOUGLAS. It is probably true that the buyer would not prefer of his own free will to sign such contracts; but if he needs gas desperately, he might be induced to do so.

Mr. KERR. Will the Senator show the Senator from Oklahoma one that had both provisions in it?

Mr. DOUGLAS. There are 100 contracts here, and I should like to have time to study the matter. But will the Senator from Oklahoma grant that there are escalator clauses and favored-nation clauses combined?

Mr. KERR. In response to the inquiry of the Senator from Illinois as to whether a contract might have an escalator clause and a favored-nation clause——

Mr. DOUGLAS. Both.

Mr. KERR. Both—the answer certainly is, "Yes."

Mr. DOUGLAS. Yes; and as I go over it, in virtually every case in which there is a favored-nation clause there is also an escalator clause.

Mr. KERR. Does the Senator understand what a favored-nation clause is?

Mr. DOUGLAS. Let me read this provision:

> If a buyer purchases gas at a higher price from any other producer in the same district, it must pay the same price to the seller, or the latter may cancel the contract.

In other words, if anyone gets a higher price, then the prices goes up to all.

Mr. KERR. Not at all.

Mr. DOUGLAS. The price goes up to——

Mr. KERR. Not at all.

Mr. DOUGLAS. Will the Senator permit me to answer, please?

Mr. KERR. I shall be glad to. It would be wonderful if the Senator would state it correctly.

Mr. DOUGLAS. The Senator from Illinois is laboring to state things correctly, and if he fails to do so, I am sure the Senator from Oklahoma will call him to account.

Mr. KERR. With the Senator's permission, I should be happy to do so, and I should be grateful to the Senator for the privilege.

Mr. DOUGLAS. I thank the Senator. Perhaps I should say the most-favored-nation clause is that if a higher price is paid to any other producer, it shall be paid also to the producer with whom the contract is signed. Is that definition acceptable to the Senator from Oklahoma?

Mr. KERR. I think it is. As I understand the favored-nation clause, it works in this manner: A purchaser comes to one of the producers in a field; makes an offer of a certain price for his gas, and asks the producer to tie his gas up for a period of 20 years. The producer says to him, "Is that the price you are going to pay to my neighbors for the same kind of gas?" The purchaser says, "Yes, it is, and, in good faith, in order that you may be assured of that, I will put a provision in your contract, that if you will sign this contract now, bearing in mind you are signing it for a period of 20 years into the future, I will protect you in this regard. If I come here next year and for the same kind of gas, from the same area, for the same market, pay your neighbor more than I am paying you, I will then readjust the price I am paying you; so that you will not be penalized for having been the first to sign this contract for this period of time into the future." Those provisions are sometimes in a contract which also has the escalator clause. But I know of no contract, and I can think of no justification for a contract, having a renegotiation clause with reference to one of the periods in the future covered by the contract having an escalator clause.

Mr. DOUGLAS. I may say in reply, that if our analysis is correct, to the effect that there are 46 cases of the renegotiation clause and 65 cases of the favored-nation clause, or a total of 111, and we only have 100 contracts in all, then there must therefore be some cases in which the two coexist, to say nothing of the 95 contracts with escalator clauses.

Mr. KERR. Mr. President, will the Senator yield to a suggestion at this point?

Mr. DOUGLAS. If the Senator wants to make the speech, he can do so.

Mr. KERR. I will put it in the form of a question, if the Senator will yield for a question, rather than for a suggestion.

Mr. DOUGLAS. I certainly will.

Mr. KERR. Does not the Senator understand that in many of the contracts, in addition to the producers being bound for the period of 20 or 25 years into the future, they also bind themselves to provide gas for a period of time beyond that, at a price to be negotiated at the end of the primary term, and that such a situation would account for the fact that renegotiation clauses might be found in the contracts containing escalator clauses, because the escalator clauses cover it for the first definite period of time, and the renegotiation clause gives the purchaser an option beyond that time at a price to be negotiated?

Mr. DOUGLAS. Is the Senator contending that the renegotiation appears only at the end of the 20-year period?

Mr. KERR. No; the Senator from Oklahoma takes this position. He cannot conceive of the possibility of a contract having an escalator clause with reference to a definite price to be paid for a definite period of time and a renegotiation clause with reference to the same period of time. What the Senator from Oklahoma says is that in his opinion the Senator from Illinois will find that when a contract contains both an escalator clause and a renegotiation clause, the renegotiation clause is with reference to an option for a time beyond the definite time to which the escalator clause applies.

Mr. DOUGLAS. I shall be glad to go into that.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. LONG. It occurs to me that the Senator from Oklahoma and the Senator from Illinois may be talking about two different things. My impression is that the Senator from Oklahoma has been stating that he does not believe there are

escalator clauses in contracts which provide for renegotiation, and, as I understand the Senator from Illinois, he has been stating that there are renegotiation clauses in contracts containing most-favored-nation clauses, which are two different things. Possibly, if the Senator will reconsider his figures, in view of that fact, he may find that the Senator from Oklahoma is correct.

Mr. DOUGLAS. The analysis indicates that 46 contracts provide for renegotiation during the term of the contract.

Mr. LONG. How many have escalator clauses?

Mr. DOUGLAS. There are 95.

Mr. LONG. Are there 95 contracts containing escalator clauses?

Mr. DOUGLAS. That is correct. I shall be very glad to have the Senator from Oklahoma submit a statement.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be very glad to yield to the Senator from Oklahoma.

Mr. KERR. The Senator from Oklahoma intends to make quite a statement on this bill if and when he is able to secure the floor for that purpose, but at this time my questions are addressed to this situation: There cannot be a permit issued for a pipe line until definite contracts are submitted for definite supplies of gas for definite periods of time, and, although those contracts may have terms which provide a different amount for certain periods during the life of the contract, the price to be paid is still fixed in the contract, and the producer is bound by the contract.

Mr. DOUGLAS. Mr. President, I certainly have not been trying to prevent the Senator from Oklahoma from either asking questions or making a statement. I shall be glad, at the appropriate time, to yield the floor so that the Senator may present his views in detail.

Mr. KERR. The Senator from Oklahoma does not ask the Senator from Illinois to yield the floor. He contemplates there will come a time when the Senator from Illinois will yield the floor, and then the Senator from Oklahoma hopes to obtain it.

Mr. DOUGLAS. The main point I am trying to make, upon which the Senator from Oklahoma made his interjection, is that these 100 contracts do not protect the consumer against future price increases. Ninety-five have escalator clauses, 46 have renegotiation clauses—the nature of the renegotiation can be discussed later—and 65 have most-favored-nation clauses.

I noticed that after the answer was given on that point, the Senator did not press me further, namely, that if an increase is given to another producer, it is given to the firm in question which has a long-term contract with a most-favored nation clause; and it was further developed in the debate last night that when a new contract is signed, when a pipe line goes into the field and wants more gas from a given company, the company owning the gas may require, as one of the conditions for signing the new contract, the renegotiation of the old contract and the upward raising of prices on the gas which had already been contracted for. I pointed out that in the case of the Phillips Petroleum Co. it was precisely that situation which had occurred. It is therefore firmly established that these long-term contracts cannot guarantee there will be no price increases during their term.

PROBABILITY OF FUTURE PRICE INCREASES

Mr. President, it is somewhat difficult to estimate what the possible or probable increases in price and cost will be if the Kerr bill should pass. We can take certain maximum figures and certain minimum figures. The minimum figure which I think we can take is the Phillips' figure, an increase of 3½ and 6 cents, or probably nearer an average of 5 cents for 1,000 cubic feet, I think that is the minimum figure that can be taken.

I believe the maximum figure that could be taken would be the difference between the cost of a thousand cubic feet of gas in terms of thermal units, which I suppose would be approximately a million, although it might vary somewhat, and the cost of an equivalent thermal capacity of fuel oil. On the basis of 1947 prices, the difference was 20 cents for 1,000 cubic feet. So I think we can move between a minimum increase of 5 cents and a maximum increase of 20 cents for a thousand cubic feet.

I am not trying to give any scare figures or any "phony" figures, as has been intimated upon occasion by the proponents of this proposed legislation. I know that a considerable portion of the gas which is produced is not sold in interstate commerce, but, rather, is sold in intrastate commerce, and, therefore, if the Federal Power Commission were to assume the powers which we believe it has under the act, the intrastate sales would not come under regulation. But I should like to point out that if the price of gas sold in interstate commerce should rise, then, in all probability, there will be some increase in the price of gas sold in intrastate commerce, because we shall have very little difference in prices for the same commodity.

I shall confine myself to an analysis of what the increase would be solely for the gas which enters interstate commerce, although I grant that a portion of it will be drafted off by direct sale by pipe lines to industry.

TREMENDOUS PRICE INCREASES POSSIBLE

Mr. President, figuring the extra amount to be paid if only the gas affected by this bill is considered, we would get the following estimates:

First, let us take actual sales in 1947. Actual sales by all utilities amounted to 2,400,000,000,000 cubic feet. I shall give the figures only to the nearest billion cubic feet. Of this amount, approximately 165,000,000,000 was sold directly by intrastate utilities and the gas was not secured from interstate pipe lines. Therefore, the input, the amount put into the interstate pipe line, would be 2,432,000,000,000 minus the 166,000,000,000, or 2,266,000,000,000; but of this amount 940,000,000,000 was sold in the State of production. The balance, which was transported in interstate commerce, was 1,327,000,000,000 cubic feet.

Mr. President, 42 percent of this amount was produced, in 1947, by the pipe-line companies themselves, and 58 percent was purchased from the nontransporting producers and gatherers. The Kerr bill would exempt the nontransporting producer directly. It is our belief that once the nontransporting producers are exempted, the gas produced by the pipe-line companies would also eventually escape regulation, possibly by sale of reserves owned by the pipe-line companies to "independents," or by other means. But I shall not take that into account. I shall deal solely with the gas sold in 1947 by the nontransporting producers and gatherers to the interstate pipe lines, which amounted to 58 percent of the total, or to 770,000,000,000 cubic feet.

Let us take our lowest estimate, 5 cents a thousand cubic feet. That would amount to a minimum increase, on the basis of 1947 actual sales, of 38½ million dollars a year. The maximum figure of 20 cents would be four times that, or $154,000,000 a year. The intermediate figure of 10 cents would amount to $77,000,000 a year.

It is believed that the known reserves of the country are about 176,000,000,000,000 cubic feet, or not far from 30 times the annual total production. If that is correct, we can take the yearly figures and get the probable total increase for the fields by multiplying the figures by 30. On the basis of a 5-cent increase per thousand cubic feet, 38½ million multiplied by 30 is equal to $1,155,000,000. One the basis of a potential maximum increase of 20 cents, it would be 30 times $154,000,000 a year, or $4,620,000,000. The intermediate figure of 10 cents would be 30 times $77,000,000, or $2,310,000,000. I emphasize again that this does not take into account any increase in the price of gas which might be sold within the State in which it is produced. These are the possible price increases based on 1947 figures for gas sold in interstate commerce, if by the Kerr bill we destroy the commission's regulatory power.

In the hearings which were held last year, 1947 was the only period cited for which we had quantity quotations. Since then the figures for 1948 have been compiled, and I wish to give them. Sales of gas by all utilities amounted to 2,894,000,000,000 cubic feet; 359,000,000,000 cubic feet were sold directly to intrastate utilities. This gas was not secured from interstate pipe lines. Therefore, the input into interstate lines was 2,894,000,000,000 cubic feet, minus 359,000,000,000 cubic feet not secured from interstate pipe lines, or a total of 2,535,000,000,000 cubic feet. However, 778,000,000,000 feet were sold in the State of production. So we should subtract that amount. There was transported in interstate commerce, therefore, 1,757,000,000,000 cubic feet.

In 1948 the proportion of gas which was purchased from nontransporting producers was higher than it was in 1947. In 1947 the percentage was 58. In 1948 the percentage was 62.8. So, if we apply 62.8 percent to 1,757,000,000,000 cubic feet transported in interstate commerce,

we get a total of 1,103,000,000,000 purchased from nontransporting producers and gatherers for interstate transportation.

Now we may apply our minimum, maximum, and intermediate figures. Our minimum figure, 5 cents a thousand cubic feet, would mean 1,103,000,000,000 cubic feet, multiplied by 5 cents per thousand cubic feet, or $55,173,000 a year . Our maximum figure, or the approximate fuel oil cost difference, would be 1,103,000,000,000 cubic feet, multiplied by 20 cents a thousand, or $220,682,000. The intermediate figure would be, at 10 cents a thousand, $110,346,000.

I may say again that this does not include any of the increased costs which might come from jacking up the price of gas sold within the State in which it was produced, because the price of gas in interstate commerce had increased.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. KERR. All the gas will come, will it not, from the reserves and be delivered under the contracts which we are discussing?

Mr. DOUGLAS. I do not understand the question.

Mr. KERR. All the gas which the Senator is talking about will come, will it not, from the reserves and be delivered under the terms of the contracts which we have been talking about?

Mr. DOUGLAS. Mr. President, I answered the question in my analysis of the contracts. I pointed out that the contracts are not ironclad contracts, but that they have holes in them.

Mr. KERR. But the gas will be delivered under the contracts, will it not?

Mr. DOUGLAS. I may point out that the contracts do not protect the consumer against higher prices.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. Yes.

Mr. KERR. Will the gas which the Senator is talking about be delivered under the terms of the contracts?

Mr. DOUGLAS. Yes; but the terms of the contracts do not protect the consumer against price increases if control is taken off.

Mr. KERR. Will the Senator yield for another question?

Mr. DOUGLAS. Yes.

Mr. KERR. Are they unilateral contracts?

Mr. DOUGLAS. They are contracts which seem to provide for possible increases, but not for decreases.

Mr. KERR. Are they unilateral contracts?

Mr. DOUGLAS. I have not studied law, but I never thought a unilateral contract was binding. The contracts were signed by two parties, of course.

Mr. KERR. Do the contracts provide that the producer may raise the price at will?

Mr. DOUGLAS. No; but the contracts provide among other methods for securing increases that the price can be increased if another producer in the same field gets a higher price.

Mr. KERR. By the same producer?

Mr. DOUGLAS. Yes.

Mr. KERR. The price could not be raised by the the producer in the absence of agreement to the price rise on the part of the purchaser, or by his doing something which would permit such a rise in price, could it?

Mr. DOUGLAS. But the purchasers do agree under the most-favored-nation clauses to just such rises. As soon as one sheep goes through the gate, the other sheep go through automatically. That would be the case in the contracts which have the so-called most-favored-nation clause. Sixty-five out of the 100 contracts analyzed contain such a clause. Thirty-five do not.

Mr. KERR. Does the Senator say that if the price is raised 5 cents a thousand cubic feet, the cost of 1,100,000,000,000 cubic feet would be raised $55,000,000 a year ? Is that correct?

Mr. DOUGLAS. That is the way I figured it with my pencil. Is my arithmetic wrong?

Mr. KERR. If the Senator is asking me a question, I will say that that is one of the few accurate statements which he has made.

Mr. DOUGLAS. I thank the Senator for the reluctant compliment.

Mr. KERR. Not at all. I am delighted to give it. May we agree it would be $55,000,000?

Mr. DOUGLAS. That is what I asserted. I am glad to have the Senator corroborate my statement.

Mr. KERR. The Senator stated that the average price being paid to independent producers is 5 cents a thousand cubic feet.

Mr. DOUGLAS. I think so. Not far from it. It may be 5 cents or 6 cents, but probably not far from 5 cents.

Mr. KERR. Some pay 7 and 8 cents.

Mr. DOUGLAS. Yes.

Mr. KERR. Some 1 and 2 cents.

Mr. DOUGLAS. This may be, but I have never heard of such a low-price contract still in effect.

Mr. KERR. I believe the Senator will find that the average is a little under 5 cents.

Mr. DOUGLAS. I have not made a weighted average, although I may say that your figure is for the Southwest only for the year 1948. The average for the country as a whole is over 6 cents and is constantly increasing.

Mr. KERR. If the average they are now being paid is 5, and they got a 5-cent increase, that would be a hundred percent increase, would it not?

Mr. DOUGLAS. Yes.

Mr. KERR. Does the Senator see anything in the contracts which would provide for such a situation?

Mr. DOUGLAS. I will point to the Phillips case where the increase is from 5 to 8½, and also up to 10 and 11 cents. This was a case, I understand, not of an automatic provision in an existing contract, but the pipe-line company did not build its pipe line as speedily as it had agreed to do, and additionally in order that more gas might be obtained, the Phillips Co. was able to get a higher price on the gas originally contracted for.

Mr. KERR. If the Senator from Illinois desires to talk about the Phillips contract, the Senator from Oklahoma would be glad to ask a question about it, but he would like to ask one other question before he does, if he has permission.

Mr. DOUGLAS. Certainly; I am always delighted to yield to the Senator. I do not know why the Senator has a tone in his voice and a manner of questioning as though I were hostile to him or he were hostile to me. I have a very high opinion of the Senator. I should like to conduct this debate on friendly terms to get at the real issue. I should like to believe that underneath our differences the Senator and I might be friends. I wish to act toward the Senator as though he were my friend, even though he does not act so toward me.

Mr. KERR. I am glad to cover up our differences with friendship. I should not like to cover up our friendship with differences.

Mr. DOUGLAS. That is all right.

Mr. KERR. The Senator is aware of the settlement that was made in the coal strike a few weeks ago, is he not?

Mr. DOUGLAS. Yes; increases were granted.

Mr. KERR. The Senator is familiar with the settlement, is he not?

Mr. DOUGLAS. Yes.

Mr. KERR. Is he aware of the fact that by reason of the increases granted in the settlement, the cost to the consumer will rise about 50 cents a ton?

Mr. DOUGLAS. Yes.

Mr. KERR. On 450,000,000 or 500,000,000 tons a year?

Mr. DOUGLAS. I think that is correct, although most of it is used for industrial purposes.

Mr. KERR. So that it would mean an increase of some $225,000,000 or $250,000,000 a year, would it not?

Mr. DOUGLAS. That is correct.

Mr. KERR. That is about three times as much, represented by the one increase only, as the total amount received by all the independent gas producers in this Nation for all the gas they sold in interstate commerce last year, is it not?

Mr. DOUGLAS. What is the question of the Senator—am I aware of the fact? Yes, I am aware of the fact.

Mr. KERR. Will the Senator yield for another question?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Illinois yield to the Senator from Oklahoma?

Mr. DOUGLAS. I yield.

Mr. KERR. The Senator referred to the Phillips contract.

Mr DOUGLAS. Before the Senator turns to that, may I make a comment? Mr. President, I am afraid I shall have to assert my right to the floor to make a comment on the Senator's statement.

In the case of coal, the Government was not regulating the price. A contract was arrived at, under the free enterprise system, between workers and employers, not subject to public review, because coal is not a public utility.

Mr. KERR. Will the Senator yield for a question there?

Mr. DOUGLAS. No; I should like to finish the statement, if I may. Therefore, the public did not pass judgment upon the matter. But gas is a public

utility, and it is our belief that the price of gas should be regulated by the public, for the reasons I have stated over and over again in the debate. First, then, gas is a proper matter for regulation; second, the increases in cost which occurred in the coal industry and which the Senator may say were improper, were at least widely distributed amongst several hundred thousand coal miners and their families, whereas the increases in prices which go to the gas industry go back to a smaller number of persons. Those are at least two differences; and if I had more time, I probably would be able to find other differences. But I shall content myself with those points for the time being, and am very glad to ask the Senator from Oklahoma what question he now has.

Mr. KERR. The Senator just said that the contract for increase was arrived at by independent bargaining and on an unregulated basis. Is that correct?

Mr. DOUGLAS. Yes.

Mr. KERR. Is not the Senator aware of the fact that every contract yet made by an independent producer for the sale of his gas to a pipe-line company has been arrived at on an exactly similar basis, and that never up until this hour has the Federal Power Commission either sought or implemented jurisdiction or control of any of those contracts?

Mr. DOUGLAS. I am afraid the Senator is mistaken. I would say never up until the time that it initiated the Phillips case did it seek to exercise jurisdiction over such producers. But the Senator is incorrect in saying never up until this time, because in the Phillips case, as the Senator from Oklahoma should be well aware, the Commission is seeking to exercise jurisdiction. But I have said over and over again—perhaps I have not made myself clear, and probably it is my fault, because the Senator is acute mentally; and if I have failed to make it clear, it is my fault—that we are passing on an issue of public policy here as to whether we should regulate the price of gas sold by nontransporting producers.

I shall emphasize over and over again, if I must, that in coal there is competition between buyers. They can switch between one supplier and another. There is a variety of transportation methods. They are not tied together. But the gas main, the distributing line, the gathering line, join gas producers and consumers together. The fact that some gas, a very small quantity, can be put in containers and shipped by truck does not furnish an alternative method of supply or an alternative method of transportation. Therefore the gas industry is much more like the telephone industry and the electrical industry than it is like the coal industry.

Mr. KERR. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Illinois yield to the Senator from Oklahoma?

Mr. DOUGLAS. Certainly.

Mr. KERR. Aside from the Phillips contract to which the Senator referred, and which the Senator says is now being made the subject of inquiry and an effort to regulate, is it not a fact that as to all other contracts which have been made for the delivery of gas by independent producers to pipe-line companies the Federal Power Commission has neither regulated them nor attempted to regulate them?

Mr. DOUGLAS. I would say that is true. But the Phillips case is a very significant case.

Mr. KERR. I understood the Senator to say that he did not want to talk about the Phillips case yet.

Mr. DOUGLAS. May I answer the Senator's question in the way that pleases me best?

Mr. KERR. I beg the Senator's pardon. And the answer to his question is "Yes."

Mr. DOUGLAS. I thank the Senator. The Phillips case is a very important, leading case. If it is carried through and upheld it will furnish a significant precedent for further regulation. Therefore, I do not think it can be brushed aside as purely incidental.

It is true that up until the time of the Phillips case in October 1948 the Federal Power Commission, for reasons which I have cited, did not assert jurisdiction. For a period of years, some 10 years after the passage of the Natural Gas Act in 1938, prices of natural gas were at least stable, possibly declining. The Federal Power Commission contented itself with dealing with pipe-line companies, which was the important work it then had at hand. It did not realize in 1947 that the proportion of gas being sold by nontransporting producers was increasing, and it did not realize the concentration of holdings and sales amongst the nontransporting producers.

For these reasons the Federal Power Commission did not assert the right which the Supreme Court in the Interstate case by unanimous decision said it possessed under the law. But a right unused is not necessarily a right lost. And what we who oppose the Kerr bill are saying now is that in the light of the information which has come out in the past 3 years, it is proper for the Congress to assert that this power shall not be given up.

I may say that if these companies were regulated possibly there would not be so many escalator clauses, renegotiation clauses, most-favored-nation clauses, and so forth, in the contracts which have been negotiated in the past 2 years.

Mr. KERR. But the fact still remains that until the action taken by the Commission just recently, none of the hundreds of contracts or thousands of contracts to which the Senator referred have ever been regulated?

Mr. DOUGLAS. That is true. But there is a very important exception which the Senator did not include, and I am sure it was inadvertent, in his first question. The Phillips case initiated in 1948 was the beginning.

Mr. KERR. Will the Senator yield for another question?

Mr. DOUGLAS. Yes, certainly.

Mr. KERR. Does the Senator know when the Phillips contract was made?

Mr. DOUGLAS. I am informed that it was originally negotiated in 1945 and renegotiated in 1948. Am I in error on that point?

Mr. KERR. No; I think that is about right.

Mr. DOUGLAS. I thank the Senator.

Mr. KERR. Is the Senator familiar with order No. 139?

Mr. DOUGLAS. I am.

Mr. KERR. Is the Senator aware of the fact that in August 1947, the Federal Power Commission issued its order in which it said, "We wish to give our assurance to independent producers of gas that they may sell their gas and enter into contracts for the sale of their gas without fear or apprehension that this Commission will seek to impose any jurisdiction upon them?"

Mr. DOUGLAS. Yes; I have read that.

Mr. KERR. That was in the summer of 1947.

Mr. DOUGLAS. That is correct. I think it was a great mistake for the Commission to issue that order. I think it was a great mistake for the members to sign it. I point out that Commissioner Draper dissented. But what I am saying is simply that the fact that the Commission made an error in 1947 before they completed their study should not close the gates of mercy upon the consumers of the United States forever.

Mr. KERR. That order was issued in August 1947.

Mr. DOUGLAS. That is correct. August 7, I believe.

Mr. KERR. And the contract the Senator refers to with Phillips was made in 1948 after that order was issued.

Mr. DOUGLAS. Yes, certainly. That is the renegotiation.

Mr. KERR. The renegotiated contract.

Mr. DOUGLAS. Yes.

Mr. KERR. That is the one the Senator referred to as being an evil contract, is it not?

Mr. DOUGLAS. No; I did not refer to it as an evil contract.

Mr. KERR. How did the Senator refer to it?

Mr. DOUGLAS. I referred to it as a contract which provided for increase in the price of gas above that contained in the original contract. That is the only way I referred to it, and if the Senator from Oklahoma will search the record I think he will find that is so; and I think he should withdraw the imputation that I said it is evil.

Mr. KERR. The Senator from Oklahoma withdraws anything he says that might constitute an imputation, and apologizes to the Senator from Illinois if he feels offended, because the Senator from Oklahoma does not intend to offend. He is simply trying to clarify.

Mr. DOUGLAS. I thank the Senator. We are on good terms now. Let us begin.

Mr. KERR. The renegotiated contract then was made after order 139 was issued?

Mr. DOUGLAS. I think that is correct.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. Certainly.

Mr. KERR. Is not order 139 still in effect on the books of the Commission as of this hour?

Mr. DOUGLAS. I think that is true. The Commission is awaiting disposition of this issue by Congress although they are prepared to move if necessary to protect the public and did so move in the Phillips case.

Mr. KERR. They never have repealed or rescinded that order, have they?

Mr. DOUGLAS. No; but it is also true that a majority of the Commission in the spring of 1949 declared that they wanted to change that policy, and then one member of the Commission, whose nomination was submitted to the Senate, was not confirmed, and Governor Wallgren was appointed as chairman. It is well known that there are now two members who believe with the Supreme Court that Congress granted the Commission such power, and who want to exercise the power, two members who do not, and there is some doubt as to where the chairman stands in this matter.

Mr. KERR. Will the Senator yield for a question?

Mr. DOUGLAS. Yes, indeed.

Mr. KERR. Is it not a fact that Governor Wallgren is not the chairman of the Commission?

Mr. DOUGLAS. I beg the Senator's pardon. I withdraw the statement as to Mr. Wallgren being chairman. Mr. Smith is the chairman. Let the record show that Nelson Lee Smith is the chairman. I was thinking of the previous appointment of Governor Wallgren to be chairman of the National Securities Resources Board.

Mr. KERR. Commissioner Olds was a member of the Commission, and the majority he represented were members until when—in 1949?

Mr. DOUGLAS. Let me see. I do not recall all the details. Mr. Olds' appointment ran out in the spring. I am not certain whether he continued to act under an interim appointment after his appointment ran out or not.

Mr. KERR. He was there many months after he and two other members of the Commission had changed their minds, was he not?

Mr. DOUGLAS. Yes, certainly. I do not know what his status was; whether he continued to serve as a member——

Mr. KERR. If the Senator would like to know, the Senator from Oklahoma will tell him when Mr. Olds' term expired.

Mr. DOUGLAS. I am glad to have the Senator do so.

Mr. KERR. In June 1949.

Mr. DOUGLAS. Did he continue to serve as a member after June?

Mr. KERR. No; I do not think so.

Mr. DOUGLAS. That is what I thought.

Mr. KERR. But he continued to be a member for many months after he and the others had changed their minds.

Mr. DOUGLAS. But I want to point out that there was one man who never changed his mind; that was Claude Draper, of Wyoming, a Republican. Furthermore, Commissioner Buchanan was not on the Commision when Order No. 139 was adopted and has steadfastly maintained it was a mistake.

Mr. KERR. Will the Senator answer the question?

Mr. DOUGLAS. Yes. What was the original question?

Mr. KERR. Mr. Olds, and Mr. Draper, and Mr. Buchanan were there for many months after, as a group, their position was changed with reference to Order 139, were they not?

Mr. DOUGLAS. The Senator sat in on all the hearings and participated in them. I am not quite certain when the precise date was that the three members served notice that they opposed the Kerr bill.

Mr. KERR. The Senator from Oklahoma has the conviction that the first official notice that Commissioner Olds had changed his mind was either in March or April 1949, when he appeared before the committee of the House.

Mr. DOUGLAS. That was 2 to 3 months before his term expired.

Mr. KERR. The statement of Commissioner Olds was that he had changed his mind in the fall of 1947 or early spring of 1948; but in either event it is apparent that he was there for many weeks or months after the minds had not only been changed, but the change published, without any action being taken to change Order 139. That is correct, is it not?

Mr. DOUGLAS. That is correct. They are awaiting congressional action. But I do not see what bearing all this has upon the bill under consideration.

Mr. KERR. If the Senator from Oklahoma may be forgiven for doing so, he would make the same remark about much which has been said by the Senator from Illinois. But the question has to do with the question the Senator has been asking, if it is agreeable for us to proceed on the basis of a friendly exchange, back and forth.

Mr. DOUGLAS. Yes.

Mr. KERR. Is the Senator from Illinois aware, with reference to the Phillips contract, to which he has referred, that the renegotiation which took place was instrumental in vastly increasing the supply of gas available to consumers in Michigan and Wisconsin, and at a price which will be cheaper than the price at which the lesser amount would have been available had the original contract been carried out and the renegotiation not been made?

Mr. DOUGLAS. The two things went along together: The increased quantity on the new contracts and the increased price on the original contract. But instead of the increased price on the original contract causing the increased quantity on the new contracts, I would say that it was the increased quantity covered by the new contracts which then enabled the Phillips Co. to get the increased price on the original contract. In other words, I would suggest that the casual reasoning of the Senator from Oklahoma is in reverse.

Mr. KERR. Will the Senator from Illinois answer the question which has been asked by the Senator from Oklahoma?

Mr. DOUGLAS. Of course, all of this is hypothetical; and the question of the Senator from Oklahoma is as hypothetical as is the answer of the Senator from Illinois, and even more so.

Mr. KERR. I ask the Senator please not to have us make a comparison there.

Mr. DOUGLAS. Probably both of us would have our opinions in that respect.

Mr. KERR. Mr. President, will the Senator from Illinois answer the question?

Mr. DOUGLAS. I ask the reporter please to read the question. But, Mr. President, let me say that I do not know from the tone and the manner of the Senator from Oklahoma whether I am making a speech or whether I am a prisoner in the dock, subject to cross-examination by the prosecuting attorney. But that is all right.

Mr. KERR. I shall withdraw the question, if that is the case.

Mr. DOUGLAS. No; I simply wish to have the question read. I am merely commenting on the fact that this seems to be a very interesting role for a Senator to be in. However, I can take it. I served for 3 years in the Chicago City Council and my fellow members in that body were extremely keen in their questioning.

The Official Reporter (Herbert N. Budlong) read as follows:

Mr. KERR. Is the Senator from Illinois aware, with reference to the Phillips contract, to which he has referred——

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. McCLELLAN. Will the Senator from Illinois yield in order that I may request unanimous-consent that I may have the floor—without causing the Senator from Illinois to lose the floor—for 30 minutes, to address the Senate?

Mr. DOUGLAS. Mr. President, I regret that inasmuch as unanimous consent has not been obtained in regard to a definite date for voting on the bill, I cannot yield at this time. I regret to say that. But, as soon as unanimous consent is obtained in regard to having the Senate vote at a definite time on the bill, and as soon as I complete my speech—and it will not take me too much time to do so, I shall be glad to yield the floor completely.

Mr. McCLELLAN. Mr. President, will the Senator yield to me, to permit me to make a brief observation?

Mr. DOUGLAS. Provided that I do not lose my right to the floor.

Mr. McCLELLAN. I do not want the Senator from Illinois to lose his right to the floor, until he is ready to surrender it. But I wish to observe that during the discussion of this bill he has been rather indulgent in regard to yielding to other Senators and giving other Senators an opportunity to attend to some business in which they are interested. I serve notice now that if the practice the Senator from Illinois has just indicated is to be continued during the further discussion of this measure from now on, I shall remain on the floor, and I shall see that some of the rules are observed or that a point of order will cause them to be observed.

Mr. DOUGLAS. Mr. President, let me say, in reply to my good friend the Senator from Arkansas, that if I have been indulgent in yielding the floor to other Senators, I have done so because of a desire to be generous to my colleagues and at their earnest requests to permit other

business to go forward. I have not done so to delay.

I wish very much that I might yield now to the Senator from Arkansas; but I have been called to account for my indulgence, and have been reprimanded, politely and gently, but no less certainly, for having yielded the floor to other Senators. In self-protection, I cannot expose myself to further reprimand.

I should like to point out further to the Senator that the time during which I have spoken this afternoon has not been taken by me primarily in developing the main course of my argument, but has been taken in endeavoring to reply as best I could to questions asked by the Senator from Oklahoma.

Does the Senator wish to have me proceed, or does he wish to have me answer a question?

Mr. KERR. I asked a question; and the Senator from Illinois asked the reporter to read the question. I can repeat the question, if that is desired.

Mr. DOUGLAS. No. There was the interjection by the distinguished Senator from Arkansas, which made me forget the question.

I shall appreciate it if the reporter will read the question.

The Official Reporter read as follows:

Mr. KERR. Is the Senator from Illinois aware, with reference to the Phillips contract, to which he has referred, that the renegotiation which took place was instrumental in vastly increasing the supply of gas available to consumers in Michigan and Wisconsin, and at a price which will be cheaper than the price at which the lesser amount would have been available had the original contract been carried out and the renegotiation not been made?

Mr. DOUGLAS. I would say that your conclusion is improbable for reasons I have stated.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. Certainly.

Mr. KERR. Is not the Senator from Illinois aware that the petitioner, Michigan-Wisconsin, in its application for an expanded facility to carry nearly twice as much gas as it had previously been authorized to carry, states that if a permit for the increased capacity is granted, because of the fact that it will have it during the life of the renegotiated contract, it can deliver gas for consumption in the city of Detroit at 27½ cents a thousand, instead of 28 cents a thousand?

Mr. DOUGLAS. Let me say in reply to the question of the Senator from Oklahoma that that is a matter for the Federal Power Commission and the courts to go into. It is not for a legislative body to decide in a particular case who is right, who is wrong, and what are the facts. I am not in that position. If I were a member of the Federal Power Commission, I would not want to proceed on the basis of an ex parte statement. I would want to have pleadings made by both sides, and I would want to have the facts produced. I am not in a position to make a reply to that question, let me say.

Mr. KERR. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. ROBERTSON in the chair). Does the Senator from Illinois yield to the Senator from Oklahoma to permit him to ask a question?

Mr. DOUGLAS. No; I wish to finish, if I may.

But I will say that, as I understand the situation, the first Phillips renegotiation took place in 1948, because the Michigan-Wisconsin company did not meet the dead line for laying pipe. But the second renegotiation was on December 1, 1949, to get more gas. I am informed that all members of the Commission, including Mr. Smith and Mr. Wimberly, who generally have been on the opposite side, signed the order to investigate the Phillips Co. because of the renegotiation.

Mr. KERR. Will the Senator from Illinois now answer the question of the Senator from Oklahoma?

Mr. DOUGLAS. I have answered the question.

Mr. KERR. I asked the Senator if he was aware that the petitioner—Michigan-Wisconsin—stated in their application for increased capacity that by reason of the renegotiated contract giving them a greater amount of volume to handle, they could deliver the larger amount at a lesser price per thousand cubic feet than they had originally been permitted to charge for the lesser amount of gas.

Mr. DOUGLAS. I believe it is true that the petitioner did assert that, but it does not follow that the facts thus asserted are necessarily so. It is not my responsibility to determine whether the facts thus asserted are the correct ones. That is a matter for a regulatory body to deal with, not a matter for us to decide on the floor of the Senate on the basis of statements which may be made.

The essential point we are urging is that the power of the Commission to investigate such sales and to regulate them, to the extent necessary to keep them fair and reasonable, should not be destroyed as the pending bill will destroy it. The fact that the Senator from Oklahoma seems to believe the rates are fair in this particular case does not persuade me that we should revoke the power of the Commission to look into it and act, when I recall the sharp increase in price it involves.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. Yes; I yield for a question.

Mr. KERR. Does the Senator from Illinois think the Federal Power Commission will direct the petitioner to charge a higher price than the petitioner itself says it will be able to deliver the gas for?

Mr. DOUGLAS. I am not going to indulge in conjectures as to what the Federal Power Commission may or may not do.

I should like to ask: Why does the Senator from Oklahoma assume that all the advantages of larger-scale delivery should go to the producer? Why should not some of them be passed on to the consumer?

Mr. KERR. The Senator from Oklahoma will be delighted to answer that question. I had thought the procedure to be followed—and I had heard notice served that the rules would be enforced——

Mr. DOUGLAS. I thank the Senator very much. Mr. President, I ask unanimous consent that, without my losing the floor, the Senator from Oklahoma may be premitted to make reply to my inquiry.

Mr. McCLELLAN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question only.

Mr. KERR. Under those circumstances, will the Senator then answer the question which has been asked by the Senator from Oklahoma?

Mr. DOUGLAS. I shall ask that the reporter please read the question.

Incidentally, Mr. President, let me say that the difficulty is that first a question is asked, and then reply is made; but then the reply is said to be unsatisfactory, and demand is made that the question be replied to in detail. By that time the poor junior Senator from Illinois has forgotten the precise phrasing of the original question, and therefore is compelled to request the reporter to read the question to him.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. No; I should like to have the question read by the reporter.

The PRESIDING OFFICER. The Chair rules that it is the privilege of the Senator from Oklahoma, who asked the question, to repeat his question, if he so desires.

Mr. DOUGLAS. I shall be very glad to have the Senator repeat the question.

Mr. KERR. I asked the Senator from Illinois if he thought there was any likelihood that the Federal Power Commission would direct the transporter to charge a higher price for the gas at the city gates of Detroit than the transporter itself says in its application it will be able to deliver the gas for?

Mr. DOUGLAS. I ask that the reporter read my reply to that question.

Mr. McCLELLAN. Mr. President, I object. I think the Senator is capable of replying, and I do not know of any rule which permits a Senator to take up time by having the reporter read replies previously given, when the question is asked directly again.

The PRESIDING OFFICER. Objection is heard.

Mr. DOUGLAS. Mr. President, is the objection sustained?

The PRESIDING OFFICER. The objection will have to be sustained, under the circumstances.

Mr. DOUGLAS. The answer is that I do not know what the Federal Power Commission is going to do. I assume that it would not grant a higher price for I do not suppose the transporter would knowingly ask for too low a price. But I do not mean that the delivered price proposed by the company was necessarily fair to the consumer, or

might not give an excessive yield to the nontransporting producer and gatherer, the Phillips Co.? I think that is the issue.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. I yield for a question only.

Mr. KERR. The Senator sees no connection between a transporter's being able to give a greater volume, even though it may be at a higher price to the producer, and in then being able to give to the consumer a greater value at a lesser price?

Mr. DOUGLAS. The Senator from Illinois will answer that question in his own way, please.

Mr. KERR. I thank the Senator.

Mr. DOUGLAS. It is quite possible that the furnishing of an increased supply of gas can be done at lower transmission and transportation costs and lower delivery costs to the ultimate consumer. Does that necessarily mean, however, that the gains of the increased efficiency in transportation should be passed backward to the producer in all cases, if the higher price thus given to the producer is in excess of a fair return on the fair value of his property? The answer is, I think, it does not. Does it mean that the Federal power to investigate and regulate such situations in the consumers' interest should be wholly done away? The answer is, I think, it does not.

POSSIBLE PRICE INCREASES BASED ON 1952 SALES

Mr. President, I am prepared to go ahead. I have given expected price increases on the basis of cost figures for 1947 and 1948. I now desire to give some estimates of what the expected future sales of 1952 will be. In the Senate hearings, at page 16, if the Senator from Oklahoma will turn to tables 7 and 9, they show the estimates made of gas supplies of the interstate pipe lines reporting to the Federal Power Commission for the year 1952. It is estimated that in that year, according to table 9, the pipe-line companies will purchase from non-transporting producers 2,650,000,000,000 cubic feet of gas, or 70.3 percent of the total. Using the same proportion as in 1948 for gas transported in interstate commerce as the measuring stick, the 1952 purchasers from nontransporting producers which will be transported in interstate commerce would be 69 percent of the 2,650,000,000,000, or an estimate of 1,829,000,000,000 cubic feet.

Mr. President, at the minimum increase which we have estimated of 5 cents per 1,000 cubic feet, on this 1,829,000,000,0000 cubic feet the price increase in the field would come to $91,495,000 a year. On the basis of a maximum 20-cent increase, it would amount to a $375,900,000 increase annually; and on the basis of an intermediate figure of 10 cents, it would come to $182,990,000 a year.

What I am saying, Mr. President, is that since the 1952 estimates, so far as I know, have not been questioned, we would have increases ranging from $91,000,000 to $376,000,000 a year. And since the present known reserves are equal to approximately 30 times the annual production of natural gas, on the basis of a 5-cent increase, for the life of the gas fields this would be 30 times $91,495,000, or an aggregate of $2,745,000,000, or roughly $2,750,000,000. On the basis of a 20-cent increase, it would be approximately $11,000,000,000, or $10,980,000,000. On the basis of a 10-cent increase, it would be $5,490,000,000, or roughly $5,500,000,000. The Senator from Oklahoma has frequently questioned me. I would now inquire whether he would wish to ask any other questions?

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. McCLELLAN. Is the Senator who has the floor privileged to call upon others to speak?

Mr. DOUGLAS. I withdraw my inquiry, Mr. President. I am trying to be excessively genteel, and I thank my distinguished friend from Arkansas for calling me to account. I shall try not to err in that direction in the future. I ask the pardon of the Senator from Arkansas.

POSSIBLE INCREASED AMOUNTS TO BE PAID BY INDIVIDUAL STATES

Mr. President, let us take the distribution of the possible price increases by States. The junior Senator from Iowa [Mr. GILLETTE] placed in the CONGRESSIONAL RECORD on March 6, 1950, a table showing the extra amounts which gas consumers in various States and regions would have to pay if the price charged by the nontransporting producers were to rise 5 cents per thousand cubic feet. The figures are based on 1948 sales of 38 interstate pipe-line companies, and are therefore very low in terms of present and future consumption. The consumption has been expanding at a phenomenal rate. But they do include—and I want to make this clear—intrastate sales as well as interstate sales; that is, they include intrastate sales by interstate pipe lines, but not intrastate sales made directly by utilities. To this degree therefore they are somewhat higher than actual although there is a counterbalancing force, and the figures in the table are based on the assumption that the indirect increase in price on gas sold for ultimate consumption in producing States would be at least equal to the direct increase in price on interstate sales.

Mr. President, these figures show what the increase would be on the basis of 1 cent per cubic foot and 5 cents per cubic foot, on the natural gas purchased in 1948 by the 38 interstate pipe line companies from independent producers. They show the States in which it is consumed, and the effect of the increases.

In New York, the annual effect of a 5 cent increase would be $634,000; in Pennsylvania, $4,608,000; in Illinois, the increase at 5 cents per thousand cubic feet would be $2,159,000 a year; Indiana, $1,180,000 a year—I am reading to the nearest thousand—in Michigan, $2,617,000, a year. I ask the Senators from Ohio to notice that for Ohio it is $7,467,000. This is simply on gas delivered in 1948. It does not include the gas which is being delivered for instance into Wisconsin by the new pipe lines which are being extended into that area, and the gas which will be delivered in New England by new pipe lines being extended there.

In the West North Central States, the increase in Iowa would be $1,446,000; in Kansas—and I think the junior Senator from Kansas will be interested in this figure—$5,246,000; in Minnesota, $1,959,000; in Missouri, $2,937,000; in Nebraska, $1,816,000; with lesser amounts for North Dakota and South Dakota; in the District of Columbia, $346,000; in Florida, $303,000; in Georgia, $1,767,000; in Maryland, $118,000—and the natural gas will reach there in increasing quantities in the near future; in Virginia, $148,000—more natural gas should reach there soon; and in West Virginia, $3,216,000.

In the East South Central States, Alabama, on the basis of a 5-cent increase will pay $2,167,000 more; Kentucky, $892,000 more; Mississippi, $1,777,000 more; Tennessee, $1,551,000 more. In the west south central area, Arkansas will pay $2,000,000 more; Louisiana, $5,564,000 more; Oklahoma, $1,260,000 more; Texas, $12,752,000 more; Arizona, $1,738,000 more; Colorado, $608,000 more; Montana, $208,000, more; New Mexico, $1,035,000 more; Utah, $190,000 more; Wyoming, $41,000 more; California, $2,696,000 more; a total of $72,743,000. This is on the basis of a 5-cent increase on gas actually moving through interstate pipe lines in 1948, without taking into account the indirect increases in prices which may occur. I ask unanimous consent that the table from which I have read be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Natural gas purchased in 1948 by 38 interstate pipe-line companies from independent producers, showing States in which consumed and effect of 1- and 5-cent increases in field price*

State and region	Thousands of cubic feet	Increase of 1 cent per 1,000 cubic feet	Increase of 5 cents per 1,000 cubic feet
Middle Atlantic:			
New York	12,683,588	$126,835	$634,175
Pennsylvania	92,160,540	921,605	4,608,025
East North Central:			
Illinois	43,186,683	431,866	2,159,330
Indiana	23,599,370	235,993	1,179,965
Michigan	52,338,334	523,383	2,616,915
Ohio	149,334,781	1,493,347	7,466,735
Wisconsin	40,487	404	2,020
West North Central:			
Iowa	28,928,734	289,287	1,446,435
Kansas	104,936,041	1,049,360	5,246,800
Minnesota	39,184,905	391,849	1,959,245
Missouri	58,746,939	587,469	2,937,345
Nebraska	36,337,571	363,375	1,816,875
North Dakota	1,307,232	13,072	65,360
South Dakota	4,339,263	43,392	216,960
South Atlantic:			
District of Columbia	6,928,370	69,283	346,415
Florida	6,053,391	60,533	302,665
Georgia	35,348,806	353,488	1,767,440
Maryland	2,375,286	23,752	118,760
Virginia	2,958,414	29,584	147,920
West Virginia	64,315,315	643,153	3,215,765
East South Central:			
Alabama	43,343,652	433,436	2,167,180
Kentucky	17,831,972	178,319	891,595
Mississippi	35,543,981	355,439	1,777,195
Tennessee	31,022,038	310,220	1,551,100

TABLE I.—*Natural gas purchased in 1948 by 38 interstate pipe-line companies from independent producers, showing States in which consumed and effect of 1- and 5-cent increases in field price*—Continued

State and region	Thousands of cubic feet	Increase of 1 cent per 1,000 cubic feet	Increase of 5 cents per 1,000 cubic feet
West South Central:			
Arkansas	40,004,671	$400,046	$2,000,230
Louisiana	111,278,897	1,112,788	5,563,940
Oklahoma	25,332,877	253,328	1,266,640
Texas	255,053,872	2,550,538	12,752,690
Mountain:			
Arizona	34,774,693	347,746	1,738,730
Colorado	12,170,804	121,708	608,540
Montana	4,162,639	41,626	208,130
New Mexico	20,696,533	206,965	1,034,825
Utah	3,798,271	37,982	189,910
Wyoming	828,528	8,285	41,425
Pacific: California	53,911,551	539,115	2,695,575
Total	1,454,859,029	14,548,571	72,742,855

NOTE.—The purchases of natural gas from independent producers by the 38 pipe-line companies included in the above tabulation would represent approximately 91 percent of such purchases in 1948 by all interstate pipeline companies subject to the Commission's jurisdiction.

Source: Remarks of Senator GILLETTE, CONGRESSIONAL RECORD, Mar. 6, 1950.

Mr. DOUGLAS. Mr. President, it is an interesting fact that the consumers of the four West South Central States—Arkansas, Louisiana, Oklahoma, and Texas—would pay out very large sums to the already swollen profits of the big nontransporting gas producers. In other words, there are consumers in Arkansas, Oklahoma, Louisiana, and Texas, as well as gas producers, although this fact is sometimes lost sight of. A few companies in those gas-producing States would get huge, unwarranted extra profits which would be taken in a large measure from the consumers in those very States. The issue is the protection of consumers from unregulated, monopolistic prices, wherever they are, whether north, south, east, or west, and from being overcharged by the big gas interests.

NO ISSUE BETWEEN GAS-PRODUCING AND CONSUMING STATES

The point may, perhaps, be made that the opponents of this bill are denying to the gas-producing States certain things to which they are entitled. It might be claimed, for example, that we are preventing those States from building up their schools, their road systems, or other necessary State services, by placing a ceiling on the earning power of their gas wells. That is not the case. I want to make it clear that we have no desire to hold down the tax revenues of the Southwestern States, nor are we doing so in opposing this bill. It is perfectly all right for those States to impose severance taxes on the oil and gas and to collect some of the money from the people of consuming States through the sale of their natural resources.

I see the distinguished Senator from Louisiana on the floor, and I am glad to pay tribute to him because of the fact that when he was a member of the Governor's Council of Louisiana he was one of those who were instrumental in having passed a severance tax on oil and a lesser severance tax on gas. I want to compliment him, and I hope that other States will follow suit.

The same interests who are pushing the Kerr bill are, I feel sure, opposing the enactment of severance taxes which might be levied by the States. I think it would be a fine thing if the people of those States could get a larger share of the return from the great natural resources which lie under the soil.

The great difficulty has been that those great natural resources have been taken, in large part, by persons living outside Oklahoma, or outside Louisiana, or outside Texas. The big companies levy their tribute upon those States, reducing their natural resources, siphoning the profits up North. They allow a few persons to manage these industrial satrapies for them, serving as their attorneys and managers, and permitting, also, a few highly skilled and energetic persons from Oklahoma, Louisiana, and Texas, to get on the bandwagon with them.

But it is a sad story, how the financial interests of the North and East have helped to gut the natural resources of the South. Although I come from the Midwest, I want to see the South get the benefit of the natural resources which lie there.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield for a question.

Mr. LONG. I appreciate the Senator's remarks, and I should like to ask him if he knows that in the State of Louisiana the severance tax plus the gas-gathering tax equals approximately one-third of the gross price which the producers receive for their gas, and that is really not as much money as the Senator would think. As I recall it is only approximately $5,000,000, being one-third of the gross for both domestic and external consumption. That would not indicate that the gas industry is the enormous industry which the Senator seems to believe it is.

Mr. DOUGLAS. The gas-producing industry in the Southwest, of course, is distributed over seven States. It is really concentrated in four States—Kansas, Oklahoma, Texas, and Louisiana. While Louisiana has a large share, I believe it is not so great as is that of Texas.

I am not offering any advice to those people; they do not need advice from a Yankee. But I would express the pious hope that the people of Texas and Oklahoma may follow the suit of the people of Louisiana and impose higher severance taxes. If that should be done, it would be passed and added on to the prices which we in the North would pay, and we would pay them gladly.

I have voted for liberal Federal-aid provisions for the South. I voted for the Federal aid-to-education bill which had a formula which gave infinitely more to the Southern States than to my own State, and I still hope the House of Representatives will pass it. This formula amounted only to $5 a child in my own State, to $28 in Mississippi, and to very large amounts in Texas, Alabama, and so forth. I not only voted for it, but I defended it, because I believe that the South, for various reasons which I shall not go into, is poor, and that it is the obligation of the rest of the Nation to help it. I voted for a similar formula in connection with the hospital bill and the school health bill. I am glad to help the South. I have taken a lot of political criticism in my own State for helping it, but I shall continue to do so, because I think it is in the national interest.

We are not trying to hold down the producing States. We simply say their gains should not go to the big boys at the expense of the small consumer in Texas and Oklahoma or in Illinois and New York, whether the big boys be on Wall Street, on Milk Street, on LaSalle Street, or wherever they may be.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. For a question.

Mr. LONG. I should like to have the Senator realize that it is not always possible to pass severance and gas-gathering taxes on to the ultimate consumer, because those States which have high severance taxes, such as has the State of Louisiana, have producers who must compete, and by competition it is made necessary for the producer to absorb the cost of the severance tax. For example, Louisiana has a severance tax of 1½ cents. That makes for a competitive disadvantage to the gas producer in the State of Louisiana as compared with the producer in Texas.

Mr. McCLELLAN. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from Illinois can yield only for a question.

Mr. DOUGLAS. I shall be glad to yield for a question.

Mr. LONG. I should like to ask the Senator whether it is not a fact that a gas producer in a State which has a high severance tax would have to absorb that tax, rather than to pass it on to the ultimate consumer?

Mr. DOUGLAS. Once the gas mains have been laid, I should think not. Once they are laid, they are all tied up together. Increased costs in one State have to be passed on. The Senator from Louisiana made a very subtle point yesterday with reference to the decision of a company as to where it would place its line. After that is done, however, competition disappears.

That is my reply to the Senator from Louisiana.

Mr. LONG. I should like to ask the Senator if he knows that many of the contracts for the purchase of gas from independent producers by pipe lines or other means stipulate that the producer will absorb the severance and gathering taxes?

Mr. DOUGLAS. In column 6 of the table which I inserted in the CONGRESSIONAL RECORD, there is a statement regarding taxes. I turn to page 3639, dealing with the Sun Oil Co. It is there stated:

Buyer pays seven-eighths of additional taxes.

With reference to the Texas Eastern Transmission Corp., it says:

Buyer pays seven-eighths of additional taxes.

With reference to the Transcontinental Gas Pipe Line Corp., it says:

Seller pays all present taxes; additional taxes, buyer three-fourths, seller, one-fourth.

In short, there are varying methods of distributing the burden of increased taxes. I think that is the answer. In some cases it is obvious that the burden of increased taxes is transferred. The provisions of the 100 contracts I placed in the RECORD, which can be found on pages 3630–3640, contain this information. It can be found in column 6.

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. DOUGLAS. Mr. President, I should like to make one final statement, if I may, and then I shall yield the floor.

This is an extremely important bill. It involves large sums of money. It involves projected abandonment of regulation by the Government over the price of natural gas as it enters interstate pipe lines. We can expect that the price of gas will go up much more than it already has if regulation is removed. Certainly something has been happening to oil and gas stocks in recent days. Oil and gas stocks have been rising quite rapidly. Whether or not it is due to an estimate of the political situation which some of the boys in Wall Street have made, I do not know.

I ask Members of the Senate to consider the issue, that they read the debates and the testimony, and that, as I hope and I am sure will happen they will decide the issue according to what they believe to be for the best interests of the United States as a whole.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I would prefer to end my speech on a nobler note than by a mere reply to a question.

Mr. LONG. I withhold the question.

Mr. DOUGLAS. I now ask unanimous consent that there be inserted in the RECORD, as an exhibit to my remarks, statements which I was going to make, in which I advance arguments on behalf of proponents of the legislation and show why, in my judgment, they are wrong. However, since the case of the proponents will be presented directly and at first hand, I merely ask that the statement be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Will the Senator repeat his request for an insertion in the RECORD?

Mr. DOUGLAS. Mr. President, I ask that there be inserted in the RECORD at the conclusion of my remarks certain material which I had intended to deliver, but which I do not now propose to deliver, because I wish to make way for other Senators.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

COMMENTS ON PROPONENTS' CONTENTIONS

PRIOR FPC ORDERS

1. Proponents assert: S. 1498 is essential to continue by law the prior policy of the FPC not to regulate sales of gas by nontransporting producers to interstate pipe lines. It will remove widespread confusion and uncertainty.

Comment: There is no possible excuse for Congress to perpetuate by law a mistaken policy of the Commission which was later rectified. This is particularly true after Congress has before it all the facts, as I have outlined them, of a rapidly changing situation which clearly shows the increasing need for regulation of the nontransporting producers for the protection of consumers.

The junior Senator from Texas [Mr. JOHNSON] urges that we "leave unmolested the authority which the Commission has utilized through the past 11 years" (CONGRESSIONAL RECORD, p. 3265). This is a plea that Congress be governed by a 1947 judgment of the Commission which even the Commission in 1948 recognized as not fitting the current situation.

The Senate should rather leave unmolested the authority of the Commission over all sales of gas in interstate commerce for resale, which was expressely granted by Congress in 1938 (Natural Gas Act, sections 1 (b) and 2 (6)), which was validated by the decisions of the Supreme Court, and which the facts of life in the gas industry clearly show is essential today. There is no rule of law that nonexercise of a power clearly given by Congress constitutes a surrender or destruction of it.

Clarification does not require exemption from regulation. It will be even more clarifying to reject the pending measure. By defeating the Kerr bill we will clear the situation up and show that we want the price of gas sold by nontransporting producers to be regulated if the prices charged are excessive and are caused by the relatively monopolistic position of the big producers. We might also include a proviso like that offered by Congressman CROSSER in the House and suggested by the Senator from Tennessee [Mr. KEFAUVER] to exempt smaller producers who are not in any position to exercise a controlling influence on the market for gas in the field.

COMPARISON WITH MOORE-RIZLEY BILL

2. Proponents assert: S. 1498 differs radically from the Moore-Rizley bill and would do nothing more and nothing less than exempt interstate gas sales by nontransporting producers, the so-called independents.

Comment: To be sure the Moore-Rizley bill went a little further than the Kerr bill. It would have freed from effective price regulation all of the gas entering interstate pipe lines.

But it is important to keep in mind that these nontransporting producers, whose interstate sales the Kerr bill would exempt, control 86 percent of the known supply of gas reserves and by 1952 will be selling 80 percent of the gas sold in interstate commerce. Consumers cannot be adequately protected if regulatory power is destroyed over 80 percent to 86 percent of the gas which will enter interstate pipe lines.

Moreover, the passage of S. 1498 is bound to be followed by heavy pressure for a similar exemption for pipe line producers to eliminate "discrimination" against them. A minority of the House committee has already recommended this (H. Rept. No. 1140, pp. 24–28), and witnesses before the Senate committee urged it. Indeed, unless the Kerr bill is defeated, I fear that a substantial part of the regulatory jurisdiction already exercised by the Commission over interstate gas sales in the case of pipe-line producers may be destroyed. For we have in the *Federal Power Commission* v. *Panhandle Eastern Pipe Line Company case* (U. S. Supreme Court, October term, 1948, decided June 20, 1949) an example of a pipe-line company divesting itself of certain gas-producing properties. A new owner, not a pipe line, could, under the Kerr bill, then charge rates free from regulation. And one doesn't have to be a clairvoyant to predict that the escape through the loophole will become a parade if Congress should be so short-sighted as to open it. The stockholder pressure to find a scheme to do what Panhandle did or to pass the rest of the Moore-Rizley bill, is bound to be great.

PROFIT POSSIBILITIES IF REGULATORY POWER IS WITHDRAWN

3. Proponents assert: The claim that billions of additional profits are involved is exaggerated. 1947 sales by all producers amounted to only $75,000,000.

Comment: While I have mentioned these profit possibilities in some detail previously, it is worth while to review them. Sales by producers to pipe lines in the seven Southwest States for the year 1947 amounted to $46,418,000. The volume sold in 1947 was 1,012,512,000,000 cubic feet, and the average price was 4.6 cents per thousand cubic feet. In 1948 the volume rose to 1,361,178,000,000 cubic feet and the average price increased to 4.96 cents per thousand cubic feet. And the rapid upward trend continues. Comparable sales for the year 1952 are estimated at 2,325,000,000,000 cubic feet or more than double the 1947 sales.

Assuming that the price of gas will rise on the average of 5 cents per thousand cubic feet the annual increase in cost to the consumers, based upon 1952 sales in the Southwest, would amount to $116,000,000. New contracts reflect an increase of this magnitude and the old existing contracts are being altered to bring them in line with current prices.

On the basis of these most conservative estimates, therefore, over the life of the gas reserves, estimated at 30 years, a 5-cent increase would amount to $3,480,000,000 of additional profits before taxes in this area alone.

It is already evident from the many new projects pending before the FPC that the volume of purchases from producers after 1952 will be much larger than the 2,325,000,000,000 cubic feet above-mentioned. In the face of these income prospects, it is important to recall that the cost of producing gas in the Southwest, including a fair return on investment (but excluding gathering costs, and not taking credit for certain derivative products), ranges from 1.65 to 4.4 cents per thousand cubic feet (hearings S. 1498, p. 22).

POSSIBLE PRICE INCREASES DESPITE LONG-TERM CONTRACTS

4. Proponents assert: The prices of gas to pipe lines will not rise much as it is contracted ahead for years—some of it for the life of the field.

Comment: Although I have previously analyzed this claim and submitted an elaborate contract analysis in support of my argument, it is important to repeat: While much of the gas sold in interstate commerce is sold under long-term contracts (10 to 20 years) there are many possibilities for increasing contract prices. Most gas purchase contracts contain clauses that permit automatic increases in prices throughout the period of the contract (escalator clauses) and also require the renegotiation of the contract prices during the term of the contract at the end of the second or third 5-year periods. Many contracts also require the pipe-line company to pay the seller any greater price paid to any other producer or pay as high a price as anyone else pays for gas in a specified area (the most-favored-nation clause).

In order to renew expiring contracts or to obtain additional gas from producers, the pipeline companies have been compelled to pay higher prices not only for the additional gas, but also for the gas purchased under existing contracts which may expire 10 or 15 years in the future. Unless these "hold-up" prices are agreed to, the pipe-line company loses part of its gas supply, or is unable to buy additional gas to meet its market requirements.

POSSIBILITIES OF VOLUME SAVINGS

5. Proponents assert: The cost of gas to the consumers will go down despite higher prices to the producer because the increasing volumes transported through the lines will mean lower unit costs.

Comment: I am informed that most long-distance pipe lines are today fully loaded. Because increases in capacity are at higher construction costs the normal effect of increased volumes on unit costs is minimized or will be reversed; thus the rate increases to the consumer are bound to result from higher field prices. In the cases where some lower costs might result, what the proponent's argument really means is that the producer should be permitted to syphon off into his own pockets the savings that would normally accrue to the consumer by reason of increased demand for the product.

FAIRNESS OF FPC RATE-MAKING POLICY

6. Proponents assert: The current rate-making policies of the Commission are unfair and unreasonable. They are defective because (a) the allowances for "dry-hole" drilling and other exploration costs are inadequate; (b) the depletion procedure might result in a company being left with a "zero base" upon which to figure its rates; (c) the Commission in figuring the rate base should give a greater weight to reproduction cost and utilize a "value" rather than a cost, base; (d) the industry is by nature so precarious and unpredictable that reasonable regulation is impossible and fear of regulation will discourage expansion and ultimately hurt the economy.

Comment: One short answer to these contentions is that the Natural Gas Act provides for court review of the Power Commission's orders, and the courts have fully sustained the basic outlines of the Commission's rate-making policies. Indeed, the cases of *Federal Power Commission* v. *Natural Gas Pipeline Co. of America* (315 U. S. 575) and of *Federal Power Commission* v. *Hope Natural Gas Co.* (320 U. S. 591), which broadly reviewed and approved the Power Commission's rate regulation methods, are important contributions to the development of more reasonable utility rate regulation generally.

Another short answer is this: Even if its rate policies were unjust and unreasonable, the remedy for such defects should be sought in legislation to amend and improve the rate-making section of the act, and not in efforts to destroy in this bill a great part of the Commission's regulatory jurisdiction altogether.

But from my reading of the record of the hearings, I have a feeling that much of the impetus for the passage of S. 1498 arises from disagreements with or misunderstandings about the Commission's rate-making practices. Consequently, I hope Senators will allow me to make a fuller answer to this argument.

GENERAL FPC POLICIES ON RATES

The general gas rate-making policies of the Federal Power Commission, as I understand them, follow the actual legitimate investment or "prudent investment" method. This involves the use of a rate base and the allowance of a fair return thereon.

This rate base is determined by starting with the actual legitimate, original cost of the properties dedicated to serving the public, deducting therefrom the accrued depreciation and depletion and adding thereto a reasonable allowance for working capital.

As actually applied to the producing properties owned by a natural gas pipe-line company and as would, I assume, be applied to the producing properties of a nontransporting producer the actual investment method would entail the following:

1. Determination of the producer's original cost (investment) in producing and nonproducing leases, wells, gathering lines, processing plants, etc., at the time it began making interstate sales, including all exploration and development costs (dry holes, delay rentals, abandoned leases, etc.) whether the incurred costs were capitalized or previously charged off to expense or income, plus actual cost of all subsequent property additions to the time of the rate inquiry. Exploration and development expenditures incurred subsequent to the commencement of interstate sales are chargeable to expense and the Commission has uniformally allowed recovery of such expenditures as a cost of operation. This, I believe, is general practice in the oil and gas industry.

2. Determination of the accrued depletion at the time of the rate inquiry by taking the ratio of actual production to that date, to the total expected production from the leases and applying this ratio to the total investment. For example, if the gas reserves underlying the leases were 50 percent depleted and the producer's investment per (1) above were $1,000,000, the accrued depletion to be deducted in determining the rate base would be $500,000.

3. Determination of a proper allowance for working capital which usually consists of the materials and supplies on hand plus a cash allowance equal to 45 days operating expenses.

Where a producer is also engaged in intrastate-gas operations or the oil business, it would be necessary to make a segregation of costs, and where oil and gas is produced from the same wells, an allocation of the investment in joint facilities would be necessary. In no event could the profits from oil operations or intrastate-gas operations be used to reduce the investment assignable to the interstate-gas operations. In addition, it would be necessary to include an appropriate allowance in the rate base for dry holes and other exploratory activities carried on by the company as part of a general program for finding oil and natural gas where there was evidence that such program contributed to the discovery and acquisition of the particular gas reserves supplying interstate markets.

Now, I believe it is conceded that these general methods are in full accord with the requirements of the act. And as I have said before, they have been upheld by the courts. but there are vigorous complaints against this procedure, which I have outlined above (a, b, c, and d) and the Senate should understand them. I analyze them as follows:

ALLOWANCE OF DRY-HOLE DRILLING AND EXPLORATION COSTS

(a) The first criticism seems to me to arise out of a misunderstanding or lack of information as to the Commission's practices. Dry-hole drilling and other exploration costs allocable to the gas business are allowed. Such costs prior to regulation are capitalized and made a part of the rate base. Such exploration costs to serve the utility market after regulation are allowed as an operating expense. For the year 1948 the interstate pipe lines spent over $8,000,000 for exploration and development and charged such amount to operating expenses. (FPC statistics of natural-gas companies, 1948.)

When a company first comes under regulation, then even if such capital costs were previously charged off to expense or income, or were fully amortized as a capital item, they are restored to capital account and become a part of the base on which rates are figured.

This has been standard procedure for the Commission in its cases involving pipe-line producers. We don't have to guess about it. It is the fact which a laborious examination of its rate cases involving gas producers would substantiate.

For example:

In the *Interstate Natural Gas Co. case* (3 F. P. C. 416), decided approximately 1 year after the Hope case, there was included in the rate base for natural gas producing leaseholds and rights the sum of $511,636 representing the initial costs of natural gas leases and gas rights in which the company retained an interest at December 31, 1940. Here the company had followed the policy of amortizing the intial cost of gas leases and gas rights and these costs had been fully amortized. But in fixing the rate base the Commission restored to capital account these initial costs as of the years in which they were charged off with a resultant credit to the company's earned surplus account of the above amount.

Or again, on September 2, 1948, the Commission made a finding of a rate base for Pittsburgh & West Virginia Gas Co.—Docket No. G–627. The rate base included the sums of $6,999,218.89 representing arbitrary charge off of costs of plant (wells, fuel lines, etc.) in the years prior to Federal regulation of the company under the Natural Gas Act. By order dated November 1, 1949, the Commission permitted the company to credit its surplus account with $3,500,000 and its depreciation reserve with $3,499,218.89 for such charged-off items.

The Commission's practice in the Interstate and Pittsburgh cases affords a good illustration of how similar charge-offs by independent producers prior to being brought under regulation would be handled. The hearings reveal other instances of the same practice.

An apparent exception to this procedure in the Hope Natural Gas Co. case turned on the special circumstances of that case. There the Federal Power Commission disallowed $12,600,000 spent for well drilling from 1898 to 1923. But this company, which also served consumers at retail, had long been under State regulation. And in 1924, the West Virginia Commission, in a rate case, disallowed the same item, holding that these costs had been charged once to rate payers through operating expenses and could not again be recouped through inclusion in the rate base. The Federal Commission thus merely followed the lead of the West Virginia Commission in disallowing this item.

My inquiries have not revealed any decided cases where claims have been made for costs of exploration in new fields unrelated to an existing utility service. But I assume that it would not be reasonable to expect Appalachian consumers, for instance, to have the costs of a California exploration project saddled upon them. If on the other hand, a producing company piping gas from Oklahoma to Michigan for resale should decide to drill in Michigan to secure additional gas reserves to serve this same area, it could very properly claim these exploration expenses as an operating cost in figuring its rates. And I believe from a perusal of the record that that is how the Commission would handle it.

These procedures seem to me far from unreasonable. I cannot see that they threaten to discourage exploration. The producer has not been and will not be left holding the bag. His fears seem to me to have no relation to the facts of the Commission's operations. As nontransporting producers come under regulation in their interstate sales, they can be confident that their past exploration and development costs will be assigned to the rate base to the extent they are related to the securing of gas for the utility service under review.

FPC STATEMENT

To confirm these conclusions, I wrote to the Federal Power Commission on February 28, 1950, and received in reply a letter dated March 6, 1950, from Hon. Nelson Lee Smith, Chairman of the FPC. Those letters are as follows:

FEBRUARY 28, 1950.

FEDERAL POWER COMMISSION,
Washington, D. C.

GENTLEMEN: In connection with pending legislation to amend the Natural Gas Act,

it appears that considerable criticism has been directed toward the rate-making policies of the Federal Power Commission as applied to the producing properties of integrated natural-gas pipe-line companies and with particular reference to the treatment of dry-hole costs. It has been stated that the Commission does not allow the cost of dry holes in the rate base.

Will you please advise with respect to the Commission's practice and cite any cases where this question has been involved.

Sincerely,

PAUL H. DOUGLAS.

FEDERAL POWER COMMISSION,
Washington, March 6, 1950.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: In reply to your letter of February 28 inquiring as to the practice of the Commission with respect to the treatment of dry-hole costs of integrated natural-gas pipe-line companies, it is not the practice of the Commission to include such costs in the rate base if incurred currently, but instead, they are allowed as current operating expenses to be recovered annually from operating revenues. Where such costs were capitalized before the passage of the Natural Gas Act, they are included in the rate base. In addition, all costs incurred during the developmental period, before revenues are realized, are capitalizable and allowed in the rate base.

The question of the treatment of the cost of dry holes is associated with the broader question of the treatment in rate proceedings of exploration and development costs in general. These include the cost of holding unoperated acreage for future use, the annual rentals (called delay rentals) on such unoperated acreage, loss on abandoned leases, nonproductive well drilling, and other nonproductive exploration and development outlays.

The Federal Trade Commission in a report on its investigation of utility corporations, pointed out that two of the principal problems of regulation involved the extent to which unoperated acreage shall be included in the rate base, and the extent to which large amounts expended as lease rentals to carry such acreage, which would not be used or even drilled for many years, shall be allowed as expenses. That Commission then went on to state:

"The solution of these two questions involves decisions by regulatory bodies as to the extent to which present consumers shall be burdened with the expenses of carrying reserves that will not be used until a more or less distinct future time, and the extent to which they shall be required to provide a rate of return on fixed-capital investments involved in the accumulation of such future reserves" (S. Doc. 92, 70th Cong., 1st sess., pt. 84–A, p. 81).

It was probably as a result of the representations of the Federal Trade Commission that Congress included the following in section 14 (b) of the Natural Gas Act:

"The Commission may, after hearing determine * * * the propriety and reasonableness of the inclusion in operating expenses, capital, or surplus of all delay rentals or other forms of rental or compensation for unoperated lands and leases."

The Commission, at the time it had under consideration a uniform system of accounts for natural gas companies, made a comprehensive investigation as to the practices of the industry in respect to exploration and development costs. It found that it was the general practice for both natural gas and oil companies to charge nonproductive well drilling, delay rentals, and other nonproductive exploration and development costs to current expenses. In accordance with this well-established practice, the Commission provided for similar treatment in its system of accounts. It also provided that amounts invested in acreage held for future use shall be capitalized.

The Commission has likewise given serious thought to the foregoing items in its important rate proceedings. It has been the Commission's practice to include in the rate base the investment in unoperated acreage, but to allow as annual operating expenses to be recouped from annual operating revenues, delay rentals, nonproductive well drilling, and other current nonproductive exploration and development costs. Thus in the important Hope Natural Gas Co. proceeding (3 F. P. C. 150, 183) the Commission allowed $600,000 annually for exploration and development expenses which, among other thngs, included the cost of nonproductive well drilling. The Hope decision indicates one of the problems associated with the ascertainment of a reasonable annual amount. As you know, such costs fluctuate and, accordingly, averages must be resorted to in order to obtain a fair allowance. In the Hope case the Commission found that the exploration and development expenses for the year 1940, which was used as the test year, amounted to $407,920. It further found, however, that such an amount was not adequate and, accordingly, an additional allowance of $192,080 was made, thus bringing the total annual allowance to $600,000.

In the Cities Service Gas Co. proceeding (3 F. P. C. 459, 484) $295,439 was allowed in operating expenses for exploration and development costs. Similar allowances have been made in other rate proceedings where it was shown that such expenses had been incurred.

As far as we can recall no natural gas company has claimed that the current cost of drilling dry holes should be treated as a capital outlay, rather than as an expense item.

It probably should be reiterated that where the exploration and development costs have been capitalized before revenues accrued or before we prescribed accounting for them, they have been included in the rate base.

Hoping the foregoing satisfactorily answers your inquiry,

Sincerely yours,

NELSON LEE SMITH, *Chairman.*

NO DANGER OF "ZERO RATE BASE"

(b) The second complaint, in reference to the Commission's depletion procedure, centers around a fancied danger that application of Commission rules might result in a rate base of zero. The argument runs like this: Since the prudent investment or investment return principle is employed, then after all the investment has been returned there is nothing left of the rate base on which to figure fair and reasonable rates for the gas remaining in the field.

This fear of a zero base springs from a failure to observe what the Commission in fact does. Under the Commission's rules the base can not shrink to zero so long as marketable volumes of gas underlying the leases are present. This is true, as I have pointed out in connection with exploration and development costs, regardless of the prior recovery by the producer of all of his investment in the project. The accrued depletion at the time of coming under regulation is determined by the ratio of actual gas produced to that date, to the total estimated production from the producing leases. After regulation begins the rate of depletion each year depends upon the rate at which the gas is produced that year in relation to the total remaining supply. A regular check in the correctness of these estimates of the remaining supply is afforded by the practice of making frequent recomputations of remaining reserves. And it is hardly conceivable to me that the engineers of the Commission and of the producer could both make such a series of mistakes that they would wind up after 20 years with 100 percent depletion accrued and a lot of gas in the ground. If they did, there would be a recomputation when the error was discovered and a new base set to correct it.

I believe that on this point at least all of the Commissioners were even agreed, that as a practical matter there cannot be a zero rate base or zero return for an operating gas producer. The Commission's procedure here is entirely reasonable, and I might say generous. On careful examination, it is the fears that seem to me to have a zero base, not the rate structure of the gas producer.

FAIRNESS OF PRUDENT INVESTMENT RATE PROCEDURE

(c) I believe the Commission's refusal to utilize a value base for the setting of gas rates is really the nub of the complaints against it. It will not accept the discovery value of the gas producers' properties, but includes in the rate base the amount invested and allows the costs of carrying unused acreage (delay rentals) as operating expenses.

Such a value base, whether set on the basis of reproduction costs or a capitalization of the unregulated market value of the gas, would undoubtedly result in a much higher rate base than is secured by the Commission's cost, or prudent investment, methods. It would also mean much higher gas rates to consumers and larger profits for producers. The prudent investment or cost base allows the consumer to share the benefit of this great natural resource, with reasonable returns to the producer. The value base enables the producer to claim the lion's share of the benefit.

After all the long, hard years of struggle to protect the consumers' interests against the delays and inflated rates that come from such rate-making procedures as the gas industry is still urging, I had hoped that the fairness, reasonableness, and positive desirability of the prudent investment principles would be too clear to require constant rejustification.

They assure full recovery of the investment and coverage of every legitimate cost, at the same time affording the producers a reasonable return on their investment. These principles enunciated so effectively by Mr. Justice Brandeis are helping to bring new effectiveness to utility regulation that used to be bogged down in the endless delays and the shifting and uncertain ground of continuing determinations of fair value. They have enabled us to escape in utility rate regulation from the dilemma that the value of a concern depends on rates fixed, and the rates fixed depend upon value.

Once again, a good hard look at our experience in the gas industry as it has operated under such regulation for nearly 12 years should dispel any doubts arising from abstract analysis as to the fairness or practicability of these rate-making principles. Consumers have been saved more than $300,000,000 through reduction of interstate wholesale rates by the FPC. And the industry is thriving. In fact it seems to be busting its buttons as the figures I have previously given make clear. Its securities are gilt-edged. Profits are very large. Its product is in great demand. Thousands of miles of new pipe line and mounting millions of investment evidence a vigorous growth.

Now I don't want to see deserving producers of an essential commodity like gas become impoverished or initiative and resourcefulness in discovering and gathering it be penalized. But I submit that the record of the results of regulation of pipe-line producers under the act completely shatters the charge that anything like impoverishment will result to nontransporting producers.

These valuation principles of the Commission are applied in accordance with the act, and they have also met and passed the test of judicial review. If there is a better method of computing such a rate base, the propo-

nents of S. 1498 should draft a bill to require it. But the protection for consumers should not be thrown away to the extent S. 1498 does on the unsupported charge of unfair rate-making policies.

(d) The claim that the precarious conditions and unpredictable circumstances surrounding gas production make regulation impossible and that fear of regulation will discourage exploration and expansion is also contradicted by the actual experience of that section of the gas industry already regulated.

I shall not deny that complicated questions arise when interstate sales of gas for resale are regulated, while sales of oil which may be extracted from the same well are not regulated. Difficult questions also arise in the relation of production and gathering (which are left to the States to regulate) to interstate sales of gas, which are supervised by the Federal Power Commission.

But complicated questions like these have been handled before by the Federal Power Commission as it regulated some 51 pipeline producers, and, of course, commonly in the electric-power industry. The allocations of cost, the computation of depletion allowances and depreciation, and the allowances for working capital have been worked out in many other cases. Reasonable and fair allowances for exploration have been made. How can it now be persuasively claimed that a commission which has succesfully regulated these matters for nearly 12 years for pipe-line producers is unable to do so in the case of nontransporting producers?

Again, the facts completely refute the charge that regulation will stop expansion in the gas industry. The hearings disclose that the pipe-line producers while under regulation have extended and increased their holdings of gas properties.

Acreages held by certain pipe-line companies (Senate hearings, p. 316)

	1946	1947	1948
PIPE-LINE COMPANIES			
Arkansas-Louisiana Gas Co	22,259	84,850	86,571
Cities Service Gas Co	760,000	769,575	763,366
Colorado Interstate Gas Co	None	45,253	45,173
Consolidated Gas Utilities Corp	32,668	37,483	55,064
Kansas-Nebraska Natural Gas Co	8,685	17,020	21,738
Northern Natural Gas Co	206,552	272,071	279,197
Panhandle Eastern Pipe Line Co	674,608	701,094	690,307
Subtotal	1,704,772	1,927,346	1,941,416
AFFILIATED WITH PIPE-LINE COMPANIES			
Southern Union Production Co	155,523	162,774	344,852
Union Producing Co	1,191,856	1,305,291	1,544,291
Total	3,052,151	3,395,411	3,830,599

Perhaps the hope of higher, unregulated profits has been one factor leading to a more rapid rate of expansion by nontransporting producers, as I have shown before. But that is no excuse for saddling on consumers the burden of the monopoly prices these producers are now in a position to charge, when it is possible to assure them the same freedom to grow and to profit under reasonable regulation that the pipe-line producers have previously experienced.

THREATS OF GAS PRODUCERS' STRIKE

7. Proponents assert: The producers will not sell their gas to interstate pipe lines if subjected to regulation. Local markets are available for all gas produced.

Comment: The basic issue raised by this contention is whether a strike of gas producers against the American people is likely in the case of new producers or would be tolerated in the case of producers who have elected to serve the utility market. No public utility is permitted under the law to cease business simply because it was not allowed to charge the prices it pleased.

In 1948, the interstate pipe lines handled approximately 2,300,000,000,000 cubic feet, or nearly 70 percent, of the natural gas sold in the United States exclusive of field and oil refinery use. The interstate pipe-line market admittedly is the most desirable market. It is a long-term operation with all the inherent stability of a utility business. It would require many years of development of local industry before such a huge volume could be absorbed in the producing States. It is significant that similar threats were voiced in 1947 and 1948 in connection with the Moore-Rizley bill, but were not carried through. And it is a serious question whether Congress should now determine a matter of great importance to more than 40,000,000 consumers on the basis of these renewed threats of a strike of gas producers.

THE RIGHT TO CHARGE WHAT TRAFFIC WILL BEAR

8. Proponents assert: The purpose of the Kerr bill is to preserve the constitutional right of Americans to sell the things they own for whatever they can get.

Comment: There is no constitutional right to charge unregulated, monopolistic prices for utility products. Congress when it enacted the Natural Gas Act in 1938, said "* * * the business of transporting and selling natural gas for ultimate distribution to the public is effected with a public interest, and that Federal regulation * * * is necessary in the public interest." (Natural Gas Act, sec. 1 (a).)

The Supreme Court, in the Hope case said, "The primary aim of the Natural Gas Act is to protect consumers against exploitation at the hands of natural gas companies." In referring to field sales of natural gas to interstate pipe-line companies, the Supreme Court in the Interstate case said, "Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of gas including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed."

The Kerr bill would exempt one class of sales from regulation, i. e., sales made at the conclusion of production and gathering, the very type of sales involved in the Interstate case. Sales at this point in interstate commerce for resale have no more right under the Constitution to reach for the ceiling (by immunity from regulation) than sales at the other previously regulated points.

INADEQUACY OF STATE REGULATION

9. Proponents assert: Congress should surrender jurisdiction over the interstate sales of nontransporting producers because they are subject to adequate State controls.

Comment: The clear line of Supreme Court decisions flatly contradicts this argument. Sales of gas in interstate commerce for resale have been held not subject to State regulation. They cannot be regulated by the States into which the gas goes, nor by the States out of which it comes. It was this very gap in the power of regulation that led Congress to pass the Natural Gas Act, as the House Committee report made explicitly clear. A few of the many cases declaring this principle are the following:

Public Utilities Commission v. *Attleboro Steam and Electric Co.* (273 U. S. 83, 89-90).

Missouri v. *Kansas Gas Co.* (265 U. S. 298).

Pennsylvania v. *West Virginia* (262 U. S. 553, 596-597).

Interstate Natural Gas Co., Inc. v. *Federal Power Commission* (331 U. S. 682).

Dahnke-Walker Milling Co. v. *Bondurant* (257 U. S. 282, 290-291).

Lemke v. *Farmers Grain Co.* (258 U. S. 50).

Jersey Central Power & Light Co. v. *Federal Power Commission* (319 U. S. 61, 69).

Carter v. *Carter Coal Co.* (298 U. S. 238, 302-304).

Federal Power Commission v. *East Ohio Gas Co.* (U. S. Supreme Court, October term 1949, decided Jan. 9, 1950).

It is interesting in the light of this argument in behalf of the Kerr bill to discover that in a pending case testing the validity of certain minimum price laws in the States of Kansas and Oklahoma, certain gas producers there involved are urging the contrary view, namely, that the States have no such power to set minimum prices.

The general counsel for Phillips Petroleum, Mr. Don Emery, testifying on the Moore-Rizley bill, took the same position. (Hearings on H. R. 4051, 80th Cong., 2d sess., pp. 69-74.) In fact, he not only argued that the States have no power to regulate interstate sales of gas, he also urged that a proposed amendment to cede that power to the States be defeated and producers be left free of any regulation of their interstate sales.

In any case the court decisions leave it clear that the Kerr bill would knock out Federal regulation of many sales in interstate commerce, and because State regulation is invalid it would again create a kind of "no man's land" where consumer interests could be entirely disregarded or overridden. All the other steps in the production and sale of gas are subject to either State or Federal regulation. Industrial sales, which the Senator from Oklahoma [Mr. KERR] seemed in debate to suggest were not subject to regulation, are, of course, subject to State regulation. See *Panhandle Eastern Pipe Line Co.* v. *Public Service Commission of Indiana,* (332 U. S. 507). The passage of the Kerr bill would, therefore, create again the gap which the Congress so wisely undertook to close by reasonable regulation under the Natural Gas Act. The big nontransporting producers do not need and should not have this immunity.

ADVANTAGES OF SERVING THE UTILITY MARKET

10. Proponents assert: If independent producers were regulated, they would not have the protection of a utility status, nor would they have an exclusive franchise protecting them from competition.

Comment: The independent producers selling to pipe lines have the inherent protection of a utility market—that is, a long-term, secure and expanding market. Their contracts with pipe-line companies for the specified quantities of gas for a period of years in the future would remain in force. The only contract provision subject to change would be the pricing provisions. And this is as much a protection to producers who may be tied to contracts at unreasonably low rates as it is to consumers. The contract protection of the producer as a supplier of gas to a pipe line would remain unimpaired under regulation. I might also add that no pipe-line company has an exclusive franchise from the Federal Government either.

NO DANGER OF OIL INDUSTRY REGULATION

11. Proponents assert: The Federal Power Commission will regulate the entire business of independent producers unless the Kerr bill is enacted.

Comment: Congress has not authorized the regulation of any part of a producer's business except its sales for resale in interstate commerce. The courts would not permit the Commission to do directly or indirectly what Congress has not authorized.

REPORTED VIEWS OF THE EXECUTIVE

12. Proponents assert: The bill has been amended in such manner as to be acceptable to the President.

Comment: The only official message to the Congress of which we have been advised prior to the newspaper reports which I inserted in the RECORD earlier today is the letter of Elmer B. Staats, Acting Director of the Bureau of the Budget, on August 1, 1949, in which at the direction of the President he

reported that S. 1498 in the form in which it then was would not be in accord with the President's program.

Proponents have since then added a section to their amendment providing for the assembling of information by the Commission and for report to the President and Congress if it determines there is a lack of effective competition obstructing commerce, or undue price changes. But this adds nothing to the investigatory powers already possessed by the Commission under the act. It is pure window-dressing which can hardly refute the basic argument that it is better to lock the barn before, rather than after, the horse is stolen.

This estimate of the amendment's effect is clearly supported by the opinion expressed in Public Utility Fortnightly for March 2, 1950, as follows (p. 299):

NATURAL GAS IN CONGRESS

"There appears a possibility that the Kerr bill (S. 1498), to amend the Natural Gas Act, may get early Senate action and final White House approval. Already approved by the House in slightly different form, Kerr's bill would exempt independent producers and gatherers of natural gas from Federal Power Commission jurisdiction. Senator KERR, Democrat, of Oklahoma, heretofore hesitant to push his bill in the face of an indicated presidential veto, now has written a face-saving compromise believed to be satisfactory to the President.

"Recently, with the joint sponsorship of his senior colleague, Senator THOMAS, Democrat, KERR introduced a substitute to be offered as an amendment when the Senate takes up his own bill. There is little change, as compared with the original bill reported by the Senate Interstate Commerce Committee, other than the addition of a watch-dog clause directing the Federal Power Commission to keep an eye on natural gas producers to be sure that no monopolistic combinations develop to interfere with competitive gas prices. In the event the Commission finds such a thing is happening, it would be required to report the facts to the President and Congress. In reality, this gives the Commission no more policing authority than it now has. However, reports are current that Senator KERR has thus swept away roadblocks which the administration placed against the bill in the Senate."

It is interesting to recall in this connection the forthright recommendation of the President that the Congress plug up the tax loophole by which oil and gas producers have been allowed to write off amounts up to 27½ percent of the fair market price of gas produced annually for depletion, in addition to all other depletion allowances.

It would be ironic indeed if just as the President and Congress were moving to close the tax loophoole, the Congress should suddenly blast open a rate loophole big enough to allow the four-to-sixteen-billion-dollar-rate increases to drive through.

Naturally I am gratified to learn from the dispatch in the St. Louis Post-Dispatch, for Sunday, March 20, 1950, that the President's counsel, the Honorable Charles Murphy, has categorically denied, as I expected he would, that the President is in any way committed to this bill.

EXEMPTING NONTRANSPORTING PRODUCERS EXEMPTS GREAT BULK OF GAS FROM PRICE REGULATION

13. Proponents assert: The bill is not intended to disturb the authority of the Federal Power Commission concerning the interstate pipe-line companies. In other words, regulation of these companies is to continue as before and the prices of gas produced by the pipe-line companies and their affiliates would continue to be regulated.

Comment: At this point I would like to establish more fully the amounts of gas which would be regulated and the amounts which would not be regulated, if this bill passes. It can be seen in the following table entitled "Trend of Sales of Natural Gas to Interstate Pipe Lines by Nontransporting Producers."

Trend of sales of natural gas to interstate pipe lines by nontransporting producers

Year	Entire United States		7 Southwest States	
	Thousands of cubic feet	Percent of pipe-line input	Thousands of cubic feet	Percent of pipe-line input
1940	694,068,000	51.8	324,067,000	42.8
1945	1,147,141,000	57.1	658,846,000	52.0
1947	1,313,271,000	58.0	1,012,504,000	61.8
1948	1,592,284,000	62.8	1,361,178,167	65.6
1952 [1]	2,650,548,000	70.4	2,409,894,000	76.7

[1] Estimated.

Source: Federal Power Commission.

This table, which I have had prepared, shows that in 1940 the nontransporting producers furnished less than 52 percent of the gas entering interstate pipe lines. By 1947 this percentage had increased to 58 percent. This figure increased to nearly 63 percent in 1948, and it is estimated that by 1952 these producers will be supplying over 70 percent of the natural gas handled by interstate pipe lines.

In the seven Southwest producing States, which will furnish 80 percent of the Nation's gas in 1952, this trend is even more significant. Back in 1940, the nontransporting producers furnished 43 percent; in 1945, 52 percent; in 1947, 62 percent; in 1948, 66 percent; and in 1952 the FPC estimates that 77 percent will be furnished by these producers. If this bill is enacted it simply means that the Congress will be freeing from field price regulation more than three-fourths of all gas entering interstate pipe lines. By 1952 this will leave under regulation less than one-fourth of the gas supply. If we turn to the ownership of natural-gas reserves as a measuring stick, we find that the interstate pipe-line companies and their affiliates own less than 14 percent of the total reserves of the country. In other words, passage of Senate bill 1498 will exempt the great bulk of natural gas from field-price regulation, and these amounts are constantly increasing.

Furthermore, once the bill is passed the heat will be on to exempt gas produced by pipe-line companies as well. They will claim discrimination. Representatives of two pipeline companies appeared before the committee protesting the discriminatory treatment which the Kerr bill would impose. They were for the Kerr bill, but they also wanted to put their companies aboard the "gravy train" too.

If we pass this bill we can expect the pipeline companies to begin turning on the pressure to exempt the price of the gas they produce as well. The directors and officers of the companies will be pressed by their stockholders to devise some scheme to get more money for their gas reserves.

If they cannot get exemption, they will probably separate their gas production sales. One company, Panhandle Eastern Pipe Line Co., has already secured a partial divestment of its gas reserves by forming a subsidiary, transferring the reserves to that subsidiary and then distributing the stock of the subsidiary to its own stockholders. The Federal Power Commission cannot stop such transfers.

Mr. DOUGLAS. I now yield the floor.

ANALYSIS OF INCREASING COST OF THE FEDERAL GOVERNMENT

Mr. McCLELLAN. Mr. President, on February 22, I addressed the Senate relative to the present fiscal policies of our Government and the administration's legislative program. In my remarks at that time I undertook to emphasize the dangers that are inherent in the incurring of large annual deficits and maintaining a standard of governmental services beyond our means to support. I tried to point out, Mr. President, that with a $5,500,000,000 deficit for the present fiscal year and another deficit for fiscal 1951 of about the same amount or more, it is obvious that without greatly increasing taxes we cannot possibly meet already established obligations and ever balance the budget again unless we are willing to dispense with some of the governmental services that are now provided, discontinue some programs we are now supporting, and drastically reduce the cost of others.

Notwithstanding our present fiscal difficulties, which present an almost insurmountable obstacle, I warned that instead of our pursuing a course of action calculated to correct this condition, we are being asked to enact a multitude of new laws, to expand further existing governmental services and programs, and to create additional and new obligations that will increase the cost of the Federal Government within the next few years to some $65,000,000,000 or more.

At that time, Mr. President, I inserted in the CONGRESSIONAL RECORD a table prepared by the staff of the Committee on Expenditures in the Executive Departments showing the measures proposed and now pending in the Congress which we are urged to pass at this session, and which, if enacted, and will, when in full operation, increase the cost of Government above our present expenditures by $25,000,000,000 per year.

Mr. President, my remarks on that occasion were not primarily for the purpose of criticizing, but were made after sober reflection and in a spirit of deep interest and concern for the security, solvency, and welfare of our Republic. Since no one has yet challenged the general accuracy of my statements and the information contained in the table estimating the cost of the pending legislative program, I feel at liberty to assume that both are substantially correct. As this session progresses, I hope the situation which I described will grip the attention and interest of many other Members of Congress, and will help to arouse and awaken all of us to a keener sense and appreciation of our duties and responsibilities. Furthermore, I hope it will cause us to hesitate, yes; more, to refuse to legislate a program piling additional Government costs in terms of billions of dollars annually on the already heavily and burdensomely taxed American citizens.

Mr. President, a few days after I made that address a colloquy occurred in the Senate between our distinguished majority leader, Senator LUCAS, and the able senior Senator of Virginia, Senator BYRD, in which the Senator from Virginia pointed out that 2 years ago, in fiscal year 1948, the expenditures of the Federal Government were only $34,000,000,000 and that we are now spending forty-three billion-plus dollars—an increase of $9,000,000,000 within 2 years' time. The Senator from Virginia further stated that about $6,000,000,000 of this increase

during the past 2 years was for non-war-connected domestic civilian spending, that it was not occasioned by either foreign or domestic spending for defense.

Mr. President, that statement stirred my interest, and prompted me to make an effort to find out how this immense increase had come about and to what functions and services of government it had been applied. With that in mind, Mr. President, I again enlisted the assistance of the staff of the Committee on Expenditures in the Executive Departments, who, in collaboration with the Bureau of the Budget, prepared and submitted to me a table entitled "Trend of Federal Expenditures by Functions and Activities, Fiscal Years 1948, Actual; 1950, Estimated; and 1951, Proposed."

Mr. President, at this point I ask unanimous consent that the table be inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Trend of Federal expenditures by functions and activities, fiscal years 1948 (actual), 1950 (estimate), and 1951 (proposed)

[In millions of dollars]

Functions and activities or organization units	Fiscal year— 1948	1950	1951	1951 less 1948
1. National defense:				
Department of the Air Force	6,364	3,716	4,413	+2,142
Department of the Army		4,273	4,093	
Department of the Navy	4,198	4,404	4,141	−57
Stock pile of critical materials	99	580	650	+551
Other	300	175	248	−52
Total	10,961	13,148	13,545	+2,584
2. Veterans' services and benefits:				
Veterans' readjustment benefits	3,313	3,038	2,687	−626
Other	3,254	3,867	3,393	+139
Total	6,567	6,905	6,080	−487
3. International affairs and finance:				
British loan	1,700	------	------	−1,700
European recovery program	154	3,895	[1] 3,250	+3,096
Aid to occupied areas	965	1,021	279	−686
Aid to Austria, France, Italy, Korea, and Philippines	548	291	[2] 201	−347
Mutual defense assistance program	186	355	[3] 645	+459
Export-Import Bank loans	460	71	48	−412
Other	769	331	288	−481
Total	4,782	5,964	4,711	−71
4. Social welfare, health, and security:				
Public assistance grants	733	1,146	[4] 1,401	+668
Railroad Retirement Board	763	603	594	−169
Other	373	548	719	+346
Total	1,869	2,297	[4] 2,714	+845
5. Housing and community development:				
Mortgage purchase program	113	940	[5] 1,035	+922
Other	−31	66	294	+325
Total	82	1,006	1,329	+1,247
6. Education and general research:				
Aid to education	------	------	[6] 319	+319
Other	63	125	115	+52
Total	63	125	[6] 434	+371

See footnotes at end of table.

Trend of Federal expenditures by functions and activities, fiscal years 1948 (actual), 1950 (estimate), and 1951 (proposed)—Continued

[In millions of dollars]

Functions and activities or organization units	Fiscal year— 1948	1950	1951	1951 less 1948
7. Agriculture and agricultural resources:				
Commodity Credit Corporation	−200	1,473	932	+1,132
Rural Electrification Administration	239	362	436	+197
Production and Marketing Administration	366	445	508	+142
Other	169	391	330	+161
Total	574	2,671	2,206	+1,632
8. Natural resources not primarily agricultural:				
Corps of Engineers (flood control)	246	486	563	+317
Reclamation, Bonneville and Southwestern Administration and land management	205	419	501	+296
Atomic Energy Commission	466	673	817	+351
Other	182	267	337	+155
Total	1,099	1,845	2,218	+1,119
9. Transportation and communications:				
Corps of engineers (rivers and harbors)	114	212	247	+133
Bureau of Public Roads	331	490	507	+176
Postal service	304	569	[7] 160	−144
Other	475	623	768	+293
Total	1,224	1,894	1,682	+458
10. Finance, commerce, and industry:				
RFC business loans, etc	30	153	155	+125
Other	58	72	57	−1
Total	88	225	212	+124
11. Labor:				
Unemployment compensation and employment service administration	141	172	184	+43
Other	42	47	59	−17
Total	183	219	243	+26
12. General government:				
Federal financial management	416	402	424	+8
Other central services	495	169	147	−348
Government payment, employee retirement	244	301	333	+89
Other	344	351	363	+19
Total	1,499	1,223	1,267	−232
13. Interest on public debt	5,188	5,725	5,625	+437
14. Reserve for contingencies	------	50	175	+175
15. Adjustment to daily Treasury statement	−388	------	------	+388
Grand total	33,791	43,297	42,439	+8,648

NOTE.—Estimated 1951 expenditures allow for the following important extensions of existing legislation, as proposed in President's 1951 budget message:

	In millions
[1] Extension European recovery program and other foreign aid	$1,700
[3] Extension mutual defense assistance	200
[5] Mortgage purchases	125

Estimated 1951 expenditures allow for the following major items of new legislation, as proposed in President's 1951 budget message:

	In millions
[2] Assistance to Republic of Korea	$110
[4] Expansion of public-assistance programs	200
[6] General aid for operating expenditures, elementary and secondary schools	290
[7] Postal rate increases to reduce anticipated postal deficit by	395

Mr. MCCLELLAN. Mr. President, I call the attention of the Members of the Senate to the fact that I am having now placed upon their desks a copy of this table, for their information. The foregoing table shows, by functions, how total Federal expenditures increased from $33,791,000,000 in the fiscal year 1948, to an estimated $43,297,000,000 in the present fiscal year of 1950, and then will decline somewhat to an estimated $42,439,000,000, on the basis of the President's budget, for fiscal 1951. This amount for 1951, of course, does not include such further supplemental budget requests that we can expect to receive before this session of the Congress ends. Hence, over the 2-year period beginning in fiscal year 1948, Federal expenditures increased by $9,506,000,000, up to the end of the current fiscal year, and over 3 years will have increased by $8,648,000,000, as projected through the next fiscal year, 1951, not taking into account the additional, supplemental budgetary requests we can expect to receive before the end of this session, which will only add to the total I have already named.

It should be pointed out, however, that in the President's budget message for 1951, items totaling $2,059,000,000 are included for the proposed extension of existing legislation, and $561,000,000 for proposed new legislation, including increases in postal rates. Once those increases are granted, the amount I have stated, $561,000,000, will be much larger.

The more important of these proposals, together with their financial significance, are indicated in the seven footnotes to the table.

The 3-year over-all increase of $8,648,000,000 referred to relates to all functions of the Federal Government. If the national defense and international affairs and finance functions are excluded, it will be observed that the increase in the spending for so-called non-war-connected domestic functions amounts to $6,135,000,000.

EXPLANATORY COMMENTS ON TABLE SHOWING RECENT TREND BY FUNCTIONS OF TOTAL ANNUAL FEDERAL EXPENDITURES

Mr. President, I have prepared some explanatory notes with reference to these several functions of the Government, which I shall now present to the Senate.

1. NATIONAL DEFENSE

This major function of Government consumes about one-third of every dollar of Federal expenditures. As shown in the table, it is responsible for a 3-year increase of $2,584,000,000 in expenditure, or 30 percent of the total increase for all functions of Government.

In general, this development reflects the fact that after increasing to astronomical proportions during World War II, annual expenditures for national defense were allowed to slump to a low point in fiscal year 1948. In part, however, this minimum also reflects the fact that huge surpluses of war equipment left over after the armistice were available until they were either used up or became obsolete.

It is especially difficult to analyze the upward trend of defense expenditures which then started in fiscal 1948. Passage of the National Security Act of 1947 had just initiated the process of modernizing and unifying a newly created Air Force, and the older Army and Navy branches of the Military Establishment.

Moreover, while it is possible in the table to give a three-way break-down of 1950 and 1951 expenditures showing separately the Air Force, Army, and Navy categories, the first two of these categories must be combined for the fiscal year 1948, because many costs of Air Force operations were then still inextricably mingled with Army expenditures.

In brief, the over-all 3-year increase in national defense expenditures is due primarily to the following factors: Both the size and pay of combat and reserve forces have been increased materially; these developments are of special importance because this pay roll constitutes about one-third of all present military costs. Some 12,000 airplanes, from trainers to heavy bombers, will be assembled by the end of the fiscal year 1951 along with highly trained personnel for their operation and maintenance. A special feature concerns the stockpiling of critical war materials, starting during this period; by the end of fiscal 1951, it is estimated that almost two-thirds of a proposed $3,300,000,000 stock pile will have been assembled.

2. VETERANS' SERVICES AND BENEFITS

Expenditures for the major function of veterans' services and benefits, second largest of the Federal Government, show a 3-year—1948–51—over-all decrease of $487,000,000, as compared to a 2-year—1948–50—increase due to the considerably higher level of expenditures in the intervening fiscal year 1950. The President's 1951 budget message emphasizes that these expenditures are determined largely by the applications made under some 300 veterans' benefit laws by 2,000,000 disabled veterans, 17,000,000 other living veterans, and the dependents of deceased veterans. The above 3-year over-all decrease in expenditures is due primarily to the much more rapid decline in school, job, and farm training programs under the Servicemen's Readjustment Act than the slow steady increase in medical costs.

3. INTERNATIONAL AFFAIRS AND FINANCE

This function is the third of the Big Three in size of total expenditures, and shows a small 3-year over-all decrease of $71,000,000. The accompanying table indicates by a few supporting categories the major and changing phases of expenditures in this field, starting with a large British loan and going on to a huge European recovery program, the mutual defense assistance program, and other recovery and relief activities. This function shows a small over-all decrease in expenditures, despite the inclusion of three large 1951 allowances to take care of legislative proposals by the President, first, by extending existing legislation to authorize further European assistance of $1,700,000,000; second, doing likewise as to $200,000,000 of mutual defense assistance; and, third, authorizing new assistance of $110,000,000 to the Republic of Korea.

4. SOCIAL WELFARE, HEALTH, AND SECURITY

This rather large and expanding major function, now fourth largest in the full list, shows a 3-year increase of $845,000,000. More than half of all present expenditures is for grants to States for assistance to the aged, the blind, and dependent children. Most of the remainder provides for (a) declining Federal contributions for railroad retirement benefits, and (b) expanding Public Health Service and vocational programs, for the most part. The above over-all increase is in part due to a proposed expansion of public-assistance programs by $200,000,000, much the largest of a variety of Presidential proposals for new 1951 legislation in this general area. The primary cause of the increase, however, is the rise in grants to States for public assistance, public health, and hospital construction.

5. HOUSING AND COMMUNITY DEVELOPMENT

This comparatively small program nevertheless shows an over-all increase of $1,247,000,000, third largest of all major function increases in expenditures. Most of the over-all increase is for mortgage purchases, the remainder mostly for assisting localities on slum clearance and redevelopment. Under this function, much financial credit is also provided to home builders and buyers, and to mortgage lenders, primarily in the form of insuring or guaranteeing private loans, only a small portion of which will probably ultimately result in expenditures. The above total increase includes $125,000,000 under the President's 1951 proposal to extend existing legislation with respect to mortgage purchases.

6. EDUCATION AND GENERAL RESEARCH

One reason for the comparatively small expenditures tabulated for this function is that education and research activities intimately associated with other functions, such as defense and veterans, are there classified. Of the 3-year increase of $371,000,000 shown in the table, the major cause is a current presidential proposal to spend $290,000,000 for new aid to States in support of the maintenance and operation costs of a basic minimum program of elementary and secondary education, popularly termed Federal aid to education.

7. AGRICULTURE AND AGRICULTURAL RESOURCES

This important major function shows a 3-year increase of $1,632,000,000 in expenditures, an increase second only in size to that for the major function of national defense. This trend reflects primarily the transition being made in the national economy from the high market prices for commodities during the early postwar years, to the subsequent support of various declining farm commodity prices at the levels specified by statute. Thus, the table shows that the Commodity Credit Corporation actually made a profit of $200,000,000 from its 1948 tranactions because it was able to sell commodities which it had acquired at a higher price than their cost of acquisition. In contrast, however, the budget document estimates that $932,000,000 must be spent in the fiscal year 1951 to support, in order of fiscal importance, the prices of corn, wheat, potatoes, and a long list of other basic and nonbasic commodities. Related to Federal price support programs are the increasing payments made by the Production and Marketing Administration in extending its conservation program, including acreage allotments and marketing quotas. It is stated that by the end of fiscal 1951 this conservation program will have been extended to about 90 percent of the farms of the country.

The Rural Electrification Administration accounts for a rather important increase based on its continuing and great extension of rural electrification since the war. A program for the installation of rural telephones, authorized last year, is now getting under way. In the other category of this function, the increase shown is in part due to the International Wheat Agreement which was only ratified last year, and which will cause an expenditure of $76,000,000 in fiscal year 1951.

8. NATURAL RESOURCES NOT PRIMARILY AGRICULTURAL

This important major function shows an over-all increase of $1,119,000,000. The largest increase among the categories of the function is attributable to the Atomic Energy Commission which produces fissionable materials, manufactures weapons, and conducts medical and other research.

Only slightly smaller is the 3-year increase connected with 1951 expenditures of $563,000,000 for the flood-control and power-development expenditures of the Corps of Engineers—rivers and harbors are covered in the following major function—and $398,000,000 for the irrigation and power-project expenditures of the Bureau of Reclamation. The increases in these two areas are due in large measure to the fact that the rate of annual expenditures under the projects is invariably higher in subsequent years than in the year when projects are begun. No new starts of projects are proposed for fiscal 1951.

The smaller residual increase in total expenditures under this major function is attributable to various activities dealing with forest, mineral, fish and wildlife, recreational, and other resources.

9. TRANSPORTATION AND COMMUNICATION

This major function, with its rather large over-all 3-year increase of $453,000,000, deals primarily with navigation, public roads, aviation, the merchant marine, and the postal deficit. The estimated 1951 postal deficit of $555,000,000 is not very different from the deficit of prior years, but this year the President is proposing increases in postal rates which are designed to reduce that deficit by $395,000,000 to the $160,000,000 shown for fiscal 1951 in the table.

About one-fourth of the total increase in this function arises from the river and harbor work of the Corps of Engineers. The remainder is divided about equally between public roads and all other activities. Here also annual expenditures of the Corps of Engineers for river and harbor projects are increasing because later annual rates of expenditure are invariably in excess of the annual cost of launching new projects. No new starts on projects are included in 1951 river and harbor project expenditures.

10–15. OTHER FUNCTIONS AND ITEMS

This concluding section discusses high lights of the remaining six major parts

of the table, namely, items 9 to 13 dealing with "Functions;" item 14 with "Reserves for contingencies;" and item 15 with an "Adjustment to daily Treasury statement."

As to the four functions, the table shows for function 12 general government, that an over-all 3-year decrease of $232,000,000 is in prospect. The most important reason is that under "Other central services" there are included the expenditures for surplus property disposal activities of the War Assets Administration which amounted to $312,000,000 in fiscal 1948, but which has been practically liquidated at this time.

The next function, "13. Interest on the public debt," shows a rather large 3-year increase of $437,000,000, which is due to four factors: First, increasing interest rates of savings bonds as they mature; second, higher than average interest rates on new trust fund accumulations; third, interest requirements on $11,508,000,000 increase in debt, less fourth, savings in interest from refunding operations. The intermediate 1950 peak in interest costs, shown in the table, reflects a nonrecurrent change to reporting such costs when payable, instead of when paid.

The final item in the table, "15. Adjustment to daily Treasury statement," corrects for the fact that most agency expenditures are reported on a checks-issued basis, but some are on a checks-paid basis.

With reference to the many kinds of expenditures in the table, certain important costs will be recoverable in greater or lesser degree. Prominent among such recoverable items are the large expenditures under the Federal mortgage programs, as to which we hope most of the mortgages will be paid off in future years. Less certain, but almost certainly of considerable importance in the future, are those costs which will prove recoverable under the Farm subsidy programs. In these cases the Government buys commodities at the support prices fixed by statutes, and resultant losses are contingent on the market prices when the commodities are sold.

Capital expenditures included in the accompanying table, particularly for construction purposes, may also be deemed recoverable from a different point of view. Thus, the country is provided with useful new assets which will pay future dividends because of capital improvements in the national highway system and the like, and because of long-time benefits resulting from river and harbor, and power- and flood-control and reclamation projects of the Corps of Engineers and the Bureau of Reclamation.

I may add, Mr. President, that although these capital expenditures seem rather high, I believe it can be said without successful challenge that the actual need for such expenditures is far greater today than ever before in the history of our Nation; and, notwithstanding substantial sums which are at present being expended for highways, rivers and harbors, flood control, power projects, and reclamation, we are actually by no means adequately meeting the needs in these particular fields, many of which can well be placed in an emergency category. Progress on these productive, wealth-producing programs is being hindered and retarded because we are continuously increasing the operating cost of Government by appropriating for other purposes that are less essential, less productive, and add little, if anything, of lasting value to our Nation's wealth and economic strength.

Mr. President, I have undertaken to present this analysis of increasing costs of the Federal Government during the past 3 years in an impartial, factual way, and with complete accuracy, as revealed by the studies made by the staff of the Senate Committee on Expenditures in the Executive Departments, based largely on figures supplied to it by the Bureau of the Budget. I wanted to make this information available to all Members of the Senate, and particularly to the members of the Appropriations Committee, for consideration by them and all other Members of this body before the omnibus appropriation bill for the fiscal year 1951 is reported to the Senate and is acted on by it.

The tremendous, rising cost of operating the Federal Government is indicative of a fixed permanent trend that cannot be ignored or remain unchallenged. Its significance demands of those of us who have the legislative responsibility for the American people that we remedy this condition and take the necessary action to reduce now, insofar as it is reasonably possible and practical to do so, present expenditures that are authorized by existing laws. But more, Mr. President, it is a warning of compelling force against our proceeding with reckless indifference to enact more and more laws expanding present governmental services and instigating new programs creating additional governmental obligations that will add billions of dollars annually to the already swollen costs of Government that now are having to be met by deficit spending in excess of $5,000,000,000 annually. To pursue such a course and continue such unsound fiscal policies will be imprudent, will be destructive of our economy, and will imperil our national solvency.

As a result of the Government's living beyond its income, the national debt is rising again. Our national debt reached its lowest figure of $251,245,889,059.02 on June 27, 1949. Since that date, Mr. President, in less than 9 months' time, the national debt has increased by $5,000,000,000, or in round numbers to $256,000,000,000.

If we do not stop passing laws calling for more and more spending, there is neither prospect nor hope for revenues to ever again overtake or equal expenditures. We can stop it, Mr. President. This Congress can stop that trend both by reducing appropriations for the next fiscal year and by deferring action on or passage of many bills that now are pending in the Congress that would produce large, increased expenditures.

I sincerely hope we shall have both the wisdom and courage to do our statesmanlike and patriotic duty in meeting the exigencies of the situation.

DISPOSAL OF CERTAIN WITHDRAWN PUBLIC TRACTS

The PRESIDING OFFICER (Mr. STENNIS in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1543) to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act, which was, on page 2, line 23, strike out "the Secretary may deem proper" and insert "now provided by law."

Mr. O'MAHONEY. Mr. President, the enactment of this bill was unanimously recommended to the Senate by the Committee on Interior and Insular Affairs. The bill was passed, without objection, by the Senate, at the last session.

The House of Representatives has amended the bill in only a very minor particular, by striking out, on page 2, in line 23, the words "the Secretary may deem proper", and inserting in lieu thereof the words "now provided by law", so that the last sentence in section 3 will read as follows:

> Such patents shall contain a reservation of a lien for water charges when deemed appropriate by the Secretary, and reservations of coal or other mineral rights to the same extent as patents issued under the homestead laws and also other reservations, limitations, or conditions as now provided by law.

Mr. President, that is narrower than the authority granted in the bill as it passed the Senate. Mr. President, I have consulted the sponors of the bill, I have consulted members of the Committee on Interior and Insular Affairs, and I have consulted particularly the junior Senator from Colorado [Mr. MILLIKIN], who in the absence of the Senator from Nebraska, is the ranking minority member. There is no objection to the acceptance of the House amendment. I therefore move that the Senate concur in the House amendment.

Mr. SCHOEPPEL. Mr. President, in view of the statement made by the distinguished Senator from Wyoming, there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, notified the Senate that Mrs. WOODHOUSE had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1243) to amend the Hatch Act, vice Mrs. NORTON, resigned.

The message announced that the House had passed, without amendment, the bill (S. 609) for the relief of Mrs. Bertie Grace Chan Leong.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 51. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 63. Concurrent resolution relating to the holding in 1950 of the Dr. Thomas Walker Dicentennial Historical Pageant.

COTTON- AND PEANUT-ACREAGE ALLOTMENTS

Mr. ELLENDER. Mr. President, I wish to announce that the conferees who have been considering House Joint Resolution 398, relating to cotton- and peanut-acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, have reached an agreement this afternoon and have a report ready. The House must act first. I should like to give notice that if the House acts tomorrow, I propose to call up the conference report for consideration by the Senate tomorrow afternoon.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

Mr. HUMPHREY. Mr. President, I wish to direct my remarks for the next half hour or so to the pending measure, Senate bill 1498. I feel that the debate thus far has been very illuminating. I am sure the gas jets have really shed some light on the subject of the question of the regulation of natural gas. We have had the kind of give-and-take in the discussion that surely has exposed the Senate to a great deal of statistical information and a good deal of change or exchange of opinion and judgment as to the merits of the pending bill. I am particularly grateful to my friend and colleague, the distinguished junior Senator from Illinois [Mr. DOUGLAS], for the manner in which he has presented his material and for the very comprehensive analysis he has made of the pending bill. I am particularly grateful for the manner in which he has analyzed the contracts which exist in the relationship between the producer, the pipe-line distributor, and the ultimate distributor at the community level. I recognize that at times during the debate there have been sharp differences in point of view, and I hope we may be able to conduct the debate in the most friendly and honorable manner, because it relates to a question which definitely affects the public interest, and is one which will mean a great deal in terms of public policy.

I have told certain Members of the Senate that I had no intention of making an address or even a few short remarks in reference to the pending bill; but later I found that the people of my community, the State that I in part represent, had manifested a great interest in the legislation. They have asked me as one of their representatives in the Senate to speak in opposition to the pending bill. I have expressed my opposition to the bill in my conversation with my colleagues of the Senate, and I have said so on public occasion.

Mr. President, I have in my hand a series of telegrams from prominent official representatives of the State of Minnesota, from municipalities, from trade-union organizations, and other organized groups. I take the liberty at this time of merely reading a few of these, after which I shall ask that they be incorporated in the body of the RECORD. A telegram, dated March 21, reads:

I urge you speak out voicing our opposition to the Kerr bill re natural gas S. 1498.

Regards,

EDWARD K. DELANEY,
Mayor of the City of St. Paul, Minn.

Another telegram, dated March 21, reads:

Senator HUBERT H. HUMPHREY,
Senate Office Building:

Urgently request you oppose Kerr bill, S. 1498. It is my conviction that passage of the bill would result in increased rates to gas consumers of Minneapolis. Please exert every effort to defeat this bill.

ERIC G. HOYER,
Mayor of the City of Minneapolis.

I have a similar telegram from the distinguished mayor of the city of Duluth, near the great iron range on the shore line of the great Lake Superior. The telegram, dated March 21, reads:

Knowing your policy in working for the best interests of Minnesota and its people we respectfully urge you oppose S. 1498.

GEORGE W. JOHNSON,
Mayor of the City of Duluth.

From the same city, representing the Trades and Labor Assembly of the American Federation of Labor, I have a telegram from Mr. E. L. Slaughter, reading as follows:

The A. F. of L. Central Labor Political Committee (YT Unions) in this area are opposed to S. 1498, a bill to exempt natural gas from Federal regulations. This bill, if passed, will work an undue hardship on the little people by giving the large gas companies the privilege of gouging rate increases out of the public. We call upon you to do all in your power to defeat this measure.

E. L. SLAUGHTER,
Secretary, Labor Temple, Duluth.

I have here a telegram from the Minnesota State CIO Council, its secretary and treasurer, urging my opposition to the pending bill. I also have a telegram from the chairman of the county board of the most populous county of my State, Hennepin County, with well over a million people in the county. His telegram reads:

The Hennepin County Board of Commissioners went on record at their regular meeting March 21, 1950, as being opposed to the Kerr natural-gas bill, S. 1498.

GEORGE W. MATTHEWS,
Chairman, County Board of Commissioners.

Mr. President, I also have in my hand a telegram from a competent engineer, who is the research engineer for the city of Minneapolis, a city of 550,000 people. The telegram, dated February 21, reads as follows:

The Public Utilities Committee of the Minneapolis City Council have had under consideration the provisions of the so-called Kerr and Thomas bill, S. 1498, and being of the opinion that the passage of this bill may well result in increased rates to consumers of gas in the city of Minneapolis hereby expresses its opposition to the passage of this measure and request that you exert your utmost efforts to defeat this bill.

NATHAN HARRIS,
Research Engineer.

MINNEAPOLIS, MINN.

I have a similar message from the city clerk of the city of St. Paul, with an appropriate resolution which I ask to have incorporated in the body of the RECORD.

There being no objection, the resolution, together with the letter of transmittal, was ordered to be printed in the RECORD, as follows:

CITY OF ST. PAUL,
CAPITAL OF MINNESOTA,
March 3, 1950.

Hon. HUBERT H. HUMPHREY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SIR: We respectfully call to your attention the enclosed copy of a resolution adopted by the St. Paul City Council today, expressing their opposition to the so-called Kerr bill.

Very truly yours,

H. T. O'CONNELL,
City Clerk.

Whereas there is pending in the Congress of the United States the so-called Kerr bill, the effect of which, if enacted into law, will be to restrict the jurisdiction of the Federal Power Commission over the transportation in interstate commerce of natural gas; and

Whereas the enactment of said bill into law will result in a large increase in the cost of natural gas, which will be passed on and paid by the ultimate consumers thereof; and

Whereas as a result, the price of natural gas on to the users thereof in the city of St. Paul will be materially increased should the Kerr bill become law;

Resolved, That the City Council of the City of St. Paul hereby expresses its opposition to the said Kerr bill and urges Hon. EDWARD J. THYE, Hon. HUBERT H. HUMPHREY, United States Senators from Minnesota, and Hon. EUGENE J. MCCARTHY, Representative from the city of St. Paul, to oppose the enactment of said bill by the Congress.

Resolved further, That the city clerk is hereby instructed to forward copies of this resolution to the said Senators THYE and HUMPHREY and to Representative MCCARTHY.

Mr. HUMPHREY. Mr. President, without going through them all, I ask that the telegrams which I have received from all over my State, representing every major municipality and most of the jurisdiction of government, as well as many of the organizations within the State which have interested themselves in the pending legislation, and also a letter be incorporated as a part of my remarks.

There being no objection, the telegrams and letter were ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., *March 21, 1950.*

Senator HUBERT H. HUMPHREY,
Senate Office Building:

I urge you speak out, voicing our opposition to the Kerr bill re natural gas, S. 1498.

Regards,

EDWARD K. DELANEY,
Mayor, City of St. Paul.

MINNEAPOLIS, MINN., *March 21, 1950.*

Senator HUBERT H. HUMPHREY,
Senate Office Building:

Urgently request you oppose Kerr bill, S. 1498. It is my conviction that passage of the bill would result in increased rates to gas consumers in Minneapolis. Please exert every effort to defeat this bill.

ERIC G. HOYER, *Mayor.*

DULUTH, MINN., *March 21, 1950.*
Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:
Knowing your policy in working for the best interests of Minnesota and its people, we respectfully urge you oppose S. 1498.
GEORGE W. JOHNSON, *Mayor.*

DULUTH, MINN., *March 21, 1950.*
Hon. HUBERT H. HUMPHREY,
Senate Office Building:
The A. F. of L. central labor political committee (YT unions) in this area are opposed to S. 1498, a bill to exempt natural gas from Federal regulations. This bill, if passed, will work an undue hardship on the little people by giving the large gas companies the privilege of gouging rate increases out of the public. We call upon you to do all in your power to defeat this measure.
E. L. SLAUGHTER,
Secretary, Labor Temple, Duluth.

MINNEAPOLIS, MINN., *March 21, 1950.*
Senator HUBERT H. HUMPHREY,
Senator from Minnesota,
Senate Chamber:
The Hennepin County Board of Commissioners went on record at their regular meeting, March 21, 1950, as being opposed to the Kerr natural-gas bill, Senate file No. 1498.
GEO. W. MATTHEWS,
Chairman,
County Board of Commissioners.

MINNEAPOLIS, MINN., *February 21, 1950.*
Senator HUBERT H. HUMPHREY:
The public utilities committee of the Minneapolis City Council having had under consideration the provisions of the so-called Kerr and Thomas bill, S. 1498, and being of the opinion that the passage of this bill may well result in increased rates to consumers of gas in the city of Minneapolis, hereby expresses its opposition to the passage of this measure and request that you exert your utmost efforts to defeat this bill.
NATHAN HARRIS,
Research Engineer.

MIDLAND COOPERATIVE WHOLESALE,
Minneapolis, Minn., February 14, 1950.
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.
HONORABLE SIR: I urge you and your colleagues to oppose passage of the Kerr bill which would end Federal regulation of prices charged by oil companies for the gas they sell to pipe lines. I understand such a bill passed the House last session.
Sincerely yours,
SETH R. FISHER.

ST. PAUL, MINN., *March 21, 1950.*
Senator HUBERT HUMPHREY,
Senate Office Building:
Request your active opposition to Kerr bill, S. 1498, as is not in best interest of all St. Paul residents.
FRANK J. THILL,
Secretary, St. Paul Building and Construction Trades Council.

DULUTH, MINN., *March 22, 1950.*
Senator H. H. HUMPHREY:
Eighteen affiliated maritime trade-unions are vigorously opposed to the removal of Federal regulations from natural-gas rates. We, therefore, urge you to vote against S. 1498.
MARITIME TRADES COUNCIL,
MATTA ANTILA,
Secretary, Labor Temple.

MINNEAPOLIS, MINN., *March 22, 1950.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:
It appears to us that the Kerr amendment to S. 1498 if adopted would bring about increased costs to the consumer, therefore we ask that you use your influence to defeat the bill and that you vote against it.
WILLIAM B. SINNOTT,
Financial Secretary-Organizer, Minneapolis Central Labor Union.

MINNEAPOLIS, MINN., *March 21, 1950.*
Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:
It appears to us that the Kerr amendment to S. 1498, if adopted, would bring about increased costs to the consumer. Therefore we ask that you use your influence to defeat the bill and that you vote against it.
I. J. OAKES,
Secretary-Treasurer, Minneapolis Building and Construction Trades Council.

MINNEAPOLIS, MINN., *March 21, 1950.*
Senator HUBERT H. HUMPHREY:
We oppose S. 1498 Kerr bill. It is purely and simply a money graft. We urge you to oppose it.
HONEYWELL LOCAL, NO. 1145
(Representing 5,100 members).

DULUTH, MINN., *March 21, 1950.*
Senator HUBERT H. HUMPHREY:
We strongly oppose S. 1498 and we urge you take the floor opposing this bill.
ELMER FOSTER,
Retail Clerks Union, Local 1116.

ST. PAUL, MINN., *March 20, 1950.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:
The 553 members of the St. Paul Post Office Clerks Union today have gone on record as opposing the Kerr amendments to the Natural Gas Act and urge you to vote "No" on S. 1498.
GEORGE P. CARROLL,
Legislative Representative, Local 65, National Federation Post Office Clerks.

MINNEAPOLIS, MINN., *March 21, 1950.*
Senator HUBERT HUMPHREY,
Senate Office Building:
We urge you strongly oppose Kerr bill, S. 1498.
IUE LOCAL NO. 1140, CIO.

MINNEAPOLIS, MINN., *March 21, 1950.*
Senator HUBERT H. HUMPHREY,
United States Senate:
It appears to us that the Kerr amendment to S. 1498, if adopted, would bring about increased costs to the consumer. Therefore we ask that you use your influence to defeat the amendment and that you vote against it.
GENE LARSON,
Milk Drivers and Dairy Employees Union, Local No. 471.

DULUTH, MINN., *March 21, 1950.*
Senator HUMPHREY,
Senate Office Building:
This is to inform you that the Duluth Building Trade Council is opposed to Senate bill 1498 removing natural gas from Government regulation.
THOMAS MCDONALD,
Secretary.

MINNEAPOLIS, MINN., *March 21, 1950.*
Senator HUBERT H. HUMPHREY,
Senate Office Building:
We strongly urge that you oppose and vote against Kerr bill, S. 1498, which weakens Federal Power Commission authority to regulate interstate shipments of natural gas.
STEPHEN NEHOTTE,
Chairman, Minneapolis American Federation of Labor Educational and Political Committee.

DULUTH, MINN., *March 21, 1950.*
Senator HUBERT HUMPHREY:
The Federated Trades and Labor Assembly are opposed to Senate file S. 1498 removing natural gas from Government control.
ELMER SCHAEFFER,
President, Federated Trades.

DULUTH, MINN., *March 21, 1950.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:
We urge you to speak against S. 1498.
THE DULUTH FEDERATED TRADES,
CLARK KENNEDY, *Secretary.*

MINNEAPOLIS, MINN., *March 21, 1950.*
Senator HUBERT HUMPHREY,
Senate Office Building:
Twenty-five thousand CIO members in Hennepin County urge you vigorously oppose price-boosting monopolistic Kerr bill.
ROBERT WISHART,
President, Hennepin County Industrial Council.

MINNEAPOLIS, MINN., *March 21, 1950.*
Senator HUBERT HUMPHREY,
Senate Office Building:
Urge you to oppose Kerr bill S. 1498. This is a money grab and will cost people of America millions of dollars.
GLENN PETERSON,
State President, CIO, Minnesota.

MINNEAPOLIS, MINN., *February 21, 1950.*
Hon. HUBERT H. HUMPHREY,
Senator, Minnesota,
United States Senate,
Washington, D. C.:
Minneapolis Gas Co. is deeply disturbed about the provisions of the so-called Kerr-Thomas bill, S. 1498, in that it is believed the passage of that bill would result in a sharp increase in the cost of natural gas to the users thereof in the city of Minneapolis and its suburban area. More than 65,000 homes served by Minneapolis Gas Co. use natural gas for house heating. Any increase in cost of such fuel will be an added burden on these people.

We are satisfied that removing the control from the hands of Federal Power Commission to regulate cost of natural gas and leaving to that body only the power to investigate and make recommendations to the President and Congress is very dangerous to the consuming public, for it might well permit inflation of cost of natural gas to occur and binding contracts to be made before any action could be taken by either the President or the Congress.. We are most fearful that if regulations by Congress were then attempted it would be too late insofar as the operating companies and consumers of gas are concerned, for increased prices which might well be made to the companies engaged in the transportation of natural gas would have to be passed on to the ultimate consumer without the Federal Power Commission being able to determine the reasonableness of the increases.

There is no apparent reason why, in the public interest, this change should be made.

It could benefit no one except the petroleum interests who, as you know, own the great percentage of known reserves of natural gas. As counsel for Minneapolis Gas Co., and personally, we urge you to vote against this bill.

NICHOLS, MULLIN & FARNAND,
GERALD T. MULLIN,
General Counsel for Minneapolis Gas Co.

MINNEAPOLIS, MINN., *March 1, 1950.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We urgently request that you vote against Kerr bill, S. 1498, which is up for Senate vote in immediate future.

MINNESOTA STATE CIO COUNCIL,
R. C. JACOBSON,
Secretary-Treasurer.

Mr. HUMPHREY. Mr. President, the issue raised by Senate bill 1498, a bill to amend the National Gas Act, is not really a complicated issue. It is simply this: Shall the large producers of natural gas, or the interstate producers of natural gas be allowed freedom from regulation of their sales in interstate commerce for ultimate resale to utility markets and consumers? I emphasize that statement of the issue.

It appears to me from the documentation which the committee has presented to us in the form of hearings, and from the information which I have been able to receive from the Federal Power Commission, which I have with me, that the major oil companies which dominate the supply of gas to the interstate utility market are demanding such freedom from Federal regulation. They know that under the Constitution their interstate sales cannot be regulated by the States in which the production of gas takes place. They know that the effect of the proposed bill will be to free them from all regulation.

I digress for a moment to say that it frees them from all regulations, except in the case of a pipe-line company and a producer which are one and the same entity. The so-called independent producer is the producer to whom we are referring at this moment.

Advocates of Senate bill 1498 stress the fact that the Natural Gas Act now exempts production and gathering of natural gas from regulation by the Federal Power Commission. As I have heard the very able Senator from Oklahoma [Mr. KERR], who knows the Natural Gas Act so well, say on many occasions, the production and gathering of natural gas is exempted under the present law from regulation by the Federal Power Commission. The implication of this position is that production and gathering is now being regulated by the States, and hence should not and need not be regulated by the Federal Government. This, however, does not make clear the fact that there is a wide distinction to be made between production and gathering, which is technically a mining function, and which is now subject to detailed State regulation, and the wholesale sale, which the producers and gatherers of natural gas make to the interstate pipe lines, once production and gathering is completed.

In other words, I emphasize, Mr. President, the fact that there are two operations; one, the production and gathering, which is a mining function, and as such is now subject to a type of regulation by any one of the several States who may wish to impose it. There is another aspect or another part of the process, known as the wholesale sale of the products, which comes from production; and that is the issue at stake under Senate bill 1498. It is the issue of whether that should be regulated, whether the wholesale sale should be regulated or should be considered only as a part of the production and gathering within a State.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. For a question. May I say, first of all, that the senior Senator from Louisiana has asked me to yield in order for him to make an announcement, without my losing the privilege of the floor. I ask unanimous consent that that may be done.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I yield to the junior Senator from Louisiana for a question.

Mr. LONG. When the Senator speaks of a wholesale sale, which is a term which has been used in the debate, as a former businessman engaging in retail sales, does the Senator mean the usual reference to a sale by a wholesaler, is he referring to a wholesale sale to a retailer? It is my understanding that it usually refers to one who could be classified as a middleman.

Mr. HUMPHREY. It could be so classified, but that is not usual in the field of business. When we purchase directly from a producer of paint, varnishes, and glass, we call it a wholesale sale. Sometimes such shipments are called drop shipments, in terms of the quantity purchased. We differentiate between the final consumer's price and the price known as the wholesale price. There is a differentiation. I am using the word "wholesale" in two senses. One is the initial sale of the producer, and the other is in the sense of a large amount. I think our colleague and mutual friend, the Senator from Illinois [Mr. DOUGLAS], has gone into the matter in great detail and has, to my satisfaction, at least, explained that the sale of natural gas is an integral part of the interstate flow of the product, except that part which is used directly within a particular State. It is part and parcel of it. It would be as difficult to separate as it would be to separate the head from the body and then talk about it as the whole body. The production is a part of the body economic, in this situation.

Mr. LONG. That is one of the main points at issue. But I should like to ask the Senator this question. In the case of a producer, a wholesaler, and a retailer, which is often the situation in the sale of many commodities, when we speak of a wholesale sale would we refer to the sale by the producer to the wholesaler, or by the wholesaler to the retailer?

Mr. HUMPHREY. I am glad the Senator has brought that up. There are three relationships—producer relationship, the pipe-line relationship, and, ultimately, the distributor relationship—in any one of a number of cities, such as Buffalo, New York, Milwaukee, and Detroit. That kind of a relationship I call a wholesale sale, because the only way the gas can be sold to enter interstate commerce is through the facilities which are established for that purpose. It appears to me that the term "wholesale sale" is only a convenient handle to describe the difference between the ultimate consumer price and the price with which we start out. I shall not argue the semantics of the word "wholesale."

Mr. LONG. Is it not true that the sale by the local utility or distributor of the gas would be considered a retail sale?

Mr. HUMPHREY. That is correct.

Mr. LONG. If the pipe-line company sells to a retailer, the pipe-line company would be the wholesaler.

Mr. HUMPHREY. The pipe-line company would be the broker, in a sense. It handles the transaction for a number of distributors.

Mr. LONG. The wholesaler would be a broker, if the wholesaler involved at any time actually owned the gas.

Mr. HUMPHREY. That is correct.

Mr. LONG. But if the wholesaler had purchased the gas himself, and then, having purchased it, he sold it, he would be a wholesaler.

Mr. HUMPHREY. The Senator from Louisiana can use any terminology he wishes to use. I am not going to argue about the semantics. I should prefer to argue about the relationship of the production and gathering. The product is no good until it is sold. What we are discussing is the portion which is produced and sold into interstate commerce, whether sold directly by a type of brokerage action. As a matter of fact, it is bought and contracted for and is part and parcel of the same continuous flow of economic activity.

Mr. LONG. The interstate transporter is not actually an agent, but is, rather, a purchaser, and having purchased the gas, he transports it and proceeds to sell it. Would the transporter be not an agent for the person who first sold it, but actually a wholesaler who had purchased it and then proceeds to resell it?

Mr. HUMPHREY. The transporter is both a wholesaler and a type of agent or broker. He is the only facility by which the gas can be carried.

Mr. LONG. He would be an agent or a broker if he were carrying the gas to which he did not possess title, but if he had purchased the gas and it belonged to him, he would not be a broker for anyone; he would be a transporter for himself and would be his own wholesaler.

Mr. HUMPHREY. The Senator from Louisiana knows that many of the pipe lines purchase gas after they have made contracts for distribution at the other end of the line. So the relationship is a little different from that which is involved in a purchase by a drug store of two gross of Ipana toothpaste, for example. It is not sure that it can sell that much toothpaste. But contracts are often drawn up with the distributor to a point, as I shall show a little later, where he is liable under the contracts.

So that the pipe line does, to an extent, act as a type of broker.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. DOUGLAS. Could not the situation be stated approximately as follows, that the purchases of gas by pipe-line companies, as well as sales of gas by pipeline companies, are a part of a wholesale transaction?

Mr. HUMPHREY. That is what I have been trying to point out. It is an integrated, complete economic unit from production to ultimate consumption. The distributor and the pipe line are just a part of the process.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. LONG. The Senator is stating, in effect, that when a pipe-line company sells gas to a distributor it is making a wholesale sale, and that when a producers sells his gas to a pipe line, the producer is also making a wholesale sale.

Mr. HUMPHREY. Let us turn it around. When the pipe line purchases gas from the producer it is making a wholesale purchase, and when the distributor purchases gas from the pipe line he is making a wholesale purchase. That is about the only way in which we can describe it. If the Senator can figure out another word for "wholesaler," I suggest that he do so. In the retail market we generally feel that the wholesale price is approximately 33 to 40 percent off the retail price.

Mr. LONG. If any of us is ever so fortunate as to bypass the wholesaler and buy directly from the factory, we would think we had saved money. We have not made what would be considered a wholesale purchase if we buy directly from the factory.

Mr. HUMPHREY. We feel that we have made a better bargain. I know of no other word for it except that it was bought at wholesale. That is common phraseology used by persons who are looking for bargains. They refer to getting a commodity at wholesale from a broker or a middleman or a producer. It is a difference in the percentage. I say to my friend from Louisiana that it is primarily the difference in percentage.

I should like to continue.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. LONG. The Senator certainly realizes the different between the wholesale price and the factory price.

Mr. HUMPHREY. There is no doubt about that at all. It is primarily a matter of percentage. I am talking about economics and profits. The pipe-line company buys wholesale from the producer, and it is an integral part of two ends of an economic transaction, one of which is production and the other of which is consumption. The pipe line is vital to it. It is because of the fact that the pipe-line company does buy from the producer at wholesale, and the ultimate distributor buys at wholesale, that we say it is an economic transaction which is all one unit and is part and parcel of the same thing.

As I continue with my observations, my good friend from Louisiana may interrogate me, and I shall try to give him some reasonably sound and accurate answers.

A policy of regulation by the Federal Government in no sense invades the provinces of the State. In this connection, it is worth while for us to refer to section 1A of the Natural Gas Act of 1938 and its statement of public policy:

> The business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation * * * is necessary in the public interest.

It is important to reiterate the distinction which I have been making—a distinction which has clearly been upheld by the United States Supreme Court. The function of producing and gathering natural gas may be an intrastate function, but the sale of natural gas at wholesale in interstate commerce for ultimate resale across State lines for public consumption is not subject to regulation by the State in which the production occurs and therefore should be subject to Federal regulation. Such sales can be regulated only as Congress should prescribe such regulation. If Congress prescribes no way of regulating it, the sale goes unregulated.

The record of the hearings before both the House and Senate committees gives strong indications as to the real meaning behind the drive to exempt from regulation arm's length sales by independent producers to interstate pipe lines.

The vast utility markets of the country, particularly of the great northern industrial belt, have provided the owners of natural-gas reserves with a glorious opportunity and a very profitable market in which to "cash in."

The ownership of the natural-gas reserves was fully documented by the distinguished Senator from Illinois [Mr. DOUGLAS], and I may say that the documentation of the RECORD is so complete that it would be merely burdening the RECORD to put in any additional tables or any further documentation. The ownership of these natural-gas reserves is largely concentrated in the hands of a few large oil companies, including the Standard Oil group, Gulf Oil, Phillips Petroleum, Sinclair Oil, Sun Oil, and other million-dollar corporations.

Mr. DOUGLAS. I interject to say that some of the corporations are billion-dollar corporations. Is that not correct?

Mr. HUMPHREY. That is correct. I may say that I was very happy—I will not say I was happy, because that would be the wrong word to use; I was somewhat intrigued—when I heard the distinguished Senator from Illinois point out that the prices of stocks of gas producers have apparently found a new level recently. I believe the Senator from Illinois pointed out that the bright boys in Wall Street were apparently betting on the outcome of the pending legislation. I may give my colleague, the distinguished Senator from Illinois, some comfort by reminding him that the bright boys in Wall Street thought they had things pretty well figured out in October 1948. They may be wrong again. They may be wrong with respect to the outcome of the pending regulation. It is entirely possible that some hidden power, which may turn out to be the power of the people, may be reflected here. I merely wish to give my colleague some comfort and solace and good cheer, because I know he has had a bitter and long debate.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the distinguished Senator from Louisiana.

Mr. LONG. When the Senator speaks of billion-dollar corporations I wonder if he would refer to the figures placed in the RECORD by the distinguished Senator from Illinois [Mr. DOUGLAS], purporting to show the enormous concentration of ownership. The figures show that in the year 1952 the Phillips Petroleum Co., by producing 12½ percent of the gas to be produced, would be the greatest producer at a price of 5 cents a thousand cubic feet, which is shown to be the average price in Texas, with the average price for Louisiana shown to be somewhat less.

Mr. HUMPHREY. It is about 4½ cents.

Mr. LONG. The price in Texas is shown to be 4½ cents. However, allowing a price of 5 cents, it would mean that this giant, this behemoth, which the Senator is speaking of, would take in the enormous amount of $14,389,900. Does the Senator consider a corporation with sales of $14,000,000 to be one of the enormous interests in the country?

Mr. HUMPHREY. I may say to my good friend from Louisiana that I would not consider it to be one of the biggest interests in the country. However, judged by standards to which I am somewhat accustomed, it is rather big business. That is one observation which I should like to make. I also point out that the adoption of the pending legislation would be a primer, the first teaser, of what may or will happen. I will not say definitely what will happen. However, the point we are talking about is not cash sales. My statement was that the ownership of these natural-gas reserves is largely concentrated in the hands of a few large oil companies. I am not talking about sales, but ownership of the reserves. I am also talking about the general corporate structure of these large companies.

Mr. LONG. If we speak of the size or the amount of business of a company, here is a company which by all standards is one of the greatest producers of natural gas, with respect to which the record shows the dollar volume of sales in 1952 would be about one-thousandth as great as the dollar volume sales of General Motors.

Mr. HUMPHREY. Yes.

Mr. LONG. In other words, the dollar volume sales of General Motors would be a thousand times as great as those of the industrial behemoth which the Senator fears will take over the gas business.

Mr. HUMPHREY. The Senator from Minnesota did not make that statement at all. Let me read what I said. It is profitable to have prepared remarks. This is what I stated:

The ownership of these interstate gas reserves is largely concentrated in the hands of a few large oil companies.

I think the Senator from Louisiana would agree that the statistics reveal that the ownership is largely concentrated in the hands of a few large oil companies. I said further that included in this group is the Standard Oil group, with its affiliates—California, Indiana, New Jersey, and the rest of the Standard Oil Companies; Gulf Oil, Sinclair, Sun Oil. I did not say a billion dollars. The distinguished Senator from Illinois said a billion dollars, to which I acceded. In my prepared remarks I said, "other million-dollar corporations." However, I was being too modest. The fact is that they do approximate the billion-dollar figure.

I repeat to the Senator from Louisiana that what really is the issue is not how much they sold last year or the year before, but the fact is that the bulk of the gas reserves for the future of this country—and I hope we will have a future—are in the hands of a few very large companies.

By the way, some of these very large companies are capable of performing some very clever legalistic transactions, which legalistic transactions I shall refer to in just a moment. For example, let us take the Phillips Petroleum Co. I have that indicated on about page seven of my manuscript. I have gotten to about page three, and when I get to page seven I shall give the distinguished attorney from Louisiana, who is a very capable one, a chance to figure out with me how the Phillips Petroleum Co. got by with the kind of a deal they did negotiate. I shall hold that for the moment as a sort of mystery to keep the attention of my colleague from Louisiana. It is going to be one of the cases on which I want his help.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not a fact that in the Panhandle and Hugoton fields, which are the two largest fields of the country, the total estimated gas reserves amount to 42 trillion feet, about one-fourth of the total; that one-half of the reserves is held by a total of 16 companies, and that such companies as Phillips, Republic, Shamrock, Hagy, Harrington and Marsh, and Stanolind, have enormous acreage, Phillips having 906,000 acres, Shamrock having 222,000, Stanolind 600,000, Skelly Oil 172,000? In reality are not these two great fields dominated by relatively few companies?

Mr. HUMPHREY. That is the information I have. Let me say that I did not document my address today with these further tables, because for 2 days the distinguished Senator from Illinois has placed in the RECORD every single table as to production, as to ownership, as to contract, as to acreage of gas reserves, and the acreage of land that includes the gas reserves. It would have been superfluous on my part to continue to document that information. What I have is a result of a great deal of detailed analysis which the distinguished Senator from Illinois has already placed in the RECORD.

Later I shall refer in a more specific way to how the very comprehensive analysis the Senator from Illinois has made pertains particularly to my part of the country, the upper Midwest, with reference to one or two companies. I think it is unnecessary for me again to take out of the RECORD which I have here table after table and place these tables in as new material. It costs money to print them in the RECORD, and perhaps we should hold back, since the information has been placed in the RECORD already.

Mr. DOUGLAS. Would not our very dear friend, the junior Senator from Louisiana, be somewhat aided if he were to study the tables on pages 3725, 3726, and 3727 of the RECORD of yesterday, which show the degree to which each of the 80 fields are controlled by one, two, or three companies? It demonstrates that there is not real competition within the fields. The 80 fields have total reserves of 15,500,000,000,000 cubic feet. What we find is that great concentration of holding. Is that not true?

I ask the junior Senator from Louisiana, if he will not, with the fairness which has always characterized him, make a thorough study of these tables? I am sure that if he will do so, he will undoubtedly come to the same conclusion that the junior Senator from Minnesota has expressed.

Mr. HUMPHREY. I may say to the able Senator from Illinois that I am sure our friend and colleague, the distinguished Senator from Louisiana would agree with what we have said, if he were to make a thorough study of the tables. The tables, as the Senator from Illinois pointed out, were prepared by the Federal Power Commission. It gives a list of the 80 fields dominated by the number of companies involved. Also, the table is broken down into particular areas like the Texas Panhandle, for example, and the Hugoton field, and others. A list of the 24 largest producers whose interstate sales of natural gas, for example, would be exempt under Senate bill 1498, is also included in the tables which the Senator from Illinois placed in the RECORD.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. Did the Senator from Illinois say that the 16 companies own 42,000,000,000,000 cubic-feet of reserves?

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I said that the 16 companies owned over one-half of the total acreage in the Panhandle and Hugoton fields. Of the 5,600,000 acres, in the Panhandle and Hugoton fields, 16 nontransporting producers and gatherers own 2,887,000 acres, or an estimated reserve of 21,600,000,000,000 cubic-feet out of a total reserve of 42,000,000,000,000 cubic feet.

Mr. LONG. That would be about $110,000,000 worth of gas to divide among 16 companies. That is not anything like the enormous industries Senators like to discuss on the floor of the Senate. If we were to divide the $110,000,000 worth of gas among the 16 companies we would find that each company would not have an enormous amount. When small businesses are under consideration, by the Small Business Committee we hear $5,000,000 industries described as being small businesses.

Mr. HUMPHREY. That is hardly the issue. The issue is whether by the terms of the bill we would permit these companies to hijack the rate at which they sell to the interstate pipe lines, and thereby increase the rate to the consumer. Whether the business at the present time is small or large, the fact is that more than 15,000,000,000,000 cubic-feet of gas reserves are controlled by some 80 companies, and that a minority of those companies controls a majority of the reserves. The issue is that in the long pull that minority will control the majority of the reserves.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that the very able and distinguished junior Senator from Louisiana quite unintentionally has gotten his conversion figures wrong. Is it not true that 1 cent per thousand cubic feet amounts to $10 per million cubic feet; $10,000 per billion cubic feet, and $10,000,000 per trillion cubic feet? Therefore what we have at stake here, on a 1-cent basis alone, would be $10,000,000 per trillion cubic feet. On a 5-cent basis it would be $50,000,000 per trillion cubic feet. Since the reserves are 42,000,000,000 cubic feet, what we have here is something like——

Mr. LONG. The Senator said 21,000,000,000 cubic feet.

Mr. DOUGLAS. Well, the total reserves are 42,000,000,000,000 cubic feet, so that amounts to something more than $2,000,000,000, of which 21,000,000,000,000 cubic feet, or 50 percent, would amount to more than $1,000,000,000. That may be small change in Louisiana or in Houston, Tex., but it is big money in Chicago.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield to the Senator from New York.

Mr. LEHMAN. I was under the impression that the Senator from Illinois was giving us figures based on 1 cent.

Mr. DOUGLAS. Yes; on 1 cent.

Mr. LEHMAN. I have been listening to the debate for several days. I wish to ask the Senator from Minnesota whether, in spite of all the legalistic and technical arguments which have been advanced, he can conceive of any reason for the bill except to give the gas companies an opportunity of raising the prices of gas to the 40,000,000 potential consumers of natural gas in this country?

Mr. HUMPHREY. I thank the junior Senator from New York for that question, which in fact is an observation, because in the beginning of my remarks I pointed out that the issue was a clear and concise one, and not very complicated. It was just whether or not there was to be regulation of the wholesale

sale upon the producer into the interstate lines. Whether or not, for example, the producers of natural gas were to have a chance to be able to get as much as the market will bear. That is just what it amounts to. The Senator from New York has placed his finger right on the issue; that the issue is between some 40,000,000 consumers and, as the junior Senator from Illinois has pointed out, a handful of producers, the owners of production facilities, a handful that controls the majority of the gas reserves of the country.

Mr. LEHMAN. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. I wonder whether the Senator from Minnesota realizes that very recently the Big Inch and the Little Inch pipe lines have been converted to the transportation of gas to the Middle Eastern States, notably to New York.

Mr. HUMPHREY. I am familiar with that.

Mr. LEHMAN. And now a very substantial amount of gas is coming to the city of New York and to other areas of the State, to the great advantage of the consumers. Then I wonder whether the Senator realizes the great protest that has developed in the municipalities of New York State against what appears to be an almost inevitable rise in prices of natural gas coming to New York State? I have received telegrams, some of which I have already placed in the RECORD, from the mayor of the city of New York, from the mayor of the city of Syracuse, from the mayor of a great industrial city adjacent to New York, Yonkers, and from many other municipalities. Each one of these telegrams contains a protest against the threatened rise in the price of natural gas for the purpose, and for the sole purpose, so far as I can see, of enriching the great oil companies of the Southwest.

Mr. HUMPHREY. I thank the Senator from New York for that observation. I may say in connection with the reaction of the municipal officials and the local government officials in the State of New York, that I introduced into the RECORD today from the State of Minnesota telegrams from the mayors of the three largest cities, from the city councils of the three largest cities and from research engineers attached to the public utility commissions of the three largest cities in the State, as well as from a host of other organizations. I want to point out, for example, that men who are competent technical engineers in the field of public service, such as some of those from whom I have received telegrams of protest in my State, are convinced in their own minds that if Senate bill 1498 should pass, that ultimately, and in the very near future, it is going to mean a sizable increase of consumer cost of natural gas. I may say to the Senator from New York and the Senator from Louisiana as well as the Senator from Illinois that as I progress through my prepared remarks I think we can show that with each contract renegotiation, with each application of the most-favored-nation clause provision, and in the matter of the contracts which are being used for each new tapping of the natural gas production facilities, that as more gas is brought into the lines it will be found the price is going up right now. That means that there should be regulation, and as the gas production increases, there will be need for more regulation.

Mr. LEHMAN. Mr. President, will the Senator yield so as to give the junior Senator from New York on opportunity of saying that he is in full agreement with the conclusions reached by the Senator from Minnesota.

Mr. HUMPHREY. I am very thankful to the distinguished Senator from New York. The Senator from New York, as Governor of his State, met many problems relating to public utilities again and again. I am sure he is familiar with the very serious problem the bill would place upon the municipalities and upon the ultimate consumers in the cities, and even upon the farm areas of America if it were to pass.

If I now may proceed, Mr. President, I think we will find some interesting observations as I come to grips with a particular case, and I want my colleagues to stay with me if they can as we come to this case.

It is admitted in the record that the increased demand and concentration of ownership of limited supplies have created a situation in which the only effective competition is not amongst those who sell the gas but amongst those who buy the gas. That is an economic observation which was made, as I recall, yesterday by the Senator from Illinois [Mr. DOUGLAS], that as to this idea of competition we talk about so much, there is no competition amongst those who sell the gas. There is competition among those who buy the gas. The result of such competition among buyers is not to hold prices down, but to force prices up. I have specific examples illustrating and proving this point particularly as it affects my own State of Minnesota, and I shall take note of them in a few moments.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LONG. When the Senator said there was no competition among those who sell the gas I wonder if he would feel that there is no competition if he knew that there are great numbers of gas wells, or wells producing oil, which also have gas to sell, whose owners are not able to sell their gas at all? In some cases wells are idle, and the producer is in very much need of some money. He would very much like to sell his gas. I wonder if the Senator feels there is no competition among producers to sell the gas when they are sitting on gas wells on which they are able to realize nothing?

Mr. HUMPHREY. If I have said "no competition," that is very definite, of course; but I would say less competition, and a great deal less competition, among those who sell, as compared with those who buy.

I would also remind the Senator that in the whole process of buying and selling gas, the pipe-line facility and its location have a great deal to do with the matter. On the one hand, we have natural-gas production wells; and, on the other hand, we have the pipe-line facility. To be sure, theoretically it may appear that there is a great deal of competition because there are hundreds and hundreds of little gas wells; but unless there is a way by which the gas can be gathered, and, once it is gathered, can be put into the pipe line, and unless the pipe line is there to receive it, to be sure the competition is there in theory, but not in fact, because a facility for the transmission of the gas is not there. It is there only when the pipe line is there.

I say that all through the Midwest and the industrial North and in the far West the consumer demand for natural gas is far greater than the amount of gas which at present can be delivered. As a matter of fact, in the communities with which I am most familiar, the conversion of furnaces to the use of natural gas is years behind the demand. The conversion has been rather rationed. A person who wished to have his furnace converted to the use of natural gas has found that he has been on a priority list. If such a person had a sick mother or a crippled relative living in the family, or if there were some other emergency in his family, he could have his furnace converted to the use of natural gas without waiting too long a time. I think such a system of priorities is still in effect.

So we have pipe-line companies which wish to buy natural gas because of the demand, and we have consumers who wish to buy natural gas from the distributors. That situation places a premium upon the ultimate retail price, because of the consumer demand, and also a premium on the price the producer gets from the pipe-line company.

Mr. LONG. Certainly.

Mr. HUMPHREY. Yes; and I think it will.

Mr. LONG. Thus far, the latest figures show that in the State of Louisiana our producers are getting about 3.9 cents a thousand cubic feet. That does not indicate that the tremendous demand has so greatly driven up the price.

Mr. HUMPHREY. Does the Senator from Louisiana have regulation in his State?

Mr. LONG. Not price regulation.

Mr. HUMPHREY. Does the Senator from Louisiana have what is called a fair-return regulation?

Mr. LONG. No; none at all.

Mr. HUMPHREY. I refer to a fair-return-to-the-consumer regulation. We have such a regulation in our State. I speak now about the consumer.

Mr. LONG. Not other than regulation on the distributor.

Mr. HUMPHREY. That is what I mean.

Mr. LONG. The distributor is usually a public utility.

Mr. HUMPHREY. That is what I mean.

Mr. LONG. The distributor is usually a public utility.

Mr. HUMPHREY. That is correct.

Mr. LONG. Of course, some cities own their own distributing facilities.

Mr. HUMPHREY. Yes.

Mr. LONG. Eut there is no regulation on the producer in Louisiana who sells his gas in a competitive market.

Mr. HUMPHREY. There is the regulation at the end of the nozzle, however, where the gas is finally used. There is the regulation of the public utility at the local end of the line, and that is a way of holding back the price even at the other end of the line.

In addition, in recent years there has been—as has been pointed out—the greatest development in the use of natural gas. To be sure, some of the companies were covered by contract relationships, and also some of them were covered by the threat of Federal regulation or the fear of Federal regulation, particularly within the last 2 years. I think it is quite interesting to note, as the Senator has pointed out, that the minute it looks as if things will be a little more rosy for them, all at once these investments take on a new glow and a new meaning and rather a new, healthy look, and the anemic quality seems to have disappeared. However, the anemic qualities were never there. We went over this matter at a rather late hour yesterday, when we found that the average cost of production ran between 2.4 and 2.5 cents a thousand cubic feet. That is a good, optimistic figure for the cost of production, whereas the average at which the gas was sold was approximately 5 cents.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Would not the Senator from Louisiana be convinced that these companies are not anemic by looking at their ratios of return on common stock and surplus in 1948 after taxes? If the Senator will do so, he will find that the Phillips Corp., for instance, which he seemed to indicate was a small affair, made 18.7 percent, and that the average for the 24 corporations listed averaged 23.9 percent earnings on common stock and surplus after taxes in 1948. That is not an indication of anemia. They are already bulging with health, and the proposal now before the Senate would simply surfeit them.

Mr. HUMPHREY. Mr. President, in response to the Senator from Illinois I wish to say that after I heard the pleading remarks of our colleague the Senator from Louisiana about how these companies were just budding, aspiring, more or less adolescent little businesses, I became somewhat touched and I began to feel that possibly there was a quality of economic anemia. However, my memory was refreshed.

Mr. DOUGLAS. Is it not true that the junior Senator from Louisiana has a very easy and seductive manner of asking questions, and therefore it is constantly necessary to be on one's guard?

Mr. HUMPHREY. Yes; the junior Senator from Louisiana exemplifies the finest qualities of southern charm and southern masculinity and also southern ability. So one has constantly to be on guard when being questioned by so able an attorney and pleader and one who has grown up with the natural-gas business. I think it is fine that he is here to defend the interests of the gas producers in his State. I would say that he would owe that duty to the Commonwealth he represents here in the Senate.

But I wish to say, with the same good nature that I always have for my friend the Senator from Louisiana, that the interests involved here are just a little bit greater, insofar as the public welfare is concerned and insofar as public policy is concerned, than the interest of a limited number of producers, whether in Louisiana, Minnesota, or elsewhere, for the argument the Senator from Louisiana is using today is the same argument which was used in reverse at the time when the junior Senator from Minnesota was arguing with some determination about a little product called butter. At that time, as I think my friend, the Senator from Louisiana, remembers very well, the junior Senator from Minnesota was defeated. In that case we had a great deal of evidence to prove that the producer was quite widespread, as widespread as the cow herself; and I doubt whether there are as many natural-gas wells as there are cows. Nevertheless, we lost that fight. The Senator from Louisiana said he was on the side of the consumer; and many times he consoled me by saying, "Well, the junior Senator from Minnesota is doing what he believes to be right because of the great economic interest his State has in this matter."

Of course, Mr. President, I felt that I was doing right in many more respects than that.

Mr. LONG. Mr. President, I should like to ask the Senator whether he realizes that in the oleo fight, those of us who took the side of oleo were simply fighting to give oleo a chance to compete with butter. In the present debate the Senator from Minnesota is fighting to prevent gas from having a chance to compete with coal and oil in a competitive market.

Mr. HUMPHREY. What the Senator is attempting to do is to give natural gas a chance to compete on the most favorable terms and at the lowest prices. The one thing that could hurt natural gas would be to drive itself out of the market, as coal is doing. Believe me, Mr. President, if some steps are not taken by the Congress to see that the public interest is protected, I am afraid that, again, the momentary desire for what is considered to be profit, the desire to cash in, in economic terms, may overcome the long-range, sound, economic policy regarding the sale of gas as a consumer item throughout the many, many years.

Mr. President, the hour is late——

Mr. LONG. Mr. President, will the Senator permit me to ask one more question?

Mr. HUMPHREY. I yield for a question.

Mr. LONG. I wish to ask this question because there has been some misapprehension on this point: The Senator has spoken of the great return made by the gas companies. I am sure many of them have made a large return. But the Senator overlooks the fact that those are not gas companies. To the contrary, they are oil companies. The income of those companies from oil is invariably enormously greater than their income from gas; and the return on gas is much less than is the return on oil, as the Senator will find, I believe, if he will check that matter.

Mr. HUMPHREY. Mr. President, I must reply, in behalf of both the Senator from Illinois and myself, and speaking in regard to the figures themselves, and for the purpose of the accuracy of the RECORD, that the figures supplied by the Senator from Illinois in regard to 1948 profit returns on common stock and surplus, after taxes, were in respect to both gas and oil. They cannot be separated.

Mr. LONG. There are some companies which produce only gas. But the companies for which the figures were presented happen to be companies which also produce oil.

Mr. HUMPHREY. Yes.

Mr. LONG. During the past 10 years, oil has gone up in price about two and one-half times, as compared to the price of oil before the war.

Mr. HUMPHREY. Yes.

Mr. LONG. On the other hand, the price of gas has not risen substantially. As a matter of fact, the cost of gas to consumers has decreased during the same period of time.

Mr. HUMPHREY. However, I should like to point out to the Senator from Louisiana that the Republic Natural Gas Co.—and at least its title would indicate that it is in the gas business—is shown to have had, in 1948, total assets of $22,760,000, total gross operating revenues of $9,735,100, and a 24.1 percent return on common stock and surplus, after taxes—all in 1948. Mr. President, even in this day of profits a return of 24.1 percent after taxes is considered to be a very sizable and healthy profit.

Mr. President, in order to proceed with my remarks, so that the Senate can soon take a recess——

Mr. LONG. If the Senator will permit, let me say that the gross operating revenues of that company in 1948, according to the table from which the Senator has read, were $9,735,100, which is not so enormous as some persons would have us believe.

Mr. HUMPHREY. But regardless of the size of that profit figure, in terms of percentage, it compares rather favorably with all the others, some of which run as high as 30 percent and some of which are as low as 16 percent; I think those are the two extremes set forth on the sheet prepared by the Senator from Illinois.

Mr. President, I said that I wish to cite a few specific examples. Before I do so, however, it is necessary for us to realize that behind much of the motivation for the passage of this act and the desire to escape Federal regulation is a desire for unrestricted profits at the expense of the consumers. This is an understandably great temptation, Mr. President. The evidence is clear that individual interests like Standard Oil or Phillips Petroleum could literally make hundreds of millions of dollars of extra profits over the life of their reserves from a mere 5-cent increase in the field price of natural gas. That has already been referred to this afternoon by the Senator from Illinois. I repeat that they

could make tremendous profits, running into the hundreds of millions of dollars, over the life of their gas reserves, from a mere 5-cent—not more—increase in the field price of natural gas.

I shall show subsequently, or in short order, that a 5-cent increase in the price of natural gas is not uncommon at all in terms of what is happening today. The volume of natural gas sold in 1947 was 1,012,512,000 thousand cubic feet. That is all in the RECORD. The documentation, as I said, is so complete and comprehensive that we shall not burden the RECORD with further tables. However, it is estimated that these sales would increase by 1952 to 2,325,000,000 thousand cubic feet, which is more than double the 1947 sales. Based upon the estimated 1952 sales—and I cite now the 1,000,000,000 thousand cubic feet and the 2,000,000,000 thousand cubic feet, in round numbers—based upon the estimated 1952 sales, a price increase of 5 cents per 1,000 cubic feet will bring about an annual increase in cost to the consumer of $116,000,000. That does not seem to be such a big figure in the total national economy, but taking the life of a gas reserve at 30 years, such 5-cent increase would amount to $3,480,000,000 of additional profits before taxes to the gas companies involved.

Under present estimates of reserves, and I think it is only fair to say the present estimates of reserves may be evaluated up and up and up as the new surveys and findings and explorations come along. It is possible they may be found going down, but that possibility, according to the historical pattern, is not so strong as the possibility of the cubic feet of gas reserves increasing.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to my friend, simply because of my deep affection for him, but I should like to finish my remarks.

Mr. LONG. As a matter of fact, the Senator supported, and I believe we all voted for, a pay raise last year for Federal employees, which, over the period of the next 30 years will cost the taxpayers equally as much. That is true, is it not?

Mr. HUMPHREY. I do not recall the computation. The only thing I know is that the Senator from Louisiana gave such able leadership to that bill, as with the pending bill, that I was enticed. If that was the case—and by the way, I wanted it to be, as I happened to be for the bill—but this time the Senator is using the same eloquence and, if I may say so, the same very sharp and pointed attack that is almost winning me away from my script. I want to follow the remarks I have, because in discussing a subject that is so filled with heat and occasionally light, as is the gas bill—and some people have even said, with gas—it is pretty important to stay with the case which I want to present to the Senator from Louisiana. I know that he is alert, that he is on needles and pins. He is sitting here in anxiety, waiting for me to divulge this mysterious case which affects the State of Minnesota, a State for which he has great affection. Let us go on then to find the case. This is one of the "Who done its." The figures I have pointed out as to what I think would be the gross profit before taxes, afford an explanation of much of the drift behind the bill.

In short, Mr. President, this is enabling legislation. It is a bill to enable the owners of natural-gas reserves to make the public pay, and pay through the nose, from this day forward, at least, for the duration of the gas reserves, so long as those reserves may last.

I venture to say that this is the largest single enabling act to come before the Congress in many years. There may be some dispute as to just how great an increase in price the bill will enable the companies to exact from the public. I submit there is a legitimate argument as to the nature of what the increase will be, but I venture to say no one will say the price will be lower as a result of the passage of the pending bill; but I think everyone will say there will be some increase. The question "how much?" is a matter of conjecture, but as to the fact of the pending bill affecting the consuming public there can be no doubt. I think we ought to be honest with each other. It will affect the public. It will affect the distributor at the local level. It will affect the pipe line. It will affect the producer. How it will affect them will depend on what we do with the pending bill. If we reject it, it is my considered judgment we shall be protecting the public interest, and we shall be protecting the consumer interests. If we pass the bill, it is my considered opinion—and it is an opinion which required some time in order to arrive at it, for, as my friend from Louisiana knows, I have had some real honest conflict of attitude on occasion about the bill but I say it is my considered judgment now that if the bill is enacted, it will provide the opportunity for major price increases which will be conveyed to the consumer, and a price increase, Mr. President, if you please, which the facts as to profits, on the basis of investment and cost of production, do not justify. If the gas companies could show, even in this day of high prices and high labor costs and high operating costs, that they are starving to death, and are not making a fair return on their investment, that would be another thing. But the fact is they are making more than a fair return on their investment. In fact, the tables placed in the RECORD by the Senator from Illinois, as of Tuesday, indicated that, as they compute the costs of production, they include a fair return on investment, even in the computation of the cost of production; and then, after that, the price is greatly increased by the time it gets to the pipe-line distributor.

The citizens of my State have a particular stake in this question. Natural gas is supplied to Minnesota by the Northern Natural Gas Co., an interstate pipe-line company. I want the Senator to remember the name of the Northern Natural Gas Co., an interstate pipe-line company. I am not sure whether this is the hero or the villain of my story, but it is a part of this latest senatorial "Fearless Fosdick" rendition of the Natural Gas Act. This company buys gas from the independent producers of gas, that is, the alleged and so-called independent producers of gas, who stand to gain in the event the pending bill is passed. The Northern Natural Gas Co. in Minnesota, which is an interstate pipe-line company, sells gas to local industrial consumers in my State and in other States which it serves.

Let me invite the attention of the Senators from Kansas, who, I gather, will have to read the RECORD in order for me to be able to invite their attention, and the attention of the Senators from Nebraska, who, I gather, will also have to read the RECORD in order for them to protect properly the interests of their people, and the attention of the Senators from Iowa and from South Dakota, States which also are supplied by this same Northern Natural Gas Co., the pipe-line company, that the Northern Natural Gas Co. is advising its customers right now that it must have higher rates. It bases a large part of that demand on the increased prices which it is already being forced to pay to the independent producers in order to get gas. I want the Senator from Louisiana to note that.

Proponents of the pending bill assert that its passage will not cause the price of gas to rise unduly. This is the consumer argument on the part of the proponents of the bill. The price of gas, they say, will not rise unduly. Why? Because the record of the years is a wonderful record in terms of charts and graphs. When the lines are all drawn, and when we contemplate the economic fever chart which the business community often uses, it appears that the price of gas, instead of going up, has gone down a little bit, and it is said, "Do you not understand that this is exactly the way it will be from here on out?" But what are the most recent revelations? I will not say revelations, because revelation comes out of a historical background. So in this instance I ask, What is the most recent observation? The most recent observation is from the economic facts, such as are presented to the consuming public in my own section of the country, and also in other sections of the country which are represented in the Senate.

Proponents of the bill then assert that its passage will not cause the price of gas to rise unduly. "Unduly," you understand, Mr. President, because most of it is already under long-term contracts That is hokus-pokus No. 1, for most of it is already under long-term contracts, and the price of natural gas is determined for years ahead.

If there was an optical illusion or a gas bubble that was destroyed by the sharp intellectual—may I say?—attack of a friend in the Senate, the Senator from Illinois [Mr. DOUGLAS], he burst the bubble and destroyed the illusion yesterday. The Senator from Illinois I think introduced evidence to the effect that some 65 percent or more of the contracts contained either escalator clauses or renegotiation clauses, or had what we called the most-favored-nation clause. What does that mean? The "most favored nation" should be translated into the "most favored company." In other words, if a pipe-line company purchased gas from any company—from, let us say,

three or four companies—in a natural-gas area, and it had a contract with company A, and it then had to make a new contract with company B, and it had long been paying a little bit more money to get that gas, it immediately had to compensate company A in the same way. It is similar to the tariff program, under which we have the most-favored-nation clause. In this case it is the most-favored-company clause.

I made inquiry of the Federal Power Commission on this score. I was moved to believe that actually, even if we should pass the pending bill, even if the Senate should make the mistake, at least in my opinion, of passing Senate bill 1498, at least for some years to come we would not be under any real hardship, because I had been somewhat convinced by contact and by talk and by visits with Senators on the floor, that the long-term contracts would protect the over-all public interest. So I wrote to the Federal Power Commission. I cannot recall the date of the letter, but it was around the first or second week of February 1950. I made inquiry of the Commission on this score, and I have received very enlightening information from the Chairman of the Commission, Mr. Nelson Lee Smith. Mr. Smith informs me that in 1948 the Northern Natural Gas Co. was buying gas at an average price of 5.56 cents per thousand cubic feet.

Mr. President, I ask unanimous consent to place in the RECORD, following my remarks, a copy of Mr. Smith's letter in which will be found a table showing the quantities of gas purchased and the prices paid in 1948. The prices range from 4 cents a thousand cubic feet to 6.8 cents, and the average price paid was 5.56 cents.

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. The average price paid for gas in 1948 was 5.56 cents. What does the company pay now? The Commission advises me that in 1949 the company executed four new contracts for the supply of gas. It executed one contract to buy gas for 15 years at 6½ cents a thousand cubic feet. That represents an increase of 17 percent over the average price paid in 1948.

The Northern Natural Gas Co. executed another contract in 1949 to pay the Shamrock Oil & Gas Co. 8 cents a thousand cubic feet, as compared with the average price of 5.56 cents. That latter contract provided a price of 8 cents for the first 5 years and a price of 9 cents thereafter. The 8-cent price represents an increase of 44 percent over the 1948 cost of gas to that one company. It serves four or five States containing a sizable portion of the population of this country.

The company executed a third contract to pay the Cities Service Oil Co. 9 cents in some areas and 10 cents in others. This is compared with the 1948 price of 5.56 cents. The price was made for only 7 years. Thereafter the price is to be renegotiated if the Northern Natural Gas Co. wants to continue to get gas.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I shall be glad to yield for a question.

Mr. LONG. When the Senator speaks of the contract being renegotiated, although the Senator may propose regulating the price of gas in interstate commerce, what would prevent the company from selling the gas in intrastate commerce for the best price it could get?

Mr. HUMPHREY. Not a thing.

Mr. LONG. How would the Senator propose to handle that situation?

Mr. HUMPHREY. I would leave it entirely up to the States.

Mr. LONG. As a matter of fact, two-thirds of the gas consumed is consumed in the State in which it is produced. Does the Senator know that?

Mr. HUMPHREY. Yes—that is, as of this time. I do not think it is even as of this time; I think it is as of a year ago. I am not sure about that. One of the greatest businesses today, and one in which there seems to be vast investments, is the natural-gas production and pipeline business. There is a great demand for the gas, so I am not sure that the same ratio will prevail. However, it is quite understandable that in a State which has natural-gas wells the people would want to use a great deal of the gas in their own particular localities.

Mr. LONG. I do not know just what the cost of producing gas is, but the Senator has given it as his opinion that it is somewhere around 2 cents a thousand cubic feet.

Mr. HUMPHREY. I did not give it as my opinion. As a matter of fact, the Senator from Illinois placed in the RECORD a complete analysis of many contracts and the statements of the companies as to what they considered to be their cost of production in relationship with the sales.

Mr. LONG. The figure for some companies was as low as 2 cents, and for one company as high as 4 cents.

Mr. HUMPHREY. It averages approximately 2.7 cents.

Mr. LONG. If companies producing natural gas are to be regulated, I assume the fair return on the investment is the only figure to use in connection with fixing the price at which the gas could be sold.

Mr. HUMPHREY. The cost of production of the companies already includes the item of return at 6 percent on net investment and working capital allowance. That is considered to be very good.

Mr. LONG. This is the question which I had in mind. Over the period of the next 40 years it is my understanding that States in which gas is presently produced can consume all the gas. If the Senator should try to reduce the price of gas which is to be shipped in interstate commerce to one-half the going price, how could he hope to make the people who have the gas for sale ship it in interstate commerce, when they could receive a much better price by selling it in intrastate commerce, over a longer period of time?

Mr. HUMPHREY. I would not be able to compel people to sell gas in interstate commerce. However, I think it might be pointed out that despite the demand in local areas and despite the fact that there may be a little better price in local areas, there is a great volume of gas available to be sold, and the companies have shown an interest in selling it. It is something like betting on Joe Louis against the local pug, but I would place my bet on the fact that the natural-gas companies are going to sell to the pipe lines and then to the distributors.

Mr. LONG. If the producers are simply able to keep their gas in the ground, or sell it more slowly, and get twice the price for it within their own State, why does the Senator think they would sell it beyond the State and be limited to a 6-percent return on the investment?

Mr. HUMPHREY. The Federal Power Commission has said they are entitled to a fair return, and I believe it will be enough to entice people to produce and sell. From the nature of the argument of the Senator from Louisiana, apparently the natural gas companies are in a kind of an operation in which they make an exorbitant profit, because I submit that any American business today which can make a profit of 6 percent after taxes thinks it has a gold mine. Most of them are saying they do not make anywhere near that amount of money. Six percent seems to be very good.

In the cost schedule which the Senator from Illinois placed in the RECORD there was included in the so-called production cost of gas a 6 percent return on net investment and working capital allowance.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that the 6 percent rate of profit has to be considered in relationship to the so-called pure rate of interest, which I suppose would be that of Government securities, and the average cost of money to the Federal Government is approximately 2.2 percent, so that a 6 percent allowance would be equal to 3 times the rate of interest on Government securities. In a sense it would be comparable to a rate of return of 12 percent in the old days when the yield for governments was 4 percent. In other words, the 6 percent has to be taken in relation not to past rates of interest, but to present rates of interest, and it is a very good yield.

Mr. HUMPHREY. I think it is. But may I say to the Senator from Louisiana that I have only four pages of my speech remaining——

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. LONG. I do not wish unduly to delay the Senator from Minnesota. I am sure I am delaying very few other Senators, and I am gaining enlightenment from the Senator's dissertation on the subject.

Mr. HUMPHREY. So far as the junior Senator from Minnesota is concerned, he is a bit of a night hawk and does not mind staying up late, even on the floor of the United States Senate. I wanted

to be considerate of Senators who were most patient this afternoon. Being an educator of a sort, I have come to the conclusion that after a certain hour of the day the law of diminishing returns seems to set in, insofar as fruitful ideas are concerned, infiltrating the minds of listeners. I do not want my thoughts to be lost because of the intellectual and mental attitude of my colleagues at this late hour.

Mr. LONG. I am sure that the large companies shown on the chart on page 3733 of the RECORD could afford to drill well after well and set off their dry holes against the producing wells. I imagine the Federal Power Commission would permit them to do that. But I should like to point out to the Senator that among the independent producers I assure him there are many who may not have capital of more than $35,000, $40,000, or $50,000, and would not be benefited by a 6-percent return if the first well were a failure. Such a producer, even though he might find one or two successful wells, would go broke if he drilled possibly one or two other wells and failed to discover oil or gas.

Mr. HUMPHREY. I think that is a rather convincing argument. I am not prepared to give a full and adequate reply to it at this time. I know the Senator makes the argument because of his really deep interest in what we both call the small independent businessman. I believe in the kind of regulation which may be prescribed in terms of the public interest or to protect the interest of adventure capital, and I am in favor of giving the businessman, if need be, special treatment in terms of protecting his investment and the risk capital he is willing to use.

I assure my friend from Louisiana that I am one Senator who would not underwrite a uniform code or program which would deal alike with both large and small producers, because I fully realize that a big company like Sun Oil or Standard Oil could drill many dry wells and get some concessions which they would be able to take advantage of.

Mr. LONG. They could deduct them from their income tax, for example.

Mr. HUMPHREY. They could deduct them from their income tax. I realize that. A large company could take blows like that. However, the little fellow, with small capital, could not take them. What does it cost to drill a well—about $50,000?

Mr. LONG. It depends on the depth. It might be as cheap as a thousand dollars, and might be as high as a quarter of a million dollars.

Mr. HUMPHREY. Let us say the company has a capitalization of $100,000 or $200,000. Such a company could not engage in a fruitless exploration, unless the Federal Power Commission were to make room within its regulations for that kind of concern. Otherwise there may be serious hardship and damage done to what I would call an independent investor, independent explorer, or independent gas company, which took a chance in trying to find additional resources of gas. I wish to say to my friend from Louisiana that I would be one of the first to join with him in an appeal for economic justice for this group of producers.

Mr. LONG. In that connection, I should like to ask the Senator if he does not feel that if some price control were placed on the gas business and the oil business——

Mr. HUMPHREY. Just the gas.

Mr. LONG. Just the gas business. If a small producer goes in to drill a gas well—of course, when we speak of a gas well, there is always a possibility of producing oil at the same time——

Mr. HUMPHREY. That would not be too bad.

Mr. LONG. I am sure the driller would be glad to have both. Does not the Senator feel that a man who drills for gas should receive consideration for the fact that it is a great gamble whether he will bring in anything at all. As I understand, in drilling for a discovery well the chances are 1 in 16, or 1 in 20, that the driller will bring in any gas in commercial quantities.

Mr. HUMPHREY. That is correct. I understand that the testimony before the Federal Power Commission, or at least the evidence which was presented before the committee, indicated that that fact would have to be given consideration in fixing rates. As I said, I agree with the Senator from Louisiana that insofar as small producers or small investors, who do not have large capital, are concerned some liberalized treatment may have to be accorded to them. It may even have to be carried over into the larger companies.

I wish to assure the Senator from Louisiana that I believe in the profit system. I believe so much in the profit system that I should like to see many more people get profits, and not just a handful. I should like to see many more people get a profit. However, it is impossible to protect the profit system if some companies are to be permitted to engage in gouging. One practice which has brought more criticism of the so-called profit system, or the capitalistic system, than anything else is the fact that some people have abused it. Some people have abused privileges and liberties which have come with the system. We have watched, for example, what has happened in the timber industry of this country. Originally there were fabulous quantities of virgin timber. They were actually exploited by the large corporations, or the so-called lumber barons. Those original virgin timberlands may be compared with our natural-gas reserve at the present time. The timber reserves were exploited. Fabulous profits were made. As a result, we have a real conservation problem on our hands today. Such practices have provoked a kind of almost irresponsible criticism of our whole economic system. I know the Senator from Louisiana believes in the system. I know he believes in it as much as I do. The economic system can be seriously injured, it can be smeared, in a sense, and even destroyed, by what I consider to be excesses, abuses, or license. I think it is possible that would happen in the natural-gas field unless a modicum of regulation were set up, or unless at least a reserve power of regulation is provided. What worries me most about the pending legislation is that it expressly states that there shall be no regulation. I know that the Federal Power Commission some years ago said they had one idea, and later they said they had a different idea. There is a little different set-up involved now. We are confronted with a different set of economic values. At least now the protective arm of the Federal Government is present to protect the public welfare. I believe that to be a desirable attribute of government. I do not think the hand of government should be used as a mailed fist but it should be held in readiness to protect what I consider to be the consumer's interests and the public interest.

Mr. LONG. The Senator realizes, does he not, that the oil and gas business, particularly the oil business, historically has been an industry of high profits, but also of great risks?

Mr. HUMPHREY. I understand.

Mr. LONG. The Senator knows, does he not, that most of the successful oil men have been broke at least once, and that some of them have been broke a dozen times, in their lives?

Mr. HUMPHREY. I am aware of that. I believe that in terms of the artist, writer, musician, and great story tellers, the oil business is one of the most romantic businesses, that it is filled with romanticism, chance, opportunity, and speculation. While I enjoy that spirit, or that part of the American way of life, I believe it can be overdone a little, particularly when it starts to affect the whole economy of the country. I would like to give the natural-gas producer the chance to get rich, and also the chance to go broke, if that is his desire, or if it should be his lot. However, in the process I do not think it is a good idea to take along 40,000,000 or 50,000,000 consumers to see the show, when the price of the ticket goes up every time a contract is renegotiated.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. While it is true that the little wildcatter may draw blanks, is it not true that the major companies, according to the figures which have been submitted in the RECORD, are drilling a large number of wells, and that some of them turn out to be dry and some wet, that they make a hit sometimes and strike out at other times, but that the losses are charged as operating costs? So, in spite of their losses, they are still making very large profits, amounting on the average to 24.1 percent.

Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield to the Senator from Illinois, who has information as to this matter at his fingertips.

Mr. DOUGLAS. Is the Senator from Minnesota aware of an article in the Oil and Gas Journal for March 2, 1950?

Mr. HUMPHREY. I was not aware of it until it was brought to my attention about 1 or 2 days ago by one of the Senator's distinguished staff.

Mr. DOUGLAS. The Senator will recall that the article reads:

Major oil companies brought in five out of every seven successful wildcats in south Louisiana last year.

A total of 175 wildcats were drilled in 1949 in the area covered by the Houma, Lafayette, Lake Charles, and New Orleans districts of the Louisiana conservation department. These districts include the offshore leases in the Gulf of Mexico—

About which we will hear later.

Of the 175 tests, 70, or 40 percent, were successful, compared with the Nation-wide average of 17.6 percent.

Of the 70 discoveries, 50 were made by major companies, and 20 by independents and smaller companies.

I now skip some passages, and then find this:

Humble Oil & Refining Co. leads the list with 12 discoveries to its credit. Second and third places are captured by the Texas Co. and the California Co. with 10 and 5 discoveries respectively.

In other words, apparently the big gas and oil companies, even after they charge off their failures, have large successes, and this enables them to make large average profits. So that this drilling is not by the lonely, independent wildcatter, as our charming and able friend the junior Senator from Louisiana would have us believe.

Mr. LONG rose.

Mr. HUMPHREY. For a moment, Mr. President, I am not going to yield, because I started a thought and got through four-fifths of it, and I want to put the final fifth in the RECORD.

I had pointed out that in 1949 Northern Natural executed four new contracts for the supply of gas. It executed one contract to buy gas from the Le Bosquet Co. for 15 years at 6.5 cents per thousand cubic feet. That represents an increase of 17 percent over the average price paid in 1948.

Northern Natural executed another contract to pay the Shamrock Oil and Gas Co. 8 cents for the first 5 years and 9 cents thereafter. That 8-cent price represents an increase of 44 percent over the 1948 cost of gas to this company.

Northern Natural executed a third contract to pay Cities Service Oil Co. 9 cents in some areas and 10 cents in others. Its prices are 62 percent and 80 percent higher than the 1948 average price paid by Northern Natural. These Cities Service prices are good for only 7 years; thereafter the price is to be renegotiated if Northern Natural wants to continue to get gas.

The fourth contract was executed with Plains Natural Gas Co. at 10.5 percent per thousand for 11 years, thereafter to renegotiate the price. The price of 10.5 cents, Mr. President, is 89 percent above the average price at which this pipe line was buying gas only 2 years ago.

Mr. President, I am not reading from some bulletin, I am reading from a statement of facts which affect my community. I am reading about facts which are verified by the research engineer for the public utilities commission of my community. I submit this is going to have an effect on the price structure of gas in my city, and in a sister city, for an area with a population of 1,000,000 people within 25 square miles. And those 1,000,000 people are producers, consumers, and taxpayers, and it is going to affect their cost of living.

Mr. President, the purpose of my argument is to show that this illusion which has been given to us, this attitude which has been conveyed to us, that the consumer, no matter whether we enact Senate bill 1498 or not, is going to be protected because of contracts, is not accurate. Actually the consumer is not being protected because of contracts, at least not the bulk of the consumers.

Now, Mr. President, let me go on with the facts as to this same company, and this is where we get down to the second part of the mystery story.

The Phillips Petroleum Co. is one of the bigger companies, in fact, is the largest seller of natural gas to interstate pipe lines in the country. The Phillips Petroleum Co. is interested in the enactment of the pending bill. I am informed that at this moment the Phillips company would not qualify under the terms of the pending bill for exemption from regulation, because Phillips is not only a producer but a pipe-line outlet as well. Phillips, of course, as I said, owns an interstate pipe-line company known as the Independent Natural Gas Co., which means that Phillips cannot qualify as a so-called independent producer.

I think we should commend the authors of the bill for including that kind of protection. May I say that the fact that they have have included that kind of protection of the public interest indicates to me that the real desire of the Senate of the United States is to extend that protection all the way down the line, because I think it can be proved beyond a shadow of a doubt that insofar as the so-called independent producer, as an independent, is concerned, he is only independent to sell to the interstate pipe lines insofar as that affects interstate commerce, and his independence is primarily a theory and not a fact. The only difference being that the interlocking directorates or the capital-stock ownership is not the same as it would be under the Phillips company with its Independent Natural Gas Co. pipe-line company.

Let us go into the Phillips situation and see what Phillips would do under the terms of the bill.

It would be too much to expect the Phillips Petroleum Co., looking at this bill and the proposed amendment to the Natural Gas Act, and becoming keenly aware of the vast opportunity the bill affords for profit, to remain quietly on the side lines and maintain only an academic interest in the legislation.

Mr. President, I should like to ask any Senator if he thinks that when a new law like this is being prepared, the Standard Oil Co., the Sun Oil Co., the Phillips Petroleum Co., and all other big oil companies who have the finest corporation attorneys it is humanly possible to obtain, are going to sit idly by and not figure out some kind of a gadget to get around the law? I think they will get around it, and I think I have a case in point as to how they did get around it.

We would naturally expect, would we not, that in order to qualify for the vast benefits to be provided by this amendment, Phillips Petroleum would get out of the interstate pipe-line business and would divest itself of its interest in the Independent Natural Gas Co. That, Mr. President, is precisely what the Phillips Petroleum Co. is about to do.

Mr. President, since I occasionally get credit for a bit of shouting, I want to shout this to the American public, that the biggest seller of natural gas in interstate pipe lines is about to make a legal transaction in its business so that it will come under the terms of the bill, so it will no longer be subject to regulation. I submit that if the Phillips Petroleum Co. has already proceeded to do this before the bill is passed, God help the consumer after the bill is passed.

Let us take a look at the record. I repeat that a company as intelligent as is the Phillips Petroleum Co. would want to get out of the interstate pipe-line business so as to divest itself of its interest in the Independent Natural Gas Co. so as to come under the terms of the bill. I repeat, Mr. President, that is precisely what it is about to do.

Let me read from the letter I received from the chairman of the Federal Power Commission, dated February 21, 1950. In it he says:

Under a contract which Northern Natural Gas Co.—

The Northern Natural Gas Co. is one of the environmental factors of our community in the State of Minnesota.

Under a contract which Northern Natural Gas Co. has had for a number of years with Independent Natural Gas Co., an interstate pipe-line company and a subsidiary of Phillips Petroleum Co., Northern purchases approximately 11,000,000,000 cubic feet a year at a price of 5¾ cents per thousand cubic feet, taking delivery at about 450 pounds pressure. Northern Natural Gas Co. has recently negotiated a contract with Phillips Petroleum Co. under which Northern would either acquire the common stock of the Independent Natural Gas Co. or its physical properties.

Here we have a company which has been doing business with the Phillips Petroleum Co. The Northern Natural Gas Co. is a pipe-line company. The Northern Natural Gas Co. has been buying natural gas from the Phillips Petroleum Co. at an average price of 5¾ cents per thousand cubic feet. Now the Senate has before it the pending legislation. We have had gas coming to our communities from the Northern Natural Gas Co. for several years, and we have been getting along fine. The Phillips Petroleum Co. has been serving the Northern Natural Gas Co. All of a sudden this legislation comes before the Congress. What happens? The Phillips Petroleum Co. and the Northern Natural Gas Co. begin to see great new fields of opportunity. They are something like bird men. They start jumping fences. They begin to see an opportunity over in the new pasture.

So this is the arrangement between Phillips and Northern Natural by which

Phillips will acquire something very much more substantial than academic interest in the enactment of the bill before us. Having divorced itself of its interstate pipe line, it becomes an independent producer, as defined in this amendment. Having become an independent producer it will be enabled by this legislation to charge what prices it pleases for the gas, which it owns and which many great industries and millions of consumers in Minnesota and throughout the country depend upon as their source of heat and light and power.

While Northern Natural Gas Co. is doing this for Phillips Petroleum Co., what is Phillips doing for Northern Natural? By the way, I think it should be clear that Northern Natural is being the friendly helping hand of Phillips Petroleum. We might ask: What is Phillips doing for Northern? You scratch my back; I scratch yours. What is good for Phillips is good for Northern and what is good for Northern is good for Phillips.

It just so happens that the contract under which Northern Natural has been buying gas from this subsidiary of Phillips has only five more years to run. I have already stated that the price in that contract is 5¾ cents per thousand feet. The Chairman of the Power Commission tells me that he is informed that the new contract by which Northern Natural relieves Phillips of its embarrassing pipeline subsidiary also provides for an increase of as much as $500,000 a year in the cost of gas to Northern Natural. This, Chairman Smith's letter to me states, "represents an increase in the cost of gas to Northern of approximately 4.5 cents per thousand cubic feet."

I should like to say to the Senator from Illinois that that is about the 5 cents we have been talking about which we consider to be one of the possible figures of rise in price in natural gas.

An increase of 4.5 cents over the present price of 5¾ cents is an increase of 78 percent. Quite obviously, Mr. President, the interest of Phillips Petroleum in the enactment of this legislation is not at all academic but is very substantial.

Is not this wonderful? What a cozy little deal. The Northern Natural Gas Co. is a pipe-line company. So it says to Phillips Petroleum Co., "Why do you not let us have your pipe line? We like pipe lines. We are old, experienced hands at operating pipe lines. We want to put pipe lines in more places all the time." So Northern gets the pipe line. That means that Phillips is now just a producer. In the meantime, after Northern is satisfied with the pipe line, which is its business, then Northern has to pay for the gas to Phillips. How does it pay for gas? By an increase of 4.5 cents per thousand cubic feet of gas. That is the pay-off. And who pays off on that? Well, the people that are consuming gas in the great northern industrial areas and the western areas of this country which Northern Natural Gas Co. serves.

I have just recited six new contracts made by one pipe-line company. The prices represent increases of 17 percent, 44 percent, 62 percent, 78 percent, 80 percent, and 89 percent over the average price it was paying just 2 years ago. An incredible performance. In what other line of business would price increases be found of such proportions as those I have been laying before the Senate? What other public utility would we even consider giving a legislative grant to earn such exorbitant profits at the expense of consumers who are tied to the pipe lines which these gas companies serve—consumers who have no recourse but to pay whatever price is charged?

But I am not yet through with the case of Northern Natural, the pipe line that is supplying gas to Kansas, Nebraska, Iowa, and South Dakota, as well as to my own State of Minnesota. I have another example to give the Senate of the kind of problems that lies ahead of us if we destroy Federal regulation of the price of natural gas. This example illustrates how little substance there is to the claim that the price of gas will not rise quickly or unduly because most of it is already under term contract.

Let us look at the facts. The largest single source of supply for Northern Natural, which serves a portion of the State I have the honor in part to represent in the Senate, is the Republic Natural Gas Co., the third largest supplier of natural gas in my part of the country. In my part of the country we surely do business with the big fellows. We do business with the Phillips Petroleum Co., and they made a nice deal to get themselves under the terms of this bill and to permit the price of gas to rise 78 percent, which will be passed on to the consumer. It is just fine for the public welfare, because the companies already have been doing quite well in their profits. They have been making 25 and 30 percent. I see that Phillips did not do so well. It made only 18.7 percent net after taxes. It was really just a mere existence for a multimillionaire. I do not see the Northern Natural Gas Co. on the list. It is so small a company I suppose it was not considered. The list, as a matter of fact, contains the names of producers only.

Here is a company which for years has been doing business with the Interstate Pipe Line Co. That company is the Phillips Petroleum Co. Then comes along the pending legislation. The Phillips Petroleum Co. makes a new contract with the Northern Natural Gas Co. The Northern Natural Gas Co. wants more pipe lines. Phillips Petroleum Co. says, "This is a good time for you to get some more pipe lines." So they sell the pipe lines to the Northern Natural Gas Co. Then Phillips Petroleum Co. says, "Now there is a new bill pending in the Senate. You have this new pipe line. You want to have some gas to put into that pipe line."

By the way, 1948 was the year of high prices. All other prices have gone down since 1948. 1948 was the year of the highest profits and the highest cost of living. But now, 2 years later, along comes this little company, the Northern Natural Gas Co., this friend of the people in Minnesota, and in order to make a contract, it has to pay 78 percent more than it paid 2 years ago; but in the process of paying 78 percent more, it gets another pipe line and will be able to serve more customers.

Mr. President, I said I had some other material which I thought would be interesting.

Mr. LONG. Mr. President, will the Senator yield at this point?

Mr. HUMPHREY. I should like to continue with this example, and then I shall yield.

Let us look now at the facts in regard to whether there would be an unduly large increase in prices, as I pointed out. I talked about the Republic Natural Gas Co., the third largest supplier of natural gas in the country, according to information developed during the hearings on this bill. In 1948 Northern bought 35,000,000,000 cubic feet of gas from Republic at an average price of 5.73 cents per thousand. The Chairman of the Federal Power Commission advises me that Republic recently advised Northern by letter that Northern had not taken the contracted quantities of gas, that unless a $90,000 deficiency payment was made within 30 days, Republic would cancel the contract. "It further appears," states the FPC Chairman, "that Northern deposited the $90,000 with the court and asked for a declaratory judgment concerning the interpretation of the contract. Regardless of this, however," the Chairman's letter continues, "Republic had further advised Northern by letter that the contract was canceled in accordance with the notice submitted and that Republic would thereafter bill Northern 12 cents per thousand cubic feet for all gas delivered."

Mr. President, 5.73 cents a thousand cubic feet was the price under the contract between the Republic Natural Gas Co. and the Northern Natural Gas Co. Apparently the contract between the Republic Natural Gas Co. and the Northern Natural Gas Co., which was the pipe-line company serving that section of the country, provided that Northern had to buy a certain quantity of gas. But evidently the Northern Co. could not buy as much gas as it had thought it could buy and as the schedule included in the contract called for it to buy; and immediately the Republic Co. billed the Northern Co. for the difference. The Northern Co. said it would take the case to court, but the Republic Co. immediately said, "In the meantime, we cancel your contract; and from now on you will pay us 12 cents a thousand cubic feet for gas."

In other words, Mr. President, the contract is canceled by Republic unless Northern agrees to pay an increase of 107 percent over the price it is now paying.

What the merits of the legal controversy may be as between Northern and Republic I have no idea and presume to pass no judgment. But note, if you please, the eagerness of a seller to cancel a contract with a buyer, and the flagrant terms under which the seller agrees to resume deliveries to the buyer.

Could anything provide a sharper picture of the whip hand which the owners of our natural-gas reserves hold over the pipe-line companies which must buy

from them—and over us, the consumers of gas?

I wish to say to my friend, the Senator from Louisiana, that the Northern Co. is not exactly a small company. It serves five States. It is getting the pipe line which formerly was owned by the Phillips Co. But the producer has raised the price of gas 107 percent, and the Northern Co. has to take gas at that price in the future.

If there is as much competition in the gas business as there has been claimed to be, if all the producing companies are so hungry for business, I wish to know why companies such as the Northern Co. accept such price increases and do so within the last 2 years. I wish to know why one of the best and most successful operating companies in my part of the country, the Northern Natural Gas Co., a pipe-line company, is forced to take a contract at a price increase amounting to 107 percent. The price it has had to pay has been rising. The closer we come to the present date in March 1950, the higher is the price it has had to pay. In 1948 the price was 70 percent higher than theretofore. In 1949 the price was from 85 percent to 90 percent higher than the previous price. Today, in 1950, the price that company has to pay is 107 percent higher than the price it formerly paid. It appears to me that that is rather conclusive evidence of what would happen if all the contracts were renegotiated and if there were no threat of Federal regulation.

All of this, Mr. President, means higher prices to consumers—in Minnesota, yes; and in Iowa, Nebraska, Illinois, Wisconsin, Michigan, Indiana, Ohio—there are hundreds of thousands of persons living in those States—and on eastward and to the southeast, where more and more industries, more and more households, have made the investment to convert to natural gas, and now must pay a higher price for natural gas if we enact this bill.

Mr. President, one of the things that is always interesting in connection with the argument in this case is that in this body some of the chief proponents of cheap electric power, which means protecting the interests of the consumer, which means the public interest, which means the interest of industrial development and of sound agriculture and of sound business, some of the chief proponents of public power are those who today find themselves supporting a bill which would not protect the consumer, but is a bill in the interest of the private producer. That does not make sense to me. After all, if the natural-gas companies are not to be subject to any regulation—and we must remember that natural gas is a commodity which produces light, heat, and power—then I see no reason why we should be regulating the private utilities. In that case, why not let all of them take over the whole field, too, without regulation? However, the fact is that we regulate them, not only by governmental regulation, but by public-ownership competition.

I am told that in a docket filed with the Federal Power Commission by Northern Natural Gas, it estimates that it will demand rate increases to provide for additional revenues of over $8,000,000 a year. At this time, Mr. President, the Northern Natural Gas Co. has filed with the Federal Power Commission a docket demanding rate increases to provide additional revenue to that interstate pipeline company of $8,000,000 a year; and it is stated that half of that increase will be due to increased prices paid to companies which own the gas reserves.

That is just a sample, but I think it is an important sample and indication to those of us who live in Minnesota, of what will be the added cost of natural gas to the consumer, once Senate bill 1498 is enacted into law.

Mr. President, there is no necessity, there is no equity, there is no justification in good conscience, to enable this vital utility to exact these billions of dollars from the citizens of this country.

So, Mr. President, I urge the Senate to defeat the pending measure. I call upon my colleagues to examine the evidence which has been placed in the RECORD, not only by those of us who oppose the enactment of this measure, but also by those who are the proponents of this bill. I am confident that if all the facts are known, the majority vote in the Senate will be in opposition to the passage of Senate bill 1498.

EXHIBIT 1

FEDERAL POWER COMMISSION,
Washington, February 21, 1950.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: This will acknowledge your letter of February 13 in which you request answers to certain questions involving natural-gas prices and related matters.

In response to your question relating to increases which have taken place during recent years, in the prices paid for natural gas by pipe lines to independent producers or gatherers of natural gas, there is enclosed a copy of a staff memorandum on this subject dated September 9, 1949. The following supplemental information is taken from proceedings before the Commission involving certificate applications of Atlantic Gulf Gas Co., Piedmont Natural Gas Corp., and Transcontinental Gas Pipe Line Corp. In the south Louisiana area referred to in the memorandum of September 9, Atlantic Gulf Gas Co. recently contracted to pay 14 cents per thousand cubic feet for natural gas. It also appears from the record in this case that United Gas Pipe Line Co. has extended the term of several contracts to purchase gas in the same area, by agreeing to pay 10 cents per thousand cubic feet in lieu of the previous contract price of 4 cents.

Piedmont Natural Gas Corp. has contracted to purchase gas in the Texas-Gulf Coast area, also referred to in the memorandum, at an initial price of 10 cents per thousand cubic feet, with escalator clauses providing for increases at 2-year intervals to a price of 14.5 cents per thousand cubic feet in the sixteenth year of the 20-year contract. In this connection, Piedmont has entered into contracts with the Skelly Oil Co. and Sun Oil Co. at the above price for volumes of gas presently supplied by these two producers for 3.5 cents per thousand cubic feet to United Gas Pipe Line Co. and Arkansas Louisiana Gas Co. under existing contracts with these companies which are expiring in the near future.

Transcontinental Gas Pipe Line Corp., which is building a line from Texas to New York, recently renegotiated nearly all of its gas purchase contracts with independent producers. These renegotiations of contracts originally entered into in 1947 and 1948, were for the purpose of obtaining additional gas for Transcontinental's proposed expansion program, now pending before the Commission. As a result of the renegotiation, the old contracts for the purchase of gas in Texas were amended to provide for a 2-cent-per-thousand-cubic-feet increase in price, while the prices under the contracts for the purchase of gas in Louisiana were modified to shorten the periods to which the automatic price increases apply under the escalator clauses of the contracts.

Of course, the Commission is not precluded from inquiring into the reasonableness of terms thus arrived at in a rate proceeding and could disallow such payments as operating expenses if attended by fraud, collusion, or similar circumstances.

In addition to the foregoing, Colorado Interstate Gas Co. recently filed an application to expand its facilities and made the following statement therein:

"1. When the Commission authorized the construction of a line from the Hugoton field to Denver in 1947 (Docket No. G-837) Colorado was able to purchase gas in the Hugoton field at 6 cents per thousand cubic feet, at 16.4 psia.[1] Effective March 1, 1949, the Kansas Corporation Commission set a wellhead price of 8 cents per thousand cubic feet on the same pressure base. In the fall of 1949 Colorado was unable to secure gas in the Hugoton field at a price of 9½ cents, 10½ cents, and 11½ cents per thousand cubic feet at 16.4 psia for the first, second, and subsequent 5-year periods and recent negotiations have indicated that a price for an additional substantial supply of gas in said field would not be less than 12 cents. Additional quantities of gas can be obtained from the Canadian reserves at a lesser cost than that." (NOTES.—Canadian refers to Canadian River Gas Co. in the Panhandle field which is an affiliate of Colorado Interstate.)

A further indication of increases in the prices paid for natural gas in the field may be found in the experience of Michigan-Wisconsin Pipe Line Co. Phillips Petroleum Co. originally contracted in 1945 to supply the entire requirements of Michigan-Wisconsin, but not to exceed 343,000,000 cubic feet a day at an initial price of 5 cents per thousand cubic feet at 16.4 psia. By reason of subsequent amendments to the original contract in 1948 and 1949, and two additional contracts which were entered into on December 1, 1949, it appears that the cost of gas to Michigan-Wisconsin would be nearly doubled on the basis of the volume of gas presently proposed to be supplied by Phillips. A copy of the Commission's order of February 9, 1950, involving the rates and charges of Phillips Petroleum Co. is attached.

Your letter also asks what increases will take place in the present average price paid by pipe lines in the event the owner of such gas charges for it all the traffic would bear in competition with other fuels in consuming areas. In the Commission's report on S. 1498, Eighty-first Congress, at page 20 of the hearings, there is included table No. 17 entitled "Domestic, Commercial, and Industrial Sales of Natural Gas Sold by Utilities in 1947 Translated on Comparative Heating Value Basis to 1947 Fuel Oil Costs." For the entire United States the total cost to consumers on this pricing basis would have amounted to $1,340,635,000 which for a volume of 2,432,099,000,000 cubic feet indicates an equivalent cost per thousand cubic feet of 55.1 cents. The same table indicates that the actual average retail sales price of natural gas was 34.3 cents per thousand cubic feet. The difference of 20.8 cents per thousand cubic feet affords some indication

[1] Psia refers to a commonly used pressure base for sales of natural gas in the field.

of the theoretical possibility of how much the average 1947 price of approximately 5 cents charged interstate pipe-line companies in the Southwest could be increased. It is extremely unlikely, however, that the traffic will bear such an increase. It would appear that some lesser amount would represent the maximum by which the field prices might be increased to absorb the difference between present average prices of natural gas in the market areas and the prices of fuel oil on a comparative heating value basis.

Former Commissioner Olds, in the hearings on S. 1498, testified that his study of the matter indicated the upper limit in possible increases in field prices was 14.2 cents per thousand cubic feet, based upon 1947 industrial fuel-oil prices (S. 1498, pp. 353–356), and that the prices of gas in the consuming markets would generally have to be maintained at some margin under this figure to enable the gas industry to retain a competitive price advantage over other fuels. Just where the point of diminishing return would be reached is, of course, problematical. Before a more definite answer can be given to your question a careful study would have to be made of the competitive fuel-price situation for individual localities. Such a study would entail a tremendous amount of work, and the Commission is not in a position budget-wise to undertake such a study.

With respect to your request for an estimate of the rates or costs on the present known gas reserves which would be realized by independent producers generally, or by particular producers, such information with respect to independent producers is not available in the Commission's records, nor would it be possible to make an estimate with respect thereto. The Commission has never made an investigation of an independent producer prior to its present investigation of Phillips Petroleum Co., and this investigation has not progressed to the point where the information you desire is available.

The Commission does, of course, have information concerning the cost of the gas reserves owned by the pipe-line companies subject to its jurisdiction, and the actual cost of producing gas therefrom. Information of this character is contained in the Commission's publication, "Statistics of Natural Gas Utilities," and a copy thereof for the year 1948 is enclosed. I should refer you to pages 301–318, inclusive, lines 11–18, which show the cost of natural-gas-production plant classified by types of property. Line 56 on these pages shows the reported reserves of natural gas owned by each company. The investment in leaseholds and of the other production property on a unit basis may be derived from these figures. Additional investment may be required in wells, etc., in order to produce the reserves shown.

Production costs for each company may also be obtained from the same statistical volume. However, a substantial amount of analysis work would be required to compile the full cost of production, including a fair return on the investment. In the record of hearings on S. 1498, there is shown by table 20 on page 22 the production costs of seven large interstate pipe-line companies, as compiled by our staff. It is hoped that this data may serve your purpose.

The average prices which the 35 largest Southwest vendors of natural gas received from their sales to interstate pipe-line companies in 1947 are shown by table 14 at pages 18 and 19 of the hearings on S. 1498. No more recent data of this nature has been compiled.

With respect to the gas sold by independent producers to Northern Natural Gas Co., which supplies natural gas to distributing companies in Minnesota, Iowa, South Dakota, Nebraska, and Kansas, the following table reflects information taken from the 1948 annual report of such company. The table shows the volumes received from each of the larger vendors and the amounts paid for natural gas.

	1,000 cubic feet	Amount	Average price
			Cents
Republic Natural Gas Co.	35,318,870	$2,023,986	5.73
Hagy, Harrington & Marsh	20,835,428	1,093,860	5.25
A. R. Jones Oil Co.	8,613,484	589,469	6.80
Shamrock Oil & Gas Co.	8,460,075	499,292	5.90
J. M. Huber Corp.	1,958,018	78,321	4.00
Derby Oil Co. et al.	1,904,282	79,893	4.20
Cities Service Oil Co.	1,812,897	117,245	6.47
Texas Co. et al.	1,191,930	47,677	4.00
Trees Oil Co.	1,111,996	44,480	4.00
Other producers (26)	5,551,357	253,344	4.56
Total	86,758,337	4,827,567	5.56

In 1949 Northern Natural Gas Co. contracted to purchase additional gas in the Panhandle and Hugoton fields to meet its expanding market requirements. In the Commission's Docket No. G–1183, the company placed in evidence certain contracts with the independent producers listed below:

Date of contract	Name of producer	Price per 1,000 cubic feet
1949		
Sept. 15	Plains Natural Gas Co.	10½ cents to 1960; thereafter by negotiation.
Aug. 22	Gillispie & John Le-Bosquet.	6½ cents for 15 years; thereafter at average field price.
Sept. 9	Cities Service Oil Co.	9 to 10 cents[1] to 1956; thereafter by negotiation.
25	Shamrock Oil & Gas Co.	8 cents for first 5 years; thereafter 9 cents.

[1] The use of the particular price depends upon the area from which the gas is taken.

In connection with the proposed increase in rates mentioned in your letter to Minnesota consumers, certain additional information bearing on cost of gas to Northern Natural Gas Co. has been presented to the Commission's staff.

Under a contract which Northern Natural Gas Co. has had for a number of years with Independent Natural Gas Co., an interstate pipe-line company and a subsidiary of Phillips Petroleum Co., Northern purchases approximately 11,000,000,000 cubic feet a year at a price of 5¾ cents per thousand cubic feet taking delivery at about 450 pounds pressure. Northern Natural Gas Co. has recently negotiated a contract with Phillips Petroleum Co. under which Northern would either acquire the common stock of the Independent Natural Gas Co. or its physical properties. In either event, it appears that the cost of gas to Northern Natural Gas Co. under the proposed arrangement might increase as much as $500,000 a year for the same volume of gas. Northern's present contract with Independent has five more years to run whereas the new contract with Phillips would extend Northern's right to purchase gas for an additional 10 years. The $500,000 a year of increased cost, when related to the 11,000,000,000 cubic feet of gas purchased, represents an increase in the cost of gas to Northern of approximately 4.5 cents per thousand cubic feet.

As shown by the table on page 4, Northern purchases a large share of its gas from Republic Natural Gas Co. under a contract entered into in 1945, providing for an average price of approximately 5.8 cents per 1,000 cubic feet. It appears that Republic Natural Gas Co. recently advised Northern by letter that it had not taken the contracted quantities of gas, and that unless a $90,000 payment, representing the deficiency of take, was made within 30 days, Republic would cancel the contract. It further appears that Northern deposited the $90,000 with the court and asked for a declaratory judgment concerning the interpretation of the contract. Regardless of this, however, Republic had further advised Northern by letter that the contract was canceled in accordance with the notice submitted, and that Republic would thereafter bill Northern 12 cents per 1,000 cubic feet for all gas delivered.

Under an order of the Kansas Corporation Commission fixing a minimum price of 8 cents for gas taken from the Hugoton field, it would be necessary for Northern, based on 1947 purchases from independent producers, to pay an additional $1,948,772 for natural gas purchased in that year. The details of this sum are shown by table 8 on page 370 of the hearings on S. 1498. Northern Natural Gas Co. has advised the Commission's staff that about half of the increase which it proposes in the rates charged distributing companies is due to the increase in its cost of gas purchased from independent producers. The Republic increase was not included except to the extent covered by the order of the Kansas Corporation Commission.

If any further information is desired, the Commission will endeavor to supply it.

Sincerely yours,

NELSON LEE SMITH,
Chairman.

Mr. LONG. Mr. President, I should like to read into the RECORD a further portion of an article which previously was read in part by the Senator from Illinois. The article is entitled "Discovery Study—Humble Tops List in South Louisiana With 12 Successes." The fourth paragraph of the article was not read into the RECORD by the Senator from Illinois when he previously read from the article. I wish to read that paragraph now. It reads as follows:

At first glance it may seem surprising that the larger companies drilled most of the successful wildcats, as smaller companies are traditionally the wildcatters. However, south Louisiana is an area of deep drilling and high pressures. Both of these factors increase the expense of drilling operations, accounting for the fewer wells drilled by independents and smaller operators.

Mr. President, that shows that so far as concerns the percentage of wells drilled the State of Louisiana is an area where the major oil companies drill a greater percentage of discovery wells than usually is the case.

EXECUTIVE SESSION

Mr. LONG. Mr. President, I now move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. JOHNSTON of South Carolina., from the Committee on Post Office and Civil Service:

Paul J. Kochaver, to be postmaster at Hibbing, Minn., vice M. T. Haley.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc; and, without objection, the President will be immediately notified of the confirmations.

RECESS

Mr. LONG. As in legislative session, I move that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 33 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 23, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, March 22 (legislative day of March 8), 1950:

UNITED STATES MARSHAL

Edward J. Carrigan, of California, to be United States marshal for the northern district of California, vice George Vice, retired.

IN THE ARMY

The following-named persons for appointment as second lieutenant in the corps specified, Regular Army of the United States, under the provisions of Public Law 36, Eightieth Congress, subject to physical qualification:

Jannette M. Andrews, ANC, N774610.
Anne Currier, ANC, N804245.
Eleanor R. Gallagher, ANC, N792156.
Shirley M. Gilson, ANC, N754995.
Gladys F. Hall, ANC, N768831.
Aloha B. Hammerly, ANC, N783696.
Eva M. Hathcock, WMSC, M2523.
Bernice LaRocque, ANC, N792907.
Martha E. Mayfield, ANC, N764689.
Lois J. Moore, ANC, N792741.
Irene R. Z. Pishak, ANC, N796677.
Margaret L. Rau, ANC, N792327.
Dorothy J. Rocovich, ANC, N792865.
Minerva A. Senn, ANC, N794796.
Elizabeth W. Smith, ANC, N792867.
Margaret Z. Smith, ANC, N792835.
Ouida Weimer, WMSC, R2523.
Lenora B. Weirick, ANC, N776692.
Helen L. Wick, ANC, N778794.

IN THE NAVY

Admiral Richard L. Conolly, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as Commander in Chief, United States Naval Forces, Eastern Atlantic and Mediterranean.

Vice Adm. Harry W. Hill, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Superintendent, United States Naval Academy.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of March 8), 1950:

POSTMASTERS

MICHIGAN

James O. Curry, Battle Creek.

MINNESOTA

Ethel C. Ebert, Windom.

MISSOURI

Shannon K. Rhinehart, Houstonia.

NEW YORK

Fred R. Davidson, Altmar.
Kenneth I. Swem, Antwerp.
Bernard J. Buchal, Copenhagen.
George I. Kowalczyk, Florida.
Alfred B. Tallman, Hamburg.
Howard D. Nicol, Hammond.
Florence L. Emery, Howes Cave.
Pauline O'Neill, Jefferson Valley.
John F. Wheeler, Philadelphia.
Mertie Blodgett, West Berne.
William E. Shirk, Yorktown Heights.

PENNSYLVANIA

Owen E. Hartle, Alum Bank.
Cleon R. Wyland, Barnesboro.
Andrew J. Remish, Bentleyville.
John O. Ream, Jr., Berlin.
Aaron S. Myers, Bird in Hand.
Carlon B. DeHaven, Blue Bell.
Samuel T. Jackish, Clairton.
Joseph G. Kibble, Derry.
Mary C. Reed, Dunbar.
Catharine E. Ottolini, Fallsington.
Edith Y. Farley, George School.
Pauline E. Hutton, Glassport.
Mary I. Ahearn, Glen Mills.
Blanche D. Kilburn, Holtwood
John J. McGrath, Houtzdale.
Charles W. Wishart, Millsboro.
Charles A. Broughton, Morris.
Vern M. Coe, Pleasantville.
Ray L. Hollenbaugh, Strattanville.
Henry A. Eisenman, Venus.
Wilbur M. Hodgson, Webster.
Florence Layman, Willow Street.
Clarence W. Baumgardner, Windber.

WISCONSIN

Arthur T. Gibbs, Bancroft.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 22, 1950

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who hast made us for Thyself, grant that in our moments of prayer we may be lifted by the mighty tide of Thy grace into the glorious experience of the larger and more abundant life.

May the spirit of our blessed Lord be the controlling influence and conscience of our own spirits, a presence to inspire, a light to guide, a loveliness to transfigure and touch all life to nobler and finer issues.

Send us into life's crowded and confused ways with clear minds and courageous hearts. Show us how we may lead groping and struggling humanity out of darkness and despair into the wonder and greatness of Thy love and peace.

Humbly we pray in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1746. An act to authorize the transfer to the Attorney General of the United States of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., for use in connection with the United States Penitentiary at Terre Haute.

The message also announced that the Senate had adopted the following resolution (S. Res. 242):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. RALPH E. CHURCH, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock meridian tomorrow.

The message also announced that pursuant to the provisions of the above resolution the Vice President had appointed Mr. LUCAS and Mr. DOUGLAS members of said committee on the part of the Senate.

The message also announced that the Senate disagrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) entitled "Joint resolution relating to cotton- and peanut-acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended."

The message also announced that the Senate further insists upon its amendments to the above-entitled resolution, disagreed to by the House of Representatives, and asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. LUCAS, Mr. HOEY, Mr. AIKEN, Mr. YOUNG, and Mr. THYE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7207) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes."

RESIGNATION OF CONFEREE

The SPEAKER laid before the House the following communication:

MARCH 22, 1950.

THE SPEAKER,
The House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: It is with regret that I announce my resignation as a House conferee to consider H. R. 1243, a bill to amend the Hatch Act. I am forced to resign because of ill health.

Sincerely yours,

MARY T. NORTON.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

APPOINTMENT OF CONFEREE

The SPEAKER. The Chair appoints the gentlewoman from Connecticut [Mrs. WOODHOUSE] to fill the vacancy and the Clerk will notify the Senate of the change.

BICENTENNIAL HISTORICAL PAGEANT TO BE HELD IN THE STATES OF KENTUCKY, VIRGINIA, TENNESSEE, AND WEST VIRGINIA

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 63, what we call the Golden rule.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this resolution?

Mr. HOBBS. Mr. Speaker, this is Senate Concurrent Resolution 63, which is the Golden rule. It is a concurrent resolution of our colleague which we passed Monday.

Mr. MARTIN of Massachusetts. What is it?

Mr. HOBBS. It celebrates the discovery of Kentucky and three other States, with no expense to the Federal Government.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There being no objection, the Clerk read the Senate concurrent resolution (S. Con. Res. 63), as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress joins with the Legislatures of the States of Kentucky, Virginia, Tennessee, and West Virginia in declaring the wish—

(1) that a bicentennial historical pageant be held in 1950 in such States in celebration of the two hundredth anniversary of the journey of exploration made by Dr. Thomas Walker and his five associates, Ambrose Powell, William Tomlinson, John Hughes, Colby Chew, and Henry Lawless, who left Dr. Walker's home, Castle Hill, near Charlottesville, Va., March 6, 1750, and passed through the region now comprising the Virginia counties of Albemarle, Nelson, Amherst, Bedford, Botetourt, Roanoke, Montgomery, Pulaski, Wise, and Smyth, and on through Sullivan, Hawkins, Hancock, and Claiborne Counties in Tennessee, back into Lee County, Va., through Cumberland Gap and on through the present Kentucky counties of Bell, Knox, Whitley, Laurel, Rockcastle, Jackson, Estill, Powell, Wolfe, Morgan, Johnson, and Martin, and then on through the West Virginia counties of Mingo, Raleigh, Summers, and Greenbrier, and on through Bath and Augusta Counties in Virginia and back to Castle Hill, and of the construction during such journey of the first house west of the Allegheny Mountains near the north bank of the Cumberland River in Knox County, Ky.;

(2) that such pageant be aided by people from all parts of the United States and be participated in by the people individually and through their State and local governments, their schools, churches, clubs, lodges, and other organizations; and

(3) that pageants and exhibits be held at appropriate places along the route taken by Dr. Walker and his associates which will depict the efforts of the early pioneers to carve a nation out of the wilderness, thus affording the people of the United States an opportunity to increase their knowledge and appreciation of their pioneer forefathers and their successful accomplishment of a difficult and dangerous task.

The Senate concurrent resolution was ordered to be read the third time, was read the third time and passed.

The proceedings whereby a similar House concurrent resolution (H. Con. Res. 130) was passed were vacated, and that bill was laid on the table.

A motion to reconsider was laid on the table.

PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order today to call bills on the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. NOLAND asked and was given permission to extend his remarks in the RECORD and include an editorial from the Richmond (Va.) Times-Dispatch.

Mr. COUDERT asked and was given permission to extend his remarks in the RECORD in three instances and include newspaper articles.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include an editorial that appeared in a Pennsylvania newspaper.

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include two short articles.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BARTLETT (at the request of Mr. PRICE) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PRICE asked and was given permission to extend his remarks in the RECORD in three instances and include editorials.

Mr. GREEN asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. HEFFERNAN asked and was given permission to extend his remarks in the RECORD and include an article, appearing in Marine News, honoring Denis J. McMahon.

Mr. RODINO asked and was given permission to extend his remarks in the RECORD on National Boys Club Week.

Mr. YATES asked and was given permission to extend his remarks in the RECORD on the late RALPH E. CHURCH.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include a letter.

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD in two instances and include in one an article.

Mr. JENISON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include an address delivered by Hon. Trygve Lie.

Mr. VORYS asked and was given permission to extend his remarks in the RECORD and include a table of figures from ECA.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mrs. ST. GEORGE (at the request of Mr. SADLAK) was given permission to extend her remarks in the RECORD and include an editorial.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

SPECIAL ORDER GRANTED

Mr. WAGNER asked and was given permission to address the House today for 5 minutes following the disposition of the legislative business of the day and any special orders heretofore entered.

READING OF COMMUNICATIONS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that during general debate on the housing bill today the Clerk may read certain communications addressed to the chairman of the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

FIRST OMNIBUS BILL, EIGHTY-FIRST CONGRESS

The Clerk called the bill (H. R. 7467) for the relief of sundry claimants, and for other purposes.

The SPEAKER. Without objection, the first bill on the calendar will be passed over without prejudice.

There was no objection.

EDWARD A. SEELEY

The Clerk called the bill (H. R. 1272) for the relief of Edward A. Seeley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, Edward A. Seeley, an employee of the War Department, retired a warrant officer under the provisions of paragraph 14a (2) Army Regulation 35 1760, shall not be required to reimburse the United States for any salary payments received by him during the period of his employment with the War Department from July 1, 1946, to August 8, 1948.

With the following committee amendment:

Strike out all after the enacting clause and insert "That Capt. Edward A. Seeley, United States Army, retired, be, and he is hereby, relieved of all liability to refund to the United States any of the compensation paid to him as a civilian employee of the Army during the period from July 1, 1946, to August 7, 1948, both dates inclusive, notwithstanding any other law to the contrary."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY JANE SHERMAN

The Clerk called the bill (H. R. 1277) for the relief of Mary Jane Sherman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Jane Sherman, of Northbrook, Ill., the sum of $35,000. Payment of such sum shall be in full settlement of all claims of the said Mary Jane Sherman against the United States for personal injuries, medical, and hospital expenses sustained as a result of a collision on May 18, 1943, involving the automobile she was driving, a tractor and trailer owned by the Kool-Rite Sales Co., Chicago, Ill., and a United States Army truck, at the intersection of Waukegan Road and Shermer Avenue, Northbrook, Ill.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$35,000" and insert $3,041.31."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRIS A. BAKKEN

The Clerk called the bill (H. R. 1624) for the relief of Harris A. Bakken.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Harris A. Bakken, of Wilmington, Calif., formerly sales officer at Vancouver Barracks, Wash., is relieved of all liability to refund to the United States the sum of $3,692.80. Such sum represents the amount for which he is accountable because of a shortage in his accounts. The Comptroller General is authorized and directed to allow credit in the settlement of the accounts of the said Harris A. Bakken in the sum of $3,692.80. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Harris A. Bakken the sum of $800, being the amount withheld from the pay of the said Harris A. Bakken as a partial satisfaction of the claim of the United States arising by reason of such shortage.

With the following committee amendment:

Page 1, line 10, after the period, strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBERT J. PETERSON

The Clerk called the bill (H. R. 2803) for the relief of Albert J. Peterson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albert J. Peterson, of Honolulu, T. H., the sum of $15,310.79, in full settlement of all claims against the United States on account of damages and losses he sustained when the White Palace Cafe, 54 South Hotel Street, Honolulu, T. H., of which he was the owner, was seized and his stock of merchandise located in the White Palace Cafe as well as the merchandise in his home at 3771 Lurline Drive, Honolulu, confiscated by the Provost Court of Honolulu, a military tribunal, in January 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$15,310.79" and insert "$10,310.79."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATRICK J. LOGAN

The Clerk called the bill (H. R. 3601) for the relief of Patrick J. Logan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Patrick J. Logan, of Somerville, Mass., the sum of $1,015. Payment of such sum shall be in full settlement of all claims of the said Patrick J. Logan against the United States by reason of the expenses incurred by him in making a visit to the United States Military Cemetery at Henri Chapelle, Belgium. The Department of the Army had erroneously informed him that his son, First Lt. James A. Logan, was buried there: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF CONRAD L. STEELE, DECEASED

The Clerk called the bill (H. R. 4904) for the relief of the estate of Conrad L. Steele, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the estate of Conrad L. Steele, of Washington, D. C., in full settlement of all claims against the United States as compensation for the death of the said Conrad L. Steele, who was shot and killed at 11 East Capitol Street, Washington, D. C., by Johnny Rathbun, United States soldier stationed at Bolling Field, on February 23, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contract notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CORA B. JONES AND JAMES C. JONES

The Clerk called the bill (H. R. 5923) for the relief of Mrs. Cora B. Jones and James C. Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Cora B. Jones and James C. Jones joint-

ly, the sum of $5,608, the payment of which sum shall be in full settlement of all claims of the said Mrs. Cora B. Jones and James C. Jones against the United States on account of the death of their son, James E. Jones, and damage to personal property caused by a collision on October 1, 1941, on State Highway No. 48, approximately 3 miles west of gate B, Camp Blanding, Fla., involving the automobile which the said James E. Jones was driving and a United States Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any such not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAROLD L. LINDQUIST

The Clerk called the bill (H. R. 1492) for the relief of Harold L. Lindquist.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Harold L. Lindquist, as of January 7, 1941, at New York City from the steamship *Ester-Thorden*, the date and place he entered the United States. Upon enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Finnish quota of the first year that the Finnish quota is hereafter available.

With the following committee amendment:

Page 1, line 8, after "States", insert "upon payment of the visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VICTOR C. KAMINSKI

The Clerk called the bill (H. R. 2226) for the relief of Victor C. Kaminski, also known as Victor Kaminski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is directed to cancel forthwith any outstanding warrant of arrest, order of deportation, warrant of deportation, and bond in the case of the alien Victor C. Kaminski (also known as Victor Kaminski) of Wilmington, Del., and is directed not to issue any such further warrants or orders in the case of such alien insofar as any such further warrants or orders are based upon the same grounds as the warrants or orders required by this act to be canceled. For the purposes of the immigration and naturalization laws, the said Victor C. Kaminski (also known as Victor Kaminski) shall be held and considered to have been lawfully admitted to the United States for permanent residence on the date and at the place of his last entry therein. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Poland of the first year that said quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. ALI REZA BASSIR

The Clerk called the bill (H. R. 3009) for the relief of Dr. Ali Reza Bassir.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Dr. Ali Reza Bassir, Trenton, N. J., a citizen of Iran who entered the United States at New York, N. Y., on July 23, 1947, under a student visa, shall be held and considered to have been lawfully admitted, at such place and on such date, to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Iran for the first year such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. VERA C. A. FREUND

The Clerk called the bill (H. R. 3672) for the relief of Mrs. Vera C. A. Freund.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the alien Mrs. Vera C. A. Freund as of the date on which she last entered the United States temporarily as a visitor in October of 1947, if she is otherwise admissible under the provisions of the immigration laws. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Estonian quota for the first year such quota is available.

With the following committee amendment:

Page 1, line 9, after "laws", insert "upon the payment of the visa fee and head tax."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NG SOO LIP AND NG YUT CHEE

The Clerk called the bill (H. R. 5017) for the relief of Ng Soo Lip and Ng Yut Chee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of law to the contrary, the aliens Ng Soo Lip and Ng Yut Chee, minor children of N. Mon Wai, a naturalized citizen of the United States, who reside in 34 Hong Fook Road W, Honam, Canton City, Kwangtung, China, be admitted to the United States for permanent residence.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That in the administration of the immigration and naturalization laws the provisions of section 4 (a) of the Immigration Act of 1924, as amended, pertaining to unmarried children under 21 years of age of a citizen of the United States, shall be held to be applicable to the aliens Ng Soo Lip and Ng Yut Chee, minor children of N. Mon Wai, a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATRICK CRONIN

The Clerk called the bill (H. R. 5709) for the relief of Patrick Cronin.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LUBOMIR MIKULIK AND VILIAM KRAJCIROVIC

The Clerk called the bill (H. R. 6018) for the relief of Lubomir Mikulik and Viliam Krajcirovic.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is directed to cancel forthwith any outstanding warrant of arrest, order of deportation, warrant of deportation, and bond in the cases of the aliens Lubomir Mikulik and Viliam Krajcirovic and is further directed not to issue hereafter any such warrants or orders with respect to such aliens. For the purposes of the immigration and naturalization laws, the said Lubomir Mikulik and the said Viliam Krajcirovic shall be held and considered to have been lawfuly admitted to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to make appropriate deduction of two numbers from the first available quota for Czechoslovakia.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That in the administration of the immigration laws, section 4 of the Displaced Persons Act of 1948 (62 Stat. 1011; 50 App. U. S. C. 1953), shall be held to be applicable in the cases of Lubomir Mikulik and Viliam Krajcirovic, natives of Czechoslovakia, notwithstanding the fact that they entered the United States illegally after April 1, 1948."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LICHTENWALTER. Mr. Speaker, under leave to extend my remarks at this point in the RECORD, regarding H. R. 6018, Private Calendar No. 694, I would like to insert a brief résumé of the activities of the two political exiles. These men were under sentence of death if they were to be returned to Czechoslovakia because of their fight against communism and against those who organized the Communist coup in Czechoslovakia. This story is ably told in the letter to the chairman of the subcommittee

by Dr. Juraj Slavik, former Ambassador from a free Czechoslovakia.

COUNCIL OF FREE CZECHOSLOVAKIA,
Washington, D. C., February 28, 1950.
Hon. FRANCIS E. WALTER,
Chairman of the Judiciary Subcommittee, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN WALTER: I wish to inform you about the two Czechoslovak stowaways, Viliam Krajcirovic and Lubomir Mikulik, whose relief has been proposed by the bill 6018 by the Honorable Congressman F. H. LICHTENWALTER. I wrote to the Attorney General on July 5, 1949, about these two Czechoslovak patriots the following: "They both are political refugees from Czechoslovakia. Both were in an outstanding way active in the underground during the German occupation of Czechoslovakia, one of them as a partisan leader, the other in helping the partisan units and transferring the wounded fighters for Czechoslovak freedom to American hospitals—both were leaders in the resistance against Communist domination before and during the fateful days of the Communist coup and organized the resistance (one as a student leader, the other as an underground fighter). They worked and organized their friends and followers and were ready to sacrifice their young lives. One of them escaped the prison, the other took part in an activity for which he was sentenced to death (in contumatiam or in absentia). Their comrades were sentenced to death and executed, many of them died in German concentration camps or fell on the field of honor. They both were able to escape and want to place themselves under the protection of the great democratic country, the leading power of world democracy. They have near relatives in this country, who are willing to help them and have attested their willingness by issuing affidavits. They believe in democracy and proved it abundantly. After they finally escaped their country, they lived in Germany and France under constant fear of being caught by their Communist pursuers who tried to seize and deport them to the subjugated country. They escaped finally."

Viliam Krajcirovic has been a leader in the underground since 1939 in groups, whose patriotic and anti-Nazi activity was well known to me. He fought the Hitlerites also in a Partisan brigade. For this activity he has been declared hero of the First Czechoslovak Partison Brigade Jan Zizka and decorated with the Gold Medal of the said brigade and with the Silver Medal of the Slovak National Uprising, as well as with the Czechoslovak Military Cross, 1939. As a fighter of democracy he opposed, after the war, the Communists; has been arrested by the Russian military police; and became a leader of the resistance against the Communists. He had the courage to attack openly the secretary general of the Czechoslovak Communist Party, Rudolf Slánsky, and was a stanch supporter of President Benes.

After the Communist coup he was in danger of being arrested and fled the country. But he returned with five others to Czechoslovakia in order to organize, with others, a vast underground group against communism. He carried orders from his superior, Captain Starik, formerly of the Czech Army, directing one Choc to shoot Schramm. Upon receipt of orders, Choc did kill Schramm on May 27, 1948. Choc has been apprehended, but Krajcirovic returned to Germany. A part of the underground group was detected. Transmitters, weapons, etc., were confiscated and 450 people of their group were arrested and 73 of them found guilty. Krajcirovic was sentenced to death in absentia by the Communist State Court in Prague, in company with others, and his friend Milan Choc and Slavoj Sadek were executed in February 1949. He was sentenced because he allegedly tried to change by force the constitution of the Republic, prepared and carried out conspiracy against the state, and committed military treason.

The main reason for his sentencing to death was the charge that he participated in the political killing of a Soviet-trained Communist, who was one of the main organizers of the Communist coup in Czechoslovakia, a Major Schramm.

The other man, Lubomir Mikulik, was also active in the underground during World War II. Working in his father's mill, he supplied partisans in the Brdy Forests with food and participated in the liquidation of a German Army unit which has been stationed at Strasnice; further he served as a liaison and transported wounded partisans to the hospital in Pizen. These wounded he brought to an officer surgeon of the American Army, Adolf H. Koralek, 127 Lincoln Park, Newark, N. J., who was at the time stationed in Pizen.

After the war he became a student of the High Commercial School in Prague and studied there until March 1948, when he was compelled to leave the school because of his participation in the parade to the Hradcany Castle to see President Benes in protest of the Communist seizure in February 1948. Throughout the whole period of his studies he has been openly opposed to communism, so he did not wait until he would be expelled from the faculty and persecuted. Nevertheless he has been arrested and taken to jail in Cheb. In the amnesty of June 1948 six of his colleagues were released from prison for investigation at liberty. He as the organizer of the group and, because of his anti-Communist past, was kept imprisoned until July 22, 1948, when, with help of an officer from the secret police, he was released and escaped to Germany.

Both young men have relations in this country, Krajcirovic an uncle, Mr. Frank Krajchir in New York, and close relatives in Pennsylvania; Mikulik, an uncle, Mr. Titti in Gary, Ind. Both of them are willing to help the young men to an honest living and there is no doubt, that they would be able to find employment. They are able and willing to work in any job—especially in agricultural occupation.

I am sure and I can assure you, dear Congressman, that they would be good American citizens, as they were fighting for the ideals of democracy and for the American way of living in their country and against Communist tyranny.

Very respectfully yours,
Dr. JURAJ SLAVIK.

MRS. KIYO NARUMI MURAKAMI AND KEIKO NARUMI

The Clerk called the bill (H. R. 6880) for the relief of the wife; the son, aged 2; and the stepdaughter, aged 10; of George S. Murakami.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to the wife; the son, aged 2; and the stepdaughter, aged 10; of George S. Murakami, and that, if otherwise admissible under the immigration laws, they shall be granted admission into the United States as nonquota immigrants for permanent residence upon application hereafter filed.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Kiyo Narumi Murakami, the wife of Sgt. George S. Murakami, a citizen of the United States.

"SEC. 2. The provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship shall not hereafter apply to Keiko Narumi, a native and citizen of Japan; and for the purpos of the immigration laws, the said Keiko Narumi, shall be deemed to be the natural-born daughter of Sgt. George S. Murakami, a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi."

A motion to reconsider was laid on the table.

ARTHUR O. FISHER

The Clerk called the bill (S. 44) for the relief of Arthur O. Fisher.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PRIMITIVO URCELAY-RUIZ

The Clerk called the bill (S. 46) for the relief of Primitivo Urcelay-Ruiz.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

MRS. BERTIE GRACE CHAN LEONG

The Clerk called the bill (S. 609) for the relief of Mrs. Bertie Grace Chan Leong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, That for the purpose of the immigration and naturalization laws, the alien, Mrs. Bertie Grace Chan Leong, the widow of a citizen of the United States, and the mother of three United States citizen children, who arrived at San Francisco, Calif., on November 5, 1945 (was excluded from admission as one not in possession of an immigration visa or passport, but was paroled into the United States pending final disposition of her case) shall, upon the payment of the required head tax and visa fee, be held to have been lawfully admitted to the United States for permanent residence as of November 5, 1945.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Chinese racial quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 48) favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-6447804, Abstender, Toni (nee Polinovski).

A-4477946, Alexander, Emanuel or Hagigiorgio or Hagiorgio.

A-4899453, Allen, Bessie Helen or Della Helen Allen (nee Rosenberg).

A-6855171, Alvarez, Guadalupe de Melendrez.

A-6985580, Andazola, Juan.

A-2752070, Anderson, John Ingvald or Ingvald Johan Navdahl.

A-6505464, Anderson, Roy Almanson Kenneth or Kenneth Almanson.

A-4263708, Arkaledis, John or John Harry Arkaledis or Harry Arkaledis or John Estratios Arkaledis.

A-6344043, Arnesen, Olaug Rodseth.

A-6644073, Arnesen, Jacob or Jakob Arnesen.

A-2132750, Antondo-Atunez, Ismael or Ismael Atondo.

A-6800456, Ayala-Padilla, Reynaldo, alias Leopoldo Martinez.

A-6853371, Balanikas, Kyparissos Apostolou or Vallas, Paris.

A-6075308, Ball, Consolacion Legaspi.

A-4933219, Beblavy, Betty or Elizabeth (nee Esslinger).

A-3329071, Bekridakis, Dimitrios or Dimitris Georgios Bikrisakis or James George Bekridakis or James Bikridakis.

A-2594501, Bieggar, Paula Davila De (nee Davila).

A-4645698, Bilenchi, Henry.

A-6555471, Bocko, Heather Mary or Heather Mary Gill.

A-6262201, Bouloukos, Panagiotis Athanasios.

A-9743863, Brazel, William Wilfred.

A-6606024, Breceda, Jorge or Jorge Bustamante or Jorge Braseda-Bustamante.

A-5930534, Brown, Benjamin Nelson.

A-4079500, Brown, Margaret Jane or Margaret Jane McFarland or Margaret Jane McDougall or Margaret Jane Carson.

A-3444192, Bursdall, William Henry or Henry Burdsall or William MacLaughlin or Hugh Cunningham.

A-4640131, Burk, Willi Hans.

A-7754249, Caceres, Eduardo.

A-7754250, Caceres, Denise Guislain (nee Denise Guislain).

A-4209751, Campbell, Olive (nee Olive Lancaster).

A-4178096, Campbell, William Henry.

A-3185069, Caiozzo, Giuseppe.

A-4731011, Carnahan, Rose Bedrosian (nee Vartanian).

A-4447087, Casper, William Gunther.

A-6510467, Catalanotto, Giuseppa.

A-6510466, Catalanotto, Francesca.

A-5485517, Chao, Si-Tsan.

A-7790014, Chaverri, Mariano Rafael.

A-4859736, Checkanow, Jacob Meyer or Jankiel Majer Ciechanowiecki.

A-2468532, Cowie, Peter Sutherland or Peter Sutherland.

A-7751884, Crosbie, Keith Desmond.

A-1376490, Cruz Celestino, Santos De La.

A-6904525, D'Angelo, Edgardo.

A-6929376, D'Angelo, Ermenegildo.

A-6679157, Dawson, Mary Cruthers (nee Grindley).

A-6509213, Delgado, Angel Guillermo.

A-6509211, Delgado, Maria Concepcion Vicenta Paulina.

A-7750737, De Morgner, Hilda Elizabeth (nee De Leon Taracena).

A-4378318, De Villaneuva, Antonio Gloria.

A-3469700, Dimotsis, George Michael or Georgios Michel Dimotsis.

A-6873499, Dunn, Peter Martyn Bosco.

A-4010402, Edwards, Vee-Tsung.

A-3951971, Feinstein, Pinichas or Paul Fine or Artur Rommel.

A-6830234, Fickett, Anne Marie.

A-7031611, Fitzgerald, Edward John Michael or Edward John Fitzgerald.

A-7031612, Fitzgerald, Thomas Patrick or Thomas Patrick Francis Fitzgerald or Thomas Fitzgerald.

A-3761670, Funk, Margaret Harms (nee Thiessen).

A-6628324, Gallant, George Henry.

A-1417970, Galliani, Salvatore.

A-3507908, Galliani, Clara Ivy (nee Bercovitz or Burke).

A-7044404, Garcia, Jesus.

A-1479470, George, Sylvia (nee Bondea or Bandea).

A-6247391, Georges, Panagiota or Pota Georges or Panageota Tzortzis or Sarantoulias.

A-6724981, Gonzalez-Burruel, Roberto.

A-4723650, Goolnick, Frances.

A-1113489, Greenlow, Harvey Vincent.

A-6540505, Gromek, Michal.

A-2568502, Hsiao, Chinti or Sidney Chihti Hsiao.

A-5219553, Inn, Ruby Chan (Mrs.) or Mui Sing Chan.

A-3717024, John, Nicholas or Nicholas J. Marinos or Nicolaos Marions.

A-4338306, Jose, Antonio or Antonio Goseeph Ferreira.

A-1229647, Juhasz, Steve Istvan or Stephen Yuhasz.

A-6289275, Kadekian, John.

A-6289274, Kadekian, Souren.

A-4840644, Kadekian, Mary (nee Vartabetian).

A-6517168, Kairinen, Siiri Vilhelmina or Malin.

A-6437719, Kiipus, Alide (see Alide Bender).

A-4471308, Klymkow, Anna or Anna Klemkow (nee Nakoneczna).

A-2989412, Kourtesis, Andreas or Andrew Peter Kurtesis or Andreas Koyrtesis.

A-4740756, Lairtoo, Arnott.

A-7787535, Lavengood, Gloria Muriel (alias Gloria Muriel De Leon).

A-2768513, Longo, Antonino or Anthony or Tony Longo.

A-5604785, Lopenz, Elizabeth Marie (nee Trzetrzewinska or Trzet).

A-6924777, Lucero, Pascual Raul or Pascual Lucero.

A-4760957, McGuire, Katherine or Katherine Morrisroe or Katherine Morris.

A-4060232, Madrigal, Jesus Garcia or Jesus Madrigal Garcia.

A-6771179, Maldonado-Arellano, Maria Isabell.

A-6770024, Maldonado-Arellano, Miguel.

A-6754511, Maldonado-Nieto, Miguel.

A-6425208, Mallen, Estela Alvarado (nee Romero).

A-3218363, Margado, Manuel Domingos.

A-6098668, Marques, Rafael or Rafael Marques Lucas.

A-3567772, Martinez, Macario or Nicolas Martinez.

A-4899827, Massarri, Bernardino.

A-5574168, Massarri, Maria (alias Mary Massari).

A-6501301, Matson, Ann Torrens.

A-6501299, Matson, Joan Marie.

A-6501300, Matson, Wendy Susette.

A-2575553, Matteo, Testino.

A-4352235, May, Frederick Ernst or Fred Ernst May.

A-2461097, Mayeda, George Isohachi or Isohachi Mayeda.

A-4731012, Medina, Aurora Aguilar (nee Aguilar).

A-1869168, Mei, Hua Chuen or Way Moy.

A-4791028, Mendez, Regina Moreno or Regina Moreno or Regina Moreno De Mendez.

A-4692655, Mendoza-Ortiz, Manuel or Manuel Mendoza.

A-6549165, Mercado, Eduardo Patrick or Edward Patrick Mercado.

A-6549153, Mercado, Ronald Vincent.

A-6848751, Monsivaiz, Elias or Elias Monsivaiz-Vasquez or Elias Monsivais or Elias Moncibais or Elias Monsivias.

A-4849106, Morgan, Gilta or Gertrude Morgan (alias Moreno, nee Schultz).

A-3596651, Napolitano, Gennaro.

A-5279252, Napolitano, Elisa.

A-6768534, Nesbitt, Geoffrey Anthony Peter or Geoffrey Anthony Nesbitt.

A-4320242, Nygard, Axel.

A-6527450, Ojeda-Garcia, Jose.

A-2479616, Olshin, Herman Boruch (alias Chaim Boruch Olszewski).

A-1375508, Opffer, Betty or Betty A'Beckett Chomley.

A-6702676, Ordona, Rodolfo Bonife or Rudolfo Bonife.

A-7035069, Padilla, Teresa Huerta or Teresita Huerta or Terry.

A-4566325, Parella, Giuseppe or Joe Dorio Parelle.

A-6241772, Patroane, Mary Jane.

A-3350703, Petro, Mina Christo.

A-6343694, Psomiadou, Afroditi V. (nee Sidiropoulou).

A-2823361, Purrone, Vincenzo or Jimmy Purrone.

A-5888500, Raffler, Eva Scheid.

A-1027052, Raiola, Ciro Jerry.

A-2663837, Ranjel, Ana Baron.

A-3185344, Richardson, George Donald (alias Donald George) Richardson or Donald Richardson or "Bill".

A-6465781, Robinson, Michael Ellis.

A-1357380, Rokos, Margaret Ermina or Margaret Singer (nee Margaret Ermina Ford).

A-4796702, Rosowski, Wilhelm or William Rosner.

A-5678316, Rottingen, Gerhard.

A-6948157, Rubio, Regino.

A-6948158, Rubio, Jose Luis.

A-9568304, Rundo, Tripo Philip.

A-6645147, Salazar, Marcos or Marcos Salazar-Vasquez.

A-6645146, Salazar, Sofia.

A-6645148, Salazar, Enriqueta.

A-6541783, Santiago, Carmelita Eliza (nee Newton or Carmen Carmelita Newton).

A-7044321, Scheer, Ryszard or Richard Scheer or Franciszek Saldak.

A-6507120, Schoedel, Levina Mary (nee Huff).

A-9526888, Simic, Jovo or John Simic.

A-6446340, Sharaay, Ahmed Mohamed or Ahmen Mohamed.

A-6799417, Slewigh, Regina Solveig.

A-7549717, Steinberg, Stella, known as Hiltson (nee Holper, formerly Walker).

A-1386642, Stoffers, Walter or Walter Krause.

A-6988709, Tagge, Karin Hannelore.

A-2963870, Taormina, Rosalino or Russell Taormina.

A-1061965, Tarpinian, Gulezar (nee Derderian).

A-1484260, Teitel, Benjamin or Benny.

A-1669670, Theophilis, Constantinos or Constantin Theophilos or Gus Philis.

A-3859879, Torres, Manuel Alvarez or Ynconito, Manuel Pego.

A-6421204, Tzavaras, Nicolas or Nicholas Tzavaras.

A-6621576, Valiez-Ventura, Jorge or Jorge Valles.

A-1534163, Violante, Ilario or Larry Violante.

A-1566286, Voreadis, Konstantinos Lazaros or Konstantinos L. Voreadis or Constantinos Voreades or Kostas Voreadis or Gus Voreadis.

A-2484925, Wall, Kathleen Florence.

A-6097735, Wang, Rosita Yrraga.

A-9577250, Wetselaar, Paulus Theodorus.

A-9562116, Wick, Kristoffer Elias.

With the following committee amendments:

Page 2, lines 21 and 22, strike out the registration number and the name "A-6555471, Bocko, Heather Mary or Heather Mary Gill."

Page 4, line 4, strike out the registration number and the name "A-1376490, Cruz Celestino, Santos De La."

Page 4, after line 7, insert the registration number and the name "A-4542639, De Caldas, Manuel or Manuel Caldas or Joe De Caldas."

Page 4, after line 12, insert the registration number and the name "A-7582526, Denicke, George."

Page 6, after line 4, insert the registration numbers and the names "A-6971387, Korosi, Alexander"; "A-6971388, Korosi, Nina nee Danenberg."

Page 7, after line 18, insert the registration numbers and the names "A-7635473, Michael, Joyce"; "A-7635472, Michael, Lulu."

Page 9, line 21, strike out the registration number and the name "A-1061965, Tarpnian, Gulezar (nee Derderian)."

The committee amendments were agreed to.

The concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 51, relating to the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-2771684, Aperanthitis, Panagiotis Ioannis, or Peter John Apera or Peter J. Apera.

A-7611537, Arlen, Michael, or Dikran Kouyoumjian.

A-2633023, Arlen, Atlanta (nee Mercati).

A-7568182, Arlen, Michael John.

A-7009816, Arlen, Venetia, Valerie.

A-4503370, Arouani, Abdalla.

A-5967722, Arroya, Esteban, or Esteban Arcia or Stevan Aroya or Esteban Arroyos or Esteban Arroyo Marbolejo.

A-1701572, Alvarez-Canga, Maria Azucena.

A-6657337, Aboujdid, Nicole (alias Nicole Cerisier).

A-6870289, Amaral, Jr., Antonio Pacheco.

A-2995518, Bacolot, Pablo Lopez.

A-6778491, Baic, Anna (alias Ana Mikasic and Ana Podrebarac).

A-9618944, Bain, Stafford, or Stafford William Bain.

A-7795322, Baker, Ana Maria (formerly Ana Maria De Ruiz nee Aleman y Valdes).

A-7733557, Baldivieso, Jose Guzman.

A-6423226, Beard, Beverly Ann.

A-2308859, Bellacicco, Ortenza (nee Santoemma or Maria Teresa Pizzi).

A-7780875, Benjamin, David Alexander Palmer.

A-1436240, Beresford, Charles William Marcus De La Poer Horsely.

A-9655128, Berge, Kaare.

A-4272848, Berweger, Karl.

A-5576453, Besterman, Alexander, or Alexander Best.

A-1508013, Black, Robert Cecil.

A-7083995, Blair, David Phipps, or David Blair Keller.

A-6810164, Bogas, Katerina or Katherine (nee Manetas).

A-4271591, Bondesani, Giovanni, or John Bomdeseme (also known as John Bondesani).

A-3807933, Bowerman, John Leslie (alias John Lester alias Leslie Bowerman).

A-7050922, Bratsch, Leanne Brigitte.

A-7050923, Bratsch, Barbara Renate.

A-5290128, Bresilley, Ralph Marcel.

A-6187939, Browne, John William.

A-5945877, Caiby, Lillian Cassilda (nee Vanterpool).

A-6075141, Calloway, Dinah Alonso.

A-6211762, Campos, Amada, or Amada Victoria Campos.

A-6262101, Christodoulou, Panagiotis Efthimiou.

A-6262102, Christodoulou, Demetrios.

A-6456785, Clarke, Jenine Frances, or Jeanne Clarke.

A-3589473, Clarkson, Alick.

A-4342833, Comrie, Albert Thomas.

A-7673528, Coterillo, Gerardo, or Gerardo Coterillo y Serno.

A-3960443, Culhane, Clara, or Clara Hall.

A-3516945, Cundekovic, Imbro, or Jim Cundekovic.

A-6018616, Chwalibog, Stanislawa Marie Kowal (nee Kowal).

A-3198842, Da Cruz, Manuel Joao.

A-3460744, Damacus, John (alias Ioan Damacus alias Domacus).

A-3627768, D'Amico, Antonino, or Anthony D'Amico.

A-6261644, Davis, Eftyhia.

A-6419945, Davis, Grace I., or Grace Iris Noel or Grace Iris Hines.

A-6931886, De Blanco, Maria Covadonga Villa Diego, or Maria de la Concepcion Diaz y Gonzalez or Maria Covadonga Villa Diego.

A-6870214, De Estrada, Maria Gonzaliz.

A-6855839, Estrada, Apolinar, or Apolinar Estrada-Aragones.

A-7044403, De Garcia, Francisco Alvarado, or Francisca Alvarado Martinez; Mrs. Pancho Garcia.

A-6870263, De Lara, Andres, or Andres Lara De Luevano or Andres Lara De Nuevano.

A-2517640, De La Torre Gonzalez, Domingo.

A-6492269, De Lieva, Onesima Flores (aliases Onesima Flores; Onesima Flores de Leyva; Onesima Flores Leyva).

A-4906150, Demma, Giuseppe Luigi, or Giuseppe L. Demma; Joseph L. Demma or Joe L. Demma or Giuseppe Fu Luigi Demma.

A-1776358, De Montez, Guadalupe Garcia, or Guadalupe Garcia de Montes or Guadalupe Garcia.

A-6834473, De Muniz, Isabel Mendoza.

A-3410203, Domingues, Evaristo.

A-6944962, Eith, Alice.

A-6501281, Emberton, Peter James, or Peter James Murphy.

A-4282171, Eng, Robert Ming, or Bock Ming Eng.

A-1469028, Ervin, John Kerr.

A-2385266, Eteng, Hameed.

A-9542092, Exadaktylos, Nicholas.

A-7740841, Fabianich, Louise (nee Alojzija Stepihar).

A-7739179, Fabianich, Karin Dolores.

A-5332034, Falco, Vincent, or Vincenzo Falco.

A-2552550, Fong, May Chan or Chan Shee (Yuet Ngo), Chan Yuet Ngo, or Fong Yuet Ngo.

A-6550813, Frederick, Fleur-Ange Rita.

A-7749501, Froe, Marie Hughes Leonide Lanoix, or Marie Hughes Leonide Lanoix.

A-3026759, Garcia-Robledo, Alfredo, or Alfred Robledo and Alfred Zante.

A-4001560, Genauer, Reuben.

A-6920812, George, Kenneth Esdaille.

A-3035145, Gitales, Natheniel, or Nathan Gale.

A-5300544, Gombos, Helen McKinnon, or Helen U. McKinnon or Hellin Unelna Mykkanen.

A-6904549, Gomez-Villegas, Antonio.

A-6904547, Gomez, Maria Elena.

A-7794943, Gonzales, Praxedes.

A-7794944, Gonzales, Dora Rosalia.

A-6780505, Gonzalez-Estrada, Luis.

A-6711957, Gonzalez-Vasquez, Jose Francisco, or Francisco Gonzalez Vasquez.

A-5801908, Gromley, Alexander Aloysious, or Alexander Aloysious Malone.

A-4357509, Gouldwin, Ralph Marl or Goldenberg, or John Travers.

A-2835254, Gregorutti, Carl, or Carl Gregoruttic, or Carl Gregor.

A-6877289, Guerrero, Oscar.

A-3952398, Guido, Concetta Mary (nee Savina or Concetta Mary Johnson).

A-1246882, Hadeed, Joseph Farah.

A-1276069, Halfhide, Frank or Francois Willem Bechtold.

A-6396576, Hanson, Alexander Edward.

A-3237254, Hatzigiorge, Dimitrios Ioanos.

A-4182082, Hatzlhoffer, Elizabeth Katherine (nee Szedula).

A-7054945, Heile, Robert.

A-6590946, Heise, Rosalia Concepcion.

A-6956240, Henriot, Gisele Aline Germaine.

A-4919945, Lan, Wong Wai (alias Wai Lan Huang or Mrs. Huang).

A-5564387, Huang, Fung Kuan (alias Fung Kuan Huan).

A-4837631, Hung, Kwan King.

A-5993159, Jaboneta, Ernesto Garson, Jr.

A-2682492, Janik, Piotr or Peter.

A-6502043, Jasso-Castaneda, Miguel, or Arturo Eulogio Jasso.

A-6517165, Kairinen, Eila Orvokki.

A-6517166, Kairinen, Virpi Helena.

A-2175571, Kallitsis, John Efstathesis, or Steve Kallys.

A-6827887, Karousos, John Nicholas or Menas.

A-1498485, Karrow, Elizabeth Margaret (alias Hartman nee Clark alias Bessie Margaret Karrow).

A-1707924, Kawas, George (alias George Balat).

A-6866041, Kazinsky, Edward Louis.

A-6866042, Kazinsky, Betty Louise.

A-6861481, Kazinsky, George Bernard.

A-6246459, Kontogianis, Irene or Kontagianis (nee Zacharias).

A-3815055, Kosta, Frank, or Franc Kosta.

A-6929651, Lachesky, Diana Maria, or Diana Maria Ruffini.

A-2891836, Lampos, Simos Adamandios, or Sam Lampos.

A-3798285, Landman, Anne (nee Annie Rosenberg or Annie Ross).

A-9690789, Le Moullec, Francois.

A-3899598, Leu, Kee Sang, or Leu Woh Hing or Ho Hing or Keu Sang Lew or Lieu Woh Hing.

A-2782961, Leung, Yin Young.

A-6237325, Leung, Suey Jin Chin, or Suey Jin Chin or Chin Shee.

A-1161352, Lim, Chow Har Lee, or Lee Chow Har or Lim Lee Shee.

A-6142232, Lin, Hsi Tung.

A-7790120, Lin Ying (nee Liu Wing).

A-6912681, Loistl, Karin.

A-1332726, Lukasick, Barbara, or Barbara Birsic or Agatha Maticicz.

A-5251248, Ma, Schwen Wei, or Joseph (Schwen Wei) Ma.

A-5402002, Ma, Tien Djen Nyi, or Bessie Nyi Ma.

A-1836212, Macias, Alfonso Rodriguez.

A-4738157, Maloney, Clara Bridget (nee Miller).

A-2047097, Manetas, Leonidas Demitrios, or Louis James Manetas.

A-2355506, Marson, Gino Carlo Andrea, or Gino Carlo Marson.

A-5758401, Martin Eileen Mary (nee McDonnell).

A-6027173, Martinez, Cornelio, or Cornelio Martinez Salas.

A-4213027, Maschas, Anastasios John.

A-6928993, May, John Joseph, or John Joseph Cieckiewicz.

A-6380779, Medina-Solis, Isaac, or Isaac Solis Medina.

A-6380780, Medina, Fernanda Briano De, or Fernanda Briano-Carlos.

A-4022515, Meichle, Ernest.

A-3286750, Mendes, Joao Rodriguez, or Joao R. Mendes or John R. Mendes.

A-4705529, Messina, Francisco Paolo, or Frank Paolo Messina.

A-2171255, Meza, Loreto Rodriguez, or Loreto R. Meza.

A-6709435, Miller, Mary Katherine, or Mary Katherine Sloan or Mary Katherine Gritzfeld.

A-4826150, Min, Sun Nien.

A-2520497, Mirtsopulos, Christos Yovany, or Christo Mitsopulos; Miztsopulos or Mishopoulos; John Chris; Christos Yovany; or Joyan Spiroff.
A-6865996, Mobley, Helena Valentina, or Helena Valentina Gonsalves.
A-6848746, Monsivaiz, Manuel.
A-6844270, Monsivaiz, Aureliano.
A-9776724, Montoya, Jesus Untoria, or Jesus Montoya.
A-6928183, Mora-Ruiz, Fortunato.
A-7734930, Morgan, Inez Helene (nee Dismont).
A-5119705, Muchin, Janina, or Jean Muchin (nee Tratenaite or Jean Broten, formerly Leach, or Jennie Leach).
A-4912148, McCoy, Nora Ellen, or Nora Ellen McCoy (nee Sherne).
A-4345005, Nelting, Barbara Romana (nee Barbara Romana Weidler).
A-6854576, Nilsson, Arthur Christopher.
A-5997562, Normington, James Eastwood.
A-4229403, Nyman, Johannes Severin.
A-2879623, Oakland, Nils Mikal.
A-6665371, Oaks, Archer Lee.
A-6425331, Ortiz-Rodriguez, Enriqueta.
A-6425348, Ortiz-Rodriguez, Dora.
A-3596393, Osmond, Morley William.
A-6948178, Padilla-Avila, Alberto, or Albeto Padilla.
A-6735736, Pakidoff, Olga Igorevna, or Olga Igor Pak.
A-2153589, Papadimitrios, Michael Joseph.
A-4233414, Pereira, Francisco Antonio.
A-1951087, Perolini, Paul, or Paolo Perolini.
A-4117439, Perolini, Josephine, or Josephine Pepino.
A-6611856, Phillips, John Brian, or John Brian Phillips Nast.
A-3784284, Polansky, Anna (nee Sudia).
A-6834422, Ponce, Manuel, or Manual Hernandez Ponce, Merced Hernandez Ponce.
A-4764040, Psaros, Markos.
A-4444460, Purewal, Bhagat Singh, or Bhagat Singh.
A-6921715, Rabsatt, Andrice Ford.
A-1332304, Rauch, Kurt Theodore (alias Curt Smoke).
A-4287048, Reimann, August.
A-3479010, Rettura, Vincenzo, or Jim Rettura.
A-3861187, Rocca, Gennaro.
A-2745606, Rochkind, Esther (nee Esther Goldfarb).
A-7049650, Rodriguez, Cesario, or Cesario Rodriguez Cazares.
A-7049712, Rodriguez, Florencio, or Florencio M. Rodriguez.
A-2963679, Roleira, Luis Antonio Gancalvez.
A-3699180, Sabina, Manuel Pereira, or Manueal Pereira or Faustino Marquis.
A-3926563, Sadow, Bertha (nee Mark or Polly Sadow).
A-6279634, Sandon, Rodolofo Riccardo, or Rodolfo Riccardo Sandon or Rudolph Richard Sandon.
A-4604983, Savrames, Harry, or Haralombos Savramis.
A-1484796, Seesodia, Jehan Warliker, or Jehan Warliker or Jehan Seesodia.
A-6092937, Setford, Peter Michael Harold.
A-2862964, Shafarzek, Raymond or Raimund.
A-2862961, Shafarzek, Isabella (nee Neymayer).
A-5017949, Shlau, Yen Guang.
A-2246566, Skogg, Helga Berntine (nee Karlson, formerly Morck).
A-7028542, Sliwinshi, Christine Dolores (alias Krystyna Dolores Sliwinska).
A-1086676, Sokoloff, Philip, or Feitel Sokolofsky.
A-1584153, Spinelli, Peter, or Pietro Spinelli.
A-3878575, Stakorec, Dragutin, or Mike or Frank or Mike Frank Stakorec.
A-5056114, Stamford, William Gilbert, or Frank Stamford.
A-6808067, Stead, Mildred Phoebe.
A-2854491, Stefanides, Stefanos (alias Steve Stefanides).
A-4963314, Stephenson, Margaret Lillian Elva (nee Saint Amand).
A-7036742, Stuart, Allan Joseph.
A-2324924, Susnjar, Stoyan Nick, or Stojon Susnjar or Stojen Nikola Susnjar or Steve Susnjar or Nick Susnjar.
A-2949381, Tants, Wilhelm Heinrich, or William H. Tants.
A-3847182, Tauras, Juozas, or Joseph Tauras.
A-5615952, Thomas, William Edwin.
A-7792039, Thrapp, Casta Carles (nee Casta Carles).
A-4206936, Titones, Michael Ioannes, or Mike or Mike John Titones or Michael Tetonis.
A-2427699, Tombyll, Ross John.
A-6917723, Turco, Giuseppe, or John Joseph Turco or Joseph Turco.
A-6378224, Turner, Lurline Joyce.
A-6877264, Tuttle, Douglas James.
A-2889725, Tzanavaras, Georgios Eleftheriou, or George Tzavaris.
A-6884687, Ureno, Manuel, or Manuel Ureno-Flores.
A-1416293, Usnap, Charles Helmuth, or Kabol Helmuth or Helmuth Karlovitch or Charles H. Usnap.
A-1269931, Vadala, Antonio, or Anthony Vadala.
A-6479380, Van Eycke, Marie Surdiacourt (nee Marie Surdiacourt).
A-6937319, Van Wolde, Herman C., or Hermannus (Harmannus).
A-7083041, Varangis, Antonios, or Toni Varangis.
A-6920942, Vavala, Mariangela Glelia Nevi.
A-6712243, Vavala, Maria Concetta (nee Anzoise).
A-3194481, Vavilis, Michael George.
A-6102151, Villasenor-Navarro, Daniel.
A-4031280, Watt, Iu Chan.
A-5197229, Watt, Moi Kwai Yuk Chan.
A-6730877, Wilson, Helen Louise (alias Helen L. Andrews alias Helen Louise Andrews alias Helen Louise Thompson).
A-7794046, Williams, Emily Evangeline (nee Todd).
A-5132143, Woodhall, Richard Henry, or Richard or Henry Woodhall.
A-5980501, Woods, Eileen.
A-1285419, Yates, Thomas, J.
A-3386992, Yen, Chin Shik, or Thomas Yen Chin.
A-7735280, Yudice, Julio Hector.
A-6195968, Yudice, Carlota Angelica (nee Espinola).
A-6555335, Zacharakopoulos, John George.
A-4334369, Zole, Emilio, or Emilio Zole Di Cesare.
A-2913697, Zoulis, Vasilios, or William or Bill Zoulis.
A-6821734, Zunic, Frank, or Frane Zunic.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FRANK GRIMALDI

The Clerk called the bill (H. R. 2631) to authorize cancellation of deportation in the case of Frank Grimaldi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to cancel the outstanding order and warrant of deportation issued in the case of Frank Grimaldi, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act, Frank Grimaldi shall not again be subject to deportation by reason of the same facts upon which the outstanding proceedings rest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOSHIKO ISHII TEVES

The Clerk called the bill (H. R. 7084) for the relief of Yoshiko Ishii Teves.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission to the United States persons who are ineligible to citizenship, shall not apply to Mrs. Yoshiko Ishii Teves, a native and citizen of Japan, of the Japanese race, the wife of Raymond Teves, a citizen of the United States and formerly a member of the armed forces of the United States, and that if otherwise admissible under the immigration laws she shall be granted admission to the United States for permanent residence upon application hereafter filed.

With the following committee amendment:

On page 1, line 10, after the words "United States", change the comma to a period and strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. REI YAMADA MUNNS AND EDWARD LEE MUNNS

The Clerk called the bill (H. R. 7194) for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of law relating to the exclusion from the United States of persons of races ineligible to citizenship, Mrs. Rei Yamada Munns and Edward Lee Munns, Japanese wife and minor son, respectively, of Ralph W. Munns, a citizen of the United States and a veteran of World War II, shall be admitted to the United States for permanent residence upon application hereafter filed and without presenting immigration visas or other travel documents, if otherwise admissible under the immigration laws. Upon the admission of the said Mrs. Rei Yamada Munns and the said Edward Lee Munns to the United States for permanent residence, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Japanese quota for the fiscal year such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration laws the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Rei Yamada Munns and Edward Lee Munns, the wife and son, respectively, of Ralph W. Munns, a citizen of the United States and an honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UMEKO STEVENSON

The Clerk called the bill (H. R. 7279) for the relief of Umeko Stevenson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Umeko Stevenson, wife of Corp. John K. Stevenson, a citizen of the United States presently serving with the United States armed forces in Japan.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. P. ACKER

The Clerk called the bill (H. R. 4343) for the relief of J. P. Acker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. P. Acker, of Rusk, Cherokee County, Tex., the sum of $448.38, in full settlement of all claims against the United States for goods furnished to the clients of the Production and Marketing Administration of the Department of Agriculture upon the order and authority of the agent of the said Production and Marketing Administration during the period from February 20, 1947, to March 8, 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

MR. AND MRS. THURMAN L. BOMAR

The Clerk called the bill (H. R. 5199) for the relief of Mr. and Mrs. Thurman L. Bomar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Thurman L. Bomar, Shelbyville, Tenn., the sum of $250. The payment of such sum shall be in full settlement of all claims of the said Mr. and Mrs. Thurman L. Bomar against the United States arising out of the loss of a valuable mare during Army maneuvers in Tennessee in June 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a midemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LILLIAN COOLIDGE

The Clerk called the bill (H. R. 5846) for the relief of Mrs. Lillian Coolidge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,800 to Mrs. Lillian Coolidge, of Lancaster, Pa., in full settlement of all claims against the United States, as reimbursement for United States bonds purchased by her son, Thomas Coolidge, in Manila prior to the evacuation of said city, such bonds and other personal property being buried by Captain Ambrose J. Wangler, United States Army, in the Cabanatuan Prison Camp and never recovered: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", strike out "the sum of $1,800."

Page 1, line 8, after the word "for", strike out the bill down to the colon, page 2, line 1, and insert in lieu thereof "deposits made by her son, Thomas Coolidge, for the purchase of United States bonds; the amount allowed being the present value of 18 $100 bonds purchased in April 1942. Such deposits were made while a prisoner at the Cabanatuan prison camp."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. O. EVANS

The Clerk called the bill (H. R. 6371) for the relief of J. O. Evans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. O. Evans, of Cookeville, Tenn., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said J. O. Evans against the United States on account of personal injuries sustained by him on November 30, 1943, when the automobile which he was driving was struck by a United States Army jeep on Highway No. 70 between Donelson and Nashville, Tenn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert in lieu thereof "$2,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUISE PETERS LEWIS

The Clerk called the bill (H. R. 7540) for the relief of Louise Peters Lewis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds or property of the Government of Germany or of nationals of Germany in the possession or under the control of the Government of the United States to Louise Peters Lewis, of East Lynn, Mass., a native-born citizen of the United States, the sum of $10,000. Such sum represents the actual amount of the loss (without interest thereon) sustained by the said Louise Peters Lewis on account of the failure and refusal of the Imperial German Government to pay either the principal thereof and the interest thereon of bonds issued as the direct obligation of that Government and purchased by her in 1914 before the outbreak of the First World War, and described in her claim (list No. 5242, docket No. 7172) heretofore filed with, and dismissed by, the Mixed Claims Commission, United States and Germany: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANN IRENE FEIKEMA

The Clerk called the bill (H. R. 1110) for the relief of Ann Irene Feikema.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which exclude from admission to the United States persons who have been convicted or admit having committed a felony, or other crime or misdemeanor involving moral turpitude shall not hereafter apply to Ann Irene Feikema, on account of a conviction in Ireland for having been involved in a felony. If she is found otherwise admissible under the immigration laws an immigration visa may be issued and admission granted to Ann Irene Feikema under this act upon application hereafter filed.

With the following committee amendments:

On page 1, line 7, strike out the words "the provisions" and insert in lieu thereof "that provision."

On page 1, line 9, strike out the word "exclude" and insert in lieu thereof the word "excludes."

On page 1, line 10, after the word "convicted", insert the word "of."

On page 2, line 1, after the word "hereafter", insert "be held to."

On page 2, line 2, after the name "Ann Irene Feikema", strike out the remainder of the bill and insert in lieu thereof the following "the wife of a United States citizen and an honorably discharged veteran of World War II."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIOVANNA PARISI ET AL.

The Clerk called the bill (H. R. 2591) for the relief of Giovanna Parisi, Michelina Valletta, Yolanda Altieri, Generosa Tamburi, Carolina Picciano, and Giovanna Turtur.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Giovanna Parisi, Michelina Valletta, Yolanda Altieri, Generosa Tamburi, Carolina Picciano, and Giovanna Turtur, nuns in the Order of St. John the Baptist, who were admitted into the United States on temporary visas, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their actual entry into the United States upon the payment by them of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KRIKOR G. GUIRAGOSSIAN

The Clerk called the bill (H. R. 4903) for the relief of Krikor G. Guiragossian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Krikor G. Guiragossian as having entered the United States on August 4, 1946, for permanent residence. The said Krikor G. Guiragossian shall not be subject to deportation by reason of such entry.

With the following committee amendment:

Strike out lines 7 and 8 and add a new section to read as follows:

"SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Turkey of the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ASANO TERAMOTO

The Clerk called the bill (H. R. 7338) for the relief of Asano Teramoto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to Asano Teramoto, a native of Japan, and that, if otherwise admissible under the immigration laws, she shall be granted admission into the United States as a nonquota immigrant for permanent residence upon application hereafter filed.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Asano Teramoto, the Japanese fiancée of Mr. Katsuo Togashi, a citizen of the United States and a veteran of World War II, and that the said Asano Teramoto may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within three months immediately succeeding the enactment date of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIYOKO TANAKA PEREZ

The Clerk called the bill (H. R. 7410) for the relief of Mrs. Kiyoko Tanaka Perez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to Mrs. Kiyoko Tanaka Perez, a native of Japan, the wife of Joseph M. Perez, a citizen of the United States and an honorably discharged veteran of World War II, and that, if otherwise admissible under the immigration laws, she shall be granted admission into the United States as a nonquota immigrant for permanent residence upon application hereafter filed.

With the following committee amendment:

Page 1, line 9, change the comma after Roman numeral "II" to a period, and strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JUNE NODA LOMAN

The Clerk called the bill (H. R. 7427) for the relief of Mrs. June Noda Loman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, section 13 (c) of the Immigration Act of 1924, as amended, which excludes from the United States persons of races ineligible to citizenship, shall not apply to Mrs. June Noda Loman, a native and citizen of Canada of the Japanese race and the wife of Jack Loman, of Long Beach, Calif., a United States citizen and an honorably discharged veteran of World War II. The said Mrs. June Noda Loman shall if otherwise admissible under the immigration laws, be admitted to the United States for permanent residence as a nonquota immigrant upon application hereafter filed.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration laws the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. June Noda Loman, the wife of Jack Loman, a United States citizen and an honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMBLEM OF THE DISABLED AMERICAN VETERANS OF THE WORLD WAR

The Clerk called the bill (H. R. 7609) to grant renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date of November 1, 1921, being patent numbered 59,560, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same being generally known as the emblem of the Disabled American Veterans of the World War.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF LT. COL. CHARLES H. BONESTEEL AS EXECUTIVE DIRECTOR OF EUROPEAN COORDINATING COMMITTEE

The Clerk called the bill (S. 2911) to authorize the President to appoint Lt. Col. Charles H. Bonesteel as Executive Director of the European Coordinating Committee under the Mutual Defense Assistance Act of 1949, without affecting his military status and prerequisites.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTENSION OF REMARKS

Mr. LATHAM (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD in three different instances and in each to include extraneous matter.

Mr. REES asked and was given permission to extend his own remarks in the RECORD.

GREEK CHILDREN

Mr. JAVITS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 514, to help bring about the return of Greek children to their homes in Greece.

The Clerk read the resolution, as follows:

Resolved, That the House of Representatives expresses its profound concern for the thousands of Greek children removed or carried off into countries of eastern Europe by the Communist guerrilla forces during the course of the recent guerrilla warfare in Greece, and requests the President to exert all of his powers, acting through the United Nations and other international organizations and directly with the governments of the countries where these children are located, to the end that these thousands of children shall be speedily returned to their homes and homeland.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I am sure there can be no objection to this resolution.

Mr. McCORMACK. Mr. Speaker, will the gentleman from New York yield?

Mr. JAVITS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I am very glad to note the action of the Committee on Foreign Affairs in reporting this meritorious resolution out of that committee. I may say that I have looked into this matter very carefully and as a result of a letter I received from Mr. A. Angelopolous written several weeks ago seeking my comment on the plight of these unfortunate children, I made inquiry of the Department of State and found that that Department has followed this problem very closely and has taken every opportunity to support the efforts of the United Nations to have these children returned to their homes.

We know that both the third and fourth sessions of the United Nations General Assembly unanimously adopted resolutions calling for the repatriation through the cooperation of the International Red Cross organizations of those children whose return was desired by their parents or next of kin. Despite the efforts of the Red Cross organizations the children are for the most part still being held in eastern Europe where they are being given intensive Communist indoctrination. So far as I could ascertain, none of them has as yet been returned to their families in Greece, although some adolescents were sent back to Greece to fight in the guerrilla ranks, an action by the Communists subject to severe criticism.

An appeal was made by Michael, the Archbishop of North and South America, to President Truman for the exercise of his influence in the repatriation of these children. The President assured the Archbishop that the United States will continue to give utmost support to the efforts of the United Nations and the International Red Cross organizations to bring about the return of these children to their homes. I hope this will be speedily accomplished. It is unfortunate that these children are in the hands of the Communists.

Mr. JAVITS. Mr. Speaker, this resolution was reported out this morning unanimously by the Committee on Foreign Affairs. It is sponsored by the gentlewoman from Ohio [Mrs. BOLTON] and myself.

I ask unanimous consent that both the gentlewoman from Ohio [Mrs. BOLTON] and I may be permitted to extend our remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the problem of the return of the 26,000 Greek children abducted by the Communist guerrilla forces in Greece is critically important as it is a living example of the assaults against humanitarian ideals the Western World has been suffering in the cold war. Even in the countries behind the iron curtain where these children have been lodged there should be a revulsion of the men and women who are parents themselves against the taking away of these children from their own homes and parents, and public opinion—which even in iron-curtain countries exists—should compel the return of these children. I hope especially that in countries like Yugoslavia, which has shown its independence in the last year, and in other countries like Czechoslovakia and Poland, which have historic ties with the West, help may be obtained for the return of these children. Every effort to bring this about must be made, and the passage of this resolution should have a mighty influence in helping to attain this most humanitarian objective.

Mrs. BOLTON of Ohio. Mr. Speaker, in introducing this resolution in conjunction with my distinguished colleague from New York [Mr. JAVITS] to express the deep concern of the House of Representatives in the tragic circumstances in which 28,000 Greek children have been engulfed, it was my earnest desire, and his, to add a little additional strength to the resolution recently passed by the United Nations in their behalf.

On March 2, Mr. Speaker, I joined my voice with that of other members of this body in behalf of the mothers of Greece and their children. At that time I included in my remarks the very moving words spoken over the air by the queen of Greece. I commend them to you, even as I congratulate this House for its quick response to the human tragedy this resolution attempts to help assuage.

Mr. SADLAK. Mr. Speaker, will the gentleman yield for a question?

Mr. JAVITS. I yield.

Mr. SADLAK. This resolution is supplementary to action previously taken by the United Nations Organization. As I recall, a resolution was passed unanimously to help bring back these 28,000 abducted children.

Mr. JAVITS. We are trying to strengthen the hands of the United Nations, the President, and all other men of good will in the world in bringing about the repatriation of these children.

Mr. SADLAK. I heartily endorse the resolution.

Mr. CARNAHAN. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Missouri.

Mr. CARNAHAN. Mr. Speaker, this resolution is justified by the regrettable situation which it seeks to remedy. As representatives of the American people, by adopting this resolution, we are I am sure expressing the concern of our people for this mass kidnaping of Greek children.

Family ties in Greece, as in America, and throughout especially the free world, are strong. Thus, the disruption of home ties in Greece results in the same anxiety, concern and grief as similar disruptions anywhere else. The same ultimate results will cast a shadow on Greek life and Greek government. Children throughout the world should have the home atmosphere of the love and care of parents, together with the many other privileges and safeguards of the home.

A Christian nation, such as ours, built on the social and economic unit, the home, can certainly do no less than strongly condemn this brutal and unjustified imposition upon the children of Greece. They, like any other country, must build and maintain a free country tomorrow by giving adequate attention to their children of today. I urge the adoption of this resolution.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUSING ACT OF 1950

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7402) to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families; to amend the National Housing Act, as amended; and for other purposes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that general debate be limited to 2½ hours, the time to be equally divided between the chairman of the Committee on Banking and Currency [Mr. SPENCE] and the ranking minority member thereof [Mr. WOLCOTT].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I think the Members ought to be here to listen to the debate that is about to take place and I therefore make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Bailey	Harvey	Norton
Baring	Havenner	O'Neill
Bennett, Fla.	Hoffman, Ill.	Pace
Bentsen	Horan	Peterson
Boggs, Del.	Irving	Pfeifer,
Buckley, N. Y.	Jackson, Calif.	Joseph L.
Bulwinkle	Jonas	Potter
Burdick	Judd	Powell
Chatham	Karst	Reed, N. Y.
Chelf	Kee	Rivers
Chiperfield	Kennedy	Sabath
Crawford	Keogh	Sadowski
Curtis	Kruse	St. George
Davies, N. Y.	Kunkel	Saylor
Davis, Wis.	Lucas	Shafer
Doyle	Lyle	Sheppard
Engle, Calif.	McCarthy	Smathers
Evins	McDonough	Smith, Ohio
Fisher	Mack, Ill.	Thompson
Frazier	Macy	Whitaker
Fulton	Mason	Whitten
Gilmer	Miles	Wier
Gore	Monroney	Worley
Granger	Morrison	
Gregory	Murphy	

The SPEAKER. On this roll call, 359 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING ACT OF 1950

The SPEAKER. The question is on the motion of the gentleman from Kentucky.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7402) to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families, to amend the National Housing Act, as amended, and for other purposes, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the agreement, the gentleman from Kentucky [Mr. SPENCE] will be recognized for 1 hour and 15 minutes and the gentleman from Michigan [Mr. WOLCOTT] will be recognized for 1 hour and 15 minutes.

Mr. SPENCE. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the bill we are now considering is one in which the people of the United States have expressed great interest. I have received a wire from the President, Key West, asking that the House consider this bill favorably, a message from the American Legion heartily endorsing it, a message from the Veterans of Foreign Wars, from the American Veterans of World War II and the American Veterans Committee, a letter from William Green, president, American Federation of Labor, also a wire from Philip Murray, president, CIO, all in favor of this bill.

Mr. Chairman, may I ask the Clerk to read those communications at this time?

The Clerk read as follows:

KEY WEST, FLA., *March 21, 1950.*

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency,
House of Representatives.

DEAR MR. CHAIRMAN: I have followed with great interest the splendid work that has been done by the Banking and Currency Committee under your leadership in working out the housing bill (H. R. 7402) which is now before the House of Representatives.

There is still a large unfilled need in this country for good homes at prices which families of moderate income particularly those with children can afford. About a third of our urban families have incomes in the middle range between $2,800 and $4,400 per year. They are the backbone of the country, yet they cannot pay the rental or sales prices now being asked in most localities for homes large enough for family living. They are not in need of and certainly do not want public assistance or governmental subsidies in meeting their housing problems. It is important that other measures be devised to permit them to live in decent housing and to realize their dream of owning their own homes.

H. R. 7402 is a well-thought-out measure that will go far to meet these needs title I of H. R. 7402 will stimulate home ownership through the use of cooperative methods to achieve savings in the cost of financing and construction methods which have long been successfully used in other fields of endeavor. It will be of particular value to those of our veterans who are still seeking adequate housing, and who should not be required to pay an excessive share of their income in order to obtain it. The bill will enable many citizens of moderate incomes to acquire homes through their own combined efforts, without Government subsidy.

Of equal importance are the other provisions of the bill for the extension and improvement of existing programs for the financing and construction of individual homes and rental projects. These programs have done much to bring us to our present high level of building activity. The construction of homes is an important element in our continued prosperity and we should aim at maintaining and increasing it.

H. R. 7402, in my opinion, offers great benefits to the country which transcends any partisan considerations. I hope the House of Representatives will act favorably upon it.

Sincerely yours,

HARRY TRUMAN.

WASHINGTON, D. C., *March 12, 1950.*

Hon. BRENT SPENCE,
House of Representatives:

The American Legion is greatly concerned over the narrow margin defeat of the middle-income housing legislation in the Senate last Wednesday. The vote in the Senate was for the real estate lobby and not for the veterans of this Nation. At our national convention last year the American Legion unanimously endorsed the cooperative housing title for the middle-income families. The American Legion in good faith and with all its strength urges favorable action by the House of Representatives on bill H. R. 7402 which includes this needed legislation. The proposal is sound. It would involve less Government risk and make stricter requirements of the housing occupants than any other Government housing program. It is in keeping with our private enterprise system and failure of enactment would be discrimination against the veterans of the middle-income groups.

GEORGE N. CRAIG,
National Commander,
The American Legion.

WASHINGTON, D. C., *March 12, 1950.*

Hon. BRENT SPENCE,
Banking and Currency Committee,
House of Representatives, Washington, D. C.:

Veterans of Foreign Wars by convention resolution endorsed cooperative provisions of H. R. 7402. We hope that House will agree with us that title I represents sound legislation. That veterans of low- and middle-income need and want this legislation.

OMAR B. KETCHUM,
National Legislative Director, Veterans of Foreign Wars of the United States.

WASHINGTON, D. C., *March 12, 1950.*

Hon. BRENT SPENCE,
House Banking and Currency Committee, House of Representatives, Washington, D. C.:

AMVETS strongly urge you to support cooperative housing provision of H. R. 7402 as veterans answer to middle-income housing.

MARVIN L. GOLDBERGER,
National Legislative Director.

WASHINGTON, D. C., *March 22, 1950.*

Hon. BRENT SPENCE,
Chairman, House Banking and Currency Committee,
Home Office Building,
Washington, D. C.:

The American Veterans Committee (AVC) in common with all other major veterans' organizations strongly endorses the middle-income housing provisions of the Housing Act of 1950. Charges made that this act is discriminatory toward the veteran are completely without foundation or fact. Statistically a greater percentage of World War II veterans are in the middle-income bracket than any other major segment of our population and will receive more benefit from these provisions than any other group. We earnestly desire that H. R. 7402 be passed without major changes and that the full authorization is allowed. A vote against H. R. 7402 is a betrayal of the interest of the veteran, both as a veteran and citizen.

RICHARD L. HAWKINS,
National Housing Director, American Veterans Committee (AVC).

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 21, 1950.

Hon. BRENT SPENCE,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: The American Federation of Labor strongly approves and supports H. R. 7402. We regard this bill as a reasonable, sound, and constructive measure. If enacted into law millions of people classified as in the middle-income group in the United States will be accorded an opportunity to own their own homes. Our free democratic form of government will be made more secure if the masses of the people become home owners. Thus, in voting for H. R. 7402 the Congress of the United States will be making a contribution toward the maintenance and security of our free democratic form of government.

I respectfully request and strongly urge that the Members of the House of Representatives vote to enact H. R. 7402 into law.

Very sincerely yours,

WM. GREEN,
President, American Federation of Labor.

MARCH 22, 1950.

Hon. BRENT SPENCE,
Chairman, House Banking and Currency Committee,
House Office Building,
Washington, D. C.:

I know of no greater opportunity afforded the Congress of the United States to take positive constructive action toward alleviation of the Nation's shocking housing shortage than that presented by the legislation now under consideration. Congress can make a substantial contribution to the stability of our economy and the preservation of our American system through passage of the middle-income housing bill. This measure provides practical aid and assistance to our people in their natural and legitimate desire to secure for themselves and their families decent adequate housing at costs that are not exorbitant. I sincerely solicit forthright and vigorous support by members of Congress for those provisions of the bill granting aid to housing cooperatives and other nonprofit organizations. The American people have a right to expect that Congress will give preference to their desperate housing needs rather than to the selfish demands of greedy financial interests. Speaking for and on behalf of the millions of CIO members and their families I most urgently advocate passage of the middle-income housing bill and rejection of all emasculating amendments.

PHILIP MURRAY,
President, Congress of Industrial Organizations.

Mr. SPENCE. Mr. Chairman, I thought it proper to read these communications to the House, because the President represents all the people in their best interests, and the other advocates of the bill, who represent a large segment of the American people, also speak in their behalf.

Mr. Chairman, this bill comes before us under an open rule. I know that there will be a motion made to strike out title I, but I hope you will not unceremoniously refuse to consider this proposition, and that if it does not meet with your approval as introduced it may be amended so it will meet with your approval.

I am not surprised at these people being in favor of cooperative housing. The three great needs of mankind are food, clothing, and shelter, and that has been true through all the ages. Primitive man lived in a cave. He obtained it by force, and he kept it by the fear he instilled in those who wanted it, but when the compact with society was made, when police forces were organized, the right to protect his home, even to the taking of life, was not taken away from the citizen. The home has a sanctity that no other spot on earth has, and it is endowed with privileges that no other spot on earth has acquired.

Sir Edwin Coke, the great justice in England, said:

A man's house is his castle.

It has always been considered his castle. He said:

It may be made of rough boards and roofed with thatch. The winds may blow through it and the rains may enter it, but the King cannot.

So today the house we have in America that is our home has that same sanctity attached to it that has been attached to it through all the ages.

Some people have said that there is a constitutional question involved here. The Constitution was formulated to insure domestic tranquillity and to promote the general welfare. How can you insure domestic tranquillity without happy homes?

The failure of the people to obtain adequate, proper homes has done more to destroy the tranquillity of the American people than anything else. When the family is doubled up, it results in family discord, and vexation, in divorce, in juvenile delinquency. The greatest, the strongest pillar of our Republic is the home. The best way to strengthen this land of ours and to bring contentment to the people is to have happy homes. There at the mother's knee the child is taught those lessons of religion and morality that guide him in after life. There obedience is taught and obedience is government. So I say it is not only a question that involves the happiness and contentment of the people but there is a moral question involved in this bill.

Cooperative organizations, as far as we have seen them in America, have been very successful. What has been more successful than the REA co-ops? They have borrowed money at 2 percent and have brought to the rural people of America benefits and conveniences they never would have had otherwise. I was told yesterday by the Administrator that less than one-fourth of 1 percent were delinquent, not that they have failed but that they were only delinquent in their current payments.

Cooperative effort means larger purchases of materials, and a decrease in cost results from that. It means a decrease in administrative expenses. It means a decrease in the expense of surveying, and other things. A material saving can be effected by cooperative effort.

We all know there is a shortage of housing in the United States. There would not be the interest manifested in this bill that has been manifested by the people otherwise. It is singular that so little interest has been manifested in the Congress, but, after all, the people have a right to ask for what they think would benefit them. Whether you believe it or not, they have asked for the consideration of this bill. The great majority of the people believe that this bill will serve a much-needed purpose.

Two billion dollars are provided under title I of the bill for cooperative housing, but over $50,000,000,000 is invested in the housing of the American people. If the cooperative housing provided for in the bill were constructed it would be only 4 percent of the total housing that exists at this time. Yet we need all the housing we can get at this time in order to supply the deficiency we all know exists.

I am not going into detail regarding the specific provisions of this bill. I am only pleading with you to consider it, and not to strike out title I without any consideration.

When the bill is considered under the 5-minute rule it can be amended by any amendment which is germane. If you are not satisfied with the revisions as introduced, you can propose amendments which will change those revisions. It seems to me, however, if you say you do not want to consider the cooperative title I at this session of the Congress, you will be saying you do not want to consider this vital question of the housing of the American people at this time.

I am confident that some housing will be accomplished which would otherwise not be built; that it will stimulate the building of homes and it will afford many people a home who otherwise would not be able to obtain adequate housing.

Is this a reasonable classification? I think the law requires that in legislation there must be a reasonable classification and all those who are similarly situated must be treated substantially the same.

It seems to me the middle-income group is a well-defined group. It can be ascertained in every section of the country. They are the people who are unable to obtain adequate housing at this time. They do not want to go into public-subsidized housing and they cannot pay the price of present high-cost construction. They are a particular group, in-between the low- and high-income groups, which need housing at this time. I think this bill will probably give to them benefits in housing which they otherwise could not obtain. I think the classification is reasonable. I think it meets with the requirements of the law. Everyone in that group will be treated substantially the same. Everyone in the middle-income housing group can participate in the cooperative in order to furnish housing.

You could not do any greater service to the people at this time than to see that the housing situation is remedied not only for their convenience and their happieness, but for the stability of our institutions and the perpetuation of the things we love.

Some people have said that this is socialistic. Certainly the objectives sought to be obtained, which would strengthen our form of government are anything but socialistic. Socialism will come from discontent. Socialism will come, if it ever comes, because people are dissatisfied with our present form of government, and with our present institutions. A well-housed people will never vote to change their form of government. If they are ill-clothed and ill-fed and ill-housed, we might fear the consequences. The chief of these things is housing; because a man may be ill-clothed today and may obtain sufficient clothing tomorrow. A man may be ill-fed today

and food may come to him in the near future. But housing is of a more permanent character. It takes long to construct it, and the effort must be made immediately. This provides an opportunity to start on a program which will furnish a need which the American people feel has to be filled immediately.

I hope you consider this question. I hope you will not vote to strike out title I, because that is the only thing in issue here. The rest of this bill, I know, meets with general approval of the Congress. But I hope you will consider it and let us attempt to perfect it. If, after it has been perfected, it is your wish, you may then pass upon the question of whether or not you will consider it further.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 25 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. WOLCOTT. Mr. Chairman, I think there has been no bill before the Congress in late years which is as highly controversial and which presents such basic problems as this bill does.

The objection is primarily to title I of the bill, which is referred to as the cooperative housing or middle-income group provisions. There are about 8,000,000 so-called middle-income families. The $2,000,000,000 authorized in the bill would provide for about 3 percent of this group, so that if the program were expanded, as we may expect, once we adopt the program as a matter of Government policy, estimates are that it finally may cost us together with the commitments which we now have in the Veterans' Administration and FHA, approximately $91,000,000,000. I use this figure not to frighten anyone except as people may need to be frightened perhaps, or shocked, at least into a realization of what might happen to the economy of the United States, the economy of the world, and I may say even the peace of the world if this bill is passed. That is how important it is.

The bill provides for the creation of a new bureau in the Housing and Home Finance Agency. It sets up a Cooperative Housing Administration within the Housing and Home Finance Agency and creates the office of Commissioner of the Cooperative Housing Administration with authorization to employ such officers and employees as may be deemed necessary.

The bill also sets up a National Mortgage Corporation for Housing Cooperatives. This Corporation, capitalized at $100,000,000, whose capital is subscribed and paid in by the Treasury, may make loans under the terms of this title up to $300,000,000 until July 1, 1951. The President may expand the program after that date by an additional $1,700,000,000, making a total of $3,000,000,000 they may lend. As I understand the bill, they may make loans up to 100 percent of the development costs subject, however, to the payment in one instance of 2½ percent by the borrower in the nature of a subscription to capital stock. It is interesting to note in this respect that the borrower, under the terms of the bill, must make an initial subscription to capital stock of 10 percent of the development cost or the amount of the loan.

One quarter of this 10 percent, or 2½ percent, must be subscribed for at the time of making application for the loan; another quarter must be subscribed for at the time of receiving the loan, which, for all practical purposes, is the time that the project is ready for occupancy. The other half of the 10 percent, or 5 percent, may be spread over a 20-year period. Now, that is in the case of a private nonprofit ownership housing corporation.

There are two classifications of borrowers under this bill. One is the one I have just mentioned. The second is a private nonprofit corporation. In the case of this first classification the borrowers must subscribe to this 10 percent, 5 percent of which is amortized over a 20-year period. In the case of a loan to a private nonprofit corporation the whole subscription of capital need not be paid for 20 years. So the private nonprofit corporation need put up no money and need pay no subscription to the capital for 20 years.

As I understand the bill, the difference in these two classifications—and this explanation will be sufficient for our purposes, I believe—is, first, the private nonprofit ownership housing corporation is designed to provide for private ownership. The second classification—private nonprofit corporation—is intended to control the properties and to rent the properties to a so-called middle-income group.

But let us not pass this expression "middle-income group" without the observation that the bill does not provide anywhere that these loans may be made to middle-income people. It uses the term "moderate-income people," which the proponents of the bill have interpreted to mean the middle third of the national income. Also, bear in mind that, although the contention will be made that a middle-income family is one which has an income of from $2,800 to $4,800 or thereabouts; that is the average of income throughout the United States; however, the bill provides this middle income or moderate income is determined by taking the middle third of the income in the metropolitan area in which the project is to be located or in the locality in which the project is to be constructed.

We were told at the hearings that in large-income areas like metropolitan New York it would be possible to include in the middle-income families the recipients of any benefits there might be under the act—families having an income of up to about $6,000.

There has been a rule or formula which we have always applied to housing—that is, the percentage of a person's income which he can and should set aside for shelter. That is, roughly speaking, about 20 percent, which is the figure the FHA uses; it is the figure which we have always used in public housing and rents have been set in public housing in accordance with that formula. Of course, if you take a family income of $6,000 and break it down, divide it by 12, you will find a middle-income family of $6,000 can afford under this formula to pay somewhere between $83 and $90 a month as rent or on the purchase of a house. I think that is an interesting observation and that a person who under the formula can set aside one-fifth of his income for housing can and is now purchasing under FHA and under the Veterans' Administration guaranteed loans homes the amortization payments per month are much less than that. As a matter of fact, the records are indisputable that 51 percent of housing construction today and last year is being purchased by people who come within this so-called moderate-income or middle-income class.

Bear in mind that last year we built more than 1,000,000 units in this country. The year before that we built 940,000 units, and, unless something happens to the program, unless this Congress does something to throw fear and chaos and uncertainty into that field, we are well on our way this year to build another million units. Those are things which I think we should have in mind when we consider this bill.

This is a part of an over-all program which is intended to result in the Federal control of all housing. Let us go back just a short time to April 27, 1949, when Mr. Edelman, speaking for the CIO-PAC, cut the pattern for Federal participation in the housing field, in speaking for the public housing bill, had this to say in testimony before the House Banking and Currency Committee:

> Although we are strongly of the opinion that the number of units of public housing called for in this bill should be increased substantially, we are prepared to endorse the attenuated proposal so as to demonstrate that CIO can be as modest and conservative as the next man. Seriously, however, our belief is that once this program is well under way it will develop a sufficient political momentum of its own so that the Congress will automatically in the future increase and extend this authorization to whatever extent may be necessary.

Now, this bill is chapter 2 in this well-thought-out plan to give the Federal Government the authority—call it socialism, or what you please—to control a major part of the home construction and home ownership in this country.

I want to speak briefly about the inflationary aspects of this bill. Although the contention will be made that the Corporation which makes these loans is not restricted to a particular interest rate, or limited by any statutory provision as to interest rate, there is a statement on page 8 of the committee report, which states that—

> No fixed interest rate is prescribed in the title. However, it is estimated that, at least so far as initial loans are concerned, this provision probably means a rate of about 3 to 3⅛ percent on the mortgage loans made by the Corporation, since the estimates indicate that this rate will provide an adequate spread over and above the cost of the

capital initially supplied by the Government and the probable rate on the Corporation's securities first issued to investors.

Now it is contended that about the only saving in the construction and maintenance of these projects is the lower interest rate. Under FHA the interest rate is 4½ percent. The Veterans' Administration loans are 4 percent. This would cut a new pattern for interest rates, according to the committee report and the testimony, from 4 or 4½ to 3 or 3⅛.

Mr. McCabe, Chairman of the Board of Governors of the Federal Reserve Board, who is having his troubles in trying to prevent further inflation, says that that is inflationary; it means a further depreciation in the value of the American dollar because of the increase quantitatively of the volume and velocity of credit. In other words, we add to the volume and increase the velocity of credit not only in this field but because it sets a new pattern of interest rates. Our entire economy must be readjusted to maintain itself on cheaper interest rates, unusually large increases in the volume and velocity of our credit. That is inflationary, according to Mr. McCabe. It is inflationary according to anyone who has read the reports of the Joint Committee on the Economic Report.

Interesting enough, this Commissioner is given a very unusual and, I would say, impossible assignment; he is to coordinate the activities of the National Mortgage Corporation for Housing Cooperatives with the economic and fiscal policies of the Government.

The Federal Reserve Board and the Treasury have as yet been unable to announce economic and fiscal policies with which they might be in agreement. The problem is simply this: The Federal Reserve Board cannot exercise its authority to raise rediscount rates, to help stabilize our economy, and to prevent increases in the volume and velocity of credit because the Treasury, which in this particular field predominates, says, that if you do that, then all interest rates on Government bonds must be increased and the cost of managing the Federal debt must be increased.

So there is a deadlock between the Federal Reserve Board and the Treasury which makes it impossible for the Government itself to announce a policy in respect to economic and fiscal matters. Therefore, this unfortunate Commissioner, finding himself in the middle between the Federal Reserve Board and the Treasury, of course will find it impossible to function in accordance with his statutory duty.

It will naturally follow, therefore, that if the interest rates on this type of mortgage are decreased to 3 percent, the next step beyond that will be the reduction of interest rates on all real estate mortgages. The very next step will be to give the veterans, for whom we should show a great deal of concern, a reduction. I can well understand why the American Legion had read this morning a statement in favor of this bill. The second step which must be taken by this Congress is to lower the veterans' interest on mortgages, insured or guaranteed by the Veterans' Administration—and there are $8,000,000,000 worth of them—from 4 percent to 3 percent. There are not a handful of you Members who would not vote for such a bill. I can assure you that such a bill will be introduced if this bill is passed.

What about the third step? The third step will be taken by the middle-income people who are now amortizing their mortgages over a 25-year period and paying a 4½-percent interest rate. So the third step in this program is for a possible 8,000,000 families—to be petitioning the Congress to give them the same relief on their contracts of purchase, their trust agreements, their mortgages, as we set up for 3 percent of their class. There are not a handful of Members of this House, if a matter of 8,000,000 telegrams and letters come in here, who will not clamor for the opportunity to give them the same benefits we have given this 3 percent within that class.

So you cut a new pattern here for lower interest rates and higher volume and an increased velocity of credit to the point where we cannot hold the line against further inflation.

There will be further depreciation in the value of the dollar, resulting in increases in the cost of building materials, so that you will ultimately offset all of the benefits which might be given to these people by reducing their interest rates. You not only do it in the field of housing, but all consumer and producer goods will go up in price proportionately as the value of the American dollar goes down.

I have mentioned the fact that this has perhaps even a broader influence than that which would attend our own domestic economy. I think I should justify that statement. Under the Bretton Woods Agreement, the currencies of, I believe, 47 countries are as effectively tied to the American dollar as they were formerly tied to gold. The world business today is being transacted in terms of the American dollar, and fluctuations in the value of the American dollar are immediately reflected in the currencies of 47 countries—all the major countries excepting Soviet Russia and her satellites. That would create economic uncertainty, unrest, and possible chaos. Surely it would result in currency instability. Without currency stability in the world, there can be no economic stability. Without economic stability, there can be no peace. That is why I stress the fact that by adopting title I of the bill it might result in extending for a time as far into the future as the American dollar continues to be devalued the impossibility of world peace.

There are many other reasons why the bill should not be passed. I have mentioned, inferentially, discrimination. I want to state, without fear of successful contradiction, this is not a home-purchase program. It is a subsidized rent program. A young man 25 years old, married, who wants a home, goes into a cooperative, let us say, to get a home. His family qualifies as a middle-income family. He does not get the house paid for until he is 75 years of age, because the amortization period is 50 years. Every one of us—let us go back, because, of course, we cannot go forward, since we are all 25 years of age or older—or we would not be here as Representatives in the Congress—let us go back to the time when we were 25 years of age. We would, under such a program as this, commit ourselves to pay and pay and pay and pay until we were 75 years of age before we owned a home. But that is not all. If the interest rates have to be adjusted to meet changes in our money market, then this period may be extended 10 years, so we might be 85 years of age before we have a home paid for. In other words, this young man might be 85 years of age before paying for his home. That is not all. There can be a 3-year moratorium period anywhere along the line which might make this young gentleman 88 years of age before he gets a home paid for. How can you justify home purchasing on such a basis as that? You do not—if you are honest with yourself, and honest with your constituents—honest with the people whom we represent. You must admit that this is solely a rent subsidy scheme.

In addition to that, what happens to this young man if, after 25 years, he becomes the president of a big corporation, getting three or four hundred thousand dollars a year? He still qualifies to receive this Government subsidy. I think we should think a couple of times before we do that, because many of America's young men, because of the American system of free enterprise, who might be in the middle-income group at 25 years of age, get out of that group by reason of their ambition by the time they are 40 or 45 or 50 years of age. That is America. Do we want to continue to subsidize people who get out of the middle-income group as a result of their success in business or whatever their work may be?

Mr. Chairman, it is not financially or economically sound for the Federal Government to embark on such a program as is contemplated in title I of this bill. Federal debt can be monetized, that is, it can be pledged as security for new and additional currency. Increases in the volume of currency, or in the volume and velocity of credit, proportionately decrease the value of our money. As the value of our money goes down, prices for all things go up. This is not necessarily true of State and municipal debt. There is always a ready market for State and municipal bonds. They are tax exempt, and in many cases yield more income to the purchaser than Federal bonds carrying comparable interest rates. If it is thought advisable by them to do so, almost all States and municipalities can issue tax-exempt revenue bonds at low-interest rates for the purposes set forth in title I of this bill.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Chairman. in a statement filed with the Senate Banking and Currency Committee last year, the mayor of New York City said:

The housing shortage in New York has been one of our most critical problems since

the war. * * * Despite a record-building program, we need the help of the Federal Government to make any real headway in solving the serious problem of housing for families of low income.

Quite naturally I am most deeply concerned about the housing problems of New York City. I am keenly aware of my responsibilities in representing my constituents. I have, I am, and I will continue to support any measures which will add to the betterment of the people whom I represent here.

Mr. Chairman, according to our last census, you and each of my esteemed colleagues represent and speak for approximately 97,250 families. On the average 64,854 of these families have incomes of less than $365 per month, and are in the lower two-thirds of our earners.

In our consideration, H. R. 7402, each of us are primarily concerned with the middle segment of our district's population, or 32,417 families comprised of 113,450 people. Their needs should be and of course are of primary concern. Their need for livable housing is very probably more acute in our cities and urban centers. I know how great that need is in my own district. That need is my reason for urging you to support the measure.

Mr. Chairman, you and my colleagues will know the marked progress which the State and city of New York have made in trying to meet its ever increasing housing shortages. We are proud of our progress. We feel that New York possibly leads the Nation in the modern and efficient manner in which our housing problems are being attached.

The outstanding cooperation of all groups has aided materially in the progress which we have made to date.

But, Mr. Chairman, even if this excellent rate of progress continues through the years, it will not solve our housing problems—we will still have thousands of our families without even decent shelter let alone a home in all that the word should mean.

The Housing Act of 1949 is an outstanding piece of legislation. The declaration of policy in that act is the first time that the Congress has, as a body, recognized the seriousness of our postwar housing situation and committed itself to alleviating that situation by the provision of a decent home in a suitable living environment for every American family. The operation and effect of this law will aid materially in meeting our housing needs. Our cities, towns, and rural areas will be tremendously improved over the years. Yet, Mr. Chairman, even the operation of this fine, well-integrated law will not and cannot provide decent homes for one-third of our families. Our factory workers, our maintenance people—yes even members of the building trades—cannot take advantage of the provision of this law because they are currently a little too well off to live in low-rent public housing and yet are almost completely priced out of the housing market at costs which they can afford.

Now, I do not see in title I of H. R. 7402, a sudden panacea which will immediately provide satisfactory homes for all of these middle-income wage earners, but, Mr. Chairman, I do see in title I a catalyst which will stimulate a recognition and solution of a long-neglected problem—homes for the backbone of this great country—our workers.

I see nothing in the bill which will in any way have even a slightly harmful effect on our building industry and financial structure. I see in it a well-planned and integrated method of bringing to a great segment of our citizens, at reasonable costs, comfortable homes which can be afforded and have long been deserved.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, I wish to thank the distinguished gentleman from Kentucky for affording me this opportunity.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. GARMATZ].

Mr. GARMATZ. Mr. Chairman, I ask unanimcus consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Chairman, it is our privilege to have in the audience in the gallery today, about 50 ladies from Baltimore, who are members of an organization known as Mothers of Polish-American Veterans, Inc.

In my district in Maryland there are a large number of citizens of Polish descent. While they are very much concerned about the plight of the land of their parents, and deplore the conditions which prevent Poland from taking her rightful place among the free nations of the world at this time, their first loyalty is to this country of ours, which their parents decided to adopt as their own.

Their loyalty was proven again and again during the war years. Their sons and daughters served in the forefront of our Nation's forces and constituted a large percentage of the service men and women who made up Maryland's quota. Many of them gave their lives for the defense of our country, and for its ultimate victory.

The love of freedom, which has always been one of the strongest Polish characteristics, and for which many gave and are still giving their lives, this love of freedom still burns brightly in the hearts of the Americans of Polish descent. The ideals of liberty have been passed on from generation to generation.

To the mothers of the Polish-American veterans who are with us today, belongs the credit for inculcating in their sons and daughters, the high ideals which make them such splendid American citizens, and it is a pleasure and privilege to pay tribute to them at this time.

Mr. SPENCE. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. PATMAN].

THE COOPERATIVE ANTISOCIALIST BILL

Mr. PATMAN. Mr. Chairman, I am pleased to rise in support of the bill H. R. 7402, which in title I provides for the production of housing for middle-income families through the cooperative form of private enterprise. Over a year ago, I introduced H. R. 2811 which was the first bill introduced in the present Congress proposing the use of cooperative enterprise in the production of housing. It was apparent then as it is today that the traditional producers of housing were pricing themselves out of the market which many of our middle-income families, including a vast majority of veteran families, could afford to pay. It seemed proper to me that the Government could and should concern itself with the problem of reducing the monthly costs of housing so that these families would not be denied adequate and suitable housing accommodations.

The cooperative form of private enterprise over a considerable period of time had demonstrated in other fields that our people can help themselves in meeting cost problems through banding together in democratic nonprofit cooperative organizations. I could see no reason why the cooperative form of enterprise should not be carried over into the housing field in order that the savings inherent in such common effort could be brought to bear on the problem of housing costs.

In the past the Government has given encouragement and assistance to cooperatives in other fields and I believed that such assistance might be extended to include housing cooperatives. Accordingly in the cooperative-housing bill which I introduced over a year ago provision was made for the setting up of a separate constituent unit in the Housing and Home Finance Agency to be known as the Cooperative Housing Administration and to be headed by a Commissioner. I had proposed that the local housing cooperatives be granted Federal charters just as is done in the case of Federal credit unions, rather than be incorporated under State law as would be done in the bill under consideration. This is a difference of perhaps not too great importance in view of the fact that the Commissioner under the provisions of both bills is directed to furnish technical advice and assistance to housing cooperatives. In my bill, provision was made for preliminary advances of funds to housing cooperatives for the planning of projects and for the granting of loans for construction purposes once a project had been approved. The present bill likewise provides for preliminary planning advances and for construction loans to be made by the National Mortgage Corporation for Housing Cooperatives. In both bills safeguards were provided against the use of cooperatives for speculative purposes. I have given a great deal of study to the use of cooperatives in the housing field and I can say to you that the bill we have before us today is a good bill and in my opinion will make an important contribution to the over-all effort we are making to solve the housing problem, particularly that of the families of moderate income.

Before going into a discussion of the terms of the bill, I would like to remind you that cooperative enterprise in various forms is already well established in America. Farmers' marketing and purchasing cooperatives today are found in each of the 48 States. There are more than 10,000 such associations with an estimated membership of almost 6,000,000. In the 1947–48 marketing season

these associations had a volume of business approximating $8,600,000,000. At the close of 1948 there were 3,880 retail distributive cooperatives with some 2,354,000 members and an estimated volume of business slightly in excess of $1,250,000,000. One of the leading consumer cooperatives in the country is the University Cooperative Society in Austin, Tex., which has a membership of 16,500 and did over $800,000 of business in 1948. There are 9,327 credit unions with 3,748,628 members which in 1948 made loans in the amount of $633,000,000 at reasonable rates of interest rather than the loan shark rates the borrowing members might otherwise have been forced to pay. There are some 11.3 million policyholders in cooperative insurance associations.

Members of this body, since the Rural Electrification Act of 1937 are well acquainted with the splendid work the REA co-ops are doing in bringing light and power to the farms of America. The advice and assistance which the Government has given to this program has made possible the connection of over 2¾ million users of electricity on the farms. The 1.8 billion of dollars loaned to these co-ops is one of the best investments this Government has ever made. Only last July, this House by an overwhelming vote of 282 to 109 passed the Rural Telephone bill which amended the REA Act to permit Government assistance and loans for providing extension or improvement of telephone service in rural areas.

In title I of the bill under consideration provision would be made for Government encouragement and assistance to cooperatives and nonprofit corporations in the production of housing for middle-income families. To administer the provisions of this title there would be established in the Housing and Home Finance Agency a new constituent agency to be known as the Cooperative Housing Administration, which would be headed by a Commissioner appointed by the President. In this new and potentially very important program there will be many specialized problems not encountered in other housing activities of the Government, and I think it is desirable that the Commissioner and the Agency be given the full status that is accorded the other constituent agencies in the Housing and Home Finance Agency in their respective fields. In my opinion, that represents sound organization and good organization.

The Commissioner of the Cooperative Housing Organization would be authorized and directed to furnish technical advice and assistance in the organization of nonprofit cooperative ownership housing corporations and private nonprofit corporations authorized to provide dwellings for occupancy at agreed charges or for sale to nonprofit cooperative ownership housing corporations. Such technical advice and assistance to cooperatives in planning, financing, development, construction, acquisition, operation, and management of their projects is highly desirable to avoid the many pitfalls that might otherwise beset housing cooperatives as they begin their operations in this relatively new field. In some foreign countries, notably Sweden, such technical advice and assistance is provided by a central organization of the cooperatives themselves, and as experience is gained in this country with housing cooperatives no doubt there will also grow up a central organization of housing cooperatives which will more and more take over this function of technical advice and assistance originally performed by the Commissioner of Cooperative Housing. No small part of the success of cooperative housing in Sweden today may be attributed to the wise counsel and technical advice which the HSB, the central housing cooperative, renders to the individual owning cooperatives. It is counsel and advice which has been built up over a long period of years and as a result of vast experience. Lacking such a central housing cooperative organization in this country, I think it is most important that initially the Government agency, as this bill provides, be charged with the responsibility of giving technical advice and assistance to housing cooperatives.

The Commissioner upon application of an eligible cooperative or nonprofit corporate borrower would be authorized to make preliminary advances of funds to such borrower to assist in the formulation of a proposed housing project. Such advances would be limited to amounts required for necessary work preliminary to construction and in no event could exceed 5 percent of the estimated development cost. Such advances would bear interest at one-half of 1 percent over the going Federal rate—the approximate cost of the money to the Government—and would be repayable out of the subsequent loan for construction of the project. The practice of capitalizing preliminary expenses in the cost of a project is customary in large scale rental projects and under the FHA section 608 program was permitted up to 5 percent of the project cost. The Commissioner would obtain funds for the making of these preliminary advances from the sale of obligations to the Secretary of the Treasury, which, although on a revolving-fund basis, could not be outstanding at any one time in an amount in excess of $25,000,000. In the past, housing cooperatives endeavoring to develop plans and specifications for their projects have experienced difficulty in obtaining preliminary advances from normal lending sources, and I think it is necessary that provision be made for the Commissioner to provide such relatively small preliminary loans to overcome this difficulty which otherwise might seriously impede the program. The one-half of 1 percent in interest which he would charge over the going Federal rate should be sufficient to cover the administrative expenses involved.

To assist in the financing of housing cooperatives and other nonprofit corporations providing good housing at reasonable charges, the bill provides for the creation of a National Mortgage Corporation for Housing Cooperatives. Not to exceed $100,000,000 of preferred stock of this Corporation would initially be provided by the Government through subscription by the Secretary of the Treasury. The Corporation, on and after July 1, 1950, would be authorized to sell its obligations in an amount not in excess of $300,000,000, and on and after July 1, 1951, this borrowing authority could be increased to a total of $2,000,000,000 upon a determination by the President, taking into account the general effect of any such increase upon conditions in the building industry and upon the national economy, that such increase is in the public interest. Proceeds from stock and loans funds would provide the Corporation with funds to make long-term loans to cooperatives and nonprofit corporations for the building of good housing for moderate-income families.

Although the Government would provide the initial stock subscription to the Corporation, provision would be made for the eventual repayment of the entire amount and the complete replacement of Government capital with the private capital of the organizations borrowing from the Corporation. This would be accomplished through a requirement that borrowing cooperatives and nonprofit corporations subscribe to stock in the Corporation to the extent of 10 percent of funds borrowed. Such stock subscriptions would be payable in the following manner: In the case of a cooperative, the entire 10-percent stock subscription could be paid at the time of application for a loan or it could be paid in installments of one-fourth at the time of application, one-fourth upon completion of the project, and the balance in installments within 20 years thereafter. In the case of the nonprofit housing corporation, the 10-percent stock subscription would have to be paid in installments within 20 years after the receipt of the first proceeds of the loan. After the amount of stock paid in on member subscriptions amounts to $50,000,000, additional payments will be utilized to pay off and retire the preferred stock held by the Government. Assuming one-half of the Corporation's loans are made to cooperatives and one-half to nonprofit corporations, it would require approximately 17 years to retire the Government capital in the bank. The replacement of Government capital with member capital is similar to the procedure followed in the case of the Federal Savings and Loan Insurance Corporation, and incidentally, under provisions of the bill recently passed by this House—H. R. 6743—it is estimated that in the case of the Federal Savings and Loan Insurance Corporation it will require about 20 years to replace Government capital in that institution.

The preferred stock held by the Government in the National Mortgage Corporation for Housing Cooperatives is preferred both as to assets and cumulative dividends. Such dividends will be set at a rate related to the cost of money on outstanding marketable obligations of the United States so that, in addition to repayment of Government capital in the Corporation, provision is also made for repayment of the cost of carrying that investment.

The principal source of loan funds for the Corporation would be from the sale of its obligations to the investing public.

In addition to being a charge against the assets of the Corporation, the obligations would be guaranteed as to principal and interest by the Government. Thus the Government would be in a position of guarantor with respect to this financing rather than in the position of direct lender as is the case in the rural electric and rural telephone programs. This is an important distinction from the standpoint of impact on the Federal budget. Sale of a direct obligation by the Government is immediately reflected in the debt statement and budget of the Government. Sale of an obligation which is only guaranteed by the Government, while immediately reflected in the debt statement as a contingent liability of the Government, does not enter into the Federal budget until such time, if ever, as it might be necessary for the Government to make good on its guaranty. The Government guaranty of the Corporation's obligations will permit their sale to the investing public at low rates of interest approximating those obtaining on direct Government obligations. Thus the Corporation will be able to obtain funds from the public to loan to cooperative and nonprofit housing corporations at almost the same interest cost as would be the case if direct Government loans were made to the Corporation.

The bill does not set a fixed rate of interest on long term loans made to housing cooperatives by the Corporation. Instead provision is made that such interest rate will be geared to the cost of money to the Corporation plus an allowance for overhead and the amount necessary to cover reserves required by the Corporation. In other words the intention is to pass on to the cooperatives the benefit of the low interest cost at which the Corporation obtains its funds. In this present investment market it has been estimated the Corporation could probably make loans to cooperatives and nonprofit housing corporations at an interest cost of 3 or 3⅛ percent per annum.

Each mortgage loan made by the Corporation shall be in an amount not exceeding the development cost of the project and shall be amortized within a 50-year period except that if the cost of refinancing the investment securities of the Corporation increases, the amortization period of the mortgage may be extended to a date not later than 60 years after the date of the original mortgage. Provision could also be made for deferment of payments of principal and interest for a period of up to 3 years. This gives flexibility of administration in meeting, if necessary, a decline in economic activity that might otherwise threaten the stability of the project.

I have previously mentioned that the interest rate charged by the Corporation on mortgage loans would include charges for reserves required by the Corporation. One of these reserves would be a statutory reserve for losses in an amount of one-fourth of 1 percent of the outstanding balance of the mortgage loans. The reserve thus created plus the capital funds obtained on the required subscription of cooperatives and nonprofit housing corporations to stock of the Corporation will create a cushion of private funds to the loan position of the Corporation. It is important to bear this in mind in considering the long-term amortization period provided in the mortgages made by the Corporation. This cushion of private funds against mortgage loans held by the Corporation assumes significant proportions over the years. Twenty years after all mortgage loan funds of the Corporation have been placed, the reserve cushion against losses will amount to approximately 20 percent of the then outstanding loan balance, at the end of 30 years, to almost 31 percent and at the end of 40 years it will have further increased to about 64 percent of the then unpaid balance of loans. In other words there is no basis in fact for the concern which some have expressed over the soundness of the 50-year amortization terms provided for in the mortgage loans made by the Corporation. The statutory reserve and equity cushion is so set that it builds up to such substantial proportions in the later part of the amortization period that there should be no question about the sound loan position of the Corporation throughout the entire life of the mortgage loans made.

The long period of amortization and low rate of interest on mortgage loans will be one of the factors in the reduction of monthly housing costs. The cooperatives form of private enterprise will also be able to achieve other important savings. In the initiation of the project it will eliminate the speculative site profit that otherwise enters into housing costs when raw land is developed into residential use. Large-scale operations can bring important savings in the purchase of materials on a wholesale basis rather than on an individual retail basis. Architectural and supervision expenses can be held at a reasonable minimum through the technical advice and supervision that the Cooperative Housing Administration will offer. While there is no intention of denying the builder a fair profit on the actual construction work, there would likewise be protection against undue speculative building profits which all too frequently at the present time are operating to increase housing costs. There would also be important savings in operating expenses. With security of occupancy or tenure established for the members of the cooperative, vacancy and collection losses will be lower than is experienced in ordinary rental housing. Continuity of occupancy in itself brings lower maintenance costs through avoiding the redecorating expenses involved in changes in occupancy. The members of the cooperative, being owners of the project will have a natural pride and interest in properly maintaining and protecting their own property. Their self-interest in the project is conducive to a program of self-help to further reduce certain operating and maintenance expenses such as care of lawns and painting and redecorating of the property. Finally, since the cooperative is a nonprofit organization, there is no necessity for the usual return on investment that exists in other forms of private rental property investment. All of these factors taken together will enable middle-income families, those in the approximate $2,800 to $4,400 a year income range, to obtain through cooperatives good housing at monthly costs approximating $65 or about $25 a month less than has to be paid for average comparable units constructed under FHA section 608 financing today.

The important fact is that the cooperative and nonprofit housing corporation are forms of private enterprise peculiarly adapted to automatically passing these savings on to the occupants in the form of reduced monthly housing costs. And it should be noted the bill contains provisions giving the Cooperative Housing Commissioner power to guard against the use of cooperatives or nonprofit corporations for speculative purpose. In any agreement for an advance of funds, the Commissioner would be authorized to provide such supervision of the borrower or prior approval of its payments, contracts, or other actions as he deems necessary or desirable.

Mention should be made that the above-indicated savings will be achieved without taking into consideration any waiver or reduction in real-estate taxes on property owned by the cooperatives. There is nothing in the bill that would require that property of housing cooperatives be exempt from State or local real-estate taxes. Such determination will be made as in my opinion it should be made by the duly constituted assemblies of the individual States. With respect to real and tangible personal property of the National Mortgage Corporation for Housing Cooperatives specific provision is made that such property shall be subject to State, county, municipal, or local taxation and also any special assessments for local improvements.

It would of course be unrealistic to assume that cooperative housing will meet the needs of all of the people in the middle-income group. Many have and will continue to obtain housing adequate to their individual needs in the traditional manner through renting or purchase of new or used properties. But for those disposed to enter into cooperative enterprise and accept the responsibilities it entails as well as the benefits to be derived therefrom it would appear that important savings can be achieved which will make possible good housing for many of our middle-income people who otherwise simply cannot afford to obtain adequate housing.

I think our veterans will be one of the most active groups interested in utilizing the cooperative form of housing enterprise because as veterans they have a natural community of interest that in itself will go far to assuring the continued success of their project. Their project can be adapted to their needs whether they be for free standing dwellings of which they can eventually become owners or for multifamily structures in which they enjoy an assured right of occupancy through ownership of shares in the owning corporation. Here at last is an opportunity for the veterans through their own efforts to lick the cost problem that has been plaguing them in obtaining good housing, adequate to their

needs and at prices they can afford to pay.

Title II of the bill contains certain amendments to the National Housing Act to which I would like to briefly refer. An amendment would be made which would place on a permanent basis the program for insurance of modernization and repair loans under title I of the National Housing Act. An idea of the importance of this program can be gained from noting that since its inception through December 31, 1949, a total of more than $3,800,000,000 of such modernization and improvement loans have been made. With this title of the National Housing Act placed on a permanent basis provision would also be made for a necessary periodic adjustment in the title I insurance reserves of the lending institutions to prevent such reserves from becoming too large in relation to the outstanding balance of the loans as periodic repayments decrease this outstanding balance.

Title II of the National Housing Act which embodies the regular permanent FHA mortgage insurance program for sales and rental housing would be amended to provide additional mortgage insurance authority in the amount of $2,750,000,000. Of this amount $1,250,000,000 would represent a statutory increase and the additional $1,500,000,000 could be made available upon the approval of the President.

Section 207 of title II of the National Housing Act which deals with the production of rental accommodations would be amended to encourage the production of such accommodations of a design and size suitable for family living at reasonable rents. A provision would be added with respect to mortgages hereafter insured under the section that in the selection of tenants there would be no discrimination against a family by reason of the fact that there are children in the family. The insurance provisions of this section would be adjusted taking cognizance of the expiration of mortgage insurance for rental housing under section 608 of the National Housing Act. The new section 207 provisions would provide a schedule of ratios of maximum loan to value of 90 percent of the first $7,000 value per family unit and 60 percent of the value between $7,000 and $10,000 per family unit. The maximum mortgage amount would be limited to $8,100 per family unit with respect to projects averaging 4½ or more rooms per family unit and limited to $7,500 per family unit in those cases where the projects average fewer than 4½ rooms per family unit. In other words emphasis would be placed on rental accommodations of adequate size for families with children. Certain other desirable changes of a technical nature would be made in other provisions of the National Housing Act.

Of principal interest in title III of the bill is a provision which would permit the President under certain circumstances to reduce the maximum authorized principal amounts, ratios of loan-to-value or cost, or maximum maturities of housing loans made, insured, or guaranteed by any department or agency of the Government or by any Government corporation, whether wholly owned or of mixed ownership. This power could be exercised only upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy, that its exercise was necessary or desirable to coordinate the Government's housing activities with its general economic and fiscal policies.

Mr. Chairman, I think the Members of this House will agree that we have here a good bill. I consider it an anti-Socialist bill. It further extends our bulwark against socialism and communism. Whenever you make home owners and farm owners out of people you are not going to see the members of the families of those people become Socialists or Communists.

We have in our country today the highest percentage of home ownership and farm ownership of any country in all the world and we are trying to increase that ownership. In the last 10 years the increase has been from a half a million to a million home and farm owners additionally every year. That is the last 10 years, so we are making progress; we are whipping socialism; we are whipping communism.

This bill is very necessary in order to build up and strengthen that bulwark against socialism and communism.

PRIVATE CONTRACTORS WELL TAKEN CARE OF

Mr. Chairman, I listened with interest to the remarks of the distinguished gentleman from Michigan [Mr. WOLCOTT], the ranking minority member of the Committee on Banking and Currency. There were many things he did not mention. I notice that he concentrated his attack on only one provision of this bill. During the last decade this Congress has provided tens of billions of dollars in credit and money for the private builders who made speculative profits and sold their houses at speculative prices. Today for the first time we have before this House a bill that will permit the middle-income groups who are unable to own homes and pay these high speculative prices and profits to build their own homes under the private enterprise system and own their own homes, which is a good answer to socialism.

This proposal including the Senate bill which will also be in conference involves $7,000,000,000, $5,000,000,000 to the private contractors and builders. The gentleman from Michigan did not say anything about that part of the bill, $5,000,000,000, some of it highly inflationary. This cooperative part is not inflationary. The $5,000,000,000 that he did not mention involves title I, title II, which incidentally has $2,750,000,000; and section 608, $600,000,000; Federal National Mortgage Association, $750,000,000. Part of that will go right into the budget. That is highly inflationary.

Now let me go back to cooperative housing. It will not go into the budget; it is not inflationary; it is not the Government furnishing money; it contains no subsidy of any kind whatsoever. It provides only up to $100,000,000 capital stock for these people to own their own homes, to encourage them; and they will pay it back. It is not revolutionary; it is exactly the same type of organization as the Federal Deposit Insurance Corporation, and under this provision of law, these people will pay it back with interest just like the FDIC, just like the Farm Credit agencies. May I invite your attention to the fact that the Federal Reserve System started off with its initial capital furnished by the United States Government.

FOUR PERCENT INTEREST AMENDMENT

Of course, all the attention is given to this one section that will help people own their own homes. In order to answer the gentleman on the matter of interest, I expect to introduce when the proper time comes in the reading of this bill an amendment which will provide that the interest rate shall not be less than 4 percent per annum. If that amendment is adopted it will destroy nine-tenths of the argument made by the gentleman from Michigan, and I hope the amendment carrying 4 percent will be adopted.

REDUCE TWO BILLION TO ONE-HALF BILLION

Then I shall offer another amendment. Instead of $2,000,000,000 for title I the cooperative part, let us reduce it to a half billion dollars, make $250,000,000 available next year and after that $250,000,000 more at the discretion of the President of the United States. That is only a half billion dollars. I shall offer that amendment.

Then we will have the situation where we are giving to private industry, private builders, private investors, who are building homes at enormous profits and selling them for enormous prices $5,000,000,000 and only giving this group that cannot buy houses otherwise one-tenth of that amount. Can we not afford to risk one-tenth of the amount we are giving to private builders in this one bill, especially in view of the fact we have made available to them tens of billions of dollars in the past upon which they made enormous profits? You have seen these builders go into your localities, your little towns and cities and communities, and build three or four hundred houses. They make enormous profits which they siphon out of your community and carry it to some large city. That has happened all over the country. But under this proposal the money will be kept there, your local people will own their own homes, the payments they make will go to the local banks and will be used as a reservoir of credit to help build your community in many ways. So in every way this is a much better proposal than the other ones we have had.

The gentleman mentioned velocity of credit and money and how this would increase the velocity. It will. But if you talk about velocity of credit and money, let us talk about the budget briefly. We have a budget which it is claimed calls for about 20 percent of our national income. Some critics say we are siphoning off 20 percent of our national income and that no nation can survive if you siphon off more than 20 percent of its national income. But is that a fair comparison? If we were to siphon it off, bury it in the ground and stop there, the argument would be constructive, it would be unanswerable.

But we do not do that. It is siphoned off and paid into the Government but immediately paid out by the Government and continues on its journey from one to the other through velocity of money. One good way to compare your national budget is with total transactions because the Government's part is just one transaction.

There are about $2,000,000,000,000 of transactions every year in this country. The 333 commercial banks have check transactions that we know of which amount to about $1,250,000,000,000. Of course, we have about $30,000,000,000 in actual currency in the pockets of the people in daily circulation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. PATMAN. Mr. Chairman, the people use that money. It is used in going from one hand to another. It moves much faster than the credits. So I think it may be conservatively estimated that the transactions each year involve $2,000,000,000,000 and instead of comparing your $40,000,000,000 budget with the $160,000,000,000 income only, also compare it with the $2,000,000,000,000 of transactions and you will find that our Government is not very high when 2 percent of this amount will pay the cost of our Government. That is what it is doing right now. So we are not bad off after all. I agree with the gentleman we should take that into consideration.

Mr. Chairman, since we have done so much for the speculative builders in this country, let us do a little something for our people who want to help themselves but do not have the credit and the ability to do it. Let us use the Government's credit to help them. Let them use some of the Government's credit. Then this charge of socialism is mighty well answered. Whenever you encourage people to own their own homes, they have something that is valuable, and people who have something to divide are not likely to become socialists.

This is building up a greater and stronger bulwark against socialism and I hope the bill will be agreed to, including the middle income group section.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COLE of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the subject matter of the pending bill to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families, is one of extreme importance.

The bill now before us is designed to provide a means whereby good housing, at a reasonable price, can be produced and made available at monthly costs within the means of middle-income families. To accomplish this purpose provision is made for setting up cooperatives and other nonprofit organizations to carry out and make effectual the purpose of the act.

Notwithstanding the statement often made that no deficiency in housing now exists, the fact remains that while great progress has been made by Government assistance in providing low-income families with proper housing, and, in assisting private enterprise in providing adequate housing for high-income families, yet, nothing to speak of has been done for the middle-income group which comprises about one-third of our population. This group is composed, generally speaking, of those families that have an income of $2,400 to $4,800 per year. Of course, some within this group have found it possible to finance purchases of homes as a result of the legislation passed to facilitate veteran purchases and as a result of the various programs of governmental insurance or guaranty of home loans. But, by and large, the middle-income group has not been able to benefit greatly by legislation previously passed. The surveys that have been made plainly show that such is the case.

In a report on cooperative housing, a committee on middle-income housing states that the means of providing housing for families in the middle-income group is the most pressing housing problem confronting housing and urban redevelopment officials in America today. With the passage of the Housing Act of 1949 there is assurance that steady progress will be made toward the construction of public low-rent housing for low-income families. Private industry, assisted by a broad program of Federal credit aids, is sustaining a high volume of construction for families in the upper-income groups. Substantially no housing is being provided anywhere, however, for those families in the so-called middle-income ranges.

The families in the middle-income group earn an amount greater than will enable them to qualify for admission or continued occupancy in public housing projects, but, they do not earn enough to rent or purchase new private housing that benefits the high-income group. Therefore, the providing of means that will enable families in the middle-income group to obtain new housing is of vital importance.

In considering this matter we should not overlook the fact that the middle-income group includes an overwhelming majority of the veterans of the late war and most of the organized union members of the country. The American Legion, Veterans of Foreign Wars, and other veteran organizations, the American Federation of Labor, CIO, and many other organizations of varying kind and character have urged a comprehensive housing program which would meet the needs of the middle-income group. Certainly, these families deserve opportunities for self-improvement equivalent to those now available to upper- and lower-income groups. Furthermore, the interest that has been taken in this legislation by the above-named organizations is sufficient to set at naught the charge that is often made that legislation of this character is socialistic. There is nothing we can do that will more surely stem a tide toward socialism, communism, or any other form of totalitarian government than to provide good living conditions that will promote a healthy and happy family life. To enable families to purchase a home is one of the surest means of protecting the integrity and security of the American way of life.

In conclusion, I wish to call attention to the fact that the bill (H. R. 7402) now before us is in no sense a subsidy bill. Nor does it create any additional financial obligation to be paid by the taxpayers. The money advanced is to be paid back to the Government over a period of years with interest. The houses to be constructed under the bill are not tax-free. It is nothing more than financial aid being advanced by the Government to those who qualify under the terms of the bill, and with every assurance that the money so advanced will be paid back without any loss to the Government.

I give my support to this measure because I am firmly of the opinion that it will promote the welfare of a large segment of our population, without loss to to the Government, and, with the further assurance that it will provide a healthier and happier home life for the thousands of families that will come within its provisions.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, in almost every mail, I receive a letter from some distraught, young married couple bitterly complaining about their inability to obtain housing accommodations. It is the same story, a young veteran who has married and whose wife naturally prefers to go out to work rather than stay in their furnished room, with nothing to do the whole day.

Their problem is that they are in the middle-income group; their combined wages are too great for eligibility for low-income housing, and too small for accommodations in new apartment buildings or even old apartments, even if they are obtainable. It does not seem to me right that the young wife should be compelled to stay home in the furnished room so that their combined income would not be in excess of that permitted for low-cost housing. It is for that reason that I am advocating Government aid in connection with cooperative housing, for the middle-income group.

Mr. Chairman, I want to add my voice to those of the other Congressmen who have spoken this afternoon in favor of title I of H. R. 7402. And in speaking for the cooperative housing program I believe I am doing more than merely expressing my own personal conviction. I feel that I am speaking in the interests of my district back home, in the world's largest city, and in the interests of middle-income families throughout the country.

While witnesses before the Banking and Currency Committee and others have claimed that the housing needs of

middle-income families are being adequately met, you and I know that is not true. There is simply not enough adequate housing today, either old or new, available for families of moderate and middle income at prices they can afford to pay. Let us look for a minute at the claim that the needs of these groups are already being met. Last year was a record year in the construction of housing. More than a million living accommodations were built, more than were ever before constructed in a single year. However, what was the character of this housing?

First, a large proportion of these units were of insufficient size to house the average family with two children. And secondly, the rents or sales prices were generally beyond the means of families of middle income.

According to the report of our Banking and Currency Committee on this bill, for the country as a whole nearly 60 percent of all the new FHA-insured homes in 1948 valued at less than $8,000 had four or less rooms. Ninety-three percent had five or less rooms. In other words, practically no three-bedroom houses were provided at monthly costs within the means of middle-income families. In this connection it may be noted that, according to a census check in 1949, 38 percent of urban families consist of four or more persons.

In New York City the rental housing shortage has been particularly acute and remains so even though a comparatively large number of rental accommodations were constructed in this area in 1949. FHA-insured rental housing constituted nearly all of such housing produced, so figures on this housing can be considered representative.

In the New York area, of the apartments in rental-housing projects approved for FHA mortgage insurance during the first half of 1949, only 5.6 percent were built to rent for less than $80 per month and only 16 percent were built to rent under $90. In other words, over 84 percent were built to rent for $90 or more per month. Of these apartments only 3.3 percent had more than two bedrooms while 64 percent had either no separate bedroom or only one bedroom. As it is the smaller units which generally rent for the lower figures, it is obvious from these statistics that little or none of this housing can serve moderate- and middle-income families with children. Similar statistics could be cited for other cities.

My home State of New York has itself tried to deal with this problem of providing housing for middle-income families. It has done perhaps as much as any other State in the encouragement of housing cooperatives and limited dividend corporations to assist in this task. However, I believe that its experience in these fields has shown that the States and localities acting alone cannot accomplish the job. The aid and assistance of the Federal Government are necessary.

I believe, however, that the pioneering experience with housing cooperatives in New York has shown that they can effect great savings in the provision of housing and will translate such savings into reductions in the monthly charges which the individual consumer must pay for his housing accommodations. By this means more adequate dwellings may be furnished at more reasonable charges. The cooperative is the only known form of private enterprise which will automatically pass all savings along to the consumer.

The lower interest rate and longer amortization terms for loans for cooperative housing under title I of H. R. 7402 would provide savings in the development and operation of the housing in addition to the savings to be realized by the cooperative form itself. These savings would be passed along to the middle-income families so as to enable more of them to afford the accommodations to be provided. Safeguards are included in the bill to assure that the dwellings will be of suitable size and character for families with children.

The fears of the home-building industry and private lenders that this program will hurt their respective businesses are not well founded. The additional building activity will serve a market not now reached and will aid in the maintenance of a higher level of construction. So far from hurting the private-lending industry, it will provide additional opportunity for investments in higher grade securities which many investors will welcome.

For the reasons which I have summarized, I fully support title I of H. R. 7402. It would provide aid and assistance to the middle-income families in meeting their housing needs with housing of adequate size and for reasonable charges. Of course, the cooperative housing program contemplated by this title cannot solve all the housing problems of families of moderate income. But I believe that it will be a big step toward that goal. I strongly urge its enactment.

Mr. COLE of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, there is an old Roman proverb which says it is a good idea to let well enough alone. It has been pointed out already in general debate that more than 1,000,000 housing units were built last year; in fact, the record has been good for several years. If a person wants anything comparable to point to, he has to go back to 1925. So I agree with my friends, the ancient Romans, that it is a good idea to let well enough alone. We have troubles enough without entertaining any unnecessary new ones.

Mr. Chairman, what I will say to you is largely what I said to the Committee on Rules when this bill was before it. The meat of the bill has to do with two things: Rate of interest and amortization. As you know, under FHA rules, the rate of interest is 4½ percent, and under Veterans' Administration rules the rate is 4 percent.

Now, if we introduce a third rate for the same purpose, home building, there is bound to be utter confusion, and you and I know very well that if a veteran is paying 4½ or 4 percent and somebody else is getting the money at 3 percent, he is going to come around to you and me and say that he wants the money at 3 percent, too. This third rate would not only bring on inflation, as has been pointed out, but a great deal of confusion and endless difficulty in making adjustments to conform with rates under existing law.

I have here in my hand a statement which I received from Mr. Kilby, who has charge of the public debt in the Treasury of the United States, and at the appropriate time I shall ask leave that this statement, running all the way from the 30th of June 1916, to the end of January of this year, be incorporated with my remarks.

It has been said, and it was said in testimony before the Committee on Rules, that the Government of the United States is borrowing money at 2.10 percent. Well, it is not doing that. It is paying more. As of the 31st of January, it paid an average rate of 2.205 percent.

Now, that may seem like an immaterial fractional difference, but just multiply that fractional difference by a $157,000,000,000 debt, and you will find you are paying a big bill.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman from Texas has told the committee he would introduce an amendment increasing the rate to 4 percent. Personally, I would be willing to accept that, and I think it would be a means by which we can assure the passage of the bill. It would be a laboratory in which we could work out a cooperative movement and do what is necessary to effect it.

Mr. TALLE. Mr. Chairman, that is a very enlightening statement, and I paid very clear attention to it when the gentleman from Texas said it, because it so clearly let the cat out of the bag. He recognized the very weakness I pointed out. If you agree to a rate of interest of 4 percent, why have title I in the bill at all, because under the Veterans' Administration Act, loans can be made at 4 percent now? I am not against cooperative housing. The word "cooperative" does not frighten me. But people can go out now and build cooperative housing, and if you want the rate of 4 percent, what is the use of title I in the bill? It serves no purpose whatever. For existing law permits cooperation in the building field and at 4 percent if the loan is a VA contract and at 4½ under FHA.

Now, as to the second point: Amortization. That raises a most ridiculous question. Suppose a man at the age of 25 buys a house and agrees to pay for it in 50 years. Well, he will be tottering down the street with one or two walking canes when he makes his last payment at 75; or, under the special rules of the current bill, he may get amortization for 63 years, so he will be 88 when he achieves his final payment. Suppose the loan is made under the 50-year plan, at 30 years of age, the borrower will be 80 years old before he becomes a home owner, and if he had a special 63-year home amortization-payment plan and bought at the age of 30, he would be 93. Tell me, my conferees, would you feel you were a home owner under conditions of

that kind? Why, most certainly not; not a home owner at all, but just a renter, that is all. You would be just a renter, and let nobody attempt to tell you that you would be a home owner; that is, not before you got to the mournful, walking-stick age of 93.

In the third place, let me point out that the Federal Government is in a bad way, in a very bad financial way. The total internal revenue of our Government in 1940 was five and two-tenths billions. Eight years later the interest cost of the public debt alone was in excess of five and two-tenths billions. I have the figures fresh from the Treasury. It was almost five and five-tenths billions in 1948, and it has been rising since then, for as of last January 31 it was five and six-tenths and a fraction. So the interest debt is going up and the value of the dollar is going down, and this process, if continued, will bring to our people the difficulties that finally came to a fierce culmination in Germany in 1923.

You remember that when the Germans went out to get a decent mark in 1923 they had to surrender one trillion marks to get one decent one. That is a thousand billion marks in exchange for one.

We do not have to go to Germany for a horrible example; we can just point to our own history. Let us take the Continental Congress. When the Continental Congress terminated its affairs, the currency that had been issued under the statutes of that body was valued at one two-hundred-and-eightieth of its former value. In other words, to get a decent dollar under Alexander Hamilton, the first Secretary of the Treasury of the United States, you had to surrender 280 Continental currency dollars. That is why in the American language we now have that well-known term, "Not worth a continental."

Mr. Chairman, I am here to say to you that if we persist in the loose fiscal and monetary policies that have been followed for so many years, we shall also end up with the term, "Not worth an American dollar."

It has been said to you that this is not outright borrowing from the Government, it is merely Government guaranty. Have you ever signed a note for somebody who did not pay it? That is what this is, it is a guaranty, a contingent liability. Some day we may wake up and find that there are so many contingent liabilities that, although we recognize the direct debt to be $257,000,000,000, it is in fact very much greater than that when we take into account all of these I O U's we have signed for various purposes.

There is another point we should consider. If the Government lends money on a long-term basis, certainly the interest on a loan like that should be related to what the Government pays on a long-term loan. I am sure Members of Congress hold E bonds. The interest rate on them is 2.9 at the end of 10 years. Some of you may hold G bonds. The interest rate is 2.5. During the war some of the short-term rates on Government borrowings were as low as one-twenty-fifth of 1 percent. I have been averaging them out. The average rate I am giving you is the rate in the statement supplied to me by the Treasury of the United States.

We should relate the long-term loans and the interest rate thereon to the long-run borrowings and the rate thereon paid by the Government when it goes out and asks you and me for some money that we can lend.

I asked Mr. Kilby another question. I said, "Will you tell me about one large lump-sum of money the Government may have to pay one of these days?" He said, "I can tell you. There is a large lump sum of $57,000,000,000 the Treasury will have to pay one of these days." I said, "What is the interest rate on that?" He said, "The rate is 2.75."

You simply cannot do that and then turn around and lend on the basis of 3 percent.

Therefore, I recommend to you, Mr. Chairman, that title I be stricken from this bill. It is highly controversial, it is damaging to our monetary and fiscal safety, and it is not the kind of legislation the Congress of the United States should enact.

The gentleman from Texas admitted another weakness in title I in his argument. He said, "Let us cut the bill down to a half billion, and then add another half billion next year." I submit to you, Mr. Chairman, that the weaknesses in this bill have been recognized, revealed and admitted in the speeches of those who advocate its passage. I am against title I. It should be stricken from the bill. That done, I can support it.

Herewith is the table referred to heretofore:

Amount of interest-bearing debt outstanding, the computed annual interest charge, and the computed rate of interest at the end of each fiscal year from 1916 to 1937 on basis of monthly public-debt statements, and from end of the fiscal year 1938 to date on basis of daily Treasury statements, unrevised

	Interest-bearing debt	Computed annual interest charge	Computed rate of interest
End of June 30—			*Percent*
1916	$971, 562, 590	$23, 084, 635	2. 376
1917	2, 712, 549, 476	83, 625, 482	3. 120
1918	11, 985, 882, 436	468, 618, 544	3. 910
1919	25, 234, 496, 273	1, 054, 204, 509	4. 178
1920	24, 061, 095, 361	1, 016, 592, 219	4. 225
1921	23, 737, 352, 080	1, 029, 917, 903	4. 339
1922	22, 711, 035, 587	962, 896, 535	4. 240
1923	22, 007, 590, 754	927, 331, 341	4. 214
1924	20, 981, 586, 429	876, 960, 673	4. 180
1925	20, 210, 906, 251	829, 680, 044	4. 105
1926	19, 383, 770, 860	793, 423, 952	4. 093
1927	18, 250, 943, 965	722, 675, 553	3. 960
1928	17, 317, 695, 096	671, 353, 112	3. 877
1929	16, 638, 941, 379	656, 654, 311	3. 946
1930	15, 921, 892, 350	606, 031, 831	3. 807
1931	16, 519, 588, 640	588, 987, 438	3. 566
1932	19, 161, 273, 540	671, 604, 676	3. 505
1933	22, 157, 643, 120	742, 175, 955	3. 350
1934	26, 480, 487, 920	842, 301, 133	3. 181
1935	27, 645, 229, 826	750, 677, 802	2. 716
1936	32, 755, 631, 770	838, 002, 053	2. 559
1937	35, 802, 586, 915	924, 347, 089	2. 582
1938	36, 575, 925, 880	947, 084, 058	[1] 2. 589
1939	39, 885, 969, 732	1, 036, 937, 397	[1] 2. 600
1940	42, 376, 495, 928	1, 094, 619, 914	[1] 2. 583
1941	48, 387, 399, 539	1, 218, 238, 845	[1] 2. 518
1942	71, 968, 418, 098	1, 644, 476, 360	[1] 2. 285
1943	135, 380, 305, 794	2, 678, 779, 036	[1] 1. 979
1944	199, 543, 355, 301	3, 849, 254, 656	[1] 1. 929
1945	256, 356, 615, 818	4, 963, 730, 414	[1] 1. 936
1946	268, 110, 872, 218	5, 350, 772, 231	[1] 1. 996
1947	255, 113, 412, 039	5, 374, 409, 074	[1] 2. 107
1948	250, 063, 348, 379	5, 455, 475, 791	[1] 2. 182
1949	250, 761, 636, 723	5, 605, 929, 714	[1] 2. 236

See footnote at end of speech.

Amount of interest-bearing debt outstanding, the computed annual interest charge, and the computed rate of interest at the end of each fiscal year from 1916 to 1937 on basis of monthly public-debt statements, and from end of the fiscal year 1938 to date on basis of daily Treasury statements, unrevised—Continued

	Interest-bearing debt	Computed annual interest charge	Computed rate of interest
Month ended—			*Percent*
July 1950	$251, 880, 401, 331	$5, 631, 137, 193	[1] 2. 236
August	253, 920, 620, 722	5, 661, 505, 589	[1] 2. 230
September	254, 756, 364, 380	5, 665, 926, 112	[1] 2. 224
October	254, 876, 402, 761	5, 663, 339, 376	[1] 2. 222
November	255, 123, 853, 852	5, 669, 280, 518	[1] 2. 222
December	255, 019, 386, 145	5, 629, 040, 053	[1] 2. 208
January	254, 868, 759, 847	5, 618, 965, 529	[1] 2. 205

[1] On basis of daily Treasury statements, unrevised. (See heading.)

NOTE.—For monthly figures from June 1916 to June 1929, see report of the Secretary of the Treasury for 1929, p. 509; from July 1929 to June 1936, see report of the Secretary of the Treasury for 1936, pp. 442 and 443. For monthly revised figures covering subsequent fiscal years, see reports of the Secretary of the Treasury for the respective years. "Interest-bearing debt" figures include discount on Treasury bills, amount being deducted prior to calculating the average interest rate.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, the great city of Detroit, Mich., is an industrial city. The success of its industry requires that the important and persistent problems which face the Detroit workman in his daily life be within reach of his solution. The industrialization of our large metropolitan areas has created many such problems, some of which have been or are being solved with marked success. Others have, despite great time and effort, resisted a satisfactory solution. Outstanding among those problems not yet adequately solved is housing. Especially needed are homes which are adequate for family occupancy—and I mean homes with several bedrooms—and at a price which the average family can afford.

In December 1949 there were in the industrial working population of the Detroit metropolitan area about 335,000 families. I seriously doubt if any significant number of these families earn enough to pay a monthly rental of $83 without seriously curtailing such necessary expenses as food and clothing. Most of the families, of course, can afford to pay far less rent. Very many can afford to pay only $50 or $60 per month.

The latest figures I have been able to secure indicate that none of the housing constructed under section 608 of the National Housing Act in the Detroit area was to be had at under $70 per month, and 85 percent of it was available only in the rental range of $82.50 to $135 per month. Even at these high figures, only small units were available which contained 4½ or less rooms. The average Detroit workman's family cannot live in 4½ rooms—even if he could afford to pay the rental asked. This is why I urge your active support of H. R. 7402. I see in this measure hope for the ultimate solution of shelter for the laboring man.

Many people have apparently seen in title I of this bill an effort by the administration to subsidize housing for a great segment of our population. I differ strongly with this view. Title I is a well thought out plan for the beginning of an active program, which will provide family-size living quarters for workers with family-size budgets and without subsidy from the Treasury.

In every instance when the opponents of this bill have tried to prove that homes are already being provided for our middle-income wage earners, investigation reflects that, if homes are being provided, they are too small to even approach a size for family living. Most workmen have families; a great percentage of workmen have large families. It is, therefore, crystal clear that not just any size homes must be provided for these people but homes having three or four bedrooms.

The opponents of this bill have charged that the National Mortgage Corporation for Housing Cooperatives is merely a device set up to subsidize the middle-income families in the purchase of a home. I contend that it is not so in any respect whatsoever.

In all business transactions, the wholesaler has always been able to purchase any commodity cheaper than the ultimate consumer, primarily because he bought that given commodity in far greater quantity than the consumer. The National Mortgage Corporation for Housing Cooperatives merely permits middle-income home seekers of like interests to band together and borrow money at a wholesale rate to be used in the building of safe, sanitary, and adequate residences. The Federal insurance of the loans is identical with that now provided by FHA for more expensive homes, and any further savings in interest rate merely results from the operation of the money-market when loans are made at wholesale.

I feel that for the laboring man this plan will result not only in highly satisfactory homes for himself and his family, but also for a happier and fuller life since he and his friends and neighbors will have achieved, through cooperation, the ownership of their own homes, where previously they could only rent. Thus, this title is a long-awaited device not only for providing one of the basic necessities of existence, which is housing, but also for contributing materially to the social stability of our great metropolitan areas.

Mr. SPENCE. Mr. Chairman, I yield 7 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, I hope I will not consume all of the time granted to me, because I know there are a number of other requests for time.

My purpose in speaking at this time is to refer to the committee amendment which will be offered embracing the provisions of H. R. 7102, pertaining to the disposition of war housing. A subcommittee which I had the privilege of serving as chairman made a study of this problem last fall, and we worked out a procedure which will expedite the disposition of this property, and, at the same time, will take into account problems of distressed areas. Our studies covered projects in localities as far apart as San Diego and Hartford, Seattle and Miami. Special emphasis in our study was placed on the housing problems of the west coast, where more than 40 percent of the Government's war and veterans' housing is located. We saw projects of all sizes and descriptions and listened to suggestions and complaints—as well as some praise—with respect to these war-born living accommodations. The very provisions now in H. R. 7102, as well as other suggested means of handling this housing, were discussed in these various localities and the bill as introduced, and as we are discussing it today, incorporates the best judgment of the subcommittee and the Committee on Banking and Currency.

The housing to which the bill refers was provided by the Federal Government between 1940 and 1947—in the early years of this period, for defense and war workers and later on for families of returning veterans. Of the total of more than 900,000 dwelling units provided by the Government, there now remain about 389,000 units under Government jurisdiction, of which 135,000 are of permanent construction and the balance are temporary.

Of the remaining temporary units, 183,000 are war housing and 71,000 are veterans' temporary reuse housing. When transfers now pending under the Independent Offices Appropriation Act, 1950, are completed the veterans' reuse units under Government jurisdiction will be decreased in number to about 40,000.

The committee amendment embraces the provisions of that bill, and two short amendments to be added to the text, one by Mr. WOLCOTT, of Michigan and the other by Mr. MITCHELL, of Washington.

At the request of the gentleman from Michigan [Mr. WOLCOTT] there is a provision which does not appear in a comparable Senate bill already passed, so there may be some details to be worked out in conference.

The Members of the House are thoroughly familiar with the problem, I am sure, of housing in the war-plant areas, and adjacent to military establishments. The Lanham Act, under which most of this housing was built, provides that all temporary housing (with certain limited exceptions) shall be removed by January 1, 1951. However, this housing is nearly 100-percent occupied and in most places, according to the observations of our subcommittee, there are no available places into which the tenants can move. While a great volume of new housing is being built throughout the country, most of it is not available to these war-housing tenants because rentals and sales prices are beyond their means. I do not believe, therefore, that the Government can insist upon the January 1951 removal date, for we cannot put these people on the streets without places to live. The committee amendment would permit the working out of this problem so as to eliminate to the largest possible extent the impact upon tenants and communities of the Government's retirement from the business of operating, managing, or supervising this temporary housing.

Under H. R. 7102 the Housing Administrator would be permitted, under certain specified conditions, to transfer temporary housing to cities and other local bodies, to transfer some of the permanent housing projects, where requested, to local public-housing agencies for use as low-rent public housing for families of low income, and to sell the balance of the permanent housing with preference to veterans and occupants, wherever possible on an individual unit basis so as to stimulate individual home ownership.

The temporary war and veterans' housing could be transferred under the bill to cities, local public agencies, educational institutions, and others upon request and upon payment to the Government of only the cost to it of any land involved. Thereafter the local communities would be in a position to fit the housing into their over-all plans to meet local conditions, needs, and desires. Its closing and removal or its continuance in the housing supply of the communities could be adjusted to the new housing construction and to the population shifts in the locality.

Due to the dates which have been stipulated in the Lanham Act for the removal of temporary war housing, and the consequent uncertainty of the life of this housing, the Public Housing Administration has not been able to plan for its proper maintenance so as to keep it in the best state of repair. This housing was built only for short-term use and it has already been in service for 7 or 8 years. Consequently, much of it is in need of major repairs and is not at the present time of very great value. Upon its transfer to the localities, however, they could effectively plan for the use of the property for so long as it might be needed.

In cases where local public bodies and others permitted to receive transfer of temporary housing under the bill do not see fit to request its transfer, the bill would require the Federal Government to terminate the use of such housing and to vacate and remove it in accordance with a schedule set forth in the bill. This would be a gradual process so that the minimum hardship would be occasioned. All housing in the hands of the Administrator, with certain specified exceptions, would be vacated by July 1, 1952, and removed shortly thereafter.

Housing built early in the war effort was located predominantly in communities where a permanent need was expected after the end of hostilities. Such housing was usually of a permanent character built to last a substantial length of time. In a number of these localities, local governing bodies have represented that these permanent projects are well suited for low-rent housing purposes and have requested their transfer to local public housing agencies for

this use. The bill lists nearly 44,000 permanent war housing units which would be authorized to be transferred by the Housing Administrator to local public housing agencies for this use if not sold under regular procedures within 6 months, provided the local governing bodies specifically request them and the housing agency finds that there is a need for low-rent housing which the projects can meet.

In addition to the listed projects, others could be requested within 60 days after the enactment of the bill and transferred if they meet all of the required conditions. We are advised by the Housing Administrator, however, that it is not anticipated that more than from 35,000 to 40,000 units will be transferred for this purpose. By these transfers this housing, which has already served its intended war purposes, can without further Government expenditure fill a part of the great need for housing for families of low income. After the transfer of any such project for low-rent-housing use it would be treated as other low-rent housing except that any and all net revenues received from its operation would be paid to the Federal Government over a period of 40 years.

The balance of the permanent housing would be sold by the Housing Administrator as promptly as practicable, subject to preferences under which veteran occupants would receive first chance to purchase the dwellings in which they live, nonveteran occupants would get second choice and veterans who are not occupants would get third preference. Projects not sold as individual structures would be sold with first preference to mutual and cooperative groups of veterans and tenants. Although sales would generally be for cash, term sales could be made with payments over not exceeding 25 years and interest at not less than 4 percent on unpaid balances. I believe that these provisions governing the sale of permanent housing would speed the disposition of this housing by the Government.

In some areas where the ultimate need for housing was uncertain, housing of a so-called demountable nature was constructed. This housing has in many cases been less satisfactory than other permanent housing and presented special problems. These problems are particularly acute in areas such as the Pacific Northwest. To remedy some of the difficulties in handling this type of housing, provision would be made by the bill for its reexamination in consultation with the localities affected. Where conditions justify, demountable housing would be reclassified as temporary and dealt with under the provisions of the bill relating to temporary housing. Otherwise, it would be disposed of as permanent housing.

The bill would make provision also for certain collateral problems in connection with war housing. One of the particular complaints which the subcommittee heard in its travels was that of landowners whose lands were leased or taken through condemnation for what was thought to be a relatively short-term use for war housing purposes. Land values have gone up and taxes have risen, but the compensation to such owners has remained the same. In many cases the compensation to them does not now cover even the taxes. The bill would provide for an adjustment of these rentals to afford a more equitable return in the future of these landowners.

Although there has been much talk of disposition of this Government-provided housing for a number of years, the legislation adopted, for the most part, has not permitted it to be disposed of in a satisfactory manner. The disposition program has therefore lagged. I believe—and I think I speak for the committee—that the time is overripe for the enactment of positive legislation for disposition, such as H. R. 7102 and I trust the House will agree.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. JENSEN. Does your bill give priority to veterans in the purchase of these Lanham Act houses?

Mr. HAYS of Arkansas. It does. It provides three classes of priorities: first, to veteran occupants, second to nonveteran occupants, and then to veteran nonoccupants.

Mr. JENSEN. Does the bill provide or set up a tax-free cooperative to be organized in order to purchase this housing?

Mr. HAYS of Arkansas. No, it does not.

Mr. JENSEN. Can the Government dispose of them to an individual under your bill?

Mr. HAYS of Arkansas. That is correct.

Mr. JENSEN. What kind of yardstick is to be used to place a valuation on these homes? What is the yardstick? Do you take a fair market value, or do you take the value of the home when it is built?

Mr. HAYS of Arkansas. I am trying to compress my answer to cover a diversity of situations, if I can. We do leave considerable discretion to the Administrator in fixing the value. I think it is fair to say it is based upon the fair value of the property in its present condition, under liberal terms to the veteran, so that they may acquire it without hardship, and make it subject to FHA requirements, too.

Mr. JENSEN. Possibly the gentleman remembers about 3 years ago there was considerable difficulty in the way these Lanham Act houses were disposed of under Dillon Myer's administration. The respective committee of Congress, the Government Corporations Committee, and the Committee on Banking and Currency finally found it necessary to meet and pass a resolution directing the housing authorities not to dispose of these houses to groups who did not have the priority of law as contained in the basic Lanham Act.

Mr. HAYS of Arkansas. I believe if the gentleman will refer to the bill, he will find that many of the difficulties he refers to have been met.

Mr. JENSEN. I have great respect for the gentleman and I am glad that he is taking an interest in this problem.

COOPERATIVE HOUSING

Mr. HAYS of Arkansas. And now, Mr. Chairman, a brief word to explain my objections to title I of H. R. 7402. During the past decade, terms under the various Federal mortgage financing programs have been progressively eased. This easing of terms, at a time when demand would have been strong enough in any case to absorb the supply that could be made available, has increased inflationary pressures in the housing market and has priced many families out of that market.

H. R. 7402 represents another attempt to bring back into the market some of the families who have been priced out—by further extension of the techniques which contributed originally to pricing them out.

The question which should be raised now is not how to further ease mortgage terms under Federal housing programs, but how to adapt these programs to permanent peacetime conditions. We should be turning our attention to the problems of reducing mortgage maturities, reducing the rate of growth of mortgage debt, reducing the Government's share of mortgage risks, and freeing interest rates from too strictly legislated limitations.

Although title I contains certain safeguards not found in other existing programs, it raises certain problems. It would extend mortgage maturities to between 36 and 50 years and it would reinstitute the undesirable practice of permitting a Government corporation to issue guaranteed obligations. Issuance of such securities would be practically the same as a Government deficit. Purchasers would either sell or refrain from buying direct Government obligations. Banks, and to some extent the Federal Reserve, would then have to buy more Government securities. The result would be an expansion in bank credit and the supply of money and a resultant credit inflation. I therefore must oppose the specific provisions of the bill but I am not opposed to the participation by cooperatives in the benefits of housing legislation and I trust that conventional FHA insurance may be extended to this type of housing. Further legislation is in order if it does not add to the dangers I have described.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. KILBURN. Mr. Chairman, I yield 8 minutes to the gentleman from Massachusetts [Mr. MARTIN], the minority leader.

Mr. MARTIN of Massachusetts. Mr. Chairman, this bill should not be before the House this afternoon in the form in which it appears. The bill has already been summarily rejected by the Senate after long and serious debate.

What are the facts we face? The country is faced with a five- or six-billion dollar deficit; the Ways and Means Committee is asked to provide new and higher

taxes; inflation and high prices menace us; people are worried over the high cost of government.

Yet we are asked to pass legislation which will increase the burdens and the difficulties of our country. Worst of all, it will accomplish little if any good. It could defeat the objective sought. We could and probably would build a few houses for a few people at the expense of other people. But we might, on the other hand, discourage many others from building. It could increase the costs of building for many other people who want to build either with their own money or with money from one of the other 38 agencies already loaning Uncle Sam's cash.

Let us look at title I of the bill, authorizing the National Mortgage Corporation for Housing Cooperatives. This agency would raise funds for the underwriting of cooperative home construction by the sale of Government-insured debentures—which, I might add, is a neat little trick to enable proponents of this bill to argue that the money would not come out of the Treasury, which, of course, in case of defaults is false. It is explained in the committee report that these loans for the construction of homes on a cooperative basis would carry 3 to 3⅛ percent interest and would be amortized over a period of 50 years, or in some cases even 60 years and in other instances as long as 63 years.

These cooperatives supposedly would embrace people in the $2,400 to $4,800 income bracket. There are roughly 8,000,000 nonfarm families who fall in this income bracket. The authorization carried in this bill would permit only 1 out of every 30 of those families to participate.

In general these are the provisions of title I.

Now let us take a look at this legislative scheme. Let us see what kind of political philosophy can produce such a proposition.

In the first place, this bill on its very face would put thousands of Americans in hock to their Government for the balance of their lives. A man's productive life seldom is in excess of 30 or 35 years, yet under this bill he would be in hock for 50 years or even 63. A man borrowing at the age of 25 could with legal extensions defer paying until he was 88 years old.

Any amortization table will show you that under this proposition a man building a $10,000 home would over a 50-year period actually pay out more than $21,000 because of interest charges. That is one aspect of this proposition.

The second aspect must be taken from the standpoint of people who are already financing homes or who own them. These millions of American home owners are taxpayers and the best rate of interest that they have been able to get, either private or Government-insured loans, is 4 percent. This bill says to people that if they will form a cooperative the Government may favor them with a 3-percent rate. Thus the effect is that the war veteran who is paying 4 percent under the Veterans' Administration program to finance his home, or the home owner who has an FHA loan at 4½ percent will be subsidizing this special cooperative group at the rate of 1½ percent, or the difference between the 3 and 4½ percent interest rates. I do not believe any American believes our war veteran or home owner should be penalized for the benefit of special groups for political purposes.

In brief, this bill is nothing but another brick in the structure of socialism.

It seeks to bring the people under additional obligation to Government. That is what all leftist schemes seek to do. It is a hallmark of socialism.

This bill also seeks to penalize one group to confer a favor on another group. That is another hallmark of socialism.

What kind of political thinking do we have in Washington which can produce such legislation as this? I think cooperatives have a useful function in a free America and that they have earned a rightful place in our economic structure, but there are limits to everything. If the Government can organize cooperatives for middle-income housing, then what is to prevent the Government from organizing cooperatives and making them loans to buy automobiles, radios, refrigerators, or outboard motorboats?

We already have 38 Government agencies in the business of lending money. If this bill becomes law, there will be a 39th. It will have to employ a huge staff and field force which will swell the Government pay roll. These field agents and bureaucrats will swarm across the land, probing their fingers into the home life of this person and that person. If we are going to have socialism in America, snooping, of course, is part and parcel of such a political system.

To my colleagues in the House who still believe that the American system wants no common-law marriage with socialism—and I believe that I can include the overwhelming majority of you—I want to ask these questions:

Do you know of a housing shortage that exists in this country which is so serious that to solve it you would be willing to discriminate against the millions of war veterans and home owners of this country?

Do you know of a housing shortage that would justify the setting up of a thirty-ninth Federal agency to go into the lending business when the people of this country are already praying fervently for tax relief and a reduction in the cost of Government?

Do you know of a housing shortage so serious that you should subject thousands of Americans to the prying eyes of a new Government agency, or a shortage so serious that these people should be put in hock to their Government for the rest of their normal lives?

Do you want to jeopardize the solvency of many of our savings and loan associations?

These organizations are not, in many instances, profit organizations. They are organized to build communities, and they are doing a splendid job. Why threaten their future with legislation that, while a pious hope, will not be effective? And I, as one American to another, appeal to you to let your common sense dictate your decision on this measure; to let your love for the American way of life shape your judgment; and above all else to let your sense of fair play to the millions of war veterans and home owners guide your conscience.

Title I should be eliminated from the bill.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. HELLER].

Mr. HELLER. Mr. Chairman, families who make up what is commonly referred to as the middle-income group, represented by the factory workers, postal workers, Federal, State, and municipal employees, school teachers, office workers, trades people and the like, whose average annual income ranges, on a national statistical average, from $2,800 to $4,400 per year, are the forgotten people insofar as housing is concerned. They face this problem: they cannot qualify for low-rent housing because they earn too much; they cannot afford to buy a new house; and they do not earn enough to rent an apartment in a FHA section where rentals range from between $80 and $125 per month. It is interesting to point out, however, that only 5.6 percent of the FHA projects in the New York area were built to rent at a little under $80 per month, and only 16 percent were built to rent at a little under $90 monthly. It is also important to bear in mind that only 3.3 percent of these apartments have more than two bedrooms, and 64 percent have only one bedroom, or a combination living room and bedroom in one. Since the lower rentals apply to the smaller apartments, it is clear that none of this FHA housing can serve the middle-income families who have children.

Therefore, besides being too expensive for families of moderate income, the apartments are too small for families with children. This measure now before the House is to assist middle-income cooperative and nonprofit housing groups to expand housing production so that the needs of families who can afford to pay only $45 to $75 per month for rental can be met. I should like at this time to read to you excerpts from several letters picked at random from a batch of cases which I have in my office filed under "Housing problems of constituents," which I think give the best testimony on behalf of those intended to be benefited by this legislation.

Mrs. M. S. writes:

I applied for low-rental housing, and was given an interview, but we were rejected for low-cost housing because they claimed my husband, who is a veteran and now an employee of the post office, made too much money. Now, they base this on what he earned last year as a substitute when he worked on an hourly basis. However, this year he was made a regular employee of the post office, and is now working on a yearly basis, which is $2,770 per year, or approximately $52 per week after deductions. In view of his present salary, I do believe that we are eligible for the low-cost housing. Also, the conditions we are living under are extremely difficult, as we have a newborn child and are living in a two-room attic apartment with no bathroom. The bathroom we do use is one floor below our

apartment, and has to be shared with another family. Also the kitchen facilities are very inadequate.

In the case of J. B., a disabled veteran who earns $3,500 per annum, the wife writes:

The situation existing right now has become almost unbearable. My landlady has informed me that she will no longer accept rent from me, and that we must vacate at once. I hope that our desperate need for an apartment, in addition to the fact that my husband is a disabled war veteran and we have a baby, will be realized by the Housing Authority.

I attempted to assist this family, only to be told that they are "ineligible for subsidized housing since the veteran's income exceeds the maximum limits established for admission to these projects." Incidentally, the veteran's annual income is $3,500.

Then there is the case of H. B., who writes:

We live in a furnished room without any facilities and our landlord doesn't allow children. My wife is expecting a baby momentarily, and will have to remain in the hospital until we can get a place to bring her and our baby to. My wife will be unable to take care of our baby without the necessary facilities of an apartment, such as bathroom, toilet, sink, kitchen, etc.

I made an appeal on behalf of this applicant, and in a subsequent letter he writes:

We were offered 4½ rooms at $69 per month. That is more than we can afford to pay, as my weekly take-home pay is $58.22. I'm a Federal employee, and $4.28 is taken off for retirement, $8.70 for income tax, and my union dues are $0.75 per week. I inquired about a smaller apartment to reduce the rent, and was told that I get 4½ rooms at $69 or sign a refusal stating the rent is too high. I had no other alternative, but to sign the refusal.

In checking his case further, I was told that Mr. B's total income is sufficient to warrant their offering him a four-room apartment at $69—I repeat, his weekly take-home pay is $58.22—and was further advised that "we cannot offer a three-person family with this verified income, a less expensive apartment."

Another letter which I received reads in part:

As one of your constituents I beg of you to help me in a matter of great importance to my family, myself, and the community. I live on the top floor of a two-family frame building. I occupy the attic apartment—the ceiling on top of our heads—three small rooms of which two rooms have no windows. This place we occupy was never meant for human habitation. My child, who is 4 years old, has been continually ill in this so-called apartment. The doctor has ordered us to get out of here long ago—attached is his statement to this effect. My husband is a war veteran and the following is only part of his war record: He has been a top-turret gunner with the Fifteenth Air Force, European theater, was wounded severely in battle. He was shot out of an Air Force bomber, which caught on fire over flak area. He was missing in action for 6 months. During the later stages of the war he was hospitalized and flown back to the States and then hospitalized here until the date of his discharge. He has been awarded the usual decorations and Purple Heart, if that means anything. I have been desperately looking for a place to live from the day he came home and haven't found any as yet. * * * How long can we continue in this abhorrent housing condition is beyond me, as it's getting to the stage that I'm breaking down in health in the rat and fire trap I'm living in. I wish the authorities would come and see for themselves.

A further appeal reads:

At present I am living separate from my wife due to crowded conditions in both our families' homes. My wife and smaller son are with her father and sister and brother-in-law in a small three-room apartment. I am temporarily with my older son at my parents' home. Conditions as they are make it impossible to have all of us together in either home, and my wife is very ill due to this separation of family. She is under doctor's care and has sent a doctor's note to the housing authorities. The doctor states that she is under his attention for a nervous break-down due to separation of family, and it would greatly aid all concerned that this family be placed together under one roof. I will gladly accept any apartment that is offered to me, and it is imperative that it be soon, as this separation can break family ties indefinitely.

In a subsequent letter received from this family, the wife writes:

Since I have written and spoken to you in the past week or so, my plight is worse than ever. If the separation of our family continues, as it has, I will find it necessary to go to a hospital.

Multiply the predicament of the writers of these letters by hundreds of families similarly situated in the congressional district which I have the honor to represent, and you will appreciate why I strongly favor this measure.

Mr. Chairman, human values are at stake. The excerpts from the letters I have just quoted prove it. The passage of this bill can mean the difference between decent housing and happiness without undue financial strain and inadequate shelter condemning countless children to spend their formative years in an environment which is out of keeping with the standard of living which every American should be privileged to enjoy. Inadequate housing is as much a threat to national progress and national health as illiteracy, immorality, or epidemics.

Mr. Chairman, we must remember that most of our veterans and most of our skilled workers are affected by this legislation. They belong to the middle-income group, and this group is the bulwark of our democracy. I need not argue the basic importance of these middle-income families to our social and economic well-being. It is, I am confident, appreciated by all. If we are to maintain our free democratic way of life, we must be vigilant in providing our people with decent and adequate housing facilities. Let us cut out dilly-dallying and jockeying for partisan advantage—let us not miss this chance to help a deserving one-third of the people of our Nation. The bill now being debated offers these families hope of achieving the security of their own home. In the words of my learned and esteemed friend, the distnguished Senator from New York, the Honorable HERBERT H. LEHMAN, who in a debate on the Senate side on March 14 stated:

Let there be none so unimaginative as to shrink from this ingenious program. Let there be none who is unwilling to take whatever steps that it is necessary to take to meet this national need. I appeal for the support of this proposed legislation, whose ends must be served and whose means must compel our confidence.

I urge you to vote "aye" on final passage.

Mr. SPENCE. Mr. Chairman, I yield 7 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Chairman, it is rather singular that my time should come just after the speech of the distinguished minority leader. After hearing all of the very exciting scare words about socialism, I hesitate to stick in my oar. As a matter of fact, I was one of those in committee who was critical of this legislation, and if you will read the RECORD you will find that I asked the most critical questions about the interest rate of 3 percent for one group and 4 percent for another. May I call your attention to the fact that the speech of the minority leader is a bit out of date because we have already suggested we will offer an amendment, which I am sure will be acceptable to the committee, to make the interest rate 4 percent.

I shall try to tell you what is in the bill. First, there is no subsidy. Last year I was one of those who fought and worked for low-rent public housing. There is a subsidy provided in that legislation. There is no subsidy in this bill. It does not cost the Government one thin dime. You cannot lay your finger on it unless you say FHA costs the Government money.

In addition to that, this bill, if passed, will do what we have done for those under FHA, HOLC, Federal land bank, Federal savings and loan associations. It is exactly the same type of legislation. It provides that we shall allow the so-called middle-income group to do collectively what they can already do under FHA individually. Of course, as a matter of sound business, if they do it collectively they would achieve some advantage in the cost of building. That is where they hope to reap the benefit. If I should go to the bank and borrow only a thousand dollars, the bank would charge me 6 percent. If another man or a group of men went to the bank and borrowed a million dollars, the bank would probably let him have it at 4 percent interest. That is the principle back of cooperative housing in this particular instance.

Mr. Chairman, the idea has grown up that this is another tax-free cooperative proposition. I would be against it if it were, because I am one who believes that any business, cooperative or private enterprise that makes a profit should pay a tax, and we specifically see to it in this bill that each individual unit of a cooperative housing program will pay a tax exactly as an individual unit is taxed in each city, county, town, or State. So there is no tax-free cooperative in this instance.

The statement has been frequently made, and I have heard it made numerous times, that this is socialism. To my mind socialism is a dangerous way of life, but, to be perfectly frank, those who scare away from the word "socialism" might as well be afraid of the Post Office Department. It can be called socialistic whenever the Government engages in any type of business or endeavor it can be termed "socialism."

There is no direct lending in this measure. A number of our good friends on my left, last year introduced a bill to stave off public housing, which they called a cooperative housing bill. I wonder if they are going to vote for this bill. That bill last year introduced by the Republicans on my left provided for a direct loan by the Government to finance cooperatives. There is no such thing in this bill, no provision is made for it.

One other thing. I hail from that section of the South where land is available, thus I am not interested in providing any kind of legislation which will only build big apartments in Washington or Los Angeles or Chicago or New York. I can see why they would want apartments, but I want it so that all sections of the country can participate. And, so, there is in this bill the provision that you can build individual units, homes, in a cooperative, the same as you can build apartments in an apartment building. I think that ought to be of interest to a lot of us who come from rural and semiurban areas. So, after all, whereas there is wrapped up in this bill $5,000,000,000 for private enterprise, we ask for $500,000,000 to begin a program to affect one-third of our people.

My mind goes back to a certain radio announcer I used to listen to, and when I first came to Congress I heard him quoted often by my friends on the floor, in which he said that the great forgotten class in America is the middle-income group, the white-collar man. That is the people you are talking about today, that you say need no help, the middle-income group. I was afraid of it at first because I thought it was unfair to the veteran, but when one veteran organization after another moves into the commitee and endorses it—and I remind you that better than three-fourths of those that will likely participate in it will be veterans—I say it is another step forward to helping the veteran get a home.

I appreciate the opportunity to support legislation to enable any man to own his own home. You may say he will never live to pay it out, that perhaps is true, but is he going to live to pay out the Federal land-bank mortgage at 45 years, or even 35 years? That we cannot foresee, of course, but this gives a stake in a home, encourages home ownership, and does not cost the Government a single cent in appropriations. I do not see any great bugbear in this title.

I think we ought to approve this bill.

Mr. COLE of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Chairman, I think we can all agree that everyone in the country wants enough homes; that everyone wants to work toward home ownership, and I think most of us agree that we want to do it under the free-enterprise system that we have in this country. So the problem that we face is the method of getting homes and home owners through the free-enterprise system.

I presume in that connection there are two extremes of thought. One is that the Government should do absolutely nothing and let nature take its course and have no help through guaranteed bonds or any other system. The other extreme would have the Government provide a home for every citizen in this country. I do not think anyone would advocate that. So what we are considering here is the method of getting homes.

We are building now about 1,000,000 units a year, and, as I understand, the building industry, building materials, and building labor are now used up so that any additional shot in the arm that the Government gives the home-building industry will force the price of materials up and the cost of labor up.

There are just two points I should like to emphasize, and I think they have both been mentioned. One is the amortization period. A young man who starts out at 20, as has been said here, if he uses all of the provisions of this bill, will eventually be 93 years old when he gets his mortgage paid. Presumably for the previous 28 years he will have made his payments out of his social security or out of his pension. Can you not just picture the old gentleman in his wheel chair, surrounded by his children, his grandchildren, and his great-grandchildren, when he finally burns the mortgage at 93? It might very well be the death of the old man.

The other thing I want to emphasize in this bill is the 3 percent interest rate. It has been suggested that it does not cost the Government anything. It does not if they all work out. But of course the 3 percent interest rate is based on Government credit, because the Government guarantees the bonds.

If this is good legislation, if it is sound legislation, there is absolutely no logical reason why the Federal Government should not issue Government-guaranteed bonds through a corporation and then take over every single real-estate mortgage in the country.

I think this is an extremely bad bill, and I think it should be defeated.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. SULLIVAN].

Mr. SULLIVAN. Mr. Chairman, I rise in support of H. R. 7402, a bill to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families.

My chief interest in this measure is in title I because it deals with the need of a large segment of the people I represent, a need which has, until now, received but cursory attention. I do not intend now to discuss the measure in detail, because its provisions have been explained by our distinguished colleagues on the committee. I would like to say, however, that in my judgment, the provisions of title I are very much in keeping with the democratic way of the American people. The proposed Federal assistance provided in this legislation would permit groups of people in their own neighborhoods to solve their own housing problems.

All of us, I am certain, recognize the basic importance of middle-income families to the economy of this country; yet a large percentage of these families are being denied the opportunity of living in adequate shelter at a price which they can afford to pay—yes, denied the opportunity of raising their families according to American standards of living.

I have read from the testimony of the opponents of this measure that homes are being produced within the reach of everyone. They even plead statistics taken from the official reports of FHA, to this effect. The opponents fail to point out, however, that such statistics are national averages—where the lower cost housing of the rural and semiurban areas are balanced with the relatively higher incomes, received by our families in urban and metropolitan areas. Let us not forget that although the housing problem is national, in scope, it must be applied to the individual family's needs. I am certain that it affords little relief to my constituents to know that somewhere else in the United States there is a home or a rental apartment which they can afford to purchase or to rent. Their interest is in finding a home in St. Louis. From my personal knowledge, few of the middle-income families in my district have been successful in their search. Either the house or apartment is out of range as to price, or else it is too small for the family which has two or three children.

Mr. Chairman, the opponents of this legislation claim they are not opposed to cooperative housing, but that they must oppose this legislation, because it is discriminatory or unsound. Charges have been made that it grants a subsidy or permits direct governmental lending. I have studied this legislation and as I understand its provisions these allegations are not correct. It is important for us to realize that there is no governmental subsidy contained in this bill. The interest at which the loans to cooperatives will be fixed, by the National Mortgage Corporation, is on the basis of the cost of money to the Corporation, the spread necessary for defraying administrative expenses, and the charges for establishing and maintaining necessary corporate reserves, including the required specific reserve for losses. No fixed rate of interest is prescribed in the title, but I am informed it will be in the neighborhood of 3⅛ percent. The manner in which this rate is determined clearly demonstrates its freedom from subsidy as I understand the word.

Now, Mr. Chairman, we are told by lending institutions and other opponents of this measure that the Federal Government must never place itself in the position of making direct governmental

loans. You will recall, during the Eightieth Congress, most of those opposing this measure on this ground were in your offices urging you to fight for the continuation of the so-called Fannie Mae program. We all know that under the Fannie Mae program we are in fact permitting the Government to make direct loans to the lenders. Using a charge of the opposition, I say this procedure is nothing more or less than a thinly disguised loan from the Federal Government, with the middleman making his profit without incurring any risk. Are we to believe lending is satisfactory when it is made to a bank but undesirable when it happens to be made to a cooperative or nonprofit corporation?

Let us fully recognize that the loans contemplated under the provisions of this measure are to be made by a mixed-ownership corporation, similar to the corporations set up under the Federal home loan bank system. The bill authorizes the corporation to start with capital supplied by the Federal Government, but with participation, and eventual full ownership, by borrowing cooperatives and nonprofit organizations. The form of organization provided for should end the objections which have been raised. This is not a direct lending bill. Rather, it establishes a device which provides for ever increasing private investment.

My administrative and legal experience in municipal work has many, many times forcefully directed my attention to the evil effects of substandard living conditions and living environment. These effects are especially marked in congested urban areas. There are many such areas in St. Louis, and I am dedicated to doing all in my power to better these conditions in every respect possible.

The Federal housing programs have and are doing much toward the provision of homes for many segments of our population. The recently inaugurated research program will, in my opinion, have a marked future impact on all the phases of the housing problems toward which our effort is directed. Many low-income earners can find living quarters in public housing projects. The slum clearance program will go a long way toward the elimination of the slum and blighted areas. FHA mortgage insurance is available for a wide range of privately built housing.

But, Mr. Chairman, there remains one forgotten man—who at best can obtain only a remote benefit from all these programs, and that is the man with a large family who earns a modest income.

It is that man, and he is present in every city, town, and section of our country, to whom we must direct our attention. Title I of H. R. 7402 will, in my judgment, provide the necessary means whereby that man will be able to obtain for his family a home which will be adequate in size for a normal American family.

Let me emphasize that there is no point in providing new sources of credit for lending institutions, just for the purpose of providing more credit or in order to make a gesture toward cooperative housing. If we are really going to provide middle-income housing, I know of no other way to do so than by the formula worked out so carefully by the Banking and Currency Committee.

Mr. Chairman, enactment of this bill will for the first time in this country's history provide us with a well-rounded, well-integrated, and efficient set of tools for attaining the national housing objective so ably stated in the National Housing Act of 1949, the objective of a decent home in a suitable living environment for every American family.

Mr. SPENCE. Mr. Chairman, I yield 7 minutes to the gentlewoman from Connecticut [Mrs. WOODHOUSE].

Mrs. WOODHOUSE. Mr. Chairman, the State of Connecticut has been a pioneer in developing a successful program for middle-income housing. This pilot program is very pertinent to a discussion of H. R. 7402. It has gone so well since Gov. Chester Bowles' reorganization of the State housing authority, July 1949, and the Moderate Home Ownership Program Act of October 1949—section 20–37 of Act 299, Public Acts of 1949—that if the Connecticut ratio of homes built under the program was extended to the entire country, there would be 250,000 homes for moderate-income families within 15 months of the establishment of a Federal program.

The bill before us, H. R. 7402, is a much more modest proposal. It would make possible some 35,000 units during the first 12 months. Yet the rapid rate of building in Connecticut has not pushed up the cost of a house. On the contrary, the trend is toward better houses with more rooms at lower cost.

Connecticut is far from a radical State. The moderate-income housing program was passed by a Democratic senate and an overwhelmingly Republican house.

Now how does this Connecticut program operate? It pivots on a low rate of interest, 1½ percent to individual families or to nonprofit corporations or cooperatives, and 3½ percent to operative builders. And no veteran has objected because he already has a 4 percent VA loan. No other families are threatening to throw up their existing mortgages and demanding a rewriting of their mortgages.

The Connecticut program is in two parts: the $65,000,000 moderate-rental program and the $30,000,000 home-ownership program. Both are administered by the State housing authority. By January 1, 1951, Connecticut will have 10,000 of its moderate-income families housed or about to be housed in really desirable rental or sales dwellings which they can afford and which, without the program, would not have been built. Moreover this will be achieved at practically no cost to the State.

A low interest rate and a longer amortization period is the key to the program as it is to title I of H. R. 7402. The original Connecticut State rental program consisted of State guaranty of local housing authority bonds for rental housing construction. The average rent was $58 for a two-bedroom unit. By increasing the amortization period from 35 to 50 years, and by making State loans to local housing authorities at low rates, the rent for the same type two-bedroom unit has been brought down to $43 a month. For four-bedroom units the rent now is $48 per month. The projects are well laid out, the construction excellent and the amenities of life adequately cared for.

Proof that this program is working lies in the construction figures. The new program got under way September 1, 1949. For the 2 years previous a total of only 168 units were built. For September, October, November, and December 1949, under the new low-interest program, better than 200 units a month were started. On March 10, 1950, there were 1,447 units occupied and 1,341 under construction.

The home-ownership program is developed on principles very closely related to those underlying title I of H. R. 7402. The Connecticut State Housing Authority obtains its loan funds (with a limit of $30,000,000 for this program) through the sale of State notes on the open market. Connecticut has excellent credit standing. Notes sold in September 1949, cost one-half of 1 percent. Long years of experience indicate an average rate no higher than three-fourths of 1 percent. However, to make certain, a safety factor of fifteen one-hundredths of 1 percent was included to bring the estimated long-run cost of the notes to 0.9 percent, distinctly higher than past experience would call for. To this 0.9 percent is added 0.6 percent to cover general administrative costs and operating expenses of the State housing authority making a total of 1.5 percent charged the borrower. Of the 0.6 percent, 0.1 percent is for State housing authority operating costs. This may seem small, but on the total $30,000,000 it is $30,000 a year and will recover within 3 years the largest part of the total administrative cost of the complete program. The other 0.5 percent goes to the correspondents for servicing the loans. Any Connecticut bank, trust company, savings bank, mortgage broker, building and loan association, or savings and loan association, approved by the State housing authority may act as correspondent for a loan for building or purchase in any part of the State.

Who may borrow at this low rate of 1½ percent? The State housing authority upon application will issue a certificate of eligibility to a family whose head is a resident citizen with an income of less than $2,500 a year, plus $600 for each dependent—a wife is not counted as a dependent—and with assets less than $3,000. Further the family must be living in inadequate quarters or paying an unreasonably high rent in relation to its income.

Once certified the family clears with FHA from which it may get a 90 percent first mortgage, and if the family of a

veteran of World War II, with VA from which a second mortgage GI loan for the difference between the FHA mortgage and the cost of the property may be obtained. Loans are available only for houses started after October 20, 1949, approved by FHA before construction starts and inspected by FHA during construction. The family may build its own home or buy.

There are 12 types of loans authorized as listed in table I. Of prime importance is the loan to an owner occupant. Cash required for initial payment for a veteran runs from $193 for a $7,500 house to $257 for a $10,000 house. Corresponding figures for a nonveteran are $985 and $1,544. Monthly expense which includes interest at 1½ percent, one-twelfth of estimated annual real-estate tax and fire insurance, amortization over 25 or 30 years, and the FHA mortgage insurance premium, range for a veteran from $41.97 per month for a $7,500 house to $55.87 per month for a $10,000 house or for a nonveteran who must make an initial cash payment from $38.77 to $50.67. Table II gives a full set of illustrative figures.

TABLE I.—*Types of Connecticut loans available under the home-ownership program*

	Type of property	Type of borrower	Federal act	Maximum percent of appraised value	Maximum maturity	Interest rate
1	1-family house	Operative builder	National Housing Act, sec. 203.	80 percent first $7,000, 60 percent remainder.	8 months (20 years)	Percent 3½
2	do	do	do	85 percent	8 months (30 years)	3½
3	25 or more single dwellings	do	National Housing Act, sec. 611.	80 percent $6,000	Satisfactory to FHA	3½
4	1-family house	Owner-occupant	National Housing Act, sec. 203 (b) (2) (A).	80 percent	25 years	1½
5	do	do	National Housing Act, sec. 203 (b) (2) (B).	90 percent	do	1½
6	do	do	National Housing Act, sec. 203 (b) (2) (C).	90 percent first $7,000, 80 percent remainder.	do	1½
7	do	do	National Housing Act, sec. 203 (b) (2) (D).	95 percent	30 years	1½
8	do	Owner-occupant, veteran	Servicemen's Readjustment Act, sec. 505 (a) second mortgage.	20 percent of price or cost	Equal to concurrent FHA mortgage.	1½
9	12 or more units	Corporation or cooperative	National Housing Act, sec. 207.	90 or 95 percent $8,100 per apartment or $1,800 per room.	Satisfactory to FHA	1½
10	8 or more units	do	National Housing Act, sec. 608.	90 percent or $8,100 per apartment.	do	1½
11	25 or more single dwellings	do	National Housing Act, sec. 611 (b) (3) (B).	80 percent $6,000	do	1½
12	Group of units	Veterans' corporation or cooperative.	Servicemen's Readjustment Act, sec. 505 (a) second mortgage.	20 percent of price or cost	Equal to concurrent FHA mortgage.	1½

TABLE II.—*Illustrative cases*

VETERAN FAMILIES

Price of property	$7,500	$8,000	$8,500	$9,000	$9,500	$10,000
FHA estimate of value	7,500	8,000	8,500	9,000	9,500	10,000
FHA sec. 203 mortgage	6,700	7,100	7,500	7,900	8,300	8,700
VA sec. 505a second mortgage	800	900	1,000	1,100	1,200	1,300
Cash required:						
Other settlement costs	75	80	85	90	95	100
Prepaid items	118	124	132	141	149	157
Total required	193	204	217	231	244	257
Monthly expense:						
State FHA loan, 25 years, 1½ percent	26.80	28.40	30.00	31.59	33.19	34.79

Price of property	$7,500	$8,000	$8,500	$9,000	$9,500	$10,000
Monthly expense—Con.						
State GI loan, 25 years, 1½ percent	3.20	3.60	4.00	4.40	4.80	5.20
FHA mortgage insurance premium	2.70	2.86	3.02	3.18	3.34	3.50
Taxes (1/12 per month)	8.00	8.50	9.03	9.57	10.10	10.64
Insurance	1.27	1.35	1.44	1.53	1.63	1.74
Total mortgage payment	41.97	44.71	47.49	50.27	53.06	55.87
Allowance for maintenance and operation of property	18.00	19.20	20.40	21.60	22.80	24.00
Total per month for shelter of family	59.97	63.91	67.89	71.87	75.86	79.87

NONVETERAN FAMILIES

FHA estimate of value	$7,500	$8,000	$8,500	$9,000	$9,500	$10,000
FHA sec. 203 mortgage	6,700	7,100	7,500	7,900	8,300	8,700
Cash required:						
Balance of price	800	900	1,000	1,100	1,200	1,300
Other settlement costs	67	71	75	79	83	87
Prepaid items	118	124	132	141	149	157
Total required	985	1,095	1,207	1,320	1,432	1,544
Monthly expense:						
State FHA loan, 25 years 1½ percent	26.80	28.40	30.00	31.59	33.19	34.79
FHA mortgage insurance premium	2.70	2.86	3.02	3.18	3.34	3.50

Monthly expense—Con.						
Taxes (1/12 per month)	$8.00	$8.50	$9.03	$9.57	$10.10	$10.64
Insurance	1.27	1.35	1.44	1.53	1.63	1.74
Total mortgage payment	38.77	41.11	43.49	45.87	48.26	50.67
Allowance for maintenance and operation of property	18.00	19.20	20.40	21.60	22.80	24.00
Total per month for shelter of family	56.77	60.31	63.89	67.47	71.06	74.67

This is housing the moderate-income family can afford, and it is good housing. The first family to occupy a house built under the program paid $8,520 for a house with four rooms completed and 2 rooms on the second floor which the buyer will complete himself. An FHA mortgage and a GI loan covered the cost. The monthly payment is $41.15.

Connecticut wants housing built, and built quickly, so the program also provides for construction loans to operative builders at 3½ percent for up to 80 percent of FHA appraisal with maturity not in excess of 3 months from date of clearing. A service charge of 1 percent of the principal amount of the loan is divided equally between the State housing authority and the correspondent handling the loan. These loans are flexible as to time of payment to builder so that new types of construction may be used. The builder is required to offer his houses for 60 days to certified eligible families and to abide by FHA standards.

It is the definite policy of the State housing authority to make construction loans available to builders primarily in localities where and at times when private financial accommodation is not available. The use of private loans is urged wherever possible.

All the loans of every type are for moderate-cost housing. There is no specific dollar limit in the legislation. The FHA loan limits and the requirement that the income of the certified eligible buyer must be sufficient to meet FHA credit requirements places a very definite ceiling on the cost of a house.

Every effort is made to encourage the reduction of building costs. To enable builders to take advantage of the economies of large-scale operations the State housing authority may insure a builder against failure to sell at a fee of $50 per house. Such insured houses for the first 60 days after completion must be offered to certified eligible buyers, then for 30 days to any buyer. If not sold at the end of 90 days they may be offered to the State housing authority which will purchase at 90 percent of FHA appraisal or $9,000, whichever is less, provided the builder has made a really diligent effort to sell. To date, of course, the State has not been called on to make any such purchase.

There is no tie between a construction loan and the sale insurance. A qualified builder may avail himself of either or both.

So far this program has stimulated a real increase in the building of lower-cost housing. While those started last fall were mostly in the $9,000 class, builders are presenting definite plans for $7,500 houses for the coming building season.

Here then is a program much like title I of H. R. 7402, but more liberal. It is working successfully, providing well-built, adequate homes for moderate-income families at a monthly charge they can afford to pay.

Not all States are in the fortunate position of Connecticut, so cannot themselves alone manage such programs. Nor is the Connecticut program in and by itself large enough to care for all its moderate-income families in need of adequate homes.

Certainly this pilot experiment should quiet any fears that may arise as to H. R. 7402 and answers a definite negative to questions as to the rate of 3 to 3¼ percent being too low, of the bill being inflationary, or of its possible effects in pushing up building costs. There is no subsidy in the Connecticut plan any more than there is in H. R. 7402. The Connecticut experiment points a way to provide decent homes for the middle-income group so long neglected and should assure any questions as to the wisdom of voting for H. R. 7402.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, I am reminded of a story our good friend, Everett Dirksen, from Illinois, told not long ago about a young man who was requested to answer some inquiry concerning the cause of death of his father. The young man was a little embarrassed by the thought of having to state that his father had been hanged. He resolved the difficulty by saying that his father died by plunging from a platform while participating in a public ceremony in his honor. I am a little afraid that the so-called middle-income group, one-third of the American people, may find a noose tightened around their neck while participating in a celebration in their honor.

Yesterday I received a wire which was very interesting to me because it said:

> The Congress has passed housing legislation for upper and lower classes, why not aid America's forgotten people, the middle-income group?

Those forgotten people who make between $200 and $400 a month. The hearts of the proponents of this bill may bleed for those forgotten people, but interestingly enough, Mr. Chairman, in the hearings on this bill before the Committee very few people talked about the forgotten people; very few tears were shed and no garments were rent, nor was sackcloth and ashes very much in evidence. This was so, Mr. Chairman, because even the proponents of this bill, as well as everybody in this great country of ours, realize that the middle-income group, those people earning between $200 and $400 a month are not the forgotten people.

Mr. Chairman, in the few moments at my disposal I wish to talk about why such legislation as this should be presented to this Congress. Mr. Foley, Housing and Home Finance Administrator in testifying, as will be seen on page 14 of the hearings, said:

> Some middle-class families in most areas have been priced out of the market, and many such families have run into difficulty in the high-cost areas, and this will probably continue to be the case. The problem has been more acute for families who for economic reasons or some other reason should rent rather than buy.

Mr. Chairman, I call attention to the other side of the picture. Listed on page 273 of the hearings, are listed 428 cities.

That table shows that 90 percent of the homes built in the last year cost under $8,000; that 66 percent of the homes built last year cost under $6,500. Again, Mr. Foley testified that the middle-class family, based on the usually accepted rule of thumb, could spend for shelter should not exceed 20 percent of their income. He said, "Housing for the middle-income families should be available at a shelter rent of $47 to $73 per month."

Another witness, who testified in favor of the bill, also said that these people, the middle-income class, are the people who can afford to pay monthly payments on their homes of somewhere between $40 and $70 a month, or at a median shelter rent of approximately $60 per month.

What is the record, what is the evidence in connection with that? Page 243 of the hearings lists a number of cities showing the percentage of families with net incomes of $2,400 to $4,800, purchasing new homes under section 203, from January to June 1949. You will find that 47 percent of the purchasers in New York were in this class; in Philadelphia it was 60 percent; in Miami it was 66 percent; in Memphis it was 77 percent; in Indianapolis it was 74 percent, and so on. That, Mr. Chairman, if you please, is the record in the case. These middle-income families are the buyers of most of the homes today. A witness on behalf of the CIO testified before the committee. His testimony appears at page 345 of the hearings:

> We believe this bill will achieve the results needed to bring more adequate housing within the reach of the average member of the CIO and of families similarly situated.

Now I wish to refer to the 1949 Survey of Consumer Finances by the Federal Reserve—and this is interesting:

> The median-rent payment was estimated at $33 per month, or substantially the same as in the preceding year.

Can the average member of CIO afford this rental? Among the families whose incomes are less than $3,000, about 4 out of every 10 are home owners. In the income class ranging from $3,000 to $3,999, about half of the families own their homes, according to this survey. Now I wish to read to you from the current Population Housing Report of the Census Bureau of January 29, 1947, about some of these homes of these forgotten people of America. I quote:

> Almost one quarter of the dwelling units of the United States contained five or more persons.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. Briefly.

Mr. DONDERO. Was there any evidence before the gentleman's committee to the effect that 54 percent of the families of America own their own homes debt-free?

Mr. COLE of Kansas. The gentleman is correct.

Mr. DONDERO. The question is, How did they get them? How did they do it?

Mr. COLE of Kansas. They bought them under the good American way.

To continue: The survey indicated that the extent of overcrowding, as measured by the proportion of dwelling units with more than 1½ persons per room, was approximately 6 percent, or about 2,400,000 occupied dwelling units in 1947. In 1940, 9 percent was overcrowded. In other words, the overcrowded conditions decreased between 1940 and 1947. Now, are middle-income families priced out of the market? Let us examine an FHA report:

> On page 43 of the Fifteenth Annual Report of the Federal Housing Administration for 1949, we find:
>
> "About 60 percent of the buyers of new single family dwellings financed their purchases with section 203 insured mortgages and contracted to repay their loans at a rate of $45 to $69.99 a month, including the payment to principal, interest, FHA insurance premium, taxes, etc. * * * More than 72 percent of the payments (under 603) were in a somewhat lower range—$45 to $59.99 a month—even though the 603 median mortgage was more than $350 above that for section 203."

Will the proponents now say these families are deprived of homes? They said, you recall, that they wanted houses at about a $60 per month payment. That is what they are getting.

Mr. Chairman, I want to call attention to one or two other things in connection with this bill. Much has been said by those who are in favor of the bill and those organizations that believe the bill should be passed. I want to call attention to editorials that appeared in some of the great newspapers with respect to this bill. Many of these same newspapers in the past have been for public housing. Many of them have not been for public housing. But it is interesting to see the consensus of opinion of these papers with respect to this bill. Our distinguished chairman, for whom we all have the greatest respect, complained this morning about the fact that there was a lack of interest on the part of the people of America concerning this bill. This is true. But why is it true? I will show you. It is because these editorials reflect the opinion of the people of America.

Mr. Chairman, the only ones who really want this bill are the bosses pressure groups who are interested for some purpose of their own to further individual and selfish interests. There are other groups which appeared in favor of the bill and they have been led to believe it is a good thing, but in my judgment they have not examined it carefully.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Kentucky.

Mr. SPENCE. If I said what the gentleman states I said, I did not mean to say it. I said there was great interest in this bill by the people of America as evidenced by telegrams that have been received but that I was astonished there was not more interest by Members of the House in the bill.

Mr. COLE of Kansas. I think the Members of the House will say they have had very few telegrams, very few letters, very few inquiries from their constituents urging the adoption of this bill.

Mr. Chairman, I call attention to Life magazine and an editorial appearing therein on March 13, 1950, entitled "Leaky Housing," as follows:

Under a changing conception of fairness, discrimination between classes has come to seem socially right when it is applied to such things as income-tax rates and aid to the needy. It has never been deemed right, however, to permit discrimination between people in identical categories: even the advanced state welfarist professes to believe that equals should be treated equally.

It further states:

The proposed middle-income-housing legislation actually promises to treat equals unequally.

Now, Mr. Chairman, I want to read an editorial which appeared in the Washington Post of Washington, D. C., and no one would claim that the Washington Post is, shall I say, reactionary? Part of this editorial is as follows:

Closely related to this point is the question of whether the Government should, as a matter of policy, offer mortgage money at 3¼ percent to co-ops when private builders must pay 4½ percent under FHA.

I understand the majority has capitulated on that point in an attempt to garner votes and will offer an amendment.

The editorial continues:

We cannot help thinking that the bill provides too much nursing for a movement which, after all, owes its strength to private initiative on a cooperative basis.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. COLE of Kansas. Mr. Chairman, I also want to read an editorial from the Washington Star under date of March 15, 1950, in part, as follows:

We think this middle-income-housing bill should not pass, not even in the amended form proposed by Senators TOBEY and IVES. It is not true that you enlist private capital by offering loans of Government-supplied funds.

The "amended form" referred to is the amendment which is in part the same idea advanced by the gentleman from Texas a moment ago.

The editorial goes on to say:

This newspaper does not know just how this estimate was calculated. But it agrees with the Republican group that blind legislation is dangerous to the American economy and even to the solvency of the Government itself.

The New York Times which in the past, as I understand it, has supported certain so-called social legislation, on February 27, 1950, had this to say in an editorial:

As for this nonsense about the forgotten family, the plain fact is that, according to the figures of the Housing Authority itself, 81 percent of all FHA-financed housing in 1948 was for families in the brackets $200 to $500 a month, the very group covered by this bill. It is certainly true that building costs and rentals are high, but this is because of the high cost of labor and materials, not money.

The Christian Science Monitor, a newspaper with an intelligent approach to these problems, as of February 25, 1950, had this to say editorially:

It is not surprising that various features of this proposed legislation have excited controversy. There is considerable basis for the charge that it is another rather thinly disguised subsidy, calculated to elicit support from that large portion of the electorate which is held to be the backbone of the economy, the middle-income group.

Mr. Chairman, I also include as a part of my remarks an editorial from the Washington Times-Herald, of March 15, 1950, and an editorial from the Kansas City Times of March 17, 1950, as follows:

[From the Washington (D. C.) Times-Herald, March 15, 1950]

KILL THAT BILL

The Senate is scheduled to vote today on S. 2246, the so-called Housing Act of 1950. This bill should be knocked on the head and forgotten.

It contains, for instance, the proposition concocted by Senator JOHN SPARKMAN, Democrat, of Alabama, to create another huge class of sucker-citizens who are to be bound to the wheel of government under the false impression that they can get something from it for nothing.

Senator SPARKMAN accepts all credit for this abuse of the people, which he defends as a Government-financed venture in "cooperative housing."

Let's look at the story he tells.

First, Senator SPARKMAN and his friends discover there is a housing shortage, another way of saying the real-estate market is booming. He cannot stand the idea of any business running under its own steam, so he comes forth with a device to horn the politicians in on it.

He does this by discovering further that in this housing shortage or real-estate boom, people who make $2,500 to $5,000 a year are paying what he considers unreasonable prices for what they get.

Does he say, "That is their business if they want to pay the price?" Oh, no.

JUST ANOTHER BID FOR VOTES

Instead, comes this project in S. 2246, that the Federal Government shall establish corporations to trade in real estate by extending credit to house buyers, provided, those house buyers will agree to an elaborate set of restraints and regulations.

They must go into a cooperative. They must maintain their property as per regulations. They must, in effect, live under the same restraints that used to be so denounced as company town rules in the mill villages of Senator SPARKMAN'S own State even to the point of showing how little money they make.

All this, supposedly to relieve the housing shortage.

In fact, United States taxpayers, including the ones who submit to the so-called cooperatives, are underwriting the whole thing. Any loss is on them. But any gain goes to the exceptional fellow who is smart enough to shift his obligations to the next one who gets into the cooperative in his place or just repudiates the whole thing.

Of course, the absurdity of this undertaking is obvious on its face. So is the motive, which is to offer an apparent favor to another special class of citizens at the expense of all, in return for votes.

If the Senate has any honesty left, it will therefore just kill the bill and leave the real-estate business to solve its own affairs.

[From the Kansas City Times of March 17, 1950]

MISFIRE ON A HOUSING PLAN

For people who are more interested in housing than ideology the defeat of the cooperative bill doesn't appear to be much of a loss. The arguments for it were largely political.

The Government is already committed to a well-balanced program to encourage housing. For the lowest-income families that can't afford anything except slum rents the Government has public housing which is frankly and necessarily subsidized. For the rest of the population it has already adopted a policy of encouraging private construction by underwriting loans on homes or apartments. It offers additional inducements to builders who will venture into blighted areas.

The cooperative plan would have committed the Government to a major effort in another field that was bound to raise stern doubts in Congress.

Cooperative apartments aren't new. In fact, enough efforts have been made to raise questions. Some plans have succeeded, especially those in the higher-priced field. But the percentage of failures has run high. A cooperative ties a person to ownership the same as a home, without the main advantages of home ownership.

Possible benefits of the plan as it stood before the final stroke in the Senate were limited in any case. The billion dollars could have financed, perhaps, 125,000 living units. At the end the proponents were ready to settle for a financing plan only a little more lenient than the financing offered private builders.

It came down to a small inducement for a very few units in a dubious field of housing operation. The political agitation was out of all proportion to any practical benefit for housing.

The financing proposed in the original bill was down to 2½ percent with 60 years to pay. This first proposal was for $2,000,000,000 instead of the final one billion. It was an effort to promote cooperative housing as opposed to private housing—and to use an indirect subsidy for the demonstration.

There is no question that such an inducement would have stimulated a great many cooperative apartments. Considering the record, there probably would have been a high percentage of failures in spite of the financing advantage.

The National Association of Real Estate Boards has lost public sympathy with its bull-headed fight against needed public housing and everything else. But in this case it had a good reason to yell.

The unavoidable danger in all Government participation in housing is politics. Politics requires many Congressmen to find something new with each session to make a showing. Real-estate men have been afraid of an eventual drive to change the whole pattern of home ownership. This cooperative proposal verified the fear.

Only the Federal Government can supply good housing in the charity field. Its support for low-cost financing is needed in all housing. The country must move forward. But the American people will have to be alert to the political dangers.

If the Government has an extra billion or two billion to put on higher-risk financing it would help considerably more middle-income families if it made a moderate reduction in all interest rates. Far more middle-income people would like to buy homes than the 125,000 who might have tied themselves up on cooperative-apartment deals.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. YATES].

MIDDLE-INCOME HOUSING

Mr. YATES. Mr. Chairman, when this Congress passed the low-cost public housing bill last year, we established at the same time in section 2 of the law, a declaration of a national housing policy to be used as a guide for additional legislation which was needed.

We indicated at the time that private enterprise was to be encouraged to serve as large a part of the total housing need as it could and that governmental assistance would be utilized only where it was necessary to enable private enterprise to serve more of the total need. The Federal Government had no desire then—nor does it now—to compete with the building industries of our Nation.

In passing the low-cost public housing bill we recognized that private industry could not handle alone the job of clearing the slums and blighted areas and providing adequate housing for those urban and nonfarm families with incomes so low that they could not possibly be housed under private enterprise simply because the families in the lower income groups lacked sufficient resources to provide housing on their own account and were unable to secure necessary credit for housing from other sources on terms and conditions which they could reasonably be expected to fulfill.

We recognized then—as we should now—that while we moved steadily toward the goal of providing a decent home for every American family, we moved also in the direction of advancing the growth and wealth of the Nation by enabling the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power.

The fact that there is a great deal of opposition to this present proposal to aid the middle-income group is nothing new. We have been hearing criticisms of the same type since Congress back in 1892 first appropriated $20,000 to investigate slums. And we heard the same arguments when the FHA and other advanced programs were first advanced.

Now we are faced with new problems in helping those who have not benefited from previous housing legislation, those who have been described as being in the "twilight zone," the middle third of our population.

The FHA stimulated private housing. It was government help and effective help. Six and three-quarter billion dollars' worth of insured credit has been issued under FHA aid, and this bill allots up to $9,500,000,0000 to continue this activity. And yet, the junior Senator from Illinois, a member of the Senate Banking and Currency Committee, and one of the Nation's great authorities on the subject, has estimated that soon the FHA will be approaching the end of its usefulness so far as the upper third of the families are concerned. He believes that the market may be getting saturated with high income housing and that the big untapped market will be in the middle third of our income group. We have heard fears of inflation. Perhaps the contrary is true, for the economy is leveling off. However, the middle-income groups cannot be serviced until we get costs down and that is the basic objective of this bill.

So much for FHA. On the other hand, we have made provision for the lower one-third in public housing, and throughout the United States sites are being selected and plans are being made by local housing authorities to clean up the slum areas and build low-cost public housing, major operations which will truly bring light to blighted areas.

It would not seem improper then, in view of the fact that provision has been made for the upper and lower groups, that something be done to help the middle-income group by providing $2,000,000,000 of Government guaranteed obligations to help them solve their problems.

The bill that has here been proposed to help the middle-income families is nothing more than an extension of the FHA principle, which worked so well. The Government is not entering into uncharted waters. It is comparable to the Federal land bank, which did so much to help our farm people.

Under the FHA system the Government guarantees to pay any loss which a lender sustains in any FHA-insured home-mortgage loan. If an insured loan is defaulted, the FHA takes over the defaulted loan or property and gives the lender FHA debentures in an amount equal to the unpaid balance of the defaulted loan.

I would like to point out, Mr. Chairman, that in the 15 or more years of FHA operations, insurance under all titles of the National Housing Act amounts to in excess of $18,000,000,000 of which about $10,000,000,000 is now outstanding. Actual losses have been about $26,000,000 and these losses have been paid from insurance reserves—the Federal Government has not been called upon to make good any of those losses.

The principle we seek to apply here is a principle based on the theory that needed financing mechanism can be started initially with Government help at the beginning.

In 1932 Congress established the Federal home loan bank where an identical type of mixed ownership was employed. One hundred and twenty-five million dollars' worth of Government-subscribed capital stock was originally given the agency to enable them to be established and to begin active lending operations. Already about $50,000,000 of the stock investment has been retired.

The Federal Deposit Insurance Corporation is another example. Almost every banker in the country opposed Government guaranty of bank deposits prior to the bank crisis of 1933. Today the bankers recognize this insurance as the greatest blessing that has come to their business. The FDIC was soundly administered, and it has been successful. Its intelligent regulation has made possible a more stable economy.

The Home Owners' Loan Corporation is still another example. It was established as a rescue operation for distressed home owners back in 1933. The Government could logically have expected to take a loss in such an operation. However, it appears now that the entire $200,000,000 of stock which the Government invested in HOLC will be returned to the Treasury, with a surplus, within the next 2 years. The Federal Government has not lost one cent on this operation.

The cooperative or nonprofit organization is the only form of private enterprise through which the savings achieved in financing, in construction, and in management are automatically translated into direct benefits to the consumer in the form of corresponding reductions in the monthly cost he must pay for his housing.

Taken alone, not one of the economies and savings made possible by the cooperative housing title could result in a reduction in the monthly charges sufficient to permit good housing to be brought within the reach of a substantial number of middle-income families. Taken together, however, the combined savings and economies—of which long-term, low-cost financing is one—will bring housing within the means of a broad range of our families in moderate income.

I submit that the cooperative principle in housing will work, because it has worked in other instances. The REA, for example, is based on local cooperatives and it has been a boon to private power companies. In 1935 only 11 percent of the farms of our Nation were electrified; to day over 80 percent of the American families have electricity. The REA pioneered in this field by extending loans to cooperatives. Today, private power companies have substantially expanded their activities because the REA showed them that they were neglecting

a large market. We know what electricity has done to our farm families by expanding the market for the products of electrical equipment and lightening the work load for farm families.

Mr. Chairman, another argument which has been advanced in opposition to this bill has been the insistence of private builders that they were effectively meeting the demand for houses for middle-income families. They point to the fact that 51 percent of the houses purchased under FHA insurance were purchased by families whose annual incomes ranged from $2,400 to $4,200. We might question at this point whether, in fact, many middle-income families have not over-extended themselves in purchasing homes. It would appear to me that many have done so principally because alternatives were unavailable.

Investigation shows that most of the houses which the builders claim are intended for the middle-income families have been built in the lower-cost areas of the country. They are small two bedroom economy homes highly unsuitable for families with children. It has been stated that these economy houses will be obsolete and unsuitable within a few years.

But even assuming—as I cannot—that the houses are adequate, they certainly are not being built in and around the cities where the greater part of our population reside. It is not going to do any good for middle-income families in Chicago to know that they might be able to buy a modest home, within the paying ability of the family, somewhere in Georgia or Kentucky.

Recent statistics of the Federal Housing Administration show that one development containing five rooms rented for $100 a month and six rooms for $115. Practically no new housing in Chicago is being built to sell at less than $8,000 and only about six of every 100 new houses at less than $10,000. At these prices, most middle-income families are excluded from the housing market.

During the first 6 months of 1949, 60 percent of the units constructed were offered at rents in excess of $100 per month and only about 5 percent were offered at under $80 per month. And even at these prices, the units constructed were one bedroom or efficiency-type apartments unsuitable to the needs of a growing family. In Chicago, 71 percent of them had three and one-half rooms or less.

Chicago needs additional housing units to take care of this desperate situation. The bill we here propose would be an adjunct to the efforts being made to help the middle-income families.

The city building inspection department of Chicago recently estimated that there were 50,000 people living in 500 buildings half a century or more old, which have undergone so-called "sneak conversions" with improper materials.

What about the veterans in Chicago? The most recent count showed that 160,000 of the 400,000 veterans' families in Cook County were sharing apartments, renting rooms, or living in inadequate trailers or tourist cabins.

This bill would restore the GI home loan provisions to the purposes intended by Congress. Guaranty terms are liberalized and the Veterans' Administration is given permission to guarantee 60 percent up to $7,500 of the total amount of the loan, instead of 50 percent up to $4,000 as at present. Veterans would find it much easier to obtain homes under the changes proposed, and it is hoped that they could move away from the substandard hovels they have fallen heir to upon their return to civilian life.

Mr. Chairman, there recently was held in Chicago a State-wide housing conference. More than 1,500 persons attended the conference which was devoted primarily to a discussion of the manner in which Illinois communities can share in the $2,500,000,000 program for creating more private and public housing. Among those present were officials of the State's 118 housing and land-clearance authorities.

The principal speaker at the conference was our distinguished Gov. Adlai E. Stevenson. He said:

> It should be our purpose to encourage the contribution of what is called private or free enterprise in the solution of the housing problem.
>
> It should be no less our purpose to encourage the solution of this stubborn social and economic ill by the use of public authority and assistance in those areas where private enterprise cannot or will not reach. There is room for a great and purposeful partnership of which the people of Illinois will be the beneficiary.
>
> Nothing will be accomplished by name calling, superstition, political selfishness, and emotional exhibitionism.

Mr. Chairman, the family unit in our society must be preserved. Families are insecure when the home is bad, when the environment is unhealthy. Home ownership is a great stabilizing factor. A good house means a good worker and a better citizen. It means that the family is an asset to democracy and not a liability.

I sincerely hope, Mr. Chairman, that this bill will be passed.

Mr. SPENCE. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Chairman, I believe that the majority of the membership of this House, whether Republicans or Democrats, are greatly concerned about reducing building costs and want to do something about it. However, together with a lot of other Members in this House, I share the conviction that this bill does not accomplish the main purpose that we want it to do, and for that reason I am opposed to the cooperative section of this bill. I think that the features which have been pointed out about its being discriminatory are true; that you give 4 percent of the people of this country 3-percent money and at the same time you charge the other 96 percent of the people of the country 5-percent money. I do not think there is any justification at all that to one group we are going to give a special deal of 3 percent and to the rest of the people we are going to insist that they be charged 5 percent.

It reminds me of a fight we waged in this House not very long ago when we spent the better part of a day and night fighting on a discrimination issue, and the persons who were fighting the hardest for FEPC are now shouting the loudest in favor of another kind of discrimination.

Nor is this a home-ownership program. Anything that takes 50 years to pay off is not a home-ownership program in the true sense of the word, and I think, furthermore, that the benefits in this bill are exaggerated. I do not think, when you talk about 4 percent of your total building market, that you are doing very much toward getting building costs down and providing some relief for the great rank and file of people who want to build homes and want to get them within their incomes. I think we ought to pay attention not only to the 4 percent but to the entire 100 percent of the population on building costs.

That leads me to this conclusion: If we want to attack our basic problem of building costs, let us look to where our building costs are coming from and strike in that direction. I know from experience in California that we are forced to do very many things through FHA requirements that add to our building costs—things which are unnecessary. We are forced to buy a Cadillac-type of home when what we want is a Chevrolet-type of home. Now, there is nothing cheap or shoddy about a Chevrolet, but it certainly does not have the de luxe appearance of a Cadillac. Most of our people want to build a simple home—strong and sturdy—one that does not have all the frills that run the cost up to the point where the family cannot afford to buy a home.

In Long Beach, Calif., a city that is so up and coming that the earth even shakes once in a while, we have a very strong building code, known as the Uniform Building Code. That code has all the requirements and safeguards necessary to good building construction. In that community we have a builder who is erecting two-bedroom unit apartments that he is able to rent for $43 a month. That is within the income and the pocketbook of the average American citizen. Yet that builder cannot get his units financed through FHA, because they do not have some of the frills that FHA insists upon.

If we want to do something to reduce building costs, we must cut into the FHA requirements and let FHA know what the intent of Congress is and insist that FHA reduces some of the frills in order to keep the cost of building down to where the Americans in the middle-income group can stand the price.

I do not say that we should put up shabby homes, because that is not necessary, but if we take the Uniform Building Code on the Pacific Coast which applies also in Kansas City, Kans., Los Angeles, San Antonio, and some 600 communities throughout the United States, and follow their procedure, we can reduce our building costs today by 15 percent, without reducing the soundness of the building at all. If we really want to strike at building costs, here is our direction, and not by trying to rearrange financing rates which, in reality, do not save anybody any money. At 3 percent interest for 50 years, it is going to cost the man who goes in that cooperative just as much in interest as it is

going to cost him for 30 years at 5 percent. There is no saving; merely a financing deal that makes him think he is going to save—but he pays in the long run.

If we want to save costs on building, we should do so where the costs occur, in the construction of a home, and in seeing that our wishes with FHA are made known. I am sure FHA would be glad to cooperate if our Congress took the trouble to let it know what we want.

I believe cooperative housing is a good thing; I think it is American, and a person can go cooperatively, if he wants to. We should not discriminate against cooperatives, but neither should the cooperatives discriminate against the great bulk of the other American people, as proposed in this bill. I believe we should have a separate department, just as the FHA has a separate department, to enable sympathetic and helpful consideration for cooperative building in order that it can bring about better and cheaper costs. Maybe it will show us the way in other respects to get the over-all building cost down. But let us not be misguided by thinking that by making direct arrangements on financing and extension of time we are reducing building costs. We are only kidding ourselves and kidding most of the American public into feeling that when we pass a so-called middle-income housing bill, if we do, we have suddenly solved all of the housing problems.

I think we ought to move in the right direction, and the right direction is to see that our FHA requirements are in line with the needs of the people.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Illinois.

Mr. YATES. I call the gentleman's attention to an article appearing in the Chicago Daily News on March 13, 1950, where it was pointed out that in many parts of the city of Chicago veterans' homes are still temporary after 4½ years.

In an interview with one of the veterans, he said:

> We'd like to buy, but the down payment stops us all. You can't raise two or three kids, pay rent here, meet medical and food bills, and save money on $60 or $65 a week.
>
> So we'll stay as long as we can, and hope someday we can own our own place.

The article shows pictures of the various trailer camps that are still prevalent in the city, a condition which cannot be remedied until decent housing at reasonable prices are afforded to people in this wage group.

Mr. McKINNON. The gentleman will agree that we should do something toward reducing the cost of building?

Mr. YATES. I certainly will. The article I just read shows how necessary it is that costs be reduced. Many people residing in my district in the city of Chicago have told me of their fruitless attempts to organize cooperatives because of the opposition of the FHA. They cannot afford to purchase individual homes under existing FHA legislation; they could do so if they were permitted to join together, as a group, cooperatively, to save a portion of the costs, but they cannot do so because of the Agency's refusal to recognize such organizations.

That is why I believe this legislation is necessary. FHA will not do it now. Cooperative housing will afford the opportunity to lower costs and obtain decent housing for our people. Cooperatives have worked in farm legislation; it should be tried here.

As I see it, this bill is directed to that objective and that is why I support it.

[From the Chicago Daily News of March 13, 1950]

VETS' HOMES ARE STILL TEMPORARY AFTER 4½ YEARS—THOUSANDS SHELTERED IN SHACKS

(By Jack Mabley)

Four and a half years after the end of the war, thousands of veterans, their wives and children are living in the same rickety wartime emergency barracks, row houses, and trailers.

These are the temporary housing projects assembled for emergency shelter for veterans' families at the end of the war.

The Chicago Housing Authority, which collects the rents from the temporaries, describes them this way:

"At best, the temporary dwellings are barely standard. They can be no source of pride for the city; their only virtue is that they have supplied housing of sorts, at one time or another, to nearly 6,000 veterans' families without any other place to live."

Not all of the temporaries are eyesores, or even substandard. The 180 prefabs in Sauganash Homes, Foster Avenue, east of Cicero, are neat, well-kept two- and three-bedroom homes, which are an asset to the community.

But the standard in other projects goes down the scale and reaches a low in the decrepit, drafty trailers that house more than 100 veterans' families at One Hundred and Twenty-ninth Street and Ellis Avenue.

Here families of 4, 5, 6, and in one case 11 live in trailers in a muddy, trash-strewn prairie 500 yards from a teeming city dump.

The trailer homes are so miserable that the city is getting rid of them as fast as they can find new quarters for the occupants. They hope to close the last of the five trailer projects by next fall.

In addition to trailers and prefabs—the two extremes in temporary housing—veterans are living in Quonset huts, reconverted Army barracks, and small plywood units moved here from wartime defense plants.

A Daily News reporter who spent a week talking with these veterans found a surprising lack of complaining. Almost every family had been doubled up with in-laws and prized the independence and relative privacy offered by the projects.

Art Walk, a typesetter, who spent 3 years with the Marines in the Pacific, lives with his wife and three children in a four-room converted barracks unit at 2201 North Central Avenue, in the Hanson Park project.

"When I got out of service we moved in with my in-laws," Walk says. "It was all right until the baby was 9 months old and began to walk. The landlady said the baby sounded like an elephant, and said we had to go.

"I spent $300 trying to find a place. One man whom I asked for an apartment said I'd have a better chance with a dog than with a baby.

"We moved into a one-room trailer. It was small for three of us, and when the second baby was born it was unbearable. There was one toilet building for each 25 families, and only cold water.

"Two years ago we got this four-room barracks. It seems pretty nice after the trailer. We've fixed it up.

"The day we moved in the highest we could get the temperature, with all the heat going full blast, was 47 degrees. But I've filled the cracks, and we keep warm now.

"Everybody here talks about getting out, but that's not easy.

"It's almost impossible to rent a place when you have kids. And if you could rent, they want $35 or $45 a room.

"We'd like to buy, but the down payment stops us all. You can't raise two or three kids, pay rent here, meet medical and food bills, and save money on $60 or $65 a week.

"So we'll stay as long as we can and hope some day we can own our own place."

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I recently called attention to the Members of the House of the critical condition that exists in the United States brought about by the flooding of American markets with foreign imports which are underselling our American-produced goods. The foreign producers are able to undersell American producers for a number of reasons, among others the low wage scale they pay which in many cases is a little better than half what American workers receive. Also the depreciated currencies of many of these countries give them an unfair advantage and they have shipping preferences which give them a direct advantage. On top of all this the ECA and the State Department and the administration will not provide any protection for American producers and American laborers to prevent the American market being flooded by these unfair foreign importations. American tax dollars under the Marshall plan are being used to finance many of these operations which are putting American producers out of business and swelling the already heavy unemployed lists. The unemployed now reach almost 5,000,000.

I recently discussed the lumber industry, the flour-milling industry, and fisheries, which are being ruined by these foreign importations, and now I want to call attention to another industry which is a substantial one in the State of Oregon and my congressional district. Manchurian shelled walnuts are now selling, I am advised, for 42 cents a pound delivered, duty paid in San Francisco, and large quantities are being offered as low as 40 cents a pound, whereas the American product is approximately 60 cents for similar grades. Since the war prices have been reduced 10 cents a pound on this particular grade because of the huge domestic oversupply.

I include as a part of these remarks a letter under date of March 18, 1950, which I have just received from the Northwest Nut Growers protesting the failure of our own Federal officials in affording protection to this thriving industry which also is threatened with extinction if the present programs of the State Department are allowed to continue:

NORTHWEST NUT GROWERS,
Dundee, Oreg., March 18, 1950.

Hon. HOMER D. ANGELL,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN ANGELL: Adding to the troubles of the nut industry which has already been burdened with the huge crops of the nuts produced domestically, we are now confronted with additional supplies of shelled walnuts which are being imported and sold at very low prices.

Only recently I was in San Francisco and personally saw Manchurian shelled walnuts selling for 42 cents per pound delivered, duty paid, to San Francisco. I was told that additional quantities could be purchased for 40 cents. This price compares to our own quotation of approximately 60 cents for a similar grade. Since the first of this year prices have been reduced 10 cents per pound on this grade because of the huge domestic oversupply.

For the life of us we just can't understand why something isn't being done to stop such imports from China and Manchuria which we are certain must be under Communist control.

It has been reported that Nationalist China recently announced its intention to withdraw from the Geneva agreement effective March 5. This is the time, therefore, to see that all concessions made to China in the Geneva agreement be immediately withdrawn. All these concessions surely go to Communist China and indirectly to Russia.

On behalf of the walnut industry of the Pacific Northwest, we would like to urge you to do all you can to see that we get the United States withdrawn from these Chinese concessions.

Sincerely yours,

NORTHWEST NUT GROWERS,
JOHN E. TRUNK,
General Manager.

Mr. Chairman, I sincerely urge that all of our colleagues who are interested in this important problem contact the State Department urging that immediate action be taken.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, the type of housing covered in title I is not only not revolutionary; it is not radical. Ten Republican Members pioneered the idea of direct Government loans to the extent of $3,000,000,000 on long-term credit at low interest for middle-income housing in bills they put in in January 1949, soon after the first session of the Eighty-first Congress convened.—H. R. 1973 and the following. This title carries out the same idea by the sale of Government-guaranteed mortgage bonds. The title deserves our full support in view of the crying need for housing by the moderate income families.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LEONARD W. HALL].

Mr. LEONARD W. HALL. Mr. Chairman, I am opposed to the cooperative-housing features of this bill because it is another long step down the road to socialism. If a cooperative-housing bill like the one now before the House were enacted, it would hasten a day when Americans would be living in Government houses, working for the Government, and paying most of their income to the Government. In short, this kind of bill would speed up the creeping paralysis of socialism.

The excuse for the cooperative-housing bill is the charge that people in the middle-income bracket—$2,400 to $4,800 a year—cannot find homes to buy. This is completely untrue. The Government's own figures show that in 1948, 65 percent of all new houses that were insured by the FHA were bought by people with incomes below $4,800 a year. Total carrying costs for these houses was between $36 and $74 a month. In the first 6 months of 1949 an even higher proportion—68 percent—of the new houses houses went to people with incomes below $4,800 a year. In my own county of Nassau, Long Island, the percentage of new home construction by people with incomes of less than $4,800 a year is even greater than the national average. The very latest estimate given me by the Long Island Home Builders Institute shows that for the last 6 months and continuing now, 75 percent of all the units being built are for the account of people with less than $4,800 incomes. This tremendous increase in established home ownership carries with it its regular proportion of taxes, no special consideration in interest rates. These homes are being bought by Americans carrying their logical load and they are doing it profitably to themselves.

Another way to look at the job that our private building industry has done is to consider how many of our people own their own homes. Here, too, the Government's own figures give the answer. Of all the families not living on farms and earning less than $4,000 a year, approximately half own their own homes. And of these home owners, 75 percent are mortgage free.

These figures show what private enterprise can do when it is given an opportunity. They also show how the American people like to operate: They prefer to obtain their housing through their own thrift and initiative instead of through a Government hand-out.

To find the true purpose of the cooperative-housing bill we need only look at some of its effects.

First, it would put the Government in the mortgage business to the tune of one to two billion dollars. Private lending agencies would be placed at a severe competitive disadvantage because the Government mortgage corporation would be tax exempt. Also, the housing cooperatives would enjoy State tax advantages as well as immunity from Federal income tax. In other words, every person in this country who pays taxes would be subsidizing this housing.

In addition, there would be subsidies in the form of the operating costs of the various Government agencies that would be involved. For example, last year the Public Housing Administration had a staff of 1,730 people and spent almost $7,000,000. The Federal Housing Administration employed 5,180 people and spent $20,000,000. The new National Cooperative Mortgage Association would set up an empire of its own. All of these costs would come from the same old place—the tired taxpayers, including the cooperative home purchasers.

This bill would provide 3-percent loans to home buyers that could run for 50 to 63 years. These terms go far beyond what a prudent private lender can do. They would tend to drive the private lending agencies out of the home business, because all lending would be channeled into the Government. Thus, passage of the bill would undermine our entire savings and investment system—banks, insurance companies, and building and loan associations.

Probably the greatest danger of all is in what the cooperative housing bill would do to the people it is supposed to benefit—the millions of average Americans who work and scrimp and save in order to buy their own home. The harsh truth is that this bill would take them for a sleigh ride.

Suppose a man takes out a 50-year, 3-percent loan of the type proposed by this bill. Because of the long life of the loan, only a small part of his payments in the early years go toward reducing the principal. For the first 10 or 15 years, the house would depreciate at a considerably faster rate than the loan would be paid off. In other words, the man would be carrying a debt loan substantially bigger than the value of his house.

At the end of the first 20 years, when a private home purchaser normally has his house almost completely paid for, the cooperative purchaser would have paid off virtually none of his loan. He would be right back where he started, except that his house would then be 20 years old.

If a man continued to pay for the full 50 years on a $10,000 house, he would have paid a total of $9,300 in interest—almost doubling the cost of his home. But if he had taken out what is now a common private loan—$10,000 at 4 percent for 25 years—his house would be paid for in half the time and he would have paid only $5,800 in carrying charges.

Obviously, this bill could only result in bitter disillusionment and disappointment to home buyers. Instead of promoting home ownership, it would set it back many years.

I think every American who wants to own a home should have every opportunity to buy one. From the earliest days of this Republic, home owners have been the backbone of the country. They should receive the encouragement of Congress. There can be no stronger reason for opposing the cooperative housing bill.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr LEFEVRE].

Mr. LEFEVRE. Mr. Chairman, it is time to take stock. Last year by three lone votes we adopted a program of subsidized housing for the so-called lower third of our people. Today we are faced with a thinly disguised demand for more subsidized public housing for the middle third of our citizens. The question is, Is there a justified demand for this and where will it stop? I believe we are justified in extending the FHA provisions, as we have known them, in the bill, but I sincerely hope this body will strike from this legislation the cooperative section, which sets up a new Government loaning agency, known as the National Mortgage Corporation for Housing Cooperatives. The cooperative feature is merely a cloak to cover the primary purpose which is the formation of giant nonprofit corporations featuring nonowner occupancy of housing at the expense of all the taxpayers, and especially those who own their own homes. Now is the time we should be thinking about getting the Government out of the housing business. To stimulate house build-

ing it has been necessary to adopt the Government mortgage insurance program. But to get better homes and cheaper homes, the time must return for competitive factors to come back in the industry.

If previous records mean anything, last year was a record, for over a million housing units were constructed by private enterprise and this year starts off with even a greater prospect. It is my understanding that this whole idea was inspired by some Members of Congress who visited the Scandinavian countries to study their cooperative housing. Their problems are entirely different from ours. They lack the materials, the labor, and the know-how to adopt our housing methods. They are used to complete planning. They believe in directing labor into various channels and even in giving special favors when special interests are concerned. We live in a free country where private enterprise should be encouraged. We believe in home ownership. For years we have encouraged our citizens to own their own homes. That policy is sound. We know a man's home is his castle—he will fight to protect that home. This is not a home-owning bill. Few would live to see the loan paid out. Remember this is a reckless move to extend mortgages for 50 years—even 60 years, if necessary—and, therefore, we must give serious thought before jumping into such a wild scheme.

This legislation would upset our whole credit system and what a blow it would be to our savings banks and building and loan associations. These institutions are taking care of the needs of our middle-income groups. Millions of our citizens have their life's savings in these institutions and now the administration wants the Government to compete not only with private banking, but it is putting the Government in a position of competing with itself.

Lowering the interest rates to 3 or 3½ percent for a very small segment of our people while the others, including our veterans, are paying 4 to 5 percent, is certainly discriminatory.

There are several million veterans who have seen fit to build homes perfectly willing to pay 4 percent interest on the money needed with maturity from 20 to 25 years. Now the same Government, their Government, comes along and offers a new deal whereby a few could borrow money on a cooperative plan for 3 to 3½ percent and have 50 years, even 60 years, to amortize the loans. I can hear those veterans who are already home owners saying, "suckers again." Let us not let ourselves get in such a position. Vote to strike out title I from H. R. 7402.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, the very language of this middle-income housing bill, shaded with deep hues of socialistic planning in every line, discloses its parents as the socialistic minds of Washington bureaucrats.

It has been thrust upon the Congress as "must" political legislation by those in power in the hope that by promising more homes and lower rentals, they can secure additional votes next November to keep them in power.

To reach this political goal they are willing to spend billions to follow further down the road to socialism, increase deficit spending, and increase inflation which will send the price of buildings and rentals higher.

The Members of this House should, and I believe will, defeat this attempt to further enact legislation that follows the policy of European socialism.

The cost of building material, and the cost of building mechanics is at an all-time high at the present time. The present demand of building construction now has employed every man in the Nation who can drive a nail or lay a brick.

If this bill is passed, adding billions of dollars of cheap Federal money, it will add to the cost through inflation that will drive the price of homes and apartments higher. It is an inflationary shot in the arm that will do great damage to the economy of the Nation. It will falsely deceive and induce thousands of people to enter into long-term mortgages with annual payments which they will not be able to carry through. Everyone seeking new homes or rentals will eventually be hurt.

If the socialistic planners can be defeated and kept on the sidelines, building materials will drop in the future and labor costs may recede, which together will bring about normal lower housing costs. That is what we need today.

This will happen through building in the American way within the next 12 months to the benefit of everyone today who hopes to own a home or improve his rental conditions in the future, if this bill is defeated.

The Federal Reserve Board opposes it, and every economist worth his salt who has given study to this problem knows that this legislation is unnecessary, dangerous to the future of the Government, and not in the interest of those who want better shelter.

The President has asked for an appropriation of $2,125,000,000 with which to start the program. If this program is started, it can cost the Federal Government $10,000,000,000. And if a depression should overtake us in the next few years, the Government might have to foreclose on enough homes and cooperative apartment buildings in the Nation to wreck financial solvency of the Nation.

Mr. Chairman, this bill sets up a new bureau, the National Mortgage Association for Housing Cooperatives, with $100,000,000 of Federal capital, and $25,000,000 for preliminary loans.

The Corporation would be staffed with the Commissioner at $15,000 a year appointed by the President, and a board of five directors appointed by the Commissioner. The Commissioner is invested with the power to dismiss any members who do not adhere to his rules and regulations. This would make the opinion of the directors only advisory.

In reading the bill, I note the salaries of the five directors are not determined, but am advised that the Commissioner will set their salaries. Of course, this gigantic corporation cannot function without a complete office force, and the bill provides "that the Commissioner is empowered to select and fix the compensation of such officers and employees as shall be necessary for the performance of its duties under this title." It is entirely possible that this new bureaucratic department, if this bill is enacted, may be expanded in the future to an increase of 5,000 employees, or more added to the Federal pay roll.

This bill not only provides for setting up cooperatives which may join together under a long-term 50-year mortgage at an interest rate of probably 3 or 3½ percent; but it provides for financing nonprofit housing corporations at an approximate interest rate to run for 50 years. Loans may be made for 100 percent of housing-project cost, and this is defined to include commercial structures and other facilities.

This nonprofit housing corporation provided for in the bill opens the door to favored contractors and corporations who could use large volumes of cheap interest money, possibly in many instances to the detriment of the Government and to those people who may be persuaded to sign a 50-year Government mortgage, finding later that they cannot keep up the payments and would lose all they had put into the project.

Mr. Chairman, this bill is a sham and a fraud. It is political bait held out to the middle-income group who may be classified as those earning from three to six thousand dollars a year.

The slum clearance housing bill passed in the last session proposing to give the lower-income groups rentals partially paid through taxes from all the people from the Federal Treasury also was a political bill, the effect of which was to poison the morale and initiative of those people on the promise they could get something for nothing from the Federal Government. Not a building has been constructed to date under that act.

The effect of this legislation will be to inject the same type of poison into the morale and initiative of the great middle class who have not asked for this legislation and who, in my judgment, will not generally want to participate in its provisions. The middle class Americans of this Nation still have the pride and desire to build their own individual homes where they want them, and of the design they like.

They are the backbone of this Nation and do not want to join and invest their money in a cooperative apartment where, if they ever get it paid for, they will be cooped up like martins or cliff dwellers in a joint enterprise with hundreds of other people.

These Americans are willing to worry to pay for a home of their own selection, located where they desire it, but they will not be willing to invest their money in a cooperative enterprise where, even though they make their payments regularly, they will have to worry as to whether enough of the others in the same cooperative apartment fail to keep up their payments, which would compel the Government to foreclose the mortgage on the entire apartment building,

which would cause those who have kept up their payments to lose all they had put into the project.

Mr. Chairman, this bill is socialistic, or worse. It obligates people mostly in the big cities who are deceived into participating, to continue to live throughout their lifetime in the same apartment and location. Anyone knows that by the loss of a job, by being transferred out of the city, or by a desire to go back to their home town, or back to the farm, they cannot freely and financially afford to desert their apartment and take the loss of payments made.

If one were living in Russia where the man is tied to the job, and tied to the location from which he could not move without the permission of the Government, such cooperative apartments might work very well. Fortunately, the American worker, or professional man who might buy into these apartments, does not live in Russia.

Mr. Chairman, this bill is a fraud, in that it goes on the assumption that it is necessary to help the middle-income group to own their own home. It is a further fraud because it seeks to hold out to the veteran that this bill will give him a better apportunity to own a home. Proof of this statement lies in the fact that under the FHA 81 percent of all FHA Government insured loans during the past year were made to the middle-income group.

It is discriminatory and unfair, in that it now promises a lower interest rate of something over 3 percent to veterans and others, while millions of other veterans and citizens have already entered into contracts for Government mortgage insurance through FHA and guaranties under the Veterans' Administration are paying interest of 4 to 4½ percent.

The FHA and VA programs, at a higher rate of interest, enable the veteran or others to secure a home for a lower final purchase price than does this socialistic scheme. These loans run from 15 to 25 years. This means that such purchasers can pay them off quicker and stop the interest rate. This new proposed legislation binds the purchaser to pay the lesser rate of interest for 50 years, which will make the same type of home in the end cost the purchaser much more money.

Mr. Chairman, let us visualize a young man living in the city who signs up a contract in a cooperative apartment at the age of 30. He does not know how large a family he may have, or whether the apartment will be suited to the care of his family. He does know that it will take him 50 years, if he continues the contract, to own the apartment. If he is still living, he will then be 80 years of age. Who in his right mind at 30 years of age, not knowing where necessity or his work will demand he go, would enter into such a contract?

The sponsors of this bill are the fuzzy-thinking bureaucrats here in Washington. It is endorsed and sponsored by the CIO and some other labor groups. Of course, the CIO leaders will sponsor all such socialistic legislation. That is to be expected. The laboring crowd feels that this may cause more houses to be built, and will provide more work for building mechanics. The administration wants this bill because the labor crowd wants it, and the left-wingers want it. Again, that is understandable, in view of its record of the past.

Mr. Chairman, the administration has another important reason for wanting this bill. That reason is their fear that unless a shot in the arm is given to the expansion of building, that a recession may develop in the latter part of this year which might adversely affect its hope to retain control of Congress in November. Their greater fear along the same line is that if this bill is not passed, that a recession may later develop that will adversely affect their opportunity to win the Presidential election in 1952.

Mr. Chairman, no one wants a recession or a depression to develop. We who oppose this bill know that through the FHA and other aids to building of homes by the Government, and through the tremendous number of homes that are being built through our free enterprise system, that practically every man in the building trades is now employed. We would rather see a leveling off and a reduction of the cost of building material, with wages stabilized and with possible greater production per man-hour, which will bring the cost of homes down to a lower level, than they can now be built. This can be done and the economy of the country will be in a sounder condition.

On the other hand, everyone who has the power to think knows that the high cost of material and labor and oppressive taxation are the greatest roadblocks to more homes at cheaper prices in America. In addition, everyone knows that if this legislation is passed, it will have a tremendous inflationary effect, raising the price of building material and probably raising the wages of labor.

It would be tragic, under such a condition, to deceive thousands, or a million middle-class citizens into signing up 50-year contracts at such inflationary prices, and bind them to carry on the burden for the rest of their lives in making payments, or to move out of the apartments, losing all they had put in.

Mr. Chairman, this legislation can become the cap-sheaf that will wreck the financial solvency of the Nation. It is too big a price to pay to keep the present administration in power.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MITCHELL.]

Mr. MITCHELL. Mr. Chairman, I rise in support of title I of this legislation as an important addition to the tools available to the American Nation for working at its basic housing objectives.

Those objectives are best stated in the declaration of national housing policy of the Housing Act of 1949 as being "the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation."

Those are profound and clearly stated goals with which most of us would agree. Progress toward these goals requires continuing review, and especially consideration of whether or not we have a full set of tools. H. R. 7402 introduces changes in some of the existing tools to make them more serviceable in light of present conditions—and adds an important new service to aid private enterprise to meet an area of need that is now largely unmet and which we should not allow to remain unmet.

That area of need is the need for decent homes adequate for family living by middle-income families. The general range of incomes in that group varies in different areas but has been estimated in studies by the Bureau of the Census as about $2,400 to $3,900 per year in the smaller communities to the higher range of $3,100 to $4,800 in the biggest cities. These ranges include the middle one-third of American families. Especially in the lower half of these income ranges has there continued to be a housing problem of major urgency—with every indication that the problem will long remain.

The average wage earners today who earn from $40 to $75 a week, be they young veteran, older citizens, factory work, or white-collar employee, still are faced with a crisis, should they have to move out of their present shelter for any reason. In most parts of this Nation there continues to be a shortage of decent homes for families with several children; homes which can be had by sale or rent for $40 to $70 per month, including cost of maintenance, utilities, insurance on the house, taxes, and transportation.

This is a crucial problem all over the country. The answer has not been made by efficiency apartments, or those with one or two bedrooms, renting from $80 to $150 per month. The answer is in tiny, shoddy "economy houses" whose actual costs over a number of years will be far higher than advertised in glowing newspaper descriptions.

What will be needed for a long period are well-built homes, adequate in size, standards, and neighborhood pattern for decent family life as all of us appreciate it. Too many families have been forced into paying not only more than a fifth of their income, but as must as a fourth, a third and as high as 40 percent for shelter—and have had to tie themselves into such a situation for decades.

A national housing construction goal of 1,500,000 homes per year for the next 10 years has been recommended by reliable and impartial economists. Last year the building industry was reported to have started 1,025,800 homes, slightly more than the peak reached in 1925 of 937,000. This is commendable, although there has been criticism before the Banking Committee of this House as to the size, quality, location, and above all, the price charged for much of this recent housing.

But we are not facing just an emergency situation. We are now feeling the results of more than two decades of underbuilding, since the collapse of the boom of the 1920's. A decade of depression with building dropping as low as only 10 percent of its previous peak, and a decade of war and readjustment has left the Nation far behind in the tasks of all its families in obtaining decent

homes. Yet, in a Washington newspaper on January 29, 1950, in the real estate section, it was predicted that not over 800,000 dwellings of all kinds would be built in America during 1950. This represents a decline of 20 percent from 1949.

Under the provisions of title I of the bill now under discussion it is estimated that about 250,000 homes could be built. No time is specifically stated, but it has been expressed by witnesses testifying for this bill that such a program might take about 5 years to consummate. This would amount to as much as 50,000 homes per year and probably less than this during the first year or two. Such an average would amount to only about 5 percent when compared with total construction during 1949, and should also be held in mind along with the predicted 20-percent drop in construction.

In the FHA-insured program for rental housing under section 608 alone about 110,000 units were started in 1949. There is a general agreement among public-interest groups that this should not be extended, certainly not beyond the March 1 date now proposed, since it was emergency in nature and highly inflationary in its administration. The dependence of building on governmental help is well illustrated by the promise that the exhaustion of funds now allocated to FNMA would result in a sharp drop in construction.

Any prediction that the middle-income program we are discussing would be inflationary becomes further ridiculous or suspect when compared with such facts as the drop of 8.6 percent in the quantity of building materials produced in 1949 as compared with 1948, and a drop in industrial production of 8.3 percent during the same period. There was also a drop of 24 percent in the principal amount of home loans guaranteed by the Veterans' Administration, and even a slight drop, one-half percent in the total amount of nonfarm mortgages recorded, which in view of the increased number of dwellings in 1949 of 9.4 percent, can only reflect the shrinkage in size and quality of housing constructed.

The housing problem has many parts. Simple over-all averages conceal the bitter problems now faced by large sections of the population. No single tool for improving the situation is adequate, for it is clear that a variety of tools are needed. There was the HOLC which served a great purpose in saving homes of families in every State. The Federal Deposit Insurance Corporation played a role in recreating confidence in banks and getting them to perform needed functions, especially in the field of housing. The Federal Home Loan Bank Board has aided in broadening the service of local building and loan associations.

The FHA, during its prewar years, played a valued part in increasing the amount of investment which would enter into housing by insurance of mortgages, lengthening amortizations, and lowering the interest rate and down payments. The Veterans' Administration has widened the possibility of home ownership among veterans by lowering the interest rate, although the volume of its business has been steadily declining during the last 2 years. Public housing is in the active planning stage in hundreds of local communities throughout the Nation to aid in meeting the most desperate of the low-income housing need—both the need of the low-income families for decent housing and the need of the Nation that every family have a decent place to live and bring up the citizens of the future. Redevelopment programs are under study in dozens of cities, by which cities can remove cancerous blight and replace them with fresh, living, and wholesome neighborhoods of many types.

But the tool which must be added to enable many of these programs to give full service is one which will enable many middle- and lower-middle-income families to help themselves to obtain adequate homes at a monthly cost which they can afford. Such a tool is contained in the middle-income bill under consideration. Vital programs in many communities are and will continue to be stopped by the housing shortage in the middle-income area until this present carefully considered legislation is passed. Civic improvements, freeways, and slum clearance all find hundreds and thousands of families on sites to be cleared—families whose incomes cannot enable them to obtain housing, yet are above the maximum limits for public housing. Some have suggested that the income limits of public housing should be raised to take care of such site occupants. But the opinions of many in this field agree that a more desirable step would be legislation which would make it possible for such middle-income families to help themselves, without subsidy, at no cost to the taxpayers, by the construction of adequate homes in well-planned neighborhoods. That is what H. R. 7402 makes possible.

You are familiar by now with the general provisions of the bill. They are excellently discussed in the report of the House Committee on Banking and Currency. The moderate-size housing program which is made possible by working with local nonprofit and cooperative-housing groups is one tool among many for working at the over-all housing problem, in a special area not now served. Such a program does not compete with other forms of private enterprise, with or without Government protection of the investment, but is clearly an extension into a new area.

Dire predictions were made about the results of FHA when it was established by many of the same interests which have raised questions about the proposed bill—that the lowering of the interest rate, and Government participation in any form would destroy free enterprise or seriously damage it. The results are so obvious that most of these groups which originally expressed opposition, especially the lending institutions, now support all and any extensions of the FHA. During the last few years FHA procedures have certainly aided in a major extension of home ownership, although there has also been sharp criticism that they have aided in inflation of prices for housing as outlined in an article in the Architectural Forum in January 1950. In 1949, 19 percent of all home mortgages recorded—under $20,000—were made by the FHA and 12 percent by the VA. But the other 69 percent were made without Government protection except through deposit insurance in banks and building and loan associations.

It is expected that the pending bill which will insure financing for non-profit and cooperative housing groups will serve the same goal—namely that the successful and careful instituting of what in size is an experimental program will encourage private enterprise to come in and actively participate on a wide enough scale to make the substantial progress that is needed over and above the possibilities of this bill.

Private enterprise and the FHA with few exceptions have refused to finance genuine cooperative housing in recent years or have required such changes in structure, design, and character as to eliminate most of the possible economies and advantages which could accrue to this type of housing construction and operation. Part of this is no doubt due to the memory of what happened to the entire housing market during the depression thirties, including the necessary refinancing of most of the so-called cooperative apartments. Almost all of these were actually speculative and builder promoted during the 1920's. In fact so desirable a speculative technique did this become that the National Association of Real Estate Boards had a cooperative division with 95 members in 11 cities. But these were not cooperative in their origin, construction or benefits.

Some of the opposition is apparently due to the fear of the unknown since it was clear that some of the witnesses testifying against some provisions of the bill did not appear to be familiar with it, its purposes, or with cooperatives. And some of the most unprincipled criticism which has been willing to distort any part of the legislation can only be attributed to a dog-in-the-manger blind self-interest which fears genuine competition in construction costs and methods, or extension of the housing market to a section of our population not now served.

The administrative procedures included in this bill are all tried and tested in other fields and have worked well, without cost to the Government, as is also true of this bill. One of the most successful has been the Rural Electrification Administration, which increased the electrification of the Nation's farmers from less than 15 percent in 1935 to more than 80 percent at present. Repayment of Government loans under this program has been proceeding faster than originally contracted for. At the inception of the program power companies were loud in opposition, and in the prediction that private enterprise would be injured. The actual result has been a tremendous extension of consumer demand for the products of private business and a marked growth of the power companies themselves as the rural electrification cooperatives showed more economical methods of construction and distribution. No one has suffered—all have gained. The operations of the Federal Home Loan

Bank Board in many ways are similar to the administration of the provisions of the proposed legislation. It is a nonprofit pooling of insurance operations to the benefit of all concerned, and with injury to none.

Initiative and responsibility are prominent aspects of the character of our people of which we can be most proud. The courage to pioneer, to cross oceans and plains, to reach out beyond only the old ways of doing things has been a major factor in our progress. We can take pride in the ingenuity of our people, their inventiveness, their willingness to look for new and better ways of solving problems, of improving their homes and communities. Likewise, a civilization can claim to be great to the extent to which it has the ability to discover social inventions, new and better ways of solving human and economic problems.

Cooperative procedures which are found at every level of our business, government, community, and family life are both an old and a new invention. Over 200 organized cooperative and nonprofit housing groups were listed for the House Committee on Banking and Currency. These groups were democratically attempting to improve their housing situation, to provide better homes, and at a better cost than they could obtain singly. Some of these were outstanding successes. Many made substantial contributions to the welfare of their members in achieving part but not all of their objectives. Some have not yet solved problems of obtaining suitable land, or have not gotten by the chief obstacle reported, adequate financing. This, working together toward a good objective is the essence of democracy, a fine combination of taking responsibility, showing initiative, and developing teamwork. Only the foolish or the malicious, or those without valid arguments can call such genuine attempts to solve urgent problems by the name-calling that is too widely used as a feature of our present political life. Such name-calling contributes nothing except an impression of the lack of reasoning and facts on the part of its users.

The middle-income housing program emphasizes people working at their own problems, and envisions a maximum of decentralization away from the Federal Government—with eventual complete decentralization and dissolution of the administrative mechanism. All nonprofit and cooperative groups may prepay on mortgage loans. Reserves are established both in the cooperative housing groups and in the Agency. These reserves will prepay the mortgage loans in full many years before the maximum term possible of such loans.

I have confidence in the ability of the American people to make wise use of this legislation. Present pioneers are needed to cross the frontiers about us—we have plenty of stay-at-homes who mournfully point out all the things which might happen—the opportunities of this legislation should be emphasized, the positive values for democracy, the actual strengthening of the competitive-enterprise system—the meeting of long-continued housing needs and their relation to other programs in our cities, towns, and rural areas—and the positive contribution which this program will make to the building industry, the economy as a whole—and the long-term welfare of our Nation.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I was one of the Members who originally introduced this bill as a means of showing my approval of the principle involved.

I have heard nothing to alter my opinion that this is the democratic way of creating property owners out of renters.

The middle class of America is the backbone of America. These are the small-business operators, the salaried people of middle incomes, the men and women who work with their brains and with their hands and keep our economy functioning, good solid citizens who seldom are subjects of news stories except at birth, marriage, and death.

THIS BILL SHOULD PASS

This bill should pass without any substantial change just as it was reported from the committee. There is no cost to the people of the United States; all this bill proposes is that the middle income people be given the same kind of break that is given millionaires and paupers, through a fixed low-interest loan.

This is democratic economy in action.

I can conceive of no arguments against this measure which can equal in logic and cogency the arguments for it.

Either we believe in free enterprise and equality of opportunity or we do not; and a vote against this bill is a vote of lack of confidence in the ideals we profess. This is truly free enterprise; it is not state enterprise or restricted monopoly enterprise. This is an opportunity for the little man—not the littlest man, but the average man—to get a break from his Government.

All that is proposed in title I is to enable the man in the middle brackets to catch up with himself and acquire a homestead without bankruptcy.

NEW YORK EXPERIENCE

Last December the New York Times carried a report of an argument between City Construction Coordinator Robert Moses of New York City and New York State Housing Commissioner Herman T. Stichman, over the latter's program for the construction of tax-exempt housing projects under the State's limited dividend housing law as a too generous "waiving" of city taxes without the approval of appropriate city authorities. Commissioner Moses was concerned with the costs which fall on the city to provide drainage, sewerage, schools, streets, transportation, playgrounds, neighborhood zoning and other necessary functions occasioned by the State's projects which, as a result of partial tax exemption, do not fully pay their fair share of city services.

This argument has a very important relationship to the bill we have under consideration here. Under the New York State housing programs now under way to stimulate the construction of limited dividend and cooperative housing—and very good projects have been built under these laws—tax exemption is used to bring down costs. This bill would greatly aid New York in overcoming its present necessity of resorting to tax exemption in achieving a solution of its housing difficulties.

If tax exemption is used to stimulate slum clearance or public utility housing construction, the cities suffer financially because of the loss of revenue they suffer through this tax exemption. Cities such as New York, which must rely on real-estate values for its borrowing capacity naturally are hurt when a good part of their property, a good part of the real estate is given exemption.

CLEAR THE SLUMS

This exemption is given in a number of ways, usually in the form of tax freezing at the rate determined by the old obsolete or slum property. In order to clear the slums—which is an admirable idea—the valuation of the new buildings replacing the slum structures is fixed for a number of years at the old rate. This is, of course, a local subsidy. A subsidy means that other property must help carry the load for municipal services, schools, and the like for the new buildings.

In addition to the burden that the loss of tax revenue means to the general city budget, such tax exemptions build ill will among surrounding property owners who are asked to subsidize the new development. Naturally every time a city government condemns land for limited-dividend housing under a tax exemption program, the neighbors have a legitimate complaint. They are quite right when they claim that the new tax exemption means money out of their pockets.

The argument that if the new project were not built, the city would be paying out more toward the policing and servicing of the slum property does not sweeten this deal to the neighbors. What is needed is a device which will encourage the construction of limited-divided housing and cooperative housing but at the same time eliminate the need of any tax exemption at all. We are justified in writing off land costs in slum clearance to the point where those costs reflect the value of the land as used for the housing which replaces the slums. But once rebuilt, these areas should pay their full way along with all other housing in the city. To do otherwise means that the total slum area can never be completely rebuilt since the tax subsidy will set a limit to the operation.

THIS IS THE ANSWER

This present bill meets this very real threat to the financial future of those cities which have been forced to rely on tax freezing or exemption to start slum clearance, or to stimulate limited dividend housing on vacant sites.

The financial aspects of this bill take the place of tax exemption and substitute an economically sound low interest rate for such tax exemption and freezing. Development erected under this bill can and will pay full taxes and in so doing will not encounter the opposition of the neighborhood which otherwise will have to contribute toward the new development. The tax base of our cities,

hence their financial credit, will be safeguarded.

Therefore, in the long-term interests of the financial structure of our cities, I urge the passage of this bill.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BURKE].

Mr. BURKE. Mr. Chairman, there is an argument advanced in this House to the effect that cooperative housing is all right, but that it should be put under the supervision of the Federal Housing Administration. The argument runs along: we must have economy, after all it is a housing measure, and is private housing, so it properly ought to be consolidated with the other aids to private housing in the FHA.

This all sounds very logical on the surface. However, this is not a valid argument. These ideas of putting FHA or HHFA in charge of cooperative housing are simply put forward to kill cooperative housing; they are put forward so that their authors may appear to favor cooperatives and thus avoid the wrath of their constituents but vote for a law which is unworkable.

The people who advocate placing the grave of cooperative housing in the FHA forget that it has already been buried there once before. To their consternation the idea of cooperative housing has so much vitality that it has returned from the graveyard. It has come back to life and comes clothed in the shrouds of the record of how the FHA handled its obligation from the Congress to foster cooperative housing in the interests of the American people.

Let us look at the record of the FHA on cooperative housing. The Eightieth Congress passed Public Law 901, known as the Little Housing Act. It provided that bona fide housing cooperatives composed primarily of veterans could get mortgages insured up to 95 percent of costs, others up to 90 percent; amortization was to run up to 40 years; interest was to be at 4 percent plus 1½ for insurance—the same as FHA gives for one-family houses. This law was passed at the insistence of the American Legion—an organization also supporting the present bill.

What did the FHA do with this law? The story can be told by an illustrative case, a cooperative project in Detroit which came in with an application under the Little Housing Act a couple of days after the President signed the bill. Those of you who want the whole story may find it in the Senate hearings on the housing amendments of 1949, Eightieth Congress, page 326. I only want to summarize it here.

This group came in about a year before the little housing bill was passed and tried to fit their development in as a 608. They met every technical requirement for a 608—they had the land, all the surety bonds required, an approved mortgage—the whole business. Did they get help? They did not. At a time when the FHA was giving speculative builders well over 100 percent of cost commitments, the FHA offered this bona fide nonspeculative housing venture first a 30-percent commitment, then, after protest to Washington, a 60-percent commitment. With 40-percent down payments, financing under FHA was impossible. Yet this project is judged by the local FHA office itself as one of the best designs ever submitted to it. If you speculated—you got 100 percent or more; if you tried to give the consumer a break you got 60 percent.

With the passage of the little housing act things did not improve very fast. The local FHA office in Detroit told the group that they could apply, but that "nothing much would happen." The bill was passed on August 7, but the forms for the co-op applications were not ready until October 28. A dead line of November 10 was set for all old applications for 608 projects for reapplications with loss of application fee threatened if the dead line was not met. But the co-op could not even apply until after November 5, when the FHA finally got around to laying out sketchy regulations for co-op developments.

It was not until January 12 that the group was able to get the Agency to recognize that cooperative housing was home ownership and therefore deserved to be treated as such; i. e., wipe out unnecessary charges such as allowances for vacancies which are inherent in a rental operation but do not apply to home ownership.

It was not until well over a year that the group finally received a commitment for mortgage insurance which would permit the group to ask the membership to deposit their share capital in lieu of down payments and proceed with working drawings. Even then the group had a series of regulations to beat down. The most flagrant was the misuse of amortization methods. A 608 pays off its mortgage in 33 years on a level-payment basis; the co-op was asked to pay theirs off on a declining basis, so that for 10 years the co-op's monthly payments were higher than the charges on a 608, whose mortgage ran for only a shorter time. I am told that only in the last few months has the Agency agreed to consider a level payment for the cooperative on the same basis as now given rental housing. As yet FHA has not agreed to what the present law permits — straight-line payments for 40 years.

The tale takes on a more lurid light when some of the circumstances of the cooperative's fight with the FHA is examined more closely. The circumstances surrounding the granting of the commitment are interesting. The business was dawdling along when the group received a phone call from the chief underwriter in Detroit asking if the cooperative had put the heat on for a commitment. They were called in and instead of getting the commitment in 2 weeks as expected were given it by the end of the week. The group wondered if there could be any connection between the sudden eagerness of the agency to grant a commitment and the fact that Walter Reuther was scheduled to testify on housing before a Senate committee on the following Monday, so that the agency could say a commitment had been granted on a project in which Reuther's union was interested. Now this tale can be repeated all over the country. Similar stories are in hand from Philadelphia, Los Angeles, Chicago, and elsewhere. Hundreds of cooperatives began bravely in this country after the war. Almost all of them tell the same story of stalling and double dealing by the FHA. Many finished the FHA rat race only to find that the delay had enabled the local speculators to set up another by misuse of the zoning ordinances, thereby forcing the cooperative into a prolonged legal battle.

Now this is the record of what the FHA has done. Only where political power has been available to groups have they been able to survive. This housing is not only needed in Detroit, which is the seat of Walter Reuther's progressive United Automobile Workers—it is needed in the small towns and other cities too where the people cannot readily secure the intervention of nationally important figures. If we leave the cooperatives in the FHA, we will only have a continuation of this record.

Why is this? The FHA is staffed with real-estate-minded people. They came from the ranks of real-estate salesmen, mortgage bankers, and so on. This was but natural, as the agency was set up to service conventional mortgages on conventional houses. Naturally these people are out of sympathy and have repeatedly said all down the line in the case I have cited that they are out of sympathy with cooperative housing. They do not understand it; they do not want to understand it.

Now with this state of mind in the Agency—from top to bottom—obviously this Agency is not fit to handle cooperative housing. To put cooperatives under its charge is simply to kill the whole idea, and, therefore, do not be misled, the only reason for putting co-ops in FHA is to kill them.

This is not a personal attack on Mr. Richards or Mr. Gray, who is in charge of co-ops for Mr. Richards. Assuming they or their successors had all the good will in the world, they could not get their agency to properly process co-ops no matter what the orders short of firing the entire staff of the agency. Now this may appeal to some of us as a just reward of maladministration, particularly of the 608 program, but I am not proposing that. I am proposing a simple solution; the setting up of a separate constituent agency to handle cooperative housing.

Such a separate constituent agency could bypass the real-estate-minded staff of FHA and leave it to its present task. A new field staff could be built up trained in cooperative housing as the new agency develops. Here is an apt application of the old adage of a new broom sweeping clean. Because the new personnel would believe in the job, a greater level of efficiency would be achieved at once and maintained. In this way the spirit of national economy would be served, real savings would result in the administration of the new act. The argument of apparent savings of putting the new co-op housing in the FHA is a false logic.

Therefore I want to most strongly support the idea that the cooperative idea be not delivered to the strangulation

which the FHA has in store for it. I want to again point out the hypocrisy of the argument that economy would be served by putting cooperatives in an old-line agency. I most strongly urge that we make the proposed Cooperative Housing Agency a separate constituent agency within the Housing and Home Finance Agency.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, know the truth and the truth shall make you free is a correct statement of fact.

It has been said here in the House of Representatives today in the most tragically serious tone of voice and the most pious manner that any sincere pretending and colorful Congressman humanly could muster up, that section 1 of H. R. 7402 is but a hidden rent subsidy scheme, has not only a socialistic cast but is pure and simple socialism, a sham and a fraud and a bait for votes. Such senseless, wild and frenzied utterances are misstatements of a superlative character and perhaps are entitled justly to be denounced by the use of more rude and profane language than "misstatements." The only hidden rent subsidy scheme, socialistic trend, sham and fraud, and vote-baiting in evidence here today is not contained in section 1 of this bill but seems to have a permanent abiding place, as far as I can ascertain, in the corporation dwarfed and twisted minds of those who have determined to follow blindly the Rule of Gold instead of the Golden Rule, and again throw the air up into that always wide-open cavity just below where their hats repose.

Section 1 of this bill is not a dreamer's idealism as one person here today asserted, but which may not appear in the RECORD, but on the contrary is a very much needed and proper piece of legislation. This section of the bill would not tend to make our economy unstable as is charged here. It is not an inflationary measure as has been claimed, and if by any stretch of the imagination that could be true, then the balance of this housing bill which is supported by the reactionary element here today, where several billion dollars is involved, must be "super-duper" inflationary. No; the inflationary claim could not be a correct one either.

The charge is made that section 1 is a debt-creating piece of legislation but it will not cost the United States Government one cent in the final analysis. It is talking nonsense to say that an investment is a debt. It is the same old nonsense which for over 18 years now has spewed forth from the very fountainhead of political nonsense—the extreme right-winged reactionary groups of the Republican and the Democratic Parties. They may not realize it but they are in a conspiracy against sheltering their homeless fellow men, the defenders of the Nation, just as they are in a conspiracy against the very health of the Nation, and in a conspiracy to grab the natural resources of the Nation, the civil rights of some unfortunate people of the Nation, the electric power of the Nation, the enslavement of the workers of the Nation, the wealth of the Nation, and the morals of the Nation, and every other blessed thing which the people of this Republic have a right to possess also, and to enjoy without let or hindrance.

It has been said here by the gentleman from Iowa [Mr. TALLE] that there is an old Roman proverb which today should be followed, and it is that it would be "a good idea to let well enough alone." I do not know from what proverb vender he received this intellectual fruit, and although his legislative ideas are tremendously ancient, yet I hardly believe that he received this reactionary jewel of thought in person, but it could be so, I suppose. I would like to tender to him a better proverb which will more aptly fit the present-day situation, and it is a good old U. S. A. proverb, "Who in the blazes would be senseless enough to leave bad enough alone." We are not yet in the good-enough age. We are still in the bad-enough age because blind selfishness and greed have to date so decreed.

The opposition does not seem to have the faintest notion of what a home of their own can do for people even though it is mortgaged. It gives people great security. They never have a fear about the rent being raised every time they get a salary increase. They need fear no landlord's eviction notice. They can repair and improve their home to their own liking. Last of all let me remind everyone that a family is the smallest unit of Government. It is the very foundation of Government. If you want the foundations of Government to be strong—to be enduring—you must house the smallest unit of Government properly and not make it live and exist in the unpatriotic and odious shadow of a landlord's money bag and notices of rent increases and poised eviction papers. Give the people a chance to own homes of their own—a plot of land to call their own—an obligation to pay which will develop their thrift and keep them out of mischief and away from the paths of temptation.

A picture has been painted here of the utter ridiculousness and futility of a 25-year-old man buying a home with the aid of a 50- or 63-year mortgage as section 1 of this bill provides. The well-fed, well-dressed, fluent and corpulent speaker wailed out like a banshee from a peat bog that that man would finish paying off the mortgage when he was either 75 or 88 years old. At the moment he, the leader of the opposition, appeared to feel sorry for this poor fellow, because graphically he pictured him doddering down his old home town streets sustained by walking sticks on his weary way to make his last payment on the mortgage. So what! If he was not paying for his own house he would perhaps be doddering down the streets to pay his landlord the rent and perhaps during that 50 or 63 years he would have bought for his landlord several homes for rental purposes and ended up with nothing at all but landlord horrors.

While we are thus "supposing around" I say to you, my glib friend, just suppose he could not dodder down the street anymore on his walking sticks, and did not have the rent, would not he go to the poorhouse? No, my friend, it is better that at 75 or 88 he dodder down the street on sticks to make his last payment on the mortgage, than that he dodder on his sticks down the street to pay his rent to his landlord. You see, in the first instance, he would have security, peace of mind, and a home, and in the second instance, I have pictured God only knows what he would have and he will not tell.

Like an Egyptian seer, my most fluent colleague looked into the future and saw or claimed he saw in the distant offing, step one, step two, step three, and then pure socialism. He saw a $2,000,000,000 program leap into a $91,000,000,000 program. He had "the fears" awful bad for a while, but it didn't last long, but it sure was a good crystal-bowl show while it lasted. This legislation was called the foot-in-the-door technique, the camel's-head-in-the-tent approach. It remained however, for more frank or more talkative men like the gentleman from Massachusetts [Mr. NICHOLSON] and the gentleman from New York [Mr. KEATING] to let the cat out of the bag, so to speak, and tell us in whose door the foot was and in whose tent the camel's head appeared. They said, in effect, that the door and tent was that of the money lenders of the Nation, such as the mortgage houses and the building and loan associations. Why didn't they call the building and loan associations socialistic, because they are cooperatives? It is strange indeed that you have failed to discover that fact and make mention of it here today.

In conclusion I want to call attention to the following letter which all Congressmen received on March 21 last from William Green, the president of the American Federation of Labor. It tells the true facts about this much maligned and misrepresented section 1 of this bill. The people should know the truth about what happened here today, and the truth will free this Republic from the hold which reactionary men still have upon the legislative branch of our Government. Know the truth and the truth shall make you free, I believe, is still a correct statement.

The letter is as follows:

The American Federation of Labor is wholeheartedly supporting H. R. 7402, the cooperative housing bill for middle-income families.

There can be no doubt that additional legislation is needed to meet the acute housing needs of this group whose incomes are too high to qualify them for public housing and too low to afford the new homes being constructed by private builders. Discussion of this bill has developed an unusual amount of confusion. Yet the reasons why you should vote for it are essentially very simple.

The only way the housing needs of this middle-income group can be met without an outright Government subsidy is through a cooperative housing program. In order for cooperative housing projects to get underway, they will need proper private financing. The bill provides this, without any increase in the public debt, by allowing private funds to purchase certain Government-backed debentures. The proceeds from the sale of these debentures would in turn be loaned to cooperatives.

Strict requirements have been included covering allowances for reserves—one-quarter percent—and administration—one-half percent. The cooperative housing projects will be sound business enterprises, with a 10 percent equity required for all participants. Ample safeguards against speculation are also in the bill.

The results of utilizing the cooperative techniques together with the financing arrangements in the bill are the only way to make possible monthly payments of $60–$70 a month on units now renting for $85–$95 a month.

In behalf of 8,500,000 members of the American Federation of Labor, I specifically request that you vote for H. R. 7402, as reported by the House Banking and Currency Committee.

Mr. FORD. Mr. Chairman, will the gentleman from Kentucky yield for a consent request?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, before any Member of the House votes for or against the controversial title I of H. R. 7402 I firmly believe a thorough and complete examination should be made of the precise situation in each Representative's respective district. Although we are legislating for the benefit of the Nation as a whole, none of us should forget that we also represent limited geographical areas. We have a responsibility to reflect the views, understand the problems and seek answers for the citizens who live in our own congressional districts.

No one denies that our Nation still needs additional housing particularly in certain areas where the shortage of homes is still acute. The problem is how to remedy the situation. Should we enact title I, the Cooperative Housing Act, or should we rely on a continuation of legislation such as our existing FHA statute which has worked rather effectively for a number of years.

Under the controversial title I of H. R. 7402 approximately 250,000 homes can be constructed. A new Federal agency, the Cooperative Housing Administration, will handle the job if title I is approved. Interest rates will be 3 percent and the amortization period for the mortgages will range between 50 and 60 years. Down payments will be required. The group seeking to set up a cooperative project must buy an amount of stock in the Cooperative Housing Administration equal to 2½ percent of the total cost of their project at the time the contract for mortgage financing is signed. At the time each family is ready to move in it must put up another 2½ percent. In other words, the total down payment is 5 percent. This would amount to $400 on a home costing $8,000 or $300 on a $6,000 home.

With these facts in mind, will title I aid in solving the housing problem in Kent and Ottawa Counties of Michigan, my district? The proposal might be helpful in some instances but let us examine the record to see whether or not it might have discriminatory or harmful results. Further, will the co-op provision provide a solution which is not already on the statute books.

Titles II and VI of the previous FHA legislation have proved extremely helpful in Kent and Ottawa Counties. I believe we can point with pride to the job done by our local office in Grand Rapids. From various sources and after considerable digging for the facts, I have prepared the following table. Here is the record from January 1, 1946, through December 31, 1949:

Type of loan	Committed 1946–49	Amount of guaranty	Insured	Amount
Kent County:				
Titles II and VI	3,670	$23,845,000	2,621	$17,032,000
Sec. 203 2 (b) (D)	257		124	
Ottawa County:				
Titles II and VI	475	3,087,500	340	2,205,300
Sec. 203 2 (b) (D)	10		6	

I am particularly interested in the section 203 2 (b) (D) loans, for I was somewhat instrumental in initiating the use of this provision among Grand Rapids loaning institutions. This provision provides for mortgages up to $6,000 at 4½ percent with a maximum term of 30 years. The above chart indicates 257 loans of this type are committed in Kent County and 10 in Ottawa County. It is my understanding that many more will be applied for in the months ahead.

In other words, a person, veteran or otherwise, under this provision can buy his own home with a down payment of $300 to $400 and monthly charges of approximately $41 including payment on principal, interest, taxes and insurance. These homes must meet FHA specifications. They include two bedrooms, a living room, a kitchen and dinette, full basement, gas furnace, plastered walls, and a reasonably sized lot.

In addition I would like to mention homes that are being constructed in a slightly higher price range. Here is the copy of an advertisement in the Grand Rapids Herald of March 19, 1950:

This home on your lot, $6,800. Only cash required $150 for mortgage costs. Two large bedrooms, spacious living room, large kitchen and dinette, full basement 32 feet by 24 feet, gas furnace and hot water heater, plastered walls, not prefabricated. Forty-three dollars monthly payment includes taxes and insurance. All this on your lot if acceptable to FHA or Veterans' Administration. Public water supply must be available. No lot? To veterans only—Call us anyway. If you have $300 to $400 cash it may be possible to build this house on a lot of your own choice. We have several lots available or perhaps you have a lot which you would like us to buy for you.

I ask in all sincerity, is not this the kind of housing which is needed, at the right price and on fair terms? The local newspapers include other rather similar advertisements. Another ad reads as follows:

No down payment to a veteran. Forty-three dollars per month (including taxes and insurance).

Here is another advertisement:

Two-bedroom, 1½-story bungalow. Room for third bedroom. Full basement 32 feet by 24 feet. Gas furnace, automatic water heater. Large living room, combination kitchen and dinette. Near schools. Can be purchased on FHA terms or GI loan. Two hundred and fifty dollars down to veterans covers all mortgage costs; $56 monthly payment includes taxes and insurance.

One of the most perplexing problems to low-cost home purchasers is the down payment whether it be $100 or $1,000. Under a combination of title II loans and GI financing homes can be financed with no down payment. I believe under title I a 5-percent down payment in two installments is mandatory with some very limited qualification. In other words, title I will not help the person in the low-income group who cannot acquire sufficient funds for the down payment. In contrast, as I have said before, a combination FHA-GI loan will obviate the necessity of a down payment.

There is justification to the argument that title I is discriminatory, particularly as regards GI's of World War II who have already purchased homes with the help of a GI loan guaranty. In Ottawa County 938 GI's as of February 25, 1950, are now buying homes at 4 percent on a 20-year term. In Kent County as of February 25, 1950, there are 3,035 GI's in the same category. These veterans would be discriminated against by the enactment of title I. There is no 3-percent interest rate for them. They have no 50- to 60-year term for the repayment of their loan.

I recently compiled some facts and figures on the situation in Kent and Ottawa Counties, which should be included in the RECORD:

	Kent County	Ottawa County
World War I veterans	7,759	1,551
World War II veterans	29,472	6,488
Total	37,231	8,039

KENT COUNTY GI LOAN DATA AS OF FEB. 25, 1950

Type of loan	Number of loans	Amount of guaranty and/or insurance	Total dollar amounts of loans
Home	3,085	$8,627,290	$17,388,418
Farm	18	43,182	90,344
Business	137	179,023	394,054
Total	3,240	8,849,495	17,872,816

OTTAWA COUNTY GI LOAN DATA AS OF FEB. 25, 1950

Type of loan	Number of loans	Amount of guaranty and/or insurance	Total dollar amounts of loans
Home	938	$2,359,920	$4,748,253
Farm	6	15,900	31,800
Business	60	78,257	161,305
Total	1,004	2,454,077	4,941,358

If the 3-percent rate in title I is raised to 4 percent there will be no discrimination against those veterans of World War II in Kent and Ottawa Counties who have not yet purchased a home with a GI loan but there will be an everlasting bias against the 4,023 who have already bought or constructed their homes. This injustice can never be corrected unless the 50- to 60-year loan-term provision is corrected.

The gentleman from Michigan [Mr. WOLCOTT] ably showed how ridiculous the 50- to 60-year amortization schedule is under title I. A veteran who is now 25 years old will finish paying for his home at the age of 75 or 85. Obviously this is unsound on its face.

The advocates of title I claim there will be no additional cost to the Federal Government. What about the new agency with the tremendous staff that will be required to handle the "co-op" loan applications? It will undoubtedly require at least 5,000 new Federal employees plus a director at $15,000 per year. Under present conditions the Federal Treasury cannot stand this additional burden.

In conclusion, I wish to emphasize my opposition to title I for the following reasons: First, it will discriminate against GI's who have already purchased homes, some 4,023 in my district; second, the administrative cost burdens will be excessive; the Federal Treasury cannot afford to support a new Federal agency with some 5,000 additional employees; third, existing FHA-GI loan programs can and will provide an ample supply of low-cost and middle-income homes, particularly in the Fifth Congressional District in Michigan.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. LINEHAN].

Mr. LINEHAN. Mr. Chairman, the cooperative housing title of this bill will fill a desperate housing need. In my own city of Chicago, vacancies in existing housing are just about nonexistent. New homes for sale are far out of the reach of families of moderate income. Even if they should go heavily into debt in buying a house and sacrifice needed food and clothing—even if they take the risk of buying a home so expensive that they may eventually lose it in foreclosure—that home will probably still have only two bedrooms. Three bedroom houses are simply too expensive. I for one do not know what a growing family of average income in my city can do to solve its housing problem. I understand that the same conditions exist all through the United States, including small as well as large communities.

The situation with respect to apartments for rent is even worse than that with respect to homes for sale. Less than 6 percent of all new apartments coming onto the market in Chicago have three or more bedrooms. Only 2 percent of new apartments rent for less than $70 and more than half rent for over $110. What are we to tell our people who desire to live a normal family life according to an American standard of living? How are they to raise their children properly while living doubled up with other families or in one bedroom apartments which they have outgrown?

I believe that title I of this bill will contribute materially to solving this problem. It will do so through private enterprise and without Government subsidy. All that the Government need provide is a little help in facilitating the flow of private investment credit and a little technical assistance to help the cooperative get started. The small Federal expenditure needed for technical assistance is well justified by the desperate social need and will pay enormous dividends in terms of the health and well-being of our people.

This title will help our middle-income families to help themselves. Under this title, if they wish to join together in cooperative housing projects, they will be able to obtain a wholesale rate of interest at a level determined in the private money market. All additional administrative costs of the mortgage-lending corporation and all necessary reserves against losses will be included in the over-all interest rate paid by the cooperatives.

Private builders and their subcontractors will do the actual building under contract and will receive a fair profit. Speculative profits will be eliminated with respect to these projects. The projects will be privately owned, privately managed, and will pay full taxes.

This title will in no way interfere with the present business of the building or lending industry since this moderate-income housing will reach a new market not now being reached. In fact, it will add to the total activities of the building industry and help to maintain the current high level of construction. Unless this middle-income market is served, there is actual danger of slipping backward as the demand for housing by high-income families tapers off.

I think this is a fine bill. I think that the Veterans of Foreign Wars, the American Legion, the A. F. of L., the CIO, and the many other public-interest groups which worked closely with the Banking and Currency Committees and the administration in developing this legislation are to be congratulated for having done a wonderful job in the public interest. I hope this bill receives the necessary support on the floor of this House.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I listened to the remarks of my friend and colleague the gentleman from Illinois [Mr. VURSELL]. It is true that representatives of organized labor and of the veterans' organizations and other groups appeared before our committee and endorsed this bill. They said that they had made an intensive study of the existing problem and that the only solution promised was that incorporated in this bill. President Green, of the American Federation of Labor, said that a very large percentage of the members of his organization were in the middle-income group, that it was in the interest of both labor and management that the workers should be adequately housed and that the provisions in title I of the bill before us offered the only possible way for these workers to acquire homes within the range of their financial means.

Mr. John Green, secretary of the National Housing Committee of CIO, testified before our committee that at least 65 percent of the members of CIO, working for private industry, were in the middle-income group. Of him I asked this question—page 366 of the House hearings:

> Having in mind your sole interest is to get housing for your members, who are in the middle-income group, within their means to own or to rent, so that they not only can live in the comfort they are entitled to enjoy but also can be better workers and contribute more to private industry—with that in mind you have made a careful study of the housing problem and having made that study do you know of any better approach to the solution of the problem of providing housing to those in the middle-income group than is offered by this bill?

Mr. Green replied that he knew of no other solution and that title I of the present bill would, in his opinion, do the trick.

The testimony of all the witnesses—including that of the spokesmen for the veteran organizations—was substantially along the same line. The testimony of all the witnesses except the big mortgage bankers and the representatives of the real-estate lobby.

As far as the committee was concerned it then became a simple matter of passing upon the weight and credibility of the evidence on the rule which any American judge would instruct a jury to follow, that in considering such weight and credibility the interest of the witnesses in the outcome of the trial properly should be taken into consideration. The only interest of the witnesses appearing for the labor, veteran, church, and other groups was the general welfare of the people who work and the employers who pay them wages. The interest of the witnesses for the big mortgage bankers and the real-estate lobby was to maintain a status quo which was richly profitable to them.

Mr. John C. Thompson, who is in the real-estate and title-insurance business in New Jersey, appeared in behalf of the National Association of Real Estate Boards. Mr. Thompson is a positive type of individual. He was very sure there was no housing shortage and that the middle-income group was perfectly happy with what it was getting. On page 266 of the House hearings you will find Mr. Thompson's statement that—

> There is absolutely no demonstrated need for the type of mortgage financing proposed, that private industry has to date and will in the future provide mortgage funds at acceptable terms.

Mr. Thompson bravely undertook to fortress his position that the problem of housing for the middle-income group existed only in the realm of imagination. Let me quote his exact words as you will find them on page 272 of the printed record of the House hearings:

> For 25 years the National Association of Real Estate Boards has conducted semiannual surveys of the market. We have just completed our fiftieth. Of a total of 428

cities reporting, I am pleased to report that in 90 percent of the cities new homes are being produced to sell at $8,000 and lower. Sixty-six percent of the cities report new homes to sell for $6,500 and less being built. In these 428 cities, a median of about 45 percent of the production of new homes was in these two price classes.

And, believe it or not, and it was so hard for me to believe that I thought my eyes were failing, positive Mr. Thompson and the National Association of Real Estate Boards had listed my own city of Chicago among the six cities in the United States enjoying the rich opportunity of purchasing fine brand new homes for $6,500 and under. I wish Mr. Thompson would go out to my district and lead my constituents to those "$6,500 and under" homes.

The fact is, as everyone in Chicago knows, that new houses, which aren't any too much at the best, are selling much nearer $12,000 than Mr. Thompson's fairy-story "$6,500 and under." I have here the findings of a housing cost survey just completed by the Americans for Political Action through its local chapters. The cost figures are current as of March 6, 1950. They show that in the Chicago area the minimum cost of a two-bedroom frame house is $11,200 and the average price of a two-bedroom brick house is $13,500.

I am sure the people in Chicago whom I represent will find no fault in my statement to Mr. Thompson that I would be forced to accept his testimony on the whole, as to accuracy and reliability, on the gage of the "$6,500 and under" picture of the Chicago housing market.

Mr. Chairman, the findings of the survey made by the ADA present the true picture. Most of our people in Chicago are in the middle-income group. They cannot afford to buy at these prices or to rent at figures required by these prices. The bill which is before us now provides a remedy to the extent that whereas today, under the present set-up, a certain unit would require a monthly shelter payment of $90, and under this bill that $90 would be shaved down to $64. The difference of $26 a month, made possible by easier mortgage terms and savings in labor and in profits on materials incident to cooperative action, is the difference between what at least one-third of our Chicago families can afford and what they cannot afford.

As to the interest rate, and the effort of the big mortgage bankers and real estate lobby to confuse the public mind, certainly the interest rate will be lower than that obtained in some other types of mortgages. It has to be lower if we are to get anywhere in bringing housing within the reach of our middle-income group. That, I am afraid, is where the shoe hurts. But why families in the urban centers like Chicago aren't as much entitled to 3 percent interest on home mortgages as the farmers under the CCC price-control program, I cannot find anyone on the side of the opposition to even attempt to explain. It is all nonsense to say that the interest of around 3 percent, perhaps slightly over, is unfair to the buyers of homes under FHA and the GI bill. Remember we are not giving for the price of a pair of cotton gloves, a pair of silk gloves. We are giving the opportunity to acquire a home in a cooperative set-up. Of course, if people can afford it, it is much better to have their home, individually owned, and have their own individual mortgage and their own equity. But if they have not the money and cannot get the best, are we going to deny them the opportunity of at least getting the roof? That is all this bill does.

Yes, the interest rate will be 3, perhaps 3⅛ percent. It is necessary that the interest rate be cut down because in the present period when we have high wages and the cost of material is high, and we can do nothing about that, are we going to accept an attitude of defeatism and say to one-third of our American families: "Oh, it is too bad, wages are too high, the cost of material is high and we cannot do anything about it?"

Mr. Chairman, we can do something about it, and this bill is an honest attempt to do something.

I am supporting this bill with no illusion that it is anything more than an honest attempt to meet as best we can, and under the conditions of high wages and high prices for materials now obtaining, the immediate problem of bringing respectable shelter within the reach of a considerable number of American families who are unable to meet present rentals or monthly payments on purchases at the present prices of homes.

I am approaching the problem realistically, as I am forced to do because many, if not indeed most, of my constituents are in the so-called middle-income group. I am willing to give private industry the full credit that it deserves for an unprecedented record in new residential construction. Nevertheless, the homes that are being built are not within the means of a very considerable number of my constituents either to rent or to purchase on the present required monthly payments.

I would not feel comfortable in my own mind and conscience if I returned to Chicago without at least having made an honest attempt to do something. I do not think there is any problem capable of flooring those who earnestly go about finding its solution.

Because housing is the immediate problem of so many of my constituents I was happy over my assignment to the Banking and Currency Committee as it gave me, I thought, a better opportunity to serve them in a field wherein they were so vitally interested. But I found little to cheer me in the testimony of the witnesses who appeared before our committee during the first session. Wages were high, code requirements were expensive, and the result was that small little houses—you might easily mistake them for toy doll houses—were priced for anywhere from $11,000 to $15,000 and upward. Yes, houses were going up, but if they were for rent the rentals were entirely out of the question for the average young couple, certainly for those with young families. If they were for sale the average young couple, or the average family in any age bracket, even with the easiest financing obtainable could not afford the required monthly payments.

Now, what would the House have had the committee do? Admit that it was too bad that a third of the families in America would have to go without respectable shelter but there was really nothing the Congress could do about it? Or would the House have preferred that the committee should have done that which it did do—refuse to accept defeat for the American families whose last hope is pinned upon us?

I have said that I have no illusion that what we are offering is anything more than an honest attempt to bring respectable shelter within the reach of our people. If it is an honest attempt, and has a supporting background of experience and the recommendation of men of sound judgment, I do not think that the American people would excuse us for being timid and vacillating. We have one of but two choices: We can join in this honest and well-considered attempt to do something for these American families or we can join with the mortgage bankers and the real-estate lobby to keep up the interest rates and the moderate-priced housing shortage by doing nothing.

I wish to make it perfectly clear that I have no quarrel with the mortgage bankers and those in the real-estate profession except on the ground of their reluctance to accept anything new, even though the public welfare requires at least some measure of experimentation. The fact is that ever since 1932 the legislation which brought us out of the world's darkest depression into the greatest era of prosperity we have ever known was experimental in the sense that it was new and marked a departure from the practices, largely dictated by the large banking interests, that threw us into the depression starting in black November of 1929. I think most if not all of the bankers of America will agree with me that this kind of legislation which pulled us from the depression and firmly reestablished our stability worked well not only for the general welfare but for the bankers as a group.

It is traditional, and I would say natural, that bankers use the word "No" more than all the other words in the dictionary combined. It is because they have the responsibility of handling other people's money entrusted to their judgment, and everytime they say "Yes" they take on another possible risk and conceivably another headache. It is so much easier to go along doing the thing that they have always done, even when times have changed and new conditions have brought the demand for the abandonment of old ways.

I give credit to the bankers for the caution which they exercise in the functioning of their banks. That caution we respect as long as it is exercised within the proper limitation.

But the judgment of the bankers in matters of legislation, including that affecting their own business, has a long and unbroken record of disillusionment. Even when the Federal Reserve bill first was proposed by President Woodrow Wilson from one end of the Nation to the other the bankers raised a chorus of shocked alarm. It was something new

and bold, something that confidently looked the present in the eye and did not timidly and longingly look back at the dear old couple in the horse and buggy. Therefore, said the bankers, it was bad. I think they long since have admitted the error of their thinking. I am confident that it will be the same when this bill has been enacted and has received the test of experience. I do not need to remind the bankers and the real estate lobby that it was under their setup that the construction boom of the late twenties went smash, and the United States was plunged into a depression that drove a large portion of the men and women of one generation into premature graves. The construction of that banker-guided era—and most of the big hotels and office buildings and palatial apartments you see today were built then—was paid for with the savings of American workers—$11,000,000,000 in bankers' "gold" real-estate bonds that went sour, and most of those bondholders went to their graves penniless.

While a constructive liberal, I hope, I am at heart too conservative to wish another generation to go through that. I must respectfully but firmly decline the suggestion that the mortgage bankers and the real estate lobby crowd will do a better job, if left alone, in 1950 than they did in the late twenties.

The job ahead of us is to provide the way for every American family to have a decent and an adequate roof. We made a good start in the first session by providing for slum clearance and public housing and, equally important research calculated ultimately to bring home construction and cost of acquisition much, much below present prices and really within the comfortable reach of our people. The opportunity is now before us in the second session of the Eighty-first Congress to go forward and give an honest chance under a sound program to the one-third of our American families in the middle-income group.

We came to the Eighty-first Congress with a mandate from the American people to solve the housing problem. An indignant electorate commanded us to break the hold which the real-estate lobby had fastened upon the Eightieth Congress. I cannot speak for my colleagues. In November they in their respective districts must face the men and women in the middle-income group who today are the pawns. The roll call on title I will tell the story where all may read and know. For my part, I would not face ever again the good men and women of the Second District of Illinois if today I accepted defeat for their hope of a home because the real estate lobby convinced me that a housing shortage was a good thing for business and the big mortgage bankers persuaded me that it was better to keep up high interest rates than to provide homes for American families.

Mr. Chairman, I am voting for the middle-income housing bill exactly as it came out of our committee. I am going home when this Congress adjourns with a clear conscience.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SPENCE. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, if I were sure you would not call me out of order, I would urge the page boys to bring out the crying towels, so that I could join my colleagues in shedding copious crocodile tears as some Members of the House condemn this bill as terribly socialistic and discriminatory. Of course, they ignore the fact that along with title I for cooperative housing this bill contains the provisions for increasing FNMA, for increasing and continuing section 608 and all of the other provisions in the law which are not, in their opinion, discriminatory. Those provisions are not special legislation; they do not take care of special groups. They just take care of big business, the financial fraternity of the country, the big builders. Of course, when we do anything like that we are never catering to special interests. But when you try to take care of the forgotten man, the forgotten man who is never forgotten when it comes to taxes, the fellow in the middle-income group who is carrying the tax burden of our Government, you are told you are socialistic, communistic, collectivistic, discriminatory, everything except what it is.

Mr. Chairman, we have been told repeatedly that the Federal Reserve Board has recommended against inflation. It is nice to take the recommendation of the Federal Reserve Board when it is directed against cooperative housing, but why do you not take it when it is directed against the rest of the bill, those parts which are an attempt to create expensive private housing. Section 608 housing, FNMA, and all the rest of it?

Every responsible agency and authority agree that in the next 10 years we will need at least 1,000,000 houses every year to begin to lick the shortage of housing in this country. They have told us also, and the American Bankers Association agrees, that during the current year, we can use 1,500,000 new houses. They tell us we have the material, we have the labor. The only thing we need is the financing.

Title I is intended to provide part of the financing for about 200,000 of those units. The building industry and the financial fraternity tell us that we have just had the highest year of home production since 1925, that there were over 1,000,000 new units started in 1949. They tell us that they will not go over that during the next year, despite the fact that we have the manpower and material available for 1,500,000 houses.

What are you afraid of? Are you really fearful you will give the little fellow, the middle-income group individual, a chance to get his own home?

Oh, do not let us be fooled by this business of long terms and decrepit men of 93 years of age burning their mortgages. Look at the financial pages of your newspapers. I counted in Sunday's New York Herald Tribune of March 19 16 different mortgages that have from 50 to 475 years' maturity at 2 to 4 percent interest. Of course, they are not on homes; they are on railroads. We subsidize the railroads, so that is all right; that is not discriminatory.

In FHA we have mortgages with maturities that run—and I quote from an official document issued by FHA—from 25 to 40 years. Here we set up a plan for 50-year mortgages, with reserves of one-quarter of 1 percent per annum, so that if there are no untoward events, at the end of 40 years they will have accumulated enough to pay off the mortgage. How did you buy your homes? Did you wait until you could pay all cash? Did you wait until you could pay your mortgages off in such a limited time that you would have a free and clear home to give to your children? Very few of us did and very few of us ever will.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Illinois.

Mr. YATES. Is it not possible, under the terms of these mortgages, for the owners to pay them off prior to the expiration date?

Mr. MULTER. Of course it is, and that is why we set up a reserve, and we say that these mortgages will probably be paid off in 36 to 40 years. The usual manner of purchasing a home is with a down payment subject to a mortgage. That home is usually bought by a family man. If the down payment is small enough and the monthly carrying charges low enough, he can acquire that home for himself and his family when they need it most.

By the time his children grow up, get married, and start homes of their own, if he has been fortunate, he may have paid off his mortgage. His family having decreased in size, he looks for smaller quarters and offers his home for sale. He takes a small down payment and the balance is financed by a mortgage. The same procedure may be followed many times.

The net result is that the same home may during its existence house four or five families at different times, and carry a mortgage or mortgages for as much as a hundred years.

Under this bill you avoid all that refinancing with all its headaches and expense.

As a family outgrows its home, or for some other reason desires to dispose of it, the procedure is simple and expeditious. The equity is sold and the new owner takes on with the monthly payments where the old one stops.

Do not lose any sleep over any homeowner not living long enough to pay off these loans.

Cooperative housing is private enterprise at its best. It is the traditional American way of getting on in a highly competitive world.

This is one of the finest methods yet devised to help every American buy a piece of the land.

A land of homeowners is a safe, a democratic, a good land.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

The Clerk will read.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the bill be read by titles.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Housing Act of 1950."

TITLE I—HOUSING FOR MIDDLE-INCOME FAMILIES

PURPOSE

SEC. 101. The purpose of this title is to provide a means whereby housing of sound standards of design, construction, livability, and size for adequate family life, in well-planned, integrated residential neighborhoods, can be produced and made available for families of moderate income, (1) by furnishing technical and other assistance to cooperative ownership or other nonprofit corporations authorized to provide housing; (2) by making financial assistance available to such corporations for housing which is of such design and construction as will promote economies, both in construction and in operation and maintenance, which will be fully reflected in reduced rents or charges; and (3) by facilitating the investment of private capital in the development of such housing. The provisions of this title relating to encouraging and assisting nonprofit cooperative ownership housing corporations shall be administered in a manner which will encourage and assist (1) families of moderate income in acquiring (subject to the right of the cooperative to repurchase) ownership of their individual dwellings where such dwellings are free standing, and (2) the association of persons into such cooperatives who (by reason of their like interests, association together in other fields, or otherwise) will contribute to the sound integral character and success of such cooperatives, provide necessary leadership therein, involve democratic voting principles, and avoid any speculative use of such cooperatives. The provisions of this title shall also be administered in such manner as will encourage and assist cooperative ownership and other nonprofit housing corporations, individually or through joint undertakings, (1) to make the experience gained in connection with their housing projects fully available to other such organizations, (2) to consolidate, wherever feasible and in the interests of greater efficiency and economy, the personnel and facilities used for the development and management and operation of their housing projects, and (3) as rapidly as feasible, to establish and maintain, through their own resources, competent skills and services required to supply the technical advice and assistance required in the planning, financing, development, construction, acquisition, and operation and management of housing projects by cooperative ownership and other nonprofit housing corporations, to the end that the technical advice and assistance available therefor pursuant to section 103 hereof may be gradually reduced and terminated.

COOPERATIVE HOUSING ADMINISTRATION

SEC. 102. There is hereby established a Cooperative Housing Administration to be headed by a Cooperative Housing Commissioner (hereinafter referred to as the Commissioner) appointed by the President. The Cooperative Housing Administration shall be a constituent agency of the Housing and Home Finance Agency, and the basic rate of compensation of the Commissioner shall be the same as the basic rate of compensation established for the heads of other constituent agencies of the Housing and Home Finance Agency. The Administrator shall be responsible for the general supervision of the functions of the Cooperative Housing Administration, and shall be responsible for the coordination of its functions with the functions of the other constituent agencies of the Housing and Home Finance Agency. The Administrator shall be responsible for coordinating the activities of the National Mortgage Corporation for Housing Cooperatives with the housing functions and activities administered within the Housing and Home Finance Agency and with the general economic and fiscal policies of the Government. The Commissioner may, in his discretion, delegate, and authorize successive redelegations of, any of the functions, powers, and duties vested in him by this title to such officers, agents, or employees (including, with the consent of the Administrator or the head of the constituent agency concerned, any officer, agent, or employee under their direction and supervision) as he may designate.

TECHNICAL AID TO COOPERATIVES

SEC. 103. To assist in achieving the purposes of this title, the Commissioner is authorized and directed to furnish technical advice and assistance in the organization of nonprofit cooperative ownership housing corporations and nonprofit corporations of the character described in section 116 (a) hereof in the planning, financing, development, construction, acquisition, and operation and management of their housing projects, and in the development and use of practical means for members of cooperatives to acquire (subject to the right of the cooperative to repurchase) ownership of their individual dwellings where such dwellings are free standing.

PRELIMINARY ADVANCES OF FUNDS

SEC. 104. To further assist in carrying out the purposes of this title, the Commissioner, upon application by an eligible borrower, may make a preliminary advance of funds to such borrower to assist in the formulation of a proposed housing project eligible for a mortgage loan under section 110 hereof: *Provided* That such preliminary advance of funds shall be limited to the amounts required for necessary work preliminary to construction, and shall in no event exceed an amount equal to 5 percent of the estimated development cost of such project as determined by the Commissioner: *And provided further*, That no such advance of funds shall be made until the Commissioner shall have determined that the borrower is a bona fide nonprofit cooperative ownership housing corporation or a private nonprofit corporation of the character described in section 116 (a) hereof, that the organization of the borrower and its proposed methods of operation are such as will avoid its use for speculative purposes or the payment of excessive fees, salaries, or charges in connection with the housing project, that, in the case of a nonprofit cooperative ownership housing corporation, its organization and proposed methods of operation are such as will encourage the association therein of persons who will contribute to the sound integral character and success thereof, provide necessary leadership therein, and involve democratic voting principles, and that the borrower proposes to undertake a housing project designed to meet the housing needs of families of moderate income. Such advance of funds shall bear interest at the applicable going Federal rate plus one-half of 1 percent, and shall be repaid out of the proceeds of any construction or other loan obtained by the borrower for the project.

PROVISION OF FUNDS

SEC. 105. (a) To obtain funds for preliminary advances as provided in section 104, the Commissioner may, with the approval of the President, issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $25,000,000.

(b) Notes or other obligations issued by the Commissioner under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued under this section and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All purchases, sales, and redemptions by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

(c) Funds made available to the Commissioner pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Principal repayments on advances made under section 104 shall be applied to the retirement of notes or other obligations issued by the Commissioner pursuant to this section: *Provided*, That this requirement shall not be construed as limiting the authority of the Commissioner under section 105 (a). Other receipts and assets obtained or held by the Commissioner in connection with the performance of his functions under this title shall be available for any of his functions thereunder. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for administrative expenses of the Commissioner in carrying out his functions under this title.

POWERS OF COMMISSIONER

SEC. 106. The Commissioner shall supervise the National Mortgage Corporation for Housing Cooperatives (hereinafter referred to as the Corporation) created by section 107 (a) of this title, shall perform the other duties prescribed herein, and shall have the power to adopt, amend, and require the observance of such rules, regulations, and orders as shall be necessary from time to time for carrying out the purposes of this title, and in carrying out these responsibilities the Commissioner shall consult with the board of directors of the Corporation who shall, in addition to their responsibilities under section 109 hereof, act as an advisory board to the Commissioner in the administration of this title. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may exercise any of the powers enumerated in the second sentence of section 107 (a) of this title and shall—

(a) take such steps as he deems necessary and desirable to assure that the benefits of the nonprofit character of any borrower hereunder are not dissipated through speculative devices, to assure that the organization of the borrower and its proposed methods of operation are such as will avoid its use for speculative purposes or the payment of excessive fees, salaries, or charges in connection with the housing project, and to encourage borrowers to adopt methods by which occupants of dwellings may be permitted to reduce their rentals or other

occupancy charges by occupant maintenance and repair or other means of self-help and methods whereby they may acquire (subject to the right of the cooperative to repurchase) ownership of their individual dwellings where such dwellings are free standing;

(b) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(c) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Commissioner as the making of advances of funds and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(d) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

CREATION AND POWERS OF NATIONAL MORTGAGE CORPORATION FOR HOUSING COOPERATIVES

SEC. 107. (a) To effectuate the purpose of this title, there is hereby created a body corporate to be known as the "National Mortgage Corporation for Housing Cooperatives" with authority, as herein provided, to make and service loans, issue obligations in such amounts, at such times, and on such terms as the Corporation may determine, and to exercise the other powers and duties prescribed in this title. In the performance of, and with respect to, the functions, powers, and duties vested in it by this title, the Corporation, notwithstanding the provisions of any other law, may—

(1) adopt and use a corporate seal;

(2) sue or be sued in any Federal, State, or local court of competent jurisdiction;

(3) enter into contracts without regard to section 3709 of the Revised Statutes and make advance, progress, or other payments with respect to such contracts without regard to the provisions of section 3648 of the Revised Statutes, and include in any contract or instrument made pursuant to this title such other provisions as the Corporation deems necessary to assure that the purposes of this title will be achieved;

(4) foreclose on any property or take any action to protect or enforce any right conferred upon it by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which it has made a loan pursuant to this title;

(5) pay all expenses or charges in connection with, and deal with, complete, reconstruct, improve, rent, manage, make contracts for the management of, or establish suitable agencies for the management of, or sell for cash or credit or lease in its discretion, in whole or in part, any project acquired pursuant to this title and to pursue to final collection by way of compromise or otherwise all claims acquired by, or assigned or transferred to, it in connection with the acquisition or disposal of any housing project pursuant to this title, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real or personal property: *Provided*, That any such acquisition of real property shall not deprive the State or any political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under State or local laws of the inhabitants on such property;

(6) acquire, hold, sell or exchange at public or private sale, or lease, or otherwise dispose of, real or personal property, and sell or exchange any securities or obligations;

(7) obtain insurance against loss in connection with property and other assets held;

(8) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term, of any contract or agreement to which it is a party or which has been transferred to it pursuant to this title;

(9) utilize and act through, without regard to section 3709 of the Revised Statutes, any Federal, State, or local public agency or instrumentality, or nonprofit agency or organization, with the consent of the agency or organization concerned, and contract with any such agency, instrumentality, or organization for the furnishing of any services or facilities; and may make advance, progress, or other payments with respect to such contracts without regard to the provisions of section 3648 of the Revised Statutes; and

(10) do all things which are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

(b) The corporation shall have power, with the approval of the Commissioner, to select, employ, and fix the compensation of such officers and employees as shall be necessary for the performance of its duties under this title, without regard to the provisions of laws applicable to the employment, compensation, leave, or expenses of officers and employees of the United States: *Provided*, That the rates of basic compensation of its officers and employees shall be comparable to those established for officers and employees under the Classification Act of 1949. Except as provided in provisions of law relating specifically to mixed-ownership Government corporations, the Corporation may determine the necessity for and the character of its obligations and expenditures and the manner in which they shall be incurred, allowed, and accounted for. The business of the Corporation shall not be considered official business of the United States within the meaning of any statute permitting the free use of the United States mails.

CAPITAL STOCK

SEC. 108. (a) The Corporation may issue capital stock from time to time which shall be subscribed for by the Secretary of the Treasury on behalf of the United States, and payments for such subscriptions shall be subject to call in whole or in part by the Corporation: *Provided*, That the total amount of such stock subscribed for and held by the Secretary of the Treasury at any time shall not exceed $100,000,000. Stock held by the Secretary of the Treasury shall be preferred as to dividends and assets of the Corporation and shall be entitled to cumulative dividends for each year equal to a return on the average amount, at par, of such stock outstanding during such fiscal year at a rate determined by the Secretary of the Treasury, taking into consideration the probable term of the stock investment and the current average rate on outstanding marketable obligations of the United States as of the last day of the sixth month of such fiscal year. The Corporation shall issue to the Secretary of the Treasury receipts for pay nents by him for or on account of such stock, and such receipts shall be evidence of the stock ownership of the United States. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to enable the Secretary of the Treasury to make payments on such stock when called. Such stock or any part thereof may be retired at any time by the Corporation.

(b) The Corporation may issue capital stock from time to time for subscription by eligible borrowers. In order to assure direct financial participation by borrowers, each eligible borrower shall, as a condition precedent to obtaining any mortgage loan from the Corporation as hereinafter provided, subscribe for capital stock of the Corporation in an amount equal to 10 percent of the original principal amount of such loan. In the case of a borrower of the character described in section 116 (a) (1) hereof, such stock subscriptions shall be paid for in cash at the time of application for the loan, or, at the election of the borrower, one-fourth of the total amount payable shall be paid at the time of application, one-fourth shall be paid when the housing project, for which such loan is made, is completed and ready for occupancy as determined by the Corporation, and the balance shall be paid in installments within 20 years thereafter. In the case of a borrower of the character described in section 116 (a) (2) hereof, such stock subscription shall be paid in installments within 20 years after the receipt of the first proceeds of the loan. Each borrower shall hold such stock in the Corporation until the value thereof shall equal, or be greater than, the unpaid balance of the mortgage loan, and any such unpaid balance shall be paid out of the proceeds of any sale of such stock. Dividends payable on stock paid in by a borrower shall be credited to any payments subsequently due on the stock subscription of such borrower.

(c) After the amount of capital of the Corporation paid by such subscribers, other than the United States, equals $50,000,000, the Corporation shall thereafter apply annually to the payment and retirement of the shares of the capital stock held by the Secretary of the Treasury all sums paid in as capital until all such capital stock held by the Secretary is retired at par plus any dividends which shall have accrued on such stock: *Provided*, That no such capital stock held by the Secretary shall be retired if such retirement would reduce the net capital, reserves, and surplus of the Corporation to an amount less than $150,000,000.

(d) Upon any liquidation of the Corporation, all stockholders (including the United States if any of its stock has not been retired) shall share, in proportion to the stock held, in any assets of the Corporation in excess of the amount necessary to retire all outstanding stock at par, to pay accrued dividends on preferred stock, and to retire, pay, or settle all outstanding obligations and claims.

BOARD OF DIRECTORS

SEC. 109. The management of the Corporation shall be vested in a board of five directors appointed by the Commissioner. The directors who are first appointed shall be designated to serve for terms of 1, 2, 3, 4, and 5 years, respectively, from the date of their appointment, but thereafter directors shall be appointed for a term of office of 5 years except that all vacancies shall be filled for the unexpired term. A director shall hold office until his successor has been appointed and has qualified, unless sooner removed according to this section. The first and third vacancies resulting from the expiration of the initial terms of office shall be filled by the appointment of directors from among the members of stockholding corporations or other persons representative of housing cooperatives, and the successors to each of such directors shall also be appointed from among members of stockholding corporations or other persons representative of housing cooperatives. The Commissioner shall designate a chairman from among the directors. The Commissioner may remove a director from office at any time for inefficiency or failure to comply with any applicable provisions of this title or regulations issued thereunder. The Corporation may pay its directors reasonable compensation for their services and necessary expenses, subject to the approval of the Commissioner.

MORTGAGE LOANS

SEC. 110. (a) To assist the production of housing of sound standards of design, construction, livability, and size for adequate family life available for families of moderate income, the Corporation, upon application of an eligible borrower (as herein defined) and subject to the terms and conditions of this title, may make a mortgage loan (including advances during the development of the housing project) to such borrower to finance the development of a housing project to be undertaken by such borrower: *Provided,* That no such loan shall be made unless—

(1) the Commissioner shall have certified that—

(A) the borrower is a bona fide nonprofit cooperative ownership housing corporation or a private nonprofit corporation of the character described in section 116 (a) hereof and that, in the case of a nonprofit cooperative ownership housing corporation, the membership thereof is comprised of families of moderate income, or that, in the case of a nonprofit corporation to operate such housing project, the dwellings in such housing project are to be made available to families of moderate income;

(B) the proposed housing project will meet a need for housing for families of moderate income;

(C) the location and physical planning of the housing project will afford reasonable assurance as to the stability of the neighborhood, and the dwellings in the housing project will meet sound standards of design, construction, livability, and size for adequate family life; and

(D) the housing project will not be of elaborate or extravagant design or construction, and such design and construction and the proposed methods of construction and of operation and maintenance are such as will promote such economies as are contemplated to be achieved through the nonprofit character of the borrower, increased efficiency in production through the use of new or improved materials and techniques and methods of construction or otherwise, increased efficiency in operation and management, minimum necessary operating services, occupant maintenance, or otherwise; and

(2) the borrower shall have agreed with the Corporation—

(A) that it will not incur or pay any excessive fees, salaries, or charges in connection with the housing project;

(B) to establish an initial schedule of rents or charges for the dwellings in the housing project which will permit such dwellings to be made available for families of moderate income, and that such initial schedule of rents or charges and all revisions thereof shall be subject to the prior approval of the Corporation: *Provided,* That the Corporation shall not approve any initial schedule of rents or charges unless the Commissioner has certified that such rents or charges will permit the dwellings to be made available for families of moderate income;

(C) in the case of a borrower of the character described in section 116 (a) (2) (i), to give preference in the selection of tenants for the housing project (as among eligible applicants)—

First, to families which are to be displaced by any low-rent public housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within 3 years prior to making application for admission to the housing project of the borrower; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected;

(D) to maintain the housing project, including all equipment therein, and all appurtenances thereto, in good condition throughout the life of the mortgage loan, and to establish and maintain adequate reserves for repairs, maintenance, and replacements necessary to so maintain such housing project; and

(E) to comply with such other terms and conditions as the Corporation finds, prior to the mortgage loan, are necessary or desirable to carry out the purposes of this title.

(3) in the case of a borrower of the character described in section 116 (a) (1), the members thereof at the time of making application for the mortgage loan shall be equal to at least 50 percent of the number of members proposed to be served by such housing project: *Provided,* That, prior to the receipt of any proceeds of such mortgage loan, the members of such borrower shall be equal to at least 80 percent of the number of members proposed to be served by such housing project.

(b) The mortgage loan shall involve a principal obligation in an amount (1) not exceeding the development cost (as herein defined) of the housing project as determined by the Commissioner; and (2) not exceeding such amount as the Commissioner shall have determined to be the maximum within which the project must be constructed in order that it may be made available for families of moderate income at rentals or charges within their means.

(c) The mortgage loan shall provide for complete amortization within a period of 50 years by periodic payments upon such terms as the Corporation shall prescribe, and shall bear interest, on the amount of the principal obligation outstanding at any time, at a fixed rate, taking into account the cost to the Corporation of capital investment and borrowings from the private market, plus a percentage to compensate the Corporation for its estimated overhead and administrative expenses in connection with such loan and for proportionate payments to required reserves. In the event of the refinancing of the loan (within such period as the Corporation shall prescribe), if the cost to the Corporation of capital investment and borrowings from the private market makes necessary an increase in the rate of interest which, pursuant to this subsection (c), the Corporation is required to charge on the mortgage loan, the amortization period may be extended to a date not later than 60 years after the date of the original mortgage: *Provided,* That no such extension shall be made unless the Corporation determines that the increase otherwise resulting in the rents or charges for the dwellings in the housing project would adversely affect the stability of such housing project. The mortgage loan may, in the discretion of the Corporation, include provisions for the deferment of payments of principal and interest thereunder: *Provided,* That such deferments shall not in the aggregate result in an extension of the maturity of the mortgage for a period of more than 3 years nor shall any such deferments result in an extension of the maturity of the mortgage for more than 3 years beyond the mortgage maturity otherwise authorized herein.

(d) Subject to the provisions of this section, the mortgage loan shall be in such form, contain such provisions as to security, repayment, and redemption, and be subject to such other terms and conditions as the Corporation may determine: *Provided,* That in the case of a borrower of the character described in section 116 (a) (1), the mortgage loan shall contain provisions requiring that such borrower have, to the extent permitted by State and local law, a priority for the purchasing of the interest of each of its members in the dwelling of such member in the event of the sale of such interest.

(e) The borrower may, with the consent of the Corporation, pledge the contract or commitment of the Corporation to make a mortgage loan hereunder as security for a loan of construction funds from other sources.

(f) The Corporation may charge to the borrower (in addition to any interest charges) an amount not exceeding 2½ percent of the principal amount of the mortgage loan for inspection and other services during the construction of the housing project. Such service charges may be included as a part of the development cost of the project and may be payable from the proceeds of any mortgage loan or advances thereon.

OBLIGATIONS OF CORPORATION

SEC. 111. The Corporation is authorized to issue and have outstanding on and after July 1, 1950, notes or other obligations in an aggregate amount not to exceed $300,000,000, except that with the approval of the President such aggregate amount may be increased at any time or times on or after July 1, 1951, by additional amounts aggregating not more than $1,700,000,000 upon a determination by the President, taking into account the general effect of any such increase upon conditions in the building industry and upon the national economy, that such increase is in the public interest: *Provided,* That the aggregate amount outstanding at any one time shall not exceed (1) fifteen times the aggregate par value of the Corporation's outstanding capital stock and surplus, or (2) the unpaid principal of mortgage loans contracted for or held by it under this title (without regard to amounts of prior advances on such loans), plus the amount of its cash on hand and on deposit and the amount of its investments authorized herein. The notes and other obligations issued by the Corporation shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of such notes or other obligations. In the event the Corporation fails to pay upon demand, when due, the principal of, or interest on, any obligations so guaranteed, the Secretary of the Treasury shall pay to the holders the amounts thereof which are hereby authorized to be appropriated, and thereupon to the extent of the amount so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such notes or other obligations.

RESERVES, DIVIDENDS, AND INVESTMENT OF FUNDS

SEC. 112. The Corporation shall carry to a specific reserve account for losses semiannually from interest receipts on mortgage loans amounts equal to one-fourth of 1 percent per annum of the then outstanding balance of such mortgage loans. The Corporation shall make such charge-offs on account of depreciation or impairment of its assets as the Commissioner shall require from time to time. In addition to the specific reserve account for losses, the Commissioner shall require the establishment and maintenance of, and the Corporation shall establish and maintain, such other reserve or reserves as he deems necessary. No dividends shall be paid except out of net earnings remaining after all reserves and charge-offs required under this title have been provided for, and then only with the approval of the Commissioner. Such reserves, and all other funds of the Corporation not invested in mortgage

loans or operating facilities, shall be kept in cash or on deposit or invested in bonds or other obligations of, or guaranteed as to principal and interest by, the United States.

TAXES

SEC. 113. All real property and tangible personal property of the Corporation shall be subject to State, county, municipal, or local taxation to the same extent according to its value as other similar property is taxed, and any real property shall be subject to special assessments for local improvements. Except as to such taxation of real property and tangible personal property, the Corporation, including but not limited to its franchise, capital, reserves, surplus, income, assets, and other property, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. All notes and other obligations of the Corporation shall be exempt both as to principal and interest from all taxes (except surtaxes, estate, inheritance, and gift taxes) imposed by any State, county, municipality, or local taxing authority.

PROTECTION OF LABOR STANDARDS

SEC. 114. In order to protect labor standards—

(a) any contract for a loan pursuant to this title shall contain a provision requiring: (1) That not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Commissioner, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development, and to all maintenance laborers and mechanics employed in the administration, of the housing project involved; (2) that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the housing project involved; and (3) that certification as to compliance with the provisions of this subsection be made prior to the making of any payment under such contract;

(b) the provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to any housing project financed in whole or in part with funds made available pursuant to this title;

(c) any contractor engaged on any housing project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular housing project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

PENALTIES

SEC. 115. (a) Any person who induces or influences a borrower hereunder to purchase or acquire property or to enter into any contract, in connection with any housing project to be financed, in whole or in part, with a loan made under this title, and willfully fails to disclose any interest, legal or equitable, which he has in such property or such contract, or any special benefit which he expects to receive as a result of such contract, shall be fined not more than $5,000, or imprisoned for not more than 1 year, or both.

(b) No individual, association, partnership, or corporation (except the Corporation established under this title) shall hereafter use the words "national mortgage corporation for housing cooperatives," or any combination of such words as the name or a part thereof under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding $1,000.

(c) Whoever, for the purpose of obtaining any loan under this title, or any extension or renewal thereof, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Corporation under this title, makes any statement, knowing it to be false, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 1 year, or both.

(d) Whoever (1) falsely makes, forges, or counterfeits any obligation, in imitation of or purporting to be an obligation issued by the Corporation, or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited obligation purporting to have been issued by the Corporation, knowing the same to be false, forged, or counterfeited, or (3) falsely alters any obligation issued or purporting to have been issued by the Corporation, or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true, any falsely altered or spurious obligation issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than 5 years, or both.

(e) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged, or otherwise entrusted to it, or (2) with intent to defraud the Corporation or any other body, politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of or to the Corporation, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bond, or other such obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than 5 years, or both.

(f) All general criminal and penal statutes of the United States relating to public moneys, property, or employees of the United States shall apply to public moneys, property, and employees of the Corporation. No officer or employee of the Corporation shall participate in any matter affecting his personal interests or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

DEFINITIONS

SEC. 116. As used in this title, the following terms shall have the meanings, respectively, ascribed to them below, and unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Eligible borrower" or "borrower" shall mean (1) any private nonprofit cooperative ownership housing corporation the permanent occupancy of the dwellings of which is restricted to the members of such corporation, or (2) any private nonprofit corporation authorized to provide dwellings (i) the occupancy of which is to be permitted in consideration of agreed charges, or (ii) for sale to a corporation of the character described in clause (1) of this paragraph.

(b) The term "corporation" (except when used to designate the corporation created by section 107 hereof) shall mean either "corporation" or "trust" and references to members of such corporations shall with respect to trusts mean the beneficiaries thereof.

(c) "Family of moderate income" shall mean any family of two or more persons within the estimated middle one-third, according to total money income from all sources, of all such families in the locality or metropolitan area where the housing project is to be located.

(d) "Housing project" shall mean a project (including all property, real and personal, contracts, rights, and choses in action acquired, owned, or held by a borrower in connection therewith) of a borrower designed and used primarily for the purpose of providing dwellings: *Provided,* That nothing in this title shall be construed as prohibiting the inclusion in a housing project of such stores, offices, or other commercial facilities, recreational, or community facilities, or other nondwelling facilities as are necessary appurtenances to such housing project.

(e) "Development cost" shall mean (1) the amount of the reasonable costs incurred by the borrower in, and necessary for, carrying out all works and undertakings for the development of a housing project and shall include the cost of all necessary surveys, plans and specifications, architectural, engineering, or other special services, land acquisition, site preparation, construction, and equipment, interest incurred during the development of the housing project up to the time of completion, initial working capital for the administration of the housing project, necessary expenses (including any initial operating deficit) in connection with the initial occupancy of the housing project; and the cost of such other items as the Commissioner or Corporation shall determine to be necessary for the development of the housing project, or (2) the cost, as approved by the Commissioner or the Corporation, incurred by the borrower in and necessary for the acquisition of a housing project developed with a loan made under this title.

(f) "Mortgage" or "mortgage loan" shall mean a first mortgage on real estate, in fee simple, or on a leasehold (1) under a lease for not less than 99 years which is renewable or (2) under a lease having a period of not less than 75 years to run from the date the mortgage was executed; and the term "first mortgage" shall mean such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

(g) The term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918.

(h) The term "going Federal rate" shall mean the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more.

(i) "State" shall mean the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(j) "Administrator" shall mean the Housing and Home Finance Administrator.

MAXIMUM FUNDS FOR ANY ONE STATE

SEC. 117. Not more than 10 percent of the funds provided for in this title, either in the form of advances or loans, shall be expended in any one State.

AMENDMENTS OF OTHER ACTS

SEC. 118. (a) The sixth sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by inserting before the comma after the words "or obligations of national mortgage associations" the following: ", or obligations of the National Mortgage Corporation for Housing Cooperatives."

(b) Section 201 of the Government Corporation Control Act is hereby amended by striking out the words "and (4) Federal Deposit Insurance Corporation" and inserting in lieu thereof "(4) Federal Deposit Insurance Corporation, and (5) National Mortgage Corporation for Housing Cooperatives."

Mr. SPENCE (interrupting the reading of the title). Mr. Chairman, I ask unanimous consent that the further reading of title I be dispensed with, that it be printed in the RECORD at this point, and be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 22, line 23, after the word "rate", insert the following: "which shall not be less than 4 per centum per annum."

Mr. PATMAN. Mr. Chairman, this raises the rate from what would be 3 or 3⅛ percent, which has been very much criticized, to 4 percent. It will, in effect, be 4¼ percent, because one-quarter percent will be required as a reserve. So, certainly this will not be discriminatory against the veteran, and I sincerely hope that the members of the committee will adopt this amendment.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it might seem peculiar that I should rise in opposition to this amendment after what I have had to say about this bill, but the claim has been made that the only way anybody can get any benefit from this bill is through the reduction of interest rates; that were it not for the reduction in interest rates from 4½ percent charged on FHA loans and the 4 percent interest rates charged on GI insured loans there would be no reason why we should pass this bill.

It surprises me greatly that the gentleman from Texas [Mr. PATMAN] who has been working so assiduously for this bill for weeks, should at this very late moment come in here and remove the only benefit that appears to be in the bill.

Mr. Chairman, we should beware of the Greeks bearing gifts.

Under title II of FHA, almost every procedure which is set up in this bill for cooperatives is now allowable under existing law, everything but the 3⅛ percent interest. Why does the gentleman offer this amendment? Let us not be fooled at all. Let me review for a moment the legislative procedure by which this bill is expected to be considered.

The other body voted to delete almost this exact language from the bill when it had it under consideration. It was known in the Senate bill as title III. It is known in this bill as title I. If title I of this bill is deleted, and I was about to make a motion to do so when the gentleman from Texas was recognized, then there is nothing before the conference in respect to title I of the House bill or the corresponding title in the Senate bill, title III, so the matter is not in conference.

However, if the amendment changing the rate of percentage from 3 percent to 4 percent, or 5 or 10 or 15 percent is adopted, as is suggested by the gentleman from Texas, and the title stays in the bill, they can get this into conference. Then of course the Senate conferees can yield under pressure of the House conferees, and in the conference report which goes back to them and back to us two things will happen, and I am just as positive they will happen as I am standing here today. The first is that the gentleman's amendment increasing this to 4 percent will be cut out by the conference.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Wait a minute. I am speaking of what I believe will happen if it goes in. There is no argument about what I believe will happen, is there?

The next move will be that the Senate will yield on our title I, and it will be as effectively in the conference report as if the Senate had left it in or as if we had not taken it out.

The only way you can possibly accomplish what should be our purpose in stabilizing our economy, as I argued, to minimize the time in which we might have world peace, is to strike this title I out completely.

Mr. THOMAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I sort of hesitate to take the time of the House, but I have a deep feeling on this subject and I should like to give you the benefit of my thought, whether it is worth anything to you or not.

I want to refer to the telegram which my distinguished friend and chairman read a while ago from the President of the United States. Among other things it said that this middle-income group does not want any charity; they do not want any Federal hand-out. They just want a reasonable opportunity to own a home. Let me refer to the fine sentiment spoken by our chairman, BRENT SPENCE, on Home Sweet Home. It really rang the bell. I concur in each statement 100 percent.

But what are we doing here now? Let us use just a little old common horsesense. We are setting up another bureaucracy here—another layer of bureaucracy. I attempted to read the very fine analytical report where the committee stated that the cost would be reduced 25 percent under its plan. If that is true, I know nothing about the workings of Federal bureaucracy. I would much rather express an opinion, if one were necessary, that the cost would be increased 10 or 15 percent, rather than decreased. When you build up a bureaucracy here in Washington, and it takes its toll in administrative costs, and it goes back into the field, as we say in the Committee on Appropriations, and you have another layer there, what can be done, other than to build up the mounting costs?

The biggest need of the American people today is credit for the middle-income housing. Make no mistake about it. I do not have any unkind words to say about the bankers, the mortgage associations, and so forth, of private industry. I do not, however, think they have done as good a job perhaps as they could do in this field. I do not have anything unkind to say about the A. F. of L. or the CIO. I think they are trying to do a job for people. I think Mr. Leo Goodman, if I may call his name, knows as much about middle-income housing as any man in the country. But your main trouble here is that our great Committee on Banking and Currency has been listening to FHA far too many years. There is no earthly reason why the FHA cannot take this middle-income group and give to them insurance, just as they would give to you and you and you and the rest of us. But FHA refuses to do so. Let the people build those homes and call them their own. They will have something to be proud of if they build themselves a house of from $4,500 to $6,500. Make no mistake—those people will pay for that house. They will not want 50 or 60 years to pay, either. Give it to them on the basis of a 25- or 30-year loan, or even 35 years. The FHA says, "Why, the house will not last that long." They do not know what they are talking about.

I was born and raised in east Texas, where it rains every other day. Rain is hard on frame houses. Why, there are frame houses in my section now that are 50 to 75 years old. Those old houses are there, and still being occupied. They will last from 50 to 75 years if you give them a halfway decent chance. About the best chance they need is just to keep the roof repaired. Tell the FHA to give these people an opportunity to own a home, by reducing their standards—these people cannot live on Main Street, of course—and you cannot put this, that, and the other improvement in a house which costs $4,000 or $4,500 as the FHA wants you to. We should recommit this title. Keep the other sections in. But we need to tell FHA to go out and give them FHA insurance on the same terms and at the same rate of interest. That is all the people want. They want the same terms and rate of interest that you are now giving to the higher-income brackets.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent to address the House for two and one-half additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, give these people this insurance. Make no mistake about it, they will pay for the houses. The houses will be theirs. They will not be like a person walking into a hotel and getting kicked around by some bureaucracy telling them what they have to do. Sure, the home will be a modest home and a humble one, but it will be

their home. That is the kind of home that made this country what it is today. If the FHA wants 10 percent down and these people do not have it, then cut it down to 5 percent. If they have not got that, then I could go along with this proposition—if they do not have enough money to make a down payment and if they are honest and working and willing to own a home, go along with the person and trust him. In the long run you will lose far less on that sort of an arrangement than you will by this scheme here. This is just a good old common horse-sense proposition. There you have it. Kick this title out and write something in telling the FHA to get busy and give these people that insurance. They will pay for these houses.

Mr. Chairman, I hope I have not unduly taken up the time of the committee.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. GROSS. The gentleman speaks about Federal bureaucracy; the gentleman will remember that only a few days ago we added another bureau under the National Science Foundation bill, and only 125 Members of the House voted against it.

Mr. THOMAS. Oh, yes; we do a lot of things. I do not want to argue with the gentleman about that.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Kentucky is recognized.

Mr. SPENCE. Mr. Chairman, we have heard some rather peculiar arguments here this afternoon. The great objection which was made to the bill was that it discriminated, that it gave to those who organized cooperatives a lower interest rate than others received, and that that violated the great principle of equal justice under law, the motto engraved on the walls of the Supreme Court Building across the Plaza. They argued that some of our citizens would receive an advantage over others. That was the main argument.

This amendment provides that the interest rate shall be the prevailing rate—4 percent. There is no inequality, there is no injustice in that; and it answers every argument that was made against the original proposition.

You ask, What advantage is there to those who organize cooperatives if the interest rate is the same? Under FHA you have to secure a loan from private enterprise, and if private enterprise does not want to make the loan, that is all there is to it; you have no recourse. In this bill there is an assured source of funds; the National Mortgage Corporation for Housing Cooperatives issues its debentures and thus furnishes the money for the loans. It will furnish money to the cooperatives, and under this provision it will charge those who are engaged in that enterprise 4 percent. That does away with every argument that was made against the bill from the other side.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Texas.

Mr. PATMAN. We have prepared a companion amendment to reduce the amount from the $2,000,000,000 provided in the bill to $500,000,000; $250,000,000 available the first of the year and the other $250,000,000 subject to the will and discretion of the President. How would the gentleman from Kentucky stand on that amendment?

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PATMAN. Mr. Chairman, I asked the gentleman a question, as to whether he would approve of the other amendment to reduce the amount, and I should like an answer.

Mr. SPENCE. Yes; I will approve it for the reason that I think it clearly meets the issue as to whether or not you are in favor of even trying to put the cooperative movement to a test, whether you will give a fair chance to these people to see whether the cooperative movement can be a success. Under Rural Electrification there has been no greater success in America than the cooperatives which have brought to the farmers of this country electricity at a reasonable rate and have made their life more bearable. This is a laboratory in which that can be worked out. It is a plain issue on all of the objections that have been made. The question is, Are you willing to try out the cooperative movement to furnish additional houses to the people? Or do you want to sweep that aside and give no consideration to it? I think that fairly presents the issue.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. KEATING. I am interested in the gentleman's support of this amendment and the one to reduce the total amount from $2,000,000,000 to $500,000,000. Will the gentleman also assure the House that in conference, when these matters are brought to conference, the gentleman will stick by those figures?

Mr. SPENCE. I am assuring the House of nothing; nobody assures me of anything, obviously. The gentleman knows why we put this language here. There has been a conspiracy to destroy the whole thing; that is the reason it has been put in here. Now, it is up to you whether you want cooperative housing at all or whether you say you do not want to have anything to do with it and will kick it out of the window. That is the plain issue.

Mr. CHESNEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would like to bring to the attention of this great assembly an unusual and significant event.

On Monday of this week, approximately 221 Mothers of Polish-American Veterans arrived in Washington to see how our Government functions. For the majority of the members of this group, it was their first trip to our Nation's Capital. They came, not to seek favors or to exert any pressure for favored legislation.

The Mothers of Polish-American Veterans was founded by Mrs. Anna T. Strojny, who for many years and without remuneration, has assisted more than 12,000 persons to obtain their citizenship papers. The prime purposes of this organization are: To aid the veterans of the armed forces of the United States; to uphold and defend the Constitution of the United States for which many of their sons paid the supreme sacrifice; to assist in child-welfare activities; and to aid all persons desirous of becoming American citizens.

Included in this group are 24 Gold Star mothers and one Gold Star father. It was also their first visit to the Tomb of the Unknown Soldier in Arlington Cemetery, where some of their sons are buried.

In this year of unrest and chaos in so many countries of this world, when evil forces are desperately seeking to abolish democracy, human rights, and liberty, I think we should all pause a moment to honor this loyal group of women, who were born in Poland, migrated to the United States and became American citizens.

Their trip to Washington, in the interest of further educating themselves in our American way of life, and their past deeds, prove their unselfish and undying devotion to the United States of America.

The officials of this group are: Honorary president, Mrs. Anna T. Strojny; president, Mrs. Hattie Gackowski; vice president, Mrs. Lucyna Muckowicz; vice president, Mrs. Mary Siepak; recording secretary, Mrs. Sophia Rydz; financial secretary, Mrs. Mae Poran; treasurer, Mrs. Victoria Kucharski; sergeant at arms, Mrs. Stephany Pochelski; color bearer, Mrs. Helen Wasielewski; directors, Mrs. Anna T. Strojny, Mrs. Stella Wojcik, Miss Benigna Stanley.

Also included in the group making this trip to Washington are: Mrs. Maria Ahumada, Mrs. Anna Adamik, Mrs. Victoria Alexander, Mrs. L. Andruszkiewicz, Mrs. Lottie Balinski, Master John Badzioch, Mrs. Stella Balinski, Mrs. A. Barah, Mrs. Barcinski, Mrs. Emilia Barnak, Mrs. Mae Baetosiewicz, Sylvester Bordin, Mrs. Genevieve Bordin, Mrs. F. Bochmisvic, Mrs. Victoria Bogacz, Mrs. Maria Boksa, Mrs. Helen Brooks, Mrs. Veronica Buras, Mrs. B. Burgraff, Mrs. C. Buczek, Mrs. H. Buczek, Mrs. Rose Celusta, Mrs. Z. Buszak, Mrs. Eleanore Citko, Mrs. Mary Danko, Miss Helen Damsz, Mrs. K. Data, Mrs. Valerie Davidson, Mrs. Adela Deszcz, Mrs. Joanna Dembik, Mrs. E. Dubieniecki, Mrs. N. Dyczeloski, Mrs. Joseph Dutkiewicz, Mrs. Emily Dziki, Mrs. Anna Fary, Mrs. John Federowicz, Mrs. Julia Federowicz, Mrs. Mary Foran, Mrs. V. Fijak, Mrs. N. Florczak, Mrs. Celia Freza, Mrs. Josephine Gackowski, Mrs. Zojia Guszak, Mrs. Kamilia Gricken, Mrs. Victoria Godlewski, Mrs. Bernice Grzanka, Mrs. Mary Gorski, Mrs. K. Biemantonska, Mrs. Rozalia Gulczynski, Mrs. Helen Gilarska, Mrs. A. Gogolinski, Mrs. K. Gewartowski, Mrs. A. Geisler, Mrs. Martha Gnatek, Mrs. F. Glowaty, Mrs. H. Grabski, Mrs. H. Helmenski, Mrs. A. Herrick, Mrs. F. Chmielowski, Mrs. Mae Iwick,

Mrs. M. Janowski, Mrs. Sophia Janski, Mrs. Mary Jaworski, Mrs. Anna Jarosz, Mrs. Anna Juraszek, Mrs. M. Joshon, Mrs. L. Jagtowski, Mrs. J. Jarouski, Mrs. S. Bensely Kunysz, Mrs. S. Konieczny, Mrs. Theresa Kranc, Mrs. S. Kubacka, Mrs. S. Kastaszak, Mrs. V. Kossowski, Mrs. K. Kowalski, Mrs. Anna Krowka, Mrs. Amelia Kilian, Mrs. Mary Konieczny, Mrs. K. Krauklis, Mrs. J. Krowka, Mrs. Pearl Kazuba, Mrs. Katherine Kowalski, Mrs. C. Lawapka, Mrs. Alice Lubomski, Mrs. Mae Luka, Mrs. John Maciejewski, Mrs. Anna Mikos, Mrs. Maria Mkaluza, Mrs. Sophie Mazar, Mrs. Maria Mackiewicz, Mrs. Sophie Majka, Mrs. P. Marcimak, Mrs. H. Maciejewski, Mrs. Marie Majewski, Mrs. B. Majerowicz, Mrs. Barbara Mis, Mrs. P. Mendricki, Mrs. Julia Mikurt, Mrs. B. Mianowski, Mrs. K. Marcinkiewicz, Mrs. L. Muchowicz, Chester Michon, Mrs. Sophie Nyck, Mrs. V. Novak, Mrs. A. Namowicz, Mrs. G. Osinski, Mrs. B. Oehler, Mrs. S. Odron, Mrs. Helen Ostorm, Mrs. Stella Orzeske, Mrs. A. Ostrom, Mrs. Sophie Olewinski, Mrs. Mae Poran, Mrs. N. Pawlak, Mrs. J. Pisarek, Mrs. J. Pieczko, Mrs. Anthony Para, Mrs. W. Perlinski, Mrs. E. Perlinski, Mrs. Louise Pater, Mrs. Josefa Pudlo, Mrs. A. Pucinski, Mrs. J. Pucinska, Mrs. C. Popoff, Mrs. V. Pisarska, Mrs. Eva Poledziewski, Mrs. Zofia Piatek, Mrs. M. Pousiecki, Mrs. A. Pawlowski, Master J. Pawlowski, Mrs. K. Paciorek, Miss Evelyn Ptak, Mrs. J. Pelysziek, Mrs. N. Polak, Mrs. A. Podsadecki, Mrs. Mary Rzasa, Mrs. K. Rossa, Mrs. F. Radykowski, Mrs. Alice Rusin, Mrs. H. Romaszkiewicz, Mrs. J. Rozewicz, Mrs. S. Rychalski, Mrs. Anna Rolik, Mrs. L. Rzepecki, Mrs. S. Rydz, Mrs. A. T. Strojny, Mrs. Stella Schell, Miss Irene Schell, Mrs. Mary Sowa, Mrs. A. Slowik, Mrs. M. Skokowska, Mrs. A. Szczesny, Mrs. M. Szalaniec, Mrs. J. Szczurek, Miss Jean Szudzinski, Mrs. M. Stankiewicz, Mrs. K. Skupien, Mrs. Agnes Stomana, Mrs. Lottie Steffens, Mrs. W. Skowronska, Mrs. M. Siepak, Mrs. H. Szykowny, Mrs. Stella Spinder, Mrs. Skarpiek, Mrs. L. Slawski, Mrs. Bernice Sheray, Mrs. Mary Skibinski, Mrs. Mary Szymanska, Mrs. S. Szymkowski, Mrs. B. Salamonska, Mrs. A. Skrocki, Mrs. A. Sinarska, Mrs. B. Swierczynski, Mrs. J. Szelabowski, Mrs. K. Skupien, Mrs. Szelag, Mrs. A. Soberyiska, Mrs. M. Sowa, Mrs. Z. Stepinski, Mrs. K. Sobusz, Mrs. L. Sowinski, Mrs. W. Soltysik, Mrs. K. Tomczak, Mrs. Mary Telma, Mrs. A. Smith, Mrs. Agnes Truta, Mrs. V. Tengowski, Mrs. Mary Ulicki, Mrs. S. Ulatowski, Mrs. Stella Wojcik, Mrs. W. Sieczorek, Mrs. Mary Wojcik, Mrs. Zofia Walega, Mrs. L. Wojtash, Mrs. K. Watkomicka, Mrs. L. Wojdygo, Mrs. S. Wolak, Mrs. A. Wejcek, Mrs. A. Wojtarowicz, Mrs. Dorothy Wisniewski, Mrs. Josephine Wisniewski, Mrs. M. Wojciechowski, Mrs. J. Wesolowski, Mrs. Weronika Wieczorek, Mrs. E. Waszak, Mrs. Martha Walsh, Mrs. A. Wozniak, Mrs. Bernice Wencel, Mrs. Josephine Wos, Mrs. Mary Walega, Mrs. Stella Warden, Mrs. K. Ziemienski, Mrs. N. Zobel, Mrs. M. Zeznanski, Mrs. S. Zyzda, Mrs. W. K. Zalewski, Mrs. B. Zwierzykowski, Miss D. Zbylut, Mrs. K. Kunysz, Mrs. Mary Forys, Mr. V. De Belina, Mrs. Sally Kielbosa, Mrs. A. Grudzien.

Mr. BUCKLEY of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CHESNEY. I yield to the gentleman from Illinois.

Mr. BUCKLEY of Illinois. Mr. Chairman, it has been my honor and privilege to participate in this great campaign of the Polish-American mothers who have probably wet their pillows with tears of remorse at times when they did not know where their sons were.

We had these fine people down at the room of the Committee on Post Office and Civil Service. It was a great privilege for me as their Congressman to have spoken to them. They are conscientious and sincere, they are the kind of people who have built democracy in America and believe me when I say and repeat, it is a privilege to say to them that it has been fine to have been with them for just a few hours. My wife and I are, of course, happy to welcome them. I have three sons, two of whom were in the war. We talked to those fine people this afternoon, and we were very happy to have the honor to be with them. My sons are back, but many of them are not. It gives me great pleasure to salute these mothers, the finest in the land outside of my mother.

Mr. NICHOLSON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I do not object to making this 4 or 4½ percent or cutting it from two billion to a half billion but it seems to me this is a poor place to do it. That should have been done in the committee after we listened to hearings on this bill for some 3 weeks.

The gentleman who preceded me said that that is all there is in title I. But title I sets up another bureaucracy. A great many of us came to Washington on a campaign promise to have no more bureaus created and to do away with as many as we could. It is pretty nearly time we start in doing that.

I do not know how some of you are going to go home and tell your constituents why you voted to have another bureaucracy. As has been pointed out, this country is made up of the middle class. That class has built their houses without any help from the Federal Government until this administration.

If you want bureaucratic government, vote for this title. If you are against bureaucratic government vote against this title. It does not make any difference how much they sweeten it up it still smells just as strong.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Pennsylvania.

Mr. RICH. I cannot understand why a member of the committee asked the chairman if he would be willing to cut it from two billion to five hundred million here in the Committee of the Whole. I cannot understand why they did not do that in the committee before the bill came to the floor.

Mr. NICHOLSON. They just want to get their foot in the door, that is all. You understand that. You have seen that happen all through your legislative experience; that they bring out a skeleton and then they begin to build it up, and the first thing you know you do not have a shrimp but you have an octopus.

Mr. Chairman, ever since the Federal Government began mixing up into home ownership, every depositor in the savings banks of this country has lost a great deal of money. As a matter of fact, before they started, Mr. Chairman, we were giving the depositors in Massachusetts 5 percent in most of our banks. Now they are getting 1½ and 2 percent, and if you pass this bill with the 3 percent in it the banks will carry the mortgages, and they certainly cannot carry that amount of money for 1,000,000 homes they built last year, and will build this year.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. The gentleman is a member of the Committee on Banking and Currency. I will ask the gentleman if any of the witnesses at any time, at any of the hearings, were in favor of this bill and suggested a mortgage interest rate of 4 percent.

Mr. NICHOLSON. No; of course they did not. And one of the telegrams here said that you have got to go along with it without the amendment. I wonder how they are going to tell Mr. Murray why they voted for this bill here with the 4 percent in it.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BROWN of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not intend to make any speech on this bill. I was ill and, of course, unable to appear and hear the testimony. But I do want to clear up one thing. If this amendment and the other amendment to cut the sum from $2,000,000,000 to $500,000,000 is adopted, the conferees cannot raise that figure, because the Senate cut the entire section out. The highest amount in this amendment, introduced by the gentleman from Texas, will be $500,000,000. In my opinion they cannot decrease or cut the 4 percent either.

Now I do not know of any better authority than the Parliamentarian of this House. I asked him about the half a billion, and he said I was correct; that it cannot be raised by the conferees. I think that issue ought to be known and understood before we vote on it.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the gentlemen who have taken the floor of this House to explain what the catch is in the arguments for this bill have been correct. The catch comes in what the housing will cost. There is not one single thing in this bill that is going to reduce the cost of building a house or living quarters of any kind, whether it be an apartment or a flat building, a trailer, or anything else. There is no possibility of reducing that cost by any such bill as this. The reduction of cost in housing comes from the better productive labor of those who are engaged in labor on manufacturing materials and erecting the premises, from the very forests and mines of the country right down to the final paint job

and the door knob on the front. I hope that the Members of this House will consider that fact because, of course, certain standards are set up in this bill for wages and for other charges. There is nothing in this bill that will limit the fee that will be paid or the profit that will be paid to a contractor. Probably I, if I were a contractor, would try to get some group to organize one of these projects so that I could make the fee out of building it. There is no limitation contained in the act on any profit that the contractor may make. But there are certain expenses that can be charged to this project which would not be charged elsewhere. For example, 2½ percent of the principal amount of the mortgage goes for inspection made by the Government agency which is to back this deal and that 2½ percent is added to the cost of building. But to add to the expenses of the contractor, you will note on page 28, subsection (c), the following language:

> Any contractor engaged on any housing project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular housing project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials.

I do not know how many Members of this House have done any building, but if what you want is to enable the contractor to set up a little bureaucracy of his own in order to gather this monthly data on itemized expenditures for materials to submit to the Department of Labor, you are doing it effectively right here. He would be forced to do that in order to protect himself. But he cannot tell what he has expended, or what will be left over from the construction job until it is finished, and he can load the material bills from stem to stern under this subsection (c), believe me. Anybody who has had any experience in contracting should know that. This is an opportunity to load the costs of these projects, and a temptation to arrange for kick-backs and subsequent discounts.

There is no possibility of saving any money in the cost of construction of premises under this bill. All the opportunity there is here, is for a man to join a housing project and pay just as much as he would if he did it himself, practically speaking.

Then you will note that in the event a cooperative owner wants to sell his interest in one of these projects, the housing enterprise has priority on the purchase of his interest. His market is thus limited, because if the project has priority to purchase such an interest, then the project managers have effective control of the market.

I call these facts to your attention because they may be overlooked by Members of the House who, themselves, have not engaged at any time in the construction industry. This is a bill that will not reduce the cost of housing 1 cent, but will rather, in fact, increase it for the type of housing you get, while adding to the shortage of building materials and competent building labor now being experienced, thus further increasing the costs of all building.

Much talk has been made here about the value of this title to veterans or the families of deceased veterans, but particularly to service-connected disabled veterans. That sounds fine, but this title is limited to the middle-income group. Therefore, and obviously, even if it were a good proposition, it would in no wise benefit a veteran or his widow whose annual income is less than $2,800. Automatically that lower-income limit eliminates most of the really disabled and widows of service-connected deceased veterans.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, some very interesting points have come out in connection with this debate, but the first point has not been made clear at all that I think should be important to the Members of the House. I speak especially to those from the big cities for we have a sectional problem. The problem does not relate nearly so much to the people who are living out in the country or in smaller communities where they can build a small house relatively inexpensively. It relates to the hundreds of thousands of people in your city district and mine, whose housing problem has just not been solved. Let us not forget that.

The burning question which the people who argue against this bill have not dealt with is, what are they going to do about it? We have had FHA on the books now for a very considerable period of time to the tune of many billions of dollars of mortgage insurance, and the upper limit of building under FHA apparently is a million homes a year. That is just not enough. In my district not more than 25 percent of all the veterans who were living doubled up with their relatives in 1945, and I estimate them to be about 25,000 in my district alone, have solved their problem. In the whole country the estimate of families of veterans living doubled up and in substandard quarters was about 3,000,000 and not 30 percent of those have solved their problem since 1945, I estimate.

Title I is a solution for veterans and other moderate-income families. Even if not the best solution, it is a solution. I think that in view of the urgency of the need the least that can be done on the other side—of those who oppose title I—is to tell us how they can do it, not to tell us that the law somehow or other takes care of it already.

Second, one other very important question. The point has been made that title I is inflationary. My colleague from Michigan, who is a very able speaker, has tried to make us feel that this objection even has something to do with world peace. I respectfully submit that that is kind of stretching it pretty far, but the effort has been made to tie title I in with inflation.

When we help cooperative housing under title I we are not spending money for relief, we are not spending money for the purpose of buying war implements, we are spending money for the purpose of constructing homes. It has always been true in our country that new homes are the best investment that not only any individual, but that the Nation itself can make. The best evidence of that is the HOLC, which paid back to the United States 100 cents on the dollar, because its money went into mortgages on brick, mortar, and land, its money helped to retain for individuals their homes, where you get assets for your money. That is no more inflationary than when you see on the statement of the General Electric Co. the fact that it has a plant carried at $10,000,000 and also has $10,000,000 cash in the bank. Today I should say that the plant is much better in terms of value than the money itself.

One other point which is very important: We are told also that cooperative housing under title I is some new hybrid, yes, different kind of approach to the effort to solve the people's housing needs. I do not think that is so at all. I think our own experience bears it out.

Suppose this were a bill to encourage or finance farmers' cooperatives, you would have almost to a man everybody who stood up here and talked against this bill standing up here and advocating it as a brilliant, helpful thing for the backbone of America, the farmer. I ask why, by the same definition, are not the middle-income families, earning between $2,500 and $4,000 a year, who are still completely in the gap on housing—who earn too little to rent what is being newly built under existing financing and too much to live in public housing—just as good Americans and just as much the backbone of the country? If the argument is valid for farm cooperatives, and the Congress crossed that bridge a long time ago, and legislate in favor of them in almost every session, is it not just as valid for cooperatives for the city dwellers?

It has been said that title I will not help the moderate income family. But that is not so. The fact is that it not only takes bricks and mortar and men to build houses, it also takes money—and that money is going to be borrowed money on mortgage. It has to be borrowed for a term. In other words, it has to be amortized. Mortgage money upon which you have to pay interest and which must be paid off in installments is definitely a part of the rental cost, just as much as any other cost involved.

In view of the fact that we have struggled, and struggled, and struggled and have been unable to deal with the question of other costs adequately, here is an opportunity in title I to lick the cost of money. Why not try it?

Finally, is this anything different than just another type of financing? These bonds are going to be sold to the public and are going to be insured by the Government, just like the FHA loans are insured by the Government, and just like crop loans are made or insured by the

Government, and just like in a dozen other fields obligations are insured by the Government where the public interest dicates that it shall be done.

Let us look at the merits of the proposal. There is nothing doctrinaire about cooperative housing. There is nothing here that is going to undermine the country. As a matter of fact the thing about our democracy that we have to be very careful of if we really are going to withstand and to triumph over this great challenge which the Communist ideology poses is that our democracy has to have flexibility, and our democracy also has to adjust its own techniques in order to meet that challenge. Cooperative housing and low financing costs made available by the Government to help it are perfectly legitimate techniques of democracy and we should vote for and support this title.

Mr. DEANE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I challenge those who would say that the opposite body would make a change in the interest rate, based upon the amendment offered by the gentleman from Texas. The amendment would, on page 22, line 23, after the word "rate" insert "it shall not be less than 4 percent".

I challenge those who may feel differently to secure a parliamentary ruling which would indicate that the other body could make a change less than the amount indicated in the amendment. Furthermore, I am satisfied that the members of the conference committee would stand by their agreement in presenting this in conference.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. BROWN of Georgia. They would be forced to stand by it. They could not increase the 4-percent rate or decrease it. They could not increase the amount of money involved. They would have to make it a half billion dollars.

Mr. DEANE. Furthermore, I believe it would be interesting to the Members of the House to know that the Eightieth Congress passed a cooperative housing venture.

It seems to me if we are going to vote against title I, we would certainly have to vote against the inflationary impact of other features in this bill. The gentleman from Texas [Mr. PATMAN] pointed out the serious inflationary impact of titles I and II, calling for $2,700,000,000. We are carrying forward 608 to take care of all applications up to March 1. This represents a sum of $600,000,000. We are increasing the authorization for Fannie May by three-quarters of a billion dollars.

The distinguished gentleman from Massachusetts [Mr. MARTIN], in discussing this matter, dwelt at length upon this 3-percent interest rate. The proposed amendment increases the interest rate to 4 percent and the committee should sustain the amendment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. WERDEL. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to revise and extend my remarks and speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WERDEL. Mr. Chairman, this morning's Washington Post devotes an entire column to a letter from one Clifford J. Durr attacking Senator MCCARTHY's attempt to clean up the State Department. This letter is typical of the organized smear of Senator MCCARTHY that is now going on throughout the country, and it is fitting, therefore, that we examine whence it comes.

Clifford J. Durr, a former member of the Federal Communications Commission, is president of the National Lawyers Guild. The guild was cited as a Communist front by the House Committee on Un-American Activities on March 29, 1944. Ever since it was organized in 1937, the guild has faithfully followed every twitch of the Communist Party line. In recent years it has served Moscow by denouncing the North Atlantic Pact, the prosecution of the 11 Communist leaders, the Government's loyalty program, and the FBI. A few weeks ago it demanded recognition of the Communist Government of China.

In September 1939 Earl Browder, then secretary of the Communist Party in the United States, described the guild before the House Committee as a transmission belt to further the aims of the Communist Party. In April 1946 Louis Budenz, former editor of the Daily Worker, said the Communist Party regarded the guild as a working ally.

In addition to heading the National Lawyers Guild, Durr has found time for many other activities in behalf of communism. I will mention only a few of them. He was a sponsor of a so-called bill-of-rights conference in New York last July, where he called the FBI a supersnooping agency and said it commits many more Federal crimes than it ever detects. He was a delegate to the so-called World Congress of Intellectuals for Peace, a Communist rally that was held in Poland behind the iron curtain in August 1948. He has been active in the National Council of the Arts, Sciences, and Professions; the Southern Conference for Human Welfare, and the teachers' union—all of which have been cited as subversive.

As a member of the FCC, Durr has said:

> A Communist could not be denied the right to operate a radio station unless the record showed he advocated the overthrow of the Government by force.

He has also said:

> I do not believe that the danger to our constitutional form of government rights is the threat that 70,000 or 80,000 Communists will overthrow it by force and violence.

As a Washington attorney, Durr has represented 14 clients before the House committee, a majority of whom refused to testify regarding their Communist affiliations because they would be incriminated and some of whom admitted Communist Party membership.

And finally, Paul Crouch, a former Communist Party official, testified before the House committee in May 1949 that he had seen Durr at a secret national conference in New York of top members of the Communist Party and the Communist underground.

As long as people like Clifford Durr continue their smears of Senator MCCARTHY, I think Senator MCCARTHY must be on the right track. May God give the Senator the strength and courage to carry on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 81, noes 110.

Mr. PATMAN. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 115, noes 126.

So the amendment was not agreed to.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. PATMAN: On page 24, line 25, and on page 25, line 1, strike out "$300,000,000" and insert in lieu thereof "$250,000,000" and on page 25, line 4, strike out "$1,700,000,000" and insert in lieu thereof "$250,000,000."

REDUCING AMOUNT TO HALF BILLION

Mr. PATMAN. Mr. Chairman, this amendment, if adopted, will reduce the amount from $2,000,000,000 in title I to $500,000,000, and if this amendment is adopted and the bill goes to conference, it will be impossible for the conferees to raise the amount, so the Members will have the assurance of the House that it will remain at at least one-fourth of what it is now. I hope the amendment will be adopted.

This provision of the bill, title I, relating to mutual home ownership, or cooperative housing, has the endorsement, and the strong endorsement, of not only the President of the United States, the Congress of Industrial Organizations, American Federation of Labor but various other organizations. I wish you would read the statement to the chairman of this committee by President Green of the A. F. of L., and also by Mr. Philip Murray of the CIO. I wish you would read those letters to the chairman of this committee. In addition, the American Legion—and this has not been told before—has worked on this kind of a bill for one whole year before this year, and I worked with them. They are in favor of this type of legislation. They have endorsed this bill, including title I. The Veterans of Foreign Wars have endorsed it. The AMVETS have endorsed it. The American Veterans Association have endorsed it. In fact, all the World War I and II veterans have endorsed this section of the bill, title I. I hope the House will not strike out title I. I hope this amendment will be adopted, and then I hope that the title as amended will remain in the bill.

We have this situation: We have $5,000,000,000 in this bill, including the Senate bill that will be in conference, that will be for private builders only. In

other words, speculative profits and speculative prices we are providing for to the tune of $5,000,000,000. But there are a lot of people who cannot pay these speculative prices and these speculative profits, and this provision of the bill will make it possible for those people to get together, pool their resources and their buying power, and build homes at prices that they can afford to pay. If you adopt this amendment, the House will be in a position of letting these people have $500,000,000 in credit, whereas the private builders, with their private profits and their speculative prices, with no ceiling on the contractors either, will have $5,000,000,000. Why can we not afford to let these middle-income people have just one-tenth of what the speculative builders will have?

I hope this amendment will be adopted.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Of course, it becomes very obvious that these amendments are being offered to try to save the principle contained in title I. The amendment to increase the interest rate as well as this amendment offered by the gentleman from Texas were never considered by the Committee on Banking and Currency, and we met as late as 10 o'clock this morning and were in session until the House convened at 11 o'clock for the express purpose of considering amendments to this bill and did consider amendments and adopt committee amendments to this bill this morning.

If the proponents of these amendments are sincere, if they really believe that the 4 percent would have stayed in the bill, and if they do believe that this $500,000,000 will remain in the bill, then, of course, the only purpose of this amendment is to get enough votes so that the principle of the rest of the title will be enacted.

I wonder if the gentleman from Texas or the gentleman from Kentucky or any one Member on either side of the aisle is going to offer an amendment to cut the amortization period to something under 63 years. I wonder if they are going to offer an amendment to reduce the $25,000,000 which the Commissioner has as an advertising fund to sell the American people on the so-called benefits of this title.

I wonder if they can give assurance that this program, if this is cut to $500,000,000, will ever stay at that figure. Of course not. Every time we have set up a bureau, every time we have made appropriations for a public-relations job in selling a particular philosophy of government or economics to the American people or the world we have established merely the base upon which there has expanded an agency or agencies which have cost the Federal Government hundreds of millions and billions of dollars.

I think the Congress of the United States is doing something which is a little bit intellectually dishonest when it uses the argument of the people who have sponsored this bill to sell this economic philosophy or ideology, call it what you want to, to the Congress, and then at the same time cut the amount involved so that less than 50,000 of 8,000,000 people could initially enjoy the so-called benefits of this program.

The program has been sold to these people who advocated it upon the premise that it would take care of 250,000 families. Would they go along with one-fifth of that? Are we keeping faith with them? Does this House want to do this intellectually dishonest thing, and say, "You shall not have your program" and at the same time say "You shall have it"? No. The assurance can be given to them as well as to us here that once having gotten the camel's nose under the tent the tent will be destroyed.

May I again refer to the testimony of Mr. Edelman, who we may suppose represents one of the sponsors of this program. He says, in substance, "Give us the principle of it and we will rely upon the momentum incident to the politics of it to expand the program to take care of all those who are eligible." This is not an honest approach to this problem. I hope the amendment will be defeated.

Mr. BIEMILLER. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Chairman, I hold in my hand a document that is rather interesting in the light of the course this debate has taken today. I have here the CONGRESSIONAL RECORD, volume 95, part 7. On page 9402 of that RECORD is roll call No. 126, which was the roll call on the vote that extended the loaning authority of the REA to include rural telephones.

If I am correctly informed, REA loans are made at the interest rate of 2 percent. This extension of REA laws to rural telephones carried in this House by a vote of 282 to 109, putting the seal of approval on a 2 percent interest rate for cooperative loans.

Today we are witnessing the spectacle of people deploring the idea of a 3⅛-percent interest rate for loans for cooperative housing. We listened, for example, to a very well-prepared address, such as we always hear from the distinguished gentleman from Massachusetts, the minority leader, against the interest rate that is proposed in this bill for cooperative home associations, but I note that in roll call 126 the minority leader voted for a 2-percent interest rate for REA telephone lines.

I think this roll call is deserving of the attention of all the Members of this House and of a great many other citizens of this country, because, if you examine it carefully, you will find that most of the Representatives from the metropolitan areas, most of the Representatives who are thought of as people who have the confidence and the support of the organized labor movement of this country, voted for the extension of the 2-percent interest rate to REA cooperatives. I am among that number myself and I am proud of that fact. The author of the rural telephone bill, the gentleman from Texas [Mr. POAGE], plead with us to support the farmers in their desire for phones and we were pleased to respond.

What I cannot understand today is that a 3⅛-percent rate, a rate 50 percent higher, is labeled as no good, as socialism when it becomes a question of homes, the basis of American civilization, as every speaker who comes down here bears witness. Many here are not willing to help put homes over the heads of city workers and their wives and children, and help strengthen American family life on the strongest possible basis, home ownership.

But they were willing to vote a 2-percent rate of interest on loans for rural telephone cooperatives. I must confess, Mr. Chairman, I cannot see the logic of the situation. I suspect some very curious motives are at work here. I hope all of us will search our souls on this matter a little bit, particularly those 282 Members of the House who voted for the 2-percent rate on rural telephone cooperative loans. I hope when the proper time comes for the vote in committee and later in the House, we will search our souls very carefully on that matter because, I repeat, Mr. Chairman, I cannot for the life of me see why we can vote 2 percent in one instance, and cannot vote for it in the other. There is no doubt in my mind that homes are more important than phones.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to my colleague from Wisconsin.

Mr. KEEFE. The committee just had a teller vote on the amendment offered by the distinguished gentleman from Texas to increase the amount of interest applicable under the present law. The gentleman from Wisconsin voted for that amendment, as I observed him going through the tellers. How does the gentleman reconcile that vote with the argument he has just made?

Mr. BIEMILLER. The gentleman is just as well aware as I am of the nature of the vote. The amendment was debated back and forth on the floor of the House in an effort to maintain the principle of cooperative housing. The opponents of homes for city workers opposed the amendment. I am now discussing another matter that, as a result of that vote, there will be a vote taken on this floor on the issue I desire to vote on, the proposal to loan money at 3⅛ percent to cooperative home associations.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to my friend the distinguished majority leader.

Mr. McCORMACK. All of the Republicans, but one, voted against it in order to try to strike out all of title I and the bill. We know the strategy.

Mr. BIEMILLER. I agree entirely with the sentiments expressed by our distinguished majority leader. I think he is correct.

Mr. McCORMACK. If that is done when the roll call is taken, it is going to be further interesting reading, not only now, but later.

Mr. BIEMILLER. I quite agree. That is the reason I took the floor—to make that point. If the Republican Members are consistent they will vote to retain

title I. If they vote to strike it they are guilty of gross inconsistency.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield.

Mr. HAYS of Ohio. I would like to submit that a possible reason that they could vote for the rural telephone bill is that the real-estate lobby, as I recall it, did not oppose it.

Mr. BIEMILLER. That might well have some effect upon the vote which we will soon be taking.

Mr. Chairman, I just want to summarize my brief remarks by once more asking whether Members can reconcile a vote for the 2-percent interest rate and then later vote "no" a 3⅛-percent rate as they have indicated they will do. I again suggest all Members search their souls.

The roll call on the rural telephone bill—roll call 126 of the first session of the Eighty-first Congress—was as follows:

Yeas—282: Abbitt; Abernethy; Addonizio; Albert; Allen, La.; Andersen, H. Carl; Andresen, August H.; Audrews; Aspinall; Auchincloss; Barden; Baring; Barrett, Wyo.; Bates, Ky.; Battle; Beckworth; Bennett, Fla.; Bennett, Mich.; Bentsen; Biemiller; Bland; Blatnik; Boggs, La.; Bolling; Bonner; Bosone; Boykin; Brehm; Brooks; Brown, Ga.; Bryson; Buchanan; Burdick; Burleson; Burnside; Burton; Byrne, N. Y.; Byrnes, Wis.; Camp; Cannon; Carlyle; Carnahan; Carroll; Case, N. J.; Case, S. Dak.; Celler; Chelf; Christopher; Chudoff; Cole, Kans.; Cole, N. Y.; Colmer; Combs; Cooley; Cooper; Cotton; Cox; Crook; Crosser; Cunningham; Davies, N. Y.; Davis, Ga.; Davis, Wis.; Dawson; Deane; deGraffenried; Denton; D'Ewart; Dolliver; Donohue; Doughton; Douglas; Doyle; Durham; Eberharter; Elliott; Engel, Mich.; Engle, Calif; Evins; Feighan; Fernandez; Fisher; Flood; Fogarty; Forand; Frazier; Fugate; Fulton; Garmatz; Gary; Gathings; Golden; Gore; Gorski, Ill.; Gorski, N. Y.; Gossett; Granger; Grant, Gregory; Gross; Hagen; Hand; Harden; Hardy; Hare; Harris; Harvey; Havenner; Hays, Ark.; Hays, Ohio; Hébert; Hedrick; Herlong; Hill; Hobbs; Holifield; Holmes; Hope; Horan; Howell; Hull; Irving; Jackson, Wash.; Jacobs; Javits; Jenkins; Jennings; Johnson; Jones, Ala.; Jones, Mo.; Jones, N. C.; Karst; Karsten; Kee; Keefe; Kelley; Keogh; Kerr; Kilday; King; Kirwan; Klein; Kruse; Lane; Lanham; Larcade; LeCompte; Lemke; Lesinski; Lind; Lovre; Lucas; Lyle; Lynch; McCarthy; McCormack; McCulloch; McGrath; McKinnon; McMillan, S. C.; Mack, Ill.; Mack, Wash.; Madden; Magee; Mahon; Mansfield; Marcantonio; Marsalis; Marshall; Martin, Iowa; Martin, Mass.; Merrow; Meyer; Miles; Miller, Md.; Miller, Nebr.; Mills; Monroney; Morgan; Morris; Morton; Moulder; Multer; Murdock; Murphy; Murray, Tenn.; Murray, Wis.; Nelson, Nixon; Noland; Norblad; Norrell; Norton; O'Brien, Mich.; O'Hara, Ill.; O'Hara, Minn.; O'Konski; O'Neill; O'Sullivan; Pace; Passman; Patman; Perkins; Peterson; Philbin; Phillips, Calif.; Phillips, Tenn.; Pickett; Poage; Polk; Potter; Poulson; Preston; Price; Priest; Rabaut; Rains; Ramsay; Rankin; Redden; Rees; Rhodes; Richards; Rodino; Rogers, Fla.; Sanborn; Sasscer; Scudder; Secrest; Sheppard; Short; Sikes; Simpson, Ill.; Sims; Smathers; Smith, Kans.; Smith, Va.; Spence; Stanley; Steed; Stefan; Stigler; Stockman; Sullivan; Sutton; Tackett; Talle; Tauriello; Teague; Thomas, Tex.; Thompson; Thornberry; Tollefson; Trimble; Underwood; Van Zandt; Vinson; Vursell; Walsh; Walter; Weichel; Welch, Mo.; Wheeler; Whitaker; White, Calif.; White, Idaho; Whitten; Whittington; Wickersham; Wier; Williams; Willis; Wilson, Ind.; Wilson, Okla.; Winstead; Withrow; Wolverton; Wood; Worley; Yates; Young; Zablocki.

Nays—109: Allen, Calif.; Allen, Ill.; Anderson, Calif.; Arends; Bailey; Barrett, Pa.; Bates, Mass.; Beall; Bishop; Blackney; Boggs, Del.; Bolton, Ohio; Bramblett; Breen; Brown, Ohio; Buckley, Ill.; Chesney; Chiperfield; Church; Corbett; Crawford; Curtis; Dague; Davenport; Delaney; Dollinger; Dondero; Eaton; Ellsworth; Elston; Fallon; Fellows; Fenton; Ford; Gamble; Gavin; Gillette; Goodwin; Gordon; Graham; Granahan; Green; Gwinn; Hale; Hall, Leonard W.; Herter; Heselton; Hinshaw; Hoffman, Mich.; Huber; Jackson, Calif.; James; Jenison; Jensen; Jonas; Judd; Kean; Kearney; Kearns; Keating; Kennedy; Kilburn; Kunkel; Latham; LeFevre; Lichtenwalter; Linehan; Lodge; McConnell; McDonough; McGuire; McSweeney; Macy; Mason; Michener; Nicholson; O'Brien, Ill.; O'Toole; Patten; Patterson; Quinn; Reed, Ill.; Reed, N. Y.; Regan; Ribicoff; Rich; Riehlman; Rooney; Sabath; Sadlak; St. George; Scott, Hardie; Scott, Hugh D., Jr.; Scrivner; Shafer; Simpson, P.; Smith, Ohio; Smith, Wis.; Taber; Taylor; Towe; Velde; Wadsworth; Wagner; Werdel; Wigglesworth; Wilson, Tex.; Wolcott; Woodruff.

Not voting—41: Angell; Bolton, Md.; Buckley, N. Y.; Bulwinkle; Burke; Canfield; Cavalcante; Chatham; Clemente; Clevenger; Coudert; Davis, Tenn.; Dingell; Furcolo; Gilmer; Hall, Edwin Arthur; Halleck; Harrison; Hart; Heffernan; Heller; Hoeven; Hoffman, Ill.; McGregor; McMillen, Ill.; Miller, Calif.; Mitchell; Morrison; Pfeifer, Joseph L.; Pfeiffer, William L.; Plumley; Powell; Rivers; Rogers, Mass.; Roosevelt; Sadowski; Staggers; Thomas, N. J.; Vorys; Welch, Calif.; Woodhouse.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Harrison, for with Mr. Hoffman of Illinois against.

Mrs. Woodhouse for, with Mr. McMillen of Illinois against.

Mrs. Woodhouse for, with Mrs. McMillen of Illinois against.

General pairs until further notice:

Mr. Morrison with Mrs. Welch of California.

Mr. Rivers with Mr. Plumley.

Mr. Mitchell with Mrs. William L. Pfeiffer.

Mr. Sadowski with Mr. Canfield.

Mr. Roosevelt with Mr. Halleck.

Mr. Gilmer with Mr. Angell.

Mr. Burke with Mr. Clevenger.

Mr. Davis of Tennessee with Mr. Coudert.

Mr. Bolton of Maryland with Mr. Edwin Arthur Hall.

Mr. Dingell with Mr. Hoeven.

Mr. Chatham with Mrs. Rogers of Massachusetts.

Mr. Miller of California with Mr. McGregor.

Mr. Staggers with Mr. Vorys.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word. This bill, H. R. 7402, is another step in the direction of centralized power and I am opposed to it for many reasons. However, principally because I feel it puts the Government into the housing business. So the issue in this housing legislation is whether or not we are to continue good, sound governmental policies, maintaining the solvency of this Nation and the preservation of the American way, or, degenerate into a system of planned economy with a regimented people being told what to do, when to do it, and how to do it by the Government.

This housing legislation is just a part of the administration's over-all program and to me indicates a trend toward a socialistic state.

Socialism and high taxation are the paramount issues facing the United States today. The two go arm in arm. As a matter of historical fact, socialism and high taxes are synonomous. Where you find the one, you will always find the other. When they successfully team up, it always has meant the loss of freedom, liberty and opportunities for the people, and a complete domination by the State over the lives of all. The crisis is here for the United States and the issues are clear-cut. Our Nation today is truly at the crossroads. In the past 18 years our country has been governed by a group of idealistic planners who have brought us into what some call the welfare state, and have placed our feet across the threshold into socialism.

The objectives of these planners, of course, is complete socialization of the United States—statism for this country. The sad thing, in my opinion, is that the so-called planners know little or nothing about the fundamentals of sound business. They are idealistic dreamers pure and simple and their motives are not based on plans to make the Nation economically sound. They think Uncle Sam is a rich uncle whose pockets are inexhaustible, and you can spend and spend without ultimately landing in bankruptcy.

Their hope is that it will attract votes and keep their party in power until they have completely socialized our great Republic, and destroy liberty, freedom, and the privileges that our people enjoy today. The American people are tired of planned economy, planned scarcity, and all the other economic plans that have been foisted upon them over the past several years.

These planners who dream up these programs and their job-holding associates are loud in their claim of how they are benefiting the Nation and their doctrine of centralizing power and money in the National Government, and accomplishing security for every one is forever being drummed into the American people. In substance they are constantly advocating the destruction of the very initiative that has made the American people strong and the American Government the most stable government in the world.

Now, I would like to discuss momentarily just what I think statism is. Webster's dictionary defines it in these words, and I quote:

> The concentration of all economic controls and economic planning in the hands of a highly centralized state government.

Call it what you will, socialism, statism, there is no difference. This legislation, H. R. 7402, is another step in the direction of centralized power in the hands of government. It is part of the President's over-all program, and the Administration is very anxious to get it through, because very little of the President's program has been favorably acted on to date. So every effort will be made to pass the bill today. The President's program has been created by the social and economic planners and is put before you in the guise of new Government services, something that the State is going to do for

you, another give-away, a hand out to Utopia. But this is a false doctrine. Our citizens do not get all the story. They are not told all the facts. The planners do not mention the cost; they don't tell you who is going to pay the bill, and the planners do not mention we owe $260,000,000,000 that must eventually be paid. They do not tell you how these services are adding to your tax bill each and every day, a tax bill that is the highest in the peacetime history of the Nation, and going up every 24 hours.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. They do not tell you today that their real objective is to make every man, woman, and child a complete ward of the state, the socialist state.

Therefore, I will vote against this amendment. The bill is inflationary. The Federal Government already is engaged in deficit financing, and the provision in H. R. 7402 that the United States Treasury be the source of funds from which loans are to be made to housing cooperatives would increase the amount of deficit financing. I am unalterably opposed to deficit financing.

Again, getting back to the planners, if these planners who conceive and create these programs that are being constantly presented to us, are successful in putting over many more of their proposals, be assured we will be well on our way to bringing about complete socialism in the United States. This is being done piecemeal by the foot-in-the-door method, just as this amendment here today. They say let us get a little start, if we cannot get $2,000,000 let us take $500,000; but get it across so we can get in, and once we are in the program can be expanded and expanded with more taxes and more taxes which are now a burden on the back of every American taxpayer. High taxes are a millstone around the necks of all our citizens; they stifle initiative, they are a drag on production, and are a major factor in the cost of living because they enter into the cost of everything. And every one of these programs means more taxes.

Every one of these preposterous schemes costs money; and the history of the past few years is one of increased taxation and spending and through this the constant destruction of savings and the continuous discouragement of private venture, which is the one sure way of providing jobs under the American system.

A vote for this amendment and you are a step further along the way toward bankruptcy.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not know that I could have had a better opportunity to present my argument than to follow the gentleman from Pennsylvania, who just addressed us. I shall try to come back to earth in my interest in this particular feature of the housing bill. I get more confused here than any place in the world that I have been in my 58 years as I watch legislative proceedings.

If I may, I will take the gentlman from Pennsylvania back home with me for 5 minutes and show him a situation that is a complete answer to his remarks. I should like to invite the gentleman to address about 150 families now residing on a strictly cooperative housing project just 5 miles north of Minneapolis, called by name Circle Pines. It happens to be an ideal spot. This group of good Scandinavians—and if there is anybody who is acquainted with the cooperative movement and the housing movement, I am sure he will agree with me that it is the Scandinavians who have had the answer to the problem we are trying to solve here. In the cities of Minneapolis and St. Paul and around the State of Minnesota a group of these good old Scandinavian people conceived of the necessity and found the possibility for solving the housing problem. Through the aid of a bank they purchased the property necessary for a substantial block of housing. They have succeeded in the venture.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. And they did not come to Uncle Sam asking him for help, did they?

Mr. WIER. I am here today to do that for them, because this little militant group of people, after establishing these 75 homes, are scraping the bottom of the barrel and cannot proceed further. The banks allowed them a certain amount for the property and stopped there. In the last month I have on two occasions attempted to help them with the FRC. I have had some little experience with the lending powers of the FRC and I want to say they are very discriminatory in their dealings, so far as these loans are concerned.

Here is a paying institution, so far as the Circle Pine is concerned, and the success they have had with their limited ability, and I want to emphasize the "limited ability." In the short time I have been a Member of this House, I have seen the Congress reach out in many directions and lend financial aid. This group that has now entered upon a new stage of housing just north of our city find themselves limited in their ability to do a job, and a moderate job, if you please. These are not twelve-, fourteen-, fifteen-, or sixteen-thousand-dollar homes; these are seven-, eight-, nine-, and ten-thousand-dollar homes. On the basis of my experience and my knowledge of this housing project, if you please—a real cooperative housing project—I stand on the floor and plead with the Members that this is not idealism; this is an established fact and a realistic picture in many parts of this country today. Why stalemate it? Why stymie it? To be consistent, if I am going to vote these subsidies I have voted in every direction in this Congress and put into law, I must stand here and defend this most-needed program. If you were to tell those good Scandinavians out there at Circle Pines that this is socialism and statism, you would be very badly received.

They are proud of their investment, they are proud of what they have done, and the good old American flag flies over there. They are real American citizens.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to compliment those people because they did not ask for help. They are not tax free. They have done it of their own initiative, therefore they have followed our system of government and they are to be congratulated for not asking Uncle Sam to finance them and give them a tax-free proposition.

Mr. WIER. May I say to the gentleman that in the lower strata of our society the means of getting financial help is very limited. When you have raised $300,000, $400,000 or $500,000 in this movement you have scraped the bottom and you have to look to the Congress, as everybody else in the country does, for help.

I want to support this cooperative section of the bill because, as a matter of fact, the first middle income cooperative housing legislation was introduced by Senators TOBEY, FLANDERS, and IVES last year. In that connection, it is interesting to note that if those people who call this legislation socialistic are correct—and I do not believe they are—then we have to give credit to those three Republican Senators for having introduced a socialistic piece of legislation. Of course, it is not socialism and such charges are not correct. We have changed some of the extremely liberal provisions of the original Republican proposal. We Democrats have made it more conservative and, I believe, more sound.

When the legislation came to the House committee, they held extensive hearings on it. The American Legion, the Veterans of Foreign Wars, and nearly every other veterans' organization appeared before our committee in support of the bill. Nearly all the labor organizations did likewise and so did many church organization and other interested groups. A bill was approved by the Senate Banking and Currency Committee in the last session of Congress and put on the Senate Calendar for consideration this year.

While the majority of the committee was convinced of the soundness of the cooperative housing technique, they were urged to make even a further study of the proposal. Consequently four members of the committee, including Senators BRICKER, FLANDERS, FREAR, and myself, were sent to Europe to study cooperative housing in some of the European countries. We were especially interested in the Swedish program which is considered one of the best examples in the world. They were impressed with

the careful maintenance required of the housing co-ops and with the financing participation by private lenders. When they returned to this country last fall, they tried to work out a bill applying these principles in a program similar to the FHA system of insuring housing loans. The proposed changes were incorporated in a new amendment which was introduced by Senator MAYBANK, of South Carolina, the chairman of the Senate Banking and Currency Committee. This cooperative housing proposal is included in the recommendations made by President Truman to the Congress in his state of the Union message at the beginning of the present session.

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the last word.

We have just heard the statement that this is a hand-out program and that tax exemptions are provided in the bill. Of course, that is not true. This bill does not provide tax exemptions. These home owners will pay taxes just the same as anybody else. This bill enables middle-income groups to aid themselves. It provides the means by which a family, unable alone to purchase a home because of its limited income, can, together with other middle-income families, obtain a loan. The desire to own a decent home in a good neighborhood is a profoundly good one. There is nothing new about long-term loans at low rates of interest. The low interest rates in this bill again are not a concession to this group. Low interest rates are sound because of the economy in home building made possible by this cooperative housing program. We are only extending to families who otherwise cannot own their own homes the benefits of the economies that flow out of cooperative housing. The Government is not giving these middle-income families anything. This housing program was written for families who want to own a home, and not for mortgage brokers. Some object to that.

I hear with great disgust all of this nonsense about socialism and what the Democrats have been doing in the last 15 years. The Republicans and the Democrats disagree on the meaning of socialism. What we have been doing ever since the Democrats came into power in 1932 was to help people save their homes. I thought that was supporting private enterprise. We have made it possible for people to build homes. I thought that was supporting free enterprise. We have made it possible for people to obtain loans that they could not otherwise obtain so that they could own their own businesses. I thought that was supporting free enterprise. We have made it possible for farmers to obtain loans who otherwise could not have gotten them anywhere that they might save their farms. I thought that was supporting free enterprise. We have made it possible for other farmers to buy farms. Again, I thought this was free enterprise. I profoundly believe that this is a good bill. It recognizes the need of thousands of families. The bill has other benefits—very important ones.

You go into California today and you will find that there are coming into our State every month 15,000 to 16,000 families. The Governor's unemployment conference shows that we have to have an increase of 10,000 jobs a month in order to maintain the status quo; not to dry up the unemployment we have in the State of California, which is almost up to the figure of half a million, but just to maintain the status quo. This bill will provide jobs and stimulate the building industry.

I think that this program does two things which will strengthen our democratic society, which is what everybody in this Congress wants to do I hope, regardless of the harangues that are made for political reasons. No. 1, this bill will make it possible for a greater number of people to own their own homes, to dig their roots into the community, to have a sense of participation and responsibility along with their neighbors for the quality of the life that is lived in their city or community. No. 2, it permits us to give to the economy of this country the kind of support that is going to be very badly needed, unless I miss my guess, in 6 months from now.

There are some who talk about inflation on the Republican side of the aisle. We do not need to worry about inflation at this point; we need to worry about unemployment and deflation. I talked to some builders in my office yesterday from about five States on the east coast. There are today carpenters unemployed and painters unemployed on the east and the west coast.

Mr. Chairman, I wish to discuss now the effect this legislation will have on the lumber business.

THE MIDDLE-INCOME HOUSING BILL AND THE UNITED STATES LUMBER MARKET

I wish to speak of the relation of this legislation to problems of the United States lumber industry, because this bill, as part of our national housing program, would help to solve a problem that has been causing great concern for Members of the Congress from our timber-producing regions.

The essence of that problem is the decline of lumber markets since the 1948 peak. Spokesmen of the lumber industry have been emphasizing the decline of lumber exports and the increase of imports during the postwar years, the United States having changed from a heavy net exporter of lumber before the war to a net import basis during and since the war. The real reason for this change is the scarcity and high price of United States lumber. The industry, however, has attempted to get the Congress to require the ERP countries to purchase all their lumber in the United States. At present it is similarly engaged in a vigorous campaign to restrict the import of Canadian lumber into the United States.

In support of its demands, the lumber industry has been pointing to unemployment problems in lumber-producing communities allegedly resulting from competition of Canadian logs and lumber. I sympathize with unemployed workers, and believe that measures to create and maintain abundant employment opportunities are a major responsibility of the Congress. There is, however, more than one way to skin a cat, and I cannot agree that the way to solve the unemployment problem of logging and sawmill workers is unnecessarily to deprive our good neighbor Canada of lumber markets that she needs in order to keep her economy in a healthy condition, and to keep her own lumber workers employed.

This legislation would help to bolster our domestic lumber market so that our lumber industry would not need to fight to take international lumber markets away from our neighbor to the north. The real reason our lumber industry has trouble selling its product is that American people cannot afford to build the houses that they need. This bill would help to solve that problem for many middle-income people and thereby help to provide markets which American lumbermen say they need in order to keep their workers employed.

Frankly, I find the tactics of some alleged spokesmen for the lumber industry to be most perplexing. In the name of employment for United States lumber workers, they desire this Congress to take actions that would deprive Canadian lumber workers of their jobs. At the same time they consistently oppose legislation designed to place our remaining forests under productive forestry management so as to assure lumber—and lumber workers' jobs—in the future as well as the present. As a matter of fact, a large proportion of the members of the lumber trade association which is the leader of the fight to take international lumber trade away from Canada—the West Coast Lumbermen's Association—have only enough timber to run their mills another 3 to 15 years. Then they will be finished. Their workers will really be unemployed unless they find new sources of timber, and such sources are mighty hard to find because we have gone through the rich virgin forests of this continent like a plague of locusts.

Instead of practicing conservation, we have destroyed, and our lumber industry—on the whole—is still destroying our forests instead of practicing scientific conservation. We are cutting our softwood saw timber—including second growth—three-fourths again as fast as it is growing, but at the same time we are permitting a huge amount of good saw timber to go to waste. Instead of forestry programs to produce a sustained yield of saw timber by selective logging we have programs that glut the market with trees too small for economical lumber production. And these stands of small trees for the most part are being destroyed in turn just as ruthlessly as the virgin timber was taken, without regard for the principles of selective logging which could produce lumber for today and at the same time build up our saw timber reserves for the future. At the same time billions of feet of valuable saw timber are permitted to rot to waste in our forests each year for lack of logging roads in our Government-owned

stands and for lack of a national policy to put selective logging into privately owned forests. The most vigorous and persistent opponent of a national forestry conservation program that could prevent this annual waste and reverse the downward trend of our saw timber supplies is the lumber lobby itself—the same group that is being so insistent on action by the United States Government that would create serious problems for our neighbor Canada by freezing them out of world markets.

I am not suggesting that we should ignore the problem of unemployment among lumber workers that is being brought to our attention by the lumber trade associations. I am suggesting that we should give a better answer to that problem than to injure the economy of Canada. One thing that we can and should do to relieve this unemployment situation among lumber workers without injury to our good neighbor is before us at this moment. That is to pass this middle-income housing bill which would help to bolster our domestic lumber market by making it possible for more people to build the houses that they need for the welfare of their families. We should not stop there, however. It is vital to our future welfare and security that we soon come to grips with the problems of lumber supply for the present and the future, because the present programs of the lumber industry are headed straight toward really serious unemployment of lumber workers in the future, and serious scarcity of lumber, unless we soon embark upon a vigorous national program to apply productive conservation methods in our remaining stands of saw timber.

Spokesmen for retail lumber dealers have objected to the middle-income housing bill on different grounds than the lumber producers. They say that it would create too heavy a demand for lumber and thereby force the prices still higher than at present. Their position varies from that of the lumber manufacturers' spokesmen who insist that we bolster their markets by freezing Canada out of our domestic market and out of the ERP markets. But with billions of feet of good saw timber rotting to waste in United States forests for lack of a selective logging program, it does not make much sense to say that the American people should be forced to go without homes. Productive selective logging could harvest and thereby save these many billions of feet of timber that are dying and rotting to waste each year in our forests. I say that we should pass this legislation and then turn our attention to the problem of conservation measures for our forests, measures that could produce more building materials for the present and at the same time build up our saw-timber reserves for the future.

Mr. Chairman, the passage of this bill will be a vote of confidence in our people. It will strengthen democracy, it will provide employment, increase business, and have a beneficial effect on our free enterprise system.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, contented cows housed in good barns, where there is plenty of window space so that they can get fresh air and sunshine, give more milk, live longer, look better, are more healthy, and make more money than those that have to rest in a straw stack in a storm and stand humped up in a fence corner at other times, and what is good for cows ought to be good for folks.

You know, out in my district perhaps this housing is not a matter of life and death. So, why am I for it, and why am I for section 1? Not because my people need this housing very badly, but because the customers of my people need this housing; that is why. We produce beef, pork, milk, eggs, and wheat out in my country, and it is consumed in the cities of the United States, and if our customers have to live piled up in the cities 15 families deep—I hope they have a good apartment to live in, a nice, light, clean, new apartment, and if I could help them to obtain that, I think I would be voting and speaking in the interest of my folks.

Now, I want to compliment the gentleman from New York [Mr. JAVITS]. When that gentleman takes the floor we hear liberal and constructive remarks. He is a true progressive. I would like to welcome the gentleman to the right-hand side of this aisle.

The gentleman from Massachusetts [Mr. NICHOLSON] a short time ago said that the present administration always liked to bring out a skeleton and then start building on it. May I inform the gentleman that in 1932 that was all the Republicans presented the administration with, was a skeleton. I am proud of the way we have built on that skeleton. We are now the greatest Nation in the world, with more people having good jobs than any nation in the world, and with the most prosperous agriculture in the world. We have cleaned up from around that skeleton the wreckage of those 9,976 failed banks. We have stopped the foreclosure sales on American farms. We have taken the laboring people out of the empty boxcars and soup kitchens. Today more people own their own homes than ever before. More of our boys and girls are in colleges and universities than were ever there before. More American families own new cars than ever before. There are more refrigerators, bathtubs, washing machines, radios, and television sets in American homes than at any other time in our history. Production of farms, mines, and factories are at an all-time high for any peacetime year. More money is on deposit in our banks and in savings accounts than was ever known before. I think we have done pretty well with the old skeleton that was left to us.

Mr. Chairman, when a new $10,000 home is built there is another piece of taxable property in the United States, because when those homes are built and people live in them, taxes are paid on them. Of course, they should pay taxes, but that only adds to the wealth of the United States. It adds to the taxable property of the United States, and the people who live in those good houses are better contented, they raise better children, better educated children, and they become better citizens of the United States. Therefore, I am for this bill in its entirety, with title I.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I have heard a lot of talk today that this cooperative title of the bill means that it is, therefore, a socialistic measure.

May I point out to my friends on the Republican side of the aisle that in the city of New York the cooperative housing movement has taken great strides. Who has indulged in cooperative housing in New York? The people not in the $2,500 to $4,000 a year income bracket but the people in the $50,000, $60,000, and $75,000 a year income bracket, who live on Park Avenue, Fifth Avenue, Madison Avenue, and on Riverside Drive, in my district. Why? Because they found that from a tax point of view it was cheaper for them, because they could deduct the interest they paid from their income taxes instead of having to pay the high rent they would otherwise have to pay, which is not tax deductible. So the cooperative movement in housing is best exemplified in my city by the most unsocialistic, conservative people in my community.

I have heard a lot about the different groups who oppose this legislation. I have read some of their literature. I have heard about the National Home Builders Association. I submit to you that the real home builders, the little fellows, the little-business men who build the homes for the little people of America, are not opposed to this legislation. They are in favor of it for a number of reasons.

I have been visited by the little-business men, not the great big mortgage banks, but the little men out in the field who build the homes for the little people to live in. They tell me, and a great deal of the literature put out by the real-estate interests around the country seems to bear it out, that by the middle of next summer there will be a drying up of the demand for new housing in this country, and instead of building a million homes in 1950 we will probably build somewhere around 700,000 homes.

Everybody who has studied this problem tells me we need a million homes a year for many years to come in order adequately to solve this housing shortage of ours. The builders want to build the homes at prices people can afford to pay. They want this legislation because the little people can get money at rates of interest they can afford to pay under this bill, and then they can place their orders with the little builders to go ahead and build the homes.

If we do not carry this out, these builders tell me not only will we not have the homes we need next year, but we will face grave unemployment in the building trades. That is a very real thing in my

State. We have several areas which are co-called black or critical areas with over 11 percent unemployment in the great State of New York. So the little builders want this bill. Do not be misled by the Washington lobbyists who claim to represent them. If they dared to come before you in this committee, they would tell you honestly, but they do not dare because the mortgage companies would make things very hot for the little home builders of America if they started to really express what they feel about this.

Mr. Chairman, I understand there is an amendment to be offered to increase the authorization of Federal National Mortgage Association by another three-quarters of a billion dollars. I am going to oppose that amendment because this objective of creating a secondary market for the mortgages can be handled without increasing the authority of Federal National Mortgage Association. I will show you how. Under the present rulings of the Reconstruction Finance Corporation mortgages cannot be sold by the Federal National Mortgage Association. There is no third market for these mortgages. Federal National Mortgage Association cannot resell them. Federal National Mortgage Association cannot act as a clearing house for these mortgages. When we set up this organization we set it up as a clearing house. It cannot do it now because of the high premium rates.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 120, noes 144.

Mr. PATMAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 130, noes 157.

So the amendment was not agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 1, line 4, strike out all of title I.

Mr. SPENCE. Mr. Chairman, will the gentleman from Michigan yield for a consent request?

Mr. WOLCOTT. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. JAVITS. Mr. Chairman, reserving the right to object to propound a parliamentary inquiry. Will that time also include time for perfecting amendments to the title before the vote on striking the section is taken?

The CHAIRMAN. If the amendment is adopted, of course there would be no occasion for the offering of any perfecting amendments to the title. The title would be stricken.

Mr. JAVITS. Mr. Chairman, the parliamentary inquiry would not be complete without the added question: If this amendment is defeated will there be time for offering perfecting amendments to the title?

The CHAIRMAN. There will be. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, title I has been thoroughly discussed and the issues are so clearly crystallized it would seem unnecessary to talk very much more about it. That is why, as far as I was concerned, there was no objection to cutting the time down. I will try not to take all of my 5 minutes so that there will be more time for others who want to talk on this amendment.

As it stands now the bill would provide, first, for a new bureau within the Housing and Home Financing Agency and a new mixed Government ownership corporation which we would have to maintain causing an expense which is unknown.

Understand that no appropriation is necessary for the original $25,000,000 which has been referred to. The Congress will have nothing more to say if it passes this bill in its present form about this initial $25,000,000. The Commissioner set up under title I may issue notes up to $25,000,000 and the Treasury is directed to purchase these notes and treat them as a part of the debt transaction. So the Congress through the Appropriations Committee or otherwise will have nothing further to say in respect to the original $25,000,000 which it is expected and stated in the bill shall be used for the purpose of selling the program to the people if it is not going fast enough to suit the administrators. Then we have this $100,000,000.

I am trying to summarize as quickly as I can. There is a preliminary advance to the Commissioner amounting to $25,000,000 which is considered as a debt transaction and the Treasury is directed to make that available. There is an authorization for administration of this Commissioner in the bill, which is of an unknown amount. Then the capital stock of the National Mortgage Corporation for Housing Cooperatives is set at $100,000,000 which is subscribed by the Treasury and then appropriated for from time to time as needed.

The Corporation may issue its notes, bonds, and debentures or other obligations, which are presumably sold on the open market up to $2,000,000,000, so the total known cost initially would be $2,125,000,000, and because some will say that I have misspoken myself on it, I will say that there will be only $300,000,000 of that available up to July 1, 1951.

There is a very interesting provision in here with respect to taxes. The law is silent on whether or not a cooperative is or is not to be taxed for anything other than its real and tangible properties. So I presume that any profits accruing to the cooperatives cannot be taxed any more than other cooperatives can be taxed.

It has been stated that this will enable these cooperatives to reinvest whatever profits they have in the purchase of other facilities, so that the co-ops created under the bill may be the effective or acting head of a series of cooperatives under them through the investment of their funds for the acquisition of any properties used by any families in the project under the cooperative effort. Of course, those would not be taxable any more than other cooperatives are taxed at the present time.

A point that I brought out earlier in the day seems to appeal to me as much as any of the other points in the bill, and I think I should repeat it; that almost all of the States, if not quite all of the States, have provided by law and their constitutions that States and municipalities can issue tax-exempt bonds at low interest rates for cooperative housing, because if cooperative housing is a function of a sovereign State, or a political subdivision of it, as is contemplated in this act, then it comes within the classification of a proprietary function, and for these proprietary functions they may issue tax-exempt bonds at low interest rates, so, if the States care to set up this program, they can do so and it will cost the people less than the money we provide for here and, of course, as I pointed out will be much less inflationary.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that my time be allotted to the gentleman from Massachusetts [Mr. MCCORMACK].

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MULTER. Mr. Chairman, I ask unanimous consent that my time be allotted to the gentleman from Massachusetts [Mr. MCCORMACK].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that 1 minute of my time be allotted to the gentleman from Iowa [Mr. JENSEN].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, the debate has now been, as the gentleman from Michigan has said, quite exhaustive, and I really do not have the right to take the time of the House unless there is something new to be discussed. Before we vote on title I we should have before us two new and additional points, which should weigh decisively in the retention of this title. First, I understand that the Committee on Banking and Currency learned that the limit of materials and manpower available for housing, as estimated by representatives of the housing construction industry itself, was for 1,500,000 homes. That is very important evidence on the question of inflation. There certainly cannot be claimed to be any undue pressure on men or materials and therefore on costs by authorizing the program of title I.

Secondly, assuming this motion to strike title I will fail, it is my intention to offer an amendment to perfect title I which would protect against excessive profit margins by housing contractors or builders in their dealing with cooperatives under title I, or against unreasonable competition with other types of home construction in connection with this program for cooperatives.

I also expect to offer an amendment to assure fully democratic procedures in these housing cooperatives. These three considerations should be adequate assurance that the program will not be inflationary and will be well handled.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I took this floor when the Wyatt housing bill was before the House in 1947 and at that time I predicted, as many of you will recall, that that program would fall flat, that the only thing it would do would be to raise the cost of material—all building materials—and homes, so that many veterans and others who needed homes would not be able to get them because the price would be too high.

I am satisfied that title I falls in exactly the same category as did the Wyatt housing plan, which fell flat and was outlawed 16 months after it was made law. I hope title I will be stricken from this bill, because it can have no other effect than to raise the price of building materials, hence the price of homes, and hence make it more difficult to get homes.

Mr. Chairman, this bill in effect is asking all present and future Americans to pledge their wealth and future earnings so that a comparative few thousand specially selected middle and high-income families can band together in cooperatives and get housing cheaper than they could if they did not have the help of the Government's taxing powers.

The bill sets up another Government agency, the National Mortgage Corporation for Housing Cooperatives, with employees to be paid out of the Federal Treasury. It shall be their duty "to furnish technical advice and assistance in the organization of nonprofit cooperative ownership housing corporations and nonprofit corporations in the planning, financing, development, construction, acquisition, and operation and management of their housing projects." Except for the "estimated overhead and administrative expenses in connection with such loan" all these expenditures are to be paid out of taxes. It is sort of a free management service, and the proponents of the bill are still unable to estimate the eventual cost.

This new agency is to be supplied with $100,000,000 of Treasury funds with which to make its first loans. This advance is unquestionably a subsidy, even if later repaid in full. The terms are that it shall be repaid out of the agency's receipts plus the average rate of interest on the Treasury's outstanding obligations on a set date. This still leaves the taxpayer to supply a subsidy to cover the Treasury's cost of raising this money. This includes all the printing, engraving, selling and cashing charges as well as the salaries of Treasury employees who handle the documents and the accounts. The average rate may not be the rate the Treasury would have to pay to get this extra $100,000,000 either. In fact this extra $100,000,000 Treasury flotation might eventually raise the average interest rate on the Government's entire public debt. An increase of as much as one one-hundredth of 1 percent would add $26,000,000 to the Government's annual bill for interest on the public debt.

In addition, the Treasury is required to raise another $25,000,000 for use in making preliminary advances "to assist in the formulation of a proposed housing project." If the project is finally built, these preliminary advances may be recovered. If a particular project is never built, the taxpayers' subsidized advance becomes a 100-percent subsidy.

The House proposal calls for $2,000,000,000 worth of Government guaranteed bonds or notes. The income from these, about $60,000,000 a year, would be exempt from all State and local income taxes and the principal would be exempt from all personal property and ad valorem taxes. This tax loophole would tend to make the State and local governments more dependent on Federal aid to help pay their legitimate expenses such as education.

This bill sets up tax-exempt cooperatives or nonprofit corporations which do not pay their fair share of Federal, State, and local taxes. If this bill is made law it will raise the market price on building supplies and homes. The bill requires that all labor employed be paid at the high rates specified by the Secretary of Labor. With political campaigns coming up, this could be a mighty tempting provision. Then, too, there will be the political selection of States, cities, groups, and families to receive these benefits.

It should be remembered that the administration did not call its $37,500,000 loan to the Lustron Co. a subsidy for prefabricated housing. This loan has now been foreclosed and it now remains to be seen how much of it will actually be a subsidy. It is such measures as these that caused former Secretary James F. Byrnes to say:

> The spirit of self-reliance that animated the early settlers is unfortunately departing from the people. * * * Too many people are thinking of security instead of opportunity. * * * Our real trouble is debt and taxes. We cannot cure it by more debt and more taxes. We should devote to cutting expenditures some of the thought we are devoting to taxing and borrowing.

If the sponsors of this spending-lending bill really want to help build homes for middle-income families, they might propose a reduction in taxes so that these families would have more of their own money to spend as they want.

Mr. Chairman, the proponents contend that title I of this bill is necessary to provide housing for the so-called middle-income group. There are over 15,000,000 families in the middle-income group. This so-called middle-income housing bill would reach less than 3 percent of these 15,000,000 families. The legislation is not only unnecessary but, if passed, it will give a few families in the middle-income group special treatment at the expense of the remaining 15,000,000 families in the same income group. The Government guaranties would permit a few thousand privileged families to borrow money at approximately 3 percent interest. If such a policy is adopted, in the end, interest rates on savings accounts and dividends on insurance policies owned by the other 15,000,000 families in the same middle-income group will have to be lowered to provide this 3-percent money. Therefore, 15,000,000 families would be subsidizing the cost of housing for the privileged group receiving the benefits under this legislation.

People borrowing money for home ownership should be treated equally. The laws now on the books, without this legislation, already provide more favorable treatment for cooperative housing. If, through cooperative ownership of housing, a savings can be made, those believing in cooperative ownership should rely upon those savings and not ask the Government for additional privileges or special favoritism. Most people are in the middle-income group and, if Paul, the factory worker, prefers to live in cooperative housing why should Peter, the railroad worker, be robbed of the benefits of his savings account and insurance policy to help Paul in his cooperative-housing project?

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, I had only two points I wanted to make in the closing hours of this debate. At the beginning of the debate I said that very little had been produced in the way of evidence to indicate the need for this bill. No one has testified how this bill will produce more houses for the middle-income class. In the arguments before this body today no one has shown how, by this legislation, more houses at lower cost will be produced for the middle-income class.

Secondly, I call attention to the fact that by the elimination of title I in this bill we do not eliminate cooperative building or owning or renting of houses. People may now, under existing legislation, build houses cooperatively, may live in houses cooperatively, and may own houses and rent them cooperatively. The opponents of title I of this bill are not opposed to cooperative owning of houses. The reason we are opposing this particular title in the bill is that we believe it is unsound and unnecessary.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I rise in support of the amendment to strike out title I.

The housing bill which we are considering today should be recognized for exactly what it is—election-year pump priming. It is a transparent effort to pour $2,000,000,000 into the national economy by next fall when the elections roll around. No measure which rested on sound economics would need to be made so politically delicious. It is not a housing bill. It is a rent subsidy bill.

If the forces behind this bill were really concerned for the welfare of the moderate-income group, a simpler and more practical approach could have been

used. Instead of using billions of the taxpayers' dollars on new, untried projects, the cooperative provisions of the FHA could have been broadened and strengthened, and a study made of methods by which economies in construction could be achieved.

Instead, by providing cheap credit and inflating building costs still further, it is sought to drive the costs of building for the average man even higher than they are now. Those building private homes would be paying twice, first, more taxes to subsidize low interest rates offered only to those living in cooperatives, and, second, the higher costs for the materials which go into their own homes, brought about by this inflationary measure.

I voted for a public-housing and slum-clearance measure last year. I felt it was justifiable on humanitarian and social grounds. The entire country benefits from the elimination of slums, the breeding places for disease and bad citizens. That bill is designed to help those who are unable to help themselves.

But this bill is not based on need, since it provides in effect a blanket rental subsidy for anyone in this privileged group who cares to claim it. Indeed, no attempt is made to fix in the legislation the limits intended by the phrase "moderate income." Houses can and are being built for this group now to the full extent of the available material and labor market.

This bill is discriminatory within the very income group which it is designed to help. While people who prefer to live in a cooperative can get a Government loan at 3 percent for 50 or 60 years, veterans or people with FHA loans must pay 4 percent and above for their mortgages. What are you going to say to the veteran when he demands equality of treatment with those living in cooperatives? His complaint would be perfectly justified. Why should he pay 4 percent on a loan which must be amortized in 20 or 25 years, when he is earning no more than this privileged group? Why should his taxes help to subsidize their rent?

It is an argument which would be impossible to meet. It is not difficult to predict the extension of these unusually favorable mortgage terms to large segments of our population. The pressure on Congress would be constant until the large majority could obtain housing loans on these terms.

The effects of granting these low Government interest rates on mortgages, unprecedented in our economy, would be disastrous to our entire private banking and financial structure. Private loaning institutions, savings banks, and insurance companies who are putting the savings of our people to work could not compete. They could not match the Government interest rate and earn any income for the depositors and policyholders whose money they are administering. Interest rates on bank deposits have already gone down and down. This might be the last straw. It, therefore, vitally affects every person who has a deposit in a bank or an insurance policy. It is no exaggeration to say that nationalization of the banks and financial institutions of this Nation might well result from an unwise and unsound step today. I do not hold with those who cry socialism at every proposal for Government assistance to improve the lot of our people, but this bill is the first step on a road which would lead definitely and inevitably to nationalization of our banks, if carried to its logical extreme. Before we start down that road by endorsing this bill, we should remember the lesson taught by England, where one of the first steps of the Socialist government was to take over the Bank of England.

Furthermore, the living accommodations contemplated here are to be built at an inflationary period, so that their value must decline abruptly when the housing market levels off, as it certainly must.

Fifty to sixty years is considerably longer than the life expectancy of most of the housing on which the loan is to be based. In 60 years, these people would still be paying on housing which is no longer usable, when they could be renting better houses for the same amount of money.

Another evidence of the unsound financial thinking that is back of this title I is the loss allowance which the bill stipulates. One-eighth of 1 percent is all the bill allows for possible defaults on loans, when the FHA allows one-half of 1 percent, which has proved to be the lowest rate feasible. Furthermore, these cooperative loans are for 100 percent of the value of the property when new, while the FHA, although liberal, has never guaranteed the total amount, although providing greater insurance against loss. This low rate of loss allowance is only one of the ways in which the Government would subsidize these cooperative ventures.

Let me cite a few comments made by Mr. McCabe, Chairman of the Federal Reserve Board, who testified in opposition to the bill before the Senate Banking Committee. And may I say in passing that here is a gentleman who cannot be accused of being a member of any real-estate lobby or furthering his own ends in any way. He is the spokesman of one of our most important Government agencies.

Mr. McCabe said:

> We believe that the time is close at hand when it will be desirable to begin adjusting housing legislation toward a pattern better adapted to normal peacetime conditions. These adaptations should be based on the principle that credit for residential building should be private credit, subject to the market tests governing other private credit, to be influenced in its volume by Federal Reserve monetary and credit policies.

Mr. McCabe remarked further that the Federal Reserve Board knows "of no mortgage credit currently available in this country on amortization terms of 50 to 60 years, or at interest rates such as are contemplated here." He pointed out that the danger of such terms is that they may not be sufficiently attractive to private banking institutions for investment so that the Federal National Mortgage Association would have to take them over.

Mr. McCabe suggested that instead of rushing into a huge program, the economic consequences of which cannot be accurately predicted, the cooperative housing idea be given a full and fair trial on an experimental basis, with financing on the FHA principle.

Here is a responsible Government official suggesting, although in diplomatic language, that to rush into this untried plan would be nothing short of economic suicide, and that it would contradict all the measures the Federal Reserve Board is using to keep the country on a sound basis.

The comments of Mr. McCabe should clarify a great deal of the emotional confusion which has surrounded this bill.

Finally, let me suggest to the politically minded that the surface glamour which surrounds this measure will fast disappear when the large segment of our people who earn $50 to $100 a week realize they would be paying part of the rent for others in the same income bracket in the form of a Federal rent subsidy. Most of them are having a hard enough time to pay their own rent, or their own carrying charges on their home, if they own it, without being asked in addition to shell out of their pay envelopes each week an additional sum to help pay the rent for their neighbors. Most people are simply not that generous or if they are, they prefer to walk over next door and offer that aid voluntarily, rather than being told by their Government that, through the taxing power, we are going to compel you to contribute to the living expenses of your neighbor or fellow worker, who enjoys the same income you do, but perhaps greater political influence.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEATING] has expired.

The Chair recognizes the gentleman from Massachusetts, the majority leader [Mr. McCORMACK] to close debate.

Mr. McCORMACK. Mr. Chairman, we have witnessed today the most amazing exhibition of flip-flopping by the Republican Members opposed to title I that I have seen in my 22 years as a Member of the House of Representatives. The best evidence of that is the statement made by the gentleman from Kansas [Mr. COLE] that—

> We—
>
> Meaning the Republicans—
>
> are not opposed to cooperative housing.

What mockery that is—double talk—an attempt to confuse the public—voting one way and talking another. That is the old gag.

Then we have the gentleman from Michigan, my good friend [Mr. WOLCOTT] who sees socialism behind every twig of a tree, never mind the branches. We see him opposing the amendment offered by the gentleman from Texas [Mr. PATMAN] to reduce it from $2,000,000,000 to $500,000,000 on the ground that it only takes care of 50,000 families. The gentleman from Michigan is opposed to everything himself.

Tomorrow we are going to consider increasing the authorization for the Commodity Credit Corporation by $2,000,000,000. That is coming up tomorrow. That is for the farmers of the country. Yes; I am for it. I do not have any

farms in my district, but today we have something for the people who live in the cities. We are going to see a fine exhibition when title I is stricken out and we have the roll-call vote.

One may fool the public today, but not next November, because this is going to be a live issue and a very live issue just the same as the 21-day discharge rule proposition is going to be a live issue next fall.

Then we are going to have the conference report on cotton and peanuts coming up tomorrow, in all probability. Yes, that is fine. But today we are considering something for the people who live in the cities. We are considering cooperative housing for them. The people are going to witness one thing today on the part of the House and then they are going to witness a $2,000,000,000 increase for the Commodity Credit Corporation tomorrow. The borrowing capacity of the Commodity Credit Corporation will be increased by $2,000,000,000. Then they will have in mind $500,000,000 on potatoes. This involves nothing—not $1 expense by the Federal Government. Title I contains no subsidy. There is nothing of that kind in it. It is purely a private enterprise proposition as far removed from socialism as anything can be.

The purpose of the bill is to provide home ownership. It is a private-enterprise bill. In the bill are several provisions. There is the FHA extension and $2,750,000,000 of additional money. I am for it—yes. But what is the difference between that and title I? Under title I there is a Federal subsidy. Indirectly under titles II and VI the Federal Government makes contributions. There is a guaranty of 90 percent of the loan, but the 10 percent for the land has to be contributed and can be charged off. They get a low rate of interest.

But when it comes to something for the middle class, and the middle-income group in this country, when it comes to try to put through a cooperative plan so that they can build little homes for themselves, then it is socialism—it is dangerous—then it is everything that is bad.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. O'TOOLE. Are these not the same people who labeled workmen's compensation and widows' pensions and State parks as socialism?

Mr. McCORMACK. Yes, we have heard that repeatedly.

But there is no socialism in this. There is not a Member of the House of Representatives who thinks there is any socialism involved in title I.

The gentleman from Texas offered an amendment which created an issue of good faith. We know where our friends on the other side stand now, the great majority of them. I want to exempt the progressive-minded Members and give credit where credit is due.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield, having mentioned the gentleman's name.

Mr. COLE of Kansas. The gentleman commented about those of us who came from rural areas who support bills for appropriations, subsidies, and otherwise.

Mr. McCORMACK. What is the gentleman's question, please?

Mr. COLE of Kansas. Does the gentleman know that this bill contains authorizations for FHA for the urban people? Does the gentleman know that the bill contains authorization for additional title 608 funds for the benefit of the urban people? Does the gentleman know that there is a tremendous authorization under FNMA for a secondary mortgage market for the benefit of the urban people? Does the gentleman know that billions of dollars have been authorized——

Mr. McCORMACK. Yes; under the FHA the average size of an apartment is about three and one-half rooms. What kind of family can you bring up in three and one-half rooms? But that is a deserving section, it fits into our national economy. But the gentleman knows as well as I that the activities of FHA do not fit into the picture as proposed by title I.

The gentleman says he comes from a farming area. Does the gentleman believe in farm cooperatives?

Mr. COLE of Kansas. Yes; I do.

Mr. McCORMACK. Yes; of course the gentleman does, yet he opposes this cooperative.

Mr. COLE of Kansas. Oh, no; I believe in urban cooperatives and have said so unquestionably.

Mr. McCORMACK. The gentleman has said so, but he does not vote so.

Mr. COLE of Kansas. I have voted for it.

Mr. McCORMACK. Oh, the old insecure position. The gentleman is talking one way and voting another. The gentleman may be able to fool the people of his own district, but there are an awful lot of people throughout this country who will not be fooled next fall on this vote.

This is a vote to try and strengthen the family life of America. This is a vote to preserve the family life of America, the very basis of our society. If this title is stricken and a roll call is had, it will show, I predict, a great majority of the Republicans voting in favor of striking out title I, which is an attack against the family life of America; it will show the great majority of the Democrats voting to keep it in. That is the basic issue. The family life of America is involved in this. Strengthen it by enabling American families to have decent homes through the cooperative plan as provided in title I.

Despite all the words uttered for the purpose of trying to create deception in the minds of the people, the fact is that people clearly understand and will understand just the same as they understood in November of 1948 the actions of the Eightieth Republican Congress.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BOGGS of Louisiana. The gentleman is familiar with the fact, I am sure, that the vast majority of the building and loan associations of this country are functioning as cooperatives.

Mr. McCORMACK. Absolutely. There is a proposal now to tax them; a proposal pending before the Committee on Ways and Means. The very people who oppose this, the very group, the powerful group which opposes this are these cooperatives themselves.

This is not an attack upon free enterprise, it is consistent with the free-enterprise system; this is an extension of the cooperative program as it relates to farmers and extending it to home owners in cities. It is something that should be done.

I hope the motion to strike out title I will be defeated; if not, there will be a roll-call vote, and I predict that that vote will react advantageously next fall for those who favor title I.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired; all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 174, noes 122.

So the amendment was agreed to.

The Clerk read as follows:

TITLE II—AMENDMENTS OF NATIONAL HOUSING ACT

AMENDMENTS OF TITLE I OF NATIONAL HOUSING ACT

SEC. 201. Section 2 of the National Housing Act, as amended, is hereby amended by striking out of the first sentence of subsection (a) "July 1, 1939, and prior to," and by striking out the second sentence of said subsection and inserting the following in lieu of said sentence: "In no case shall the insurance granted under this section to any such financial institution exceed the amount herein prescribed as the insurance reserve of such financial institution. Such insurance reserve shall be an amount equivalent to 10 percent of the amount of all such loans, advances of credit, and purchases made by such financial institution on or after March 1, 1950 (according to the records of the Commissioner at the date claim for reimbursement of loss is approved for payment by the Commissioner), less the amount of all claims approved for payment by the Commissioner in connection with such loans, advances of credit, and purchases: *Provided*, That the amount of the insurance reserve, if any, to the credit of any such financial institution shall be adjusted on January 1, 1953, and on the first day of each semiannual period thereafter by deducting therefrom an amount equal to one-fifth of the amount of such insurance reserve on the records of the Commissioner as of the date of such adjustment: *And provided further*, That no such adjustment shall be made in the insurance reserve of any financial institution until the first day of January or the first day of July next following the expiration of a period of 30 months after the issuance of a contract of insurance to such institution by the Commissioner, and no such adjustment shall be made in the insurance reserve of any financial institution after the termination of the contract of insurance issued to such institution by the Commissioner.": *Provided*, That this paragraph shall become effective March 1, 1950.

AMENDMENTS OF TITLE II OF NATIONAL HOUSING ACT

SEC. 202. Section 203 (a) of said act, as amended, is hereby amended by striking out

of the proviso "$6,000,000,000" and inserting in lieu thereof "$8,000,000,000" and by striking out "$6,750,000,000" and inserting in lieu thereof "$9,500,000,000".

SEC. 203. Section 207 (b) of said act, as amended, is hereby amended by adding the following new paragraphs at the end thereof:

"The insurance of mortgages under this section is intended to facilitate particularly the production of rental accommodations, at reasonable rents, of design and size suitable for family living. The Commissioner is, therefore, authorized and directed in the administration of this section to take action, by regulation or otherwise, which will direct the benefits of mortgage insurance hereunder primarily to those projects which make adequate provision for families with children, and in which every effort has been made to achieve moderate rental charges.

"Notwithstanding any other provisions of this section, every mortgage insured hereunder shall contain a provision that in selecting tenants for the property covered by the mortgage the owner will not discriminate against any family by reason of the fact that there are children in the family, and that he will not sell the property while the insurance is in effect unless the purchaser so undertakes in writing and files such agreement with the Commissioner. Violation of any such provision or undertaking shall constitute a default in the terms of the mortgage, permitting calling the entire balance due and permitting foreclosure."

SEC. 204. Section 207 (c) of said act, as amended, is hereby amended—

(1) By amending paragraph No. (2) to read as follows:

"(2) not to exceed the sum of (i) 90 percent of that portion of the estimated value of the property or project (when the proposed improvements are completed) which does not exceed $7,000 per family unit and (ii) 60 percent of such estimated value in excess of $7,000 and not in excess of $10,000 per family unit: *Provided,* That except with respect to a mortgage executed by a mortgagor coming within the provisions of paragraph numbered (b) (1) of this section, such mortgage shall not exceed the amount which the Commissioner estimates will be the cost of the completed physical improvements on the property or project exclusive of public utilities and streets and organization and legal expenses: *And provided further,* That the above limitations in this paragraph (2) shall not apply to mortgages on housing in the Territory of Alaska, but such a mortgage may involve a principal obligation in an amount not to exceed 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the value of the property or project as such term is used in this paragraph may include the land, the proposed physical improvements, utilities within the boundaries of the property or project, architect's fees, taxes and interest accruing during construction, and other miscellaneous charges incident to construction and approved by the Commissioner.); and";

(2) By amending paragraph No. (3) to read as follows:

"(3) not to exceed $8,100 per family unit (or $7,500 per family unit if the number of rooms in such property or project does not equal or exceed four and one-half per family unit) for such part of such property or project as may be attributable to dwelling use."; and

(3) By striking out the first sentence of the last paragraph the words ", except that with respect to mortgages insured under the provisions of the second proviso of paragraph No. (2) of this subsection, which mortgages are hereby authorized to have a maturity not exceeding 40 years from the date of insurance of the mortgage, such interest rate shall not exceed 4 percent per annum."

SEC. 205. Section 207 (d) of said act, as amended, is hereby amended by striking out of the proviso the words "one-half of."

SEC. 206. Section 207 (g) of said act, as amended, is hereby amended—

(1) By striking out of clause (C) in the second sentence the words "preservation of the property" and inserting in lieu thereof "preservation of the property and any mortgage insurance premiums paid after default"; and

(2) By striking out the proviso in the last sentence thereof and inserting the following: *"Provided,* That the mortgagee in the event of a default under the mortgage may, at its option and in accordance with regulations of, and in a period to be determined by the Commissioner, proceed to foreclose on and obtain possession of or otherwise acquire such property from the mortgagor after default, and receive the benefits of the insurance as herein provided, upon (1) the prompt conveyance to the Commissioner of title to the property which meets the requirements of the rules and regulations of the Commissioner in force at the time the mortgage was insured and which is evidenced in the manner prescribed by such rules and regulations, and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims that may have been released with the consent of the Commissioner. Upon such conveyance and assignment, the obligation of the mortgagee to pay the premium charges for insurance shall cease and the mortgagee shall be entitled to receive the benefits of the insurance as provided in this subsection, except that in such event the 1-percent deduction, set out in (ii) hereof, shall not apply."

SEC. 207. Section 207 (h) of said act, as amended, is hereby amended by striking out of the first sentence the words "by the Commissioner to any mortgagee upon the assignment of the mortgage to the Commissioner" and inserting in lieu thereof "under this section."

SEC. 208. Section 207 (i) of said act, as amended, is hereby amended by striking out the first sentence and inserting the following in lieu thereof: "Debentures issued under this section shall be executed in the name of the Housing Insurance Fund as obligor, shall be signed by the Commissioner, by either his written or engraved signature, shall be negotiable, and shall be dated as of the date of default as determined in subsection (g) of this section and shall bear interest from such date."

AMENDMENTS OF TITLE VI OF NATIONAL HOUSING ACT

SEC. 209. The second proviso of section 603 (a) of the National Housing Act, as amended, is hereby amended by inserting immediately before the colon at the end of such proviso a comma and the following: "or (iii) pursuant to an application for mortgage insurance received by the Commissioner on or before February 1, 1950:".

SEC. 210. Section 610 of the National Housing Act, as amended, is hereby amended by striking out of the last sentence thereof the words "which is the security for a mortgage insured pursuant to the provisions of this section.", and inserting in lieu thereof the words "of the character described in this section."

Mr. SPENCE. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 42, strike out all of section 209 and insert in lieu thereof a new section 209 as follows:

"SEC. 209. Section 603 (a) of the National Housing Act, as amended, is hereby amended by adding the following new paragraph at the end thereof:

"'Notwithstanding the provisions of the second proviso of this subsection (a), mortgages otherwise eligible for insurance under section 608 of this title may be hereafter insured thereunder if the application for such insurance was received in any field office of the Federal Housing Administration on or before March 1, 1950, and for such purpose the aggregate amount of principal obligations authorized to be insured under section 608 of this title is increased by not to exceed $600,000,000.'"

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of the committee amendment.

I desire to say a few words in reference to the amendment to section 209 offered by the Banking and Currency Committee which will permit the insurance under section 608 of the National Housing Act of mortgages where the application was filed prior to the expiration of this section.

As we all know, this section of the Housing Act provides for the insurance of rental housing loans up to 90 percent of the current cost of a project. This section was first enacted as a war measure in order to encourage the construction of housing for war workers and since the war it has been extended from time to time because of the housing shortage.

The section expired on March 1, 1950, and it has been decided not to extend it further. With this decision, I heartily concur. However, its expiration brought about a condition that will cause many builders and others throughout the country to suffer severe loss in both effort and money.

There are hundreds of people all over the country who have sponsored projects under this section and filed application with the FHA for insurance commitments during the past 6 to 9 months. They have spent money running into thousands of dollars in connection with these projects. I have been told of one project where the sponsor has invested over $600,000 in connection with a project. He will lose a large part of this if he is not enabled to go ahead with his project. All these projects were undertaken with the encouragement of the Government and after the Federal Housing Administration had expressed approval of the site and the general plan of the project.

Shortly before the act expired the amount of insurance authorization gave out and the FHA could not grant commitments although in many cases all that remained to be done in processing the cases was routine and many of the cases could have been completed if the authorization had been adequate.

I feel very deeply that Congress should assume some responsibility for these cases and should go through with them because it is in equity and good conscience obligated to do so.

It is only fair and decent that we should help out these people who have spent their time and money in good faith, and in accordance with the law under which they were invited to act.

They should have their applications processed and if they are eligible they should get their commitments and if they are not then they should not get them.

I do not think they should be thrown out simply because for one reason or another their applications were not reached for processing as soon as some others. The one has an equal right with the other under the law of fair play and good conscience. We are told that section 608 was too liberal and inflationary, and therefore should not be continued, but that is not the question we are dealing with today.

The Congress passed this act and if it was too liberal that is the responsibility of the Congress. We are not concerned today with whether the law was sound or unsound.

My position is that having passed the act we should not now desert those who in good faith did what we asked them to do at substantial cost to themselves. We should give them equal opportunity with those who were simply more fortunate in getting their applications acted on. We should make it possible for them to have their applications either granted or denied on their merits and not by the wheel of fortune.

I have just one more thought to express. There seems to be some confusion about the increased authorization of $600,000,000. Some Members may think this is an appropriation of that amount of money. It is no such thing. It is simply the top limit in the principal amount of mortgages that may be insured and the actual final cost to the Government is what is ultimately lost on the resale of foreclosed properties that the FHA has to take. The experience of the FHA to date is that it has insured $18,000,000,000 of loans, has lost only $25,000,000, and has a reserve today of $250,000,000.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. It is my understanding that the committee accepted this amendment.

Mr. BROWN of Georgia. The committee accepted this amendment unanimously. This was brought before the committee day before yesterday, and it was accepted unanimously.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I want to congratulate the committee on meeting what is a very emergent and critical condition in the building industry with respect to this very title to which this amendment applies. I think it will go a long ways in giving justice to those who did not come thoroughly under the wire of the old limitation and allowing those projects to go ahead and be built.

Mr. BROWN of Georgia. I thank the gentleman for his contribution.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. I would like to commend the gentleman for his fine statement, because I have several projects in my district that were caught short, mostly because of the lack of knowledge, and this will take care of it in good shape.

Mr. BROWN of Georgia. I thank the gentleman. That is true of many sections in the United States.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Michigan.

Mr. FORD. I would like to add also that in Michigan several projects exist that are in a distressed condition, and we are in great need of this type of legislation.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Alabama.

Mr. RAINS. Is there any provision made in this amendment relating to priorities or whether it should be based on need or not?

Mr. BROWN of Georgia. I understand it will take about $600,000,000, and that applies up to March 1. This will take care of those who applied prior to that time.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 42, immediately following line 13, insert the following two new sections:

"SEC. 211. Section 302 of the National Housing Act, as amended, is hereby amended to read as follows:

"'SEC. 302. The total amount of investments, loans, purchases, and commitments made by the Association shall not exceed $5,000,000,000 outstanding at any one time: *Provided*, That the President may increase such amount by an additional $250,000,000. The Association is authorized to issue and have outstanding at any one time notes and other obligations in an aggregate amount sufficient to enable it to carry out its functions under this act or any other provisions of law.'

"SEC. 212. Subsection (c) of section 4 of the Reconstruction Finance Corporation Act, as amended, is hereby amended to read as follows:

"'(c) The total amount of investments, loans, purchases, and commitments made subsequent to June 30, 1947, pursuant to section 4 shall not exceed $4,000,000,000 outstanding at any one time: *Provided*, That the President may increase such amount by an additional $250,000,000: *Provided further*, That the aggregate amount outstanding at any one time shall not exceed (1) under subsection (a) (4) $40,000,000, (2) for construction purposes under subsection (a) (3) $200,000,000 and (3) under the last two sentences of subsection (a) (2) $15,000,000.'"

Mr. SPENCE. Mr. Chairman, this is an amendment that the veterans' organizations are very much in favor of. The Federal National Mortgage Association furnishes a secondary market for GI mortgages. Its funds are exhausted, and they will be unable to obtain future loans unless the authorization of the Federal National Mortgage Association is increased. This amendment increases it by a total of $750,000,000. The building season has just started, and it is rolling pretty well, and we want it to continue to roll, and unless this is passed there will be a very decided downswing in the building program. It is a matter that the veterans say we have promised them. They have relied upon it and they are relying upon it now. A great part of the funds they have obtained for the construction of the homes that they so much need are the GI loans. Unless the Federal National Mortgage Association can purchase these loans where necessary, they will in many areas be unable to obtain the funds.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. HOLIFIELD. Does this increased authorization apply strictly to GI loans?

Mr. SPENCE. No; it increases the authorization of the Federal National Mortgage Association.

Mr. HOLIFIELD. To buy either GI loans or FHA loans?

Mr. SPENCE. Yes; but they really have assisted the veterans more because most of their purchases and commitments to purchase have been GI loans.

In simple terms, that is just what we are trying to do. It may be inflationary, as they have claimed of it, but it will give an opportunity to people to obtain benefits, which is usually done with money. It cannot be done any other way. I think the benefits that accrue are well worth the methods that we pursue. Instead of destroying our Republic, instead of weakening the fabric of the Nation, I think, again, that in giving homes to the people we are strengthening our institutions, we are making more secure the rights under the Constitution, and we are making for the happiness of our people for generations yet to come.

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am rather pained, for I never thought I would find myself in opposition or disagreement with the chairman of this committee, for whom I have absolutely the utmost respect, but I feel that the circumstances under which this request for an additional three-quarters of a billion dollars comes before this House forces us to look into it a little bit more carefully.

As I understand, this is the fourth time that FNMA has had its authorizations increased. I am for housing. I do not think I need emphasize that. I am for helping the veterans get their housing. But I feel that the purpose and the function of FNMA has been changed by a simple regulation of the Reconstruction Finance Corporation, more dedicated to conservative banking principles than to the carrying out of the functions which Congress had in mind when it passed the authorization for FNMA.

Originally Congress desired to set up a secondary market for these FHA and veteran loans, but it felt that it would create a clearing house for these loans, that it would turn them over as the third or tertiary market was able to absorb

them. Actually, out of $2,500,000,000 that has been spent to date in buying these mortgages, only $19,000,000 has actually been resold.

Why is that situation in existence? For the simple reason that the Reconstruction Finance Corporation policy is that these must be sold at a premium, 100½ for veterans loans and slightly over that for FHA loans.

It is the contention of many people that if the Reconstruction Finance Corporation changed its policy and acted as a clearing house by reselling these loans at par, at least $1,000,000,000, some 40 percent of its present $2,500,000,000 in holdings, would immediately move into the third market.

What is the third market? Probably the main foundation of that would be the insurance companies, who would like to put their surplus cash into this kind of very sound and safe and profitable, I might say, investment.

Why does the Reconstruction Finance Corporation desire to hold as an investment rather than to act as a clearing house? There is one very simple reason. I am not sure this is the only reason. This is a very profitable investment. I believe that some $100,000,000 a year comes in is interest as a result of this investment. This, of course, would balance off unprofitable RFC deals.

There is one last thing I want to point out about this.

The mortgage companies want this increase of three-quarters of a billion dollars so that they can move these FHA and Veterans' Administration loans. The banks want this. I feel that these loans can be moved by the method I have already described. The same gentlemen on my left, who have been screaming about an unbalanced budget and running in the red and with a deficit realize perfectly well that under present budgetary methods of the Bureau of the Budget these three-quarters of a billion dollars will go into the red side of this 1950 accounting.

I think we should pause and give a chance to the RFC to try this other method of acting as a clearing house to see if it is true, as I have been informed, that a billion dollars can be moved into a third or tertiary market. Let us see if that is possible before we go into spending another three-quarters of a billion dollars.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROOSEVELT] has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 42 after the word "section" in line 13, insert a new section to be numbered 211.

"It is the intent of Congress that no sale of a dwelling on which a mortgage is insured under the National Housing Act, as amended, shall be financed, while such mortgage is so insured, at an interest rate higher than that prescribed by the Federal Housing Commissioner. It is the further intent of Congress that no such sale shall be made, while such mortgage is so insured, on terms less favorable to the purchaser as to amortization, retirement, foreclosure, or forfeiture than those contained in such mortgage."

Mr. HOLIFIELD. Mr. Chairman, I can explain the amendment in just a few words.

In August 1949 the House adopted this amendment. It is directed to the purpose of preventing builders from obtaining FHA loans at 4½ percent interest and then selling, under contracts of agreement to sell, the same houses upon which they obtained 4½ percent money at a higher rate of interest.

The reason for the amendment arises out of a situation existing in Los Angeles, where the United Witmer Building Co. built 450 houses under the FHA. They secured this money at 4½ percent plus one-half percent insurance. They sold those homes to war workers and nonwar workers, veterans and nonveterans under a separate agreement of sale, on which they charged 6 percent interest to the purchasers.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. SPENCE. I know there has been a great deal of injustice and imposition done by reason of the condition which the gentleman complains of. I cannot speak for the committee, but personally I feel that we could accept the amendment.

The members of the committee with whom I have discussed it have no objection to it.

Mr. HOLIFIELD. I thank the chairman. I hope there is no objection on the other side of the aisle, because this amendment is to correct an abuse which Congress never foresaw. There are suits in court at the present time in Los Angeles by some of the purchasers of these properties seeking to obtain the same 4½ percent interest which was granted to the builders, on the ground that they are being defrauded by having to pay the builders a higher rate of interest, than the builders received from FHA financing.

Mr. Chairman, I trust the amendment will be adopted now as it was last time.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was agreed to.

Mr. GAMBLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GAMBLE: On page 42, after line 13, insert as section 211 the following:

"Notwithstanding the provisions of any other law, subsection (a) of section 505 of the Servicemen's Readjustment Act of 1944 as amended shall remain in effect with respect to mortgages insured by the Commissioner of the Federal Housing Administration on or before December 31, 1950."

Mr. GAMBLE. Mr. Chairman, I ask unanimous consent to modify my amendment by changing the number 211 to 212.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. GAMBLE. Mr. Chairman, I shall not need the entire 5 minutes.

Mr. Chairman, this amendment was adopted in a slightly different form in the housing bill passed last August and was retained in the Senate bill. It simply provides for the carrying over of the combination package loan, that is, the combined GI-veterans' guarantee and the FHA second mortgage. It carries it through the building season of 1950 instead of cutting it off now at the start of the season.

In the months of October, November and December, at least half of the annual volume of title closings and mortgage transactions take place. The building business in those months begins to arrange new financing.

It cannot be argued that builders should anticipate an earlier date and prepare for it now. The builder cannot advertise and quote one set of figures from now until October, for example, and then suddenly offer another set. He does not know, for instance, when he sells a house in August whether it necessarily will be closed on October 1. Processing time in FHA and VA varies with volume submitted. In 1949 that time ran from a low of 3 weeks to a high of 3 months.

I hope that the chairman of the committee is prepared to accept the amendment.

Mr. SPENCE. Mr. Chairman, we accept the amendment.

Mr. JAVITS. Mr Chairman, will the gentleman yield?

Mr GAMBLE. I yield.

Mr. JAVITS. It has been estimated that this amendment will preserve a building program for between 250,000 and 300,000 homes this fall.

Mr. DONDERO. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I shall support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. KARSTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KARSTEN:

On page 38, in lines 15 and 17, strike out "$7,000" and insert "$8,000;" on page 38, line 16, strike out "60 per centum" and insert "75 per centum."

On page 39, strike out lines 15, 16, 17, 18, 19, 20, 21, and 22.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. KARSTEN. Mr. Chairman, the housing problem in St. Louis is as bad, if not worse than any other city in the country. Housing in my city has been in a state of decay for almost a generation. We see in this proposed legislation

some of the answers to the many obstacles that have stopped our progress in the past.

This legislation has been called the middle-income housing bill. It fills a need which has long been neglected in cities such as St. Louis. It so happens during the last session I sponsored a bill similar to this one. So far, the Eighty-first Congress has made excellent progress toward the solution of the housing problem by the passage of the public-housing and slum-clearance bill, but this is only one part of the legislation that is needed. It is estimated that about 30 percent of the American people have an income of from $2,500 to $4,000 a year. These people are not eligible for public housing because their incomes are too high. They are not able to purchase homes constructed by private builders because their incomes are considered too low. For these people, there is nothing but rental units that range anywhere from $75 to $150 a month. As a result of being required to pay such high rents, these people do not have sufficient money to spend for clothing and other necessary items. This has put home ownership beyond the reach of many middle-income families.

Help for these people will be found in this bill. Under the cooperative provision assistance is provided for those who are too poor to afford housing constructed by private builders and too rich to be eligible for public housing. It will bring home ownership and rentals down to the levels of families in the $2,000 and $3,000 a year brackets.

The principle of cooperative housing, which is encompassed in this bill, is a sound approach to this problem. Housing cooperatives offer methods of reducing costs and will go a long way toward the elimination of speculative profits which is perhaps the major factor today in high-cost and high-rental housing that is being built.

My amendment relates to the urban-redevelopment program. We believe we can possibly attract private investments in St. Louis in the amount of $5,000,000. In the past, the housing program has operated on about a 10-percent down-payment basis. We have been in hopes that this $5,000,000 capital, which probably is our maximum, would give us credit to the extent of $50,000,000 worth of housing. That would provide 5,000 or more living units.

This bill as it is now written roughly calls for down payments of 20 percent instead of 10 percent. That will cut our urban-redevelopment program in half. Instead of 5,000 or more rental units we can only hope for about 2,500. Of course, we are glad for any help we might obtain but conditions are so bad in St. Louis that we need housing by the bulk.

The purpose of my amendment is to continue as close as possible to a 10 percent loan-to-value or down payment. This will attract investors and let St. Louis go ahead with the plans we have made.

Unless this bill is amended as I have proposed, I am afraid it will hamper urban-redevelopment projects in my city. The reason for this is that, first of all, our building costs are reportedly the second highest in the country and this is borne out by the fact that our low-rent housing, under the Housing Act of 1949, is presently costing a minimum of $2,050, roughly, per room, which means that a four and one-half room average, as contemplated in the bill, would cost $9,000 per unit. And this figure is for housing which is built at the absolute minimum of cost and with the barest facilities. In fact, this housing has poured concrete floors, which remain exposed even when they are rented by the tenants and would not be such as could be easily rented to the ordinary tenant over a period of years.

It is estimated by builders and developers generally, in the housing field, that middle-income housing in St. Louis will cost around $10,000 per unit, depending, of course, on the size and number of rooms.

We have as our first development an area adjacent to the downtown section of St. Louis, which would lend itself very well to the smaller size apartment units to house young couples working in the downtown area who have no children or have perhaps one or two children, and the older couples whose families are raised and who comprise a large portion of the population working in the downtown area of St. Louis. It is felt that as these people are housed, more spacious accommodations further from the congested districts will be made available to people with larger families who need four- and five-room accommodations.

For a well-rounded development program, I believe it is necessary that we operate under an FHA insurance program similar to that which was available under section 608 of title 6 of the National Housing Act. This was an emergency measure for an emergency which is continuing in St. Louis and will continue in my city for some time. My amendment restores some of the language of this section. Projects that are developed with loans insured under my amendment I believe will be sound investments for private enterprise and for the Federal Government. I feel this type of financing should be continued at least for the duration of this emergency, which has evidently been found to be continuing by the Federal Government in that the Government has extended the rent-control acts and similar legislation to protect the tenants from undue hardships resulting from a housing emergency, and thus I believe has expressed itself as thinking that this emergency continues. The people of my city are quite in agreement.

The developers in my area, as well as other areas, have been taught to think of financing on this basis and many of our plans have been made with this type of financing in mind. If my amendment is not adopted, I am afraid our plans for urban redevelopment in St. Louis will have to be cut in half.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Redesignate title III as title IV.

Renumber sections 301, 302, and 303 as sections 401, 402, and 403, respectively, and insert the following new title III as follows:

"TITLE III

"DISPOSITION OF GOVERNMENT-OWNED WAR AND VETERANS' HOUSING

"SEC. 301. Public Law 796, Eightieth Congress, approved June 28, 1948, is hereby amended by adding at the end thereof the following new section:

"'SEC. 7. The act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is hereby amended by adding at the end thereof the following new title:

"'"TITLE VI

"'"HOUSING DISPOSITION

"'"SEC. 601. (a) Upon the filing of a request therefor as herein prescribed, the Administrator shall (subject to the provisions of this section) relinquish and transfer, without monetary consideration, to any State or political subdivision thereof, local housing authority, local public agency, nonprofit organization, or educational institution, all contractual rights (including the right to revenues and other proceeds) and all property right, title, and interests of the United States in and with respect to (1) any temporary housing located on land owned or controlled by such transferee and in which the United States has no leasehold or other property interest, and (2) housing materials which have been made available to the transferee by the Administrator pursuant to section 502 of this act.

"'"(b) Upon the filing of a request therefor as herein prescribed, the Administrator may (subject to the provisions of this section) relinquish and transfer, without monetary consideration other than that specifically required by this subsection, to any State, county, municipality, or local housing authority, or to any educational institution where the housing involved is being operated for its student veterans or where the land underlying the housing is in the ownership of two or more educational institutions, or to any other local public agency or nonprofit organization where the housing involved has been made available by the United States to such agency or organization pursuant to section 502 of this act or where the Administrator determines that the housing involved is urgently needed by parents of persons who served in the armed forces during World War II and died of service-connected illness or injury, all right, title, and interest of the United States in and with respect to any temporary housing (excluding commercial facilities which the Administrator determines are suitable for separate disposal and community facilities which the Administrator determines should be disposed of separately) located on land in which the United States has a property interest through ownership, lease, or otherwise, under the following conditions:

"'"(1) If the land is owned by the United States and under the jurisdiction of the Administrator, the transferee shall have purchased such land from the Administrator at a price substantially equal to the cost to the United States of the land (including survey, title examination, and other similar expenses incident to acquisition but excluding the cost or value of all improvements thereto by the United States other than extraordinary fill), or, if the Administrator determines the amount of such cost to be nominal or not readily ascertainable, at a

price which the Administrator determines to be fair and reasonable. Payment for such land shall be made in full at the time of sale or in not more than 10 equal annual installments (the first of which shall be paid within 1 year from the date of conveyance) all of which shall be secured as determined by the Administrator with interest from the date of conveyance at the going Federal rate of interest at the time of conveyance.

"'"(2) If the land is owned by the United States and not under the jurisdiction of the Administrator, the transferee shall have purchased such land from the Federal agency having jurisdiction thereof. The Federal agency having jurisdiction of any such land is hereby authorized to sell and convey the same to any such transferee on the terms authorized herein except that the determinations required to be made by the Administrator shall be made by the agency having jurisdiction of such land.

"'"(3) If the United States does not own the land but has an interest therein through lease or otherwise, the transferee shall (i) where it is not the landowner, obtain the right to possession of such land for a term satisfactory to the Administrator, (ii) obtain from the landowner a release (or, if the transferee is the landowner, furnish a release) of the United States from all liability in connection therewith, including any liability for removal of structures or restoration of the land, except for any rental or use payment due at the time of transfer, and (iii) reimburse the United States for the proportionate amount of any payments made by the United States for the right to use the land and for taxes or payments in lieu of taxes for any period extending beyond the time of the transfer, and (iv) if the interest of the United States is not under the jurisdiction of the Administrator, the transferee shall obtain a transfer or release of the interest of the United States from the Federal agency having jurisdiction, which transfers and releases by such Federal agencies are hereby authorized on such terms as the head of the respective agency determines to be in the public interest.

"'"(c) The filing of a request under subsection (a), (b), or (g) of this section must be made on or before December 31, 1950, unless the Administrator shall, in any specific case, authorize the filing of a request subsequent to such date but on or before June 30, 1951, and, in any such case, the Administrator may extend, for a specified period not beyond December 31, 1951, the time hereinafter prescribed for complying with all conditions to the relinquishment or transfer. Such request shall be in the form of a resolution adopted by the governing body of the applicant, except that, in the case of a State, such request may be in form of a written request from the governor, and, in the case of a local housing authority (other than the Alaska Housing Authority), or a local public agency organized specifically and solely for the purpose of slum clearance and community redevelopment, shall be accompanied by a resolution of the governing body of the municipality or county approving the request for transfer. Such request shall be accompanied by either (1) a final opinion of the chief law officer or legal counsel of the applicant to the effect that it has legal authority to make the request, to accept the transfer of and operate any property involved, and to perform its obligations under this title, or (2) a preliminary opinion of such officer or counsel concerning the legal authority of the applicant with respect to the proposed relinquishment or transfer, including a statement of the reasons for not furnishing the final opinion with the request and the time required to furnish such opinion. If a request has been submitted as herein provided, the applicant shall comply with all conditions to the relinquishment or transfer (including the furnishing of the final legal opinion) on or before June 30, 1951: *Provided*, That, in any case where the applicant is unable to comply with all conditions to the relinquishment or transfer because of the need for the enactment of State legislation or charter amendment, such date shall be June 30, 1952, and may be extended by the Administrator, upon request in a particular case, to December 31, 1952. The Administrator shall act as promptly as practicable on any request which complies with the provisions of this section and is supported as herein required, and shall as promptly as practicable arrange for the making of any survey or the performance of other work necessary to the transfer: *Provided*, That, notwithstanding the provisions of this section, the Administrator may at any time, except with respect to housing for which a request has been or may be submitted under subsection (a) of this section, remove, dispose of, or retain any temporary housing, or part thereof, in accordance with any provision of this act.

"'"(d) No relinquishment or transfer with respect to temporary housing shall be made under this section unless the transferee represents in its request therefor that it proposes, to the extent permitted by law—

"'"(1) As among eligible applicants for occupancy in dwellings of given sizes and at specified rents, to extend the following preferences in the selection of tenants:

"'" First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within 3 years prior to making application for admission to such housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"'" Second, to families of other veterans and servicemen; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected: *Provided*, That if the transferee is an educational institution it may limit such preferences to student veterans and servicemen, and their families, and may, in lieu of such preferences, make available to veterans or servicemen and their families accommodations in any housing of the institution equal in number to the accommodations relinquished or transferred to it: *And provided further*, That, notwithstanding such preferences, if the transferee is a State, political subdivision, local housing authority, or local public agency, it will, in filling vacancies in housing transferred under subsection 601 (b) hereof, give such preferences to military personnel and persons engaged in national defense or mobilization activities as the Secretary of Defense or his designee prescribes to such transferee.

"'"(2) Not to dispose of any right, title, or interest in the property (by sale, transfer, grant, exchange, mortgage, lease, release, termination of the leasehold, or any other relinquishment of interest) either (i) for housing use on the present site or on any other site except to a State or political subdivision thereof, local housing authority, a local public agency, or an educational or eleemosynary institution, or (ii) for any other use unless the governing body of the municipality or county shall have adopted a resolution determining that, on the basis of local need and acceptability, the structures involved are satisfactory for such use and need not be removed: *Provided*, That this representation will not apply to any disposal through demolition for salvage, lease to tenants for residential occupancy, or lease of nondwelling facilities for the continuance of a use existing on the date of transfer, or where such disposal is the result of a bona fide foreclosure or other proceeding to enforce rights given as security for a loan to pay for land under this section: *And provided further*, That nothing contained in this paragraph shall be construed as applicable to the disposition of any land or interest therein after the removal of the structures therefrom.

"'"(3) To manage and operate the property involved in accordance with sound business practices, including the establishment of adequate reserves.

"'"(4) Whenever the structures involved, or a substantial portion thereof, are terminated for housing use and are not to be used for a specific nonhousing use, to promptly demolish such structures terminated for housing use and clear the site thereof.

"'"(e) Any relinquishment or transfer by the Administrator under this section shall constitute a waiver of the requirements of section 313 of this act (and any contractual obligations pursuant thereto) for removing the housing involved if the request for such relinquishment or transfer was made, as authorized herein, by the governing body of the municipality or county, or by the local housing authority, or, in other cases, if, prior to or within 6 months after the date of the relinquishment or transfer, there is filed with the Administrator a resolution of such governing body specifically approving (1) the unconditional waiver of such requirements or (2) the waiver of such requirements subject to conditions specified in the resolution. Any such conditions shall not affect the waiver of removal requirements hereunder, and the United States shall assume no responsibility for compliance therewith.

"'"(f) In any relinquishment or transfer under this section, the net revenues and other proceeds from such housing to which the United States is entitled on the basis of periodic settlements shall continue to accrue to the United States until the end of the month in which the relinquishment or transfer is made, and the obligation of the transferee to pay such accrued amounts shall not be affected by this section. The Administrator may charge to the transferee the cost to the United States of any survey, title information, or other item incidental to the transfer.

"'"(g) Upon the filing of a request therefor as herein prescribed, the Administrator may (subject to the provisions of this section) relinquish and transfer, without monetary consideration other than payment for land involved as specifically required by subsection (b) hereof, to any local public agency organized specifically and solely for the purpose of slum clearance and community redevelopment in a municipality in which the total number of persons, who on December 31, 1948, were living in temporary family accommodations provided by the United States or any agency thereof since September 8, 1939, exceeded the total population of such municipality as shown by the 1940 census, all right, title, and interest of the United States in and with respect to any temporary housing located in such municipality under the conditions set forth in said subsection (b). Notwithstanding the provisions of su section (b) of this section, the Administrator shall not relinquish or transfer any right, title, or interest of the United States in and with respect to any temporary

housing situated in such a municipality except as set forth in this subsection.

"'"SEC. 602. The requirements of section 313 of this act shall not apply to any temporary housing—

"'"(a) for which such requirements have been waived pursuant to section 505 or section 601 of this act;

"'"(b) transferred by the Administrator to the jurisdiction of the Department of the Army, the Navy, or the Air Force pursuant to section 4 of this act;

"'"(c) disposed of by the Administrator under title I or title III of this act for long-term housing or nonhousing use without any requirement for removal where the governing body of the municipality or county has adopted a resolution determining that, on the basis of local need and acceptability, the structures involved are (1) satisfactory for such long-term use or (2) satisfactory for such long-term use if conditions prescribed in such resolution, affecting the physical characteristics of the project, are met: *Provided,* That any such conditions shall not affect the disposal of any temporary housing hereunder, and the United States shall assume no responsibility for compliance with such conditions: *And provided further,* That any housing disposed of for housing use in accordance with this subsection (c) shall thereafter be deemed to be housing accommodations, the construction of which was completed after June 30, 1947, within the meaning of section 4 of the Housing and Rent Act of 1947, as amended, relating to preference or priority to veterans of World War II or their families; or

"'"(d) disposed of or relinquished by the Administrator prior to the enactment of this section subject to such requirements or contractual obligations pursuant thereto, where the governing body of the municipality or county on or before December 31, 1950, adopts a resolution as provided in (c) above; and any contract obligations to the Federal Government for the removal of such housing shall be relinquished upon the filing of such a resolution with the Administrator.

"'"SEC. 603. With respect to any housing classified, prior to the enactment of this section, by the Administrator as demountable, the Administrator shall, as soon as practicable but not later in any event than December 31, 1950, and after consultation with the communities affected, redetermine (taking into consideration local standards and conditions) whether such housing is of a temporary or permanent character, and after such redetermination shall dispose of such housing in accordance with the provisions of this title.

"'"SEC. 604. With respect to temporary housing remaining under the jurisdiction of the Administrator on land under his control, the Administrator shall (1) permit vacancies, occurring or continuing after July 1, 1951, to be filled only by transfer of tenants of other accommodations in the same locality being removed as required by this act; (2) notify, on or before March 31, 1952, all tenants to vacate the premises prior to July 1, 1952; (3) promptly after July 1, 1952, cause actions to be instituted to evict any tenants still remaining; and (4) remove (by demolition or otherwise) all dwelling structures as soon as practicable after they become vacant: *Provided,* That in any case where a request for relinquishment or transfer has been filed pursuant to section 601 hereof and where under the provisions of section 601 (c) hereof the date for compliance with all conditions to the relinquishment or transfer shall have been extended, each of the foregoing dates shall be extended for a period of time equal to the period of the extension under section 601 (c): *And provided further,* That nothing heretofore in this section shall apply (1) to any temporary housing in any municipality in which the total number of persons, who on December 31, 1948, were living in temporary family accommodations provided by the United States or any agency thereof since September 8, 1939, exceeds 30 percent of the total population of such municipality as shown by the 1940 census, nor (2) to any temporary housing as to which the local governing body has adopted a resolution as provided in section 602 (c) hereof, nor (3) to any temporary housing for which a request has been submitted in accordance with section 601 (b) of this act but which has not been relinquished or transferred solely because the applicant has been unable to obtain from the landowner the right to possession of the land on reasonable terms as determined by the Administrator: *Provided,* That, in filling vacancies in such housing, the preferences set forth in section 601 (d) (1) shall be applicable and that families within such preference classes shall be eligible for admission to such housing, nor (4) to any temporary housing in which accommodations have been reserved, prior to the enactment of this section, for veterans attending an educational institution if (i) such institution certifies that the accommodations are urgently needed for such veterans and submits facts showing, to the satisfaction of the Administrator, that all reasonable efforts have been made by the institution to find other accommodations for them and (ii) such institution agrees to reimburse the Housing and Home Finance Agency for any financial loss to the Agency in the operation of the accommodations after June 30, 1951: *And provided further,* That with respect to any temporary housing under the jurisdiction of the Administrator the maximum rental shall be that in effect on April 1, 1949, unless the Housing Expediter shall approve a petition for an increase in accordance with the fair net operating income formula in effect from time to time under that act on grounds of hardship to the landlord: *Provided,* That if such housing is not in an area where rent control is in effect at the time pursuant to the Housing and Rent Act of 1947, as amended, an increase may be granted by the Administrator on the basis of such formula.

"'"SEC. 605. (a) The Administrator may continue by lease or condemnation any interest less than a fee simple in lands heretofore acquired by the Administrator for national defense or war housing or for veterans' housing (whether of permanent or temporary character), or held by any Federal agency in connection therewith, and may acquire, by purchase or condemnation, a fee-simple title to or lesser interest in any such lands if the Administrator determines that the acquisition of such fee simple or lesser interest is necessary to protect the Government's investment or to maintain the improvements constructed thereon, or that the cost of fulfilling the Government's obligation to restore the property to its original condition would equal or exceed the cost of acquiring the title thereto.

"'" (b) In any case in which the Administrator holds, on or after April 1, 1950, an interest in land acquired by the Federal Government for national defense, war housing, or veterans' housing and where (1) the term of such interest (as prescribed in the taking or in the lease or other instruments) is for the 'duration of the emergency' or 'duration of the war,' or 'duration of the emergency' or 'duration of the war' plus a specific period thereafter, or for some similarly prescribed term, and (2) the rental, award, or other consideration which the Federal Government is obligated to pay or furnish for such interest gives the owner of the land less than an annual return, after payment of real-estate taxes, of 6 percent of the lowest value placed on such land by an independent appraiser, hired by the Government to make such appraisal based on the value of the land before the acquisition of the Government's interest therein, the Administrator is authorized, upon request of the owner of the land and, notwithstanding any existing contractual or other rights or obligations, to increase the amount of future payments for such interest in order to give the owner of the land a return for the Government's use thereof not exceeding the 6 percent annual return described in (2) of this subsection: *Provided,* That this subsection shall not affect any payment heretofore made or any future payment accepted by an obligee, nor shall this subsection limit the consideration which may be paid for the use of any land beyond the existing term of the Government's interest therein.

"'" (c) Notwithstanding any other provisions of law unless hereafter enacted expressly in limitation hereof, moneys shall be deposited in the reserve account established pursuant to subsection (a) and subsection (b) of section 303 of this act (which account is hereby continued subject to the limitation as to amount specified in subsection (c) thereof) and all moneys deposited in such reserve account shall be and remain available for any or all of the purposes specified in said subsections (a) or (b) or in this section 605 without regard to the time prescribed in subsection (c) of section 303 with respect to covering moneys in such account into miscellaneous receipts. Moneys in such reserve accounts shall also be available for the payment of necessary expenses (which shall be considered nonadministrative expenses) in connection with administering (1) transfers pursuant to section 601, (2) redeterminations of the temporary or permanent character of demountable housing pursuant to section 603, (3) changes in land tenure and revisions in the consideration payable to land owners pursuant to subsection 605 (a) and 605 (b), and (4) transfers of permanent war housing for low-rent use pursuant to section 606. Moneys in such reserve account shall also be available for the purpose of making improvements to, or alterations of, any permanent housing or part thereof if (1) the dwelling structures therein are designed for occupancy by not more than four families and are to be sold separately and (2) such improvement or alteration is requested by the local governing body as a condition to the acceptance of the dedication of streets or utilities or is necessary for compliance with local law or regulation relating to the continued operation or occupancy of the housing by a purchaser.

"'"SEC. 606. (a) The Administrator is hereby specifically authorized to convey the following housing projects to the following local public housing agencies respectively, if—

"'" (1) on or before December 31, 1950, (i) the conveyance is requested by the governing body of the municipality or county and (ii) the public housing agency has demonstrated to the satisfaction of the Administrator that there is a need for low-rent housing (as such term is defined in the United States Housing Act of 1937) within the area of operation of such public housing agency which is not being met by private enterprise;

"'" (2) the Administrator determines that the project requested will meet such need in whole or in part, and is suitable for low-rent housing use; and

"'" (3) on or before June 30, 1951, the governing body of the municipality or county enters into an agreement with the public housing agency (satisfactory to the Public Housing Administration, hereinafter referred to as 'Administration') providing for local cooperation and payments in lieu of taxes not in excess of the amount permitted by subsection (c) (5) of this section, and the

public housing agency enters into an agreement with the Administration (in accordance with subsection (c) of this section) for the administration of the project:

State	Project number	Local public housing agency
Alabama	1041	Housing Authority of District of Birmingham.
	1061	Housing Authority of Greater Gadsden.
	1062	Do.
	1031	Housing Board of Mobile.
	1033	Do.
	1034	Do.
	1035	Do.
	1036	Do.
	1101	Do.
	1102	Do.
	1072	Housing Authority of Sylacauga.
	1076	Do.
	1073	Housing Authority of City of Talladega.
Arkansas	3023	Housing Authority of City of Conway.
California	4031	Housing Authority of City of Fresno.
	4161	Housing Authority of County of Kern.
	4141	Do.
	4103	Housing Authority of City of Los Angeles.
	4104	Do.
	4108	Do.
	4121	Housing Authority of City of Paso Robles.
	4171	Housing Authority of City of Richmond.
	4174	Do.
Connecticut	6091	Housing Authority of City of Bristol.
	6024	Housing Authority of Town of East Hartford.
	6031	Housing Authority of City of New Britain.
	6032	Do.
	6101	Housing Authority of City of New Haven.
	6041	Housing Authority of City of Waterbury.
	6213	Do.
District of Columbia	49012	National Capital Housing Authority.
	49017	Do.
	49044	Do.
Florida	8052	Housing Authority of City of Jacksonville.
	8121	Housing Authority of City of Lakeland.
	8062	Housing Authority of City of Miami.
	8011	Housing Authority of City of Orlando.
	8082	Housing Authority of City of Pensacola.
	8084	Do.
	8085	Do.
	8131	Housing Authority of City of Sebring.
	8041	Housing Authority of City of West Palm Beach.
Georgia	9071	Housing Authority of City of Albany.
	9061	Housing Authority of Macon.
	9063	Do.
	9041	Housing Authority of Savannah.
	9042	Do.
	9043	Do.
Illinois	11081	Madison County Housing Authority.
	11082	Do.
	11111	Winnebago County Housing Authority.
	11112	Do.
Indiana	12071	Housing Authority of City of Fort Wayne.
	12021	Housing Authority of City of South Bend.
Louisiana	16051	Housing Authority of Parish of East Baton Rouge.
Maryland	18095	Housing Authority of Baltimore City.
	18096	Do.
	18097	Do.
	18098	Do.
Massachusetts	19051	Boston Housing Authority.
	19021	Chicopee Housing Authority.
	19022	Do.
	19061	Pittsfield Housing Authority.
	19023	Springfield Housing Authority.
Michigan	20012	Housing Commission of Detroit.
Nevada	26021	Housing Authority of City of Las Vegas.
New Hampshire	27021	Housing Authority of City of Manchester.
New Jersey	28044	Housing Authority of City of Camden.
	28021	Housing Authority of City of Long Branch.
	28072	Housing Authority of City of Newark.
	28111	Housing Authority of Town of Phillipsburg.
New York	30031	Buffalo Municipal Housing Authority.
	30032	Do.
	30042	Elmira Housing Authority.
	30033	Lackawanna Municipal Housing Authority.
	30039	Do.
	30034	Niagara Falls Housing Authority.
	30071	Do.
	30082	Massena Housing Authority.
North Carolina	31023	Housing Authority of City of Wilmington.
	31024	Do.
Ohio	33031	Canton Metropolitan Housing Authority.
	33033	Do.
	33021	Cincinnati Metropolitan Housing Authority.
	33071	Cleveland Metropolitan Housing Authority.
	33074	Do.
	33075	Do.
	33112	Lorain Metropolitan Housing Authority.
	33261	Do.
	33262	Do.
	33041	Warren Metropolitan Housing Authority.
	33043	Do.
Oregon	35021	Housing Authority of Portland.
Pennsylvania	36051	Housing Authority of County of Beaver.
	36058	Do.
	36041	Housing Authority of Bethlehem.
	36042	Do.
	36044	Do.
	36151	Allegheny County Housing Authority.
	36152	Do.
	36061	Housing Authority of County of Lawrence.
	36021	Housing Authority of City of Erie.
	36031	Housing Authority of County of Lycoming.
	36011	Housing Authority of Philadelphia.
	36012	Do.
	36014	Do.
	36015	Do.
	36016	Do.
	36101	Housing Authority of City of Pittsburgh.
	36212	Allegheny County Housing Authority.
	36295	Housing Authority of City of York.
Rhode Island	37013	Housing Authority of City of Newport.
South Carolina	38023	Housing Authority of City of Charleston.
	38061	Do.
	38041	Housing Authority of City of Spartanburg.
	38042	Do.
Tennessee	40022	Jackson Housing Authority.
	40023	Milan Housing Authority.
	40011	Nashville Housing Authority.
	40025	Trenton Housing Authority.
Texas	41064	Housing Authority of City of Corpus Christi.
	41065	Do.
	41133	Housing Authority of City of Freeport.
	41031	Housing Authority of City of Houston.
	41131	Housing Authority of City of Lake Jackson.
	41101	Housing Authority of City of Mineral Wells.
	41103	Do.
	41072	Housing Authority of City of Orange.
	41032	Housing Authority of City of Pasadena.
	41141	Housing Authority of City of Texarkana.
	41121	Housing Authority of City of Wichita Falls.
Virginia	44131	Alexandria Redevelopment and Housing Authority.
	44132	Do.
	44133	Do.
	44135	Do.
	44136	Do.
Virginia	44065	Newport News Redevelopment and Housing Authority.
	44074	Norfolk Redevelopment and Housing Authority.
	44086	Portsmouth Redevelopment and Housing Authority.
Washington	45043	Housing Authority of City of Bremerton.
	45277N	Housing Authority of County of Clallam.
	45315N	Do.
	45133	Housing Authority of County of King.
	45052	Housing Authority of City of Seattle.
	45053	Do.
	45054	Do.
	45055	Do.
	45056	Do.
	45122	Housing Authority of City of Vancouver.

In addition to the authority of the Administrator under the first sentence of this subsection, the Administrator is hereby specifically authorized to convey any permanent war housing project to a local public housing agency if requested in writing, within 60 days after the enactment of this section, by such agency or the executive head of the municipality (or of the county or Parish if such project is not in a municipality) within which the project is located, or by the Governor of the State where an agency of the State has authority to operate the project: *Provided*, That any conveyance by the Administrator pursuant to this sentence shall be subject to the same conditions and requirements as provided in this section with respect to a project specifically designated herein.

"'"The Administrator shall not convey any housing project pursuant to this subsection (a) unless the housing shall have been offered for sale by the Administrator pursuant to the provisions of Section 607 of this act for a period of 6 months after the effective date of this section. In the event the Administrator enters into an agreement to sell any such housing project, in whole or in part, pursuant to the provisions of section 607 of this act, such housing project, or part thereof, shall not be eligible for conveyance pursuant to this subsection (a).

"'"(b) Upon the conveyance by the Administrator of any such project pursuant to the provisions of this section, such project shall constitute and be deemed to be 'low-rent housing' as that term is used and defined in the United States Housing Act of 1937 (and to be a low-rent housing project assisted pursuant to that act, within the meaning of subsection 502 (b) of the Housing Act of 1948) except that no capital grant or annual contribution shall be made by the Federal Government with respect to such project. Any instrument of conveyance by the Administrator stating that it is executed under this act shall be conclusive evidence of compliance therewith insofar as any title or other interest in the property is concerned.

"'"(c) The agreement between the public housing agency and the Administration required by subsection (a) of this section shall contain the following conditions and requirements, and may contain such further conditions, requirements, and provisions as the Administration determines—

"'"(1) during a period of 40 years following the conveyance the project shall be administered as low-rent housing in accordance with subsections 2 (1) and 2 (2) of the United States Housing Act of 1937: *Provided*, That if at any time during such period the public housing agency and the Administration agree that the project, or any part thereof, is no longer suitable for use

as low-rent housing, the project, or part thereof, shall with the approval of the Administration be sold by the public housing agency after which the agreement shall be deemed to have terminated with respect to such project or part thereof except that the proceeds from such sale, after payment of the reasonable expense thereof, shall be paid to the Administration;

"'"(2) the public housing agency shall, within 6 months following the conveyance, initiate a program for the removal of all families residing in the project on the date of conveyance who are ineligible under the provisions of the United States Housing Act of 1937 for continued occupancy therein, and shall have required such ineligible tenants to vacate their dwellings within 18 months after the initiation of such program: *Provided*, That military personnel as designated by the Secretary of Defense or his designee shall not be subject to such removal until 18 months after the date of conveyance;

"'"(3) annually during the term of such agreement, the public housing agency shall pay to the Administration all income from the project remaining after deducting the amounts necessary (as determined pursuant to regulations of the Administration) for (i) the payment of reasonable and proper costs of operating, maintaining, and improving such project, (ii) the payments in lieu of taxes authorized hereunder, (iii) the establishment and maintenance of reasonable and proper reserves as approved by the Administration, and (iv) the payment of currently maturing installments of principal of and interest on any indebtedness incurred by such public housing agency with the approval of the Administration;

"'"(4) during the term of such agreement, the project shall be exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions;

"'"(5) for the tax year in which the conveyance is made and the next succeeding tax year annual payments in lieu of taxes may be made to the State, city, county, or other political subdivisions in amounts not in excess of the real-property taxes which would be paid to such State, city, county, or other political subdivisions if the project were not exempt from taxation; and thereafter, during the term of such agreement, payments in lieu of taxes with respect to the project may be made in annual amounts which do not exceed 10 percent of the annual shelter rents charged in such project;

"'"(6) in selecting tenants for such project, the public housing agency shall give such preferences as are prescribed by subsection 10 (g) of the United States Housing Act of 1937, except that for 1 year after the date of conveyance of a project, the public housing agency shall, to the extent permitted by law, give such preferences, by allocation or otherwise, to military personnel as the Secretary of Defense or his designee prescribes to the public housing agency; and

"'"(7) upon the occurrence of a substantial default in respect to the requirements and conditions to which the public housing agency is subject (as such substantial default shall be defined in such agreement), the public housing agency shall be obligated at the option of the Administration, either to convey title in any case where, in the determination of the Administration (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this title and the United States Housing Act of 1937, or to deliver possession to the Administration of the project, as then constituted, to which such agreement relates: *Provided*, That in the event of such conveyance of title or delivery of possession, the Administration may improve and administer such project as low-rent housing, and otherwise deal with such housing or parts thereof, subject however, to the limitations contained in the applicable provisions of the United States Housing Act of 1937. The Administration shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such agreement and as soon as practicable after the Administration shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this title and the United States Housing Act of 1937, thereafter be operated in accordance with the terms of such agreement. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Administration pursuant to this paragraph upon the subsequent occurrence of a substantial default.

"'"(d) At the end of each fiscal year, the total amount of payments during such year to the Administration in accordance with subsection (c) of this section shall be covered into the Treasury as miscellaneous receipts.

"'"SEC. 607. (a) The Administrator shall, subject to the provisions of this section, dispose of permanent war housing other than housing conveyed pursuant to section 606 of this act, as promptly as practicable and in the public interest.

"'"(b) Preference in the purchase of any dwelling structure designed for occupancy by not more than four families and offered for separate sale shall be granted to occupants and to veterans over other prospective purchasers for such period as the Administrator may determine and in the following order:

"'"(1) A veteran who occupies a unit in the dwelling structure to be sold and who intends to continue to occupy such unit;

"'"(2) A nonveteran who occupies a unit in the dwelling structure to be sold and who intends to continue to occupy such unit;

"'"(3) A veteran who intends to occupy a unit in the dwelling structure to be sold.

"'"Subject to the above order of preference, the Administrator may establish subordinate preferences for any such dwelling structure. As used in this section 607 (b), the term 'veteran' shall include a veteran, a serviceman, or the family of a veteran or a serviceman, or the family of a deceased veteran or serviceman whose death has been determined by the Veterans' Administration to be service-connected.

"'"(c) In the case of any housing project required by this section to be disposed of, which is not offered for separate sale of separate dwelling structures designed for occupancy by not more than four families, such project may be sold as a whole or in such portions as the Administrator may determine. On such sales of an entire project or portions thereof consisting of more than one dwelling structure or of an individual dwelling structure designed for occupancy by more than four families, first preference shall be given for such period not less than 90 days nor more than 6 months from the date of the initial offering of such project or portions thereof as the Administrator may determine, to groups of veterans organized on a mutual ownership or cooperative basis (provided that any such group shall accept as a member of its organization, on the same terms, subject to the same conditions, and with the same privileges and responsibilities, required of, and extended to other members of the group any tenant occupying a dwelling unit in such project, portion thereof or building, at any time during such period as the Administrator shall deem appropriate, starting on the date of the announcement by the Administrator of the availability of such project, portion thereof or building for sale), except that a first preference for said period of not less than 90 days nor more than 6 months shall be given to any group organized on a mutual or cooperative basis, which, with respect to its proposed purchase of a specific housing project or portions thereof, has, prior to August 1, 1949, been granted an exception by the Administrator from the sales preference provisions of Public Regulation 1 of the Housing and Home Finance Agency and has been designated as a preferred purchaser.

"'"(d) The Administrator shall provide an equitable method of selecting the purchasers to apply when preferred purchasers (or groups of preferred purchasers) in the same preference class or containing members in the same preference class compete with each other.

"'"(e) Any housing disposed of in accordance with this section shall after such disposal be deemed to be housing accommodations the construction of which was completed after June 30, 1947, within the meaning of section 4 of the Housing and Rent Act of 1947, as amended, relating to preference or priority to veterans of World War II or their families.

"'"(f) Sales pursuant to this section shall be upon such terms as the Administrator shall determine: *Provided*, That full payment to the Government for the property sold shall be required within a period not exceeding 25 years with interest on unpaid balances at not less than 4 percent per annum, except that in the case of projects initially programed as mutual-housing communities under the defense-housing program, the terms of sale shall not require a down payment and shall provide for full payment to the United States over a period of 45 years with interest on unpaid balances at not more than 3 percent per annum.

"'"SEC. 608. Notwithstanding any other provision of law, any land acquired under this or any other act in connection with war or veterans' housing, but upon which no dwellings are located, may be sold at fair value, as determined by the Administrator, to any agency organized for slum clearance or to provide subsidized housing for persons of low income.

"'"SEC. 609. Notwithstanding any other provision of the law, the Administrator is authorized to convey by quitclaim deed, without consideration, to any State for National Guard purposes any land, together with any nondwelling structures thereon, held under this or any other act in connection with war or veterans' housing: *Provided*, That the United States shall be saved harmless from or reimbursed for such costs incidental to the conveyance as the Administrator may deem proper: *Provided further*, That the conveyance of such land shall contain the express condition that if the grantee shall fail or cease to use such land for such purposes, or shall alienate (or attempt to alienate) such land, title thereto shall, at the option of the United States, revert to the United States.

"'"SEC. 610. As used in this title, the following terms shall have the meanings ascribed to them below unless the context clearly indicates otherwise:

"'"(a) The term 'governing body of the municipality or county' means the governing body of the city, village, or other municipality having general governmental authority over the area in which the housing involved is located, or, if the housing is not located in such a municipality, the term means the governing body of the county or parish in which the housing is located, or if the housing is located in the District of Columbia, the term means the Board of Commissioners of said District.

"'"(b) The term 'housing' means any housing under the jurisdiction of the Administrator (including trailers and other mobile or portable housing) constructed, acquired, or made available under this act or Public Law 781, Seventy-sixth Congress, ap-

proved September 9, 1940, or Public Laws 9, 73, or 353, Seventy-seventh Congress, approved, respectively, March 1, 1941, May 24, 1941, and December 17, 1941, or any other law, and includes in addition to dwellings any structures, appurtenances, and other property, real or personal, acquired for or held in connection therewith.

"'"(c) The term 'temporary housing' means any housing (as defined in (b)) which the Administrator has determined to be 'of a temporary character' pursuant to this act and shall also include any such housing after rights thereto have been relinquished or transferred under this title or section 505 of this act.

"'"(d) The terms 'veteran' and 'serviceman' mean 'veteran' and 'serviceman' as those terms are defined in the United States Housing Act of 1937.

"'"(e) The term 'State' means any State, Territory, dependency, or possession of the United States, or the District of Columbia.

"'"(f) The term 'going Federal rate of interest' means 'going Federal rate' as that term is defined in the United States Housing Act of 1937.

"'"(g) The term 'United States Housing Act of 1937' means the provisions of that act, including all amendments thereto, now or hereafter adopted, except provisions relating to the initial construction of a project or dwelling units."'

"SEC. 302. Section 313 of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended, is hereby amended to read as follows:

"'SEC. 313. Except as otherwise provided in this act, the Administrator shall, as promptly as may be practicable and in the public interest, remove (by demolition or otherwise) all housing under his jurisdiction which is of a temporary character, as determined by him, and constructed under the provisions of this act, Public Law 781, Seventy-sixth Congress, and Public Laws 9, 73, 353, Seventy-seventh Congress. Such removal shall, in any event, be accomplished not later than December 31, 1952, or by such later date as may be required because of extensions of time in accordance with section 604 hereof, with the exception only of such housing as the Administrator, after consultation with local communities, finds is still urgently needed because of a particularly acute housing shortage in the area: *Provided*, That all such exceptions shall be reexamined annually by the Administrator and that all such exceptions and reexaminations shall be reported to the Congress. Notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, no Federal statute, or regulation thereunder, shall prohibit or restrict any action or proceeding to recover possession of any housing accommodations for the purpose of carrying out the provisions of this section or section 604 of this act.'

"SEC. 303. Section 2 of Public Law 385, Seventy-ninth Congress, is hereby repealed.

"SEC. 304. The act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended, is hereby amended by striking out the words 'National Housing Administrator' and 'National Housing Agency' wherever they appear in said act and inserting in lieu thereof the words 'Housing and Home Finance Administrator' and 'Housing and Home Finance Agency', respectively."

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, this is a long amendment. I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD. The gentleman from Arkansas [Mr. HAYS] will explain it.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. HAYS of Arkansas. Mr. Chairman, I undertook in general debate to make an explanation of the purposes of this amendment. It is not controversial. I mean by that, the committee agreed upon it unanimously this morning, although there are certain differences of opinion between the gentleman from Michigan [Mr. WOLCOTT] and myself which we believe can be composed in conference. It is a good-faith effort to expedite disposition of the Lanham Act properties.

The Members of the House are familiar with the fact that these temporary buildings in many instances should not be demolished, as the present law requires, on January 1, 1951, but unless the pending amendment becomes law the Administrator will find it impossible to continue housing accommodations in many distressed areas.

In other words, we have found from actual observation in our studies that the date for demolition should be postponed and that better criteria should be adopted to enable the Government to recover its investment in some instances and in others to prevent great hardship upon families that now occupy them.

That, in brief, is the purpose of the amendment. There are 389,000 units involved. Of these, 135,000 units are classified as permanent properties. The amendment sets forth the separate procedure for disposal of temporary houses and for permanents.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. As I understood the amendment when it was read, it takes care of subdivisions of States but does not take care of the transfer of property where the projects are located on grounds administered by nonprofit organizations, such as chambers of commerce, veterans organizations or educational institutions. The gentleman knows that several instances arose during the past year where transfer of war reused houses was blocked by reason of the fact the project was being administered by a nonprofit organization, some veterans organization or a chamber of commerce, in communities where the municipality had no statutory right to operate housing projects. I doubt if the gentleman's amendment takes care of those situations.

Mr. HAYS of Arkansas. If the amendment does not, I will be glad to discuss it with the gentleman in an effort to reach that situation. The conference will have work to do in this regard since the Senate has also acted upon this problem. I would like to point out to the gentleman from South Dakota that the bill does provide for transfer to educational institutions and it also covers veterans cooperatives. Unless he has some complicated situation in mind, in its present form it may be adequate.

Mr. CASE of South Dakota. The transfer of veterans housing to educational institutions was made possible by what is known as the McGregor Act and that was extended in the independent offices appropriation bill to apply to municipalities as well as to educational institutions. But in the operation of that in the past year it was found in many communities that these projects were not operated by the municipality, but were operated by some nonprofit organization and the charter of the municipality would not permit the municipality to engage in this activity.

Mr. HAYS of Arkansas. On page 3, line 1, it is provided in a case of reused housing it may be transferred to "other local public agency or nonprofit organization where the housing involved has been made available by the United States to such agency or organization pursuant to section 502 of this act" and so forth. I am sorry I did not know the nature of the gentleman's objection.

Mr. CASE of South Dakota. What the gentleman has read does not cover the amendment. It is because of that situation that the language again is proposed this year in the independent offices bill. We repeated the provision of last year's bill, and included the nonprofit institutions.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from California.

Mr. JOHNSON. I wish to most heartily congratulate and thank the gentleman from Arkansas [Mr. HAYS] for bringing this amendment to us. He and his committee paid a personal visit to the Vallejo-Benecia area in California where there are many of these housing units. The committee worked faithfully and intelligently on the problem of how to handle Lanham Act houses, and I think worked out an admirable solution. We need those houses but we can readily understand that the Federal Government should place them into the hands of local governmental units for use and final disposition. This will preserve housing badly needed in my area for people who are coming into it, and the amendment will insure that they at least will have access to housing which was built during the war.

Mr. HAYS of Arkansas. Yes.

Mr. JOHNSON. None of those I am interested in in California appear there.

Mr. HAYS of Arkansas. That is because the local housing authorities have asked that they be operated as low rental units. That does not preclude other communities coming in under the same procedure. The bill is broad enough to cover that. I know the gentleman's situation, and his communities will become eligible.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Massachusetts.

Mr. HESELTON. I notice on page 28 there is provision for payment in lieu of taxes in annual amounts which do not exceed 10 percent of the annual shelter rent. I am sure the gentleman knows that that does not constitute payment of all taxes.

Mr. HAYS of Arkansas. The gentleman has put his finger on something that has disturbed this committee, and, I have an idea, every Member of the House. We considered the matter of undertaking to report a rather comprehensive, in lieu of taxes, procedure. We found that other subcommittees, notably the Committee on Education and Labor, is considering the very problem, and for that reason we did not undertake to cover the broad subject. But you can see we have made an attempt here to avoid any unjust imposition upon the taxing units.

Mr. HESELTON. May I inquire, would the gentleman feel, in conference, that it would be advisable to inquire into the possibility, where there is a profit, of authorizing the agency to pay the full amount of the annual tax?

Mr. HAYS of Arkansas. I think the conference committee could consider other language if the House has given its approval generally to this idea.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. I would like to ask the gentleman if this amendment substantially carries the language of the bill known as the Sparkman bill in the Senate. I understand it has the same general purpose.

Mr. HAYS of Arkansas. Yes, except the Sparkman bill now does not carry certain language that the gentleman from Michigan [Mr. WOLCOTT] and I prepared on the sale of permanent projects, and that I believe the Senate might be induced to agree to changes in their language that will meet the ideas of the gentleman from Michigan. He and I are close enough together in our views to justify the effort here to adopt this general outline of procedure.

Mr. ELLSWORTH. Will this amendment cover both types of situations, one wherein the land is owned by the Government and the building owned by the municipality; and the other situation, where both land and buildings are owned by the Government?

Mr. HAYS of Arkansas. It covers both situations.

Mr. ELLSWORTH. Land and buildings, and both situations could be disposed of to the municipality.

Mr. HAYS of Arkansas. Right. It was universally agreed that this would enable us to preserve some of these properties a little longer; whereas, had we followed categorically the language in the present law, they would be demolished, although they are still habitable and still producing revenue.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Iowa.

Mr. JENSEN. Earlier in the day the gentleman and I had a colloquy regarding priority to veterans. Now, does the priority to veterans also apply to the temporary Lanham houses?

Mr. HAYS of Arkansas. The language that the gentleman refers to is directed particularly to what we call the permanent projects. I believe as to the temporaries, that with the transfer of the temporary projects to the municipalities, we have conveyed rather broad discretion. My impression is that that follows through.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I wish to state to the gentleman from Arkansas that I am strongly in favor of the amendment that he has introduced. I have read it very carefully. I have studied it. I have conversed with the gentleman from Arkansas, and it seems to me that it meets a situation that is very vital in the district that I represent, and I commend the gentleman for the breadth of the amendment and the care that he has taken. It will cover many different situations to be dealt with.

The amendment offered by the gentleman from Arkansas [Mr. HAYS] provides for the disposition of war and veterans' housing heretofore constructed by the Federal Government.

I have several of these projects in the district I have the honor to represent. The Audubon Mutual Housing Corp. and the Bellmawr Park Mutual Housing Corp. were projects constructed by the Federal Works Agency in 1940 and 1941 under the terms of the Lanham Act. Both of these mutual corporations have sought over a period of years to purchase these Government holdings in the interest of the people who reside within them. One obstacle after another has been raised by the Government agencies having jurisdiction, that has prevented their doing so. Promises by the officials of these agencies were made but never kept. It has been a series of disappointments to the people residing in these two places. It is a situation that should long ago have been settled by permitting the mutual corporations existing in each of these places to purchase the projects in the interest of the inhabitants. The amendment offered by the gentleman from Arkansas [Mr. HAYS] will, I believe, go a long way in providing the relief that these people are entitled to have. While it may not fully carry out all the promises that were made originally by Government officials, yet, it is a long step in that direction, and, I am pleased to support it. I hope it will have favorable action by the House.

In order that there may be an understanding by the Members of the House of the basic facts and details of the situation to which I have just referred, I am including a joint statement submitted to the Senate Banking and Currency Committee by Henry J. Andreas, president of the Audubon Mutual Housing Corp. and Richard Leon, president of the Bellmawr Park Mutual Housing Corp., with reference to a bill of similar import as that now before us.

STATEMENT SUBMITTED TO SENATE BANKING AND CURRENCY COMMITTEE BY HENRY J. ANDREAS, PRESIDENT, AUDUBON MUTUAL HOUSING CORP., AND RICHARD LEON, PRESIDENT, BELLMAWR PARK MUTUAL HOUSING CORP., REGARDING S. 2246, HOUSING AMENDMENTS OF 1949

This statement is presented on behalf of the 1,000 families which reside in Audubon Park (NJ-28041) and in Bellmawr Park (NJ-28042). These projects are two of eight similar projects constructed by the Federal Works Agency in 1940 and 1941 under the terms of the Lanham Act and designated as mutual-ownership projects. These eight projects were designed and built for occupancy by the families of workers in essential defense industries in areas in which an inadequate supply of housing existed.

The entire group of eight projects, designated as mutual-housing projects by the Federal Works Agency were committed to be sold to the respective residents. In the selection of residents for these projects, every effort was made to select from among eligible applicants those families which were most likely to become permanent project residents.

To accomplish the objectives of the Mutual Home Ownership plan developed jointly by the representatives of the Federal Works Agency and representatives of resident Mutual housing corporations from the projects in Winfield, N. J., and Audubon, N. J., it was agreed that preference would necessarily be given to the resident corporations as potential purchasers of the projects. The plan provided for long-term amortization of the purchase price to the Federal Government at reasonable interest rates. These provisions were deemed necessary to insure the success of the mutual ownership plan and to insure the recovery by the Federal Government of the largest possible return of the investment it had made in the much-needed housing facilities.

S. 2246 appears to us to be another forward step in remedying one of the most serious domestic problems which today confronts us. We feel certain that the sponsors of this type of legislation, the committee and the Congress itself are as interested in keeping promises and commitments made to substantial numbers of citizens as it is in passing this much-needed legislation. We are equally certain that your committee is not aware of the fact that certain portions of S. 2246 are inconsistent with promises and commitments made to the residents of these mutual-ownership projects and that these portions of the bill would seem to make impossible the fulfillment of such promises and commitments by the Housing agency.

We refer to title II, section 201, of S. 2246, and specifically to subsections (c), (d), (e), and (f) of the new section 607 of title VI, which is proposed as an additional title and section of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940. These subsections appear on pages 52 and 53 of the printed S. 2246.

Sections (c), (d), and (e) above referred to contain the provisions which would undoubtedly apply to the disposition by the Federal Government of those of the eight mutual-ownership projects which remain to

be sold. Audubon Park, Bellmawr Park, and Pennypack Woods (a 1,000-unit project in Philadelphia, Pa.) are at least three of the projects which it has been agreed should each be sold as a whole, since their design and construction make individual sales to individual buyers impracticable.

Sections (c), (d), and (e) make provision for giving first preference to groups of veterans organized on a mutual-ownership or cooperative basis (provided that any such group shall accept as a member of its organization any tenant occupying a dwelling unit in such project).

We are certainly in accord with the objective of the bill's sponsor and the committee in supplying housing for veterans, in fact, in the filling of vacancies occurring in the projects veterans have consistently been given preference. The point which we wish to bring to the attention of the committee and the Congress is the fact that for many years mutual nonprofit corporations, composed entirely of project residents (a substantial number of whom are veterans), have been in existence and have been in various stages of negotiations with the Housing and Home Finance Agency and with the predecessors of that Agency for the purchase of these projects from the Federal Government. The Audubon Mutual Housing Corp., for example, was organized in 1940, prior to the construction of Audubon Park, and cooperated with the Federal Works Agency in site selection, designing, construction supervision, and tenant selection, as well as the development of the basic mutual home-ownership program.

At no time was there ever any question as to what group would be given first preference. Every housing agency of the Federal Government with which we have had dealings has agreed that the residents, through their respective mutual home-ownership corporations, would be given first opportunity to purchase the projects.

The Audubon Park project has been managed, maintained, and operated by the nonprofit Audubon Mutual Housing Corp. since 1940 under an agency agreement with the Federal Works Agency and its successor housing agencies. At intermittent periods negotiations looking toward the purchase of Audubon Park by its residents were undertaken with the several agencies and persons who had jurisdiction over the project. A final purchase agreement has not yet been reached.

In the case of at least two of the original eight mutual ownership projects—Walnut Grove and Greenmont, located in Dayton, Ohio and South Bend, Ind., negotiations for purchase by the residents' mutual housing corporations have culminated in sales agreements. Negotiations are presently under way between the Housing and Home Finance Agency and the Winfield Mutual Housing Corp. representing the residents of the Winfield project in northern New Jersey for the purchase of that 700 unit project.

Therefore, the adoption by the Congress of legislation containing provisions which would make impossible the sale of the balance of the mutual ownership projects to the respective residents on a basis similar to that on which some of the projects have already been sold would be discriminatory and would undoubtedly alter the opinion of the residents of the remaining projects concerning the value of promises and commitments made to them by responsible Government representatives.

Section (f) of the bill as referred to above contains the proviso that the terms of sale of such projects must stipulate that full payment be made to the Government within a period not exceeding 25 years with interest on unpaid balance at not less than 4 percent per annum.

This provision of the bill is definitely inconsistent with promises and committments made to the residents of the projects in whose behalf this statement is respectfully submitted. In the formulation of the mutual home-ownership program, representatives of several of the mutual ownership projects agreed with the Federal Works Agency representatives and with representatives of the Federal Public Housing Agency, the Federal Works Agency's successor, that a 3-percent interest rate would possibly provide inducement for the investment of private capital in mutual ownership housing developments and would provide a just and adequate return to the Federal Government upon its investment in the housing projects built during the emergency period.

The application of this provision of the bill in the sale of the balance of the mutual ownership projects would require such excessive increases in the amount of monthly payments by the residents as might jeopardize the worth-while prospect of ultimate ownership of the projects by the residents which was and is the objective of the mutual ownership plan which we helped to develop.

Negotiations for purchase of Audubon Park by its residents have been conducted since 1940. The fact that the purchase has not been consummated can be attributed to many factors among which the following seem to be the most significant:

1. Negotiations were necessarily slow at the outset since Audubon Park was the pilot project and it was anticipated that the purchase documents and terms would provide the basic pattern for the disposition of the balance of the mutual ownership projects as well as a pattern for private mutual ownership developments.

2. Changes of jurisdiction of the mutual ownership projects from one Federal agency to another as well as personnel changes within each successive agency made the settlement of a purchase policy extremely difficult.

3. The lack of precedents for the sale of mutual ownership projects of resident corporations and the absence of a clear congressional policy for such cases.

The establishment of sales prices and terms of sale are subjects of pending negotiation between the resident corporations at Audubon Park, Bellmawr Park, and Pennypack Woods projects and the Housing and Home Finance Agency. The enactment of this legislation without provisions for the sale of the balance of the mutual ownership projects to the respective residents on the basis of promises and commitments made to them by the Federal Government is not, we feel certain, your desire. We share with you the hope that the bill you are considering will alleviate the dire housing situation. We hope that you will share our concern for the maintenance of the good faith of the Federal Government and that you will make provision in this legislation for the carrying out of the promises and commitments given to us as residents by responsible Government representatives.

1. Sales preference of mutual ownership projects to existing resident nonprofit mutual ownership corporations in the respective projects.

2. Payment to the Federal Government of the sales price of the mutual ownership projects by the resident corporations over a period of not less than 45 years at an interest rate not exceeding 3 percent.

We regret the necessity for so lengthy a statement. We feel, however, that you will understand our sincere desire to draw to your attention a matter which we feel can alter the dreams, the hopes, and the plans of at least a thousand families in our projects who have believed for 8 years that their Government would keep its promise to make mutual home ownership possible for us.

HENRY J. ANDREAS,
President, Audubon Mutual Housing Corp.

RICHARD LEON,
President, Bellmawr Park Mutual Housing Corp.

I hope that the Hays amendment will be adopted. It is entitled to have the support of the membership.

Mr. HAYS of Arkansas. I thank the gentleman.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Chairman, I want to thank the distinguished gentleman from Arkansas for his able explanation of this amendment. I want to apologize to the House for raising the objection that led to this discussion. I did it because I have been wrestling with the question of taxation in a school district for the last 6 or 8 months, and the housing bill definitely affects that situation. When this amendment appeared to involve a section of the Spence-Wherry bill, I naturally was curious and wanted to know what was going on. I did not want any further headaches than those my committee already had.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Pennsylvania.

Mr. GREEN. I strongly support this amendment. I compliment my distinguished colleague on it. It affects a project in my district on which we have had quite a bit of controversy for a couple of years. I think the gentleman's amendment straightens out all the wrangles we have gone through with the FHA and other agencies. I support it.

Mr. Chairman, I am in favor of this bill and think it is a step forward.

Last year we passed a public-housing and slum-clearance bill. The controversial part of that bill was public housing; there was general support for the slum-clearance sections. I want to point out to those Members who are not certain about their stand on this bill that without it they will not see the slum-clearance sections of the Housing Act of 1949 amount to very much.

Slum clearance, when we passed the 1949 bill, was considered to be a problem of land values. We thought that if the Federal Government assumed part of the cost of writing down the value of the slum land to a figure where it would become available for housing and compete with outlying raw land, that the way would be open for a wholesale clearance of our slums.

However, we overlooked that this slum-clearance business is also a human problem. We are not only clearing out bad buildings, we are also clearing out people. In going through the testimony on this middle-income housing bill I found what slum clearance means to the people. One witness from Los Angeles, Drayton S. Bryant, reporting on a study for the Haynes Foundation, a nonprofit, disinterested, nonpartisan foundation, points out that in a sample area about half of the people had incomes slightly above the limits for public housing, many of whom owned their little shelters. Yet, Mr. Bryant pointed out, in the visible future these families could not obtain decent housing in any form from the existing supply of usual privately owned properties. These people are caught between the income limits of

public housing and the fact that they cannot afford the rents or prices which the private real-estate market is offering.

The same condition exists in other large American cities; the same story has come from San Francisco, Detroit, Philadelphia and elsewhere. The number of people affected varies from the Los Angeles figure of half the people involved, but most figures would bear out this proportion.

That this would be so is obvious upon a moment's reflection. People do not live in slums because they like to do so. They live there because they have to. They have to partly because there is a housing shortage, partly because they belong to minority groups and have difficulty in buying homes in new neighborhoods. But mostly because they cannot afford to buy what is offered on the market.

Without this bill the slum clearance provisions of the Housing Act of 1949 will be turned into a slum-spreading act. The people displaced who are not eligible for public housing but who cannot afford to buy the products of the private builders will simply move just beyond the old slum into an area already declining and crowd into rooming houses and cause more overcrowding there. Since these areas surrounding slum-clearance projects have also lost most of the social controls which prevent overcrowding the evacuees from the slums will be taken care of by an increase of illegal subdivision of existing dwelling units, by an increase of "housekeeping" rooms and the like. With the increased population pressure on the already overtaxed community services the area soon will become a slum and eventually become even worse than the original state of the area cleared.

Further clearance without providing adequate provisions for these displaced simply repeats the process. It is likely that the process of creating slums will outrace the rebuilding program as each successive clearance pushes the low-income people closer and closer together against the bordering properties.

With the passage of this bill we will have a tool which will enable us to tackle the problem of relocation of the large percentage of the families who need help as they fall between public housing and the present housing market. The bill will help in two ways: It will make possible middle-income developments on outlying land so that people will have a place to go and permit clearance to take place on a scale adequate to insure proper redevelopment.

Now many of our slum districts ought not necessarily to be rebuilt with housing. They ought not necessarily to be rebuilt with low-cost housing. This is a matter for each city to decide on the basis of careful planning which will enable them to protect and improve their tax base. This bill will permit the evacuees to find homes elsewhere if that is best—after all, many would rather live closer to their places of employment in outlying areas for many reasons. With this bill we can redevelop our slums on a large enough scale to make a good job. Otherwise we are confined to a block-by-block, house-by-house clearance. We will be forced to try to put everyone back into the rebuilt slum.

The result will be very little improvement. The same old obsolete street pattern will be there—little improvement in overcrowding. Progress will be so slow that we will accomplish nothing.

Contrast that sorry picture with what we can do with this bill passed. We have freedom of design. We can rehouse everyone within their means. We can break the redevelopment log-jam relocation.

Therefore, because this bill is the necessary tool to complete the legislative tool kit necessary to get redevelopment under way, I am supporting title III in particular of this bill.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. MILLER of California. I think this cares for a situation in my district that is quite acute. I want to express my appreciation for the work the gentleman's subcommittee has done on this.

Mr. REGAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Texas.

Mr. REGAN. I should like to know if this would take in a Chamber of Commerce. A municipality can take over these properties, as I understand, but a chamber of commerce is not a profit organization. In one instance in my district, the town of Kermit, the chamber of commerce is handling one unit and would like to take over the other.

Mr. HAYS of Arkansas. I rather believe my statement in answer to the gentleman from South Dakota would apply. I saw no other way we could handle it in specific situations. The committee has gone into every specific situation that has come to our attention, and we have tried to cover it but perhaps the conference committee can further improve it.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

TITLE III—GENERAL PROVISIONS

POWER OF PRESIDENT

SEC. 301. The President may, at any time or times, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans for housing which thereafter may be made, insured, or guaranteed by any department, independent establishment or agency in the executive branch, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy, that such action is necessary or desirable to coordinate the housing functions and activities of the Federal Government with its general economic and fiscal policies.

ACT CONTROLLING

SEC. 302. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

SEPARABILITY

SEC. 303. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 42, line 16, strike out all of section 301.

Mr. WOLCOTT. Mr. Chairman, I understand, because of the amendment which has just been adopted, that section 301 has been renumbered "401," therefore, my amendment is to strike out section 401, which appears as section 301 on page 42 of the bill.

Mr. Chairman, you will notice that this is the amendment you have been receiving a great many telegrams about from worried veterans, and they should be worried in respect to it. Under this section—

The President at any time or times may reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans for housing which thereafter may be made, insured, or guaranteed by any department, independent establishment or agency in the executive branch, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act—

And so forth.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. Mr. Chairman, the provision is in the bill passed by the other body. But if we strike it out here we can then go to conference on it. We have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment was agreed to.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 43 after the period on line 25, add a new subsection:

"SEC. 304. Prohibition against discrimination: no person possessing all other qualifications which are or may be prescribed by law shall be disqualified for admission, purchase, lease, rental, or tenancy through discrimination by segregation or otherwise, in any housing developed under this act, by reason of the race, color, creed, or national origin of the person otherwise qualified: any officer or other person charged with any duty in the financing, sale, admission, rental, or

tenancy of housing provided for under this act who shall exclude or discriminate against any citizen for the cause aforesaid shall, on conviction thereof, be deemed guilty of a misdemeanor and be fined not more than $5,000. Every contract or commitment entered into by the Government or any agency or instrumentality thereof as authorized herein with regard to any housing provided for in this act shall contain a provision prohibiting discrimination by reason of race, color, creed, or national origin, and shall carry a warning of the penalty of this act for violation thereof."

Mr. MARCANTONIO. Mr. Chairman, this amendment was offered by me twice last year. On one occasion the Committee of the Whole agreed to the amendment. This action was later undone by bipartisan connivance. The amendment speaks for itself. I submit that the announcements made by some of the Federal agencies with respect to restrictive covenants have made no improvement of the situation because the Supreme Court of the United States had declared restrictive covenants to be illegal.

This amendment goes way beyond the question of restrictive covenants and deals with the problem of discrimination in housing in a very fundamental manner. The amendment simply establishes equality in housing. I do not care to use any more time to address myself to the merits of the amendment which would guarantee against discrimination in housing.

However, Mr. Chairman, I want to address myself at this time to the arguments which are raised by the so-called proponents of housing against this type of amendment. We have had an illustration today of their policy. A policy of appeasement. What happened? You sought to appease by lowering the amount involved and this piece of appeasement was thrown right back in your face. You sought to appease by increasing the interest rate and this piece of appeasement also was thrown right back into your face. What do you think you are going to gain by appeasement on this issue of discrimination in housing?

Title I has been stricken out. So that, what we have left here is not very much. What more can you lose if you adopt this amendment? I have contended right along that if we are going to have housing we must have housing without discrimination. You cannot use the tax money of 14,000,000 Negro people in this country for this type of legislation, and then refuse them access to housing and deny them equality in housing.

Furthermore, this amendment is offered against a background of a Congress which has done nothing on civil rights. The House did not pass an FEPC bill. Let us stop kidding ourselves. You are not kidding the people; they know better. We have passed no civil-rights legislation in this Congress. So do not make the argument that we will take care of this all at one time when we pass an FEPC bill or similar legislation. The best we can do is to take every opportunity as we go along to guarantee against discrimination.

This amendment tests the good faith of those who have been professing equality from the public platforms.

It tests the good faith of both of the major parties. This amendment eliminates, once and for all, practices that have been going on right in my own State, for example, in the Leviton project where Negroes are barred. Take for instance the Metropolitan Insurance Co. Stuyvesant town project, right in the heart of New York City. You talk about Mississippi, but right in the heart of New York City Negroes are barred from the largest housing project in the city. That project in New York City is financed by tax exemption.

This amendment will lose nothing for the bill by its adoption. It will strengthen the bill. I am sick and tired of the argument made time and time again that if the Congress adopts any language that guarantees equality to the people that such language only hurts the legislation, or hurts the chances of its passing.

That kind of argument is a reflection on the Congress which is composed of two major parties which carried in their platforms promises of civil rights to the American people.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. COOLEY. The gentleman states that Negroes are barred from white projects in New York; is the reverse of that true? Are white people barred from Negro projects?

Mr. MARCANTONIO. That is not true.

Mr. COOLEY. If the gentleman had his way both white people and Negroes would live in the same projects.

Mr. MARCANTONIO. In the first place it is Negroes here in this House. We have Negroes and white people living in the same housing projects in the city of New York and that is how it should be.

Mr. COOLEY. And the gentleman is trying to bring that about in the rest of the country?

Mr. MARCANTONIO. I think that it should be so all over the United States irrespective of the gentleman's belief in the matter. I oppose white supremacy, segregation and discrimination in any form. I believe in equality and I propose to do all I can to have it practiced everywhere in the United States.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from New York his expired.

Mr. HOBBS. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman.

Mr. HOBBS. I am sure the gentleman does not mean to misstate the decision of the Supreme Court with regard to restricted covenants, and I am sure that he desires to correct his statement that the Supreme Court held that they were illegal. The Supreme Court held just the reverse; it held that they were unenforceable in a court of law.

Mr. MARCANTONIO. I will accept the word "unenforceable" in place of the word "illegal." The point, however, is that all statements that have been made with respect to restricted covenants mean nothing unless the Congress adopts the kind of legislation I have outlined in my amendment.

Mr. POWELL. Mr. Chairman, I rise in support of the Marcantonio amendment. It is time we took the bit in our teeth and took a positive stand on this issue. When this amendment to bar discrimination in housing came up before, it was defeated by the sponsors of housing on the ground that it would defeat final passage and that such amendments must be ruled out and brought only as civil rights bills. Since then we have voted on a civil rights bill. We know what happened, the FEPC bill was completely emasculated. We can no longer compromise. Now we must take a stand even if we run the risk of defeating final passage. There can be no compromise with wrong.

The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 101, noes 134.

Mr. KLEIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. KLEIN and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 111, noes 139.

So the amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 43, after line 5, insert the following new section 302 immediately following section 301, and renumber sections 302 and 303 as sections 303 and 304 respectively:

"SEC. 302. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended by striking out '25 years' in the second proviso of section 500 (c) and inserting in lieu thereof '30 years'."

Mr. SPENCE. Mr. Chairman, this is offered at the request of the Veterans of Foreign Wars and the American Legion and merely increases the amortization period on GI loans from 25 to 30 years. It reduces the carrying charge for an $8,000 loan at 4 percent, $4 per month. I think we can well give them these benefits without injury to the administration of these mortgages. This is similar to an amendment adopted by the House last year and I hope the Committee will agree to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

Mr. MADDEN. Mr. Chairman, today the House is considering H. R. 7402,

known as the housing bill for moderate-income families.

I believe this legislation is highly necessary in order to complete a comprehensive national-housing program. The Congress has already made a diligent effort to provide legislation which would, in a small way, aid the lower-income groups in this after-war housing crisis. The slum-clearance program enacted last year has been an aid in rescuing thousands of our families in congested areas who are and have been living under unspeakable conditions.

The income group bracket which this legislation will, in a small way, relieve includes those families who cannot finance homes in the twelve-, fifteen-, and twenty-thousand-dollar price range. This would include mostly urban families with an income of between $2,500 and $4,400. It is estimated that one-third of the urban families in this country have annual incomes within this category. Of course the actual income range of middle-income families in a particular community may vary somewhat from the national average income range. In smaller communities, the income range would be naturally lower than in cities with a population of 1,000,000 or more.

The opposition to this legislation do not deny that millions of middle-income group families are today living doubled up or with relatives or at temporary abodes in run-down apartments or tourist camps. The principal contention of the opponents of this legislation is that it is socialistic. Ten and twelve years ago, when the social security, home owners loan, and the Federal housing bills, and so forth, were enacted into law, the same socialistic argument was used in opposition to that legislation. The pending bill does not propose any gratuity or raid on the Federal Treasury. The enactment of this legislation will tend to encourage home building.

The principal controversial feature of the bill outlines a method by which cooperative and nonprofit rental housing may be developed. This angle will give help to the almost forgotten group of American families who, in the postwar period, have found it virtually impossible to procure adequate housing within their financial means.

This group, composed of millions of families of veterans, are above the income level which can take advantage of the present public-housing legislation. They wish to build and own their own homes, but cannot do so on the existing market with its high building cost and its prohibiting financing methods.

This legislation will not in any way interfere with builders or building contractors, but will, if enacted, curtail criticism on American builders for concentrating too much on high-priced home construction.

We should realize that 25 years ago the population of the United States was approximately 115,000,000 people. In the year of 1925, 937,000 private residential dwellings were constructed. That was a yearly record up to 1925 and stood as the high-water mark for home construction for 25 years. In 1949 the record was broken, because more than 1,000,000 residential units were constructed or in the process of construction at the end of that year.

Several conditions have contributed to this deplorable neglect of home construction in America. The first cause for crippling of home construction was the devastating depression from 1929 to 1934 and its repercussions for several years thereafter. During the war-years from 1941 to the present day, home construction has been in a 10-year tailspin. The public should bear in mind that our population in these 25 years has increased from approximately 115,000,000 to approximately 150,000,000; so one can easily see why it is necessary for our Government to not only come to the rescue of the American house-building industry, but also to aid millions in the middle low-income group to get a place to live for themselves and families. Nothing breeds socialism and communism more than squalor, discontent, and bad living conditions. This legislation will, in a small way, contribute a great deal toward curtailing the communistic agitators in our industrial centers throughout America. In other words, in the last 25 years, it is estimated that we have had a 10-percent increase in housing construction and a 30-percent increase in population.

Some people say that cooperative housing and development in this country is something new, unusual, dangerous, and demoralizing to our economy. The Congress did not hesitate to aid the farmer in rural electrification, without any serious injury to American industry. I could mention numerous other instances wherein the Government has come to the aid of certain economic groups, but we did not hear the cry of socialism when these necessary progressive measures were enacted. It is estimated that over 8,000,000 families in this Nation would fall into the middle-income group which would be benefited by this housing legislation.

Right after the end of the war it was estimated that over 3,000,000 war veterans were unable to get suitable homes of their own. They were living in cellars, dilapidated tenement houses, and under the worst sanitary conditions. This situation has not by any means been completely cleared up, but progress is being made in the right direction.

With millions of families living under these subnormal conditions, diseases of all kinds are bound to develop and spread. I have heard it said that the increased spread of epidemics and disease can indirectly be attributed to unsanitary housing conditions throughout our industrial areas in America. In too many instances chronic sicknesses and diseases and the repetition thereof, suffered by children in their infancy and during their grade-school age, will not only handicap them physically but mentally in their future years.

It is astounding to know the number of man-days lost to production by reason of sickness and physical infirmities since the war. It is also said that no small part of this irreparable loss can be attributed to unsanitary and inadequate housing.

The opposition also contends that this legislation will only benefit a certain group, namely, the lower middle-income class. This argument should not be of any force because this Congress has on numerous occasions passed legislation which would be a direct benefit to a certain economic group. It could be said that flood-control legislation only benefits the group of citizens who live in the immediate vicinity of the flooded area, but nevertheless, citizens of States far removed from the flood-control area pay their share toward the heavy expense incident to flood control in this country, notwithstanding that a small segment of our public may be the only ones receiving immediate benefit. Every American contributes to subsidies for the merchant marine, notwithstanding the fact that he may never take an ocean voyage. Taxpayers who do not own an automobile contribute to the upkeep of our own public road system. The same argument can be applied against the rural-electrification legislation. Practically all the major church organizations in America, of all denominations, have endorsed legislation that will lead to a rapid solution of our present housing crisis.

It is estimated that at the present increase of our population and considering the annual marriage license records, we will need more than 6,000,000 additional dwellings within the next 10 years. If you add to this number the unlivable tenements and slum dwellings that must be replaced, we will have a market for over 15,000,000 housing units between now and 1960. This legislation would merely be a small effort toward aiding the private builders and contractors in this gigantic housing task which lies before them.

The cooperative feature of this housing legislation is one of the most practical ways to eliminate the necessity of the Government subsidizing this construction program. The financing of this project is a practical solution and the most economical method of getting these projects under way. This legislation will not in any way increase the public debt, but will be financed by private funds used to purchase Government-guaranteed debentures; and the proceeds from these debentures will in turn be loaned to cooperatives. Ample safeguards against speculation are also provided in the bill.

Unfortunately there is a large and well-financed real-estate and builders lobby in opposition to this legislation. Persons representing this mammoth lobby are operating not only in Washington, but throughout the country, bringing pressure upon Members of Congress to vote against this bill. A Member must carefuly guard against this unreasonable and unfair pressure influence in making his decision on this legislation. The greatest test a legislator should use in coming to a decision, is whether he desires to aid millions of Americans who are now without adequate housing, or to submit to the pressure of the powerful special-interest lobby opposed to this legislation.

It is my earnest hope that the Congress pass this legislation by a large majority without crippling amendments.

Mr. HAVENNER. Mr. Chairman, in San Francisco the mayor has appointed a citizens' committee to review demands from property owners for the return of leased land on which temporary war emergency housing still stands so that this land may become available for industrial and commercial uses. If this demand is approved, it will mean the removal of approximately 10,000 tenants from about one-half of the 6,600 units of temporary war emergency housing in San Francisco. In other words, approximately 10,000 people in my home city may face eviction from their present places of abode, with no place to go.

The only relief which has been suggested for them is that a number of these people would probably be eligible to occupy 3,000 new units of low-rent public housing for which the San Francisco Housing Authority has recently made application. However, these units will not be ready for occupancy until at least 3 years from now, and the prospects that some of these evicted people may be permitted to go into them certainly offers no solution of the problem which now confronts them. Furthermore there is a present demand for these 3,000 new units of public housing from people who are now occupying private housing of lower standards than the flimsy wartime housing.

Recently the San Francisco Housing Authority reported that it has required 6 months to find homes for 42 families who were dispossessed from temporary housing which had been condemned for a highway right-of-way. This certainly offers a grim prospect for the remainder of the 6,600 families who are now occupying temporary war emergency housing. The real need in my own city is for housing at rentals a little higher than the public housing figures and far below the housing which is being made available currently by private enterprise.

Private enterprise, in spite of heavy FHA assistance, has failed to provide housing units which rent for less than $60 a month.

In a southern California city recently a survey made by the Office of the Housing Expediter showed that there were 146 rental units vacant and available for new tenants. More than 70 percent of the total vacancies were one-bedroom units and only 15 percent of the total were two-bedroom units. Almost 10 percent of the total of these units were without separate sleeping rooms. I want to emphasize the fact that only 15 percent of the units available for rental in this large California city were of the size for which there is the biggest demand, that is, two-bedroom dwellings, while more than 80 percent were unsuitable for the average-size family.

In this same city the average rent for all sizes and types of housing units available for renting was $80.20 a month. The preponderance of the vacancies occurred within the $60 to $80 rental rate, which amounted to more than 40 percent of the total average rental property.

A break-down of the rentals, according to dwelling sizes, showed that the average rents asked for a one-bedroom unit was $88.84 per month, for two-bedroom units, $91.92 a month, and for three-bedroom units, $101.33. These were all for unfurnished quarters. Furnished units ran slightly higher all the way through.

The Housing Expediter, in his report, made the following statement:

> Demand for the two-bedroom unfurnished units, renting at an average of $91.92 a month, would come only from a class of tenants whose take-home pay would average close to $370 per month.

This estimate was based upon the assumption that a tenant family can afford to pay 25 percent of its family income for shelter rent.

These facts show that we still face a very serious housing problem—that it is very difficult if not impossible to find decent family accommodations at reasonable prices. Wherever rents have been decontrolled, phenomenal rent rises have occurred, which cause extreme hardship to a large number of families who are not financially prepared to buy homes at this time.

The real need in my home community is for family housing of two or more bedrooms at rents ranging from $35 to $50. The indications are that we are rapidly reaching a saturation point on families who are able to pay higher rents and that people moving into the new high-rent units in flats and apartments are moving from other places of a comparable rent. Any benefits to the lower- and middle-income groups from the so-called filtering down process has been almost entirely negligible.

Mr. RODINO. Mr. Chairman, there is real merit in the cooperative housing bill, H. R. 7402. There is real merit to it because, for many families of moderate income, it offers the only means of obtaining decent and livable quarters at monthly costs they can afford to pay. There is real merit to it because, for many families of moderate income, it offers the only opportunity to rear their children in an atmosphere that cannot be given to their children in the typically small 1-bedroom apartment, which many of these families are now obliged to occupy because of their financial situation.

These are tangible benefits. I want to speak very briefly about a different kind of benefit which also is inherent in this cooperative housing bill. Because this kind of benefit cannot be measured statistically nor valued in dollars and cents, I am afraid that sometimes we tend to overlook it. This kind of benefit is far too important for any of us to overlook. I wish merely to cite one concrete example. It deals not with housing directly, but with children, a playground, and an intangible something which no one can put his finger on, and which no one can buy at any price.

Just the other day in the Washington Post I saw a very interesting news story about a cooperative housing project in the city of Washington, not very far from where we are now meeting. There are almost 100 children of members of the cooperative who live in this apartment-type project in southeast Washington. The nearest playground is 5 blocks away. Youngsters going there from the apartment house have to cross two wide highways, South Capitol Street and Nichols Avenue. Many played in the alleys flanking the project, or in lots where stagnant water collected.

I will let the newspaper article itself tell the rest of the story. I quote from the Washington Post of February 27:

> About 2 weeks ago, a letter headed "Help wanted" was slipped under the door of each of the 55 units in the apartment asking if the cooperative could "count on you" for a little work on either last Saturday or Sunday.
>
> The result was an army of some 40 apartment dwellers who by last night had cleared away the brush, chopped down obstructive trees and raked off the 120- by 120-foot lot.
>
> The men had even begun an effort to fill in a drainage ditch which cuts across the lot by carrying fill in a coaster wagon and a barrel. They hope somehow to obtain the use of a bulldozer to complete this work and to help grade the land. The District government will be asked to make other arrangements for the drainage.
>
> "We'll have to go along bit by bit on the equipment," said the president of the board of directors of the cooperative, "but it shouldn't be long before the kids have some organized play."
>
> At that time, the women, including the secretary of the board of directors, will take up their share. They are already working out a schedule under which they will supervise the youngsters at the playground throughout the day.

I ask the Members of this great body to ask themselves whether something more than just a playground for kids was not started—something so typically characteristic of America and of American citizenship that each and every one of us would ardently desire to actively foster and encourage its growth. The enactment of this cooperative housing bill can make possible the repetition of this story—in countless varied ways—in hundreds of other communities, by thousands of other American families.

Mr. McCARTHY. Mr. Chairman, I submit that this legislation, as originally proposed meets the conditions for a sound middle income housing program.

First. It provides a means whereby middle-income families can secure adequate housing.

Second. It involves no subsidy and a minimum of Government interference.

Third. It will stabilize the construction industry as it involves labor, building materials and investment.

Fourth. Fundamentally it proposes self-help.

What then can be said against it? The cry is, it is cooperative, opponents attempt to establish that there is something dangerous about the word; that it connotes something subversive or unsound. Traditionally, however, the word cooperative has been highly respectable, it has indicated something very good, and desirable. To work together, for a common end, is basic to social life. It involves self-sacrifice, or self-surrender in order that greater good may be secured for all members of the working group. This is exactly the same response that is sought in this cooperative housing program, and in every other valid, cooperative movement.

Cooperation is nothing new in American history, and certainly not in the housing history of the United States.

Opponents have repeatedly referred to the hardy pioneer, alone in the wilderness, cutting trees, hewing logs, constructing the cabin. Let me remind them, that in the pioneer community the more common practice was for the whole community to join in the house raising. For the whole community to contribute of its time and effort in order to erect the shelter for a new family unit in that community. These social bonds have been disrupted by urbanization, and by the individualization of our culture. The effects of the false philosophy of individualism, are showing. Carl Snyder, in his book Capitalism the Creator stated the proposition clearly, he said "Deep as are our prejudices against avarice and greed, these, it must be admitted, are the motivations which have brought about the great material gains in the United States." This is all too true. The effect of this measure will be to make up in part for the social disorder which has resulted from conduct motivated by avarice and greed, by bald self-interest. The effect of this measure would be to provide assistance in the revitalization of society, in reordering it so that responsible persons can successfully work together to meet one of human society's basic needs, that of adequate housing for its families. This is the first proposed Federal housing legislation .which seriously faces the problem of family needs, which proposes to help large and growing families in the middle-income group.

A vote for this bill is a vote to help strengthen and preserve the middle income class in America, the class which is so essential to the proper working of democracy. and which is the last protection against the class struggle.

A vote for this bill is a vote to encourage the use of the cooperative technique which over and over again has proved that it is one of the most effective forms of economic and social organization in a democratic society. It combines personal responsibility with strength of numbers. It is the form which in any attempt to establish a totalitarian government has had to be destroyed first. In Nazi Germany they were suppressed. In Russia subordinated and in Czechoslovakia they are presently under fire.

A vote for this bill is a vote for sound family life. For the space, light, and air necessary to the rearing of a normal family.

A vote against the bill is a vote for the money lenders, for those who profit by the exploitation of need, whose concept of justice is of narrowest legal construction. For those who not only refuse to be their brothers keeper, but even undertake to keep others from sharing responsibility and from acting as their brother's keepers.

URBAN TAX REBATES AND COOPERATIVE HOUSING

Mr. TAURIELLO. Mr. Chairman, last December the New York Times carried a report of an argument between City Construction Coordinator Robert Moses, of New York City, and New York State Housing Commissioner Herman T. Stichman, over the latter's program for the construction of tax-exempt housing projects under the State's limited dividend housing law as a too generous "waiving" of city taxes without the approval of appropriate city authorities. Commissioner Moses was concerned with the costs which fall on the city to provide drainage, sewerage, schools, streets, transportation, playgrounds, neighborhood zoning, and other necessary functions occasioned by the State's projects which, as a result of partial tax exemption, do not fully pay their fair share of city services.

This argument has a very important relationship to the bill we have under consideration here. Under the New York State housing programs now under way to stimulate the construction of limited dividend and cooperative housing—and very good projects have been built under these laws—tax exemption is used to bring down costs. This bill would greatly aid New York in overcoming its present necessity of resorting to tax exemption in achieving a solution of its housing difficulties.

If tax exemption is used to stimulate slum clearance or public-utility housing construction, the cities suffer financially because of the loss of revenue they suffer through this tax exemption. Cities such as New York, which must rely on real estate values for its borrowing capacity naturally are hurt when a good part of their property, a good part of the real estate is given exemption.

This exemption is given in a number of ways, usually in the form of tax freezing at the rate determined by the old obsolete or slum property. In order to clear the slums—which is an admirable idea—the valuation of the new buildings replacing the slum structures is fixed for a number of years at the old rate. This is, of course, a local subsidy. A subsidy means that other property must help carry the load for municipal services, schools and the like, for the new buildings.

In addition to the burden that the loss of tax revenue means to the general city budget, such tax exemptions build ill will among surrounding property owners who are asked to subsidize the new development. Naturally every time a city government condemns land for limited dividend housing under a tax exemption program, the neighbors have a legitimate complaint. They are quite right when they claim that the new tax exemption means money out of their pockets.

The argument that if the new project were not built, the city would be paying out more toward the policing and servicing of the slum property does not sweeten this deal to the neighbors. What is needed is a device which will encourage the construction of limited dividend housing and cooperative housing but at the same time eliminate the need of any tax exemption at all. We are justified in writing off land costs in slum clearance to the point where those costs reflect the value of the land as used for the housing which replaces the slums. But once rebuilt, these areas should pay their full way along with all other housing in the city. To do otherwise means that the total slum area can never be completely rebuilt since the tax subsidy will set a limit to the operation.

The present bill meets this very real threat to the financial future of those cities which have been forced to rely on tax freezing or exemption to start slum clearance, or to stimulate limited dividend housing on vacant sites.

The financial aspects of this bill take the place of tax exemption and substitute an economically sound low interest rate for such tax exemption and freezing. Developments erected under this bill can and will pay full taxes and in so doing will not encounter the opposition of the neighborhood which otherwise will have to contribute toward the new development. The tax base of our cities, hence their financial credit, will be safeguarded.

Therefore, in the long-term interests of the financial structure of our cities, I urge the passage of this bill.

Mr. DAVENPORT. Mr. Chairman, what is it that distinguishes rental housing from home ownership? Is it not basically who gets the savings? Any savings in rental housing go toward making up the profit of the owner; in the case of home ownership the landlord and tenant are the same, hence the tenant—that is, the consumer—gets the savings.

But the landlord who owns many dwellings can build them in such a way as to achieve certain economies which are not available to the owner of a single free standing house. These are obvious on a moment's reflection: by building attached houses one side wall in three is saved. By using apartment buildings further such savings are possible. This combining of dwellings also saves even more in the way of streets, sidewalks, utility lines, but those that are put in give more convenience than the more expensive installations required where a subdivision is built up of free-standing houses. Instead of each house having an expensive driveway to the little garage cluttering up the back yard, the large-scale builder can put his garages together into compounds and save the cost of the driveways, using the land—which may be one-fourth of each lot—for gardens and play spaces. I am here stressing the savings in dollars and cents—I am not talking here about the increased safety for the children, the peace of mind that safety brings to the anxious mother.

Cooperation makes it possible to give all these benefits to the home owner. By getting together in the old American tradition of mutual help, people can have all these things for themselves. As in single home ownership, the tenant and owner are the same, but in cooperative housing the savings of large-scale design accrue to the consumer as the owner and tenant are the same. You have heard how these possible economies were lost in the 608 rental program administered by the FHA. In search for higher and higher profits the rooms became smaller and smaller. Now this process has gone to the point where the "efficiency" apartment is the featured product of the 608 program—that is a unit with no separate bedroom, a dwelling totally unfit for family life—a mere hotel room. And these begin, begin mind you, at rentals

of over $80 a month. Put it another way: In New York City 64 percent, in Chicago 71 percent, of all the units built in the 608 program had no or but one bedroom.

Contrast this with a cooperative in Detroit. Eighteen percent of the units have four bedrooms, 30 percent three bedrooms, 48 percent two, and only 4 percent are one-bedroom units. The cooperative will not build any "efficiency units." The difference is, of course, that the cooperative is building for its own members, for itself; the 608 program is not home ownership and the profits and economies go to the speculator.

This particular cooperative project uses mostly row houses grouped pleasantly in a park. It has placed its garages in conveniently located compounds. They are saving 10 percent over the market prices of single homes in the Detroit area by the use of these large-scale design techniques ordinarily only available to the builder of rental housing. This amounts to about a $1,000 per dwelling—a very substantial saving to each family—a saving we will make available to more American families if we pass this bill. You cannot save this money to each family any other way except by cooperative ownership of large-scale housing.

Opponents of this measure have tried to say that this bill discriminates against the individuals. This is sheer nonsense. What this bill really does is offers a technique of getting better homes for less money to American families who are willing to avail themselves of it. As such you might consider cooperation in housing just like making the electric light, the gas stove, the power saw, the indoor bathroom available to the American home. Certainly no one claims making a new technique for reducing housing costs available to more people discriminatory to those who chose to use some other technique.

So, here we have a way to combine the technical advantages inherent in large-scale housing development with the very real advantages of home ownership. Here is one of the most important cost-cutting techniques in housing which has come before the Congress. I say let us make this technique available to the American people by passing this bill.

Mr. ADDONIZIO. Mr. Chairman, I rise to support H. R. 7402, a measure designed to assist cooperatives and other nonprofit corporations in the production of housing for middle-income families. A full explanation of the provisions of this measure has been made by my able colleagues on the committee.

I wish to commend the members of the Banking and Currency Committee for their attention to this grave and most important subject of housing for middle-income families. The existing housing programs do not meet the needs of the middle third of our population, which is the group more than any other upon whom the country really rests. Housing for middle-income families is an urgent need. It is a need of our Nation, not merely of isolated individuals. Our families must have houses in which to live and grow; yet it is impossible under FHA construction for families in the middle-income third to be accommodated, both because of the price and size of accommodations.

Prices for too much of the housing produced today are simply beyond the means of these families, or, and related somewhat, the housing available to them which is within their ability to pay is either too small or otherwise inadequate for family life.

Those of us from the larger urban areas recognize that the need for our people is in large multistoried, multifamily apartments. The record of rental housing in my district has been good for the past 2 years, measured as to number of units constructed, but unfortunately the rents of these accommodations are so high it has precluded most of the middle income families from renting them. For the country as a whole, FHA figures for section 608 projects covered by insurance commitments issued during the first 6 months of 1949 show that over 55 percent of the apartments were to rent for $80 or more per month and 50 percent of all apartments had either no bedroom or only one bedroom. This points up the real seriousness of the housing problems as it affects the great middle section of our population.

It is reflected in the numerous letters received by me from persons in all sections of the country who have read of this legislation and who regard it as a realistic and sound proposal to aid them in their efforts to obtain decent housing under financing terms which they can afford to pay. A former Army captain disabled by tuberculosis writes "I am still waiting for suitable housing within my income." Another veteran living in New Jersey states "So, I must continue to live in a small three-room apartment, pay about $50 per month rent, and have my wife and I and my daughter, aged 12, and my son, aged 10, all sleep in the same room with my mother-in-law in the living room." These are typical experiences of that almost-forgotten group of American families who, in the postwar period, have found it virtually impossible to procure adequate housing within their means. This is the group for whom we have done nothing in the way of housing. It is time now that we made a beginning to solve the problem raised by these families who are self-sufficient but who at the same time have been priced out of the housing market.

I am particularly impressed by the Banking and Currency Committees' presentation of the amount of reductions in the monthly charges or rents achievable under title I of the bill. Let us always remember that our basic objective should be to provide a sound and practicable means whereby housing of sound standards, but of sufficient size for adequate family life can be produced and made available at monthly charges which more middle-income families can afford. Every possible economy must be utilized to achieve this objective—in financing, construction, and in maintenance. In my judgment it will be possible to reach this objective by passing title I of this bill.

Many of those who oppose the provisions of this title have raised charges of Federal subsidy, tax exemption, undermining private enterprise and so forth. Gentlemen, are we to take these charges seriously? Reasonable men reasonably construing the provisions of this title can come to but one conclusion—the charges are not true, they fail upon studied consideration. An examination of the title clearly shows that it has been carefully prepared to avoid any Federal subsidy; to assure taxation upon all real and personal property; and designed so that the field of private enterprise will be expanded rather than contracted.

Gentlemen, I will support this bill because I believe it meets a problem of which all of us are vitally aware. Admittedly it will not solve the entire problem but it is a solution which will materially and positively move us closer to the ultimate and complete answer to it. It is designed to work at this sector of the housing problem and requiring those coming into the program to assume initiative, responsibility, and foresight. In my judgment, it is a democratic approach and will strengthen our democracy at its basic level—the home.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 7402) to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families; to amend the National Housing Act, as amended; and for other purposes, pursuant to House Resolution 505, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, I demand a separate vote on the Wolcott amendment striking out title I.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 4, strike out all of title I.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 155, not voting 58, as follows:

[Roll No. 108]

YEAS—218

Abbitt	Barrett, Wyo.	Brown, Ohio
Abernethy	Bates, Mass.	Bryson
Allen, Calif.	Battle	Burleson
Allen, La.	Beall	Burton
Andersen, H. Carl	Bishop	Byrnes, Wis.
	Blackney	Camp
Anderson, Calif.	Boggs, Del.	Carlyle
Andresen, August H.	Bolton, Md.	Case, S. Dak.
	Bolton, Ohio	Chelf
Andrews	Bonner	Clevenger
Arends	Boykin	Cole, Kans.
Aspinall	Bramblett	Cole, N. Y.
Auchincloss	Brehm	Colmer
Barden	Brooks	Cooper

Corbett	Jackson, Calif.	Preston
Cotton	James	Rankin
Coudert	Jenison	Redden
Cox	Jenkins	Reed, Ill.
Cunningham	Jennings	Rees
Dague	Jensen	Regan
Davis, Ga.	Johnson	Ribicoff
Davis, Tenn.	Jones, Mo.	Rich
Davis, Wis.	Jones, N. C.	Richards
D'Ewart	Judd	Riehlman
Dolliver	Kean	Rogers, Fla.
Dondero	Kearney	Rogers, Mass.
Doughton	Kearns	Sadlak
Durham	Keating	Sanborn
Eaton	Keefe	Sasscer
Ellsworth	Kerr	Scott, Hardie
Elston	Kilburn	Scott,
Engel, Mich.	Kilday	Hugh D., Jr.
Evins	Lanham	Scrivner
Fallon	Larcade	Scudder
Fellows	Latham	Short
Fenton	LeCompte	Sikes
Fernandez	LeFevre	Simpson, Ill.
Ford	Lichtenwalter	Simpson, Pa.
Gamble	Lodge	Smith, Kans.
Gary	Lovre	Smith, Va.
Gathings	McConnell	Smith, Wis.
Gavin	McCulloch	Stanley
Golden	McDonough	Stefan
Goodwin	McGregor	Stockman
Gore	McKinnon	Taber
Gossett	McMillan, S. C.	Tackett
Graham	McMillen, Ill.	Talle
Gwinn	Mack, Wash.	Taylor
Hagen	Mahon	Teague
Hale	Martin, Iowa	Thomas
Hall	Martin, Mass.	Thompson
Edwin Arthur	Merrow	Thornberry
Hall,	Meyer	Towe
Leonard W.	Michener	Underwood
Halleck	Miller, Md.	Velde
Hand	Miller, Nebr.	Vorys
Harden	Morton	Vursell
Hardy	Murray, Tenn.	Wadsworth
Hare	Murray, Wis.	Weichel
Harris	Nicholson	Werdel
Harrison	Nixon	Wheeler
Harvey	Noland	Whitten
Hays, Ark.	Norblad	Whittington
Hébert	Norrell	Wickersham
Herlong	O'Hara, Minn.	Widnall
Herter	Passman	Wigglesworth
Heselton	Patten	Williams
Hill	Patterson	Willis
Hinshaw	Pfeiffer,	Wilson, Ind.
Hobbs	William L.	Wilson, Tex.
Hoeven	Phillips, Calif.	Winstead
Hoffman, Mich.	Pickett	Wolcott
Holmes	Plumley	Wood
Hope	Poage	Woodruff
Horan	Poulson	

NAYS—155

Addonizio	Douglas	Lind
Albert	Eberharter	Linehan
Bailey	Elliott	Lynch
Barrett, Pa.	Engle, Calif.	McCarthy
Bates, Ky.	Feighan	McCormack
Beckworth	Flood	McGrath
Biemiller	Fogarty	McGuire
Blatnik	Forand	McSweeney
Boggs, La.	Furcolo	Madden
Bolling	Garmatz	Magee
Bosone	Gordon	Marcantonio
Breen	Gorski	Marsalis
Brown, Ga.	Granahan	Marshall
Buchanan	Grant	Miller, Calif.
Buckley, Ill.	Green	Mills
Burke	Gross	Mitchell
Burnside	Hart	Morgan
Byrne, N. Y.	Havenner	Morris
Canfield	Hays, Ohio	Moulder
Cannon	Hedrick	Multer
Carnahan	Heffernan	Murdock
Carroll	Heller	Nelson
Case, N. J.	Holifield	O'Brien, Mich.
Cavalcante	Howell	O'Hara, Ill.
Celler	Huber	O'Konski
Chesney	Hull	O'Sullivan
Christopher	Jackson, Wash.	O'Toole
Chudoff	Jacobs	Pace
Combs	Javits	Patman
Cooley	Jones, Ala.	Perkins
Crook	Karst	Philbin
Crosser	Karsten	Phillips, Tenn.
Davenport	Kee	Polk
Davies, N. Y.	Kelley, Pa.	Powell
Dawson	Kelly, N. Y.	Price
Deane	Kennedy	Priest
DeGraffenried	King	Quinn
Delaney	Kirwan	Rabaut
Denton	Klein	Rains
Dingell	Lane	Ramsay
Dollinger	Lemke	Rhodes
Donohue	Lesinski	Rodino
Rooney	Sutton	White, Idaho
Roosevelt	Tauriello	Wier
Secrest	Tollefson	Wilson, Okla.
Shelley	Trimble	Withrow
Sims	Van Zandt	Wolverton
Spence	Wagner	Woodhouse
Staggers	Walsh	Yates
Steed	Walter	Young
Stigler	Welch	Zablocki
Sullivan	White, Calif.	

NOT VOTING—58

Allen, Ill.	Gilmer	O'Brien, Ill.
Angell	Granger	O'Neill
Baring	Gregory	Peterson
Bennett, Fla.	Hoffman, Ill.	Pfeifer,
Bennett, Mich.	Irving	Joseph L.
Bentsen	Jonas	Potter
Buckley, N. Y.	Keogh	Reed, N. Y.
Bulwinkle	Kruse	Rivers
Burdick	Kunkel	Sabath
Chatham	Lucas	Sadowski
Chiperfield	Lyle	St. George
Clemente	Mack, Ill.	Saylor
Crawford	Macy	Shafer
Curtis	Mansfield	Sheppard
Doyle	Mason	Smathers
Fisher	Miles	Smith, Ohio
Frazier	Monroney	Vinson
Fugate	Morrison	Whitaker
Fulton	Murphy	Worley
Gillette	Norton	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Lucas for, with Mr. Keogh against.

Mr. Allen of Illinois for, with Mr. Sabath against.

Mr. Bennett of Florida for, with Mr. Irving against.

Mr. Gilmer for, with Mr. Bennett of Michigan against.

Mr. Kruse for, with Mr. Burdick against.

Mr. Macy for, with Mr. Angell against.

Mr. Crawford for, with Mr. Vinson against.

Mr. Chiperfield for, with Mr. Mansfield against.

Mr. Mason for, with Mr. Morrison against.

Mr. Reed of New York for, with Mr. Mack of Illinois against.

Mr. Frazier for, with Mr. Murphy against.

Mr. Fisher for, with Mr. Granger against.

Mr. Kunkel for, with Mr. Whitaker against.

Mr. Shafer for, with Mr. O'Neill against.

Mr. Hoffman of Illinois for, with Mr. O'Brien of Illinois against.

Mr. Smith of Ohio for, with Mr. Sadowski against.

Mr. Potter for, with Mr. Baring against.

Mrs. St. George for, with Mr. Joseph L. Pfeifer against.

Mr. Peterson for, with Mr. Buckley of New York against.

Mr. Chatham for, with Mrs. Norton against.

Mr. Gillette for, with Mr. Doyle against.

Until further notice:

Mr. Clemente with Mr. Saylor.

Mr. Smathers with Mr. Jonas.

Mr. Sheppard with Mr. Curtis.

Mr. Fugate with Mr. Fulton.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CASE of South Dakota. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CASE of South Dakota. I am, Mr. Speaker, as it involves the expenditure of too much money.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CASE of South Dakota moves to recommit the bill (H. R. 7402) to the Committee on Banking and Currency for further study.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. WOLCOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 362, nays 10, not voting 59, as follows:

[Roll No. 109]

YEAS—362

Abbitt	Delaney	Jackson, Calif.
Abernethy	Denton	Jackson, Wash.
Addonizio	D'Ewart	Jacobs
Albert	Dingell	James
Allen, Calif.	Dollinger	Javits
Allen, Ill.	Dolliver	Jenison
Allen, La.	Dondero	Jenkins
Andersen,	Donohue	Jennings
H. Carl	Doughton	Jensen
Anderson, Calif.	Douglas	Johnson
Andresen,	Durham	Jones, Ala.
August H.	Eaton	Jones, Mo.
Andrews	Eberharter	Jones, N. C.
Arends	Elliott	Judd
Aspinall	Ellsworth	Karst
Auchincloss	Elston	Karsten
Bailey	Engel, Mich.	Kean
Barden	Engle, Calif.	Kearney
Barrett, Pa.	Evins	Kearns
Barrett, Wyo.	Fallon	Keating
Bates, Ky.	Feighan	Kee
Bates, Mass.	Fellows	Keefe
Battle	Fenton	Kelley, Pa.
Beall	Fernandez	Kelly, N. Y.
Beckworth	Flood	Kennedy
Biemiller	Fogarty	Kerr
Blackney	Forand	Kilburn
Blatnik	Ford	Kilday
Boggs, Del.	Furcolo	King
Boggs, La.	Gamble	Kirwan
Bolling	Garmatz	Klein
Bolton, Md.	Gary	Lane
Bolton, Ohio	Gathings	Lanham
Bonner	Gavin	Larcade
Bosone	Golden	Latham
Boykin	Gordon	LeCompte
Bramblett	Gore	LeFevre
Breen	Gorski	Lemke
Brehm	Gossett	Lesinski
Brooks	Graham	Lichtenwalter
Brown, Ga.	Granahan	Lind
Brown, Ohio	Grant	Linehan
Bryson	Green	Lodge
Buchanan	Gross	Lovre
Burke	Gwinn	Lynch
Burleson	Hagen	McCarthy
Burnside	Hale	McConnell
Burton	Hall,	McCormack
Byrne, N. Y.	Edwin Arthur	McCulloch
Camp	Hall,	McDonough
Canfield	Leonard W.	McGrath
Cannon	Halleck	McGregor
Carlyle	Hand	McGuire
Carnahan	Harden	McKinnon
Carroll	Hardy	McMillan, S. C.
Case, N. J.	Hare	McMillen, Ill.
Cavalcante	Harris	McSweeney
Celler	Harrison	Mack, Wash.
Chelf	Hart	Madden
Chesney	Harvey	Magee
Christopher	Havenner	Mahon
Chudoff	Hays, Ark.	Marcantonio
Cole, Kans.	Hays, Ohio	Marsalis
Cole, N. Y.	Hébert	Marshall
Colmer	Hedrick	Martin, Iowa
Combs	Heffernan	Martin, Mass.
Cooley	Heller	Merrow
Cooper	Herlong	Meyer
Corbett	Herter	Michener
Coudert	Heselton	Miller, Calif.
Crook	Hill	Miller, Md.
Crosser	Hinshaw	Miller, Nebr.
Cunningham	Hobbs	Mills
Dague	Hoeven	Mitchell
Davenport	Hoffman, Mich.	Morgan
Davies, N. Y.	Holifield	Morris
Davis, Ga.	Holmes	Morton
Davis, Tenn.	Hope	Moulder
Davis, Wis.	Horan	Multer
Dawson	Howell	Murdock
Deane	Huber	Murray, Tenn.
DeGraffenried	Hull	Murray, Wis.

Nelson	Regan	Thornberry
Nicholson	Rhodes	Tollefson
Nixon	Ribicoff	Towe
Noland	Richards	Trimble
Norblad	Riehlman	Underwood
Norrell	Rodino	Van Zandt
O'Brien, Mich.	Rogers, Fla.	Velde
O'Hara, Ill.	Rogers, Mass.	Vorys
O'Hara, Minn.	Rooney	Vursell
O'Konski	Roosevelt	Wadsworth
O'Neill	Sadlak	Wagner
O'Sullivan	Sanborn	Walsh
O'Toole	Sasscer	Walter
Pace	Scott, Hardie	Weichel
Passman	Scott,	Welch
Patman	Hugh D., Jr.	Werdel
Patten	Scrivner	Wheeler
Patterson	Scudder	White, Calif.
Perkins	Secrest	White, Idaho
Pfeiffer,	Shelley	Whitten
William L.	Sikes	Whittington
Philbin	Simpson, Ill.	Wickersham
Phillips, Calif.	Simpson, Pa.	Widnall
Phillips, Tenn.	Sims	Wier
Pickett	Smith, Va.	Wigglesworth
Plumley	Smith, Wis.	Williams
Poage	Spence	Willis
Polk	Staggers	Wilson, Ind.
Poulson	Stanley	Wilson, Okla.
Powell	Steed	Wilson, Tex.
Preston	Stefan	Winstead
Price	Stigler	Withrow
Priest	Stockman	Wolcott
Quinn	Sullivan	Wolverton
Rabaut	Sutton	Wood
Rains	Tackett	Woodhouse
Ramsay	Talle	Woodruff
Rankin	Tauriello	Yates
Redden	Taylor	Young
Reed, Ill.	Teague	Zablocki
Rees	Thompson	

NAYS—10

Bishop	Cotton	Smith, Kans.
Byrnes, Wis.	Goodwin	Taber
Case, S. Dak.	Rich	
Clevenger	Short	

NOT VOTING—59

Angell	Gillette	Norton
Baring	Gilmer	O'Brien, Ill.
Bennett, Fla.	Granger	Peterson
Bennett, Mich.	Gregory	Pfeifer,
Bentsen	Hoffman, Ill.	Joseph L.
Buckley, Ill.	Irving	Potter
Buckley, N. Y.	Jonas	Reed, N. Y.
Bulwinkle	Keogh	Rivers
Burdick	Kruse	Sabath
Chatham	Kunkel	Sadowski
Chiperfield	Lucas	St. George
Clemente	Lyle	Saylor
Cox	Mack, Ill.	Shafer
Crawford	Macy	Sheppard
Curtis	Mansfield	Smathers
Doyle	Mason	Smith, Ohio
Fisher	Miles	Thomas
Frazier	Monroney	Vinson
Fugate	Morrison	Whitaker
Fulton	Murphy	Worley

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Lucas with Mr. Macy.
Mr. Bennett of Florida with Mr. Crawford.
Mr. Gilmer with Mr. Chiperfield.
Mr. Kruse with Mr. Mason.
Mr. Frazier with Mr. Reed of New York.
Mr. Peterson with Mr. Kunkel.
Mr. Irving with Mr. Shafer.
Mr. Keogh with Mr. Hoffman of Illinois.
Mr. Vinson with Mr. Smith of Ohio.
Mr. Mansfield with Mr. Patten.
Mr. Morrison with Mrs. St. George.
Mr. Murphy with Mr. Gillette.
Mr. Granger with Mr. Bennett of Michigan.
Mr. Whitaker with Mr. Burdick.
Mr. O'Brien of Illinois with Mr. Angell.
Mr. Baring with Mr. Curtis.
Mr. Clemente with Mr. Jonas.
Mr. Fugate with Mr. Fulton.
Mr. Smathers with Mr. Saylor.

Mr. O'TOOLE, Mr. BAILEY, and Mr. VURSELL changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct the section numbers of the bill to conform with the action of the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks during the course of debate on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

HOUSING ACT OF 1950

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill:

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause of the bill S. 2246, and insert the provisions of H. R. 7402, as amended.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

On motion of Mr. SPENCE, the proceedings whereby the bill (H. R. 7402) to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families; to amend the National Housing Act, as amended; and for other purposes, was passed were vacated, and that bill was laid on the table.

COTTON AND PEANUT ACREAGE ALLOTMENTS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 398, relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, with Senate amendments thereto, further disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, does the gentleman from Kansas [Mr. HOPE] know that the gentleman from North Carolina was going to make this request?

Mr. COOLEY. I am sure the gentleman does. I am going to follow this with a request that the Committee on Agriculture may have until midnight tonight to file a conference report, which has already been agreed to.

Mr. PHILLIPS of California. Mr. Speaker, would the gentleman care to make a very brief statement of what the other body did to the bill?

Mr. COOLEY. I will be very glad to make such a statement, if the Chair will permit me to do so.

The SPEAKER. The Chair may state that the matter is in conference between the two Houses.

Mr. MARTIN of Massachusetts. Mr. Speaker, I do not see any member of the Committee on Agriculture from this side of the House.

Mr. COOLEY. We have already reached an agreement with the gentleman from Kansas [Mr. HOPE]. This bill has been before the House once and went back to conference because a point of order was made in the other body.

Mr. MARTIN of Massachusetts. I appreciate that.

Mr. COOLEY. That has already been corrected and we have been able to agree on a conference report to be submitted tonight.

Mr. MARTIN of Massachusetts. You have already discussed this with the gentleman from Kansas [Mr. HOPE], and he said he had no objection?

Mr. COOLEY. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, PACE, POAGE, GRANT, HOPE, AUGUST H. ANDRESEN, and MURRAY of Wisconsin.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a conference report and statement on House Joint Resolution 398.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. HAYS of Ohio asked and was given permission to extend his remarks in the RECORD and include extraneous matter, notwithstanding the fact that it exceeds the limit set by the Joint Committee on Printing and is estimated by the Public Printer to cost $266.50.

Mr. WIER asked and was given permission to extend his remarks in the RECORD.

Mr. YATES. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today at the point where the gentleman from California [Mr. MCKINNON] yielded to me, and to include as part of my remarks an article appearing in a Chicago newspaper.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in five separate instances and in each to include extraneous matter.

Mr. MADDEN asked and was given permission to extend his own remarks in the RECORD and include a letter he wrote to the editor of the Indianapolis Times.

Mr. BIEMILLER asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and to include therein roll call No. 126 of the first session of the Eighty-first Congress.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in three separate instances and in each to include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in three separate instances, to include two editorials and a resolution from the Massachusetts General Court.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD in five separate instances and in each to include printed matter.

Mr. NIXON (at the request of Mr. CANFIELD) was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the RECORD and include a resolution from the Legislature of California.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. TALLE. Mr. Speaker, I ask unanimous consent to insert at the conclusion of the remarks I made today a table supplied to me by the Treasurer of the United States relating to our interest-bearing debt as well as the annual interest rate over a period of time.

Mr. COLE of Kansas (at the request of Mr. WOLCOTT) was given permission to revise and extend the remarks he made today and to include therein a number of editorials from which he quoted.

Mrs. HARDEN asked and was given permission to extend her remarks in the RECORD and include an article from her home town paper.

Mr. WOLVERTON asked and was given permission to revise the remarks he made in the Committee of the Whole today at the point where the gentleman from Arkansas [Mr. HAYS] yielded to him, and to include a statement by two individuals.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD and to include two charts, one on corporate profits over a period of years and the other on current rental and cost of housing throughout the Nation.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend at this point in the RECORD a very fine letter of appreciation with many other fine sentiments therein expressed, sent by P. H. Shinicky, Chairman of the National Assembly of the Republic of Korea, to Speaker RAYBURN.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

(The letter referred to follows:)

KOREAN EMBASSY,
Washington, D. C., March 1950.

The Honorable SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I have the honor to convey, through you, to the members of the United States House of Representatives and to the American people a statement on behalf of my colleagues and myself, and on behalf of the Korean people.

The fine relations which have always existed between our two countries gave us the opportunity in the last year to meet a number of the honorable Members of the House of Representatives. Now that we are privileged to visit your great country, we want to say that the Korean people are deeply grateful for the extensive American diplomatic, economic, and military aid given to our country since the Allied forces liberated our country from the Japanese. They are especially grateful for the current American assistance through MDAP (Military defense aid program) and the grant by this Congress of ECA funds.

Today I wish to dwell on three matters: First, on the confidence of the Korean people in America; second, on the strategic importance of Korea; third, on the mutual interests of the United States and Korea, which operating together will work toward the maintenance both of Korean freedom and American security.

Though Korea and America are far apart, the depth of understanding between both the peoples and governments has been extraordinary. It was no accident that the United States, champion of Asiatic sovereignty and freedom, should have been the first western nation to engage in treaty relations with the Hermit Kingdom of Korea. Over the years, many missionaries and other philanthropically minded Americans have come into Korea, bringing us great benefits of education, public health, and spiritual welfare. Upon the return of these good people to the United States, they have informed the American people of Korea and things Korean, fostering understanding and goodwill on both sides.

In the late nineteenth century Americans built the first railroad in Korea, the first streetcar line, the first city water works, the first electric-light plant, and the first modern turnpike. Americans established and developed in Korea the largest gold-stamp mill in the Far East, to the material advantage of both Koreans and Americans. Unfortunately, today this valuable property is held by the Communists, and its precious product enriches the Soviet Union rather than the Korean people.

In 1905 the shadows of Japanese political slavery began to descend over our nation. I am sorry to say that at that time the American Government did not show the degree of concern for our freedom which we had expected. Nevertheless, even though those deep shadows descended into the blackness of the night of Japanese rule, throughout that dismal time the Korean people, through their stanch friends and American missionaries, continued to know that the United States was a Nation of high ideals devoted to the principles of justice, the defense of the weak and helpless, and to the practices of the good neighbor.

It was the good fortune of the Korean people that the Allied Powers, led by the United States, soundly defeated Japan in the recent war and so delivered our people from bondage. The great leaders of the American forces in the Pacific—MacArthur, Nimitz, Vandegrift, Halsey, and Hodge—are as esteemed in Korea as liberators as they are in America as defenders and conquerors. Those early dark days of the war were desperate days in Korea, but no informed man ever doubted the ultimate victory of the United Nations, whose cause was just and whose arms were strong.

Victory for the Allies brought liberty to about two-thirds of our people and one-half of our land. In 1945 the Twenty-fourth Corps of the United States Army came into South Korea to take the Japanese surrender and return to us our sovereignty. Unfortunately for us, the Twenty-fifth Red Army came into the North and our people up there have only been able to exchange the yoke of Japanese militarism for the yoke of Soviet-Communist imperialism.

During the period of United States military government in Korea much was done by the soldiers and civilians of that agency of the United States Government to save our people from starvation and to reestablish the basis of our disrupted economy. As you know, not only did the war itself cause severe economic dislocations, but it was followed by the separation of the major industrial and mineral area of our country from the major agricultural area by a dreadful dividing line at the thirty-eighth parallel. At the parallel today the brave soldiers of the Republic daily give their lives repulsing attempts of Russian organized and directed Communist armies to invade, overrun, and destroy our free country.

The United States Government took the leadership, through the United Nations, in assisting the Korean people to express themselves, through democratic elections, in creating a National Assembly. Acting as a constituent body, the National Assembly created the Constitution of the Republic of Korea and subsequently its government. My colleagues and I had the honor to be elected to the National Assembly from our respective districts on May 10, 1948, in the first general election ever held in Korea. We have served ever since in the National Assembly, the Korean Congress. Our second election is scheduled for the coming May, and I need not explain to you gentlemen of the House of Representatives the necessity for our early return to Korea to prepare to persuade our constituents that we are worthy of their trust and confidence. Since in Korea we have no fences, we might be said to be going home to rebuild the walls that protect our political paddy fields.

I do not know, and I venture to suggest that you do not know, of any more democratic way to determine the responsibilities of government than for the lawmakers to be required from time to time to go before the people to explain how they have executed their trust and to ask for a new mandate.

When you read, as unfortunately you are likely to do, from the pen of some misinformed or malicious person, about the lack of democracy in Korea, please say to yourself: "I know Shinicky. In 1948 he had to run for election and get the votes, just as I did in my election. In 1950 he is doing the same thing again." I only hope that you will be able to add, "And he got reelected."

Since the establishment of the Republic of Korea, the United States has helped us in many ways, moral and material. Without that help it is difficult to see how in these early days of its existence our Republic could have maintained itself against the Soviet directed armed assaults and subversion. Americans have given us the funds, goods, and advice for a long-term program, under ECA, to establish the basis for a viable economy so that ultimately Korea can become largely self-sustaining. Americans have given us military assistance, through the Korean military advisory group and the

MDAP, to enable us to develop a military force capable of defending the Republic against attack. Americans have given us diplomatic support in the world councils of the nations.

No one likes to ask for charity, and we do not ask for charity, although we well know that Americans are motivated by a great deal of kindness and good will in giving us economic and military aid. We believe that the maintenance of a free and independent Korea is not only vital to ourselves, but that it is also in the basic interests of the United States. To put this in another way, were all of Korea to pass under the control of the Soviet Union, the interests of the United States would be most adversely affected. We expect to do all that is possible within the limits of our economy and our manpower to help and save ourselves. We are not sitting back doing nothing while we beg the United States to help us. But, for the time being, even our best efforts and the willing sacrifice of our lives are not enough. That is why we turn to our spiritual ally, the United States, for aid.

I believe that it is to American interests that the largest possible part of the world should remain free, each nation ruling itself and living in harmony with its neighbors, rather than that the free world should steadily shrink, with a corresponding steady expansion of Soviet power which would increasingly threaten the security of every free nation, including the United States.

In specific terms today, Korea is the only free area in the continent of northern Asia. Please recall that there is no other place left on the northern Asiatic continent not now ruled by the Soviet Union, either directly or through a Communist Party controlled satellite. But the Republic of Korea with what might be considered moderate military assistance, has, does and will continue to resist successfully all desperate attempts of Communist armies and Communist armed insurrectors to add this strategic area to their Soviet Empire.

While Korea stands free, even South Korea alone, there stands a symbol of hope to all Asia, and especially to our neighbors, the Chinese. While our Republic stands, Japan is protected from the immediate menace of the Soviets. Should Communist forces stand at the southern tip of Korea, looking greedily across the narrow Korean Straits toward the Japanese islands, a deadly fear would engulf those islands. Many Japanese would say, "China is gone, Korea is gone, the Soviets are almost on our beaches. We should make a deal. We should surrender and save what we can."

Such thinking would only be natural.

But Korea stands as a shield and buckler to our recent mutual enemy. Today, in defending the line at the thirty-eighth parallel, the Korean Army also defends Japan. While, of course the Korean Army fights to protect Korea, the effect of these sacrifices of Korean lives is great, far beyond the boundaries of Korea.

In Korea, we know little of the cold war, for we are engaged already in a very warm war. During the past year more than 1,177 Korean soldiers and police were killed in action and more than 2,037 were wounded in action defending the Republic.

Every month our military prowess increases. With the able assistance of the American military advisory group, the whole Korean Army has been qualified in all small arms to a degree of accurate marksmanship comparable to that attained in the United States Army. Never before in history has any Asiatic army, including the Japanese, developed such high standards of marksmanship. These standards pay off in battle. Today the difference in enemy casualties and ours is enormous because our men can shoot straight and the enemy can't.

I could multiply a hundredfold the instances of successful use in Korea of United States military and economic aid. But there are limits to the time I may ask you to spend reading this message.

I have been surprised to find some Americans who are willing to write Korea off just because of the enormous military power of the Soviet Union. Since the Red Army could defeat the Korean Army, these people ask, "Why spend money to help the Korean Army in a lost cause?"

Such thinking has two fundamental fallacies. The first is the assumption that the Soviet Army or the Chinese Communist army is going to attack the Republic of Korea tomorrow or the next day. I, for one, do not think the Russians want a world war at this moment. They want to build up their strength at home and expand outwardly as cheaply as possible. Someday they will start world war III, but, in my opinion, not for some years yet, and until they do, they will not use Russian soldiers to fight in Korea. While the Soviet Union is eager to destroy our Republic, their military instrument for that proposed destruction is a Korean Communist Army which they have organized, trained, armed, and led in North Korea. I don't think the Russians, who have long coveted the Korean Peninsula, with its fine, warm-water ports and its connecting line between Vladivostok and Dairen, would let the Chinese Communist army come in to take over our country for Communist China. That is not the way the Russians work.

Then, what we need in Korea is an army capable, if need be, of meeting and defeating the so-called people's army of the Communists. We have such an army of 100,000 volunteers, well trained, led, and reasonably well equipped. I betray no secrets when I remark that the chief weaknesses of our forces are the lack of air power to meet the enemy planes, supplied by the Soviets to the Communists, the lack of sufficient caliber and range artillery which would at least reach as far as that of the enemy, and the lack of sufficient naval craft to support the army and protect our shores.

This message to you is not an appeal for anything. I am most grateful to you for your past help. I hope you will continue that help. I am only trying to make clear that we have what it takes in trained men and fortitude to defend ourselves, and that the odds are not so heavily against us as some distant observers seem to think. In doing so, I have felt it proper to remark where our major weaknesses lie.

As a Korean I tend to forget how little my country and my people are known abroad when I know them so well myself. I hope you will pardon my giving you a few facts. Korea approximates the State of Oregon in size, but being a peninsula, is nearly surrounded by seas. Within our country are about 32,000,000 people, or many millions more than there are to be found in the better-known smaller European states. Over 20,000,000 live in our free, independent Republic, while about 10,000,000 are still subjected to the Communist dictatorship established in the north.

Koreans are entirely homogeneous as to race, language, and culture, with a common tradition going back some 4,000 years. Koreans are very proud, extremely patriotic, and strongly nationalistic. That is why Koreans are so strongly anti-Communist. They recognize communism as only a front for Russian imperialism. Back in the 1920's many Koreans were attracted by the blandishments of the Communists because they opposed Japanese militarism, while the USSR pretended to be the champion of oppressed colonial peoples. Today, almost all Koreans, whether living in north or south, have come to understand that communism and a free Korea are completely incompatible. Like Americans, they have learned the true intentions of the Soviet Union, but they have learned the hard way in their own country where Soviet directed forces and agents murder, plunder, burn, ravage, and assault.

I think it would be fair to say that Korean independence is a weather vane for American security. When the Japanese militarists took over Korea in the period from 1905 to 1910, few Americans knew or cared. But once she had Korea, Japan was on her way toward attempted world conquest. At first she moved slowly but finally with extraordinary and devastating speed: Korea, Manchuria, China, Indochina, and then Pearl Harbor.

In Asia today we all are faced with a far more dangerous imperialist menace to world security than Japan could ever present. The much vaster resources and manpower of the Soviet Union, added to the resources and manpower of Asia, would be so dangerous to the security of free peoples that one shudders to imagine it. So far, however, the pattern is not the same. Free Korea stands firm with your continued help and encouragement, and the courage and absolute determination of the Korean people to fight if need be, to the death. Free Korea shall always stand.

I pray, Mr. Speaker, that God in His infinite wisdom and mercy may continue to shed His Grace upon our two nations, and that His abundant blessings, with peace, may be bestowed upon them for years to come.

P. H. SHINICKY,
Chairman, National Assembly,
Republic of Korea.

FOREIGN ECONOMIC ASSISTANCE

Mr. KEE. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have permission to file supplemental reports on each title of the bill (H. R. 7797) providing foreign economic assistance.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

UNIFORM CODE OF MILITARY JUSTICE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4080) to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard and to enact and establish a Uniform Code of Military Justice, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate on the disagreeing votes of the two Houses.

Mr. CANFIELD. Mr. Speaker, reserving the right to object, may I inquire of the gentleman from Louisiana if he has cleared his request with the minority member and the leaders?

Mr. BROOKS. Yes; I have cleared it.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BROOKS, PHILBIN, DEGRAFFENRIED, SHAFER, and ELSTON.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Ohio [Mr. WAGNER] is recognized for 5 minutes.

ATTITUDE ON COMMUNISM

Mr. WAGNER. Mr. Speaker, for many years, long before the beginning of my service in Congress, I have been an active opponent of communism and have urged the eradication of Communist and fellow travelers from this country in a very active capacity. Back in my district I have a reputation of being an ardent foe of Communists and have requested time and time again that all known Communists should be driven out of this country and sent back to Russia and the respective countries from which they originated.

Some several weeks ago a certain newspaper in my district commenced a series of articles in which it was promised that through the efforts of its reporter Communists in my district would be completely exposed. Shortly after the beginning of this series of articles I personally telephoned the author of the same and suggested to him that I would be willing to have the Committee on Un-American Activities hear him at any convenient time to say whether or not he had any competent evidence with reference to any Communist trend. I further requested that he send me the names and addresses of any and all people whom he suspected of communistic leanings for the purpose of my having these people checked with the Federal Bureau of Investigation. This offer was refused by the author of these articles after it was repeated a second time by mail and it was suggested that the author of the articles would handle the matter himself with the committee.

During my service in Congress I have sat with the House Committee on Un-American Activities on many occasions in order that I might familiarize myself with the procedure in this committee and learn all I can about subversive activities in this country.

On last Wednesday I received information that the author of this series of articles was coming to Washington, with a mystery witness and that he and the mystery witness would testify before the committee at 10:30 in a closed session, and tell all they knew about communism in Hamilton County. After receiving this information, I attempted to contact the chairman of the House Committee on Un-American Activities to request that I be permitted to hear this testimony with the committee. I was unable to contact the chairman but did speak to his secretary, and she assured me that some arrangements had been made for some testimony at 10:30, and that she would take up with the committee the matter of my appearance at that time. I stopped in the committee reception room at about 10:30 and saw no one whom I recognized. However, when I entered the hall I saw the author of these articles beckon to a party who had been sitting in the committee reception room, and the two of them walked out into the hall. I saw no member of the committee, and so I returned to my office and awaited the call from the chairman's secretary as to when the committee might hear this testimony. After about a 30-minute wait, I was informed by the secretary to the chairman that the committee had decided not to hear any of the testimony and that in the event they would hear any testimony later, I would be informed of the same. About the hour of 11:30 on this day, I happened to meet one of the Republican members of the committee, who told me that after talking with the committee investigator, the committee had decided that since its investigator had already talked to the mystery witness about a year ago and was not impressed with his statements, and that the reporter, who had been the author of the articles, had nothing except hearsay testimony, the committee had decided not to hear any testimony at all. Later in the afternoon I talked with two of the Democratic members of the committee and they reported the same statement upon my inquiry as to why no testimony was taken.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. WAGNER. I yield to the gentleman from Ohio.

Mr. McSWEENEY. We, your colleagues, know very well of your stand against communism. I hope I am not being presumptuous when I say I am assuming we are close friends, that if you had wanted to discuss the matter of keeping this one person from testifying before the committee you would naturally have come to me, your friend and your colleague from Ohio. As a member of the committee I can truthfully say that the gentleman made no appeal to me or to any of my staff in my office in connection with curtailing the hearings that might be held in behalf of this man. I want the public generally to know that. The gentleman was merely consulting us and asking us to hear, if necessary, but not in any way to stifle the opportunity to have a hearing.

Mr. WAGNER. I thank the gentleman. I have the highest regard for the gentleman and had I any business with the committee I would have taken it up with him at the time.

On Friday, March 17, 1950, an article appeared in the Daily Worker, which is the sheet used by the Communists in this country, which inferred that the committee had refused to hear any testimony because of pressure I had put upon the Democratic members of the same. Nothing was further from the truth. The Communist in their Daily Worker ran this article in an effort to discredit me in my district. I have no use for Communists and it is my desire to expose any and all of them at all times. I will never hamper or attempt to hamper any fair investigation of this group of rats. I talked to no member of the Un-American Activities Committee until considerable time after the committee had refused to hear any of the aforementioned testimony. I abhor communism and all types of totalitarianism.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WAGNER. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to say at this point that the gentleman has been most active in his efforts in supporting a bill that I introduced to prohibit this same Daily Worker from using the mails which are subsidized by the Government at the present time, which indirectly is a subsidization of communism.

Mr. WAGNER. I thank the gentleman. He is quite correct.

Newspaper reporting and journalism in my district sank to a new low on Sunday morning, March 19, when a newspaper printed in toto the article which had appeared in the Daily Worker, insinuating that I had stopped any investigation of communism in my district. This newspaper stooped so low as to make itself a part and parcel of a Communist effort to smear me and another fine American who happens to be a candidate for Congress from a district adjoining mine. The founder of this newspaper would turn over in his grave if he could know today the depths to which this newspaper has sunk in an effort to smear other people. Again I say that things have come to a pretty pass when this newspaper, the Cincinnati Enquirer, must rely on the Communist Daily Worker, which has had a reputation of being a smear outfit, devoted 100 percent to the cause of communism, for its news. The Daily Worker has never been known to tell the truth.

FEDERAL AGRICULTURAL RESEARCH AND THE PACIFIC NORTHWEST WHEAT INDUSTRY

Mr. STOCKMAN. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. STOCKMAN. Mr. Speaker, approximately 5,000,000 acres of crop land in the States of Oregon, Washington, and Idaho are annually seeded to wheat which normally produces a crop of about 130,000,000 bushels. The farm value of this production is close to $260,000,000 and is the greatest source of agricultural income in comparison with all other agricultural products. In fact, the wheat industry is second only to the lumber industry of the Pacific Northwest when considering the major sources of income to these three productive States.

Too often people think of wheat only in terms of the farmer and his production. In this region, wheat is woven into the economic livelihood of every man, woman, and child. Large wheat crops stored in and shipped through hundreds of large grain elevators via truck, rail, and water to, and through, some of the world's finest flour mills and terminal storage facilities is a billion dollar business. Added to the farm value of wheat

are such marketing costs as storage, transportation, processing, distribution, and consumer marketing. Our banks are involved deeply in the industry in credit and deposit operations. Farm equipment firms and small business in this country obtain the great percentage of their income from wheat industry people. It is not difficult then to see that we do have a billion-dollar business in and connected to wheat in the region. The economic health of our region is certainly tied closely to the health of the wheat industry. This is only natural considering the high percentage of income and business dependent upon wheat in comparison with other sources of income. The purchasing power of all our families is directly related to the ups and downs of this industry.

RELATIONSHIP OF WHEAT RESEARCH AND DEVELOPMENT TO OUR WHEAT INDUSTRY

Other things being equal, the person producing the highest quality product in the most efficient manner has a double marketing advantage over a person producing a mediocre product at relatively high cost. This applies so aptly to the wheat farmer and indicates the role agricultural research can play in stabilizing our Pacific Northwest wheat industry. Constant research toward these ends is essential in any business, and has become largely an accepted truth. Analysis of all past research and its application in production and processing reveal it is unquestionably the best investment in terms of increased economic returns that has ever been made. These fundamental facts apply to agriculture, including wheat, as well as industry.

To illustrate the value of research and development of new wheats in the Pacific Northwest consider a few facts. A new, adapted wheat variety yielding only 1 bushel more per acre than our present varieties could mean $10,000,000 more income on the farm. Smut, a wheat disease controllable by growing resistant varieties and using chemical seed treatments, cost our area over $9,000,000 this past crop year. Wheat varieties all differ from one another in their milling and baking properties. Most people are unaware of this important truth. Quality types can mean the difference between a salable product or an unsalable one, or the difference between a flour price to the farmer or an animal-feed price.

Maintaining the long-time productivity of the soil through proper cropping and tillage methods is a serious problem. Our wheat lands are seriously deteriorating through erosion and loss of productive organic matter. This problem is regional in character as are those enumerated above. All our States are concerned equally with improvement through research and development. To illustrate the seriousness of the problem of soil losses and deterioration I submit the following quotation from an address by Dr. H. H. Bennett, Chief, United States Soil Conservation Service, before a joint session of the Washington State Legislature, Olympia, Wash., January 20, 1949:

Last year in Washington, in addition to the serious floods, various parts of your State were subjected to exceedingly serious erosion. I have in mind especially what happened over in the Palouse country. Erosion was really frightful in that section, which is one of the most productive wheat producing areas on the face of the earth. Last year we made more than 1,200 measurements of erosion losses in the Palouse.

We found that on many farms a ton of soil was lost for every bushel of wheat produced. The losses were not confined to Whitman County. Much of the same thing was found on wheat-pea land in parts of the Blue Mountain area and on the more rolling portions of your Big Bend area.

Altogether it was estimated that at least 160,000,000 tons of soil were washed off the fields and rangelands of the Columbia River watershed. This was enough to cover 160,000 acres with seven inches of good soil. The equivalent of 44 80-acre farms went down the Columbia River every day for a month.

This was all good soil. Much of it was as good as any soil known to man. No State, no nation, no business can withstand such losses indefinitely. I think we can't afford such losses any longer. Mathematics gets involved in the land-supply equation. You see, we have in the United States only the 460,000,000 acres of good land I referred to a moment ago. This counts all that's in cultivation and all that can be put into cultivation through drainage, irrigation, and clearing. A point, in this connection often overlooked is that our limited supply of good land is not a fixed supply. Part of it is being lost every year by unnecessary erosion. At least 500,000 acres are ruined for further cultivation every year along with a much larger area damaged. So, we are faced with the unpromising and conflicting circumstances of a dwindling supply of good farm land on one hand and a rapidly increasing population on the other hand.

We recognize research in erosion control and soil conservation is relatively new. Certainly our region has made some progress in retaining the soil on the farms but we have developed no adequate system, year in and year out, which will accomplish our needs. There is much to be done in the way of fundamental research on this line.

FEDERAL WHEAT RESEARCH NOW IN PROGRESS IN THE PACIFIC NORTHWEST

First. Soil erosion control pilot farms, Pendleton, Oreg., Federal and State: In recognition of the soil erosion problem, initial funds were budgeted in 1949 by the United States Department of Agriculture and the State of Oregon to begin the establishment of four 80-acre pilot farms representing soil and climatic conditions of the wheat region in the Pacific Northwest in the Pendleton area. This project would be operated from the Pendleton Branch Experiment Station. Plot-tested soil-erosion-control measures would be applied to these pilot farms by field testing and incorporated into our farming practices. New farm machinery would be devised to do the work formerly done by hand in the testing plots.

This is a great step forward and we of the region believe it will pay off. We further know our wheat industry will wither away if we can not hold our soil. Funds available for 1949-50 are sufficient to operate two of the farms but not four. Further, funds are insufficient to establish a machine shop for the designing and construction of the farm equipment necessary to properly till the soil. This is new fundamental work and no machinery available is designed to properly accomplish erosion-control tillage. The project needs additional financial support. The total budget for 1949-50 is $34,500. Twenty-two thousand dollars was allocated by the Soil Conservation Service and $12,500 from the State of Oregon by special act of the State Legislature.

Second. Cereal pathology, Federal: The primary aim of this project is to conduct fundamental studies of the cereal diseases, particularly smut, and effect sound control measures through cooperative testing work with the State experiment stations in developing resistant varieties and applying practical control measures in the field. This project has been in operation approximately 20 years and we feel it has been most effective. It needs to be continued in full force.

Hybridization of the present smut races—varieties—occurs constantly in the area presenting new smut problems. It is the function of this project to keep abreast of these smuts so new varieties of wheat will be resistant to them upon release. A smut nursery is maintained at Pullman to test the resistance of experimental varieties. No other agency is conducting this work and it is a regional problem. The project is headed by Dr. C. S. Holton whose qualifications are superior. The entire annual budget of this project is only $7,409 for the year 1949–50. While the budget is small and should be increased, the project is functioning satisfactorily.

Third. Wheat breeding, both Federal and State: These are two agronomists, wheat breeders, maintained by the Cereal Division, Bureau of Plant Industry in the Pacific Northwest. One is located at Pullman, Wash., the other at Pendleton, Oreg. Breeding and field testing work is conducted in cooperation with the three States in the development of improved agronomic and quality wheat varieties on a regional basis. Two such varieties were released last year.

Dr. Orville A. Vogel, project leader at Pullman is also Regional Coordinator of wheat breeding for the western States. A point in this connection is that he has no breeding assistant and his coordinating work requires considerable travel at the expense of his work in Pullman. An assistant should be assigned to him. The total budget of these two projects is $13,107 for the year 1949–1950 and includes all travel expenses for both agronomists. This amount is inadequate to maintain the personnel needed and adequately finance travel, materials, and so forth. At least $2,000 annually should be added to this work.

Fourth. Western Wheat Quality Laboratory, Pullman, Wash., Federal-State cooperating: This is undoubtedly the key project to the improvement of wheats from a quality standpoint and is a tremendous aid to the agronomists in locating high quality strains early in the breeding program. This saves years of work where quality type wheats were formerly found only by matter of chance

as late as 15 years after the original crosses were made. Quality is now found as soon as 5 years after the first cross. Remember, a wheat without quality finds no acceptance in industry or the home of the housewife. The laboratory also tests quality of wheats grown in various cultural experiments conducted by the State experimental stations.

Truly a service to the States of Oregon, Washington, and Idaho, this is the only quality laboratory available to us. It certainly needs the full, continued support of the Federal Government. At present, the budget is adequate and must be maintained at the present level. The 1949–1950 budget is $42,964 from the following sources:

Research and Marketing Administration, $28,537.

Bureau of Plant Industry, $3,737.

Washington State College, $5,700.

Oregon Wheat Commission, $5,000.

To illustrate the interest of the region in this laboratory, the State of Washington has invested $22,000 in the laboratory while Oregon has invested $10,000. At the same time Research and Marketing Administration funds were cut 20 percent the past year.

We have the bare essentials in personnel, physical facilities, and basic knowledge to attack our problems with vigor and intelligence, confident we can solve the problems of production: erosion and disease control, better wheat qualities for processing, and more efficient production so unit sales prices can be lowered but still maintain our agricultural income. The United States Department of Agriculture has projects set up in the region working on these problems in cooperation with the three States and is effectively coordinating this basic research work.

There is no duplication of facilities, and we are approaching the problems from a regional standpoint. We believe this arrangement makes for greater returns per dollar invested than if the States were working independently. The general public of the Pacific Northwest is paying for these facilities in the form of taxes. This is as it should be. The general public, not just the wheat industry, will benefit from this work.

SUMMARY

The Federal research programs of the Cereal Division, Bureau of Plant Industry and Soil Conservation Service, United States Department of Agriculture are vital to this region. In the projects treated above we have the key to the future welfare and improvement of our great wheat industry. In order to fully appreciate the situation, I have given details about each of these projects which are playing an important part in finding ways to produce the highest quality wheat in the most efficient manner, and at the same time conserve the soil from the serious erosion deterioration which has been going on in the Pacific Northwest.

Only through efficient operation can the wheat producers hope to compete in world markets, and I hope the resumé that I have given here will afford to the Members of the Congress a comprehensive view of the importance of continuing and strengthening the Federal agricultural research program with respect to wheat production in the Pacific Northwest. The welfare of the entire Nation will thus be served, since the whole economy is based on the general prosperity of each and every part of the country.

EXTENSION OF REMARKS

Mr. BREHM (at the request of Mr. HESELTON) was given permission to extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks and include certain statistical material.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, this morning I had the privilege of testifying before the full House Committee on Agriculture, and I would like now for the RECORD to include the statement I made to the committee:

First, may I express my deep appreciation of your courtesy, Mr. Chairman, in arranging for this hearing today.

I wish to address myself directly to the provisions of H. R. 7137 and the companion bills, H. R. 7135, H. R. 7136, and H. R. 7138. As you will note, these bills were filed on February 2, as drafted. It occurs to me that they do not properly set forth the objectives we had in mind. Consequently I would like to outline those objectives and recommend certain amendments.

We all realize that the Goverment, under the price-support and supply programs, has acquired gigantic stocks of edible foods and that most of it is now in storage with carrying charges accumulating daily. At the conclusion of my statement I shall try to summarize the amounts, the costs and the average monthly carrying charges for the first 6 months of fiscal 1950.

Next, I think it will be conceded that a great deal of these food commodities are of a nature so that they can and do spoil if left undistributed for any length of time. I refer particularly to potatoes, butter, and dried eggs. I am not sufficiently expert to know whether spoilage threatens many of the other items but I suspect that is true. In any event, it does not seem to me that this is a sound, economical proposal when all of us know that people in the several categories mentioned in this bill can and would eat these wholesome food commodities. Next, we recognize and seek to provide for a safety factor in terms of an adequate carry-over. I assume this is particularly important as to most of the grains, although I would like to call the committee's attention to the fact that the dairy and poultry farmers in the northeast are in a very distressed situation so far as being able to obtain an adequate supply of feed grains at reasonable prices is concerned. Finally, there are two provisions which are essentially new. They are complementary.

In my judgment, existing law would permit the Secretary to pay the inland transportation costs on these food commodities to the points of consumption. I base this upon the interpretation of the law expressed by the Associate Solicitor, Mr. Edward M. Schulman, when the Secretary was asked this question while appearing before the Senate committee early in February. This interpretation is confirmed by the definite expressions of opinion by the junior Senator from New Mexico and the senior Senator from Vermont. However since the Secretary himself has expressed some doubt as to his power in this field, you will note that we have provided that he and the Commodity Credit Corporation shall make any such commodities available at the point of storage at no cost. As the bill was drafted language was used which, in my opinion, would not have carried out our full objective. Consequently, I am recommending that in line 9, the word "save" and the word "cost" be stricken and that after the words "at no cost", the balance of the sentence shall read as follows: "and shall pay the cost of handling and transportation from point of storage to the points of delivery."

Then you will notice that the bill provides for advancement as against handling and transportation costs up to the equivalent of 6 months' storage costs on any such commodities turned over. While this is a limitation, it seems to us a necessary one if the full purposes of these bills are to be carried out. It is possible that the word "may" in line 11 should be stricken and the word "shall" be inserted.

I hope I have been able to outline briefly the main objectives of these bills. They recognize the fact that we have on hand millions of pounds and bushels of wholesome, edible food commodities which are now being used in the school-lunch program, which have been used in certain instances recently for distribution among needy people; that we have in this country alone thousands of Indians reported to be in desperate need, millions of men, women, and children being served by local public welfare organizations and additional thousands of people being served by private welfare organizations, and millions of people overseas being served by private welfare organizations. We urge that these be treated as more than statistics and that this committee devise as quickly as possible an adequate and equitable means of distributing these food commodities, thereby removing from the backs of the American taxpayers a wholly unnecessary, continuing waste of public funds to meet these carrying charges.

We recognize that the committee may feel that certain other safeguards should be written into any legislation. We have only tried to outline what we believe to be at least the fundamentals which should be included. We concede that this is not addressing itself to the over-all and vitally important problem of a sound program for agriculture which must consider, or, it seems to us, include a method of handling these surplus food commodities which will meet with the approval of the American public.

I believe it was former President Cleveland who first stated the now famous principle that "we are facing a condition and not a theory." We are convinced that immediate action is in the interests of the American taxpayer and of the people who could and would eat this food.

Now, may I list the commodities as I have taken them from schedule 14 of the commodity inventories and commodities under contract purchase of the Commodity Credit Corporation as of December 31, 1949. First, I will list the quantities and units of measure, then the cost, then the carrying charges for the fiscal year 1949 and for the first half of the fiscal year 1950. I have listed first 15 food commodities which can be immediately eaten without processing. Then I have listed four items of fats and oils

which I am advised can and are being used with other foods. Then I am listing five commodities which have to be processed in some manner or other:

Item for immediate use	Quantities and units	Cost	Carrying charges fiscal 1949 [1]	Carrying charges first half of fiscal 1950 [1]
Butter	98,675,801 pounds	$61,003,323.06	$37,143	$832,778
Cheese	23,935,057 pounds	8,030,266.80		173,277
Dried milk	259,801,803 pounds	33,003,319.68	559,712	1,472,899
Prunes	49,985,455 pounds	5,006,203.64	416,315	1,208,459
Raisins	22,972,380 pounds	2,210,133.26	318,457	612,942
Edible dried beans	4,850,795 hundredweight	42,859,926.40	1,108,233	1,578,449
Rice	431,820 hundredweight	2,936,252.60	1,419	602,837
Dried eggs	76,433,954 pounds	98,645,444.68	1,272,918	1,089,537
Turkeys	725,480 pounds	309,173.80	495	2,681
Canned Mexican meat	49,445,878 pounds	12,468,074.26	No data	No data
Potatoes	2,199 hundredweight	2,864.14	35,358,631	1,654,567
Dried peas	2,048 hundredweight	10,306.32	10,100	563,455
Soybeans	3,028,865 bushels	7,497,729.94	1,907,585	993,247
	90,981 bushels	251,848.90		
Total			40,991,008	[2] 10,785,128

[1] Pt. 5, Hearings before Subcommittee, Appropriations, Agriculture, p. 1419.
[2] $1,797,521 per month or $59,917 per day.

Commodity	Quantities and units	Cost	Carrying charges fiscal 1949	Carrying charges fiscal 1950 through Dec. 31, 1949
Peanuts, farmers' stock	70,594,445 pounds	$7,440,793.50	$866,735	$211,561
Peanuts, shelled	2,131,420 pounds	314,041.88	1,850,543	615,077
Soybeans	3,119,846 bushels	7,749,578.84	1,907,585	993,247
Wheat flour	18,470,000 pounds	822,853.62		
Grain sorghum	6,331,299 hundredweight	17,739,460.92	8,768,114	3,145,399
Potato starch	10,632,658 pounds	630,095.76	116,392	31,808
Fats and oils:				
Linseed oil	418,298,054 pounds	118,228,415.79	2,229,004	1,090,041
Menhaden fish oil	138,560 pounds	10,587.16		
Peanut oil	318,065 pounds	39,599.10		
Soybean oil	15,960,620 pounds	1,613,480.15	1,907,585	993,247
Total	434,715,299 pounds	119,892,082.20	4,136,589	2,083,288
Barley	24,641,329 bushels	25,108,620.97	5,764,525	6,169,952
Corn	76,137,725 bushels	116,887,643.88	2,335,826	17,050,439
Oats	11,258,146 bushels	9,596,728.32	1,752,424	1,640,696
Rye	1,613,259 bushels	2,774,578.26	154,324	332,261
Wheat	168,994,882 bushels	414,035,457.41	67,254,089	37,508,624
Total	282,645,341 bushels	568,403,028.84	77,261,188	72,701,972

Mr. Speaker, I also submitted to the committee a statement of conversion factors so that it could have easy access to information as to how certain food commodities could be processed. This is as follows:

CONVERSION FACTORS

Oats: Weight per bushel, 32 pounds. One bushel of oats will produce 13.17 pounds rolled oats, or 14.1 pounds of dry ready-to-eat cereal.

Wheat: Weight per bushel, 60 pounds. One bushel of wheat will produce 42.6 pounds white flour, or 57 pounds of dry ready-to-eat cereals, or 37 pounds of wheat cereals to be cooked.

Rye: Weight per bushel, 56 pounds. One bushel of rye will produce about 40 pounds of rye flour.

Barley: Weight per bushel, 48 pounds. One bushel of barley will produce 21.78 pounds of barley flour or 26.4 pounds of pearled barley.

Corn: Weight per bushel, 56 pounds. The following products can be produced from 1 bushel of corn: Corn meal, nondegermed, 50 pounds; corn meal, civilian unspecified, 39.1 pounds; corn flakes, 21.5 pounds.

Soybeans: Weight per bushel, 60 pounds. The following products can be produced from 1 bushel of soybeans: Full-fat flour, 48 pounds; or low-fat flour, 39 pounds, and crude soybean oil, 9 pounds.

Potatoes: Weight per bushel, 60 pounds. The following products can be produced from 1 bushel of potatoes: Dehydrated potatoes, 7.5 pounds; potato flour, 12 pounds; potato starch, 6 to 7 pounds.

Potato starch is used for industrial purposes, such as sizing for paper and textiles. Relatively small percentages of potato flour are used in mixtures with wheat flour.

Grain sorghums: Food use of grain sorghums in the United States is not great enough to establish conversoin factors.

(Bureau of Agricultural Economics, Division of Statistical and Historical Research.)

Mr. Speaker, I submitted to the committee the proposed amendment submitted by the American Council of Voluntary Agencies for Foreign Service which is somewhat more broad than H. R. 7137 and the companion bills. It is as follows:

PROPOSED AMENDMENT TO REPLACE SECTION 416, PUBLIC LAW 439, EIGHTY-FIRST CONGRESS, CITED AS THE AGRICULTURAL ACT OF 1949

Be it enacted, etc., That in order to prevent the waste, and to assure proper utilization of food commodities acquired through price-support operations, the Secretary of Agriculture and the Commodity Credit Corporation are authorized and directed to make available such commodities as follows in the order of priority set forth: First, to school-lunch programs; and the Bureau of Indian Affairs, the Federal, State, and local tax-supported institutions, such as hospitals, orphanages, schools, and mental institutions, and public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States. The Secretary of Agriculture shall first determine that any such commodities are in ample supply over and above such reserves as may be required and deemed in the public interest. The Secretary of Agriculture and Commodity Credit Corporation shall make any such commodities available at no cost at point of use within the United States or at shipside at port of embarkation.

(Submitted by the American Council of Voluntary Agencies for Foreign Service March 7, 1950.)

Mr. Speaker, I then left with the committee two memoranda dealing with the recommended changes:

AMERICAN COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE, INC.,
New York, N. Y.

CONCERNING ABILITY OF MEMBERS OF AMERICAN COUNCIL OF VOLUNTARY AGENCIES TO RECEIVE AND DISTRIBUTE SURPLUS COMMODITIES

The attached list of agencies are members of the American Council of Voluntary Agencies for Foreign Service, Inc. They carry on programs and projects in 68 countries of the world, and these programs and projects are filed and registered with the Advisory Committee on Voluntary Foreign Aid of the Department of State. The goods shipped and the services rendered by these agencies are done through their American representatives in the countries overseas.

The agencies are interested in acquiring such commodities as have been declared surplus, and those which may be so declared, for use in their programs overseas to meet the needs of persons whom they serve throughout the world.

It is estimated that in the case of milk and eggs, which have been declared surplus, the agencies can use, after the United States needs are met, a minimum of 39,000 tons in a 6-month period, if the transportation cost from point of storage to point of embarkation is paid by the Government. If this is not paid, the agencies can afford to accept only about 4,000 tons.

The agencies, through their established channels, are prepared to receive and distribute all such commodities as they request and as are made available at the point of embarkation.

MEMORANDUM IN SUPPORT OF PROPOSED AMENDMENT TO SECTION 416 TO PUBLIC LAW 439, EIGHTY-FIRST CONGRESS, PROVIDING FOR MAKING AVAILABLE SURPLUS FOODS TO OTHER GOVERNMENTS OR INTERGOVERNMENTAL OR INTERNATIONAL AGENCIES FOR ASSISTANCE TO NEEDY PERSONS OUTSIDE THE UNITED STATES

This recommendation is one of a series growing out of a 10-day seminar of farmers from 18 States on the question, "What could and should American agriculture do for a hungry world?" which met in Washington, January 31 to February 10, 1950. It is in addition to the recommendation submitted by the American Council of Voluntary Agencies, which the seminar also endorsed in principle.

Where surpluses cannot be moved in normal trade channels, nor distributed within the United States, or where they are not needed for current foreign-aid programs, such as the Economic Cooperation Administration, it was proposed that they be offered through an international agency, such as the Food and Agriculture Organization representing both exporting and importing

countries, to other governments, or to international agencies such as United Nations Relief for Palestine Refugees or the United Nations Children's Emergency Fund.

The need in Asia is particularly great. Rather than let food rot or be destroyed, our Government should be willing to pay packaging and transportation costs where these cannot be paid otherwise. Where possible, governments or peoples should pay what they can. If governments must give the food to their people, no payment should be asked by the United States. Where lack of dollars is the problem, countries might sell food and use the resulting funds in their own currencies in their own countries for education, agricultural, or industrial development that would aid in the long-time solution of more adequately feeding themselves. This would be somewhat similar to the procedure for counterpart funds for ECA.

The important thing is that food or agricultural products paid for by the American taxpayer should not be allowed to spoil, be eaten by rats, or be destroyed. It should actually get into people's mouths at home and abroad. We believe the Department of Agriculture should have broad discretionary power to move these surpluses, beyond reasonable reserves, at home and in other countries, giving them away when necessary, paying freight either domestic or ocean, and packaging where necessary.

(Submitted by Friends Committee on National Legislation, 1000 Eleventh Street NW., Washington, D. C.)

Mr. Speaker, in addition to this I pointed out that we have been able to establish a clear precedent as to the distribution of surplus potatoes in the town of Greenfield, Mass., involving distribution to people who were in need even though they were not on welfare or relief rolls when they had been certified by all of the local clergy in cooperation with the council of social services. I expressed the emphatic opinion that in all of our communities such public-spirited people would be glad to work voluntarily in developing identical information.

At this point I wish to include a further memorandum prepared by the Friends Committee on National Legislation which contains some important and current information and recommendations:

TENTATIVE FINDINGS OF THE AGRICULTURAL SEMINAR ON WHAT COULD AND SHOULD AMERICAN AGRICULTURE DO FOR A HUNGRY WORLD? HELD IN WASHINGTON, D. C., JANUARY 31-FEBRUARY 10, 1950, UNDER THE SPONSORSHIP OF THE FRIENDS COMMITTEE ON NATIONAL LEGISLATION AND THE AMERICAN FRIENDS SERVICE COMMITTEE

(More than 50 farmers, farmers' wives, and others in occupations closely related to farming spent 2 weeks in Washington, D. C., at their own expense exploring this question. They came from 18 States and represented a wide diversity of agricultural production. This document is an attempt to draw together some of their thinking and the discussion on the recommendations which were brought to the seminar by the findings committee at its closing session. There was not as much time for discussion on all of these recommendations as their complexity warranted. There was substantial agreement on most of the recommendations in principle, but not every member of the seminar would agree on every item. This is not to be taken as an official statement of the American Friends Service Committee, the Friends Committee on National Legislation, or even of the seminar, but rather as a suggested basis for further study and action on the part of those concerned with this vital problem.)

SUMMARY OF MAJOR RECOMMENDATIONS

1. Give away the food that we can't eat and can't sell promptly through international agencies to countries that need it, particularly in Asia. Encourage these nations to set up counterpart funds in their own currencies to be spent on development of agricultural education and agricultural production.

2. Develop the Food and Agriculture Organization so that it can effectively deal with world distribution of food.

3. Work for general disarmament under law, and drastically cut our military budget, using the money for making the United Nations and other international agencies effective going concerns.

4. Promote a world-wide program of technical assistance so that people everywhere can improve their production of food and their nutrition.

5. Take more imports to help correct the present imbalance of exports over imports.

6. Balance the Federal budget in this time of prosperity.

INTRODUCTION

The seminar members assembled under a sense of religious concern. Hunger and want are wide-spread in a world of potential plenty. Localized food surpluses confront us with a moral and religious challenge to prompt action. The problem of food and fiber surpluses in a world of hunger and want must be solved.

We are convinced that there must be a continual striving to make agricultural and industrial life consistent with the highest principles of Christian brotherhood and universal peace as set forth in the Sermon on the Mount.

A world caught in readjustment, recovery, and technological change presents a twofold problem in agriculture. We must take bold emergency measures to relieve distress and to save the economy from the disaster of too sudden change. Over a period of time we must take firm and democratic measures to bring about desirable shifts in production to fit the patterns of modern life and to meet world needs. The test of such measures will lie in their ability to give freedom and security of opportunity to the creative spirits of men.

A balanced and distributed abundance rather than a balanced scarcity is the way to a healthy economy. Industry, agriculture, and labor—recognizing their interdependence as to raw materials, as to production, and as to consumer markets—can do much to aid each other toward stability and high levels of production.

The same sense of interdependence and neighborliness should pervade our thought on international problems. We welcome the prospect of modern agricultural and industrial development throughout the world. Our real hope for a sound economy lies in peace and healthy international trade. This would solve many of the problems of money, health, food, scarcity, and surpluses.

History shows that reliance upon agricultural nationalism or authoritarian regimentation does not offer hope of human progress. Democratic cooperation and voluntary choice-making in the market lie at the heart of our economy. All programs and all controls should be designed to preserve these vital features of a freedom-giving civilization.

SOME OF THE PROBLEMS INVOLVED

1. The paradox of trying to develop an intelligent international agricultural program in the face of a world-wide armaments race and the fear which accompanies it. The overriding necessity to find ways to prevent another war and to shift from a war economy to a peace economy.

2. The responsibility of the United States for helping develop world-wide law and government, including the effective functioning of agencies such as the United Nations, the Food and Agriculture Organization, and the World Health Organization.

3. Obligations of the United States for an expanding world economy:

(a) Present inconvertibility of currencies, and the present large excess of American exports over imports. The need for the United States to receive more imports.

(b) The opportunity to greatly expand technical assistance and investment abroad for the purpose of increasing agricultural and industrial production for the welfare of all people.

4. The race between populations, food supplies, and distribution.

5. Disposal of present United States surpluses in the midst of a world of hunger and want.

6. Development of a sound domestic agricultural program that will help bring world production and consumption into balance, help prevent depression, contribute to full employment, improved nutrition, and conservation of natural resources for future generations.

7. Safeguarding the small farmer and the family-operated farm.

8. The obligation to balance the national budget in times of prosperity and full employment.

9. Responsibility for United States leadership growing out of our favored economic position as the world's leading industrial producer, agricultural producer, and banker.

MOVING TOWARD SOLUTIONS

These problems are too fundamental and difficult for immediate complete solution. But we believe that the United States should support world-wide and domestic moves in the following directions and thus contribute toward their solution:

1. From world selfishness and hatreds to world helpfulness, reconciliation, and brotherhood.

2. From economic anarchy to increased planning and cooperation through international agencies.

3. From world political anarchy to world government.

4. From a preparation-for-war economy to a peace economy.

5. From an economy of scarcity to an economy of abundance.

6. From "enough calories to survive" to adequate nutrition.

7. From economic pressure groups to concern for the general welfare.

Proposed immediate steps toward world peace and prosperity:

1. Disarm nations under effective international control

This requires bold reduction of national armaments to internal policing levels, adequate inspection, enforcement on individuals, and revisions in the structure and functions of the United Nations to provide democratic and effective controls over this program. This adds up to transforming the United Nations into limited world government in the field of armaments.

Without ending the arms race through effective disarmament under world law, there is little prospect of maintaining durable peace.

We support immediate passage of House Concurrent Resolution 64 and Senate Concurrent Resolution 56 as first steps toward this vital development. This resolution states:

"It should be a fundamental objective of the foreign policy of the United States to support and strengthen the United Nations and to seek its development into a world federation, open to all nations, with defined and limited powers adequate to preserve peace and prevent aggression through enactment, interpretation, and enforcement of world law."

2. Build and strengthen international functional organizations

The tremendous world problems of hunger, assistance in the development of less-privileged areas, etc., can be met effectively for the most part only by international bodies such as the World Food and Agriculture Organization, the World Health Organization, and the Economic and Social Council of the United Nations. All too often bilateral action is open to the charge of selfish national interest.

We recommend channeling the technical assistance, point 4 program, through the United Nations and its related agencies.

We recommend larger United States appropriations for FAO, WHO, UNESCO, and other United Nations agencies, and elimination of ceilings on United States contributions to them.

3. Assume our obligations in the world economy

As one of the few areas in the world with excess production of agricultural and industrial commodities, we must expand technical and financial assistance abroad, and make investments on terms protecting the peoples involved.

We must accept greater imports into the United States, including products competitive with our agriculture. We should cooperate in all possible additional ways with other nations in their attempt to earn the dollars they need so badly.

We recommend a greatly expanded technical assistance program through the United Nations with United States contributions in the range of $5,000,000,000 a year over a period of several years in place of our present enormous military budget of approximately $15,000,000,000 a year.

This program, administered by competent and world-minded personnel, should help disadvantaged countries with roads, power developments, schools, training of teachers, necessary industrialization, development of harbors and railroads, etc. Nations receiving such aid should match this assistance with their own funds wherever possible, thus doubling the amount available.

We recommend encouragement of private investments in countries needing capital, with safeguards for protecting the rights of the citizens of those countries as well as the investors' rights.

We support prompt United States ratification of the International Trade Organization Charter, extension and strengthening of the reciprocal trade-agreements program, liberalization of United States import embargoes and quotas, and reductions in United States tariffs beyond concessions given to our exports by other countries, to help correct the present import-export imbalance.

4. Deal intelligently with population pressures, illiteracy, etc.

The problem of hunger in some heavily populated countries is closely intertwined with problems of overpopulation, education, industrialization, and agriculture.

We recommend that all assistance to underdeveloped nations should be so carried out that it contributes to permanent improvement of the welfare of the peoples involved, rather than meeting present needs only.

5. Use United States agricultural surpluses generously to meet world needs

Surpluses not needed for current foreign-aid programs, including the Economic Cooperation Administration, should be given away, particularly in Asia where the need is so great, and to displaced persons throughout the world. Rather than let food rot or be destroyed, our Government should be willing to pay packaging and transportation costs where these cannot be paid otherwise.

Where possible, governments or peoples should pay what they can. If governments must give the food to their people, no payment should be asked by us. Where lack of dollars is the problem, countries might sell food and use the resulting funds for education, agriculture, and other programs of internal development. This would apply the method used by ECA with such counterpart funds.

We recommend immediate passage of legislation authorizing a large-scale food gift program, incorporating the idea of counterpart funds.

We recommend continued and expanded support of the International Children's Fund, until the World Health Organization or some other appropriate agency can take over its functions.

We recommend immediate and generous support for Middle East rehabilitation through the United Nations.

We recommend generous provision for distribution of food through philanthropic organizations operating abroad.

6. Develop a constructive long-range domestic agriculture program

The following suggestions do not pass judgment on the many-sided established agricultural program of the United States. They indicate the directions in which we believe certain phases of this program should move.

A. We call upon the people and upon Congress for statesmanlike study and action in establishing long-range goals, broad policies, fundamental principles, and methods. This will permit intelligent and confident planning on the part of farmers, farm organizations, and other countries. We believe specific details should be left flexible for administration through a variety of approaches.

B. We favor the establishment of a nonpartisan, broadly representative board to supervise the administration of any national program.

C. To the extent that they are deemed necessary for the general welfare, we recommend flexible price supports at intermediate levels, designed to:

(1) Encourage quality production.

(2) Encourage consumption and improved nutrition.

(3) Promote approved conservation practices.

(4) Encourage production of protective foods, such as animal products, fruits, and vegetables.

(5) Discourage exhaustive and dislocative overproduction.

(6) Promote good family farm practices.

(7) Protect and improve the solvency of the Government.

D. We recommend wide extension of the school-lunch program.

E. We favor a food-stamp program, or a similar plan for aiding low-income groups.

F. We favor local and regional study and planning, looking toward better land use and better balance between industry and agriculture.

G. We recommend generous support of relief and philanthropic agencies by making available to them surplus food for those in need.

H. We recommend further efforts to secure economy and efficiency in the distribution of food. Milk is an example.

7. Emphasize programs increasing the welfare of family size farms and low-income farmers

Some proposed agricultural programs would encourage corporation farms and absentee farm ownership. Many programs give little or no attention to the problem of the 50 percent of farmers whose low income is indicated by the fact that they produce only 10 percent of our agricultural yield. These farmers are given little aid by large-scale price supports, since they have little to sell.

We recommend that every encouragement should be given to efficient family-owned, family-operated farms. Programs should discourage absentee and corporation types of agriculture.

We recommend programs contributing to the welfare of low-income farmers through establishment and extension of better facilities in rural areas, such as schools, roads, housing, credit, recreation, electrification and telephones, and health services.

We recommend Government encouragement in decentralizing industry into rural areas as desirable for the general economy and also offering additional employment for low-income and part-time farm families.

8. Establish and maintain constructive Government fiscal policies

No government can spend beyond its income indefinitely. We believe that Federal deficits at the height of prosperity are economically unwise and also immoral.

We recommend sharp reduction of expenditures for war preparation, rather than cutting down constructive services. We recommend raising income taxes if necessary to balance the current budget.

9. Develop strong United States moral leadership for peace

Our Government and people must reject our present indefensible position that military strength is the chief contribution the world needs from us in its search for peace. We must take strong leadership in a twofold program:

First, we must make an all-out effort to stop the arms race.

Second, we must make generous use of our economic resources to meet the world's need for bread and improvement of miserable human conditions.

To fail to accept our responsibility for leadership is a rejection of the whole Christian message. It is highly immoral. It would result, in all probability, in the destruction of our civilization through cataclysmic war.

We recommend an immediate declaration by the United States that we are willing to pool whatever sovereignty is necessary to establish effective world disarmament.

We recommend that concurrently we declare our willingness to use our economic resources for peace as freely and generously as we were willing to use them in World War II for destruction.

CONCLUSION

We have been brought to a profound recognition that we are part of a world community under God. Far beyond any merits of our own, we enjoy privileges in a land of increasing plenty. We recognize the responsibilities of our stewardship in the midst of this abundance. In deep humility we will strive to accept our responsibilites, to give of ourselves and our substance personally, as well as to urge our Nation to share as a nation. We leave this seminar with a broadened concept of our duties of Christian citizenship. Our hearts go out to our brother man, wherever he is. We desire to join with him in building a world of love, not of hate; of sharing, not of taking; of peace, not of war.

Mr. Speaker, next, I include a letter dated March 21, which I received from Assistant Secretary K. T. Hutchinson. I believe this letter can be read with interest and profit in connection with the letter forwarded to the chairman of the Committee on Agriculture as to H. R. 7135:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 21, 1950.

Hon. JOHN W. HESELTON,
House of Representatives.

DEAR MR. HESELTON: This is in reply to your telegram of March 9 enclosing a copy

of the CONGRESSIONAL RECORD containing your remarks concerning disposition of surplus potatoes, and requesting further information relating to potatoes dumped up to this time.

With regard to your remarks as reported in the CONGRESSIONAL RECORD, it is apparent that the press reports to which you had access either were incomplete or were misinterpreted. We are enclosing a copy of the release as handed to the representative of the press at a press conference on the afternoon of February 3. You will note that the release covered "supplemental" disposition of potatoes and that one sentence in particular reads: "When these diversion outlets prove inadequate, however, the instructions authorize disposition of the surplus potatoes in the immediate areas of production." It was this language we had in mind in our letter of March 7 when we pointed out that no order has been issued which compelled dumping or destruction.

In connection with the estimate of surplus potatoes in the nine Northeastern States including New Jersey and Pennsylvania, it should be understood that the quantities indicated are merely estimates of quantities we are likely to have to buy and do not represent quantities likely to be lost through dumping or destruction. As a matter of fact it is reasonably certain that, with the exception of Maine and perhaps New York, all of the States listed will be able to dispose of their surpluses without relying upon this special authorization. What portion of the quantities indicated for Maine and New York may be lost eventually will depend entirely on our success in expanding available outlets.

In connection with the specific questions in your telegram, you will recall that in our letter of March 7 we indicated that such dumping as may have occurred was so recent that the quantity had not been included in operating reports. The situation is simply that, in telephone conversations with State offices of the Production and Marketing Administration in Maine, Minnesota, North Dakota, and Colorado, we learned that some counties had reported that the need for such action was imminent and that by the time of the conversation, some dumping might actually have occurred. No quantities were mentioned in any of these conversations. Since then we have learned that Colorado so far has avoided dumping and consequently that only three States presently are presumed to be involved. We anticipate a full report in the near future and will be glad to furnish you details as soon as they are available.

No action has been taken to inform field representatives that no order has been issued requiring dumping of surplus potatoes, nor is such action contemplated for the reason that the telegram dispatched to the State PMA offices simultaneously with the release of the information to the press on the afternoon of February 3 merely stated that they were authorized to sell surplus potatoes back to farmers at 1 cent per hundredweight for disposition on the farm. In addition, they were specifically directed to exercise this authority only when unavoidable and to limit its exercise to low grades and to lots in imminent danger of serious deterioration from sprouting or internal break-down. In our opinion the manner in which the authority was granted and the direct limitations upon it should make it entirely clear that no order was issued requiring dumping of potatoes.

You also requested to be advised when the Department will report on H. R. 7135, H. R. 7136, H. R. 7137, and H. R. 7138. On February 25, the Honorable HAROLD D. COOLEY requested a legislative report on the following bills: H. R. 7125, H. R. 7135, H. R. 7139, and H. R. 7327. The report on these four bills has just been completed and forwarded to the committee. The Department has not been requested to prepare a report on H. R. 7136, H. R. 7137, nor H. R. 7138.

Sincerely yours,

K. T. HUTCHINSON,
Assistant Secretary.

MARCH 21, 1950.

Hon. HAROLD D. COOLEY,
House Committee on Agriculture,
House of Representatives.

DEAR MR. COOLEY: This is in reply to your request for a report on the following bills to amend the Agricultural Act of 1949 with respect to authority to dispose of surplus foods through donations: H. R. 7125, H. R. 7135, H. R. 7139, and H. R. 7327.

H. R. 7125 would authorize the Department to operate a stamp plan to "facilitate the disposal of accumulated surplus commodities under the support program." The stamp plan for disposition of Government-owned surplus foods to domestic recipients would appear to be a more cumbersome and more costly method of disposing of surpluses of price-support commodities than the present program of direct distribution. The former food stamp plan, operated by the Department from 1939 to 1943, did not attempt to dispose of surpluses already acquired by the Government; its purpose was to prevent the accumulation of surpluses by increasing the food purchases of low-income groups out of regular market supplies.

The other bills seek to increase the volume of surplus commodities that may be disposed of through donations to needy groups by authorizing the Federal Government to pay some part of the handling and transportation costs now borne by recipient agencies. H. R. 7135 would authorize the donation of those foods of which the Commodity Credit Corporation has excess supplies to groups now eligible under section 416, with the Federal Government advancing funds for the payment of handling and transportation costs, up to an amount equivalent to 6 months' storage costs. H. R. 7139 would permit the Department to pay transportation costs incurred in the delivery of potatoes to local administrative officers or private welfare agencies in areas affected by industrial work stoppages for distribution to needy groups H. R. 7327 would authorize the Department to pay delivery costs on surpluses not disposed of under section 416 when offered to any officer or agency, public or private, to relieve hardships caused by unemployment within the United States.

With respect to both H. R. 7139 and H. R. 7327, we believe that any legislation concerning donations to needy families should clearly direct the Department to work in cooperation with public and private welfare agencies for the assistance of needy persons. These are the agencies in the best position to determine the need of applicant families. At the same time it will tend to prevent duplicate distribution that would inevitably occur if several agencies were authorized to act as agents for the needy in any one city or local area.

The payment by the Federal Government of transportation costs to a central receiving point within the various States would undoubtedly tend to increase the volume of surplus food moving to eligible groups, particularly to schools and institutions. The extent to which distribution to welfare groups would increase would depend, in large part, upon the facilities available within the various States to make food deliveries to a larger number of welfare families. Statewide distribution on a family basis requires more elaborate delivery facilities than does distribution to schools and institutions where wholesale packaging can be used and deliveries made on a monthly or bimonthly basis.

We do not believe, however, that it would be administratively feasible for this Department or the States to operate the program under the cost provisions proposed in H. R. 7135. The portion of the costs to be borne by various recipients would be subject to so much variation—depending upon the commodity involved, its place of storage, and the distance of the various recipients from the points of storage—that a much more complicated order and delivery procedure would be needed. It would be particularly difficult to develop a satisfactory system for the payment of railroad or trucking company charges when the Government would be responsible for varying portions of the costs of each shipment. We feel certain that any such system of apportioning costs between the Federal Government and recipients would tend to impede rather than to facilitate program operations.

If the cost provisions of section 416 are to be amended, we would recommend that the Federal Government be given authority to pay the cost of transporting, to central receiving points within the States, all commodities offered eligible domestic recipients.

The Bureau of the Budget advises as follows: "* * * while the objectives of the legislation appear to be meritorious, the deficiencies in the bills, which are delineated in your reports, are so serious that we believe none of the bills would be acceptable to the President unless amended along lines suggested by you. Further, section 2 of H. R. 7125 presents questions of policy which are now under study and concerning which no commitment can be made at this time. You are therefore advised that enactment of this bill would not be in accord with the program of the President at the present time."

Sincerely,

CHARLES F. BRANNAN,
Secretary.

Mr. Speaker, may I call particular attention to the statement that the Secretary makes that—

We do not believe, however, that it would be administratively feasible for this Department or the States to operate the program under the cost provisions proposed in H. R. 7135.

I called the committee's attention to the fact that in testimony before a subcommittee on appropriations, the program of the Department in administering the school-lunch program was discussed and Mr. Trainer testified at the beginning of page 1505 that "the transportation cost to the Government for section 32 and section 6 foods are included in the dollar value here as shown." He further stated that these transportation costs ran between 10 and 15 percent of the total cost and added that the Department made every effort to avoid long hauls by shipping from the northeast down the Atlantic coast seaboard and from the Midwest to parts of the Southwest. Certainly if it is administratively feasible to do this in connection with the school-lunch program, it is illogical to argue that it cannot be done under the suggested program. I call your attention also to the suggested amendment so that the Federal Government be given authority to pay the cost of transporting to central receiving points within the States which should be read in conjunc-

tion with the excerpt from the report of the Bureau of the Budget. Surely this would work an inequity to areas not in close proximity to these central points.

May I now quote from Mr. Hutchinson's letter with reference to current dumping or destruction. He wrote:

What portion of the quantities indicated for Maine and New York may be lost eventually will depend entirely on our success in expanding available outlets.

Surely everyone will concede that the basic objective of these bills is to provide these expanding outlets. It is my understanding that the gentleman from California [Mr. WHITE] has prepared a bill which would remove a portion of these objections by providing that transportation costs should be paid on carload lots delivered to each county seat. Yet I think that does not accomplish the full purposes he has in mind or which I have in mind because as the gentleman from Texas [Mr. POAGE] pointed out, it would not provide inland transportation to dockside in the case of private welfare organizations engaged in assistance of needy persons outside of the United States, nor would it take care of national organizations engaged in similar work. One such outstanding organization is the United Nations International Children's Emergency Fund and I now include a summary and evaluation of that organization's programs:

A SUMMARY AND EVALUATION OF UNICEF PROGRAMS

The United Nations International Children's Emergency Fund (UNICEF) was established by the first General Assembly of the United Nations as an emergency program to assist the child victims of war and occupation and for child-health purposes generally.

Lack of financial resources, however, limited both the geographic scope and the types of aid available for children. As a result UNICEF was forced to concentrate its resources primarily in Europe and emphasize programs which would yield quick results, such as supplementary feeding of milk and cod-liver oil and a mass BCG campaign to prevent tuberculosis.

I. REQUESTS FOR UNICEF ASSISTANCE

As conditions in Europe began to improve and other countries realized the value of international assistance to children, new requests from all over the world came before the executive board. In general, these requests could be divided into three categories:

A. Requests for immediate emergency aid; i. e., Middle East refugees for whom UNICEF started to distribute supplementary food, clothing, and medical supplies for 500,000 children and mothers within 4 weeks of Count Bernadotte's initial plan for assistance; Greek and German refugees; and the victims of the recent Ecuador earthquake.

B. Requests for assistance to underdeveloped areas; i. e., China, the Philippines, Indonesia, India, Pakistan, Ceylon, Afghanistan, and 11 of the Latin American countries. Because of their vast needs UNICEF assistance to these areas is essentially in the form of demonstration projects and training programs.

C. Requests for equipment and supplies in specialized programs which could not materialize without international assistance; i. e., penicillin for the control of venereal disease, streptomycin for military tuberculosis and meningitis, DDT residual spray for control of malaria and fly-borne diseases, milk dehydration pasteurization and bottling equipment to increase the supply of clean, safe milk for children.

II. CURRENT PROGRAM

At present UNICEF is operating one or more of the following programs in 12 European countries, 14 countries in the Far East, 6 countries in the Middle East, and in 11 Latin-American countries.

A. Infant and school feeding in depressed areas.

B. A mass BCG campaign and tuberculosis-control program.

C. A limited streptomycin program for special types of tuberculosis.

D. Penicillin for mass venereal-disease campaigns and DDT for mass malaria and antifly campaigns.

E. Medical and laboratory equipment for children and mothers.

F. Leather, cotton, and wool raw materials for processing by receiving countries into layettes, shoes, socks, and jackets for children.

G. A milk-conservation program designed to increase safe, clean milk for children.

H. Scholarships and training programs for doctors, nurses, and social workers in social pediatrics.

Now that the need for large emergency aid to the child victims of war and occupation in Europe is ending the problem of future international assistance for children must be considered. A number of unique values has emerged from the 3 years of UNICEF operations which should be preserved in some form of international organization.

III. VALUE OF A SUPPLY OPERATION

The most obvious value is the need for supplies to supplement technical services. Other peculiar advantages of a supply operation are:

A. A supply operation based on the principle of national governments "matching" international imports is a guaranty that the governments will actively participate in the program.

B. It is easier to control and maintain international standards through a supply operation than with a servicing program.

C. It is a practical tangible demonstration of the benefits of participating in international effort, and from the public information point of view, it is the best possible method of selling the United Nations.

D. A program utilizing supplies can accept contributions in kind which makes possible contributions from governments who are dollar starved, but are anxious to demonstrate their support of the UN, through the channelling of food surpluses such as milk, wheat, fish oils, etc., from food-producing areas to needy people throughout the world.

E. Financing by voluntary contributions, as opposed to fixed assessments creates more freedom for participation in the program and permits non-United Nations members to share in a United Nations effort.

IV. APPEAL OF ASSISTANCE TO CHILDREN

There is always the theoretical possibility that the permanent specialized agencies might undertake supply operations to supplement their general administrative programs but the problem of financing any number of these programs rules against this possibility. Moreover, UNICEF has demonstrated that a program limited to child and maternal recipients has a peculiar appeal.

A. By limiting the program to these recipients it is possible to maintain an effective operation on a relatively small scale.

B. Programs focusing attention on children are assured of an effective response from both governmental bodies and the general public. Witness the $130,000,000 raised by UNICEF from voluntary contributions and the unanimous acclaim for this program by both the General Assembly and the United States Congress.

C. Governments which might not permit outside direction of technical programs (i. e. eastern European countries and China) will cooperate in programs for their children.

D. If children and mothers can be given immediate assistance in emergency situations (i. e. Middle East and Ecuador), critical conditions can be kept under control.

V. FUTURE CONSIDERATION

The problem of maintaining these values in some new form is at present under consideration by a coordination committee comprised of representatives from UNICEF, the specialized agencies, and the Economic and Social Council.

Some of the issues in their consideration are:

A. If UNICEF programs become absorbed by three or four different agencies, it will be difficult to raise voluntary[1] sums from governments and organizations in addition to their regular assessed budgets for programs of assistance to children.

B. Unless there is a separate program to attract voluntary funds beyond the regular assessed budgets there will be no supply program to supplement the technical services for the benefit of children available through the specialized agencies and the United Nations.

C. The propaganda value of the Children's Fund, as a demonstration of the UN in action, would be lost without a separate supply operation.

D. None of the permanent agencies is set up to handle emergency situations quickly.

The general opinion would, therefore, seem to favor:

A. Reorganization of a Children's Fund as a permanent body within the broad framework of the United Nations Organization. This organization would be essentially a supply operation administered by a body of government representatives.

B. Tie the supply operation more closely to advisory programs.

C. Change the terms of reference to provide that assistance will be granted on the basis of:

1. Emergency conditions that cannot wait;

2. Local conditions of child health and welfare that could not be alleviated without international assistance;

3. Providing essential supplies to supplement technical assistance, i. e., Report on Haiti;

4. Strengthening long-range development plans for child assistance.

VI. FINANCIAL SUPPORT

The United States Congress has authorized $100,000,000 for these programs (of which only $75,000,000 has so far been appropriated) on a generous basis of 72–28 percent or $2.57 in United States dollars for the equivalent of every $1 contributed in supplies or soft currency by other governments. As of January 1950 less than $5,000,000 of the United States appropriated funds remain to be matched by contributions from other governments and there is no assurance that the United States Government will make the $25,000,000 (authorized by Congress) available until the current funds in the United States Treasury are withdrawn.

If enough contributions accrue to the Fund in the near future, however, there is every

[1] The term "voluntary" is used here to differentiate between assessed government contributions and contributions which are made annually without previous commitments.

possibility that the $25,000,000 will be available to continue this essential work on the same generous basis.

The children of today will be the leaders of tomorrow. It may be that if these children grow with confidence in international organization the future may be more secure for the peace of mankind.

Mr. Speaker, while I realize the omnibus appropriation bill carries a provision which would authorize the transportation costs from section 32 funds to public welfare agencies, I am fearful that this objective may not be realized. First, it is my understanding that it would be subject to a point of order if one were made; second, it does not carry these essential broadening features; third, it is confined to section 32 funds and I believe only one quarter of the funds allocated to each commodity can be so used. Here we have a valuable source of current funds being used for storage which could be transferred to pay transportation costs. It would eliminate continuing waste, avoid the damage of spoilage and actually save the American taxpayer large sums of money.

With that in mind, it is my intention to prepare a proper amendment to the bill which is intended to extend the borrowing authority of the Commodity Credit Corporation scheduled for debate tomorrow. In that I will set up the priorities as we have provided them in H. R. 7137 and companion bills and I shall add a fourth group, international organizations. In order to clarify not only my statement and particularly the suggested amendments but so that my colleagues may have the text of the bill before them, I now include a copy of H. R. 7137:

H. R. 7137

A bill to amend Public Law 439, Eighty-first Congress, cited as the "Agricultural Act of 1949"

Be it enacted, etc., That in order to prevent the waste, and to assure proper utilization of food commodities acquired through price-support operations, the Secretary of Agriculture and the Commodity Credit Corporation are authorized and directed to make available such commodities as follows in the order of priority set forth: First, to school-lunch programs; and the Bureau of Indian Affairs, and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States. The Secretary of Agriculture shall first determine that any such commodities are in ample supply over and above such reserves as may be required and deemed in the public interest. The Secretary of Agriculture and Commodity Credit Corporation shall make any such commodities available at point of storage, at no cost save handling and transportation costs from point of storage. The Secretary of Agriculture and the Commodity Credit Corporation may advance as against handling and transportation costs in making delivery up to the equivalent of 6 months storage costs on any such commodities turned over.

Mr. Speaker, I enclose a letter dated March 21, 1950, from Mr. Ralph S. Trigg, Administrator of the Production and Marketing Administration and I call particular attention to the location of stocks of certain commodities:

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington, D. C., March 21, 1950.

Hon. JOHN W. HESELTON,
House of Representatives.

DEAR MR. HESELTON: This is in reply to your letter dated March 16, 1950, wherein you request certain information on the Commodity Credit Corporation storage stocks located at certain points in the States of Colorado, Illinois, Indiana, Kansas, Kentucky, Missouri, Minnesota, Montana, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, Utah, and Wyoming.

In accordance with your telephone conversation of March 20, 1950, with Mr. B. S. Soleau of the Transportation and Warehousing Branch, we are furnishing you herewith a list of CCC storage stocks as of February 28, 1950, located in those States.

This information is by States only, rather than by points in each State, as agreed in your telephone conversation mentioned above.

Very truly yours,

RALPH S. TRIGG,
Administrator.

Commodity Credit Corporation storage stocks of certain specified commodities in the States of Colorado, Illinois, Indiana, Kansas, Kentucky, Missouri, Minnesota, Montana, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, Utah, and Wyoming as of Feb. 28, 1950

	Net weight (pounds)
Butter, creamery, salted:	
Illinois	31,167,190
Indiana	1,159,477
Ohio	1,479,537
Minnesota	18,914,467
North Dakota	1,667,475
Wisconsin	3,371,125
Colorado	49,770
Kansas	1,774,582
Missouri	6,264,864
Nebraska	4,179,080
Total, butter, creamery, salted	70,027,567
Cheese:	
Illinois	4,499,411
Indiana	1,074,732
Ohio	2,076,773
Minnesota	661,179
Wisconsin	3,535,459
Kansas	2,927,460
Missouri	3,722,991
Nebraska	75,630
Total, cheese	18,573,641
Eggs, dried:	
Illinois	2,797,314
Indiana	813,020
Ohio	2,033,279
Minnesota	10,904,306
Wisconsin	5,396,175
Kansas	19,686,791
Missouri	4,668,601
Nebraska	6,491,355
Total, eggs, dried	52,790,841
Milk dried:	
Illinois	3,895,705
Indiana	8,656,844
Ohio	17,567,954
Minnesota	45,709,382
Wisconsin	69,330,624
Kansas	6,191,932
Missouri	30,506,584
Total, milk, dried	181,859,025
Prunes: Kansas	8,831,040
Raisins	None
Potatoes	None
Rice	None
Beans (other than kidney):	
Colorado	13,700,000
Kansas	2,800,000
Minnesota	12,000,000
Missouri	13,700,000
Montana	900,000
Nebraska	110,100,000
Ohio	33,100,000
Utah	1,000,000
Wyoming	2,300,000
Kansas City Commodity Office Area [1]	12,400,000
Total, beans (other than kidney)	207,000,000
Beans, kidney	None
Peas: In Minneapolis Commodity Office Area [2]	199,412
Turkeys, dressed, New York:	
Illinois	262,343
Ohio	313,317
Total, turkeys	575,660
Meat, canned, Mexican	None

[1] Kansas City Commodity Office Area includes the following States: Missouri, Kansas, Nebraska, Colorado, and Wyoming. Undistributed by States.

[2] Minneapolis Commodity Office Area includes the following States: Minnesota, Wisconsin, North Dakota, South Dakota, and Montana. Undistributed by States.

Mr. Speaker, I hope to have in the near future these locations by cities but I think the information included here will demonstrate clearly that some means must be presented of transporting these needed surplus food commodities from midwest locations to the Pacific coast, the Atlantic coast and to the south unless we are to perpetuate an inequitable situation.

In conclusion I was asked by several members of the committee if I did not think there might be some legislative responsibility to establish the proper carry-over on certain basic commodities. I said I thought that might be very necessary but that I was very much worried as to whether we had not approximated the situations as to certain commodities which constituted clear surpluses rather than satisfactory carry-overs. I quoted from an article in the current issue of Life when the author stated that we had sufficient wheat to bake 12 loaves of bread for every man, woman and child in the world; sufficient corn to make all the cornstarch, corn sugar, corn syrup and corn oil that the United States will use in the next 5 years; sufficient butter to bake a birthday cake for every child under fifteen in the United States for the next 10 years; sufficient cotton to produce 54 dresses for every United States woman; sufficient prunes to give every Member of Congress a dish for breakfast until approximately September of the year 3239.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. MILES, until April 17, on account of official business.

To Mr. SAYLOR (at the request of Mr. GRAHAM), indefinitely, on account of illness.

To Mr. FUGATE, for March 23 and 24, on account of official business.

To Mr. BROWN of Ohio, for Thursday, March 23, on account of official business.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7207. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1746. An act to authorize the transfer to the Attorney General of the United States of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., for use in conection with the United States Penitentiary at Terre Haute.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 7207. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes.

ADJOURNMENT

Mr. WAGNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 7 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, March 23, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1327. A letter from the Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved, pursuant to the act of Congress approved July 1, 1948 (Public Law 863), amending subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 155 (c)); to the Committee on the Judiciary.

1328. A letter from the Attorney General, transmitting copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the status of permanent residence to the subjects of such orders, pursuant to section 4 of the act of Congress approved June 25, 1948 (Public Law 774); to the Committee on the Judiciary.

1329. A letter from the Administrator, General Services Administration, transmitting the Fifteenth Annual Report of the Archivist of the United States, 1948–49, pursuant to section 9 of the National Archives Act, approved June 19, 1934 (44 U. S. C. 300–300k); to the Committee on Post Office and Civil Service.

1330. A letter from the Secretary, Department of the Air Force, transmitting a draft of a proposed bill entitled "A bill to authorize the appointment of Joseph F. Carroll and Bernt Balchen as permanent colonels in the Regular Air Force"; to the Committee on Armed Services.

1331. A letter from the President, Board of Commissioners, government of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend sections 675 and 676 of the act entitled 'An act to establish a Code of Law for the District of Columbia,' approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia"; to the Committee on the District of Columbia.

1332. A letter from the chief Scout executive, Boy Scouts of America, transmitting the Fortieth Annual Report of the Boy Scouts of America, for the year 1949, pursuant to the act of June 15, 1916, entitled "An act to incorporate the Boy Scouts of America, and for other purposes" (H. Doc. No. 534); to the Committee on Education and Labor and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 1798. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 1799. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 1800. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. KEE: Committee on Foreign Affairs. H. R. 7797. A bill to provide foreign economic assistance; without amendment (Rept. No. 1802). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. House Joint Resolution 398. Joint resolution relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended (Rept. No. 1803). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. House Concurrent Resolution 181. Concurrent resolution favoring the grant of status of permanent residence to certain aliens; without amendment (Rept. No. 1801). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEE:

H. R. 7797. A bill to provide foreign economic assistance; to the Committee on Foreign Affairs.

By Mr. CELLER:

H. R. 7798. A bill to amend sections 544 and 546 of title 28, United States Code; to the Committee on the Judiciary.

By Mr. FORAND:

H. R. 7799. A bill to establish the Fort Adams National Monument, at Newport, R. I., and for other purposes; to the Committee on Public Lands.

H. R. 7800. A bill authorizing the loan or gift of condemned or obsolete combat material to veterans' organizations; to the Committee on Armed Services

By Mr. KELLEY of Pennsylvania:

H. R. 7801. A bill to provide maximum employment opportunities for handicapped persons through adequate placement, training, employment counseling, medical and educational services, and for other purposes; to the Committee on Education and Labor.

By Mr. CROSSER:

H. R. 7802. A bill to amend the War Claims Act of 1948, as amended, with respect to hearings, examinations, or investigations; to the Committee on Interstate and Foreign Commerce.

By Mr. FORAND:

H. R. 7803. A bill to recognize nonprofit nonpolitical veterans' organizations for purposes of bestowing upon them certain benefits, rights, privileges, and prerogatives; to the Committee on Veterans' Affairs.

By Mr. HOWELL:

H. R. 7804. A bill to provide for the payment of sums in lieu of real-property taxes on Government properties transferred to the National Industrial Reserve; to the Committee on Armed Services.

By Mr. TAURIELLO:

H. R. 7805. A bill to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District; to the Committee on the District of Columbia.

By Mr. WHEELER:

H. R. 7806. A bill to provide for the settlement of unused education and training benefits authorized by title II of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

By Mr. MITCHELL:

H. R. 7807. A bill to legalize maritime hiring halls; to the Committee on Education and Labor.

By Mr. STOCKMAN:

H. R. 7808. A bill to authorize the administration of fishing and other activities of the Indians who have been fishing at or in the vicinity of Celilo Falls in the Columbia River, Oreg., and for other purposes; to the Committee on Public Lands.

By Mr. CARROLL:

H. R. 7809. A bill to amend Veterans Regulation No. 1 (a) with respect to subsistence allowance to be paid to veterans pursuing apprentice or other training on the job; to the Committee on Veterans' Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing Congress to refuse the passage of Senate bill 75 of the Eighty-first Congress, first session, which would authorize the central Arizona project; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of New York:

H. R. 7810. A bill for the relief of M. S. Davis; to the Committee on the Judiciary.

By Mr. COOLEY:

H. R. 7811. A bill to exempt from customs duty one sample weaving machine, together with auxiliary equipment, to be imported into the United States by the School of Textiles, North Carolina State College of Agriculture and Engineering of the University of North Carolina; to the Committee on Ways and Means.

H. R. 7812. A bill for the relief of Martha Aporta Strickland; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 7813. A bill for the relief of Christian Johansen Krogh; to the Committee on the Judiciary.

By Mr. DEANE:

H. R. 7814. A bill for the relief of Stella Matutina Kazuko Yamazaki; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 7815. A bill for the relief of John Yee Horn; to the Committee on the Judiciary.

By Mr. GRANAHAN:

H. R. 7816. A bill for the relief of Jacob Brucilovsky, Clara Brucilovsky, David Frenkel, and Berta Frenkel; to the Committee on the Judiciary.

By Mr. HART:

H. R. 7817. A bill for the relief of Carlo Parella; to the Committee on the Judiciary.

By Mr. NIXON:

H. R. 7818. A bill for the relief of Robert E. Halbert and Kenneth H. McComb; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 7819. A bill for the relief of the estate of Arthur Walter McLeary, deceased; to the Committee on the Judiciary.

By Mr. WICKERSHAM:

H. R. 7820. A bill for the relief of Keiko Uchida and her minor child; to the Committee on the Judiciary.

By Mr. WOOD:

H. R. 7821. A bill for the relief of Mrs. Yukiko Kurobe Caylor and her daughter, Martha Cassie Caylor; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2003. By Mr. GOODWIN: Resolution of the Somerville (Mass.) Board of Aldermen protesting a recent order aimed at releasing 207 employees of the Boston regional office of the Veterans' Administration; to the Committee on Veterans' Affairs.

2004. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts favoring extension of rent controls; to the Committee on Banking and Currency.

2005. By Mr. RICH: Petition of Sally Wister Chapter, Daughters of the American Revolution, Bradford, Pa., in opposition to any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

2006. By Mr. WHITTINGTON: Memorial of the Legislature of the State of Mississippi memorializing Congress to enact legislation to prevent Federal liquor licenses being issued in States where the sale of intoxicating liquors is prohibited; to the Committee on the Judiciary.

2007. By the SPEAKER: Petition of the Alabama Highway Users Conference, Montgomery, Ala., urging repeal of the Federal excise taxes on automobiles, trucks, busses, trailers, gasoline and lubricating oils, tires and tubes, and automotive parts and accessories; to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 23, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Byron M. Wilkinson, pastor, Grove Avenue Baptist Church, Richmond, Va., offered the following prayer:

Lord, Thou hast been our dwelling place in all generations.

Before the mountains were brought forth, or ever Thou hadst formed the earth and the world, even from everlasting to everlasting, Thou hast been our God.

We invoke Thy divine blessing today upon this Senate and on all the leaders of our great Nation.

Our Father, bless the people of this country, and may all of us together walk in the footsteps of our Saviour; for we ask it, with the forgiveness of all our sins, in Christ's holy name. Amen.

THE JOURNAL

On request of Mr. ANDERSON, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 22, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 48) favoring the suspension of deportation of certain aliens, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4080) to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard, and to enact and establish a Uniform Code of Military Justice; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BROOKS, Mr. PHILBIN, Mr. DEGRAFFENRIED, Mr. SHAFER, and Mr. ELSTON were appointed managers on the part of the House at the conference.

The message also announced that the House had further disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. PACE, Mr. POAGE, Mr. GRANT, Mr. HOPE, Mr. AUGUST H. ANDRESEN, and Mr. MURRAY of Wisconsin were appointed managers on the part of the House at the further conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1272. An act for the relief of Edward A. Seeley;

H. R. 1277. An act for the relief of Mary Jane Sherman;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1624. An act for the relief of Harris A. Bakken;

H. R. 2226. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 2591. An act for the relief of Giovanna Parisi, Michelina Valletta, Yolanda Altieri, Generosa Tamburi, Carolina Picciano, and Giovanna Turtur;

H. R. 2631. An act to authorize cancellation of deportation in the case of Frank Grimaldi;

H. R. 2803. An act for the relief of Albert J. Peterson;

H. R. 3009. An act for the relief of Dr. Ali Reza Bassir;

H. R. 3601. An act for the relief of Patrick J. Logan;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 4343. An act for the relief of J. P. Acker;

H. R. 4903. An act for the relief of Krikor G. Guiragossian;

H. R. 4904. An act for the relief of the estate of Conrad L. Steele, deceased;

H. R. 5017. An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5846. An act for the relief of Mrs. Lillian Coolidge;

H. R. 5923. An act for the relief of Mrs. Cora B. Jones and James C. Jones;

H. R. 6018. An act for the relief of Lubomir Mikulik and Viliam Krajcirovic;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6880. An act for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi;

H. R. 7084. An act for the relief of Yoshiko Ishii Teves;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman;

H. R. 7540. An act for the relief of Louise Peters Lewis; and

H. R. 7609. An act to grant a renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. HUNT, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

On request of Mr. HUNT, and by unanimous consent, the subcommittee of the Committee on Agriculture and Forestry which is holding hearings on shade-grown tobacco, was authorized to meet during the session of the Senate today.

On request of Mr. DONNELL, and by unanimous consent, a subcommittee of the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. ANDERSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Connally	Fulbright
Anderson	Cordon	George
Benton	Darby	Gillette
Brewster	Donnell	Graham
Bricker	Douglas	Green
Bridges	Dworshak	Hayden
Butler	Ecton	Hendrickson
Byrd	Ellender	Hill
Cain	Ferguson	Hoey
Chapman	Flanders	Holland
Chavez	Frear	Hunt

Ives	McMahon	Smith, N. J.
Johnson, Colo.	Magnuson	Sparkman
Johnson, Tex.	Malone	Stennis
Johnston, S. C.	Martin	Taft
Kefauver	Millikin	Taylor
Kem	Morse	Thye
Kerr	Mundt	Tobey
Kilgore	Murray	Tydings
Knowland	Myers	Watkins
Langer	Neely	Wherry
Lehman	O'Mahoney	Wiley
Long	Robertson	Williams
McCarthy	Russell	Withers
McClellan	Saltonstall	Young
McFarland	Schoeppel	
McKellar	Smith, Maine	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Maryland [Mr. O'CONOR] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. LUCAS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY] and the Senator from Iowa [Mr. HICKENLOOPER] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of the death of his father.

The Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

Mr. MCFARLAND. Mr. President, I should like to propound a unanimous-consent request, that on the calendar day of Wednesday, March 29, at the hour of 4 p. m., the Senate proceed to vote, without further debate, except as hereinafter indicated, upon any amendment which may be pending or which may be proposed to S. 1498, to amend the Natural Gas Act, approved June 20, 1938, as amended, or to the committee substitute therefor, and upon the final passage of said bill; provided, first, that no amendment which is not germane to the subject matter of the bill shall be in order; second, that no amendment shall be in order which has not been formally offered or submitted as a proposed amendment on the previous day to said day of Wednesday, March 29; third, that after 4 o'clock on said day debate on any amendment shall be limited to not exceeding 10 minutes, to be equally divided between the Senator offering the amendment and the chairman of the Committee on Interstate and Foreign Commerce; fourth, that a motion to recommit the said bill shall be in order.

Ordered further, that the time between 12 o'clock noon on the 28th and the 29th be equally divided between the proponents and the opponents of said bill, and controlled, respectively, by the Senator from Colorado [Mr. JOHNSON] and the Senator from Illinois [Mr. DOUGLAS]; provided, that the time between 3 and 3:30 o'clock on the 29th shall be allotted to the Senator from Illinois [Mr. DOUGLAS] and the remaining 30 minutes to the Senator from Colorado [Mr. JOHNSON].

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MCFARLAND. I yield.

Mr. WHERRY. Reserving the right to object, that is a very long unanimous-consent agreement. Probably all the provisions are fair, and most Senators will agree to them. However, I should like to ask a question about amendments which are to be offered. I have always entertained the theory that in drawing a unanimous-consent agreement a Senator should be given the right to offer an amendment to a bill at any time up to the time of final vote on it.

If I understand the unanimous-consent request just submitted, it means that no amendment may be considered at the time of voting on the bill or prior thereto unless it was offered on a previous day. I ask the distinguished Senator from Arizona, or any Senator on this side, if there is any objection to eliminating that portion of the unanimous-consent request, in view of the fact that on any amendment which may be offered debate of 10 minutes on each side will be permitted. Is that correct?

Mr. MCFARLAND. That is correct.

Mr. SALTONSTALL. Mr. President, will the Senator from Arizona yield?

Mr. MCFARLAND. I yield.

Mr. SALTONSTALL. I think the suggestion of the Senator from Arizona was made as the result of a colloquy with me yesterday, when I told him I thought that, in view of our experience with the housing bill, any amendment should be offered at least 2 hours before the voting took place, not necessarily the previous day.

Mr. MCFARLAND. Mr. President, I might say to the distinguished majority leader that I first drew up the unanimous agreement providing that amendments should be offered 2 hours before voting took place. Then it was suggested by some of those interested in the proposed legislation that amendments should be offered the previous day in order that they might be printed and Senators might have an opportunity to study them. Either provision would be agreeable to me. I am merely trying to work out a unanimous-consent request which will please everybody.

Mr. WHERRY. Mr. President, I am in favor of unanimous-consent agreements, and I know it is very difficult to work out such an agreement. I understand the Senate will shortly take a brief recess to greet a delegation from across the water, and I wonder if the Senator would be willing to make his request immediately after that, and see if this one particular phrase cannot be cleared up before the agreement is entered into. I feel that a Senator should have a right to offer an amendment to a bill up to the time it is voted on. The proposed agreement would provide that any amendment to the bill would have to be offered the day before the vote was taken, and it might happen that many Senators who desired to offer amendments to the bill would be foreclosed.

Mr. MCFARLAND. If the Senator from Nebraska will yield, I should like to ask whether it would be agreeable to the distinguished junior Senator from California to strike out that provision of the unanimous-consent request providing that amendments would have to be submitted the previous day, in view of the fact that 10 minutes would be available for debate on any amendment which might be presented, regardless of the time when it was presented. Would the Senator from California be willing to strike out the provision requiring that amendments should be presented the previous day?

Mr. KNOWLAND. Mr. President, it was not my suggestion that amendments would have to be presented the previous day. I suggested that Senators should have at least 10 minutes for debate, so that we would not be caught in the situation in which we found ourselves when the housing bill was before the Senate, when we could not get even 2 minutes to discuss or explain an amendment which was before the Senate.

Mr. WHERRY. Mr. President, I am in full accord with the suggestion of the junior Senator from California. I stated, when the agreement was made during the consideration of the housing bill, that when an amendment was offered all a Senator could do was merely read it, or have it read, which is a very unsatisfactory procedure.

The VICE PRESIDENT. Does the Senator from Arizona modify his request by eliminating the requirement that amendments shall be offered the day before the vote is to be taken?

Mr. MCFARLAND. I so modify the request.

The VICE PRESIDENT. In listening to the unanimous-consent request, the Chair got the impression that the time was to be divided equally from 12 o'clock on Wednesday, and in another place it sounded as though it was to be divided from 12 o'clock on Tuesday, so that for the 2 days there would be an equal division.

Mr. MCFARLAND. It was suggested that the time be equally divided for the 2 days.

The VICE PRESIDENT. The Senator should modify the request so that the division of time would begin Tuesday instead of Wednesday.

Mr. MCFARLAND. I so modify the request. If there is no objection, I suggest that the hour for voting be made 5

o'clock instead of 4 o'clock. Would that be agreeable to all Senators?

The VICE PRESIDENT. Is there objection to the unanimous-consent request, as modified?

Mr. WHERRY. Mr. President, reserving the right to object, I should like to ask once again: On what day or days is the time to be equally divided between the proponents and opponents; both Tuesday and Wednesday?

Mr. McFARLAND. Both Tuesday and Wednesday.

Mr. WHERRY. Mr. President, I have no objection. I should like to ask another question. How much time is to be allotted for debate to each side, pro and con, on an amendment that is offered?

Mr. McFARLAND. Ten minutes, to be divided equally.

Mr. WHERRY. That would be 5 minutes on each side?

Mr. McFARLAND. Five minutes on each side.

Mr. WHERRY. The time is a little bit short. One more question. Does the unanimous-consent request include the right to make motions, along with the right to offer amendments?

Mr. McFARLAND. It includes the right to make a motion to recommit.

Mr. WHERRY. I think it ought to include any motions which may be made. I think a motion ought to have the same consideration as an amendment. I think it ought to be clear that a Senator who wants to make a motion of any kind, or present an amendment to the bill, should have the right to do so, subject to the 5-minute or 10-minute limitation.

The VICE PRESIDENT. A motion cannot be made in connection with an amendment. Practically the only motion that can be made is a motion to recommit.

Mr. WHERRY. I am satisfied to leave it a motion to recommit; but I submit that a motion could be made that probably would not be debatable.

Mr. McFARLAND. I should like to suggest to the distinguished Senator from Nebraska that both sides agree that a motion may be made before 4 o'clock, or at least debated before 4 o'clock, or 5 o'clock, whichever hour we may agree upon.

Mr. WHERRY. A motion might not be subject to debate under the rules; but certainly the unanimous-consent agreement should run to the time element when an amendment can be debated or a motion to recommit can be debated. I certainly want the unanimous-consent agreement not to bar any motion that might need to be made, regardless of whether or not any time be allowed for debate. For example, a motion to lay on the table. Does the Senator get the point I am making?

Mr. McFARLAND. Mr. President, I modify my request to include any amendment or motion.

I should like to read the unanimous-consent request, as it is modified, or as I understand it is modified.

Ordered, by unanimous consent, That on the calendar day of Wednesday, March 29, 1950, at the hour of 5 o'clock, p. m., the Senate proceed to vote, without further debate, except as herein indicated, upon any amendment or motion that may be pending or that may be proposed to the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended, or to the committee substitute therefore, and upon the final passage of said bill: *Provided* (1), That no amendment that is not germane to the subject matter of the bill shall be in order; (2) that after the hour of 5 o'clock on said day, debate on any amendment or motion shall be limited to not exceeding 10 minutes, to be equally divided between the mover thereof and the chairman of the Committee on Interstate and Foreign Commerce; and (3) that a motion to recommit said bill shall be in order.

Ordered further, That the time between 12 o'clock noon on the 28th and the 29th be equally divided between the proponents and the opponents of said bill, and controlled, respectively, by the Senator from Colorado [Mr. JOHNSON] and the Senator from Illinois [Mr. DOUGLAS]: *Provided,* That the time between 4 and 4:30 on Wednesday the 29th shall be allotted to the Senator from Illinois [Mr. DOUGLAS] and the remaining 30 minutes to the Senator from Colorado [Mr. JOHNSON].

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. There is just one other suggestion. As the Senator from Arizona read the proposed unanimous-consent agreement, he referred to a division of the time following 12 o'clock noon. I suppose he means that in connection with the adjournment time, the first day shall likewise be divided.

Mr. McFARLAND. That is correct.

Mr. WHERRY. Is that provided for in the proposed unanimous-consent agreement?

Mr. McFARLAND. We shall rewrite the agreement to include it.

The VICE PRESIDENT. The Chair understands that, on both those days, from the meeting of the Senate at 12 o'clock the time will be divided equally.

Mr. McFARLAND. That is correct.

Mr. ROBERTSON. Mr. President, will the Senator yield for a question?

Mr. McFARLAND. I yield.

Mr. ROBERTSON. As I understand, the first proposal was that the Senate vote at 4 o'clock.

Mr. McFARLAND. That is correct.

Mr. ROBERTSON. I further understand that the agreement now has been changed to provide for the vote to be taken at 5 o'clock.

Mr. McFARLAND. That is correct.

Mr. ROBERTSON. I realize, Mr. President, that this is an important bill. However, it has been under consideration in the Senate for sometime. Under the proposed unanimous-consent agreement, if adopted, we shall have for further debate on the bill all of today, all of tomorrow, and then we shall have Monday, Tuesday, and Wednesday of next week. Frankly, I do not see the necessity, when there has been and will be that much time for debate on the bill, to fix the hour of voting at such a time that if there are a number of amendments requiring record votes, Members of the Senate will not be able to return to their offices before 6:30 or 7 o'clock, to sign their mail, and will be tied up there until perhaps 8 o'clock. Such an arrangement does not seem logical to me.

So I ask the distinguished acting majority leader whether he will be willing to set the hour at 4 o'clock, instead of 5.

Mr. McFARLAND. If there is no objection, I shall be glad to do so. It was suggested that the hour be set at 5 o'clock. However, we shall provide that the hour be 4 o'clock, if that will suit the Senator better.

Mr. ROBERTSON. It certainly will.

Mr. McFARLAND. In that connection, we shall provide for a division of the time between 3 o'clock and 4 o'clock.

The VICE PRESIDENT. Is there objection?

Mr. FLANDERS. Mr. President, reserving the right to object, I wish to say that the provision of the proposed agreement for 10 minutes of debate on the amendments, the debate on them to be equally divided, solves one of the difficulties we encountered in connection with the housing bill. However, there is another difficulty to which I should like to call the attention of the Senate, namely, the fact that very often the most important debate on a most important bill comes before a practically empty Senate. It has been in my mind to suggest—I am not going to raise the question in this connection—that we allow the RECORD to be printed in such cases, and begin the voting as of 12 o'clock, or after the roll is called, so that Senators may have a chance to read the RECORD before coming to the floor and casting their votes.

I am not raising that question in this particular case; but I ask the Senate to consider whether that might not be a better procedure to follow in the future, rather than the one we have been following.

However, I do not object to the proposed unanimous-consent request.

Mr. WHERRY. Mr. President, reserving the right to object, I should like to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. In connection with the proposed agreement, an amendment means an amendment either in the first or in the second degree; is that correct? In that connection, an amendment will stand on its own merits; will it?

The VICE PRESIDENT. Yes.

Mr. WHERRY. So time will be allowed for debate on any amendment, whether in the first degree or in the second degree. Is that correct?

The VICE PRESIDENT. Any amendment which is offered and is receivable will be subject to debate for 10 minutes; 10 minutes will be allowed for debate upon it.

Inasmuch as there has just been a quorum call, without objection the requirement of the rule that a quorum call be had before fixing the time for a final vote will be waived.

Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and it is so ordered.

Subsequently, the unanimous consent agreement, as entered into was reduced to writing, as follows:

Ordered, by unanimous consent, That on the calendar day of Wednesday, March 29,

1950, at the hour of 4 p. m., the Senate proceed to vote, without further debate, except as hereinafter indicated, upon any amendment or motion that may be pending or that may be proposed to the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended, or to the committee substitute therefor, and upon the final passage of the said bill: *Provided,* (1) That no amendment that is not germane to the subject matter of the bill shall be in order; (2) that after the hour of 4 o'clock p. m. on said day of Wednesday, March 29, debate on any amendment or motion shall be limited to not exceeding 10 minutes, to be equally divided between the mover thereof and the Chairman of the Committee on Interstate and Foreign Commerce; and (3) that a motion to recommit the said bill shall be in order.

Ordered further, That on Tuesday, March 28, between 12 o'clock noon and the hour of adjournment, and on Wednesday, March 29, between 12 noon and 4 p. m., the time shall be equally divided between the proponents and the opponents of the said bill and controlled, respectively, by the Senator from Colorado [Mr. JOHNSON] and the Senator from Illinois [Mr. DOUGLAS]: *Provided, however,* That on said day of Wednesday, March 29, the time between 3 p. m. and 3:30 p. m. shall be allotted to the Senator from Illinois [Mr. DOUGLAS], and the remaining 30 minutes shall be allotted to the Senator from Colorado [Mr. JOHNSON].

VISIT TO THE SENATE OF MEMBERS OF THE NATIONAL ASSEMBLY, REPUBLIC OF KOREA

The VICE PRESIDENT. The Chair desires to call the attention of the Senate to the fact that we have a distinguished delegation of members of the General Assembly of the Republic of Korea in our presence, and they are guests on the floor of the Senate at this time.

Last year, a delegation from the Congress of the United States visited Korea, and were received with great honor. The Chair is informed that the chairman of that delegation was invited to, and did, address the Korean General Assembly.

We are glad to have these representatives of the Korean people, members of the General Assembly of the Republic of Korea, in our presence and visiting our country. We feel highly honored that they are our guests in the Senate today. We hope their stay will be sufficiently long to enable them to see our country and to learn something of our methods and our way of life and our Government.

On behalf of the Senate, the Chair is happy to welcome to the Senate these members of the Korean National Assembly. [Applause.]

Mr. ELLENDER. Mr. President——

The VICE PRESIDENT. The Chair recognizes the Senator from Louisiana.

Mr. ELLENDER. Mr. President, it was my privilege to head a delegation of Senators last year on a world tour; and we visited Seoul, the capital of Korea. While in Seoul, we were most corially received by Mr. Shinicky, who is Chairman of the National Assembly of the Republic of Korea. He arranged for us to meet many of the leading figures of this great country. Everywhere we went we were treated with utmost courtesy.

At this time I should like to introduce to this body Mr. Shinicky. I shall ask that Mr. Shinicky rise.

Mr. Shinicky, Chairman of the National Assembly, Republic of Korea, rose; and was greeted with prolonged applause.

Mr. ELLENDER. We also had occasion to meet the Secretary General of the National Assembly of the Republic of Korea, in the person of Mr. Yi. I shall ask that Mr. Yi rise.

Mr. Chongsun Yi, Secretary-General of the National Assembly, Republic of Korea, rose; and was greeted with prolonged applause.

Mr. ELLENDER. We also met, among many other members of the General Assembly of the Republic of Korea, Mr. Ra, who is Chairman of the Internal Affairs Committee, National Assembly of the Republic of Korea. I shall ask him to stand at this time.

Mr. Iong Gwyn Ra, chairman of the Internal Affairs Committee, National Assembly of the Republic of Korea, rose; and was greeted with prolonged applause.

Mr. ELLENDER. Last, but not least, we had the privilege of meeting Dr. Hoon Koo Lee, a doctor of philosophy, who is also a member of the National Assembly of the Republic of Korea. I shall ask that he rise at this time.

Mr. Hoon Koo Lee, M. S., Ph. D., member of the National Assembly, Republic of Korea, rose; and was greeted with prolonged applause.

Mr. ELLENDER. Mr. President, during the course of our visit to various countries of the world during last November and December, in many of them, their legislative assemblies were meeting. At no place were we accorded the privilege of the floor of any of those assemblies, except in the Republic of Korea. Not only that, but the assembly sat on a Saturday, with a view to meeting us on that day; and it held a session during almost the entire day, awaiting our arrival. I, as chairman of the delegation, was accorded the honor and the privilege of addressing the assembly, a privilege which I cherish, and one which, as I said, was not accorded to any of us in any of the other countries we visited.

Mr. President, may I further add, of all the countries we visited, no country gave us a greater welcome than that accorded us in Korea. The President of that great Republic and all other high officials are to be complimented for the progress made by them since the war. They are a hard-working people and are most anxious to forge their great country into a Republic patterned after our own.

Mr. President, because of our rules we are unable to have the privilege of listening to any of these distinguished guests, although many of us would like to hear from them. The chairman of the delegation, Mr. P. H. Shinicky, has asked that I present to the Senate a letter dated March 23, 1950, addressed to the Vice President. I ask unanimous consent that the letter be printed following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KOREAN EMBASSY,
Washington, D. C., March 23, 1950.

MY DEAR MR. VICE PRESIDENT: I have the honor to convey, through you, to the Members of the United States Senate and to the American people a statement on behalf of my colleagues and myself, and on behalf of the Korean people.

The fine relations which have always existed between our two countries gave us the opportunity in the last year to meet a number of the honorable Members of the Senate. Now that we are privileged to visit your great country, we want to say that the Korean people are deeply grateful for the extensive American diplomatic, economic, and military aid given to our country since the Allied forces liberated our country from the Japanese. They are especially grateful for the current American assistance through MDAP (military defense aid program) and the grant by this Congress of ECA funds.

Today I wish to dwell on three matters: First, on the confidence of the Korean people in America; second, on the strategic importance of Korea; third, on the mutual interests of the United States and Korea, which operating together will work toward the maintenance both of Korean freedom and American security.

Though Korea and America are far apart, the depth of understanding between both the peoples and governments has been extraordinary. It was no accident that the United States, champion of Asiatic sovereignty and freedom, should have been the first western Nation to engage in treaty relaticns with the "Hermit" Kingdom of Korea. Over the years, many missionaries and other philanthropically minded Americans have come into Korea, bringing us great benefits of education, public health, and spiritual welfare. Upon the return of these good people to the United States, they have informed the American people of Korea and things Korean, fostering good will on both sides.

In the late nineteenth century, Americans built the first railroad in Korea, the first streetcar line, the first city water works, the first electric-light plant, and the first modern turnpike. Americans established and developed in Korea the largest gold-stamp mill in the Far East, to the material advantage of both Koreans and Americans. Unfortunately, today this valuable property is held by the Communists, and its precious product enriches the Soviet Union rather than the Korean people.

In 1905 the shadows of Japanese political slavery began to descend over our Nation. I am sorry to say that at that time the American Government did not show the degree of concern for our freedom which we had expected. Nevertheless, even though these deep shadows descended into the blackness of the night of Japanese rule, throughout that dismal time the Korean people, through their stanch friends, the American missionaries, continued to know that the United States was a nation of high ideals devoted to the principles of justice, the defense of the weak and helpless and to the practices of the good neighbor.

It was the good fortune of the Korean people that the Allied Powers, led by the United States, soundly defeated Japan in the recent war and so delivered our people from bondage. The great leaders of the American forces in the Pacific—MacArthur, Nimitz, Vandegrift, Halsey, and Hodge—are as esteemed in Korea as liberators as they are in America as defenders and conquerors. Those early dark days of the war were desperate days in Korea, but no informed man ever doubted the ultimate victory of the United Nations whose cause was just and whose arms were strong.

Victory for the Allies brought liberty to about two-thirds of our people and one-half of our land. In 1945, the XXIV Corps of the United States Army came into South Korea to take the Japanese surrender and return to us our sovereignty. Unfortunately for us, the Twenty-fifth Red Army came into the north, and our people up there have only been able to exchange the yoke of Japanese

militarism for the yoke of Soviet-Communist imperialism.

During the period of United States military government in Korea, much was done by the soldiers and civilians of that agency of the United States Government to save our people from starvation and to reestablish the basis of our disrupted economy. As you know, not only did the war itself cause severe economic dislocations, but it was followed by the separation of the major industrial and mineral area of our country from the major agricultural area by a dreadful dividing line at the thirty-eighth parallel. At the parallel today the brave soldiers of the Republic daily give their lives repulsing attempts of Russian-organized and directed Communist armies to invade, overrun and destroy our free country.

The United States Government took the leadership, through the United Nations, in assisting the Korean people to express themselves, through democratic elections, in creating a National Assembly. Acting as a constituent body, the National Assembly created the constitution of the Republic of Korea and subsequently its government. My colleagues and I had the honor to be elected to the National Assembly from our respective districts on May 10, 1948, in the first general election ever held in Korea. We have served ever since in the National Assembly, the Korean Congress. Our second election is scheduled for the coming May, and I need not explain to you gentlemen of the Senate the necessity for our early return to Korea to prepare to persuade our constituents that we are worthy of their trust and confidence. Since in Korea we have no fences, we might be said to be going home to rebuild the walls that protect our political paddy fields.

I do not know, and I venture to suggest that you do not know, of any more democratic way to determine the responsibilities of government than for the lawmakers to be required from time to time to go before the people to explain how they have executed their trust and to ask for a new mandate.

When you read, as unfortunately you are likely to do, from the pen of some misinformed or malicious person, about the lack of democracy in Korea, please say to yourself: "I know Shinicky. In 1948 he had to run for election and get the votes, just as I did in my election. In 1950 he is doing the same thing again." I only hope that you will be able to add, "And he got reelected."

Since the establishment of the Republic of Korea, the United States has helped us in many ways, moral and material. Without that help it is difficult to see how in these early days of its existence our republic could have maintained itself against the Soviet-directed armed assaults and subversion. Americans have given us the funds, goods and advice for a long-term program, under ECA, to establish the basis for a viable economy so that ultimately Korea can become largely self-sustaining. Americans have given us military assistance, through the Korean military advisory group and the MDAP, to enable us to develop a military force capable of defending the Republic against attack. Americans have given us diplomatic support in the world councils of the nations.

No one likes to have to ask for charity, and we do not ask for charity, although we well know that Americans are motivated by a great deal of kindness and good will in giving us economic and military aid. We believe that the maintenance of a free and independent Korea is not only vital to ourselves, but that it is also in the basic interests of the United States. To put this in another way, were all of Korea to pass under the control of the Soviet Union, the interests of the United States would be most adversely affected. We expect to do all that is possible within the limits of our economy and our manpower to help and save ourselves. We are not sitting back doing nothing while we beg the United States to help us. But, for the time being, even our best efforts and the willing sacrifices of our lives are not enough. That is why we turn to our spiritual ally, the United States, for aid.

I believe that it is to American interests that the largest possible part of the world should remain free, each nation ruling itself and living in harmony with its neighbors, rather than that the free world should steadily shrink, with a corresponding steady expansion of Soviet power which would increasingly threaten the security of every free nation, including the United States.

In specific terms today, Korea is the only free area in the continent Asia. Please recall that there is no other place left on the northern Asiatic Continent not now ruled by the Soviet Union, either directly or through a Communist Party controlled satellite. But the Republic of Korea with what might be considered moderate military assistance, has, does, and will continue to resist successfully all desperate attempts of Communist armies and Communist armed insurrectors to add this strategic area to their Soviet empire.

While Korea stands free, even South Korea alone, there stands a symbol of hope to all Asia, and especially to our neighbors, the Chinese. While our Republic stands, Japan is protected from the immediate menace of the Soviets. Should Communist forces stand at the southern tip of Korea, looking greedily across the narrow Korean Straits toward the Japanese Islands, a deadly fear would engulf those islands. Many Japanese would say, "China is gone, Korea is gone, the Soviets are almost on our beaches. We should make a deal. We should surrender and save what we can."

Such thinking would only be natural.

But Korea stands as a shield and a buckler to our recent mutual enemy. Today, in defending the line at the thirty-eighth parallel, the Korean Army also defends Japan. While, of course, the Korean Army fights to protect Korea, the effect of these sacrifices of Korean lives is great, far beyond the boundaries of Korea.

In Korea we know little of the cold war, for we are engaged already in a very warm war. During the past year more than 1,177 Korean soldiers and police were killed in action and more than 2,037 were wounded in action defending the Republic.

Every month our military prowess increases. With the able assistance of the American military advisory group, the whole Korean Army has been qualified in all small arms to a degree of accurate marksmanship comparable to that attained in the United States Army. Never before in history has any Asiatic army, including the Japanese, developed such high standards of marksmanship. These standards pay off in battle. Today the differences in enemy casualties and ours are enormous because our men can shoot straight and the enemy can't.

I could multiply a hundred-fold the instances of successful use in Korea of United States military and economic aid. But there are limits to the time you can spend listening to me.

I have been surprised to find some Americans who are willing to write Korea off just because of the enormous military power of the Soviet Union. Since the Red Army could defeat the Korean Army, these people ask, "Why spend money to help the Korean Army in a lost cause?"

Such thinking has two fundamental fallacies. The first is the assumption that the Soviet Army and the Chinese Communist Army is going to attack the Republic of Korea tomorrow or the next day. I, for one, do not think the Russians want a world war at this moment. They want to build up their strength at home and expand outward as cheaply as possible. Some day they will start world war III, but, in my opinion, not for some years yet, and until they do, they will not use Russian soldiers to fight in Korea. While the Soviet Union is eager to destroy our Republic, their military instrument for that proposed destruction is a Korean Communist army which they have organized, trained, armed, and led in North Korea. I don't think the Russians, who have long coveted the Korean Peninsula, with its fine, warm-water ports and its connecting line between Vladivostok and Dairen would let the Chinese Communist Army come in and take over our country for Communist China. That is not the way the Russians work.

What we need, then, in Korea is an army capable, if need be, of meeting and defeating the so-called people's army of the Communists. We have such an army, of 100,000 volunteers, well trained, led, and reasonably well equipped. I betray no secrets when I remark that the chief weaknesses of our forces are the lack of air power to meet the enemy planes, supplied by the Soviets to the Communists, the lack of artillery of sufficient caliber and range at least to reach as far as that of the enemy, and the lack of sufficient naval craft to support the army and protect our shores.

This message is not an appeal to you for anything. I am most grateful to you for past help. I hope you will continue that help. I am only trying to make clear that we have what it takes in trained men and fortitude to defend ourselves, and that the odds are not so heavily against us as some distant observers seem to think. In doing so, I have felt it proper to remark where our major weaknesses lie.

As a Korean I tend to forget how little my country and my people are known abroad when I know them so well myself. I hope you will pardon my giving you a few facts. Korea approximates the State of Oregon in size, but being a peninsula is nearly surrounded by seas. Within our country are about 32,000,000 people, or many millions more than there are to be found in the better known smaller European states. Over 20,000,000 live in our free, independent Republic, while about 10,000,000 are still subjected to the Communist dictatorship established in the north.

Koreans are entirely homogeneous as to race, language, and culture, with a common tradition going back some 4,000 years. Koreans are very proud, extremely patriotic, and strongly nationalistic. That is why Koreans are so strongly anti-Communist. They recognize communism as only a front for Russian imperialism. Back in the 1920's many Koreans were attracted by the blandishments of the Communists because they opposed Japanese militarism, while the USSR pretended to be the champion of oppressed colonial peoples. Today almost all Koreans, whether living in north or south, have come to understand that communism and a free Korea are completely incompatible. Like Americans they have learned the true intentions of the Soviet Union, but they have learned the hard way in their own country, where Soviet-directed forces and agents murder, plunder, burn, ravage, and assault.

I think it would be fair to say that Korean independence is a weathervane for American security. When the Japanese militarists took over Korea in the period from 1905 to 1910, few Americans knew or cared. But once she had Korea, Japan was on her way toward attempted world conquest. At first she moved slowly, but finally with extraordinary and devastating speed: Korea, Manchuria, China, Indochina—and then Pearl Harbor.

In Asia today we all are faced with a far more dangerous imperialist menace to world security than Japan could ever present. The much vaster resources and manpower of the Soviet Union, added to the resources and

manpower of Asia, would be so dangerous to the security of free peoples that one shudders to imagine it. So far, however, the pattern is not the same. Free Korea stands firm with your continued help and encouragement, and the courage and absolute determination of the Korean people to fight, if need be, to the death. Free Korea shall always stand.

In closing I pray that God in His infinite wisdom and mercy may continue to shed His grace upon our two nations, and that His abundant blessings, with peace, may be bestowed upon them for years to come.

P. H. SHINICKY,
Chairman National Assembly,
Republic of Korea.

His Excellency ALBEN BARKLEY,
Vice President of the United States,
Washington.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. ELLENDER. I am glad to yield.

Mr. ROBERTSON. In view of the fact that the rules do not permit a member of this distinguished delegation to address the Senate, will the distinguished Senator from Louisiana be good enough to request that, as a further mark of our esteem and respect for the delegation, the Senate rise?

Mr. ELLENDER. I ask, Mr. President, that, as a further mark of respect and esteem for our distinguished guests, the Senate rise.

The VICE PRESIDENT. The Senate is asked to rise.

[Senators rose in their places, amid great applause.]

Mr. SMITH of New Jersey. Mr. President, having had the privilege, when I was in the Far East last fall, of visiting Korea, and having been received with the same courtesies which the distinguished Senator from Louisiana has just reported that his committee received, I feel it would be in order for me to express a personal word of deep appreciation of the cordial reception I received, and of the spirit of new light I felt as a result of the visit to Korea.

Being a member of the Foreign Relations Committee, and having recently considered the Korean problem, I feel it especially appropriate that a word should be said regarding this wonderful new Republic and what it has done within the short space of time it has been in existence. I wish to say that, after being there in person and interviewing the members of the Korean Assembly and their leader, President Rhee, among others, I came home with a feeling of hope for the small struggling countries of Asia who are seeking to express their own nationalism and their own sense of freedom, and who have shown so clearly their appreciation of the efforts we have made to help them. As a Member of this body I am proud to have been a party to what the United States was able to do in putting this great new Republic on its feet. To our worthy friends who are here, I express the wish for Godspeed and great success in the wonderful work they are doing for the freedom of people all over the world.

Mr. GREEN. Mr. President, I desire to associate myself with what has already been said by my distinguished colleagues. It is a great satisfaction to me, having had the privilege of meeting them in their capital city, to be able to welcome these gentlemen here today. Together with the Senator from Louisiana [Mr. ELLENDER], I attended the session of the General Assembly while there. I should merely like to add to what he said about it the fact that he ably represented the Senate of the United States on that occasion in acknowledging the reception accorded us. We were both greatly impressed by the spirit of progress and hopefulness shown by members of the cabinet, and especially by the President, with whom we had various conferences. I came to the conclusion, as did my colleague, that nowhere has the help of the United States been more effective abroad than in the Republic of Korea. The evidences of what had been accomplished were manifold, and the knowledge of that help had spread among the people of Korea. In some countries where our help has been given, the acknowledgment has been principally on behalf of the government, but theirs is also on behalf of the people generally.

In addition to a notable session of the General Assembly, there was staged in our honor a military parade, a most impressive parade of infantry, artillery, cavalry, the Army, the Navy, the Coast Guard, and the National Police Force, amounting to approximately 50,000 men. A large part of the significance and deep impression we got from the parade, I was told by Koreans, was due to the help which our Government had given them, both in advice and in armament. So I should like to assure my colleagues in the Senate that they may rest in the firm belief that Korea—South Korea as distinguished from North Korea—is able to take care of herself against any acts of aggression from North Korea, from which South Korea is unfortunately divided at present.

Mr. FERGUSON. Mr. President, I wish to join in welcoming the members of the Korean National Assembly. I want to express to them, and through them to their country, my deep appreciation, and also, I am sure, the deep appreciation of the other members of the committee, for the hospitality shown to us when we were in Korea last fall. Many members of the Korean Assembly have been in the United States. They have seen the Western World. They have observed our Republic functioning. Dr. Lee, seated beside me in the Senate Chamber, received his Ph. D. degree from the University of Wisconsin, one of the great universities of the Middle West. He worked in the Agricultural Department in 1930, and is therefore familiar with the executive branch of our Government, as are other members of the Korean National Assembly who are present. Mr. Ra, having graduated at London University, England, is familiar with the British system.

In Korea we found not only a fine military spirit, as evidenced by the parade which was staged for the benefit of the committee, but also a notably fine spirit in the legislative and the executive branches. We discovered that the leaders and people of Korea were very anxious that their new Republic should succeed in every way. The difficulty they now face naturally is very grave. The fact that a different philosophy prevails north of the 38th parallel causes this new Republic great concern. We earnestly hope the problem will be solved at an early date, and that instead of the 200 members who now sit in the National Assembly, there will be the full 300, which is the total number possible when the entire country is represented. Today only 200 sit in the assembly, because, under action taken by the United Nations, the portion of the country north of the 38th parallel was unable to send representatives to the National Assembly.

I should like to say further that while there we found something else which I think should be noted in the records of the Senate. It is that the people of the Korean Republic were in favor of the United Nations. They had felt the impact of the United Nations, which had come to their aid and assistance. In other places, we found little concern about the United Nations, because it had as yet taken no part in the national life. I earnestly hope that the United Nations can be a very effective instrumentality, and that other nations will find that it will work for them and with them, and, as they become members of the United Nations, they will receive its benefits, as Korea has received benefits.

Mr. President, I want to say to these gentlemen who are representatives of the Korean National Assembly that I hope they will take back to the members of that assembly and to their people the good wishes of the United States of America.

Mr. KNOWLAND. Mr. President, I wish to join with my colleagues in expressing a word of greeting to the distinguished delegation from the Republic of Korea who are with us today. I come from the Pacific coast State of California, where we feel that though the great ocean which is between Korea and the Pacific coast of the United States is wide, yet it is an avenue of friendship and of good neighborliness.

It was my privilege last year to visit Korea for the first time, although it was the second time I had been in the Far East. I had the opportunity of going to the 38th parallel which presently divides Korea, and observing the caliber and the character of the people who constitute the Republic of Korea. I was tremendously impressed by the work which the people have done in making democratic institutions function in that area of the world. They are confronted, as are people in other sections of the world, with the menace of international communism which is destructive of human liberty everywhere, whether it be in eastern Europe or in the Far East. Yet the people, under great difficulties, are rebuilding their nation, which had been occupied for a period of half a century by a foreign power whose policy it was not to permit the citizens of that country, which has such a fine history, to occupy positions of importance and of leadership. A people who were less resolute would have found it difficult to take up the burdens

and the responsibilities of economic and political life, but these people in Korea, during all the years of occupation, have kept burning within their breasts the flame of liberty and freedom. When they were once freed from foreign domination they were prepared to accept their responsibilities and to start their life as a nation which, I am convinced, is prepared to function fully as one of the great republics of the world.

I believe, Mr. President, that over the years Korea will have a tremendous contribution to make in maintaining itself in a free world of free men.

The VICE PRESIDENT. If no other Senator wishes to comment on the presence of our distinguished guests, the Chair will say to them that they are at liberty and are welcome to remain on the floor of the Senate so long as their desire or convenience may dictate. We hope they will take back to the people of Korea not only the best wishes and the profound interest of the Senate of the United States and of the American people in their progress, their development, their strength, and their ability as a member of the nations which we call the free world, as an example to their neighbors in all the world, but that they may fortify their own liberty, and, by their association with the other free nations of the world, fortify liberty, freedom, and the dignity of man throughout the world.

CODIFICATION OF ARTICLES OF WAR

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4080) to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard, and to enact and establish a uniform code of military justice, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TYDINGS. I move the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

Mr. WHERRY. What is the subject of the conference?

Mr. TYDINGS. It is on the disagreeing votes of the two Houses on the amendments of the Senate to the bill providing a uniform code of military justice.

The VICE PRESIDENT. The question is on the motion of the Senator from Maryland.

The motion was agreed to; and the Vice President appointed Mr. TYDINGS, Mr. RUSSELL, Mr. KEFAUVER, Mr. SALTONSTALL, and Mr. MORSE conferees on the part of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. HUNT. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present other routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT OF 1930

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Civil Service Commission, transmitting a draft of proposed legislation to amend section 12 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, which, with the accompanying paper, was referred to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIAL

Petitions, etc., were presented, and referred as indicated:

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Banking and Currency:

"Resolution memorializing Congress in favor of extending the effective period of the rent control provisions of the Housing and Rent Act of 1948

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to provide by legislation that the rent control provisions of the Housing and Rent Act of 1948 shall continue in effect until February 28, 1951; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, March 13, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, March 16, 1950.

"IRVING N. HAYDEN,
"Clerk."

By Mr. GREEN:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Foreign Relations:

"Resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to use every effort to effectuate the termination of partition in Ireland

"*Resolved*, That the Senators and Representatives from Rhode Island in the Congress of the United States be and they are hereby seriously and earnestly requested to do everything in their power to effectuate the termination of partition in Ireland; and be it further

"*Resolved*, That the secretary of state be and he is hereby authorized to transmit to said Senators and Representatives from Rhode Island in the Congress of the United States duly certified copies of this resolution."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Armed Services:

"Resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to enter protest immediately against the directive to close historic Fort Adams, in Newport, R. I.

"Whereas the Rhode Island General Assembly has been made aware of the formal decision to close historic Fort Adams at Newport, R. I., for reasons of economy in the armed services and to abandon coast defenses in these days of guided missiles and atomic warfare; and

"Whereas such drastic action, to be effective May 31, 1950, will release at least 51 civilians who will have to seek work elsewhere unless other Federal jobs are found for them, since Fort Adams, after the closeout date, will go on a caretaking status until the real property is transferred elsewhere; and

"Whereas the removal of certain branches of torpedo making at the United States naval torpedo station in said city has crippled the economy of Newport, working a great hardship, to which this later directive has greatly contributed: Now, therefore, be it

"*Resolved*, That the Senators and Representatives from Rhode Island in the Congress of the United States be, and they are hereby, earnestly requested to register protest of this act, but realizing its inevitability, to hope that Fort Adams may be made an historic shrine, as one of the oldest of our colonial forts, and that if part of said Fort Adams can be set aside as such shrine, then the remainder should be put to use in Navy and Air expansion for boat repair, dock facilities, or other pertinent purposes and continue to employ civilian workers, which will, in a measure relieve the strain of loss of employment for loyal Newporters who have served faithfully down the years in this capacity as adjunct to the armed forces; and be it further

"*Resolved*, That the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States, to Hon. Louis Johnson, Secretary of Defense, and to Lt. Gen. Walter Bedell Smith, commanding the First Army."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOEY, from the Committee on Expenditures in the Executive Departments:

S. 2969. A bill to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce; without amendment (Rept. No. 1365); and

S. 3226. A bill to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior; without amendment (Rept. No. 1366).

By Mr. STENNIS, from the Committee on Rules and Administration:

S. Res. 202. Resolution to investigate interstate gambling and racketeering activities; with additional amendments (Rept. No. 1367).

By Mr. TYDINGS, from the Committee on Armed Services:

S. 2209. A bill to increase the number of midshipmen allowed at the United States Naval Academy from the District of Columbia; with amendments (Rept. No. 1368); and

S. 2210. A bill to amend the act entitled "An act to authorize an increase of the number of cadets at the United States Military Academy and to provide for maintaining the corps of cadets at authorized strength," approved June 3, 1942 (56 Stat. 306); without amendment (Rept. No. 1369).

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—REDUCTION OF PERSONNEL AND PAY

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on civilian employment in the executive branch of the Federal Government for

the month of March 1949, and in accordance with the practice of several years' standing, I request that it be printed in the body of the RECORD as a part of my remarks, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH DECEMBER 1949–JANUARY 1950, AND PAY NOVEMBER–DECEMBER 1949

SPECIAL NOTE NO. 1—IN REFERENCE TO POST OFFICE DEPARTMENT PERSONNEL FIGURES

The Postmaster General of the United States, as of February 27, 1950, advised the Joint Committee on Reduction of Nonessential Federal Expenditures that personnel reports which he certified regularly to the committee over the 14-month period, November 1948 to December 1949, inclusive, now require downward revision by 23,799.

This net cumulative error was discovered through a verification check on temporary employees, according to the Postmaster General's letter to the committee, and he said it was "due to failure of the postmasters" to make proper reports.

It was emphasized by the Postmaster General that the number of employees he has reported for January 1950 "reflects the number of temporary employees * * * dropped since October 1948, and not just during the month of January."

Pursuant to this statement the Postmaster General, at the request of the committee, has estimated adjustments which should be made in each of his monthly reports submitted from November 1948 through December 1949. (See table V.) These adjustments as they affect the figures in this committee print are noted throughout both text and tables.

The Postmaster General's letter does not indicate that his revision of personnel figures will require any adjustment in pay-roll money figures at any time during the 14-month period covered by his check.

SPECIAL NOTE NO. 2—IN REFERENCE TO MUTUAL DEFENSE ASSISTANCE PROGRAM PERSONNEL

Personnel reports submitted to the committee by component agencies of the National Military Establishment for the month of January include a partial break-down showing personnel assigned to the execution of mutual defense assistance program requirements. In this committee print the MDAP figures are shown only in the personnel columns of the summary table. In subsequent months, when more complete information, including money figures, is available, the committee's compilations will extend the break-down throughout all tables.

(Figures in the following report are compiled from signed official personnel reports by the various agencies and departments of the Federal Government. Table I shows total personnel employed inside and outside continental United States, and pay, by agency. Table II shows personnel employed inside continental United States. Table III shows personnel employed outside continental United States. Table IV gives by agency the industrial workers employed by the Federal Government. For purposes of comparison, figures for the previous month are shown in adjoining columns.)

NOTE WITH REFERENCE TO PERSONAL SERVICE EXPENDITURE FIGURES

It should be noted that the latest expenditure figures for personal service shown in table I of this report are for the month of December, and that they are compared with personal service expenditure figures for the month of November, whereas the latest employment figures covered in this report are for the month of January and are compared with the month of December. This lag in personal service expenditure figures is necessary in order that actual expenditures may be reported.

Personnel and pay summary

(See table I)

According to monthly personnel reports for January 1950 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures:

Agency	Civilian personnel in executive branch			Pay roll (in thousands of dollars) in executive branch		
	In January numbered—	In December numbered—	Increase (+) or decrease (−)	In December was—	In November was—	Increase (+) or decrease (−)
Total	1,952,061	[1] 1,958,214	−6,153	$599,821	$550,321	+$49,500
1. Agencies exclusive of National Military Establishment	1,200,732	[1] 1,197,941	+2,791	389,083	334,920	+54,163
2. National Military Establishment	751,329	760,273	−8,944	210,738	215,401	−4,663
Within the National Military Establishment:						
Mutual Defense Assistance Program	2,327	([2])	+2,327	([2])	([2])	([2])
Office of the Secretary of Defense [3]	1,733	1,721	+12	726	624	+102
Department of the Army	310,718	317,407	−6,689	84,582	83,714	+868
Department of the Air Force	149,563	150,743	−1,180	41,672	42,097	−425
Department of the Navy	286,988	290,402	−3,414	83,758	88,966	−5,208

[1] See footnote 1, table I.
[2] See special note No. 2.
[3] See footnote 7, table I.

Table I breaks down the above figures on employment and pay by agency.

Tables II, III, and IV break down the above employment figures to show the number inside continental United States, outside continental United States, and the number in the so-called industrial categories. This further break-down in tables II, III, and IV does not include pay figures because pay-roll reports submitted to the committee by some agencies are inadequate for this purpose.

Inside continental United States

(See table II)

Federal personnel within the United States decreased 3,773 from the December total of 1,805,894 [1] to the January total of 1,802,121.

Exclusive of the National Military Establishment, there was an increase of 2,934 from the December total of 1,139,387 to the January total of 1,142,321.

Total civilian employment within the United States for the National Military Establishment for January was 659,800, a decrease of 6,707 under the December total of 666,507.

The Office of the Secretary of Defense increased its personnel 31 from the December total of 1,713 to the January total of 1,744.

The Department of the Army civilian personnel within the United States decreased 4,462 from the December figure of 275,085 to the January figure of 270,623.

The Department of the Air Force civilian personnel within the United States decreased 344 from the December figure of 126,692 to the January figure of 126,348.

The Department of the Navy civilian personnel within the United States decreased 1,932 from the December figure of 263,017 to the January figure of 261,085.

Outside continental United States

(See table III)

Outside continental United States, Federal personnel decreased 2,380 from the December total of 152,320 to the January total of 149,940.

A decrease of 143 was reported by the departments and agencies other than the National Military Establishment from the December total of 58,554 to the January total of 58,411.

Total civilian employment outside continental United States for the National Military Establishment decreased 2,237 from the December total of 93,766 to the January figure of 91,529.

The Office of the Secretary of Defense reported an increase of three in its staff overseas.

The Department of the Army reported a decrease in overseas civilian employment of 751 from the December figure of 42,322 to the January figure of 41,571.

The Department of the Air Force reported a decrease in overseas civilian employment of 11 from the December figure of 24,051 to the January figure of 24,040.

The Department of the Navy reported a decrease in overseas civilian employment of 1,478 from the December figure of 27,385 to the January figure of 25,907.

Industrial employment

(See table IV)

Total industrial employment during the month of January decreased 7,152 from the December figure of 468,349 to the January figure of 461,197.

Industrial employment in departments and agencies other than the National Military Establishment decreased 921 from the December figure of 23,486 to the January figure of 22,565.

The National Military Establishment decreased its total industrial employment 6,231 from the December figure of 444,863 to the January figure of 438,632.

The Department of the Army reported a decrease of 3,867 from the December figure of 166,596 to the January figure of 162,729. Inside continental United States, Army industrial employment decreased 3,311 while outside continental United States there was a decrease of 556.

The Department of the Air Force reported a net decrease of 29 industrial employees from the December figure of 88,300 to the January figure of 88,271. Inside continental United

[1] See footnote 1, table I.

States, Air Force industrial employment decreased 75 while outside continental United States there was an increase of 46.

The Department of the Navy decreased its industrial employment 2,335 from the December total of 189,967 to the January total of 187,632. Inside continental United States, Navy industrial employment decreased 1,607 while outside continental United States there was a decrease of 728.

The term "industrial employees," as used by the committee, refers to unskilled, semi-skilled, skilled, and supervisory employees paid by the Federal Government who are working on construction projects such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1950, and comparison with December 1949; and pay for December 1949, and comparison with November 1949*

Department or agency	Pay (in thousands of dollars)				Personnel			
	November	December	Increase	Decrease	December	January	Increase	Decrease
Executive departments (except National Military Establishment):								
Agriculture	$20,826	$20,669		$157	74,283	74,505	222	
Commerce	15,028	14,763		265	46,206	46,115		91
Interior	17,229	15,225		2,004	54,500	54,375		125
Justice	9,598	9,649	$51		26,309	26,237		72
Labor	1,763	1,797	34		5,342	5,580	238	
Post Office	131,577	186,462	54,885		[1] 511,946	512,621	675	
State	6,824	7,111	287		23,735	24,009	274	
Treasury	[2] 27,409	27,707	298		85,762	87,546	1,784	
Executive Office of the President:								
White House Office	114	103		11	248	247		1
Bureau of the Budget	257	259	2		532	539	7	
Executive Mansion and Grounds	17	16		1	65	80	15	
National Security Council [3]	9	9			17	16		1
National Security Resources Board	152	152			301	303	2	
Council of Economic Advisers	31	22		9	36	33		3
Commission on Renovation of the Executive Mansion	2	2			5	5		
Postwar agencies:								
Displaced Persons Commission	101	100		1	255	255		
Economic Cooperation Administration	1,653	1,392		261	4,189	4,272	83	
Motor Carrier Claims Commission	4	6	2		11	16	5	
Office of the Housing Expediter	1,640	1,496		144	4,291	4,182		109
Philippine Alien Property Administration	11	12	1		81	81		
Philippine War Damage Commission	239	237		2	1,044	1,020		24
War Claims Commission	16	20	4		52	53	1	
Independent agencies:								
American Battle Monuments Commission	27	32	5		372	400	28	
Atomic Energy Commission	1,777	1,895	118		4,842	4,930	88	
Civil Aeronautics Board	272	271		1	646	643		3
Civil Service Commission	1,217	1,192		25	3,662	3,692	30	
Export-Import Bank of Washington	63	52		11	125	126	1	
Federal Communications Commission	526	522		4	1,329	1,322		7
Federal Deposit Insurance Corporation	405	399		6	1,086	1,081		5
Federal Mediation and Conciliation Service	190	196	6		341	343	2	
Federal Power Commission	319	308		11	753	746		7
Federal Security Agency [4]	9,727	9,669		58	34,495	34,339		156
Federal Trade Commission	296	294		2	640	638		2
General Accounting Office	2,803	2,879	76		8,663	8,573		90
General Services Administration	6,872	6,678		194	23,523	23,361		162
Government Printing Office	2,365	2,376	11		7,077	7,079	2	
Housing and Home Finance Agency	3,962	4,174	212		12,119	12,382	263	
Indian Claims Commission	8	7		1	10	10		
Interstate Commerce Commission	859	884	25		2,147	2,152	5	
Maritime Commission [5]	1,654	1,723	69		5,504	5,484		20
National Advisory Committee for Aeronautics	2,420	2,406		14	7,471	7,506	35	
National Capital Housing Authority	85	85			316	320	4	
National Capital Park and Planning Commission	8	11	3		20	20		
National Capital Sesquicentennial Commission	4	5	1		13	15	2	
National Gallery of Art	85	85			319	319		
National Labor Relations Board	551	554	3		1,508	1,510	2	
National Mediation Board	51	54	3		111	114	3	
Panama Canal	3,262	3,427	165		20,954	21,101	147	
Railroad Retirement Board	751	735		16	2,424	2,456	32	
Reconstruction Finance Corporation	1,819	1,866	47		4,455	4,465	10	
Securities and Exchange Commission	458	455		3	1,043	1,036		7
Selective Service System	495	478		17	3,466	3,461		5
Smithsonian Institution	173	173			545	551	6	
Tariff Commission	101	103	2		224	221		3
Tax Court of the United States	56	60	4		129	126		3
Tennessee Valley Authority	3,534	3,628	94		12,864	12,342		522
Veterans' Administration	53,225	54,198	973		195,535	195,778	243	
Total, excluding National Military Establishment	334,920	389,083	57,381	3,218	1,197,941	1,200,732	4,209	1,418
Net increase, excluding National Military Establishment			54,163				2,791	
National Military Establishment: [6]								
Office of the Secretary of Defense [7]	624	726	102		1,721	1,755	34	
Department of the Army:								
Inside continental United States	72,152	73,178	1,026		[2] 275,085	270,623		4,462
Outside continental United States	11,562	11,404		158	42,322	41,571		751
Department of the Air Force:								
Inside continental United States	37,293	36,959		334	126,692	126,348		344
Outside continental United States	4,804	4,713		91	24,051	24,040		11
Department of the Navy:								
Inside continental United States	[2] 81,969	77,656		4,313	263,017	261,085		1,932
Outside continental United States	[2] 6,997	6,102		895	27,385	25,907		1,478
Total, National Military Establishment	215,401	210,738	1,128	5,791	760,273	751,329	34	8,978
Net decrease, National Military Establishment			4,663				8,944	
Grand total, including National Military Establishment	550,321	599,821	58,509	9,009	1,958,214	1,952,061	4,243	10,396
Net change, including National Military Establishment			49,500				6,153	

[1] December personnel figures for the Post Office Department submitted by the Postmaster General are revised to conform with his Mar. 13 adjustment estimates. (See table V, p. 12, Postmaster General's letter, p. 10, and special note, p. 1.)
[2] Revised on basis of later information.
[3] Exclusive of personnel and pay of the Central Intelligence Agency.
[4] Includes personnel and pay for Howard University and the Columbia Institute for the Deaf.
[5] Exclusive of 90 seamen and 2,484 seamen trainees on the rolls of the Maritime Commission and their pay.
[6] See special note No. 2.
[7] Includes 10 employees assigned to North Atlantic Treaty Organization and 169 employees assigned to Munitions Board, Cataloging Agency.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during January 1950 and comparison with December 1949*

Department or agency	December	January	Increase	Decrease
Executive departments (except National Military Establishment):				
Agriculture	71,615	71,817	202	
Commerce	42,270	42,262		8
Interior	48,887	48,940	53	
Justice	25,834	25,767		67
Labor	5,256	5,503	247	
Post Office	[1] 510,090	510,768	678	
State	8,381	8,501	120	
Treasury	85,041	86,806	1,765	
Executive Office of the President:				
White House Office	248	247		1
Bureau of the Budget	532	539	7	
Executive Mansion and Grounds	65	80	15	
National Security Council [2]	17	16		1
National Security Resources Board	301	303	2	
Council of Economic Advisers	36	33		3
Commission on Renovation of the Executive Mansion	5	5		
Postwar agencies:				
Displaced Persons Commission	85	87	2	
Economic Cooperation Administration	1,013	1,092	79	
Motor Carrier Claims Commission	11	16	5	
Office of the Housing Expediter	4,267	4,157		110
Philippine Alien Property Administration	2	2		
Philippine War Damage Commission	6	6		
War Claims Commission	52	53	1	
Independent agencies:				
American Battle Monuments Commission	15	16	1	
Atomic Energy Commission	4,840	4,927	87	
Civil Aeronautics Board	629	627		2
Civil Service Commission	3,657	3,687	30	
Export-Import Bank of Washington	124	125	1	
Federal Communications Commission	1,298	1,292		6
Federal Deposit Insurance Corporation	1,086	1,081		5
Federal Mediation and Conciliation Service	341	343	2	
Federal Power Commission	753	746		7
Federal Security Agency [3]	33,710	33,789	79	
Federal Trade Commission	640	638		2
General Accounting Office	8,663	8,573		90
General Services Administration	23,505	23,330		175
Government Printing Office	7,077	7,079	2	
Housing and Home Finance Agency	12,072	12,334	262	
Indian Claims Commission	10	10		
Independent agencies—Continued				
Interstate Commerce Commission	2,147	2,152	5	
Maritime Commission [4]	5,489	5,469		20
National Advisory Committee for Aeronautics	7,469	7,504	35	
National Capital Housing Authority	316	320	4	
National Capital Park and Planning Commission	20	20		
National Capital Sesquicentennial Commission	13	15	2	
National Gallery of Art	319	319		
National Labor Relations Board	1,495	1,497	2	
National Mediation Board	111	114	3	
Panama Canal	624	636	12	
Railroad Retirement Board	2,424	2,456	32	
Reconstruction Finance Corporation	4,442	4,454	12	
Securities and Exchange Commission	1,043	1,036		7
Selective Service System	3,383	3,380		3
Smithsonian Institution	541	546	5	
Tariff Commission	224	221		3
Tax Court of the United States	129	126		3
Tennessee Valley Authority	12,864	12,342		522
Veterans' Administration	193,900	194,117	217	
Total, exclusive of National Military Establishment	1,139,387	1,142,321	3,969	1,035
Net increase, excluding National Military Establishment			2,934	
National Military Establishment: [5]				
Office of the Secretary of Defense [6]	1,713	1,744	31	
Department of the Army	[7] 275,085	270,623		4,462
Department of the Air Force	126,692	126,348		344
Department of the Navy	263,017	261,085		1,932
Total, National Military Establishment	666,507	659,800	31	6,738
Net decrease, National Military Establishment			6,707	
Grand total, including National Military Establishment	1,805,894	1,802,121	4,000	7,773
Net decrease, including National Military Establishment			3,773	

[1] December personnel figures for the Post Office Department submitted by the Postmaster General are revised to conform with his Mar. 13 adjustment estimates. (See table V, p. 12, Postmaster General's letter, p. 10, and special note, p. 1.)
[2] Exclusive of personnel of the Central Intelligence Agency.
[3] Includes personnel for Howard University and the Columbia Institute for the Deaf.
[4] Exclusive of 90 seamen and 2,484 seamen trainees on the rolls of the Maritime Commission.
[5] See special note No. 2.
[6] See footnote 7, table I.
[7] Revised on basis of later information.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during January 1950, and comparison with December 1949*

Department or agency	December	January	Increase	Decrease
Executive departments (except National Military Establishment):				
Agriculture	2,668	2,688	20	
Commerce	3,936	3,853		83
Interior	5,613	5,435		178
Justice	475	470		5
Labor	86	77		9
Post Office	1,856	1,853		3
State	15,354	15,508	154	
Treasury	721	740	19	
Postwar agencies:				
Displaced Persons Commission	170	168		2
Economic Cooperation Administration	3,176	3,180	4	
Office of the Housing Expediter	24	25	1	
Philippine Alien Property Administration	79	79		
Philippine War Damage Commission	1,038	1,014		24
Independent agencies:				
American Battle Monuments Commission	357	384	27	
Atomic Energy Commission	2	3	1	
Civil Aeronautics Board	17	16		1
Civil Service Commission	5	5		
Export-Import Bank of Washington	1	1		
Federal Communications Commission	31	30		1
Federal Security Agency	785	550		235
General Services Administration	18	31	13	
Housing and Home Finance Agency	47	48	1	
Maritime Commission	15	15		
National Advisory Committee for Aeronautics	2	2		
Independent agencies—Continued				
National Labor Relations Board	13	13		
Panama Canal	20,330	20,465	135	
Reconstruction Finance Corporation	13	11		2
Selective Service System	83	81		2
Smithsonian Institution	4	5	1	
Veterans' Administration	1,635	1,661	26	
Total, excluding National Military Establishment	58,554	58,411	402	545
Net decrease, excluding National Military Establishment			143	
National Military Establishment:				
Office of the Secretary of Defense	8	11	3	
Department of the Army	42,322	41,571		751
Department of the Air Force	24,051	24,040		11
Department of the Navy	27,385	25,907		1,478
Total, National Military Establishment	93,766	91,529	3	2,240
Net decrease, National Military Establishment			2,237	
Grand total, including National Military Establishment	152,320	149,940	405	2,785
Net decrease, including National Military Establishment			2,380	

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during January 1950 and comparison with December 1949*

Department or agency	December	January	Increase	Decrease
Executive departments (except National Military Establishment):				
Commerce	1,194	995		199
Interior	4,939	4,644		295
State	569	569		
Treasury	8,077	8,120	43	
Independent agencies:				
Atomic Energy Commission	138	129		9
General Services Administration	142	154	12	
Housing and Home Finance Agency	12	14	2	
Panama Canal	1,770	1,777	7	
Smithsonian Institution	5	6	1	
Tennessee Valley Authority	6,640	6,157		483
Total, excluding National Military Establishment	23,486	22,565	65	986
Net decrease, excluding National Military Establishment			921	

Department or agency	December	January	Increase	Decrease
National Military Establishment:				
Department of the Army:				
Inside continental United States	142,256	138,945		3,311
Outside continental United States	24,340	23,784		556
Department of the Air Force:				
Inside continental United States	70,230	70,155		75
Outside continental United States	18,070	18,116	46	
Department of the Navy:				
Inside continental United States	170,458	168,851		1,607
Outside continental United States	19,509	18,781		728
Total, National Military Establishment	444,863	438,632	46	6,277
Net decrease, National Military Establishment			6,231	
Grand total, including National Military Establishment	468,349	461,197	111	7,263
Net decrease, including National Military Establishment			7,152	

Letter from the Postmaster General, relative to employment in the Post Office Department

FEBRUARY 27, 1950.

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES,
Senate Office Building,
Washington 25, D. C.

GENTLEMEN: Attached is a combined personnel report covering the departmental and field service and break-down reports for each bureau separately for the month of January 1950.

The over-all decrease since the last report is 23,124. The reason for this is that the Department made a verification check of the number of temporary employees actually on the rolls as of December 31, 1949, at the 50 largest offices, which offices have approximately 50 percent of the entire field personnel. It was found that due to the failure of postmasters to make the proper report, 23,799 temporary employees, dropped because of the appointment of classified employees, were not reported to the Department.

Prior to the beginning of the war the Department found it necessary to employ large numbers of temporary employees in post offices because, due to the manpower shortage, we were not able to obtain sufficient classified personnel. This condition, while rapidly improving, still exists to a considerable extent. In hundreds of cases the postmasters appoint temporary employees, submit the proper information to the Department, and then when the employee fails to report for duty they appoint and report another temporary employee in his stead. In many instances the second person appointed does not report for work, necessitating a third appointment. While postmasters have been instructed to advise the Department when those who have been reported as appointed do not respond for work or are subsequently dropped for any reason, we know from experience that they very often fail to report that such employees are not available for duty and others have been appointed in their stead. We have found it necessary each year to vertify the number of such employees by making a physical count and correcting our records, which adjustments are subsequently reflected in reports issued by the Department. In this connection please refer to the report submitted for the month of October 1948, where a similar adjustment was made on the basis of an actual count.

Prior to the compilation of the attached reports covering personnel for the month of January 1950, I had a check made by teletype of the 50 largest post offices to determine the actual increase in number of personnel at those offices between February 28 and December 31, 1949, exclusive of Christmas temporary employees. I learned that the total increase in number of supervisors, regular and substitute clerks, mail handlers and city-delivery carriers, which groups represent more than 77 percent of all postal field employees, was 1,219. This is equivalent to less than eight-tenths of 1 percent increase for that period. The 50 largest offices employ approximately 50 percent of all the personnel in the field postal service. This check indicated that the number of temporary employees carried on our rolls was excessive and that the actual number of employees increased by approximately 5,000; previous personnel reports indicated that the increase for that same period was 28,315. As a result of this indication of errors in the number of employees reported by postmasters the attached personnel reports made for the month of January 1950 have been adjusted to show the corrected total.

As you know, the Department has generally two types of field employees: Regulars and substitutes. The regular employees are paid on a per annum basis and are employed 40 hours per week. Substitute employees are paid at a specified rate per hour and are employed only as actually needed. Thus the cost of the field service is determined to a great extent by the number of hours the substitutes are employed as this is varied in accordance with the volume of mail to be handled. For this reason the most pertinent information required for administrative purposes is the cost of manpower used rather than the number apparently on the rolls. The actual cost of all personnel used in the field service for the month of February 1949 approximated $119,977,930. For the month of December the total amounted expended for this purpose was $185,833,710, of which amount about $65,000,000 represented the cost of increases made necessary by Public Law 428, which increased the salaries of field employees effective November 1, 1949; the cost of temporary personnel hired for the Christmas season; and the cost of mandatory automatic promotions made since February 1949, leaving a net cost for December of approximately $120,833,710. This represents an increase of seven-tenths of 1 percent.

The revenue of the service for the month of February 1949 was $123,261,000; for the month of December in that year the gross revenue was $207,671,000 which, after deducting approximately $60,000,000 for the Christmas increase, leaves a net of $147,671,000, which represents an increase of 19.8 percent over February.

It should be pointed out that the reduction in number of personnel covered by the attached report for January reflects the number of temporary employees that have been dropped since October 1948, and not just during the month of January. The reason for this is, as previously explained, the errors in reporting personnel have accumulated since the previous adjustment made in October 1948 and actually represents a steady reduction of personnel made each month and not just for the month of January.

Sincerely yours,

J. M. DONALDSON,
Postmaster General.

TABLE V.—*Adjustment, by months, of cumulative errors in reports of postal employees submitted by the Postmaster General, November 1948 to December 1949, inclusive* [1]

Months	Number certified in original monthly reports	Estimated monthly error	Cumulative error, by months	Adjusted total, by months
1948—October	492,090	0	0	492,090
November	501,854	−4,710	−4,710	497,144
December	508,321	−3,215	−7,925	500,396
1949—January	507,507	−819	−8,744	498,763
February	507,430	−350	−9,094	498,336
March	508,925	−337	−9,431	499,494
April	512,207	−1,776	−11,207	501,000
May	514,932	−1,644	−12,851	502,081
June	517,538	−1,555	−14,406	503,132
July	523,955	−3,335	−17,741	506,214
August	526,634	−1,543	−19,284	507,350
September	528,594	−654	−19,938	508,656
October	530,370	−729	−20,667	509,703
November	533,079	−1,620	−22,287	510,792
December	535,745	−1,512	−23,799	511,946

[1] Adjustments estimated by the Post Office Department as of Mar. 13, 1950, and submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures.

STATEMENT BY SENATOR BYRD

MILITARY ESTABLISHMENT

The Military Establishment reported its civilian employment in January was reduced by a net of 8,944. By figures submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures it is indicated that reduction in civilian employment by the Military Establishment during the first 5 months following the Johnson retrenchment order totaled 107,457, and reductions since the beginning of the current fiscal year through January totaled 133,399. Total civilian employment in the Military Establishment in January was reported to be 751,329, as compared with 760,273 in December.

MUTUAL DEFENSE ASSISTANCE PROGRAM

This net reduction in civilian employment in the Military Establishment during the 7 months of the current fiscal year has occurred despite the assignment of 2,327 employees to mutual defense assistance program jobs within the Military Establishment. Personnel assigned to MDAP were shown for the first time in January by all of the components of the Military Establishment. Of the total 1,476 were reported by the Army, 825 by the Air Force, 4 by the Navy, and 22 by the office of the Defense Secretary. It was also shown for the first time that 10 Military

Establishment employees were assigned to the North Atlantic Treaty Organization, and 169 were assigned to the Munitions Board Cataloging Agency.

CIVILIAN AGENCIES

While civilian employment by the Military Establishment continued to decline in January, reports to the committee showed that employment by civilian agencies increased for the second consecutive month. The overall net increase in civilian agencies (exclusive of the Military Establishment) between December and January was 2,791. Of this increase 1,186 was reported by the Bureau of Internal Revenue which began building up to its requirements for the income tax return season. Total employment by the civilian agencies in January was reported to be 1,200,732, as compared with 1,197,941 in December.

TOTAL CIVILIAN EMPLOYMENT

Reports on civilian personnel employment certified to the Joint Committee on Reduction of Nonessential Federal Expenditures by the heads of 61 reporting agencies showed civilian personnel in the executive branch of the Federal Government as a whole totaled 1,952,061 in January, as compared with 1,958,214 in December—a net decrease of 6,153.

POST-OFFICE PERSONNEL

Due to the discovery by the Postmaster General of erroneous reporting in the postal service, both total executive-branch employment and postal employment as originally reported for December are revised downward in today's compilation by a net of approximately 23,000.

Following comment on continuing increases in post-office personnel accompanying last month's committee compilation, the Postmaster General as of February 27 advised the committee that a "verification" check had revealed there was a cumulative error of 23,799 in personnel reports submitted by the Department over the 14-month period, November 1948–December 1949, inclusive. The Postmaster General said the erroneous reports were "due to failure of postmasters" to make proper reports.

Adjustment of this cumulative error in total postal employment figures, back to the months in which it developed, revealed error in each of the 14 monthly reports by the Department ranging from 337 in March 1949 to 4,710 in the report for November 1948. For the month of December 1949 the Department originally reported total postal employment of 535,745. Adjustment of the 14 cumulative monthly errors through December 1949 necessitates revision of the December total to 511,946.

The Department's original reports showed there was an increase in the number of employees during each of the 10 consecutive months, March–December 1949, inclusive, totaling 28,315. The Department's adjustment of its original reports showed an increase in the number of employees during each of the 10 consecutive months, March–December 1949, inclusive, totaling 13,610.

The Department's report for January 1950 showed total postal employment increased for the eleventh consecutive month, from the adjusted total of 511,946 in December to 512,621 in January—an increase of 675.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ANDERSON:

S. 3288. A bill for the establishment of the United States Joint Commission on Foreign Trade; to the Committee on Foreign Relations.

By Mr. WILEY:

S. 3289. A bill for the relief of Hisako Okamoto; to the Committee on the Judiciary.

By Mr. WHERRY:

S. 3290. A bill for the relief of Rodolfo Ramirez Morales; to the Committee on the Judiciary.

By Mr. MARTIN:

S. 3291. A bill for the relief of Dr. Shuh-Yuen Liu; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3292. A bill for the relief of Edward H. McCrahon; to the Committee on Armed Services.

S. 3293. A bill to amend rule 50 of the Federal Rules of Civil Procedure so as to abolish motions for directed verdict; to the Committee on the Judiciary.

By Mr. BRICKER:

S. 3294. A bill to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; to the Committee on Armed Services.

By Mr. MURRAY (for himself, Mr. THOMAS of Utah, Mr. PEPPER, Mr. HILL, Mr. NEELY, Mr. HUMPHREY, Mr. LEHMAN, and Mr. MORSE):

S. 3295. A bill to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carriers' employees for certain purposes and under certain conditions; to the Committee on Labor and Public Welfare.

By Mr. TYDINGS (for himself, Mr. WHERRY, and Mr. MAYBANK):

S. 3296. A bill to amend title VIII of the National Housing Act, as amended, to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes; to the Committee on Banking and Currency.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred to the Committee on the Judiciary:

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1272. An act for the relief of Edward A. Seeley;

H. R. 1277. An act for the relief of Mary Jane Sherman;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1624. An act for the relief of Harris A. Bakken;

H. R. 2226. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 2591. An act for the relief of Giovanna Parisi, Michelina Valletta, Yolanda Altieri, Generosa Tamburi, Carolina Picciano, and Giovanna Cartur;

H. R. 2631. An act to authorize cancellation of deportation in the case of Frank Grimaldi;

H. R. 2803. An act for the relief of Albert J. Peterson;

H. R. 3009. An act for the relief of Dr. Ali Reza Bassir;

H. R. 3601. An act for the relief of Patrick J. Logan;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 4343. An act for the relief of J. P. Acker;

H. R. 4903. An act for the relief of Krikor G. Guiragossian;

H. R. 4904. An act for the relief of the estate of Conrad L. Steele, deceased;

H. R. 5017. An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5846. An act for the relief of Mrs. Lillian Coolidge;

H. R. 5923. An act for the relief of Mrs. Cora B. Jones and James C. Jones;

H. R. 6018. An act for the relief of Lubomir Mikulik and Viliam Krajcirovic;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6880. An act for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi;

H. R. 7084. An act for the relief of Yoshiko Ishii Teves;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman;

H. R. 7540. An act for the relief of Louise Peters Lewis; and

H. R. 7609. An act to grant a renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War.

EIGHTY-THIRD ANNIVERSARY OF ADMISSION OF NEBRASKA TO THE UNION—ADDRESS BY SENATOR WHERRY

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an address delivered by him at the founders' day celebration of the eighty-third anniversary of the admission of Nebraska to the Union at the Cornhusker Hotel, Lincoln, Nebr., March 21, 1950, which appears in the Appendix.]

AMERICAN FOREIGN POLICY—ADDRESS BY SENATOR KNOWLAND

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by Senator KNOWLAND at the Fourth Annual Philadelphia Bulletin Forum, held in Philadelphia on March 22, 1950, which appears in the Appendix.]

UNITED NATIONS AS BRIDGE TO ONE WORLD—ADDRESS BY CARLOS P. ROMULO

[Mr. IVES asked and obtained leave to have printed in the RECORD an address delivered by Carlos P. Romulo, President, fourth session, United Nations General Assembly, at the fifth high school forum, sponsored by the New York Herald Tribune, held in New York City on March 4, which appears in the Appendix.]

NATIONAL WILDLIFE RESTORATION WEEK—PROCLAMATION BY GOV. CHESTER BOWLES

[Mr. BENTON asked and obtained leave to have printed in the RECORD a proclamation by Gov. Chester Bowles, of Connecticut, in observance of National Wildlife Restoration Week, which appears in the Appendix.]

GOVERNMENT SPOKESMEN CONFUSED ON HOME NEED—ARTICLE BY GARRETT WINTER

[Mr. CAIN asked and obtained leave to have printed in the RECORD an article entitled "Government Spokesmen Confused on Home Need," written by Garrett Winter, and published in the New York World-Telegram and Sun of March 22, 1950, which appears in the Appendix.]

HOUSING FOR INDIANS—ARTICLE BY CARLYLE D. ONSRUD

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an article on the subject of housing for Indians appearing under the heading "Across the director's desk," written by Carlyle D. Onsrud, and published in the February 1950 issue of the North Dakota Welfare News and Views, which appears in the Appendix.]

THE INDIAN AS AN UNDEVELOPED RESOURCE—ARTICLE BY CARL F. FRYHLING

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an article entitled "An Undeveloped Resource—The Indian," written by Carl F. Fryhling, State director, North Dakota State Employment Service, and published in the February issue of the North Dakota Welfare News and Views, which appears in the Appendix.]

THE INVESTIGATION OF THE STATE DEPARTMENT—ARTICLE BY CONSTANTINE BROWN

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD an article regarding the investigation of the State Department, by Constantine Brown, published in the Washington Evening Star, which appears in the Appendix.]

DROWNING OUT THE NATION'S VOICE

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial entitled "Drowning Out the Nation's Voice," published in the Washington Post of March 23, 1950, which appears in the Appendix.]

EXTENSION OF FEDERAL OLD-AGE AND SURVIVORS' INSURANCE SYSTEM—STATEMENT BY NATIONAL BROTHERHOOD OF PACKING HOUSE WORKERS

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD a statement on House bill 6000, regarding extension and improvements in the Federal Old Age and Survivors Insurance System, made before the Senate Committee on Finance, by the National Brotherhood of Packing House Workers, which appears in the Appendix.]

IMPORTANCE OF TAX EXEMPTIONS FOR COUNTY FAIRS

Mr. WILEY. Mr. President, I am sure that there is no single Member of the Senate who is not aware of the tremendous significance of county fairs in the American way of life. I am sure that there is no single Member of the Senate who has not spent literally hundreds of pleasant and rewarding hours at these county business and agricultural meetings, which are so important as a means of entertainment, cultural improvement, educational value, social get-together, and for many other vital purpopes. Here at the county fairs, with their fine exhibits of arts and handicrafts, of foods and fibers, of home crafts, of local civic organizations, 4-H's, Scouts, farm and business groups; here where all other elements of community and county life are gathered, we can see America at work and at play.

It is ridiculous, therefore, that the Federal Government in peacetime should continue to tax the admissions to these county fairs.

I have this morning received a fine message from the secretary of the Wisconsin Association of Fairs, Mr. Douglas Curran, of Black River Falls, Wis. Mr. Curran conveys the judgment of the Wisconsin association on behalf of repeal of the nuisance admission tax on fairs.

I agree with him, of course, absolutely on this issue, particularly because, for over a year, I have been fighting to wipe out the nuisance admission tax not only on fairs, but on all other admissions, as well as excises on cosmetics, drugs, furs, jewelry, baby powders, dues, and hundreds of other items.

I believe, however, that at the very minimum, we ought to act without further delay along the lines suggested in Mr. Curran's letter. I ask unanimous consent therefore, that there be printed at this point in the body of the CONGRESSIONAL RECORD, the text of his expression.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: At a recent meeting of the Wisconsin Association of Fairs, the board went on record passing a resolution instructing the secretary of said association to so inform you as our senior Senator from Wisconsin that we and our Wisconsin fairs are much in favor of having the excise amusement tax on the outside gates of our fairs repealed. The average county fair of this State sends in between twelve and fifteen hundred dollars to the Treasurer of the United States each year, and with the income being lowered for farm products, I am quite sure that you will agree that our fairs can make use of this excise-tax money to a very good advantage in the upkeep and necessary improvements to the fairs.

We would appreciate your support to a bill to take the taxes on the outside gates off and tax exempt agricultural fairs.

Very truly yours,

DOUGLAS CURRAN,
Secretary.

SPRING'S CALL TO KANSAS—EDITORIAL FROM THE EL DORADO (KANS.) TIMES

Mr. DARBY. Mr. President, for a long time I have felt that the many endeavors and achievements of our great State of Kansas should often be called to the attention of the Nation. No more appropriate time for this recognition could be acknowledged than the awakening of spring upon a land so bountifully blessed by nature.

I consider it an honor to call the attention of my colleagues, and the other readers of the CONGRESSIONAL RECORD, to a masterful presentation of the spirit, pride, and progress within our great State of Kansas, written by a capable and distinguished editor—Mr. Rolla Clymer, of the El Dorado Times—entitled "Spring's Call to Kansas."

Therefore, I ask unanimous consent to have this excellent editorial inserted in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SPRING'S CALL TO KANSAS

Today marks the birth of spring—even though madcap March shows some unawareness of the fact—and all over Kansas land a surging stir is manifest. For this is the season of sowing, of awakening, and of renewed effort for sterling accomplishment here under the Sign of the Sunflower.

Kansas is not yet 90 years old, calculated by the date of her formal admission into the sisterhood of the States, yet has contrived to etch manifold achievements upon the consciousness of the Nation. She lies at that Nation's heart, her outline of the parallelogram sweeping upward and westerly from the valleys of the Missouri and the Kaw to the foothills of the Rockies.

Within her borders and from the wealth and variety of her soil a sturdy and self-reliant civilization has developed. Kansas has been endowed with a plenitude of what have aptly been called "plus factors," and these factors illumine the way as another vernal period dawns. Hearken to a partial list of them as buds burgeon on the branches of the cottonwood, the State tree, and while the meadowlark—the State's bird—begins to entertain first impulses toward her annual nesting.

Kansas long has been supreme as a grower of wheat. In other words, she produces sufficient of this grain to yield 50 loaves of bread a year for every American citizen. From her good earth spring two score agricultural products, she raises more cattle than 43 other States, and stands fourth in meat packing. No State mills as great a volume of wheat as she, while her blue-stem pastures provide some of the finest grazing lands in the world. The Big Beef Steer and his Little Red Sister comprise her true animal aristocracy, and these specimens of royalty stand knee deep in grass laced with the greatest variety of wild flower life to be found anywhere in the Republic. The farm and orchard domain of Kansas covers the magnitude of 52,000,000 acres, and she excels in such widely separated particulars as growing 90 percent of all apple seedlings in the United States and having this country's largest market for broom corn.

To this profuse agricultural array Kansas has welded a vigorous industrial empire from native resources—thereby bolstering her economy and assuring its long-time future. Thirty-one main types of products appear in her mineral field. The serried ranks of her oil derricks stretch away to the horizon in nearly two-thirds of her counties—and the State ranks fifth in production among the petroleum titans of the country. At Hugoton, she has the largest reserve of natural sweet gas in the world. Kansas stands third in zinc and sixth in lead output, and nearly 2,000,000 tons of coal roll out annually from her mines. Cement plants feed plentifully from her lime deposits, millions of tons of building stone and ballast pour from her quarries and she has enough salt to savor the Nation's diet for half a million years. Kansas ranks second in the Nation in highway mileage and fifth in miles of railroads. A huge stream of electric power flows from her 27 privately owned and 71 municipal plants. She is a leading builder of aircraft, numbers more flying farmers than any other State and provides more days suitable for flying than any other section of the country.

The most encouraging part of all this accounting is that Kansas keeps right on growing. While the percentage of increase of manufacturing workers in the United States during the period 1939–1948 went up 53 percent, the Kansas portion rose 92 percent. When retail sales in the country gained 211 percent during those years, Kansas hiked its total 307 percent. Again, as the national value of minerals produced in those years showed an upthrust of 56 percent, the Kansas gain zoomed to 86 percent. Likewise, Kansas per capita income increased 237 percent, against the national 162 percent; and Kansas bank deposits swelled 312 percent against 151 percent.

All these attainments did not "just happen," but came about both because of the richness of Kansas environment and the indomitable character of the State's people—many with pioneer background. Men and women are still living in Kansas today who saw the prairie broken—and who played important roles thereafter in the drama enacted upon its acres. They clearly perceived the challenge that was first laid down—and met it with courage and good will. Their course has been one of toil and perseverance—but they have seen it pay off with rich reward.

And now another spring smiles. All over Kansas the zestful urge that has animated her true-hearted sons and daughters all the way sends forth its tremors anew. Kansas'

achievement has been vast but much remains to be wrought. So the present stir of planting and dressing and garnishing moves with mighty purpose. In this year of the half-century, Kansas has reached a milestone which signifies no goal attained, but which serves only as a marker ordaining redoubled energies. Her eager spirit—kindred with her sunshine and prairie grass, her sheltered valleys and rolling high plains—shuts out complacency and self-content, because she "has no ruins grey that men revere; her time is now—her heritage is here."

THE PRICE-SUPPORT PROGRAM—RADIO BROADCAST BY M. W. THATCHER

Mr. YOUNG. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD, as a part of my remarks, a radio broadcast by Mr. M. W. Thatcher, general manager, Farmers Union GTA, on Tuesday, March 14, 1950.

Mr. Thatcher is to be congratulated on his alertness and his aggressive opposition to a program of the Commodity Credit Corporation which would do a grave injustice to farmers. It would, in effect, reduce wheat supports 5 percent, or approximately 10 cents a bushel, which, I believe, is completely contrary to farm price-support legislation.

Its adverse effects would fall more heavily on the small or tenant farmers, who usually do not have storage facilities. I congratulate Mr. Thatcher for his aggressive and effective campaign in opposition to this reversal of policy on the part of the Commodity Credit Corporation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The wheat farmer is in for a trimming on the support price for his 1950 wheat crop, if Commodity Credit Corporation has its way. This is how the farmer will be trimmed, unless we are able to force a change, and we've already started to work for the necessary changes. We are supported by the Farmers Union and the members of the National Federation of Grain Cooperatives.

The United States Department of Agriculture disclosed what it planned to do through the Commodity Credit Corporation on Monday. It made a very unfair decision. It announced that beginning with the 1950 crop all storage charges on wheat under loan must be paid for by the farmer. Under the present program the Government pays for the storage charges.

This means that if the new system is put into effect you farmers will have to pay the warehouse storage bill on wheat from harvest time until the Government actually takes title next spring. Furthermore, under this system, the farmer no longer will get a special 7 cents a bushel storage payment for holding surplus wheat, flaxseed, or soybeans in his own bins for delivery to the Government in the spring.

What that means is that the 1950 support price of 90 percent of parity will be effectively cut to 85 percent, a scale-down of 5 percent. That is because the warehousing storage charges on the 1950 crop will automatically be taken out of the loan when it is made. That means that you as a farmer will pay all of the costs of carrying the wheat under loan until May 1, 1951. In other words, what has happened is this: Your support price will not be on this year's basis, but as of May 1, 1951, which puts the cost of storage on you.

What is the effect of this? The wheat farmer pays it. He will pay out of his own pocket thirty to fifty millions of dollars. Who will benefit from this: Do you think the people who buy bread will benefit? Of course not. You can't express a drop of 10 cents to 12 cents a bushel—which is what the farmer faces—in a loaf of bread. The reason is simple. There are 62 loaves of bread out of a bushel of wheat. That simply means that the consumer will pay the same price for bread. If wheat is down, flour will be cheaper. That simply means the bakers will pocket the difference. They will profit from what the farmer loses. The difference comes out of the farmers' hides.

The action by the Commodity Credit Corporation is an unmoral, unethical thing. It violates the law which calls for 90 percent of parity support prices for wheat. It viciously violates the pronouncement by Secretary of Agriculture Brannan about keeping farm income at a fair level. It contradicts the statement on this matter by the President of the United States.

What are we going to do about it? You can be certain of one thing. GTA and the National Federation of Grain Cooperatives and the Farmers Union are in a finish fight. This is not only a matter of taking 10 cents a bushel away from the farmer, it is a matter of the Federal Government abiding by the law of the land, keeping its word. It is a matter of national principle.

We've already got in touch with the Secretary of Agriculture. We have urged him not to approve any such program. We emphasize that this matter of slashing support prices by round-about means is not the responsibility or the right of any Government functionary. Congress determines what the support price is by law. It stated that 90 percent of parity was a fair level for wheat.

It is not the right—and I even question the authority—of a Government functionary to issue an order that goes contrary to the law of the land. We're going to correct this flagrant violation. We're going to be on the job until we have it licked.

REPORT OF THE JOINT COMMITTEE ON THE ECONOMIC REPORT ON VOLUME AND STABILITY OF PRIVATE INVESTMENT (S. DOC. NO. 149)

Mr. O'MAHONEY. Mr. President, the last session of the Congress enacted Senate Concurrent Resolution 26, whereby the Joint Committee on the Economic Report was instructed to conduct, by subcommittees or otherwise, four important economic studies. The first of these had to do with monetary credit and fiscal policy; the second, with unemployment; the third, with studies of low-income families; and the fourth, with problems of investment.

I now transmit and offer as a Senate document the fourth of these reports, the last one, which is the report on the Volume and Stability of Private Investment, which contains only 32 pages, and which, therefore, under the rule, may, without reference to the Committee on Rules and Administration, be made a Senate document. I therefore ask unanimous consent that this report may be printed as a Senate document.

The VICE PRESIDENT. The report will be received and, without objection, printed as a Senate document.

Mr. O'MAHONEY. Mr. President, I should like to add with reference to this report that it is designed to suggest a program of action to support and expand the system of private property and competitive enterprise. No surer steps to strengthen democratic capitalism and the American economy in its struggle with conflicting economic and political systems can be taken than to foster a far greater degree of investment of private funds in the private ownership of concerns which are owner-controlled, and owner-managed. That is the road to an expanding economy of actually free private enterprise, free from control on the one hand by managers with little ownership interest, or, on the other hand, by Government managers with regulatory power.

I am advised, Mr. President, that this document can be procured from the Superintendent of Documents for a fee of 15 cents.

Mr. President, the evidence presented in the hearings before the Subcommittee on Investment emphasizes some of the most significant facts concerning the supply of funds for small independent business that have been brought to public attention in recent years. In the first place, the source and ownership of money available for investment have changed. Savings, which have reached an all-time peak, are now in the hands not of the very wealthy, but of a multitude of little people, each of whom has only a small surplus. No system in which they have confidence has been provided to channel their savings into what trade calls equity or venture capital.

In the second place, the expansion of the economy by the establishment of new enterprise is dependent not only upon securing capital but also upon securing adequate managerial skills. Not every person who desires to establish himself in business is capable of successfully managing a business or enterprise. Moreover, modern technology has produced new instruments which require a high degree of training and experience to use successfully. One of the primary recommendations of the committee, therefore, is to establish a system of capital banks which would be designed to provide a channel by which not only the savings of the individual can be directed to the support of new enterprise, but by which the enterprises can also be so scrutinized as to afford confidence that the managerial skills required for success will be available.

It is apparent from the hearings of this subcommittee that the investment processes in our economy have undergone a number of profound changes affecting all business, large, and small, in ways that must be clearly recognized and dealt with if the entire system of private property and competive enterprise is not to be prevented from operating as it can and should to sustain a strong, free, dynamic economy. There is reason to believe from the testimony which was given to the committee that there is a much better understanding now of the nature of the investment problem than ever before, and a much larger opportunity to secure united action among business leaders, financiers, and the owners of savings than was believed to be the case before these hearings were held.

The committee offers this report not in the belief that it covers the whole problem but that it provides a pattern which, if followed, will avoid an increasing dependence of the economy upon large, concentrated industry and upon government.

The committee recognizes that the problem of investment to support an

expanding economy cannot be successfully solved unless the system of taxation is speedily reformed. The great danger is that clamor for the repeal of burdensome taxes might deprive the Government of revenue which it must have to carry out those policies necessary for the preservation of a free world and a free economy. One of the major recommendations of the subcommittee, therefore, is for a thorough and systematic review of the present tax system, in order so to frame the tax laws as to provide the maximum incentives for the preservation and growth of a really free, privately owned and managed enterprise system.

This report is the third publication issued by the Subcommittee on Investment. The first was a committee print entitled "Factors Affecting Volume and Stability of Private Investment"—a collection of staff materials prepared for use in the subcommittee's hearings. The third was the volume containing the testimony taken by the subcommittee.

The submission of the report by the Investment Subcommittee brings to a close the series of publications issued by the various subcommittees appointed under Senate Concurrent Resolution 26, with the exception of a Handbook of Regional Statistics which has been prepared for the Subcommittee on Unemployment and will be available soon as a committee print. A complete list of all publications by the four subcommittees is appended for inclusion with this statement, and I ask that it be printed in the RECORD.

I have asked that whenever possible arrangements be made to have these publications put on sale by the Superintendent of Documents. Over 27,000 copies of the subcommittees' reports and hearings have already been sold, indicating the widespread interest among the press, schools, technicians, and the general public in these materials.

There being no objection, the list of publications was ordered to be printed in the RECORD, as follows:

PUBLICATION OF SUBCOMMITTEE DOCUMENTS
(UNDER S. CON. RES. 26)

SUBCOMMITTEE ON MONETARY, CREDIT, AND FISCAL POLICIES

Hearings on Federal Expenditures and Revenue Policies, September 23, 1949. (Containing National Planning Association reports prepared by Conference of University Economists.) Release date October 1949.

A Compendium of Materials on Monetary, Credit, and Fiscal Policies. (A collection of statements submitted to the Subcommittee on Monetary, Credit, and Fiscal Policies by Government officials, bankers, economists, and others.) (S. Doc. No. 132) ($1). Release date November 1949.

Hearings on Monetary, Credit, and Fiscal Policies (September 23, November 16, 17, 18, 22, 23, and September 1, 2, 3, 5, 7 1949.) Release date January 1950.

Monetary, Credit, and Fiscal Policies. (Report of the Subcommittee on Monetary, Credit, and Fiscal Policies.) (S. Doc. 129) (15 cents). Release date January 1950.

SUBCOMMITTEE ON LOW-INCOME FAMILIES

Low-Income Families and Economic Stability. (Materials on the problem of low-income families assembled by the staff of the Subcommittee on Low-Income Families.) Committee print. Release date November 1949.

Low-Income Families and Economic Stability. (Final report of the Subcommittee on Low-Income Families.) (S. Doc. No. 146) (15 cents). Release date March 1950.

Hearings on Low-Income Families (December 12, 13, 14, 15, 16, 17, 19, 20, 21, 22.) Release date March 1950.

SUBCOMMITTEE ON UNEMPLOYMENT

Employment and Unemployment. (Initial report of the Subcommittee on Unemployment.) Committee print. Release date July 1949.

Selected Government Programs Which Aid the Unemployed and Low-Income Families. (Materials assembled by the staffs of the Subcommittee on Unemployment and the Subcommittee on Low-Income Families.) Committee print. Release date November 1949.

Employment and Unemployment. (Report of the Subcommittee on Unemployment.) (S. Doc. No. 140) (30 cents). Release date February 1950.

Handbook of Regional Statistics. (Materials assembled by the staff of the Joint Economic Committee.) Committee print. Release date March 1950.

SUBCOMMITTEE ON INVESTMENT

Hearings on Volume and Stability of Private Investment, Part 1 (September 27, 28, and 29, 1949). Release date, November 1949.

Factors Affecting the Volume and Stability of Private Investment. (Materials on the investment problem assembled by the staff of the Subcommittee on Investment.) Committee print. Release date, October 1949.

Hearings on Volume and Stability of Private Investment, Part 2 (December 6, 7, 8, 9, 12, 13, 14, 15, and 16.) Release date, March 1950.

Volume and Stability of Private Investment. (Final report of the Subcommittee on Investment.) (15 cents.) Release date, March 1950.

OTHER RECENT COMMITTEE PUBLICATIONS

Highways and the Nation's Economy. (Materials assembled by the staff of the Joint Economic Committee.) (S. Doc. No. 145.) (20 cents.) Release date, January 1950.

Basic Data Relating to Steel Prices. (Materials assembled by the staff of the Joint Economic Committee for use in steel hearings.) Committee print. Release date, January 1950.

Hearings on December 1949 Steel Price Increases, Joint Committee on the Economic Report. Release date, March 1950.

Report on December 1949 Steel Price Increases, Joint Committee on the Economic Report. To be transmitted to Congress March 27, 1950.

Hearings on President's 1950 Economic Report, Joint Committee on the Economic Report. Release date, March 1950.

Economy of the South. (Report of the Joint Committee on the Economic Report on the Impact of Federal Policies on the Economy of the South.) Committee print. (25 cents.) Release date, July 1949.

CONFIRMATION OF NOMINATIONS IN ARMY, NAVY, AND AIR FORCE

Mr. TYDINGS. Mr. President, I send to the desk routine nominations in the uniformed service of the Army, Navy, and Air Force. The nominations are reported from the Armed Services Committee unanimously. They have been before the committee for 10 days, and no objections have been filed. I ask, as in executive session, that these nominations be confirmed and that the President be immediately notified.

Mr. WHERRY. Reserving the right to object, are these routine military promotions which periodically come about, to which there is no objection, the committee having passed on them unanimously, and are they being presented at this time to save printing bills?

Mr. TYDINGS. The Senator is correct.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Without objection, as in executive session, the nominations are confirmed; and, without objection, the President will be immediately notified.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

Mr. KEM. Mr. President, I address myself again to the pending measure, the so-called Kerr bill to amend the Natural Gas Act.

I invite the attention of the Senate to an important fact which so far has not received consideration in the discussion of the bill. That fact is that certain of the States producing natural gas in great quantities have recently undertaken to fix the price of such gas in the field, and to fix it "up." The States which have recently raised the price of gas through action of a State regulatory body are the States of Oklahoma and Kansas.

In Oklahoma, under date of January 17, 1950, the Supreme Court of Oklahoma, in a case entitled "Cities Service Gas Co. against Peerless Oil & Gas Co.," affirmed an order of the Corporation Commission of Oklahoma fixing a minimum price for the taking of natural gas from the Guymon-Hugoton Field in Oklahoma. The order issued by the commission set a bottom price of 7 cents per 1,000 cubic feet. Previously the average gas price in the Oklahoma portion of the field was 4 cents per 1,000 cubic feet. It has been said that this decision may mean millions of dollars more for owners in this field.

I ask unanimous consent to incorporate in the body of the RECORD as a part of my remarks the opinion of the Supreme Court of Oklahoma in the case of the Cities Service Gas Co. against Peerless Oil & Gas Co.

The VICE PRESIDENT. Is there objection?

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

IN THE SUPREME COURT OF THE STATE OF OKLAHOMA—CITIES SERVICE GAS COMPANY, A CORPORATION, PLAINTIFF IN ERROR, v. PEERLESS OIL AND GAS COMPANY, A CORPORATION, ET AL., DEFENDANTS IN ERROR, NO. 32994; PHILLIPS PETROLEUM COMPANY, A CORPORATION, PLAINTIFF IN ERROR, v. STATE OF OKLAHOMA, ET AL., DEFENDANTS IN ERROR, NO. 33006.

SYLLABUS

1. The grant of power to the corporation commission under 52 O. S. 1941, section 239,

to regulate the taking of natural gas from a common source of supply "so as to prevent waste, protect the interest of the public, and of all those having a right to produce therefrom," by necessary implication includes the power to employ such means as may be reasonably necessary to the accomplishment of the declared purposes and includes the power to fix a price consideration in the taking of gas when found necessary to the attainment of such ends.

2. The provisions of 52 O. S. 1941, section 233, give the corporation commission authority to fix the price at which natural gas may be produced and taken from the field, under the circumstances and in the manner therein stated.

3. Price control, like any other form of regulation, is unconstitutional only if arbitrary, discriminatory, or demonstrably irrelevant to the policy which the legislature is free to adopt, and hence an unnecessary and unwarranted interference with individual liberty. A price-fixing order of the corporation commission made pursuant to statute is to be tested by the same standards.

4. The due process and equal protection provisions of the Federal and State constitutions do not preclude the State, in the exercise of its power, to preserve the correlative rights of producers of natural gas from a common reservoir, from requiring one either to shut down its wells or take ratably from the other producer who has no outlet and pay the established field prices for the gas so taken, such being but a practical or feasible alternative consistent with production by both to protect the one from drainage by the other.

5. The commerce clause of the Federal Constitution does not preclude the State in the production of local interests from fixing a uniform minimum price consideration as a condition of the taking of natural gas from a common reservoir because a producer therefrom will in the normal course of business sell and deliver gas in interstate commerce. The regulation is imposed before the operation of interstate commerce occurs.

Appeal from order of Corporation Commission of Oklahoma fixing a minimum price consideration in the taking of natural gas from the Guymon-Hugoton field in Oklahoma, and from order for ratable taking of gas made in favor of the Peerless Oil & Gas Co. The Cities Service Gas Co. appeals. The Phillips Petroleum Co. appeals.

Affirmed.

Glenn W. Clark, R. E. Cullison, and Joe Rolston, Jr., Oklahoma City, Okla., for Cities Service Gas Co.

Don Emery, Rayburn L. Foster, R. B. F. Hammer, Harry D. Turner, and R. M. Williams, for Phillips Petroleum Co.

Earl Pruet, Oklahoma City, for Peerless Oil & Gas Co. and Texas County Land Royalty Owners Association.

Richardson, Shartel, Cochran & Pruet, of counsel.

Mac Q. Williamson, Floyd Green, Earl Pruet, and W. D. McBee, for defendants in error.

Floyd Green, John Blanton, and Charles F. White, for State of Oklahoma.

W. D. McBee, for commissioners of the land office.

T. Murray Robinson, amicus curiae.

Robinson, Shipp & Roberson, of counsel.

Welch, judge.

Peerless Oil & Gas Co., owner of a gas well and certain oil and gas leases on lands located in the Guymon-Hugoton gas field in Texas County, filed with the corporation commission an application for an order requiring Cities Service Gas Co. to connect its pipe line to the gas well and take and receive the natural flow of gas from the well ratably within its taking of gas from other wells of the field, and further that the commission fix the price at which said gas should be taken and fix the price for all natural gas produced in the Guymon-Hugoton gas field in Oklahoma. Peerless alleged drainage by Cities Service and failure of agreement with Cities Service for the taking of gas from its well, and particularly a disagreement as to the price for the gas.

Cities Service filed answer admitting its ownership of a pipe-line system and that it was taking gas from the field through its lines and stated an offer to take gas from the Peerless wells ratably with its taking of gas from other wells in the field and at the average price paid for gas in the field. Cities Service alleged a usage of its pipe line in the furtherance of a business of producing natural gas for transportation and sale in interstate commerce and asserted that the corporation commission was without power or authority to regulate its facility and business, and particularly, to order the price and terms for taking or purchasing gas in the field.

After hearing of the Peerless application had commenced the corporation commission permitted the State of Oklahoma, on relation of the commissioners of the land office, to file petition in intervention. The land office alleged ownership in trust for the State of a large acreage of land in the gas field and surrounding areas. It asserted that monopolistic price and arbitrary measurements for gas prevailed in the field, and was resulting in dissipation and exhaustion of gas from the common source of supply at a fraction of its intrinsic value, and that such taking was resulting in wanton economic waste. The land office prayed that the corporation commission fix a minimum price and a certain standard of measurement applicable to all gas in the field and to be applied upon its removal from the natural reservoir.

The commission published notice of the time and place of a hearing to be held upon the land office petition, with invitation to all persons interested to appear and be heard. The notices were directed to certain named companies and to all operators, purchasers, and takers of gas in Oklahoma, and particularly in Guymon-Hugoton Field in Texas County, Okla.

In the course of the proceeding a petition was filed requesting the commission to fix a minimum price for gas in the field signed by several persons as royalty owners and under a designation as members of the Texas County Land and Royalty Owners' Association.

The commission, after the series of hearings above mentioned, and after hearing testimony from witnesses presented by Peerless, the land office, Cities Service, and the testimony of various other persons, entered a general order that on and after a certain future date, therein mentioned, "no natural gas shall be taken out of the producing structures or formations in the Guymon-Hugoton Field in Texas County, Okla., at a price at the wellhead of less than 7 cents per thousand cubic feet of natural gas measured at a pressure of 14.65 pounds absolute pressure per square inch." The commission issued a further order to become effective on the same date directed to Cities Service ordering that company to take gas from the Peerless wells ratably with its taking from other wells in the field and as ratable taking is prescribed in a certain former general order of the commission, and that Cities Service pay the Peerless for the gas so taken not less than 7 cents per thousand cubic feet wellhead price measured at a pressure of 14.16 pounds pressure per square inch.

Subsequent to the effective date of these orders Phillips Petroleum Co. filed an application to vacate or modify the price-fixing provision of the orders. After a hearing wherein evidence was introduced, the Commission entered an order denying the application to vacate.

Cities Service appeals from the two price-fixing orders. Phillips appeals from these orders and from the order denying its application to vacate.

During the pendency of the Peerless application Cities Service entered into an agreement for a ratable taking of gas from the Peerless wells by Cities Service, leaving unsettled the price to be paid for the gas.

The primary question presented in these appeals arises from the order of the Commission fixing a minimum price on natural gas in the field.

Cities Service presents argument under the following statements:

"1. No constitutional or statutory power is granted Commission, either expressly or by necessary implication, to fix by general order the price or other terms for taking or purchasing natural gas in the field.

"2. 52 O. S. 1941, section 233, purporting to authorize Commission in case of dispute to fix price and other terms for taking or purchasing natural gas as between individual parties, is unconstitutional because:

"(a) It sets forth no policy or standard to guide Commission in acting thereunder (arts. IV and V, Oklahoma Constitution);

"(b) It violates the equal protection clause of the Federal Constitution (sec. 1, art. XIV, U. S. Constitution); and

"(c) It violates the due-process clauses of the Oklahoma and Federal Constitution (sec. 7, art. II, and fourteenth amendment; as well as secs. 2 and 23, art. II, Oklahoma Constitution, and sec. 59, art. V, Oklahoma Constitution).

"3. If this Court should hold Commission under existing law is either expressly or impliedly granted natural-gas price-fixing powers under some conceivable circumstances, the same are unconstitutional as applied herein because:

"(a) Price fixing has no reasonable relationship to waste, protection of correlative rights, or conservation of natural resources;

"(b) It casts a burden on, impedes and impairs interstate commerce in violation of the commerce clause of the Federal Constitution (clause 3, sec. 8, art. 1); and

"(c) It denies Cities due process and the equal protection of the law (fourteenth amendment, Oklahoma constitution).

"4. If this court should hold commission is under present laws granted constitutional or statuory price-fixing powers, then existing laws are not self-executing but require commission, in advance of an attempt on its part to enforce the taking or purchasing of natural gas, to specify with clarity and particularity the elements constituting the basis of such taking or purchasing so as to enable the parties concerned to effectuate fully and fairly a completed contract.

"5. If this court should hold commission is granted under present laws constitutional and statutory price-fixing powers and existing laws are self-executing, then commission in exercising its authority thereunder is confined to ascertaining and applying the going or market price and other nondiscriminatory equitable terms for taking or purchasing natural gas prevailing in the field.

"6. The orders of the commission are void because of vagueness, indefiniteness, and uncertainty.

"7. Commission erred in denying Cities' motions and demurrers;

"(a) Motion to allow inspection and copy of certain records and documents of Peerless material to judicial phase of case;

"(b) Demurrer, motion to dismiss, and motion for judgment in judicial phase of the case;

"(c) Combined demurrer, motion to dismiss, and motion for judgment in the legislative phase of the case;

"(d) Motion to set aside findings of fact and conclusions of law in order entered by commission in judicial phase of the case and substitute therefor certain findings of fact and conclusions of law submitted by Cities and for judgments;

"(e) Motion for new trial in judicial phase of the case.

"8. The findings and orders of commission are not supported by substantial, competent evidence and are contrary to the undisputed evidence.

"9. Commission failed to grant Cities a fair and impartial trial and hearing in accordance with the due-process clauses of the Oklahoma and Federal Constitutions (sec. 7, art. II, bill of rights, Oklahoma Constitution; sec. 1, art. XIV, United States Constitution):

"(a) By refusing to inform Cities in advance of the trial of the case what rules of practice and procedure would be applied by Commission at the hearing thereof;

"(b) By allowing the misjoinder of judicial and legislative matters;

"(c) By erroneously consolidating judicial and legislative matters;

"(d) By erroneously allowing Land Office to file petition in intervention and intervene in the case;

"(e) By allowing a private citizen to make a statement and speech to the Commission during the course of the trial;

"(f) By conducting a plebiscite of land and royalty owners while case was in hearing;

"(g) By filing petitions with Federal Power Commission while trial was in progress stating Commission was interested in increasing price of natural gas;

"(h) By allowing Commission's conservation attorney to participate and take an active part in trial of private dispute between Peerless and Cities;

"(i) By admitting incompetent and hearsay evidence and testimony;

"(j) By refusing to segregate and separate the evidence of Peerless, Land Office, and others at the close of their testimony so Cities could know what evidence pertained to the judicial phase of the case and what evidence pertained to the legislative phase of the case;

"(k) By Commission's refusing to recognize, apply, and abide by its own subsisting orders."

Since 1913, Laws 1913, chapter 198, sections 1, 2, 3, 52 O. S. 1941, sections 231, 232, 233, the statutes of this State have provided that owners might take, from a common source, amounts of gas proportionate to the natural flow of their respective wells, but not more than 25 percent of that natural flow without consent of the corporation commission; that any person taking gas from a gas field, except for certain specified purposes "shall take ratably from each owner of the gas in proportion to his interest in said gas, upon such terms as may be agreed upon between said owners and the party taking such, or in case they cannot agree at such a price and upon such terms as may be fixed by the corporation Commission."

Obviously, the protection of the interest of all owners of the gas is the intent of the statute and such is the standard of guidance to the corporation commission acting thereunder.

Various types of State regulatory schemes providing for ratable taking and designed to protect the coequal rights of the several owners of common source of supply have been sustained. (*Ohio Oil Co.* v. *Indiana* (177 U. S. 190, 44 L. ed. 729, 20 S. Ct. 576); *Bandini Petroleum Co.* v. *Superior Court* (284 U. S. 8, 76 L. ed. 136, 52 S. Ct. 103, 78 A. L. R. 826); *Patterson* v. *Stanolind Oil & Gas Co.* (182 Okla. 155, 77 F. (2d) 83); *Patterson* v. *Stanolind Co.* (305 U. S. 376, 83 L. ed. 231, 59 S. Ct. 259).) In *Republic Natural Gas Co.* v. *State et al.* (198 Okla. 350, 180 P. (2d) 1009), an order of such an effect by the corporation commission was sustained.

In reference to provisions of section 233, supra, and an order of the corporation commission made pursuant thereto requiring producer of gas to take ratably from well of another producer in the field, it was held that a foreign corporation obtaining permission to do business and produce natural gas in this State may not question constitutionality of the statute. The decision of this court affirming the commission was appealed to the United States Supreme Court. *Republic Natural Gas Co.* v. *State et al.* (334 U. S. 62, 92 L. ed. 1212). That Court held, in an opinion by Justice Frankfurter, that by reason of matters left open by the commission's order, this court's judgment lacked the finality requisite to a review there. In the majority opinion reference is made to the order of the commission as going no further than to require ratable taking of gas and the probability that the commission will be later asked to determine specific terms of the taking, including the price to be paid for the gas. Reference is made to price fixing as being inherently provocative of constitutional claims and to the probability of additional Federal question arising out of the controversy. Four members of the Court joined in dissent. In a dissenting opinion by Justice Rutledge containing a discussion of the case on the merits, it is said:

"In a line of cases beginning a half century ago with *Ohio Oil Co.* v. *Indiana* (177 U. S. 190, 44 L. ed. 729, 20 S. Ct. 575), this Court has upheld various types of State regulatory schemes designed to prevent waste and to protect the "coequal rights" of the several owners of a common source of supply. Those cases clearly recognize that the State regulation may be justified on alternative grounds, either to prevent waste or to adjust private correlative rights."

After stating a conclusion that a State may require ratable taking in the preservation of correlative rights in a common source of supply, it was further said:

"The remaining narrow issue is whether the most practical method of achieving a fair accommodation of the correlative rights of the parties is invalid because Republic is required to take and to pay for gas that it does not want, at least does not want if it must pay for it." * * *

"The fact that Republic is compelled either to purchase Peerless" gas to carry it to market and account for the profits does not make the regulation unreasonable. If that were the sole cause for complaint the State could take the more drastic step of requiring all the well owners to shut down completely until all were able to produce on a ratable basis or came to some agreement effective to make this possible. It is clearly within the State's power to require Republic to compensate Peerless for the gas drained from under the Peerless land. (*Patterson* v. *Stanolind Oil & Gas Co.* (305 U. S. 376, 83 L. ed. 231, 59 S. Ct. 259).) Here, instead of requiring Republic to make a cash payment based on the estimated amount of drainage, the commission has selected what is unquestionably a more accurate method of adjusting the correlative rights. Even if it could be assumed that this method imposed a somewhat heavier burden on Republic than possible alternatives, it does not follow that the method selected by the Commission is unconstitutional. For we have constantly recognized the propriety of allowing wide discretion to the administrative agencies who are best qualified to select the most reasonable solutions to the thorny problems that accompany regulation in this highly technical field. (*Railroad Commission* v. *Rowan & N. Oil Co.* (310 U. S. 573, 84 L ed. 1368, 60 S. Ct. 1021).) Keeping in mind the fact that property law is peculiarly a matter of local concern, the special difficulty of defining and regulating property rights in natural gas, the respect due to experts in this field, and the rather unusual facts this record presents, I cannot say that the State is without power to enter this order.

"It is suggested that the order, since it includes the requirement of purchase and not merely of transportation and accounting for profits, becomes invalid because it shifts from Peerless to Republic the business risk incident to ownership and sale of the gas. Possibly this might furnish a more serious basis for objection in materially different circumstances. But, apart from what has already been said, in those now presented I conceive no substantially greater harm to be possible from the orders' operation than depriving Republic of the rights to drain gas from beneath Peerless' lease without liability to pay for the gas so drained.

"This assumes that if the parties should be unable to agree upon terms the Commission will fix them in a manner taking due account of prevailing market conditions relevant to the price to be paid, as well as reasonable compensation for the use of Republic's facilities. With those limitations properly applied, it is hard to see what great business risk will be shifted to Republic. For, as we have already noted, the commodity is one not subject to storage, must be sold as soon as it is transported to the point of consumption, and therefore cannot be subject to possible wide fluctuation in selling price between the times of purchase and sale by Republic."

We think it clear that the due process and equal protection provisions of the Federal and State Constitutions do not preclude the State, in the exercise of its power to preserve the correlative rights of producers of natural gas from a common pool, from requiring one either to shut down its wells or take ratably from the other producer who has no outlet under such terms as the parties may agree upon; or in default of agreement, to take upon such terms and price as may be fixed by the corporation Commission consistent with equality in returns for gas taken in the field. Such device is but a practical or feasible alternative consistent with production by both to protect the one from drainage by the other.

The Commission's order, made under the provisions of section 233, supra, directing that Cities Service as a condition of its further taking of gas from the field, should take ratably from the wells of Peerless, is readily sustainable. The portion of the order directing payment for the gas so taken at not less than 7 cents per thousand cubic feet at the wellhead rests upon the Commission's general order prohibiting the taking of gas from the producing structures or formations in the field for a price at the well head of less than 7 cents per thousand cubic feet.

In 1915 provision was made for regulation of the extraction of natural gas not only to prevent excessive drainage as between producers, but for the prevention of waste and for the protection of the interest of the public and the interest of all those having a right to take from a common reservoir.

It was provided (Laws 1915, ch. 197, sec. 4, 52 O. S. 1941, sec. 239) that when the full production from a common source of supply of natural gas is in excess of the market demands, a producer from such common source of supply may take therefrom only such proportion as may be marketed without waste, and in such proportion as the natural flow of the well or wells of such producer bears to the total natural flow of the field, having due regard to the acreage drained by each well; provided that the Corporation Commission may permit the taking of a greater amount whenever it shall deem such taking reasonable or equitable. The statute provides that "the said Commission is authorized and directed * * * to regulate the taking of natural gas from any or all such common sources of supply within the State, so as to prevent waste, protect the interest of the public, and of all those having a right to produce therefrom, and to prevent unreasonable discrimination in favor of any one source of supply as against another."

The succeeding section 240 provided as follows:

"Every person, firm, or corporation, now or hereafter engaged in the business of purchasing and selling natural gas in this State, shall be a common purchaser thereof, and shall purchase all of the natural gas which may be offered for sale, and which may reasonably be reached by its trunk lines, or gathering lines without discrimination in favor of one producer as against another, or in favor of any one source of supply as against another save as authorized by the Corporation Commission after due notice and hearing; but if any such person, firm, or corporation shall be unable to purchase all the gas so offered, then it shall purchase natural gas from each producer ratably. It shall be unlawful for any such common purchaser to discriminate between like grades and pressures of natural gas, or in favor of its own production, or of production in which it may be directly or indirectly interested, either in whole or in part, but for the purpose of prorating the natural gas to be marketed, such production shall be treated in like manner as that of any other producer or person, and shall be taken only in the ratable proportion that such production bears to the total production available for marketing. The Corporation Commission shall have authority to make regulations for the delivery, metering, and equitable purchasing and taking of all such gas and shall have authority to relieve any such common purchaser, after due notice and hearing, from the duty of purchasing gas of an inferior quality or grade. (Laws 1915, ch. 197, sec. 5.)"

Obviously the impelling reason for discrimination in the taking of gas from one source of supply as against another rests in economic consideration and it is obvious that a practical and ready means of preventing such discrimination appears with control of the price of gas at its original source, or at the wellhead in each of the particular fields. Reference to protection of the interest of all those having a right to produce gas from a common source of supply directs attention to the owners of the land overlying the gas and such interests as they have conveyed. Doubtless because of the technical and financial requirements in taking gas from its natural place, it has long been the general practice of landowners to lease the privilege of taking gas from under their lands and usually in consideration of a royalty of one-eighth or a particular part of the gas so taken or its equivalent marketed. Because of such technical and financial requirements in the development of a gas field, and necessary to the marketing and commercial use of gas, landowners are usually compelled to enter into such leasing arrangements as the only means of securing an exploration and development of their gas resources. In the very nature of the product, landowners cannot accept delivery of gas so produced but must trust to producers for a proper handling of their share of the production. Such reserved or royalty interests are transferable and oftimes are sold in whole or in part.

As suggested by Justice Rutledge in *Republic Natural Gas Co.* v. *State,* supra:

"Natural gas in place is volatile and fugitive, once a single outlet is opened. When extracted it cannot be stored in quantity but must be marketed ultimately at burner tips in the time necessary for conveyance to them from the well mouth. The competitive struggle for the industry's rewards is particularly intense in the initial stage of developing a field. By the industry's very nature, large outlays of capital are required for successful continuing production and marketing. All those factors, however, tend toward monopoly once success has been achieved in a particular field.

"These peculiar qualities, moreover, have been reflected in the legal rights relating to the ownership of gas in place, as well as its extraction. They have been adapted to its nature and to that of the competitive struggle regarding it. Only a specialist in this branch of the law, which varies from State to State, can undertake to say with any reliable degree of precision what rights may be in particular situations. These difficulties, intensified by the competitive struggle for the product and the inadequacy of common-law ideas to control it, have forced both the States and the Federal Government to adopt extensive regulatory measures in recent years. This has been necessary both to conserve the public interest in this rapidly depleting natural resource and to secure fair adjustment of private rights in the industry. Rather than being a sacred, untouchable enclave of the common law, the field by its very nature lends itself especially to governmental intervention for such purposes."

It is readily conceivable that in the course of development of a particular gas field, the ownership of producing and marketing facilities might become such, or be so combined, as to permit monopolistic practices. Under the circumstances prices for gas might be established having no relation to the market value of gas prevailing throughout the natural-gas industry, and in other fields of commensurate development costs, and having no relation to the market value of other natural resources and products in competitive usage. On the other hand, a like result might obtain from economic warfare between competing producers and marketers. Under either of such circumstances prices might be so reduced that landowners or royalty holders or particular leaseholders would have their interests in the gas exhausted, dissipated and taken, without having received any reasonable compensation, and each suffer waste of a valuable reversion.

Likewise the taking of gas under such circumstances would be inimical to the public interest. Like other natural resource, the subject of private ownership and exploitation, natural gas is a taxable resource. The tax is applied to the gross production and finally measured by the market value or price of the thing produced or reduced to personal possession. The taking of gas from a field, when the taking price of the gas is substantially lower than the price prevailing in other gas fields having commensurate production costs, and at prices having no relation to the market value of other of the natural resources of competitive usage, leads to an exhaustion of such gas without it having borne its fair share of taxation.

Natural gas being exhaustible and of various valuable usage, the public interest extends to its conservation. Undoubtedly the price at which gas may be obtained has an influence upon the ultimate purpose for which gas may be taken and used, and when the price for gas is substantially lower than its intrinsic value or lower than the market price of products of similar usage, a wasteful use of the gas is apt to occur.

The relationship of price to conservation is suggested in the following expression from the concluding paragraph of the opinion in *Quinton Relief Oil & Gas Co.* v. *Corporation Commission* (101 Okla. 164, 244 Pac. 166):

"Natural gas has twice the heating units of artificial gas, and taking into consideration the convenience of natural gas, it is intrinsically worth more than artificial gas; its market value being from $2 to $3 per 1,000 cubic feet. The amount of carbon black produced from 1,000 cubic feet of natural gas has a market value of about 10 cents. It, therefore, is obvious that the State, in the proper exercise of its police power and in conservation of so valuable a natural resource as natural gas, may prohibit the wasteful utilization of the same in the interest of the public welfare."

The impelling reason for or cause of discrimination in the taking of gas from one source of supply as against another, and the dilemma of the landowner growing out of private contract for the sale of gas without his interest being represented, is suggested in the following expression found in *Oklahoma National Gas Corp.* v. *State, et al* (161 Okla. 104, 17 p. 2d 488):

"It would be a very efficient scheme to circumvent the proration law for a purchaser of gas operating by pipe line which it has to have in order to successfully handle gas, to take more gas in one place on a low cost than a rival operating on a higher purchase cost depending on contract, and by a system of reciprocity, allow its competitor in another pool to take more on the cheap rate. Thus it would be to the advantage of the friendly pipe lines, and very much to the disadvantage of the unsuspecting landowner. Hence the necessity for putting somewhere the power to get a check upon this and as far as possible prevent it and equalize." We are of the opinion that such considerations as above discussed occupied the legislative mind and motivated the enactment of the 1915 act. In the 1915 act the grant of power to the Corporation Commission to regulate the taking of natural gas from any source of supply, so as to protect the interest of all those having a right to produce therefrom, by necessary implication, includes the power to fix a minimum price on the gas as a condition of the taking, when found reasonably necessary to the accomplishment of that purpose. Likewise the grant of power to regulate, with directions that such power be exercised so as to prevent waste and protect the interest of the public, necessarily implies a power to fix prices as a condition of the taking of gas when otherwise, and because of prevailing prices, the public interest might suffer.

It is well settled that the State in exercise of its police power may regulate the taking of natural gas in the protection of the public interest and in preservation of private correlative rights. *Quinton Relief Oil & Gas Co.* v. *Corp. Comm.,* supra; *Patterson* v. *Stanolind Oil & Gas Co.* (182 Okla. 155, 77 Pac. (2d) 83) and *Republic Natural Gas Co.* v. *State,* supra.

Such policy of the law-making body of the State is expressed in the 1915 act. In the nature of the subject matter the legislature was compelled to leave to another agency of the State the duty of bringing about the result pointed out by the statute. As has been noted, under section 239, supra, the Commission is charged with the duty of regulating the taking of gas from a common source of supply. The standard to guide the Commission in acting thereunder is the prevention of waste, the protection of the interest of the public, and the protection of the interest of all those having a right to produce from such common source of supply. There is no invalid delegation of power by reason of uncertainty in the stated criterion and the act does not confer arbitrary and uncontrolled powers. The price-fixing feature of the Commission's order is but a means of securing the purpose for which the act was passed, or is the instrumentality employed by the Commission to carry out the legislative will and it is limited in its use to the effecting of the expressed purpose. The validity of the order rests in its reasonableness and relevancy to the policy the legislature was free to adopt.

As was stated in *Nebbia* v. *New York* (291 U. S. 502, 78 L. ed. 940):

"Price control, like any other form of regulation, is unconstitutional only if arbitrary, discriminatory, or demonstrably irrelevant to the policy of the legislature is free to adopt, and hence an unnecessary and unwarranted

interference with individual liberty." (See *Herrin* v. *Arnold* (183 Okla. 392, 82 P. (2d) 977).)

The Commission had before it the sworn testimony of persons who stated they were engineers of long experience in the production and marketing of natural gas. These witnesses gave testimony to the effect that studies had been made of the character of the natural gas in the Guymon-Hugoton field, and that studies had been made of the intrinsic value of natural gas or the value of gas as compared to the market value of other fuels in the relation to the heat units each would produce. With these factors considered, it was stated that the commercial heat value of the gas in the Guymon-Hugoton field, tested with consideration to its delivery and sale at a certain central point of commercial usage, and with subtraction of nominal transportation costs to such central point of commercial usage, is in excess of 10 cents per 1,000 cubic feet.

It was stated that large blocks of acreage in the Guymon-Hugoton field are under lease to a comparatively few companies who own the only pipe-line outlets from the field, and that competition in the price of gas is not an element in the taking of gas in the field; that the gas is being taken from the field at prices at the wellhead ranging from 3.6 cents to 5 cents per 1,000 cubic feet measured on a basis of 2 pounds pressure per square inch above atmospheric pressure; that gas is being taken from the field and sold away from the field under unit of measurement of less than 2 pounds above atmospheric pressure. Various opinions were expressed by these witnesses who related long records of experience in the gas industry. It was stated that taking of gas from the field at prices of 3.6 cents to 5 cents per 1,000 cubic feet constituted economic waste and that such prices were conducive of physical waste and that to prevent economic and physical waste the minimum price for gas in the field should be 10 cents per 1,000 cubic feet.

An employee of the State school land commission gave testimony to the effect that the State owned 49,600 acres of land located in Texas County, 30,160 acres of which was under lease with 6,099.92 acres being held as producing leaseholds; that the Land Office was receiving royalty from such productions on the basis of 4 cents per 1,000 cubic feet for gas at the wellhead, and in some instances on the basis of 5 cents at the wellhead and that one producer from a large acreage was offering to pay 3.34 cents.

The testimony abundantly supports a conclusion that the condition under which gas is being taken from the field is injurious to the interest of the public at large, and inimical to the interest of a substantial group such as landowners and others and is resulting in economic waste and conducive to physical waste. The testimony demonstrates that the price fixed as a condition of the further taking of gas from the field is reasonable and not beyond the requirements of the situation sought to be corrected, and will not result in discrimination.

The corporation commission has heretofore exercised its power of fixing prices at which natural gas may be produced and taken. As early as 1920, after the prescribed notice and hearing, the Commission fixed the price of 9 cents per 1,000 cubic feet for gas in the Cushing field. And in 1944, acting specifically in view of the national emergency, the Commission after notice and hearing, authorized the taking of natural gas for the manufacture of carbon black, but fixed the price to be paid for the gas so produced and used. And it was specified that the continued effectiveness of the permit should depend on the maintaining of the fixed price.

In this connection we observe the following demonstrations of a well-known rule of construction. In *Foot* v. *Town of Watonga* (37 Okla. 43, 130 Pac. 597 (598)) this court said:

"The construction placed on statutes or constitutional provisions by officers in the discharge of their duties, either at or near the time of the enactment, which has been long acquiesced in, is a just medium for its judicial interpretation."

And in *New Block* v. *Bowles* (170 Okla., 487, 40 Pac. (2d) 1097 (1101)) this court said:

"In *McCain* v. *State Election Board et al.* (144 Okla. 85, 289 Pac. 759, 760) this court said: 'The construction which has been placed upon a statute by the officer or governmental department charged with the carrying out of the provisions of the law is to be accorded due consideration by the courts in construing the statute.' To the same effect is the holding of this court in *Leininger et al.* v. *Ward Beekman & Brooks, Inc.* (139 Okla. 292, 282 Pac. 467); *Glasco* v. *State Election Board et al.* (121 Okla. 119, 248 Pac. 642); *Foot et al* v. *Town of Watonga* (37 Okla. 43, 130 Pac. 597)."

And in *Washington County* v. *State Tax Commission* (133 Pac. (2d) 564 (568)) this court said:

"It is a general rule that contemporaneous construction by the department of government specifically delegated to carry out a provision of the Constitution raises a strong presumption that such construction, if uniform and long acquiesced in, rightly interprets the provision. * * * While such construction is not conclusive upon the courts, it is entitled to the most respectful consideration. *Wells Fargo Co.* v. *Harrington* (54 Mont. 235, 169 Pac. 463, 466)." See also *League* v. *Town of Taloga* (35 Okla. 277, 129 Pac. 702); *Williams* v. *Continental Construction Co.* (168 Okla. 510 34 P. (2d) 254).

In *Great Northern Life Insurance Company* v. *Read* (136 Fed. (2) 44) in construing a statute of Oklahoma, the Tenth Circuit Court of Appeals said:

"It is clear, under the Oklahoma statutes, that the license of a foreign insurance company expires on the last day of February next after its issue. Article XIX of the Oklahoma constitution and the Oklahoma statutes, hereinabove referred to, permit the construction that the payment of the gross-premiums tax on or before the expiration of the license year on the last day of February is exacted for the privilege of doing business in the State during that license year and as a condition precedent to the issuance of a license for the ensuing year. Such has been the uniform and long-continued construction of the executive department charged with the administration of the statutes. The long-continued construction of a statute by a department of the government charged with its execution is entitled to great weight and should not be overturned without cogent reasons. The legislature of Oklahoma has convened many times during this period of administrative construction without expressing its disapproval. That silence may be regarded as acquiescence in or approval of the administrative construction. Similar statutory provisions have been so construed."

Cities Service contends the order appealed from impedes and impairs interstate commerce in violation of the commerce clause of the Federal Constitution. In *Interstate Natural Gas Company* v. *Federal Power Commission* (67 S. Ct. 1482, 331 U. S. 682, 91 L. ed. 1742), in a case involving the jurisdiction of the Federal Power Commission, we note this expression:

"In denying the Federal Power Commission jurisdiction to regulate the production or gathering of natural gas, it was not the purpose of Congress to free companies such as petitioner from effective public control. The purpose of that restriction was, rather, to preserve in the States powers of regulation in areas in which the States are constitutionally competent to act. * * *

"Clearly, among the powers thus reserved to the States is the power to regulate the physical production and gathering of natural gas in the interest of conservation or of any other consideration of legitimate local concern."

Here the Corporation Commission has fixed a minimum price for gas in a natural common reservoir; such price to be applied at the wellhead as a condition of the taking. The regulation applies to the production of natural gas and though it results in an incidental effect upon the sale price for gas after the gas has been reduced to possession, the subsequent sale of the gas for delivery into another State does not brand the Commission order as a regulation of interstate commerce. The regulation is imposed before any operations of interstate commerce occur. In *Parker, Director of Agriculture et al.* v. *Brown* (317 U. S. 341) it is said:

"No case has gone so far as to hold that a State could not license or otherwise regulate the sale of articles within the State because the buyer, after processing and packing them, will, in the normal course of business, sell and ship them in interstate commerce."

We do not perceive that the commerce clause of the Federal Constitution precludes the State in the protection of local interests from fixing a uniform minimum price consideration as a condition of the taking of natural gas from a common reservoir because a producer therefrom may have contracted or will contract for sale and delivery of his share of the production outside the State, or because a purchaser from such producer will sell and transport the gas in interstate commerce.

The general order of the Commission fixing the minimum price for gas taken from the field as a part of the order requiring Cities Service to take ratably from the Peerless wells and as applied to Cities Service has the effect of requiring Cities Service to take ratably from Peerless and pay for the gas so taken at a price equal to the minimum price it must obtain for gas from its own wells offered at the well. If it may be said that under the price-fixing order, Cities Service with ownership of pipe-line facilities, might take gas from its own wells and after payment of public charges and royalty claims on the gas on a basis of the minimum price fixed by the State, run the gas across the State line and therewith profit make disposition of the gas at prices below the minimum fixed by the State, it does not follow that it has a right to use its pipe-line facilities to gather gas from other wells on such basis, in otherwise disregard of price regulations, or that it may so use its wells as to effect a drainage from others without liability having relation to the price regulation.

Undisputedly, the production from the Cities Service wells was resulting in drainage of the area where the Peerless wells were located and Cities Service offered to take ratably from the Peerless wells with its taking from its own wells. The effect was an offer to take the gas at the average price prevailing in the field, or on the terms of a "common purchaser" of gas in the field. Cities Service suffered no prejudice to its rights in the fact that the Commission saw fit to investigate field conditions after dispute has arisen growing out of drainage from Peerless wells, or in the fact that a fixed price for gas was established. The order prohibiting Cities Service from taking gas from its wells except that it take ratably from the Peerless wells, insofar as it fixes the price for the gas so taken, is the same as that required of any purchaser of gas from the field. There occurs no greater invasion of Cities Service right than depriving it of the right to drain gas from beneath the Peerless lease

without paying for it. The over-all effect of the order is to furnish a practical alternative, consistent with production by both Cities Service and Peerless, to protect Peerless from drainage by Cities Service.

We find no basis in the due-process and equal-protection clauses of the Federal and State Constitutions for condemning the orders in their application to Cities Service.

Cities Service complains of certain rulings in reference to certain pleadings filed and complains of the commission's conduct and rulings in the course of the various hearings held leading up to the promulgation of the orders here under attack.

The orders are legislative in character and subject in a large measure to the rules and principles by which the validity of statutes are determined. In the hearings preceding the orders, and not for violations thereof, the rules and principles of procedure obtaining in the enactment of a statute more nearly apply than the strict rules applicable to law courts.

We have examined the record and find substantial evidence to support the commission's findings and no error of law is committed.

Phillips Petroleum Co., in application to the commission to vacate the orders, introduced testimony to the effect that it owns oil and gas leases on several thousands of acreas of land in the Guymon-Hugoton field, and several producing gas wells thereon, and was presently taking several million cubic feet of gas daily from such wells; that Phillips sells no gas produced from said field in the State of Oklahoma, but gathers gas from its wells through its own gathering system to a central point in the State of Texas where it processes the gas extracts therefrom natural gasoline and other hydrocarbons and sells the residue gas; that it sells such residue gas to Panhandle Eastern Pipe Line Co. at 4 cents per 1,000 cubic feet; that it has agreed to sell and deliver to Panhandle Eastern all of the gas it produces from 175,000 acres under lease in Texas County, subject to its right to extract natural gasoline and other liquid hydrocarbons from said gas prior to the delivery of such gas to Panhandle Eastern at the said central point in Texas.

Phillips here adopts the brief of Cities Service and with enlargement of argument here presents similar contentions concerning the authority of the commission to make the orders appealed from and the constitutionality of the orders appealed from.

Our discussion of the Cities Service appeal is here applicable. We find no basis in the due-process and equal-protection clause of the Federal and State Constitutions for condemning the orders appealed from in their application to Phillips.

The orders appealed from are affirmed.

Davison, C. J.; Arnold, V. C. J.; Corn, and Johnson, JJ., concur; Gibson, Luttrell, Halley, and O'Neal, JJ., dissent.

Halley, Judge (dissenting):

There are two conclusions in the majority opinion in which I cannot concur. I cannot agree that the corporation commission has been given authority by the legislature to make a general order fixing the price of gas for an entire gas field or common source of supply. I cannot agree that the commission has the authority to require Cities Service to pay to Peerless a price for gas produced in the Guymon-Hugoton field, substantially above the current market price prevailing in that field. It is admitted that if the general price-fixing order for the entire field is authorized, then the price ordered paid to Peerless would necessarily follow the general price for the entire field. However, it is my view that the general price-fixing order is not within the powers granted to the corporation commission, and that Cities Service should only be required to pay Peerless the current market price prevailing in that field.

The majority opinion does not claim that general price-fixing authority for a common source of supply has been expressly granted to the commission. It does conclude that such authority is necessarily implied as a means of carrying out the express powers given the commission to regulate the production of gas, the prevention of waste, the protection of coequal rights, and the interests of the State and its citizens. These are all worthy objectives. The conservation of a great natural resource challenges the best efforts of all, but does not warrant the corporation commission in exercising powers not delegated to it by the Oklahoma Legislature.

The statutes granting authority to the corporation commission to regulate the production of gas are generally referred to as the acts of 1913 and 1915. The applicable portion of the 1913 act, chapter 193, page 440, section 3 (sec. 233, title 52, O. S. 1941), is as follows:

"Any person, firm, or corporation, taking gas from a gas field except for purposes of developing a gas or oil field, and operating oil wells, and for the purpose of his own domestic use, shall take ratably from each owner of the gas in proportion to his interest in said gas, upon such terms as may be agreed upon between said owners, and the party taking such, or in case they cannot agree, at such a price and upon such terms as may be fixed by the corporation commission after notice and hearing: *Provided*, That each owner shall be required to deliver his gas to a common point of delivery on or adjacent to the surface overlying such gas."

In 1915 the following act, being chapter 197, section 5 (sec. 240, title 52, O. S. 1941) was enacted:

"Every person, firm, or corporation, now or hereafter engaged in the business of purchasing and selling natural gas in this State, shall be a common purchaser thereof, and shall purchase all of the natural gas which may be offered for sale, and which may reasonably be reached by its trunk lines, or gathering lines, without discrimination in favor of one producer as against another, or in favor of any one source of supply as against another save as authorized by the corporation commission after due notice and hearing; but if any such person, firm, or corporation shall be unable to purchase all the gas so offered, then it shall purchase natural gas from each producer ratably. It shall be unlawful for any such common purchaser to discriminate between like grades and pressures of natural gas, or in favor of its own production, or of production in which it may be directly or indirectly interested, either in whole or in part, but for the purpose of prorating the natural gas to be marketed, such production shall be treated in like manner as that of any other producer or person, and shall be taken only in the ratable proportion that such production bears to the total production available for marketing. The corporation commission shall have authority to make regulations for the delivery, metering, and equitable purchasing and taking of all such gas and shall have the authority to relieve any such common purchaser, after due notice and hearing, from the duty of purchasing gas of an inferior quality or grade."

Section 2, chapter 197, Session Laws of 1915 (sec. 237, title 52, O. S. 1941), defines the term "waste" as follows:

"That the term 'waste,' as used herein, in addition to its ordinary meaning, shall include escape of natural gas in commercial quantities into the open air, the intentional drowning with water of a gas stratum capable of producing gas in commercial quantities, underground waste, the permitting of any natural-gas well to wastefully burn, and the wasteful utilization of such gas."

The foregoing definition of waste was enlarged by the legislature in 1933 and in 1935, and the term "wasteful utilization" was changed to "inefficient utilization."

It is a cardinal rule of statutory construction that the primary aim is to arrive at the intention of the legislature. This ancient rule was announced in *U. S.* v. *Temple* (105 U. S. 97, 26 L. Ed. 967), in the following words:

"Our duty is to read the statute according to the natural and obvious import of the language, without resorting to subtle and forced construction, for the purpose of either limiting or extending its operation. When the language is plain, we have no right to insert words or phrases so as to incorporate in the statute a new and distinct provision."

Again, in *Russett School District No. C-8* v. *Askew* (193 Okla. 102, 141 P. 2d 575, this court stated in the body of the opinion:

"As has often been said, the cardinal rule in such cases is to ascertain and give effect to the legislative intention. That intention is to be first sought in the language of the statute itself, and if it is there plainly expressed, it must be followed without further inquiry."

The majority opinion correctly states the rule of construction to the effect that where an officer or government agency charged with the duty of administering a law construes the law and such construction is acquiesced in for a long period of time, such construction should be given great weight by the courts when called upon to construe such law. However, I am unable to agree that the record before us discloses that the corporation commission, charged with the duty of administering the law relating to the production of gas, has construed the regulatory acts as giving it the authority to fix the price of gas produced from a reservoir, except where seller and buyer fail to agree upon a price, or that such construction has been long acquiesced in.

During the more than 30 years that the commission has been charged with the authority to regulate the production of gas, there is shown only a single instance where it fixed the price of gas for a field or common source of supply. In 1920 the Oklahoma Natural Gas Co. was taking gas from the Cushing field in Creek County at 6 cents per thousand cubic feet, and selling it to consumers. The producers were threatening to disconnect their wells. They appealed to the commission to fix a higher price. The commission entered an order fixing the price for the entire Cushing field at 10 cents per thousand cubic feet. This order was not appealed from, and it is not shown how long it was effective. There has evidently been a previous agreement as to price. It was not shown whether all, or what percent, of the producers joined in the application to the Commission.

In 1924 the Commission entered an order prohibiting the use of gas for the manufacture of carbon black. The order was appealed from to this court, which affirmed the order on the ground that the use complained of was a wasteful utilization of gas. The case is reported as *Quinton Relief Oil & Gas Co.* v. *Commission* (101 Okla. 164, 224, p. 156). The court held that Ch.. 197, Session Laws of 1915, conferring upon the Commission the power to make rules and regulations to prevent the wasteful utilization of natural gas, also gave that body the power to define what uses are within the scope of that term.

In 1937, in the Application of Jackson, (179 Okla. 577, 66, p. 2d 1101) this court upheld an order authorizing the use of gas for the manufacture of carbon black as not being a wasteful utilization. Reference is made to the Quinton case above, where such use was held to be wasteful, and it is held that if the Commission could determine what is wasteful utilization, it could also determine what use is not wasteful.

In 1944, the War Production Board requested the Commission to enter an order granting authority to use natural gas for the manufacture of carbon black in the Guymon-Hugoton field. The order was issued and the price to be paid fixed at 5 cents per thousand cubic feet, being approximately the market price in the field. The order was not appealed from. It was an emergency war order.

The above record does not support the claim that the Corporation Commission has construed the statutes mentioned as giving it the power to fix the price of gas for entire field. During the years these statutes have been in effect, most of the major gas fields of Oklahoma have been discovered and developed. I agree that implied powers flow from a grant of express powers, and that they are those powers necessary or incidental to the exercise of the express powers. The power to fix prices is a drastic one. In *H. F. Wilcox Oil & Gas Co.* v. *Walker* (169 Okla. 33, 32 p. 2d 1044) this court announced the rule relative to implied powers as follows:

"It is well established that the authority of the Commission is definitely limited to the power expressly or by necessary implication granted to it by the Constitution and the statutes."

That case involved the proration of oil, but, the same principle is applicable to the authority of the Commission with respect to gas.

The majority opinion quotes extensively from the dissenting opinion by Justice Rutledge in the case of *Republic Natural Gas Co.* v. *State et al* (334 U. S. 62, 92 L. Ed. 1212). However reasonable and persuasive that dissenting opinion, concurred in by three other members of the court, may be, it is not the law.

If it had been the intention of our legislature to grant to the Commission the power to fix the price of gas at the wellhead for an entire field, the addition or inclusion of a few simple words in the statutes granting regulatory authority to the Commission would have settled the matter beyond doubt. Why did the legislature expressly grant authority to fix the price of gas where seller and buyer fail to agree and fail completely to grant such authority in the vastly wider and more important field of fixing the price over an entire field or common source of supply? It is incredible that the legislature would expressly grant such authority in a narrow field and leave it to be implied in a vastly wider and more important area. A gas field, or common source of supply, is the basic unit to which conservation orders are generally applicable. The order of the Commission, which is approved by the majority opinion, means that the Commission may fix the price of gas in every field in the State. The production of oil is under the jurisdiction of the Commission under similar statutes authorizing the prevention of waste, the protection of coequal rights, and conservation, yet the Commission has never asserted that it had the power to fix the price of oil. It is true that oil may be stored and transported in various ways, while gas cannot be stored and must be transported by pipe line.

It is not my view that conditions do not exist or may not hereafter arise in the Guymon-Hugoton field which may justify drastic regulatory measures by the Commission. The producers who have no pipe-line facilities are wholly dependent upon those who have such outlets. These facts have prompted the legislature to give the Commission express powers to prohibit discrimination and to protect the interests of all parties. The landowner is especially interested because he cannot receive, store, or distribute his share of the gas produced from his land, but is dependent upon the limited number of purchasers in the field. It may be that the royalty owners are not receiving their proper share of the proceeds of gas produced and marketed from their land. If they are not receiving their just shares under the terms of their lease contracts, they should seek relief in the courts and not before the corporation commission. It may be that gas is selling at a price lower than its intrinsic value, but this does not justify the Commission in fixing the price until the legislature has given it such power by clear and unmistakable terms, or by necessary implication.

The evidence shows that no physical waste is being practiced in the Guymon-Hugoton field. The only venting of gas is in the drilling and completion of wells, which is expressly allowed by statute. There is no claim of wasteful utilization. The gas is being sold for fuel, light, or power—all useful purposes.

The evidence as to the effect of price fixing to prevent economic waste is too vague and nebulous to justify serious consideration. It is based largely upon the comparative values of competitive fuels, such as coal and oil; and if followed in the Guymon-Hugoton field, the price of gas there would be so high that producers could not possibly compete with gas produced from other fields in Oklahoma, or in other States; and if the order of the corporation commission is made effective, there might result a forced shutdown of the entire field, depriving the State and interested citizens of their right to compete in the open market in disposing of their gas.

The price fixed by the commission, where seller and buyer are unable to agree upon a price, should be the current market price prevailing in the field. Any other price would be unfair, discriminatory, and inequitable.

If the legislature had intended to give the corporation commission authority to fix the price of natural gas in every gas field in the State, such authority would have been expressly given. Failure to express such intention is proof that no such intention existed. To read into the statutes such drastic power is nothing short of legislation by judicial construction, and for the foregoing reasons I respectfully dissent.

Mr. KEM. Mr. President, in Kansas, under date of February 23, 1949, the Corporation Commission of the State of Kansas in a case entitled "In the matter of the application of certain royalty owners in the Hugoton gas field requesting orders as to a fixed price and measurement regulations in said Hugoton gas field," handed down its decision to the effect that the Kansas Corporation Commission had the right to fix the minimum price of gas at the wellhead.

Mr. HOLLAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Florida?

Mr. KEM. I prefer not to yield until I conclude my remarks.

The VICE PRESIDENT. The Senator from Missouri declines to yield.

Mr. KEM. Mr. President, the rate-making body decided to begin an investigation immediately as to what the price should be. Effective March 1, 1950, under the commission's opinion, no gas may be withdrawn from the field at a price less than 8 cents per 1,000 cubic feet. I understand that the decision of the corporation commission has been affirmed in the district court, and is now pending on appeal to the Supreme Court of Kansas.

I ask unanimous consent to incorporate in the body of the RECORD as a part of my remarks the opinion of the Corporation Commission of the State of Kansas in the case last referred to.

The VICE PRESIDENT. Is there objection?

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

BEFORE THE CORPORATION COMMISSION OF THE STATE OF KANSAS—IN THE MATTER OF THE APPLICATION OF CERTAIN ROYALTY OWNERS IN THE HUGOTON GAS FIELD REQUESTING ORDERS AS TO A FIXED PRICE AND MEASUREMENT REGULATIONS IN SAID HUGOTON GAS FIELD—DOCKET NO. 35,154-C (C-1868) CONSERVATION DIVISION

MEMORANDUM OPINION BY THE COMMISSION

At the outset of this opinion it is well to observe that the categorical question to be considered is whether the commission can assume jurisdiction and entertain the amended application filed herein as it relates to its authority and power to fix the price of natural gas at the wellhead. Other questions may not be resolved until this jurisdictional question is determined.

To compendiously narrate the sequence of events leading to the conclusion in the determination of the jurisdictional question is considered desirable. This proceeding was initiated by the filing of an application on February 6, 1948, by the Southwest Kansas Royalty Owners Association and certain individuals as applicants in which it was requested that the commission issue orders as to a minimum fixed price [1] at the wellhead and prescribe measurement regulations in the Hugoton Gas Field [2] of Kansas. The association represents landowners, royalty owners, and producers in the field and the individual applicants were for the most part landowners and royalty owners. Subsequent to the filing date, pleadings were filed by certain pipe-line companies as protestants and intervenors which are not of sufficient import to require elaboration here except to point out that the question of the commission's jurisdiction in the matter was timely raised.

The commission issued a notice for a hearing for July 19, 1948, which hearing, the notice related, was for the sole purpose of presenting and hearing oral and written arguments as to the legal questions involved including jurisdiction. Hearing was held on July 19 and 20, 1948, at which time appearances were entered on behalf of the applicants, Northern Natural Gas Co., Panhandle Eastern Pipe Line Co., Kansas-Nebraska Natural Gas Co., Columbian Fuel Corp., Western Natural Gas Co., Kansas Power & Light Co., Cities Service Gas Co., and the Commission. Various pleadings were filed and arguments made including those which again raised the question of jurisdiction.

On August 4, 1948, an amended application was filed which included other applicants who were producers in the field. The additional applicants were White Eagle Oil Co., a corporation; Benedum-Trees Oil Co., a corporation; Trees Oil Co., a corporation; Pioneer Petroleum Co., a corporation; Kinney-Coastal Oil Co., a corporation; and Howard Kuhn and Walter Kuhn, as individuals. Subsequent public hearings were held on October 18-22, 1948, inclusive, and on December 13-15, 1948, inclusive, respectively. Various pleadings were filed and orders entered in the interim from the inception of this pro-

[1] Further reference to "price" in the opinion refers to wellhead price unless otherwise stated.

[2] Further reference to "field" in the opinion refers to the Kansas portion of the Hugoton Gas Field unless otherwise stated.

ceeding to the final hearing in December. These are not deemed sufficiently important to discuss here with one exception and that is to point out that the commission in an order dated October 7, 1948, inter alia, related that it had not determined the question of jurisdiction raised by a previous motion to dismiss. At the hearings in October and December the commission permitted the applicants to present their case in chief, reserving the determination of the jurisdictional question until a later date. Although the protestants and intervenors were accorded the privilege of offering evidence, only one, Kansas-Nebraska Natural Gas Co., did so.

Legislative history

The commission is a creature of legislative enactment. All of its authority, duties, powers and jurisdiction are delegated to it by the legislature. The predecessor commissions were strictly public utility regulatory bodies. The State corporation commission was created in 1933 and all powers, duties, authority and jurisdiction of its immediate predecessor were conferred upon the newly created commission.[3]

In 1935 the Kansas Legislature adopted the first general gas consercation statute.[4] The Commission was by this act vested with the authority of administering this new law which dealt with the production and conservation of natural gas in the State. The gas conservation statute was rewritten in 1945.[5] The new act did not in any materiality, as it respects this proceeding, amend or modify the original act. What the new act essentially accomplished was to strengthen the gas conservation laws and the position of the commission in fulfilling its obligation to the State.

In furtherance of carrying out the mandate of the legislature, the commission on March 21, 1944, promulgated the Basic Proration Order for this field.[6] Likewise, by legal order there has been adopted the General Rules and Regulations for the Conservation of Crude Oil and Natural Gas.[7] The Hugoton Gas Field is one of the largest gas fields in the world. In comparatively recent years the field has developed rapidly and has experienced a remarkable growth. The State is now penetrated by numerous pipe lines which transport gas from the field to markets not only in Kansas but to those in the States of Colorado, Wyoming, Nebraska, South Dakota, Iowa, Minnesota, Missouri, Illinois, Indiana, Ohio, and Michigan. During 1948 the total withdrawals from the field exceeded 166,000,000,000 cubic feet.

Measurement regulations

Before we take up a discussion as to the power and authority of the Commission to fix the price of natural gas at the wellhead, we desire to treat briefly two phases of the amended application relating to measurement standards and ratable taking.

While regarded as of secondary importance in this proceeding it needs amplification in a few minor details. That the Commission has the authority and power to prescribe and establish measurement regulations cannot be denied. The Commission's general rules and regulations relating to the conservation of natural gas provide in rule 82-2-201, a definition for a "cubic foot" of gas which is statewide in effect. This definition was established under authority of G. S. 1947 Supplement, 55-704, pursuant to notice and after public hearing.

We interpret the applicant's contention here to be that the pipe line companies and purchasers are buying gas on one measurement basis at the wellhead and then selling it after transportation to some distant point on another basis, all of which is to the advantage of the pipe-line companies and purchasers. A perusal of some of the gas purchase contracts in this record reflects that the measurement standard of the Commission, as prescribed in the above mentioned rule, has been incorporated in these contracts. There may be merit in the contention that the standards of measurement of a "cubic foot" of gas should be uniform.

We are of the opinion, however, that this is not an appropriate proceeding for us to consider changes in measurement standards. Changes in the definition of measurement units should be accomplished at a public State-wide hearing and be applicable to all natural-gas fields in the State alike. We do not construe the amended application as contending in this respect that we should change our general rules and regulations, however, if changes were made for only this field, it would discriminate to the detriment of the other gas fields in Kansas. Therefore, the commission concludes that it cannot grant the applicants the relief sought in this respect in this proceeding.

We are by an appropriate order this day instituting an investigation in Docket No. 34,780-C (C-1825) to determine whether the variances of units of measurement at which natural gas is being purchased, sold, and resold in Kansas permits the compilation of accurate statistical data of the gas fields of Kansas; presents correct tabulations of the amounts of gas withdrawn from said fields; produces inequalities in assessment and taxation; causes confusion for accounting and analytical purposes; is conducive to waste; is discriminatory against various parties of interest and whether peculiar inequities are created because of the variances in units of measurement.

Ratable taking

The request of applicants for a regulation requiring pipe-line companies and purchasers to take and produce ratably from each developed lease in the field has been carefully considered. The commission is of the opinion that the evidence offered by the applicants does not suffice to prove their contention in respect to ratable taking. The commission is this day, however, entering an order on its own motion in Docket No. C-164 for the purpose of determining whether existing orders, rules, and regulations are sufficient in scope to require ratable taking from each and every well in the field; whether the practice of ratable taking from each and every well in the field exists; whether individual well problems as to ratable taking should be considered and governed by separate orders, or whether under the existing orders, rules, and regulations it is necessary to make amendments, alterations, and changes for the protection of correlative rights; conservation of natural gas; orderly development of the field; ratable taking, and for such other action as the commission may deem just and proper in the premises.

Field history

The history of the field is a novel and romantic one and for a background of this controversy about price and price fixing, certain historical data should be recounted. Gas was first discovered in commercial quantities in the field in 1922, but it was not until 1927 that the generally accepted discovery well was drilled. The next few years, following the trend of world-wide economic conditions, active development in the field was thwarted due to the depression. The pioneers in the field were for the most part individuals and small concerns without substantial and adequate financial resources. During the middle thirties big pipe-line companies began to acquire extensive acreages, which activity culminated in a race among themselves to develop markets for the commercial sale of gas in the States heretofore mentioned. The present known area of the field underlying nine counties of Kansas is approximately 65 miles long and 40 miles wide. As of February 1, 1949, there were 1,400 wells[8] taking gas from this common source of supply. It is anticipated that when the ultimate development of the field is reached the total number of the wells will be approximately 3,000. The estimated reserves of the Hugoton gas field which extends into Oklahoma and Texas is 20,000,000,000,000 cubic feet with an estimated 12 to 14 trillion cubic feet in the Kansas portion, the estimates differing somewhat according to the pressue base and abandonment pressures used.

For many years Hugoton gas had only nominal value, if any, primarily because there were no transportation facilities to deliver it to available potential markets. The seller in those years found himself in a buyer's market and strangely enough much acreage went begging for the want of a buyer. Consequently, competitive bidding for acreage was lacking from the inception of the field until comparatively recent times. The landowners actually were in the position of accepting what they were offered for the right to explore their lands for gas and then frequently on unconscionable terms. The lease contracts always entered into obligated the landowners for long terms of years and in most instances for the life of the field. It cannot be fairly said that the intrinsic value of the gas was a part of the consideration for the contracts between seller and purchaser. That inequities in price exist and have existed in the field in astounding proportions is generally conceded.

The commission has been gravely concerned in the public interest over a period of time as to the heavy withdrawals of this irreplaceable natural resource from the vast common source of supply, but more in particular has it been disturbed by the low price being paid at the wellhead to the landowners and royalty owners. It unequivocally cannot be said that fair and reasonable prices at the wellhead have prevailed for this great natural resource as a fuel. Furthermore, no semblance of economic values will sustain a contention that the price of natural gas from the field is comparable in price to other fuels, namely, coal and oil. The price of gas is substantially and considerably less.

It is not fiction, but a reality, that there are inequities in the price of gas in the field at this writing. Wells side by side, in the knowledge of the commission, will reflect wide variations in price and the price of gas at the well head at the present time, bears no substantial relationship to the price at the burner tip.

Fundamental legal precepts

Jurisdiction which the commission has must necessarily arise through constitutional authority, inherent powers, or statutory authority. That the commission has no constitutional authority is obvious and no inherent powers attain, therefore, as it possesses only stautory authoriy, such authority must be explored to determine if jurisdiction can be asserted in this instance.

A fundamental and underlying requirement of the gas conservation statute is that the production of natural gas in such manner and under such conditions and for such purposes as to constitute waste is prohibited.[9]

[3] Laws 1933, ch. 275; Laws 1933, ch. 79 (special session).

[4] Laws 1935, ch. 213.

[5] Laws 1945, ch. 233.

[6] Docket No. C-164, Order No. 44-3-21.

[7] Rule 82-2-100 et seq.

[8] February 1949 status report.

[9] G. S. 1947 Supp. 55-701.

Waste is defined [10] by the legislature as follows:

"That the term 'waste' as herein used in addition to its ordinary meaning shall include economic waste, underground waste, and surface waste. Economic waste as used in this act, shall mean the use of natural gas in any manner or process except for efficient light, fuel, carbon black manufacturing, and repressuring, or for chemical or other processes by which such gas is efficiently converted into a solid or a liquid substance."

If the commission has the power and authority to fix the price of gas, can it do so under the provisions of the gas conservation act pertaining to waste?

The modern-day concept of conservation is that it is the State's duty on behalf of the general public to prevent wasteful exploitation of its irreplaceable natural resources. Conservation is the antithesis of waste in any form. The law does not recognize the indisputable right to produce gas as an exclusive right but predicates the right on the ability to do so without waste.

The plain legislative intent that the wasteage of gas be prohibited is so clear and so explicit that none can deny that the legislature meant that waste of natural gas was not to be tolerated. I went further than that, it said that the commission should promulgate rules and regulations for the prevention of waste. The legislature did not use the term, "may," but said "shall." [11] In other words, the commission has been authorized to employ any and all means to prevent the waste of gas.

The commission has broad and comprehensive powers that are manifest by the clear reading of the gas conservation statute. It is well recognized that the State has the power through an appropriate body to impose reasonable regulations to prevent waste in the production, handling, and marketing of gas. The State may make reasonable regulations without doubt for the protection of landowners and other parties of interest in taking gas from a common source of supply and prevent a group of individuals from taking undue proportions thereby to the detriment of others.

Inequities and discriminations in price among the various parties of interest leads only to the logical conclusion that waste arises from differentials in price. The statute is definitely specific that this commission shall take steps for the conservation of gas from common sources of supply and to see that inequities do not arise so as to be violative of correlative rights in the field. The legislature even went as far as to say that the commission shall proceed, in such a manner "* * * and as the commission may find necessary and proper to carry out the spirit and purposes of this act." [12]

For a State agency to crystallize the intendment of the legislature it must take a practical approach in accomplishing the objectives sought to be achieved by legislative enactment. The predominating theme of the theory of gas conservation is the prevention of waste. It is essential that the methods pursued in carrying out the legislative mandate be made effective.

In addition to the term ordinary meaning of waste as prescribed in the statute, the statute also includes economic waste, underground waste and surface waste. Taking the definition from any standard dictionary leads only to the conclusion, however, that the legislature did not mean anything other than what it said, viz: ordinary meaning. This term stems from the objectives of the act, and with such definition the logical conclusion follows that the legislative intent was to confer upon the commission the authority and power to resolve and adjust inequities in price in order to retard the wastage of gas by prices that are so law that waste results therefrom. It might be further said in this respect that the original oil and gas conservation statutes were passed in the early thirties. Both statutes have great similarity. In the original oil-conservation act in 1931 [13] the legislature made no mention of price fixing, but at the time of the revision in 1939,[14] the legislature specifically said in part:

"That nothing contained herein is intended to vest the commission with authority to fix the price of crude oil."

Six years (1945) after the legislature prescribed by the new oil statute (1939) that the commission is not vested with the authority to fix the price of crude oil it placed no express limitation on the commission fixing the price of gas at the wellhead. If the legislature had intended not to give the Commission the power as a conservation measure to fix the price of natural gas at the wellhead it would have been just as explicit as it was in the oil statute. This it clearly did not do.

A cheap price placed on any commodity depreciates its usefulness. With the variation and fluctuation in field prices, it is highly conceivable that the prevailing low prices for this irreplaceable natural resource leads to the inescapable conclusion that waste occurs because of the low prices. This we think is contrary to the intent and spirit of conservation laws and practices in this State. It is further the opinion of this commission that it is a duty required and a trust imposed that where any discriminations in price exist in the field, the commission should take steps to correct them. The statute is clear that the commission shall so regulate the taking of natural gas from any and all such common sources of supply within this State as to prevent the inequitable or unfair taking from such common source of supply by any person, firm, or corporation and to prevent unreasonable discrimination in favor of or against any producer in any such common source of supply. The legislature said specifically that the commission in promulgating rules and regulations should take into consideration certain conditions and then it went one step further and said "* * * and such other factors, conditions, and circumstances as may exist in the common source of supply under consideration at the time as may be pertinent." [15] The commission cannot shut its eyes to the fact that conditions and circumstances in the field at the present time reflect obvious differences in the price of gas at the wellhead whereas the quality of the gas remains virtually constant. The price of the gas when delivered in Omaha, Nebr., Detroit, Mich., or elsewhere will have approximately the same British thermal unit content, but the gas coming from different wellheads may reflect variances and inequities in price.

The commission can assume only those powers and exercise such rights as are granted to it by the legislature. Presumption of jurisdiction cannot be sanctioned unless by express authority or where such power is necessarily incidental to the authority imposed by the legislature. It seems clear to us, indeed, that the legislature has used language appropriate to express such intent and has specified, with particularity, the authority for us to assume jurisdiction in this proceeding. The measure of jurisdiction of the commission is to be found in a consideration of the power granted it and certainly must be read and construed with relationship to and in conjunction with the purposes of the statute in its entirety. The statute in this instance is solely and exclusively one of gas conservation.

Conclusion

There are two prevalent lines of thought in this country which relate to the jurisdictional confines of commissions such as ours. The first, which is a minority view, is that jurisdiction cannot be assumed where it has not been specifically granted by the statute, consequently if jurisdiction is to be invoked, it must be made to affirmatively appear on the statute books. The majority rule is that as a Commission possesses all of its authority by delegation from the legislature, through statutory enunciation, jurisdiction then may be reasonably drawn by implication. As between these two rules this Commission subscribes to the latter.

Statutes are to be liberally interpreted in the interest of gas conservation. We accept the belief that the legislature implied the competence of jurisdiction to fix the price of natural gas at the wellhead in the interest of the prevention of waste and that there is implied authority in the gas conservation statute in its entirety for us to entertain the amended application. It is our considered judgment, therefore, that the subject matter before us has met the test of the majority rule. The administrative processes of law must be such that a legislatorially created body must fulfill the duties imposed by the legislature and carry out the powers conferred upon it.

The transcript of testimony in this proceeding is replete with undisputed evidence of variations in price paid in the field by the several purchasers without particular reference to the British thermal unit content of the gas. The records of this Commission fully support such evidence. There has been no contradiction in this record that wide variations do exist in price being paid, nor can anyone with any knowledge of the field seriously contend that the various prices being paid under present conditions have a pronounced bearing on the delivered price to ultimate consumers. We are of the opinion that this Commission has jurisdiction and authority to establish a minimum fixed price at the wellhead in this field when fixing a minimum price is necessary or appropriate regulatory means of giving effect to the intent and purpose of the statute relating to the production and conservation of natural gas. We are of the further opinion that the price of gas being paid generally in the field is inadequate and too low.

The evidence offered at the hearings in this proceeding is not sufficient to permit us to determine finally what a reasonable and fair minimum fixed price at the wellhead should be in the field. There is evidence, however, to convince us that until such final determination such price being paid at the wellhead should not be less than eight cents ($0.08) per M. c. f. As of this day the Commission on its own motion is instituting by interim order an investigation of prices being paid at the wellhead in the field. This interim order also fixes a minimum price at the wellhead to be paid by pipe line companies and purchasers at eight cents ($0.08) per M. c. f. until further notice. The interim order sets out the method of implementation therein.

We, accordingly, therefore, conclude that the Commission has jurisdiction of the subject matter in this respect. It is our belief that the assumption of jurisdiction here by the Commission will square on all fours with the legislative intent. Appropriate orders in conformance with the views heretofore expressed will be entered in this docket No. 35,154-C (C-1868).

C. W. HAMILTON,
Secretary.

TOPEKA, KANS. *February 23, 1949.*

Mr. KEM. Mr. President, we have, then, this situation: Proponents of the Kerr bill are objecting to the jurisdiction

[10] G. S. 1947 Supp. 55-702.
[11] G. S. 1947 Supp. 55-704.
[12] G. S. 1947, Supp., 55-704.
[13] Laws 1931, ch. 226.
[14] G. S. 1947, Supp., 55-604.
[15] G. S. 1947 Supp., 55-703.

of a Federal agency to regulate the price of gas. At the same time, two States in the producing area, with large production and large reserves of gas, have undertaken to regulate the price of gas in the field. There is this important difference: The regulatory bodies in each State raised the price for which gas is to be sold in the field, and it is apprehended that a Federal agency might determine that a reasonable price is at a lower level.

I believe it proper for the States of Kansas and Oklahoma to regulate in the public interest the price of gas to be consumed in Oklahoma and Kansas. I challenge the fairness and the soundness of a program whereby the field price of gas to be transported to other States should be subject only to the price action taken by States interested primarily in higher prices. I believe that the consuming States, as well as the producing States, should be represented when regulations affecting the price are under consideration. The only practical way in which this can be done is through a Federal agency. Without this Federal regulation, gas produced in Kansas and Oklahoma has a cost set at the time it enters the pipe lines for distribution to other States, and in any price determination for the consumer, this cost to the pipe lines must be accepted without regard to its reasonableness. The consumer is at the mercy of prices fixed in another State with interests predominantly opposed.

It is interesting to note, in passing, that the Kansas Corporation Commission states that, "A cheap price placed on any commodity depreciates its usefulness." This is a unique theory of economics. Is the usefulness of gas in the consuming States in any way injured by a low price?

Proponents of the Kerr bill have argued that enactment of the pending bill will not result in a price increase because the gas is already under contract for sale at established prices. Where there is regulation of price in the public interest, contracts are not exempt from change. In the Oklahoma case there was an agreement for the purchase of gas, but the price was unsettled. The court approved the order fixing the price at 7 cents for 1,000 cubic feet.

These decisions in Oklahoma and Kansas are important because they raise the issue whether the Federal Government should abdicate the field in whole or in part while certain of the producing States are not only claiming but are actually exercising the right to fix prices. If the States are to have the prerogative of raising the price, who except the Federal Government will protect the consuming States to see that the price is fair?

The foregoing cases in which the price of gas in the field is being fixed by State authority conclusively show:

First. The producing States are themselves claiming and exercising the very power to fix prices in the field which the Kerr bill would deny to the Federal Government.

Second. The exercise of the power to raise prices by the producing States indicates the necessity of authority to regulate prices being vested in the Federal Government, for use when the public interest requires.

Third. When the States act to raise the field price, existing contracts for the sale of gas go out the window.

I now yield to my friend the distinguished Senator from Florida [Mr. HOLLAND]. I do not know whether I should transgress on the time of the Senate any further, but I shall be glad to yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I appreciate the fact that the Senator from Missouri has yielded to me. The purpose of my interrupting the Senator was to ask him the legal implication of the question which is injected by the orders in the two States of Oklahoma and Kansas, which he has mentioned; as to whether the States have the power, through their State agencies, to regulate a sale completed entirely within the State, where the natural gas is delivered to the purchaser for such purpose as the purchaser may use it entirely within the State where it is produced? I wanted to ask the distinguished Senator's opinion as to whether or not, in his judgment, States are within their rights in exercising such authority.

Mr. KEM. Mr. President, as the distinguished Senator from Florida will find, and from his knowledge of the law knows, that raises many difficult constitutional questions. Some of them, perhaps, are not entirely clear. I think it is true, however, that in the absence of Federal action, the State has the right to act. I may further state that it may well be that, in the interest of conservation of its natural resources, the governmental bodies of a State may fix the price of gas which subsequently shall pass in interstate commerce. On the other hand, if the Federal Government elects to act I think that clearly the right of the Federal Government to govern prices on gas passing in interstate commerce can be vindicated and maintained.

Let me say in conclusion that, regardless of the legal implications of what is being done today in Oklahoma and Kansas, the fact remains, as a distinguished former President of the United States once said, that we are met by a condition and not a theory. The States are regulating the prices. They have raised the prices. So the question is presented to Congress: Shall we on behalf of the Federal Government abdicate the field, as we are requested to do by the Kerr bill, and leave the States free to do as their consciences dictate? In other words, is the Senator's State of Florida, which is a consuming State, willing to depend on prices fixed in the State of Oklahoma, or the State of Kansas, or would the Senator from Florida and would his friends at home feel better, would they feel safer, would they sleep better at night, if they knew there is an agency in Washington that represents, with an even balance, the interest of the producing State on the one hand and the consuming State on the other?

The VICE PRESIDENT. The time of the Senator from Missouri has expired.

The Chair recognizes the Senator from Maine [Mr. BREWSTER].

Mr. BREWSTER. I appreciate the indulgence of the Senator from Oklahoma, who indicated it would be agreeable to him if the Senator from Maine were to speak very briefly at this time.

The VICE PRESIDENT. The Chair would like to make an observation, by way of reiterating what he said yesterday regarding debate. Under the rules any Senator who obtains the floor is entitled to speak without interruption. He is not even required to yield to Senators for questions. He can yield for nothing other than questions, except by unanimous consent. There is no discourtesy involved if a Senator who has the floor declines to yield to a colleague. That is a right which he enjoys under the rules. Many Senators prefer to make connected speeches rather than to have them interrupted, especially for extraneous matters, and to permit other Senators to make speeches within their time. That can only be done by unanimous consent. As was said by a previous presiding officer, "The Senate may do almost anything by unanimous consent." The Chair would take the liberty of suggesting that the practice is a bad one, and if indulged in and extended, would contribute, not to orderly procedure in the Senate, but to the contrary.

The Chair expresses the hope, therefore, that Senators who obtain the floor will yield only for questions dealing with the matter before the Senate, and not indulge in the practice of yielding or "farming out" time, as it is called, even though unanimous consent is obtained. The Chair expresses the hope that such practice will not be persisted in.

Therefore the Chair suggests to the Senator from Oklahoma that instead of obtaining the floor and yielding, by unanimous consent, to the Senator from Maine to make a speech, probably on some other subject than the one the Senator from Oklahoma will speak on, he withhold his request for the floor until the Senator from Maine has been recognized and has made his address.

Therefore the Chair recognizes the Senator from Maine.

RACKETEERING

Mr. BREWSTER. Mr. President, I very much appreciate the courtesy extended me, both by the Senator from Oklahoma [Mr. KERR] and by the Presiding Officer. The reason for my request that I be permitted to address the Senate now is that the Committee on Rules and Administration this morning reported a resolution in favor of investigation of racketeering by the Committee on the Judiciary. Whether there will be any controversy over that I do not know. I shall not be here tomorrow, as I have been assigned to attend the funeral, in Chicago, of one of my oldest friends in this legislative body, the late Representative Church, and I expect that the question of the resolution reported by the Committee on Rules and Administration may come up tomorrow.

The pending proposal for an investigation of racketeering by the Senate is receiving added impetus from developments in other fields.

Without entering into the discussion of whether or not the Committee on the Judiciary or the Committee on Interstate and Foreign Commerce should have

jurisdiction of this investigation—and I do not know whether there will be a contest over it—but with full confidence that either committee will be entirely competent to do the job that is required, it is to be hoped that early action may be possible on a major scale because of other situations that are now coming to light.

Vivid indeed are the hoodlum methods of the past decade which consisted of shaking down businesses by extracting so-called protection money. Apparently, more sophisticated methods are being used today to accomplish the same purpose. Reports are prevalent that at present a large syndicate of mobster money has been buying into various legitimate businesses, eliminating existing management and through deals with suppliers, kick-backs, and control of local political machines have drained the enterprises dry. The public has suffered and will suffer and necessary public service will deteriorate.

In the New York Sunday Mirror of March 19, 1950, there is an article on this subject by Victor Riesel, which reads as follows:

> Mobster money is on the loose. The tough gun-laden lads—who picked up easy dough during the war and now want to go respectable by investing in reputable industry, which doesn't pay as much as slot machines—are buying into transit systems. The unions dealing with them are alarmed. Millions of the gangster dollars have been sunk into bus and tram companies in four big United States cities—and the boys are trying to proxy their way into a fifth metropolis. There's nothing illegal in this, but the Securities and Exchange Commission is probing the records of some of the buyers, to see if their Florida, Chicago, and New York connections prohibit their control of municipal transport outfits.

In this connection, I wish to make clear that there is no intention on the part of the Senator from Maine to express or to imply any comment or reflection upon the current transaction in Washington by which the Capital Transit, I believe, has been secured, as this speech was prepared and has reference to other activities of which we have been hearing much.

Information reveals that this invasion by illegitimate money has occurred in such important businesses as utilities, local transit, laundries, cleaning and dyeing, beverages, and hotels. If the processes were allowed to continue, it would seriously damage important segments of our economy. Legitimate investors would be discouraged from putting their savings into such ventures.

Where does this money come from and who precisely is behind the scenes? Apparently, these funds have been accumulated out of illegal and illegitimate activities that were carried on during the war period. Gambling, vice, and black-market money is involved. Investigation by the Senate is fully warranted and inquiry should be immediately launched by the Department of Justice and by the Bureau of Internal Revenue to determine to what extent laws have been violated and tax payments evaded.

These ill-gotten funds have been used to manipulate stock prices, to foment phony proxy fights, and to attract to the syndicate otherwise legitimate investors by the lure of easy money.

One of such situations was currently commented upon by Carlton A. Shively in an article appearing in the New York World-Telegram and Sun on March 10, 1950. He said:

> An attempt is being made to get enough proxies in Omnibus Corp. to disconcert the management * * * possibly the SEC and the stock exchange are right on the job, of course, and the reports of unethical methods in securing this voting power may prove to be unfounded. * * * It is said that attempts are being made to needle customers' men to induce their clients to buy the stock under a guaranty against loss, in return for use of the proxies.

Reports are prevalent that in the past few years, five or six large corporations have been pressured into making deals. The management is blackmailed into purchasing large blocks of stock from the syndicates at prices in excess of the market in exchange for promises not to cause trouble. It is quite evident that we have here in a new guise the old practice of forcing the payment of protection money—or else.

These syndicates have been able to make excessive profits in the market by the use of illegal methods and the rigging and manipulating of stock prices. They have solicited proxies without complying with SEC regulations. They have promised bonuses and extra commissions to employees of brokerage houses in order to induce the purchase of stocks in which they were then engineering a deal. They have circulated false and misleading statements for the express purpose of a price effect upon such stocks and have circulated statements maligning and unfairly reflecting upon management. These nefarious practices must be brought under immediate control in order to protect legitimate enterprise and management from the unscrupulous.

The SEC should immediate institute a thorough investigation of these conditions in order to effect control of excessive speculation, artificial manipulation of stock prices, the use of illegal market practices, and the control of American enterprise by gambling elements. The SEC should immediately employ all of its resources to wipe out these unwholesome cliques that are developing cancer sores upon the fabric of American industry.

An investigation such as is contemplated by the pending Senate resolution will be calculated to disclose not only the ramifications of the racketeering elements in our society in their accumulation of funds but also the extent to which these same irresponsible elements are moving into other fields of American industry to the detriment of the entire American economy and to the discouragement of honest businessmen.

Therefore, I hope the resolution, which soon will be reported, providing for an investigation of these practices, may receive favorable consideration by the Senate.

Again I express my appreciation to the Senator from Oklahoma.

HELPING SECRETARY ACHESON

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Senator from Oklahoma.

Mr. FLANDERS. Mr. President, I wonder whether the Senator from Oklahoma will permit me to take a very few minutes for a very brief discussion of another subject.

Mr. KERR. I could not decline to yield to the Senator. Does he desire to have me yield to him for 5 minutes?

Mr. FLANDERS. Yes; for 5 minutes. I have only three pages of material to present.

Mr. KERR. I do so with the understanding that by so doing, I shall not lose the floor; and with the further understanding that thereafter there will be no further interruptions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont may proceed.

Mr. FLANDERS. Mr. President, as Will Rogers used to say, "All I know is what I see in the papers." The papers carry the story that the Republicans are trying to get rid of Mr. Acheson as Secretary of State. I wish to dissociate myself from this undertaking, but I do wish to join with those who are seeking to assist him toward a more constructive line of policy than that which has been followed for some time past.

There are a great many citizens of this country who feel that our foreign policy can be improved. Among them is a correspondent, Mrs. Yolande Elwood Clevenger, of Champaign, Ill., who has sent me a copy of a recent letter to Secretary Acheson. I should like to read a few paragraphs from that letter. She says:

> I am not one of those citizens who believes the cold war can be settled merely by a meeting with Mr. Stalin. I am aware that immense difficulties confront us in dealing with the Soviet Union, that their ideology emphasizes the fallacy that the end justifies the means, that they thereby justify ruthlessness and duplicity. I am aware that the very nature of totalitarianism breeds more ruthlessness. All these things make the social engineering job a tough one.
>
> But I am also aware, Mr. Acheson, that every demonstration of "strength" on our part leads to a greater one by the Soviet Union to grimmer determination to outmatch us, gain more territory and resources, speed up technology, and consolidate their people. And I am aware we are providing them just the outside enemy they need for these purposes. There is no chance of their relaxing controls under such a situation and remote chances for underground movements. Meantime our liberties are slipping. And total diplomacy, Mr. Acheson, making the State Department line the patriotic line, with those who oppose it inevitably regarded with suspicion, can only result in more hysteria and more thought control in America—however "volunteer" may seem the "public" opinion promoted by leaders of business, labor, agriculture, and civic organizations buttered up for the purpose.
>
> Yours is the stature, I believe, Mr. Acheson, to do a better social engineering job than this. Citizen perspective, citizen intuition, citizen proposals have more to offer than you think, including more realism. We are growing up a bit, I think, Mr. Acheson. We be-

lieve less readily that the world is black and white, divided between saints and devils. We know the Russians have a different history and culture, and consequently different attitudes about many things, but we know the similarities are also great and that we have a considerable, if incomplete, body of knowledge and experience to deal with differences. We know we cannot consider the problem of Russia without taking into account the history of western hostility to her and the effect of our hasty decisions at the close of the war in stopping lend-lease, seeking bases, building atomic stock piles, and constantly talking about a third world war while she was weak and devastated.

Mr. President, I cannot quite see the same picture that my correspondent sees of Russia's position, namely, as having been that of a weak and devastated nation whom we have goaded into enmity. Russia was savagely devastated. Her people suffered hardship and death to a degree which is beyond our imagination. Yet during the period of the war's ending months, when success was assured, and in the months following the end of hostilities, Mr. Stalin was winning diplomatic victories and was consolidating his position in Asia with our active assistance, and to our present discomfiture. My own sympathy goes out to the Russian people. At no time, Mr. President, do I feel that we have ever needed to sympathize with the Politburo itself. It is well able to take care of itself.

Mrs. Clevenger ends her letter with this paragraph:

I urge most earnestly, Mr. Acheson, bold, imaginative efforts to find new approaches to Russia. I urge a peace-planning board of trained social psychologists, human-relations experts, and social scientists to study alternatives and to assist you.

Mr. President, the means she suggests may not be the best means, but she does have a clear idea of what is lacking in our policy. Russia is fighting the cold war on the side of the minds and the feelings and the spirit of men. We are opposing her with billions of aid and billions of rearmament. The aid has been effective, but it cannot be long continued. The rearmament is necessary as a purely defensive measure, but it is absolutely barren of any effectiveness whatsoever as a means for ending the cold war. On the contrary, it perpetuates the cold war.

We might fight the cold war on the battlefield where our opponent is—not where he is not. The battlefield is the minds and hearts of men. That is where the State Department must go on the offensive and make the attack. We cannot fight our opponent where he is not, and win a war.

Mr. President, it was a great satisfaction to listen to the clear analysis of one large sector of this problem given us yesterday by the junior Senator from Connecticut [Mr. BENTON]. It encourages me to give further thought to this No. 1 problem of our Nation, and to bring further considerations to the floor of the Senate from time to time. I trust that other Senators will join me in this endeavor to reorient our foreign policy from billions to millions, and from the defensive to the offensive. We can win the cold war.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, aproved June 21, 1948, as amended.

Mr. KERR. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. SCHOEPPEL. Mr. President, I wonder whether the Senator from Oklahoma will yield, to permit me to request unanimous consent that a quorum call be had at this time, without causing the Senator from Oklahoma to lose the floor.

Mr. KERR. I yield for that purpose, if it is agreeable to the Senate.

Mr. SCHOEPPEL. Then, Mr. President, I suggest the absence of a quorum.

Mr. KERR. In that connection, I wish to say that I yield for that purpose on the basis that I shall not thereby lose my right to the floor.

Mr. SCHOEPPEL. Yes; I make the request on the basis that the Senator from Oklahoma will not thereby lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Brewster	Frear	Malone
Byrd	Hayden	Robertson
Cain	Hoey	Schoeppel
Connally	Hunt	Smith, Maine
Cordon	Ives	Taft
Darby	Johnson, Tex.	Thye
Donnell	Johnston, S. C.	Wiley
Douglas	Kerr	Williams
Ellender	McFarland	
Flanders	Magnuson	

The PRESIDING OFFICER. A quorum is not present. The Clerk will call the names of the absent Senators.

The legislative clerk proceeded to call the names of the absent Senators.

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that I may withdraw the suggestion of the absence of a quorum.

The PRESIDING OFFICER. Announcement having been made that a quorum is not present, the Chair rules that the suggestion of the absence of a quorum cannot be withdrawn.

The legislative clerk resumed calling the names of the absent Senators, and Mr. AIKEN, Mr. ANDERSON, Mr. BENTON, Mr. BRICKER, Mr. BRIDGES, Mr. BUTLER, Mr. CHAPMAN, Mr. CHAVEZ, Mr. DWORSHAK, Mr. ECTON, Mr. FERGUSON, Mr. FULBRIGHT, Mr. GEORGE, Mr. GILLETTE, Mr. GRAHAM, Mr. GREEN, Mr. HENDRICKSON, Mr. HILL, Mr. HOLLAND, Mr. JOHNSON of Colorado, Mr. KEFAUVER, Mr. KEM, Mr. KILGORE, Mr. KNOWLAND, Mr. LANGER, Mr. LEHMAN, Mr. LONG, Mr. MARTIN, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCKELLAR, Mr. MCMAHON, Mr. MILLIKIN, Mr. MORSE, Mr. MUNDT, Mr. MURRAY, Mr. MYERS, Mr. NEELY, Mr. O'MAHONEY, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. TAYLOR, Mr. TOBEY, Mr. TYDINGS, Mr. WATKINS, Mr. WHERRY, Mr. WITHERS, and Mr. YOUNG answered to their names when called.

The PRESIDING OFFICER. A quorum is present. The Senator from Oklahoma has the floor.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Louisiana.

The PRESIDING OFFICER. With the understanding that the Senator from Oklahoma does not lose his right to the floor, the Chair recognizes the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Senator from Oklahoma may yield, with the understanding he does not lose the floor.

The PRESIDING OFFICER. That is in the judgment of the Senator from Oklahoma.

Mr. KERR. I yield for that purpose and with that understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I ask unanimous consent to submit the conference report on House Joint Resolution 398, with the understanding that at the conclusion of consideration of the report the distinguished Senator from Oklahoma may resume his speech.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I send to the desk a copy of the conference report on House Joint Resolution 398, relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The clerk will read the conference report.

The legislative clerk read the report.

(For conference report, see p. 3946 of the House proceedings in the RECORD of March 22, 1950.)

The PRESIDING OFFICER. Is there objection to present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. WILEY. Mr. President, may we have an explanation?

Mr. ELLENDER. Mr. President, I wish to say that the conferees on the part of both the Senate and the House have had 13 sessions in order to attempt to iron out the differences existing between the House and Senate versions of the joint resolution. It will be recalled that day before yesterday an effort was made by me to call up the conference report, which was then before the Senate, but, because of an objection urged by the distinguished Senator from New

Mexico, on a technical point raised by him—in which I concurred—the report was returned to conference. I should like to explain to the Senate the differences between the Senate and House measures, as they were passed.

I shall first consider the cotton provision. It will be recalled that the Senate established a minimum cotton acreage allotment to farms, of 60 percent of the average acreage planted to cotton, or regarded as planted to cotton, in the years 1946, 1947, and 1948; provided, however, that no allotment could be increased to an acreage in excess of 40 percent of the land a farmer cultivated, less such acreage as might be devoted to cane, peanuts, and other crops subject to acreage restrictions. The House, on the other hand, provided a minimum of 70 percent of the average acreage in 1946, 1947, and 1948, or 50 percent of the highest of any of those years, whichever was the larger. There was a further provision which limited the amount of acreage a farmer should have, under the provisions of the bill, to 40 percent of the tilled acreage. What the conferees did, with respect to cotton, was to split the difference between the House provision and the Senate provision.

In other words, instead of using the House provision of 70 percent, or the Senate provision of 60 percent, we agreed upon 65 percent of the average for the years 1946, 1947, and 1948. Instead of adopting the 50-percent provision which the House had in the bill with relation to the highest of any of the 3 years, the conferees reduced that figure to 45 percent. We agreed to retain in the bill the House limitation of 40 percent of all-tilled land.

As was brought out on the Senate floor, the Senate bill would probably increase the cotton acreage from 750,000 to 800,000 acres. However, the increase would not result in total plantings in excess of the 21,000,000-acre ceiling which was placed by the Department.

Mr. WILLIAMS. Mr. President, will Senator yield?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. The Senator has just stated that the acreage would not be in excess of 21,000,000 acres. Is there anything in the conference report which would prohibit the additional 1,200,000 acres being added?

Mr. ELLENDER. No. But the evidence shows conclusively that although the national acreage quota was fixed at 21,000,000 acres, there would be at least 2,000,000 acres not planted. Under the bill agreed upon in conference, the acreage will be increased by probably 1,150,000 acres and this will still be under the 2,000,000 acres which the evidence shows will not be planted.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. Is there anything in the bill that would prohibit this million and a quarter acres from being extra acreage?

Mr. ELLENDER. The bill provides specifically that all unused or frozen acreage within the county will be used first to provide the other farms in the county with the minimum allotments authorized in the measure. The Senator will recall that during the war the Government was much in need of crops such as soybeans, peanuts, and other scarce commodities. In order for a cotton farmer not to lose his cotton-planting history, it was provided that notwithstanding the fact that a farmer planted a war crop other than cotton, the acreage planted to that crop would be considered as though it were planted to cotton for the purpose of retaining the farmer's cotton-acreage history. Because of that provision there are quite a number of acres in many of the States, which will not be planted to cotton this year. Many farmers who planted the so-called war crops in lieu of cotton have gone out of cotton production and will not use the cotton acreage that has been allotted them under Public Law 272. That is the reason why the Department witnesses as well as other witnesses have stated that, although the national acreage quota was fixed at 21,000,000 acres, actual plantings will be at least 2,000,000 acres under that figure.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. The Senator has just agreed that there is nothing in the bill which will prohibit this acreage from being added.

Mr. ELLENDER. The Senator is correct, except, as I said, quotas have already been assigned to the various States under Department of Agriculture figures. Let us not forget that before the war, cotton farmers had a recorded history of all the cotton acreage planted by them, but, beginning in 1942 an abundance of cotton was needed and there was no effort made to curtail the production of it. From 1942 until 1949 there were no cotton quotas. There was no need to retain a cotton history. There was no need for a farmer during 1946, 1947, and 1948 to show that he planted so many acres of cotton. Record keeping was discarded, because the lid was taken off of cotton production.

Mr. WILLIAMS. Is the Senator from Louisiana aware of the fact that in the year 1942, when the lid was taken off so that we could have a larger production, the production was only 21,000,000 acres, which is about the acreage which will be planted this year without this bill?

Mr. ELLENDER. Yes. The reason for that was that Congress passed a law which gave the cotton farmer the right to plant the so-called war crops in abundance, with the understanding that the cotton farmer would be given credit for those plantings just as though he had planted them to cotton. Otherwise the cotton acreage would probably have been between 27,000,000 and 30,000,000 acres, as in previous years.

Mr. WILLIAMS. Does the Senator from Louisiana think the country needs this additional cotton output?

Mr. ELLENDER. No; but this was done to cure inequalities in the cotton allotment.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. If the Senator will permit me, first, to complete my answer to his question. As the Senator knows—and I am sure he heard the debate on the floor of the Senate which continued over a long period—it was pointed out that there were gross inequities in connection with allotments to cotton farmers, because the cotton farmers of the country had no acreage history by which to be guided, and the Department of Agriculculture saw fit to take the BAE figures, which were, in my opinion, grossly inadequate as to some localities. For instance, reports were taken from gins throughout the country. It may be that in a particular locality cotton was ginned which belonged to another locality, and the number of bales ginned at one gin did not reflect the entire amount of cotton produced in a particular locality. Thus inequalities were caused.

I want to repeat that the provisions of this bill will not, in the judgment of the Department of Agriculture, in the judgment of many witnesses who appeared before the committee, and in my own humble opinion and judgment, increase the national cotton acreage in excess of the 21,000,000 acres provided in Public Law 272.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. I wish to say that I agree with the distinguished Senator from Louisiana on one point only, namely, that no doubt inequities do exist in cotton-acreage allotments which are made by the Department of Agriculture. In October, when we passed the present law, I pointed out that there would inevitably be inequities, not only in cotton, but in all commodities, so long as we in Washington try to regulate the number of acres which any farmer was permitted to plant. We will not correct the situation by merely increasing the acreage. No one claims that we need this extra acreage.

Mr. ELLENDER. I admit that the cotton produced will add to the surplus. There is no question about that.

Mr. WILLIAMS. At whose expense will the cotton on the one and a quarter million acres be produced? Will it not be produced at the expense of the taxpayer?

Mr. ELLENDER. Before I conclude I hope to be able to show the distinguished Senator from Delaware, that cotton has been under a price-support program for many years, and it is the only basic crop in which the Government has shown a profit of almost a quarter of a billion dollars.

Mr. WILLIAMS. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Is the Senator aware of the fact that the only way the Commodity Credit Corporation was able to show a profit on cotton was by virtue of the fact that it transferred losses in excess of $1,000,000,000 to other Government agencies during the last 18 months?

Mr. ELLENDER. That is not correct. The Senator is misinformed as to that.

Mr. President, as I have indicated, the Department of Agriculture itself has

backed the statement that the bill as agreed to in conference and as now presented to the Senate will not increase the cotton acreage in excess of 21,000,000 acres.

We agreed to another amendment with respect to the provisions of the cotton bill which in my opinion will have the effect of lessening the acreage. That amendment provides that in giving a farmer the right to appeal his allotment, the appeal shall be heard, not by members of the committee in his own county, but by members of a committee appointed by the Secretary of Agriculture from adjoining counties. We have made every effort to provide that additional acreage will be used to cure inequities which have resulted from the law Congress passed last year.

The next proposal we considered was with respect to Irish potatoes. It will be recalled that the so-called Aiken amendment was in the bill as passed by the Senate. It will also be recalled that an amendment sponsored by myself, the Senator from Illinois, the Senator from Virginia, and the Senator from Florida, provided that for the crop year 1951 and thereafter no price support should be made available for any Irish potatoes unless marketing quotas were in effect with respect to such potatoes. The House bill contained no provision relating to potatoes. The conferees adopted an amendment the effect of which would be to give the Secretary of Agriculture the power to dispose of surplus potatoes, rather than to dump or destroy them. I think I will save time by reading the provision to which the conferees agreed. It is as follows:

Notwithstanding any other provision of law, Irish potatoes acquired under the 1949 price-support program shall, if the Secretary of Agriculture determines such action necessary to prevent their loss through destruction, deterioration, or spoilage before they can be disposed of more advantageously than as herein provided, be made available under such terms and conditions as he deems appropriate and in the public interest (including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section) to school-lunch programs, the Bureau of Indian Affairs, Federal, State, or local public-welfare organizations, private or international nonprofit welfare organizations, penal institutions, and nonprofit hospitals; except that, in the case of disposition to private or international nonprofit welfare organizations for the assistance of needy persons outside the United States, the transportation and handling costs to be borne by the Government shall be limited to the movement of such potatoes to the nearest port. Any such agency or institution desiring to acquire surplus potatoes shall make application to the Secretary of Agriculture.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. Is it the purpose of the conference committee in this report, and by this new wording in the bill applicable to surplus Irish potatoes under the 1949 price-support program, that the only addition of transportation and handling costs with respect to potatoes of the 1949 surplus shall be for those cases in which the Secretary of Agriculture finds a use for those surplus potatoes as human food? Is that correct?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. And that there shall be no authorization for the addition of transportation or handling costs for the transportation of surplus potatoes to be used as food for animals?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. Or for alcohol-plant use, or for any other industrial use?

Mr. ELLENDER. The Senator is correct.

Mr. HOLLAND. I thank the Senator.

Mr. ELLENDER. That is why we named all the agencies which could receive them.

Mr. President, when the first conference report was presented to the Senate it contained in section 4 a provision that—

No price support shall be made available for Irish potatoes of the 1950 crop harvested after the enactment of this joint resolution unless marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, are in effect with respect to such potatoes.

Then we added to that a provision giving to the Secretary of Agriculture the right to limit the quality, the sizes, and the grades of the potatoes which were to be shipped.

Mr. President, what we have done, so far as possible, is to leave the law as it now exists. The only addition we have made is that, with respect to the 1950 crop, price support shall be limited to potatoes produced by eligible producers which are of a grade not lower than U. S. No. 2. This was added for clarity.

The charge has been made, as I recall, on the Senate floor as well as on the House floor, and also by several newspaper columnists, that the Department of Agriculture was not only supporting merchantable potatoes but all grades of potatoes, including culls. That was denied by the Department of Agriculture, and witnesses from the Department who appeared before us stated that to their knowledge no culls were supported by the Government. But in order to make it certain that the Government would not support anything other than U. S.-graded potatoes, we included the provision which I have just read so that there would not be any "if's," "and's," and "but's' about it.

The other provision with respect to potatoes is that relating to the amendment sponsored by the distinguished Senators from Florida, Illinois, Virginia, and by myself to the effect that after the 1950 crop, that is, beginning with the 1951 crop, and thereafter no price support shall be made available on Irish potatoes unless marketing quotas are in effect with respect to such potatoes.

Following the adoption by the Senate of the amendment, I made the promise to many Senators who are interested in the potato problem that as head of a subcommittee appointed by the distinguished Senator from Oklahoma [Mr. THOMAS] I would immediately hold hearings on the potato question, with a view of presenting to the Senate at an early date a bill which would give the Secretary of Agriculture the right to fix acreage quotas for potatoes to the same extent as is now provided for cotton, corn and other basic commodities.

Mr. President, I wish to say to my good friends on the floor that day before yesterday the subcommittee concluded its hearings on potato marketing legislation and it is my purpose to have the subcommittee meet early next week with a view to reporting a bill to the full committee. I hope that within the next 3 or 4 weeks the Senate will have before it for consideration a potato bill which will permit the potato farmers to vote on marketing quotas for the 1951 crop and thereafter.

I now yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I should like to address a question to the distinguished Senator with reference to the provision he has just mentioned, and which was sponsored in the Senate at the time of its adoption, by the Senator from Louisiana and the Senators from Illinois, Virginia, and Florida, as the Senator has mentioned. I have heard several Senators in discussing the amendment state that the Department of Agriculture is inclined to interpret the amendment which provides that no price support shall be made available for Irish potatoes for the crop year 1951 and thereafter unless marketing quotas are in effect with respect to such potatoes, to mean that since no marketing quotas are supplied by law, and since there is already a requirement in the present law requiring support, that until the Congress has affirmatively passed on the quota provision, the Department would feel obligated to proceed with the support program.

Mr. ELLENDER. As it now exists, that is correct.

Mr. HOLLAND. It was my understanding at the time of the submission of the amendment that it was the intention of its sponsors to bring about an entirely different situation; to ban entirely price supports for potatoes in 1951, and therafter, unless in the meantime affirmative legislation was passed providing for quotas.

Mr. ELLENDER. I misunderstood the Senator's first question. The interpretation of the amendment that he has just given is entirely correct.

Mr. HOLLAND. And unless those quotas were in effect as to the particular potatoes.

Mr. ELLENDER. The Senator is correct.

Mr. HOLLAND. Then there is no question at all as to the intention of the conferees and as to the intent of the sponsors of this particular amendment, that unless the Senate takes affirmative action between now and the coming on of the 1951 crop, or any subsequent crop making applicable quota provisions, there will be no price-support program of any sort conducted by the Federal Government for any potatoes beginning with the 1951 program and thereafter?

Mr. ELLENDER. The Senator is correct.

Mr. HOLLAND. I thank the Senator. I wonder if the Senator would be agreeable to having placed in the RECORD at this point from the statement of the House conferees, the third paragraph on

page 9 which it seems to me makes very clear that the purpose of the conferees is as has just been stated by the Senator from Louisiana?

Mr. ELLENDER. I will say to the Senator I have no objection.

Mr. HOLLAND. I will read the provision into the RECORD, as follows:

Section 5 prohibits price support for Irish potatoes in 1951 and thereafter unless marketing quotas are in effect. The committee of conference was aware that there is no existing legislative authority for the establishment of marketing quotas for potatoes and that in the absence of affirmative action by Congress, any price support for potatoes in 1951 is barred by this section.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. The distinguished senior Senator from Louisiana stated there would be no further potato-support program for 1951, and afterward, unless Congress enacted a quota law?

Mr. ELLENDER. That is correct.

Mr. YOUNG. In other words, if Congress fails to act, the potato-support program is completely out?

Mr. ELLENDER. Yes.

Mr. YOUNG. Does the Senator know of any other single instance during the time we have had farm price supports, that the support for any commodity has been wiped out summarily without a hearing whatever?

Mr. ELLENDER. I have no recollection of any. But I doubt the necessity of a hearing on the subject other than what we have been conducting for the purpose of enacting legislation. Let me point out to the distinguished Senator from North Dakota, whom I admire and who knows I would go the limit to assist him——

Mr. YOUNG. I appreciate the comment and assure him the feeling is mutual.

Mr. ELLENDER. The potato program under the present law has cost the Federal Government from 1933 to December 31, 1949, a little more than three-fourths of the entire cost of the farm price-support program we now have on the statute books. I have before me a statement showing the gains and losses by commodities of this program since 1933. It shows that the gains on cotton, tobacco, soybeans, and other commodities aggregated $218,400,000. Those were the gains made by the Government in the disposition, or handling, I may say, of those commodities.

With respect to other commodities in which the Government suffered a loss, potatoes accounted for $346,500,000 out of a total loss of $468,800,000.

I desire to point out further that of the 366,000,000 acres of land now in cultivation commercially, potato growers account for 1,200,000 acres. In other words, the losses sustained by the Government in this program of price support for the potato industry has accounted for three-quarters of the loss, while the acreage amounts to about one-third of 1 percent of the entire acreage devoted to commercial cultivation.

Mr. President, unless something is done now to stop the huge losses on this one commodity, I fear that it is bound to sink the entire program. That is why I am personally insisting on having this provision in the bill, in the hope that the potato farmers, the National Potato Council, and all Senators and Representatives interested in the growing of potatoes will get together and frame a bill, which can be enacted into law and under which potatoes can be planted and their price supported in the future, if the farmers are willing to impose upon themselves marketing quotas similar to that which is imposed upon the cotton farmers, the wheat farmers, and the tobacco farmers. In other words, any farmer who expects the Government to support the price of his commodity should be willing to place himself under production quotas.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. Does not the fault lie with Congress in not enacting the proper price-support control laws for potatoes? The potato growers themselves are not entirely to blame. In fact, I believe they could be blamed but very little. I would not attempt to defend all of the present price-support program. Corrective legislation should be enacted. But is it not necessary to repeal first every statute, and then place the potato growers completely at the mercy of the Congress, and what it may or may not do? Why could not proper action have been taken before? Also is it not true that 10,000,000 bushels of potato imports had much to do with the present bad price-support situation and the heavy cost?

Mr. ELLENDER. I wish to point out to the Senator that the record shows that the House has been trying for 3 years to get the potato growers and the National Potato Council to agree on a bill whereby the acreage of potatoes, in other words, the planting of potatoes, could be controlled. But when presented with a bill the answer was, "Well, let us wait a little while longer." They have been waiting. I say that unless the Congress takes affirmative action now the potato program, if permitted to continue, will break down the entire price-support system. I am sure the distinguished Senator from North Dakota would not want that to happen.

Mr. YOUNG. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. I am in entire agreement with the Senator from Louisiana that proper control should be enacted, but I do not believe it is necessary to go about it in the way now proposed. For example, if an amendment were offered on the floor today, if it were possible to do so, the purpose of which was to abolish peanut support entirely, and let peanuts stand on their own—and that program is not too popular with many of us—if I took the same attitude of those who want to wipe out potato supports without a hearing whatever, I would be inclined to vote to repeal and put peanuts in the same position. Our Committee on Agriculture and Forestry never held a hearing on price supports, to change the legislation and to correct it. At least no recommendation was ever made to repeal potato supports. The farmers themselves never had any opportunity whatever to testify in that regard during this session.

Mr. ELLENDER. Let me point out to my distinguished friend, the Senator from North Dakota, that we had quite a discussion on the amendment submitted by me, the Senator from Florida, and other Senators. The Senate voted on that amendment. There were only 14 Senators, from among the entire membership of this body, who voted against the amendment to which I have been addressing myself. It is just as plain as print to me and to quite a few other Senators in view of the losses sustained by the Government through the potato program, that if it is continued it will simply mean the destruction of the entire price-support program. I do not want that to happen.

Mr. YOUNG. Mr. President, if the Senator will yield further let me ask is not this the beginning of the end of all price-support legislation?

Mr. ELLENDER. If we continue the present potato program I think so.

Mr. YOUNG. If we allow one support after another to be picked off on the floor of the Senate will not that mean the end of all price-support legislation, sooner or later?

I cannot comprehend how the Democratic Party could agree to do such a thing, inasmuch as that party is supposed to believe in price-support legislation. Also, I do not see how we can maintain any decent levels or supports for agricultural commodities and still allow the dumping in our markets of agricultural more cheaply produced commodities from foreign countries. In my opinion, low tariffs and the dumping process will wreck the entire price-support program sooner or later, and probably rather soon.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Delaware for a question.

Mr. WILLIAMS. Mr. President, the Senator from Louisiana has claimed previously that the total cost of the farm program was only $468,000,000, and that of that amount $345,000,000 was attributed to potatoes.

Mr. ELLENDER. Of that amount, $346,500,000 was attributed to potatoes.

Mr. WILLIAMS. I wish to say that there is no one who has been more critical of the waste and extravagance of the potato program than I have been; but I disagree completely with the Senator from Louisiana that the potato program is any worse than the cotton, peanut, tobacco, and other programs. The only difference is that the loss on the other programs has been hidden from the taxpayers by transferring the cost to other Government agencies. In the last 18 months alone, we have given away $750,000,000 worth of cotton, the cost of which was recorded in agencies other than the Commodity Credit Corporation.

Mr. ELLENDER. Mr. President, I respect the views of my distinguished colleague, the Senator from Delaware.

At this point, Mr. President, I ask unanimous consent to have incorporated

in the RECORD the statement from which I have been quoting.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Cumulative net results of CCC price-support operations,[1] by commodities, 1933 to Dec. 31, 1949

COMMODITIES ON WHICH THERE WERE NET GAINS	
Cotton, upland	$205,900,000
Tobacco	5,300,000
Soybeans	4,900,000
Other commodities (less than $1,000,000 each)	2,300,000
Total	218,400,000
COMMODITIES ON WHICH THERE WERE NET LOSSES	
Potatoes, Irish	$346,500,000
Wool	87,100,000
Peanuts	58,000,000
Eggs	39,300,000
Corn	42,600,000
Wheat	40,600,000
Hemp and hemp fiber	21,500,000
Sugar beets	16,500,000
Grain sorghums	10,000,000
Prunes	8,500,000
Raisins	6,600,000
Barley	3,100,000
Grapefruit juice	1,700,000
Other commodities (less than $1,000,000 each)	5,200,000
Total	687,200,000
Net loss	468,800,000

[1] Realized gains and losses, excluding general income and expense.

Mr. JOHNSON of Colorado. Mr. President, let me inquire whether the Senator from Louisiana is now willing to discuss other parts of the conference report.

Mr. ELLENDER. Yes.

Mr. JOHNSON of Colorado. If the Senator will yield to me for a question, let me ask what action was taken by the conferees in regard to wheat acreage.

Mr. ELLENDER. The conferees did their best to provide some legislation which would assist in respect to the conditions heretofore described in Colorado and in Kansas. The conferees on the part of the Senate presented to the conferees on the part of the House the amendment which was adopted by the Senate. The House conferees returned with an amendment to our amendment, but that was not acceptable to the Senate conferees, particularly to the distinguished Senator from North Dakota, the distinguished Senator from Minnesota, as I recall, and to the distinguished Senator from Vermont. The distinguished Representative from Kansas [Mr. HOPE] was spokesman for the conferees on the part of the House on the question of wheat. I presented to him an amendment which would take care of the situation by permitting from 1 percent to 1½ percent of the national wheat acreage allotment to be used as far as it would go toward taking care of the inequalities to which the Senator referred in his remarks. However, after a great deal of discussion and voting, it was finally decided to exclude wheat from the bill altogether.

Mr. JOHNSON of Colorado. Mr. President, I am very much disappointed to learn that, because it makes a very serious situation in my State and in other States. As I stated when the matter was previously before the Senate, we simply cannot turn on the faucet and then turn off the faucet, in connection with agricultural production.

During the war and following the war, our farmers were urged officially by the United States Government to plant all the wheat and harvest all the wheat they could; and in that connection the farmers were told that wheat was going to help win the war—as it did—and would help win the peace—as it has. That argument was presented to the farmers, and they felt that they were doing a patriotic duty when they planted large acreages of wheat and broke new ground and planted wheat thereon. Much to their surprise, they raised bumper crops; but now those acreages are suddenly to be choked off. That has left a very bad situation.

I was in hope that the conferees would be able to agree upon legislation which would permit the excess acreage to be tapered off gradually, so that no one would be ruined, so that the problem could be worked out in an orderly way.

I am sure the conferees realize that the farmers who have broken ground for the excess acreage, as the conferees term it, will be compelled to proceed with their planting and to sow the wheat, just as they would have done had the conference report been otherwise. The only penalty which can possibly be visited upon them is that the wheat planted on the excess acreage will not have loan support. But the wheat they grow on such acreage will come on the market and will affect the price paid and the price received for all the wheat produced in the United States. So the only thing we are doing by not meeting this situation squarely is to create chaos and confusion out of order.

Therefore, I regret very much that the action has been taken. I am disappointed. We had a very fine vote in the Senate in support of the wheat proposal. Those of us who were supporting the proposal were not trying to bind the conferees to the exact language; we thought that something could be worked out, and that something would be worked out.

So the disappointment is very keen, I may say to the Senator. But I thank him for his action on the floor at the time when the bill was before the Senate, and also for his efforts in the conference to try to obtain some sort of compromise.

Mr. ELLENDER. Mr. President, let me state further to the distinguished Senator from Colorado that the conferees on the part of the House, speaking through Representative HOPE, said hearings were being held—in fact, as I recall, they have been concluded—and that a bill would soon be on its ways for the purpose of rectifying the complaints to which the Senator has referred.

The Senator will recall that last year a similar provision was incorporated in the law, to be effective for only 1 year. At the time that provision was adopted, I think it was the belief of those who proposed it that 1 year's trial probably would rectify all the inequalities of which complaint was made. But unfortunately, instead of having the amendment apply only to the States adversely affected—that is to say, to Colorado, Kansas, Wyoming, and several other States—it had the effect of giving larger wheat quotas to many States that were not entitled to them.

Mr. JOHNSON of Colorado. That was a complete surprise to the supporters of the amendment.

Mr. ELLENDER. Exactly.

Mr. JOHNSON of Colorado. I think that interpretation was not a correct one.

Mr. ELLENDER. The Senator discussed that point on the floor of the Senate, and I am inclined to agree with him.

In any event, the Department claimed that it had no other alternative, and instead of allocating less than a million acres of additional wheat to rectify the inequalities, the Department was compelled to increase the wheat acreage by almost 4,500,000 acres.

Mr. HUNT and Mr. AIKEN addressed the Chair.

Mr. ELLENDER. I yield to the Senator from Wyoming.

Mr. HUNT. Mr. President, last year, when the farm bill was before the Senate, I took perhaps an hour and a half in an attempt to get the Senate——

The PRESIDING OFFICER. Is the Senator from Louisiana yielding the floor?

Mr. ELLENDER. No; I simply yielded to the Senator from Wyoming.

The PRESIDING OFFICER. The Chair would remind the Senator from Louisiana of the rule—frequently honored more in the breach than in the observance—that a Senator can yield only for a question, except by unanimous consent.

Mr. ELLENDER. That is what I am trying to do.

Mr. HUNT. Mr. President, let me assure the Senate that I wish to ask a question.

Last year the junior Senator from Wyoming took approximately an hour and a half of the time of the Senate in an attempt to obtain consideration for ex-servicemen who have settled on reclamation projects in my State in the past 2 years—on land which had no prior crop history. To take care of those ex-servicemen, whom we have invited to go on that land, I requested the allocation of a very few acres for the production of wheat. Will the Senator from Louisiana advise me whether the conference committee has handled that situation?

Mr. ELLENDER. The distinguished Senator from Wyoming presented to me a copy of an amendment which could be used to a large extent to ameliorate the condition he mentioned. I presented the amendment to the conference. The House conferees rejected it. I do not know of anything else the Senate conferees could have done in order to be of assistance. I doubt that the amendment which was proposed by the distinguished Senator from Colorado would have been of assistance to the persons to whom the distinguished Senator from Wyoming has referred. Throughout an entire week, with the proposal before us, we tried to work out something which would take care of the situation. But as I said, the

conferees could not and did not agree. We finally agreed to omit wheat, with the understanding that the House would act on that commodity at an early date, and that similar efforts would be made in the Senate. We thought it might be best to handle the wheat problem through separate bills, upon which hearings might be held.

Mr. HUNT. Mr. President, will the Senator yield for one more question?

Mr. ELLENDER. I am glad to yield.

Mr. HUNT. Does the distinguished Senator from Louisiana think the Congress is dealing fairly with ex-servicemen whom we have invited to occupy the reclamation projects, by saying to them, "You cannot produce any wheat"—which is their first best cash crop—"simply because the Congress has enacted legislation which will prevent you from doing so?"

Mr. ELLENDER. I may say to the Senator, I was supporting the distinguished Senator from Oklahoma [Mr. THOMAS], and I shall do everything I can toward the enactment of a similar law in the future.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. AIKEN. Did the Senator get the impression in conference that the House rejected the so-called Johnson-Millikin amendment largely because of its belief that the bill, in its entirety, was practically assured of veto, so far as it was possible for the Department of Agriculture to bring it about, if there remained within it a provision for the planting of 4,500,000 additional acres of wheat?

Mr. ELLENDER. It was the belief of some that if the bill were overloaded, the President would necessarily look with disfavor on it; this was probably the case.

Mr. AIKEN. I got that impression from talking with officials of the Department of Agriculture, and I think other conferees did also.

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MILLIKIN. I desire to ask, were the conferees aware that, despite the fact that the amendment of last year overran its intent, the senior Senator from Colorado [Mr. JOHNSON] being of the opinion that it occurred through a misinterpretation, that the wheat acreage is practically the only acreage that stayed within its limits?

Mr. ELLENDER. Yes.

Mr. MILLIKIN. Were the conferees aware of that?

Mr. ELLENDER. I do not recall any discussion being held on the wheat acreage, but the consensus was, as I remember—and we, of course, obtained our information not only from certain members of the committee who knew about wheat, but also from the Department—that the effect of the amendment would be to increase the acreage by 4,500,000 acres, and, with the language as it was incorporated in the Senate bill, the Department would have to administer the wheat acreage provided for under the amendment along the same lines as last year. It had a tendency to increase the acreage far above the national acreage allotment.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Colorado?

Mr. ELLENDER. I yield.

Mr. MILLIKIN. Was it brought to the attention of the conferees that the amendment of last year, which was excessive in its effects—because, we believe, of a misinterpretation by the Agricultural Department—nevertheless served its intended purpose of keeping people from growing a large amount of wheat which they would have grown outside the support system?

Mr. ELLENDER. The point was brought out very forcefully by Senators from wheat-growing States.

Mr. MILLIKIN. Were the conferees made aware of the fact that there were several proposals which would in varying degrees have been acceptable to those of us who are faced with the problem, that would have cut the acreage materially—an amendment suggested by Representative HOPE, I believe——

Mr. ELLENDER. That is correct.

Mr. MILLIKIN. That is, would cut the increase down from the alleged more than 3,000,000 acres to 875,000 acres?

Mr. ELLENDER. Yes; and that proposal was submitted to the Senate conferees. I shall in a moment, if the Senator does not mind, let the Senator from Minnesota [Mr. THYE] state what happened, because I think it was through the discussion which followed between the Senator from Minnesota [Mr. THYE], the Senator from Vermont [Mr. AIKEN], and the Senator from North Dakota [Mr. YOUNG] that the proposal by Representative HOPE was rejected.

Mr. MILLIKIN. Mr. President, will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Colorado?

Mr. ELLENDER. I yield.

Mr. MILLIKIN. Were the conferees made aware of the fact that, through the operation of the system, without the operation of the Johnson-Millikin amendment, the people who have broken the land in that part of the country to which we are referring, and have put it into wheat, will, if they stay within support-price allocations, have their crops cut down to 25 percent of what they have been?

Mr. ELLENDER. That was brought out. I cannot substantiate the figure percentagewise, but we were given to understand that it would decrease their acreage considerably. There is no doubt about that.

Mr. MILLIKIN. I am compelled to ask the distinguished Senator what kind of cataclysm it is that would enlist the help of the conferees?

Mr. ELLENDER. I may say to the Senator, many of us felt that the Department should be given the right to take a certain percentage of the national wheat-acreage allotment and set it aside in order to correct or minimize the inequalities of which the Senator is complaining. I made every effort, with the distinguished Representative from Kansas, to have a provision written into the bill which would treat wheat in the same manner that we are treating cotton, namely, to set aside a certain amount of acreage for the purpose of taking care of inequalities. I may state further to the distinguished Senator that, as to most of the basic crops, there is a provision in the law which allows the Department of Agriculture, as well as the local committees distributing acreage, a certain leeway, a certain percentage of the allotted acreage, to be used for taking care of new growers, and correcting such inequalities as those to which the distinguished Senator from Colorado is now alluding.

Mr. MILLIKIN. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield for a question.

Mr. MILLIKIN. It appears, then, that we had the Johnson-Millikin amendment and several other suggestions for getting the job done, including the suggestion of the distinguished Senator from Louisiana and that of Representative HOPE. But is it not true that relief for the economic tragedy which faces the people in eastern Colorado, western Nebraska, Kansas and Wyoming, was allowed to fall through all the stools that were set out?

Mr. ELLENDER. I have nothing to say in answer to the distinguished Senator, except that, so far as I am concerned—and I think the same is true of most of the members of the conference—I made an earnest effort to assist the farmers in the areas designated by the distinguished Senator. But somehow we could not agree to any formula. It was finally agreed, or promised, by several Representatives, that since the matter was under study in the House, it would receive the attention of the House at an early date. Speaking for myself as a member of the Committee on Agriculture and Forestry, I desire to state to my distinguished friend that I shall do all I can to rectify such inequalities as those of which the Senator is now complaining.

Mr. MILLIKIN. Mr. President, will the Senator yield for another question?

Mr. ELLENDER. I yield.

Mr. MILLIKIN. So we wind up with cotton under the shelter of a nice tight roof, and peanuts, but potatoes and wheat must depend upon the inclement weather which may develop in the House and elsewhere.

Mr. THYE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. ELLENDER. I yield to the Senator for a question.

Mr. THYE. In order to afford a little comfort to the able Senator from Colorado, I may say, that, as a member of the conference committee, I saw the problem facing us as members of the conference committee. We recognized that in Colorado there were wheat producers who had been growing wheat during the war years, and that they had made a great contribution to the war effort. However, only 12 or 15 years ago we were referring to that area as the Dust Bowl area. The Nation made a terrific effort by planting grass to build up

that area which had become devastated as a result of winds blowing away the soil.

The war effort caused us to break up areas which should not have been tilled in order to produce additional foodstuffs. Huge areas in Kansas, Oklahoma, and Texas went into such production. There is a constant hazard not only to farmers growing wheat but to the entire welfare of the area. While we recognized that reclamation areas which have been developed in recent years could well grow a crop of wheat and should have wheat acreage, the amendments which were before us, whether the one agreed to by the Senate or the one which Representative CLIFFORD HOPE presented, we did not believe they would afford any relief to the farmers who are tilling land in reclamation areas. Inasmuch as the wheat problem has been studied for a long time by the Agriculture Committees of the Congress, we felt, as conferees, that we had better not make any recommendation with reference to wheat. It was for that reason that the wheat amendment was not approved by the conference committee. We recognized that the Senator from Colorado, speaking for the producers in his State, might have a just reason to complain, but we could not overlook the great hazard with which we are confronted in the area which was, 12 or 15 years ago, recognized as a dust bowl. I think that was the thought which was uppermost in the minds of the conferees when we rejected the so-called wheat amendment.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. MILLIKIN. Is it not perfectly clear that the status of those lands as wheat lands is a much better status, so far as the Dust Bowl is concerned, than leaving the broken lands to blow away?

Mr. ELLENDER. I think that in the near future we shall be able to pass legislation covering that situation.

NEVADA COTTON ACREAGE

Mr. MALONE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. MALONE. Will the Senator advise me as to what happened to the amendment with regard to the 110 acres of cotton land in Nevada? What happened to that amendment providing 2,000 acres for the entire State of Nevada?

Mr. ELLENDER. I will say to my distinguished friend from Nevada that the Senate conferees made an effort to increase the quota for Nevada to at least 65 percent of its 1949 planting. The reason the House turned it down was that the Congress voted specifically last year not to include 1949 cotton plantings for the purpose of fixing cotton history for any State. The evidence showed that the only cotton which was planted by cotton farmers in the distinguished Senator's State in 1948 was only 110 acres. The approximately 1,200 acres to which the Senator referred on the floor had reference to 1949, and in that year a number of acres in excess of the 1948 acreage was planted, as I recall.

I further point out to the Senator that we were also advised, and there was evidence submitted to that effect, that the 1,200 acres of cotton planted in Nevada during 1949 were planted by only one or two growers. One of the growers had a tremendous planting in the State of California. Of course, all that had the effect of causing our good friends in the House to throw cold water on the proposal which was submitted.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield for a question.

Mr. MALONE. I understand that because someone may have planted in excess of 3 or 4 hundred acres in Nevada—and I understand that the cotton plantations are of considerable size in the South, some of them considerably in excess of 1,500 acres—in cultivation in Nevada in 1949—that we are to be cut back to 110 acres—the 1948 acreage.

Mr. ELLENDER. That is true in the South as well as in California.

Mr. MALONE. The Senator understands that regardless of who planted the cotton, it was taxable property in Nevada—and that the total acreage was insignificant.

Mr. ELLENDER. Yes.

Mr. MALONE. Does the Senator also understand that Nevada is a new State in line of development, that underground water must be pumped or water must be stored for agricultural development?

Mr. ELLENDER. With reference to the planting of cotton, yes.

Mr. MALONE. Not only in the planting of cotton, but in general over-all development.

Mr. ELLENDER. I may say to the Senator from Nevada that it was brought very forcefully to the attention of the conferees that Nevada had been allotted every acre she had planted in 1948. The difficulty is that we now have on the statute books a prohibition against taking into consideration any cotton plantings made in 1949. I believe the Senator from Nevada may have voted for that provision.

Mr. MALONE. If I did, it was a mistake to vote for any such legislation. But if the Senator from Louisiana will further yield for a question.

Mr. ELLENDER. I yield for a question.

Mr. MALONE. Does the Senator, then, understand that when we pass a law and then pass a later one which changes the policy that perhaps it might supersede the first law?

Mr. ELLENDER. Yes; but let me point out to my distinguished friend that many examples were given to us by the House conferees, indicating that in some States there was not enough cotton acreage allotted to the State to allocate to some counties in which very little cotton had been planted in 1948. They had to depend solely on the history of the county. By the same token, the cotton history of Nevada had to be taken into consideration before any allocations could be made. The House conferees urged very strongly that if we should make an exception of Nevada, which has no cotton history beyond 1948, we should have to make an exception for certain counties in Texas and in two or three other States in which the same situation prevails.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield.

Mr. MALONE. Does any county have as small an allotment as 110 acres?

Mr. ELLENDER. Not to my recollection. That is because they have been planting cotton from time immemorial. Nevada did not start planting cotton until 1946 or 1947 when prices were favorable.

Mr. MALONE. When the water for irrigation was available; and anyway, does that prevent the conferees from using a little common horse sense in allocating a sensible amount of acreage to a sovereign State for a major crop in the United States of America?

Mr. ELLENDER. I agreed with the Senator when he presented his amendment. I was very much surprised that such a low acreage allotment should be made to the State of Nevada. But after examining into the facts, I found that Nevada did not start planting cotton until 1948.

Mr. MALONE. We did not start making the atomic bomb until approximately the same time.

Mr. ELLENDER. But there were other States which had been planting cotton for many years. Why Nevada started to plant cotton in 1948 and now expects to have this large quota——

Mr. MALONE. A large quota?

Mr. ELLENDER. Yes.

Mr. MALONE. Compared with what?

Mr. ELLENDER. Compared with its past cotton planting history.

Mr. MALONE. With 21,000,000 acres provided for in the bill?

Mr. ELLENDER. I am talking about Nevada's own cotton planting history, because, if the Senator will read the cotton-acreage law, he will note that cotton acreage allotments are made on the past planting history of a State. What happened was that Nevada was allocated the full acreage she planted in 1948, whereas other States were cut down percentagewise.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield.

Mr. MALONE. I understand it would be a terrible thing to cut a State which had several million acres allocated to it in order to give some cotton acreage to a State which had 110 acres in 1948 and 1,500 acres in 1949. Do I understand correctly that about 20,000,000 acres could be planted this year, that the bill calls for 21,000,000 acres, and that actually about 19,000,000 acres will be planted?

Mr. ELLENDER. The ceiling is 21,000,000 acres, and the evidence shows that of that acreage approximately 2,000,000 acres will not be planted. As I indicated a short time ago, of that 2,000,000 acres approximately 1,150,000 acres will be used in order to rectify inequities which have been complained of by farmers.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. Yes.

Mr. MALONE. Is it possible to rectify the particular situation to which I have referred out of the 2,000,000 acres which probably will not be planted? Could

not a certain amount of that acreage be allocated to Nevada?

Mr. ELLENDER. There will be some acres left over.

Mr. MALONE. Could that be done under the provisions of the bill?

Mr. ELLENDER. No. I wish the Senator would bear in mind that allotments made to a State are based on the State's cotton history. If we made an exception in the case of Nevada, we should have to change all other allotments, unless specific provision were made in the statute for Nevada. I am sure the Senator would not want that to be done.

Mr. MALONE. It could be that when a distinct disservice has been done to a State a further law may be passed and the State specifically mentioned in the law. Might not the Senate of the United States purposely adopt an amendment in order to bring that about just as it did do? That is a question which I should like to have the Senator answer.

Mr. ELLENDER. Speaking for myself—and I believe for other members of the conference—I will state that if we had seen the situation in Nevada as an inequity apparent on its face, we probably should have urged the amendment proposed by the distinguished Senator from Nevada and his colleague. However, I repeat, when the matter was presented to the House conferees, they immediately raised the point that Congress had already acted on the matter, and no 1949 plantings of cotton could be taken for the purpose of fixing the history of any State.

Mr. MALONE. Then do I understand correctly that the Congress of the United States could not possibly change what it had done 1 year ago or 10 years ago?

Mr. ELLENDER. Probably it could have been done if we had been able to obtain the consent of the House conferees. The House conferees pointed out in no uncertain terms that in many sections of the cotton-producing South there are many localities which are in the same position as Nevada, and that to give Nevada the relief which it sought would do an injustice to many other localities. To carry the point further, the House conferees pointed out that to treat other localities along the line which the Senator seeks, would have required not 1,150,000 acres, but probably several million acres additional.

Mr. MALONE. Of course the Senator understands that Nevada is not merely another locality, but a sovereign State. The Senator is talking about townships in his own area which contain more acreage than the whole State of Nevada.

Mr. ELLENDER. I understand.

Mr. MALONE. Will the Senator yield for a further question?

Mr. ELLENDER. Yes.

Mr. MALONE. Does the Senator from Louisiana understand that on February 23 the junior Senator from Nevada presented an amendment which called for the same acreage which Nevada had in 1949, and that my distinguished colleague on the following day offered an amendment which the junior Senator supported calling for 2,000 acres, which was accepted, and therefore I did not press my own amendment? Does the Senator remember that?

Mr. ELLENDER. I remember that very well.

Mr. MALONE. Will the Senator consent to have inserted in the RECORD at this point the text of the amendment which I submitted, and my remarks in connection with it, which appear in the RECORD of February 23?

Mr. ELLENDER. Provided I do not lose the floor.

Mr. MALONE. Mr. President, I ask unanimous consent that the Senator may be permitted to yield for that purpose without losing the floor.

The VICE PRESIDENT. Is there objection?

There being no objection, the amendment and statement referred to were ordered to be printed in the RECORD, as follows:

Mr. MALONE. Mr. President, under the cotton acreage allocation the State of Nevada was allocated 110 acres for 1950, while there were 1,150 acres actually in cultivation in Nevada during the year 1949. In the debate with the distinguished Senator from Louisiana [Mr. ELLENDER] this morning he indicated he would entertain an amendment to bring the acreage for Nevada at least up to the 1949 acreage.

Mr. President, Nevada is a new State. Less than 1½ percent of its acreage is in cultivation, and it is a growing State. It is necessary to have crop rotation. It probably is not too well known that the southern boundary of Nevada, approximately on the thirty-fifth degree of latitude extends as far south as the northern boundaries of Mississippi and Alabama.

It is realized that subsidies naturally call for acreage restriction, but some judgment may be exercised in respect to a sovereign State which is a new State and in a state of development. Therefore I submit the following amendment, to be added to the joint resolution as a new section:

"SEC. 3. Notwithstanding any other provision of law there shall be allotted to the State of Nevada for the production of cotton in 1950 not less than 1,150 acres, which is the acreage planted to cotton in Nevada in 1949. The additional acreage required to be allotted by this section shall be additional to the national acreage allotment."

Mr. President, I submit the paragraph just read as an amendment to the pending measure.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MALONE. Mr. President, many Congressmen were not in Washington when the conferees' report was made—also some Senators are not on the floor today to participate in this debate and vote.

I intend to vote against the conference report and then move to send the report back to the conference for reconsideration.

Mr. ELLENDER. Mr. President, the last commodity which I desire to discuss is peanuts. There was considerable opposition in the conference by some members of the committee to the so-called George amendment. The George amendment, as it was interpreted by quite a number of the conferees, provided for unlimited planting of peanuts, without price supports. In other words, it provided that a farmer would have the right to plant in excess of his acreage quota any amount of peanuts he desired, so long as such peanuts were bought or sold through a Government agency and used for oil.

Then the question arose, in connection with the George amendment, as to whether or not the Government would in any wise be responsible. When the conferees met yesterday we presented the proposal to the counsel representing the Senate conferees and the counsel representing the House conferees, and we suggested to them that we wanted the George amendment limited as to acreage, that is, to provide for some limitation on the acreage that a farmer could plant in excess of his acreage allotment.

In order to meet that situation, the conferees agreed to insert in the George amendment a further amendment which provided that no farmer should plant more peanuts in 1950 than he planted in 1947. The year 1947 was selected because, as I understand it, that was the last year prior to the placing of quotas on peanuts, and an accurate account was kept of the acreage planted to peanuts throughout the country during 1947.

The other objection to the George amendment was met by further amending it to make it certain and unequivocal that the Government would not lose money in handling the excess peanuts. In other words, the amendment provided that the peanuts should be taken over by the agency provided for in the act, and the peanuts would be stored, if necessary, handled, and insured, all at the expense of the farmer who brought them in. After the peanuts were handled, stored, and insured by the agency, and then sold for the production of oil, whatever net remained was to be divided proportionately among the farmers who brought their peanuts to the agency.

Mr. President, I believe those two amendments to a large extent met some of the opposition which was lodged against the peanut provision.

Let me state to the Senate that some have urged that the inclusion of the George amendment will mean that a good deal more peanut oil will come in competition with other oil. I call the attention of Senators to the fact that not only the bill agreed upon by the conference committee, but the law which was enacted last year, result in the reduction of cotton acreage by almost 6,000,000 acres; this takes away from the oil industry the cottonseed produced on those 6,000,000 acres. The amount of oil which will be produced from peanuts as a result of the George amendment will be very small compared to the losses from decreased production from cottonseed.

I wish to say further that I am informed that few if any farmers will produce a great amount of peanuts and sell them for oil, because it is not economical to do so. The price received by a peanut farmer for peanuts produced for oil is so small that it does not pay him to grow peanuts for oil alone.

Mr. President, section 7 of the bill agreed upon by the conference committee is designed to relieve some of the inequities that have resulted from the new formula established by the Congress

last year, under Public Law 272, for allocating peanut acreage among the States. Evidence produced at the Senate hearings showed that, under existing law, the 1950 peanut allotments for Texas and Alabama will be cut 28 and 30 percent, respectively, from the 1949 allotments, whereas the national cut was around 20 percent. On the other hand, Oklahoma received a cut of only 3 percent, North Carolina 7 percent, and Virginia none at all.

As I understand the situation, the proportionately greater cuts in peanut acreage allotments for 1950 to Alabama, Texas and several other States result from several factors:

First. Insertion in the new law—Public Law 272—of a minimum State allotment equal to 60 percent of the 1948 harvested peanut acreage. This had the effect of giving substantial increases to Oklahoma and Georgia. It helped Georgia also because that State had taken a large cut in 1949 from its 1948 acreage. Under the former act, State allotments could not be below the 1941 allotment. Public Law 272 retained this minimum, but added the additional minimum of 60 percent of the 1948 harvested acreage which, as I have mentioned, gave an advantage to certain States, principally Oklahoma and Georgia.

Second. Repeal of the proviso in the old law that any additional acreages required to bring State allotments up to the established minimum were to be in addition to the national quota. Elimination of this provision in establishing 1950 quotas resulted in practically all of the national quota being used up to provide the State minima, leaving only a small amount of acreage for adjustment of State allotments on the basis of the adjusted 5-year average.

Third. Reduction of the national quota from 2,611,367 acres in 1949, to 2,100,000 acres in 1950.

Fourth and most important: Under the original law, which was in effect when the peanut farmers voted on the quotas, the acreage allotment for each State was to be increased or decreased below the preceding year's allotment by the same percentage as the national marketing quota was increased or decreased over the preceding year. This provision was eliminated when we enacted Public Law 272.

Mr. President, the bill agreed upon in conference provides relief against unreasonably high cuts to States like Alabama and Texas, by establishing a minimum, below which the 1950 national acreage allotment may not be reduced. I quote the language of the section, which is self-explanatory:

SEC. 7. Nothwithstanding any other provision of law, for 1950, the peanut acreage allotment for any State shall not be reduced by a percentage larger than the percentage by which the 1950 national acreage allotment is below the 1949 national acreage allotment. The allotment for any State shall be increased to the extent required to provide such minimum State allotment and such acreage required shall be in addition to the national acreage allotment. The additional acreage authorized by this section shall not be taken into account in establishing future acreage allotments.

Mr. President, this explanation covers approximately all the commodities with which the conferees dealt. I repeat, the conferees labored at 13 sessions, from 2 o'clock to as late as 7 o'clock in the evening, in order to prepare the conference report which is now before the Senate. If the bill is to accomplish the good that is proposed, particularly with reference to cotton, it is necessary that the Senate act without delay. I earnestly urge that the Senate adopt the report as it has been presented by the conferees.

Mr. AIKEN. Mr. President, I do not want to delay a vote on the conference report, because, like everyone else, I want to have it approved or disapproved as soon as we can possibly get through with it so that we may see the last of the joint resolution. As the Senator from Louisiana [Mr. ELLENDER] has said, the conferees labored for 13 days on this matter and finally brought out a report on it similar to what might have been brought out the first day. It was unsatisfactory to some of us, and, inasmuch as three members of the Senate committee of seven conferees did not sign the report—the Senator from North Dakota [Mr. YOUNG], the Senator from Minnesota [Mr. THYE], and myself—I want to make clear for the RECORD why I consider the conference report to be entirely unsatisfactory.

The report is not much different than it was when it was recommitted to the committee day before yesterday because of a decision by the Chair. It is true that we took the green bugs out of it, but we did not take out bugs of any other color or description. They are all left in it.

I should also like to call attention to the fact that the senior Senator from Illinois [Mr. LUCAS] did not sign the first conference report which came to the Senate a few days ago. However, as he left the conference committee, and the junior Senator from South Carolina [Mr. JOHNSTON] was appointed in his place, there were four signatures on the report, which was thus reported to the two Houses of Congress.

The report is before the Senate today as the result of the necessity of putting the cotton crop under quotas for the crop year 1950. Because of the very large cotton crop of 1949, which amounted to nearly 16,000,000 bales, in comparison with our needs of approximately from 12,000,000 to 12,500,000 bales, it was found necessary to restrict the acreage on which cotton could be produced this year. The Department of Agriculture proceeded with plans for the restriction, and allocated the acreage which might be grown in each State and in each county, and even by each producer.

So far as I know, there was very little criticism of the allocation to each State. The Senator from Nevada [Mr. MALONE] has indicated dissatisfaction with the effect upon his State, but Nevada is one of the smallest cotton-growing States. So far as I know, there was very little criticism of the allocation of acreage to each county. But when we come to the farm unit, there was a great deal of criticism and complaint of inequities in the allocation of acreage which each cotton grower could produce. The law takes care very well of the small growers, those producing only on a few acres, because they cannot be reduced below the 5 acres they are entitled to plant anyway.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. AIKEN. Yes. I was going to say that the complaint came from the medium- and large-size growers since many of them found their acreage cut one-half, or in some cases as much as two-thirds, because the amount allocated to the county was not sufficient to go around after giving each of the small growers the minimum amount to which he was entitled by law.

I might add that Public Law 272 provided for holding back a reserve acreage in each State for the purpose of taking care of hardship cases. In many States too small a reserve was held back and that is one of the reasons we have this bill before us.

I now yield to the Senator from Mississippi.

Mr. STENNIS. I wish to ask a question on that point. When the Senator said that the small growers were taken care of under the operation of the law, did he not mean thereby that the small landowners were taken care of, but is it not true that that does not include the tenant, who is also a small grower?

Mr. AIKEN. I am glad the Senator made that correction.

Mr. STENNIS. It is not a correction. I wish the Senator would enlarge on that point.

Mr. AIKEN. I understand that some landowners, having several tenants, when they found their acreage reduced, took their tenants' acreage away from them and used it for themselves. Is that what the Senator from Mississippi intended to point out?

Mr. STENNIS. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. STENNIS. I do not think that exactly presents the picture. The larger landowner simply found himself with too many tenants for the small number of acres he was allowed to plant, and the law of necessity operated so that some of the tenants would of necessity have to move away. The bill as it was passed last year therefore penalized the small producer. That is the point I wanted to bring out.

Mr. AIKEN. The Senator is, as usual, correct in his statement. But as the result of the inequities which developed at the local level, bills were introduced in both the House and the Senate seeking additional acreage which could be planted to cotton this year in order to remove any inequities which might have been created.

The bill passed by the House contained provisions which would have allowed, according to the estimates we received, a possible 1,700,000 additional acres of cotton to be grown. The bill approved by the Senate is estimated to have provided approximately from 800,000 to 850,000 additional acres.

The bill which came out of the conference is a compromise between the two, and while it is impossible to tell exactly how many additional acres of cotton will or can be grown under it, the best estimate we had ranged from 1,150,000 to 1,200,000 acres.

It has been said that even if this acreage is allowed it probably will not increase the planting above 21,000,000 acres, which is considered the maximum permissible or desirable. However, I think we can be assured that the acreage provided for in the bill will be planted, else we would not have the bill before us today. How many of the other acres will not be planted no one can tell. Certainly 21,000,000 acres probably with a normal yield will produce rather more cotton than we need this year, and we do have a very large carry-over at the present time. It is estimated that the carry-over by next August will be in the neighborhood of 8,000,000 bales, even without the additional acreage which the bill would provide. We all recall the effect of the carry-over of 10,000,000 bales upon the market a few years ago. In fact the market was depressed almost to a horizontal position. It reached a very low point indeed. What I have stated is in substance, the cotton provision of the bill.

The next provisions of the bill relate to potatoes. In spite of what the metropolitan press would have us believe, this is not a potato bill. It was not intended as a potato bill. It was intended as a cotton acreage bill. But potatoes crept into it, and there are three provisions in the conference report which relate to potatoes.

Of late there has been much dramatizing of the potato situation. It has been dramatized by the Department of Agriculture itself. I believe potatoes have been pointed at and dramatized for the purpose of diverting attention away from the total cost of the program and the cost of supporting other commodities. I think we can safely assume that the cost of supporting the 1949 agricultural crops will be somewhere between $900,000,000 and $1,000,000,000. The Department of Agriculture reported a short time ago cash losses amounting to some $600,000,000. It can be safely assumed that another $300,000,000 to $400,000,000 will be lost on commodities acquired by the Government, and which have not yet been disposed of. Consequently it is not possible to assume, with any great degree of accuracy, what the total loss will be. But some assume that the total loss on the crops in 1949 will be in the vicinity of $1,000,000,000, of which potatoes will account for, according to the Secretary of Agriculture, $80,000,000.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I will yield to the Senator in a moment.

Section 3 of the conference report would increase that cost somewhat if the Secretary makes use of it. It provides that when potatoes are given away to institutions or any agencies to which they can be given under the law, the Secretary will not only give them away but pay the freight. He has estimated that this could run into an extra $10,000,000 or $15,000,000.

I now yield to the Senator from Delaware.

Mr. WILLIAMS. The Senator from Vermont has just pointed out that, in his opinion, the loss on the agricultural commodities for the year 1949, when it is finally settled, will aggregate close to $1,000,000,000. I am correct in understanding, am I not, that the Senator is not including in his estimate the additional amount of nearly two and one-half billion which, from a taxpayer's standpoint, represented the cost of those commodities which were given away free in Europe during fiscal 1949, the charge for which was transferred to other Government agencies?

Mr. AIKEN. That does not include the loss to the taxpayers through expenses of other governmental agencies. In one way or another we will be required to bail out the Commodity Credit Corporation for a part of its losses.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. As one of those who voted against the conference report on the Anderson bill last fall because it would result in increased prices for agricultural commodities to those who live in the consuming areas of the country, I should like to ask the Senator from Vermont a question. This is a cotton bill, a peanut bill, and to a slight extent a potato bill; but it is an extension of the principle contained in the Anderson bill, and therefore would be more costly to the taxpayers. Since in Massachusetts our agriculture is essentially a dairy character and, therefore, is dependent upon grain coming from the West, and since the program now proposed would result in the payment of higher prices for grain when purchased by the dairy farmers, would not I be correct in voting against the adoption of this conference report as an extension of the principle contained in the Anderson bill, as opposed to that contained in the Aiken bill of the previous year?

Mr. AIKEN. The Anderson bill as finally approved was not too similar to the Anderson bill as introduced, in which I concurred almost wholly.

The approval of this conference report undoubtedly will add to the liabilities of the Government under the Anderson bill, and the consumers will naturally be called upon to pay their share of the cost.

Mr. SALTONSTALL. It is a further step away from the flexible-support principle of the Aiken bill of the year before, is it not?

Mr. AIKEN. I would say it is a long step away from the purposes of the Agricultural Act of 1948 or of the Anderson bill of 1949 as introduced in the Senate. In other words, the conference report does violence to the program which was designed to bring supply in line with demand and therefore to minimize the cost of supporting such a program while providing fair prices to both farmer and consumer.

Mr. SALTONSTALL. I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. I believe that the last statement made by the Senator from Vermont, before he was asked the question by the Senator from Massachusetts, had to do with section 3.

Mr. AIKEN. That is correct.

Mr. HOLLAND. I wish to call the attention of the Senator to the fact that under that section, no general authority is given for the payment of additional expenses incurred in the transportation and handling of surplus potatoes of the year 1949, but it provides only limited authority for the payment of the costs of the transportation and handling of surplus potatoes which can be placed where they can be consumed by humans. In other words, it does not apply, at least so far as the junior Senator from Florida understands it, to the allowance of the payment of transportation and handling costs incurred in connection with the shipment of potatoes for livestock feed or for the shipment of potatoes to industrial plants, as in the case of alcohol plants. Is not that correct?

Mr. AIKEN. The Senator is correct. The conference report will provide for the payment of transportation costs only when the potatoes are to be used for human consumption.

As a matter of fact, Mr. President, the Secretary of Agriculture already has authority under existing law to dispose of the surplus potatoes, if he so desires. If he desired to do so, he could put them on the commission market and could let them find their own level in the market, and could take what he could get for them, and could put that money back into the public funds. However, he does not seem to desire to do so. If he did it, he might break the market. But there is no law which prevents him from selling the potatoes, which are threatened with deterioration or spoilage, for whatever price he can get for them in the open market.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. HOLLAND. The expenditures which would be authorized by this section would be very small indeed, and would pertain simply to surplus potatoes for which the Secretary and his agencies could find human consumers. Is that correct?

Mr. AIKEN. I think the Senator from Florida is correct as to that. But the Senator will recall that the officials of the Department of Agriculture expressed a fear that we might be taxing them with considerably larger costs for supporting the potato program. However, I do not think they would get too much of a market. I will not even hazard a guess as to what the additional cost would be.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. HOLLAND. The Senator from Vermont recalls, does he not, that the National Potato Council desired the law to be amended so as to permit the addi-

tion of handling and transportation costs applicable to surplus potatoes which would be processed into alcohol or would be used for livestock feed, and that this amendment by no means goes to that extreme, which was estimated to cost from $15,000,000 to $20,000,000?

Mr. AIKEN. I am not familiar with the position of the National Potato Council; but I recall that representatives of a large alcohol plant desired to have the freight paid on the potatoes shipped to their plant. That is not provided by this section, although I know that many railroads are giving reduced rates on potatoes which are being shipped for stock feed or for processing into alcohol.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. In line with the question previously asked by the Senator from Florida I ask this question: Is it not a fact the conference report does not state that the Department of Agriculture will pay the transportation costs on potatoes which are shipped to alcohol plants, yet for years in the past the Government has paid most of that freight?

Mr. AIKEN. The growers have paid a part of it at times. I expect that the Government has paid a part of it at times. In each case, the alcohol manufacturers have secured potatoes very cheaply. They claim they cannot pay very much for them.

Mr. President, section 4 of the conference report provides that no support can be given to potatoes where the growers have disapproved marketing orders, nor is support to be given to any culls. I believe this amendment is a good one and expresses what almost all of us had tried to work out from the very start.

Section 5 provides that no support whatever shall be given to potatoes after the crop year 1950 unless marketing quotas are in effect.

A subcommittee of the Committee on Agriculture and Forestry has been holding hearings on two bills which would provide marketing quotas for potatoes. The hearings were finished day before yesterday. I presume that the committee will take up those bills very soon in executive session.

If legislation is to be enacted to provide a method of imposing quotas on potatoes for the year 1951 and thereafter, it seems to me rather futile to attempt to legislate the same thing in a cotton-acreage bill. If no potato-quota law is enacted at this session of the Congress, and if we approve this conference report with section 5 in it, potatoes will be the only commodity, either basic or nonbasic, which cannot be supported at any level after the crop year 1950.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. The Senator from Vermont realizes, does he not, that section 5, which he has just been discussing, provides no change whatsoever from the section which was adopted by the Senate, and that as to that section the House conferees accepted and adopted the amendment which had already been adopted in those exact words by the Senate at the time of the consideration of the measure by the Senate?

Mr. AIKEN. Again the Senator from Florida is correct. However, I myself did not at any time approve any provision which would single out one particular commodity which would not be eligible for price support. This provision puts potatoes below radishes, when it comes to the possibility of receiving price support.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. I think the Senator from Vermont has pointed out something which is very important to farmers, in that here we are singling out one product, a major product, for which we will prohibit any kind of support whatever, if the Congress adopts the conference report.

Does the Senator from Vermont agree with me that there did not seem to be much resistance on the part of the Senate conferees to eliminating the wheat proposal which would correct the bad situation in wheat, but that when it came to potatoes, the conferees were very determined?

Mr. AIKEN. The fact is that the House refused to accept the Johnson-Millikin amendment which would have provided for the planting of 4,500,000 additional acres of wheat.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. I wish to point out to the Senator from Vermont and to the Senator from North Dakota that the situation as to the two amendments he has mentioned was entirely different, because with reference to this amendment the Senate conferees were insisting upon an amendment already adopted, with only 14 votes having been cast against it on the floor of the Senate; and the House conferees accepted the Senate version. Certainly, Mr. President, now that the conference report has come back to us, there is no just cause for complaint in connection with a matter in respect to which the Senate conferees have successfully represented us, and have retained the precise words which we entrusted them to defend, and which they have successfully defended, and which now, in those same words, are in the conference report.

Mr. AIKEN. However, this provision is not my main reason for objecting to the conference report. I realize the weakness of the position of the Senate in approving section 5, in the first place. The fact is that certain Members of the Senate seem to feel that it will be easier to secure the enactment of a potato-quota law if this provision is included in the law at this time. On the other hand, the potato growers fear that if this provision is left in this measure and is enacted by the Congress, there will be less likelihood of securing the enactment of a potato-quota law, and therefore they might be left high and dry, with potatoes being the only commodity grown on American farms which would not be eligible for support.

There may be a little suspicion on each side, in that connection, Mr. President. However, this is not my main reason for objecting to the conference report.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, I should like to ask the Senator from Vermont the reason, if he can tell us, for the difference between the wording of section 4 of the conference report, particularly the first sentence of that section and the corresponding portion of section 2 of the joint resolution as it passed the Senate.

I may point out the particular thing in my mind, and ask the Senator the reason for it. As the joint resolution passed the Senate, it reads:

> No price support shall be made available for any Irish potatoes harvested after the enactment of this joint resolution, unless marketing quotas hereafter authorized by law or marketing agreements and marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, are in effect with respect to such potatoes.

The conference report changes quite materially the construction of the sentence, saying:

> After the enactment of this joint resolution no price support shall be made available for any Irish potatoes of the 1950 crop with respect to which marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, have been disapproved by producers.

As I understand, therefore, as the joint resolution passed the Senate, a price support is barred with respect to potatoes harvested after enactment of the joint resolution, if there is not in effect as to such potatoes either a marketing quota, a marketing agreement, or a marketing order; whereas, under the conference report, only those Irish potatoes are barred from price support with respect to which marketing quotas have been affirmatively disapproved. The result, therefore, as I see it, is that, under the joint resolution as it passed the Senate, as to potatoes with respect to which there is no marketing quota, marketing agreement, or marketing order in effect, there can be no price support; whereas under the conference report, even though there is no marketing quota, no marketing agreement, and no marketing order in effect with respect to Irish potatoes, there can still be price support, unless there has been an affirmative disapproval of a marketing order. I ask the Senator, What is the reason for the difference between the two proposals?

Mr. AIKEN. The reason for it is that at the time the Senate acted upon the joint resolution it was thought it would be possible to get all commercial growers of the country under marketing agreements. It developed later that it might not be possible to get all the commercial areas of the country under marketing agreements in time to impose this provision of the law. However, there is at least one commercial area in which a

marketing order has been promulgated by the Secretary, and the order rejected by the growers of the area; indicating that they did not want a marketing order in the area. It goes without saying that if they go ahead and grow as many potatoes as they want, and put them on the market, they will be interfering with the price-support program for all other growers who are willing to come under the marketing order. So if a commercial area has had a marketing order imposed and the growers disapprove it, they will then not be eligible for support of the potato crop. But there are some areas, it appears—and I expect they are scattered here and there, a few growers here, a few growers there—which cannot get in under a marketing quota, and it was felt unfair to rule them out completely from any support program.

Mr. DONNELL. I thank the Senator for the explanation.

Mr. AIKEN. I hope that answers the Senator's question.

I now come to what we might call the bone of contention on the conference report, namely, the provisions relating to peanuts. Section 6 removes the penalty for peanuts grown in excess of the acreage permitted by the quota, if such excess peanuts are marketed for oil. However, the acreage is restricted. The increase which may be planted for oil is restricted to an acreage not exceeding the number of acres which were planted to peanuts in the crop year 1947. It so happens that the year 1947, with one exception, represents an all-time high—I think it is an all-time high—in peanut-acreage planting; at least going back many, many years, I doubt whether, with the exception of the year 1943, there has ever been a large acreage of peanuts harvested than there was in the year 1947. The quota allowance for peanuts this year is 2,100,000 acres. The acreage grown and harvested in 1947 was 3,380,000 acres. This provision of the joint resolution would therefore permit a possible planting of 1,280,000 acres in excess of the quotas, so long as the peanuts produced on the acreage were sold for crushing and for oil.

Last year there were produced in this country in all about 927,000 tons of peanuts. One hundred and twenty-seven thousand tons were expected to be used for seed, however, and were left on the farm, one way or another, leaving a commercial crop of 800,000 tons of peanuts. Of the 800,000 tons, it is expected by the Department that 450,000 tons will find their way to the edible market, and that 350,000 tons, or not quite half, will be crushed for oil.

We have been producing a large amount of peanuts in recent years. The Commodity Credit Corporation last year supported the price at $215 a ton, and it is anticipated that its direct loss in supporting peanuts which were crushed or used in some way in this country will amount to approximately to from $35,000,000 to $38,000,000 for the crop year 1948. That, however, does not tell the whole story, because we exported tremendous amounts of peanuts to Europe during the last fiscal year. I do not have the figures for the calendar year; I have them for the fiscal year. For the fiscal year ending July 1, 1949, the Army used 54,000 long tons of peanuts for export, particularly to Austria, Germany, Denmark, and Belgium, and paid for them $13,900,000. The ECA during the same period, the last fiscal year for which we have data, purchased 160,815 metric tons, valued at $50,632,000.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Missouri?

Mr. AIKEN. I yield.

Mr. DONNELL. Will the Senator be kind enough to state in the RECORD the difference between a long ton and a metric ton?

Mr. AIKEN. As I understand, I may say to the Senator from Missouri, a long ton is 2,240 pounds; a metric ton is 1,000 kilograms, or approximately 2,204.6 pounds. I think that in fact is a little better than approximate; I think it is a perfect estimate, because I secured the figures from the best authorities I know of anywhere.

Mr. WILEY. What is the difference in pounds?

Mr. AIKEN. The difference between a metric ton and a long ton is about 35.4 pounds. One thing which interested me in getting the figures was to note the ECA apparently paid a great deal more for peanuts than did the Army. Perhaps they were not such good traders. But the ECA bought 160,815 tons at a cost of $50,632,000, which figures out to $314 a ton. I think the Commodity Credit Corporation did very well on that trade. So far as the Army goes, it bought 54,000 tons at a cost of $13,900,000 and that figured out to $257.40 a ton, or approximately so. But what I am trying to point out is the extent to which the ECA and the armed services were required to bail out the Commodity Credit Corporation for its losses on peanuts.

I say "required." Perhaps it is not the word to use, but I think it is, because it may be recalled that in the fall of 1948 the Army and ECA were desperately pleading for lard and soybeans. We would not let them have any. We did not have too many soybeans anyway, but we had lard accumulating by the thousands of tons. At one time toward the end of 1948 our representatives in Germany wanted 50,000 tons. They could not get 1 pound, to say nothing of 50,000 tons. Lard accumulated and accumulated, and the price went from nearly 30 cents a pound down to 9 and 10 cents a pound. One of the indirect results was the increase in the price of pork chops. When slaughterers could not get anything for their lard, in order to get their money out of the hog, they had to maintain the prices on pork chops, ham, bacon, and other commodities. So the ECA and the armed services had to buy peanuts, because they could get nothing else for fats for use in the European countries. The peanuts were sent to those countries and were crushed there. Our officials said it would give some work to the people of Europe and give them a chance to earn some money if they could get the peanuts and crush them. They needed peanut meal to feed the hogs and poultry and livestock generally over there.

But the oil crushed from the peanuts which the armed services and ECA took, in a bailing out program for the Commodity Credit Corporation, cost them 36 cents a pound in Europe, as compared with the market price of something like 14 or 15 cents a pound here. At least they could have obtained soya or cottonseed oil for that amount. If we credit the peanut program with the $32,000,000 it would have cost to purchase at market prices, the loss from the peanut program for last year would have been in the neighborhood of $70,000,000.

I am pointing out these things because I believe the Senate should know them. It is true that peanuts grown for oil on the additional acres proposed to be allowed will not directly cost the program money, because the farmer will not get back more than the price realized on those peanuts, anyway. However, I am told by the Peanut Division of the Department of Agriculture that last year the price of peanuts for oil at harvest time went down to $80 a ton. It seems incredible that additional plantings of peanuts for oil will not depress the market for all peanuts, and particularly the several hundred thousand tons of quota peanuts which we produce for oil and which have to be turned into oil because of the grade, or for any other reason. Therefore, the additional planting which is permissible up to approximately 1,200,000 acres, though I would not expect that number of acres will actually be planted, cannot help but have a depressing effect upon the price of all peanuts, thereby increasing the cost to the Department of supporting the price of peanuts grown within the quota.

I am advised, first-hand, that peanut-oil dealers are in favor of this provision. The reason for it is that they like peanut oil, they have a pretty good market for it anyway, I believe they blend it with olive oil and sell the product to the large Italian population in this country, and they do very well with it. It sells for approximately 3 to 5 cents a pound higher than does cottonseed oil and soybean oil. I am also advised that it is the hope of the peanut-oil dealers to get a sufficient supply of peanuts grown for oil so they can compete in the same market with soybean oil. If that could be done—and I have no way of knowing what the price of peanuts for oil will be next fall if additional acreage is planted—it would naturally have an effect upon the areas which produce large quantities of soybeans.

Some persons have said, "Why not let the growers plant all the peanuts they want for oil? There are no restrictions on the planting of soybeans for oil." That is very true. Neither are there any quota laws applicable to soybeans; neither is there any price support for soybeans, whereas we do intend to support the price of peanuts at 90 percent of parity. I should say that there is no comparison. While I have never grown peanuts—I once grew one plant, containing some beautiful shells, but no peanuts—I understand it would not be profitable

to raise peanuts for oil at a cost which is much, if anything, below $80 a ton, which they were worth last year on the market.

If this provision should be agreed to I cannot see any long-range benefits to the peanut grower, but only to the shellers and the dealers in peanut oil.

There is a provision in the conference report, on page 4, paragraph (i), which is as follows:

> The provisions of subsections (g) and (h) of this section shall not apply with respect to any crop when marketing quotas are in effect on the corresponding crop for soybeans.

That is an idle provision, because there is no provision on the books for marketing quotas on soybeans.

The last provision, one to which I did not object very seriously, although I think it is a little too high, adds 100,000 acres to the amount of quota peanuts which can be planted. This was intended, to use a familiar phrase, to "iron out" inequities in the States of Alabama and Texas, which will be the principal beneficiaries of this provision. I think it would have been perfectly all right had it been placed at from 50,000 to 60,000 acres. One hundred thousand acres is too high an amount. Nevertheless, I did not object strenuously and would not have disapproved the conference report because of that provision alone. But there is a provision in the conference report which authorizes the production of approximately 1,200,000 additional acres of cotton, and we are already getting a very heavy supply of cotton on hand. I wish the Commodity Credit Corporation would start moving it and getting rid of it in some way. I cannot find that it has encouraged consumers to take it and sell it at 1 or 2 cents a pound above the support level. I do not know why the Corporation does not try to move cotton as well as other commodities, but it does not seem to be doing it. The indications are that we shall have a very heavy surplus of cotton on hand by next August 1.

Here is a maximum authorized additional planting of 1,280,000 acres of peanuts for oil and 100,000 of peanuts within the quotas. What the program will cost additionally, I do not know. My guess is that there will be tied up in cotton an additional $100,000,000 to $125,000,000, and the direct cost, because of lowered market prices for all peanuts, may be from $25,000,000 to $50,000,000. If the price should be depressed $25 a ton, it would add to the cost approximately $20,000,000.

But, Mr. President, my real reason for not signing the conference report and my real reason for hoping it will be rejected by the Senate, is the effect which I think it will have on the entire farm price-support program. I do not think it will benefit the growers; I do not think that in the long run it will benefit anyone, although the shellers and dealers may profit temporarily from it. I have always been a very strong supporter of a farm program, and that is still my attitude, but when in order to straighten out a little unevenness we attempt to go outside the rules and regulations which we have laid down, we are inviting collapse of the whole farm program.

I think this joint resolution should have been kept to a possible increase of 700,000 or 800,000 acres of cotton production, and to approximately 50,000 acres of quota peanut production, and that all the other matters should have been left out of it. For that reason, and for the fear of the effect it will have upon our whole farm-price-support program—and someday the consumers will find out that there are five of them to each farmer and will make use of that knowledge—I hope the conference report will not be agreed to.

Mr. WILLIAMS. Mr. President, before the vote on the conference report to increase the cotton and peanut acreage takes place, I wish to invite particular attention to what the agricultural program has cost for the past 18 months. On June 30, 1948, the inventories of agricultural commodities held by the Commodity Credit Corporation amounted to a little less than $290,000,000. As of January 31, 1950, it had on hand $3,947,000,000 worth of agricultural commodities. In addition to that, since June 30, 1948, we have given away, free of charge, throughout this country and the world, commodities costing the taxpayers an additional $3,460,738,000. A break-down of these amounts by commodities was inserted in the RECORD as a part of my remarks in the Senate on Tuesday, March 21, 1950. It has been claimed here today that the cotton-support program has not cost the Government any money during the past 15 years. It is true that, as far as the books of the Commodity Credit Corporation show, it has made money on the cotton program, but these books do not tell the complete story.

I invite particular attention to the fact that the only way in which the Commodity Credit Corporation has made any money on cotton was by virtue of the fact that it sold cotton to other Government agencies, which in turn gave it away. For instance, in the fiscal year 1949, that is during the 12-month period between July 1, 1948, and June 30, 1949, we find that the Commodity Credit Corporation reported a loss of $1,000,391 on cotton. What these books do not show is that if we check through all Government cotton transactions we find that section 32 funds were used to absorb a loss of $234,459. The appropriation by Congress to the Army for use in occupied areas, was used to pay for another $868,587 worth of cotton. ECA funds were used to absorb a cotton loss of $476,499,000. All of this cotton was given away. In other words, instead of costing the American taxpayers $1,000,000 for the fiscal year 1949, the cotton program actually cost more than $478,000,000. If we look at the books of the Commodity Credit Corporation for the first 6 months of 1950 we find that the Corporation actually reported a profit of $233,369 on cotton. However, we find that it made this profit by again selling to other Government agencies cotton valued at $279,458,000. The cost of this give-away program appears on the books of these other Government agencies instead of the Commodity Credit Corporation books. In turn these other Government agencies gave cotton away.

The same thing is true as to wheat. Our wheat losses for the last 18 months are recorded at a little over $20,000,000. Yet we find that while we only showed this small amount of $20,000,000 loss in our wheat program actually during the same period we gave away throughout the world a little more than $1,000,000,000 worth of wheat, so the taxpayers are stuck with a loss here on this one commodity of $1,000,000,000 instead of a mere $20,000,000.

Let us consider tobacco. If we look at the books of the Commodity Credit Corporation for the fiscal year 1949, we find that the Corporation showed a profit of $115,000 on tobacco while during the first half of the fiscal year 1950 the Corporation claimed a profit of $145,000 on tobacco. So that if our taxpayers could consider this $260,000 profit as a final figure, it would not be too bad. However we find that the Corporation made this $260,000 by transferring tobacco to other agencies of the Government, which in turn absorbed losses totaling $211,000,000. This deceptive method of bookkeeping, concealing the actual cost of the programs, is unfair to the American taxpayer, and should be stopped.

I am not criticizing the Commodity Credit Corporation for keeping books in this fashion. They are being kept that way because Congress, in passing the respective laws and in making the appropriations, directed that the Corporation should be reimbursed by other Government agencies for the cost of these commodities. However, it makes no difference to a taxpayer which Government agency loses his money, but we have no right to conceal these costs from him. Altogether, as far as the taxpayer is concerned this free distribution of agricultural commodities during the past 18 months has cost nearly $3,500,000,000. Of that amount cotton has cost $750,000,000. Peanuts, as the Senator from Vermont has pointed out, instead of costing $55,000,000, as reported on the books of the Corporation, has cost a little more than $138,000,000. Today we are being asked to adopt a conference report which will increase the cost on both commodities even further.

I agree with the Senator from Vermont that we should reject this conference report. In fact, I go even further than that. I think Congress should recognize the unsoundness of our entire farm program and take steps immediately to lower support prices of all these commodities.

We are supporting cotton today at 27½ cents, which is nearly 5 cents a pound higher than the average price which the southern farmers received for cotton during the past 10 years. We are supporting tobacco surpluses at a higher rate than at any time during the past 10 years. We are accumulating huge inventories of commodities in our warehouses, with no possible outlet for them

other than by giving them away, either at home or abroad.

Mr. President, every time we give away any agricultural commodity in this country we reduce the cost of all other related commodities, and increase the cost to the Government of supporting these other commodities. For instance we cannot give away a billion dollars' worth of wheat in this country without wrecking prices of all grain products. We must face the situation squarely and reduce support prices, or within the next few weeks Congress will be forced to put up another $2,000,000,000 to finance this fantastic program another 12 months.

Mr. President, I therefore urge that the Senate reject the conference report. Let us begin to restore some degree of sanity to our agricultural program. Instead of continuing to spend billions piling up these huge surpluses, let us lower these support prices and allow these commodities to move through the normal channels of trade. Let us take this action soon, not only for the benefit of the American consumer and taxpayer but also for the long-range benefit of the American farmer.

RECONSIDERATION

Mr. MALONE. Mr. President, I favor a reasonable farm program. At the same time, it must be thoroughly realized by now that such regulation of agricultural products in which we are now engaged inevitably leads to a detail regulation of the acreage which a farmer may plant and a tight control of his business. From the ridiculous cotton acreage allotment of 110 acres which was made to the State of Nevada through the conference report, thereby cutting it from 1,500 acres in 1949, it can be seen that such a program leads to ridiculous extremes, and, as the Senator from Delaware [Mr. WILLIAMS] and the Senator from Vermont [Mr. AIKEN] have said, may lead inevitably to wrecking our entire farm program. It shows that we are already carrying the regulation of such acreage to such a silly pass that anyone can realize that the whole set-up is on a false basis—it cannot be successful as any observer can see. For example, consider the Nevada acreage, 110 acres for a sovereign State.

Mr. President, I shall vote against the conference report, and if it is rejected, I shall move to have the bill referred back to the conferees for further consideration.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WILLIAMS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KEM. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Cordon	George
Anderson	Darby	Gillette
Benton	Donnell	Graham
Brewster	Douglas	Green
Bricker	Dworshak	Hayden
Butler	Ecton	Hendrickson
Byrd	Ellender	Hill
Cain	Ferguson	Hoey
Chapman	Flanders	Holland
Chavez	Frear	Hunt
Connally	Fulbright	Ives
Johnson, Colo.	McMahon	Smith, N. J.
Johnson, Tex.	Magnuson	Sparkman
Johnston, S. C.	Malone	Stennis
Kefauver	Martin	Taft
Kem	Millikin	Taylor
Kerr	Morse	Thye
Knowland	Mundt	Tobey
Langer	Neely	Tydings
Lehman	O'Mahoney	Watkins
Long	Robertson	Wherry
McCarthy	Russell	Wiley
McClellan	Saltonstall	Williams
McFarland	Schoeppel	Withers
McKellar	Smith, Maine	Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the conference report. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I therefore withhold my vote.

Mr. BRICKER (when Mr. MAYBANK'S name was called). I have a pair with the senior Senator from South Carolina [Mr. MAYBANK]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. ECTON (when Mr. PEPPER'S name was called). I have a pair with the senior Senator from Florida [Mr. PEPPER]. If he were present he would vote "yea." If I were permitted to vote I would vote "nay."

Mr. SALTONSTALL (when his name was called). I have a pair with the Senator from Oklahoma [Mr. THOMAS], who is at home sick. If he were present he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. TYDINGS (after having voted in the negative). I ask permission to withdraw my vote. I cannot vote on the measure clearly as I would like to vote. I ask to be recorded as "present."

The VICE PRESIDENT. Without objection, it is so ordered.

The roll call was concluded.

Mr. McFARLAND. I announce that the Senator from California [Mr. DOWNEY], the Senator from Montana [Mr. MURRAY], the Senator from Maryland [Mr. O'CONOR], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. LUCAS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate on official business.

The Senator from Pennsylvania [Mr. MYERS] is detained on official business.

The Senator from Nevada [Mr. MCCARRAN], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Montana [Mr. MURRAY] is paired on this vote with the Senator from South Dakota [Mr. GURNEY]. If present and voting, the Senator from Montana would vote "yea," and the Senator from South Dakota would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent. If present and voting the Senator from Michigan [Mr. VANDENBERG] and the Senator from Massachusetts [Mr. LODGE] would each vote "nay."

The Senator from South Dakota [Mr. GURNEY] and the Senator from Iowa [Mr. HICKENLOOPER] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of the death of his father. If present and voting, the Senator from Indiana would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business. If present and voting, the Senator from New Hampshire and the Senator from Wisconsin would each vote "nay."

The Senator from South Dakota [Mr. GURNEY] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 37, nays 33, present 1, as follows:

YEAS—37

Anderson	Hill	McFarland
Byrd	Hoey	McKellar
Chapman	Holland	Magnuson
Chavez	Hunt	Millikin
Connally	Johnson, Colo.	Neely
Donnell	Johnson, Tex.	O'Mahoney
Ellender	Johnston, S. C.	Robertson
Fulbright	Kefauver	Russell
George	Kem	Sparkman
Gillette	Kerr	Stennis
Graham	Kilgore	Withers
Green	Long	
Hayden	McClellan	

NAYS—33

Aiken	Hendrickson	Smith, Maine
Benton	Ives	Smith, N. J.
Brewster	Knowland	Taft
Butler	Langer	Taylor
Cain	Lehman	Thye
Cordon	McMahon	Tobey
Darby	Malone	Watkins
Douglas	Martin	Wherry
Dworshak	Morse	Wiley
Ferguson	Mundt	Williams
Flanders	Schoeppel	Young

ANSWERED "PRESENT"—1

Tydings

NOT VOTING—25

Bricker	Humphrey	Myers
Bridges	Jenner	O'Conor
Capehart	Leahy	Pepper
Downey	Lodge	Saltonstall
Eastland	Lucas	Thomas, Okla.
Ecton	McCarran	Thomas, Utah
Frear	McCarthy	Vandenberg
Gurney	Maybank	
Hickenlooper	Murray	

So the conference report was agreed to.

Mr. RUSSELL. Mr. President, I move to reconsider the vote by which the conference report was just agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I move to lay on the table the motion to reconsider.

Several Senators asked for the yeas and nays; and the yeas and nays were ordered.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. AIKEN. What is the pending question?

The VICE PRESIDENT. The pending question is on agreeing to the motion of the Senator from South Carolina [Mr. JOHNSTON] to lay on the table the motion of the Senator from Georgia [Mr. RUSSELL] to reconsider the vote by which the conference report was agreed to.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote, I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. McMAHON (when his name was called). On this vote, I have a pair with the junior Senator from North Carolina [Mr. GRAHAM]. If he were present, I understand he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. TAYLOR (when his name was called). On this vote, I have a pair with the senior Senator from Florida [Mr. PEPPER]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. McFARLAND. I announce that the Senator from California [Mr. DOWNEY,] the Senator from Montana [Mr. MURRAY], the Senator from Maryland [Mr. O'CONOR], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. LUCAS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from West Virginia [Mr. NEELY] is unavoidably detained, and if present would vote "yea."

The Senator from Pennsylvania [Mr. MYERS] is detained on official business.

The Senator from Montana [Mr. MURRAY] is paired on this vote with the Senator from South Dakota [Mr. GURNEY]. If present and voting, the Senator from Montana would vote "yea," and the Senator from South Dakota would vote "nay."

The Senator from South Carolina [Mr. MAYBANK] is paired on this vote with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from South Carolina would vote "yea" and the Senator from Indiana would vote "nay."

The Senator from Oklahoma [Mr. THOMAS] is paired on this vote with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Massachusetts would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] the Senator from Massachusetts [Mr. LODGE], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent. If present and voting, the Senator from Michigan [Mr. VANDENBERG] would vote "nay."

The Senator from South Dakota [Mr. GURNEY], and the Senator from Iowa [Mr. HICKENLOOPER] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of the death of his father.

The Senator from South Dakota [Mr. GURNEY] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Montana would vote "yea."

The Senator from Indiana [Mr. JENNER] is paired with the Senator from South Carolina [Mr. MAYBANK]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from South Carolina would vote "yea."

The Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Oklahoma would vote "yea."

Mr. BREWSTER. Mr. President, let me ask how I am recorded.

The VICE PRESIDENT. The Senator from Maine is recorded as voting in the negative.

Mr. LANGER. Mr. President, let me ask how I am recorded.

The VICE PRESIDENT. The Senator from North Dakota is recorded as voting in the negative.

Mr. TOBEY. Mr. President, let me ask how I am recorded.

The VICE PRESIDENT. The Senator from New Hampshire is recorded as voting in the negative.

Mr. TOBEY. So mote it be.

The VICE PRESIDENT. So mote it is. [Laughter.]

Mr. KNOWLAND. Mr. President, let me inquire how I am recorded as voting.

The VICE PRESIDENT. The Senator from California is recorded as voting in the negative.

Mr. ANDERSON. Mr. President, do I correctly understand that the clerk announced that the Senator from Maryland [Mr. TYDINGS] voted?

The VICE PRESIDENT. The clerk announced that the Senator from Maryland voted.

Mr. ANDERSON. He did not answer to his name when called.

Mr. RUSSELL. Mr. President, I ask for a recapitulation of the vote.

Mr. TOBEY. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. TOBEY. Is a recapitulation allowed before the vote is announced?

The VICE PRESIDENT. No; it is not. The Chair was getting ready to say so.

Mr. TOBEY. Mr. President, how altogether pleasant it is for brethren to dwell together in unity.

The VICE PRESIDENT. The Chair thanks the Senator from New Hampshire.

The result was announced—yeas 35, nays 37, as follows:

YEAS—35

Anderson	Hill	McClellan
Byrd	Hoey	McFarland
Chapman	Holland	McKellar
Chavez	Hunt	Magnuson
Connally	Johnson, Colo.	Millikin
Donnell	Johnson, Tex.	O'Mahoney
Ellender	Johnston, S. C.	Robertson
Fulbright	Kefauver	Russell
George	Kem	Sparkman
Gillette	Kerr	Stennis
Green	Kilgore	Withers
Hayden	Long	

NAYS—37

Aiken	Flanders	Smith, Maine
Benton	Hendrickson	Smith, N. J.
Brewster	Ives	Taft
Bricker	Knowland	Thye
Bridges	Langer	Tobey
Butler	Lehman	Tydings
Cain	McCarthy	Watkins
Cordon	Malone	Wherry
Darby	Martin	Wiley
Douglas	Morse	Williams
Dworshak	Mundt	Young
Ecton	Saltonstall	
Ferguson	Schoeppel	

NOT VOTING—24

Capehart	Jenner	Myers
Downey	Leahy	Neely
Eastland	Lodge	O'Conor
Frear	Lucas	Pepper
Graham	McCarran	Taylor
Gurney	McMahon	Thomas, Okla.
Hickenlooper	Maybank	Thomas, Utah
Humphrey	Murray	Vandenberg

The VICE PRESIDENT. The Senator from Georgia asks for a recapitulation, and the Secretary will recapitulate the vote. Senators will please pay attention to the recapitulation, so as to assure that they are correctly recorded.

The vote was recapitulated.

The VICE PRESIDENT. The motion to lay on the table the motion to reconsider the vote by which the conference report was agreed to is rejected.

The question now is on the motion to reconsider the vote by which the conference report was agreed to.

Mr. WHERRY and other Senators asked for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, I desire to make a few brief observations before the vote shall be taken on the motion to reconsider. I regret very much to see the Senate divided so nearly on party lines on a farm issue. Heretofore farm legislation has been considered nonpartisan. It is all the more unfortunate, Mr. President, because this bill, despite the misstatements which have been made concerning it, is not a violent readjustment of the present farm program, and will not entail any great expense to the Treasury of the United States. It is an effort to give a small measure of justice to the only farmers of the Nation who are today under the penalties and exactions of marketing quotas.

This is the first time I have seen farm legislation decided on a partisan and sectional basis.

I regret extremely to see those who have heretofore stood together in an effort to see that the farm people of the country enjoyed some small measure of the national prosperity divide today along party and crop lines. I regret to see those whose principal commodities are not under marketing quotas and have never been under marketing quotas go out of their way to defeat a bill which would give a little hope to the only farmers in the Nation who today are under marketing quotas and who will suffer severe penalties if by reason of some slight miscalculation in acreage they happen to plant more than the acreage assigned them. It is all very well to scoff at peanut politics and to laugh at peanut legislation. The truth about it is, that would not occur, if the peanut were not a sectional crop and if it were not grown in that section of the Nation on which other sections do not hesitate to wage legislative war.

The fact remains that there are many thousands of poor, hard-working, honest God-fearing American farmers who earn their livelihood by the production of peanuts. You may laugh at it if you will, you may kill a bill for their relief if you are so disposed, but they are American farmers, and I regret to see the hand of those who claim to represent other American farmers turned against them, apparently because they are engaged in the production of that lowly plant known as the peanut and happen to live in the South. We have a situation here in respect to peanuts in which the peanut farmer has taken a reduction of 51 percent in his acreage. I defy any Senator here to point to any other crop which has taken any such reduction as that. The peanut producer has been placed under quotas with penalties, his acreage reduced several times as much as that of my other producer, and yet you deny him the little aid toward earning a living for his family which this bill would give him.

Mr. YOUNG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. RUSSELL. I yield.

Mr. YOUNG. I should like to ask the Senator why, if that is true, one single farm commodity of the entire United States has been singled out, that would be denied any price support program at all. I would be perfectly willing to go along with the peanut people as I always have, but do expect the same cooperation in return. I think I have tried to work with all agriculture. But in the present instance, the Senate conferees were completely unwilling to compromise on potato support, though they would compromise any wheat provision in the bill. I believe the sectionalism is on the other side, at this time.

Mr. RUSSELL. I thought they carried out the wishes of the Senator from North Dakota with respect to wheat. I went along with the wheat amendment, because I thought it would be helpful to the wheat farmers of the Nation. But, later on, I heard the Senator from North Dakota was opposed to it. The conferees dropped the wheat amendment from the bill, if I understand properly the action of the conference.

Mr. AIKEN rose.

Mr. RUSSELL. I am not going to engage in a debate now, nor am I going to make a long statement.

Mr. AIKEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Vermont?

Mr. RUSSELL. I decline to yield.

The VICE PRESIDENT. The Senator declines to yield.

Mr. RUSSELL. Mr. President, I am not talking about peanut politicians but American peanut farmers. We are confronted with a situation in which the poor producers of peanuts, who have already been compelled to reduce their acreage by 51 percent, cannot receive support for their crops if, by chance, they plant a fraction of 1 acre above their allotment. Alone, of all the farmers of the Nation, the peanut farmer is compelled to sign indemnifications to pay large penalties on his entire crop if he produces the smallest amount in excess of his reduced acreage.

If the sort of thing happening this afternoon is to continue and bills providing for a small measure of justice to one class of farmers are not agreed to, it will not be long before we have no farm program at all for any commodity.

Some of our friends from cities have been deluded with the idea that the bill would cost the consumers a great deal of money. That is mere poppycock. Much has been said here today about peanuts. Most of it is a smoke screen to prevent any restrictions in potatoes. Distinguished Senators have talked about losses on peanuts. There never were any losses on peanuts until last year. They are really fighting to keep any controls off the commodity which has cost more than has all the other farm commodities combined under the farm program. I refer to potatoes. The oil program on peanuts in this bill was in effect for 2 years and cost the Treasury nothing.

The conference report was subjected to this attack because, as I understand, there was a suggestion in the report that there must be legislation next year which will subject potatoes to marketing quotas.

This bill is for the relief of persons who have been living under marketing quotas. They are southern farmers, it is true, and for that reason you take the position they are not entitled to consideration. They are the only farmers who are penalized and subjected to drastic financial penalties when it comes to the marketing of their commodities.

We have heard some discussion about wheat. Wheat is only under acreage allotments. No wheat farmer is compelled to pay the slightest attention to his acreage allotments which have been fixed by the Secretary of Agriculture, if he does not wish to do so. If he is allotted 20 acres, he can plant 40 acres without any penalty. In the case of the despised cotton and peanut farmers if they produce more than their allotment they are subjected, in the case of cotton, to a penalty of 50 percent of its value, and in the case of peanuts to a penalty of 50 percent of the value of the entire production. The peanut farmer is also denied any supports for his quota production.

Mr. President, this may mean the beginning of the end of any farm program. I have never been sectional or partisan in dealing with any agricultural issue. Time after time I have waged battle as vigorously as I could for items and for commodities far removed from the despised southern farmer. I have fought for appropriations which would have benefited persons living in other areas. In dealing with appropriations for fighting insect pests or other such matters I have never thought about it on a sectional basis.

With reference to this bill, it has been said by its opponents that there is nothing in it except for the South. It provides a mere pittance in the form of an adjustment of acreage to iron out inequalities and to permit the farmer who lives by the sweat of his brow through the hardest toil in which anyone ever engages. To produce cotton or peanuts requires back-breaking physical labor. He does not have nor use machinery such as that which is used in the production of many other commodities.

It is said, "We will defeat it, because it deals solely with commodities produced in the South."

Mr. President, I know not what will eventuate from this action. I can only say that if the entire farm program goes down, it will be due to the action of Senators who have engaged in cut-throat tactics against farmers entitled to relief. There are others here who know how to play the game you have started.

The VICE PRESIDENT. The question is on agreeing to the motion to reconsider the vote by which the conference report was agreed to.

Mr. AIKEN. Mr. President, I should like to invite attention to the fact that for the years 1941 and 1942, the last years for which acreage allotments were planned for peanuts, the acreage allotment in 1941 was 1,610,000 acres, and was the same in 1942. From 1943 to 1948 no acreage allotments were proclaimed. In 1950 there are 2,100,000 acres allotted under the quota program, with almost exactly 500,000 acres more for peanuts authorized to be planted than in the years 1941 and 1942.

I should like to say one other thing regarding the peanut situation. We have heard about a shortage of edible peanuts this year. There has been a shortage, but it has been an artificial shortage. The reason for it, as I understand, is that peanut shellers—and there are approximately 170 of them—were given a carte blanche contract under which the sheller, in return for paying to the producer the support level, was guaranteed by the Commodity Credit Corporation that he would be reimbursed at a profitable level for the peanuts he purchased so long as they were within the marketing quota and complied in other ways with the peanut program.

As a result of this arrangement, the sheller could hold the peanuts a short

while, the moisture content would go down, and when he disposed of them he would get what amounted to a higher price because of the reduced moisture content.

It also seems that the sheller could get a margin of approximately $3 a ton on farmer's stock peanuts, for edible purposes, but on the No. 2 peanuts, most of which are crushed into oil, the margin to a sheller was as high as $10 or $12 a ton. So it was to the sheller's advantage to keep the edible market short and to divert peanuts into oil.

Because of this situation, plus the fact that there was a short crop in the Virginia area, the supply of peanuts for edible purposes has been greatly reduced, with a concurrent increase in price, and because of this edible peanuts have been driven out of some customary markets.

The point I am making is that because of this contract with the shellers there has been created a condition under which the shellers were able virtually to control the market for peanuts.

I am aware of the fact that the Department was trying to get the peanut program into the hands of the peanut industry, but the way it has been handled, the way it has worked out, has resulted in a virtual monopoly, or, at least, a decided advantage so far as the peanut shellers are concerned.

I invite attention to this aspect of the matter in order to point out that the peanut situation is as bad and costly as is the potato program, and there has been no move on the part of the Department of Agriculture to dramatize it. There has been no such move, because it would have been politically dangerous to have played up and exposed the peanut situation as the potato situation has been played up and exposed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3084) authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 71) to print for the use of the Committee on Labor and Public Welfare additional copies of the hearings on the national health program, 1949.

RECESS

Mr. ANDERSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 57 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 24, 1950, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 23 (legislative day of March 8), 1950:

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

To be major general

Maj. Gen. Floyd Lavinius Parks, O10582.

To be brigadier general

Brig. Gen. Harry Reichelderfer, O7547.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947:

To be major general

Brig. Gen. Robert Oliver Shoe, O8119.

To be brigadier general

Col. Bryan Lee Milburn, O7469.

UNITED STATES AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law. All others have been examined and found physically qualified for promotion.

To be major, Chaplains

Cameron, George James, 18763A.

To be captains, United States Air Force

Adams, Carl Russell, 13375A.
Andrea, Paul Herman II, 13309A.
×Arlington, Matthew Thomas, 13405A.
Assimotos, Samuel Anthony, 13335A.
Avery, Charles Malcolm, 13399A.
Babb, Robert Gordon, 13443A.
Bachmann, Frederick Emil, Jr., 13479A.
Baker, Gordon, 13402A.
Balliet, Byron Frederick, 13367A.
×Barber, James Barton, 13360A.
Benbow, John Warren, 13369A.
Benne, Louis, 13480A.
×Bilson, John Gilbert, 13310A.
Blitch, Norman Henry 3d, 13423A.
Bockelman, Frederick, Jr., 13396A.
Brown, John Wright, 13350A.
Burget, Carl Edward, 13393A.
Burton, Ernest Lyle, 13389A.
Bynum, Willis Allan, 13425A.
Cadwallader, John Stephen, 13351A.
Capps, Paul Wilbur, 13380A.
Carlson, Donald Charlie, 13339A.
Carlson, Raymond Jay, 13317A.
Carlson, Roy Duane, 13447A.
Carlyle, James Howard, 13373A.
Carney, Francis Melvin, 13440A.
Cashman, William James, 13464A.
Combs, John Harley, Jr. 13368A.
Cook, Charles Evans, Jr., 13481A.
Cook, Eugene Dalton, 13459A.
Council, Robert Enloe, 13456A.
Crisman, Harry Bruce, 13306A.
Culbertson, William R., 13308A.
×Curd, James Loyd, 13327A.
×Davis, Onner, Duncan 2d, 13348A.
Davis, Wilbert Eugene, 13381A.
Dessert, Donald Mark, 13359A.
Dieck, Theodore Francis, 13315A.
Dodson, Claude Bolen, 13492A.
Donohue, John Earl, 13458A.
Duffy, James Francis, 13461A.
Duncan, William Harris, 13370A.
Dusenberry, Robert Kelly, 13429A.
Eilar, Norman Woodrow, 13342A.
Ethridge, Floyd Charles, 13448A.
Fantone, William Herbert, Jr., 13472A.
Fjeseth, Harold Edwin, 13338A.
Flannigan, William Chisholm, 13457A.
Ford, Ernest C., 13330A.
Ford, Marlyn Carr, Jr., 13337A.
Fowler, James Furman, 13483A.
Frey, George Joseph, 13494A.
Frittier, Robert Marion, 13321A.
Gallagher, John Joseph, 13318A.
Gamelin, Aime Joseph, 13376A.
×Gibson, Charles Augustus, Jr., 13470A.
Goodreau, James Joseph, 13313A.
Green, Jimmie Lee, 13392A.
×Greene, Melvin Leslie, 13364A.
Gregory, Benjamin Francis, 13334A.
Haan, Carl Joseph, 13320A.
Hanna, Ross Pershing, 13410A.
Hardman, John Wesley, 13428A.
Harms, Thomas Hershal, 13384A.
Harrold, Paul Custer, 13431A.
Hart, Francis Joseph, 13432A.
Hartzell, Connett Foster, 13411A
Heaviside, Robert William, 13390A.
Heberling, Raymond Lee, 13417A.
×Henry, Russell Frank, 13391A.
Hinnant, Robert Earle, 13329A.
Hoerler, Walter, 13418A.
Horn, Willard Lee, 13416A.
Hovey, Harold Gordon, 13387A.
Howard, Pat Neff, 13420A.
Hunter, Trymon Winfred, 13442A.
×James, Clifton Eugene, 13374A.
×Johnson, Edward Lee, 13349A.
×Johnson, William Thomas, 13347A.
×Kaufman, Richard Herbert, 13471A.
King, William Harrison, Jr., 13484A.
Knowles, Edward, Jr., 13365A.
Lane, Edward Erie, Jr., 13394A.
Ledbetter, Lamar Edward, 13312A.
Lee, Richard Daniel, 13414A.
Lindgren, John Rudolph, 13403A.
Lober, Richard Hatz, 13385A.
Loflin, William Albert, 13408A.
Lutz, George Willard, 13388A.
McArthur, Shelby, 13325A.
McClure, Samuel Sidney, 13336A.
McDonell, Charles Edmond, 13475A.
McMinn, Truman Lee, 13400A.
McPherson, Samuel Oscar, Jr., 13463A.
Maitland, William Ward, 13341A.
Mallard, Thurston Nathaniel, 13467A.
Margison, Robert Louis, 13332A.
Martell, Donald Joseph, 13444A.
×Martin, Herbert Wayne, 13426A.
Mason, John Jesse, 13482A.
Mayfield, Darrell Ware, 13358A.
Merrill, Robert Taylor 3d, 13413A.
Michael, Edward Stanley, 13343A.
Mohr, Homer Hirst, 13455A.
Moon, Bryden Earl, 13378A.
Moore, George Manley, 13379A.
Moore, Wayne Lloyd, 13441A.
Murray, Charles Bernard, 13377A.
Nichols, Malcolm George, 13366A.
Nicholson, Clifton Leonidus, 13452A.
O'Gorman, Joseph Benedict, 13340A.
Paschal, Benjamin Edwin, Jr., 13372A.
Petersen, Warren Jay, 13436A.
Petree, William Lloyd, 13386A.
Pettit, Roy Francis, 13382A.
Phillips, William Lloyd, 13478A.
Pope, Kermit Rudolph, 13433A.
×Purdy, Douglas Chester, 13322A.
Rawls, Don Molton, 13487A.
Rentmeester, Lester Francis, 13352A.
Richards, Donald William, 13362A.
×Richardson, Bill Mack, 13435A.
Richardson, Sidney Kenneth, 13333A.
Richie, Frank Gilbert, 13353A.
Riggs, Francis Hutton, 13489A.
Rochlin, Arthur William, 13361A.
Sandbach, John Oscar, 13437A.
Schindler, Joe Thomas, 13434A.
Schreiber, Edward Arthur, 13401A.
Scudder, Robert Kelso, 13345A.
×Seliga, Edward Joseph, 13397A.
Shafer, Guy Leslie, Jr., 13344A.
Shultz, Charles Yandell, Jr., 13476A.
Smith, Lewis Curtis, 13462A.
×Smith, Robert William, 13454A.
Smith, Warren Hutchinson, Jr., 13453A.
Smith, Wayne, 13407A.
Sneed, William Osborne, 13468A.
Sorenson, Bernard Ramon, 13383A.
×Sparks, Earl Edwin, 13449A.
Spofford, James Russell, 13371A.

Starmer, Glen Allen, 13356A.
Stonis, Peter Casimer, 13307A.
Stotts, Allan Herbert, 13486A.
×Stroud, William Paul, Junior, 13331A.
Sundeen, William Erhard, 13451A.
Tarrant, John Richard, Junior, 13450A.
Taylor, Lloyd Robert Vincinnese, 13316A.
Territo, Vincent Anthony, 13314A.
Thompson, William Marvin, 13412A.
Thornton, Charles Hampton, 13346A.
Van Name, Edward Ephraim, 13430A.
Vantrease, Hubert Clyde, 13422A.
Voigtmann, Frank Leslie, 13469A.
×Walsh, James, Junior, 13419A.
Waterman, LeRoy Richard, 13415A.
×Wathen, Roy Dolph, 13439A.
Wear, Thomas Orval, 13438A.
Webb, Richard Leslie, 13446A.
Weitzel, Donald Leo, 13404A.
×Welch, Chester Colvin, 13409A.
Wesley, James Richard, 13488A.
Weyant, Jack Areties, 13424A.
Williams, Cyril Evan, 13363A.
Williams, James Benjamin, Junior, 13473A.
Williams, James Edwin, 13406A.
Woodward, Jesse Edward, Junior, 13421A.
×Woodward, John Luther, Junior, 13354A.

The following-named officers for promotion in the United States Air Force, under the provisions of section 107 of the Army-Navy Nurses Act of 1947. The officers nominated for promotion to captain have been found professionally and physically qualified for promotion as required by law.

To be captains, Air Force Nurse

Herman, Muriel, AN1116.
Mooneyham, Dorothy Elizabeth, AN1591.
Soppa, Eleanore Martha, AN1426.

(NOTE.—The officers nominated for promotion to major and captain will complete the required 14 and 7 years' service, respectively, for promotion purposes during the month of April. Dates of rank will be determined by the Secretary of the Air Force.)

The following-named persons for appointment in the United States Air Force, in the grades indicated with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and title II, Public Law 365, Eightieth Congress (Army-Navy-Public Health Service Medical Officer Procurement Act of 1947):

To be majors, United States Air Force (Medical)

Roger A. Jackson, O1699259.
Jack C. Shrader, O530304.

To be major, United States Air Force (Dental)

Salvatore L. Monaco, AO325128.

To be captain, United States Air Force (Medical)

Benjamin N. Hammers, O539624.

To be captains, United States Air Force (Dental)

Earl E. Feldmann, O1756154.
Walter J. Michalik, O490224.

To be first lieutenants, United States Air Force (Medical)

Robert F. Conway, O959005.
Glenn B. Doan, AO958451.
John A. Hennessen, Jr., AO976254.
Paul R. Langelier, AO1906108.
David I. Mahoney, Jr., AO1786527.
William C. Rountree, 513556, United States Naval Reserve.
William R. Turner, AO936105.
Charles C. Watts, Jr., AO1746689.
Joseph E. Wilke, Jr.

To be first lieutenant, United States Air Force (Dental)

Donald S. Lee, AO965609.

The following-named persons for appointment in the United States Air Force in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and section 2, Public Law 775, Eightieth Congress (act of June 25, 1948):

To be first lieutenants

Edwin C. Aikens, AO668378.
George R. Bandy, AO436489.
Cooley C. Berry, AO425471.
Alvin L. Berthelsen, O820147.
Myron L. Birnbaum, O346233.
Rufus C. Boutwell, Jr., AO1041509.
Joseph Buchta, AO789452.
Richard D. Case, AO398934.
William C. Craft, O391125.
Dean E. Delafield, AO724022.
John J. Donahue, O383566.
Emerson K. Elkins, AO737749.
Morton J. Gold, AO1850767.
Marvin W. Goodwyn, AO411827.
William A. Guilfoyle, AO421077.
Carrol Hament, O789057.
Fred J. Higgins, AO376440.
Theodore C. Huke, AO1321187.
Jack Knight, AO669588.
John J. Latella, AO1000989.
Jack E. Mathews, AO589518.
Sumner S. Miller, AO1054721.
Dwight R. Rowland, AO759664.
George A. Schulte, O660007.
George J. Schweizer, Jr., AO749823.
Samuel M. Thomasson, Jr., AO441245.
Walter M. Weddle, AO758665.
Robert V. Wollard, O724181.
John H. Yates, O428127.

The following-named persons for appointment in the United States Air Force in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Thomas E. Clifford.
Dallis C. Jones, Jr.
Charles H. Naness.
Gerald P. Reidy.
Robert W. Rockwell.
Hiram C. Sloan, Jr.
Charles P. Wason, O702078.

IN THE NAVY

TEMPORARY APPOINTMENT IN THE NAVY

Capt. Henry R. Delaney, Dental Corps, United States Navy, for temporary appointment to the grade of rear admiral in the Dental Corps of the Navy.

PERMANENT APPOINTMENTS IN THE NAVY

The nominations of Homer N. Wallin, et al., for permanent appointment in the Navy, which were confirmed today, were received by the Senate on March 13, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Homer N. Wallin, which appears on page 3219, and ending with the name of Elizabeth Wolchick, which appears on page 3223.

TEMPORARY APPOINTMENTS IN THE NAVY

The nominations of Minor F. Abel, Jr., et al., for temporary or permanent appointment in the Navy, which were confirmed today, were received by the Senate on March 10, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day under the caption "Nominations," beginning with the name of Minor F. Abel, Jr., which appears on page 3184, and ending with the name of Leonidas R. Wright, which is shown on page 3187.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 23, 1950

The House met at 11 o'clock a. m.

Rev. Byron M. Wilkinson, Grove Avenue Baptist Church, Richmond, Va., offered the following prayer:

Lord, teach us to live from day to day
In such a self-forgetful way,
That even when we kneel to pray,
Our prayers shall be for others.

Lord, we invoke Thy blessing upon Congress today and upon all of the peoples of our great, free Nation. We thank Thee for those who have gone before us to give us this wonderful land. Our Father, as we are inspired by Thy holy spirit, we pray that we shall live in such a way that we shall do our very best under God to build an even greater Nation. Forgive our sins as we follow in the footsteps of the Lord, for we ask it in His holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1543. An act to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 4080) entitled "An act to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard and to enact and establish a Uniform Code of Military Justice," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. RUSSELL, Mr. KEFAUVER, Mr. SALTONSTALL, and Mr. MORSE to be the conferees on the part of the Senate.

THE LATE EARLE D. WILLEY

The SPEAKER. The Chair recognizes the gentleman from Delaware [Mr. BOGGS].

Mr. BOGGS of Delaware. Mr. Speaker, it is with deep personal sorrow that I inform the Members of this body of the sudden and untimely death on March 17, 1950, of a distinguished former Member of the House of Representatives, the Honorable Earle D. Willey, of Dover, Del.

Mr. Speaker, you and the other Members who served in the Seventy-eighth Congress will recall Judge Willey as a conscientious colleague who devoted himself to his duties as Delaware's sole Representative. You will recall that he served with distinction on three House committees: Enrolled Bills, Territories, and World War Veterans' Legislation.

His service on the World War Veterans' Legislation Committee is well remembered; and his deep-rooted and sincere

interest in the welfare of veterans was widely recognized and never forgotten. As a matter of fact, Mr. Speaker, it was only last year that Judge Willey was honored by the Department of Delaware American Legion, when he was awarded that department's first citizenship award. Earle D. Willey devoted the greater part of his life to public service—and much of the balance of it was given by him to worthy civic and community projects. He worked ceaselessly and unstintingly on behalf of others.

Judge Willey was kind-hearted and generous; he was conscientious and exceedingly able; he was unassuming and unselfish.

Mr. Speaker, Delaware and the Nation have lost an outstanding citizen who was admired and respected by all who were privileged to know him.

The characteristics, the career, and the achievements of Earle D. Willey will always serve as an inspiration to all those who wish to serve their fellow man and their State and Nation.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. MARTIN of Massachusetts. Mr. Speaker, I join with my good friend the gentleman from Delaware in expressing deep regret at the passing of Judge Willey. He served with us in the Seventy-eighth Congress. He was a man of unusual ability, a very courteous gentleman, and one who was always sympathetic with the less fortunate people of the country.

He was a man who always put his country above self. We all loved, admired, and respected him. It is with deep regret that we learn of his passing, and to his family goes our heartfelt sympathy.

Mr. BOGGS of Delaware. I thank the distinguished gentleman from Massachusetts.

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. GRAHAM. Mr. Speaker, when Judge Willey came to the Seventy-eighth Congress he was immediately adopted by the Republican delegation of Pennsylvania and he met with us regularly in our meetings. We learned to know the value of his splendid judgment and wisdom. We learned to know what a fine citizen he was. He was intensely patriotic. One of the last conversations I had with him was with reference to an invitation from him to appear at his home town and make a patriotic address. We will always remember him with kindness and we express, through this medium, our sympathy to his beloved wife in her bereavement.

Mr. BOGGS of Delaware. I thank the distinguished gentleman from Pennsylvania.

Judge Willey, in recent years, spoke to me many times of the fond friendships and great admiration he had for the many Members with whom he served in the House of Representatives.

Mr. POULSON. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. POULSON. Mr. Speaker, I had the pleasure of serving with Judge Willey in the Seventy-eighth Congress. He was one of the finest gentlemen I ever met. He was certainly a distinguished American in every way. He was sincere and very conscientious.

Mr. BOGGS of Delaware. I thank the gentleman.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the distinguished gentleman from Iowa.

Mr. HOEVEN. Mr. Speaker, I regret to learn of the passing of Earl D. Willey. He and I came to the Congress together in the Seventy-eighth Congress. His office adjoined mine in the Old House Office Building. I learned to know him rather well. He was a splendid Member of the Congress, conscientious and devoted to his duties at all times. I mourn the passing of this Christian gentleman.

Mr. BOGGS of Delaware. I thank the distinguished gentleman.

In conclusion, Mr. Speaker, I want to say again that the loss to his family is great, as it is to our State and the Nation.

EXTENSION OF REMARKS

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the RECORD and include an editorial.

UNITED MINE WORKERS UNION CASE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I want to acquaint the House with what I believe to be a startling and significant fact in connection with the Government's very weak and slipshod attempt to prosecute the recent contempt of court case against the United Mine Workers Union.

You all know that the court held John L. Lewis and his union not guilty of contempt. This verdict was reached after the Federal judge heard the feeble arguments and fragmentary evidence presented by the Attorney General's office. You know that in two previous and similar cases, when the Attorney General presented clear-cut cases with a vigorous prosecution, the court held the union and Lewis guilty and they were heavily fined and the strikes ended.

What I want to tell you today is that one of the assistants to the Attorney General who represented the Government in the more recent case has received $15,000 in legal fees from the United Mine Workers welfare fund.

He is Joseph M. Friedman who was paid this big fee in November 1948 by the welfare fund. He was an Assistant Attorney General at that time.

This most curious state of affairs is revealed by Edwin A. Lahey, one of the outstanding labor news reporters in the Nation, who is on the staff of the Chicago Daily News.

Lahey discloses that not only did Friedman represent the Government before Judge Richmond B. Keech in the recent miners' case, but he did most of the paper work in preparing the contempt case. Not only that but he helped write the appeal from Judge Keech's verdict to the higher courts filed this week.

I want to call the attention of the House to what Judge Keech said in handing down the "not guilty" verdict. He noted the possibility that the strike which continued despite Lewis' back-to-work order might have been "induced by means not appearing in the record." Then he added:

> This court may not convict on conjecture, being bound to act only on the evidence before it, which is insufficient to support a finding of either criminal or civil contempt.

The judge's ruling is clear. The representatives of the Attorney General did not present a case. Why was not the Government's case stronger?

Why did not Friedman and his associates present to the court the many affidavits which were in possession of the Attorney General's office?

These affidavits showed the absolute power which John L. Lewis has over the union district officers, who are appointed by him, and they also show the absolute authority which the district officers have over the miners.

These affidavits showed that the officers of the local unions did not take Lewis' back-to-work orders seriously and made no effort to get the men back in the pits.

These affidavits showed that many of the miners feared to go back to work because they knew pickets would appear from unspecified sources.

These affidavits show that the men had the impression that Lewis did not want them to return to work.

These affidavits were in the possession of the Attorney General and they must have been seen by Friedman and his associates.

Why were they not presented to the judge?

Joseph M. Friedman was voted $15,000 by the trustees of the mine workers fund in November 1948 for private legal advice to N. H. Collisson, a Federal official, who was one of the trustees.

I am told that Mr. Friedman said there was no secret about his having received the fee. I am also told that he himself said that it "may not have been ethical, but it was legal."

When Mr. Friedman received the $15,000 fee from the miners fund he was also drawing a Government salary as an assistant attorney general.

Mr. Friedman apparently questions his own ethics in this most irregular situation. I question the ethics and the morality. In an administration where "fixers" are having a Roman holiday the question canot be evaded in the coal case: In the whole Department of Justice, with its hundreds of lawyers, could not the Attorney General find some one other than Mr. Friedman and who had not received a fee from an interested party, to prosecute the contempt of court case?

EXTENSION OF REMARKS

Mr. ANDERSON of California (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD.

Mr. HAND asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD in three instances, in each to include extraneous matter.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD.

DEFICIT FINANCING

Mr. DAVIS of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. DAVIS of Wisconsin. Mr. Speaker, as we all know the Truman administration is following the unwise and unsound policy of deficit financing to keep the Government going.

The Federal Government is the most gigantic business on earth, with more than 2,000,000 employees on the pay rolls.

Efficiency and modern organization methods have not kept pace with the rapid growth of the Government. The taxpayers are paying heavily for a lack of order, a lack of clear lines of authority and responsibility, and a lack of effective organization, especially in the executive branch.

While the Government has grown its administration has kept apace in the creation of a maze of bureaus and subdivisions resulting in a chaos of entanglement.

And what does this mean to the taxpayer? Well, 20 years ago the national debt per average family was $500. Today, it is $7,500 per average family. Is not this something to think about?

EXTENSION OF REMARKS

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD in three instances, in each to include extraneous matter.

TAXES CHILL ROMANCE

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, last week on this floor I told you, with great sadness, how the Federal Government discourages love and romance. I described how the 20-percent tax on such items as an engagement ring, a wedding ring, and baby oil and baby powder chills the blood that is supposed to pound harder in the spring. Since that speech, I have found an enlightening example of where that tax money is going.

The information is on page 1711 of the hearings before the House Appropriations Subcommittee on Independent Offices. There Jess Larson, the General Services Administrator, itemizes the cost of furnishing the office of a single new member of the Federal Power Commission. The total cost comes to no less than $2,189.12.

Contrast that with the few dollars the average young American couple can spend on furnishing their first little love nest. Thousands and thousands of young couples consider themselves lucky if, after paying their taxes, they have $500 left to spend on furniture.

Yes, it is true they can live on love. As a matter of fact, after forking over to the tax collector for the kind of wild waste I have described, many of them have to live on love.

EXTENSION OF REMARKS

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD.

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD and include copies of two letters.

Mr. WALSH asked and was given permission to extend his remarks in the RECORD and include an article.

SPECIAL ORDER GRANTED

Mr. DAVIS of Georgia asked and was given permission to address the House for 15 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

INVESTIGATIONS BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 472) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 114, Eighty-first Congress, incurred by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, further amounts not to exceed $25,000, including expenditures for employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendments:

Page 1, line 6, strike out the words "printing and binding."

Page 1, line 6, after the word "of", strike out the word "such" and after the word "and" strike out the word "such."

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. I yield.

Mr. McCORMACK. I wish to inquire what agency or agencies this subcommittee stated they were going to look into? I understand that one is the General Services Administration; is that correct?

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. I yield to the gentleman from Mississippi.

Mr. McCORMACK. I do not want any conflict in jurisdiction.

Mr. WILLIAMS. I may say to the distinguished majority leader that the subcommittee intends to go into purely and exclusively matters dealing with the utilization of personnel; it has no intention to go into or investigate functions being carried on by the General Services or any of the other agencies of government. It is purely a personnel utilization matter or study, as the case may be.

Mr. McCORMACK. In other words, there will be strict care taken to avoid the invasion of the jurisdiction of any other committee.

Mr. WILLIAMS. Certainly.

Mr. McCORMACK. I am aware that frequently there is a twilight zone in this matter. To avoid misunderstandings I assume that where there is any twilight zone question involved the gentleman will confer with the chairman of the Committee on Expenditures or the chairman of the appropriate subcommittee that has been appointed by the chairman of the Committee on Expenditures.

Mr. WILLIAMS. That is our intention.

Mr. STANLEY. I wish to say to the majority leader that the House Committee on Administration admonished this committee not to overlap the activities undertaken by the Committee on Expenditures in the Executive Departments.

Mr. McCORMACK. I appreciate that. My inquiry was not based on the assumption that there would be any, because I know the gentleman from Virginia will be very careful about that, and also the gentleman from Mississippi [Mr. WILLIAMS]. We all realize, however, that these things sort of grow and grow, and if they can have just a little care beforehand we are sometimes able to avoid honest misunderstandings which become rather annoying and embarrassing.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. I yield.

Mr. LECOMPTE. This resolution is similar to a number of others the gentleman expects to call up today; it provides money for an investigation that has been authorized by the House. Is that true?

Mr. STANLEY. Yes; in this particular instance authorized by House Resolution 114.

Mr. LECOMPTE. And in most cases the committee has cut down the request for funds.

Mr. STANLEY. They have been cut to the minimum.

Mr. LECOMPTE. In this particular resolution I understand the full amount allowed, $25,000.

Mr. STANLEY. Yes; and they submitted a budget indicating that they did need the entire amount asked.

Mr. LECOMPTE. I know that some of the other resolutions the gentleman intends to bring up today have been cut quite materially and reduced rather radically.

Mr. STANLEY. I may say to the gentleman that in one instance I recall a cut was made from $75,000 to $30,000.

Mr. LECOMPTE. And in one instance I think the cut was made from $90,000 to a much lower figure.

Mr. STANLEY. Yes.

Mr. LECOMPTE. In the case of the Committee on Un-American Activities I think we developed in the committee meeting that the amount asked was about the same as the committee has had in the previous 2 years.

Mr. STANLEY. That is correct. I believe there is a very slight difference.

Mr. LECOMPTE. There are a number of these resolutions and I do not desire to interrupt the gentleman on each one. I do want to say that the functions of the Committee on Un-American Activities are very important. We must ferret out Communists in the Government. Communists are against our way of life. We are against communism wherever we find it, especially when we find Communists like termites in our midst.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. I yield.

Mr. RICH. In reference to the Committee on Un-American Activities and the amount they request to carry on their work, we have not heard much about what they have done in the last year. Previous to this time we used to get a very full report from day to day as to what was going on. Are they busily engaged in trying to see that subversive activities in this country are eliminated? Or are they just riding along, as it were?

Mr. STANLEY. The testimony before the committee indicates that they are busily engaged. As to what reports are being submitted to the House, I am not familiar.

Mr. RICH. Mr. Speaker, I hope that committee is doing its duty for the reason that we hear so much about subversive activities in this country and all over the world. It seems to me we ought to be on the alert to see that the Committee on Un-American Activities is on its toes, and before we grant money to it we ought to know what the money is being paid out for. I have supported every dollar that has been asked by this committee, but I think we ought to know what it is doing.

Mr. STANLEY. When that resolution is reached, I will be glad to yield to the chairman of the Committee on Un-American Activities if the gentleman desires to propound a question.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EMPLOYMENT OF A FOREMAN OF LABORERS, DOORKEEPER'S DEPARTMENT

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution, House Resolution 493, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective March 1, 1950, there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation at the basic salary rate of $1,680 per annum for the employment of a foreman of laborers, Doorkeeper's Department.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution, House Resolution 482, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations authorized by clause (1) (Q) of rule XI incurred by the Committee on Un-American Activities, acting as a whole or by subcommittee, not to exceed $150,000, including expenditures for employment of such experts, special counsel, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee and approved by the Committee on House Administration.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. I yield to the gentleman from Pennsylvania.

Mr. RICH. This provides money for the Committee on Un-American Activities?

Mr. STANLEY. Yes.

Mr. RICH. We have the chairman of that committee here.

Mr. STANLEY. I yield to the chairman of the Committee on Un-American Activities.

Mr. RICH. I would like to hear whether it is actively engaged in the work of trying to find people in this country who are trying to overthrow our Government.

Mr. STANLEY. I yield to the gentleman from Georgia [Mr. WOOD].

Mr. WOOD. Mr. Speaker, in response to the inquiry of the gentleman from Pennsylvania with reference to what the committee has been engaged in, may I say that since the beginning of this Congress the committee has been in session almost daily hearing testimony from various individuals with reference to the activities of subversive groups within the Nation. I believe that the committee has been very effective in that regard.

One of the most recent investigations which the committee has conducted has been in the State of the gentleman from Pennsylvania, during which time it has been demonstrated and made known to the American people that a large segment of the Communist Party is in operation, particularly in the Pittsburgh area. We have proven and added to the committee files a large number of names of people who are members of the Communist Party and who are engaged in activities in that area particularly and in connection with foreign elements in some of the labor organizations.

We have been requested by both the General Assembly of Hawaii and the Bar Association of Hawaii, as well as other responsible agencies in those islands, to conduct an investigation there, which we hope to do in the near future. That has been well pointed up by the recent strike in the maritime industry in those islands which paralyzed the entire shipping facilities over there for several months.

This particular item we are requesting here is considered necessary by unanimous action of the committee in order to facilitate and carry out the work of the committee for the balance of the year. I filed with the Committee on House Administration when we appeared before that committee a statement of the break-down of what the committee had spent in the way of money that this Congress had made available to it during the last year and up to the present time.

The pay roll of this committee aggregates approximately $110,000 per year. Other expenses, telephone, transportation, per diem for witnesses, transportation of committee members and the committee staff, miscellaneous office expenses, legal assistance, reporter's fees, photostats, photographs, newspapers, periodicals, and pamphlets aggregated altogether the sum of approximately $188,945 up to the first of this month.

We had on hand the first of this month a balance of $43,000.

The item of $110,225.30 set forth above as yearly pay roll of the committee covers the salaries of 5 investigators and 18 clerical employees. At present the clerical staff is engaged in carding, filing, and indexing the names of more than 1,000,000 individuals who are known to be engaged in subversive activities. The list of 1,000,000 names encompasses the names of known members of the Nazi Party, as well as the Communist Party, throughout the world.

Employees of the committee are also engaged in the process of revising a document entitled "Appendix IX," which contains the names of more than 250,000 individuals, as well as several thousand organizations. Names must be deleted from this publication and new ones added. This document, when completed, will be a bible of subversive activities in the United States.

The committee receives yearly thousands of requests for information concerning the subversive affiliations of individuals from various sources. During the year 1949 alone, Members of Congress received 597 reports regarding the nature of various organizations in accordance with requests submitted by them.

The clerical staff of the committee is also charged with the duty of answering the huge volume of correspondence received from the American public. During the early part of this year requests for committee publications numbered in the thousands daily. It is estimated that during the past year more than 300,000 pieces of correspondence were answered by the committee's clerical staff. More than 700,000 copies of committee publications were mailed during the past year.

Liaison agents from the various Federal agencies made 3,956 visits to the committee offices, seeking information from its files during the year 1949.

The investigative staff of the committee at present is engaged in the investigation of communism in Hawaii, the Ku Klux Klan, communism in labor unions, communism in the Government, Communist espionage, and other general phases of communism. The committee also has under investigation at the present time several Fascist organizations.

Both the committee's clerical and investigative staffs are undermanned at the present time. It is practically impossible to keep up with the numerous requests for information from its files received from Members of the House and Senate daily.

It is hoped that we may be able to add two or three additional investigators, if the facilities are made available by this Congress.

Mr. RICH. Mr. Speaker, if the gentleman will yield, if the committee receives this money, is this going to be sufficient for it to conduct the affairs of its office, as the gentleman thinks wise with what he knows about communism in this country?

Mr. WOOD. I certainly think it will. As a matter of fact, we hope that we will not spend the entire amount, but we wanted to be absolutely certain we would have enough to carry on. And, if there is any money that is not expended, of course, it will revert to the Treasury.

Mr. RICH. As the gentleman knows, I have always been for economy, but it seems very foolish that we only give you $110,000 to try to get the subversive activities in this country stopped, when we are spending three, four, and five billion dollars in foreign countries. I have confidence enough in you, may I say to the gentleman, that you will do this country a good job and a good deal, and I would like to know that we are going to drive these elements out of America, and I hope that your committee will do that very thing.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Mr. Speaker, I merely want to say that this request has the unanimous support of all members of the Committee on Un-American Activities. The committee, as the gentleman from Georgia, the chairman, has said, has underway a detailed investigation of Communist activities in Hawaii. That investigation has been undertaken in response to a request by the Territorial legislature, sent to the Speaker, and transmitted by the Speaker to the committee. Formal hearings will shortly be held out there. There has been a great deal of groundwork laid, and it is necessary to have these funds to pursue that investigation on the basis of the groundwork already laid. It is necessary also that we answer these inquiries that the gentleman has mentioned, and I hope there will be no delay in approval of the resolution.

Mr. Speaker, at this time I should also like to speak a word of appreciation for the two men who have directed the work of the committee, the Chairman, Mr. WOOD, of Georgia, and the ranking minority member, Mr. NIXON, of California.

Mr. WOOD has been fair, firm, and well-balanced. I was impressed by the impartial and thoughtful manner in which he performed his first duty as chairman, the selection of chief counsel. We were blamed for getting underway slowly last year but personally I shall always feel it was wiser to have proceeded as the chairman did in selection of counsel than to have rushed into the matter. As a result of the chairman's wise caution, we got the services of a well-balanced, able, and experienced lawyer Mr. Tavenner.

And throughout the Congress Mr. WOOD has continued his fair, temperate, far-sighted handling of the committee's deliberations and activities.

This policy was made possible, Mr. Speaker, because the ranking minority member, the gentleman from California [Mr. NIXON], who shared with the gentleman from Georgia [Mr. WOOD] the major responsibility, was also a man of sound principles and judicial by nature.

It is my personal opinion, Mr. Speaker, that one of the ablest speeches ever made by a Member of this House was that in which the gentleman from California [Mr. NIXON] told the story of the Alger Hiss case from the beginning, when he and my former colleague from South Dakota, the Honorable KARL MUNDT, now a Senator, followed a trail which led to one of the most amazing and shocking episodes in American life. It is a speech which, incidentally, should be read by every American.

Mr. RICH. Does the gentleman figure that he will have enough money for this committee to do the work that we expect it to do?

Mr. CASE of South Dakota. Well, this has been based upon a very careful budgeting, and we have a little leeway with funds on hand that we think will do the job.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman says his committee is carding and indexing the names of a million persons believed to be engaged in subversive activities. Are these million persons supposed to be living within the confines of the United States and its Territories?

Mr. WOOD. No; all over the world.

Mr. DAVENPORT. Mr. Speaker, passage of the appropriation for the House Committee on Un-American Activities is essential today. Two years ago I opposed the extension of the life of this committee. Today I believe it is serving a worthy function. While this may appear as an indication that I have changed my mind about the need for checking un-American activities, this is not so. I have always championed vigilance toward persons and organizations engaged in propagating un-American doctrines. The committee as it is constituted today consists mainly of high-caliber men—persons of integrity, who are concerned with the national well-being. The committee that operated under the Eightieth Congress was led by men who wanted to use their authority to sow fear and prejudice among the American people. It resorted to such infamous methods as guilt by association, name calling, one-sided witness lists and a wild desire for publicity. The American people rendered its opinion regarding that committee by going to the polls in November of 1948 and voting a new leadership. The reconstituted committee has functioned now for over a year. It has gone quietly about its work, exposing the treacherous and safeguarding the sanctity of the individual. Its accomplishments are many. It has tossed aside star-chamber proceedings; it has permitted the accused their day in court; and it has acted with a decorum befitting a body with its judicial significance. For these reasons I urge that we vote ample funds to continue the work of the committee. I have been assured by my colleagues, JOHN S. WOOD, the able chairman of the Un-American Activities Committee, FRANCIS E. WALTER, its ranking member, and by JOHN MCSWEENEY, one of its hardest-working members, that the committee will continue the effective and honest methods it has employed during the Eighty-first Congress.

THE PROOF IS YET LACKING

Mr. KLEIN. Mr. Speaker, my lack of sympathy for the circus methods of the old Committee on Un-American Activities was made plain by me on many occasions.

When the Eighty-first Congress opened I applauded the resolve of the new committee to avoid the sensational methods of its predecessor in the Eightieth Congress, and I was happy to observe the conduct of the committee in the new Congress under its self-imposed limitations and with an almost new staff.

In my opinion, full proof is yet lacking that this committee is fulfilling its proper function as the custodian of the dignity of the House and the defender of American freedom and political traditions.

It is my purpose and my intent to vote against the appropriation for the committee in the coming fiscal year on the grounds that the committee has not yet demonstrated that it is serving a useful purpose.

That there has been much improvement in the conduct of the hearings and apparently of the conduct of the investigations I gladly admit.

So far as progress in reformation has been made and so far as the committee has conducted its affairs without open bias toward minority groups of all kinds—ethnic, religious, political, economic—I offer my congratulations.

A LONG WAY TO GO

However, the committee has a long way to go before it can justify its continued existence.

There is a large and uncharted area in which such a committee can function to safeguard the wonderful things which make up the national entity we call the United States of America.

It is impossible to legislate effectively in the realm of ideas, and one of my objections to the Committee on Un-American Activities is its absorption in proposed legislation which would under-

take to establish in our free America a norm of political piety.

Another major objection is the blindness of the committee to the resurgence of ultranationalism, of race baiting, and of prejudice, which is going on today.

As far back as I can remember, everybody has been investigating Communists. That is all well and good; I have no objection as long as the rights of all persons, Communists or not, are protected.

But the Communists are not by any means the only threat to American freedom, security, and safety.

You need but to read the reports in the CONGRESSIONAL RECORD of the filings under the Lobbyist Registration Act to know that expenditures by the extreme left are feeble and insignificant compared to the lavish outpouring of money by reactionary organizations which are either genuinely Fascist or approach so close as to be fellow travelers.

On the seedy fringe of the extreme right are the self-appointed fuehrers whose funds are deficient but whose supply of hot air is unlimited, and who make savage use of the encouragement from the "respectable" rightist organizations.

WHERE ARE THE INVESTIGATIONS?

The committee has had enough funds to finance a thorough investigation of all kinds of subversion if there were inclination to match the appropriations.

Obviously many other Members felt as I do that there was a large lack in the activities of the Committee on Un-American Activities, for our colleague the gentleman from Pennsylvania [Mr. BUCHANAN] was granted funds and authority to investigate lobbying generally with little opposition.

I feel certain that his committee will do more to look into the lunatic fringe of the extreme right than the Committee on Un-American Activities appears likely to do.

When the Un-American Activities Committee can show me that they are genuinely concerned about all kinds of subversion in the field that is properly theirs, then, and not until then, will I vote for their appropriations.

Mr. O'HARA of Illinois. Mr. Speaker, I anticipate that this resolution will be adopted and that those Members who vote in opposition will be small in number. There were 27 of us, if I recall correctly, who voted against such an appropriation in the first session of the Eighty-first Congress. Most of those 27 votes were cast as a protest against the outrageous conduct of the Committee on Un-American Activities in the Eightieth Congress. There were reports—I do not know whether they were true—that part of the money voted to the committee in the first session of the Eighty-first Congress was to make good on the bills left unpaid by the committee of the Eightieth Congress that outraged every rule of evidence, every principle of justice, and even the universal law of common decency. Subsequent events have proven all that was suspected of the Un-American Activities Committee of the Eightieth Congress by men and women everywhere who respect justice and are not deceived by the disguises of publicized respectability. Since the naming of the membership of the committee by the leadership of the Eighty-first Congress there has been a marked and a commendable change. With a lawyer of such integrity and of such high devotion to the standards and reputation of his profession as the gentleman from Pennsylvania [Mr. WALTER] on the committee and such an outstanding liberal and champion of all that is right and decent as the gentleman from Ohio [Mr. MCSWEENEY] that happened which was to have been expected. Rules of evidence were respected, every right of witnesses was safeguarded, and the orderly processes so dear to the American people were substituted for the rule of the committee of the Eightieth Congress to end the celebration of every hilarious night by breaking into the headlines sometimes merely by way of banging the gavel when a witness wished to speak in answer.

I trust that the liberal and fair-minded members of the present committee will not construe my negative vote today as a reflection upon them. It is not so intended; certainly not so in the case of the gentleman from Pennsylvania [Mr. WALTER] and the gentleman from Ohio [Mr. MCSWEENEY], for whom I entertain not only respect, but affection as well.

I cannot vote for this resolution, because I believe the past and unpardonable practices of the Un-American Activities Committee have made it desirable that even the name should be erased.

The name was never a happy suggestion. Certainly the Ku Klux Klan was the most dastardly of un-American activities. It sought to divide Americans on the lines of prejudice. If ever there was a subversive organization, destructive of the very spirit and life of our democracy, it was the Ku Klux Klan. Yet I have found most vocative in support of an un-American activities committee, which never has penetrated the domain of Ku Klux Klan activities, those who, if not once members of the Klan, were always the spokesmen of its spirit.

As a Member of the Congress I have received vile literature which could have been sent me only because I am on the congressional mailing list. It was filled with treason, and much of it was aimed at the "liquidation" of fellow Americans because of their race, their color, and the religion which, in their beliefs, brought them into communion with their God. Should I have done what the senders of this vile literature desired, quit attention to my very serious job here in the Congress and asked a number of my colleagues on a committee to cease in the attention to their duties to conduct an investigation? Or should I have sent this literature, as I did, to the Postmaster General and the Attorney General, and to Mr. Hoover of the FBI, whose job it is to keep the mails clean, to prosecute traitors, and to protect us from all species of disloyalty?

There are occasions, when legislation is pending and the Members of Congress should be thoroughly informed as to the actual conditions existing and sought to be affected by the proposed legislation, that justify special and select congressional investigating committees. But such, I maintain in all good common sense, should never be permanent standing committees. It was never the thought of the men who framed our Constitution that, in addition to the discharge of its duties as the maker and giver of law, the Congress should take over the job of inquisitor and prosecutor.

I have too much faith in human nature, and too much confidence that all of us here in our own United States realize we are teammates on the same team, to believe that the people of our districts elected us, not to do our very best in making good laws, but instead to spend our time trying to show up Mr. Hoover by doing a better job of spying. It is the job of the FBI, and certainly I am not going to reflect upon that organization by voting for an appropriation for a rival congressional body, especially when I am sincerely committed to economy and the principles of the Hoover Commission.

I venture the thought, Mr. Speaker, that the more of our undivided attention we in the Congress give to our job of making good laws for the benefit of all the people of our great Republic the less money we will have to spend for espionage.

I shall vote against the resolution and in so doing shall feel that I am truly representing the sentiment of my patriotic and loyal constituents in the Second District of Illinois.

Mr. DOLLINGER. Mr. Speaker, the House Un-American Activities Committee was created to do the things its very name implies; to wit, to investigate and eliminate everything un-American which seeks to overthrow or undermine our American form of government.

In my opinion, that would mean the investigation of Nazis, Fascists, KKK's, Communists, as well as other subversive groups. The committee has indicated in the past that it would do just that, but unfortunately, it has only concentrated on Communists, and has left the others out of its sphere of investigations. I commend the committee for its work against Communists, and think that on the whole, it has tried to do a good job. But why has it let the others alone?

Do they not realize that they are undermining our democracy by failing to get after the Nazis, Fascists, and other subversive groups? Do they not realize that our entire German program has failed, because even though we promised the denazification, demilitarization, and decartelization of Germany, none of these has been accomplished? Nazi war criminals sentenced at Nuremberg are still alive—thanks to Nazis in this country who use clever means to delay the executions of the death sentences. Do they not realize that former top Nazis in Germany are climbing steadily to their former positions of power in industry and government; due to the strong influence Nazis have in Germany today under our Government there? They should realize that this could not be accomplished without the

help of their emissaries and spies working here?

The committee must investigate the many front organizations in America which are undermining our democracy by their hate publications and insidious propaganda, and which are as subversive as the Communist-front organizations?

Now, when the committee will undertake to stop Nazis and Fascists, as well as the Communists, in their nefarious schemes, then I will feel that their existence is justified and I shall be happy to support their request for funds. However, until they do that, I cannot see my way clear to vote for this appropriation of $150,000, and am therefore casting my vote against it.

Mr. STANLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 348, nays 12, not voting 71, as follows:

[Roll No. 110]

YEAS—348

Abbitt	Canfield	Fellows
Abernethy	Cannon	Fenton
Addonizio	Carlyle	Fernandez
Albert	Carnahan	Flood
Allen, Calif.	Carroll	Fogarty
Allen, La.	Case, N. J.	Forand
Andersen, H. Carl	Case, S. Dak.	Ford
Anderson, Calif.	Celler	Frazier
Andresen, August H.	Chelf	Furcolo
Andrews	Chesney	Gamble
Angell	Christopher	Garmatz
Arends	Clevenger	Gary
Aspinall	Cole, Kans.	Gathings
Auchincloss	Cole, N. Y.	Gavin
Barden	Colmer	Gillette
Barrett, Pa.	Combs	Golden
Barrett, Wyo.	Cooley	Goodwin
Bates, Ky.	Cooper	Gordon
Bates, Mass.	Corbett	Gore
Battle	Cotton	Gorski
Beall	Coudert	Gossett
Beckworth	Cox	Graham
Biemiller	Crook	Granahan
Bishop	Crosser	Grant
Blackney	Cunningham	Gross
Boggs, Del.	Dague	Gwinn
Boggs, La.	Davenport	Hagen
Bolling	Davies, N. Y.	Hale
Bolton, Md.	Davis, Ga.	Hall, Edwin Arthur
Bolton, Ohio	Davis, Wis.	Hall, Leonard W.
Bonner	Deane	Halleck
Bosone	DeGraffenried	Hand
Boykin	Delaney	Harden
Bramblett	Denton	Hardy
Breen	Dolliver	Hare
Brehm	Dondero	Harris
Brooks	Donohue	Harrison
Brown, Ga.	Doughton	Hart
Bryson	Durham	Harvey
Buchanan	Eaton	Havenner
Buckley, Ill.	Eberharter	Hays, Ark.
Burke	Ellsworth	Hays, Ohio
Burleson	Elston	Hébert
Burnside	Engel, Mich.	Hedrick
Burton	Engle, Calif.	Heffernan
Byrnes, Wis.	Evins	Heller
Camp	Fallon	Herlong
	Feighan	
Herter	Mansfield	Scott, Hugh D., Jr.
Heselton	Marsalis	Scrivner
Hill	Martin, Iowa	Scudder
Hinshaw	Martin, Mass.	Secrest
Hobbs	Merrow	Shelley
Hoeven	Meyer	Short
Hoffman, Mich.	Michener	Sikes
Holmes	Miller, Md.	Simpson, Ill.
Hope	Miller, Nebr.	Simpson, Pa.
Horan	Mills	Sims
Howell	Morgan	Smith, Kans.
Huber	Morris	Smith, Va.
Hull	Morton	Smith, Wis.
Jackson, Calif.	Moulder	Spence
Jackson, Wash.	Murray, Tenn.	Staggers
Jacobs	Murray, Wis.	Stanley
James	Nelson	Steed
Jenkins	Nicholson	Stefan
Jennings	Nixon	Stigler
Jensen	Noland	Sullivan
Johnson	Norblad	Sutton
Jones, Ala.	Norrell	Taber
Jones, Mo.	O'Brien, Ill.	Tackett
Jones, N. C.	O'Brien, Mich.	Talle
Judd	O'Hara, Minn.	Tauriello
Karst	O'Konski	Taylor
Karsten	O'Sullivan	Teague
Kean	O'Toole	Thomas
Kearney	Pace	Thompson
Kearns	Passman	Thornberry
Keating	Patman	Tollefson
Keefe	Patten	Towe
Kelley, Pa.	Patterson	Trimble
Kelly, N. Y.	Perkins	Underwood
Kennedy	Pfeifer, Joseph L.	Van Zandt
Keogh	Pfeiffer, William L.	Velde
Kerr	Philbin	Vinson
Kilburn	Phillips, Calif.	Vorys
Kilday	Phillips, Tenn.	Vursell
King	Pickett	Wadsworth
Kirwan	Plumley	Wagner
Kunkel	Poage	Walsh
Lane	Polk	Walter
Lanham	Poulson	Weichel
Larcade	Preston	Welch
Latham	Price	Werdel
LeCompte	Priest	Wheeler
LeFevre	Quinn	White, Calif.
Lemke	Rains	Whitten
Lesinski	Rankin	Whittington
Lind	Redden	Wickersham
Linehan	Reed, Ill.	Widnall
Lodge	Rees	Wigglesworth
Lovre	Regan	Williams
Lynch	Rhodes	Willis
McCarthy	Ribicoff	Wilson, Ind.
McConnell	Rich	Wilson, Okla.
McCormack	Richards	Wilson, Tex.
McCulloch	Riehlman	Winstead
McDonough	Rodino	Withrow
McGrath	Rogers, Fla.	Wolverton
McGregor	Rogers, Mass.	Wood
McGuire	Rooney	Woodhouse
McKinnon	Roosevelt	Woodruff
McMillan, S. C.	Sadlak	Yates
McMillen, Ill.	St. George	Young
McSweeney	Sanborn	Zablocki
Mack, Wash.	Sasscer	
Magee		
Mahon		

NAYS—12

Blatnik	Green	Mitchell
Chudoff	Javits	O'Hara, Ill.
Dollinger	Klein	Powell
Douglas	Marcantonio	Wier

NOT VOTING—71

Allen, Ill.	Fulton	Murdock
Bailey	Gilmer	Murphy
Baring	Granger	Norton
Bennett, Fla.	Gregory	O'Neill
Bennett, Mich.	Hoffman, Ill.	Peterson
Bentsen	Holifield	Potter
Brown, Ohio	Irving	Rabaut
Buckley, N. Y.	Jenison	Ramsay
Bulwinkle	Jonas	Reed, N. Y.
Burdick	Kee	Rivers
Byrne, N. Y.	Kruse	Sabath
Cavalcante	Lichtenwalter	Sadowski
Chatham	Lucas	Saylor
Chiperfield	Lyle	Scott, Hardie
Clemente	Mack, Ill.	Shafer
Crawford	Macy	Sheppard
Curtis	Madden	Smathers
Davis, Tenn.	Marshall	Smith, Ohio
Dawson	Mason	Stockman
D'Ewart	Miles	Whitaker
Dingell	Miller, Calif.	White, Idaho
Doyle	Monroney	Wolcott
Fisher	Morrison	Worley
Fugate	Multer	

So the resolution was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Gilmer with Mr. Macy.
Mr. Morrison with Mr. Allen of Illinois.
Mr. Irving with Mr. Bennett of Michigan.
Mr. Sadowski with Mr. Shafer.
Mr. Murphy with Mr. Jenison.
Mr. Fugate with Mr. Chiperfield.
Mr. Smathers with Mr. Mason.
Mr. Gregory with Mr. Potter.
Mr. Baring with Mr. Hardie Scott.
Mr. Multer with Mr. Stockman.
Mr. Bennett of Florida with Mr. Hoffman of Illinois.
Mrs. Norton with Mr. Jonas.
Mr. O'Neill with Mr. Crawford.
Mr. Peterson with Mr. Lichtenwalter.
Mr. Whitaker with Mr. Curtis.
Mr. Madden with Mr. Brown of Ohio.
Mr. Fisher with Mr. D'Ewart.
Mr. Doyle with Mr. Reed of New York.
Mr. Clemente with Mr. Fulton.
Mr. Bentsen with Mr. Burdick.
Mr. Sheppard with Mr. Wolcott.
Mr. Kruse with Mr. Smith of Ohio.
Mr. Lucas with Mr. Saylor.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. WOOD. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on House Resolution 482, which has just been agreed to.

The SPEAKER pro tempore (Mr. HARRIS). Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York (at the request of Mr. JENKINS) was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

COMMITTEE ON THE JUDICIARY

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 415) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of further conducting the studies and investigations authorized by House Resolution 137, Eighty-first Congress, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed an additional $75,000, including expenditures for the employment of such experts, clerical, stenographic, special counsel, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee, signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendments:

Line 5, strike out "$75,000" and insert in lieu thereof "$30,000."

Line 6, strike out the word "such."

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Mr. Speaker, this is the resolution providing the money to the Committee on the Judiciary to carry out the provisions of House Resolution 137. The chairman of that committee and others came before the Committee on House Administration and asked for $75,000. At that time I asked the chairman of the Committee on the Judiciary if his committee was expending more money than the same committee had expended in the Eightieth Congress. He said yes, considerably more, but that his committee had gone into a great many investigations such as monopolistic practices and other subjects which had not heretofore been studied. I asked him if it is true that all members of his committee are in favor of this appropriation and he stated emphatically this is true, including every one of the minority members of his committee. The House Administration Committee cut the amount from $75,000 to $30,000.

On the strength of the statement of the gentleman from New York [Mr. CELLER], Chairman of the Committee on the Judiciary, I am supporting the resolution. When the House by a resolution authorizes an investigation, it becomes the duty and function of the Committee on House Administration to authorize the expenditure of the necessary funds.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SELECT COMMITTEE ON LOBBYING ACTIVITIES

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 502) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigation and study to be conducted by the Select Committee on Lobbying Activities, created by House Resolution 298, not to exceed $100,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendment:

Line 3, strike out "$100,000" and insert in lieu thereof "$45,000."

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Mr. Speaker, it can be said that the request contained in this resolution was more than cut in half by the committee. This represents funds for the investigation carried on by the committee headed by the gentleman from Pennsylvania [Mr. BUCHANAN], which is investigating lobbying activities. Is that not true?

Mr. STANLEY. The gentleman is correct.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISBURSING CLERK OF THE HOUSE

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privilege resolution (H. Res. 434) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective January 1, 1950, there shall be paid out of the contingent fund of the House, until otherwise provided by law, additional compensation at the basic rate of $1,000 per annum to the disbursing clerk of the House.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 464) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on the Judiciary is authorized, until otherwise provided by law, to employ two additional clerical assistants, to be assigned to handle legislation pertaining to private immigration and naturalization bills, and concurrent resolutions, as provided by Public Laws Nos. 774 and 863, Eightieth Congress, and to be paid from the contingent fund of the House at rate of compensation to be fixed by the chairman in accordance with section 202 (c) of the Legislative Reorganization Act of 1946.

Mr. STANLEY. Mr. Speaker, the Committee on House Administration asserts that this action in no way establishes a precedent for authorizing the employment of additional clerks for other committees.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EMPLOYMENT OF ADDITIONAL TELEPHONE OPERATORS

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 492) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation for the employment of 10 additional telephone operators, Office of the Clerk, at the basic salary rate of $1,800 per annum each.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. STANLEY. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (S. Con. Res. 71) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 1,000 additional copies of the hearings conducted before a subcommittee of the Senate Committee on Labor and Public Welfare on S. 1106, S. 1456, S. 1581, and S. 1679, Eighty-first Congress, first session, parts 1 and 2 of the National Health Program, 1949. Such additional copies shall be for the use of the Senate Committee on Labor and Public Welfare.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

BRIGHAM YOUNG

Mr. STANLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 184.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Brigham Young Statue Commission of Utah is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Brigham Young, of Utah, and to hold ceremonies in the rotunda on said occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HENRY MILTON BRAINARD

Mr. STANLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3084) authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to grant permission for the erection of an appropriate monument to the memory of Henry Milton Brainard at a suitable location on property of the United States at Cape Arago Light Station, Coos County, Oreg., but the United States shall be put to no expense in the erection of such monument.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ABBITT asked and was given permission to extend his remarks in the RECORD and include an address delivered by Lieutenant Governor Collins, of Virginia.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the New York Times.

EMERGENCY COTTON QUOTA ADJUSTMENTS

Mr. COOLEY. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 1803)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the joint resolution, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"'(4) Any part of the acreage allotted for 1950 to individual farms in any county under the provisions of this section which will not be planted to cotton and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments to the extent necessary to provide such farms with the allotments authorized under paragraph (5) of this subsection. If any acreage remains after providing such allotments, it may be apportioned in amounts determined by the county committee to be fair and reasonable to other farms in the same county receiving allotments which the county committee determines are inadequate and not representative in view of their past production of cotton and to new farms in such county. No allotment shall be made, or increased, by reason of this paragraph to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. Any transfer of allotment under this paragraph shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except in accordance with paragraph (1) (B) and the proviso in paragraph (2) of this subsection: *Provided*, That any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm and may be reapportioned in the manner set forth above. In any subsequent year, unless hereafter otherwise provided by law, acreage surrendered under this paragraph and reallocated pursuant to applications filed in accordance with the provisions of paragraph (5) of this section shall be credited to the State and county in determining acreage allotments.

"'(5) Notwithstanding any other provision of law and without reducing any farm acreage allotment determined pursuant to the foregoing provisions of this subsection, each farm acreage allotment for 1950 shall be increased by such amount as may be necessary to provide an allotment equal to the larger of 65 per centum of the average acreage planted to cotton (or regarded as planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) on the farm in 1946, 1947, and 1948, or 45 per centum of the highest acreage planted to cotton (or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress) on the farm in any one of such three years; but no such allotment shall be increased by reason of this provision to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. An increase in any 1950 farm acreage allotment shall be made pursuant to this paragraph only upon application in writing by the owner or operator of the farm within such reasonable period of time (in no event less than fifteen days) as may be prescribed by the Secretary. The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this paragraph shall not be taken into account in establishing future State, county, and farm acreage allotments.'"

"SEC. 2. Notwithstanding the provisions of section 363 of the Agricultural Adjustment Act of 1938, any farmer who is dissatisfied with his farm acreage allotment for the 1950 cotton crop may, within fifteen days after mailing to him of notice as provided in section 362 of that Act, or within fifteen days after the effective date of this resolution, whichever date is later, have such allotment reviewed in accordance with the provisions of said Act.

"SEC. 3. Notwithstanding any other provision of law, Irish potatoes acquired under the 1949 price support program shall, if the Secretary of Agriculture determines such action necessary to prevent their loss through destruction, deterioration, or spoilage before they can be disposed of more advantageously than as herein provided, be made available under such terms and conditions as he deems appropriate and in the public interest (including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section) to school-lunch programs, the Bureau of Indian Affairs, Federal, State, or local public welfare organizations, private or international nonprofit welfare organizations, penal institutions, and nonprofit hospitals; except that, in the case of disposition to private or international nonprofit welfare organizations for the assistance of needy persons outside the United States, the transportation and handling costs to be borne by the Government shall be limited to the movement of such potatoes to the nearest port. Any such agency or institution desiring to acquire surplus potatoes shall make application to the Secretary of Agriculture.

"SEC. 4. After the enactment of this joint resolution, no price support shall be made available for any Irish potatoes of the 1950 crop with respect to which marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, have been disapproved by producers. With respect to the 1950 crop, price support shall be limited to potatoes produced by eligible producers which are of a grade not lower than U. S. No. 2.

"SEC. 5. For the crop year of 1951 and thereafter no price support shall be made available for any Irish potatoes unless marketing quotas are in effect with respect to such potatoes.

"SEC. 6. (a) That section 359 of the Agricultural Adjustment Act of 1938, as amended by adding the following new subsections:

"'(g) If the total acreage of peanuts picked or threshed on the farm does not exceed the total acreage of peanuts picked or threshed on the farm in 1947, payment of the marketing penalty as provided in subsection (a) will not be required on any excess peanuts which are delivered to or marketed through an agency or agencies designated each year by the Secretary. Any peanuts received under this subsection by such agency shall be sold by such agency (i) for crushing for oil under a sales agreement approved by the Secretary; (ii) for cleaning and shelling at prices not less than those established for quota peanuts under any peanut diversion, peanut loan, or peanut purchase program; or (iii) for seed at prices established by the Secretary. For all peanuts so delivered to a designated agency under this subsection, producers shall be paid for the portion of the lot constituting excess peanuts, the prevailing market value thereof for crushing for oil (but not more than the price received by such agency from the sale of such peanuts), less the estimated cost of storing, handling, and selling such peanuts: *Provided*, That for the 1950 crop if the Secretary determines that the supply of any type of peanuts is insufficient to meet the demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for such purposes, the Secretary shall permit the sale, for cleaning and shelling, of the excess peanuts of such type so delivered. Such sales shall be in quantities necessary to meet such demand and at prices not less than those at which the Commodity Credit Corporation may sell peanuts owned or controlled by it for cleaning and shelling. The proceeds received from the sale of such peanuts of such type for cleaning and shelling shall, after deduction of the price paid to producers and other costs incurred in connection therewith, including estimated cost of proration, be prorated proportionately among all of the producers delivering excess peanuts of such type to designated agencies under this section. Any person who, pursuant to the provisions of this subsection, acquires peanuts for crushing for oil and who uses or disposes of such peanuts for any purpose other than that for which acquired shall pay a penalty to the United States, at a rate equal to the marketing penalty prescribed in subsection (a), upon the peanuts so used or disposed of and shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both, for each and every offense. Operations under this subsection shall be carried on under regulations prescribed by the Secretary.

"'(h) For the purposes of price support with respect to the 1950 and subsequent crops of peanuts, a "cooperator" shall be (1) a producer on whose farm the acreage of peanuts picked or threshed does not exceed the farm acreage allotment or (2) a producer on whose farm the acreage of peanuts picked or threshed exceeds the farm acreage allotment provided any peanuts picked or threshed in excess of the farm marketing quota are delivered to or marketed through an agency or agencies designated by the Secretary without penalty in accordance with the provisions of subsection (g) and regulations prescribed by the Secretary.

"'(i) The provisions of subsections (g) and (h) of this section shall not apply with respect to any crop when marketing quotas

are in effect on the corresponding crop for soybeans.'

"(b) That the third sentence in paragraph (d) of section 358 is amended to read as follows: 'Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years.'

"SEC. 7. Notwithstanding any other provision of law, for 1950, the peanut acreage allotment for any State shall not be reduced by a percentage larger than the percentage by which the 1950 national acreage allotment is below the 1949 national acreage allotment. The allotment for any State shall be increased to the extent required to provide such minimum State allotment and such acreage required shall be in addition to the national acreage allotment. The additional acreage authorized by this section shall not be taken into account in establishing future acreage allotments."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the joint resolution, and agree to the same with an amendment as follows: Amend the title so as to read: "Joint resolution relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price support for potatoes."

And the Senate agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLYDE R. HOEY,
OLIN D. JOHNSTON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House joint resolution and inserted a substitute amendment. The committee of conference has agreed to recommend that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House joint resolution and the Senate amendment.

The provisions of the conference substitute are the same as those contained in the conference report submitted to the House on March 15, except that (1) the provision making available not more than 50,000 acres to furnish emergency cotton allotments to producers of other farm commodities whose 1950 crops have been substantially destroyed by insects known as "green bugs" has been eliminated; (2) section 4, relating to potatoes, was modified (as modified, it prohibits price support in 1950 in areas where marketing orders have been disapproved by producers, and limits support in all areas to potatoes of eligible growers grading not lower than U. S. No. 2); and (3) section 6, relating to excess peanuts, was amended to make it clear that the Government would not sustain any loss in connection with the handling of excess peanuts and that growers to be eligible to participate in the program would have to keep their total acreage of peanuts picked or threshed equal to or below the acreage picked or threshed in 1947.

The conference substitute relates to cotton, peanuts, and potatoes. Except for clarifying or minor changes, the differences between the conference substitute and the joint resolution as passed by the House are explained below:

SECTION 1—COTTON ACREAGE ALLOTMENTS

(1) The first paragraph of this section, although reworded, is in substance the same as section 2 of the resolution as passed by the House. It authorizes the reallotment in 1950 of any acreage allotted to individual farms under the provisions of section 344 of the Agricultural Adjustment Act of 1938, as amended, which will not be planted to cotton on the farm receiving the allotment originally and which is voluntarily surrendered by the owner or operator of the farm to the county committee.

Such surrendered acreage is to be apportioned to other farms in the same county receiving allotments to the extent necessary to provide for such farms the allotments authorized under paragraph 5 of section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, which is a new paragraph added by section 1 of the conference substitute. Any acreage remaining after providing for such minimum allotments may be apportioned in amounts determined by the county committee to be fair and reasonable to other farms in the same county receiving allotments which the county committee determines are inadequate and not representative in view of their past production of cotton, and to new farms in the county. No allotment shall be made or increased under this paragraph to an acreage in excess of 40 percent of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary of Agriculture.

Any allotment surrendered and transferred under this paragraph shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except that such acreage will not be regarded as having been planted for the purpose of determining the highest acreage planted under section 344 (f) (1) (B) and the proviso in section 344 (f) (2) of the Agricultural Adjustment Act of 1938, as amended.

Any acreage surrendered and transferred under this paragraph will be credited to the State and county in determining acreage allotments.

(2) The House joint resolution provided for the establishment in 1950 of minimum farm allotments equal to the larger of 70 percent of the average acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, during the years 1946, 1947, and 1948, or 50 percent of the highest acreage planted (or regarded as planted) on the farm in any one of such years, with the limitation that no farm could receive an allotment under this provision making a total allotment in excess of 40 percent of the acreage on the farm which is tilled annually or in regular rotation, as determined in accordance with regulations prescribed by the Secretary of Agriculture.

The conference substitute changes this provision by providing for the establishment of minimum farm allotments equal to the larger of 65 percent of the average acreage planted or regarded as planted to cotton during the years 1946, 1947, and 1948 (instead of 70 percent as provided in the House joint resolution), or 45 percent of the highest acreage plant to cotton or regarded as planted to cotton in any one of such years (instead of 50 percent as provided in the House resolution).

The provisions limiting such increases to 40 percent of the acreage on the farm tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary, are the same as those contained in the resolution as it was passed by the House.

In order for any farm to receive an increased allotment under this measure, the owner or operator of the farm must apply in writing within a reasonable period of time (not less than 15 days) to be fixed by the Secretary. The resolution as passed by the House required farmers not only to file applications but also certify that the increased allotment would be used. The conference substitute eliminated the provision requiring certification and added the provision requiring a reasonable period of time within which such applications could be filed.

The additional acreage required to be allotted under the conference substitute is to be in addition to the county, State, and National acreage allotments proclaimed by the Secretary for the 1950 crop of cotton, and the production from such acreage is to be in addition to the cotton marketing quota for such crop. The additional acreage, however, is not to be taken into account in establishing future State, country, and farm acreage allotments. This is the same as the provision contained in the resolution as it passed the House.

The resolution as passed by the House and the conference substitute both provide in substance that notwithstanding any other provision of law, the allotments authorized are to be a specified percentage of the acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, during the specified base years. The effect of this provision is to remove any requirement which may have existed heretofore that the aggregate of farm histories of plantings within counties should be adjusted so as to equal the acreages estimated by the Bureau of Agricultural Economics. This will enable farmers, if they are dissatisfied with their allotments, to establish their actual history of plantings during the base years and have the allotments authorized under this resolution based upon the actual histories which may be established.

SECTION 2—REVIEW OF FARM HISTORY AND COTTON ACREAGE ALLOTMENTS

Section 2 of the conference substitute is the same as section 3 of the joint resolution as passed by the House. This section will give any farmer, who is dissatisfied with his farm acreage allotment for the 1950 crop, 15 days after the effective date of this resolution to apply for a review of his allotment, even though the time for applying for such review may have expired. This section will also give any farmer who receives a notice of any change in his 1950 allotment, or of the denial or the granting of an application for an adjustment under the provisions of this act, 15 days within which to have such action reviewed by a review committee.

The Department of Agriculture has indicated that in arriving at the allotments authorized under this joint resolution, it intends to use in the first instance the figures of acreages planted or regarded as planted to cotton on the farm as determined by the State and county committees and used in computing farm acreage allotments under the current provisions of the Agricultural Adjustment Act of 1938, as amended, including the provisions of Public Laws 272 and 439, Eighty-first Congress. Therefore, any farmer who is dissatisfied with the farm acreage history which has been established by the county committee, to obtain any correction or adjustment in such farm acreage history, would have to appeal to a review committee. Many farmers who were dissatisfied with the cotton history established for their farms for the years 1946, 1947, and 1948,

or their war crop history, did not apply for review for the reason that the farm history did not enter into the calculation of the farm allotment except as a limiting factor. Other farmers who did seek a review to have the correct history established for their farms, were informed that the review committees would not be able to grant any relief, because a correction in the farm history for the farm would not result in any change in the allotment.

Since the allotment provisions of the resolution are based upon cotton and war crop history, the farm history for each of these years is of controlling importance in arriving at the allotments authorized under the resolution. Therefore, any farmer who believes that his farm history has not been correctly determined by the county committee may obtain a review by the review committee and have such history correctly determined upon proper proof of the facts. Under this resolution the review committee may, upon such evidence as it deems sufficient to warrant such action, adjust the cotton acreage history for individual farms without regard to any requirement or action by the county committees that individual farm histories in the aggregate were not permitted to exceed the county acreage as determined by the Bureau of Agricultural Economics. In reviewing farm cotton and war crop history, the review committees may consider the matter de novo and are not limited to that evidence or information which was submitted to the county committees and may make adjustments in farm histories and farm allotments even though the county committees by administrative regulation or instructions are precluded from making such adjustments. The committee of conference is informed by the Department of Agriculture that the review committees are authorized under existing regulations to review the farm cotton acreage history determined in connection with the 1950 crop and to make such corrections as are warranted upon the evidence presented to them. In short, it is the intent of the committee that this provision will afford farmers an opportunity to prove the correctness or incorrectness of any data used in connection with the establishment of the farm history or the farm allotments based thereon. It is also the intent of the committee that the Department should take appropriate action through the State and local committees to inform farmers of their appeal rights under the provisions of this resolution, so that farmers will have full opportunity to have any inequities in farm allotments eliminated.

SECTIONS 3, 4, AND 5—POTATOES

Sections 3, 4, and 5 relate to potatoes. There was no reference to potatoes in the resolution as it passed the House. The provisions contained in the conference amendment are a considerable modification of the provisions relating to potatoes adopted by the Senate.

(1) Section 3 applies to Irish potatoes acquired under the 1949 price-support program. Its purpose is to provide the Secretary with broad discretionary authority whenever surplus potatoes cannot be used more advantageously to dispose of these potatoes as food for human consumption rather than permitting their destruction or loss through spoilage. This is to be accomplished, when necessary, by giving such potatoes to eligible recipients.

Specifically, the section removes any doubt which may have existed as to the Secretary's authority to pay all or part of the transportation and handling charges on such potatoes where he finds such action to be necessary, in order to carry out the purposes of the section. The list of eligible recipients of surplus potatoes is somewhat broader than that contained in section 416 of the Agricultural Act of 1949. It is not the intention of the committee that the Secretary shall establish any uniform rule as to payment of handling and transportation charges with respect to all recipients, but rather that he shall establish in each case such "terms and conditions" as he deems appropriate and in the public interest and in furtherance of the purpose of this section.

It is the hope of the committee that under the authority of this section the Secretary will find it possible to eliminate some of the "red tape" which the committee feels has heretofore handicapped distribution of these potatoes for food purposes and will be able to pursue with diligence a program of finding use for such potatoes as human food rather than permitting their destruction.

(2) Section 4 prohibits price support on the 1950 crop of Irish potatoes to producers in areas where marketing orders, proposed by the Secretary pursuant to the Agricultural Marketing Agreement Act, have been disapproved by the producers in such area. Price supports in all areas are limited to potatoes of a grade not lower than U. S. No. 2.

This section does not limit the authority of the Secretary to impose other conditions of eligibility for price support with respect to any producers.

Section 5 prohibits price support for Irish potatoes in 1951 and thereafter unless marketing quotas are in effect. The committee of conference was aware that there is no existing legislative authority for the establishment of marketing quotas for potatoes and that in the absence of affirmative action by Congress, any price support for potatoes in 1951 is barred by this section. The committee was also aware that consideration of new price-support legislation for potatoes is already under way in Congress and it is not its intention that this section should be regarded as in any way limiting or affecting that proposed legislation, but merely as an expression of the present intention of Congress with respect to the 1951 potato crop in the event that no new legislation affecting that crop is enacted.

SECTIONS 6 AND 7—PEANUTS

(1) Section 6 of the conference substitute relates to peanuts and amends section 359 of the Agricultural Adjustment Act of 1938, as amended, by adding three new subsections. The provisions contained in the conference amendment are substantially the same as the provisions inserted by the Senate amendment.

They are also substantially the same as those contained in H. R. 4081, which was passed unanimously by the House on May 2, 1949. This section, except for minor differences which will be explained below, simply restores provisions of the act which were inadvertently repealed in connection with an amendment adopted by the act of August 1, 1947 (Public Law 323, 80th Cong.). This section restores the authority for the operation of a two-price program for peanuts similar to that which was in effect during 1941 and 1942 under the then existing section 359 (b) of the Agricultural Adjustment Act of 1938.

This provision will permit growers whose acreage of peanuts picked or threshed does not exceed the acreage of peanuts picked or threshed in 1947 to avoid the payment of penalty on excess peanuts and be a "cooperator" for the purposes of price support if the peanuts from such excess acreage are delivered to, or marketed through, agencies designated by the Secretary. Producers do not receive price support on such excess peanuts and will be paid not more than the price received from the sale of such peanuts, making it clear that the Government will not sustain any loss in connection with the handling of excess peanuts.

The proviso in subsection (g) is applicable only to the 1950 crop. It is designed to require the Secretary to make any excess peanuts of a type which is in short supply available for cleaning and shelling for edible purposes at prices not less than those at which the Commodity Credit Corporation may sell peanuts and to prorate the proceeds received therefrom, after deduction of all costs incurred in connection with the handling of such type of peanuts, among all the producers delivering excess peanuts of such type.

Subsection (i), which did not appear in H. R. 4081, provides that subsections (g) and (h) will not be operative with respect to any crop of peanuts when marketing quotas are in effect on the corresponding crop of soybeans.

It is anticipated and intended under the terms of this section that the excess peanuts will be marketed promptly by the designated agency and shall not under any conditions or circumstances be held in storage by either such agency or the Secretary of Agriculture for the purpose of using the same or for the same to be used in determining the total supply or the supply percentage for either price-support purposes, or the amount of the national marketing quota for peanuts. And in the event any of said peanuts should be carried over, irrespective of the reason or circumstances, they are not to be used for either of said purposes.

Paragraph (b) of section 6, which was not included in H. R. 4081, merely provides that any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years. This provision makes it clear that excess peanuts may not be used to augment base history for allotment purposes.

(2) Section 7 of the conference substitute is the same as section 5 of the joint resolution as it passed the House. It relates to peanut acreage allotments for 1950 only, and provides that for 1950 no State shall have its peanut-acreage allotment reduced by a percentage larger than the percentage by which the 1950 national peanut acreage allotment as heretofore proclaimed is below the 1949 national peanut-acreage allotment. This section provides relief to those States which received reductions in their 1950 allotments in excess of the reduction in the national allotment. The additional acreage required to eliminate these inequities is not to be taken into account in establishing acreage allotments in subsequent years.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
Managers on the Part of the House.

Mr. COOLEY. Mr. Speaker, this resolution (H. J. Res. 398) was before the House recently and was adopted. On account of a provision which was inserted in conference at the request of the managers on the part of the other body, a point of order was made in the Senate which necessitated the bill being returned to conference. The objectionable section was eliminated. The bill is now here in substantially the same form as it was when it was here a short while ago. I think all objectionable parts of the bill have now been eliminated.

Mr. Speaker, I have no further requests for time.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. Will the gentleman explain if any changes were made in the potato section of the conference report?

Mr. COOLEY. Yes. Changes were made, but I do not think the changes were very substantial. In dealing with the potato problem you will recall when

the bill was here before we had certain provisions applicable to the 1949 crop, certain other provisions applicable to the 1950 crop, and still other provisions applicable to the 1951 crop.

The only change made was with reference to the provisions which were applicable to the 1950 crop. We modified that language so that it now provides that the Secretary of Agriculture might withhold price supports in any area where producers of potatoes have disapproved marketing orders. He might also impose marketing practices which would enable him to keep off the market undesirable potatoes such as culls, or potatoes of an inferior grade, less than U. S. No. 2. That was about all the change that was made.

The provision with reference to the 1951 crop to the effect that no price support would be available in 1951 unless marketing quotas were in effect, is still in the bill.

Mr. HOPE. What changes were made in the peanut-acreage amendment?

Mr. COOLEY. The George amendment was modified in conference so as to provide that producers of peanuts might grow peanuts in excess of their acreage allotments and marketing quotas for oil purposes, providing such peanuts were delivered to an agency designated by the Secretary, to be crushed into oil, but with the further safeguard that the program would not be financially burdensome to the Government for the reason that the Secretary would be required to pay to the producers of oil peanuts only such price as he received for the peanuts, less such handling charges or other costs which might have been incurred in disposing of peanuts.

Mr. AUGUST H. ANDRESEN. In other words, all those peanuts that are raised over and above the allotted acreage could be sold.

Mr. COOLEY. There is no price support for any quantity that might be grown in excess of the quotas, but the bill now provides that the acreage shall not exceed that which was planted in 1947.

Mr. AUGUST H. ANDRESEN. Was any change made in the additional cotton acreage?

Mr. COOLEY. The objectionable provision which was inserted in conference was eliminated. Otherwise the cotton sections are substantially, I think, if not identically as they were.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KEATING. Would the gentleman state the nature of the provision which was eliminated from the bill?

Mr. COOLEY. A provision was inserted in conference which was applicable to the State of Oklahoma. It seems that the wheat growers in Oklahoma have suffered some devastation on account of the green bug infestation which has destroyed large wheat acreages in Oklahoma. This particular provision allowed 50,000 acres additional available to the State of Oklahoma as an increase in acreage allotment in order to compensate for the loss which occurred as a result of the infestation of the green bug to the extent that each farmer would be given 1 acre of cotton in lieu of 2 acres of wheat. As I say, a point of order was made against that and sustained; and that provision has been eliminated.

Mr. KEATING. I have been informed, but I may have been misinformed, that the Secretary of Agriculture, Mr. Brannan, is opposed to this provision which has now been made by the conferees. Does the gentleman have any information on that subject?

Mr. COOLEY. I have no information and have had no communication from the Secretary indicating any opposition to the proposition that is before us. But, irrespective of the Secretary's views, I would like to say to the gentleman that this matter has been carefully and conscientiously considered by the House Committee on Agriculture, was before the House formerly, and passed by the House by a substantial vote.

Mr. KEATING. Does the conference report as agreed upon now involve any difference in the prospective cost to the taxpayers as compared to the conference report upon which we previously acted?

Mr. COOLEY. The cost would be substantially less, due to the modifications and changes that have been made subsequent to the time that the bill was here previously.

Mr. KEATING. Would it be substantially less than when the conference report was here before?

Mr. COOLEY. Yes.

Mr. KEATING. In what respect?

Mr. COOLEY. For the reason that we eliminated the 50,000 additional acres of cotton for Oklahoma and we have placed certain restrictions upon the potato crops of 1950.

Mr. KEATING. But does the peanut section involve an increase?

Mr. COOLEY. We have placed certain limitations on the quantity of peanuts which may be produced for oil. It was never contemplated that the Government should incur any costs in carrying out the oil program on peanuts, but to make sure that the Government does not suffer any financial loss the committee has put in additional language.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I am a little interested in the subsidy we have been paying for peanuts. Can the gentleman tell me whether or not this conference report and the bill make it clear that the Government will not be compelled to pay out any additional money for excess peanuts that are grown?

Mr. COOLEY. Yes; just as I stated a moment ago, it is perfectly plain and definitely provided in the bill that the only money that the farmer receives for overquota peanuts is such as the Secretary receives from the sale of the peanuts, less such handling charges and other costs as may have been incurred.

Mr. EBERHARTER. In other words, the bill is so written that an unlimited quantity of peanuts cannot be produced and the Government be forced to buy them.

Mr. COOLEY. Will the gentleman be kind enough to repeat his question?

Mr. EBERHARTER. The bill is so written that a peanut grower cannot grow an unliimted quantity of peanuts, then have the Government pay for them?

Mr. COOLEY. There is no support of peanuts grown for oil. There is a definite limitation on the quantity of peanuts that might be produced for oil. It cannot exceed the acreage planted in 1947.

Mr. EBERHARTER. Suppose there is a great excess of peanuts produced not for oil, would the Government be compelled to store them?

Mr. COOLEY. They cannot be produced in excess because we have strict acreage allotments and marketing quotas.

Mr. EBERHARTER. If they are produced over and above that the Government does not have to pay for them?

Mr. COOLEY. No. There is a severe penalty on any peanuts sold in excess of the marketing quota.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. COLE of New York. With respect to Irish potatoes which this bill affects, what type of persons is included in the expression which the committee report and conference report use as "eligible recipients" of surplus commodities? Who are the "eligible recipients"?

Mr. COOLEY. The bill does set forth the agencies which would be eligible.

Mr. COLE of New York. Let me approach it differently. The Secretary is authorized to dispose of potatoes to needy persons, which has been interpreted by the Secretary as being only those persons who are on the public relief rolls. They are the only ones who qualify as needy persons. It was brought to my attention through the application of some churches in my district where surplus potatoes are stored which desired to have the surplus potatoes turned over to the churches for distribution to needy people. This was denied because their people were not sufficiently needy to be on the public relief rolls. I am curious to know to what extent this conference report broadens the powers of the Secretary of Agriculture in that respect.

Mr. COOLEY. The gentleman should read at the bottom of page 2 and he will see that the surplus commodities might go to the school lunch program, the Bureau of Indian Affairs, Federal and State and local public welfare organizations, private or international nonprofit welfare organizations, penal institutions, and nonprofit hospitals "except that in the case of disposition to private or international nonprofit welfare organizations for the assistance of needy persons outside the United States, the transportation and handling costs to be borne by the Government shall be limited to the movement of such potatoes to the nearest port."

May I mention the fact that this report deals only with one surplus commodity, potatoes, and the reason is that potatoes were the only commodity we had before us.

Mr. COLE of New York. Is it the gentleman's understanding then that a

church organization is not such a charitable institution as to qualify?

Mr. COOLEY. Yes. A church is not a charitable institution within the purview of this language; but the local welfare agency will be an eligible recipient of such commodities as might be made available. The local church can cooperate with the local welfare organization, and I understand in some communities they have very successfully cooperated with each other.

Mr. COLE of New York. Will the gentleman advise us as to whether the conferees considered including churches within the category of charitable organizations?

Mr. COOLEY. They did consider that and also considered many other institutions, but it was not deemed advisable to include churches.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. For a question.

Mr. BECKWORTH. The gentleman told me he could not yield for me to make a speech but he would yield for a question. I have a question. I hold in my hand here a letter to one of the producers in Wood County, Tex., from the Department of Agriculture agency in that particular county which says:

We have only 300 acres to apportion to 305 applications, which would give each applicant or farm a fraction less than 1 acre allotment.

Three hundred farmers in Wood County, Tex., getting less than 1 acre apiece. Is it the opinion of the chairman of this great committee that this particular conference report will help those 300 farmers?

Mr. COOLEY. It is definitely my opinion it will help them.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. May I refer again to the potato situation? The gentleman stated that the Secretary for the 1950 crop can fix or has the power to regulate the sale of potatoes and that No. 1 and No. 2 potatoes can be sold. Will the gentleman tell us whether or not that same restriction on marketing is applied to Canadian potatoes of which we expect to have 15 or 20 million bushels imported into this country?

Mr. COOLEY. I do not think it does.

Mr. AUGUST H. ANDRESEN. Does not the gentleman feel that the administration should use its power under the law to stop these Canadian potatoes from coming into this country at a time when we are supporting the price of potatoes in the United States?

Mr. COOLEY. The gentleman knows that that is not within the scope of the authority of our committee, or not contemplated by the pending resolution.

Mr. AUGUST H. ANDRESEN. The gentleman will recollect that under section 22 of the Agricultural Act we provide, and that is the law, that when commodities are being supported in this country the administration shall limit or prohibit imports of potatoes, or any other commodity, into the United States; is that not correct?

Mr. COOLEY. That is right.

Mr. AUGUST H. ANDRESEN. I would like to ask the distinguished chairman of our committee to see to it that the President and the Secretary of Agriculture carry out their authority in that respect.

Mr. COOLEY. I shall be very glad to take it up with the Secretary of Agriculture.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. The gentleman states that this will cost substantially less than the previous reports. Can the gentleman give me any figure as to the estimated cost under this conference report?

Mr. COOLEY. No. I am sorry I cannot give the gentleman any definite information about the estimated cost, because I do not think it is possible for anyone to determine what the cost will be. If the gentleman understands the program, and I am sure he does understand it, in dealing with storable commodities the Government has only a loan program, and if money is loaned on cotton, and cotton can be stored for an indefinite period, and thereafter profitably marketed, the Government will sustain no loss whatever. Our losses have occurred on perishable commodities.

Mr. HAYS of Ohio. That is right. But if we go on storing cotton as we have before, and if we do not have a war to get rid of it, we will lose a considerable amount of money.

Mr. COOLEY. I can assure the gentleman that there is no desire on the part of any member of the House Committee on Agriculture to unnecessarily increase the acreage of cotton or that of any other surplus commodity. Our only purpose in bringing up this resolution is to try to provide equity and fair treatment among all the farmers in the country.

Mr. HAYS of Ohio. A processor of peanuts in my State has written me that he cannot obtain any peanuts that are fit to be made into peanut butter and other products for human consumption, due to the fact that this program has increased the production of oil peanuts to such an extent that there are not enough of the other kind produced, the edible peanuts. Is there anything to that?

Mr. COOLEY. Well, there is a shortage of edible peanuts, but that, too, has been provided for in this bill. In the event the Secretary determines there is a shortage of edible peanuts, he can take peanuts that have been bought in for oil and turn them back into the edible trade so as to take care of any possible shortage that might occur.

Mr. HAYS of Ohio. I thank the gentleman.

Mr. DEANE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. DEANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DEANE. Mr. Speaker, I am glad to have this opportunity to again support and urge the passage of this conference report coming from the House and Senate conferees concerning the adjustment of the 1950 cotton-acreage quotas. The Members of the House will recall that on January 30, 1950, when the so-called Cooley amendment first came before the House, I took the floor to express my interest in the prompt adjustment of cotton-acreage quotas that have been assigned to our cotton growers for the 1950 crop year, because of the injustices that exist.

During the debate on January 30 on the Cooley amendment, which now comes before the House in the form of a conference report, I used the illustration of a cotton grower in one of the counties of my district, pointing out the serious inequities that had developed in this and among practically all of the cotton growers throughout my congressional district. Under the original Cooley amendment which passed the House on January 30 cotton acreage would have been adjusted on these principal formulas:

First. No farm cotton-acreage allotments for 1950 shall be less than the larger of 70 percent of the acreage planted to cotton in the base years of 1946, 1947, and 1948.

Second. Or 50 percent of the highest acreage planted to cotton on the farm in any one of such 3 years.

Third. The adjustments under 1 and 2 above shall not apply if it serves to increase the cotton-acreage allotment above 40 percent of the total cropland.

Under the present conference report, the following percentages would now apply:

First. No farm cotton-acreage allotments for 1950 shall be less than the larger of 65 percent of the acreage planted to cotton in the base years of 1946, 1947, and 1948.

Second. Or 45 percent of the highest acreage planted to cotton on the farm in any one of such 3 years.

Third. The adjustments under first and second above shall not apply if it serves to increase the cotton-acreage allotment above 40 percent of the total cropland.

Mr. Speaker, I would like to reduce the above percentages in the conference report to an example of how it would apply to a cotton grower. Here is a cotton farmer who produced during the base years of 1946, 1947, and 1948, 225 acres of cotton, 60 acres of wheat, 50 acres of corn, and 15 acres of garden and truck each year. This would total 350 acres of cropland. Under the 1950 cotton-acreage quotas which have been assigned, this farmer has been allotted 80 acres of cotton.

On the basis of the conference report, which the House is now asked to ap-

prove, this grower would receive an adjustment under No. 3 of the conference report since 65 percent of the base years would increase the cotton-acreage allotment on this farm above 40 percent of the total cropland.

Under the conference report, this cotton grower will receive 40 percent of the total cropland of 350 acres. Thus it can be seen that this grower will have his acreage increased from 80 acres of cotton to 140 acres of cotton.

Under the original bill which is continued in this conference report, in every case where cotton growers can show that their actual planting for 1946, 1947, and 1948 was higher than the figures used by the Bureau of Agricultural Economics, each grower has the right to appeal to his local committee, and when it can be proven from reliable sources that his planting was higher than the BAE figures, then the local committee is authorized to make proper adjustments.

Again, Mr. Speaker, I want to voice my strong support of this legislation, and I know that it is a source of much gratitude on the part of the cotton growers throughout the country that this needed relief is being approved by the Congress.

I further want to go on record in this House, as I have many times during the past years, for any legislation which, like this measure now under consideration, will improve the economic condition of our American farmers. I have continuously worked for the passage of legislation such as crop price supports, rural electrification, rural telephones, school-lunch programs, soil and forestry conservation, and flood control, all of which mean so much to our rural life in this great country today.

While we are all concerned, Mr. Speaker, with the cost of administering our farm program, at the same time it is recognized that unless we hold our farm economy on a firm basis, our national economic life will be definitely imperiled. Moreover, it is my firm belief that to the degree that our American farmer is prosperous is our country prosperous.

With these thoughts in mind, Mr. Speaker, I cast my vote in favor of this conference report liberalizing cotton-acreage allotments to our cotton farmers, and I sincerely hope that this legislation can be passed in time for our farmers to be able to take full advantage of its provisions during the current planting season.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, those of us who have made a fight for more equitable cotton adjustment in behalf of the farmers during the last 9 months feel that the emergency relief just granted is not sufficient. However, it does include a number of my earlier recommendations.

The emergency measure provides that a farmer will have an allotment of an acreage at least equal to the larger of: 65 percent of the acreage planted to cotton in 1946–48 or 45 percent of the highest acreage planted to cotton in war crops in any one of such 3 years limited to 40 percent of the tilled acreage on the farm. When the House approved the conference report on March 16 the measure also included a recommendation made by the chairman of the Senate Agricultural Committee and myself for an additional 50,000 acres to be allotted to producers for the cotton plantings in lieu of growing grain destroyed by green bugs. Twenty percent of our wheat crop in southwestern Oklahoma has been totally destroyed by green bugs. The remainder of the crop has been so damaged that it will produce only 65 percent of a normal yield. I had urged the Secretary to allocate a large portion of this to southwestern Oklahoma. It is very unfortunate that this item was stricken by the conferees.

The new measure also includes one of my suggestions that surplus potatoes be given to school-lunch programs, the Bureau of Indian Affairs, Federal, State, or local public-welfare organizations, private or international nonprofit welfare organizations, penal institutions, and nonprofit hospitals free of delivery charges, instead of being destroyed.

The measure also provides for a considerably greater peanut acreage, which will be of particular interest to western Oklahoma farmers.

On three previous occasions I made recommendations for improvement on future legislation, urging a longer base period for cotton and the inclusion of the 1949 crop; greater inducements to farmers who desire to release cotton acreage; a provision for the reallocation of frozen acreage through the State and county committees; a provision to allow swapping of cotton and wheat allotments through the county committee in the event of hardships caused by hail, drought, sandstorms, green bugs, or unfavorable planting conditions.

I previously pointed out that the act passed last year worked many inequities because it was based on cultivated acreage and not on a historical basis. I also urged consideration for irrigation areas, which had come into cotton production within the last 2 years and which had found it uneconomical to grow wheat. Any new legislation should make special provision for cotton acreage for such areas without taking any of it from dryland farmers.

I have often urged that limitations on reduction be imposed to protect the interests of small farmers. More consideration should be given to the tremendous outlay for implements and further consideration to those who had previously diversified. Our surplus will be about 8,000,000 bales, but in view of increased population, new uses, and farm markets this was not a great carryover. There has been too much assumption that weather, planting, and harvesting conditions will remain favorable.

We need an international cotton agreement and a more stable international monetary exchange.

In applying BAE estimates more consideration should be given to the farmers' figures.

The national income is always seven times that of the farmers; therefore we should maintain a high national farm income.

I wish to express appreciation to all State and county PMA officials, as well as individual farmers, for their cooperation in an effort to secure a more equitable allotment.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I appreciate this privilege of including at this point in the RECORD some information about cotton allotments in the area of Texas in which I live:

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Quitman, Tex., March 17, 1950.

IRA C. BREAZEALE,
Quitman, Tex.

DEAR PRODUCER: This is in regard to your 1950 application for a new grower cotton allotment.

We only have 300 acres to apportion to 305 applications which will give each application or farm a fraction less than 1 acre allotment.

Please advise, not later than Friday, March 24, if you want a cotton allotment, of the above amount, or desire that your application be cancelled. Please use the enclosed card for your reply.

Yours very truly,

ROY E. BARNETT,
Secretary, Wood County PMA.

DEAR MR. BECKWORTH: I want you to write me and tell me what us 305 farmers are going to do with less than one acre of cotton. I have not heard from my peanut allotment yet, but it will be just like this letter I am sending you. Don't you fellows in Washington want us farmers to make a decent living? How in the devil are we going to pay our bank notes. We are taxed to death and not given a chance to make a living on our own land. Why don't you boys let us farmers alone. You are doing us harm. You are not helping us. What if the market is flooded, we need low prices. What is high prices when it takes all of it to live. Several years ago when the relief and WPA was in full swing my wife and I scratched out a living on this old farm and we did not ask for one dime of relief and I did not work 1 day on the WPA and I can do it again if you boys up there will let us alone. But we can't do it on 1 acre of cotton and 1 acre of peanuts. I am a war veteran and there are lots of others just like me, and we are getting tired of being pushed around. You write me a letter and tell me what we are going to do so I can show it to my friends. We need something done for us now, not next year. Please let me hear from you soon.

Your friend,

IRA BREAZEALE.

QUITMAN, TEX.

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Quitman, Tex., March 17, 1950.

BENNIE F. CATHEY,
Mineola, Tex.

DEAR PRODUCER: This is in regard to your 1950 application for a new grower cotton allotment.

We only have 300 acres to apportion to 305 applications which will give each application or farm a fraction less than 1 acre allotment.

Please advise, not later than Friday, March 24, if you want a cotton allotment, of the above amount, or desire that your application be canceled. Please use the enclosed card for your reply.

Yours very truly,

ROY E. BARNETT,
Secretary, Wood County PMA.

GOLDEN, TEX., *March 21, 1950.*

Mr. LINDLEY BECKWORTH,
Washington, D. C.

DEAR FRIEND: I am enclosing letters I got informing me of my cotton allotment. I have three farms rented and will only get a fraction of an acre per farm. Have average of 57 acres for last 3 years. I rent cotton land and have not cultivated same farms any year.

I voted for reduction of acreage but not for elimination of cotton crop in Wood County.

Your friends,

WILSON CATHEY.
BENNIE FRANK CATHEY.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 20, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of February 28, 1950, in which you requested an interpretation of a statement made in our letter of February 10 to you regarding the eligibility for voting in a marketing quota referendum.

According to section 343 of Public Law 272, Eighty-first Congress, a person must engage in cotton production in 1950 in order to be eligible to vote in a referendum on cotton-marketing quotas for the 1951 crop.

Sincerely yours,

K. T. HUTCHINSON,
Assistant Secretary.

Mr. Speaker, it is my thought there is a good chance the Catheys and Mr. Breazeale cannot if they do not grow the very small allotments they refer to.

DEPARTMENT OF AGRICULTURE,
Washington, March 17, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of December 31, 1949, regarding 1950 cotton-acreage allotments in Upshur County, Tex.

The Agricultural Adjustment Act of 1938, as amended, including amendments made by Public Laws 272 and 439, Eighty-first Congress, under which the 1950 national cotton acreage allotment was apportioned to States, counties, and farms, is specific as to the manner in which the apportionments shall be made. The regulations and instructions with respect to establishing county and farm acreage allotments for 1950, which have been issued to the State and county production and marketing administration committees, who are directly in charge of establishing farm cotton acreage allotments in their respective States and counties, conform to the provisions of the act.

Prior to the enactment of Public Law 272, the act provided for reapportionment of released cotton acreage allotments. A reapportionment provision was also contained in both the Senate and House bills pertaining to cotton acreage allotments and marketing quotas, as originally introduced in the first session of the Eighty-first Congress. The provision, however, was deleted prior to the enactment of Public Law 272. After careful study of this matter, and in view of the legislative history, we have concluded that the Department is without authority to provide for the reapportionment of released cotton-acreage allotments to other farms.

The State allotment for Texas was made pursuant to paragraph (2) of section 344 (c) of the act. This paragraph provides that, notwithstanding other provisions of the act, for 1950 and 1951 any State shall have an acreage-allotment base (on the basis of a national acreage-allotment base of 22,500,000 acres) of not less than the larger of (1) 95 percent of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 percent of the acreage planted to cotton in the State in 1948. Under this provision, Texas received its allotment on the basis of 95 percent of the average acreage actually planted to cotton in 1947 and 1948.

Section 344 (e) of the act provides that the State acreage allotment shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State, except that the State committee may reserve not in excess of 10 percent of the State acreage allotment (15 percent in Oklahoma), which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms.

Accordingly, the 1950 allotment for Texas, less the State reserve, was required to be apportioned to counties on the basis of 95 percent of the average acreage actually planted to cotton in 1947 and 1948.

We realize that many inequities and hardship cases have resulted in the application of the provisions of the act in establishing individual farm cotton-acreage allotments. We believe, however, that more equitable allotments could have been established by giving the history of recent cotton plantings on the farm more consideration rather than establishing farm allotments primarily on the basis of cropland.

It is not possible at this time to determine how much additional cotton-acreage allotment will accrue to a county under House Joint Resolution 398, which was recently approved by both the Senate and House of Representatives, since the provisions of this resolution are directed toward alleviating the inequities and hardship cases as applied to individual farms.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

Mr. Speaker, I include some information with reference to peanuts:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 20, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of January 31, 1950, regarding the provisions in the peanut law that referred to prewar acreage and the question of the cotton allotment for any State not being less than (1) the allotment established for such State in 1941 or (2) 60 percent of the 1948 harvested acreage, whichever is larger.

Peanut allotments were in effect for the first time since the war in 1949. Allotments were established in 1948 but were suspended.

The total 1941 cotton acreage allotment for all States was 27,399,300 acres and the 1948 harvested acres for all cotton was 22,820,500 acres. If the peanut provisions referred to in your letter were to be used in determining current cotton acreage allotments for States, it would result in a national acreage allotment of 27,399,300 acres or 6,399,300 acres more than the 21,000,000-acre national allotment as provided for in section 342 of Public Law 272, Eighty-first Congress.

State acreage allotments established on this basis would be entirely out of line with current cotton plantings.

Sincerely yours,

K. T. HUTCHINSON,
Assistant Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 3, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: This is in reply to your letter of January 3, 1950, in which you request county peanut allotments by States for 1941, 1942, and first and second years' allotments since the war.

Enclosed are tables showing county peanut acreage allotments, by States, for the years 1941, 1942, and 1949 with the exception of New Mexico and California for the years 1941 and 1942, and North Carolina, Tennessee, and Virginia for 1942. This information is not available at the present time.

County allotments have been shown for only one postwar year, 1949. Allotments were also determined for the 1948 crop of peanuts but were terminated on January 2, 1948, because of the world shortage of foods, fats, and oils.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

County peanut acreage allotments—1941, 1942, and 1949 crops

Crop reporting district and county	Year		
	1941	1942	1949
ALABAMA			
1. Franklin	----	----	71.0
Marion	100	100	134.1
2. Limestone	----	----	7.0
Madison	46	46	----
Marshall	33	33	8.9
2A. Bibb	172	172	----
Blount	300	300	336.0
Chilton	652	652	87.6
Cullman	16	16	----
Shelby	10	10	----
Winston	----	----	21.9
3. Calhoun	----	----	6.0
Cherokee	----	----	6.0
Etowah	14	14	7.0
4. Hale	479	479	53.0
Marengo	135	135	----
Sumter	205	205	70.0
5. Autauga	652	652	1,227.0
Dallas	3,027	3,027	338.0
Elmore	684	684	155.6
Lowndes	135	135	62.9
Montgomery	2,269	2,269	2,508.0
Perry	1,782	1,782	594.0
Wilcox	889	889	150.0
6. Chambers	504	504	----
Clay	----	----	68.6
Lee	1,997	1,997	53.8
Macon	959	959	396.0
Randolph	12	12	----
Russell	2,300	2,300	3,597.8
Talladega	79	79	----
Tallapoosa	90	90	----
7. Baldwin	85	85	19.0
Clarke	205	205	----
Mobile	278	278	190.0
8. Butler	2,774	2,696	7,313.4
Conecuh	4,225	4,225	5,635.8
Covington	17,827	17,827	21,555.8
Crenshaw	15,871	15,871	18,835.0
Escambia	1,215	1,215	2,157.0
Monroe	2,875	2,875	1,357.0
9. Barbour	24,622	24,622	43,082.4
Bullock	3,780	3,780	7,676.0
Coffee	40,167	40,167	51,694.1
Dale	27,151	27,151	30,297.6
Geneva	23,549	23,549	30,270.0
Henry	34,100	34,100	56,634.7
Houston	26,732	26,732	53,554.0
Pike	31,701	31,701	48,602.2
Total county allotment	274,698	274,620	388,843.2
Reserve	209	287	10,977.8
Total State allotment	274,907	274,907	399,821.0

County peanut acreage allotments—1941, 1942, and 1949 crops—Continued

Crop reporting district and county	Year		
	1941	1942	1949
ARIZONA			
Pima			401
Total county allotment			401
Reserve			0
Total State allotment	0	0	401
ARKANSAS			
2. Cleburne			19.0
Van Buren			7.0
3. Craighead			15.0
Lawrence			27.0
Poinsett	4	4	45.0
Randolph			3.0
4. Crawford	328	328	81.0
Franklin	2,857	2,857	2,369.0
Johnson	360	360	52.0
Logan	40	40	12.0
Polk			5.0
Pope	226	226	
Sebastian	90	90	
Yell			173.1
5. Conway			36.0
Faulkner	295	295	13.0
Grant			6.9
Hot Spring			24.9
Perry			3.0
Saline			5.0
6. Cross	396	396	
St. Francis	339	339	47.0
7. Hempstead	226	219	59.0
Howard			16.9
Little River	46	46	202.0
Sevier			30.0
8. Calhoun			18.9
Clark			53.1
Cleveland			11.9
Dallas			34.8
Nevada	68	68	36.0
Union			32.9
9. Lincoln			18.0
Total county allotment	5,275	5,268	3,457.4
Reserve	198	205	4,960.6
Total State allotment	5,473	5,473	8,418.0
CALIFORNIA			
County allotment	0	0	0
Total State allotment	1,257	1,257	1,257
FLORIDA			
1. Bay	21		144.7
Calhoun	1,656	1,728	2,634.5
Escambia	156	156	69.9
Gadsden	1,417	1,522	1,428.9
Holmes	5,850	5,876	5,370.1
Jackson	36,622	36,726	40,903.6
Jefferson	1,684	1,684	1,781.9
Leon	756	875	880.3
Liberty			25.0
Okaloosa	1,271	1,271	1,282.0
Santa Rosa	4,003	4,003	8,069.1
Wakulla	152	152	890.4
Walton	2,245	2,245	1,978.8
Washington	1,879	1,893	1,728.8
3. Columbia	2,331	2,331	1,396.0
Dixie	106	107	40.0
Hamilton	353	355	329.4
Lafayette	703	710	330.8
Madison	620	627	461.6
Suwannee	2,139	2,171	2,237.0
Taylor			10.0
5. Alachua	3,077	3,081	2,656.1
Bradford	20	20	
Citrus	105	108	16.1
Gilchrist	592	592	366.3
Hernando	50	50	
Levy	2,227	2,227	2,951.8
Marion	2,932	2,942	3,499.7
Pasco			23.2
Putnam			110.5
Union	49	49	
Total county allotment	73,016	73,501	81,616.5
Reserve	220	[1] —265	2,265.5
Total State allotment	73,236	73,236	83,882.0
GEORGIA			
1. Dade			4.0
2. Gwinnett			9.0
Walton			2.0
3. Wilkes	40	30	

[1] Allocated from regional reserve.

County peanut acreage allotments—1941, 1942, and 1949 crops—Continued

Crop reporting district and county	Year		
	1941	1942	1949
GEORGIA—continued			
4. Chattahoochee	1,197	1,200	650.6
Clayton	10		
Coweta	225	230	11.9
Fayette	80	75	11.0
Harris	381	385	179.9
Heard	100	70	
Henry	250	250	
Macon	7,742	7,740	10,939.6
Marion	4,614	4,640	6,893.0
Meriwether	301	300	7.0
Muscogee	281	225	152.0
Pike	155	155	
Schley	3,792	3,820	5,499.6
Spalding	10	10	
Talbot	1,053	1,050	822.1
Taylor	2,405	2,400	5,054.7
Troup	190	130	
Upson	100	90	50.0
5. Baldwin	135	135	151.8
Bibb	771	775	121.4
Bleckley	2,104	2,110	4,785.3
Butts	90	90	
Crawford	1,503	1,510	882.5
Dodge	2,174	2,180	13,341.4
Hancock	6	10	186.1
Houston	9,834	9,870	12,128.0
Jasper	381	325	
Johnson	501	495	2,806.2
Jones	281	280	25.1
Laurens	6,507	6,550	15,853.6
Monroe	40	30	
Montgomery	50	50	2,830.8
Newton	65	65	69.8
Peach	2,225	2,230	2,148.3
Pulaski	8,716	8,780	15,976.6
Putnam	40	35	
Rockdale	50	45	
Treutlen			450.7
Twiggs	3,011	3,030	3,886.0
Washington	2,249	2,250	6,491.1
Wheeler	65	65	1,922.0
Wilkinson	1,192	1,200	2,132.3
6. Bulloch	2,385	2,400	20,144.4
Burke	2,530	2,550	16,181.9
Candler	50	50	2,669.4
Columbia	40	35	52.1
Effingham	65	65	1,108.2
Emanuel	505	440	5,934.3
Glascock	301	265	1,534.4
Jefferson	2,996	3,010	9,251.5
Jenkins	351	355	5,859.6
McDuffie	50	45	70.0
Richmond	526	450	1,699.9
Screven	862	865	9,809.2
Warren			275.0
7. Baker	17,843	17,980	22,926.5
Calhoun	22,041	22,220	26,407.2
Clay	14,662	14,780	18,205.5
Decatur	15,445	15,390	25,453.9
Dougherty	11,792	11,880	10,742.6
Early	37,114	37,410	51,307.8
Grady	11,176	11,260	13,672.0
Lee	26,819	26,970	24,799.5
Miller	17,633	17,770	30,662.2
Mitchell	23,068	23,250	32,567.0
Quitman	4,408	4,430	7,034.2
Randolph	26,655	26,870	34,553.2
Seminole	13,433	13,530	19,425.5
Stewart	11,381	11,470	14,581.8
Sumter	26,244	26,450	27,030.8
Terrell	30,247	30,490	35,850.5
Thomas	6,868	6,910	8,745.1
Webster	11,076	11,160	15,263.5
8. Atkinson	221	220	355.8
Ben Hill	5,500	5,540	10,892.9
Berrien	1,718	1,720	3,292.9
Brooks	5,230	5,270	8,386.0
Coffee	2,560	2,580	5,487.8
Colquitt	5,285	5,320	14,989.3
Cook	1,202	1,210	2,510.5
Crisp	19,248	19,390	21,708.6
Dooly	18,455	18,600	29,901.2
Echols			14.0
Erwin	10,695	10,770	23,198.4
Jeff Davis	731	475	353.4
Lanier	20	20	24.9
Lowndes	2,204	2,000	1,750.5
Telfair	837	840	6,290.0
Tift	6,357	6,400	19,115.7
Turner	19,657	19,810	30,343.1
Wilcox	8,306	8,360	20,204.1
Worth	32,687	32,930	46,119.6
9. Appling	140	140	1,413.1
Bacon	65	65	131.8
Bryan	140	140	529.1
Evans	40	40	1,170.7
Long			7.0
Pierce	20	20	18.9
Tattnall	385	385	2,172.7
Toombs	751	755	4,054.4
Ware	56	55	16.0

County peanut acreage allotments—1941, 1942, and 1949 crops—Continued

Crop reporting district and county	Year		
	1941	1942	1949
GEORGIA—continued			
Wayne	65	65	39.9
Total county allotment	546,057	548,780	864,786.4
Reserve	4,637	1,914	13,237.6
Total State allotment	550,694	550,694	878,024.0
LOUISIANA			
1. Bossier			8.4
Caddo			186.0
Webster			15.2
2. Bienville			63.6
Claiborne			65.5
Lincoln	79	91	51.7
Union	114	130	367.3
4. Natchitoches			17.0
Sabine			70.6
5. Rapides	109	125	
6. Washington	6	7	
7. Beauregard			135.0
Total county allotment	308	353	980.3
Reserve	45	0	3,060.7
Total State allotment	353	353	4,041.0
MISSISSIPPI			
5. Rankin	469	469	
6. Neshoba	188	188	
Winston	104	104	
7. Copiah			14.9
8. Smith	520	520	
9. Forrest	15	15	
Greene	337	337	39.0
Harrison	97	97	
Lauderdale	235	235	
Stone	15	15	
Total county allotment	1,980	1,980	53.0
Reserve	496	496	14,076.0
Total State allotment	2,476	2,476	14,129.0
MISSOURI			
Dunklin			22.5
Scott			237.3
Total county allotment			259.8
Reserve			141.2
Total State allotment	0	0	401.0
NEW MEXICO			
3. Quay			8.0
Roosevelt			7,122.9
9. Lea			939.5
Total county allotment			8,070.4
Reserve			570.6
Total State allotment	3,673	3,673	8,641.0
NORTH CAROLINA			
2. Franklin	2		
Granville			4.7
Warren	688		425.7
3. Bertie	33,648		31,628.8
Camden	308		63.9
Chowan	10,529		8,864.8
Currituck	209		449.2
Edgecombe	18,400		21,976.1
Gates	11,952		10,131.5
Halifax	31,420		37,863.8
Hertford	22,051		20,224.8
Martin	18,467		20,709.5
Nash	3,386		4,418.4
Northampton	35,103		40,140.1
Pasquotank	574		131.3
Perquimans	7,847		5,393.7
Tyrrell	629		412.3
Washington	6,367		5,021.7
5. Chatham			2.5
Wake	51		
6. Beaufort	1,175		1,633.0
Craven	161		189.1
Greene	439		465.4
Johnston	446		189.2
Jones	59		102.5
Lenoir	34		170.4
Pamlico	39		
Pitt	4,687		10,280.6
Wayne	506		203.2
Wilson	364		355.4

County peanut acreage allotments—1941, 1942, and 1949 crops—Continued

Crop reporting district and county	Year		
	1941	1942	1949
NORTH CAROLINA—con.			
8. Anson			3.6
Montgomery			16.0
Moore			85.4
Richmond			190.8
9. Bladen	5,462		7,088.9
Brunswick	369		254.9
Columbus	1,740		2,584.0
Cumberland	1,276		937.1
Duplin	89		38.0
Harnett	75		.8
Hoke	15		24.7
New Hanover	697		420.7
Onslow	760		269.8
Pender	2,395		2,164.9
Robeson	335		1,074.6
Sampson	825		930.5
Scotland	3		65.6
Total county allotment	223,582		237,601.9
Reserve	2,120		5,433.1
Total State allotment	225,702	225,702	243,035.0
OKLAHOMA			
3. Mayes	4		
Osage	61	64	114.0
Pawnee	43	45	87.0
Rogers	20		
Tulsa	129	135	97.0
Wagoner	46	48	43.0
4. Beckham			406.0
Custer			23.0
Washita	2		1,045.6
5. Canadian	12	13	466.0
Cleveland	75	89	188.1
Creek	2,760	2,828	4,339.0
Grady	435	457	4,646.1
Lincoln	549	576	3,908.4
Logan			123.0
McClain	367	385	1,336.2
Okfuskee	968	1,016	6,422.3
Oklahoma	219	230	771.7
Payne	70	79	752.0
Pottawatomie	933	979	6,321.7
Seminole	2,708	2,842	7,529.1
Kingfisher			7.0
6. Haskell	685	761	899.9
Hughes	2,070	2,173	18,890.8
McIntosh	280	294	1,933.1
Muskogee	369	387	1,093.8
Okmulgee	952	998	3,662.4
Pittsburg	1,928	2,024	5,465.8
Sequoyah	65	68	
7. Caddo	213	224	29,030.9
Comanche			2,558.0
Cotton			145.0
Greer			193.8
Harmon	73	77	139.0
Jackson			691.0
8. Atoka	5,025	5,274	6,610.9
Bryan	16,701	17,529	27,823.0
Carter	1,111	1,163	3,600.8
Coal	2,071	2,174	2,212.2
Garvin	489	513	2,898.0
Jefferson	50	52	844.0
Johnston	2,133	2,239	4,768.0
Love	1,028	1,080	7,503.3
Marshall	1,075	1,128	3,848.2
Murray	29	30	233.8
Pontotoc	1,580	1,658	3,286.0
Stephens	844	886	5,540.0
9. Choctaw	4,445	4,664	4,207.4
Latimer	119	209	93.7
Le Flore	546	573	613.7
McCurtain	2,008	2,108	923.0
Pushmataha	3,056	3,208	1,982.1
Total county allotment	58,426	61,280	180,317.8
Reserve	3,181	327	8,018.2
Total State allotment	61,607	61,607	188,336.0
SOUTH CAROLINA			
1. Anderson			1.7
Greenville			11.9
Laurens			4.4
Spartanburg			2.4
Union			8.1
2. Chester			2.3
Fairfield	63	9	6.4
Kershaw	531	550	266.0
Lancaster	11	11	
York			1.4
3. Chesterfield	75	79	2.7
Darlington	201	212	49.2
Dillon	149	158	160.0
Florence	1,145	1,434	1,744.5

County peanut acreage allotments—1941, 1942, and 1949 crops—Continued

Crop reporting district and county	Year		
	1941	1942	1949
SOUTH CAROLINA—con.			
Georgetown			9.8
Horry	941	967	482.6
Marion	36	38	20.6
Marlboro			95.5
Williamsburg	156	160	66.4
4. Abbeville	51	30	5.6
Aiken	5,194	5,339	5,356.7
Edgefield	67	44	
Greenwood			2.0
McCormick			2.8
Newberry			14.1
Saluda			8.3
5. Calhoun	500	514	78.2
Clarendon			49.1
Lee	267	281	1,327.2
Lexington	212	218	102.7
Orangeburg	1,509	1,551	274.0
Richland	61		33.1
Sumter	526	541	4,051.8
8. Allendale	1,637	1,755	1,696.0
Bamberg	319	260	36.3
Barnwell	2,071	2,129	5,806.7
Beaufort			17.6
Berkeley			3.5
Charleston	4	4	72.8
Colleton	12	13	61.7
Hampton	1,941	1,996	1,914.0
Jasper			21.2
Total county allotment	17,679	18,293	23,871.3
Reserve	696	82	1,741.7
Total State allotment	18,375	18,375	25,613.0
TENNESSEE			
1. Shelby	72		
2. Carroll			31.8
Fayette	103		5.7
Hardeman	192		
3. Benton	943		510.2
Decatur	761		442.0
Dickson			8.1
Hardin			32.2
Hickman	148		97.5
Humphreys	1,257		1,636.7
Lawrence			30.8
Lewis			242.7
Perry	1,052		1,025.2
Wayne			67.0
5. Coffee			.5
6. Hamilton			1.2
Total county allotment	4,528		4,131.6
Reserve	238		1,607.4
Total State allotment	4,766	4,766	5,739.0
TEXAS			
1-N. Briscoe			60
Parmer			10
1-S. Bailey	3	13	31
Gaines			3,038
Lamb	2	2	85
Lubbock	182	182	
Lynn	192	192	
Terry	84	103	658
2. Coleman	145	145	125
Collingsworth			1,713
Dickens	15	15	14
Fisher			313
Garza	2,018	2,018	409
Hall			302
Jones	2,445	2,438	2,996
Kent	125	125	1,142
Motley			635
Runnels	125	125	762
Stonewall			6,184
Taylor	229	229	103
Wheeler			525
Wichita			45
Donley			5
3. Brown	4,072	4,072	12,294
Callahan	5,085	5,093	10,532
Clay	49	49	380
Comanche	38,482	38,619	70,918
Eastland	31,104	31,109	47,040
Erath	10,597	10,597	28,023
Hood	5,449	5,449	14,656
Jack	669	669	829
Mills	233	233	2,130
Montague	2,023	2,023	4,781
Palo Pinto	1,201	1,201	3,961
Parker	3,516	3,728	13,972
Somervell	1,632	1,627	4,553
Stephens	532	532	930
Wise	7,308	7,293	14,704
Young			386
4. Bosque	401	401	2,461
Cooke	1,289	1,289	9,855

County peanut acreage allotments—1941, 1942, and 1949 crops—Continued

Crop reporting district and county	Year		
	1941	1942	1949
TEXAS—continued			
Coryell	16	16	376
Dallas	61	57	48
Denton	5,195	5,322	11,901
Falls			69
Fannin	1,658	1,658	11,429
Grayson	3,978	3,978	19,005
Hamilton	285	284	521
Hill	206	206	9,976
Hunt			10
Johnson	2,418	2,423	6,852
Lamar	777	777	3,587
Limestone			2,299
McLennan	83	83	1,449
Milam	150	147	3,628
Navarro			13
Tarrant	1,480	1,475	1,477
Williamson	248	248	392
5. Anderson	1,981	1,981	14,403
Angelina			175
Bowie	343	343	381
Brazos		3	162
Camp			78
Cass			841
Cherokee	2,315	2,315	2,044
Franklin			772
Freestone	802	802	1,319
Gregg			26
Grimes	162	162	747
Harrison			23
Henderson	139	139	2,266
Hopkins	360	360	2,396
Houston	378	378	10,353
Leon	385	385	3,101
Madison			959
Marion	45	45	240
Montgomery	492	492	355
Morris	100	100	1,928
Nacogdoches	455	455	443
Panola			80
Polk	136	136	13
Rains	24	24	143
Red River	85	85	365
Robertson			1,636
Rusk	358	358	634
Sabine			6
San Jacinto			38
Shelby			71
Smith	114	115	163
Titus	363	363	2,391
Trinity			151
Tyler			29
Upshur	497	497	454
Van Zandt			779
Walker			71
Waller	2,385	2,410	8,616
Wood	182	182	1,406
7. Blanco	377	377	12
Burnet	205	205	444
Coke			106
Gillespie	4,335	4,350	3,121
Kimble			67
Lampasas			522
Llano	64	59	5,030
McCulloch	423	423	1,967
Mason	574	574	10,533
Menard			154
San Saba	1,950	1,950	10,913
8. Austin			2,830
Bastrop	1,532	1,532	3,148
Bee	450	450	1,356
Bexar	3,499	3,906	11,395
Burleson			644
Caldwell	468	468	888
Colorado			1,424
DeWitt	1,257	1,257	4,605
Fayette	15	32	3,179
Goliad	343	343	187
Gonzales	1,975	1,978	4,987
Guadalupe	3,348	3,317	6,275
Karnes	1,122	1,124	1,934
Lavaca	486	487	3,692
Lee	3,825	3,382	12,734
Medina	2,001	2,005	3,238
San Patricio			47
Travis			211
Washington			90
Wilson	17,261	16,966	27,960
9. Brazoria	3		
Chambers			2
Fort Bend	563	570	223
Harris	5,484	5,509	4,563
Liberty	78	78	55
Victoria			237
10. Atascosa	26,715	27,034	32,519
Brooks	274	274	50
Dimmit	128	128	143
Duval	544	544	2,687
Frio	14,294	14,278	24,009
Jim Hogg	330	330	1,759
Jim Wells	286	286	257
LaSalle	2,451	2,451	3,481
Live Oak	646	646	498

County peanut acreage allotments—1941, 1942, and 1949 crops—Continued

Crop reporting district and county	Year		
	1941	1942	1949
TEXAS—continued			
McMullen	33	33	37
Maverick			35
Starr			147
Webb	68	68	45
Zapata			378
Zavala	40	42	
Total county allotment	244,870	245,831	589,468
Reserve	1,503	542	36,320
Total State allotment	246,373	246,373	625,788
VIRGINIA			
5. Chesterfield	581		129.1
Hanover	20		
Powhatan	3		
6. Accomack			9.6
Charles City	3		
Gloucester			12.9
James City	75		142.0
Middlesex			15.5
New Kent	130		73.3
York	80		
8. Lunenburg			15.5
Nottoway	16		5.5
9. Brunswick	2,159		1,462.5
Dinwiddie	5,947		5,352.4
Greensville	10,751		13,276.5
Isle of Wight	20,902		21,308.7
Mecklenburg	480		251.8
Nansemond	19,461		20,191.4
Norfolk	389		234.5
Prince George	8,046		5,221.8
Princess Anne	22		7.6
Southampton	39,981		40,692.3
Surry	11,367		11,229.7
Sussex	20,024		19,988.5
Total county allotment	140,437		139,621.1
Reserve	671		1,822.9
Total State allotment	141,108	141,108	141,444.0

Mr. Speaker, I include some figures with reference to some of the cotton areas:

SOUTH CAROLINA

Additional acreage which would be required to provide farms with the following:

Higher of 70 percent of acreage or 50 percent of highest planted

County:	
Abbeville	670.4
Aiken	1,066.5
Allendale	634.1
Anderson	2,524.3
Bamberg	720.3
Barnwell	3,587.9
Beaufort	0.2
Berkeley	317.2
Calhoun	854.1
Charleston	43.9
Cherokee	854.3
Chester	759.1
Chesterfield	6,574.9
Clarendon	32.4
Colleton	1,607.2
Darlington	47.7
Dillon	0.9
Dorchester	500.1
Edgefield	275.4
Fairfield	527.7
Florence	42.7
Georgetown	81.5
Greenville	1,353.3
Greenwood	414.4
Hampton	671.1
Horry	17.8
Jasper	28.0
Kershaw	992.1
Lancaster	275.9
Laurens	1,521.1
Lee	59.6
Lexington	441.3
McCormick	177.6
Marion	491.1
Marlboro	58.9
Newberry	222.4
Oconee	687.2
Orangeburg	8,359.0
Pickens	369.7
Richland	292.1
Saluda	134.3
Spartansburg	1,083.8
Sumter	3,041.9
Union	557.4
Williamsburg	358.4
York	2,227.6
Total	45,558.8

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Athens, Ga., February 10, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: There is enclosed a tabulation showing by counties the additional acreage that would be required to increase present farm allotments to (1) 70 percent of the average acreage of cotton on the farm for the years 1946 through 1948; (2) 50 percent of the highest cotton acreage including war crop credits; (3) the acreage required using the highest of the 70 percent or 50 percent figure; and (4) the estimated acreage that would be released for reapportionment to other farms in the county.

This is not the exact information requested in your letter of February 4 since House Joint Resolution 398 provides for the inclusion of war crop credits in the 70 percent figure as well as the 50 percent figure. The enclosed tabulation is the result of a survey based on the provision of the original Cooley resolution which did not include war crop credits in the 70 percent section. The acreages obtained for Georgia, except the estimated acreage to be released, were not on a sample basis but represent an actual calculated acreage for every cotton farm in the State. There is no means by which we could estimate the additional acreage that would be required if the 70 percent provision includes war crop credits. We believe that in the peanut producing areas of the State where the present county cotton acreage allotments greatly exceed the actual acreage really planted to cotton, the inclusion of war crop credits would elevate the 70-percent figure considerably, however, this could be partially overbalanced by the fact that these farms already have cotton acreage allotments which probably will not be utilized, and the additional acreage would not be applied for.

Very truly yours,

T. R. BREEDLOVE,
Chairman, State PMA Committee.

County	70 percent (1)	50 percent (2)	Higher of 70-50 percent (3)	Estimated release (4)
Appling	79.7	84.0	114.8	130.0
Atkinson	0	23.3	23.3	20.0
Bacon	20.6	37.8	43.6	71.0
Baker	48.3	136.3	181.3	97.6
Baldwin	191.4	108.0	215.8	485.1
Banks	451.0	225.2	477.1	175.0
Barrow	277.5	53.7	294.3	300.0
Bartow	692.2	133.0	719.2	0
Ben Hill	77.1	79.0	118.0	200.0
Berrien	24.9	139.2	154.1	50.0
Bibb	26.6	46.0	55.4	169.3
Bleckley	537.8	170.9	559.9	100.0
Brantley	0	0	0	0
Brooks	78.6	91.3	132.8	50.0
Bryan	1.4	9.9	9.9	53.2
Bulloch	60.9	120.0	168.0	200.0
Burke	303.7	131.9	390.9	1,985.0
Butts	378.1	169.6	430.6	486.0
Calhoun	8.7	137.8	144.1	144.1
Camden	0	0	0	0
Candler	20.4	10.5	25.2	300.0
Carroll	550.9	103.4	561.4	750.0
Catoosa	50.8	23.6	65.7	0
Charlton	0	0	0	0
Chatham	0	0	0	0
Chattahoochee	14.5	9.0	21.9	35.0
Chattooga	263.8	58.0	276.9	150.0
Cherokee	30.9	12.8	41.0	125.0
Clarke	224.0	112.8	271.5	164.7
Clay	5.6	247.3	247.5	158.5
Clayton	334.0	0	334.0	230.0
Clinch	0	0	0	30.0
Cobb	410.7	165.1	437.4	175.0
Coffee	116.8	184.8	237.3	300.0
Colquitt	478.0	849.7	1,064.0	0
Columbia	91.9	45.2	109.0	76.0
Cook	18.0	92.6	96.5	0
Coweta	154.1	30.3	177.4	154.0
Crawford	232.4	99.1	253.1	326.1
Crisp	424.6	434.1	551.2	200.0
Dade	10.9	1.4	11.5	15.0
Dawson	8.8	6.5	11.2	50.0
Decatur	0	141.4	141.4	200.0
De Kalb	38.5	14.2	49.3	300.0
Dodge	115.2	57.7	151.8	100.0
Dooly	479.1	271.2	618.5	300.0
Dougherty	7.6	190.6	191.1	50.0
Douglas	90.1	39.7	93.4	719.0
Early	98.4	291.1	343.9	250.0
Echols	0	0	0	10.0
Effingham	18.4	80.1	87.3	100.0
Elbert	1,009.2	327.8	1,058.2	250.0
Emanuel	412.1	324.7	549.3	475.0
Evans	15.6	50.7	57.0	250.0
Fannin	0	0	0	0
Fayette	340.5	80.0	358.6	94.1
Floyd	322.0	138.1	361.9	200.0
Forsyth	494.7	157.0	523.8	131.8
Franklin	654.5	197.4	682.1	250.0
Fulton	326.6	134.1	391.1	500.0
Gilmer	0	1.5	1.5	2.0
Glascock	95.9	0	95.9	0
Glynn	0	0	0	0
Gordon	390.5	147.4	404.7	0
Grady	61.6	103.1	128.9	200.0
Greene	69.6	7.6	74.9	468.0
Gwinnett	551.8	227.1	610.1	300.0
Habersham	49.0	11.2	50.4	150.0
Hall	200.6	94.3	238.2	69.5
Hancock	594.9	188.9	654.0	75.0
Haralson	139.5	53.9	169.3	125.0
Harris	206.5	109.3	258.8	500.0
Hart	658.3	255.6	756.1	600.0
Heard	376.7	109.7	402.6	420.0
Henry	712.4	158.6	736.1	500.0
Houston	182.5	196.5	329.2	250.0
Irwin	50.6	73.2	97.8	200.0
Jackson	211.0	198.0	279.0	200.0
Jasper	296.5	82.4	330.0	200.0
Jeff Davis	72.7	82.4	105.5	143.7
Jefferson	817.0	269.0	906.0	100.0
Jenkins	239.7	126.0	267.4	100.0
Johnson	418.3	179.9	460.7	0
Jones	11.8	33.1	42.1	165.0
Lamar	179.4	122.4	246.1	100.0
Lanier	19.5	36.1	40.3	81.0
Laurens	814.0	208.5	868.7	400.0
Lee	104.5	203.9	227.9	175.2
Liberty	32.0	34.5	48.5	5.0
Lincoln	181.9	34.2	182.4	40.0
Long	0	0	0	0
Lowndes	53.1	65.7	88.1	480.5
Lumpkin	7.9	1.6	7.9	25.0
McDuffie	206.0	21.4	222.1	0
McIntosh	0	0	0	0
Macon	557.7	183.8	624.6	185.0
Madison	245.0	525.4	190.2	600.6
Marion	195.2	138.0	265.7	105.2
Meriwether	661.3	66.8	667.8	250.0
Miller	39.1	69.0	98.7	800.0
Mitchell	100.7	244.3	283.2	500.0
Monroe	218.9	95.4	237.8	35.0
Montgomery	79.2	185.3	221.2	150.0
Morgan	1,113.2	349.7	1,153.2	300.0
Murray	141.4	24.7	141.4	141.4
Muscogee	0	0	0	20.0
Newton	659.3	178.6	674.6	1,000.0
Oconee	464.8	78.3	509.8	175.0
Oglethorpe	401.9	70.4	413.5	350.0
Paulding	178.2	109.6	301.4	75.0
Peach	137.8	192.9	275.3	300.0
Pickens	140.1	35.0	151.1	25.0
Pierce	18.2	33.9	41.6	89.9
Pike	288.8	64.0	321.1	230.0
Polk	115.2	51.6	149.7	300.0
Pulaski	156.8	135.7	237.2	0
Putnam	201.4	65.4	219.0	225.0
Quitman	0	142.2	142.2	446.8
Rabun	0	0	0	0
Randolph	28.8	607.1	624.8	1,000.0
Richmond	220.5	170.6	282.4	20.0
Rockdale	197.5	37.2	204.0	350.0
Schley	268.5	65.8	278.0	50.0
Screven	117.3	93.7	164.3	400.0
Seminole	188.0	96.4	245.3	0
Spalding	181.9	166.6	275.8	318.4
Stephens	58.5	29.3	71.3	100.0

County	70 percent (1)	50 percent (2)	Higher of 70-50 percent (3)	Estimated release (4)
Stewart	0.1	226.1	226.2	500.0
Sumter	101.2	240.4	328.3	100.0
Talbot	99.5	93.7	128.7	150.0
Taliaferro	147.6	69.4	159.3	501.4
Tattnall	184.2	149.9	227.1	350.0
Taylor	431.1	137.2	484.2	100.0
Telfair	35.8	119.7	151.5	465.0
Terrell	341.9	283.8	495.8	2,645.3
Thomas	1,226.3	110.4	1,286.9	200.0
Tift	15.2	128.3	131.2	500.0
Toombs	248.9	149.5	341.3	424.1
Towns	0	0	0	0
Treutlen	191.6	64.8	208.5	100.0
Troup	213.9	157.9	299.2	269.4
Turner	70.4	171.2	199.1	100.0
Twiggs	91.8	101.0	159.0	168.8
Union	0	0	0	0
Upson	174.5	98.6	191.1	370.8
Walker	119.2	74.8	157.6	190.0
Walton	1,816.4	244.0	1,840.8	200.0
Ware	4.8	28.3	28.3	200.0
Warren	552.8	125.4	585.5	50.0
Washington	490.2	304.1	552.5	652.0
Wayne	98.5	146.3	158.0	65.0
Webster	18.9	168.6	174.1	200.0
Wheeler	86.6	129.6	191.8	109.0
White	72.1	27.4	77.9	300.0
Whitfield	176.6	171.6	238.8	200.0
Wilcox	91.9	152.2	213.3	1,500.0
Wilkes	428.1	103.2	437.3	500.0
Wilkinson	216.9	160.4	294.7	216.9
Worth	140.8	279.0	346.1	150.0
	6,924.1	3,500.1	8,760.3	9,776.3
State	34,390.8	19,039.4	43,797.0	38,230.4

Mississippi—Summary of additional acres required in connection with proposed legislation amending Agricultural Adjustment Act of 1938

District	County	Additional acreage required to furnish each county with—: 70 percent of 1946, 1947, 1948 average actual cotton acreage	50 percent of 1946, 1947, or 1948 highest planted cotton acreage including W. C. credit	Higher of 70 or 50 percent provision	Estimated number of frozen acres released
1.	Bolivar	514.0	57.0	526.0	50.0
	Coahoma	900.0	170.0	900.0	0
	Quitman	24.0	1.5	25.5	0
	Tallahatchie	820.0	187.0	882.0	50.0
	Tunica	0	0	0	0
	Total	2,258.0	415.5	2,333.5	100.0
2.	Benton	162.5	20.5	162.5	0
	Calhoun	3,859.5	1,409.0	3,894.0	200.0
	De Soto	1,107.0	235.0	1,157.5	280.0
	Grenada	170.5	20.5	170.5	47.5
	Lafayette	199.5	33.0	208.0	250.0
	Marshall	769.5	87.5	792.0	200.0
	Panola	214.5	190.0	398.5	300.0
	Tate	645.0	56.5	651.0	150.0
	Yalobusha	948.0	451.5	960.5	50.0
	Total	8,076.0	2,503.5	8,394.5	1,477.5
3.	Alcorn	536.5	226.5	604.5	1,800.0
	Itawamba	525.0	225.0	592.0	300.0
	Lee	1,058.0	330.0	1,152.0	250.0
	Pontotoc	639.0	172.5	658.0	40.0
	Prentiss	1,023.0	430.0	1,102.5	250.0
	Tippah	473.5	98.0	476.5	75.0
	Tishomingo	132.0	12.5	142.0	0
	Union	453.0	59.0	463.0	100.0
	Total	4,840.0	1,553.5	5,190.5	2,815.0
4.	Humphreys	5.5	0	5.5	600.0
	Issaquena	127.5	12.5	127.5	155.0
	Leflore	180.0	68.5	201.5	250.0
	Sharkey	0	0	0	1,200.0
	Sunflower	1,950.5	106.5	2,046.0	0
	Washington	978.0	496.5	986.5	0
	Yazoo	938.0	496.0	954.0	1,500.0
	Total	4,179.5	1,180.0	4,321.0	3,705.0

Mississippi—Summary of additional acres required in connection with proposed legislation amending Agricultural Adjustment Act of 1938—Continued

District	County	Additional acreage required to furnish each county with—: 70 percent of 1946, 1947, 1948 average actual cotton acreage	50 percent of 1946, 1947, or 1948 highest planted cotton acreage including W. C. credit	Higher of 70 or 50 percent provision	Estimated number of frozen acres released
5.	Attala	423.0	140.5	430.5	250.0
	Carroll	308.0	53.5	311.0	0
	Choctaw	195.5	294.5	352.5	250.0
	Holmes	924.0	449.0	994.5	200.0
	Leake	497.0	124.0	552.0	30.0
	Madison	182.0	69.5	218.5	225.0
	Montgomery	389.5	77.5	403.5	100.0
	Rankin	470.0	193.0	486.0	250.0
	Scott	645.0	120.0	666.5	200.0
	Webster	227.5	92.0	233.0	0
	Total	4,261.5	1,613.5	4,648.0	1,505.0
6.	Chickasaw	835.0	173.0	835.0	150.0
	Clay	147.5	36.5	159.5	100.0
	Kemper	419.0	22.0	419.0	225.0
	Lowndes	971.0	368.5	1,020.5	4,000.0
	Monroe	254.5	13.5	265.5	50.0
	Nechoba	438.0	71.0	445.0	2,000.0
	Noxubee	903.0	470.5	1,089.5	1,200.0
	Oktibbeha	184.5	105.5	205.5	300.0
	Winston	338.0	89.5	363.0	250.0
	Total	4,490.5	1,350.0	4,802.5	8,275.0
7.	Adams	74.5	36.0	74.5	200.0
	Amite	516.5	195.5	548.5	0
	Claiborne	114.0	45.0	114.0	800.0
	Copiah	620.0	225.5	635.5	300.0
	Franklin	197.5	115.0	215.0	600.0
	Hinds	1,260.0	347.0	1,303.0	500.0
	Jefferson	197.5	64.5	235.5	400.0
	Lincoln	1,262.0	522.0	1,391.5	1,500.0
	Warren	247.5	94.0	302.5	150.0
	Wilkinson	75.0	0	75.0	300.0
	Total	4,564.5	1,644.5	4,895.0	4,750.0

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Berkeley, Calif., February 15, 1950.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Your letter of January 10, 1950, addressed to the Director of the State Production and Marketing Administration at Sacramento, Calif., has been forwarded to this office.

The provisions of House Joint Resolution 384, part of which you quote, relating to the 70-50 percent proposal would no doubt give considerable assistance to a large number of California cotton growers.

There are 11 cotton-producing counties in California, 7 of which have the bulk of the State cotton acreage. In these counties, many farms would be helped by one or the other of the proposed provisions. Of the seven major cotton-producing counties in California, only Kern and administrative area I of Fresno County had factors in excess of 50 percent.

The following are the final allotment factors for the cotton counties in California:

Fresno:	
Area I	0.5784
Area II	.3731
Imperial	.3426
Kern	.5185
Kings	.3471
Madera	.3455
Merced	.2749
Riverside	.2107
San Benito	0.0528
San Bernardino	.2869
Stanislaus	.2025
Tulare	.4356

The estimated additional acreage that would be needed in the various counties in California to provide the higher of the 70-50 percent provision is as follows:

Fresno	6,798
Imperial	25
Kern	11,790
Kings	10,761
Tulare	11,764
Madera	9,450
Merced	3,634
Riverside	500
San Benito	0
San Bernardino	0
Stanislaus	0

These figures are only estimates resulting from sampling and are subject to change if a complete tabulation is made.

The inclusion of the 40-percent limitation will no doubt materially affect many growers, in many cases nullifying any benefit that the 70-50 provision might otherwise give. This would be particularly true in California.

Very truly yours,

E. H. SPOOR,
Chairman, California PMA Committee.

	1950 acreage allotment: Acres	Percent	Additional acreage to be allocated under 70-50 percent provision of Cooley bill (without 40 percent cropland restriction): Acres	Percent
Alabama	1,571,000	7.5	68,000	4.9
Arizona	232,000	1.1	42,000	3.0
Arkansas	1,921,000	9.2	68,000	4.9
California	643,000	3.1	69,000	4.9
Florida	42,000	.2	4,000	.3
Georgia	1,411,000	6.7	56,000	4.0
Kentucky	13,000	.1	1,000	.1
Louisiana	873,000	4.1	51,000	3.6
Mississippi	2,296,000	10.9	51,000	3.7
Missouri	463,000	2.2	23,000	1.6
New Mexico	170,000	.8	13,000	.9
North Carolina	723,000	3.4	83,000	5.9
Oklahoma	1,243,000	5.9	119,000	8.5
South Carolina	1,026,000	4.9	58,000	4.1
Tennessee	704,000	3.3	45,000	3.2
Texas	7,637,000	36.4	648,000	46.3
Virginia	28,000	.1	2,000	.1
Others	4,000	------	----------	------
Total	21,000,000	------	1,401,000	------

FEBRUARY 8, 1950.

To: Hon. LINDLEY BECKWORTH, House of Representatives.

From: Frank K. Woolley, Deputy Administrator.

Subject: County estimates of additional acreage allotments as described below.

There is attached a table showing the estimated acreage that would be required for increasing farm allotments to—

(1) Seventy percent of the average acreage planted to cotton in 1946, 1947, and 1948; and

(2) Fifty percent of the highest acreage planted or regarded as planted to cotton during the 3-year period 1946-48.

Your attention is directed to the fact that the acreage estimate with respect to the 70-percent provision does not include the acreage of war crops and, therefore, is not comparable with the amount that would be allotted under that part of the Cooley amendment which provides for establishing allotments on the basis of 70 percent of the average acreage planted or regarded as planted to cotton in 1946 and 1947, during the 3 years 1946, 1947, and 1948.

The Missouri State PMA Committee has not furnished us with estimates by counties of the additional allotments that would result by using the larger of the acreage determined by (1) or (2) above. However, that amount estimated by the committee for the State was 18,000 acres.

F. K. WOOLLEY.

Missouri

County	70 percent of 1946, 1947, 1948 average	50 percent of highest planted cotton acreage
Bollinger	25	35
Butler	1,200	840
Carter	0	0
Cape Girardeau	0	0
Dunklin	1,500	940
Howell	25	15
Mississippi	800	850
New Madrid	3,100	1,250
Oregon	0	5
Ozark	100	25
Pemiscot	1,250	50
Ripley	150	125
Scott	1,500	900
Stoddard	7,575	2,465
Total	17,225	7,500

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, the conference committee has done an admirable work. Its report should receive the approval of the House and I am confident it will do so. While I recognize that there are shortcomings and limitations which some of us would like to see eliminated, we cannot escape the fact that the report as a whole represents a remarkable achievement by the House conferees.

I consider it good for American agriculture. It relieves a measure of hardship in two major southern crops, cotton and peanuts. In the latter instance it will particularly benefit hard-pressed growers in my State. Peanuts are an important field crop there, but low acreage allotments have made production unprofitable for most growers. Unfortunately this is true in areas where there is but little else to which growers may turn for cash income. The limited relief given in this bill, while regrettably less than that proposed originally, will be of material help in many instances.

I am impressed by the fact that the conferees approached with courage the highly controversial potato price support program and brought to us a recommended change which will remove some of the more objectional features of the present program.

All in all, Mr. Speaker, this is a commendable work which I am glad to endorse.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Speaker, as the gentleman knows, I am opposed to this legislation, because I think that this is going to cause high taxes to the taxpayers and high prices to the consumers.

May I ask the gentleman this question: Does the Secretary of Agriculture Brannan agree with the committee on the potato provision in this bill, or does he disagree, and has he not written the committee a letter saying he did disagree with what you are doing on potatoes?

Mr. COOLEY. I have not received any letter from him to that effect, that he agrees or disagrees with us. But I will say to the gentleman that we have done what we have considered right, irrespective of his views.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. SUTTON. I would like to ask the gentleman from Pennsylvania, since he is so strong against subsidies for the farmers, if he is in favor of subsidies for the air lines, especially Capitol Airlines.

Mr. FULTON. I am against any subsidies that are used for the purpose of milking the Treasury, and I think this is one of the biggest can openers that ever came up before this House.

Mr. COOLEY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BIEMILLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 196, nays 157, not voting 78, as follows:

[Roll No. 111]

YEAS—196

Abbitt	Cole, Kans.	Granahan
Abernethy	Colmer	Grant
Albert	Combs	Gross
Allen, Calif.	Cooley	Hagen
Allen, La.	Cooper	Harden
Andersen, H. Carl	Cox	Hardy
Anderson, Calif.	Crook	Hare
Andrews	Cunningham	Harris
Arends	Davies, N. Y.	Harrison
Aspinall	Davis, Ga.	Harvey
Barrett, Pa.	Dawson	Hays, Ark.
Barrett, Wyo.	Deane	Hedrick
Bates, Ky.	DeGraffenried	Heffernan
Battle	D'Ewart	Herlong
Beckworth	Dolliver	Hill
Bishop	Donohue	Hobbs
Blackney	Doughton	Hoeven
Bolton, Md.	Douglas	Holmes
Bonner	Durham	Hope
Boykin	Eaton	Horan
Bramblett	Elliott	Howell
Brooks	Engel, Mich.	Jackson, Wash.
Brown, Ga.	Engle, Calif.	Jenison
Bryson	Evins	Jensen
Burleson	Fernandez	Johnson
Burton	Flood	Jones, Ala.
Camp	Forand	Jones, Mo.
Cannon	Frazier	Jones, N. C.
Carlyle	Furcolo	Judd
Carnahan	Garmatz	Karst
Carroll	Gary	Karsten
Case, S. Dak.	Gathings	Kee
Chelf	Golden	Kelly, N. Y.
Christopher	Gore	Keogh
	Gossett	Kerr
Kilday	Pace	Staggers
Kirwan	Passman	Stanley
Lane	Patman	Steed
Larcade	Patten	Stefan
LeCompte	Perkins	Stigler
Lemke	Pfeifer, Joseph L.	Stockman
Lind	Philbin	Sullivan
Lovre	Phillips, Tenn.	Sutton
McCarthy	Pickett	Tackett
McCormack	Poage	Talle
McMillan, S. C.	Polk	Teague
McMillen, Ill.	Preston	Thomas
Magee	Price	Thompson
Mahon	Priest	Thornberry
Mansfield	Rains	Trimble
Marcantonio	Ramsay	Underwood
Marsalis	Rankin	Velde
Martin, Iowa	Redden	Vinson
Merrow	Reed, Ill.	Vursell
Meyer	Rees	Walter
Miller, Nebr.	Regan	Welch
Mills	Rhodes	Werdel
Morris	Richards	Wheeler
Morton	Rogers, Fla.	White, Calif.
Moulder	Sikes	Whitten
Murdock	Simpson, Ill.	Wickersham
Murray, Tenn.	Sims	Willis
Nixon	Smith, Kans.	Wilson, Okla.
Norblad	Smith, Va.	Wilson, Tex.
Norrell	Spence	Winstead
O'Sullivan		Wood

NAYS—157

Addonizio	Hale	Nelson
Andresen, August H.	Hall, Edwin Arthur	Nicholson
Auchincloss	Hall, Leonard W.	Noland
Bailey	Hand	O'Brien, Ill.
Bates, Mass.	Hart	O'Brien, Mich.
Biemiller	Havenner	O'Hara, Ill.
Blatnik	Hays, Ohio	O'Konski
Boggs, Del.	Heller	O'Toole
Bolling	Herter	Patterson
Bolton, Ohio	Heselton	Pfeiffer, William L.
Bosone	Hoffman, Mich.	Plumley
Breen	Holifield	Poulson
Brehm	Huber	Powell
Buckley, Ill.	Hull	Quinn
Burnside	Jackson, Calif.	Rabaut
Byrne, N. Y.	Jacobs	Ribicoff
Byrnes, Wis.	James	Rich
Canfield	Javits	Rodino
Case, N. J.	Jenkins	Rogers, Mass.
Celler	Jennings	Rooney
Chesney	Kean	Roosevelt
Chudoff	Kearney	Sadlak
Clevenger	Kearns	St. George
Cole, N. Y.	Keating	Sanborn
Corbett	Keefe	Scott, Hugh D., Jr.
Cotton	Kelley, Pa.	Scrivner
Coudert	Kennedy	Scudder
Crosser	Kilburn	Secrest
Dague	Klein	Shelley
Davenport	Kunkel	Simpson, Pa.
Davis, Wis.	Latham	Smith, Wis.
Delaney	LeFevre	Taber
Denton	Lesinski	Tauriello
Dingell	Linehan	Taylor
Dollinger	Lodge	Tollefson
Eberharter	McConnell	Towe
Ellsworth	McCulloch	Van Zandt
Elston	McDonough	Vorys
Feighan	McGrath	Wagner
Fellows	McGregor	Walsh
Fenton	McGuire	Weichel
Fogarty	McKinnon	Widnall
Ford	McSweeney	Wier
Fulton	Mack, Ill.	Wigglesworth
Gamble	Mack, Wash.	Withrow
Gavin	Madden	Wolcott
Gillette	Martin, Mass.	Wolverton
Goodwin	Mason	Woodhouse
Gordon	Michener	Woodruff
Gorski	Mitchell	Yates
Graham	Morgan	Young
Green	Murray, Wis.	Zablocki
Gwinn		

NOT VOTING—78

Allen, Ill.	Cavalcante	Halleck
Angell	Chatham	Hébert
Barden	Chiperfield	Hinshaw
Baring	Clemente	Hoffman, Ill.
Beall	Crawford	Irving
Bennett, Fla.	Curtis	Jonas
Bennett, Mich.	Davis, Tenn.	King
Bentsen	Dondero	Kruse
Boggs, La.	Doyle	Lanham
Brown, Ohio	Fallon	Lichtenwalter
Buchanan	Fisher	Lucas
Buckley, N. Y.	Fugate	Lyle
Bulwinkle	Gilmer	Lynch
Burdick	Granger	Macy
Burke	Gregory	Marshall

Miles	Phillips, Calif.	Sheppard
Miller, Calif.	Potter	Short
Miller, Md.	Reed, N. Y.	Smathers
Monroney	Riehlman	Smith, Ohio
Morrison	Rivers	Wadsworth
Multer	Sabath	Whitaker
Murphy	Sadowski	White, Idaho
Norton	Sasscer	Whittington
O'Hara, Minn.	Saylor	Williams
O'Neill	Scott, Hardie	Wilson, Ind.
Peterson	Shafer	Worley

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Smathers for, with Mr. Macy against.
Mr. Burdick for, with Mr. Smith of Ohio, against.
Mr. Gregory for, with Mr. Riehlman against.
Mr. Peterson for, with Mr. Irving against.
Mr. Morrison for, with Mr. Jonas against.
Mr. Whittington for, with Mr. King against.
Mr. Whitaker for, with Mr. Hoffman of Illinois against.
Mr. Williams for, with Mr. Saylor against.
Mr. Hébert for, with Mr. Hardie Scott against.
Mr. Kruse for, with Mr. Potter against.
Mr. Lucas for, with Mr. Shafer against.
Mr. Miller of California for, with Mr. Clemente against.
Mr. Lynch for, with Mr. Granger against.
Mr. Lanham for, with Mr. Burke against.
Mr. Murphy for, with Mr. Boggs of Louisiana against.

Until further notice:

Mr. Barden with Mr. Allen of Illinois.
Mr. Sabath with Mr. Brown of Ohio.
Mr. Baring with Mr. Reed of New York.
Mr. Sadowski with Mr. Halleck.
Mr. O'Neill with Mr. Dondero.
Mr. Gilmer with Mr. Chiperfield.
Mr. Bennett of Florida with Mr. Angell.
Mr. Fugate with Mr. Lichtenwalter.
Mr. Multer with Mr. Miller of Maryland.
Mr. Fallon with Mr. Phillips of California.
Mr. Cavalcante with Mr. Short.
Mr. Doyle with Mr. Wadsworth.
Mr. Chatham with Mr. Crawford.
Mr. Sheppard with Mr. Curtis.
Mr. Miles with Mr. Bennett of Michigan.
Mr. Bentsen with Mr. Beall.
Mr. Lyle with Mr. O'Hara of Minnesota.
Mr. Rivers with Mr. Hinshaw.
Mr. Buchanan with Mr. Wilson of Indiana.

Messrs. JACKSON of California, HUGH D. SCOTT, JR., PATTERSON, BREEN, ZABLOCKI, and MITCHELL changed their vote from "yea," to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

PROGRAM FOR TOMORROW AND NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the distinguished majority leader as to the program for tomorrow and, if he can tell us, for next week.

Mr. McCORMACK. Tomorrow, if the Committee on Rules reports out a rule on the ECA, that bill will come up for general debate. It is then the intention to adjourn over until Monday, at which time we will have the remaining debate on the ECA bill and consideration under the 5-minute rule. I hope that the Members will be present, because, as you know, we have plans for the Easter recess from April 6 to April 18. After the disposition of the ECA bill, the appropriation bill will come up for general debate and will continue through next week, up until the recess, and after general debate is over, the bill will be considered by chapters under the 5-minute rule. To what extent we can go on the appropriation bill, of course, I cannot predict. I hope that we may dispose of it in that time. That, in general, is the program.

Mr. MARTIN of Massachusetts. And this afternoon we will take up the Commodity Credit Corporation bill?

Mr. McCORMACK. Yes; and thereafter the GI bill.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Georgia.

Mr. COX. The majority leader, in response to a question that the gentleman from Massachusetts propounded, said, if the Committee on Rules acted on the application for a rule on the ECA bill, he would take it up tomorrow. The committee has acted.

Mr. MARTIN of Massachusetts. How much general debate is there?

Mr. COX. Six hours of general debate.

Mr. McCORMACK. That is fine. I used the word "if," but there is no reflection intended. My answer was dependent upon a contingency.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Vermont.

Mr. PLUMLEY. I desire, in the interest of a great many people whose names I will not call, to be thoroughly advised with respect to this proposition relative to the so-called Easter recess; I mean, the wiser Members of this House are particularly interested in the fact that they have been told, and it has been circulated, that no matter what we may do, another branch of this Congress, for which we are not responsible, is not going to adjourn, whatever we may do.

Mr. McCORMACK. I think we can handle the situation in a satisfactory way.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Mississippi.

Mr. RANKIN. Next Monday it is in order to take up those rules that have been filed under what we call the skip-the-rules program.

Mr. McCORMACK. That is my understanding, yes. Of course, that is a matter of high priority.

Mr. RANKIN. I understand. We have a bill, I want to say to the distinguished gentleman from Massachusetts, that we are going to press, and that is the veterans' hospital bill.

Mr. McCORMACK. Of course, the 21-day discharge rule is a matter of high priority. That is a matter that will have to be determined by the House on that day.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. RICH. On the ECA bill we have 6 hours of general debate. You are not going to try to finish that bill tomorrow, are you?

Mr. McCORMACK. No.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

EXTENSION OF REMARKS

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in four separate instances, in one to include extraneous matter.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. CAMP asked and was given permission to extend his remarks in the RECORD and include an excerpt from the Atlanta Suburban Reporter of March 20, 1950, and separately one from the Atlanta Constitution of March 8, 1950, on the subject of taxation.

Mr. HOWELL asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD and include an article by Ludwell Denny.

Mr. FURCOLO asked and was given permission to extend his remarks in the RECORD in three separate instances, in one to include a resolution.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. D'EWART asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. MEYER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HARDY asked and was given permission to extend his remarks in the RECORD and include an editorial.

BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. HERTER], and now yield myself 5 minutes.

Mr. Speaker, House Resolution 513 makes in order the bill H. R. 6567, which has to do with increasing the amount allocated to the Commodity Credit Corporation.

This Corporation, as the Members of the House may realize, has been in existence for 17 years and it has done a marvelous job supporting farm prices and helping stabilize the entire economy of the country.

In going over the reports of the 17 years of the operation of this Corporation, we find that the losses have been very small in comparison to the benefits that have been derived from the legislation. They have averaged $9,000,000 a year. Nine million dollars is a great amount, but at the same time $9,000,000 per year is not a tremendous loss when we consider what it has done for the general economy of the country, because by increasing the purchasing power of the farmers, we have helped indirectly to stabilize other businesses. In other words, the manufacturers of farm implements, dairy equipment, and so forth, could not have survived and prospered unless a farmer had a purchasing power with which to buy the things which were essential to his farm program.

It is interesting that this Corporation was originally set up under the laws of Delaware. The third recommendation made by the President under the Hoover Commission recommendations was to transfer this Corporation formed under the laws of Delaware to the Department of Agriculture, where it is under the direct jurisdiction of the Secretary of Agriculture. Mr. Brannan, our very efficient Secretary of Agriculture, in turn, is putting forth every effort to make it operate just as economically as possible.

As you probably know, the prices of farm commodities and other commodities in the last few years have risen. For that reason, the committee has asked for an additional $2,000,000,000 to carry on more effectively this work. As you know, this money is in a revolving fund. We hope with proper administration, and with the hope also that there will be no drought or unforeseen calamities, that we may make this a balanced program, where the Government will get back into the Treasury the amount it has put out as a revolving fund.

As a former member of the Committee on Agriculture, I realize how essential it is to have surplus agricultural crops. We all realize that the margin is close. If we should have an unforeseen act of God bringing a drought upon America, it would be essential for us to touch very heavily these reserves that now seem to be so enormous. On the other hand, we must consider the balance of a program like this and try to maintain it so that we can keep an even and a balanced economy throughout America.

I respectfully ask that you give consideration to this rule, which in turn makes in order this important piece of legislation.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I was much interested in what the gentleman had to say about the very minor cost, comparatively speaking, of this program. I want to back the gentleman up in that assertion. Mr. Brannan appeared before our Subcommittee on Appropriations for Agriculture, and in questioning him last January 12 it was brought out that the entire program during the last 10 years had cost the taxpayers of America, up to next June 30, and that includes all of the potato and egg losses, $1,100,000,000 over the 10-year period, scarcely more than $100,000,000 a year.

If the gentleman will recall, a lot of people charge against the price-support program the $2,100,000,000 that was spent as consumer subsidy during the war, and which had absolutely nothing to do with the price-support program.

Mr. McSWEENEY. It is very kind of the gentleman to make that contribution.

Mr. HERTER. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, insofar as I know there is no objection whatsoever to the adoption of this rule. We have assumed certain obligations under the law which are going to have to be met. However, in the consideration of this measure it seems to me that we are going to a great extreme in extending the credit of the Commodity Credit Corporation by an additional $2,000,000,000. I read the report of the committee with very great interest. I see in the report this statement:

> The most recent estimate which the Corporation has made as to the maximum amount needed for price supports through the fiscal year 1951 amounts to $5,300,000,000.

The extension of the credit which is asked for is $1,450,000,000 over and above the maximum estimates that have been made by the Commodity Credit Corporation itself.

The committee indicates there are certain variables which no one can account for, that the yield per acre in cotton, wheat, or corn might be greater than the average on which these estimates are made. However, if the amount were cut down by $1,000,000,000, there would still be a margin of over $400,000,000, to be exact, $450,000,000 above this estimate with which to take care of a variable of that kind.

I am therefore hoping that when the matter comes up under the 5-minute rule an amendment will be offered to cut the amount to $1,000,000,000, because I have a very uncomfortable feeling that if we extend this authorization by $2,000,000,000 now, we may well be setting a pattern of a $2,000,000,000 subsidy, which will be carried on into future years.

Mr. Speaker, I yield back the balance of my time.

FOREIGN ECONOMIC ASSISTANCE

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 518, Rept. No. 1815) which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7797) to provide foreign economic assistance, and all points of order against the said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. McSWEENEY. Mr. Speaker, I yield 9 minutes to the distinguished majority leader [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, in supporting this bill, I want to call attention to some remarks I made on July 21 of last year when the Brannan plan was before the Committee of the Whole. At that time I said, in part:

> But all I am voting for in addition is to allow an experiment on three commodities, now specifically mentioned and confined to a time limit, to see whether or not, through an experiment in these commodities, we can give to agriculture the support that is needed in an intense industrial system and at the same time prevent this situation—

I was referring to potatoes—

> of buying and being unable to dispose of the commodities in any way, bringing about a reaction that ultimately, as everyone of us knows in his own mind, will destroy the whole farm program and bring about a general disrespect for Government itself.

I also said:

> That is a constant threat to agriculture and agricultural legislation that should address itself particularly to you ladies and gentlemen who represent agricultural districts entirely or in the main.

Mr. Speaker, I want to compliment Secretary Brannan for his courage. Secretary Brannan had presented a very limited trial plan as an experiment. He had the courage to do this. Everybody admires a man of courage. All we hear in opposition to the Brannan plan is the cry of "socialism," or this, that, and some other general or sinister criticism such as Guy Gabrielson, chairman of the Republican National Committee, made only yesterday and which it would have been much better if he had not said, because the agricultural question should not be a political question and I am afraid that Mr. Gabrielson is liable to make it deteriorate into a purely political and partisan question.

His leadership would be much more appreciated, I am sure, by the farmers and those of us who support the farmers, if he would refrain from making partisan statements such as he did yesterday.

Mr. HARVEY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HARVEY. I simply wanted to add this thought or suggestion. I ap-

preciate the majority leader's stand in stating that this should not be a political issue. I would, however, remind our leader that it was President Truman himself who made of this a political issue in the fall of 1948.

Mr. McCORMACK. Made a political issue of what?

Mr. HARVEY. Of the farm program.

Mr. McCORMACK. Of the farm program?

Mr. HARVEY. That is right.

Mr. McCORMACK. Well, his position was very much in the interest of the farmers. I never knew that when a person was speaking for the interest of any group of American citizens, or for the Nation as a whole, that that was a political issue in the sense the gentleman uses it.

Coming back to Secretary Brannan, I call upon those who oppose the Brannan plan to offer a plan of their own. I do not know whether the Brannan plan is the correct one or not, but one thing is certain: Secretary Brannan had the courage to offer a plan. I have seen no plan as yet offered by anyone else. I have heard many Members in this Chamber and persons outside of this Chamber oppose the Brannan plan, and they have a right to do so if they do so on its merits. But, again, the opposition that I have heard consists of general charges. One thing is certain: Secretary Brannan recognized that something must be done in order to continue price supports and parity payments and at the same time prevent the consumer from paying a much higher price as a result of governmental action than the law of supply and demand would ordinarily call for.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I am interested in what the gentleman is saying. I, too, have heard many discussions about the Brannan plan; I have read a lot of literature on the subject; I heard the debates with respect to the trial-run program; I have read the Senate bill offered by Senator THOMAS; and I wonder if the gentleman can advise me where I can go to get specific and accurate information as to exactly what the Brannan plan is. I may say to the gentleman that for 3 weeks I have been requesting that information from Mr. Brannan himself in order that I can get out of the talk stage and the suggestion stage and the argument stage and put my finger on the place where I can know exactly what that program is. Does the gentleman have available to him information that would permit me to know exactly what the proposal legislatively is aside from all the suggestions that have been made and all the arguments that have been made? I ask this question in very good faith because I would like to be able to put my finger on the plan and say, "This is the plan."

Mr. McCORMACK. I cannot advise the gentleman from Wisconsin, but so far as the gentleman from Massachusetts is concerned, the gentleman from Massachusetts has to his own satisfaction complete knowledge of the Brannan plan.

The Brannan plan was an experiment with three farm commodities for a limited time. There was a time limit, and three commodities were expressed. The purpose of production payments to the farmer on the one hand and to enable the law of supply and demand to operate on the other in relation to those farm commodities was to carry out promises this Congress had made and at the same time enable those three farm products to be disposed of in the market in a manner through which the consumer would get the benefit of the operation of the law of supply and demand rather than the effect of the Government support of perishable commodities, putting them in storage and forcing the price up to an artificial level. That, broadly, is the plan.

Mr. KEEFE. Mr. Speaker, will the gentleman yield further?

Mr. McCORMACK. I yield to the gentleman very briefly.

Mr. KEEFE. The gentleman has referred to the plan known as the trial-run plan which was offered by the gentleman from Georgia [Mr. PACE], I believe.

Mr. McCORMACK. Exactly; that is the Brannan plan.

Mr. KEEFE. Is that the Brannan plan that the gentleman is talking about?

Mr. McCORMACK. That is the plan I am talking about now, the plan that was offered last year. My remarks constitute an expression of my feelings with reference to Secretary Brannan and his courage in offering the plan, knowing that something must be done from the angle of the protection of the agriculture of the country and our farmers. The situation now existing is not in their interest. Those who oppose the Brannan plan—and I impute good faith to them—ought to come forward with a plan of their own. Secretary Brannan instead of being criticized should be complimented for his courage. His plan might be opposed and criticized on its merits, but he is the only one who has offered a plan. This is a matter which should commend itself to the attention of every farmer; it should also commend itself to the attention of every Member of Congress, particularly those who represent rural districts, in whole or in part.

Mr. KEEFE. Mr. Speaker, will the gentleman yield further?

Mr. McCORMACK. I yield.

Mr. KEEFE. I appreciate the significance of what the gentleman is saying, and I say very honestly and candidly that I am searching for information that will enable me to understand this very difficult program.

Mr. McCORMACK. It is difficult; I will agree with my friend.

Mr. KEEFE. We have just passed a conference report here today which proposes to carry forward in this Congress under the leadership of the distinguished gentleman from North Carolina [Mr. COOLEY], a portion of the agricultural program.

Mr. McCORMACK. The agricultural program is one that will constantly be before this body. The basic proposal that appeals to me, I may say to the gentleman from Wisconsin, is that we cannot have a continuance, particularly in connection with perishable commodities, of the Government buying them and putting them into storage, thereby keeping the price up to the consuming public, and I say that not only in the interest of the farmer but in the interest of the country as a whole. This Congress should meet that problem. Secretary Brannan has had the courage to offer a plan. He should be commended for it instead of criticized and those who oppose his plan should come forward with a proposal of their own so that we can consider it in connection with his plan.

Mr. KEEFE. Does the distinguished majority leader know of any concrete written proposal in the form of legislation that embodies the principle of the Brannan plan other than the proposal that was advocated by the gentleman from Georgia in the so-called trial run proposition?

Mr. McCORMACK. I have no knowledge of it, but that strengthens my position because it shows that Secretary Brannan, recognizing that experience is the best teacher, wanted to experiment with 3 perishable commodities so that we might get the benefit of that experience to determine whether or not it should be extended. I think he should be highly complimented for his courage and for his action in submitting his proposal and those who oppose ought to offer something in lieu of mere opposition.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, 3 weeks ago the House floor was jammed with Members who wanted to do something about the catastrophic coal situation.

Today, just 21 days later, scarcely a voice is heard on the subject. The annual coal emergency is over and the headlines have melted away. The speeches are stashed away for the summer ready to be hauled out again when trouble inevitably returns to the coal fields.

I know there are others here who are just as tired of this annual routine as I am. Let us face, honestly, the facts about the coal industry and then do something about them instead of talking our way through annual emergencies.

The disputes in the coal fields are only symptoms of a basic sickness we have done nothing to treat. There are two things we know about the coal industry—that it is essential to the proper functioning of our economy and that full production gives us more coal than we

need. To do full justice to the miners and the industry, we must accept those two facts, and proceed from them to return health to an industry which has brought poverty and misery to the miners in the fields and annual emergencies to consumers everywhere.

How do we do that? I am not sure I know all the answers, but the solution is not in antilabor injunction legislation. It is in the structure of the coal industry itself, production, distribution, and consumption.

The Christian Science Monitor Monday revealed a process in the making which would not only open up a vast new demand for coal, but improve the quality of that coal and provide an end to the Nation's domestic oil shortage. That entire article by Harlan Trott, a distinguished and able member of the Monitor's Washington staff, was entered in the RECORD yesterday by the gentleman from Ohio [Mr. HAYS].

It opens up vast new possibilities.

President Truman has proposed to Congress a coal commission to seek a permanent cure for the diseased coal industry. I have introduced a similar measure in the House. We badly need such a commission and I suggest Mr. Trott's article is proof that such a commission will find plenty to investigate and many worth-while recommendations to report.

Since the commission proposals were made more than 3 weeks ago, there has been little or no action. To my knowledge, no hearings have been scheduled or planned. If the annual coal strikes had not made the need for action on the commission measures clear, a few excerpts from Mr. Trott's description of what he terms the Karrick process ought to complete the job. Listen to this list of potential benefits:

End the Nation's domestic oil shortage permanently.

Provide abundant high-grade oil at lower cost.

Open up a vast new demand for coal.

Keep John L. Lewis' coal miners working full time.

Produce a cheap, smokeless fuel to solve the soot and smog problem of cities like Los Angeles, St. Louis, and Boston.

Produce 3,000 cubic feet of high-value fuel gas and 100 kilowatt-hours of electricity as additional products out of every ton of coal.

Justify building and operating coal-oil plants—three times cheaper in capital investment than present methods—as utilities in most cities and towns and at coal mines.

If this coal-treating process really worked, then the Nation could have oil for nearly 2,000 years at its present rate of consumption. There is that much coal available, according to the Department of the Interior.

Such a process does exist.

The public is not being told about it.

For simplification, it is called in this article the Karrick process after the man who developed it. It is a low-temperature method of distilling oil from ordinary soft coal. It is radically different from a three to four times more expensive process of obtaining oil from shale by a German method, which is favored and now is being developed by the United States Bureau of Mines.

Just think of the implications in terms of coal alone. Full annual production of all the coal the miners could put out. A full year's work for miners who have suffered for years from alternate layoffs and strikes. Expansion in a contracting industry at a time when our No. 1 economic goal is expansion.

For the other implications of the process outlined in the Monitor article—one which may eventually be recognized as one of the most important of the year—I commend the full story to all of you.

I think we should give full recognition to the potentialities of this process. The ideal way to get the facts and lay them before Congress is to approve a coal commission. I suggest that the time to start doing something about the next coal crisis is now, not next winter when the annual big freeze is upon us.

Mr. HERTER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, in the colloquy which I had with the distinguished majority leader, in good faith so far as I am concerned, may I say that it was an attempt to get information. May I say further I have been trying to get that same information from the Secretary of Agriculture now for 3 weeks. Up until last night I have received no response to the letters which I have addressed to him.

What I have tried to find out from this mass of talk, newspaper comment, editorial comment, and everything else is, What is the specific plan that is proposed for all of agriculture in the so-called Brannan plan? I ask the question whether or not the first bill that was introduced in the Senate by Senator THOMAS of Oklahoma was and is the Brannan plan? If it is not the Brannan plan, then has there been some other bill introduced?

Today I find that another bill, S. 1971, which consists of some 70 or 80 pages was introduced by Senator THOMAS. What is the plan? Is it embodied in this bill, S. 1971, or is the plan just in the talking stage at the present time?

Are we just sparring around looking for something to make a political issue out of? The people I represent are interested in the problem that is presented. As a Member of Congress I am exceedingly interested in this problem. For the last 3 months I have devoted myself to a study of this problem to see if a program could be developed that would save us from the enormities of the situation that have developed under the present price-support program.

I am asking the distinguished majority leader—his party, the Democratic Party, is in control of this Congress; they are a working majority in the Senate and they have a working majority in the House—if the Brannan plan is the plan that is going to save agriculture and save the people of this country, why is not a program of that kind enacted into law? Up to date it impresses me that this whole thing has been in the talk stage. We witness the great farm organization, the Farmers' Union Organization, in support of the so-called nebulous thing we call the Brannan plan. We find the Farm Grange and the Farm Bureau, and certain sections of it at least, and its leadership, in opposition. Agriculture itself is divided, as witness the efforts we had in this very Congress, in the House and in the Senate, to arrive at any working solution of this agricultural problem.

It seems to me that it is time that the Congress of the United States attempted to meet the very situation which has been in the talk stage for so long, promoted by Secretary Brannan. Now you say, "Why does not somebody come up with a program?" I understand that the great Farm Bureau organization and the great Grange organization have suggested repeatedly a concrete, definite program to deal with this problem.

How do you account for the fact that the former Secretary of Agriculture himself, Mr. ANDERSON, the distinguished Senator from Vermont, and various other leaders in this body and in the other body, have come up with an agricultural program that has passed the Congress of the United States and is now the law, by virtue of the action which we took here this morning, which will, no doubt, be concurred in by the other body and be signed by the President? It does not seem to me that it is going to do any good in the solution of this problem that so vitally concerns the consuming public, that so vitally concerns agriculture and business, generally, throughout this country, to have this whole discussion sink to the low level of mere partisanship and mere party politics.

I agree with the distinguished majority leader that this whole question should be approached from the standpoint as to what is going to be best for agriculture, what is going to be best for the consumer, and what sort of a program we can adopt, if any, that is going to relieve ourselves of the inequities and the injustices and the discriminations that have been practiced in the past.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. HERTER. Mr. Speaker, I yield 8 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Speaker, in connection with this bill, which will come up for consideration after the rule is adopted, it is my intention to offer an amendment to both sections; first, to the 1938 act, and then to the Commodity Credit Corporation Charter Act. The amendments will be identical, and will be substantially in these words:

(1) In order to prevent the waste, the Corporation is authorized and directed to make available such commodities as follows in the order of priority set forth: First, to school lunch programs; and the Bureau of Indian Affairs, and Federal, State, and local tax-supported institutions, such as hospitals, orphanages, schools, penal and mental institutions, and public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States; fourth, to intergovernmental or international nonprofit welfare agencies, for assistance to needy persons outside the United States. The Secretary of Agriculture shall first determine that such commodities are in ample supply over and above such reserves as may

be required and demanded in the public interest. The Commodity Credit Corporation shall make any such commodities available at no cost at point of use within the United States or at shipside at port of embarkation, or shall be empowered to deliver them abroad when necessary. The Corporation may advance as against handling and transportation costs in making delivery up to the equivalent of 6 months' storage costs on any such commodities turned over.

Yesterday, in a special order, beginning at page 3886, I included a good deal of factual material bearing on this proposed amendment. As I indicated, I discussed it fully before the Committee on Agriculture yesterday morning, and I was very much pleased with the cordial and sympathetic reception that the members of the committee on both sides of the aisle gave to the suggestion. I am hopeful that they will see fit to support the amendment this afternoon.

I explained in my remarks yesterday that although there is a somewhat similar provision in the omnibus appropriation bill which will be before us I am fearful that that may go out on a point of order. Consequently, I think the most direct and the most immediate approach that can be made is to provide this change this afternoon in the basic law itself.

I call attention to the fact that in the Charter Act there are some six or seven specific powers enumerated. One of them, (d), is to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities. So this really does not do much more than to spell out the method by which this distribution can be undertaken.

Just a word about the situation which confronts us. I know there are some who raise the question of whether we do actually have these commodities in excess of our needs. I said yesterday that I thought it was pretty clear, certainly on some commodities, that we have more than satisfactory carry-overs. For instance, we have sufficient prunes to give every Member of Congress a dish for breakfast until approximately September of the year 3239. That is rather startling.

I have listed the places where these commodities are located, that is, as far as States are concerned. I think you will understand that the removal from those places even to central spots in the States or, as the gentleman from California [Mr. WHITE] has suggested, even to county seats, would only partially do this job.

It seems to me that all communities and all needy people in our communities should be on the same footing as far as the use of these wholesome foods is concerned.

I placed in the RECORD yesterday statistics on the Commodity Credit Corporation, schedule 14, as of December 30, 1949. That is on page 3889. I have in my hand a release of March 3, 1950, giving the status of the price support program. I think these figures are of great interest to all of us.

We had on January 1, 98,675,801 pounds of butter. On January 31, we had added another 2,000,000 pounds, so we then had 100,736,962 pounds. I do not think anybody will dispute the fact that butter does become rancid if kept in storage any length of time.

Dried milk: The first of the year we had 259,801,803 pounds. In 1 month's time we had jumped that to 274,723,846 pounds.

I attempted to make an estimate in my remarks yesterday before the Committee in Agriculture, and in my remarks here on the floor as to what the carrying charges were for the first half of the fiscal year 1950, and it came to $10,785,128. This means we are spending, on just these 14 or 15 commodities, which are spoiling or can spoil, at the rate of $59,917 every 24 hours. To me, that just does not make sense. It seems to me the limitation I placed in this suggested amendment is one we need so that there will not be an expenditure beyond what we have given the Commodity Credit Corporation.

To those of you who are concerned as to whether this might affect an additional $2,000,000,000, I think it is amply clear that it would not. It does not touch it. It only transfers funds from one hand to the other. It makes use of it. It takes a load off the taxpayers' back. It will get these few commodities out into the hands of people who could and would eat them. I maintain that it is sound.

I hope very much that any of you who have not had an opportunity to give any consideration to the amendment will glance at some of the figures, these startling figures, that I put in the RECORD yesterday.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. KEATING. I agree with the gentleman on the point that we should not rely entirely upon the proposed provision in the omnibus appropriation bill which is coming in. I entertain the same fear that the gentleman does, that it may be eliminated on a point of order. Is it not also a fact that that provision in the appropriation bill relates to the disposition of these surplus food commodities only to public welfare agencies whereas the amendment which the gentleman is going to offer here will also make it possible to deliver this food to private welfare agencies?

Mr. HESELTON. The gentleman is correct, and it is also definitive in the sense that it utilizes only section 32 funds, while this utilizes the complete fund.

I might add one further thing in that connection. I have just talked with New York, to the directors of UNICEF and CARE, and they have given me some startling figures of what they could use if they could get it, all over Europe, and they told me they are getting behind the curtain into China. I can think of nothing which would have a greater psychological effect on the people of China than for us to send American packages of food into those areas.

Mr. KEATING. I agree with the gentleman entirely.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. HESELTON] has expired.

Mr. HERTER. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. MURRAY].

TRIAL RUNS

Mr. MURRAY of Wisconsin. Mr. Speaker, we have witnessed a public resentment of the price-support program in the press and on the radio. While some administrative procedures may be subject to criticism the fact remains that the support program is nowhere near as objectionable economically as it has been pictured.

It should be evident that a support program will be accompanied by large appropriations unless first, there is some control over domestic production as to the amount to be supported; and second, there must be some control over imports of competitive agricultural products. If we are to continue to support the price for twice as much cotton as the United States needs and 50 percent more wheat than the United States consumers need or consume, it will take increasing amounts of the taxpayers money. If we import competitive agricultural products at the rate of $1,500,000,000 per year like we did last fiscal year it should be apparent that these imports are really being supported and that the American farmer is to be allowed to produce less and less on his own acres.

A modernized McNary-Haugen approach, and a more keen interest in the FAO proposals are surely in order.

As proof of the danger of a trial run, I include the following official table from the Bureau of Agricultural Economics:

Specified commodities: Average prices, United States, 1929–49

	Hogs, per hundredweight [1]	Beef cattle, per hundredweight [1]	Calves, veal, per hundredweight [4]	Eggs, per dozen [1]	Cheese, per pound [2]	Milk for cheese [3]
1929	$9.54	$9.53	$12.16	$0.321	$0.202	$1.84
1930	8.87	7.87	9.68	.251	.164	1.49
1931	5.80	5.60	6.95	.186	.125	1.07
1932	3.39	4.27	4.95	.160	.100	.81
1933	3.50	3.73	4.64	.153	.102	.91
1934	4.22	4.10	4.92	.184	.117	1.00
1935	8.75	6.21	7.16	.241	.143	1.27
1936	9.34	5.90	7.20	.230	.153	1.42
1937	9.73	7.01	8.10	.217	.159	1.48
1938	7.80	6.57	7.90	.213	.126	1.16
1939	6.31	7.13	8.40	.184	.128	1.14
1940	5.42	7.48	8.83	.191	.143	1.30
1941	9.14	8.75	10.30	.250	.194	1.82
1942	13.10	10.60	12.30	.314	.216	2.04
1943	13.80	12.00	13.30	.387	.232	2.48
1944	13.10	11.00	12.40	.338	.232	2.53
1945	14.10	12.20	13.10	.390	.232	2.52
1946	17.30	14.40	15.30	.392	.348	3.42
1947	24.20	18.50	20.40	.464	.360	3.45
1948	23.30	22.40	24.40	.480	.407	4.01
1949	18.50	19.90	[5] 23.30	.455	.304	-------

[1] United States average prices received by farmers.
[2] Plymouth, Wis., Cheese Exchange, "twins" prior to September 1939—subsequently "cheddars," as reported by the Dairy Branch, Production and Marketing Administration.
[3] Weighted annual average price received by farmers for milk at cheese factories, Wisconsin.
[4] Weighted calendar-year averages.
[5] Simple average of 12 monthly prices.

Source: Bureau of Agricultural Economics.

A study of this table will show the price relationship of the principal protein food. The average price of beef and veal correspond rather closely with the price of hogs under natural market conditions. In 1942 when the hog price support was established at a point above parity the price relationship was out of

line with beef and veal. Later all prices were fixed by the OPA and the price relationship was rather constant. In 1948 and 1949, you will note the price relationship indicates how the average of the beef and plus the veal price is practically the pork price. In the prewar prices you will note the same price relationship.

The point is that, as some farm spokesmen have pointed out, the price support on one agricultural commodity especially a competing commodity of itself causes a chain reaction.

In other words, advocates of a trial run on a certain commodity like hogs for example, may cause great dollar losses to the beef, veal, egg, and cheese producers as all these protein foods are competitive in the market place. The hog producer may or may not have a satisfactory return out of a low price and compensatory payments to the producer, but the producers of these other protein foods will be subjected to a lower price without the compensatory payments.

It should be pointed out that in 1942 to 1946 there was a consumer subsidy of 3¾ cents per pound on cheese that would or should be added to the Plymouth price. This notation is made by me to keep the milk prices for cheese in relation to the Plymouth price of cheese in the correct relationship.

Mr. Speaker, I would not care to start a discussion on the Farmers Union plan or the Farm Bureau plan or the Grange plan or Brannan plan or any other farm plan in 3 minutes.

I would like to call the attention of the distinguished majority leader, Mr. McCORMACK, however, to the fact that while I do not know why other people voted against the trial run as proposed last year in the agricultural bill, I do know the reason I opposed it. I opposed it because I figured the Eighty-first Congress had done enough to the dairy business without me helping them to do any more to it. However, it should be evident, and I think it should be evident to anyone who could get elected to Congress or at least to become a member of the Committee on Agriculture, that a chain reaction takes place in the market place between different foods. This is especially true of the protein foods for example. Under the Pace bill eggs were one of the products which were going to have that trial run. I assure the majority leader I did not oppose it for any political reason. I opposed it because I know for the last 25 years, the close relationship between the price of hogs, the price of beef, the price of veal, the price of eggs, and the price of cheese. I do not want to see the price of eggs, and I do not want to see the price of pork, and I do not want any single farm product to drop in price without some protection being provided for the price of competing food products.

The producers of the product selected for a trial run may or may not be protected by compensatory payments, but how about the competing products without any provision for compensatory payments for them? A straight across the board is one approach and a trial run on only one, or a few products, may be proved to be very unfair and unwise.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. McCORMACK. The gentleman will note that while I like politics and like to talk politics I did not discuss politics when I spoke a few moments ago.

Mr. MURRAY of Wisconsin. Yes.

Mr. McCORMACK. I was discussing the courage of Secretary Brannan. This is a problem which has got to be met in some way in the interest of the farmers of the country, and in the interest of the consumers. I agree with the gentleman from Wisconsin [Mr. KEEFE], on the basic question that this is something in the interest of our economy as a whole which should transcend politics. When I spoke about that, I was not talking politics. I deliberately refrained from talking politics, much as I like to get into a political discussion.

Mr. MURRAY of Wisconsin. That is good. I appreciate that. I think someday I ought to address the House for about a half hour and discuss the farm program and the good things and contributions which have been made by the Democrats in the farm program. They seem to forget that the good things we have and what we have obtained by cooperating. We have had nonpartisan and nonpolitical agricultural support programs ever since 1941. Regardless of all we have read in the papers, we should take the time to analyze this very question here today in regard to perishables. I have found that there were less than $200,000,000 worth of perishable-food products and about $2,700,000,000 worth of nonperishables. I also found that a little crop like flax accounted for over $200,000,000. So, maybe in the interest of the taxpayers, it would be better if we paid attention to the $2,700,000,000 worth of nonperishables and not get so exercised about the less than $200,000,000 worth of perishables.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to my distinguished colleague the gentleman from Ohio [Mr. YOUNG], our Congressman at Large.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, people sometimes ask whether Communists occupy important Government positions and express fear that spies have infiltrated into Government circles in Washington. Directly following the surrender of the German armies in Italy, when I was allied military governor of the Province of Reggio Emilia, Italy, I had bitter experiences with Italian Communists under Soviet influence. I came to despise and fear Communists and communism.

A publicity-seeking Member of the other body almost daily has been making claims of communism in Government. Those present or former minor Federal officials or employees named by him have repudiated his accusations. It appears to me he is seeking headlines by making irresponsible charges. Here are the facts: 17,000 individuals are employed in the Department of State. No person occupying any important position in the Federal Government is a Communist, or a spy for any foreign power. Such assertion can be made definitely and with assurance despite headline hunters' unsupported claims to the contrary.

Gen. Dwight Eisenhower said:

> This country has done pretty well at keeping its major secrets to itself.

Of course—

He said—

> we can get hysterical about a spy scare. But our Government is aware of these things and I don't believe the dangers are great.

The State Department and every agency of the Federal Government has its own security force. Every old State Department employee has been screened and every applicant for employment in the State Department has his loyalty thoroughly investigated before employment. These security officials maintain close contact with the FBI. When there is any doubt about the loyalty of a State Department employee, this case is taken before a Department loyalty and security review board. Then, above these boards is a court of appeals in the form of an over-all Government loyalty and security board. The Department of State loyalty board is headed by Conrad E. Snow, Republican, of New Hampshire. Senator STYLES BRIDGES, Republican, New Hampshire, recently said:

> Mr. Snow is an able and vigilant defender of America against subversive influences.

Then, the top Loyalty Review Board of our Government is headed by Seth Richardson, a Republican, who was Assistant Attorney General during the Hoover Administration.

Those rabble rousers, who seem to see Communists and spies under every bed in Washington, remind me of that couplet:

> Last night I saw upon the stair
> A little man who wasn't there.
> He wasn't there again today,
> Oh, how I wish he would go away!

Mr. HERTER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, I want to join in what the gentleman from Massachusetts [Mr. HESELTON] had to say about his proposed amendment to this bill. I do so even in view of the fact that his amendment will supplant that which I was successful personally in inserting in the omnibus-appropriation bill.

In reference to the paying of the handling and freight charges on these surplus, perishable commodities and shipment to various counties for distribution by welfare groups, I may say that this provision is absolutely necessary unless we are willing to see good food go to waste. Thousands of good Americans are unable to buy enough food for their needs. Personally, therefore, I am more than pleased to withdraw my amendment when the time comes, if the proper committee of this Congress accomplishes what I am trying to do. I have always opposed any effort by the Appropriations

Committee to legislate, but in this particular case, realizing that unless we do something about placing into consumption channels those perishable surplus commodities, we will always have trouble with our farm program. I have urged the Committee on Appropriations to give the needed authority to the Secretary of Agriculture.

I am delighted to see the gentleman from Massachusetts [Mr. HESELTON] proceed along the lines he has suggested, and I hope this body will give earnest consideration to his amendment.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. HERTER. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, if this rule passes, we will consider a resolution which involves the expenditure of $2,000,000,000—think of that, $2,000,000,000—two thousand million dollars more for commodities. We all know what has happened to the commodities that have been bought during the last year. How much has gone to waste? How much of these perishable items have been destroyed when the people of the country were looking for food? When the people were wanting potatoes we go to foreign countries, buy potatoes, bring them in here, sell them, and allow our domestic potatoes to spoil. A very poor business for the American people—for the American taxpayer it is a headache.

Mr. Speaker, I want to call attention to the fact that on yesterday the representatives of the Junior Chamber of Commerce of the United States came to Washington with a petition signed by 3,000,000 people of the United States asking that we economize so far as Government expenditures are concerned. Those boys were interested in trying to secure economy and a balanced budget. They came here with a petition signed by 3,000,000 people making that request. Why? Because they want to save this country. They want to keep this country in a sound financial position so that this Congress which is now squandering money to the tune of four or five billion dollars more than it is taking in will not bankrupt their country in future years.

When those boys came here and presented that petition with 3,000,000 signatures they were thinking: We cannot endure this Congress which is not trying to balance the budget and is letting the debt come on to us. We will be sunk if we do not stop this spending and spending. They are worried and rightfully so.

Mr. Speaker, I say that we should stop, look, and listen before we appropriate $2,000,000,000 more for the Commodity Credit Corporation to buy food and to help one branch of our economy. To me it is a very bad thing to do; it is wasteful, it is extravagant, it is ruinous, it is unsound legislation. The potato farmers of the State of Pennsylvania passed a resolution the other day stating that they did not want any more Government regulation, any more potato subsidy; they did not want any more of this potato subsidy money. Our farmers in the State of Pennsylvania want to go out and work, earn money, save and sell their potatoes in the State of Pennsylvania and the rest of this country. They do not want the Commodity Credit Corporation to go out and buy these potatoes, put them on a pile and burn them, while at the same time potatoes are being imported from Canada and other countries of the world at a lower price than our support price. We ought to be furnishing the potatoes that we grow to ourselves. This applies to other commodities. Soon we will not have jobs nor food nor money.

Mr. Speaker, this is getting somewhat exasperating. In my judgment, it is getting rotten. You Members on that side are responsible for the situation. You have no business going ahead and squandering the money and expect your children and your children's children to pay something that we are not able to pay off ourselves. It is stealing from our children. At this time when the people of the country are working and trying to make something for themselves you are permitting foreign countries to come in here and take the markets that belong to our farmers. It is not fair, it is not right, it is not just, it is not honorable, I do not know of anything good in it. Why do we not wake up and try to protect our children? Protect them from a bankrupt Government.

Mr. Speaker, there are people all over this country who are in sympathy with the things I am trying to preach. The taxpayers of the country will wake up next November, as was said yesterday by the gentleman from Massachusetts [Mr. MCCORMACK], the majority leader, when he tried to force down the throats of the Members of Congress a bill. You are in pretty bad shape. It shows to what extent this administration will go to put through its raw deal, New Deal program.

Wake up, voters of your country and protect your Nation. Do not vote for Congressmen who take you into bankruptcy by squandering our resources.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MCSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Speaker, I do not want to take too much credit away from the Republican Eightieth Congress, that so-called worst Congress. Let us give them credit also for passing oleomargarine legislation in the House. The gentleman who just preceded me says the Eighty-first Democratic Congress passed oleomargarine legislation in payment of campaign promises. I ask what debts were the Eightieth Congress paying when the House repealed Federal taxes on oleo?

Mr. MCSWEENEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Speaker, all I have to say about this proposed piece of legislation, which will give the Commodity Credit Corporation two billion more dollars, is that it is an extension of a program which is not working for the best interests of the average farmer. The people of this country are becoming more and more convinced that the farm program is not working, and the farmers of the country are becoming more and more convinced that this is true. I do not say that the Brannan plan is the solution. But I do say, as I said to about a thousand farmers in my district at soil-conservation meetings some days ago, that we, the farmers of the United States, had better start doing a little thinking, and we had better come up with a plan which will not only protect the farmer but will also protect the consumers, or the consumers are going to get mad, and they are going to elect a Congress which will do away with all farm programs.

As I said before, I do not know all the answers to the farm problem, but being one of the few practical farmers who are Members of this Congress, I think I am qualified to say that the present program is mainly protecting the big farmer at the expense of the family-sized farm, which is the backbone of America. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] mentioned a moment ago that this Congress had passed the oleo bill. I would like to say that the Eightieth Congress also passed this bill in the House, and when the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] tries to lay the blame on one party, he is not being quite fair, because, as he well knows, I voted against allowing oleo to be sold colored and voted against the oleo bill every time I had a chance. A few minutes ago this House passed, by a vote of 196 to 156, a conference report which will increase the cost of the cotton program and the peanut program by over $1,000,000,000. I was very happy to note that most of the Representatives from Ohio voted against this, because at long last the Congressmen from Ohio are realizing that every time we add another 5,000,000 bales of cotton to the surplus, as this bill would, we are adding nearly another billion dollars in taxes on our people. The kind of farm program which keeps prices high makes the taxpayer pay for surpluses, while his food is extremely high, and then causes the surplus to be lost or destroyed, cannot be justified, in my opinion, on either moral, economic, or political grounds. It is time that the farm program ceased being a political football, and that the Congress quit voting for or against farm legislation on the basis of who sponsors it. What this country needs is an honestly conceived farm program designed to keep the farmer's purchasing power at a high level while guaranteeing wide distribution at a fair price of his products. I believe that this country has the wisdom to solve this problem, but not by stopgap legislation of this kind. I will vote for this program with great reluctance only because it is better than nothing at all.

Mr. MCSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. FURCOLO].

Mr. FURCOLO. Mr. Speaker, with reference to the remarks made by the gentleman from Wisconsin [Mr. KEEFE], I think his attitude of wanting to know something about the Brannan plan is extremely commendable. I listened to the various places he mentioned where he sought information. It seems to me that there were one or two other places where he could have sought information.

Judging by newspaper editorials, statements by columnists and radio commentators, we must assume that they apparently have an extremely good knowledge of the Brannan plan from the terms they have applied to it, calling it a monstrosity, atrocious legislation, and so on.

With the sincerity that they have, the public duty and the public trust that they have, we must assume, of course, that they would not apply such terms without having full knowledge of all the details of the Brannan plan. So it is possible that the gentleman from Wisconsin [Mr. KEEFE] may be able to ascertain exactly what it is by checking with all those people who apply such epithets to the Brannan plan.

Even if no one in the Department of Agriculture knows its details, even if no one on the Agricultural Committee knows, even if no one in Washington knows, apparently all the editorialists and columnists and radio commentators are well informed about it. They must at least claim full knowledge because they do not hesitate to describe it as a monstrosity and an atrocity. They are not keeping faith with the public if they so describe it without full knowledge of the plan.

So, I suggest to the gentleman from Wisconsin [Mr. KEEFE] that he ask them where they have obtained their information and knowledge. They can either explain the Brannan plan to him in detail or, if they have also been unable to ascertain what it is, they perhaps can explain the basis for the descriptive epithets they have applied to it.

Mr. McSWEENEY. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Connecticut [Mrs. WOODHOUSE].

Mrs. WOODHOUSE. Mr. Speaker, the bill before us to increase the borrowing power of Commodity Credit Corporation must be passed if CCC is to have adequate funds for the discharge of the responsibilities placed upon it by existing price-support legislation. I was not in agreement with this legislation as it passed the Congress last year. Many of the problems we are facing might not have arisen if the bill reported out by the House Committee on Agriculture had been accepted rather than the substitute. But that is history. By passing this legislation we have taken on a moral commitment to certain farmers, American citizens, and it behooves us to pass H. R. 6567 and fulfill these commitments.

I shall vote for this bill, at the same time regretting the necessity for so doing and in the hope that before too long we will have on this floor legislation which will modernize and improve our agricultural program. In any new legislation it seems only fair to ask that agriculture in Connecticut receive due consideration. We are thought of as a purely industrial area. Our agriculture is forgotten. True in volume it is small in comparison with the volume of the entire country, but to us it is an important factor in our economic life.

New England pays a very heavy proportion of the Federal taxes. The tea party in Boston was a protest against taxation without representation. When I consider the situation of the poultry producer and dairymen in my own district in eastern Connecticut, I wonder if the time has not come for an egg-and-milk party in protest to the treatment accorded us in the current agricultural program.

Our egg, chicken, and dairymen are small producers in relation to those in other sections of the country. They think in terms of human food and are proud of the high quality of their product. They do not want subsidies. They are not asking for price supports. They want to sell their products in the open market at prices the city consumer can afford. They want their eggs, milk, and chicken on the table before a well-fed family with healthy rosy-cheeked children. They do not want their eggs and milk dried and stored.

But they do want grain at a price which will enable them to sell their products and still make a decent living. They are not asking to get rich. If they wanted great wealth they would not continue on their family-sized farms. They are good, substantial citizens. All they want is fair treatment on feed prices.

The situation is not the fault of the Department of Agriculture. In April 1939 the Department asked for certain legislative authority which was not granted. As an illustration of the deteriorating situation the egg-feed ratio in December 1945 was 15.5. This has declined to 11.2 in December 1949. The same trend is appearing in the milk-feed ratio. Egg and milk prices are down. Feed prices, due to high-level supports, stay up. I have introduced an amendment which would remedy this situation.

In brief, the time has come when we must have an agricultural support program which will not only give the necessary backing to the growers of basic commodities but which will be completely just to the family-sized farm, which will consider the needs of the farmer-consumer of feed such as the Connecticut poultrymen and dairymen, and which will let food find its way into the free market so that the city consumer can afford to purchase it in amounts adequate for good nutrition.

I am certain that we can develop such a program from the suggestions which have already been put before various committees of the Congress. We should have such an agricultural program on the statute books before this Congress adjourns.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McKINNON. Mr. Speaker, our policy of farm support prices has obviously been of great value to most of our farmers and to our national economy as a whole. I have supported it and I wish to continue to support it. In good conscience, however, I cannot continue my support unless the Committee on Agriculture and the Congress as a whole take steps to correct inequities which are driving California poultry and egg producers into bankruptcy.

Price of feed in southern California is the same now as when eggs were bringing 60 cents a dozen wholesale. Presently eggs have declined to 39 cents a dozen for large grade A eggs and poultry prices are down 8 to 10 cents a pound. How can poultrymen keep going under the circumstances?

The following news story from the San Diego Daily Journal explains the critical condition:

FEED COSTS, PRICE DROPS PERIL EGG MARKET

San Diego County poultry and egg producers are facing a financial crisis which only the strongest may survive.

This was brought out last night by Ralph M. Sexauer, manager of the San Diego Poultry Association, at a meeting of agricultural leaders.

Sexauer said the Government's reduction of support prices on eggs from 90 to 75 percent of parity without a corresponding cut in feed prices has sent the market into a nose dive.

Since December 1, he added, retail egg prices have dropped 22 percent. This equals a cut of 10 cents a dozen, bringing farmers' returns to 35 cents a dozen, or less than cost of production.

Housewives in San Diego now pay 44 cents for grade AA Midwest eggs and 52 cents for grade AA locals.

For the past 8 years support prices have been given only to the market in the Midwest, which has 90 percent of the Nation's production.

The effect, however, has been to bolster prices for San Diego County producers, Sexauer pointed out. He said a number of persons have gone into the business locally in that period, many investing their entire capital.

"Now," he explained, "only the best capitalized and most efficient operators can stay in business."

As an example of dangers facing producers, he cited one family which invested $24,000 and now has exhausted all capital and credit.

Publicity given the Government-held egg surplus was attributed by Sexauer to reduction of the support price.

The Government faces financial loss because of its deliberate move to cut egg production, Sexauer said. He declared many veterans who obtained Federal loans to enter the business probably will go bankrupt.

It is imperative that the Department of Agriculture and the committee take notice of this distress and correct it immediately.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Speaker, I disapproved of the repeal of the taxes on oleomargarine and still more of its being sold in a yellow color in imitation of butter. I fought it to the very bitter end and voted against it as long as I had an opportunity to vote against it. But I do want to remind my distinguished colleague the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], who represents a farm district, that even though

we now have the taxes repealed on oleomargarine, butterfat is worth approximately 60 cents a pound in the United States. I also want to remind him that the last can of cream I sold under a Republican administration, the butterfat in it brought me 9 cents a pound, which is just 51 cents a pound less than my butterfat is worth today. So while I need relief from oleo, I cannot go to the Republican Party and hope to get it there.

Mr. McSWEENEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6567, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, there is but one question involved in the consideration of this bill and that is the extension of the borrowing power of the Commodity Credit Corporation to continue the support prices on agricultural products as provided by existing law.

The Commodity Credit Corporation was organized in 1933 when we were in the depths of the depression. There was no question of inflation in those days because the dollar had a high purchasing power. The great trouble was that few people had the dollars.

At the time the Commodity Credit Corporation was organized, wheat was selling at 32 cents, corn was selling at 18 cents, cotton was selling at 4 cents-plus, tobacco was selling at about 9 cents, milk was selling at $1 per hundredweight, and all the other agricultural commodities were selling at comparable prices.

Farming is the great basic industry of our country. We are more dependent upon the farmer than on any other segment of our society, because our people must be fed. Unless we can keep the farmer on the land we will not be fed. It has been said that if the farms were destroyed grass would grow in the city streets, and that is true.

I have always contended that there is no real difference in the objectives desired to be achieved by the people of the city and the people of the country. Prosperity either comes to America and covers it like a blanket or depression falls upon all of our people. There is no argument which can be adduced that the people of the city should take one attitude with reference to legislation and the farmers should take another. The farmer cannot produce for the market as the industrialist can. He is dependent upon the changes in the seasons, upon pests and a hundred other contingencies which may destroy or may increase his crop. Not being able to produce for the market, a device was found by which he could be assured of a reasonable price for his products. This is the instrumentality that the Government has offered to the farmer. If it is not perfect, I would like somebody to find a better method, because it is essential that some means be found to stabilize this great industry.

Of course, we do find some weaknesses in it. The only means by which prices may be maintained is by loans and by purchases. When the loans are made upon perishable commodities, the security for that loan soon vanishes.

When purchases are made the thing that has been purchased loses its value. So, in some instances it is difficult to meet the conditions which present themselves. But you can see what has been accomplished for the farmers of America by this instrumentality.

Since the time of its inception the farmer has been reasonably prosperous. We have gotten out of the depression. At that time all the banks were closed and the Federal Deposit Insurance Corporation law was passed which gave an assurance to the people that their money would be returned to them if financial disaster came to the organization in which they deposited their money. It gave them an assurance, and it gave a stabilization to the banks of America which they otherwise would not have.

So this, too, gives an assurance to the farmers and a stabilization to his industry.

I think it is absolutely essential as a complement of that that the people engaged in labor should have a reasonable wage in order that they can pay the price for agricultural products which it becomes necessary to pay by reason of this support-price program.

Although there may be apprehension of inflation, I think we are in a very much better state today when the dollar does not purchase so much but when it had velocity and when the people have the dollars rather than in that era of depression when the dollar had great purchasing power but had no velocity and few people had enough to buy the necessities of life.

The act creating the Commodity Credit Corporation was a great constructive piece of legislation. It was a benefit to a certain class, the producers of our food.

I hope no amendments will be offered to this bill which will weaken this corporation in the functions which it was intended to perform. I know in every instance when an organization of this kind is created there are always people dealing with it who desire to get some advantage for themselves. I believe there may be some amendments offered to the bill.

I want you to remember, if you represent an agricultural district, and to keep in mind, the interest of the people you represent and not be led by specious arguments that there are other segments of society that have a greater interest in this bill than the people for whose benefit it was drawn up.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. KEATING. I note from the report that the estimated amount which the Corporation is likely to need for price support through the fiscal year 1951 amounts to $5,300,000,000 and the amount of the present borrowing authority of the Corporation is $4,750,000,000. While I appreciate that the first figure is subject to some variation, does not the gentleman feel that the Corporation would have ample authority to handle its operations under the price support program by an increase of $1,000,000,000 rather than an increase of $2,000,000,000?

Mr. SPENCE. The Secretary of Agriculture said in order to carry out the program, in order to assure the farmers that this program will be carried out, it was essential to increase the borrowing capacity by $2,000,000,000.

Of course if there is no necessity for the $2,000,000,000 he will not have to borrow it.

Mr. KEATING. That is true.

Mr. SPENCE. But he would like to be able to give the assurance to the farmers that it will be carried out.

The present borrowing power is $4,750,000,000. The outstanding investments are $2,703,000,000. The outstanding obligations are $928,000,000. This leaves a balance of $3,119,000,000. These things are subject to contingencies in the variation of crops, which no man can foresee. If we are going to have a program which will give assurance to the farmer we must have sufficient funds to carry out the program.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BROWN of Georgia. It does not make any difference whether it is one billion or two billion, this Congress has passed a law known as the farm program. If it takes one billion to carry it out the Department will not need more, but if it takes two billions to carry it out, then half that sum is not sufficient.

Mr. SPENCE. The gentleman is correct.

Mr. BROWN of Georgia. That is a scarecrow that is being set up there. The extra money cannot be spent unless it is needed, but if it is needed then it will be there. We have solemnly said that this was a program we were going to carry out by loans. No person can tell at this time how much the farmers will borrow. Some farmers may borrow none whatever; other farmers may borrow in varying amounts. It should be borne in mind that although the money is available it cannot be wasted, for it cannot be used except to carry out the program ordered by the Congress last fall.

Mr. KEATING. Mr. Chairman, will the gentleman yield at that point?

Mr. SPENCE. Mr. Chairman, I decline to yield for the moment.

Mr. Chairman, feeding the American people is not a partisan question, and there ought to be no partisanship about it. In the Eightieth Congress the functions of this organization were so weakened that they could not carry out the support price because they did not have the authority to acquire the storage ca-

pacity for the commodities. I hope that we may pass this bill so that the functions of this organization will not be weakened and diminished and that it may carry out to the fullest extent the purposes for which it was organized.

Mr. KEATING. Mr. Chairman, will the gentleman yield at that point?

Mr. SPENCE. I yield.

Mr. KEATING. Of course, under the very figures which the Secretary of Agriculture himself has given us, if we were to increase the borrowing capacity by $1,000,000,000, there would still be a leeway of several hundred millions which the Secretary of Agriculture would have. Why increase it to make it one billion several hundred millions instead of several hundred millions?

Mr. SPENCE. Because of the very nature of agriculture and the absolute impossibility of knowing in advance the extent of the crops. The Secretary has said—and I believe he presented very good arguments to the committee—that in order to be safe to carry out his program he needed $2,000,000,000, but that he might not have to use the full amount; that if he did not need it, he would not use it. I hope you will sustain him. Why not give him the wherewithal to assure the farmers of America that the program will be carried out and that the promises made to them will be kept?

Mr. GAMBLE. Mr. Chairman, I yield 25 minutes to the gentleman from Kansas [Mr. COLE].

The CHAIRMAN. The gentleman from Kansas is recognized.

Mr. GAMBLE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Obviously a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 112]

Baring	Hall,	Plumley
Bennett, Fla.	Leonard W.	Potter
Bennett, Mich.	Harvey	Powell
Bentsen	Hébert	Rains
Boggs, La.	Hill	Ramsay
Brown, Ohio	Hinshaw	Reed, N. Y.
Buckley, N. Y.	Hoffman, Ill.	Riehlman
Bulwinkle	Holifield	Rivers
Burdick	Irving	Sabath
Byrne, N. Y.	Jackson, Calif.	Sadowski
Carlyle	Jonas	Saylor
Cavalcante	Jones, Mo.	Scott, Hardie
Celler	Kennedy	Shafer
Chatham	Kruse	Sheppard
Chiperfield	Lichtenwalter	Short
Chudoff	Lucas	Simpson, Pa.
Clemente	Lyle	Smathers
Cox	Macy	Smith, Ohio
Crawford	Miles	Smith, Va.
Curtis	Monroney	Thomas
Davis, Tenn.	Morrison	Towe
Douglas	Morton	Wadsworth
Doyle	Multer	Whitaker
Engle, Calif.	Murphy	White, Idaho
Fisher	Nixon	Wilson, Ind.
Fugate	Norton	Withrow
Gilmer	O'Neill	Worley
Granger	Peterson	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 6567, and finding itself without a quorum, he had directed the roll to be called, when 349 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Kansas is recognized for 20 minutes.

Mr. COLE of Kansas. Mr. Chairman——

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Illinois.

Mr. YATES. I heard the gentleman's statement yesterday that he was from a rural region. I must confess that I am a city boy myself, and the only thing that grows in my district is children, so that try as I may to understand the present farm program, more and more I feel like Alice in Wonderland. I, too, feel that I am wandering through a wonderland of amazing, tremendous figures. Upon looking through the report accompanying this bill the multiplication of the figures, reminds me of the wonderful rabbit of Alice in Wonderland, the Mad Hatter. I should like particularly to draw the attention of the gentleman to page 4 of the report in which it is pointed out that a number of individuals have received at least half a million dollars under the price-support program. In conversation with other Members I am given to understand that some individuals have even received as much as a million dollars in a single year under this program. If this be true, is this farm-price-support program a program for the few or a program for the many? I notice here also that the report states that it is the purpose of the committee to follow up this proposition. What does the committee propose to do about it?

Mr. COLE of Kansas. This price-support program, of course, is a program for the many. The problem which the gentleman raises, quite truthfully, is a very perplexing one in connection with tremendous payments made to certain individuals. Five hundred thousand dollar payments have been made to some individual farmers cooperating under the program. An attempt was made in the committee to determine how many received such payments; request was made that the committee be furnished a list of those receiving them. We were told by the Secretary of Agriculture that it would be impossible to divulge the names of the people who received the large amounts, but that probably a list would be submitted. I remember that our ranking Member, the gentleman from Illinois [Mr. WOLCOTT] informed me that he was later advised that it was impossible for the Department to furnish even a list of the number of people receiving those great payments.

I believe that the price-support program is a good program, although these large payments raise important issues and that it should be investigated further not only by our committee but also by the great Committee on Agriculture.

If I may proceed now without interruption, I wish to call the attention of the House to an interesting and important problem with respect to the Commodity Credit Corporation. I intend to offer an amendment to the charter of the Commodity Credit Corporation which will raise the issue about which I desire to speak this afternoon. This amendment has to do with the authorization and power of the Corporation in connection with its operation of the price-support program as it affects the grain trade.

Mr. Chairman, an interesting thing about my amendment is that the objective sought is wanted by everyone; everyone admits that is a proper objective. The amendment seeks to prevent the Commodity Credit Corporation from supplanting private business, and farmers cooperatives. That the small-business men and farmers in the grain trades be not supplanted, and not put out of business. Everyone is agreed that this objective is proper. The only question involved is how the objective may be attained.

In pointing out this problem I wish to call attention to the fact that in title II of the Research and Marketing Act of 1946, the Seventy-ninth Congress declared its policy to be as follows, and I quote:

> A sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation.

Later, the Congress passed the charter of the Commodity Credit Corporation which provides in section 5 that that Corporation shall to the maximum extent practicable consistent with the fulfillment of the Corporation's purpose and the effective and efficient conduct of its business utilize the usual and customary channels, facilities, and arrangements of trade and commerce. That charter was amended in 1949, and the same policy was expressly reaffirmed.

It said:

> Nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities.

When Secretary of Agriculture Brannan was before the committee, I asked him:

> Do I understand the Department has taken the position that the Department of Agriculture does not want in any way either to compete with or supplant private industry in the grain-storage business?

The Secretary answered:

> That is entirely correct.

Mr. Chairman, I now want to call your attention to the attitude of some of the great farm organizations in respect to this particular problem. Before I do so, I want to make it clear that the amendment which I am discussing today will not be directed at the storage or the warehousing problem. It has to do solely with the grain-trade problem.

Mr. Sanders, of the National Grange, appeared before our committee and testified. His evidence is shown on page 88 of the hearings, where he stated:

> Witness the present shameful waste of potatoes, dried eggs, and milk. Yet these current acute problems are but a drop in

the bucket to what confronts us if we are facing a general and marked decline of farm prices, and if we continue our main or almost sole reliance on the CCC type of implementation of a farm program.

Let us see where this type of a program is at fault. In the first place, it tends to take large parts of the distribution of farm products out of private industry's hands and the hands of farmers' cooperatives and concentrates it in the hands of bureaucratic Government agencies.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Iowa.

Mr. TALLE. Inasmuch as the gentleman from Kansas has referred to the testimony of Mr. Sanders, of the National Grange, an excellent witness, I may say, and also inasmuch as the majority leader has on two different occasions, yesterday and today, suggested that farm legislation should be taken out of politics, I think it is proper to refer to page 91 of the hearings on this bill. In reply to questions put by me to Mr. Sanders, he expressed the hope, and I agree with him, that an advisory council might be set up for agriculture comparable to that which we have had since 1913 in the Federal Reserve System. I think Members of Congress might like to turn to page 91 and following to note the attitude of the National Grange in connection with taking politics out of farm legislation.

Mr. COLE of Kansas. I thank the gentleman.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I should like to ask the gentleman about his amendment.

Mr. COLE of Kansas. I may say that the amendment in the minority views is not the one I am going to submit. I have changed it somewhat. It is directed at the same purpose, but it is a little different.

Mr. BROWN of Georgia. As I understand it, the gentleman submitted this amendment which was voted down. We asked the gentleman to incorporate his idea in the report. It was understood that the gentleman was right and my understanding is that the gentleman did do that and the same is now in the report. That is what I want to understand about the gentleman's amendment.

Mr. COLE of Kansas. I was consulted.

Mr. BROWN of Georgia. Did not the gentleman tell me day before yesterday that he was satisfied?

Mr. COLE of Kansas. No; I think the gentleman must have misunderstood me about that matter. I was satisfied that the report on this subject was excellent considering that the majority of the committee did not agree with me. If the gentleman understood me to the contrary, I apologize. I never felt that the mere inclusion of that statement in the report would do the job. I never felt that way and I am sorry the gentleman did not understand me.

Mr. BROWN of Georgia. Did not the gentleman write this positive report?

Mr. COLE of Kansas. No, I did not. It was submitted to me before the report went in. I said that it is the best the committee would do under the circumstances. It does not agree with my particular attitude toward it.

Mr. BROWN of Georgia. Did not the gentleman say he thought we could get together, perhaps he and some other members of the committee could get together, and put it in the report and that would be satisfactory?

Mr. COLE of Kansas. The gentleman and I were on a different plane. I was talking about getting the best possible report in view of the committee's attitude in turning down my amendment, but I did not foreclose myself from offering the amendment.

Mr. BROWN of Georgia. The gentleman did not say he thought it would be satisfactory to put it in the report?

Mr. COLE of Kansas. No; not so far as my attitude was concerned.

Mr. Chairman, I want to read a resolution adopted by the Farm Bureau Federation in connection with this particular problem. It appears on page 79 of the hearings, as follows:

The Commodity Credit Corporation is one of the key agencies through which our farm programs are made effective. If this agency is to carry out the price-support policies which have been enacted into law, it must have adequate funds.

Recent action by the Commodity Credit Corporation indicates an apparent disposition on the part of that agency to enter more and more into the actual marketing of agricultural commodities. This is contrary to the long-established policy of our Government to utilize normal channels of trade, and to encourage cooperative marketing and other self-help programs.

We urge that Congress examine carefully current Government policies in this connection and take such action as is necessary to reduce direct Government action in this field to a minimum.

Here is one other resolution by the National Council of Farm Cooperatives, which was enacted January 9–12, 1950:

We are convinced after careful study that the Department of Agriculture through the Commodity Credit Corporation is steadily invading the field of farm marketing to an extent where the best interests of American agriculture are in jeopardy.

We have come reluctantly to this conclusion. We feel further that this development does not follow the conscious design or intent of the President, the Secretary of Agriculture, or of Congress.

Farmers and consumers will not gain by the substitution of programs of action by the Government for the exercise of free-enterprise activity by individuals, partnerships, corporations, and by farmers themselves through their cooperative marketing associations. Instead, such activity by the Government will lead to inefficiency, high costs, and abuse.

Now, Mr. Chairman, to correct this situation I have an amendment which I desire to present to the committee at the proper time. This amendment reads as follows:

SEC. —. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806, 80th Cong.) is hereby amended to read as follows:

"It shall be the duty of the corporation in the handling and disposition of agricultural commodities which it has acquired (except disposition to other Government agencies) to utilize the usual and customary channels of trade and commerce, including the employment of dealers and commission merchants for such services as are ordinarily performed for hire in the course of private commercial handling and disposition of like commodities; *Provided, however,* That nothing contained in this paragraph shall change or impair any of the powers of the corporation as provided elsewhere in this act."

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Iowa.

Mr. TALLE. In connection with the able statement that is now being made by the gentleman from Kansas, I think it would be appropriate to refer to the hearings on page 163, where an explanation is made by a witness who showed, step by step, the services that are performed by the regular trade. In his statement he noted 16 steps, and these are services that have grown out of experience over more than a century.

Now, one of the complaints against the administration of the Commodity Credit Corporation is that long delays occur. For instance, a leaky car might mean that wheat would run out of the car before there would be any opportunity for the person who shipped the grain to recover from the railroad. It is clear from the testimony that as much as 10 months may elapse before any settlement whatever is made by the Commodity Credit Corporation. These 16 steps that I refer to are performed in 3 or 4 days by the regular trade after the car is on the tracks. Therefore, we should take into account that it is not a matter of mere selfishness on the part of the trade that they ask a chance to carry on their business. It is a matter of efficient handling, and a price is paid to people who know how to do these things efficiently and promptly. I want the Commodity Credit Corporation to succeed. I have always supported it, and I support it now, and I support this bill, but I want it to administer its affairs in such a manner as to earn the respect and the support of every Member of this Chamber, and I am sure the gentleman from Kansas agrees with me.

Mr. COLE of Kansas. I thank the gentleman; I agree with him heartily.

The purpose of my amendment, as I have said, is agreed to by everyone, and that purpose is that the Commodity Credit Corporation shall not supplant private business. It affects the small-business men all over the country. Those men are not just grain merchants. They are the small-business men and farmers in the South, the far West, who deal with wool, cotton, and prunes, with peanuts. They are the backbone of agriculture, because they have, for 100 years, been serving the farmer.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Tennessee.

Mr. JENNINGS. If the Commodity Credit Corporation supplants these men who are already in the business of storing these agricultural products, is there anybody who will work for the Com-

modity Credit Corporation without receiving compensation?

Mr. COLE of Kansas. I think the gentleman has a very interesting point.

In Kansas City, Mo., today, I understand there are 300 employees of the Commodity Credit Corporation. What are they doing? Those 300 employees largely are doing the very same job that these private, small-business men would be able to do it if we permitted them to do it.

Mr. JENNINGS. Do they do it for any less pay than do the employees of the private enterprises?

Mr. COLE of Kansas. They do not do it for less pay, may I say to the gentleman. It costs about the same amount of money. As a matter of fact, I think private industry can do it more cheaply, and the Department of Agriculture and the Commodity Credit Corporation do not have any answer to that. They cannot say that it could not be done any cheaper.

One other thing, however, is that they do it in an inefficient manner. To do it efficiently would double their staff. All the Members of Congress who have had anything to do with grain or the storage of grain or the disposition and handling of grain know that the shippers of grain who have been attempting to deal with the Commodity Credit Corporation have found that it now takes from 6 months to 9 months before they can finally get their check to be paid off by the Commodity Credit Corporation. It requires 6 to 9 months for settlement of case after case of grain shipped by the Commodity Credit Corporation.

The industry, may I say, will pay the shipper 80 percent of the value of the grain as soon as it receives notice of the fact that the grain has been shipped, and within a week after that the shipper will have his entire amount. All of us who have had anything to do with the situation know that the CCC has been painfully slow in settlement of these accounts.

Mr. JENNINGS. So that the gentleman's amendment if adopted will afford facilities for the handling of these grains or other commodities at a lower price than if the Commodity Credit Corporation did it?

Mr. COLE of Kansas. Right.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Minnesota.

Mr. JUDD. Of course the operations in 1948 were heavier than they had been for many years because we did not have such surpluses previously. I have here a letter written by the Deputy Administrator, who states:

> In the Minneapolis area it was necessary to obtain additional equipment and to hire a substantial number of clerks. This involved training of new employees and a considerable amount of shifting of experienced employees into new duties and responsibilities. It was also necessary to move the entire office to a new location because of crowded quarters.

Here was the grain trade that knew every step from the time the grain was hauled into the elevator up in North Dakota until it landed in a car at the terminal in Minneapolis, but would they use those people? No. They admit they took weeks and months training new people and moving to a new office, building up a bureaucracy, while the country elevators waited 6 months or a year to find out whether their grain had ever been delivered or whether the quantity was right or, if they changed the grade when it was received from what it had been taken in at in North Dakota, what kind of allowance or adjustment was going to be made. They simply cannot do business under those circumstances, not only the trade people at the terminals but the country elevator man who ships the grain in and has his money invested in it. It is just disgraceful that they would not use the trade.

I commend the gentleman on his amendment. I wish it were even stronger, not because I want to take care of particular interests but because we want this program handled in the most efficient and economical manner possible.

Mr. COLE of Kansas. To analyze what I am talking about when I say we want the Commodity Credit Corporation to use the usual and customary channels of trade and commerce, I want to give one illustration.

The Commodity Credit Corporation, as you know, has great stores of all kinds of commodities. There is a difference between the wholesaling and retailing of those commodities.

The Commodity Credit Corporation having these commodities in storage could wholesale them at a price which would be less than if they retailed them. In the usual channels of trade these small-business men and farmers who want to deal with the Commodity Credit Corporation could go to the corporation and bid on round numbers of millions of bushels of grain, for instance, and thus channel that grain out to the trade, doing the same job that the Commodity Credit Corporation would do at a less price. They would maintain the traditional, correct, and normal channels of trade.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. WHITE of California. With reference to these complaints which the gentleman has apparently heard about the delay in the handling of the commodities with the Commodity Credit Corporation, are they with reference to the loan program or the purchase program?

Mr. COLE of Kansas. I am sorry, I cannot tell you which. I would say it is in connection with the purchase program, but I do not know. All I know, sir, is that it may be in connection with the purchase program, but it could be in the other. The thing about it is when the shipper moves his commodity, to the Commodity Credit Corporation, whether it is a loan or a purchase program, they now channel it through a shipper. The Commodity Credit Corporation delays in its grading and in its clearing of the weights, and so on, and takes such a length of time in its paper work. I think perhaps it is in both programs. I am not sure, however.

Mr. WHITE of California. I want to say to the gentleman, if he thinks it is in the loan program, if it is anything at all like cotton, that can be done by the local bank. A loan can be made at any local bank and cleared right away.

Mr. COLE of Kansas. No; the gentleman and I are talking about two different things. I am not talking about the farmer. I am discussing the grain trade.

Mr. WHITE of California. But the loan program is the bulk of the handling.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. LOVRE. In support of the amendment of the gentleman from Kansas, I want to say that practically all of our operators have put up a terrific howl about the treatment they have received at the hands of the Commodity Credit Corporation and I am very happy to join with the gentleman from Kansas in support of the amendment he is going to offer.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. YATES. What about the cost of the program, if the gentleman's amendment is adopted? As I understand it, the Commodity Credit Corporation will then have to pay fees to brokerage firms which it does not have to pay at the present time. Is that correct?

Mr. COLE of Kansas. Yes; that is true.

Mr. YATES. Will not the additional cost of those fees, multiplied by the number of commodity transactions throughout the country mount up to an additional staggering sum, additional to the amounts now paid by our Government under the present farm program?

Mr. COLE of Kansas. I think the gentleman has asked a very good question, and the question should be answered. It is my judgment it would not, for this reason: First, I understand that these fees are very low. Secondly, I think, as was pointed out here a moment ago, that the Commodity Credit Corporation must do exactly the same things within the Corporation. They must employ people to do it. They must have the same paper work. It is my judgment, at least, that it would not cost any more, and frankly I do not think it would cost quite as much.

Mr. YATES. If the gentleman will yield further, may I ask has the gentleman, whether he has made or whether the committee, in furtherance of the gentleman's amendment, has made any determination of the number of transactions upon which such brokerage fees would have to be paid? Would the gentleman know anything about the probable cost of his amendment?

Mr. COLE of Kansas. No. However, the CCC has no figures to the contrary.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. JUDD. Sometimes they have a thousand cars on the track in 1 day in my own grain-terminal markets, so that

gives you an idea of the amount of paper work involved.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. PATMAN. The gentleman mentioned Mr. Sanders' testimony. He will recall that Mr. Sanders testified he had observed the operations of the Commodity Credit Corporation for 17 years, and he could not specify one criticism that was justified against the Corporation during all that time, and I interrogated him closely.

Mr. COLE of Kansas. But he did say there were criticisms.

Mr. PATMAN. But he could not specify where they were justified.

Mr. COLE of Kansas. He wanted to be nice about it, may I say to the gentleman from Texas. I, however, do not want to be quite that nice. I will say there was a definite political criticism of the operation of the Commodity Credit Corporation and of the Department of Agriculture by reason of the misrepresentations which occurred in the election of 1948 when the Secretary of Agriculture attempted to use, and did use, the Commodity Credit Corporation and the Department of Agriculture for political purposes in order to win an election for President Truman.

Mr. PATMAN. I think the gentleman is using very strong language which cannot be borne out by the facts.

Mr. COLE of Kansas. I still say it is true.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

MIDDLEMAN'S MIDDLEMAN

Mr. PATMAN. Mr. Chairman, if you will take the printed hearings on this bill and refer to the testimony of Mr. Sanders, mentioned by the gentleman from Kansas [Mr. COLE] you will notice on page 94—and I say that Mr. Sanders wanted to leave the impression that there was something wrong about the Commodity Credit Corporation. I pressed him and urged him to name just one thing specifically, one thing that was a deserving criticism against the Corporation over a period of 17 years and he could not name one. Read the testimony for yourselves.

This amendment is a middleman amendment. We are supposed to be legislating here for the farmers and in the interest of the farmers, but some Members seem to be overlooking the farmers' interest and thinking about the middleman's middleman.

This bill would put the administration of this act in a strait-jacket; it will funnel everything through the middleman's middleman. They will be the only ones who will handle it. We are forgetting the farmer in talking about him; we are adding additional charges on his commodities.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITE of California. The gentleman says that this bill would do it; he means this particular amendment would do it.

Mr. PATMAN. I mean this amendment. I thank the gentleman for his contribution. This is a law for the farmers, not for the middlemen or for the middleman's middleman.

The gentleman mentioned Kansas City. If this amendment had been the law last year, the Commodity Credit Corporation in Kansas City, the city mentioned by the gentleman from Kansas [Mr. COLE] handled 30,000,000 bushels of grain last year. If this amendment had been the law, the Commodity Credit Corporation would have had to pay $450,000 on the Corporation's own grain that they had handled for themselves, paying the cost. That increases their budget, increases our deficit; and, remember, that the Kansas City office handles lots of things; the transactions of that office involve a number of commodities and multiplied tens of millions of dollars each year. The entire cost of the Kansas City office last year was only $425,000, but with the movement of this one single grain transaction it would have cost the Government $450,000 without counting any of the other transactions.

Mr. COLE of Kansas. On what does the gentleman base his $450,000 figure?

Mr. PATMAN. On 1½ cents a bushel, the ordinary and customary rates, I understand, for the handling of this grain. That is what the Government would have to pay these commission men for handling the Corporation's own grain.

Mr. COLE of Kansas. Oh, no.

Mr. PATMAN. Why, the gentleman's amendment would do that.

Mr. COLE of Kansas. I say in the handling and disposition of this that the illustration I gave, if the gentleman will bear with me, was, for instance, the permission of the grain trade to go into the Commodity Credit Corporation and buy, in round numbers, a million bushels of grain, shall we say, and then channel it out. I am not asking that they handle the grain owned by the Corporation.

Mr. PATMAN. I cannot yield further; I have but limited time. I believe the gentleman's amendment would include the Corporation's own grain. The Secretary of Agriculture says that an amendment like this would provide the enemies of farm price support with means of completely wrecking the program. In other words, we are forgetting the farmer, the fellow we are trying to help, and going out to help the middleman and guarantee him a profit. It would place not only the farmer but also the Corporation completely at the mercy of the grain trade with respect to all price-support operations in grain, but it would also have a grave effect on all other purchasing and selling operations of the Corporation. Here are some of the effects as stated by Secretary Brannan:

1. The Commodity Credit Corporation could not purchase commodities direct from producers in carrying out its price-support program or for any other purpose channeling out through the middleman or the middleman's middleman.

2. The Commodity Credit Corporation could not accept deliveries of commodities direct from producers.

3. It could not operate its own grain bins or storage facilities even on an emergency basis; and the farmers, again, would not be able to obtain storage for their crops. Surely you do not want to repeat that again in 1951, but that is what the suggested amendment would do.

4. The Corporation could not sell commodities direct to users or to foreign governments.

5. The Commodity Credit Corporation could not avail itself of purchases that it made from farmer-elected county committees in the acquisition, care, and disposition of the commodities acquired by the Corporation.

6. There would be doubt as to whether the Corporation could utilize newly formed farmer cooperatives where private trade facilities already existed.

In other words, it would stop farmer cooperatives in their tracks; that is what it would do.

REPUBLICANS AGAINST FARMER COOPERATIVES

The gentleman from Kansas expresses concern for farmer cooperatives. I hope he can get the attention of the leadership on the Republican side, because the leadership, if I understand their activities in the recent past, is trying to do something to farmer cooperatives. They are trying to hurt them, they are trying to give them the death sentence, they are trying to put them out of business. That is what they are trying to do.

7. Trade interests could ask excessive and perhaps prohibitive fees for their services and the Corporation would be forced to pay them or cease price-support operations.

In other words, you are creating local monopolies in the hands of the middlemen far removed from help to the farmer.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. JOHNSON. Out in my country we have a great many cooperatives that handle the fruit crops. What I am thinking about are the apricot and prune growers. Is it the gentleman's interpretation of this amendment that they themselves who are organized for the specific purpose of marketing their crops would have to go through a broker?

Mr. PATMAN. They would have to go through commission men or dealers.

Mr. JOHNSON. Or commission men?

Mr. PATMAN. That is right.

Mr. JOHNSON. If these goods were sent abroad, would they again have to go through a broker?

Mr. PATMAN. They would have to go through a commission man. In other words, they get their cut. We are forgetting who we are legislating for here. We seem to be trying to guarantee a profit and a price to the middleman.

Mr. JOHNSON. Where in the bill is that found?

Mr. PATMAN. It is in the amendment. That is what I am talking about.

Let me expand on this one point, the reason I said the leadership on the Republican side seem to have their knives out for the farmer cooperatives.

Mr. John H. Davis, secretary of the National Council of Farmer Cooperatives, was invited to attend the Sioux City, Iowa, farm meeting called by the leaders of the Republican Party. Mr. Davis

went before the group and made this statement:

The farmers have become concerned over the antifarmer cooperative bills and activities of certain Republican Congressmen and Senators whose activities and bills apparently have been condoned by the leadership of the Republican Party.

I read this on the floor of the House on October 6 last. The gentleman from Massachusetts, the Honorable JOE MARTIN, minority leader, a man I have a very high respect and high regard for, was present. I asked him if the leadership on that side denied it, but the leadership has not done so. So we have a right to believe that the Republican Party is out to destroy farmer cooperatives. This is a step in the direction of stopping them in their tracks.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman has pointed out that if the amendment to be offered by the gentleman from Kansas is adopted the cost to the Government will increase tremendously.

Mr. PATMAN. Tremendously, yes.

Mr. YATES. I assume it would increase the cost to the taxpayer as well?

Mr. PATMAN. Yes.

Mr. YATES. Would it also be true that the cost to the consumer would as well go up?

Mr. PATMAN. It certainly will. In other words, it would change this from a bill intended primarily for the benefit of the farmers and the farm program to one of primary benefit to grain commission men, grain brokers, and other members of the grain trade. We are just going off on a tangent.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kentucky.

Mr. SPENCE. The present law says that private enterprise must be used to every extent possible; is that right?

Mr. PATMAN. Yes.

Mr. SPENCE. This would repeal that and make it mandatory, whether the facilities were available or not, to call on industry in order to carry out the functions of this Corporation?

Mr. PATMAN. The gentleman is correct.

Mr. Chairman, I have before me a copy of the charter and I am quoting the charter provisions:

In the Corporation's purchasing and selling operations with respect to agricultural commodities and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

They cannot point to any cases by unbiased and unprejudiced witnesess where that has been violated or not carried out.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. DEANE. Is it not likewise true that the traders represented in this amendment to be proposed by the gentleman from Kansas over a long period of time have refused to deal with the Corporation on a reasonable basis?

Mr. PATMAN. Many of them have and they would hold the Government up. They would have local monopolies under this, they would have to deal with them and pay them any price that they charged. I do not think we want that.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. HOEVEN. First of all, may I say that I regret the gentleman has injected politics into this discussion.

Mr. PATMAN. Does the gentleman mean to say that the gentleman from Kansas [Mr. COLE], did not mention politics? He preceded me.

Mr. HOEVEN. I am not so sure about that. I only regret that politics has been injected into this discussion. The question I want to ask the gentlemen is this: Does the small country elevator have any place in the program under the provisions of the bill now before us?

Mr. PATMAN. Why certainly it has, and the Commodity Credit Corporation has been cooperating with them. They have all been making money. You do not see any of them for sale.

Mr. HOEVEN. I am not saying that. Certainly the gentleman is not objecting to the Commodity Credit Corporation using the facilities of the ordinary small country elevator?

Mr. PATMAN. No, we want them to do that. I am for it. But I do not want to tie them down and say they have got to do it in every local community, because they may lose their bargaining power.

Mr. HOEVEN. I would assume that the gentleman would take a position in support of the small country elevators by virtue of the fact that he is chairman of the Small Business Committee.

Mr. PATMAN. Certainly, I am for them, and I want to protect them, but I do not want them to have a monopoly.

Mr. HOEVEN. Does the gentleman mean that a small isolated country elevator is a monopoly?

Mr. PATMAN. Well, he could be under this bill; I mean, the people involved in this amendment could be.

Mr. HOEVEN. I assume that the gentleman is interested in protecting private enterprise?

Mr. PATMAN. Sure, I am; but I am not in favor of protecting the middleman's middleman to the extent that we guarantee him a profit at the expense of the taxpayer.

Mr. HOEVEN. I am not talking about the big operators. I want to protect the small operators.

Mr. PATMAN. I am talking about any of them abusing the taxpayer.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The present law, as passed in 1948, as amended, says:

The Corporation shall, to the maximum extent practicable, consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

The amendment that the gentleman introduces seems to change that and says that the Corporation shall employ the services of dealers, commission men, merchants, and others in the usual and customary channels, regardless of whether or not they are qualified, and regardless of whether or not they are efficient, and regardless of whether or not they are wasteful.

Mr. PATMAN. This is a terrible amendment.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. In view of the statement which the gentleman made with respect to some charge concerning a Republican Member on this side at sometime in the past, it is encumbent upon me, sitting here and hearing the charge made that the Republican Party is out to destroy cooperatives, in order that it may be clear, to say that, so far as Wisconsin is concerned, our State has been the cradle of the true farmer cooperatives in the United States, and that has been done under a Republican administration in our State.

Mr. PATMAN. I repeat that John H. Davis is quite a big man in the farm cooperative movement, and he went before the Republican farm meeting at Sioux City, Iowa, and he told these farm leaders, including the leaders of the Republican Party—there were no Democrats there, just Republicans—this:

The farmers have become concerned over the anti-farm cooperative bills and activities of certain Republican Congressmen and Senators whose activities and bills apparently have been condoned by the leadership of the Republican Party.

That has not been denied. It was not denied at the Republican farm meeting, nor when I brought it up on the floor of the House October 6, when the Republican leaders were present. They did not deny it, and to this good day they have not denied it, to my knowledge.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Is it not a fact that if the amendment of the gentleman from Kansas [Mr. COLE] becomes law, it will deny to the Commodity Credit Corporation the right to buy, build, and lease grain storage?

Mr. PATMAN. I do not know how far it goes, but I know it is a middleman's middleman bill, to protect the profits of the middleman's middleman.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. JENSEN. Is it not a fact that many of these cooperative elevators are opposed to the language in this bill, and the gentleman is fighting for the cooperatives? How do you square that?

Mr. PATMAN. Well, the gentleman is putting words in my mouth. I did

not know that. I did not know anything about that.

Mr. JENSEN. Oh, the gentleman did not?

Mr. PATMAN. No; I did not.

Mr. JENSEN. Well, then, let me ask another question. Is the language in this bill the same language as we have in the present law?

Mr. PATMAN. No. The gentleman is talking about the amendment, I presume?

Mr. JENSEN. No.

Mr. PATMAN. The amendment I discussed.

Mr. JENSEN. No. I am talking about the language in the bill.

Mr. PATMAN. Of course, we are not changing that part of the Commodity Credit Corporation charter, section 5, which places an obligation and a duty on them to use the existing and customary channels of trade. That is all right. I am for that. But I am not for requiring them to use certain people which would put the Corporation in a straitjacket, funnel all business through these people, and guarantee a profit to the middleman's middleman at the expense of the taxpayer.

Mr. JENSEN. I do not think the Cole amendment would do that at all.

Mr. PATMAN. I do. I think it would. I hope the gentleman will read it and vote against the amendment.

Mr. JENSEN. I think I shall vote for the amendment, I might tell the gentleman, and be glad to do so.

Mr. PATMAN. That is the gentleman's privilege.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, after consultation with members of the committee on both sides I now have the amendment I want to offer in a refined form, and I believe a better form. It would do this:

In order to prevent the waste of food commodities acquired through price support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price-support program, the Commodity Credit Corporation is authorized and directed to make available such commodities as follows in the order of priority set forth: First, to school-lunch programs, and the Bureau of Indian Affairs, and Federal, State, and local tax-supported institutions, such as hospitals, orphanages, schools, penal and mental institutions, and public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States; fourth, to intergovernmental or international nonprofit welfare agencies for assistance to needy persons outside the United States. The Secretary of Agriculture shall first determine that such commodities are in ample supply over and above such reserves as may be required and deemed in the public interest. The Commodity Credit Corporation shall make any such commodities available at no cost at point of use within the United States or at shipside at port of embarkation, or shall be empowered to deliver them abroad when necessary. The Corporation may advance as against handling and transportation costs in making delivery up to the equivalent of 6 months' storage costs on any such commodities turned over.

Let me read from section 416 of the Agricultural Act of 1949. I have practically taken over the language in the first part of that amendment. It is identical. Then it states, as to the order of priority, "First, to school-lunch programs." That is the exact language I used. Then "to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations." So I am not changing existing law, I am just adapting it to the provisions of section 416 of Public Law 439 of the Eighty-first Congress.

Let me call your attention to another provision in the law which convinces me that this is a germane amendment.

Under section 5 of the Federal charter for the Commodity Credit Corporation there are certain specific powers enumerated. The fourth of these is this:

Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

Then this goes further. It adds certain other kinds of organizations which would qualify. It provides for a safeguard in that the Secretary must first determine that these commodities are in ample supply over and above such reserves that may be required and deemed to be in the public interest.

Then, of course, it does a thing which is unique, it provides for the payment by the Corporation of the cost of transportation, and advances those funds out of the equivalent of 6 months' storage costs.

I have spoken of them previously and I do not want to be repetitious, but I would like to give you some new information. One or two of my colleagues have said, "Do you think you have provided adequate funds to do this?" I said I thought we had.

I asked the proper official of the State Department, who has been handling this, to give me some figures. We have one-hundred-and-thirty - one - odd - million pounds of butter in Chicago. It would cost us 0.0132 cents per pound to send that on to New York. That is $1,731,-461.91. That takes care of butter.

We have 4,499,411 pounds of cheese at Eau Claire, Wis. It would cost us $72,-440.52 to get that to New York.

We have 19,683,791 pounds of eggs at Atchison. It would cost us $360,000 to get that to New York.

We have 19,683,791 pounds at Atchison, and here again it would cost a little less to get it to Norfolk. We have 69,-330,624 pounds of dried milk. If we were to ship that from Wisconsin to Norfolk it would cost us a half a million dollars. If we shipped it to a Gulf port, it would cost us less than that. We have 110,100,-000 pounds of beans at Scottsbluff, Nebr. It would cost us $1,500,000 to get that to New York, and it would cost us slightly under that to get it to Norfolk. Those beans could be shipped to New Orleans for $726,000.

As an illustration, let me give you these figures to show you that it would be an ample amount in accordance with the rate that we are now paying for storage charges. I was not able to break down the difference between the carrying charges and storage charges, but I did place in the RECORD yesterday the cost for carrying charges for the first half of the fiscal year 1950. That is $10,785,128, on just these 14 or 15 directly consumable food commodities. I have given a list of the others, too, but I think that probably anyone with any common sense realizes that the first of the articles which would be used would be these articles which are in danger of spoiling.

I said earlier in the afternoon that the gentleman who is in charge of this program for children overseas called me this afternoon and gave me certain estimates of what they could use if they could get it. I think it would be interesting for the Members to know this.

He said based upon the experience of 2½ years they could undoubtedly dispose of 100,000 pounds of dried milk for these children who need it. He said they never used dried eggs, but he thought they probably could do so. They could undoubtedly dispose of over a million pounds of dried eggs. They would be under some difficulty in handling butter, but he thought they could use butter. They might have to put the butter in tins, but they could use it in substantial amounts.

I think this would interest those who have a very proper concern over the disposition of the cotton surplus. He said they are shipping cotton for layettes and infant clothes to Greece and Turkey and many other of the European and Mediterranean countries. He estimated they could use some eight to ten million pounds of cotton.

I understand there have been some objections to the use of this Mexican meat, or canned meat. But he told me that the consumption in Italy is very high, and in Greece and Turkey, and in all European countries. I am advised this meat is not dangerous. As a matter of fact, it has been used without causing any harmful effects to anyone. It is probably better meat than we can in this country, because according to the information I received, they simply can what we would use as steaks and good cuts of beef.

I hope very much in terms of the disastrous waste of money which none of us can tolerate and in terms of keeping this operation going on a sound basis, so far as surpluses are concerned, in terms of the human use of wholesome food and in terms of the possibility that we might, through this program, put some of this food even behind the iron curtain in China, where everybody knows starvation is threatening, we might create a very definite asset on our side in Asia.

The same thing is true in India and in many of the other countries which are facing starvation. We have the means to help them and it would certainly redound to our credit if we made it possible to do that.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, this is a rather strange situation. The gentleman who just addressed the committee made almost the identical speech before

the House Committee on Agriculture yesterday. At that time he was assured that our committee would give very careful consideration to his statements and to a bill which he had introduced and which was referred to our committee. Actually, we have 23 bills before our committee dealing with this particular subject on which we are now engaged in conducting hearings. As chairman of the committee, I extended an invitation to every Member of the House who has introduced a bill which has been referred to our committee dealing with the surplus food problem. Others have been invited to appear, and officials of the Department of Agriculture have likewise been requested to appear for the purpose of discussing the many proposals contained in the several bills which have been referred to our committee. While the appropriate legislative committee is in the very midst of conducting hearings, we are here presented a proposal which will, of course, obviate the necessity of further hearings and of further consideration, but it will result in denying to other Members of the House, to officials of the Department of Agriculture, and to others the right to express their views and to urge their solutions before the committee, which is charged with the responsibility of considering such proposals.

Every member of the House Committee on Agriculture is aware of the great responsibility which rests upon him. I know that my committee is composed of honorable, upright, and patriotic citizens who appreciate fully the gravity of their responsibilities. Every member of that committee is mindful of the fact that surplus agricultural commodities present a problem of great magnitude and of tremendous importance. The author of the amendment which will be introduced has frankly admitted that his amendment needs to be studied further. He apparently does not realize the far-reaching effect of the language which he here proposes in the form of an amendment to the pending bill.

The amendment is not well drafted. It should be defeated for many reasons, too numerous for me to even mention, much less discuss. One argument should be sufficient to defeat the amendment which my friend, the gentleman from Massachusetts [Mr. HESELTON], will propose and that is that our committee is now considering the identical proposition and our committee is the legislative committee charged with the responsibility and we should be permitted to continue with our consideration of the gentleman's proposition, along with suggestions which have been submitted by other Members of the House in the form of other bills.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HESELTON. I am sure the gentleman from North Carolina would not want to leave in the record the incorrect impression that I had stated that I did not understand this amendment.

Mr. COOLEY. I thought the gentleman told the majority leader that he was doubtful as to whether or not it embraced the entire school-lunch program, including private schools.

Mr. HESELTON. When the majority leader pointed out that he thought there was language in there that I did not intend, I said I would study it. I did study it, and I immediately found the answer, and that was that the act that the gentleman sponsored through the Congress had the identical language. I therefore completed my study quickly and agreed with the gentleman from Massachusetts [Mr. MCCORMACK] that that was in the law today; so I did not need to study it further.

Mr. COOLEY. Most of the provisions that the gentleman has in his amendment are in the law of 1949. The only advantage, as I understand this amendment, is the payment of freight. Now, does the gentleman believe that we should take these surplus commodities merely because they are in surplus all over this country that are not in danger of immediate deterioration and send them around the world to give them away to people? Should we send them into other parts of the world at the expense of the American taxpayer, and add that burden to our other great gratuities in the interest of the welfare of the human race in other parts of the world?

Mr. HESELTON. I must still state that if we are spending money needlessly and in a wanton and wasteful manner at the rate of fifty or sixty thousand dollars a day to keep those things in storage, that we we should stop it.

Mr. COOLEY. Yes.

Mr. HESELTON. That we have a challenge this afternoon to stop that thing. That is my point.

Mr. COOLEY. Yes; but the gentleman provides in this amendment that it shall be at the expense of the American taxpayer.

Mr. HESELTON. No; I do not.

Mr. COOLEY. You can load up a shipload of potatoes and send them around the world.

Mr. HESELTON. I make no such provision.

Mr. COOLEY. Let me read it to the gentleman:

> Shall be empowered to deliver them abroad when necessary.

You deliver them at shipside and pay the freight there, and you can deliver them to these foreign agencies to take them abroad at their expense, but if it is found to be necessary you can load them on an American ship and pay the freight from Bagdad to Shanghai or to any other port in the world.

Mr. HESELTON. If I take those words out will the gentleman agree to my amendment?

Mr. COOLEY. No; I am not going to agree to the gentleman's amendment because I say to the gentleman that he knows that he testified before my committee for an hour and a half and we thought we heard him fully. We assured him that we would give careful consideration to his proposition.

I think that the other Members of this House should not vote for this amendment and thereby repudiate the House Committee on Agriculture.

Mr. HESELTON. Mr. Chairman, will the gentleman yield for a further question?

Mr. COOLEY. I yield.

Mr. HESELTON. Did not the gentleman this afternoon in support of a conference report state that the very principle of this amendment had been accepted by the conferees?

Mr. COOLEY. I certainly did that with regard to potatoes, but we are now considering its application to other commodities.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. PHILLIPS of California. I wish to refresh my own memory. I was under the impression that the law regarding the use of food abroad permitted the paying of freight abroad, and that what the gentleman was trying to do was to permit it to be paid in this particular.

Mr. COOLEY. No; the gentleman is wrong; we cannot pay transportation of food all around the world.

Mr. PHILLIPS of California. The gentleman means we could pay it from here to some particular country?

Mr. COOLEY. No, we cannot do that. The potato problem is an emergency problem.

No one is suggesting that this cheese, milk, and butter, and other commodities are deteriorating. We have a surplus. I think it is a temporary surplus. In reference to the basic storable commodities which are not perishable may I say that if you will give the American farmer an opportunity to adjust his production we will come out of this without sustaining any substantial loss.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I rose primarily to discuss the amendment offered by the gentleman from Kansas [Mr. COLE], but before going into that matter may I say that I am in favor of this bill and expect to support it. I also wish to refer to the statements made by the gentleman from Texas [Mr. PATMAN], concerning the Republican Party's position on cooperatives in which he referred to a statement made at the Sioux City, Iowa, Republican farm conference last September. I was present at that conference, I heard Mr. Davis make the statement quoted by the gentleman from Texas, but he preceded that statement by paying a tribute to the Republican Party for the fine pioneer work that that party had done in laying the foundation for our farm cooperatives in this country today. I am sure that anyone who is familiar with the legislative history of farm cooperatives knows that all of the fundamental legislation was passed under Republican administrations and sponsored by Republicans and the 2 principal laws responsible for the great success of farmer cooperatives are the Capper-Volstead Act passed in 1924 and the Federal Farm Board Act passed in 1929.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. JOHNSON. In 1911 California passed a cooperative marketing act for agricultural products under the leadership of Governor Hiram W. Johnson,

who was a Republican, which act has been copied all over the United States.

Mr. HOPE. I am very glad to have the gentleman mention that, which leads me to make one further statement in this connection and that is that a vast majority of the farm cooperatives in this country today, I would say at least three-quarters or possibly more, are in congressional districts represented by Republicans. These Republican Congressmen and the Republican Party are not going to go back on the farm cooperatives of this country.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Very briefly for a question.

Mr. PATMAN. The gentleman is making a very interesting statement. I am sure he is sincere. But why do not the Republican leaders come out and repudiate this statement? John Davis told them right to their face that they are condoning these activities against farmer cooperatives and challenged them to speak up. They have not spoken up yet.

Mr. HOPE. I do not understand that Mr. Davis challenged anyone to speak up. I think he was giving a warning to the Republican Party by calling attention to the fact there were some Republicans who had introduced some bills to which the cooperatives were opposed. Of course, any Member of Congress may introduce any bill he wishes. All he has to do is to drop it in that little basket over there. We have differences of opinion in the Republican Party as you do in the Democratic Party on many questions.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. WHITE of California. May I say for the gentleman's benefit that during the time I have been a member of the Committee on Agriculture of the House there is no one on that committee who has played politics less with agriculture than the gentleman from Kansas. He is a very fair man.

Mr. HOPE. I am very grateful for the expression from my esteemed colleague from California.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I do not know of any Member of Congress who is held in higher esteem by Members on both sides of the House than the gentleman who is now addressing the committee.

Mr. HOPE. I appreciate the distinguished gentleman's statement very much. He is, indeed, generous.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Iowa.

Mr. HOEVEN. May I say that the gentleman from Kansas who is now addressing the Committee is one of the Republican leaders in the agricultural field by virtue of the fact he served as chairman of the Committee on Agriculture in the House of Representatives, and has always been intensely interested in agricultural matters. Therefore when he tells this Committee and the country that the Republican Party is not out to scuttle cooperatives we certainly will take his word for it. I am heartily in accord with his sentiments in that regard.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. POAGE. After serving on the committee with the gentleman from Kansas for a great many years, without regard to what party he belongs to, we recognize the gentleman from Kansas as one of the agricultural leaders of America.

Mr. HOPE. I thank my good friend and distinguished colleague on the Committee on Agriculture.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I just want to make this observation. It appears this afternoon that Democrats and Republicans alike believe that hope springs eternal.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I agree with all of these fine encomiums. My friend is a great statesman and a great farm leader, but has my friend ever experienced the uncomfortable situation of finding himself advocating one way and most of his other Republican friends the other way on farm legislation?

Mr. HOPE. I suppose every Member of Congress has found himself in the minority at one time or another.

What I got up here to discuss, as I mentioned a moment ago, was the amendment which the gentleman from Kansas, my friend and colleague, Mr. COLE, proposes to offer to this bill, and which relates to the use of the customary channels of trade and commerce by the Commodity Credit Corporation in carrying on its operations. I understand fully what my able colleague from Kansas desires to do. I have discussed this matter with him, and he has discussed it with me. I am sympathetic with his viewpoint and I know his intention is to facilitate the work of the Corporation. Yet I am afraid that the amendment which he proposes would go much farther than any of us would want to go as far as the activities of the Commodity Credit Corporation are concerned.

The thing that I am most concerned about is the effect that this amendment would have upon the activities of the Corporation in taking over grain upon which it has made price-support loans or upon which it has purchase agreements. I think I can illustrate what I mean and point out just how costly this amendment would be, if adopted, by simply reciting what actually happens in carrying out those transactions.

When a commodity loan is made upon grain or any other commodity, it runs for a definite period of time, and at the end of that time, if the loan has not been paid, the commodity is delivered to the Commodity Credit Corporation. The same thing happens under a purchase agreement. In the course of time the commodity is taken over by the Commodity Credit Corporation. Now, how does it take it over? It takes it over through the action of the local county committee. The farmer who has received the loan reports to the committee, or the committee sends word that it is ready to take delivery of the commodity, and arrangements are made whereby it may be delivered to the Corporation, usually through the facilities of a local elevator. If there is a local elevator which will handle the commodity, it is handled that way. Under the existing arrangements with the local grain elevators—and I am going to confine my remarks now to the handling of grain—there is paid to these local elevators 6½ cents per bushel for handling the grain. That covers not only the physical handling but a guaranty by the local elevator as to the quality and quantity and grade of the commodity. After the grain is loaded at the local market, it is sent to the terminal market—Kansas City or Minneapolis or Omaha—and there it is taken over by the Commodity Credit Corporation. But the Commodity Credit Corporation actually acquires the grain, of course, when it is turned over to the county committee, and from there on it is Commodity Credit Corporation grain.

Under the Cole amendment, as it is interpreted by the Commodity Credit Corporation, and I agree with that interpretation, the Commodity Credit Corporation could not use the local county committee, it could not make the arrangements that it makes with the local dealer, and it could not handle the transaction in the way that it does except by using the cash commission merchants in the terminal markets and paying those cash commission merchants their regular charge for handling the grain in those markets.

Now, I submit that if you and I were in the grain business, and we took over any lot of grain, we certainly would not expect after that to pay a commission company for nonexisting services. There is no occasion, after the Commodity Credit Corporation takes over grain in the county, to use any cash commission merchants in the terminal centers. There is nothing for them to do as far as Commodity Credit is concerned.

It is true that if the local elevator wants to have someone down at Kansas City or some other terminal represent it in collecting its 6½ percent commission or in seeing that it gets a proper checkup on the grades and weights and that sort of thing, it is at perfect liberty to do so, but that is not what is desired by those who are pushing this amendment. They want the Commodity Credit Corporation to make a payment to the cash commission merchants in the terminals for a service which it is not necessary to render and which they cannot render. Yet if we adopt this amendment those services will have to be paid for at the regular rate, which averages something like 2 cents a bushel in the various terminals throughout the country.

The statement has been made earlier this afternoon, and I repeat it, that at Kansas City in the month of May there

were 30,000,000 bushels of grain ordered shipped. If the minimum commission rate had been paid upon that grain at that time it would have cost more than all the operations of the Commodity Credit Corporation in Kansas City for the entire year, not only in the handling of wheat but all the operations the Commodity Credit Corporation carried on. So this talk that we can save money by having the cash commission merchants handle this business simply does not make sense.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the gentleman is pretty well acquainted with former Secretary of Agriculture Mark Thornburg, of Iowa.

Mr. HOPE. Yes. I think very highly of the gentleman.

Mr. JENSEN. He is very highly regarded in the State of Iowa among farmers and everyone who knows him, and I think generally speaking all over the United States where people know him.

Mark Thornburg is now Secretary for the Grain Dealers Association of Iowa. I had a long letter from him. He is very much disturbed about this committee bill and is very much in favor of an amendment in line with the Cole amendment.

Knowing that the gentleman is for private enterprise, may I ask him this question. Does not the gentleman feel that the regular channels of trade are being severely injured under this present way of handling these grains, and that they will continue to suffer; that while the Government save some money in the storage bill, while we are doing that is it not fair to believe that private industry will suffer, and that the Treasury of the United States will suffer because of revenue that will be kept from the Federal Government, because private industry is being hurt, and that will offset any saving we might have that is being made today under the program?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kentucky.

Mr. SPENCE. May I say that I join in the encomiums that have been expressed as to the gentleman. Sweeping aside political considerations, above which he has risen, we regard him as an upright, able, just legislator. His voice always commands great weight because of the fine work he has done.

Mr. JENSEN. I am afraid when the gentleman some day in the near future, possibly, takes a position against some of the gentlemen that have been throwing flowers at him, they will not think he is such a grand fellow, and will be liable to say some bad things about him.

Mr. SPENCE. I am not in the habit of lying.

Mr. HOPE. I do not want to be in the position of saying I approve of everything the Commodity Credit Corporation has done. I think there is some very definite criticism that can be made of the activities of the Commodity Credit Corporation in the handling of grain received through local elevators in the last year. I think they will admit that themselves. I believe there are some other aspects of the handling of grain that possibly should be turned over to the grain trade to a greater extent than has been the case. I do know that in the main the channels of the grain trade are being used.

I do not want to be in the position of saying there is not some merit to the gentleman's amendment. But I say it goes too far and if adopted would do irreparable damage to the activities of the Commodity Credit Corporation.

Of course, that means irreparable damage to the farmers of this country who depend upon that organization to support the prices of their commodities.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Chairman, on August 24, 1949, the then housing bill was up for consideration in the House, and our brilliant colleague, the gentleman from New York [Mr. MARCANTONIO], who I regret exceedingly is not here at the moment, offered the same anti-segregation amendment he offered on the housing bill which was pending yesterday. Yesterday, you will recall, he made the statement that once before the same amendment had been approved by the House sitting as a Committee of the Whole. Mr. Chairman, I beg to remind this Committee of the Whole House that at the time his amendment was offered on August 24, 1949, over 100 Members of the House were down at the White House, where the Honorable Tom Clark was being sworn in as a member of the Supreme Court of the United States, and, with or without any malice aforethought, the amendment was offered at that moment when hardly a corporal's guard was present, and it did pass by a large majority vote of the few Members then present.

Immediately the distinguished chairman of this committee moved, after the teller vote was announced, that the committee should then rise and by a margin of 3 votes that motion was carried. On the very next day the approval of the amendment of the gentleman from New York was reconsidered, and defeated.

I simply wish to call the attention of the House again to the fact that neither the Congress of the United States nor either House has passed any one of the 14 attempts to pass an antisegregation amendment or bill. That is all I care to say.

I thank the gentleman from Kentucky [Mr. SPENCE] for granting me this time, and I yield back the balance of my time, having made the explanation which I think is due the House. I appreciate the opportunity of making that explanation.

Mr. GAMBLE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Chairman, if I understand the gentleman from Ohio [Mr. YOUNG] correctly this afternoon, he made the statement that there are 17,000 employees of the State Department and not a single one can be proven to be disloyal or a member of the Communist Party, and he personally knew they were all loyal. If that is substantially the statement that has been made by the gentleman, I want to say right now it is utterly ridiculous and absurd and not based on any facts within the gentleman's own knowledge.

I have had a little more experience investigating Communists than my good friend, the gentleman from Ohio has, and realize full well that the difficulty of proving communism, especially in the State Department, is readily apparent. For years it has been apparent to the FBI that it would be impossible to investigate thoroughly, let alone recommend prosecution of any members of the executive department of the Federal Government. That great body of investigators is also a part of the executive department of Government and certainly can be, is, and has been, controlled in its investigations by the President of the United States. This has been proven too many times to warrant the feeling or belief now that the FBI has or are now able to investigate thoroughly communism in the State Department, or that the Loyalty Board had all the facts of Communist affiliations presented to it concerning various members of the State Department and other executive departments of Government.

May I recall to the gentleman that in 1948 when Alger Hiss was first brought before the Un-American Activities Committee the hue and cry was raised by Democratic Members of the House, by the President, the press, radio commentators, and magazine editors that this was a "witch hunt," "red herring," and that Alger Hiss was a loyal, good, honest, and true American and would not even consider divulging our secret war information to a foreign country? What do they say now about Alger Hiss? Then followed the revelation that there were 200 more Commies or Commie-fronters, homosexuals and perverts in the State Department. This revelation was made as a result of loyalty board hearings and congressional committee hearings. Can the gentleman say these 200 employees are now all removed from the pay roll?

How can any gentleman with any understanding of communism say, in view of this past history, that he is sure there are no Communists or fellow travelers in the State Department? Why must this investigation of communism in the executive departments of Government be delayed and hindered by Democratic Members of Congress, the President, and the whole administration? Why does the

President refuse to modify or cancel his Executive order of March 16, 1948? Why does he refuse access to loyalty files of the State Department employees? What are you all afraid of?

The American people want an answer to these questions—an honest answer—and they want it now.

Mr. GAMBLE. Mr. Chairman, we have no further requests for time.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, this is a bill which would increase the borrowing authority of the Commodity Credit Corporation by $2,000,000,000—from $4,750,000,000 to $6,750,000,000. I want to say that I am in favor of this bill.

It is my firm conviction that the Commodity Credit Corporation is one of the best friends the farmer ever had.

There should not be an amendment to this bill because last fall we passed the farm program. We promised all groups of farmers that they could borrow a certain percentage of parity, 90 percent being the maximum; and whether it is $2,000,000,000 or $1,000,000,000, we have got to carry out the promise of this Government made in this program.

The Commodity Credit Corporation should know, more than anybody on the left or right side of this aisle, how much they need. They say they need $2,000,000,000. But suppose they need only $1,000,000,000; they cannot spend the other; all they can do is to make loans according to the act of Congress setting up the program last year for this year; so that part of the argument against this bill, or for reducing it from $2,000,000,000 to $1,000,000,000 is without any merit whatever.

There should not be any amendment to this bill. All there is to the bill is a grant of authority to increase the borrowing power of the Corporation by by $2,000,000,000 which the Corporation said might be necessary to carry out the farm program. If it is not necessary they cannot borrow it or spend it.

I am very glad that I said the nice things I did about my good friend, Congressman HOPE, of Kansas, and I assure you I meant all I said. However, I did not know when he had permission to speak and when I paid him this compliment that he would oppose the Cole amendment.

You all see I was right in paying him the compliment I did. But I also want to pay a compliment to the gentleman from Kansas [Mr. COLE], who is a member of the Banking and Currency Committee. He is a very fine character, energetic, and one of the most progressive and hard-working members of the committee and of the House.

I know the gentleman from Kansas [Mr. COLE] wants to help his people. He presented this amendment to our committee and the reason we voted it down was because the Commodity Credit Corporation took the position that it would wreck the whole loan program. The gentleman from Kansas [Mr. COLE] did not want to do this. So I suggested that we write something in the report to take care of the situation, and he agreed to that after his amendment was defeated.

I want to make it very plain that he did not say he would not introduce any amendment on the floor. I told the gentleman from Kansas [Mr. COLE]: "You write what you want and I will ask the chairman to place it in the report." I thought everything was all right and I think everybody else in the committee did, though he has a perfect right to introduce the amendment and I am not criticizing him. He is just mistaken about the effect his amendment would have on the activities of the Commodity Credit Corporation.

Let me read what the Commodity Credit Corporation told me a moment ago. They say this whole program will be wrecked if this amendment is adopted. The gentleman from Kansas [Mr. COLE] does not want to do that. I think the men who run the Commodity Credit Corporation ought to know more about it than I do or the gentleman from Kansas [Mr. COLE] and I believe that the distinguished gentleman from Kansas [Mr. HOPE], who has been chairman of the Committee on Agriculture, should certainly know more about it than the gentleman from Kansas [Mr. COLE] or myself.

Here is what is in the committee report and I believe it takes care of the situation very well:

> Testimony was presented to the committee during its hearings by representatives of the grain trade that the Corporation bypasses the services of subterminal and terminal representatives in connection with the shipment of grain from country elevators. It was contended that because the Corporation did not use the services of the trade that shipments from country elevators to subterminal and terminal storage were not being handled in a satisfactory manner, and resulted in unnecessary and long delays in receipt of weight and grade certificates, filing claims, effecting final settlements, and completing the transactions. These complaints were directed primarily at the movement of Corporation-owned grain, for in other cases country shippers are free to avail themselves of the services of the trade.
>
> Your committee is of the opinion that the Corporation should fully investigate and make a complete study of this matter, and explore all of the possibilities of using the private trade in connection with these subterminal and terminal movements. If it is found, as claimed, that such operations can be performed more economically and expeditiously than by present methods, the Corporation should work out an arrangement with the private trade to handle these operations on a fee or other basis.

That is what we said.

I believe Commodity Credit Corporation will carry out the wishes of the gentlemen. I am quite sure of that.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield

Mr. BROWN of Georgia. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. I appreciate what the gentleman has said, particularly with reference to me personally and my approach to this problem. I think that the committee did a good job in writing the report concerning the attitude of the committee with reference to this situation. But I do not have quite the same idea that the committee has that the Commodity Credit Corporation will do the things we have requested it to do.

Mr. BROWN of Georgia. I do not know of an instance yet where the committee has asked something in the report that the Commodity Credit Corporation did not carry it out. I am delighted to pay them this compliment.

Mr. COLE of Kansas. I want to clarify my statement a little. I think the Commodity Credit Corporation is doing a good job and an important job. As the gentleman said, I want to help them, but I do feel in doing that job they feel they can do it better by eliminating the grain trade; therefore I do not believe they would do quite the job or one important enough in making this investigation.

Mr. BROWN of Georgia. We had Mr. Walter Scott from Kansas City here to testify. He is vice president of the Board of Trade of Kansas City. The gentleman from Oklahoma [Mr. MONRONEY] asked him this question:

> I am just trying to find out what it is going to take to get it built.

He was speaking about facilities.

Mr. Scott said:

> Well, I do not want to see more storage go up, so I do not want to help you too much in that respect.

Evidently, Mr. Scott wanted to do all the building. We settled that last year in the Commodity Credit Corporation charter bill and stated where private enterprise fails to go ahead and build these facilities, then the Government can step in and do it. But CCC could not build as long as private enterprise would do it, and Mr. Scott did not want CCC to construct facilities under any circumstances. He wanted to leave it just like it was in 1948.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Iowa.

Mr. GROSS. Would the gentleman say that the amendment offered by the gentleman from Kansas would be a benefit to the grain speculators and the glorified gamblers in Chicago? Would it be any benefit to them?

Mr. BROWN of Georgia. You know, I am one of those fellows who is always looking for the best in men, and I let the other fellow discover the bad things.

Mr. GROSS. Would this amendment be a benefit to them?

Mr. BROWN of Georgia. This amendment would absolutely destroy the effective program of the Commodity Credit Corporation. Here is the law:

> The Corporation shall, to the maximum extent practicable, consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities and arrangements of trade and commerce.

Here is the difference. Under the amendment the Corporation shall employ the services of dealers, commission merchants, and the other usual and customary channels, whether or not it is practicable to do so, and even though their use would be inefficient, or make the Corporation's program ineffective.

We settled all that last year in the Commodity Credit Corporation charter bill. We settled it for good and I thought also the political implication. There is but one thing to do, and that is to carry out the program that Congress solemnly passed last year, and that alone.

The only protection farmers have—their only bulwark against ruinous declines in income—is the price-support program carried out by the Commodity Credit Corporation.

How many of you remember the price situation that confronted farmers in February 1933—a few months before the Corporation was organized? Let me refresh your memories.

In February 1933, farmers were receiving an average of 5.6 cents a pound for cotton; 19 cents a bushel for corn; 32 cents a bushel for wheat; and $2.92 a hundred for hogs.

In February of this year, under supported prices, the situation was a whole lot different. Farmers were getting 27.5 cents a pound for cotton; $1.16 a bushel for corn; $1.93 a bushel for wheat; and $16.60 a hundred for hogs.

Ask the farmers down South, out West, up North, back East what the difference between those figures means to them. The farmers will tell you that the difference between unsupported prices and supported prices is the difference between the hardest kind of poverty and a decent standard of living.

We cannot let the farmer down. We cannot show the slightest hesitation about approving this request for funds.

Let me tell you a little more about the Commodity Credit Corporation—about what it means to nonfarmers as well as to the people who produce the food and fiber required by this great Nation and other nations of the world.

The Commodity Credit Corporation, organized in 1933, was given broad powers to stabilize prices of farm commodities. Its operations were successful right from the start. Its resources and the intelligent way its activities in the field of agricultural prices were handled gave farmers the confidence they needed. The Corporation can be given great credit for the part it played in lifting the agricultural segment of our economy out of the depression.

From 1933 up to the beginning of the war, the Corporation's principal job was price support. During those years it acquired some substantial stocks of farm commodities—and how glad we were that we had those commodities when war struck. The grain we had on hand was used to increase food supplies so desperately needed by us and our allies. Other commodities, such as cotton and naval stores, were used in many ways to further the war effort. I want to point out here that the stocks we acquired before the war were disposed of during the war at a substantial profit. At the end of the war, on June 30, 1946, the Corporation, if wartime subsidy costs are excluded, showed a profit of over $100,000,000.

Beginning in 1941, the Corporation took on a special, emergency assignment—the procurement of food and fiber for war purposes. Starting out as a rather small operation involving procurement for the British Government, the Corporation's purchasing program eventually was expanded to encompass procurement for all the Allies of the United States, American armed forces, and the civilians of this country. In 1945, the Corporation delivered for war purposes commodities having a value of $2,600,000,000. That was an average of about $7,000,000 per day.

Congress gave the Corporation another emergency assignment during the war—the consumer subsidy program. The objective of this program was to help farmers maintain or increase production in the face of rising production costs. Through payments made by the Corporation under this program—plus payments made by the Reconstruction Finance Corporation—the Government was able to hold prices of food at levels established by the Office of Price Administration. Stable prices meant a lot to consumers during the war.

While all this other wartime activity was going on, the Corporation had price-support ready to assure farmers that high-level production would not mean a crash in market prices. And price support can be credited with contributing much to the phenomenal production records farmers set during the war. Price support gave farmers confidence that their Government was back of them. Actually, however, little support was necessary. Wartime demand boosted prices of most commodities well above support levels.

The end of the war altered the pattern of the Corporation's activities in several major respects.

Consumer subsidy operations, for one thing, were slowed down greatly. By October 1947, they were completely terminated.

At the same time, relief exports were stepped up, because agriculture in Europe and Asia was hanging on the ropes at the end of the war. We had two reasons for wanting to export maximum quantities of food. We had a humanitarian, Christian interest in feeding hungry men, women, and children. We also had a practical, self-seeking interest in changing the mental climate of several areas abroad so as to stop the spread of communism. We were not too successful, as it turned out, in stopping communism in Asia; but we have done a good job in Europe. Certainly we deserve an A for effort everywhere. Exports of food rose from 17,399,000 long tons in the fiscal year 1946 to 22,107,000 long tons in the fiscal year 1949. Compare that last figure with the 1935–39 average of only 4,223,000 long tons.

The price-support picture began to change markedly in 1947. Despite record exports, despite a record domestic consumption, the pressure of large crops began to be felt. Large crops in 1948 and 1949 have brought price support to the fore again as the Corporation's major activity. In helping agriculture make the transition from war to peace—in carrying out the will of Congress—the Corporation has found it necessary the past 2 or 3 years to engage in price support on an unprecedented scale.

It is true that the Corporation, in carrying out the law, has taken some losses on some commodities. Congress cannot ignore those losses. Something will have to be done about potatoes. And there has been a considerable loss on eggs.

But when it comes to the basic commodities—cotton, corn, wheat, tobacco, rice, and peanuts—the cost record is very good. From 1933 through January 31, 1950, the Corporation made a net profit of $206,000,000 on cotton alone. The net profit on the basic commodities as a whole during this period was about $64,000,000. This proves that price-support activities do not necessarily have to be carried on at a loss.

All in all, the Corporation has discharged its responsibilities excellently within the framework of the legislation laid down by Congress. It has observed the letter as well as the spirit of the law. When the law, for example, says that the Corporation is to use the facilities of private trade to the maximum extent possible, the Corporation has operated in accordance with this mandate.

But we have a more serious fact to face here today—an urgent fact. The Corporation, in carrying out programs authorized and directed by this Congress has come close to the end of its financial rope. The Corporation, since 1945, has had a borrowing power of $4,750,000,000. That sounds like a lot of money. It is a lot of money. But the Corporation, in carrying out programs laid down by Congress, has had to engage in some extremely large operations—so large, in fact, that a borrowing power of even $4,750,000,000 will no longer do the job.

At the end of January, the Corporation had almost $4,000,000,000 of its funds tied up in price support—funds representing the value of inventories acquired and loans outstanding. Don't think of this sum as a loss, as money that has gone and never will return. A large part of it is tied up in loans to farmers and in commodities held in storage. As I pointed out earlier, the Corporation made a profit during the war on its holdings. And a couple of bad crop years in a row could completely change the present price-support picture.

But let us face the situation that confronts us today. It is expected that the Corporation will have in use this spring a total of over $4,300,000,000, primarily in the support of 1949 and prior crops. Net recoveries may reduce the amount in use to about $3,900,000,000 by June 30, the end of the fiscal year. But the balance of borrowing authority available is not sufficient to permit the Corporation to meet its price-support obligations on 1950 crops.

Farmers want to know what we are going to do about increasing the Corporation's borrowing power. And they have a right to know. They have made their production plans. They have bought their seed and fertilizer. Yet they hesitate because we are hesitating. And here it is—past the middle of March.

I say that we cannot afford to hesitate any longer in granting the Commodity Credit Corporation the funds it needs to carry out operations this Congress has written into law. We cannot afford to

take a single chance on the success of the price-support program. Therefore, I recommend the passage—the prompt passage—of H. R. 6567.

If the Commodity Credit Corporation does not need the $2,000,000,000 to carry out the farm program passed by Congress, it cannot loan, use, or waste the amount that is needed to carry out the wishes of Congress.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$4,750,000,000" and inserting in lieu thereof "$6,750,000,000."

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: Amend the bill by adding thereto a new section, reading as follows:

"SECTION 1. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806, 80th Cong.) is hereby amended to read as follows:

"'It shall be the duty of the Corporation in the handling and disposition of agricultural commodities which it has acquired (except disposition to other Government agencies) to utilize the usual and customary channels of trade and commerce, including the employment of dealers and commission merchants for such services as are ordinarily performed for hire in the course of private commercial handling and disposition of like commodities; *provided, however,* that nothing contained in this paragraph shall change or impair any of the powers of the Corporation as provided elsewhere in this act.'"

Mr. COLE of Kansas. Mr. Chairman, at the beginning of the debate today I said that everyone concerned with the Commodity Credit Corporation probably—and I now add the word "probably" in view of the subsequent debate—agrees with the objectives attempted to be obtained by this amendment. These objectives are that the Commodity Credit Corporation shall not drive out of business farmers' cooperatives or marketing cooperatives or small-business men who have been in the business of handling the grain trade for a 100 years.

Some statements have been made on the floor, and I am sure the Members who have made them have done so without examining the facts, in connection with the profit to be obtained by the use of private facilities or the private grain trade in the operation of the Commodity Credit Corporation.

Let me make it perfectly clear that there is no intent and no effort on the part of myself or any of the other people in favor of this legislation to do the slightest thing to hinder the Commodity Credit Corporation in the usual and necessary functions of its business in supporting the prices of the farmers.

The statement was made by the gentleman from Texas [Mr. PATMAN] that the cost in Kansas City alone, if this amendment is adopted, would be greater than the entire administration of the office in Kansas City. I challenged that statement then and I challenge it now. These matters can be handled by the grain trade by the usual facilities for handling and disposition of this grain and of other commodities for less money and more efficiently than the Commodity Credit Corporation can do it itself.

My esteemed colleague from Kansas and I seem to have a difference of opinion in connection with this bill. Let me point out that this bill does not provide that the Commodity Credit Corporation shall use the customary channels of the business in the acquisition of their grain. They may continue in the acquisition, if the amendment is adopted, in the future as they have in the past.

There is no attempt to circumvent or supplant the activities of the PMA committees as they are now set up. The important objective of this amendment is that the Commodity Credit Corporation may not drive out of business these people who are there to serve the farmers.

Some Member talked a moment ago about great monopolies and people who make a great deal of profit. I am talking about the small elevators of which there are on an average of 17 in each County in Kansas. I am talking about the people who know how to do the job and who have been doing it for many years and can do it more efficiently and at less expense than we are now doing it.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. JUDD. The gentleman states that his amendment provides that the Corporation would use the normal channels of trade and commerce in the handling and disposing of commodities in its possession. I would like to have for the record a clarification of the language in the gentleman's amendment. It says:

The Corporation in the handling and disposition of agricultural commodities which it has acquired——

Mr. COLE of Kansas. Of course, that means which it has acquired or may acquire thereafter.

Mr. JUDD. It is not restricted to the disposition of those commodities it has on hand on the date of the passage of this act, but it means handling and disposition of those on hand now and those it may have on hand at any time in the future?

Mr. COLE of Kansas. That is right.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. GROSS. I can remember back in 1925 in the Chicago grain market when 27,000,000,000 bushels of grain were traded in and the production that year throughout the United States was only 5,000,000,000 bushels. But going beyond the question of the elevators, is there anything of benefit in your amendment to the grain speculator?

Mr. COLE of Kansas. I do not think there is. I cannot see there is any benefit to those who seek profit by improper speculation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. AUGUST H. ANDRESEN. The grain speculator or the speculator in commodities has nothing to do with the gentleman's amendment.

Mr. COLE of Kansas. That is my point. I think the issue is this and this alone: Are we now ready to permit this giant Corporation—and recall that it will have a $7,000,000,000 authority—to throttle the farmers and small business men? I hope this is not the intention, but the results to date are most discouraging.

We do not ask the Corporation to do anything which will impede its operations, but only that it give these people an opportunity to serve the farmers.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I admit I am not an expert in the handling of grain, and I do not know all the intricacies of the business. But I think I can read the English language. This bill repeals the present act. It says, "to the maximum extent practicable in the carrying out of the performance of the work of this Corporation it shall use the usual and customary agencies of trade."

The private interests are not satisfied with that. "To the maximum extent practicable" it seems to me would satisfy them if they intended to have these agencies used in the ordinary and customary way. This amendment repeals that. It makes it absolutely mandatory that they shall use private agencies to carry out the purposes of this organization. I am heartily in favor of the use of private agencies. I do not believe they should be invaded when it is not practicable to invade them. But I do not believe in tying the hands of the Commodity Credit Corporation. The legal effect of this is that they must use these agencies, whether it is practical or not. That means not only in the disposition but in the storage of grain and the handling of the grains. If you want to kill this Corporation, just adopt this amendment. I do not think you are doing any favor to the warehousemen in the last analysis. I know that you are destroying the usefulness of this Corporation to the farmers.

The distinguished gentleman from Kansas [Mr. HOPE] so clearly stated the effect of this amendment, I do not believe it is necessary to go any further. The amendment will do what he said it will do. The amendment repeals the substantial effect of the law on the statute books and makes it absolutely mandatory under any conditions to use private enterprise to carry out the functions of this Corporation whether they are available or not. What does that mean? It means where there are no storage facilities which are privately owned, you cannot establish storage facilities. Where the private agencies are not capable or not equipped to carry out the functions of the Corporation, they will not be carried out. The question or the issue is right here between the farmers and the dealer and commission merchants in grain. I want to see the dealers in grain and the commission merchants get a fair share of the business. I want to see them prosper, but I do not want to see them prosper at the expense of the farmers.

I ask that you vote down this amendment.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California to the amendment offered by Mr. COLE of Kansas: Following the word "agencies", add the following: "or for utilization in the school-lunch program."

Mr. PHILLIPS of California. Mr. Chairman, actually I rise in support of the amendment offered by the gentleman from Kansas [Mr. COLE]; but without going into the details of that amendment, I offer an amendment to the amendment; and then I desire to ask the gentleman from Kansas a question.

My amendment is offered to the typed copy of the Cole amendment. It is not clear that school-lunch programs are included in the disposition of these commodities in the hands of the Commodity Credit Corporation. I read from the Cole amendment:

It shall be the duty of the Corporation in the handling and disposition of agricultural commodities which it has acquired except the disposition to other Government agencies—

I have simply added "and for utilization in the school-lunch program."

Certainly there is no desire on the part of the House to put into the hands of middle men the disposal of commodities which are to be used in the school lunch program.

I yield to the gentleman from Kansas for any comment he cares to make.

Mr. COLE of Kansas. The gentleman spoke to me about the amendment earlier today. I think it is a good one; it is all right.

Mr. PHILLIPS of California. I thank the gentleman; I was sure he would approve it.

While the gentleman from Kansas is on his feet, may I ask him a question? His amendment carries the phrase "to utilize the usual and customary channels of trade and commerce." In our part of the country a great majority of the agricultural products are marketed, as already brought out here, through agricultural cooperatives. Would the gentleman understand that the phrase "the utilization of the usual and customary channels of trade," in the part of the world in which many of us live, the west coast, would mean the way in which these commodities are customarily marketed, which would be through agricultural marketing cooperatives?

Mr. COLE of Kansas. The gentleman has stated it precisely, and that is exactly what I have been trying to say all afternoon. All I am asking for by this amendment is that the usual and ordinary channels of trade be ultilized by the Commodity Credit Corporation, and I think that does it.

Mr. PHILLIPS of California. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Brannan's statement about an amendment like this is to the effect that there would be doubt as to whether the corporation could utilize newly formed farmer cooperatives where private trade facilities already existed; in other words, where a private trade facility already existed there is doubt in his mind as to whether or not a newly formed farmer cooperative could be used.

Mr. PHILLIPS of California. The statements of the Secretary of Agriculture are always interesting.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. COLE of Kansas. That statement was made in connection with the so-called Thye amendment which was submitted to the committee. My amendment has been changed in order to meet that particular contention.

Mr. PHILLIPS of California. Does that answer the gentleman from Texas?

Mr. PATMAN. No; it does not.

Mr. PHILLIPS of California. Perhaps the gentleman from Texas can suggest a further clarification.

Mr. Chairman, I yield back the balance of my time.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the proposed amendment.

Mr. Chairman, I would like to make my position clear in connection with this bill. I am not condoning some of the things which have taken place in the past year in the operation of the Commodity Credit Corporation. The Commodity Credit Corporation has not done the most efficient job that could be done either in the handling of settlement of contacts with elevators or in the disposition of their commodities. There are many reasons for that which I do not think I should go into this afternoon; but because of that, I do not think it is fair for me, thinking in terms of my farm neighbors, to place upon this bill, a bill which has meant so much, restrictions that will hamstring the operation of the program and make it ineffective and unworkable.

When we market our grain we make use of our local marketing facilities. When these facilities are not able to handle our grain, as has been the case many times in the past, it has been necessary for us to make use of these commodity credit loans. These commodity credit loans in our county are administered by PMA committeemen, locally elected farmer committeemen who are doing a real outstanding job of administration. They understand the problem very well.

With this amendment attached to this bill it would make the administration of the program absolutely unworkable and impossible for them. There should be no misunderstanding about that; that is exactly what it would do.

In marketing grain in our local communities we use those facilities available to us. Many times we are forced to market our grain when the market is glutted. That means that facilities are not available for the handling of the crop being marketed. I am talking about the local elevators. If we place the additional burden in some spots upon those facilities of handling the grain which the amendment proposed by the gentleman from Kansas would impose, it would create a collapse in that local market because they would not be in a position to handle so much of the commodity at one time.

In Minnesota it was very difficult to know, for example, last fall what the price of corn would have been had this amendment been in effect. The matter of the Commodity Credit being able to contract for space, going into local centers and making loans is the thing that helped sustain that market. Many times in local communities it does not require facilities for a large volume of grain handling, but it does require that the grain be properly handled. If the Secretary of Agriculture cannot deal in this sort of proposition, then the farmer out there is placed at the great disadvantage of not having a proper support for his farm program.

We can pass all the farm-support legislation we desire here in the Congress, but there is some place these commodities must go. When the farmer takes the grain in his truck to town that grain has to be put in storage. If the local elevator is loaded during that time of the marketing season so that it cannot handle the grain, it means that the price at that local point is severely dropped. There are some people who, if they want to be selfish, and there are a few of these in the grain trade, can force the price down in that local market. If there is no possibility of maintaining Government-owned storage space when private facilities are not available, the farmer can get absolutely no value from the price-support program in that locality. That has happened, and the record of the Commodity Credit will show that all local facilities have been used by the Commodity Credit Corporation where available. When that has happened the only thing that the Secretary of Agriculture could do to help protect the farmer in that locality was to contract for and maintain storage space. That is absolutely the only thing that could be done. If you are going to take that away from your program, why have an unworkable price-support program?

I would like also to make one statement in connection with elevators. I am thoroughly familiar with what happened to elevators before we had the Commodity Credit program. Every cooperative elevator, every elevator as a matter of fact, has profited in the handling of grain through the Commodity Credit Corporation if they have entered into an agreement with that agency. The elevators were going bankrupt by the hundred until the Commodity Credit came into effect. The price-support program is needed; let us defeat the amendment so that the program will work for the purpose intended: to sustain farm income for the national welfare.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS] to the amendment offered by the gentleman from Kansas [Mr. COLE].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 65, noes 84.

So the amendment to the amendment was rejected.

Mr. JOHNSON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON to the amendment offered by Mr. COLE of Kansas: After the word "merchants" add the words "and farmer cooperatives."

Mr. JOHNSON. Mr. Chairman, in the part of the country I come from we have large fruit crops. We do not have farm supports but we get the benefit of section 32 funds as provided in the Agricultural Adjustment Act. One of the products that is in surplus supply and has been for a number of years is the well-known fruit known as the prune. There are hundreds of thousands of dollars' worth of prunes in the warehouses of the Commodity Credit Corporation. I want to be sure, if this amendment of the gentleman from Kansas [Mr. COLE] should pass, that in selling those prunes the CCC will use the cooperative that handles that particular product. It has been in business for a long time and they know all the outlets and know all the tricks of the trade. It seems to me that you could interpret the amendment offered by the gentleman from Kansas [Mr. COLE] to mean that they would have to hire commission merchants or other similar services to get rid of this fruit, disregarding the cooperative which was organized to market this fruit. All I want to be sure of is that, in the event this amendment passes, it will have in it a provision that in handling certain types of commodities the farmers' cooperatives, whether they are in existence or will be hereafter formed, that market the various fruits, will be utilized to get rid of the crop and recoup some of the Government's money invested in it.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. I think the gentleman is correct. Certainly, there is no effort, as I said before, to circumvent the usual channels of trade, and that is the usual channel of trade. Therefore I agree with the gentleman.

Mr. JOHNSON. I thank the gentleman.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON. I yield to the gentleman from Texas.

Mr. COMBS. Are your cooperatives handling prunes having any difficulty now under existing law in disposing of the commodity?

Mr. JOHNSON. They are not; except this, the surplus is so great that the Commodity Credit Corporation is having a hard time disposing of it.

Mr. COMBS. This problem that you envision in the Cole amendment is not in existing law or in this bill as it stands?

Mr. JOHNSON. No. There is no trouble the way it is being handled now, so far as we are concerned.

Mr. COMBS. If the Cole amendment is not adopted, then you do not anticipate the trouble you are shooting at with your amendment?

Mr. JOHNSON. That may be true, but I want my amendment if the Cole amendment should pass.

Unfortunately, the discussion of some of these things got into politics. I do not think that the agricultural problem is a political problem. I just mentioned, when I interrupted the gentleman from Kansas [Mr. HOPE] to say that in 1910, after Hiram Johnson was elected Governor of California, in the following session of the legislature in 1911 we passed what I think is the pioneer cooperative marketing program in the United States. The man who operated the agency was Mr. Harris Weinstock, a noted merchant of California. The attorney for the agency was a young man at that time, Aaron Shapiro, and he worked on the administration of the act and made it a very practical proposition. This young lawyer was called to various parts of the United States and wrote literally dozens and dozens of laws in all parts of the Union with the California law as a model. I merely mention that to show you that cooperative marketing in our part of the world is 40 years old, and we think it is a very important factor in our economic life. It has never been in politics, although started by a Republican legislature and signed by a Republican governor.

We have cooperatives in almost every type of agricultural product, and they are doing a splendid and an excellent job. For instance, last year the grape growers that grow Tokay grapes faced a rather disastrous-looking situation. They took hold of the job and restricted the output as far as it went into the market for table grapes and handled their situation well, and made a reasonable profit on the table grapes and put the other grapes into wine. We have cooperative wineries also, and they are doing a good job.

The cooperative movement, to my mind, is the most healthy and optimistic part of our California economy. These groups of people have joined together voluntarily to discipline themselves, raise the standard of their particular products, and to get a fair price for their products in the market.

Mr. Chairman, I hope that the amendment that I offered will receive your favorable consideration.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the phrase "usual and customary channels of trade and commerce" will include cooperatives. The only point that I raised, and the one that Secretary Brannan commented on, was this: that if you have a dealer and you have a commission merchant in a town and they are getting all this business, if the farmers organize a new farmer cooperative, why, under this provision they could not be dealt with, because they would not have been the usual and customary people who had been handling this business. So you do not need the word "cooperative" in there at all.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. JOHNSON. The point is that if it is not the law at the time the company is organized, they cannot buy.

Mr. PATMAN. Well, they would not have been customarily used in the past for business.

Mr. JOHNSON. Why will that phrase not apply to anybody at the time they go into operation?

Mr. PATMAN. You just have to use the common-sense language of it, that is all.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. It seems to me there is a difference between channels and institutions. The channel is the method. It does not apply to any particular company or firm.

Mr. PATMAN. Anyway, I am not going to spend any more time on that.

This amendment is bad. It will take the heart out of this bill. You might just as well kill the Commodity Credit Corporation, if you are going to turn it over to a bunch of middlemen, because all of them are not sympathetic with the law, and many of them will try to scuttle it. A vote for this amendment is a vote against the bill.

Mr. A. S. Goss, master of the National Grange, said this about a similar amendment in the Senate, and notwithstanding the protest of the gentleman from Kansas that they are not similar, I say that they are similar. This amendment is just as far-reaching as the amendment put on in the Senate. For that reason they had to recommit the whole bill to try to get rid of it.

This is what Mr. Goss said:

We believe the bill should also be amended to eliminate these sections which would channel all operations through the grain trade, who might easily wreck the Corporation's esssential stabilization operations or make them prohibitively expensive.

That is just as plain as you can write the English language.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. SUTTON. Is it not a matter of fact that the amendment offered by the gentleman from Kansas would add additional cost to the Commodity Credit Corporation's cost of handling?

Mr. PATMAN. Certainly. The case in Kansas City is on all fours with that. In Kansas City last year they handled in one transaction 30,000,000 bushels of grain. The customary charges were a cent and a half a bushel. That is $450,000 that the Government would have had to pay right there on the grain transaction. Nothwithstanding the fact that the Commodity Credit office in Kansas City handled tens of millions of dollars worth of business involving everything, the total expense of that office last year was only $425,000, so here you would be making a charge which would add onto our deficit more in one transaction than the entire office cost in a year in Kansas City.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Minnesota.

Mr. McCARTHY. Does the statement by Mr. Goss refer to the so-called Thye amendment, to which the gentleman from Kansas [Mr. COLE] referred just a minute ago?

Mr. PATMAN. It does. It refers to any amendment which would channel all operations through the grain trade. This amendment would channel all operations through the grain trade, "who might easily wreck the Corporation's essential stabilization operations," Mr. Goss said, "or make them prohibitively expensive." So this amendment must be defeated. It would take the heart out of the bill, it would ruin it. It would be guaranteeing a profit to the speculator, the middlemen's middleman, and forgetting the farmers. This is a farmers' bill, not a middlemen's bill.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Nebraska.

Mr. O'SULLIVAN. I want to compliment the gentleman on his fine discussion of this matter. I am sure he is right. I agree with him that this amendment ought to be defeated, because it does not have one good thing in it. It is a most skillfully destructive piece of legislation which will not help labor and will injure farmers by destroying the usefulness and efficiency of the Commodity Credit Corporation.

Mr. PATMAN. The gentleman is examtly right. I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California to the amendment offered by the gentleman from Kansas.

The amendment to the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the Cole amendment.

Mr. Chairman, the Commodity Credit Corporation could use the facilities provided in the Cole amendment if they elected to do so, because existing law gives the Commodity Credit Corporation the right to use existing trade facilities as far as practicable.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Kansas.

Mr. HOPE. Does the gentleman believe the Commodity Credit Corporation should be compelled to pay cash commissions to the cash commission merchants in the terminal markets when they do not perform any services and cannot perform any services on grain that has already been taken over by the Commodity Credit Corporation? That is the only issue here.

Mr. AUGUST H. ANDRESEN. Let me point out what services can be performed through the regular channels.

In the first place, services are performed by the country elevators, both cooperative and private elevators. They favor this amendment. One of the leading supporters of the administration, a farm organization, is the Farmers Union. The Farmers Union is for this amendment. They want this passed so that they will have a chance to share in the business of handling and channeling this grain to the CCC.

What services do they perform and what services are performed by the so-called commission grain merchant? He is not a speculator. He is simply a handler of grain which is sold in the normal channels of trade from the farmer to the ultimate receiver of the grain, which in this instance would be the Commodity Credit Corporation.

In the first place, the commission grain merchant and the elevator operator would handle the invoices and the receipts of the grain, handle the weights, determine the grades, pay the freight, and perform every other service, including making settlement with the farmer who is to receive the money from the Commodity Credit Corporation. In other words, I am convinced that the grain merchants, who have the experience in the handling of grain, would do a better job of it than the CCC at less cost. The gentleman from Kansas [Mr. HOPE] is in error when he assumes that the country elevator operator and grain merchant, would not perform any service. I am sure that the gentleman from Kansas does not propose to drive all grain merchants out of business and that country elevators be only used as Government storage bins. The elevators, cooperatives and private, are performing valuable service in the marketing of the farmers' grain, and they are entitled to receive consideration at the hands of the Government, instead of being driven out of business.

It is claimed here and my colleague, the gentleman from Kansas [Mr. HOPE], said that the commission charges would be 2 cents a bushel. I am reliably informed that the elevators and commission merchants have offered to handle this business at 1 cent a bushel. Let us see what the situation is throughout the Middle West where I happen to live. All of the grain is being handled by the Commodity Credit Corporation, in Minneapolis. The farmers who sold their grain to the CCC as far back as June of last year have not received settlement for the grain which they turned over to the Commodity Credit Corporation through the PMA committees. They are still waiting for the returns. They do not know what the weights are or what the grades will be. They do not know how much they are going to receive for their grain which the Commodity Credit Corporation took over.

The Commodity Credit Corporation have put on over 500 employees in Minneapolis to try to clear up this mess which could have been so easily avoided, if the Commodity Credit Corporation had used the regular channels of trade going through the elevators and the regular grain merchants. The CCC pay roll in Minneapolis to handle this mess that we find ourselves in is running very large. Many of the employees are inexperienced and they are having a great deal of difficulty to straighten out this mess from the 1949 grain crop.

There is only 1 cent a bushel involved for the CCC to use the normal and customary channels of trade where the farmer would receive settlement within 24 hours after he had delivered his grain through these normal channels of trade. I recognize that Commodity Credit Corporation officials state they do not want to become the buying and merchandising agency to handle farm products. That is all right, but look at the way it is working. The CCC is reputting on thousands of Government employees throughout the country, building themselves up as a big buying and merchandising organization and they refuse to use the normal channels of trade. I am satisfied that the CCC could work out a satisfactory arrangement with regular grain handlers and dealers, so that Government would save a substantial sum of money in the handling of Government purchased grain.

If this amendment does not pass, I would suggest that the CCC work out some satisfactory arrangement with elevator operators and grain merchants in an effort to reduce costs and perform a better service for the farmers.

Mr. WHITTEN. Mr. Chairman, I arise in opposition to the Cole amendment.

Mr. Chairman, it seems to me as if our friends on the left side of the aisle are making the mistake they made just a few years ago. It strikes me also that their memories are rather short. When our Republican friends were in control of the House a couple of years ago restrictions were placed on the Commodity Credit Corporation with regard to constructing warehousing.

You will recall that fall that millions of bushels of grain and many other commodities were piled on the ground throughout the Midwest and the farmers could not receive the benefits of the loan program because warehousing was not available. Today if the Cole amendment is adopted requiring the Commodity Credit Corporation to go through the regular channels of trade you put into the hands of warehousemen the same power of restricting the availability of the farm program to the farmers. We had an election shortly after the Commodity Credit Corporation was prohibited from building warehouses before, and I think you will recall what happened as a result of the dissatisfaction of the farmers because of their inability to receive the benefits of the farm program, which they attributed to the restrictions which had been imposed upon the Commodity Credit Corporation.

Last year the Committee on Banking and Currency brought into the House a bill which permitted the Commodity Credit Corporation to build warehouses. I supported that bill, which became law not because I wanted the Commodity Credit Corporation to build warehouses to put private enterprise out of business. I believe if there is any way to get the regular trade to provide the storage space then it should be used. However, it was my belief that the best way to get private enterprise to provide storage was for the CCC to have the right to build in order to cause the folks in the warehouse business to cooperate and

make their storage available to the farmers of the country so that they can receive the benefits of the loan program. We had the officers of the Commodity Credit Corporation before our subcommittee on Agriculture Appropriations.

The Commodity Credit Corporation, so far as building warehouses is concerned, has agreed that it will not use the fact that those in the warehouse trade may demand exorbitant prices as an excuse to build Government warehouses, but that they will give the private trade an opportunity to provide storage at reasonable rates and then if the industry will not make such storage space available for farmers the CCC will provide warehousing space. As long as the Government has the right to do that they have the power of bargaining to get reasonable rates and a means of urging those in private business to make their grain elevators and other warehouses available to farmers so that they can obtain loans. The present act states that the Commodity Credit Corporation shall use the regular channels of trade as far as it is practical to do so. It may be that they have not used the regular channels of trade as much as they should; and if they have not, we should see to it that they do use the regular channels to the full extent intended under the law. But to require that they use the regular channels of trade is to play right into the hands of the people in the warehouse business and to permit a few associations to prevent the farmers from receiving the full benefit of the farm-support program that we have, not to mention the millions of dollars such provision would add to the costs of the farm programs.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] said that these people in the trade out in Minneapolis have agreed to handle this wheat at 1 cent a bushel rather than at 2 cents per bushel. Why? They have agreed because the Commodity Credit Corporation is not required to use them. The CCC is in position to bargain. But if you require the Commodity Credit Corporation to use the regular channels of trade, what way is there for the Commodity Credit Corporation to obtain reasonable rates from the trade? If, therefore, you pass the Cole amendment, as I see it you are putting into the hands of the warehouse people the right to cripple and to prevent the operation of your present price-support program. In addition, you are putting into their hands the power to fix the rates and the commissions that they will charge the Commodity Credit Corporation.

In the last few years the Commodity Credit Corporation has been charged with a great many millions of dollars on commodities which have gone into the Marshall plan or ECA because they have been required to sell commodities below the amount of money that the CCC had invested in such commodities. These commodities should have been charged to the ECA program at the cost to us and not to agriculture. I say to you that if you adopt the Cole amendment that you are placing on the farm program of this country tremendous costs which are charged up to agriculture but which should not properly be so charged. These payments would go to the so-called middlemen in the regular channels of trade in cases where actually no service would be needed and in many cases no service actually performed.

The present law directs the Commodity Credit Corporation to use the regular channels of trade where their services can be utilized.

Let us leave it that way and defeat this amendment.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree on time to close debate on this amendment and all amendments thereto. I ask unanimous consent that all debate on the Cole amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. O'HARA of Minnesota. Mr. Chairman, I object. I have been on my feet for half an hour trying to get recognition.

Mr. SPENCE. Mr. Chairman, I move that all debate on the Cole amendment and all amendments thereto close in 15 minutes. The debate on this amendment has continued for more than an hour.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA] for 2½ minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that my colleague may have 1 minute of my 2½ minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized for 3½ minutes.

Mr. O'HARA of Minnesota. Mr. Chairman, I am particularly grateful to my colleague from Minnesota, because for the last hour I have been trying to get recognition to speak on the subject. I received some light on this matter last fall myself. In December, before returning to Washington, I was asked by a group of our farmer-elevator people to meet with them in connection with this very problem. I did meet with these groups which represented a number of elevators. These people have been up against just exactly this sort of situation, and I am sorry the cotton people have not had the same treatment our grain people had, because we then would have some support from the cotton industry. But I say to you that the Commodity Credit Corporation in its handling of the grain out in the Minneapolis area has been abominable. On shipments of various types of farm commodity purchases, even after the lapse of 6 or 8 months time, the shipping elevator has been unable to get either acknowledgment of shipment, quotation of price, or grade of the commodity shipped. When I got back to Washington with my colleagues from Minnesota [Mr. H. CARL ANDERSEN and Mr. AUGUST H. ANDRESEN], we had a session with the Commodity Credit people. They claimed they had insufficient help at the Minneapolis office and that was to blame for this situation.

The gentleman from Mississippi is completely wrong when he says this has to do with the warehousing business. This has to do with grain elevators. He is ordered to ship the grain, he does so, and cannot get businesslike treatment. It is abominable when an elevator cannot get an acknowledgment within 6 or 8 months.

What happens? The Commodity Credit Corporation down here got busy and ordered the Minneapolis office to check up on their Minnesota elevators. In Minnesota they started paying them off. One little elevator was overpaid several thousand dollars. The people up there have made a mess of handling what should be an orderly procedure.

I hope some of my associates from the Farm Belt are not naive enough to think the Commodity Credit Corporation is going to cooperate in any way with the grain business. It has served notice on some of the grain commission people that they have no part in the Commodity Credit Corporation, that the Commodity Credit Corporation is not going to recognize them. If it is the intention of the Congress and this House to serve notice on the usual courses of trade that you are going to drive them out of business, just refuse to adopt the Cole amendment.

To show the uniformity of feeling on this among the grain elevator people I enclose a copy of resolution adopted at the Farmers Elevator Association of Minnesota State convention on March 6, 7, and 8, 1950:

PRINCIPAL RESOLUTIONS PASSED BY THE FARMERS' ELEVATOR ASSOCIATION OF MINNESOTA CONVENTION MARCH 6, 7, AND 8, 1950

STATEMENT

The members of the Farmers' Elevator Association of Minnesota, meeting in Minneapolis, Minn., in convention March 8, are entirely dissatisfied with the present method of grain handling by the Commodity Credit Corporation, and we ask that this organization be legislatively obliged to recognize the requests of our membership representing more than 100,000 farmer members, and requests made by other similar State elevator associations, that this Corporation be obliged to use the usual and customary channels, facilities and arrangements of trade and commerce in the handling of grain which accrues to it under the Government price-support program. We, therefore, present to you the following resolution embodying complaints against the Commodity Credit Corporation, and our urgent plea for legislative correction of these present evils:

"Whereas our cooperative and independent elevators have had rights and protections available to them in the ordinary course of business eliminated by the Commodity Credit Corporation in the handling of grain for that Corporation under the loan program; and

"Whereas correction of the present terribly inefficient methods of handling grain by the Commodity Credit Corporation through the use of normal channels of trade were not recognized in a meeting with officials of that Corporation in Chicago; and

"Whereas all segments of the grain industry, including all cooperative and independent elevators are together in the fight against Commodity Credit Corporation; and

"Whereas we have found no one except the Commodity Credit Corporation officials against us in this effort, plus the fact that the Commodity Credit Corporation officials

have practically no defense against the evidence we have presented; and

"Whereas the representatives of our association, together with other members of the grain industry presented through the National Grain and Feed Dealers' Association an amendment to the Commodity Credit Corporation charter before the Senate Agricultural Committee and the House Banking and Currency Committee; and

"Whereas we have seen evidence of further encroachment into the grain business by the Commodity Credit Corporation: Be it therefore

"Resolved, That proper steps be taken by the Congress to pass an amendment to the Commodity Credit Corporation charter corresponding with that already presented by the National Grain and Feed Dealers' Association so that in the handling of Commodity Credit Corporation shipments, country elevator people will be afforded proper protection and will, through the use of the established trade channels, receive efficient, expert service on all shipments from the original loading point to unloading destination, and through this eliminate the inequities, costly delays of settlements and general inefficiency of the Commodity Credit Corporation."

We have not gone into the major detailed complaints which we have officially registered with the Commodity Credit Corporation officials and with the Senate Agricultural Committee and House Banking and Currency Committee, for these complaints are now a matter of record and are quickly available to all Members of the Congress.

We have failed to receive any help thus far in our just demands and it is frankly difficult for us to see why corrective measures such as we ask should not be granted when we find everyone connected with the handling of grain joining us in our plea for relief and the only opposition we seem to encounter is that from the Commodity Credit Corporation themselves.

Copies of this resolution should be sent to the Senate Agricultural Committee, the House Banking Committee, and all United States Senators and Congressmen from Minnesota.

"Whereas the rate for handling bin-stored grain owned by the Commodity Credit Corporation varied not only in different States, but also in different counties within the same State in 1949; and

"Whereas the rates now under consideration by the Commodity Credit Corporation for storing and handling grain under the 1950 price-support program are not only lower than last year, but the rates under consideration for 1950 for the Minneapolis area are lower than the rates under consideration for most other grain areas: Now, therefore, be it

"Resolved, That this association hereby urges the Commodity Credit Corporation to establish, for the country storage and handling of grain under the 1950 price-support program, rates, which will be uniform both (1) throughout all of the area comprising the States of Wisconsin, Minnesota, North Dakota, Montana, South Dakota, Nebraska, Kansas, aand Iowa, and (2) for grain owned by the Commodity Credit Corporation as well as for grain owned by farmers subject to the Commodity Credit Corporation loans and that 1950 rates be established not lower than 1949 rates."

To further show the situation, I enclose and make a part of my remarks the following from the Farmers' Elevator Guide, Minneapolis, Minn., which deals with this very subject of which we are speaking; and which statements are, of course, from people who know their business and not someone who is playing politics in any way, shape, or manner:

BRANCHES NEED TRIMMING

Those conferences between Congressmen and representatives of national cooperatives and other grain groups in Washington this month have pointed up the seriousness of the grain-handling situation in the United States.

The program of price supports which aided in the creation of huge surpluses of grains and resulted in an annual storage problem, has been attended by some undesired contingencies. The Production and Marketing Administration and the CCC have grown to gargantuan size until today the very grain handling and marketing system is enmeshed in its operation. The picture—drawn from protestations of the people engaged in the grain industry—is one of a huge gorilla sitting in a grain bin, sifting the kernels through his fingers or swirling them about his head like a child in a sand box. It is not a pretty picture of efficient grain handling and marketing.

It is difficult to argue in favor of an organization which has become so involved in its own book work that a carload of grain shipped by a country elevator operator to a terminal can disappear into the channels of trade while the shipper waits as long as 8 months without receiving an acknowledgment of its receipt. If that happened in private business, Joseph Stalin, himself, would make a trip to the United States, mount a soapbox and use that as an example of how decadent and broken down the capitalistic system and free enterprise has become.

The harm from Government intervention in the business affairs of the farmer as it is related to production and marketing is not in the setting up of a system of price supports to cushion farm income against devastating fluctuations. The harm is in setting up a network of Government jobs in related industries which duplicate or eliminate positions which private industry has employed to handle the business capably and at a fair cost.

Anyone who believes government can duplicate business enterprise at less cost either is ignorant or unwilling to consider all figures involved in such enterprise.

If the CCC, as accused, will not let country elevators be represented by an agent of their own choice at the terminal, then the CCC is usurping a part of the grain-handling function in which it has no business to be operating beyond duties as an expediter.

It would seem logical to assume that Blank-Blank Commission firm or Blank-Blank Cooperative Terminal Association is just as capable of handling a carload of CCC-consigned grain as it is to handle a carload of non-CCC grain. A little more bookwork is involved, naturally, but there seems to be no need for government to substitute CCC personnel for industry personnel anywhere along the line. Congress, in authorizing CCC operation, attempted to make that clear.

This is not a chant against the PMA and CCC. It is, instead, a plea to officials of those organizations to curb their overzealous efforts to expand organizational personnel into control of every detail of operations related to their sphere of influence. It is a suggestion that there are branches which can be trimmed off to benefit the tree itself.

AS OTHERS EXPRESS IT

Ralph S. Trigg, president of the Commodity Credit Corporation, USDA, in soliciting information on available storage facilities for CCC grains:

"We look to the commercial trade to provide the facilities necessary to handle these grain stocks. We hope that they will be in position to take care of the whole job. We prefer this, and it is in accord with the principles laid down in the Commodity Credit Corporation charter.

"If adequate commercial storage is not available, then, and only then, the Corporation will take steps to augment its own temporary bin-type storage facilities. We have an obligation to see that the grain can all be handled so that there will be no hitch in the farm price-support programs.

"We must know whether the loan grain which is already in commercial storage can remain there on a satisfactory annual basis after CCC takes title. We must know what commercial facilities will be available to house the grain which is now on farms, but which will be turned over to the Corporation in May. When we know this, then we can tell how far CCC will have to go, if at all, in expanding its own emergency storage."

CCC CHICAGO HEARINGS HELD

The Washington hearings were preceded by a conference at Chicago in which Elmer Kruse, official of the PMA, heard North Central States representatives of various branches of the grain handling industry list their complaints.

This conference was called by Oscar A. Olson, president of the Minnesota Farmers' Elevator Association who said: "The Government is not equipped to give adequate service to the farmers in the marketing of their grain."

Keith Farlow of Grandin, N. Dak., explained the views of country grain elevator men. He stated that in non-Government trading, agents at the large terminals represent the country dealer in transactions and follow up the shipments to their ultimate buyers. In a Government transaction, he said, the CCC carries through the distribution without the aid of agents. Country elevator firms want their agents to represent them at the terminals, Farlow said.

Commission men, with Ray Sims of Duluth, Minn., president of the Federation of Cash Grain Commission Merchants Associations, serving as spokesman, charged the Government with bungling the job.

Sims pointed out that the National Federation of Grain Cooperatives demands that commission men be given added duties under the Government program.

"That is quite a victory for us since the terminal cooperatives act as their own commission men and actually are competitors of ours," he said. "However, they do not want the Government encroaching on free enterprise, and the sooner we get things straightened out the better."

CONGRESS HEARS COMPLAINTS

Congressional sessions were specific and hot. Appearing before the Senate Agriculture Committee in connection with the bill to grant an additional $2,000,000,000, lending authority to the CCC, grain elevator operators from Minnesota and Iowa said in some cases the CCC owes thousands of dollars for grain it had received but never paid for.

The grain men told the committee that carloads of grain had vanished as long as 8 months ago and no one seems to know where they are.

Several hundred protests were entered against the present contract. The grain men contended that the tentative draft did not include provision for country elevator operators to be represented by agents at terminal markets.

The operators claimed that by use of their own agents they will be notified immediately of receipt of their shipments and downgrading—if any—and that their interests will be protected.

They charged that the CCC appears to be setting up its own grain handling system to

compete with the facilities of the cooperative and independent elevators and terminal commission men.

The Government now owns 375,000,000 bushels of storage space and with addition of another one hundred million this spring will have a total near half a million under its operation. With possible needs demanding another 300,000,000 bushels of space in the near future, the holdings would rival the entire country elevator set-up in size.

I want to say that I have had telegrams from many of the elevators in my district, urging an amendment to this bill which will give small business such as represented by the average country elevator an opportunity to continue in business.

This amendment may be defeated but I assure you that the fight will go on in regard to the matter of efficient handling of commodities shipped by our farmers and farm elevator people.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. SUTTON. Mr. Chairman, I ask unanimous consent that my time may be allotted to the gentleman from Georgia [Mr. PACE].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that my time may be allotted to the gentleman from Georgia [Mr. PACE].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that my time may be allotted to the gentleman from Georgia [Mr. PACE].

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. PACE. Mr. Chairman, I am willing to go to any length necessary to protect private industry. I shall not attempt here to discuss the handling of wheat as I am not too well acquainted with that subject. I think there is an area within which we can work out something of this kind. I understand the Senate Committee on Agriculture is now attempting to do so. But I do not believe that the author of this amendment or anyone else wants it in its present form.

I want to tell you what it would mean with regard to cotton. You understand, it covers cotton and every other commodity. For example, I produce a bale of cotton. I take it to the cotton warehouse. A sample is taken and that sample is classified and the grade and staple is determined. The warehouseman issues what is known as a warehouse receipt on which is stated the number of pounds, the grade, and the staple.

Then say I prefer to take a loan rather than to sell my bale of cotton, so I go to the bank down home and say: "Here is my cotton receipt. I want to borrow 90 percent of parity, the support price." Without any hesitation the banker prepares a note for 90 percent of parity. We will say it is $100. I sign a note for the $100 and I endorse the back of the warehouse receipt for the bale of cotton and attach it to the note.

The bank holds my note and receipt for the money loaned. That note calls for 3-percent interest. The bank gets 1½ percent, the Commodity Credit Corporation, the Government, gets the other 1½-percent interest because the Commodity Credit Corporation guarantees the bank on my loan and for that guaranty the Commodity Credit Corporation gets 1½ percent and the bank gets 1½ percent. The 1½ percent the Commodity Credit Corporation gets practically pays for the administration of this part of the program.

I have gotten my loan. The bank holds my note for $100 and holds my warehouse receipt with my endorsement on it. The loan extends for a year. If I made the loan last fall it will be good until the 1st of July. Now, I do not pay my note, and in accordance with the agreement my note is in default. The Commodity Credit Corporation takes over my bale of cotton.

What do they do? The bank in my home town mails the note and the cotton receipt to the Commodity Credit Corporation, that is all. The cotton stays in the warehouse where I put it. It is never moved, and will stay there until that bale of cotton is ultimately sold, whether it is this fall or 5 years from now. All in the world that is done is the Commodity Credit Corporation sends the bank the amount it loaned me, plus 1½ percent interest, and keeps the receipt for the bale of cotton. Under this amendment, if you please, in order to get the transaction closed, the Commodity Credit Corporation would have to go to a cotton buyer in my home town and pay him to walk around to the bank, pick up the piece of paper, the warehouse receipt, and take it up the street one block to the PMA office, and say, "Here is your receipt for the bale of cotton." For that, under the regular custom, the cotton buyer would get $1. That would be charged to the farm program. That would give the critics of the farm program that much more to complain about, and the commission merchant would have performed absolutely no service.

Now, let us lock arms here. If the wheat program is not functioning right, let us make it right. If there is more to the wheat program than picking up the receipt for a bale of cotton, if something has to be done that requires the services of a commission merchant, let us use him. But, for goodness' sake, my friends, do not come here and put four, five, or six million dollars onto the cotton program for absolutely useless, unnecessary service in employing commission merchants. You do not mean to do that. My distinguished friend from Kansas, the author of the amendment, does not want to do that. Under this amendment it does not say you shall use the commission merchant as far as practicable or where needed. It says you shall use him and pay him, and they have no discretion.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Of course, the gentleman knows that we have no intention whatsoever to destroy the efficiency of the program, but grain is handled entirely different than cotton.

Mr. PACE. I cannot argue that question.

Mr. AUGUST H. ANDRESEN. The thing is in a mess in the grain area of the country up in our section. It is in a mess and we have been trying to get the Commodity Credit Corporation to straighten it out, but they have refused to do so, and the farmers have suffered as the result of it.

Mr. PACE. I do not take any issue with the gentleman as to that. He knows his problem, but I know you do not want to apply this thing to other commodities like you propose to do. This amendment should be defeated and whatever problems now exist should be thoroughly considered and studied by the proper legislative committees and should be worked out in a sound, sensible, and practical manner.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, a few minutes ago the gentleman from Mississippi [Mr. WHITTEN] spoke of the lack of grain-storage facilities in the fall of 1948, and he blamed that shortage upon the Republicans. Now, let it be understood that the Commodity Credit Corporation was selling grain bins by the thousands in the fall of 1948 for a few cents on the dollar. I should like to ask the gentleman from Mississippi, since I see him on the floor, what provision there is in the pending bill to prevent the Commodity Credit Corporation from committing that evil all over again.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, I might say to the gentleman, if I made the statement that you are responsible, I do not know that that could be proven, but if I have said that the Republican Party got credit for having caused this serious situation, I would have certainly been correct.

Mr. GROSS. You could not hold me responsible because I was not in Congress.

Mr. WHITTEN. But the Republican Party certainly got credit for it.

Mr. GROSS. They most certainly did get blamed unjustly, and I would like to have somebody tell me whether there is any restriction in the present bill that will stop the Commodity Credit Corporation from committing that evil all over again, using such a situation as a political football.

Mr. WHITTEN. Well, I do not know, but we do have an agreement in the Subcommittee on Agricultural Appropriations that they will not go in and take over the warehousing business, but that they will give the warehousing industry an ample opportunity to meet the needs before they build any bins. It may be that they are not carrying out the law. We will try to help you if we can.

Mr. GROSS. I thank the gentleman from Mississippi.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the gentleman from Georgia has told you exactly what would happen as far as cotton is concerned if you adopt this amendment, and that is you would be paying a commission to somebody who did not earn it and who could not earn it, because there was no way he could possibly earn it. And you will have exactly the same situation with respect to wheat if you adopt this amendment. You will be paying a commission to cash commission merchants in the terminal centers who perform no service, who can perform no service to the Commodity Credit Corporation, and yet you would have to pay them as near as I can figure about $11,000,000 a year.

Now, I hope that no one who is in favor of cutting down expenses in this Congress and saving money for the Government, will go ahead and vote for $11,000,000 to pay commission merchants, in the terminal grain centers for a service which they do not perform.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, as time is running out and I am informed that this bill will go over until after Easter unless it is passed tonight, I yield back my time and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE].

The question was taken; and on a division (demanded by Mr. COLE of Kansas) there were—ayes 43, noes 143.

So the amendment was rejected.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 1, line 5, strike out "$6,750,000,000" and insert in lieu thereof "$5,750,000,000."

Mr. KEATING. Mr. Chairman, it is only necessary to look at page 2 of the report stating the purpose of this bill to realize that there is no necessity now and there has not been stated by anyone to be a necessity for increasing the borrowing authority of the Commodity Credit Corporation by $2,000,000,000. One billion dollars will amply do the job.

The only exception to that broad statement is what the chairman of the committee told us as to the attitude of the Secretary of Agriculture, who stated that the $2,000,000,000 was necessary. He gave no reasons for it. The figures which he does give do not support his conclusion.

The present borrowing authority is $4,750,000,000. It is stated near the bottom of page 2 of the report that the recent estimate which the Corporation has made as to the maximum amount which it will need for price-support operations through the fiscal year 1951 is $5,300,000,000. In other words he says he needs an increase in authority of about $600,000,000. If we increase the present authority from $4,700,000,000 to $5,700,000,000, we will amply have provided for any future contingency by giving him, even then, $400,000,000 more than he says he is going to need. We are told that the amount which will be out on loan this spring is likely to be $4,300,000,000, so that for the 1951 crop there is still a full $1,000,000,000 leeway to reach the figure of $5,300,000,000, which he states is his maximum requirement.

By the adoption of this amendment we still give the Secretary a borrowing authority, I repeat, of nearly a half a billion dollars more than he says he needs.

The answers made to that argument "Why do we worry about the authority which he has? Why not give him $1,500,000,000 of authority above what he needs, rather than a half billion above what he needs?" It is that loose philosophy, Mr. Chairman, and it is that dangerous type of thinking in Government which has, to a major extent, brought us to our present precarious financial condition. My experience with Government agencies causes me to be very suspicious of that line of reasoning. If they have the money to spend, if they can involve the Government further, it is usually found that they do so. I think we simply must keep a tighter rein on those handling the financial transactions of the country. The people in my district, and I feel sure the same applies throughout the country, are objecting strenuously to shelling out billions of dollars here as though they were peanuts.

I realize that this involves a debt transaction, rather than an immediate appropriation. But whatever the fiscal arrangement, it is the pockets and pay envelopes of our people that are affected. Certainly if we give to the Commodity Credit Corporation half a billion dollars above the amount which the Secretary himself says he needs, we have more than amply protected the price-support program. There is utterly no justification in the record for increasing his authority by $2,000,000,000.

Furthermore, I understand we are shortly to have brought before us a foreign-aid bill in which the proposal is made that $1,000,000,000, or thereabouts, of surplus farm commodities be transferred into the ECA program. If that is done, that makes even less necessary the tremendous increase in the borrowing authority of the Commodity Credit Corporation.

Mr. Chairman, I think this amendment should be adopted.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is rather curious that two gentlemen from the city or urban areas should get up to speak for and against this particular proposal. But I believe if we are going to continue proper support for this program, that to cut the requested appropriation $1,000,000,000 at this time would be wrong. We must adequately prepare for any contingency or emergency that may arise in 1950.

The estimate that is given here, of course, is only on three basic crops and on yield figures which might possibly be exceeded if the 1950 crop year were to exceed the 38½ bushels per acre yield which is estimated.

If the gentleman from New York [Mr. COLE] would have had time to continue reading from the report on pages 2 and 3, the following language would point out the necessity for the full amount asked for in this legislation:

It is necessary to bear in mind that this estimate deals with 1950 crops which have not yet been planted and a variation in any one of the several factors will result in changes in fund needs just as the increase of one-half million bales in the revised 1949 cotton crop estimate substantially increased estimated requirements of the Corporation. Variation in estimated fund requirements can be well illustrated by reference to the effect of changes in yields of cotton, wheat and corn. The estimates for fund needs for the 1950 crop-corn were based on an estimated yield of 38.5 bushels per acre. Should the yield actually equal the 1948 yield of 42.8 bushels, additional funds required by the Corporation to support this crop would amount to about $400,000,000. The 1950-crop wheat requirements were based on a 5-year average yield of 16.5 bushels per acre. Should the yield equal the 1947 yield of 18.5 bushels per acre, an additional $300,000,000 would be required in supporting the price of wheat. The 1950 crop cotton estimated requirements were based on a yield of 270 pounds per acre. Should this yield turn out to equal the 1948 yield of 313 pounds per acre, the Corporation would need $260,000,000 more in its support operations for the cotton crop. Thus, it can be seen that solely on the basis of possible changes in yields for these three commodities alone, the Corporation could require almost $1,000,000,000 more during the next year than the presently estimated 5.3 billion dollar requirement.

I am certain if we are going to look at this picture realistically we must accede to the request of those who know the program and who have asked for this amount. I believe this authorization should remain at $2,000,000,000.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CASE of South Dakota. Does the gentleman know whether the action purported to have been taken by the Committee on Foreign Affairs contemplates reimbursement of the Commodity Credit Corporation for a billion dollars' worth of foodstuffs, or would that billion dollars simply be transferred? Or would the Commodity Credit Corporation itself be impaired by that amount?

Mr. BUCHANAN. It would not be; the money would be transferred.

Mr. Chairman, I should like to include the following telegram from Mr. Patton:

Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I understand that the bill to increase Commodity Credit Corporation's borrowing power has two amendments which are very vicious from our point of view. One amendment would turn over to private trade the handling of all commodities and particularly grain. Senator, this smacks of corporative fascism. If the private grain trade and men like yourself want the Government out of business, then the way to get it out of business is to adopt production payments. In any event, subsidizing the private grain trade by guaranteeing their "take" is no good. The Magnuson amendment will make a pork barrel, log-rolling business out of our foreign agricultural trade, and that is no good. I urge you, sir, to use your influence

to have the bill recommitted to the Agricultural Committee and then that the "safe cracker" amendments be taken out.

Respectfully,

JAMES G. PATTON,
President, National Farmers Union.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 55, noes 102.

So the amendment was rejected.

Mr. JUDD. Mr. Chairman, I offer an amendment.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes.

Mr. CORBETT. Mr. Chairman, reserving the right to object, I just wanted to call the attention of the committee to the fact that we disposed of a billion dollar item in some 7 minutes. But, after all, it is only money.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes; is there objection?

Mr. HESELTON. Mr. Chairman, reserving the right to object, I have an amendment at the desk.

Mr. SPENCE. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 15 minutes.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

The CHAIRMAN. Without objection the Chair will divide the 15 minutes' time allotted between the seven Members standing at the time the limitation was voted.

The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Mr. JUDD moves to amend the bill by adding thereto a new section, to be designated section —, reading as follows:

"SEC. —. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806, 80th Cong.) is hereby amended to read as follows:

"'It shall be the duty of the Corporation in the handling and disposition of agricultural commodities which it has acquired (except disposition to other Government agencies) to utilize, whenever it can be done with equal efficiency and at no greater expense, the usual and customary channels of trade and commerce, including the employment of dealers and commission merchants for such services as are ordinarily performed for hire in the course of private commercial handling and disposition of like commodities; *Provided, however,* That nothing contained in this paragraph shall change or impair any of the powers of the Corporation as provided elsewhere in this act.'"

Mr. JUDD (interrupting the reading of the amendment). Mr. Chairman, in order to save what time I have, I ask unanimous consent that the reading of the amendment be dispensed with. I will explain it. It merely adds about 10 words to the previous Cole amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. JUDD. Mr. Chairman, what I seek to do in this amendment is to see if we cannot agree on a formula which is workable and which the CCC must follow without increasing its costs and under which people like in the grain trade, who are being hurt in this program, can be given some practical relief. My amendment adds one clause to the Cole amendment so that it begins:

It shall be the duty of the Corporation * * * to utilize, whenever it can be done with equal efficiency and at no greater cost, the usual and customary channels of trade and commerce.

The purpose is to define the term that is in the existing CCC Act which instructs it to use customary channels "to the maximum extent practicable." My criterion of what is practicable is not grabbed out of thin air. The Foreign Affairs Committee already has put essentially this language into two or three bills or committee reports, including the ECA Act, and Paul Hoffman has followed it faithfully. It merely spells out that whenever it can be done with equal efficiency and at no greater expense, the CCC shall use the usual and customary channels of trade.

What is wrong with that? It would not apply to cotton, obviously. For the very reasons the gentleman from Georgia has just discussed, it would cost more to use private trade in the stage of handling cotton which he described. It probably would not apply to some other commodities, so no harm could be done. It would overcome the objections of the gentleman from Kansas [Mr. HOPE]. He said the Cole amendment would cost a lot more because he assumed that CCC would have to pay 2 cents a bushel for handling wheat. But under this modified Cole amendment, the CCC and the grain trade would figure out what operations could be done with equal or greater efficiency by the ordinary channels of trade—and thus correct the tardiness, confusion and uncertainties now prevailing. Then the CCC would bargain and contract with representatives of the grain trade as to a fair price for their handling those operations. I think it would find them willing to do that at a very low figure indeed—almost certainly cheaper than CCC can handle them. The trade's main concern in this operation, which we all hope will not long be on such an extensive scale, is not to make its usual commission, but rather to preserve its existence so that it can continue to do in the years ahead its regular work in the private handling of grain.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. Does it take in cotton?

Mr. JUDD. Cotton would be automatically excluded, because the trade apparently could not handle cotton with equal efficiency and at no greater expense.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. COOLEY. As I understand the gentleman's amendment, present law permits them to do just exactly what the gentleman's amendment proposes.

Mr. JUDD. They can do it, but this says that they shall do it—shall use the ordinary channels of trade whenever that can be done with equal efficiency and at no greater cost. It changes it from permissive to mandatory under certain definite criteria. If you really want to make this a bill for promoting a sound economy for the country and all of the people who are legitimately rendering useful service in the production, handling, and disposition of agricultural commodities you should vote for this amendment. It would lead to better handling of the problem; it could not cost more; and it would prevent the destruction of certain businesses which are exceedingly useful to our country as well as the livelihood of many good citizens.

I hope it will be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The question was taken; and on a division (demanded by Mr. JUDD) there were—ayes 51, noes 112.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 4 (1) of the Commodity Credit Corporation Charter Act (62 Stat. 1070) is amended by striking out "$4,750,000,000" and inserting in lieu thereof "$6,750,000,000."

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: Page 1, line 9, after "$6,750,000", insert "amend section 5 of the Commodity Credit Corporation Charter Act (62 Stat. 1070) by adding the following new subsection:

"'(i) In order to prevent the waste of food commodities acquired through price-support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price-support program, the Commodity Credit Corporation is authorized and directed to make available such commodities as follows in the order of priority set forth: First, to school-lunch programs, and the Bureau of Indian Affairs, and Federal, State, and local tax-supported institutions, such as hospitals, orphanages, schools, penal and mental institutions, and public-welfare organizations for the assistance of needy Indians and other needy persons; second, to private-welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States; fourth, to intergovernmental or international nonprofit welfare agencies, for assistance to needy persons outside the United States. The Secretary of Agriculture shall first determine that such commodities are in ample supply over and above such reserves as may be required and deemed in the public interest. The Commodity Credit Corporation shall make any such commodities available at no cost at point of use within the United States or at shipside at port of embarkation. The Corporation may advance as against handling and transportation costs in making delivery up to the equivalent of 6 months' storage costs on any such commodities turned over.'"

Mr. HESELTON. Mr. Chairman, first let me say to my able friend, the chairman of the Committee on Agriculture, that I have stricken the words to which he objected earlier, "or shall be empowered to deliver them abroad when necessary."

Second, let me call your attention to the fact that this is an amendment of the Commodity Credit Corporation Charter Act.

Third, let me call your attention to the fect that practically all of this language is contained in Public Law 439 of the Eighty-first Congress. If it is loosely drawn, that is because that law recommended by the Committee on Agriculture is loosely drawn.

Fourth, let me say that I have simply spelled out certain institutions, hospitals, orphanages, schools, penal and mental institutions, then have added intergovernmental and international nonprofit welfare agencies.

I have put a guard in there that the Secretary shall first determine that such commodities are in ample supply over and above such reserves as may be required and deemed in the public interest.

The final thing I have done, as you know, is to provide for using 6 months' storage cost for handling and transportation.

I cannot cover the whole thing in the short time allowed and I regret the arbitrary action just taken in cutting off debate. I will simply say that this is exactly what the conferees urged upon us this afternoon so far as the disposition of potatoes is concerned; it is exactly what is in the omnibus appropriation bill, although in limited form. I know that there are many who agree with the objectives of this bill who have been influenced by the eloquence of my friend and undoubtedly will be influenced again by his eloquence, but I urge upon you, this is an opportunity to stop wasting $60,000 every day; that when it is argued a committee should be given an opportunity to consider it further, we should weigh against that the wanton waste of public funds and the need for these goods to be given the people who can and will eat them. The total loss at 6 o'clock will be a cool $3,000,000.

I hope that by your votes you are not going to put your stamp of approval on that gigantic waste of your constituents' hard-earned dollars. If you do, it must be with your eyes wide open, in full knowledge of this profligate waste of money and food. Many, many thousands of your constituents are going to learn the full facts sooner or later. I do not believe they will easily forget or lightly forgive a solemn vote cast here today against putting an immediate end to this asinine, indefensible mess.

But, since I anticipate a majority will be influenced by the pleas of the chairman of the House Committee on Agriculture, I plan to send the following telegram to the President at his Key West vacation spot when we adjourn:

MARCH 23, 1950.

The PRESIDENT,
Winter White House,
Key West, Fla.:

Just lost effort to amend Federal Commodity Credit charter to provide for disposition surplus foods, consequently waste of Federal funds will continue at rate of $60,000 daily until you act. Total accumulated amount to date is $3,000,000.

JOHN W. HESELTON,
Member of Congress.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I reiterate my opposition to this amendment, and desire to again call the attention of the House to the fact that the House Committee on Agriculture is now conducting hearings dealing with this very identical subject. We have before the committee 23 different bills. I am wondering whether or not it would be fair to the authors of the other 22 bills to dispose of the matter here on the floor of the House today. The gentleman from New York [Mr. KEATING] is the author of one of the bills, and I would like to yield to him, but I have only 2 minutes.

I would like to point out that the argument just made by the author of the amendment is to this effect: That the way to save money is to cut out the storage and the way to cut out the storage cost is to give away the commodity that is now stored. Certainly, we could save money on storage if we gave away a billion dollars' worth of cotton or a billion dollars' worth of corn or a billion dollars' worth of wheat and billions in other commodities. But it has never been the philosophy of this program to buy in commodities merely to give them away. I call your attention to the fact that this amendment does not say "in surplus supply." It says "in ample supply." If we have any commodity that is in ample supply, we can give it away and pay the storage and freight to shipside to be sent across the seas to welfare agencies and needy persons.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. HESELTON. The amendment says, "food commodities," and it is food commodities alone.

Mr. COOLEY. All right, food commodities. But we have many food commodities that are in a good state of preservation and are processed and could be kept for years and could be disposed of orderly. This amendment is loosely drawn and badly written, and the effect of it, I think, would be disastrous on the program. I think it should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Arkansas to the amendment offered by the gentleman from Massachusetts [Mr. HESELTON]:

After the word "commodities", insert the words "as set forth in section 416 of the Agricultural Act of 1949."

In the last sentence strike out the words "advance as against" and insert the word "pay", and strike out the period, insert a comma, and add the following language: "*Provided,* No transportation or handling charges shall be incurred by the Commodity Credit Corporation or Department of Agriculture if in so doing it would lower the total amount of agricultural commodities acquired by any institution or organization through the normal channels of trade and commerce."

Mr. HAYS of Arkansas. Mr. Chairman, I regret that I cannot support the amendment offered by the gentleman from Massachusetts [Mr. HESELTON]. In all sincerity, I think he has done a grand job in presenting to this House the conditions we have had with reference to potatoes and other perishable commodities that the Commodity Credit Corporation has acquired.

I wonder if the gentleman from Massachusetts, just in order to present a clear issue and get his amendment in acceptable form from the standpoint of drafting and not to do damage, would not accept this language which has for its purpose just two things: One is to carve out of its application the nonperishable commodities; to limit it, in other words, to those that are subject to deterioration. That is the first purpose. And secondly, not to reduce, by this action, the amount that recipients would acquire otherwise in the normal channels of trade and commerce.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Massachusetts.

Mr. HESELTON. As the gentleman knows, I conferred with him about the amendment. I think it is an excellent addition to my amendment, and I would be very happy to accept it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from North Carolina.

Mr. COOLEY. I will say to the gentleman from Arkansas: Does he not think that since he does not have time to explain his own amendment, and the gentleman's amendment is bad, according to his own statement, that this matter should be left to the Legislative Committee and not taken away from us and written in any such manner as this?

Mr. HAYS of Arkansas. I agree with the gentleman. I am not supporting his amendment, but if his amendment should appeal to the House, I do not want the Commodity Credit Corporation to be turning loose commodities and thus reduce the amount of commodities to be purchased in the normal channels of trade and commerce.

Mr. COOLEY. The gentleman knows that he has to have unanimous consent to put through this procedure, and if he does not get unanimous consent, I want to ask the gentleman if he does not think that this House ought to let it be settled in the committee.

Mr. HAYS of Arkansas. I think it ought to be studied by the Agriculture Committee, but if the Heselton amendment is accepted, I would like my amendment to be a part of it. If not accepted by unanimous consent, then it will have to be voted on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas to the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. I understood he was trying to do this by unanimous consent.

The CHAIRMAN. The Chair did not understand that request.

Mr. COOLEY. I understood the gentleman from Arkansas to ask the gentleman from Massachusetts if he would not accept it as an amendment.

The CHAIRMAN. That is not a unanimous-consent request.

The question is on the amendment offered by the gentleman from Arkansas [Mr. HAYS] to the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. HESELTON) there were—ayes 81, noes 116.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. MOULDER].

Mr. MOULDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOULDER: Add a new section reading as follows:

"SEC. 3. In all transactions connected with the purchase and sale of agricultural commodities from owners and operators of elevators, the Commodity Credit Corporation shall exercise due diligence, and take such action as may be necessary to render efficient and satisfactory service, so as to avoid delays in making receipts of weights and grade certificates, and to achieve final settlements and consummation of such transactions."

Mr. MOULDER. Mr. Chairman, in support of my amendment, I desire to read a portion of a letter from the Boonville Mill & Grain Co., of Boonville, Mo. I have received several such letters:

February 26, 1949, CCC wired us to ship at once 27,554 bushels of loan wheat. March 5 the shipment was completed and we invoiced them on March 7 for our charges. We waited patiently for several months to hear from CCC regarding payment, or for weights and grades covering the shipments. Next we started writing to try to find out about it and made a trip to Kansas City. Most of our letters were never answered and when they were it was in an evasive manner. August 9 we were fortunate enough to receive a check for a three-fourths settlement of our charges and, on December 22, we were paid in full.

We had shipped 654 pounds more wheat than the order called for, so thought that now our 1948 loan wheat was completed, even though we did not have weights and grades from CCC covering it. We are licensed under the United States Federal Warehouse Act and our weights are considered as good as official. On March 7, 1950, exactly 1 year from our invoice date, we received a statement advising we owed CCC $118.21 because of a difference in weights. They still did not send the weights and grade certificates with the statement.

We handled an emergency shipment of corn, due to a flood in the Missouri River bottoms, also, in February and March of 1949. To date we have not been paid for it and the answer to our many letters is in effect that due to the complications of red tape between Government agencies all necessary papers are not in their files.

As a country shipper, we find it is about impossible to service our farmers on the small charge we are permitted to make, especially when we do not know for over a year how we come out with Commodity Credit. If it is continued, possibly we will have to levy additional charges on them and ask them to wait for returns the same as we do.

The letter is signed by R. E. Cassanova.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MOULDER. I yield.

Mr. BROWN of Georgia. What is the date of that letter?

Mr. MOULDER. March 10, 1950.

Mr. BROWN of Georgia. That is the same day the committee put in its report practically what the gentleman has in his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, pursuant to House Resolution 513, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. GAMBLE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GAMBLE. Definitely and very much so, Mr. Speaker.

The SPEAKER. The gentleman definitely qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GAMBLE moves to recommit the bill to the Committee on Banking and Currency with instructions to report the bill back to the House forthwith with the following amendments: Page 1, line 5, strike out "$6,750,000,000" and insert "$5,750,000,000"; and on line 9 strike out "$6,750,000,000" and insert "$5,750,000,000."

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. POULSON) there were—ayes 77, noes 179.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SMITH of Wisconsin. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. KENNEDY asked and was given permission to address the House for 15 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include therein an agenda of hearings for the next week and also to revise and extend the remarks he made earlier today in the Committee of the Whole.

DISPENSING WITH BUSINESS IN ORDER ON MONDAY UNDER RULE XI (2) (C)

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Monday next, under rule XI (2) (c), the so-called 21-day rule, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROVIDING FOR ADJOURNMENT OVER FROM FRIDAY TO MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. PRICE asked and was given permission to extend his remarks in the RECORD and include an editorial.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have until midnight Saturday to file a report on House Resolution 516.

Mr. HOFFMAN of Michigan. I thought the gentleman was also going to include permission for the minority to file minority views.

Mr. DAWSON. Yes, Mr. Speaker, and also that the minority may have the right to file their views.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include a speech by the distinguished Governor of the State of Illinois, delivered Tuesday, March 14, on the occasion of Illinois Housing Day.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD and include a letter from the Governor of North Carolina.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. ZABLOCKI asked and was given permission to extend his remarks in the RECORD and to include two editorials.

Mr. O'HARA of Illinois asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and to include extraneous matter.

Mr. PATTERSON asked and was given permission to extend his own remarks in the RECORD and include a newspaper article and a letter.

Mr. McDONOUGH asked and was given permission to extend his own remarks in the RECORD.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article and a letter.

Mr. ANGELL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include an article on the Pacific Northwest.

Mrs. HARDEN (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the RECORD and include a newspaper article.

REREFERENCE OF BILL

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the bill (H. R. 7767) to provide for the payment of extra compensation for certain work heretofore performed by customs officers and employees, and for other purposes, and that the bill be referred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Georgia [Mr. DAVIS] is recognized for 15 minutes.

THE UNITED STATES SECRET SERVICE

Mr. DAVIS of Georgia. Mr. Speaker, we have been reading and hearing a great deal of late about counterfeit money. Counterfeit money is of interest to all of us, because if we happen to be victimized with it we feel it in our pocketbooks, and any crime which makes the average citizen lose his money to crooks deserves our careful attention. I understand that during the calendar year 1949 storekeepers and other citizens lost $651,445 by accepting counterfeit bills, as against only $190,133 in 1948. Almost as important is the fact that in 1949 our Government captured $703,423 before counterfeiters were able to circulate it. Altogether, in 1949, the Government seized $1,354,868 in counterfeit bills, which is more counterfeit than has been captured at any time since the peak year of 1935, when nearly $1,500,000 was confiscated.

I would like to point out that the $700,000 captured before circulation in 1949 was actually a potential loss to our people. That is, this counterfeit money was ready to be passed—and it was only because of some intensive and effective law-enforcement work that a lot of people were not victimized and that scores of counterfeiters and counterfeit passers are now in custody.

This enforcement job of suppressing counterfeiting is one of the primary jobs of one of the oldest investigative agencies in our Federal Government—the United States Secret Service. Now there are quite a few investigative agencies of the Government, and some of them are better known than others. The United States Secret Service just goes along and does its difficult job quietly and without much fanfare, and I believe it is time they were given some recognition for the efficient manner in which they carry out their prescribed duties.

A great many people probably are not aware of the nature of these duties. The name, Secret Service, conjures up images of spies and international intrigue and involved plots which belong in melodramatic novels or in motion pictures. Actually, the United States Secret Service has three major functions. The first and most important is the protection of the President of the United States, the members of his family, and the President-elect. The second is the suppression of currency counterfeiting, and the third is suppression of the forgery and fraudulent negotiation of Government checks, bonds, and other obligations. The Secret Service performs other duties relating to the Gold Reserve Act, the Federal Deposit Insurance Act, and other statutes, and makes investigations relating to the Treasury Department, as directed by the Secretary of the Treasury.

I doubt that the Secret Service is generally associated with the Treasury Department. In fact, I doubt that many people know the Treasury Department includes such other enforcement agencies as the Narcotic Bureau, the Bureau of Customs, the Alcohol Tax Unit, the Intelligence Unit of the Internal Revenue Bureau, and even the United States Coast Guard. At any rate, this year marks the eighty-fifth anniversary of the founding of the United States Secret Service. Its first Chief, William P. Wood, was appointed July 5, 1865, and the Service was established to fight counterfeiters who were flooding the country with bogus money.

Counterfeiting plants were seized by the score. Counterfeiters were caught and jailed, and respect for the new crime-fighting organization grew, not only in the underworld but also among various departments of the Government. Soon these other departments began to borrow Secret Service agents to investigate other crimes. Since there was then no other general Federal law-enforcement agency, it became common practice for the Treasury Department to lend Secret Service agents upon request.

For example, in 1898, during the Spanish-American War, a ring of Spanish spies with headquarters in Canada directed espionage activities against the United States. Secret Service agents borrowed by the Department of Justice set up a counter-espionage system and unearthed the enemy's hide-out near Montreal. The head of the spy ring was swiftly banished from Canadian soil.

One of the most important assignments ever given the Secret Service was the investigation of extensive land frauds perpetrated upon the Government. By 1905, at the request of the Attorney General of the United States, several Secret Service agents were lent to the Department of Justice to conduct this investigation. The Homestead Act of 1862 had thrown western lands open to settlement. Through dummy entrymen, several cattle barons obtained rich grazing land intended for homesteaders. Others contrived to get lands rich in coal, oil, and timber, on the false claim that the lands were to be used for agriculture. In the course of the investigation one Secret Service man was shot in the back with 17 shotgun slugs while he investigated the suspected theft of coal from Government-owned land. His killers were arrested and tried, but were acquitted. The agents exposed countless frauds and recovered millions of acres of land for the Government, and in the course of their work they obtained indictments against many important and influential persons.

In 1907 Congress restricted the work of the Secret Service to its Treasury Department duties and prohibited the lending of agents to other Government departments. However, several Secret Service agents were permanently transferred to the Department of Justice and to other Government departments to form the nuclei around which separate investigative units were established.

With the approach of World War I, President Woodrow Wilson lifted previous restrictions and directed that the Secret Service be employed to uncover violations of neutrality. Investigation led to George Sylvester Viereck and Dr. Heinrich F. Albert, who were knee-deep in German propaganda. Dr. Albert carried a mysterious brief case which he guarded most carefully. On July 24, 1915, a Secret Service agent followed Dr. Albert as he rode on an elevated train in New York City, and succeeded in obtaining the mysterious brief case.

The case held papers showing elaborate German plots to influence American public opinion by buying newspapers and magazines. There were plans to organize strikes in munitions plants; to corner the supply of liquid chlorine used for poison gas; to acquire the Wright Aeroplane Co. and its patents for German use; to cut off the supply of cotton

from England. One sheaf of papers revealed that Germany, through its secret agents, had actually bought a large munitions factory at Bridgeport, Conn., using dummy buyers. The plant accepted orders for ammunition from Great Britain and Russia without any intention of making deliveries. In the words of George Sylvester Viereck, "The loss of the Albert brief case was like the loss of the Marne."

In 1924, at the suggestion of President Coolidge, the Secret Service was assigned to investigate the Teapot Dome oil scandals, and its agents worked for some 3 years before their association with that investigation became known.

Even today the work of the Secret Service is not known as widely as it should be, yet the amount of work its agents perform will surprise the average American. In conjunction with the seizures of counterfeit bills in 1949, which I have already mentioned, the Secret Service arrested 478 persons on counterfeiting charges. Aside from the counterfeiting investigations, the Secret Service investigated 30,081 forged Government checks worth more than $2,000,000, and 7,535 forged bonds worth more than half a million dollars. In addition, they conducted numerous noncriminal investigations, and at the end of 1949 they had completed 42,973 cases and had furnished evidence resulting in the conviction of 2,188 people of counterfeiting and forgery.

That is an excellent record—but even more surprising is the fact that the Secret Service has nearly 20,000 cases on hand, awaiting investigation, and new cases are pouring in at the rate of nearly 3,000 every month. Perhaps the most amazing factor in this entire picture is the number of Secret Service agents available to fight the counterfeiter and the forger. Without going into detail about the strength of the Secret Service, I can say that if the agents available for counterfeiting and forgery investigations were evenly distributed across the country, there would be about four agents in each of the 48 States. I think that is a great tribute to the Secret Service.

In my estimation the United States Secret Service has done a magnificent job of law enforcement with a minimum of men and without sensationalism, and has earned the gratitude of the Nation.

The SPEAKER. Under the previous order of the House, the gentleman from Massachusetts [Mr. KENNEDY] is recognized for 15 minutes.

UNEMPLOYMENT

Mr. KENNEDY. Mr. Speaker, the specter that haunts our economic system—widespread unemployment—is causing us increasing concern as we enter the spring of 1950.

Figures for February 1950 show that unemployment in the country has risen to 4,684,000—an increase of over 200,000 above the January total, and the largest total since the summer of 1941. The Commissioner of Labor Statistics has pointed out, moreover, that even if seasonal factors are taken away, unemployment has not ceased rising since October 1948.

These figures are cause for concern when we recall the words of Peter Drucker: "Prevention of depression and chronic unemployment has become an absolute necessity for any industrialized country. Only if the citizen can be reasonably certain that he will not be cast out from society and be deprived of his effective citizenship by forces which he can neither control nor understand, can modern industrial society expect to be acceptable, to be rational, to be meaningful to its members."

To understand better the problem we face it should be noted that despite the increase in unemployment, employment is still at a high level. It is a fact that despite the two-hundred-thousand-odd increase in unemployment from January to February of this year, the number of job holders also rose and that there is a total of close to 60,000,000 people employed.

This indicates that while the Nation's economy is functioning at a very high level, it is not expanding at the same rate as the Nation's available labor supply.

The important fact to face, however, is that to the jobless men and women in the country, economic theories and justifications of joblessness mean nothing. A man is as surely unemployed if he does not have a job because the country's economy has not expanded enough to absorb him as he is if his unemployment is caused by an actual lay-off from his job.

While some degree of unemployment has been felt in most of the large cities of this country, the cities and towns of New England and particularly of Massachusetts have been especially hard hit.

In his midyear economic report to the Congress on July 11, 1949, President Truman launched a new program for Federal action to combat unemployment which was reaching serious proportions even then in certain areas. This program was aimed not at the national unemployment problem but at unemployment in certain so-called distressed areas.

In October 1949 there were 33 labor-market areas in the entire country classified as distressed or E areas, that is, areas having 12 percent or more of their labor force unemployed. Of these 33, 18 were in New England and six—Fall River, Fitchburg, Lawrence, Lowell, New Bedford, and Worcester—were in Massachusetts.

Today, out of 43 distressed or E areas, there are still five in Massachusetts—Fall River, Lawrence, Lowell, New Bedford, and Worcester. The Boston area is listed as a D area, and out of 163 cities or labor markets in the country, including a number of comparatively minor areas, which are classified as either D or E areas, 11 are in Massachusetts.

Obviously the distressed-area program has not proved to be an effective remedy for acute unemployment, and all Government officials concerned with its operation are willing to admit it. It is not surprising that this program has been ineffective. Essentially the program has consisted in making available to distressed areas information regarding Government contracts and in channeling such contracts into distressed areas only when the company within such an area bids as low on these Government contracts as any other bidder.

There has been no authorization by Congress to enable the Government to be of more direct assistance.

I think many of us in Congress have been mistaken in assuming what this distressed-area program has done.

Even the Subcommittee on Employment of the Committee on the Economic Report, in discussing the accomplishments of the program in their report listed as one—

> The acceleration of procurement by some of the agencies of items produced widely in the depressed areas, notably, the Army's procurement in the first 4 months of this fiscal year, of $38,000,000 worth of textiles, which represented all Army and Air Force woolen and worsted requirements through June 30, 1950.

Apparently the subcommittee assumed that of this $38,000,000, distressed textile areas such as those in New England would receive a very substantial percentage.

Actually, in checking textile procurement recently, I found that from July 1 of last year through January of this year, a period of 7 months, the Quartermaster Corps had purchased $33,749,056.78 worth of textiles, of which only $7,415,231 was purchased in distressed areas. Doubtless, moreover, a very large share of this seven-million-odd dollars would have gone into distressed areas in the normal course of events.

The stimulant, then, to the distressed areas which the employment subcommittee and others expected, never was injected.

Apart from the inadequacy of the distressed area program, it is interesting to note that private business in some cases will not concern itself with local problems of unemployment.

Just last month, for example, the Defense Department awarded a two-and-one-fourth-million-dollar contract to the American Woolen Co. with a home plant in Maynard, Mass. This company, however, allocated the work involved in the contract to a branch plant in the South. While Maynard is not in a distressed area, it is practically surrounded by such areas. I understand that the people and workers of Maynard petitioned a Government agency, asking why at least some part of the contract was not handled in Maynard. Naturally, the Government has no voice in the matter and cannot control the allocation of work of a private company.

With the obvious danger of the unemployment situation, particularly in Massachuetts and other New England areas, I believe the Congress might well ponder the advice of the Labor Department to the Joint Committee on the Economic Report as summarized on page 6 of Senate Document No. 140, the recent report of the Subcommittee on Unemployment:

> Unemployment in various parts of the country may be far above the danger point, while the national average figure indicates a relatively good or normal situation. Appropriate measures must be taken to combat unemployment and to minimize its effects whenever and wherever necessary whether or not the trend of national unemployment total appears alarming.

If this be sound advice when the trend of national unemployment total does not appear alarming certainly it is advice to be heeded immediately at this time when the national trend appears most definitely to be alarming.

In regard to actual statistics on unemployment in Massachusetts, latest figures from the Bureau of Employment Security shows that on March 4, 87,500 persons in the State were unemployed. These figures are based solely on claims for unemployment insurance, and thus give a very incomplete picture. Thousands upon thousands of unemployed men and women, for instance those who have exhausted their unemployment benefits are not included; domestics, self-employed and others not covered by unemployment insurance are not included; the great horde of school graduates and other newcomers into the labor market are not included, nor are persons employed by Government, Federal, State, and local who have lost their jobs.

Back last fall when Secretary of Commerce Sawyer visited Massachusetts in his survey of unemployment, it was estimated that 250,000 were unemployed in the State. This was radically different than what official statistics showed at that time.

In my opinion, the number of unemployed in Massachusetts at this time are certainly equal to the figures of the previous year, and may be more. The existing statistics on joblessness as figured by the Bureau of Employment Security are away out of line.

It is obvious, therefore, that some great changes have to be made in the existing methods of determining the number of persons who are actually unemployed.

There are many reasons for the rise in unemployment in New England and Massachusetts. One official of the Department of Commerce recently informed me that observation of developments had led his office to list these causes:

First, the fact that New England manufacturers are not improving their plants and equipment sufficiently to keep up high productivity. As a consequence their costs are inordinately high and as a result their bids for contracts are out of line.

Second, the reluctance of New England and Massachusetts inudstry to change products or to take on new lines of products.

Third, the fact that industrial development planning and promotion has not been vigorously pursued; and that while much lip service has been paid to industrial development, the necessary concentration of initiative, energy, and financial backing has been lacking.

Fourth, the fact that, in general, labor costs are higher than in other areas. This of course reflects the higher capital investment, newer machinery, and so forth present in other areas and the resultant higher productivity in other areas.

Fifth, the fact that textile companies with home plants in the New England area, many of which are controlled by absentee owners, whenever expansion has been possible, expanded in their southern branch plants which are newer, more modernly equipped, and situated in areas where over-all costs, including power, are lower.

While I have emphasized the situation in Massachusetts which unemployment has hit harder than any other State in the Union, distress areas exist in 18 other States: 1, Alabama; 2, California; 3, Connecticut; 4, Illinois; 5, Indiana; 6, Kansas; 7, Maine; 8, Maryland; 9, Michigan; 10, New Jersey; 11, New York; 12, Ohio; 13, Pennsylvania; 14, Rhode Island; 15, Tennessee; 16, Utah; 17, Vermont; and 18, West Virginia.

In eight States, there are cities or areas which are now at a depression level of unemployment—with between 20 percent and 30 percent of their labor force unemployed: 1, Alabama; 2, Illinois; 3, Indiana; 4, Maine; 5, Massachusetts; 6, Michigan; 7, Pennsylvania; and 8, Utah.

The upward trend in national unemployment is without doubt due to the fact that while business activity is at a continued high level, business has not been expanding sufficiently to absorb the ever increasing labor force. This was pointed out recently by Mr. Leon Keyserling, acting chairman of the Council of Economic Advisers, who warned that if sales and production in 1954 are no better than equal to 1948, unemployment will, at that time, average 12,000,000 persons.

In the event, however, that private industry cannot take steps to eliminate the danger of expanding and creating job opportunities for at least another 1,000,000 job-seekers, particularly when their number hovers around the 5,000,000 mark, I am unable to foresee any other alternative to the Government's taking action.

It must be of special concern to us all that with deficit spending of about $5,000,000 expected this year, we are still unable to maintain full employment.

The entire economy of this country will be even more seriously threatened unless this challenge of unemployment is met. Five million persons out of work means that 5,000,000 potential wage earners and their families are removed from the stream of the Nation's purchasing power.

The fact that such a sizable segment of our national labor force are thus unable to contribute to the Nation's economy means in turn that the rest of the economy will suffer—resultant decreased demand will in turn bring decreased production and further the increase in joblessness. The vicious circle will be truly with us.

It is apparent that once this situation is upon us, all hopes for stabilization by the Government of the national debt or for Government operation on a balanced budget must vanish.

We must also recognize the fact that a continued unchecked climb in unemployment in this country could, by weakening our own national economy, not only drag down the economies of the anti-Soviet world, but could affect our capacity to maintain the responsibilities to the free world which we have assumed.

While the problem cannot possibly be solved easily or quickly, nor without a thorough study into all elements of it, there are, in my opinion, certain recommendations that bear consideration by the Congress.

These include:

First. An improvement and expansion of the existing unemployment compensation system—by extending its duration and coverage, and by increasing the amount of compensation.

Second. A study into possible public works programs, and a resulting advance planning for such programs—not forgetting the fact that middle-aged groups of men and women as well as white collar workers must be provided for in such planning. Such public works programs should include not only Federal projects but federally assisted community projects as well.

Third. Review of the accomplishments of the various State full-employment committees—in their fight against unemployment, and the dissemination of information about proven effective measures used by such committees to all State governments.

Fourth. An increased cooperation between Government, business, labor, and agricultural leaders in establishing methods and plans to meet the unemployment challenge.

At a hearing before the Joint Committee on the Economic Report on September 23, 1949, 15 leading economists submitted a statement entitled "Fiscal Policy in the Near Future" in which they said:

> Although no major change in fiscal program is indicated for the immediate future, the country should have positive assurance that the Government will be prepared to act promptly either if prices should display a sharp and continuous upward swing, or if unemployment should increase substantially. Congress should plan ahead and announce the actions to be taken in either contingency. It should enact preliminary legislation to be effective when needed.
>
> Congress should act in case of a decline in activity involving a genuine increase in unemployment of more than one and a half million persons above the present levels. This would mean total unemployment of about 5,000,000.

I submit that the present figure of 4,684,000 is close enough to "about 5,000,000" to necessitate at least preliminary action at this time. Leading economists and Government officials agree, moreover, that unemployment will reach 5,000,000 before the close of 1950.

Consequently I have today requested the chairman of the House Committee on Education and Labor, of which I am a member, to appoint a subcommittee for the purpose of looking into the national unemployment trend in general and the plight of the so-called distressed areas in particular, with a view toward making recommendations to the congress of any immediate or long-range legislation which appears to be needed.

He has assurred me that he will appoint such a subcommittee.

I hope that this House will support such a study.

PERMISSION TO ADDRESS THE HOUSE

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the

House for 1 minute, to revise and extend my remarks, and that my speech may be printed in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. MCDONOUGH addressed the House. His remarks appear in the Appendix.]

EXPLANATION

Mr. FULTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an explanation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, I wish to explain to the House that I have been in Pittsburgh the past 2 days with an infected ear and for this reason have been absent.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MULTER (at the request of Mr. KEOGH), for Thursday, March 23, on account of illness.

To Mr. GREGORY (at the request of Mr. BATES of Kentucky), for Wednesday, March 22, on account of official business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 609. An act for the relief of Mrs. Bertie Grace Chan Leong; and

S. 1543. An act to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act.

ADJOURNMENT

Mr. KENNEDY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 16 minutes p. m.) the House adjourned until tomorrow, Friday, March 24, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1333. A letter from the Chairman, United States Civil Service Commission, transmitting a draft of a proposed bill entitled "A bill to amend section 12 (e) of the Civil Service Retirement Act of May 29, 1930, as amended"; to the Committee on Post Office and Civil Service.

1334. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated August 9, 1949, submitting a report, together with accompanying papers and illustrations, on a review of reports on and preliminary examinations and surveys of Brazos River and tributaries, Oyster Creek, and Jones Creek, Tex., for flood control, navigation, and other purposes. This comprehensive investigation has been made in response to a number of congressional authorizations which are listed in the report (H. Doc. No. 535); to the Committee on Public Works and ordered to be printed, with eight illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEE: Committee on Foreign Affairs. H. R. 7797. A bill to provide foreign economic assistance; without amendment (Rept. No. 1802, pt. III); ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 472. Resolution providing for further amounts to cover the expenses incurred by House Resolution 114, Eighty-first Congress; with amendment (Rept. No. 1804). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 493. Resolution providing for the employment of a foreman of laborers, Doorkeeper's Department; without amendment (Rept. No. 1805). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 482. Resolution to authorize the expenditure of certain funds for the expenses of the Committee on Un-American Activities; without amendment (Rept. No. 1806). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 415. Resolution to provide funds for the Committee on the Judiciary; with amendment (Rept. No. 1807). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 502. Resolution authorizing the expenses of the investigation and study to be conducted by the Select Committee on Lobbying Activities; with amendment (Rept. No. 1808). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 434. Resolution providing for additional compensation per annum to the disbursing clerk of the House; without amendment (Rept. No. 1809). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 464. Resolution providing for two additional clerks for the Committee on the Judiciary; without amendment (Rept. No. 1810). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 492. Resolution providing for the employment of 10 additional telephone operators, Office of the Clerk; without amendment (Rept. No. 1811). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. Senate Concurrent Resolution 71. Concurrent resolution to print for the use of the Committee on Labor and Public Welfare additional copies of the hearings on the national-health program, 1949; without amendment (Rept. No. 1812). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Concurrent Resolution 184. Concurrent resolution authorizing the holding of ceremonies in the rotunda in connection with the presentation of a statue of the late Brigham Young; without amendment (Rept. No. 1813). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. S. 3084. An act authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.; without amendment (Rept. No. 1814). Ordered to be printed.

Mr. COX: Committee on Rules. House Resolution 518. Resolution providing for consideration of and waiving points of order against H. R. 7797, a bill to provide foreign economic assistance; without amendment (Rept. No. 1815). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committtees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOSSETT: Committee on the Judiciary. S. 866. An act for the relief of Mrs. Marie Y. Mueller; without amendment (Rept. No. 1816). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 1627. A bill for the relief of Filip Nicola Lazarevich; without amendment (Rept. No. 1817). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 3464. A bill to record the lawful admission for permanent residence of alien John Michael Ancker Rasmussen; without amendment (Rept. No. 1818). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 3771. A bill for the relief of Mrs. Marie Gulbenkian; with amendment (Rept. No. 1819). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 6364. A bill for the relief of Yoshika Matsumura; with amendment (Rept. No. 1820). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 6485. A bill for the relief of Jodeene Lehrman; with amendment (Rept. No. 1821). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7072. A bill for the relief of Mrs. Young Ja Kim; with amendment (Rept. No. 1822). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7082. A bill for the relief of Mrs. Isamu Tarasawa; with amendment (Rept. No. 1823). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7092. A bill for the relief of Mrs. Karry Wakefield; with amendment (Rept. No. 1824). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7096. A bill for the relief of Mrs. Maria Salome Holland; without amendment (Rept. No. 1825). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 7173. A bill for the relief of Toshiko Ono; without amendment (Rept. No. 1826). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 7175. A bill for the relief of Mitsuko Yano Kingman and William Leo Kingman, Jr.; with amendment (Rept. No. 1827). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1175. A bill for the relief of Mrs. Corrina Arena; without amendment (Rept. No. 1828). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1482. A bill for the relief of Frances L. Marshall; with amendment (Rept. No. 1829). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1626. A bill for the relief of Mrs. A. H. Hill; without amendment (Rept. No. 1830). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2264. A bill for the relief of C. H. Bolling; without amendment (Rept. No. 1831). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 3527. A bill for the relief of Gifford E. Moak; with amendment (Rept. No. 1832). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 4309. A bill for the relief of Mrs. Nellie K. Marlowe; without amendment (Rept. No. 1833). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4410. A bill for the relief of Joseph Lasagna; without amendment (Rept. No. 1834). Referred to the Committe of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4959. A bill to reimburse the Fisher Contracting Co.; with amendment (Rept. No. 1835). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 5126. A bill for the relief of Mrs. Nathalie E. Cobb; without amendment (Rept. No. 1836). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 5295. A bill for the relief of C. R. Springman; without amendment (Rept. No. 1837). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 5564. A bill for the relief of Wilcox Electric Co., Inc.; without amendment (Rept. No. 1838). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 6385. A bill for the relief of Louise M. Koch; with amendment (Rept. No. 1839). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 6994. A bill for the relief of Karen R. McAndrews; with amendment (Rept. No. 1840). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS:

H. R. 7822. A bill to authorize the acquisition of a site for a national cemetery in northwest Louisiana for the burial of members of the armed forces of the United States dying in the service, of former members whose last discharge therefrom was honorable, and certain other persons as provided for in the United States Code, title 24, section 281, as amended; to the Committee on Public Lands.

By Mr. CAMP:

H. R. 7823. A bill to increase the revenues by stimulating investment; to the Committee on Ways and Means.

By Mr. MURRAY of Tennessee:

H. R. 7824. A bill to provide for the administration of performance rating plans for certain officers and employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REED of New York:

H. R. 7825. A bill to provide for revenue revision, to correct tax inequities, and for other purposes; to the Committee on Ways and Means.

By Mr. SMATHERS:

H. R. 7826. A bill to authorize the acquisition of a site for a national cemetery in Florida for the burial of members of the armed forces of the United States dying in the service, of former members whose last discharge therefrom was honorable, and certain other persons as provided for in United States Code, title 24, section 281, as amended; to the Committee on Public Lands.

By Mr. WALTER:

H. R. 7827. A bill to increase criminal penalties under the Sherman Antitrust Act; to the Committee on the Judiciary.

By Mr. ABBITT:

H. R. 7828. A bill to establish the United States Air Force Academy at Camp Pickett, Blackstone, Va.; to the Committee on Armed Services.

By Mr. LANE:

H. R. 7829. A bill to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. RANKIN:

H. R. 7830. A bill to authorize the construction of a new post office at Iuka, Miss.; to the Committee on Public Works.

By Mr. CORBETT:

H. J. Res. 441. Joint resolution to provide for research into the health hazards of air pollution, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LYNCH:

H. Res. 519. Resolution providing an increase in salary for an employee of the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, in favor of extending the effective period of the rent-control provisions of the Housing and Rent Act of 1948; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolution were introduced and severally referred as follows:

By Mr. BROOKS:

H. R. 7831. A bill for the relief of Mack Gene Odom, a minor; to the Committee on the Judiciary.

H. R. 7832. A bill for the relief of Gladys Geraldine Skeels; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 7833. A bill for the relief of Esther Cornelius; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 7834. A bill for the relief of Morris A. Dobromil; to the Committee on the Judiciary.

By Mr. MICHENER:

H. R. 7835. A bill for the relief of Miss Fumiko Sakurai; to the Committee on the Judiciary.

By Mr. MITCHELL:

H. R. 7836. A bill for the relief of the Inland Petroleum Transportation Co., Inc., to the Committee on the Judiciary.

By Mr. TALLE:

H. R. 7837. A bill for the relief of First Lt. Walter S. Moe, Jr., to the Committee on the Judiciary.

By Mr. VINSON:

H. R. 7838. A bill to authorize the appointment of Joseph F. Carroll and Bernt Balchen as permanent colonels in the Regular Air Force; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2008. By Mr. LECOMPTE: Petition of the Twentieth Century Club, of Bloomfield, Iowa, expressing its opposition to any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

2009. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts urging the Congress to resist any attempt to subject the American people to a compulsory health-insurance law; to the Committee on Interstate and Foreign Commerce.

2010. By Mr. RICH: Petition of the Williamsport (Pa.) Junior Chamber of Commerce, in opposition to compulsory national health insurance; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, MARCH 24, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercies, in a world swept by violent forces with which unaided we cannot cope, Thou only art our help and hope. Through all the mystery of life Thy strong arm alone can lead us to its mastery. Though our faces are shadowed by the tangled tragedy of these times, we lift them in faith to the light that no darkness can put out. In momentous days, save us from narrow partisanship that strangles patriotism pure and undefiled. Our intercession rises for our Nation, its President, the Congress, and all who influence its policies, and for the whole body of our people, that the fearful sacrifices of war may not end in disillusionment of mankind's hopes and the despair of our children after us. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 23, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 184) authorizing the holding of ceremonies in the rotunda in connection with the presentation of a statue of the late Brigham Young, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 609. An act for the relief of Mrs. Bertie Grace Chan Leong;

S. 1543. An act to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act; and

S. 3084. An act authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.

COMMITTEE MEETING DURING SENATE SESSION

Mr. TYDINGS. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Foreign Relations which is investigating charges made by the Senator from Wisconsin [Mr. MCCARTHY] may sit next Monday afternoon for the purpose of hearing Attorney General Howard McGrath and Mr. J. Edgar Hoover regarding the situation with reference to certain files.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Mundt
Anderson	Hoey	Murray
Benton	Holland	Myers
Bridges	Hunt	Neely
Butler	Ives	O'Conor
Byrd	Johnson, Colo.	O'Mahoney
Cain	Johnson, Tex.	Robertson
Chapman	Johnston, S. C.	Russell
Chavez	Kefauver	Saltonstall
Connally	Kem	Schoeppel
Cordon	Kerr	Smith, Maine
Darby	Kilgore	Smith, N. J.
Donnell	Knowland	Sparkman
Douglas	Lehman	Stennis
Dworshak	Lodge	Taft
Ecton	Long	Taylor
Ellender	McCarthy	Thomas, Okla.
Ferguson	McClellan	Thye
Flanders	McFarland	Tobey
Frear	McKellar	Tydings
Fulbright	McMahon	Watkins
George	Magnuson	Wherry
Gillette	Malone	Wiley
Green	Martin	Williams
Hayden	Millikin	Withers
Hendrickson	Morse	Young

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. LUCAS], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent because of his attendance at the funeral of Hon. Ralph E. Church, late a Member of the House of Representatives.

The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY] and the Senator from Iowa [Mr. HICKENLOOPER] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent because of the death of his father.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

The VICE PRESIDENT. A quorum is present.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

The VICE PRESIDENT. The question is on agreeing to the motion to reconsider the vote by which the conference report on House Joint Resolution 398 was agreed to yesterday.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ELLENDER. I understand the yeas and nays have been ordered.

The VICE PRESIDENT. They have been ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. SMITH of New Jersey. Mr. President, I inquire if there will be an opportunity to present routine business this morning?

The VICE PRESIDENT. There will not be unless it is by unanimous consent. If there is no objection, the Chair will recognize Senators for the transaction of routine business without debate and without speeches. The Chair hears no objection.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition from Miss T. B. Duffin, of Springfield, Mass., relating to her retirement pay; to the Committee on Post Office and Civil Service.

By Mr. LODGE (for himself and Mr. SALTONSTALL):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolutions memorializing the Congress of the United States to resist any attempt that may be made to subject the American people to a compulsory health-insurance plan

"Whereas under our republican form of government people should not be made to submit to such a government influence because of its interference with free thought, free enterprise, and other freedoms: Therefore be it

"*Resolved*, That the General Court of Massachusetts memorializes the Congress of the United States to vote against any attempt that may be made to subject the American people to any form of compulsory health insurance; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the State Secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In senate, adopted, March 14, 1950.

"IRVING N. HAYDEN, *Clerk*.

"In house of representatives, adopted, in concurrence, March 16, 1950.

"LAWRENCE R. GROVE, *Clerk*."

METHOD OF GRAIN HANDLING BY COMMODITY CREDIT CORPORATION

Mr. THYE. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, resolutions adopted by the Farmers' Elevator Association of Minnesota, in convention at Minneapolis, Minn., March 6, 7, and 8, 1950, relating to the method of handling grain by the Commodity Credit Corporation.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

PRINCIPAL RESOLUTIONS PASSED BY THE FARMERS' ELEVATOR ASSOCIATION OF MINNESOTA CONVENTION, MARCH 6, 7, AND 8, 1950

STATEMENT

The members of the Farmers Elevator Association of Minnesota, meeting in Minneapolis, Minn., in convention March 8, are entirely dissatisfied with the present method of grain handling by the Commodity Credit Corporation, and we ask that this organization be legislatively obliged to recognize the requests of our membership representing more than 100,000 farmer members, and requests made by other similar State elevator associations, that this Corporation be obliged to use the usual and customary channels, facilities, and arrangements of trade and commerce in the handling of grain which accrues to it under the Government price-support program. We, therefore, present to you the following resolution embodying complaints against the Commodity Credit Corporation, and our urgent plea for legislative correction of these present evils:

Whereas our cooperative and independent elevator have had rights and protections available to them in the ordinary course of business eliminated by the Commodity Credit Corporation in the handling of grain for that Corporation under the loan program; and

Whereas correction of the present terribly inefficient methods of handling grain by the Commodity Credit Corporation through the use of normal channels of trade were not recognized in a meeting with officials of that Corporation in Chicago; and

Whereas all segments of the grain industry, including all cooperative and independent elevators, are together in the fight against Commodity Credit Corporation; and

Whereas we have found no one except the Commodity Credit Corporation officials against us in this effort, plus the fact that the Commodity Credit Corporation officials have practically no defense against the evidence we have presented; and

Whereas the representatives of our association, together with other members of the grain industry, presented through the National Grain and Feed Dealer's Association an amendment to the Commodity Credit Corporation charter before the Senate Agricultural Committee and the House Banking and Currency Committee; and

Whereas we have seen evidence of further encroachment into the grain business by the

Commodity Credit Corporation: Be it therefore

Resolved, That proper steps be taken by the Congress to pass an amendment to the Commodity Credit Corporation charter corresponding with that already presented by the National Grain and Feed Dealer's Association so that in the handling of Commodity Credit Corporation shipments, country elevator people will be afforded proper protection and will, through the use of the established trade channels, receive efficient, expert service on all shipments from the original loading point to unloading destination, and through this eliminate the inequities, costly delays of settlements and general inefficiency of the Commodity Credit Corporation.

STATEMENT

We have not gone into the major detailed complaints which we have officially registered with the Commodity Credit Corporation officials and with the Senate Agricultural Committee and House Banking and Currency Committee, for these complaints are now a matter of record and are quickly available to all Members of the Congress.

We have failed to receive any help thus far in our just demands and it is frankly difficult for us to see why corrective measures such as we ask should not be granted when we find everyone connected with the handling of grain joining us in our plea for relief and the only opposition we seem to encounter is that from the Commodity Credit Corporation themselves.

Copies of this resolution should be sent to the Senate Agricultural Committee, the House Banking Committee, and all United States Senators and Congressmen from Minnesota:

Whereas the rate for handling bin-stored grain owned by the Commodity Credit Corporation varied not only in different States but also in different counties within the same State in 1949; and

Whereas the rates now under consideration by the Commodity Credit Corporation for storing and handling grain under the 1950 price-support program are not only lower than last year but the rates under consideration for 1950 for the Minneapolis area are lower than the rates under consideration for most other grain areas: Now, therefore, be it

Resolved, That this association hereby urges the Commodity Credit Corporation to establish, for the country storage and handling of grain under the 1950 price-support program, rates which will be uniform both (1) throughout all of the area comprising the States of Wisconsin, Minnesota, North Dakota, Montana, South Dakota, Nebraska, Kansas, and Iowa and (2) for grain owned by the Commodity Credit Corporation as well as for grain owned by farmers subject to the Commodity Credit Corporation loans and that 1950 rates be established not lower than 1949 rates.

PROTECTION AGAINST CERTAIN UN-AMERICAN AND SUBVERSIVE ACTIVITIES

Mr. MUNDT. Mr. President, now that Senate bill 2311, to protect the United States against certain un-American and subversive activities, and for other purposes, has been reported favorably to the Senate, and copies of the report are available as well as the bill itself, comments are coming in from all over the country. I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Pacific Marine Stewards Union, Seattle, Wash., asking for early consideration of the bill.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution regarding S. 2311

Whereas the Communist Party in the United States and its friends are agents of a foreign power, and these people seek to undermine the Government of the United States and all the instiutions of a free American people; and

Whereas these subversive people are, for the most part, underground and secretive, in order to further their insidious designs against the United States: Be it hereby

Resolved, That the Pacific Marine Stewards Union declares the Senate bill 2311, the subversive-activities control bill, sponsored by Senators MUNDT, FERGUSON, and JOHNSTON, a must piece of legislation at this session of Congress; and be it further

Resolved, That we seek to enlist the aid of our affiliates and all of organized labor, in order to do whatever we can to have S. 2311 passed in this session of the Congress.

Passed by unanimous vote of the membership March 11, 1950.

A. L. MAKEMSON,
Chairman,
JOHN FETHERSTON,
HAROLD L. PAIGE,
CLARENCE O. REESE,
H. J. SCHUCHARD,
Executive Board.
DON L. ROTAN,
Organizer,
FLOYD L. COX,
Agent,
Representatives.

HOLDING TO FREEDOM—RESOLUTION OF KANSAS LIVESTOCK ASSOCIATION

Mr. DARBY. Mr. President, the Kansas Livestock Association, one of the most highly respected associations in the State of Kansas, held its thirty-seventh annual convention in Topeka, Kans., last week. A special resolution, entitled "Holding to Freedom," was adopted by this fine organization. It is well stated and carries a message that every citizen should fully understand. I present the resolution for appropriate reference, and ask unanimous consent to have the resolution, as well as the names of the resolutions committee, printed at this point in the body of the RECORD.

There being no objection, the resolution was ordered to lie on the table, and the resolution, together with the names of the resolutions committee, be printed in the RECORD, as follows:

HOLDING TO FREEDOM

There impends today a stupendous threat which so menacingly overshadows the future of our country that we Kansas stockmen, of all shades of political belief, feel it our duty to speak out in unmistakable terms.

This threat lies in the fact that our country—without opportunity for conscious choice on the part of its people—is rapidly drifting toward the consummation of a false concept—contemptible to free men—the socialized state.

Tokens of this danger are everywhere and undeniable. The growing power and expansion of a wasteful Government; the colossal public debt; the heavy burden of taxation, designed in large part to redistribute the wealth of the people; the ridiculous attempt—by dictating wages, hours of labor, prices, etc., and by innumerable other false expedients—to substitute an artificial economy for the natural economy which alone can function in freedom; the gradual assumption by the state of financial responsibility for every hazard incident to the life, labor, infirmity and old age of all—hazards which must be personally met and borne by every human being who has the instinctive will to survive and the inherent impulse to be free; the arraignment of economic and social groups, one against the other, in denial of the obvious fact that their interests are identical and can be logically promoted only by application of the golden rule; and numerous other kindred concepts, similarly inspired and equally false.

Government produces nothing and has no means by which to support these false and destructive policies except by exacting from its citizens the fruits of their labor. The present semblance of "prosperity" is only the by-product of the most terrible and destructive war that ever afflicted the world and is now maintained only by artifice implemented by folly, fear and dire forebodings.

The course our Government is now taking, unless it is promptly reversed, will inevitably lead to national bankruptcy. In a vain effort to prolong a specious sense of security more similar expedients will be applied until we all become mere numbers in a completely socialized state: Therefore, be it

Resolved, That we the members of the Kansas Live Stock Association, in convention assembled at Topeka, Kans., March 16, 1950, deplore the fallacious policies that are beguiling our country into socialism, that we censure and condemn those in public office who support or tolerate these policies and that we call on all patriotic Americans to denounce them and to work energetically and courageously for the reestablishment and maintenance of free and competitive enterprise and the restoration of the Republic.

Our decision to take this stand is supported by the firm conviction that the policies we here and now condemn are unrighteous and immoral in that they proceed in shameful denial of the inherent nature of man and in impious contempt of nature's eternal laws.

Resolutions Committee: Richard Robbins, Pratt, chairman; George Andrews, Kanopolis; Herb Barr, Leoti; J. W. Birney, Bucklin; W. J. Brown, Fall River; C. O. Heidebrecht, Inman; Dan Jackson, Coldwater; Earl Kielhorn, Cambridge; O. W. Lynam, Burdett; J. Willard Olander, Kansas City; Wayne Rogler, Matfield Green; Conlee Smith, Wichita.

RECOMMENDATION FOR APPOINTMENT ON INTERSTATE COMMERCE COMMISSION

Mr. TOBEY. Mr. President, I have received a letter from Edward Ellingwood, secretary of the New England Council, of Boston, Mass., transmitting a resolution adopted by the New Hampshire directors of the New England Council, at Concord, N. H., on March 10, 1950, recommending the appointment of a New England man to the vacancy now existing in the membership of the Interstate Commerce Commission. I ask unanimous consent that the letter and resolution be appropriately referred and printed in the RECORD.

There being no objection, the letter and resolution were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

THE NEW ENGLAND COUNCIL,
Boston, March 22, 1950.

Senator CHARLES W. TOBEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am pleased to attach the resolution unanimously adopted at a meeting

held under the auspices of the New Hampshire directors of the New England Council at the Passaconaway Club, Concord, on March 10.

Sincerely yours,

EDWARD ELLINGWOOD,
Secretary.

Resolved, That the New Hampshire directors of the New England Council, at a meeting in Concord on March 10, 1950, commend the action and effort of the members of the New England Delegation in Congress for their unanimous request to President Truman that he appoint a New England man to fill the vacancy now existing in the membership of the Interstate Commerce Commission. Not since 1943 has New England had representation on this Commission; be it further

Resolved, That copies of this resolution be sent to Senator STYLES BRIDGES, Senator CHARLES W. TOBEY, Congressman NORRIS COTTON, Congressman CHESTER E. MERROW, and to the President of the United States.

UNEMPLOYMENT INSURANCE AND LIBERALIZATION OF CIVIL SERVICE RETIREMENT SYSTEM

Mr. WILEY. Mr. President, I received this morning four resolutions adopted by local 1088 of the Congress of Industrial Organizations Government Workers' Union, headquartered at 3771 South Fifty-first Street, Milwaukee, Wis. The resolutions pertain to the efficiency rating system, extension of unemployment benefits to Federal employees, protection of the rights of part-time and temporary employees, and liberalization of the civil service retirement system.

As I have previously expressed on the Senate floor, I feel that the right of petitioning the Congress is a sacred right and that the resolutions submitted to us by organizations deserve our considerate attention.

I ask unanimous consent, therefore, that the text of the four resolutions be printed at this point in the body of the RECORD, and appropriately referred.

The VICE PRESIDENT. The resolutions will be received and appropriately referred, and, without objection, printed in the RECORD. The Chair hears no objection.

To the Committee on Finance:

"Resolution on security and unemployment

"Unemployment insurance now protects more than 50,000,000 wage earners against the complete loss of income during unemployment. Nearly 2,000,000 Federal workers have in many cases the same skills under the present trend of cut-back in the Federal budgets—many employees face layoffs and have been denied this protection.

"For the last several years leading members of both major parties have favored unemployment insurance for this group of employees. It is time to cut through technicalities and provide this much needed compensation.

"Local 1088, Government Workers Union, CIO, therefore urges that the second session of the Eight-first Congress pass the Forand bill extending these benefits to all Government employees.

"Until such unemployment insurance is effective, we urge that provisions be made for severance pay of $500 to all laid-off Federal employees, since these employees are not provided for under the State law."

To the Committtee on Post Office and Civil Service:

"Resolution on efficiency ratings

"Whereas it is well known that the present system of efficiency ratings does not provide a fair measure of the efficiency of Federal employees; and

"Whereas this system is complicated, inefficient, and results in lowered morale of employees and in an unsatisfactory relationship between employees and supervisors; and

"Whereas these efficiency ratings can be used to the advantage of a dishonest supervisor with adverse actions to the detriment of the employee: Therefore, be it

"Resolved by Local 1088, Government Workers Union, CIO, That we favor a complete revision of the efficiency-rating system to consist of only two grades—satisfactory and unsatisfactory."

"Resolution on part-time and temporary employees

"Whereas part-time and temporary employees at present are not covered by retirement benefits; and

"Whereas these employees have little or no job security, and

"Whereas they are not covered by social security: Therefore, be it

"Resolved by Local 1088, Government Workers Union, That proper legislation be enacted for the full protection of these employees in line with existing retirement laws and other privileges that the Civil Service provide."

"Resolution on retirement

"Whereas the retirement system of the Government providing benefits to Federal workers are entirely inadequate, particularly in view of the high percentage of contributions made by these employees: Therefore be it

"Resolved, That Local 1088, Government Workers' Union, CIO, urges the second session of the Eighty-first Congress to amend the Civil Service Retirement Act to provide for more adequate benefits for present and future annuitants and more liberal benefits for survivors of Federal workers whether or not the death occurred during the period of service—optional retirement after 25 years of service regardless of age or at 50 with 20 years of service, or any time after 15 years of service at 55 years of age."

COMPULSORY HEALTH INSURANCE—RESOLUTION OF ROTARY CLUB OF FEDERALSBURG, MD.

Mr. O'CONOR. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Rotary Club, of Federalsburg, Md., protesting against the enactment of legislation providing compulsory health insurance.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the United States leads the world in health, medical care, and medical research under a free-enterprise system; and

Whereas compulsory health insurance throughout the world has and is destroying medical and health standards; and

Whereas compulsory health insurance carries a prohibitive cost, encourages inefficient medical care, and promotes political abuses by both patient and doctor; and

Whereas compulsory health insurance is a national move toward a welfare state, increasing public demands upon Government and eventual communistic control by Government of a helpless people: Now, therefore, be it

Resolved, That the Federalsburg Rotary Club does hereby go on record against any form of compulsory health insurance or any facsimile in the interest of a free and strong America; that a copy of this resolution be forwarded to the President of the United States, to each Senator, and to Representative MILLER from the State of Maryland, and that said Senators and Representative be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

W. T. ADAMS,
President.

ROGER MEDFORD,
Secretary.

Federalsburg, Md., dated this 23d day of March 1950.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'CONOR, from the Committee on expenditures in the Executive Departments:

H. R. 7477. A bill providing for the conveyance to the town of Nahant, Mass., of the Fort Ruckman Military Reservation; without amendment (Rept. No. 1370).

By Mr. CAIN, from the Committee on Armed Services:

S. 2860. A bill to authorize payment for the transportation of household effects of certain naval personnel; with an amendment (Rept. No. 1372).

AMENDMENT OF ECONOMIC COOPERATION ACT OF 1948—REPORT OF A COMMITTEE

Mr. CONNALLY. Mr. President, from the Committee on Foreign Relations, I report an original bill to amend the Economic Cooperation Act of 1948, as amended, and I submit a report (No. 1371) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended, reported by Mr. CONNALLY from the Committee on Foreign Relations, was read twice by its title, and placed on the calendar.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 24, 1950, he presented to the President of the United States the following enrolled bills:

S. 609. An act for the relief of Mrs. Bertie Grace Chan Leong;

S. 1543. An act to authorize the disposal of withdrawn public tracts too small to be classed as a farm unit under the Reclamation Act; and

S. 3084. An act authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPARKMAN:

S. 3297. A bill for the relief of Miyoko Oishi; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 3298. A bill to permit Chinese students to remain in this country for a period of 3 years; to the Committee on the Judiciary.

S. 3299. A bill to supplement the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, to authorize the expenditure of funds for the construction, reconstruction, or improvement of roads certified as necessary in connection with the national defense, and for other purposes; to the Committee on Public Works.

S. 3300 (by request). A bill for the relief of George F. Willis; to the Committee on the Judiciary.

(Mr. BUTLER introduced Senate bill 3301, providing for loans of corn to farmers suffering corn-crop failures, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. YOUNG:

S. 3302. A bill for the relief of Edward A. Johnson; to the Committee on Finance.

S. 3303. A bill to amend the act of October 29, 1949, Public Law 437, Eighty-first Congress, entitled "An act to vest title to certain lands of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., in the United States, and to provide compensation therefor" and to add to said act certain supplemental provisions; to the Committee on Interior and Insular Affairs.

(Mr. CONNALLY, from the Committee on Foreign Relations, reported an original bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. YOUNG:

S. J. Res. 163. Joint resolution to designate the reservoir above the Bald Hill Dam in North Dakota as Lake Ashtabula; to the Committee on Interior and Insular Affairs.

BUTLER CORN-LOAN PLAN

Mr. BUTLER. Mr. President, I introduce for appropriate reference a bill incorporating the principal features of a program known as the Butler corn-loan plan, and I ask unanimous consent that an explanatory statement of the bill prepared by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Nebraska will be printed in the RECORD.

The bill (S. 3301) providing for loans of corn to farmers suffering corn-crop failures, introduced by Mr. BUTLER, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. BUTLER is as follows:

STATEMENT BY SENATOR BUTLER

Mr. President, I am introducing a bill incorporating the principal features of a program known as the Butler corn-loan plan, which has been widely discussed and is greatly desired by the farmers of my State.

The principal provision of this bill is an authorization to the Commodity Credit Corporation to lend a small percent of the tremendous quantities of its stored corn to farmers who have suffered failures on their own corn crops and who need a small quantity of corn to carry their livestock through the season till their crop matures.

This proposal provides a means for putting to use some of the corn that is in the hands of the Government. It is not a handout in any sense. The farmers would be required to repay the corn, bushel for bushel. In fact, one of the principal purposes of this proposal is to save money for the Government. Under the terms of this bill, the Government would save all storage costs on the corn and would be repaid in kind. The Government would save the storage costs, and the farmer would save the interest charges. It would be a good deal for both.

The bill would restrict such loans to an amount of corn necessary to carry the farmer through the season. It would not permit loans of corn for commercial fattening of livestock for market. I am thinking primarily of the problem of a farmer who after losing his corn crop wants nothing except a chance to stick it out for another year until he can get another crop. If he can get a little corn, enough to feed a couple of cows and a few chickens and to provide seed, he can stay on his farm and produce enough food for himself and his family to live on.

Mr. President, I can't help remembering back a few years when the whole western plains suffered from a lack of rainfall. Thousands of farmers who wanted nothing except to stay on their farms and hold out for better times were unable to do so. They did not have enough food to live on. Many of them had to give up their farms. Some of them went to the cities to look for jobs and when they found no jobs had to go on relief. As the Senate knows, thousands of them went to California to take jobs on the fruit and vegetable farms of that State. How much better it would have been if we had given them just the little help they needed to stay on their farms. That is all that my bill provides.

When I first came to the Senate 9 years ago, I proposed that the Government adopt the Butler corn-loan plan, but I got no encouragement from the Department of Agriculture. During the years since that time, we have generally had sufficient rainfall in that territory, and perhaps there has been no great need for it. Of course, during those years we were at war, and the draft and war industries took thousands of farmers away from the farm. Many of them have never gone back.

Now I am afraid that the dry years are coming again. Last year the Butler corn-loan plan would have been a real help in some parts of several Western States. Certainly if we should have another dry year like some we had during the thirties the need for this kind of program would be tremendous. If we wait until that time comes, it may be too late to pass legislation to deal with it. That is why I want this authority on the books. Then if an emergency should arise, the Government would be able to step in immediately with a program that would meet the situation.

This proposal is purely emergency legislation. It is designed to meet situations where farmers have lost their crops and have no other resources to tide them over. I very earnestly offer it for the consideration of the Senate.

TESTIMONY OF FEDERAL OFFICIALS AND EMPLOYEES BEFORE CONGRESSIONAL COMMITTEES

Mr. TAFT submitted the following concurrent resolution (S. Con. Res. 84), which was referred to the Committee on Rules and Administration:

Whereas congressional investigations are necessary to lay the foundations for the enactment of legislation and to shed light on the operations of the Government, the economy and the social structure; and

Whereas it is essential from time to time that the Congress of the United States summon before it to give testimony various officers and employees of the United States: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that it is contrary to the best interests of the Nation and unjust to the Federal officers and employees involved to subject them to reprisals by reason of their appearance and bona fide, truthful testimony before Committees of the Congress of the United States. It is further the sense of the Congress that any Secretary of a Department or head of an independent agency, board or commission or any subordinate official who disciplines or punishes a Federal officer or employee by demotion, deprivation of duties, transfer, rendition of an unfavorable efficiency report, or otherwise, because of his appearance or bon fide, truthful testimony before a Committee of Congress, thereby thwarts and interferes with the proper performance of the legislative function and performs a disservice to the Nation.

SEVENTY-FIFTH ANNIVERSARY OF THE BIRTH OF ROBERT FROST

Mr. TAFT. Mr. President, I ask unanimous consent that I may present a Senate resolution and have it read, and have immediate consideration of it.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 244), as follows:

Whereas Robert Frost in his books of poetry has given the American people a long series of stories and lyrics which are enjoyed, repeated, and thought about by people of all ages and callings; and

Whereas these poems have helped to guide American thought with humor and wisdom, setting forth to our minds a reliable representation of ourselves and of all men; and

Whereas his work through the past half century has enhanced for many their understanding of the United States and their love of country; and

Whereas Robert Frost has been accorded a secure place in the history of American letters; and

Whereas on March 26 he will celebrate his seventy-fifth birthday: Therefore be it

Resolved, That the Senate of the United States extend him felicitations of the Nation which he has served so well.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. TAFT. The clerk did not read the names of those submitting the resolution.

The VICE PRESIDENT. The clerk will read the names.

The CHIEF CLERK. A resolution submitted by the Senator from Ohio [Mr. TAFT] for himself, the Senator from New Hampshire [Mr. TOBEY], the Senators from Vermont [Mr. AIKEN and Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL].

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. MYERS. Mr. President, reserving the right to object, I understand the Senator from Ohio has conferred with the chairman of the Committee on Rules and Administration, the Senator from Arizona [Mr. HAYDEN], to which committee the resolution ordinarily would be referred, and the chairman of the committee has no objection to the resolution.

Mr. TAFT. That is correct.

Mr. MYERS. I have no objection.

Mr. WHERRY. Mr. President, I suggest that the distinguished Senator from

Ohio has conferred not only with the chairman of the Committee on Rules and Administration, but with members of the committee, and we are very receptive to the resolution.

Mr. TAFT. The other members of the committee also endorse the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. TAFT. Mr. President, Robert Frost is the leading American poet today.

The VICE PRESIDENT. Speeches are not in order except by unanimous consent. Is there objection to the Senator from Ohio delivering some remarks on the resolution?

Mr. TAFT. Mr. President, I ask unanimous consent that the sponsors of the resolution may be permitted to speak briefly.

Mr. WHERRY. Does the Presiding Officer mean there is no time available for speeches because of the unanimous-consent agreement for insertions in the RECORD?

The VICE PRESIDENT. No speeches or debate may be indulged in during this period of routine business except by unanimous consent.

Mr. TAFT. Mr. President, I ask unanimous consent that each sponsor of the resolution, if he desires, may speak for not more than 1 minute.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. TAFT. Mr. President, Robert Frost is generally acknowledged to be America's foremost poet. Seldom is literary work of such excellence so widely known in a poet's lifetime as is his. His effort to "get the United States stated" has done much to refine and enrich the love of country for people of all ages and stations, from school children to readers of literary reviews. He has shown forth the virtues of the old-fashioned American and the American individual. Born in San Francisco, he now lives in Cambridge, Mass., and Ripton, Vt.

Mr. Frost's birthday will occur on Sunday next, and it seems appropriate that the Senate extend its congratulations to him.

Mr. TOBEY. Mr. President, I am very happy to join in the resolution. Robert Frost is a friend of mine. He has lived both in New Hampshire and Vermont. He writes of such simple, everyday things as good fences, and stone walls, and small-town sympathy, and his understanding of country life. He knows by heart and lives out the prayer of Henry Van Dyke's God of the Open Air, which says:

Teach us delight in simple things,
And mirth that hath no bitter strings,
Forgiveness full for evil done,
And love for all men 'neath the sun.

Mr. President, that depicts the life and teachings and character of the man we honor today, Robert Frost.

Mr. SALTONSTALL. Mr. President, as a Massachusetts man, as a New Englander, and as a graduate of Harvard University, I am very proud to be able to join in these birthday greetings to Mr. Frost.

Mr. AIKEN. Mr. President, Robert Frost is not only a leading American poet of today, but he is also one of our most discriminating American citizens, for after having been born in another State and after living in several other States, he decided many years ago that the one State in which he would make his official home would be the State of Vermont. The people of Vermont are very proud to claim Robert Frost as a citizen, and I am sure they will be very much pleased by the recognition which is being accorded him by this body today.

Mr. TOBEY. Mr. President, I ask unanimous consent that after the word "Vermont" the name "New Hampshire" be inserted.

The VICE PRESIDENT. Without objection, New Hampshire is inserted.

Mr. MUNDT. As one who was associated with Robert Frost in the Rocky Mountain Writers Conference at Denver, I should like to add a few words of tribute to him. His great poems have been an inspiration not only to the people of New England, but to those of every State in the Union. I think his marvelous poem, Mending Wall, expresses thoughts which all of us may well ponder as we confront our national problems. He is a lovable character, and I am certainly glad to be able to join in extending felicitations to him on his seventy-fifth birthday.

Mr. FLANDERS. Mr. President, I should like to invite the attention of the Senate to some of the deeper implications in Mr. Frost's poems, but will refer to only one, his poem on the stone wall, in which he says:

Something there is that doesn't love a wall,
That wants it down.

I think that is something worth thinking about.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution (S. Res. 244) was agreed to.

CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENTS

Mr. MAGNUSON submitted an amendment intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS. Mr. President, I submit for appropriate reference an amendment intended to be proposed by me to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and I ask unanimous consent that the amendment, together with an explanatory statement prepared by me be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the amendment and statement will be printed in the RECORD. The Chair hears no objection.

The amendment is as follows:

At the end of the bill add the following:

"TITLE III—GENERAL

"SEC. 301. No work of improvement specifically authorized by this act to be constructed or performed by the United States shall be commenced and no contract shall be let with respect to such work, unless at the time of such commencement or letting (1) the cost of such work will not, in the opinion of the Secretary of the Army, exceed the last estimate therefor submitted to, and approved by, Congress, or (2) such work shall have been theretofore commenced and the Secretary of the Army shall determine that delay in letting such contract until a corrected estimate can be approved by Congress would result in substantial detriment to the interests of the United States."

The statement presented by Mr. WILLIAMS is as follows:

STATEMENT BY SENATOR WILLIAMS

The amendment prepared would add a new section 301 to H. R. 5472 and is designed to prevent the commencement or continuation of a project if it appears that its cost will exceed the estimate approved by Congress. The commencement of any work of improvement or the letting of any contract with respect to such work is prohibited if the Secretary of the Army believes that the cost of such work will exceed the last estimate therefor approved by Congress. However, in order to take care of emergency situations such a contract may be let if the Secretary determines delay to be detrimental to the interests of the United States. The amendment would apply to works "specifically authorized" by H. R. 5472. The use of the words "specifically authorized" adopts the distinction made between projects specifically authorized and projects generally authorized contained in section 205 of the Flood Control Act of 1948, as amended by section 212 of H. R. 5472 as reported by the committee. Said section 212 authorizes an additional $1,000,000 per year for the construction of projects "not specifically authorized by Congress." The amendment is not intended to be applicable to such type of projects.

EXTENSION OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM—AMENDMENTS

Mr. MYERS. Mr. President, I submit for appropriate reference amendments intended to be proposed by me to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, and I ask unanimous consent that the amendments, together with an explanatory statement of the amendments prepared by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, referred to the Committee on Finance, and printed, and, without objection, the amendments and explanatory statement will be printed in the RECORD. The Chair hears no objection.

The amendments are as follows:

On page 47, line 20, insert the following: "The term 'service' as used in subsection (f) shall not include service performed for the operator of a nursery or greenhouse or other similar structure used primarily for the raising of agricultural or horticultural commodities."

On page 47, line 24, strike out all down to and including line 2 on page 48 and insert in lieu thereof the following: "ranches, ranges, and orchards, but shall not include nurseries and greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities."

On page 148, after line 25, insert the following: "The term 'service' as used in subsection (f) shall not include service performed for the operator of a nursery or greenhouse or other similar structure used primarily for the raising of agricultural or horticultural commodities."

On page 149, line 3, strike out all down to and including line 5 and insert in lieu thereof the following: "plantations, ranches, ranges, and orchards, but shall not include nurseries and greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities."

The explanatory statement presented by Mr. MYERS is as follows:

STATEMENT BY SENATOR MYERS

Mr. President, I would like to call the attention of the Senate to an important omission in the coverage of the present social-security law—an omission, incidentally, which is not corrected by the House bill, H. R. 6000, on which hearings are currently being held before the Finance Committee. I refer to the failure of the legislation to cover workers in greenhouses and nurseries.

These workers desire this protection, and they have a right to it. It is unjust and discriminatory that these 150,000 workers should be omitted from our social-insurance program. Large numbers of the workers in this group from my State have appealed to me to do what I can to remove this discrimination and to correct this injustice.

I have looked into this question in considerable detail, and there is just no good reason why these workers have been left out. They live and work under conditions similar to those of workers protected by the present law, and they need the protection just as much. These workers do not earn any more—probably somewhat less—than the average worker covered by the present program.

It is unfair that in their old age persons who have worked in this particular occupation should have to rely on the assistance program with its test of need, while other wage workers have been given the opportunity to build up retirement protection through a self-respecting system of social insurance. Workers in greenhouses and nurseries, like workers elsewhere, do not ask for charity and do not want charity. They want a chance to earn their security, an opportunity to participate in a system in which, together with their employers, they can pay their own way.

As a member of the Finance Committee, in the hearings on pending social-insurance legislation, I have found it a heartening thing to hear our great labor organizations, both A. F. of L. and CIO, the chamber of commerce, and our other great business organizations, State and Federal administrators, and outstanding representatives of the public all joining together in testimony favoring the method of earned security, the method of contributory social insurance, as the way for us to prevent dependency and poverty in this country. It is no exaggeration to say that the great mass of the laboring people of this country are fighting for the right to earn their security, to pay their own way, and to have the dignity and independence in old age which goes with an earned right. It is heartening, indeed, at this time of our struggle with totalitarian philosophies to find Americans united in their determination to end poverty at home—and to end it how? To end it in the American way by giving each man the opportunity, through social insurance, to earn his own security.

Through social insurance the prevention of insecurity is made an integral part of our whole wage system. As a man works he earns, not wages alone but also the right to security through social insurance. The more he works and the better he works the more he earns. In this way we divorce security from relief, from hand-outs, from dependence on a paternalistic government, and make it part of the reward for work. This is the way labor wants it, this is the way business wants it, and this is the answer to those who talk of statism in the welfare field.

These 150,000 workers in greenhouses and nurseries are, in comparison to our total labor force, a relatively small group. But no group, no matter how small, should be denied the opportunity to participate in this great program and to do its share to end poverty and dependency in America.

I am accordingly introducing an amendment to H. R. 6000 which will extend the protection of the old-age and survivors' insurance program to this group and redress the injustice now being done them.

HOUSE BILL REFERRED

The bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 184) authorizing the holding of ceremonies in the rotunda in connection with the presentation of a statue of the late Brigham Young, was referred to the Committee on Rules and Administration.

SENATOR VANDENBERG, OF MICHIGAN

[Mr. CAIN asked and obtained leave to have printed in the RECORD an editorial entitled "The Missing Voice," relating to Senator VANDENBERG, published in the New York Times of today, which appears in the Appendix.]

PRESERVATION OF WILDLIFE—STATEMENT BY GOVERNOR DUFF, OF PENNSYLVANIA

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a statement relating to preservation of wildlife, made by Gov. James H. Duff, of Pennsylvania, on March 15, 1950, which appears in the Appendix.]

WILDLIFE RESTORATION PROCLAMATION BY THE GOVERNOR OF WEST VIRGINIA

[Mr. NEELY asked and obtained leave to have printed in the RECORD the wildlife restoration proclamation issued on March 7, 1950, by Hon. Okey L. Patteson, Governor of West Virginia, which appears in the Appendix.]

THE ASPIRATION FOR FREEDOM—ADDRESS BY BEARDSLEY RUML

[Mr. BENTON asked and obtained leave to have printed in the RECORD an address entitled "The Aspiration for Freedom," delivered by Mr. Beardsley Ruml before the American Association of School Administrators at Atlantic City, N. J., on February 28, 1950, which appears in the Appendix.]

MYSTERIOUS DISEASE—MULTIPLE SCLEROSIS—ARTICLE BY MRS. AMY NICHOLS

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an article entitled "Mysterious Disease—Multiple Sclerosis," written by Mrs. Amy Nichols, of Dedham, Mass., which appears in the Appendix.]

TANGLED ECONOMICS, DANGEROUS POLITICS—EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an editorial entitled "Tangled Economics, Dangerous Politics," published in the Christian Science Monitor of March 23, 1950, which appears in the Appendix.]

SUMNER PIKE—EDITORIAL FROM THE PORTLAND PRESS HERALD

[Mrs. SMITH of Maine asked and obtained leave to have printed in the RECORD an editorial regarding Sumner Pike, from the Portland Press-Herald of March 22, 1950, which appears in the Appendix.]

WHAT IF MILLS PRODUCED BILLIONS IN SURPLUS GOODS?--ARTICLE BY HERMAN A. LOWE

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an article entitled "What if Mills Produced Billions in Surplus Goods?" written by Herman A. Lowe and published in the Philadelphia Inquirer of March 24, 1950, which appears in the Appendix.]

A SALUTE TO THE SALVATION ARMY—EDITORIAL BY HARRY H. SCHLACHT

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "A Salute to the Salvation Army," written by Harry H. Schlacht, and published in the New York Journal-American for March 10, 1950, which appears in the Appendix.]

STATE DEPARTMENT REPRESENTATIVES ABROAD

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD an article entitled "I Don't Like Drunks and Fools Representing Me," written by Robert C. Ruark, and published in the Washington Daily News of March 24, 1950, which appears in the Appendix.]

SOCIAL SECURITY VERSUS RAILROAD-RETIREMENT TAX RATES AND MONTHLY BENEFITS—A COMPARISON

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a table presenting a comparison of social-security and railroad-retirement taxes and benefits under present and proposed legislation, which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF CHARLES FAHY TO BE A JUDGE, UNITED STATES COURT OF APPEALS, DISTRICT OF COLUMBIA CIRCUIT

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Saturday, April 1, 1950, at 11:30 a. m., in room 424, Senate Office Building, upon the nomination of Hon. Charles Fahy, of New Mexico, to be a judge of the United States Court of Appeals for the District of Columbia Circuit. Judge Fahy is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. MCCARRAN], chairman, the Senator from Washington [Mr. MAGNUSON], and the Senator from Missouri [Mr. DONNELL].

EDITORIAL COMMENT ON SENATOR BENTON'S SPEECH ON FOREIGN POLICY

Mr. LEHMAN. Mr. President, on Wednesday, March 22, the distinguished junior Senator from Connecticut [Mr. BENTON] delivered an unusually thoughtful and constructive address on the floor of the Senate. In association with many other Senators, I had an opportunity of congratulating and thanking him at that time. The New York Times, under date of Thursday, March 23, carried a most interesting and commendatory editorial entitled "A Marshall Plan for Ideas," regarding that address. I ask unanimous consent to have the editorial inserted in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A MARSHALL PLAN FOR IDEAS

It was to be expected that Senator WILLIAM BENTON, in his first speech in the Senate, should return to a theme he has developed before many other audiences. No American has worked harder and more consistently in the cause of world freedom of information than the new Senator from Connecticut. As Assistant Secretary of State, he reorganized and expanded the Department of Public Affairs—too much so for Congress, which cut the proposed appropriation last year, but not enough to raise the Voice of America above a whisper. As head of the American delegation at the United Nations Conference on Freedom of the Press at Geneva and at various UNESCO conferences, at home and abroad, he argued vigorously that, since the present contest is in essence a struggle for the minds and loyalties of men, the first task of democracy is to launch a world-wide barrage of ideas that will break through and overpass barriers and reach people everywhere.

Yesterday Senator BENTON pleaded for a Marshall Plan in the field of ideas to close a mental gap between ourselves and the rest of the world that is even more dangerous than the dollar gap, because it is through this gap that Communism, which began as propaganda, survived more than half a century as propaganda and exalts propagandists as its greatest heroes, pours its stream of poison into the minds and emotions of mankind. Backed by 10 of his colleagues from both sides of the aisle, Mr. BENTON proposed a six-point resolution for a campaign of information on a scale commensurate with the need and the stakes involved. "Fortunately, we have on our side a priceless asset," he said; "we have no need to lie."

Increasing pressure for freedom of the press was first on the list, not because there is any chance of this in Soviet-dominated countries, but to rally wavering nations, for the distressing fact, as the Senator pointed out and as the growth of censorship and state interference with independent newspapers too clearly confirms, is that freedom of the press even this side of the iron curtain is more restricted today than at any other time in this century.

Mr. BENTON called upon Congress to take a constructive role in the making of foreign policy by aiding and counseling the State Department in its efforts to take world leadership. There is much to be said for the view that there is effective work for the Senate in the neglected and crucial area the Senator from Connecticut describes. While it takes two parties to make an agreement, it is true that it takes only one to do something intelligent about lack of agreement. Our policy is to produce strength at points of weakness, Secretary Acheson declares, and one point of weakness is certainly the failure to counter Soviet propaganda with our own. It is not by accident that our most successful enterprise to date is the Marshall Plan, primarily because it is positive, imaginative, a challenge rather than a reaction, a challenge the Communists cannot meet. We have the greatest idea in the world to "sell" to people held in slavery—the idea of freedom—and the most alluring promise to offer—the promise of national independence and a decent living standard. It is to be hoped that the Senate will turn from some of its minor preoccupations to debate the constructive program Mr. BENTON proposes.

NATIONAL JEWISH YOUTH WEEK

Mr. SMITH of New Jersey. Mr. President, National Jewish Youth Week is being proclaimed in the United States from March 24 to 31, 1950, and the theme, Youth Builds, has been chosen for special recognition this year.

I have been requested by the Jewish Young Adult Council of Essex County, N. J., to send them a message which shows the important part young people can play in their local community.

I am happy to comply with this request and have sent to this splendid group a special message of congratulations and good wishes. I ask unanimous consent that my message be printed in the RECORD as a part of my remarks.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

STATEMENT FOR JEWISH YOUTH WEEK FOR JEWISH YOUNG ADULT COUNCIL OF ESSEX COUNTY

It is very heartening to see vigorous organizations like the Jewish Young Adult Council of Essex County centering their attention on the opportunities for constructive citizenship in the local community.

We are all aware in these troubled times of the need for high statesmanship in dealing with our world-wide issues of peace and freedom. But the future of our American democracy, which is so vital for all the world, depends in a very real way on what happens at the grass roots—in the county, the town, and even in the family.

We Americans aspire to promote peace, creative activity, human understanding, and justice. If we cannot maintain those things in our own homes and our own communities, we can never secure them in the world. This is the challenge to statesmanship on the local level. It is first and foremost a challenge to the young people of America, who will soon be guiding our destinies.

I am therefore delighted to learn that your excellent organization is centering its attention this week on the building qualities of youth at the local level. Groups such as yours, which take seriously the responsibilities of the good citizen, are our greatest hope for a bright future. I wish you every success.

H. ALEXANDER SMITH,
United States Senator.

PHILIP C. JESSUP

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent to make a personal statement, which will take not much more than 1 minute.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMITH of New Jersey. Mr. President, it is the greatest regret to me that the name of my friend of many years, the Honorable Philip C. Jessup, has been brought into the present discussion with regard to possible subversive influences in the Department of State. Mr. Jessup and I were both members of the board of directors of the Foreign Policy Association during the period when General Frank McCoy was president of that organization and we participated together in many discussions of our foreign policy. As the time when Mr. Jessup was appointed as our representative to the United Nations Assembly I felt the greatest gratification and confidence that he would ably represent us, and we are now aware of his brilliant record. When he was made chairman by the Secretary of State of the special committee on our far-eastern policy I felt confident he would bring to that investigation the same type of clear thinking that he has evidenced in the other work he has done, both for Columbia University and for our Government.

While it is true that Mr. Jessup and I may have had differences of opinion on matters of foreign policy, I want to emphasize that such differences are legitimate in our democratic processes working at their best, and in no way reflects on the motives or objectives of either of us. I can see no possible ground for questioning Mr. Jessup's unimpeachable integrity or his complete loyalty and patriotic devotion to his country.

I should like to add one word, Mr. President. It is my purpose on Monday, when I can receive recognition, to share with my colleagues some thoughts I have on the present rather tangled situation in the State Department. I hope to receive recognition for that purpose on Monday next.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CONFERENCE REPORT

The VICE PRESIDENT. If there are no further routine matters to be submitted, the Chair will state that the question before the Senate at this time is on agreeing to the motion to reconsider the vote by which the conference report on House Joint Resolution 398, which was before the Senate yesterday, was adopted.

REGULATION OF NATURAL GAS

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram addressed by me to the Federal Power Commission and a letter in reply thereto concerning the pending bill.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

MARCH 22, 1950.

FEDERAL POWER COMMISSION,
Washington, D. C.:

Please advise whether enactment of S. 1498 into law would affect Federal Power Commission's authority to fix rates or prices, at which Phillips Petroleum Co. sells gas to Michigan-Wisconsin Pipeline Co., said rates and charges now being under inquiry by the Commission in a pending investigation. Reply today if possible.

GUY M. GILLETTE,
United States Senator.

FEDERAL POWER COMMISSION,
Washington, March 22, 1950.

Hon. GUY M. GILLETTE,
United States Senate,
Washington, D. C.

DEAR SENATOR GILLETTE: This is in reply to your telegram of March 22 inquiring as to whether enactment of S. 1498 (Kerr bill)

would affect the Federal Power Commission's authority to fix rates or prices at which Phillips Petroleum Co. sells gas to Michigan-Wisconsin Pipe Line Co., which rates are now under inquiry by the Commission in a pending investigation.

The investigation of Phillips is for the purpose of determining whether the company is a natural-gas company under the Natural Gas Act, and if so, whether its rates are unreasonable or discriminatory. Preliminary investigation by this Commission discloses that Phillips produces and gathers large volumes of natural gas which it sells to interstate pipe-line companies. A part of such gas is transported by Phillips from Oklahoma to Texas prior to sale to such interstate pipeline companies. Phillips also sells natural gas to a wholly owned affiliate, Independent Natural Gas Co. (approximately 9 percent of Phillips' natural-gas sales), which compresses such gas, transports and resells it in interstate commerce. The Independent Natural Gas Co. is admittedly a natural-gas company under the provisions of the Natural Gas Act. An application has been filed with the Commission by Northern Natural Gas Co. for authority to acquire the properties of Independent Natural Gas Co. If the Commission issues such authorization to Northern, or any other company, or if Phillips disposes of its stock otherwise, which fairly may be assumed, Phillips will thereby avoid the force of the provision in the Kerr substitute which limits its exemption effect to a producer or gatherer not otherwise engaged in and not controlled by or controlling a person otherwise engaged in the transportation or sale of natural gas for resale in interstate commerce. If Phillips should dispose of Independent or its properties it is presumed that it, and any other company in like circumstances, would claim with respect to a sale to an interstate pipe-line company that (1) it was only a producer or gatherer of natural gas, as those terms are used in the substitute bill, and (2) that its sale to the interstate pipe-line company was at arm's length within the meaning of that term as defined in the substitute bill, and (3) that any transportation, whether across a State line or not, is merely incidental transportation prior to sale to an interstate pipe-line company, within the meaning of the term "incidental transportation" as used in the substitute bill.

Under such circumstances, if Senator KERR's substitute for bill S. 1498 is enacted into law the issue will be whether or not Phillips is a natural-gas company under the amended law. Many new issues not now involved in the proceeding would be injected, principal among these would be whether or not Phillips Petroleum Co. is only a producer and gatherer of natural gas within the meaning of the substitute bill. Additional new issues would involve the definition of "arm's length" sales. If the Commission finds that Phillips Petroleum Co. is only a producer or gatherer of natural gas within the meaning of the substitute bill and that all sales by it are at "arm's length" and that all transportation by it in interstate commerce is incidental to such sales there would probably be no justification for continuing the proceeding. Certainly Phillips Petroleum Co. could contend that it was dealing at "arms length" with all interstate pipe-line companies unless it could be shown that Phillips had a voting stock interest in one or more of the interstate pipe-line companies to which it makes sales of natural gas or that it had common officers or directors with one or more of such pipe-line companies, or that there was some other evidence of affiliation between Phillips and such interstate pipeline companies.

Sincerely yours,

MON C. WALLGREN,
Acting Chairman.

Mr. KERR. Mr. President, in discussing Senate bill 1498 as reported to this body by its Interstate and Foreign Commerce Committee, and the amendment in the nature of a substitute proposed by my colleague from Oklahoma [Mr. THOMAS] and myself, I wish first to refer briefly to some of the history of the Natural Gas Act, to some of the history of proposed legislation similar to Senate bill S. 1498, and to similar legislation passed last year by the House of Representatives and now on the Senate Calendar.

During the first session of the Eightieth Congress, which adjourned July 27, 1947, various bills proposing amendments to the Natural Gas Act were introduced and considered by the Congress. Some of those bills were opposed by the Federal Power Commission and by the President.

One bill, however, being House bill 4099, introduced by Representative PRIEST, of Tennessee, was endorsed and its passage was urged unanimously by the Federal Power Commission and by the President of the United States.

In a letter dated July 10, 1947, to the House Committee on Interstate and Foreign Commerce, the following language was used:

The Federal Power Commission urges the enactment of this bill (H. R. 4099) at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of this Commission.

The letter further said:

The enactment of this bill would dispel the uncertainty regarding the status of such independent producers and gatherers which has been created following the recent decision of the Supreme Court in the Interstate case. Such action by the Congress now should dispose of this important and uncontroversial matter.

Mr. President, I ask unanimous consent that a copy of the letter, in full, be inserted at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 10, 1947.

MY DEAR MR. CHAIRMAN: This is in response to your request of July 9 for an early comment by the Commission regarding H. R. 4099, a bill introduced by Congressman PRIEST, of Tennessee.

The Federal Power Commission urges the enactment of this bill at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of this Commission.

The enactment of this bill would dispel the uncertainty regarding the status of such independent producers and gatherers which has been created following the recent decision of the Supreme Court in the Interstate case. Such action by the Congress now should dispose of this important and noncontroversial matter.

This procedure would enable the Congress to defer action on the many other aspects of natural-gas regulation involved in the complexities, uncertainties, and ambiguities of H. R. 4051 (the Rizley bill), to which we referred in detail in our statement of July 1 to you and the members of your committee. As you know, all these problems are being carefully analyzed by the Commission, in cooperation with all interested parties, in the Natural Gas Investigation (Docket No. G-580). A full report of this investigation will be submitted to the Congress for its consideration within the next few months.

I am authorized to state that the position of the Commission in this matter is fully in accord with the legislative program of the President.

Mr. KERR. The decision in the Interstate case referred to in the letter just quoted, while it involved the operations of a regulated company under the Natural Gas Act, had language which, in the opinion of many lawyers, subjected independent gas producers to the jurisdiction of the Federal Power Commission.

House bill 4099, the Priest bill, had for its sole purpose the clarification of the confusion created by the Interstate decision. It reaffirmed the exemption of the production and gathering of natural gas contained in the original Natural Gas Act of 1938, and did nothing more.

However, the first session of the Eightieth Congress adjourned without passing House bill 4099. Whereupon, the Federal Power Commission, by action of three of its four members, issued its order No. 139.

Mr. President, I now ask unanimous consent that this order be inserted in the RECORD at this point in my remarks.

There being no objection, the order (No. 139) was ordered to be printed in the RECORD, as follows:

ORDER NO. 139

SUPPLEMENTING THE COMMISSION'S GENERAL RULES INCLUDING RULES OF PRACTICE AND PROCEDURE—PART 03, SUBSTANTIVE RULES, GENERAL POLICY AND INTERPRETATIONS

For the reasons stated below, it seems appropriate and desirable at this juncture for the Commission to adopt and promulgate the rule contained herein, which is designed to relieve any existing uncertainty regarding the Commission's position that it will not seek to assert jurisdiction over the sale of natural gas to interstate pipe lines by independent producers or gatherers.

Following the release in March 1947 of the staff report in Docket No. G-580 on this subject, entitled "Section 1 (b) of the Natural Gas Act with Reference to Production and Gathering," the Commission consistently therewith on May 27, 1947, issued a notice of proposed rule making in this matter. At that time, since there were prevalent many expressions of uncertainty as to the Commission's interpretation of section 1 (b) of the act with reference to the status of independent producers and gatherers of natural gas, and as to its intentions with respect thereto, it seemed evident that a formal administrative rule was necessary to affirm our belief that it was the intent of Congress to exempt such independent producers and gatherers when it enacted the Natural Gas Act of 1938.

During the first session of the Eightieth Congress, which adjourned on July 27, 1947, various bills regarding this matter, as well as other important proposals for amending the Natural Gas Act, were introduced and considered by the Congress. At the hearings on these bills before the Senate and House Committees on Interstate and Foreign Commerce, the Commission likewise stated its view that independent operators who produce or gather natural gas and sell it at arm's length to natural-gas companies subsequently transporting such natural gas in interstate commerce are exempt from the provisions of the Natural Gas Act.

Reference also was made at these hearings to the pending case before the Supreme Court of the United States in *Interstate Natural Gas Company, Inc.* v. *Federal Power Commission*. The subsequent decision of the Court on June 10, 1947, addressed to the particular circumstances of that case which

involved the operations of a natural-gas company subject to the act, immediately became the basis for diverse interpretations and agitations by interested parties, as to its implications regarding the jurisdictional status under the act of independent producers and gatherers.

In view of these circumstances, the Commission urged the immediate adoption of H. R. 4099, the specific and sole purpose of which was to make entirely clear the exemption of the independent production and gathering of natural gas from the provisions of the Natural Gas Act. This proposed amendment, however, was not enacted during the closing days of the session of the Congress which has just ended.

This brief review of developments in this matter has been presented so that there may be no basis for misunderstanding or continuing expressions of fear and uncertainty regarding this matter which is noncontroversial. The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act.

The rule herein has this specific purpose and is issued at this time because the Congress has not yet reaffirmed such exemption by amending the act. It is also our intention, in keeping with the position heretofore taken, to continue to recommend to the Congress that it take appropriate clarifying legislative action regarding this matter.

General public notice of the proposed rule in this matter has been given by publication of notice in the Federal Register on June 5, 1947 (12 F. R. 3679), and by mailing copies of such notice to all interested persons including State and Federal regulatory agencies.

All of such persons have been afforded an opportunity to submit written statements or briefs setting forth their comments, views, and suggestions with respect to this proposed rule.

Finding that such action is necessary and appropriate to clarify the meaning of section 1 (b) of the Natural Gas Act, the Commission, pursuant to the authority contained in that act, particularly section 16 thereof (52 Stat. 821–833, 830; 15 U. S. C. 717–717w; 717o), hereby adopts and promulgates the following rule as a new section of part 03—substantive rules, general policy and interpretations of subchapter A—general rules, chapter I of title 18 of the Code of Federal Regulations, such new section to read as follows:

"SECTION 03.79. Jurisdictional status of independent producers and gatherers: The Federal Power Commission is of the opinion that it was the intent of the Congress that the control of production or gathering of natural gas should remain a function of the States and that the Natural Gas Act should not provide for regulation of those subjects.

"For the purpose of administering the Natural Gas Act, the Commission will construe the exemption contained in section 1 (b), to the effect that the provisions of the act shall not apply to the production or gathering of natural gas, as including arm's-length sales of natural gas by independent producers and gatherers, made during the course or upon completion of production and gathering. The Commission, consistent with this construction, will not assert jurisdiction over such producers and gatherers who might be subject to jurisdiction solely because of such sales."

The interpretative rule hereby adopted shall become effective August 7, 1947. The Secretary of the Commission shall cause publication of this order to be made in the Federal Register, and further, shall serve copies thereof on all interested parties.

By the Commission. Commissioner Draper dissenting.

LEON M. FUQUAY,
Secretary.

Date of issuance: August 15, 1947.

Mr. KERR. Mr. President, I read from that order the following language:

The subsequent decision of the Court on June 10, 1947, (the Interstate case) addressed to the particular circumstances of that case which involved the operations of a natural-gas company subject to the act, immediately became the basis for diverse interpretations and agitations by interested parties, as to its implications regarding the jurisdictional status under the act of independent producers and gatherers.

In view of these circumstances, the Commission urged the immediate adoption of H. R. 4099, the specific and sole purpose of which was to make entirely clear the exemption of the independent production and gathering of natural gas from the provisions of the Natural Gas Act. This proposed amendment, however, was not enacted during the closing days of the session of the Congress which has just ended.

This brief review of developments in this matter has been presented so that there may be no basis for misunderstanding or continuing expressions of fear and uncertainty regarding this matter which is noncontroversial.

Mr. President, I ask Senators to pay particular attention to the following declaration contained in that order of the Commission:

The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. KERR. I yield.

Mr. FULBRIGHT. What was the date of the order? I missed what the Senator said.

Mr. KERR. The order is dated August 7, 1947.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. KERR. I yield for a question.

Mr. JOHNSON of Texas. Has the order been revoked or withdrawn?

Mr. KERR. The order has not been revoked. It is still the order of the Federal Power Commission, unchanged, unamended, unrevoked. It further says:

The rule herein has this specific purpose—

And that was a common assurance to independent producers and gatherings of natural gas that they can sell at arm's length and deliver gas to interstate pipe lines, and can also enter into contracts for such sale without apprehension, and that in so doing they may become subject to the jurisdiction of the Commission.

The rule herein has this specific purpose and is issued at this time because the Congress has not yet reaffirmed such exemption by amending the act. It is also our intention, in keeping with the position heretofore taken, to continue to recommend to the Congress that it take appropriate clarifying legislative action regarding this matter.

At the beginning of the Eighty-first Congress, legislation similar to H. R. 4099 was introduced in the House by Representatives LYLE, of Texas, and HARRIS, of Arkansas.

The oil and gas business is Oklahoma's second most important industry, being exceeded only by her magnificent agricultural production. Oklahoma ranks high among the States as a producer of natural gas. While her production and known reserves are exceeded by other States, and especially by her southern neighbor, the State of Texas, Oklahoma has approximately 2,000 independent natural-gas producers which is more than any other State in the Nation.

In March 1949, the Oklahoma Legislature unanimously passed Senate Concurrent Resolution 12, the heading of which reads, as follows:

Concurrent resolution memorializing the Congress of the United States to amend the Natural Gas Act so as to expressly exclude the production and gathering of gas and the arm's length sales thereof from production and gathering facilities from the terms of said act and further urging and requesting the United States Senators from Oklahoma to introduce an appropriate Senate bill to be considered concurrently with similar bills now pending in the House of Representatives.

I now ask unanimous consent that a copy of the resolution be inserted in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
STATE OF OKLAHOMA,
Oklahoma City.

I, Wilburn Cartwright, secretary of state of the State of Oklahoma, hereby certify Senate Concurrent Resolution No. 12.

That I have compared the annexed transcript with the record on file in my office, of which it purports to be a copy, and that the same is a full, true, and correct copy thereof.

In witness whereof, I hereunto set my hand and affix the great seal of the State of Oklahoma, this 28th day of March 1949.

[SEAL] WILBURN CARTWRIGHT,
Secretary of State.
By L. D. ABNEY,
Assistant Secretary of State.

Senate Concurrent Resolution 12

Concurrent resolution memorializing the Congress of the United States to amend the Natural Gas Act so as to expressly exclude the production and gathering of gas and the arm's length sales thereof from production and gathering facilities from the terms of said act and further urging and requesting the United States Senators from Oklahoma to introduce an appropriate Senate bill to be considered concurrently with similar bills now pending in the House of Representatives

Whereas natural gas and oil constitute Oklahoma's most important and basic natural resources, vital to the economic, social, and general welfare of the State and of its citizens; and

Whereas historically the production, gathering, and sales of natural gas and oil (occurring within the several States) have been regarded as local functions subject to regu-

lation and control by the States whenever necessary or proper in the interest of conservation or the equitable taking and sale thereof and so recognized by the Natural Gas Act in exempting the "production and gathering of natural gas" from the jurisdiction of the Federal Power Commission; and

Whereas the State of Oklahoma has been alert to its responsibility in respect to the conservation, efficient and nonwasteful production, and the equitable taking and sale of such gas and oil and has exercised its regulatory powers so as to fulfill such responsibility; and

Whereas both the gathering of gas and arm's length sales thereof from production or gathering facilities are so related to the production, conservation, and equitable taking of gas and oil that any attempted exercise of authority in respect thereof by the Federal Power Commission would interfere with, and be an inherent and constant source of conflict with, the exercise by the State of its historical power and functions in regard to the production, conservation, and equitable taking of both gas and oil; and

Whereas any regulation of or control by the Federal Power Commission over the gathering of gas or the sale thereof from production or gathering facilities would so affect and involve the production of the gas and any oil produced therewith, that to regulate the gathering or such sales of gas would of necessity and in effect involve the control and regulation of the production and equitable taking of both gas and any oil produced therewith; and

Whereas the legislative history of the Natural Gas Act indicates that Congress intended to exclude from the application of the act and the jurisdiction of the Federal Power Commission, the production and gathering of natural gas, nevertheless, the decision of the Supreme Court of the United States in the case of *Interstate Natural Gas Company* v. *Federal Power Commission* (67 Sup. Ct. Rept., p. 1482), in effect, casts serious doubt that the language of the Natural Gas Act excludes from the terms of the act production or gathering or sales of gas moving in interstate commerce and indicates that under the language of the act all production at the wellhead and all gathering other than the regulation of the mere physical acts of producing and gathering and all transportation of natural gas which moves in interstate commerce, beginning at the wellhead, and all sales of such natural gas including sales by the producer or gatherer even at the well are subject to the jurisdiction of the Federal Power Commission, limited only by a vaguely stated exception in the case of conflict with the exercise by the State of its regulatory functions, which "conflict must be clearly shown"; and

Whereas in order to clarify said act and to avoid such conflicts of jurisdiction and to preserve the State's historical functions in respect to the production, conservation, and equitable taking of gas and oil within the States, and in which the States have a paramount interest, it is imperative that the Congress of the United States amend the Natural Gas Act so as to expressly exclude the production and gathering of gas and arm's-length sales thereof from production or gathering facilities from the terms and application of said act and the jurisdiction of the Federal Power Commission; and

Whereas certain House bills differing in terms but in general having as their objective the purposes of this resolution have been introduced in the House of Representatives of the United States Congress and are now being considered by that body; and

Whereas for the purpose of expediting action by the Congress, it is desirable that an appropriate Senate bill conforming to the purposes of this resolution be introduced for consideration by the Senate concurrently with House consideration of the bills pending in the House of Representatives: Now, therefore, be it

Resolved by the Senate of the Twenty-second Legislature of the State of Oklahoma (the House of Representatives concurring therein), That the Congress of the United States be memorialized to amend the Natural Gas Act so as to expressly exclude the production and gathering of natural gas and arm's-length sales thereof from production or gathering facilities from the terms of said act, and that the Oklahoma Senators in the Congress be urged and requested to introduce and support an appropriate Senate bill conforming to the purposes of this resolution to be considered concurrently with the bills now pending in the House of Representatives; that a copy of this resolution be forwarded by the secretary of the senate to each Member of the congressional delegation from Oklahoma, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to the Honorable Harry S. Truman, President of the United States.

Adopted by the senate the 17th day of March 1949.

JAMES E. BERRY,
President of the Senate.

Adopted by the house of representatives the 22d day of March 1949.

WALTER BILLINGSLEY,
Speaker of the House of Representatives.

Mr. KERR. In accordance with the mandate of that resolution, my colleague the senior Senator from Oklahoma [Mr. THOMAS] and I, on April 4, 1949, introduced S. 1498, which was referred to the Senate Committee on Interstate and Foreign Commerce.

On June 24, 1949, that committee, through the junior Senator from Texas [Mr. JOHNSON], reported Senate bill 1498, with an amendment, and it was placed on the calendar. I ask unanimous consent that a copy of the report be inserted in the RECORD at this point in my remarks.

There being no objection, the report (No. 567) was ordered to be printed in the RECORD, as follows:

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass. This report is presented only on behalf of the majority of the committee who voted to report the bill.

This bill is an exercise of the constitutional power of the Congress to delegate specific duties to a regulatory agency and to prescribe the yardstick for responsible and orderly procedure by the agency in administering those duties.

This legislation is made necessary because a threat has now been raised that the Federal Power Commission may, on the basis of a 3-to-2 majority, interpret a law which has been in effect for 11 years in such a manner that the Commission could assume certain jurisdictional authority over independent producers and gatherers of natural gas. Congress has authorized no such jurisdiction. For such jurisdiction to be asserted or assumed without direction of Congress would be directly contrary to the constitutional division of powers in the Federal Government and would be usurpation of legislative authority by an administrative agency. Furthermore, until such time as Congress is prepared to extend jurisdiction into a wholly new sphere of control any extension of jurisdiction over independent producers and gatherers would be regulation for regulation's sake alone; no tangible protection to consumers or to producers would be assured by the Commission's assumption of regulatory authority at this time.

PURPOSE OF THE BILL

The bill, herewith recommended, has a limited purpose and a limited effect, i. e., clarification of certain language in the Natural Gas Act of 1938 to implement the continued orderly administration of that act by the Federal Power Commission.

Confusion and uncertainly prevail within the Commission membership regarding the scope of that agency's jurisdiction over arm's-length sales by independent producers and gatherers of natural gas. The confusion evolves from recent conflicting interpretations of the language in section 1 (b) of the Natural Gas Act which specifies that the act shall not apply to the "production or gathering of natural gas."

From the date of the act's passage to the present this language has been so interpreted that the Commission has not exercised jurisdiction over arm's-length sales made by independent producers and gatherers. At present three members of the Federal Power Commission subscribe to a new interpretation restricting the exemption solely to the physical functions of producing and gathering; the other two members of the Commission adhere to the interpretation consistent with past and prevailing practices of that agency. Until recently a 3-to-1 majority prevailed in support of the original interpretation; a change of interpretation by one member, together with the addition of a new member to the Commission, has resulted in the reversal of Commission majority opinion. As a consequence, the Commission's views on this question of jurisdiction derive not from explicit direction of Congress but rather, from changed views and shifts in personnel of the Commission. This insecure administrative situation has, necessarily, aroused confusion, uncertainty, and hesitancy among the regulatory commissions of the States and representatives of the natural-gas industry.

Since no court has made a judicial determination of the specific question in point, the responsibility for resolving the differences that now exist is imposed upon the Congress. This bill would accomplish that purpose by clarifying the questioned language in a manner consistent with the legislative history and administrative practices of the Natural Gas Act.

ANALYSIS OF THE BILL

The bill herewith recommended deletes no language now contained in the Natural Gas Act and adds only such language as is essential to preserve the exemption of arm's-length sales by independent producers and gatherers of natural gas as now practiced by the Federal Power Commission.

To section 1 (b) of the Natural Gas Act, the words, "except as provided in subsequent sections of this act," are added to assure that no authority granted elsewhere in the act will be overridden or impaired. The other additional language added to section 1 (b) by this bill means:

1. Arm's-length sales from one independent producer or gatherer to another producer or gatherer would be exempt, under the act, from the jurisdiction of the Federal Power Commission.

2. Arm's-length sales by independent producers or gatherers of natural gas at or prior to the point of delivery of such gas into interstate transmission facilities of a natural-gas company would be exempt, under the act, from jurisdiction of the Federal Power Commission.

3. Incidental transportation necessary for delivering such gas to another independent producer or gatherer or into interstate transmission facilities of natural-gas company would be exempt, under the act, from jurisdiction of the Federal Power Commission.

The committee recognizes that certain transportation is necessary for some independent producers and gatherers to consummate their sales. If, because of the geography of certain producing fields, this auxiliary transportation involves the crossing of a State line, this bill does not intend that such transportation be considered interstate commerce and thus become subject to Federal regulatory jurisdiction. However, the committee does not intend to exclude from such jurisdiction protracted interstate transportation which is, in fact, not incidental to the consummation of sales made at arm's-length by independent producers or gatherers.

4. To be exempt from the act, producers and gatherers mentioned in (1), (2), and (3) must not be otherwise engaged in and not directly or indirectly controlled by or controlling a person otherwise engaged in transportation or sale of natural gas for resale in interstate commerce.

Section 2: Subsection (6) of section 2 is amended by adding at two places the language, "subject to the certificate or rate regulatory jurisdiction of the Commission," to assure that the independent producer or gatherer will not lose the exemptions specified in section 1 (b).

Section 3: Section 2 is amended by adding a new subsection (10) defining the term, "arms-length sale."

This definition means that any sale determined by the courts to be in violation of the Sherman Antitrust Act (15 U. S. C. 1 and 2) would not be considered an "arm's-length sale." Thus, sales judicially determined to be made as a result of conspiracy, combination, or monopoly would be subject to jurisdiction of the Federal Power Commission, under the act. Further, a sale would not be considered "arms-length" if made by a person in such relation to the buyer by reason of voting-stock interest, common officers or directors, or other evidence of affiliation, that there is liable to be such an absence of independent bargaining between them as to be contrary to the public interest.

LEGISLATIVE HISTORY

Section 1 (b) of the Natural Gas Act, enacted by the Seventy-fifth Congress, third session, describes the jurisdictional scope of the act as follows:

"(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

The Natural Gas Act contains no definition particularizing the scope of the terms, "production" and "gathering." Furthermore, there is no instance in the legislative history of the act, either during committee hearings or floor debate, where a restrictive meaning was inferred for these terms; on the contrary, every mention of these terms imputed a broad, inclusive usage (appendix I). The intent of Congress, as read by this committee, was clearly to exclude sales made incident to production and gathering from the jurisdictional scope of the Natural Gas Act.

ADMINISTRATIVE HISTORY

The Natural Gas Act became law on June 21, 1938. At no time during the 11-year period, since, has the Federal Power Commission assumed or asserted jurisdiction over sales made at arm's length by independent producers and gatherers. The first test of the jurisdictional scope of the act, in this regard, was made less than 2 years after the act was passed in the Columbian Fuel Corp. case in 1940. In that case the Federal Power Commission concluded:

"That it was not the intention of Congress to subject to regulation under the Natural Gas Act, all persons whose only sales of natural gas in interstate commerce, as in this case, are made as an incident to and immediately upon completion of such person's production and gathering" (2 F. P. C. 200 (1940)).

No subsequent determination by the Commission has overturned this initial finding. No recommendation has come to Congress from the Commission during the past 11 years requesting that the jurisdictional authority in question be amended or extended. No instance has been cited where the Commission was thwarted in its efforts to protect consumers or regulate industry operations by the prevailing jurisdictional policies. This long era of Commission consistency and silence suggests strongly that the initial interpretation of congressional intent was not only correct but, also, adequately effective.

JUDICIAL HISTORY

The significant disruption in this record of consistent interpretation of the Natural Gas Act first arose in 1947, as a result of a decision by the Supreme Court in the Interstate Natural Gas Co. case (*Interstate Natural Gas Co.* v. *Federal Power Commission et al.* (331 U. S. 682)). The facts presented to the Court in this case did not require a judgment as to whether arm's-length sales by independents were exempt under section 1 (b) of the act. Nevertheless, constructions placed upon the Court's opinion by many—although not all—concerned with the problem favored a restrictive interpretation of the exemption of production and gathering. Thus, 9 years after the Natural Gas Act was passed, a cloud was cast over the correctness of the Commission's administrative policies and practices.

ORDER NO. 139

The Interstate decision was handed down on June 16, 1947. Immediately confusion arose within the natural-gas industry regarding what effect, if any, this decision might have upon established Commission administrative policies. On August 7, 1947, the Federal Power Commission, on Docket No. R-106, issued order No. 139 which, in the language of the Commission, was "designed to relieve any existing uncertainty regarding the Commission's position." This order was signed by Commissioners Smith, Olds, and Wimberly, with Commissioner Draper dissenting. The rule adopted by the Commission to implement this order, stated:

"The Federal Power Commission is of the opinion that it was the intent of the Congress that the control of production of gathering of natural gas should remain a function of the States and that the Natural Gas Act should not provide for regulation of those subjects.

"For the purpose of administering the Natural Gas Act, the Commission will construe the exemption contained in section 1 (b), to the effect that the provisions of the act shall not apply to the production or gathering of natural gas, as including arm's-length sales of natural gas by independent producers and gatherers, made during the course or upon completion of production and gathering. The Commission, consistent with this construction, will not assert jurisdiction over such producers and gatherers who might be subject to jurisdiction solely because of such sales."

Since issuance of that order, one of the signers has changed his interpretation and now believes independents are subject to regulation under the Natural Gas Act. Another Commissioner, who was not a member of the Commission at the time of order No. 139's issuance, stated to the committee that he considers the rule a nullity—absolutely meaningless. A majority of the Commission, which has the power to do so, has stated, through their spokesman, that order No. 139 will be rescinded when proposals now before Congress are finally disposed of. Order No. 139 still stands, however, as the rule of the Commission. Contracts are being made and approved under its provisions. The situation is obviously inconsistent and potentially chaotic.

The bill here recommended would perpetuate the policies now being practiced by the Commission under its own rule. This bill has the same effect as the Commission's finding in the Columbian case, when it held that it was not the intention of Congress to subject to regulation under the Natural Gas Act:

"All persons whose only sales of natural gas in interstate commerce, as in this case, are made as an incident to and immediately upon completion of such person's production and gathering."

This bill has the same effect as the Commission's own rule, issued under order No. 139, construing section 1 (b) to exempt "arm-length sales of natural gas by independent producers and gatherers."

Furthermore, this bill is thoroughly consistent with the Commission's own unanimous recommendation to the Eightieth Congress, urging enactment of H. R. 4099 by Representative PRIEST, of Tennessee. The full membership of the Commission joined in sending a letter, signed by the Chairman, dated July 10, 1947, to Chairman WOLVERTON of the House Committee on Interstate and Foreign Commerce, which reads as follows:

"MY DEAR MR. CHAIRMAN: This is in reponse to your request of July 9 for an early comment by the Commission regarding H. R. 4099, a bill introduced by Congressman PRIEST, of Tennessee.

"The Federal Power Commission urges the enactment of this bill at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of this Commission.

"The enactment of this bill would dispel the uncertainty regarding the status of such independent producers and gatherers which has been created following the recent decision of the Supreme Court in the Interstate case. Such action by the Congress now should dispose of this important and noncontroversial matter.

"This procedure would enable the Congress to defer action on the many other aspects of natural-gas regulation involved in the complexities, uncertainties, and ambiguities of H. R. 4051 (the Rizley bill), to which we referred in detail in our statement of July 1 to you and the members of your committee. As you know, all these problems are being carefully analyzed by the Commission, in cooperation with all interested parties, in the Natural Gas Investigation (Docket No. G-580). A full report of this investigation will be submitted to the Congress for its consideration within the next few months.

"I am authorized to state that the position of the Commission in this matter is fully in accord with the legislative program of the President."

The bill herewith recommended is even more closely consistent with Commission practices than was the Priest bill.

Thus, the majority of the committee in reporting this bill take the same position that the Federal Power Commission maintained in, (1) the Columbian case in 1940, (2) order No. 139 on August 7, 1947, and (3) the Commission's unanimous recommendation to the Congress in 1947 urging enactment of the Priest bill.

USE OF THE TERM "INDEPENDENT"

For the purposes of this report, the term "independent" producer and gatherer of natural gas is used to describe a person or

company which produces or gathers natural gas and sells it at arm's length in interstate commerce but which is not otherwise a natural-gas company, as defined in the act, nor affiliated with nor controlling or controlled by such a natural-gas company. The term "independent" does not appear in the context of the bill but is used here for descriptive purposes in the interest of clarity and brevity.

CONCLUSIONS OF THE COMMITTEE

In view of the foregoing, it is the conclusion of this committee:

I. That Congress did not intend that arm's-length sales made by independent producers and gatherers of natural gas should be subject to Federal jurisdiction under the Natural Gas Act.

The legislative history of the Natural Gas Act is replete with assurances that the jurisdictional scope of the act would not extend to production and gathering of natural gas. No contrary implication is to be found in this legislative history indicating that jurisdiction over sales was intended.

II. That the administrative history of the Natural Gas Act indicates no compelling necessity for an extension of Federal jurisdiction over arm's-length sales by independent producers and gatherers.

Commission jurisdiction has not been asserted or assumed at any time during the life of the Natural Gas Act. No recommendation seeking such jurisdictional authority has been made to Congress by the Federal Power Commission, now or at any time in the past. No appeal advising that extension of such jurisdiction is imperative has been received from any other source.

III. That the Supreme Court's Interstate-case decision did not resolve the question of jurisdiction but, rather, merely underscored the confusion attached to the language employed by Congress to define the scope of jurisdiction.

The facts presented to the Court in the Interstate case did not necessitate a determination of the question now at issue. The Court's opinion is the source from which conflicting interpretations and confusion have stemmed; it is not a final settlement of the question.

IV. That the responsibility for clarifying the disputed language in the Natural Gas Act is exclusively that of the Congress.

Federal Power Commission policies with regard to this jurisdictional question are predicated upon an administrative rule, not upon language adopted by Congress. The rule is subject to reinterpretation or revocation at the discretion of the Commission membership. No permanence or continuity is assured under this procedure. Clarification is possible only through congressional action.

V. That interests of both the consumers and the producers would be benefited by clarification of the Natural Gas Act's scope in a manner consistent with legislative and administrative histories of the act.

Witnesses testifying before the committee, both for and against S. 1498, concurred in the belief that administrative practices of the Federal Power Commission, under the Natural Gas Act, have been beneficial to both consumers and independent producers and gatherers for the past 11 years. The Commission's majority report on S. 1498 showed that the average retail price of natural gas to residential and commercial consumers has declined from 68 cents per thousand cubic feet in 1938 to 60 cents in 1947, or by nearly 12 percent, as compared with increases of 61 percent for anthracite coal, 69 percent for bituminous coal, and 79 percent for fuel oil. Over the same period the average well-mouth price of natural gas in the seven leading producing States increased 1.25 cents per thousand cubic feet. The average price paid by interstate pipe lines to independent producers in the southwestern producing States is about 4.6 cents per thousand cubic feet, while the domestic consumer in the District of Columbia now pays about $1.51 per thousand cubic feet. The current indecision over the meaning of certain language in the act is conducive to nothing but uncertainty, confusion, and hesitancy on the part of all affected by the act, both consumers and producers. Clarification within the framework of past experience and past necessity will serve to perpetuate these beneficial effects.

APPENDIX I

LEGISLATIVE HISTORY OF THE NATURAL GAS ACT

The legislative history relating to the intent of Congress with regard to the exemption of production and gathering, under section 1 (b) of the Natural Gas Act, dates back to the Seventy-fourth Congress. H. R. 11662, which was before the Seventy-fourth Congress, was a forerunner of the bill which ultimately become the Natural Gas Act. Section 1 (b) of H. R. 11662 provided that the measure should not apply "to the production of natural gas." Section 1 (b) of H. R. 6586, which was subsequently enacted as the Natural Gas Act by the Seventy-fifth Congress, expanded this language to read: "to the production or gathering of natural gas." In hearings before the Interstate and Foreign Commerce Committee of the House of Representatives on H. R. 11662, Mr. Dozier A. DeVane, Solicitor of the Federal Power Commission, was asked the following question by Chairman Lea:

"Mr. LEA. Suppose that the A company owns a gas supply and the B company transmits it into another State, distributes it to a local company for distribution. Now suppose the question arises as to whether or not the charges which the A company makes against the B company for the gas is reasonable. What, if any, authority would the Commission have on that question, under this bill?

"Mr. DEVANE. Yes; if I understand your question, concerning the price paid to the A company, there is no control of the gathering rate; the Commission would not have jurisdiction. That price is fixed by competitive conditions in the field. But it matters not how many different ownerships there may be between the time the gas starts to move in interstate commerce and gets in the city gates. Ownership might change a dozen times * * * all those rates would be subject to regulation.

"Mr. LEA. Well, when the supply company is brought before the Commission in an action to regulate its rates, and they say, 'We have got to pay so much for gas; we cannot control that price which they charge us, and we have to charge a higher price delivered to the buyer.' Does the Commission have any power over that?

"Mr. DEVANE. No; not the prices which are paid to the gatherer; that is binding if the transaction is at arm's length. If the transaction is not at arm's length, of course, its reasonableness may be inquired into, under decisions of the Supreme Court" (hearings on H. R. 11662, 74th Cong., 2d sess., April 2, 1946, pp. 42–43).

The Seventy-fifth Congress received on March 17, 1937, H. R. 5711, which specified that Federal jurisdiction "shall apply to the procurement of natural gas for the purpose of its transmission through pipe lines and its sale, exchange, transmission, or distribution in interstate commerce."

Congress, however, did not adopt that bill, but, on the contrary, enacted H. R. 6586 as the Natural Gas Act, excluding production or gathering of natural gas.

During House debate on H. R. 6586, Chairman Lea, of the Committee on Interstate and Foreign Commerce, made these statements:

"The primary purpose of the pending bill is to provide Federal regulation, in those cases where the State commissions lack authority, under the interstate commerce law. * * *

"The bill does not apply to the production and gathering of gas."

During Senate debate on the bill, after it had passed the House of Representatives unanimously, Chairman Wheeler, of the Committee on Interstate and Foreign Commerce, answered the questions of his colleagues as follows:

"Mr. AUSTIN. * * * Does the bill undertake to regulate the production of natural gas, or does it undertake to regulate the producers of natural gas?

"Mr. WHEELER. It does not attempt to regulate the producers of natural gas or the distributors of natural gas; only those who sell it wholesale in interstate commerce. * * *

"Mr. AUSTIN. Is the bill limited in its scope to the regulation of transportation?

"Mr. WHEELER. Yes; it is limited to transportation in interstate commerce, and it affects only those who sell gas wholesale.

* * * * * *

"Mr. AUSTIN. Then, it would leave to the future the right to meet any effort on the part of the Central Government to acquire the natural resources of the State of Montana, or the State of Vermont, or any other State?

"Mr. WHEELER. Oh, yes. It does not touch it in any way, shape, or form, except to require the furnishing of information.

"Mr. AUSTIN. I have great fear of these occult methods of acquiring the natural resources of our several States."

No statement in committee hearings or on the floor of either House intimates that a narrow, limited meaning was intended for the terms "production" and "gathering", as employed in section 1 (b) of the Natural Gas Act. It should be noted that because of the frequent, unambiguous assurances that the act did not apply to production or gathering, no producer or gatherer testified during hearings on H. R. 6586 by the Seventy-fifth Congress.

APPENDIX II

UNITED STATES OF AMERICA—FEDERAL POWER COMMISSION

Before Commissioners Nelson Lee Smith (Chairman), Claude L. Draper, Leland Olds, and Harrington Wimberly.

(Docket No. R–106. August 7, 1947)

IN THE MATTER OF A RULE TO MAKE CLEAR THE POSITION OF THE COMMISSION REGARDING THE INDEPENDENT PRODUCTION OR GATHERING OF NATURAL GAS

Order No. 139—Supplementing the Commission's general rules, including rules of practice and procedure—part 03, substantive rules, general policy, and interpretations

For the reasons stated below, it seems appropriate and desirable at this juncture for the Commission to adopt and promulgate the rule contained herein, which is designed to relieve any existing uncertainty regarding the Commission's position that it will not seek to assert jurisdiction over the sale of natural gas to interstate pipe lines by independent producers or gatherers.

Following the release in March 1947 of the staff report in Docket No. G–580 on this subject, entitled "Section 1 (b) of the Natural Gas Act With Reference to Production and Gathering," the Commission consistently therewith, on May 27, 1947, issued a notice of proposed rule making in this matter. At that time, since there were prevalent many expressions of uncertainty as to the Commission's interpretation of section 1 (b) of the act with reference to the status of independent producers and gatherers of natural gas, and as to its intentions with respect thereto, it seemed evident that a formal administrative rule was necessary to affirm our

belief that it was the intent of Congress to exempt such independent producers and gatherers when it enacted the Natural Gas Act in 1938.

During the first session of the Eightieth Congress, which adjourned on July 27, 1947, various bills regarding this matter, as well as other important proposals for amending the Natural Gas Act, were introduced and considered by the Congress. At the hearings on these bills before the Senate and House Committees on Interstate and Foreign Commerce, the Commission likewise stated its view that independent operators who produce or gather natural gas and sell it at arm's length to natural-gas companies subsequently transporting such natural gas in interstate commerce are exempt from the provisions of the Natural Gas Act.

Reference also was made at these hearings to the pending case before the Supreme Court of the United States in *Interstate Natural Gas Company, Inc.* v. *Federal Power Commission.* The subsequent decision of the Court on June 10, 1947, addressed to the particular circumstances of that case which involved the operations of a natural-gas company subject to the act, immediately became the basis for diverse interpretations and agitations by interested parties, as to its implications regarding the jurisdictional status under the act of independent producers and gatherers.

In view of these circumstances, the Commission urged the immediate adoption of H. R. 4099, the specific and sole purpose of which was to make entirely clear the exemption of the independent production and gathering of natural gas from the provisions of the Natural Gas Act. This proposed amendment, however, was not enacted during the closing days of the session of the Congress which has just ended.

This brief review of developments in this matter has been presented so that there may be no basis for misunderstanding or continuing expressions of fear and uncertainty regarding this matter which is noncontroversial. The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act.

The rule herein has this specific purpose and is issued at this time because the Congress has not yet reaffirmed such exemption by amending the act. It is also our intention, in keeping with the position heretofore taken, to continue to recommend to the Congress that it take appropriate clarifying legislative action regarding this matter.

General public notice of the proposed rule in this matter has been given by publication of notice in the Federal Register on June 5, 1947 (12 F. R. 3679), and by mailing copies of such notice to all interested persons including State and Federal regulatory agencies.

All of such persons have been afforded an opportunity to submit written statements or briefs setting forth their comments, views, and suggestions with respect to this proposed rule.

Finding that such action is necessary and appropriate to clarify the meaning of section 1 (b) of the Natural Gas Act, the Commission, pursuant to the authority contained in that act, particularly section 16 thereof (52 Stat. 821–833; 830; 15 U. S. C. 717–717w; 717o), hereby adopts and promulgates the following rule as a new section of Part 03—Substantive Rules, General Policy and Interpretations, of Subchapter A—General Rules, Chapter I of Title 18 of the Code of Federal Regulations, such new section to read as follows:

"SEC. 03.79. *Jurisdictional status of independent producers and gatherers:* The Federal Power Commission is of the opinion that it was the intent of the Congress that the control of production or gathering of natural gas should remain a function of the States and that the Natural Gas Act should not provide for regulation of those subjects.

"For the purpose of administering the Natural Gas Act, the Commission will construe the exemption contained in section 1 (b), to the effect that the provisions of the act shall not apply to the 'production or gathering' of natural gas, as including arm's-length sales of natural gas by independent producers and gatherers, made during the course or upon completion of production and gathering. The Commission, consistent with this construction, will not assert jurisdiction over such producers and gatherers who might be subject to jurisdiction solely because of such sales."

The interpretative rule hereby adopted shall become effective August 7, 1947. The Secretary of the Commission shall cause publication of this order to be made in the Federal Register, and further, shall serve copies thereof on all interested parties.

By the Commission. Commissioner Draper dissenting.

LEON M. FUQUAY,
Secretary.

Date of issuance: August 15, 1947.

DOCKET NO. R–106

IN THE MATTER OF A RULE TO MAKE CLEAR THE POSITION OF THE COMMISSION REGARDING THE INDEPENDENT PRODUCTION OR GATHERING OF NATURAL GAS

Order No. 139—Supplementing the Commission's general rules including rules of practice and procedure—part 03, substantive rules, general policy and interpretations

Draper, Commissioner, dissenting:

In dissenting from the foregoing rule, I do so with a complete understanding of the practical difficulties which have moved the others to adopt it. It appears clear, however, that it is now too late for the Commission to issue any order which might be interpreted to constitute a legal limitation upon its power.

It is true that it was the intent of Congress in enacting the Natural Gas Act to exclude the production and gathering of natural gas from the jurisdiction of the Commission. This is clearly stated in section 1 (b), but nowhere in that section or elsewhere in the act is there any language to support the conclusion that any sale in interstate commerce of natural gas, after it has been produced and gathered, is not subject to the jurisdiction of this Commission.

Interstate commerce is the field in which this Commission has jurisdiction, and no part of that jurisdiction may be eliminated except by act of Congress or by interpretation of the courts to which this Commission owes allegiance.

The Supreme Court in the Interstate case [1] asserted that—

"There is nothing in the terms of the act or in its legislative history to indicate that Congress intended that a more restricted meaning be attributed to the phrase 'in interstate commerce' than that which heretofore had been given to it in the opinions of this Court."

Moreover, though declaring that the jurisdiction of the Federal Power Commission does not attach to sales which "though technically consummated in interstate commerce, are made during the course of production and gathering and are so closely connected with the local incidents of that process as to render rate regulation by the Federal Power Commission inconsistent or a substantial interference with the exercise by the State of its regulatory functions," the Supreme Court nevertheless expressly refrained from passing on the validity of the jurisdictional tests employed by us in the matter of the Columbian Fuel Corp. and in the matter of the Billings Gas Co., wherein we did not assert jurisdiction over sales taking place in the natural-gas fields even though in interstate commerce for resale for ultimate public consumption.

In reaching my decision in this matter, I was also very much impressed with the following words of the Supreme Court in the Interstate case:

"We have held that these sales are in interstate commerce. It cannot be doubted that their regulation is predominantly a matter of national, as contrasted to local concern. All the gas sold in these transactions is destined for consumption in States other than Louisiana. Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers of the gas including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed."

It seems clear that the rule now made goes far beyond the limits of the exemptions outlined by the Court in the Interstate case. This rule does not renounce merely those sales which are inconsistent with or interfere with State power but all sales in interstate commerce made at arm's length by independent producers and gatherers, whether or not they are inconsistent with State regulatory powers. This is an exemption which, in my opinion, should come from the Congress and not from the Commission.

The Commission was not unaware of the need for congressional action as evidenced by the fact clearly set forth in the order to which this dissent is filed, where it specifically recommended enactment of a new law to amend and clarify section 1 (b) of the Natural Gas Act. Congress adjourned without enacting such legislation. Therefore, the Commission should hesitate to do by rule what the Congress has failed to do by law.

In the light of the Supreme Court decision and the failure of Congress to pass a clarifying law, it is my opinion that the Commission should content itself with a statement that it does not intend to seek opportunity to expand its jurisdiction but must look forward to the next session of Congress for positive legislation clearly defining its power.

CLAUDE L. DRAPER,
Commissioner.

AUGUST 11, 1947.

[1] *Interstate Natural Gas Company, Inc.*, v. *Federal Power Commission*, — U. S. —, No. 733, October term 1946, decided June 16, 1947.

Mr. KERR. On the first day of February the Senator from Oklahoma [Mr. THOMAS] and I introduced our amendment in the nature of a substitute to S. 1498.

Mr. President, up until the late fall of 1947, there was not the slightest controversy in the natural-gas industry, nor in the Federal Power Commission, nor in the Congress of the United States about the exemption of the independent producer and gatherer from the provisions of the Natural Gas Act. There was no more doubt that the provisions of the Natural Gas Act did not apply to the producer or gatherer than there was that it did apply to the interstate transporter and wholesaler.

In the hope that my remarks may be more readily understood by Senators, I should like to explain the four phases of the natural-gas business, both in its practical operation and as referred to in the Natural Gas Act.

There are four principal steps in the journey of natural gas from the reservoir in the earth to the burner tip in the

kitchen stove, or to the great furnaces of industry.

I have prepared a chart to which I call the attention of Senators. It pictures the four separate phases. But before I refer explicitly to the chart, in view of the similarity of the journey which coal travels from the mine to the basement furnace, and in view of the intimate knowledge which so many Senators have of the coal industry, I should like to refer briefly to it. As Senators know, coal is mined by the mine operator, and the operator in the conduct of his business brings the coal from the mine and places it in loading racks along a railroad line or along a spur of a railroad line. After the operator has thus produced his coal and has made it available for the transportation phase, it passes to a new phase in the journey of coal from the mine to the furnace. It is picked up by the railroad company, and the phase of transportation takes place. It is a different one from that of production. The transporter operates as a regulated utility. He gets a license to do business from the Interstate Commerce Commission. His rates are prescribed by that body. If he is losing money, he has the privilege of going before that body and, upon proper showing, he will be granted an increase in rates. If he is making money, or too much of it, either upon his own motion or upon the motion of the Commission, hearings are had to determine whether his rates should be reduced. He transports for hire. He takes the coal to the point of destination, either to the industry which uses it, or to the coal yard of the independent distributor, from which it is then delivered in small quantities to the people who use it in the furnaces.

A similar situation exists in connection with gas. At first comes production, and, Mr. President, gas is where it is found. It may be found in the Gulf of Mexico, it may be found in the mountains of Wyoming, it may be found in the swamps of Louisiana, or in the fine upland of that State. It may be found anywhere; and I shall refer to that again in a little while.

When the producer has drilled his well, set his casing, and done that which he refers to as "bringing his well in," he is then in position to sell the gas. He has few lines of transmission to market ordinarily; it is most unusual if he has any at all. In the field where his lease or well may be, or is, there may be 10 other producers, there may be 1 other producer, there may be 50 other producers, all of whom have their individual leases and production.

By reason of the fact that the consumers of gas need a supply over a long period of time, the custom has developed of drilling wells on large areas, comparatively speaking, with reference to other oil production. Usually, in the Southwest a section of land contains one well. The operator of the well sells to whomever he can. After the producer has sold his gas and its ownership and control have passed from him, the process referred to as gathering takes place, and the gathering operates in many different ways. If there are three or four or half a dozen wells in an area, the gatherer may build a line to each one of them, bring all the lines together, and then build another line off to a place where other of like size may have been assembling their gatherings of natural gas. Often, however, the production area covers a good deal of territory and there may be dozens or even hundreds of wells owned by dozens or hundreds of operators. In that event the usual custom is for the gatherer to be the operator of what we call a natural gasoline plant. He runs his lines to the various wells in the area from which he gets his contracts of purchase; he buys the gas, brings it in through these lines to his gasoline plant, and there he extracts from the gas what we refer to as the liquid gases, the most usual of which is natural gasoline.

When half of the contracts now in force through which gas is now being made available to consuming areas in the North and East were made, in most instances the gatherer extracted the natural gasoline from the gas and then sold the rest of it to a carbon-black manufacturer located nearby, or, as was the case in many instances, he extracted the natural gasoline from it and permitted the rest of the gas to flow unimpeded into the air. Through the years the science of natural gasoline plants improved. There was developed a process known as polymerization—I hope the Official Reporter will not ask me to spell that word—which is a process by which additional portions of the gas can be liquefied, and thereby, butane and propane, which are liquefied gases, are extracted by the natural gasoline plant from the body of the gas. Then the operator has the residue available for sale.

The distinguished Senator from Illinois [Mr. DOUGLAS] referred a day or two ago to the residue as methane. Ordinarily approximately 80 percent of the gas coming from the well is methane. However, it takes a chemist, a chemical laboratory, and scientific equipment either to distinguish between the butane, the propane, and the methane, or to extract the butane and the propane from it and leave the methane unchanged.

A process known as the Fischer-Tropsch process—and again I hope the official reporter will not ask me to spell it—has been developed through which the methane can be liquefied. So that at this time economical, feasible, and profitable processes have been developed to liquefy a hundred percent of the volume of the gas in the hands of the gatherer. However, after the gatherer has extracted such liquid gases as his process permits, he is ready, willing, and anxious to sell the residue. I do not know exactly how much of it is consumed in the States in which it is produced. I think the figure is somewhat more than 60 percent. I should be glad to be corrected by the junior Senator from Texas [Mr. JOHNSON] or by other Senators, if they have the information. But much over half of it is consumed in the States in which it is produced.

The gatherer may sell the residue to a carbon-black plant or to a fertilizer plant to make ammonium nitrate. Senators will recall the explosion which took place in Texas City a year or two ago, when a terrible tragedy occurred. Fertilizer exploded on a ship. It was fertilizer which had been manufactured from natural gas.

The gatherer may sell to a Fischer-Tropsch processor, he may sell to communities and cities in his own State where it is consumed, or—and here is where the interest of the consuming States becomes most manifest—he may sell, if he so desires, to an interstate pipeline carrier. He is anxious to sell it in that market. As of this hour there is enough natural gas being wasted in the air by the gatherer, after he has extracted from it all that can be extracted locally, and after he has sold all the residue he can sell locally, to provide heat for every home in New England. Gatherers are afraid to sell it to interstate pipe lines for fear that if they do their status of independent businessmen will be destroyed and they may thereby become regulated by the Federal Power Commission.

Mr. President, after that part of the gas which is sold to the interstate pipe line is disposed of, transportation takes place to either industrial consumers along the way or to the gates of communities and cities in the North and East. But there, as in the case of the railroads, the transportation is a separate phase, having no more to do with production or gathering than has the transportation of coal anything to do with its production.

At the end of the transportation phase there begins the phase of distribution. That is where the local gas company distributes the gas to the homes of the persons who consume it. There is a sharp cleavage between the phases of this business. With that in mind, Mr. President, I should like to read the provisions of section 1 (b) of the Natural Gas Act, which is the law now in force and effect. It is the law under which the Federal Power Commission operates. It is the law under which order 139 was issued. It was the law before the Supreme Court in the Interstate case. It was the law before the Supreme Court in the Panhandle case.

I read from section 1 (b) as follows:

> The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use.

I invite careful scrutiny by Senators of that particular provision. It does not say it shall apply "to the sale of natural gas in interstate commerce." It says: "to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, or industrial, or any other use."

By interpolation we may read: "The provisions of this act shall apply to natural-gas companies engaged in such transportation or sale."

As the Supreme Court said in the Panhandle case, and in every other case, the prohibitory phrases of the act are just as definite and positive as are the

phrases of the act setting forth its obligation.

But shall not apply—

Shall not apply to what?—

shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

In other words, Mr. President, the proposal before the Senate is an amendment which has to do exclusively with production. It is an amendment which does not change a single phase of regulation in which the Federal Power Commission has ever indulged. The sole and only purpose of S. 1498 is to say that men engaged in one phase or another of the natural-gas business are exempt from regulation by the Federal Power Commission. The Natural Gas Act itself says that the provisions of this act shall not apply to the production or gathering of gas.

I ask this question of Senators: How can we regulate something in this field of the natural-gas business under the terms of a law which specifically provides that the provisions of the act shall not apply to the production of gas, and shall not apply to the transportation of gas?

I wish to read now from the report of the House committee on the bill when it was passed. This is the same report which was referred to by the junior Senator from Illinois. Before I read from the report, I should like to refer to the report of the Senate committee, of which former Senator Wheeler, of Montana, was chairman. I read from that report:

Report No. 709 on the bill (S. 6586) explains well and analyzes thoroughly the bill. The Committee on Interstate Commerce feels there is nothing they wish to add to this report which for the benefit of the Senate is herewith appended.

That was the statement which the Senate committee made with reference to this report.

Of course, the States have for many years regulated sales of natural gas to consumers in intrastate transactions. The States have always been able to regulate sales to consumers, even though such sales are in interstate commerce, because such sales are considered local in character, and in the absence of congressional prohibition are subject to State regulation as sales at the distributor and consumer level. I read further:

There is no intention in enacting the present legislation to disturb the States in their exercise of such jurisdiction. However, in the case of sales for resale, or so-called wholesale sales, in interstate commerce (for example, sales by producing companies to the distributing companies) the legal situation is different.

Much has been made here of that statement, because Senators say that refers to a sale by the producer. Certainly it refers to a sale by the producer himself to the distributor, not by the producer to the gatherer, or to the interstate pipe line. It is a sale to the distributor. The only way the producer could do that would be by carrying out the entire operation himself. If so, he is clearly under the act, as many of the interstate transportation companies are under the act. They have their production, they have their gathering. Naturally, being regulated themselves, those phases of their business are regulated.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KERR. I am very glad to yield for a question.

Mr. O'MAHONEY. I have in my hand the amendment in the nature of a substitute, which I assume is intended to be proposed by the Senator and his colleague in place of the text of S. 1498. Am I correct in that understanding?

Mr. KERR. Yes.

Mr. O'MAHONEY. In order that I may clearly understand precisely what the point of division is in the Senator's mind as to where the jurisdiction of the Federal Power Commission begins, I wish to read from the amendment which the Senator proposes. The portion I read undertakes to modify section 1 (b) of the Natural Gas Act, which the Senator has just read. It reads as follows:

That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is amended (1) by inserting after the word "but" the words "except as provided in subsequent sections of this act", and (2) by inserting before the period at the end thereof the following: "or to any arm's length sale of natural gas made by one producer or gatherer to another producer or gatherer or made at or prior to the point of delivery of such gas into interstate transmission facilities (of a natural-gas company) or to incidental transportation of natural gas necessary for delivery of such gas to such other producer or gatherer or into interstate transmission facilities (of a natural-gas company).

I shall not read the proviso at this time, because it is not necessary for my question.

Is it the intention of the Senator, by proposing this language, to ask the Congress of the United States to declare that a sale of gas which is consummated at or prior to the point of delivery into interstate transmission facilities—which I assume are regulated by the Federal Power Commission—shall not be subject to the jurisdiction of the Commission.

Mr. KERR. The answer is "Yes."

Mr. O'MAHONEY. If I may, I should like to continue reading from the proposed amendment. I read from line 9 on page 1:

Or to incidental transportation of natural gas necessary for delivery of such gas to such other producer or gatherer or into interstate transmission facilities (of a natural-gas company).

Is it therefore the purpose of the Senator, by this amendment, to provide that although the sale is for the express purpose of introducing the gas into interstate transmission facilities of a natural-gas company, and therefore is being put into interstate commerce at the time of the sale, and even before the delivery, nevertheless the Federal Power Commission shall have no jurisdiction over that sale?

Mr. KERR. Yes.

Mr. O'MAHONEY. I thought I understood the Senator correctly. If I may say so to him, that is precisely where it seems to me to be impossible for me to go along with the bill the Senator has proposed, because as I see it, it cuts down the jurisdiction which the Federal Power Commission should have. If the bill should pass there would be no doubt that over a certain type of sales of gas in interstate commerce the Federal Power Commission would have no jurisdiction although it has been clearly given.

Mr. KERR. I thank the Senator for asking that question, and for making his position plain.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KERR. Let me speak for a moment with reference to the question asked by the distinguished senior Senator from Wyoming.

The purpose of the bill is to preserve the identity of an independent producer or gatherer as an independent operator. He does not have to sell his product to the interstate pipe lines. The business is expressly excluded from the provisions of the Natural Gas Act. There is no way for his product to be made available to the consumers in the North and East, unless it is introduced into an interstate pipe line. Every sale of coal is made and delivered by the producer direct to the transporter, who may take it anywhere he wants to take it. But the coal producer, in his operations and in his sales, is not regulated as is the railroad, merely because his product is carried by the purchaser into interstate commerce.

I remind the Senate of the fact that independents own 93 percent of all the gas in the Nation. I ask Senators how are they going to make it available to the consumers in the North and East if somewhere in the legislation there is no clear provision for its delivery from the ownership and from the control of the producer or gatherer and its transfer over to the custody of those who will transport it for the benefit of others?

I must remind the Senator from Wyoming of the fact that every copper producer in Wyoming every lead and zinc and coal operator, every coal operator in Wyoming, and every gatherer, the man at the refinery, after his processing, after his operation is complete delivers his product to the railroads for transportation in interstate commerce. How else can he put it into the channels of trade and commerce if not at some place from which it moves into interstate commerce?

My distinguished friend, the Senator from Illinois [Mr. DOUGLAS] represents in part a State which sells from seven and one-half to nineteen billion dollars worth of products each year which, after they leave the hands of the manufacturer or the producer are delivered to facilities which move them into interstate commerce. The entire industrial structure of the great New England area and the magnificent States

of New York and Pennsylvania and Maryland are built on the program of independent businessmen producing and manufacturing, and then being in position to place their products into channels which move them across the State lines of this great free country. No one has ever suggested the regulatory powers exercised by the Interstate Commerce Commission be thrust back and exercised over him whose production makes possible the operation of the regulated carrier.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. My amiable and very able colleague from Oklahoma must, I think, be familiar with section 1 (a) of the Natural Gas Act.

Mr. KERR. Oh indeed I am familiar with it. I can almost quote it verbatim for the Senator.

Mr. O'MAHONEY. May I ask the Senator if he has read that section in connection with the apostrophe he has just delivered respecting the producers of coal and copper and zinc? That section, if the Senator will pardon me while I read it, seems to me conclusively to answer the Senator's recent remarks. I read:

SECTION 1. (a) As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (70th Cong., 1st. sess.) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas—

Observe these words—

and the sale thereof in interstate and foreign commerce is necessary in the public interest.

When the Congress of the United States wrote that section it was drawing the distinction, the clear distinction, between the sale of coal or lead or copper or agricultural products for delivery into interstate commerce, and the sale of natural gas after it has been produced, because the Congress said "This sale in interstate commerce is affected with a public interest and therefore requires Federal control."

That, Mr. President, I will say to my good friend, the Senator from Oklahoma, is the point at which I must part company with him upon this bill, because without any question, as the Senator has stated in his response to my original question, the purpose of his amendment is to take a part of the sale in interstate commerce out of the jurisdiction of the Federal Power Commission.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. Let me make one remark. I am glad to have the statement from the Senator from Wyoming, because there is no one in this body for whom I have a higher respect. I would remind him, however, of the fact that section 1 (a) sets forth the justification, and is no part of the legislative enactment. I do not need to tell my great lawyer friend from Wyoming that the legislative enactment of the Natural Gas Act is section 1 (b).

Now referring to the language which the Senator says drives a wedge between me and him, which reads:

It is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest.

Let me say that there is no selling, there is no transporting and selling, for ultimate distribution to the public by the transaction of the gatherer when he puts the gas into the transmission facilities of an interstate carrier, because he does not know what that carrier is going to do with it. I remind my friend from Wyoming that today the regulated companies take 25 percent of the gas which they thus buy and which the Senator says forces him, reluctantly though it may be, to part company with his young friend from Oklahoma. I want to say that he has taken his position with those regulated companies in their presently enjoyed privilege of selling the gas unregulated by the Federal Power Commission. The Senator says he cannot go with me, yet, even at this hour those companies, when the gas is carried to their gate and delivered to them, they are authorized under the law, under practice and the orders of the Commission, to sell the gas, every foot of it, to industrial consumers unregulated by the Federal Power Commission. I will tell the Senator why that is so. Because, sir, it is a sale which is not for resale. The sale by a utility is regulated when it sells for resale, yes; but even after the delivery by the independent has been consummated, after the gas has left the hand of the one who produced it and gathered it, after, as my friend would have it, he has been compelled to deliver it without receiving a penny of its value, after he has been subjected to the regulation which strips from him the mantle of independence, after he has been compelled, under the regulation which my great and beloved friend now advocates, to deliver his property for nothing—for not even one thin cent is allowed by the Federal Power Commission for the value of the gas produced by those subject to its regulation—after that has happened, after he whose banner my great friend carries here today has received the gas and has carried it to the Ford Motor Co. in Detroit or to the United States Steel Co. in Chicago or to the great industries of Pennsylvania, or to whatever industry or industries it may be carried, that regulated transporter, in view of the fact that he sells for immediate consumption, can get all the traffic will bear for that product which the regulation has compelled the independent producer to give him for nothing. The transporter can sell it for whatever the traffic will bear, on an unregulated basis. Let me say to the great Senator from Wyoming that if we must part company on that issue, sad as it makes me, I must submit to it.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Oklahoma yield to the Senator from Wyoming?

Mr. KERR. I yield for a question.

Mr. O'MAHONEY. May I not then ask the Senator whether he agrees with me that a sale for resale—to use the Senator's language and the language of the law——

Mr. KERR. But the law goes further than that; it says:

sale * * * for resale for ultimate public consumption.

Mr. O'MAHONEY. Very well; let us read that portion of the law. It is found in subsection 1 (b):

The provisions of this act shall apply to the transportation of natural gas in interstate commerce—

That is transportation—first—

to the sale in interstate commerce——

Mr. KERR. But it does not stop there; there is no comma at that point.

Mr. O'MAHONEY. Mr. President, the Senator from Oklahoma has stopped me; I am not the one who did it. It is the Senator from Oklahoma who put in the period.

I continue to read:

to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, or industrial, or any other use.

Is it the contention of the Senator from Oklahoma that the phrase "ultimate public consumption" excludes from the jurisdiction of the act the resale by a transporting facility of natural gas to an industrial or commercial user? Does the Senator make that contention?

Mr. KERR. I make no contention. I state the practice of the Federal Power Commission under the law; and their practice is——

Mr. O'MAHONEY. O Mr. President——

Mr. KERR. I wish to answer the Senator's question.

Mr. O'MAHONEY. The Senator cannot answer it by discussing the practice of the Federal Power Commission.

Mr. KERR. Mr. President, I do not yield for a statement by the Senator from Wyoming as to what I can or cannot do. I shall answer the Senator's question.

The PRESIDING OFFICER. The Senator from Oklahoma declines to yield further.

Mr. KERR. Mr. President, the Federal Power Commission holds that in order for it to have jurisdiction, the sale must be a sale "for resale for ultimate public consumption for domestic, commercial, industrial, or any other use." If it is a sale by a regulated company for industrial consumption, then the link is out—in other words, the link of "for resale" for that purpose.

When the interstate carrier sells at the city gate, he sells the gas for resale for all the purposes mentioned. The carrier has sold it to the distributor

for resale for those purposes; but when the transporter himself sells it to the consumer, then the sale is not a sale for resale for industrial consumption, but it is a sale for industrial consumption, and hence is exempt from regulation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KERR. I yield for a question.

Mr. O'MAHONEY. Let me then ask the Senator whether he interprets as I do the following language of section 1(b):

> The provisions of this act shall apply * * * to the sale in interstate commerce of natural gas for resale for ultimate public consumption for * * * commercial, industrial, or any other use.

I have skipped the word "domestic"; but I refer to the provision covering a sale which is made by a producer or a gatherer to a natural gas company at the point of delivery, for resale by that natural gas company to any public user. Does the Senator interpret that as I do?

Mr. KERR. Not at all, because that gatherer has no more control over what the transporter uses the gas for than the great Senator from Wyoming has over the words he utters on this floor, after they have left his lips—not a particle. The transporter can sell the gas to an industry; he can sell it to a manufacturer of carbon black; he can sell it to a manufacturer of fertilizer; he can sell it to a synthetic plant. I remind the Senator from Wyoming now that many things, from women's shoes to automobile gears, are made out of natural gas. The transporter can sell the gas anywhere he wants to. However, the gatherer did not sell it to him for resale; he sold it to him for cash.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KERR. I yield to my good friend the Senator from Louisiana.

Mr. LONG. If we were to accept the argument made by the very brilliant, able, and distinguished Senator from Wyoming, then a pipe-line company which owned its own gas reserves and transported them would not be regulated in selling to an ultimate consumer, although a producer who produced his supplies of gas and ultimately sold them would be regulated; and that would be an absurd anomaly.

Mr. KERR. Not only that, I may say to my good friend, the Senator from Louisiana, but the pipe-line company itself can sell its own production to the Ford Motor Co. on an unregulated basis. However, if the contention of our friend, the Senator from Wyoming, were put into effect, if an independent producer who had no interest at all in the pipeline company sold the gas to the pipeline company, that producer would be regulated in respect to that sale. Not only that, but that regulated carrier, whose banner is carried here today by my noble friend the Senator from Wyoming, can sell the acreage it owns, although it had dedicated it to the city of Chicago. If it is not contracted for, although he used it for the purpose of getting a permit to build a line to Baltimore or to Washington or to Virginia, that regulated carrier can sell his acreage to the wide world for what it is worth. Then if he can induce some independent to make a contract with him to buy gas at a specified price, and can induce him to deliver one cubic foot of it in interstate commerce, under the theory which my good friend from Wyoming advocates, that producer would be regulated and would forever be bound on the basis of what his production cost, but the transporter would be free to sell the gas anywhere in industry he wanted to, so long as he sold it for consumption. That is the reason why this law was written with these words, with all the dignity of a legislative enactment of the Congress of the United States:

> The provisions of this act shall not apply to any * * * production or gathering * * * of natural gas.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Wyoming for a question.

Mr. O'MAHONEY. Mr. President, will the Senator permit me to make a remark with respect to the argumentum ad hominem which he has addressed to me?

Mr. KERR. No; I will not. If the Senator is going to refer to it in those terms, I do not want it discussed on this floor. [Laughter.]

Mr. O'MAHONEY. Mr. President, will the Senator acknowledge that a moment ago he said I was carrying the banner for certain interests who, he says, are unregulated? Did the Senator say that?

Mr. KERR. I understood the Senator from Wyoming to be taking the position——

Mr. O'MAHONEY. Ah! Does the Senator——

Mr. KERR. If I have misunderstood the Senator from Wyoming, I humbly apologize, because my deep affection for him would cause me to resolve every doubt in favor both of the correctness of his position and the wisdom of his judgment.

Mr. O'MAHONEY. Mr. President, does the Senator from Oklahoma recognize the fact that we can deal with only one amendment at a time, and that my questions——

Mr. KERR. The Senator from Oklahoma had thought so; but evidently the Senator from Wyoming has not been on this floor during the past 4 days.

Mr. O'MAHONEY. My questions are addressed to the Senator from Oklahoma, and they do not embrace any questions which were asked by any other Senator. I have addressed my questions to the Senator from Oklahoma in regard to his amendment.

Will the Senator from Oklahoma join me in submitting to this bill another amendment which will close any other loopholes by which sales in interstate commerce escape the jurisdiction to which they should be subject in the public interest? If that is done, then it will not be necessary for the Senator from Oklahoma to say that I am carrying the flag of any producers or gatherers or transporters or sellers of gas in interstate commerce. I speak for the public interest, or I think I do.

Mr. KERR. I am sure the Senator is sincere in saying he speaks for the public interest. No Member of this body has a finer reputation in that regard than he. Let me say to the Senator, my respect for his judgment is so great that, when I was unable to show him convincingly my viewpoint with respect to the pending bill, it constituted one of the greatest disappointments I have had since coming here. In the first place, the amendment of the Senator from Oklahoma is identical in principle and spirit with the original act. In the next place, it is on the basis of justice and equity for the independent producers across the Nation, of whom no State has greater potentialities than that of the Senator from Wyoming. In the next place, as I shall show in my remarks, it is an antimonopoly amendment. Furthermore, the amendment embodies the only principle which can provide for the consumers in the northern and eastern areas of the country a continuation of the enjoyment of the benefits of this matchless fuel, on a basis of reasonable and economic cost.

I have in my hand a copy of the great newspaper of the city of Baltimore, the Evening Sun of March 22, and I should like at this place to insert it in the RECORD. The flaming headline is, "Lower gas rates set here—natural gas rates cut by PSC." I place it in the RECORD as an example of what can be done when producers are permitted to sell their product as an incident to production and gathering and to the facilities that will move it into interstate commerce.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> The public service commission today authorized a schedule of reduced rates for natural gas.
>
> The new rates, designed to result in a saving to customers of $7,664,000 during the first full year natural gas is available, will go into effect for customers as soon as their appliances have been converted for use of natural gas.
>
> In authorizing the proposed lower tariffs, John H. Hessey, chairman of the public service commission, declared that the rates would be allowed with the understanding that if at any time in the future it is necessary to make any adjustment, the commission would do so.
>
> TO EXAMINE REPORTS
>
> "The commission will also examine the various reports filed by the company from month to month," Mr. Hessey said, "to ascertain that the rates as established are giving the public the benefit of the reduction promised.
>
> "If it should so happen that the rates are still too high, the commission will still have the power to make any further reductions that might be necessary."
>
> The action was taken at the conclusion of a hearing at which Charles P. Crane, executive vice president of the Consolidated Gas, Electric Light & Power Co., explained the reduced rate schedule and its effect on different classes of customers.
>
> Although the hearing on proposed rate reductions was unique in public service

commission records, Mr. Hessey explained at the outset that, while he was sure the public would welcome the lower rates and the commission had made its own investigation, it was felt that the magnitude of the proposal warranted the taking of testimony.

THIS YEAR'S SAVINGS

The new rates, estimated to result in a saving of $7,664,000 in 1951, are expected to save consumers $2,637,000 during the portion of the current year in which natural gas will be available.

These savings are now estimated at a higher figure than when gas company officials testified before the Federal Power Commission last summer.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. KERR. I yield.

Mr. FULBRIGHT. The experience to which the Senator has referred, which I think has been rather general, is in direct contrast to the experience of recent years in the case of coal, is it not?

Mr. KERR. I am glad the Senator asks the question. I have prepared, and there is exhibited here, a chart which shows that the price of coal has doubled and redoubled to the consumer in the past few years, while the price of gas has gone down an average of 1 percent a year for 12 years.

Mr. FULBRIGHT. Mr. President, will the Senator yiled for another question?

Mr. KERR. I yield.

Mr. FULBRIGHT. A statement was read, I believe, from a section of the act, referred to gas as being affected with a public interest. It seems to me that, if gas is so affected, coal is even more affected with a public interest, certainly up to the present, because it has been more widely consumed until recently.

Mr. KERR. Unquestionably; but in that regard I must say to the Senator the present law does not say that the business of selling natural gas in interstate commerce is affected with a public interest. It says "the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest."

Mr. FULBRIGHT. What I was coming to was this: Perhaps the Senator, who, I suppose, has followed the subject much more closely than any other Member of the Senate, and who is therefore better acquainted with it by experience, can tell me why many are so desirous of extending the control of the Federal Power Commission into this field but not into the field of coal, or possibly into the field of the rapidly depleting copper ores of the West, when many people are concerned about copper being necessary for our national defense; or, I might add, the iron ore, which, as we read daily in the press, is being exhausted in the Mesabi Range. I do not quite understand, myself, exactly why there is such great interest in extending the regulation to the field of natural gas only, when as of the present, I know of no efforts to extend it to other fields.

Mr. KERR. I appreciate the question of the Senator from Arkansas. In reply, I may say I do not know, unless it is for the reason that a group of men, either intentionally or through lack of knowledge have disseminated incorrect statements and erroneous allegations and misinformation, until the people have been misled both as to what the present situation is and as to the contents of the pending measure.

Mr. THYE rose.

Mr. KERR. Before yielding to my good friend from Minnesota, which I will do in a moment, I should like to say that on this floor, my good friend from Illinois has referred to table 2 found at page 365 of the hearings on the pending bill. I wish Senators would turn to that page. I shall refer to it a number of times in the course of my remarks. First, let me say of my good friend from Illinois, he is one of the most delightful and charming gentlemen I know. I said to him the other day on the Senate floor that the mantle of friendship surrounds every difference we may have, and that not only is my feeling but it will be the guide of my course in the debate.

Mr. DOUGLAS. Mr. President, will the Senator yield to permit me to say the feeling is mutual?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. KERR. I yield for the remarks of my friend, if I may do so without prejudicing my rights to the floor. [Laughter.]

Mr. DOUGLAS. I assure the Senator the feeling is mutual.

Mr. KERR. I believe it, and I am happy about it.

The table to which I refer has been introduced into the RECORD as showing a condition of monopoly, or as evidence of that a monopolistic situation exists in the natural-gas production business. It lists the 34 largest producers, so styled, or list of producers making largest sales to interstate pipe-line companies in the 7 Southwestern States in the year 1947. It lists the entire sales of those 34 companies in that year, and I call the attention of the Senate to the fact that the total purchase price rereceived by the so-called 34 monopolies was less than $35,000,000 for all the gas they sold in interstate commerce in that year—$35,000,000. I call the attention of the Senate further to the fact that the city of Baltimore, in receiving probably one one-hundredth of 1 percent of the gas—perhaps more than that, but at any rate, an infinitesimal part of it—is enabled to save $7,500,000 a year. The consumers, the good people of that one community, by having access to the product, if it is permitted to move in interstate commerce, will have the benefit of a saving of $7,500,000 a year.

Exhibit 1 of the opponents to the pending bill, showing what they refer to as the monopoly, discloses the outstanding fact that the 34 chief monopolists, so styled, for the total amount of gas they sold in interstate commerce—and I remind Senators of the fact it was 734,000,000,000 cubic feet, and I remind them of the further fact that it was between a third and a half of all that moved in interstate commerce from independent producers in 1947—received the staggering total sum of $35,000,000.

The Government spent more money than that for potatoes in the State of Maine last year, if I mistake not. Yet there is talk about monopoly, when the 34 principal offenders, so styled, for the entire output of this so-called monopolistic product, received in 12 months an average of less than $1,000,000 apiece. The claims are so fantastic as to shock the imagination that they should be spread by people either knowing so little about what they speak or knowing nothing about it. I now yield to my good friend from Minnesota for a question.

Mr. THYE. I am sure the very able junior Senator from Oklahoma agrees with me that competition is the basis of bringing about minimum charges by any public utility. Does the Senator agree with me that that is a factor which is generally recognized?

Mr. KERR. I cannot recognize that as a factor for the very simple reason that a utility company is a legalized monopoly and has no competition. The point at which my good friend seems to be getting off on the wrong track, if I may say so in all kindness, is in contemplating the possibility that the producer of the gas is a utility. He is no more a utility than is the producer of corn in the State of Minnesota.

Mr. THYE. Mr. President, if the Senator will permit——

Mr. KERR. I shall permit the Senator to ask a question if he wishes to do so.

Mr. THYE. I shall ask a question, but I should like to say——

The PRESIDING OFFICER. The Senator from Minnesota is recognized to ask a question of the Senator from Oklahoma.

Mr. THYE. The answer does not satisfy me. Referring to corn, there are great numbers of producers of corn and one producer competes with the others. But if the able Senator will permit me for a moment to reflect my fears——

Mr. KERR. I should be delighted, but I must ask the Senator to confine himself to asking me a question.

The PRESIDING OFFICER. The Senator from Oklahoma has yielded only for the purpose of permitting the Senator from Minnesota to ask a question.

Mr. THYE. Mr. President, may I ask unanimous consent to reflect momentarily the fears which some of the business administrators and business officials in the city of St. Paul, Minn., have expressed to me in a resolution?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield for that purpose?

Mr. KERR. The Senator from Oklahoma canot yield for that purpose. The Presiding Officer yesterday made quite a point with reference to a similar situation. Much as I should love to yield to my good friend, I cannot yield to him without yielding to other Senators.

Mr. THYE. I shall put my statement in the form of a question.

Mr. KERR. I yield for a question.

Mr. THYE. Are the city officials of St. Paul justified in expressing the fear that where only one pipe line serves the city, and the city is being equipped speedily with gas-burning equipment in private homes for cooking and heating purposes, there may be an increase in rates? Is the city administration justified in fearing that in the event there is no regulation, the price might be stepped up year after year until it reaches such an unreasonable level that consumers could not afford to use gas, and a tremendous expense would be involved if they had to revert to some other type of fuel?

Mr. KERR. I think they are not justified in their fears of this bill, with those thoughts in mind. In the first place, the bill does not affect the pipe line or the granting by the Federal Power Commission of permits to build pipe lines. This bill has no more to do with how many pipe lines reach the great Twin Cities of Minnesota than it has to do with how many highways may be constructed from the United States to the Territory of Alaska. The bill would bring about a situation in which the owners of 93 percent of the gas in the United States would be knocking at the Senator's door to get him to prevail upon either the pipe line which now serves his city, or other pipeline companies, to construct facilities which would bring all the gas to the consumers they could possibly use. If the Senator from Minnesota will look into the situation he will find that the service is either by a company which owns its own reserve, and they are but few, or, in all probability, it is by a pipe-line company the building of which was made possible by the fact that independent producers owned gas and wanted to sell it. They had to agree to deliver it at a fixed price for from 20 to 50 years. The consumers to whom the Senator refers are not the ones who are bound by that transaction. They can use any fuel they desire to use. The distributing company is not the one which is bound by that transaction. It can manufacture gas from coal, oil, coke, or liquid gas, or, as my good friend from Missouri [Mr. KEM] said, from water. I do not know how they would do that, but the distinguished junior Senator from Missouri informed the Senate that it could be done. I do know that gas can be manufactured from coal.

Mr. THYE. Mr. President, will the Senator yield for another question?

Mr. KERR. As soon as I answer the Senator's question.

Gas can be manufactured from coal, oil, liquid gas, or coke. The Interstate Pipe Line Co. asked the Federal Power Commission to assume jurisdiction. But the person who made the whole structure possible was the independent producer. A pipe-line company or a group of persons who wanted to form a pipeline company went to him and said, "Will you sell us gas?" He said just what the Senator from Minnesota would have said if he had been on his farm and someone wanted to buy corn for his cattle and hogs. The producer said, "What will you pay me?" The pipe-line company said, "What are you getting around here?" He told the pipe-line company the price he was getting, and the reply was, "All right; we will pay you that much."

The pipe-line man said, "I must have a contract for 25 years. Otherwise we cannot build a line to take the gas up to Minnesota."

The producer said, "All right. You pay me what these other people are paying me, and although the price may go up, I will sign a contract to deliver gas to you for 25 years at a fixed price, so much for the first 5 years, so much for the second 5 years, and so on."

Such contracts were made. Let us suppose the pipe-line men go to the Federal Power Commission and say, "We have this contract with the producer and we want a permit to build a line." The pipe-line company is given a permit and the line is constructed, and the producer is delivering under the contract. I remind the Senator from Minnesota that all that is asked is that payment be made on the basis of the contract.

Mr. THYE and Mr. JOHNSON of Texas addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. KERR. I yield first to the Senator from Minnesota.

Mr. THYE. The Senator will agree with me that the years go fleeting by. And a contract entered into for 20 or 25 years goes fleeting by. It expires and a new one must be written. Let us assume that an entire city is equipped to consume natural gas, and the contract has expired. The company says, "I shall have to have so much, or I shall not write a new contract." With what is the consumer or the user of the gas confronted? He cannot say, "I will go and buy from Bill Smith, because Bill Smith will take less." The consumer or the user has to commit himself to a new contract under which he will have to pay any rate that is asked, unless the rates are regulated or unless there is competition with some other companies. Am I right or wrong?

Mr. KERR. The Senator is in error. The pipe-line man has time within which to make contracts with any number of producers; and, believe me, there are thousands of them. He can make a new contract with the same producer, if there is any gas left. Ordinarily, there is not, because what usually happens is that engineers estimate how long the reserve will last and the original contract is designed both by the purchaser and the seller to exhaust the reserve. The producer will have to sell to someone and certainly he would like to sell to the same consumer if he can do so without some bureau in Washington saying, "You cannot sell it. You have got to deliver it for nothing." I do not believe my friend from Minnesota would wish to see that done.

Mr. JOHNSON of Texas rose.

Mr. KERR. Does the Senator from Texas desire to ask me a question?

Mr. JOHNSON of Texas. I wish to ask the Senator from Oklahoma if it is not a fact that before a certificate is issued the applicant must submit its proposed contracts with the producer to the Federal Power Commission.

Mr. KERR. That is correct.

Mr. JOHNSON of Texas. If the contracts are exorbitant, monopolistic, or the result of collusion, does not the Commission have power to refuse to grant such certificate?

Mr. KERR. The Commission does not have to grant the certificate. The Commission does not have to grant the expansion. It does not have to grant the extension. It can refuse the whole application, certainly.

Mr. JOHNSON of Texas. Is that not what the Commission has done in its 12 years of administration of the act?

Mr. KERR. Yes; in many instances.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. FULBRIGHT. I wonder if the Senator from Oklahoma does not think the Senator from Minnesota should reflect upon the fact that there has been no regulation of coal in the same way in which it is proposed that gas be regulated. Within the past few years we have had wholesale abandonment of coal consumption in practically all new construction in the East. Would the Senator say that to bring in regulation of gas by the Federal Government, in contrast to what is happening in the coal field, would tend to answer the question which the Senator from Minnesota has asked? It would seem to me that regulation would have a directly contrary result, namely, the cessation of further development of gas reserves, and a lessening of the amount of gas in the intrastate field.

Mr. KERR. The Senator is entirely correct.

The dominant coal companies today are fighting the bill, because they know that if it is not passed the consumers will be denied the opportunity to obtain gas, because the producers will be unable to sell it to them. The Senator is correct, and I am sure he knows that the recent rise in the price of coal, which followed the last strike settlement, came about because of an increase in wages alone of $105,000,000 a year, and that that is 50 percent more than the gross amount received by all independent producers in the Nation for every cubic foot of gas which was sold in interstate commerce up through 1948.

Mr. FULBRIGHT. Mr. President, will the Senator yield for one more question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. KERR. I yield.

Mr. FULBRIGHT. I cannot understand how people can say they are opposed to the bill because they are interested in protecting consumers. Why have they not sought regulation of the

price of coal? I cannot understand their sudden interest in the consumer's welfare, restricted only to gas. I cannot understand why they have not urged that something be done about coal.

Mr. KERR. I share my friend's mystification.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. I shall be happy to yield in a moment. I hope to be able to show before I conclude my remarks that the passage of this bill would represent the best insurance policy which consumers who are now being served or who seek to be served could possibly have that gas would be supplied.

I now yield to the Senator from Illinois.

Mr. DOUGLAS. May I ask the Senator from Oklahoma if my understanding was correct that he replied to the junior Senator from Texas that if the Kerr bill were passed consumers would be protected, because contracts between producers and gatherers and pipe lines would have to be examined by the Federal Power Commission before a pipe line was given authority to transport gas? In other words, did I understand the Senator correctly to say that the right to review the contracts would give adequate protection to the consumer?

Mr. JOHNSON of Texas. I made no such statement, and I asked no such question.

Mr. KERR. Does that answer the Senator's question?

Mr. DOUGLAS. No; I think I should ask a question of my own, if I may.

Mr. KERR. Very well.

Mr. DOUGLAS. Does the Senator regard the fact that the Federal Power Commission must pass on contracts before a pipe-line company is given permission to go ahead as adequate protection for the consumers at the other end of the line?

Mr. KERR. I regard the fact that no permits can be granted except by the Federal Power Commission, and the fact that it grants no permits except on the basis of contracts by the permittee for an adequate supply of gas under the terms of definite contracts, as but one of the many phases of protection which the consumer has.

Mr. DOUGLAS. Is it not true that under the Kerr bill the Commission would have no power to fix the price at which gas would be furnished, and, therefore, not being able to fix the price, or to question the price which was charged, would it have power to protect the consumer?

Mr. KERR. The Commission has no power to fix the price of the independent producer, has never had that power, has never exercised it, does not have it now, and would not have it if the pending bill were enacted. But that does not change the fact that any contract which the pipe-line company, or the proposed pipeline company, has with producer has to be submitted to the Commission, has to be examined by the Commission, and has to be before the Commission in their action of denying or granting the permission to construct or expand the facilities.

Mr. DOUGLAS. But under the Senator's bill the Commission would have no power to go behind the price which the producing company was able to obtain from the pipe line. Is not that true?

Mr. KERR. It would have no power to fix that price, but if the price in the contract seems exorbitant to the Commission, it is under no obligation to grant the permission.

Mr. DOUGLAS. It would be put in the position, then, either of granting or not granting, but not altering. Is that correct?

Mr. KERR. Certainly; that is the position the producer is in. This is still a free country, where men can make contracts or not as they like, and if the Commission says a contract is exorbitant, they say, "Mr. Pipe Liner, we cannot approve this." Then it is out, the pipe liner is where he was, and the producer is where he was. After all, the producer is in possession of his property. Not even the great Senator from Illinois has advocated on this floor that the Commission or the pipe-line company be given the power to go yonder and compel a producer who has not signed a contract to do so.

Mr. DOUGLAS. The Senator from Oklahoma is completely correct in that statement.

Mr. KERR. The Senator from Oklahoma takes the position only that if he makes a contract with one with whom he is free to make it, while he lives up to it and delivers under it and is bound by it, he should be protected by it. I am persuaded that the Senator from Illinois subscribes to that basic principle, and I give him my assurance that that is the sum total of the significance of Senate bill 1498.

Mr. DOUGLAS. I ask the Senator from Oklahoma if this is not really the issue between us? We both agree that the physical act of production and the physical act of gathering should be outside the control of the Federal Power Commission. We agree on that; do we not?

Mr. KERR. Certainly.

Mr. DOUGLAS. We disagree, however, as to whether the price at which the independent produced or the gatherer sells to the pipe-line company should be regulated by the Federal Power Commission.

Mr. KERR. I am afraid we do disagree on that.

Mr. DOUGLAS. That is the point. The Senator from Oklahoma says that regulation of such sale is already forbidden to the Federal Power Commission, and that he aims to make his amendment such as to clear up any possible doubt in the matter.

Mr. KERR. The Senator from Oklahoma takes the position that the regulation of such sale is not authorized by the Natural Gas Act, that the regulation of such sale is prohibited by the Natural Gas Act, that the regulation of such sale is prohibited by the Constitution of the United States, that the regulation of such sale can never be constitutionally made except on the basis of constructive, positive, affirmative legislation by the Congress, and then consistent with the constitutional privilege that if a man is compelled to make a contract with reference to the sale of his property, he be compensated for it on the basis of its fair value.

The Senator from Illinois has put himself into a position which to me seems to be impossible—and I say this in all friendship. First he says the Commission has no power to compel an independent producer to make a contract; second, that the pipe-line company has no power to compel the owner of a gas reserve to make a contract. Then he takes the position that the producer, being free to contract or not, having entered into a contract, must be bound by it by the decree of a Federal agency without having the protection under it which is guaranteed by the Constitution of the United States.

Mr. DOUGLAS. I am sure my good friend does not intend to make that last statement. Of course, the Senator from Oklahoma understands that all that I and the other opponents of the bill are contending is that the price at which the gas is sold for interstate commerce, for ultimate resale, shall be regulated, but that that price shall be one which shall yield a fair return on a fair valuation. Of course the Senator from Oklahoma knows that that is always subject to review by the courts so that no confiscatory price will be fixed.

Mr. KERR. Yes; but the Senator from Illinois apparently disregards the fact that that is not the basis of the regulation which the Federal Power Commission now exercises. The Senator himself placed in the RECORD on page 3733 table V, entitled "Cost of Producing Natural Gas by Interstate Pipe Line Companies in Southwest Area—Year 1947." He placed in the RECORD the formula whereby the Federal Power Commission arrives at the price it permits the regulated company to charge for the supplying of the gas which the regulated company supplies. My good friend from Illinois will search that page in vain for a single figure indicating that the Federal Power Commission permits the regulated company to get one dime for the value of the gas. He will find there "production costs," "return at 6 percent," and "total cost." I will show the Senator letters from the Commission with reference to regulated companies. I will show him where a regulated company furnished the gas and did not even receive the operating cost for the gas because the gasoline content of it paid the operating cost; because the initial investment had been returned, and then the regulated company has no alternative—not for the life of the contract, not for a period of time fixed by law—but for the duration of the life of that reserve, except to furnishing it without a penny of return for the value of the gas. If my good friend from Illinois had the power to fix the reasonable value of the product we would be confronted with a different

situation. But that is not the program of the Federal Power Commission.

Mr. DOUGLAS. Do I understand my good friend from Oklahoma to say that he thinks I would be more lenient?

Mr. KERR. No; I think the Senator would be guided by justice and equity. It is not a question of leniency. We are a government of laws, a government of justice, and not of discretionary leniency on the part of any man.

Mr. DOUGLAS. Mr. President, I appreciate the compliment which the Senator from Oklahoma has paid me, but I do not wish to take unto myself virtues which the United States courts do not possess. Of course, any ruling by the Federal Power Commission which is not fair would be subject to review by the courts. I want to say that in spite of the compliment from the Senator from Oklahoma, which I appreciate very much, and I assure him I really do, I do not think that in any way I would be more just than the United States courts.

Mr. KERR. I am glad my friend has referred to that because the rate-making practice of the Federal Power Commission has been before the United States courts. I want to read to my friend what the court has to say about it. The Senator knows that Commissioner Olds came before the committee of the Senate and said, "We do not disregard value. We give fair return, as evidenced," he said, "by the decision of the Supreme Court of the United States in the Hope decision."

The junior Senator from Oklahoma went to the books and read the decision of the Supreme Court in the Hope case and found out that, instead of it supporting the statement of Commissioner Olds, it was directly opposite to the statement of Commissioner Olds. The Senator from Oklahoma found out that, instead of the Supreme Court of the United States saying to the Commission, "You must allow the fair value of the regulated product," the Supreme Court of the United States said to the Commission, "Since you have operated strictly on the basis of cost, regardless of value, we cannot set your decision aside."

This is what the Court held:

> If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important.
>
> In view of this disposition of the controversy, we need not stop to inquire whether the failure of the Commission to add the $17,000,000 of well-drilling and other costs to the rate base was consistent with the prudent investment theory as developed in the particular case.

Mr. Justice Reed wrote a dissenting opinion in that case in the course of which he said:

> But a major error, I think, was committed in the disregard by the Commission of the investment in exploratory operations and other recognized capital costs.

The Commission applied its theory of cost of investment, or return of cost of investment plus 6 percent. Commissioner Olds was before the committee, as was Commissioner Buchanan. The Senator from Oklahoma was permitted by the committee to ask them questions. The sum total effect of their answers was: "It makes no difference what the contract of sale calls for."

I said, "Commissioner Olds, do you mean to say that the contracts by which these thousands of operators have agreed to deliver this gas are to be made mere scraps of paper?"

He said, "Yes, unless they are approved by the Commission."

He disclaimed that the basis of their regulation was the fair value of the gas. He disclaimed that the basis of their regulation was what the gas might be sold for locally. He said the basis of their regulation was an ascertainment of the cost of acquisition and development and production, and then permit a charge which would return those items plus 6½ percent on the unreturned portion, and that if and when the day should come when that investment was fully returned, then the operator would have the happy privilege the rest of the life that he lives, or the reserve lasts, of furnishing it to the pipe-line company on the basis of cost of operation alone.

That is the reason I say the Senator is in error when he takes the position that the matter before the Senate is one whereby the independent producer will be subject to a regulation limiting his return to the fair value of his product. That is the reason I say the Senator from Illinois is in error when he takes the position that, in view of the fact that a pipe-line company cannot get any gas unless somebody is willing to sell it, the minute the independent operator does sign a contract to sell it and does deliver it, then he should be regulated, because their basis of regulation will not permit him to be protected by the contract that binds him.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield for a question.

Mr. DOUGLAS. I should like to ask my good friend from Oklahoma this question. Even if it were true that the rate-making policies of the Federal Power Commission were unjust and unreasonable, which I do not grant, but even if it were true, would it not be much better for Congress to rectify by legislation any errors in the standards which the regulatory Commission follows, than to abolish all regulatory powers outright?

Mr. KERR. The junior Senator from Oklahoma does not consider the question to be germane, because the pending measures does not contemplate the destruction of any regulatory power the Commission has ever exercised. It does not contemplate the change of any jurisdictional practice they have ever indulged in. It does not contemplate taking from them anything that the present law gives them. But we have a Commission which says, "No, Congress, you do not need to pass any law; let us regulate in accordance with our discretion," so that the shifting opinion of a changing majority would be permitted, without authorization of law and in spite of prohibition by law, to make such decisions as they saw fit. The Senator from Oklahoma cannot subscribe to such a theory. His theory is that the Federal Power Commission was authorized to do certain things; that it was prohibited from doing other things, and that confusion now exists in the Commission, as the great Senator from Illinois himself so readily admitted the other day. The sole purpose of Senate bill 1498 is to eliminate that confusion, clarify the present legislation, and place it on such a basis that the Commission will follow the mandate of the law, and the Congress will not follow the mandate of its own creature.

Mr. JOHNSON of Texas, Mr. DOUGLAS, and other Senators addressed the Chair.

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from Oklahoma yield; and, if so, to whom?

Mr. KERR. I yield first to the Senator from Texas for a question.

Mr. JOHNSON of Texas. Mr. President, is not the Senator from Oklahoma aware of the fact that the committee spent about 5 weeks on this proposed legislation?

Mr. KERR. I am aware of that fact.

Mr. JOHNSON of Texas. Does the Senator from Oklahoma know of any Senator, other than the Senator from Oklahoma and the coauthor of the bill, who asked that he be permitted to appear before the committee and submit any recommendations whatever in regard to the proposed legislation?

Mr. KERR. None that I am aware of.

Mr. JOHNSON of Texas. Is the Senator from Oklahoma aware of any recommendation made by members of the Commission constituting a majority of the Commission, to the committee——

Mr. KERR. I did not understand the Senator's question.

Mr. JOHNSON of Texas. Does the Senator from Oklahoma know of any recommendation which has been submitted to the Congress by any member of the Federal Power Commission?

Mr. KERR. Not that I know of.

Mr. JOHNSON of Texas. Then, if it is felt that a cost-plus-6-percent plan should be provided for, why has not some member of the Commission or some Senator, who favors such a plan, submitted it to the Senate?

Mr. KERR. Of course, I do not know. I wish to say, in fairness and in friendship to every Senator who has participated in this debate, and I do not believe there is any Member of the Senate who favors such a principle; but I know that Senators who are seeking to prevent the passage of this measure, are doing what amounts to protecting the Commission which has advised the Congress that it aims to do just that.

Mr. KEM rose.

Mr. KERR. Does the Senator from Missouri wish to ask a question?

Mr. KEM. Yes.

Mr. KERR. I yield for a question.

Mr. KEM. Let me say at the outset, Mr. President, that I am somewhat at a distance from the Senator from Oklahoma, as I stand at my desk on this side of the Chamber. If I talk to him rather loudly, it is merely in order that I may be heard by him.

Mr. KERR. Mr. President, I ask unanimous consent that the Senator from Missouri may come as close to my desk as he desires to come.

Mr. KEM. Mr. President, I think it is better that I adhere to the rule and stand at my desk when I speak.

Did I correctly understand the Senator from Oklahoma to say that the Federal Power Commission had never undertaken to regulate the sale price by natural gas producers and interstate gas carriers?

Mr. KERR. That is correct.

Mr. KEM. Does the Senator from Oklahoma mean that the Commission now is not undertaking to do so?

Mr. KERR. I take the position that the orders of the Commission itself back in 1940 said that it had no such power. In that connection, I refer to the Columbia case and to other cases. I say that the Federal Power Commission took that position in the letter written in 1947, which the junior Senator from Oklahoma read to the Senate. The junior Senator from Oklahoma says the Federal Power Commission took that position in Order No. 139, and that Order No. 139 is still in effect and in existence. I further say that only after this matter has been before the Senate, has the Federal Power Commission moved, within the past few weeks, to seek to regulate one independent producer with reference to one transaction.

Mr. KEM. I ask the Senator whether that is the test case.

Mr. KERR. I would not be able to answer that question. It is a case.

Mr. KEM. Does the Senator from Oklahoma refer to the order specifying the issues and fixing the date of a hearing relative to the Phillips Petroleum Co., under date of February 9, 1950, Docket No. G-1148?

Mr. KERR. I am not familiar with the number, but my understanding is that that is the case.

Mr. KEM. So the Senator from Oklahoma is cognizant of the fact, is he not, that the Federal Power Commission is now moving to inquire as to whether the rates being charged or paid to a producer of gas by an interstate carrier are unreasonable, discriminatory, or unjust?

Mr. KERR. I have this to say in answer to that question: I do not think that is the purpose of the Commission in that case. I remind the Senator from Missouri of the language in the Panhandle-Eastern case decision, to which the Senator from Missouri himself referred the other day:

> Thus for over 10 years the Commission has never claimed the right to regulate dealings in gas acreage. Failure to use such an important power for so long a time indicates to us that the Commission did not believe the power existed.

That has been the situation for 12 years in regard to independent producers. . Only now is the Commission moving in. If the Senator from Missouri would like to know, the Senator from Oklahoma will inform him what in his opinion is the purpose of the members of the Federal Power Commission who instituted that action. Their purpose is to bring under the utility regulation of the Federal Power Commission the entire oil-producing and gas-producing business of the Nation.

If the Senator will examine the act, he will see that the third group of those to whom the act is made applicable are natural-gas companies engaged in such transportation or sale.

Thus, if the Federal Power Commission is able to extend its jurisdiction to cover sales by an independent producer; if it can go beyond the prohibitory language of the act itself; if it can spurn its own official orders; if it can indulge in that basic lack of integrity, whereas for nearly 3 years it left on its books an order saying, "We give our assurance to the independent producers that they can sell their gas and can make their contracts with interstate carriers and can deliver it without fear of jurisdiction,"; if it now can disregard the legislative intent and the long history of its own administrative practices, and can subject such a sale to its jurisdiction, it will thereby automatically make it possible to subject the company which makes the sale to Commission regulation with reference to its entire operations except those which the Commission finds under the act are exempt. In the opinion of the junior Senator from Oklahoma, that is the purpose of the members of the Commission who have fathered this socialistic scheme. That is what the junior Senator from Oklahoma thinks about it, he says for the benefit of his good friend, the Senator from Missouri, who, among all the Members of this body, has held higher than nearly any other the flag of antisocialism.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. KEM. First of all, I wish to thank my friend, the Senator from Oklahoma, for the very nice compliment.

Mr. KERR. Mr. President, I am allowed to yield only for a question, according to the rule.

Mr. KEM. Mr. President, I should like to ask the Senator from Oklahoma whether the purpose and intention of the Federal Power Commission when it issued the order in the Phillips Petroleum Co. case, under date of February 9, 1950, is set forth by the Commission in the following language:

> Wherefore it appears to the Commission that—
>
> It is necessary and desirable in the public interest that a public hearing be held to determine all relevant facts and circumstances surrounding the natural-gas operations of Phillips Petroleum Co. to enable the Commission to determine—
>
> (a) Whether Phillips Petroleum Co. is a "natural-gas company" within the meaning of the Natural Gas Act;
>
> (b) Whether——

Mr. KERR. Mr. President, will the Senator from Missouri read the first one again?

Mr. KEM. Yes; it reads as follows:

> (a) Whether Phillips Petroleum Co. is a natural-gas company within the meaning of the Natural Gas Act;
>
> (b) Whether in connection with any transportation or sale of natural gas subject to the jurisdiction of the Commission, including sales to Michigan-Wisconsin Pipe Line Co., any rates, charges, or classifications demanded, observed, charged, or collected by Phillips Petroleum Co., or any rules, regulations, practices, or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory or preferential.

Then I ask the Senator from Oklahoma whether the Commission issued this order:

> The Commission orders:
>
> (A) A public hearing to be held commencing at 10 a. m. (CST) on March 20, 1950, in the Federal courtroom, United States Post Office Building, Bartlesville, Okla., respecting all matters and issues set forth in this order and the Commission's order of investigation under date of October 28, 1948.
>
> (B) Interested State commissions may participate as provided by sections 8 and 37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's Rules of Practice and Procedure.

Mr. KERR. In answer to that question, I say the question answers itself. In subdivision (a) it is stated that the purpose of the inquiry is to determine whether Phillips Petroleum Co. is a natural-gas company under the act.

Mr. KEM. And in subdivision (b) the purpose is stated to be to determine whether it is charging rates that "are unjust, unreasonable, unduly discriminatory, or preferential."

Mr. KERR. That is a part of it, but the basic purpose is as the Senator from Oklahoma said.

Mr. KEM. In view of the action——

Mr. KERR. Mr. President, I do not yield for a further question.

Mr. DONNELL. Mr. President, will the Senator yield for a question from another source?

Mr. KERR. I yield briefly to my great friend, the Senator from Missouri.

Mr. DONNELL. Mr. President, in his answer to one of the questions asked by my colleague I noticed the Senator from Oklahoma said that if the Federal Power Commission can extend its jurisdiction to cover the cases involved here—or he used words to that effect, the particular language to which I refer being, as I recall:

> If the Federal Power Commission can extend its jurisdiction—

I wish to ask the Senator this question: Under the Interstate Natural Gas Co. case, decided on May 7, 1947, is it not the clear holding of the Supreme Court of the United States that the Federal Power Commission possesses that jurisdiction, and therefore that it is absolutely unnecessary for it to make an extension of its jurisdiction? Under that

decision of the Court, does not the Commission already possess that jurisdiction?

Mr. KERR. Not at all. The answer is that the minds of lawyers are in great confusion on this subject. Frankly, the Senator from Oklahoma, upon reading the decision in the Interstate case, thought the dictum in it amounted to what the Senator from Missouri has just said. However, now that the Court has handed down its decision in the Panhandle-Eastern case, the Senator from Oklahoma thinks the Court has clarified that matter.

But the Commission itself does not know. The Commission is so confused that it has advised independent producers that it cannot determine whether they come under the act; and when the Commission sent out a telegram to that effect one of the Commissioners could concur only in part; he was so completely confused that he could not even make a statement, in regard to how confused he was.

Mr. DONNELL. Mr. President, does the Senator from Oklahoma prefer not to yield further? If so——

Mr. KERR. If the Senator from Missouri has one more question, I shall yield to him for that purpose.

Mr. DONNELL. I have one more question.

Mr. KERR. Very well; I yield.

Mr. DONNELL. I wish to ask the Senator whether in the Interstate Natural Gas Co. case, to which I have referred, the Court said this:

> The issue in this case involves the jurisdiction of the Federal Power Commission to regulate sales made in the field by petitioner to three pipe-line companies, each of which transports the gas so purchased to markets in States other than Louisiana.

Second, the Court pointed out that—

> The Commission found that petitioner was an affiliate of one of the three purchasing companies.

Furthermore, it is not true that in answer to the issue so raised and so stated by the Court, the Court said:

> For reasons stated above, we have concluded that the Federal Power Commission in this case has not exceeded the jurisdiction conferred upon it by Congress in section 1 (b) of the Natural Gas Act.

Have I correctly quoted the case, I ask the Senator from Oklahoma?

Mr. KERR. The Senator from Missouri has correctly quoted the case, and the Senator from Oklahoma has answered the question. He repeats that under the holding in that case and under the holding in the Panhandle-Eastern case, the confusion is so complete that only by the clarifying action here proposed can the matter be made clear.

Mr. DONNELL. I thank the Senator.

Mr. KEM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. KERR. Mr. President, I do not yield further at this time.

The PRESIDING OFFICER. The Senator from Oklahoma declines to yield.

Mr. KERR. Opponents have charged that S. 1498 would encourage monopoly. Such, Mr. President, is not true and cannot be true. S. 1498 not only does not encourage monopoly, it positively makes monopoly impossible. It preserves the status of independence. It enables independents to survive and operate as independents. How is it possible to encourage monopoly by preserving the status of independents? By the same token, how can monopoly be prevented if independents are destroyed?

Monopoly cannot begin or survive where independents are willing and able to operate and compete. But if S. 1498 is defeated, independents will be either forced out of operation in interstate areas or compelled to become regulated utilities. That would not only encourage monopoly, it would compel it.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. KERR. The Senator from Oklahoma is compelled to finish his written remarks. After that, I will yield.

The full effect of S. 1498 is to restate a principal of law as old as the common law of England. It provides that an independent operator can make a legal contract without losing his independence merely by making and carrying out that contract. I would go even further and say that this principle has been recognized in every code of laws in every free country in the history of the human race.

Contrary to statements made during this debate by opponents of this measure that there are 2,300 independent producers in the United States, a careful survey discloses that in the Southwestern States alone there are over 5,500 such independent producers and, Mr. President, there are 20 other gas-producing States in the Nation, and in each of those there are many independent gas producers.

Why, Mr. President, gas is produced in commercial quantities from one end of this land to the other, from the suburbs of the magic city of New York to the southern tip of sunny California, from the northern lakes of mighty Michigan to the mouth of the Mississippi in lovely Louisiana, from the majestic mountains of Montana to the sandy shores of the Gulf of Mexico. Why, Mr. President, some natural gas has been found even as far South as the warm, green peninsula of favored Florida and as far North as the Arctic land of our own Alaska.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. KERR. Not until I have finished presenting my prepared remarks.

Between 60 and 70 percent of the total area of continental United States is proven as potential gas-producing territory. This area is owned by tens of millions of Americans, any one of whom has the right and the privilege to prospect for and produce, if found, natural gas.

And so, Mr. President, any American citizen becomes a potential producer of oil or gas, either on his own acreage or upon leases secured from others. Many Americans now have, or at one time did have, an interest in what is commonly referred to as a wildcat well.

And they speak of monopoly? Why, Mr. President, there is no more possibility of monopoly of gas production at the producer level than there is of monopoly of coal or water or sand.

In the 10 years beginning with 1940 approximately 65,000 wildcat wells have been drilled by independent operators in these United States. Certainly not all of our potential acreage will produce gas. Neither does all of our agricultural land produce wheat, nor does all of it produce peanuts or watermelons. There is no more possibility of monopoly of gas at the production level than there is of monopoly at the production level of peanuts, corn, wheat, or watermelons.

I refer here to a chart which describes additional striking evidence of the impossibility of monopoly in natural gas at the producer level. The average value at the wells per thousand cubic feet ranges from as low as 2.7 cents in New Mexico to 24.1 cents in Pennsylvania.

I ask Senators to look at the chart, which shows the prices paid in cents per thousand cubic feet for natural gas across the Nation at the producer level: Arkansas, less than 5, California 12, Delaware—and I did not even know that the great State of Delaware produced gas—13, Kansas 5, Kentucky 20, Missouri 18, New York 22, Pennsylvania 24, Texas 4½, Oklahoma 4¾, West Virginia 17; and so on, with a different price in every State, a different price in every field, and a different price to nearly every producer in every field.

The average price paid to all the producers in the imperial State of Texas for natural gas at the well is 4½ cents per thousand cubic feet. Over half the known gas reserves of the Nation are in that State. Mr. President, do you suppose that, if it were possible to create a monopoly, the hardheaded business boys in Texas, having over half the gas of the Nation, would sell it for 4½ cents a thousand cubic feet at the well, when the boys in Pennsylvania, with less than 5 percent of the total supply, are getting five times as much? The allegation is so ridiculous as to fall flat upon the mere stating or reading of it. Less than 10 percent are in the States of Pennsylvania, New York, Michigan, and Illinois, combined. Yet, the producer in that State which has over half of the entire supply receives less than one-fifth of the amount paid to the producer in the State that has less than 5 percent of the Nation's supply.

And the State of New Mexico has more known and potential gas reserves, according to authoritative estimates, than Kentucky, Pennsylvania, and New York combined. Yet the average producer in those three States receives nearly 10 times as much for his gas as the producer in the State of New Mexico.

Opponents have used various figures with reference to the number and size of independent producers. They have made the statement that 33 leading oil companies had 62½ percent of the gas. That statement is not supported by facts, and I challenge them to prove it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. KERR. No; I am going to correct the statement of the Senator.

Mr. DOUGLAS. That was not a statement. The 62½ percent referred to reserves—not to the present production of gas but to the reserves.

Mr. KERR. I thank the Senator from Illinois very much because that illustrates a fact. The Senator says the 62½ percent refers to the reserves. Others say the 62½ percent refers to production. Yet the chart to which they all refer says "62½ percent of the acreage."

Mr. DOUGLAS. Well, acreage. [Laughter.]

Mr. KERR. It is on page 366. The junior Senator from Oklahoma at one time had a lease on 1,000,000 acres in Mississippi Sound and never found anything but a few water bubbles. He had a lease on 250,000 acres in Mobile Bay and all he ever found was some of the finest oysters and some of the finest shrimp in the world and a great body of water surrounded by some of the finest people on earth. Acreage? As one man looks at it, he says, "Here is 62½ percent of all the gas." Another man says, "Here is 62½ percent of all the sales." Another says, "Here is 62½ percent of all the production." The exhibit itself says, "62½ percent of the acreage."

Other Senators have referred to table No. 2, at page 365, which shows the names of 34 companies making the largest sales to interstate pipe-line companies in the 7 Southwestern States. Mr. President, I call Senators' attention to two things with reference to this table: First, that the listed companies sold a total of 734,000,000,000 cubic feet. This is less than half the gas sold by independent producers to interstate pipe-line companies, so that the 34 largest vendors, in reality, sold less than half of the gas purchased by the interstate pipe lines. Is this monopoly?

Mr. President, I have telegrams in my hand from some of these producers. One says:

In reference to table 2, page 365, hearings before Senate subcommittee, S. 1498, 34 percent of the volume delivered by vendor was purchased from others, 66 percent by me.

Another company says:

We are one of the vendors. In making the sales, we sold our own, and the purchases were made from scores of other producers and hundreds of royalty owners.

Another says:

Involved our own and 13 other producers.

Another:

Involved our own and 289 other producers.

Is that monopoly, Mr. President? I ask unanimous consent to place in the RECORD at this point in my remarks an article taken from David Lawrence's publication of last December discussing big business, setting forth what big business in this country really is.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS INDUSTRY TOO CONCENTRATED?—UNITED STATES FINDS A FEW FIRMS OFTEN DOMINATE FIELD

Tendency of big companies to get bigger is under Government study. It may become a political issue in next campaign.

Government check-up shows four companies control 75 percent of production in some industries. Eight control others. Twenty control still others.

Antitrust lawyers are looking into big concentrations of American business.

Bigness in industry, in finance, in insurance is under the Government microscope again. Big business, studied now, is being scheduled to come into the line of political fire later.

No attack, officials insist, is to be launched against bigness as such. Antitrust suits in near-record numbers, though, are being directed at big industry. A census of manufactures is being used to show the tendency of industry to center into 4 or 8 or 20 companies in each field.

Big insurance companies are closely eyed to discover the use they are making of the immense and rapidly growing assets they control. Officials are critical of insurance companies for not making more loans to small business. Big banks are watched by a variety of Government agencies. Big unions alone among big private institutions are not now under critical scrutiny.

It is big manufacturing businesses that are listed for most direct attention at this time. In the United States there are about 80,000 corporations engaged in manufacturing in 453 industries. In each of 43 industrial fields 4 companies account for 75 percent or more of output. In 97 fields of industry not more than 8 corporations control 75 percent or more of output. In 213 industries up to 20 companies control three-fourths or more of output.

President Truman is interested in these figures. He has directed Secretary of Commerce Charles Sawyer to determine what to do about concentration in industry.

This is big business

Industry:	*Percent of output provided by four largest companies*
Telephone and telegraph equipment	95.7
Electric lamps	91.8
Cigarettes	90.4
Glass, flat	88.1
Rubber footwear	80.7
Typewriters	79.4
Soap and glycerin	79.0
Phonograph records	78.8
Synthetic fibers (nylon, rayon, etc.)	78.4
Tin cans, other tinware	77.8
Sewing machines	77.1
Tires and inner tubes	76.6
Cereals	74.9
Distilled liquors	74.6
Photographic equipment	61.2
Automobiles, trucks, and parts	55.7
Petroleum refining	37.8
Magazines, other periodicals	34.3
Bread and other bakery products	16.4
Cotton fabrics, broad woven	13.1

Mr. KERR. Mr. President, this tabulation shows that four companies dominate 95.7 percent of the telephone and telegraph equipment business; four companies dominate 90 percent of the electric lamp industry; four companies dominate 90 percent of the cigarette industry, and four comapnies dominate 13 percent of the cotton-fabric industry. We have not yet come down to the producers of gas.

Second, Mr. President, I want to point out that the natural gas gathered and delivered by the producers or vendors shown on this table is handled at different prices.

I wish Senators would look at the table which is found at page 365 of the hearings. It lists Phillips Petroleum Co., which has been referred to as the No. 1 monopolist in the gas business. The table, Mr. President, discloses that the Phillips Petroleum Co. sold more than 116,000,000,000 cubic feet of gas in interstate commerce in 1947 and received an average of 3.9 cents a thousand feet. That amounts to approximately $4,000,000. I invite attention to the fact that the company received less than 4 cents a thousand cubic feet.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. Briefly. I am compelled to finish my prepared statement.

Mr. DOUGLAS. The Senator will recall that I yielded to him on many occasions.

Mr. KERR. That is why I am yielding now to the Senator from Illinois.

Mr. DOUGLAS. The Senator from Oklahoma is aware that the Phillips Petroleum Co. is increasing the charges to the Michigan and Wisconsin pipe line from 5 cents to 8½ cents to as much as 10 or 11 cents per thousand cubic feet. Does not that indicate that the prices which the Phillips Co. was receiving in 1947 are distinctly moving up?

Mr. KERR. I shall answer the Senator's question in a moment. I am glad the Senator brought it up. But, going back to the table to which I have referred, we find that a company which sold one-fourteenth as much, being the Barber Oil Co., received 7.9 cents a thousand cubic feet for its gas, more than twice as much as did the company which sold fourteen times as much in volume.

Senators will see that the Stanolind Oil & Gas Co., a subsidiary of the Standard Oil Co. of New Jersey, sold gas at 3.7 cents a thousand cubic feet, while two individuals, H. L. Hunt and Hassie Hunt, sold their gas for 6.1 cents a thousand cubic feet.

Is that monopoly, Mr. President, when those who own the most sell for the least?

If Senators will look further they will find that the entire amount sold by all 34 companies, being the 34 largest producers in the Nation, according to the opposition, resulted in a total of less than $35,000,000. Imagine the proportions of the monopoly, when it took 34 companies to get $35,000,000, and all the 34 companies sold at different prices, the one selling the most selling at a rate of less

than half the amount received by the one who sold the least.

Mr. President, the potato growers in Maine have a better monopoly than that. They received more than $35,000,000 last year from the Federal Government, for something which they did not deliver. I hope I may be pardoned if I am in error in making that statement. I have been reading some fantastic figures, running into tens of millions of dollars for the producers of one commodity in one State, which commodity was not delivered.

Mr. President, I am not opposing the farm bill. I have been in favor of every part of the farm bill, but I am amazed that Senators who have joined with me in that connection should now say that a monopoly exists in the natural-gas industry because 34 of the largest gas producers in the Nation receive $35,000,000 a year, and 5,000 of them combined receive less than $75,000,000, not for what they do not produce, but for what they produce and sell in interstate commerce. In such a situation it is said that, ipso facto, there is a monopoly.

Mr. President, I want to answer the question regarding the Phillips Petroleum Co. and the Michigan contract. A few years ago a group of men wanted to construct a pipe line to Michigan and to Wisconsin. They made a contract with a vendor in the Southwest who was going to deliver his own production and the production of dozens of other persons. A contract was made for 110,000,000 cubic feet at a certain price. The group received a permit to build a pipe line based on that contract and contracts with consumers at the other end of the proposed line. It was during the war. The demand for fuel was rising rapidly. It was ascertained that they needed far more than 110,000,000 cubic feet, and they went back to the vendor and inquired, "At what price can you deliver us another 50,000,000 cubic feet?" When the price was stated they made another contract for another 50,000,000 cubic feet, and received a permit to build facilities to transport that amount of gas. The facilities were constructed, but by the time they were constructed it was found that the good people in Michigan and Wisconsin needed 300,000,000 cubic feet a day. The group went to the same vendor and told him that more gas was needed. He said, "That is all I have."

It reminds me of the man who was selling chewing gum. A customer said, "How much is it worth?" He replied, "A nickel a package, six for a quarter." The customer said, "Give me a quarter's worth." The chewing-gum vendor said, "I cannot sell you six packages. That is all I have. I would be out of business."

The group to whom I have referred said to the vendor, "The folks up there need another 300,000,000 cubic feet."

He went forth to find additional gas and returned and said, "We cannot deliver this gas at the price we quoted 2 or 3 years ago. It comes from people to whom we pay more money, from areas which are deeper in the ground. It costs more money." The pipe-line company said, "If you can deliver us 300,000,000 cubic feet a day, we can afford to pay you more for all of it, and still, by reason of the increased volume, we can deliver it at the city gates in Michigan and Wisconsin at a less rate per 1,000 cubic feet than we shall have to charge if we deliver a lesser amount."

So they made a contract for the 300,000,000 cubic feet a day. The application is now pending before the Federal Power Commission. The petitioner says to the Commission: "If you will give us a permit to build additional facilities, to increase our capacity, we can absorb the increased cost and sell and deliver the total volume at a lower price per 1,000 cubic feet in Michigan and Wisconsin than we would have to charge for half the volume if we were not permitted to contract for the increased volume." That is what is complained of, Mr. President.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator yield to the Senator from Texas?

Mr. KERR. I am glad to yield to my friend. He knows I am pressed for time.

Mr. JOHNSON from Texas. Is not the Senator aware of the fact that the volume of gas which is transported through interstate pipe lines is equally, if not more important, in determining the price to the consumer, than is the field price of gas?

Mr. KERR. It is almost entirely determinative.

Mr. JOHNSON of Texas. Does the Senator believe that if Senate bill 1498 were defeated the volume of gas available to the pipe lines would be increased?

Mr. KERR. The Senator from Oklahoma knows that if S. 1498 is defeated the volume of gas will be reduced, the unit cost of transportation will be correspondingly increased, and the cost to the consumer will be higher for less gas, rather than cheaper for more gas, which would be the situation if S. 1498 were passed.

Mr. KEM. Mr. President, will the Senator yield?

Mr. KERR. The Senator from Oklahoma is compelled to finish his remarks before he can yield further.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. KEM. Mr. President, I understood the Senator to yield to the Senator from Texas.

Mr. KERR. I did yield, but I yielded under great pressure. I shall yield to the Senator from Missouri in a little while. I wish to throw a little more light on the question of monopoly.

Mr. President, as I said a short time ago, instead of there being 2,300 producers, there are more than 5,000. I hold in my hand a tabulation of contracts for the purchase of natural gas by certain companies from independent producers in the Southwest. I should like to have the tabulation printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. KERR. Mr. President, tabulation by contracts shows that every pipeline company doing business has contracts with dozens or hundreds of vendors, and that different prices are paid to each one of them. The junior Senator from Oklahoma, therefore, asks the question: How can there be monopoly in such a situation? He wants to refer briefly to a table which was introduced into the RECORD by the junior Senator from Illinois [Mr. DOUGLAS], at page 3725. It is table II, and is headed "Federal Power Commission List of 80 Fields Dominated by a Few Companies."

The Senator from Illinois calls attention to the fact that in selecting the 80 fields, which I presume he thought would bear out his claim of monopoly, he shows the biggest with the fewest operators. The Senator from Oklahoma calls attention to the fact that the table lists none of the fields in Kansas; it lists none of the fields in Oklahoma, where there are more than 1,400 fields; none of the fields in Arkansas, where there are probably a thousand fields; two in New Mexico, which has potentialities for more than both Arkansas and Oklahoma; one in Mississippi, which has potentialities for as many as either of those States. In the list of 80 companies we find only 27 fields in the State of Texas, where there are 2,139 gas reserves and 991 oil fields, each of them with reserves. In other words, the table shows 40 operators in 80 fields. How many operators would that amount to in the thousands upon thousands of fields in the United States? How can anyone talk of monopoly?

Further with reference to the tables, there is one other fact to which the Senator from Oklahoma would like to invite the attention of Senators.

Table No. III is shown at page 3727 of the RECORD. It is headed, "Natural gas acreage in the Texas Panhandle and Hugoton gas field owned in fee or held through leasehold by certain companies, together with estimated reserves and possible values." The table was exhibited to frighten Senators as to what gas would cost. The first nine companies which are listed have a combined reserve of ten and a half trillion cubic feet. The table purportedly shows what it would cost per thousand cubic feet at exhorbitant prices. Fancy of fancies. Every one of the companies listed is regulated by the Federal Power Commission under the Natural Gas Act, and is not permitted to charge 1 cent for the value of gas which it sells.

Mr. President, when I contemplate the mass of misinformation which has been disseminated in the debate on the pending bill, and in the press, I am amazed at the ability of men to develop information which cannot be substantiated.

Mr. President, there have been nearly 100 natural-gas pipe lines authorized in the last 8 years. Operators of these pipe lines have contracts from thousands of vendors who are either independent producers or gatherers of natural gas. These contracts with these thousands of independent producers and gatherers are at different prices; different prices in every State, different prices in every field, different prices to all the producers in each field.

But the over-all average is less than 6 cents per thousand cubic feet to the producer.

Is it possible, Mr. President, that some Senators do not understand that instead of these producers representing a monopoly they, in fact, prove just the opposite? They are the ones who are bound by the agreements. They are the ones who have agreed over periods of from 20 to 50 years in the future to sell their gas and deliver it at fixed prices for the benefit of the transporter and the consumer.

Ah, the junior Senator from Illinois has found some 100 among these thousands of contracts that have what he calls escalator clauses, or renegotiating clauses, or favored-nation clauses, but even so, the prices are fixed by the escalator clause, and, Mr. President, the producer has no power under any of them to arbitrarily change or increase the price of his gas. They are not unilateral contracts, and, in my opinion, they represent less than 1 percent, possibly 2 or 3 or 4 percent, of the total number of existing contracts.

Mr. DOUGLAS. Mr. President, will the Senator yield for a correction on that point?

Mr. KERR. I yield for a question.

Mr. DOUGLAS. Is it not true that these exhibits which I submitted, the 100 contracts, provided for a total volume of sales of approximately 1,300,000,000,000 feet, and that therefore they covered a very large quantity, indeed?

Mr. KERR. The Senator from Oklahoma cannot answer as to how many cubic feet they covered, but the Senator from Oklahoma reminds the Senator from Illinois that there are one hundred and seventy-five or two hundred trillion cubic feet of gas in known reserves, of which independents own 93 percent. So if contracts covering a little more than 1,000,000,000,000 cubic feet have certain provisions in them that upon the happening of certain things certain additional prices will be paid, the Senator from Oklahoma repeats, the terms of the contracts are arbitrarily fixed, and the amount of the gas is still less than 1 percent of that which is either moving or available for moving.

Mr. DOUGLAS. Mr. President, if the Senator will yield for another question which will clarify the point, the Senator has unintentionally misinterpreted the figures; and I emphasize "unintentionally." The hundred gas contracts which I introduced represented an aggregate annual purchase of 1,300,000,000,000 feet—an annual purchase—and on the basis therefore of estimates that the reserve is approximately thirty times the annual production, there would be approximately a reserve of, let us say, 40,000,000,000,000 cubic feet. So that this is not small potatoes. The Senator will find the figures on page 3640. I mention that simply to clarify the situation as we go along, because I know the Senator from Oklahoma does not want to misstate the facts, and in the heat of debate sometimes figures are bandied about.

Mr. KERR. The Senator from Oklahoma thanks the Senator from Illinois. The Senator from Oklahoma does not want to misstate the facts. He was merely quoting what he understood the Senator from Illinois himself to say. He said he did not know what the figures were, but, he repeats—and then he will be compelled to return to his prepared remarks—the contracts are definite contracts, they did extend for definite periods of years, the producer is bound to deliver at fixed prices, for fixed periods, and the producer cannot change the contract arbitrarily, or except in the strictest accordance with the provisions of the terms of the contracts themselves.

Mr. President, there has been a good deal of research by opponents of S. 1498 into many phases of the natural gas business, and the field of research explored by these opponents gives silent but immutable evidence to their lack of comprehension—not only with reference to the pending bill, but to the field occupied by the natural gas industry.

Why, Mr. President, the distinguished senior Senator from Maine [Mr. BREWSTER] in his research on this matter went so far as to read the keynote speech delivered by the junior Senator from Oklahoma to the 1944 Democratic National Convention. Even though he wandered far from the field of natural gas, I am grateful.

I sincerely believe that speech is still good for most anything that ails the senior Senator from Maine.

I notice that Lowell Mellett, one of the local columnists, has become so interested that he has laid aside his beloved textbooks on socialism long enough to spend a little time reading the Bible.

I warn Mr. Mellett that if the eternal light of that great Book ever pierces the mental fog created by his usual reading, at least two things might happen to him. In the first place, the vacuum that he has been carrying around between his ears for so long would have something in it for a change; and second, that left wing of his would probably wither on his shoulder.

And then there is Drew Pearson—good old Drew. No wonder American Broadcasting Co. puts Airwick on the air for 15 minutes after he gets through, Mr. President, and boy, oh boy, how they need it. [Laughter.]

But most of all, Mr. President, I have been impressed by the enormous amount of research done by my good friend the junior Senator from Illinois. Indications are, however, that the time he has devoted to the study of the production, gathering, transportation, and distribution of natural gas has not been very enlightening to him.

The other day, in a moment of frankness, he had this to say about the junior Senator from Oklahoma:

> Is it not true that the distinguished Senator from Oklahoma is somewhat confused in his thinking? Will not a full appreciation of this point clear up the mental confusion under which our very distinguished and very able friend from Oklahoma has been laboring for, lo, these many years?

Now, Mr. President, the junior Senator from Oklahoma is frank to acknowledge that he never attended college long enough to receive any degrees. The junior Senator from Oklahoma has never been mentally seduced by the fine-spun theories of men who advocated that the basic industries of a great nation should be socialized.

But, Mr. President, the junior Senator from Oklahoma is not confused with reference to the issues in the pending measure. I am reminded of the story of a country boy on a sunny afternoon sitting on a rail fence in the foothills of northeastern Oklahoma. A well-dressed traveler stopped his automobile to inquire of the youth, "Sonny, do you know where this road leads to?" To which the lad replied, "No, sir." "Well," inquired the stranger, "do you know how to get from here to the town of Muldrow?" "No, sir," replied the lad. "Well," remarked the stranger, "you don't know much, do you?" "No," said the boy, "I don't know much, but I ain't lost." [Laughter.]

Mr. President, I have heard men on this floor condemn socialism in England, and they convinced me of their sincerity. I thought they were opposed to socialism, but I now guess it must have been that they were just opposed to England and not socialism, because what is sought here is worse than socialism. What they seek here has all the evils of socialism and none of its virtues.

When the Socialist government in England nationalizes an industry it at least goes through the form of paying the owners the reasonable value of the property of which they are dispossessed. What the Federal Power Commission has threatened to do if this measure is not passed by the Congress would, in effect, socialize the industry of the independent gas producer without compensating the owner for the value of the property. The avowed purpose of members of the Federal Power Commission is to take from the independent gas producer his property not on the basis of its value—not on the basis of the contract he may have for its sale—not on the basis of what he might be able to sell it for within his own State, but on the basis of what it cost him to take it out of the ground.

They seek to do this, Mr. President, without legislative authority—they seek to do this, Mr. President, in violation

of the provisions of valid contracts—they seek to do this, Mr. President, without due process of law. These members of the Federal Power Commission, Mr. President, seek to do this in spite of its own solemn official assurances to the contrary.

Mr. President, that is not in accord with the basic principles of America where men are free and contracts are valid. That is not in accord with the program of socialization now going on in England where the government nationalizes industry but compensates the owners on the basis of fair value.

Mr. President, what certain members of the Federal Power Commission threaten to do would be confiscation, and the only other country that I know of where that is the order of the day is behind the iron curtain in Red Russia, where the government takes the property of its citizens without their consent and without regard to its value.

What they would do, Mr. President, would be to destroy another great American industry by administrative decree.

Mr. President, we have in this country enough ailing industries without the Federal Government doing that which would automatically create another.

Last year, Mr. President, the Senate was considering legislation for the ailing mining industry of the West. The junior Senator from Oklahoma, then a member of the Committee on Interior and Insular Affairs, sat through long hearings with reference to such legislation, took a part in helping to write it, and helped have it passed by the Senate. I understand it has been passed or is about to be passed by the House.

This year, Mr. President, we are looking to the ailing coal industry. There are measures before the House for investigation of that industry. What would happen if the principle of the bill now before the Senate should become the law of the land, is that the Federal Power Commission, by administrative decree, would create another patient for the legislative hospital.

That reminds me of the story of an English destroyer in the Mediterranean. It had disabled a German submarine. The submarine had surfaced, and the men on the English destroyer were taking members of the crew of the submarine aboard the destroyer. The British captain was standing on the deck by the side of the German captain who had surrendered. After the crew had pulled in what seemed to be about a hundred men from the German submarine the English captain looked down and it seemed to him as though there were 35 or 40 more persons on the surfaced submarine. The English captain turned to the German captain and said, "How many men did you have aboard that submarine?" The German captain said "Fifty." "Well," the English captain said, "We have already pulled a hundred men aboard and there are 30 or 40 more down there." The German captain said, "Yes, and if the Polish members of this crew of yours don't stop throwing Germans overboard on the other side of your boat as fast as the Englishmen pull them in on this side, you never will get them all aboard."

If the Federal Power Commission or other agencies are permitted to create new patients for the congressional hospital for ill industries on the one hand as fast as congressional action on the other hand provides temporary help or cure, Mr. President, it may be that the day of vital, strong, healthy industry is more seriously threatened than we thought.

And now, Mr. President, I want to discuss Senate bill 1498 from the standpoint of the consumer.

Senate bill 1498 not only is an antimonopoly bill but is the best insurance policy for reasonable prices for natural gas, not only to the millions of consumers now using it but to the millions of consumers who seek to have the opportunity to use it.

Samuel Johnson, the great Englishman, once said: "I don't know that man; therefore, I don't like him." Some people who know the least about this amendment have jumped to the conclusion that they do not like it.

Claims have been made, Mr. President, that the passage of the bill would raise the price of gas to the consumer by tens of millions of dollars a year—yes, by hundreds of millions of dollars a year.

Mr. President, nothing could be further from the truth. I call Senators' attention to the fact that the independent gas producer has never been regulated in the past and that in that past the unregulated natural-gas producer has made it possible for the consumers of natural gas to have the cheapest, safest, cleanest, and most desirable fuel ever used.

I call attention to the chart immediately behind me, Mr. President, which shows that the price of natural gas to the consumer furnished by unregulated independent producers has gradually declined for the past 12 years. This chart shows that every other commodity purchased by the American consumer has, during that same period of time, increased nearly 70 percent, and that the cost of food during that time has increased 217 percent.

Mr. President, I think the average housewife would be greatly surprised to know how little that independent producer really gets out of her gas bill. She pays from $1 to $1.50 per thousand cubic feet. Of that same amount of gas the producer in the Southwest gets less than 5 cents. Yes, less than a nickel out of each dollar. She knows that is a very small chunk out of her gas bill, but she also knows that it is a very important chunk. After all, if the producer cannot produce the gas and cannot sell it to the pipe line, the local gas company cannot deliver it to the housewife's home for her use at any price.

Mr. President, much has been said on this floor by opponents of Senate bill 1498 about the increase in the last few years in the average price paid to the independent producer.

Mr. President, I hold in my hand a sheet prepared by the Federal Power Commission which shows that the average price paid the independent producer for gas contracted for in 1946 was approximately 5½ cents a thousand; the average price paid for gas contracted for in 1947 was about 6½ cents per thousand, and the average price paid for gas contracted for in 1948 and to the middle of 1949 was about 7.2 cents per thousand cubic feet.

With these increases, the over-all average being paid today for all of the gas furnished by independent gas producers is still less than 5½ cents per thousand, and the over-all price paid by the consumer today is 12 percent less than it was 10 years ago.

However, Mr. President, I want here and now to tell the American housewife and all other American consumers just who it is who is largely responsible for the fact that the average price being paid today under new contracts is higher than it was 3 years ago.

As stated a little while ago, Mr. President, until the contest in the Interstate case, which was decided early in 1947, the question of exemption of the independent procedure from regulation was noncontroversial. It was only when the fear of regulation began to be caused by certain members of the Federal Power Commission and certain members of the staff, that the hearts of the independent producers began to be chilled and they began to be afraid to make contracts to sell their gas to interstate pipe lines in interstate commerce.

Mr. President, when that threat appeared and when that fear resulted, much known gas production thereby became unavailable for purchase by the interstate pipelines.

It is a principle known to every Senator in this body that regulation and restriction create scarcity and higher prices. Mr. President, when Leland Olds and his associates and other advocates of unauthorized and unsound regulation of the independent gas producer began their efforts to shackle the independent producer with unauthorized and unsound regulation, then—and not until then—did the price increases complained of by the opponents of Senate bill 1948 begin to be manifest.

There has been a great increase in the demand for natural gas these last years, Mr. President; but the supply has increased twice as fast as the demand.

Yet at this moment at least one-half of the reserves that have been recently discovered have not been made available for purchase by the interstate pipe lines. That has been because of the fear that the Federal Power Commission would immediately confiscate the production which had been made available by contract. Those producers want to sell that gas, Mr. President, but they are afraid

of the cold and paralyzing hand of restrictive Federal regulation.

The threats by Leland Olds and other advocates of unauthorized and unsound regulation have created a condition of scarcity in the midst of abundance. This has caused prices at the producer level to be higher than they would otherwise have been.

These advocates of unauthorized and unsound regulation seek to cure the condition which their threats have produced, by making a reality of the threat.

If threatened regulation has brought some scarcity and some increase in prices, I ask Senators, what will actual regulation bring? The answer must be still greater scarcity and, thus, still higher prices.

Mr. President, if the principle of Senate bill 1498 is defeated, the result will not be more gas to the consumer at less cost. It can only be less gas to the consumer at higher cost.

I make the statement, without fear of successful contradiction, that we never would even have heard of these slightly higher prices at the producer level if it had not been for those efforts to impose that restriction and that regulation, which would amount to confiscation.

If Senators doubt that making a reality of this threatened regulation will not result in less gas and higher prices, I call their attention to the situation today of the regulated companies.

The senior Senator from Pennsylvania [Mr. MYERS], my good friend, was concerned the other day about the fact that independent producers furnished 60 percent of the gas that moved in interstate commerce. He viewed with alarm the fact that they were providing more and more of the gas thus moving to the consumers in the North and East. He was astounded when the junior Senator from Oklahoma predicted that in the near future the independent producer would be providing 80 percent of all the gas moving in interstate commerce. The junior Senator from Illinois [Mr. DOUGLAS] has looked with alarm upon the fact that independent producers own more and more of the known gas reserves in the Nation.

Mr. President, that condition is as inevitable as the rising and the setting of the sun. The independent producer is unregulated and unrestricted, and therefore he has the incentive to look for and to find the gas reserves which abound in so many places in our great country in such vast abundance.

Senators were amazed when the junior Senator from Oklahoma made the statement, a little while ago, that today the independent producers own 93 percent of all of the known gas reserves in the Nation. Yet, Mr. President, these independent, unregulated gas producers have furnished and are furnishing ample gas wherever the facilities are available to deliver it, and they are doing so at half the cost to the consumer of any other fuel that is available to the consumer.

I ask Senators where many of our great consuming centers would be today if they had to depend upon regulated companies for their gas supplies. Where would this country be, as regards fuel, either in coal-strike season or out of coal-strike season, either without the gas from these independent, unregulated gas producers or if the country had to depend upon the regulated companies?

Will the supply of gas change? Mr. President, the regulated companies have not added to their reserves in 25 years. They have steadily depleted them, not replaced them. They have steadily lost ground in the comparative position of their ownership of reserves because they are regulated, because they have no incentive to find additional reserves. Who would look for reserves when, if they were found, those who found them would having nothing but the privilege of furnishing them at the cost only of doing so?

I referred a little while ago to the fact that in the last 10 years unregulated independent producers had drilled 65,000 wildcat wells in seeking additional oil and gas reserves in our Nation. During the same years, Mr. President, the regulated companies have drilled only about 100 wildcat wells. In other words, they have drilled, on the average, about 10 exploratory wells a year. Who would blame them, Mr. President? The record discloses that if they find gas under the regulations imposed upon them, they get nothing for it.

Mr. President, regulation creates scarcity. Restriction demands caution. A combination of the two, if imposed upon those who now are independent, would result in a poverty of new reserves that would be so manifest so quickly that it would appall the people of the Nation.

So, Mr. President, I repeat that the threat of such regulation by Mr. Olds and the advocates of his proposed, unauthorized, and unsound Federal regulation has been more responsible than any other factor for any increase in price at the producer level.

I say, Mr. President, that if we remove that threat by the passage of Senate bill 1498, there will be such an abundance of gas available from present reserves and from those that will be found that not only should the present price level to the consumer be maintained, but, in my opinion there would be every reason to expect even further reduction in the price to the consumer.

Mr. President, I want to show you just how fantastic the opponents' claims about price increases really are. Some are so reckless as to talk about increases in terms of hundreds of millions of dollars a year. The fact is that the total amount paid to all the independent producers in the Nation for all the gas they sell in interstate commerce is less than $75,000,000 a year. That is the gross amount they receive.

Mr. President, Senate bill 1498 does not change the price of any part of that gas. All the gas now going to consumers everywhere moves under contracts by which present prices are extended far into the future. So the mask is again stripped from such unsupported claims.

We were all very happy that the coal strike was settled the other day, but we are not unaware of what it cost. Frankly, I am glad the miners are back at work. I am glad they are getting a daily wage with which they are happy, but I am quite aware of the fact that the operators agreed to give them a wage increase of $105,000,000 a year, which the consumers of coal will pay. By the time that increase reaches the consumers, it will cost them more than $200,000,000 per year.

Yes, Mr. President, that one raise amounts to 50 percent more, in wages alone, than the total gross income of all natural-gas producers in the country for all the natural gas they sell in interstate commerce in any one year.

Mr. President, Leland Olds is gone. His dream of the socialization of a great industry died a-borning, but his memory lingers on in the efforts for unauthorized and unsound regulation. There are Senators who knowingly or unknowingly would resurrect his dream—his dream to confiscate through regulation, his dream to regulate without legislative authority.

To regulate or not to regulate—ah—Senators, that is the question. Whether to suffer the evils of that abundance with which we are surrounded, or to flee to that scarcity we know not of. Whether to insure the free and expanding flow of this best of all fuels into millions of more homes by leaving it free as it now is and ever has been, or to reach out that cold and paralyzing hand of strangling regulation to destroy the certainty of further growth and to sap the vitality of the present healthy service and supply.

As we contemplate these alternatives—and believe me, Mr. President, they are the ones with which we are confronted—I would remind Senators that you cannot regulate gas into interstate pipe lines. Ah, yes, you can regulate the pipe lines, but of what value are they without gas? No Senator has yet indicated that the Federal Power Commission has the authority to compel an independent producer to make a contract to sell his gas. No Senator has remotely suggested that the interstate pipe lines have any possible way of obtaining the gas which belongs to others without the free and willing consent and contract of such owners.

Mr. President, the OPA published certain prices on meat during the war, but more often than not the customer saw only the OPA price tag but no meat.

I have seen and heard a lot of self-styled champions of gas consumers these last weeks—newspaper columnists, radio commentators, municipal counselors, mayors, and others, but the trouble with these noble knights of tongue and pen is that they have never furnished the American housewife one cubic foot of cooking gas. Ah, they have generated a lot of heat, but not for the homes. They have

produced an abundance of gas, but the kind they have produced will not burn.

These eager advocates of regulation of gas production could help the housewife if they were sincere. They could either tell her the truth about the pending measure, or they could produce some natural gas and sell it to her. If they worked as hard to try to find and produce natural gas as they have in generating propaganda, which too often has been based on misinformation, they might have made some contribution.

They remind me of the story told by Abraham Lincoln of the little steamboat that used to ply its way up and down the Sangamon River. He related that it had a small boiler, but a big whistle. He was, however, compelled to the conclusion that it could only generate enough steam to run the boat or blow the whistle. He remarked, sadly, that when it ran it could not whistle, and when it whistled it could not run. And, Mr. President, when you spread propaganda you cannot produce, and when you produce you do not have to spread propaganda.

The American housewife will not be deceived by the efforts of opponents of this measure who, if they succeed, would bring about a condition where she would be able to buy less gas at a higher price. The American housewife knows that the unregulated independent gas producer for the past 25 years has protected her home and her children from the cold. She knows that this independent unregulated producer has furnished her with the best, the most convenient, and cheapest fuel she has ever known.

Mr. President, the American housewife knows that the gas moving from these unregulated independent producers to American homes has doubled, and then doubled again, and then doubled again, and that she is buying this gas cheaper today than ever before. She knows that every other necessity for her and her household has either doubled in price, or almost so, but that the independent unregulated gas producer has furnished this matchless fuel in such abundance that her purchase price is 12 percent less today than it was 12 years ago.

Mr. President, she knows that the unregulated independent gas producer has demonstrated by his record of service that he is her friend. She knows that all of the furor and confusion created by all of the opponents of this measure has not resulted in providing her with a single additional cubic foot of this finest fuel.

Mr. President, I believe that if she were here today to make the decision on the pending measure she would cast her vote in favor of the thousands of unregulated, individual, independent gas producers who have worked this miracle of the modern industrial age in which we live rather than in favor of all those noble but misguided crusaders for unauthorized unsound governmental regulation who, if successful, would provide her more regulations than she has ever known and less gas than she has ever had.

Mr. President, for the continuing benefit of natural-gas consumers everywhere, for the benefit of those across the land who want to become consumers, for the continued health and growth and freedom of the great natural-gas industry, for the finer development of our national economy, I urge the passage of S. 1498.

Mr. FULBRIGHT, Mr. KEM, and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. KERR. I was about to yield the floor, but I will yield to my friend from Arkansas.

Mr. FULBRIGHT. Mr. President, I only want to say that I congratulate the Senator from Oklahoma for one of the finest speeches on a very involved subject I have ever heard. I think he has made a great contribution to the understanding of the Senate and the people of the country on a very involved matter. I congratulate him.

Mr. KEM. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. KERR. The Senator from Oklahoma yields the floor.

The VICE PRESIDENT. The Senator from Oklahoma yields the floor.

EXHIBIT 1

Federal Power Commission—Certain contracts for the purchase of natural gas from independent producers in the Southwest

CITIES SERVICE GAS CO.

Vendor	Producing area	Date of contract	Term of contract, years	Renegotiation of price provided by contract	Escalator clause	Favored nations clause	Annual volume, Mcf, at 16.7#[1]	Initial contract price, at 16.7#-¢/Mcf[2]
Walker & Tyndale	Dilworth field, Oklahoma	July 29, 1915	No data		No data	No data	1,000	10.20
W. C. Calvert	Grobham field, Kansas	Nov. 15, 1921	Life of field		do	do	73,000	15.00
R. W. Uhl	Bartlesville field, Oklahoma	July 16, 1926	No data		do	do	34,000	10.20
Wilcox Oil Co	Marion field, Kansas	May 13, 1927	do		do	do	15,000	8.20
Atlantic Refining Co	Lyons field, Kansas	Feb. 16, 1937	do		do	do	9,000	3.05
C. R. Colpitt	Dilworth field, Oklahoma	Apr. 28, 1937	do		do	do	33,000	4.10
C. R. and T. S. Colpitt	Hogshooter field, Oklahoma	Aug. 15, 1938	do		do	do	7,000	6.10
Shell Oil Co., Inc	Lyons field, Kansas	May 6, 1939	Life of field		do	do	24,000	3.50
Do	Conningham field, Kansas	May 15, 1939	do		do	do	634,000	4.07
Atlantic Refining Co	Lyons field, Kansas	Dec. 7, 1940	No data		do	do	1,000	3.05
Skelly Oil Co	Orth field, Kansas	Apr. 16, 1941	Year to year	Annually	do	do	5,000	4.07
Ray Stephens, Inc	Cement field, Oklahoma	June 18, 1941	do	do	do	do	5,750,000	4.48
Kay County Gas Co	Dilworth field, Oklahoma	Oct. 10, 1941	No data		do	do	116,000	4.10
Shell Oil Co., Inc	Lucien field, Oklahoma	Feb. 23, 1942	do		do	do	144,000	5.10
Sagamore Oil & Gas Co	Gardner field, Kansas	Oct. 28, 1942	do		do	do	6,000	10.00
Danciger Oil & Refining Co	N. Lucien field, Oklahoma	Feb. 11, 1943	do		do	do	7,000	4.60
C. H. Parker and D. Ingling	Wolff field, Oklahoma	May 17, 1943	do		do	do	37,000	4.07
Texas, Skelly & Columbian	Guymon-Hugoton field, Kansas	Dec. 27, 1943	do		do	do	215,000	4.00
Anderson Prichard Oil Corp. et al	Borroum field, Oklahoma	Feb. 24, 1944	do		do	do	72,000	7.00
Magnolia Petroleum Co	Guymon-Hugoton field, Kansas	Apr. 26, 1944	do		do	do	81,000	4.07
Cabot Carbon Co	do	July 17, 1944	do		do	do	91,000	4.00
The Texas Co	do	July 27, 1944	do		do	do	74,000	4.00
Skelly Oil Co	Hugoton field, Oklahoma	Aug. 28, 1945	20		No	Yes	[2] 14,765,000	[2] 4.60
Republic Natural Gas Co	do	Feb. 28, 1946	20	1952	do	No	[2] 32,099,000	[2] 6.00
Stanolind Oil & Gas Co	do	June 13, 1946	20	1962	do	do	[2] 31,720,000	[2] 6.10
Magnolia Petroleum Co	do	June 17, 1946	20	1962	do	do	[2] 15,811,000	[2] 8.40
United Producing Co., United Carbon Co.	do	Mar. 12, 1948	No data	1958	do	do	[2] 11,830,000	[2] 8.70
Total							113,654,000	

EL PASO NATURAL GAS CO.

Phillips Petroleum Co	Eunice field, Texas	May 26, 1942, amended Oct. 13, 1945, Jan. 1, 1948, Oct. 27, 1948.	15		Yes	Yes	13,277,000	[2] 3.3
Do	Panhandle and Hugoton fields	Oct. 13, 1945	30	1960	do	No	58,600,000	5.6
	Fullerton, Goldsmith and Seminole fields, Texas.	Oct. 13, 1945, amended Oct. 27, 1948.	30	1960	do	Yes	26,052,000	[4]

[1] Volumes purchased as reported in 1948 annual report to Federal Power Commission.
[2] Average price paid in 1948 from annual report to Federal Power Commission.
[3] Estimated from data submitted to Federal Power Commission in certificate proceedings.
[4] Each ½ monthly volume 3.6 and 5.6.

Federal Power Commission—Certain contracts for the purchase of natural gas from independent producers in the Southwest—Continued

EL PASO NATURAL GAS—Continued

Vendor	Producing area	Date of contract	Term of contract, years	Renegotiation of price provided by contract	Escalator clause	Favored nations clause	Annual volume, Mcf, at 16.7#[1]	Initial contract price, at 16.7#-¢/Mcf[3]
Warren Petroleum Corp.	Monument field, Texas	Dec. 1, 1946, amended June 15, 1948.	Life of field	1961	Yes	Yes	15,770,000	[2] 3.3
Shell Oil Co.	Wheeler-TXL fields, Texas	Nov. 1, 1945	20	1962	do	No	14,338,000	5.6
Slaughter Field Producers group:	Slaughter field, Texas							
Atlantic Refining Co.		Mar. 27, 1947	30	1962	Yes	No	17,922,000	4.6
Devonian Oil Co.		Apr. 2, 1947						
Honolulu Oil Corp.		Jan. 28, 1947						
Magnolia Petroleum Co.		Dec. 18, 1946						
Mid-Continent Petroleum Corp.		Mar. 31, 1947						
Saltmount Co.		Mar. 29, 1947						
Stanolind Oil & Gas Co.		Mar. 28, 1947						
The Texas Co.		Apr. 5, 1947						
Texas and Pacific Coal & Oil Co.	Lea County, N. Mex.	Mar. 28, 1947	5 years and from month to month thereafter.		No	Yes	6,038,000	3.6
Gulf Oil Co.	Drinkard field, Texas	Oct. 3, 1947	20	1962	Yes	No	8,068,000	7.6
Magnolia Petroleum Co.	Dollarhide field, Texas	Dec. 4, 1947	10 with option for 5 more.	1952	do	do	[5] 5,379,000	2.0
Phillips Petroleum Co.	Eunice, Fullerton, Goldsmith, and Seminole fields, Texas.	Jan. 1, 1948	30	1968	do	do	26,052,000	5.64
Lion Oil Co.	Dollarhide field, Texas	Apr. 9, 1948	10 with 5 option	1952	do	do	([6])	2.0
Columbia Carbon Co.	Wasson, Denver, Bennett field, Texas.	May 21, 1948	20		No	No	6,093,000	5.6
Shell Oil Co. and Coltexo Corp.	do	do	20	1963	Yes	Yes	10,752,000	5.6
Union Oil Co.	Dollarhide field, Texas	Aug. 23, 1948	20	1963	do	do	([6])	5.6
Phillips Petroleum Co.	Crane field, Texas	Aug. 31, 1948	30	1968	do	do	4,885,000	5.3
Shell Oil Co.	Monahans field, Texas	Sept. 1, 1948	25	1963	do	do	5,379,000	5.6
Slick Urshel Oil Co.	Benedum field, Texas	Sept. 3, 1948	25	1963	do	do	14,337,000	7.6
Slick Oil Co.	Santa Rosa field, Texas	do	25	1963	do	do	6,500,000	7.6
Plymouth Oil Co.	Benedum field, Texas	Oct. 11, 1948	25	1963	do	do	21,506,000	7.6
Phillips Petroleum Co.	Panhandle and Hugoton field, Texas.	July 29, 1948	4		No	No	11,105,000	7.6
Total							272,053,000	

INTERSTATE NATURAL GAS CO.

Bond, J. B. et al.	Monroe field, Louisiana	Oct. 15, 1929	No data	No data	No data	No data	97,000	3.84
Stovall, Fred	do	Jan. 24, 1931	do	do	do	do	151,000	4.39
Louisiana Gas Lands, Inc.	do	July 15, 1931	do	do	do	do	160,000	3.89
Amerada Petroleum Corp. et al.	Raceland field, Louisiana	Apr. 13, 1935	do	do	do	do	914,000	5.21
Fohs Oil Co. et al.	Lake Long field, Louisiana	Nov. 1, 1939	do	do	do	do	2,528,000	4.59
Sugar Field Oil Co. Inc.	University field, Louisiana	Nov. 2, 1939	do	do	do	do	402,000	4.69
Helis, William et al.	do	Feb. 27, 1940	do	do	do	do	2,423,000	4.71
Humble Oil & Refining Co.	Lirette field, Louisiana	May 8, 1940	do	do	do	do	1,000	4.89
Tide Water Associated Oil Co. et al.	Raceland field, Louisiana	Oct. 28, 1940	do	do	do	do	134,000	5.16
Stanolind Oil & Gas Co.	Westwego Field, Louisiana	Dec. 10, 1942	do	do	do	do	176,000	5.24
Carter, Reese E.	do	May 14, 1943	do	do	do	do	216,000	5.19
Titanic Oil Co. et al.	do	Sept. 13, 1943	do	do	do	do	80,000	5.71
Echols, George H.	St. Gabriel field, Louisiana	Dec. 3, 1943	do	do	do	do	352,000	4.89
Shell Oil Co., Inc.	La Pice field, Louisiana	Dec. 28, 1944	do	do	do	do	211,000	4.91
Do.	Vixen field	Sept. 10, 1946	10	Sixth year	Yes	No	[2] 3,650,000	5.00
The Carter Oil Co.	Holly Ridge field	Dec. 30, 1948	5		No	do	[2] 3,327,000	4.70
Total							14,822,000	

NORTHERN NATURAL GAS CO.

Olney F. Flynn, et al.	Otis field, Kansas	Aug. 1, 1933	Life of wells	No data	No	No	31,000	5.0
Schermerhorn Oil Corp., et al.	do	Jan. 10, 1934	Indefinite	do	do	do	236,000	5.0
J. M. Huber Corp.	Panhandle field, Texas	Apr. 21, 1936	Terms of leases	do	do	do	1,939,000	4.0
Walter Kuhn, et al.	Hugoton field, Kansas	Oct. 12, 1938	Life of wells	do	do	do	257,000	4.0
Schermerhorn Oil Corp., et al.	Otis field, Kansas	Apr. 15, 1939	do	do	do	do	([7])	Sweet 5.0 / Sour 4.0
Stanolind Oil & Gas Co.	do	Apr. 27, 1939	do	do	do	do	53,000	Sweet 5.0 / Sour 4.0
Aylward Production Co. et al.	do	May 15, 1939	do	do	do	do	36,000	Sweet 5.0 / Sour 4.0
Olney F. Flynn et al.	do	May 16, 1939	do	do	do	do	276,000	Sweet 5.0 / Sour 4.0
Helmerich & Payne, Inc. et al.	do	May 15, 1939	do	do	do	do	77,000	Sweet 5.0 / Sour 4.0
Herndon Drilling Co. et al.	do	do	do	do	do	do	563,000	Sweet 5.0 / Sour 4.0
Moss Petroleum Co. et al.	do	do	do	do	do	do	93,000	Sweet 5.0 / Sour 4.0
E. L. Rabon et al.	do	do	do	do	do	do	267,000	Sweet 5.0 / Sour 4.0
Schermerhorn Oil Corp., et al.	do	do	do	do	do	do	77,000	Sweet 5.0 / Sour 4.0
Shell Oil Co., Inc.	do	Oct. 17, 1939	do	do	do	do	93,000	Sweet 5.0 / Sour 4.0
E. L. Rabon, et al.	do	Dec. 7, 1939	do	do	do	do	([8])	Sweet 5.0 / Sour 4.0

[1] Volumes purchased as reported in 1948 Annual Report to FPC.
[2] Estimated from data submitted to FPC in certificate proceedings.
[3] Average price paid in 1948 from annual report to FPC.
[4] Includes gas from Lion and Union Oil Cos. in Dollarhide field.
[5] Included in Magnolia Dollarhide contract.
[6] Included with contract of Jan. 10, 1934.
[7] Included with contract of May 15, 1939.

Federal Power Commission—Certain contracts for the purchase of natural gas from independent producers in the Southwest—Continued

NORTHERN NATURAL GAS CO.—continued

Vendor	Producing area	Date of contract	Term of contract, years	Renegotiation of price provided by contract	Escalator clause	Favored nations clause	Annual volume, Mcf, at 16.7#[1]	Initial contract price, at 16.7#-¢/Mcf[3]
White Eagle Oil Co	Hugoton field, Kansas	Jan. 4, 1940	Life of wells	No data	No	No	314,000	4.0
Fin-Ker Oil & Gas Products Co	do	Apr. 15, 1940	do	do	do	do	391,000	4.0
George H. Hannum, Inc	Otis field, Kansas	Apr. 25, 1940	do	do	do	do	111,000	{Sweet 5.0 Sour 4.0
R. G. Clay	do	Aug. 8, 1940	do	do	do	do	246,000	{Sweet 5.0 Sour 4.0
Fees & Hoyt	do	Sept. 5, 1940	do	do	do	do	175,000	{Sweet 5.0 Sour 4.0
Olney F. Flynn et al	do	Jan. 1, 1941	do	do	do	do	([5])	{Sweet 5.0 Sour 4.0
White Eagle Oil Co	Hugoton field, Kansas	March 12, 1942	do	do	do	do	([6])	4.0
United Producing Co., Inc	do	Aug. 25, 1943	do	do	do	do	86,000	4.0
G. J. Neuner et al	do	May 19, 1944	do	do	do	do	318,000	4.0
Derby Oil Co. et al	do	July 25, 1944	do	do	do	do	1,670,000	4.0
Alf M. Landon et al	do	Oct. 17, 1944	do	do	do	do	259,000	4.0
O. H. Parker et al	do	Dec. 20, 1944	do	do	do	do	208,000	4.0
Republic Natural Gas Co	do	Sept. 13, 1945	20 years and there after as long as gas is available.		do	do	[2] 16,883,000	5.35
Do	do	Dec. 21, 1945	do	1951	Yes	do	[2] 34,733,000	6.11
Shamrock Oil & Gas Corp	Hugoton field, Texas	July 30, 1946	As long as commercial delivery is possible.	1967	do	do	[2] 10,968,000	6.11
Cities Service Oil Co	Hugoton field, Kansas	Feb. 18, 1947	do	1962	do	do	[2] 4,946,000	6.62
Hagy, Harrington & Marsh	Panhandle field, Oklahoma	Sept. 1, 1947	Indefinite		No	do	[2] 21,506,000	5.35
Plains Natural Gas Co	Hugoton field, Kansas	Sept. 15, 1949	Life of commercial production.	1960	Yes	do	[2] 28,580,000	10.7
Shamrock Oil & Gas Co. et al	Panhandle and Hugoton fields, Texas.	Sept. 26, 1949	20		do	do	[2] 10,147,000	9.1
Shamrock Oil & Gas Co	do	do	20		do	do	[2] 8,249,000	9.1
Total							143,788,000	

PANHANDLE EASTERN PIPE LINE CO.

Navajo Natural Gas Co	Panhandle area, Carson County, Tex.	Aug. 4, 1930	Indefinite [4]	No data	No	No	1,235,000	3.56
W. L. Sidwell et al	Hugoton area, Stevens County, Kans.	July 16, 1931	do.[4]	do	do	Yes	78,000	5.09
Do	Hugoton area, Morton County, Kans.	do	No data	do	do	do	93,000	5.09
Kinney-Coastal Oil Co	Hugoton area, Stevens County, Kans.	Mar. 4, 1933	Commercial production.	do	do	No	106,000	4.07
J. M. Huber Corp	Panhandle area, Carson County, Tex.	Sept. 21, 1935	Indefinite [4]	do	Yes	Yes	3,327,000	3.56
Northern Natural Gas Co	Panhandle area, Moore County, Tex.	Sept. 27, 1935	To Mar. 27, 1950	do	No	No	157,000	3.56
Do	Panhandle area, Carson County, Tex.	do	do	do	do	do	150,000	3.56
Phillips Petroleum Co	Panhandle area, Moore County, Tex.	July 12, 1936	15 years from Nov. 25, 1936.	do	do	do	473,000	3.56
Benedum-Trees Oil Co	Hugoton area, Stevens County, Kans.	July 20, 1936	Indefinite [4]	do	do	do	443,000	4.07
Pioneer Petroleum Co	do	do	do.[4]	do	Yes	do	520,000	4.07
Benedum-Trees Oil Co	do	Sept. 16, 1936	do.[4]	do	No	do	304,000	4.07
United Producing Co	Hugoton area, Grant and Stevens Counties, Kans.	Sept. 17, 1936, and Apr. 23, 1937.	do.[4]	do	do	do	1,811,000	4.07
Stevens County Oil & Gas Co. et al	Hugoton area, Stevens County, Kans.	Sept. 18, 1936	do.[4]	do	Yes	do	153,000	4.58
Phillips Petroleum Co	Panhandle area, Moore County, Tex.	Oct. 30, 1936	do.[4]	do	No	do	425,000	2.55
Do	do	Nov. 27, 1936	do.[4]	do	do	do	944,000	3.56
Kuhn Bros	Hugoton area, Stevens County, Kans.	Dec. 8, 1936	do	do	do	do	147,000	4.07
Stevens County Oil & Gas Co. et al	do	Jan. 4, 1937	do	do	Yes	do	488,000	4.58
Phillips Petroleum Co	Panhandle area, Moore County, Tex.	Feb. 1, 1937	do	do	do	Yes	420,000	3.63
Do	do	do	do	do	do	do	8,605,000	3.63
Columbian Fuel Corp	Hugoton area, Grant County, Kans.	Mar. 24, 1937	do	do	No	No	1,724,000	4.07
Kuhn Bros	Hugoton area, Morton County, Kans.	Apr. 7, 1937	do.[4]	do	do	do	158,000	4.07
Do	Hugoton area, Stevens County, Kans.	June 11, 1937	do.[4]	do	do	do	151,000	4.07
Do	do	do	do.[4]	do	do	do	147,000	4.07
Parish et al	Hugoton area, Grant County, Kans.	July 7, 1937	No data	do	No data	No data	619,000	4.00
R. K. Wilson	do	do	Indefinite [4]	do	No	No	684,000	4.07
M. J. Sullivan	do	July 23, 1937	do	do	do	do	105,000	4.07
Saturn Oil & Gas Co., Inc	Hugoton area, Morton, Grant, and Stevens Counties, Kans.	July 27, 1937	No data	do	No data	No data	3,049,000	5.00
Do	Hugoton area, Stevens County, Kans.	Aug. 4, 1937	do	do	do	do	44,000	4.97
Kuhn Bros	do	Aug. 9, 1937	Indefinite [4]	do	No	No	393,000	4.07
Stevens County Oil & Gas Co. et al	do	Sept. 10, 1937	do.[4]	do	Yes	do	373,000	4.58
Do	do	Apr. 6, 1938	do.[4]	do	do	do	128,000	4.58
Do	do	July 12, 1938	do.[4]	do	do	do	110,000	4.58
Do	do	Mar. 4, 1939	do.[4]	do	do	do	274,000	4.58
Do	do	Apr. 25, 1940	do.[4]	do	do	do	299,000	4.58
Do	do	Apr. 22, 1941	do.[4]	do	do	do	448,000	4.58

[1] Volumes purchased as reported in 1948 Annual Report to FPC.
[2] Estimated from data submitted to FPC in certificate proceedings.
[3] Average price paid in 1948 from annual report to FPC in certificate proceedings.
[4] Term of contract dependent upon term of lease by producer and any renewals thereof.
[5] Included with contract of May 15, 1939.
[6] Included with contract of Jan. 4, 1940.

Federal Power Commission—Certain contracts for the purchase of natural gas from independent producers in the Southwest—Continued

PANHANDLE EASTERN PIPE LINE CO.—continued

Vendor	Producing area	Date of contract	Term of contract, years	Renegotiation of price provided by contract	Escalator clause	Favored nations clause	Annual volume, Mcf, at 16.7# [1]	Initial contract price, at 16.7# ¢/Mcf [3]
Phillips Petroleum Co	Panhandle area, Moore County, Tex.	Apr. 5, 1943	20 years from Mar. 1, 1944.	No date	No	No	17,988,000	4.07
Do	Hugoton area, Texas County, Okla.	do	do	do	do	do	35,578,000	4.07
Dunne-Hoffman	Hugoton area, Stevens County, Kans.	Nov. 5, 1943	10 years	do	do	do	599,000	4.07
White Eagle Oil Co	Hugoton area, Seward County, Kans.	May 31, 1944	Duration of war and 6 months.	do	do	do	67,000	4.07
Kinney, Coastal Oil Co.: Howard Kuhn & Walter Kuhn.	Hugoton area, Stevens County, Kans.	June 13, 1944	do	do	do	do	160,000	4.07
Royalty Depositor Corp	Hugoton area, Grant County Kans.	Aug. 2, 1944	do	do	do	do	419,000	4.07
Stevens County Oil & Gas Co. et al.	Hugoton area, Stevens County, Kans.	Oct. 23, 1944	Indefinite [4]	do	Yes	do	751,000	4.58
Shamrock Oil & Gas Corp	Panhandle area, Panhandle field, Texas.	Dec. 28, 1945	Life of field	Sixteenth year	do	Yes	[2] 21,506,000	5.35
Total							105,653,000	

PIEDMONT NATURAL GAS CORP.

Clairborne Gasoline Co	Dubach area, north Louisiana	Dec. 30, 1949	20 and thereafter for life of fields.	Twentieth year.	Yes	Yes	[12]	10.0
Crescent Production Co	do	do	do	do	do	do	[12]	10.0
Southwest National Producing Co.	do	Jan. 17, 1950	do	do	do	do	[12]	10.0
Lyons & Prentiss	do	Jan. 24, 1950	do	do	do	do	[12]	10.0
Sun Oil Co. (originally Texas Illinois Natural Gas Pipeline Co. was purchaser but contract was subsequently assigned to Piedmont).	Oyster Bayou, Willow Slough, Fig Ridge, Seabreeze, Hankamer, North Big Hill, North Winnie-Stowell and La Belle fields, in east Texas.	Jan. 25, 1950; assigned to Piedmont Feb. 8, 1950.	20	Sixteenth year.	do	do	23,725,000	10.25
American Republics Corp	East Village Mills, Beech Creek, East Beech Creek, Ramers Island, Spurger fields in East Texas.	Jan. 30, 1950	20 and thereafter for life of fields.	Twentieth year.	do	do	4,380,000	10.50
Stanolind Oil & Gas Co	East Haynesville, La	Feb. 2, 1950	20 and thereafter at seller's option.	do	do	do	3,650,000	10.0
Southwest Gas Producing Co., W. C. Feazel, et al.	North Ruston, Unionville, D'Arbonne, Bernice fields, Louisiana.	Feb. 7, 1950	20 and year to year thereafter.	do	do	do	7,300,000	10.0
M. A. Halsey, Skelly Oil Co., et al.	Athens field, Louisiana	Feb. 13, 1950	19 and thereafter at seller's option.	Nineteenth year.	do	do	10,950,000	10.0
Hunt Oil Co	East Haynesville, La	Feb. 17, 1950	20 and thereafter at seller's option.	Twentieth year.	do	do	14,600,000	10.0
Total							64,605,000	

TENNESSEE GAS TRANSMISSION CO.

Western Natural Gas Co	San Salvador field, Texas Gulf coast, Texas.	Mar. 1, 1949	25	Sixteenth year.	Yes	No	14,600,000	4.0
Do	do	June 30, 1944	20	No data	do	do	1,420,000	5.0
The Ohio Oil Co	Nada field, Texas Gulf coast, Texas.	Nov. 26, 1945	5	do	do	do	3,650,000	5.0
Stanolind Oil & Gas Co	Riverside-O'Neil field, Texas Gulf coast, Texas.	Nov. 30, 1945	5	do	do	do	3,650,000	5.0
Magnolia Petroleum Co. et al	Seeligson field, Texas Gulf coast, Texas.	Mar. 21, 1946	20	Sixteenth year.	do	do	27,740,000	3.78
Humble Oil & Refining Co. and H. R. Cullen et al.	Tom O'Connor field, Texas Gulf coast, Texas.	Apr. 3, 1946	5	No data	do	do	14,600,000	4.0
Stanolind Oil & Gas Co	La Rosa field, Texas Gulf coast, Texas.	Apr. 9, 1946	15	do	do	do	5,475,000	4.0
Magnolia Petroleum Co., Sun Oil Co., Stanolind Oil & Gas Co., Amerada Petroleum Corp., Atlantic Royalty Corp., Seaboard Oil Co., Delaware, Fidelity Oil & Royalty Co., Mound Co. and R. A. Welch.	Chesterville area, Texas Gulf coast, Texas.	Dec. 1, 1946	20	Sixteenth year.	do	do	5,475,000	5.0
Stanolind Oil & Gas Co., Continental Oil Co., Glassell & Glassell, Delta Drilling Co., Rogers Lacy, Inc., Robert K. Crain and Warren Petroleum Co.	Carthage field, north Louisiana-east Texas.	Feb 21, 1947	20	do	do	do	11,315,000	5.5
Glassell & Glassell	do	do	20	do	do	do	19,345,000	5.5
Sinclair Prairie Oil Co	Freisburg and New Ulm areas Texas Gulf coast, Texas.	May 27, 1948	20	No data	do	do	9,125,000	5.0
Skelly Oil Co	Bay City field, Texas Gulf coast, Texas.	June 28, 1948	20	Eleventh year.	do	do	5,110,000	6.0
Stanolind Oil & Gas Co., Skelly Oil Co., Tide Water Associated Oil Co.	East Bay City field, Texas Gulf coast, Texas.	July 15, 1948	20	do	do	do	12,775,000	6.0
L. M. Lockhart	Agua Dulce field, Texas Gulf coast, Texas.	July 22, 1948	20	Twelfth year.	do	do	7,300,000	5.0
Skelly Oil Co	Logansport field, Texas Gulf coast, Texas.	Dec. 30, 1948	20	do	do	do	9,490,000	6.5
C. V. Lyman	Bentonville area, Texas Gulf coast, Texas.	Jan. 1, 1949	25	Seventeenth year.	do	do	5,475,000	5.0
Barnsdall Oil Co	Placedo, McFaddin, N. McFaddin, Heyser fields, Texas Gulf coast, Texas.	do	20	Sixth year	do	do	21,535,000	6.0
Nueces Corp	Agua Dulce field, Texas Gulf coast, Texas.	Jan. 14, 1949	20	Twelfth year.	do	do	3,650,000	5.0
D. H. Perry et al	Brayton and Agua Dulce field, Texas Gulf coast, Texas.	do	20	Seventh year.	do	do	7,300,000	5.0

[1] Volumes purchased as reported in 1948 annual report to FPC.
[2] Estimated from data submitted to FPC in certificate proceedings.
[3] Average price paid in 1948 from annual report to Federal Power Commission.
[4] Term of contract dependent upon term of lease by producer and any renewals thereof.
[12] Not stated.

Federal Power Commission—Certain contracts for the purchase of natural gas from independent producers in the Southwest—Continued

TENNESSEE GAS TRANSMISSION CO.—continued

Vendor	Producing area	Date of contract	Term of contract, years	Renegotiation of price provided by contract	Escalator clause	Favored nations clause	Annual volume, Mcf, at 15.7#[1]	Initial contract price, at 16.7#-¢/Mcf[2]
Chicago Corp., Sohio Petroleum Co., and Baldridge & King, Inc.	Los Indios and Reforma fields, Texas Gulf coast, Texas.	Feb. 1, 1949	20	Eleventh year.	Yes	No	12,045,000	6.0
N. C. Ginther, Howard C. Warren, W. L. Ginther, Atlatl Royalty Corp., and A. H. Rowan and C. L. Rowan, Individuals, and Asco-Partners.	Sarco Creek area, Texas Gulf coast, Texas.	Mar. 1, 1949	20	No data	do	do	3,650,000	6.0
Blanco Oil Co. and A. A. Buchanan	Heyser field, Texas Gulf coast, Texas.	Mar. 7, 1949	20	do	do	do	9,125,000	6.0
Humble Oil & Refining Co., et al	do	Mar. 11, 1949	5	do	do	do	21,900,000	4.0
Floyd L. Karsten, Morris Ranch, Louis Pulaski, Harry Pulaski, J. B. Ferguson, D. E. Christy, and W. Stewart Boyle.	Blue Basin, Duboval, Reitz, Twin Basin and West Withers areas, Texas Gulf coast, Texas.	Mar. 16, 1949	20	16½ years	do	Yes	4,475,000	5.0
Barnsdall Oil Co. and Murchison & Co., Inc.	Premont field, Texas Gulf coast, Texas.	Apr. 15, 1949	20	Nov. 1, 1959	do	do	7,665,000	4.0
Ralph E. Fair, Inc.; Ralph E. Fair & Jack Woodward, Inc.	Premont W., Magnolia City, and Government Wells field areas, Texas Gulf coast, Texas.	Apr. 18, 1949	20	No data	do	do	9,125,000	4.0
Falcon-Seaboard Drill Co. and Charles G. Dunwoody, Jr.	Heyser field, Texas Gulf coast, Texas.	Apr. 22, 1949	20	do	do	do	9,125,000	6.0
Sohio Petroleum Co	Sohio's interests in Calcasieu, Jefferson Davis, Acadia, Lafayette, Vermillion, and Cameron Parishes, south Louisiana.	May 2, 1949	20	do	do	do	27,375,000	9.25
Atlantic Refining Co	North Minnie Bock field, Nueces, Tex.	Oct. 14, 1949	20	do	do	do	3,500,000	4.39
Total							374,275,000	

TEXAS EASTERN TRANSMISSION CORP.

D. E. & R. J. Whelan	Whelan Field, north Louisiana-East Texas.	June 13, 1947	15		No	No	16,241,000	8.0
Atlantic Refining Co	Jefferson-Rodessa Field, north Louisiana-East Texas.	June 30, 1947	5		do	do	3,762,000	6.5
P. H. Pewitt	do	July 7, 1947	15		Yes	do	7,162,000	7.5
Chicago Corp	Carthage Field, north Louisiana-East Texas.	July 25, 1947	5		No	do	16,980,000	6.5
H. L. Hunt	Whelan Field, north Louisiana-East Texas.	Aug. 7, 1947	20		do	do	24,645,000	8.0
Do	Lucky Field, north Louisiana-East Texas.	do	20		do	do	19,102,000	8.0
Hassie Hunt Trust	Lisbon field, north Louisiana-east Texas.	do	20		do	do	9,337,000	8.0
Southwest Gas Producing Co. et al.	Hico-Dubach field, north Louisiana east Texas.	Sept. 13, 1947	20		Yes	Yes	21,225,000	7.5
La Gloria Corp	Waskom field, north Louisiana-east Texas.	Sept. 22, 1947	20		do	do	10,188,000	7.5
California Corp	Hico-Knowles field, north Louisiana-east Texas.	Sept. 24, 1947	20		do	do	21,225,000	7.5
American Republic Corp	Silsbee field, Texas Gulf coast	Apr. 12, 1948	20		do	No	10,612,000	7.5
Sun Oil Co	Delhi and Big Creek fields, north Louisiana-east Texas.	Apr. 15, 1948	20		do	Yes	6,367,000	6.0
Stanolind Oil & Gas Co	Hastings and Turtle Bay fields, Texas Gulf coast.	Apr. 29, 1948	20		do	do	10,612,000	7.5
Sun Oil Co	N. Winnie & Gilbert Ranch fields, Texas Gulf coast.	May 19, 1948	20		do	No	10,612,000	7.5
C. H. Murphy, Sr	Bryceland field, north Louisiana-East Texas.	June 1, 1948	20		do	Yes	1,163,000	7.5
Lion Oil Co	do	do	20		do	do	2,326,000	7.5
Shell Oil Co	Sheridan field, Texas Gulf coast	June 18, 1948	20		do	do	26,531,000	7.5
Stanolind Oil & Gas Co	Lisbon field, north Louisiana-East Texas.	Dec. 2, 1948	20		do	do	3,820,000	7.5
Total							221,910,000	

TRANSCONTINENTAL GAS PIPE LINE CORP.

Rogers Lacy et al	Lacy field, Texas	Aug. 29, 1947, amended Dec. 3, 1949.	20		Yes	Yes	7,300,000	7.0
LaGloria Corp	LaGloria field, Texas	Sept. 12, 1947, amended May 3, 1949.	20		do	do	19,345,000	7.0
Western Natural Gas Corp	Goebel, Mission Valley, Thomaston, and St. Charles, Tex.	Sept. 12, 1947	20	1965	do	do	10,950,000	5.0
Sun Oil Co. et al	Sun, North Sun, North Rincon, Garcia, Cortez, Yturria, Guerra, and Lockhart fields, Texas.	Sept. 24, 1947, amended Sept. 26, 1949.	20		do	do	8,463,000	7.0
Do	North Markham and Bay City fields, Texas.	Apr. 30, 1948	20	1965	do	do	21,900,000	8.5
Do	Egan field, Louisiana	do	20	1965	do	do	9,125,000	8.5
Union Oil Co. et al	East White Lake, West White Lake, Tigre Lagoon, Vinton, and Fresh Water Bayou fields, Louisiana.	May 8, 1948, amended Apr. 23, 1949.	20	1962	do	do	23,075,000	8.5
Stanolind Oil & Gas Co	Greta field, Texas	Nov. 1, 1949	20		do	do	7,366,000	7.0
Continental Oil Co	Live Oak County, Tex	Nov. 5, 1949	20		do	do	7,205,000	7.0
Stanolind Oil & Gas Co	do	Dec. 1, 1949	20		do	do	4,161,000	7.0
Total							118,890,000	

[1] Volumes purchased as reported in 1948 annual report to Federal Power Commission.
[2] Average price paid in 1948 from annual report to Federal Power Commission.

Federal Power Commission—Certain contracts for the purchase of natural gas from independent producers in the Southwest— Continued

TRUNKLINE GAS SUPPLY CO.

Vendor	Producing area	Date of contract	Term of contract, years	Renegotiation of price provided by contract	Escalator clause	Favored nations clause	Annual volume, Mcf, at 16.7# [1]	Initial contract price, at 16.7# ¢/Mcf [2]
Phillips Petroleum Co. and Kerr-McGee Oil Industries.	Spider field, Texas	May 26, 1948	25	1973	Yes	Yes	6,207,000	8.5
Superior Oil Co	Lakeside, Grand Lake and Pecan Lake fields, Texas.	June 11, 1948	20	1960	do	do	23,334,000	9.0
Grubb & Hawkins	do	Aug. 2, 1948	20	1960	do	do	5,911,000	9.0
Phillips Petroleum Co	Chocolate Bayou field, Texas	Sept. 13, 1948	25	1973	do	do	12,384,000	8.5
Superior Oil Co	Lake Creek, Pinehurst and Altair fields, Texas.	Jan. 19, 1949	20	1960	do	do	6,870,000	9.0
Cities Service Oil Co., J. B. Stoddard, Ralph E. Fair, and Butcher-Arthur, Inc.	Ramsey and Columbus fields, Texas.	Jan. 26, 1949	20	1960	do	do	5,939,000	9.0
Total							60,645,000	

UNITED GAS PIPE LINE CO.

Fohs Oil Co. et al	Bay Baptiste, La	Original; Nov. 1, 1939, amended.	10 years; No data	July 1, 1950; Thereafter	Yes; No	No; do	[1] 732,000	4.5
Do	Lake Long, La	Nov. 1, 1939	10 years	July 1, 1950	Yes	do	[1] 5,299,000	4.0
Do	DeLarge, La	Original; Nov. 1, 1939, amended.	do; do	do; Feb. 7, 1951	do; No	do; do	[1] 988,000	4.0
Humble Oil & Refining Co	Lirette, La	May 8, 1940	do	May 8, 1950	Yes	do	[1] 13,014,000	3.0
Do	do [5]	July 17, 1941	do	June 30, 1950	No	do	([10])	3.0
Union Producing Co	Gibson, La	Original; Dec. 23, 1941, amended.	do; do	do; do	do; do	do; do	[1] 3,917,000	4.0
Stanolind Oil & Gas Co	Westwego, La	Dec. 11, 1942	7 years	do	Yes	do	[1] 368,000	4.0
Reese E. Carter et al	Westwego, La	May 14, 1943	do	do	do	Yes	[1] 670,000	4.0
Titanic Oil Co	do	Aug. 13, 1943	do	do	do	No	[1] 247,000	4.0
Fohs Oil Co. et al	DeLarge, La	Original; Jan. 13, 1943, amended.	do; 10 years	do; July 1, 1960	do; No	do; do	[1] 988,000	4.0
Mikton Oil Co	Lafourche Crossing, La	Jan. 15, 1943	7 years	June 30, 1950	Yes	do	[1] 1,547,000	4.0
Shell Oil Co	South Houma, La	Original; Jan. 10, 1944, amended.	6 years; 10 years	do; June 30, 1960	do; No	do; do	[1] 399,000	4.0
Grubb & Hawkins	Lafourche Crossing, La	Mar. 15, 1944	6 years	June 30, 1950	Yes	do	[1] 289,000	4.0
Interstate Natural Gas Co	University, La	May 26, 1944	14 years	Feb. 28, 1958	([11])	([11])		
Shell Oil Co. et al	Gibson, La	Original; Oct. 5, 1944, amended.	5 years; 10 years	June 30, 1950; June 30, 1960	Yes; No	No; do	[1] 4,557,000	4.0
Shell Oil Co	LaPice, La	Dec. 28, 1944	14 years	Aug. 26, 1958	do	do	([12])	6.0
Phillips Petroleum Co	Pettus area, Texas	Mar. 15, 1945	No data	No data	No	No	[2] 243,000	3.0
Amerada Petroleum Corp. et al	Raceland, La	Apr. 3, 1945	5 years	July 1, 1950	Yes	do	([12])	3.0
Falcon Seaboard	East Gibson, La	Original; Apr. 9, 1945 amended.	do; 10 years	June 30, 1950; July 1, 1961	do; do	do; do	[1] 361,000	4.0
Magnolia Petroleum Co	Lisbon field, Louisiana	May 14, 1945	5 years	No data	No	None	[1] 680,000	3.0
Republic Natural Gas Co	Willaman field, Texas	Dec. 11, 1945	do	do	do	do	[1] 135,000	3.0
Humble Oil & Refining Co	Paradis, La	May 23, 1945	do	July 1, 1950	Yes	do	([12])	4.0
Sun Oil Co	East Gibson, La	Nov. 1, 1945	do	June 30, 1950	do	do	[1] 629,000	4.0
Phillips Petroleum Co	Carthage Field, La	Feb. 1, 1946	No data	No data	No	do	2,144,000	4.0
Union Oil Co. of California	Houma, La	Apr. 2, 1946	5 years	July 11, 1952	Yes	do	[1] 3,623,000	4.0
Gulf Oil Corp	McFaddin-Edna Area, Tex	Apr. 3, 1946	No data	No data	No	do	[1] 1,244,000	3.0
Humble Oil & Refining Co	St. James, La. (College Point)	May 7, 1946	5 years	Jan. 11, 1951	Yes	do	[1] 4,397,000	4.0
Do	Good Hope, La	do	do	Nov. 1, 1951	No	do	[1] 442,000	5.0
California Co	Barataria Area, La	June 14, 1946	10 years	Oct. 1, 1957	Yes	do	[1] 4,292,000	4.5
Pure Oil Co	Good Hope, La	July 22, 1946	7 years	Aug. 26, 1953	No	do	[1] 154,000	5.0
Magnolia Petroleum Co	Southwest District, La	Sept. 9, 1946		No data	do	do	[2] 1,161,000	4.0
Stanolind Oil & Gas Co	do	Oct. 18, 1946		do	do	do	[2] 1,941,000	3.0
Gravis & Mitchell	St. Gabriel, La	Dec. 4, 1948	5 years	Dec. 4, 1953	do	do	([12])	5.0
Joe W. Brown	Valentine, La	Dec. 22, 1947	10 years	Mar. 26, 1958	do	do	[1] 635,000	5.0
Humble Oil & Refining Co	Lirette, La	Dec. 28, 1948	8 years	July 1, 1958	do	do	([12])	10.0
Roussell & Bateman	Lake Long, La	Mar. 7, 1949	10 years	Mar. 7, 1960	Yes	do	([12])	6.0
Magnolia Petroleum Co	Mud Lake, East Mud Lake, Holly Beach, and Cameron Meddows fields.	Mar. 31, 1949	do	Mar. 31, 1959	do	do	[1] 36,500,000	9.0
South Shore Oil Co	Raceland, La	June 16, 1949	do	July 1, 1960	do	do	[1] 416,000	6.0
Gulf Refining Co	Grand Lake, La	Aug. 31, 1949	20 years	Jan. 1, 1971	do	do	([12])	7.0
Do	Lake Hermitage, La	do	do	do	do	do	[2] 5,840,000	7.0
Do	Quarantine Bay, La	do	do	do	do	do	[2] 7,300,000	7.0
Do	Venice, La	do	do	do	do	do	[2] 4,740,000	7.0
Do	West Bay, La	do	do	do	do	do	[2] 4,740,000	7.0
Tidewater Associated Oil Co	Venice, La	Sept. 27, 1949	do	do	do	do	[2] 5,470,000	7.0
Do	West Bay, La	do	do	do	do	do	[2] 4,740,000	7.0
Texas Gulf Producing Co	DeLarge, La	Oct. 21, 1949	10 years	July 1, 1960	No	do	([12])	10.0
Do	Lake Long, La	do	do	do	do	do	([12])	10.0
Total							124,842,000	

COLORADO INTERSTATE GAS CO.

Cities Service Oil Co	Hugoton field, Kansas	Mar. 15, 1947	20	Sixteenth year.	Yes	No	5,230,000	6.1
White Eagle Oil Co	do	Apr. 2, 1947	20	do	do	do	6,000,000	6.1
Total							11,230,000	

[1] Volume purchased as reported in 1948 annual report to Federal Power Commission.
[2] Estimated from data submitted to Federal Power Commission in certificate proceedings.
[3] Average price paid in 1948 from annual report to Federal Power Commission.
[5] Extended by contract on p. 2.
[10] Included in above.
[11] Joint operating agreement.
[12] No data.

Federal Power Commission—Certain contracts for the purchase of natural gas from independent producers in the Southwest—Continued

KANSAS POWER & LIGHT CO.

Vendor	Producing area	Date of contract	Term of contract, years	Renegotiation of price provided by contract	Escalator clause	Favored nations clause	Annual volume, Mcf, at 16.7# [1]	Initial contract price, at 16.7# ¢/Mcf [2]
Hugoton Production Co	Hugoton field, Kansas	Oct. 18, 1948	15	Sixth year	Yes	No	18,450,000	13.4

MICHIGAN-WISCONSIN PIPE LINE CO.

Phillips Petroleum Corp	Hugoton field, Texas	Dec. 11, 1945, amended Aug. 9, 1948, Dec. 1, 1949.	Life of dedicated acreage.	1964	Yes	No	70,439,000	8.7
Do	Stratford acreage, Hugoton field, Texas.	Dec. 1, 1949	20	1965	do	do	16,009,000	10.24
Do	Below sea level acreage, Hugoton field, Texas.	do	Life of dedicated acreage.	1965	do	do	23,373,000	12.3
Total							109,821,000	

NATURAL GAS PIPE LINE CO.

Harrington & Marsh et al	Hugoton field, Texas	Dec. 1, 1946	To Jan. 1, 1965	No	Yes	No	27,240,000	6.1
Shamrock Oil & Gas Corp	Panhandle field, Texas	Dec. 2, 1946	do	do	do	do	8,838,000	6.1
Total							36,078,000	

SOUTHERN NATURAL GAS CO.

Paul H. Pewitt	Logansport-Joaquin field, Texas	Oct. 1, 1941	30	No	No	No	462,000	4.0
Do	do	do	30	do	do	do	2,248,000	4.0
John O. Harmon	Spider field	June 20, 1947	15	do	do	do	8,220,000	7.0
Phillips Petroleum Co. and Kerr-McGee Oil Industries, Inc.	do	Dec. 26, 1947	5	do	do	do	395,000	6.0
Total							11,325,000	

TEXAS GAS TRANSMISSION CORP.

Continental Oil Co., et al	West Carthage field, Texas	June 3, 1948	20	First	Yes	Yes	7,300,000	7.5
Do	East Carthage field, Texas	do	20	do	do	do	16,419,000	7.5
Total							23,719,000	

TEXAS ILLINOIS NATURAL GAS PIPELINE CO.

Magnolia Petroleum Co., et al	Old Ocean field, Texas	Jan. 23, 1950	20	Sixteenth year	Yes	Yes	36,500,000	11.0
Argo Oil Corp., et al	La Gloria field, Texas	Jan. 25, 1950	20	do	do	do	27,200,000	8.5
La Gloria Corp	do	Feb. 14, 1950	20	do	do	do	12,200,000	8.5
Total							75,900,000	

[1] Volumes purchased as reported in 1948 Annual Report to FPC.
[2] Average price paid in 1948 from annual report to Federal Power Commission.

COTTON AND PEANUT ACREAGE ALLOTMENTS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

The VICE PRESIDENT. The question before the Senate now is on agreeing to the motion to reconsider the vote by which the Senate agreed to the conference report on House Joint Resolution 398.

Mr. O'CONOR. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Chavez	Ferguson
Anderson	Connally	Flanders
Benton	Cordon	Frear
Bridges	Darby	Fulbright
Butler	Donnell	George
Byrd	Douglas	Gillette
Cain	Dworshak	Green
Chapman	Ellender	Hayden
Hendrickson	McFarland	Schoeppel
Hill	McKellar	Smith, Maine
Hoey	McMahon	Smith, N. J.
Holland	Magnuson	Sparkman
Hunt	Malone	Stennis
Ives	Martin	Taft
Johnson, Colo.	Millikin	Taylor
Johnson, Tex.	Morse	Thomas, Okla.
Johnston, S. C.	Mundt	Thye
Kefauver	Murray	Tobey
Kem	Myers	Tydings
Kerr	Neely	Watkins
Kilgore	O'Conor	Wherry
Knowland	O'Mahoney	Wiley
Lehman	Robertson	Williams
Long	Russell	Withers
McClellan	Saltonstall	Young

The VICE PRESIDENT. A quorum is present.

Mr. WHERRY. Mr. President, may I inquire of the acting majority leader whether it is his intention to move that the Senate take a recess immediately after the pending business has been taken care of, or whether the Senate will remain in session so that those Senators who are interested in the natural-gas bill may propound questions to the distinguished Senator from Oklahoma?

Mr. MYERS. I can assure the minority leader that I have no intention of recessing the Senate immediately after the vote on the motion to reconsider. I understand that some Senators desire to question the Senator from Oklahoma, and I further understand that he has advised them that he is willing to remain to engage in the debate with them.

Mr. KERR. Mr. President, I shall be delighted to remain.

The VICE PRESIDENT. The Chair might suggest that Senators who have the floor have no right to ask questions of other Senators except by unanimous consent.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. KEM. Mr. President, several times during the eloquent address which the Senator from Oklahoma has just completed I asked him to yield for a question, and he replied that he would be glad to yield at the conclusion of his prepared address. Several days ago I took the time of the Senate to express the views I hold, and at the conclusion of my prepared address the Senator from Oklahoma addressed to me a large number of inquiries. For the benefit of Senators who may be interested, those inquiries appear in the CONGRESSIONAL

RECORD for March 17, from page 3570 to page 3583.

Mr. President, it seems to me, as a matter of equity, courtesy, and fair play, I should be given, at the proper time, an opportunity to address a reasonable number of questions to the able Senator from Oklahoma.

Mr. MYERS. Mr. President, I ask unanimous consent that Senators may be permitted to propound questions to the Senator from Oklahoma and that the Senator from Oklahoma may be permitted to answer those questions.

The VICE PRESIDENT. The request by the Senator from Pennsylvania is that Senators who obtain the floor may ask questions of the Senator from Oklahoma. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the motion to reconsider the vote by which the conference report on cotton and peanut acreage allotments was agreed to.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. RUSSELL. Would a vote "nay" be in favor of the conference report?

The VICE PRESIDENT. It would be against the motion to reconsider the vote by which the conference report was agreed to.

The yeas and nays have been ordered, and the Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FREAR (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. MAGNUSON (when his name was called). I have a pair with the junior Senator from Minnesota [Mr. HUMPHREY]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

Mr. McMAHON (when his name was called). On this vote I have a pair with the junior Senator from North Carolina [Mr. GRAHAM]. If he were present and voting, he would vote "nay." If I were permitted to vote, I should vote "yea." I withhold my vote.

Mr. O'CONOR (when his name was called). On this vote I have a pair with the senior Senator from Utah [Mr. THOMAS]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. TAYLOR (when his name was called). On this vote I have a pair with the senior Senator from Florida [Mr. PEPPER]. If he were present and voting, he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. TYDINGS (when his name was called). On this vote I have a pair with the senior Senator from South Carolina [Mr. MAYBANK], who is absent by leave of the Senate. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. LUCAS], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent because of his attendance at the funeral of Hon. Ralph E. Church. If present and voting, the Senator from Maine would vote "yea."

The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent. If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Michigan [Mr. VANDENBERG] would each vote "yea."

The Senator from South Dakota [Mr. GURNEY] and the Senator from Iowa [Mr. HICKENLOOPER] are absent by leave of the Senate. If present and voting, the Senator from South Dakota and the Senator from Iowa would each vote "yea."

The Senator from Indiana [Mr. JENNER] is absent because of the death of his father. If present and voting, the Senator from Indiana would vote "yea."

The Senator from North Dakota [Mr. LANGER] is absent on official business. If present and voting, the Senator from North Dakota would vote "yea."

The Senator from Montana [Mr. ECTON], the Senator from Massachusetts [Mr. LODGE], and the Senator from Wisconsin [Mr. McCARTHY] are detained on official business. If present and voting the Senator from Montana, the Senator from Massachusetts, and the Senator from Wisconsin would each vote "yea."

The result was announced—yeas 31, nays 38, as follows:

YEAS—31

Aiken	Hendrickson	Smith, N. J.
Benton	Ives	Taft
Bridges	Knowland	Thye
Butler	Lehman	Tobey
Cain	Malone	Watkins
Cordon	Martin	Wherry
Darby	Morse	Wiley
Douglas	Mundt	Williams
Dworshak	Saltonstall	Young
Ferguson	Schoeppel	
Flanders	Smith, Maine	

NAYS—38

Anderson	Gillette	Johnston, S. C.
Byrd	Green	Kefauver
Chapman	Hayden	Kem
Chavez	Hill	Kerr
Connally	Hoey	Kilgore
Donnell	Holland	Long
Ellender	Hunt	McClellan
Fulbright	Johnson, Colo.	McFarland
George	Johnson, Tex.	McKellar
Millikin	O'Mahoney	Stennis
Murray	Robertson	Thomas, Okla.
Myers	Russell	Withers
Neely	Sparkman	

NOT VOTING—27

Brewster	Hickenlooper	McMahon
Bricker	Humphrey	Magnuson
Capehart	Jenner	Maybank
Downey	Langer	O'Conor
Eastland	Leahy	Pepper
Ecton	Lodge	Taylor
Frear	Lucas	Thomas, Utah
Graham	McCarran	Tydings
Gurney	McCarthy	Vandenberg

So the motion to reconsider the vote by which the conference report was agreed to was rejected.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee to Senate bill 1498.

Mr. KERR. Mr. President, I ask unanimous consent that I may have the floor for the purpose of answering questions any Senators may desire to ask as though it were part of the time when I was addressing the Senate before action on the conference report.

The VICE PRESIDENT. If the Senator desires recognition, he does not have to ask unanimous consent. The Chair will recognize the Senator, and he may yield to Senators for the purpose of answering questions.

Mr. KERR. The Senator from Oklahoma made the request because he did not want this to be considered another speech on the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The Senate will be in order. Senators who are required to retire will do so quietly.

Mr. DONNELL. Mr. President——

The VICE PRESIDENT. The Senator will suspend until there is order. The Senator from Oklahoma is recognized.

Mr. KERR. Mr. President, I yield to the Senator from Missouri.

Mr. DONNELL. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. Owing to the disorder which the Chair was endeavoring to quell, it was impossible for me either to hear the question propounded by the Senator from Oklahoma or the response of the Chair.

The VICE PRESIDENT. The Chair told the Senator from Oklahoma that he did not have to have unanimous consent in order to take the floor, that the Chair would recognize him and he could respond to questions in his own time, but the Senator stated that that would probably be equivalent to a second speech, and he would rather have unanimous consent to be allowed to answer questions of Senators, and the Chair announced that that was agreed to.

Mr. DONNELL. I thank the Chair.

The VICE PRESIDENT. The Chair will correct his former announcement in this respect, that the Senator from Oklahoma was not speaking on the pending question, but on the conference report,

and therefore this would not be regarded as a second speech. Be that as it may, the Senator has put himself at the disposal of Senators who may desire to ask questions.

Mr. KEM. Mr. President, did I understand the junior Senator from Oklahoma correctly to say that the regulation by the Federal Power Commission of the price paid to the producer of natural gas is unique in that it is not done in any other industry?

Mr. KERR. I believe the remark to which the Senator from Missouri refers was to the effect that the price allowed to a regulated company under the regulation of the Federal Power Commission is unique. I believe that is the effect of what the Senator from Oklahoma was saying. There are two standards of payment for the price of natural gas. One is the price paid to an independent producer, which is done on the basis of a contract with the transporter. The other is the price allowed to a natural gas company, subject to the act, for the production of its own gas. That is what the Senator from Oklahoma referred to as being unique. So far as he knows, gas is the only commodity whose value as a commodity is nothing.

Mr. KEM. Is it not a fact that the Federal Power Commission regulates the price paid by producers of certain other commodities which pass in interstate commerce?

Mr. KERR. I believe the Federal Power Commission has licensing power with reference to the sale of electricity, but I do not know of any instance where, in the exercise of jurisdiction, the Commission compels the producer of electricity, for example, if he is under its regulation, or the furnisher of it, if he is not under their regulation, to provide it on the basis of nothing being allowed for the value of what is provided.

Mr. KEM. Does the Senator mean to say that the Federal Power Commission does not regulate the price paid to a producer of electricity or electrical energy?

Mr. KERR. No; the Senator from Oklahoma did not say that at all.

The Senator from Oklahoma said that when the Commission exercises regulation it does not compel either the production of a product by a regulated company, or the furnishing of it by one which is not regulated, without allowing for the fair value of what is provided and regulated.

Mr. KEM. Is the Senator from Oklahoma familiar with the case of the Safe Harbor Water Power Corporation vs. Federal Power Commisison, decided on December 30, 1949, by the United States Circuit Court of Appeals for the Third Circuit?

Mr. KERR. The Senator from Oklahoma is not familiar with the case.

Mr. KEM. I invite the Senator's attention to the fact that in that case the Circuit Court of Appeals sustained the authority of the Federal Power Commission to regulate rates of electric energy sold by the Safe Harbor Water Power Corporation to distributing companies. The producer generated power by use of water facilities. The Federal Power Commission also regulates the price of electric energy sold by the producer, when it is generated by the use of steam. Recently, such an order was made by the Federal Power Commission, establishing the rates on energy sold by the Chicago District Steam Electric Generating Co., the distributors in interstate commerce. I ask the Senator if he can draw any sound and logical distinction between regulation by the Federal Power Commission of a producer of natural gas and a producer of electric energy.

Mr. KERR. The Senator from Oklahoma did not attempt to enter the field of regulation of production of electricity. The Senator from Oklahoma does not know the status of the producers referred to in the decision mentioned by the Senator from Missouri. The Senator from Oklahoma is of the opinion that it was a regulated utility whose operations were before the Commission. The Senator from Oklahoma is of the opinion, therefore, that it is not only entirely different from the attempted regulation of an industry which is not a utility, or one which has none of the advantages of utility status, but the Senator from Oklahoma is positive that the case referred to by the Senator from Missouri is not one which deals with a situation with respect to which Congress itself has said the provisions of the act do not apply. In the next place, the Senator from Oklahoma is of the opinion that electricity is manufactured, and not produced out of the ground.

Mr. KEM. Did not the senior Senator from Missouri invite the attention of the Senator from Oklahoma to a case in which electric power or electric energy was held to be a commodity?

Mr. KERR. The Senator from Oklahoma was present when the distinguished senior Senator from Missouri referred to a case which defined electricity as a commodity. However, the Senator from Oklahoma need not read a law book to know that electricity is something which is manufactured, and he also knows that gas is something which is dug out of the ground. Whether or not electricity is held to be a commodity, it is still something which can be endlessly produced, whereas gas is a wasting asset which comes from a reserve of limited extent, and which, when exhausted, cannot be replaced by any machinery or any regulation.

Mr. KEM. I followed the eloquent remarks of the Senator from Oklahoma very carefully, and I understood him today, and I have understood him previously, to make the point that it was unfair and improper and, I believe he would say, illegal for the Federal Power Commission to extend its regulation to fixing the price at which the natural gas is sold on the first occasion in the field when it first passes to the pipe-line company.

Mr. KERR. The Senator from Oklahoma said that such was unauthorized and unsound.

Mr. KEM. Of course, the Senator from Oklahoma is as familiar as is the Senator from Missouri with the fact that the Supreme Court of the United States has said in the Interstate Natural Gas Co. case quite the contrary; that it is authorized and is permitted under the existing law?

Mr. KERR. The Senator from Oklahoma, with reference to that point, has to say that he is a little bit like the colored preacher who at one time was asked what he thought about transmigration of the soul, and, after looking in some confusion for a moment at the questioner, he replied, "Dat am a question about which wise men differs." And I believe it has been amply shown here that wise men differ about the interpretation of the holding in the Interstate case.

Mr. KEM. Is there any fair possibility of any difference of opinion in view of the very categorical language used by the Court in that case?

Mr. KERR. Yes; it is not only possible, but it is actual, because the Commission's attorneys themselves have been on both sides of the matter at different times, and they are now squarely astraddle of the fence.

Mr. KEM. Will the Senator from Oklahoma permit me to read the first part of the syllabus of the Interstate Natural Gas Co. case? I read:

A natural-gas company subject to the Natural Gas Act of 1938 (52 Stat. 821) produces some gas and purchases some gas, which it mingles and conducts through a system of field, branch, and main lines (all within a single State)——

Mr. KERR. The Senator from Oklahoma has read the decision in the Interstate case.

Mr. KEM. I continue to read:

into its main trunk line, whence it is sold to interstate pipe-line companies for transportation, resale, and ultimate consumption in other States. The entire movement from the wells to the purchasing companies, through their compression pumps and across the State lines, is a continuous process, without interruption for storage, processing, or any other purpose.

Held: The Federal Power Commission has jurisdiction under section 1 (b) of the Natural Gas Act to regulate such sales.

(a) Such sales are in interstate commerce within the meaning of section 1 (b) of the Natural Gas Act.

(b) They are not within the clause of section 1 (b), which excepts the production or gathering of natural gas from the Commission's regulatory jurisdiction.

Is not that language reasonably clear?

Mr. KERR. The Senator from Oklahoma can only repeat what he has said, that the language is not only not clear, but it is so indefinite that the Commission itself is in total disagreement about it. I should like to read for the benefit of the Senator from Missouri what the Commission's own attorneys said in the Interstate case in the Commission's brief before the Supreme Court.

A careful analysis of the facts of these three cases—

To which they had just referred—

and of the present case shows that the Commission has never sought to extend its jurisdiction over the sales of natural gas made by independent producers and gatherers, but only over sales made by one otherwise a natural-gas company or where affiliation between seller and purchaser is involved or where there is transportation in interstate

commerce by the seller after completion of gathering prior to the wholesale sale.

Mr. KEM. What was the date of that brief?

Mr. KERR. This is the brief the Commission filed in the Interstate case.

Mr. KEM. What was the date of it?

Mr. KERR. October term, 1946.

Mr. KEM. The Commission as well as the bar generally know a good deal more about the law since the Court spoke in the Interstate Natural Gas case than they did before, do they not?

Mr. KERR. Quite the contrary. I am very much afraid that they know much less; that the confusion has been heightened rather than dispelled. In order to show that, I want to finish reading to the Senate and for the RECORD the statement of the lawyers of the Commission itself.

Mr. KEM. Before the Court in that case?

Mr. KERR. It will take me only a minute. I continue to read:

Petitioner is otherwise a natural-gas company, is affiliated with a purchasing natural-gas company and transports the gas in interstate commerce prior to sale. Over such sales Congress intended there should be regulation in the national interest.

A review of the briefs—

Say the attorneys for the Commission—

submitted in behalf of the States of Oklahoma and Texas raises issues which we believe need not be considered by this Court. It appears to us that these States are more concerned about what they fear the Commission might do than what it has done.

There I want to interrupt the reading to do something which I know will afford pleasure to Lowell Mellett and Drew Pearson, who expect me to quote the Bible a little. That reminds me of a passage in Job, where he said:

For the thing which I greatly feared is come upon me, and that which I was afraid of is come unto me.

I read further from the statement by the attorneys for the Commission:

We believe that in the face of the rulings of the Commission on section 1 (b) and the decisions of this Court, it cannot be urged, as the State of Oklahoma has, that the decision of the Court below repeals State statutes and stifles the power of the State to conserve their oil and gas resources. Reference is made by the State of Oklahoma to an order recently issued by its corporation commission fixing the wellhead price for gas in the Guymon section of the Hugoton gas field.

Then follows the conclusion of the attorneys for the Commission:

We do not contend that the Natural Gas Act has given the Commission authority to promulgate an order directed to the thousands of independent producers in the States of Oklahoma and Texas to the effect that they cannot sell gas beyond a certain price.

That is what they said before the decision was made. The Senator from Missouri knows what they said after it was made, when they issued order No. 139, and said, "We give independents our assurance that we will not seek to impose our jurisdiction on them." Then as late as last September 27, in response to an inquiry from Delhi Corp., wherein Delhi said:

In March you said we were not under your jurisdiction. In August you wrote HAYDEN, of Arizona, and said that we would be. Now again we ask you, "Are we or ain't we?"

This is what the Commission said:

In further reply to your letter of August 1, we suggest that the basic question involved is the legal effect of our order No. 139, our rule 2.54, and our order of March 10, 1949, matters concerning which you no doubt have the advice of counsel. The Commission is unable, in the circumstances, to express a conclusive opinion as to whether you will or will not be subject to regulation under the Natural Gas Act by virtue of proposed sale of natural gas to El Paso.

By direction of the Commission.

Commissioner Buchanan concurring in part.

LEON N. FUQUAY,
Secretary of the Federal Power Commission.

I submit to the Senator from Missouri that not only is there confusion in the minds of the lawyers, but there is confusion and more confusion in the ranks of the Commission itself.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LONG. I should like to ask the Senator if in the Interstate case which he and the Senator from Missouri are now discussing the Commission's action was based on the contention, and that the court upheld the contention, that the Interstate Gas Co. there involved was a transporter as well as a producer?

Mr. KERR. The court very clearly held that the petitioner itself was a transporter, and was under the act, and had to be regulated.

Mr. LONG. If that is the case, would it not be true that any language of the court which held that any independent producer selling into interstate commerce could be regulated, would be mere dicta and not the decision of the court?

Mr. KERR. That has always been the opinion of the Senator from Oklahoma. I will say to my friend the Senator from Louisiana that was the opinion of the Commission itself, including Mr. Olds, the chairman, acting with the majority of the Commission, when, after that decision was reached it issued order No. 139 in which the Commission said, "We do not have this jurisdiction. We will not have it. We give our assurance to independent producers that they may make their contracts without apprehension or fear." That order is now on the books. It never has been taken off the books.

Mr. WITHERS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. WITHERS. I should like to ask the Senator if the Supreme Court of the United States in the Panhandle case did not resort to extrinsic testimony to determine the meaning of the act?

Mr. KERR. It did.

Mr. WITHERS. And referred to the report and to oral evidence which was introduced at the hearings. Is that not correct?

Mr. KERR. It did.

Mr. WITHERS. If the act had been clear and explicit, would the Supreme Court have resorted to reference to any extraneous testimony in order to determine the meaning of the act?

Mr. KERR. I think the Senator's point is very well taken. The Supreme Court itself, some 2 years after the decision referred to by the Senator from Missouri, did just that, and made a holding which, as I understand, is exactly the opposite of what the Senator from Missouri wishes to have us believe was held by the Supreme Court in the Interstate case.

Mr. WITHERS. Mr. President, will the Senator yield, to permit me to ask another question?

Mr. KERR. I yield for a question.

Mr. WITHERS. In the Panhandle-Eastern case, did the Supreme Court construe the entire act or only the part of the act which relates to sales of certain lands?

Mr. KERR. In that case the Court construed a great deal of the act.

Mr. WITHERS. That decision is the one in which the Court held that if the Commission wanted power and authority over that subject, the Commission would have to go to the Congress to get it. Is not that correct?

Mr. KERR. The court told the Commission that if they sought regulatory power which they themselves gave evidence they did not think they had—doing so by failing to use it for 10 years—they should come to the Congress and should get the Congress to give it to them.

Mr. WITHERS. Is not the power to regulate and control an extraordinary power?

Mr. KERR. It certainly is.

Mr. WITHERS. If it is an extraordinary power, should not the power to regulate under the act be clear, unequivocal, and explicit?

Mr. KERR. Not only is that principle well founded in justice, equity, and history, but it is also well founded in the basic law of the land.

Mr. WITHERS. Is there not considerable doubt about the constitutionality of a Federal act which would attempt to regulate a commodity before it goes into interstate commerce?

Mr. KERR. The Senator from Oklahoma thinks the kind of regulation which the Federal Power Commission threatens to use would constitute the use of a power which would even be unconstitutional if it were granted by Congress, and which certainly is unconstitutional if exercised by the Commission without being granted by Congress.

Mr. WITHERS. I base my question on the assumption that an act giving the commission such authority was passed. Even if such an act were passed, would there not be considerable doubt regarding its constitutionality?

Mr. KERR. I think the Senator's position is eminently correct.

Mr. WITHERS. Mr. President, will the Senator yield, to permit me to ask a further question?

Mr. KERR. I yield for a further question.

Mr. WITHERS. Should there be authority to regulate, on the part of any commission or board, until it is first determined by Congress that such regulation should be had? Should a board or commission be permitted to search for something to do in the way of regulation before the Congress decides that such regulation needs to be made?

Mr. KERR. I do not think so. Not only do I think there should not be any such regulatory action, but I think there is no authority for any such action. When a board attempts to exercise such regulatory power and advertises that it intends to do so, I think the Congress itself should correct the board, by informing the board what it is directed to do and what it is directed not to do.

Mr. WITHERS. Has there been any monopoly in connection with the sale of natural gas?

Mr. KERR. Quite to the contrary, the evidence is that it is as free from monopoly as it is possible for any production to be.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield for a question.

Mr. KEFAUVER. In line with the questions which have been asked by the Senator from Kentucky, let me ask this question: Is it not true that we have had in our laws a great many regulatory provisions which have not been put into effect until such time as the commission concerned observed the development of conditions which required it to exercise the power or the regulatory authority it had? The Senator from Oklahoma will agree with me as to that, will he not?

Mr. KERR. I am very limited in my knowledge of the scope and breadth of legislation creating regulatory bodies and prescribing their authority, but I am very familiar with the Natural Gas Act. I am very familiar with the responsibility created under that act and placed upon the Federal Power Commission. I am just as conscious of the prohibitory language of the act as is any other Senator, I believe. I remind the Senator from Tennessee of the language of the Supreme Court in the Panhandle-Eastern case, in which it called attention to the fact, in language of this sort:

> Without entering upon another review of its legislative history, suffice it to say that the Natural Gas Act did not envisage Federal regulation of the entire natural-gas field to the limit of constitutional power; rather it contemplated the exercise of Federal power as specified in the act, particularly in that interstate segment which the States were powerless to regulate because of the commerce clause of the Federal Constitution. The jurisdiction of the Federal Power Commission was to complement that of the State regulatory bodies. Accordingly Congress in section 1 (b) of the act—

I invite the particular attention of Senators to this language—

> not only prescribed the intended reach of the Commission's power but also specified the areas into which this power was not to extend.

Mr. President, those are not the words of the Senator from Oklahoma, but they are the words of the Supreme Court of the United States, in which it said to the Commission, "We not only prescribe the field into which you can go with your regulation, but we prescribe the areas into which your power to regulate does not extend."

Mr. KEFAUVER. Mr. President, I wished to ask the Senator a question in connection with the matter of a delayed application of a regulatory power. Does not the Senator agree that a delayed application of such a regulatory power does not mean that because the power has not previously been used, it has not been granted? Does not the Senator agree that it is not necessary for the regulatory body to apply or exercise such power immediately, in order that there may be a continuing right of the agency to use it?

For instance, the Federal Trade Commission has many powers. Among them, under section 2 of the Clayton Act, as amended by the Robinson-Patman Act, the Commission does not put into effect certain orders unless such orders are required to be applied; and under section 7, which provides that one corporation may not buy the capital stock of another corporation if to do so will create a monopoly, there is no need for the Commission to put such a regulation into effect until such a condition develops. Does the Senator agree?

Likewise, section 8 of that act provides that there cannot be interlocking directorates of corporations under such circumstances. However, until such a situation develops, there is no need for the Commission to exercise that regulatory power, is there?

Does not the Senator think the situation in connection with the examples I have given is analogous to the situation in connection with the matter now before us, namely, that so long as there is at the production level competition which holds down the price to a reasonable level, there is no necessity—as there was none during the first 10 years of the history of the Natural Gas Act—for the Federal Power Commission to put such a regulation into operation?

I ask the Senator whether he agrees that the fact that the Commission did not use the power for a certain period of time does not mean that it does not have the power? Does the Senator agree that its nonuse of the power does not constitute a waiver of the power?

Mr. KERR. I do not take the position that the nonuse of a power which has been granted waives the power. However, I have read the language of the Supreme Court of the United States in a decision in which it has stated that—

> For over 10 years the Commission has never claimed the right to regulate dealings in gas acreage.

I further read from that decision in the words of the Court:

> Failure to use such an important power for so long a time indicates to us that the Commission did not believe the power existed.

I wish to say that not only do I not believe the power existed, but I do not believe it exists now; and I am familiar with the language of the act which says:

> The provisions of this act * * * shall not apply * * * to the production——

Mr. KEFAUVER. "And gathering."

Mr. KERR. Not "and" but "or"—

> The provisions of this act * * * shall not apply * * * to the production or gathering of natural gas.

I am unable to understand how any man who reads that language can say that it gives the Federal Power Commission a directive to fix the price of a commodity in a field to which the act says the provisions of this act do not even apply.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. While the Senator is referring to the Panhandle-Eastern decision, I wish to call his attention to a footnote appearing on page 14 of that decision, where the Court was speaking. I think Members of the Senate who have not read this portion of the decision should read it with care:

> While Congress was considering the passage of the Natural Gas Act, a bill * * * was introduced in both Houses of Congress on March 17, 1937, which provided that "this act shall apply to the procurement of natural gas for the purpose of its transmission—

And so forth. Later the Court said:

> The provisions of this bill, however, failed of adoption; instead Congress enacted section 1 (b) with its specific exemptions from the coverage of the act.

I wish to ask the Senator from Oklahoma this question: If Congress had intended to cover the procurement of natural gas for the purpose of its transmission, the committees would not have taken that language out of the bill; would they? Does the Senator agree as to that?

Mr. KERR. I agree as to that. In further answer to the question, I call attention to the fact that the Supreme Court of the United States agreed as to that, because it said that the provisions of the bill which was introduced failed of adoption, and that instead of passing that bill, Congress passed a bill which would not give the Federal Power Commission jurisdiction over the procurement of gas. The Court said:

> Congress enacted section 1 (b) with its specific exemptions from the coverage of the act.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield further?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. On page 17, in footnote 25, the Court says—and I refer to this for the benefit of some Senators who may not realize that there is some confusion and some uncertainty as to this matter because the last decision rendered by the Supreme Court on the subject of natural gas, so far as the particular angle of the subject we are now discussing is concerned, was rendered on June 20, 1949. In that decision the Court said:

> In an analogous situation before the institution of this litigation, there had been

uncertainty of opinion in the Commission as to the reach of the act toward sales by independent producers and gatherers to natural-gas companies for transportation in interstate commerce. See reports of the Federal Power Commission on its Natural Gas Investigation (Docket G–580), transmitted to Congress on April 28, 1948. In part IV of the report subscribed to by Commissioners Smith and Wimberly, it is concluded at pages 38 and 40:

"No reasonable basis is found in the act or its legislative history for a conclusion that, although the 'activities' of production and gathering are exempt under section 1 (b), sales of natural gas which are made at arm's length by producers and gatherers who do not thereafter transport it in interstate commerce may be regulated. Unless such a distinction is specifically disclaimed, doubts and uncertainties will continue to be felt and expressed regarding the possible jurisdiction under the Natural Gas Act of those who only produce and gather natural gas and then sell it to others transporting such gas in interstate commerce.

"In view of the present unsettled state of this matter, it is desirable, as the Commission has heretofore recommended, that the Congress should adopt appropriate amendatory legislation to make it clear that independent producers or gatherers of natural gas, and their sales thereof to interstate pipe lines, are not subject to the provisions of the Natural Gas Act. Such action will confirm what clearly appears to have been the original intent of Congress when it enacted the Natural Gas Act in 1938."

I ask the Senator whether the quotation in the Court's latest decision, which I have just read, is not what the pending legislation is calculated to bring about?

Mr. KERR. Only that, and nothing more.

Mr. KEFAUVER. Mr. President, the statement was from the Commission, not from the Court.

Mr. KERR. It is quoted by the Court in this particular decision, wherein it proceeds to clarify such language.

Mr. KEFAUVER and Mr. LONG addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oklahoma yield, and if so, to whom?

Mr. KERR. I yield first to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I should like to ask the Senator a further question. The Interstate case involved the evaluation of oil reserves.

Mr. KERR. I beg the Senator's pardon, he is in error.

Mr. KEFAUVER. At any rate, the capitalization.

Mr. KERR. No, no.

Mr. KEFAUVER. The Panhandle-Eastern Co. had capitalized oil reserves for which it paid $160,000 at $100,000,000 or $110,000,000, whatever it was.

Mr. KERR. The Senator is completely in error in the case he is talking about.

Mr. KEFAUVER. Let me finish. The question was whether the gathering or production phase of operations came in, and the majority of the Court held that the Federal Power Commission had no power to regulate or control because it was a case of gathering or production.

Mr. KERR. The Senator from Oklahoma has tried to answer the questions as to what he thinks the Interstate case did or did not hold. The case is in the RECORD in full.

Mr. KEFAUVER. It was the Panhandle-Eastern case to which I was referring. I meant the Panhandle-Eastern case.

Mr. KERR. If the Senator referred to the Panhandle-Eastern case, the matter to which the Senator referred was not in that case.

Mr. KEFAUVER. The Panhandle-Eastern case involved the matter of capitalization.

Mr. KERR. Not at all. The Panhandle Eastern case involved the sale of gas acreage by a regulated gas company—that question, and that alone.

Mr. KEFAUVER. But did not the Court say it was gathering or production, and therefore did not come within the resale in interstate commerce, or within the interstate commerce part of section 1 (b)?

Mr. KERR. No. What the Court said in that case was that the gas acreage was a part of production, and therefore was not subject to the regulation of the Commission.

Mr. KEFAUVER. But of course the Senator will recognize that there are two things in section 1 (b); one is, gathering or production; the other, the sale for resale in interstate commerce. The Chief Justice, in the Interstate case, distinctly recognized those two provisions of section 1 (b), holding that as to a sale in interstate commerce which would affect the eventual cost of gas at the consumer level, the Natural Gas Act permitted regulation.

Mr. KERR. No; the Court did not hold that at all. I see no useful purpose in the Senator from Oklahoma and the Senator from Tennessee discussing further the Interstate case, because the Senator from Oklahoma has stated quite clearly what he thinks it does and does not do, and has also referred to the great field of confusion created by what some think they attempted to do, and what the Senator from Oklahoma thinks the Interstate case held they could not do.

Mr. KEFAUVER. Of course, the decision speaks for itself, I agree.

Mr. KEM. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. KERR. I yield.

Mr. KEM. Mr. President, I do not want to tax the patience of the Senator from Oklahoma, but I have a number of questions, and I should like to have the Senator indicate when he is willing to have questions from this side of the aisle. May I propound them now?

Mr. KERR. I will yield for a question, and we shall see how we get along.

Mr. KEM. Is the Senator familiar with the Peerless Oil and Gas case, in which the Corporation Commission of Oklahoma recently undertook to fix the price of gas at the well, and to fix it at a higher rate?

Mr. KERR. The Senator from Oklahoma is aware of the fact, as referred to in the brief, and as he has seen from the press, that the regulatory authority in Oklahoma did that, which as he understands amounts to putting a floor on the price of gas in a certain area. The Senator from Oklahoma understands the matter has been reviewed by the Supreme Court of Oklahoma, and that, by a 5-to-4 decision, the Court upheld the authority of the regulatory body to make the order. The Senator from Oklahoma understands, however, that the question is still pending in the Court on petition for rehearing.

Mr. KEM. Does the Senator from Oklahoma object to the jurisdiction of the Corporation Commission of Oklahoma in fixing the price of gas at the well?

Mr. KERR. The Senator from Oklahoma has no position on that matter at this time. He will say, however, that the Corporation Commission of the State of Oklahoma either has the authority, or it does not have it; that if it does have it, the adverse opinion of the Senator from Oklahoma would not take it from the commission, and that if it does not have it, the good wishes of the Senator from Oklahoma would not give it to the commission.

Mr. KEM. The Senator from Oklahoma has spoken at considerable length, very eloquently and very well, about the necessity of preserving in this country the spirit and the system of free enterprise. I ask the Senator whether he sees any distinction between the Corporation Commission of Oklahoma regulating the price of gas at the well, and increasing it, and the Federal Power Commission taking measures to regulate the price of gas at the well, when it goes into interstate commerce?

Mr. KERR. The Senator from Oklahoma sees a great deal of difference between the action of a State-regulatory body operating in its constitutional area under its constitutional power, regulating matters within the State, lawfully before it, and on the other hand, a Federal agency in Washington, without authority of law attempting, not to regulate, but to confiscate property in a field, when the law which set the Commission in operation in that phase of its work specifically provided:

> The provisions of this act shall not apply to production and gathering.

I know the Senator from Oklahoma is aware of the language in every one of the court cases, to the effect that Congress was attempting to regulate in that field where State regulatory power did not exist, and in that field alone. The Senator from Oklahoma now comes back to his original statement, that he does not know whether the Corporation Commission of the State of Oklahoma had the power or not; that if it did have, it was not given to the commission by this act, but if the commission does have it, is not taken away from them by the act, nor could it be; and if it does not have it, it is not given to it by this act.

Mr. KEM. As I understood the Senator from Oklahoma, his position is that for the Federal Power Commission to

regulate the price of gas at the well would be an invasion of the free enterprise system and would be contrary to the American way of life. I am asking the Senator whether, in his judgment, it is entirely proper or in line with the free enterprise system for the public body in Oklahoma to fix the price of gas at the well.

Mr. KERR. The Senator from Oklahoma has this to say about that: As he understands the effect of the order made by the corporation commission; it put a floor under the price of natural gas in Oklahoma.

Mr. KEM. It fixed the price by elevating it from about 4 cents to 7 cents.

Mr. KERR. The Senator from Oklahoma has made his statement as to what he understands the order to have been.

Mr. KEM. Does the Senator agree with the Senator from Missouri that the effect of the order was to raise the price from 4 cents to 7 cents a thousand cubic feet?

Mr. KERR. The Senator from Oklahoma has stated his understanding of the order, that it fixed a floor under the price of gas.

Mr. KEM. May I ask the Senator another question?

Mr. KERR. Just a moment; let me finish. The Senator from Oklahoma is aware of the fact that the Congress has acted constantly to put floors under the value of basic commodities throughout the Nation. The Senator from Oklahoma does not know whether the regulatory power in Oklahoma had that authority. He repeats that if it did, it has it, either without the action of the Senator from Oklahoma, or without any power conferred upon it by the act; so that the Senator from Oklahoma does not see wherein an action on the part of the State acting under its own constitutional authorities and with reference to matters within the State, is a matter to control the action of Congress with reference to matters over which Congress has the right or the jurisdiction to act. I may say to the Senator from Missouri, the Senator from Oklahoma believes that everything that can be handled within the State by the State and for the State should be handled in that manner; and that, at the Federal level, only such things as cannot be handled at the State level should be handled, or can be handled.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KEM. Mr. President, I have a line of questions which I should like to ask, and then I shall yield the floor and make no further effort to address any inquiries to the Senator from Oklahoma.

It seems that I have failed, as I often do, to make myself clear. The question which I am addressing to the Senator from Oklahoma is whether it is an invasion of the free-enterprise system for the Corporation Commission of Oklahoma to fix the price of gas at the well.

Mr. KERR. The Senator from Oklahoma answers that question by saying that he does not know whether it is an invasion of the field of free enterprise. Certainly the act of a regulatory body with reference to the exercise of powers given it by the authority which creates and controls it is to a certain extent arbitrary and, to a certain extent, in contravention of the free flow of the commodities sought to be regulated on the basis only of supply and demand. However, the authority of the States is not the question which is now before the Congress. It is not involved in the bill, and it is not involved in the debate. The opinion of the Senator from Oklahoma with reference to the preservation of the free-enterprise system within the State of Oklahoma is certainly not going to get very far away from the basic concept of the people of Oklahoma, the institutions which they create, the laws which they pass, the regulatory bodies which they establish, and the actions of those bodies on the basis of their authority and responsibility.

Mr. KEM. I am very much interested in the reference of the Senator from Oklahoma to his idea that the fixing of prices by State authority is not involved in this debate. I ask the Senator how he would feel if the people of his State were buying millions of dollars' worth of gas produced in other States and saw the State regulatory bodies of the producing States taking action to raise the price of gas at the well, and he were a representative of one of those States in the Congress of the United States seeking to avoid similar action by the Federal Government in the interest of the consuming public?

Mr. KERR. I would say that the Senator from Oklahoma has made his views on that subject fairly well known on the floor this afternoon.

Mr. KEM. I should like to say that I listened attentively to the very eloquent address of the Senator from Oklahoma, and on not one occasion did he refer to the fact that the price of gas is being raised by regulatory authorities in his own State or in the neighboring State of Kansas. It seems to me that the very crux of the issue is whether the Federal Government is to stand by and see State regulatory bodies increasing the price of commodities to be sold in interstate commerce without permitting a review of that price by a Federal authority as to whether householders in my own State and millions of householders in consuming States throughout the Nation shall be compelled to stand by and see the regulatory bodies in the producing States raising the price of an essential commodity in their daily lives.

Mr. KERR. Let me say to the Senator from Missouri that the address of the Senator from Oklahoma was with reference to the pending bill, with reference to the intent of the Congress under the existing law, with reference to its meaning, and with reference to the effect of the proposed amendment. It had nothing whatever to do with the regulatory power or authority of any State in the Nation. The Senator from Missouri is well aware of the fact that if Congress should take action which would eliminate or supersede the power of the State, it would be action which the Congress would have to take on an affirmative basis. It would have to take it on the basis, first, of its constitutional authority, on the basis of the provisions of the Constitution which created the Federal Government, and on the basis of the grant of power to the Federal Government by the States. It would have to come as positive legislation. I know that the able Senator from Missouri, with the fine legal mind which he possesses, would stand in horror at the prospect of a Federal commission, without authority of law, but directly opposed to the authority of law, and without regard to the prohibition of the law, seeking to usurp the power to say to a sovereign State what it could or could not do. Congress has certain powers in that regard, but they are exercised through positive legislation, not through discretionary opinions of shifting majorities of a Federal commission which was not created to invade that field and which was prohibited from going beyond a certain restricted area. Certainly this bill has nothing to do with the authority of the Federal Power Commission with reference to the exercise of its regulatory powers in a sovereign State through its duly constituted regulatory bodies.

Mr. KEM. In connection with what the Senator from Oklahoma has just said, the Senator from Missouri is profoundly shocked at the suggestion that the Federal Government should abdicate the field and leave State bodies in the gas-producing States entirely free to raise prices of gas which is sold in interstate commerce.

Mr. KERR. A regulatory body cannot abdicate a field which it has never occupied. It cannot abdicate a power which it has never possessed. What the Senator complains of is a regulatory body seeking to usurp a power never given to it, seeking to occupy a field which it was prohibited from entering, and seeking, through shifting majorities, to say to the State of Oklahoma and to the Congress of the United States, "This is the mandate of the Commission, without legislative authority, without congressional permission or anything else except our discretion."

Mr. KEM. Mr. President, how can the Senator from Oklahoma say that this authority has never been vested in the Federal Power Commission?

Mr. KERR. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. KERR. The Senator from Oklahoma has been yielding for questions, but not for a question of the Senator from Missouri propounded to the Presiding Officer.

Mr. KEM. I stand rebuked.

The VICE PRESIDENT. The Chair did not understand that the Presiding Officer was expected to answer that question.

Mr. KEM. I can quite appreciate the desire of the Senator from Oklahoma to stand on form. If I were in his position, I should want to do that also.

Mr. KERR. Mr. President, after having been sent to my seat twice by the Senator from Missouri a day or two ago because I left my place to show him something, standing on form is not without precedent in this body or between these two Senators.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KERR. I yield for a question.

Mr. DONNELL. It was not the junior Senator from Missouri who should be thus excoriated upon the floor of the Senate for suggesting that the Senator from Oklahoma release the floor. It was the senior Senator from Missouri who so suggested. Does the Senator not recognize the fact also that on three separate occasions the Senator from Oklahoma was reminded, in one instance, by the Presiding Officer himself, that the rule was being violated by the Senator from Oklahoma.

Mr. KERR. The Senator from Oklahoma does not remember three different examples in one instance.

Mr. DONNELL. The Senator remembers two instances on one day and another instance on the second day. Does he not remember that it is not the junior Senator from Missouri who should be blamed, but the senior Senator from Missouri——

Mr. KERR. The Senator from Oklahoma is not blaming anyone.

Mr. KEM. Mr. President, I should like to ask the Senator from Oklahoma if he wants us to understand that the Supreme Court of the United States has not held, in unequivocal language, that the right, the authority, and the responsibility of regulating the price of gas at the well is vested by the Natural Gas Act in the Federal Power Commission?

Mr. KERR. The Senator from Oklahoma is trying to make it very clear to his able friend from Missouri that not only does he not think there is authority for that statement but he thinks every fact before this body is to the contrary.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KERR. I yield to the senior Senator from Missouri for a question.

Mr. DONNELL. I should like to propound this question: In the Interstate Natural Gas case is it not a fact that the court stated that it was the conclusion of the Commission that the rates charged by petitioner in certain sales to pipe line companies. were "unjust, unreasonable, and unlawful," and ordered rate reductions amounting to $596,320 a year as applied to the volume of gas sold in the test year of 1941, and that the court said, further:

> For reasons stated above, we have concluded that the Federal Power Commission in this case has not exceeded the jurisdiction conferred upon it by Congress in section 1 (b) of the Natural Gas Act.

Have I not quoted correctly from the decision of the United States Supreme Court?

Mr. KERR. The Senator from Oklahoma does not have before him the decision from which the Senator has read. However, the Senator from Oklahoma will say that there is not a man living in whom he has greater confidence as to the accuracy of his reading from the text of a decision than he has in the Senator from Missouri.

Mr. DONNELL. I greatly appreciate the Senator's compliment.

Mr. KERR. If the Senator says he has read from the text of the decision, the Senator from Oklahoma is satisfied that what he says is correct. However, the Senator from Oklahoma reminds the Senator from Missouri that the company referred to in the decision was a company which was under the jurisdiction of the Commission in accordance with the act, by reason of the fact that it was operating as an interstate transporter. It transported, purchased, and sold for resale. Therefore, whatever it did in that connection had to be under the act and under the jurisdiction of the Commission. The Senator from Oklahoma states also that, regardless of that fact, there still exists confusion with reference to the conclusion.

The Senator from Oklahoma is aware that men may read the same language and interpret it differently. He does not seek to compel an interpretation by others of a decision in any way other than what their own judgment prescribes. By the same token, he reserves to himself the right to interpret a decision in a manner which, according to his light, best signifies what it means. He cannot escape the fact that men who lived with this act from before it was born, through the days of its hearings before Congress, through the days of its passage by Congress, and through its administration during all these years, are now so evenly divided with reference to the meaning of the case to which the Senator has referred, and the other cases which have been referred to so often here, that they are in hopeless confusion as to whether or not the Commission should exercise jurisdiction. Therefore, the Senator from Oklahoma states that Congress should clarify the meaning of its own language, in order that the confusion may be dispelled, so that the Commission may issue its orders; so that the Commission will not have to send out a telegram to American citizens and say to them, "We do not know whether you are under our jurisdiction or not;" and so that one member of the Commission will not be compelled to say he is so confused he can only concur in part in the admission of total confusion.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. Yes.

Mr. DONNELL. First, I wish to say that I appreciate very much the confidence which the Senator has expressed in my ability to read accurately. May I state also that there was a portion of my question which did not purport to be an exact quotation. The portion which I quoted exactly from the decision was this portion, and I should like to ask the Senator if he does not understand that this is the decision of the court. After reciting sales to three pipe-line companies, of one of which the petitioner was an affiliate, the court said what I am about to read from its decision, and I ask the Senator if he does not agree that this is the point at issue:

> It was the conclusion of the Commission that the rates charged by petitioner in these sales were "unjust, unreasonable, and unlawful" and ordered rate reductions amounting to $596,320 per year as applied to the volume of gas sold in the test year of 1941.

Also, that the decision concludes as follows:

> For reasons stated above, we have concluded that the Federal Power Commission in this case has not exceeded the jurisdiction conferred upon it by Congress in section 1 (b) of the Natural Gas Act.

Have I not correctly stated the action of the Commission which was challenged, namely, the issuance of its order which held that these rate reductions of nearly $600,000 were unjust, unreasonable, and unlawful, and that the court held that in so concluding the Federal Power Commission had not exceeded the jurisdiction conferred upon it by Congress in section 1 (b) of the Natural Gas Act?

Mr. KERR. Do I understand the Senator to ask me if I admit that to be the language of the decision?

Mr. DONNELL. Yes.

Mr. KERR. I am of the opinion that not only is that the decision, but it is the decision three times. I think the Senator read the same language three times. It must be assumed that he repeated it, because I do not believe the Supreme Court would repeat itself in such a manner.

Mr. DONNELL. Oh, no; the Court did not, I may say.

Mr. KERR. So I am sure that it is a quotation from the decision, but quoted three times. However, I still say to my good friend from Missouri that the effect of the decision is not clear. As I remember, the decision was handed down on——

Mr. DONNELL. June 18, 1947.

Mr. KERR. It was handed down on June 18, 1947. I refer again to those who know most about the act, namely, the Federal Power Commission, and I would like to read to the senior Senator from Missouri what the Commission said on August 15, 1947. What was the date of the decision?

Mr. DONNELL. June 16, 1947.

Mr. KERR. Then this was 2 months thereafter:

> Reference also was made at these hearings to the pending case before the Supreme Court of the United States in *Interstate Natural Gas Co., Inc.* v. *Federal Power Commission.*

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KERR. I will yield as soon as I answer the question. I read again from the order of the Federal Power Commission:

> Reference also was made at these hearings to the pending case before the Supreme Court of the United States in *Interstate Natural Gas Co., Inc.* v. *Federal Power Commission.* The subsequent decision of the Court on June 10, 1947, addressed to the particular circumstances of that case which involved the operations of a natural-gas company subject to the act, immediately became the basis for diverse interpretations and agitations by interested parties, as to its implications regarding the jurisdictional status under the act of independent producers and gatherers.
>
> In view of these circumstances, the Commission urged the immediate adoption of H. R. 4099, the specific and sole purpose of which was to make entirely clear the exemption of the independent production and gathering of natural gas from the provisions of the Natural Gas Act. This proposed amendment, however, was not enacted during

the closing days of the session of the Congress which has just ended.

This brief review of developments in this matter has been presented so that there may be no basis for misunderstanding or continuing expressions of fear and uncertainty regarding this matter which is noncontroversial. The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act.

The rule herein has this specific purpose and is issued at this time because the Congress has not yet reaffirmed such exemption by amending the act. It is also our intention, in keeping with the position heretofore taken, to continue to recommend to the Congress that it take appropriate clarifying legislative action regarding this matter.

The Senator from Oklahoma tells his good friend that the Commission itself referred to that decision as being one which "became the basis for diverse interpretations and agitations as to its implications regarding the jurisdictional status under the act of independent producers and gatherers."

Mr. DONNELL. Mr. President, will the Senator yield in order to supply the words which I know he inadvertently omitted following the words "diverse interpretations and agitations," namely, the words "by interested parties"? That is the statement of the Commission, is it not?

Mr. KERR. It says "immediately became the basis for diverse interpretations and agitations by interested parties, as to its implications." That is what the Commission calls the language the Senator is reading. The Commission says they are "implications." The Commission does not say they are clear, definite, concise, understandable statements or declarations. If they had been, the Commission would not have issued this order, in the very shadow of the Supreme Court Building, within 2 months after the decision was handed down.

Mr. DONNELL. Will the Senator yield?

Mr. KERR. In a moment I will yield. It says "as to its implications regarding the jurisdictional status under the act of independent producers and gatherers."

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KERR. I yield for a question.

Mr. DONNELL. Does the Senator understand what the Commission has there said to mean that the Supreme Court was making "diverse interpretations and agitations"?

Mr. KERR. Not at all.

Mr. DONNELL. Or does he think, as the Commission's secretary says on behalf of the Commission, that this decision of the Supreme Court "immediately became the basis for diverse interpretations and agitations by interested parties, as to its implications regarding the jurisdictional status under the act of independent producers and gatherers"? Is not that what the Commission said?

Mr. KERR. The Commission said just that. That means that there are diverse interpretations as to the implications. What implications? The ones created by the language of the Interstate decision. That is where the Commission referred to the language of the court as creating implications, and that there were diverse interpretations of those implications.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. DONNELL. Does not the Senator agree that the Commission itself recognized in the order which the Senator has read, issued August 15, 1947, which was to become effective August 7, 1947, that in order that the exemption of these companies from the act might be effective, an amendment of the act would be necessary in view of the decision of the court? I call to the Senator's attention this sentence in that respect:

The rule herein—

Says the Commission—

has this specific purpose, and is issued at this time, because the Congress has not reaffirmed such exemption by amending the act.

Does not the Senator understand that the Commission recognized that in order for these companies to be exempt some action by Congress was necessary?

Mr. KERR. Not at all. The Commission said by that order, "This is our interpretation of the Interstate decision. But there are diverse interpretations by people as to the implications of the language, and therefore we, the Federal Power Commission, take this action under our authority, to express our interpretation of the act, and to say that we are going to operate on this basis, and that in order that it may be made definite and clear beyond peradventure of a doubt we are going to, as a matter of form, continue to recommend to Congress to take the necessary amendatory action to clarify this matter," which they referred to above as being noncontroversial.

Mr. JOHNSON of Texas and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. KERR. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. The Senator quoted from order No. 139, written in August 1947. That order is still on the Commission's books, but this is March 1950; I ask the Senator if this is his information as to the situation existing at the Commission as of today? Commissioner Draper and Commissioner Buchanan think the Interstate case gives them authority to regulate the independent producer and gatherer. Is that true?

Mr. KERR. That was their testimony before the committee of the Senate.

Mr. JOHNSON of Texas. Commissioner Smith and Commissioner Wimberly do not think they have such authority. Is that correct?

Mr. KERR. That was their testimony before the Senate committee.

Mr. JOHNSON of Texas. So the Commission today is divided two and two, and the new member of the Commission, Mr. Mon Wallgren, has taken no position to our knowledge.

Mr. KERR. Not that I know of.

Mr. JOHNSON of Texas. So if the Senate refuses to take the responsibility of writing the law, Mr. Mon Wallgren will write the law. Is not that true?

Mr. KERR. He will, so long as the Commission is constituted as at present, with the present membership. The opinion of one man as to the meaning of the present law will be the determinative factor until that day comes when members of the Commission have other views or until other members come to the Commission with similar or different views.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield further?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. The Senator is familiar with the letter sent here by the Commission on the Priest bill, and he will remember that at that time all the members of the Commission said that the Priest bill was not controversial and urged its enactment?

Mr. KERR. That is correct.

Mr. JOHNSON of Texas. At that time, however, Mr. Buchanan was not a member of the Commission. That is correct, is it not?

Mr. KERR. That is correct.

Mr. JOHNSON of Texas. Since that time Mr. Draper has changed his mind and it has become controversial, so far as he is concerned?

Mr. KERR. That is my understanding.

Mr. JOHNSON of Texas. So the summary of it is that the Commission today is divided two and two, and if no law is written by the Congress of the United States the fifth member will have to write the law?

Mr. KERR. Yes.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. DONNELL. Does the distinguished Senator from Oklahoma concur with the very unique statement made by the Senator from Texas, that Mr. Wallgren will write the law, or does the Senator from Oklahoma, lawyer as he is, and fine student of public affairs and law, agree that Mr. Wallgren will merely, at the most, write the opinion of the Commission, and that the courts will still be open to determine what is the law? Is not that a correct statement?

Mr. KERR. The Senator from Oklahoma acknowledges that the technical description by the Senator from Missouri probably is a little more accurate. The Senator from Oklahoma wishes to state to the Senator from Missouri that he understood the question from the Senator from Texas to be couched in the language of the Southwest, which is familiar to him. He is very sorry if the Senator from Missouri did not understand that, because of the lack of technical and legal ability on the part of my good friend the Senator from Texas he failed to couch his question in extremely legal terms. But the Senator from Oklahoma wants to say that he understood the question thoroughly, and he thinks the Senate understood the ques-

tion thoroughly, and he hopes the Senate understood the answer of the Senator from Oklahoma.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. I want to give assurance that hereafter, when I refer to the law at all, I shall always make it clear that the courts must pass on it and interpret it.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. DONNELL. I am very grateful for this assurance. I think it is very reassuring to the nation that the Senator from Texas will recognize the existence of the courts. But may I say——

Mr. KERR. At that point I want to say that the Nation has the assurance that in the absence of such action by the Senator from Texas our delightful and able friend the Senator from Missouri will be here to take up the slack and make the necessary correction.

Mr. DONNELL. In view of the fact that this is election year that is doubly assuring, both to the Senator from Missouri and the people of the country.

I should like, however, to ask the Senator this final question, with the permission of the Chair and the Senator. In his answer to my question, after stating what the Senator from Texas had said, and what, as I see it, is the situation, the Senator from Oklahoma said that the Senator from Missouri is "probably" correct. I ask the Senator now as to whether there is any doubt whatsoever in the mind of the Senator from Oklahoma that the statement made by the Senator from Missouri is absolutely correct, and that, regardless of what Mr. Wallgren may write or not write, the courts of our Nation will still be open for the correction of any error, in event error may appear in what he shall write?

Mr. KERR. I want to say to the Senator from Missouri that if there is a man upon this earth about whom the Senator from Oklahoma would feel safe, and would have implicit confidence that his statement was absolutely and totally and technically correct, it is the senior Senator from the State of Missouri. But that up to this point the native caution of the junior Senator from Oklahoma and the experience he has had in the university of hard knocks, which has been his portion over half a century, has brought him to the point where he would not voluntarily make that admission in favor of any living human. I hope the Senator from Missouri is not offended.

Mr. DONNELL. Not at all.

Mr. KEM. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. KEM. I was asking the Senator from Oklahoma some questions about the case in which the Corporation Commission of Oklahoma raised the price of gas.

Mr. KERR. Let me interrupt to say that the Senator was asking a question and making a statement. The Senator from Oklahoma has not read the case. He has not read the order. He does not know if their action raised the price. Therefore, he requests the Senator from Missouri, in asking questions, to do so with that information in mind, and on the basis of asking the Senator from Oklahoma what he knows, and not on the basis of telling the Senator from Oklahoma what he should know.

The Senator from Oklahoma is embarrassed enough to answer, in reply to the question of the Senator from Missouri, that there is some element of legal history and legal knowledge and proceedings of corporation commissions with which he is not familiar. He hesitates to be stripped bare here in the presence of his friends and compelled to admit that there are some things he does not know. But that is the fact. He hopes the questioning may be conducted with that in the Senator's mind.

Mr. KEM. I shall be glad to keep that in mind. I can readily appreciate the embarrassment of the Senator from Oklahoma, who is here asking the Federal Government to abdicate the field of regulation of the price——

Mr. KERR. Mr. President, I yield to the Senator for a question and not for a declaration of the purpose of the Senator from Oklahoma. The junior Senator from Oklahoma needs no man to express that purpose for him, nor will he permit it to be done by another in the time of the junior Senator from Oklahoma. If that is not understood, I yield no further to the Senator from Missouri.

Mr. KEM. I am very sorry, Mr. President, if I exasperated the Senator from Oklahoma in referring to his embarrassment, to which he himself had referred.

Mr. KERR. That is not what embarrassed the Senator from Oklahoma. When the Senator from Missouri attempted to state the purpose of the Senator from Oklahoma in different terms than those which are either correct or are on the basis of what the Senator from Oklahoma has said, it embarrassed the Senator from Oklahoma. I yielded to the Senator for a question and not for remarks about the purposes of the Senator from Oklahoma.

Mr. KEM. I think the Senator from Oklahoma is quite wrong when he says I referred to his purpose. I referred to the state of mind which I understood he himself had exhibited.

Mr. KERR. Mr. President, a point of order——

Mr. KEM. Mr. President, if the Senator will yield, I wish to ask several questions, and then I shall be through.

I know the Senator from Oklahoma has been on his feet for several hours, and he may well be somewhat on edge.

Mr. KERR. I will stay here for any questions the Senator from Missouri asks, whether they are for information or for debate.

Mr. KEM. The question I wish to put to the Senator from Oklahoma is this: Was he in the Senate yesterday when I inserted in the RECORD the decision of the Supreme Court of Oklahoma in the case of Cities Service Gas Co. against Peerless Oil & Gas Co. and others, which appears in the CONGRESSIONAL RECORD for yesterday at page 3910?

Mr. KERR. Yes, I was here.

Mr. KEM. Did I correctly understand the Senator from Oklahoma to say that he had not, either before or since that time, read that decision?

Mr. KERR. That is correct.

Mr. KEM. Did the Senator from Oklahoma also realize that at the same time I inserted in the CONGRESSIONAL RECORD a decision of the corporation commission of the State of Kansas, which appears at page 3916 of the CONGRESSIONAL RECORD?

Mr. KERR. I was in the Chamber when the Senator from Missouri had the floor yesterday, and I was aware that he did certain things; but I did not hear all the Senator's remarks at that time, and I have not read the RECORD since that time.

Mr. KEM. The Senator from Oklahoma has not read the decision of the corporation commission of the State of Kansas in that case?

Mr. KERR. I have not.

Mr. KEM. Let me invite the attention of the Senator from Oklahoma to this statement in the decision of the Kansas Corporation Commission; I quote now from page 3918 of the CONGRESSIONAL RECORD:

> A cheap price placed on any commodity depreciates its usefulness.

I ask the Senator whether he joins in that statement of economic theory.

Mr. KERR. I do not care to express an opinion with reference to the validity or soundness of a decision rendered by a regulatory body of the State of Kansas.

Mr. KEM. I should like to ask one more question: Does the Senator from Oklahoma feel that the action taken by the regulatory bodies of the States of Oklahoma and Kansas, respectively, in fixing the price of gas at the well, and in raising it, is in any way inconsistent with the bill the passage of which the Senator from Oklahoma is urging in the Senate today?

Mr. KERR. Again I advise the Senator from Missouri that I have not read the orders or decisions, and I would not care to express an opinion as to their scope or their meaning. I do say that those regulatory bodies are operating at the State level, with or without constitutional authority. If they have constitutional authority, the Senator from Oklahoma has not introduced a bill which will take it from them. If they do not have constitutional authority, the bill of the Senator from Oklahoma will not give it to them.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield to the Senator from Louisiana.

Mr. LONG. With regard to such legislation by State legislatures, I am sure the Senator from Oklahoma realizes, does he not, that although the State of Oklahoma and the State of Kansas may have enacted legislation to fix a minimum price for gas, there are many States, including Louisiana, which have declined to pass such legislation?

Mr. KERR. I have been so advised.

I wish to say that, so far as I know, the Legislature of the State of Oklahoma has not passed any law conferring that power upon the regulatory body of the State.

Mr. LONG. I should like to ask the Senator from Oklahoma this question: In view of the fact that the Senator from Missouri seems to feel that it is extremely wrong for a State legislature to fix a minimum price which consumers in Missouri must pay for natural gas, would not it appear equally unreasonable that some other regulatory body fix a maximum price which should be charged for natural gas?

Mr. KERR. In that respect, let me say that I have too much respect for the Senator from Missouri to attempt to say what he should feel about the matter. However, I certainly would recognize the difference between fixing the minimum at the maximum price and fixing the maximum at the minimum level.

Mr. LONG. Mr. President, will the Senator yield for another question?

Mr. KERR. I yield further.

Mr. LONG. I should like to state to the Senator, if I may have unanimous consent for that purpose, that I certainly do not intend to imply what the Senator from Missouri should think; and if such was suggested by my question, by all means I wish to offer my apologies to the Senator from Missouri. I simply ask the Senator from Oklahoma whether he thinks that if it is wrong to fix the minimum price for gas, it would equally be wrong to fix the maximum price by action of a State commission.

Mr. KERR. Yes.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield for a question.

Mr. KEM. Did not the Senator from Oklahoma understand me to say that in my judgment the fixing of prices in Oklahoma and Kansas was perfectly all right so far as the consumers in those States are concerned; but that when the gas is intended for interstate commerce and when the matter involves the price which shall be paid by consumers in other States, question arises—because interstate commerce is involved—as to whether the action of the regulatory bodies in the producing States should be subject to review by the Federal Commission which is in a position to reach a balance as between the interests of the producing States and the interests of the consuming States?

Mr. KERR. I do not remember exactly what the Senator from Missouri said; but if what the Senator said was what the Senator from Missouri has just said he did say, I am sure the Senator from Missouri is correct in his statement of what he said.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. I yield to my good friend the Senator from Illinois.

Mr. DOUGLAS. First, let me say that I appreciate the fact that the Senator from Oklahoma has been on his feet for some hours today, and I do not wish to tax him unduly. He has been on his feet for almost as long a period of time as the Senator from Oklahoma kept the junior Senator from Illinois on his feet the other day during the debate in the Senate.

Would not the Senator from Oklahoma agree that it is highly important that we keep clearly in mind what are the fundamental contents of the present legislation on this subject?

Mr. KERR. I think that is a matter to which Senators should give full consideration.

Mr. DOUGLAS. I would appreciate it if the junior Senator from Oklahoma would tell me whether the provisions of section 1 (b), which I have had put on the chart to which I now point, correctly appear on it; and I would appreciate it if he would read over with me the provisions of section 1 (b) as they appear on the chart. I have had placed on the chart, or the table to which I now point, the passages of section 1 (b), which give affirmative definitions of power, not negative deprivations of power. Will the Senator follow me as I proceed to read from the chart:

The provisions of this act shall apply—

I point out that there is no comma or break in the wording at that point—

to the transportation of natural gas in interstate commerce—

We should note that it proceeds to say—

to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale.

I ask the Senator whether I have read correctly that portion of the act?

Mr. KERR Absolutely.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Oklahoma yield further to the Senator from Illinois?

Mr. KERR. I yield.

Mr. DOUGLAS. Then does the Senator from Oklahoma agree that it is highly important for the Members of the Senate to realize that the act contains the words that—

The provisions of this act shall apply * * * to the sale in interstate commerce of natural gas for resale for ultimate public consumption—

And so forth?

Mr. KERR. I think all Senators should be fully aware of that fact.

Mr. DOUGLAS. Is it not true that other charts, which inadvertently omit the words "sale in interstate commerce," should at least be supplemented by the chart to which I have just been referring?

Mr. KERR. I do not quite understand the Senator's question. Is he referring to the chart of the Senator from Oklahoma; and is he suggesting that in the preparation of that chart, some of the words of the act may have been omitted?

Mr. DOUGLAS. I did not know whether it was the chart of the Senator from Oklahoma——

Mr. KERR. The one to which I now point is the chart to which I refer.

Mr. DOUGLAS. If the Senator will check his chart, he will find that after the word "commerce," the following is omitted: "to the sale in interstate commerce."

Mr. KERR. Yes; those words are left out at the point which I now indicate.

Mr. DOUGLAS. Those words are the crux of the whole situation.

Mr. KERR. The Senator from Oklahoma——

Mr. DOUGLAS. Let me hasten to add, lest the Senator from Oklahoma receive an erroneous impression in regard to this matter, that in my judgment the omission was inadvertent and unintentional, and the Senator from Oklahoma will wish to correct it.

Mr. KERR. I wish to say that it is immaterial.

Mr. DOUGLAS. Is it not highly important that the full text be quoted?

Mr. KERR. It is immaterial, for the reason that the act speaks for itself.

Mr. DOUGLAS. Should it not be precisely quoted, then?

Mr. KERR. Does the Senator from Illinois indicate that the Senator from Oklahoma has not correctly quoted the act when he has read it?

Mr. DOUGLAS. I wish to make it clear that when the act has been read into the RECORD this afternoon, the Senator from Oklahoma has read it with complete accuracy.

My point is that since one chart has been displayed, is it not proper to have another chart, which gives the full text, including the words "to the sale in interstate commerce" also displayed in the Chamber?

Mr. KERR. I would say it is entirely proper to have displayed in the Chamber any chart the Senator from Illinois wishes to have displayed here.

Mr. DOUGLAS. Is it not true that the chart to which I now refer is more accurate than the other one, because the one to which I now point includes the words "to the sale in interstate commerce," which are omitted from the other chart?

Mr. KERR. I have said before that I see that the language to which the Senator from Illinois has just referred was not included on this chart. However, the omission of those words from the chart does not change the meaning of the act, nor does it add to or detract from the jurisdiction of the Federal Power Commission.

Furthermore, I now refer the Senator from Illinois to the language of the court in its decision in the Panhandle-Eastern case.

Mr. DOUGLAS. Let me say that that decision is not at all involved in the question I have asked.

Mr. KERR. Mr. President, let me say that I must be the best judge of what is involved in connection with this matter.

Mr. DOUGLAS. I merely wish to say that the decision in the Panhandle-Eastern Natural Gas Co. case is not involved in the question I asked.

Mr. KERR. Mr. President, I was about to read, from the decision in the Panhandle-Eastern Natural Gas Co. case, the following:

In the light of that history, we should not by an extravagant, even if abstractly possible, mode of interpretation push powers granted over transportation and rates so as to include production. If possible all sections of the act must be reconciled so as to produce a symmetrical whole. We cannot attribute to Congress the intent to grant such far-reaching powers as implicit in the act when that

body has endeavored to be precise and explicit in defining the limits to the exercise of Federal power.

I wish to say that the chart to which I have referred does not purport to give a full and complete quotation of the Natural Gas Act; but the complete language of the act is before the Senate; it is before the Senator from Illinois; it is before the Senator from Oklahoma. The fact that some of it may not have been placed at a certain point on a chart does not detract from or add to the meaning of the act. In respect to the provision of the act which has just been under discussion, and certainly I wish to read it correctly, as follows:

to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use—

It must be interpreted in the light of the fact that the act also says that—

The provisions of this act * * * shall not apply * * * to the production or gathering of natural gas.

That was what was in the mind of the Supreme Court, when it said:

If possible, all sections of the act must be reconciled so as to produce a symmetrical whole.

I have yet to see the man who knows something about the law and the practical operation of the gas industry, who knows that the act says its provisions shall not apply to production or gathering, who can read into it any purpose to permit the Commission to go behind the entire field of the gatherer, to fix the price paid to the producer at the production level at the time of delivery of the gas and release of title, and to put a control over it.

Mr. DOUGLAS. I hope the Senator from Oklahoma will pardon me if I transgress the strict rules of the Senate to say I was not going into the question of interpretations by the Supreme Court, but I was merely seeking to get the correct text of section 1 (b). Is it not true that section 1 (b), irrespective of interpretation, includes the words "and the sale in interstate commerce"?

Mr. KERR. No; it does not say that.

Mr. DOUGLAS. It does not?

Mr. KERR. I may say, half truth is oftentimes as deceptive as a fabrication of the whole cloth. The act does not say it shall apply to the sale of gas in interstate commerce, but it says, without comma and without interruption, that it shall apply "to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use." Each time another word or phrase is added, beyond the statement "sale in interstate commerce", it has the effect of limiting the application of the act to the transaction described, and cannnot apply to a sale, except as to gas which not only is in interstate commerce but which also is for resale, and also for ultimate public consumption.

Mr. HUNT. Mr. President, will the Senator from Oklahoma yield for a statement?

Mr. KERR. I yield to the Senator from Wyoming.

Mr. HUNT. Mr. President, it is now 20 minutes of 6. Some Senators now on the floor have engagements this evening. I should like to ask the two distinguished Senators whether it would be agreeable that the Senate recess, in 6 minutes, or about a quarter to 6?

Mr. KERR. I shall be glad to do it, so far as I am concerned, with the understanding that any Senator who may have a question to ask the Senator from Oklahoma that he has not been permitted to ask, may be permitted to do so when the Senate reconvenes on Monday.

Mr. HUNT. The right could possibly be reserved to Senators in some manner, so that the questions could be asked following the convening of the Senate on Monday at 12 o'clock.

Mr. DOUGLAS. I think I have only 1 or 2 more questions to ask the Senator from Oklahoma. I could possibly finish in 15 minutes, but I want to assure the Senator from Wyoming the 6-minute limitation might be too constraining. So, reserving the right to object, I hope the junior Senator from Wyoming will not press the request.

Mr. DONNELL. Mr. President, reserving the right to object, I may say I have one question, which might be followed very briefly by a subsequent question or questions. But it appears to me it is a little difficult for us to restrict ourselves to 6 minutes. I should like to have a reasonable time in which to present the question, and possible subsequent questions. I would be constrained to object, otherwise.

The PRESIDING OFFICER. The request has not been made, and the Senator from Oklahoma is still undertaking to answer questions.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. DOUGLAS. Will the Senator from Oklahoma be kind enough to take section 2, paragraph 6, of the act—not of the decision, but of the act—and will he read the definition of natural-gas company?

Mr. KERR. The Senator from Illinois has not spent nearly so much time on the floor as has the Senator from Oklahoma. I would say to the Senator, if he wants the paragraph read, I shall be glad to yield to him for the purpose of reading it.

Mr. DOUGLAS. Will the Senator from Oklahoma inform me whether the following is the content of paragraph 6 of section 2?

"Natural-gas company" means a person engaged in the transportation of natural gas in interstate commerce, * * * or the sale in interstate commerce (of such gas) for resale.

Mr. KERR. That is a correct reading of paragraph 6 of section 2.

Mr. DOUGLAS. And therefore is it not true that a definition of a natural-gas company as one that is only engaged in transportation in interstate commerce is an incomplete definition as given in the act?

Mr. KERR. As the Senator from Oklahoma understands, a natural-gas company under the act——

Mr. DOUGLAS. I do not wish to impose upon the Senator, who has been speaking for some time.

Mr. KERR. I may say to my friend, do not worry about that. I am merely trying to get this statement in such form as will be understandable, and will also express what I think, that a natural-gas company under the act is one engaged in the interestate transportation of gas, or one engaged in the sale for resale.

Mr. DOUGLAS. No; it does not say that at all.

Mr. KERR. "Sale in interstate commerce for resale."

Mr. DOUGLAS. That is correct. I am very glad the Senator from Oklahoma said that. The chart which was exhibited here does not give the second definition, and I have placed a second chart here, which does include it.

Mr. KERR. Let me say to the Senator from Illinois, the chart was placed here to illustrate certain points, and I know of no claim which has been made for it that it contains a complete delineation of the Natural Gas Act.

Mr. DOUGLAS. No; but if it is displayed, we feel that it would be valuable to have the other chart displayed alongside it.

Mr. KERR. I may say the chart has served the purpose I had in mind. I certainly shall not attempt to limit in any way the privilege of the Senator from Illinois to display any other chart he desires, nor am I interested in having the Senator from Illinois fix the specifications for a chart to be displayed by the Senator from Oklahoma.

Mr. DOUGLAS. I take it it is the purpose of us both to get charts which will describe the law.

Mr. KERR. No; the purpose of the Senator from Oklahoma is to get charts which will enable him better to explain his message and his idea of what is involved in the litigation. I have charts showing the cost of commodities. I have a chart showing the percentage which the producer gets out of the consumer's dollar. I have a chart showing where the great city of Chicago gets its gas and how much it pays for it. I hope the Senator from Illinois does not understand either that the Senator from Oklahoma has made a declaration of the purpose of the charts, or that the Senator from Oklahoma has attempted to mislead anyone. He is available here for any questions that any Senator may want to ask him with reference to his views on the subject in issue, or to afford enlightenment in any way he can, but not to limit information; rather, to expand it to the fullest possible extent.

Mr. DOUGLAS. The Senator from Illinois not only concedes but gladly states that it was not the purpose of the Senator from Oklahoma to mislead in the slightest by the omission of certain words from the chart which he exhibited, but he submits that these words are of critical importance in determining the powers of the regulatory body, and asks

therefore that they be borne in mind. With this, the Senator from Illinois ceases questioning the Senator from Oklahoma. He appreciates the strain the Senator has been under, and has no further questions.

Mr. KERR. I thank the Senator.

Mr. DONNELL. Mr. President, does the Senator from Oklahoma feel a willingness to respond to a further question?

Mr. KERR. I yield to the Senator from Missouri for a question.

Mr. DONNELL. Assuming that in the Interstate Natural Gas Co. case, decided in June 1947, the Supreme Court of the United States was referring to charges made for gas by a gas producer, a gatherer, delivered to pipe line companies, does the Senator agree with the Supreme Court in the following observation?—

> Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

Mr. KERR. The Senator from Oklahoma does not care to indulge in any assumptions as to what is in the decision, or as to what was in the mind of the Court. The Senator from Oklahoma has made himself clear as to what he thinks about the Interstate case. The Senator from Missouri has occupied the floor to some extent, doing the same thing, and certainly he will have full opportunity to do so in the future.

Mr. DONNELL. Mr. President, will the Senator yield for one further question?

Mr. KERR. I yield for a question.

Mr. DONNELL. Does the Senator, without any assumptions of any kind, but merely taking the facts as they are in the Interstate Gas case, agree with what I have just read? I repeat it:

> Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of cost which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

Does he agree with that observation?

Mr. KERR. The Senator from Oklahoma is of the opinion that no moral support from him is needed to affirm or to acknowledge the dignity of the jurisdiction of the Supreme Court of the United States, nor is the Senator from Oklahoma interested in picking out this or that part of the Court's decision and expressing an opinion on it, for the very simple reason that he looks upon the decision of the Court as a matter which leads to a conclusion, that its significance is in what it holds or does not hold, and that the considerations in the minds of the members of the Court, or of counsel, which led them to their conclusions, are matters having their own concern. Therefore, the Senator from Oklahoma feels that the only significance of the Interstate Gas case decision is what the Court held or did not hold to be the meaning of the Natural Gas Act.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield.

Mr. DONNELL. Am I correct, therefore, in understanding that the Senator from Oklahoma declines to answer the question which the Senator from Missouri propounded, as to whether he admits the correctness of the observation of the Supreme Court?

Mr. KERR. The Senator from Oklahoma acknowledges the right of the Senator from Missouri to arrive at any conclusions he wants to. He is aware of the fact that he has a great thinking apparatus which should lead him, in a field which he explores, in finding a conclusion satisfactory to him; and the Senator from Oklahoma neither grants his permission to do that, because the Senator has that right without such permission, nor does the Senator from Oklahoma seek to keep him from doing it, because his love, affection, and respect for the Senator from Missouri is such that he would not do so if he could.

Mr. DONNELL. Mr. President, will the Senator yield further for a question?

Mr. KERR. I yield.

Mr. DONNELL. Does the Senator decline to answer the question which I asked him, namely, as to whether he agrees with the observation so quoted from the Supreme Court's decision?

Mr. KERR. The Senator from Oklahoma has made himself clear on that point, and if the Senator from Missouri does not understand it, as soon as the RECORD is available I shall have it italicized and will send it to the Senator from Missouri in a frame, in order that he may have before him the answer of the Senator from Oklahoma to that question.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. KERR. I yield for a question.

Mr. DONNELL. The Senator from Missouri believes that his limited understanding——

Mr. KERR. I yielded for a question.

Mr. DONNELL. I shall ask the question immediately. Does the Senator decline to answer the question which the Senator from Missouri has asked him to answer?

Mr. KERR. No; the Senator from Oklahoma answered the question which the Senator from Missouri asked him.

Mr. DONNELL. I thank the Senator for his answer.

Mr. SPARKMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield the floor?

Mr. KERR. If there are no further questions.

Mr. SPARKMAN. Mr. President, I should like to have the Senator from Oklahoma yield to me for a question.

Mr. KERR. I yield.

Mr. SPARKMAN. May I ask the Senator from Oklahoma, to whom I have listened rather attentively during his able presentation of the matter, if I correctly understand his position to be that, first, the regulation of the production and gathering of gas at the production level is not now covered by law?

Mr. KERR. It is prohibited by law.

Mr. SPARKMAN. And it was not included in the Natural Gas Act of 1938, in the intent of Congress, nor even in the various interpretations given to it by the Supreme Court. Is that the contention of the Senator from Oklahoma?

Mr. KERR. The Senator from Oklahoma contends that was the original law, that it was the intent of Congress, and the uniform administrative practice of the Commission. He acknowledges that a cloud was created by the Interstate Gas case decision which, in the opinion of the Senator from Oklahoma, was largely but not wholly removed by the decision in the Panhandle Gas case. The Senator from Oklahoma believes that the pending measure would restate the original purpose of the act, that and nothing more, and that it should be done to eliminate the confusion which may exist in the mind of any commission or industry, and in order that the program may go forward in the future identically as it has in the past.

Mr. SPARKMAN. That is in keeping with order No. 139?

Mr. KERR. Identically.

Mr. SPARKMAN. It is still in existence, is it not?

Mr. KERR. Yes.

Mr. SPARKMAN. It was also in keeping with the suggestion made by the Federal Power Commission itself.

Mr. KERR. It is identical in purpose with the Priest bill which was introduced in the House in the Eightieth Congress which was unanimously urged by the Federal Power Commission and that Commission unanimously recommended that it pass.

Mr. SPARKMAN. The Senator from Oklahoma agrees, does he not, that a utility should be regulated because, by its very nature, it is a monopoly?

Mr. KERR. The Senator from Oklahoma acknowledges and recognizes that utilities are creatures of statutes, that, as such, they are given certain privileges. They are given, to begin with, an exclusive franchise; they are protected from competition; they are guaranteed a profit; and in return there is definite provision made for their complete regulation in order that exorbitant charges or profits may not be made.

Mr. SPARKMAN. The able Senator would agree, would he not, that the condition of being a monopoly and subject to regulation certainly applies at the distributing end?

Mr. KERR. Certainly.

Mr. SPARKMAN. He also agrees, does he not, that it applies to the transmission in interstate commerce, through pipe lines or in whatever manner the commodity may be transported?

Mr. KERR. Yes.

Mr. SPARKMAN. Do I correctly understand that the Senator from Oklahoma contends that at the level of production there is not the same monopolistic condition?

Mr. KERR. There is no monopolistic condition. The body of our American law is dedicated to two things with reference to monopoly. Where there is monopoly by the operation of a utility it

is under provisions of the statute which created it and under the regulation of the statute which makes it. Other than in the field of utilities, the body of American law is prohibitory with reference to monopoly which is not regulated. Monopoly generally is prohibited and its existence is punishable by civil and criminal action. But in the utility field, where the general provision of the monopoly law is satisfied, it is done on the basis of the granting of certain privileges and the exacting of certain responsibilities.

Mr. SPARKMAN. May I say to the able Senator that I feel there are a number of Senators in whose minds this question rests more or less upon whether there is full and free operation of competition at the production level which would let that competition set prices rather than monopoly or monopolistic conditions.

As a predicate for the question which I want to ask the Senator, I should like to say that I was in the House of Representatives in 1938 when the Natural Gas Act was originally passed, and I certainly agree with the able Senator from Oklahoma as to the intent of the Congress. The question arises whether, in order to make certain that we do not allow to exist a monopolistic condition in supplying something which is essential to the consuming public, the control over prices, competition, and everything else ought to go down to the level of production. Do I correctly understand the Senator from Oklahoma to say that there are a sufficient number of independent producers, or a relatively small number, measured in terms of big or little business, and that there is a sufficient play in the competitive field to prevent the manipulation of prices by which the consuming public would be hurt?

Mr. KERR. The Senator from Oklahoma is very definitely of that belief. In the first place, there is no monopoly at the production level. In the second place, there can be no monopoly at the production level. Any American is a potential producer of gas. In over half the area of the Nation, both on the continent and in Alaska, there are potential areas for the production of gas. As I tried to show the Senator this afternoon, so far as I know, unless in very rare instances of the many thousands of fields none are owned by a single individual. There is no field where the price paid to the various producers is the same. There is no similarity of price as between the States. The prices range all the way from about—I thought I was answering the Senator's question. Is the Senator listening to me or to another Senator?

Mr. SPARKMAN. The Senator is answering the question. However, I was getting the answer from both sides, and trying to assimilate both sides.

Mr. KERR. With the best of feeling and the highest degree of friendship, I warn the Senator from Alabama that the whisperings of the Senator from Missouri might be made for the purpose of wooing his attention away from the Senator from Oklahoma while the truth and gospel of this matter is attempted to be given.

Mr. SPARKMAN. I may suggest to the able Senator from Oklahoma that if he refers to the Senator from Missouri as Scylla, we may certainly refer to the Senator from Oklahoma as Charybdis.

Mr. KERR. I do not know what that means, but when the Senator from Alabama uses the designation with reference to the Senator from Oklahoma, the Senator from Oklahoma accepts it gladly.

To return to the question of price, as the chart discloses, and as the other charts disclose, the prices range from a little more than 2 cents, in New Mexico, to 25 cents in Pennsylvania, 22 cents in New York, and 18 cents in Kentucky. In the great State of Texas, which has more than half of the production in the United States, gas is selling for less than 5 cents a thousand cubic feet. There is no similarity of price in any two States. There is no similarity of price between various fields. There is no similarity of price as between various sellers, with reference to size or magnitude. The largest vendor disclosed in any of the charts gets less than half of the amount per thousand cubic feet received by one of the smallest. There is no similarity of price within a field, or between producers, or between pipe-line companies. I placed in the RECORD this afternoon a statement with reference to prices being paid by some 10 or 12 interstate carriers. It shows that the prices go up and down as between fields and as between operators in the fields. So there cannot possibly be any monopoly in the production of gas at the producer level.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. KEM. Would the Senator be good enough to tell me what his chart shows the price to be in Oklahoma?

Mr. KERR. The chart shows the average price received by the producer in Oklahoma to be just a little under 5 cents a thousand cubic feet.

Mr. KEM. What period did that cover?

Mr. KERR. The chart is for 1948.

Mr. KEM. That was before the State corporation of Oklahoma took action in the Peerless Oil & Gas Co. case and fixed the price in the Guymon-Hugoton field at 7 cents, was it not?

Mr. KERR. I think it was after that. I think I read a brief of the Federal Power Commission before the Supreme Court in the Interstate case in which they referred to the order, to which the Senator now has reference, as having been made prior to that date. I think the Senator will find that to be correct. He evidently has the information before him. I wonder if he would advise the Senator from Oklahoma as to that.

Mr. KEM. I shall be glad to give the Senator the decision of the Supreme Court of Oklahoma.

Mr. KERR. I thought the Senator referred to an order made by the Corporation Commission of Colorado.

Mr. KEM. The Supreme Court of Oklahoma affirmed the order of the Commission.

Mr. KERR. I ask the reporter to read the record to see whether the Senator's question referred to an order of the Commission or a decision of the Supreme Court of Oklahoma.

Mr. KEM. So far as I know, the opinion of the Court did not disclose the date of the order of the Commission. The date of the decision in the Supreme Court of Oklahoma, affirming the action of the Commission, is January 17, 1950.

Mr. KERR. Does the Senator have a copy of the decision?

Mr. KEM. I should like to ask the Senator a question. If a State utility commission is to exercise the authority prerogative, and power of fixing the price of gas at the well, how can the Senator consistently say that the forces of competition are working with reference to that price?

Mr. KERR. In the first place, as I understand, the order referred to by the Senator applied to one field. I read from information which I had just received from Oklahoma, to the effect that there are 1,400 or 1,500 fields in Oklahoma. The chart to which the Senator from Oklahoma refers discloses the average price paid producers across the length and breadth of the State in all fields, and he advises the Senator from Missouri that that price goes all the way from about a cent and a half to 10 cents a thousand cubic feet. The situation which the Senator from Oklahoma described to the Senator from Alabama in his answer to the Senator's question was based on the records of the Federal Power Commission, the records and charts before the Senate, and the information as disclosed to the Senator from Missouri. He is well aware of that fact, and he is also aware of the fact that insofar as the operation of the gas business is concerned, and insofar as the producer is concerned, it is impossible for a monopoly to exist at the producer level, certainly, if a State regulatory body has the power to fix a minimum price, and does it. But it does not have the right to say who shall go where and find it and produce it, it does not have the right to say to anybody that he cannot hunt for it and find it. If the State has that power, and if it is to that extent a check upon the general competitive situation, it is so by reason of the operation of law beyond the control of the Senator from Oklahoma or the Senator from Missouri. If it is under their constitution and their membership in the American Union, I remind the Senator that it may be even beyond the omnipotence of the Congress. But I still say to the Senator from Alabama that it is impossible for monopoly to exist at the producer level just as fully as it is for monopoly to exist at the level of the production of corn, or cotton, or wheat, or peanuts, even though the Federal Government fixes minimum prices for those products. The Federal Government fixes minimum prices for the agricultural products of the Nation, but no Senator has either ever contended or contemplated the possibility that such an act by the Congress with reference to the price of a product of an American producer created monopoly, or changed

the basic fact that monopoly does not exist and cannot exist at the producer level.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. KERR. I yield for a question.

Mr. SPARKMAN. I wish to make a motion to recess.

Mr. KERR. The Senator from Oklahoma yields the floor, if there are no further questions to be asked.

Mr. SPARKMAN. I desire to move a recess, but I understand that the Senator from Missouri [Mr. KEM] has a few more questions to ask, the Senator from Wyoming [Mr. HUNT] has some questions he would like to propound to the Senator from Oklahoma, and I see the Senator from Minnesota standing, and perhaps he desires to ask a question.

Mr. THYE. Will the Senator yield to me for a moment?

Mr. SPARKMAN. Let me make my request first, if I may.

Mr. THYE. Certainly.

Mr. SPARKMAN. What I wanted to do was to ask unanimous consent that the Senator from Oklahoma be allowed to resume the floor Monday when the Senate reconvenes, for the purpose of answering further questions.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama for unanimous consent that when the Senate reassembles on Monday the Senator from Oklahoma may be recognized to continue to respond to inquiries about the pending business?

Mr. SPARKMAN. It occurs to me that perhaps he should not be limited merely to the matter of answering questions, but that he should just be recognized.

The PRESIDING OFFICER. That the Senator from Oklahoma be recognized to continue the discussion of the pending bill. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 398) relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price support for potatoes, and it was signed by the Vice President.

ERADICATION OF FOOT-AND-MOUTH DISEASE IN MEXICO

Mr. THYE. Mr. President, if I may be recognized for just a moment I should like to say that I have waited for several hours for the opportunity of filing a report from the Subcommittee of the Committeee on Agriculture and Forestry studying the foot and mouth disease. At this late hour I shall not take the time of the Senate to read the report, but I wish to say that I went to Mexico in June 1947, in connection with the foot and mouth disease eradication program which was being conducted in that country. At that time I and other Members of Congress, along with members of the livestock industry were gravely concerned. We had our doubts whether we could in any sense overcome the ravages of the foot and mouth disease, and check it, to say nothing about eradicating it.

I can truthfully say that I and my colleagues from the Senate, who are named in the report, on our visit to Mexico the week of February 27, in connection with the eradication of the foot-and-mouth disease in that country, found conditions excellent so far as an eradication program could be called excellent. The administrative functions of the commission are under the control of General Johnson, ably assisted by men from the Bureau of Animal Industry of our Department of Agriculture, such as Dr. Simms, Dr. Clarkson, Dr. Noyes, Dr. Anderson, and the other veterinarians and their assistants in Mexico. They are performing excellent service in the work of eradicating this disease.

In view of the lateness of the hour I shall not take the time of the Senate to read the report of the Subcommittee on Foot-and-Mouth Disease to the Committee on Agriculture and Forestry, but I ask unanimous consent that it may be printed in the body of the RECORD at this point in connection with my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE SUBCOMMITTEE ON FOOT-AND-MOUTH DISEASE, COMMITTEE ON AGRICULTURE AND FORESTRY, UNITED STATES SENATE, MARCH 24, 1950

The subcommittee on foot-and-mouth disease of the Committee on Agriculture and Forestry respectfully submits the following report on the program for the eradication of foot-and-mouth disease in the Republic of Mexico.

Pursuant to Senate Resolution 72, Eighty-first Congress, agreed to February 25, 1949, a subcommittee of the Committee on Agriculture and Forestry was appointed to investigate all problems relative to the incidence of foot-and-mouth disease in neighboring countries. Three members of the subcommittee—Senator EDWARD J. THYE, chairman; Senator SPESSARD L. HOLLAND and Senator GUY M. GILLETTE, and two other members of the Senate Agriculture Committee, Senator JAMES P. KEM and Senator BOURKE B. HICKENLOOPER—personally inspected the work of the Mexican-United States Joint Commission for the Eradication of Foot-and-Mouth Disease in Mexico during the week beginning February 27. They were accompanied by Dr. B. T. Simms, chief of the Bureau of Animal Industry, United States Department of Agriculture; Dr. M. R. Clarkson, in charge of the Inspection and Quarantine Division, Bureau of Animal Industry; and James M. Kendall, committee staff member.

FOOT-AND-MOUTH DISEASE

Foot-and-mouth disease, called aftosa in Spanish-speaking countries, is an acute, highly infectious disease confined chiefly to cloven-footed animals. It is characterized by fever and an eruption of vesicles or blisters on the mucous membrane of the mouth and on the skin between the toes, above the hoofs and on teats and udders. The mortality rate is usually low, the most damage being sustained indirectly through severe losses in weight, substantial reduction in milk production, abortions and impairment of reproduction. The worst menace, however, is the extreme contagiousness of the disease whereby it spreads rapidly in all directions where there is any movement of livestock. The infection may be carried by animals, animal byproducts such as fresh meat, and hay, straw, and sometimes by persons or materials that have come in contact with diseased animals.

The United States has suffered nine outbreaks of foot-and-mouth disease between 1870 and 1929. Six of these outbreaks occurred since 1900 and they were eradicated by the inspection, slaughter, disinfection and quarantine method. In contrast, reports from most European countries are that the disease has gained such a foothold in those countries that it probably has become a permanent infection.

Foot-and-mouth disease was diagnosed in Mexico on December 26, 1946 in the State of Veracruz. By early 1947 it had spread to 16 states of Mexico and new outbreaks were occurring in an ever-enlarging area. To meet this serious threat to the livestock economies of Mexico and the United States, the two countries formed the Mexico-United States Commission for the Eradication of Foot-and-Mouth Disease to direct and carry out a program of eradication.

Inspection, slaughter, disinfection, and quarantine were the campaign methods used at the beginning of the program and approximately 950,000 animals had been slaughtered and buried by November 1947, 11 months after discovery of the disease in Mexico. The economic shock of such wholesale slaughter became unbearable to the Mexican economy as it was taking the work animal of Mexico, the oxen, away from the Mexican farmer, leaving him nothing with which to till his land. While mules were shipped in to fill the need for farm power, the Mexican was not used to handling mules and did not know how to care for or feed them. Therefore, a change in the program became imperative and the Aleman-Garza plan of vaccination, disinfection, quarantine, inspection, and eradication where necessary was inaugurated. The Commission is operating under this plan today.

INSPECTION BY THE SUBCOMMITTEE

Your subcommittee first reviewed the policy and progress of the over-all program through conferences with personnel of the Joint Commission in Mexico City. It inspected the vaccine-production plant and engineering shops in Mexico City. Three field trips were made to various district, subdistrict and area headquarters within a 120-mile radius of Mexico City. Actual vaccination operations were observed. This personal inspection of administrative and field operations has given the members of the subcommittee a more thorough understanding of the complexities and extent of the eradication program and forms the basis of this report.

THE PROGRAM IN OPERATION

Under the present plan of vaccination, disinfection, quarantine, inspection, and slaughter when necessary, the campaign has experienced considerable success. The records speak for themselves. In the production of vaccine, a total of 36,000 doses was produced in May 1948. In October 1948, production passed the million mark with 1,060,000 doses. By August 1949, 5,200,000 doses were the maximum of any one month. Today, 10,000,000 doses could be produced within a month. Through February 24, 1950, a grand total of 49,124,000 doses of vaccine has been produced.

In any discussion of the program to eradicate foot-and-mouth disease from Mexico, certain facts must be kept in mind. The area in which the Commission is attempting to inspect all cloven-footed animals every 30 days and to vaccinate them every 4 months, measures approximately 205,000 square miles. This area includes some of the most mountainous country in the Mexican Republic. It includes tropical lands, plains, cities, and the homes of isolated groups of Mexicans speaking only Indian dialects. Violent opposition was experienced at the beginning of

the program in some areas; however, this resistance has materially lessened and at present is for the most part passive in character. In many areas the herd owners are actively supporting the work.

Your subcommittee was unanimous in stating that the problem of inspecting and vaccinating the estimated 15,000,000 susceptible animals in the area would appear almost an insurmountable one. Yet, it is apparent that the job is being done very effectively, at least as far as human effort can accomplish it.

The cumulative vaccination figures during the campaign through February 23, 1950, are as follows:

First vaccination (completed Aug. 7, 1949)	13,420,802
Second vaccination (completed Feb. 9, 1950)	14,504,256
Third vaccination	14,860,343
Fourth vaccination	4,768,778
60-day	24,056
Total	47,578,235

The vaccination, disinfection, quarantine, and inspection phases of the eradication program have been constantly reviewed and improved during the 3-year period of operation. In the days ahead, as will be explained below, inspection will become of prime importance; in effect, it will be the key to the whole program. Your subcommittee's study of the foregoing operations reveal that every effort has been made in attempting to solve the problems confronting the program. If, in the end, the campaign should fail to eradicate foot-and-mouth disease in Mexico, that result cannot be blamed on any presently known negligence on the part of the Joint Commission, in the opinion of your subcommittee.

The fifth phase of the Aleman-Carza plan is eradication or slaughter when necessary. Slaughter of infected animals and those exposed to such animals, therefore, has continued throughout the program. As of February 24, 1950, the total number of animals slaughtered since the beginning of operations in Mexico was:

	Cattle	Small animals	Total
1947	488,031	464,762	952,793
1948	28,140	5,654	33,794
1949	6,416	1,602	8,018
1950	15	0	15
Total	522,602	472,018	994,620

COST OF THE PROGRAM

The cost of the eradication program is borne jointly by the Mexican and United States Governments, although the United States necessarily bears the larger share of the direct costs. Cumulative net obligations of the United States through January 28, 1950, amounted to $110,868,228, including the purchase of canned meat in northern Mexico, protection on the United States border, and other protective measures. While United States obligations totaled $46,470,917 in the 1949 fiscal year, the average monthly cost to this country is now approximately $2,000,000. This rate is expected to be reduced in the near future.

Your subcommittee believes the Commission has achieved a high efficiency mark. The average cost per animal vaccinated was only $0.39 in December 1949. Since the vaccination and vaccine-production programs were placed on a mass-production scale in Mexico work production has been increased 50 percent and the cost per unit has been reduced 20 percent. This achievement was possible only through closely supervised administration, ingenuity, and thoroughly proven technical operations. Evidence of these conditions was apparent on every hand to your subcommittee in its inspection of the campaign.

THE CRITICAL PERIOD

The climax or critical period of the eradication program has now been reached. The vaccination phase of the present plan has been a holding operation whereby immunity has been built up over a period of time during which nature is expected to take its course and kill out most of the virus because of a lack of natural hosts. The Commission plans to stop mass vaccination when the fourth wave has covered the area where the heaviest infection existed. Most of this work will be completed by May 1950, although some vaccination will continue through the summer. On March 1 of this year the first animals to be vaccinated commenced to lose their immunity. The question now arises as to whether the virus has been killed out in that area. By December 1950 all animals in the previously infected area of Mexico will be losing their immunity to the disease and the eradication program will be put to its final test.

The beginning of the critical period will mark a decrease in vaccine production and eventually vaccination. At the same time inspection operations will be stepped up, and this must be done. It will be most important that we have a thorough inspection.

The success of the campaign to eradicate foot-and-mouth disease in Mexico depends on the number of outbreaks during the critical period ahead. If isolated outbreaks occur—and some are expected, they can be stamped out and the program can continue to its proper termination. The inspection at the conclusion of the vaccination or immunity period is the most important responsibility that our forces will have.

Your subcommittee can report that it is the firm conviction of the administrators and veterinarians conducting the program of eradication that the campaign will succeed. The immediate background of the critical period now beginning is this: Only five active centers of foot-and-mouth disease have been discovered since July 1949. These were taken care of immediately with effective quarantine, disinfection, and slaughter of the infected animals. One outbreak that occurred in October 1949, was caused by a different type of virus than that of all other outbreaks. However, it is believed that the new type outbreak has been stamped out. The last outbreak caused by the prevailing type of virus occurred in December 1949.

With the lack of widespread outbreaks within the past year, it is apparent that the disease has subsided to a great extent. This situation gives a sound basis for the expressed belief of Commission personnel that their mission will be accomplished. However, actual proof will require a considerable period of time.

CONCLUSIONS AND RECOMMENDATIONS

Your subcommittee makes the following conclusions and recommendations relative to the program for the eradication of foot-and-mouth disease in Mexico:

1. The close cooperation and friendly relations between Mexican and United States personnel are highly commended. Nothing has been more important to the program than this cooperation and your subcommittee is of the opinion that its benefits will be felt in the future in other relations between the two countries. A finer example of what can be accomplished by two countries working together would be hard to find.

2. The campaign, from its policy-making administration to its field operations, has been organized extremely well. The subcommittee believes much credit is due Gen. Harry H. Johnson and his Mexican counterpart, Licienciado Oscar Flores, codirector and director of the commission, respectively, for the effective and efficient organization they have built up in Mexico for the eradication of foot-and-mouth disease. However, the director and codirector have not done the job alone; much outstanding work has been done by their many associates. Your subcommittee found the morale of the commission personnel very high. It was evident that they knew what their job was and how they were to do it. They also have the determination to complete their mission.

3. Along with good administration of the program, your subcommittee commends the technical field work of the many veterinarians and livestock inspectors. Their work has been the crux of the program. What they have achieved has been done in the face of many obstacles and difficulties. A high degree of scientific thoroughness was evident during the subcommittee's inspection and this must be continued in order for the program to succeed.

4. While there is every indication that the eradication program will be brought to a successful conclusion, your subcommittee makes note of the fact that it is impossible to guarantee such a result at the present time. Proof of its success lies ahead. Beginning with this month, your subcommittee believes a period of from one and a half to two and a half years will be required before anyone can safely say that foot-and-mouth disease has been eradicated in Mexico. If it is, certainly a new achievement will be registered in history.

5. As stated previously, the most rigid inspection program must be maintained as the animal population in the formerly infected areas of Mexico again becomes susceptible to the disease. Your subcommittee recommends that every effort be made to make these inspections 100 percent complete and that ample funds and personnel be maintained for the job. If during the year 1951, it is obvious that the program is accomplishing its purpose, inspections may be reduced but not eliminated in 1952. It is extremely important that the inspections be continued until there is every assurance that the disease has actually been eradicated.

6. Members of this committee who visited Mexico commend Dr. Simms, Dr. Clarkson, Dr. L. R. Noyes, associate codirector of the commission; Dr. Robert J. Anderson, technical codirector, the Mexican veterinarians and other scientists for the outstanding job they have done on this program. Other veterinarians and their assistants assigned to the various districts could well be named for the splendid job they are performing but the report would become too lengthy. These men know the disease and its characteristics thoroughly and have been fighting it for years. Your subcommittee is confident that if the matter is left in their hands, every effort will be made to prevent a recurrence of the disease in either country. They will make sure that agreements and treaties prohibiting the importation of livestock from countries which have the disease are strictly observed. Therefore, your subcommittee recommends that these men be supported in every way in discharging their responsibilities in keeping Mexico and the United States free from foot-and-mouth disease.

EDWARD J. THYE,
Chairman,
CLYDE R. HOEY,
SPESSARD L. HOLLAND,
GUY M. GILLETTE,
MILTON R. YOUNG,
JAMES P. KEM,
BOURKE B. HICKENLOOPER,
Subcommittee on Foot-and-Mouth Disease.

EXECUTIVE SESSION

Mr. SPARKMAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

The PRESIDING OFFICER. The nomination on the calendar will be stated.

POSTMASTER

The legislative clerk read the nomination of Paul J. Kochaver to be postmaster at Hibbing, Minn.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. SPARKMAN. I ask that the President be notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

RECESS TO MONDAY

Mr. SPARKMAN. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 14 minutes p. m.) the Senate took a recess until Monday, March 27, 1950, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate March 24 (legislative day of March 8), 1950:

POSTMASTER

MINNESOTA

Paul J. Kochaver, Hibbing.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 24, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, who hast created us with a capacity to achieve and enjoy the true, the beautiful, and the good, we pray that Thou wilt show us how to build the social order on the foundation of truth and righteousness.

Grant that our leaders and chosen representatives, in their deep concern for peace and good will among men, may be blessed with wisdom to perceive what is needed for the realization of these lofty goals.

We rejoice that they are laboring conscientiously to enrich and strengthen our national life and that daily they are striving for the happiness and welfare of all mankind.

We beseech Thee that in the minds and hearts of our citizens and the whole body of people everywhere there may be a rising tide of loyal cooperation and the spirit of hopefulness and patience and brotherhood.

To Thy name we ascribe the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE HONORABLE CORDELL HULL

Mr. SUTTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SUTTON. Mr. Speaker, in these times of strife, suspicion, chaos, bedlam, and controversial issues, it is with real pleasure that I arise to speak of an event of yesterday that I consider more than a passing incident. I am sure that the Members of this House will recall the recent visit of Gen. Eurico Gaspar Dutra, President of our neighboring country, Brazil. It seems only yesterday that President Dutra extended the hand of friendship to this distinguished body and to the United States of America.

As many of you recall on February 2, 1950, I advised the Members of this House of the recognition by the United States Department of Agriculture of the Tennessee walking horse as a distinguished and standard breed. To those of you who may not have had the privilege of being acquainted with this specific breed of horse, may I say he is now considered one of the most beautiful show horses in America. The antecedents of this horse were foaled in Tennessee. It bears the beautiful name "the Tennessee walking horse." Recently, the Tennessee Walking Horse Association, through its president, the Honorable John C. Askew, Jr., one of our assistant district attorneys general in the State of Tennessee, requested that the Tennessee walking horse stallion, King of Haven, one of the most outstanding sires of this breed, be presented to President Dutra as a token of friendship to the people and horse lovers of Brazil. It was most fitting for this presentation to have been made by our own beloved and former chairman of the American delegation to the Inter-American Conference for Maintenance of Peace in Buenos Aires in 1936. Of course, I refer to none other than our distinguished and brilliant former Secretary of State and native Tennessean, the Honorable Cordell Hull, who so ably served for many years as a Member of the Congress in both the House and Senate and later as Secretary of State, serving with credit and distinction through the perilous days of World War II, and to me he is the greatest living statesman and patriot.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Tennessee.

Mr. COOPER. It was my privilege to serve with the Honorable Cordell Hull as a Member of the House of Representatives and to work with him very closely in the consideration of the reciprocal trade agreement program and many other important measures which he sponsored. I feel confident he will take his rightful place in history as one of the foremost statesmen of all time.

Mr. SUTTON. I thank the gentleman.

Mr. Speaker, the following were the remarks of former Secretary of State Hull in the presentation of King of Haven to the outstanding Ambassador from Brazil, the Honorable Mauricio Nabauco, representing President Dutra:

By reason of our past friendship, and the traditional friendship between Brazil and the United States, it gives me pleasure in the name of the Tennessee Walking Horse Breeders' Association of America, located at Lewisburg, Tenn., to present to President Eurico Gaspar Dutra, King of Haven, a registered Tennessee walking horse stallion. This breed of horse is known as the world's greatest pleasure horse.

I have as a Tennessean been a great admirer of the Tennessee walking horse, and in years gone by have ridden and enjoyed them many times. They are a gift of our State to the whole world, having originated among the rolling hills and blue-grass pastures of approximately 14 counties in middle Tennessee.

These horses are famous for their three natural and easy gaits; the flat-footed walk, the running-walk, and the canter. They are docile by nature, beautiful in symmetry, and rugged in constitution. They are known and admired in the show arenas and on the bridle paths of our entire Nation.

With this horse go the good wishes of all of us, and the hope that through him the peo, le of Brazil, in the future, will recognize the sterling qualities of these horses and learn to use, admire, and enjoy the Tennessee walking horse as we have.

In closing may I say that it is with a great deal of pride that we extend this token of friendship to President Dutra and the people of Brazil.

SOCIAL SECURITY

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, on March 13, the gentleman from Nebraska [Mr. CURTIS] told the House that under the social-security bill, H. R. 6000, as passed by the House last year, certain persons "will get a fancy windfall from our death-ridden, unbalanced Treasury." Mr. Speaker, there is not a single bit of truth to the gentleman's statement. Under H. R. 6000, as passed by the House, the entire cost of the insurance benefits will be paid out of the contributions of employers and employees and interest earnings on their contributions. Not one single cent of the benefits will be a burden upon the United States Treasury.

The gentleman from Nebraska [Mr. CURTIS] also criticizes the insurance program for paying people more in benefits than they paid in taxes. This is true of the civil-service-retirement plan, the railroad-retirement plan, and practically every other private pension plan.

Is the gentleman from Nebraska [Mr. CURTIS] also opposed to these laws? Is this the first step in Mr. CURTIS' program to repeal all these laws?

MINE SAFETY LEGISLATION

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, tomorrow will be the third anniversary of one of the Nation's major disasters.

On March 25, 1947, the lives of 111 coal miners were taken in an explosion

at Centralia Coal Co. Mine No. 5, at Womac, Ill.

It would be a fitting memorial to those men if this Congress were to enact into law proposed legislation to give to the Federal Bureau of Mines power to enforce recommendations it now has authority to make to provide safety in the Nation's mines. It is my fervent prayer that it will not take another major tragedy in the coal fields to awaken Congress to the grave responsibility it shares with State authorities in meeting this problem.

On this day, 3 years after the Centralia disaster, I call upon Congress to act, and act quickly on mine-safety legislation.

Shortly after the opening of the present Congress I introduced a mine-safety bill. This measure has been approved by a subcommittee of the House Committee on Education and Labor and I was informed by the gentleman from Michigan, the Honorable JOHN LESINSKI, Chairman of that Committe, that it is on the agenda of the full committee for consideration soon. I hope that soon means the very near future. I urge the members of the committee to approve this legislation and permit it to come to the floor of the House for early action.

The death toll in the Nation's coal mines last year, 1949, was 593, and the total number of injured was 36,485. A very startling figure when we note that there was not a single major disaster in 1949. A major disaster constitutes a mine disaster in which five or more persons are killed.

Perhaps Congress is not aware of the seriousness of this plea on the part of the miners for legislative safeguards because many months have rolled by without a headline disaster. But the death figure of 593 is conclusive proof that day by day coal miners are paying with their lives because too many gambles are taken by mine management on warnings issued by mine inspectors.

If this Congress does its duty the Federal mine inspector will have the authority to enforce his recommendations and we can stop such gambling with men's lives. The fatality rate year after year is proof enough that too many gambles have been lost; and is evidence enough to justify approval of legislation to put teeth in the existing Federal laws on mine inspection.

FOREIGN ECONOMIC ASSISTANCE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, if you will only study the Treasury report that you get every day, and if you do not get it, you should, you will find just how fast we are going into the red. Today and Monday you will consider legislation authorizing expenditures by the Economic Cooperation Administration. They are going to ask you for three, four, five, or six billion dollars for foreign countries.

The taxpayers of this country are getting sick and tired of paying taxes. Some of them are almost to the point where they can hardly keep it up any more. If you love to pay taxes, that is all right, but the people back home do not like it. You can save a lot of money on many of the things we are doing for foreign countries. You should cut that bill to the bone. I hope the Republicans as well as the Democrats will try to get a record vote on that bill. Let us see who is voting for these expenditures. The people want to know.

TAXING THE TAIL OFF THE DOG

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, in A Pictorial Guide to Many Lands, Mr. W. J. Turner tells this story:

> An old South African native was told he had to be taxed because the government, like a father, protected him from enemies, cared for him when he was sick, fed him when he was hungry, gave him an education and, for these reasons, needed money.
>
> Taking it all in, the old native replied slowly:
>
> "Yes, I understand. It is like this: I have a dog and the dog is hungry. He comes to me and begs food. I say to him, 'My dear faithful dog, I see you are very hungry. I am sorry for you. I shall give you meat.'
>
> "I then take a knife, cut off the dog's tail, give it to him and say: 'Here my faithful dog, be nourished by this nice piece of meat.'"

GOOD FRIDAY

Mr. POULSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. POULSON. Mr. Speaker, I am today introducing a joint resolution authorizing the President to call upon Government officials to fly the flag at half staff on all Government buildings on Good Friday, from 12 noon until 3 o'clock in the afternoon. Not only should those who believe in the teachings of Christ favor this resolution but also to those who are clamoring for peace it will be a symbol honoring the greatest exponent of peace history has ever known, the Prince of Peace. The basis for such a resolution is evidenced in a letter from the President, which I am attaching:

THE WHITE HOUSE,
Washington.

Mr. EDWARD J. MCHALE,
Hollywood, Calif.

MY DEAR MR. MCHALE: Please accept the President's thanks for your letter of March 6. Your thoughtfulness in writing as you did is sincerely appreciated. May I explain to you, however, that it is not customary for the President to issue a proclamation of the kind you suggest unless authorized and requested to do so by the Congress.

Very sincerely yours,
WILLIAM D. HASSETT,
Secretary to the President.

SURPLUS FOOD COMMODITIES

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain statistics.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, the action which the House in committee took yesterday afternoon in defeating, by a relatively small margin, the amendment I offered seeking to remedy the existing situation as to surplus food commodities was, in my opinion, most regrettable. I realize that it is impossible to expect all members to be fully informed as to the tragic facts surrounding this program, or lack of program, but I can only discharge my responsibility by trying to bring the full facts to the attention of my colleagues and keeping those facts current. I doubt if many realize that by our lack of action in this field since February 2 when three of my colleagues and I filed identical bills suggesting a remedy, the total waste of Federal funds reached the staggering sum of $3,000,000 at 6 o'clock last night. I want to emphasize this by quoting a telegram I sent to the President at Key West at that hour:

MARCH 28 1950.

The PRESIDENT,
Winter White House, Key West, Fla.:

Just lost effort to amend Federal Commodity Credit Charter to provide for disposition surplus foods. Consequently waste of Federal funds will continue at rate of $60,000 daily until you act. Total accumulated amount to date is $3,000,000.

JOHN W. HESELTON,
Member of Congress.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. JENKINS addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 10 minutes on Monday next following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

GREEK INDEPENDENCE DAY

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, tomorrow marks the official observance of Greek independence day. Specifically it celebrates that day in 1821 when the Greeks threw off Turkish tyranny after generations of misrule.

Greek independence day is more than that, however. It is a symbolic celebration of the independence of the

Greek spirit that is as old as Athens and the Acropolis, as forthright and courageous in action at Pindus in World War II as at Thermopylae before the birth of Christ.

We have had even more recent testimony to the durability of the independent and democratic spirit in Greece. Battered by the events of World War II which made Greece a battleground, racked by the forays of Communist guerrillas supplied and directed from the Soviet Union, the people of Greece have come through a decade of almost unmatched destruction and chaos. Yet they went to the polls last month and elected a Government of moderate, democratic parties, pledged to carry out a progressive program for all the Greek people.

Americans can take pride in the achievements of the Greeks in the postwar years. American aid has helped these guardians of the eastern bastions of democracy in Europe, has helped them throw back the threat of the Communist guerrilla bands in the north despite constant Russian help to the guerrillas.

The European Cooperation Administration, through the mission to Greece headed by Paul R. Porter, has played a major role in helping the Greeks to help themselves economically. Homes have been built, not by the hundreds, but by the thousands. The main harbor at Piraeus has been both repaired and improved. The Nation's road system has been reestablished and improved. Bridges have been built, railroads salvaged, canals reopened.

Greek agriculture is better off than it was before the last decade of misery began. Agricultural machinery has been imported to help mass production. Erosion control, crop rotation, contour plowing, drainage, and other soil conservation measures have been put into practice. And much land thought hopelessly lost to the ocean or swamps has been reclaimed.

Everyone in Greece knows and acknowledges that the Truman doctrine with its effective aid to Greek democracy at the moment of greatest danger is the keystone of the Greek arch of triumph. Certainly this aspect of our foreign policy, which so many fought when it was first proposed, has proven to be of great value in combatting the march of communism. But we must never forget that it was the Greek people who took the keystone and built the arch. As the New York Times editorialized last October, "the main credit must go to the heroic Greek people and their soldiers, who fought with flesh and blood."

It is that determination of the Greek people to preserve political and economic independence—with their flesh and blood if necessary—that we honor tomorrow.

EXTENSION OF REMARKS

Mr. MURPHY (at the request of Mr. BREEN) was given permission to extend his remarks in the RECORD.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and include two articles on the subject of the social-security fund, one appearing in the Wall Street Journal and one from the newspaper Labor.

Mr. ROOSEVELT asked and was given permission to extend his remarks in the RECORD and include an article appearing in the St. Louis Post-Dispatch.

Mr. ASPINALL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PRICE asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a letter to the Secretary of State, and in the other a letter he received from the American Zionist Council.

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague the gentleman from California [Mr. HOLIFIELD].

Mr. BUCKLEY of Illinois asked and was given permission to extend his remarks in the RECORD and include an address delivered by Donald O'Toole.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole today and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. McGREGOR asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. MILLER of Maryland asked and was given permission to extend his remarks in the RECORD.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD in two instances and include a letter from the Grange.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD in two instances and include two newspaper articles.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD in two instances and include in one a sermon and in the other a speech.

Mr. HERTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. VORYS asked and was given permission to extend his remarks in the RECORD; and also to revise and extend the remarks he expects to make in Committee of the Whole today and include certain tables and data.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. DONDERO (at the request of Mr. JENKINS) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD and include certain printed statements in two instances.

Mr. ABERNETHY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Gary (Ind.) Post-Tribune; and also in another instance to include a proclamation by Governor Schricker, of Indiana.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

FOREIGN ECONOMIC ASSISTANCE

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 518 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7797) to provide foreign economic assistance, and all points of order against the said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. SUTTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 113]

Abbitt	Cavalcante	Furcolo
Addonizio	Celler	Gilmer
Allen, Ill.	Chatham	Gore
Andersen, H. Carl	Chiperfield	Granahan
Auchincloss	Chudoff	Granger
Bailey	Clemente	Green
Baring	Corbett	Hall, Leonard W.
Barrett, Pa.	Coudert	Halleck
Beall	Crawford	Harden
Bennett, Fla.	Curtis	Harrison
Bennett, Mich.	Dague	Harvey
Bolton, Md.	Davies, N. Y.	Hays, Ark.
Bonner	Davis, Tenn.	Heffernan
Brooks	Dawson	Heller
Buckley, N. Y.	Dingell	Hoffman, Ill.
Bulwinkle	Dollinger	Holifield
Burdick	Donohue	Irving
Burton	Doughton	Jackson, Calif.
Byrne, N. Y.	Douglas	James
Canfield	Doyle	Jonas
Carroll	Engle, Calif.	Kearns
	Fugate	

Kelly, N. Y.	Peterson	Scott,
Klein	Pfeifer	Hugh D., Jr.
Kruse	Joseph L.	Shafer
Lane	Pfeiffer,	Shelley
Latham	William L.	Sheppard
Lichtenwalter	Philbin	Simpson, Pa.
Linehan	Phillips, Tenn.	Smathers
Lucas	Potter	Smith, Ohio
McCulloch	Powell	Tackett
McDonough	Ramsay	Taylor
McGuire	Redden	Thompson
McKinnon	Reed, Ill.	Wadsworth
Macy	Reed, N. Y.	Weichel
Merrow	Rhodes	Whitaker
Miles	Richards	Whittington
Monroney	Riehlman	Wilson, Ind.
Morgan	Rivers	Withrow
Morrison	Rogers, Mass.	Wolcott
Murphy	Sabath	Woodhouse
Nixon	Sadowski	Worley
Norton	Saylor	
O'Neill	Scott, Hardie	

The SPEAKER. On this roll call 306 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ECONOMIC ASSISTANCE

Mr. COX. Mr. Speaker, I yield 30 minutes of the time to the gentleman from Ohio [Mr. BROWN] and now yield myself 10 minutes.

Mr. Speaker, the bill which this rule makes in order was reported by the Committee on Foreign Affairs. It is something of an omnibus measure in that there are incorporated in it three separate items. Title I simply deals with the matter of extending the Marshall plan. I do not know just how controversial that part of the bill will prove to be. It is my opinion that a great many people who protest the continuation of this program when brought face to face with the question as to whether it shall be continued or discontinued would, in the light of their understanding of world conditions and of the conditions which brought about the enactment of the first bill, favor the continuance of the program.

Title II deals with a different subject. It simply provides some care for the Palestine refugees. The title is designated as the "United Nations Palestine Refugee Aid Act of 1950."

I take it, Mr. Speaker, there will be no objection raised to this title of the bill.

This brings us to title III which deals with the President's point 4 program, which is a subject that was considered last fall by the Committee on Banking and Currency of the House. That committee reported the bill, but never did bring it to the floor of the House for consideration. When the members of the Committee on Banking and Currency appeared before the Committee on Rules on an application for a rule, many objections were raised to the bill as written. I think the Committee on Rules was in virtual agreement as to the desirability or as to the objective of the bill. I do not recall that there was any protest to the doing of things which the bill proposed to do. But it was a wide-open affair and no action was taken.

Now, the Committee on Foreign Affairs seems to have thought it well to include point 4 in the ECA bill and it is now here for action by this body.

I would like to say that my objection to the bill as it was originally prepared possibly grew out of the suspicions I had of what the State Department who wrote that bill had in mind.

This title 3 of the bill is loaded down with beautiful language, which may not be objectionable. I am prepared to support that section of the bill, largely because of the fact that a member of the Committee on Rules, a gentleman for whom I have high regard and in whom I have great confidence, the gentleman from Massachusetts [Mr. HERTER], helped write this section of the bill and tells me that it is not subject to the objections raised against the original bill, and my examination of the measure convinces me that this is true for, Mr. Speaker, I do not want it to appear that I gratuitously make unfavorable references to the State Department, that has had something to do with the writing of title 3 of this bill It would be easier for me to support this part of the bill had the State Department not touched it, for I have no confidence in this Department now being gently tapped on the wrist.

Mr. Speaker, here in passing, I must say that I have the supremest contempt for the timidity or cowardice, or both, which is now operating to restrain people in coming to the aid of a Member of the United States Senate who has seen fit to rise up and speak for his country in the endeavor to put out of the State Department friends of Stalin who have helped him build Russia into a colossal giant which now stands astride the world.

That the Communists permeate the State Department and other departments of the Government is known to every informed person in Washington.

If public opinion permits the appeasers of Russia to crucify a man who has manifested the loyalty and decency to speak up for America, then God help our country. The outrage that some are trying to manifest over being designated as friends of Communists is, in the light of the record, completely phony. Mr. Speaker, maybe that statement is not at all relevant or pertinent to the issues before us, but I say that public opinion in the interest of the welfare of this country and the world ought to make its will known, and it ought to support Senator MCCARTHY in his honest endeavor to do an honest part to protect the country that we love.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. WHITE of Idaho. Does the gentleman know that this legislation earmarks 5 percent of the moneys appropriated for ECA for the program of acquiring strategic and critical materials? Does he know that already $192,000,000 has been expended to bring into this country nonferrous metals, and that our own mines are being shut down because of it?

Mr. COX. I cannot answer all the questions the gentleman might propound about this bill, but if the gentleman will wait until the debate takes place I am sure he will be fully informed, because the committee sponsoring this bill has labored faithfully and diligently to come here with a sound measure that both majority and minority Members can, and I think ought to, support.

I am for the bill; and I hope, Mr. Speaker, that no great opposition will develop to any part of it.

I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as the gentleman from Georgia has explained, House Resolution 518 makes in order under an open rule the bill (H. R. 7797) to provide foreign economic assistance. It also provides for 6 hours of general debate. I do not oppose the rule, and I know of no one who is opposed to the consideration of this measure.

I listened with a great deal of interest to that which was said by the gentleman from Georgia, and I agree with much of it. In my opinion, however, this is a bill which should be studied carefully, one which carries so many provisions, so many implications, and so many commitments and obligations as to require our close attention. We should listen carefully to the debate on this bill and be certain we know what we are doing in passing on the various sections of this measure.

I am not at all sure that I know the exact financial obligations carried in this bill, but if the members of the Committee on Foreign Affairs with whom I have talked are correct in their analysis of the financial commitments contained in this bill—and I believe they are—it carries a total authorization of $3,659,000,000 overall. Part of this money is funds which have been previously appropriated or authorized and not used. One billion dollars of this total, as I understand, is set aside to be used for the purchase of surplus farm commodities now in the hands of this Nation. The net "new money" involved, or the commitment for entirely new appropriations in addition to the money that has been previously authorized or appropriated in addition to this $1,000,000,000 worth of foodstuffs amounts to $2,122,000,000.

I include at this point an analysis, as follows:

Analysis of figures in H. R. 7797

I. New money to be authorized and appropriated	$2,122,450,000
A. ECA	1,950,000,000
B. Korea	100,000,000
C. Falestine	27,450,000
D. Point 4	45,000,000
Total	2,122,450,000
II. Money already authorized or appropriated and now made available for fiscal 1951	244,000,000
A. ECA carry-over	150,000,000
B. China Aid Act	94,000,000
Total	244,000,000
Total authorized or to be made available	2,366,450,000

Analysis of figures in H. R. 7797—Continued

III. Credits authorized	$1,292,488,232
A. ECA surplus commodities	1,000,000,000
B. ECA guaranties already available to ECA ($150,000,000 less $7,511,768 already spent)	142,488,232
C. ECA additional guaranty amount	150,000,000
Total	1,292,488,232
Authorized or to be made available	2,366,450,000
Credits	1,292,488,232
Grand total	3,658,938,232

This bill was evidently prepared by the State Department, as the gentleman from Georgia has pointed out. Like the gentleman from Georgia, I do not have too much confidence in some of those in the State Department who have pushed for this legislation. I am rather concerned by some of the things that I have been seeing and hearing recently about the State Department, and especially the defense which has been made of some of those who have been mentioned because of their alleged radical associations and their past membership in organizations that are of questionable nature.

The defense made by State Department officials for those individuals, many of whom are still in positions of trust and power within our Federal Government, is that while they did these things in the past, while they did play footsie with the fellow travelers and the Communists, while they did join organizations or participated in meetings that were, to say the least, questionable, some of which were designated as being subversive organizations, that realizing the error of their ways, some time ago, they have reformed.

Well, I wonder just how many of you here on this floor would want to entrust your life savings to a bank in which any appreciable number of the officials were reformed embezzlers. I doubt that you would want to do that.

Neither am I so sure I want to follow blindly the recommendations of any of these individuals in the State Department who have reformed. To say the least, even if they have reformed, they certainly have demonstrated in the past their lack of sound judgment. Certainly it is entirely possible, that in the future they may again fail to exercise good judgment. In our Government, especially in the conduct of our foreign affairs, we are entitled to have serving us men whose loyalty cannot be questioned and whose judgment cannot be questioned.

In this day, under existing world conditions, we need the most able, the most sound, the most loyal Americans we can find to represent us in handling our foreign affairs.

Mr. Speaker, I am therefore looking this bill over rather carefully and I want to suggest, if I may, to other Members of this body, whether they be Republicans or Democrats, that they do likewise and think things out for themselves.

I know there are some sections of this bill I am not for. I am not for section 3 which deals with point 4. That is, I am not for it in its present form. Perhaps it can be put in shape by amendment, I do not know. Of course, it talks about technical assistance to foreign peoples, but there is a lot of technical assistance provided all through the bill, if I read it correctly. You know, this measure is rather cleverly written. It is very difficult to understand. That is why I suggest you study it carefully. Read it two or three times—for it is a confusing legislative hodgepodge.

I cannot find anything in section 3 about milk for the Hottentots; whether it is to be delivered in pasteboard cartons or in bottles, but it calls for a lot of American money to go to someone who will spend it, whether it be new money that we appropriate now, or whether it be money we have appropriated in the past. It will still be money in the control of the Federal Government and in the Treasury, or in the process of being collected from the American people or in the process of being borrowed in their name. In any event, it is money that the taxpayers of this country have to put up in one way or another.

If my information is correct, along about the 1st of March we crossed the $28,000,000,000 line in the total amount of money we have given to foreign countries and foreign peoples in the way of economic aid since the shooting stopped in World War II. This bill would bring the total up to better than $31,000,000,000.

We now have a national debt of around $260,000,000,000 and secondary obligations, which the Government must pay if someone else does not, obligations for which we signed the notes as it were as guarantors, to the extent of about $93,000,000,000 more.

Mr. Speaker, I have spent a little time traveling over this country of ours in recent weeks, and I say to you with all the sincerity and conviction at my command that the American people are becoming alarmed over public spending and are wanting their Congress to stop, look, and listen before we obligate them further.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. ARENDS. Just to emphasize the point the gentleman is making at this particular time, on yesterday I had the privilege of sitting in a luncheon with a group of juniors from a certain college in this country and I asked the question of this group of boys and girls as to whether or not they were at all concerned with the matter of the national debt. Practically every one of them with a serious look on his face stood up and said that he was concerned with the spending policy of the United States Government at this time.

Mr. BROWN of Ohio. I thank the gentleman from Illinois. Mr. Speaker, I want to say one thing further. The concern which has been evidenced, as I mentioned a moment ago, comes not from Republicans or by any one particular group of Americans. It comes from all Americans regardless of party.

I have just made a check in my own home State and in my own district, and, believe it or not, the cost of the Federal Government today is running nearly 10 times as much as the cost of all State and local government activities combined. Each citizen of Ohio is now paying about 10 times as much to support the Federal Government and to meet the Federal budget as they pay in all forms of State and local taxes for all purposes, to run their State and local governments; to build highways and streets, to run their public schools and hospitals, and furnish other public service; provide police and fire protection. It is time we stop, look, and listen here in the Congress of the United States, or there are going to be a lot of missing faces, Members gone from here, on both sides of the aisle next year. The people are about ready, my friends, to vote the "ins" out if we do not do something about bringing an end to the present orgy of waste and extravagance.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman said just a moment ago that we have given away $28,000,000,000 to foreign countries since the close of the war. Is that not as much as the entire Federal Government cost during the first 100 years of its existence?

Mr. BROWN of Ohio. I do not remember just how much the Federal Government cost the first 100 years of its existence, but I do know one thing, and I can assure the gentleman from Mississippi, our Federal Government is costing entirely too much today. They know it back home, and everywhere they are saying, "Why so many Federal officials? Why such a costly Government?"

Mr. RANKIN. Let me ask the gentleman another question. Is it not a fact that the United States Government owes more money than all the rest of the nations of the earth put together right now?

Mr. BROWN of Ohio. Oh, yes; and more than all of our property west of the Mississippi would bring on the public auction block, believe it or not. That is a terrible situation.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. In reading the bill, it must be rather cleverly written, because there are a good many blind spots in the bill.

Mr. BROWN of Ohio. Yes, there are a good many blind alleys in this bill.

Mr. MILLER of Nebraska. They strike out a comma and they strike out a period, and on page 4 they strike out words between the first and second provisos, and all through the bill you find that. It is not a complete bill.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. VORYS. For the sake of brevity, the bill is drafted, as the gentleman mentioned, in accordance with the Ramseyer rule.

Mr. BROWN of Ohio. That is right, I believe.

Mr. MILLER of Nebraska. It is not possible to follow the bill or what the intent of the legislation is.

Mr. CLEVENGER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. CLEVENGER. I wonder if the gentleman will not concede, when he adds it up, that this peacetime year, 1951, what we are appropriating far exceeds the entire cost of the 8 years under Woodrow Wilson, including all of the cost of the First World War.

Mr. BROWN of Ohio. I believe that is correct. The gentleman is on the Committee on Appropriations and has those figures available to him.

I want to conclude by saying this: Every Member of this body should listen to the debate on this bill as much as and as long as he can, and every Member of this body should study it carefully. Perhaps you might even talk to some of the folks back home by telephone before you vote on some of these sections, and find out what the home folks think about it. You might be surprised to learn just how they do feel about it.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Georgia.

Mr. COX. As regards consulting with your constituents back home, I appreciate the propriety of procedure of that type, but here we are confronted with the necessity of acting now. My question to the gentleman is: Does he not feel that under the circumstances, having a better knowledge of world conditions than people generally might be expected to have, or that people generally have, there is justification for a Member of this House, acting as a responsible representative of his people, to base his conduct upon what he conceives to be the needs of the country?

Mr. BROWN of Ohio. Certainly.

Mr. COX. In other words, this is an investment in national security.

Mr. BROWN of Ohio. At least it is claimed to be such.

Mr. COX. If there was justification for the first appropriation, then necessarily we must continue.

Mr. BROWN of Ohio. I agree with the gentleman fully that every Member of this body should vote as his judgment and conscience dictates. But I pray none of us ever reach the point where we think we know better as to what should be done on every subject than any of the people back home. Personally I want to talk to those people of my district who are well informed, and to have the benefit of their views, because I have learned from a lifetime of political experience that every now and then when you talk to somebody back home you get a fresh viewpoint, and every now and then they keep a fellow from making a fool of himself by doing something he should not do. So I want to consult with the folks back home, and I recommend it as a very, very good practice.

Mr. COX. Will the gentleman permit me to say that I am not in disagreement with what he says? I, too, seek and appreciate the views and advice of my constituents on public problems.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. PRIEST). Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names.

[Roll No. 114]

Abbitt	Granger	Pfeifer, Joseph L.
Addonizio	Green	Pfeiffer, William L.
Allen, Ill.	Hall, Leonard W.	Philbin
Andersen, H. Carl	Halleck	Phillips, Calif.
Auchincloss	Harden	Phillips, Tenn.
Barden	Harrison	Plumley
Baring	Harvey	Potter
Barrett, Pa.	Hays, Ark.	Poulson
Beall	Hébert	Powell
Bennett, Fla.	Heffernan	Quinn
Bennett, Mich.	Heller	Reed, Ill.
Biemiller	Hinshaw	Reed, N. Y.
Blatnik	Hoffman, Ill.	Rhodes
Bolton, Md.	Holifield	Rich
Brooks	Horan	Richards
Buckley, N. Y.	Irving	Riehlman
Bulwinkle	James	Rivers
Burdick	Jenison	Rogers, Fla.
Burton	Jennings	Rogers, Mass.
Byrne, N. Y.	Jonas	Sabath
Canfield	Kean	Sadlak
Carroll	Kearns	Sadowski
Case, S. Dak.	Kelly, N. Y.	Sasscer
Cavalcante	Keogh	Saylor
Celler	King	Scott, Hardie
Chatham	Kirwan	Scott, Hugh D., Jr.
Chiperfield	Klein	Shafer
Chudoff	Kruse	Sheppard
Clemente	Lane	Simpson, Pa.
Corbett	Larcade	Smathers
Coudert	Latham	Smith, Ohio
Crawford	Lichtenwalter	Tackett
Crosser	Linehan	Taylor
Curtis	Lucas	Thompson
Dague	Lyle	Towe
Davis, Tenn.	McCarthy	Wadsworth
Dawson	McCulloch	Weichel
Dollinger	McGuire	Whitaker
Dondero	McKinnon	Whitten
Donohue	Macy	Whittington
Doughton	Merrow	Wier
Douglas	Miles	Wilson, Ind.
Doyle	Monroney	Withrow
Engle, Calif.	Morgan	Wolcott
Fernandez	Morrison	Woodhouse
Fugate	Morton	Worley
Fulton	Murphy	Yates
Furcolo	Nixon	
Gamble	Norrell	
Gilmer	Norton	
Gore	O'Neill	
Granahan	Peterson	

The SPEAKER pro tempore (Mr. PRIEST). On this roll call, 280 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ECONOMIC ASSISTANCE

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I am one of those who have consistently supported the Marshall plan since its inception, and I expect to continue to do so. The thing that disturbs me about the pending bill is title III, which is not a part of the Marshall plan. It is a plan described in the bill as one to furnish technological assistance to the nations of the earth. We ought to examine that very carefully before we embark upon an entirely new enterprise.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Is that the so-called point-4 program?

Mr. SMITH of Virginia. I think it is so described. I want to say that this bill, which is generally assumed to be the Marshall plan, has got a firecracker on its tail in the form of title III. We do not know just exactly what it is.

I was disturbed yesterday when the Rules Committee was considering title III, at which time I propounded some questions of members of the Foreign Affairs Committee. I read title III, and I could not find out what it was all about. I could not find out what it meant. I could not find out what it is proposed to do under this program. I asked a question of the member who was testifying at that time whether he could point out to me any limitation on that program that would prevent anybody that had anything to do with it from doing anything on the face of God's green earth they choose to do with that $45,000,000, and the answer was no. If anybody can read title III and give an intelligent answer to the question, What does it do in practice? I would like for them to do so, and I yield at this time, because I am sorely disturbed about it.

As no one seems prepared to answer, I will proceed.

There has been some talk here today about the state of the Federal budget. We all know it is bad. I think we all know that in the past and up to the present moment we have been indulging in a lot of foolishness with the people's money.

I think we ought to stop, look, and listen, and examine these things. For instance, the other day the Government put out a cookbook. Maybe some of you heard about the cookbook. That morning the papers said that it was going to be given away, free, and both of my telephones were clogged all day long. Now it has gotten around to where the mail is coming in about the cookbook, and my mail is now coming to me addressed as "Congressman HOWARD W. SMITH, Cookbook Department."

I do not think there is a single Member in this House that ever had the idea that the Government was going to spend $75,000 of the taxpayers' money on this doggone cookbook. But that is just one example of what I might say, in all charity, is our carelessness in disposing of public money. Now, while we are doing that in the domestic field, I do not want to spread that into foreign fields. If you are going to embark on any new program to give our taxpayers' money away, I think that, at least, we Members of the House ought to be able to know specifically what we are going to give it for, how much we are going to give, when we are going to stop, and where we are going to stop.

This bill, in title III, is open at both ends. I do not know, it may be all right, and I may vote for it when the time comes, but I am not going to vote for it until I know what it is and where it is heading. That is just getting the nose under the tent. This is only $45,000,000, but those of you who have been around here a long time know that when we start something new and we appropriate a small sum for it this year, next year a very plausible case can be made for showing that we need a whole lot more for this program, so that it grows and grows and grows. What I fear is that some persons in the back of their heads have the design that this thing, which is started this year, shall, when the Marshall plan runs out, take the place of the Marshall plan. So let us stop, look, and listen before we embark on a new plan of world relief.

Mr. REDDEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. REDDEN. I would like to say to the gentleman that I concur wholeheartedly in what the gentleman has said with respect to point 4 in this program. I do not think, in the first place, that it has any place in this program. But, in order to keep the record straight with reference to the cook books, I should like to say that it is not $75,000,000, but a mere $200,000.

Mr. SMITH of Virginia. Well, I do not know what it cost, but whatever it cost it cost too much.

May I conclude by just saying this, and this is all I started out to say: Let us examine this title III very carefully, and let us have the Committee on Foreign Affairs, who are responsible for this legislation being on the floor, tell us specifically just what this is about and let us know where we are going before we start.

Mr. COX. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I am not going to discuss the pros and cons of this ECA bill at this time. I would just like to take up a remark made by the gentleman from Ohio [Mr. BROWN] that he is very proud and pleased with the fact that the State government of Ohio has kept its State and local expenses to one-tenth of what the people of Ohio send to the Federal Government. I am also proud of the fact that there is a good Democratic governor in Ohio. However, in my own State the situation is not quite so rosy. In my State, for every $4 that go to the Federal Government in taxes the State government spends $1 of tax money; in other words, we are about twice as badly off as the people of Ohio, as far as our State government is concerned. And I would just like to point out the significant difference between the States of Ohio and New York—there is a Republican governor and Republican-dominated legislature in the State of New York.

Mr. HERTER. Mr. Speaker, I yield myself 5 minutes; and I ask unanimous consent to insert at the conclusion of my remarks the text of an address I made on point 4.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HERTER. Mr. Speaker, I understand there is no objection to the granting of the rule on this bill, but I have taken these few minutes to discuss some of the subject matter of the bill which is very highly controversial.

As has been said here before, this bill, certainly insofar as the ECA program is concerned, is an investment in security. We may all have different points of view as to the success of that program and as to the amount that should still be contributed to carry it on, but I do not think there can be any argument about the fact that the initial purpose of the bill, or rather the initial purpose of the Marshall plan, was to bring about security to the United States by keeping the nations of western Europe from falling into the eventual chaos that would have resulted because of the Communist growth in those countries and the great degree of war destruction which had affected all of their economy.

Insofar as title II of this bill is concerned, there seems to be very little disagreement. The situation of the Arabs outside of Palestine and on the borders of Palestine is very distressing. This title might be considered a purely humanitarian title to take care of a very unfortunate situation, that I think all of us hope will be cleaned up before long.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman described title II as a purely humanitarian measure. I think that if the gentleman and the House would reflect on where these refugee Arabs are located, and the strategic place in the world economy the Middle East and its products occupy, the gentleman would realize that this is much more than a humanitarian measure.

Mr. HERTER. I am very glad to have that correction. I think the gentleman is entirely correct on that.

The third title of this bill deals with point 4. I have just been granted unanimous consent to insert at the end of my remarks a speech I made a few days ago on that subject, called The Facts and Fallacies About the Government's Point 4 Program, in which I try to analyze in some detail exactly what form that program has now taken from a legislative point of view.

In my opinion, there was something very meritorious in the idea of trying to help the underdeveloped areas of the world to raise their standards of living, although from the outset the great fear I have had is that we were likely to embark on a program which could lead only to disillusionment and a program that was in no sense a sound program. Much of what I have tried to advocate in connection with the program is contained in the bill before us, although not everything I would like.

Certainly insofar as the amount of money that is authorized in title III is concerned, I think it is very excessive until the shape of this entire program is much better defined than it is at the present moment. However, I think this can be said now without going into details, that there are many areas of the world today that are a battleground, a battleground between the ideologies of our Communist friends and the ideology that we profess from the point of view of progress being made under free enterprise. Straight government-to-government loans are never going to cure that situation. We are never by a hand-out program going to do any effective job of raising people's living standards.

However, there is a great deal we can do in helping people to help themselves. As I understand the basic purpose of this program as now outlined, it is to try to help people to help themselves by giving them such technical knowledge as might help them to help themselves.

However, there is another phase of this that is to my mind even more important. There is absolutely nothing new in the development of underdeveloped areas. That has been going on for a hundred years, more than a hundred years. We have played a very conspicuous part in it during the last 50 years; in fact, we have today about $17,000,000,000 invested in various areas of the world with varying degrees of underdevelopment, to try to help in that contribution. That is a process that is going to continue inevitably, anyway, unless we find those underdeveloped areas of the world taken over by Communist ideologies.

Clearly, anybody who is looking at the foreign scene objectively must realize that the picture is a great deal darker than we like to think it. Certainly it has deteriorated markedly in the last 6 months. The battleground is actually more than a cold war; it is a very real war that is going on and that is taking place in every corner of the world.

We have the most tremendous stake in keeping many countries of the world from falling under Communist domination. We are not strong enough to do everything that might be done. That is impossible. We have to pick and choose. We have to stay within the means which will keep us strong. But in that process there are definite types of assistance which we can give through technical help. That does not mean squandering large sums of money. It merely means making available to those nations, so that they can help themselves, the kind of scientific assistance, assistance in administration and in agriculture and in public health, and the kind of assistance which will attract private capital to them for their own development which they cannot get without our help. It seems to me this program ought to begin on a much more modest basis than that which is outlined in this bill. But I think before rejecting this point 4, or this title III in the bill, the Committee on Foreign Affairs ought to explain it in great detail and we ought to go very slowly because there are too many corners of the earth hoping that we will at least give them just a little bit of help—and it should be a little bit of help—highly skilled technical help in order to

pull them through these very difficult times.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. JAVITS. Is it not a fact that this one title is designed to affect two-thirds of the people on earth, in terms of population?

Mr. HERTER. I do not think we should make any overclaims for it. I do think there are many areas of the world where the little that can be done under this particular title can be of the utmost importance in the major war which is going on today. For that reason I think it would be a very serious thing to reject all of title III without the most earnest consideration.

Mr. VORYS. Mr. Speaker, if the gentleman will yield, I am going to embarrass him because I wish to commend him to the House for his magnificent far-seeing statesmanship and his study of the development of undeveloped countries, part of his study being reflected in this legislation. I hope when the gentleman extends his remarks he will also place in the RECORD the organizations that are familiar with the problems of foreign investing and their views on the portion of this legislation which he has designed.

Mr. HERTER. I thank the gentleman very much. I will advise the gentleman that included in these remarks is a list of those organizations which have been working on this.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. KUNKEL. Does the present proposal include some new commitments which were not contemplated at the time the original Marshall-plan aid was started? I understand it does.

Mr. HERTER. Title III of this bill has nothing whatever to do with Marshall-plan aid and is not intended for the 17 nations that are included under the Marshall-plan aid. It is intended to operate in other areas.

FACTS AND FALLACIES ABOUT THE GOVERNMENT'S POINT 4 PROGRAM

(Address by Hon. CHRISTIAN A. HERTER before the Economic Club of New York on March 7, 1950)

The now famous point 4 of President Truman's inaugural message of January 4, 1949, has been given such a variety of interpretations that I am glad to have this opportunity of adding still one more. My only justification for feeling that I can make any contribution on the subject is that I have spent a considerable amount of time during the past year examining testimony on the subject, sitting in a number of conferences with interested persons where it was being discussed, and following with considerable care the legislation which has been proposed to implement it.

Developing underdeveloped areas of the world is certainly not a new concept. A combination of adventurous spirits, plus capital, has been in the process of developing underdeveloped areas for many centuries. The contribution of the United States in this field has been very considerable during the past 50 years, and at the present time some $17,000,000,000 of private American capital is invested in various sections of the world which are as diverse in their underdevelopment as Saudi-Arabia and Canada. In my judgment there are but very few corners of the world that are not susceptible of further development, and for that reason the use of the term "underdeveloped" must be thought of in a comparative sense only.

From the many discussions that have taken place during the last year, it has become obvious, I think, that the President's purpose in advancing what he called a bold new program was an effort to hasten and stimulate certain processes which would undoubtedly have taken place in time anyway, provided the destructive social and economic forces prevalent over a large area of the world did not engulf the balance of the world. From a purely political point of view, the formulation of this program appeared to be an effort to give to those peoples, whose standard of living is very much lower than ours, some hope that in the comparatively near future we could offer them more toward raising their standard of living than could be offered by the Communists.

In the world-wide ideological struggle which is taking place, I feel that such a concept and such a program deserves our full support. But the practical implementation of the program must be realistic, must be carried out in a thoroughly cooperative climate, and must hold out no hope that living standards can be raised or wealth produced except with hard work and over a considerable period of time. In fact, the program, insofar as it can be called a program, must be thought of in decades, not in months or years.

Soon after President Truman made his somewhat vague pronouncement, the Secretary of State, the Under Secretary of State, several Assistant Secretaries of State, and other high officials of the Government were called on to clarify the President's words and to outline in detail their own concept of the shape which a program of implementation should take. One theme has been reiterated consistently throughout their testimony; namely, that the major role in the development of underdeveloped areas must come from private capital and the technological skills that go with private capital. There has been no suggestion of any new financing agency or use of public capital other than that already available to the Export-Import Bank or to the International Bank for Reconstruction and Development.

Three separate pieces of legislation have been advocated by the administration, one of which has passed the committee stage in both the Senate and the House, but has not yet been acted upon by either. The second has been reported in drastically amended form by the Foreign Affairs Committee of the House. And the third is still pending before the House Committee on Ways and Means.

The proposed piece of legislation which has been favorably reported by the Banking and Currency Committees of both branches of the Congress is legislation which would amend the charter of the Export-Import Bank so as to allow that bank to guarantee the convertibility into dollars of local currency profits on new United States investments in foreign countries, and likewise to guarantee the principal of such investments against expropriation by the nation in which they were made. There has been considerable controversy over the desirability of this legislation. It has been made clear in private conferences by responsible officials of the bank and of the government that the optional power given to the bank to make guarantees of the type authorized would be very sparingly used, and that, in fact, it would never be used except for investments made in countries which had already ratified sound investment treaties with the United States. To date there are very few of the latter. In fact, insofar as I know, such investment treaties have been negotiated only with Uruguay, Eire, and Italy—and the latter alone has been ratified.

It has been announced, however, that negotiations with many other countries for similar treaties are now being conducted, those which have been singled out for special mention being Brazil, Colombia, France, and India. These treaties all have for their purpose the guaranteeing on a reciprocal basis of fair and reasonable treatment of capital investments on the part of both nations, as well as fair and reasonable treatment in the management of properties which might be developed within those countries by the capital of the other country. Even these assurances which have been given still leave serious doubts in the minds of American investors who have already staked their capital in these foreign countries as to whether or not new investments, if guaranteed, would not be given a preferred position over the old investments, and thus establish an unfortunate precedent.

In my own opinion, this particular piece of legislation should be amended by having written into the law itself the assurances privately given by responsible officials that these guaranties would not be placed on investments except in countries which have signed satisfactory bilateral agreements, and also by inserting a provision that the bank, in later converting foreign currencies which it may have received for dollars, should receive no priorities over existing investments. Even if these amendments should be adopted, I have some doubts as to how greatly such guaranties would be resorted to or how effective they might be in stimulating foreign investment. Certainly the guaranty provisions written into the last two authorization acts for the European recovery program have led to the writing of less than $5,000,000 in guaranties out of authorizations of 450 millions for this purpose.

The second piece of legislation deals with the furnishing of technical assistance. In my opinion, it is almost impossible to spell out in legislative form just how technical assistance can or should be given. In recent months, three entirely different types of technical missions have been trying to render technical assistance in three different countries.

The first was of an entirely private nature. The Government of Iran contracted with a group of distinguished engineering concerns operating under the name of Overseas Consultants, Inc., to make an over-all study at the expense of that government of the various steps which should be taken in Iran to increase its productivity and raise its standard of living. Overseas Consultants has completed a very comprehensive report outlining a seven-year program which includes not alone recommendations for economic development but for sanitation, irrigation, agricultural development, transportation, etc.

The second type of mission is one recently sent by the World Bank to Colombia. This mission, paid for half by the Colombian Government and half by the bank, consisted of experts selected by the bank who were joined by representatives of the International Health Organization and the Food and Agriculture Organization of the United Nations, and a representative of the United States Treasury. The report of this mission is still being drafted, but from the fourth report of the World Bank recently made public, it is obvious that its scope will be quite wide.

The third type of technical assistance mission is of the type best exemplified by the so-called Abbink Mission to Brazil. In this case, at the request of the Brazilian Government, a joint mission consisting of an equal number of Brazilian and United States citizens, of which Mr. John Abbink was the American chairman, made an over-all study of the most urgent financial and economic needs of Brazil and came up with a number of joint recommendations. In many cases, those recommendations include suggestions for further studies by special technicians, as well as for essential domestic legislative

changes in Brazil so as to create in that country a climate more favorable to foreign investment.

It is obvious from the diverse character of these different types of missions that any legislation would have to be so broadly drawn as to allow the greatest flexibility in suiting the type of mission to the different problems and needs of individual areas of the world.

As redrafted by the House Committee on Foreign Affairs, the legislation dealing with technical assistance, but called the act for international development, represents a compromise of views between a bill initially filed last year by the administration and one which I filed shortly thereafter. My own bill was a rather hastily drafted composite of the views which had been expressed on this subject by the National Foreign Trade Council, the United States Chamber of Commerce, the American members of the International Chamber of Commerce, and various individuals who had had great experience in the foreign investment field. While the principal purpose of this compromise bill is to authorize the granting of technical assistance in different fields, either through bilateral arrangements or through the use of international bodies affiliated with the United Nations or the organization of the American States, to such foreign governments as request it, it likewise spells out in some detail the role which private capital, private individuals, and private organizations can play and the conditions which would create a climate suitable for the investment of private capital. For instance, let me quote some of the pertinent passages:

"SEC. 2. (c) Technical assistance and capital investment can make maximum contribution to economic development only where there is understanding of the mutual advantages of such assistance and investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests of the peoples of the countries to which the assistance is given and in which the investment is made and of the countries from which the assistance and investments are derived. In the case of investment this involves confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will negotiate adequate wages and working conditions for local labor. It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation; that they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they will enjoy security in the protection of their persons and property, including industrial and intellectual property, and nondiscriminatory treatment in taxation and in the conduct of their business affairs.

"SEC. 3. (b) That in order to achieve the most effective utilization of the resources of the United States, private and public, which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing requests of foreign governments for aid for such purposes, shall take into consideration (1) whether the assistance applied for is an appropriate part of a program reasonably designed to contribute to the balanced and integrated development of the country or area concerned; (2) whether any works or facilities which may be projected are actually needed in view of similar facilities existing in the area and are otherwise economically sound; and (3) with respect to projects for which capital is requested, whether private capital is available either in the country or elsewhere upon reasonable terms and in sufficient amounts to finance such projects."

It is in the statement with respect to those latter matters that I feel the bill is of particular importance. The mere authorization to send technical assistance where wanted throughout the world could do very little in itself toward raising the standards of living of underdeveloped nations. Very real help could be given in the fields of sanitation, education, labor, agriculture, administration, etc., but, in the long run, increased productivity must be the deciding factor. That productivity can come only through a given amount of capital investment plus the technical know-how or technical skills which go with capital investment, and the bill, as now reported by the committee, while defective in some minor particulars, goes far toward spelling out for all to see the minimum conditions under which any reasonable person could expect American capital to seek investment outside the shores of the United States.

The third piece of legislation is now being studied by the Ways and Means Committee. It is based on the President's recommendations which appeared in the recent tax message with respect to altering our own tax laws in order to give proper credits for taxes levied on American investments abroad. Until the exact text of the legislation can be examined, it is hard to comment on it. But, in general, the proposals made by the President appear to be equitable and should be helpful in removing some of the present tax deterrents to foreign investments.

So far, I have addressed myself only to the factual elements in the point 4 program as they have been revealed through legislative proposals. Some of the details that appear in the legislation are of importance. However, in the limits of this discussion, it is impossible to go into each one of these details.

Some people have felt, and so stated publicly, that they believed the point 4 program would be the medium by which a foreseeable dollar gap of some $2,000,000,000 per year after 1952 might be filled. This, it seems to me, is an impossible assumption on the basis of any of the official statements or the legislation so far advanced. Private capital will move only to the extent that it feels it has better opportunities in the foreign field than in the domestic field, and, obviously, the volume of that foreign investment will be conditioned more largely by the climate which exists in foreign countries and the performance of foreign governments than by any action which the United States Government can take.

Aside from the movement of private capital, there remains only the volume of financing which might be done by the Export-Import Bank or by the World Bank. It is, in my opinion, obvious from the record of these two financial institutions that they cannot and will not make loans except where there is a reasonable chance of repayment, and judging from their financial operations in the last 3 years, I assume that they will exercise very much the same degree of caution as will private capital. Certainly, as I have indicated, technical assistance in the field where capital investment is not required can be most helpful, but even there there is a limit as to what can be done. Progress in the fields of health, education, etc., will again depend largely on the receptivity of the individual nations or areas of the world and on the willingness and ability to help finance internally the various domestic activities upon which the success of such programs are dependent.

In summary, I believe that I can express my views with respect to this point 4 program very simply. I believe that it is a program of sufficient importance in our world situation to attract the best Government and private brains that can be applied to it. Second, I believe that no illusions whatever should be held out that it is going to be a large-scale, give-away program or anything other than a long-term program. Third, that its success is dependent entirely on the attitude which recipient countries themselves adopt with respect to it, not alone in their attitude toward private-capital development, but likewise in the formulation of their own domestic legislation in order to encourage increased productivity. It is not a program we can impose or should try to impose on anyone. It is, however, a program in which our willing cooperation with the capital and the skills that we possess might well make a decisive contribution in the winning of the long-run ideological war from which there now appears to be no escape.

The SPEAKER pro tempore (Mr. PRIEST). The time of the gentleman from Massachusetts [Mr. HERTER] has expired.

Mr. HERTER. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Speaker, when the gentleman from Ohio [Mr. BROWN] spoke a little while ago I decided to follow up his admonition to write home. I will tell you of a little writing home that I have done. I wanted to find out what the thinking was in my district on 27 important issues including Marshall plan aid and aid to civilians abroad. I took all the farmers who have requested farm bulletins during the past 3 years. As my district is very evenly divided between town and rural, I took every fifth householder in all the cities in my district. I used the city directories and telephone directories where city directories were not available. Then I added the baby book list of the last 3 years, to get the young family point of view. I did not add any names or deduct any. I send out 25,000 questionnaires and later I sent out 200 additional questionnaires in response to special requests for them. Dr. Gallup estimated that I would receive 2,000 replies. I have received 4,185 replies. I will give you now the total on Marshall plan aid in my district:

The number voting for Marshall plan aid to be continued is 2,118; opposed, 1,392.

Question: Should Marshall plan aid be reduced? Those for reduction were 2,970. Those opposed, 544.

On foreign aid to civilians—a more general program, the vote for cutting down Federal spending was 2,635 to 203.

I believe that is about as fair a picture as you can get from a Midwest district where no names were deducted or added. That list was straight down the line, a list of every fifth householder in the cities and towns, and all the farmers who had ordered farm bulletins and all the parents of babies whose births were announced in my district. That is the actual tabulation of returns, and they give some light on my position for cutting down spending in this field.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. HERTER. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Speaker, according to the Bureau of Mines, the Interstate Commerce Commission, and the Bureau of

Labor Statistics, injuries in the bituminous coal industry are far less per thousand man-hours worked than in either the railroad industry or manufacturing.

Using 1935–39 as a base of 100, coal miners' hourly earnings increased by 1949 to 230, while production of man-hours went up to 145.

The Bureau of Labor's figures show that from 1940 consumer prices had climbed from 100 to 172 by 1949. Wages in all manufacturing jumped about 220. But the wages of the coal miners advanced to 300.

In 1939, weekly wages in all manufacturing in this country were $23.86, but the coal miners received $23.88. By 1949, average weekly wages in all manufacturing reached $54.41. Coal miners were getting $76.84. Only 3 percent of our population is employed in the coal-mining industry.

In the United States, 95 percent of our source of energy is represented in coal reserves, the Economic Trend Line Studies reveals. Today, coal supplies about 56 percent of our national source of energy, petroleum 25 percent, and natural gas 7 percent. In the last 20 years, coal consumption has fallen off about one-third, while petroleum increased 500 percent and natural gas about that same amount.

In Colorado, it is estimated there is enough coal to supply world demands for the next 600 years. All of the coal mined in the United States in the last 100 years is a bare 1 percent of the known reserves.

These facts explode some of the arguments advanced by John L. Lewis who has exploited the public and his miners for his own selfish interests.

The Government has bowed to his ruthless, monopolistic power. His demands were met by increasing the price of coal to the consuming public. Peace was achieved in the coal strike at the consumers' expense.

I agree there should be no quarrel with men who are earnestly and fairly striving to improve working conditions under our economic system. But when they exploit the people, the public interest comes first.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. KEEFE. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. WILLIAMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The gentleman from Mississippi objects to the vote on the ground that a quorum is not present. The Chair will count. [After counting.] Evidently a quorum is not present. The roll call is automatic. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 262, nays 22, answered "present" 1, not voting 146, as follows:

[Roll No. 115]

YEAS—262

Abernethy	Golden	Martin, Mass.
Albert	Goodwin	Meyer
Allen, Calif.	Gordon	Michener
Allen, La.	Gorski	Miller, Calif.
Andrews	Gossett	Miller, Md.
Angell	Graham	Miller, Nebr.
Arends	Grant	Mills
Aspinall	Gregory	Mitchell
Barrett, Wyo.	Gross	Moulder
Bates, Ky.	Gwinn	Murdock
Bates, Mass.	Hagen	Murray, Tenn.
Battle	Hale	Murray, Wis.
Beckworth	Hall,	Nelson
Bentsen	Edwin Arthur	Nicholson
Biemiller	Hand	Noland
Blackney	Hardy	Norblad
Blatnik	Hare	O'Brien, Ill.
Boggs, Del.	Harris	O'Brien, Mich.
Boggs, La.	Hart	O'Hara, Ill.
Bolling	Havenner	O'Sullivan
Bolton, Ohio	Hays, Ohio	O'Toole
Bonner	Hedrick	Passman
Bramblett	Herlong	Patman
Breen	Herter	Patten
Brehm	Heselton	Patterson
Brown, Ga.	Hill	Perkins
Brown, Ohio	Hinshaw	Phillips, Calif.
Bryson	Hobbs	Poage
Buchanan	Hoeven	Polk
Burleson	Holifield	Preston
Burnside	Holmes	Price
Byrnes, Wis.	Hope	Priest
Camp	Howell	Rabaut
Cannon	Huber	Ramsay
Carnahan	Jackson, Calif.	Redden
Carroll	Jackson, Wash.	Rees
Case, N. J.	Jacobs	Regan
Case, S. Dak.	Javits	Ribicoff
Chelf	Jenkins	Rodino
Chesney	Jennings	Rooney
Christopher	Jensen	Roosevelt
Cole, Kans.	Johnson	St. George
Cole, N. Y.	Jones, Ala.	Sanborn
Colmer	Jones, Mo.	Sasscer
Combs	Jones, N. C.	Scrivner
Cooley	Judd	Scudder
Cooper	Karst	Shelley
Cotton	Karsten	Sikes
Cox	Kearney	Simpson, Ill.
Crook	Keating	Sims
Crosser	Kee	Smith, Va.
Cunningham	Keefe	Spence
Davenport	Kelley, Pa	Staggers
Davis, Ga.	Kennedy	Stanley
Davis, Wis.	Kerr	Steed
Deane	Kilburn	Stefan
DeGraffenried	Kilday	Stigler
Delaney	King	Stockman
Denton	Kirwan	Sullivan
D'Ewart	Kunkel	Sutton
Dingell	Lanham	Talle
Dolliver	LeCompte	Tauriello
Dondero	LeFevre	Thomas
Durham	Lemke	Thornberry
Eaton	Lesinski	Tollefson
Eberharter	Lind	Trimble
Elliott	Lodge	Underwood
Ellsworth	Lovre	Van Zandt
Elston	Lynch	Vorys
Engel, Mich.	McCarthy	Vursell
Engle, Calif.	McConnell	Wagner
Evins	McCormack	Walsh
Fallon	McDonough	Walter
Feighan	McGrath	Welch
Fellows	McGregor	Wheeler
Fenton	McKinnon	Whitten
Fernandez	McMillan, S. C.	Wickersham
Fisher	McMillen, Ill.	Widnall
Flood	McSweeney	Wier
Fogarty	Mack, Ill.	Willis
Forand	Mack, Wash.	Wilson, Okla.
Ford	Madden	Wilson, Tex.
Frazier	Magee	Winstead
Garmatz	Mahon	Wolverton
Gary	Mansfield	Wood
Gathings	Marsalis	Young
Gavin	Marshall	Zablocki
Gillette	Martin, Iowa	

NAYS—22

Andresen, August H.	Morris	Smith, Wis.
Bishop	O'Hara, Minn.	Velde
Clevenger	O'Konski	Werdel
Hoffman, Mich.	Pickett	White, Calif.
Hull	Rankin	Williams
Marcantonio	Secrest	Withrow
Mason	Short	Woodruff
	Smith, Kans.	

ANSWERED "PRESENT" 1

Bosone

NOT VOTING—146

Abbitt	Granahan	Pfeiffer,
Addonizio	Granger	William L.
Allen, Ill.	Green	Philbin
Andersen,	Hall,	Phillips, Tenn.
H. Carl	Leonard W.	Plumley
Anderson, Calif.	Halleck	Potter
Auchincloss	Harden	Poulson
Bailey	Harrison	Powell
Barden	Harvey	Quinn
Baring	Hays, Ark.	Rains
Barrett, Pa.	Hébert	Reed, Ill.
Beall	Heffernan	Reed, N. Y.
Bennett, Fla.	Heller	Rhodes
Bennett, Mich.	Hoffman, Ill.	Rich
Bolton, Md.	Horan	Richards
Boykin	Irving	Riehlman
Brooks	James	Rivers
Buckley, Ill.	Jenison	Rogers, Fla.
Buckley, N. Y.	Jonas	Rogers, Mass.
Bulwinkle	Kean	Sabath
Burdick	Kearns	Sadlak
Burke	Kelly, N. Y.	Sadowski
Burton	Keogh	Saylor
Byrne, N. Y.	Klein	Scott, Hardie
Canfield	Kruse	Scott,
Carlyle	Lane	Hugh D., Jr.
Cavalcante	Larcade	Shafer
Celler	Latham	Sheppard
Chatham	Lichtenwalter	Simpson, Pa.
Chiperfield	Linehan	Smathers
Chudoff	Lucas	Smith, Ohio
Clemente	Lyle	Taber
Corbett	McCulloch	Tackett
Coudert	McGuire	Taylor
Crawford	Macy	Teague
Curtis	Merrow	Thompson
Dague	Miles	Towe
Davies, N. Y.	Monroney	Vinson
Davis, Tenn.	Morgan	Wadsworth
Dawson	Morrison	Weichel
Dollinger	Morton	Whitaker
Donohue	Multer	White, Idaho
Doughton	Murphy	Whittington
Douglas	Nixon	Wigglesworth
Doyle	Norrell	Wilson, Ind.
Fugate	Norton	Wolcott
Fulton	O'Neill	Woodhouse
Furcolo	Pace	Worley
Gamble	Peterson	Yates
Gilmer	Pfeifer,	
Gore	Joseph L.	

So the resolution was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Gilmer with Mr. Allen of Illinois.

Mrs. Douglas with Mr. Auchincloss.

Mr. Murphy with Mr. Canfield.

Mr. Morrison with Mr. Chiperfield.

Mrs. Woodhouse with Mr. Coudert.

Mr. Chudoff with Mr. Dague.

Mr. Clemente with Mr. Taber.

Mrs. Kelly of New York with Mr. Weichel.

Mr. Heller with Mr. Kean.

Mr. Dollinger with Mr. Bennett of Michigan.

Mr. Keogh with Mr. Macy.

Mr. Lucas with Mr. McCulloch.

Mr. Smathers with Mr. Gamble.

Mr. Baring with Mr. Simpson of Pennsylvania.

Mr. Joseph L. Pfeifer with Mr. Reed of New York.

Mr. Klein with Mr. William L. Pfeiffer.

Mr. Bennett of Florida with Mr. Wigglesworth.

Mr. Whitaker with Mr. James.

Mr. Sheppard with Mr. Crawford.

Mr. Green with Mr. Burdick.

Mr. Granahan with Mr. H. Carl Andersen.

Mr. Barrett of Pennsylvania with Mr. Morton.

Mr. Addonizio with Mr. Potter.

Mr. McGuire with Mr. Reed of Illinois.

Mr. O'Neill with Mr. Taylor.

Mr. Quinn with Mr. Towe.

Mr. Irving with Mr. Hugh D. Scott, Jr.

Mr. Sadowski with Mr. Leonard W. Hall.

Mr. Burton with Mr. Halleck.

Mr. Miles with Mr. Beall.

Mr. Burke with Mr. Anderson of California.

Mr. Celler with Mr. Latham.

Mr. Chatham with Mr. Rich.

Mr. Donohue with Mr. Riehlman.
Mr. Philbin with Mr. Shafer.
Mr. Lane with Mr. Wadsworth.
Mr. Kruse with Mr. Wolcott.
Mr. Linehan with Mr. Kearns.
Mr. Morgan with Mr. Jenison.
Mr. Multer with Mr. Hoffman of Illinois.
Mr. Tackett with Mrs. Harden.
Mr. Thompson with Mr. Hardie Scott.
Mr. Vinson with Mr. Harvey.
Mr. Pace with Mr. Jonas.
Mr. Abbitt with Mr. Wilson of Indiana.
Mr. Harrison with Mr. Sadlak.
Mr. Hays of Arkansas with Mrs. Rogers of Massachusetts.
Mr. Hébert with Mr. Corbett.
Mr. Heffernan with Mr. Lichtenwalter.

Mr. WERDEL and Mr. VELDE changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HOFFMAN of Michigan. Mr. Speaker, yesterday the minority members of the Committee on Expenditures in the Executive Departments obtained permission to file their views not later than midnight Saturday. In view of the fact that a number of members of the minority are out of the city, I ask unanimous consent that the minority may file their views not later than Tuesday night.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FOREIGN ECONOMIC ASSISTANCE

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7797) to provide foreign economic assistance.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7797, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KEE. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, your Committee on Foreign Affairs, after a series of hearings extending over a period of many weeks, has today brought to the floor of the House for your consideration an all inclusive Foreign Economic Assistance Act; that is the title by which the bill H. R. 7797, now before you, will be cited, if and when it is approved and becomes an act of the Congress.

The word "economic" was used in the title for the reason that it was the intent of your committee to deal in this act with economic aid alone, as distinguished from military assistance. The committee also desired to include in this single measure all programs for economic aid now being carried forward in participating countries throughout Europe and Asia, and to include also, if possible, any contemplated programs for that area.

With this purpose in view, the bill before you carries three separate titles under which is included authorizations for a continuance of the operations of the United States Government in the field of foreign relief, aid, and development. As stated, no military aid nor military assistance is provided for nor authorized.

TITLE I

This title will be cited as "The Economic Cooperation Act of 1950," and it will be at once noted that it deals only with economic assistance programs heretofore authorized and now being carried on by the ECA organization in European and Asiatic areas.

Under this title the following will be authorized:

First. The continuation of the activities of the ECA, otherwise known as the Marshall plan for European recovery. This will mean there will be no halt or cessation in the coordinated effort of the 17 participating nations of Europe, aided and assisted by the United States, to effectuate the recovery of these nations from the ravages of war and to establish conditions favorable to a lasting peace.

Second. This title also provides for the amendment of Public Law 793, Eightieth Congress, known as the China Aid Act, by extending from June 30, 1950 to June 30, 1951, the time in which may be expended the unexpended balance yet remaining of the appropriation made by that act for aid to China. About $104,000,000 of this appropriation has not been used up to this date. Under this title, this money is authorized to be used as follows:

(a) Forty million dollars for aid according to the applicable provisions of the ECA Act in areas in China deemed by the President not to be under Communist domination;

(b) Six million dollars for aid to Chinese students in colleges and universities of the United States;

(c) The remainder to be used for aid according to applicable provisions of the ECA Act, of 1948, in the geneal area of China where the Communists are not in domination; this latter aid to be under supervision of the ECA.

Third. Also under title I is a provision to amend the Far Eastern Assistance Act of 1950, which is the Korean Aid Act just recently passed by this Congress, by extending it from June 30, 1951 to June 30, 1952, and authorizing the appropriation of $100,000,000 to carry forward the Korean-aid program for that period.

Section 5 of title I carries an expression by Congress to the effect that it favors the creation by the free countries of the Far East of an organization, consistent with the Charter of the United Nations, to establish a program of self-help and cooperation to develop their economic well-being and to safeguard their rights, liberties, security, and independence.

Before proceeding to an explanation of titles II and III of the bill and what they will accomplish, I feel that I should at this point discuss for a few moments the vast importance of title I, not only to the participating countries, but to our country—the United States of America—and to the entire world. It is upon the appropriation authorized by a provision in this title that depends the success or failure of that great plan conceived by the brain of Gen. George C. Marshall; upon this title depends the success or failure of that first real union of European nations ever accomplished throughout Europe's stormy history; upon this title depends the final answer to that question now evidently uppermost in the minds of a large number of American citizens and taxpayers, Can the Communists be stopped in their march of aggression and conquest? The action of Congress on title I of the pending bill will determine whether or not the United States intends to continue its successful fight against the Communists—a fight which today has them stopped in their tracks—or whether it intends to abjectly retreat from the field, while the battle is on and half won, and sacrifice everything we have so far spent in the effort.

As drafted and introduced in the House, title I of the bill authorized the appropriation of the sum of $2,950,000,000 to carry the Marshall program through the ensuing year. Our committee considers this sum justified by evidence of great strength and unimpeachable character. In fact, this evidence was in no respect controverted. It stands as a verity. Therefore, according to the evidence, the natural assumption would be that the committee would authorize an appropriation—as it had done in the past—of the amount shown to be necessary, in cash, to be used to the best advantage when required.

But, I wish to call your attention to the fact that this was not done. The bill being considered here today carries an authorization of $1,950,000,000, instead of the $2,950,000,000 determined to be needed. That the latter sum is needed was conceded, but, instead of authorizing it in the usual manner, an amendment—to which I was opposed—was adopted, under which $1,000,000,000 worth of surplus agricultural products will be unloaded on the Administrator of the program, and the appropriation was cut by that amount.

I am frank in saying that, in my opinion, the amendment is bad. I believe its proponents must admit that it will not result in the saving of a single dollar to the American taxpayer.

In order to make my position clear, however, I want to announce that while I opposed the amendment and believe it will cripple the measure, I do not believe it will destroy it. With or without the agricultural commodity amendment, I am supporting the bill in its entirety.

TITLE II

May I now turn to title II of the measure. This title deals with the problem of the Palestine refugees, or, as it should, perhaps, be better expressed, the refugees from Palestine.

This title will be cited as the United Nations Palestine Refugee Aid Act of 1950.

This problem resulted from the division of Palestine, the hostilities between the Jews and the Arabs, and the establishment of the new State of Israel. These events caused the flight of many thousands of Arabs from Palestine to the surrounding or neighboring Arab states. As early as September 1948, the serious

plight of the refugees was reported to the General Assembly of the United Nations. At that time, there were 360,000 of them in need of assistance. By October this number had grown to 500,000. The General Assembly took action by establishing a program called United Nations Relief for Palestine Refugees. To this program, the cost of which it was estimated would be $32,000,000, the United States undertook to contribute one-half. On March 24, 1949, authorizing legislation reported by the Foreign Affairs Committee was enacted and on June 23, 1949, the sum of $16,000,000 was appropriated. To this fund, other member nations of the United Nations contributed $17,000,000, thus creating an aggregate fund of $33,000,000, with which to care for the refugees. With this fund, upward of 900,000 refugees have been fed to this date. The fund is now exhausted.

In August 1949, the United Nations established a survey mission for the Middle East. This mission was headed by Mr. Gordon Clapp, who was given leave from his duties with the Tennessee Valley Authority, for this service.

This mission has made a lengthy report of its findings. It recommends a combined relief and works program. Incidentally, Mr. Clapp testified before the Committee on Foreign Affairs, and the members of the committee were impressed by his sincerity, his ability, and his knowledge of the conditions in the Arab countries around Palestine and of the refugee problem.

In its report on the pending bill the committee has dealt in detail with the recommendations of the Commission headed by Mr. Clapp, as well as with the combined relief and works program proposed by the Commission and recommended by the General Assembly of the United Nations.

The provisions in title II of the bill and the appropriation of $27,450,000, thereby authorized, will, when the appropriation is supplemented by the contributions from other member nations, enable the carrying out of the recommended relief-works program.

Evidence before the committee not only indicated that the work program would be the only reasonable solution of the problem before us, but the testimony clearly indicated the desperate need for a continuance of direct relief to the refugees until the work program could be inaugurated.

Time will not now permit a discussion of the strategic importance to the United States of the Near East area, but this phase of the situation was stressed in the evidence before the committee.

TITLE III

Title III deals with what is generally and popularly known as the President's point 4 program.

I have heard many conflicting views expressed in regard to this proposal. I have even heard it condemned as one without merit, but it can be truly stated that during all my years of experience as a member of the Foreign Affairs Committee, I have never known a hearing upon any other measure to attract a greater attendance of apparently deeply interested listeners. It can also be said that but few, if any, measures ever referred to this committee have had as many and as strong supporters as the point 4 program. And this support comes from men and women in all walks of life and from organizations representative of nearly everything except communism. The record of the committee hearings discloses an overwhelming support and a surprising minimum of opposition.

No party lines have been drawn in respect to point 4. A bill authorizing the initiation of the proposed program was originally introduced by the Member now addressing you. Objections to some of the bill's provisions were raised by various interested persons. Other persons favored the inclusion of other provisions they deem necessary to perfect the measure. All of us wanted the legislation to be as perfect in its provisions as it could possibly be made. Various conferences were held and changes and revisions were agreed upon.

Thereupon, two separate but identical bills were introduced in the House on the same day, one by the gentleman from Massachusetts [Mr. HERTER], and the other by the gentleman from West Virginia, your humble servant. The identical language of these two bills is incorporated, without change or revision, in title III of the bill now before the House. Our committee was glad to note the interest of the distinguished gentleman from Massachusetts in the measure and our Members were happy to have his counsel and advice. We likewise deeply appreciated his assistance in perfecting a measure which I hope will now meet with the approval of the House even as it at once met with the approval of the committee.

With that I shall leave the further discussion of title III to other speakers, among whom, I trust, will be the gentleman who so signally aided in perfecting a splendid piece of legislation.

You can all very well understand that the nationals of China, the students of whom I spoke in discussing the extension of the China Aid Act, are in a bad situation and need help.

Mr. WALTER. Mr, Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. WALTER. Does not the gentleman feel that this situation is of such gravity that perhaps we should enact some legislation so as to make it possible for these Chinese, pending such time as they can return to their homeland, to be gainfully employed in the United States?

Mr. KEE. That has been one of the problems and it was a problem when this situation occurred. They did not make enough money to live on and could not get anything from China. They were not permitted employment in this country. So all we could do was to allocate something out of the former appropriation made for aid to China. So we seek to provide this $6,000,000 which has not been used.

Mr. WALTER. Mr. Chairman, will the gentleman yield further?

Mr. KEE. I yield.

Mr. WALTER. That being the case, does not the gentleman believe it would be preferable to make it possible for them to earn a living rather than have the Congress continue to make appropriations, pending such time as they can return with safety?

Mr. KEE. I think that would be a wise solution.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Minnesota.

Mr. JUDD. I am delighted to hear the suggestion from the gentleman from Pennsylvania, who is chairman of the Subcommittee on Immigration and Naturalization matters, because that is the proper way to handle it. We are up against the situation where these people are here. They do not want to go back and become Communists and have their skills made available to our enemy, and we do not want that to happen. We know what has happened in the past. These students come from families whose members have resisted the Communists and they are marked men if they return and do not cooperate.

Under our laws, unfortunately, they cannot be given employment in this country. The result is, that being without funds from home, they are literally starving to death. It is an actual fact that one of these students who came from a dignified family and was too proud to report his condition to welfare authorities, literally starved to death in this country within the last few months.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. WALTER. The thing that disturbs me most about this problem is, as the gentleman from Minnesota says, that in many instances these students come from families who have actually opposed communism, and to force them to return to China would be to send them to certain death.

Mr. KEE. That is right.

Mr. WALTER. I had my attention called to other students who graduated last year who have been offered employment, men well qualified as chemists and workers in technical fields, but they have been unable to take employment under our laws.

Mr. JUDD. That is right. I am told that the Commissioner of Immigration and Naturalization will treat these boys as displaced persons and not deport them, but the sad part of it is that they have no way of supporting themselves. Under our present laws they cannot get jobs.

Mr. KEE. That is true. This provision will not require any new appropriation, but affords them relief out of money already appropriated and available for that purpose.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. WOLVERTON. In connection with what has already been said by the gentleman from Pennsylvania with reference to the situation that confronts the Chinese who are in this country at this particular time, the remarks so far have related to students. What feeling does the gentleman from Pennsylvania have

as to what should be done to protect Chinese who are in this country for a limited space of time, particularly against the requirement that they be returned to their own country at this time?

Mr. KEE. If the gentleman from Pennsylvania desires to answer that briefly, I yield to him.

Mr. WALTER. It seems to me they are in the same category as political expellees throughout the world.

Mr. WOLVERTON. Just a further remark in that connection. I am aware of the fact that the Immigration Service is serving notice on the Chinese at the present time to return to their country. We are all agreed that the conditions are such they cannot return with any degree of safety.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Section 5, on page 13, states as follows:

SEC 5. The Congress hereby expresses itself as favoring the creation by the free countries and the free peoples of the Far East of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence.

Does the gentleman think that policy of Congress is being carried out at the present time in Indochina, where the people are struggling for their freedom and the French are sending expeditions in there, airplanes and everything else, to destroy those people and to destroy their liberty? Does the gentleman think we are carrying out that policy?

Mr. KEE. That is an expression of a pious hope on the part of the committee. It is a hope, however, that the passage of this legislation may speed to fulfillment.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Would the gentleman discuss the statement that has repeatedly been made by the Administrator, Mr. Paul Hoffman, to the effect that industries which are affected in the United States as the result of the competition of goods manufactured in these Marshall-plan countries will either have to change their methods in this country or get out of business, or get into a business that will enable them to compete. Was that question discussed before the gentleman's committee, and does the gentleman care to comment upon that statement by Mr. Hoffman, which, by the way, he verified as being made repeatedly in personal conversations which I had with him? I would like to ask whether or not the committee considered the question as to what is going to happen.

Mr. KEE. I do not know, frankly, whether or not the statement made by Mr. Hoffman is in the exact words quoted by the gentleman. I have not seen it that way.

Mr. KEEFE. Well, it has been reported in the press.

Mr. KEE. I am willing to take the gentleman's word for it. But we have discussed the question, and it is conceded that to the extent that the importation of goods is increased from these countries into the United States in competition with manufactured goods in the States there will be competition, and, so far as I can see, there is no way to avoid a certain amount of that competition. If we expect Europe to buy goods from us, they must be placed in a position to earn dollars with which to pay for the goods. If we cannot establish an export market, we might as well go out of business, and therefore we must stand for a certain amount of competition in this country.

Mr. KEEFE. In connection with that discussion, was there any proposal submitted that had for its purpose the subsidization of an American industry that is threatened with extinction due to being unable to compete with the goods which are manufactured over in foreign countries, being aided under the Marshall plan?

Mr. KEE. I do not believe we discussed the question of subsidizing any industry.

Mr. KEEFE. Do I understand the gentleman's position then is, speaking for the committee, that if there is an American industry which is threatened with extinction because of its inability to compete with goods manufactured in Marshall-plan countries, that that industry must suffer; and if it cannot compete, it will have to get into another type of business or go out of business?

Mr. KEE. I took no such position, and the gentleman did not understand that I took such a position.

Mr. KEEFE. Well, does the gentleman have such a position, so that I can understand his answer?

Mr. KEE. I said that we will have to stand a certain amount of competition, and so far I am not aware of any industries that are threatened with extinction. I think, when there is an industry threatened with extinction, that may be the time to meet that question.

Mr. KEEFE. I may say to the gentleman, along with some other Members of Congress, I attended a meeting called by the heads of 16 international unions just recently, and the presidents of the organizations that were affected, and it perhaps would have been well for the gentleman and the members of his committee to have been there and hear the statements made as to the effect of competition already being felt in those industries.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Missouri.

Mr. CARNAHAN. I have Mr. Hoffman's statement here, if the gentleman would care to have me read it into the RECORD.

Mr. KEE. I would be glad to.

Mr. CARNAHAN. This is Mr. Hoffman's statement:

I would like to follow up on something you said there, because it is not well understood that whenever any particular industry asks that there be a particular directive that any purchase of goods produced by that industry be made in the United States as against, we will say, competition across the border in Canada, on the theory they should be protected against competition from members of that industry across the border, they are forgetting one very important fact that changes the whole picture. What they are really asking for is protection against some other American producer. Not the foreign producer, because that dollar does not stay long with the foreigner who gets it. It comes right back home where it has to come where the competition finally and eventually takes place. The competition for all dollars finally takes place in the United States of America and any industry that wants special protection wants protection not against foreign producers but against some other American grower or producer. I can prove that if you want it proved.

Mr. KEE. I thank the gentleman. And now, in further reply to the gentleman from Wisconsin [Mr. KEEFE], I here insert in the RECORD excerpts from a letter from Hon. Paul G. Hoffman to Hon. H. ALEXANDER SMITH, dated March 21, 1950, as follows:

The deficit between the imports of goods and services for dollars into western Europe and the exports of goods and services from western Europe to the dollar area is the familiar dollar gap. The Congress had assigned to ECA among other responsibilities bringing that gap down to manageable proportions prior to the termination of ECA activities in 1952.

There are only two sound ways of closing Europe's dollar gap. They are by reducing requirements for dollar imports through building up economical sources of supply in Europe itself and in other nondollar areas; and by increasing Europe's dollar earnings through direct and triangular trade.

If the dollar gap is to be closed without disastrous results, Europe must between now and 1953 effect further dollar savings of something more than $1,000,000,000 and concurrently increase her earnings by something less than $1,000,000,000.

A considerable part of the billion dollars of increased earnings needed by Europe can come through tourism and expansion in the sale of noncompetitive goods. However, approximately $400,000,000 of the billion dollars would be in competitive goods. Even taking into account this $400,000,000, the total imports of competitive goods from western Europe would still be substantially less than $1,250,000,000.

In light of the fact that the wholesale value of goods produced in the United States in 1949 is approximately $140,000,000,000, I don't believe that anyone could argue that increased imports amounting to one-third of 1 percent of our total output could have any appreciable effect on the total economy; nor, of course, is there anything to the argument that when we import goods we are importing unemployment. If we do not import, we cannot export; and if we do not export, we create unemployment in the export field. The sole question is whether by increasing imports and hence maintaining exports the shifts in trade and employment will occasion serious hardships where these shifts pinpoint.

Mr. WHITE of Idaho. Mr. Chariman, will the gentleman yield?

Mr. KEE. I yield.

Mr. WHITE of Idaho. Did we not appropriate $17,000,000 last year for the relief of these refugees?

Mr. KEE. Sixteen million dollars. The other nations of the world, through the United Nations, contributed $17,000,000.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. Where is the constitutional authority for our taking care of these Jewish refugees out of the funds of the taxpayers of the United States?

Mr. KEE. They are not Jewish refugees. These are Arabs.

Mr. WILLIAMS. They are foreign refugees, at any rate. The question is the same.

Mr. KEE. I do not know that there is really a constitutional provision. We have a Constitution subject to interpretation by our courts, and we are authorized to pass this act.

Mr. WILLIAMS. Is there any additional authority for such appropriation?

Mr. KEE. I should say there is. The gentleman can look it up if he wishes.

Mr. WILLIAMS. I have looked through the Constitution many times and I have never found any such authority.

Mr. KEE. The gentleman can, if he desires, make a point of order against the bill.

Mr. WILLIAMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-six Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

Abbitt	Furcolo	Morrison
Addonizio	Gamble	Morton
Allen, Ill.	Garmatz	Multer
Andersen	Gilmer	Murdock
H. Carl	Gore	Murphy
Arends	Gossett	Nixon
Auchincloss	Granahan	Norton
Barden	Granger	O'Neill
Baring	Green	Patten
Barrett, Pa.	Hall,	Peterson
Bates, Ky.	Leonard W.	Pfeifer,
Beall	Halleck	Joseph L.
Bennett, Fla.	Harden	Pfeiffer,
Bennett, Mich.	Harrison	William L.
Bentsen	Harvey	Philbin
Biemiller	Havenner	Phillips, Tenn.
Bolling	Hays, Ark.	Plumley
Bolton, Md.	Hébert	Potter
Buchanan	Heffernan	Powell
Buckley, N. Y.	Heller	Quinn
Bulwinkle	Herlong	Ramsay
Burdick	Hill	Redden
Burton	Hinshaw	Reed, Ill.
Byrne, N. Y.	Hoffman, Ill.	Reed, N. Y.
Canfield	Irving	Rhodes
Carlyle	Jackson, Calif.	Rich
Carroll	James	Richards
Case, S. Dak.	Jenison	Riehlman
Cavalcante	Jennings	Rivers
Celler	Jonas	Rodino
Chatham	Kean	Rogers, Fla.
Chiperfield	Kearney	Rogers, Mass.
Chudoff	Kearns	Sabath
Clemente	Kelly, N. Y.	Sadlak
Combs	Keogh	Sadowski
Corbett	Kerr	Saylor
Coudert	Kilburn	Scott, Hardie
Crawford	Klein	Scott,
Crosser	Kruse	Hugh D., Jr.
Curtis	Lane	Scudder
Dague	Latham	Shafer
Davies, N. Y.	Lesinski	Sheppard
Davis, Tenn.	Lichtenwalter	Simpson, Pa.
Davis, Wis.	Linehan	Sims
Dollinger	Lucas	Smathers
Donohue	Lyle	Smith, Ohio
Doughton	McCulloch	Stigler
Douglas	McGuire	Taber
Doyle	McKinnon	Tackett
Engle, Calif.	Macy	Taylor
Fallon	Merrow	Thomas
Fellows	Miles	Thompson
Fugate	Monroney	Towe
Fulton	Morgan	Wadsworth
Weichel	Wigglesworth	Wolcott
Whitaker	Wilson, Ind.	Woodhouse
Whitten	Winstead	Worley
Widnall	Withrow	

Accordingly the Committee rose; and the Speaker pro tempore [Mr. PRIEST] having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 7797, and finding itself without a quorum, he had directed the roll to be called, when 263 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. KEE. Mr. Chairman, may I say for the benefit of the gentleman from Mississippi [Mr. WILLIAMS], who made inquiry of me as to the constitutionality of this act, that I will insert in connection with my remarks a citation which will, I think, definitely convince the gentleman that we are acting on constitutional grounds.

The following is a statement containing case citations which I am sure will convince the gentleman, or anyone who may be in doubt, that there is ample constitutional authority to support legislation of this character:

GIFTS OR LOANS BY UNITED STATES TO OTHER NATIONS

In the field of foreign affairs, as a member of the family of nations, the United States is the equal in rights and power of any other sovereign nation, and thus may so conduct itself, even to the extent of making and carrying out international agreements which are not treaties in the constitutional sense (*U. S.* v. *Curtis-Wright Export Corp.* ((1936) 299 U. S. 304); *U. S.* v. *Pink* ((1942) 315 U. S. 203)). This power is not expressly affirmed in the Constitution, but its warrant is based on and has been upheld on the law of nations (*U. S.* v. *Curtiss-Wright, supra*). The Supreme Court in broad terms has affirmed the complete sovereignty of the United States in external affairs (*U. S.* v. *Pink, supra*), and has expressed and reaffirmed its reluctance to limit in any way the exercise of such sovereignty. In the Curtiss-Wright case, supra, Mr. Justice Sutherland, quoting from *Mackenzie* v. *Hare* ((1915) 239 U. S. 299, 311), said:

"As a government, the United States is invested with all the attributes of sovereignty. As it has the character of nationality, it has the powers of nationality, especially those which concern its relations and intercourse with other countries. We should hesitate long before limiting or embarrassing such powers."

A gift or loan to a foreign nation or the people thereof, whether in the form of cash, credit, or tangible property, must necessarily involve also the congressional power to appropriate the public money of the United States raised by taxation and to apply it for such purposes. Article I, section 8, clause 1, of the Constitution invests Congress with the power to "lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States." It is now well settled that under this provision Congress may appropriate and spend money raised by taxation for the national welfare, and that the congressional discretion in selecting the means therefor is extremely broad, *Helvering* v. *Davis* ((1937) 301 U. S. 619); *U. S.* v. *Boyle* ((N. D. Ohio 1943) 52 F. Supp. 906, affirmed 323 U. S. 329). This discretion is not confided to the courts unless the choice amounts to a display of arbitrary power rather than an exercise of judgment (Ibid.). "Nor is the concept of the general welfare static. Needs that were narrow or parochial a century ago may be interwoven in our day with the well-being of the Nation. What is critical or urgent changes with the times," *Helvering* v. *Davis, supra.* And this power is not limited or confined by the other powers enumerated in the Constitution (Ibid.).

For many years Congress itself proceeded generally on the assumption that it was authorized to raise and appropriate money for any public purpose connected with the general national welfare. This was the view advocated by Hamilton, Monroe, and Story. Madison, however, contended that the authority to tax and provide for the general welfare was limited to the other specifically enumerated powers granted to Congress by the Constitution. See discussions in *Kansas Gas & Electric Co.* v. *City of Independence* ((C. C. A. 10th, 1935) 79 F. (2d) 32); *Langer* v. *U. S.* ((C. C. A. 8th, 1935) 76 F. (2d) 817). The Madisonian view, of course, had its adherents. Among these, of a later date, was Mr. Charles Warren, who, in his book in 1932, Congress as Santa Claus, wrote extensively in favor of the more limited construction. The Madisonian theory, however, was repudiated by the Supreme Court in *U. S.* v. *Butler* ((1936) 297 U. S. 1), and *Helvering* v. *Davis, supra.* In the latter case the Court said:

"Congress may spend money in aid of the 'general welfare.' Constitution, article I, section 8; *United States* v. *Butler* (297 U. S. 1, 65); *Steward Machine Co.* v. *Davis, supra.* There have been great statesmen in our history who have stood for other views. We will not resurrect the contest. It is now settled by decision. *United States* v. *Butler, supra.* The conception of the spending power advocated by Hamilton and strongly reinforced by Story has prevailed over that of Madison, which has not been lacking in adherents. Yet difficulties are left when the power is conceded. The line must still be drawn between one welfare and another, between particular and general. Where this shall be placed cannot be known through a formula in advance of the event. There is a middle ground or certainly a penumbra in which discretion is at large. The discretion, however, is not confided to the courts. The discretion belongs to Congress, unless the choice is clearly wrong, a display of arbitrary power, not an exercise of judgment. This is now familiar law. 'When such a contention comes down here we naturally require a showing that by no reasonable possibility can the challenged legislation fall within the wide range of discretion permitted to the Congress.' *United States* v. *Butler* (*supra*, 6. 67). Cf. *Cincinnati Soap Co.* v. *United States, ante,* p. 308); *United States* v. *Realty Co.* (163 U. S. 427, 440); *Head Money Cases* (112 U. S. 580, 595)."

To the same effect, see *City of Cleveland* v. *U. S.* ((1945) 323 U. S. 329).

Congress, likewise under article I, section 8, clause 1, has the power to provide for the common defense. This authority is without limitation in the Constitution, and the power granted is not to be interpreted in a way which will make it ineffective against an enemy, actual or potential; nor need it be withheld till war or the threat of war is a fact, *U. S.* v. *Lambert* ((C. C. A. 3d, 1941) 123 F. (2d) 395). Thus tax money may be appropriated for purposes of the common defense (1 Story, Commentaries on the Constitution (4th ed.) sec. 922), for Congress may do whatever is deemed necessary and proper to carry into execution the national defense powers, *U. S.* v. *Wright* ((D. Del. 1943) 48 F. Supp. 687); *Henderson* v. *Bryan* ((S. D. Cal. 1942) 46 F. Supp. 682).

In addition, Congress is given extensive war powers by the Constitution. See provisions of article I, section 8, clauses 11–16, inclusive. These powers of the Government are viewed very broadly. In *Hirabayashi* v. *U. S.* ((1943)

320 U. S. 81), Mr. Chief Justice Stone declared:

"The war power of the National Government is 'the power to wage war successfully.' See Charles Evans Hughes, War Powers Under the Constitution (42 A. B. A. Rep. 232, 238). It extends to every matter and activity so related to war as substantially to affect its conduct and progress. The power is not restricted to the winning of victories in the field and the repulse of enemy forces. It embraces every phase of the national defense."

Accordingly, the war power would support on a broad scale such governmental action as Congress deems necessary to the successful prosecution of war. And anything considered essential to the national defense is embraced within this power. *U. S.* v. *City of Chester* ((C. C. A. 3d, 1944) 144 F. (2d) 415). "Nor can it be considered necessary that the United States must be at war in order that Congress * * * possess the constitutional sanction to prepare for it. Such an interpretation would be so unrealistic as not to warrant serious consideration." Ibid. See also *Henderson* v. *Bryan, supra* ("Congress * * * can invoke the war power * * * during times of peace, for the future protection of the Nation."); *Ashwander* v. *T. V. A.* ((1936) 297 U. S. 288, 327-323).

Of course, as pointed out in 1 Story, opere citato *supra,* Congress cannot properly appropriate public money for ventures which have no connection with the common defense or general welfare. Accordingly, in the words of Story, if Congress were to tax and spend for objects wholly extraneous, "as, for instance, for propagating Mohammedanism among Turks, or giving aids and subsidies to a foreign nation, to build palaces for its kings, or erect monuments to its heroes * * * it would be wholly indefensible upon constitutional principles." But as Story further declares, the power to make appropriations for the public welfare or for the common defense may embrace any activity which seems to promote those general objectives. See also *Kansas City Gas & Electric Co.* v. *City of Independence* ((C. C. A. 10th, 1935) 79 F. (2d) 32). "Appropriations have never been limited by Congress to cases falling within the specific powers enumerated in the Constitution, whether those powers be construed in their broad or their narrow sense. * * * In some cases, not silently, but upon discussion, Congress has gone to the length of making appropriations to aid destitute foreigners and cities laboring under severe calamities; as in the relief of the St. Domingo refugees, in 1794, and the citizens of Venezuela, who suffered from an earthquake in 1812." 1 Story, opere citato *supra,* section 991. Moreover, Congress may protect and aid those specific national activities over which it has been delegated authority by the Constitution, and in so doing may enter into fields of the country's life which are beyond the Federal authority save for their effect upon such activities (38 Op. Atty. Gen. 258, 265).

All of this would seem to support the proposition that Congress may appropriate public money for gifts, loans, or subsidies to a foreign power, where the object, in light of the immediate circumstances, is to promote the welfare and defense of the United States by supporting and strengthening friendly or strategically situated allies, securing international cooperation, providing a bulwark against the aggression of other powers, or the like. As already indicated it would make little or no difference whether this was done in time of peace or in time of actual war. Such action, of course, can be distinguished if necessary from those cases pointed out by Story, opere citato *supra,* and objected to in Warren, Congress as Santa Claus (1932), where money was donated for the relief of particular groups of individuals within another country solely as a humanitarian gesture. As pointed out in Warren, opere citato *supra* (p. 108), even conceding the validity of the Hamiltonian view of the general-welfare clause (as must now be the case in light of the Supreme Court decisions), there is some difficulty in finding benefit to the general welfare of the United States arising out of gifts or loans to foreigners on a humanitarian basis alone. And such mere humanitarian activities, though laudable, do not of themselves normally contribute to the defense of the United States. The fact remains, however, that on numerous occasions Congress has appropriated money for the relief of destitute or impoverished people of other countries, without any demonstrable purpose to promote the defense or welfare of the United States. These actions have not been challenged as to their legality largely because "'no one has yet been able to devise a method' by which the constitutional validity of appropriations of the national funds may be presented for judicial decision." Warren, opere citato *supra* (p. 141, No. 52) quoting former Attorney General William D. Mitchell.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the ranking Republican member of the House Committee on Foreign Affairs, the gentleman who was chairman of that committee in the Eightieth Congress, when the Marshall plan was launched 2 years ago, the beloved and distinguished gentleman from New Jersey, Dr. EATON.

Mr. EATON. Mr. Chairman, I believe we can evaluate this legislation better if we place it against the background of the conditions which it is designed to meet.

I will always be thankful that I was present and had a part in launching the legislation effectuating what is known as the Marshall plan. I want to say for myself, and I think I speak for a large proportion of our Members, that the Marshall plan, under the conduct of its very able and brilliant leader, Mr. Hoffman, has been a remarkable success.

It has taken the leading nations of western Europe out of the abyss of failure and despair and set the feet of their people upon the highway to progress and hope. It has helped to bring to pass a higher level of production in industry and agriculture than before the war. It has helped to bring to pass widespread employment of the people of the participating countries. Above all, it has erected what I hope, and what you hope, will be a permanent wall against the insidious advance of the curse of the world, the Communist philosophy of hate and fear, ruin and slavery.

Mr. Chairman, we cannot approach this legislation today simply as a piece of local legislation, indifferent, perhaps, as to its results. We stand today in America and in the world at the most critical hour in human history. We are today in the unknown land between two ages, one dying, the other in the grim process of birth.

In that fateful no-man's land two great peoples and two great philosophies confront each other and hold in their keeping the destiny of everything that is worth while in human life. If America wins by helping those people of like mind and like ideals, the world will be safe for freedom and for hope.

If Russia wins by discounting or destroying our efforts, the world will enter the Dark Ages, and Russia will sit upon the throne, and fetters will be upon the hands and minds of freemen everywhere. This legislation, Mr. Chairman, is our answer to that situation. I know the flyspecks that are visible upon it and I also know the passion of the American mind for flyspecks. We like to play the flyspecks sometimes instead of the notes, thinking they make better harmony to march by. But the grim reality is that this legislation represents one of the greatest contributions to human safety and progress and to the security of the American people and to the hope of mankind of all history. That is why I am for it.

I do not have intelligence or experience enough to understand all of it—neither have you, for that matter—with due respect—because we are dealing with forces here and conditions so far beyond the experience of our own and of our people that no one can fully understand the implications of the present hour. But I believe in this legislation the American people, through its representatives in Congress, are grappling with the world problem in a statesmanlike, far-sighted, and fundamental way. I believe that as days go by, the outcome of events will show that we have been wise not only in establishing the Marshall plan as we have and in carrying it through for 2 years so successfully, but also in this legislation once more sending it forward to function with hope and resource and power.

I want to pay tribute to the chairman of our committee. I was chairman of that committee, which we will all admit is now in some respects the most important committee of the House of Representatives, because of the problems with which it has to deal and because of the difficulty of those problems. I know something of the burdens of the office of chairmanship of that committee. I want to say to both sides of the House we have in Chairman KEE a gentleman of the highest honor and a man of rare endowments of mind, a man of courage. Personally, I have always been very fond of him. I have deemed it a privilege as well as that of the members of the committee on my side, to support him in a nonpartisan—not a bipartisan—but a nonpartisan way in carrying his great burden.

I would like also to pay tribute to the members of the committee. I praise the people on my side and say they are stars. Of course, the gentleman from Ohio, JOHN VORYS, is in a class by himself. I was just telling him before I came here that my relation with him in this capacity is that of the gentleman of color who was before the judge for being too closely associated with a neighbor's chicken-coop. The judge said, "Are you the defendant in this case?" He had employed a lawyer. He said, "No, judge, I ain't the defendant, I've done hired the defendant"—pointing to the lawyer. "I am the gentleman what stole the chicken."

So, I have a great debt to pay to my friend from Ohio who knows so much more than I do, about the technique of law. I recommend his people to return him to the Congress, where he is making a notable contribution.

Thank you, Mr. Chairman, for this opportunity to say these few words. I hope the House will show the intelligence and judgment that it has shown twice before in this legislation and pass it with a magnificent majority so our friends across the sea, in the western nations of Europe and the Russians looking at us today with the greatest care, will know that America is still on guard and that we do not propose to let down the free men of the world, who are our friends. We are going to continue to stand for the things that have made us the hope of the world, and this legislation is one incident in our doing just that. With God's help and blessing we are going to win this fight for freedom and for the dignity of men.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I am delighted to have the privilege of following our very able and distinguished chairman, the gentleman from West Virginia [Mr. KEE], who has worked long and hard on this particular legislation, and also our beloved former chairman, the distinguished gentleman from New Jersey, Dr. EATON, whose heart has been in this program ever since it started under his tutelage some 2 years ago.

The House is being asked this week to authorize and to carry the Marshall plan forward another year. It is a plan which has been defined as the only tried and tested instrument of the strength-building policy of the United States in the only area where it has been intensively applied.

These are crucial days in all areas of international action—geographic, economic, and especially psychological, and the Marshall plan has succeeded beyond expectations in creating strength in the field of production. It has been responsible for renewed emphasis on western European integration—the abolition of import quotas and the eventual abolition of tariffs to make a single European market.

Economic, geographic, and psychological—these are three crucial areas in which the Marshall plan has been tried and tested. And these are the areas in which it must continue to act boldly if the spectacular gains that have been achieved are to be consolidated and the freedom of the Western World preserved.

In the economic field Marshall plan aid has enabled European production to increase $30,000,000,000 since 1947, hitting a high point $8,000,000,000 above the prewar level. Furthermore, it has accomplished this in two brief years, whereas after the much less destructive war of 1914–17 it took 7 years even to reach a level of prewar production.

European production last year was $160,000,000,000. But lest anyone have the mistaken impression that Europeans are living off the fat of the land at Uncle Sam's expense, let me add that the present European diet is still barely adequate.

Out of their 1938 income, the nations participating in the plan spent $114,000,000,000 for consumer goods; yet in 1949, with 20,000,000 more mouths to feed and bodies to clothe, these nations spent just $115,000,000,000 of their increased gross income for such consumer items—showing clearly that practically all of their added income has gone into strengthening capital assets.

In human terms, Europe's production means that the Marshall plan has enabled western Europeans today to feed and clothe themselves and their children. It has also provided tools and jobs for millions of people who are proving themselves willing and able to work, and work hard, for their economic independence.

The ECA legislation now before Congress places a new emphasis on the crucial area which many authorities have termed geographic; the integration of Europe, which many see as vital to the United States policy of seeking stability and peace in the world.

The ECA envisions such integration as providing a freer flow of trade through a single market of 260,000,000 people. And it believes that this market must be based on a return to multilateral trade and currency converibility among the nations. The statements which all but three of the participating nations made some weeks ago to General Donovan's American Committee for a United Europe are strong evidence that important groundwork for success in this area has been established, and needs only congressional implementation of the plan to assure its successful completion.

Europe is the key of the free world. And a strong, integrated, and productive Europe must serve as the chief bulwark on which the western nations can eventually hope to negotiate with Moscow. In the present gigantic struggle to buttress the free nations and prevent the financial and social cataclysm of a third world war, such a Europe will carry high the positive weapons of the Marshall plan—food for the hungry, tools for the men who want to work, unity in place of chaos, and, most of all, hope for those who had all but lost their hope.

It is obvious that such a struggle is more than economic and more than geographic. These weapons are raised in that psychological area which is especially crucial today. And it is the psychological support in particular that has so far enabled the free nations to throw aggressive communism into retreat in Europe, preventing it from achieving its morally destructive goals through the negative weapons of strikes, slow-downs, sabotage, and lies.

Success on the psychological level will require even more effort, perhaps over a longer time, if the minds and loyalties of the people of western Europe are to be welded in the common cause of responsible freedom.

To the American taxpayers, weary of pouring money into Europe through gift and loan, the Marshall plan is a means of ending at last this subsidy of those countries. The experience of the past 2 years indicates that the need for this kind of extraordinary assistance will be almost completely at an end in 1952 if the recovery program is enabled to continue as planned—with, by the way, over a billion dollars less in its budget than were asked and appropriated last year.

Needless to say, Europe should look forward to this conclusion as eagerly as do we ourselves. Nobody can raise his head for long when he is the perpetual object of charity. And only if Europeans can stand in a position of mutual dignity with their free neighbors will Secretary of State Acheson be supported in his belief that economic collaboration must continue to be a basic element of our national policy.

The Marshall plan aid to European production and its encouragement to integration—these are the good works that are seen by Europe in the light of American good will. But it is the good will itself and the good faith in which these works are undertaken that must remain as their moral support when the extraordinary material assistance ends in 1952.

It is the independent, democratic, and free cooperation between the free nations of the world that Arnold J. Toynbee, dean of contemporary historians, believes to be the only alternative to a universal police state. And it is on this that he conceives the future of our western civilization to depend.

I know no stronger argument than this. And, though there may be criticism by Americans of ECA's effectiveness in fostering European unity, and questioning by Europeans of the means and motives behind its sponsorship, there can be no question whatever of the objectives, nor of the critical necessity for the Marshall plan itself as it begins the second, most difficult, and most important phase of its 4-year program to bring health to the western world.

Mr. Hoffman has said that we are seeking to accomplish in 25 months what might under ordinary circumstances require 25 years to achieve. It seems to me, in view of this fact, that the European recovery program must have the intelligent, well-informed, and all-out support of every American citizen if this tremendous goal is to be won in time.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from California.

Mr. JOHNSON. Is it not a fact that the giving of the Marshall funds has created a new morale and a new spirit in the western European world and that they are now a solid group of people willing and able to resist the infiltration and pressure put upon them?

Mr. MANSFIELD. The gentleman is correct. He knows as well as I do that if it were not for the Marshall plan in all likelihood most of western Europe today would be Communist and instead of spending the dollars we are on the European recovery program we would very possibly be spending more dollars on our own defense and we would be isolated at the same time without much in the way of friends. The Marshall plan has stopped communism in western Europe and thereby contributed to our own security.

Mr. JOHNSON. In 1947 I was in Italy when it was on the verge, at least Rome was, of being captured by the Communist Party. In France there was discontent and the discouragement was absolutely obvious to outsiders like myself. I understand there is a complete reversal of outlook and hope in those people due to our help.

Mr. MANSFIELD. The distinguished gentleman from California is again correct. I might add that at the present time, according to the best information I have, the Communist Party in Italy is still somewhere around 25 percent of the population and the Communist Party in France is still a very strong factor. Those are reasons which should, of course, indicate to us that we must continue this program beyond the halfway mark.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to my friend, the gentleman from Illinois.

Mr. YATES. I agree entirely with the statement the gentleman has just made, but I should like to point out to him that we must remember our battleground with Russia is the working class of Europe. The improvements that have been made in Europe as a result of the Marshall plan have been substantial ones, yet I feel that with the increase in the standard of living, prices have gone up so that the pinch is still felt by the great masses of working people. I have heard and I have seen myself that the profits to the employer groups in the industries of Europe have been inordinately excessive by standards of this Nation and not passed on to employees. Wage increases have been accompanied by increased prices. So that to my mind there is truth in the argument that the benefits of the Marshall plan have not seeped down adequately to the lowest level, to the working people of Europe. I shall support this bill, but I should like to see the ECA undertake whatever efforts it can to insure the benefits of this program being used more for the benefit of the working people of Europe so that we may be assured we are winning this fight against the Communists.

Mr. MANSFIELD. I appreciate the comments of the gentleman from Illinois. There is much to be said for the argument which he has advanced. If we do not win the minds and the hearts of the working people we are going to lose the cold war in which we are engaged. One of the ways in which the Economic Cooperation Administration is trying to bring about a greater distribution of the wealth over there so that these people can be given greater consideration is through inaugurating or helping to inaugurate a series of tax reforms by means of which the large industries will pay a fair share for running the economy of the country. This, as the gentleman knows, is a very vital matter but, according to reports to the committee, one in which progress is being made.

Mr. YATES. I should like to say that I am very cognizant of the efforts that ECA has made in that direction and I think they are substantial ones. I have seen the great progress that has been made in that direction in Greece and I think the recent elections in Greece will do much to stimulate and help ECA itself in bringing about the benefits of the program to the people. I think much progress has been made in that respect in Italy. France, I think, has had some of the benefits of the program, but I think much work remains to be done to make truly effective the operation of the Marshall plan.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to my distinguished friend, the gentleman from Rhode Island.

Mr. FOGARTY. Can the gentleman from Montana tell me what proportion of the funds that are going to be granted to Great Britain will be used to maintain the border in northern Ireland?

Mr. MANSFIELD. I may say to the gentleman from Rhode Island that if I had my say, none of the funds would be used in northern Ireland. May I further inform the gentleman that if he will offer an amendment to that effect I would be most happy to give him my support.

Mr. FOGARTY. I will offer that amendment on next Monday or Tuesday. I hope the gentleman will support the amendment. I offered it a year ago, but I did not receive much support other than from the gentleman from Montana.

Mr. MANSFIELD. We will continue to stick together on this matter until we win.

Mr. FOGARTY. The gentleman agrees we are on the right track?

Mr. MANSFIELD. Absolutely.

Mr. FOGARTY. It is for a good cause.

Mr. MANSFIELD. It could not be for a better cause and I hope we will achieve it some day.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconson [Mr. SMITH].

Mr. Chairman, may I say that by an arrangement between the gentleman and myself, those who wish to speak generally in opposition to this legislation should consult him, because he will arrange for half of the Republican time and I will attempt to arrange for the other half. That is a little side arrangement we have which I wanted the membership to know about.

Mr. KEEFE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-one Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 117]

Abbitt	Burke	Davis, Tenn.
Addonizio	Burton	Dawson
Allen, Ill.	Byrne, N. Y.	Dingell
Andersen, H. Carl	Byrnes, Wis.	Dollinger
Anderson, Calif.	Canfield	Donohue
Andresen, August H.	Carlyle	Doughton
Auchincloss	Carroll	Douglas
Bailey	Case, N. J.	Doyle
Barden	Case, S. Dak.	Durham
Baring	Celler	Engle, Calif.
Barrett, Pa.	Chatham	Evins
Beall	Chiperfield	Fellows
Bennett, Fla.	Chudoff	Fisher
Bennett, Mich.	Clements	Fugate
Blatnik	Cole, N. Y.	Fulton
Boggs, La.	Combs	Furcolo
Bolling	Corbett	Gamble
Bolton, Md.	Coudert	Garmatz
Buchanan	Crawford	Gilmer
Buckley, N. Y.	Crosser	Gore
Bulwinkle	Curtis	Gossett
Burdick	Dague	Granahan
	Davies, N. Y.	Granger
		Green
		Gwinn
		Hall, Leonard W.
		Halleck
		Harden
		Harrison
		Hart
		Harvey
		Havenner
		Hays, Ark.
		Hébert
		Heffernan
		Heller
		Herlong
		Herter
		Hoffman, Ill.
		Irving
		Jackson, Calif.
		James
		Jenison
		Jonas
		Jones, N. C.
		Kean
		Kearns
		Kelly, N. Y.
		Kennedy
		Keogh
		Klein
		Kruse
		Lane
		Latham
		Lesinski
		Lichtenwalter
		Linehan
		Lucas
		McCulloch
		McGuire
		McKinnon
		Macy
		Mason
		Merrow
		Miles
		Monroney
		Morgan
		Morrison
		Moulder
		Multer
		Murdock
		Murphy
		Nixon
		Norton
		O'Brien, Ill.
		O'Neill
		Pace
		Peterson
		Pfeifer, Joseph L.
		Pfeiffer, William L.
		Philbin
		Phillips, Tenn.
		Pickett
		Plumley
		Potter
		Powell
		Quinn
		Rains
		Ramsay
		Redden
		Reed, Ill.
		Reed, N. Y.
		Regan
		Rhodes
		Ribicoff
		Rich
		Richards
		Riehlman
		Rivers
		Rodino
		Rogers, Fla.
		Rogers, Mass.
		Sabath
		Sadlak
		Sadowski
		Saylor
		Scott, Hardie
		Scott, Hugh D., Jr.
		Shafer
		Sheppard
		Simpson, Pa.
		Sims
		Smathers
		Smith, Ohio
		Spence
		Stanley
		Taber
		Tackett
		Taylor
		Thomas
		Thompson
		Towe
		Velde
		Vinson
		Wadsworth
		Weichel
		Whitaker
		Whitten
		Widnall
		Wigglesworth
		Wilson, Ind.
		Winstead
		Withrow
		Wolcott
		Woodhouse
		Worley

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRIEST) having assumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 7797, and finding itself without a quorum, he had directed the roll to be called, when 249 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. SMITH].

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Oregon.

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at the conclusion of the remarks of the gentleman from Wisconsin [Mr. SMITH].

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New Jersey.

Mr. HAND. Mr. Chairman, I have asked the gentleman to yield so that I will not have to interrupt him later.

Some little time ago there was an interesting little colloquy on the floor between the gentleman from Wisconsin [Mr. KEEFE] and the chairman of the committee, in which reference was made to a statement alleged to have been made, at least, by Mr. Hoffman, the Administrator, that if American industry could not stand some of the results of this program or some of the results of our reciprocal trade program, they would just

have to do the best they could. My understanding is that the chairman then said he knew of no American industry which had been vitally affected by such an arrangement. I wonder if the gentleman would care to comment or would have time to comment on the extinction, according to my understanding, of the Waltham Watch Co. up in New England, an area which I do not represent but in which I am interested. I would like to have him also comment on the failure of the British Government to buy any oil from this country whatsoever. That is not reciprocal. I wonder if the gentleman would further comment on the recent action by the French Chamber of Deputies barring or seeking to bar the importation of Coca-Cola into that country on the specious ground that it is an unhealthy drink, but on the real ground that it interferes with the French wine industry. That is not the kind of reciprocity we are entitled to as a result of our years of unexampled generosity to Europe.

Mr. SMITH of Wisconsin. The points the gentleman has raised are very interesting. I am sorry I do not have time to discuss them. I have only 10 minutes.

Mr. Chairman, first of all may I say that it is with a great deal of reluctance that I come into the well of the House this afternoon, being the sole member of the committee in opposition to the bill. I greatly appreciate the courtesies that have been extended to me by the chairman of the committee and certain Republicans on my side of the table who have so generously divided their time with me and those of us who oppose the bill.

While it is with this reluctance that I take a position in opposition to the bill, I would not be true to myself if I did not appear in opposition to it. It is clear to me that this proposition as it is about to start its third year needs to be considered not from the standpoint of the rehabilitation of the economies of western Europe but in the over-all objectives that we thought the program was set out to establish, namely, economic integration and political unity or unification. I submit this afternoon that we have not achieved those two goals. I believe Mr. Hoffman will be the first to admit that the last two objectives are far from being achieved.

The bill before us is a shot-gun proposition. It aims to provide money for foreign economic assistance in the future. It is based on the theory that dollars can prevent the march of communism in western Euope and Asia.

Economic assistance for those areas began in 1948. From that date up to and including the thirtieth of June 1950, the Congress will have appropriated for that purpose the sum of $9,844,180,000. That is almost $10,000,000,000 in 2 years.

The omnibus bill we now have under consideration calls for a total authorization for a 1-year period, of $2,366,450,000. Thus for the 3-year period ending in June 1951, there is a grand total of $12,210,630,000. This is a lot of money, especially when the United States Treasury is broke and its books will be in the red to the tune of $6,000,000,000 or more. And if we add $6,000,000,000 to the $258,000,000,000 deficit, the gross indebtedness is $264,000,000,000—and that is not hay.

An analysis of this bill shows the following:

New money to be authorized or appropriated	$2,122,450,000
1. ECA	1,950,000,000
2. Korean aid	100,000,000
3. Palestine refugees	27,450,000
4. Point 4 program	45,000,000
Money already authorized or appropriated and available for fiscal 1951	244,000,000
1. ECA carry-over	150,000,000
2. China Aid Act	94,000,000
Total authorized or to be available	2,366,450,000
Credits authorized	1,292,488,232
1. ECA and surplus commodities	1,000,000,000
2. ECA guaranties already available	142,488,232
3. ECA additional guaranties to be made available	150,000,000
Total	3,658,938,232

As I understood the objectives of the Marshall plan, it was, first, to rehabilitate the economic life in the recipient countries—that is, to raise production to a point beyond the prewar level; second, to achieve an integrated European economy; and, third, the political unification of Europe. In most of the countries production is way beyond the prewar period, and we may concede that objective one has been reached.

Now, what about the last two objectives? I submit that they have not been achieved; in fact, there is a good deal of evidence that indicates that economic and political unification are far away. It is a verity that as each of the countries has improved its economic position the tendency is to self-sufficiency and isolationism. Nationalism is on the increase and nowhere is that trend more rampant than in the United Kingdom. Advocates and supporters of the ECA program dreamed of the great advantages to the countries of Europe of making Europe into one big market. They envisioned the benefits of a vast consumers' market where mass-production methods would increase output far beyond its prewar potential, with the result that standards of living would be increased to a level comparable to our own.

What has happened? The present industrial pattern in all the aid countries is based on nationalistic economies and the industries are propped up and protected to keep them going regardless of their inherent economic disadvantages. That is common knowledge. Every country in Europe wants a modern sheet-steel mill so that it can be self-sufficient in the production of steel goods for its national defense and domestic needs. But these plants are not being placed in areas where steel production would be on an efficient basis. Not one such plant has been allocated to Germany in the Ruhr district, where coal and ore abound.

The administrators of the present program know what should be done. Mr. Hoffman, of late, has spoken frankly about the problem still ahead for ECA. I feel sure that he wants an integrated economy and would be the first to admit only a very small measure of success for the program. The outline for integration is clear: All restrictions on the movement of goods and capital across national borders must be removed. All Government subsidies and supports must be eliminated. Finally, factories must be built and operated by private individuals, which will insure economy and maximum production.

Political unity is, of course, an important part of the program but it is not the function of the United States to impose such a condition upon the ECA countries. The will to do so is upon them.

It seems clear to me that American dollars that we appropriate is not the solution to European recovery and integration. We are bleeding ourselves white; our national security is being impaired by the threat of an economic debacle.

Mr. Chairman, a new idea is contained in this bill. There is a provision for the earmarking of $600,000,000 for the creation of a European payment union. I think it should be defeated. The American taxpayer would be that amount better off and so would the United States Treasury.

The plan would result in a duplication of effort. The International Monetary Fund is already doing that very job. Why not use those facilities rather than set up a new mechanism? The monetary fund organization has the experience and the necessary skills to meet all the requirements contemplated under the provisions of this bill. It is foolish to set up an entirely new, competing, overlapping, and duplicating agency.

There was no clean-cut testimony presented to this committee which would justify the establishment of another bureau. Mr. Hoffman was very indefinite in his statement and while Mr. Bissell was more specific, it was my impression that somebody had given these men an idea and they tossed it to the committee for what it was worth.

Actually, this proposal, if adopted, would create a huge pool of $600,000,000 and its effect would be to turn western Europe and the sterling block into one big soft currency area with the result that the trading would be interarea and not with the rest of the world. This large sum would be a new dose of easy dollars and inflationary credit.

This scheme not only threatens to turn western Europe into a big, half-closed, soft-currency area, but it would actually increase the dollar deficit of the participating countries. Further, it would tend to retard rather than promote worldwide, multilateral trade and it would delay currency convertibility so necessary to hasten European recovery.

People everywhere are the victims of their own governments. Socialism and communism are restraining the free movements and initiative of individuals

who if left to themselves would bring order out of chaos and confusion.

The greatest single step toward international stability would be the restoration and the general convertibility of currencies. This means that exchange controls must be abolished. Once again private traders in every country must be permitted to buy and sell their own or other currencies at whatever rates are established in free markets. If this is done, there will be no demand to guarantee investments abroad, no need to appropriate millions of dollars for technical skills to develop backward areas. Money always has and will seek out a place to go to work if governments provide a reasonable climate. They must restore confidence by the exercise of good will. World recovery and international security will not be restored by continued bureaucrat tinkering. It will be achieved only when there is a complete restoration of economic freedom.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. O'KONSKI. Did I understand the distinguished gentleman from Wisconsin to say that we would have to borrow this money?

Mr. SMITH of Wisconsin. We do not have it; that is the only way we can get it.

Mr. O'KONSKI. I have done a little figuring here. If we have to borrow this $2,600,000,000 at 2½ percent interest, the interest alone will amount to $178,000 a day. So if we can stave off consideration of this bill until Monday, we will save the taxpayers $534,000. I, therefore, Mr. Chairman, make the point of order that a quorum is not present.

The CHAIRMAN. The gentleman from Wisconsin makes the point of order that a quorum is not present.

Mr. O'KONSKI. Temporarily, Mr. Chairman, I withdraw it, but I am going to save the taxpayers half a million dollars yet today.

Mr. SMITH of Wisconsin. Mr. Chairman, in conclusion, let me say that on Monday, or thereafter during the consideration of the bill under the 5-minute rule, I will offer a motion to strike Korean aid, and I will also offer a motion to strike title III, the point 4 program.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

RIGHTS OF AMERICAN INDUSTRY AND LABOR ARE JEOPARDIZED BY OUR GOVERNMENT'S OPERATIONS UNDER ECA AND THE STATE DEPARTMENT

Mr. ANGELL. Mr. Chairman, I have called to the attention of the House on a number of occasions recently the critical situation in my congressional district and the Pacific Northwest with reference to the undermining of our lumber industry, flour milling industry, the fishing industry, and agriculture, by the manipulations and operations of our own Government agencies, particularly under the Economic Cooperation Administration and the State Department. On February 16 I addressed a letter to the Secretary of Agriculture with reference to the scuttling of the flour milling export trade and the impact on it of the operations of the ECA. I am now in receipt of a letter from the Department of Agriculture in which I am advised that the United States is supplying $175,000,000 through the ECA for the purchase of wheat and flour from Canada for shipment to the United Kingdom; that $11,300,000 in authorizations were approved last fall for the purchase of flour in Canada for Britain and that the remainder of the appropriation, $163,800,000 will be used in the purchase of Canadian wheat for the United Kingdom. It is thus seen that the American taxpayers are putting up the tax dollars to enable the British to buy wheat and flour from our competitors while the American producers of the same product are having to close their flour mills by reason of the cutting off of our export trade and the Commodity Credit Corporation is buying up the surplus wheat from the American farmers for the same reason. The taxpayers foot the bill.

In my district and in the Pacific Northwest generally American laborers who are employed in the lumber industry, in agriculture, and in fisheries, are thrown out of employment and the industries where they have formerly earned their living are being forced to the wall by these manipulations and operations of our own Federal agencies. Not only are our industries crippled and our own workers thrown out of employment, but the very money needed to finance the operations which are causing the disaster, come from the Treasury of the United States. These American citizens are being taxed to finance foreign operations which are undermining the very industries where they formerly earned a livelihood. I have protested to the Secretary of State, to the Secretary of Agriculture, to the Commodity Credit Corporation and to the Economic Cooperation Administration without avail.

I include the letter from the Department of Agriculture to which I have referred as a part of these remarks:

MARCH 22, 1950.

Hon. HOMER D. ANGELL,
House of Representatives.

DEAR MR. ANGELL: This is in reply to your letters of February 16 and 23, pertaining to the difficulties which Pacific Northwest flour millers are having in exporting flour, due to competition from Canadian and Australian exporters, and your suggestion that some program should be put into effect to help the milling industry.

As a solution to this problem, representatives of the flour milling industry have urged that export subsidies be provided on shipments of wheat and flour outside of the international wheat agreement.

It must be recognized that consideration of possible export subsidy payments for wheat and flour is not limited to the Department of Agriculture. The relationship of such a program to United States foreign-trade policies, and the implications it would carry with respect to other commodities, are matters of wide interest and extreme importance.

We note your statement.

"The United States is furnishing American dollars for much of the flour that is being purchased from competitors of American flour mills." There is only one case in which the United States is supplying money to any foreign country for the purchase of either wheat or flour outside of the United States during this fiscal year. This pertains to the $175,000,000 which the Economic Cooperation Administration earmarked for the purchase of wheat and flour from Canada for shipment to the United Kingdom. We are informed by the ECA that authorizations totaling $11,200,000 were approved last fall for the purchase of flour in Canada for the British. All the remainder of the appropriation, namely $163,8000,000, will be used for the purchase of Canadian wheat for the United Kingdom. There have been no foreign purchases of wheat or flour by the Army for its areas of responsibility. It is our understanding that no other foreign supply program involving procurement of wheat or flour with United States funds from any source except the United States has been or will be authorized for the current year.

You may be interested in knowing that the ECA has issued procurement authorizations to the British totaling $30,000,000 for the purchase of wheat and flour in the United States during this year, of which $3,406,000, or 11.35 percent, was for flour.

We believe that the chief difficulty which has been experienced by millers in the Northwest, the loss of part of the Philippine market, will be rapidly corrected since the Philippine Commonwealth became a party to the international wheat agreement on February 27, 1950.

Sincerely yours,

K. T. HUTCHINSON,
Assistant Secretary.

Mr. Chairman, in this connection it is interesting to note that the Economic Cooperation Administration is now proposing that the American taxpayers contribute $600,000,000 to an European payments union, another agency which will further undermine American industry and throw American workers out of employment. I include an article by Henry Hazlitt entitled "That European Payments Union" appearing in the March 27, 1950, issue of Newsweek, as a part of these remarks:

BUSINESS TIDES

THAT EUROPEAN PAYMENTS UNION

(By Henry Hazlitt)

If Congress wants to save the American taxpayer $600,000,000, it could find no better way of doing it than to reject the ECA proposal that we pour that amount into a European Payments Union.

This proposed payments union would merely seek to do for western Europe, and by the same methods, precisely what the International Monetary Fund already seeks to do on a global scale. Assuming that this scheme ought to be carried out at all, why not utilize the already existing IMF to do it? Why not at least place the proposed regional organization inside the existing global fund? Why set up an entirely new, competing, overlapping, and duplicating institution?

But the questions to be raised about this scheme go much deeper than organizational ones. What is proposed is that $600,000,000 more of the American taxpayer's dollars be thrown into a huge kitty, together with fresh and practically automatic loans of the European governments to each other.

The purpose of this is to enable these European countries to buy more goods from each other. There is no reason to suppose that the scheme wouldn't, at least temporarily, achieve this result. Anybody can buy more goods if somebody else gives him the money to do it with.

But at what cost and at whose expense will this be done? It is argued that, if the European countries are encouraged to buy more from each other, they will need to buy less from the United States and the rest of the dollar area, and so save dollars. But by the same reasoning (unless they have unemployed resources), if they sell more to each other, they will have less left over to sell to the dollar area—and certainly less incentive to sell it. In other words, they will have less incentive to earn dollars.

There are strong reasons for thinking, in fact, that the tendency of the proposed European Payments Union would be to turn western Europe and the sterling bloc into one big soft-currency area—and to reduce the trade between this soft-currency area and the rest of the world, for this intra-European trade would be financed by a new dose of easy dollars and inflationary credit. This inflationary credit would tend to raise price levels still further within the area, increase its price incentive for dollar imports, and reduce still further its ability to export competitively into the dollar area. Moreover, though the member nations promise to cut down their quantitative restrictions on imports from each other, the scheme contemplates that they would continue to discriminate against the outside world, and even be encouraged to do so to save dollars.

In short, the scheme threatens not only to turn western Europe into a big walled-in soft-currency area but actually to increase on net balance the dollar deficit of that area. It would tend to retard rather than promote world-wide multilateral trade. It would tend to delay rather than accelerate general currency convertibility, and above all the convertibility of sterling and European currencies into dollars.

The greatest single step toward a free and balanced international trade would be to restore the general convertibility of currencies into each other. This can be done only by the abolition of exchange control. The traders of every country must be allowed once more to buy and sell their own or other currencies at whatever rates are established in free markets.

To prevent currency depreciation and violent fluctuations governments must stop resorting to police methods. They must turn to the restoration of confidence. This will require a halt to inflationary policies and to threats of more socialism and expropriation. Ultimately it will require a return to the international gold standard. For Britain it will require to begin with the blocking or funding of the old overhanging sterling debt. But in general what is needed to promote world recovery and restore world trade is not still more bureaucratic tinkering but the restoration of economic freedom.

Mr. Chairman, when will our own Government agencies wake up to the realization that American industry, American farmers, and American laborers are entitled to some consideration and protection? We have spent overseas over $30,000,000,000 since the war ended for the rehabilitation and aid of foreign nations and much of the money, as I have outlined, is being used to undermine our own economy and put our own workers on the relief rolls. The greatest problem facing this Nation today is the excessive tax load and the wild, wasteful, deficit-spending program which is piling up the national debt to an astronomical figure and is requiring the annual expenditure of five to six millions of dollars more than the high tax program brings in each year, with no reduction of the national debt. It is time for Uncle Sam to stop, look, and listen, before bankruptcy overtakes the Nation.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. O'KONSKI. Mr. Chairman, I renew my point of order that a quorum is not present.

Mr. KEE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. PRIEST having resumed the chair as Speaker pro tempore, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7797) to provide foreign economic assistance, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 398) entitled "Joint resolution relating to cotton- and peanut-acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price support for potatoes."

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have until midnight of Tuesday next to file a report on a reorganization plan relating to the National Labor Relations Board, I think it is House Resolution 51, and that minority Members may have until the same time to file minority views.

I may say this unanimous-consent request will supersede a unanimous-consent request that the gentleman from Illinois [Mr. DAWSON] made yesterday to have until midnight Saturday to file the committee report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. WERDEL asked and was given permission to extend his remarks in the RECORD and include remarks of Robert N. Denham, General Counsel, National Labor Relations Board, notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, costs $220 to print.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. ELLIOTT asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

LONG-RANGE SHIPPING AND SHIPBUILDING PROGRAM

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, pending before Congress is legislation dealing with a long-range shipping and a shipbuilding program. Involved in that program is the matter of ship-operating and ship-construction subsidies. Also pending is the omnibus appropriations bill which contains a provision relative to the authorization of the Maritime Commission to pay an operating subsidy for the next fiscal year. This provision reads as follows:

That no part of the foregoing appropriation shall be available for obligation, nor any obligation made, for the payment of an operating-differential subsidy for any number of ships in excess of the number of ships receiving such subsidy as of January 1, 1950.

Such a proviso could be a body blow to American merchant-marine operations during the ensuing year. In recent years many ship operations have been conducted at a profit because of Marshall-plan funds, and so forth. Therefore, they receive no subsidy. If, then, for any reason whatsoever through reduction in the amount of foreign trade or otherwise, it becomes apparent that ship operations cannot be conducted except at a loss, the lines will not operate for the simple reason that the provision of the appropriations bill prohibits help by way of subsidy.

In recent months there have been items appearing in the press and statements made on the floor of the House which have left an erroneous impression that these subsidies in past years have been tremendous and, according to one statement, have even exceeded agriculture subsidies. In order that the numbers may have the true picture, I am inserting in the CONGRESSIONAL RECORD a summarized account of Federal subsidy payments to business and farmers during the period of October 1934 to June 1948, a period of approximately 15 years. These figures were obtained from the Bureau of the Budget. An examination of the summary will show that ship subsidies amounted to only 2.7 percent of the more than $13,000,000,000 paid to business and farmers.

Net subsidies paid for ship operation—excluding shipbuilding—amounted to only seventeen one-hundredths of 1 percent of the aggregate total. While ship-operation subsidies amounted to $64,000,000, there was a refund or recapture of profits pursuant to the 1936 act of $40,000,000, which reduced the net subsidy to $24,000,000.

I shall not attempt to compare the ship subsidies with other individual subsidies to business and farmers save the one to subsidize Cheddar cheese. During the 15-year period, the Commodity Credit Corporation paid $67,700,000 for this purpose. This amount exceeds that paid for ship operation. In other words, there are those who have said that the Federal Government has been more concerned with the welfare of Cheddar cheese than it has been for that of its merchant marine.

Mr. Speaker, the 1936 Merchant Marine Act, under which subsidies are paid, was not designed to aid shipping alone. It has three basic objectives: One, to build up a merchant marine consonant with our importance as a nation and our international obligations; two, to provide reliable transportation facilities for American commerce; and three, to insure adequate merchant shipping support for our armed forces as a necessary factor of national defense.

The basic foundation of the law is to aid in the building and maintenance of

an adequate merchant marine to accomplish the three objectives. One of the principal purposes is to provide parity of operating costs when foreign competition is to be met. Foreign operating costs are much lower than those of United States ships where pay rates and safety standards are higher. If we fail to meet foreign competition, then many of our vessels would be withdrawn from service, and eventually our United States merchant marine would disappear from the seas. That would be fatal in the event of another emergency.

Failure to provide for an adequate merchant marine has cost the Nation untold millions of dollars in two world wars. We were caught unprepared—with inadequate merchant ships. It might truthfully be said that had the United States been prepared with adequate ships and shipping facilities the war would sooner have ended. The advent of both wars saw this Nation rush frantically into the construction of shipyards and the building of ships. The attendant high costs were tremendous. We paid a premium for our peacetime neglect of our merchant marine. How much better it would have been, and how much less the eventual cost, if we had not in peacetime neglected our merchant marine. We should not be caught short again. Let us not be penny-wise and pound-foolish in this matter. A sound merchant-marine program will save us millions of dollars in the long run, and will provide us with a national defense factor, which is absolutely essential. Loose talk about subsidies will avail us nothing.

The summarized account, which I mentioned at the outset, follows herewith:

Federal subsidy payments to business and farmers, fiscal years 1934–46

[Millions of dollars]

(S. Doc. 13, 80th Cong., 1st sess., table 1)

(Source: Bureau of the Budget)

Department of Agriculture:	
Conservation and use of agricultural land resources	4,171.3
Parity payments	970.5
Advances for AAA payments	1,205.7
Payments for agricultural adjustment	256.1
Other AAA expenditures	201.4
Sugar Act payments	408.5
Export and domestic consumption of agricultural commodities	390.0
Subtotal	7,603.4
Commodity Credit Corporation:	
Realized losses on price-support operations	−95.8
Net-operating expenses	81.4
Subsidies:	
Dairy production	1,204.8
Milk, fluid	37.7
Beef production	38.2
Sheep and lamb	41.4
Cheddar cheese	67.7
Fruits for processing	74.8
Oilseeds and products	132.0
Sugar	126.8
Vegetables for processing	107.0
Wheat for alcohol	22.7
Wheat for feed	238.4
Other	32.4
Subtotal	2,110.0
Total, Department of Agriculture	9,713.4

Federal subsidy payments to business and farmers, fiscal years 1934–46—Continued

Treasury Department: Reduction in interest rate on farm mortgages	334.2
Reconstruction Finance Corporation:	
Losses on purchase and sale transactions of rubber and products	72.1
Losses on purchase and sale transactions of other materials	331.0
Direct subsidies:	
Butter	173.8
Coffee	51.8
Flour	330.7
Livestock	1,489.0
Petroleum and products	438.9
Copper, lead, and zinc	283.7
Other materials	95.6
Total, Reconstruction Finance Corporation	3,266.7
U. S. Maritime Commission:	
Operating differential subsidy	64.3
Construction differential subsidy	248.3
Total, U. S. Maritime Commission	312.6
Grand total, subsidies paid	13,626.5

THE PUBLIC DEMANDS REPEAL OF WARTIME EXCISE SO-CALLED LUXURY TAXES

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, the time is long overdue for the repeal of wartime excise so-called luxury taxes. The impatience of the public is reflected in the large number of petitions and the heavy mail now being received by all Members of Congress. There is no justifiable reason for further postponement of repeal of these unjust, unfair, and discriminatory taxes. The House Ways and Means Committee has had ample time to hold hearings and come to a decision on this vital question.

I am confident that the House would quickly dispose of this question and by a large majority vote in favor of their repeal. I have been vigorously in favor of the repeal of these taxes for the past 4 years, and am the author of several bills which have been before the Ways and Means Committee for a long time which would repeal these taxes.

No longer can we honestly consider as "luxuries" the commodities on which these taxes are levied. They were imposed during the war, but the war has been over for 5 years. It is time they were repealed.

It is not a luxury for a woman to carry a handbag. Her handbag serves the same purpose as a man's pockets, and is just as essential to her. Women's handbags certainly should not be taxed as luxuries.

It is not a luxury but rather a necessity for a young lady to buy the necessary cosmetics to make herself presentable in her everyday appearance and especially if she is engaged in a position where she is in constant contact with the public. It is unfair and discriminatory for the Federal Government to apply a 20-percent tax to these items.

It is unfair and discriminatory to add a 20-percent tax to baby oil which is so essential to the health of an infant and especially when the tax is a burden to young married couples.

It is unthinkable that a telephone message which may be urgently necessary because of an accident, a fire, a call for a doctor in the case of serious illness, should carry a Federal excise tax.

Even the simple everyday recreation of going to the movie theater carries a tax of 20 percent.

Among the unexplainable features of these taxes are the excessive rates. If one goes to the theater or buys jewelry, he pays a 20 percent tax. If he uses public transportation, he pays a 15 percent tax. If he buys a radio, he pays a 10 percent tax. If he has a phone, he pays 15 percent for local service and 25 percent for necessary long-distance calls. All these taxes are imposed on business and social necessities, are based on no sound principle of taxation, and are without justification in peacetime.

They discriminate against certain business, and in certain cases against certain sections of the country, especially the Western States which are farthest removed from the eastern centers of population and where greater shipping distance from the manufacturer raises commodity prices and increases the tax resulting in a heavier tax on one section of the country than on another.

These taxes reduce the purchasing value of the hard-earned dollar of the American people by 10, 15, 20 and 25 percent depending on the commodity purchased. They fall hardest on wage and salary groups and increase their burden with the number of children in the family. This is unfair and unjust.

The people of my district are impatient with the unnecessary delay by the Congress on this important issue, and I am sure their impatience is shared by the rest of the Nation.

MORALITY OF CERTAIN GOVERNMENT EMPLOYEES

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, in one of the local newspapers there appears an article which is shocking and disturbing. It charges that we have in the State Department individuals who may I say are not decent Americans? I have heard a great deal about Communists in the State Department and in one other department of the Government.

My people are just as much concerned about disloyal individuals in Government service as are the people of any other district; but, in addition to that, like practically all Americans they are normal and decent God-fearing people. Some of them tell me, many of them tell

me, that inasmuch as these rumors about the immorality of Federal employees in high positions do not seem to have been either investigated or contradicted that they are concerned before they get to the issue of communism or loyalty with this issue of morality and decency.

Let us put it this way: In their own businesses they would not for one moment think of employing a homosexual, not for one moment. Unless I am completely mistaken the people of other districts have the same thought. When giving employment they would never get to the question of loyalty, nor to the question of honesty if this other question arose. They just want none of that other kind. For years, 4 or 5 years anyway, perhaps longer, these stories have been going around Washington. They have been repeated on the floor, not from the well of the House, but from Member to Member, they have been hinted at in newspapers and over the radio at times, yet nothing has been done about it.

Mr. Speaker, we have been spending billions upon billions of dollars to obtain the good will of other peoples and other nations; we have spent billions of dollars in an effort to convince them that our way of life is the right way, the better way, really the only true and good way. Yet we have never, neither the President nor the Congress, nor any of the departments, made any successful public effort to disprove those stories which are circulated and do so much to create a bad impression throughout the world.

I recall when Winchell, in a broadcast after the '42 election, referred, in effect, to Communists in the House. I tried at that time to have an investigation and have Mr. Winchell called down here and compel him either to admit that he was a liar, or if he had evidence, to show the fact, and if there were such men here, Communists in Congress, then we would expel them forthwith. I could not get action.

Now in view of the fact that this story has been printed in the papers, I think it is time, because we owe it to our people, to either disprove those stories or, if they are true, just get out of the departments, wherever they may be, any individuals who are of that kind or class or nature; and to accomplish that, after I saw that article in the paper, I introduced a resolution to create a committee which would find the facts as to these charges.

How long are we going to sit here and be inactive, when people, for whose actions we are, at least in part, responsible, people who draw their pay because we make the appropriations, are publicly accused of a lack of decency—let us at the moment say nothing about their loyalty—people who, if those stories are true, are nasty, dirty individuals. How long are we to permit them to represent us. Now, how long are we going to take it? That is what I am asking you, my colleagues.

PERSONAL EXPLANATION

Mr. YATES. Mr. Speaker, I inadvertently missed the call of my name during the call of the roll on the ECA resolution. Had I heard my name called I would have voted "yea."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ADDONIZIO (at the request of Mr. TAURIELLO), for March 24, on account of official business.

To Mr. ABBITT, for March 24, on account of official business.

ENROLLED JOINT RESOLUTION AND BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 398. Joint resolution relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price support for potatoes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3084. An act authorizing the erection of a monument to the memory of Henry Milton Brainard at Cape Arago Light Station in Coos County, Oreg.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 41 minutes p. m.), under its previous order, the House adjourned until Monday, March 27, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1335. A letter from the Secretary of Defense, transmitting a draft of a proposed bill entitled "A bill to amend title VIII of the National Housing Act, as amended, to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes"; to the Committee on Banking and Currency.

1336. A letter from the Acting Chairman, Federal Power Commission, transmitting the Twenty-ninth Annual Report of the Federal Power Commission, for the fiscal year ending June 30, 1949; to the Committee on Interstate and Foreign Commerce.

1337. A letter from the Under Secretary of the Navy, transmitting a draft of a proposed bill entitled "A bill for the relief of certain Chinese stewards of the United States Navy"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. Report pursuant to House Resolution 238, to authorize the Committee on the Judiciary to authorize a study of immigration problems; without amendment (Rept. No. 1841). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. H. R. 1814. A bill for the relief of Caroline M. Newmark and Melville Moritz; with amendment (Rept. No. 1842). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1855. A bill for the relief of Louis Nadasdi; with amendment (Rept. No. 1843). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1863. A bill for the relief of Frederick C. Cowell; without amendment (Rept. No. 1844). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2234. A bill for the relief of Gladys J. Senyohl; with amendment (Rept. No. 1845). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 4141. A bill for the relief of Edwin F. Shockley; with amendment (Rept. No. 1846). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4996. A bill for the relief of Lonnie M. Abernathy; without amendment (Rept. No. 1847). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 6934. A bill for the relief of E. H. Corrigan; without amendment (Rept. No. 1848). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 6991. A bill for the relief of E. G. Morris; without amendment (Rept. No. 1849). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 6329. A bill for the relief of Betsy Sullivan; with amendment (Rept. No. 1850). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. CAMP:

H. R. 7839. A bill to authorize the attendance of the United States Marine Band at the annual reunion of the Sons of Confederate Veterans to be held in Biloxi, Miss., September 27 through September 30, 1950; to the Committee on Armed Services.

By Mr. LYNCH:

H. R. 7840. A bill to provide for the refund of certain estate taxes; to the Committee on Ways and Means.

By Mr. MADDEN:

H. R. 7841. A bill to amend section 1404 of title 28, United States Code, with respect to the transfer of certain civil actions from one district to another; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 7842. A bill relative to the promotion and pay of retired Army officers; to the Committee on Armed Services.

H. R. 7843. A bill to extend veterans' benefits to persons who served as members of State guards during World War II; to the Committee on Veterans' Affairs.

By Mr. PRICE:

H. R. 7844. A bill to amend section 1404 of title 28, United States Code, with respect to the transfer of certain civil actions from one district to another; to the Commitee on the Judiciary.

By Mr. SIKES:

H. R. 7845. A bill to change the name of the Organized Reserve Corps to United States Army Reserve; to the Committee on Armed Services.

By Mr. SPENCE:

H. R. 7846. A bill to amend title VIII of the National Housing Act, as amended, to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes; to the Committee on Banking and Currency.

By Mr. WOOD:

H. R. 7847. A bill to amend the Labor-Management Relations Act, 1947, so as to prevent national emergencies in labor disputes from arising; to the Committee on Education and Labor.

By Mr. KENNEDY (by request):

H. R. 7848. A bill to recognize nonprofit nonpolitical veterans' organizations for the purpose of bestowing upon them certain benefits, rights, privileges, and prerogatives; to the Committee on Veterans' Affairs.

By Mr. KENNEDY:

H. R. 7849. A bill to further encourage the distribution of fishery products, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KEATING (by request):

H. R. 7850. A bill to authorize the attendance of the United States Marine Band at the national encampment of the Sons of Union Veterans of the Civil War, to be held August 20 through 24 inclusive, 1950, at Boston, Mass.; to the Committee on Armed Services.

By Mr. WHITE of Idaho:

H. R. 7851. A bill for the relief of the owners and operators of certain gold mines which were closed or the operations of which were curtailed by War Production Board Limitation Order L-208; to the Committee on the Judiciary.

By Mr. GROSS:

H. R. 7852. A bill to regulate interstate and foreign commerce in agricultural products, to prevent unfair competition, to provide for the orderly marketing of such products, to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production, and for other purposes; to the Committee on Agriculture.

By Mr. HESELTON:

H. R. 7853. A bill to amend the Commodity Credit Corporation Charter Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. REES:

H. R. 7854. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kans.; to the Committee on the Judiciary.

By Mr. POULSON:

H. J. Res. 442. Joint resolution authorizing the President to call upon Government officials to fly the flag at half staff on Good Friday; to the Committee on the Judiciary.

By Mr. WALTER:

H. Con. Res. 188. Concurrent resolution to initiate international action on the resettlement of German expellees and refugees; to the Committee on Foreign Affairs.

By Mr. MARTIN of Massachusetts:

H. Con. Res. 189. Concurrent resolution relating to testimony by Federal officials and employees before congressional committees; to the Committee on Rules.

By Mr. HOFFMAN of Michigan:

H. Res. 520. Resolution proposing an investigation of Federal employees; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 7855. A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to Frank Hayes; to the Committee on the District of Columbia.

By Mr. FARRINGTON:

H. R. 7856. A bill for the relief of Mrs. Teruko Tominaga Ikeuchi; to the Committee on the Judiciary.

H. R. 7857. A bill for the relief of Yonekichi Kagawa; to the Committee on the Judiciary.

H. R. 7858. A bill for the relief of Fumiko Murakami; to the Committee on the Judiciary.

By Mr. JACKSON of Washington:

H. R. 7859. A bill for the relief of Dr. Florence A. Hui; to the Committee on the Judiciary.

By Mr. McSWEENEY:

H. R. 7860. A bill for the relief of John F. Roberts; to the Committee on the Judiciary.

By Mr. THOMAS:

H. R. 7861. A bill for the relief of Antonio Luciano Musacchia; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2011. By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress in favor of extending the effective period of the rent-control provisions of the Housing and Rent Act of 1948; to the Committee on Banking and Currency.

2012. Also, resolutions of the General Court of the Commonwealth of Massachusetts, memorializing the Congress of the United States to resist any attempt that may be made to subject the American people to a compulsory health-insurance plan; to the Committee on Interstate and Foreign Commerce.

2013. By Mr. LECOMPTE: Petition of the Mutual Improvement Club, of Grand River, Iowa, opposing adoption of any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

2014. By the SPEAKER: Petition of the Daughters of the Republic of Texas, San Antonio, Tex., urging Congress to pass legislation confirming State ownership of all submerged lands and resources within our boundaries; to the Committee on the Judiciary.

2015. Also, petition of Mrs. K. M. Bangs and others, Orlovista, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

MONDAY, MARCH 27, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of all mankind, with minds burdened for the Nation and for the world in this desperate and baffling day, we turn to Thee, our help in ages past, our hope for years to come. For all the glory which is America, we bless Thy name—for borders without guns, for frontiers which are swinging gates, for unity in diversity, for peace which spans a continent, and for equality which beckons all to the summits.

Strengthen in us the steadfast faith that these healing trees of democracy grown in this land of the free may blossom under all skies in all the earth. Facing decisions of destiny, unite our hearts and minds, we beseech Thee, in a mighty purpose that we fail not man nor Thee. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 24, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On March 6, 1950:

S. 204. An act for the relief of Eugenio Maisterrena Barreneche.

On March 24, 1950:

S. 2205. An act to authorize the Commissioners of the District of Columbia to provide for the removal of sludge; and

S. J. Res. 161. Joint resolution to suspend the application of certain Federal laws with respect to attorneys employed by the Senate Committee on Foreign Relations in connection with the investigation ordered by Senate Resolution 231, Eighty-first Congress.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Maybank
Anderson	Hendrickson	Millikin
Benton	Hickenlooper	Morse
Brewster	Hill	Mundt
Bricker	Hoey	Murray
Bridges	Holland	Myers
Butler	Humphrey	Neely
Byrd	Hunt	O'Conor
Cain	Ives	O'Mahoney
Chapman	Jenner	Robertson
Chavez	Johnson, Colo.	Russell
Connally	Johnson, Tex.	Saltonstall
Cordon	Johnston, S. C.	Schoeppel
Darby	Kefauver	Smith, Maine
Donnell	Kem	Smith, N. J.
Douglas	Kerr	Sparkman
Dworshak	Kilgore	Stennis
Eastland	Knowland	Taylor
Ecton	Lehman	Thomas, Okla.
Ellender	Long	Thomas, Utah
Ferguson	McCarthy	Thye
Flanders	McClellan	Tydings
Frear	McFarland	Watkins
Fulbright	McKellar	Wherry
George	McMahon	Wiley
Gillette	Magnuson	Williams
Green	Malone	Withers
Gurney	Martin	Young

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Rhode Island [Mr. LEAHY] are absent because of illness.

The Senator from North Carolina [Mr. GRAHAM], the Senator from Illinois [Mr. LUCAS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of the death of his brother.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

The Senator from Massachusetts [Mr. LODGE], the Senator from Ohio [Mr. TAFT], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

REPORT OF GOVERNOR OF PANAMA CANAL—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 410)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Armed Services:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Governor of the Panama Canal for the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 24, 1950.*

PROMOTION OF THE PROGRESS OF SCIENCE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 247) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, which was to strike out all after the enacting clause and insert:

That this act may be cited as the "National Science Foundation Act of 1950."

ESTABLISHMENT OF NATIONAL SCIENCE FOUNDATION

SEC. 2. There is hereby established in the executive branch of the Government an independent agency to be known as the National Science Foundation (hereinafter referred to as the "Foundation"). The Foundation shall consist of a National Science Board (hereinafter referred to as the "Board") and a Director.

FUNCTIONS OF THE FOUNDATIONS

SEC. 3. (a) The Foundation is authorized and directed—

(1) to develop and encourage the pursuit of a national policy for the promotion of basic research and education in the sciences;

(2) to initiate and support basic scientific research in the mathematical, physical, medical, biological, engineering, and other sciences, by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such basic scientific research and to appraise the impact of research upon industrial development and upon the general welfare;

(3) after consultation with the Secretary of Defense, to initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such scientific research;

(4) to award, as provided in section 10, scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences;

(5) to foster the interchange of scientific information among scientists in the United States and foreign countries;

(6) to evaluate scientific research programs undertaken by agencies of the Federal Government, and to correlate the Foundation's scientific research programs with those undertaken by individuals and by public and private research groups;

(7) to establish such special commissions as the Board may from time to time deem necessary for the purposes of this act; and

(8) to maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States, including its Territories and possessions.

(b) In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen basic research and education in the sciences, including independent research by individuals, throughout the United States, including its Territories and possessions, and to avoid undue concentration of such research and education.

(c) The Foundation shall render an annual report to the President for submission on or before the 15th day of January of each year to the Congress, summarizing the activities of the Foundation and making such recommendations as it may deem appropriate. Such report shall include in full the report of the Executive Committee to the Board, provided for in section 6 (e), and information as to the acquisition and disposition by the Foundation of any patents and patent rights.

NATIONAL SCIENCE BOARD

SEC. 4. (a) The Board shall consist of 24 members to be appointed by the President, by and with the advice and consent of the Senate, and of the Director ex officio, and shall, except as otherwise provided in this act, exercise the authority granted to the Foundation by this act. The persons nominated for appointment as members (1) shall be eminent in the fields of the basic sciences, medical science, engineering, agriculture, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, the Association of Land Grant Colleges and Universities, the National Association of State Universities, the Association of American Colleges, or by other scientific or educational organizations.

(b) The term of the office of each voting member of the Board shall be 6 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President at the time of appointment, eight at the end of 2 years, eight at the end of 4 years, and eight at the end of 6 years, after the date of enactment of this act. Any person who has been a member of the Board for 12 consecutive years shall thereafter be ineligible for appointment during the 2-year period following the expiration of such twelfth year.

(c) The President shall call the first meeting of the Board, at which the first order of business shall be the election of a chairman and a vice chairman.

(d) The Board shall meet annually on the first Monday in December and at such other times as the chairman may determine, but he shall also call a meeting whenever one-third of the members so request in writing. A majority of the voting members of the Board shall constitute a quorum. Each member shall be given notice, by registered mail mailed to his last-known address of record not less than 15 days prior to any meeting, of the call of such meeting.

(e) The first chairman and vice chairman of the Board shall be elected by the Board to serve until the first Monday in December next succeeding the date of election at which time a chairman and vice chairman shall be elected for a term of 2 years. Thereafter such election shall take place at the annual meeting occurring at the end of each such term. The vice chairman shall perform the duties of the chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Board shall elect a member to fill such vacancy.

DIRECTOR OF THE FOUNDATION

SEC. 5. (a) There shall be a Director of the Foundation who shall be appointed by the President, by and with the advice and consent of the Senate, after receiving recommendations from the Board. He shall serve as a nonvoting ex officio member of the Board and also as the nonvoting chairman of the Executive Committee. In addition thereto he shall be the chief executive officer of the Foundation. The Director shall receive compensation at the rate of $15,000 per annum and shall serve for a term of 6 years unless sooner removed by the President.

(b) In addition to the powers and duties specifically vested in him by this act, the Director shall, in accordance with the policies established by the board, exercise the powers granted by sections 10 and 11 of this act, together with such other powers and duties as may be delegated to him by the Board; but the powers granted by sections 10 and 11 (c) shall be exercised only with the approval of the Board.

EXECUTIVE COMMITTEE

SEC. 6. (a) There is hereby established an Executive Committee of the Board which shall consist of the Director ex officio and nine other members elected by the members of the Board from among their number. The term of office of each member of the Executive Committee shall be 2 years, except that (1) any member elected to fill a vacancy occurring prior to the expiration of the term for which his predecessor was elected shall be elected for the remainder of such term; and (2) the term of office of four of the members first elected after the date of enactment of this act shall be 1 year. Any person who has been a member of the Executive Committee for six consecutive years shall thereafter be ineligible for election during the 2-year period following the expiration of such sixth year. The membership of the Executive Committee shall, so far as practicable, be representative of diverse interests and shall be so chosen as to provide representation, so far as practicable, for all areas of the Nation.

(b) In addition to the powers and duties specifically vested in it by this act, the Executive Committee shall exercise such powers and duties as may be delegated to it by the Board.

(c) The Executive Committee shall meet at the call of its chairman or at such times as may be fixed by itself, but not less than six times each year.

(d) A majority of the voting members of the Executive Committee shall constitute a quorum.

(e) The Executive Committee shall render an annual report to the Board, and such

other reports as it may deem necessary, summarizing the activities of the Executive Committee, making such recommendations as it may deem appropriate, and setting forth the recommendations of the divisional committees and special commissions. Minority views and recommendations, if any, of members of the Executive Committee, the divisional committees, and special commissions shall be included in such reports.

DIVISIONS WITHIN THE FOUNDATION

SEC. 7. (a) Until otherwise provided by the Board there shall be within the Foundation the following divisions:

(1) A Division of Medical Research;

(2) A Division of Mathematical, Physical, and Engineering Sciences;

(3) A Division of Biological Sciences; and

(4) A Division of Scientific Personnel and Education, which shall be concerned with programs of the Foundation relating to the granting of scholarships and graduate fellowships in the mathematical, physical, medical, biological engineering, and other sciences.

(b) There shall also be within the Foundation such other divisions as the Board may, from time to time, deem necessary.

DIVISIONAL COMMITTEES

SEC. 8. (a) There shall be a committee for each division of the Foundation.

(b) Each divisional committee shall be appointed by the Executive Committee and shall consist of not less than five persons who may be members or nonmembers of the Board.

(c) The terms of members of each divisional committee shall be 2 years. Each divisional committee shall annually elect its own chairman from among its own members and shall prescribe its own rules of procedure subject to such restrictions as may be prescribed by the Executive Committee.

(d) Each divisional committee shall make recommendations to, and advise and consult with, the Executive Committee and the Director with respect to matters relating to the program of its division.

SPECIAL COMMISSIONS

SEC. 9. (a) Each special commission established pursuant to section 3 (a) (7) shall consist of 11 members appointed by the Executive Committee, 6 of whom shall be eminent scientists and 5 of whom shall be persons other than scientists. Each special commission shall choose its own chairman and vice chairman.

(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation at the earliest practicable date an over-all research program in its field.

SCHOLARSHIPS AND GRADUATE FELLOWSHIPS

SEC. 10. (a) The Foundation is authorized to award, within the limits of funds made available specifically for such purpose pursuant to section 15, scholarships and graduate fellowships for scientific study or scientific work in the mathematical, physical, medical, biological, engineering, and other sciences at accredited nonprofit American or nonprofit foreign institutions of higher education, selected by the recipient of such aid, for stated periods of time. Persons shall be selected for such scholarships and fellowships from among citizens of the United States, and such selections shall be made solely on the basis of ability; but in any case in which two or more applicants for scholarships or fellowships, as the case may be, are deemed by the Foundation to be possessed of substantially equal ability, and there are not sufficient scholarships or fellowships, as the case may be, available to grant one to each of such applicants, the available scholarship or scholarships or fellowship or fellowships shall be awarded to the applicants in such manner as will tend to result in a wide distribution of scholarships and fellowships among the States, Territories, possessions, and the District of Columbia.

(b) No part of any funds appropriated or otherwise made available for expenditure by the Foundation under authority of this act shall be used to make payments under any scholarship or fellowship to any individual unless there is on file with the Foundation an affidavit executed by such individual that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods. The provisions of section 1001 of title 18, United States Code, shall be applicable in respect to such affidavits.

GENERAL AUTHORITY OF FOUNDATION

SEC. 11. The Foundation shall have the authority, within the limits of available appropriations, to do all things necessary to carry out the provisions of this act, including, but without being limited thereto, the authority—

(a) to prescribe such rules and regulations as it deems necessary governing the manner of its operations and its organization and personnel;

(b) to make such expenditures as may be necessary for administering the provisions of this act;

(c) to enter into contracts or other arrangements, or modifications thereof, for the carrying on, by organizations or individuals in the United States and foreign countries, including other government agencies of the United States and of foreign countries, of such basic scientific research activities and, with approval of the Secretary of Defense, such scientific research activities in connection with matters relating to the national defense as the Foundation deems necessary to carry out the purposes of this act, and, when deemed appropriate by the Foundation, such contracts or other arrangements, or modifications thereof, may be entered into without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes;

(d) to make advance, progress, and other payments which relate to scientific research without regard to the provisions of section 3648 of the Revised Statutes (31 U. S. C., sec. 529);

(e) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by sale, lease, or loan, real and personal property of all kinds necessary for, or resulting from, the exercise of authority granted by this act;

(f) to receive and use funds donated by others, if such funds are donated, without restriction, other than that they be used in furtherance of one or more of the general purposes of the Foundation;

(g) to publish or arrange for the publication of scientific and technical information so as to further the full dissemination of information of scientific value consistent with the national interest, without regard to the provisions of section 87 of the act of January 12, 1895 (28 Stat. 622), and section 11 of the act of March 1, 1919 (40 Stat. 1270; 44 U. S. C., sec. 111);

(h) to accept and utilize the services of voluntary and uncompensated personnel and to provide transportation and subsistence as authorized by section 5 of the act of August 2, 1946 (5 U. S. C. 73b-2) for persons serving without compensation; and

(i) to prescribe, with the approval of the Comptroller General of the United States, the extent to which vouchers for funds expended under contracts for scientific research shall be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefor.

PATENT RIGHTS

SEC. 12. (a) Each contract or other arrangement executed pursuant to this act which relates to scientific research shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing in this act shall be construed to authorize the Foundation to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents.

(b) No officer or employee of the Foundation shall acquire, retain, or transfer any rights, under the patent laws of the United States or otherwise, in any invention which he may make or produce in connection with performing his assigned activities and which is directly related to the subject matter thereof: *Provided, however,* That this subsection shall not be construed to prevent any officer or employee of the Foundation from executing any application for patent on any such invention for the purpose of assigning the same to the Government or its nominee in accordance with such rules and regulations as the Director may establish.

INTERNATIONAL COOPERATION AND COORDINATION WITH FOREIGN POLICY

SEC. 13. (a) The Foundation is hereby authorized to cooperate in any international scientific research activities consistent with the purposes of this act and to expend for such international scientific research activities such sums within the limit of appropriated funds as the Foundation may deem desirable. The Director, with the approval of the Executive Committee, may defray the expenses of representatives of Government agencies and other organizations and of individual scientists to accredited international scientific congresses and meetings whenever he deems it necessary in the promotion of the objectives of this act.

(b) (1) The authority to enter into contracts or other arrangements with organizations or individuals in foreign countries and with agencies of foreign countries, as provided in section 11 (c), and the authority to cooperate in international scientific research activities as provided in subsection (a) of this section, shall be exercised only with the approval of the Secretary of State, to the end that such authority shall be exercised in such manner as is consistent with the foreign policy objectives of the United States.

(2) If, in the exercise of the authority referred to in paragraph (1) of this subsection, negotiation with foreign countries or agencies thereof becomes necessary, such negotiation shall be carried on by the Secretary of State in consultation with the Director.

MISCELLANEOUS PROVISIONS

SEC. 14. (a) The Director shall, in accordance with such policies as the Executive Committee shall from time to time prescribe, appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this act. Such appointments shall be made and such compensation shall be fixed in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1949: *Provided,* That the Director may, in accordance with such policies as the Executive Committee shall from time to time prescribe, employ such technical and professional personnel and fix their compensation, without regard to such laws, as he may deem necessary for the discharge of the responsibilities of the Foundation under this act. The Deputy Director hereinafter provided for, and the members of the divisional committees and special commissions, shall be appointed without regard to the civil-service laws or regulations. Neither the Director nor the Deputy Director shall engage in any other business, voca-

tion, or employment than that of serving as such Director or Deputy Director, as the case may be; nor shall the Director or Deputy Director, except with the approval of the Executive Committee, hold any office in, or act in any capacity for, any organization, agency, or institution with which the Foundation makes any contract or other arrangement under this act.

(b) The Director may appoint, with the approval of the Executive Committee, a Deputy Director who shall perform such functions as the Director, with the approval of the Executive Committee, may prescribe and shall be Acting Director during the absence or disability of the Director or in the event of a vacancy in the Office of the Director.

(c) The Foundation shall not, itself, operate any laboratories or pilot plants.

(d) The members of the Board, and the members of each divisional committee, or special commission, shall receive compensation at the rate of $25 for each day engaged in the business of the Foundation pursuant to authorization of the Foundation, and shall be allowed travel expenses as authorized by section 5 of the act of August 2, 1946 (5 U. S. C. 73b-2).

(e) Persons holding other offices in the executive branch of the Federal Government may serve as members of the divisional committees and special commissions, but they shall not receive remuneration for their services as such members during any period for which they receive compensation for their services in such other offices.

(f) Service of an individual as a member of the Board, of a divisional committee, or of a special commission shall not be considered as service bringing him within the provisions of section 281, 283, or 285 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99), unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves the Foundation or in which the Foundation is directly interested.

(g) In making contracts or other arrangements for scientific research, the Foundation shall utilize appropriations available therefor in such manner as will in its discretion best realize the objectives of (1) having the work performed by organizations, agencies, and institutions, or individuals in the United States or foreign countries, including Government agencies of the United States and of foreign countries, qualified by training and experience to achieve the results desired, (2) strengthening the research staff of organizations, particularly nonprofit organizations, in the States, Territories, possessions, and the District of Columbia, (3) aiding institutions, agencies, or organizations which, if aided will advance basic research, and (4) encouraging independent basic research by individuals.

(h) Funds available to any department or agency of the Government for scientific or technical research, or the provision of facilities therefor, shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part, to the Foundation for such use as is consistent with the purposes for which such funds were provided, and funds so transferred shall be expendable by the Foundation for the purposes for which the transfer was made, and, until such time as an appropriation is made available directly to the Foundation, for general administrative expenses of the Foundation without regard to limitations otherwise applicable to such funds.

(i) The National Roster of Scientific and Specialized Personnel shall be transferred from the United States Employment Service to the Foundation, together with such records and property as have been utilized or are available for use in the administration of such roster as may be determined by the Director of the Bureau of the Budget. The transfer provided for in this subsection shall take effect at such time or times as the Director of the Bureau of the Budget shall direct.

(j) The Foundation shall not support any research or development activity in the field of nuclear energy, nor shall it exercise any authority pursuant to section 11 (e) in respect to that field, without first having obtained the concurrence of the Atomic Energy Commission that such activity will not adversely affect the common defense and security. Nothing in this act shall supersede or modify any provision of the Atomic Energy Act of 1946.

(k) The Executive Committee, with the approval of the Secretary of Defense, shall establish regulations and procedures for the security classification of information or property (having military significance) in connection with scientific research under this act, and for the proper safeguarding of any information or property so classified.

(l) No person shall be employed by the Foundation and no scholarship shall be awarded to any person by the Foundation unless and until the Federal Bureau of Investigation shall have investigated the loyalty of such person and reported to the Foundation such person is loyal to the United States, believes in our system of government, and is not and has not at any time been a member of any organization declared subversive by the Attorney General or any organization that teaches or advocates the overthrow of our Government by force and violence.

(m) No person a national of a foreign country shall be associated with the Foundation in any capacity whatsoever unless and until the Federal Bureau of Investigation, independent of any investigation made by the Government of such person shall have investigated such person and reported to the Foundation that such person is not and has not at any time been a member of any organization that teaches or advocates the overthrow of the Government of the United States by force and violence.

APPROPRIATIONS

SEC. 15. (a) To enable the Foundation to carry out its powers and duties, there is hereby authorized to be appropriated to the Foundation, out of any money in the Treasury not otherwise appropriated, not to exceed $500,000 for the fiscal year ending June 30, 1951, and not to exceed $15,000,000 for each fiscal year thereafter.

(b) Appropriations made pursuant to the authority provided in subsection (a) of this section shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in the acts making such appropriations.

Mr. THOMAS of Utah. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. THOMAS of Utah, Mr. MURRAY, Mr. LEHMAN, Mr. TAFT, and Mr. SMITH of New Jersey conferees on the part of the Senate.

AMENDMENT OF NATIONAL HOUSING ACT, AS AMENDED

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, which was, to strike out all after the enacting clause and insert:

That this act may be cited as the "Housing Act of 1950."

TITLE I—AMENDMENTS OF NATIONAL HOUSING ACT

AMENDMENTS OF TITLE I OF NATIONAL HOUSING ACT

SEC. 101. Section 2 of the National Housing Act, as amended, is hereby amended by striking out of the first sentence of subsection (a) "July 1, 1939, and prior to," and by striking out the second sentence of said subsection and inserting the following in lieu of said sentence: "In no case shall the insurance granted under this section to any such financial institution exceed the amount herein prescribed as the insurance reserve of such financial institution. Such insurance reserve shall be an amount equivalent to 10 percent of the amount of all such loans, advances of credit, and purchases made by such financial institution on or after March 1, 1950 (according to the records of the Commissioner at the date claim for reimbursement of loss is approved for payment by the Commissioner), less the amount of all claims approved for payment by the Commissioner in connection with such loans, advances of credit, and purchases: *Provided*, That the amount of the insurance reserve, if any, to the credit of any such financial institution shall be adjusted on January 1, 1953, and on the first day of each semiannual period thereafter by deducting therefrom an amount equal to one-fifth of the amount of such insurance reserve on the records of the Commissioner as of the date of such adjustment: *And provided further*, That no such adjustment shall be made in the insurance reserve of any financial institution until the 1st day of January or the 1st day of July next following the expiration of a period of 30 months after the issuance of a contract of insurance to such institution by the Commissioner, and no such adjustment shall be made in the insurance reserve of any financial institution after the termination of the contract of insurance issued to such institution by the Commissioner.": *Provided*, That this paragraph shall become effective March 1, 1950.

AMENDMENTS OF TITLE II OF NATIONAL HOUSING ACT

SEC. 102. Section 203 (a) of said act, as amended, is hereby amended by striking out the proviso "$6,000,000,000" and inserting in lieu thereof "$8,000,000,000" and by striking out "$6,750,000,000" and inserting in lieu thereof "$9,500,000,000".

SEC. 103. Section 207 (b) of said act, as amended, is hereby amended by adding the following new paragraphs at the end thereof:

"The insurance of mortgages under this section is intended to facilitate particularly the production of rental accommodations, at reasonable rents, of design and size suitable for family living. The Commissioner is, therefor, authorized and directed in the administration of this section to take action, by regulation or otherwise, which will direct the benefits of mortgage insurance hereunder primarily to those projects which make adequate provision for families with children, and in which every effort has been made to achieve moderate rental charges.

"Notwithstanding any other provisions of this section, every mortgage insured hereunder shall contain a provision that in selecting tenants for the property covered by the mortgage the owner will not discriminate against any family by reason of the fact that there are children in the family, and that he will not sell the property while the insurance is in effect unless the purchaser

so undertakes in writing and files such agreement with the Commissioner. Violation of any such provision or undertaking shall constitute a default in the terms of the mortgage, permitting calling the entire balance due and permitting foreclosure."

SEC. 104. Section 207 (c) of said act, as amended, is hereby amended—

(1) By amending paragraph No. (2) to read as follows:

"(2) not to exceed the sum of (i) 90 percent of that portion of the estimated value of the property or project (when the proposed improvements are completed) which does not exceed $7,000 per family unit and (ii) 60 percent of such estimated value in excess of $7,000 and not in excess of $10,000 per family unit: *Provided,* That except with respect to a mortgage executed by a mortgagor coming within the provisions of paragraph No. (b) (1) of this section, such mortgage shall not exceed the amount which the Commissioner estimates will be the cost of the completed physical improvements on the property or project exclusive of public utilities and streets and organization and legal expenses: *And provided further,* That the above limitations in this paragraph (2) shall not apply to mortgages on housing in the Territory of Alaska, but such a mortgage may involve a principal obligation in an amount not to exceed 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the value of the property or project as such term is used in this paragraph may include the land, the proposed physical improvements, utilities within the boundaries of the property or project, architect's fees, taxes and interest accruing during construction, and other miscellaneous charges incident to construction and approved by the Commissioner.); and";

(2) By amending paragraph numbered (3) to read as follows:

"(3) not to exceed $8,100 per family unit (or $7,500 per family unit if the number of rooms in such property or project does not equal or exceed 4½ per family unit) for such part of such property or project as may be attributable to dwelling use."; and

(3) By striking out of the first sentence of the last paragraph the words ", except that with respect to mortgages insured under the provisions of the second proviso of paragraph numbered (2) of this subsection, which mortgages are hereby authorized to have a maturity not exceeding 40 years from the date of insurance of the mortgage, such interest rate shall not exceed 4 percent per annum."

SEC. 105. Section 207 (d) of said act, as amended, is hereby amended by striking out of the proviso the words "one-half of."

SEC. 106. Section 207 (g) of said act, as amended, is hereby amended—

(1) By striking out of clause (C) in the second sentence the words "preservation of the property" and inserting in lieu thereof "preservation of the property and any mortgage insurance premiums paid after default"; and

(2) By striking out the proviso in the last sentence thereof and inserting the following: "*Provided,* That the mortgagee in the event of a default under the mortgage may, at its option and in accordance with regulations of, and in a period to be determined by the commissioner, proceed to foreclose on and obtain possession of or otherwise acquire such property from the mortgagor after default, and receive the benefits of the insurance as herein provided, upon (1) the prompt conveyance to the commissioner of title to the property which meets the requirements of the rules and regulations of the commissioner in force at the time the mortgage was insured and which is evidenced in the manner prescribed by such rules and regulations, and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims that may have been released with the consent of the commissioner. Upon such conveyance and assignment, the obligation of the mortgagee to pay the premium charges for insurance shall cease and the mortgagee shall be entitled to receive the benefits of the insurance as provided in this subsection, except that in such event, the 1 percent deduction, set out in (ii) hereof, shall not apply."

SEC. 107. Section 207 (h) of said act, as amended, is hereby amended by striking out of the first sentence the words "by the Commissioner to any mortgagee upon the assignment of the mortgage to the Commissioner" and inserting in lieu thereof "under this section."

SEC. 108. Section 207 (i) of said act, as amended, is hereby amended by striking out the first sentence and inserting the following in lieu thereof: "Debentures issued under this section shall be executed in the name of the Housing Insurance Fund as obligor, shall be signed by the Commissioner, by either his written or engraved signature, shall be negotiable, and shall be dated as of the date of default as determined in subsection (g) of this section and shall bear interest from such date."

AMENDMENTS OF TITLE VI OF NATIONAL HOUSING ACT

SEC. 109. Section 603 (a) of the National Housing Act, as amended, is hereby amended by adding the following new paragraph at the end thereof:

"Notwithstanding the provisions of the second proviso of this subsection (a), mortgages otherwise eligible for insurance under section 608 of this title may be hereafter insured thereunder if the application for such insurance was received in any field office of the Federal Housing Administration on or before March 1, 1950, and for such purpose the aggregate amount of principal obligations authorized to be insured under section 608 of this title is increased by not to exceed $600,000,000."

SEC. 110. Section 610 of the National Housing Act, as amended, is hereby amended by striking out of the last sentence thereof the words "which is the security for a mortgage insured pursuant to the provisions of this section.", and inserting in lieu thereof the words "of the character described in this section."

AMENDMENTS OF TITLE III OF NATIONAL HOUSING ACT

SEC. 111. Section 302 of the National Housing Act, as amended, is hereby amended to read as follows:

"SEC. 302. The total amount of investments, loans, purchases and commitments made by the Association shall not exceed $3,000,000,000 outstanding at any one time: *Provided,* That the President may increase such amount by an additional $250,000,000. The Association is authorized to issue and have outstanding at any one time notes and other obligations in an aggregate amount sufficient to enable it to carry out its functions under this act or any other provision of law."

AMENDMENTS OF RECONSTRUCTION FINANCE CORPORATION ACT

SEC. 112. Subsection (c) of section 4 of the Reconstruction Finance Corporation Act, as amended, is hereby amended to read as follows:

"(c) The total amount of investments, loans, purchases, and commitments made subsequent to June 30, 1947, pursuant to section 4 shall not exceed $4,000,000,000 outstanding at any one time: *Provided,* That the President may increase such amount by an additional $250,000,000: *Provided further,* That the aggregate amount outstanding at any one time shall not exceed (1) under subsection (a) (4) $40,000,000, (2) for construction purposes under subsection (a) (3) $200,000,000, and (3) under the last two sentences of subsection (a) (2) $15,000,000."

SEC. 113. Notwithstanding the provisions of any other law subsection (a) of section 505 of the Servicemen's Readjustment Act of 1944, as amended, shall remain in effect with respect to mortgages insured by the Commissioner of the Federal Housing Administration on or before December 31, 1950.

SEC. 114. It is the intent of Congress that no sale of a dwelling on which a mortgage is insured under the National Housing Act, as amended, shall be financed, while such mortgage is so insured, at an interest rate higher than that prescribed by the Federal Housing Commissioner. It is the further intent of Congress that no such sale shall be made, while such mortgage is so insured, on terms less favorable to the purchaser as to amortization, retirement, foreclosure, or forfeiture than those contained in such mortgage.

TITLE II—DISPOSITION OF GOVERNMENT-OWNED WAR AND VETERANS' HOUSING

SEC. 201. Public Law 796, Eightieth Congress, approved June 28, 1948, is hereby amended by adding at the end thereof the following new section:

"SEC. 7. The act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby amended by adding at the end thereof the following new title:

" 'TITLE VI

" 'HOUSING DISPOSITION

" 'SEC. 601. (a) Upon the filing of a request therefore as herein prescribed, the Administrator shall (subject to the provisions of this section) relinquish and transfer, without monetary consideration, to any State or political subdivision thereof, local housing authority, local public agency, nonprofit organization, or educational institution, all contractual rights (including the right to revenues and other proceeds) and all property right, title, and interest of the United States in and with respect to (1) any temporary housing located on land owned or controlled by such transferee and in which the United States has no leasehold or other property interest, and (2) housing materials which have been made available to the transferee by the Administrator pursuant to section 502 of this act.

" '(b) Upon the filing of a request therefor as herein prescribed, the Administrator may (subject to the provisions of this section) relinquish and transfer, without monetary consideration other than that specifically required by this subsection, to any State, county, municipality, or local housing authority, or to any educational institution where the housing involved is being operated for its student veterans or where the land underlying the housing is in the ownership of two or more educational institutions, or to any other local public agency or nonprofit organization where the housing involved has been made available by the United States to such agency or organization pursuant to section 502 of this act or where the Administrator determines that the housing involved is urgently needed by parents of persons who served in the armed forces during World War II and died of service-connected illness or injury, all right, title, and interest of the United States in and with respect to any temporary housing (excluding commercial facilities which the Administrator determines are suitable for separate disposal and community facilities which the Administrator determines should be disposed of separately) located on land in which the United States has a property interest

through ownership, lease, or otherwise, under the following conditions:

"'(1) If the land is owned by the United States and under the jurisdiction of the Administrator, the transferee shall have purchased such land from the Administrator at a price substantially equal to the cost to the United States of the land (including survey, title examination, and other similar expenses incident to acquisition but excluding the cost or value of all improvements thereto by the United States other than extraordinary fill), or, if the Administrator determines the amount of such cost to be nominal or not readily ascertainable, at a price which the Administrator determines to be fair and reasonable. Payment for such land shall be made in full at the time of sale or in not more than 10 equal annual installments (the first of which shall be paid within 1 year from the date of conveyance) all of which shall be secured as determined by the Administrator with interest from the date of conveyance at the going Federal rate of interest at the time of conveyance.

"'(2) If the land is owned by the United States and not under the jurisdiction of the Administrator, the transferee shall have purchased such land from the Federal agency having jurisdiction thereof. The Federal agency having jurisdiction of any such land is hereby authorized to sell and convey the same to any such transferee on the terms authorized herein except that the determinations required to be made by the Administrator shall be made by the agency having jurisdiction of such land.

"'(3) If the United States does not own the land but has an interest therein through lease or otherwise, the transferee shall (i) where it is not the landowner, obtain the right to possession of such land for a term satisfactory to the Administrator, (ii) obtain from the landowner a release (or, if the transferee is the landowner, furnish a release) of the United States from all liability in connection therewith, including any liability for removal of structures or restoration of the land, except for any rental or use payment due at the time of transfer, and (iii) reimburse the United States for the proportionate amount of any payments made by the United States for the right to use the land and for taxes or payments in lieu of taxes for any period extending beyond the time of the transfer, and (iv) if the interest of the United States is not under the jurisdiction of the Administrator, the transferee shall obtain a transfer or release of the interest of the United States from the Federal agency having jurisdiction, which transfers and releases by such Federal agencies are hereby authorized on such terms as the head of the respective agency determines to be in the public interest.

"'(c) The filing of a request under subsection (a), (b), or (g) of this section must be made on or before December 31, 1950, unless the Administrator shall, in any specific case, authorize the filing of a request subsequent to such date but on or before June 30, 1951, and, in any such case, the Administrator may extend, for a specified period not beyond December 31, 1951, the time hereinafter prescribed for complying with all conditions to the relinquishment or transfer. Such request shall be in the form of a resolution adopted by the governing body of the applicant, except that, in the case of a State, such request may be in form of a written request from the governor, and, in the case of a local housing authority (other than the Alaska Housing Authority), or a local public agency organized specifically and solely for the purpose of slum clearance and community redevelopment, shall be accompanied by a resolution of the governing body of the municipality or county approving the request for transfer. Such request shall be accompanied by either (1) a final opinion of the chief law officer or legal counsel of the applicant to the effect that it has legal authority to make the request, to accept the transfer of and operate any property involved, and to perform its obligations under this title, or (2) a preliminary opinion of such officer or counsel concerning the legal authority of the applicant with respect to the proposed relinquishment or transfer including a statement of the reasons for not furnishing the final opinion with the request and the time required to furnish such opinion. If a request has been submitted as herein provided, the applicant shall comply with all conditions to the relinquishment or transfer (including the furnishing of the final legal opinion) on or before June 30, 1951: *Provided*, That, in any case where the applicant is unable to comply with all conditions to the relinquishment or transfer because of the need for the enactment of State legislation or charter amendment, such date shall be June 30, 1952, and may be extended by the Administrator, upon request in a particular case, to December 31, 1952. The Administrator shall act as promptly as practicable on any request which complies with the provisions of this section and is supported as herein required, and shall as promptly as practicable arrange for the making of any survey or the performance of other work necessary to the transfer: *Provided*, That, notwithstanding the provisions of this section, the Administrator may at any time, except with respect to housing for which a request has been or may be submitted under subsection (a) of this section, remove, dispose of, or retain any temporary housing, or part thereof, in accordance with any provision of this act.

"'(d) No relinquishment or transfer with respect to temporary housing shall be made under this section unless the transferee represents in its request therefor that it proposes, to the extent permitted by law—

"'(1) As among eligible applicants for occupancy in dwellings of given sizes and at specified rents, to extend the following preferences in the selection of tenants:

"'First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within 3 years prior to making application for admission to such housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"'Second, to families of other veterans and servicemen; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected: *Provided*, That if the transferee is an educational institution it may limit such preferences to student veterans and servicemen, and their families, and may, in lieu of such preferences, make available to veterans or servicemen and their families accommodations in any housing of the institution equal in number to the accommodations relinquished or transferred to it: *And provided further*, That, notwithstanding such preferences, if the transferee is a State, political subdivision, local housing authority, or local public agency, it will, in filling vacancies in housing transferred under subsection 601 (b) hereof, give such preferences to military personnel and persons engaged in national defense or mobilization activities as the Secretary of Defense or his designee prescribes to such transferee.

"'(2) Not to dispose of any right, title, or interest in the property (by sale, transfer, grant, exchange, mortgage, lease, release, termination of the leasehold, or any other relinquishment of interest) either (i) for housing use on the present site or on any other site except to a State or political subdivision thereof, local housing authority, a local public agency, or an educational or eleemosynary institution, or (ii) for any other use unless the governing body of the municipality or county shall have adopted a resolution determining that, on the basis of local need and acceptability, the structures involved are satisfactory for such use and need not be removed: *Provided*, That this representation will not apply to any disposal through demolition for salvage, lease to tenants for residential occupancy, or lease of nondwelling facilities for the continuance of a use existing on the date of transfer, or where such disposal is the result of a bona fide foreclosure or other proceeding to enforce rights given as security for a loan to pay for land under this section: *And provided further*, That nothing contained in this paragraph shall be construed as applicable to the disposition of any land or interest therein after the removal of the structures therefrom.

"'(3) To manage and operate the property involved in accordance with sound business practices, inluding the establishment of adequate reserves.

"'(4) Whenever the structures involved, or a substantial portion thereof, are terminated for housing use and are not to be used for a specific nonhousing use, to promptly demolish such structures terminated for housing use and clear the site thereof.

"'(e) Any relinquishment or transfer by the Administrator under this section shall constitute a waiver of the requirements of section 313 of this act (and any contractual obligations pursuant thereto) for removing the housing involved if the request for such relinquishment or transfer was made, as authorized herein, by the governing body of the municipality or county, or by the local housing authority, or, in other cases, if, prior to or within 6 months after the date of the relinquishment or transfer, there is filed with the Administrator a resolution of such governing body specifically approving (1) the unconditional waiver of such requirements or (2) the waiver of such requirements subject to conditions specified in the resolution. Any such conditions shall not affect the waiver of removal requirements hereunder, and the United States shall assume no responsibility for compliance therewith.

"'(f) In any relinquishment or transfer under this section, the net revenues and other proceeds from such housing to which the United States is entitled on the basis of periodic settlements shall continue to accrue to the United States until the end of the month in which the relinquishment or transfer is made, and the obligation of the transferee to pay such accrued amounts shall not be affected by this section. The Administrator may charge to the transferee the cost to the United States of any survey, title information, or other item incidental to the transfer.

"'(g) Upon the filing of a request therefor as herein prescribed, the Administrator may (subject to the provisions of this section) relinquish and transfer, without monetary consideration other than payment for land involved as specifically required by subsection (b) hereof, to any local public agency organized specifically and solely for the purpose of slum clearance and community redevelopment in a municipality in which the

total number of persons, who on December 31, 1948, were living in temporary family accommodations provided by the United States or any agency thereof since September 8, 1939, exceeded the total population of such municipality as shown by the 1940 census, all right, title, and interest of the United States in and with respect to any temporary housing located in such municipality under the conditions set forth in said subsection (b). Notwithsanding the provisions of subsection (b) of this section, the Administrator shall not relinquish or transfer any right, title, or interest of the United States in and with respect to any temporary housing situated in such a municipality except as set forth in this subsection.

"'SEC. 602. The requirements of section 313 of this act shall not apply to any temporary housing—

"'(a) for which such requirements have been waived pursuant to section 505 or section 601 of this act;

"'(b) transferred by the Administrator to the jurisdiction of the Department of the Army, the Navy, or the Air Force pursuant to section 4 of this act;

"'(c) disposed of by the Administrator under title I or title III of this act for long-term housing or nonhousing use without any requirement for removal where the governing body of the municipality or county has adopted a resolution determining that, on the basis of local need and acceptability, the structures involved are (1) satisfactory for such long-term use or (2) satisfactory for such long-term use if conditions prescribed in such resolution, affecting the physical characteristics of the project, are met: *Provided,* That any such conditions shall not affect the disposal of any temporary housing hereunder, and the United States shall assume no responsibility for compliance with such conditions: *And provided further,* That any housing disposed of for housing use in accordance with this subsection (c) shall thereafter be deemed to be housing accommodations, the construction of which was completed after June 30, 1947, within the meaning of section 4 of the Housing and Rent Act of 1947, as amended, relating to preference or priority to veterans of World War II or their families; or

"'(d) disposed of or relinquished by the Administrator prior to the enactment of this section subject to such requirements or contractual obligations pursuant thereto, where the governing body of the municipality or county on or before December 31, 1950, adopts a resolution as provided in (c) above; and any contract obligations to the Federal Government for the removal of such housing shall be relinquished upon the filing of such a resolution with the Administrator.

"'SEC. 603. With respect to any housing classified, prior to the enactment of this section, by the Administrator as demountable, the Administrator shall, as soon as practicable but not later in any event than December 31, 1950, and after consultation with the communities affected, redetermine (taking into consideration local standards and conditions) whether such housing is of a temporary or permanent character, and after such redetermination shall dispose of such housing in accordance with the provisions of this title.

"'SEC. 604. With respect to temporary housing remaining under the jurisdiction of the Administrator on land under his control, the Administrator shall (1) permit vacancies, occurring or continuing after July 1, 1951, to be filled only by transfer of tenants of other accommodations in the same locality being removed as required by this act; (2) notify, on or before March 31, 1952, all tenants to vacate the premises prior to July 1, 1952; (3) promptly after July 1, 1952, cause actions to be instituted to evict any tenants still remaining; and (4) remove (by demolition or otherwise) all dwelling structures as soon as practicable after they become vacant: *Provided,* That in any case where a request for relinquishment or transfer has been filed pursuant to section 601 hereof and where under the provisions of section 601 (c) hereof the date for compliance with all conditions to the relinquishment or transfer shall have been extended, each of the foregoing dates shall be extended for a period of time equal to the period of the extension under section 601 (c): *And provided further,* That nothing heretofore in this section shall apply (1) to any temporary housing in any municipality in which the total number of persons, who on December 31, 1948, were living in temporary family accommodations provided by the United States or any agency thereof since September 8, 1939, exceeds 30 percent of the total population of such municipality as shown by the 1940 census, nor (2) to any temporary housing as to which the local governing body has adopted a resolution as provided in section 602 (c) hereof, or (3) to any temporary housing for which a request has been submitted in accordance with section 601 (b) of this act but which has not been relinquished or transferred solely because the applicant has been unable to obtain from the landowner the right to possession of the land on reasonable terms as determined by the Administrator: *Provided,* That in filling vacancies in such housing, the preferences set forth in section 601 (d) (1) shall be applicable and that families within such preference classes shall be eligible for admission to such housing, nor (4) to any temporary housing in which accommodations have been reserved, prior to the enactment of this section, for veterans attending an educational institution if (i) such institution certifies that the accommodations are urgently needed for such veterans and submits facts showing, to the satisfaction of the Administrator, that all reasonable efforts have been made by the institution to find other accommodations for them and (ii) such institution agrees to reimburse the Housing and Home Finance Agency for any financial loss to the Agency in the operation of the accommodations after June 30, 1951: *And provided further,* That with respect to any temporary housing under the jurisdiction of the Administrator the maximum rental shall be that in effect on April 1, 1949, unless the Housing Expediter shall approve a petition for an increase in accordance with the fair net operating income formula in effect from time to time under that act on grounds of hardship to the landlord: *Provided,* That if such housing is not in an area where rent control is in effect at the time pursuant to the Housing and Rent Act of 1947, as amended, an increase may be granted by the Administrator on the basis of such formula.

"'SEC. 605. (a) The Administrator may continue by lease or condemnation any interest less than a fee simple in lands heretofore acquired by the Administrator for national defense or war housing or for veterans' housing (whether of permanent or temporary character), or held by any Federal agency in connection therewith, and may acquire, by purchase or condemnation, a fee-simple title to or lesser interest in any such lands if the Administrator determines that the acquisition of such fee simple or lesser interest is necessary to protect the Government's investment or to maintain the improvements constructed thereon, or that the cost of fulfilling the Government's obligation to restore the property to its original condition would equal or exceed the cost of acquiring the title thereto.

"'(b) In any case in which the Administrator holds, on or after April 1, 1950, an interest in land acquired by the Federal Government for national defense, war housing, or veterans' housing and where (1) the term of such interest (as prescribed in the taking or in the lease or other instruments) is for the "duration of the emergency" or "duration of the war," or "duration of the emergency" or "duration of the war" plus a specific period thereafter, or for some similarly prescribed term, and (2) the rental, award, or other consideration which the Federal Government is obligated to pay or furnish for such interest gives the owner of the land less than an annual return, after payment of real-estate taxes, of 6 percent of the lowest value placed on such land by an independent appraiser, hired by the Government to make such appraisal based on the value of the land before the acquisition of the Government's interest therein, the Administrator is authorized, upon request of the owner of the land and, notwithstanding any existing contractual or other rights or obligations, to increase the amount of future payments for such interest in order to give the owner of the land a return for the Government's use thereof not exceeding the 6 percent annual return described in (2) of this subsection: *Provided,* That this subsection shall not affect any payment heretofore made or any future payment accepted by an obligee, nor shall this subsection limit the consideration which may be paid for the use of any land beyond the existing term of the Government's interest therein.

"'(c) Notwithstanding any other provisions of law unless hereafter enacted expressly in limitation hereof, moneys shall be deposited in the reserve account established pursuant to subsection (a) and subsection (b) of section 303 of this act (which account is hereby continued subject to the limitation as to amount specified in subsection (c) thereof) and all moneys deposited in such reserve account shall be and remain available for any or all of the purposes specified in said subsections (a) or (b) or in this section 605 without regard to the time prescribed in subsection (c) of section 303 with respect to covering moneys in such account into miscellaneous receipts. Moneys in such reserve accounts shall also be available for the payment of necessary expenses (which shall be considered nonadministrative expenses) in connection with administering (1) transfers pursuant to section 601, (2) redeterminations of the temporary or permanent character of demountable housing pursuant to section 603, (3) changes in land tenure and revision in the consideration payable to land owners pursuant to subsection 605 (a) and 605 (b), and (4) transfers of permanent war housing for low-rent use pursuant to section 606. Moneys in such reserve account shall also be available for the purpose of making improvements to, or alterations of, any permanent housing or part thereof if (1) the dwelling structures therein are designed for occupancy by not more than four families and are to be sold separately and (2) such improvement or alteration is requested by the local governing body as a condition to the acceptance of the dedication of streets or utilities or is necessary for compliance with local law or regulation relating to the continued operation or occupancy of the housing by a purchaser.

"'SEC. 606. (a) The Administrator is hereby specifically authorized to convey the following housing projects to the following local public housing agencies respectively, if—

"'(1) on or before December 31, 1950, (i) the conveyance is requested by the governing body of the municipality or county and (ii) the public housing agency has demonstrated to the satisfaction of the Administrator that there is a need for low-rent housing (as such term is defined in the United States Housing Act of 1937) within the area of operation of such public housing agency which is not being met by private enterprise;

"'(2) the Administrator determines that the project requested will meet such need in whole or in part, and is suitable for low-rent housing use; and

"'(3) on or before June 30, 1951, the governing body of the municipality or county enters into an agreement with the public housing agency (satisfactory to the Public Housing Administration, hereinafter referred to as "Administration") providing for local cooperation and payments in lieu of taxes not in excess of the amount permitted by subsection (c) (5) of this section, and the public housing agency enters into an agreement with the Administration (in accordance with subsection (c) of this section) for the administration of the project:

State	Project number	Local public housing agency
Alabama	1041	Housing Authority of District of Birmingham.
	1061	Housing Authority of Greater Gadsden.
	1062	Do.
	1031	Housing Board of Mobile.
	1033	Do.
	1034	Do.
	1035	Do.
	1036	Do.
	1101	Do.
	1102	Do.
	1072	Housing Authority of Sylacauga.
	1076	Do.
	1073	Housing Authority of City of Talladega.
Arkansas	3023	Housing Authority of City of Conway.
California	4031	Housing Authority of City o. Fresno.
	4161	Housing Authority of County of Kern.
	4141	Do.
	4103	Housing Authority of City of Los Angeles.
	4104	Do.
	4108	Do.
	4121	Housing Authority of City of Paso Robles.
	4171	Housing Authority of City of Richmond.
	4174	Do.
Connecticut	6091	Housing Authority of City of Bristol.
	6024	Housing Authority of Town of East Hartford.
	6031	Housing Authority of City of New Britain.
	6032	Do.
	6101	Housing Authority of City of New Haven.
	6041	Housing Authority of City of Waterbury.
	6213	Do.
District of Columbia	49012	Nationa Capital Housing Authority.
	49017	Do.
	49044	Do.
Florida	8052	Housing Authority of City of Jacksonville.
	8121	Housing Authority of City of Lakeland.
	8062	Housing Authority of City of Miami.
	8011	Housing Authority of City of Orlando.
	8082	Housing Authority of City of Pensacola.
	8084	Do.
	8085	Do.
	8131	Housing Authority of City of Sebring.
	8041	Housing Authority of City of West Palm Beach.
Georgia	9071	Housing Authority of City of Albany.
	9061	Housing Authority of Macon.
	9063	Do.
	9041	Housing Authority of Savannah.
	9042	Do.
	9043	Do.
Illinois	11081	Madison County Housing Authority.
	11082	Do.
	11111	Winnebago County Housing Authority.
	11112	Do.
Indiana	12071	Housing Authority of City of Fort Wayne.
	12021	Housing Authority of City of South Bend.
Louisiana	16051	Housing Authority of Parish of East Baton Rouge.
Maryland	18095	Housing Authority of Baltimore City.
	18096	Do.
	18097	Do.
	18098	Do.
Massachusetts	19051	Boston Housing Authority.
	19021	Chicopee Housing Authority.
	19022	Do.
	19061	Pittsfield Housing Authority.
	19023	Springfield Housing Authority.
Michigan	20042	Housing Commission of Detroit.
Nevada	26021	Housing Authority of City of Las Vegas.
New Hampshire	27021	Housing Authority of City of Manchester.
New Jersey	28044	Housing Authority of City of Camden.
	28021	Housing Authority of City of Long Branch.
	28072	Housing Authority of City of Newark.
	28111	Housing Authority of Town of Phillipsburg.
New York	30031	Buffalo Municipal Housing Authority.
	30032	Do.
	30042	Elmira Housing Authority.
	30033	Lackawanna Municipal Housing Authority.
	30039	Do.
	30034	Niagara Falls Housing Authority.
	30071	Do.
	30082	Massena Housing Authority.
North Carolina	31023	Housing Authority of City of Wilmington.
	31024	Do.
Ohio	33031	Canton Metropolitan Housing Authority.
	33033	Do.
	33021	Cincinnati Metropolitan Housing Authority.
	33071	Cleveland Metropolitan Housing Authority.
	33074	Do.
	33075	Do.
	33112	Lorain Metropolitan Housing Authority.
	33261	Do.
	33262	Do.
	33041	Warren Metropolitan Housing Authority.
	33043	Do.
Oregon	35021	Housing Authority of Portland.
Pennsylvania	36051	Housing Authority of County of Beaver.
	36058	Do.
	36041	Housing Authority of Bethlehem.
	36042	Do.
	36044	Do.
	36151	Allegheny County Housing Authority.
	36152	Do.
	36061	Housing Authority of County of Lawrence.
	36021	Housing Authority of City of Erie.
	36031	Housing Authority of County of Lycoming.
	36011	Housing Authority of Philadelphia.
	36012	Do.
	36014	Do.
	36015	Do.
	36016	Do.
	36101	Housing Authority of City o. Pittsburgh.
	36212	Allegheny County Housing Authority.
	36295	Housing Authority of City of York.
Rhode Island	37013	Housing Authority of City of Newport.
South Carolina	38023	Housing Authority of City of Charleston.
	38061	Do.
	38041	Housing Authority of City of Spartanburg.
	38042	Do.
Tennessee	40022	Jackson Housing Authority.
	40023	Milan Housing Authority.
	40011	Nashville Housing Authority.
	40025	Trenton Housing Authority.
Texas	41064	Housing Authority of City of Corpus Christi.
	41065	Do.
	41133	Housing Authority of City of Freeport.
	41031	Housing Authority of City of Houston.
	41131	Housing Authority of City of Lake Jackson.
	41101	Housing Authority of City of Mineral Wells.
	41103	Do.
	41072	Housing Authority of City of Orange.
	41032	Housing Authority of City of Pasadena.
Texas	41141	Housing Authority of City of Texarkana.
	41121	Housing Authority of City of Wichita Falls.
Virginia	44131	Alexandria Redevelopment and Housing Authority.
	44132	Do.
	44133	Do.
	44135	Do.
	44136	Do.
	44065	Newport News Redevelopment and Housing Authority.
	44074	Norfolk Redevelopment and Housing Authority.
	44086	Portsmouth Redevelopment and Housing Authority.
Washington	45043	Housing Authority of City of Bremerton.
	45277N	Housing Authority of County of Clallam.
	45315N	Do.
	45133	Housing Authority of County of King.
	45052	Housing Authority of City of Seattle.
	45053	Do.
	45054	Do.
	45055	Do.
	45056	Do.
	45122	Housing Authority of City of Vancouver.

In addition to the authority of the Administrator under the first sentence of this subsection, the Administrator is hereby specifically authorized to convey any permanent war housing project to a local public housing agency if requested in writing, within 60 days after the enactment of this section, by such agency or the executive head of the municipality (or of the county or parish if such project is not in a municipality) within which the project is located, or by the governor of the State where an agency of the State has authority to operate the project: *Provided*, That any conveyance by the Administrator pursuant to this sentence shall be subject to the same conditions and requirements as provided in this section with respect to a project specifically designated herein.

"'The Administrator shall not convey any housing project pursuant to this subsection (a) unless the housing shall have been offered for sale by the Administrator pursuant to the provisions of section 607 of this act for a period of 6 months after the effective date of this section. In the event the Administrator enters into an agreement to sell any such housing project, in whole or in part, pursuant to the provisions of section 607, of this act, such housing project, or part thereof, shall not be eligible for conveyance pursuant to this subsection (a).

"'(b) Upon the conveyance by the Administrator of any such project pursuant to the provisions of this section, such project shall constitute and be deemed to be "low-rent housing" as that term is used and defined in the United States Housing Act of 1937 (and to be a low-rent housing project assisted pursuant to that act, within the meaning of subsection 502 (b) of the Housing Act of 1948) except that no capital grant or annual contribution shall be made by the Federal Government with respect to such project. Any instrument of conveyance by the Administrator stating that it is executed under this act shall be conclusive evidence of compliance therewith insofar as any title or other interest in the property is concerned.

"'(c) The agreement between the public housing agency and the Administration required by subsection (a) of this section shall contain the following conditions and requirements, and may contain such further

conditions, requirements, and provisions as the Administration determines—

"'(1) during a period of 40 years following the conveyance the project shall be administered as low-rent housing in accordance with subsections 2 (1) and 2 (2) of the United States Housing Act of 1937: *Provided,* That if at any time during such period the public housing agency and the Administration agree that the project, or any part thereof, is no longer suitable for use as low-rent housing, the project, or part thereof shall with the approval of the Administration be sold by the public housing agency after which the agreement shall be deemed to have terminated with respect to such project or part thereof except that the proceeds from such sale, after payment of the reasonable expense thereof, shall be paid to the Administration;

"'(2) the public housing agency shall, within 6 months following the conveyance, initiate a program for the removal of all families residing in the project on the date of conveyance who are ineligible under the provisions of the United States Housing Act of 1937 for continued occupancy therein, and shall have required such ineligible tenants to vacate their dwellings within 18 months after the initiation of such program: *Provided,* That military personnel as designated by the Secretary of Defense or his designee shall not be subject to such removal until 18 months after the date of conveyance;

"'(3) annually during the term of such agreement, the public housing agency shall pay to the Administration all income from the project remaining after deducting the amounts necessary (as determined pursuant to regulations of the Administration) for (i) the payment of reasonable and proper costs of operating, maintaining, and improving such project; (ii) the payments in lieu of taxes authorized hereunder; (iii) the establishment and maintenance of reasonable and proper reserves as approved by the Administration; and (iv) the payment of currently maturing installments of principal of and interest on any indebtedness incurred by such public housing agency with the approval of the Administration;

"'(4) during the term of such agreement, the project shall be exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions;

"'(5) for the tax year in which the conveyance is made and the next succeeding tax year annual payments in lieu of taxes may be made to the State, city, county, or other political subdivisions in amounts not in excess of the real-property taxes which would be paid to such State, city, county, or other political subdivisions if the project were not exempt from taxation; and thereafter, during the term of such agreement, payments in lieu of taxes with respect to the project may be made in annual amounts which do not exceed 10 percent of the annual shelter rents charged in such project;

"'(6) in selecting tenants for such project, the public housing agency shall give such preferences as are prescribed by subsection 10 (g) of the United States Housing Act of 1937, except that for 1 year after the date of conveyance of a project, the public housing agency shall, to the extent permitted by law, give such preferences, by allocation or otherwise, to military personnel as the Secretary of Defense or his designee prescribes to the public housing agency; and

"'(7) upon the occurrence of a substantial default in respect to the requirements and conditions to which the public housing agency is subject (as such substantial default shall be defined in such agreement), the public housing agency shall be obligated at the option of the Administration, either to convey title in any case where, in the determination of the Administration (which determination shall be final and conclusive, such conveyance of title is necessary to achieve the purposes of this title and the United States Housing Act of 1937, or to deliver possession to the Administration of the project, as then constituted, to which such agreement relates: *Provided,* That in the event of such conveyance of title or delivery of possession, the Administration may improve and administer such project as low-rent housing, and otherwise deal with such housing or parts thereof, subject however, to the limitations contained in the applicable provisions of the United States Housing Act of 1937. The Administration shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such agreement and as soon as practicable after the Administration shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this title and the United States Housing Act of 1937, thereafter be operated in accordince with the terms of such agreement. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Administration pursuant to this paragraph upon the subsequent occurrence of a substantial default.

"'(d) At the end of each fiscal year, the total amount of payments during such year to the Administration in accordance with subsection (c) of this section shall be covered into the Treasury as miscellaneous receipts.

"'SEC. 607. (a) The Administrator shall, subject to the provisions of this section, dispose of permanent war housing, other than housing conveyed pursuant to section 606 of this act, as promptly as practicable and in the public interest.

"'(b) Preference in the purchase of any dwelling structure designed for occupancy by not more than four families and offered for separate sale shall be granted to occupants and to veterans over other prospective purchasers for such period as the Administrator may determine and in the following order:

"'(1) A veteran who occupies a unit in the dwelling structure to be sold and who intends to continue to occupy such unit;

"'(2) A nonveteran who occupies a unit in the dwelling structure to be sold and who intends to continue to occupy such unit;

"'(3) A veteran who intends to occupy a unit in the dwelling structure to be sold.

"'Subject to the above order of preferences, the Administrator may establish subordinate preferences for any such dwelling structure. As used in this section 607 (b), the term "veteran" shall include a veteran, a serviceman, or the family of a veteran or a serviceman, or the family of a deceased veteran or serviceman whose death has been determined by the Veterans' Administration to be service-connected.

"'(c) In the case of any housing project required by this section to be disposed of, which is not offered for separate sale of separate dwelling structures designed for occupancy by not more than four families, such project may be sold as a whole or in such portions as the Administrator may determine. On such sales of an entire project or portions thereof consisting of more than one dwelling structure or of an individual dwelling structure designed for occupancy by more than four families, first preference shall be given for such period not less than 90 days nor more than 6 months from the date of the initial offering of such project or portions thereof as the Administrator may determine, to groups of veterans organized on a mutual ownership or cooperative basis (provided that any such group shall accept as a member of its organization, on the same terms, subject to the same conditions, and with the same privileges and responsibilities, required of, and extended to other members of the group any tenant occupying a dwelling unit in such project, portion thereof or building, at any time during such period as the Administrator shall deem appropriate, starting on the date of the announcement by the Administrator of the availability of such project, portion thereof or building for sale), except that a first preference for said period of not less than 90 days nor more than 6 months shall be given to any group organized on a mutual or cooperative basis, which, with respect to its proposed purchase of a specific housing project or portions theref, has, prior to August 1, 1949, been granted an exception by the Administrator from the sales preference provisions of Public Regulation 1 of the Housing and Home Finance Agency and has been designated as a preferred purchaser.

"'(d) The Administrator shall provide an equitable method of selecting the purchasers to apply when preferred purchasers (or groups of preferred purchasers) in the same preference class or containing members in the same preference class compete with each other.

"'(e) Any housing disposed of in accordance with this section shall after such disposal be deemed to be housing accommodations the construction of which was completed after June 30, 1947, within the meaning of section 4 of the Housing and Rent Act of 1947, as amended, relating to preference or priority to veterans of World War II or their families.

"'(f) Sales pursuant to this section shall be upon such terms as the Administrator shall determine: *Provided,* That full payment to the Government for the property sold shall be required within a period not exceeding 25 years with interest on unpaid balances at not less than 4 percent per annum, except that in the case of projects initially programed as mutual housing communities under the defense housing program, the terms of sale shall not require a down payment and shall provide for full payment to the United States over a period of 45 years with interest on unpaid balances at not more than 3 percent per annum.

"'SEC. 608. Notwithstanding any other provision of law, any land acquired under this or any other act in connection with war or veterans' housing, but upon which no dwellings are located, may be sold at fair value, as determined by the Administrator, to any agency organized for slum clearance or to provide subsidized housing for persons of low income.

"'SEC. 609. Notwithstanding any other provision of law, the Administrator is authorized to convey by quitclaim deed, without consideration, to any State for National Guard purposes any land, together with any nondwelling structures thereon, held under this or any other act in connection with war or veterans' housing: *Provided,* That the United States shall be saved harmless from or reimbursed for such costs incidental to the conveyance as the Administrator may deem proper: *Provided further,* That the conveyance of such land shall contain the express condition that if the grantee shall fail or cease to use such land for such purposes, or shall alienate or attempt to alienate such land, title thereto shall, at the option of the United States, revert to the United States.

"'SEC. 610. As used in his title, the following terms shall have the meanings ascribed to them below, unless the context clearly indicates otherwise:

"'(a) The term "governing body of the municipality or county" means the governing body of the city, village, or other municipality having general governmental authority over the area in which the housing involved is located, or, if the housing is not located in such a municipality, the term means the governing body of the county or parish in which the housing is located, or if

the housing is located in the District of Columbia the term means the Board of Commissioners of said District.

"'(b) The term "housing" means any housing under the jurisdiction of the Administrator (including trailers and other mobile or portable housing) constructed, acquired, or made available under this act or Public Law 781, Seventy-sixth Congress, approved September 9, 1940, or Public Laws 9, 73, or 353, Seventy-seventh Congress, approved, respectively, March 1, 1941, May 24, 1941, and December 17, 1941, or any other law, and includes in addition to dwellings any structures, appurtenances, and other property, real, or personal, acquired for or held in connection therewith.

"'(c) The term "temporary housing" means any housing (as defined in (b)) which the Administrator has determined to be "of a temporary character" pursuant to this act and shall also include any such housing after rights thereto have been relinquished or transferred under this title or section 505 of this act.

"'(d) The terms "veteran" and "serviceman" mean "veteran" and "serviceman" as those terms are defined in the United States Housing Act of 1937.

"'(e) The term "State" means any State, Territory, dependency, or possession of the United States, or the District of Columbia.

"'(f) The term "going Federal rate of interest" means "going Federal rate" as that term is defined in the United States Housing Act of 1937.

"'(g) The term "United States Housing Act of 1937" means the provisions of that act, including all amendments thereto, now or hereafter adopted, except provisions relating to the initial construction of a project or dwelling units.'"

SEC. 202. Section 313 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is hereby amended to read as follows:

"SEC. 313. Except as otherwise provided in this act, the Administrator shall, as promptly as may be practicable and in the public interest, remove (by demolition or otherwise) all housing under his jurisdiction which is of a temporary character, as determined by him and constructed under the provisions of this act, Public Law 781, Seventy-sixth Congress, and Public Laws 9, 73, 353, Seventy-seventh Congress. Such removal shall, in any event, be accomplished not later than December 31, 1952, or by such later date as may be required because of extensions of time in accordance with section 604 hereof, with the exception only of such housing as the Administrator, after consultation with local communities, finds is still urgently needed because of a particularly acute housing shortage in the area: *Provided*, That all such exceptions shall be reexamined annually by the Administrator and that all such exceptions and reexaminations shall be reported to the Congress. Notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, no Federal statute, or regulation thereunder, shall prohibit or restrict any action or proceeding to recover possession of any housing accommodations for the purpose of carrying out the provisions of this section or section 604 of this act."

SEC. 203. Section 2 of Public Law 385, Seventy-ninth Congress, is hereby repealed.

SEC. 204. The act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is hereby amended by striking out the words "National Housing Administrator" and "National Housing Agency" wherever they appear in said act and inserting in lieu thereof the words "Housing and Home Finance Administrator" and "Housing and Home Finance Agency," respectively.

TITLE III—GENERAL PROVISIONS

ACT CONTROLLING

SEC. 301. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

SEC. 302. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended by striking out "25 years" in the second proviso of section 500 (b) and inserting in lieu thereof "30 years."

SEPARABILITY

SEC. 303. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Mr. MAYBANK. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. BRICKER conferees on the part of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. MYERS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters, without speeches and without debate, with the proviso that the Senator from Oklahoma [Mr. KERR] will not lose his right to the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

Two letters from the Attorney General of the United States, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service, suspending deportation of certain aliens, together with a detailed statement of the facts and pertinent provisions of law as to each alien and the reason for ordering suspension of deportation (with accompanying papers); to the Committee on the Judiciary.

PROPOSED TRANSFER BY NAVY DEPARTMENT OF NAVAL JET-PROPELLED FIREBOAT TO CITY OF BAYONNE, N. J.

A letter from the Secretary of the Navy, reporting, pursuant to law, that the city of Bayonne, N. J., had requested the Navy Department to transfer a 30-foot jet-propelled fireboat for the protection of the water front of that city; to the Committee on Armed Services.

COST-ASCERTAINMENT REPORT OF POST OFFICE DEPARTMENT

A letter from the Postmaster General, transmitting, pursuant to law, the cost-ascertainment report of the Post Office Department with appendix, fiscal year 1949 (with an accompanying report); to the Committee on Post Office and Civil Service.

REPORT OF FEDERAL POWER COMMISSION

A letter from the Acting Chairman of the Federal Power Commission, transmitting, pursuant to law, a report of the Commission for the fiscal year 1949 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF ARCHIVIST

A letter from the Administrator of the General Services Administration, transmitting, pursuant to law, a report of the Archivist of the United States, for the fiscal year ending June 30, 1949 (with an accompanying report); to the Committee on Post Office and Civil Service.

TITLE TO CERTAIN LANDS BENEATH TIDAL AND NAVIGABLE WATERS

Mr. IVES. Mr. President, I ask unanimous consent to have incorporated at the conclusion of my remarks, in the body of the RECORD, the text of a concurrent resolution of the Senate and Assembly of the State of New York, memorializing the Congress to confer ownership in the States in lands and resources within and beneath navigable waters within the boundaries of the respective States. I request that the resolution be appropriately referred.

The concurrent resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

Concurrent resolution of the senate and assembly memorializing Congress to confirm ownership in the States of lands and resources within and beneath navigable waters within the boundaries of the respective States

Whereas since its inception, the State of New York, a free and independent sovereignty and one of the original 13 States, has claimed and exercised ownership, dominion and jurisdiction over the lands under the ocean seaward for a distance of 3 miles and the lands under all tidal and navigable waters within its boundaries; and

Whereas the State's title to these lands, in common with all unappropriated lands, was and is based upon the sovereign character of the people of the State of New York as successors to the sovereign rights of the crown of England; and

Whereas as sovereign the people of the State of New York own approximately 5,600 square miles of submerged lands in the Atlantic Ocean, and in New York Harbor, Long Island Sound, the Hudson River, and the Mohawk River, including vital stretches of the State barge canal, the Niagara River, the St. Lawrence River, the Great Lakes and other inland streams and waters; and

Whereas all of the private improvements on the New York side of New York Harbor, with the exception of the lower end of Manhattan Island and others elsewhere, have been built on what was formerly State-owned lands, and all these improvements were built and have been enjoyed by their owners in reliance upon their source of title in the State of New York, and no disquieting claims against that source should be made, no matter how baseless or trivial, by any agency of the United States Government; and

Whereas, as a result of these improvements, there has been an incalculable increase in assessed valuation of these lands, upon

which municipalities and the State rely as a basis of taxation and great revenue; and

Whereas the title of the people of the State of New York to these lands and the title of those holding the lands by grant from the people of the State of New York has been upheld by numerous decisions of the New York courts and the Supreme Court of the United States, as well as by the assertion and actions of the Federal Government, its various departments and divisions: Now, therefore, be it

Resolved (if the senate concur), That the Legislature of the State of New York favors continued State ownership and control, subject only to the Federal powers over navigation, interstate commerce and national defense, of lands and resources within and beneath navigable waters within the boundaries of the respective States, and requests Congress to pass suitable legislation to that end; and be it further

Resolved (if the senate concur), That the Members of the Congress are hereby requested to give their active support to legislation which would recognize and confirm State ownership of such property; and be it further

Resolved (if the senate concur), That the Members of the Congress are hereby requested to give their active opposition to all pending and proposed measures which would create Federal ownership or control of lands, fish or other resources beneath navigable waters within State boundaries; and be it further

Resolved (if the senate concur), That copies of this resolution be sent to the President of the United States, the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each Member of the Congress of the United States.

By order of the assembly:

ANSLEY B. BORKOWSKI,
Clerk.

In senate, February 28, 1950. Concurred in without amendment.

By order of the senate:

WILLIAM S. KING,
Secretary.

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of New York identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.

REGULATION OF PRIVATE INDUSTRY—RESOLUTION OF PITTSBURG (KANS.) CHAMBER OF COMMERCE

Mr. SCHOEPPEL. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a resolution adopted by the board of directors of the Pittsburg (Kans.) Chamber of Commerce, relating to Senate bill 238 and House bill 378, designed to regulate private industry, which I think is of interest to Members of Congress.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas the board of directors of the Pittsburg, Kans., Chamber of Commerce has studied carefully the proposed Federal legislation with respect to safety regulations on railroads (H. R. 378 and S. 238) and feels that said legislation would impose an entirely new sort of Government control on the details of physical operation of railroads: Therefore be it

Resolved by the board of directors of the Pittsburg Chamber of Commerce in official session this 13th day of March 1950, That our duly elected Members in the House of Representatives and the Senate of the United States be apprised of the strong feeling of this board and that they be urged to vote against these bills (H. R. 378 and S. 238) and any additional bills on legislation designed to regulate private industry.

Adopted at Pittsburg, Kans., Monday, March 13, 1950.

Witness the hand and seal of the president and secretary-manager of this organization at the direction of the board of directors.

[SEAL] ROBERT B. BITNER,
President.
KENT COLLIER,
Secretary-Manager.

NATIONAL WILDLIFE RESTORATION WEEK—PROCLAMATION OF GOVERNOR OF RHODE ISLAND

Mr. GREEN. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a proclamation of the Governor of the State of Rhode Island and Providence Plantations, proclaiming the week of March 19 to 25, 1950, as National Wildlife Restoration Week.

There being no objection, the proclamation was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS, NATIONAL WILDLIFE RESTORATION WEEK

(By John O. Pastore, Governor)

Wildlife resources in our country are a source of recreation interest in the pursuit of hunting and fishing, although large economic values are involved in the marine fisheries, primarily a commercial resource to which we look for several billion pounds of food and related products each year.

Congress through generous financing has made it possible to carry on the work of restoring the game birds and mammals on a scale more nearly commensurate with the heavy demands made upon such resources.

The first national wildlife refuge was established in 1903 to protect brown pelicans on the east coast of Florida. The waterfowl areas were secured principally after 1929. Between that date and 1948, the number of waterfowl refuges has increased from 24 to 196, with slightly more than 3,100,000 acres.

Our problem is how to keep the level of the wildlife populations high enough to satisfy the demands of modern civilization, a civilization that wants more and more benefits from this resource, yet by almost every act impairs or destroys the conditions that wildlife needs in order to survive; and now, therefore, do I, John O. Pastore, Governor of the State of Rhode Island and Providence Plantations, proclaim the week of March 19 to 25, 1950, as National Wildlife Restoration Week, asking the wholehearted support of conservationists, nature lovers, sportsmen, farmers, and womens' organizations in reflection upon America's riches of natural resources and the importance of our future well-being perpetuating them by development of more effective and economic methods in wildlife conservation and management.

DECEMBER 1949 STEEL PRICE INCREASES—REPORT OF JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. O'MAHONEY, from the Joint Committee on the Economic Report, submitted a report (No. 1373) relating to December 1949 steel price increases, together with the views of the minority, and the comments and statements by certain members of the committee, which was ordered to be printed with an illustration.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 3305. A bill for the relief of Dr. Nicola Di Palma; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

S. 3306. A bill for the relief of Dr. George Peter Petropoulos; and

S. 3307. A bill for the relief of Colvin Bernard Meik; to the Committee on the Judiciary.

By Mr. NEELY:

S. 3308. A bill to provide for the payment and collection of wages in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McMAHON:

S. 3309. A bill for the relief of Dr. Alfredo Kraessel; to the Committee on the Judiciary.

REPEAL OF TAX ON DOMESTIC TELEGRAPH MESSAGES—AMENDMENT

Mr. O'CONOR. Mr. President, I submit for appropriate reference an amendment providing for the repeal of the tax on domestic telegraph messages, intended to be proposed by me to the tax bill when it is received from the House of Representatives.

In order that this business undertaking be stimulated, it is imperative that we remove the burdensome tax which was imposed, under dire emergency, for the purpose of discouraging extensive use of this method of communication.

The amount currently being produced by the tax is relatively small and, in the opinion of competent analysts, will be greatly offset by returns from the increased business which will result when the tax is eliminated.

I ask unanimous consent that a statement prepared by me dealing with this particular question be printed in the RECORD immediately following these remarks.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Finance; and, without objection the statement presented by the Senator from Maryland will be printed in the RECORD. The Chair hears no objection.

The statement presented by Mr. O'CONOR is as follows:

STATEMENT OF SENATOR O'CONOR

In fairness to the taxpaying public and as an incentive to greater business operations, the wartime tax on domestic telegraph messages should be eliminated. A study of the facts and circumstances surrounding the imposition of this excise tax shows that it is unique.

For the past 2 years the Nation's domestic telegraph system has suffered a deficit from its operations even though the public has paid for the service, including the tax, sufficient revenue to maintain a prosperous, solvent telegraph system. For the calendar year 1949, on a volume of business of about two hundred million dollars, the Western Union Telegraph Co. showed a deficit of more than four and a half million dollars. The company's reserves have been utilized to improve its facilities, to assist in meeting its funded debt and to maintain its operations. It cannot continue for an indefi-

nite period to sustain these deficits and maintain its operations.

There is no doubt that other individual units subject to excise tax are facing extreme hardship because of the incidence of the excise tax, but Western Union, an indispensable public utility, has a special case for selective treatment. In the event that the continuation of this tax forces the company into insolvency, the only alternative for the Government is to take over its operations or to permit a competitor to go into the record communications business on a large scale. Neither of these alternatives is desirable public policy.

The nationalization of the telegraph industry by the continuation of the 25-percent excise tax constitutes false economy. In the first place, no one desires the Government to enter the private communications field. This century-old company with a long record identified with the development and progress of our economy can survive in private hands and expand if this deterrent to its continued existence is removed.

In addition, Government operation would be more costly even if it were not undesirable from the standpoint of policy. The $40,000,000 in annual revenue which will be lost to the Government would constitute but a small part of the cost in the event the Government is required to assume responsibility for the operation of the Nation's domestic telegraph system.

To permit the merger of the telegraph company would be undesirable. This would create a monopoly of gigantic proportions and place under one company voice and record communications which should be permitted to compete aggressively and without restraint.

The FCC, after an extended study, reported to the Treasury that while it could not evaluate precisely the amount of additional revenues that would result if the tax on Western Union was eliminated, there was a prospect that the increase in volume might rise as much as 15 percent with a resulting increase in net operating revenues of about $15,000,000 per year. Obviously, this would bring the company's operations from a deficit to a net position and give it the opportunity to maintain its service and avoid the undesirable necessity of Government operation. To continue these tax increases day by day and month by month the threat of insolvency to the telegraph system and the probabilities of some kind of Government operation and intervention. Obviously, the Nation's telegraph system cannot be abandoned. The requirements of national defense call for the maintenance and improvement of this form of rapid communication. As the Secretary of Defense stated: "It is impossible to overstress the importance to national defense of speedy, reliable communications for which the basic channel is still the telegraph circuit."

This session of Congress will have the responsibility of making critical determinations on questions of communications policy. Pending before our Senate Committee on Interstate and Foreign Commerce are a number of proposals to strengthen and expand our essential communications facilities. These questions will be given consideration and analysis, and a program reported to the Congress in due course. However, in order to give the Congress the opportunity to determine these important questions of public policy, this 25 percent super tax on the telegraph system must be suspended. Otherwise it is not too much to predict that the Government may have the telegraph system on its hands as a governmental responsibility.

Therefore, it is essential that this company obtain selective relief while the general tax program is being developed. When the excise tax on domestic telegrams was increased to 25 percent as a wartime measure, one of the definite purposes was to depress volume and clear the lines for essential communications. The tax served that wartime purpose, but is now threatening the company with insolvency because of the reduction in volume that has continued since the purpose of the wartime levy was achieved. However, the Nation's telegraph system, a regulated utility and a monopoly created by the Congress following the merger of Postal and Western Union, has a unique and special claim to immediate consideration. It is for that purpose that it is urged that the Federal Treasury sacrifice the relatively small amount of revenue involved in order to maintain the system under private management.

CHANGES OF REFERENCES

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from the further consideration of the bills (S. 3239) to provide for the disposal of the Nevius tract at public sale, and (S. 3263) to amend Veterans' Preference Act of 1944 with respect to certain mothers of veterans; and that S. 3239 be referred to the Committee on Finance and S. 3263 be referred to the Committee on Post Office and Civil Service.

The first of these bills, S. 3239, authorizes the Administrator of Veterans' Affairs to dispose of the Nevius tract, situated in Arlington County, Va.; the other, S. 3263, is an amendment of the Veterans' Preference Act of 1944 with respect to certain mothers of deceased veterans.

The subject matter covered by these bills is clearly within the jurisdiction of the committees mentioned, and I ask that the bills be referred to the respective committees indicated for proper consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

CLAIMS CONVENTION WITH REPUBLIC OF PANAMA—REMOVAL OF INJUNCTION OF SECRECY

The VICE PRESIDENT. As in executive session, the Chair lays before the Senate Executive I, Eighty-first Congress, second session, a claims convention between the United States of America and Panama, signed at Panama on January 26, 1950.

Mr. CONNALLY. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the convention, and that the convention, together with the President's message be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The VICE PRESIDENT. Without objection, the injunction of secrecy will be removed, and the convention, together with the President's message will be referred to the Committee on Foreign Relations, and the message from the President will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the claims convention between the United States of America and the Republic of Panama, signed at Panama on January 26, 1950.

I also transmit for the information of the Senate the report, with enclosed memorandum, by the Secretary of State with respect to the convention.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 27, 1950.*

(Enclosures: (1) Report of the Secretary of State, with enclosed memorandum; (2) claims convention between the United States and Panama, signed January 26, 1950.)

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ADDRESS BY SENATOR MYERS BEFORE PHILADELPHIA FEDERATION OF GREEK-AMERICAN SOCIETIES

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address delivered by him before the Philadelphia Federation of Greek-American Societies, in Philadelphia, March 26, 1950, which appears in the Appendix.]

BROADCAST BY SENATOR MYERS TO PEOPLE OF PENNSYLVANIA

[Mr. MYERS asked and obtained leave to have printed in the RECORD a broadcast by him over Pennsylvania radio stations, number 22 in his biweekly series, which appears in the Appendix.]

WASHINGTON NEWS LETTERS FROM SENATOR MYERS TO PEOPLE OF PENNSYLVANIA

[Mr. MYERS asked and obtained leave to have printed in the RECORD two news letters by him to the people of Pennsylvania, dated March 9, 1950, and March 23, 1950, which appear in the Appendix.]

CRITICISM BY SENATOR MYERS OF PROPOSED REDUCTION IN ECA FUNDS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement by him regarding proposed reduction in ECA appropriations, which appears in the Appendix.]

AMERICA SYMBOL OF FAIR PLAY AND FREEDOM AMONG MEN—BROADCAST BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a radio broadcast by him regarding America as the symbol of fair play and freedom among men, from Station WHAM, Rochester, N. Y., February 27, 1950, which appears in the Appendix.]

THE CONGRESSIONAL RECORD—STATEMENT BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement broadcast by him from radio station WHAM in Rochester, N. Y., March 13, 1950, which appears in the Appendix.]

EDITORIAL COMMENT ON FOREIGN POLICY SPEECH OF SENATOR BENTON

[Mr. FLANDERS asked and obtained leave to have printed in the RECORD an editorial regarding the address by Senator BENTON on United States foreign policy, from the Washington Post of March 26, 1950, which appears in the Appendix.]

OPPOSITION OF LABOR TO NATURAL-GAS BILL—ARTICLE BY ALVAINE HAMILTON

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an article entitled "Labor Fights Bill To Boost Natural-Gas Cost to Public," written by Alvaine Hamilton, and published in the Trainman News, which appears in the Appendix.]

MIDDLE-INCOME HOUSING — EDITORIAL FROM THE PHILADELPHIA INQUIRER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "A Sound Housing Decision," published in the Philadelphia Inquirer of March 24, which appears in the Appendix.]

COMMUNISTS IN GOVERNMENT—EDITORIAL AND EXCERPTS FROM SERMON BY REV. POWELL DAVIES

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "The McCarthy Rampage," published in the New York Herald Tribune of recent date, as well as excerpts from a sermon by Rev. Powell Davies, relative to the inquiry of the subcommittee of the Committee on Foreign Relations, which appear in the Appendix.]

THE PROPAGANDA WAR—EDITORIAL FROM THE BRIDGEPORT POST

[Mr. BENTON asked and obtained leave to have printed in the RECORD an editorial entitled "The Propaganda War," published in the Bridgeport Post of March 24, 1950, which appears in the Appendix.]

TRIBUTE TO J. EDGAR HOOVER—EDITORIAL FROM THE WASHINGTON STAR

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled, "Tribute to the FBI," from the Washington Star, which appears in the Appendix.]

LOYALTY IN WASHINGTON—LETTER BY HENRY L. STIMSON

Mr. IVES. Mr. President, there appears on the editorial page of the New York Times this morning a letter from Henry L. Stimson, former Secretary of War and former Secretary of State, addressed to the editor. According to the caption appearing on the editorial page, the letter is entitled "Loyalty in Washington." Because of the substance of the letter, it seems to me that it is well worth the consideration not only of the members of the Senate Committee on Foreign Relations, but of every Member of the Senate. For that reason I ask unanimous consent that the letter, together with the editorial appearing on the same page and dealing with the letter, appear in the RECORD at this point in my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

LOYALTY IN WASHINGTON—METHODS AND MOTIVES OF ATTACK ON STATE DEPARTMENT QUESTIONED

To the EDITOR OF THE NEW YORK TIMES:

The present charges against the Department of State have not in my view deserved much attention. But the very widespread notice they have received prompts me to make certain comments.

First, this is most emphatically not the proper way in which to insure loyalty of Government employees. If that had been the real purpose of the accuser, he would have used the fully developed and tested procedure of the executive branch of the Government, under which charges are investigated and weighed by men of both parties and unimpeachable integrity. Any constructive result which may eventuate from the present charges would have been achieved far more surely and effectively by use of the existing procedures. The fact that the accuser has wholly ignored this well-established method indicates that his interest is of a different character.

Second, no matter what else may occur, the present charges have already spattered mud upon individuals of the highest integrity, and in the present state of the world the denial cannot always overtake the accusation. It should by now be wholly clear that indiscriminate accusations of this sort are doubly offensive; they damage the innocent, and they help protect the guilty. For if the accuser is so stupid as to connect a man like Ambassador Jessup with communism, are not all such accusations made suspect?

REACTION ABROAD

Third, and more important by far, the method of the present charges directly and dangerously impedes the conduct of the foreign affairs of our Government. It creates abroad a feeling that we are frightened and suspicious of each other; it diverts our attention, at home, from the genuine and pressing problems of our foreign affairs; it requires of many high officials that they desert their proper duties in order to prepare and deliver such extensive replies as that of Mr. Jessup. Not one of these effects would have resulted from a disinterested study of the loyalty of any suspected State Department employees; each of them is the direct result of the manner in which these charges have been made.

Fourth, it seems to me quite clear that the real motive of the accuser in this case is to cast discredit upon the Secretary of State of the United States. This man is not trying to get rid of known Communists in the State Department; he is hoping against hope that he will find some. Fortunately, the Secretary of State needs no defense from me. No one who knows his extraordinary record of able and disinterested public service can believe that he is in any danger from these little men. It is already obvious that in any test of personal confidence the men of honor, in both parties, will choose to stand with the Secretary.

But there is more at stake in this matter than the rise or fall of individuals. What is at stake is the effective conduct of our foreign policy.

RESPONSIBILITY OF OFFICE

Every Secretary of State, second only to his President, and alone among appointive officers of the Government, stands before the world as the representative of the United States of America. No man who holds this office can fail to feel the extraordinary responsibility he carries for service to the country and its peace. No man has a greater right to ask the sympathetic support and the cooperation of his fellow-citizens, and none is more properly exempt from the ordinary trials of politics. The man who seeks to gain political advantage from personal attack on a Secretary of State is a man who seeks political advantage from damage to his country.

The American Government, led by the President and the Secretary of State, is currently engaged in a major effort to give leadership to the country in a time of changing international conditions and grave world tension. This effort will require as part of our democratic process widespread and earnest public consideration of the great problems now before us, so that the ultimate decision will surely reflect the basic steadiness and faith of our people. In such public consideration there is always room for honest differences, but now, as for many years past, the formulation of foreign policy most urgently demands an adjournment of mere partisanship.

This is no time to let the noisy antics of a few upset the steady purpose of our country or distract our leaders from their proper tasks. This is rather a time for stern rebuke of such antics and outspoken support of the distinguished public servants against whom they are directed.

HENRY L. STIMSON.

HUNTINGTON, LONG ISLAND, *March 24, 1950.*

MR. STIMSON'S LETTER

This newspaper is always glad to publish a communication from Henry L. Stimson, not because Mr. Stimson was twice Secretary of War and once Secretary of State and has otherwise distinguished himself, but because he is one of the wisest and bravest men we know. Today, in another column on this page, we give his comments on the charges currently being heard against the Department of State in a subcommittee of the Senate Foreign Relations Committee.

Mr. Stimson believes that the methods adopted in this inquiry were not those best designed to test the loyalty of Government employees; that they have damaged the innocent and may help the guilty; that they hurt this Nation's standing abroad, and that they were obviously designed to "cast discredit upon the Secretary of State of the United States." These remarks come from a Republican who knows by experience what the problems and difficulties of a Secretary of State are.

We think Senator MCCARTHY and his supporters will find some difficulty in answering Mr. Stimson. Certainly they cannot answer him in the easy way, so often employed in congressional committees hunting for "disloyalty," of questioning his character or his record. They must address themselves to the arguments—and here, too, we believe they will find themselves in trouble. For Mr. Stimson's voice is that of an American steeped in the traditions of freedom and able to defend those traditions with intelligence as well as strong emotion.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to speak for not more than 30 seconds.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Massachusetts may proceed.

Mr. SALTONSTALL. I had intended to put into the RECORD the letter from Mr. Henry L. Stimson which the Senator from New York [Mr. IVES] has had placed in the RECORD. I join with the Senator from New York in what he said concerning the letter. I do so as one who has high respect for the views of Mr. Stimson, as a man, as a former Secretary of State, and as one who has twice served his country as Secretary of War. His views are entitled to our thoughtful consideration. Although there are points to the over-all problem other than those which he raises that are also of importance for our consideration, I believe his statement is very timely in view of the conditions which face the Nation.

Mr. LEHMAN. Mr. President, I wish to associate myself with my distinguished colleague the senior Senator from New York [Mr. IVES] in his remarks concerning a notable letter from a former Secretary of State and a former Secretary of War, the Honorable Henry L. Stimson, in which I fully concur.

Mr. BENTON. Mr. President, I ask unanimous consent to be allowed 30 seconds in which to make a statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BENTON. Mr. President, I brought today to the floor the statement by former Secretary Stimson, published in the New York Times, and an editorial dealing with the statement. Indeed, had the eyes of the Presiding Officer been turned to the right instead of to the left, I would have inserted these matters in the RECORD. I ask to be associated with the distinguished Senator from New York [Mr. IVES] and the distinguished Senator from Massachusetts [Mr. SALTONSTALL] who have given me many reasons for admiring them in the past, and who have today given me additional reason to admire them.

When the Senator from Oklahoma [Mr. KERR] yields the floor, if I can receive recognition from the Chair, I hope to read some sections from Mr. Stimson's letter and to make some comments respecting the letter, because it is indeed timely, in view of the witnesses who are today being heard, and who will be called before the special subcommittee of the Senate Committee on Foreign Relations to make statements.

The VICE PRESIDENT. The Chair apologizes to the Senator from Connecticut for not looking to the left.

REDUCTION OF PERSONNEL AT THE WINTER GENERAL HOSPITAL IN TOPEKA

Mr. SCHOEPPEL. Mr. President, I have received many communications from the State of Kansas charging the Congress with the responsibility for the reduction of personnel at the Winter General Hospital in Topeka.

I have recently received a letter from Omar B. Ketchum, Director of the National Legislative Service of the Veterans of Foreign Wars, which is a forthright and complete analysis of the situation as it actually exists.

I request unanimous consent that the letter from Mr. Ketchum be inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D. C., March 22, 1950.

Senator ANDREW F. SCHOEPPEL,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I regret the confusion and misunderstanding that has developed with respect to the current reduction in force announced by the Veterans' Administration. As you know there is a tendency to blame Congress when a reduction in force of Federal employees takes place. I have taken the liberty of writing to the post commander of the Topeka, Kans., VFW Post, in an effort to give the veterans in that area factual information with respect to where the responsibility lies in connection with this reduction in force. The sense of my letter to the VFW commander in Topeka is as follows:

"The facts are that the Eighty-first Congress in its first session, which authorized the VA appropriation for the current fiscal year, gave the Veterans' Administration every dime that was requested for medical services and hospitalization. If the Veterans' Administration or the Bureau of the Budget did not ask for sufficient funds to carry them through the current fiscal year it was not the fault of the Congress.

"There is a tendency on the part of Government agencies to institute a reduction in force and when protests begin to develop Congress is blamed for not appropriating sufficient funds. We have a good example of that in the current economy program and reduction in force being carried out in the Department of Defense. Thousands of civilian employees have and are being laid off in the economy campaign and some of them have the impression they are losing their jobs because the Congress would not appropriate sufficient funds. Actually, the Department of Defense is spending less money in the current fiscal year than was authorized by the Congress and some members of Congress have accused Secretary Johnson of asking for more money than he really needed and then effecting economies which would show a substantial savings in the budget.

"I can assure you the contemplated reduction in force in the Veterans' Administration cannot be charged to the Congress, in general, or to Senator SCHOEPPEL, in particular. We have found Senator SCHOEPPEL to be very sympathetic and cooperative in all matters of veteran legislation and I am sure he would be among the last to advocate and vote for any reduction in appropriations for the Veterans' Administration that would curtail or deny needed medical treatment or hospitalization to veterans.

"A combination of circumstances has given rise to the current reduction in force in the Veterans' Administration. A general salary increase for Federal employees, underestimating funds needed for the operation of the Veterans' Administration, and some overstaffing is largely responsible for the situation. If anyone is to blame for an underestimate of funds needed for medical treatment and hospitalization, it should be placed squarely at the door of either the Veterans' Administration or the Bureau of the Budget.

"You will be interested to know that the agencies make up their budgets which are then submitted to the Bureau of the Budget before being sent on to the Congress. In many instances the Bureau of the Budget sharply reduces the amount the agency asks for but, unfortunately, if something goes wrong the tendency is to blame the Congress for insufficient funds."

The foregoing is, in a general sense, the information which I have transmitted to the VFW post commander in Topeka, Kans., with the suggestion that he bring it to the attention of the post members and other veterans in that area. We are not always satisfied with the decisions of Congress but we certainly do not want to be a party in blaming Congress for a situation for which it is not responsible.

Sincerely yours,
OMAR B. KETCHUM,
Director.

STATEHOOD FOR ALASKA AND HAWAII

Mr. BUTLER. Mr. President, at the regular meeting of the Committee on Interior and Insular Affairs this morning it was voted to begin hearings on the Alaska statehood bill on April 24, and on the Hawaii statehood bill on May 1. Accordingly, I shall from time to time ask to have insertions made in the RECORD of short items relating to these subjects, which I may think are of interest. I ask unanimous consent to have inserted in the RECORD at this point a news dispatch entitled "Hawaiians Elect Charter Group," published in the Seattle Post-Intelligencer on March 23, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAWAIIANS ELECT CHARTER GROUP

HONOLULU, March 22.—A middle-of-the-road group of 63 convention delegates will draft a State constitution for Hawaii next month.

Final tabulations from yesterday's voting showed candidates of both the extreme left and right were rejected. Forty-five delegates were named. Eighteen were elected outright in the February primary.

Racially, the convention will have 27 Caucasians, 20 Japanese, 11 Hawaiians, and 5 Chinese. The elections were nonpartisan, but 29 delegates are registered Republicans; 23 are Democrats, and 11 were not clearly identified with either party.

The convention opens April 4. It will draft a constitution which will be ready if the Senate approves statehood for Hawaii. The House already has approved the statehood bill.

AGREEMENT AMONG WEST COAST LABOR UNIONS

Mr. BUTLER. Mr. President, I ask permission to insert at this point a short dispatch entitled "Unions Fear Rival Raids," published in the Seattle Post-Intelligencer on March 25, 1950. The article has to do with an agreement which has been entered into between four rival unions. The Longshoremen's and Warehousemen's Union is Harry Bridges' west coast water front organization, which has just taken over Hawaii. The International Fishermen and Allied Workers and the Alaska Cannery Workers are the principal fishing and water-front unions in Alaska. They have about a dozen locals in Alaska and about as many more in Washington, Oregon, and California. The Marine Cooks and Stewards Union is one of the groups which dominate the operation of ships to and from Alaska. The result will be to put Bridges in control of Alaska.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIONS FEAR RIVAL RAIDS

SAN FRANCISCO, March 24.—Four west coast unions concerned over the threats of raids from rival organizations announced agreement tonight on plans for mutual protection.

They are the Congress of Industrial Organizations Longshoremen's and Warehousemen, International Fisherman and Allied Workers, and Marine Cooks and Stewards, all CIO, and the Alaska Cannery Workers' Union.

An announcement at the end of a 2-day meeting of some 30 leaders of the four unions said they had developed a program designed to revitalize the old Pacific coast maritime union slogan "An injury to one is an injury to all."

"Complete agreement was reached on this program, whereby mutual assistance and protection will be immediately forthcoming to combat any attempted raids by other unions or disruption from within, designed to give aid and comfort to raids," the statement said.

Asked if any particular development had prompted the meeting, a spokesman said it was called in view of the general situation. He said the cannery workers' union was one of those expelled by the national CIO.

HOUSEWIVES AND THE GAS PRICE

Mr. KEM. I ask unanimous consent to have printed in the body of the RECORD an excerpt from an editorial entitled "Housewives and the Gas Price" published in the Kansas City Times of March 11, 1950. The editorial refers to the pending measure, S. 1498, known as the Kerr bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOUSEWIVES AND THE GAS PRICE

Anyone who uses gas in Kansas City has a direct and personal interest in what happens to the Kerr bill in Congress. The more gas the family uses the greater the stake.

This is the bill which would definitely remove all authority of the Federal Power Commission over the price charged for gas by producers and companies gathering the gas in the fields. If the bill becomes a law, the price of gas in the fields will go up. Senator KERR, of Oklahoma, is the leader of the fight to wipe out this authority of the Commission.

Recently Senator KERR was distressed by reports that opponents of his bill are "trying to prejudice the American housewife against me, saying I want to jack up her monthly gas bill. Actually I am the real friend of the housewife. I am fighting to keep the gas industry stable and healthy."

This struck us as rather odd political rationalizing. The controversy that now heads into the Kerr bill has far too many ramifications to be completely analyzed here. But there is no question that the price of gas in the fields is the main concern of the bill. If the Power Commission is definitely barred from control, the price will be considerably higher than it will be if the Commission has control. Obviously.

There could then be only one rather farfetched hope for keeping low gas rates—the ability of the pipe-line companies to pay more for gas without receiving a higher price from the consumers. There might be some companies that could absorb such an increase in costs, but nobody could count on it.

Senator KERR is a big, hearty man of the West. He has made quite a splash in Oklahoma Democratic politics and politicians never like to be against anybody's interests. But, just to keep the record clear, the genial Senator seems to be spoofing the housewives in this case.

Of course, the fact that the Kerr bill would increase the price of gas doesn't necessarily say the purpose of the bill is wholly bad. Last year the Kansas Corporation Commission became aroused by the low prices paid some of the producers in the State. It took the bull by the horns and set a price of 8 cents per 1,000 cubic feet. Whether a State commission has such authority is not yet known. The courts will have to decide. We mention the case here because it brings out the fact that producers and landowners have to be considered along with the consumers, regardless of whether the commission is right in this particular ruling.

But gas users could feel much more secure if any inequities were ironed out by some other means than the Kerr bill. If this bill passes, there will be no effective control over the price paid by the consumers. It is conceivable that eventually this area would lose a large share of the huge cut in gas rates received several years ago.

SENATOR VANDENBERG'S LETTER ON ADMINISTRATION OF ECA, AND EDITORIAL COMMENT

Mr. SMITH of New Jersey. Mr. President, yesterday—Sunday—in the newspapers there appeared a letter addressed by the Senator from Michigan [Mr. VANDENBERG] to Mr. Paul G. Hoffman, Administrator of the Economic Cooperation Administration, in which the Senator from Michigan paid high tribute to Mr. Hoffman on the approach of his second anniversary as head of the ECA. In his letter the Senator from Michigan challenged us all to approach the continuance of this great work in the spirit of cooperative unity and without partisanship.

I desire to associate myself with the senior Senator from Michigan in this splendid presentation of our world responsibility, and I ask unanimous consent that the letter to Administrator Hoffman be published in full at this point in my remarks in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 24, 1950.

PAUL G. HOFFMAN,
Administrator, Economic Cooperation Administration,
Washington, D. C.

MY DEAR MR. HOFFMAN: As you approach your second ECA anniversary next week, I am conscious that you took this critical assignment, in part, as a result of my insistent urging. It is a source of profound regret to me that illness prevents my active participation in current decisions which mean infinitely much, in this connection, to American security and to free peace in a free world. The least I can do is to take advantage of this occasion to say that, in my humble opinion, you and your ECA associates, at home and abroad, have rendered incalculably vital service to our country and its indispensable leadership for liberty. You have paid off in current dividends of freedom.

ECA was launched as an unpartisan enterprise—established by a Republican Congress in full and free cooperation with a Democratic Executive. This working unity typified our finest traditions and our greatest safety in the presence of external hazards to all Americans, regardless of party. You have clung tenaciously to this unpartisan concept in your administration of ECA. As one citizen to another, I thank you for this service from a grateful heart. United, we stand. Divided, we fall. I want America to stand.

It was inevitable that there should have been disappointments in the evolution of these unprecedented programs—as you have been among the first to stress. There is understandable and legitimate debate in many of these aspects. It is our duty, under these programs of self-help and mutual aid, to be as frank about the liabilities as we are about the assets. You would be the last to say that ECA is "untouchable."

Western Europe has not moved ahead adequately with the economic integration which is essential to its permanent recovery, including western Germany. There must be sharp improvement in these trends. We confront increasingly obvious limitations upon the domestic resources which we can safely and wisely commit to over-all foreign aid. Furthermore, these resources can no longer ignore or minimize the impact of Communist aggression in the Far East. This is not your problem, but the problem of Congress and the Executive. These are essential subjects for judicial congressional survey in that same factual spirit which must continue to strive to put our country first in our considerations.

But it is equally true that our overriding need is to clearly understand the victories we have won in this "cold war," and how we won them; to realize, thankfully, that we have succeeded in helping establish vital zones of freedom where independent governments have survived aggression and subversion which 2 years ago, threatened to isolate us in an ominously communized world; in a word, to avoid getting so close to the trees that the forest is obscured.

The ECA smoked out Soviet Russia's sinister plan for world dominion—always aimed finally at us. It set up a new type of peaceful cooperation between independent peoples seeking not conquest but honorable survival for liberty under law and for the aspirations by which free men live. It built peaceful sinews into the precious hopes of the United Nations and of the subsequent North Atlantic community and the peaceful dedications of America. It has made inevitable mistakes which must be rectified. But its tremendous vindication stands clear as crystal on the 1950 map.

In all candor can it be successfully denied that ECA has been substantially responsible for reversing the corroding gloom which threatened western civilization 2 years ago, and which might have brought the iron curtain to the very rims of the Atlantic but for this brave adventure? How much is that worth, in liberties and lives and dollars, to our own United States? How much?

Let us not ignore any of the lessons we have learned—emphatically including the lesson that we, and our friends, are engaged in a struggle that is epochal in nature and global in design—emphatically including the lesson that free nations must continue as free nations to work together in closest, practical harmony for the effectual defense of their mutual heritage.

I venture this suggestion. I was one of those who insisted that ECA had to be preceded by the studies of the Harriman Commission—mobilizing the best brains available for consultation—to determine what role is wisest and safest for America, for her own self-interest, in facing the threats of postwar crisis. The ECA was the result. As we approach the statutory end of ECA in 1952, I think it would be well for another such commission—equally unpartisan and equally impeccable in character—to resume independent, advisory studies of our new responsibilities as the world's largest creditor nation and the world's spearhead in the quest of dependable peace.

In the meantime, again reasserting the need for careful congressional scrutiny in respect to current developments, I again express the hope that we shall not lose sight of the forest because we are so near the trees. I again extend my appreciation to you, sir, as the Administrator of ECA, and to your faithful associates.

Respectfully yours,
ARTHUR H. VANDENBERG,
United States Senator.

Mr. SMITH of New Jersey. Mr. President, I also ask unanimous consent that three editorials appearing in today's papers be likewise published: One from the New York Herald Tribune entitled, "Our Country First," one from the New York Times entitled, "A Call to Unity," and one from the Washington Post entitled, "Unpartisan Approach."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 27, 1950]

OUR COUNTRY FIRST

In the current congressional clamor over American foreign policy the calm voice of Senator VANDENBERG—too long silent—sounds a note of mature and resolute patriotism. Obviously illness has neither daunted Mr.

VANDENBERG's courage nor weakened his sure grasp upon international realities. The immediate subject of his letter to Mr. Paul G. Hoffman is the future of the Economic Cooperation Administration, and on that topic the Michigan Senator warns of the effect which crowding and broadening responsibilities may have upon America's ability to undertake commitments beyond 1952, when the ECA's statutory authorization ends. But it is the spirit and the tone of the letter, the example when it sets to Mr. VANDENBERG's congressional colleagues, which are most important.

There is no yielding to defeatism, no hysteria, no partisanship, in the Senator's appeal. Rather, he calls upon Americans to take pride in what was achieved "by a Republican Congress in full and free cooperation with a Democratic Executive." Without glossing over the dangers which still confront the Nation and the free world he points to the great victories which have already been won, and sees in the mobilization of national spirit for international ends—the bipartisan activity of government, the unpartisan collaboration of the whole country—the means for meeting the continuing peril. He proposes a new organization of "the best brains available for consultation"—on the model of the Harriman Commission, whose studies produced ECA—to canvass the present situation, and urges that major policies be reviewed by "judicious congressional survey in the same factual spirit which must continue to put our country first in its calculations."

Senator VANDENBERG's advice comes at a crucial moment. Not only is there the threat of an unwise economy in respect to foreign aid which endangers the "keystone of our protection against the destruction of another war," as President Truman warns, but the perilous levity and irresponsibility of some Members of Congress seems intended to tear down the whole structure of America's present foreign policy without offering anything in its place. The attack by a few Republican Senators upon Mr. Acheson, which Senator BRIDGES forecast in the tone of a small boy starting off on a Hallowe'en raid with a handful of chalk, is in this negative spirit.

Senator VANDENBERG's letter is a moving document by a great Republican and a great American. It sets a standard which all his countrymen must meet if this Nation is to preserve its independence in an hour of great danger, if it is to rally freemen everywhere for the maintenance of their liberties and for the creation of a stable and prosperous world. Petty bickerings, the frantic pursuit of irrelevant issues for personal and partisan ends, must be submerged in the United States if, as the Senator puts it, free nations are to continue "as free nations to work together in closest, practical harmony for the defense of their mutual heritage."

[From the New York Times of March 27, 1950]

A CALL TO DUTY

Raising the voice of statesmanship above the partisan wrangles that threaten to engulf our foreign policy, Senator VANDENBERG has issued a new appeal for domestic unity and an unpartisan approach to the vast problems confronting us as leaders of the free world that is faced with Soviet Russia's "sinister plan for world domination." As one of the principal Republican architects of our bipartisan foreign policy, which he prefers to call "unpartisan," Mr. VANDENBERG proposes the appointment of another commission, similar to the Harriman commission which produced the Marshall plan, "equally unpartisan and equally impeccable in character," to mobilize the best brains of the country and to recommend a long-range American political and economic peace policy which both parties can support.

Mr. VANDENBERG's voice is only one, but one of the most powerful, to be raised in alarm over our growing disunity on foreign policy at a time when the world situation calls for what Secretary Acheson has characterized as total diplomacy, which will mobilize all our material and moral resources in defense of peace and freedom. Fortunately, his stand finds support from responsible leaders on both sides of the political fence. It is supported by both Mr. Acheson and Mr. Hoffman, and his specific proposal has already been preceded by similar suggestions by Democratic Senator ANDERSON and Republican Representative JAVITS. Republican Senator KNOWLAND and Republican Representative NIXON are moving along parallel lines. And now that the issue has been raised other leaders of both parties may be expected to follow suit.

Though carefully avoiding any partisanship of his own, and reasserting the right of Congress to scrutinize current developments, Mr. VANDENBERG may be presumed to be addressing himself primarily to those Republicans who, in search of a campaign issue for the next election, have launched a double-barreled assault on the bipartisan foreign policy. One assault, against which Mr. VANDENBERG turns with special emphasis, is led by the economy bloc in Congress, which in the name of economy would cripple the European recovery program either by turning it into a dumping operation for our farm surpluses or by slashing the necessary funds for it. President Truman has already warned that this short-sighted procedure raises the risk of an new world war, and Senator VANDENBERG agrees that but for the recovery program the iron curtain would now be at the Atlantic, which would mean our perilous isolation is an ominously communized world. The other assault, launched for the ostensible purpose of rooting out Communists and spies in government, would discredit the whole foreign policy by attacking the entire personnel of the State Department, from Secretary Acheson down, as bad security risks. But the real purposes of both these attacks are evidenced by the fact that behind them are the same provincial and isolationist forces.

At the same time, it must be pointed out that Senator VANDENBERG himself has insisted that bipartisan, or unpartisan, foreign policy must be a two-way street involving consultation between both parties in the finest American tradition. In this respect, however, both the Truman administration and the Democratic majority in Congress have been delinquent. Mr. Truman himself, following his unexpected triumph in the last election, has shown more than one indication of attempting to play politics with foreign policy, and he cannot be surprised at similar tactics by the other side. In any case, administration consultation with Republican leaders has almost ceased. And the Democratic majority, which began by packing the Senate Foreign Relations Committee with its own adherents, has ever since attempted to force the Republican Party into a "me-to" compliance with policies and measures in which it had no voice, with the result that a Republican revolt became almost inevitable.

But the problems facing this Nation and the free world are far too grave for such a childish game, which not only weakens our own position vis-à-vis the Kremlin but also tends to shake the confidence of our allies. The proposal of Senator VANDENBERG offers a way out of the interparty squabble without loss of face on either side, and it must be hoped that President Truman will seize on it to repair the damage done. As Mr. VANDENBERG said: "United, we stand; divided we fall." The American people are determined to stand, irrespective of the political ambitions of individuals.

[From the Washington Post of March 27, 1950]

UNPARTISAN APPROACH

Senator VANDENBERG's plea for an unpartisan approach to our critical problem of leadership in world affairs came 3 days after this newspaper had associated the raucous spirit of faction in Washington with the loss of his disinterested services. It is comforting to know that in spite of his double affliction—in spite of the constant pain he is suffering—the Senator is still able to employ his great influence in the cause of national cohesiveness and continued integration of the free world. His advice is entitled to the weight that is customarily given the words of a wise elder statesman who has risen above interparty and interfactional battles.

As we see it, there are two main points in the Senator's letter to ECA Administrator Hoffman. First, he says, "our overriding need is to clearly understand the victories we have won in this cold war, and how we have won them * * *" Sufficient progress has been made that many people in the United States and in western Europe feel free to indulge in factionalism and attempt to stand divided. Petty quarrels accompanied, by a sort of easy drifting have become the order of the day. Against this relaxation of effort comes Senator VANDENBERG's appeal to remember that we, and our friends, are engaged in a struggle that is epochal in nature and global in design. We cannot ignore, he says, the lesson that "free nations must continue as free nations to work together in closest, practical harmony for the effectual defense of their mutual heritage."

The Senator's second point is that to achieve this aim a new Harriman Commission"—mobilizing the best brains available for consultation—is needed "to determine what role is wisest and best for America in the present world situation. Six weeks ago we made a similar suggestion, urging "a reexamination of the whole situation by independent men of stature in our Nation called upon to do what Mr. Churchill called exalted brooding. The idea of a bipartisan commission to advise the President as to the nature and extent of our current world responsibility has also had support from Senator ANDERSON and Representative JAVITS. On Saturday, Representative NIXON threw out a related but less realistic proposal for a conference of Republican and Democratic leaders to lay the basis for a consistent foreign policy.

Nothing could be accomplished, of course, by any attempt to minimize the President's leadership in this sphere. But much can be accomplished through bipartisan efforts under the President's leadership. It is a question of placing the national interest above petty politics, and that can be done only if high-minded statesmen of both parties are brought together to aid in shaping a course of action to which a vast majority of citizens will give their support. When that is done the defeatists and rumor-mongers will find themselves crying in the wilderness.

That it can be done has been amply demonstrated, as Senator VANDENBERG points out. It was such "exalted brooding," free from partisan aims, that led to creation of the United Nations, that established the Truman doctrine of aiding free nations in danger of aggression, and ushered in the Marshall plan. It is strange that anyone should suppose we could give cohesive leadership to the free world with no means of attaining it in our own country. Senator VANDENBERG's tactful letter ought to center the attention of the Nation on a truth that is scarcely less fundamental than freedom itself.

Mr. LEHMAN. Mr. President, I ask unanimous consent to be allowed to make

a personal statement which will not take more than 1 minute.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEHMAN. Mr. President, I have prepared a statement commending the great contribution which the senior Senator from Michigan [Mr. VANDENBERG] has made to the thinking of the Congress and of the country. In the course of the statement I propose to ask permission to insert in the RECORD three editorials commending the statement of the Senator from Michigan. Since the distinguished Senator from New Jersey [Mr. SMITH] has already inserted those editorials, I merely wish to associate myself with him in his remarks.

I believe the statement by the Senator from Michigan is a historic enunciation of our present situation, and I believe his advice should be followed by the Congress and by the people of the country, without regard to political affiliation.

GAS-PRODUCING STATES FIX HIGHER PRICES, KEM SAYS—ARTICLE BY EDWARD A. HARRIS

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article from the St. Louis Post-Dispatch of March 24, 1950, entitled "Gas-Producing States Fix Higher Prices, KEM Says." The article was written by Edward A. Harris, a Pulitzer prize winner.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GAS-PRODUCING STATES FIX HIGHER PRICES, KEM SAYS—ACTION OF OKLAHOMA AND KANSAS BOARDS CITED—PROTECTION UP TO UNITED STATES, SENATOR ASSERTS

(By Edward A. Harris)

WASHINGTON, March 24.—Some of the gas producing States are claiming and exercising the very power to fix gas prices in the field which the pending Kerr bill would deny to the Federal Government, Senator JAMES P. KEM, Republican, of Missouri, disclosed yesterday in the continuing debate on the measure.

The Senate will vote next Wednesday on the bill. An agreement worked out by Acting Majority Leader MCFARLAND, Democrat, of Arizona, calls for voting to start on amendments in the late afternoon with a final decision before adjournment that day.

Renewing his attack on the Kerr amendment, which would strip the Federal Power Commission of regulatory authority over independent gas producers, Senator KEM said that recently Oklahoma and Kansas, through their State regulatory bodies, raised the price of gas sold to pipe lines for interstate shipment.

In Oklahoma last January 17, he said, the State supreme court affirmed an order of the corporation commission fixing a minimum price for the taking of natural gas from the Guyman-Hugoton field in that State. The commission's order set a bottom price of 7 cents per 1,000 cubic feet of gas, compared to the average gas price there of 4 cents prior to the order.

Similarly in Kansas, Senator KEM went on, the Kansas Corporation Commission, on February 23, 1949, was given the right by a State supreme court decision to fix the minimum price of gas at the wellhead.

PRICE RAISED BY STATES

"We have then this situation," KEM went on, "proponents of the Kerr bill are objecting to the jurisdiction of a Federal agency to regulate the price of gas. At the same time, two States in the producing area have undertaken to regulate the price of gas in the field.

"There is this important difference. The regulatory bodies in each State raised the price for which gas is to be sold in the field, and it is apprehended that a Federal agency might determine that a reasonable price is at a lower level."

He said he thought it proper for Oklahoma and Kansas to regulate the price of gas to be consumed within the State, but challenged the fairness and soundness of a program under which the field price of gas to be transported to other States should be subject solely to the price action of the producing States.

"I believe," he continued, "that the consuming States should be represented as well as the producing States when regulations affecting the price, are under consideration. The only practical way in which this can be done is through a Federal agency." Otherwise, he pointed out, the consumer is at the mercy of prices fixed in another State "with interests predominately opposed."

UNIQUE THEORY OF ECONOMICS

KEM noted in passing that the Kansas Corporation Commission had stated, with respect to the price situation in that State, that "a cheap price placed on any commodity depreciates its usefulness." The Senator observed: "This is a unique theory of economics. Is the usefulness of gas in the consuming States in any way injured by a low price?"

He also took issue with the contention of proponents of the Kerr bill that it would not result in a price increase because the gas is already under long-term contract for sale at established prices. When States themselves act to raise the field price of gas, he said, existing contracts "go out the window."

"These decisions in Oklahoma and Kansas," he said, "are important because they raise the issue whether the Federal Government should abdicate the field in whole or in part while certain of the producing States are not only claiming, but are actually exercising the right to fix prices.

"If the States are to have the prerogative of raising the price, who except the Federal Government will protect the consuming States to see that the price is fair?"

Senator ROBERT S. KERR, Democrat, Oklahoma, sponsored the proposed amendment to the Natural Gas Act. In his frequent statements on the floor in behalf of his measure, KERR, so far as could be learned, made no mention of the fact that Oklahoma had through State action raised the minimum price of gas in the field. His opposition has been directed against Federal regulation and not State regulation. He has said, in fact, that the Oklahoma Legislature, in a resolution, supported his move to strip the FPC of regulatory authority.

ORDER OF BUSINESS

Mr. MARTIN. Mr. President, if consideration of routine business has been concluded, I should like to have unanimous consent to make a statement not exceeding 10 minutes, on the subject of the disposition of the surplus materials from the White House, which is now being repaired.

The VICE PRESIDENT. When the Senate adjourned on Friday night, by unanimous consent, the Senator from Oklahoma [Mr. KERR] was given the right to continue today to answer questions from Senators in regard to the pending business. Other Senators have asked the Chair to recognize them, and have requested unanimous consent to do the same thing. The Chair may be a little presumptuous, but he has been trying to discourage the practice, which has recently grown up here, of Senators who have the floor being permitted, even by unanimous consent, to yield to permit other Senators to make speeches. However, as once was said by a former Presiding Officer of this body, the Senate may do anything by unanimous consent, even to the abandonment and nullification of a unanimous consent which has previously been given.

Is there objection to the request of the Senator from Pennsylvania that, notwithstanding the unanimous consent given in behalf of the Senator from Oklahoma on Friday, the Senator from Pennsylvania may speak at this time for 10 minutes?

Mr. SMITH of New Jersey. Mr. President, reserving the right to object, I should like to call the attention of the Senate to the fact that on Friday last, I stated that I hoped to obtain the floor early on Monday in order to be able to present my views on certain phases of the State Department situation. I understand that, subsequently, a unanimous-consent agreement was arrived at that the Senator from Oklahoma would have the floor today in order to answer questions.

When the Senator from Oklahoma is recognized today, or even before then, I propose to request unanimous consent that I may deliver, prior to the continuation of the questions and the debate on the natural-gas bill, the address which I wish to make to the Senate.

I shall not have objection to the request of the Senator from Pennsylvania, provided I shall be in a position to make my request to deliver my address prior to the time when the Senator from Oklahoma resumes his answers to questions.

The VICE PRESIDENT. The Chair feels that under the unanimous-consent agreement entered into on Friday, it is the duty of the Chair now to recognize the Senator from Oklahoma, if he wishes to be recognized.

The Chair will state that the Senator from Oklahoma had completed his address on Friday and had yielded the floor; and unanimous consent was obtained at that time that he might resume the floor, in order that other Senators might ask him questions, without having his subsequent remarks counted against him as a second speech. The Chair announced that they could not be counted against him as a second speech, because although he had spoken on the natural-gas bill previously, he spoke at a time when the conference report on the cotton and peanut acreage bill was under consideration by the Senate, and therefore his remarks at that time could not be counted against him as a first speech on the natural-gas bill.

Does the Senator from Oklahoma wish to yield for the purpose of permitting other Senators to make speeches at this time?

Mr. KERR. Mr. President, my only desire is to answer any questions in reference to the natural-gas bill which other Senators may wish to propound to me. Then I shall be glad to yield the floor.

Certainly I have no objection to working out, in the meantime, any arrangement which will meet with the approval of the Senate and of the Presiding Officer. But anything which I might do in that regard would not be done on my own initiative or in accordance with my own wish, but would be in response to requests from distinguished Senators for whom I have the greatest respect, and as to whom I have the highest desire to be of help.

The VICE PRESIDENT. In view of the announcement made last Friday by the Senator from New Jersey, the Chair feels that the Senator from New Jersey has a little priority in regard to recognition at this time, for the purpose of requesting unanimous consent to make a speech. For that purpose the Chair recognizes the Senator from New Jersey.

Mr. KEM. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator from Missouri address the Chair?

Mr. KEM. I wish to reserve the right to object.

The VICE PRESIDENT. The Senator from New Jersey has not yet propounded his request. The Chair has recognized him in order that he may do so.

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent that the position of the Senator from Oklahoma may not be jeopardized by his yielding to me to permit me to address the Senate for approximately 30 or 35 minutes. I ask unanimous consent that I may be permitted to proceed under those circumstances.

Mr. WILLIAMS. Mr. President, reserving the right to object, let me inquire whether I am correct in my understanding that the Senator from Pennsylvania already has a unanimous-consent request before the Senate. I have no objection to having the Senator from New Jersey recognized, but I wonder whether the request of the Senator from Pennsylvania was put before the Senator from New Jersey spoke.

The VICE PRESIDENT. The Chair explained that inasmuch as the Senator from New Jersey announced on Friday that he would seek this privilege today, the Chair felt that the Senator from New Jersey had some priority in respect to recognition.

Mr. WILLIAMS. Do I correctly understand that the Senator from Pennsylvania requested the same privilege which has been granted today to other Senators?

The VICE PRESIDENT. The Senator from Pennsylvania made a similar request, but the Chair announced the situation on Friday.

The Chair will recognize the Senator from Pennsylvania in due time, but the Chair cannot recognize more than one Senator at a time. Inasmuch as the Senator from New Jersey announced on Friday that he would request this privilege today, the Chair felt that the Senator from New Jersey had some priority in that respect.

The Chair endeavors to recognize Senators in the order in which they rise and address the Chair.

Mr. WILLIAMS. That is why I have made this inquiry, because the Senator from Pennsylvania was first on his feet.

Mr. KEM. Mr. President, reserving the right to object, let me say that I have a few questions which I should like to propound to the distinguished Senator from Oklahoma [Mr. KERR] in regard to the natural-gas bill—the unfinished business.

For the information of the Senate and of the Chair, I should like to say that I have only a few questions to ask, and in that connection I shall not detain the Senate very long.

I am not disposed to object to the request which has been made by my friend the Senator from Pennsylvania or to the request which has been made by my friend the Senator from New Jersey. However, in all fairness, I think it should be understood that at the conclusion of the remarks of those two Senators, there will be no further requests of a similar nature, and the Senator from Oklahoma [Mr. KERR] will then be in attendance.

Mr. BRIDGES. Mr. President, reserving the right to object, I should like to ask the Senator from New Jersey whether he would amend his unanimous-consent request so as to provide that Senators, other than the Senator from New Jersey, including myself, might speak this afternoon, without prejudice to the right of the Senator from Oklahoma to the floor.

The VICE PRESIDENT. The Senator from New Jersey has spoken only for himself. The Chair can only put the question, Is there objection to the request of the Senator from New Jersey?

RESOLUTIONS OF LAND O' LAKES CREAMERIES

Mr. WILEY. Mr. President——

The VICE PRESIDENT. Is the Senator from Wisconsin reserving the right to object?

Mr. WILEY. Yes. Reserving the right to object, let me say that I was delayed a few minutes in coming into the Chamber today. I understood that opportunity was given to various Senators to present matters for printing in the CONGRESSIONAL RECORD. Is the right of Senators in that respect to be brushed aside because some Senator wants to make a speech?

The VICE PRESIDENT. That privilege was given to Senators who were present and who availed themselves of that right.

Mr. WILEY. I was present before the Vice President interjected something into the picture and I was on my feet at the time. Then the Senator from Pennsylvania rose to propound his request for unanimous consent and the Senator from New Jersey did the same. I merely wish to submit a matter for the RECORD.

The VICE PRESIDENT. The Chair has no way of knowing what is in the mind of a Senator who rises and addresses the Chair. The Senator from Pennsylvania announced that if routine matters were concluded he would like to obtain the floor in order to obtain consent to make a 10-minute speech. No other Senator said at that time that routine matters were not concluded.

However, if the Chair had known that the Senator from Wisconsin was seeking recognition in order to submit a matter for printing in the RECORD, the Chair would have recognized the Senator from Wisconsin.

Mr. WILEY. Mr. President, I am sure that an announcement in respect to the conclusion of routine matters was not made. I was on my feet at the time.

The VICE PRESIDENT. The Chair did not announce it, but the Senator from Pennsylvania did.

The Chair will recognize the Senator from Wisconsin, in order to enable him to present a routine matter at this time.

Mr. WILEY. I thank the Chair.

Mr. President, this morning I was pleased to receive from the president of the great Land O' Lakes Creameries, Mr. John Brandt, whose general offices are located in Minneapolis, a copy of the resolutions adopted at the twenty-ninth annual meeting on March 9 and 10 in that city. I have previously invited attention to this great creamery organization, whose very name has become a symbol of the finest in American butter making. Land O' Lakes betokens the rich nutritive value of butter, the ever-improved quality, the delicious taste and texture of the natural product.

Mr. Brandt himself is, of course, well known to the Members of the Congress as one of the outstanding dairy leaders and cooperators in this Nation. There are few, if any, issues in the past decade affecting American dairying on which the Congress has not benefited from the able counsel and testimony at committee hearings of Mr. Brandt, who, incidentally, as we all know, is also president of the National Cooperative Milk Producers Federation.

This year the vast membership of Land O' Lakes Creameries were represented at Minneapolis at the time when the first repercussions of the Oleo Trust's terrible victory over dairying were being felt. Throughout all the dairying Midwest there is grave concern over the dreadful results to American dairying, to American soil, and, yes, to the American consumer, because of the unfortunate victory of the Oleo Trust.

However, while this oleo matter was of deep importance to the representatives at Land O' Lakes, they did not allow it to obscure other crucial problems affecting farm credit, farm cooperatives, Federal taxes, and changes in tax procedures affecting dairymen, farm-price supports, and other issues.

The representatives adopted resolutions democratically representing the grass-roots judgment of the vast membership of this creamery.

I ask unanimous consent that the text of the resolutions on national issues which were adopted by their twenty-ninth annual convention be printed at this point in the body of the RECORD and appropriately referred.

There being no objection, the resolutions were received, referred to the Committee on Agriculture and Forestry, and

ordered to be printed in the RECORD, as follows:

1950 FARM PROBLEMS—RESOLUTIONS ADOPTED AT TWENTY-NINTH ANNUAL MEETING, MARCH 9-10, 1950, LAND O' LAKES CREAMERIES, INC., MINNEAPOLIS, MINN.

I

Farm credit

The business of agriculture is one that requires both seasonal and long-term credit. Since the advent of the Farm Credit Administration, farmers have had the use of a more dependable source of farm credit. The Farm Credit Administration has not only served as a direct medium of bringing to agriculture the credit sources of America, but has brought a competitive factor into the field that has served in a similar capacity to that which cooperative associations have served farmers in the marketing of their products.

The National Farm Loan Associations are now completely farmer-owned and, controlled and the Production Credit Associations are well advanced in their progress toward complete ownership on the part of farmers.

The Bank for Cooperatives, which is also one of the Farm Credit agencies, should be a cooperative bank and, therefore, we favor present proposed legislation that will permit the present Bank for Cooperatives to ultimately become a cooperative bank, owned and controlled by the cooperatives using the service.

We must continue our efforts to keep and improve the entire farm credit system to the end that the entire system will become a farmer-owned and controlled credit agency.

II

Double taxation

We are again in the midst of a great national battle on the question of double taxation of producers who are members of bona fide farmer-owned and controlled cooperative associations.

The National Tax Equality League is spearheading the drive to promote and pass legislation that will impose upon the farmer who is a member of cooperative associations a combination of sales tax on the part of his returns represented by his patronage equities in his cooperative and an income tax on his net returns which are the result of his advance price at the time of marketing his product and his patronage equity, which is the final settlement for his products sold through his cooperative. This combination represents double taxation and cannot be considered in any light of fairness to the farmer.

The drive on the part of the Tax Equality League is for repeal of the present provisions of the Capper-Volstead Act, and we oppose any change in the present laws or in sections 101-12-13 of the Internal Revenue Code.

III

Federal taxation and budget

For the maintenance of a balanced Federal budget we urge reduction of Federal expenditures through the elimination of waste and the efficient utilization of manpower by the Government. We believe that provisions should be made to meet the necessary and essential Government costs, including national defense and the reduction of the national debt. We believe that in these times of high employment and high national income such expenditures on the part of the Government which require the utilization of labor and materials should be postponed until such time as they are necessary to bolster employment and national economy and that this is the time to retire debt rather than to increase the national debt through the expansion and extension of Government services that are not absolutely necessary at this time.

IV

Dairy cattle as capital assets

We favor the right of dairymen to report as capital gains or as losses in Federal income-tax returns the gains or losses resulting from the sale or loss by death of cattle held for dairying or breeding purposes.

Farmers' livestock breeding stock is and should be classified as a capital asset, and gains or losses in sales should be considered as capital items in farmers' income-tax returns.

V

Agricultural-price program

The ever changing agricultural laws enacted by Congress as well as the uncertain and varied interpretation and administration of such laws by departments of Government are evidence of the fact that so far there is no such thing as a permanent agricultural price program. These changes and uncertainties are also evidence of the fact that in all of our experimentation with agricultural legislation we have not as yet come up with a program that will really serve the needs of agriculture and the Nation as a whole.

Congress passed a new agricultural act in 1[illegible]. This act repealed much past agricultural legislation and was purported to be of a permanent nature. It has only been in effect about 2 months, and it is already being attacked by many including Congressmen and its administrators as lacking in a number of features, and another act is being actively promoted that is propagandized as being especially beneficial to both producers and consumers in giving consumers lower cost food and farmers higher prices for what they produce at lower cost to the taxpayers.

The Land O' Lakes Creameries has long advocated and adopted the principle of a self-supporting agricultural-price program which would put into effect the principle of the surplus holding pool, financed by an equalization fee on the first sale of the commodity involved, as the best long-run program for agriculture. The experience obtained in the operation of the Dairy Products Marketing Association, which was a surplus holding pool, proved the economy and workability of this type of price-support program. The program of the Dairy Products Marketing Association lacked the complete feature of being self-supporting, dairyman financed operation and, while it demonstrated its feasibility and economy, if losses had been sustained, which was not the case, such losses would have had to be made up out of the taxpayer's pocketbook.

A self-supporting agricultural program must have legislative authority for the collection of an equalization fee to make it workable without being supported by the taxpaying consuming public. Therefore, we reiterate our support of the surplus holding pool, self-financed agricultural support-price program that has been adopted as a program for agriculture at many of our previous annual meetings.

VI

Production controls on wheat, corn, cotton, and potatoes through acreage reduction will have the definite and ultimate result of increasing the production of livestock, poultry, and dairy products, as such acreage reduction will not reduce total production but will have the effect of switching production from one farm commodity to another. Dairying will carry the heaviest load of this readjustment in the type of agricultural products produced on our farms. Interest in dairy cattle and increased dairy production are already concrete evidence of the trends ahead.

We do not see any particular disadvantage to the total agricultural economy in a program of diverting surpluses of bulk farm production to concentrated items such as livestock and dairy products. It takes a lot of hay and grain to produce a pound of butterfat or a pound of milk solids and, if we are to dispose of surpluses, the more concentrated the surplus the easier will be the problem of disposal.

With this problem in our laps dairymen can assist materially in the disposal of their farm surpluses which are concentrated into dairy items through support of an effective, well-financed advertising, educational, and promotional program for the increased consumption of dairy products.

The people of this Nation are fast becoming health and beauty conscious. They are waiting for the elixir of youth, health, and beauty. Dairymen have it wrapped up in the various packages labeled dairy products. We are of the opinion that we are a long way from overproduction of dairy products if we properly promote the consumptive demands that can be made available through proper advertising and promotion of the use of dairy products in the human diet.

Therefore, we urge consideration on the part of all our dairymen of an increase in the dairyman's contribution to the extent that he contributes at least 1 cent per pound on all butterfat produced for the entire year to be used for the purpose of promoting the sales of dairy products. If we could induce all dairy farmers in America to make this contribution, the funds so created would bring about a vacuum rather than pressure in the demand and sales of dairy products, and the dairymen's 1-cent investment would be multiplied many times in his returns for the sale of his dairy products.

We urgently request dairymen to consider this businesslike means of self-help in promoting the dairy business.

VII

The oleomargarine fraud

Sixty-three years ago Congress, with more consumer than dairyman support, passed legislation imposing a tax on colored oleomargarine as a protection to both the producer and consumer of dairy products. This tax was designed as a protection to the consumer against imitation and fraud. However, it did not completely eliminate fraud and deception in the sale of oleomargarine in imitation of butter, but it did have beneficial effects.

The recent legislative battle of oleomargarine versus butter was one in which the oleomargarine manufacturers put on a well-financed propaganda legislative program to repeal all control legislation, which would leave the field wide open for them to cash in on the popularity and consumer acceptance of butter and would again broaden the opportunity for deception and fraud in the sale of this product. The dairymen put on a drive to further tighten the regulations to protect the consumer and the industry. This battle wound up with the oleomargarine manufacturers getting concessions when the final legislation passed. While there were some beneficial regulations retained in the law for the dairymen, these regulations are not sufficient to provide the necessary protection.

We, as dairymen in convention at the annual meeting of the Land O' Lakes Creameries, express our sincere disappointment in that the welfare of the manufacturers of oleomargarine, who are already laying their plans to manufacture their product in imitation of butter out of foreign fats rather than domestic produce fats, should have received the blessing and support of the present administration and many Congressmen and Senators in lieu of the welfare of dairy farmers who are progressive, stable citizens of America.

Furthermore, we fail completely in our understanding of how the administration and Congressmen and Senators, who supported

the will of the comparatively few manufacturers of oleomargarine, should have so uncompromisingly turned their backs on their advocacy of soil conservation and crop adjustments, all of which is involved in the promotion of the dairy business. How more unreasonable, contradictory action and legislation could have been conceived is beyond the understanding of dairymen.

We thank the dairy farmers for their support of the campaign to raise funds to fight the battle of butter versus oleomargarine. We still have 20 States that prohibit the manufacture and sale of colored oleomargarine, and we urge continued support on the part of our dairy farmers in order that this important battle for protection of the dairy industry can be carried on in these States and extended to others.

VIII

Efficient operators

We wish to commend the operators of our Land O' Lakes dairy plants for the high standard of efficiency they have attained in the manufacture and processing of dairy products, as indicated by the results of the efficiency contests that have been conducted by the Land O' Lakes Creameries over a long period of years.

The year of 1949 was another banner year of accomplishment, and credit is due these fine, loyal, cooperative operators and managers of our dairy plants. We not only commend them for their loyal and efficient service but we especially urge the boards of directors of our member associations to scrutinize and appraise their service to the end that they may accord them a financial reward commensurate with the service rendered.

IX

Import embargo

A permanent foreign-trade policy for the United States should require all imported products to meet the sanitary standards comparable with those provided for similar domestic products. Our foreign-trade policy should further provide for adequate controls of imports during periods when price-support programs are in operation or when there are domestic surpluses of like products.

Agricultural price supports are already creating a heavy, much criticized burden on the American taxpayer, and it is hard to see justification for permitting imports of foreign products of which we already have a surplus under price support.

Therefore we urge the embargo on imports of foreign products of which we already have a surplus under price support.

X

Wage laws

The present wage-and-hour-and-minimum-wage laws are causing much confusion among the managers of our many cooperative associations. The administrative interpretations and regulations are not clearly defined and are difficult to understand. These interpretations and regulations vary so much as to their application that many business institutions find varying and contradictory application of these rules and regulations within departments as well as among employment within the same department of operation. We also find that different rules apply to the same type and size of operation where plants are located in cities of different population.

This ruling causes an unfair competitive situation between two organizations that in all fairness should not exist. We strongly urge consideration of these unjust factors that are caused by regulation and interpretation of the legislation.

XI

Soil conservation

A permanently prosperous nation requires conservation of the soil. Dairying inherently promotes soil conservation and so warrants public encouragement.

Additional educational assistance is also required in establishing soil conservation practices and improvement.

We endorse and support these measures.

XII

Support variations

There is much variation in the application of price supports as they apply to various types of agricultural products. Price supports should fit into normal business operations without too much disturbance of the historical experiences in the marketing of agricultural products. This is especially true with respect to market differentials.

We now have a situation where production and its relationship to terminal markets is being given consideration with respect to grains and certain other farm commodities and there now exist differential supports as they apply to farm products that bear a relationship to the proximity to various terminal markets.

This situation does not exsit in the price support as it applies to dairy products. Neither market differentials nor seasonal variations are considered in the price-support program for dairy products. This administrative interpretation of how the price-support law should be applied to dairy products certainly is at a variation as to how the same administrative body applies it to grains and some other farm products. It also upsets the normal market relationship to the extent that marketing operations are greatly hampered and require adjustments that are impossible of application, especially under the regulations that apply to cooperative marketing. These inequities and disadvantages have been called to the attention of the Department of Agriculture but without results to date.

The delegates at the annual meeting of the Land O' Lakes Creameries again wish to call this compromising situation to the attention of the Secretary of Agriculture, with the request that the regulation under which the dairy industry must operate today be reconsidered with the view of correction.

XIII

Step toward communism

The future of our cooperative farm marketing organizations depends upon these institutions remaining as the market place for the products of their members, the place where they receive the market price for their products. Any variation in this principle will place the success of these institutions in jeopardy.

Therefore, we believe it is essential that any participation on the part of the Government in the support of prices of agricultural products should be carried on with the least possible interference with historical market practices. If any substantial part of the price the farmer receives for his products is derived from a subsidy rather than the price at the market place, it will serve to deflect interest and support from our farm marketing organizations.

Proposals appealing to both producer and consumer, in that they are designed to give the consumer lower-priced food by reducing farm prices and making up the loss in parity income through subsidy payments, will be inducive to deflecting interest away from cooperative associations and will not be long supported by consumers because of a heavy tax burden without corresponding benefits to the consumer.

Reducing farm prices alone will not reduce the cost of living in a corresponding amount. For every six points of reduction in price of agricultural products we accomplish one point of reduction in the cost of living. Therefore, if the consuming public is urging this program as a solution to the farm problem, we are of the opinion that they should likewise support a reduction in wages and other incomes and have the Government make up the deficiency through a subsidy.

Labor would immediately object to a program where part of their daily wage was paid by the United States Government, as it would mean regimentation and the deflecting of interest away from labor unions and their business agents on the part of union membership. What is true with labor is true with agriculture. If we wish to reduce the cost of living we must have a combination of reduction in farm prices and in wages and other incomes and have the Government make up the difference. This is the first step in socialism and ultimate communism, and we oppose both.

XIV

Protector of our rights

We, as members of the Land O' Lakes Creameries, appreciate the opportunities that come to us in a free nation where the rights and privileges that we enjoy are guaranteed to us under the Constitution of the United States. We consider this document the most worthy of any ever written in all history of the world and pledge our loyalty and undying support to the principles and provisions of the Constitution. Under these broad provisions which guarantee to every individual the fullest opportunity to create for himself the things that America has in store for us, only limited by his ability and personal initiative, America has become prosperous and influential beyond the fondest expectations of the writers of the Constitution.

In these days when people the world over are seeking security, much of which they desire without contribution on their part, we admonish our legislative, administrative, and judicial departments of Government to guard and protect with all their might and with God's help the rights and liberties the American people have enjoyed in this Nation where the Constitution has been the guiding factor in maintaining these liberties.

We view with increasing concern the dictatorial tactics that are being used by leaders in certain groups which abridge the liberties of the individual and the protection to which he is entitled under the laws of the land. Men's rights to conduct business in a lawful manner or to work or not to work in any legal and lawful capacity are essential to the principles and guarantees of liberty we now enjoy.

XV

Excessive transportation tax

Transportation taxes bear heavily on the farmer. The farmer transports all his raw material to the market and is a heavy buyer of materials used in the operation of his farm in addition to foodstuffs consumed by his family.

The combination of transportation to and from market which now carries the special wartime tax can no longer be justified, and we urge our legislators in Washington to work for an early repeal of this wartime transportation tax, which is placing an excessive burden on an already overburdened agriculture.

XVI

Disease eradication

We endorse the Federal-State programs for the control of bovine brucellosis and tuberculosis and urge their continuance until complete eradication of these diseases is accomplished.

To this end we favor more rapid extension of systematic plans of eradication of brucellosis and elimination of diseased animals, utilizing vaccination whenever indicated in conjunction with testing.

XVII

Hoof-and-mouth disease

We urge national attention to the ever-increasing problem facing the livestock producers of America which are associated with

the spread of hoof-and-mouth disease into America from foreign countries.

We support the earnest efforts on the part of the United States Government in its attempt to control and eradicate this disease in Mexico, as it is from this source that we have the greatest danger of infestation in America.

Likewise, we urge embargo on the importation of beef from nations that have any possibility of being a source of spreading of the disease, as a further means of protecting American livestock.

XVIII

Economical distribution

In these days of mounting costs and keen competition, thrift and economy are fundamentally essential to the success of the individual family as well as a nation made up of individual families. You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. To bring about economy in marketing and consumer acceptance of the products handled by a cooperative association, Land O' Lakes Creameries must handle a large volume of farm products, which requires united support and cooperation of its several hundred individual member units supported by over 100,000 farmers.

There is also great need for a reduction in the price spread between producer and consumer. Seasonal surpluses of certain commodities require fast action between producers and their organizations and retail distributors. The development of new uses for agricultural products, improvement in the grading and packing of farm commodities and curtailing of expenses in the marketing of farm products are all essential to the welfare of both producer and consumer.

To effect economies through volume production and processing for distribution, the products must follow through the most direct system of distribution from producer to consumer, all of which requires effective organization in channels of retail distribution in order that the economies effected in volume, production, processing and preparation for distribution may be effectively carried through to the consumer. The demand for economy in retail distribution of food products is rapidly modernizing retail distribution through self-service supermarkets and larger national and regional distributing organizations.

Consumer experience in economizing through patronizing this modernized retail distribution method is demonstrated by the fact that 64 percent of all grocery items are now purchased through these modernized markets. Smaller retail units are also organizing into groups in order to effect economy in purchase, delivery, and sale through retail channels.

It is the policy of the Land O' Lakes Creameries to encourage further development in retail distribution that will serve as a means of reducing the cost between producer and consumer. Therefore, we view with concern the attacks now being made by the Department of Justice upon certain retail distributors of food products, which in our estimation will tend to reduce competition, increase costs of retail distribution, and otherwise deflect the trend in retail merchandising from the already established modernization and growing trend toward better organization and economy in the retail distribution of foods. We believe that some of the cases now pending are against the best interests of both producer and consumer and will tend to increase the expense of our cooperative agricultural organizations in the merchandising of farm products.

We are opposed to legislation that will prevent the normal development of any business by restricting its acquisition of the assets of other corporations or businesses.

ORDER OF BUSINESS

Mr. MARTIN. Mr. President——

The VICE PRESIDENT. The question is, Is there objection to the request of the Senator from New Jersey?

Mr. LEHMAN. Reserving the right to object, I wish to ask unanimous consent, in view of the fact that unanimous consent has been given to the distinguished Senator from New Jersey——

The VICE PRESIDENT. The Chair wishes to say to the Senator from New York that unanimous consent has not been given as yet.

Mr. LEHMAN. Consent has been asked. The junior Senator from New York temporarily reserves the right to object, but asks unanimous consent to be permitted to speak for not to exceed 6 minutes following the remarks of the Senator from New Jersey and of the Senator from Pennsylvania.

The VICE PRESIDENT. The Chair can only submit one unanimous-consent request at a time. The question is whether there is objection to the request of the Senator from New Jersey.

Mr. BRIDGES. Mr. President, reserving the right to object, I ask the Senator from New Jersey whether he will amend his request to include a request that the Senator from Pennsylvania and the Senator from New Hampshire may have an opportunity to make independent speeches, as well as himself?

Mr. SMITH of New Jersey. I may say in answer to the Senator from New Hampshire, if I have any right to make such a request, in addition to the request with respect to my own remarks, I should be glad to accommodate any of my distinguished colleagues. But I do not believe I can attach such a condition to the unanimous-consent request for an opportunity to present my own remarks. If the Senator cares to request a ruling on it, and if the Chair holds that I may show that courtesy to my colleagues, I shall be more than happy to do so.

The VICE PRESIDENT. The Chair wishes to say that any Senator may make any unanimous-consent request he sees fit to make. On the other hand, any other Senator has a right to object to it. Does the Senator from New Jersey amend his unanimous-consent request to include the two Senators referred to?

Mr. SMITH of New Jersey. I am happy to amend my unanimous-consent request, and to request that the Senators from Pennsylvania, New Hampshire, and New York shall have the privilege of speaking at the conclusion of my remarks, provided that is in accord with the recognition we have given to the Senator from Oklahoma, who has the previous unanimous consent of the Senate to resume the floor today.

The VICE PRESIDENT. Is there objection to the modified request?

Mr. O'MAHONEY. Mr. President, reserving the right to object, I desire to point out that, at the last session of the Senate, I was in the Chair, at the request of the Vice President. The Senator from Oklahoma was discussing the pending business. Requests were made of him by numerous Members of the Senate for information with respect to the arguments he was making. The Senator from Oklahoma displayed complete willingness to answer any questions presented to him. The hour was growing late, however, and Senators who were on the floor wanted to recess the session. So a unanimous-consent agreement was then made that the motion to recess should be entertained, but that the Senator from Oklahoma should have the floor, to respond to the various inquiries. It seems to me that to grant unanimous consent to what clearly would be a debate upon another matter altogether irrelevant to it would serve only to delay the Senate in acting upon the pending bill. I desire to ask the acting majority leader whether he believes, in these circumstances, unanimous consent should be granted to debate a matter wholly irrelevant to the question now before the Senate?

Mr. MYERS. Mr. President, I may say to the Senator from Wyoming, I am sure there are three or four other Senators in addition to those who are now asking unanimous consent, who also desire to address the Senate on subjects not related to the matter in hand. I think the granting of the request at this time would only delay consideration of the business now before the Senate. Although my colleague from Pennsylvania has a matter which I think is most important, which he desires to discuss with the Senate, the matter of the disposition of surplus property from the White House, nevertheless, since there are two or three or four other Senators who wish to make similar requests—and I know of several Senators who desire to obtain the floor—I do not think it in the best interest of the prompt and expeditious dispatch of the business before the Senate to grant the request.

Mr. O'MAHONEY. Under the circumstances, Mr. President, I am constrained to make objection to the request.

The VICE PRESIDENT. The Senator objects, and the Senator from Oklahoma is recognized. The Chair states that while a bill is pending, any Senator may obtain recognition to discuss anything he wants to discuss, though it may be wholly extraneous to the matter which is the pending business. The present occupant of the Chair, of course, will try to recognize Senators fairly, as they seek recognition on any matters they desire to discuss. In view of the objection, the Senator from Oklahoma is recognized for the purposes heretofore indicated.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

Mr. KERR. Mr. President, the Senator from Oklahoma is ready either to answer questions with reference to the pending measure, or to yield the floor.

The VICE PRESIDENT. Does the Senator from Missouri desire to ask the Senator from Oklahoma further questions?

Mr. KEM. I should like to ask the Senator a few questions. First, I should like to ask the able Senator from Oklahoma whether there is any doubt in his mind as to the meaning of the decision of the Supreme Court of the United States in the Interstate Natural Gas Co. case.

Mr. KERR. I believe the Senator from Oklahoma answered that question a number of times on Friday afternoon. The Senator from Oklahoma has made it clear in the past as to what his own interpretation of the decision was at the time it was rendered. He has further referred to the opinions expressed by counsel, including those of the Federal Power Commission, and he has referred to the fact that when the Panhandle-Eastern decision was handed down last year, he found in that what appeared to him to be positive refutation of what had seemed to the Senator from Oklahoma to be included in the dictum of the Court in the earlier Interstate decision; all of which, in the mind of the Senator from Oklahoma, has these two results: First, his own opinion about the matter is that the situation is just as confused as it can possibly be; second, he is of opinion that the situation in the minds of the legal fraternity, the gas industry and the Federal Power Commission is just as confused as it can be.

Mr. KEM. I should like to ask the Senator from Oklahoma if he recalls appearing as a witness before a subcommittee of the Committee on Interstate and Foreign Commerce on Tuesday, May 17, 1949.

Mr. KERR. He does; and in the discussion he took the position at that time that in his opinion the holding in the Interstate case was to a certain effect, and, as he said a moment ago in answer to the other question asked him by the Senator from Missouri, insofar as his own opinion was concerned, when the court handed down its decision in the Panhandle-Eastern case he was quite aware that it was a positive ruling which, in the opinion of the Senator from Oklahoma, was in direct conflict with what the Senator from Oklahoma had been of the opinion would be the effect of the ruling in the preceding Interstate case.

Mr. KEM. I should like to ask the Senator from Oklahoma, referring to page 85 of the hearings before the subcommittee of the Committee on Interstate and Foreign Commerce, if, on the occasion of his appearance before that subcommittee, he made the following comment with reference to the opinion of the Supreme Court of the United States in the Interstate Natural Gas Co. case:

> Senator KERR. There are two schools of thought with reference to that decision. Some think that it merely clouds the question, but I am not of that school. I think that the decision is clear, concise, and definite.

Mr. KERR. That is the statement made by the Senator from Oklahoma at that time and, as an attorney, that was his opinion. As stated to the Senator from Missouri a while ago, that was his individual opinion until the Supreme Court handed down its decision in the Panhandle-Eastern case last year, wherein the language was used which the Senator from Oklahoma has quoted in this debate which, to the Senator from Oklahoma, is just as clear and concise a holding to the contrary.

Mr. KEM. I should like to ask the Senator from Oklahoma if it is true that action has been taken by State regulatory bodies in the States of Oklahoma and Kansas, respectively, with reference to the price of natural gas at the well.

Mr. KERR. Do I correctly understand the Senator to ask me if I know whether it is true that action has been taken in two States?

Mr. KEM. By the regulatory bodies of those States.

Mr. KERR. I advised the Senator from Missouri many times on Friday that I had information to that effect, but that I had not seen the ruling to which the Senator refers and with reference to which information has been received by the Senator from Oklahoma.

Mr. KEM. On Thursday, March 25, I inserted in the CONGRESSIONAL RECORD the opinions in those cases. The opinion of the Supreme Court of Oklahoma appears in the RECORD at page 3910, and the opinion of the Corporation Commission of the State of Kansas appears in the RECORD at page 3916. On Friday last the Senator from Oklahoma said, I believe, that he had not read those opinions. I should like to ask him if he has since read them.

Mr. KERR. I have not.

Mr. KEM. The Senator knows, however, does he not, that the action of the State regulatory bodies in each instance consisted of raising the price of the gas at the well?

Mr. KERR. In regard to that question, the Senator from Oklahoma wants to say that, in the first place, the Senate of the United States is not an appellate court sitting to review either the orders of the State regulatory body in the State of Oklahoma or the decisions of the Supreme Court of the State of Oklahoma.

Mr. KEM. Did the Senator——

Mr. KERR. Just a moment, if I may complete my answer to the Senator's question.

Mr. KEM. I am sorry.

Mr. KERR. The Senator from Oklahoma is not of the opinion that the Senate has designated itself either as an appellate court or a board of review in those matters, nor has it appointed the Senator from Missouri as the prosecuting attorney to take an appeal from those decisions to this body. The Senator from Oklahoma is of the opinion that if such were to happen, the Senator from Missouri would hesitate to assume such a role or such a responsibility.

The Senator from Oklahoma is aware of the close proximity of the great State of Missouri and the great State of Oklahoma and of the fact that their citizens are neighbors and friends. The Senator from Oklahoma has a deep feeling with regard to the State of Missouri. The father of the Senator from Oklahoma was born in Missouri and lived there until he was a young man. The grandfather of the Senator from Oklahoma was a member of the Army which was raised in Missouri and which he led through the dark and awful days of the War Between the States. The Senator from Oklahoma would no more raise his hands against his friends and neighbors in Missouri than he feels they would seek to raise their hands against their neighbors and friends in Oklahoma, if it should come to the point that the Senate of the United States should sit as an appellate court or as a board of review with reference to actions of the courts or of regulatory bodies of each State. However, if the time should ever come when this august body should be sitting in review of actions which had been taken by the duly constituted authorities of the State of Oklahoma, and if the day should ever arrive when those bodies needed a voice on the floor of the United States Senate or representation here to defend them in any matter in which they had taken official action, the Senator from Oklahoma would be available for that purpose and would act to the very best of his ability.

He believes in the right of the States to exercise their constitutional functions; he believes in the right of the people of the States to select their courts and their regulatory bodies in the manner which they prescribe in the basic laws of the States; but in view of the fact that that question is not yet before the Senate for review or on appeal, in view of the fact that neither the Senator from Missouri has been charged with the responsibility of prosecuting an appeal against them, nor the Senator from Oklahoma has been charged with the responsibility of defending them in this forum, and in view of the fact that it is not a question with which the current matter has anything to do, either to modify or change, affirm or deny, the Senator from Oklahoma feels it is not a pertinent matter for further questioning with reference to the pending bill, and he suggests to the Senator from Missouri that if he wants to discuss what he thinks is its application to the subject, he do so in his own time.

Mr. KEM. I should like to ask the Senator from Oklahoma if he recalls the statement I made when the question was being discussed on Friday, that I had no doubt about the jurisdiction of the Commission or of the courts in Oklahoma to fix the price of gas sold to citizens of that State, but that I did have a doubt as to whether they had the right to fix the price of gas sold to citizens of Missouri; that I was very much concerned as to whether the State bodies in Oklahoma and Kansas should be permitted to fix the price of gas and raise it and the interstate or Federal body charged with the responsibility of regulating the price of sales in the consuming States should have that authority taken away from it.

Mr. KERR. In answer to what the Senator from Oklahoma presumes to be the question of the Senator from Missouri, he recalls that the Senator from

Missouri dicussed the subject and expressed his doubts and concern. The Senator from Oklahoma realizes that he is unable to remove those doubts from the mind of the great Senator from Missouri. The Senator from Oklahoma is aware of his inability to eliminate from the mind of the distinguished Senator from Missouri the concern which the Senator from Missouri entertains. However, the Senator from Oklahoma is not seeking to cause the Senator from Missouri not to discuss the matter when he may desire to do so, in his own time. The Senator from Oklahoma has not only arrived at the conclusion that he is unable to remove the doubt from the mind of the Senator from Missouri, but has lost all interest in doing so, insofar as responding to further repetition of the same question on the subject is concerned.

Mr. KEM. Does the Senator from Oklahoma feel that the question of regulation of interstate sales of gas which passes from the State of Oklahoma to the State of Missouri is a matter of Federal or interstate concern, and that questions concerning such regulations are proper for consideration on the floor of the Senate?

Mr. KERR. The Senator from Oklahoma believes that Senate bill 1498 is a matter for proper consideration by the Senate, and he believes that that is the question before the Senate. He believes that the matters to which the questions of the Senator from Missouri have been directed are not before the Senate, and therefore, insofar as the pending matter is concerned, the opinion of either Senator on such matters is reduced to a minor state of irrelevance.

Mr. KEM. I should like to ask the Senator from Oklahoma if he regarded as socialistic the action of the State regulatory body in Oklahoma in raising the price of gas at the well.

Mr. KERR. The Senator from Oklahoma did not regard as socialistic any action taken by any official body in Oklahoma to put a floor under the prices of products of citizens of Oklahoma. He does not see any remote comparison between such action and an effort on the part of the Senator from Missouri to make it possible for a Federal agency to invade the sovereign territory of the State of Oklahoma and fix prices of its raw products in the ground at a rate limited to the cost of digging them out of the ground, because the Senator from Oklahoma feels that such action would amount to worse than socialism. The Senator from Oklahoma believes that such lawful action as the Court or Commission takes in Oklahoma with reference to fixing minimum prices for products in the State of Oklahoma is no more socialistic than when the Federal Government, in a field where it has a right to operate, fixes a minimum price for corn in Missouri, cotton in Texas, or wheat in Kansas, Oklahoma, and across the high plains, or when the Federal Government fixes a price for any other farm commodity produced by the farmers of the Nation.

The Senator from Oklahoma does not believe it to be any more socialistic than the action of the Department of the Interior with reference to ownership by the Federal Government of certain interests in a producing gas field in the State of Wyoming. The United States Government was found to be the owner of approximately 25 percent or 30 percent of the acreage and field, and a contract was negotiated under which the operator agreed to pay the United States Government a minimum price of 7½ cents per thousand cubic feet for the gas produced from that field. The Senator from Oklahoma feels that the action of the Department of the Interior with reference to working out a contract, whereby the Federal Government was to be paid for its share of the gas to be produced from the field, was not socialistic. He feels the action of the Commission in Oklahoma was no more socialistic, but was as far removed from it as it possibly could be, and certainly was as far removed as the action by the Department of the Interior for and on behalf of the United States Government.

Mr. KEM. Does the Senator believe that action by the Federal Power Commission in regulating the price of gas at the well by raising the price would be socialistic?

Mr. KERR. Will the Senator repeat the question?

Mr. KEM. Does the Senator believe that action by the Federal Power Commission in regulating the price of gas at the well by raising the price would be socialistic?

Mr. KERR. The Senator from Oklahoma thinks that any attempted action by the Federal Power Commission to fix the price of gas sold by an independent producer not subject to the regulatory power of the Federal Power Commission would be an act beyond the scope of its authority, would be an act in direct conflict with the prohibitory language of the act whereby the jurisdiction of the Commission was created. He thinks it would be an action arbitrarily taken, and if taken on the basis on which they said they would take it, would amount, not to regulation, but to confiscation..

The Senator from Oklahoma does not go to Oklahoma and make speeches there with reference to protecting the rights of the State with regard to the conservation of its natural resources, with regard to its operations under its organic laws, and then come to Washington and make an effort to make it possible for a Federal agency, without authority from Congress, to have the right to set aside and nullify not only any lawful authority the State or its agencies might have, but also any contract which its citizens might make.

Mr. KEM. I understood the Senator to say on March 24, when he spoke on the pending measure, that he thought that regulation by the Federal Power Commission had all the evils of socialism. Is that correct?

Mr. KERR. I said that the regulation which they had threatened to impose had all the evils of socialism without any of its virtues.

Mr. KEM. The regulation which the Federal Power Commission sought to impose, to which the Senator from Oklahoma referred, was the regulation of the price of gas at the well. Is not that correct?

Mr. KERR. It was the fixing of the price of the gas at the well, on the basis, not of its value, not of what it could be sold for, not of what the contract for sale called for, but limited only to the amount it cost the operator to get it out of the ground and put it into the line.

Mr. KEM. The Senator denounced such price fixing by the Federal authority as socialistic.

Mr. KERR. The Senator from Oklahoma denounced that threat as being one which, if carried out, would be socialistic; and, worse, that it would be confiscation of the property of the citizen.

Mr. KEM. Will the Senator explain why in his judgment it would be socialistic to take this action on the Federal level, but not socialistic to take similar action, or identical action, on the State level?

Mr. KERR. If the Senator from Missouri cannot understand the difference between a State regulatory body in a State seeking to compel the delivery of its resources on a basis which limits the return only to the cost of producing it, and, on the other hand, the action either of the State regulatory body in its field of lawful operation, or of the Federal Government in seeking to put a floor under the value of the things produced by its citizens, then I fear that it is beyond the powers of the Senator from Oklahoma to enlighten the Senator from Missouri.

Mr. KEM. Is it the position of the Senator from Oklahoma that when regulation consists in raising the price it is wise and beneficial, but that when it consists in reducing the price, it is baleful, evil, wicked, and pernicious?

Mr. KERR. The Senator from Oklahoma ascribed none of those qualities to the action, reported here by the Senator from Missouri, taken by the regulatory body and the supreme court of Oklahoma. The Senator from Oklahoma, in referring to it, stated that if it were an exercise of their lawful authority, it was beyond the power of the Senate to change it. The Senator from Oklahoma stated further that if they had that authority the bill did not take it from them; that if they did not have it, the bill did not give it to them.

The Senator from Oklahoma in addressing his remark to the threat of that which was worse than socialism, based it in part upon this consideration: In a democracy, even in the exercise of eminent domain, when, in the public interest, the Government finds it necessary to take the property of the citizens of that government, it does so on the basis of paying the citizens the fair value of the property which Government is compelled to take.

The Senator from Oklahoma reminded the Senate that in England, which Senators have referred to as being socialistic, when the present government in England nationalized an industry it did so on the basis of compensating the owners for the ascertained value of the industry taken over. The Senator from Oklahoma then said that what the Federal

Power Commission threatened to do was to compel the independent producer to deliver his gas without paying him its fair value, without paying him what he could receive for it competitively locally, without paying him what the contract he had entered into to sell it may call for. That the threatened action by members of the Federal Power Commission was to put the independent producer in a position where he would receive only what it cost him to drill the well, operate the property and run the gas into the line, which would mean that he would not be receiving 1 penny for his property.

The Senator from Oklahoma said that would be confiscation, and that therefore it had all the evils of socialism, in that Government was compelling the delivery of citizen's property and fixing the price, but that it lacked even the doubtful virtue of socialism under which, when the present socialistic government in England does take from its citizens their property, it does go through the form of paying them on the basis of its fair value.

I want to say that the Senator from Oklahoma was shocked when he heard the Senator from Missouri, one of the stanchest apostles of free enterprise ever to come to the Senate, take the position of backing up those on the Federal Power Commission who threatened to do that which would be more detrimental and harmful to the citizens involved than what the socialistic government in England has been complained of doing to its citizens.

Mr. KEM and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER (Mr. KEFAUVER in the Chair). Does the Senator from Oklahoma yield, and if so, to whom does he yield?

Mr. DONNELL. Perhaps the Senator from Oklahoma would prefer to yield to my colleague, who has just been indulging in a colloquy with him.

Mr. KERR. Very well; I yield first to the junior Senator from Missouri.

Mr. KEM. Mr. President, I should like to ask the Senator from Oklahoma if he was not present in the Senate when I stated my views on the subject to which he has just referred, and pointed out that regulation of a monopoly is in accord with sound legal principles which have been developed through the period of many years by our people and by our forebears in England; and that there is nothing in the position the Senator from Missouri has now taken which is inconsistent with the position he has taken ever since he has been a Member of this body. Did not the Senator from Oklahoma hear the Senator from Missouri say that he believes firmly in the free-enterprise system, but he believes in order to make the free-enterprise system work it is necessary that monopoly in all its forms be restricted and regulated by public authority?

Mr. KERR. Yes, the Senator from Oklahoma heard the Senator from Missouri, and as he spoke he thought of Isaac who said:

> The voice is Jacob's voice, but the hands are the hands of Esau.

In further answer to the question, the Senator from Oklahoma is aware of the holding of American law with reference to monopoly, and basically it is not regulatory as the great lawyer and Senator from Missouri knows. It is prohibitive. The only field in which monopoly is recognized and regulated is in the form of a public utility, and that is a departure from the general basis of our organic law with reference to monopoly, which is in the main prohibitory and not regulatory.

I want to say further to the Senator from Missouri that not even Leland Olds took the position that the production of gas, or that gas at the production level was a monopoly, and the Senator from Oklahoma was present on the floor when the Senator from Missouri himself, in answer to a question from the distinguished Senator from Colorado [Mr. MILLIKIN] acknowledged that production of gas at the producer level was not a monopoly.

Mr. KEM. Mr. President, I should like to ask the Senator from Oklahoma if he does not recall my saying distinctly, when we were previously discussing this matter, that there was no monopoly in the field; that the producer had an option to sell his gas to chemical industries, to carbon-black industries, to be compressed and sold throughout the country as bottled gas, in all of which cases it would be free enterprise, and in my judgment not subject to regulation. I said further that there was only one occasion that I recalled when the gas producer in the field should be regulated as to the price, and that was when he elected to avail himself of the public utility market, when he elected to sell his gas through mains built in public streets and in public highways which occupy a monopoly position. Does the Senator from Oklahoma recall the Senator from Missouri saying very distinctly that it was only in that event, and in that case, that it was necessary that the Government or the State, as the case may be, intervene and regulate in the interest of the consumer, because as I said to the Senator from Oklahoma, from the standpoint of the consumer the gas is a monopoly, since if the consumer wants to buy it he has only one practical, economical, and economic place to go, and that is to the gas company? If the Senator from Oklahoma will recall, I referred to the homely instance that if a householder who lived in a large city wanted to buy coal he could pick up the telephone book and buy it from say one of fifty sources, but if he wanted to buy gas there was only one place for him to go.

Mr. KERR. The Senator from Oklahome recalls distinctly what the Senator from Missouri said. He also recalls the questions asked the Senator from Missouri by the distinguished Senator from Colorado [Mr. MILLIKIN]. The Senator from Oklahoma says that he would be hard put to improve upon the results of that series of questions and answers.

The Senator from Oklahoma was present when the Senator from Missouri acknowledged that the production of gas at the producer level was not a monopoly and could not be; and he thinks the record is quite clear about the distinction between what could and could not be a monopoly insofar as he is concerned at that level.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. CAIN. The Senator from Washington would like to state to the Senator from Oklahoma that the Senator from Washington has tried as he has listened attentively, to understand the question and the issue which is before the Senate, and I think I do understand it. But I want to point out, sir, that my understanding is not shared by a number of those with whom I have recently talked in person and by a number who have recently written me on the subject. Those who have encouraged me in recent days to vote against the bill have offered two reasons.

First, they have said it would not be in the public interest to take away from the Federal Power Commission certain regulatory authority over the natural-gas industry which the Commission has had in years gone by. Secondly, if that authority is taken from the Federal Power Commission, the price of natural gas to the consumer will rise drastically. Against that observation I should like to offer the following questions. The first question is: If the pending bill becomes law, what powers now possessed by the Federal Power Commission will be taken away from the Commission?

Mr. KERR. The Senator from Oklahoma wants to express his appreciation to the Senator from Washington for having asked the question. The passage of the pending measure would not take from the Federal Power Commission any part of any jurisdiction or regulation which it has ever exercised or sought to exercise in all the years of its operation since the passage of the Natural Gas Act and under it. The passage of the pending measure would retain the status quo of the administrative operation of the regulation by the Federal Power Commission of all phases of the natural-gas industry which it has ever sought to regulate, or which it has ever claimed to have the authority to regulate.

As to the second part of the question, with reference to the price to the consumer, the Senator from Oklahoma wants to say that the present-day situation, whereby the consumers are receiving gas at 12 percent less than they did 12 years ago, would certainly be every reason for it to be continued into the future, because the independent producer has never been regulated. He has made it possible for this very situation to exist. He has furnished gas in such increasing quantities that the volume carried by the transporter and distributed by the distributing companies has enabled them to pass on savings year after year to the consumer. If in the future he is left in the same position as he has occupied in all the 12 years since the act was passed, he will be able to continue furnishing gas in such abundant quantities that the volume handled by the transporters and distributors will make it possible for them to pass on to the consumers still further savings.

Let me say a final word in answer to the question: I wish to remind the Senator from Washington of the fact that in the entire area of residential consumption, outside the seven southwestern States where much of the gas is produced today, the consumer pays about $1 a thousand cubic feet for the gas he purchases. Of that amount, the southwestern producer receives only a nickel. So 95 percent of the consumer's dollar today is going to the transporter and to the local distributor. If the situation continues to be in the future what it has been in the past, so that the producer will be able to continue freely to supply natural gas in ever-increasing amounts, savings in the part of the operation where the cost is high can continue to be made and continue to be passed on to the consumer.

Mr. CAIN. Mr. President, I thank the Senator from Oklahoma for his answer to my first question and for the other observations he has made. I think those observations have answered in part some of the other questions which I seek to propound to the Senator.

With his indulgence, I shall state these questions in order because of their continuity and because it seems to me that only through securing answers to such questions can Senators be provided with information through which they can accurately and properly determine to be either in favor of or opposed to the pending measure.

Mr. KERR. I shall be delighted to yield to the Senator to permit him to ask the questions.

Mr. CAIN. Let me first say to the Senator from Oklahoma that in replying to inquiries from various persons who have insisted upon telling me that this measure, if enacted into law, will take away from the Federal Power Commission certain powers it now has, I have been interested in asking them where they obtained such information. Their answers have been that they thought they got it from the newspapers. That does not mean they are critical of the press, but it indicates that either the answer just given by the Senator from Oklahoma has not been distributed generally throughout the country by the press or else many persons have not read what was made available to them.

My second question is this: Why is it maintained by the opponents of the pending measure that its passage will result in substantial price increases to the consumers of natural gas?

Mr. KERR. In answer, I can only indulge in conjecture; but I believe that impression has been created by misinformation carried in the press with reference to that phase of the question, just as the erroneous impression has been created that this bill, if enacted, will take away from the Federal Power Commission some power it has exercised. The latter erroneous impression has been created by misinformation distributed by the press and certain ill-informed columnists.

With further reference to the consumer, let me say that in every consuming area to which gas now is being furnished, it is being furnished under contracts which run for periods of from 20 to 50 years into the future. We are aware of the fact that the price of coal to consumers has risen 250 percent. We are also aware of the fact that in any other fuel market the consumer faces uncertainty as to what he may have to pay for fuel in the future. However, in the areas now furnished natural gas or in the areas to which pipe lines are now being built or in the areas where permits for the construction of pipe lines are pending, natural gas already has been contracted for, under contracts extending for long periods of years at fixed prices; and that situation will insure consumers against any arbitrary or abrupt increase in price, or, for that matter, so far as I can see, any possible increase in price.

Mr. CAIN. The Senator from Oklahoma will be pleased to know that no other Senator has asked me to commit my vote in connection with this matter, nor has it been committed. I seek to perform what I regard to be a reasonable public service in making more clear than appears to have been the case thus far the position of the Senator from Oklahoma.

With his permission, I shall ask a third question: If it be true—at least, no one has said otherwise—that in the past the Federal Power Commission has not exercised control over the production of natural gas, why has the price of natural gas to the consumers decreased by approximately 1 percent a year during the past decade, as I understand has been the case?

Mr. KERR. That has occurred for the very simple reason that the independent, unregulated producer has continued to look for, and has continued to find, natural gas reserves, and has happily made them available to the interstate pipe lines and to the consuming areas on a reasonable basis; and he seeks only the opportunity to continue to render the same service in the future.

Mr. CAIN. I hope the Senator will permit me to ask that same question basically in a slightly different form.

Mr. KERR. I shall be delighted to yield for that purpose.

Mr. CAIN. If the price trend of natural gas has been downward in recent years, during which time the production of natural gas as an industry has not been controlled in any way by the Federal Power Commission, why should future prices be much higher if, under the terms of the pending measure, the industry is merely to be permitted to continue to manage its own affairs in the future, as it seemingly has done so successfully in the past?

Mr. KERR. I am happy to have that question asked, and to say in response that not only do I think the contracts to which the Senator has referred would prevent that, but I am also convinced that the vast abundance of natural gas available and the vast additional reserves being found insure not only the consumers now using natural gas, but also those who seek to use it, that in this field, and in this field alone, they have the assurance that they will not be faced with price increases in the future.

Mr. CAIN. I thank the Senator.

As we are talking about controlling one form of fuel because of our natural interest in the consumer, I think we ought to consider all the other fuels, as they relate to the pending measure. Against that observation, let me ask this question: During the past decade, when the price trend of natural gas has been downward, what has been the price history of other prime fuels, such as coal and oil?

Before the Senator from Oklahoma answers that question, let me say that many persons who have written to me have asked me to determine for them whether the price of natural gas has been out of line, in a competitive and consumer sense, with the price of other fuels.

Mr. KERR. I am happy to answer that question, and in that connection I refer to the chart which is displayed in this Chamber. It shows that, since 1939, the price of natural gas to the consumer has decreased 12 percent; that during the same period of time the price of fuel oil, as of the end of 1948, had risen 90 percent; that the price of bituminous coal had risen 82 percent; and that the price of anthracite coal had risen 75 percent.

In further answer, let me remind the Senator from Washington that only recently another increase was made in the wages of coal miners. I have no criticism of that increase in wages, but it leaves me fully aware of the fact that it will necessitate a still further increase in the cost of that fuel to the consumer.

Mr. CAIN. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. LONG in the Chair). Does the Senator from Oklahoma yield further to the Senator from Washington?

Mr. KERR. I yield.

Mr. CAIN. In answer to some of the inquiries presented to me and to some of the fears expressed to me by citizens of the State of Washington, I have generally stated that I am not in a position to advise them in regard to any future increases in the price of natural gas, but that I wished to make it clear to them that in the past 10 or 12 years the trend in the price of natural gas has been downward; and that on the basis of logic and on the basis of the facts, any future increase in the price of natural gas which can be anticipated will not—for reasons which most of us can understand—begin to compare with increases in the prices of other fuels. Let me state that in this connection I have presented only the available facts, because most persons make up their minds fairly easily once the facts are known to them.

Will the Senator from Oklahoma permit me to continue my inquiries on this subject for one or two steps further?

The PRESIDING OFFICER (Mr. KEFAUVER in the Chair). Does the Senator from Oklahoma yield further to the Senator from Washington?

Mr. KERR. I shall be glad to have the Senator ask further questions, and I yield to him for that purpose.

Mr. CAIN. To my mind, this is a very important question, and I wish to do my best to find the proper answer to it: If, solely by way of argument, we in the

Senate were to agree that fuel prices to the consumer should be determined only from Government control and regulation, then, first of all—and there are three parts to this question—why should we attempt to begin such regulation and control with the one fuel—natural gas—which over a full decade has had the most reasonable and the best price history?

Mr. KERR. I appreciate that question, and I wish to answer it, Mr. President. My belief is that it is by reason of misinformation either as to the situation or as to the history or as to the prospects of natural gas. In further answer, let me remind the Senator from Washington that not only is an attempt being made to regulate, at the producer level, the price of natural gas, the only fuel which, in price, has gone against the price trend of other fuels, by going down while they have more than doubled or nearly doubled in price, but it is also true that natural gas is the only basic commodity produced by American producers which has thus decreased in price, whereas, to the contrary, all other commodities have, on the average, increased in price nearly 75 percent.

Mr. CAIN. The second part of the question is this: If, again by way of argument, we think it proper to control fuel prices to the consumer, why do we not in all seriousness seek to impose Federal regulation and control on all fuels simultaneously?

Mr. KERR. The Senator from Oklahoma would certainly be impressed with the equity of an advocate of the control of the price of one fuel, if he at the same time made the same effort to secure the control of the price of all fuels. If the Senator will permit further answer to the question, it reminds me a little of the story of a friend of mine who came to me during one of the crises respecting coal. He was quite exercised and wrought up. He said, "We have got to have a law about this business." The Senator from Oklahoma asked him what his suggestion was as to the law we ought to have. "Well," he said, "we ought to have a law against these strikes." The Senator from Oklahoma reminded him that, in the first place, an American citizen had a right, under the Constitution, to work or to decline to work, and, therefore, had the right to strike. I further reminded him that although we had a law against strikes, it would be impossible to include a provision which would compel citizens to work. "Well, then," my friend said, "why don't we pass a law compelling them to work?" The Senator from Oklahoma replied, "It might create a situation with far-reaching implications." The man replied, "How is that?" I said, "Well, you know in this country of ours, where we have the democratic process, when we pass a law with reference to one, it applies to all. During the war when we required the services of men in the armed services, we had a law that applied to all, in seeking men to fill the ranks of our armed forces." The Senator from Oklahoma continued, "Now, if we were to pass such a law, it would have to apply to everyone." My friend said, "Well." Whereupon, the Senator from Oklahoma said, "Suppose they drew my number, or your number, out of the fish bowl, and you or I had to start working again for a living?" "Well," he said, "I don't want anything like that to happen." [Laughter.] I said, "When you can figure out a way of passing a law to compel another to work, while leaving yourself free from its application, come back, and we will talk about it." Along that line, it is my thought that when one seeks to bring about, not by law but by administrative order, regulation of the price at the producer level of one fuel, and not with reference to any other, he is getting onto similarly unstable and untenable ground.

Mr. CAIN. I think the illustrations used by the Senator from Oklahoma will be enlightening to the record and of benefit to thoughtful people as they consider this rather provocative problem. It to me at least is very provocative. The junior Senator from Washington, on the basis of what he thinks he knows about the question, sees no reason certainly at this time for imposing Federal regulation and control on the natural gas industry. But I am concerned with the equity of the problem, and I therefore pose the third part of my present question. If, again by way of argument, we think it proper and necessary in the interest of consumers throughout America to control and regulate fuel prices, why do we not seek, first—and I emphasize the word—if we are really serious about the problem which confronts us, why do we not first seek to impose Federal regulation on the fuel, whichever fuel it may be, with the highest and most rapidly increasing price history within the past decade?

Mr. KERR. In answer to the question, the Senator from Oklahoma thinks, if one were sincere in an effort to regulate the price of fuel at the producer level for the benefit of the consumer, he would certainly begin with that fuel or with those fuels which at this time furnish the most consumers, in the terms of numbers, and on a basis which not only costs them the most at the present time, but with reference to which there have been phenomenal increases in cost to the consumers within the past decade.

Mr. CAIN. Mr. President, will the Senator from Oklahoma permit a very brief observation? The Senator from Washington has not previously said anything at all publicly on the question, primarily because he did not consider himself to be an authority on it. But I have sat here, along with other Senators, for the past 2 weeks, during which time questions of the kind I have asked the Senator from Oklahoma have arisen in my mind, and have been shared by people possessed of common sense throughout the country. The substance of all the questions I have asked is, first, if as a policy we determine that regulation and control of fuel prices is to the best interests of the consumer, why do we not grapple with the entire problem? Or, if we seek to do it piecemeal, why do we not grapple with those portions of the problem which are obviously much more important than the portion of natural gas, and which are of greater concern to the general public today?

I follow the observation with my concluding question. Will the Senator restate for the information of all interested people what the effect of the recent price increase, resulting from the late lamented, and we hope not to be repeated, coal strike, will be on the consumers of the country? And then, will the Senator compare the recent increase in the price of coal, in its cost to the consumer, with the total annual present-day production and sales price of natural gas?

Mr. KERR. The recent increase in wages and welfare benefits to the miners totals, with respect to those two items alone, from $105,000,000 to $110,000,000 per year. I have seen estimates from the industry indicating that the price of coal will be raised from 25 cents to 50 cents a ton. In view of the fact that the annual consumption is between 450,000,000 and 500,000,000 tons, it means that the increase in cost to the consumer, resulting solely from that one increase, will amount to between $130,000,000 and $250,000,000 a year.

Answering the Senator's second question, all the natural gas sold by the independent producers of the country in interstate commerce brings to those producers a gross of approximately $75,000,000 a year. That was the figure for 1948. The production has increased to some extent, and, by the percentage to which it has been increased, the total gross revenue would be proportionately increased. But, as of this hour, as I understand, the amount which they are selling is in the neighborhood of from 1,500,000,000,000 to 2,000,000,000,000 cubic feet a year. The total gross revenue which they receive for all the gas moving in interstate commerce amounts to less than $90,000,000 a year, as contrasted to the increase to the consumer by reason of the one raise in wages and welfare benefits, costing the consumers between $130,000,000 and $250,000,000 a year.

Mr. CAIN. I wish to thank the Senator from Oklahoma for the fullness of his answers, which obviously will be judged by those who read the RECORD, and by those to whom I, as one Senator, will send it.

In conclusion, I should like to ask the advice and counsel of the Senator from Oklahoma in order that I may know with certainty what his position actually is, in the time which is left to me to answer inquiries which have come to me not from all States throughout the Union, but particularly States on the west coast, States on the east coast, and the State of Louisiana. I want to say that, as I understand the question before the Senate, it is this: A bill has been introduced, the passage of which would insure maintenance of the status quo of the Federal Power Commission, as that Commission relates or has related to activities of the natural-gas industry. I may go on to add that so far as I am able to determine, unless someone objects to this conclusion within the next few days, we must assume it to be a fact, that the passage of the pending bill will take from the Federal Power Commission no vestige of the authority it has previously possessed over the producers of natural

gas. I would conclude by saying to those to whom I write: "You must make up your minds as to whether this is good or bad legislation, not because you have thought the Federal Power Commission was going to lose its authority—for that, obviously, is not so—but you must determine in your own minds whether you want to vote to maintain the status quo of the FPC, or to impose new regulations upon an industry in the field of fuels for consumers whose price history over the past 10 years has been so healthy and good that the trend has been downward. The question before you is to determine whether you think it wise or unwise to impose Federal control on an American industry which, up until this time, has been a credit to its members, its producers, its engineers, and its staff workers, and whose product has brought no cause for justifiable complaint to any consumer anywhere."

Mr. KERR. I am very grateful indeed to the Senator from Washington for his questions and his observations, and I say to him that I agree entirely with the concluding remarks he made. I should like to make this further statement, and then I shall yield to the Senator from Vermont [Mr. FLANDERS].

If the Federal Power Commission has been correct in its administration of the law and the regulations which it has prescribed under the terms of the law for all the years since it was passed, this bill is correct. On the other hand, those who say the bill is wrong must of necessity take the position that everything the Federal Power Commission has done in administering the law and carrying out its terms has been wrong, because of the fact that all the bill does is to say to them, "There has been a good job done. Continue in the future in the same identical manner with the entire administrative history under the law down to this hour."

Mr. CAIN. I think the Senator from Oklahoma has made a positive contribution to the discussion.

Mr. FLANDERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Oklahoma yield to the Senator from Vermont?

Mr. KERR. I yield.

Mr. FLANDERS. Mr. President, I should like to say to the Senator from Oklahoma that I find myself, as a result of this colloquy, a little bit unsure in one respect. Does the Senator from Oklahoma say that the bill takes away from the Federal Power Commission no authority which it now possesses?

Mr. KERR. The Senator from Oklahoma made two statements. In the first place, he said it takes from the Federal Power Commission no authority and no regulative action which it has ever taken.

Mr. FLANDERS. Which it has ever exercised?

Mr. KERR. Which it has never exercised. With reference to that, the Senator from Missouri called attention a few days ago to an order which was recently issued concerning one natural-gas producer as to what it was hoped to ascertain with reference to the activities of that company. The Senator from Oklahoma called attention to the fact that he thought that was the beginning by the Commission of an attempt to exercise regulation under the act with respect to which it had never theretofore taken any action. Whatever the opinion of the Senator may be in that regard, if that is correct, that would be the first, sole, and only action so far as the Senator from Oklahoma knows.

In further answer to the question, the Senator from Oklahoma has stated that under the Natural Gas Act the Federal Power Commission is prohibited from regulation in the field of production and is prohibited from the fixing of prices at the producer level, for the very simple reason that the Natural Gas Act provides:

> The provisions of this act shall not apply to the production or gathering of natural gas.

The Federal Power Commission has affirmed that position in many decisions. It has affirmed it in official orders, one of which is order 139, which is still in existence on its books. Therefore, on the basis of what the law itself provides, that the provisions do not apply to the production or gathering of natural gas, on the basis of the impossibility of authority to regulate prices at the producer level being given, when the law says it does not even apply to that field, the Senator from Oklahoma says, in response to the other part of the question propounded by the Senator from Vermont, that this bill would not take from the Commission any authority which it now has or has ever possessed.

Mr. FLANDERS. May I inquire, then, why the necessity for the bill?

Mr. KERR. For the very simple reason, as has been brought out on the floor, that, following the decision of the court in the Interstate case in 1947 and following the failure of the Eightieth Congress to pass similar legislation which would reaffirm the language of the original act, certain members of the Federal Power Commission who last year constituted a majority served notice on the appropriate committees in the Senate and the House that unless Congress should take such action as the passage of Senate bill 1498, they would leave the field of regulation as they had occupied it all these years and seek to impose price fixing and regulation at the producer level.

Mr. FLANDERS. Am I correct, then, in supposing that the decision of the Supreme Court gives an assumption of authority, at least, to the Commission which this bill would take away?

Mr. KERR. I am glad to have that question. I have attempted to answer it previously. The Senator is correct if he assumes that there are those who believe that the decision gives that authority. As of year before last, when order 139 was issued, three out of four members of the Commission said they did not have that authority and would not use it if they had it. That was following the decision in the Interstate case. To show the Senator how definitely they took that position, I want to read a few lines from the order of the Commission which was issued approximately 2 months after the Interstate decision:

> In view of these circumstances, the Commission urged the immediate adoption of H. R. 4099—

That was the Priest bill, which was similar to Senate bill 1498—

> the specific and sole purpose of which was to make entirely clear the exemptions of the independent production and gathering of natural gas from the provisions of the Natural Gas Act. This proposed amendment, however, was not enacted during the closing days of the session of the Congress which has just ended.
>
> This brief review of developments in this matter has been presented so that there may be no basis for misunderstanding or continuing expressions of fear and uncertainty regarding this matter which is noncontroversial. The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act.
>
> The rule herein has this specific purpose and is issued at this time because the Congress has not yet reaffirmed such exemption by amending the act. It is also our intention, in keeping with the position heretofore taken, to continue to recommend to the Congress that it take appropriate clarifying legislative action regarding this matter.

Since that time the personnel of the Commission has changed, and Mr. Olds, who was one of the members of the Commission who issued that order, changed his mind. Last year Congress was confronted by a situation in which, for a while, the Commission was divided, three in favor of exercising its attempted regulation, and two against it.

Then Commissioner Olds' term expired and the Commission found itself in the unhappy situation of having two of its members and part of its staff believing the Commission had that authority, and the other two members and the other part of the staff believing it did not have it.

In order that the Senator from Vermont may know how completely they were confused about the matter, I want to read a brief telegram which the Commission sent to an independent producer of gas. Early in the year he had asked for a declaration by the Commission as to whether he would come under its regulation if he carried out a certain contract of sale. The Commission issued its order saying that he could go ahead and make the contract and the sale and delivery, and that he would come under the purview of order 139, which, if it meant anything, meant that he would thereby put himself in a position to be regulated. He went ahead about his business, seeking to carry out his contract. The Senator from Arizona [Mr. HAYDEN], in an effort to hurry up the consummation of the transaction to the benefit of the Government and of the citizens of his State, was seeking to get the matter expedited at the Commission, and asked some questions, in response to which the Commission wrote the Senator from Arizona and stated that if the independent operator carried out the contract he

would become subject to their jurisdiction. Naturally the operator was in a quandary, because in March the Commission had advised him he would not come under its jurisdiction, and later, in the summer, they had advised the Senator from Arizona [Mr. HAYDEN] that he would. The operator wrote the Commission and asked it to advise him definitely if he would come under its jurisdiction by the operation of the contract. This is what the Commission telegraphed him:

FEDERAL POWER COMMISSION,
Washington, D. C., September 27, 1949.
DELHI OIL CORP.,
Dallas, Tex.

(Attention: Mr. C. W. Murchison, president)

In further reply to your letter of August 1, we suggest that the basic question involved is the legal effect of our order No. 139, our rule 2.54, and our order of March 10, 1949, matters concerning which you no doubt have the advice of counsel. The Commission is unable, in the circumstances, to express a conclusive opinion as to whether you will or will not be subject to regulation under the Natural Gas Act by virtue of proposed sale of natural gas to El Paso.

By direction of the Commission. Commissioner Buchanan concurring in part.

LEON M. FUQUAY,
Secretary.

This has reference to gas which the pipe-line company was attempting to transport to Arizona and California. It is quite apparent that there is not only confusion, but confusion confounded, because one member of the Commission could concur only in part in the answer of the Commission in which they said they did not know.

Mr. FLANDERS. I thank the Senator.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield to the Senator from Missouri for a question.

Mr. DONNELL. Mr. President, is it the opinion of the Senator from Oklahoma that if unreasonable charges for gas be exacted at the stage at which such gas is, by a producer, gatherer, and transporter of such gas, sold in the field to a pipe-line company, and, without interruption of transportation, by such producer, gatherer, and transporter delivered in one State to said pipe-line company for transportation to another State, those unreasonable charges become perpetuated in large part in fixing items of costs which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer?

Mr. KERR. Will the Senator repeat the description of the charges which were contained in the first sentence of his question?

Mr. DONNELL. I shall be glad to repeat the entire question.

Mr. KERR. If the Senator does that he will lose me again, just as he has nearly lost me now.

Mr. DONNELL. The question is, Is it the opinion of the Senator from Oklahoma that if unreasonable charges for gas be exacted at the stage which I recited——

Mr. KERR. That is the part of the question which I asked the Senator to repeat. I should like to answer the question while I have that part of it in my mind.

Mr. DONNELL. Very well.

Mr. KERR. The Senator from Oklahoma has a conviction, based upon knowledge, that such a situation is impossible, for the following reasons: In the first place, a producer of gas is not in position to exact the kind of—what kind of charges were they; unreasonable charges?

Mr. DONNELL. Unreasonable charges.

Mr. KERR. In the first place, a producer is not in a position to make an unreasonable charge, because any contract which is made for the sale of gas is made as a result of independent bargaining between the parties, which either party is free to decline to undertake if he so desires.

In the second place, there is no reason for anyone to contemplate that a pipeline company operating in a reasonably prudent manner would pay a producer any more than the producer is able to sell gas for in markets which compete for its purchase. In the next place, the Federal Power Commission has full authority to veto any contract for the purchase of gas in interstate commerce which it believes to be unreasonable. Every contract for the sale of gas which is made by an independent producer with a pipe-line company goes before the Federal Power Commission in the application of a transporter, either for its original permit to build, or for an expansion of its facilities volumewise. The Federal Power Commission, by declining to approve an application may veto a contract, under which, in the opinion of the Commission, an operator has exacted an unreasonable price. The contract would become inoperative, in view of the fact that every contract provides that it shall become operative only in the event the carrier's original application, or its application for expanded facilities, is granted.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield.

Mr. DONNELL. I understood the Senator from Oklahoma to indicate that he believes the hypothesis which I presented to him is impossible. I ask this question, however: Suppose it be true, notwithstanding the eminent Senator's opinion, for which I have great respect, that unreasonable charges for gas are exacted at the stage which I described in my initial question to the Senator, is it the opinion of the Senator from Oklahoma that those unreasonable charges would become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer?

Mr. KERR. The Senator from Oklahoma just spent quite a little while answering that question, saying, first, that in his opinion it was not possible, and telling the Senator from Missouri why it was not possible, then saying that in the event it did happen, it still would not need to be passed on to the consumer, because the Federal Power Commission has the authority to veto the implementation of the contract.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield.

Mr. DONNELL. Did not the Senator recognize that the hypothesis which I presented to him in my initial question was a condition which existed, and which was decided in the Interstate Natural Gas case by the Supreme Court?

Mr. KERR. The Senator from Oklahoma recognized that the Senator from Missouri was reading some of the language from the Interstate case, or thought he did, and that was the reason why he asked the Senator from Missouri to repeat the language. He is perfectly aware of the language, because he not only had the pleasure and the privilege, but, through the requirement of courtesy, the necessity, of listening to the same question being asked by the senior Senator from Missouri at least a half a dozen times last Friday, and attempting at that time to answer it, perhaps with even less success than he has attempted to do so today.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield for a different question.

Mr. DONNELL. Does not the Senator recall that what I asked him Friday was whether he agreed with the Supreme Court, and that what I have asked him today is for his own opinion, independent of what the Supreme Court said? Is not that the fact, as the Senator's good memory will unquestionably bring back to his recollection?

Mr. KERR. Not only the Senator's good memory brings it back, but the Senator's present perception is such that he recognizes not only the similarity, but the exact identity of the question when asked in one form, whether he agrees with the opinion of the court, and then asked in another form, what would his opinion be with reference to a hypothetical situation which was described in language which, as nearly as the Senator from Missouri could, was taken from the language of the court.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. KERR. If the Senator has a different question, I shall be delighted to yield, but I am sure that the Senate is bored, beyond any right that we have to impose upon it further, in the Senator's effort to reask the same question in different form, and the attempt of the Senator from Oklahoma to relieve the monotony by answering it by stating the same principle, but in different words.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. KERR. If it is a different question, yes.

Mr. DONNELL. Does the Senator yield for a question, or not? I shall use my own discretion in framing the question.

Mr. KERR. I use my own discretion in yielding, and I say to the Senator that if it is a different question, the Senator from Oklahoma yields. If it is not, after it is asked the Senator from Oklahoma will decline to answer.

Mr. DONNELL. In his answer to my question the Senator said, first, that the condition which the Senator from Missouri presupposed could not exist, then proceeded to say that if it did exist there was protection by reason of the existence of jurisdiction in the Federal Power Commission. Does not the Senator from Oklahoma recognize that he has conceded that the Federal Power Commission possesses the very jurisdiction which he has so frequently indicated in his argument he claims the Commission does not possess?

Mr. KERR. Not at all. What the Senator from Oklahoma said was that the Federal Power Commission has authority to veto contracts and prevent their implementation. What the Senator from Oklahoma attempts to do in the pending measure is to make it clear that after they have taken that action, they then can go no further, and that they shall not have the right to compel the independent operator to deliver his gas at a price which they themselves fix on a basis which amounts to confiscation.

I know the great legal mind my questioner has, and I am sure that he is fully aware as am I, of the difference between the power on the one hand to prevent a contract coming into effect, and on the other hand of compelling it to go into effect, but arbitrarily changing its provisions so that one of the parties would be bound by it and not protected by it.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield for a question.

Mr. DONNELL. The Senator referred a few moments ago to existing contracts, 30, 40, and 50 years in extent. I ask the Senator whether or not a copy of one of those contracts has as yet been presented in the RECORD of this debate.

Mr. KERR. The Senator does not know whether it has or not, nor does he know of any limitation upon any Senator who wants to introduce one.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. KERR. I yield for a question.

Mr. DONNELL. The Senator from Oklahoma has made the statement, has he not, that such contracts exist?

Mr. KERR. The Senator from Oklahoma made as to this general situation the statement that where gas is now being consumed, or where provision is being made for its being available, that has been brought about by contracts between pipe-line companies on the one hand and producers on the other hand, which contracts usually extend for periods of years, from 20 to 50 years into the future.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield for a question.

Mr. DONNELL. Will the Senator inform us please whether or not these contracts contain any provisions either of the power of cancellation or that in event higher prices shall be paid to other companies that they shall likewise be paid to the selling companies under these contracts?

Mr. KERR. In answer to that question the Senator from Oklahoma will say he is aware of the fact that many of these contracts contain provisions whereby the producer retains the right and is given the right to cancel the contract, and cease to deliver under it in the event the Federal Power Commission seeks to or succeeds in extending the cold hand of price regulation to interfere with the carrying out of the contract in accordance with its terms. Many contracts have that provision in them.

With reference to the second part of the Senator's question, with respect to the right of the producer to receive a different price under certain circumstances, the Senator from Oklahoma advises the Senator from Missouri that he presumes he is talking about the contracts referred to here by the junior Senator from Illinois as contracts containing the most-favored-nation clause. The Senator from Oklahoma is perfectly aware that some few contain that clause. As I recall, the Senator from Illinois [Mr. DOUGLAS] stated here the other day that 65 had been found which contained what he referred to as the most-favored-nation clause. So 65 out of many thousands of contracts which have been made for the delivery of gas by the producer and for its purchase by the pipe-line company, contain that clause. Its provisions amount to about this: A pipe-line company goes to a producer in a gas field in an effort to buy his gas. The producer is anxious to sell it, and they negotiate as to the price. Being aware of the fact that that contract is for a period of many years, of from 20 to sometimes a period of years extending over the life of the field, the producer says to the pipe-line company, "Are you offering me a price which would have this characteristic of fairness, in that it is as much as you will tomorrow pay my neighbor in this same field for the same gas?" The pipe-line company not only in those instances gives its assurance orally that it is paying the given producer as much for his gas as it expects to pay his neighbor tomorrow, but in these 65 contracts, if that is the number, and I think it is correct, evidently there is the provision which says that if the pipe-line purchaser does go to the neighbor of the contracting producer tomorrow or next week or during the term of the contract, and pays the neighbor for the same gas, from the same field, a higher price than he purchased the gas from the original producer under a contract binding the producer for periods of time beyond which he may be buying from his neighbor, then and in that event the pipe-line company will pay the original seller an amount equal to what he pays the subsequent seller.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield.

Mr. DONNELL. Then in the case at least of those 65 contracts to which the Senator has referred there is no protection guaranteed to the consumer against increases in price of gas? Am I not correct in that statement?

Mr. KERR. No; the Senator is not correct in that statement.

Mr. DONNELL. In what respect, may I ask, am I not correct?

Mr. KERR. For many reasons, among which are these. If the Federal Power Commission does not want to issue a permit based on those contracts, all it has to do is to deny it. If the Federal Power Commission does not want to grant a permit for an expanded facility based upon additional contracts in that field, all it has to do is to deny it.

In the next place, there is a fact which the Senator from Missouri has either overlooked or ignored, and which in my opinion every opponent of this bill has either overlooked or ignored, which is that the price paid to the producer is but one of the relatively minor factors which enter into the determination of the price eventually paid by the consumer. Over the period of years the pipe lines have operated and the producers have furnished gas, the following situation in the main has prevailed, that even where higher prices have been paid to the producers for additional volumes of gas, the pipe-line company has been able to absorb the increase out of the increased profit it makes on the increased volume and still has been able to carry out a program of reducing the price to the consumer to the extent that has averaged 1 percent a year for the past 12 years. As the Senator from Oklahoma said a while ago, in view of the fact that the producer on the average receives only about 5 cents of the consumer's dollar, and the transporter and the distributor received the other 95 cents, it is just as apparent as the light in the dome above the Senate Chamber that the greater the volume hauled by the transporter and distributed by the distributor the less the unit cost to those two factors in the overall bringing of the gas from the producer to the consumer. Practically without exception, wherever additional volumes have been secured by the payment of slightly higher prices to this or that additional producer, the transporter has been able to absorb that slight increase, and still either maintain a steady price or give a less one at the other end, due to the fact that it has made a greater profit on the greater volume transported.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield for a question.

Mr. DONNELL. Would the Senator inform us whether or not he knows if there are other than the 65 contracts which contain a clause of the favored-nation type among the thousands of contracts to which he refers?

Mr. KERR. The Senator from Oklahoma does not have that information. He went on the assumption, in view of the fact that the Senator from Illinois had made a very thorough study of the subject, that when the Senator from Illinois made the statement that he had found 65 such contracts, that was probably the total number. However, the Senator from Oklahoma recognizes two possibilities or even probabilities. First, that the Senator from Illinois might have looked for them and not found them; and second, he might have looked for only a certain number, and having found them looked no further.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield for a question.

Mr. DONNELL. The Senator anticipates, does he not, that in the course of the comparatively near future there will be the likelihood of a heavy demand for gas from such States as Massachusetts, for illustration, whose senior Senator made inquiry a few days ago on the floor of the Senate of the Senator from Oklahoma?

Mr. KERR. The Senator from Oklahoma recognizes not only that there is likely to be greater demand in the future, but he is aware of the presently existing increased demand. He is aware, however, of these facts: First, that while we today consume 6,000,000,000,000 cubic feet of gas in the United States, present known reserves are sufficient to supply the country for at least 30 years on that basis. In contrast with that, just a few years ago, when the annual consumption was half that amount, or about 3,000,000,000,000 cubic feet a year, the known reserves were sufficient to supply less than 25 years. So there is more than twice the known reserves today as compared with a few years ago.

Second, that the independent operators are just as anxious to continue making contracts in the future as they have been in the past.

Third, in the opinion of the Senator from Oklahoma, while none of the increases recently made in the going price paid to producers for new contracts, for new lines, have thus far, so far as the Senator from Oklahoma knows, resulted in higher prices to the consumer, it is the conviction of the Senator from Oklahoma that the very threat of regulation involved in the attempt of members of the Federal Power Commission and advocates of their position, have been responsible for increases, minor though they have been, which have been made in the going price now being paid to the producer.

I am further aware that not only has that threat resulted in whatever price increase may have occurred under the new contracts which have been made, but that threat has been responsible for the failure to make available under contract to the interstate pipe-line carriers a great percentage—in my opinion, at least half—of all the new reserves which have been found.

I have the further conviction that if this threat becomes a reality by means of the failure of the Congress to enact this bill, the result will be a still further reduction in the volume of natural gas available for sale to the interstate carriers, and thereby less gas to the consumers, and thereby less volume of natural gas for the pipe lines, and thereby higher prices for the natural gas furnished to consumers. On the other hand, if this threat does not become a reality, if it is removed by the passage of this bill, in my opinion the result will be the release of more gas reserves.

Let me say that today many gas reserves are allowed to go into the air by operators who would prefer to lose the gas, which is only a small part of their business, rather than have it and all the rest of their business subjected to regulation. Moreover, if the bill is enacted, reserves which have been found, but which have not thus far been made available by contract to interstate carriers, will be made available. In short, I am saying that by reason of the enormous amount of gas which will be available from those two sources—and in the aggregate it is greater in volume than all the gas now being sold by independents to the transporters—there will be far more competition among the producers for the markets available, with the result that the price, even at the producer level, will either be held down or will be forced down, and a greatly increased volume of gas thereby will be made available, and that will result, first, in cheaper operation for the pipe lines; second, in a reduction of rates to the consumers; and third, in twice as many consumers as now are enjoying natural gas being able to have an opportunity to enjoy cheap fuel in the form of this, the most desirable of all the fuels we know.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield for a question.

Mr. DONNELL. Some time ago I understood the Senator to make a point to the effect that the existing contracts fixing the price of natural gas are a protection to the consumer as against any unreasonable prices.

Mr. KERR. I said existing contracts for existing reserves fix the price at which those reserves will move today and for the life of the contracts, and I said that the passage of this bill will not affect in the slightest degree the validity of any of those thousands of contracts or the price at which gas will move under the terms of those contracts.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. KERR. I yield for a question.

Mr. DONNELL. I had not quite completed the question I was asking. I desire to ask this: Inasmuch as there is now a great likelihood of a heavy increase in demand for natural gas—as for example, in the State of Massachusetts—is it not obvious, in the opinion of the Senator, that the existing contracts, upon which he has relied as a protection of the interests of consumers, do not cover by any means the quantity of gas which may be sought and may be desired by other purchasers? Therefore, regardless of the other economic factors the Senator has mentioned, is it not clear that the contracts to which he has referred cannot be relied upon to protect the interests of consumers, because they do not cover the gas which consumers would ultimately purchase from producers or from pipe lines?

Mr. KERR. Quite the contrary. Every application now pending—and at least two of them seek the privilege of carrying gas to New England—is backed by contracts by which the carriers have agreed to fix prices for periods of from 20 to 25 years. That is true in respect to every permit for an application for a new pipe line or for an increased volume of natural gas to be supplied through existing pipe lines.

So, quite to the contrary of the thought expressed by the Senator from Missouri, those contracts do form a basis of protection with reference to the price to be charged in every area with respect to which application now is pending for a permit to carry natural gas to that area.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. KERR. I yield for a further question.

Mr. DONNELL. Then I understand that the Senator from Oklahoma now takes the position that the prospective contracts, which have not yet been entered into, will protect consumers. My question is simply——

Mr. KERR. I ask the Senator to wait a moment. Let me answer the erroneous presumption he has made.

Mr. DONNELL. Very well.

Mr. KERR. The Senator from Oklahoma did not take any position with reference to the presumption the Senator from Missouri has just voiced. What I was talking about were contracts which form the basis for every application now pending for a permit, included among which are applications for permits to construct pipe lines to supply natural gas to the New England areas.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield for a question.

Mr. DONNELL. The Senator from Oklahoma has pointed out the existence of great reserves. He has also pointed out the existence of a probable demand for far more gas than now is being sold. Regardless of the effect of such new, proposed contracts, which we do not have before us at this time in the Senate, is it not perfectly clear that the existing contracts, which cover a smaller amount of gas than that which will be produced in the future, cannot protect the future consumers or the price of the prospectively increased amounts of natural gas to which the existing contracts do not apply?

Mr. KERR. Mr. President, in response to the question asked by my good friend the Senator from Missouri, I addressed myself to two points. One was with reference to the consumers who now are receiving gas and the consumers who contemplate receiving gas by reason of the granting of present applications for permits, and also with respect to consumers who expect to receive natural gas by reason of the gas which will be furnished through pipe lines now being built. Then I addressed myself to the situation of the consumers—over and beyond the others—who would hope to receive natural gas in the future by reason of still additional contracts.

My statement in that regard was that, if the producers who own gas or who find gas in the future are permitted to make contracts for its sale, those contracts will protect them at the same time that it will bind them. They have such an abundance of natural gas that they will virtually be running over each other in trying to sell natural gas to the existing pipe lines or to future pipe lines if they are permitted to do so on the basis of free, independent, American bargaining. I cited the further fact that wherever that additional volume of gas will be carried through existing facilities or through

those now being built or through those contemplated to be built under pending applications, or through any additions to those facilities, the increased volume which will be brought about by reason of these still further and additional contracts will result in far more savings in the field of transportation and distribution than it is at present possible to contemplate; and such savings will by far exceed any possible future increases in price which might be paid to some future producer for some future volume of gas.

Mr. DONNELL. Mr. President, will the Senator yield for a final question?

Mr. KERR. I yield for a further question.

Mr. DONNELL. The Senator will recall that among the questions propounded to him by the Senator from Washington was, in substance, the question of whether this bill, if enacted, would take away from the Federal Power Commission any of the power or jurisdiction it now possesses. I ask the Senator whether, when he replied to that question, and when he said in substance that the enactment of this bill would not take away any power which the Commission had either asserted or claimed to exist, did he mean to state expressly or impliedly that the Commission does not in fact now have, under the decision in the Interstate Natural Gas Co. case, a power which this bill does seek to take away from it?

Mr. KERR. The last part of the question is totally dissociated from the first. No question was asked the Senator from Oklahoma about taking away from the Federal Power Commission any power to regulate an interstate carrier. That question is not involved in the pending measure, nor was it involved in any question asked of the Senator from Oklahoma, nor was it involved in any question asked by the Senator from Washington.

So far as I recall, the Senator from Washington asked whether the enactment of this bill would remove from the Federal Power Commission any power or jurisdiction it has had heretofore with reference to the independent producer, on the one hand, or with reference to anyone else, on the other hand. The answer to that question was "No," because the Federal Power Commission has never regulated the independent producer; and in view of the fact that the independent producer and the independent gatherer are the only ones to whom this bill refers, the bill, if enacted, would not make any change in that regard. Furthermore, in view of the fact that the bill now before the Senate will have, if enacted, no more effect upon the jurisdiction of the Federal Power Commission with respect to the transportation phase than the existing Natural Gas Act has had with reference to the field of production and gathering, the answer is that this bill, if enacted, would take from the Commission none of the jurisdiction it now exercises or has ever exercised with reference to the field of interstate transporters.

Mr. DONNELL. Mr. President, one further question, if the Senator will yield. Does he assert that the effect of the pending bill would not be to take away from the Commission the jurisdiction which the Supreme Court recognized the Commission as possessing under the decision of the Interstate Natural Gas Co. case?

Mr. KERR. If the Senator from Oklahoma has not made clear to the Senator from Missouri what he thinks about the effect and present status of the decision of the Interstate case, nothing he can say at this time would answer the question or furnish the information.

Mr. DONNELL. I thank the Senator.

Mr. KEM. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. KERR. The Senator from Oklahoma is ready to yield the floor. He thought the Senator from Missouri had asked his questions and had finished.

Mr. KEM. I should like to ask another question or so, suggested by the colloquy the Senator from Oklahoma has had with the senior Senator from Missouri.

Mr. KERR. I yield for a question.

Mr. KEM. I should like to ask the Senator from Oklahoma what effect, if any, action by a State commission in raising the price——

Mr. KERR. Mr. President, will the Senator begin again. I could not hear, by reason of other noises.

The VICE PRESIDENT. The Senate will please desist from other noises. The Senator from Missouri.

Mr. KERR. Let me say, before the Senator repeats his question, there was no relationship in the mind of the Senator from Oklahoma between the question the Senator from Missouri was about to ask and the senatorial noises.

Mr. KEM. I should like to ask the Senator from Oklahoma what effect, if any, it would have on existing contracts, for the State commission to exercise the authority or prerogative of raising the price of gas in the fields?

Mr. KERR. The Senator from Oklahoma does not know what is in the order referred to by the Senator from Missouri. He does not know what is in the decision of the court with reference to the order. He is under the impression that the decision has not been finalized, by reason of the fact that there is now pending an application for a rehearing in the Supreme Court. He does know that the information the Senator from Missouri has given—and it coincides with other information he has—indicates that the order of the commission referred to applied only to one of the 1,500 or 1,600 gas fields in Oklahoma; and, therefore, he must in all candor answer the Senator from Missouri that he cannot foresee the effect of an unfinalized order, the contents of which are unfamiliar to the Senator from Oklahoma, and which order applies to but one of 1,600 fields. The Senator from Oklahoma is unable to tell the Senator from Missouri what effect the order might have on the price of gas to the consumer.

Mr. KEM. Does the Senator from Oklahoma want the Senate to understand that the Peerless Oil and Gas Co. case, to which he has referred, is the only instance in which the Corporation Commission of Oklahoma has fixed the price of gas in the field?

Mr. KERR. The Senator from Oklahoma made no such request of the Senate, for, as the Senator from Oklahoma knows, that is the only order to which the Senator from Missouri has referred. If there are other orders, as I understand from or have heard from the Senator from Missouri, he has not told us; and if there are other orders, the Senator from Oklahoma does not know it.

Mr. KEM. If the Senator from Oklahoma had read the decision of the supreme court of his State in the Peerless Oil and Gas Co. case, he would have found other instances referred to.

Mr. KERR. The Senator from Oklahoma regrets he has disappointed his colleague from Missouri in failing to read some of the orders of the supreme court of his State—a great court, and a great State. The Senator from Oklahoma is very sorry indeed to have thus disappointed the Senator from Missouri. But he wishes to remind the Senator from Missouri that he has been fairly busy for the past few days reading other matters which seemed to relate to something with reference to which the Senate of the United States had some responsibility and some duty. The Senator from Oklahoma is quite aware that there is a vast field of reading which is not applicable, either to the pending measure, or to anything else about which the Senate of the United States has jurisdiction. The Senator from Oklahoma regrets it if the Senator from Missouri is disturbed or uneasy about the fact that the Senator from Oklahoma has not covered that field.

Mr. KEM. Mr. President, will the Senator permit me to refer to the opinion of the Supreme Court of Oklahoma?

Mr. KERR. I yield for a question only.

Mr. KEM. I may ask the Senator from Oklahoma whether he is familiar in any way with the following language of the Supreme Court of Oklahoma in that opinion:

> As early as 1920, after the prescribed notice of hearing, the Commission fixed the price of 9 cents per 1,000 cubic feet for gas in the Cushing field.

Mr. KERR. The Senator from Oklahoma repeats that he has not read the decision. Until this moment, his eyes have not been gladdened by the words of the message, nor, until this moment, have his ears been ravished by the dulcet tones of the Senator from Missouri reading it to him. [Laughter.]

Mr. KEM. The Senator had not heard of that instance of price-fixing by the State Commission of Oklahoma, had he?

Mr. KERR. Much as it embarrasses me to have my ignorance stripped bare and laid on the floor of the Senate of the United States, yet in the lack of that knowledge, candor compels the Senator from Oklahoma to answer, I did not know of it.

Mr. KEM. Did the Senator know that in 1944 the Corporation Commission of Oklahoma fixed the price of natural gas used in the manufacture of carbon black?

Mr. KERR. The Senator is aware of the fact that the price of natural gas entering into the manufacture of carbon black was, in certain instances, a matter

of regulation. I believe I was aware of the fact that the Corporation Commission of Oklahoma took some action with reference to the price of gas, in one limited area, for one carbon-black plant. The Senator is of opinion that even the OPA invaded the field of price fixing with reference to natural gas for carbon-black manufacture, but the details of either or both, or of both and other situations of that character, were either not known by the Senator from Oklahoma, or his memory thereof has been so dulled by the passage of time that at this moment he does not have knowledge of them.

Mr. KEM. I ask the Senator from Oklahoma whether, when the State Commission acts in fixing a price, the provisions of any existing contract to the contrary are nullified?

Mr. KERR. The Senator from Oklahoma would have grave doubt about any regulatory body's entering a field where legitimate contracts had been made and attempting to act arbitrarily, certainly without authority of law in effect at the time the contracts were made; but the Senator from Oklahoma is compelled to state that the question with reference to the validity of contracts, when sought to be violated by regulatory bodies, is one of great legal uncertainty, and, in the absence of specific decisions of final jurisdiction with reference to specific contracts, the Senator from Oklahoma would not want to indulge a guess, an estimate, or a forecast.

Mr. KEM. May I invite the attention of the Senator from Oklahoma to the fact that the decision of the supreme court of his State, in the case of Cities Service Gas Co. against the Peerless Oil & Gas Co., which I inserted in the RECORD, and which appears at page 3910 of the RECORD for March 23, is a specific decision on that point, and that the Supreme Court of Oklahoma in that case held that the provisions of the contract with the Peerless Oil & Gas Co. were superseded by the decision of the court, and the price of gas in the field was fixed at 7 cents per thousand cubic feet, notwithstanding the provisions of the contract?

Mr. KERR. The Senator from Missouri has made a statement to that effect at least a dozen times, and has propounded much the same question with reference thereto each time. However, being the distinguished lawyer that he is, when he permits that transcendent knowledge to guide him in his actions and decisions, he must be aware of the fact, first, that that decision of the Supreme Court of Oklahoma has not been finalized by reason of the pendency of an application for a rehearing; and second, that even though it becomes finalized on that basis, it is still subject to appeal to the Supreme Court of the United States; and therefore he must be aware of the fact that neither he nor I can discuss in terms of final judgment what the decision may eventually be.

Mr. KEM. It is true that the decision has been referred to several times in the course of this debate. Will the Senator from Oklahoma advise the Senator from Missouri why it has not excited his curiosity sufficiently to lead him to read the decision and to know exactly what it holds?

Mr. KERR. The Senator from Oklahoma has had his attention diverted by actions on the floor of Senators who, in the past have talked socialism and who, today, hold its banner aloft to such an extent and with such result that he has been so intrigued by the maneuvers, the possible reasons therefor, and the possible outcome therefrom, that it has been a matter of physical impossibility for him to have pursued other fields of learning, reading, or observation. No matter how delightful, entrancing, or charming they may have been in the past or may be in the future, the opportunity has not been available for him to delight himself.

Mr. President, I yield the floor.

The VICE PRESIDENT. The Chair should like to observe that inasmuch as the time has been fixed for a vote on the pending bill on Wednesday, inasmuch as the Chair does not know how many other Senators desire to discuss the pending bill on Wednesday, and in view of the possibility that some Senators may be deprived of an opportunity to discuss it if other Senators are recognized to discuss extraneous matters, the Chair will feel, after the Senator from New Jersey [Mr. SMITH] has concluded his remarks, that priority of recognition, assuming that a number of Senators seek it at the same time, should be given to some Senator who wishes to discuss the pending bill, because, otherwise, it might be impossible for Senators on one side or the other, who are interested, to discuss the bill. In view of the fact that the Senator from New Jersey on last Friday served notice that he would seek recognition at this time, and in view of the fact that no other Senator is seeking recognition to discuss the bill, the Chair recognizes the Senator from New Jersey at this time.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent that I may yield in order that the Senator from New Hampshire may make an observation.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BRIDGES. Mr. President, the distinguished President of this body is, of course, aware that the time from 12 o'clock noon tomorrow, through Tuesday and through Wednesday, up to 4 o'clock, has been assigned to discussion of the natural-gas bill, the time to be equally divided. There is nothing in the unanimous-consent agreement which speaks of this afternoon. I should assume that the distinguished President of this body would recognize any Senator on any subject which he desires to discuss. That is the general rule in the Senate, particularly inasmuch as 2 days are assigned to the uninterrupted discussion of the bill.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from New Jersey yield for that purpose?

Mr. SMITH of New Jersey. I yield.

The VICE PRESIDENT. The Senator from Missouri will state his parliamentary inquiry.

Mr. DONNELL. I understood the Vice President to state that prior to the period covered by a division of the time, he would feel it obligatory upon him to recognize Senators who wish to speak on the pending measure.

The VICE PRESIDENT. The Chair lost sight of the fact, when he made his observation, that the time from tomorrow at noon until 4 o'clock p. m. on Wednesday is divided. Therefore, he will modify his own viewpoint in regard to it. The Chair feels that in spite of that fact, if two or more Senators are seeking recognition at the same time, and it is impossible for the Chair to know which one first says "Mr. President," and the Chair is advised, as he happens to be at the moment, that one Senator wishes to discuss the pending bill, he would feel some obligation to recognize such Senator if he were simultaneously seeking recognition.

Mr. DONNELL. I can well appreciate the point the Chair has made. I invite attention to rule XIX, with which the Presiding Officer is more familiar than I am:

> The Presiding Officer shall recognize the Senator who shall first address him.

Would it not be difficult to recognize one Senator before another when there is a simultaneous request for recognition?

The VICE PRESIDENT. The Chair stated that if there were a number of simultaneous requests for recognition—and it is not always possible to hear which Senator first says "Mr. President," the Chair undoubtedly has some discretion in the matter.

Mr. DONNELL. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. Am I correct in my understanding that the rule still applies that if a Senator who addresses the Chair is a fractional period of time ahead of another Senator, the Chair will recognize the first Senator——

The VICE PRESIDENT. The Chair has never sought to abrogate the rule. The Chair does not think there has been any cause for complaint in the Senate as to the Chair's recognition of Senators.

Mr. DONNELL. I should like to say to the Chair that there was not the slightest indication on my part, either made or attempted to be made, that I had any complaint in mind regarding the action of the Chair. I do not know of any such practice by the Chair. But I was under the impression that the Chair had indicated that at a time when a division of time had not been agreed upon by unanimous consent the Chair was going to recognize or give preference in recognition to, Senators on account of the purpose for which they rose. I am sure the Chair believes, as I do also, that it would be very wholesome that there be no abrogation of the rule. I can well see that upon several Senators simultaneously asking recognition, the Chair should have discretion, and he doubtless does.

The VICE PRESIDENT. That is all the Chair meant. If but one Senator rises, obviously it is the duty of the Chair to recognize that Senator. If two or more rise at the same time, so that the Chair may be in doubt as to which one first addressed the Chair, obviously the Chair must have some discretion in deciding which Senator to recognize.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, as one sitting at the moment in the seat of the minority leader, I understand the colloquy between the Vice President and the Senator from Missouri as indicating that the Vice President is simply going to exercise his discretion in deciding whom to recognize if two or more Senators rise at the same time.

The VICE PRESIDENT. That has always been the practice of the Senate, and the Chair has no desire to abrogate it.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from New Jersey yield for that purpose?

Mr. SMITH of New Jersey. I yield for that purpose, Mr. President.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Maybank
Anderson	Hendrickson	Millikin
Benton	Hickenlooper	Morse
Brewster	Hill	Mundt
Bricker	Hoey	Murray
Bridges	Holland	Myers
Butler	Humphrey	Neely
Byrd	Hunt	O'Conor
Cain	Ives	O'Mahoney
Chapman	Jenner	Robertson
Chavez	Johnson, Colo.	Russell
Connally	Johnson, Tex.	Saltonstall
Cordon	Johnston, S. C.	Schoeppel
Darby	Kefauver	Smith, Maine
Donnell	Kem	Smith, N. J.
Douglas	Kerr	Sparkman
Dworshak	Kilgore	Stennis
Eastland	Knowland	Taylor
Ecton	Lehman	Thomas, Okla.
Ellender	Long	Thomas, Utah
Ferguson	McCarthy	Thye
Flanders	McClellan	Tydings
Frear	McFarland	Watkins
Fulbright	McKellar	Wherry
George	McMahon	Wiley
Gillette	Magnuson	Williams
Green	Malone	Withers
Gurney	Martin	Young

The VICE PRESIDENT. A quorum is present.

INVESTIGATION OF THE STATE DEPARTMENT

Mr. SMITH of New Jersey. Mr. President, I am addressing the Senate this afternoon on the pending investigation of the State Department. I am stimulated to address the Senate on this subject because of two types of messages I am constantly receiving and have been in the past few days. One type of message is: Why do we Republicans not defend our colleague, the Senator from Wisconsin [Mr. McCARTHY]? The other type of message is: Why do we not recognize that the Senator from Wisconsin is heroically, like David of old, trying to slay Goliath, the great giant, but that his arms are being tied so that he cannot do it?

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. Mr. President, I request that I not be interrupted until I finish my remarks. Then I shall be more than happy to yield for questions. I have prepared an address dealing with the subject of investigation of the State Department.

The VICE PRESIDENT. The Senator from New Jersey declines to yield.

Mr. SMITH of New Jersey. Mr. President, the distinguished Senator from Maryland [Mr. TYDINGS] said, when the investigation began, that it would be neither a witch hunt nor a whitewash. From the direction in which we are moving I am very fearful that it may be either one or the other, or that it may be both. Nothing more discreditable could happen, in my judgment, than such an outcome. So I feel that certain of us who have been studying this matter, have a responsibility to share with our colleagues some thoughts which have come to us.

I am a member of the Foreign Relations Committee. My colleagues on the Republican side of that committee are unable to speak in this matter. The Senator from Michigan [Mr. VANDENBERG] as we know, is ill. The Senator from Wisconsin [Mr. WILEY] cannot deal with the matter because his colleague is concerned. My other two Republican colleagues are members of the subcommittee. So I feel it may be appropriate for me to share with Members of the Senate some thoughts I have had, and to seek to ascertain if there is not some way by which we, as the Senate of the United States, can assist in bringing the right spirit of unity and cooperation into this picture, do our duty, as we see it, and yet protect the innocent who may be damaged if that duty is not performed properly. So, Mr. President, I have prepared some remarks, and as I said a moment ago, I prefer not to be interrupted until I finish them. Then I shall be very happy to answer any questions that may be asked.

Mr. McMAHON. Mr. President, will the Senator, before he begins his statement, yield so I may make a very brief observation?

Mr. SMITH of New Jersey. Mr. President, I understand the Senator from Connecticut is now going to attend a meeting of the subcommittee. In view of that fact I think it is proper for me to yield to him, although I stated a few moments ago that I did not want to have my statement broken into, so I preferred not to yield until I had concluded. In view of the fact, however, that the Senator is a member of the subcommittee, I think I should yield to him at this time.

Mr. McMAHON. Mr. President, I appreciate the Senator's courtesy. I point out to the Senator that I regret his remarks are not being made at a time when the members of the subcommittee can be in the Chamber.

Mr. SMITH of New Jersey. I agree with the Senator. I gave notice last Friday that I wanted to be heard today. I did so in order that the members of the subcommittee, as well as all other Members of the Senate, might be present. I have been trying, since 12 o'clock today, to obtain the floor. I hoped every Member of the Senate would be present when I spoke, including the Senator from Wisconson [Mr. McCARTHY], because I am trying to make an appeal for Senators to get together so that we may bring some understanding out of the existing chaos.

Mr. McMAHON. I do not know the nature of the remarks the Senator is about to make. I certainly regret very much that the Senator from Maryland [Mr. TYDINGS], the Senator from Rhode Island [Mr. GREEN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Massachusetts [Mr. LODGE], and I cannot be present to hear the Senator, because it is proper, and I believe it is probable that some observation should be made by members of the subcommittee, either in agreement or disagreement with the remarks of the Senator from New Jersey.

I simply want it to appear in the RECORD at this point that it is now 3:20 o'clock p. m. when the Senator from New Jersey proposes to begin his address on this matter, during which he does not care to be interrupted, and that I must be at 3:30 o'clock in the caucus room for the purpose of hearing the Attorney General and Mr. J. Edgar Hoover.

Mr. SMITH of New Jersey. I had hoped to be present at that meeting also, I will say to the Senator from Connecticut.

Mr. McMAHON. Since that statement has been made for the RECORD, I am content. I wanted the reason for the absence of certain Senators at this time to be known to the country. I wish it to be understood that those Senators may rise on the floor of the Senate at some future time to comment on the speech now about to be made by the Senator from New Jersey.

I thank the Senator very much for his courtesy.

Mr. SMITH of New Jersey. Mr. President, I may say that if it is permissible, I shall be more than happy at the convenient time to be interrogated by members of the committee respecting anything I may say here. I hope the committee will be in a position to agree with the conclusions I have arrived at, as I shall set them forth in my remarks.

Mr. President, I desire to discuss before the Senate today some matters which seem to me of grave importance and which present issues of difficulty. I refer to the pending investigation concerning possible disloyalty in the Department of State and the unfortunate consequences which have begun to flow from that investigation. I feel very deeply that unless all those connected with this investigation are able to display a spirit of calm and balanced judgment we may become the victims of passions that will sorely divide our Government and our Nation in this critical period. Let me emphasize that it is my deep feeling that under no circumstances must we permit partisan politics to enter into our deliberations on these problems. The situation is far too grave for that.

It is certainly appropriate for those of us in the Congress of the United States to debate vigorously our differences of point of view in solving both our domestic and foreign problems. It is a healthy thing that we should do so. That we can differ legitimately among ourselves and retain mutual respect is a great tribute to the democratic processes operating on the highest level.

In nothing that I am about to say do I want it to appear that I am not in full support of the objectives and purposes of the Senator from Wisconsin [Mr. McCARTHY] in his bringing to the attention of the Senate certain very serious matters which affect the State Department. In my judgment he is rendering a patriotic service and is performing his obvious duty. I regret the attacks on him, and the attempts to discredit him in the eyes of the public. As one of our colleagues, he should have our wholehearted support in his endeavors to get to the bottom of these matters.

We are all aware that we are passing through critically serious times. During the war period when the security of our country was in jeopardy we had no difficulty in getting together in the Congress, irrespective of party affiliation, and agreeing on unified courses of action.

Since the end of the shooting war, when we hoped we would be moving toward an era of peace in the world through collective international action, we have been harassed and frustrated by the Russian resistance to effective cooperation. Now, we are aware that we are engaged in a new kind of warfare—a cold war which may pose even more serious threats to our future security and to the peace of the world than the hot war itself.

We are aware that this cold war is something new in the history of man. At the moment it does not seriously threaten a shooting war of aggression, but it does threaten a slow conquest of the minds of men by subversive infiltration and sinister propaganda. This kind of warfare thrives on chaos, confusion, and disunity. Let me emphasize "disunity." It thrives on human hatreds and suspicion. It thrives when men can no longer trust each other and when a Gestapo or a Politburo liquidates free men and women for seeking to distinguish between right and wrong.

We in America have come to a point where we are horrified by the subtle infiltration of these sinister, materialistic, atheistic forces which seem to be permeating the world and which now are threatening our own households and our own most precious faiths.

We have learned of shockingly disloyal acts by at least one individual in whom we had placed great trust, and because we have been thus betrayed once we are fearful we may be betrayed again. We of the Congress have an undoubted responsibility to all our people to be alert to the danger of treachery and treason, and to be prepared intelligently and calmly to take the necessary steps to protect our American people from such betrayals.

Mr. President, I yield to no one in my insistence that we cannot brush aside even rumors in these perilous days. If from any source there is reason to believe that subversive activities are being carried on, it must be our first responsibility to sift all the evidence and find out the facts.

But, Mr. President, there is another side to this problem. In our zeal to discover the truth and to locate and guard ourselves against those forces which may well destroy us, we may be led to courses of action and to exaggerations which may very well defeat the cause for which we are crusading. If in our zeal we implicate innocent persons, if in our zeal we undermine the confidence of our people and of other peoples in those who have been entrusted with the responsibility of our Government, we may well make it impossible for that responsibility to be carried on successfully either at home or in our dealings with foreign nations. Such a result would be disastrous.

In the present situation right here in the Senate it would be definitely wrong in any way to prevent the full follow-through on all the cases which might involve moral turpitude or treachery which have been brought to the attention of the committee responsible for the pending investigation. But, Mr. President, it was my considered judgment from the beginning that whatever evidence giving rise to suspicions was available should have been presented entirely confidentially and in executive sessions of the committee, without any publicity or any public fanfare which could be regarded as politically inspired. The public disclosure of any individual name inevitably casts around that name an atmosphere of suspicion, whether the individual is innocent or guilty. Even if some persons who have been publicly named as possibly disloyal are subsequently cleared, we shall inevitably confuse the innocent with the guilty and we shall tend to undermine the confidence of the people and the integrity of the investigation.

When investigations take on the aspects of a criminal trial—and I distinguish that kind of investigation from the ordinary investigation by a Senate committee which is trying to establish facts in regard to a specific piece of proposed legislation—the members of congressional committees should have brought to their attention the fact that it has taken hundreds of years of Anglo-Saxon judicial experience to protect those accused. Our system of juries—grand and petit—which is our way of insisting that the prosecutor cannot also be the judge, should be evidence to us of the high value we place upon the sacredness of the individual and upon his full protection against the infringement of his individual liberties. It is not my purpose at this time to argue at length the reforms we might make in the procedures of our congressional investigating committees; but I am certain that unless sound protective reforms are adopted, the usefulness of congressional investigations may well be jeopardized, and great damage may result to innocent individuals.

Mr. President, it is my sincere hope that any further action taken in the pending investigation will be in executive sessions. It is my judgment that those who may have any evidence suggesting disloyalty in any members of the State Department—or, I may say, in any other Department of Government—should be prepared to present such evidence, and then the responsibility should be on the committee investigating to obtain the files and make a careful study of the case. In the event that the evidence in the files bears out the initial suspicion, the committee should take the responsibility of determining that fact and of making provision for an adequate public hearing for the person accused. I am convinced that it was that kind of public hearing the Senator from Oregon [Mr. MORSE] had in mind when he submitted his amendment to the resolution calling for this investigation. I cannot believe he meant that all of the hearings should be public from the beginning. Unless the committee comes to the conclusion that there is evidence sufficient to sustain the initial suspicion, the names of the persons concerned should under no circumstances be revealed.

In this matter of procedure, Mr. President, let me make two things absolutely clear: First, my criticism of the procedures followed does not in any sense mean that I either support or deny any charge that has been made. I wish to say that when I use the word "criticism" I am criticising myself, as well as any member of the committee. I feel that all of us have seen this thing going on for some time, have realized the difficulty involved in making an investigation, and have had the duty of removing that difficulty insofar as we could. I blame myself, as well, for not previously doing something to bring about improvement in our methods of procedure in such cases. I have no direct evidence and no authority to pass judgment on them. My only interest is that all charges shall be thoroughly investigated in such a manner as to find and punish the guilty, if there be any such; to spare the innocent; and to preserve the interests of our country.

Secondly, let me emphasize that, in my judgment, mistakes of procedure have by no means been confined to either side or to any individual in this investigation. I regret very much that the charges against identifiable individuals were made in public. I regret equally that the investigating committee saw fit to receive these charges in public, instead of in executive session; and that there has been a regrettable and obvious tendency in that body, by some of its members, to prejudge the merits of the charges. I am distressed that officers of the State Department have openly prejudged some of the charges—they should not have done so—have published strong statements in defense of some of the accused—it seems to me that is totally inappropriate while an investigation is going on—and have even been quoted as threatening reprisals against employees who gave information in support of the charges. Finally, it seems to me deplorable that there should be any hesitation in the executive branch to turn over to the responsible committee of the Senate the necessary files

bearing on individuals who have been named. The confusion and disunity stirred up by these mistakes cannot help anybody except our opponents in the cold war.

When it comes to the Department of State as a whole, I feel, as a member of the Foreign Relations Committee of the Senate, that a full and complete investigation should be made of any present or former members of that Department who are charged with disloyalty or with having in any way been the tools of any foreign power.

But here I wish to draw a basic distinction between disloyalty and honest difference of opinion. I repeat that I myself have no direct evidence bearing on the loyalty of members of the State Department, although I have had substantial differences of opinion with some members of the Department and especially with certain groups in the Department who have had a large responsibility for the making of certain of our foreign policies. Mr. President, my colleagues know well that I have disagreed with our far-eastern policy. I have disagreed with the groups in the Senate who have taken a strong position on that question and who have come to the conclusion leading to our present policy. However, that is a difference of opinion which we can debate among ourselves. I do not for that reason charge with disloyalty any of those with whom I have disagreed. We should not confuse disloyalty with differences of opinion. I regard those differences of opinion as legitimate. It should be possible for the Congress to explore them fully and to determine whether the share in policy formation which these individuals or groups have in the areas involved is for the best interests of the United States. Should we in the Congress conclude that this participation in policy formation by the individuals concerned is not in the best interests of the United States, it would be, as I see it, our obligation to recommend a change in the policy-making process or even to recommend the resignation of those who were not in accord with what we finally determined the right policy should be. But such an administrative change or even a removal from their positions in the State Department of the individuals involved should not of itself in any way be tainted with the suggestion that these individuals were disloyal or that they were involved in international machinations.

At this time I am not prepared either to affirm or deny the possible disloyalty of any of these individuals. I hope the whole question—with safeguards such as I have suggested—will be thoroughly explored. But let me repeat that charges of disloyalty or betrayal—both are very serious, but they are different kinds of charges—should be treated entirely separately from the mere study of different views on policy which reasonable men might hold, no matter how strongly they may hold them.

To sum up these points, Mr. President, I believe there are four aspects of this trying problem on which we can all agree, and which may perhaps point a lesson for us regarding future procedure.

First. The possibility that disloyal or subversive or untrustworthy individuals may be employed in our Government poses a real threat to our national security.

I have not had anyone question that conclusion, and I have checked it with a good many people. We all know there is a danger, and, in view of the history we have had, we are very much concerned over it.

Second. Any suspicion of the presence of such people in our Government should be thoroughly explored in a spirit of firmness and calm judgment.

I think we can agree on that.

Third. The procedure for investigating such suspicions must be effective in identifying the guilty; it must not implicate or injure the innocent by premature publicity; and it must under no circumstances become an instrument for personal or partisan advantage.

Fourth. Charges of disloyalty, treachery, or untrustworthiness should never be confused with charges of mistaken policy. It is entirely possible for a loyal official to hold tragically mistaken views.

I suggest that our present procedures, both in Congress and in the executive branch, for dealing with possible subversion should be carefully reviewed in the light of these considerations. We may well question whether the present loyalty review procedures in the executive branch are sufficiently effective in identifying the guilty. But I suggest that we may also question whether the present techniques of investigation in Congress are sufficiently fair to the innocent or sufficiently protected against the dangers of partisanship and unreasoning passion. Possibly both procedures are inherently sound and need only to be improved. But on sober consideration we might well conclude that both should be replaced by some new device, perhaps an independent body which would be both more effective and more impartial. I have not given detailed study to this matter, but I commend it to the Senate as a question of great importance and as something which certainly in future investigations we should have in mind.

But, Mr. President, the problem I have been discussing far transcends partisanship or prejudice. This is what I particularly want to emphasize. By virtue of our physical power and even more by virtue of the power of our God-inspired American tradition, we in America must carry by far the greatest burden in the long struggle for a world of free men and women. Let us not give way to passions which serve only to divide us, to weaken our will, becloud our purposes, and cast doubt upon our unity before the whole world.

Let us announce to the world our oneness as Americans in dealing with the world-wide problems and events which lie before us. The wisdom and united devotion which we bring to our work may well determine whether we will follow the road to destruction of all civilization or the road to a just and lasting peace.

Mr. President, I am particularly anxious that anything I have said be not construed as an attempt by me to pontificate to my colleagues. I am speaking from the depths of my feeling, and with a sense of responsibility in view of the international situation of today. I am pleading for the unity which we need so sorely if we are to see our way out of the present difficulties.

I notice in the newspapers, since I prepared these remarks, a suggestion that some possibly personal attacks may be made on the Secretary of State. It is not for me to question the judgment of anyone who wants to participate in approaches to these questions, but I express the hope that that will not be the approach. I express the hope that we will not deal in personalities. I express the hope that we will deal in principles. I express the hope that we can debate these questions of policy, and I expect to continue to do so. I expect to differ with the Secretary of State. I differ with him now on our far-eastern policy. I expect to differ with others in the Department on our far-eastern policy and other policies that may be undertaken. But I feel that, as Senators of the United States, we have a responsibility to stand together, to try to move forward with the administration in dealing with problems abroad, without the impression being given that we are divided among ourselves, that we mistrust each other, and that we as Americans cannot meet the challenge.

Mr. President, I thank my colleagues for their attention. I shall be glad to yield to questions.

Mr. LEHMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from New York?

Mr. LEHMAN. Mr. President, I desire the floor in my own right. I do not know whether the Senator from New Jersey has concluded.

The VICE PRESIDENT. Has the Senator from New Jersey concluded?

Mr. SMITH of New Jersey. I have concluded my main remarks, but I have said I would yield to questions.

Mr. ANDERSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from New Mexico?

Mr. SMITH of New Jersey. I yield.

Mr. ANDERSON. Do I correctly understand that the Senator from New Jersey objects to the procedure of the committee in the examination of these individuals in public?

Mr. SMITH of New Jersey. That is my feeling. I may say to the Senator, that when the matter came up originally I expressed the view that it seemed to me wise to hold the preliminary hearings in private, and not to let the names get into the newspapers. Reasons were given why it seemed wise to take the other course.

Mr. ANDERSON. I wonder whether the Senator is familiar with Senate Resolution 231, requiring the holding of open hearings?

Mr. SMITH of New Jersey. Certainly.

Mr. ANDERSON. Does the Senator object to that?

Mr. SMITH of New Jersey. I raised the question. An amendment was of-

fered by the Senator from Oregon, as the Senator will recall, and I felt that what he was insisting on was that anyone in the limelight was entitled to a public hearing. My point was that the mere naming of someone did not call for the name being published in the press, but that the name should go to the committee and, if a case were found to exist, similar to the situation which in a criminal matter might lead to an indictment, the person would be entitled to a full hearing in open court with his counsel and everything else before he could in any way be condemned.

Mr. ANDERSON. But the Senator, in his address, has said:

> I regret very much that the charges against identifiable individuals were made in public. I regret equally that the investigating committee saw fit to receive these charges in public, instead of in executive session.

If the committee had disregarded the instructions of the Senate and had not proceeded in open hearings, then it likewise would have been subject to fair criticism, would it not?

Mr. SMITH of New Jersey. I do not think so, because if there had been any question on the point I am now making, the committee could very easily have come to the Senate for instructions. I know there was debate in the committee as to which course should be taken, and it was considered, I think, by the committee that it might have been perfectly legitimate to take the executive-session course in the first instance. I may be mistaken in that, but I submit it as an approach to this question.

Mr. ANDERSON. Does the Senator not feel that any person against whom a charge was made had a right to appear before the committee in an open hearing?

Mr. SMITH of New Jersey. Absolutely.

Mr. ANDERSON. Does the Senator not think it was a good thing for Dorothy Kenyon to appear personally?

Mr. SMITH of New Jersey. Absolutely; if there had been anything found in her case, which the committee felt should be brought out—well and good. But I think the publicity did her no good, and did the committee no good.

Mr. ANDERSON. I refer now to one of the Senator's earlier statements, if I may, in which he said he did not want it to appear that he is not in full sympathy with the objectives and purposes of the Senator from Wisconsin [Mr. McCARTHY].

Mr. SMITH of New Jersey. That is correct.

Mr. ANDERSON. Are we then to conclude that the Senator is in full sympathy with his acts?

Mr. SMITH of New Jersey. I said with his objectives and purposes. I did not say that I agreed with what he had said. What he is trying to do find subversion in the State Department, and it is a legitimate investigation and a legitimate purpose. What I have quarreled with my distinguished friend from Wisconsin about is the way in which some of the cases have been presented. I do not agree with him on the limelight and publicity which have attended the presentation of cases, before there has been a Senate hearing to determine the possible guilt or innocence of a person named. That is the reason for it.

Mr. ANDERSON. The Senator will recall that the Senator from Wisconsin stated:

> Although I shall discuss the unusual affinity of Dr. Philip C. Jessup of the State Department for Communist causes later in this inquiry, I think it pertinent to note that this gentleman, now formulating top-flight policy in the Far East, affecting half the civilized world, was also a sponsor of the American-Russian Institute.

I had understood from the very fine statement of the Senator from New Jersey that he has some confidence in Dr. Jessup. Am I wrong in that?

Mr. SMITH of New Jersey. I have a great deal of confidence in him. He has been an associate of mine for many years, as I said in a public statement, and I regretted very much that his name had been brought in, even in that way. I think it was too bad that it was done. I think Mr. Jessup is a good illustration of what I am driving at. My confidence in him is such that I do not believe any such charges could be proved against him. If anything can be proved, it should be proved. The evidence should be taken in executive session, where a man of his distinction is not put before the public as having been guilty of subversion.

Mr. ANDERSON. I know the distinguished Senator is familiar with the statements of Gen. George C. Marshall and Gen. Dwight Eisenhower. I do not have extra copies of them. I wonder whether the Senator would mind having included in the RECORD at the end of his address the appraisal of Dr. Jessup by these two great Americans.

Mr. SMITH of New Jersey. As I made a similar contribution to Dr. Jessup last Friday, I certainly should have no objection.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. ANDERSON. Following what the Senator has stated with reference to the objectives and purposes of the Senator from Wisconsin, will the Senator from New Jersey say that in his judgment the Senator from Wisconsin is rendering a patriotic service and is performing his obvious duty?

Mr. SMITH of New Jersey. I think he is.

Mr. ANDERSON. Does the Senator think it was his obvious duty to single out Dr. Jessup?

Mr. SMITH of New Jersey. No, of course not. I definitely criticize it.

Mr. ANDERSON. I am trying to find out just where the Senator stands.

Mr. SMITH of New Jersey. The Senator knows very well what I am driving at. I do not think the Senator ought to try to split hairs. What I am saying is that in the first instance these matters ought to be brought in executive session before the committee charged with the responsibility. If the committee decides that the files should be looked into, they should examine the files. I do not think public charges should be made by any of us against any individual until the preliminary hearing has been had.

Mr. ANDERSON. I assure the distinguished Senator from New Jersey that I subscribe entirely to what he has just said, and I should like to say, by way of preface to what I next am going to ask him, that I have had perhaps a different experience with the matter from that of most of the Members of the Senate. I was placed upon a special subcommittee of the House of Representatives some years ago, in connection with the charges made by the Dies committee against a great many possibly distinguished Americans, among them one of the individuals mentioned by the distinguished Senator from Wisconsin [Mr. McCARTHY]. I have examined one of those individuals for 3 hours at a time, and in my opinion it would be impossible to produce any evidence that the individual is a Communist. I recognize that he is greatly interested in a great many liberal causes. I am a little bit worried only because, as the distinguished Senator says, public disclosure of any individual's name casts an atmosphere of suspicion around the name, whether the individual is innocent or guilty. I subscribe to that very deeply, and I think it is a fine statement of the actual situation. I do not see how it is possible to separate that from the charges that are made against individuals, without any proof being given.

Mr. SMITH of New Jersey. If I have the slightest suspicion against anyone and I think the situation is so critical that the matter should be taken to an appropriate committee, I think the committee should hold an executive session, and if the committee finds that the matter should be pursued further, that person should have a full and open hearing.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. Yes; I shall be glad to yield. I want this matter threshed out. I think it is terribly important.

Mr. ANDERSON. I think so, too. Nothing has happened which has distressed me quite so much as has the implication against dozens of persons, some of whom may be perfectly all right, but who are branded together with all the other individuals. I broadcast to the people of my own State as to how close I came to becoming a member of the League of the Foreign Born, merely because my father was born abroad and because he had some sympathy with the people there. Such a person, if he went to a foreign country, might make an eloquent contribution toward bringing those living in the foreign country to an understanding of our institutions.

The distinguished Senator from New Jersey said, "At this time I am not prepared either to affirm or deny the possible disloyalty of any of these individuals." Does that statement include Dr. Jessup?

Mr. SMITH of New Jersey. Dr. Jessup is not a member of the State Department in that sense.

Mr. ANDERSON. He is one of the individuals under attack.

Mr. SMITH of New Jersey. I am not prepared to affirm or deny any charge

against Dr. Jessup. Let me invite the attention of the distinguished Senator from New Mexico that we experienced a terrible shock and surprise when a man very high in the State Department, who even Supreme Court Justices thought was unjustly accused, was finally found guilty. So it would not be right to say that we should prejudge any man. I cannot possibly believe the accusations regarding Dr. Jessup, but I think he should be investigated, the same as any other person should be investigated if there are charges made against him.

It is a terrible thing to say, but the Foreign Policy Association, of which I was a codirector with Dr. Jessup, was accused of being subversive. That struck me as being ridiculous to the maximum degree. I agree with what the Senator is saying.

Mr. ANDERSON. I want to say to the distinguished Senator from New Jersey that if his name had been on the list, if any person had raised his hand in any public place and tried to infer that the Senator was not a loyal American, every Senator on the floor would have jumped up and denounced the accuser.

Mr. SMITH of New Jersey. If my name were on that list, I should wish to be examined to the last ditch.

Mr. ANDERSON. I wonder why Dr. Jessup should not be granted the same privilege.

Mr. SMITH of New Jersey. If the committee has a case before it, I think it should be investigated. I do not think it is fair to say we will examine this one but not that one.

Let me make my position clear to the distinguished Senator. I have felt from the beginning that any evidence there may be should go to the appropriate committee, and the committee should go to the Government files. The files should be given to it, to see if they in any way substantiate the charge. If the charge is not substantiated, the name should be kept secret and not disclosed to the public. If there is anything suspicious, the accused person should be brought to a public hearing, with his counsel, and his name should be announced for his own benefit and for the benefit of the country.

Mr. ANDERSON. I am sorry that the Senator from New Jersey is not prepared to affirm or deny the possible disloyalty of Dr. Jessup.

Mr. SMITH of New Jersey. I do not think it is quite fair to emphasize that. I am saying that we should not take for granted that if there is any danger to our country, any person charged with disloyalty should not have his record examined. I am willing to have mine examined, and I am sure the Senator from New Mexico is willing to have his examined. Yet, I would not say that I had any suspicion of any kind of the distinguished Senator.

Mr. ANDERSON. The Senator started out by speaking of the struggle between David and Goliath.

Mr. SMITH of New Jersey. That was one approach which came to my mind. I was contrasting the extremes of this question.

Mr. ANDERSON. David killed Goliath with his sling, by hurling a pebble at him, but what I have seen of the charges against Dr. Jessup, I feel that this time David will have flung his pebble—and missed!

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Is not the point which the Senator from New Jersey is trying to make to the Senator from New Mexico simply this, that in the opinion of the Senator from New Jersey, the preliminary charge by the Senator from Wisconsin and the preliminary hearing by the subcommittee should have been in private, and that Dr. Jessup's name never should have come up in public?

Mr. SMITH of New Jersey. Exactly.

Mr. SALTONSTALL. And that having come up in public in the hearing, as it is now conducted, the Senator from New Jersey does not want to take a position against Dr. Jessup?

Mr. SMITH of New Jersey. I cannot do it, with my knowledge of and friendship for Dr. Jessup. So far as I knew, he was beyond suspicion. I still feel that way, but I think the committee has to deal with his name as it would in any other case.

Mr. SALTONSTALL. As one who took some part in the debate concerning the wording of the resolution, it seems clear to the Senator from Massachusetts that the position of the Senator from New Jersey is the correct one. It was the purpose not to conceal anything from the public if there was sufficient evidence of a charge against any individual that warranted that individual's being brought before the committee in public.

Mr. SMITH of New Jersey. That seems to me to be a reasonable and a protective interpretation.

Mr. MILLIKIN. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. Did not the distinguished senior Senator from New Jersey criticize the State Department for eulogizing a man who was under investigation?

Mr. SMITH of New Jersey. He did.

Mr. MILLIKIN. Would it not be inconsistent for the distinguished Senator from New Jersey to proceed, himself, to eulogize someone?

Mr. SMITH of New Jersey. I think it would.

Mr. MILLIKIN. It seems to me that the Senator's position is entirely consistent.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the distinguished Senator from Texas.

Mr. CONNALLY. I should like to ask the Senator from New Jersey a question. I did not participate in the debate on the resolution, as I was engaged with the Committee on Foreign Relations, but, of course, I accepted the language of the resolution.

Mr. SMITH of New Jersey. I will say to the Senator that I also accepted it, and I share whatever blame there may be for what has been done. I am not immune.

Mr. CONNALLY. The resolution provides that there must be an open hearing. It provides:

> The committee shall report to the Senate at the earliest practicable date the results of its investigations, together with such recommendations as it may deem desirable, and if said recommendations are to include formal charges of disloyalty against any individual, then the committee, before making said recommendations, shall give said individual open hearings.

Mr. SMITH of New Jersey. Yes.

Mr. CONNALLY. That is a hearing in which the public can look, see, and hear.

Mr. SMITH of New Jersey. The resolution provides:

> The committee shall report to the Senate at the earliest practicable date the results of its investigation, together with such recommendations as it may deem desirable, and if said recommendations——

Mr. CONNALLY. Of whom?

Mr. SMITH of New Jersey. Of the committee—

> are to include formal charges of disloyalty against any individual, then the committee, before making said recommendations, shall give said individual open hearings for the purpose of taking evidence or testimony on said charges.

I understand that to mean that if the committee finds, in executive session, that Mr. X should have charges preferred against him, then Mr. X is to be brought before the committee, in open hearings. It seems to me there is no other construction of the language possible. The committee must make that definite before the accused person is brought before an open hearing.

Mr. CONNALLY. Does the Senator from New Jersey subscribe to the doctrine that he or anyone else can make a wholesale indictment of 100 persons in a Department, and not afford those who are charged, if there are any charges, an opportunity to be heard? As I recall, the Senator from Wisconsin said he was not making any charges. He said, "Here is a list of names. Get the files and see what the facts show."

Mr. SMITH of New Jersey. I do not want to argue the right or wrong of what the Senator from Wisconsin has done.

Mr. CONNALLY. I am not stressing that.

Mr. SMITH of New Jersey. I have been trying to say this afternoon that I think his charges, or whatever they may be called, should have been brought before the committee in executive session, and that the terms of the resolution should have been carried out. Before the committee makes any recommendation regarding Mr. X, he must be given an open hearing.

Mr. CONNALLY. The Senator knows that whenever charges of that nature are made, whether made in executive session or wherever they are made, leaks always take place. Dr. Jessup's name was known long before there was any investigation of him. I do not know how the information leaks out, but it does leak out. When Dr. Jessup is charged with being disloyal and being a representative of Russia, he is entitled to a public hearing.

Mr. SMITH of New Jersey. I am not objecting to a public hearing. I am objecting to any charges being made against anyone except in executive session. It was agreed that there should be open hearings. I think we made a mistake in dealing with the subject in that way.

Mr. CONNALLY. The Senator from Wisconsin started open hearings by making his first speech, which was reported by the press.

Mr. SMITH of New Jersey. He did not mention any names.

Mr. CONNALLY. No, but he said he had 57 names in his hand. That is an indictment of 57 members of the State Department. Then he went somewhere else and said he had 200 names. He stood on the floor of the Senate and made charges. I suppose the Senator from New Jersey was present and heard him. Was that a private hearing?

Mr. SMITH of New Jersey. He did not mention any names.

Mr. CONNALLY. The charges are the important thing. He made his charges in public and they were carried by every wire service all over the United States. The Senator says the charges should have been made in private. Who can determine that except the man who makes them? He did not decide to make them in private. He decided to make them in this public forum. Yet the Senator now says those persons who were charged should have been given a private hearing.

Mr. SMITH of New Jersey. If the Senator will let me correct his statement, that is what I did not say. I said that the charges, or whatever there was, should have been presented to the committee, and the committee should have determined whether there was sufficient before it to justify a recommendation; but that before any recommendation was made, the evidence should be given in an open hearing. That is the spirit of our jury system, and it is the spirit of every Anglo-Saxon trial procedure. Serious charges are involved, and the form of procedure is important. However, I did not mean to bring into debate the question of who did right or who did wrong. What I am trying to do is to urge my colleagues that we think together on this subject. Let us find out what wrong has been done, if any has been done. If none has been done, let us clear these people. Let us agree that we shall not have a cat-and-dog fight over this very important issue.

Mr. CONNALLY. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. Of course, I yield further to the Senator from Texas.

Mr. CONNALLY. According to the Senator, the committee ought to have held two trials. Does the Senator believe that the committee should first hear the proof and decide the case in private, and then come out in public and hear it all over again? Is that his view?

Mr. SMITH of New Jersey. No; not at all. The Senator from Wisconsin said he had certain evidence which he would like to submit to an appropriate committee. The appropriate committee was appointed. In my judgment, whatever evidence he had should have been submitted to the committee. He should not have to make any charges. In fact, originally he said that he was not making any charges. He said he had evidence which he thought should be explored by an appropriate committee. The committee should have decided whether the evidence he preesnted was sufficient on which to ask the Chief Executive for the files, in order to see if there was anything dangerous involved, because the Nation must be protected against subversive influences. In other words, if there was something about Mr. X which ought to be considered, under the Morse amendment, the man should then have had a public hearing. The other names should never have been published in the press.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. ANDERSON. I quote what the Senator stated on last Friday, concerning Dr. Jessup:

> I can see no possible ground for questioning Mr. Jessup's unimpeachable integrity or his complete loyalty and patriotic devotion to his country.

Does the Senator recall having made that statement?

Mr. SMITH of New Jersey. Absolutely. I said that.

Mr. ANDERSON. I want to say to the Senator from New Jersey that if it had not been for the rules of decorum in the Senate I would almost have cheered the Senator for saying that he was going to stand up and attest his faith in Mr. Jessup. Today, however, he says:

> At this time I am not prepared either to affirm or deny the possible disloyalty of any of these individuals.

I am wondering what happened between Friday and today to affect the Senator's opinion of Dr. Jessup.

Mr. SMITH of New Jersey. Nothing has happened. I have absolute faith in Dr. Jessup, but I say that any charges which are made against him—as I would feel of any charges which might be made against the distinguished Senator from New Mexico—ought to be examined by the committee, and we should not try to prejudge a case. I admit it was inconsistent for me to have leaned over backward and prejudged Mr. Jessup's case because of my fondness for him. To be technically correct, I should have said nothing. But, believe me, I cannot have a friend, and serve with him on a board for 20 years, for instance, and not express my trust in him if I think there is something wrong or phony. Technically, I should not have said what the Senator has quoted. I should have said, "It is a dangerous area to go into. I may find that I was getting mixed up with something." By the same token, his name having been mentioned, his case should have been carried through by the committee. I am convinced the committee will find a clear record.

Mr. ANDERSON. I will trust the Senator's statement Friday, because I think that statement came from the heart.

Mr. SMITH of New Jersey. Both came from the heart.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. SALTONSTALL. Is not the purpose of what the Senator has said in his speech, and is now trying to say in answering the questions, that he feels disloyalty in Government departments should be dug out in every possible instance, but that primarily the digging out should be done without casting disrespect upon our leaders, who have to deal with other nations, and thus put other nations in doubt as to the respect in which we hold our own leaders?

Mr. SMITH of New Jersey. I agree with the Senator entirely.

Mr. SALTONSTALL. Is that the purpose of the Senator's speech?

Mr. SMITH of New Jersey. I agree with the Senator entirely.

Mr. MILLIKIN, Mr. KNOWLAND, and Mr. BENTON addressed the Chair.

The VICE PRESIDENT. Will the Senator yield; and if so, to whom?

Mr. SMITH of New Jersey. I yield first to the Senator from Colorado, who has been on his feet.

Mr. MILLIKIN. Is the distinguished senior Senator from New Jersey a member of the Finance Committee?

Mr. SMITH of New Jersey. No.

Mr. MILLIKIN. I mean of the Foreign Relations Committee. I always think of the best committee first.

Mr. SMITH of New Jersey. I am a member of the best committee, which is the Foreign Relations Committee.

Mr. MILLIKIN. As a member of the Committee on Foreign Relations, will not the Senator finally sit in judgment on what the recommendations of the subcommittee may be?

Mr. SMITH of New Jersey. I realize that that may be true, and I see what the Senator is leading up to.

Mr. MILLIKIN. Would it be appropriate for a member of a public body to give the kind of a recommendation the distinguished Senator from New Mexico [Mr. ANDERSON] is suggesting?

Mr. SMITH of New Jersey. The Senator's question is entirely relevant, and I think that logically it should not be done. But I admit to having a certain warmth of heart somewhere, somehow, a certain love for my friends, and in the same sense in which others have expressed concern for those in trouble, my emotion, I suppose, led me to say what I did. I am not ashamed of it, but it was technically wrong.

Mr. KNOWLAND. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH of New Jersey. I yield to the Senator from California.

Mr. KNOWLAND. I should like to ask the able Senator from New Jersey whether I understand him correctly to be suggesting that possibly there is a better way, in the investigation of a subject of the magnitude of that now under discussion, than the committee investigation method which both the Senate and the other body of the Congress have from time to time pursued. Do I read into the Senator's remarks a possible suggestion that the system the Canadians used in the Canadian Commission of Royal Inquiry, in investigating the

Canadian spy case, was the better method, in which the entire investigation was made, the facts were determined, the spies were ferreted out, and then the prosecutions occurred, without the whole matter being displayed in public prior to the time the facts had been developed? Is that possibly what the Senator has in view?

Mr. SMITH of New Jersey. I have not suggested that particular method, but that is the very kind of a set-up I have had in mind in making my suggestion. It seems to me we are severely handicapped in having serious matters carried on as they have been, where there is a division between Republicans and Democrats. The danger is that we cannot escape political implications. I do not think we should let such inquiries be subject to political manipulation in any way, shape, or manner.

Mr. BENTON. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Connecticut?

Mr. SMITH of New Jersey. I shall be happy to yield, but I desire to conclude the thought I was discussing.

I am thinking in terms of a body like this working out some plan such as the Senator from California has suggested Canada has followed, whereby an investigation would be made by an independent body, and then the results brought to the Senate by some committee or subcommittee for subsequent procedure.

I now yield to the Senator from Connecticut.

Mr. BENTON. Mr. President, I understand the Senator from New Jersey has regretted the procedures we have been following. Is he suggesting that those procedures now be dropped and changed, and the investigation from now on be held in executive session?

Mr. SMITH of New Jersey. I do not think we can change our procedures, because a good deal of water is over the dam, but I hope that in future, investigations of individuals will be held in executive session, and once facts are found which justify their being made public, then the hearing should be in public, with counsel, and all the other protections. We cannot retrace our steps and go back to the beginning. We simply have to take the situation as we find it. I am merely urging my colleagues to get together and see if we cannot work things out.

Mr. BENTON. If the Senator from New Jersey does not now suggest a change in procedures, I then ask him whether he has any suggestion for remedying the manifest injustices which have resulted from the charges which have been made. He says in his prepared remarks that "even if some persons who have been publicly named as possibly disloyal are subsequently cleared, we shall inevitably confuse the innocent with the guilty."

Mr. SMITH of New Jersey. That is what I object to.

Mr. BENTON. Let me ask what comment the Senator would make on one paragraph in Secretary Stimson's letter in the New York Times of this morning, because it seems to me we are faced with a very difficult problem growing out of the predicament in which Ambassador Jessup, a native of my State of Connecticut, the husband of a daughter of a respected Republican Senator, and the others involved find themselves. I ask for the Senator's comment on this paragraph, if I may have it, and then, if I may, I will ask him one final question:

> Second. No matter what else may occur, the present charges have already spattered mud upon individuals of the highest integrity, and in the present state of the world the denial cannot always overtake the accusation.

If I may break in there one minute, Mr. President. The pictures of the accused appear on the front pages. The denials, if they are printed—and often only the great newspapers such as the New York Times print the denials—appear on the twentieth page, or the fortieth page, and in footnotes. I continue to read from Secretary Stimson's letter:

> It should by now be wholly clear that indiscriminatory accusations of this sort are doubly offensive; they damage the innocent, and they help protect the guilty. For if the accuser is so stupid as to connect a man like Ambassador Jessup with communism, are not all such accusations made suspect?

Will the Senator comment on that paragraph?

Mr. SMITH of New Jersey. Mr. President, I will say that is the position I have been taking all through my address. That is nothing new to me. That is what I have been saying. The danger is just that; that it is hard to correct a situation if an innocent person gets into such a position.

Mr. BENTON. Does the Senator have a proposal as to what we can do about the matter, inasmuch as we are using the phrase "prejudging"? If I may give one illustration, to conclude my questioning. When I served in the State Department I had as my assistant Assistant Secretary of State, Haldore E. Hanson, who is to be called as a witness tomorrow before the committee charged with the investigation of these disloyalty charges. Yesterday in the New York Times, on page 23, was published a long letter from Mr. Hanson, from which I should like to read two paragraphs.

Mr. SMITH of New Jersey. I should like to yield to the Senator for a question, but I prefer the Senator to take his own time to develop his thought further. I am not questioning what he is saying, but I think it would be proper for him to develop his point in his own time.

Mr. BENTON. May I have unanimous consent to read the two paragraphs? If not, I shall skip them.

Mr. SMITH of New Jersey. I want to yield the floor, unless other Senators desire to ask me questions. I understand the Senator from Connecticut wants to make a speech on this subject.

Mr. BENTON. Mr. President, I ask unanimous consent that the two paragraphs to which I have referred be incorporated in the RECORD as a part of the colloquy, at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The excerpt is as follows:

> For example, a man who feeds cattle on my farm in Virginia has been asked why he continues to work with "that Communist." One neighboring farmer began last week to refer to me as "that Russian spy." A man near my farm made public remarks which could reflect on my credit standing, an indispensable asset in the cattle business. A petition calling my family undesirable and urging that we get out of the community was circulated in the village near my farm.
>
> EXPRESSES RESENTMENT AT CHARGES
>
> If these incidents were the work of an occasional gossip, I would not dignify them in a letter to a Senate committee. But these cumulative actions occurred in a decent, educated, church-going community where I have owned a farm for 5 years, helped others, been helped by them, and enjoyed a reciprocal friendship and respect with many of my neighbors.

Mr. BENTON. Mr. President, on the subject of prejudging, let me point out that Mr. Hanson has been three times investigated thoroughly by the most thorough processes we have in the Government, by the State Department, by the security agents, and by the FBI. Three times he has gone through such investigation. Now is it prejudgment when an officer of the State Department defends Mr. Hanson? Is it prejudgment when one who has had 15 or 20 years' acquaintance with Mr. Jessup defends Mr. Jessup?

Mr. SMITH of New Jersey. I admit that my position, in defending Mr. Jessup, is vulnerable, when looked at from a technical standpoint. I said so in reply to a question asked me by the Senator from New Mexico [Mr. ANDERSON]. My position of defending Mr. Jessup because of my long friendship for a friend, is vulnerable. I am opposed to prejudging cases when we have such a serious situation as now exists.

Mr. BENTON. Will the Senator agree that many of these cases have been judged again and again and again, and therefore it is not prejudgment to defend an individual under such circumstances?

Mr. SMITH. I will say that in many important quarters there is some question about the way the investigations have been conducted. There is suspicion and doubt respecting some investigations.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. I wish to make a very brief prefatory remark. I feel we have got to revise our procedures in connection with conducting hearings of this kind. In the Senator's time I will not make any suggestions. But is it not true that we also must not muzzle a Senator in his freedoms on the floor?

Mr. SMITH of New Jersey. Absolutely.

Mr. MILLIKIN. That comes down to a question of his sense of individual responsibility.

Mr. SMITH of New Jersey. I feel that way. I may disagree with him, but that is his responsibility.

Mr. MILLIKIN. If I may ask a further question, is it not true that if a Senator of this body has charges to make, and makes them, and wants them heard, if he then is referred to a lodge, to a closed committee, which shall decide in secret whether to go ahead or not to go ahead—and I am speaking now in an abstract sense for the purpose of preserving harmony here—if he suspects that

the committee is loaded in a partisan way, will he be apt to prefer his charges to such committee, or want them heard by such committee?

Mr. SMITH of New Jersey. I see the point of the Senator's question. Of course, he would be in a difficult situation if he had such a suspicion of the committee. But I would say in the first instance that we should give the benefit of the doubt to any committee of the Senate which is prepared to meet and accept the charges in the first instance. If, after that, he feels he has not had proper treatment, that proper attention has not been given to the matters he has brought before it, then it is a question whether he should not be permitted to go further.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. I should like to ask the distinguished Senator from New Jersey whether we do not know of very sharp cases where there have been multiple investigations with favorable reports, and then the condemnation of a jury?

Mr. SMITH of New Jersey. I will have to say very regretfully to the Senator from Colorado, that is true. We have had such cases. We have had great surprises when the jury trial was had. That is the reason why we are now in a state of uncertainty and fear, and why I am insisting that everything be examined down to the last drop, one might say, so we can protect our country against subversive influences.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. Could it come down to this, that in the end the Senator making the charge has the responsibility for making good on the charge and is entitled to every opportunity to make good on it, and that we cannot keep him from making good on it by obstructive tactics in a committee, or by secret proceedings in the committee of which he is not informed, and when he does not know what evidence has been presented for or against. In other words, is it not true that in the end, when any procedure is concluded, an individual Senator should have a right to bring, if necessary, his case to the people?

Mr. SMITH of New Jersey. Absolutely. If he feels he has not been properly treated, if he feels that the committee as a whole has not properly considered his case, that it has not obtained full access to the information it needs, I should say that he should have the right to bring the matter to the attention of the public.

Mr. THYE. Mr. President, will the Senator yield to me?

Mr. SMITH of New Jersey. I yield.

Mr. THYE. Mr. President, I wish to ask a question of the able Senator from New Jersey. Is it not true that the fear existing in the minds of the public and the question which exists in the public mind will never be answered, until the records or the files within the Attorney General's office have been made available to the subcommittee as to whether there is any evidence of disloyalty or any evidence of subversive action on the part of individuals now under suspicion?

Mr. SMITH of New Jersey. I agree with the Senator from Minnesota. I said in my prepared remarks that I could see no possible justification for the Executive denying access to the files to any appropriate committee with regard to any of the names in question.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I yield.

Mr. THYE. My question relates to whether facts contained in Government files should be made available to the subcommittee charged, under the Senate resolution, with the responsibility of determining whether any justification exists for the charges of the Senator from Wisconsin. I do not mean that the files should be made available to the general public, but they should be made available to the subcommittee which has the responsibility under the Senate resolution for determining if any justification exists for the charges made by the Senator.

Mr. SMITH of New Jersey. I agree entirely with the position of the Senator from Minnesota. The files should be limited to the committee, unless there was some suspicion that the committee was not doing its duty. In the first instance we ought to have confidence in the Senate committees. I believe every Member of the Senate is capable of serving honorably on a committee, and should be trusted to examine the files and determine whether there is in connection with any name which has been mentioned anything which ought to be investigated further. I agree with the Senator that the complete file should be exhibited. The public will never be satisfied if we withhold information in any way respecting the names of persons involved. The person interested should not only want it done, but should urge that it be done.

Mr. THYE. I thank the Senator from New Jersey.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. Am I correct in my analysis of the distinguished Senator's statement that one of his main points is that even now, in the current matter, Senators perhaps should get together and see if they cannot work out procedures which will minimize the possibility of injuring the innocent who might be accused.

Mr. SMITH of New Jersey. The Senator has expressed very well the thought I have had, and one of the motivations for bringing this matter to the attention of the Senate.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. CHAVEZ. There is a matter which I cannot get clear in my mind relative to charges brought by an individual Senator. Of course, we all have to respect and should consider the rights of the individual Senator, even though he makes a mistake. But we should be fair to the innocent. Suppose all the charges which have been made in the Senate should prove to be wrong, and it should be developed that they were made against innocent persons; or suppose it were proved before a Senate committee or a House committee that the individual charged was guilty under our conception of Anglo-Saxon law—I am not speaking of the merits or demerits of the charges, or what may be defects respecting them, but simply because the public might not be satisfied with the investigation conducted by the committee—would the action of the committee in the last supposition prove that the person whose name had been submitted was guilty under the law?

Mr. SMITH of New Jersey. No; I do not think so.

Mr. CHAVEZ. Or should he be tried, in the way that we ourselves would like to be tried, by being faced with the witnesses against him and having a verdict rendered by a jury of his peers?

Regardless of what may be brought out before a Senate committee, what can be proved? All that a Senate committee can do is, probably, to make recommendations in regard to preventive legislation. A Senate committee cannot find a person guilty of treason.

Mr. SMITH of New Jersey. Of course, a committee may obtain evidence upon which a case in court may be based, and as a result of which a criminal penalty may be imposed.

Mr. CHAVEZ. Yes. However, until a court passes on such a question, I prefer to feel that such persons are innocent until they are proved guilty.

Mr. SMITH of New Jersey. That is a very proper principle of Anglo-Saxon legal procedure, of course.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MYERS. Do I correctly understand that the Senator from New Jersey is objecting because Mr. Jessup was given an opportunity to appear before the committee?

Mr. SMITH of New Jersey. Certainly not. I was objecting because his name was brought out in public. I think his name should have been brought up in executive session, and then the committee could have determined whether to go further into the matter. That has been my argument.

Mr. MYERS. Does the Senator from New Jersey question that Mr. Jessup is a loyal American?

Mr. SMITH of New Jersey. If the Senator from Pennsylvania had read the statement I made on Friday, he would have seen my answer to that question. I think that statement is a complete answer to the question.

Mr. MYERS. But has not the Senator from New Jersey said that it would have been the better part of discretion for the Senator not to have made the statement?

Mr. SMITH of New Jersey. No; I said that in the first place the charges should not have been made in open hearing. I also said that Mr. Jessup is a friend of mine; and, of course, in the case of a friend, our emotions are involved—in that case, the emotions of the heart. Nevertheless, my point was that any charges made in that connection should not have been made in open hearing, in the first place.

Mr. MYERS. Does the Senator from New Jersey object to the open hearing held for Dr. Kenyon?

Mr. SMITH of New Jersey. No. I am not objecting to the hearing. I say the charges should not have been made in public, before the committee decided whether the matter should be pursued further.

Mr. MYERS. Of course, the Senator from New Jersey knows that the Senator from Wisconsin has said he has made no charges.

Mr. SMITH of New Jersey. That is a question of what language is used. I do not debate that question with the Senator from Pennsylvania at this point.

Mr. MYERS. I do not ask the Senator to do so.

Mr. SMITH of New Jersey. I am referring to what the Senator from Wisconsin had in mind in trying to pursue evidence which he felt he had of subversive influences in the State Department. I have defended that. I have criticized—I do not believe the Senator from Pennsylvania was here at the time——

Mr. MYERS. I heard a part of the Senator's remarks.

Mr. SMITH of New Jersey. I have criticized the procedure by which it is possible for such charges to be made in public in the first place, causing a big fanfare in the newspapers, and resulting in an implication of guilt before there has been opportunity to follow the procedure which should have been followed in the committee—one similar to the procedure which, in the case of the legal processes, might result in indictment by a grand jury.

Mr. MYERS. Did the Senator from New Jersey understand the Senator from Colorado to infer that the subcommittee of the Senate Foreign Relations Committee which is now conducting the hearings is "loaded" in a political way?

Mr. SMITH of New Jersey. No; I did not understand the Senator from Colorado to make any such inference. He said that if it was suspected that it might be, then a person who might appear before the committee might feel justified——

Mr. MYERS. Let me say that I wondered whether the Senator from New Jersey thought there was such an inference in the question which was asked by the Senator from Colorado.

Mr. SMITH of New Jersey. No. However, the Senator from Colorado is here; and I am glad to yield to him, to permit him to state exactly what he had in mind in asking his question. I think I understood it thoroughly.

Mr. MILLIKIN. Mr. President, in explicit words I said I was speaking in an abstract sense and was doing so in an effort to preserve harmony here.

Mr. MYERS. Mr. President, will the Senator permit me to ask another question?

Mr. SMITH of New Jersey. I yield.

Mr. MYERS. Does the Senator from New Jersey recall the auspices under which arose this entire controversy in reference to card-carrying Communists in the State Department, as alleged?

Mr. SMITH of New Jersey. I do not know what the Senator from Pennsylvania refers to, except that it was the speech of the Senator from Wisconsin [Mr. MCCARTHY] in the course of his trip in the West.

Mr. MYERS. Is the Senator from New Jersey aware of the nature of the meetings at which those charges were made in the course of that trip?

Mr. SMITH of New Jersey. No; I am not at all aware of that. But I wish to say to the Senator that I do not wish to debate that point. I am trying to have us get together in regard to a procedure which we shall endeavor to carry through in the course of these investigations, so as to have the investigations made in a way that will protect the innocent, as opposed to the guilty, and so that if there are any guilty persons, we shall ascertain that fact.

Mr. MYERS. I understand that, and I thoroughly respect the able Senator from New Jersey, I know he has always been in the forefront in the efforts to develop a real foreign policy for the protection of the United States and to bring peace to the world; and he deserves the admiration and the respect not only of his constituents, but of the entire Senate.

However, I have been informed—and I wondered whether the Senator from New Jersey had been—that the original speeches made in West Virginia and Nevada were made in political meetings. Does not the Senator from New Jersey believe that it would have been much better if those charges had been made on the floor of the Senate and had originated in the Senate, rather than in a political meeting, because now many persons are being charged with injecting politics into the hearings being held by the subcommittee, whereas it occurred to me that the charges were born in politics, although they should have been investigated by a congressional committee, as they are now being investigated.

Mr. SMITH of New Jersey. That is exactly what I have insisted. I have insisted that politics should not be injected into the matter. If anyone on our side is responsible for injecting politics into this matter, I shall be just as critical of him as of anyone else. Our foreign policy should not be involved in politics.

Mr. MYERS. I thoroughly agree with the distinguished Senator. However, the manner in which the charges were made and the speeches relative to them now being made in some quarters are not conducive to a bipartisan foreign policy; in fact, they are drawing us apart.

I subscribe to the view of the able Senator from New Jersey that we should have a strong bipartisan foreign policy. However, I fear that these charges were first hurled, not for that purpose, but for an entirely different purpose.

Mr. SMITH of New Jersey. That is the view of the Senator from Pennsylvania, and I shall not argue with him about it. However, I remind the Senator from Pennsylvania that if we are to have a bipartisan foreign policy, we must have bipartisanship in the making of the policy, as well as in supporting it.

Mr. MYERS. Mr. President, let me remind the Senator from New Jersey of the meeting which was held in Pittsburgh in 1948.

Mr. SMITH of New Jersey. I recall it very well.

Mr. MYERS. I am sure the Senator recalls that at that meeting the Senator from New Jersey represented the Republican side, I represented the Democratic side, and a former Member of the House of Representatives represented the side of Mr. Wallace. I am sure the Senator recalls that both he and I made speeches in which we joined hands regarding the bipartisan foreign policy, and we had a bipartisan foreign policy debate that night; at least, both of us subscribed to the same foreign policy, and we opposed the former Member of the House of Representatives who was advocating the Wallace theory.

Mr. SMITH of New Jersey. I thank the Senator from Pennsylvania for recalling that to my memory. That occasion was a very memorable one; and I am glad that on that occasion the Senator from Pennsylvania made a speech joining me on that subject, and threw away or discarded the speech he had originally prepared.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. SALTONSTALL. Does not the Senator from New Jersey, in answering the question of the Senator from Pennsylvania, take the position that he praises the purposes of the Senator from Wisconsin, but criticizes his methods; he praises the work the committee is trying to do, but he criticizes some of its methods; and he is trying to say what he believes should be done at the present time? Is not that correct?

Mr. SMITH of New Jersey. Mr. President, the Senator from Massachusetts always has the fine gift—and all of us are grateful to him in that connection—of being able to express exactly what our purpose is in presenting any matter. Certainly, at least, in the present instance, he has expressed my purpose in presenting these remarks this afternoon.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MYERS. Mr. President, I believe the Senator from Massachusetts has misinterpreted my remarks. In no instance have I criticized either the committee or its objectives or its mechanics or its purposes or its methods. I have great confidence in the Senate Foreign Relations Committee. I believe the committee will endeavor to do what is best and right, both for the Senate, the State Department, and the country, in particular. So I have not criticized the committee at all.

I have criticized, and intend to continue to criticize, the approach of the Senator who advanced the charges, because, as I have said, I think they were born in politics. They were made in political meetings. He would have done much better if in the first instance he had made the charges on the floor of the Senate, rather than under the auspices under which he did make them.

I cannot let the record stand with the statement of the Senator from Massachusetts that I have criticized the committee in any way.

Mr. SMITH of New Jersey. Mr. President, I do not think the Senator from Massachusetts meant any criticism.

Mr. SALTONSTALL. Mr. President——

Mr. SMITH of New Jersey. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I think the Senator from Pennsylvania did not hear my preliminary remarks. I did not make any of the criticisms to which the Senator from Pennsylvania has referred. I was trying to state what I believe are the purposes of the Senator from New Jersey in making the speech.

Mr. SMITH of New Jersey. Mr. President, I yield the floor.

EXHIBIT 1

TEXTS OF LETTERS

MY DEAR JESSUP: I am shocked and distressed by the attack on your integrity as a public servant.

Throughout your intimate service with me while I was Secretary of State you were clearly outstanding as a representative of the Government both as to your masterful presentations and the firmness of your opposition to all Soviet or Communist attacks or pressures. This was conspicuously the case during your handling on the Security Council of the Berlin blockade issue.

Both the Under Secretary, Mr. Lovett, and I counted you as a great source of strength to the State Department during those critical days.

Faithfully yours,

G. C. MARSHALL.

MY DEAR JESSUP: I am writing to tell you how much your university deplores the association of your name with the current loyalty investigation in the United States Senate.

Your long and distinguished record as a scholar and a public servant has won for you the respect of your colleagues and of the American people as well. No one who has known you can for a moment question the depth or sincerity of your devotion to the principles of Americanism. Your university associates and I are confident that any impression to the contrary will be quickly dispelled as the facts become known.

Sincerely,

DWIGHT D. EISENHOWER.

BIPARTISAN FOREIGN POLICY

Mr. LEHMAN. Mr. President, for the past 2 weeks we have been reading in the newspapers rumors and reports that the current assault upon the loyalty of certain employees of the Department of State was part of a grand strategy to "get" the Secretary of State, Dean Acheson. These reports, to which I was unwilling to give credence because they seemed so shocking to me, hinted that the attack was politically inspired and supported by the leaders of the Republican Party as a means of discrediting the Truman administration.

However, when a distinguished Member of this body announces over the week end that a group of Republican Senators is planning a concerted and all-out attack on our Secretary of State, I feel that I cannot in good conscience remain silent.

There is no one in his senses who questions the loyalty of Secretary Acheson, and there are few who have any doubt that he is supremely qualified both by training and ability to discharge the heavy responsibilities entrusted to him in these critical times. Accordingly, it must be apparent that the contemplated attack on Mr. Acheson is merely a device calculated to bring the State Department and the foreign policy of the United States into discredit, and by this means to furnish the Republican Party with an issue contrived for the political campaign of 1950.

I recognize that under ordinary circumstances there is ample precedent for carrying partisanship to very great lengths. Yet, I submit, Mr. President, that we are living in times so fraught with danger that the security and the welfare of our country demand somewhat more than normal restraint. Anything which today undermines confidence at home or abroad in the integrity and continuity of American foreign policy weakens the structure of the free world. The debates in Congress are seized upon by every agency of Soviet propaganda to convince the doubters on both sides of the iron curtain that the United States is an undependable ally in the great struggle in which we are engaged.

All men, all human institutions, are fallible; and I would be the last to argue that no mistakes have been made. It may be that a different course was open to us than the one we chose in China; but there is certainly nothing to indicate that a different course would have been a better course. If there is any lesson to be drawn from the Chinese tragedy, it is that we have a greater need than ever before to close ranks and to unite solidly in the face of a growing danger. This is a moment to strengthen and to implement our bipartisan foreign policy—not to destroy it.

In our preoccupation with the Far East, let us not lose sight of the magnificent achievement of this bipartisan or unpartisan foreign policy in another and vastly important arena. Let us remember how successfully in the Security Council of the United Nations we challenged the Soviet Union in the dispute over Iran. Let us remember how we have up to now stopped the Soviet thrust to the Mediterranean in Greece and Turkey. Let us remember the Marshall plan, which gave new vigor to the democratic forces throughout the Western World. Let us remember the Atlantic Pact and the military-aid program, which are a demonstration of our determination to consolidate the area of human freedom and to make of it a secure bastion of free nations.

This program, initiated under democratic leadership, was enacted with wide Republican support. It represents a foreign policy in which Republicans and Democrats alike can take pride. I cannot say with too much emphasis that it represents a foreign policy upon the continuity and expansion of which the hope of peace with freedom depends. If in spite of all our efforts, this hope of peace should be dashed to the ground by the will of an untrammeled despot, our present foreign policy will at least unite the freedom-loving nations in bonds of closest association and thus insure ultimate peace. With these sober thoughts in mind, Mr. President, I feel moved to plead with the gentlemen of the opposition to join with us once again in adjourning politics in the limited yet critically important field of foreign relations.

If their concern is not with partisan advantage, but, as the Senator from Wisconsin [Mr. MCCARTHY] would have us believe, with disloyalty in Government departments, then I submit there are better ways of dealing with the matter than by furnishing the whole world with the daily spectacle of a house divided against itself. I recognize that at no time has there been greater need than today for security in sensitive Government posts, and I am sure that the security agencies of the Government are as fully alive to this circumstance as any Member of this body. But I contend that if anyone has doubts on this score, there are far less damaging ways of satisfying such doubts than by converting this great deliberative and legislative assembly into a spectacle for the benefit of those who eagerly scan our debates, looking for material of value in their unceasing propagandist warfare.

In a word, Mr. President, it is my profound conviction that the best hope of peace lies in a day-by-day evidence of American unity and determination. Let it never be said that this hope was endangered by the search for partisan advantage on the floor of the United States Senate.

DISPOSITION OF MATERIAL OF HISTORIC SIGNIFICANCE FROM THE WHITE HOUSE

Mr. MARTIN. Mr. President, the Joint Congressional Commission on the Renovation of the Executive Mansion has given a great deal of thought and study to the sentimental and inspirational value of the materials which have been a part of that historic edifice and which are now being removed to be replaced by components of greater strength and utility.

The White House occupies a place of extraordinary distinction in the life of the American Nation. It is one of our most historic structures. It is vitally and inseparably associated with our national progress. It is close to the lives and hearts of the American people.

Here every President except George Washington resided. As the home of the Presidents the building has been intimately associated with both the domestic and social life of the first families of the Nation. Officially it has served as the center of the executive branch of the Government for 150 years.

Beautiful, dignified, and simple in design as compared with the great palaces of the old world, it is superbly located in accordance with the initial plan of the Federal city.

These features of the White House symbolize the system of government upon which our Nation was founded. Its unchanged facades signify our constant devotion of those principles and the continuity of our national life.

No other American institution has contributed more to national pride, patriotism and confidence in the future of the United States than this noteworthy landmark of our past.

Mr. President, as the work of reconstruction now under way progresses, I am more and more impressed by the wisdom of those who directed the various

restorations and improvements that have become necessary through the years.

Many alterations have been made since the unfinished building was first occupied by President and Mrs. John Adams in November 1800. But, happily, despite the many changes, the essential features of the original plan have been preserved.

That policy prevailed in the reconstruction of the Executive Mansion following the destruction of its interior when it was burned by an invading British force on August 24, 1814. Only the blackened walls remained but under the direction of James Hoban, the architect who designed the building and supervised its construction, the mansion was rebuilt in accordance with the dignity and beauty of its original plan.

At that time the first coats of white paint were applied to the gray sandstone walls to hide the smoke-stained discoloration.

Before long the people began referring to the rebuilt Executive Mansion as the White House. This received popular acceptance but it was not until 1902 that the White House was made the official designation by act of Congress.

The most extensive rehabilitation of the White House was carried out in 1902 in the administration of President Theodore Roosevelt.

In outlining the policy of restoration the President stated that the structure should be regarded as one of the Nation's historic structures and that none of its essential features should be sacrificed.

Some years later, Theodore Roosevelt in one of his writings, stated:

> During my incumbency of the Presidency the White House * * * was restored to the beauty, dignity, and simplicity of the original plan.

In the reconstruction work to which I have referred, and during many other alterations that have added to the comfort and conveniences of the White House, no thought was given to the historic significance of the woodwork, the bricks and the stone which were removed from the original structure.

But the commission has had convincing evidence of a very definite interest in these materials on the part of the general public, historical societies, museums, schools, colleges, libraries, and other institutions of various kinds.

Under the provisions of Public Law 377, Eighty-first Congress, first session, the Commission is empowered with the approval of the President, to prepare and execute a suitable plan for the preservation or other appropriate disposition of all materials removed from the Executive Mansion, "consistent with their symbolical value and without commercial exploitation."

In compliance with that provision of Public Law 377 the President, on February 17 of this year, approved a plan submitted by the Commission.

In passing, I should like to mention that an informal suggestion reached the Commission from the President that he would like to be able to send, in due course, a souvenir gavel made from wood from the White House, to each of the governors of the various States.

I am most happy to endorse that suggestion and to express the hope that, in addition, a similar gavel be made available to the President, to each member of his Cabinet, to each Member of the Senate and to each Representative in Congress.

Our problem has been to provide a lawful method whereby sincere and patriotic groups or individuals can secure souvenirs or mementos in a dignified and equitable fashion without expense to the Government. The size of the job is indicated by the fact that the number of units involved has been estimated at 790,000. They range from 5,000 lots of large pieces of stone and wood suitable for fireplaces or mantelpieces to smaller pieces such as timbers, bricks, facing stones and paneling, suitable for souvenirs or mementos of historical value because of their association with the White House.

It has been proposed that the distribution be made through the Members of the House and the Senate in proportion to the population of each State. Each recipient would be required to pay in advance a nominal sum sufficient to cover processings, handling, packing, crating, postage, or shipping charges, and administration.

My purpose in this brief outline is to acquaint my colleagues with the thinking of the Commission and to ask that each of you give this matter your thoughtful consideration.

I can say for myself and the other members of the Commission that we would deeply appreciate suggestions from the Members of this body. We ask their help in order to insure an equitable, Nation-wide, nonpartisan, nonsectarian, and noncommercial distribution of this historic material.

Mr. President, in conclusion, I should like to recall to my colleagues the words which are carved on the stone mantel in the state dining room of the White House. They were written by its first occupant, President John Adams, in November 1800.

They are as follows:

> I pray to Heaven to bestow the best of blessings on this house and all that shall hereinafter inhabit it. May none but honest and wise men ever rule under this roof.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

Mr. O'MAHONEY. Mr. President, I desire to make a few comments with respect to Senate bill 1498, the Natural Gas Act, the proposed amendment thereof, and the substitute therefor intended to be proposed by the junior Senator from Oklahoma.

COMMERCE POWER OF CONGRESS IS EXERCISED IN NATURAL GAS ACT

We are dealing, I think, with one of the most important laws ever enacted under the constitutional power of the Congress of the United States to regulate commerce among the States. By a very curious display of human nature, although it is traditional under the American system for the Congress of the United States to regulate commerce, there never has been a time since the first session of the First Congress when the commercial interests and commercial organizations which the Constitution made subject to the congressional power of regulation have not criticized Congress whenever it has attempted to regulate commerce.

One of the first bills under this power was the Navigation Act of the First Congress. That act was resisted by the commercial interests which were proposed to be regulated upon the ground that the Government at Washington was seeking to expand itself and to exercise powers which should never be exercised. But there can be no doubt about the judicial interpretation of the power of Congress to regulate commerce.

A case went to the Supreme Court under the Navigation Act and was passed upon by the Court in an opinion written by the great John Marshall. No one would dream of saying that John Marshall was a jurist who desired to seize unconstitutional powers for the Government of the United States. But in the famous case of Gibbons against Ogden, he asserted in words which no one has ever been able successfully to challenge that the commerce power of the Congress is complete. Indeed, it extends not only to traffic which crosses State lines, but to all other elements of commerce, even though they are wholly within a State, which affect the commerce of the United States. In other words, Mr. President, it was made clear in Gibbons against Ogden, that when any commercial or economic activity which is wholly within a State affects commerce among the States, it is within the power of the Congress of the United States to regulate it.

In 1938, after a long discussion with respect to the natural gas business, Congress passed the Natural Gas Act. It was a most complex subject, involving so many different interests, so many different desires, so many different objectives, that it took Congress a long time to pass the bill. I think it may properly be said that the law undertook to leave to the States certain parts of the complete stream of commerce. For example, it was desired to allow the States to regulate the actual distribution of gas to consumers. That was upon the side of delivery of the commodity. On the other end of the entire stream of commerce it was the purpose of Congress to leave to the jurisdiction of the States the function of production and gathering, the function of producing gas from the ground and gathering it together in preparation for its sale in interstate commerce.

CONGRESS REGULATES COMMERCE ONLY TO PROTECT PUBLIC WELFARE

It seems to me, Mr. President, that no one can read the plain language of the law, in its first section, without understanding the precise purpose of Congress in the enactment of that act. It is generally recognized that Americans, as individuals, desire to have as little regulation as may be possible, and for that reason Congress has been sparing in the exercise of its complete power. But the mere fact that Congress has not always chosen at any particular time to exercise

the complete power over interstate and foreign commerce has never been regarded as a surrender of that power.

We realize that we live in an expanding economy, in a growing country, and when conditions change, the time comes when the powers of the Federal Government must be extended. Such was the case, Mr. President, with respect to the establishment of the Interstate Commerce Commission. There was no thought in the early days of establishing a commission in Washington which should have jurisdiction over railroads and railroad traffic, but when the railroads grew so great, by the extension of their lines beyond the boundaries of the State, that they were actually engaged in a national transportation system, the Congress said, "The time has come to establish an Interstate Commerce Commission, the duty and obligation of which shall be to regulate the transportation of goods and passengers by railroad."

The law was passed without the slightest partisan division, because it was recognized that commerce had reached the point where it was necessary to establish a regulatory system for the people of the whole Nation, because the States were no longer able to regulate railroad transportation in the public interest.

I think it is well, Mr. President, to bear that in mind when we try to interpret this bill.

In section 1 (a) of the Natural Gas Act it is provided:

As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (70th Cong., 1st sess.) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

NATURAL GAS ACT REGULATES ONLY SALES IN INTERSTATE COMMERCE

It will be observed that on the positive side the law provides that in all its terms and conditions it shall apply, first, to the transportation of natural gas in interstate commerce. Obviously that means all types of transportation of natural gas, so long as it is in interstate commerce.

Then, second, it applies "to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use." That is the second part.

To me it seems perfectly clear that this is a declaration by Congress that the terms of the law shall apply to the sale in interstate commerce of natural gas for resale for ultimate public consumption, whether or not that consumption is for domestic use, commercial use, industrial use, or any other use whatsoever.

The following is the third positive declaration of section 1 (b):

And to natural-gas companies engaged in such transportation or sale.

So, on the positive side we have, first, regulation of transportation; second, regulation of sales in interstate commerce for resale for ultimate public consumption; and third, application to natural-gas companies engaged in such transportation or in such sale.

On the negative side we proceed to the remainder of this sentence, which reads as follows:

But shall not apply to any other transportation or sale of natural gas.

That is to say, to any sale or any transportation which is not included in a sale in interstate commerce for resale for ultimate public consumption. That means that Congress did not attempt by this act to regulate intrastate sales of natural gas, or intrastate transportation of natural gas. That obviously means, Mr. President, that the intrastate commerce to which the provisions do not apply is not in any sense a part of interstate commerce, because Congress could not be presumed in the second part of the sentence by any implication to withhold a power which was granted in the first part of the sentence.

Mr. LONG rose.

Mr. O'MAHONEY. Then we come to another negative declaration.

But shall not apply * * * to the local distribution of natural gas—

Again we are talking about a process which is wholly intrastate—

or to the facilities used for such distribution—

Meaning local distribution—

or to the production or gathering of natural gas.

Here we have a declaration that Congress by this act did not intend to concern itself with the production of gas or with the gathering of gas, but that it was attaching the commerce power to the business of transporting and selling gas at the point where the gas becomes a part of a sale in interstate commerce.

I now yield to the Senator from Louisiana.

Mr. LONG. If I understood him correctly, the Senator from Wyoming has accurately stated the language concerning the sale for resale for ultimate public consumption. Nevertheless, I wonder what significance the Senator would place on the language. I wonder if he would not agree that the terminology "sale for resale for ultimate public consumption" is intended to exclude from the terms of the act certain types of sales in interstate commerce.

Mr. O'MAHONEY. I can see no sale in interstate commerce which could be excluded by those words. I realize an argument which has been made in support of the pending bill is based upon the contention that somehow or other, a sale can be made in interstate commerce which is not a sale for resale. I can conceive of only one type. For example, a consumer of gas in a State far distant from Louisiana, might approach a producer in Louisiana and make a contract with the producer for the sale of the producer's gas either at the well, or at the mouth of a pipe line, which the producer might own, for example, and the purchaser might intend to consume that gas himself, and not sell it to anyone else. Or a manufacturing company in a distant State might transport its own gas, which it had bought in Louisiana, to Chicago, for example, and not resell it. Of course such a situation would be excluded; but that is not what we are dealing with here.

CONGRESS INTENDED TO REGULATE ALL SALES IN INTERSTATE COMMERCE

The purpose of the pending bill is not to exempt any such sale as that. The purpose of the bill before the Senate is to exempt sales by a producer to an interstate carrier or natural-gas company which thereafter uses the gas for the purposes set forth in the act—for domestic resale, for commercial resale, for industrial or any other use. Where the gas of the producer is sold into interstate commerce the purpose to resell is shown by the fact that it is transported to domestic, commercial, or industrial consumers, and then it is clearly within the act.

Mr. LONG. Mr. President, what would the Senator's reaction be to a situation where a transporter owned his own reserves and was making only one sale? In other words, if a man owned gas reserves and transported gas to a distant State, and there made, let us say, one sale to one concern, or made several sales to different concerns, all being for direct consumption and not for resale, would the Senator feel that the terms of the act would then apply?

Mr. O'MAHONEY. Of course, the act would apply, because the case which the Senator has described comes clearly within the first clause, "the transportation of natural gas in interstate commerce."

Mr. President, what I undertook to discuss when I rose this afternoon was the fact that as we study the act the bills which have been introduced to amend it, and the cases which have been tried in the courts, we are confronted with an illustration of how the effort is being made and has been made to lop off at both ends of the stream of commerce the jurisdiction which is set forth in section 1 (b) of the Natural Gas Act.

The transportation companies have resisted the right of the Federal Power Commission, for example, to regulate sales which may be made in a State for industrial use. That was the case which the Panhandle-Eastern Pipe Line Co. took to the Supreme Court. What was the argument of that natural-gas company? It was resisting the effort of the Public Service Commission of Indiana to regulate its sales to industry, and its argument was, "Let not the State touch this sacred domain of interstate commerce. This gas is in interstate commerce, and the State cannot regulate it. That would be a burden upon commerce."

I venture to say that the Senator from Louisiana is not unaware of the case in which an interstate pipe-line company sought to evade the severance tax in the State of Louisiana. When the sovereign State of Louisiana had sought to place a severance tax upon the production of gas, that company said, "Why this is an outrageous invasion of the rights of the Federal Government. This should not be permitted. This gas, from the moment it starts from the bottom of the well until it is delivered in a distant State, is within the sole jurisdiction of the Federal Government, and Louisiana must keep its hands off."

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. The Senator realizes, does he not, that it is traditional with the oil and gas companies, that when a State wants to regulate them or tax them, they take the position that they are engaged in interstate commerce; and when the Federal Government wants to regulate them, they take the position that they are engaged solely in intrastate commerce. I have never seen them take any other position.

Mr. O'MAHONEY. All through the history of the Government, regulation of commerce in the interest of the public has been resisted by such tactics.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. Surely.

Mr. MALONE. If the pending bill is not passed, is it within the realm of possibility, or we might say probability, that what the Senator just explained will be true, that the Federal Power Commission will regulate the gas from the time it starts from the bottom of the well?

Mr. O'MAHONEY. No; I think not. The Commission cannot do it, because that is explicitly withdrawn from its power.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. Yes.

Mr. MALONE. Just what is the effect of the pending legislation? Is it designed to keep the Federal Power Commission from regulating intrastate commerce?

REGULATION OF INTERSTATE COMMERCE IN GAS SHOULD CONTINUE

Mr. O'MAHONEY. No. The purpose of the pending legislation is, as I have said, to lop off at the beginning of the movement of gas in interstate commerce a part of the jurisdiction which was conveyed to the Federal Power Commission in the act of 1938. I have pointed out how the great transportation companies, public-utility pipe lines, and the like, have attempted to cut off State jurisdiction when the gas is delivered. I was about to point out, as I did the other day, that the bill before us undertakes to provide that a sale in interstate commerce, if it is made under certain circumstances, shall be exempt. My whole point, I will say to the Senator from Nevada is that the Federal Power Commission cannot possibly exercise the powers granted to it by the Congress of the United States if we now undertake to cut off its jurisdiction over the first sale in interstate commerce. If we do so, the purpose of the law, which was to prevent the consumers of the United States from being exploited, would be defeated.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. O'MAHONEY. Yes.

Mr. MALONE. Is it not possible that if the legislature of a State wants its own State commission—the railroad commission, the public-service commission, or whatever name it may be known by—to enter that field, it can regulate such sales and such transportation until the gas actually enters the interstate pipe line?

Mr. O'MAHONEY. Without any question, the producing State can regulate production and regulate intrastate transportation and intrastate sales under existing law. Nothing in the proposed legislation will deprive the State of such power. On the other hand, the States into which the gas is transported may under the proposed law regulate the distribution of that gas within the State. All the law now does is to take the gas from the time it is first sold in interstate commerce to the time it begins its journey of distribution within a particular State for consumption and subject that movement to the jurisdiction of the Federal Power Commission.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. MALONE. Then the Kerr bill would simply provide for or allow the State commission to make such regulation if the legislature so directs?

Mr. O'MAHONEY. They have that right now. The Kerr bill does not give it to them. They have it.

Mr. MALONE. But has there not been an encroachment through rulings of the Federal Power Commission, and opened up by the latest court decision, so that the Commission can engage in intrastate regulation?

Mr. O'MAHONEY. No; in my judgment not at all.

Mr. MALONE. Well there seems to be a difference of opinion.

Mr. O'MAHONEY. I think the record will bear out my judgment. However, there has been great debate within the Commission as to whether or not it should or would regulate the first sale, the so-called arm's length sale. At one time the Commission said, "No, we are not going to do it," and at another time the Commission divided two and two. Now there are five members of the Commission, and as the Senator from Texas pointed out the other day, the fifth member of the Commission has never yet announced his policy upon that matter.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. Yes.

Mr. MALONE. If the Kerr bill does not prevent it the State commissions can at this moment regulate?

Mr. O'MAHONEY. They can.

Mr. MALONE. The junior Senator from Nevada understands that there was a division of opinion as to whether the Federal Power Commission should go into the State and regulate the first sale, but I do not understand that there was any question in the Commission that they had the authority to do that? Has there been a question as to whether they had the authority or whether they would do it?

Mr. O'MAHONEY. Yes; and the matter was decided clearly by the Supreme Court in the Interstate case.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Texas. From the time the Commission decided the first case after the passage of the act until this good hour, can the Senator point to one specific instance of the majority of the Commission ever taking the position that they have authority to regulate the producer's sale? Beginning with the Columbia decision, 3 to 1, the Billings decision, the unanimous recommendation to the Congress on the Priest bill, order No. 139, which is now on the books, to my knowledge at no time from the date the act was signed in 1938 to this hour, has the Commission ever voted that it had the right or the authority to regulate the producers' wells during all that period. The minority felt that the Commission did have such authority. Others felt that it should have. But at no time has the Commission ever exercised the authority, and at no time has the majority ever voted that the Commission had the authority.

Mr. O'MAHONEY. I think the Senator is correct, that the Federal Power Commission has not attempted to use the power which the law gave it, and which the Supreme Court in the Interstate case said it had.

Mr. JOHNSON of Texas. Will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Texas. The Senator from Texas not only makes the point that it has not attempted to exercise the authority, but he also wants to make the point that the Commission itself has not believed that it had that authority.

Mr. O'MAHONEY. I desire to say to the Senator from Texas that neither the Federal Power Commission nor any other commission makes the law of the United States. The Congress makes that law. I grant indeed that the Federal Power Commission has wobbled all over the face of the earth with respect to this problem. But I am merely saying that, so far as I am concerned, by my voice here upon the floor and by my vote, I shall not consent to cutting down the authority of the Federal Power Commission which was granted in 1938 by the Congress of the United States. I know there has been a great deal of confusion. But there is nothing in the existing law which would give the power to regulate production. If the Federal Power Commission sought to control production under this law, it would be stopped in its tracks upon an appeal to the courts. It would be impossible.

Mr. KEM. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KEM. I should like to ask the Senator from Wyoming if under date of February 9, the Federal Power Commission did not issue an order to the Phillips Petroleum Co. to show cause why the independent producer should not be

regulated with reference to the price to be paid at his well?

Mr. O'MAHONEY. Mr. President, I have not been concerned in my study of the matter with the particular rules of the Federal Power Commission, because what we are dealing with here is a proposal by the very able and eminent Senator from Oklahoma to amend section 1 (b) of the act, and the effect of his amendment would be to exclude from the power of the Federal Power Commission an authority which it now has.

The Senator from Texas shakes his head. I say it is a power which the Commission now has. The Senator from Texas thinks it is a power which the Commission has never exercised. That may be.

Mr. JOHNSON of Texas. Mr. President, if the Senator will yield, let me say that he has quoted me as saying that it is a power which the Commission never exercised or never has believed it had. Although the Senator from Wyoming is clearly of the opinion that the Commission does have such authority, there are other eminent Members of Congress, particularly the Senators and the Members of the House of Representatives who handled the original legislation at the time when it was enacted, who are of the opinion that the Commission has no such authority.

As the Senator from Wyoming admits, the Commission is confused; and as the Senator must know, the Members of Congress have wide differences of opinion in regard to whether the Commission has that authority.

Mr. O'MAHONEY. Mr. President, that is precisely the reason why I am on my feet at this time, because I am trying to persuade the eminent Senator from Texas and other Senators that by their votes they should not cut down the power which the Congress heretofore has given.

Certainly I say we should not surrender the law-making power of the Congress to any board or commission. Let us hold it. I stand absolutely upon that principle, too.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Wyoming yield to the Senator from Colorado?

Mr. O'MAHONEY. I yield for a question.

Mr. JOHNSON of Colorado. I am glad to hear the Senator from Wyoming say that he stands on that principle, because it seems to me that is the principle which is involved, although in the background, in this entire controversy.

However, what I want to explore for a moment with the able Senator from Wyoming is this: I have heard his interpretation of the 1938 Natural Gas Act. I was in the Congress at the time when that act was passed, indeed I was a Member of the Senate, and I thought I understood something about it.

However, every Senator who discusses the 1938 Natural Gas Act places a different interpretation upon it and its effect and how far it goes and in what direction it goes.

I have tried to read the Supreme Court decisions with reference to the act, especially the decision in the Panhandle-Eastern case. After reading those decisions and hearing this debate and studying the bill, I have come to the very definite conclusion that the bill itself is badly in need of being rewritten. I think the whole act needs to be rewritten.

Mr. O'MAHONEY. As to that, I quite agree with the Senator.

Mr. JOHNSON of Colorado. I wish to inform the Senator where I think the first fatal mistake was made. I do not know of any utility which is regulated—such as railroads, pipe lines, or any other utility—unless it is regulated as a common carrier. It seems to me the first mistake made in the 1938 act was that the pipe lines were not made common carriers.

NATURAL GAS ACT SHOULD PROMOTE COMPETITION IN PUBLIC INTEREST

Mr. O'MAHONEY. Mr. President, I am indeed happy to hear the Senator from Colorado make that statement. As a Senator who represents in part a State in which natural gas is being produced, I say that what the producers of natural gas need more than anything else is a common carrier which will take their gas to the distant markets. I say to the Senator from Colorado, as chairman of the great Interstate Commerce Committee, that if he will only take this bill back to his committee and write in such a provision to establish pipe lines as common carriers, he will be doing more than has ever before been done to improve the status of the independent producer of natural gas and to obtain a better regulation of the natural gas business in the interest of the public.

Mr. JOHNSON of Colorado. I am glad to have the Senator from Wyoming agree that what is needed is to make the pipe lines common carriers. I know there is a great difference of opinion in regard to regulating a commodity. I listened to the Senator a moment ago. He says the gatherer, as one engaged in an intrastate operation, can proceed with the gathering of the gas without being subject to Federal regulation. The Senator further says that when gas is sold for interstate commerce, it becomes subject to being regulated. My difficulty is in knowing at what point it becomes subject to being regulated. Does it become subject to regulation at the point where there is the intrastate operation of gathering and producing the gas? When does the gas come under Federal regulation?

I have listened to the Commissioners. They tell us that whenever gas is produced for interstate commerce, immediately it comes under regulation—in other words, when it is produced in the field in any particular State, although at that time one cannot tell for what purpose the gas will be used.

Mr. O'MAHONEY. Not under the Natural Gas Act.

Mr. JOHNSON of Colorado. That is what puzzles me. I wish to know at what point natural gas comes under regulation.

Mr. O'MAHONEY. I imagine that the Senator from Colorado was not told that the present law gives that power; but the statement might have been that if production affects interstate or foreign commerce, it may be regulated, if Congress chooses to do so.

I remember very well when a former great Attorney General, who later became a Senator of the United States—the great and distinguished Philander Knox, of Pennsylvania, who had been Attorney General in the administration of McKinley and of Theodore Roosevelt, if I remember correctly, and later was elected United States Senator from Pennsylvania on the Republican ticket—standing on this floor argued that the time does come when production which affects interstate commerce should be brought under regulation, particularly when it becomes an instrument of monopoly.

Mr. JOHNSON of Colorado. Mr. President, I heard the Senator's opening remarks on that point. I recall that a long time ago, even before the very distinguished Senator from Wyoming became a citizen of Wyoming, I was a citizen of Wyoming. At that time the Union Pacific Railroad operated a railroad and also operated many great coal mines, some of the finest coal mines in the country. It operated the railroad and the coal mines together. One day the Department of Justice said to that company, "You cannot do that." The Interstate Commerce Commission did not undertake to regulate the price of coal and everything pertaining to coal; so it simply said to the railroad, "You are a common carrier. You haul coal. The coal production company must be a separate company." And the Commission separated them.

Mr. O'MAHONEY. That is correct.

Mr. JOHNSON of Colorado. They had to separate them.

Those are the things about this bill that are bothering me. It seems to me that the so-called Kerr amendment would maintain the status quo. It would clarify some of the points which are at issue. However, even if the Kerr amendment is adopted, as I hope it will be, I believe that the 1938 Act should be completely rewritten, and we should begin by making the pipe lines common carriers. Then such cities as Kansas City, which depend upon a supply of natural gas, could go into the natural gas fields of Texas and Oklahoma and could buy natural gas reserves sufficient to last them a long time; and when they were ready for the gas to move, it could move through a common carrier.

I do not think there would be any difficulty at all in that respect. I believe the natural-gas business would go ahead in a constructive sort of way; and I believe the consumer would be fully protected if that were done. But of course we cannot do all those things today.

Mr. O'MAHONEY. I hope the Senator will take the lead in doing them.

My objection to this bill is that it is moving away from the objective the Senator has so clearly stated, instead of approaching it. In my judgment by the passage of this bill we shall do only damage to the producers of natural gas who are not themselves transporters,

who are not themselves natural gas companies—the little fellows who own only the acreage from which the gas is being produced. To my mind, there is great danger if this bill passes now and if we take none of the steps to bring about the reforms which have been so well stated by the Senator from Colorado, we shall make the independent producers of gas the victims of the pipeline companies, the natural gas companies and the transportation companies, because the producers will have no other market. The producers need the common carrier to give them the market they should have.

Mr. MALONE. Mr. President, will the Senator yield at this point?

Mr. O'MAHONEY. Certainly.

Mr. MALONE. In the absence of such legislation, does the Senator from Wyoming contend that the Federal Power Commission should regulate the price, as well as transportation in the interstate field, when the purchase is made?

Mr. O'MAHONEY. The Federal Power Commission does have the specific power to regulate public-utility rates in interstate commerce; yes.

Mr. MALONE. But not the price of gas?

Mr. O'MAHONEY. Oh, yes; so far as that price is concerned, it becomes a part of the final price. I shall give the Senator an illustration of that in a moment.

COURT DECISIONS SHOW NEED FOR REGULATION

I wanted to cite one of the Panhandle cases as showing the curious manner in which we find the interstate transportation companies—the public-utility pipeline companies—on both sides of the argument. Here was a case where a gas company owned a reserve of 97,000 acres in the Hugoton field. That field belonged to that company; it was a part of the property to be used in the transportation of natural gas. The company struck it rich. It wanted to sell the property, without losing control of it. So the company organized a new company, a wholly owned subsidiary. But this gas reserve, which had come in under an investment of less than $200,000, they immediately capitalized for $10,000,000. According to the latest figures I have seen, it has now been boosted up to a figure approximating $22,000,000. The big pipe lines, like other big companies, never lose an opportunity to make a nickel at the expense of the little fellow, the individual, whether he be a producer upon the one hand, or a consumer upon the other, who does not have the wealth and the power to defend himself, and who can be defended by no one, unless he is defended by those of us who have a vote in the Congress.

Mr. MALONE. Mr. President, will the Senator yield further at that point?

Mr. O'MAHONEY. Certainly.

Mr. MALONE. I understand perfectly what the Senator means. A large corporation, or even a small one, takes a position which it thinks is for the benefit of the stockholders. I served for 8½ years on the Railroad Commission of Nevada, and the principal contention of the companies would be with respect to one valuation for tax purposes, and another valuation for rate-making purposes.

Mr. O'MAHONEY. The Senator knows the situation very well, then.

Mr. MALONE. But my point at the moment is, if the Federal Power Commission can regulate the price of gas at the well or at the purchasing point, and take into account, as the Senator does, a public utility earning of 5, 6, 7 or 8, percent, it has not been my observation, and is not according to the knowledge I have of the oil and gas business, that it is possible to run a hazardous business, such as the discovery of oil with the drilling of dry wells and the other expenses contingent upon the opening up of new fields, on any such reasonable percentage. For example, if one buys a railroad, there are certain improvements, and the Interstate Commerce Commission can arrive at an appropriate figure of 6 percent, 7 percent, or 4 percent, or whatever is indicated in the particular case. There is some justification, because, after all, they have the equipment; but when wells are being drilled in certain areas, many of them prove to be dry. There are wells being drilled in Nevada, 10,000 to 12,000 feet deep, where it is hoped to strike oil or gas, or perhaps both. But let us assume some of the holes are drilled to a depth of 10,000 or 15,000 feet, and nothing is found. It is like mining, in that we only hear of the successes, as the Comstock mine in Virginia City, Nev., which produced $1,000,000,000. No one heard of any except the three or four successfull prospectors. The others are in Bluefield Cemetery, a cemetery there which honeycombs the whole hill. They died broke. Is it the Senator's contention then that the price of gas should be regulated on some public utility principle without taking into consideration the entire picture?

Mr. O'MAHONEY. Not at all, but let me tell the Senator what the Supreme Court of the United States said about this public-utility question. It is the case of Interstate Natural Gas Co., Inc., against the Federal Power Commission, reported in Three Hundred and Thirty-one United States Reports, at 682. The Interstate company raised two issues very similar to the issues which are being raised in the present debate; first that the sales of gas were not in interstate commerce; and, second, that the sales, as a part of production or gathering, were not within the Federal Power Commission jurisdiction, though they conceded that the regulation of such sales in the public interest is not beyond the constitutional power of Congress. That case, heard by the Supreme Court of the United States, is on all fours with the issue here before us, because of the ruling which the Supreme Court made. I just stated what the contentions of the interstate lines were. They said, "This sale is not in interstate commerce; and, second, even though it may be a sale in interstate commerce, it is a part of production or gathering, and therefore should be excluded." That is the objective of the Kerr bill. Now, let us see what the Court said.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Texas. The Interstate Company was admittedly a natural gas company, was it not?

Mr. O'MAHONEY. Yes.

Mr. JOHNSON of Texas. So that is not the point. It was not only a gas producer; it was a natural-gas company.

Mr. O'MAHONEY. Oh, it was a natural-gas company; there is no question about that. What we are discussing is the character of the sale; and I want to have it read into the RECORD so clearly that no one can misunderstand it, that a sale by a producer, or by a gatherer in interstate commerce, for resale, is within the present law, and we should not take it out.

Mr. MALONE rose.

Mr. O'MAHONEY. If Senators will pardon me, let me make this further statement. The Court dismissed the first contention, that the sales were not in interstate commerce, very quickly—it merely brushed that off. The gas in question was "from the beginning" the Court said, destined for resale for ultimate consumption in markets outside Louisiana. So the Court said, since this gas was destined for resale for ultimate public consumption, it was within the law.

FEDERAL JURISDICTION NECESSARY TO PROTECT CONSUMERS

Now, on the question whether the gas was sold before it went into interstate commerce and that consequently the original sale was not subject to regulation, the Court stated—and this, I think, is precisely the issue before us, and I am going to read the whole paragraph:

> It is not contended that the Commission is precluded from regulating the sales in question by reason of the exception from the Commission's jurisdiction relating to the production of natural gas.
>
> Petitioner asserts—

That was the Interstate line—

> Petitioner asserts, however, that the sales to the three pipe line companies are a part of the gathering process and consequently not within the Commission's power of regulation. This basic contention has given rise to a great many subsidiary questions such as whether the sales were made from petitioner's "gathering" lines or from petitioner's "transmission" lines and whether the gathering process continued to the points of sale or was, as the Commission found, completed at some point prior to surrender of custody and passage of title. We have found it unnecessary to resolve those issues. The gas moved by petitioner to the points of sale consisted of gas produced from petitioner's wells commingled with that produced and gathered by other companies and introduced into petitioner's pipe line system during the course of the movement. By the time the sales are consummated, nothing further in the gathering process remains to be done. We have held that these sales are in interstate commerce. It cannot be doubted that their regulation is predominately a matter of national, as contrasted to local concern.

When the Supreme Court said that, which is precisely the interpretation which I have placed upon the language

in section 1 (b), then began the effort to change the interpretation and to say, as the amendment says, that—

Any arm's length sale of natural gas made by one producer or gatherer to another * * * or—

And this is the important thing—

made at or prior to the point of delivery of such gas into interstate transmission facilities (of a natural-gas company) or to incidental transportation of natural gas necessary for delivery of such gas to such other producer or gatherer or into interstate transmission facilities (of a natural-gas company).

There is a statement in words which are so simple and clear, they do credit to the draftsman. No one can have any doubt as to the meaning of the language. The meaning is clear, that if the sale is made by a producer or a gatherer at or prior to a point of delivery into interstate-transmission facilities, it shall not be within the power of the Federal Power Commission. Of course it was necessary, if one wanted that interpretation of the law, to change the law, after the Supreme Court had acted. So I say to Senators, do not talk to me about what the Commissioners say, for the Supreme Court has spoken. The Supreme Court has interpreted the law. Who is the Federal Power Commission that it should change the interpretation of the law which the Supreme Court has handed down? As a member of the legislative body, I will submit my judgment to the Supreme Court, but I will not submit it to the Federal Power Commission or the Interstate Commerce Commission, or to any other commission; and I will join hands with any other Senator to resist any invasion of the legislative authority by any commission. What I am urging here is merely that we, Members of the Senate of the United States, shall not strike down this power to regulate public utilities which the Congress gave to the Federal Power Commission in 1938, and which the Supreme Court, in the Interstate case, clearly says it has. We are dealing with manipulations, Mr. President. How is an individual going to protect himself against great organizations unless he can rely upon the protection which comes from the action of the Congress of the United States?

Mr. MALONE. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I shall be glad to yield to the distinguished Senator from Nevada.

Mr. MALONE. I heartily agree with the senior Senator from Wyoming that the Federal Power Commission, and other bureaus of that kind, should be confined to the Supreme Court's interpretation of the law, which they do not always do. But on the point made by the Senator that clearly the Commission has the right, under the Supreme Court's decision, to regulate the price of the commodity at the purchase point, I cannot agree. I do not disagree with the Senator, necessarily, that it has the authority under that decision, but I may disagree violently with the statement that they should have it. That is the reason for this bill, as I understand.

MONOPOLY DANGER TO INDEPENDENT PRODUCERS

Mr. O'MAHONEY. No. The purpose of the bill is to take away a power which the Commission now has. The defeat of this bill would not give the Commission any new power. It would merely preserve the power which the Supreme Court has said the Commission now possesses. From my point of view, Mr. President, it seems to be perfectly clear that the Federal Power Commission cannot successfully regulate the transportation of natural gas in interstate commerce, cannot successfully regulate natural-gas companies, and cannot successfully regulate rates and prices if it has no control over the initial price, the initial sale in interstate commerce, because I predict that if such a provision should be written into the law and this power should be lopped off, the time would not be far distant when by combination and central control of production and gathering the liberal producer would be pushed off into the corner, and monopoly would be again built up.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. O'MAHONEY. I yield to the Senator from Nevada.

Mr. MALONE. It is a question of judgment as to whether the Commission should have that authority. I understand perfectly the Senator's position. But my position, up to this time, has been that the State should have something to say about its own affairs. In other words, if we strike oil and gas in Nevada, which we hope to do, there will be many small companies which have been hanging on and spending the stockholders' money. I should not like to see their rates regulated from Washington, all at once. At least, that is my present reaction. I should like, if the State Legislature of Nevada wanted oil and gas regulated, to place it within the jurisdiction of the public service commission, which knows and understands the local conditions and what has been going on. In fixing the price, I have confidence in the State commission that it would be fair to both the producer and the consumer.

Mr. O'MAHONEY. Is it not a fact that the State of Nevada does have a public service commission?

Mr. MALONE. That is corect.

Mr. O'MAHONEY. Does that public service commission regulate the distribution of electricity?

Mr. MALONE. It does.

Mr. O'MAHONEY. And the distribution of gas?

Mr. MALONE. I could not say definitely, because we have not had gas, but if the legislature wants the commission to regulate it, it is fully within the authority of the legislature to do so.

Mr. O'MAHONEY. Absolutely. Nothing in the law changes that situation in the slightest degree. The State of Nevada is free, so far as the Natural Gas Act is concerned, or any other act of which I have any knowledge, to regulate the distribution of natural gas within the boundaries of the State.

Mr. MALONE. What about the price?

Mr. O'MAHONEY. Yes; the price, also.

Mr. MALONE. In other words, the contention of the senior Senator from Wyoming is that price regulation is now within the jurisdiction of the Federal Power Commission and would not affect anything the State Legislature might do.

Mr. O'MAHONEY. Within the State.

The act of 1938 very carefully excluded from the Federal Power Commission jurisdiction over distribution on the one hand, in the State to which the commodity is delivered, and on the other hand, over production and gathering in the State in which it is developed.

Mr. MALONE. I think we are talking about two different things, and I just detected that fact. In other words, the senior Senator from Wyoming is saying that the State commission may regulate intrastate business, but the traffic in interstate commerce may be immediately taken over by the Federal Power Commission and it may regulate the price.

Mr. O'MAHONEY. Precisely.

Mr. MALONE. That is what I may object to. I shall listen with interest to the Senator's address.

Mr. O'MAHONEY. I think the Senator from Nevada is very clear in his analysis of my position. I have been urging that we should not cut off a power now possessed by the Federal Power Commission. Senators who think that the first sale in interstate commerce at or prior to the point of delivery should not be under the jurisdiction of the Federal Power Commission, will support the Kerr amendment. Those who believe as I do will oppose the Kerr amendment because to take that power away from the Federal Power Commission would be very disadvantageous to the producers of natural gas and equally disadvantageous to the consumers of natural gas throughout the United States.

Mr. MALONE. The Senator's position is very clear, and I appreciate it.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I shall yield, first, to the Senator from California, who I think wants to ask a question.

Mr. KNOWLAND. I thought the Senator had completed his remarks.

Mr. O'MAHONEY. Unfortunately, I have not quite finished.

Mr. President, the Senator from West Virginia [Mr. NEELY] desires to make a unanimous consent request and thereby escape from listening to the continuation of my remarks. I am very willing to grant consent.

(At this point Mr. O'MAHONEY yielded to Mr. NEELY, who obtained consent to address the Senate on Thursday next at the convening of the Senate, and Senator BRIDGES, who obtained consent to address the Senate following the remarks of the Senator from West Virginia on Thursday, which interruptions appear at the conclusion of the address of the Senator from Wyoming.)

NATURAL GAS ACT PRESERVES STATE POWER

Mr. O'MAHONEY. Mr. President, the statement has been made upon this floor that in certain instances there is no power of regulation in the State. That

statement was made a few days ago during a colloquy between the junior Senator from Oklahoma [Mr. KERR] and myself. The question was raised a little while ago by the Senator from Nevada [Mr. MALONE] with respect to whether or not there was any regulation of direct sales.

Mr. President, this question was raised by the Panhandle-Eastern Pipe Line Co. in an appeal which it took from the Supreme Court of Indiana in a case against the Public Service Commission of the State of Indiana. Mr. Justice Rutledge handed down the opinion of the Supreme Court on December 15, 1947. The case is reported in 332 United States Statutes, at page 507. In his very first paragraph Justice Rutledge says:

Broadly the question is whether Indiana has power to regulate sales of natural gas made by an interstate pipe-line carrier direct to industrial consumers in Indiana. More narrowly, we are asked to decide whether the commerce clause, Constitution, article I, section 8, by its own force forbids the appellee, public service commission, to require appellant to file tariffs, rules and regulations, annual reports, etc., as steps in a comprehensive plan of regulation preliminary to possible exercise of jurisdiction over rates and service in such sales.

I do not need to go into the details, but it will be observed from that statement that the Panhandle Pipe Line Co. in this case was arguing that the State Public Service Commission of Indiana had no control over such sales because they were in the domain of interstate commerce. This is one of the striking cases in which we find a great national commercial organization on whichever side of the law will best serve its temporary interests. It knows well that the public speedily forgets.

It will be observed that on page 523 of the decision the Supreme Court points out what the argument of the pipe-line company was:

Appellant also envisages conflicting regulations by the commissions of the various States its main pipe line serves, particularly in relation to curtailment of service when weather conditions or others require it, and fears conflict also between the State commissions and the Federal Power Commission.

Oh, how eloquent these arguments can be made in defense of the Federal Power Commission by those who dislike any regulating power at all.

It assigns—

Said the Court—

these possibilities in support of its view that national uniform regulation alone is appropriate to its operations.

So the Panhandle Pipe Line Co. in this case was saying that the Public Service Commission of the State of Indiana had no control over the direct sale. The Supreme Court did not share the view. It understood why the pipe-line company was seeking to escape this regulation. It quoted succinctly in one of its footnotes, note 3 on page 509:

In 1943 the chairman of appellant's board stated that "Panhandle was anxious to take over such business because it was unregulated transaction both as to the Federal Power Commission and the Public Service Commission of Indiana and that he intended to establish higher industrial rates based on a competitive fuel basis."

The Supreme Court as I said, saw through the argument, and it handed down its very clear decision.

These considerations—

Said the Court—

all would lead to the conclusion that the States are not made powerless to regulate the sales in question by any supposed necessity for uniform national regulation but that on the contrary the matter is of such high local import as to justify their control, even if Congress had remained wholly silent and given no indication of its intent that State regulation should be effective.

In this case the Supreme Court of the United States very clearly stated its opinion that the Public Service Commission of Indiana did have the explicit power to regulate direct sales. When I questioned the Senator from Oklahoma last Friday this question arose.

The quotation from the Senator from Oklahoma appears on page 4009 in the second column of the CONGRESSIONAL RECORD of March 24.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield.

Mr. KERR. Does the Senator deny that that regulated carrier can sell the acreage it owns free from any restriction by the Commission?

Mr. O'MAHONEY. No, no. The Senator is quite correct with regard to the Panhandle case involving the Hugoton sale. The Supreme Court did uphold that sale, and it is another very interesting illustration of how the Panhandle Co. was trying to escape regulation on that end. However, I will come to that in a moment. There are two aspects to this regulation of interstate commerce. Problems arise at the beginning of the interstate movement and also at the end, as laid down in the law. But the words to which the case of Panhandle against Indiana applies, the words of the Senator, appear in the second column on page 4009. This is a long sentence:

The sale by a utility is regulated when it sells for resale, yes; but even after the delivery by the independent has been consummated, after the gas has left the hand of the one who produced it and gathered it, after, as my friend would have it, he has been compelled to deliver it without receiving a penny of its value—

A matter to which I think allusion ought to be made later, but I shall not do it now—

after he has been subjected to the regulation which strips from him the mantle of independence, after he has been compelled, under the regulation which my great and beloved friend now advocates, to deliver his property for nothing—

I certainly do not advocate that.

Mr. KERR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Pardon me. I continue to read:

For not even one thin cent is allowed by the Federal Power Commission for the value of the gas produced by those subject to its regulation—after that has happened, after he whose banner my great friend carries here today has received the gas and has carried it to the Ford Motor Co. in Detroit or to the United States Steel Co. in Chicago or to the great industries of Pennsylvania, or to whatever industry or industries it may be carried, that regulated transporter, in view of the fact that he sells for immediate consumption, can get all the traffic will bear for that product which the regulation has compelled the independent producer to give him for nothing. The transporter can sell it for whatever the traffic will bear, on an unregulated basis.

That statement was, I take it, completely answered by the case of Panhandle against Public Service Commission of Indiana, which said, in words that nobody can misunderstand, that the State of Indiana was right, and within its authority when it attempted to regulate and did regulate those direct sales.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. Certainly.

Mr. KERR. Is not the Senator aware of the fact that the Federal Power Commission makes no effort to regulate an interstate transporter on any sale that it makes of gas direct to an industry for consumption?

Mr. O'MAHONEY. Of course, I think, as I have said here today, that the Federal Power Commission has not always exercised its power. But I say to the Senator, the Natural Gas Act gives the Federal Power Commission the authority to regulate the transporting company, and it gives to the State to which the transporting company delivers its gas the power to regulate the sales, whether they are to domestic consumers upon the one hand or, as in the Indiana case for consumption to a single user.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. O'MAHONEY. Certainly.

Mr. KERR. Would the Senator now answer the question I asked him?

Mr. O'MAHONEY. I thought I did. I recognize the great ability of the Senator from Oklahoma——

Mr. KERR. I asked the Senator if he were aware of the fact that the Federal Power Commission does not regulate the sale by an interstate transporter direct to industry for consumption and does not regulate any part of it nor the profit that is made by that interstate transporter on such sale?

Mr. O'MAHONEY. The Federal Power Commission, as I understand, regulates the transportation company. Of course, Congress in the act of 1938 delegated to the States the authority to regulate that end of the sale.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. Certainly.

Mr. KERR. Would the Senator now answer the question the Senator from Oklahoma asked him?

Mr. O'MAHONEY. I say to the Senator from Oklahoma, and I think this answers the real purpose of his question, that the power of the Federal Power Commission to regulate transportation companies and natural-gas companies is complete, and the power of the State public service commission, wherever the State chooses to use it over those distribution sales is also complete.

Mr. KERR. Does not the Senator from Wyoming know that the regulation of the Federal Power Commission is with respect to interstate transporters and wholesalers, with reference to

the gas they sell for resale? Does not the Senator know that the Federal Power Commission does not attempt and is denied the privilege of regulating the local distribution companies?

Mr. O'MAHONEY. Oh, I have said that; certainly.

Mr. KERR. Let me ask the Senator this question: The Senator from Wyoming heard the Senator from Oklahoma the other day make the statement that approximately one-fourth or one-fifth of all the gas they buy and sell is sold on an unregulated basis to industrial consumption. He heard the Senator from Oklahoma make that statement, did he not?

Mr. O'MAHONEY. I think I did.

Mr. KERR. If it had been subject to challenge, the great Senator from Wyoming would have undertaken to challenge it, would he not?

Mr. O'MAHONEY. I have not undertaken to challenge all the challengeable assertions of my good friend the Senator from Oklahoma.

Mr. KERR. One so pertinent as that, though, had it been incorrect, the Senator from Wyoming would have corrected the Senator from Oklahoma, would he not?

Mr. O'MAHONEY. No, Mr. President; I would not undertake to do that. As a matter of fact, I had great sympathy for the Senator from Oklahoma. He had been standing on his feet for a long time, and was answering questions which came from every quarter of the room. As a matter of fact, I subsided when I addressed a question to the Senator from Oklahoma to which he offered no response. I asked the Senator, after he had charged me with being the banner carrier for the pipe lines—a charge which I think he later very kindly withdrew.

Mr. KERR. Mr. President, was the withdrawal ample?

Mr. O'MAHONEY. Oh, yes, indeed; because, of course, I knew the Senator from Oklahoma was speaking in an oratorical flourish. But as appears on page 4010 of the CONGRESSIONAL RECORD, I addressed this question to the Senator from Oklahoma; I read now from the second column appearing on that page:

> Will the Senator from Oklahoma join me in submitting to this bill another amendment which will close any other loopholes by which sales in interstate commerce escape the jurisdiction to which they should be subject in the public interest? If that is done, then it will not be necessary for the Senator from Oklahoma to say that I am carrying the flag of any producers or gatherers or transporters or sellers of gas in interstate commerce.

No answer came from the distinguished and able Senator from Oklahoma.

So I ask him now, Will he join me in plugging the loopholes in the regulation of interstate commerce to which he may be able to point?

Mr. KERR. I will say to my good friend that the day after he joins me in curing the greater evil, I will talk with him with reference to curing the lesser evil.

Mr. President, will the Senator yield for a further question?

JURISDICTION NEEDED TO PROTECT SMALL BUSINESS

Mr. O'MAHONEY. First let me say in regard to that point—and I have already said this upon the floor of the Senate—that, in my opinion it will be a great tragedy for the regulation of this public utility industry and the protection of the public interest if the amendment of the Senator from Oklahoma is adopted, because in my judgment—of course my judgment is subject to error—the result will be that we shall forget the Natural Gas Act, and then we shall have a situation in which new quirks will develop.

For example, I see nothing in the amendment in the nature of a substitute, submitted by the Senator from Oklahoma, which would prevent monopolistic combinations later on within the producing States, when the little fellows could be pushed over the precipice, as they so often have been. As a Member of the Senate from the State of Wyoming, I have been observing for many years how, in the petroleum industry, the little man has constantly been compelled, by dire necessity, to sell his reserves to some big units. I have seen the individual producer who has spent his own money in drilling for oil, be compelled, when a price decline comes, to sell his well to the big fellow. I have seen the great petroleum corporations, such as the Standard Oil Co. of New Jersey and the others, acquire the ownership of a larger and larger percentage of the petroleum reserves of the United States. I say to the Senator from Oklahoma in complete sincerity that, in my opinion, if his bill is passed now, the small producers in Wyoming and Oklahoma can look forward to the acquisition of their holdings by the large companies.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. O'MAHONEY. Certainly.

Mr. KERR. Is not the Senator aware of the fact that the defeat of Senate bill 1498 will compel every independent producer of gas, as such, to go out of the business, and they will have to take the route the Delhi Co. recently took in selling out to one of the regulated companies, because of the fact that the little fellow cannot spend his lifetime coming to Washington to make rate bases and to file applications for permits to drill wells and to expand, all subject to the Federal Power Commission's regulation which will require him to limit his return to the cost of operation plus 6½ percent?

Mr. O'MAHONEY. If the Senator from Oklahoma will join with the Chairman of the Committee on Interstate and Foreign Commerce in revising this law and in providing for a common-carrier status for pipe lines, he will be doing 10 times more for the independent producers of gas than can possibly be done by this bill. Of course, there, again, that is simply an expression of my judgment. However, I know the Senator from Oklahoma well enough to feel sure that he realizes that I am expressing that judgment only after the best review I have been able to give to the facts and to the study of the law that is before us.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. O'MAHONEY. Certainly.

Mr. KERR. The Senator from Wyoming is aware, is he not, that I am not entirely unfamiliar with the operations of men in the production of gas?

Mr. O'MAHONEY. The Senator from Oklahoma is not only completely familiar with the activities of men in that operation; he is also one of the most acute and lucid lawyers I have ever heard speak upon the floor of the Senate. More than that, he is a most amiable gentleman, and he can deliver a telling thrust in debate not only with effective drive but also with a sweet and engaging smile, better than almost any man I have ever heard take a stand on the floor of the Senate.

From what I have seen of the Senator from Oklahoma, I believe he is a sincere and honest defender of the public interest. I believe that if he and I could spend a little more time together in the discussion of these problems of interstate commerce, from such a discussion would come a law which would protect the public interest, a law which would prevent the exploitation both of the producer, on the one hand, and of the distributor and consumer, upon the other.

Oh, yes, Mr. President, it is my judgment that this bill needs amendment. However, more important than that, it is my judgment that the entire act needs amendment.

I hope the Senator from Oklahoma will take the lead in asking that the bill be recommitted for further study, the study which it certainly ought to have.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. O'MAHONEY. Certainly.

Mr. KERR. Does the Senator think the Federal Power Commission has the power to compel an independent producer to make a contract to sell his gas?

Mr. O'MAHONEY. The power to compel a producer to sell his gas?

Mr. KERR. Yes.

Mr. O'MAHONEY. No; I do not.

Mr. KERR. Does the Senator think an independent producer should have the right to sell his gas?

Mr. O'MAHONEY. It is his. Of course he has the right to sell it.

Mr. KERR. Does the Senator from Wyoming think the sale should be made and consummated by contract?

Mr. O'MAHONEY. Not necessarily. Of course, that is very desirable.

Mr. KERR. Will the Senator from Wyoming enlighten me as to how else an operator could conduct his business?

Mr. O'MAHONEY. I thought the Senator was talking about a written contract. There are many types of sales contracts.

Mr. KERR. Does the Senator believe in the validity of contracts?

Mr. O'MAHONEY. Mr. President, now the Senator from Oklahoma is asking questions to which the answers are obvious. Let us discuss the proposed legislation; let us not give a course in law here.

Mr. KERR. Does the Senator decline to answer the question?

Mr. O'MAHONEY. I think it is unnecessary. I shall stay here and answer questions, of course, just as the Senator

from Oklahoma did; but why does not the Senator from Oklahoma come to the nub of his case?

Mr. KERR. Does the Senator from Oklahoma have to go all the way from the top of the building to the basement, so to speak, in one jump; or will the Senator from Wyoming permit another Senator to take one step at a time?

Mr. O'MAHONEY. I will jump with the Senator all the way from the top to the bottom and I think we may have to do so.

Mr. KERR. Then does the Senator from Wyoming take the position that an independent producer, having the right to sell his gas, and having made a contract to do so, should be bound by the contract, but should not be protected by it?

Mr. O'MAHONEY. I see nothing in this bill which affects that matter.

Mr. KERR. Does the Senator from Wyoming care to answer the question as it relates to business operations in the United States?

Mr. O'MAHONEY. Of course, I believe in a free system, I say to the Senator. Certainly I do.

Mr. KERR. Then does the Senator think the producer, having made a contract to sell his gas, should deliver it in accordance with the terms of the contract?

Mr. O'MAHONEY. I do not think the Federal Power Commission or the Congress can impair the obligations of a contract.

Mr. KERR. Will the Senator from Wyoming tell me what he thinks the Federal Power Commission has to regulate, with reference to the price paid to the producer, other than the basis of the contract he has made?

CONGRESSIONAL STATEMENT OF PUBLIC POLICY

Mr. O'MAHONEY. I say the law makes that very clear. Section 1 (b) provides that—

The provisions of this act shall apply—

Skipping the first clause, in regard to the transportation—

to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use.

I say that when the producer sells his product for resale, he is selling it in that part of interstate commerce which the Congress of the United States has delegated to the jurisdiction of the Federal Power Commission.

Mr. KERR. Does not the Senator from Woyming know that the producer does not sell the gas for resale?

Mr. O'MAHONEY. On that point I disagree with the Senator from Oklahoma. I think that is merely a matter of interpretation upon which the Senator from Oklahoma and I disagree. I contend that when the producer sells to a transportation company, or to a pipe-line company, when he sells in interstate commerce at or prior to the delivery, he is selling in interstate commerce, and he is selling for resale, and that under that language of the law the sale is within the jurisdiction of the Federal Power Commission.

Mr. KERR. Then will the Senator from Wyoming tell the Senator from Oklahoma, why make a contract?

Mr. O'MAHONEY. Why not make a contract?

Mr. KERR. If the contract is not to govern with reference to the price paid, is it not a futile thing?

Mr. O'MAHONEY. I do not follow the Senator in that line of argument at all. I may say that as I read the Senator's amendment, he is seeking to lop off a certain portion of the power which the Congress of the United States delegated to the Federal Power Commission. His argument I have listened to, but when it comes to this point, to sell for resale, contract or no contract, he is merely raising a phantom of fear which would not develop.

Mr. KERR. The Senator is aware of the fact that that is what counsel for the Federal Power Commission said in the brief with reference to the Interstate case.

Mr. O'MAHONEY. I am not.

Mr. KERR. That is, that the State of Oklahoma, and the State of Texas, which filed briefs in that case, were talking about something which they feared rather than something which had happened.

Mr. O'MAHONEY. No; I did not read the brief. However, I am now reading the law itself.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. O'MAHONEY. Certainly.

Mr. KERR. Is the Senator aware of the deep well drilled recently in Wyoming to a depth of about 20,000 feet?

Mr. O'MAHONEY. Mr. President, I think I ought to tell the Senator a story in response to that, because I had occasion to travel by airplane to the west coast. I was traveling in one of the very fast planes, and we were at an elevation of about 14,000 feet. As we were passing over Wyoming, it came to my mind that it was in Wyoming that this deepest of all deep wells had been drilled—20,000 feet down. I then said, "What a marvelous thing science has done. What great power man has. Here I am flying 14,000 or 15,000 feet above the surface of the earth in a man-made plane, and beneath me the driller for a gas well or for oil has gone down into the bowels of the earth 20,000 feet." I think it is a marvelous thing.

Mr. FERGUSON. The Senator was a long way from the bottom of the hole.

Mr. O'MAHONEY. I was only 35,000 feet from the bottom of the hole. But, Mr. President, it illustrates how clearly modern technological development has carried us so far beyond the habits and activities of our grandfathers—indeed, of our fathers—and how necessary it is for us to make certain that the laws which we pass shall be such as to protect the public interest when great combinations of capital, when great collective corporations can perform such wonders, and carry on interstate commerce across all mountains and boundaries of rivers and dams. We are driven to action in an intelligent way. If we do not do this by preserving the powers which Congress has given in the past to the Federal Power Commission to regulate this business, we shall be inviting the very sort of escape from all regulation in the public interest which these companies have so repeatedly sought in the cases which have been appealed to the courts.

Mr. President, I observe it is 20 minutes to 7. I have talked longer than I had intended, and I certainly apologize to the Senator from New Hampshire [Mr. BRIDGES], if he was intending to take the floor after I have finished. But tomorrow we shall be under regulation of time, and I thought it desirable that I should this afternoon put into the RECORD some illustrations of how the modern developments of science have made it more and more essential that the public interest be protected where gigantic interstate and foreign corporations are operating. I very much fear, as I may point out tomorrow or the next day, that the amendment offered by the Senator from Oklahoma, if it shall be adopted, will not be the blessing he thinks it will be for the small producer. Only today I received an air-mail letter from the editor of the Oil Reporter in Denver, Colo., expressing his opinion that it would be a great disadvantage to the little fellow, to the individual. I want the Congress of the United States to make certain that by the legislation it enacts it is preserving the rights of the individual in his competition with the huge organizations that jump from one side of the issue to the other in order to escape regulation, and sell into strictly unregulated markets, where they may exploit the people of the United States.

NOTICES BY MR. NEELY AND MR. BRIDGES OF INTENTION TO ADDRESS THE SENATE

During the delivery of Mr. O'MAHONEY's speech,

Mr. NEELY. Mr. President, I ask unanimous consent to address the Senate at the beginning of the session next Thursday, on the subject of displaced persons.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. O'MAHONEY. For what purpose?

Mr. BRIDGES. I have a similar request.

Mr. O'MAHONEY. I yield to the distinguished Senator from New Hampshire.

Mr. BRIDGES. Mr. President, in view of the fact that the Senator from New Hampshire may be unable to obtain the floor this afternoon, I ask unanimous consent to follow the Senator from West Virginia, on Thursday, to address the Senate.

Mr. CONNALLY. Reserving the right to object, it has never been the practice, as I understand, for the Senate itself to control the recognition of Senators. That is what this request amounts to. The rules provide that the Presiding Officer shall recognize a Senator when and if the Senator is seeking recognition. To turn it over to the Senate and let it decide when a Senator can speak, and how long he can speak, is wholly contrary to good practice, I think. The Parliamentarian is near the Presiding Officer, if the Presiding Officer needs any advice.

The PRESIDING OFFICER. If unanimous consent is given, it would constitute a suspension of the rules. The Chair understands the Senate may suspend its rules at any time, by unanimous consent.

Mr. CONNALLY. I suppose that is correct, but I should like to urge upon the Chair that the control of the possession of the floor is in the President of the Senate.

The PRESIDING OFFICER. Of course, any Member of the Senate has the power to prevent the Senate from allotting time in the future by refusing to give his consent. No such objection was raised to the request of the junior Senator from West Virginia.

Mr. CONNALLY. That is water over the dam. I did not know what the Senator from West Virginia would talk about. I shall not object in this instance to the request of the Senator from New Hampshire, but hereafter I think I shall object, because it is violative of the precedents of the Senate.

May I inquire of the Senator from New Hampshire about what he expects to speak?

Mr. BRIDGES. I have not decided, but it will be a good speech.

Mr. CONNALLY. If the Senator does not know what he is going to talk about, I cannot see how we can figure on when he is going to speak and how long he will speak.

Mr. BRIDGES. I shall take care of that when the time comes. I am merely asking unanimous consent similar to that which was granted previously.

Mr. McFARLAND. Reserving the right to object, I shall not object, because I think it was our duty to object to the request of the Senator from West Virginia, but I agree with the Senator from Texas that this is a poor precedent to establish. I do not think it is good practice, 2 or 3 days ahead of time, to grant unanimous consent to two Senators to occupy the floor. No matter how important the Senate's business may be, it would be blocked by such a procedure. Something has been said about calling the calendar next Thursday. No matter how important the business might be, we would be precluded from transacting it.

I am not going to object, but I think it is an important precedent, and I think the time will come when some of us will have to object.

Mr. O'MAHONEY. Reserving the right to object, I point out that we have now consumed some 5 minutes in the discussion of this subject, thereby interrupting me in my discourse. Perhaps that is very little lost, but I invite the attention of the Senate to the fact that it has been the custom to ask for a quorum call on unanimous-consent requests. A quorum is not now present. I am sure the Senator from New Hampshire would be one of the first to ask for a quorum call if a request of this kind were being made with only a handful of Senators on the floor. Why does not the Senator postpone his request until the Vice President is in the chair?

Mr. BRIDGES. Let me say to the Senator that I certainly would not have made my request if a similar request of the distinguished Senator from West Virginia had not been granted, when the request of a Senator on the other side of the aisle was granted, I followed the same procedure.

Mr. O'MAHONEY. The Senator from Texas has said he did not know what the Senator from West Virginia intended to discuss. Like the Senator from Texas, I do not intend to make a distinction now, but I certainly think the practice suggested is a very poor one to follow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire?

Mr. MYERS. Mr. President, reserving the right to object, I merely wish to pursue the inquiry by the Senator from Texas, because I am sure the Senator from New Hampshire is aware of the subject upon which he will speak. I wanted to inquire what the subject would be if he spoke this evening.

Mr. BRIDGES. If I may have the time to answer the distinguished acting majority leader, the Vice President of the United States, presiding over this body today, made a very unusual ruling. Anyone who can read English and read rule XIX of the United States Senate knows he was incorrect when he said, in effect, that all things being equal, when two or more Senators were addressing the Chair at the same time, he would recognize the Senator who wished to speak on the pending bill. That is wrong. That has never been done in all the years I have been a Member of the Senate. I hope it will never be done. That is thought control. That is a gag. The Presiding Officer should recognize a Senator who is first on his feet, addressing the Chair. I hope the day will never come when the Presiding Officer of this body, no matter who he is, will demand to know of a Senator the subject on which he intends to speak.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire?

Mr. MYERS. Reserving the right to object, I propounded the question to the Senator from New Hampshire only because in asking for unanimous consent the Senator from West Virginia indicated that he intended to speak Thursday on the displaced-persons bill. I inquired if the Senator from New Hampshire was going to speak this evening. If he is, I intended to remain, because I am interested in hearing what he has to say.

Mr. BRIDGES. The Senator from Pennsylvania is very courteous, and I am glad to answer him. If I were to speak this evening I would have something to say about the investigation which is being conducted by a special subcommittee of the Foreign Relations Committee. I presume that would be the subject which I would discuss on Thursday, but I may make some changes, in view of the proceedings in this body today, and I may alter the subject on which I would speak on Thursday. However, I say to my friend from Pennsylvania, that that would be my intention this afternoon if I got the floor.

Mr. MYERS. Mr. President, further reserving the right to object, I feel that I am compelled to reply to my good friend from New Hampshire, because the Vice President of the United States frankly told the Senate that he was laboring under a misapprehension when he said he would recognize Senators who intended to speak on pending business. As he said later, he thought the Senate was operating under a unanimous-consent agreement, with a division of time. In other words, he said, "I was mistaken." Certainly, there was no intention in the mind of the Vice President of the United States to exercise thought control. I do not think there is a man in the Senate or in Congress, or who has ever been in the Senate or in Congress, who has earned as much esteem, affection, respect, and admiration of the Members of the Congress, as has the Vice President. I feel certain that every Member of the Senate agrees with me, that the Vice President has no such intention as that suggested by the Senator from New Hampshire. After discussing the matter with the Parliamentarian, he frankly admitted that he was mistaken in making the original ruling. If the Senate were operating under a unanimous-consent agreement, I think it might have been very proper for the Vice President to endeavor to keep the debate within the bounds of the unanimous-consent agreement.

I do not intend to object to the unanimous-consent request made by the Senator from New Hampshire. However, I do not think the Vice President should be attacked, as he has been attacked this afternoon, and I am sure that on mature reflection and sober consideration of all the facts the Senator from New Hampshire will tell the Senate that he did not mean to imply that the Vice President has ever exercised thought control or has ever attempted to dictate to the Senate.

Mr. BRIDGES. If I may say a word on the Senator's time——

Mr. O'MAHONEY. If the Senator will bear with me for a few moments, I think I shall be able to conclude my remarks, and the Senator from New Hampshire may then gain the floor, and we could avoid debate upon an irrelevant matter.

Mr. BRIDGES. I remind the Senator from Wyoming that my unanimous-consent request is still pending.

Mr. O'MAHONEY. I have resumed the floor.

Mr. BRIDGES. The Senator yielded to me for the purpose of making a unanimous-consent request.

Mr. O'MAHONEY. I did; but many reservations have been made, and I should like to talk about a gas reservation. Is the Senator going to force me to object?

Mr. BRIDGES. No; I merely want to say that if objection is made to my request, after the Senate agreed to a similar request by the Senator from West Virginia, I shall object to every personal request of this kind which is asked of the Senate.

Mr. O'MAHONEY. I will say to the Senator that he is certainly putting an unwarranted construction on my very modest request that the Senator wait a few moments to see if I could finish my remarks. If he does not wish to do so, I shall yield to him.

Mr. BRIDGES. I believe the Senator yielded to me for a unanimous-consent request.

Mr. O'MAHONEY. Very well. Let the Senator proceed.

The PRESIDING OFFICER. The question is on agreeing to the request of the senior Senator from New Hampshire that on Thursday, following the address of the junior Senator from West Virginia [Mr. NEELY], he be permitted to address the Senate.

Is there objection? The Chair hears none, and it is so ordered.

Mr. O'MAHONEY. Mr. President, I request that the interruption of the Senator from West Virginia and that of the Senator from New Hampshire, and all the discussion, be placed at the end of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ROBERTO ROSSELLINI

Mr. JOHNSON of Colorado. Mr. President, I hold in my hand the most deceptive quarter-page advertising since the land lotteries of a century ago. RKO tinted it in deep black, and well they might. They have displayed it from one end of this country to the other, overlooking no opportunity to hornswoggle the cash customers.

Mr. President, as you can see, it reads:

This is it.
Stromboli.
Raging island—raging passions.
Under the inspired direction of Rossellini.

I invite attention especially to the word "inspired." RKO in their big display ad did not tell the American people just what had "inspired" their production star, Rossellini. I think the people ought to know, and so I shall tell them.

During the last war Roberto Rossellini was an infamous Nazi collaborator, and following the war he was a ruthless, blood-sucking, black-market operator of the greediest variety. He has been for many years, and is now, a notorious cocaine addict. He associates habitually with an international gang of narcotic smugglers and dope runners. This criminal gang is credited with being the pipe line through which a supply of narcotics currently is smuggled into Hollywood from Communist sources in China.

I shall have more, much more, to say about Hollywood and the narcotics menace at a later date. It is one of the most revolting and at the same time heartbreaking stories of all time. The great pity of it is that a little common sense, firmness, and prompt attention at the right psychological moment by the top level of the motion-picture industry would reduce it to a minimum. But that is another story. Today, Mr. President, I shall tell you only about Rossellini.

I want the American public to understand clearly what type of individuals are making pictures for them. They should know the character and the moral concepts of the artists who, through the motion-picture industry, are instructing the youth of America in the precious and vital things of life.

I regret to say that the American motion-picture industry which contributed so much so quickly to the war effort, and which rallies so wholeheartedly to every good cause, has a blind spot on the morals question. To think that so patriotic an industry would engage the services of a notorious Nazi collaborator, pay him a million dollars, and then rally to his defense as a fit person to produce pictures for the American public in the sacred name of freedom and liberty, is beyond me.

The American motion-picture industry, which asserts that it is anxious to teach virtue, decency, and respect for law, does big business with a known narcotics addict.

Rossellini admitted his own drug addiction in a court of record, openly and without shame, a few months ago when he sought the annulment of his marriage to his last wife in Austria. He pleaded that the marriage was invalid because he was under the influence of drugs when it was solemnized.

The American people, in the thousands of letters coming to my desk, are complaining about the industry's greediness to exploit at the box office the misdeeds and notorious conduct of those whose private lives have become public scandals. If it were a mature and wholly responsible industry it would willingly and proudly deny itself for the sake of its good name if nothing else the quick profit to be had, and it would cancel the exhibition of films which extol and parade such characters as Rossellini. But instead we find minority elements in it seizing upon notorious and infamous immoralities as a basis for appealing to the lowest and basest of human instincts in order to increase the gross take at the box office. It did just that in Stromboli when it advertised "raging passion" and the "inspired Rossellini" as though he too were a performer.

After Mussolini was destroyed and during the occupancy of Italy by the Allies, the police kept Rossellini under strict surveillance at all times. The Italian police still watch him.

RKO had full knowledge of all these things when they took Roberto Rossellini on as a partner in Stromboli. RKO employs shrewd and able attorneys and business executives. No halfway intelligent businessman would enter into a million-dollar partnership with a stranger without a full and complete investigation of his character and background. RKO knew whom they were dealing with all right.

Rossellini sold them on the idea that he would produce just what they were looking for, a red-hot, sexy film, lurid and devastating. When the guy is "hopped up" he is a pretty good salesman, and he had RKO in eager anticipation over the prospective box office of his "supercreation."

Now he is indulging in another cocaine-inspired sales talk second to none for insane audacity. This Nazi collaborator, this black-market operator, this associate of dope smugglers, this bedroom prowler, this partner of RKO is now asking a California court to tear a sweet little American school girl from her devoted father and turn her over to him to rear.

Rossellini is inspired all right. He is inspired by cocaine.

WHO IS THE MASTER MIND IN THE DEPARTMENT OF STATE?

Mr. BRIDGES. Mr. President, patience sometimes receives its reward. Since shortly after the noon hour today I have been attempting to obtain the floor in order to make a few remarks. Through very clever maneuvering I have been prevented from speaking until this time. It is nearly 7 o'clock. Approximately 7 hours have elapsed since I sought recognition. I realize that it is late; I realize that most of the Senators are tired and many have gone back to their offices or to their homes, which is entirely proper. But I have decided that I shall make this speech anyway. Very obviously an attempt has been made to prevent its delivery. I thought it was peculiar when I was not permitted to address this body partially when the Senator from New York made an attack upon me. It is rather unheard of that a Senator cannot obtain the floor to speak in a situation of that kind. I have been in the Senate nearly 14 years, and I expect to be here many more years, and I do not intend to be walked on, trod on, jumped on, or imposed upon. In the weeks, months, and years to come we are going to have fair play, or many in this body are going to know the reason why.

Mr. President, I believe it is time that someone stands up in this Chamber and asks some questions. They are questions which are formed by the lips of the vast majority of the people of the United States. I am sure that every Senator, as he reads his mail, knows that these questions are being asked. I believe it is time that we made them a part of the RECORD.

I have stood in the Senate since 1937, time and time again, to denounce our stumbling, fumbling lack of a concrete foreign policy. Our errors in dealing with totalitarianism led us to Pearl Harbor and a terrible war.

Further stumbling, further appeasement, are leading us just as surely to world war III.

The only difference is that the administration has begun to suspect that the vowed enemy of the United States has its agents within our Government. Surely this was evident to us long before March of 1950.

Recently the administration has taken cognizance of this tide of public opinion. In an effort to reassure the American people the Secretary of State recently delivered two addresses. He outlined what he has chosen to call "total diplomacy."

Dean Acheson has attempted to divert the attention of our people from the inadequacies of the State Department. Once again he has played on the fervent yearning of our people for peace.

The words he has uttered are a pitifully inadequate approach to the pressing and growing problem of Russia.

I digress for a moment, Mr. President, to say that I feel no personal animosity toward the Secretary of State. I have no personal quarrel with Secretary Acheson. However, the callous manner in which he publicly plays on the great hopes of the American people, and all

peace-loving people, illustrates in part the reason why, in the first place, I was compelled to vote against confirmation of the nomination of Mr. Acheson to the critically important office which he holds.

Only six Senators voted against the confirmation of his nomination, Mr. President—a lonely half-dozen. We did it, not to annoy this handsome and polished gentleman, or his superior, who sent his name up here. We voted against it because Mr. Acheson's record in public office would not justify, in our opinion, entrusting him with the monumental assignment that rests with him or whomever is to conduct our diplomatic operations in these days of explosive danger.

Six Senators foresaw what could be expected of Mr. Acheson, and we were duty bound, in conscience, in honor, and in the interests of the Republic, to vote that he not be confirmed.

Mr. President, how many Senators would vote today to confirm as Secretary of State Mr. Dean Gooderham Acheson? I think an examination of the CONGRESSIONAL RECORD, showing the constant, repeated, and detailed condemnations of State Department policy and procedure in recent months, by Senators of both parties and all shades of attitude on particular elements of foreign policy, will support my contention. It would be hard to get a corporal's guard to vote for him today.

Mr. President, every Senator knows what kind of mail is flooding our offices from the people of this Nation. The Department of State has fallen into a condition unparalleled in the Nation's history. That, all of us in this Chamber know.

But we are not alone in that knowledge. Stalin knows it. And, thank God, the American people know it.

That is why we are getting those letters demanding that the State Department be liberated from the Communists and the Commie sympathizers, the fellow travelers, the Socialists, the homosexuals, and the just plain incompetents who have brought it so low in the Nation's esteem.

The public is alarmed, Mr. President, and rightly alarmed. After all confessed and proved spies and traitors have been found in the high policy-making echelons of the State Department.

By the Department's own count, some 91 homosexuals, every one a logical target for exploitation and blackmail by spies, have been caught. Even by the half-hearted and self-serving investigations the Department has been conducting of itself in the very recent past, these perverts were exposed.

Mr. President, the United States Senate, a short time ago, enacted a certain resolution which accurately reflects and expresses the plain will of the American people. Let me read that resolution to refresh Senators' recollection. It states:

Resolved, That the Senate Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation as to whether persons who are disloyal to the United States are or have been employed by the Department of State. The committee shall report to the Senate at the earliest practicable date the results of its investigation, together with such recommendations as it may deem desirable, and if said recommendations are to include formal charges of disloyalty against any individual, then the committee, before making said recommendations, shall give said individual open hearings for the purpose of taking evidence or testimony on said charges. In the conduct of this study and investigation, the committee is directed to procure, by subpena, and examine the complete loyalty and employment files and records of all the Government employees in the Department of State and such other agencies against whom charges have been heard.

Those are the words of our resolution.

Now I invite most special attention to some things that this resolution does not say.

It does not say, "slap together a quick hearing, discredit the testimony of one witness, call on him to prove single-handed, that which it is the duty of the Department of State and the Department of Justice and the Central Intelligence Agency to act upon, without even being told to do so."

It does not say, "set up a rounding board from which Senators can run for reelection."

It does not say, "open a whitewash factory to make camouflage for the failures of a diplomatic dean of fashion."

It does not say, "find excuses for covering up that which the country knows good and well to be true."

The debate attending the passage of this resolution made it clear that this committee was to conduct what was termed a "grand jury investigation." The terms of the resolution emphasize this idea.

The committee is not to confine itself to testimony presented by one witness. It is to conduct a full-dress investigation of past and present. It is to gather information, by subpena if necessary. It is to hear witnesses under oath. It is to find probable cause.

Then, after it has thoroughly examined the whole matter of subversives and security risks in the Government, it is to report to the Senate, or return an indictment, as it were.

It is not limited to a bill of particulars. It is to furnish the Senate such a bill.

The resolution, in effect, says: "Go out and find out who is and who has been wrecking the United States' efforts for world peace, through manipulation of spies in our State Department."

We all know, and even the weakest apologist must now confess, that Julian Wadleigh, a State Department functionary until only a short time ago, was a spy. How do we know? Because Wadleigh himself says so. He admits it. He even writes a newspaper serial about it and gets paid for it. And he goes unpunished to this hour.

Mr. President, I think not even the weakest apologist will any longer attempt to deny that Alger Hiss was also a spy, high in the State Department. Can we deny that a man convicted in an American court by an American jury of perjury in connection with a treasonable offense, is a spy? Why did Mr. Hiss perjure himself? Whom does he protect?

Mr. President, did Hiss and Wadleigh act all alone? Were they the sole architects of this disaster—a disaster which nobody can deny; which all of us, without respect to place or party or personal interest, must now do our utmost to dissipate lest the bombs fall on this very Capitol Dome?

The spies of communism in our Government had laid their lines deep, and they are still effective. The wreckage of our diplomatic and military efforts in Europe and Asia is no accident. Stalin is not a superman. He had help from inside our ranks.

Mr. President, I will give my colleagues a momentous date in the history of the world. That date is November 16, 1933. It is a date which marks the greatest diplomatic triumph of Stalin's bloody career. The United States afforded Soviet Russia diplomatic recognition on that day.

Differing reasons were advanced for that recognition. Some said we needed the trade with the Russians. Others were the early-day fellow travelers, who claimed the Russian Revolution was an agrarian reform movement, coupled with the phenomena of a people passing from feudalism to an industrial society. Probably the most compelling reason was the plan to achieve a balance of power against a rising Hitler. Whatever our reasons, it must be conceded that our action gave the Stalin regime a certification of respectability it had not had before.

Stalin knew the importance of our recognition. He gave solemn assurances to gain that recognition. Almost as soon as the ink was dry on the agreement, the Soviet Government scoffed at it and broke it. Almost immediately, the United States was flooded with Soviet spies. The golden age of Communist propaganda in the United States was born. For nearly 20 years these spies have burrowed into our national life. What were their natural targets? Policy-making positions in our Government, Mr. President. Have they hit those targets? Mr. President, we cannot deny that Stalin scored bull's-eyes with Hiss and with Wadleigh, and that he was in the nine ring with Judith Coplon.

Mr. President, Secretary Acheson would explain that the spying is all over and ended and the spies are gone. Why? Because 91 homosexuals have been kicked out and a handful of other "security risks" have been allowed to resign.

Mr. President, one question has not been asked enough. It has not been answered at all. It is a question the Senate has resolved upon, and I repeat the resolution, as I shall do again and again and again in days to come. In effect the resolution says: "Go and find out who is and who has been wrecking the United States' efforts for world peace, through manipulation of spies in our State Department."

Under that resolution a subcommittee has been appointed.

To that five-man subcommittee, I put these questions—questions which are in the mind of all the world:

Who put Hiss in our State Department?

Who put Wadleigh in our State Department?

Who put the 91 homosexuals in our State Department?

Who put all the others in our State Department who have been fired or have resigned?

Surely it will not be argued these foul enemies of our Republic got in the State Department on their own.

They did not get there by osmosis. They did not get there by accident. They got there because Russia wanted them there.

How did Stalin manage it? Stalin is no superman. Stalin had help.

Mr. President, the resolution I have read clearly places the obligation upon the Senate to find the answer to the questions the world is asking.

We cannot escape our obligation. We must find the master spy, the servant of Russia who moves the puppets—the Hisses, the Wadleighs, and others—in and out of office in this Capital of the United States, using them and using our State Department as he wills.

Who is he, Mr. President?

It is our duty to find out. I ask all Senators, without respect to party, to stand firm and stay on the job until we get the answer. For if we do not—and all of us know this to be true—unless and until we find that master spy we cannot hope to deal with Stalin on an equal basis.

This undertaking, Mr. President, is one of the gravest and most difficult on which the Senate has ever embarked. Let me suggest just how difficult it is.

For instance, can our committee learn what has become of those men in the State Department who opposed the recognition of Soviet Russia in 1933? What has become of the men who insisted that Roosevelt make Stalin live up to his 1933 promises? Where are they now? What was their fate? What happened to the careers of those who said we would one day regret dancing a tune called by the Kremlin?

Mr. President, the trail of the master spy began over a decade and a half ago.

There are further questions, Mr. President. I assert to the Senate that today I am going to ask just a few. Others will come as we see how faithfully our subcommittee pursues its duty, a pursuit which I must in honest candor say it has not yet undertaken with any conviction.

I ask, Mr. President, for a report on the record of the State Department in the fateful years since 1933.

For instance, what can we learn from the passport division of the Department concerning orders that it grant passports against its own will and judgment?

What can we learn from the consular service about matters of entrance visas for known and well-identified Communists?

Who ordered our foreign service, in the 1930's, to shelter the coming and goings of Earl Browder, his wife, and his family, when Browder was titular head of the Communist conspiracy in America?

Who, Mr. President, sheltered mere operating field agents of the Kremlin in our Department of State?

The impression is created that our very delicate relations with the Kremlin require us to appease, to equivocate, to release Soviet spies to return to their homeland. We are given to understand that these delicate matters of the conduct of our foreign relations must be kept secret.

Mr. President, what are these delicate matters? What is one delicate situation which has required our State Department to secure the release of a Soviet spy?

I was one of four members of the United States Senate who was entrusted with the original atomic secret. In order to conduct the research to finance the program to build the first atomic bomb, it was necessary for Congress to approve the expenditure of more than $2,000,000,000. It was also necessary to keep the secret as to what the more than $2,000,000,000 was to be used to construct.

I was one of four men, designated during wartime, to push these funds through the appropriations committee. Mr. President, I kept the secret. I kept it well. I have been privy to other wartime secrets of the most vital character. I have kept faith.

But not once, in over 13 years in the United States Senate, have I been advised of a single delicate situation which would require my forbearance or which would require an appeasement of Joseph Stalin. I ask if any one can name one such delicate situation.

Mr. President, who arranged for the release of the Soviet spy named Gaik Badalovich Ovakimian on July 23, 1941?

Who in the State Department started the Tinkers to Evers to Chance business which resulted in the release of the convicted Soviet spy named Mikhala Nickolavich Goran on March 22, 1941? Somebody did. It was no accident. It is not the will of the American people that such things be done. Who put the men in office who did the dirty work, and who keeps them there today?

Mr. President, I have some further questions, on which I do not intend today to expand. I merely deposit them on file. I simply put these questions in the RECORD. They are tests of the subcommittee's intention to get down to work on its real mission, which is to advise this body on what must be done to make the American State Department again American.

For instance, what did Mr. Adolf Berle mean when he told the House Committee on Un-American Activities that Alger Hiss belonged to the pro-Russian clique in the State Department? Mr. Berle blamed the pro-Russian clique for ending his career as Assistant Secretary. Consider that, Mr. President. The forces of Russia in our State Department are blamed by an Assistant Secretary of State for the smashing of his own diplomatic career. Is that serious, or is it a triviality? No one has asked Mr. Berle to be specific with names, dates, and places. Why not? I ask the subcommittee to call Mr. Berle for questioning. I ask the members of the subcommittee to explore every avenue opened by his answers.

Again, Mr. President, I charge the subcommittee to investigate the strange performance of the State Department's own security officer, who first expelled 10 members of the Department, and then was reversed. On whose orders? Why? Whose hand moved the puppets first one way, and then another, to discredit and confuse the effort to evict espionage agents from the Department?

I also charge the subcommittee to find out who set up the State Department's indoctrination system for Foreign Service employees just at the close of the war, and listed such speakers as Frederich Schuman and Owen Lattimore. I am not interested so much in Schuman and Lattimore as I am in the anonymous and invisible judgment that directed them, of all the men in America, to teach and indoctrinate our State Department employees. Accidental? Let us not be naive.

I ask the subcommittee to tell the Senate who persuaded Mr. James Byrnes, when he was Secretary of State, to write an abject letter of apology to John Stewart Service.

Who caused the Department of Justice to deal so strangely with the notorious Amerasia case?

Today, Mr. President, I am trying to conserve the Senate's time by merely indicating the sort of thing which will not stay whitewashed any longer. The Senate may try to dodge, but it cannot escape, the duty to find answers to these questions. For in the answers will be found the key to a policy which will save civilization from the Soviets.

I wish to get certain questions on the record. The answers will come, as surely as the sun rises. It remains to be seen only whether our subcommittee has the courage and initiative to do the job.

Mr. President, I ask another question: Are we to assault a complainant before our committee who is trying to get the truth out from under cover? Or are we to find out who so cleverly distorted United States policy in China? The continent of Asia is Stalin's playground, and our Secretary of State can think of nothing better to do than to make speeches about it, too late, too late, too late.

Who persuaded Mr. Roosevelt and Mr. Stettinius, and Mr. Byrnes, and Mr. Acheson, Mr. Truman, and all the rest of them, that Stalin would allow "democratic" elections in Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and all those other nations? Were they won without a shot being fired, taken at the conference table by one whose ace-in-the-hole at all times was a spy ring in our own Department of State?

I make no charges, Mr. President. I simply ask questions. For example, it is said that the late General Arnold dispatched Gen. Lawrence S. Kuter to Yalta to deliver a message to President Roosevelt and General Marshall. I have heard that General Arnold told General Kuter to advise our war leaders he had positive information that Japan was licked; to urge our leaders not to make a sell-out deal with Stalin in return for assistance we did not need.

Who denied General Kuter access to President Roosevelt and General Marshall?

Who in the State Department prevented the FBI from arresting Arthur Adams? Who allowed this known Soviet atom spy to leave the United States unmolested in 1946?

Who in the State Department is responsible for the freedom afforded to Valentin A. Gubitchev, the most recently convicted Soviet spy? Who decided to turn him loose?

Mr. President, the Tydings subcommittee must unveil the Soviet espionage in our Department of State before we can go forward with any certainty at all of what and whom we can trust.

I ask the subcommittee to look back all the way to 1933, to the time when the recognition of the Soviet Union was being urged upon President Roosevelt, and list for us the Washington law firms and the influential individuals, so interested in obtaining that recognition. Who wanted us to recognize the Russians in the first place?

Who counseled that the power and prestige of the United States be loaned to Stalin in 1933? Recall this year. His regime was dripping with blood. He had purged himself of over 1,000,000 dissidents in that year alone. His godless purpose was clear to the world. The brutal terror of the police state was apparent to all. What endeared Stalin to the United States in 1933?

That is where the trail begins. Let the subcommittee began its work by answering the questions posed in 1933.

What do the secret Roosevelt papers at Hyde Park tell us? It would be interesting to call William C. Bullitt, our first Ambassador to the Soviets, to tell us about some of the things he knows; about the plans to capture and trade in old imperial Russian bonded debts; about the men of influence who knew what they wanted, no matter what the price.

Mr. President, let the subcommittee call Alexander Barmine, a Soviet diplomat who could stand the terror just so long, and has since applied himself to becoming a good American.

Let it call the philosopher, John Dewey, who investigated Stalin's murder of Leon Trotsky in Mexico City.

Let other witnesses be called—they will be easy to find—who can help reconstruct the story of how the spies were put in our Department of State over the past 20 years and who put them there.

I charge the subcommittee to tell us who persuaded Joseph E. Davies to write Mission to Moscow.

Mr. President, I want to quote from that remarkable book, Mission to Moscow, published in 1941 by Simon & Schuster, Inc. I quote from page 511 of the tenth printing of Mission to Moscow.

Under the heading "Last word" in which the author describes his "General Conclusions" I quote the following:

> In my opinion, the Russian people, the Soviet Government, and the Soviet leaders are moved, basically, by altruistic concepts. It is their purpose to promote the brotherhood of man and to improve the lot of the common people. They wish to create a society in which men may live as equals, governed by ethical ideals. They are devoted to peace. They have made great sacrifices to achieve these spiritual aspirations.

Mr. President, it is a dastardly thing to quote a man out of context. I have done no such thing. I have lifted the above quotation in its entirety from Mr. Davies' "General Conclusions."

Mr. President, I am not trying to be personal or nasty. I am trying to indicate the desperate urgency of serious and energetic application to the task of unshackling the State Department from Communists, their spies, and their dupes.

Ambassador Joseph E. Davies did write as I have quoted. If he is correct, then the United States and all it stands for is wrong. We stupidly do not recognize men of good will in the world, if his description of Stalin and Stalin's assistants, has any sensible meaning.

I do not believe we are wrong. I believe Ambassador Davies was wrong. Mr. President, who turned him in the direction of error as he went on his mission to Moscow? Who used our Ambassador as a foil?

Foil he was, we all know. But does anybody here know the name of the devious and serpentine intelligence that directed he be so used? The secret lies hidden in our own Government. We must find it.

I ask the committee to investigate the case of John Marsalka.

More questions, Mr. President. Will the subcommittee call Mr. J. Anthony Panuch to explain why he handled the case of Carl Aldo Marzani as he did, and why he did not handle other cases in the same way?

The reason, I repeat, is that somewhere in the labyrinth lies the thread that will lead us to the master spy of the Kremlin.

I ask the committee to examine the criteria that have governed the State Department's loyalty board operations, to see whether these have been applied consistently, whether the President's executive order on loyalty matters has been applied.

I ask the subcommittee to examine the State Department's definitions of a security risk. We gave that Department the McCarran rider to enable its officials to oust security risks without red tape or a court case. How many—using the Department's definitions—should have been discharged? How many who should have been discharged were allowed to resign—resign without prejudice so that the unseen master hand could move his pawns to another Government agency?

I ask specifically for a report on the 91 homosexuals mentioned by Deputy Under Secretary Peurifoy. How long did the Department know of their activity before it acted? How many other such cases does it have on file, pending action?

I suggest that Dean Acheson be thoroughly questioned by the committee. He has been, with the exception of a few months, a top side policy making official of the State Department since February 1941. Longer than any other man he has been a key functionary of the State Department.

Dean Acheson could answer many of the questions I have asked today. He can tell the committee who is responsible for the decision to abandon China.

Who decided Formosa has no strategic importance?

What are his plans to counteract the Communist Revolution which is reportedly planned for May in Austria?

Is it desirable now, as it was in 1933, to have a balance of power in Europe? If it is, why does the State Department continue to overlook the dismantling of nonmilitary production facilities in Germany? Who is responsible for this kind of planning?

I will have further questions in the days to come. The answers are, for the present, the business of the subcommittee.

These are the questions. The honesty, clarity and speed with which they are answered will tell us the truth about the possibility of victory in the cold war.

For if we cannot get answers to these questions, we cannot begin to get competency and American diplomacy out of the Department that is paid to deliver competent American diplomacy for the American people.

If we can get those answers, we have already begun to win the cold war. The first battle leading to victory in that war must be won in our own Department of State.

ATTACKS ON THE STATE DEPARTMENT

Mr. KEFAUVER. Mr. President, I wish to say to the distinguished Senator from New Hampshire that I, too, have been trying to secure recognition since 12 o'clock today, so the Senator is not in that situation by himself.

Mr. President, I feel peculiarly qualified to speak at this time in defense of our Department of State and our embattled Secretary of State, Dean Acheson. I have recently been critical of the Secretary and the State Department. My criticism was based on their lack of imagination in approaching the problem of peace or war under modern conditions. I deplore their negative attitude in opposing the principle of closer democratic unity involved in the exploratory convention called for in the Atlantic Union resolution.

But despite this, I deplore even more the irresponsible attacks being leveled today at the Secretary and the Department and I wish to disassociate myself from the critics who are using the tactics of generalities and innuendo rather than facts in what appears to be little more than a smear campaign.

The State Department is playing a stronger role against communism now than it has ever played. Secretary Acheson's speeches in California should make that clear. So should the implementation of the Marshall plan and the North Atlantic Pact, two instrumentalities which he personally played a central part in creating.

It is one thing to differ with the Secretary of State and the State Department on certain matters of policy. Many of us have done that on many occasions. It is a part of the process of constructive democratic government. It is a totally different thing to indulge in irresponsible attacks on one of the most

vital arms of the United States Government in the way that has been done in recent weeks.

In my opinion the charges of the junior Senator from Wisconsin [Mr. McCARTHY], and other charges which have been made recently, have done grave damage to the international interests of this Nation. The Senator's reckless accusations of disloyalty have impaired the structure of our world relationships. The framework of world peace which we have been endeavoring to put together, piece by piece, has sustained serious injury.

Perhaps the Senator from Wisconsin, and others who have engaged in attacks on the State Department on the basis of innuendo and rumor have not fully realized the effect of their charges overseas. I refuse to believe that the Senator would deliberately and willfully damage years of arduous, bipartisan labor that have gone into American efforts to build world peace. But regardless of his real objectives, something very like that has happened.

Consider what the Senator's charges mean to our friends abroad and to our adversaries. What effect have these charges had on that crucially important middle group of peoples who have aligned themselves neither with the Soviet bloc of serf states nor with the association of democratic nations?

Our friends in the North Atlantic community, in Indonesia and Korea, in the Middle East where the threat of Communist imperialism is pressing—friends who have placed heavy dependence on United States pledges of help in fighting off the threat—are now doubtful. They note that the agency representing the United States in its dealings with them is charged with harboring Communists. The Cabinet Member heading that agency is under fire for the same reasons. The Ambassador-at-large, senior field officer of the entire United States Foreign Service, is also accused, as are other officials of the Department and its career service.

They are asking themselves, What does it mean? What about the North Atlantic Pact, the military aid program, and point 4? Are American warnings about Soviet imperialism insincere?

They are saying that, if America is insincere about the threat of communism, can we believe the aims of point 4 as they are stated? Or is point 4 merely a device for economic penetration?

These are only samples of what is being asked in capitals all over the world. The United States entire international policy is under a cloud of suspicion; and the people who have been made suspicious are those whose wholehearted cooperation we must have if our plans for world peace and stability are to be effective.

Imagine the impact of these charges on the middle group of nations. These nations, although they have held aloof from a definite alinement with the West, have looked to the United States for aid and comfort in their struggle against Communist domination. They have depended upon us for support in their quest for liberty and self-government. The accusations of the Senator from Wisconsin [Mr. McCARTHY], and others may cause them to question their faith in America. Because of these charges, they may conclude that United States support cannot be relied upon, and that they had better reach agreement with the Kremlin while they still have some bargaining power.

The allegations of the Senator from Wisconsin offer Communist propagandists a rare opportunity. They will, and are now beginning, to have a field day. They can spread several destructive lines of propaganda all over the world. To our friends, they will point out that America—the leading exponent of democracy—is unable to handle elementary problems of government at home. So how, they will say, can our friends expect from us competent leadership in attacking the infinitely more complex problems in the international field?

To the non-Communist world generally, we can expect the Communist wordmill to make capital out of the charge that we, as a nation, are not to be trusted.

Behind the iron curtain, the Soviet radio and the controlled press will ridicule America as double-dealers. Moreover, we will be pictured as dupes who have not the rudimentary intelligence to keep the stooges of a hostile system out of positions of influence in the Government.

In my opinion, the accusations which have been made by the Senator from Wisconsin and by other Senators from whom we have heard this afternoon are undercutting the long-term effort put forth by the Voice of America and by the other United States media, of press and motion pictures, to build up America as a strong and unified country. The peoples of other nations have little understanding of American politics, and the probability that the Senator from Wisconsin and others are merely engaged in a political maneuver would not occur to them. Moreover, as Senators well know, the news of the rebuttal never catches up with the report of the accusation. This is particularly true abroad.

Publishers of foreign periodicals who delight in the sensation can be depended upon to plaster these charges all over their front pages; and when the charges are refuted, the refutation will not get the space of a classified ad. I have before me many examples of the amount of space that has been given to various ill-conceived charges against our State Department.

Consequently, we will be portrayed all over the world as a divided Nation weakened by an internal quarrel. It will be made to appear that there is in our Government an inner cleavage of sufficient dimensions to warrant exposure by a high official of the Government itself. Instead of unity, there is dissension. In place of strength, there is weakness.

To foreign readers, therefore, the reports of our official information agencies would seem to have been shown to be false. In such case, people abroad may conclude that if the official agencies of the United States Government lied in this instance, they will lie in others. Thus, from that point of view, the broadcasts of the Voice and the news and feature services of the Department of State's International Press Division are pure propaganda, and not be believed.

I am not saying that the confidence of the people of other nations in our official information program cannot be restored. Even though the Senator from Wisconsin has hurt it severely, it can be rebuilt; but the job of rebuilding will be difficult and time consuming. It could take 2 or 3 years; and during that period of reconstruction the usefulness of our information agencies will be sharply reduced at a time when the need for them is acute.

What effect will these allegations have on America's position in the United Nations organization and on our dealings with other nations? The ranking official of our foreign service—Ambassador at Large Jessup—was casually smeared by the Senator with a slighting reference to a supposed affinity for Communist-front organizations.

The timing of this slur is particularly vicious. Ambassador Jessup was, at that moment, engaged in talks with leading officials of nations of the Far East, with the top officials in that region. As the American representative, he was laying the groundwork for a plan to stem the tide of communism that threatens that entire region from the north. He was bending every effort to bolster the free and democratic forces in that region. He was doing everything in his considerable power to brace the will and the abilities of free Asia to combat subversive and antidemocratic forces.

Suddenly, in the middle of these immensely important and delicate negotiations, the top representative of the United States Government is charged with Communist affinity by a Member of the United States Senate, and is accused, by implication, of being a traitor to his country.

What do Senators suppose went through the minds of the Government heads and foreign ministers with whom Ambassador Jessup had been dealing? What do Senators think was the reaction of the people in New Delhi and other places who had heard the Ambassador state in a speech that the solution to their problems did not lie in false hopes dangled before them by agents of Communist greed and imperialism?

Those questions hardly need an answer. The least that could be said was that the official United States representative was suspect of practicing fraud and deceit. Logically, then, could any confidence be placed in his official declarations? What about the integrity and good faith of a government represented by such an official?

The branch of the United States Government whose duties are to handle our day-to-day relations with the governments of the other nations of the world is allegedly disloyal, and perhaps infiltrated with Communist agents and sympathizers. Many foreign offices will recognize the falseness, the absurdity, of such an accusation. Nevertheless, a suspicion will have been planted. After all, do not these charges originate with a Member of the United States Senate or with Members of the United States Senate? Is it a question of there being fire where there is smoke?

What it boils down to is this: The blind and blundering barrage of accusations laid down by the Senator from

Wisconsin has smirched the reputation of a vital branch of the United States Government on which we now depend to build confidence in us and good will toward us in the nations of the world. The integrity and loyalty of our Foreign Service constitute an essential element in their effective functioning. In questioning that integrity, the Senator from Wisconsin has cut sharply into the capacities of our diplomatic service to fulfill its responsibilities, and has seriously injured the morale of the people in the Service.

Mr. President, I think it is high time for this unfortunate matter to be brought to a conclusion. Let us hope that the excellent and distinguished Foreign Relations Subcommittee will within a very short time be able to bring an end to this fiasco. None of us want to have in the Department of State or in any of our executive departments Communists or any persons having alien ideologies. We must assume that the directors of our State Department are loyal Americans, and that they have the same attitude. If we cannot start on that assumption, then indeed we are lost. Let us hope, therefore, that in the future when a Member of Congress has suspicion as to the loyalty of an employee in the State Department or in any other department, particularly when the suspicion is based upon few or no facts, before doing the Department and the country an irreparable damage by publicly airing the suspicion, he will at least take up the matter with the Cabinet officer concerned and will give the Department a chance to investigate and take action to see if the allegation is based upon facts. That, in my opinion, is what should have been done in this case.

Let us, Mr. President, start repairing the grave damage that has been done. Let us bend every effort to get back to a bipartisan foreign policy which is so necessary in this time of stress. Let us forget party considerations, in striving for world peace and leadership. In this respect, let us cooperate with the distinguished Senator from Michigan [Mr. VANDENBERG] and others in their efforts.

Let us put into operation methods so that Members of Congress can have fuller information as to the problems of our foreign policy. Let us work toward methods to enable the Members of the Senate to advise more effectively with the Department of State. Let us consider adopting the plan for a report and question period for the heads of the executive departments, and particularly the head of the Department of State, such as has been proposed over a period of so many years by the Senator from Arkansas [Mr. FULBRIGHT] and me.

In my opinion, we must do these things if we are to furnish the democratic world with leadership which is so desperately needed today.

I yield the floor.

Mr. BENTON. Mr. President, I should like to address myself very briefly to the comments of the distinguished Senator from New Hampshire [Mr. BRIDGES]. They illustrate, of course, the continuing fear and suspicion of the State Department with which I was so familiar when I was working with the Senator from New Hampshire when I served in that Department in 1945, 1946, and 1947. I well remember one conversation in his office when he said to me: "BILL, I do not think it is your program that we here in the Senate are opposing or are afraid of so much as it is the kind of people who are carrying it out."

At that time we discussed that subject. I had the privilege of having with the distinguished Senator from Nebraska [Mr. WHERRY] the same kind of discussion.

Mr. President, I think these questions must be cleared up. I think the Congress must satisfy itself in regard to many of these long, deep-seated, troublesome questions which are of concern to many distinguished Senators on both sides of the aisle.

I do not see how the State Department can carry on its great work, can go forward with the kind of constructive program which I tried to outline on this floor last week, as covered in the resolution I submitted, if there is in the minds of Senators of such importance and of such experience as the Senator from New Hampshire and who are looked up to by their colleagues as much as he is, a long list of questions concerning worries and suspicions, so that a miasma of doubt surrounds the Department. From the standpoint of the Department, I do not see how it can operate constructively in the climate of hostility which now exists.

I was interested to note that the Senator from New Hampshire—though I came in a little late, and I missed his opening remarks—referred to the things he would like to see the Tydings committee do. Of course, it is my hope that the committee will proceed with its work investigating legitimate questions which have been raised in the Senate and to which answers must be secured and as to which explanations seemingly must be forthcoming if the Senate is to cooperate with the Department in carrying forward the great tasks that lie ahead. I, of course, feel that the record of the Department, exposed to the kind of investigation which has been decided upon by the Senate, will be a more creditable record than many of my colleagues assume; though indeed it would be more than mankind would have a right to expect, if through such a troubled period, with various matters in the hands of so many people, there were not mistakes and imperfections in personnel and in policy.

I congratulate the Senator from New Hampshire on his temperate comments about Dean Acheson, whom he called upon as a witness, in view of his experience in the Department since 1941. Indeed I feel that Secretary Acheson should be given the opportunity to testify on questions of the kind that are troubling the distinguished Senator, as evidenced by his comments.

I should like to conclude with but two brief comments, suggested by the remarks of the Senator from Tennessee and the remarkable letter from former Secretary Henry L. Stimson, published this morning in the New York Times. Secretary Stimson contended that the charges of the Senator from Wisconsin are most emphatically not the proper way in which to insure loyalty of Government employees. He said:

> The fact that the accuser has wholly ignored this well-established method indicates that his interest is of a different character.

Later on, in his letter, he said:

> The man who seeks to gain political advantage from personal attack on a Secretary of State is a man who seeks political advantage from damage to his own country.

I think it fair to say that Mr. Stimson, who is surely as distinguished an elder statesman as the Republican Party is able to boast, seems to suggest that the junior Senator from Wisconsin is pleading with us in the Senate to rise above statesmanship to politics. I should like to suggest that in this period of great emergency we attempt, along with the distinguished Senator from Michigan [Mr. VANDENBERG], to rise above politics to statesmanship. Indeed, the rising chorus coming into my office merely on the strength of my comments of last week, when I spoke in defense of Dean Acheson, indicates to me that the American public can be trusted to understand the issues when and as it secures the leadership.

Mr. WHERRY. Mr. President, since all of us desire to make a start toward accomplishing a permanent peace, it is indeed a privilege to listen to such a strong presentation as that given by the senior Senator from New Hampshire [Mr. BRIDGES] and the questions he has asked the subcommittee of the Committee on Foreign Relations to answer. I do not desire to detain the Senate, but after listening to all the speeches made today, some condemning the methods of the junior Senator from Wisconsin, others stating that his purpose was proper but that his procedure was wrong, and so forth, I should merely like the RECORD to show that, regardless of what one may think of his procedure, I am satisfied that the junior Senator from Wisconsin, who served his country so well on the field of battle, is sincere about driving Communists out of high Government places. In that respect, each and every Senator should wholeheartedly endorse his purpose.

But we have gotten beyond the preliminary stage of the proceedings based on the charges of the Senator from Wisconsin, and that is the point I should like to make, because I think it fits in with the remarks just made by the distinguished Senator from Connecticut [Mr. BENTON]. The resolution under which the subcommittee is operating prescribes exactly what it is to do. Whether the distinguished Senator from Wisconsin was right or wrong in his method or his approach is beside the question.

What the Senate has undertaken to do is to require "a full and complete study and investigation as to whether persons who are disloyal to the United States are or have been employed by the Department of State."

What has the subcommittee done? I do not want to be the one to complain because I know that subcommittees operate in their own fashion and in their own way, but I point out to the Members of

the Senate that the concluding part of the resolution reads as follows:

In the conduct of this study and investigation, the committee is directed to procure, by subpena, and examine the complete loyalty and employment files and records of all the Government employees in the Department of State and such other agencies against whom charges have been heard.

Mr. President, the subcommittee have now been working for a period of more than 3 weeks, if I remember correctly. They may have taken action this afternoon—I do not know as to that—but up until this afternoon they have not subpenaed the records of a single individual, but have engaged in a sort of pantomime show, getting one person to appear before the subcommittee and then another. The junior Senator from Wisconsin does not even have the right to ask a single question, Mr. President. No cross examination, of course, is allowed in the Senate committees, but certainly questions should be directed to those who are brought before the subcommittee.

I agree with the distinguished Senator from Tennessee [Mr. KEFAUVER] that we ought to get along with our foreign policy; that is true; but the quickest way to get along with it is to turn subversives out of the Government wherever they may be found, and to adopt a policy which will be carried out by genuine Americans. The quickest way I know of doing it is for the committee, which is authorized by the Senate to subpena the records, to proceed to get the individual files. That is what the American people want. They do not want any more talk. They do not want any more of this or that or the other thing. They want to know what is in the records. Why are the records not produced so we may know whether or not the charges are true? That is the way to get action. It is the way to make a wholesale housecleaning of subversives. Until we get the records, we can talk and we can criticize the approach of the Senator from Wisconsin, we can criticize his methods, and all that; but the final determination of the charges will be made upon the basis of the loyalty files. Until they are produced we will not get very far in the way of cleaning Communists out of the departments of the Government.

I want to thank the distinguished Senator from New Hampshire. I have always loved him. I knew him before I ever came to the Senate. It takes courage, it requires men of action to clean this thing up, and it may take a lot of heat, Mr. President, if you please. Ah, yes, Senators can run to the defense of the State Department. There has been a regular blitzkrieg here. Anyone who lifts his voice in support of the investigation of disloyalty on the part of Department employees is accused of promoting disunity.

Mr. President, I believe I know what I am talking about; I have talked to people considerably in the past 6 or 7 years, and on this particular issue I know I am right. The people want the loyalty files to be subpenaed, and the Constitution provides it can be done if it is in the public interest. Certainly there is no greater interest tonight than that of national security. Nothing can be more in the public interest than to clean out the Communists from high positions in the Government.

So I say to the distinguished Senator from Connecticut, whose forceful remarks I appreciate, that if we want to get on with the work, if we want to get a unified policy, let us oust the subversives. The way to do it is to subpena the files. Let us get the files, and let us determines whether there are disloyal persons in any of the departments of Government.

Mr. BENTON. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I am glad to yield.

Mr. BENTON. Has the Senator been interviewed countless times, as I have been, by the FBI agents studying these people? Has he been asked to talk frankly, confidentially, and fully with them about these security cases?

Mr. WHERRY. Mr. President, in answer to the question, I may say I have been interviewed very few times by the FBI. It is usually in connection with someone who has made an application for a Government job, and then I have given my best information.

Mr. BENTON. Will the Senator yield so that I may make a quick comment and ask another question?

Mr. WHERRY. Certainly.

Mr. BENTON. I have been interviewed dozens of times by FBI agents, because in many cases applicants for positions in the Government have worked for me, have worked for one of my companies, or have been under me in the State Department, or I have known them in the newspaper business, in the radio business, and so forth.

Mr. WHERRY. I can understand that.

Mr. BENTON. I met persons at international conferences who later wanted to get into the Government service. The FBI, it seemed to me, had me on their special list. It is exceedingly difficult, at best, in all conscience, to talk frankly to FBI agents. It is very difficult to proceed wholly on one's own judgment and opinion, but one must do it on high patriotic grounds.

Mr. WHERRY. I think that is correct.

Mr. BENTON. How can we expect that kind of high, patriotic response from persons if, next week, or within the next 6 months, the answers which have been solicited confidentially are going to be brought out before a Senate committee and published in the newspapers, without an opportunity to explain or qualify them? They may not have been too accurately reported.

Mr. WHERRY. Is that the Senator's question?

Mr. BENTON. Yes. That is what troubles me about giving up the files.

Mr. WHERRY. I agree with the distinguished Senator that the FBI has continuously told the members of the committee that these are secret files, and it is very difficult to get the information. Some of it is confidential. I have had similar experience. This is not the first time I have risen on the floor of the Senate with reference to the Secretary of State and the question of subversives in Government. I have said, "I am not discussing methods." I recall, within the past 3 years, when Hon. James Byrnes was Secretary of State, that 27 names were mentioned. It was in executive session, a little different approach, and with reference to those 27 names a pretty good job was done.

Mr. BENTON. Does the Senator recall that he gave me some of those names?

Mr. WHERRY. Yes, I do; and the Senator realizes how we handled the matter. I know the Senator's question is asked in all sincerity. Certainly a United States Senator ought to be able to see a file. There are approximately 10,000 employees in the State Department who can see them, and certainly a Senator who takes the oath of office should have as much confidence placed in him as is placed in those employees who can, if necessary, see the files every day. If a Senator wants to look at the files, I think he has a perfect right to do so.

When this resolution was debated it was the intention that the files would be submitted to the subcommittee, and the record was not to be made public. The committee was to examine the files to see whether the charges were correct and whether there were disloyal persons in the State Department. I am not sure what will be found in any of the files. That is not the question. I am not saying there will be found the information alleged to be contained in the files, but certainly the files can be brought to the subcommittee and the subcommittee can examine them. I would trust any member of the subcommittee as I would trust the Senator from Connecticut. If the charges are substantiated, I know the Senator from Connecticut will go along with us to see that the services of such persons are terminated. I want to be fair. It may be that the subcommittee is doing the best it can, and it may be that the way in which it is proceeding is the proper way, but up to this time it has not produced records on any of the names. I think that if the subcommittee would take the names and examine the files it could settle a good deal of this controversy.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield. I did not intend to get into an argument.

Mr. BRIDGES. First, I should like to say that I appreciate the kind remarks made by the Senator from Nebraska concerning me and the very fair remarks made by the Senator from Connecticut.

Many persons do not recall perhaps that back in 1947, 3 years ago, I happened to be chairman of the Appropriations Committee. That committee started looking into the security risks in the State Department, as both the distinguished Senators know. There was was not a word made public about the matter, but for days and for weeks we held hearings with State Department officials and other persons on the subject, and, as a result, many of the bad security risks were cleaned out. Some of the questions which I have asked today were based on that incident.

We adopted what was known as the McCarran rider, which would allow the Secretary of State to discharge an employee without any reason being given. That was to protect individual workers so that nothing would come out publicly about them. We made progress. I remember that we went to Europe to look over the progress of ECA. I cannot remember whether it was the day we left or the day we returned, but there were 10 persons in the State Department whose dismissal had been ordered, and there was an order reversing the Assistant Secretary of State and the security officer of the State Department. Those persons were allowed to resign of their own free will and accord. They were sort of reinstated and allowed to resign. I have often wondered who pulled the strings to permit 10 persons, without any publicity, after our committee had looked into the matter, to retire gracefully.

I did not make any charges today. I asked some questions. Many of them have been in my soul for many years, and I think and hope that the subcommittee will do something which will bring about the desired result.

RECESS

Mr. MYERS. Mr. President, the subcommittee and the Committee on Foreign Relations having been properly advised, counseled, and even criticized, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 28, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 27 (legislative day of March 8), 1950:

ATOMIC ENERGY COMMISSION

Thomas E. Murray, of New York, to be a member of the Atomic Energy Commission for the term expiring June 30, 1950.

COMMISSIONER OF INDIAN AFFAIRS

Dillon S. Myer, of Ohio, to be Commissioner of Indian Affairs, vice John R. Nichols.

COLLECTOR OF CUSTOMS

John O'Keefe, of Pembina, N. Dak., to be collector of customs for customs collection district No. 34, with headquarters at Pembina, N. Dak. (Reappointment.)

UNITED STATES DISTRICT JUDGE

Rabe Ferguson Marsh, Jr., of Pennsylvania, to be United States district judge for the western district of Pennsylvania, vice Hon. Robert M. Gibson, retired.

UNITED STATES ATTORNEY

John D. Hill, of Alabama, to be United States attorney for the northern district of Alabama. He is now serving in this office under an appointment which expired February 7, 1950.

UNITED STATES MARSHAL

Robert Grant, of Illinois, to be United States marshal for the southern district of Illinois. He is now serving in this office under an appointment which expired December 16, 1949.

IN THE ARMY

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), and title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), subject to physical qualification:

To be majors

John Y. Battenfield, MC, O356872.
Joseph A. DeBlase, MC, O368572.
Thomas F. McKellar, MC, O367396.
John L. Mothershead, MC, O355922.
John B. Plum, MC, O341182.

To be captains

Robert C. Aliff, MC.
Donald T. Book, MC, O435439.
Eston R. Caldwell, MC, O1736369.
Americo J. Castagno, MC, O1706176.
Stanley J. Galuszewski, DC, O1765915.
Franklin F. Hulswit, DC, O963001.
Charles W. Kraul, MC, O1726114.
Ivan W. Kuhl, MC, O1716792.
Herbert L. Ley, Jr., MC, O1746828.

To be first lieutenants

Benjamin K. Ammenwerth, DC, O975823.
Walter E. Benson, DC, O945588.
Thomas W. Brehm, DC, O965560.
Robert F. Campion, DC, O966001.
Merida W. Castleberry, VC, O929807.
Donald E. Clerk, MC, O958517.
John Clarkson, DC, O976549.
Stanley S. Cohen, DC, O833896.
Walter T. Colbert, MC.
Joseph M. Damron, MC, O954957.
James B. Earle, JAGC, O1290920.
John E. Egdahl, MC, O960464.
Rawls H. Frazier, JAGC, O981502.
Robert F. Grabb, JAGC, O559841.
Lawrence P. Hansen, JAGC, O1105493.
Frederick L. Harcourt, MC, O936123.
Edward W. Haughney, JAGC, O1170773.
Joseph A. Hill, JAGC, O1049888.
Thomas H. Hooten, JAGC, O557369.
Niklaus J. A. Keller, MC, O958511.
Joseph A. Latteri, MC, O958570.
Jack P. Lawler, JAGC, O981789.
Harold E. May, MC, O977690.
Leonard W. Melander, Jr., MC, O963435.
Richard F. Seibert, JAGC, O524168.
Paul H. Schroy, JAGC, O982824.
Francis H. Vonnahmen, DC, O959939.
Wendell J. White, MC, O958931.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th. Cong.), subject to physical qualification:

Remer Y. Brinson.
Andre M. Kahn, O978631.
Vaughn L. Maxwell, Jr.
Thomas A. Murphy.
Neil H. Triner, O958005.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Josiah C. Campbell, Jr.
William B. Fesperman.
Conrad L. Hall.
James G. Hickerson.
George E. Peters, Jr.
Robert L. Peters, O975328.
John S. Quarles.
Richard H. Sawyer.

The following-named distinguished military students for appointment in the Regular Army of the United States, effective June 15, 1950, in the grade of second lieutenant, under the provisions of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Samuel F. Burt.
Robert J. Douglas.
William W. Gilleland.
Frederick H. Griswold, O972718.
Hugh M. Hardaway.
William B. Neal.
William D. Walker.
Joe D. White, O968238.

IN THE NAVY

Capt. Harold W. Johnson, Civil Engineer Corps, United States Navy, for permanent appointment to the grade of rear admiral in the Civil Engineers Corps of the Navy.

IN THE NAVY AND THE NAVAL RESERVE

The following-named officers of the Navy and Naval Reserve on active duty, for temporary appointment to the grade of commander, subject to qualification therefor as provided by law.

FOR TEMPORARY APPOINTMENT IN THE NAVY

Carlton F. Alm
Fred G. Archbold, Jr.
Theodore J. Banvard
Walter G. Barnes, Jr.
Langford W. Bates
Edward H. Bayers
Edward W. Bergstrom
Thomas E. Blado
Clarence A. Blouin
David Bolton
William G. Boyer
Wilfred K. Bradbury
Howard H. Brandenburg
James A. Brough
Herbert S. Brown, Jr.
Robert B. Buchan
Howard U. Bush
Congrave C. Callaway
Lucius D. Campbell
Felix Caracciolo
David C. Carmichael
William E. Chase
Carlton H. Clark
Samuel R. Clarke
Walter E. Clarke
Hilbert S. Cofield
Henry C. Colee, Jr.
Vernon J. Coley, Jr.
Charlie N. Conatser
Theodore R. Cooley
Donald C. Coy
Richard J. Craig
Robert E. Cummings
Robertson C. Dailey
James G. Daniels III
Jerry F. Daniels, Jr.
Homer K. Davidson
Leslie D. Davis
Edward T. Deacon
Robert L. Donley
Francis X. Driscoll
John F. Droz
John R. Ducat
Morris G. Duchin
Alexander B. Dusenbury
Cordon K. Ebbe
Willard E. Eder
Andrew M. Egeland
Albert M. Ellingson
Thomas B. Ellison
Clifton Evans, Jr.
John S. Eversole
John H. R. Fehler
Gordon E. Firebaugh
Hubert W. Fisher
Richard W. Flack
Wilford E. Fleshman
Charles T. Foley
Richard B. Forward
Maynard M. Furney
Louis S. Gard
Charles A. Gearhart
Harold H. Gearinger
Lester E. Geer
Wilfred H. Genest
William Godwin
Frank G. Gooding, Jr.
Earle C. Gordon, Jr.
Frank B. Gorman
John H. Graves, Jr.
Frank O. Green
Francis J. Grisko
Richard D. Gruber
Joseph L. Hall
Robert M. J. Halman
Herbert E. Hanset
William T. Hardaker
William E. Hardy
Robert H. Hare
James C. Hargreaves
Edward F. Harschutz
Rolland Hastreiter
Rupert D. Hawley
Daniel W. Heagy
Harold N. Heisel
Stanley E. Herbst
Elof W. Hermanson
Dermott V. Hickey
Harlow Hines
Ronald W. Hoel
Charles C. Hoffman
Glen E. Hoffman
Melvin C. Hoffman
Edward T. Hogan
Guy Howard
Herbert B. Howard
David R. Howser
Richard C. Hunt
Thomas W. Hunt
Charles D. Huston
Walter E. Hutchens
Arthur L. Jacobsen
William Janeshek
Oliver P. Johnstone
Ira L. Jones
John C. Keatts, Jr.
Robert H. Keehn
LeRoy W. J. Keith
Joseph M. Kellam
Charles B. Kelly
John S. Kilner, Jr.
Willard D. King
Paul J. Knapp
Lincoln C. Koch
Nils R. Larson
Frank L. Lawlor
Forrest A. Lees
George S. Leonard
William R. Leonard, Jr.
Edward N. Little
Robert W. Lund
Martin P. MacNair
Frank Malinasky
Theodore W. Marshall
Guilbert W. Martin
Norris L. McComb
Elbert S. McCuskey
Noel W. McDaniel
Edward L. McDonald
Henry G. McDonough
Paul M. McEntire
Craig McKee
Harold W. McKinney
Ray P. Minniear
John D. Moroney
Phillip C. Morris
Marvin P. Morton, Jr.
Wilbur Y. Morton
Walter J. Murphy
William G. Neese

Robert U. Nolen
John E. Odell, Jr.
Herbert E. Ost
Gordon N. Owens
Ralph H. Packer
William B. Paulin
Douglas G. Phillips
Albert D. Pollock, Jr.
James A. Potter III
William O. Powell, Jr.
Louis P. Pressler
Samuel L. Prickett, Jr
Fred H. Rand
James T. Reed
Ira F. Reese
Charles E. Rice, Jr.
Carl W. Rinehart
Albert D. Robbins
Robert W. Robbins
John C. Roberts, Jr.
Harold A. Robinson
William H. Robison
Sydney G. Rubinow, Jr.
Richard S. Roberts
Dexter C. Rumsey II
Edward E. Sack
Robert L. Sage
William E. Scarborough
Herbert T. Schmidt
Irving J. Schuyler
Erwin G. Schwab
Leo R. Schwabe
Frank M. Screws
Norman V. Scurria
John G. Sheridan
Gordon A. Sherwood
Charles A. Shipman
Jerry R. Siefert
John K. Sloatman, Jr.
Charles C. Smith
Eugene C. Smith
Joseph G. Smith
Leonard B. Smith
Robert R. Snyder
David L. Soper
Henry E. Staley
John M. Stuart
William T. Sutherland
Robert J. Sutherlin
Winford A. Swenson
Robert Wagner
Charles A. Walruff
Joseph T. Watson, Jr.
John B. Wayne
Grayston H. Weber
Paul T. Weber
Robert W. Weber
James F. Wilbur, Jr.
Lawrence B. Williamson
Max D. Wiviott
Dick M. Wheat
Bacil C. Wheatley
William S. Woollen
Spencer D. Wright
Whitney Wright
William P. Tanner, Jr.
Harry B. Taylor
William N. Thies
Charles Timblin
Ralph A. Turner
Karl S. VanMeter
Raymond V. vanWolkenten
Jay B. Yakeley
Alan H. Yates

FOR TEMPORARY APPOINTMENT IN THE NAVAL RESERVE

Arthur B. Bennett
William M. Bliss
George H. Bond
Griswold L. Bouteiller
Frank T. Callahan
Fred A. Camp
Francis W. Councill
Richard T. Cowden
Philip Y. Craig
Richard Doughton, Jr.
Wayne F. Eckley
James R. Fogarty
Archie T. Ford
Robert E. Henderson
Arthur C. Hillner
Jesse G. Holland
Alfred F. Holzapfel
John C. Hunt
Louis J. Kulot
Richard Linthicum
Daniel J. Lynch
John B. Miller
Ralph H. McKee
Robert A. Noe
Kenneth J. Nordstrom
Alfred J. Quinby
Samuel R. Sanders, Jr.
George A. Schoene
Harry F. Snyder
Rinaldo V. Taborelli
William S. Taylor
Marvin L. Thaxton
Harry W. Thurston
John P. Vaughan
Elmer Walls
John G. Watterson

IN THE COAST GUARD

The following-named persons to be captains in the United States Coast Guard:

Chester M. Anderson
Wilbur C. Hogan
Kenneth P. Maley
Samuel F. Gray
Earl K. Rhodes
Carl B. Olsen
Leon H. Morine

The following-named persons to be commanders in the United States Coast Guard:

Oscar D. Weed, Jr.
Ralph D. Dean
Joseph R. Scullion
William J. Conley, Jr.
Richard L. Mellen
Glenn L. Rollins

The following-named persons to be lieutenant commanders in the United States Coast Guard:

Theodore LeBlanc
Reginald W. Butcher
Paul A. Ortman
Walter R. Lewis
Robert P. Cromwell
Kenneth R. Goodwin
James W. Kincaid
Kingdrel N. Ayers
Victor A. G. Schmidt
Elmer A. Crock.
James A. Palmer
George W. Girdler
Bernhard R. Henry
Robert C. Gould

The following-named persons to be lieutenants in the United States Coast Guard:

William E. Long
James E. Van Valkenburg
Richard A. Pasciuti
William S. Allan, Jr.
Leslie B. George
Robert B. Moore
Charles Wayne
Wallace C. Dahlgren
Harry H. Carter
Bernard E. Kolkhorst
Donald M. Reed
George W. Sohm
Carl L. Parrott
Frederick J. Hancox
Robert A. Adams
Russell H. Bergh
Arthur Hancock
William M. Benkert
Robert A. Schulz
Warren E. Rast
Curtis J. Kelly
Austin F. Hubbard
Ward R. Emigh
William J. Zinck
Richard E. Hoover
William N. Banks
Keith Low
Daniel J. Scalabrini
Edward R. Tharp
Wilfrid N. Derby, Jr.

The following-named persons to be lieutenants (junior grade) in the United States Coast Guard:

Robert E. Ogin
Charles A. Haley
Everett B. Kopp
Philip G. Ledoux

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Barney O. Sauls, Alabama City, Ala., in place of G. W. Floyd, retired.

Mary G. Lawler, Gurley, Ala., in place of L. C. Williamson, deceased.

James B. Brazelton, Madison, Ala., in place of O. B. Wann, retired.

Andrew J. Peacock, Sr., Opelika, Ala., in place of W. H. Wilson, retired.

ARIZONA

Robert H. Marsch, Eloy, Ariz., in place of J. C. Garrett, deceased.

Flossy A. Johnson, Lakeside, Ariz., in place of Hazel Gillespie, resigned.

Raymond F. Lane, Stanfield, Ariz. Office established August 1, 1948.

ARKANSAS

Charles Beauclair Ward, Emmet, Ark., in place of S. L. Jones, transferred.

Lucille A. Day, Hazen, Ark., in place of H. P. Screeton, resigned.

Clifton A. Morehart, Mabelvale, Ark., in place of H. M. Grogan, resigned.

CALIFORNIA

Donald C. Tierney, Bellflower, Calif., in place of C. R. Chism, resigned.

Ida Belle Lawlor, Clarksburg, Calif., in place of C. L. Pierce, resigned.

Melvin D. Kronquest, Clearlake Park, Calif., in place of W. J. Robbert, retired.

Hurkless A. Bullard, Coachella, Calif., in place of E. L. Clary, resigned.

Verne H. Watson, Corona Del Mar, Calif., in place of H. R. King, resigned.

James V. Vescere, Crows Landing, Calif., in place of A. L. Swanson, resigned.

Robert B. Reynolds, Fort Jones, Calif., in place of W. D. Mathews, retired.

Thelma M. Luckenbill, Guasti, Calif., in place of C. C. Dickinson, resigned.

Francis R. Faucher, Lemongrove, Calif., in place of C. M. Nicolson, retired.

Lola H. Heaton, McArthur, Calif., in place of M. L. Hulsey, resigned.

Charles S. Maloney, Jr., Marina, Calif., in place of A. L. Shelp, resigned.

Emmett Williams, Montebello, Calif., in place of A. C. Cook, retired.

Otto Frederick, Norden, Calif. Office reestablished March 16, 1947.

Albert L. Schoepf, Orange Cove, Calif., in place of A. R. Gallaher, removed.

James H. Ashley, Pebble Beach, Calif., in place of J. R. Carroll, resigned.

William P. Martin, Rialto, Calif., in place of Minetta Tisinger, resigned.

Frances P. Autenrieth, Rutherford, Calif., in place of L. F. Wyckoff, resigned.

Kenneth R. Hammaker, Sacramento, Calif., in place of J. R. Wilson, retired.

John J. Mollinet, Soquel, Calif., in place of A. C. Parsons, deceased.

Ethel E. Hain, Stinson Beach, Calif., in place of A. D. Algar, retired.

Ralph M. Wright, Sunol, Calif. Office became Presidential July 1, 1945.

Harry R. Ellison, Tujunga, Calif., in place of J. W. Russel, retired.

COLORADO

William E. Bales, Fort Morgan, Colo., in place of C. E. Wagner, resigned.

Sol Cahen, Spivak, Colo., in place of C. E. Taylor, deceased.

CONNECTICUT

Joseph P. Ruske, Cromwell, Conn., in place of W. K. Buggie, resigned.

Elizabeth M. Deck, Glenville, Conn., in place of H. K. O'Brien, removed.

DELAWARE

Morris W. King, Hartly, Del., in place of L. C. Poore, retired.

FLORIDA

Ralph E. Phillips, Alachua, Fla., in place of C. E. Rawls, removed.

Tom M. Braswell, Monticella, Fla., in place of W. J. Bulloch, resigned.

GEORGIA

Ruth M. Hamilton, Arabi, Ga., in place of N. P. Morgan, removed.

James Luther McBath, Carnesville, Ga., in place of B. H. Rampley, deceased.

Herbert P. Kimberly, Chauncey, Ga., in place of D. B. Phillips, retired.

James Marion Peacock, Dublin, Ga., in place of M. J. Guyton, deceased.

Robert L. Wilson, Franklin, Ga., in place of C. M. Simonton, transferred.

James A. Brown, Hinesville, Ga., in place of H. V. Wells, resigned.

HAWAII

Toshihiro Nakagawa, Kunia, T. H. Office established February 1, 1947.

Adolph S. K. Leong, Lahaina, T. H., in place of A. D. Furtado, retired.

IDAHO

Marian T. Gillette, Kimberly, Idaho, in place of C. B. Urban, resigned.

Frank L. Jolley, Meridian, Idaho, in place of J. B. Cato, deceased.

Bertha A. Roberts, Winchester, Idaho, in place of J. L. Kelly, retired.

ILLINOIS

Mae Meyer, Carlock, Ill., in place of E. W. Zoll, resigned.

Hazel M. Schanuel, Caseyville, Ill., in place of W. C. Hueckel, deceased.

Arnold J. Accola, East Dubuque, Ill., in place of J. A. Schneider, deceased.

Harland S. Pankey, Elkhart, Ill., in place of M. L. Brennan, retired.

Paul A. Brickey, Hillview, Ill., in place of K. K. Angle, resigned.

Edward J. Ambacher, Ingleside, Ill., in place of C. T. O'Boyle, resigned.

Ralph E. Holstlaw, Iuka, Ill., in place of F. E. Kelley, retired.

Raymond C. Letourneau, Matteson, Ill., in place of M. F. Brooke, retired.

Otis B. Dunn, Oaklawn, Ill., in place of G. F. Proff, deceased.

Oscar H. Thielen, Red Bud, Ill., in place of H. W. Roehrkasse, transferred.

Estel Dale Miner, Ridgway, Ill., in place of James Doherty, retired.

INDIANA

Buster L. Hetrick, Auburn, Ind., in place of D. P. Sprott, retired.

Donald M. Zartman, Fulton, Ind., in place of M. L. Stout, resigned.

IOWA

Lowell B. Lund, Rake, Iowa, in place of G. W. Heath, resigned.

Lewis F. Matthews, Brayton, Iowa, in place of H. A. McGovern, transferred.

Joseph L. McDevitt, Jamaica, Iowa, in place of J. E. McDermott, transferred.

Aaron Sutter, Manson, Iowa, in place of M. A. Trumbull, retired.

Marion E. Euritt, Mount Ayr, Iowa, in place of P. J. McGrath, transferred.

Wilma M. Close, Mystic, Iowa, in place of L. R. Evans, transferred.

Donald J. Spencer, Rolfe, Iowa, in place of A. M. Simonson, resigned.

Archie O. Nelson, Jr., Soldier, Iowa, in place of J. R. Dickinson, retired.

Ralph E. Martens, Wheatland, Iowa, in place of L. D. Rothbart, resigned.

KANSAS

Elsie M. Danford, Burdett, Kans., in place of S. E. Notestine, retired.

Joseph E. Gaitskill, Girard, Kans., in place of C. H. Ryan, retired.

Hazel W. Houser, Green, Kans., in place of A. J. Anderson, resigned.

John W. McManigal, Horton, Kans., in place of J. J. Lindsay, deceased.

Will R. West, Manhattan, Kans., in place of W. E. Moore, retired.

Ruel Lazarus, Norwich, Kans., in place of Charles Huffman, retired.

Claude O. Leonard, Richland, Kans., in place of C. J. Montfoort, transferred.

Raymond W. Harold, Weskan, Kans., in place of William Meis, resigned.

KENTUCKY

Ernest M. Martin, Beaver Dam, Ky., in place of T. E. Cooper, retired.

Ollie J. Brandenburg, Booneville, Ky., in place of Wilcie Brandenburg, resigned.

Pearl M. Caddell, Burgin, Ky., in place of L. O. Sanders retired.

William B. Reynolds, Kings Mountain, Ky., in place of J. L. Howard, removed.

Martine Calhoun, Livermore, Ky., in place of J. R. Cox, resigned.

Billy G. Combs, Lothair, Ky., in place of Grace Williams, resigned.

Raymond L. Pugh, Vanceburg, Ky., in place of H. H. Denham, resigned.

MAINE

Roger T. Gilbert, Dexter, Maine, in place of J. M. Mountain, resigned.

MASSACHUSETTS

Philip F. Ryan, Holyoke, Mass., in place of J. J Dowd, resigned.

Marguerite A. Bjurling, Morningdale, Mass. Office became Presidential July 1, 1948.

John G. Kelly, Townsend, Mass., in place of R. E. Smith, retired.

MICHIGAN

Edmund C. Hillen, Alto, Mich., in place of Josephine Salsbury, retired.

Mildred L. Schmidt, Manitou Beach, Mich., in place of D. I. McBean, resigned.

Charles E. Rawson, Marion, Mich., in place of W. H. Dunbar, removed.

Clarence S. Duby, Menominee, Mich., in place of M. A. Doyle, resigned.

Harry Shiminsky, New Boston, Mich., in place of A. F. Martin, retired.

George W. Beaudoin, Stephenson, Mich., in place of C. B. Brown, deceased.

Basil M. Stanfield, Witmore Lake, Mich., in place of H. S. McCormick, resigned.

MINNESOTA

Walter H. Hedin, Bock, Minn., in place of H. J. Hedberg, retired.

Alfred W. Gesterling Browns Valley, Minn., in place of M. W. Monroe, deceased.

Edward J. Kavanaugh, Carlton, Minn., in place of M. E. Gilbert, retired.

William J. Murray, East Grand Forks, Minn., in place of E. A. Buckley, retired.

Ray C. Hansen, Lutsen, Minn., in place of J. C. Bally, resigned.

Harold L. Fisher, Royalton, Minn., in place of L. R. Lisle, resigned.

MISSISSIPPI

Russell S. Lyle, Maud, Miss., in place of E. J. Lake, retired.

MISSOURI

Clifford E. McColl, Appleton City, Mo., in place of M. E. Chambers, retired.

Rufe Dalton, Doniphan, Mo., in place of S. F. Scanlon, resigned.

Robert A. Moberly, Excelsior Springs, Mo., in place of W. H. Titus, retired.

Scott Moore, Galena, Mo., in place of T. A. McQuary, deceased.

Wayne E. Boring, Hopkins, Mo., in place of F. J. Yeomans, deceased.

Ted L. Muse, Niangua, Mo., in place of C. D. Hyde, transferred.

Jane C. Martin, Pomona, Mo., in place of V. V. Reynolds, transferred.

Cecil L. Smith, Smithton, Mo., in place of W. T. May, transferred.

Ross Alexander, Jr., Spickard, Mo., in place of C. E. Logan, retired.

MONTANA

Martha M. Debus, Plains, Mont., in place of J. R. Kruger, resigned.

NEBRASKA

Margaret T. Cooper, Chambers, Nebr., in place of Clair Grimes, transferred.

Edwin D. Lipps, Cook, Nebr., in place of R. F. Biere, transferred.

Wayne C. Springer, Elba, Nebr., in place of Marie Nielsen, deceased.

Hubert C. Brown, Enders, Nebr. Office became Presidential July 1, 1948.

Belle L. MacGregor, Haigler, Nebr., in place of D. M. Porter, retired.

Elmer A. H. Grummert, Jansen, Nebr., in place of H. T. Fast, retired.

Norman M. Windeshausen, Osmond, Nebr., in place of M. T. Liewer, retired.

William R. Byam, Ulysses, Nebr., in place of W. P. Flynn, retired.

Elmer O. Boettcher, Unadilla, Nebr., in place of L. E. Kraft, resigned.

NEVADA

Hugh W. Mildren, Yerington, Nev., in place of W. H. Morgan, removed.

NEW HAMPSHIRE

Walter J. T. Richard, Manchester, N. H., in place of A. L. Prince, deceased.

NEW JERSEY

Florence E. Morton, Lake Como, N. J., in place of M. E. Vanderhoef, retired.

Charles W. Brahn, Spring Lake, N. J., in place of R. R. Newman, retired.

NEW MEXICO

James A. Kent, Capitan, N. Mex., in place of H. M. Sears, retired.

Santiago Romero, Maxwell, N. Mex., in place of H. F. Farmer, resigned.

Charlie E. Coca, Montezuma, N. Mex., in place of Nellie Sanford, resigned.

Pedro T. Lucero, Ojo Caliente, N. Mex., in place of M. A. Herrera, removed.

NEW YORK

Theodore J. Marden, Baldwinsville, N. Y., in place of W. H. O'Brien, Jr., removed.

Walter L. Smith, Blue Mountain Lake, N. Y., in place of C. F. Smith, deceased.

Helen M. Becker, Brightwaters, N. Y., in place of Emma Reynolds, resigned.

Harold T. McCormick, Brownville, N. Y., in place of M. B. Empie, resigned.

Emma E. Eaton, Cayuta, N. Y. Office became Presidential July 1, 1947.

Joseph W. Clark, Chenango Bridge, N. Y., in place of L. E. Clark, resigned.

Francis J. Burns, Clinton, N. Y., in place of M. G. Gaffney, retired.

Arline P. Herrington, Collins, N. Y., in place of C. M. Johengen, deceased.

Maurice J. Dexter, Cortland, N. Y., in place of W. J. Gleason, retired.

Edward L. Van Tassell, Croton-On-Hudson, N. Y., in place of A. W. Dymes, Jr., removed.

George H. Geer, Downsville, N. Y., in place of F. W. Odwell, deceased.

Alice C. Jones, Esopus, N. Y., in place of R. D. Huth, resigned.

William L. Lester, Holtsville, N. Y., in place of Beulah Meier, resigned.

Pauline E. Clement, Honeoye, N. Y., in place of M. E. Clement, deceased.

Ruth E. Wright, Lagrangeville, N. Y., in place of F. B. Pulling, retired.

Hubert Brink, Lake Katrine, N. Y. Office became Presidential July 1, 1948.

Carmen Murano, Memphis, N. Y., in place of K. B. Kinne, deceased.

Clarissa Murphy, Mount Sinai, N. Y., in place of C. T. Davis, resigned.

John R. Schuyler, Naples, N. Y., in place of J. C. Morgan, retired.

William J. Glavin, Niagara University, N. Y., in place of L. F. Bennett, resigned.

Harold H. Parker, Perrysburg, N. Y., in place of Aleine Miller, removed.

Charles D. Lovell, Poland, N. Y., in place of J. J. Cruse, retired.

Richard H. Smith, Prattsville, N. Y., in place of J. F. McWilliams, deceased.

Jeannette L. Moran, Rexford, N. Y., in place of A. R. Knowlton, retired.

Charles A. Reilly, Salem, N. Y., in place of M. E. Gainor, retired.

Henry F. Zimmer, Spencer, N. Y., in place of H. H. Fisher, resigned.

Madeline M. McCabe, Starlake, N. Y., in place of W. J. Griffin, Jr., resigned.

Ethel S. Navins, Tivoli, N. Y., in place of C. A. Denegar, deceased.

Ruth E. Watkins, West Lebanon, N. Y., in place of M. W. Gimlich, removed.

NORTH CAROLINA

Aileen C. Doyle, Denton, N. C., in place of R. C. Powell, transferred.

Muriel C. Baldwin, Fletcher, N. C., in place of G. C. Sales, resigned.

James B. Cox, Franklinville, N. C., in place of C. H. Julian, retired.

Charles V. Cross, Jr., Gates, N. C., in place of R. W. Gatling, retired.

Joe E. Ray, Murphy, N. C., in place of H. W. Moody, transferred.

Jay T. Leggett, Pinetown, N. C., in place of N. L. Spruill, declined.

Frank E. Williams, Spring Lake, N. C., in place of J. B. Williams, retired.

T. Walter Ashe, Sylva, N. C., in place of C. N. Price, resigned.

NORTH DAKOTA

Rose A. Eagon, Barney, N. Dak., in place of M. F. Haberman, resigned.

Harry S. Johnson, Grenora, N. Dak., in place of J. V. Senecal, resigned.

Alfred L. Schrade, Kensal, N. Dak., in place of C. M. Christensen, transferred.

OHIO

John M. Bishop, Arlington, Ohio, in place of O. T. Castor, retired.

Harold Montgomery, Jr., Austinburg, Ohio, in place of A. D. Owen, retired.

Robert L. Canter, Bethel, Ohio, in place of J. D. Moorehead, transferred.

Donna M. Emery, Bloomingburg, Ohio, in place of Z. S. Garinger, transferred.

Marvel I. White, Blue Ash, Ohio, in place of L. M. Weber, retired.

Ernest C. Tracey, Huntsville, Ohio, in place of C. O. Shick, resigned.

Mary Ellen Swerlein, McCutchenville, Ohio, in place of B. M. Might, retired.

George L. Burkett, Malinta, Ohio, in place of L. L. Hahn, resigned.

Herbert B. Hague, Senecaville, Ohio, in place of Frank Thompson, retired.

Herbert A. Lannert, Springfield, Ohio, in place of W. A. Circle, retired.

OKLAHOMA

Newton M. Foster, Catoosa, Okla., in place of W. T. Gaddis, transferred.

Lloyd E. Null, Chickasha, Okla., in place of C. H. Chambers, deceased.

Norman W. Kingsley, Nash, Okla., in place of G. H. Newell, declined.

OREGON

Frithjof G. Tollefsen, Aloha, Oreg., in place of H. L. Price, retired.

Cella M. Norton, Mitchell, Oreg., in place of W. E. Reed, retired.
Milton V. Schroeder, Myrtle Point, Oreg., in place of H. E. Watkins, deceased.
Charles E. Hedrick, Stanfield, Oreg., in place of Margaret Daughtrey, retired.
Paula J. Burt, Winston, Oreg. Office established July 1, 1948.

PENNSYLVANIA

Gilbert B. Bainbridge, Ambler, Pa., in place of O. H. Stillwagon, retired.
Franklin G. Spohn, Breinigsville, Pa., in place of W. D. Butz, deceased.
Albert M. Smith, Jr., Bushkill, Pa., in place of C. H. Beck, removed.
George R. Hixon, Dawson, Pa., in place of Albert Van Horn, retired.
Roy E. Raub, Edinburg, Pa., in place of W. W. Raub, deceased.
Clarence Donald Dotterer, Emlenton, Pa., in place of L. A. Edinger, resigned.
Louis J. Pagano, Galeton, Pa., in place of J. D. Seltz, resigned.
George V. Beitler, Glenshaw, Pa., in place of I. W. Edgar, retired.
Esther L. Rosencrance, Greeley, Pa., in place of L. L. Rosencrance, retired.
Grover C. Bower, Grove City, Pa., in place of K. O. McCoy, retired.
Charles J. Zuerl, Jr., Irvine, Pa., in place of J. J. Myers, retired.
John G. O'Connor, Kane, Pa., in place of R. E. Holland, resigned.
Charles P. Kennedy, Malvern, Pa., in place of L. E. Shepherd, deceased.
Frank Maida, Port Kennedy, Pa., in place of S. G. Thomas, resigned.
Elmer A. Carvell, Rothville, Pa., in place of H. Y. Adams, deceased.
Wayne K. Wildonger, Souderton, Pa., in place of A. E. Hiltebeitel, retired.
Anna Smith, Starjunction, Pa., in place of S. J. Stimmel, resigned.
Carl A. Shollenberger, Tyrone, Pa., in place of J. D. Cox, retired.

SOUTH DAKOTA

George W. Chitty, Huron, S. Dak., in place of C. H. Weir, removed.
Mons B. Anker, Murdo, S. Dak., in place of C. M. McDonell, retired.

TENNESSEE

Mable A. Moore, Arlington, Tenn., in place of M. W. Hughes, retired.
Eric Walter Robinson, Flintville, Tenn., in place of T. E. Hudson, resigned.
Edward F. Pharris, Harrogate, Tenn., in place of P. A. Carr, transferred.

TEXAS

Leona G. Cleveland, Cactus, Tex. Office established January 26, 1948.
Thomas L. Westmoreland, De Berry, Tex., in place of C. B. O'Bryan, retired.
Mazia M. Sneed, Deer Park, Tex., in place of R. E. Sneed, Sr., resigned.
Margaret S. Walters, Dickinson, Tex., in place of J. H. Jones, retired.
Texas R. Flaniken, Freeport, Tex., in place of S. S. Perry, resigned.
Glenn H. Mills, Goliad, Tex., in place of J. L. Tally, deceased.
Amos C. McClure, Palo Pinto, Tex., in place of W. G. Abernathy, resigned.
Lee A. Krause, Jr., Round Top, Tex., in place of E. L. Fricke, deceased.
Miles E. Trice, Rule, Tex., in place of C. F. Norman, transferred.
Walker M. Hammett, Santa Rosa, Tex., in place of M. J. Peterman, resigned.
Frances C. Stubenthal, Skidmore, Tex., in place of R. A. Meuth, deceased.

UTAH

Joseph A. Manzione, Beaver, Utah, in place of H. A. White, resigned.

VERMONT

Agnes C. O'Neill, Castleton, Vt., in place of H. S. Johnson, retired.
James K. Lovett, Chester, Vt., in place of F. C. Parmenter, resigned.
Warren R. Pearl, Grand Isle, Vt., in place of C. G. Hoag, retired.
Adelaide J. Sweeney, Waterville, Vt., in place of J. C. Maurice, retired.

VIRGINIA

Earl B. Denoff, Amonate, Va., in place of E. A. Lambert, resigned.
Marjorie H. Truby, Chester, Va., in place of R. M. Crump, transferred.
Irene J. Fleming, Clinchco, Va., in place of C. P. Cruise, resigned.
Myrtle L. Davis, Collinsville, Va. Office established June 16, 1948.
Howard G. Gentry, Danville, Va., in place of H. C. Swanson, retired.
William R. Doggett, Doswell, Va., in place of J. S. Allen, retired.
Maude L. Sheffield, Lovingston, Va., in place of H. D. Gleason, retired.
Eva M. Bennick, New Market, Va., in place of M. A. Price retired.
James W. Ohmer, New Castle, Va., in place of G. T. Huffman, deceased.
Marjorie C. Stanley, Stanleytown, Va., in place of J. S. Trent, resigned.
Carlisle L. Nottingham, Wachapreague, Va., in place of W. T. Fosque, retired.
Faye E. Carter, Whitetop, Va., in place of W. C. Carter, resigned.

WASHINGTON

William T. Harmon, Bong, Wash. Office established September 1, 1948.
Eula Hedin, Kennydale, Wash., in place of Rose Champlin, resigned.
Ralph Nelson, Raymond, Wash., in place of J. M. Eager, resigned.

WEST VIRGINIA

William O. Starcher, Cowen, W. Va., in place of D. E. Woods, resigned.
John S. Knight, Glen Ferris, W. Va., in place of A. E. Stacey, deceased.
Curtis Crotty, Mullens, W. Va., in place of J. D. Farmer, resigned.

WISCONSIN

Lloyd R. Helgeson, Baldwin, Wis., in place of D. W. Riley, transferred.
Leo E. Offord, Deerfield, Wis., in place of C. L. Jordalen, retired.
Russell C. Toepke, Fremont, Wis., in place of J. T. Tovey, deceased.
Frederick C. Thacker, New Clarus, Wis., in place of Viola Stauffer, resigned.
Carleton J. Rubin, Portage, Wis., in place of W. P. Mulligan, retired.
Edward J. Ikert, Rockland, Wis., in place of W. J. Hicks, transferred.

WYOMING

Patrick J. O'Dea, Laramie, Wyo., in place of A. E. Holliday, retired.
Clyde D. Elledge, Powell, Wyo., in place of L. O. Stephens, resigned.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 27, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and eternal God, we thank Thee for the privilege and joy of entering upon a new day for through Thy mercy we are spared and by Thy power we are sustained.

Grant that Thy spirit may interpret for us life's sacred meaning and reveal its glorious opportunities. May we sense the sanctity of even the most commonplace task and perform every duty faithfully.

Show us how we may minister to the needs of all mankind. Where there is darkness may we be the messengers of light; where hearts are bruised and broken, may we bring the healing consolation of Thy grace; where there is fear may we be the ambassadors of courage and hope; where there is despair may we be the heralds of a better day.

In Christ's name we bring our petition. Amen.

The Journal of the proceedings of Friday, March 24, 1950, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on March 16, 1950, the President approved and signed bills of the House of the following titles:

H. R. 2023. An act to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes; and

H. R. 6670. An act to incorporate the Girl Scouts of the United States of America, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a list of some outstanding naval officers and recipients of the Navy Cross who were from Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. HARVEY addressed the House. His remarks appear in the Appendix.]

NATIONAL LEAVE US ALONE WEEK

Mr. WHEELER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHEELER. Mr. Speaker, I would like to call the attention of the House to the fact that the Nation is about to again celebrate National Leave Us Alone Week, which is observed from April 1 to April 8.

National Leave Us Alone Week was initiated in Douglas, Ga., by Mr. P. Lander Moorman as one week in the year in which merchants can be entirely free from the supplication of solicitors and others who take their time away from attention to their customers. During this one week in the year the merchants devote their full time and attention to their customers.

Although National Leave Us Alone Week is relatively young, it is catching on all over the country. It can be commended to the attention of all those who believe that at least one week in the year should be devoted by merchants to their customers.

The idea embodied in National Leave Us Alone Week could well be applied to the Congress of the United States

which could well use at least one week in the year free from lobbyists and pressure groups. In this way we could devote at least one full week to uninterrupted serious legislation in the interest of the country.

PERMISSION TO ADDRESS THE HOUSE

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[Mr. LARCADE addressed the House. His remarks appear in the Appendix.]

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. O'HARA of Illinois addressed the House. His remarks appear in the Appendix.]

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. CROOK addressed the House. His remarks appear in the Appendix.]

CRITICISM OF THE REPUBLICAN PARTY

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from Indiana [Mr. CROOK] criticized certain Republican leaders—but, of course, that does not include me for I am only the last private in the last rank—because, as he said, those Republican leaders were calling attention to certain alleged disloyal or improper activities of certain individuals who held responsible positions in the administration.

Am wholeheartedly in accord with the thought that the loyalty—especially the loyalty—or the conduct of any Federal employee should not be called in question unless there is evidence to support the charge.

On the other hand, a Federal job, employment by the Federal Government, should not be used as a shield for wrongdoing, as armor protecting one from justifiable criticism.

For years there have been stories going the rounds here in Washington reflecting upon not only the loyalty, but the general conduct, not only of Federal employees, but of Federal employees in high policy-making positions.

That the charges several years old that there were Communists in the State Department were not unfounded, has recently been demonstrated by the conviction in our courts of some of those who were in positions requiring not only high ability, but the utmost loyalty.

For approximately 10 years it has been rumored that there were in the executive departments individuals whose conduct was so contrary to accepted standards of decency and morality, that it might be termed "unmentionable."

Recently, Assistant Secretary Puerifoy admitted that some 91 individuals have been guilty of conduct which is unmentionable, were discharged by the State Department from its service.

Testimony taken before the Committee on Appropriations discloses that in other executive departments there are as many or more individuals possessing like characteristics.

The New Deal or the Democratic organization, whichever you prefer, has for 15 years been in full charge of the executive branch of this Government. The responsibility for the presence in the executive departments of disloyal individuals, of these other characters to whom reference has been made, rests upon the Democratic or New Deal Party.

The gentleman from Indiana [Mr. CROOK] apparently complains because after his party organization has employed, after 4 years it retains these individuals in the Federal service, Republicans at last have mustered the courage to draw back the veil, lift the lid from the whole disheartening mess.

The SPEAKER. The time of the gentleman has expired.

FINANCES AND THE DEMOCRATIC PARTY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, it is interesting to sit here and listen to the Members on the other side of the aisle who are condemning the Republicans for not doing anything. What is the matter with them anyway? They have had a Democratic President for over 20 years. They have had a Democratic House for 20 years, all but 2 years. In those 2 years the Republicans were in power in the House and the Senate, and they cut down expenses so that we balanced the budget and had a surplus of $800,000,000 in one year and $8,000,000,000 in the other year. Just think of all those years you have been going in the red. It is just terrible the way you are taking this country down into the slough of despond. You are taking the money from your children and expecting them to carry the country on. You should be ashamed of yourselves.

Any Congress that cannot balance its own budget has something wrong with it. You know it, I know it, and the country knows it.

Be wise and economize. Be nifty and thrifty in fifty.

THE POTATO PARADOX

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, yesterday's paper carried the information that the tariff imports on potatoes would automatically drop 50 percent this year. The State Department is seeking changes in the reciprocal trade agreements, which affect many agricultural products, and particularly potatoes, with 26 foreign countries.

The present tariff rate is 75 cents on 100 pounds. Under the State Department's order, this will drop to 37.5 cents. If the American growers produce 350,000,000 bushels the reduction will not take place. The 25 other nations must also agree on the tariff reduction.

Mr. Speaker, I meet today with the Secretary of Agriculture and some potato growers from my district in Nebraska. They are having difficulty in getting the Secretary of Agriculture to accept their plan for acreage controls. Now it seems ridiculous that the farmers of the country should be forced to reduce the acreage of potatoes and at the same time the State Department reduce the tariff on imports. This reduction, plus acreage cuts means more potatoes can be brought into the United States. Canada, last year, brought in between fifteen and twenty million 100-pound sacks of potatoes. This cost the American taxpayer a great deal of money. The farmers of the country are faced with big cuts, and now we find the State Department making agreements with 26 other countries to bring more potatoes into the country, and the taxpayers will be called upon for more taxes to support the potato program.

The American people consumed about 108 pounds of potatoes apiece last year. This represents a steady decline in the per capita consumption since 1910, when the average person ate 195 pounds of potatoes. Potatoes were cheaper in 1910.

Mr. Speaker, it is an amazing paradox to find the State Department lowering the tariff on potatoes. The Congress, just last week, passed a law putting teeth into a bill which calls for a further reduction in the domestic potato acreage. The potato program cost the taxpayer approximately $100,000,000 last year. If the tariff is further reduced, we can expect another fifteen or twenty million 100-pound sacks of potatoes from Canada this year. Most of the reductions in tariff were made upon agricultural products. We have been importing large amounts of eggs, apples, grains, and other agricultural products which are in surplus supply in this country. Such a program does not make sense. It ought to impress the majority party in the House that the Congress should have retained some policy relative to the setting of tariffs.

BALANCING THE BUDGET

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I was very much interested in the speech of the gentleman from Pennsylvania [Mr. RICH] relative to balancing the budget during the Eightieth Congress. He started off by saying that they had a surplus after expenses of $1,000,000. Then somebody on his left whispered in an undertone "$6,000,000,000" and he immediately echoed "$6,000,000,000." Then someone said "$8,000,000,000" and he said "$8,000,000,000." I am wondering if the truth of the matter is not that the Eightieth Congress really borrowed money in order to reduce taxes.

ANNUAL REPORT OF THE GOVERNOR OF THE PANAMA CANAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 410)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 24, 1950.*

IS ONE WEALTHY AT $250 A MONTH?

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, on March 14 the gentleman from Nebraska [Mr. CURTIS] stated on the floor of the House that the administration's social-security program as passed by the House favors the high-salaried and well-to-do. As a high-salaried, well-to-do person, the gentleman from Nebraska [Mr. CURTIS] has used a $250-a-month man. In other words, under Mr. CURTIS' definition a high-salaried, well-to-do person is one who earns $3,000 a year.

Here we see clearly the difference between the philosophy of the Democratic administration and of the Republican Party. The Republicans believe that $3,000 a year is sufficient for a family to live on because if they have that much, they are high-salaried and well-to-do. We do not believe that $3,000 a year for an American family is sufficient to call such a family high-salaried and well-to-do. According to estimates made by the Bureau of Labor Statistics, $3,200 per year is the absolute minimum necessary for an American family to maintain themselves in many communities.

Here again representatives of the Republican Party reveal their basic philosophy. They want to share poverty rather than increasing social security to a level where it will be meaningful to the large number of people in the United States. They want a system of poor man's social security which will treat all of the American people on a pauper level.

EXTENSION OF REMARKS

Mr. ENGEL of Michigan asked and was given permission to extend his remarks in the RECORD to express his views on the one-package appropriation bill.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in three instances, in one to include a statement presented to the New England congressional delegation by John H. Campbell, of Cambridge, Mass., in behalf of the Smaller Business Association of New England, and in the other two extensions to include editorials.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DOLLIVER asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent addressed to the editor of the Des Moines Register.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in three instances, in each to include extraneous matter, and in one to include a statement by Mr. S. Abbott Smith.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Star.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD on the subject of the farm plan adopted by the Southern Commissioners of Agriculture.

Mr. PRICE asked and was given permission to extend his remarks in the RECORD and include excerpts from a radio broadcast by Mr. Elmer Davis.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD in two instances and include certain newspaper articles.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks in the RECORD and include an excerpt from a Department of Commerce report.

Mr. ANDREWS asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. ED GOSSETT.

Mr. RAINS asked and was given permission to extend his remarks in the RECORD and include three newspaper editorials.

Mr. WALSH asked and was given permission to extend his remarks in the RECORD in two instances and in each to include an editorial.

Mr. JONES of Missouri asked and was given permission to extend his remarks in the RECORD and to include a newspaper article.

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD and include a speech delivered on St. Patrick's Day by the distinguished majority leader [Mr. MCCORMACK].

Mr. HAYS of Ohio asked and was given mission to extend his remarks in the RECORD and include a newspaper article.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include a proclamation by the Governor of the State of Michigan relative to the National Wildlife Restoration Week.

Mr. HULL asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD.

Mr. ANGELL asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole today and include therein extraneous matter.

Mr. MORRIS asked and was given permission to extend his remarks in the RECORD and include an address by Hon. William E. Warne, Assistant Secretary of the Interior, before the New Mexico Indian Affairs Association at Santa Fe on March 10.

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to have inserted in the Appendix of the RECORD a splendid article appearing in Collier's magazine and written by Admiral Louis E. Denfeld. If the article exceeds the ordinary space limitation, I ask permission that notwithstanding the excess it may be included.

The SPEAKER. Without objection, notwithstanding the cost, the article may be printed.

There was no objection.

Mr. MCCORMACK asked and was given permission to extend his remarks in the RECORD and include a radio address recently delivered by Attorney General McGrath on the subject Justice for Poland.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 118]

Andersen, H. Carl	Burdick	Davies, N. Y.
Barden	Carroll	Dawson
Baring	Celler	Dingell
Bennett, Mich.	Chatham	Douglas
Bentsen	Chudoff	Gilmer
Boggs, La.	Coudert	Gore
Buckley, Ill.	Crawford	Granger
Bulwinkle	Dague	Grant
	Davenport	Gwinn

Hall, Edwin Arthur	Lyle	Sadowski
Hall, Leonard W.	McGrath	Saylor
Hand	Miles	Scott, Hardie
Harden	Monroney	Smathers
Hébert	Morgan	Smith, Ohio
Hedrick	Morrison	Staggers
Herlong	Morton	Stanley
Hoffman, Ill.	Nixon	Tackett
Jackson, Calif.	Norton	Underwood
Jenison	O'Konski	Whitaker
Jennings	O'Toole	Widnall
Kennedy	Patman	Willis
Keogh	Peterson	Wilson, Ind.
Kruse	Powell	Withrow
Kunkel	Reed, N. Y.	Wolcott
Lichtenwalter	Riehlman	Woodhouse
Lucas	Rivers	Worley
	Rogers, Mass.	
	Sabath	

The SPEAKER. On this roll call 352 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ECONOMIC ASSISTANCE

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7797) to provide foreign economic assistance.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7797, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, March 24, the gentleman from West Virginia [Mr. KEE] had 2 hours and 20 minutes remaining, and the gentleman from Ohio [Mr. VORYS] had 2 hours and 35 minutes remaining.

Mr. VORYS. Mr. Chairman, I yield 16 minutes to the gentlewoman from Ohio [Mrs. BOLTON] a member of our committee.

Mrs. BOLTON. Mr. Chairman, we are come together in this Chamber to consider the grave problems involved in the continuance or discontinuance of this country's aid to the free peoples of the world. I shall cast my vote for the continuance of our aid. It is completely inconceivable to me that we would be so oblivious to the imminence of possible catastrophe as to fail to recognize the necessity for a continuing contribution of ours—whether as ECA aid or otherwise—not just to the building of the road to peace by the strengthening of the free nations, but far more vitally to the continuance of civilization and the very life of man upon the earth. This is not just a question of economics; it is a question of survival.

It has been said during the debate that the first purpose of the ECA was to bring about the union, the integration of Europe. True this is important but certainly not the prime purpose. Mr. Chairman, I believe with all my being that the fundamental purpose of this foreign aid program, which was initiated by a Republican Congress, is to strengthen the bastions of Freedom that the forces of darkness may not prevail upon God's earth.

It is true that the Executive branch has been going at this phase and that phase of this great program with less wisdom and foresight than the moment demands. True, political pressures have governed decisions adversely to the best interests of the great future, and the original conception and direction of the program has been diverted by faltering leadership. Although we are lacking in leadership that could, out of experience, evolve a better program, nevertheless, without an alternative we must implement the only program which is at work; give it new direction and new vitality. And we must make some very fundamental decisions and take some very far-reaching actions in these next days. Time, as in all crises, is short.

I am constrained to say, Mr. Chairman, that we should seek our solutions with deep humility and complete selflessness at the altar of the Most High God. The threat of godlessness and man's inhumanity to man requires me to fight against communism with the only weapons we have short of war. If nothing more, ECA has bought us time. In the interest of democracy and humanity we can hardly stand by and argue at this late date how much more we could have bought with what we have spent.

I am a woman, Mr. Chairman. Perhaps women have a special kinship with suffering. Instinctively we must alleviate it. I share with women the world over the agony and the glory of giving birth; the pain of letting a little one slip back into the Unknown. I have watched by the bedside of my menfolk as they fought for life. I have stood quietly by while they have faced their own Gethsemanes. I have been down into the darkness too in my own soul's need.

These deep experiences of living have been my preparation for the privilege of serving in this great body, Mr. Chairman. They have taken from me all sense of separateness, they have brought me a vibrant certainty that ultimately man will solve his problems by virtue of unity of action, the recognition of responsibility on the part of those who have had opportunity. Perhaps this explains the instinctive and fundamental urge I feel to extend this hand to humanity without using as the only criterion the tremendous cost and sacrifice it entails.

What country, what people, has had greater opportunity than we here in America? What nation in all the world has so great a need to recognize her responsibility and to assume it—not sentimentally, not arrogantly, but humbly and with every grain of intelligence and wisdom and judgment she possesses.

Yes, I agree that there must be integration in Europe if there is to be strength—and I cannot dispute the fact that in this critical hour this must come quickly, far more quickly than our own integration after we separated ourselves from the British Empire.

It has been argued that certain governmental factions abroad are in the way of this unity and integration. This may be true, Mr. Chairman, but when the people of these countries express themselves as they did through that amazing meeting at Strasbourg in August last, unification in some form will and must come. As a matter of fact, the nations of western Europe are beginning to face up to their problems and they have already taken certain very definite steps toward integration:

1. They have pooled their economic knowledge in the Organization of European Economic Cooperation;

2. They have lifted quantitative restrictions on 50 percent of their imports in private trade, and are taking steps to lift them on 10 percent more;

3. They have taken far-reaching measures to establish the mutual transferability of their currencies;

4. They have appointed Dr. Dirk U. Stikker, Foreign Minister of the Netherlands, "political coordinator" of the effort to integrate their countries;

5. Twelve of the nations of western Europe participated in the Strasbourg Conference which faced squarely up to the problems involved in the formation of a United Europe, whose committees are at this moment studying not only the similarities existing among them as a possible springboard to union, but also the changes which each would have to make in their constitutions as well as in currencies and tariff barriers, to bring about the desired end.

They have undertaken to study and bring about in 25 months changes which would, under the rosiest of conditions, take 25 years to accomplish * * * and all of this against a backdrop of centuries of warfare * * * a clash of mores and a clang of tongues.

No, Mr. Chairman, I cannot agree that European countries are making no progress toward becoming an integrated "Europe."

To this end, these next two years of our help are essential. No matter what mistakes this administration has made, out of what was initiated by the 80th Congress has come an awakening and certain definite accomplishment.

Let me summarize some of the accomplishments which the countries of western Europe have made over the past two years of Marshall plan aid in just the area of material rehabilitation:

Less than five years after World War II, in which the destruction was far greater than in the first war, industrial production has not merely been lifted to the prewar level, but stands 20 percent above it. In the last two years, hard coal production has expanded 17 percent, steel 52 percent, electric power 21 percent, cement 58 percent, cotton yarn 31 percent. The recovery of agricultural production, though not as spectacular, has also been impressive. Since 1947 grain production has risen 30 percent, sugar 40 percent, meat 16 percent, milk 19 percent and fats and oils 19 percent.

The increases in production and productivity per worker has helped the Europeans begin to put their economic house in order. Since the Marshall plan has gone into operation, the western European countries have taken drastic steps to stamp out inflation and to bring their currencies down to realistic levels. As a result of these reforms and the production increase, their total exports have risen by one-half and their international payments except to the dollar area are in balance.

Remarkable progress has also been made in improving the Europeans' trading position with the United States and

other dollar countries. In the last two years the "dollar gap" has been cut by almost 45 percent from $7.4 billion in 1947 to slightly over $4 billion in the current fiscal year.

These are the facts of physical recovery. Impressive as they are, they only tell part of the Marshall plan story. The biggest single achievement of the Marshall plan is that it put force and vigor behind the Europeans' own reconstruction effort. We must not forget that American aid was merely the recovery tool; it was necessary that the people themselves do the work. Once they had more adequate food they could tighten their belts—not because the pains of hunger were entirely eliminated, but because their valiant efforts towards self-recovery could be sustained.

I myself have seen the changes that have taken place as new hope dawned. I have seen their chins go up and their backs bend to the task.

Although we cannot forget the waste and inefficiency of administration, we must bear in mind that with the four to five billions of dollars of American aid already spent the Europeans have expanded their production annually by thirty billions of dollars. This is of the utmost importance in the reestablishment of constructive living everywhere in the world.

Mr. Chairman, although questions have very properly been raised as to whether the story of ECA is getting over to the people of Europe, there is evidence of improvement in this phase.

I am advised by ECA that:

(1) Western Europe's 2,000 daily and weekly papers, with a combined circulation of 110,000,000, are now publishing some 4,000 Marshall plan articles per week.

(2) In cooperation with the governments, Marshall plan news, explanatory interviews and programs dramatizing the ERP are broadcast on the nation-wide radio networks of all the Marshall plan countries. The European radio listener in each country now has available in his own language an average of two special ERP broadcasts weekly. Our studies show that they are being heard by some 40,000,000 listeners. In addition to all this, there is constant coverage by the Voice of America.

(3) Over 50 ECA documentary films have been made, each adapted to particular countries and reproduced in various languages. Individual newsreel shots on Marshall plan subjects are being shown in commercial theaters with an average weekly audience of 30,000,000 Europeans. This distribution is being steadily increased.

(4) Last summer, some 5,000,000 European fair-goers saw ERP exhibitions which were prepared and shown in collaboration with the participating governments, and this year the ERP will be graphically portrayed at an even larger number of fairs.

The story, I understand, is being told in many other ways. In some places the European postman has spread the word of American aid through special ERP stamps. A million ERP schoolbooks are in use in the German schools. This year four ERP showboats will play the inland waterways of the continent.

Incidentally, I am also advised that more than four-fifths of the cost of these information programs are paid for out of European counterpart funds.

Mr. Chairman, again I say that although we have not realized the full potential of this program, what has transpired in western Europe to stem the tide of communism justifies its continuance:

In August, the people of western Germany had their first opportunity to register a free choice as to the kind of federal government they wanted. Out of 402 seats, only 15 went to Communists.

When the Belgian people went to the polls last June, the Communists were left with only 12 seats out of 212 in the Assembly as compared with 23 out of 197 in the previous election. In the senate the Communists were reduced from 17 out of 167 to 7 out of 174.

The people of Austria, even with part of their country under Soviet occupation, have been firm in their rejection of communism, with only five percent voting the Communist ticket and the number of seats in the Parliament held down to 5 out of 165.

Mr. Chairman, here let me pay tribute to the non-Communist labor organizations of America and of Europe for communism has experienced its most notable set-back in the European trade-union movement which it sought to penetrate and control at all costs. Intent on using the labor movement as the spearhead of their drive, the Communists had captured the major trade-union federations in Italy and France before the Marshall plan took shape. The labor movements in these two countries were under virtually complete Communist domination. Now that control is losing its grip and the non-Communist labor movements are rapidly gaining strength. In France, the Force Ouvriere, together with other non-Communist trade-unions, is challenging the Communist control of the French labor movement.

In Italy two major non-Communist labor federations have broken away from the Communist-controlled confederation and are now combining their forces of more than 1,500,000 free Italian workers.

At a convention held last October in western Germany at which the trade-unions formed a single federation, the Communists could muster only a handful of delegates.

In other countries like Austria, Belgium and Norway, where Communists had once been strong, their influence in organized labor had diminished to insignificance.

The rising determination of workers to drive out Communist agents from positions of control and influence in the labor movement has had world-wide repercussions. The walk-out of free labor organizations from the once powerful World Federation of Trade Unions, which has been an instrument of Communist intrigue, was a significant advance in the march of labor toward freedom and democracy.

Meeting in London early last December, representatives of free trade-unions from 53 countries, including 15 ERP countries and the United States, formed the new International Confederation of Free Trade Unions with a total membership of over 48 million. This great new labor organization issued a forceful declaration in support of the Marshall plan.

We in America can be justly proud of the leadership of the great labor organizations of the United States, who, working closely with labor unions in other lands, have helped establish the new Confederation as a world organization devoted to the advancement of workers' welfare and the defeat of Communistic infiltration.

These steps have been taken, Mr. Chairman, and in Europe the Communist tide has been halted at least for the moment. But the "cold war" is far from won, and we cannot afford to lose. Should this occur, the United States will be left to stand alone, an island of free people in a world enslaved by aggressive communism.

We must face the present moment of decision not only with courage—but also with complete realism.

Mr. Chairman, let me now point out some of the reasons why we must be completely realistic in adjudging the full significance of our Foreign Aid Program.

The present administration has offered no alternative to the European Recovery Program as they have developed it. The executive branch has given us no developing offensive program to combat communism in Europe.

To leave the present defensive hope of "containment" does not mean engaging in an offensive program of guns and soldiers. We must initiate an offensive of diplomacy—in addition to dollars. To date we have spent billions of dollars which we cannot hope to recover. Perhaps all we have achieved thus far economically is to rebuild European industries so that they now compete overmuch with our own. A program which could have been—and now must be—more effectively managed and implemented has led to an unnecessary disruption of American industry and a loss of foreign markets.

True, the European Recovery Program has achieved some success because it has, in conjunction with other forces, temporarily stayed the surge of communism across a part of western Europe—but we have paid a great price for the resurgence of Italy and France. We have spent our money and shut off our industry from its traditional export markets. Trade is a two-way game—American industry must have foreign markets or American workers will be without jobs.

I am hopeful, Mr. Chairman, that when I vote for a continuance of this aid, I will be voting for a program which will be so administered in the future that it will not liquidate the export business of American industry.

It is my bounden duty as a Representative to Congress from the great Twenty-second District of Ohio to be realistic regarding every last program which materially affects the workers of that district. In the Twenty-second District and the two districts which it encircles,

there are more than 500 firms which are dependent upon export trade to keep them in business and to keep in gainful employment hundreds of thousands of workers in industry. These firms are mostly small businesses, but they employ many thousands of highly skilled American workers.

One of the important industries in my district, one that is vital to the economic life and to the defense of the United States—is the machine-tool industry.

How proud we can be of the men at the head of this great machine-tool industry—who have recognized the indispensable need of putting Europe on its feet. They initially supplied the machine tools which rehabilitated and augmented the European industry. Now, through ECA they are precluded from effectively competing with it.

I am reliably informed that ECA officials in Europe have directed that if a machine can be purchased in a soft currency country, regardless of delivery date or preference, the order must go to the soft currency country rather than to an American manufacturer.

The result is that we are losing our traditional market and our all-important dealer relationships. We could have helped Europe develop its traditional markets. Instead we turned over a large part of ours. The hard-headed British and French are well aware of this. Our generous policy has served to expand the machine-tool industry in Europe at the expense of the machine-tool industry of the United States. Not only is the status of this vital wartime and peacetime industry at stake, but the future of its thousands of employees hangs in the balance. The same situation exists in other industries.

Mr. Chairman, let me at this point insert into the RECORD excerpts from a statement signed by the Chairman of the Government Relations Committee of the National Machine Tool Builders' Association which graphically expresses the facts just stated:

The machine tool industry, as you may know, has been operating for some time in a very depressed condition. A number of the companies are operating at the rate of 32 hours a week with greatly reduced forces. The industry is not now in a position to carry the load of a sudden emergency such as it was called upon to accept in 1939. * * *

For many years this industry has had normal markets abroad which have fluctuated from time to time in percentage of the total production. In years of very good business domestically, the percentage of foreign business has been held down in order to supply the domestic market; then, in years when the demand for machine tools domestically decreased, the foreign sales were pushed very hard.

The amount of business which this industry has been able to secure through the use of ECA funds has been substantial in the present market so far as the industry as a whole is concerned. Those who have been benefited are largely the manufacturers of special machines such as are sold to the automotive trade. The backbone of the industry, however, is the large number of manufacturers of universal type machines and this group of manufacturers has seen its markets largely taken away by the European manufacturers. * * *

We would suggest, however, that more control be used over the use of these funds so that if the European manufacturer wishes to buy an American machine tool, he be permitted to do so and also that where long-term loans are made for the purchase of capital assets somewhat equivalent terms are extended to the foreign manufacturer of the country making the loan. There is a great shortage of working capital in European countries and this would greatly facilitate the purchase of machine tools. * * *

Paradoxical as all the foregoing would appear—it is my conviction that we must continue a program which has done much harm to American industry simply because it has done some good for Europe.

We have come so far along this road and made European and American industry so dependent that a cessation of the program now would mean disintegration in Europe and no markets at all for American industry.

The insidious thing about these "managed programs" and the "planned economy" is that one cannot get along with them—nor without them after they are under way.

Today, ECA allocations upon which Europe is absolutely dependent are practically the only source of funds for machinery purchases abroad. With no allocations and no export sales, I am reliably informed that about one-third of all machine-tool industry employees in the United States would be out of work almost immediately.

Let me quote from a telegram received from the Chamber of Commerce of the City of Cleveland, to show to what extent all industry in the Twenty-second District of Ohio would be affected by discontinuance of our Foreign Aid Program.

* * * 6,131 persons employed in machine tool industry directly with twice this number affected secondarily. From the standpoint of export trade possibilities from greater Cleveland area * * * total employed personnel greater Cleveland 268,750 * * * with 20 percent of this figure machine tools, general machinery, cranes, hoists, road and bridge equipment; 13 percent automotive and airplane parts, transportation equipment; 16 percent iron and steel foundry and blast furnaces production; 12 percent in fabricated products such as stamping, hardware, small tools, and plumbing equipment and special castings; 9 percent in electrical supplies such as motors and welding devices; 6 percent in textiles and clothing; 5 percent chemicals and paints; remainder miscellaneous industries not likely to have volume reports.

Thus, you will understand Mr. Chairman, why I say we must continue a transitional phase of this aid to Europe until we can evolve under new leadership a dynamic offensive against both communism and defeatist socialism. Perhaps out of this transitional stage for which we vote our dollars can come a new program—a concept of offensive containment.

We must pray for this new program and for the requisite leadership to administer it.

The CHAIRMAN. The time of the gentlewoman from Ohio has expired.

Mr. VORYS. Mr. Chairman, I yield myself sufficient time to announce that at the committee table on both sides you will find a number of examples of the way the ECA material is labeled so that Europe can know what is going on. Some of these are extremely interesting. We have a series of photographs there. It will be impossible to take the time to present this on the floor, but those who wish to find out about it can see the material at the two committee tables.

Mr. KEE. Mr. Chairman, I yield 12 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, the Foreign Affairs Committee is before the House today with a bill to continue economic and technical assistance to our friends for another year. The bill we are considering, H. R. 7797, contains three titles: Title I extends ECA for another year. Title II extends the Palestine refugee aid for another year. Title III implements the technical assistance program for underdeveloped areas.

Your Committee on Foreign Affairs is before you on this bill with almost unanimous agreement. Our colleague the gentleman from Wisconsin [Mr. SMITH] has told you that he is the only member of the committee opposing this bill. All the other members of the committee respect the gentleman from Wisconsin [Mr. SMITH] in his sincere opposition. Hearings on the bill, which have consumed many days, together with many hours spent in perfecting the bill, have brought the committee to this agreement.

We are endeavoring to present our findings to our colleagues in the House, to the Nation, and to the world. It is our hope that further consideration of this legislation will continue with open, sincere, and searching minds. We earnestly invite all Members of the House who care to do so to join in the debate. It is the unanimous desire of the committee that both the proponents and the opponents have equal opportunity to be heard.

As the debate progresses, both in general debate and on specific debate, on any amendment which may be offered, let us carefully examine and carefully evaluate every argument, both pro and con, in the light of the realities we face. Those realities are not too encouraging.

While we are not engaged in a shooting military war, we must however, face the grim reality that we are unavoidably engaged in a world-wide clash of ideologies. The outcome of this conflict is of major concern to us. We cannot escape the reality that we are engaged in a struggle for survival as a free nation. The democratic concept is locked in a mortal struggle for life itself.

This struggle, more intense than it has ever been before in history, we now refer to as the cold war. This cold war is a mortal conflict between two fundamentally different concepts of government. So long as the totalitarian group presses for world dominion, we of course are left no choice but to resist. We must successfully resist if our democratic concept is to survive.

Each title of the bill we are considering today, and each section of each of those titles, is designed to improve and further strengthen the weapons which we must rely upon in our struggle for survival. It would thus be safer and would make more sense to constructively criticize the committee for not being more inclusive rather than attempting to delete what we have proposed. Your committee

makes no contention, or even suggestion, that the bill is perfectly written. Improving amendments may be offered. We do, however, contend that each section, if written into law and vigorously administered, will improve our position in the struggle to survive.

The world will gain or lose something which we hold to be very precious, depending on which side wins in this conflict. Thus, in my opinion, it is imperative that we accept and squarely face the realities which challenge us. To put it bluntly, we must win the cold war. We must win the cold war if we keep alive any possible chance of avoiding another military conflict. We must win the cold war to avoid world war III. If we lose the cold war, then world war III becomes inevitable and we will find ourselves fighting that war alone. If we lose the cold war, we will be forced into world war III. Then our only hope will be in our ability and chance to win another military conflict and, the sad thing about it all would be that all we could hope to gain by winning another military clash would be another chance to engage in another cold war.

What I am attempting to say is that democratic concepts can develop only in a free world. Assuming that we could win world war III, and this is considered by many as an optimistic assumption, we would find it necessary, after military victory No. III, as we are finding it necessary now after military victory No. II, to meet the threats of peace that challenge our existence. Democracy is then a growth of peace and not a product of war.

We and our allies were victors in the shooting phase of World War I. We rejoiced in what we thought was victory. Soon after the ending of hostilities we began to repeat the tragic statement, "We won the war, but we lost the peace." This is all too true. What we were actually saying is that we defeated the enemies of democracy on the military field of battle and then in military victory permitted the enemy in military defeat to successfully challenge our chance to survive. We won the war but foolishly flitted away our chance to survive. We stupidly fumbled the ball on that chance by following the silly and ineffective policy of isolation.

Failure to take advantage of an expensive opportunity landed us in World War II. We and our allies again forced the enemies of democracy to unconditional surrender on the field of battle. We gained at staggering cost our second chance to survive. Fortunately we still have that chance but in my opinion, we still must take further positive action if we develop this chance to survive. The legislation now before us is a necessary part of such action. We must not falter this time. Another fumble of the ball could well be the last. This legislation is not a partisan issue. I therefore urge my colleagues on both sides of the aisle not to be confused by heckling tactics from any source.

Perhaps the most essential test of any society is the task of maintaining the ability to defend itself. This is a defensive job—that of creating the will and the means of self-preservation. Our success in this defensive task however, depends mainly on the use the free world makes of its present constructive possibilities and opportunities.

Our fundamental task therefore, if we are to survive with the concepts we cherish, is to help build a political and economic society of free nations which will work. This is a positive constructive job. Desirable attainments in this difficult task will require courage, determination and sacrifices. Tolerance, understanding and mutual concern all transcending national barriers are essential. If we develop our chance to survive we will find it necessary to continue making adjustments to the changed and the constantly changing facts of international life. To put this fact bluntly, we can retain and perpetuate our freedom only by sharing that freedom with others—others who will cherish it and defend it as we do.

These are the challenges we face. These are not the challenges of military conflict. Instead they are very definitely the challenges of peace. I am sure all of us sincerely hope that we will have the opportunity to continue our peaceful efforts toward building a free world. Such efforts are so much less expensive and so much more pleasant to pursue than are the mass disruptions and human sacrifices of military conflict. Surely we will not this time either overlook or minimize the essential fact that we must attain and develop the fundamentals of peace. We must not fumble the ball again. This time we should spare no reasonable effort to win the peace.

H. R. 7797 is another essential step in our national and international effort to consolidate and expand the gains we and our friends have made. It is now the responsibility of Members of Congress to set the pattern for further action. I want to here repeat the words of our beloved colleague the gentleman from New Jersey, Dr. EATON, when he so forcefully and beautifully said:

> We stand today in America and in the world at the most critical hour in human history. We are today in the unknown land between two ages, one dying, the other in the grim process of birth.

Destiny has placed the decisions involved in this legislation in our hands. We cannot escape the responsibility. Let us follow the seasoned advice of Dr. EATON and evaluate every part of this bill by placing it against the background of conditions which it is designed to meet. At best, the outlook is not too bright. Actually, our chance to survive is at stake. Dollars alone must not be the deciding factor. If we lose, the dollars we may have saved in losing will have little significance. Again, let us remind ourselves, we are involved in a mortal struggle for survival. Surely we will wisely evaluate this legislation only against the background of the grim realities involved.

We, as Members of Congress, must of necessity carefully feel our way in the twilight zone between a decadent past and the hope of tomorrow. Yet, we need offer no apology to anyone or to any group for our actions. It is time for us to boldly and with determination declare our aims to the disrupted masses of men everywhere. Let us, through the adoption of this legislation, continue to say, "We intend to strengthen the foundations of democracy. We intend to defend the concepts of freedom. We intend to establish the realities of peace."

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. CARNAHAN. I yield.

Mr. WHITE of Idaho. Do you think that the Russians with their military organization are any match for the Americans and their military organization?

Mr. CARNAHAN. The conflict could well be settled outside of a military clash.

Mr. WHITE of Idaho. You think the conflict could be settled by diplomacy, then?

Mr. CARNAHAN. I believe it could.

Mr. WHITE of Idaho. In the event of world war III, do you not think we would come out the victors?

Mr. CARNAHAN. Assuming we could come out victors, as I have just said, all we would gain would be a chance to participate in another cold war.

Mr. VORYS. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. WOLVERTON] such time as he may desire.

Mr. WOLVERTON. Mr. Chairman, I have supported up to this time all Marshall plan appropriations for western Europe. It was my privilege to serve on the Colmer committee that made a study and survey of postwar conditions in Europe in 1945, immediately after the close of the shooting war. It was also my privilege to serve on the Herter committee that made a similar survey and study in 1947. As a result of the information gained by service on these two important committees, I could readily see that there was a necessity for outside help. It was plain that the losses and devastations resulting from 6 years of war had left the nations and people of western Europe in a state of collapse and that help was necessary if they were to be revived and enabled to again be self-supporting nations.

If our Nation had failed to give the aid to accomplish the above purpose there is every reason to believe that, with the lowered standard of living that would have resulted, the people of western Europe would have become susceptible to poverty, disease, and despair. Thus, they would have become an easy prey to the forces of communism.

The aid that has been advanced by this Nation since the end of the shooting war has been the tremendous sum of $28,000,000,000. In addition thereto were the hundreds of millions expended by private sources to alleviate the starvation and physical needs of the distressed people of western Europe. I do not mention these sums with any thought of glorifying ourselves for what we have done as a nation, or as a people, but, merely that it may be understood that we have given liberally and willingly to alleviate suffering and provide security for a helpless people. Our hearts have gone with the gifts we have made.

We are happy that our Nation has been financially able to make these gifts to a stricken people. It has been gratifying to see that our dollars have brought a large measure of the relief intended,

and, that the economic, industrial and financial structures of the nations of western Europe have been strengthened and rehabilitated to such a surprising degree, as is shown by the reports of the Economic Cooperation Administration. It speaks well for the wise and careful manner in which the Marshall plan funds have been administered and reflects great credit upon Mr. Paul Hoffman, the Administrator.

The reports of ECA and the testimony given by officials of that organization show that production in the nations of western Europe, except Germany, is about 35 percent above their prewar level; that 50 percent of their trade has been freed so that it can be munilateral, and their exports have gone up from 60 percent of prewar in 1947 to 110 percent of prewar in 1949. These figures are too significant to be ignored. They demonstrate a degree of recovery that is astonishing. It seems to justify our changing to a considerable degree the basis upon which relief has been heretofore predicated. While it is true that there may be some conditions that will necessitate further advances before our commitments have been fulfilled, yet, we should not overlook the fact that a degree of recovery has been reached that might shortly enable the reconstructed industries of western Europe to seriously compete with our own industries, with resultant unemployment of American workers. While there may be an obligation upon this Nation to help a stricken brother to his feet, yet, I do not conceive that our obligation is a continuing one to our financial, industrial, or economic detriment.

A very interesting illustration of the point I am making, namely, that recovery in some industries in the nations we are aiding under the Marshall plan has reached a point that does not justify further aid, is to be found in the shipping and the shipbuilding industry in Great Britain. Reports indicate that British shipping has now reached a total of 26,000,000 gross tons of ships as against 20,000,000 the year before the war. Furthermore, that nearly 50 percent of the total world tonnage in ship construction is being done in British-controlled shipyards. This has been made possible in large degree because of the financial aid that has been extended by this Nation through ECA, under the Marshall plan program. As against this we cannot and should not overlook the fact that only 13 percent of world shipbuilding is under construction in the United States. Lloyd's Register of June 1949, shows that out of 1,070 ships under construction throughout the world, only 50 are being built in American yards, and 432 in British-controlled yards. From the same source of information it will be found that France, Italy, Belgium, Holland, and all the other nations receiving aid from us are pushing their ship construction to an appreciable extent. There are many other illustrations that could be given concerning other industries, such as glassware, pottery, gloves, and shoes that have not only been restored to prewar levels, but, are now operating upon a basis that makes them serious competitors to similar industries in our own country.

Certainly it cannot be expected that financial aid be further continued to foreign industries to a point that enables them to take away our American markets, and thereby cause our own industries to shut down with resultant unemployment for our own workers. To do so is to relinquish our first and primary obligation to our own Nation and its people, and, substitute in place thereof an obligation to a foreign nation and its people. There is no justification for such a course of preferment to others that results in harm to our own people. The time and conditions are now such that we must give serious consideration to the adverse results that can come from a too liberal degree of aid to foreign competitors.

A further question that must have serious consideration at this time in determining the amount of aid to be given by this Nation during the next fiscal year, relates to how much we can, after full recognition of our own financial condition, safely afford to give.

Let us look at this question for a moment. Today, we have a national debt of approximately $260,000,000,000. This is greater than the combined national debts of all the other countries of the world. Furthermore, we are operating upon a deficit basis. In other words our revenue from all sources is not sufficient to meet the expenditures we are now making. The estimated deficit for this year is $5,000,000,000. For the coming year we will face a similar deficit unless there is a reduction in expenditure of that amount, or, an increase in taxes levied on our people to meet the deficiency. The President in his annual messages to the Congress does not contemplate any reduction in expenditures, but, has requested an increase of taxes. It is significant to note in this connection that the total amount of foreign aid recommended by the administration at this time is $3,276,500,000. This approximates very closely our anticipated deficit this year. Therefore, it is appropriate to consider whether we are justified in creating a deficit in order to make an appropriation of $3,276,500,000 for foreign aid. Or, as an alternative, should we increase the taxes of our people by that amount as suggested by the President?

I am opposed to any increase in our taxes. It is becoming more apparent every day that a necessity exists to decrease rather than increase. To increase taxes at this time for the purpose of giving foreign aid, or, to finance the waste and extravagance that now exists in our Government, would result not only in a direct increased hardship on our people, but, the indirect effect on them through decreased production in our manufacturing industries would be very serious. The alternative is to cut out waste, eliminate extravagance, and thus reduce the expenses of government. If this is done and we have a surplus instead of a deficit then we can afford to be more generous in our aid to others than present conditions now justify.

I am also conscious of the necessity to tighten our Marshall plan spending to force western Europe to help itself to a greater degree instead of depending too greatly upon America for aid. In an interview given by Elder Statesman Bernard Baruch, upon his return from a European tour, to John W. Dienhart, political editor of the Chicago Herald-American, he is reported to have made a statement that confirms the statement I have just made. Furthermore, he is reported to have said that he feels American workers and industry are taxed far too heavily to support nations which have not made an all-out effort themselves. For instance, he found in England that it could balance its budget if 40,000,000 more tons of coal were produced annually; instead miners are working a short week. He also expressed interest in the fact that Britain has $14,000,000,000 in frozen pound sterling which is not being employed to improve its financial situation. In his opinion, France appears to be recovering rapidly, but though in deadly fear of Russia and Germany, the country is not requiring full production of raw materials and manufactured goods to increase the national wealth. Holland and Belgium appear to Baruch to be making the most progress. But they, too, are not working to full capacity. In contrast, Baruch feels that American workmen and business are being taxed heavily to permit Europeans to continue to evade hard work demanded by a serious situation in which they have been engulfed by the drains of war years. Baruch reportedly believes that the aid extended to western Europe was not sufficiently conditioned upon European nations helping themselves regain their prewar economic stability. As a consequence, he found that people abroad are not being required to produce to capacity and that their governments have not inaugurated obvious moves to improve business. In short, both peoples and governments have come to look to America to keep them going. It would therefore seem that in the opinion of this man, who in the past has been the adviser of Presidents, that while some good has been accomplished, America could be saved billions of dollars if the whole program were evaluated and new loan conditions imposed.

While my remarks up to this time have been confined to European aid, yet, the bill before us carries authorizations of substantial amounts for other portions of the world. All of these are of a worth-while character, but, notwithstanding such may be the case, the necessity exists that we measure our giving by our ability to give. The people of America have always been generous and charitable to those in need. Our Nation, giving expression to this commendable feeling that is a part of the heart and soul of America, has been open-handed in its generosity. However, we are all painfully aware that we cannot continue to lavishly cast our substance to the four corners of the earth and continue to maintain that financial stability that is so necessary to our own stability and welfare as well as to the rest of the world. America can only be helpful in maintaining world peace

so long as its financial structure remains stable and sound. If America should fail, chaos would exist throughout the world.

Therefore, in conclusion permit me to say that it shall be my purpose to support foreign aid only to the extent that it can be done without weakening our own financial structure. The time has come when we must give serious consideration to this very important question, and, also have in mind that whatever aid we do extend should be upon conditions and assurances that will necessitate those to whom aid is given of conforming to the basic principles laid down so as to insure the fullest cooperation upon their part.

Mr. VORYS. Mr. Chairman, I yield 11 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, this bill is in a fair way to restore the bipartisan foreign policy which was such a powerful force in the postwar reconversion of our foreign policy. I hope it will be fully debated and will be the occasion for a complete exploration and discussion of our foreign policy. Only good can come from this. The leading architect of the bipartisan foreign policy in the other body—the distinguished Republican, the senior Senator from Michigan [Mr. VANDENBERG] has once again clearly indicated the path to be followed. I offered an amendment in committee along the lines of his suggestion which I will again offer on the floor to establish a Post-ERP Economic Policy Committee with congressional participation.

The ECA represents the most enlightened policy any nation which has led the world has ever evidenced in recorded history. The basis of this program is the realization that to be richer we must help others out of poverty, to be safe, we must see that others do not despair; to be at peace, we must see that others do not become desperate; and to be free, we must see that others remain free. This is the meaning of our foreign policy. It is the heart of the ECA idea. So great is this idea that I believe it will be found to be the complete answer to the totalitarian challenge of communism.

Our foreign policy now is based on the principle of the shield and the wrench. Through the Atlantic Pact and the mutual defense-assistance program, American military power shields the freedom of western Europe, while the ERP and similar programs propose to restore the power of western Europe to secure itself.

The ECA has been successful. First, it has repelled the active menace of communism, particularly in France and Italy where in 1947 and early 1948 Communist Parties were on the verge of taking over. Second, it has given Europeans a new self-respect and a new confidence—a reason for defending themselves against communism. These are the important points. The fact that industrial production of western Europe has risen from 80 percent of its prewar average in 1947, to 120 percent in 1949, and that agricultural production has risen from 80 percent of its prewar normal to almost 100 percent in 1949, are only the basis for the even more important gains in the morale of the free European peoples which have been achieved.

Aside from the detailed problems of terms and amounts which we will be debating on the amendment stage—and I was one of those who opposed the amendment of my distinguished colleague, the gentleman from Ohio [Mr. VORYS] on amount—the one question we have to answer in the ERP is, Can we stop now? And the answer is a decisive "No." Let it be said at the outset that there is no commitment to continue—the Congress made that perfectly clear, but that our own self-interest demands continuance. It is the powerful alliance of the free world which is so overwhelming to the Russians, and the best confirmation of that is the herculean efforts which they are making to sabotage the ERP and also to absolutely shut off their own satellites from any part in it, knowing full well that this is the one way in which they would lose the satellites. An evidence of the significance of western Europe as an active ally in the cold war is seen in the one estimate that if the United Kingdom should, because of internal break-down, be compelled to relinquish its international role, particularly in Germany, and also in the Far East and other parts of the world, the vacuum created would increase our budget, on this item alone, by not less than $4,000,000,000 a year, yet the amount for which Great Britain figures in this year's ERP is about $300,000,000.

There has also been a good deal of ill-considered talk about how well off the Europeans now are. Nothing could be further from the facts. The 270,000,000 people of Europe enjoyed a gross national product in 1949 estimated at $160,000,000,000, this compares with the gross national product of 150,000,000 Americans of $260,000,000,000. No one contends for a moment that our job is to bring the Europeans up to this parity, but it certainly indicates that recovery in Europe even for very basic well being still has a long way to go. As a breakdown on this figure, it is significant that the average British worker earns $16.70 for a 45-hour week against the earnings of his United States counterpart which average $55 for a 40-hour week. I refer the Members to the average British workers' budget, which I have put in the record of hearings at page 139, and the following. This is a graphic picture of grim austerity.

I would like to deal specifically with two other sections of the bill—one is section 104 at page 13, and the other is title III at page 15. Section 104 represents a policy with respect to the Far East as developed by the Congress. It does not wait for the dust to settle, but advocates a joint organization of the free countries and the free peoples of the Far East, in the interest of their own security and their own prosperity. These free peoples need each other's strength to rely on and a consciousness of their common purpose, if they are to adequately defend against communism. In addition they can and should help each other and in doing so they better than anyone else can separate the wheat from the chaff and determine conflicting national claims as in the Burma area. Our experience with the OEEC demonstrates that a joint organization on a regional basis is the essential initial step toward a concerted program of self-help and mutual cooperation and that this in turn is the best initial defense against the Communist drive and the best basis for a counterdefensive. The Secretary of State says that somehow or another this must be made to occur on the volition of the States affected, but Secretary Marshall showed how it could be done by his Harvard speech in June 1947 which started the Marshall plan, and the same can be done here with respect to the Far East.

The other subject to be considered is title III, the act for international development. It is said that this title will face considerable opposition in the House. I do not believe there is another part of the bill which gives as much for as little as does this title. The export of technical skills from the United States is good business, good politics, and good public relations. Title III should not be made a target of opposition either because it is a point made by the President or because it was not first proposed by the Congress. As a matter of fact all the President did was to blow up into a major statement of policy an activity which had been going along very successfully under the Institute of Inter-American Affairs since 1942 and under the Smith-Mundt Act since 1947. If blowing it up into such a major statement of policy could strike a telling blow against the Communist drive, as indeed it will, I do not see why we here should want to vitiate it. That is certainly not the spirit of the bipartisan foreign policy.

The projects to be assisted are primarily those where there is no inducement for private enterprise to step in for development of underdeveloped areas, but which are nevertheless the very basis upon which private enterprise must ultimately enter. They include health and sanitation, education, agricultural conservation and reconstruction, road building, and port development. In short, the normal functions of government, where skill and money are available—and what we are going to do under this title is to supply the skill and a small part of the money.

These are not untried fields but rather fields in which we have had great experience. For example:

The Institute of Inter-American Affairs is now cooperating with 16 of the Latin American governments in a total of 25 programs of technical aid exactly like those in this bill. I shall insert material into the RECORD detailing these programs and showing also that the cost to the United States is constantly decreasing and that the share of the local governments is constantly increasing.

The ECA's overseas development fund is another example and it is significant that under this fund $20,000,000 of American know-how and technical equipment will be translated into $200,000,000 of projects, with the remainder coming from the affected governments and areas.

These include such projects as research in Nigeria—British; on sleeping sickness, building of roads requiring road-building equipment and technical training in the Congo—Belgian; road building and port development in west and equatorial Africa and in the Cameroons—French; a livestock utilization plant in Angola—Portuguese; and technical assistance to aid small farms in Surinam—Netherlands.

The House will hear from my colleague, Dr. JUDD, of the great benefits of the comparable program for rural reconstruction in China.

This program of exporting technical know-how should attract especially those who are looking to cut budgets, for it is the cheapest investment in overseas well-being that we can make, stimulating other projects on a basis of at least $10 for every dollar invested and often as much as $100 for every dollar invested. If we do not launch such a program, we are likely in a few years to be up against a new emergency and to have to undertake another relief program or to increase our National Defense Establishment in a major way—in either case adding billions rather than some millions to our budget. There is no economy like short-sighted economy—should we strike out title III, we would be completely missing the forest for the trees.

The program of cooperative action by the United States with the other American republics has achieved a record of practical and beneficial accomplishment during the past 8 years stretching from the Rio Grande border of Mexico to the Andean republic of Chile. The agency which represents the United States in this far-reaching cooperative work in The Institute of Inter-American Affairs. The Institute is a Government corporation operating under the policy direction of a board of directors appointed by the Secretary of State. It is the successor of two corporations which were established by the wartime Office of the Coordinator of Inter-American Affairs in 1942 and 1943. Its job is to collaborate directly with the Latin American governments in action programs aimed at improving their basic economies and raising the standards of living for their people. These programs are carried on in the three fundamental fields of health and sanitation, agriculture, and education.

Altogether the Institute is now cooperating with 16 of the Latin American governments on a total of 25 such programs. Fourteen of these are in the field of health and sanitation; seven in education; and four in agriculture. Cooperative programs of all three types are going forward in only two countries—Paraguay and Peru. Two types of programs are being carried on in five of the countries—Bolivia, Brazil, Ecuador, Guatemala, and Haiti. Each of the nine other countries—Chile, Colombia, Costa Rica, El Salvador, Honduras, Mexico, Panama, Uruguay, and Venezuela—has one currently active cooperative program. No programs of this type are presently active in Argentina, Cuba, the Dominican Republic, or Nicaragua.

In all 25 of the active programs the work is actually planned and executed by a unique type of governmental agency known generally as a servicio, comparable to a bureau in one of our Cabinet departments here in the United States. What makes the servicio unique is that it is jointly staffed and jointly financed by the United States and the cooperating Latin-American Government. In all cases the servicio functions within the appropriate ministry—of health, education, or agriculture—of the host republic. Yet it is headed ordinarily by the institute's chief of field party, who is a citizen of the United States. Its staff typically is made up of a comparatively small contingent of United States specialists and a much larger complement of nationals of the other country. Its operations are financed by joint contributions of the two countries, with the Latin-American government in most cases putting up by far the larger share.

The cooperative programs in the field of health and sanitation are aimed at the basic objectives of creating more healthful environments in the disease-ridden areas of Latin America and providing a more adequate kind of public-health service with special emphasis on preventive medicine and sanitation. The work includes, first, public-health activities carried out through health centers and other similar facilities such as clinics and mobile units; second, environmental sanitation through the construction or improvement of community water-supply and sewage-disposal systems; third, campaigns for the control of endemic diseases such as malaria; fourth, assistance in the construction and equipment of new hospitals or the improvement of existing ones; fifth, health education programs designed to inform the masses of the people of the basic facts about personal hygiene and nutrition; and sixth, the training of qualified nationals of the host country as specialists or administrators in the various phases of health and sanitation work.

In the field of education the cooperative programs are focused primarily on the improvement of elementary schools in the rural areas and on vocational training. The basic method of approach used by the servicio is through teacher training and the development of better teaching materials and methods. Teacher training includes not only the normal-school type of activity, but also the systematic reorientation of teachers in service. In the rural elementary schools major emphasis is placed on the development of teaching techniques and of curricula that are closely tied in with the environmental needs and interests of the pupils. In vocational training the work is centered around the development of shop courses, vocational-teacher training, and similar activities that will provide future generations of Latin Americans with facilities for acquiring skills in carpentry, plumbing, mechanics, electricity, and other trades that are important in the basic economic growth of the country.

Cooperative programs in the field of food supply very considerably from country to country in accordance with peculiar local needs and problems. Major emphasis, however, is placed on the development of new agricultural areas through techniques such as irrigation and on the intensification of crop and livestock production. The work includes, first, direct assistance to farmers through extension-type offices established in key agricultural areas; second, training of nationals of the host country as agricultural technicians; third, operation of demonstration projects; fourth, basic studies and surveys of existing agricultural resources and potential areas for development; and, fifth, the provision of services and supplies, such as agricultural-machinery pools, bull-ring services, properly balanced fertilizers, improved seeds, insecticides and fungicides, and hand implements. Such services and supplies are made available to farmers on a fee or cost basis in areas where the needs cannot be adequately met from commercial sources.

The work that has been going forward in these three fields of activity since 1942 is now scheduled for continuation until the middle of 1955. Under the 1947 law which created the Institute of Inter-American Affairs in its present form, the agency was authorized to carry on its work only until August of the present year. Last spring and summer, however, Congress reexamined the operations of this Government corporation and decided that they should go forward for another 5 years beyond the previously scheduled termination date. In the same statute—Public Law 283 of the Eighty-first Congress, approved September 3, 1949—Congress also authorized an increase of 40 percent in the Institute's annual rate of appropriations.

Since the passage of this law the Institute has been busy planning for an extension and expansion of its operations along the lines authorized by the statute. All of the Latin-American governments have been officially advised by the American ambassadors of the enactment of the new law and have been invited to indicate their interest in the continuation of existing cooperative programs or the initiation of new ones in the coming 5-year period. It now appears probable that the Institute will be asked to carry forward all 25 of the programs now in operation and to launch more new ones than it can undertake with the appropriations that have been authorized. For the fiscal year which begins next July 1, the Institute is contemplating a total of at least 32 programs in the three fields of activity and is asking Congress for appropriations on this basis.

This work, which was initiated originally under the stress of wartime exigencies, has amply proved its value as an instrument of American foreign policy within the Western Hemisphere in time of peace. While the cooperative programs have brought no sweeping revolutionary changes to Latin America, they have struck effectively at some of the region's age-old problems and have

laid a solid basis for future economic and social growth.

Comparative contributions by United States and other American Republics to programs currently in operation by the Institute of Inter-American Affairs

[In thousands of dollars]

Fiscal year	United States (Institute)		Total Institute	Other American Republics	Grand total
	Technical and other assistance	Cooperative projects			
1943	$1,075	$5,661	$6,736	$700	$7,436
1944	1,748	8,750	10,498	2,080	12,578
1945	1,714	7,231	8,945	3,353	12,298
1946	1,642	4,823	6,465	5,622	12,087
1947	2,183	4,014	6,197	7,240	13,437
1948	2,157	5,012	7,169	11,143	18,312
1949	2,480	1,745	4,225	13,306	17,531
1950	3,156	1,950	5,106	12,990	18,096
Total	16,155	39,186	55,341	56,434	111,775

Mr. ARENDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eighteen Members are present, a quorum.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

POINT 4 A VITAL ELEMENT IN OUR FOREIGN POLICY

Mr. HOLIFIELD. Mr. Chairman, point 4 has become a symbol of hope to those who live in underprivileged areas of the globe.

The emphasis in the point 4 program is on technical assistance. We propose to lend our brains, so to speak, rather than to give away our substance. The President pointed out, when he first announced this new program in his eloquent inaugural address, that our physical resources are limited, but that our technical skill and know-how are virtually unlimited. By strategic deployment of technical aids amongst peoples and lands that can be helped to better health and productivity, we can work wonders with relatively small outlays of money.

Already the constructive spirit emphasized in the point 4 program has shown results in areas of suffering and despair. Various agencies of the United Nations and of our Government have made encouraging starts. Teams of technical experts have been dispatched to the byways of the world. Cooperative demonstration projects have been set up. Engineering and economic surveys have been conducted. Workers and executives of many lands are being brought to this country for training. International conferences are being held to exchange needed information. These and other varied activities are directed toward helping those millions upon millions—half the population of the globe—who live in disease, squalor, and ignorance to help themselves.

We have begun to scratch the surface. We must scratch it a little deeper, to let in the sunlight of human decency. The help we can offer through the point 4 program is a small part of the price of enduring peace in the world. President Truman has said many times that peace cannot be quickly, easily, nor cheaply bought. Point 4 is a good investment.

The time is not too far distant when the nations of western Europe will begin to stand firmly on their own feet. Our vast outlays of Marshall plan funds will have been made for good causes and with good results. But then our attention must be more firmly and steadily directed to those underprivileged areas where the agents of communism already work night and day to win the struggle of ideas, if not of arms.

The challenge to world peace and to our own survival lies finally in those suffering lands. Let us be active and alert to the challenge. Let us make some headway now, to demonstrate that our way of life can better provide the elemental needs of life as well as a better kind of society.

Point 4 is a program that guarantees huge dividends in the future, in terms of human needs fulfilled, with modest investments now.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Chairman, the provisions of H. R. 7797, the bill before us, lies at the very center of our foreign policy. Legislatively speaking, what we do today will determine the direction of American policy for the next year—and several years to come.

Mr. Chairman, I intend to vote for this bill—all three titles. I speak in favor of it now to remind my colleagues to consider carefully what is before them.

This bill expresses our policy in dollar terms; but it is more than just a money bill. We must judge it not by the arithmetic alone but by what the arithmetic represents. I am as mindful of the taxpayer's dollar as any Member of this House. But I am also keenly aware of what our foreign policy must do in this world of crisis.

Let us look briefly at the bill. It continues the European recovery program. It provides means to strengthen our position in the Far East. It offers our help in settling a tragic and difficult refugee problem in the Near East. Finally, it launches a new program of assistance to the underdeveloped areas of the world. All of these are parts of a coordinated whole. The objective is to further the interests of the democratic world, to help others to help themselves, and to strengthen the United States.

I know of no better way to use our resources than this. Our European recovery program is now at the halfway mark. It was carefully conceived on a 4-year basis; it should be carried through according to plan.

A few months ago I went to Europe to see things for myself. I felt that I should, so I could act intelligently on this bill. Europe has made an amazing comeback in 2 years.

Industrially and agriculturally, Europe is improving rapidly. Production is above prewar levels. The confidence of Europeans in themselves has been restored; communism is fighting a rearguard action. Europe is on its way to economic health. Up to now this has cost the United States less than $10,000,000,000. To stop now, or to slash the program would be a tragedy.

We should bear in mind that the European recovery program for the coming year has been scaled down over last year. This has happened every year; the program will be reduced again in 1951. But this is a carefully planned reduction, worked out by ECA and the European nations. Europe expects to do with less. To slash the figure further would simply cripple the whole effort. Of course, Europe can make do with less. So can a man who gets only food enough to keep himself half alive.

The Arab refugee problem is a festering sore in the Near East. The Near East is an area vital to us. Unless we alleviate that situation all we can, it will worsen progressively and the difficulties will mount.

Title III is a new program—the President's point 4 program. It proposes to develop underdeveloped areas by helping the people to help themselves. There are dollars involved, to be sure. But they are dollars to finance the export of American know-how. Point 4 is not a grant or a loan program. It makes good sense because it gets down to fundamentals. It proposes to use expert knowledge to get lasting improvements. Its aim is economic development and the benefits come to us as well as to those who get our help. Point 4 gets maximum effort and results for a minimum expenditure.

I am in favor of point 4 because I believe it is a realistic policy that furthers the interests of the United States.

The bill before the House advances the interests of this country. It has been carefully thought out. It has been carefully considered in committee. I know because I was there.

I ask the House to give this legislation the same kind of consideration. European recovery is our Nation's business. So is the Far East. So is the refugee problem. So are the underdeveloped areas. Let us get on with it without delay.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Chairman, I am in favor of this legislation. The Foreign Economic Assistance Act is under heavy attack. There will be much talk about economy. It is in point that the budgetary disbalance approximately equals the amount of aid we are sending to Europe. The conclusion is simple: Cut out aid to Europe, lower taxes, and keep on priming our overflowing domestic pump. Economy talk is always beautiful music just before an election.

A deep-seated illusion hides behind the attacks on foreign aid. This illusion is not unusual. We have had it in varying forms throughout our history. Simply stated, it is the feeling that the world really does not change. The deep source of this illusion must be left to the psychologists. Its political result is something that every voter must conjure with.

The illusion that things do not change produced violent reactions to the national bank proposals of Andrew Jackson, the antitrust laws, the Federal Reserve System, social-security laws, the

Securities and Exchange Commission, legalized collective bargaining, and a host of other measures now the law of this land. The genius of our country is that in large part the people have recognized change more rapidly than have the peddlers of the illusion.

Now we face another great manifestation of the illusion: That Europe has not fundamentally changed from the semibalanced days of the nineteenth century. Because, whether they know it or not, this is what the opponents are really saying: Out of Europe now—back to 1890 by 1952.

It is not difficult to recognize that Europe for the first time in modern history stands between two great poles of power—Russia and the United States. Europe is a middle ground; it is no longer the leader of western thought and action. The force and direction of the future are coming from the far steppes of Russia and the very close Washington, D. C. The people of Europe sit in an uneasy balance, not the kind created by nineteenth century power politics, but rather one that a midget feels when he is being pulled in opposite directions by two giants.

The important thing to recognize is that the political and economic balance of nineteenth century Europe is now dead. Germany has been decisively defeated in two great wars. Italy is unified but without significant economic or political resources. France has lost her reserve strength. Britain has been reduced to a debtor status. The recovery of the former positions held by these nations is not even remotely possible. The Second World War was not a momentary interlude in the common life of Europe. It was a decisive event with deep historical roots which totally changed international political relationships.

The recent power shifts in Europe are comparable to the upheaval of the sixteenth century. Undoubtedly there were people around at that time who failed to see that change is inevitable. When Thomas Moore wrote his Utopia in protest against England's emergence as an independent power, his illusion had no more chance of success than those who contend today that we can get out of Europe now.

Just how does our situation today differ from that of yesterday? There are obvious ways, such as the loss of our oceans as instruments of defense. Airplanes can cross the ocean in 10 hours. Guided missiles with atomic warheads could probably make the trip in three. Oceans are mere puddles in commercial and military highways. Human ingenuity in developing engines of destruction has destroyed the freely offered defense of nature.

More significant is the change in Europe itself. Much European land is worn out, the population of Europe has become far too heavy for the traditional semifeudal land system. The growth of European cities has made impracticable the ancient system of distribution. Industrial plants in the urban areas have long since become obsolete. European nations are no longer able to compete effectively with the New World.

The age of empire has ended, and apparently few Europeans were ready for the ending. They have preferred to think that such an essential part of their mental and institutional baggage was eternal. Statesmen and the people they led turned to war as a means of reestablishing the lost glory and insuring a bright and prosperous future, and the wars have served only to speed the plunge toward a new and more dangerous world.

A consideration of the changed position of England should enlighten our contempory peddlers of illusion. We should have seen that the loss of Britain as a balance wheel was eventually going to place the burden for maintaining world order upon our shoulders. We did not. The peddlers of illusion won a momentary victory. The Versailles Treaty, involving United States participation in the League of Nations, was defeated, and the era of Calvin Coolidge correctly expressed our blindness. The fact is, of course, that we did not bother to think at all. We just blithely assumed that our protected position was God-given, an inherent destiny in the center of the providential design.

Had we seen that the conditions of the twentieth century changed the position of the United States, the Second World War might have been averted. We were not so much deluded by the ideology of fascism; we were wrong in thinking that the way Europe lives is no concern of ours. We had lived so long as a protected Nation that we were unable to recognize that Europe's problems are really our problems. Once we allow Italy and Germany to build their armies and unify themselves under dictators, we were on the road to war. Yet very few in our leadership could see it.

Since the close of the Second World War, our foreign policy has accurately recognized that we are directly concerned in what Europe does. The Marshall plan, the mutual defense assistance program, the Truman doctrine, the aid to Greece and Turkey, the United Nations, and the President's fourth point all give concrete expression to our recognition of the new world. But even new leaders in both parties are crying that our concern for Europe is really finished.

Peoples having power, courage, and purpose will determine the course of the second half of the twentieth century. Let us trust that they will also be peoples endowed with decency and the instinct for freedom. It is up to this country to say whether that hope will be fulfilled. If we avail ourselves of the opportunities before us, it will be realized. If we renounce these opportunities, it cannot be.

That is why the present legislation is one of the most critical issues—perhaps the most critical—in our history so far as impact upon American foreign relations is concerned.

Our position in the world will be greatly harmed unless we find a drastic and prompt cure for the illusion that the world has stood still. The best prescription I can think of is a huge dose of the truth.

The fact, as I see it, is that we are involved in the world in general and in Europe in particular for the calculable future just as far as we can see ahead. It will take much time and many more billions before we have run the course of world policy upon which we set ourselves with such hesitation only 2 or 3 years ago. If the Nation's leaders, by realistic thinking and frank speech, will comprehend the situation and present it candidly to the American people, I believe the people will respond to the demands of the times. I am always willing to bet on the inherent wisdom of the American people and on their courage under pressure. In the past they have always acted grandly in the face of huge challenges. They can do so, and will do so, again if the real size of the task is revealed to them.

There are no breathing spaces ahead for this Nation to enjoy while the balance of power serves as a buffer between us and the world's problems. Never again can we feel safe behind the barriers of our oceans. Never again can we devote our undivided attention to our own economic ends while the pound sterling serves as the integrator for world trade.

Whether we wish it or not, the Nation has been thrust into a determining position in the Western World. We shall rejoice in the opportunity or shrink from its implications, depending on the degree of our confidence in ourselves and our Nation. We have a heavy burden or a heavy opportunity. The situation is that described by Abraham Lincoln:

> We cannot escape history. We of this Congress and this administration will be remembered in spite of ourselves.

I, for one, contend that the primary consideration is not the earliest ending, with the smallest outlay, for our foreign assistance programs. It is rather, in a paraphrase of Lincoln, that "we shall insure that the last, best hope of earth shall be nobly saved, not meanly lost."

The Europe which looks to us for sustained leadership is no longer physically and economically as it was. This may be uncomfortable for those who are nostalgic for the easy world now lost. But it remains a fact.

Progress has been made, however. In comparison with the situation of two years ago, a brillian success has been achieved through our economic undertakings in Europe. Hope has been kindled where hope had been dead. Bodies that had faltered have been restored to working strength. Color and activity have been restored where drabness and inertia had reigned. Men breathe again the air of freedom where before they had been of a mind to surrender anew to dictatorship. I was cheered and thrilled as I saw, during my recent trip to Europe, the results of the first brave steps forward.

Many of my colleagues were likewise cheered. Indeed, some of them have concluded that we are doing so well that we should quit the effort altogether. They feel that we have run up so many touchdowns in the first half that we would not even have to bother to send the team back on the field to finish the

game. Those who most vehemently proclaim that we must yield the effort because of our huge success to date would, I am sure, have been the first to call for abdication of the effort if the going had proved tougher and the results less reassuring.

My own conviction is that, although progress has been substantial, much of the course still lies ahead and most of it runs uphill. We may breathe the sigh of Socrates: So much to do, so little done.

This runs directly counter to much opinion now prevailing. It runs counter to the understandable desire to return to things as they were, or as we once dreamed they would be: No extraordinary outlays abroad, a comfortable economy at home free from foreign commitments, and a budgetary balance.

The course which I contend is the only practical one is far less comforting to us, superficially considered.

It involves one difficulty which must not be discounted—a difficulty arising from a basic difference between the economic position of this country and that of England during the last century.

The course I propose brings forth this question: Can we afford it?

My answer is: Yes. Indeed, I believe we can afford no other course.

Despite the talk of those who call for drastic retrenchment immediately applied, the choice is really not between saving and spending the goods represented by the estimated sums necessary to round out our foreign reconstruction programs to complete success. The choice actually lies between alternative courses of spending.

England needed the world's materials in the degree that the world needed England's goods. Thus, the pound sterling was able to function as the denominator of world trade. The United States, however, does not need the world's materials in the same degree as the world needs our products. Thus, the dollar is not able to function with full effectiveness as the denominator of world trade. The dollar is more sought than it seeks. The disparity is exemplified in the cleavages and tensions between the hard money and soft money areas of the world.

It will take more time than the next 2 years, I venture, to close this gap. It must be closed, first by developing reciprocity of need and resource among the nations in the soft-money area and, second, by developing greater access to hard currency through normal channels of trade. It will be necessary to develop productivity and resources among the economically lagging nations and to reduce the barriers to trade among all nations, ours included. This is not the place to discuss these developments in detail. It is necessary here only to say that they must take place if the foundation of life among the nations still devoted to free institutions is to be restored to adequate strength.

But while we await the fulfillment of these developments, we must, I contend, be willing to subsidize the favorable balance of trade which this Nation enjoys. This is nothing new. One way or another we have been subsidizing a favorable trade balance for 35 years—through immigrant remittances, unrepaid loans, defaulted bonds, and the like. What is novel is that we shall do this consciously and purposively.

We must look upon the cost of keeping Europe clothed and housed and free as a cost of keeping ourselves in business. If we pull out at any time in the forseeable future, we leave a vacuum which can only be filled by the Soviet Union. England is no longer the balance wheel of Europe, and Europe is now directly our business.

The United States must further recognize that it cannot maintain balance in Europe in the same way Britain did during the nineteenth century. Britain was working to preserve her colonies by keeping Europe disunited. We must, on the other hand, labor for a united Europe which will stand with us. Money, time, and effort must be put into seeing that such a free association of European nations is formed at once.

Of equal importance with the reorganization of European traditions is the retooling of American thinking. We must be prepared to pay in taxes the cost of this wide-scale rehabilitation program. We must do it as an investment, an investment in the future which will pay off in peace and security. In other words, we must consider our foreign-aid programs as fixed charges, just as we do our social-security payments and our Military Establishment. Economy talk should be directed toward efficiency in operation and purely domestic expenditures.

There will be plenty for America even if we follow through with such an undertaking. Indeed, America, even with this burden of foreign commitments, will continue to enjoy prosperity in a degree and scope heretofore undreamed.

In the past few years the American national mind has been made up on a number of subjects. No longer do candidates campaign against the Securities and Exchange Commission, collective bargaining, social security, or antitrust laws. Such campaigning would today be political suicide.

This Nation is now called upon to make up its mind just as decisively about foreign policy.

The objectors to this legislation are not presenting the American people with a real alternative at all. If we do not accept our long-term responsibility abroad, we will have to accept a greater tax burden to support a tremendously expanded military force. I for one am firmly convinced that our structure of free institutions will crumble under the burden of a large-scale atomic arms race. The United States stands a much better chance of peaceful survival by staying in Europe for long years to come.

As we debate the issue of foreign aid, we shall hear much more about the American standard of living. Let us ask ourselves what is meant by the phrase. Are we to limit its meaning to the consumption of physical goods, or shall we widen its meaning to include the standards by which men live in every aspect of their lives?

If we consider the standard of living as a narrow material concept, we may think of it in terms of narrow national interest. If we think of it in relation to the essentials of civilized life, we shall sense in its meaning the community of destiny between ourselves and the rest of the human race.

In these debates on foreign aid we shall hear much also about this country's national interests. I have no argument with the nationalist. I urge only that we pitch nationalism on a higher plane.

I believe that American wealth, American resources, America herself, are not the ends but the means to an end.

I for one do not believe that the Creator endowed this Nation with all its vast potential merely to the end that Americans might luxuriate in the midst of a depleted, dismayed, deranged world. We hold this wealth as instruments of a grand design. It is ours in stewardship for the benefit of a peaceful, freedom-loving world, as well as for our own prosperity.

Justice Holmes' phrase, that the judgment of nature upon error is death, I shall paraphrase to say that the judgment of history upon moral error among nations is moral death. If we fail to perceive the purposes for which our wealth was given us, and if we fail to act upon these perceptions, then I believe we must say farewell, a long farewell, to all our greatness.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Illinois.

Mr. YATES. Did the gentleman see the article appearing in yesterday's newspaper as to the estimated cost of making this Nation atom-proof? The estimate that was given was $300,000,000,000 as the cost of relocating the cities, in addition to the untold potential cost in sociological damage and community damage in event this country went back to its old policy of isolation.

Mr. RIBICOFF. I do not believe there is any question about that. I did not see the article, but I think I can comment on it. There is not $300,000,000,000 of loose capital around this country to afford such a relocation. If this country should reach the stage where it had to make an investment of $300,000,000,000 in capital expenditures to relocate our industry, I believe under such circumstances our free-enterprise system and democracy as we know it would definitely go down.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. WHITE of Idaho. The gentleman spoke of financing defaulted bonds. Does he not think that if we are going to finance defaulted bonds of European countries or any bonds at all they should scale down their obligations just as we do here in this country?

Mr. RIBICOFF. I said that before the Marshall plan, in the last 35 years, we had given to Europe in one way or another $100,000,000,000 and got nothing in return—certainly not world stability, peace, or security.

At least we hope that through the Marshall plan we are spending this money in a way that it will do the United States of America some good. That was the contrast I was making. I would

much rather do it this way and accomplish something than spend the $100,000,000,000 as we did in past years, before the Marshall plan came into existence, and accomplish nothing.

I yield to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. I hope the gentleman in his remaining time will explain to the committee the guaranty provision and the extension of it and what we hope will be a strengthening of it so that we can get more pay-back money into this Europe recovery plan.

Mr. RIBICOFF. I will be delighted to do that. Will the gentleman from West Virginia [Mr. KEE], chairman of the committee, yield me additional time to go into that?

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut.

Mr. RIBICOFF. Mr. Chairman, in answer to the request of the gentleman from Ohio, we on the committee have been deeply concerned that private enterprise has not been playing the part it should in rehabilitating Europe. We have felt that industrial know-how and private capital of America could make a definite contribution toward rebuilding the industrial plant and improving the employment picture and bringing back economic life in Europe.

The way to do it may be through the guaranty provision, such as we have written into the ECA. Of course the Congress, during the past sessions when this bill was before us, had written in a guaranty provision which was so ineffectual that although you had authorized $150,000,000 for this purpose, actually only $10,000,000 has been used for such guaranties. This bill contains a provision enlarging the guaranty provisions and allowing the utilization of $300,000,000 to guarantee private investments. What does it mean when we talk about guaranteeing private investments? It does not mean that we are guaranteeing any private investor against ordinary business risks. What we are seeking to guarantee is the substitution of private funds for Government money. That is, a project is contemplated which would help European recovery, and if Government funds were to have been used, this bill allows the utilization of private money in substitution for Government money and to guarantee the private investment against extraordinary political risks, such as expropriation, revolution, or war. What does this actually mean to the United States, and does it cost us any money? In the first place, it does not require any appropriation. It is a contingent liability financed through a note transaction. So it requires no appropriation whatsoever to put the plan into operation. Secondly, the individual has to have the approval of the ECA to put his investment into effect. We are betting approximately $18,000,000,000 on the Marshall plan that the European recovery program is going to work.

If Europe gets back on its feet, and if Europe takes its place in the family of nations economically, these guaranties will never have to be picked up. So, to the extent that the investment does not have to be paid back, it eliminates the necessity of putting in Government money.

Also, if these investments are expropriated, or taken by revolution, let us say, all the United States would do would be to pay back the original amount of the investment, which would be actually the equivalent sum that the United States would have given in give-away dollars. We are hoping this program will work out.

It is the feeling of the committee that our Nation which has a national product of approximately $250,000,000,000 can certainly afford approximately two or three billion dollars in private investments. If we can get private capital flowing into these European nations, to that extent we will eliminate the necessity of using our taxpayers' dollars. We on the committee have the hope that if the ECA will have the foresight and willingness to go along on a guaranty program as the Congress has asked it to, and actually uses the guaranty provisions of ECA, we will find the road and the way to eliminate the so-called give-away dollars and substitute private capital for them.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. JUDD. Is it not a recognized fact that when the program ends in 1952, even under the most favorable conditions, these countries in Europe still are going to have to have investments from the outside? Is that not true?

Mr. RIBICOFF. There is no question about that. I would not delude the House by saying that the Marshall plan will end in 1952 and that we will be out of Europe by 1952. I do not think so. I agree with the gentleman.

Mr. JUDD. Therefore, is it not imperative that, if we want to cut down on our Government's investments in these countries, we must get more private investment at once?

Mr. RIBICOFF. Absolutely.

Mr. JUDD. Therefore, this guaranty program cannot cost us any more, and if pursued vigorously and successfully, it may cost us a great deal less. There is sound reason to expect it will cost us less, because it ought to be handled by private industry on a sound basis, instead of on a basis of Government investments and hand-outs.

Mr. RIBICOFF. I would like to state that many members of the committee have been disappointed in the ECA administration, because of its unwillingness to proceed with the guaranty provision of ECA.

When I was in Europe last fall I not only talked with various ECA administrators, but private businessmen, and also the heads of various governments, who said they would welcome private capital to come into Europe to cooperate to the fullest extent. The ECA administrators, with the most business experience were the ones who urged most that we come back to Congress and write a good guaranty provision in the law, and with this provision get the flow of private capital to substitute for public dollars. I, for one, believe that if this Congress passes the guarantee, and if the ECA will cooperate, we might find the alternative for these give-away dollars that are costing the taxpayers these large sums.

Mr. JUDD. And we can say to our colleagues in the House that the more we want to have the Marshall plan end in 1952 the more we must support this guaranty program?

Mr. RIBICOFF. There is not any question about it.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. MULTER. Would you mind pointing out what part of the bill provides for these guaranty provisions?

Mr. RIBICOFF. It begins on page 2, line 13.

Mr. MULTER. Has your committee considered the bill which has been reported by the Committee on Banking and Currency on the same subject?

Mr. RIBICOFF. Yes, we did. We looked at the bill, and, with due respect to that august committee, I would say that, in my opinion, the guaranty provisions as written by the Committee on Banking and Currency would not be as effectual. We have been living with this bill—I, myself, for 2 years, and the gentleman from Ohio and the senior members of the committee for 4 years.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. RIBICOFF] has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. RIBICOFF. It seems that the average administrator, the average man in the Government, is unwilling to take upon his shoulders the question of interpretation. They like to narrow their vision down instead of expanding it.

As I recall the provisions in the Banking and Currency guaranty amendment, they were so narrow that the average administrator, who was not interested in the guaranty program and might like to give away dollars instead, might say, "Well, we have no rule, we have no formula upon which to go."

You will notice that beginning on line 13 we have used the definition of what an investment is, which will comport with the actual business practice that goes on between one business concern and another when it comes to investment. It is not a question of investing dollars. It is also the placing of patents and services.

Mr. MULTER. Who will make this guaranty?

Mr. RIBICOFF. The guaranty is given by the United States Government. The administrator writes a note on the Treasury of the United States under a contract between the administrator and the person or firm whose investment is being guaranteed. The guaranty is then listed in the Treasury as a contingent liability of the United States, and does not require a present appropriation. Each guaranty is a separate and individual guaranty, contracted, depending upon the circumstances in each individual case. In this contract are the guiding principles between the administrator and the American investor.

Then, of course, it is not any sense to guarantee these investments if you cannot guarantee to the American individual who invests the money that he can convert his earnings, to a reasonable sum, or his investment into dollars. Therefore, we provide that you guarantee a reasonbale amount of earnings and capital investment and in the event of sale or destruction, to be converted from local currencies into United States dollars, and the United States Government then becomes subrogated to the currencies, plant and equipment, and investment of the United States investor in the countries abroad.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. VORYS. The gentleman is explaining this very ably, but I am sure he will agree that we must fix in our minds clearly the fact that this is not a risk guaranty; it does not guarantee that a man is going to make a profit or that he is going to make a dime. But it does guarantee under the limited conditions set forth in the law that if he does make a profit he can transfer it into dollars and that if his loss is solely because of the extraordinary political risks the gentleman has described, he would get his original capital back.

Mr. RIBICOFF. Answering the gentleman, we guarantee against extraordinary political risks that the investor would not find in the United States of America such as seizure, confiscation, or destruction of his property by the Government. Under no circumstances do we guarantee that he will make a profit, and we definitely do not guarantee against ordinary business risks.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. MULTER. If I may interrupt, those are the very risks we are trying to cover in the bill before the Committee on Banking and Currency.

Mr. RIBICOFF. I hope that is so. If it be so, then the Committee on Banking and Currency sees eye to eye with us on that subject and I am pleased to find it so. Such support is important and welcome.

Mr. VORYS. Mr. Chairman, will the gentleman yield further?

Mr. RIBICOFF. I yield.

Mr. VORYS. Our committee has jurisdiction over foreign loans; we have jurisdiction over this recovery plan, and what we are proposing is that in the limited field of western Europe where the choice is between give-away dollars and guarantied dollars, that we try this guaranty provision. Is not that right?

Mr. RIBICOFF. That is right.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. FORD. I understand our authorization last year was $150,000,000.

Mr. RIBICOFF. That is right.

Mr. FORD. Three hundred million dollars is proposed in this bill.

Mr. RIBICOFF. That is right.

Mr. FORD. Can the gentleman tell us how much of the $150,000,000 was used last year?

Mr. RIBICOFF. Since the inception of this program there has been used for industrial guaranties about $6,130,000. For national media guaranties, such as magazines, like Time, Reader's Digest, and so forth, that have been sent over, there have been 107 guaranties totaling about $3,015,000. In other words, since the inception of this program, only $10,000,000 has been used, not a very encouraging picture, I may say to the gentleman from Michigan; but we believe that is due to two factors: First, the limited nature of the guaranty in the past which gave no assurance to the American investor that he would be guaranteed against extraordinary political risks; and, second, the unwillingness of the Administrator to get his teeth into this program and do something with it.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. O'HARA of Minnesota. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eleven Members are present, a quorum.

Mr. LEMKE. Mr. Chairman, I, too, respect the Committee on Foreign Affairs but that does not mean I shall blindly follow it in all of its extreme, erroneous, and fallacious reasonings. I think we had better come back to earth. We are bankrupting our Nation.

Our Uncle Sam is still delinquent. He not only has deserted our beautiful Miss Columbia but refuses to be reconciled. He is still chasing pink, red, green, and off-colored skirts all over the world. In his second childhood he has deceived himself and now believes he is father of all mankind. He is determined to continue to squander the American taxpayers' dollars and play Santa Claus to all the world.

Our Uncle now has a whole pack of harems in Europe. He calls them the Atlantic Pact. Some of his mistresses are pink—more are red. He not only keeps them at our taxpayers' expense—but he says he has to arm them so that Joe Stalin cannot steal them. Nothing like self defense in distant lands.

This is the same Stalin that our Presidents went to bed with at Tehran, Yalta, and Potsdam. What a different world this would be if our Uncle had not grown senile at the age of 174. What a blessing to us and the world if he had only observed the policy of our forefathers laid down in 1776—the birth of our Nation; if he had avoided foreign entanglements—kept his nose out of other nations' quarrels. I challenge anyone to name a single thing that the world gained by our intervention except to lose its liberty—and we are losing ours.

Unfortunately for future generations, our Uncle is determined to completely squander the wealth that Miss Columbia and her 150,000,000 sons and daughters have accumulated. He now asks the taxpayers for another $2,950,000,000 for his foreign gold diggers—through the ECA. In this he is ably assisted by the international gang for a profit and by his boy friends, Dean Acheson and Paul Hoffman. These last two gentlemen are more interested in Great Britain and in other nations than in America. In their stupidity they would deplete our Nation of its natural wealth—commit national suicide.

They are deliberately selling America down the river. They are using our taxpayers' dollars to bring backward nations up to where they will compete and put our domestic agriculture and industry out of business. This by giving them implements and equipment paid for with American dollars. They would open our domestic markets to foreign products produced by slave and semislave labor. They would do this through the manipulation of reciprocal trade agreements—free trade. They call this point 4 in their mad program of wrecking our Nation.

Since World War II our Uncle, in his foreign delirium, has squandered on, and canceled for, foreign nations, over $110,000,000,000. He is not only now two hundred and sixty billion in the red but with future commitments and obligations, is liable for six hundred and eighty-seven billion. There is danger ahead. Our Uncle in his flirtations has become the easy prey of foreign and domestic grafters, vampires, and gold diggers. He is no longer competent to take care of the wealth that Miss Columbia and her sons and daughters have created and accumulated.

Our Government does not know where it is going, but it is on its way. It is knee deep in international politics. It is sailing unknown seas, seas of foreign entanglements. In place of governing ourselves, in place of looking after our own people, we are now trying to bribe and govern the world.

We are traveling a dangerous road. Congress is lost in the dismal swamps of foreign intrigue. It is operating under a foreign, not an American, atmosphere. The internationalists, the barefoot boys of Wall Street, for a profit and the representatives of foreign governments looking for the taxpayers' dollars, predominate and overshadow all other lobbyists.

We live in a cruel and brutal world. A world without a rudder—in a war-mad world—in an atom-bomb world. In a world where half is arming itself against the other half. In a cold war that may at any time end in a hot war. There is chaos and fear in every nation of the world. There are rumors of war, rumors of communistic imperialism and rumors of financial and capitalistic imperialism. Let us pause for a moment and find out what brought about this dangerous and deplorable situation—this condition of confusion, revenge, hatred, and fear.

Were we culpable? Did we help to bring about this frightful condition? Our answer is that we played a major part. We were drawn into World Wars I and II by unconscionable men whose greed for power knew no bounds. We were manipulated into both wars by a small clique of profiteers and patrioteers who wanted our sons to save imperialistic and decaying nations in which they had investments.

We, as a Nation, are largely responsible for the present conditions, because our

Presidents at Quebec, Tehran, Yalta, and Potsdam accepted the revengeful and hateful doctrine of intellectual pygmies. We were responsible when we demanded unconditional surrender of our vanquished foes in place of a negotiated peace of complete disarmament and justice to all nations. We were responsible when we continued giving aid and assistance and participated in the unlawful execution and enslavement of war prisoners.

We were responsible when we halted General Patton and his Army for weeks so that Russia could invade Germany, and not only take Berlin but march some hundred miles beyond. The world is now paying for that mistake. General Patton blamed General Eisenhower for this blunder. General Eisenhower, however, was simply carrying out the policies laid down by his superiors in Washington.

We now know that Germany attempted to surrender to us but we refused their offer. We insisted that they surrender to the allied nations. If we had only had a Lincoln for President, the world would not be in the mess it is in today. Russia would have been kept in her own boundary and peace would long ago have been established and the threat of Russian domination of Europe would have been impossible.

Again we were responsible when we unnecessarily prolonged the war with Japan after she had offered to surrender. We were responsible when we invited Stalin to enter Mongolia and Korea, and gave him the Kuril Islands in accordance with secret commitments made at Yalta. It is because of these blunders that communism has spread throughout Europe. If we had dealt with Russia as we should have, she would still be within her own boundaries and the squandering of billions and the threat of atomic war would not now endanger the world.

If at Yalta, our President had accepted the advice of Churchill rather than that of Stalin, and we had entered Europe under its soft belly, then Russia would have been prevented from taking over the Balkan states. If we had not halted our army for weeks so that Russia could take over Rumania, Yugoslavia, Estonia, Latvia, Lithuania, Bulgaria, and then take Berlin as well as east Germany and east Austria, the world would be happier today. If General Patton had not been ordered to withdraw from Czechoslovakia in order to please Stalin, the Communists would not have been successful.

How different this world would be if we only had had an Abraham Lincoln for President, who at the end of the Civil War voiced these noble sentiments "with malice toward none and charity for all." Unfortunately in place of that we had unconditional surrender, vengeance and hatred, fake courts and prosecutors executing generals and others who were no more to blame for World War II than many of the rulers of the so-called 52 peace-loving nations.

Now we are confronted with the reality of how to get out of this mess. Let us go back to the sentiment expressed by Abraham Lincoln, when he said, "A house divided against itself cannot stand." Let us understand clearly that there can be no peace as long as half of the world is arming against the other half. It makes no difference whether it is communistic imperialism or capitalistic imperialism. An armament race always has and always will, unless discontinued, end in war.

There can be no permanent peace in this world as long as there is dictatorship, enslavement, and liquidation—murder. There can be no peace as long as there are aggressor nations, whether they consist of dictatorial imperialistic Russia and her satellites or capitalistic imperialistic nations consisting of some of the 52 peace-loving nations.

"Of all sad words of tongue or pen the saddest are" the false slogans by which America and the world were betrayed. There was the slogan, "He kept us out of war," when the facts show that Britain was told that if she could hang on until after election the Yanks would come. Then followed the slogans, "Make the world safe for democracy" and "War to end all wars." The Yanks did come—many did not return. They won the war that others started. The world was made safe for dictatorship—not for democracy.

The egg for World War II was laid at Versailles. This was followed by international intrigue, secret and undercover diplomacy—the betrayal of smaller nations and World War II. Then came the slogans "I have said this before, but I shall say it again and again and again. Your boys are not going to be sent into any foreign wars," "the Atlantic Charter," and the "four freedoms." Time proved these slogans false.

Then came Pearl Harbor, and we got into World War II according to prearranged schedule via Japan. The Yanks were sent to the four corners of the world—many did not return. They again won the war that other nations started. We again lost the peace—this because of the blunders of our Presidents.

Again the egg for world war III was laid at Quebec, Tehran, Yalta, and Potsdam. Now we have another false slogan, "The world is small." Made small because of our inventive genius. Made small because we have the telephone, the radio, television, jets and other airplanes. Because of this our internationalists, for a profit, tell us that we must take part in every international or civil conflict throughout the world. Nothing could be further from the truth.

We are being maneuvered into world war III just as we were into World War II because of false slogans. Let us hope that we will still be able to avoid this catastrophe—that calmer judgment and American sanity may again prevail. That we may learn that even though the world be small we can still mind our own business. Let us again accept our forefathers' warning and avoid further foreign entanglements.

The world may have become small because of scientific discoveries and our inventive genius. Our neighbors are much closer to us now than a generation ago, but individually we still have sufficient sense to keep out of their family quarrels. The same doctrine should and can be applied among nations. It is not necessary to immerse the whole world in war just because two nations may disagree.

The time has come that we realize that we, a little over 6 percent of the world's population, occupying less than 7 percent of its area, and possessing now less than 8½ of its natural wealth, cannot play Santa Claus to the rest of the world without depleting our natural resources. We cannot look after all the beggars of the world. We cannot much longer act as an international WPA.

We have a grave decision to make, a decision whether we are going to continue the America we know, or substitute an America we know little about, the America of the internationalists, and their stooges, the one worlders.

The question is, Shall we deplete our natural resources? I submit we have no moral, legal, or constitutional right to do so. These resources belong to unborn millions as much as they belong to us. It is the property of future as well as living Americans.

The course we are now following is a betrayal which leads to inevitable depletion and destruction. Lincoln was right when he said that this Nation would never be destroyed unless we ourselves were its destroyers. We are now asked to accept without question the false propaganda of the internationalists that infest the various departments of our Government.

Take the profits out of the Marshall plan, foreign aid, and the rearmament program, and there would be no Marshall plan, no rearmament program, and the foreign aid would long ago have ceased.

These profiteers are interested in advancing their financial gains by selling products to foreign nations that rightfully belong to Americans. They are interested in having these nations pay for these goods with our American dollars—gifts. They would deplete this Nation of all its raw materials to further enrich themselves.

The responsibility for this disastrous costly foreign policy rests with the people more than with the Members of Congress. They elect every Congressman and one-third of the Senators every 2 years. It is easy for them to ascertain whether their Congressmen and Senators prefer the foreign beggars to the American people. It is up to them to see that there is a candidate in each party who believes that Americans come first—who prefers Americans to foreign beggar nations.

Here is the price we pay because of our stupid foreign policy. Our annual Federal expenditures, on an average, are some fifty billion. This alone, on an average, is equal to $1 a day for every member of your family, including the baby in the cradle.

Your Uncle Sam has become the greatest extortionist. In order to pay for these foreign flirtations, the Government is compelled to take 57 cents on an average, directly or indirectly, out of every dollar you earn on which you pay an income tax.

In addition we already owe six hundred sixty-three billion, including future commitments and obligations. This is about twice the normal value of all our property. Every baby, the moment it is born, has a tax lien against it for $4,756. That is the share of the Federal debt for every man, woman, and child. It is a tax lien on all your property and on all your earnings, and the future earnings of your baby. It will be collected from you in income tax and 100 other unseen taxes.

The total Federal, State, and local expenditure per capita is $410.76 per year, or for a family of four, $1,643.20.

This situation threatens the very foundation of our Government. I am confident, however, when the people fully understand the cost of our foreign flirtations, they will with a determination equivalent to a devotion put a stop to it. They will again accept our forefathers' warning and avoid further foreign entanglements.

The total expenditures of our Government from its birth in 1776 to 1933—157 years—were less than $110,000,000,000. This included the Revolutionary War, the War of 1812, the Mexican War, the Indian wars, the Civil War, the Spanish-American War, and World War I, up to 1933, and, in addition, all the other functions of our Government. Compare this $110,000,000,000 with the over $887,000,000,000 spent in the last 18 years—the Roosevelt global era.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, there seems to be a slight resurgence of isolationist sentiment in the House in connection with this bill, and it should be as a stop signal at a railroad crossing to all of us.

The Expenditures Committee of this House sent a select committee to Europe last fall. I was a member of that committee. Part of its mission was to check the expenditures of ECA. Most of us on that committee are convinced that the ECA is doing what it set out to do, that is, to act as an insurance policy to protect this Nation against communism. You can forget about charity, and you can forget about humanity, you can forget about hungry children and all those things and put this thing strictly on an actuarial basis, as I said last year. It is the cheapest insurance we can buy in this troubled world.

There were a lot of short-sighted, near-sighted people in the United States before World War II. Some of them were in Congress. There were many people who said that this Nation should pull in its neck, bury its head in the sand like an ostrich, and let the rest of the world go by. Did that policy work? We tried it and we got as a result World War II.

One of the earliest things I ever heard in my history class in high school was when the teacher gave us a definition of history. She said: "It is a record of the past, a guide to the present, and a forecast of the future." If we are intelligent enough to use that record of the past as a guide to the present, certainly we should have learned something by the immediate history which has just passed us by.

A vote against rearmament before the Second World War, a vote for isolationism, only caused the blood of our boys to be shed on foreign soil. It was easy to demagogue about that and easy to be against it, but I wonder if we are stopping to think that a vote against this insurance policy, this Marshall plan, might well be the vote which causes, not the blood of our soldiers, but the blood of our women and children and our citizens to run down the streets of our own towns in the United States.

I wonder if we realize just how far away from Europe we are in the event of another war. At the present time it is possible to go from New York to London in 9 hours, 9½ hours, 10 hours, depending on the weather. I crossed it last September in 11 hours in a slow plane, if you please, a Constellation. It only travels 300 miles per hour. The British at the present moment, who are our friends and allies, have a plane developed in the process of testing, a jet passenger plane which will haul 72 passengers and which will travel at 650 miles an hour. This plane is not on the drawing boards, it is in the air.

If England and France and the other countries of western Europe were in the hands of the Communists we would be only 5½ hours from Europe by this new jet bomber. Can we afford to be without friends? Can we afford to let the rest of the European nations sink into communism? I do not think so.

The expenditures subcommittee traveled behind the iron curtain. I wish I could bring you a graphic word picture of the conditions of the people who have had Communist governments thrust upon them, not by their own free will but by an organized minority backed up by the armed forces of a great army belonging to the greatest military power in Europe, that is Red Russia.

It is impossible for me to describe these dictatorships to you in the way that they should be, because in order to describe anything to anyone it has to be in familiar terms, and no American who has not been behind the iron curtain has witnessed human degradation the equivalent of that which exists in those countries. The people are ground down to depths of misery of which we have no comprehension, so that it is impossible to tell you in words which will give you a vivid picture of it.

That condition faces the rest of Europe. That condition faced Italy in the elections when I was in Italy in 1948, before I was a Member of this body. A week or so after the elections it was obvious and evident to everyone that American dollars had swayed those Italian elections and had saved that country from being behind the iron curtain today.

It is not a question of whether we can waste money or not, it is a question of whether or not we dare do without this program.

The free nations of the world are looking to us for leadership. They are looking to us to help them establish democratic governments, modeled after our own Government. We dare not fail them.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. RIBICOFF. Mr. Chairman, I yield two additional minutes to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, this Nation dare not fail them. If we are unable to solve this problem, if we are unable to help them have democratic governments in their own countries, we face the fact that civilization as we know it could conceivably be wiped from the face of the earth in another war. Oh, it would be nice if we could turn back the pages of history and forget about the atomic era. It would be nice if we could do away with our knowledge of the atom bomb and the hydrogen bomb and all of those things. But we cannot. Whether we like it or not we are living in an atomic age and it is up to us as the legislative body of this Nation to find a solution.

We dare not fail the people of this country.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, last November and December I made a trip to Europe and visited four countries, Germany, Austria, Italy, and France. When I returned I submitted my report to the Committee on Armed Services, a part of which is as follows:

Economic recovery and ECA: While matters in these fields are more clearly within the purview of the Committee on Foreign Affairs, I believe that the other members of this committee are, like myself, interested in the results which our numerous and very substantial programs of aid have obtained. Since the end of hostilities in Europe, Congress, by means of UNRRA, Interim Aid, United Nations Welfare and Relief Organizations, funds for the government and relief of occupied areas, loans and credits to Britain, and the Economic Cooperation Act, have made available very large sums of money for the relief, rehabilitation, and recovery of European economy. According to a Commerce Department report carried in the press on January 3, the United States has laid out nearly $30,000,000,000 in postwar aid to these foreign nations. Now, a million dollars is a thousand thousand dollars, and a billion dollars is a thousand million dollars.

We have laid out thirty thousand million dollars, including $3,385,000,000 subscribed to the World Bank and Monetary Fund and $24,802,000,000 in aid furnished directly to foreign countries.

I will mention certain specific situations in various localities in an appendix, but in general the following are my impressions and conclusions:

With the exception of Berlin and other industrial cities of Germany, the war damage in Western Europe has been largely repaired. Railways, highways, electric power systems, and many industrial plants are back in production. ECA and similar programs have largely filled the pipe lines and restored inventories. Shipments of foodstuffs, textiles, fibers, and other raw materials, have resulted in a marked increase in business activities and today the stores in Europe are well-stocked with a wide variety of goods and foodstuffs. Let me tell you the people are well clothed, well shod, well fed, and from

all those I contacted, are doing very well. Problems of markets for restored western European economy have not been solved. The export business is very limited on most items to the other European countries.

The amount of imports which this country can absorb is limited. The problem of payment for food and raw material imports likewise remains unsolved. Significant amounts of imported foodstuffs are necessary in order to maintain the population of western Germany, Austria, and Italy. Thus far the United States Government has shipped large quantities of food and raw materials, some of which were surplus under the domestic support program, to Europe. Whether such programs should be continued without reimbursement is a question for the American people, and the extent to which such activities can be carried out, without impairing the solvency and credit of the United States and weakening our economy, is a matter which must be determined by the Congress.

It is my opinion that the economies of western Europe are not, in general, now self-supporting, although the recovery has been amazing. Let no one tell you otherwise. They are well on the mend. It is also my opinion that the necessary arrangements to achieve that end will not, as anticipated, be effective by 1952. This program will go on long after 1952.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Yes, I yield.

Mr. WILLIAMS. The gentleman says that Europe has already been rehabilitated. In support of his position, I call to his attention a publication of the ECA itself, dated February 3, 1950, in which Mr. Hoffman contends that the countries of western Europe are at a level 118 percent of 1938, the last prewar year.

Mr. GAVIN. I thank the gentleman for that contribution.

Large-scale efforts to achieve balanced economies in those countries will take the form of future industrialization, leading inevitably to increased competition with our own domestic industries and producers, either in the United States market or in the overseas areas, such as South America.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. GROSS. Has the gentleman any lawnmower factories in his district in Pennsylvania?

Mr. GAVIN. I have not.

Mr. GROSS. I wonder if the gentleman has seen this ad in the Washington Post of Friday, "Lawnmowers from England, $10.99," at Hecht's department store in Washington, D. C., in unlimited amount, apparently.

Mr. GAVIN. I thank the gentleman for calling that to the attention of the Members.

Now, I believe that we must recognize and face the fact that some aid will be required long after 1952, but the amount of such aid should be drastically reduced, starting with the fiscal year beginning July 1, 1950, as it is questionable how long the economy of our country can continue to stand the terrific drain on our finances and resources without finding ourselves in difficulties.

Let me impress upon the Members of this House that no bankrupt nations ever won any wars.

Finally, it must be noted the maintenance of a sizable United States military force in Europe and assistance to be furnished under the military aid program will both result in substantial economic benefits to Europe.

My conclusions: The United States is committed, as the result of the policies and decisions reached during World War II, to the maintenance of forces in Europe for a number of years.

We likewise find ourselves committed to the economic support of numerous areas where the population exceeds the means of subsistence until a new European economic system is evolved or export markets become available. Under such conditions it is imperative that all possible measures be taken to maintain and increase the morale, efficiency, and the prestige of our limited military forces. It is likewise essential that the program for European aid, whether in the form of loans, economic aid, or otherwise, be scaled down to a level which the United States can support.

Mr. Chairman, this program is going on long after 1952, but if you continue to ask these tremendous sums from the American people, they will revolt; and if in 1952 you drop the ax and you cut them off, then you will have that communistic threat again coming back into the picture. Would it not be better to reduce this amount to that which we can reasonably assume without impairing the solvency of this country, without jeopardizing the industrial life of America and the soundness and economy of the Nation? Let us proceed carefully and cautiously before we find ourselves in difficulties. We are now well on the road to bankruptcy, and I reiterate, if we are suddenly catapulted into an emergency, if we are suddenly precipitated into a war, let me tell you that no bankrupt nation ever won a war. Let us wake up before it is too late.

I am submitting herewith for the RECORD information on the industrial projects in which ECA is participating in France and Italy and data on the use of counterpart funds in Germany, France, and Italy, and the reports are as follows:

FRANCE

From the start of ECA to December 31, 1949, France has been allotted $1,784,100,000 as shown below:

[In millions of dollars]

	Apr. 3, 1948 to June 30, 1949	July 1, 1949 to Dec. 31, 1949	Total to Dec. 31, 1949
Total allotments	1,313.4	470.7	1,784.1
Grants	1,141.4	(1)	(1)
Loans	172.0	(1)	(1)

[1] Not broken down by type of aid.

Against this total, France has been authorized to buy $1,697,400,000 worth of goods and services as indicated below:

Authorizations

[In millions of dollars]

Total	1,697.4
Food, feed, and fertilizer	233.5
Raw materials and semifinished products	471.9
Fuel	384.2
Machinery and vehicles	339.9
Miscellaneous (including technical services)	28.4
Ocean freight	239.5

Of these authorizations, $45,600,000 provide materials for industrial projects. The estimated total cost of these enterprises is equivalent to $507,200,000, of which ECA has agreed to provide $110,100,000. The balance, equivalent to $397,100,000, will be financed with local currency and other funds available to France.

The list of industrial projects approved by ECA through December 31, 1949, follows:

Industrial projects

[In millions of dollars and dollar equivalents]

Type of project	Location	Estimated total cost	ECA commitment	P. A.'s issued
Total		507.2	110.1	45.6
1. Tin-plate mill	Basse-Indre	10.0	2.2	1.8
2. Hot strip, slabbing, cold rolling, and temper pass mills.	Denain and Montataire	59.6	12.1	5.1
3. Strip mills	Hayange and Ebange	133.1	49.4	19.0
4. Blooming mill	Rombas	8.7	1.3	1.3
5. Petroleum refining	Gonfreville and La Mede	11.0	3.2	1.3
6. Petroleum refining	Donges	9.4	.8	.6
7. Petroleum refining	Berre	31.7	1.9	1.2
8. Petroleum refining	Port Jerome	6.4	1.4	.3
9. Petroleum refining	Notre Dame de Gravenchon	6.0	.9	.9
10. Thermal-electric power plant	Dechy	19.5	15.0	5.6
11. Equipment for nickel-ore mines	New Caledonia	2.0	.7	0
12. Equipment for iron mines	Lorraine	4.0	4.0	2.4
13. Equipment for potash mines	Alsace	125.0	4.0	2.1
14. Aluminum-foil mill	Froges	2.0	1.1	.8
15. Aluminum-foil mill	Rugles	2.0	1.1	.9
16. Streptomycin plant	Vitry-sur-Seine	1.0	.2	0
17. Streptomycin plant	La Plaine St. Denis	1.6	.3	0
18. Aircraft		12.0	7.1	0
19. Aircraft engines and parts		2.3	2.3	2.3
20. Equipment for Ministry of Posts, Telegraphs, and Telephones.		60.0	1.3	0

1. The tin-plate mill is for J. J. Carnaud et Forges de Basse-Indre, France's largest producer of tin plate. Its plant is near Nantes on the Loire River. Through the purchase and installation of the equipment, such as listed below, the plant's tin-plate capacity is expected to be increased from 50,000 metric tons to 100,000 metric tons annually: Cold rolling reversing mill; combination reversing cold reduction and skin pass mill; strip-pickling line, cleaning line, shearing, and tinning lines.

2. Both the hot-strip mill at Denain and the cold-rolling mill at Montataire are for USINOR (Union Siderurgique du Nord de la France).

Most of the dollar cost for machinery and equipment is being financed by the Export-Import Bank and the International Bank. The project has been under way since 1947.

Part of the Denain production will be cold rolled into sheets at Montataire, part will go to Basse-Indre to be made into tin plate, and other French mills will also be supplied. Considerable increases in output of flat-rolled products are anticipated as a result of this project.

3. At Hayange and Ebange, SOLLAC (Societe Lorraine de Laminage Continu) is carrying out an extensive program of modernizing and expanding iron and steel production with the assistance of ECA dollars.

The project, in its first phase, calls for the building of a continuous hot-strip mill with an annual capacity of 700,000 to 850,000 tons of coils, and a continuous cold-strip mill with an annual capacity of 350,000 tons of sheets and tin plate. In its second phase, an 84-oven coke plant to supply existing blast furnaces at Hayange, a blooming mill, and a continuous cold-strip mill will be added.

Upon completion, scheduled for 1952, the SOLLAC development and allied facilities will consist of a modern sheet and tin-plate installation integrated with adequate steel, iron, and coke production located adjacent to the iron-ore and coal mines of Lorraine and the Saar.

4. An electric-powered blooming mill at Rombas for the Societe Lorraine des Acieries de Rombas (a member of the SOLLAC group) will replace two obsolete steam-driven mills. The new mill will produce as much as the two old mills (dating prior to 1900) and will roll higher quality steel. A major part of the mill's production will be in the form of blooms and slabs for the finishing mills at Rombas and the new SOLLAC strip mill.

5. At Gonfreville, facilities will be installed to produce about 120,000 metric tons of lubricating oils and 10,000 metric tons of wax per year. At La Mede (near Marseille) a cracking unit is to be altered to permit satisfactory processing of distillates from Middle East crude oils—the raw material for both La Mede and Gonfreville. Both refineries are owned by the Compagnie Francaise de Raffinage, a French company.

6. The Donges refinery (near St. Nazaire) of Raffineries Francaises de Petrole de l'Atlantique, heavily damaged during the war, will be rehabilitated and expanded. Refining capacity will be stepped up and facilities installed to increase lubricating oils output from 14,000 to 38,000 metric tons per year.

7. The project at Berre for Compagnie de Raffinage Shell is designed to increase refining capacity from 1,000,000 tons to 2,330,000 tons annually and lubricant production from 20,000 metric tons to 35,000 metric tons annually. Part of the increased capacity will be achieved by transferring to Berre the Shell facilities at Pauillac which was severely damaged during the war.

8. Standard Francaise des Petrole's refinery at Port Jerome (near Le Havre) is being expanded to allow production of 139,000 metric tons of lubricating oils per year. Lube oils were made there prior to the war but facilities were removed by the Germans. The company is an affiliate of Standard Oil of New Jersey.

9. Facilities for the production of lube oils will be modernized at the Notre Dame de Gravenchon refinery of Socony-Vacuum Francaise, an affiliate of the Socony-Vacuum Oil Co. War destruction and removal of lube facilities by the Germans made postwar operation impossible. The approved project provides for lube production of about 50,000 tons per year.

10. Construction of a thermal-electric power plant of 100,000 kilowatts capacity at Dechy was approved for Charbonnages de France. The Dechy plant (in the Pas de Calais region) will use waste coal. Annual output is estimated at 400,000,000 to 500,000,000 kilowatt-hours. Specifications and equipment will originate in the United States.

11. Under the nickel-ore project, equipment is being provided to mechanize the nickel-ore mines of Societe le Nickel in New Caledonia. As a result, a substantial increase in production is expected.

12. Many of the Lorraine mines were damaged during the war and in addition the shortage of housing for workers in the area has made reactivation difficult. Increased mechanization—to alleviate partially these difficulties and to step up output for expanding steel production—is contained in this mining project. Loading, crushing, scraping, etc., American machinery are to be purchased by SECM (Societe pour l'Etude du Chargement Mecanique) for 25 Lorraine companies.

13. Potash production will be increased from 720,000 tons in 1948 to 1,200,000 tons in 1957 under a project for Mines Domaniales de Potasses d'Alsace near Mulhouse. The company is government-controlled and operates 13 shafts and 9 processing plants. French potash reserves are one of the principal sources of supply outside of Russia and the Russian zone of Germany. Over 90 percent of potash produced is used in the form of agricultural fertilizers—increased supplies of which can be used to good advantage in France.

14 and 15. These projects call for the installation of equipment for rolling, cutting, and coiling of aluminum foil at the following plants:

Societe des Trefileries et Laminoirs du Havre at Rugles.

Etablissements Charles Coquillard at Froges.

Output of these two companies will help reduce France's import requirements for aluminum foil—used for food packaging, lining containers for commercial and industrial products, as a component of electrical condensers, and other purposes.

16. This project provides for the construction of a streptomycin-producing plant for Societe des Usines Chimiques Rhone-Poulenc. At full operation, the plant will be capable of supplying a major part of France's minimum needs for streptomycin.

17. A similar streptomycin plant was approved for the Societe Industrielle pour la Fabrication des Antibiotiques at La Plaine Saint-Denis.

Both streptomycin projects will permit sizable reductions in the dollar expenditures for the drug which were running at about $10,000,000 per year.

18. To permit Air France to expand its operations and improve and lower its service costs primarily on long-run lines, ECA approved the purchase of 6 Lockheed Constellations and replacement parts. Through the expansion of air transport facilities, France expects to earn additional transport dollars and also to attract larger numbers of tourists.

19. This project provides additional funds for the purchase of engines and parts for the French aircraft industry.

20. ECA approved a project to obtain equipment for the French Ministry of Posts, Telegraphs and Telephones which operates the Government-owned telegraph and telephone systems. The electrical apparatus and other equipment are designed to improve the national and international telegraph and telephone service in France and to increase the efficiency of the French postal-checking system which provides banking services to rural areas.

Under consideration in ECA-Washington as of December 31, 1949, was a project for the expansion of tractor and implement production at Saint Dizier Croix and Montataire for CIMA (Compagnie Internationale des Machines Agricules) having an estimated total cost equivalent to $13,000,000 including an ECA cost of $6,400,000.

USE OF COUNTERPART FUNDS

France had deposited as of December 31, 1949, almost 356,000,000,000 francs (equivalent to $1,300,000,000) of counterpart under Public Law 472. Five percent of these deposits are reserved for United States use, leaving over 338,000,000,000 francs for use by France, with ECA approval, to promote monetary and financial stability, to stimulate productive activity, and for other purposes consistent with the Economic Cooperation Act.

As of December 31, all but 4,000,000,000 of the French counterpart funds had been withdrawn for the purposes shown in the attached table. A significant fact about the use of French counterpart funds is that it made possible the French Government program of essential investments while maintaining monetary and financial stabilization in France.

A large part of the counterpart funds used for promotion of production has been channeled into the electric, gas, and power facilities. Among the projects being financed in part from counterpart funds is a series of dams being built on the major rivers in order to provide hydroelectric power and make possible a reduction of coal imports. Dams are being built on the Rhine, Rhone, and Dordogne, as well as along many of the small, rapid rivers of the Pyrenees and the Alps. The Genissiat Dam in the Rhone Valley is the largest in Western Europe, being 300 feet wide. The hydroelectric project at this dam will produce almost 2,000,000,000 kilowatt hours of electricity per year.

French coal output was materially aided by the use of counterpart funds for the reconstruction and development of the coal mines. Despite the Communist-inspired strike in the late months of 1948, the coal industry of France has staged a remarkable comeback and reached almost record production in 1949. In addition to the use of counterpart funds to finance new equipment in the mine works such as those in the Lorraine, Loire, and Auvergne basins, counterpart funds have been used to provide needed housing for laborers in the coal mines.

France counterpart fund utilization through Dec. 31, 1949

[In billions of francs]

	Public Law 472	Public Law 389	Total
ECA approvals for withdrawal	334.4	68.8	403.2
Withdrawals	334.4	68.8	403.2
Purpose of withdrawals:			
Debt retirement	45.0	-------	45.0
Promotion of production	281.9	68.8	350.7
Land reclamation, etc.	13.1	-------	13.1
Other agricultural programs	5.1	-------	5.1
Coal mining	63.3	7.5	70.8
Food products manufacturing	6.1	-------	6.1
Basic textiles	1.5	-------	1.5
Primary metals	10.0	1.1	11.1
Stone, clay, and glass products	.4	.2	.6
Fertilizer	1.3	.3	1.6
Chemicals and products	.7	.1	.8
Petroleum and coal products	.6	1.7	2.3
Pulp and paper	.1	-------	.1
Rubber and rubber products	.2	-------	.2
Electrical machinery	.9	1.1	2.0
Miscellaneous manufactures	2.8	.2	3.0
Railroads	28.4	12.4	40.8
Waterways and harbors	2.6	1.0	3.6
Merchant and fishing fleet	11.9	5.0	16.9
Roads and highway bridges	1.0	.1	1.1
Electric, gas, and power facilities	101.6	36.8	138.4
Deficiency materials	10.0	-------	10.0
Undistributed	20.3	1.3	21.6
Other purposes	7.5	-------	7.5
Housing	7.1	-------	7.1
Transportation of relief packages	.2	-------	.2
Tourism	.2	-------	.2

ITALY

From the start of ECA to December 31, 1949, Italy has been allotted $940,100,000, as shown below:

[In millions of dollars]

	Apr. 3 to June 30, 1949	July 1 to Dec. 31, 1949	Total to Dec. 31, 1949
Total allotment	668.0	272.1	940.1
Grants	601.0	(1)	(1)
Loans	67.0	(1)	(1)

[1] Not broken down by type of allotment.

Against this total, Italy has been authorized to buy through December 31, 1949, $883,400,000 worth of goods and services as indicated below:

Authorizations

[In millions of dollars]

Food, feed, and fertilizer	200.2
Raw materials and semifinished products	249.0
Machinery and vehicles	161.6
Fuel	143.6
Miscellaneous (including technical services)	14.2
Ocean freight	114.6
Total	883.4

Of these authorizations, $61,200,000 provide materials for industrial projects. The estimated total cost of these enterprises, including the dollar equivalent of local currencies, is $201,400,000, of which ECA has agreed to provide $82,100,000. The balance, equivalent to $119,300,000 will be financed with local currency and other funds available to Italy.

The list of industrial projects approved by ECA through December 31, 1949, follows:

Industrial projects

[Millions of dollars and dollar equivalents]

Type of project	Location	Estimated total cost[1]	ECA commitment	P. A.'s issued
Total		201.4	82.1	61.2
1. Steel mill equipment	Bagnoli, Piombino, and Corniglino.	57.0	12.0	11.5
2. Steel mill equipment	Milan	4.2	2.2	1.9
3. Slab and billet mill	Aosta Valley	1.5	1.0	0
4. Wire rod mill; bolt, and nut equipment	Villadossola	5.2	2.5	2.4
5. Slab and billet mill	Pont St. Martin	2.9	1.5	1.5
6. Pipe forming and welding machine	Milan	.5	.2	.2
7. Cold rolling mill for tinplate	Castellammare di Stabia	2.5	2.0	2.0
8. 50,000-kilowatt steam electric station	Genoa	8.9	6.0	5.7
9. 50,000-kilowatt turbo-generator	do	8.5	6.2	0
10. 60,000-kilowatt steam electric station	Palermo	11.1	6.3	5.8
11. 30,000-kilowatt steam electric plant	Naples	5.2	3.4	3.2
12. 50,000-kilowatt turbo-generator	Porto Marghera (Venice)	10.0	6.6	0
13. Petroleum refining (and lubricating products)	Zuale	8.0	4.3	3.9
14. Petroleum refining (and lubricating products)	Porto Marghera (Venice)	6.4	1.8	1.8
15. Automotive products (Fiat)	Turin	43.7	14.6	14.6
16. Steel plant equipment (Fiat)	do	15.0	4.2	3.9
17. Bearings and other products	Villar Perosa and Turin	2.0	1.4	1.4
18. Aircraft (DC-6's)		5.5	4.5	0
19. Paper mill equipment	Verzuolo and Corsico	3.4	1.7	1.6

[1] Includes ECA dollars, other dollars, and the dollar equivalents of local currency.

The principal objective of the Italian iron and steel program is to insure adequate supplies of iron and steel for the country's mechanical industries and to assure the availability of steel in sufficient quantities at international prices or less.

The mechanical industries of Italy which currently employ about 800,000 workers can be substantially expanded for the creation of employment if a supply of raw materials is assured at competitive prices. For this reason, aid to these industries will contribute to the general recovery program.

1. The project at Bagnoli Piombino, and Corniglino provides assistance in rebuilding three steel plants (of ILVA-Alti Forni e Acciaierie d'Italia—a subsidiary of Finsider) which were inactivated during the war by Allied bombing and German demolition. ECA dollars were ear-marked for the purchase of equipment in the United States required for the reconstruction and modernization of a blast furnace, a semicontinuous billet mill, a rod mill, and a semicontinuous hot-strip mill. In addition to reactivating steel-making capacity, the project is expected to result in lowered production costs.

2. Equipment for modernizing the steel works of Acciaierie e Ferriere Lombarde Falck, at Milan, includes electric furnaces, tube forming and welding mill, forging and forming machines for nuts and bolts, strip welder for cold-strip mill, and auxiliary machinery and spare parts. Falck, the largest independent steel company in Italy, operates three plants with a rated capacity of over 300,000 tons per year.

3. The proposed slab and billet for Cogne S.p.A. in the Aosta Valley is designed to handle special steels. Modernization equipment required comprises a 10-ton oxygen plant, pig-casting machine, and a slab and billet rolling mill. Cogne, a Government-owned plant, operates on high-grade ore obtained from mines near the plant.

4. The project at Villadossola is for SISMA, producers of merchant steel and a subsidiary of the Edison Co. New units to be installed are: A rolling-mill unit for billets complete with accessories and a bolt maker for nuts and bolts.

5. The slab and billet mill at Pont St. Martin, Aosta Valley, is for ILSSA—Viola, a small independent company which produces only special steels with emphasis on stainless types. The project involves the purchase of a three-stand rolling mill to enable the plant to produce billets and slabs.

6. A new facility, consisting of a pipe forming and welding machine, was approved for FERROTUBI, a subsidiary of Fabrica Italiani Tuba, at Milan. Annual production is expected to range between 1,800 and 3,000 tons of one-eighth inch to three-inch pipe. About two-thirds of the output is intended for the domestic market and the remaining third for export. This project is expected to lower welded steel pipe production costs and help support Italy's export markets.

7. The cold-rolling mill for strip and tinplate is for Cantieri Metallurgici Italiani, a subsidiary of Falck, at Castellammare di Stabia. Equipment needed for the project consists of a reversing stand for cold-rolling strip, straightening machine, pickling train, welding machine, strip-washing plant, galvanizing machine, and corrugating press.

8 and 9. Shortage of electric power is a major limiting factor in Italy's efforts to expand industrial production with many industries forced to suspend operations several days a week. The continuing shortage, to a large extent, has been due to low water supply at the hydroelectric plants, indicating the need for additional steam-electric installations. The two projects at Genoa for the Societa Edison will help meet this need. Each approval provides for a 50,000-kilowatt thermal electric addition to existing capacity.

10, 11, and 12. Other approved additions to Italy's thermal electric capacity include 60,000 kilowatts at Palermo for Societa Generale Elettrica della Sicilia; 30,000 kilowatts at Naples for Societa Meridinale di Elettrica; 50,000 kilowatts at Venice for Societa Termo Elettrica Veneta.

13. Under the project for Aquila, S. p. A., Tecnico Industriale, at Zaule, near Trieste, modern facilities for the manufacture of lubricating oils will be installed. A reforming unit will also be constructed in order to increase the octane rating of gasoline produced at the refinery. At completion the new lubricating-oil facilities will turn out about 600 barrels per day.

The Aquila Refinery, which produced a full range of petroleum products prior to the war, was severely bombed during the war. Operations were resumed in 1947, and gasoline and other light products were produced. Lubricant facilities, however, were not rebuilt. Crude refining capacity, at the time

of project approval, was about 12,000 barrels per day.

14. Capacity of IROM's (Societe Raffinazione Olli Minerali) refinery at Porto Marghera, near Venice, will be more than doubled—from 520,000 tons to 1,100,000 tons per year—under an approved project. Facilities for manufacturing lubricating oils will also be added.

IROM uses Middle East crude oil and serves the industrial area in the Po Valley, Venice, and other Adriatic ports. War damage was considerable but capacity output has since been attained.

15 and 16. The two projects for the Fiat Co. at Turin were designed to rehabilitate and modernize the mechanical, engineering, and steel-making sectors of the company.

Fiat, manufacturer of autos, commercial vehicles, agricultural equipment, Diesel engines, and railroad rolling equipment, employs over 55,000 persons. It has 260 dealers in Italy and 74 dealers and 350 subdealers abroad.

Under the automotive project, aimed largely at improving the automobile division, purchases to be made in the United States include foundry machinery, forging and sheet processing presses, lathes, and welding, milling, tapping, threading, drilling, grinding, boring, sharpening, and gear machines.

The steel-equipment project covers the purchase of electric steel furnaces, cold rolling strip mills, a tube mill, and bolt- and nut-making equipment. The steel works are operated by Fiat in conjunction with its automotive plants.

17. The project for RIV Officine di Villar Perosa, a principal Italian producer of bearings, involves the replacement of old equipment with a subsequent lowering of production costs. RIV manufactures a wide range of products including antifriction, ball and roller bearings, bearings for railway cars, spindles, piston rings, tappets, and molded plastic products. The new equipment, to be bought in the United States, will be used to step up production of some items and to increase productivity through the use of modern machinery.

18. Three DC–6's were approved for Linee Aeree Italiane to be put into service on the Rome-New York run. Additional passenger carrying capacity was thus made available to handle traffic during 1950.

19. Machinery and equipment necessary for the modernization and integration of the Cartiere Burgo paper mills at Verzuolo and Corsico were provided for under a project approval. The company, Italy's largest producer of paper, estimates a substantial increase in newsprint output on completion of the project.

ECA turned down a proposed 18,000-kilowatt hydroelectric plant at Nazzano.

Under consideration in Washington (with mission and OSR recommendations) as of December 31, 1949, was a project for coal mining machinery and equipment for the Sulcis coal field of the Societa Mineraria having an estimated total cost equivalent to $10,000,000 and an ECA cost of $3,500,000.

USE OF COUNTERPART FUNDS

As of December 31, 1949, the Italian Government had deposited 241,500,000,000 lire (equivalent to $420,000,000) in their special counterpart account. Five percent of these deposits, amounting to 12,100,000,000 lire, has been placed under the control of United States disbursing officers for United States use. In addition to the above deposits under Public Law 472, the ECA had responsibility for approving the utilization of 106,800,000,000 lire of local currency deposited under Public Laws 84 and 389.

ECA had agreed to the withdrawal of a total of 177,500,000,000 lire, and by the end of the year 83,700,000,000 lire had been withdrawn by the Italian Government for the purposes shown in the attached table.

A large part of the counterpart funds withdrawn have been utilized to finance the improvement of agricultural production in Italy. Land reclamation projects have been important not only in providing more acreage for growing needed crops but will in two ways tend to relieve the serious unemployment problem. Immediate employment of workers is required to carry out the irrigation and other reclamation work. Additional workers will find farm employment when the projects are completed. An example of the agricultural program to be financed in part with counterpart funds is the program for the Latium region near Rome. Plans for a 3-year period call for the employment of 4,000 workers to irrigate 4,250 acres, drain 40,750 acres, provide flood control for 15,000 acres. It is estimated that the improved land will be able to employ 6,500 additional farm workers.

Agricultural projects in the Emilia area will provide immediate employment for 450 workers and an equal number of workers off-site. The program includes the construction of 25 miles of drainage canals to service 150,000 acres of land, the construction of an aqueduct which will bring drinking water to 4,000 inhabitants, irrigation of 10,000 acres, and provision of water for 4,500 cattle.

It is estimated that, by 1952, projects in the Emilia region will result in the irrigation of 25,000 acres, drainage of 250,000 acres and flood control of 25,000 acres. The improved land will be able to accommodate 1,000 additional farm workers.

An antimalaria campaign now being conducted in Italy and financed in part with counterpart funds may induce thousands of farm families to abandon their ancient mountain villages and return to the land from which they originally fled to avoid disease. Ridding the land of malaria not only will bring the farmer away from crowded, insanitary villages, but will result in a tremendous boost to Italian food production. Many farmers now walk from 10 to 20 miles a day to "commute" from their homes to the fields, a custom which has deprived them of much time and energy and has caused vast areas of fertile agricultural land to remain undeveloped.

An important need in the Italian economy to be financed from counterpart funds is the restoration and improvement of transportation facilities. In addition to 28,000,000,000 lire withdrawn thus far, another 70,000,000,000 lire has been programed for use in rehabilitating the railroads through the repair and replacement of rolling stock and other measures designed to effect improvements that will increase efficiency and reduce costs.

Counterpart fund utilization through Dec. 31, 1949

[Billions of lire]

	Public Law 472	Public Laws 84 and 389	Total
ECA approvals for withdrawal	117.6	59.9	177.5
Withdrawals	33.8	49.9	83.7
Purpose of withdrawals:			
Promotion of production	13.8	43.1	56.9
Agriculture	13.8	10.6	24.4
Merchant and fishing fleet	-------	4.0	4.0
Railroads	-------	28.0	28.0
Technical assistance	-------	.5	.5
Other purposes	20.0	6.8	26.8
Housing	-------	3.5	3.5
Tourism	-------	1.8	1.8
Health and sanitation	-------	1.2	1.2
Miscellaneous social services	-------	.3	.3
Undistributed	20.0	-------	20.0

Counterpart fund utilization through Dec. 31, 1949—Continued

[Billions of lire]

	Public Law 472	Public Laws 84 and 389	Total
To be withdrawn	83.8	10.0	93.8
Promotion of production	70.0	9.4	79.4
Agriculture	-------	9.4	9.4
Railroads	70.0	-------	70.0
Other purposes	13.8	.6	14.4
Health and sanitation	2.2	-------	2.2
Housing	-------	.3	.3
Miscellaneous social services	-------	.3	.3
Undistributed	11.6	-------	11.6

GERMANY

From the start of ECA to December 31, 1949, Germany has been allotted $848,700,000 as shown below:

[Millions of dollars]

	Apr. 3, 1948–June 30, 1949	July 1–Dec. 31, 1949	Total to Dec. 31, 1949
Total allotments	613.5	235.2	848.7
Grants	613.5	235.2	848.7
Loans	0	0	0

Against this total, Germany has been authorized to buy $801,900,000 worth of goods and services as indicated below:

Authorizations

[Millions of dollars]

Total	802.9
Food, feed, and fertilizer	328.3
Raw materials and semifinished products	295.1
Machinery and vehicles	30.4
Fuel	17.1
Miscellaneous (largely tobacco)	52.4
Ocean freight	78.7

To date, there have been no industrial projects approved for Germany.

USE OF COUNTERPART FUNDS

As of December 31, 1949, over 1,793,000,000 Deutschemarks (equivalent to $562,000,000) had been deposited by Germany (Federal Republic) in their special counterpart account established under Public Law 472. About 90,000,000 Deutschemarks, 5 percent of the total deposits, are reserved for United States use. At the end of the year about 1,255,000,000 Deutschemarks had been approved by ECA for withdrawal and 563,000,000 Deutschemarks had been withdrawn for the purposes shown in the attached table.

Unlike other participating countries, the counterpart fund account for Germany reflects deposits of local currency not only for grant aid furnished but also for conditional aid received. On the other hand, withdrawals are made from the 95 percent portion to pay German exporters for goods shipped to other countries under drawing rights extended by the German Government in accordance with the intra-European payments plan. Under the new bilateral agreement recently entered into with the Federal Republic of Germany, deposits in the special account will no longer be required for conditional aid.

Counterpart funds are of vital importance to the German economy by providing a major source of investment capital, particularly since there is an extreme shortage of private capital for investment purposes. A large

part of the counterpart funds released have been earmarked to develop and rehabilitate the industrial production capacity of the country. Funds will be channeled into such major industries as electrical and other machinery, textiles and clothing, petroleum, iron and steel, paper and printing, woodworking, and diverse other industries. Other large amounts will be made available for power projects to break the bottleneck in electric power that is retarding the growth of industrial production. Forty-four million Deutschemarks have already been withdrawn to develop the BEWAG (Berliner Elektrizitaet Werkstette Aktien Gesellschaft). It is expected that this power station will make the western sectors of Berlin independent of Soviet electric power and also effect a savings of 175,000 tons of coal annually. Other uses of counterpart funds include agricultural projects aimed at reconstruction of war-damaged farms, activities to relieve the serious housing shortage, railroad reconstruction, and projects to help stimulate the economic revival of Berlin.

Counterpart fund utilization through Dec. 31, 1949, Public Law 472

[In millions of Deutschemarks]

ECA approvals for withdrawal	1,254.9
Withdrawals	562.7
Purpose of withdrawals:	
Promotion of production	152.0
Coal mining	50.0
Railroads	40.0
Waterways and harbors	2.0
Electric, gas, and power facilities	59.0
Technical assistance	1.0
Other purposes	410.7
Payments to German exporters for drawing rights extended by Germany	400.6
Transportation of relief packages	10.1
To be withdrawn: Promotion of production, distribution by industry not yet available	600.0
Other purposes: Payments to German exporters for drawing rights extended by Germany	92.1

AUSTRIA

From the beginning of the program to November 30, 1949, Austria has been allotted $396,400,000, all in the form of grants as shown below:

[Millions of dollars]

	Apr. 3, 1948–June 30, 1949	July 1 to Nov. 30, 1949	Total to Nov. 30, 1949
Total allotments	280.0	116.4	396.4
Grants	280.0	116.4	396.4
Loans	0	0	0

Against this total they have been authorized through November 30 to buy $334,200,000 worth of goods and services, as indicated below:

	Authorizations
Total	$334,200,000
Food, feed, and fertilizer	184,800,000
Raw materials and semifinished products	54,900,000
Machinery and vehicles	27,200,000
Fuel	26,600,000
Miscellaneous (largely tobacco	6,500,000
Ocean freight	34,300,000

Ten million dollars of these authorizations furnish materials for industrial projects having an estimated total cost equivalent to $42,900,000. ECA will authorize an additional $9,900,000 against these projects, with the balance of about $23,000,000 in dollar equivalents to be financed with local currency.

Under the ECA industrial project procedure, an applicant country is required to present economic justification for each proposed project (generally limited to enterprises for which one million or more ECA dollars are requested) as part of its investment and recovery program. Details must be submitted as to the equipment needed, procurement origin, the nature and sources of funds to be employed, and the results anticipated in terms of productivity, costs, marketability, etc. The ECA mission in the participating country reviews the proposal as does the office of the special representatives, and recommendations are forwarded to ECA, Washington, for final approval or denial. No project is considered in Washington for final approval without the mission and OSR recommendation first being obtained.

Upon approval of a project, ECA issues procurement authorizations for the equipment and services required within the limits of approved ECA financing. Costs other than those met with ECA dollars are financed through credits available to the companies concerned, i. e., their own funds, funds borrowed from local banks or government, free dollars, dollars borrowed from the Export-Import Bank, the International Bank, or through drawing rights.

The list of industrial projects approved by ECA through November 30 is as follows:

Industrial projects

[Millions of dollars and dollar equivalents]

Type of project	Location	Estimated total cost [1]	ECA commitment	PA's issued
Total		42.9	19.9	10.0
Steel blooming mill	Donawitz	6.0	3.9	3.9
Continuous steel billet mill	do	7.2	3.2	1.3
Steel blooming mill	Linz	8.8	2.9	1.2
Hot strip steel mill	do	15.7	8.0	2.4
Development of iron ore mines	Erzberg	5.2	1.9	1.2

[1] Includes ECA dollars and the dollar equivalents of local currency available to the companies concerned from their own resources, local banks, etc.

The new blooming and continuous billet mills at Donawitz, in the Austrian Alps, are for Alpine Montan (Oesterreichisch-Alpine-Montangesellschaft), Austria's largest integrated iron and steel company, and will replace obsolete steam-driven mills installed in 1897 with modern electrically driven equipment. It is the only domestic supplier of rail and heavy structural steel, supplies the home market with lighter types of steel, and is the main supplier of semifinished steel. The new blooming mill, in addition to permitting a substantial increase in bloom and slab production, is expected to result in an over-all reduction of over 10 percent in operating costs.

The continuous billet mill will handle semifinished products now rolled on outdated, inefficient high-cost mills. In conjunction with existing equipment at this site, it will furnish capacity to roll 33,000 tons of semifinished and finished products per month against a present rated capacity of 25,000 tons per month.

The blooming and hot-strip mills at Linz are for the United Austrian Iron and Steel Works (Vereinigte Osterreichische Eisen- und Stahlwerke Aktengesellschaft-VOEST) whose operations range from the manufacture of pig iron to finished steel. The majority of the old hand mills for rolling sheets were operated until 1938 and were shut down because they were inefficient compared to the modern equipment which it was then planned to install. The blooming mill, which started operation in 1942, was dismantled during the occupation in 1945, while construction of a new strip mill was halted by the war and never passed the planning stage. Except for minor quantities, Austria has had to import its sheets since the war.

The new mills will supply added tonnage of better-quality flat-rolled products which are urgently needed. The manufacture of the rolling mill is being done by the Mesta Machine Co. (with electrical equipment subcontracted to Westinghouse) and other equipment is coming from the Continental Foundry & Machine Co.

The last project listed involves the re-equipping of the iron-ore mines in the Erzberg at Eizenerz, Styria—one of the principal iron deposits in Europe—owned by the Oesterreichisch-Alpine Montangesellschaft, which also owns the steel plant at Donawitz. The pig iron provided from this area, because of its high manganese content, is of first-rate steel-making grade. Most of the machinery and transport equipment at the mines (principally open strips) was removed by the Russians during their temporary occupation of Styria in 1945. In the early part of this year only 10 of the 30 open terraces were being worked.

At the present time, two other projects, approved by the ECA mission in Austria, are being reviewed in OSR, which is studying the entire Austrian investment program. ECA-Washington action on these proposals will follow the receipt of OSR's recommendations. The two proposed projects are:

1. Cold-rolling mill at Linz for the United Austrian Iron & Steel Works.

2. Rail and structural mill at Donawitz for Alpine Montan.

USE OF COUNTERPART FUNDS

Austrian counterpart funds are the shillings deposited by the Austrian Government in a special account in an amount commensurate with the dollar cost of the grant aid received by that country. As of December 31, 1949, the Austrian Government had deposited 3,485,000,000 schillings in their special account.

Five percent of these deposits, amounting to 174,000,000 schillings as of December 31, is reserved for use by the United States and is placed in a separate account under the control of United States disbursing officers. These funds are used for ECA administrative expenses, payable in local currencies, and to purchase or develop the production of scarce materials needed in this country. Funds not required by ECA are transferred to the United States Treasury for use by other United States Government agencies.

The remaining 95 percent of these counterpart funds, 3,311,000,000 schillings, is for use by the Austrian Government in promoting internal monetary and financial stability, in stimulating productive activity, in explorng and developing new sources of wealth, and for other purposes consistent with the Economic Cooperation Act.

Agreement by ECA to the proposed use of the counterpart funds is required before Austria can utilize these funds. As a rule, ECA will agree to the withdrawal of counterpart only when the financial situation in Austria warrants. Approval of withdrawal may be withheld if inflationary forces are strong.

Proposals for the utilization of counterpart are initiated by the Austrian Government. As a first step the Government submits a broad program covering a year's activity to the special ECA mission in Austria. After discussions with the Government, the mission forwards the program with its recommendations to the office of the special representative in Paris and to ECA in Washington. The latter office formulates a final recommendation after consultation with the National Advisory Council. At this stage a determination has been made of the level of withdrawals and in general the sectors of the Austrian economy into which counterpart funds will be channeled. The second step in approval is the consideration of more detailed plans for the use of counterpart in specific sectors of the economy, such as the railroads, coal mines, etc. These plans are usually approved by the Mission only but are sometimes forwarded with comments by the Mission to OSR and Washington. The final step in approval is for the withdrawal of counterpart funds for the individual projects after recommendations have been made by the mission and approved by OSR and Washington. The mission formally advises the Austrian Government of this approval for withdrawal. ECA, through its controller's office, checks to see that counterpart funds withdrawn are used for approved purposes only.

As of December 31, a total of 2,648,000,000 schillings had been withdrawn for the purposes shown in the attached table. Of the total, 1,832,000,000 schillings was from counterpart funds deposited under Public Law 472 (80th Cong.) and 816,000,000 schillings from local currencies deposited under interim aid.

The counterpart funds approved for withdrawal are released to the Austrian National Bank to be used for approved projects. Private firms are not given the funds as grants but obtain loans through normal channels, which loans are refinanced by the Austrian National Bank with counterpart funds.

In the manufacturing group, the primary metals industry has received the largest amount of credit. Included were funds for an iron and steel plant at Donawitz to be used for building additions, installing electrical equipment, preparing foundations, etc., for the blooming mill and continuous billet mill presently being constructed in the United States under ECA authorization. Counterpart funds were also provided for the repair of war damage and to prepare for the installation of a slabbing-blooming mill and semicontinuous sheet mill under construction in the United States for an Austrian iron and steel works at Linz. Investments in the non-ferrous-metals industry include development of lead mines and funds to begin construction of a new zinc smelter. This is the first zinc smelter in Austria and will enable domestic ores to be worked. Aluminum and copper fabrication plants in Ranshofen and Vienna will obtain funds for reconstruction and installation of new equipment.

Funds used for electric, gas, and power facilities were primarily channeled into the development of hydroelectric-power projects, including transmission lines and other equipment. One of the largest hydroelectric projects is located at Kaprun. Some of the funds withdrawn for power projects were for the improvement or new construction of steam-generating stations such as the one located at St. Stephan.

Over 655,000,000 schillings have been utilized for the Austrian Federal railroads to be used to reconstruct their war-damaged rolling stock, roadways, bridges, and other equipment, as well as to purchase new equipment and to improve and modernize the railroads.

Counterpart fund utilization through Dec. 31, 1949

[Millions of schillings]

	Public Law 472	Public Laws 848 and 389	Total
Total withdrawals	1,831.7	816.4	2,648.1
PURPOSE OF WITHDRAWALS			
Debt retirement	396.7	453.3	850.0
Promotion of production	1,292.0	317.6	1,609.6
Agriculture	185.9	14.8	200.7
Land reclamation	18.0	2.3	20.3
Research and extension service	23.2	----	23.2
Forestry	23.9	1.4	25.3
Fishing	.5	----	.5
Other agricultural programs	120.3	11.1	131.4
Extractive industries	87.6	----	87.6
Coal mining	53.3	----	53.3
Metal mining	34.3	----	34.3
Manufacturing	270.8	----	270.8
Food products	7.1	----	7.1
Basic textiles	13.7	----	13.7
Primary metals	114.9	----	114.9
Lumber and sawmill products	8.3	----	8.3
Stone, clay, and glass products	8.4	----	8.4
Fertilizer	20.0	----	20.0
Chemicals and products	1.7	----	1.7
Pulp, paper, and paper products	33.9	----	33.9
Rubber and rubber products	17.3	----	17.3
Electrical machinery	29.8	----	29.8
Other machinery	13.7	----	13.7
Miscellaneous manufactures	2.0	----	2.0
Transportation, communications, and utilities	747.7	302.8	1,050.5
Railroads	409.8	245.9	655.7
Waterways and harbors	6.2	----	6.2
Roads	57.4	5.0	62.4
Communication facilities	83.6	51.4	135.0
Electric, gas, and power facilities	187.6	----	187.6
Water systems	3.1	.5	3.6
Other purposes	143.0	45.5	188.5
Housing	47.0	----	47.0
Public buildings	59.0	43.8	102.8
Transportation of relief packages	10.0	----	10.0
Tourism	15.0	----	15.0
Undistributed	12.0	1.7	13.7

Mr. MILLER of Nebraska. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fourteen Members are present, a quorum.

Mr. RIBICOFF. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I have had an opportunity to see some of the areas of the world which were devastated by war and I know that time will never efface the damage which has been done to this world in which we live. I would like very much to discuss the ECA program and some of its great achievements. Time will not permit me to do so. The gentleman who has just preceded me indicated that most of the countries of Europe had been able to repair the damage which was caused by the last great conflict.

It is true that the Germans have made a remarkable effort to revitalize and to rebuild their utilities. I cannot agree with the statement to the effect that the world is well shod, well fed, and well housed. But time, as I say, will not permit me to discuss the broad philosophy and the broad principles and the great achievements of the ECA program.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I did not say well housed. I said well fed, well clothed, and well shod. And I did not say anything about having completely recovered. I said the railways, the highways and electric power systems and many industrial plants are back in production. Just to keep the record straight, the gentleman should state what I actually said.

Mr. COOLEY. I accept the gentleman's statement with regard to what he said. But what he stated was for the purpose of persuading this House to reduce the amount which this committee has recommended. What I will have to say is with regard to a certain section in this bill which should be stricken out, and at the appropriate time I intend to offer an amendment to increase the appropriation to the extent of $1,000,000,000 and to restore the billion dollars which was stricken out by the Vorys amendment. Then I intend to tie in with that another provision which will strike out the Vorys amendment and it is with regard to that particular amendment I desire to address the Committee at this time.

The Vorys amendment was sponsored by my beloved and distinguished friend from Ohio with whom I have served for many years and with whom I served on the 19-man committee that made a study of the situation in foreign countries prior to the time the Marshall plan was initiated. While I have a very high regard for him and his statesmanship, I must say that the Vorys amendment as I interpret it is nothing more nor less than a hoax and a humbug.

Let us see what it does. It says "I am a money saver. If you will embrace me I will reduce the expenditures which are now being made by the taxpayers of this Nation; therefore I will enable this Nation of mine to save money and perhaps to balance the budget."

While couched under what appears to be very fair and very reasonable pretenses, it is actually contrived to deceive the average citizen and it is calculated to cause him to believe that we are about to save a billion dollars. That is far from the truth.

What the provision actually does is to say that we will not give ECA this additional $1,000,000,000 but that with our right hand we will reach over in the assets of the Commodity Credit Corporation, take out a billion dollars' worth of valuable assets, and with our left hand turn that over to ECA and put on the "good ship" foreign aid.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I am glad to hear the gentleman's statement and to know of his efforts in this regard. If he will permit me, I would like to point out that in the past few years the occupied areas and the ECA have charged to agriculture hundreds of millions of dollars through requiring the Commodity Credit Corporation to sell commodities that they had on hand below the amount of money they had invested in those commodities—of course, it cost the Government in either instance—so that the price would be charged up to agriculture rather than to the foreign-aid program as it properly should be.

The big part of the section 32 funds, which the gentleman has helped to save, from time to time have been used to show up on the books of the Marshall plan, or the ECA, a better record, when actually they are charging that to agriculture which should be charged to ECA.

Mr. COOLEY. The gentleman is correct. The Vorys amendment is only calculated to bring the farm program into greater disrepute, and that is exactly what it will do.

It is an imposter in that it pretends to the public to be a great exporter of surplus commodities when, as a matter of fact, the ECA program now contemplates exporting American agricultural commodities to the extent of about $1,600,000,000, and in the last year I am told they exported in excess of $1,000,000,000.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. BURLESON. I think the distinguished chairman of the Committee on Agriculture perhaps could render the House a favor and give information that would be worth listening to if he would explain this system of surpluses. There are a great many erroneous ideas as to just what surplus commodities are and the system under which it operates.

Mr. COOLEY. The gentleman, of course, realizes that I am under great and terrific pressure of time, but I will, in that connection, insert in the RECORD letters and communications which will discuss the matter which the gentleman has mentioned.

If this Vorys amendment is so good, I wonder why it is that those who are charged with the responsibility of carrying out the wishes of Congress in this foreign-aid program are so bitterly opposed to it. I shall insert the opposition views of the ECA. And, I wonder why it is that the Secretary of Agriculture, who is certainly devoted to the cause of American agriculture, should likewise oppose the Vorys amendment. I wonder why the great Farm Bureau is so bitterly opposed to it, and the National Grange, and the National Council of Farmer Cooperatives, and the National Farmers Union, as well as the Farm Bureau of my own State, the Cotton Council of America, the Southern Cotton Shippers Association, the president of the New Orleans Spot Cotton Merchants Association, the Atlantic Cotton Association, the president of the New York Cotton Exchange, the president of the Tobacco Associates, Inc., the president of the Flue Cured Tobacco Stabilization Cooperative Organization, the general counsel for the Leaf Association and the secretary of the American Soybean Association. All of these great organizations interested in the welfare of agriculture are opposed to this imposter.

To give the Members of the House an opportunity to register their views on this set-aside or tie-down idea another Member, a member of the committee, will introduce an amendment, the effect of which will be to put back the billion dollars to ECA appropriations, to provide that of the appropriation for ECA $1,000,000,000 shall be available only for the purchase of agricultural commodities which the Secretary declares to be not in inadequate supply either in the continental United States or in our Territories or possessions. That will give you a chance to vote to tie down $1,000,000,000 in American commodities so that you will not disrupt normal trade channels. But, this Vorys amendment will constitute the Commodity Credit Corporation into the greatest merchant that human history has ever known, and it will disrupt trade channels throughout the country.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. SUTTON. The Vorys amendment would also do away with free enterprise.

Mr. COOLEY. Certainly; it will impair free enterprise, which I know my friend from Ohio is a great advocate of.

I wish time would permit me to read these communications, but I will put them in the RECORD and I hope that those of you who want to do the right thing and the fair thing and the forthright thing will read and understand the views of men who have given this matter consideration, and not be misled by this hoax and humbug.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I do not mean that the gentleman from Ohio is a hoax and a humbug. He is far from it. I have reference to his proposition. I yield.

Mr. GROSS. When the gentleman offers the amendment to restore the billion dollars, will he likewise insert in that amendment that the billion dollars must be used to buy agricultural products of this country?

I mean by that, if they are bought, American products should be bought.

Mr. COOLEY. In the few minutes remaining I hope I can make my position perfectly clear. I shall, at the proper time, offer an amendment the purpose and effect of which will be to increase the appropriation by $1,000,000,000 and strike out the provisions inserted in the bill at the request of the gentleman from Ohio [Mr. VORYS]. In offering this amendment I am supported by the organizations and persons whom I have mentioned and by others. If my amendment prevails and the amount of the appropriation is increased by $1,000,000,000 and the Vorys amendment is stricken out then the gentleman from Texas [Mr. BURLESON] will offer another amendment. This amendment which will be offered by the gentleman from Texas [Mr. BURLESON] is an amendment which the gentlemen from Texas [Mr. POAGE and Mr. BURLESON] and I have been working on for the past several days. The effect of the Burleson amendment will be to give to the Members of this House an opportunity, in forthright fashion, to set aside this billion dollars for the purchase of agriculture commodities which the Secretary of Agriculture has not determined to be in short or inadequate supply. This billion dollars may be spent by ECA in acquiring agriculture commodities in the United States, its Territories and possessions, and from the Commodity Credit Corporation or from other sources in the continental United States or in our offshore Territories or possessions. Under the Burleson amendment the ECA will be using money which has been appropriated for ECA and will not be taking the assets of the Commodity Credit Corporation as provided by the Vorys amendment. The Burleson amendment meets the proposition head-on, forthright, and straightforward. If you want to direct ECA to use American agriculture commodities then give ECA the money with which to acquire such commodities.

Mr. GROSS. But they will buy them in this country, not some foreign country?

Mr. COOLEY. Under the Burleson amendment ECA would be permitted to spend up to $1,000,000,000 for agriculture commodities in this country, its Territories or possessions but could spend no part of the billion dollars in foreign countries. This amendment is far better than the Vorys amendment but in discussing the two together I do not want to leave the impression that the farm leaders and others which I have mentioned have gone on record as favoring the Burleson amendment. If this House wants to tie up some of ECA's funds then I urge you to do it in the American way and not by some sort of subterfuge.

I hope that you will read the several communications to which I have referred and which I am submitting for the RECORD.

The amendment which I shall propose is as follows:

Amendment offered by Mr. COOLEY to section 102 of H. R. 7797: Page 5, line 15, insert a period after the letter "(b)" and delete the remainder of page 5, all of pages 6 and 7, and extending through line 3 on page 8, and insert in lieu thereof the following:

"(3) Renumbering subsections (e), (f), (g), (h), (i), (j), and (k), as (c), (d), (e), (f), (g), (h), and (i), respectively.

"(4) Adding a new subsection (j) to read as follows: 'Notwithstanding any other provision of law wherever wheat or wheat flour is

procured under this title for transfer to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchase thereunder, the President, acting through the Commodity Credit Corporation, is authorized to make available, or cause to be made available, such wheat or wheat flour at the applicable price provided in that agreement.'

"(5) Renumbering subsection (1) as (k) and striking out the following therefrom: '(other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price support programs required by law)'."

Page 8, line 12: strike out "$1,950,000,000" and insert in lieu thereof "$2,950,000,000".

Page 8, line 4, redesignate subsection "(e)" as "(d)".

Page 10, line 4, redesignate subsection "(f)" as "(e)".

The amendment which I understand the gentleman from Texas [Mr. BURLESON] will offer is as follows:

Amendment offered by Mr. BURLESON to section 102 of H. R. 7797: page 7, line 25, add a new subsection (1) to read as follows:

"(1) Of the funds herein authorized for the fiscal year ending June 30, 1951, not less than $1,000,000,000 shall be available solely for the procurement of agricultural commodities and products in the United States, its territories and possessions: *Provided*, That no part of such funds shall be available for the procurement of any agricultural commodity or product in the United States, its territories and possessions, with respect to which the Secretary of Agriculture determines that the supply thereof is inadequate to meet the needs of American consumers: *And provided further*, That this subsection shall not prohibit the authorization of any such funds for the procurement of agricultural products and commodities now owned by the United States whether such commodities are located within or without the United States."

I call attention to the following communications which speak for themselves:

WASHINGTON, D. C., *March 23, 1950.*

DEAR MR. CONGRESSMAN: The four undersigned farm organizations are supporting the full ECA appropriation. We are opposed to the Vorys amendment for four major reasons:

First, the Nation has committed itself to a practical European recovery program based on the advancing of funds for purposes best calculated to promote the economic recovery of the participating nations. If the use of American surplus foodstuffs will best meet the needs in carrying out this program, this surplus will be used in the regularly established procedure of the ECA. Under the amendment, in case the European nations did not need the particular foodstuffs the Commodity Credit Corporation had in surplus supply, the amount available for carrying out the ECA program would be automatically reduced, and commodities needed might not be obtainable. We should live up fully to the other spirit of our undertaking in the European recovery program, just as we expect the participating countries to do.

Second, the plan calls for using the regular commercial channels of trade so far as practicable. The proposal would scrap that provision and substitute the Commodity Credit Corporation for these private channels. Stocks which would ordinarily be purchased through private channels would pile up and require more purchases by Commodity Credit Corporation, thus injecting more Government operations quite fruitlessly.

Third, the resolution would give rise to two great misunderstandings. Expenditures by the Commodity Credit Corporation occasioned by the ECA program would be charged to the farm program in the eyes of the public, instead of to the recovery program, for which the cost would actually be incurred. This would lend substance to the Russian claim that America is using ECA for the purpose of dumping its surpluses. Such apparent proof of her accusations would materially injure the successful outcome of the ECA operations.

Fourth, it will accomplish no good, since ECA will use all the foodstuffs the participating nations need, anyway, and this action would merely channel more produce through the Commodity Credit Corporation, serve to increase costs, and result in misinformation as to what the ECA is doing.

We, therefore, believe the amendment should be defeated.

Sincerely,

JOHN DAVIS,
National Council of Farmer Cooperatives.
ALLAN KLINE,
American Farm Bureau Federation.
JAMES PATTON,
National Farmers' Union.
ALBERT GOSS,
National Grange.

GREENSBORO, N. C., *March 23, 1950.*

Hon. HAROLD D. COOLEY,
House Office Building,
Washington, D. C.:

We urge your careful consideration of Vorys amendment. We doubt the wisdom of using CCC funds to supplement ECA without reimbursement. In our judgment, if ECA program serves its purpose, the purchases should be made through the normal channels of trade rather than through Government trading. This principle would tend to discriminate further against such commodities as tobacco that are stored under a loan and are not the property of Commodity Credit. It is our understanding that all the farm organizations have agreed that legislation of this type would discriminate against agriculture and would have a tendency to lower the price of the commodity to the support level.

A. C. EDWARDS,
President,
P. N. TAYLOR,
Vice President,
R. FLAKE SHAW,
Executive Vice President,
North Carolina Farm Bureau.

NATIONAL COTTON COUNCIL OF AMERICA,
Memphis, Tenn., March 23, 1950.

Hon. HAROLD D. COOLEY,
Member of Congress,
Washington, D. C.

DEAR MR. COOLEY: We understand the House of Representatives is scheduled to consider the ECA authorization bill within the next few days.

The bill reported by the committee authorizes an appropriation of $1,950,000,000 which is $1,000,000,000 less than the funds requested in the budget. However, the bill authorizes the transfer without reimbursement of $1,000,000,000 worth of surplus agricultural commodities owned or hereafter acquired by the Commodity Credit Corporation. This special provision is known as the Vorys amendment.

The amendment would not save taxpayers' money, as is claimed, since transfers from CCC would represent a loss which would have to be met the following year by a deficiency appropriation. All that would be gained is a deferment of the appropriation. Some might like to use this trick in an election year to make it appear the budget is being reduced.

In all probability, the deficit incurred this year would be charged next year against the ECA program or Agriculture. There can hardly be a net gain for ECA or for Agriculture.

If foreign markets in ECA countries are closed to two and five tenths or three million bales from the 1950 crop because of transfers from CCC, domestic market prices are likely to sag to the level of the loan with the result that CCC will undoubtedly accumulate at least the amount necessary to replace the cotton transferred through ECA under the Vorys amendment.

The amendment would certainly destroy private trade to ECA countries. It would cause the reestablishment of government buying and distributing agencies in those countries which would be difficult, if not impossible, to liquidate after ECA ends.

Obviously this type of legislation is dangerous. For the protection of all agriculture and the preservation of the free enterprise system, we urge you to use your influence to defeat the Vorys amendment.

Your cooperation will be appreciated.

Sincerely yours,

HAROLD A. YOUNG,
President.

MEMPHIS, TENN., *March 23, 1950.*

Hon. HAROLD D. COOLEY,
House Office Building,
Washington, D. C.:

It is inconceivable that any right thinking and informed American citizen could seriously entertain the proposed Vorys amendment to the ECA Authorization Act when it is recognized that this amendment strikes at the very heart of our private enterprise system upon which all individual freedoms vitally depend. It violates the traditional trade practices of the United States, and proposes State-to-State trading now identified with those antiquated, inferior, and un-American systems which every Member of Congress should feel honor bound to oppose. It would be extravagant use of taxpayers' money because the CCC assets thus depleted would have to be restored by further deficit financing. It would make more certain the impounding of our 1950–51 agricultural crops under Government loan programs, because farm prices would sink to loan levels and below when deprived of the traditional vigorous support of our private trade competitive system. Under this competitive system cotton farmers are now enjoying prices much above loan levels, and are reducing rather than increasing their Government-financed surplus stocks. It would bring the United States, the last great defender of the private enterprise system, into the ranks of State-to-State traders, thus giving such impetus to that alien practice as to make it virtually impossible to ever again restore private trade. Comprising as we do an important segment of the United States farmers traditional marketing system, we feel that we are qualified by long practical experience in world trading to counsel you against this amendment which would jeopardize the foundations of private trade upon which our superior United States economy rests, and would be contrary to the objectives of our ECA program and other international undertakings by which at much expense and sacrifice, we are defending those American principles which the Vorys amendment would undermine.

Respectfully urge your active opposition to this amendment.

JOHN S. DILLARD,
President, Memphis Cotton Exchange.

MEMPHIS, TENN., *March 22, 1950.*

Hon. HAROLD D. COOLEY,
House Office Building,
Washington, D. C.:

Southern Cotton Shippers Association, whose membership consists of majority of cotton factors, merchants, and shippers in States, Tennessee, Mississippi, and Louisiana, unanimously opposed to Mr. VORYS' amendment to ECA bill, which provides that Com-

modity Credit Corporation shall furnish up to $1,000,000,000 worth of commodities it now owns or hereafter acquires to ECA countries before it authorizes any procurement of surplus agricultural commodities. Our opposition to said amendment based on following objections which we respectfully submit for your earnest consideration: (1) it would not effect any savings for the American taxpayer; (2) it would complicate national budget, as it would deplete Commodity Credit Corporation's assets and necessitate further deficit spending; (3) it would jeopardize Commodity Credit Corporation's funds for next year; (4) it would impound 1950–51 crops because prices will decline to support levels; (5) it would destroy private trading and encourage State-to-State transactions, a trend already indicated in many governmental circles, and it would be almost impossible to bring back private trading if said amendment included in ECA bill. Urge your careful consideration foregoing objections of our members.

Respectfully submitted.

SAM G. LORING,
Secretary and General Manager, Southern Cotton Shippers Association.

NEW ORLEANS, LA., *March 23, 1950.*

Hon. HAROLD COOLEY,
House Office Building,
Washington, D. C.:

Reported favorable committee action on Vorys amendment to ECA bill is viewed by us as a serious threat to the structure and stability of the American commodity marketing system. We respectfully solicit your interest and vigorous opposition to this legislation. Merchants, exporters, and others engaged in the marketing, handling, and world-wide sales, under costly and highly competitive conditions, of raw cotton and other commodities produced by the American farmer foresee disaster in the Vorys proposal. Contrary to expressed opinion the legislation will not save the American taxpayer money because the Congress would have to reimburse the Commodity Credit Corporation for its outlay, such legislation would tend to depress commodity prices for the 1950 crops demoralizing the open market and forcing the gravitation to the Government loans of a large proportion of the crops. We cannot see the justification of the American taxpayers continued support of the ECA program to restore the economy of the world, if at the same time it wrecks our own. The Vorys legislation is a flagrant and intolerable violation of the requirement of public notice and hearing prior to the use of other than usual and customary channels, facilities, and arrangements of trade and commerce. We have confidence in your judgment and acceptance of our competence through long experience to counsel against this proposed legislation as hazardous to the foundations of private trade upon which our economy rests. Your assurance of assistance in blocking this move will be appreciated.

J. E. GOULD,
President, New Orleans Spot Cotton Merchants Association.

AUGUSTA, GA., *March 24, 1950.*

Congressman HAROLD D. COOLEY,
Washington, D. C.:

The Atlantic Cotton Association with members from five Southeastern States in annual convention assembled hereby go on record in opposition to the Vorys amendment to the ECA appropriation bill, H. R. 7797. Among other things it will destroy private trading and encourage State-to-State trading, a trend already indicated, and it would be almost impossible to bring back private trade.

ATLANTIC COTTON ASSOCIATION.
ATLANTA, GA.

NEW YORK, N. Y., *March 23, 1950.*

Hon. HAROLD D. COOLEY,
Chairman, House Committee on Agriculture, House Office Building, Washington, D. C.:

Your attention is urgently directed to the amendment offered by Representative VORYS to the ECA authorization act. This amendment aims a body blow at the free-enterprise system as it foreshadows the elimination of private trade and might well serve as a precedent for the future which is completely incompatible with all the background, progress, and history which has made this country great. It is this type of system which we have deplored abroad and your vigorous opposition is earnestly suggested.

CHARLES B. VOSE,
President, New York Cotton Exchange.

TOBACCO ASSOCIATES, INC.,
Washington D. C., March 24, 1950.

The Honorable HAROLD COOLEY,
Chairman, House Committee on Agriculture,
House Office Building,
Washington, D. C.

DEAR MR. COOLEY: This is in connection with the Vorys amendment to the ECA bill. While I believe that this amendment represents a sincere attempt to aid in the movement of Government-owned commodities, I do not believe that it would accomplish this objective.

First, under this proposal, there would be no net savings in the combined cost of the ECA and CCC programs. The savings in ECA funds would be fully offset by increased losses by CCC.

Second, I do not believe that this amendment would result in any net increase in the export of agricultural commodities. Some stocks now held by the Government would be moved, but purchases by private exporters would be reduced and the Government would be required to increase its takings of current marketings. The net effect of the change would be to channel larger quantities of commodities through the Commodity Credit Corporation. This would increase the cost of marketing.

Third, any forced movement of surplus farm commodities, under an arrangement of this kind, would tend to build up resentment that would affect exports in later years. Thus, the use of ECA funds would have the exact opposite effect from that contemplated in making these funds available.

Finally, this amendment would tend to encourage state trading, in that Government-held stock would be offered in large volume, and foreign countries would be encouraged to set up Government-sponsored buying commissions to purchase these holdings. Since the end of the war, considerable progress has been made in the reestablishment of private-trade connections, and the reestablishment of buying commissions would nullify the gains that have been made.

Sincerely yours,

J. B. HUTSON.

WASHINGTON, D. C., *March 23, 1950.*

Hon. HAROLD COOLEY,
Chairman, House Agricultural Committee, House Office Building:

Vorys amendment to ECA bill proposes use of Government-held stock in filling foreign requirements. While this might result in some movement in present stock, it would also stop purchases by private exporters and this would be disadvantageous to tobacco growers. Under it stabilization stock a year from now probably would be larger than without it. For these reasons I urge that this amendment be eliminated.

CARL T. HICKS,
President, Flue-Cured Tobacco Cooperative Stabilization Corp.

WASHINGTON, D. C., *March 23, 1950.*

Hon. HAROLD COOLEY,
Chairman, House Agricultural Committee, House Office Building, Washington, D. C.:

Vorys amendment to ECA bill would lead to state trading in leaf tobacco. Destroy private initiative in selling tobacco and cripple industry which has contributed greatly to the development of foreign market for leaf tobacco. We urge that the amendment be defeated.

J. C. LANIER,
General Counsel, Leaf Tobacco Export Association.

HUDSON, IOWA, *March 23, 1950.*

Hon. HAROLD COOLEY,
Chairman, Agriculture Committee, House of Representatives:

The American Soybean Association strongly opposes the Vorys amendment to ECA bill. It will defeat the very purpose of the ECA program, defeat or imperil our farm program, and institute a system of state trading which is the worst kind of socialism. Please do everything in your power to defeat the amendment.

GEO. M. STRAYER,
Secretary, American Soybean Association.

ECA COMMENTS ON MR. VORYS' PROPOSED AMENDMENT FOR THE USE OF CCC STOCKS IN THE EUROPEAN RECOVERY PROGRAM

MARCH 20, 1950.

The effect of this amendment would be to reduce the appropriation for ECA by $1,000,000,000 and, in substitution, to give ECA authority to draw upon stocks of the Commodity Credit Corporation of a corresponding value to meet the requirements of the participating countries. But this billion-dollar credit could be used only for shipments from those CCC stocks acquired for price-support purposes, and only for that portion of those stocks that the Secretary of Agriculture finds to be available for foreign assistance. Any procurement of commodities outside this limited category would have to be financed out of ECA's reduced appropriation.

For the reasons outlined below, ECA is opposed to the amendment. In the first place, it should be recognized that it will not reduce the cost to the taxpayer of the combined ECA and CCC programs. It is true that the amendment would result in a larger aggregate, and perhaps a more rapid, movement of CCC stocks which might have the effect of reducing such stocks temporarily. But simultaneously there would be a corresponding slowing up of ECA-financed exports of the same surplus agricultural commodities through commercial channels and a consequent increase in commercial stocks. These stocks would have to be acquired by CCC later in carrying out its price-support operations. This movement into and out of Government stocks would require additional administrative work and expense without making any net contribution to solving the problem of agricultural surpluses. As long as stocks in commercial channels are more than enough to meet all domestic and export requirements, obviously it makes no practical difference whether the supplies for participating countries come from stocks already in the hands of the Government or from those which would be turned over eventually to the Government under price-support programs. Hence, though ECA would spend up to $1,000,000,000 less of its appropriated funds, CCC would need a similar sum in order to acquire, under its price-support program, those stocks which would otherwise have been taken off the market by direct purchases from the producers by the Europeans with

ECA financing. The over-all cost to the Government under the amendment might actually be greater because to whatever extent price-support programs can be maintained without the Government actually taking possession of the commodities, there is a saving of administrative, transportation, and handling costs.

The proposed amendment would eliminate entirely export business through private trade channels for up to $1,000,000,000 worth of agricultural commodities. Its effect, therefore, would be completely inconsistent with the directive in section 112 (h) that "the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade." It would also be incompatible with the "small business" amendment to the act (sec. 112 (i)).

In accordance with these provisions of the act, it has been the policy of the Administrator and of the Secretary of Agriculture to encourage an ever-increasing proportion of procurement for participating countries through private trade channels and less through public procurement agencies. The proposed amendment would completely reverse this trend.

The proposed amendment presents other difficulties. As an illustration, CCC does not have stocks on hand at any given time of all commodities which might be required by participating countries of the kind and quality desired and at the time needed.

The principal method used by CCC in supporting prices is through nonrecourse loans to farmers. Under this arrangement, CCC, for example, might have on hand in November soft winter wheat carried over from the previous year but would not have stocks of hard winter wheat available for filling requirements of participating countries at that time of the year. Later in the year, CCC might have large stocks of hard winter wheat which came into its possession when the nonrecourse loans became due and farmers turned their wheat over to CCC in settlement thereof. Likewise, CCC might have large stocks of cotton, but of grades and staples not needed nor normally used by mills in the participating countries. This would make it impossible for such countries to obtain their requirements from CCC stocks and force them either to do without or to request authorization to buy with the greatly reduced appropriated funds. This, in turn, would force the participating countries to do without other products and commodities, not only agricultural but also industrial, essential to their economic recovery.

Because of the composition of CCC stocks at any given time (as distinguished from the composition of the loans it has made), it is entirely possible that the proposed amendment would reduce rather than increase the exports of surplus agricultural products. For example, CCC's tobacco price-support program operates almost entirely on the loan basis—the stocks of tobacco actually held by CCC are relatively small and quite inadequate to meet European requirements. Therefore, the proposed amendment would provide no means for financing purchases of this commodity. In order to maintain, out of the reduced appropriation, an adequate supply of industrial and other goods, participating countries might be forced to reduce severely their purchases of American tobacco. Moreover, weather or other conditions affecting production may reduce the acquisition by CCC of any commodity for price-support purposes, and that commodity would then be unavailable in CCC stocks in sufficient quantity to meet the needs of the ECA countries. Hence, a part of the proposed $1,000,000,000 credit might, in effect, be unusable—at least for commodities really required by the participating countries. At the same time other surplus agricultural commodities for which a real requirement existed could not be obtained because the price-support program has not yet resulted in any accumulation of CCC stocks.

It is also apparent that there would be less freedom of selection on the part of participating countries according to class, type, or grade, and correspondingly less incentive on the part of CCC to deliver goods which met the requirements of participating countries. This is important, not only from the standpoint of making the most effective use of the American taxpayers' dollars, whether they be dollars appropriated to ECA or furnished by CCC in connection with its price-support operations.

One of the major objectives of the Economic Cooperation Act is to bring about the recovery of European countries so that normal trade may be reestablished; and in pursuing that objective, it is of the utmost importance that commodities of the kind and quality be furnished which will bring repeat orders and maintain the well-established reputation of American agricultural products in foreign countries. The amendment reduces the incentives to develop and maintain satisfied buyers.

Certain other more general and intangible considerations should be taken into account in judging the probable effect of the proposed amendment.

It is recognized that the amendment is not intended as a "surplus dumping" proposal, since it provides clearly that surplus commodities shall be made available only when needed and in acordance with genuine requirements of the participating countries. Even so, it is dangerous, from the standpoint of the use which would be made of it by Communist propaganda, to set up such a direct connection between surplus stocks held by the United States Government and the provision of commodities under the foreign-aid program. We may be sure that most effective propaganda use will be made of the fact that no supplies of the commodities involved will be made available except from our surplus stocks. It will be much easier for the Communists to persuade people abroad that they have been correct in their often repeated claims that the sole purpose of the ERP is to get rid of United States surpluses.

It is also a matter of concern to ECA that adoption of this amendment would lead to claims by producers of nonagricultral commodities that they were being discriminated against unless some means were found for accomplishing similar results for their products. It could, of course, be pointed out that the United States Government does not purchase and hold stocks of their products. Nevertheless, proof might be submitted in the case of certain products that demand did not absorb available supply, and that therefore steps should be taken to earmark ECA funds for moving the excess, so that production and employment might thereby be maintained. It would certainly be more difficult to resist such action, which would have the most serious effects on the success of the recovery program, if the proposed amendment were adopted.

MARCH 23, 1950.

Hon. SAM RAYBURN,
Speaker, House of Representatives.

DEAR MR. SPEAKER: My attention has been called to the fact that H. R. 7797, a bill to provide foreign economic assistance, was introduced in the House of Representatives on March 22, after approval by the Committee on Foreign Affairs. This bill contains provisions known as the Vorys amendment, which, among other things, would transfer $1,000,000,000 of Commodity Credit funds to the Economic Cooperation Administration.

The effects of these provisions are very far-reaching and not only would be adverse to the long-time interest of agriculture but the short-time interest as well. Under the amendment, stocks in Commodity Credit Corporation price-support inventories up to an amount not to exceed $1,000,000,000 would be required to be made available without reimbursement to the Corporation from any appropriation. This has three effects: (1) It impairs the capital of Commodity Credit Corporation by $1,000,000,000 and permanently reduces the borrowing power of the Corporation by $1,000,000,000 in that it denies to the Corporation any method of restoring its impaired capital; (2) it charges as cost of the farm program the cost of those commodities supplied pursuant to the act, regardless of whether those commodities could be carried and subsequently disposed of without loss or at only slight loss; and (3) it allows the Administrator to acquire in private trade channels only those commodities which Commodity Credit Corporation may not have in its stocks or which the Administrator needs in excess of the billion-dollar limitation.

Obviously market demand in foreign countries for the products of American farmers will not be improved by forcing those markets to absorb commodities that just happen to be in the inventory of the Commodity Credit Corporation or which are not what the foreign countries would most like to have.

By making it mandatory for the Administrator of ECA to take commodities only from the Corporation will merely substitute the Commodity Credit Corporation for normal channels of trade in carrying out marketing in foreign countries. To the extent any commodity desired by a foreign country is available in the United States open market and cannot be obtained by such foreign country, Commodity Credit Corporation will supply the item and then have to buy it for price support in the domestic market. This is just the reverse of the oft-stated policy and endeavors of the United States Government to restore foreign trade to normal channels of commerce to the maximum extent possible. Such a program as this envisions is clearly a dumping program and will be immediately labeled as such by communistic elements abroad. Agricultural markets that are obtained through such objectionable means can only result in ultimate injury to the best interests of the American farmer.

It is urged that the entire philosophy of this amendment be rejected, that the Commodity Credit Corporation be left in the position of supporting the prices of agricultural commodities, and that the Economic Cooperation Administration be permitted to continue its highly successful efforts of aiding in the recovery of Europe through the normal channels of trade and commerce.

Attached hereto is an analysis of the Vorys' amendment affecting section 112 of the Foreign Assistance Act of 1948.

Sincerely yours,

———— ————,
Secretary.

Mr. M. E. WALTER,
Editor, the Houston Chronicle,
Houston, Tex.

DEAR MR. WALTER: The directors and members of the Houston Cotton Exchange have requested me to write you about the editorial in yesterday's Chronicle, under the heading "Make it part food," in which you expressed approval of Representative VORYS' amendment to the ECA bill, which directs the Commodity Credit Corporation to give a billion dollars' worth of surplus United States farm products to the Marshall plan countries in lieu of cash. They believe that your approval results from a misunderstanding of the significance of the amendment.

Senator MCCLELLAN, of Arkansas, introduced an amendment to the ECA bill last year to require that a stated portion of the ECA funds then appropriated be spent on surplus United States farm products. This amendment was not adopted.

The amendment which Representative VORYS has introduced provides instead that the Commodity Credit Corporation give the beneficiary countries surplus farm products of a value of a billion dollars—something like two-thirds of the farm products that these countries will receive from us under the Marshall plan for the fiscal year.

These amendments look alike but are very different in their effects.

Take the case of cotton. At the end of this crop year (July 31), the CCC will own about 5,000,000 bales. The marketing-quota provisions of the farm laws compel the cotton growers to reduce their cotton acreage by about 21 percent this year. With average growing conditions, this reduced acreage might produce 12,500,000 bales; and it could be much less if the insect scourge proves such as is likely after this mild winter, which has been favorable to insect multiplication, and after the unusually dry winter in west Texas, United States consumption and exports are running at the rate of 13,500,000 bales annually.

If neither of these amendments were adopted or if the McClellan amendment were reintroduced and adopted, the mean expectancy would be that United States consumption and exports in the 1950–51 crop year would take at least a million bales more than the 1950–51 production. In that event, the CCC would acquire no 1950 crop cotton in its cotton-loan operations—and would liquidate a million bales of its old pooled stocks—or, if it acquired new cotton, it would liquidate correspondingly more of the pooled stocks; so that the CCC cotton stocks would be a million bales less at end of July 1951 than this summer, and very little cotton of the 1950 crop would have been handled through the 1950 CCC loan. The growers would sell their crops, except for redundant qualities, between the loan rates and the prices at which the CCC would sell its stocks, which are required by law to be at least 5 percent higher than the loan rates. The domestic and export distribution would be merchandized by private citizens and taxpayers.

If the Vorys amendment is adopted, the CCC itself will furnish by grant at least 2,500,000 bales of the export requirement. If total distribution is 13,500,000 bales and the crop 12,500,000, this would mean that 1,500,000 bales of the 1950 crop would not be needed for distribution. In that event, the prices to the growers would be around and below the CCC loan rates; a great deal of 1950 crop cotton would go into the loan; and the CCC stocks would be reduced by a million bales—as they would be without either amendment or with the McClellan amendment. At least half the export business, say 2,500,000 bales, would be handled by a Government agency and taken away from private citizens and taxpayers.

So the Vorys amendment would mean that all cotton growers would get less for their 1950 crop; that the Government would handle a great deal more of the 1950 crop; and that the Government would take away from private citizens and taxpayers more than half of the cotton export business.

No one would gain. We simply would be pumping cotton artificially through a Government agency, with all the expense and inefficiency which that involves, instead of letting it flow through the accustomed efficient and economical private and taxpaying channels. And we would be contributing to socialization by turning over our export cotton business to nontaxpaying governmental bureaucracy.

All cotton growers would be injured; because they would get a lower price. All cotton dealers (taxpayers) would be injured by losing about 20 percent of their volume to the Government.

The injury would be greater in Texas, Louisiana, south Mississippi, California, and Arizona than elsewhere. Our freights are high to the center of United States cotton spinning in the Southeast and are low to ports. So the United States mills draw most of their cotton from the farms of the Southeast and the upper Mississippi Valley; and most of the export business is supplied from Texas, Louisiana, south Mississippi, Arizona, and California.

For these reasons, the cotton growers of this immediate area would suffer more than most other cotton growers if the Vorys amendment were adopted. No group would be so seriously injured as the taxpaying cotton trade of Houston, whose principal business is the export business. No one would gain; for the taxpayers would simply be putting up a billion dollars for CCC instead of ECA—just an alphabetical variation.

Yours sincerely,

L. R. C. TOWLES,
Acting President, Houston Cotton Exchange.

MARCH 23, 1950.

Mr. VORYS. Mr. Chairman, I yield myself 10 minutes.

Gentlemen of the farm bloc your so-called humbug friend salutes you. My knees are trembling, because I realize that in my ignorance I have stumbled into the opposition of the most powerful lobby in the United States. I am not only up against the great farm organizations and my eloquent and persuasive friend from North Carolina but I am up against 59,556 regular employees, 12,274 part-time employees, and 137,037 State and county committeemen, a total of 208,867 in the Department of Agriculture.

All I can plead is this: I just wanted to do something that was very, very simple. I sensed that the House and the American people were alarmed over our dollar shortage and wanted to cut down on the amount of dollars we should spend on foreign aid. I sensed that our people were alarmed over our piled-up farm surpluses, and I thought if we would simply turn over a billion dollars worth of farm surpluses that the taxpayers have paid for and already own, and put them into a market that would not hurt our market here at home, put them over in Europe 3,000 miles across the ocean, and let them be sold to hungry people over there, it would not hurt our farmers and it might help the American taxpayer in the amount he is spending on foreign aid.

I thought the removal of a billion of surpluses from hanging over the American market might be of some benefit to American agriculture because of the indirect depressing effect of such surpluses on farm prices.

I did not know the farm bloc. I did not realize until I got into this just what I was up against.

We not only have the farm bloc, but we have some distinguished newspapers saying this is a humbug, and that it will not save a dime. It clearly saves a billion on foreign aid. Why will it not save a dime? Because they assume we are to go on and on buying surpluses from American farmers and doing nothing with them; that we do not dare to sell them or give them away in this country or any place else in the world; that we are going on, paying $200,000,000 a year—$25,000 an hour—for storage on them; that we have to learn to like it and that we are going to keep on doing it this year, next year, and forever.

I think they are wrong in that assumption. I think that the American people see the great glut of farm surpluses and are not going on this way forever. Here are some pictures of what Life magazine has called The Great Glut:

After spending four billions on farm policy, the United States finds it has made abundance a curse.

A lot of our people are seeing that in this country and a lot of them are seeing the article in Reader's Digest for April, entitled "Farm Politics Versus the People." They are reading their the condensation of The Great Glut.

Here are some quotes from this article:

"When will the politicians pay some attention to the rest of us, too?"

* * * * *

The time has come for a sensible, honest, radically new agricultural act. The Government's farm price-support program, after 17 years, is coming full circle to its logical, preposterous conclusion.

"A Department of Government with thousands of employees is going daily about the business of causing all of the people of the country to pay higher prices for food."—Mark Sullivan in New York Herald Tribune.

It has erected a falsework of bogus values under the whole farm economy, which would collapse into ruin if the support were suddenly removed. It is forcing farmers to produce wildly in excess of any reasonable American capacity to consume. It is responsible for most of the $1,800,000,000 deficit in the last fiscal year and at least one-fourth of the larger current deficit. It is one of the most potent of inflationary influences.

* * * * *

The Government's Commodity Credit Corporation has a current investment of close to $3,000,000,000 in loans, in products acquired when loans were called, in purchases and in agreements to purchase. Last year it actually took over 21 percent of the wheat and 26 percent of the cotton crops. It has managed to dispose of only relatively small amounts, mostly to occupied countries, ECA, charitable outfits, and organizations furnishing free lunches for school children. Thus, besides its loans, it is left with a fantastic $2,000,000,000 inventory:

Nearly 5,000,000 bales of cotton, worth about $750,000,000—about a 7-month supply for the Nation's cotton mills.

Nearly 400,000,000 bushels of wheat costing around $900,000,000—enough wheat to give everyone in the United States more than 1 loaf of bread a week throughout a full year.

Nearly 600,000,000 bushels of corn worth around $9,000,000,000—one-fourth as much corn as was fed to United States livestock and poultry last year.

More than 70,000,000 pounds of dried eggs costing close to $100,000,000—enough to last United States bakers 5 years.

More than 100,000,000 pounds of butter costing more than $60,000,000—probably more than Russia's annual output.

About a quarter of a billion pounds of dried milk worth over $30,000,000—three-fourths of a year's supply for the United States.

* * * * *

There is little hope that CCC's colossal inventory will melt away. On the contrary, present farm policies are bound to increase it. The 1949 corn crop turned out so well that nearly 600,000,000 bushels will probably be put under loan. * * * Prices of hogs are at 3-year lows, and CCC may soon have to buy pork on a grand scale. The western plains are enjoying another year in the wet cycle, and another billion-bushel wheat crop

is in sight. CCC may well exhaust its disbursing limit of $5,500,000,000 by next summer, and will need even more money in the fiscal year 1950–51.

* * * * *

Commodities are being stored in oil tanks, hangars, gymnasiums, schoolrooms, and laid-up ships. This fiscal year at least $80,000,000 is being invested in additional space.

* * * * *

The Department has asked farmers to cut acreage of wheat, cotton, potatoes, peanuts, and tobacco, but whether this will cut production is another thing. Better seed and more fertilizer may well maintain output despite somewhat smaller acreage. And acreage taken out of restricted crops will be shifted to other crops, causing new gluts, new purchase and price pegs.

* * * * *

The time has come, to repeat, for a radically new farm act that will gradually ease the price-control false-work from under the farm economy, expose it to the genuine incentives of the open market, and get rid of the growing multitude of bureaucrats and hangers on in the Government.

* * * * *

The time has plainly come for the politicians to pay attention not only to the bureaucrats and to the farm organizations but to the rest of the people as well.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. VORYS. No, I cannot yield. I have enough troubles with these 208,000 people in the Department of Agriculture, because I have the temerity, not to oppose them because I would not dare oppose them, but the temerity to make a humble request from them. I do not dare to yield.

Now, Mr. Chairman, here is where they are wrong in saying that there is no conceivable saving by this amendment. In the first place, there is a saving of a billion dollars on foreign aid. But they say you are not going to be able to save that. Why? Because the Commodity Credit Corporation has to get immediately another billion dollars to spend to buy more surplus stuff on the open market, in addition to the two billions they got last week. They make no suggestion, nor does CCC or Brannan, to remove the surpluses that we now have—those surpluses are going to stay there and rot. On March 1 the Secretary of Agriculture, Mr. Brannan, presented in committee hearings his request for $2,000,000,000 more for CCC to spend on agricultural surpluses, and he got it. He said there will be $3,900,000,000 of surpluses left in CCC hands at the end of this year. They are not going to do anything with that. They want, in addition, this money which Congress is to appropriate in the name of foreign aid to use for farm aid. They are so sure they are going to get it, that they say this is a humbug, even to try to save this money. They are mistaken. Secretary Brannan, himself, testified on March 1 on the $2,000,000,000 CCC price-support bill, as follows:

Bear in mind we are discussing needs in connection with 1950 crops which have not yet been planted. Variations in any one of several factors will result in changes in fund needs.

The reason they say we are automatically going to spend a billion dollars more for farm surpluses is that they think there is going to be no variation ahead at all and that the farmers, as all the papers state, are going to pay no attention to the controls and quotas, and they are going to plant plenty of peanuts and cotton and walk right in and get Government money for it.

Well, there is a possibility, I suggest, that it may not work out that way. In any case, I am not opposing their plans. I am not opposing the Commodity Credit Corporation. I did not oppose the little $2,000,000,000 that they picked up last week which they thought might run them along for quite a while. I am not opposing the projects of these gentlemen who added additional acreage, as Congress did last week, for the very crops which are going to be in surplus.

All I say is, do not take it out of foreign-aid funds. Let us in this bill provide the resources which Europe needs by furnishing them crops which the taxpayers have already paid for and do not insist that we leave those crops here to rot, while we go out and buy more as a farm-support scheme.

I think this farm surplus business is a serious matter. I do not know the solution. All I plead for is to keep it out of this bill. Keep it out of foreign aid. Do not have Paul Hoffman carrying on his back, in addition to the load of foreign aid, a billion dollars in future farm aid.

The farm bloc say that this Vorys plan is a vote against private trading and free enterprise. They want our Government to finance private transactions on the open market. I call that state trading, not private trading. They want government support without government controls. I do not think that is going to last indefinitely, but they have just about got it now. I do not think that an enterprise supported by government money can be called free enterprise. I want to see the farmers and the farm organizations of this country come out for real free enterprise and private trading. I do not know how they will do it. They have their problems. I do not pretend that I know how to solve them. I only ask those farm organizations and the 208,000 employees, and my genial friends in the Agricultural Department and the leaders of the farm bloc here in the House to please lay off of foreign aid. Please do your farm aid on your own time, in your own committees, and with your own money. If you need a billion dollars, get it some place besides putting it into the foreign-aid bill. At least let us use our surpluses to carry out the Marshall plan.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. VORYS. Mr. Chairman, I yield myself three additional minutes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. COOLEY. The Committee on Agriculture will agree in substance with what the gentleman has just said. We want ECA to lay off of agriculture and not reach in and take away from us $1,000,000,000 worth of agricultural assets and throw it onto the relief program and charge it up to the farmers of the United States.

Mr. VORYS. Oh, no.

Mr. COOLEY. Now, is it not a fact that ECA contemplates purchasing $1,600,000,000 worth of agricultural commodities in this country anyway this year?

Mr. VORYS. No.

Mr. COOLEY. How much?

Mr. VORYS. There is $1,626,000,000 of agricultural products going to Europe, from the United States, according to ECA, but of that total ECA will procure only $1,122,000,000 in the United States.

Here is the list of what Europe's requirements are that ECA will furnish from our country. There is no "dumping" about this. The Vorys plan prohibits dumping surpluses that cannot be used. ECA approves of at least that part of the plan. This list shows that a billion of it can easily be furnished from CCC surpluses now on hand:

Commodity Credit Corporation stocks and loans, Jan. 31, 1950, compared with estimates of commodities to be financed by Economic Cooperation Administration, fiscal year 1951

	Imports financed by Economic Cooperation Administration (FAS)	Commodity Credit Corporation stocks, Jan. 31, 1950	Commodity Credit Corporation loans, Jan. 31, 1950	Loan due date
Cotton	$474,700,000	$614,500,000	[1] $382,500,000	June 30.
Wheat (and rye)	457,200,000	[1] 382,900,000 74,300,000	585,000,000	Apr. 30.
Coarse grains	135,200,000	209,700,000	648,000,000	Apr. 30 to Aug. 31.
Soybeans	12,000,000	[1] 6,900,000 5,100,000	15,900,000	May 31.
Linseed and linseed oil	3,000,000	201,600,000	29,600,000	Apr. 30.
Cheese	5,000,000	8,500,000		
Peanuts	7,500,000	9,200,000	17,600,000	June 1.
Eggs	2,500,000	98,100,000		
Wool	7,000,000	40,100,000		
Rosin	8,000,000	17,100,000	12,300,000	Mar. 31.
Turpentine	1,500,000	[1] 1,000,000 500,000	1,300,000	Do.
Dried fruit	9,300,000	[1] 5,700,000 3,600,000	[2] −3,600,000	
Total	1,122,900,000	1,595,300,000 83,500,000	1,692,200,000 3,600,000	

[1] Jan. 31, 1950, stocks less than estimated requirements by Economic Cooperation Administration for fiscal year 1951.

[2] Jan. 31, 1950, stocks plus loans (if any) less than estimated requirements financed by Economic Cooperation Administration.

ECA will procure altogether in agricultural products $1,396,500,000 from the dollar area, including the United States. Over half of the supplies needed by Europe to continue their recovery this year are food and agricultural supplies from the United States. Part of it will be furnished by ECA, part privately. That is doing pretty well by American agriculture.

Mr. COOLEY. The gentleman asked us to keep agriculture off the back of foreign aid. What I am asking you to do is to keep foreign aid off the back of agriculture. That is the issue.

Mr. VORYS. Now, let us just see who is on whose back. The amendment you are going to have to vote on, when it is presented, is going to add $1,000,000,000 of authorizations for appropriations for foreign aid. That is what it will do. It is going to be $1,000,000,000, without trimmings, or a billion dollars, but they have to spend it all for agriculture. You can figure out who is carrying the load for whom when that amendment comes up.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. RICH. The gentleman from North Carolina [Mr. COOLEY] talked about foreign aid keeping off the back of agriculture. Last week you gave the Commodity Credit Corporation $2,000,000,000 to buy farm produce.

Mr. VORYS. I did not; the House did.

Mr. RICH. Well, I did not either, but the question now is, you have got foreign aid on the back of agriculture and you have got agriculture on the back of foreign aid, but you have got the whole business on the backs of the American taxpayers. It is about time to take them off.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. KEATING. I wonder if the gentleman could clear up this point for us: If the gentleman's amendment were adopted would that not result in a credit to the CCC of $1,000,000,000 which would be chargeable to the foreign-aid program? In other words, thereby reducing the necessity for increased operating capital on the part of the Commodity Credit Corporation by $1,000,000,000?

Mr. VORYS. If what gentleman's amendment were adopted?

Mr. KEATING. Your amendment.

Mr. VORYS. The gentleman is entirely in error; I have no amendment at all pending to the committee bill; there is no Vorys amendment pending to the committee bill. The Vorys plan is written into the committee bill in several places. The farm bloc and their friends will offer amendments to take it out, but the committee bill, under the Vorys plan, does not give the Commodity Credit Corporation any money to play with at all; it simply uses a billion dollars worth of commodities that the Commodity Credit Corporation has already purchased and cannot sell, and does not dare to give away here at home. It uses it for the benefit of this foreign-aid program. The significant thing is that we had stirring letters from our President and from Senator VANDENBERG urging that we go forward with this program, yet neither of those letters made any objection to the Vorys plan which is in the committee bill.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KEE. Mr. Chairman, I yield 7 minutes to the gentleman from Indiana [Mr. NOLAND].

Mr. NOLAND. Mr. Chairman——

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. NOLAND. I yield.

Mr. COOLEY. We gave the Commodity Credit Corporation increased borrowing power last week to the extent of $2,000,000,000. Does not the gentleman realize that to have the Vorys provision inserted in the bill is to take away from them one of the two billions?

Mr. NOLAND. The gentleman is obviously correct. I hesitate to enter the debate with members of these two great committees, the Committee on Agriculture, and the Committee on Foreign Affairs, but I must confess that I think the Vorys plan is a sleight-of-hand proposition, as far as the Federal Treasury is concerned. That is evident from the merest consideration of the elements of economics, for all it consists of is saying that we are going to take a billion dollars that has already been spent by the Commodity Credit Corporation and use it for relief funds. That means that a billion dollars that would have gone into the open market to buy farm products will not go into it; it means that the market is going to be easy, and that the Commodity Credit Corporation is going to have to come in and support the prices of agricultural surpluses. It means that in the open market the CCC will make a balancing transaction and that it will be charged to the CCC pocket instead of to the foreign relief pocket. I think it is merely a sleight-of-hand proposition, one of the things we here in Congress indulge in time after time trying to kid ourselves and to kid our constituents. The facts are that it is a balancing transaction; and I am of the opinion that when the gentleman representing the Committee on Agriculture offers the amendment it should be adopted.

Mr. Chairman, I rise in support of the recommended ECA appropriation provided in this legislation.

The Marshall plan has definitely been a success, and it has established the United States as the greatest power in the world and the one country most interested in preserving peace in the world. Its success, above all else, has been in the prevention of the scourge of communism from overrunning Europe.

Let us review for a moment the reasons why the United States entered upon this great experiment. In the first place, prior to World War II, 50 percent of the manufacturing productive power of the world was concentrated in western Europe. At the close of the war, the governments of all these nations were weak and helpless, and were in great danger of being overrun by the Communists. If the Soviet Union had been successful in dragging into the Cominform the democratic nations of western Europe, we would be facing today an arms race that would make the $13,000,000,000 appropriation for this year only an infinitesimal part of the expenditure that would be necessary at this time.

In addition, we would be in conflict with Russia for the international markets of the world. We would see the use of Hitlerian tactics in freezing American products out of these markets. We might see a decline in output and production in American factories, resulting from this elimination from world markets. The unemployment resulting could well be more costly than the money that is expended on the Marshall plan; and the arms race in which we would be engaged would result in a greatly increased national debt.

To meet this challenge, the Marshall plan was devised to give aid in the reconstruction of Europe. It has been a success. It has accomplished three things:

First. It has been primarily responsible for stopping the onslaught of communism.

Second. It has been important in maintaining peace in the world.

Third. It has been responsible for helping rebuild western Europe, a Europe which will be a market for the industrial and agricultural output which we are able to produce in excess of demand in this great United States.

After the adjournment of Congress last fall, I spent 5 weeks in Europe visiting six Marshall-plan countries—England, France, Italy, Austria, Germany, and the Netherlands. I was interested in the workings of the Marshall plan and talked to many of our ERP representatives there. At this point, I should like to speak a word of praise for Paul Hoffman and the administrators he has gathered around him to administer the Marshall plan. Most of them are not Government-career employees, but are men who were recruited from private industry by Paul Hoffman. I believe that the chiefs of our ECA missions in Europe on the whole are hard-headed businessmen who are interested in completing their job by 1952 and returning to their regular civilian occupations.

It was the general opinion in the six countries that I visited that the communistic influence and power is steadily declining. I said when I returned last fall that I did not think that we should write off the threat of communism immediately as being inconsequential because about one-third of both the French and Italian Parliaments are still communistic. In all of the larger cities of Europe, local Communist organizations are spreading their propaganda daily in the Communist press. The recent riots and disorders in Italy bear out the fact that the Communists are still extremely active. This is not suprising since many mayors in larger cities of northern Italy are Communists; the largest labor union in Italy is completely Communist-dominated, and it outnumbers by over 3,000,000 to 2,250,000, the non-Communist labor federation. At the time I was in Italy, the noncommunistic labor groups were divided between two organizations.

Since that time, the United States representatives, working with local leaders, have been able to solidify anti-Communist labor elements into one strong labor organization which can more nearly successfully combat the influence of the communistic labor federation.

I cite the case of Italy to indicate that our job in Europe is not yet finished. It is true that certain of the economic results of the Marshall plan have been great. Generally speaking, the industrial production stands at 20 percent above the prewar level. On the whole, agricultural production is nearly equal to prewar level. Statistically, these gains sound great. However, the population of Europe has increased 10 percent over what it was before the war.

To quote from Paul Hoffman's recent testimony in support of the Marshall plan, he states as follows:

> And lest anyone gets the false idea that Europe's improved diet means anything more than a bare diet as a whole, let me mention another fact. Out of the 1938 gross income, $114,000,000,000 were spent for consumer needs. Last year, with 20,000,000 more people to feed and clothe, only $115,000,000,000 at comparable prices were spent for consumer needs. That means, of course, that practically all of the added income is going into capital assets. Western Europeans are not living in the lap of luxury at Uncle Sam's expense; far from it.

It is up to the United States to go ahead and finish the job. In addition to the supreme objective of maintaining peace in the world, it is to the self-interest of the United States to help build a peaceful, prosperous Europe which will constitute a market for the agricultural and industrial surpluses of the United States. A great percentage of the expenditures of our country on Marshall plan aid have come back to the United States in the form of purchases of machinery and factory equipment and the purchase of farm products.

Contained in this bill today is the so-called Vorys amendment, which would do more to destroy the effectiveness of the Marshall plan than an outright cut in ECA appropriations.

When I was in France, one of the arguments which was presented against the Marshall plan by the Communists' organs, and which was joined in by members of the far left, was that the entire Marshall plan is nothing but an imperialistic scheme of the United States to gain complete domination of the markets of western Europe so that we in America can dump our surplus products upon these countries. The Vorys amendment would result in a complete justification for the claims of the communistic forces.

In addition, from an economic standpoint, the Vorys amendment is unsound because it would channel ECA purchases to the Commodity Credit Corporation in the purchase of surplus agricultural commodities. This would have the practical effect of taking that amount of purchasing power out of the market. It would mean that the Commodity Credit Corporation would have to enter the open market and engage in support buying, probably equal to the amount of ECA appropriations that were diverted to the purchase of surplus commodities. In other words, what appeared to be a saving on the face of it would have to be spent by the Commodity Credit Corporation in a separate transaction supporting the price of agricultural commodities on the open market. It would have the detrimental effect of ignoring regular trade channels and it would hamstring the Marshall plan in its proper administration.

Our Marshall plan representatives have not been content to spend their time in fighting communism alone. In addition, they have instituted a program to accomplish the second phase of the European recovery program, that is, the creation of a strong Europe that can stand on its own feet. The future objective of the European recovery program is to secure a better economic unification of Europe. The idea is to have the trade barriers eliminated between the countries of western Europe. This will broaden markets to approach the size of the markets that our manufacturers have to sell to in the United States. It would encourage mass production and competition. Therefore, we would have an economically stronger and economically more stable Europe.

This is the real objective in the coming 2 years of the Marshall plan. The United States does have a foreign policy. Many of our actions are short run to meet the immediate problem, but we are guided in the long run by the policy to contain the power of Russia and to maintain the peace of the world in which democracy can flourish. In the near future we will see the end of the Marshall plan. Under the Marshall plan we are subsidizing purchases of large amounts of goods and materials in the United States. After the Marshall plan there must be further developments to take its place if we are to continue our large exports. This means that international trade must be broadened, that our purchases abroad must be increased, and that United States investment must be broadened. The International Trade Organization Charter which will be before Congress is a step in that direction.

We must continue to maintain a large defense establishment because the leaders of Russia and the Cominform know only one thing and that is power.

The implementation of the Atlantic Pact with arms aid is a great step toward organizing the defense of western Europe. By our taking the lead in this Atlantic Pact program we can give the other nations the will and the ability to help organize their own defenses. Individually, most of the nations could not afford a large air force and a large army, but they can help in producing some of their arms equipment, and as a coordinated whole are much stronger than as individual nations which would be gobbled up by an aggressor one at a time.

We must continue to sell democracy to the world. As well known as the Marshall plan has become, I am not certain that we have convinced the people of these nations of the great moral good and the desire which we have to accomplish a peaceful world through the ERP. Perhaps it is too much to ask that the people of these countries with strongly nationalistic feelings should accept at once the idea that we are conducting this program with such little self-interest.

I wish to say that I think that the United States cannot escape its position of world leadership. We cannot get out of the game. There is no place else to go. If these is another war, it is inevitable that we will be in it. Therefore, we must remain on the offensive and do our best to see that there is no such war.

As Paul Hoffman has said:

> The Marshall plan will turn out to be the greatest bargain the American people ever had.

The success of democracy and the maintenance of peace depend upon our Nation. It is our problem to solve. We cannot retreat from it.

I am reminded of the words of President Roosevelt:

> There is a mysterious cycle in human events. To some generations much is given. Of others much is expected. This generation of Americans has a rendezvous with destiny.

I believe that the destiny of the world—its peace and security—will depend upon the leadership supplied by the United States during this generation.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. NOLAND. I yield to the gentleman from Kentucky.

Mr. CHELF. May I say to the gentleman that I know of his great concern about economy. I think he will agree that every one of us here is very much interested in the same thing. I have always felt that the ECA or the Marshall plan was an insurance policy that this country had taken out not only against the spread of communism, but also for the protection of our Nation's best interests in containing the cold war. It was done at a time when the cold war on the diplomatic front was being waged at the peak of its intensity. It was good judgment when the plan was adopted—it is good sense to maintain it so long as it is necessary to our national defense and to the peace of the world. Now, in our eagerness—our exuberance for economy that we all sincerely want to effect—let us not in the curtailment of our expenses for our national household budget—cut out the premiums on our best insurance policy for peace. We all know that trouble lurks ahead so let us not cancel nor drop this insurance at this time. We may find ourselves needing it badly. Let us not be caught short. Let us not gamble with our Nation's security, because we cannot afford it so long as storm warnings exist and black clouds of Russian aggression are in evidence throughout the world. Be economical; yes—but let us not be unwise nor foolish in this grave matter.

Mr. NOLAND. As Mr. Hoffman said, "The Marshall plan is the greatest bargain the American people ever had."

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. NICHOLSON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred

and eight Members are present, a quorum.

Mr. JUDD. Mr. Chairman, I yield myself 3 minutes to answer the question raised by the gentleman from Iowa during the last speech regarding the administrative costs of this program. The figures will be found on page 31 of the committee report. Expenditures for administration amount to four-tenths of 1 percent which, I think, establishes an all-time record for efficiency and economy in a program of such magnitude. Administrative expenditures cover not only salaries, but rentals, traveling expenses, and such other factors.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Iowa.

Mr. GROSS. We have a roving ambassador, Mr. Harriman, is that not right?

Mr. JUDD. Yes.

Mr. GROSS. How many deputy roving ambassadors do we have?

Mr. JUDD. There is a head for each country. He is called the chief of the mission. We have one in each of the 17 countries to which we are giving this assistance.

Mr. GROSS. What are they paid?

Mr. JUDD. I think it is $15,000.

Mr. GROSS. In other words, it runs up to about $30,000 a year, is that not right, including salaries and expenses?

Mr. JUDD. Well, I would not be surprised if it amounted to that much. I do not think that is at all unreasonable.

Mr. GROSS. Well, I mean with expenses it runs to about $70,000 a year for the roving ambassador, is that not right?

Mr. JUDD. I do not know what it amounts to, but if the total salary and expenses amount to $100,000 a year for a man who can handle well a program of more than $3,000,000,000, it seems to me that is extraordinarily low as administrative costs go.

Mr. GROSS. Of course, I suggest to the gentleman from Minnesota that we have a Secretary of the Treasury who handles a good deal more money than that, and he does not get $70,000 a year.

Mr. JUDD. He gets $25,000 salary, as I recall, under the bill we passed last year, and then he has many other expenses, and if you were to count in all his assistants down there it would go beyond that. There are 950 administrative employees under ECA. Their average salary is $5,426, and the total for their salaries in administering this more than $3,000,000,000 program is $5,183,547. I am sure there has not been a business operation in the world of such magnitude conducted at a smaller administrative cost than the ECA.

Mr. GROSS. Is there any entertainment fund set up in this bill? We had an entertainment fund in last year's bill. Is there an entertainment fund in this bill?

Mr. JUDD. If there was one in last year's bill, this bill appropriates for the same purposes as last year's bill. We made very few changes in the substantive provisions under which this program is being carried on.

Mr. GROSS. In other words, we have to spend money for entertainment in order to give money away.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Montana.

Mr. MANSFIELD. I should like to call the attention of the gentleman from Iowa to the fact that practically every mission head was making a great deal more than he is being paid by this Government before he came into this job, and if necessary I could call off the names showing what their incomes were prior to taking this patriotic and responsible position.

Mr. JUDD. I thank the gentleman. I happen to know one or two of the gentlemen administering this program who are getting no more than $20,000 salary, from ECA but who previously have paid as much as $75,000 income tax a year into the Federal Treasury out of the salary and other income they were receiving in private business.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, my main concern about the Marshall plan spending is that it is inflationary. We spend billions of dollars all over the world, and we find our own currency here at home being inflated in value. The great spending by this country continues to make the dollar buy less and less. I say that and you know it is true, because the bonds you bought 10 years ago at $75, you get $100 for now, but the $100 you get today will not buy as much as $75 bought 10 years ago, and you pay income tax on the difference. In fact, the $75 is worth just about $60.

I think a part of that difficulty comes about by reason of the British loan, the Marshall plan, and the uncontrolled spending of the people's resources all over the world. I am concerned as to how long this country can waste its resources all over the world without a promise of a fair return and at the same time stay economically strong. I just do not believe it is possible.

I admit that the Marshall plan did some good in the countries in which it was spent. It ought to have done some good. But I also submit to you that you do not buy friendship with dollars. It just cannot be done. We have tried it before, and we are trying it here. It has never worked.

I also submit to you that the countries in Europe that have recovered the most are those that got the least help. Norway, Sweden, Denmark, and the smaller countries have completely recovered. The ability to recover means people must work and produce. You do not become strong by repeated hand-outs of charity.

I also submit that the countries receiving the most have recovered the least. Look at England. They will be over here soon asking for several billion dollars to keep their head above water.

I also submit to you that when my colleagues talk about communism and say that we have stopped communism, well, have we? Perhaps we worry more about communism in this country than they worry about it in Europe.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. Does not the gentleman think it is rather foolish to use American dollars to fight communism by supporting socialism?

Mr. MILLER of Nebraska. Of course, we are supporting socialism in this program. England probably would not have gone socialistic without it. They are already blaming us for the socialism they have because we have helped them. Certainly we have been financing socialism all over the world. You do not stop communism and socialism by throwing dollars into those countries.

The head man of the Atomic Energy Commission in France is a known Communist. He just recently came back from Russia. They have Communists in their legislature. Of course, they have flare-ups of communism over there. They are objecting to our Atlantic Pact arms that are being sent into Europe. But you do not stop that type of program by spreading your resources all over the world.

Let us look ahead. The history of the past is that when we help these friends, they like us, but when aid stops, what then? Do you think you are going to have any friends? They may like you now when you take your dollar and give it to them, but when this is over and the program is stopped, watch out. You will not have any friends.

In looking over the report on this bill I notice that we have in here some aid to Korea, $100,000,000.

We had an aid-to-Korea bill before in the House. It was turned down once and then reconsidered and adopted. That was only for $60,000,000. At that time I said they would be back here for more money. Well, here it is in this bill—$100,000,000 for aid to Korea. There is also something for aid to the Chinese. There have been a lot of people talking about giving China some economic assistance. The gentlemen who are on the minority side thought China should have some economic assistance years ago. What did we do? We sent Mr. Marshall over to China. He went over with the idea that they ought to have some Communists in the Government. We were going to start communism over in China. We were going to put some Communists in the Government so that they would have a big, strong, democratic government. Well, Mr. Marshall came back. It did not work. We had a man over there by the name of General Hurley. He had some trouble with the Communists. In fact, some of them were sent back to Washington. He could not get along with them. He complained to Mr. Roosevelt. A few months later he found those same Communists and fellow travelers down in the State Department directing the China program. He would not go back to China, so he quit. Then, there was a man by the name of Wedemeyer who

had something to say about China. He thought China needed some help, too. But did the administration do what he recommended? They did not follow General Wedemeyer's report. In fact, they only printed a part of the white paper. The White House was afraid to print the rest of it. So now they come along with this bill and they are going to give China some help.

The horse is gone, the doors are wide open. The barn has burned down. Now, they are going to try to lock the door that does not exist. What silly things the Government does.

Then there is another point in this bill. Title III in the bill. My, that is an interesting title. It has wonderful possibilities of extension. Then that point 4 program—oh, boy. It ought to be called an act to stick our nose in other people's business. That is going to take some money. Point 4 takes up where the Marshall plan left off. The supporters of this plan will spend more money and tax the American people more and more to help peoples all over the world. I say to you, my colleagues, there are many programs that are desirable. There is some merit to them. But how much can we afford? How much can we afford? The people of the United States owe more money than all of the other countries combined—more than all the other countries combined. I was reading just yesterday about the use of the counterpart funds. What are the counterpart funds? Why, that is money that these countries get from the things that we give to them and which our farmers and manufacturers give to them, which they in turn sell to their own people. They put that money in their counterpart fund. What are they doing with some of that money? Oh, they are reducing their own national debts. They are building power plants and building irrigation projects. The program of counterpart funds has been poorly administered.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. GROSS. We are doing something else with the counterpart funds. We are helping to pay for some 17 or 18 deputy roving ambassadors for nice residences in Paris and giving them some $25,000 for entertainment. That is where some of the counterpart funds are going.

Mr. MILLER of Nebraska. Yes, that is true.

In a program as large as this, you cannot help but have some bad eggs. My experience is that most of these men have been very efficient. I think they are trying to do a good job. But, I must submit to you, we should think seriously about how much the taxpayers can be expected to bear. How long can we continue to throw burdens on them and not expect them to break down. Our economy is now in an inflationary spiral. The Marshall plan aid to these European countries are helping to do that. It is sometimes said that the Marshall plan aid is entitled to all the credit for the recovery of some of these countries. You must not forget that some of these countries recovered because they worked. Norway, Sweden and Denmark and other countries have recovered because they worked. Give them some credit for that recovery.

It is a little like some of the folks who were down in Mexico and said, "Oh, yes; we went down there and abolished the foot-and-mouth disease." Well, we did not stop the foot-and-mouth disease. Old Mother Nature stepped in there and stopped the foot-and-mouth disease, just as Old Mother Nature sometimes stops measles and scarlet fever and a host of other diseases. It is something like the situation of feeding the bears out in Yellowstone Park. For years the bears were not fed by people and they got along all right. Then we started feeding those bears. What happened? They come up there every night and stand by the fence and get fed by the white man. We are feeding them. Do you know that if we stopped feeding them now most of them would die?

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. GAVIN. I have some figures which I received from the Economic Cooperation Administration. From the start of ECA to December 31, 1949, France has been allotted $1,784,000,000. Italy, from the start of ECA to December 31, 1949, has been allotted $940,000,000.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. MILLER of Nebraska. I thank the gentleman for his contribution. I think my colleagues should consider very seriously the possibility of draining the resources of our country.

Mr. JUDD. Mr. Chairman, I yield the gentleman one additional minute.

Mr. GAVIN. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Nebraska. Yes; I yield.

Mr. GAVIN. I might say that Germany, from the start of ECA to December 31, 1949, was allowed $848,000,000.

Mr. MILLER of Nebraska. I think if the gentleman will check his figures he will find that the countries which have received the least help have recovered most.

I recently sent out some 1,500 letters to constituents in my district. They were mostly sent to farmers in my district. They were sent to Democrats as well as Republicans. I have received over 500 replies, and the Democrats talk just like Republicans. Of the 500 replies, 400 of them said, "either cut the European plan entirely or cut it drastically."

Mr. GAVIN. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Nebraska. Yes, I yield.

Mr. GAVIN. From the beginning of the program to November 30, 1949, Austria has been allotted $396,000,000.

Mr. MILLER of Nebraska. Yes. There are some 95 secret agreements entered into between the Marshall plan countries and Russia, and I fear that much of the goods we are sending them finds its way behind the iron curtain.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. KEE. Mr. Chairman, I yield 12 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. GROSS. Mr. Chairman, a point of order. I make the point of order that a quorum is not present.

Mr. MILLER of Nebraska. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER of Nebraska. How many does it require to make a quorum?

The CHAIRMAN. One hundred when in Committee.

The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

Mr. WHITE of Idaho. Mr. Chairman, I want to commend my good colleague, the gentleman from West Virginia [Mr. KEE], chairman of this committee, for his graciousness in yielding time to all Members, and yielding additional time.

I wish to say, Mr. Chairman, that in consideration of this legislation, which is extremely important, I yield to no man in the defense of our country or in following a program that will advance and protect the welfare of our country. What I want to bring to the attention of the committee is the misdirected policy or program that is being followed by the so-called ECA. At the proper time, I propose to introduce an amendment to strike from the original bill a certain provision. I will read that provision.

It is paragraph 8 of section 9 in the original bill. It reads:

> (h) Not less than 5 percent of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources or for other local currency requirements of the United States.

Mr. Chairman, that is an amendment to earmark 5 percent of the moneys appropriated for the procurement of strategic materials. When we speak of strategic materials you and I think about rubber, quinine, palm oil, and things of that nature, but this money has not gone for that purpose at all; it has gone in supplement of the appropriations that have previously been made of a billion dollars to the munitions board. This money was spent to bring foreign nonferrous metals into this country. Now comes a deluge of foreign metals procured under the provisions of this act, a flood that is ruining our United States mining industry.

Mr. Chairman, let me say to the members of this committee that this is wrong. Let me call your attention to the following statement taken from a publication of ECA itself as to how this money is being used. I read from the December 16th release of the Economic Cooperation Administration:

> The Economic Cooperation Administration announced December 9 the signing of a contract designed to aid in the development of deposits of lead and zinc to meet French requirements for these scarce materials and to increase the United States Government's stock pile. Under the contract which was signed with the Newmont Mining Corp., with headquarters in New York City, ECA will

advance $3,600,000 in Marshall plan funds to this corporation for the modernization and expansion of mines owned by the Societe de Mines de Zellidga and located at Boubeker, French Morocco. The American company is affiliated with and acting in this contract as an agent for the Zellidga firm. The ECA funds will be repaid over a period of 7 years in the form of supplies of lead and zinc for the United States stock pile.

Three million six hundred thousand dollars set aside in order not only to procure foreign metal but to build and develop foreign competition. If you want money or anyone wants money to develop a mine over in French Morocco or any Marshall plan country or its dependency all they have to do is to go down here and make application to ECA and then take the money that comes out of the Treasury at the other end of Pennsylvania Avenue.

In a release of February 17, 1950, we read that the Marshall plan has stepped into French West Africa to bring potential wealth out of the ground there and pour it into the world market to the disadvantage of the American mining industry. We read where millions of dollars have been allocated for the improvement of roads, ports, and airfields to stimulate the mining of gold. I quote from the ECA's weekly summary of developments of February 17, 1950:

ECA AIDS FRENCH WEST AFRICA DEVELOPMENT PROGRAM

The Marshall plan has stepped into French West Africa to bring potential wealth out of the desert and into the world's trade markets. The Economic Cooperation Administration said today that most of the $31,000,000 worth of American goods and machinery allocated to the territory has been shipped to the Ivory Coast for the improvement of roads, ports, and airfields; the mining of gold and ore deposits.

You will remember that we shut down our own gold mines during the war, yet here we are taxing people in this country to build up our Government's support of gold mines in French Morocco. That is coming out of the money paid by the taxpayers of this country.

Let me read a little further. You will realize, of course, that I had to do quite a lot of skirmishing around to get the facts privately from the officials of the ECA and had to ask a great many questions in our Committee on Mines and Mining when we could get the officials of the Munitions Board before our committee. Remember that this Committee on Mines and Mining of the House is the mouthpiece of 150,000,000 American people. If we do not speak out about the difficulties and problems of the mining industry their problems and difficulties do not get to the attention of the American people and the Congress. We are the mouthpiece of 150,000,000 people here in the Committee on Mines and Mining of this House of Representatives. Let me read you how this Marshall plan operation is wrecking the American mining industry.

On March 24, 1949, the ECA entered into arrangements to purchase 25,000 tons of Moroccan lead from the Newmont Mining Corp. and St. Joseph Lead Co. at a total value of $7,500,000, which averaged 15 cents per pound, duty free, for stock piling.

On May 2, 1949, ECA made a purchase from American Smelting & Refining Co. of 3,459 tons of Moroccan lead, $1,140,383, at 15 cents per pound, duty free, for stock piling.

The main French company in charge of Moroccan lead products is the Zellidja Co.

A fund of $3,600,000 of development money has been set up to finance the development of the Zellidja Co.'s operation, to be repayable in zinc and lead as they come into production.

Of the 5 percent ECA appropriation earmarked for strategic materials, which amounted to $192,000,000 out of the first ECA appropriation, which has now been increased by another $192,000,000 out of the second ECA appropriation, it is now estimated that when the appropriation authorized in this bill is made another $100,000,000 will be earmarked for the strategic-materials program, at least 75 percent of this earmarked money will have been used to develop and procure nonferrous strategic materials from Marshall plan countries and their dependencies. All of this will go to buy foreign nonferrous metals, which in turn will wreck our American industry.

Mr. Chairman, I want to read from a letter that came to my desk written by one of the biggest mining concerns in the State of Idaho, a concern that has paid out some $65,000,000 in dividends, a mining concern that supports the city of Kellogg and all of the related industries there. I refer to the Bunker Hill and Sullivan Mining and Concentrating Co. This letter is dated March 14, and reads as follows:

With the devaluation of foreign currencies up to 40 percent, an extremely serious situation has developed in the lead market which threatens the very existence of our lead-mining industry. With lead selling at 12 cents a pound and with an import duty of 1.06 cents per pound now in effect, the foreign producer will receive 12 cents minus 1.06 cents or 10.94 cents per pound for lead imported into the United States. However, with the foreign currency being devalued 40 percent, the foreign producer receives the equivalent of 10.94 cents plus forty-one-hundredths times 10.94 cents, or 15.316 cents per pound. The operating costs of the foreign producers have not been increased through the devaluation, so you can readily see why the foreign producer can afford to sell the lead at decreased prices here. As a matter of fact, they can sell their lead at 10 cents per pound here, pay the duty of 1.06 cents, and still receive the equivalent of 12.5 cents per pound for lead. With all operating costs, and particularly the labor costs being much higher in this country than in foreign countries, we are no longer in a competitive position.

This devaluation has resulted in the dumping of foreign lead on our market. During the month of January of this year 30,000 tons of lead were imported, which is almost equal to our own entire mine production of approximately 33,000 tons during the month. The price of lead had now dropped from 12 cents to 11 cents, and then to 10½ cents, and with the continued importation the prospects are for further drops in the price of lead. When and if this eventuates, the majority of lead mines have no choice but to shut down. In this connection, it should also be remembered that the closing down of our lead mines will also disastrously curtail the production of zinc because the two metals generally occur together.

The reciprocal trade agreements take no account of the devaluation of foreign currencies, so we cannot look for any protection from that source against this foreign dumping of lead. Our only protection against this unfair competition as matters now stand appears to me to be:

A compensatory tax on importation of lead and possibly also on other commodities similarly suffering from the devaluations, such compensatory tax to be based on the degree of devaluation or rate of exchange in effect with the particular foreign country at the time of importation.

I urge upon you a serious consideration of this matter, and I hope that an early relief may be had which will permit our mining industry to continue employment and save the Nation as it has in the past.

Yours very sincerely,

J. B. HAFFNER,
General Manager.

Mr. Chairman, that is the situation as it exists today. With 5 percent of all of this money earmarked to purchase these metals, on top of what has been done by the Munitions Board, which has gone out and bought 60 percent of the billion dollars of material and metals in foreign countries, the foreign mining-development and non-ferrous-metal procurement program is wrecking our mining industry. I do not think any political party, no matter what its banner and badge is, can withstand that situation in our own mining States.

Mr. Chairman, a while ago a gentleman mentioned Sweden. Let us see what is happening in Sweden. I hold in my hand the magazine Mining World, March 1950 issue, in which appears the following article in reference to Sweden:

Sweden: Swedish Zinc Mines, Ltd., at Falun, is to receive a Marshall plan loan of $350,000 in order to buy an American mining plant for its 12,000,000-kroner expansion program at its four zinc, lead, and copper mines. Other equipment, including hoists and pumps, is being ordered from European countries. The ECA loan will be repaid in lead and zinc deliveries.

Mr. Chairman, that refers to Sweden, a country that would not join the Atlantic Pact.

I could tell you about Tito and the $25,000,000 that have been advanced to him by the RFC to be repaid in zinc and lead. How do we know that Tito may not be deposed and anything we send over to Yugoslavia will not be turned into the Russian pocket and used against this country and our boys in the armed service? We are in a serious situation, and I want to bring this to your attention and tell you something of what is going on in the rest of the world and this program which is breaking down our economy and our mining industry.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from California.

Mr. WHITE of California. I wonder if the gentleman has ever looked into the real ownership of the foreign mining companies who are shipping this material back into this country. I wonder if he would not find that possibly the real ownership is vested in people in New York, in some cases, and in many cases, in fact.

Mr. WHITE of Idaho. The gentleman is entirely correct, and they are using cheap labor and cheap facilities and

breaking down our domestic-mining industry, and I tell the membership of this House that there is no business that can withstand that kind of an assault. Our domestic mining industry is a large source of the taxes that supports our Government.

The distress of our domestic mining industry can be the start of a financial depression and an era of hard times.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. BATTLE].

Mr. BATTLE. Mr. Chairman, I rise in support of this program. The Marshall plan has given life and hope to Europe. In this part of the world it has helped to stop Russia, a former ally that never quit preparing for war, never demobilized, and never matched our efforts for peace. To the contrary she has broken over 50 agreements which threatens the security of the entire world.

The House Foreign Affairs Committee acted wisely in scaling down our overseas commitments, since our freedom-loving neighbors are better able to stand on their own feet now and we are less able to continue such tremendous investments.

We have been fortunate in having highly efficient and capable representatives serving us in the European recovery program. Mr. Paul Hoffman and all of his assistants are to be highly commended for the fine job they are doing.

Mr. Chairman, I have spoken on this subject many times, so I will close by saying that this program is part of the American peace offensive. It is working. The House Foreign Affairs Committee has scaled down the cost as much as it could. Therefore, the program deserves our continued support.

Mr. JUDD. Mr. Chairman, I yield 12 minutes to the gentleman from Kansas [Mr. REES].

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 119]

Andersen, H. Carl	Harden	Peterson
Barden	Hébert	Plumley
Baring	Hedrick	Powell
Bennett, Mich.	Hoffman, Ill.	Ramsay
Blatnik	Horan	Reed, Ill.
Buckley, Ill.	James	Reed, N. Y.
Bulwinkle	Jenison	Riehlman
Burdick	Jenkins	Rivers
Byrne, N. Y.	Kelley, Pa.	Rogers, Mass.
Carroll	Kennedy	Sabath
Case, S. Dak.	Keogh	Sadowski
Chatham	Kerr	Saylor
Chudoff	Kilday	Scott, Hardie
Crawford	Kruse	Shafer
Cunningham	Kunkel	Shelley
Dague	Lesinski	Sheppard
Davenport	Lichtenwalter	Smathers
Davies, N. Y.	Lucas	Smith, Ohio
Dingell	McGrath	Staggers
Douglas	Madden	Stanley
Engle, Calif.	Miles	Tackett
Gilmer	Monroney	Whitaker
Gore	Morrison	Willis
Granger	Morton	Wilson, Ind.
Grant	Nixon	Withrow
Gwinn	Norton	Wolcott
Hall, Edwin Arthur	O'Konski	Woodhouse
Hand	O'Toole	Worley
	Pace	
	Patman	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 7797, and finding itself without a quorum, he had directed the roll to be called, when 345 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Kansas [Mr. REES] is recognized.

Mr. REES. Mr. Chairman, I have asked for this time to make a few observations with respect to the legislation that is before us today, which involves the expenditure of $3,658,928,000, all of which is to be spent in certain foreign countries under what is described as the Marshall plan, also designated as the Economic Cooperation Administration.

This means a total of approximately $10,000,00,000 being expended under the ECA program up to this time, which is an average of $200 for each family in these United States.

I call your further attention to something that most people do not seem to realize. We have spent overseas since hostilities ceased more than $30,000,000,000 for rehabilitation and assistance in Europe and Asia, mostly Asia. If you are interested, and I think the taxpayers of this country are interested, to know that the $30,000,000,000 amounts to an average expenditure of $600 per family in this country.

I hope you will not misunderstand me. The Marshall plan has accomplished a great deal of good in the relief of suffering of millions of people, just as millions of dollars that were voluntarily contributed by the people of this country to prevent the further suffering of innocent people caused by the ravages of war.

I would like to know if this great Committee on Foreign Affairs of the House will tell us what is the real purpose of this expenditure, or the main purpose of it. The people of this country are pretty much confused. They want to know why this great expenditure is necessary. It has been suggested, among other things, that this additional expenditure of more than $3,000,000,000 is to prevent another war. Incidentally, this Congress has already allocated more than $1,000,000,000 to rearm certain other countries in Europe. In any event, if the leadership of this House or the administration insists that it is for the purpose of preventing another war, let them tell us more about it.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield for a correction?

Mr. REES. I yield to the distinguished gentleman from Wisconsin who is quite familiar with this whole problem and has given it a great deal of time and study.

Mr. SMITH of Wisconsin. I am now referring to the figures submitted by the research department of the Congressional Library showing that as of January 1, 1950, total postwar aid amounted to $33,070,200,648. That does not include the amount now before us in this bill.

Mr. REES. I appreciate this information. In other words, the amount of money expended to January 1, 1950, leaving out this proposed legislation, is more than $33,000,000,000, or $800 for every family in this country.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Pennsylvania who also has given this problem serious thought and consideration.

Mr. GAVIN. The gentleman was in Europe last fall, and I wonder if he would not take the time to tell us about conditions as he found them there?

Mr. REES. I shall be glad to discuss that matter, if I have the time as soon as I make some brief remarks with respect to this particular bill.

Of course, if the expenditures in this bill or more, will prevent another world catastrophe, no one will hesitate in support of it. There is no argument about that.

Another group says that we need to spend $3,000,000,000 abroad to stop the spread of communism. The fact remains that the United States of America did not allocate funds in the country where communism has spread the greatest. Let me suggest, Mr. Chairman, that if we are spending billions of dollars to stop communism in foreign countries, we might give heed to the prevention of the spread of communism and its fellow travelers at home.

Again, it has been said that this money is being expended to support our foreign policy. I shall not have time to dwell on this subject except to ask the chairman of this great committee what is our foreign policy? What is the foreign policy of our State Department? What is the foreign policy of the administration now if it really has one? What was its policy at the close of hostilities? Would it not be well for this Congress and this country to have some idea just what is the policy of this country toward foreign nations?

Mr. Chairman, Members on this floor have insisted that it is the responsibility of the people of this country to help rehabilitate certain countries of Europe. How far, I ask you, does that responsibility extend?

This measure provides under title III that a considerable portion of the funds under this bill is to be used to help so-called backward countries by giving those countries advice of various kinds. Who are the backward countries and which countries are willing to accept our advice? Somebody will say it means all of the countries of Europe and all of Asia. It will be interesting to know to what extent these countries will want our advice and our assistance, and how these particular funds are allocated.

Mr. Chairman, I think it should be observed that not many of our people know how these funds are expended, that practically all of the funds, except administration funds, are expended by the heads and agencies of foreign nations for food and various kinds of equipment, and that those who buy the goods pay a regular or market price. The funds go into

the hands of these countries, supposedly to be used for the rehabilitation of such countries. The exceptions, of course, are the funds that go for relief purposes.

This measure does not set forth the items for which the money is to be spent. A great deal of it, of course, will go for heavy machinery and equipment and a lot of it for power lines and reservoirs and various kinds of construction purposes.

Mr. Chairman, it is my opinion that we stop and look this thing over pretty carefully. Among other things, we should look at it in the light of the ability of the people of our own country to pay the bill. Do not forget the funds expended under this proposed legislation belong to the taxpayers of this country, and whatever money you spend under this bill means just that much more increased taxes.

Mr. Chairman, I understand the committee has reduced the original proposal by several million dollars. It is my opinion that this legislation can be cut at least one-half billion dollars more, including the striking out of item 3, amounting to $45,000,000, to provide certain kinds of assistance in so-called backward countries. This last item, as you know, does not provide food nor shelter, but, according to the report, is an attempt to put other countries on a basis with ours—we, of course, to be the judge as to whether and when they have reached our level.

Why does not someone on this committee or in a place of leadership suggest that we lend a part of this money to foreign countries and let them feel some obligation of repaying the funds rather than follow the policy of giving it, as is being done this afternoon.

Mr. Chairman, a great deal is being said about food supplies. Along with that, it should be observed that the countries receiving most of these funds have practically regained their production of food crops. In other words, they are producing almost as much food as before the beginning of the war. I do not mean to say that they are not in need of help, but I do mean that their conditions are very much improved. There are people in other countries that are not being helped under this bill who are, I am informed, on the verge of starvation.

Mr. Chairman, while we are alloacting funds to foreign countries, it would be well to find out whether, as I said a moment ago, we can afford to do it, especially in consideration of the financial condition of our Treasury, and further considering the fact that we have 5,000,000 people out of work in our own country. They, too, are entitled to consideration. Are we to neglect them while we are sending these funds abroad? Again, I say we had better stop, look, and listen.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. May I compliment the distinguished gentleman from Kansas on the statement he is making and on the question he asked as to the foreign policy of the United States? I think it is significant that the members of the Committee on Foreign Affairs on either side of the aisle have made no pretense of answering the gentleman's question.

Mr. REES. I thank the gentleman from Iowa.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

THE DEVELOPMENT AND FULL UTILIZATION OF COLUMBIA BASIN NATURAL RESOURCES KEY TO OREGON ECONOMY

Mr. ANGELL. Mr. Chairman, I represent in the House the Third Congressional District in Oregon, which borders on the Columbia River. My parents, as ox-team pioneers, traversed that great northwestern country in 1852. Having been born and raised almost within the sound of the Columbia River and having spent my life in the Pacific Northwest, I have developed a deep and abiding interest in the abundant natural resources of that area. During my service here I have deemed it a privilege and an honor to devote much of my time to the conservation, development, and full utilization of these great natural resources in the Columbia River Basin which are the key to the economic welfare of that great region.

During my service I have seen the Bonneville and Grand Coulee projects through the development stage. Bonneville, as you know, is completed and the Grand Coulee Dam is near completion. We have, in addition, now under construction, the McNary Dam on the Columbia and, in the early stages, the Chief Joseph Dam on the same river. The Columbia River and its tributaries has the greatest potential storehouse of electric power of any waterway in the Nation, some 20,000,000 kilowatts, of which less than 10 percent have been developed. The remainder of this great source of energy and power is flowing to the sea without let or hindrance with a resulting loss of untold millions in revenues which could come into the coffers of the United States.

The Bonneville plant, in my congressional district, during the war turned out 570,000 continuous kilowatts, which is equivalent to 8,800,000 barrels of oil. Only 15 units of the Grand Coulee plant is equivalent to 28,000,000 barrels annually. When McNary Dam is completed the oil saving will be about 15,500,000 barrels annually. The existing usable steam generation in the Pacific Northwest is about 275,000 kilowatts, and when this capacity is running to meet low-water conditions, 5,000,000 barrels will be consumed. If this displacement energy were developed, the oil saving would be, in round numbers, 290,000,000 barrels annually, or about 95 percent of the total European consumption, or a quarter of our own prewar consumption. I cite these facts to show the importance of undeveloped hydro power in our future economy.

Unfortunately we have no large deposits of coal or of oil in the Pacific Northwest, but the enormous pool of hydroelectric power stored in the Columbia and other rivers compensates for this lack. The McNary Dam project alone will provide the necessary energy for industries which will have a total investment of $100,000,000 and which will supply employment to 100,000 residents of the Northwest. It is estimated that benefits to navigation from this great dam will reach a million dollars a year, and it will reduce pumping costs for lands adjacent to the pool approximately $300,000 a year. The power alone generated at this huge project will return to the Government $17,500,000 a year to produce which 3,000,000 tons of coal or 11,000,000 barrels of oil would be required. It is significant to recall that hydroelectric power is not expendable like oil, gas, or coal, and that as long as the sun shines and water falls this great source of energy will work round the clock in the interests of the great industries of the Pacific Northwest.

I am proud to say that I have been a vigorous advocate of the development of these great resources of the Northwest not alone because they spell prosperity for the area, but because they are sound investments for the Nation as a whole. The power developments are returning every dollar invested together with interest and maintenance and other costs properly allocated to the projects. This Nation in the exercise of wisdom, instead of curtailing the development of these great revenue-producing projects, should make available the necessary funds for full development as rapidly as the demand for electric energy requires.

Mr. Chairman, on a number of occasions in the past I have addressed the House on the matter of the power-supply situation in the Pacific Northwest. These reports were given in support of appropriations to be made for hydroelectric-generating plants and for transmission facilities critically needed if that region were to make reasonable approach to a solution of this very serious problem. My purpose now is to give a further report as regards this situation at the present time.

Before proceeding further, I must acknowledge the work of the many Members of the House and commend them for what they have done toward the solution of the power-shortage problem in the Pacific Northwest. I wish to thank those Members very sincerely for what they have done in this regard.

For the past 2 years this region has been increasingly short of power. A few months ago I would have said that the last winter had been the most crucial period to date. I must now say that so far, this winter has been the most crucial to date. The situations are very similar in that there has been inadequate capacity to carry the maximum loads and, although over-all water supplies turned out to be better than minimum, there has still been insufficient power available to carry the loads that have developed. This has been very detrimental to the region not only by reason of the necessity for voluntary load curtailment but also by reason of the fact that certain industries which desired to commence operations could not do so because the required power is not available. By mutual agreement among the power operators, no new loads above 500 kilowatts are being accepted in the Pacific Northwest, because there is not power available to serve them.

Many existing businesses and industrial plants have had to rearrange their operations to reduce power consumption during peak hours and, in some cases, it was actually necessary to cut back production to conserve power.

This last requirement has been very definitely true this winter with regard to the aluminum industry. For a period of about 6 weeks, between October and December, so-called interruptible power supplies to the aluminum plants were cut off because of the threat that occurred at that time that a low-water period was in the offing. Fortunately, early in December the water situation improved, and these supplies of power were restored. It should be pointed out, however, that curtailment of aluminum operations by virtue of this interrupted power supply was responsible for increased unemployment, but for that matter the whole power situation tends in that direction, because curtailment in any degree must necessarily be reflected in employment figures.

This restoration of interruptible power to the aluminum industry, made early in December, was not the complete picture, however. This winter has been most severe throughout the Pacific Northwest area, and this has resulted in peak loads beyond those estimated. During January it became necessary to cut off interruptible power deliveries during the evening peak loads for a good part of the month, and sometimes it was necessary during the morning peak loads. On January 31 it was necessary to cut off interruptible power for most of the day. The highest peak load on the Bonneville Power Administration's system occurred on January 4 and was 2,106,000 kilowatts. The peak load for the previous year occurred on January 4 and amounted to 1,698,000 kilowatts. It is significant that in January 1950 at the highest peak period, the Bonneville Power Administration was delivering 408,000 kilowatts more than in the corresponding period for the previous year, whereas only 324,000 kilowatts of generating capacity were added during the year. This has been possible by the simple expedient of overloading the machinery as far as it was reasonably possible to do so, but operating conditions were certainly not of the best. In 1949, during the high peak period, frequency sagged to 59 cycles. In 1950 frequency sag was to 59.4 cycles at this peak period. I should further point out that a decrease in frequency occurred a number of times over the peak periods in January 1950. What this means is simply that the load was greater than the ability of the generators to supply it, causing them to slow down, and this further results in unsatisfactory operating conditions throughout the area. May I again emphasize that this was the result of the load on the system at that time. It does not take into account the load that could have been served had there been facilities for generating and transmitting the power. I should further point out that during these heavy load periods, every available resource in my region, either steam or hydro, was operating at its utmost capacity, leaving absolutely no reserve. This is not only an intolerable operating situation but is an exceedingly dangerous one. It leaves nothing to take care of load fluctuations that constantly occur and, if trouble developed with any of the generating equipment in the area, it is difficult to predict what the result would be, except that whatever it was it would not be good.

As I indicated previously, three new generators were installed at the Grand Coulee plant during 1949, and it is planned to install three additional units in 1950. It is further planned to install the last three units in this plant during 1951, but even with these additional installations the power shortage situation will still prevail. A dependable power supply will become available only if construction of hydroelectric projects is maintained in accordance with the so-called schedule S that has been worked out between the Bonneville Power Administration, the Corps of Engineers and the Bureau of Reclamation. Even assuming the most rapid construction of new plants physically possible under normal procedures, the region's total requirements for power cannot be met in full on a dependable basis until the winter period of 1957–58. Until that time, cumulative load growth will exceed additions to firm generating capacity. In the interim period, if poor water conditions should occur, it will make it impossible to serve the potential loads in the area. I might further point out that in calculating potential capacity to serve expected loads, there is included imports from Canada, as well as all of the available steam capacity in the region. If construction proceeds on schedule, it is expected that by the 1957–58 period there will be available capacity to serve all potential loads, with a small margin of reserve. This is the forecast at this time of people who are experts in these matters, and represents their conservative judgment as of now. However, it is entirely possible that the shortage period may extend beyond that on the basis of later forecasts, because the present expectations do now extend this shortage period beyond that forecast several years ago.

There are a number of projects now under construction that will come into operation within the next few years. The Hungry Horse project is scheduled to go into operation in December of 1952. McNary Dam and Detroit Dam will come into operation in 1953 and, as I mentioned previously, additional generation will be installed to complete the Grand Coulee powerhouse. These facilities will add 1,200,000 kilowatts of new capacity to the area by 1953, which to many must seem to be a tremendous amount of power to take care of all foreseeable needs. This is not the case, however. This new generation will be absorbed as rapidly as it comes into operation, and will still leave a situation much the same as we are facing now, due to the rapid increase in loads that has taken place and will take place between now and that time. Appropriations have been requested by the Corps of Engineers this year to start construction of Chief Joseph Dam that is scheduled to come into operation in 1956, with final installations being made in 1961, and this project will add another million kilowatts to available supplies by 1961. It is imperative that construction of this project be maintained on schedule, along with others included in schedule S.

The growth in power requirements is the result of an extremely rapid growth in population, coupled with expansion and electrification of farms, businesses and industries in the area. In population growth, the Pacific Northwest has far outstripped the United States as a whole. In the period between 1940 and 1949, which is the major development period of the Bonneville Power Administration, the population of my State of Oregon has increased 59.3 percent. The population of our neighbor State of Washington has increased 48.7 percent. The Pacific Northwest average increase in population is 44 percent, compared with the United States average of 13 percent. We confidently expect a continued upward swing in population, and it is predicted that the increase for the next 10 years will equal that of the last 10 in number of people. Population increase, however, is only a part of the reason for growth in the region's nonindustrial power requirements. More electricity than ever before is being used by all classes of customers. Farm and businesses are rapidly finding new uses for power, and home consumption is steadily increasing.

Increases in industrial uses of power have likewise been rapid. The number of Northwest production workers has increased over 50 percent between 1939 and 1947, and value added by manufacture in the region increased from $454,000,000 in 1939 to $1,655,000,000 in 1947. It is expected that this trend will continue and that industrial use will more than double within the next 10 years, assuming that generating capacity is added as scheduled.

Along with the need for more generating capacity, an equivalent increase in transmission capacity will also be needed. The Bonneville Power Administration has included in their 1951 budget requests for authorization of nine additional circuits that will be needed to transmit the additional 1,200,000 kilowatts of power that will come into operation between now and 1953. As new capacity is added, additional transmission lines will be needed. The major part, in fact, approximately 80 percent of Bonneville's 1951 request, are for major grid lines that are needed to carry the power to load centers to integrate projects and to relieve presently overloaded facilities.

The situation as regards generating capacity is closely paralleled by that of transmission capacity. There is no reserve at all. This is demonstrated by the fact that during the past year five major power interruptions were experienced in the area during which all major components of the Northwest power pool separated. The immediate cause of these were such things as lightning striking a transmission line, but their seriousness is a direct result of a badly overloaded transmission system that is constantly on the brink of instability. In one such instance, two lines that were originally designed to carry approximately 110,000

kilowatts, each were carrying 300,000 kilowatts when lightning struck one of the lines. The net result was a complete pool break-up because, when such overloaded line was interrupted by reason of the lightning stroke, this load was thrown on other lines already overloaded, and they in turn were interrupted by automatic devices necessary for line protection. It is extremely important that these necessary transmission lines be provided in order to spare my region these costly service interruptions.

As regards the financial side of the picture, Bonneville has continued to show an excellent record of financial pay-out of all power facilities in accordance with law. Not only have they met pay-out requirements but they have exceeded these requirements. For instance, at the moment, Bonneville Dam financial requirements are 10 years ahead of schedule, reducing the pay-out period if further payments are made on schedule, from 50 years to 40 years. Pay-out requirements of Grand Coulee Dam and of the Bonneville transmission system have likewise been exceeded by substantial percentages. During fiscal year 1949, the total operating revenue of the Bonneville Power Administration was $27,821,029, representing an increase over 1948 of 13.5 percent. Surplus net revenues for the same year, after deduction of all expenses of operation and maintenance, provision for depreciation, interest and other deductions, was $10,665,769. Total gross operating revenues from the beginning of operations to June 30, 1949 were $157,687,195 and, after all required expenses have been met, this has left a surplus net revenue of $42,735,094. This is a clear demonstration that all moneys expended in the Pacific Northwest for power facilities represent only a loan that will be paid back with interest. It also represents an increase in wealth of the whole Nation and, as such, the Federal Government will be repaid many times over its investments in my area.

I would like to say a word about some of the things that have been done by Bonneville in order to insure efficient operation and a financial picture such as I have described at power rates that are the lowest in the country. Many things have been done to achieve this goal, and one of these is advances in engineering developments that have resulted in decreases in construction costs, as well as operation and maintenance costs. For instance, by keeping constantly abreast of engineering developments and by moving into fields previously unexplored, it has been determined that insulation requirements of certain electrical equipment could be reduced, resulting in net over-all savings. In 1940, the average costs of large transformers were $7.25 per kilowatt of installed capacity. In 1949 these same costs were $3.81 per kilovolt-ampere of installed capacity. This, despite the fact that over-all costs of equipment nearly doubled over that period. The costs of steel towers have been reduced by the use of a tower design made by Bonneville engineers and which upon test proved to be entirely satisfactory for high-voltage transmission lines. These are only examples of many such things that have been done in order to insure that the Federal Government gets the utmost in value for every dollar invested.

Mr. Chairman, yes; the people entrusted with this project in my area have done an excellent job of using the facilities that were given them. We need additional facilities, and it is my hope that the power resources will be provided us as now scheduled, to prevent deterioration of our economic prospects by virtue of a lack of the most essential ingredient—power.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I am going to support this legislation. I feel I must support the legislation. I do not think there is anything else we can do. We tried the road to isolationism after World War I and as has been pointed out to you today, it only led to World War II. I submit this is the first time in the history of civilized man that any major nation in the world has ever considered the spending of vast sums of money in the hope that it would clear up conditions in the world and lead to a state where the world could live at peace. If you ask me whether or not I think the Marshall plan will succeed in doing that I must answer you that I do not know. It is my opinion, further, that no one else knows definitely. But it is one of the greatest and most humanitarian gestures that has ever been made by any nation in the world—even if it is only a gesture. We are doing the only thing we know how to do—trying with all the might we have to put the freedom-loving nations of Europe on their feet. The reason I believe the United States of America is honest in this effort is that they are reaching down into their pockets to try to do this. They are not just offering advice and lip service. They are offering money and food and machine tools, all things that cost money. Anyone will give you good advice in this world and some folks will insist that you take it. But when you see a man who is willing to reach down in his pocket and when you see a nation that is willing to reach down in its pocket to try to do good in the world, then you have to believe in their honesty. I do believe that the Government and the people of the United States are honest in this effort.

One gentleman on the floor spoke of Sweden, Denmark, and Norway making a full come-back—a come-back from what? They were not hurt very much during the war. Who was it that stood up over there for 2 years and had their capital city bombed and their fleet chased by German submarines all over the seven seas while we were getting ready to get in the fight? Who was it gave us a breathing spell to train an army and to build a merchant marine and build airplanes and get ready to get into that war? I tell you, with all her faults, England was the country which filled the breach during those 2 years.

Where were the guided missiles sent from Germany? Where were the bomb loads dropped except on London? Whose navy was it that held the Mediterranean route open to Gibraltar and to north Africa and helped us chase submarines all over the Atlantic Ocean? We are doing the only thing we can do when we stand by England today, because if she goes off the seas we will have nobody to hold the fort next time. Maybe nobody can do it, but we cannot afford to lose England from the civilization of the world. Of course, if we do not rebuild France and Italy and give them a chance to become nations that will stand up and be counted, the Russian iron curtain will drop again on the eastern shore of the Atlantic and we will stand alone waiting for the Russian planes to bring atomic bombs over the Arctic and across Canada down to Detroit. This is a matter of self-preservation.

Thirty billion dollars to Europe and Asia. And then somebody got up and said it was too low; it was $33,000,000,000. Well, whatever it is, we have little or no choice in the matter.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CHRISTOPHER] has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CHRISTOPHER. Two hundred dollars per family for this bill. What would I have cared about $200 for my family when the draft reached in and took out four soldiers? I will be glad to pay my $200, on the chance that it will keep us from having world war III, and I will consider the money well spent.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. No. I have only 5 minutes.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield for a question only.

Mr. HAYS of Ohio. The gentleman would not consider $200 an excessive price to pay to keep an atomic bomb from falling on his family, would he?

Mr. CHRISTOPHER. I certainly would not, and I do not know that the $200 will do that, but it is a trial in the right direction. It is a road that no nation in the history of the world has ever tried to follow. Nobody can say that it will work but, on the other hand, nobody can say that it will not work, because we are traveling an untried path. If there is any other path, let the foes of this bill suggest it.

Help backward countries, and a gentleman wants to know what countries.

All of Asia and most all of Europe. It is no use to send them food, it is no use to send them weapons, unless we send them the mechanical know-how and machine tools. It is no use to send those if we build up a tariff wall around the United States when we have done it and refuse to trade with them. We are going to have to be a neighbor if we intend to have any neighbors on the face of this earth.

Now, I have a little poem that I want to give you folks, that was written by a poet who used to live in Kansas.

The poet said:

THE POOR

"I cannot give the poor a cent,"
Remarks the portly, stall-fed gent,
Who's just consumed a pie;
"It turns my auburn ringlets gray
To make ends meet from day to day;
All prices are so high.

Just glance along the bill of fare,
And note the prices ruling there
On canvasback and teal;
Mark how things cost to beat the band,
And then perhaps you'll understand
Why I can't spare a wheel.

Planked steaks with French imported peas,
And all such staple things as these,
That every man must eat,
Are costing now so many wheels
The woebegone consumer feels
A coldness in his feet.

Without such things as mushroom sauce
My victuals are a total loss
And they've gone up in price;
I shudder, too, as well I may,
Recalling what I have to pay
For bottles on the ice.

A man must feed before he thinks
Of handing out to needy ginks
A portion of his kale,
And he has little left, I swear,
When he has paid for Belgian hare
For oyster stews and quail.

I'd help the poor, as well as you,
If lofty sentiments would do
Instead of silver dimes.
Now I must eat a slab of beef,
While I deplore the woe and grief
Of these outlandish times!"

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I have many times made clear both before this body and in talking to my own constituents that my opposition to the European recovery program, or the Marshall plan as it is better known, is based on the corruption and misdirection of a great idea and a great vision.

When UNRRA was founded and under the inspiring leadership of the late Fiorello LaGuardia this international body set out to help all the needy and all the homeless and to aid the war-devastated countries in their first steps back to recovery, people everywhere were deeply moved by this first evidence of the new one world which was blossoming after the defeat of fascism in World War II. It was the spirit of helping all in need, without question or reservation, which was the great spirit of UNRRA.

What we have seen develop since 1947 and what we have here embodied in this bill, H. R. 7797, now before the House for consideration, is a far cry from the great ideal that motivated UNRRA—the ideal of helping the needy and the sorely pressed without political considerations.

Because the Marshall plan has become an economic instrument for discrimination and for implementing the foreign-policy objectives of the cold war—because the Marshall plan has contributed to splitting the world—because the Marshall plan has become a hand-out to buy off hungry people, political parties and sovereign countries—because the Marshall plan has become the tool of special interest groups in our country—I have opposed it.

And, as is well known, I have on repeated occasions proposed an alternative program of aid through the United Nations. Were such a program adopted by this Congress, the bitterness and the failure which have characterized the Marshall plan would finally come to an end.

For the Marshall plan is a failure.

It is a failure not only in the terms of the idea originally proposed by Secretary Marshall himself, but it is even a failure in accomplishing the objectives laid down for the so-called Marshall plan countries of western Europe.

It is to this failure of achievement to which I wish to address myself. It is about the real conditions in the recipient countries that I wish to talk, with special attention to Italy, the country about which I have the most information.

THE PLAN IN OPERATION

The Marshall plan has been acclaimed as a great success. To it has been attributed the industrial and agricultural recovery in western Europe. Healthy independent economies have been greeted as the direct result of the Marshall plan. And all of this is supposed to have been accomplished without impairing the United States economy.

But what are the facts?

By the end of 1947, before the Marshall plan had begun operations, industrial production in Europe as a whole had already reached prewar levels. And strangely enough, according to the figures of the United Nations, by the end of 1948 the ECA nations had not been doing as well as the nonparticipating nations.

More than this, when we examine the figures for the period covered by the operation of the Marshall plan, we learn, again according to the UN, that the participating nations expanded their production 18 percent between 1948 when the plan started operating and the middle of 1949. When this 18 percent is broken down, we see that whereas the United Kingdom increase was only 9 percent and Belgium 7 percent, the western zone of Germany increased its production by no less than 78 percent.

I might say at this point that throughout the history of the operation of the Marshall plan, we can see a concentration and an emphasis upon Germany that is unmistakable and frightening; frightening to the American people and to the millions of people of Europe who have suffered terribly twice in the past 30 years from the unleashed might of an aggressive German state.

Today the Marshall plan has become the main architect for the reconstruction of an antidemocratic Germany, cast in the old mold, utilizing the same old actors and actively preparing to play a leading role in the cold war and the fighting war that some madmen are already planning.

For agricultural production to expand to meet the needs of the people in western Europe, the Marshall plan should have been the means for shipping tractors, fertilizer, and farm equipment to these countries. In this way production could have been further increased. Instead, as the ECA figures themselves show, up to the middle of last year the ECA authorizations for agricultural machinery—$50,900,000—and for agricultural tractors — $43,100,000 — compared with $38,000,000 for eggs and fruits and $141,600,000 for tobacco.

But the effect of the Marshall plan goes further. Not only is the composition of the goods shipped under the program unlikely to meet the real needs of the agricultural economies requiring help, but in a country such as Italy the long delay in instituting the land reform program is, mainly, the result of ECA intervention.

The American newspapers have carried many stories recently from Italy describing peasants forcibly seizing idle lands after the years of inaction by the present government. Who can say what land reforms the people would have put into practice if they were permitted to work out their own problems in their own way? But today in Italy the most powerful economic figure is the ECA Administrator; we can be sure that if the land program never got out of the talking stage it is because our spokesman in that country has not given the signal.

Billions have been poured into the ERP. No one can complain about the size of the appropriations voted by Congress; the rub is the manner in which these funds have been expended and the objectives of policy for which these billions have been spent.

The living standards of the countries of western Europe have been controlled and held down. That is correct—held in rein.

The object of the program has been to keep the general standard of living at or below the prewar level until the end of ECA aid.

And this has been done in order that the national resources of these Marshall plan countries, which would otherwise go into more bread grains and fats for the people, go into such expenditures as the fantastic military budgets these countries are carrying. In country after country of western Europe as much as one-third of the budget has been allocated to the military. This is a policy of guns before butter that can be seen etched in the faces of hungry, shabbily dressed people in all these countries.

Does this make for a healthy, independent economy?

In Italy today there are 2,000,000 people completely out of work. Probably millions more are underemployed and employed part time. And for those who work life is barren and cheerless. It is nothing but a fight from day to day to keep the family alive and clothed.

What has the Marshall plan meant to these people of Italy or to the peasants of Calabria or Melissa?

The first report of the ECA mission to Italy issued a year ago pointed out that 50 to 55 percent of capacity in the Italian engineering industry was unemployed. Since then a number of well-known works such as Isotta-Fraschini and Alfa-Romeo have finally closed down. In shipbuilding and heavy industry the position is worse. Even in tex-

tiles, production is well below capacity and is scarcely improving.

And in western Germany, the bright light of the Marshall plan countries, is the situation any better? Certainly production is up, but over 2,000,000 men and women are walking the streets without work. And the heaviest unemployment is in the Ruhr, the area of the coal mines and heavy industry. Are these the virtues of the free enterprise we are helping build in Germany? Any factory worker can tell you what this means—high production and high unemployment—it spells speed-up, stretch-out, and big profits.

For the German people it spells privation and poverty. The old guard of property owners and financiers have been reinstalled by the Marshall plan in Germany. And the kind of economy they are running is marked by six or seven million people in western Germany—the unemployed, part-time workers and social-insurance pensioners with their families—who cannot afford to buy any meat or enough milk or fats for their diets.

Probably one-third of the population of western Germany is undernourished today. Is this the mark of the healthy economy which the Marshall plan has built in this country?

In Italy the economy is running down. In fact, this decline in activity was really hidden for awhile by the great quantities of consumer goods delivered to Italy during the first 2 years of the Marshall plan. Incidentally, these goods were sold, so that the well to do were able to obtain them while they were denied to the poor of Italy.

The ECA program can mark its successes. It did keep the present Government in power and it did prevent any social changes. But even our own mission to Italy reports that the capital-goods industry is considerably lower than prewar; industry after industry is operating anywhere from 50 to 70 percent of capacity. And Italian businessmen are refusing to invest in basic industry for the long pull; they want quick and easy profits only.

And why is this? Because the same small group of men who control the greater part of Italian industry today, and who have controlled it for the past 20 years and Wall Street interests that have taken over, have never understood that their responsibility is more than just to enrich themselves. Only if Italian industry expands and grows, can it meet the needs of the Italian people and the heavy burden of unemployment. Yet these men and their policies are the instruments of the Marshall plan in Italy.

The reigning industrialists, Italia and Wall Street, and their friends, the landlords of the South, are dedicated to making the largest profits in the shortest time. And from this point of view Italy is making a splendid recovery. But these profits are being made at the cost of continued national impoverishment and exploitation and with less and less chance of any genuine industrial recovery.

Much of Italian heavy industry today is idle or nearly so. This is why Italian workers have concentrated on strikes to keep men employed, they are striking to keep Italian industry operating. There are examples of workers giving up part of their pay to help buy raw materials, of others refusing severance pay in order to stay on the job.

To abandon these industries, as the workers know, means to limit Italy to light industry, agriculture, and a little mining. Is this the Marshall plan program for Italy?

This is the picture—heavy unemployment, basic industry rotting, monopolistic control growing, Wall Street infiltration, small business being driven to the wall, and no prospect of any genuine improvement. Is this the mark of the success of the Marshall plan in Italy?

In the South the absentee landlords with their vast, idle-land holdings, show the same indifference to the needs of the people. Poverty, ignorance, and sickness flourish among the 7,000,000 poor and landless peasants who live there. They can count on about 4 months of work each year, rents are exorbitant, life is miserable.

It is indeed impossible to believe the Marshall plan claims about Italy after reading the letters that cross my desk from Italy and reading the newspapers I receive from there.

How odd are the workings of the program in establishing a healthy and independent economy. On June 15, 1949, the New York Times reported that oil fields had been found in northern Italy. Surely a significant thing in a country never with enough fuel for industrial purposes. A leading government spokesman described the find as large enough to radically transform the Italian economy.

The very next day, June 16, the same newspaper had a story from Rome on the oil discovery. The headline announced a state monopoly was moving for full control of these oil fields, and as a result, relations with the United States were endangered. American spokesmen pointed out that the Italian Government could not give control of these fields exclusively to an Italian company, because it would be a violation of the ECA treaty between that country and the United States.

Is this the face of the Marshall plan in Italy?

Would it be proper to inquire of this committee about how Standard Oil of New Jersey must have a share of the Po Valley oil fields as part of the Marshall plan?

The point need not be belabored. If Italy today is a successful Marshall-plan country, then the plan is a failure and should be ended forthwith. The people have simple needs—land for the peasants and higher real wages for the workers—they are getting neither. The Marshall plan prevents them from getting either land or real wages.

If this latest request of the administration is approved, our country will have spent over $11,000,000,000 on the Marshall plan.

I concede that today this program is but the economic arm of the cold war and probably the considerations I have raised in regard to the manner in which it has worked out in Italy receive little weight by those who want to lead the American people down this road.

What I have said here today is not original with me. These facts and these conclusions are the property of more and more people every day in Europe and in this country. The simple fact is that Europe is not being put on its feet by the Marshall plan.

The program of turning the clock of Europe back, or returning these countries to the status quo that existed before World War II, is bound to end in failure. This is not because the program is stupid or the administrators inept. It is simply because the people of Italy, for example, can never find a solution to their problems except through a program of their own which meets their own special needs. We are not going to do it for them.

We are trying to do the impossible in western Europe. And this can only lead to repeated defeats.

And in our country mounting unemployment and a decline in industrial activity are the signs that we have our own problems, steadily growing and involving more and more American families. The Marshall plan will not help us face up to these problems or solve them. Instead, it stands as the easy solution for those misguided individuals who will soon be proposing that we "export" our depression through the Mashall plan, dumping our surpluses all over the world.

The ERP has indeed come a long way from UNRRA. Day by day, as this program works itself out in the countries of western Europe, it becomes increasingly clear that it can only spell failure and disaster for all.

Mr. Chairman, I hold in my hand a piece taken from this morning's New York Times which tells a story that I believe has a telling effect on the debate here. It should have anyway. One article talks about troubadours with guitars publicizing ERP in Italy. Alongside of this publicity gimmick is something which tells the tale of the Italian tragedy. "Italian police nip seizures of land in Italy. Take prompt action to check new attempts of peasants in south Italy and in Sicily."

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman 5 minutes.

Mr. MARCANTONIO. Mr. Chairman, alongside of the story of the publicity gimmick there is the story of the failure, a failure for which this plan is responsible, a failure for which the administrators of this plan are responsible, the failure of land reform to take place in Italy, because this plan is intended to maintain the status quo. We are told that this tragic failure is necessary to stop communism. What this plan was really intended for was to stop fundamental changes which will not be stopped. Those fundamental changes will take place in Europe because we are seeking to impose upon the people of Europe through this scheme an economy of big-trust exploitation which failed in Europe right after World War I. Fascism sought to revive it. That failed. We are failing too.

At this time let me give you a picture of the agricultural situation in Italy, reform of which we have been preventing.

Italy is a mountainous country. Thirty-nine percent of the land is mountainous, 40 percent of the land is on hills; only 31 percent of its acreage is located on plains. Of the 30,000,000 hectares which compose the territory, 2,300,000 are considered nonproductive, a little more than 10,000,000 hectares are to be found in the mountains, 12,000,000 on the hills, and only 6,000,000 hectares comprise the plains. Over 45,000,000 Italians live on this land. Approximately 400,000 children are born every year. This represents a tremendous number when it is considered that 79 percent of this soil is located either on the hills or on the mountains. This land on the hills and on the mountains is mostly arid.

The Italian people in order to feed themselves are forced to import 30 percent of their granary needs, while hundreds of thousands of hectares are poorly cultivated, millions more are undeveloped, not irrigated, and subjected to continuous land erosion.

This is the situation with respect to agriculture in Italy today when millions of unemployed workers are pleading to work on these uncultivated lands. They are pleading for a chance to work on these lands, mind you, not on useless public works but on productive public works, public works that will give life-blood to the Italian people. They are pleading to work in order to control floods so that they will be able to preserve their water and utilize it for power and prevent it from being used as a means of destruction.

Let me give you the picture as to the ownership of land in Italy. This is the status quo that we have prevented from being changed. Twenty thousand families own half of all the land in Italy. Are you going to lull these people into dancing for us to the tune of the guitars and the troubadors that ERP is sending around while the police are arresting peasants who are engaged in that terrible, terrible revolutionary action of seizing land so that they can produce bread for their children.

In Calabria, for example—that is the province where some of this land seizure is taking place sporadically on the part of the peasants—there are approximately 326,000 small farmers. Let we tell you, especially you gentlemen from the Midwest, what those small farms amount to.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MARCANTONIO. Three hundred and twenty-six thousand small farmers each own an average of one-third of 1 acre of land. Get that. Out of the 8,000,000 Italians engaged in agricultural labor, that is, people working in agriculture, only 32 percent work on land that they themselves own.

Now, gentlemen, you may call this movement in Italy communism, but it seems to me that no matter how you try to stop it, whether it is by the use of some more of our money, by the use of this plan, or by an Atlantic Pact alliance, you are not going to stop the Italian peasants. They want land? It is there. They are going to take it and in taking it they are doing so in order to guarantee for themselves and their children the food they so sorely need.

The failure of this puppet government—the De Gasperi government—that we put and keep in office to make any efforts at all toward mechanizing agriculture is the result of our Marshall-plan economy forced on Italy. For instance, in 1937 there were 37,000 tractors in Italy. That represents one tractor for every thousand acres of land. Now, just what have we done under our administration there? In the 1948–49 budget the De Gasperi government provided only 3,000,000 lire for the mechanization of agriculture. This represents the price of a single tractor. Agricultural production, consequently, as a result of this failure to mechanize, has failed to keep up with the requirements of an increasing population. By 1948 the population of Italy increased 20 percent over its 1909 figure, but farm production has increased only 4 percent since 1909.

Now, let the apologists for this ECA program explain away the wages in Italy.

For instance, on wages, the monthly budget of an average family, it has been estimated, is what? The figures differ a little in the various cities. In Milan it is 32,221 lire. That represents about $52 a month. In Rome it is 30,961 lire, which represents about $50 a month. In Naples it is a little bit less, 26,401 lire, which represents $43 a month. In Palermo it is 30,247 lire, which represents $49 a month.

When you consider clothing and other miscellaneous items, plus rent, the need is about $97 per month for the average family.

What is the general income of Italian workers? It is about 30,000 lire, which is about $48 a month. This means that when the worker is employed he will be able to cover only his food expenses. And that is what is going on in Italy today. The food consumption, by the way, corresponds to less than 3,000 calories.

In general, this income, if the worker works the entire month, will take care of only half the living costs of the entire family. This is as far as the industrial laborers are concerned. Let me show you what the farm laborers receive.

In Veneto they receive 750 lire per day. In Liguria they receive 680 lire per day. In Emilia they receive from 804 to 1,000 lire per day. In Catanzaro in Sicily they receive 420 lire per day. In Messina, Sicily, 480 lire per day, and in Frosinone near Rome 363 lire per day.

It is to be remembered that farm laborers in Italy work only about 150 days per year.

This situation that has affected the peasants, farm laborers, and industrial workers in Italy naturally has had its effect on the middle class in Italy. By the way, the middle class is fast disappearing in Italy. There will soon be only two classes in Italy, the very rich and the very poor. What has happened?

Taking 100 as the basis for the 1947 bankruptcies, for November 1949, bankruptcies reached the total of 363, an all-time record high.

The domestic market is not only impoverished by permanent and partial unemployment but the buying power is diminished by low wages.

Now, as to housing conditions you cannot explain away any of these conditions by shouting communism. The shortage of living quarters in Italy has reached a dangerous stage. At the end of 1947, there was a shortage of more than 14,000,000 rooms. Considering rooms and other space which go with each apartment, the total need will actually be 20,000,000 rooms.

The consequences of these appalling shortages are evident. The overcrowded apartments, the unhygienic conditions which result therefrom has increased disease and mortality. The index of general mortality while it is 11.8 per thousand for the well-to-do, who have at their disposal one to five more rooms per person, reaches 23.9 per thousand for the poorer classes who have at their disposal less than one room per person.

The spread of TB is in the proportion of 1 percent in well-to-do homes, 5 percent in average homes, and 20 percent in the slum areas. No, you cannot explain this away by talking about communism. The Red bogey may frighten politicians here, but it does not frighten the Italian people who are compelled to live under the conditions I have just described.

Do you know that there are 80,000 teachers without students and 2,000,000 students without teachers in Italy?

The need for school buildings in Italy is tremendous. It is estimated that the classroom deficit in Italy is 50,000 for the elementary schools and 50,000 more rooms for kindergarten. A functionary of the public education ministry stated recently, "that 68,000 rooms will not suffice for the elementary schools." These statistics do not take into consideration the thousands of schoolrooms, if we wish to call them as such, which are in such a deplorable condition to make them unfit for public use.

In southern Italy and in the islands, according to a recent survey by the public works office, the need for rooms is estimated at 21,119. Sicily needs 6,000 of these rooms which would cost approximately seven billion lires—$11,290,322.

In the 126 towns in the region of Lucania, there are only 36 school buildings.

In Naples the large Luzzatti section does not have a school building. Classes are conducted in five small rooms without any furniture. The students have to carry their own chairs from home. In the entire city of Naples, there are 1,700 schoolrooms and the minimum need there is 2,700.

In the city of Benevento, 5,000 of the 7,000 students who are required to attend school do not do so. Sixty percent of the schoolrooms are ratholes.

In the town of Aversa, there are 16 classrooms for 3,000 students. In the province of Taranto in many schools, the students take the lessons standing.

There are 2,000,000 Italian children who do not attend school today and there is one million out of two and a half million younger children who are attending

kindergartens and day nurseries. Meanwhile, 80,000 teachers of proved professional capabilities are unemployed in Italy today. So, you can explain this situation away by telling us how much you want to fight communism. It may impress politicians here but not the parents of these children.

Industrial production which seemed to have a slow upswing beginning with autumn has once again gone down. The index of the last 4 months of 1949 was below 2 percent of the corresponding period of 1948.

The situation was worse in the field of export, which registered a reduction of 8 percent last November and reaching 25 percent during the end of the year.

UNEMPLOYMENT

According to the Ministry of Labor, the number of unemployed was 1,741,000 on October 31, 1949. If you add the unemployed intellectuals who do not register and transient workers who are stricken off from the unemployment lists of their home town, the sum total will be 2,000,000 unemployed. To this must be added 1,000,000 workers who are partially employed, who work part time and a million and a half farm laborers who work only a few days a month.

It is important to note that 25 percent of industrial workers are totally unemployed. The situation among the peasants is more tragic than that which appears on official data. From a document released from the minister of agriculture, it is revealed that there are 2,700,000 farm laborers in excess.

As against these conditions which by means of ECA we are perpetuating in Italy, I submit to you the economic plan of the Italian General Confederation of Labor, CGIL.

For the first time, the working people of Italy have presented in a very clear fashion their needs and their demands. An economic plan was submitted last February at a 3-day national conference in Rome, Italy, by the Italian General Confederation of Labor. This plan as I will briefly show is of tremendous significance for the economic and social rehabilitation of Italy.

As it was stated by the leaders of the CGIL, this plan is not the property of any political party. It is the property of the Italian people themselves, of the workers, of the peasants, of the technicians, and of the intellectuals of Italy. People from all walks of life, from all political parties participated in this national conference. Among the outstanding personalities who participated or expressed their best wishes were the Honorables Fanfani, F. S. Nitti, V. E. Orland, Chiostergi, vice president of the Italian Chamber of Deputies; Belloni, deputy of the Italian Republican Party; Canevari, Under Secretary of Agriculture, and many other outstanding personalities from all walks of life.

Thirty provinces from all over Italy made minute analyses of their problems and submitted their findings to the CGIL National Economic Conference.

The CGIL had indicated three main branches of work where it is possible for a time to employ a great number of unemployed in productive work which will help solve the most urgent national problems. This plan will give immediate work to 700,000 unemployed workers; namely, in—

First. Electrical power fields.

Second. Irrigation and improvement of land.

Third. Public works.

This will undoubtedly create work in all the other industries, even in those which today suffer more economic depression and which have more unemployed.

The National Economic Conference has explained that 700,000 workers will be immediately employed in the following projects: 400,000 workers for public works; 100,000 workers for the building of power stations; 200,000 workers for land reclamation, irrigation, drainage, and so forth.

This last figure will be increased by thousands of peasants who will be needed on the new drained and irrigated lands.

On housing the CGIL proposed a yearly construction for a 20-year period of 1,000,000 rooms as living quarters plus 50,000 rooms for schools and other public buildings. This will accommodate 250,000 families per year.

On electric power, the CGIL plan calls for its nationalization as the best way to reach a production of 34,000,000,000 kilowatts annually by 1953. In 1948 the annual production was 22,700,000,000 kilowatts. Theoretically 24,000,000,000 could have been gotten.

In 1949 production diminished in respect to 1948. This was due to the unfavorable hydraulic conditions. Drastic limitations of consumption are well known in Italy. During certain months, due to electric-power deficiency consumption had to be cut 20 to 30 percent. Many small and medium industries had to install their own thermic plants at a very high cost. Italy requires today 6,000,000,000 kilowatts for its needs. Since private industry has proved to be incapable of solving this most important problem the CGIL plan calls for its nationalization, that the government step in as we did in TVA. The nationalization of electrical power will also help to solve another serious problem which worries the consumers: the tariff.

The difference between regions and often between provinces is tremendous. A national tariff will not be possible under private enterprise or under a monopolistic regime.

Where will be the money come from to finance this plan? Professor Breglia speaking before the conference stated that with some initial help the plan will finance itself once it is in operation. This will be so because the investments are productive investments. The Honorable Giuseppe DiVittorio, secretary general of the CGIL had stated to the Italian Government:

> Gentlemen, we do not want just any kind of public works, but we want productive work and if you want to compel workers into useless jobs as you have done in the past by merely digging land aimlessly, we say definitely not. We want projects which will bear fruits.

The conference in discussing as to where the initial funds will come from did not exclude the possibility of foreign loans.

> There are people in the world—

The conference observed—

> who have offered us war loans for war purposes.
>
> Why can't we tell these gentlemen from rich lands, specifically the Government of the United States of America and the American trusts: Gentlemen, you are ready to give us many things and particularly arms; we thank you for these contributions which will not benefit us, but on the contrary, will give us a dark future; give us a loan for productive work, for work of peace, for work to live. We will pay back these loans, because they will not be unutilized but will be well used for the realization of the plan that we are proposing and that it has productive objectives.

The CGIL Conference has also proposed the utilization of Italy's reserve funds which are impressive. According to the UN bulletin, Italy possesses in foreign lands unutilized resources to the amount of 576,800,000,000 lire—$929,354,838.

The CGIL, in answer to those who say that this money is needed by Italy for its monetary stability, explains that this stability can be made more secure if Italy had tens of thousands more electrical power stations, if Italy had hundreds of thousands of hectares of improved land, which eventually would produce 2, 5, or 10 times as much of what is produced today. This would put the Italian economy on a healthy base. And we know that a healthy economy is the solid base for monetary stability. Therefore, the CGIL proposes that 500,000,000,000 lire—$812,903,225—of the 576,800,000,000 be used to give life, work, and bread for the Italian people. The CGIL proposes also that the 300,000,000,000 lire as proposed in the Government's fiscal budget—part of this is accumulated and unused funds from the previous budget—be added to the 500,000,000,000 lire. So the plan could be very well and immediately started with 800,000,000,000 lire—approximately $1,224,032,258. The CGIL plan of work guarantees a higher economic level to Italy, new possibilities of work and of life for the Italian people. It limits the monopolistic practices, but favors private enterprise for the small producers and small-business men.

Mr. Chairman, it is well to remember that Italy's military budget for last year was 240,000,000,000 lire—$387,096,774. This enormous military budget is forced on the people of Italy by our Atlantic Pact and ECA control of Italy.

The Marshall plan has meant exploitation and despair for Italy. The CGIL plan means life, peace, and hope for the people of Italy no matter how much you may try to smear it.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Ohio.

Mr. McSWEENEY. Does the gentleman from New York realize that under the program set up by Mussolini they were growing wheat under the wrong theory of farming? We in Ohio realize that wheat is a crop where you have to have a plentiful supply of land and a scarcity of labor, but he had a scarcity

of land and a plentiful supply of labor. That upset the whole farm economy, by trying to make Italy self-supporting in wheat.

Mr. MARCANTONIO. That may be; but Italy needs land reform.

Mr. McSWEENEY. That was the difficulty in the first place.

Mr. MARCANTONIO. That is not the difficulty. The difficulty in Italy is the present land ownership, and we will not permit that land reform which is so necessary in Italy.

Mr. McSWEENEY. Has not the ECA helped with the Pontine Marshes reclamation and all those other things?

Mr. MARCANTONIO. It started some kind of public works, but what happened? We are not permitting and the Italian Government is not using its counterpart funds, so the little work that it has been doing has not been the kind of work that is useful and productive, that would help rehabilitate the economy of the country. De Gasperi prefers to hang on to the counterpart funds to bolster the lira rather than use these funds for productive public works. You will never solve the situation in Italy unless you solve the land problem. This ECA program of ours, whose objective has been to maintain the economic status quo, is a program which prevents land reform. Without land reform in Europe, and particularly in Italy, ECA, a program that has for its objective the maintenance of the economic status quo is doomed to fail. We, here in Congress, are now asked to keep on participating in this failure.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. STEFAN. I would like to know what the gentleman is reading from when he referred to a bunch of troubadours in Italy advertising the ECA. Where does that information appear?

Mr. MARCANTONIO. It appeared right here in the New York Times. It is an article by the United Press from Rome on March 26:

> Guitar-playing troubadours—free calendar contest with prizes, movies, and cartoons are being used by the Economic Cooperative Administration to publicize the European recovery program in Italy.

Right alongside of that, as I stated before—alongside of this ECA troubadour publicity gimmick is the story "Italian Police Nip Seizures of Land."

Mr. STEFAN. What I would like to know is whether or not the ECA is carrying on that program or whether that is part of the information service known as USES, the Voice of America. Are there two services?

Mr. MARCANTONIO. All I can do is read the article. It says here that the ECA commission decided that the press and radio were not enough to tell the story in Italy.

I would like to go on. All I can tell you is what the article says. I have no other knowledge. As I stated before, the article is by the United Press. What I am trying to point out is the fact that we have to have publicity gimmicks in Italy for ECA when, at the same time, we are informed by the same newspaper that Italian peasants are trying to take land and are being stopped by the police. This story describes a very serious problem in Italy which will not be solved by troubadours.

Mr. STEFAN. If the gentleman will permit, I merely want to know if we are duplicating the information service. Are there two services?

Mr. MARCANTONIO. That I am not in a position to answer for the gentleman. But I will say, with all due respect, that that has nothing to do with what I am discussing at this time.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. McCORMACK. I am sure my friend would not like to see the Italian Government taken over by the Communists, would he?

Mr. MARCANTONIO. I will say this to the gentleman: That my feelings or his on this subject do not matter. What is at issue is this right of the Italian people to choose their own form of government. I am here pleading for that right. Deprive any people of that right, through the Marshall plan or through any other devise, and you destroy the independence and sovereignty of their nation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEE. Mr. Chairman, I yield one additional minute to the gentleman.

Mr. MARCANTONIO. Let me say to the gentleman from Massachusetts the day is not far off in this country when, by just labeling something Communist you are not going to destroy it. The day is coming when, and time and events in America are teaching the Americans and people all over the world that they must decide any proposition on whether it is in the interest of the people or against the interest of the people. What the CGIL is attempting in Italy today is not the imposition of a Communist form of government. I have briefly explained the plan known as the CGIL plan, which deals with public power, reclamation, and irrigation, and land reform. Now, the gentleman can call that communism or he can call it whatever he pleases. But I tell you that the people themselves in Italy are trying to institute this program, and the only people who are fighting this program are the big trusts, and big landowners, and the De Gasperi government which we put in power by the kind of election which took place there. You remember we went into Italy and really ran the whole election.

Mr. McCORMACK. What the gentleman is talking about is entirely different than the question I asked. The gentleman has not yet answered my question.

Mr. MARCANTONIO. I have answered the question.

Mr. McCORMACK. But not to my satisfaction.

Mr. MARCANTONIO. Of course not. I never expected to answer to the gentleman's satisfaction.

I have tried to point out that the program of the CGIL has the popular support of all people in Italy. That program is a program of the Italian people and one which the Italian people want. If you want to try to stop them from putting over their program by the Marshall plan and by saying what you are saying, and what is always said here—"Don't you want to stop communism?"—I say to the gentleman I do not want to stop the people of Italy nor their program.

Mr. McCORMACK. The gentleman has not answered my question.

Mr. MARCANTONIO. I know—not to the gentleman's satisfaction.

Mr. McCORMACK. Not even to my limited satisfaction.

Mr. MARCANTONIO. Of course, not even to the gentleman's limited satisfaction.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEE. Mr. Chairman, I yield 12 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I did not intend to take the floor again on this bill, but the gentleman from New York [Mr. MARCANTONIO] has made some statements which I cannot let go unchallenged.

I do not pretend to be an expert on the subject of Italy, but I have been there twice within the last 2 years and I think I know a little bit about it. I know that the land reform is an important thing in Italy. I do not agree with his contention that the De Gasperi government is trying to prevent it. As a matter of fact, the De Gasperi government is trying to move in an orderly fashion to bring about land reform. But the issue in Italy is not whether the De Gasperi government can accomplish that overnight. The issue it democracy and freedom versus communism.

Oh, I have seen those countries where they have had land reform effected from the top. I saw how they are doing so-called land reform in Poland, behind the iron curtain, where the poor peasant loses his land, his home, and becomes a slave to the dictatorship. I saw a little land reform in Yugoslavia, where the Government takes over the land and puts the people on it and makes slaves of the entire population. That is the kind of land reform you get behind the iron curtain, and apparently that is the kind the gentleman from New York [Mr. MARCANTONIO] advocates for Italy.

The gentleman from New York [Mr. MARCANTONIO] talked about the United States going into Italy and running the elections. The United States got in there in the nick of time, and I believe that for every dollar the United States spent in the Italian elections, the Russians spent $10. I could not see a wall in all of Italy in 1948 during the election that did not have the hammer and sickle on it or some other posters for communism. Yes. The issue is whether or not we have a government in Italy which recognizes God or whether we have a government which does not recognize God and prohibits the population from recognizing God. It is a question of whether we have a government as they have in Yugoslavia, where a few people at the top have everything and the masses are nothing more nor less than slaves. In Yugoslavia it is illegal for the average person to own an automobile or a motor scooter, but those at the top ride

around in Chryslers and Cadillacs. That is the kind of government Italy would have had if it had not been for the Marshall plan. Yes, my friends, it is a question of human decency and human morality versus indecency and immorality.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. LODGE. The gentleman is making an excellent statement. I would like to say this. He speaks of the Confederazione General del Lavoro. I would like to say that as far as the Confederazione General del Lavoro is concerned, that is completely Communist dominated, and the American A. F. of L. and the CIO unions have been attempting to help those workers who are caught under that Communist domination to escape by the formation of non-Communist labor unions. The plan that the gentleman from New York [Mr. MARCANTONIO] referred to is not supported by our own labor unions, who are trying to help the workers get out from under Communist domination.

Mr. HAYS of Ohio. The gentleman is exactly right, and the gentleman knows whereof he speaks.

I would say further that I saw evidence of our people in Italy trying to help that land reform and trying to help in planning irrigation projects, in planning dams and flood-control projects and land-erosion projects so that the people of Italy can have land and enough to eat, so that we can show them democracy works.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. McSWEENEY. Is it not true that counterpart funds under ECA are being used for land reforms?

Mr. HAYS of Ohio. That is true.

Mr. McSWEENEY. And is it not true—I was there for 3 years in the Army—and whenever we wanted to make an announcement to the people, as welfare officer I had to do it through the old idea of the drummer going around and calling the people. The gentleman from New York [Mr. MARCANTONIO] must know there are not enough radios or enough means of communication to reach those people to let them know what the ECA is doing, except by the old time-honored method of going into the communities and announcing it to the people.

Mr. HAYS of Ohio. The gentleman from Ohio [Mr. McSWEENEY] was a military governor in Italy, and he knows a great deal about the situation, and his statement is exactly right.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. MANSFIELD. I agree with my colleague [Mr. McSWEENEY]. What he says is true. Further, insofar as the gentleman from New York is concerned, for the first time there has come into existence in Italy a middle class. Furthermore, when he speaks about public power projects, irrigation and reclamation, those are the very things that ECA has been attempting to do and is doing at the present time.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I cannot yield to the gentleman from New York; he had 22 minutes of his own time, and I did not interrupt him.

Mr. MARCANTONIO. But I yielded to others.

Mr. HAYS of Ohio. I do not yield to the gentleman from New York, but I will yield to the gentleman from Pennsylvania [Mr. CAVALCANTE] a little later.

I was tremendously impressed after coming from behind the iron curtain, and I am going to tell the House a little story, begging their indulgence, because I think perhaps the hope of Italy and the hope of the world may rest upon something like it. To give you a little background I may say that I come from a Protestant family and am a Protestant, probably for that reason, a member of the Presbyterian Church. When we came from these devastated iron-curtain countries and from the Holy Land and the Near East, it was to Italy that we came, and our committee had an audience with the Pope, who, I might say, is an advocate of the De Gasperi government because he thinks that it has a chance to go forth in a God-like manner and a decent manner and render democratic service to the people of Italy. We members of the Committee on Expenditures were discussing among ourselves whether or not there was any possibility for decency to exist in this world. We had seen so much misery and suffering, so much disease and desperation, that we were more than a little bit discouraged when we realized that the United States could not carry the world on its back. We went out on this Saturday morning and had the audience with the Pope. We talked for half an hour as to how we could help solve some of these difficult problems. As we were leaving he said to me, and I was standing closest to him, some of the members of my faith who are in your party—and we had the entire party with us including the crew members; there were 17 of us—he said: "Some members of your party have asked that we have a moment of prayer. I know some of you are not members of the Roman Catholic Church. If any of you want to leave, please realize that I understand perfectly, but if you do not I should like to have everyone kneel down."

We all knelt down, and we had that moment of prayer; it made a tremendous impression on me. I have never been a zealously religious person; I have taken it in stride, like most of us do. I was never tremendously impressed by religion and what it has meant to mankind until I started thinking about that experience. Then I realized that there must be some hope in the world for an orderly solution of our problems; we had just come from the Holy Land and Damascus where the Prince of Peace, that advocate of tolerance and charity, walked, talked, taught, and died. I thought: Yes, we have made some progress in the world in the last few hundred years. This thing, you must understand, could not have happened 150 years or so ago, because Catholics and Protestants were spilling each other's blood in religious wars. This little understanding is not a very long stride in point of time, but we have been making it; we are learning, and I think that is the only solution. You cannot force it on from the top by a gang, like the ungodly Communists who only want to put themselves in power at the expense of the freedom and liberty, the food, the shelter, and the clothing of the masses. That is what we saw all over Communist Europe, in Poland, in Czechoslovakia, and in Yugoslavia, behind the iron curtain.

I now yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. On that point, if we were to concede that land reform is necessary in Italy, Italy has a constitution and a lawfully constituted government. Should not that reform come through the structure of the constitution and the laws and not by force and violence, as advocated by the gentleman from New York?

Mr. HAYS of Ohio. I will answer the gentleman; of course, that is the way that it is coming about, and that is the only way that it can be brought about successfully. It cannot be done as advocated by the gentleman from New York by force and bloodshed. The De Gasperi government is making strides in the direction of land reform, of course. But it would be just the same as trying to have any reform in this country—and we have had them, we have had social reforms down through the years in an orderly, legislative fashion, but they did not take place overnight, of course not.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. JUDD. Is not the gentleman from New York just following the same line that those who support the Communist program throughout the world have always advocated? The standard tactic is to use an attractive slogan, just the same as Lenin fooled the people of Russia with the slogan, "Land, peace, bread." Now who does not want land? Who does not want peace? Who does not want bread? So millions listened to his promises. Do they have land? No, they work on collective farms, almost serfs. Do they have peace? Yes, the peace of enslavement. Do they have bread? Yes, the black bread of poverty, if they wait long enough in the line.

They use these same slogans in every country hoping people who have not had sufficient education to become sophisticated will be taken in by them.

The great Communist slogan in China too, was land reform. What was the result? Not land reform but sheer agricultural vandalism. They promised land until they had seized control, then the farmers could not do anything about it. Are the people of China better off today? No. They are worse off today than they were a year ago and even a hundred years ago. The key to the problem is this: If people are free they can carry out these reforms. If they are not free, there is no hope for them. It would be the same in Italy as it already is in Yugoslavia and Poland.

Mr. HAYS of Ohio. The gentleman from Minnesota [Mr. JUDD] who has been an eminent missionary is exactly right. Mr. Chairman, let me repeat again that the issue in Italy is not land reform. That is important. No one realizes more than I that it is. The issue in Italy is whether or not the land reform will be accomplished in a democratic manner or will be accomplished by force and state ownership which ultimately means slavery of the people.

Let me give you an example. You hear about these voluntary labor battalions in these Communist countries. They go out and work for the good of the state voluntarily. They work at their regular jobs for 10 or 12 hours a day then they volunteer for extra work. Sure, they go out voluntarily. I saw that all behind the iron curtain. So did the members of the Expenditures Committee. They all work voluntarily. They did not have to do it, it is purely voluntary. The only thing that happens to them if they do not do it, is that their ration card is taken away from them and they cannot buy any food; their shelter card is taken away from them and they do not have any place in which to live; their clothing card is taken away from them and they do not have anything to wear.

They do not have to do the work, it is purely voluntary, but there are quite a few things happen if they do not volunteer. That, of course, is merely progress according to the definition of the gentleman from New York [Mr. MARCANTONIO].

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Chairman, I would like to offer my compliments to the gentleman from Ohio who has just spoken. I think his discussion of communism and what it does is well worthwhile and I am glad we have heard it here today.

My discussion has to do entirely with the pending bill. First of all, I want to point out that we cannot act on H. R. 7797, which is the pending ECA bill, on the assumption that this bill is a routine continuance of a program which was begun and which must be completed. As a matter of fact, the bill before us is a bill of many parts, not involving just the European recovery program and continuation of the Marshall plan. It is partly that. The bill provides also certain funds for other countries, Korea, Palestine, and I believe the so-called point 4 part of the program goes clear around the world. It is a shotgun bill but it is being sold to us and to the people as a bill for continuance of the European recovery program.

When we started into this European program in 1948 many things were different then than they are today. For example, on March 31, 1948, the day the bill was passed by the Eightieth Congress, a Republican-controlled Congress, the surplus in the Treasury on that day was $5,352,930,018.76. There was very little United States unemployment in those days. Our country was getting along in pretty good shape. There was great need in Europe. The great drought of 1947 had caused a serious shortage of food in Europe. Europe was endeavoring to pull itself out from under the ravages of the war years and something had to be done. It was in June 1947 that Secretary Marshall enunciated his proposal that we help European countries if they would tell us how and also would endeavor to help themselves.

Prior to the passage of the first ECA bill in 1948 the 16 cooperating countries of Europe spelled out a statement of their needs. They also made specific statements as to the steps they would take to help themselves build western Europe into a successful economic unit. On the basis of these statements our ECA program was started. But we wrote a proviso in the first ECA bill. We said, and the wording will be found on page 2 of the printed act:

Provided, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States.

It is further declared to be the policy of the United States that continuity of assistance provided by the United States shall at all times be dependent upon continuity of cooperation among the countries participating in the program.

Now, there are two questions we must ask ourselves before we make our decisions on H. R. 7797. One is, as pointed out in the first part of the proviso, Will the passage of this bill adversely affect the economy of the United States? And, secondly, if we agree that we can stand the drain on our Treasury, and if we pass the bill, Is it going to really be of lasting benefit to the continent of Europe? Is the job we are doing actually succeeding? Will we accomplish something? Can we end this program by 1952?

On the first point, can we afford to do it, that is the question that I would not attempt to categorically answer except to say this, when this plan was originally passed we had a surplus in our Government Treasury of $5,000,000,000. As we are considering this bill we are running into a fiscal year deficit of $5,500,000,000. In other words, there is a difference in our situation of around $10,000,000,000 as compared with when we first contemplated this kind of a plan.

I would like to point out also that this deficit is a continuing debt and if it will run $5,500,000,000 this year, it will cost us, until the debt is paid off, $400,000 a day, mind you, just to pay the interest on the deficit which is being piled up today.

I do not believe we can continue our present rate of deficit spending. We are now going into the red—paying out more than our Treasury is taking in—at the rate of $16,000,000 per day. We cannot continue to do this without impairing the economic stability of the United States. Conceding that the ECA program cannot be stopped abruptly, I suggest that the amount should be reduced this year to not more than a billion dollars instead of the more than three billions now contemplated. The only way this Government can remain strong is to halt its headlong flight toward financial disaster. The only way we can stop that is to cease spending more money than we can afford. I think in the long run it is far more important to the free governments of Europe that the United States remain financially strong than that we send them one billion instead of three billions of dollars this year.

Mr. Chairman, I think that this is an exceedingly important point bearing on our consideration of this bill.

With reference to whether or not the plan itself is a continuance of what we started or whether it is something else, I should like to point out that when we went into the plan the countries of Europe specifically pledged themselves to do seven specific things as their part, as their contribution to the success of our efforts, and they were good, sound, sane things. During 1948 when the bill was first passed, of course, they could not make much progress in carrying out those seven pledges which had to do with the economic integration of the Continent of Europe. During 1949 when they could have done some constructive things, they did some in a very limited way. So, we come into the third stage of this program: The first being the dire need and the immediate rehabilitation, the second being the getting of the normal production and economic machinery of Europe running in a manner about as it ran before the last war. The third job which this bill is supposed to undertake has to do with the economic system of Europe itself after it is put back in its prewar condition, so far as production is concerned.

I do not think the United States can do that job alone with dollars; I know it cannot do that job with dollars. The people of the Continent of Europe must proceed to carry out their pledges or the dollars that we send over there are so much waste. That is another objection to the passage of the bill in this form at this time.

My feeling about the bill is—and I must vote against it in this form—that it is ill-considered from the standpoint, first of all, of the amount of money we can spare. Secondly, it can do but little good to send any substantial amount to the peoples of Europe until they have begun to integrate their own economy. They must take away some of their trade barriers and allow the free passage of people among their countries and do all the other things they solemnly pledged to do before we passed the original ECA bill. So, I shall vote for a motion to recommit this bill to the committee hoping it would then have a chance to reconsider the problem in the light of the facts substantially as I have pointed them out here today. Their own facts are better than mine because I am not a member of the committee. Let them bring in one bill to give aid to the economic system of Europe and leave out all these extraneous matters; leave out any reference about disposing of our farm surplus and that sort of thing, but bring it right down to where it belongs, and then write into the bill the requirements that the countries of Europe must undertake a program and actions which will prove that they are actually going to do their part as pledged in their original statement.

This is not hindsight on my part. I call your attention to the fact that on

December 5, 1947, before we undertook the consideration of the Marshall-plan bill, I introduced House Concurrent Resolution 121, which among other things stated:

That appraisals of need and statements of intent shall not be considered sufficient basis under such policy for action by the United States, but that such statements must be supported by formal actions of participating governments before the United States can undertake a program of economic aid. These formal actions should be such as to positively and effectively further the achievement of the following objectives in each of the participating countries:

I then named the seven things they promised and pledged themselves to do, as follows:

(1) To develop its production to reach the stated goals, especially for food and coal;

(2) To make the fullest and most effective use of its existing productive capacity and all available manpower;

(3) To modernize its equipment and transport so that labor becomes more productive, conditions of work improved, and standards of living are raised;

(4) To apply all necessary measures leading to the rapid achievement of internal financial monetary and economic stability while maintaining in each country a high level of employment;

(5) To cooperate with one another and with like-minded countries in all possible steps to reduce the tariffs and other barriers to expansion of trade both between themselves and with the rest of the world, in accordance with the principles of the draft charter for an international trade organization;

(6) To remove progressively the obstacles to the free movement of persons within Europe;

(7) To organize together the means by which common resources can be developed in partnership.

If we would insist that those countries in Europe that are currently not working together as an economic unit will, before we go further, carry out those pledges or at least take the affirmative steps I stated in that resolution, then I think we might make some progress in the third stage of this effort we are making toward getting the countries of western Europe on their economic feet. But unless those things are done, Mr. Chairman, it is going to be impossible to accomplish much of anything. We have not accomplished anything for the future and we are not going to.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. May I ask the gentleman if he thinks communism is going to stop in 1952, when this plan stops?

Mr. ELLSWORTH. No, I don't think communism is going to stop at any time in the predictable future. I see what the gentleman means. His question goes to the point of the discontinuance of this program in 1952, according to the original plan. I think that is just irresponsible guessing, even as the bill itself indicates unrealistic thinking. I sincerely hope the bill can be sent back to the committee for further consideration.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, it has been my practice since I left the Committee on Foreign Affairs for the Committee on Appropriations seldom to say anything on a legislative bill which might later come to the committee upon which I am now serving and call for action by appropriation, yet this, I think, is the kind of exception which will prove the rule itself rather than stretch it.

I have listened to the debate on this bill almost every minute since it began. I am not for this bill as it is now written. I hope there will be an amendment to strike out this clause having to do with agricultural dumping.

I am from the great State of Pennsylvania and the hard-coal fields, but I voted for the agricultural bills that have come before the House of Representatives during and since the Seventy-ninth Congress; yet some of the supporters of these agricultural bills have made me very unhappy by the votes they have cast on other occasions on bills in which I was interested.

But that does not prove that I should be wrong also. There is but one point that I can make in a short 5 minutes, and I shall not burden the committee longer. The United States of America has a solemn obligation to the freedom-believing and the freedom-loving peoples of the world with reference to this ECA bill. The United States of America is the leading Nation in the world today. Washington, D. C., is no longer just the capital of the United States. Washington, D. C., is the capital of the world from now on in, whether you like it or not. That is the way it is and that is the way it is going to be.

Now, there is only one thing a leader can do. A leader must lead or quit.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the distinguished gentleman from Ohio, a member of the Committee on Foreign Affairs.

Mr. VORYS. I want to understand the gentleman, and I want the gentleman to understand the committee bill. The committee bill provides for no agricultural dumping. It provides for furnishing Europe its requirements as listed by ECA out of surpluses. But not a single thing will be dumped. It will be precisely their requirements as in the years gone by.

Mr. FLOOD. I am aware of the bill, I will say to the gentleman. I am using the word "dumping." I can see where it might be anathema to my distinguished friend from Ohio because he is the author of the amendment, but a rose, or in this case I would say a little baloney, by any other name will still be dumping in the eyes of Europeans. Human failing being what it is—and I hold no brief for the foreign governments of the signatory powers or the benefiting 17 nations—the fact remains if you offer them this surplus in the CCC warehouses which have been built, and which I understand are being built all over the country, it is a human failing to take all that you can give them, and if there is subsequently offered, as I understand there will be, if and when the gentleman's amendment to the bill is defeated, as I hope and am sure it will be, another amendment which will say, "We will put back the billion dollars in cash, but we will earmark its usage for farm products at going market prices," that is just taking off the mustache and calling it something else. It is still dumping.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. FLOOD. Mr. Chairman, I am in favor of the Marshall plan and an ECA bill that will come to the House for final passage as it was the intent of the Congress since it was passed, that it be voted to restore the billion dollars which has been emasculated by the Vorys amendment now in the committee bill.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. To the majority leader, of course.

Mr. McCORMACK. I understand the various farm organizations are opposed to the Vorys amendment. They resent bringing foreign affairs into farm legislation which is domestic, as well as for other reasons.

Mr. FLOOD. Without meaning to cast any aspersion upon my good friend from Ohio, I have reasonable cause to believe that the leaders of the farm organizations in America conceivably might know more about it. Of course, that is their official position.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield.

Mr. YATES. The gentleman made a very excellent statement with respect to designating the Vorys amendment and the amendment which will be offered by the chairman of the Committee on Agriculture as amendments to dump surpluses on ECA countries. Does not the gentleman believe that will be taken up by the Communist countries and they will designate it in the same way?

Mr. FLOOD. The gentleman expresses it even better than I. They have been condemning it time and again that this whole program is a dumping program. My friend rises valiantly to the defense of his amendment because he does not like the word "dumping." This is dumping in this amendment. The proposed amendment will constitute dumping. I think certainly the House will pass this bill as it was originally presented to the Committee on Foreign Affairs under the leadership of the distinguished chairman from West Virginia.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield.

Mr. YATES. Is this not another point that should be considered: I sat on the Appropriations Subcommittee for Foreign Aid last year, and we had many representatives of all types of industry come in complaining about the fact that they were being deprived of their foreign markets. Will this not give impetus to their further demands, in view of the fact that a particular segment of our economy is being given preference.

Mr. FLOOD. To attempt to add to that would be attempting to gild the lily.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield.

Mr. SMITH of Wisconsin. Does the gentleman concede that this is a dumping operation all around, a dumping of American money, as well as agricultural products?

Mr. FLOOD. Even Stalin cannot put those words in my mouth. Those are his words and not mine and it seems to my amazement also the words of the gentleman from Wisconsin.

Mr. MACK of Washington. Mr. Chairman, since coming to the Congress I have supported the ECA program. I supported it because I believe that strengthening of the other democracies was a weapon on our own national defense. I did not, and do not, want to see another war. If, by aiding the democracies, we are gaining a small measure of insurance against another world conflict, I believe the expenditures, huge though they may be, justified.

Desirable as it is, that we have as many friends and allies overseas as possible, it is even more important that we remain strong at home. Our first line of defense lies in the maintenance of a strong and solvent economy at home. Without a strong and solvent domestic economy at home our own power to resist an aggressor will be weakened and, furthermore, we will not continue to possess the financial power to supply economic or military aid to others no matter how strongly we might desire to do so.

My faith in ECA has been shaken by the shoddy selfishness, particularly of the British, who in some instances have employed the very ECA dollars we gave her to undermine the American economy, American industries, and American workers.

Let us consider some examples of how British practices under ECA are undermining some of our industries including lumbering, fishing, door manufacturing, pulp and paper workers, and aluminum making.

In the beginning of ECA, Great Britain refused to permit American firms even to bid on ECA lumber orders. She wanted, I think, rather selfishly, to throw all the business to her dominions. In these opening months of ECA, the British Comptroller of Lumber did not seek to discover where he could buy lumber cheapest and get the most for the dollars we, the United States, had given Britain. American suppliers were not allowed to bid on the ECA lumber orders he was about to place. When representatives of American firms asked to bid on such orders, they were told by the British Comptroller that the business already had been placed in Canada.

As a result of these practices, Canada received 95 percent and American suppliers only 5 percent of all lumber orders placed early last year. Under ECA the United States was receiving less lumber business from Europe than she had received prior to the adoption of the ECA program.

Seventeen Members of this House, about equally divided in number between Republicans and Democrats, convinced of the injustice in this situation, laid it before ECA Administrator Hoffman. Mr. Hoffman apparently believed there was justification and merit in our complaint for he issued a directive in which he said that "in the future ECA will request all participating countries desiring to purchase lumber or lumber products for dollars to accord the United States lumber industry an opportunity to compete for the business."

For a time, the British Lumber Comtroller complied with ECA Administrator Hoffman's directive and American firms were allowed to bid on British lumber orders and American mills instead of getting only 5 percent of the British ECA lumber business began receiving 40 percent of it. Our belief that the British would do the right thing began to revive.

However, our faith in British fairness was not to last long. The British continued to give American firms a right to bid on all orders but they soon developed devious means of circumventing the Hoffman directive in order to throw all or nearly all of their lumber business to Canada.

In December 1949, for example, Britain issued bids for large quantities of lumber for delivery in the Western Hemisphere. These bids were to be submitted in terms of American dollars.

When the bids were opened it was discovered that lumber mills in the United States were, in most instances, the low bidders and the Canadian prices were higher than those of the American suppliers.

The British Comptroller then, changing the rules in the middle of the game, said, we will figure the bids in terms of Canadian dollars. The Canadian dollars, meanwhile, had been devalued 10 percent. When the bid prices were translated into terms of Canadian dollars the Canadians were in many instances lower and they were given the business.

In some instances, the American bids, even when figured in terms of Canadian dollars, were still lower than the Canadians offered. But the British, also, found a way to circumvent that situation. Although delivery was specified for the Western Hemisphere, the British said we will switch these items for delivery in Britain. Then he said freight rates from Canada to Britain are lower than from the United States to Britain and therefore we will give most of these orders, on which Americans were lower, to Canada because of the shipping rates.

The American low bidders, one of these bidders tells me, were not even given a chance to figure their bids on the basis of delivery in Britain. He says that he is sure that he, by making his own charter contracts with ship operators, could have made delivery in Britain cheaper than the price actually paid his Canadians competitors.

The American lumbermen do not like to stand idly by and see their historic markets diverted to their Canadian competitors. If such markets are lost now, and they are being lost, they will be lost for years to come. Someday we will need those markets badly to maintain our own operations in this country and thereby keep our own logging camp and mill workers employed.

The lumber industry, it seems to me, is asking nothing unreasonable or unfair when it requests that British lumber orders be placed on a basis of competitive bidding and that subterfuge and circumvention be not practiced by the British in an effort to favor their own dominions and discriminate against the United States.

Since ECA went into operation, lumber exports to Europe have dropped to less than half what these lumber exports were prior to ECA.

In 1947 United States mills exported to Europe 1,158,900,000 board feet of lumber, but in 1948, due to ECA orders being placed in Canada, lumber exports to Europe declined to 548,900,000 board feet, or to less than one-half what these had been the previous year.

The decline in plywood shipments to Europe was even greater, falling from 118,000,000 square feet in 1947 to only 14,300,000 square feet in 1948, a decline which the industry feels was largely the result of ECA nations placing their orders in Canada and, in most cases, without even allowing American producers a chance to submit bids on the business.

This drastic decline in our forest-product exports to Europe has occurred at a time when Europe presumably is buying more lumber, due to her great building needs, than she ever did.

Our ECA money is being used to deprive our American industries of markets they formerly enjoyed and which, I believe, these industries would be enjoying today except for selfish discrimination against the United States by the British lumber comptroller.

Obviously, the United States cannot continue its costly aid to Europe unless our own industries remain in a sound and solvent condition, and maintain the pay rolls and profits to supply the taxes to finance the ECA program.

To maintain a high standard of living in the United States our Government has encouraged high wages and in addition has been obtaining high prices for both State and Federal timber.

If the economy of the wood-producing sections of the United States is to be maintained, export business must be made available on a basis of cost of production being taken into consideration and not foreign competitive values alone. Lumber, unlike agricultural products, is not protected by support prices.

To preserve historic United States export markets for lumber and plywood and to assure a sound economy in wood-production sections we must take into consideration the fact that costs are higher in the United States than in other sources of supply, or otherwise American mills would obtain orders only on such special cuttings as Canadian mills cannot handle. This certainly would work an undue hardship on the lumber industry of the United States and leave uncorrected the increasing unemployment and decreasing pay rolls of the industry.

This bill certainly, in my opinion, should include a provision that none of the funds herein authorized shall be spent in the Western Hemisphere for any materials required by participating countries unless and until United States producers of such materials shall have been given an opportunity to supply such portions, up to the whole, or the requirements of the participating countries of such materials at prevailing market prices in the United States.

Contention is made that it is in the interest of the United States to keep a sound condition in Canada. Economic reports from every possible reliable source seem to indicate that Canada is doing all right; in fact, that she is doing far better for herself than is the United States. Instead of worrying about the economic condition of Canada and about her financial soundness and solvency, we had better, as Congressmen, begin to worry about how we are going to keep the United States economically and financially strong and solvent.

A LESSON FROM CANADA

Canada has repealed her wartime tax on transportation; we in the United States still pay 15 percent on all travel tickets.

Canada has eliminated the excise tax on amusements and admissions; we still pay 20 percent.

Canada has repealed her wartime excise taxes on telephone charges; we still pay 15 percent for local service and 25 percent on long-distance calls.

Canada has reduced the wartime excise taxes on cosmetics by more than one-half; we still pay 20 percent.

Canada has slashed the wartime tax on luggage, handbags, and other essential items. Our excise tax on these items is still being collected at wartime rates.

Canada has made three separate tax reductions since the war and yet this year will have a surplus of $87,000,000 for reducing her national debt. The United States with only one tax reduction will go $5,000,000,000 in the red.

Not only are our American lumbermen losing the European markets to the Canadians, we also are losing our domestic markets as well.

Last year Canada shipped into the United States more than 1,600,000,000 board-feet of lumber. Had this lumber been produced in the United States it would have required the labor for a whole year of 20,000 American loggers and mill workers to produce it.

How is the American lumber industry to remain at high capacity for any long period of time with Canada making such inroads into both our foreign and our domestic markets?

During the twenties and most of the thirties the United States exported to the United Kingdom alone between 1,000,000 and 2,000,000 doors annually. That business now has almost entirely vanished.

The pulp and paper industry and the aluminum industry, both of which become defense industries in time of war, likewise are being undermined and weakened by Canadian competition which is promoted by the ECA dollars we provide the British.

In early 1949, the British entered into a contract to allow Canadian mills to supply all of Great Britain's ECA needs for paper for that entire year.

Last year when the pulp and paper business in this country went into a slump and many of our pulp and paper mills curtailed or shut down operations, leaving many pulp and paper workers idle, some of us Congressmen from pulp and paper areas asked Mr. Hoffman for help.

Mr. Hoffman asked the Canadians to relinquish some of the ECA pulp and paper orders they had received from Britain in order to get American mills back into fuller production, but the Canadian officials refused. The Canadians said they had gotten their pulp and paper orders in good faith and were going to keep them, which, of course, they had a right to do.

I am informed that from all foreseeable conditions the domestic demand for aluminum in the United States will not be sufficient to occupy completely the productive aluminum facilities of this country.

It is essential to our own security and strength that this industry be maintained at a peak level, possibly expanded, to meet our war needs should war ever come. Yet, despite this need to maintain this industry in the strongest position, much export business which might be going to it is being diverted to Canada.

During the war the United States gave unusual and large assistance to a Canadian company to equip it to produce large quantities of aluminum. It is now doing so. It is being aided in its large-scaled operations by most liberal orders from Britain, all presumably financed by ECA dollars obtained from the United States, while few aluminum orders are placed in the United States by Britain.

This formerly small but now, thanks to United States Government financing, very large Canadian aluminum company is almost completely monopolizing aluminum orders from the Marshall-plan countries. It has, furthermore, been assisted in building its overseas business for aluminum by recent reciprocal trade agreements and indications of further tariff reductions.

Britain also has discriminated against the fishing business of the United States.

Great Britain during the past month landed 44,000 cases of Russian canned crab in the United States. These 44,000 cases were part of an 80,000 case shipment of crab obtained by the British from Russia on a barter deal with the Communists.

It would be interesting to know what the British gave Russia in return for these 80,000 cases of canned crab. I have written ECA Administrator Paul Hoffman asking that he obtain information for me on what Britain gave Russia in exchange for this canned crab.

I have written Secretary of State Dean Acheson asking that the State Department take immediate steps to shut off these imports of Russian crab.

The crab fishermen and crab cannery workers of the United States cannot compete with the slave labor of Russia. We should not expect them to.

Already, due to these imports of Russian canned crab one large crab canning operation on the Pacific Coast has closed throwing its employees out of work. If these Russian crab imports continue other crab canneries will go out of business and thousands of American fishermen will be compelled to beach their fishing boats.

The British administrators of ECA are pursuing a selfish, short-sighted policy by discriminating against American industries. If they continue it they are endangering the continuation of ECA not only for Britain but for all other nations, for the United States cannot financially support a foreign-aid program unless our American industries remain strong and solvent and unless our American workers enjoy high employment.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I am addressing my remarks to title III, because it is here that we find the chart for the future to which we are building. That future envisions a world of free and self-sustaining nations supporting themselves and one another with the products of their respective soils and factories in a free and unhampered exchange without the restrictions and restraints of tariff walls.

I have heard few voices raised against the Marshall plan to the extent that it operated to give a helping hand in a time of need to those nations that had been fearfully wrecked by war. It is not only a case of helping our friends and our neighbors, and of seeking to give stability to free governments during the period of readjustment and rebuilding and in a time of peril, but helping ourselves inasmuch as our own economy could not be maintained if the other free nations of the world were hopelessly bogged deep in the mire.

But there has been a growing concern as to our ability much longer to carry the financial load. It has not been that we are not now willing, and shall not continue to be willing, to help our neighbors. That, I think, Mr. Chairman, will always be the spirit of the American people and of the American Government, the spirit of helpfulness. But when we give and give to the very extent of our ability, it must always be with the realization that such giving cannot continue indefinitely and that it must attain the definite objective of putting those whom we help on their feet to help themselves.

Now, Mr. Chairman, it was never intended that the Marshall plan should continue indefinitely or that it should be carried past the point of our ability to carry it. It was with that thought in mind that President Truman in his memorable inaugural address sketched in eloquent and inspiring detail the outlines of point 4.

Point 4, in brief, makes provision for the conditions we and other nations will be facing when we have reached the end of the Marshall plan. If such provisions are not made, then with the end of our giving to help unfortunate and friendly nations would come a condition of chaos and of frustration which we do not wish to contemplate.

Title III of the present bill is, therefore, a most essential part of the whole picture. I do not know that I should refer to it as the very backbone of this

bill, but certainly it is a most reassuring part of the bill and furnishes, I would say without hesitation, a complete and constructive answer to the doubts in the minds of some of our people as to our ability to go on with the Marshall plan as we intend and as we should, and of what in the end it will profit us.

If from our expenditures to help our neighbors we have stabilized the world of free nations and through the developments of point 4 of the President's brave plan we have a rational and a productive universe, thus furnishing among the peoples in all the corners of the world prospective customers for the products of our factories, we will have reaped from this investment the largest yield of benefit that ever has accrued to capital. Not only will we have a prosperity never even dreamed of in other centuries of recorded history, but we will have the satisfaction of having brought to ourselves the blessing of that unprecedented prosperity by following the rule of first giving to our neighbors before seeking anything for ourselves.

I recommend to the country, as well as all of my colleagues, a most careful and analytical study of title III of this bill. Most strongly do I stress attention to the provision that calls for representatives on the controlling board of labor and of cultural groups, so that we may be assured that as well as helping with our money and our skill the development of other nations we are assuring ourselves that the development in those foreign nations will bring benefits to all the people, including the humblest workers, on a scale comparable to that obtaining in our own United States. If it were otherwise, the workers of other lands not receiving their fair share of the benefits permitting them to live on a scale on a level with our own, the repercussions on our own workers would be unfortunate, I am glad title III anticipates such a possibility and guards against it.

I shall support this bill with the assurance that through the provisions of title III the way is charted for the future for which we all on both sides of the aisle so devoutly pray.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, about 2 weeks ago I directed the attention of the Members of the House to the fact that of the nearly $8,000,000,000 spent by the United States under ECA to assist European nations in a recovery program, more than $1,000,000,000 of this amount has been spent in Canada by the recipient European nations. Along with other advantages received by Canada under our foreign-trade policy, she has done very well for herself. As a matter of fact, there are those who now raise a question concerning the allegation that the ECA program was designed to benefit this Nation. That is particularly true of both labor and management in those domestic industries which have had to compete with Canadian firms for ECA business, and in those industries which have had to curtail operations because of foreign imports under our trade policy.

In my previous statement I mentioned specifically such industries as lumber, fish, and flour in the Pacific Northwest. Since that time, my attention has been called to the aluminum industry, which has plants in Tacoma, Spokane, Longview, and Vancouver, Wash. From figures supplied by ECA, it appears that between the dates, September 1, 1948, and October 31, 1949, there was purchased with ECA dollars the sum of $56,910,161.43 worth of aluminum. Canadian aluminum firms supplied $56,336,036.21 of the total amount, or 98.99 percent. American firms supplied $543,261.66, or less than 1 percent. Other foreign firms supplied the balance of about $30,000.

In this connection, may I call to the attention of the Members a letter from the Secretary of Commerce to Senator Truman, of the Senate Investigating Committee, in 1944. The letter stated that the Defense Plants Corporation of RFC had, through loans, advanced $65,500,000 to assist in the establishment of aluminum plants in Canada.

As I stated before, I am glad to learn that Canada is doing well. According to P. J. Philip, writing in the New York Times, Canada is enjoying high prosperity. Its budget has been balanced, taxes have been reduced, and payments have been made on its national debt. All of which lends merit to the position of those who ask, "Is ECA designed for the benefit of the United States, the western European nations, or Canada?"

While I voted for the ECA legislation heretofore, it occurs to me that Congress might well give consideration, during the present debate, to the facts which I have mentioned and to the administration of the program.

Mr. NICHOLSON. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. KEE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7797) to provide foreign economic assistance, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. TALLE (at the request of Mr. VORYS) was given permission to extend his remarks in the RECORD.

Mr. VORYS asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include certain tables and other matters.

Mr. McDONOUGH (at the request of Mr. SMITH of Wisconsin) was given permission to revise and extend his remarks.

Mr. WHITE of Idaho asked and was given permission to revise and extend the remarks he made in Committee and include extraneous matter.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD.

Mr. HOWELL asked and was given permission to extend his remarks in the RECORD and include a speech from the New York Times.

ONE HUNDRED AND TWENTY-NINTH ANNIVERSARY OF GREECE'S FREEDOM

Mr. TAURIELLO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TAURIELLO. Mr. Speaker, once again on March 25, proud Greece paused to celebrate the one hundred and twenty-ninth anniversary of her freedom, and I want to join Americans of all races and creeds, including our fellow citizens of Greek birth and Greek extraction, to pay tribute to that gallant little nation.

Ancient Greece for centuries was the cradle of democracy and gave to the world a rich heritage of liberal ideas and the highest concept of civilization. In the middle of the fifteenth centry, it succumbed to the rising power of the Turks. During the four centuries when Greece was under the domination of the invaders, civilization and liberal ideas ceased to exist in southeastern Europe. For this reason, when the Greeks rose in 1821 to regain their independence, the movement was applauded throughout the world as a symbol of the rebirth of liberalism and democratic ideas.

It would be superfluous in this brief tribute to the Greek love of independence to call the roll of the Grecian heroes of the past or to praise their achievements. There has been no moment in all recorded history when Grecian valor and intellect have not been recognized as preeminent. In every period of the long history of mankind's advance, the people of Greece have played a glorious role.

The torch of democracy was first lighted in Athens. The Greek people are still demonstrating that they still possess the flame which made their ancestors examples of what the human spirit can achieve. Today, that little country is still fighting a life and death struggle against aggression, oppression, and Communist tyranny. They are now fighting as their forefathers did not only for the defense of their homeland but for the cause of democracy. They are fighting a foe dedicated to destroy our western civilization and our way of life.

Therefore, I feel that we owe it to those brave people to continue to render all possible economic and military assistance, for what happens to Greece may well determine the fate of all civilized nations.

On this occasion of the national anniversary of Greece, I ask all Americans of good will to bear in mind the sufferings of the Greek people and to take a vigorous interest in this small nation which by its sacrifices and gallantry has captured the admiration of the entire world.

SPECIAL ORDER GRANTED

Mr. YATES asked and was given permission to address the House for 5 minutes today after any previous special orders heretofore entered.

ONE HUNDRED AND TWENTY-NINTH ANNIVERSARY OF GREECE'S FREEDOM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, last Saturday marked the one hundred and twenty-ninth anniversary of the inception of the war for Greek independence under the inspired leadership of Alexander Ypsilanti. Before that year, and since the fall of Constantinople, the ancient land of Greece had been subdued and incorporated into the Turkish Empire.

Under the heel of the conqueror, the Greek people had sunk into a pitiable condition, but their devotion to their church and the fact that some semblance of local self-government had been allowed to persist materially aided the preservation of their nationality and cultural ideals despite Turkish persecution.

With fierce determination, the Greek blow for liberty was struck while European sympathy for the Greek cause was at its height, and wholesale massacres and executions failed to stem the surge toward freedom.

In January of 1822 the National Assembly was convened at Epidaurus, a provisional constitution was adopted, and Greece was proclaimed independent.

The struggle continued for 9 years, and was finally determined by the Battle of Navarino, which witnessed the annihilation of the Turko-Egyptian Fleet by the combined navies of England, France, and Russia. In 1830 the Congress of the great powers in London ratified the Grecian declaration of independence and forced Turkey to acquiesce.

Thus began the travail of modern Greece, and down to our own day the freedom-loving people of the Macedonian Peninsula have tenaciously held to their land and their liberty.

In clinging to their ideals, the Greek people have the weight of history on their side. For in ancient times, their land was the home of the most advanced people of the world.

The famous line of Edgar Allan Poe—"To the glory that was Greece"—implies more than poetic eloquence, for the Greece of antiquity was the cradle of a culture marked by the most renowned achievements in architecture, sculpture, and literature.

No civilization since has produced a temple so perfectly proportioned as the Parthenon, nor has the sculptor's art ever equaled the beauty of the frieze that adorns its walls. Greece also set the pace for modern culture by its production in the fields of history, poetry, philosophy, and oratory. In addition, in ancient pre-Christian times, one section of that land witnessed the rise of the Attic state based upon the most complete and efficient pattern of democracy which the world has known.

In modern Greece, the fierce impact of two World Wars have left marks of disruption, but under a program of assistance from our own beloved Nation, the Greek peninsula today marks the dividing line where falls the iron curtain. The land of the Spartans and the Athenians is today the ideological battleground from which is pointed the spear of resistance to atheistic communism.

With the Greek people and their descendants in the far-flung corners of the world, we rejoice today in celebration of the anniversary of their national independence, and to that land, as one of our principal allies in the Near East, we pledge our cooperation, our amity, and our continued aid in the erection of a new world of peace, justice, and liberty.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. YATES] is recognized for 5 minutes.

THE RESPONSIBILITY OF A LEGISLATOR

Mr. YATES. Mr. Speaker, there is no substitute for responsibility in a legislator. The protection which legislative immunity brings should compel recognition by the legislator of the necessity—yes, the elemental fairness of the fact that public office should not be abused for purposes of pure political sensationalism. Reckless charges aimed at the front pages of newspapers, without regard to fact and possible tragic consequence, have resulted in irreparable damage to respectable and innocent individuals, who have no adequate means of defending themselves from the devastating effect of such wild statements. The initial shock of a sensational disclosure is rarely overcome by later disproval.

Responsibility in public office is particularly important today when the constitutional safeguards afforded to the individual by our Bill of Rights are in danger of being subverted in the name of patriotism. It must be remembered that deception frequently walks in princely raiment, and we must be constantly on the alert to recognize and protect our civil rights and liberties from patriotic camouflage.

In contrast to the irresponsibility underlying certain sensational charges made recently, was the work of a congressional investigating committee approximately 10 years ago which was engaged in probing certain abuses of civil liberties. I believe the procedure of that committee should be adopted by all congressional investigating committees. When it gave notice to a respondent to appear before the committee, the hearing was set sufficiently far into the future to permit the respondent to prepare a defense to the charges, and to refute it. No publicity was given to the charge until the statement in defense had been received. If publicity was given both the charge and the refutation were published together.

The story is told that the head of the committee met one of the respondents after one of the hearings and asked him what he thought of the hearing. "I dislike it intensely, Senator," was the reply. "You are so damnably fair."

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. McSWEENEY. As a member of the Committee on Un-American Activities, I realize how very, very easy it is to besmirch a person's character and what a long time it takes to rebuild confidence in that person. I feel that every legislator should carry out the gentleman's thought, and that is that we do have an obligation to our fellow citizens.

Mr. YATES. I am grateful to the gentleman for his contribution. The gentleman is an able, responsible legislator, and has done much to bring credit to his committee since his appointment to it.

Moreover, Mr. Speaker, I noticed yesterday's newspaper carried the story that the Formosa isolationists—the people who would deprive all the world except Formosa of our aid, are beginning a campaign to oust Secretary Acheson. It is ironical that these should be the people to sabotage the Secretary's effort to restore our prestige in the Orient and halt the march of communism there by compelling the Secretary's roving Ambassador to return hurriedly to this country from the East to defend himself from reckless unsubstantiated, unfounded charges of being procommunistic.

These are the people who profess vehemently their desire to halt the advance of communism in Asia. Yet, can they deny that their accusations, their attitudes, their actions, have done our country and our cause great harm—infinitely more harm certainly than has been proved against Dr. Jessup, for instance?

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. YATES. I will be happy to yield to the majority leader.

Mr. McCORMACK. Like the gentleman himself, I was very much surprised when I read in the newspapers a statement made by a very prominent Member of the Republican Party in another body, a man who enjoys our respect, of the intention of a number of Republicans to attack Secretary Acheson. These are trying days, and over and above everything else we are all Americans, and we love our country. It is easy to recriminate, but these are times when it is probably best to express ourselves in a reserved way, which I am attempting to do now. What I particularly want to say is that I do hope that these distinguished Americans, members of the Republican Party—and we Democrats respect them as Republicans, and above all as Americans—will reconsider such intentions and recognize the gravity of the world situation and the harmful result that might flow from any such speeches made not to a political party, but to the country at large.

Mr. YATES. I agree with the distinguished majority leader. All members of the Republican Party cannot be blamed for the irresponsibility of a few, and I hope these will reconsider their public statement.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield further, I again

express the strong hope that any such intentions will, in the light of the world situation and the conditions that exist at the present time, be reconsidered by those who intend to make the speeches, and if they will pause, I am sure that they will recognize, as I hope they will, the wisdom of not making such speeches at this time.

Mr. YATES. I thank the majority leader.

Mr. Speaker, the American people are becoming increasingly aware and concerned with the irresponsible accusations made by those in high places. I have with me a letter from Dr. Edward L. Compere, who lives and practices in the city of Chicago. I do not know the doctor or his background. I do know that I agree with the statements contained in his letter. I ask unanimous consent to incorporate the major portion of the doctor's letter with my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. The letter is as follows:

MARCH 21, 1950.

Hon. SIDNEY R. YATES,
House of Representatives,
Washington, D. C.

DEAR MR. YATES: It is only within recent years that I have realized that an American citizen under the Constitution of the United States of America has no protection against a smear campaign carried on by one of our elected Representatives in Congress. If it is not possible for Congressmen themselves to establish rules which will protect citizens of this country from attacks upon their character, based upon rumor or malicious innuendo, then another amendment to the Constitution should certainly be prepared.

I have no use for Communists, although so far as I am aware I have never even known one. On the other hand, the rights and liberties for which my ancestors fought and for which I am willing to fight are in far greater jeopardy from Senators or Congressmen whose desire for publicity will lead them to make a mockery of these same rights and liberties of fellow Americans. Surely, there are effective agencies within our Government, such as the FBI, the judicial department and the Attorney General, to which actual information about the disloyalties of citizens can be referred. Certainly, no citizen should be subjected to a smear campaign such as is being repeated in Washington without at the same time, and not days or weeks later, being given the opportunity of defending himself.

I am also amazed that there are not more honorable men in the House of Congress to come voluntarily to the defense of our Secretary of State, Mr. Acheson, and his very able staff. Surely, the Democrats for whose principles I have had great respect in the past should be ashamed of their failure to defend Mr. Acheson from the charges which have been made against him.

Sincerely yours,

EDWARD L. COMPERE, M. D.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PATMAN, for an indefinite period, on account of official business.

To Mr. O'TOOLE (at the request of Mr. ROONEY), indefinitely, on account of illness.

To Mr. GRANT (at the request of Mr. ANDREWS), for an indefinite period, on account of official business.

To Mr. ALLEN of Illinois (at the request of Mr. ARENDS), for 3 days on account of attending the funeral of the late Ralph E. Church.

To Mr. AUCHINCLOSS (at the request of Mr. ARENDS), for Friday and Saturday, on account of official business.

To Mr. CARROLL, for an indefinite period, on account of death in the family.

To Mr. EDWIN ARTHUR HALL, for an indefinite period, on account of illness in the family.

To Mr. STANLEY (at the request of Mr. SMITH of Virginia), for the week of March 27, 1950, on account of official business.

RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on March 24, 1950, present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 398. Joint resolution relating to cotton and peanut acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to price support for potatoes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 28, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1338. A letter from the Secretary of the Navy, transmitting a letter relative to the proved transfer by the Department of the Navy of a 30-foot jet-propelled fireboat, hull No. C-6896, to the Department of Public Safety, Bayonne, N. J., for protection of the extensive water front of the city of Bayonne; to the Committee on Armed Services.

1339. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal"; to the Committee on Post Office and Civil Service.

1340. A letter from the chairman, Railroad Retirement Board, transmitting the report of the Railroad Retirement Board for the fiscal year ended June 30, 1949; to the Committee on Interstate and Foreign Commerce.

1341. A letter from the Postmaster General, transmitting the United States Post Office Department cost ascertainment report and appendix for the fiscal year 1949; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Armed Services. S. 2440. An act to authorize certain construction at military and naval installations, and for other purposes; with amendment (Rept. No. 1851). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CAVALCANTE:

H. R. 7862. A bill to amend the United States Housing Act of 1937, as amended, to prohibit contracts for financial assistance with certain municipal public-housing agencies; to the Committee on Banking and Currency.

By Mr. CHESNEY:

H. R. 7863. A bill granting additional income-tax exemptions to taxpayers supporting dependents who have attained the age of 65 or who, regardless of age, are permanently disabled by reason of blindness, sickness, or injury; to the Committee on Ways and Means.

By Mr. JUDD:

H. R. 7864. A bill to provide for the admission to St. Elizabeths Hospital, in the District of Columbia, of certain citizens of the United States adjudged insane in foreign countries; to the Committee on Education and Labor.

By Mr. LATHAM:

H. R. 7865. A bill to amend the Interstate Commerce Act, part III; to the Committee on Interstate and Foreign Commerce.

By Mr. MURRAY of Tennessee:

H. R. 7866. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GILMER:

H. R. 7867. A bill for the relief of the State of Oklahoma; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 7868. A bill to amend section 1404 of title 28, United States Code, with respect to the transfer of certain civil actions from one district to another; to the Committee on the Judiciary.

By Mr. CAMP:

H. R. 7869. A bill to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia; to the Committee on the Judiciary.

By Mr. CROSSER:

H. R. 7870. A bill to provide for the development and improvement of aircraft intended for industrial or personal use, and adaptable for military service; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK:

H. R. 7871. A bill to establish corporations, to assist financial institutions in making credit available to commercial and industrial enterprises and to provide capital for such enterprises; to the Committee on Banking and Currency.

By Mr. RODINO:

H. R. 7872. A bill to confer the status of nonquota immigrants on adopted children of United States citizens; to the committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 7873. A bill to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes; to the Committee on Public Works.

By Mr. YATES:

H. J. Res. 443. Joint resolution authorizing the President of the United States of America to proclaim February 3 of each year as Dorchester Day for the observance and commemoration of the deaths and heroic acts of Chaplains Clark V. Poling, George L. Fox, John

Patrick Washington, and Alexander D. Goode; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. Con. Res. 190. Concurrent resolution to provide for the observance and celebration of the one hundred and seventy-fifth anniversary of Patriots' Day for the commemoration of the events that took place on April 19, 1775; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, requesting resistance to any attempt that may be made to subject the American people to a compulsory health insurance plan; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of New York, requesting Congress to confirm ownership in the States of lands and resources within and beneath navigable waters within the boundaries of the respective States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY of New York:

H. R. 7874. A bill for the relief of Kurt Emil Walter Hannemann; to the Committee on the Judiciary.

H. R. 7875. A bill for the relief of Zbigniew Jan Dunikowski, Karolina Dunikowski, Wanda Octavia Dunikowski, and Janina Grospera Dunikowski; to the Committee on the Judiciary.

By Mr. KARST:

H. R. 7876. A bill for the relief of Mario Juan Blas Besso-Pianetto; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 7877. A bill for the relief of Orange Henrique Gomes; to the Committee on the Judiciary.

H. R. 7878. A bill for the relief of Vincenzo Carannante; to the Committee on the Judiciary.

By Mr. WEICHEL:

H. R. 7879. A bill for the relief of Henry Ruhnau, State Soldiers Home, Ohio; to the Committee on Veterans' Affairs.

By Mr. WHITE of Idaho:

H. R. 7880. A bill for the relief of Angela Moniz McCracken; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2016. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, favoring the extension of the effective period of the rent-control provisions of the Housing and Rent Act of 1948; to the Committee on Banking and Currency.

2017. Also, memorial of the Massachusetts Legislature, asking Congress to resist any attempt that may be made to subject the American people to a compulsory health-insurance plan; to the Committee on Interstate and Foreign Commerce.

2018. By the SPEAKER: Petition of the chairman, General Committee of the Brotherhood of Railroad Trainmen, Richmond, Ind., opposing legislation to provide for the construction and maintenance of the St. Lawrence seaway; to the Committee on Public Works.

2019. Also, petition of the president, District of Columbia Federation of Civic Associations, Washington, D. C., requesting that House bills 7643 and 7662 be not passed by the Congress; to the Committee on the District of Columbia.

2020. Also, petition of Los Angeles County Council, Veterans of Foreign Wars, Los Angeles, Calif., opposing House bill 4567; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 28, 1950

(Legislative day of Wednesday, March 8, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou God of our salvation, to Thee we lift our hearts in prayer, bringing nothing but our needs and the adoration of our contrite hearts. In these days when human wisdom is bankrupt and human strength inadequate and despair tempts many minds, we are deeply thankful for the things that cannot be shaken and for the guiding lights of spiritual verities that no wind of violence can ever blow out. In this great hour of human destiny deepen in us the sense of surpassing opportunity and of glorious mission to do our part in averting a global catastrophe. May it be in Thy providence that our America, desiring nothing but peace for herself and for all the world, may have come to the kingdom for such a time as this. In the Redeemer's name, we ask it. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 27, 1950, was dispensed with.

CALL OF THE ROLL

Mr. McFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Benton	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Conor
Byrd	Ives	O'Mahoney
Cain	Jenner	Robertson
Chapman	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Connally	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smith, Maine
Darby	Kem	Smith, N. J.
Donnell	Kerr	Sparkman
Douglas	Kilgore	Stennis
Dworshak	Knowland	Taylor
Eastland	Lehman	Thomas, Okla.
Ecton	Lodge	Thomas, Utah
Ellender	Long	Thye
Ferguson	McCarthy	Tobey
Flanders	McClellan	Tydings
Frear	McFarland	Watkins
Fulbright	McKellar	Wherry
George	McMahon	Wiley
Gillette	Magnuson	Williams
Green	Malone	Withers
Gurney	Martin	Young
Hayden	Maybank	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Rhode Island [Mr. LEAHY] are absent because of illness.

The Senator from North Carolina [Mr. GRAHAM], the Senator from Illinois [Mr. LUCAS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of the death of his brother.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

The Senator from Ohio [Mr. TAFT] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The VICE PRESIDENT. A quorum is present. Under the unanimous-consent agreement entered into several days ago, from now until 4 o'clock tomorrow the time will be divided equally between the proponents and opponents of the pending bill, to be controlled by the Senator from Colorado [Mr. JOHNSON] and the Senator from Illinois [Mr. DOUGLAS]. The Chair cannot recognize other Senators unless they are yielded to by either one of these two Senators.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield to the acting majority leader.

Mr. McFARLAND. I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and transact other routine business, without making speeches, and that the time thereafter be equally divided.

The VICE PRESIDENT. The Senator from Arizona asks that the usual morning routine matters be disposed of, and that the time entailed in so doing be charged equally to each side, and that thereafter the time shall be divided as provided for in the unanimous-consent agreement. Is there objection? The Chair hears none, and it is so ordered.

REPORT OF PACIFIC MARINE FISHERIES COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Pacific Marine Fisheries Commission, of Portland, Oreg., transmitting, pursuant to law, a report of the Commission for the year 1949, which, with the accompanying report, was referred to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Judiciary Committee of the House of Representatives; to the Committee on Rules and Administration:

"Whereas the Law Library in the Capitol, as a unit of the Library of Congress, is intended to serve and has for more than 80 years actually rendered invaluable service to the Members of the House of Representatives

and the Senate and the committees thereof: Now, therefore, be it

"*Resolved*, That the Committee on the Judiciary, as the legal committee of the House of Representatives, is opposed to any proposal to break up the collection of books and to eliminate the facilities of the Law Library in the Capitol; and be it further

"*Resolved*, That a copy of this resolution be transmitted to the Speaker of the House of Representatives, to the President of the Senate, to the chairman of the Joint Committee on the Library, to the chairman of the Senate Committee on Rules and Administration, to the chairman of the Senate Committee on the Judiciary, and to the Librarian of Congress.

"Adopted March 14, 1950."

A joint resolution of the Senate of the Commonwealth of Kentucky; to the Committee on Rules and Administration:

"Senate Resolution 65

"Joint resolution approving and endorsing the project on recommendations of the George Rogers Clark Memorial Committee of the Commonwealth of Kentucky to honor Gen. George Rogers Clark

"Whereas Gen. George Rogers Clark was the conqueror of the 'Great Northwest' Territory and the founder of the city of Louisville, Ky., from which point, on June 24, 1778, he started his historic expedition; and

"Whereas the year 1952 will be the two-hundredth anniversary of the birth of General Clark; and

"Whereas it is deemed fitting that this Revolutionary War hero be appropriately memorialized, on the occasion of the bicentennial of his birth; and

"Whereas the Honorable Earle C. Clements, Governor of the Commonwealth of Kentucky, on August 25, 1949, appointed the George Rogers Clark Memorial Committee to study and plan a memorial to General Clark; and

"Whereas the George Rogers Clark Memorial Committee has approved and recommended—

"1. The execution and erection of a large and imposing statue of Gen. George Rogers Clark as a memorial to him for his invaluable services to the Nation.

"2. The memorial statue be placed at the Louisville entrance to the George Rogers Clark Memorial Bridge across the Ohio River at Louisville, Ky.

"3. The Congress of the United States be petitioned to appropriate funds for the execution and erection of such memorial, in order that same may be completed and dedicate on June 24, 1952, and

"4. Hon. Maurice H. Thatcher be requested and authorized, for and on behalf of the committee, to draft appropriate bills and arrange to have them introduced in both branches of the Congress of the United States at the earliest date possible: Now, therefore, be it

"*Resolved by the General Assembly of the Commonwealth of Kentucky:*

"1. That the project and recommendations of the George Rogers Clark Memorial Committee of the Commonwealth of Kentucky, as set forth hereinabove be and the same is hereby approved and endorsed.

"2. That a copy of this resolution be sent to the Honorable ALBEN W. BARKLEY, Vice President of the United States; Hon. GARRETT L. WITHERS, and Hon. VIRGIL M. CHAPMAN, United States Senators from Kentucky, and to each of the Kentucky Members of the House of Representatives, Washington, D. C.

"Attest:

"JOHN F. DUGAN,
"*Clerk of the Senate.*"

A resolution of the House of Representatives of the State of California; to the Committee on Finance:

"House Resolution 4

"Resolution relative to the inequitable distribution of Veterans' Administration offices throughout the United States

"Whereas there are 1,355,000 veterans in the State of California according to official Veterans' Administration estimates and the California State Department of Veterans' Affairs estimates the veteran population of California to be 1,750,000; and

"Whereas there are only 20 Veterans' Administration offices serving the veterans in the State of California; and

"Whereas the present number of Veterans' Administration offices in California is apparently inadequate to give the veterans in this State the same level of service as given in other States; and

"Whereas it has come to the attention of the Assembly of the State of California that many States having far less veterans have many more Veterans' Administration offices; and

"Whereas the average for all States is one Veterans' Administration office for every 33,403 veterans; and

"Whereas the average for the State of California is one Veterans' Administration office for every 67,750 veterans; and

"Whereas on this basis the State of California should theoretically have 45 Veterans' Administration offices; and

"Whereas there are many more inequities based on relative distances and concentrations of population in comparison with the allotment of Veterans' Administration offices: Now, therefore, be it

"*Resolved by the Assembly of the State of California*, That the Congress of the United States is memorialized to make a survey of the system by which the Veterans' Administration offices are allocated to the various States with a view to alleviating any inequities that might exist in the various States, and particularly in the State of California; and be it further

"*Resolved*, That the Veterans' Administration is hereby requested to make a survey of the system by which Veterans' Administration offices are allocated to the various States and consider the possibility of establishing sufficient offices in the State of California to adequately serve the large number of veterans residing in California; and be it further

"*Resolved*, That the chief clerk of the assembly be hereby directed to prepare and transmit copies of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Veterans' Administrator."

Resolutions of the General Court of the Commonwealth of Massachusetts, favoring extension of the effective period of the rent-control provisions of the Housing and Rent Act of 1948; to the Committee on Banking and Currency.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on March 23, 1950, p. 3902, CONGRESSIONAL RECORD.)

Resolutions of the General Court of the Commonwealth of Massachusetts, protesting against any attempt that may be made to subject the American people to a compulsory health-insurance plan; to the Committee on Labor and Public Welfare.

(See resolutions printed in full when presented by Mr. LODGE (for himself and Mr. SALTONSTALL) on March 24, 1950, p. 3994, CONGRESSIONAL RECORD.)

The petition of Miss Gretta W. Ludwig and sundry other presidents of the auxiliaries of the Department of the District of Columbia, United Spanish War Veterans, relating to the retention of the United States Soldiers Home under the Department of the Army; to the Committee on Armed Services.

A letter in the nature of a petition from CEDS, signed by Eber Cockley, secretary, of Meyersdale, Pa., relating to standard time (with accompanying papers); to the Committee on the District of Columbia.

A resolution adopted by the Urban Club, of Brooklyn, N. Y., favoring the enactment of legislation to effectuate the findings of the Commission on Organization of the Executive Branch of the Government; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the Michigan State Council, United Automobile Workers, AFL, of Saginaw, Mich., favoring the acquiring by the State of Michigan of the Percy Jones Hospital at Battle Creek; to the Committee on Finance.

A letter in the nature of a petition from Oroville Post, No. 1747, Veterans of Foreign Wars, of Oroville, Calif., signed by James H. Duggan, quartermaster-adjutant, praying for the enactment of House bill 4617, to liberalize the requirement for payment of pension in certain cases to veterans and their widows and children; to the Committee on Finance.

A resolution adopted by Sgt. Charles J. Gavin Post, No. 9626, Veterans of Foreign Wars, of San Francisco, Calif., favoring the enactment of House bill 4617, to liberalize the requirement for payment of pension in certain cases to veterans and their widows and children; to the Committee on Finance.

A letter in the nature of a petition from the Garden Spot Democratic Organization, of Kings County, N. Y., signed by George E. P. McGuinness, executive secretary, of Greenpoint, N. Y., praying for the enactment of legislation granting statehood to Alaska and Hawaii; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Michigan State Council, United Automobile Workers, AFL, of Saginaw, Mich., relating to the fitness of Robert N. Denham as general counsel of the National Labor Relations Board; to the Committee on Labor and Public Welfare.

A resolution adopted by the Fidelis Bible Class of the Homestead Avenue Evangelical United Brethren Church, of Johnstown, Pa., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Rotary Club of Mount Penn, Pa., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A telegram in the nature of a memorial from the United Show Workers of America, local No. 122 (CIO), of Los Angeles, Calif., signed by George C. Knapp, business agent, remonstrating against the enactment of Senate bill 2311, to protect the United States against certain un-American and subversive activities, and for other purposes; ordered to lie on the table.

A resolution adopted by Willie McGee, and sundry other citizens of the State of California, protesting against the enactment of Senate bill 2311, to protect the United States against certain un-American and subversive activities, and for other purposes; ordered to lie on the table.

Letters in the nature of memorials from the Civil Rights Congress, of Los Angeles, Calif., signed by Clara Fox Chairman, and the United Electrical, Radio, and Machine Workers of America, local 1421, of Los Angeles, Calif., remonstrating against the enactment of Senate bill 2311, to protect the

United States against certain un-American and subversive activities, and for other purposes; ordered to lie on the table.

The petition of Bob Turner, and sundry other members of local 719, United Automobile Workers (CIO), of Chicago, Ill., praying for the enactment of legislation providing a Fair Employment Practices Commission; ordered to lie on the table.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Agriculture and Forestry:

"Resolutions memoralizing Congress to enact legislation for the distribution of surplus foods to the several States and the political subdivisions thereof in proportion to their population and per capita income

"*Resolved*, That the General Court of Massachusetts urges the Congress of the United States to enact legislation whereby surplus foods be made available, on request and in proportion to population and per capita income, to the cities, towns, and political subdivisions of the several States for equalized distribution to public schools, hospitals, and other public institutions; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted March 15, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In Senate, adopted in concurrence March 21, 1950.

"IRVING N. HAYDEN,
"Clerk."

By Mr. GREEN:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Foreign Relations:

"Resolution memorializing the Members of Congress from Rhode Island to exert their influence to effect the unification of all of the counties in Eire

"Whereas the unification of all of the counties of Eire would tend both to promote the welfare of the people of Eire and to advance and preserve the peace of the world: Now, therefore, be it

"*Resolved*, That the General Assembly of the State of Rhode Island and Providence Plantations hereby urges the Senators and Representatives from Rhode Island in the Congress of the United States to exert their influence by securing the enactment of appropriate resolutions by the Congress of the United States to the Parliament of Great Britain, and by such other means as may be effective and appropriate, expressing the desire and hope of the Government of the United States that immediate action be taken to effect the unification of all of the counties of Eire; and be it further

"*Resolved*, That the Secretary of State be and he is hereby authorized and directed to transmit duly certified copies of this resolution to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Senators and Representatives from Rhode Island in said Congress."

By Mr. McFARLAND:

A resolution of the House of Representatives of the State of Arizona; to the Committee on Expenditures in the Executive Departments:

"House Memorial 3

"Memorial relating to proposed dismemberment of the Veterans' Administration

"*To the Congress of the United States:*

"Your memorialist respectfully represents:

"Whereas the report of the Commission on Organization of the Executive Branch of the Government, popularly known as the Hoover Commission report, has been duly filed as provided for in the act creating said Commission; and

"Whereas it includes, among other matters, a recommendation for the reorganization of the Veterans' Administration, and the assignment of certain services now rendered by the Veterans' Administration to other agencies; and

"Whereas certain individuals, civic organizations, and veterans' organizations have taken the position that the report of this Commission is incorrect with respect to certain recommendations made as to the Veterans' Administration, specifically those which advise decentralization of the present organization:

"Now, therefore, the House of Representatives of the State of Arizona respectfully requests:

"1. That a further study of the Commission's report with respect to the Veterans' Administration be made in order to determine the soundness of such recommendations before action is taken by Congress in connection with the Veterans' Administration."

The VICE PRESIDENT laid before the Senate a resolution of the House of Representatives of the State of Arizona, identical with the foregoing, which was referred to the Committee on Expenditures in the Executive Departments.

REMOVAL OF EXCISE TAX ON JEWELRY—RESOLUTION OF NEBRASKA RETAIL JEWELERS ASSOCIATION

Mr. BUTLER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a telegram from Jay Auble, president of the Nebraska Retail Jewelers Association, of Grand Rapids, Nebr., embodying a resolution adopted by the association, favoring the repeal of the Federal excise tax on jewelery.

There being no objection, the telegram was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

GRAND ISLAND, NEBR., *March 27, 1950.*

HUGH BUTLER,
United States Senate,
Senate Office Building,
Washington, D. C.:

Nebraska Retail Jewelers Association in convention in Grand Island, Nebr., today unanimously passed the following resolution: Be it

Resolved, That immediate action be taken to the end that the Federal excise tax be completely removed; that a bill be immediately passed with emergency provisions. It being our knowledge that a buyer's strike now exists, causing great distress to the jeweler with attending unemployment in jewelery industry and at the local level. Further, the situation being most critical, request is made for immediate and prompt action.

JAY AUBLE,
Nebraska Retail Jewelers Association.

COMPULSORY HEALTH INSURANCE—RESOLUTION OF BALTIMORE COUNTY (MD.) MEDICAL ASSOCIATION

Mr. O'CONOR. Mr. President, the Baltimore County (Md.) Medical Association at its recent meeting went on record as opposing any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control.

I ask unanimous consent that the resolution giving the association's views on the matter be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas under a system of free enterprise, the American medical profession has established the world's highest standard of scientific performance, treatment, and research, thereby helping the United States to become the healthiest major nation in the world; and

Whereas the benefits of American medicine are available to the people of this country through budget-basis voluntary health insurance, the best health insurance which exists in the world; and

Whereas the experience of all countries where government has assumed control of medical services has shown that there has been a gradual erosion of free enterprise and a progressive deterioration of medical standards and medical care to the detriment of the health of the people: Now, therefore, be it

Resolved, That the Baltimore County Medical Association does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to the President of the United States, to each Senator and Representative from the State of Maryland, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

HARRY G. BUTLER,
President,
MARY S. BULKLEY,
Secretary.

Dated this 27th day of March 1950.

THE BRANNAN AGRICULTURAL PLAN—RESOLUTION OF KANSAS LIVESTOCK ASSOCIATION

Mr. DARBY. Mr. President, the farmers and livestock producers of Kansas are very definitely opposed to the Brannan plan. Kansas is one of the greatest agricultural States in the Union. The Kansas Livestock Association, one of the most influential agricultural groups within the State, has in a unanimous resolution expressed opposition to the farm program proposed by Secretary of Agriculture Brannan, to the Eighty-first Congress, which would promote low market prices for all agricultural products, subsidize consumers, rich and poor alike, and would eventually necessitate Federal control of all agriculture.

I heartily concur in the resolution, of which I now ask unanimous consent to be printed in the body of the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas the farm program proposed by Secretary of Agriculture Brannan to the Eighty-first Congress would promote low market prices for all agricultural products, would subsidize consumers, rich and poor alike, and would eventually necessitate Federal control of all agriculture; and

Whereas the livestock industry cannot be successfully operated by governmental bureaus: Therefore be it

Resolved, That we are opposed to the proposed program. We consider it unsound economically and entirely impractical, and we urge Congress to reject it.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCHOEPPEL:

S. 3310. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kans.; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 3311. A bill to extend the provisions of section 1 of the act entitled "An act granting pension to certain soldiers who served in the Indian Wars from 1817 to 1898, and for other purposes" to include the expedition to Leach Lake, Minn.; to the Committee on Finance.

By Mr. THOMAS of Oklahoma (for himself and Mr. KERR):

S. 3312. A bill for the relief of Noriko Hori (also known as Jullietta Hori) and her daughter, Frances Fay Willie; to the Committee on the Judiciary.

By Mr. BREWSTER:

S. 3313. A bill for the relief of Panagiotis Nikoloas Mavrodontis; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 3314. A bill to authorize the appointment of Joseph F. Carroll and Bernt Balchen as permanent colonels in the Regular Air Force; to the Committee on Armed Services.

By Mr. O'MAHONEY (for himself and Mr. HUNT):

S. 3315. A bill to authorize and direct the Secretary of the Interior to execute an oil and gas lease on a certain tract of land in Park County, Wyo.; to the Committee on Interior and Insular Affairs.

By Mr. LODGE (by request):

S. 3316. A bill to provide that postmasters, officers, and employees in the postal field service shall be entitled to receive each year the same number of days of annual leave and sick leave as other employees in the executive branch of the Government; to the Committee on Post Office and Civil Service.

By Mr. MILLIKIN (for himself and Mr. JOHNSON of Colorado):

S. 3317. A bill for the relief of Maria Kozslik; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 3318. A bill for the relief of the Centaur Construction Co., Inc.; to the Committee on the Judiciary.

GENERAL SURVEY OF CONDITIONS OF THE INDIANS

Mr. WILEY. Mr. President, I submit for appropriate reference a resolution authorizing a general survey of the conditions of the Indians, and I ask unanimous consent that an explanatory statement by me, together with various messages, in speeches, newspaper articles, and letters, which have come to my attention, be printed in the RECORD.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and without objection, the statement and matters referred to by the Senator from Wisconsin, will be printed in the RECORD.

The resolution (S. Res. 245) was referred to the Committee on Interior and Insular Affairs, as follows:

Whereas the Congress has in the past authorized and conducted numerous investigations and studies relating to Indian affairs; and

Whereas the Congress has by law afforded citizenship to the Indians; and

Whereas the Congress has on numerous occasions enacted laws intended to emancipate Indians and dissolve tribal organizations; and

Whereas the Congress has provided for schools and training in order to accomplish this emancipation; and

Whereas notwithstanding all of these efforts, Indians as a group have not been emancipated but still remain in a state of wardship; and

Whereas in this state of wardship acute problems of jurisdiction, taxation, poverty, property ownership, health, citizenship, and so forth, continue; and

Whereas it is desirable that the administration of laws by the Bureau of Indian Affairs and the present conditions existing among the Indian tribes be reexamined at this time to determine the reasons for the continuance of these problems: Now, therefore, be it

Resolved, That the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is hereby authorized and directed, during the Eighty-first Congress, to make a general survey of the conditions of the Indians and of the operation and effect of the laws which Congress has passed for the civilization and emancipation of the Indian tribes; to investigate the relation of the Bureau of Indian Affairs to the persons and property of Indians and the effect of the acts, regulations, and administration of said Bureau upon the health, improvement, and welfare of the Indians; and to report its findings in the premises, together with recommendations for the solution of problems that may be found to exist, and for such changes in the law as will promote the security, economic competence, and progress of the Indians.

The said committee is authorized and directed to exercise all the investigatory powers conferred upon the standing committees of the Senate by section 134 (a) of the Legislative Reorganization Act of 1946.

The expenses of the investigation shall be paid out of the contingent fund of the Senate and shall not exceed $50,000.

The statement and matters presented by Mr. WILEY are as follows:

STATEMENT BY SENATOR WILEY

THE NEED FOR A SCRUTINY OF AMERICA'S INDIAN POLICY

I firmly believe that the time is long overdue for the American people to have a thorough evaluation of our treatment of Indians. There has rightly been a tremendous amount of newspaper, magazine, and radio discussion of the deplorable conditions existing among the Indians of Wisconsin and throughout the Nation. In this discussion, conclusive facts have been shown that our Federal Government has bungled the job of enabling the Indians to become self-supporting independent citizens in keeping with the noble traditions of the Redskins.

It seems to me that while our Congress is investigating how Reds (Communists) have mistreated our Government, it is equally incumbent upon us to investigate how our Government has mistreated the Redskin.

It is outrageous that the Indians of the Nation should continue to experience conditions of poverty, malnutrition, and disease. I am ashamed that these conditions exist in my own State, and elsewhere are even far worse.

Obviously, nothing short of a comprehensive investigation will suffice to correct the long-range problems of the Indians. While it is essential that we rush every available ounce of surplus food to them, that will not serve to end the over-all shortcomings of United States Indian policy.

The Hoover Commission has made certain suggestions for changing our present Indian policy; but, unfortunately, these have not as yet been acted upon by the Senate Interior Committee.

Throughout my State of Wisconsin, as I have previously indicated, the citizens have become deeply aroused and determined to end the terrible conditions which exist. I should like to quote at this point from various messages, in speeches, newspaper articles, and letters which have come to my attention.

EXCERPTS FROM WISCONSIN COMMENT

The Milwaukee Journal:

"Responsibility for the welfare of the reservation Indians is a badly muddled business at best. Some of it has fallen on the tribal councils, some on town boards, county boards, the State, church groups, and others, as the Federal Government has been trying gradually to get out from under. The Federal Government, however, has not yet divested itself either of all control or responsibility so far as the reservation Indians are concerned."

Congressman JOHN BYRNES, Republican, of Green Bay, in a recent broadcast:

"The only possible real solution to the Indian problem, in the long run, is to give him more responsibility for his own welfare rather than less; it is to free him from the bondage of Federal supervision rather than to tighten those ties; it is to make him a full, upright, taxpaying citizen rather than to treat him as we have for so many years as a ward of the Government. * * *

"It it not a paradox that those who have considered deeply and at length the problem of the Indians should propose that they be given less Government security rather than more, while at the same time the burning domestic political question is whether or not the Federal Government shall provide more so-called security, making more and more citizens more and more dependent upon Federal officeholders for their very existence?"

Congressman BYRNES has pointed out that the Federal Government employs 12,000 persons to care for the American Indian, or a ratio of 1 person to every 33 Indians. BYRNES also showed that there is 1 law on the statute books for every 80 Indians—that is, 5,000 laws affecting 400,000 American Redmen. Congressman BYRNES has characterized the Indian as a virtual prisoner in governmental red tape. Congressman REID F. MURRAY, of Ogdensburg, has also pointed out Indian Bureau failures and has in particular led the fight for improved Indian education facilities.

Mrs. H. W. Ridgeway, of De Pere, Wis., chairman of Indian welfare for the Wisconsin Federation of Women's Clubs:

"We believe that a free elementary education is the right of every child. But there always have been thousands upon thousands of Indian children for whom no schools exist. We take it for granted that we have good public-health clinics, good welfare agencies, good farm-extension services. But only in a meager degree do the Indians receive such services from the Indian Office."

The Waukesha Freeman has rightly editorialized against the Government's appalling destruction of surplus spuds:

"Why on earth should the Indians go hungry when the Government has a huge stock pile of potatoes on hand which apparently is going to be dumped unless something is done to prevent it?"

EXCERPTS FROM LETTERS TO SENATOR WILEY

From Neilsville:

"It was with great interest that I read your proposal for an Indian investigation. The Indian is our true and first real American citizen. Why should he be left to gruel amid the administration's mountains of surplus commodities. Being born and raised with these Indians my heart is still with them."

From Milwaukee:

"The alibis, mismanagement, and even dishonesty of the Bureau of Indian Affairs are now, and have been for many years, a disgrace to this country. The old-time trea-

ties are outmoded. * * * The Indian has become an involuntary subject for experiment and charity."

From Haugen:

"We feel that an unbiased investigation should be made of the whole Indian affair set-up. A house cleaning is certainly needed in local branch and State offices of Indian administration."

EXCERPTS FROM ARTICLE IN SUPERIOR (WIS.) TELEGRAM

STARVING NEW POST INDIANS' CAUSE CHAMPIONED; CONDITIONS AIRED

RICE LAKE.—The story of hardship and suffering of Indians at New Post, as told over radio station WJMC at Rice Lake, has caused the attention of the people of the country to turn their way, and as a result the situation has been alleviated greatly by donations of food and clothing which have been going to the Indian community the past few days.

Reports that the Indians were virtually starving and freezing were first made known by Father Paulinus, the Catholic missionary at Reserve, who distributes food donated to him for the Indians. Father Paulinus has on many previous occasions championed the rights of these people, taking the message to larger cities, but received little or no response.

Greg Rouleau, manager of Station WJMC, last week carried on this effort by visiting the New Post community and having a transcription made in an interview with Father Paulinus and Walter Thayer, a New Post Indian whose family of four children living in a two-room shack was desperately in need of food. The program was played over the air on Thursday and received response. * * *

One family at New Post, when delivered potatoes last Sunday, said these were the first potatoes in a year and a half that had been delivered to them.

In the cupboard of 1 home, where 12 persons were living in 1 room, were found only 4 items of food: Three tablespoons of coffee, a cup of flour, a half pint of corn sirup, and a can of baking powder.

"The children," said Father Paulinus, "fare better than the grown-ups, because they get a hot lunch at school. The parents apparently deprive themselves of food to give to the children."

AMENDMENT OF NATURAL GAS ACT—AMENDMENT

Mr. KEFAUVER submitted an amendment intended to be proposed by him to the amendment in the nature of a substitute intended to be proposed by Mr. KERR (for himself and Mr. THOMAS of Oklahoma) to the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended, which was ordered to lie on the table and to be printed.

INCREASING COST OF GOVERNMENT—COMPILATION OF INFORMATION PREPARED BY COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS (S. DOC. NO. 150)

Mr. McCLELLAN. Mr. President I ask unanimous consent to have printed as a Senate document a compilation of information prepared by the Committee on Expenditures in the Executive Departments, relative to the increasing cost of the Federal Government.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

SHOULD COMMUNISTS BE DENIED FEDERAL APPOINTMENTS?—ARTICLE BY SENATOR MUNDT

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an article entitled "Should the Mundt Bill Become Law?" written by him and published in the Daily Compass of Wednesday, March 22, 1950, which appears in the Appendix.]

SOCIALIZED MEDICINE: WHAT IT MEANS—ADDRESS BY SENATOR DWORSHAK

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD an address by him on the subject Socialized Medicine: What It Means, prepared for broadcast, which appears in the Appendix.]

HAPPENINGS IN WASHINGTON—BROADCAST BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a radio broadcast by him on March 27, 1950, entitled "Happenings in Washington," which appears in the Appendix.]

REA AND PUBLIC POWER RECORD OF SENATOR THOMAS OF OKLAHOMA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a statement prepared by him covering his REA and public-power record, which appears in the Appendix.]

PITFALLS OF A FALLACIOUS POLITICAL-ECONOMIC FISCAL POLICY

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article with reference to fallacious political-economic fiscal policies, published in the Brooklyn Eagle of Tuesday, February 14, 1950, which appears in the Appendix.]

ONE HUNDREDTH ANNIVERSARY OF UNIVERSITY OF UTAH—ADDRESS BY DR. H. L. MARSHALL

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address delivered by Dr. H. L. Marshall, on the occasion of the celebration of the one hundredth anniversary of the University of Utah on February 28, 1950, which appears in the Appendix.]

IRELAND'S DAY—EDITORIAL FROM THE BOSTON HERALD

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "Ireland's Day," published in the Boston Herald of March 18, 1950, which appears in the Appendix.]

FRATERNAL ORDER OF EAGLES RESOLUTIONS

[Mr. WILEY asked and obtained leave to have printed in the RECORD excerpts from resolutions and reports of the Fraternal Order of Eagles setting forth their position on various questions, which appear in the Appendix.]

LEAVE OF ABSENCE

Mr. TYDINGS. Mr. President, I ask unanimous consent that I may be excused from the sessions of the Senate from this afternoon until next Tuesday morning, in order that I may attend the Defense Council and defense chiefs' meeting in The Hague, Netherlands.

The VICE PRESIDENT. Without objection, leave is granted.

THE VANDENBERG PROPOSAL—EDITORIAL FROM THE NEW YORK TIMES

Mr. SMITH of New Jersey. Mr. President, yesterday I obtained unanimous consent to have printed in the RECORD a letter from the senior Senator from Michigan [Mr. VANDENBERG] to Mr. Paul G. Hoffman, the ECA Administrator, with regard to the Marshall-plan program. I also had inserted various editorials on the same subject.

I note in the New York Times this morning a lead editorial entitled, "The Vandenberg Proposal," and because of the importance of this subject, presently before committees of the Senate in the form of proposals for legislation, I think it is appropriate that this editorial should appear in the body of the RECORD, and I ask that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE VANDENBERG PROPOSAL

Senator VANDENBERG's proposal for the appointment of an "unpartisan" commission to map out a long-range foreign policy has met with general approval in administration circles, in Congress and, we believe, in the country. President Truman, who is studying a similar proposal submitted to him by Secretary Acheson, has sent Mr. VANDENBERG a letter of appreciation which may be construed as a preliminary endorsement of the plan. Equally important, Senator TAFT has taken his stand at Mr. VANDENBERG's side, and an increasing number of both Democratic and Republican spokesmen are following a like course.

This response is a welcome development. It may be taken as a symptom of growing awareness in responsible quarters that in the present state of the world, and in view of the role which the United States is called upon to play in this world, the demands of foreign policy must take precedence over all other considerations, including party advantage and personal ambition. It is also a symptom of growing concern as to whether our present foreign policy is really adequate to cope with the perils confronting us, and whether the basis on which it is formed is wide enough to mobilize the congressional and popular support and the moral and material resources that are necessary to make it a success. In these circumstances, and in the absence of any one voice of leadership able to unite the country, an "unpartisan" commission to formulate a policy that would have behind it the authority of the best minds of the Nation offers a hopeful solution of the problem.

This procedure is all the more desirable because it is becoming evident that this country faces important decisions if the ground we have lost recently in the "cold war" is to be recovered. These decisions, in keeping with the concept of "total diplomacy" which Mr. Acheson describes as the only antidote to the totalitarian diplomacy of the Soviets, may well involve both political and economic readjustments which neither the Democratic nor the Republican party can bear alone and which will require mutual cooperation and the widest possible national support.

The need for continued economic assistance to the free world is generally recognized, despite all differences about details. It is one of the principal points in Mr. VANDENBERG's proposal, and Mr. TAFT joins in the view that some kind of aid will have to be given to the anti-Communist nations even after the end of the Marshall plan. What is more, this aid may have to be on a larger scale than Mr. TAFT may now anticipate, because Soviet Russia, by repudiating its offer at Geneva to increase east-west trade, has impaired the calculations on which the Marshall plan was based. This means that the free world will have to establish a new trade pattern within which it can live. This

may and probably will entail further American contribution, not only in direct aid but also in respect to our own and third markets, without which western Europe cannot stand on its own feet.

Other important decisions may become necessary in the field of politics and defense. General Eisenhower is authority for the statement that in some respects our own defense has fallen below the safety level; the defense plans worked out for western Europe, in which defense on land is left mainly to the continental countries with their existing armaments, will scarcely inspire confidence in Europe or deter Soviet ambitions; and any defense for such parts of Asia as remain outside the Soviet orbit is still nebulous. No diplomacy, not even total diplomacy, can operate successfully unless it has power behind it to prevent aggression. This raises, in turn, the question of enlarging the free world and its defense potential by taking steps with our democratic allies to conclude treaties of peace with Japan and western Germany.

GREEK INDEPENDENCE DAY—STATEMENT BY SENATOR LEHMAN

Mr. LEHMAN. Mr. President, Saturday, March 25, was Greek Independence Day, the one hundred and twenty-ninth anniversary of the birth of the modern Greek state. I have prepared a description of the past struggles of the Greek people for their freedom, which have not ended, but are still going on.

I ask the unanimous consent of the Senate that there may be printed in the RECORD at this point the entire text of my prepared statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR HERBERT H. LEHMAN CELEBRATING GREEK INDEPENDENCE DAY

Last Saturday, March 25, was the one hundred and twenty-ninth anniversary of the independence of modern Greece. It is well that we in the United States who enjoy freedom should take note of the meaning of Greek Independence Day. At the same time it is my fervent hope that the meaning of Greek Independence Day will find its way into the minds and hearts of freedom-loving peoples everywhere.

Today, as in the days when Greek patriots were fighting for their freedom, it is apparent that freedom for one people means the hope for freedom for every people. And likewise it is apparent that to deprive one people of freedom is to threaten the freedom of all people.

It is important, then, for us to recall that the success of the American Revolution gave great enccuragement to those who sought freedom and independence in other countries throughout the world. Greek patriots, patiently organizing and working toward the day of independence, took great heart in the achievements of their freedom-loving counterparts both in America and in France.

In 1815, 6 years before the attainment of independence, Greek patriots founded the celebrated Thilike Hetairia or Free Society, which soon extended into all parts of the Greek peninsula and the lands of the eastern Mediterranean. The society not only collected funds and distributed literature in the interests of Greek independence but finally the society began to pass out arms in preparation for the overthrow of the authority of the Sultan. When Ali Pasha, under the direction of the Sultan, ordered the massacre of hundreds of Greek patriots, a tremendous wave of resentment swept the country and thousands of recruits joined the Free Society.

The first signal for revolution came in March 1821 when Alexander Ipsilanti, president of the Free Society, led a small force into Moldavia. Simultaneously, Archbishop Germanos, of Patras, unfurled the standard of revolt at Hagialavra in the Morea.

I mention these facts about the struggle for Greek independence because, before freedom and independence were secure, the Greeks turned to the United States for aid. The appeal for help was received sympathetically by the American people who only a few years earlier had gained their own independence. From the very first days of the modern Greek state, there has been a strong bond between the peoples of the two countries.

When the terror of World War II was unleashed by Hitler and Mussolini, the Greek and American peoples again turned to each other for help in the fight for freedom. The story of the valiant stand of Greek troops against Axis forces is still fresh in our memories. While the heroism of the Greek underground during the years of occupation may never be adequately measured, Americans may hope that the aid extended the Greek people since liberation may be regarded as some small recognition of their continuing fight for freedom and independence.

The bond of Greek-American friendship has grown strong through the years and the $300,000,000 for Greek aid was an important part of the Truman doctrine. Here, as in 1821, the United States showed its interest in the people of Greece and in their independence.

Thanks in large part to this American aid, Greece today is on the road to recovery and to the achievement of sound democratic institutions. On this anniversary of Greek independence day it is appropriate that we salute the strides made toward these goals, and at the same time recognize the problems that confront both ourselves and the Greek people.

I am hopeful that the provision for the admittance into the United States of 10,000 Greek refugees will be sustained in the displaced-persons legislation now before Congress. I am fighting for the provision to facilitate the immigration into this country of 5,000 homeless orphans, including Greek orphans. My stand on this displaced-persons legislation is known. I intend to continue to fight for the inclusion of these provisions.

While we have noted that the freedom of the Greek Nation now seems secure, we must not forget that many individual Greeks have in the past few years lost their freedom. I am deeply concerned about the thousands of Greek children who have been abducted by Communist bands and scattered through the lands behind the iron curtain. I shall continue to hope and strive for the return of these children to their homeland.

Greek independence day is a source of inspiration for freedom-loving people everywhere. This year especially, it should serve to remind us that the battle for freedom must be carried on relentlessly and that the continued cooperation of the American and Greek peoples is most vital in that continuing fight.

PROPOSED INVESTIGATION OF INTERSTATE CRIME—STATEMENT BY SENATOR KEFAUVER

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a brief statement by me in support of Senate Resolution 202, which authorizes the Committee on the Judiciary to investigate interstate crime.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration has now reported favorably Senate Resolution 202, authorizing the Senate Committee on the Judiciary to investigate crime conditions of an interstate nature in the light of existing statutes, and to recommend additional legislation to aid in combatting criminals who ply their nefarious trade across State lines, if such a need is discovered.

As recommended by the Rules Committee, $50,000 would be appropriated from the contingency fund to carry forward the purposes of this resolution for the period between final Senate approval and July 31 of this year. As will be seen, Mr. President, our time for our report is limited, and we are most anxious to get underway.

I think it might be well to say a word about the type of investigation we have in mind. Those who expect a sensational witch-hunt of this proposed investigation will be sadly disappointed, so far as I personally am concerned. Those who may anticipate political consideration or a lot of notoriety from this inquiry will likewise be sadly disappointed. I am hopeful that a serious study of the Nation-wide aspects of crime will lead us to a constructive conclusion regarding the adequacy or inadequacy of existing Federal statutes relating to crime in interstate commerce, and suggest to the Congress such changes or additions to those statutes which will more effectively protect the American people. The committee and its staff are confronted with a difficult job. It is one, however, that needs badly to be done. We are anxious to get started. The committee will cooperate in every way possible with the great Committee on Interstate and Foreign Commerce, with other interested committees of the Senate and with the Department of Justice, Bureau of Internal Revenue, Federal Communications Commission, and other Federal agencies. In this spirit we can and expect to do useful public service.

There is widespread demand for this investigation. The Hannibal (Mo.) Courier-Post referred, on February 7, to the estimated minimum of "$400,000,000 spent annually to bribe officials on various levels, or to fix rackets against the law."

Testifying before a House committee, J. Edgar Hoover, the veteran battler against rackets and racketeers, and head of the Federal Bureau of Investigation, advocated giving the Federal Government authority by statute to move in against the so-called gambling syndicates, the spread of which over the country is becoming menacing.

Last month, the St. Louis Post-Dispatch had this to say:

"If the Senate had any hesitancy about investigating gambling and other Nation-wide rackets, it should read the report of the Citizens' Committee of Massachusetts. This organization of prominent New Englanders estimates that slot machines, handbooks, sports pools and the numbers racket alone take up to $20,000,000,000 a year from American suckers.

"In addition, the Massachusetts agency reemphasizes that gambling is organized like big business, supports other criminal activities and pays off for political protection. And it crosses State and local boundaries with impunity.

"This situation invites Federal action. * * * If Congress is concerned over a $42,000,000,000 national budget, it ought to be shocked to learn that the Nation's gambling is nearly half of that, and all of it a total loss."

Early in February, the Albuquerque (N. Mex.) Journal editorialized with this observation:

"The Federal Government wiped out kidnapping as a prevalent crime by national legislation. It could do as much against the multi-billion-dollar gambling racket that is corrupting public officials across the Nation and robbing the economy of wealth that it cannot afford to lose."

The Morning World-Herald out in Omaha had this comment on February 16:

"A congressional investigation is necessary. No time should be lost. * * * This has ceased to be a local or even a State problem. It is a national problem that demands Federal action to halt the corruption which, thousands of public officials say, is invading every unit of American Government."

Further West, the Oregonian at Portland, this month, said:

"Syndicated gambling and vice, organized on regional and national lines, have flourished for many years in one field or another. State and municipal authorities that have been sincere in their efforts to combat an underworld menace destructive of lives and happiness and draining billions of dollars from legitimate trade and employment have been handicapped by inability to cross State and city boundaries. * * * The Federal investigation * * * should at least reveal authoritatively the extent and nature of the evil. Probably, it will show that Federal legislation will be necessary."

A sample of the editorial thinking in the deep South is the following excerpt from an editorial appearing in the Montgomery (Ala.) Advertiser:

"Hoodlum enterprises exist today in a large area where the Government can act, and where no other police power can. * * * A Senate inquiry would show that crime has become the Nation's business, and the Federal Government ought to have authority to go as far as criminals go, from city to city, State to State."

Still another southern newspaper, the Miami (Fla.) Herald, editorialized, in part, as follows on March 10:

"Communities and States that are lush fields for the organized vice syndicates are hopeful. At last we seemed to be on the way toward concerted move of all enforcement agencies in a country-wide, interstate drive against the vice overlords. * * * As introducer of the resolution, Senator KEFAUVER would be armed with the personal information and crime data that impelled him first to ask Congress to move into action against a development of crime in the United States that calls for a close-knit campaign of all enforcement potentials to wipe out the underworld organization that extends from one end of the country to the other.

"The need for the probe is immediate and pressing. * * * Federal action is at a standstill. Organized crime is the winner by the delay."

Just this week, on March 20, the Washington Daily News had this to say:

"Congressmen make a big fuss about crime, gambling and about gangland and gangsters and the talk that they are going to clean up the crime wave.

"That is all that is ever done: A lot of talk and no action.

"Gangdom knows no State, county, or city line. It extends throughout the country. It is a Nation-wide evil. It is time the Nation woke up to it.

"Today we have various bureaus of public safety to help prevent accidents on streets and highways. Might it not be a step forward to organize national bureaus for the prevention of crime?

"Crime is at a point where society must conquer crime or crime will conquer society."

Mr. President, if these are not enough of a sprinkling of press agitation for an immediate tackling of the problem, may I respectfully, but insistently, refer my colleagues to the report on this resolution filed by the Committee on the Judiciary, and to the new book Chicago Confidential, which lists names and addresses of alleged leaders of the national and international crime cartel.

The public has manifested great interest in Senate Resolution 202. Further delay in our legislative machinery, now that a deadline in time has been set for the making of a report to the Senate, will lessen the public confidence in the sincerity of Congress in this undertaking. I hope the Senate may give final sanction to the resolution without further delay.

The courageous Miami Daily News, which, with the Herald and other Florida newspapers is using its great influence against the encroachment of crime in south Florida, in its lead editorial of March 24 had this to say:

"ALL-OUT CRIME PROBE IMPERATIVE

"The approval of the Senate Rules Committee yesterday leaves but one hurdle—not expected to be troublesome—before the proposed Senate investigation of organized crime. The Rules Committee also agreed with Senator ESTES KEFAUVER, Democrat, of Tennessee, that the Judiciary Committee is the proper investigating body. In all likelihood Senator KEFAUVER will head a subcommittee soon into what has already become known as the Kefauver crime probe.

"Sincere differences about jurisdiction may have stymied the Kefauver probe to date—despite rumors that administration blocks were being thrown in its way—but the final approval by the Senate of this investigation should be the signal for an all-out, bipartisan effort to bare the facts on what has become an invisible government. Much is already known, uncovered by such newspapers as the Miami Daily News. The details are needed to complete the picture. Then remedial legislation should be forthcoming.

"This is by all odds the most important development to Florida and Dade County in their long struggle with forces of the underworld. Bookmakers, slot-machine operators, table gambling operators, corrupt officials high and low will not welcome the Kefauver probe. The overwhelming majority of citizens, who are law abiding and increasingly fearful of the power of the octopus of crime in Florida, will hail it as the long-needed recognition of their plight. Wherever the Federal Government may properly step in to strengthen law enforcement, that is the goal most citizens of Florida and Dade County will be seeking to glimpse."

REGULATION OF NATURAL GAS

Mr. LEHMAN. Mr. President, I have received a communication from the corporation counsel of the city of Rochester, expressing strong opposition to the Kerr natural-gas bill, S. 1498. Because it is pertinent to the pending question, I ask unanimous consent to insert this letter in the body of the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF ROCHESTER, N. Y.,
DEPARTMENT OF LAW,
March 22, 1950.

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LEHMAN: The information furnished me relating to the Kerr natural-gas bill, so called, indicates that its enactment will be prejudicial to the best interests of all users of natural gas and give to gas producers exemption as to prices charged from regulation of the Federal Power Commission.

The production of natural gas is as much a function of public service as is transportation, power, and other utilities. It is difficult to see any reason justifying the release from price regulation of this one kind of utility.

The principle of price regulation of utilities is soundly fixed in our economy and is, in my opinion, necessary in the public interests to protect the public from exploitation.

I therefore request that you exert your efforts to defeat this bill.

Respectfully yours,

WILLIAM H. EMERSON,
Corporation Counsel.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Senator KEM Strips a Disguise," published in the St. Louis Post-Dispatch on March 25, 1950. The editorial refers to the pending measure, S. 1498, known as the Kerr bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR KEM STRIPS A DISGUISE

Senator KEM has provided a concrete answer for the State's rights argument of those who support the Kerr natural gas bill. The Missouri Senator says in effect that regulation of gas prices by a gas-producing State is scant protection for gas consumers in another State.

The Senator has no quarrel with the right of any State to regulate prices of gas produced and consumed within that State, but he notes that such regulation may actually mean a price increase. When the Oklahoma Corporation Commission fixed prices in one gas field recently, the price rose sharply.

That, of course, is Oklahoma's problem. But if the Kerr bill ever became law, price increases would become a problem for every gas-consuming State. This bill would prohibit Federal regulation of prices charged by producers who control 85 percent of our gas reserves.

So the Kerr bill would lead either to State regulation, which is what some of its supporters advocate, or no regulation at all. If it means State regulation, Oklahoma's example offers little reassurance for gas customers in Missouri or Michigan. Why should a gas-producing State hold its gas prices down for the benefit of people elsewhere?

Where natural gas is an interstate utility, Federal regulation is essential. The State's rights argument cannot conceal an effort by natural gas interests to reach into consumers' pockets.

Mr. KNOWLAND. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD an excerpt from an editorial entitled "Kerr Gas Bill Threatens Billions in New Charges," published in the Sacramento Bee of March 20, 1950. The editorial refers to the pending measure, S. 1498, known as the Kerr bill.

There being no objection, the excerpt from the editorial was ordered to be printed in the RECORD, as follows:

Information coming out of Washington, D. C., indicates the Kerr-Thomas gas bill pending in the Senate holds the potentialities of a billion-dollar gouge of the American people, with the chief beneficiaries a few top companies in the petroleum industry.

The measure would prohibit the Federal Power Commission from regulating prices charged by so-called independent gas producers for gas moved in interstate pipe lines.

If all the traffic will bear were made the rule, the logical supposition is that gas prices would be increased to be in line with coal and other competitive fuels.

And this would mean that America's natural gas bill would rise by $130,000,000 to $550,000,000 annually, or a maximum of $16,000,000,000 over a period of 30 years.

There is no good reason why interstate gas should not be subject to price regulation.

The threadbare argument has been raised in defense of the bill that competition would take care of the price. But would it?

True, there are 2,300 producers who sell to interstate pipe lines. But 3 percent of these account for 70 percent of the gas.

And it is only common sense that once a pipe line is laid to one field, competition from other fields becomes nil. A pipe line is not like a truck which can be moved hither and yon in search of the best price.

There is ample evidence to support the supposition that without regulation gas prices would tend to rise to the levels of competitive fuels, regardless of costs.

The Michigan-Wisconsin Pipe Line Co. re-recently contracted with the Phillips Petroleum Co. for gas at 5 cents per 1,000 cubic feet, only to have the figure raised arbitrarily to 10 and 11 cents.

The minimum predicted rise of 5 cents per 1,000 cubic feet, if the Kerr-Thomas bill goes through, would mean $2,700,000 in added charges to gas customers on the Pacific Coast.

And State regulation would become futile if there were no price control at the source.

Representative ROBERT CROSSER, of Ohio, named the 24 large producers who would profit by the Kerr-Thomas bill. They are not independents in the sense of small operators, but include Standard Oil of New Jersey, Gulf, Shell, Sinclair, Phillips, and the Texas Co.

They are not impoverished companies requiring more revenue. Their average net profits in 1948, after taxes, amounted to 24 percent.

The measure is one which cannot be justified.

Mr. KEM. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled, "Gas Bogey," published in the Washington Post of March 28, 1950. The editorial refers to the pending measure, S. 1498, known as the Kerr bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GAS BOGEY

During the past 10 days a great amount of the Senate's time has been taken up with debate on the Kerr natural-gas bill, scheduled for a vote on Wednesday. If, as proponents of the bill maintain, the measure would not alter the authority of the Federal Power Commission, there would be no point in such extended deliberation. The fact is, however, that as Senator DOUGLAS and others have made clear, the bill would work a very substantial change in FPC authority by forbidding it to regulate the so-called independent producers of natural gas—that is, producers not affiliated with the transporters, or pipe-line companies. The independents account for about 70 percent of the natural-gas production, and independent in this sense is a euphemism for the big oil companies which control a large share of the production.

To be sure, the provision of the Natural Gas Act which the Kerr bill would amend needs to be clarified. Nonetheless, the Supreme Court has confirmed the power of the FPC under the law. Although this regulatory power over independents has not been invoked until recently, its existence has been a restraining influence against an undue rise in natural-gas prices concurrent with the tremendous expansion in use.

Patently it is impossible for the States adequately to regulate a commodity which is a natural monopoly in practically continuous interstate flow from well to stove. FPC supervision has not acted to deter free enterprise, and there is no indication that it will do so. The issue is simply whether a fundamental existing protection for consumers—industrial as well as household—should be removed to make way for possible price hold-ups. It is a poor endorsement to say that the Kerr bill is not so sweeping as the late unlamented Moore-Rizley bill; it is still an unmasked plea for special interest. We hope the Senate will not be fooled by the toothless substitute which Senators KERR and ELMER THOMAS would provide empowering the FPC to study the matter after regulation was removed. As Senator BREWSTER said in what was almost a paragon of understatement: "I very much fear that the remedial action might be so long delayed that the people for whom we are primarily responsible would find their remedy exceedingly remote."

SPEECH ON CHINA AND THE FAR EAST BY ROGER D. LAPHAM

Mr. MORSE. I also ask unanimous consent to have inserted in the body of the RECORD a speech by Mr. Roger D. Lapham, before the Institute of Pacific Relations, Northwest Group, at Seattle, March 6, 1950, entitled "The Substance of a Talk on China and the Far East."

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SUBSTANCE OF A TALK ON CHINA AND THE FAR EAST

(By Roger D. Lapham)

RECOGNITION OF CHINESE COMMUNISTS

In a public talk early last September anticipating the occupation of China's mainland by the Chinese Communists, I recommended that the United States be prepared to recognize the Communist government, whether we liked it or not. Later, December 28, in a memorandum, I outlined my reasons for reaching the conclusion that recognition was the only practical way to keep Americans in China in order to offset the spread of Moscow influence in that country.

I reached this conclusion by the process of elimination, believing first, that any further military aid either direct or indirect to any anti-Communist group in China, particularly what remains of the Nationalist Government under Chiang Kai-shek, would be a total waste of money and effort.

Secondly, I could not believe that the complete abandonment and withdrawal of our embassy and consular staffs in China was the right course to pursue. That would be giving notice to the world that of our own volition we were quitting the many Chinese friends we still had left in China.

In the third place, I do not believe in an economic blockade. It is possible, but highly improbable, that the collapse of the Communist government may eventually take place, due to its inability to handle successfully the terrific problems of administering and governing such a huge and loosely-knit country. But I do not believe that this could be brought about or perceptibly hastened by any economic blockade.

Therefore it seemed to me that the only practical way to keep Americans in China, our businessmen, teachers, and missionaries, was to strengthen our diplomatic representation; and recognition seemed essential in order to achieve any success whatever along those lines. I had assumed, despite various incidents and the insulting treatment which our diplomatic representatives had received, that the Chinese Communists really wanted recognition to facilitate trade and normal contact with Western Powers.

What happened in Peiping last January now seems to indicate that the Communists want us out. A demand was served on our consul general that certain buildings in his compound, which we had peacefully occupied for some 50 years—our possession confirmed a few years ago by treaty—be turned over to Communist authorities. Our State Department protested; and served notice that, if these buildings were seized, then all our diplomatic representatives whether in Peiping or elsewhere in China, would be withdrawn. Some Americans have questioned the wisdom of the State Department's action in serving the ultimatum: "If you do that, we will do this," because it left no way open to keep our representatives in China if the Communists seized our properties, as they eventually did. Those Americans felt it essential to keep on-the-spot contacts with the Chinese people. Therefore, no matter how disagreeable it might be for our foreign service officers assigned to that difficult task, our long-range interests required continuing efforts to man such spot contacts.

But what is done is done; and so today, the question of recognition is a dead bird. Recognition must be a mutual affair; and, until there is some evidence that the Communists want recognition and are willing to extend to our diplomatic representatives the usual protection and privileges accorded by international custom, we must accept the situation as it is, and wait for a change of attitude. And that change may not come for quite a while. So, we are now abandoning China—forced out, if you please—although some Americans still wonder whether we did the wise thing in making it easy for the Communists to compel our withdrawal.

We cannot overlook the fact, however, that our State Department had initiated a policy of withdrawal some months previously. Last August, weeks before the Communists occupied Canton, our Minister and consul general, with their staff, moved out, lock, stock and barrel, while Britain and other nations still kept their representatives in Canton, to await Communist occupation. About the same time we closed our consul general's office in Chungking and cut down our consular staff in Shanghai. Today, what few Americans are left on the Chinese mainland must shift for themselves. They have no representatives of their Government to whom to appeal, even though such representatives, had they remained, might have been able to do little or nothing for them.

These are the facts, however disagreeable and discomfiting as they may be. In August 1945, our influence in China predominated. Today, little is left.

FORMOSA

Recently there has been much discussion in the press and by Congress as to our policy toward this island. Early last January, President Truman announced the policy of no further military support to the Nationalist Government, now holed up in Formosa, no further expenditure of our taxpayers' moneys to furnish arms and munitions, or military advice. However, a limited amount of such moneys remaining from ECA funds were authorized for economic aid to the people of the island, as long as the Nationalist Government retains control.

Prior to that announcement, there had been much talk that it was essential to our national security that the island be not occupied by a government unfriendly to the United States. It was argued that Formosa, lying between the Philippines and Okinawa and Japan, be protected at all costs from occupation by the Chinese Communists. Ex-President Hoover went so far as to state:

"It is my strong belief that we should not recognize the Communist government of China; that we must continue to recognize and support the National Government; that we should, if necessary, give naval protection to the possessions of Formosa, the Pescadores, and possibly Hainan Islands."

Senator KNOWLAND and other Senators and Congressmen voiced similar opinions. Unfortunately the debate on what to do about Formosa, as well as what to do about China, and other far-eastern countries has become more and more of a domestic political issue and I will comment further about that aspect later—but first something about the island itself.

At the Cairo Conference, December 1943, where President Roosevelt met with Chiang Kai-shek and Winston Churchill, it was agreed that, when Japan was defeated, the Chinese Republic would take over Formosa and rule it until such time as a peace treaty with Japan was finally signed. But there was no doubt then that the island, originally a possession of China, would remain hers after the peace was ratified.

When the Nationalists took over after VJ-day, Chiang appointed a governor who proved to be a ruthless warlord. He treated the Formosans as a conquered race rather than as a people restored to their own allegiance. They were exploited right and left, and, as a result of a minor incident, some thousands of topside Formosans were cold bloodedly liquidated 3 years ago. For more than 18 months now, the island has become a refuge for many wealthy mainland Chinese, Kuomintang Party people, who fled to it as the Communists advanced. The present governor, K. C. Wu, formerly mayor of Shanghai and an able and competent administrator, is now doing his best to institute reforms long overdue; but Formosa is overcrowded, and its internal economy badly strained.

Today what remains of the Nationalist military forces—army, navy, and air—is based on the island; and from that base, Nationalist airplanes have bombed, and are still bombing, Shanghai and other mainland centers. Unquestionably the Communists resent the fact that the Nationalist air force was equipped and trained by the United States. They feel we are still taking an active part in a civil war; and we are blamed for the damage which the Nationalist planes have inflicted on the mainland. Because of these military offensives based on Formosa, the Communists must sooner or later inevitably attempt seizure of the island.

It has been suggested that as long as the Japanese peace treaty is not yet signed, the United Nations might conduct a plebiscite among the island's inhabitants to determine who should govern them. Obviously, with Russia exercising its veto power, there is no hope that any such plebiscite could be held under United Nations auspices. Another suggestion is that by unilateral action, the United States might take over Formosa, and govern it temporarily as a protectorate until such time as the Formosans are prepared and able to defend themselves.

I believe it would be a grave mistake, if as suggested by Mr. Hoover and others, we should take aggressive action to protect what remains of the Nationalist Government on Formosa, even though that government is the only anti-Communist group remaining. If we did anything at all along those lines—and I am not advocating it—we should do it on the basis of setting up a protectorate for the Formosans—but not to create a safety zone for the Nationalist Government to use as a base for further military operations against the Communists on the mainland.

I believe any such aggressive action cannot be considered from the standpoint of Formosa alone. We must think of its effect on all the peoples of the Far East, including India. Some may argue that such action would give encouragement to the non-Communist peoples of Asia—those who fear the spread of Moscow influence and would welcome affirmative American action. On the other hand, we would be charged with taking steps which might initiate a third world war. We would play into the hands of Moscow and its satellites who, irrespective of what good intentions we might claim, would shout to high heaven that such aggressive action proved our imperialistic ambitions. All in all, I am convinced that President Truman did the right thing in refusing to furnish further military support to Chiang or take any part in protecting Formosa from Communist attacks.

Those who have studied the trend in Asia over the past 50 years, recognize an ever-growing nationalistic urge—the desire of those peoples to run their own show. That desire has been recognized by the British, who yielded to the demands of India and Pakistan, and voluntarily gave up control not only in India and Pakistan but in Burma as well. That desire has been recognized also by the Dutch, who have reluctantly bowed to the will of Indonesia to run itself. France is now faced with a difficult situation in Indochina—apparently the next Asian area threatened by aggressive Communist expansion. The finger of spreading nationalistic ambition points the trend; and perhaps—notwithstanding political repercussions in France itself, Paris might be well advised to follow the lead of Britain and the Netherlands in yielding to what now appears almost inevitable.

It may well be that the western nations will have to pay for the sins committed by their forebears such as the seizure of rich treaty ports and concessions wrested from local governments powerless to resist aggression.

Go back to the bombastic statements made by Kaiser Wilhelm II when he dispatched his soldiers to punish the Chinese who took part in the Boxer Rebellion of 1900—something along the lines of "slay without mercy—make the misguided Chinese remember what it means if they touch a German citizen!" And the Japanese did their bit in developing the co-Asia idea—"Asia for the Asians." Ghandi, for motives different from those of Japanese warlords, wanted India for the Indians.

Here I revert to our National Capital and the tendency to make a political football of Far East foreign policy. There is much talk of past mistakes—of what the State Department has done or failed to do. Commentators cry aloud over the milk that has been spilt—bemoaning the fact that while our eyes have been riveted on Europe the rising Red Star of Moscow has spread its baneful influence over an area where more than a billion people dwell—whose rulers are, or soon may be—potential enemies threatening America's national security. Much talk if only General Stilwell had been more of a diplomat or if only President Roosevelt had not made that secret deal at Yalta, the Nationalist Government would never have collapsed—and why did we assign to General Marshall the impossible task of trying to force a Kuomintang-Communist coalition.

We have short memories—a few years ago most Americans thought our Russian war allies were good guys—no reason to think Moscow was a potential enemy—certainly no economic reason for Moscow to seek territorial expansion (as might be argued in the case of Japan and Germany). Surely no reason to believe why any possible differences between Washington and Moscow could not be ironed out in a face-to-face conference—reasonable men dealing with reasonable men.

Well—that is not the prevailing American feeling today—as evidenced by our acceptance of "cold war conditions" in the hope of preventing a third hot war.

Why this change of feeling in such a short time? Analyze it and I think you will agree with me—that the United Nations has proved its value as an international sounding board. Moscow has by its words and actions—its ridiculous statements and arbitrary vetoes has put us all on notice that the immediate future of free nations and free peoples is something for all of us not only to worry and think about, but above all to do something about; and let me emphasize that there is no justification for making a political football of a situation which calls for cool, objective treatment if we Americans are going to play our part in world leadership—a role we cannot escape. I say damn those who would torpedo our national security—Republicans and Democrats alike—for the sake of personal or party gain.

The expression "bipartisan policy" should be translated into action by the best minds on both sides of the political fence in a united endeavor to solve a situation which sooner or later will affect every man, woman, and child now living in this troubled world.

One thing stands out today—we are not going to check the spread of Marxian ideology as directed by the totalitarian Moscow rulers by military means. If we are to convince the peoples of Asia of the worth of democracy as we define it—we cannot do so at the point of a gun. Other methods must be sought and found. What other methods?

POINT 4

The ideas expressed by President Truman in his inaugural address of January a year ago, although set forth in glamorous and general terms, have merit if they can be put into practical effect. The thought is to furnish our technical know-how to the peoples of those countries who would like to have it, to help raise the standards of living abroad; to teach some things we have learned ourselves, in establishing in this country the highest standards of living anywhere in the world to date. There is no doubt that other peoples look upon us with envious admiration, even though their leaders may shout "imperialists."

If point 4's primary objective is to raise the standards of living elsewhere, then we should concentrate on the inhabitants living on the lower levels no matter what their race, color, or religion—or even the type of government which controls them.

In a limited way we tried out point 4 in China, through the instrument of JCRR—Joint Rural Reconstruction Commission. The China Aid Act of 1948 created this Commission, made up of three Chinese and two Americans and financed by ECA. Unfortunately, the Commission was not organized or ready to function until late 1948 and, because directives from Washington forbade expenditures in areas controlled by Communists, the field in which it could operate was rapidly restricted. However, in that limited period a real start was made to do something on a small scale for the rural peoples—the Chinese who eke out a living from the products of the land, and who are not so much interested in what type of government controls them as they are in trying to produce enough food for themselves and their families and a bit extra to lay by.

With a small staff of engineers, progress was made in rebuilding dikes for land reclamation, for flood control, for repair and promotion of irrigation projects. The Commission sought to improve methods of farming, study, and improvement of seeds suitable for different kinds of soil, pest control, and similar matters. The Commission went into the subject of land tenure, seeking ways to prevent landlord exploitation of farmer tenants. It looked into public health and medical care.

The Commission lent assistance to the mass-education movement—the movement initiated by Jimmy Yen 30 years ago—to promote literacy among adults, as well as among children.

With a relatively small staff—a few Americans and a few more Chinese—the Commission concentrated on teaching Chinese who might go back to their villages and counties and, in turn, pass on what they had learned to their neighbors.

One interesting experiment was tried out in northwest China by an American on the JCRR. He revived the ancient rug-weaving industry in one of the districts—getting the peasants to bring in the wool, making his own vegetable dyes from roots and flowers;

at first finding the old men who knew the old patterns and later on enlisting an American artist to send him sketches of more modern Chinese designs to be used in rugs intended for export. Production was well under way when the approach of the Communist army forced the Americans out on the last plane that left, and this same imaginative American came back with the suggestion of putting basketballs in every village as an inexpensive method of attracting the young people and starting a youth center.

Looking backward, it is unfortunate that some such type of aid, requiring relatively few American dollars, was not started in China right after VJ-day. Had it been, much might have been accomplished to offset the spread of Communist influence. The Nationalist collapse was in no small measure due to the failure of its Government to look after the welfare of the countryside—the great mass of people who depend on farming for a living. Chiang promised these people many reforms, but failed to carry them out. The greater part of economic aid furnished by ECA was given to a few of the great urban centers which, for many years past, have prospered at the expense of the countryside.

This JCRR type of economic aid, effectively applied to raise the standards of the lower levels, is in my opinion the best thing we can do today to check the spread of Moscow influence in Asian areas; but—and this is a big but—its success will depend on the Americans appointed to administer this type of aid. If we are to make such aid effective in the field, we must recruit Americans willing and able to live and work with the people of those countries to which they are sent—Americans with creative imagination, with the know-how of persuading and teaching—preferably, of course, in the native language—and imbued with a crusading spirit to improve the living conditions of their fellow men. Given a few Americans of this kind, whether they be engineers, doctors, teachers, or agricultural experts, I am confident that more can be done to sell our ideas of democracy than could be accomplished by crack divisions on the battle front.

But—and this again is a big but—if we send out Americans selected primarily for political reasons, or bureaucrats unwilling to stick their necks out, the result might well prove more damaging than if point 4 had never been thought of. Any mission sent into the field should be given the widest latitude, and not bound strictly to follow detailed directives issued from Washington. No set of identical rules and formulas drawn up in Washington can be uniformly applied to the different peoples we hope to influence; if the missions we send out are to get results, they will have to be given the authority to determine on the spot what the people need most, and then through trial and error, determine the best ways of fulfilling such needs, not only to get the most for our dollars, but to achieve the main objective—building up American influence to offset Moscow's ideologies and methods.

While we will need approval and concurrence from the government leaders of the people to whom we seek to render aid under point 4, such aid should be applied from the bottom up—rather than from the top down. Plenty of administrative finesse will be called for in those who are picked for this difficult task.

The Communists now in control of the Chinese mainland may oppose any such aid offered by America; and, for that matter, Congress now forbids the use of our taxpayers' moneys for aid to those peoples now living in Communist-governed areas. Some Americans feel that this is short-sighted. Why not try to find out whether or not we might be able to help feed the people controlled by the Chinese Communists now threatened—if the newspaper reports are correct—with one of the worst famines in history. This suggestion was made the other day: We have a large surplus of potatoes, eggs, and other items which seem to be embarrassing to us at this time. The press reports that our Government buys potatoes at $1.50 per 100 pounds, and sells them (for noneating purposes) at 1 cent per 100 pounds. Why not send a few shiploads of potatoes to China, advertise that if they let these ships dock and unload, the potatoes will be given away to the Chinese people who need food, whether they be Communists or not.

Maybe a crazy idea, although an imaginative one. But after all, when we have tried methods which have failed, perhaps it may be worth while to try other methods, crazy or not. Moscow has concentrated on the development of propaganda; and if, as I believe, military means cannot win a cold war in the Far East, let's develop counterpropaganda ideas of our own.

The avowed objective of the Marshall plan is to help the peoples of the world to help themselves. America has led the world for over a century in inventive genius and enormous productivity, plus her ability to sell her products in a world-wide market. Must she now admit that she can sell material products only, and fail completely in selling her faith in her concept of democracy, her confidence in better living for peoples other than her own? Point 4 may become a true turning point in history; it may be considered too altruistic—almost impossible of achievement—too long and too thorny a row to hoe; but we are a young and vigorous nation with a tremendous reservoir of talented, educated youth to draw upon. Isn't it better to draw upon that reservoir for a huge, constructive effort now, while there is still time, instead of waiting for the cold war to turn into a hot one, and then call upon them to go out and be killed?

There is an old saying that "you can't be killed for trying," so perhaps we should take our stand and say with Longfellow:

"Let us then be up and doing,
With a heart for any fate;
Still achieving, still pursuing,
Learn to labor and to wait."

Granted that whatever course we pursue will be a difficult one—granted that even our goal is none too clear—it seems to me that the time has come for all of us to be up and doing if only in the line of constructive thinking, realizing fully that no effort will be crowned with immediate success, but trying to "learn to labor and to wait."

A FEW OF MANY REASONS WHY TAXES ARE HIGH

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article which has been sent to me by Mr. Cape Grant, of Lexington, Ky., on the subject, A Few of Many Reasons Why Taxes Are High.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN GOVERNMENT SPENDS, JOHN CITIZEN PAYS—HERE'S A STORY ABOUT TAXES, HOW THEY GROW AND GROW AND GROW, AND WHAT CAN BE DONE ABOUT THEM

A FEW OF MANY REASONS WHY TAXES ARE HIGH

Here are some of the many reasons that your taxes are high. From the findings of the bipartisan Commission on the Organization of the Executive Branch of the Government come these eye openers:

The paperwork on 1,500,000 annual Government purchase orders costs more than $10 an order, but half of the orders are for items costing less than $10.

The post office spends 2½ cents to print and deliver a penny postal card.

Two different Government agencies surveyed construction sites for dams half a mile apart on the same river at an approximate cost of $250,000 for each survey; but their estimated costs were $76,000,000 apart.

The Veterans' Administration employs four times as many insurance workers per policy as private companies do, but requires four times as long to pay a veteran's insurance death claim as does a private company.

In Missouri, a farmer received five different kinds of advice on fertilizer from five different representatives of the same agency.

The Government owns 848,567 typewriters or 3.6 typewriters for each employee using one.

Taxation is the drafting of the people's money, the money for which the taxed people have labored. Taxes are high for one very good reason. We have to pay for everything the Government—Federal, State, or local—does for us. The more the Government does for us, the more we have to pay. The more the Government wastes, the less we get for what we pay.

Suppose that, instead of taxing the people's money, which is indirectly taking part of the citizen's labor, the Government took the labor itself. Suppose that, instead of having to set aside for taxes part of what we earn, each of us gave the equivalent in work. Suppose next Monday, a million of us turned up on the tax job. Each would be given a shovel. Under the direction of a lot of tax collectors we'd dig a ditch. All day long we'd work. Next day, we'd show up, get our shovels and, under the same direction, fill up the ditch. Long before the close of that second day, the entire million of us would be mad, good and mad. We'd descend upon those tax collectors and demand that they put an end to the ridiculous squandering of our labor. We'd get action.

Why, then, don't we demand that silly, wasteful expenditures of money earned by our labor be stopped?

One reason is that a lot of clever talkers are able to convince many people that, while 2 and 2 equal 4, 2,000,000,000 plu 2,000,000,000 equals 7,000,000,000, 70,000,000,000, or what have you? Here are examples of the things you are asked to believe:

A huge Federal budget is fine for everybody because it puts lots of money into circulation.

Debts that we owe ourselves don't matter.

What everybody owes, nobody has to pay.

While deficits are bad for people, they are good for governments.

We can spend our way out of financial difficulties.

The only thing that can be done about huge public expenditures is to raise taxes.

The Government itself has nothing it does not get from its people. What you get from the Government must be paid for in taxes, however well concealed they may be. You can't use the money you pay in taxes for anything else you may want. For example, your wife may need a new winter coat. The money that would have paid for it went in taxes that helped to pay for a handsome, but not really necessary, post office in sparsely populated Squirrel Corners. Your boy may want a bicycle. You had the money for a little while, but you had to pay it out in taxes. That part of your taxes helped to put a bronze plaque on the new bridge over Squirrel Creek. So you tell your son you can't afford to buy him a bicycle now. You can't, but you did afford that plaque. Your next-door neighbor can't have his house painted this year. The money with which he could have paid a painter went in taxes to help a bureaucrat have a secretary with 3.6 typewriters.

If the problem were simply one of waste, it would be difficult enough. Actually, high taxes result partly from asking the Government to do for us too many things we ought to do for ourselves. Even if the Government did them efficiently—which only too often it

does not—taxes to pay for them would still be too high.

What can be done about these growing taxes? What can be done about the constant addition to the long list of Government expenditures that results in more and more taxes? Americans have the right to grumble and the right to get angry. If they grumble loud enough they can make a lot of Federal, State, and local lawmakers realize that citizens are sick and tired of paying ever-increasing taxes.

The cartoonists' symbol for the taxpayer is a harassed little man wearing a loose-fitting barrel. We smile indulgently, but few of us identify ourselves with the character. Indeed, in the whole topic of taxes we too frequently find a note of hilarity. As the March 15 Federal income-tax deadline approaches we tell each other tax jokes. Actually there's nothing in taxes to laugh about. The whole subject of taxation is "as funny as a crutch."

No one likes to pay taxes, but there is relatively little taxpayer resentment, even of obviously excessive taxation, because very few of us are fully tax-conscious. The darkness below the surface of American economic life is alive with hidden taxes. They teem and multiply. They mean increased costs for virtually every item of living.

Taxation analysts, trying to induce shock in taxpayers, cite instances such as these:

There were 114 different taxes in the hamburger steak you had for lunch. There were 164 taxes molded into the cake of soap you used today. The necktie you wear carries a burden of 67 different taxes.

Or take the case history of the egg, as recorded in the files of the Tax Foundation, a public research group. Starting at scratch—that is, literally, at the place where the hen feeds—the process of producing the egg on a Minnesota farm is studied for hidden taxes and pursued through delivery to a Chicago grocery. Something like 100 taxes are involved in the transactions. Only a fraction of these are Federal taxes; the majority are State and local taxes. But taxes they are. Ultimately, of course, the consumer pays them.

There is a still more brutally realistic approach: It is estimated conservatively, that the average working citizen annually hands over to the Federal Government in taxes an amount equivalent to 47 days' pay, and to State and local governments an amount equal to 14 days' pay. That's a total of 61 days, and that's striking pretty close to home.

Even this view is not always persuasive, because the withholding of income taxes at the source has proved relatively painless to most taxpayers. It is money the average citizen never sees or feels, and, therefore, it is regarded without passion. Given a chance, though, he conceivably would develop a deep attachment for it.

Consider then, open taxes, some of them masquerading under the name of luxury taxes: You pay a 20-percent tax when you buy tickets to the theater or the movies, the circus, the rodeo, or any sporting event, on light bulbs, jewelry, cosmetics, toilet goods, luggage, and fur coats.

There is no escape, for, when you try to get away, you pay a 15-percent tax on train, plane, and steamship fares. You also pay 15 percent if you phone or telegraph or buy sporting goods. Taxes are a mere 10 percent on refrigerators, musical instruments, and record players. The tax on your new automobile is 7 percent. On new parts it is 5 percent. Throughout the Nation taxes on gasoline average more than 6 cents on a gallon. They add up fast.

What can be done to dam the rising flood of taxes?

The answer seems to be clear enough: economy and the elimination of waste and duplication. Congress has the corrective blueprint for the Federal Government, having received it last spring when the bipartisan Commission on Organization of the Executive Branch of the Government, headed by former President Herbert Hoover, completed the most exhaustive study of our Government ever made.

Twenty-four groups of researchers, called task forces and comprising 300 specialists, turned in a 2,000,000-word report with recommendations for legislation that, it has been estimated, would save the taxpayers between $3,000,000,000 and $4,000,000,000 annually. The Commission's findings were startling:

In the past 20 years, it noted, the cost of Federal Government had jumped from $4,000,000,000 to $42,000,000,000 and the Government's civilian employment from 600,000 to 2,100,000. The Government was taking $1 out of every $5 of the national income; the national debt had risen to $7,000 per family. The executive branch had grown to a hodge-podge of 1,812 departments, agencies, boards, and bureaus. The list could go on indefinitely through all the major departments and agencies.

The Commission's report received the blessing of President Truman who agreed with Mr. Hoover and those associated with him in the study of Government costs that remedial legislation ought to be passed. Congress has already passed 20 percent of the suggested legislation.

Meanwhile, in June, the Commission ceased to exist. The work of educating the taxpayers in the common sense of fighting the battle for economy and elimination of wasteful effort was taken over by the Citizens Committee for the Hoover Report, headed by Dr. Robert L. Johnson, president of Temple University. This committee is nonpartisan and is interested in one thing: helping people to see the light.

If Americans grumble about taxes, here's a chance to grumble in a big way and make it count. If enough people get angry enough to make their voices heard as they demand, "Stop wasting our money," wasteful expenditures can be curbed and taxes will come down. But not until then.

Mr. JOHNSON of Colorado. Mr. President, I yield 2 minutes to the Senator from Arkansas.

DEATH OF FRANCIS SPAULDING

Mr. FULBRIGHT. Mr. President, it is with profound sorrow and regret that I read yesterday of the death of Mr. Francis Spaulding, at the age of 54. He died suddenly of a heart attack.

Mr. Spaulding was commissioner of education of the State of New York. He was also the chairman of the board of foreign scholarships. During the past 2 years, I came to know Francis Spaulding from observing his work with the board. I have never known a man of greater intellectual powers or a finer character. He exemplified in his person the finest qualities of the scholar and the tact and force of an effective public servant.

Francis Spaulding was the first chairman of the board of foreign scholarships. With energy, foresight, and common sense he guided the board through the difficult task of creating an entirely new world-wide program for the exchange of students. His enthusiasm and wisdom during this period contributed tremendously to the success of the program.

He was so unselfish of his time and energy, that he literally worked himself to death in the service of the people of his State and of his Nation.

Mr. President, I know that I speak for this body and for the Nation when I extend to the family of Francis Spaulding our heartfelt sympathy and our profound thanks for the great service he rendered his fellow men.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. JOHNSON of Colorado. Mr. President, I yield 1 hour to the junior Senator from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. President, as Senators may know, the Senator from Texas served on the Senate Interstate and Foreign Commerce Subcommittee which reported this bill favorably by a vote of 5 to 0. The Senators who helped draft the bill and who voted for the bill in the subcommittee were the late beloved Senator Reed, the Senator from Arizona [Mr. MCFARLAND], the Senator from Ohio [Mr. BRICKER], the Senator from Pennsylvania [Mr. MYERS], and myself, although the Senator from Pennsylvania reserved the right to oppose the bill later, which he did.

Our hearings were quite lengthy. Our study of the problem, we thought, was thorough. I thought that all members of the subcommittee were painstaking in their efforts to make certain that the bill, as finally written, would be in the public interest.

I for, one, believe that the bill, S. 1498, now before the Senate, is very much in the public interest.

I realize that other Senators believe with equal conviction that the bill is not in the public interest.

From the same language, we read two meanings; from the same history, we deduce two lessons; from the same Supreme Court opinions, we reach two different conclusions.

If this debate continued another month, I doubt that the deep convictions of some Senators would be much altered, one way or another.

A "NONCONTROVERSIAL" MATTER

I do not believe that the real issue here is quite so large as it has been made to appear. I agree that the Federal Power Commission, in its unanimous recommendation to the last Congress, was entirely accurate in describing exemption of arm's-length sales of natural gas by independent producers as a "noncontroversial" matter. However, I certainly realize that because of the incessant propaganda spread over the Nation about the Kerr bill, conscientious Senators feel a great responsibility for seeking a thorough understanding of the bill before voting.

As one who has worked with this bill for nearly 12 months, as one who has sought earnestly to develop a bill which would be entirely in the public interest, I also feel a great personal responsibility for making clear to the Senators why this bill is before the Senate, what it does, and what choices Senators have to make.

ENDS NO EXISTING CONTROL

A great deal has been said about the semantics of this debate. Some have objected to the term "independents," feeling that the word carries an inaccurate connotation. Similarly, I believe

that the term "exempt" has an inaccurate meaning as used by opponents of the bill. The term implies that these independents—these so-called nontransporting producers—would be taken out from under Federal control when, actually, as the Senate knows, they have never been under it. The bill does not propose to end, it does not propose to terminate, any existing Federal control; it merely proposes to keep in force the policy which has been practiced by the Federal Power Commission since the day the Natural Gas Act was enacted 12 years ago.

I hope, however, to avoid technicalities today. As best I can, I want to outline for the Senators the course mapped by S. 1498—and the alternatives which may be followed. Personally, of course, I believe that the Kerr bill offers the proper course; all Senators must be aware of my views on that, if they have read the committee report.

I believe that if no legislative action were taken at all, the law would still be just what the Kerr bill says the law should be.

CONFUSION MAKES S. 1498 NECESSARY

Why are we considering this legislation? What makes it necessary for the Senate to debate the question now before us?

The answer is this: The Federal Power Commission, the agent of Congress, is unable to determine what the law of the land says with regard to Federal jurisdiction over independent producers and gatherers of natural gas.

That is not an opinion; it is a simple statement of fact which is—or should be—admitted by all sides, opponents as well as proponents of S. 1498.

For a time, after enactment of the Natural Gas Act in 1938, the Commission was of the view that independent producers were not subject to Commission controls. As the Commission membership has changed, the attitude of the Commission has changed.

Within the past 3 years, for example, the changes in Commission opinion have shifted from pole to pole creating an incredible administrative problem.

Mr. ROBERTSON. Mr. President, will the Senator yield at this point?

Mr. JOHNSON of Texas. Mr. President, if the Senator from Virginia will indulge me, I am a prisoner of time. I have a very limited time allotted to me. If I can finish with my prepared text, nothing will delight me more than to yield to my able and genial friend, the Senator from Virginia.

A Supreme Court opinion changed one member's view—and the Commission split three to one against assuming control of producers. Then another member of the Commission majority changed his mind, and the vote tied, two and two. In 1948, a new member was added, and the majority sentiment changed completely to a position favoring controls, by a division of three to two. This division prevailed a few months. Then in 1949 one member's term expired, the majority was reduced, and the vote tied again, two and two.

The two and two division of last year prevails today, since the most recent appointee to the Commission has not yet indicated his beliefs.

CONGRESS OR MON WALLGREN MUST DECIDE

In such a two and two division, there is not—for the moment, at least—any policy whatsoever. If we fail to state the law here, then the policy—the policy, not the law—of the Federal Power Commission will become what Mr. Mon Wallgren chooses that policy to be.

Commissioner Wallgren holds the balance of power under the present situation. Some may think it fair and proper for Mr. Wallgren to have and to use power equal to the combined force of 531 Members of both Houses of the Congress. I do not think it fair to the people of the Nation.

I do not think it proper for Congress to leave to individual commissioners the full powers to determine the Nation's policies with regard to regulation of private enterprise—especially when so many citizens and so many Senators agree that the form of that regulation is most important.

Mr. Wallgren can write a policy, at the moment, but he can never write a law. No policy Mr. Wallgren establishes can endure or will endure longer than his position as the third man in the Commission majority. As Commissioners change, policy will continue to change.

I cannot believe that a policy so easily changed, a policy so unstable and so uncertain, can possibly be in the public interest.

That is why this bill is before the Senate. It is here to give the Senate an opportunity to protect the public interest by spelling out for all members of the Federal Power Commission, present and future, the language of the Natural Gas Act, which now is meaningless.

COULD FOLLOW MANY COURSES

There are many courses we could follow in clarifying that language. We could direct the Commission to take jurisdiction over independent producers and gatherers of natural gas. We could direct the Commission to fix prices on natural gas at 2 cents or 4 cents or 10 cents or 50 cents. We could limit the income of the producers—as some Senators have suggested on this floor. We could establish a theoretical amount of gas which a producer could produce without regulation, and we could let controls be imposed only on gas produced in excess of that amount; or of course we could follow the policy outlined in this bill—the course which has been followed for 12 years without hardship to anyone, with benefits to all.

Personally, I hope we follow the present course. If a majority of the Senate does not wish to continue on that course, as mapped by Senate bill 1498, I most especially hope that a clearly stated policy will be prescribed by the Commission and for the Nation by legislation enacted by the Congress.

This bill has been presented to provide the Federal Power Commission with the guidance it rightfully expects from Congress. Defeating this bill will not provide the Commission with guidance. Defeating this bill—and offering nothing in its place except a loud vacuum—will not protect the public interest.

What I want each Senator to understand clearly and completely is that the problem is one for which the Congress itself is responsible—the problem of a confused law. It is not a problem conjured up by the owners of natural gas to justify a piece of legislation. The problem is real, it is clear-cut, it is visible.

If the facts are thoroughly understood, I am sure Senators will be able to agree on the reason for this bill's existence, and upon the necessity for some action, one way or another, by the Congress.

WHY THIS LEGISLATION?

With this problem to solve, why did the subcommittee propose the particular type of legislation now before the Senate? That is a very fair question which I want to answer as thoroughly as I know how. Last year the subcommittee heard representatives of the landowners, the producers, and of the natural-gas industry; we heard every members of the Federal Power Commission; we heard representatives of the cities and municipalities. We heard all the Senators who had information to present or recommendations to make. I think it only fair for the Senate and the country and the press to know that none of the Senators who now cry out in opposition even appeared before the committee during the many weeks we studied this problem.

From the accumulation of evidence presented to our committee three facts became clearly evident to us:

First. No one—neither producers nor consumers—is suffering because of unfairness in natural-gas prices. Prices in the field were not unreasonable, nor were prices in the kitchen unreasonable. There seems to be no justification, on the basis of the evidence presented to us, for any legislation dealing with prices.

Second. No one—from any group—suggested that the administration of the Natural Gas Act with respect to independent producers had been unfair, unjust, or unwise during its 12-year history.

Opponents of the bill, as well as proponents, thought existing policies had been successful and beneficial.

Third. During that 12-year history of the Natural Gas Act the Federal Power Commission had never assumed jurisdiction over independent producers, and had never once claimed the authority to do so. Until former Commissioner Olds expressed his personal opinion last year that the Commission could, should, and would claim authority the Commission had consistently voted that it did not have jurisdiction.

Many opinions were presented to the subcommittee. A number of witnesses urged the subcommittee to make available powers which the witnesses said are not yet needed but which might some day be useful. The fears expressed to the subcommittee were based on predictions and anticipation of what could happen, not what had happened or what was happening then or what is happening at this time.

NO MONOPOLY PROVIDED

For example, those who spoke of monopoly control described to the committee apparent concentration of ownership in some fields. They did not show or attempt to show that the concentration

was increasing or decreasing. They did not even assert that this situation was responsible for any influence whatsoever over prices. On the contrary, the particular witness who discussed this question most thoroughly told the subcommittee that average field prices now prevailing for gas are not unreasonable.

Members of the subcommittee shared the feeling that the facts presented to us, by all the many witnesses, supported the careful preservation of the policy which had been followed by the Commission through the 12 years of its administration of the Natural Gas Act. Therefore, we struck out all after the enacting clause of the Kerr bill, S. 1498. We then counseled with the President, with the Federal Power Commission, and with the legal staff of the Commission. We made every effort to draft a bill which would preserve the precise administrative situation which had for 12 years benefited the consumer and the producer alike.

Personally, I hoped and believe that the bill finally prepared would meet the unanimous approval of the full committee and of the Senate. The bill was entirely in keeping with the legislative history and the administrative history of the Natural Gas Act, and that act passed both Houses of Congress 12 years ago without a dissenting vote.

Of course, some of my good friends in this Chamber have gone into this question very thoroughly on their own to see how it might affect them and their interests. I am sure they entered their studies without prejudice, without preconceived ideas. Some Senators do not want this bill, S. 1498, and what it provides; obviously, they want, they must want, some other type of regulation.

S. 1498 OPPONENTS WANT COST FORMULA

As best I can, as fairly as I can, I want to outline here the choices of regulation which the Senate can make and must make.

First, opponents of this bill, those who want Federal regulation over independent producers, are supporting a policy of allowing independent producers cost plus 6 percent. That is the policy which has been outlined by the members of the Federal Power Commission, who have expressed belief that jurisdiction should be taken over independent producers. Unless Congress specifies some other policy, we are told that a depreciated cost formula would be the policy of the Federal Power Commission.

Now that may very well be what some Members of the Senate want. Insofar as I know, no other producer of a raw commodity is subject to such regulation on such a formula.

No other commodity is so regulated. That may not be pertinent. It may be of no interest to any other Senator, but I believe it is pertinent as a matter of the precedent involved. What is done to gas, as a commodity, can be done to any other product. According to statements published in the press yesterday and this morning, steel appears to be next on the calendar. Cost-plus-a-commission's mood may not interest every Member of the Senate when applied as a formula to natural-gas producers, but the shadow of the precedent involved spreads over all the 48 States to all producers of all commodities.

Perhaps some producers of some commodities in some States would welcome such unpredictable and uncertain Government control; I certainly do not pretend to know the inner workings of every industry which is located far removed from my State.

I do not know all that the cost formula would accomplish. No Senator can know, no Federal Power Commissioner can know. It has never been tried.

LESS GAS WOULD RESULT

There are certain things which I believe would result.

First, I believe that if sale in interstate commerce imposes a penalty upon gas producers and landowners—and certainly the difference between cost and value is a penalty—there will be less gas moving between the States. Perhaps no gas now being sold in interstate commerce will be withdrawn; some members of the Federal Power Commission have said they think it cannot be withdrawn if the Commission ever assumes price-fixing control. Some Commissioners say that even if a contract expires, a producer must continue giving his gas to the pipe lines. However, I do know that nearly all contracts between independent producers and pipe-line companies during the past 5 years contain escape clauses providing that if the Federal Power Commission begins regulating independent producers, the independent producers will be free of their obligation to the pipe line. Mr. President, at this point I ask unanimous consent to insert in the RECORD a typical escape clause from a pipe-line company purchase contract. This particular clause is taken from a contract between an independent producer and a pipe-line company which proposes to furnish natural gas to the States in New England.

There being no objection, the clause was ordered to be printed in the RECORD, as follows:

(b) If the Federal Power Commission or any other governmental agency or authority succeeding to the function of said Commission should assert jurisdiction in any manner over the production, handling, or delivery by seller of the gas deliverable under this contract, or jurisdiction over the operations of seller in the performance of its obligations under this contract, or if a reduction in the price specified in this contract for gas delivered hereunder should be ordered by any court or by any Federal or State governmental authority or agency, then, in any such event, seller shall have the right at its option to terminate this contract as to the entire interest of seller in leases and gas rights then subject hereto, and gas produced therefrom, by giving to the buyer at least 30 days' advance written notice of such termination, provided such notice is given within 90 days after the happening of the event entitling seller to terminate this contract, except that if seller shall in good faith engage in litigation to determine the legal effectiveness of the event entitling seller to terminate this contract and such litigation is determined adversely to seller by final judgment, seller's notice of termination may be given within 60 days after such judgment has become final.

Mr. JOHNSON of Texas. In other words, New England, for example, might never get gas if the plan of the opponents of the pending bill went into effect and if the contracts of the pipe lines reaching into that area, into New York, and into other Northern States are canceled the moment the Federal Government tries to assume jurisdiction.

I do believe this—that Members should know and the consuming public should know that the defeat of this bill will not mean cheap gas, but it may mean no gas, or less gas at higher prices.

I state that as a fact, not as any sort of threat. Read the language of the contracts. If contracts mean what they say, then the result of Federal jurisdiction would be simply no gas for some regions, and less gas for other regions.

If Federal jurisdiction did not result in withdrawing gas now being sold to some markets, I am quite sure that Federal price-fixing controls over producers would mean the end of the great interstate pipe-line expansion we have seen since the end of World War II. Those areas which do not now have gas or which do not have sufficient quantities of gas could not, with certainty, look forward to more gas.

BIG INDUSTRY WOULD BENEFIT

The second result of imposing such a cost formula would be the enrichment of certain big industries, enrichment of the pipe lines, and enrichment of the distributing companies.

At present, as some Senators may or may not know, two-thirds of all natural gas is sold to industry, and industry pays just one-third of the Nation's gas bill. I emphasize that fact.

In many instances, industry's gas is purchased directly from pipe lines; it is not purchased from a distributing company. This sale is not regulated at all by anyone. No one fixes that price, no one controls it, no one controls the pipe line's profit from that sale. Yet these industries get their gas for 10 to 15 cents per thousand cubic feet while the housewife in the nearby city is paying $1.25 per thousand cubic feet—under the scrutiny of the town mayor and the local city council and the State commissions.

A cost-plus-a-mood formula on the producer may benefit someone, but that someone is most likely to be big industry and big pipe lines—not the domestic consumer.

The domestic consumer is not going to buy her gas for producer's cost plus 6 percent—she is going to continue to pay producer's cost plus 2,400 percent.

Some Senators have said here, and it often has been said editorially, that if the Federal Government is going to control the end-price of gas and the transporter's price of gas that there must be control over the producer's price. I might agree with that thesis—if it were actually true. It is not true. The Federal Government does not control any price of gas except the price at which the pipe line sells it for resale for ultimate public consumption.

There is no Federal control at the kitchen-stove level. That is entirely and

exclusively and without exception under the jurisdiction of the local city council or the State commission. If producers in the field were forced to give away their gas free, there is nothing in the present law to prevent distributing companies from selling free gas to housewives for $1.25 or $1.50 or whatever the mayors and the city councils and the State commissions will permit.

Insofar as the residential consumer is concerned, Federal control ends at the city limit.

PRODUCER'S PRICE DOES NOT CONTROL CONSUMER PRICE

If the interest of any Member here is solely a desire to lower or merely to control the kitchen-stove price of natural gas, then he should not be looking down at the producer for an area to control. The Member should be drafting and submitting a bill to empower the Federal Power Commission to take over the rate-making duties of the mayors and the city councils and the State commissions.

Remember, the producer sells his gas for an average of 5 cents per thousand cubic feet in the Southwestern States; the householder pays $1.25 for that gas. Some Senators say the consumer needs more protection. If the consumer needs more protection, I say the consumer needs more than 5 cents worth.

We can take control of the producer's price. We can raise it or lower it or abolish his price altogether. But, Mr. President, until this Congress is willing to tear rate-making authority over distributors out of the hands of local officials there is not one thing anyone in Washington can do or will ever be able to do about the gas bills which Mr. and Mrs. John Q. Public pay.

The price our families pay for gas burned in their homes is primarily the cost of transportation and service. The independent producer gets only an average of 5 cents per thousand cubic feet for his gas—that is all. The householder pays $1.25. That is cost, insofar as the transporter is concerned. But, by the time the gas is burned in the family home, the cost has been increased 2,400 percent.

Let me point out to Members these facts:

In 1948, independent producers grossed approximately $100,000,000 in the whole Nation, and $70,000,000 of that in the major gas States.

Pipe lines grossed more than $800,000,000 from transporting the gas.

Distributing companies collected $1,300,000,000.

The companies fixing the gas bills of the housewives, the companies operating, in many instances, under no control but that of our mayors and city councilmen and State commissions, grossed about 13 times more than did the independent producer who was regulated by no one.

The cost of gas does not increase 2,000 percent in the sales to industry; big industry purchases the gas direct from the pipe line at the lowest price of any gas consumer. If this cost formula is imposed upon gas producers, big industry will benefit still more—while no one knows how the little domestic consumer will fare.

Who are these big industries which stand to profit so much?

I do not have all the names of all direct industrial consumers of natural gas. I can name only a few. These names, however, are indicative, and I am sure the Members will be interested.

There are American Steel & Wire, Carnegie-Illinois Steel, Armstrong Cork, and Anchor Hocking in Pennsylvania.

There are Owens-Illinois Glass, Republic Steel, Granite City Steel, and Aluminum Ore in Illinois.

There are Alpha Portland Cement, Mississippi Lime, and Union Electric in Missouri.

There are Armour, Cudahy, and Swift—three great packing companies—operating in Iowa and Minnesota.

Do not forget that two-thirds of the gas is consumed by industrial customers who pay only one-third of the Nation's gas bill.

These are the consumers who are now getting their gas cheaply.

These are the consumers who cherish the hope of getting their gas more cheaply if the Federal Power Commission assumes control over independent producers on a cost formula.

If the Senate is to debate the semantics of the term "independent" producer, let us not overlook the semantics of this much-used word "consumer." If some do not wish to put overalls on Phillips Petroleum Co., then the Senate should not be asked to put a housewife's apron on Republic Steel.

RESULTS OF COST FORMULA

I am no prophet, but these things I believe:

If a cost formula is imposed, natural gas will not reach areas which are now crying out for gas.

Gas service to areas now being served will be curtailed.

Gas prices to industry will be reduced and either or both industry and pipe lines will benefit.

The one and only person involved who will benefit not at all—the only person who cannot be guaranteed some benefit—will be the residential consumer in whose behalf the untested, untried, unknown cost formula has been advanced so courageously here.

Maybe I am in error in my beliefs, but what I have said to the Senate about this bill—and about this formula supported by the bill's opponents—is my best judgment on the basis of what I have learned about an industry of my State.

I do not believe that a cost formula will discover much gas.

I do not believe that a cost formula will entice much gas into interstate commerce.

I do not believe that a cost formula will mean more gas for the consuming regions.

I do not believe that a cost formula will mean cheaper gas for the consuming regions.

DEFEAT OF S. 1498 WILL MEAN HIGHER-PRICED GAS

I do believe that a formula of cost will mean less gas and higher-priced gas.

How will this result in higher-priced gas?

If the Federal Power Commission assumes controls—as opponents of this bill want the Commission to do—some producers of natural gas may promptly dispose of their gas acreage to the pipe lines. This has happened in some recent instances. The pipe line would put the price in its rate base and some reasonable return on this cost would be allowed. A burden would be imposed which the consumer could not escape. This transaction is made possible and probable by the Panhandle Eastern decision.

Instead of guaranteeing reduced prices for natural gas, the course proposed by opponents of this bill may result only in increased prices.

Instead of breaking up monopoly, the course proposed by opponents of this bill clearly jeopardizes the strongest competition now alive within the natural-gas industry.

EFFECT OF BILL MISREPRESENTED

I do not say this critically—I say it helpfully. I say it in the sincere belief that some Members who oppose this bill have had the facts misrepresented to them.

I simply believe that some Senators may have overlooked unintentionally the full import and impact of this cost formula for regulation of the natural-gas industry.

Many Senators, I realize, are primarily concerned with the desire of the people of their States to secure gas and more gas. Those Senators want both plenty of gas and low rates.

FOUR DIRECT EFFECTS

Personally, I believe their ambitions and hopes can best be realized by the passage of Senate bill 1498; but I do not want any Senator to proceed merely on my recommendation. I hope each will consider this question thoroughly and seriously, keeping in mind these things:

First. For 12 years, without an OPA price ceiling over independent producers, residential consumers have been getting more gas and getting it at cheaper prices. A vote against this bill is a vote to upset and overthrow the system of regulation which has benefited the consumer and the producer alike.

Second. If a Senator votes against the bill and votes in favor of a Federal Power Commission cost formula over independents, he is voting to put into effect all the escape clauses of producer contracts with pipe lines. In other words, he is voting to cut off existing gas supplies—he is not voting to increase gas supplies.

Third. If he votes against the bill and votes in favor of a Federal Power Commission cost formula over independents, he is voting higher-priced gas into many pipe lines. I am not predicting that all gas rates will increase if the bill is defeated; I do not want to be guilty of rash propaganda statements. But I do want to emphasize that it can be said with confidence that gas prices will increase in many instances if the bill is defeated.

Fourth. If he votes against this bill and votes in favor of a Federal Power Commission cost formula for independent gas producers, he is voting for a blue-sky speculation era in coal prices. He is legislating natural gas out of New

England, out of the cities that do not already have it, and is turning the Coal Trust loose upon the public. He will be guaranteeing the Coal Trust unlimited and uncontrolled prices in the name of regulating competition within the natural-gas industry.

What I have been saying applies to the formula of regulation advocated by opponents of S. 1498—those who want producers subjected to regulation on the basis of cost plus a commissioner's mood.

What form of regulation would be provided by adoption of S. 1498? This bill does not leave the door wide open; it does not make impossible control over the price of gas going into interstate pipe lines that reach to the North and New England.

WHAT S. 1498 PROPOSES

Ever since the Natural Gas Act has been on the statute books, interstate pipe lines have been required to file with the Federal Power Commission all their gas-purchase contracts in certificate cases. If any of these contracts indicate that the pipe line has contracted for gas at an unreasonable price or at a price fixed by a monopoly, the Commission has full power to refuse to grant a certificate to the pipe line. That power has always existed; it still exists; it will continue to exist, unimpaired, if S. 1498 passes.

If the Federal Power Commission controls the pipe lines, then the Federal Power Commission has a definite veto power over what is taken into those pipe lines. It is not necessary, I believe, to reach back and back and back—through the gathering lines, through the processing plants, through the plants that extract natural gasoline from the gas, on back through the maze of gathering down to the landowner's wellhead.

Control is sufficient, protection is ample, if the Federal Power Commission can say to the applicant for the pipe line: "This contract you have presented to us has an exorbitant price, or a provision dictated by a monopolistic situation, or an appearance of collusion. Therefore we will not grant you a certificate until you present to us contracts which we can find are in the public interest."

The Federal Power Commission now has that power to act.

The ultimate consumer is protected.

WHY REGULATE MORE AND MORE?

Why must the forces of Uncle Sam march past the State house, past the county courthouse, on down to each farm and pasture and commissioner's precinct to apply a new cost formula when a proper Federal control already exists?

The consumer is protected from unreasonable prices.

The fear of unreasonable prices is not a justification for defeat of this legislation.

What would be accomplished by a cost-plus-a-commissioner's-mood control?

The Federal Government would have control—full and complete—of the producer of a raw commodity. If you control a producer's price, you control the producer's business.

I do not think it necessary for the Senate now to inaugurate and give its blessings to a new formula for price fixing. I do not see the justification for it.

Are gas prices increasing to consumers?

No.

Are gas consumers crying out for relief?

No.

Would Federal control of producers reduce the gas bills to residential consumers?

No one here could promise the public any reduction.

Mr. President, I simply do not think it a safe course for the Congress to set the Federal Power Commission adrift on the stormy seas of unexplored price fixing, without a compass, without a chart, without experience, and with five men fighting for the tiller.

No one is going to be protected so long as confusion charts our course. Unless and until Congress approves some policy—and writes its intentions into law—there simply cannot be any protection for the public interest.

There can be no clear policy when the Senate says "No" and the House says "Yes"—or vice versa. Our national policy toward gas producers will not be settled by a "nay" vote here in the Senate.

COAL INTERESTS VERSUS THE CONSUMERS

Mr. President, I have listened with great interest throughout this debate to the many, many mentions of the gas consumers' interest in this legislation. I am sure all Senators are united in the desire to protect the consumers' best interest. Since the bill preserves a policy which has brought residential family gas bills down 12 percent in 12 years, while coal bills were going up 259 percent in 12 years. I think the bill is in the best interest of the consuming public.

However, I feel there has been a most unfortunate lack of interest here in the coal consumer. I have heard no opponent of this bill rise to explain how his opposition to S. 1498 would benefit the coal consumers.

From the beginning of the great interstate pipe-line construction after World War II, the principal obstacle blocking cheap gas from the coal and fuel oil-burning homes and industries of the North and East has not been price—it has not been the competition among the unregulated independent producers—it has been the combined hostility of three strange allies, the National Coal Association, the United Mine Workers, and former Federal Power Commissioner Leland Olds.

I want to call attention of Senators to the long fight coal has made against gas. Immediately after the war, the National Coal Association advanced this philosophy about pipe-line construction to the Federal Power Commission:

> In determining questions of public convenience and necessity, consideration should be given to the economic and social effects upon competing fuels to the end that a more reasonable balance between available fuels is established and the public interest properly protected.

In other words, the National Coal Association was urging the Federal Power Commission not to consider the effects of a cheaper fuel upon the public pocketbook but, instead, to use the powers of the Federal Government to protect the pocketbooks of the National Coal Association and John L. Lewis' UMW.

When this first attack failed to halt the development of the interstate pipe lines, the forces of coal made a particularly strong fight against sale and conversion of the Big Inch pipe line to the transportation of natural gas.

The general counsel of the United Mine Workers testified before a special Senate committee, saying:

> We subscribe to the view that to allow oil or natural gas to be unfairly delivered through this medium into the coal markets of this country, and thus improperly—

"Thus improperly"—

> compete with the abundant coals now being produced by private industry, would certainly tend to seriously interrupt and impede the postwar reconversion and recovery.
>
> Such natural resources as natural gas should, so far as economically possible, be conserved in place—

I interpolate, should be kept in Arkansas, Texas, New Mexico, Oklahoma, and other southwestern producing States, so that consumers can continue to buy high-priced coal—

> and certainly used wherever possible at the points of origin rather than be transported thousands of miles into the heart of coal fields whose life exceeds by hundreds and possibly thousands of years the life of the known or potential reserves of natural gas.

That was the United Mine Workers' view—a view repeated again and again in a long, long fight alongside the National Coal Association to keep gas out of the homes and factories of the North and East.

When the fight against conversion failed, coal displayed a sudden public-spirited concern for conserving gas because it was such a fine fuel. The National Coal Association insisted that since natural gas was such a marvelous fuel it should be restricted to certain so-called superior uses, listed as the production of chemicals, plastics, solvents, and for conversion to gasoline.

Again coal's purpose was quite clear. The uses coal approved were uses for which coal itself was not in demand. The result of this would simply be perpetuation of coal's monopoly hold upon big industry and the homes of the North and East.

Once more the coal interests failed in their purpose. This restrictive-use idea was not accepted.

Step by step, as coal presented its case against natural gas, the National Coal Association and the United Mine Workers received the invaluable support—in philosophy, at least—of Mr. Leland Olds, former member and one-time Chairman of the Federal Power Commission.

In a personal report on the Commission's natural gas investigation, Mr. Olds recommended, among other things:

> The Federal Power Commission, in connection with the exercise of its authority under the certificate provisions of the Natural Gas Act, should give increased consideration to the conservation aspects involved in the delivery of natural gas from the major natural-gas producing States of the West South Central region to the great coal-producing States of the East North Central and Middle Atlantic regions.

Coal recommended that this certificate authority—this authority to permit construction of interstate pipe lines—be used to maintain a reasonable balance between fuels. Mr. Olds recommended the same use of the same power. The United Mine Workers made the same type of recommendation.

In this report, Mr. Olds added—referring to the recommendation I have cited:

> This recommendation assume definite but flexible consideration of the end-uses to which natural gas imported from the Southwest may be put.

Once again, the thought is the same as the thought of the National Coal Association and the United Mine Workers.

WHY THIS SIMILARITY?

Why this similarity in thought between the Coal Dust Twins, Leland Olds and John L. Lewis and their ally, the National Coal Association?

Why did the National Coal Association come to Mr. Olds' defense last year, when his cause mustered only 15 votes in the Senate? He had never regulated the coal industry; theoretically, nothing he had done affected the coal industry, but the National Coal Association in convention assembled resolved that they were for Mr. Olds because they said: "Mr. Olds has been 'very sound.'" Note that. The National Coal Association said he had been "very sound" in his handling of natural gas matters.

It was Mr. Leland Olds, the man who demands that S. 1498 be defeated, who fathered the idea that the Federal Power Commission could control independent gas producers without authority from Congress, a policy the National Coal Association considered very sound.

It was Mr. Olds who came to the fore with a proposal which serves coal's purposes as clearly and as directly and as effectively as any argument advanced by coal's lawyers. Mr. Olds struck with the rapier where the Coal Trust failed with its broadsword.

Mr. Olds' proposal, the proposal supported by opponents of S. 1498 and the coal interests, is simple: Control the flow of natural gas by making it unprofitable for independent producers to sell it in interstate commerce.

I doubt that many Members of this Senate would enthusiastically support a bill here to benefit the coal industry and the mine workers by keeping natural gas out of the cities and States that are now served primarily by coal or fuel oil.

Coal owners and coal miners could not achieve their purposes directly. So coal has chosen to move deviously in its battle against the competition of cheap natural gas.

DOES COAL WANT CHEAP GAS?

I ask Senators if they believe Mr. Olds' principal allies, the National Coal Association and the United Mine Workers, are mainly interested in lower gas rates to consumers in coal's market?

Let me read a statement from the coal association's brief filed with the Federal Power Commission opposing the transcontinental pipe line to New York and points east. The brief says:

> While we recognize that the Commission has no specific authority to channel the use of fuels so as to establish and maintain a better balance in our fuel supply, it can prevent to a large extent the unwarranted and improvident dissipation of the most valuable and versatile of all the fuels.

Here you have an industry which has produced that great specialist in one-man law, John L. Lewis, nudging a commission directed by another great one-man lawmaker, Leland Olds, and saying, "We know Congress has never given the Commission power to protect the coal market, but you can do what we need done, anyway, by assuming jurisdiction over producers."

I should like to call to the attention of the Members of the Senate from consuming States to one subheading from the table of contents of this particular attack on natural gas. The heading reads—and I want Senators to note this—

> The number of homes being heated by gas is increasing at a rapid and alarming rate.

And listen to this sentence, summarizing coal's defense of its position:

> The unusual demand for house heating gas does not necessarily represent the choice of the customer.

This, Mr. President, is the industry speaking which so greatly admires Mr. Leland Olds because his views on natural gas, as they put it, were very sound. This is the industry which hopes—as Mr. Olds hopes—that the Senate will defeat S. 1498.

COAL CONSUMERS WANT PROTECTION

To those Members who are concerned for their consumers, I say that I would be quite interested in a poll of their constituents to learn if their unusual demand for house heating gas does not necessarily represent their own views. I wonder if the customers of consuming States look forward happily to the steadily rising price of coal—a fuel that skyrockets $100,000,000 overnight as the price paid in tribute to John L. Lewis' monopoly, a price paid after the President had been forced to ask Congress to seize the mines.

Mr. President, it is somewhat surprising to hear Senators say that all that is necessary to obtain coal is to pick up the telephone, call one of half a dozen coal dealers listed in it, order coal, and the coal will be delivered forthwith. Only a short time ago many schools throughout the Nation were closed, many industries were closing. Before coal could be secured the President had to threaten to seize the mines. When coal was finally obtained the consumers' bill, as the result of the one wage increase of $109,000,000, went up more, than the total gross receipts of all sales of all independent natural gas producers in interstate commerce in 1948. Despite this, we did not hear Senators from coal-producing States, we did not hear Senators who now oppose the Kerr bill, say one word in behalf of the coal consumer. They have spoken only of the gas consumer.

Mr. LONG rose.

Mr. JOHNSON of Texas. Mr. President, I will say to the Senator from Louisiana that, because my time is limited, I have heretofore declined to yield. If I conclude my presentation in time I hope the Senator from Louisiana will be here to ask me whatever questions he desires.

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The Senator from Texas has remaining only 2 minutes of his allotted time.

Mr. JOHNSON of Texas. I ask the Senator from Colorado if he will yield me 15 more minutes.

Mr. JOHNSON of Colorado. I yield to the Senator from Texas 15 more minutes. I call his attention to the fact that he still has remaining 2 minutes of his original time.

The PRESIDING OFFICER. The Senator from Texas has remaining 17 minutes in all.

Mr. JOHNSON of Texas. Mr. President, all indepedent gas producers in all States have not attained that level of annual gross income for all sales to interstate transporters after 50 years or more of production. I wonder if consuming State residents—the housewives and the industries with their borrowed apron strings—are anxious for the Senate of the United States to guarantee them the privilege of buying monopoly-priced coal on a monopoly market, when and if John L. Lewis is ready, willing and able to let them take it.

DEFEAT OF S. 1498 WILL GUARANTEE HIGH COAL PRICES

If S. 1498 is not enacted, the result will guarantee to America's coal-consuming public high prices and higher prices on and on and on into the future.

This is what the coal industry wants. That is why, I believe, the Coal Trust chose to support as a friend the man who conceived this whole idea of extending Federal price controls down to the wellhead of the gas producer in New Mexico, Louisiana, Texas, Oklahoma and Arkansas.

Mr. CHAVEZ. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from New Mexico?

Mr. JOHNSON of Texas. I must say to my delightful friend from New Mexico that if I have time at the conclusion of my prepared statement I shall be very glad to yield to him, but until now I have refused to yield to any Senator, and I know the Senator from New Mexico would not want me to treat him differently from the manner in which I have treated other Senators.

Senators can either choose here one of two things for the people of the States they represent—either high-priced coal or low-priced gas, either monopoly priced coal or competition-priced gas.

I believe I can appreciate the feelings of some Senators from the principal coal-producing States who have expressed opposition to S. 1498. It is my conviction, however, that this bill will serve the best interests of the whole Nation with especial benefits to those areas which now suffer from a noncompetitive, high-priced one-fuel market.

As I have pointed out, the committee considering this bill faced two alternatives: First, to report a bill authorizing a utility cost formula for regulating independent producers of natural gas; or second, to report a bill permitting independent producers to continue selling their natural gas as they had sold it for 12 years—for its value.

No Senator recommended that we should have legislation on the first alternative. No Senator spoke out for legislation of that kind. In the 5 weeks during which we held hearings no Senator submitted such a proposal. It is true that Mr. Olds recommended that such a proposal be put into effect, but he did not want legislation on the subject. None of the Senators who have opposed this bill so tirelessly since it was called up on the floor of the Senate offered to the subcommittee one syllable of testimony or one scrap of evidence supporting the cost-formula idea. The subcommittee found, instead, that some Senators, such as the Senator from Pennsylvania [Mr. MYERS], the Senator from Tennessee [Mr. KEFAUVER]—at that time a Member of the House—and others, had indicated their approval of the principle of the Priest bill in the last Congress.

The subcommittee read and read again the letter giving the unanimous recommendation of the Federal Power Commission to the last Congress, when it urged the Congress to enact the Priest bill, and said the bill was noncontroversial. The subcommittee was impressed by the language of that letter, sent by the Commission to the Eightieth Congress, which said, in part:

> The Federal Power Commission urges the enactment of this bill at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of this Commission. * * * Such action by the Congress now should dispose of this important and noncontroversial matter.

The letter further says that this matter is "fully in accord with the legislative program of the President."

The bill now before the Senate is, except for its name and number, virtually identical with the Priest bill, which the Federal Power Commission unanimously urged the last Congress to pass, and said was in full accord with the President's program.

S. 1498 DOES NOT PLEASE THE COAL TRUST

The bill before us today does not please some of the coal people, because this bill does not coddle that sick industry's efforts to extort all the traffic will bear from the families of the North and East.

This bill does not please the pipe lines. Two of the most vicious enemies fighting S. 1498 are two of the biggest, most powerful, and most arrogant of the regulated pipe lines. They oppose the bill because they do not want the independent producer left free unless their pipeline production can go free, too.

This bill does not please the central planners who spend their hours searching our laws for loopholes through which the long arm of Federal price-fixing power may be extended.

This bill does not please the propagandists, because they find more appeal in back-alley slander than in this front-door effort to preserve orderly government.

This bill does not please Mr. Leland Olds, who fathered the opposition to S. 1498, and who passes out memoranda today for the use of the bill's opponents. It does not please the man who long ago was advocating the elimination of competitive private capitalism. I am truly shocked that some Senators will so quickly embrace the philosophy after so completely rejecting the man.

HIGH-PRICE COAL VERSUS LOW-PRICE GAS

Mr. President, behind all the carefully woven arguments and headlines and statistics, the basic question in this debate adds up to high-priced coal versus low-priced gas, a monopoly priced fuel versus a competition-priced fuel. That is why the opposition to this bill has been so vicious, so determined, and so regular in its use of slander, rumors, and gossip.

I do not believe, and I do not think other Senators will believe, that the National Coal Association or Mr. John L. Lewis of the United Mine Workers want more natural gas or cheaper natural gas brought into Pennsylvania, Illinois, West Virginia, Massachusetts, other parts of New England, or other coal monopoly States, when they know that more and cheaper gas means closed mines and jobless miners.

I simply do not believe that the National Coal Association and the United Mine Workers would consider Mr. Olds' fight against S. 1498 as very sound if Mr. Olds' formula would mean more gas and cheaper gas to the families of the Nation. The coal industry may be sick, Mr. President, but it is not yet delirious.

COAL WANTS LESS GAS

The coal trust and their spokesmen in Congress want less gas, and they want gas priced higher to ease the competition on coal. If Senators doubt this, let them read the record, read the briefs, read the arguments that have been made, and—more important—watch the voting here in the Senate when the roll is called on S. 1498.

I hope a calico apron will not cause Senators to mistake John L. Lewis for a housewife; I hope Senators will not be deceived by the National Coal Association's begging of alms while in the disguise of a widow's clothes.

Let me repeat: If the consumer needs protection, she needs more than 5 cents worth—and 5 cents out of each dollar paid for natural gas by the consumers is all that the producers in Texas get; and in Arkansas, Oklahoma, New Mexico, and some of the other States the producers receive less than 5 cents. Defeat of this bill would not mean even a few more pennies on the shopping budget of America's housewives, but defeat of the bill would mean hundreds of millions of dollars in the vaults of the Coal Trust.

THE VISIBLE REALITIES

Mr. President, I ask Senators to keep in mind the visible realities:

First. Most independent producers prospect and produce on borrowed money. Does any Senator believe any bank would be willing to lend money to prospectors when it is known that the prospector—with even the best of luck—can make nothing more than cost plus 6 percent, if he hits; and that if he misses—as he does 16 times out of 17—he will lose his all?

Second. Opponents of this bill—the National Coal Association, the United Mine Workers, Mr. Olds—are united by one purpose: the desire to keep cheap natural gas out of the cities and States now served by the Coal Trust. If Senators are interested in more gas at lower rates, they are running with the wrong group if they travel in that company.

Third. Less gas will go into the pipe lines to Boston and other points in the North and East if the National Coal Association, United Mine Workers, and all the rest succeed in defeating this bill. I hope Senators will listen to this. If a man can sell his gas for 5 cents in the Texas Panhandle without price-fixing, is it sensible to assume that he will be willing to submit to Federal price-fixing and a 2-cent ceiling simply in order to make gas available in Boston or Hartford or Portland, Maine?

Mr. President, many Senators are at all times concerned lest they inadvertently cast a vote which would ultimately weaken the security of our beloved country.

We cannot discuss natural gas and the petroleum industry without discussing the national security.

During the last Congress, an exhaustive study was made by a special congressional committee of the Nation's petroleum needs for future emergencies. The late Secretary of Defense, Mr. Forrestal, told the committee:

> The maximum military requirements of petroleum in the event of a war emergency are now estimated nearly double the requirements of World War II. In other words, instead of the 1,375,000 barrels a day it would be about 2,750,000, which would be roughly 70 percent of our daily production before we entered World War II.

The man who fought the hardest fight of all to get the petroleum we needed to win World War II, Mr. Harold L. Ickes, told the committee bluntly:

> The prudent man, instead of regarding the figures of our military leaders as excessive—

That is, instead of regarding Mr. Forrestal's figures as excessive—

> must conclude that the only safe policy would be to regard them as an underestimate.

After completing its investigation, the congressional committee made certain observations and recommendations to the Congress, which I desire to quote, in part, so Senators may consider them before voting on the pending bill. The congressional committee said:

> After exploring this subject in our hearings, it became quickly apparent that the provision of steel to those who plan to construct such pipe lines is of No. 1 priority in importance. Increasing the use of natural gas means less consumption of petroleum, lower loss of gas, and increased availability of petroleum to the armed forces in time of war. * * * It is a program of tremendous importance and, in our view, of great urgency. * * * This is a program which the Government should support in every conceivable way.

Finally, Mr. President, I want to read for the record now a letter which opponents of this legislation have conveniently ignored day after day, a letter which the so-called Americans for Democratic Action has passed over in its news releases, a letter which the propagandists have preferred to overlook. It is a letter from the Munitions Board of the National Military Establishment to the chairman of the Senate Interstate and Foreign Commerce Committee. I shall read the letter in part only, because my time is limited, and the chairman has made other commitments of time. However, the full text of the letter appears on page 2 of the hearings, which have been available to Senators for many months. The letter, addressed to the Senator from Colorado [Mr. JOHNSON], chairman of the committee, reads, in part, as follows:

DEAR SENATOR JOHNSON: The Munitions Board has been designated by the Office of the Secretary of Defense to reply on behalf of the National Military Establishment to your request for a report on S. 1498, a bill to amend the Natural Gas Act, approved June 21, 1938, as amended.

The purpose of S. 1498 is to enact into law the limitations upon the Federal control of the exploration, drilling, production, and gathering of natural gas which are now stated in Federal Power Commission Order 139.

Enactment of the bill will remove uncertainties now existing as to the extent of the application of the Natural Gas Act and will clarify its terms. Its effect should be to encourage the development of oil and gas resources and thus would be of benefit to the national security.

The National Military Establishment favors the passage of S. 1498.

Mr. JOHNSON of Colorado. Mr. President, I yield five more minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for five more minutes.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. President, is the Senate of the United States willing to gamble with the national security merely to protect the coal monopoly? Is the Senate of the United States willing to sell the national security short for a 5-cent fling with a brand new, untested philosophy of Federal price-fixing at the pasture level? I do not believe that the Senators are willing to launch upon such a hazardous course. And I urge Senators to support S. 1498 when it is voted upon tomorrow.

Mr. CHAVEZ. Mr. President, if the Senator will yield, I have a few questions I should like to ask him. The Senator has made a wonderful speech.

Mr. JOHNSON of Texas. I thank the Senator from New Mexico. He is always generous.

Mr. CHAVEZ. The Senator gave us certain information as to the identity of some of the pipe-line companies that are against this bill. Will the Senator from Texas now tell us the position taken on the bill by the El Paso Natural Gas Co.?

Mr. JOHNSON of Texas. The Senator from Texas does not remember that the El Paso Natural Gas Co. sought an opportunity to testify, and, to my knowledge—I have not gone over the file—I do not remember that the El Paso Natural Gas Co. made any recommendation one way or the other.

Mr. CHAVEZ. Will the Senator from Texas tell the Senate now the position of the Southern Union Gas Co. on the pending bill?

Mr. JOHNSON of Texas. The Senator from Texas has no information from that company. As I recall, only two persons spoke to the Senator from Texas at the hearings, or afterward, in opposition to the bill. One was a representative of an affiliate or subsidiary of United Gas Pipeline Co., who insisted that the original Kerr bill be passed as introduced. The Senator from New Mexico will remember, no doubt, that the original Kerr bill provided for the exemption of all pipe-line production as well as independent production. The committee heard evidence from the United Gas Pipeline Co. representatives on that point, and representatives of the Panhandle Eastern submitted recommendations. There was considerable sentiment in the committee for exempting all production, but, after conferences with the President, after conferences with the Power Commission, and after conferences with its general counsel, the committee concluded that it should attempt to report a bill upon which agreement could be reached. For that reason, we struck out all after the enacting clause of the Kerr bill and rewrote the bill.

It amuses me somewhat now to see in newspaper columns and articles references to the bill of the junior Senator from Oklahoma. The only thing left of the Senator's bill is the number and the name.

Mr. CHAVEZ. With the consent of the Senate, and with all due respect, I may say that I think about the only thing worth while in the bill is the fact that it does carry the name of the Senator from Oklahoma.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. CHAVEZ. But I may ask the Senator from Texas, Is the Southern Union Gas Co. a producing company or is it a pipe-line company?

Mr. JOHNSON of Texas. The Senator from Texas has no knowledge of whether the Southern Union is a production company, a pipe-line company, or a distributing company.

The PRESIDING OFFICER. The time of the Senator from Texas has again expired.

Mr. CHAVEZ. I thank the Senator.

Mr. JOHNSON of Texas subsequently said: Mr. President, earlier today I told the Senate that a cost-plus-a-Commission's-mood formula of Federal Power Commission jurisdiction over independent producers and gatherers of natural gas would make it unprofitable for these producers to sell their gas in interstate commerce.

I request permission to insert in the CONGRESSIONAL RECORD a telegram sent to a number of Senators by the Texas Independent Producers and Royalty Owners Association composed of 4,300 independent producers and royalty owners of oil and natural gas, in which this Association states that as a matter of sound business independent producers will be compelled to proceed under the Panhandle Eastern decision to sell their gas-producing properties at a fair price to the big pipe-line companies which transport gas and oil at interstate, if Federal jurisdiction over independent producers is assumed by the Federal Power Commission.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Our association is made up of 4,300 independent producers and royalty owners of oil and natural gas. We do not believe that the Supreme Court of the United States in the case of *Interstate Pipe Line Company* vs. *Federal Power Commission* either gave or intended to give by inference or dictum to the Federal Power Commission authority under the Natural Gas Act to put a price ceiling on and regulate contractual sales of natural gas made by independent producers and royalty owners in the field. Only last year the Supreme Court specifically held in the case of *Federal Power Commission* vs. *Panhandle Eastern Pipe Line Company* that the Federal Power Commission has no authority under the Natural Gas Act to put a price ceiling on and regulate the sale of properties producing gas in the field. But if the Federal Power Commission has the authority claimed by some of its members under the Interstate case to regulate contractual sales of natural gas in the field and limit the amount received by independent producers and royalty owners to 6½ percent of the investment in the property from which the gas is being produced, then as a matter of sound business independent producers and royalty owners will be compelled to proceed under the Panhandle Eastern decision and sell their gas-producing properties at a fair price to the big pipe-line companies which transport gas and sell it interstate. This means that thousands of independent producers and royalty owners would be forced to go out of the gas-producing business with 38 interstate pipe-line transporting companies replacing them as the owners of practically all of our Nation's gas-producing reserves. The rate paid by the ultimate consumer will remain unchanged, for the pipe-line purchasers of gas-producing properties are allowed to buy and include them in their rate base at their fair market value.

The efforts of those members of the Federal Power Commission who have distorted the court's language in the Interstate case will result in the forced creation of a monopoly of ownership of our Nation's gas reserves by the 38 interstate gas pipe-line companies. Since these are the companies over which the Federal Power Commission admittedly already has jurisdiction under the Natural Gas Act by virtue of their interstate transportation of natural gas, it is obvious that some members of the Federal Power Commission have adopted this as a means of regulation of the sale of a raw commodity in outright defiance of the law.

Mr. JOHNSON of Texas subsequently said: Mr. President, I told the Senate earlier today that I did not believe the Federal Government has ever had jurisdiction over independent production and gathering of natural gas, that the Federal Power Commission had never believed that it had such authority, and that it had never exercised such authority.

I request permission to insert in the CONGRESSIONAL RECORD a history of the decisions relating to the Natural Gas Act, both judicial and administrative, which bear out this contention.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

DECISIONS RELATING TO THE NATURAL GAS ACT

In 1938 Congress at the request of the States passed the Natural Gas Act for one purpose: To control the interstate control of natural gas—in other words, to control the pipe lines.

Section 1–B of the Natural Gas Act reads as follows:

"The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

COLUMBIAN FUEL CORP.

The first test of jurisdictional scope of the act was made in the Columbian Fuel Corp. case in 1940. In that case the Commission concluded:

"That it was not the intention of Congress to subject to regulation under the Natural Gas Act, all persons whose only sales of natural gas in interstate commerce, as in this case, are made as an incident to and immediately upon completion of such person's production and gathering (2 F. P. C. 200 (1940))."

No subsequent determination by the Commission has overturned this initial finding.

BILLINGS CASE

This proceeding came before the Commission on the application of three companies for a determination of their status as natural-gas companies within the meaning of the act. Referring to the determination made in the Columbian Fuel Corp. case, the Commission observed that—

"A person * * * engaged in the production and gathering of natural gas and the subsequent transportation, or transportation and sale, thereof in interstate commerce, would not fall within the same category."

It was also held that the Billings Gas Co. was not exempt under section 1–B because "The flow of natural gas through their interconnected facilities to points of local distribution in Montana is a continuous transportation of natural gas in interstate commerce."

THE INTERSTATE NATURAL GAS CO. CASE

Although the Commission's authority to regulate arm's-length sales of natural gas by independent producers and gatherers was not in issue in the Interstate case, the Federal Power Commission, whose action was sustained by the Supreme Court, made it perfectly clear in its brief that it did not believe it had the power to assert such jurisdiction, as will be seen from the following quotations. Nowhere in its brief did the Commission claim jurisdiction over all sales in interstate commerce of natural gas destined for ultimate public consumption. Instead it expressly stated:

"The Commission recognizes that the legislative history of the act indicates that the gathering rates are intended to be exempt if the transaction is at arm's length."

And—

"The Commission has recognized the distinction between sales such as those herein by a natural-gas company on the one hand and sales such as arm's-length sales by one who is engaged in the production and gathering of natural gas exclusive of transportation. At no time has the Commission attempted to exercise jurisdiction over such arm's-length sales by such producers and gatherers."

And—

"We do not contend that the Natural Gas Act has given the Commission authority to promulgate an order directed to the thousands of independent producers in the States of Oklahoma and Texas to the effect that they cannot sell gas beyond a certain price."

PRIEST BILL

On July 10, 1947, the full membership of the Commission joined in sending a letter signed by the chairman to Chairman WOLVERTON of the House Committee on Interstate and Foreign Commerce, from which the following is quoted:

"The Federal Power Commission urges the enactment of this bill at this time to make it perfectly clear that independent producers and gatherers of natural gas are exempt from the provisions of the Natural Gas Act and the jurisdiction of this Commission."

And—

"I am authorized to state that the position of the Commission in this matter is fully in accord with the legislative program of the President."

ORDER NO. 139

On August 7, 1947, after the Supreme Court decision in the interstate case, the Federal Power Commission promulgated Order No. 139 with Commissioners Smith, Olds, and Wimberley concurring and Commissioner Draper dissenting. Pertinent quotations from this order are as follows:

"It seems appropriate at this juncture for the Commission to adopt and promote the rule contained herein, which is designed to relieve any existing uncertainty regarding the Commission's position that it will not seek to assert jurisdiction over the sale of natural gas to interstate pipe lines by independent producers or gatherers."

And—

"The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act."

THE PANHANDLE EASTERN PIPE-LINE CASE

On June 20, 1949, the Supreme Court held that natural-gas companies subject to the act might sell their gas reserves without the approval and contrary to an order of the Commission.

From the decision of the Court the following quotations are taken:

"Thus far over 10 years a Commission has never claimed the right to regulate dealings in gas acreage. Failure to use such an important power for so long a time indicates to us that the Commission did not believe the power existed. In the light of that history we should not by an extravagant, even if abstractly possible, mode of interpretation push powers granted over transportation and rates so as to include production."

And—

"The power to do things appropriate to carry out the provisions of the act can hardly be taken to rescind a provision against certain actions."

Mr. JOHNSON of Texas subsequently said: Mr. President, during the course of debate on S. 1498, opponents of the bill have frequently attempted to show that only a very small number of producers sell natural gas to interstate pipe-line companies.

Most of these figures and statistics are cited from the files of the Federal Power Commission. Unfortunately, the Commission's limited jurisdiction—which does not extend down to the independent natural-gas producer—prevents the statistics section there from supplying full and complete information which Senators should have.

The Commission, for example, estimates there are only 600 independent gas producers in the 7 leading southwestern producing States. I requested from the State regulatory agencies in those States a full and complete report on the actual number of gas producers operating in those States. The startling reports are shown in a chart I have prepared and which I ask unanimous consent to include in the body of the RECORD.

Senators will note that the Federal Power Commission's figure of 600 producers differs drastically from the actual figure of 5,555 producers.

Also, Mr. President, for the benefit of Senators, I want to include in the RECORD a letter from the Honorable William Murray, chairman of the Texas Railroad Commission, explaining in detail the operation of the natural-gas industry.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

Number of gas wells, producers, and royalty owners in 7 Southwestern States

State	Gas producers	Royalty owners	Gas wells
Louisiana	261	10,000	2,658
Mississippi	11	500	115
Kansas	1,300	21,000	5,100
Texas	1,716	30,000	10,236
New Mexico	35	1,000	330
Arkansas	192	10,000	1,339
Oklahoma	2,000	20,000	3,100
Total	5,555	92,500	22,878

Sources: Telegrams from appropriate State authorities.

RAILROAD COMMISSION OF TEXAS,
Austin, March 8, 1950.

Hon. LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

DEAR SENATOR JOHNSON: With reference to your inquiry with regard to the number of gas producers and gas royalty owners in the State of Texas, I wish to advise that there are 1,716 separate producers of gas in the State of Texas and 11,394 separately owned leases from which gas is produced. We do not have an exact count of the number of gas royalty owners in Texas but it is estimated that there are not less than 30,000. (This refers only to the producers and royalty owners of gas from statutory gas wells. There is a much greater number of oil producers and oil royalty owners involved in the marketing of gas produced as a by-product of the production of oil.)

It was my understanding from my discussion with you that an erroneous impression had arisen to the effect that most of the gas production in Texas comes from a very small number of large producers who, in effect, are assumed to dominate the gas market. This situation, of course, does not exist as is evidenced by the above-cited figures showing the large number of different producers and royalty owners. However, the impression probably arose from the fact that many of the interstate pipe lines purchase a large portion of their gas from a relatively small number of gas-processing plants which, in turn, purchase the gas from a great number of separate producers.

This situation can well be illustrated by the case of the El Paso Natural Gas Co., one

of the newer interstate pipe lines, which, as you know, takes gas from a large area in west Texas for movement into the Western States, particularly California.

During a recent month El Paso Natural bought, from seven different plants operated by only four different companies, a total of 285,000,000 cubic feet of gas daily. On the surface it would appear that four different companies were selling nearly 300,000,000 feet daily for interstate movement. However, a more detailed study reveals that this gas came from 6,550 separate wells owned by 102 separate companies and located on 1,749 separate leases. I do not have available the number of royalty owners but would estimate this number to be not less than 5,000. Only by virtue of the fact that El Paso Natural offers a market to these four different companies processing gas in seven different plants is it possible for these 6,500 separate wells to be furnished a market.

Another interesting feature is the fact that 168,000,000 feet of the 285,000,000 purchased daily from these seven plants was formerly wasted to the air. This 168,000,000 feet is what is known as sour casinghead gas. Casinghead means that it is produced incidental to the production of oil, and sour refers to the fact that it contains a sufficient hydrogen-sulfide content to render the gas unfit for use in its natural condition.

The Railroad Commission has long been appalled by this wastage of gas but could not legally take action until recently because there is no way to produce oil without producing casinghead gas and because it was economically impossible to utilize this sour gas until El Paso Natural offered to furnish a reasonably steady market at a price which would substantially offset the cost of gathering, processing, sweetening, and compressing the gas.

There is still reported to be no economic incentive for saving this gas but revenue has now closely enough approached cost that the courts have sustained the Railroad Commission in its orders that this gas be utilized. The Commission has issued orders prohibiting the flaring of gas in all of the fields from which this 168,000,000 feet of gas daily was purchased by El Paso Natural.

The illustration I have used of the take of one company from seven gas-processing plants is typical of the State as a whole. It shows how large a number of separate producers and royalty owners are involved in the interstate marketing of gas. It also serves to illustrate the important aspects of gas conservation. We have made in Texas amazing progress in the elimination of gas wastage. Some observers have hailed it as the greatest conservation program in the history of the oil industry. From the selfish standpoint of a Texan, I must admit that this conservation program does benefit our State. Although the producers of casinghead gas and the operators of casinghead-gas plants may barely break even on the sales of this product formerly wasted, the royalty owners do get increased revenue from these sales; and while the amounts of the increased revenue may be quite small, it does benefit a great number of people in our State. Moreover, the construction and operation of these processing plants furnishes employment to many Texans and considerably stimulates buying power in the areas in which they are located.

However the most important benefit from this gas conservation is one which is not enjoyed exclusively by Texans. The conservation of waste gas immensely increases the ultimate supply of gas available both within and outside the State and, under the laws of supply and demand which I think still operate even in these times, will afford the consumers of Texas gas located all over the Nation an adequate supply at a reasonable price over a long period of time.

A reduction in price paid the producer of gas of a few cents per thousand would scarcely be noticeable to the consumer but it would make it impossible to market casinghead gas which is now or soon will be utilized and also render it impossible to explore for and develop fields which produce only natural gas.

Consequently, I am very definitely of the opinion that the best interests of the gas consumers throughout the Nation as a whole will be served by preventing any action which would render it economically impossible to continue the development of natural gas reserves and the conservation of formerly wasted casinghead gas.

Yours very truly,

Bill Murray,
WILLIAM J. MURRAY, JR.

ANNOUNCEMENT OF SPEECH BY SENATOR McCARTHY

Mr. JOHNSON of Colorado. Mr. President, I yield 1 minute to the Senator from Wisconsin [Mr. McCARTHY] for an announcement.

Mr. McCARTHY. Mr. President, I had previously said I would make a statement today in which I would discuss certain facts in the Lattimore case which I consider of interest to the Senate. I did not know at the time, however, that time had been allotted in connection with the gas bill. For that reason I apparently shall be unable to get the floor until after the vote tomorrow, perhaps not until Thursday. However, I want to state to Senators that I shall get the floor as soon as I can Thursday, and I hope Senators will be present then. I think I have certain material which will be of interest to the Senate.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1948, as amended.

Mr. DOUGLAS. Mr. President, in the nearly 2 weeks in which the pending bill has been debated, the arguments both pro and con have been rather thoroughly developed. I believe that most Senators have a very clear idea of the specific issues which are involved in the Kerr bill. This bill as we all know, proposes to free from regulation the nontransporting producers and gatherers of natural gas who sell to interstate pipe lines for resale. In opening the debate for the opponents of the bill this afternoon, I desire to deal with certain of the arguments which have been advanced by proponents of the measure, and to show why, in my judgment, they are fallacious.

CONTRACTS NO PROTECTION TO CONSUMER

In the first place, Mr. President, proponents of the pending bill have said it is unnecessary to have regulation of gas rates at the point where the gas enters the interstate pipe line, because, as they say, the consumers are already protected by existing contracts which prescribe the price at which the gas is to be delivered. On March 20, I placed in the RECORD 100 contracts, all of which had been negotiated since July 1, 1947. The contracts represented the sale of 1,300,000,000,000 cubic feet of natural gas annually. I emphasize "annually," because the distinguished Senator from Oklahoma [Mr. KERR] at one time seemed to think I was speaking of a total sum. These contracts demonstrated the degree to which contracts cannot be depended upon to keep down the field price of gas. The reason for this was found in a number of the clauses of the contracts.

RENEGOTIATION CLAUSES

In the first place, I pointed out that 46 of them contained renegotiation clauses. The distinguished junior Senator from Oklahoma suggested that the renegotiation clauses provided for renegotiation at the end of the contract, but not for renegotiation during the terms of the contract. I have since had each one of the contracts analyzed, and I can now say that 38 of them provide that gas prices can be renegotiated upward during the life of the contract.

Mr. President, I ask unanimous consent to insert at this point in my remarks a table showing when these contracts can be renegotiated.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Renegotiations during term of contracts from 100 contracts analyzed by Senator Douglas and negotiated since July 1, 1947*

Pipe-line companies	Producer	Term	Beginning of period				
			First 5 years	Second 5 years	Third 5 years	Fourth 5 years	Fifth 5 years
1. Tennessee Gas Transmission Co	Atlantic Refining Co	20		X	X	X	
2. Texas-Illinois Natural Gas Co	Argo Oil Co. et al	20				X	
3. Tennessee Gas Transmission Co	Barnsdall Oil Co	20		X	X	X	
4. Tennessee Gas Transmission Co	do	20			X	X	
5. Tennessee Gas Transmission Co	Chicago Corp	20			X	X	
6. Trunkline Gas Supply Co	Cities Service Oil Co	20			X	X	
7. Tennessee Gas Transmission Co	Ralph E. Fair	20		X	X	X	
8. Tennessee Gas Transmission Co	Falcon-Seaboard et al	20		X	X	X	
9. Tennessee Gas Transmission Co	N. C. Ginter	20		X	X	X	
10. Trunkline Gas Supply Co	Grubb & Hawkins	20			X	X	
11. United Gas Pipe Line Co	Gulf Refining Co	20			X	X	
12. United Gas Pipe Line Co	do	20			X	X	
13. Texas-Illinois Natural Gas Co	La Gloria Corp	20				X	
14. Tennessee Gas Transmission Co	L. M. Lockhart	20			X	X	
15. Tennessee Gas Transmission Co	C. V. Lyman	25				X	X

TABLE I.—*Renegotiations during term of contracts from 100 contracts analyzed by Senator Douglas and negotiated since July 1, 1947*—Con.

Pipe-line companies	Producer	Term	Beginning of period				
			First 5 years	Second 5 years	Third 5 years	Fourth 5 years	Fifth 5 years
16. El Paso Natural Gas Co	Magnolia Petroleum Co	10		X			
17. Texas-Illinois Natural Gas Co	do	20				X	
18. Texas Gas Transmission Corp	Naeces Corp	20				X	
19. Tennessee Gas Transmission Co	D. H. Perry	20			X	X	
20. Trunkline Gas Supply Co	Phillips Petroleum Co	25				X	X
21. Trunkline Gas Supply Co	do	25				X	X
22. Northern Natural Gas Co	Plains Natural Gas Co	(3)			X	No specified period	
23. El Paso Natural Gas Co	Plymouth Oil Co	25				X	X
24. Northern Natural Gas Co	Shamrock Oil & Gas Co	(3)					X
25. El Paso Natural Gas Co	Shell Oil Co	20				X	
26. El Paso Natural Gas Co	do	20				X	
27. El Paso Natural Gas Co	do	20				X	
28. Tennessee Gas Transmission Co	Sinclair Prairie Oil Co	20			X	X	
29. Tennessee Gas Transmission Co	Skelly Oil Co	20			X	X	
30. Tennessee Gas Transmission Co	do	20			X	X	
31. Trunkline Gas Supply Co	Sohio Petroleum Co	20			X	X	
32. Texas Eastern Transmission Corp	Stanolind Oil & Gas Co	20			X	X	
33. Piedmont Natural Gas Corp	Sun Oil Co	20				X	
34. Trunkline Gas Supply Co	Superior Oil Co	20			X	X	
35. Trunkline Gas Supply Co	do	20			X	X	
36. United Gas Pipeline Co	Tidewater-Associated Oil Co	20			X	X	
37. Transcontinental Gas, Power & Light Co	Union Oil Co	(1)			X	X	(2)
38. El Paso Natural Gas Co	Warren Petroleum Co	(2)				X	
Total			0	6	23	35	5

[1] Not stated.
[2] Renegotiation at beginning of thirteenth year: 6 at end of 5 years and each 5 years thereafter; 23 at end of 10 years and each 5 years thereafter; 35 at end of 15 years and each 5 years thereafter; 5 at end of 20 years but more contracts for 20-year term; can be extended by agreement between parties at negotiated price.
[3] Life of field.

Mr. DOUGLAS. Some can be renegotiated at the end of 5 years, some at the end of 10 years, and some at the end of 15 years. So that these renegotiation clauses, instead of applying merely at the end of the contract, can be carried out during the life of the contract itself.

ESCALATOR AND MOST-FAVORED-NATION CLAUSES

I further pointed out that 95 out of the 100 contracts contained so-called escalator clauses—moving stairway clauses—which specified that gas prices in the field would automatically rise at stated intervals. I further pointed out that 65 of them contained so-called most-favored-nation clauses, providing that if the pipe-line company pays any other supplier in the field a higher price, the price specified in the given contract will automatically rise to that level.

CONTRACT PRICE RENEGOTIATED UPWARD WHEN MORE GAS IS NEEDED

I also showed that when the pipe-line company, anxious to obtain further quantities of gas, went to a producer and gatherer and asked for gas, it was the common practice of the supplier to make a new contract only on condition that the price provided for in the original contract was raised.

LACK OF COMPETITION AMONG BIG GAS PRODUCERS

The point I was making, aside from the fact that these contracts do not protect consumers, was that the contracts negotiated since 1947 have been increasingly favorable to the nontransporting producers and gatherers. This is direct evidence of a growing lack of competition among producers, and the fact that the gas market has become a seller's market.

The Senator from Oklahoma in an apparent attempt to refute my analysis, placed in the RECORD a list of 289 gas-purchase contracts which have been printed in detail. I am glad he has done so, both for the sake of a more complete treatment, and also because his evidence bears out my contention with even greater force.

As I have said, instead of the 100 contracts negotiated since July 1, 1947, which I included, he has included 289 contracts negotiated both before and after that date. But when we break down his list we find that 186 of the 289 contracts were signed prior to July 1, 1947, and that 103 were signed since that date. It will be remembered that my list of 100 contracts was only for contracts signed since July 1947, and therefore our lists include virtually the same contracts negotiated since that date. I find that 98 of my contracts are in fact included in the Senator's list of 103 contracts signed since July 1947. We may, therefore, I think, take the fact as being very clearly established that the list which I have submitted covers contracts which have been negotiated since July 1, 1947. That has been demonstrated by the figures produced by the junior Senator from Oklahoma himself. However, from the contracts which he has brought forward we are enabled to make an analysis of contracts both before and after 1947, compare their provisions, and see if competition is on the wane.

I shall take up this matter, pipe-line company by pipe-line company.

In the case of the Cities Service Gas Co. we find very little data, since only one contract out of a total of 27 has been negotiated since 1947. Again, adequate data are also lacking for the Interstate Natural Gas Co. contracts, since only 1 out of 16 has been made since 1947. Similarly, no comparison is possible for Panhandle-Eastern contracts, since, according to the lists, none have been signed since 1947. But in most of the other cases there are companies which have made contracts both before and after 1947, and it is a comparison of the terms of these contracts before and after to which I now wish to allude.

COMPARISON OF CONTRACTS SIGNED BEFORE AND AFTER JULY 1947

Take the El Paso Natural Gas Co. contracts to which the senior Senator from New Mexico has referred. Prior to July 1, 1947, only 4 out of a total of 15, or only 27 percent, of the contracts had most-favored-nation clauses, whereas, since that date, 7 out of 13, or 54 percent, include such clauses. The percentage has doubled.

Contracts signed before July 1, 1947, with the Northern Natural Gas Co. show that 1 out of 32, or only 3 percent, had escalator clauses, but that after that date 3 out of 4, or 75 percent, had such clauses.

All Piedmont National Gas Co. contracts have been signed since 1947 and all have most-favored-nation, escalator, and renegotiation clauses.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. Not at the moment. I am speaking on my own time, and I shall have to let the Senator proceed on his time.

All 28 contracts signed with Tennessee Gas Transmission Co. have been signed since 1946, and all have escalator clauses. All, where data is available, have renegotiation clauses, and all the most recent contracts signed since March 16, 1949, have most-favored-nation clauses.

All Texas Eastern contracts are dated after June of 1947. Twelve out of 18, or two-thirds, have escalator clauses, and 9 out of the last 11 have most-favored-nation clauses.

All Transcontinental contracts were signed since July 1, 1947. All have most-favored-nation and escalator clauses.

All Trunkline contracts came after 1947. All have renegotiation, escalator, and most-favored-nation clauses.

Looking at United Gas Pipeline Co. contracts, we find that prior to 1947, 19 out of 39, or less than half, contained an escalator clause, while of those signed since that time, 10 out of 15, or two-thirds, have such clauses.

The Colorado Interstate Co. has only 2 contracts, but both were signed in 1947, and both have renegotiation and escalator clauses.

CONTRACT CLAUSES ENABLE PRICES TO RISE

Kansas Power & Light has only 1 contract, but it is dated after 1947, and it contains a renegotiation and an escalator clause.

Michigan-Wisconsin has 3 contracts, all with Phillips. The first was signed in 1945 but was subsequently twice amended in 1948 and 1949. The other two are dated in 1949. All have escalator and renegotiation clauses. There is no most-favored-nation clause, because, since Phillips is the sole supplier, such a clause would be meaningless. Phillips, as has been pointed out over and over again, has been able to get price increases by renegotation, as we have shown.

The Natural Gas Pipeline Co. has two contracts dated in 1946. Both have escalator clauses.

The four contracts of Southern Natural Gas Co. have no such clauses, but all were signed prior to 1948.

The Texas Gas Transmission Corp. has two contracts, both dated in 1948. Both have renegotiation, escalator, and most-favored-nation clauses.

Texas-Illinois Natural Gas Pipeline Co. contracts, all signed in 1950, all have renegotiation, escalator, and most-favored-nation clauses.

CONTRACTS DEMONSTRATE LACK OF COMPETITION AND MEANS OF INCREASING PRICES

Therefore, I thank the junior Senator from Oklahoma for performing a great public service by placing the provisions of these 289 contracts in the RECORD, since they demonstrate, first, that these contracts do not protect the consumer from price increases, and, second, that the degree of competition among the nontransporting producers and gatherers has been declining at an accelerating rate since 1947.

Out of the very mouths of the bill's proponents has come the evidence to indicate that those contracts will not protect consumers in the absence of regulation. The price can be raised, but still will not be reduced; and the gap is wide open, under those contracts, for the prices of producing and gathering companies to be increased to the pipe lines. The pipe lines will then be compelled to increase their charges to the distributing companies, and the distributing companies will then be compelled to increase their prices to the ultimate consumer.

RECENT PRICE INCREASES

These 289 contracts prove something more than that; they prove not only that prices are going up but also a growing degree of concentration, I may say that, whereas the price of natural gas in the field for interstate transmission was 5 cents a thousand cubic feet in 1947, in 1948 it had risen to approximately 7 cents on new contracts, and on the newest contracts negotiated in 1949 it had risen to an average of approximately 8.3 cents. Prices are still going up, and that is demonstrated by the new contracts signed so far this year. But that is not all which is shown. The contracts submitted by the very able junior Senator from Oklahoma show tremendous concentration in the furnishing of natural gas to pipe lines. They show that it is not the man in overalls, but it is the big oil and gas companies which are really involved in this bill.

HIGH DEGREE OF CONCENTRATION INVOLVED

The tabulation of contracts placed in the RECORD by the junior Senator from Oklahoma embraces more than 285 contracts with 133 southwestern producers with interstate pipe lines, covering an annual volume of 1,901,660,000,000 cubic feet of natural gas.

This huge volume is nearly twice the actual amount purchased in the Southwest in 1947—when it was a little more than 1,000,000,000,000 cubic feet—by pipe-line companies from nontransporting producers. It represents nearly 80 percent of the total estimated Southwest purchases in 1952, which are estimated at about 2,325,000,000,000 cubic feet. It is therefore evident that the tabulation submitted by the junior Senator from Oklahoma covers the major portion, indeed the overwhelming portion, of the interstate gas supply in the Southwest. Here again is evidence that the bulk of the gas purchased by interstate pipe lines is controlled by a relatively few large producers, which are mostly big oil companies.

Mr. President, I have analyzed the amounts which will be furnished by each of the producing and gathering companies to pipe lines, and I submit the analysis and ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

TABLE II.—*Analysis of gas purchase contracts published in Congressional Record of Mar. 24 at pages 4022–4028 where volumes are given*

	Number of contracts	Annual volume
		M cubic feet
1. Phillips Petroleum Co	20	339,884,000
2. Magnolia Petroleum Co	8	123,852,000
3. Republic Natural Gas Co	4	83,850,000
4. Sun Oil Co	7	80,821,000
5. Stanolind Oil & Gas Co	10	69,166,000
6. H. L. Hunt & Hassie Hunt Trust	4	67,684,000
7. Shell Oil Co	11	66,501,000
8. Shamrock Oil & Gas Co	5	59,708,000
9. Humble Oil & Refining Co	5	54,353,000
10. Hagy, Harrington & Marsh	2	[1] 48,746,000
11. Skelly Oil Co	5	40,320,000
12. La Gloria Corp	3	32,683,000
13. Gulf Oil Corp	6	31,932,000
14. Continental Oil Co	2	30,924,000
15. Superior Oil Co	2	30,204,000
16. Barnsdall Oil Co	2	29,200,000
17. Chicago Corp	2	29,025,000
18. Plains Natural Gas Co	1	28,580,000
19. S. W. Gas Producing Co	2	28,525,000
20. Western Natural Gas Co	3	26,970,000
21. Union Oil Co. of California	2	26,698,000
22. Sohio Petroleum Co	1	27,375,000
23. The California Co	2	27,375,000
24. Argo Oil Co. et al	1	27,200,000
25. Plymouth Oil Co	1	[2] 21,506,000
26. Sinclair Oil Co		19,345,000
27. Glassell & Glassell	1	19,345,000
28. Hugoton Production Co	1	18,450,000
29. D. E. & R. J. Whelan	1	16,241,000
30. Warren Petroleum Co	1	15,770,000
31. American Republics Corp	2	14,992,000
32. Slick-Urshel Oil Co	1	14,337,000
33. United Producing Co	2	13,641,000
34. Cities Service Oil Co	2	10,176,000
35. P. H. Pewitt	3	[3] 9,872,000
	126	1,585,251,000
Next 98	159	[4] 316,409,000
Total (133)	285	1,901,660,000

[1] First 10, $994,565,000 or 52.3 percent.
[2] First 25, $1,433,082,000 or 75.4 percent.
[3] First 35, $1,585,251,000 or 83.4 percent.
[4] 16.6 percent.

Mr. DOUGLAS. Mr. President, 10 of these companies have contracted to supply 52.3 percent of the gas covered by the contracts. Ten companies furnish more than half of the gas provided under the contracts, with 133 separate producers. I should like to read the list of the 10 companies. They are familiar names, which recur over and over again as we study this subject.

Phillips Petroleum Co., with 339,800,000,000 cubic feet a year.

Magnolia Petroleum Co.—Socony-Vacuum.

Republic Natural Gas Co.

Sun Oil Co.

Stanolind Oil & Gas Co.—Standard of Indiana.

H. L. Hunt & Hassie Hunt Trust.

Shell Oil Co.

Shamrock Oil & Gas Co.

Humble Oil & Refining Co.—Standard of New Jersey.

Hagy, Harrington & Marsh.

There are 25 more companies which have contracted to furnish a further total of about 31.1 percent of the total. So that the first 35 companies will furnish 83.4 percent of all the gas which is covered under the contracts, leaving the last group of 98 companies to furnish only 16.6 percent, or one-sixth of the total. This fact, Mr. President, shows the concentration which is going on at the gas-producing level of the industry. It shows that the small-well owner, or the man in overalls, about whom so many tears have been shed, plays only a minor part in the total interstate gas supply, and that it is the large producers who stand to gain financially by exemption from regulation under the Natural Gas Act. In the face of this concentration of ownership how can it be said that monopoly is impossible at the production level?

CONCENTRATION IN PRODUCTION OF GAS

So far, Mr. President, we have dealt with sales to pipe lines. We have already seen that 35 companies accounted for five-sixths of the gas under contract, as shown by the tabulation submitted by the junior Senator from Oklahoma. However, let us look at the production of gas itself, as distinguished from sales in interstate commerce, so that we may see what these so-called thousands of producers are doing in the way of producing gas and preventing monopoly.

I ask students of the subject to turn to page 17, table 11, of the Senate committee hearings on Senate bill 1498. According to the RECORD, the production of natural gas in Texas in 1947 was 2,258,000,000,000 cubic feet. Of this, the interstate pipe lines themselves produced 407,000,000,000 cubic feet, or a little more than that, leaving 1,850,000,000,000 cubic feet for the noninterstate producers. The table shows that the 10 largest producers accounted for approximately one-half of the total, or 912,000,000,000 cubic feet.

BIG COMPANIES HAVE SITUATION WELL IN HAND

It is therefore evident that, despite the existence of several thousands of independent producers and several thousands of fields which were originally referred to by the junior Senator from

Oklahoma, the big boys have the situation pretty well in hand. As a matter of fact, the Petroleum Data Book reports the existence of only 312 gas fields in the 7 Southwestern States at the end of 1947, 2,831 oil fields, and 207 condensate fields. Many of the oil fields produce no gas at all. Many of those which do produce oil-well gas are so remote from transmission lines and produce such small quantities of gas it would not be economically feasible to collect the residue gas and the State conservation commissions permit it to be flared.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I have already declined to yield, and I do not know quite how I can make an exception in the case of the Senator from Tennessee. I shall be glad to yield at the end of my remarks.

The PRESIDING OFFICER (Mr. LONG in the chair). The Senator from Illinois declines to yield.

REGULATION KEEPS PRICES REASONABLE

Mr. DOUGLAS. The proponents of the bill have said that the price of natural gas has been reduced to the consumer during the past 12 years. They say that fact proves that the gas industry has no designs on the consumer. They say, "Keep things going just as they have in the past, and the cost of natural gas will continue to go down."

Many charts have been displayed during the course of the debate. One stands behind me, and one is to the left of me. They show a reduction of about 12 percent in the price of natural gas to the consumer. These decreases to the consumer have in fact occurred, Mr. President, but they have not occurred because of any reduction in the price of gas in the field. Quite to the contrary, they have occurred because the regulatory systems, the Federal Power Commission controlling the rates charged by the pipe lines, and various State utility commissions controlling rates on the ultimate distribution of gas, have reduced the costs to the consumer. The reduction has occurred on the consuming end, but not on the producing end.

WELLHEAD PRICES HAVE BEEN GOING UP

As a matter of fact, the weighted average cost of gas purchased in the Southwest by pipe lines in 1944 was 4.3 cents per thousand cubic feet. In 1946 the average weighted cost of the new contracts which were made in that year was 5.2 cents. In 1947 it was 6.4 cents. For 1948 the weighted average for new contracts had increased to 7.2 cents. In 1949 it was about 8.4 cents. For the first 2 months of 1950 the average of the new contracts was 9.9 cents. The price of gas in the field is going up, although until recently the price of gas to the consumer had been held down.

REGULATION HAS KEPT CONSUMER PRICES LOW

Why did the price of gas go down to the consumer? It went down in large part because the Federal Power Commission, under regulation, forced the pipe lines to reduce the prices which they charged the distributing companies for the gas which they transported and sold. These reductions have amounted on the average to about thirty-seven and one-half million dollars a year, and over the period of regulation have amounted to nearly $300,000,000.

It has been regulation, the regulation which the Senator from Oklahoma and the Senator from Texas declare to be abhorrent, which has caused the price of gas to go down to the consumer, and not the unregulated price of gas in the field. That has instead gone up. Yet the pipe-line companies have prospered and have paid good dividends, the consumer has been protected, the investor has been protected, and unconscionable profits have been prevented on the part of the pipe lines and the distributing companies. Therefore, I suggest that the arguments and the charts of the junior Senator from Oklahoma constitute the most eloquent evidence in favor of regulation, rather than arguments against regulation.

INCREASED WELLHEAD PRICES WILL PUSH UP CONSUMER PRICES

Mr. President, it has been said that we need not fear any increase in the price of gas because the price is determined for years to come by the long-term contracts with fixed prices. I think I have shown by analyzing these contracts that the long-term provisions do not protect the consumer at all. They can be swept aside, and under renegotiation, escalator clauses, most-favored-nation clauses, or by the actual negotiation of new contracts in order to get more gas, the price can be "upped." I have, moreover, shown that gas prices are rising very rapidly in the field. As they rise in the field, they will be passed on to the pipe-line companies, the distributing companies, and the ultimate consumers.

Mr. President, it is important to note that this has already happened, so far as the pipe-line companies are concerned. In the first week of the debate the statement was made, and was misunderstood that the pipe-line companies had not been forced to ask for any increase in rates because of an increase in the cost of purchased gas. That statement was later withdrawn on the basis of a letter from the Federal Power Commission.

I should like to point out that in eight cases already, which are documented in the CONGRESSIONAL RECORD at page 3641, pipe-line companies have been given increases in the prices which they can charge primarily because they have had to pay higher prices for natural gas and these increases total $2,100,000 a year.

PENDING PRICE INCREASE APPLICATIONS

Furthermore, Mr. President, five cases are now pending before the Federal Power Commission which call for further increases of almost precisely $8,000,000 a year because the pipe-line companies have already paid higher prices for natural gas and therefore are being forced to ask higher prices of the distributing companies to which they sell.

In my judgment, the Federal Power Commission will be compelled to grant most or all of these increases, because they are out-of-pocket costs to the pipe-line companies, and the pipe-line companies cannot be expected to absorb them, will have to be reimbursed out of a higher price to distributors. That is $8,000,000 more a year.

PRICE INCREASE PROPOSAL

Then there are two more cases, first, the Northern Natural Gas Co., to which the distinguished junior Senator from Minnesota [Mr. HUMPHREY] referred last week, which is proposing an increase of $4,210,000 a year partly because it has had to pay higher prices for the gas it purchases from the nontransporting producer.

Mr. President, the spring freshets are rising down in the Panhandle. The price of gas is going up to the pipe-line companies, and in a short period of time will be going up to the distributing companies and to the ultimate consumers. The Kerr bill would free these prices and free these contracts from regulation, and would make it possible to pass on to the consumer a burden running up, in my judgment, to at least $100,000,000 a year and possibly more. The increases already proposed amount to well over $22,000,000 a year. The advocates of the bill are proposing to pull the plug of regulation and let this torrent of increased prices pour upon the consumers of the North and of the Middle West.

A recent issue of the Wall Street Journal declares that the Panhandle Eastern Pipeline Co. is going to ask for an increase of between 5 and 6 cents per 1,000 cubic feet. Based upon the company's 1948 sales for resale, this would amount to approximately $8,600,000 a year.

In my judgment, the requested increases will also have to be granted in large part because they are intended to recoup costs to the pipe-line companies which the pipe-line companies cannot be expected to bear.

Mr. President, I ask unanimous consent to insert a table showing these recent increases at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*Recent gas-rate increases of interstate pipe-line companies before the Federal Power Commission*

	Area affected	Date	Amount
GRANTED [1]			
El Paso Natural Gas Co	California	Oct. 1, 1949	$900,000
United Gas Pipe Line Co	Missouri, Illinois	Dec. 8, 1949	950,000
Mississippi River Fuel Corp	Illinois, Missouri		31,000
Pavillion Natural Gas Co	New York		500
Allegany Gas Co	New York, Pennsylvania		50,000
Cabot Gas Corp	Pennsylvania, West Virginia		12,300
Penn York Natural Gas Corp	New York		37,500
West Texas Gas Co	Texas		90,000
Subtotal			2,071,300

[1] Letter of Federal Power Commission, Congressional Record p. 3641.

TABLE III.—*Recent gas-rate increases of interstate pipe-line companies before the Federal Power Commission*—Continued

	Area affected	Date	Amount
PENDING [1]			
Ohio Fuel Gas Co	Ohio		$728,000
Hope Natural Gas Co	Ohio, Pennsylvania		2,000,000
Michigan-Wisconsin Pipe Line Co	Missouri, Iowa, Wisconsin, Michigan.		2,100,000
Atlantic Seaboard Corp	Washington, D. C., Virginia, Maryland.		670,000
El Paso Natural Gas Co	California		2,500,000
Subtotal			7,998,000
PROPOSED [2]			
Northern Natural Gas Co	Kansas, Iowa, Illinois, Nebraska, Minnesota, South Dakota.		4,210,000
Panhandle Eastern Pipe Line Co	Kansas, Missouri, Illinois, Indiana, Michigan, Texas.		8,600,000
Subtotal			12,810,000
Grand total			22,879,000

[1] Letter of Federal Power Commission, Congressional Record, p. 3641.
[2] Letter of Federal Power Commission, Congressional Record, p. 2836, and Wall Street Journal, Mar. 23, 1950.

Higher costs of purchased gas were either the primary or major contributing factor to the increases (FPC letter P–3698).

Mr. DOUGLAS. I now yield the floor, and as I do so I yield 25 minutes to the beloved and distinguished senior Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, although I am not from a State which is presently consuming natural gas, or likely to consume natural gas in the near future, I am interested in safeguarding all our natural resources, including natural gas. I am also interested in what happens to my part of the country—New England. When I heard that the natural-gas producers were threatening not to sell gas to pipe lines which contemplated serving New England, I was naturally somewhat concerned, and I made a point to find out what was back of this threat not to serve New England with natural gas, and how much substance there appeared to be to it. The information which I have received, Mr. President, indicates to me that this threat is simply intended to blackjack the New England Members of the Senate into voting for the Kerr bill and that, as a matter of fact, as a threat it is entirely groundless.

It has been represented to us that, if the Senate does not approve S. 1498, producers of natural gas in the Southwest will not sell gas to interstate pipe lines and, as a result, the New England States will not get natural gas. To give substance to this threat, reference is made to so-called escape clauses, which are discussed below, in gas purchase contracts. Thcse provisions have been mentioned many times on the floor already.

Economic coercion on Members of Congress deserves our most serious consideration. I am sure we all agree that this is not a sound basis for determining public policy. For this reason I have had an inquiry made into the significance of this threat that we in the gas-consuming States, and especially in New England, will be deprived of the natural gas we need unless we accede to the demand of the oil and gas industry to amend Federal law so that producers can set prices without regulation on the gas they sell in interstate commerce.

THE THREAT HAS BEEN MADE BEFORE

Threat of producers to refuse to sell gas in interstate commerce if subjected to regulation was first voiced before Congress when the Rizley bill (H. R. 2185, 80th Cong.) was being considered by the Interstate and Foreign Commerce Committee of the House.

In April 1947, Richard Wagner, president of a large so-called independent producer, the Chicago Corp., told the House committee:

> However, I want to make this point emphatically clear—we could not in the interests of our many stockholders sell another foot of gas to any pipe line which transports it out of the State of Texas unless this law is changed, as is proposed in this bill before you (hearings, p. 329).

In February 1948 Rex G. Baker, director and general counsel of Humble Oil and Refining Co.—Standard Oil of New Jersey subsidiary—told the Senate Interstate and Foreign Commerce Committee at hearings on the Rizley-Moore bill (H. R. 4051, 80th Cong.):

> If Congress fails to pass the Rizley-Moore bill, you may rest assured that natural gas companies will have the greatest difficulty in making new contracts for the purchase of natural gas (hearings, p. 361).

In May 1949 Hayden Head, counsel for Southern Minerals Corp., told the Senate committee at hearings on the Kerr bill:

> Since April 26, last month, solely as a result of Commissioner Olds' testimony, and the report of the majority of the Federal Power Commission on the Lyle and Harris bills, it is not possible to buy gas any longer in any quantity from any source for interstate transmission.
>
> In my opinion, no further sales of gas in any quantity sufficient to justify new pipeline construction or to insure adequacy of future supply to lines already constructed will be made unless Congress gives the independent producer and gatherer of gas the relief embodied in the Kerr bill, and exempts him from the ever-changing regulation of the Federal Power Commission (hearings, p. 124).

It is, therefore, clear that the threat which is now directed at New England is not a new threat. It has been made over the past 3 years. Was this threat made in good faith, or merely to get votes for the oil and gas industry's bills?

THE THREAT HAS NOT BEEN CARRIED THROUGH

Vast quantities of natural gas have been purchased for interstate transmission since Mr. Wagner voiced his threat in April 1947, and since Mr. Head voiced the same threat a year ago.

Pages 367 to 369 of the hearings on S. 1498 list 80 gas purchase contracts of major importance entered into between Southwest producers and pipe line companies from July 1947 to May 1949. Probably several hundred contracts for smaller quantities of gas have also been negotiated between producers and pipe line companies during this period.

The 80 contracts negotiated with major producers provide for the aggregate purchase of 936,000,000,000 cubic feet a year. This total is nearly 10 times the estimated requirements for the New England market. It is nearly equal to the total amount of gas purchased from Southwest producers by interstate pipe lines in the year 1947.

Of these 80 contracts with major producers, 23 were negotiated in 1947, 39 in 1948, and 18 in the first 4 months of 1949.

Mr. Head's threat of refusal to sell was proved incorrect in the course of the hearings on S. 1498, as it was conclusively shown on the record that producers had contracted to sell gas to interstate pipe lines subsequent to Mr. Olds' testimony—hearings, S. 1498, pages 314, 324.

Negotiation of new purchase contracts has continued. Applicants in certificate proceedings before the Federal Power Commission have placed in evidence a large number of contracts negotiated in 1949 and 1950 for large volumes of natural gas—(Dockets G–1105, G–1156, and G–1246).

That this threat of refusal to sell was voiced for political purposes is convincingly demonstrated by the fact that during the period of these threats the entire gas supply was secured for such new pipeline ventures as Texas Eastern Gas Transmission Corp., Transcontinental Gas Pipeline Corp., Texas-Illinois Natural Gas Pipeline Co., Piedmont Natural Gas Corp., and Trunkline Gas Supply Co.

Furthermore, during the same period, large additional supplies of gas were negotiated by such existing pipe lines as Tennessee Gas Transmission Co., El Paso Natural Gas Co., and Northern Natural Gas Co. Included among the producers furnishing these additional supplies during this period were the companies represented by Mr. Richard Wagner and Mr. Rex G. Baker—hearings on S. 1498, page 367.

WHY THE THREAT HAS NOT BEEN CARRIED THROUGH

Producers of gas are in business to make money, and to make as much money as possible. No reasonable businessman would refuse to sell his product at a profitable price simply because he cannot get the top price which he may think his product is worth, and in this case it means all the traffic will bear.

Owners of gas reserves have a considerable investment in exploration costs, leaseholds, wells, gathering lines, and processing plants. They have annual costs involving delay rentals, taxes, overhead, and interest. These costs continue even though they do not sell a single foot of gas. In addition, if gas properties are not producing and the production is not marketed, the producer is in danger of being sued by the land and royalty owners for cancellation of leases. (Hearings, S. 1498, p. 170.)

Producers are anxious to recover their investment as soon as possible. Under regulation, they are restrained from charging monopolistic prices and making exorbitant profits, but they are assured of recovering their investment and a fair profit.

Interstate pipe-line companies are regulated. The securities of these companies are in great demand, even more so than those of the electric utilities. There is no record of any pipe-line company whose rates have been fixed by the Federal Power Commission being in financial difficulty, or even close to it.

DID THE THREAT FALL THROUGH BECAUSE FPC HAD NOT ASSUMED JURISDICTION?

The threat made over the past 3 years has been stated each time as a refusal to sell to interstate pipe lines if the industry's proposals were not enacted into law. It is now argued that failure to carry out the threat was due to the adoption of Order G–139 by the Federal Power Commission in August 1947, stating that the Commission would not seek to assert jurisdiction over sales by independent producers.

The fact is that the oil and gas industry denounced Order G–139 as illegal, as flying in the teeth of the rule of the Supreme Court, as an invalid and unconstitutional exercise of legislative power, and as not clarifying the confusion which the industry claimed to exist. (Hearings S. 1498, p. 500.)

The Supreme Court handed down its decision in the Interstate case in June 1947. Contracts entered into since that decision were executed with full knowledge on the part of producers that prices named in such contracts were subject to regulation by the Federal Power Commission, notwithstanding the mistaken idea of three members of the Commission, Commissioner Draper dissenting, that order G–139 was the proper way to deal with the situation then existing.

In April 1949 a majority of the Federal Power Commission—Messrs. Buchanan, Draper, and Olds—maintaining that order G–130 is a nullity, recommended against the enactment of S. 1498. Nevertheless, producers have continued to make contracts with interstate pipe lines for large volumes of gas.

WILL UNREGULATED INTRASTATE SALES BE MORE ATTRACTIVE THAN REGULATED INTERSTATE SALES?

In an attempt to give substance to the threat of refusal to sell to interstate pipe lines, producers claim that sales in the unregulated local market will be more attractive, and the gas supply to interstate pipe lines will dry up.

The local market for natural gas in producing States is already taking large volumes of gas. It is not a neglected opportunity which producers can develop as a new outlet for gas if Congress refuses to let them fix their own prices on sales to interstate pipe lines. Natural gas marketed in 1948 amounted to 4,444,000,000,000 cubic feet. Of this amount, 1,298,000,000,000 cubic feet were used in field operations of the oil and gas industry and as refinery fuel; 480,000,000,000 cubic feet were sold for intrastate domestic, commercial, and industrial use; and 2,666,000,000,000 cubic feet were sold directly to interstate pipe lines, some 900,000,000,000 of which were sold in the States of production. (Hearings, S. 1498, p. 15, and Bureau of Mines Bulletin on Natural Gas, November 1949.)

The pipe-line market is the most desirable market. It is a utility market. It is a long-run proposition. It is more stable than a purely industrial market which fluctuates widely between prosperous times and hard times. This utility market assures a steady source of revenue for many years—indeed, for the life of the gas reserves, and with a constantly expanding use. There is no valid reason to believe that local industries can be developed to such an extent in the Southeast that the huge volumes of gas now going through interstate pipe lines, to say nothing of the increased volumes resulting from new discoveries, can be absorbed in the producing States. Nor is there ground for believing that such unregulated sales for local industrial uses would provide a more satisfactory market than regulated sales to interstate pipe lines for the utility market.

The fact that the interstate pipe lines constitute the best market available to the producers of natural gas was frankly admitted in 1947 testimony on the Rizley bill by Hines H. Baker, executive vice president of Humble Oil and Refining Co., the company whose Rex G. Baker threatened in his 1948 testimony to withhold sales of gas.

Hines H. Baker said:

> The difficulties of marketing natural gas are increased by reason of the fact that the principal gas reserves and gas-producing areas are located at great distances from the primary consuming areas of the country. This has resulted in an over-supply in the areas of production, low prices, and insufficient outlets. * * * The local demand for gas in these areas is relatively small compared with production. Except for such amounts as may be used for the production of liquids through synthesis processes, the real hope for future conservation of the vented casing-head gas is through sale of natural-gas companies for transportation to the heavy-consuming areas of the country. In the same way these interstate markets provide the principal outlets for the great reserves of nonassociated gas. (Hearings on H. R. 2185, p. 148.)

(NOTE.—"Nonassociated" gas is dry gas from gas wells as distinguished from casing-head gas recovered from oil wells.)

FAILURE OF FPC TO REGULATE THE PRICE HAS ENCOURAGED SOME WITHHOLDING OF GAS

It is apparent, however, that the failure of the Federal Power Commission to regulate the price has encouraged some withholding of gas. In the absence of FPC regulation of prices paid by pipe lines to producers, the price has been rising rapidly. If there has been any reluctance on the part of producers to sell their gas, it has been due in large part to the hope that the future would bring higher prices.

Edward Buddrus, president of Panhandle Eastern Pipe Line Co., testifying on H. R. 2185 in 1947, said:

> I might add this that it has been my experience, and I have been in both ends of the business for 25 years, that the producer, the gas producer trading at arm's length, with pipe lines, in the last 5 to 10 years has not been at a disadvantage because there is plenty of demand for the gas.
>
> In fact I heard gentlemen of a large oil and gas company say the other day that the best thing they had done in the last 2 years was not to sell their gas, meaning, in effect, that they were going to get a higher price for it now than they would have gotten 2 years ago. (Hearings, p. 265.)

The trade magazine, Chemical Engineering, in its April 1948 issue gave additional insight into the situation in an article entitled "Southwest Boom—Chemical Engineering Report." It said:

> Gas, as the scramble for it by transcontinental pipe-line companies has intensified, has risen in price. Several years ago its price at the well ranged between 3 and 4 cents per thousand cubic feet in Texas, Louisiana, and Oklahoma. Today, along the Gulf coast, it ranges, at the well, from 8 to 10 cents.
>
> A few large owners of gas reserves in Texas are known to be sitting on their holdings in a chess game where present taxes and prospects for future higher prices are pieces on the board. Right now, these companies are not particularly hard pressed for revenue. Up to several months ago there was a limiting factor in the supply of gas that is becoming somewhat less of a problem; the shortage of line pipe. Gas companies that have been disposed to sell their products have had considerable trouble securing the pipe necessary for additional movements. One large company in the vicinity of Houston looks for a more generous supply of pipe this year.

DO ESCAPE CLAUSES GIVE SUBSTANCE TO THIS THREAT AGAINST NEW ENGLAND?

In addition to the threat voiced in testimony of producer representatives, the oil and gas industry fortified its campaign to secure this legislation by insisting upon the insertion of so-called escape clauses in gas-purchase contracts.

A typical escape clause provides for cancellation of the contract to sell in the event that the Federal Power Commission asserts jurisdiction, or if the Federal Power Commission or any other governmental body reduces contract prices.

Most gas-purchase contracts do not contain such clauses, and the applicability of such clauses varies as between pipe lines. The chairman of FPC submitted to the House committee on July 18, 1949, a list of 44 contracts covering the purchase of gas by 6 pipe-line companies, and stated:

> The data submitted herewith include substantially all gas-supply contracts containing escape clauses which have been submitted in support of certificates of public convenience and necessity issued by the Commission.

Only 28 of the 44 contracts contained escape clauses.

Almost all the contracts of the Transcontinental Pipeline Corp. contain escape clauses, but only a few of the contracts of Texas Eastern Gas Transmission

Corp. and Tennessee Gas Transmission Co. include them. These are the three companies proposing to serve the New England markets.

The validity of such escape clause is open to question; but without passing upon their validity, it should be observed that the bonds of most new pipe line companies have been purchased by insurance companies. Insurance companies would not have invested several hundreds of millions of dollars of their policy holders' funds in these particular pipe lines if they believed their investment would be jeopardized by a refusal of the Congress to enact the bill demanded by the oil industry, or by a decision of the Federal Power Commission, in the face of rapidly rising field prices, to exercise its lawful authority under the act.

POLITICAL PRESSURE

The threat that producers must be free from all regulation by the Federal Government to insure a gas supply for the consuming States is part of an organized campaign by the oil and gas industry to bludgeon Congress into passing the legislation which the industry wants. The vast quantity of natural gas purchased for interstate transmission since this threat was first voiced in April 1947 is convincing evidence of the political character and purpose of this threat.

Mr. President, some Members of the Senate may have noted in the Journal of Commerce of yesterday a pronouncement by the pipe line companies of the tremendous increase in their business which they expect within the next 5 years. They certainly would not be going ahead, contemplating the multiplication of their pipe lines in great number, if they anticipated that they were not going to be able to buy the gas to put through the pipe lines.

But because New England is about to receive natural gas through the extension of interstate pipe lines, the threat has been particularized for that area and addressed especially to the ears of the Senators from New England. Their 12 votes may decide whether the public interest will prevail in the regulation of this natural gas public utility.

There is no reason to believe, however, that New England or any other consuming area of the Nation will be deprived of natural gas because the Kerr bill is defeated. The threat of refusal to sell will prove no more valid with respect to New England than it has proved valid in other areas which have been receiving greatly increasing quantities of natural gas during the past 3 years.

When the Kerr bill is defeated and the chips are down, producers will be found willing and able to serve the interstate utility markets. These are, and will continue to be, profitable outlets, providing producers with the most stable long-run source of revenue for their gas.

Senators from gas-consuming States may have the impression that a gun is being held to their heads as the pending measure is being debated. This is unpleasant, but I am convinced it should not determine our decision. I make bold to assure my colleagues of the consuming States that the gun which is being held at their heads is not loaded.

The PRESIDING OFFICER (Mr. HUNT in the chair). The time of the Senator from Vermont has expired.

Mr. DOUGLAS. Mr. President, I yield 1 minute to the distinguished junior Senator from Tennessee.

Mr. KEFAUVER. Mr. President, earlier in the day I sent to the desk an amendment, for the information of Members of the Senate, to lie on the desk and be printed. It would exempt from the regulation and from the operation of the Natural Gas Act of 1938 those producers producing less than 2,000,000,000 cubic feet of gas a year, or whose revenues for such sales amount to less than $250,000 for the year.

Mr. President, I have here a letter, which I ask unanimous consent to have printed in the RECORD, from the Acting Chairman of the Federal Power Commission, Mon C. Wallgren, explaining a table which accompanied the letter, which I also ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the letter and the accompanying table were ordered to be printed in the RECORD, as follows:

FEDERAL POWER COMMISSION,
Washington, March 24, 1950.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: The Commission has your letter of March 23 in which you request a list of so-called independent producers and gatherers whose sales to interstate pipe-line companies in 1948 exceeded 2,000,000,000 cubic feet or whose revenues from such sales were in excess of $250,000 for that year.

To furnish the information requested for the year 1948 would require a great deal of detailed analysis work on the part of our staff. Similar analyses for the year 1947 were prepared in connection with the hearings on H. R. 1758 (Harris bill) and from such material it is possible to submit a list of the so-called independent producers and gatherers classified in accordance with your request and such list is attached. We hope it will satisfactorily serve your purpose.

Sincerely yours,

MON C. WALLGREN,
Acting Chairman.

List of so-called independent producers and gatherers whose sales to interstate pipe-line companies in 1947 exceeded 2,000,000,000 cubic feet or whose revenues from such sales were in excess of $250,000

No.	Name of producer	Gas sales		Producing area
		Volume thousand cubic feet [1]	Revenue	
1	Phillips Petroleum Co.[2]	116,193,615	$4,566,892	Southwest.
2	The Chicago Corp.	66,654,228	3,327,688	Do.
3	Republic Natural Gas Co.	56,444,937	3,011,202	Do.
4	Humble Oil & Refining Co.	49,304,966	2,386,313	Do.
5	Stanolind Oil & Gas Co.	41,033,376	1,631,582	Southwest and Rocky Mountain.
6	United Carbon Co.	33,916,657	3,823,611	Southwest and Appalachian.
7	Skelly Oil Co.	28,253,787	1,208,953	Southwest.
8	Continental Oil Co.	27,727,813	1,324,110	Do.
9	Gulf Oil Corp.[3]	26,517,611	1,163,298	Do.
10	Hagy, Harrington & Marsh.	26,373,591	1,193,423	Do.
11	H. L. Hunt & Hassie Hunt Trust.	25,976,719	1,593,096	Do.
12	Southern Carbon Co.	22,674,584	1,686,930	Do.
13	Sun Oil Co.	14,542,896	1,210,841	Southwest and Appalachian.
14	Southwest Gas Producing Co.	14,346,884	895,773	Southwest.
15	Texas Gulf Producing Co.	12,918,120	613,362	Do.
16	Magnolia Petroleum Co.	12,001,785	496,817	Do.
17	Shell Oil Co.	11,318,971	486,415	Do.
18	The Texas Co.	11,088,200	521,348	Southwest and Rocky Mountain.
19	Columbian Fuel Corp.	10,856,157	1,328,662	Southwest and Appalachian.
20	Shamrock Oil & Gas Corp.	10,760,175	580,723	Southwest.
21	Fin-Ker Oil & Gas Production Co.	10,375,055	540,675	Do.
22	Glassell & Glassell.	10,241,074	307,232	Do.
23	Ray Stephens, Inc.	9,942,499	429,200	Do.
24	United Producing Co.	9,521,612	1,566,861	Southwest and Appalachian.
25	Barber Oil Co.	8,677,951	683,209	Southwest.
26	Western Natural Gas Co.[3]	8,468,549	326,347	Southwest and Rocky Mt.
27	Barnsdall Oil Co.	8,466,043	396,404	Southwest.
28	Sinclair Oil Co.[3]	8,458,398	457,008	Southwest and Rocky Mt.
29	Warren Petroleum Co.	8,430,014	328,045	Southwest.
30	Superior Oil Co.	7,682,228	429,099	Do.
31	Rogers-Lacy et al.	7,433,579	378,340	Do.
32	Southern Production Co.	7,382,014	295,281	Do.
33	Carter-Cragg Oil Co.	7,334,913	426,265	Do.
34	Paul H. Pewitt.	7,069,156	293,419	Do.
35	Big West Drilling Co.	6,807,579	306,341	Do.
36	Ohio Oil Co.	6,721,017	249,417	Do.
37	Pure Oil Co.	7,607,546	933,388	Southwest and Appalachian.
38	J. M. Huber Corp.	6,163,162	246,526	Southwest.
39	Sunray Oil Co.	6,089,459	222,007	Do.
40	Amerada Petroleum Co.	4,790,432	212,888	Do.
41	Union Sulphur Co.	4,773,868	238,693	Do.
42	Lenior & R. M. Josey.	4,729,824	184,541	Do.
43	Cities Service Oil Co.[3]	4,434,071	318,552	Do.
44	Columbian Carbon Co.	4,370,512	811,572	Southwest and Appalachian.
45	Lone Star Gasoline Co.	4,421,075	132,632	Southwest.
46	C. V. Lyman.	4,158,683	188,964	Do.
47	Union Oil Co. of California.	3,941,704	183,798	Do.
48	Nemours Corp.	3,726,968	131,760	Do.
49	McKamie Gas Cleaning Co.	3,668,554	115,408	Do.
50	W. C. Feasel.	3,618,354	108,551	Do.
51	Lea County Water Co.	3,537,809	187,124	Do.
52	D. D. Harrington.	3,436,831	154,657	Do.
53	Atlantic Refining Co.	3,428,856	118,868	Do.
54	Hamilton Gas Corp.	3,211,578	578,388	Appalachian.
55	F. L. Karsten.	3,187,010	125,242	Southwest.

[1] Volumes not adjusted to uniform pressure base.
[2] Sales to affiliated pipe lines are excluded.
[3] Includes subsidiaries.

List of so-called independent producers and gatherers whose sales to interstate pipe-line companies in 1947 exceeded 2,000,000,000 cubic feet or whose revenues from such sales were in excess of $250,000—Continued

No.	Name of producer	Gas sales		Producing area
		Volume thousand cubic feet [1]	Revenue	
56	Norden & Morris	3,186,969	$111,544	Southwest.
57	Mass-Tex Oil & Gas Co., Inc	2,898,670	131,206	Do.
58	British American Oil Production Co	2,849,739	107,846	Do.
59	Jack Williams	2,748,740	129,559	Do.
60	Arkla Oil Co	2,723,639	100,178	Do.
61	Stevens County Oil & Gas Co	2,701,685	120,870	Do.
62	Derby Oil Co	2,690,467	108,872	Do.
63	Saturn Oil & Gas Co	2,536,942	126,825	Do.
64	Navajo Natural Gas Co	2,391,568	86,880	Do.
65	James F. Gray trustee	2,376,817	83,189	Do.
66	Delta Drilling Co	2,340,580	70,217	Do.
67	Natural Gas Production Co	2,291,036	92,054	Do.
68	W. L. Goldston	2,260,503	67,815	Do.
69	Wil-Tex Oil Co	2,241,048	112,052	Do.
70	Independent Oil & Gas Co	2,191,441	78,975	Do.
71	White Eagle Oil Co	2,125,519	115,072	Do.
72	McAlester Fuel Co	2,014,306	64,249	Do.
73	Ginther, Warren & Ginther	2,012,333	100,617	Do.
74	Texas Pacific Coal & Oil Co	2,006,285	89,544	Do.
75	T. W. Phillips Gas & Oil Co	1,683,973	576,969	Appalachian.
76	Petroleum Exploration	1,185,597	402,765	Do.
77	F. C. Deemet	1,133,208	346,706	Do.

Mr. KEFAUVER. Mr. President, the table shows that on the basis of companies earning less than $250,000 a year during the year 1947, 37 production companies earn more than that amount; so that, under the terms of the amendment I have sent to the desk, all the companies would be exempted from regulation except the 37 largest ones.

It is very significant that, with respect to the production of the 37 companies, production falls off very markedly after that, so that the small companies are really small, and the large ones are really large. I wanted the table to be in the RECORD for the information of Senators and to be available when my amendment is called up tomorrow.

I yield the floor.

Mr. JOHNSON of Colorado. Mr. President, I yield 30 minutes to the senior Senator from Kansas [Mr. SCHOEPPEL].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 30 minutes.

Mr. SCHOEPPEL. Mr. President, I believe that for three reasons it is essential that the Congress pass the so-called Kerr bill:

First. An ambiguity in the 1938 law must be clarified to express the intent of Congress.

Second. The authority of the Federal Power Commission must be defined clearly to prevent extension of agency control beyond the will of Congress.

Third. The independent producers must be relieved of the present uncertainty as to whether or not they shall become subject to price controls by administrative action at some future time.

In 1938 the Seventy-fifth Congress passed the Natural Gas Act, giving to the Federal Power Commission the authority to control the movement and sale of natural gas in interstate commerce. Section 1B of the act specifically stated controls should not extend "to the production or gathering of natural gas."

Nine years later a decision of the Supreme Court for the first time cast doubt upon the effectiveness of that exemption and subsequently a 3-to-2 majority of the Federal Power Commission has come to believe that they have authority to control "the production or gathering of natural gas."

This bill, as has been stated repeatedly, was introduced to clarify the intent of Congress when it passed the Natural Gas Act in 1938. It is designed to dispel the uncertainty of a vague law and remove the threat of arbitrary exercise of price-control authority over the production and gathering of gas by independent producers.

The opponents of this bill I think are confused as to the issues raised by the bill. They talk about utility regulation and monopoly restrictions. They profess to speak in the consumers' interest to justify arbitrary, unlimited power in the Federal Power Commission to fix prices in a basic and competitive American industry.

The truth is, Mr. President, that the American consumer will be best served by the continuation of competitive operation in the production and gathering of natural gas. Price controls have never been needed and have never been used in this field. The imposition of price control will throttle initiative and enterprise in this field and work ultimately to the disadvantage of the American consumer. No Federal regulating agency should be left with power to impose such controls at will.

The opponents of the Kerr bill are trying to exert price-fixing control over the production of natural gas. The control they seek is not that control which is applied to utilities for the benefit of the general public. The price control which the Kerr amendment would outlaw is the same type of vicious, crippling price control that was repudiated by this Congress in the repeal of OPA. Some of the same voices which howled in protest against the repeal of OPA are raised now against the Kerr amendment.

The opponents of the pending measure seek to treat as one operation the production of natural gas and the transmission and sale of natural gas, although these two phases of the industry are completely dissimilar.

The transmission and sale of natural gas is a utility operation, properly subject to utility regulations in the public interest. The production and gathering of natural gas, however, is a highly competitive, free enterprise operation that in no way resembles the operation of a public utility. It closely resembles the production and gathering of petroleum products or the mining of coal.

The independent operators, who produce and gather natural gas, supply a public utility. They are not a part of the public-utility operation. Coal and oil which are used in steam plants to produce electricity also supply a public utility. It is transparently clear to me that the production of coal and oil are not part of a public-utility operation as such. Until natural gas enters into the pipe line, it is subject to the same competition and freedom of operation that are found in any mining industry.

The opponents of the Kerr bill seem to argue that because natural gas finds its way to 10,000,000 American customers as a public utility, it should be controlled in every aspect. The mere fact that natural gas, after it is gathered and sold to the pipe lines, is used by 40,000,000 people is no reason at all for the control of the thousands of independent producers in the gas fields who make that possible.

It could as well be argued that steel, because it is widely used, should be subject to Government price regulation. There are people in Government today who seriously propose that steel should be subject to such control and that similar controls should be imposed upon coal and oil.

If this type of price fixing is to be applied to basic industries, it should be applied by deliberate act of Congress and not established by a Federal commission whose members may take advantage of a legal technicality in a law to go far beyond the intent of Congress.

A public utility, Mr. President, is a very special type of business enterprise which quite properly is subject to very strict Government regulations. I agree with that. Public utilities enjoy the status of a natural monopoly. The product which they sell to the public is a necessary one and the service usually is rendered in a noncompetitive way. The transmission and sale of natural gas is clearly such a utility. Pipes are laid for long distances to carry the gas in interstate commerce.

I may say I am sure there is a misconception on the part of many as to who might be able to go into the utility business, or into the production of oil and gas. It requires vast sums of money and long-term investments. Obviously no ordinary individual can go into that type of business. It involves hazards and risks, and it must, of course, contemplate the enjoyment of markets which have been contracted for on a fair basis.

The gas is then retailed to the consumers' homes by a pipe system which is permanent in its character and which does not allow free competitive sale. It

is unthinkable that a retail gas company should suddenly stop service at the whim of its owners leaving the domestic consumer without necessary fuel. It is unthinkable also, that a company which maintains a natural monopoly in the distribution and sale of gas should charge a price that it could arbitrarily set at any point above cost. Surely no one would dispute the transmission and sale of natural gas is a utility that must be subject to Government regulation.

Until such time as natural gas enters the pipe line, however, it is marked by none of the characteristics of a utility.

The production and gathering of natural gas is a competitive enterprise. Although there are several large oil and gas companies engaged in the business, there are also thousands of small well owners. I have tried to obtain reliable statistics on the ownership of the production and gathering of natural gas from the Federal Power Commission, from the Bureau of Mines, and from the gas industry. I have not found figures which give any clear picture of ownership of wells and fields by the 2,300 to 6,000 separate gas producers in the United States.

In the State of Kansas, however, there are 66 independent producers who own wells, according to the Bureau of Mines. There are hundreds of single-well owners, as well, who sell to the gas lines. It is a competitive industry.

In the State of Kansas, the Kansas Corporation Commission has had to effect a minimum price level for gas at the wellhead to protect the small holder from the disastrous effects of too much cut-rate competition.

I might say at this stage of the proceedings, relative to the Natural Gas Act, that I do not believe in legislative price fixing.

It is claimed by the opponents of the Kerr bill that a high percentage of the gas-producing industry is controlled by a few major companies. Again the statistics are highly controversial, but using the statistics of the opponents I do not find that monopolistic conditions exist. Of the 2,300 or more separate gas producers in the Nation, some 70 companies sell 75 percent of the gas now being sold. But one should consider this concentration in comparison with the automobile industry where three major companies manufacture 78 percent of the vehicles produced. Five rubber companies produce 77 percent of the tires made in the United States. It is not suggested seriously that bigness in these industries ought to make them subject to Federal price fixing. If such bigness creates monopolistic conditions, the answer lies in strict enforcement of the antitrust laws and not in the concentration of superauthority in a Federal agency.

A history of the Gas Act in operation since 1938 indicates that the power of price regulation in the gathering and production of natural gas has never been invoked and is not necessary. The industry operates today under the terms of Order No. 139 which was issued by the Federal Power Commission in 1947. The order declares as policy that the Commission will not exercise control over the arms-length sales of natural gas by independent producers and gatherers.

I repeat that the industry now operates without Federal control and the pronounced policy of Order No. 139, still in effect, is against such control.

A majority of the former Commission, however, has expressed itself against the Kerr bill and has declared the necessity for price fixing in the gas-producing industry.

If the Kerr bill is not passed by the Congress, the Commission may go on for a considerable period of time under Order No. 139. The uncertainty, however, as to whether or not the Commission is going to create a little OPA over the gas-producing industry is in itself a deterrent to the production of natural gas for pipeline use.

Something has been said on the floor of the Senate a number of times about the escape clauses. Why are there such clauses in a number of contracts? I think, if we look at it fairly and squarely, we shall see it is because of a threat of a type of control of the owners and the managers of the natural-gas companies, and they are fearful that if legislation of a clarifying nature is not passed, the result will be greatly to their disadvantage in obtaining sufficient development and reserves. The natural-gas companies are not so sinister, designing, and irresponsible as to contemplate, as has been intimated, cutting off some sections of the United States and refusing to serve them because they do not like this or that law.

Mr. President, I believe the regulation of gas production and gathering by a Federal agency will result in eventual hardship to the gas consumer because it will result in less gas. Where the law of supply and demand is allowed to operate under a free enterprise system, production is encouraged.

What has been the history of the production of oil and gas? There has been a tremendous increase in proved reserves during the past 8 or 10 years. Of course there has been a profit in the business. Who wants to operate a business without a profit and then apply to the Government for a subsidy? We have seen too much of that. The people are getting sick and tired of it. They expect a legitimate profit to be made. In the atmosphere of free enterprise there have been accumulated more oil and gas reserves for the potential use of the United States than has ever before been the case in the history of this great Nation.

The imposition of price controls, except in special circumstances, or emergency conditions, penalizes the consumer because it cripples the producer, and if he is crippled reserves will likewise suffer.

What happened under the OPA? Did we find great surpluses developing in this country? No; the contrary was the case. The remarkable growth of the natural gas industry in the past 12 years and the stability of gas prices have been possible only because regulation and the fixing of prices has not been imposed on gas production and gathering.

I am sure all Senators know that to be so, because it is shown on the charts, and it has been stated that natural gas, in the past 10 or 12 years, has been the cheapest of any commodities of any consequence which we are purchasing today. I know the honest fear expressed by some well-meaning Members of the Senate as to price increases. A few years ago I used to buy the Saturday Evening Post, a very good publication, for 5 cents. What is the price of it today? It is 15 cents. Consider the increased prices in the advertising field, food markets, automobiles, trucks, and electrical supplies. When we contemplate the hazards of buying pipe and pumping equipment, compressor equipment, to say nothing of the thousands of miles of pipe going into the pipe lines which must be bought, paid for, and processed by labor, what have been the principal factors of the increased cost? The answer is, labor and costs of material. It is because we have cheapened the American dollar, and it all adds up to more money.

There is one thing which has been overlooked, deliberately, I think. What has happened to the price of gas? It has gone down 12 percent. Do not let anyone delude us or talk us out of that. Facts and figures substantiate that very fact.

Perhaps I should not mention to Members of the Senate the controlling factor in the increased price of coal. The coal market was turned into the hands of one man who has apparently been able to control it. Right or wrong, that is something which must be changed, altered, or met in some realistic fashion. The price of coal has gone up; the price of gas has gone down. The prices of competitive fuels with reference to gas have gone up, but the price of gas remains down.

As I have said, the remarkable growth of the gas industry in the past 12 years and the stability of gas prices have been possible only because regulation has not been imposed on gas production and gathering. We have every right to assume that continued growth will be encouraged only if the Commission continues to abstain from regulating the price of gas at the well, or from setting a price on it which would stifle the development and search for new reserves, whether in a gas or an oil field.

I have heard much on the floor of the Senate from some who would have us believe that all is rosy and well in this enlargement of powers of the Federal Power Commission, and that no serious conflict exists or has developed affecting the gas industry. They say, "Well, hysteria is overemphasizing the dangers that are coming." Many say, by reason of some court decisions, that some large gas utilities, or those interested in them, are trying to make the public believe that the Natural Gas Act, as interpreted, is wrong, and changes are wanted from selfish motives. Quite frankly and candidly I say that serious conflicts are developing and have developed. Justice Jackson, a member of the Supreme Court of the United States, a man for whom many men, not only in the legal profession, but throughout the United States, have great respect, recently made a statement in his dissenting opinion in the case of the *Federal Power Commission* v. *East Ohio Gas Company*, reported in Three Hundred and Thirty-eighth United States Reports, at page 464, to which I wish to call attention. This was in January 1950, not in 1947 or 1948.

This is one thing I want to read to my colleagues on the Senate floor today. I quote Justice Jackson:

> This is a real conflict in which experience shows State control will wither away and leave the Federal rule in possession of the field.

I invite the attention of Senators to the dissenting opinion. Thank God for dissents in America. Sometimes they have a way of challenging us and making us think, and sometimes they forebode what may happen in the future unless certain trends are arrested or stopped by whatever proper methods we can employ under the orderly process of changing laws when we find they do not work. I read further from Justice Jackson's dissenting opinion:

> If this were a case of applying an explicit policy of Congress to one recalcitrant gas company, there would of course be no dissent. But if it were such, we would not be likely to find the State of Ohio and her utility commission, the National Association of Railroad and Utility Commissioners, and public authorities of several States, including some with notable records for protecting the public interest, here helping the utility. This alliance of State authorities against the Federal Power Commission suggests that there must be more to this case than meets the eye.
>
> The key to an understanding of the Federal Natural Gas Act is its purpose to supplement but not to supplant State regulation. Before passage of the act, each State was able to regulate the ultimate price of natural gas distributed to its consumers.

He cites the case of *Pennsylvania Gas Company* v. *Public Service Commission* (252 U. S. 23):

> This Court has never denied any State that power. But in doing so they were obliged to allow as operating costs what the distributing company paid for the gas when brought into its system from out of the State. This purchase price the State could not regulate, often not even investigate, and the purchases frequently were from affiliates, a fact which might cool the local company's normal zeal to drive a good bargain for itself and its consumers. Hence, the States appealed to Congress to set up machinery to fix the import price of out-of-State gas. This was all that the States asked the Federal Government to do, and it is everything that the Federal Power Commission revealed any purpose to do while the legislation was pending. Its Solicitor summarized the purposes before a subcommittee of the House Committee on Interstate and Foreign Commerce, as follows: "The whole purpose of this bill is to bring under Federal regulation the pipe lines and to leave to the State commissions control of distributing companies and over their rates, whether that gas moves in interstate commerce or not." (Hearings before a subcommittee of the House Committee on Interstate and Foreign Commerce on H. R. 11662, 74th Cong., 2d sess. 24.) That is what the State authorities active in promoting the legislation seem to have believed had been accomplished.

I point that out because it is rather significant in its relation to the local regulatory commissions of the States. Some of us think that the Federal Power Commission has succeeded in using the Natural Gas Act to seize the constructive forces of State and local regulation which, as developed in the past half century, have brought more and more natural gas to more and more people at less cost. The Federal Power Commission has carried its battle to the Supreme Court, and they have done so rightfully and properly. I would not divest them of that right or that responsibility. They have carried their battle to the Supreme Court, and from the decisions which have been rendered many changes beyond the congressional intent have appeared, to say nothing of what has happened to State control.

A competent gas authority has asked, "Would you be alarmed if just one of these four questions could be answered in the affirmative?"

First. Is the authority of every State public utility commission in America being challenged by the Federal Government?

Second. Will virtually every natural-gas distributing company in America soon be under the direct regulation of the Federal Power Commission?

Third. Is the express will of the Congress in regard to regulation of natural-gas distribution being misinterpreted and ignored?

Fourth. Are gas users everywhere in the Nation threatened with new expense burdens which add nothing to the service they receive?

The Ohio Public Utilities Commission and the East Ohio Gas Co., from what I have been informed, have learned that the answer to all four of these questions is in the affirmative. I mention this specific case because 41 State regulatory commissions joined the Ohio commission in the final appeal to the Supreme Court for the preservation of State rights and the rights of intrastate business, and my State of Kansas was one of those joining, because it felt that the withering away of State control forecast by Justice Jackson, heretofore referred to, is a reality. In the memorandum in support of the petitions for rehearing submitted on behalf of the State of Kansas, among other things it was stated:

> The State of Kansas concerns itself in this cause in that it is its view that the majority opinion creates and broadens the jurisdiction of the Federal Power Commission which will inevitably result in confusion and greater overlapping authority between the Federal Power Commission and the State regulatory bodies and to a certain degree may conceivably nullify the powers of the State regulatory bodies in the exercise of their proper constitutional and legislative functions.

As a former member of a regulatory body of my State I shared the views of many regulatory commissioners who believe that the basic purpose of the Natural Gas Act was to regulate rates and activities of interstate pipe-line companies which were outside the jurisdiction of any single State. The Solicitor of the Federal Power Commission at the time of the enactment was reported to have stated that the whole purpose of this bill is to "bring under Federal regulation the pipe lines and to leave to the State commissions control of distributing companies and over their rates whether that gas moves in interstate commerce or not." It is fair to state that the National Association of Railroad and Utility Commissioners who were present at the hearings which preceded the passage of the Natural Gas Act probably endorsed it because of the statements made by the Solictor for the Federal Power Commission. The act specifically said:

> The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production of gathering of natural gas.

Does this sound as if Congress wanted to give the Federal Power Commission authority to regulate a company whose properties are entirely in one State, whose only business is the retailing of gas to local customers in that State, and whose operations are thoroughly regulated by the public utility commission of that State? Anyone who does not think that the Federal Power Commission has succeeded in making the law give it just such power is going to be surprised.

The Kansas commission, like all other commissions, is naturally interested in gas which is transported into the State of Kansas for sale to retail distribution firms. This is a proper interest because the cost of this gas has an important bearing on the rates which distributing firms charge the citizens of my State.

The VICE PRESIDENT. The Senator's time has expired.

Mr. SCHOEPPEL. I should like to have 10 minutes more.

Mr. JOHNSON of Colorado. I yield 10 minutes more to the Senator from Kansas.

The VICE PRESIDENT. The Senator from Kansas is recognized for 10 minutes more.

Mr. SCHOEPPEL. Mr. President, under a number of legal decisions it has been established that no State can regulate the cost of this gas sold in interstate commerce so that its cost is an obvious field for national regulation. In my State and other States it was agreed that the FPC regulation in this field is fitting and proper. The FPC performs a vital purpose in seeing that this gas is delivered inside the respective States at a fair charge.

I think it is a fair statement that some members of the Federal Power Commission themselves seriously doubted whether they had the inherent power apparently granted to them by the Court decisions. Certainly many Members of Congress, as well as members of the regulatory bodies who were interested in passing the Natural Gas Act, did not think so.

I remind Senators what the Supreme Court pointed out in the case of the Federal Power Commission against the Panhandle Eastern Co., which has been referred to many times in the debate. When a man like Burton K. Wheeler, a distinguished Member of the Senate expressed himself as he did at the time the hearings were being held with reference to the scope of the Natural Gas Act, I think we find a controlling factor

which should be taken into consideration by every man who is called upon as a Senator to pass upon this measure when it comes to a vote tomorrow.

For several years, as I have said before, the Federal Power Commission held the view that they were having to operate within a field, as enlarged by the Supreme Court decision, in which they did not think they had jurisdiction.

Minority members of the Federal Power Commission, including the chairman, Mr. Nelson Lee Smith, are of the opinion that any decision to control prices in the production or gathering of natural gas should be a congressional decision.

I may say I became acquainted with Nelson Lee Smith when I was a member of the regulatory commission in my State. He was then president of the Utility Commissioners of this country. He is, I am sure, respected and revered, because he has left a very fine record. It was Nelson Lee Smith's opinion that any decision to control prices in the production or gathering of natural gas should be by congressional decision.

Surely the Congress did not and does not intend that decisions of such far-reaching consequences should be made by default. The gentleman from Texas, Speaker RAYBURN, stated the issue clearly in the House debate last August. He said:

> Boiled down, the issue here and the essence of the whole thing is whether or not the Congress of the United States is going to write the law or whether a commission by regulation is going to do it. All the bill says is that the Congress has not changed its mind, even though one or two members of the Federal Power Commission have changed their minds since 1947. This bill provides that they shall pursue the same course and execute the law in the same way they have been doing it unanimously for 11 years. That is the issue before the House, in my opinion.

If the Congress at this time does not pass the pending legislation, or some similar type of legislation, the authority to fix prices and to control industries not characterized as public utilities will have been gained by administrative act. If Congress does not clearly spell out what it intends powers of the Federal Power Commission to be, the commissioners can at any moment take unto themselves authority never dreamed of by Congress.

More than the gas industry is at stake in the pending legislation. Involved is the whole question of extension of agency control over industry without congressional sanction.

I do not know how far the Commission might go under present law in extending Federal controls over industry. Oil and gas are vital to the commerce and the needs of the Nation. Statistics, again, are incomplete, as I said before; but in considerable degree the production of natural gas and the production of oil are carried on in the same operation. Many times I have heard it said that gas production is different from oil. The same company, the same workmen, the same equipment, the same well-mouth are used both in the production of oil and in the production of natural gas. If the pricing of natural gas is to be fixed by a Federal Commission, production costs of a well jointly used for oil and gas are going to be arbitrarily allocated to one industry or the other. The same people and the same equipment engaged in the production of oil are going to be subject to indirect controls if direct controls are applied to the production of natural gas.

Those who propose control of gas production today will sponsor tomorrow regulation in the coal industry, justified on the basis that the coal industry is a sick industry If action is not taken on the Kerr bill by Congress, the social planners will have part of the full authority they seek to regulate all fuel production, which is the basis of our total economy.

Washington contains many people who are committed to the idea of a government-controlled economy. It is probable that some Members of the Congress are sympathetic to such an idea. I do not happen to be one of them. But in all honesty to the American people Congress should consider carefully before it surrenders authority to control free enterprise to any Government board or commission regardless of the caliber of men who serve such commissions.

As Members of the Senate, we will be remiss in our duties if we do not pass legislation that spells out clearly the authority of the Federal Power Commission. The Commission should not assume control through vagueness of statute or neglect of Congress.

In spelling out the authority, I believe we should adopt the Kerr amendment, or something similar. The natural gas industry is a highly competitive industry. It is a young industry. It is in no sense a public utility. It is an industry which requires the initiative, the vision, and the resourcefulness of free enterprise to bring in new production and new development techniques for the service of a more progressive and dynamic American economy. It is an industry that has, and is, furnishing to millions of American homes better, cheaper, cleaner fuel, for heating, cooking, and other household needs. It is furnishing the energy for the development of greater industrial output, and has played an important role in new and scientific development derived from natural gas.

These are all things which we can see, which we can use, and enjoy, but in this legislation we face a fundamental and a challenging issue.

Shall we by our action give approval to one more step toward the nationalization of industry and our national resources?

There is no doubt that it is a concept dear to the hearts of many that the management of all industry, all business, shall be directed from Washington. Not by the representatives of the people, but by bureaus possessing delegated and elastic authority.

Last October the Senate rejected the appointment of Leland Olds as a member of the Federal Power Commission. He was refused confirmation because his philosophy of government was contrary to the constitutional principles under which we live, and the traditions of American life. Yet, Senators who voted to refuse Mr. Olds another term by rejecting his confirmation are today voicing in their opposition to the bill now under consideration, all the arguments which he used.

The road to nationalization is first paved with the regulation of an industry, private management and free enterprise are first made impotent to perform the services which they engage to do and which the public has come to rely upon. Regulations and restrictions are imposed until those services break down and until they are weakened to the point where they become inefficient or impotent. Then comes the carefully fostered demand for something to restore their efficiency. We need not dwell upon the melancholy aspects of nationalization. We are today pouring billions of dollars of the public money into the support of Britain's socialistic system.

Australia is the example by which we should profit. It has forthrightly reversed the trend toward nationalization.

Some arguments which I have heard against the pending bill are characterized by an outstanding fallacy. It is asserted that the producers of natural gas will be set free from control of their rates. Let me make perfectly clear that their rates have not been under regulation by the Federal Power Commission. There have been numerous statements as to the magnificent performance of the Power Commission in reducing consumer rates. Whatever sums may have been saved to the consumer by the Commission's action, no part has been due to the regulation of the prices charged by the independent producers. There has been no such regulation.

I do not want the Senate to lose sight of the fact that much credit is due to the many State regulatory commissions throughout the United States, whose high purposes and mighty responsibilities in the discharge of a public trust have caused them to see to it that the public interest has been protected. Let no man say that the Federal Power Commission is the only guardian of the public's business in the United States in these regulatory matters concerning gas. It is the threat of stifling regulation which without doubt would be expanded to cover all of their activities, including the production of oil, which we are trying to prevent by some type of action.

Why is it necessary? Because a decision of the Supreme Court has cleared the way for the exercise of authority not now in the law, and adherents of Leland Olds are eager to take such newfound authority, an authority never granted by the Congress. I, for one, feel we should think seriously upon these things, when we consider our final vote on this bill.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. HUNT. Mr. President, with rare exceptions, it has long been a practice and an intelligent procedure—I think one could say it has been the policy—for the Senate to follow and approve the recommendations of its committees. The reason for such action on the part of the Senate is obvious for with the great volume of various and sundry mat-

ters presented to this body, no individual Senator can apply himself to them all. There is the possibility of a supermind being able to find sufficient time to study and understand the effect and ramification of every bill presented to the Senate, but if we all attempted to do so many of us, I am sure, would fall into the category of a specialist, who might in this case be defined as one knowing less and less about more and more until, eventually, he knows nothing about everything. So, Mr. President, it not only greatly facilitates the procedure of the Congress, but I think most certainly points to a more practical approach to all problems confronting it, to assign proposed legislation of special categories to the respective committees whose membership is best informed on matters presented for consideration.

Mr. President, the pending bill (S. 1498), as amended, has had most careful and thorough consideration. H. R. 1758, its counterpart in the House, received a favorable report from the House committee. After thorough and full debate it passed the House by a majority of 52 votes, and in the Senate the subcommittee of five reported the bill favorably to the full committee by unanimous vote. The subcommittee of the Senate is made up of Members of this body who, by training and actual experience, are exceptionally well qualified to handle this bill. After carefully listening to the presentations pro and con, and examining the effect this bill may have upon perhaps, now the greatest industry in my State. I associate myself with those who favor the passage of the bill.

Mr. President, because of the threat to regulate, to strait-jacket, the independent gas producer, and because of the further effort on the part of the Department of the Treasury to make certain changes in depletion allowance for income-tax purposes, I think we have a combination of threats, and of contemplated actions especially detrimental to this absolutely essential industry. I am convinced that the passage of this bill and the continuation of existing provisions providing for depletion allowance, are necessary to support a vigorous petroleum industry that will contribute its full share to our ever-expanding economy. Indeed, in view of all the problems confronting the industry and confronting the Nation today, the junior Senator from Wyoming thinks the Congress should be considering measures to increase rather than reduce the incentive for development of oil and gas reserves, if the Nation is to have adequate supplies of these vital products in these trying, unpredictable times.

For all practical purposes it is absolutely impossible to differentiate and separate entirely the production of gas and oil. Both are used very extensively for exactly the same purposes. In almost every case, both are produced by the same individual or the same company, as the case may be; both are produced by the same process; and both have a common means of transportation. So when we discuss any legislation or lack of legislation, and when the end result of that legislation would be detrimental to the independent producer of natural gas, it follows, in the same breath, that it must be detrimental to the producer of oil.

Mr. President, I am thinking now in terms of national defense, the most important approach to this debate which can be made at the present time, to my way of thinking. In every sense of the word, and by any analysis, oil and gas are munitions of war. We used to say that an army traveled on its stomach; but today, Mr. President, an army also travels on gasoline and oil, produced by the same drill, in the same well, at the same time natural gas is produced. So, let me repeat that in view of all the problems confronting us today, we should be considering measures to increase, rather than reduce, the incentive for the development of natural gas.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. JOHNSON of Texas. The Senator is chairman of the Stock-Piling Subcommittee of the Armed Services Committee; and because of his membership on that committee, he is doing everything he can to see that the United States shall not again be caught short in respect to strategic materials. Is not the Senator aware that the National Military Establishment has considered this bill carefully and has urged Congress to pass it?

Mr. HUNT. I say to the distinguished junior Senator from Texas that in reading the testimony, he will find a letter in which the National Military Establishment gives its complete and full endorsement to the passage of this bill.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. HUNT. Mr. President, today the independent gas producer is, by the very nature of his industry, in almost every case gambling with venture capital in an extremely expensive program of exploration and drilling, in the hope of maintaining and increasing his potential gas reserves. For 40 years I have lived close to the natural gas producing industry. My State and my county are exporters of natural gas. Only in one city in Wyoming is natural gas imported from another State. This one instance, then, being an interstate operation by a transporter, is, at the present time, regulated by the Federal Power Commission. All other natural gas produced and sold to consumers intrastate in Wyoming is not regulated, and does not come within the provisions of this bill. Therefore, the passage of S. 1498 cannot in any way, either directly or indirectly, increase or decrease the price, quality, or quantity of natural gas going to consumers in my State.

Mr. President, only a small percentage of potential or prospective gas structures prove productive. Actually, 82 percent of all wildcat wells drilled are dry holes, which means that from less than one well in seven, gas is recovered. Even among discoveries, some fields cannot be profitably developed. Others are run-of-the-mill fields which yield only a moderate profit on the investment. So only a few discoveries prove to be quite profitable.

Unfortunately, the public attention is frequently drawn to the spectacular successful discoveries. However, those comparatively few cases are far outweighed by the numerous failures.

The ratio of producers to wells drilled in my State is relatively high; but even after the discovery of a new field, the producer still faces many additional risks, for in so-called productive areas 26 percent of wells drilled produce no gas. I have personal knowledge of an independent operator who, over a 10-year period, spent $18,000,000 in prospecting for gas, and got 114 "dusters."

Mr. President, in Wyoming, as in most other oil-producing and gas-producing States, the cost of drilling wells has been increasing rapidly, the average now approaching $75,000 per well. In my own county only last year the deepest well ever drilled in the world—21,000 feet down into the bowels of the earth, and costing roughly a million and a half dollars—produced not one cubic foot of natural gas or one gallon of oil.

I trust that the Senate will not think me provincial in discussing S. 1498 from the standpoint of its effect upon my own State, for the situation in my State is quite comparable to the situation in 24 other gas-producing States. Therefore, the conclusions I have drawn as to the effect of this bill upon the State of Wyoming likewise apply to the 24 other oil- and gas-producing States.

In 1948 in excess of 800 wildcat wells were drilled in Wyoming. Last year only 400 wildcat wells were drilled. In 1948 approximately $60,000,000 was expended by this industry in exploration activities alone in the actual drilling of wells. Last year, $30,000,000, or almost exactly one-half of the former amount, was expended. These expenditures have a terrific impact on the economy of Wyoming, with its small population. They have more impact, in fact, than does any other industry except the combined live-stock and agricultural industries. Every citizen of the State of Wyoming participates directly or indirectly in the great expenditures for exploration alone. I shall not attempt to outline the vastly greater returns to our State from routine production, operations, and sales of natural gas.

Mr. President, I wonder how many of those who oppose this proposed legislation would be willing to risk large amounts—in many cases more than a lifetime's accumulation of funds—in the drilling of a single well, when their chances of being successful are less than one discovery in seven wells drilled. Would they oppose this bill if their State were a producer and exporter of natural gas?

Heretofore, I have briefly referred to the close affiliation of natural gas and oil from the standpoint of production, transportation, and usage. Mr. President, some 25 or 26 other Members of this body have—as I have—learned first-hand, from their experience as the chief executives of their States, how Federal boards, bureaus, and commissions never pass up an opportunity—and, in fact, often make the opportunity—to expand their authority by taking unto themselves jurisdiction over functions of government which, under our Constitution—and rightfully so—are prerogatives

of State and local governments. So, Mr. President, there is no question in my mind, and I hope there is none in the minds of other former governors now Members of this body, that should S. 1498 be rejected, there would be only a brief breathing spell before various justifications, legal or otherwise, would be taken advantage of by the Federal Power Commission to regulate also the production and price of oil. Frankly, Mr. President, I do not see how the Commission can control and regulate one without at the same time regulating the other. It is simply impossible to regulate the production and the price of natural gas without going into the regulation of oil and gas leases, the spacing of wells, the drilling of offset wells, and controlling production. Such regulation could not be undertaken in the case of natural gas without at the same time automatically applying the same regulations to oil.

Mr. President, I think it a most amazing situation that throughout the past 12 years, as we have seen, everything that is regulated increases in price all the way from 1 to 200 percent, yet this commodity, natural gas, which the Federal Power Commission now wishes to control, has been the only single item in our entire economy which I can now think of which has shown a decrease of cost to the consumer, namely, of 1 percent for each of the past 12 years. Yet the Federal Power Commission wants to take it over, although only 5 cents of the consumer's dollar which is paid for natural gas goes to the producer.

I have always looked upon Federal or State control as necessary either where there is great scarcity or where monopoly exists, neither of which is true in the case of natural gas, of which there is an abundance. Eighty-three percent of total natural-gas production is by independent producers. It happened to come to my knowledge recently that only 10 wells a year for each of the past 10 years, 100 wells in all, had been drilled by controlled or pipe-line companies, while in the same 10 years 65,000 wells had been drilled by independents. Competition is keen. In fact, in many producing areas competition is such as to be detrimental to the industry. We have cut-throat competition in the production of natural gas; and so, again, rather than regulation and control, this is one industry which, if the Government actually wishes to help the consumer by allowing him to enjoy lower prices, it should keep its hands off.

The decrease in price of natural gas to the consumer of 1 percent for each of the past 12 years was I believe to some extent encouraged by the Federal Power Commission when it delivered itself of the following statement, in 1947:

> The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertion of jurisdiction by the Commission under the Natural Gas Act.

That statement absolutely guaranteed the producer of natural gas that he would not be regulated. It was with that assurance that this great development, these tremendous exploration activities, this drilling by independents of approximately 800 wildcat wells in my home State in 1948 and comparable explorations in other gas-producing States was undertaken with the expenditure of millions upon millions of dollars of venture capital.

Then, Mr. President, along came the interstate gas case, and subsequent statements by the Federal Power Commission to the effect that if Congress did not pass a bill which positively prohibited the Federal Power Commission from taking jurisdiction to regulate the independent producer of natural gas they, the Federal Power Commission, must consider such lack of action a mandate to the Commission to regulate.

The situation reminds me of the time Robert Fulton demonstrated his first steamboat, the *Clermont*. He had given public notice of it. After firing the engines and getting up steam, and before he had a chance to pull the throttle, the great crowd which had gathered on the bank of the river began shouting in unison, "She will not start, she will not start." Then after a moment of amazement, when they saw the steamboat start up the river, they began chanting, "She will not stop, she will not stop." Mr. President, I have my fears that the Federal Power Commission will not stop if this bill fails of enactment.

This threat of regulation created fear in the minds of natural-gas producers, and as a result, instead of a continuing and expanding search for natural gas, drilling activities in 1948 or 1949 started tapering off, and they are continuing to taper off. Yes, without question of a doubt, the threat of regulation has slowed down development. As development slows down—and continued development is necessary to meet the expanding demand—the number of gas reserves will start to decrease. It is now starting to decrease. Therefore, in the near future the known available reserves of this great natural resource will dry up rapidly, for it surely must follow that a decrease of known reserves will mean increased prices being placed on natural gas, and then, eventually, of course, increased costs to the consumer at the burner tip.

Had the independent gas producer heretofore been regulated and controlled, much less gas would have been produced, and the millions of people throughout America now utilizing natural gas would not have that privilege today; for no sane person is going to put tens of thousands of dollars into a hole in the ground with no possibility of receiving a monetary return commensurate to the gamble or risk involved.

Mr. President, does it not seem logical, does it not seem just plain common sense, since every other item utilized by the consumer has increased in price under regulation, and one commodity, natural gas, has continually decreased for each of the past 12 years without regulation, that in placing it under regulation it would increase in price exactly as have all other regulated services and commodities?

Mr. President, an unusual situation will develop within the Government of the United States, if this bill fails of enactment, and for the following reason:

The United States Government, through the Federal Power Commission, threatens to impose price-fixing regulations on independent gas producers in a way that gives no consideration to the going prices then being paid, and no value whatever to the comparative heating qualities of natural gas and other competitive fuels. The regulated price shall be based on a formula, the sole component of which is the original investment of each individual operator. Thus, the Commission would have, and does have insofar as the field prices presently being regulated by it, as many different prices for the same gas as there are operators in the particular field.

On the other hand, the United States Government, through the Department of the Interior, has jurisdiction over enormous areas of Federal lands, some of which produce gas. I may say that at the present time leases on nearly 21,000,000 acres of land exist; in my own State, 24,000 leases exist. In my own State nearly 410,000 acres are under lease at this time.

The Federal Government leases many acres for oil and gas development. To quote from a letter received from the Acting Director of the Geological Survey of the Department of the Interior, under date of November 22, 1949:

> In 1921 a study was made of the comparative heating values of natural gas and other fuels in Wyoming, with the result that in August 1921, the Department established a minimum price of 5 cents a thousand cubic feet for the purpose of computing royalties on natural gas from Federal leases in Wyoming.

I should like to say to the Senate, that only about a year and a half ago, in a new field at Worland, Wyo., the price was increased by the Department of the Interior from 5 cents to 7½ cents per thousand cubic feet.

> This minimum price of 5 cents was later adopted for all Federal leases, with the exception of the midcontinent and southern areas, where Federal lands and gas production constitute a small percentage in any one field and in the area as a whole.

Mr. President, just how inconsistent can we be? It appears that when the Government is on the receiving end of royalties obtained through production of natural gas on its own lands, it demands going field prices as a basis of valuation. It insists on a value which takes into consideration comparative heating values of natural gas and other competitive fuels. It even goes so far as to establish minimum prices. But, when John Q. Citizen produces gas, the Government demands that he sell it a cost plus six and a half percent; which eliminates from consideration all the factors upon which the Government insists when it sells gas. I am afraid that if this bill fails to pass, the Senate may need to pass another Unification act, in order to get the Department of the Interior and the Federal Power Commission together.

In all the years of my political life, Mr. President, I have associated myself with the Democratic Party, and through-

out those years I have been thoroughly in accord with all the social, regulatory, and control legislation which the party has sponsored and which is now the law of the land. That means that I accept sometimes the cynically applied terminology of a New Dealer. I think I am a pretty fair dealer, but I cannot go along with the ever-expanding Government control by bureaus, boards, and commissions of privately owned commodities and services. I still believe in the freedom and dignity of the individual, the preservation of free, independent, and competitive enterprise, and the constitutional authority of the sovereign States. I am quite willing, to be classified as a New Dealer, as being left of center, but I refuse to go along with actions of executive departments which I consider radical, and I have never been able to know exactly where we may find the dividing line as between, first, the extreme left, second, socialism, and third, the advocacy of another form of government against which we all rebel.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. HUNT. May I have 4 minutes more?

Mr. JOHNSON of Colorado. Mr. President, I yield five additional minutes to the Senator from Wyoming.

Mr. HUNT. Mr. President, I have cited the increase in costs of all services and, in some cases, of commodities which are regulated. I can think of only one commodity which has not tremendously increased in price in the past few years. That is nonregulated natural gas, independently produced. My point is, Mr. President—and I hope the Senators who are kind enough to sit and listen to me will analyze this statement carefully—would it not perhaps be a good idea to leave something still free in America, uncontrolled, unregimented, and unregulated—leave it free as a yardstick, so to speak, so that we may occasionally reexamine our economy, and, I hope, point with pride to natural gas which was left entirely to its own devices?

Attempting, Mr. President, properly to represent the people of my own State, as I hope I am doing, I am not unmindful of the thousands of my people, the pioneers who developed Wyoming, and who, down through the years, as opportunities presented, leased lands to those who had the venture capital and technical know-how to explore for oil and gas.

In the leasing of such lands these owners acquired royalty rights and today many thousands of the citizens of my State are receiving royalty checks. A few rather sizable, but in the main rather small, and many of our finer, older citizens are living entirely in their declining years upon such royalties.

I am also, Mr. President, mindful of the fact that from oil and gas leases and royalties the common-school-land-income fund of my State, only the interest from which can be expended, has reached the rather sizable sum of more than $25,000,000. And I am not unmindful that in the year 1949 more than $4,000,000 in royalties was paid to my State government for distribution to our university, highway department, our schools, and our counties. So, Mr. President, I shall support Senate bill 1498 to the end that no action of mine on the floor of the Senate may deprive the citizens of my State and the State of Wyoming of any portion of these financial benefits, rightfully theirs, be they in amounts large or small.

In conclusion, Mr. President, let me say it is the duty of the Congress to clarify the confusion which exists in the Federal Power Commission as to the extent of their authority. It is the purpose of the Congress to pass laws which are understandable and to revise them when they become confusing. We cannot default in our duty in this case and thereby "pass the buck" to the Federal Power Commission and the courts. Senate bill 1498 gives us the opportunity to accept our responsibility by definitely legalizing the method of administration of this phase of the Natural Gas Act which has existed since the passage of the act, apparently to the satisfaction of all concerned, and definitely in the public interest. No alternate proposal to remove the existing confusion has been presented, and any such bill would necessarily be a complete reversal of long-established and satisfactory procedure.

Mr. DOUGLAS. Mr. President, I yield 25 minutes to the distinguished Senator from Maine [Mr. BREWSTER].

The VICE PRESIDENT. Before the Senator from Maine speaks, the Chair wants to invite attention to some confusion which has risen in the interpretation of the unanimous-consent request for the division of time. At the time the request was made by the Senator from Arizona [Mr. MCFARLAND] it was modified and changed considerably at the suggestion of Members of the Senate, and I think the Chair made a suggestion or two. It was the Chair's understanding that 2 days were to be considered as a single period and the time divided between the 2 days. The question has been asked of the Chair as to whether each day separately was to be regarded as a separate unit and the time divided so that the time tomorrow will be equally divided, regardless of what happens today.

What was the understanding of the Senator from Illinois on that matter?

Mr. DOUGLAS. The latter interpretation as given by the Presiding Officer, that each day was to be divided equally.

The VICE PRESIDENT. Independently of each other?

Mr. DOUGLAS. Yes.

The VICE PRESIDENT. Is that satisfactory to the Senator?

Mr. DOUGLAS. Yes.

The VICE PRESIDENT. The Senator from Maine is recognized for 25 minutes.

Mr. BREWSTER. Mr. President, I appreciate the argument of the distinguished Senator from Wyoming [Mr. HUNT], the consistency which he has exhibited in connection with many of the problems with which we have been confronted, and the application of some fundamental American principles to the problems which face us as legislators.

I presume it is true that we all at times recognize certain deviations incident to the conditions, rather than theories, which confront us. The argument of the Senator from Wyoming has very much impressed me in the reassurance he has given as to the lack of serious injury thus far as a result of the existing law. I appreciate what he has said regarding the failure, as he conceives it, to continue the exploitation of natural-gas resources.

This is somewhat puzzling to those who have read the astounding total of the amount of natural gas which is already available in demonstrated reserves, in the utterly astronomical figures which have been given, of 176 trillion cubic feet already demonstrated as being available as a reserve and ready for service.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. BREWSTER. For a very brief question.

Mr. HUNT. Is the Senator aware of the fact that a very considerable portion of the so-called known reserves are put back into the earth for the purpose of producing more oil and not for what is commonly known as commercial purposes?

Mr. BREWSTER. I shall not presume to speak as an authority in this field, but in the very considerable enthusiasm with which I have been told of the vast resources available for the service of the country, I had not hitherto realized that any serious shortage was at all immediately in prospect. I am reinforced in that view by the billion dollars invested in reserves, in the expansion of natural-gas pipe lines to bring service to ever broader regions, by the billion dollars in applications which are now pending for the construction of further pipe lines, and particularly by the fact that for the first time in recorded history the natural-gas reserves of the Nation are now knocking at the door of New England. New England is a fuel-starved section of the country. The only fuel resource we have is the forests, which are utterly inadequate, under modern conditions, to supply us, and our electric-power resources which, in the State of Maine, we have been seeking to husband along the lines which it has been indicated are followed in connection with natural-gas reserves, but up to the present time that point of view has not been adopted.

Lest there should be any misunderstanding regarding the law of Maine prohibiting the exportation of hydroelectric power, I should like to have the record made clear that while I was Governor of Maine, some 20 years ago, the law of the State was amended by an act signed by me, permitting the exportation of a certain proportion of our hydroelectric power when, as, and if it could be developed, recognizing that when that time came the power would come within the control of the Federal Power Commission. So there is, as I conceive it, no inconsistency in this regard in the existing record of the State of Maine.

We have experienced very great difficulty with our coal and oil supplies in recent years. Coal has been the subject of repeated interruptions, and there is nothing on the horizon to indicate that interruptions will not recur frequently, with perhaps even greater intensity. The consumption of coal in my own area

of New England during the past year has been reduced by 25 percent, representing 5,000,000 tons of coal, because of the necessary conversion of fuel facilities to other products. Meanwhile, in the fuel-oil field we have seen fuel oil in my own State, as well as in my own home, go from 7 cents to 13 cents a gallon, which is a rather menacing indication of what may lie ahead, in spite of the fact that oil reserves are apparently of such vast extent that we are now engaged in a rather mortal struggle with England as to whether or not they will take our oil, even though we are ready to pay for their taking it. It indicates that the law of supply and demand does not always seem to operate in these situations.

Now we come to natural gas, which for the first time is offered to us in New England. A pipe line has been constructed to our very borders. Curiously enough, competitive groups are seeking the right to exploit the distribution of natural gas in New England. I am happy to say that all this does not bear out to any substantial extent the contention of our friends on the other side, who are contending that the development of our natural-gas resources has been stifled by existing law. The record of the vast expansion in the past 10 years, the contemplated expansion, and the consumption of gas, argue persuasively that a most amazing and gratifying expansion and development have taken place under existing law.

Even those who argue most persuasively for a change in the law agree that thus far they have not been harmed. They point with pride to the fact that the price of natural gas has remained more or less stationary, in spite of the increases in prices of other commodities in recent years. That fact, it seems to me, proves as much on this side of the case as it does on the other side. Certainly their ox has not been gored by any existing law. I am quite willing that our Democratic friends should take full responsibility for the enactment of the proposed legislation, because it would afford a splendid opportunity for discussion with the people of the country of the question whether the Democrats are primarily concerned with the welfare of the great mass of our people, who are dependent upon the resources of the Nation, or are concerned, perhaps, with those who would be particularly blessed by the enactment of the pending legislation.

If this bill should be enacted—which God forbid—it would be interesting to see exactly what would happen. Based on my 25 years of observation of human events, the anxiety, zeal, and earnestness with which those who are primarily concerned with the exploitation of natural resources seek the enactment of this bill, as well as telephone calls, and other communications, argue more and more insistently with me that there must be some very vital interest which is involved. I cannot conceive that such zeal is manifested solely in the interest of giving natural gas to the people of New England at cheap prices. Certainly, there is nothing in the record to indicate that that is their primary objective.

When all is going so well, when we see gas resources being developed and exploited, and when we hear of these vast resources, for which markets are being sought, thousands of miles away, in order to meet this great fuel opportunity, and thus serve the needs of our people, certainly it would seem to argue very persuasively that it was a good time to let well enough alone. I believe the people who may in the future be served, as well as the people who are now being served in the various States, would look very much askance at any development which would be calculated to increase the price which they would have to pay.

Under existing decisions, the Federal Power Commission, even according to those who are most critical, has taken no action to which they could seriously except. It is a good club to have in the closet in the eventuality that in the future the present or prospective owners of these vast reserves should consider that they should charge all the traffic will bear. In that event those public servants who have failed to recognize their primary responsibilities to the people whom they should serve will have a very serious accounting to make.

We have the parable of the five wise and the five foolish virgins, the five wise, who got their oil, saw to it that they were prepared for the wedding feast, but the five foolish ones thought all would be well, but when they came to knock on the door, the Lord said unto them that they should remain without.

It seems to me that the proponents of the bill would not desire to permit a situation to arise in which those who would be the natural customers of these great reserves of natural gas might be at the mercy of the producers of the gas, not of their Government, whose primary concern presumably is equity. Certainly our friends on the other side of the aisle will not contend that the administration will not fairly and equitably administer the law and its responsibility. However much doubt we might have on this side of the aisle, certainly on the other side of the aisle a vote to repeal the existing law is a vote of lack of confidence in the very administration with which those on the other side are supposed to cooperate in the conduct of the great responsibilities of government in this land. Certainly those of us on this side prefer to leave the responsibility of determining whether or not there shall be fair and equitable treatment for those who may be served by the natural resources involved in the hands of the governmental agency, rather than to the tender mercies of those who control these resources, who may or may not not decide, as time goes on, that they are entitled to charge all that competition with the other fuel resources will make possible.

The very glowing terms in which they speak of the utility of this resource and its economy has a most sinister sound to those of us dependent upon a variety of fuels, and dependent, as time goes on, upon the possible alternative use of this fuel if it shall penetrate even to the northeastern corner of the country, where we are looking forward expectantly and with profound gratification to the time when it may come and serve our people.

Mr. President, this is why I think the people of New England and the representatives of New England are almost a unit in hoping that the pending bill will not be enacted into law. The people of the southwest who possess this great resource, who are privileged to use it at their very door, are highly blessed, and we trust that they will be willing, in the interest of conservation and in the interest of the continued exploitation of this resource, to permit the market gradually to broaden.

The very zeal with which they contend that the 5-cent contracts they now have in effect, which are to run for the next 20 years, are the best guaranty against any increase in price, is also the best argument that we leave the law as it is. If there is no prospect of an increase, then there is no need of the legislation. If we are to see a service by these 20-year contracts of which they speak so glowingly, which are going to continue to serve the pipe lines, what possibility of damage is there in permitting the present law to remain on the books?

On the other hand, if, as the field broadens and they serve more and more customers, they should come to consider that they should raise their prices, what possible protection is there for the people at the other end of the pipe line who are obliged to pay both the cost of the transmission to the remote area, and also whatever price may be fixed by those who control this field?

Mr. President, I have visited some of these areas. I have seen their vast extent. I have heard the glowing terms in which those who in some measure control these resources tell of the incalculable riches which are hidden within the soil. I would only wish that they might be content to permit nature to take its course, and to broaden their fields for the distribution of natural gas without taking away the one protection which the people of the North and East have against the possible exploitation of these resources at their expense.

These are the reasons why many of us, at least on this side of the aisle, hope very earnestly that those in the majority party on the other side of the aisle, mindful both of the glittering promises of their platform as to their concern for the welfare of the common people, mindful of the glowing speeches which have been made by the keynote speakers at the great conventions as to their dedication to the interests of the people rather than the special interests of any group, will take very serious thought before they identify themselves with a measure of legislation which, whatever may be said for it, it cannot be said that it is primarily designed to serve the interests of the great mass of our people, but rather those who have an interest in a particular resource held, in many instances, by vast combinations of capital, that have been more profited by the experiences of recent years than any other segment of our economy. Certainly when one reads the annual reports of the great oil companies that are associated with this resource, one cannot think that they need further amplifica-

tion of their revenues in order to profit as they desire.

One would wish that they would give a little careful thought to whether it may be politically advisable or expedient to place their great party, now in the majority in Congress, on record as in favor of removing the one protection which the people of the North and the East have against the possible raising of the prices of this indispensable fuel to such heights that there will be a very serious revolt.

I hope that all my comrades and colleagues on both sides of the aisle will give the matter very serious thought, and will consider whether or not, as they move forward into a campaign—without challenging in any way the sincerity of their interest in the welfare of the people of the country—they will desire to go forth and defend action of this character on the hustings to which we must all repair in coming months. That is why it is my very earnest hope that on both sides of the aisle there will be the vote that will prevent the passage of this proposed legislation, in the interests of our people, in the interests of our country, and, in my judgment, in the interests of both political parties which are inevitably concerned.

Mr. DOUGLAS. Mr. President, I yield 25 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I wish to address myself briefly to the pending measure, Senate bill 1498, the so-called Kerr-Thomas bill, introduced by the two distinguished Senators from the State of Oklahoma, which would amend the Natural Gas Act of 1938 so as to place beyond the regulatory jurisdiction of the Federal Power Commission the field prices charged by the nontransporting producers for natural gas entering interstate pipe lines. I do not pretend to be an expert on the natural gas industry, nor do I have any special knowledge of the economic or legal problems involved, which have been so ably discussed on the floor of the Senate in recent days. However, after listening to and reading the debates, and after studying the hearings and report submitted by the Committee on Interstate and Foreign Commerce, I have concluded that it is not in the public interest to exempt the so-called independent natural-gas producers from fair and reasonable regulation by the Federal Power Commission subject to court review. In my judgment, the Congress would be doing a great disservice to millions of consumers of natural gas if by our votes tomorrow we approve this measure. Therefore, I urge Senators to reject the Kerr-Thomas bill, and thereby protect consumers against the very real possibility of substantial increases in their gas bills—increases wholly unwarranted by the facts.

Mr. President, the issue which we are debating is of great importance because, contrary to the contentions of the proponents, there is much more to it than just a simple clarifying amendment to the Natural Gas Act. The real issue is whether regulations of the natural gas industry is to be effective or ineffective. The plain purpose of the Natural Gas Act was to protect the consumers of natural gas against exploitation. Section 1 (a) of the act declares that purpose in these words:

> Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

The enactment of S. 1498 would, in my judgment, water down that declaration of purpose and render ineffective the protection now afforded the consumer by the Natural Gas Act.

Let me say at the outset so that there may be no misunderstanding of my position on the matter, that, while I firmly believe gas consumers are entitled to protection by the Government against exploitation, I am equally of the view that the producers, transporters and distributors of natural gas are entitled, under regulation, to a reasonable profit on the capital honestly invested in bringing natural gas from the wells to our homes and factories.

The objective of the bill is to free from regulation by the Federal Power Commission all arm's length sales of natural gas in interstate commerce by so-called independent producers and gatherers to interstate pipe line companies. In 1947 nearly 58 percent of all gas entering interstate pipe lines came from this source. It is estimated that by 1952 more than 70 percent of the Nation's gas supply will be secured from independent producers. As these producers control 86 percent of the country's gas reserves, it is evident that the major portion of the gas entering interstate pipe lines is involved in this proposed amendment to the act.

I oppose this amendment, Mr. President, because I am convinced that if the chain of regulation is broken at the point of initial sale by the producer to the interstate pipe-line company, the way will be open for the exploitation of the consumers of natural gas. If an unreasonably high price is charged by the producer, that high price must inevitably be passed on to the ultimate consumer regardless of what power the Federal Power Commission may have over the pipe-line company or what authority the State regulatory commission may possess concerning the local gas distributing company. Whatever the unreasonable price, it becomes a bona-fide cost of operation to the pipe-line company and the distributing company, which must be absorbed by the ultimate consumer. As the United States Supreme Court said in the Interstate case:

> Unreasonable charges exacted at this stage of the interstate movement—

And, I interpolate, by this the Court meant the sale by a producer and gatherer to the pipe-line company—

> become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

It is obvious that the price of natural gas at the point where it enters the pipe line must be controlled if regulation is to be more than an empty gesture.

It is urged that the consumer is amply protected against unreasonable field prices because of the intense competition between producers and the vast purchasing power of the interstate pipeline companies, but the testimony on S. 1498 on this point is very revealing. One witness who appeared in support of the legislation was Gen. Ernest O. Thompson, a member of the Texas Railroad Commission. He was questioned about competition in producing fields by the Senator from Arizona [Mr. MCFARLAND], and his testimony is so startling that I should like to quote briefly therefrom. At page 67 of the record the Senator from Arizona asked:

> How about the competition in the sale of gas; does that pretty well regulate the price there, or what would you say about that?
>
> Mr. THOMPSON. It has brought it from about 1 to 2 cents up to an average of around 6 cents now. Competition has done that in buying. The average price in the State is around 6 cents a thousand, and at the moment constantly going up, and will until——
>
> Senator MCFARLAND. Well, competition has not kept the price down then; that is what I want to find out.
>
> Mr. THOMPSON. No, it has brought it up.
>
> Senator MCFARLAND. Brought it up?
>
> Mr. THOMPSON. Yes, sir.
>
> Senator MCFARLAND. Competition in the buying market?
>
> Mr. THOMPSON. That is right, sir; people wanting to buy the gas for future use. I think the price of gas will constantly go up until it approaches competitive prices. Six thousand cubic feet of gas has the same B. t. u. content as a barrel of oil, the same energy, heat energy, so that it would give you a relative value.
>
> Senator MCFARLAND. I see.
>
> Mr. THOMPSON. Oil sells for $2.65 a barrel.

I might add right here that on General Thompson's theory, an adequate field price would be in the neighborhood of 44 cents a thousand cubic feet, or nearly 10 times the average price paid in 1947 by pipe-line companies in the Southwest, of 4.68 cents.

Proponents of the legislation frankly admitted on the record that they are interested in higher field prices. And higher field prices will surely materialize if this special interest legislation becomes a law. The fact remains that the household or industrial consumer will pay for every increase in the field price of gas whether justified or not, unless we retain Federal control over the initial sales which the bill seeks to exempt from regulation. In the face of this situation, I can see no sound reason why Congress should revoke the authority which the Federal Power Commission now possesses to inquire into prices charged by independent producers for natural gas sold in interstate commerce, and to fix these prices at reasonable levels, where that is found necessary.

As I read the hearings on S. 1498, I could not help but be impressed with the substance of the statements made by most of the witnesses for the gas industry. It was their view that they should have the privilege to charge "what the traffic would bear" for their gas, and that present field prices were too low.

How much of an increase the traffic can bear is of course a matter of speculation, but I believe the record contains figures which afford a reasonable basis for gaging the impact of this proposed legislation upon gas rates to consumers. If natural gas had been priced on a parity with fuel oil—which is what industry

witnesses have said they would like to see happen—the gas consumers of the United States would have paid in 1947 an additional $506,000,000 for natural gas. Hearings, table 17, page 20. I doubt whether the traffic would have borne all of this increase, but if we assume that the traffic would bear only a half-way closing of the gap between gas and oil prices the additional cost to the consumers would have been an additional $250,000,000.

I would not expect such a large increase in the cost of gas to take place overnight or even in a year or two, if this legislation were enacted, but it is an indisputable fact that the rising price of gas in the field, unless checked by regulation, will over the years result in the consumer paying considerably more for gas than he is paying today. I am not contending that all increases are unjustified. There may well occur increases in the cost of production of gas which must be allowed, but I repeat that we need a Federal agency to ascertain the facts and to act when the assertion by producers of their monopolistic control of their natural gas reserves results in unreasonable costs of gas to the ultimate consumer.

The record does not show, Mr. President, that natural-gas companies are encountering financial difficulties or are failing at this time to make a handsome profit. The report of the Federal Power Commission on the pending bill contains some revealing figures in this regard. The report, appearing at page 6 of the hearings, says that—

> Financial indexes reveal beyond the shadow of a doubt that the natural-gas industry has prospered under the Natural Gas Act. Thus, from 1939 to 1947, the net investment required for each dollar of revenue of natural-gas companies reporting to the Commission decreased from $3.10 to $2.40, establishing a position somewhat more favorable than that of electric utilities. Moody's Investors Service shows that from 1941 to 1949 the index of prices of natural-gas pipe-line stocks increased 160 percent compared with an increase of only 50 percent during the same period in the Dow-Jones index of industrial stocks. It is significant in this connection that Moody's Service recommended stocks of five pipe-line companies as sound investments for income, although at the time their market values were from 40 to 150 percent in excess of the underlying investment.

Moreover, the report continues:

> The trend of cost of debt capital for natural-gas companies has been more favorable than that of electric utilities, representing a significant change in relative position favorable to such pipe lines since the beginnng of regulation under the Natural Gas Act. From 1939 to 1947 the average interest rate paid by electric utilities fell from 4.1 to 3.1 percent, while that paid by natural-gas companies reporting to the Commission fell from 4.7 to 2.9 percent. During this period the number of times aggregate interest charges of natural-gas companies were earned increased from 3.8 to 6.9. Probably in no other industry in this country can completely new ventures be financed so easily and at such low capital costs.

Finally, the report makes this interesting observation:

> In the light of this brief review, the question naturally arises as to what phase of the public interest has been adversely affected by approximately 10 years of regulation under the Natural Gas Act as presently on the statute books or what phase of the public interest will be enhanced if regulatory controls are relaxed. The period of regulation has seen a remarkable expansion in the market for natural gas, enabling royalty owners and producers for the first time to dispose of their product at prices not dictated as theretofore was the case by dominant pipe-line interests who had the only outlets to markets. Discovery has increased the country's reserves of natural gas more than one and a half times over. Full recovery of valuable liquid hydrocarbons in natural gas is the order of the day and a good beginning has been made in the recovery of gas formerly flared.
>
> Producers have received generous profits and pipe-line companies are in the best financial position in their history to attract capital. Utilities distributing natural gas have enjoyed their share of the expanding business and consumers have saved millions of dollars annually. An impartial observer, it is suggested, could only conclude that the wisdom of Congress in enacting the Natural Gas Act in 1938 had been amply demonstrated.

Mr. President, I have previously referred to the fact that a relatively few large corporations dominate the production of natural gas. Although there are approximately 2,300 natural-gas producers selling to interstate pipe-line companies in the entire United States, more than 70 percent of the total sales are made by less than 75 producers, or about 3 percent of the total number of producers.

Moreover, nearly 90 percent of the gas reserves in the country are in the seven southwestern States—Arkansas, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas. Although there are about 600 nontransporting producers in this seven-State region, the estimate is that in 1952, 12 of them—a mere 2 percent—will sell over half the gas going into interstate pipe lines, and 35 of them will account for nearly 72 percent of the sales in that area.

Therefore I say this is no time to destroy the authority of the Federal Power Commission to regulate the initial sales by the large producers of natural gas who also produce and market most of this country's fuel oil and gasoline—companies such as Standard Oil Co. of New Jersey, Sinclair Oil Corp., Gulf Oil Corp., Standard Oil Co. of Indiana, Socony-Vacuum Oil Co., Sun Oil Co., and Phillips Petroleum Co.

I do not see how we can consistently vote for this bill, and thus turn over to a few large corporations the almost unrestrained power to increase prices of natural gas to the 40,000,000 consumers of this country. Surely we must consider the welfare of the consumers to be equally as important as the welfare of the oil and gas industry. The industry has enjoyed an enviable profit position. It can afford to hire all the lawyers and experts necessary to fight its battles before the Commission and the Courts for higher prices, should the Federal Power Commission act unreasonably. However, the consumers will be completely helpless if we pass this bill.

The proponents of this measure have spent a great deal of time in an effort to persuade us that enactment of the bill is necessary to restore and preserve the original intent of the Congress when it enacted the Natural Gas Act and to prevent the Federal Power Commission from asserting power which, it is claimed, does not exist in the statute. It seems plain to me, Mr. President, that the statute in clear terms extends the Federal regulatory power to the field prices charged by so-called independent producers to interstate pipe lines, and that the Commission is in no way attempting to exercise a power it does not possess.

The committee report says that this bill is necessary—

> because a threat has now been raised that the Federal Power Commission may * * * interpret the law * * * in such a manner that the Commission could assume certain jurisdictional authority over independent producers and gatherers of natural gas.

The committee report states that the Congress "authorized no such jurisdiction," and, further, that the assertion or assumption of such jurisdiction—

> would be directly contrary to the constitutional division of powers in the Federal Government and would be usurpation of legislative authority by an administrative agency.

It seems to me, Mr. President, that if that statement is correct, the obvious answer is that the Federal courts are at hand to protect independent producers from any unauthorized assertion of jurisdiction by the Commission, and that the Congress—having set out the limits of that jurisdiction in the law it passed in 1938—should not now be legislating to obviate a possibility which may come to pass. I wonder whether the truth is that the proponents of the bill are afraid to let such a question about the meaning of the act go to the courts, because the intent of Congress in the 1938 act is crystal clear, being stated in very simple language. By way of their argument by subterfuge, they are seeking to keep the courts from rendering what I think would obviously be a decision in favor of 40,000,000 consumers in the United States. I have no intention of being ambushed or waylaid by such a specious argument as the one the proponents of this bill are advancing in regard to the intent of the Congress in 1938. I am willing to let the courts pass judgment upon the legal meaning of that act. It is the function of the courts to review administrative action and to keep regulatory agencies within the jurisdictional limits of the statutory grant of power. It would indeed be absurd for the Congress to pass a law every time it was claimed by some nervous litigant that one of the numerous regulatory agencies of the Federal Government was asserting a power not granted by statute.

No, Mr. President, there is no basis for justifying this measure on the ground that it will prevent the "usurpation of legislative authority by an administrative agency." What is really involved is an attempt to whittle down existing statutory authority.

I have read section 1 (b) of the Natural Gas Act, which establishes the limits of the Commission's power; and I am in full agreement with the statement of Judge Hutcheson, of the fifth circuit, in the Interstate Natural Gas case, that this provision "is very simply and plainly written." Section 1 (b) states that the act applies first, to "transportation of natural gas in interstate commerce";

second, to "the sale in interstate commerce of natural gas for resale for ultimate public consumption"; and third, to "natural-gas companies engaged in such transportation or sale." The term "natural-gas company" is defined in section 2 (6) to mean any person engaged in either the interstate transportation of natural gas or in the sale in interstate commerce of natural gas for resale.

Section 1 (b) states that the Commission's authority shall not extend (a) to transportation or sales that are not of an interstate commerce character, (b) to local distribution or the facilities used for such distribution, or (c) to "production or gathering of natural gas."

In the Interstate case the contention was made that the charges made by the Interstate Natural Gas Co., for gas sold in northern Louisiana, to pipe-line companies which transported the gas to markets in other States, were not subject to Commission regulation. That contention was based on the ground that those rates were part of production and gathering, and, hence, came within the exemption of section 1 (b).

The Fifth Circuit Court of Appeals had no difficulty in holding that the sales were in interstate commerce and that the gas was sold for resale for ultimate public consumption. Judge Hutcheson also noted that the company had successfully contended in the Federal district court, in another proceeding, that its sales to interstate pipe lines were not subject to regulation by the Louisiana Public Service Commission. Judge Hutcheson observed that, while not estopping the company from making a contrary contention in the proceeding involving the regulatory power of the Federal Power Commission, nevertheless "the position it took and the decision it obtained" in the case involving the authority of the State commission "give force and color to the avowed purpose of the Natural Gas Act."

The Supreme Court, in a unanimous opinion written by Chief Justice Vinson, affirmed the decision of the Fifth Circuit. As to the assertion that the sales in question were within the "production or gathering" exemption of the statute, the Court, after observing that the exceptions in section 1 (b) "are to be strictly construed," said:

> The gas moved by petitioner to the points of sale consisted of gas produced from petitioner's wells commingled with that produced and gathered by other companies and introduced into petitioner's pipe line system during the course of the movement. By the time the sales are consummated, nothing further in the gathering process remains to be done. We have held that these sales are in interstate commerce. It cannot be doubted that their regulation is predominantly a matter of national, as contrasted to local concern. All the gas sold in these transactions is destined for consumption in States other than Louisiana. Unreasonable charges exacted at this stage of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of the gas including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed.

Much is made of the claim that the language in the Interstate case is dicta, and that carefully analyzed it does not clearly hold that sales by bona fide independent producers are subject to regulation. That may be so, but I suggest that the way is open to test that contention in a subsequent case, before the United States Supreme Court. I say, Mr. President, that is exactly what the proponents of this measure do not want to have come to pass.

From the fact that the Federal Power Commission, in the 12 years since the Natural Gas Act was passed, has not exercised the power to regulate the rates so-called independent producers charge interstate pipe line companies, the conclusion is sought to be drawn that the power to so regulate does not exist. Courts have many times held that administrative inaction cannot contract the reach of a statute. Thus, in the case of *U. S.* v. *American Union Transport* (327 U. S. 437 (1946)), the Supreme Court said that an administrative agency "is not ordinarily under an obligation immediately to test the limits of its jurisdiction. It may await an appropriate opportunity or clear need for doing so." Furthermore, said the Court, the agency "may also be mistaken as to the scope of its authority"—an observation which, I think, is applicable to at least some of the pronouncements by some of the members of the Federal Power Commission.

Let us emphatically reject this measure and thus make it crystal-clear to the Commission, the industry, and the millions of actual and potential consumers of natural gas, that the Federal Government does have the authority, in existing law, to police the field prices of natural gas sold by nontransporting producers to interstate pipe lines—a power which the State regulatory agencies do not possess.

The VICE PRESIDENT. The time of the Senator from Oregon has expired.

Mr. DOUGLAS. I ask that the Senator from Oregon be given two additional minutes.

The VICE PRESIDENT. The Senator from Illinois yields two more minutes to the Senator from Oregon.

Mr. MORSE. Defeat of this amendment will give much needed assurance to millions of American consumers that the Senate of the United States is one of the great checks, under our constitutional form of government, against forces of greed which would place their selfish interests above the welfare of the people as a whole. The defeat of this amendment is very much needed in America today as a convincing assurance to the American people that apostles of greed can be subjected to fair regulation and control by the United States Government. The defeat of this amendment will give clear assurance to the American people that those forces in our country who are selfish addicts of the economic philosophy of more and more for the few and less and less for the many cannot control the legislative halls of a free people.

Mr. DOUGLAS. Mr. President, I yield 30 minutes to the distinguished senior Senator from Montana [Mr. MURRAY].

The VICE PRESIDENT. The Senator from Montana is recognized for 30 minutes.

Mr. MURRAY. Mr. President, I have been greatly impressed by the eloquent remarks of my Republican colleagues who have just preceded me. I agree with them that the pending issue is one of great public importance. I agree with them that it is probably one of the most important issues that will come before the country. I know that in my State of Montana we are greatly interested in the problem. We are both producers and consumers of gas. I live in a city where practically every person uses gas. We find that it is a wonderful fuel, and it would be a great misfortune if we should wake up to find that we have been deprived of the right to have controlled the utilities which furnish gas.

Mr. President, in discussing this measure I wish to express the hope that my remarks may not be construed as questioning the sincerity of Senators who are supporting this legislation on the theory that it is designed simply to protect our free-enterprise system. No doubt some individual, independent oil and gas producers seriously believe that this bill is designed for no other purpose than to protect their rights under our American system of free enterprise. They have presented their case with great force and eloquence, and I regret that I am unable to agree with their conclusions.

It appears to me that the pending bill and the testimony produced in its support have been thoroughly analyzed during this debate; and to my mind it has been demonstrated that its certain effect will be to remove the salutary regulations which Congress has provided for the protection of our citizens who may become customers of a gas utility.

On October 11 of last year, when I addressed the Senate on the confirmation of Leland Olds, I gave a fair warning then of what was in store for us if this measure should be enacted. I said at that time that the issue before the Senate was not Olds, but oil. Here we are being asked to pass legislation which is sponsored and backed by the oil and gas industry of the Nation. The obvious purpose of the measure is to put an end to the power of the Government to regulate the price of natural gas as it enters the pipe lines on its interstate journey to the consumers. Last October 11, I said to the Senate:

> Natural gas is a very fine fuel. At the relatively low prices for which it can be profitably, and indeed very profitably, sold by the oil companies, it competes favorably with coal and fuel oil. Therefore it is in great demand. Pipe-line companies are hard pressed to meet the requirements of their customers. The oil companies which own the gas in the ground enjoy a luxurious sellers' market. Under these circumstances it should be plain to everyone that only Government control of the price at which the gas can be sold to the pipe lines will hold the price down to within some reasonable relationship to cost and a fair profit.

I trust that I may have the patience of Senators if I quote further from my remarks at that time. I find that what I said then was, if I may say so, a timely preview of the issue which the Senate is now called upon to resolve. In the course of my remarks on October 11, I said:

> How far the price of natural gas would rise if action of the Senate were to support

the view that these sales should not be regulated by the Federal Power Commission is, of course, a matter of some conjecture. Yet we find a very satisfactory clue on that point in the claims which the oil and gas companies have made many times in public hearings and which they continue to make. They say that their gas should sell at its intrinsic value and what they mean by intrinsic value is a price for gas which places it, on a B. t. u. or heating-unit basis, on the same high levels as coal or oil. When they say they want to be free to sell their gas at its intrinsic value, what they really mean is that they want to charge for it all that the traffic will bear. Pages of testimony by qualified spokesmen for the industry make this plain.

Mr. President, I find in the Washington Post of March 16, a communication from Emby Kaye, of Tulsa, Okla., which, in a remarkably frank and open manner, confirms the purposes which I have attributed to the oil industry in supporting this bill. Mr. Kaye writes in support of S. 1498. He wants it enacted into law. And he tells us why.

Mr. Kaye says, and being from Tulsa he ought to know, that the price of gas has substantially increased. I quote him:

> The price has, under the present law, increased from 3 and 4 cents per thousand cubic feet to 6 cents in many fields and, in some instances, to as much as 10 cents a thousand cubic feet, with step-up provisions beyond these prices for future years.

Then Mr. Kaye says:

> What the Kerr bill seeks is to confirm the present practice: the right of a producer to sell gas, at arm's length, at the best price the seller can obtain and the buyer is willing to pay.

That is it precisely; the best price the seller can obtain and that the buyer is willing to pay. That is indeed the purpose of this bill.

But there is one flaw in Mr. Kaye's choice of words. He talks about what the buyer is willing to pay. Where does the buyer's willingness come in when we are talking about a commodity which is handled as a monopoly through a public utility? Can the householder who has spent his good money to convert his furnace to natural gas pick or choose from whom he will buy the gas to heat his home? Can he bargain with the gas company over the price? Can he decide that if the price is too high he will just do without gas for a while? Can he refuse to pay his bill and tell the gas company to cut off the gas? Of course he cannot. Gas service is a public utility, a legalized monopoly. He is dependent upon one single source of supply and he is compelled to pay the price that is charged for it.

So what Mr. Kaye should have said is that the purpose of this bill is to confirm the right of the producer to sell gas at the best price the seller can obtain and the buyer is compelled to pay. When consumers have equipped their homes to burn gas, when industries have converted to gas fuel, when cities have connected their distribution lines to a natural-gas pipe line, when the pipe line has run its lines to the field of a producer who owns the gas in the ground, they are not free to pick or choose from numerous competing suppliers. They are committed to the use of gas, and to a particular source of supply for that gas. They must pay when they are told to pay.

That, quite obviously, Mr. President, is why the natural-gas business is subjected to Federal, State, and municipal regulation. That is why the Natural Gas Act was enacted 12 years ago. I do not know, and I have not heard here, any reason why now we should decide that the natural-gas business is no longer a utility. Nor have I heard any justification for destroying regulation of the price of gas under the Natural Gas Act.

When Mr. Emby Kaye tells us that the purpose of the pending bill is to free the producer's price from regulation, he is actually proposing to undermine and destroy the whole structure of regulation by which the public can be protected from arbitrary and excessive prices.

Last October, Mr. President, I said that the stakes involved are of staggering proportions. I estimated that oil and gas companies might add $10,000,000,000 to the value of their gas reserves if Government regulation of the price of gas is destroyed. I have heard other estimates some of them lower, some of them higher, than the one I gave to the Senate. But there is no doubt whatever that the cost of the pending measure, Senate bill 1498, to the public will run up to many, many millions of dollars a year and that its ultimate cost will run to many billions of dollars.

We in Montana have had experience with increased gas prices. We know from that experience what we may expect if the Senate votes to wreck the regulation of prices paid for gas in the field. The Montana-Dakota Utilities Co. has been supplied with gas from wells in the Baker-Bowdoin field in Montana. For that gas it is paying 5½ cents per thousand cubic feet. Now it has said that it must go across State lines into Wyoming to get additional supplies of gas. It has made a 20-year contract with the Pure Oil Co. Under that contract it pays an initial price of 7 cents a thousand, and the price is stepped up by 1 cent every 5 years, so that after the fifteenth year it will be paying 10 cents a thousand for the gas in the field. But, in addition, the Montana-Dakota Utilities Co. must lease and operate the pipe line of the Montana-Wyoming Pipe Line Co. which is being built to bring the gas to Montana. The cost of transporting the gas will average approximately 9 cents a thousand feet.

So here is the increase in the field price of gas with which our utility company is faced. It is now buying gas from the Baker-Bowdoin field in Montana at 5½ cents a thousand. The new gas from Wyoming will cost it, delivered in Montana, an average of 17½ cents over the 20-year period. This represents an increase of 220 percent over the existing cost of 5½ cents. It will continue, however, to get the 5½-cent gas, so that the average cost of gas from both sources will be about 11½ cents a thousand over the 20-year period. The net increase, therefore, over the present cost is 6 cents a thousand. That is an increase of 110 percent.

Already, Montana-Dakota Utilities Co. has applied for, and obtained, permission from the regulatory commissions of Montana and North Dakota to raise the price of gas to its customers. As may be expected, residential consumers will be burdened with a large part of the total increase. The average increase in rates is 10 cents a thousand feet. The increase assessed against residential consumers is 11½ cents and 11¾ cents a thousand feet.

According to estimates of the Montana Railroad Commission, the total cost of the increase to all customers of Montana-Dakota utilities will be $597,000 a year. Montana consumers of the line will pay $247,000 a year as their share of that total increase. This represents an increase of 21.6 percent over what consumers have been paying for the same quantity of gas. Further increases no doubt will be sought as the escalator clauses in the contract with Pure Oil Co. go into effect 5 years from now. We may also have thrust upon us the necessity of finding new sources of gas, as the demand increases, or we may have to renegotiate the contract with Pure Oil Co. to get more gas. If there is to be no Federal regulation of the price paid for gas moving in interstate commerce, I can well imagine the sizable increases which our utilities company will be forced to pay, and which, in turn, it will force the consumers of Montana to pay. I have heard the accounts of renegotiated contracts for the purchase of gas which other Senators have described to us during the debate on this bill, so I have a great concern over what may be in store for us. But already, as the Senators can see, we are burdened with an increase which, over the next 20 years, will cost present consumers of natural gas in Montana $4,940,000 on the quantity of gas they are now consuming.

Of course, Mr. President, I do not know, nor do I intend to imply, that the 7-cent price charged by the Pure Oil Co. is an unreasonable price, considering the costs of the operations and a fair profit. But if it is found by the Federal Power Commission after a fair hearing to be an unreasonable price, and if such determination by the Commission is confirmed by the courts, the burden of the rate increase upon the people of my State would be lightened. This would be an example of regulation under the Natural Gas Act in the public interest as that act presently stands.

It is urged upon us, Mr. President, that since Senate bill 1498 was first introduced it has been amended to meet the fear which I express. The language of section 2 directs the Federal Power Commission to be on the lookout for any undue effect upon the flow of gas into interstate commerce, or for any undue effect upon the price of gas. Should it find any such undue effects, the Commission is directed to report its findings to the President and to the Congress.

The Federal Power Commission already has authority to investigate, and I invite the attention of Senators to section 14 (a) of the Natural Gas Act. The Commission is acting under it. Right now it is investigating the price of gas

under contract by Phillips Petroleum Co. with the Michigan-Wisconsin Pipeline Co.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MURRAY. I should prefer to finish my statement.

The VICE PRESIDENT. The Senator from Montana declines to yield.

Mr. MURRAY. Mr. President, the Commission's order of February 9, 1950, sets forth the protests that have been made by the State of Wisconsin and by the city of Detroit against the high price of this gas, and the increases aggregating $5,000,000 a year that have occurred in the price paid for gas by this pipe line.

The only difference between what section 2 of this bill provides and what the Commission is already empowered to do is that now, when it finds an undue or unreasonable increase in the price of gas, it may reduce that price to a reasonable figure, but under the new bill all that it can do is to make a report to the President and to the Congress.

This is hardly a fair proposition. As the lawyers would say, there is no quid pro quo. By section 1 of the bill we would exempt independent producers from regulation, and by section 2 we would get reports, but no action, when the price goes up. In other words, Mr. President, this bill proposes that we give the producers something they do not have but very much want, and that we get back from them in exchange something that is already ours. We already have the Federal Power Commission keeping watch over prices for gas. But in addition to keeping watch over prices, we also have authority in the Federal Power Commission to regulate gas prices that are too high and hold them at a reasonable level. And that is precisely what it is undertaking to do in the Phillips Petroleum Co. case. So, Mr. President, what does the public get through section 2 in exchange for what it has given away in section 1? Obviously, this is a case of "Heads I win and tails you lose."

Let us suppose that I own two horses. A man comes to me with a proposition. He says, "I'll make a deal with you. If you will give me one of your two horses, I will agree with you that you can keep the other one." What kind of a horse-trade is that?

Mr. President, I believe that, as representatives of the public interest, we would be very poor bargainers indeed to trade off what this industry wants in exchange for something we already possess.

I have seen section 2 of the bill described as the watchdog amendment. Well, if that is what it is, it is a watchdog without teeth, a watchdog with nothing but a bark—a rather long-distance delayed-action bark, I might add. But I am not sure that I would subscribe to the interpretation that this amendment is only a watchdog. If we can find meaning in a statutory enactment, we should not so interpret it as to give it no meaning. I feel that we must accept section 1 and section 2 together as being intended to establish a regulatory policy with respect to natural gas. So interpreted, I can only conclude that what is intended by the bill is that we are to let the price of gas go up, and then, if we do not approve of the high price that results, we are to have the privilege of trying to bring it down again. To accomplish this we would have to pass a law giving the Federal Power Commission the same jurisdiction as that which this bill takes away.

If there is any other example of public-utility regulation proceeding upon the basis here proposed, I have not heard of it. Neither consumers nor producers would be satisfied with that kind of regulation if, as I am forced to assume, this is what the bill proposes. I cannot imagine how railroad rates, or electricity rates, or gas rates to consumers, could be regulated in that manner. Under such a law, when consumers have been unduly injured by a rise in rates, they would be compelled to organize and hire lawyers and experts to do something to bring them down again. These provisions in the pending bill, however, do not provide that it would then be in order to reimburse consumers for the sums which they have expended in lobbying and hiring lawyers, or for the excessive rates which in the meantime had been improperly extracted from them.

Consumers and industries who are now attached to natural-gas lines will find cold comfort, I am afraid, in the provisions of section 2 of the bill. However, I think that this section serves a useful purpose for the Senate, which must decide whether to accept or reject the bill. Section 2 alerts us to the dangers in section 1. It calls attention to the results that may be expected to follow from enactment of the bill. It points to the hazards to which the public will be exposed when producers are authorized to charge all they can get for their gas. At the same time, it recognizes the public interest in the price of gas. It acknowledges the responsibility of Congress to protect that public interest.

Surely, with this warning before us, we must come to the intelligent conclusion that the wiser course to follow is not to enact the bill in the first place. How can we, in good conscience, justify ourselves in exposing the public to this danger, when the bill before us makes it so clear that, if we approve it, we may soon be required to take further steps in order to remedy the damage we have perpetrated?

And when I say "may" be required to take such action, Mr. President, I do not want to be understood as having any doubt about it. How could I be in doubt? Are we not told by Mr. Emby Kaye, of Tulsa, that the purpose of the bill is to let producers charge all they can get? In my October speech on the subject I referred to hearings in which this purpose had been made equally plain by other spokesmen for the oil industry. And there is before us an abundance of examples to show how rapidly the price of natural gas has been rising during the past year or two.

It comes down to the simple proposition that, by approving section 1, we will allow the price of gas to go up, and by section 2, we will recognize the need of bringing it down again. This is the purpose and effect of the bill as I read it. And because this is its purpose and effect, I shall have to vote against it. I do not believe we should emasculate or demolish Federal regulation of this important public utility so that, at some later date when injury results, we may go through an uncertain legislative process in efforts to restore such regulation. The public is now protected by Federal, State, and municipal laws in the prices it pays for gas. Protecting the consuming public in such matters is the normal, constitutional, and desirable practice we have followed for years. It should not now be discontinued.

So, Mr. President, I urge the Senate not to take this step, which the bill and the testimony reveals is a plan or scheme under which the oil industry is seeking to enrich itself at the expense of the public by congressional action. Let us reaffirm unequivocally the right of the public to be safeguarded. Let us not employ the lawmaking power of the Congress of the United States to do an obvious injustice to the people of the United States.

Mr. JOHNSON of Colorado. Mr. President, I yield 30 minutes to the Senator from Pennsylvania.

Mr. MARTIN. Mr. President, in the discussion of Senate bill 1498 there has been developed a most comprehensive and illuminating exposition of the legal and technical aspects of the natural-gas industry and how the regulation to which it is subjected operates in the public interest.

Such regulations as are presently imposed have for their purpose the protection of the consumer against monopolistic practices or unwarranted price levels. At the same time they assure those who undertake the risks of the business a fair and reasonable return on their investment.

These are proper and desirable objectives at the Federal level when applied to interstate transportation of natural gas, and to the sale of natural gas at wholesale in interstate commerce. They are proper objectives at the State level when applied to the distribution of natural gas to the ultimate consumer. But to my mind regulation is neither proper nor desirable when applied, in the field, to the production or gathering of natural gas for sale at arm's length by independent producers or gatherers.

Mr. President, I favor the enactment of Senate bill 1498, and shall vote for its passage, because I am opposed to the extension of Federal control and regulation into areas of private enterprise where no justification for such extension exists.

Particularly am I opposed to proposed assumption of legislative authority by an administrative agency in face of the plain language of the Natural Gas Act of 1938, which, to my mind, clearly and specifically exempted from the jurisdiction of the Federal Power Commission the local distribution of natural gas, the facilities used for such distribution, and the production or gathering of natural gas.

We are here concerned with a fundamental principle. Essentially it is a question of the extent to which, under

the American system of government, we are justified in concentrating, at the Federal level, restrictive or regulatory powers that are a barrier to the progress of free, competitive private enterprise.

We have before us a question of whether such Federal controls are to be extended into an area in which Federal authority has never existed and has never been asserted. It is a question of bringing under partial socialism another part of our national economy which under private enterprise has served the needs of the people and has functioned with success.

I find support for the position I have taken in article 10 of the Bill of Rights, which, as we all know, states:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Therefore I say, Mr. President, if regulation of natural-gas production or gathering is a matter which should be placed under governmental regulation, it is the business of the State to do it, because under our fundamental law that is a power reserved to the States or to the people.

I find support also in what I have termed the clear and unmistakable language of section 1 (b) of the Natural Gas Act of 1938, which states conclusively that "this act shall not apply to the production or gathering of gas."

I find further support in the now famous and much discussed Order No. 139 issued by the Federal Power Commission on August 7, 1947, which has been referred to many times during the course of this debate.

In the language of the Commission, Order No. 139 was "designed to relieve any existing uncertainty regarding the Commission's position that it will not seek to assert jurisdiction over the sale of natural gas to interstate pipe lines, by independent producers or gatherers."

Because of its important bearing on the matter before us I should like to take the liberty of quoting briefly from Order No. 139, as follows:

> The Commission gives its assurance to independent producers and gatherers of natural gas that they can sell at arm's length and deliver such gas to interstate pipe lines and can enter into contracts for such sale without apprehension that in so doing they may become subject to assertions of jurisdiction by the Commission under the Natural Gas Act.

Order 139 further states:

> It is also our intention, in keeping with the position heretofore taken, to continue to recommend to the Congress that it take appropriate clarifying legislative action regarding this matter.

Senate bill 1498 gives us an opportunity to take such appropriate clarifying legislative action. Its enactment will serve to clear away the confusion and uncertainty which is disrupting a great industry that is so important to the economy of the Nation. It will safeguard the rightful authority of the States against further encroachment by the Federal Government.

It has been argued that the price of natural gas at the producing level should be subject to Federal regulation because it is destined for consumption after being transported in interstate commerce. But the most ardent advocates of Federal regulation do not suggest that the same line of reasoning be applied to the production of coal or oil which are in competition with natural gas and with each other.

I cannot accept the philosophy that the gas producer who assumes the extraordinary risks involved in the exploration and development of natural gas should be deprived of any of the rights and privileges of our free enterprise system that are available to the producer of coal or oil or any other product.

There is no regulation of the price of coal or oil. The price of gas is regulated both as to the rates charged by pipeline companies for transportation and the price paid by the consumer.

The over-all annual price paid for all the gas consumed in the United States is an important consideration in the discussion of this bill. The figures I have indicate that the consumers of the United States in all classes spend approximately $2,570,000,000 a year for gas. This cost is divided as follows:

The producer receives about $100,000,000; the cost of transportation is approximately $890,000,000, and the distributors receive approximately $1,580,000,000.

The cost of transporting gas is one of the expensive elements of that commodity. This is because in the large pipe lines running long distances, frequent booster stations are required.

These three factors are taken into consideration by the regulatory commissions at the State level in making the price to the consumer.

It can be seen that the price received by the producer at the well is only about one twenty-fifth of the total price, so that this does not have any great effect on the consumer's gas bill. I repeat that the price paid to the producer is only about one twenty-fifth of the cost to the consumer.

I should like to point out that my State of Pennsylvania is one of the greatest consumers of gas in the Union. Fifty-three and one-half percent of the gas consumed in Pennsylvania is used for industrial purposes; 36 percent for domestic uses; 7½ percent for commercial purposes, and nearly 3 percent is consumed as fuel in Pennsylvania's own gas fields.

Mr. President, I may add that many gas fields in the Appalachian system are now being used for storage purposes. They will be destroyed, from a productive standpoint, for all time to come. These storage fields are necessary in order to take care of peak loads in the winter, but some of the most productive fields of the world are being destroyed.

Almost one-third of all the natural gas consumed in Pennsylvania is produced within the borders of the State. But as I just stated, those fields are being rapidly used up as we pipe the gas from the newer fields of the United States in order that we may have peak time production. Of the balance, 28 percent is received from West Virginia, 24 percent from Texas; 8 percent from Kentucky; 6 percent from Louisiana and a small quantity from New York State.

There are many thousands of individuals engaged in the production of oil and gas throughout the United States. Included are a great many small operators. If the production of these small independent operators were placed under Federal control, they would be confronted with additional expenses so burdensome as to discourage further production activities by the small man.

I should like to point out to my fellow Senators at this point that the great discoveries of natural gas are made by a combination of small operators. This development has come about by the drilling of what is termed wildcat wells. Those who drill them take long chances in order to secure a field which will produce gas in paying quantities. It is necessary for them to drill many dry holes. Many of them lose all the savings they put into their operations. So to burden them with a Federal regulation which would be expensive would have further tendency to keep this type of men out of the gas industry.

The larger companies would be in a better position to deal with the Federal Power Commission because they have the assistance of able counsel, good accountants, fine geologists and experts in other fields. These services the small independent producer is not able to afford.

It seems to me that it is most unfair to pick out natural gas as a commodity which should be under price control and regulation by a Federal Commission at the production level.

There are some who feel that everything should be regulated at the Federal level. Right now natural gas is their target. If they are successful in this attempt, who can predict what commodity will be next to be removed from private enterprise and placed under bureaucratic restrictions?

The time has come when we in the United States must determine whether we shall continue under a free competitive industrial system or whether regulations and controls are to be set up as a barrier to American progress.

Mr. President, I should like to point out to my fellow Senators that it was not many years ago that Great Britain was the greatest industrial empire of the world. There the free competitive system of economy was operating at its best. Certain things happened, however. Great Britain incurred an enormous national debt. People became unemployed. A new form of government was placed in power, and now many of the industries of that great empire are being nationalized.

Mr. President, is it not possible if we regulate the gas industry at the Federal level that it may not be long until steel will be regulated at the Federal level, that power will be regulated at the Federal level, and probably even agriculture will be regulated at the Federal level? A serious situation is confronting us. A great principle of American government is involved in the consideration of this bill.

There is another thing which should be considered in connection with this bill. There is already a feeling among oil producers that they should retain their gas production as an aid in increasing their oil production. If there is too much regulation that will be the end result.

What I mean by that, is that as oil becomes less productive in a field, the feeding of gas into the oil wells prolongs their life. Oil is a much more profitable enterprise than is natural gas. So there may be a greater tendency in some of the fields of the Southwest—and already such a process has begun—of using the gas to increase the production of oil, and gas will be taken from the market if there is too much regulation and the price is made too low. Considering only the law of supply and demand, natural gas will replace any other fuel, because of its convenience and economy.

Under free enterprise, men have risked their lives and their savings to develop our natural resources and to gain the profits from the products.

Oil, the commodity which has had more of an influence on civilization than any other product ever discovered, was discovered and developed as a result of individual initiative and free enterprise. The same is true of gas, coal, gold, copper, and many other products.

I wish every American could go to the Drake well in northwestern Pennsylvania and could observe in the museum there the tools which were invented by individual drillers and tool dressers in order that they might sink wells to the paying sands. It took a great deal of courage for Colonel Drake and his associates to drill the first well at Titusville; but that well has had more influence over war and the conduct of war and has had more influence over peacetimes than has any other commodity thus far discovered.

Government must encourage, not discourage, the discovery of our precious natural resources and their continued development for the promotion of the general welfare in our country and the world.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. MARTIN. Gladly, provided that I have the time to do so.

The VICE PRESIDENT. The Senator from Pennsylvania has 10 minutes remaining.

Mr. MARTIN. Very well; I yield.

Mr. KERR. The Senator is aware of the fact, is he not, that in many cities in the East, gas is distributed locally and is made locally from raw materials which are shipped to those localities in various ways?

Mr. MARTIN. I am.

Mr. KERR. Is the Senator from Pennsylvania aware of the fact that approximately 7,500,000 tons of bituminous coal are used annually in the manufacture of gas which is distributed locally?

Mr. MARTIN. Mr. President, I do not have the exact figures in regard to the tonnage of coal used in what we call the production of manufactured or artificial gas, but I know that an enormous tonnage of coal is used for that purpose.

Mr. KERR. Is not the Senator from Pennsylvania aware of the fact that probably 3,500,000 tons of coke are used annually for the purpose of manufacturing gas which is distributed locally?

Mr. MARTIN. Mr. President, an enormous amount of coke is used for that purpose; but of course coke is more generally used in the production of glass, steel, and various other metals, in the production of which a very intense heat is required.

Mr. KERR. Although coke is used generally for that purpose, is not the Senator from Pennsylvania aware of the fact that vast quantities of coke are also used for the manufacture of gas?

Mr. MARTIN. That is correct.

Mr. KERR. Is not the Senator from Pennsylvania also aware of the fact that vast quantities of fuel oil are used for the manufacture of gas which is distributed locally?

Mr. MARTIN. Mr. President, that is correct. A great amount of fuel oil is used for that purpose. However, I may say to the distinguished Senator from Oklahoma that since the unfortunate coal strike, a large amount of fuel oil now is being used for the production of power. We are fearful that a part of that market for both bituminous and anthracite coal may be lost.

Mr. KERR. The Senator from Pennsylvania refers to the production of power, in that respect; does he not?

Mr. MARTIN. That is correct, sir.

Mr. KERR. However, addressing ourselves for the moment to the manufacture of gas which is distributed locally, is not the Senator from Pennsylvania aware of the fact that, actually, approximately 1,500,000,000 gallons of fuel oil are used annually for that purpose?

Mr. MARTIN. Mr. President, I do not have the exact figures before me; but an enormous quantity of oil is used annually for that purpose.

Mr. KERR. After the gas is manufactured from any of those sources—from either coal, coke, or fuel oil—it is distributed by the local distributing company in exactly the same manner that natural gas is distributed. Is not that correct?

Mr. MARTIN. Mr. President, that is correct. For example, in the city of Philadelphia, the Philadelphia Gas Co. purchases coal and oil and other fuels for the purpose of manufacturing artificial gas. Then it is distributed through that company's distributing plant, in the same way that natural gas is distributed, for example, in the city of Pittsburgh.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. MARTIN. Yes, gladly.

Mr. KERR. Insofar as the production of natural gas at the producer's level is concerned, on the one hand, is it not in about the same position, in that it is produced at the producer's level and is transported to the local distributing company, as is the coal which is produced at the producer's level and the coke which is produced at the producer's level and the fuel oil which is produced at the producer's level, insofar as they are used for the manufacture of gas to be distributed locally?

Mr. MARTIN. Mr. President, that is correct. For example, coal may be mined in the State of West Virginia or in the Commonwealth of Kentucky, and then may be transported, either by rail or by barge, to a place where it is made into artificial gas. In the case of gas, it is distributed by means of pipe line. It may be secured in the Southwest.

So far as oil is concerned, it can be produced in the Senator's great State of Oklahoma or in West Virginia or in Kentucky; and it can be transported either by pipe line or by barge. However, the same factors are involved; although oil, gas, and coal are produced by different methods, yet the same effort and ingenuity are required; and those fuels are brought to the surface of the earth, and then—by means of transportation—they are taken to a particular city or to a particular industry, and there they are used in the same way that natural gas is used.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. MARTIN. I am glad to yield.

Mr. KERR. Is not the Senator from Pennsylvania aware of the fact that liquefied gas, in the form of butane or propane, is also used by local distributing companies in the manufacture of gas for use in peak periods of demand, even although they use coal or oil or coke generally?

Mr. MARTIN. That is correct. I think the Senator from Oklahoma and I probably have the same thing in mind. In my section of the United States, what we call wet gas—I believe it would be referred to as casing-head gas by the Senator from Oklahoma or by various persons in his section of the United States—can be put into bottles in the form of what we call liquefied gas, and then can be placed on trucks and transported, and can be used by consumers during particularly cold periods to amplify their heating systems.

Mr. KERR. Then, is it not entirely possible that, at the production level, a part of the gas may be liquefied in the form of gasoline or butane gas or propane gas, and then may be shipped interstate by truck or by freight car to the local manufacturer of gas, and by him may be used for the manufacture of gas; and from the same well other elements of the natural gas may be shipped to the same market by means of pipe line?

Mr. MARTIN. That is correct; yes, sir.

Mr. KERR. I thank the Senator.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD, from the Statistics of Natural-Gas Companies for 1948, a table showing the expenditures for exploration and development by regulated companies in the period 1939–48, inclusive, and showing—contrary to the arguments frequently made in this debate that regulation has stifled exploration—that regulated companies' expenditures for that purpose have risen from approximately $4,000,000 annually in 1939 to approximately $8,000,000 annually in 1948.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Expenditures made by interstate pipe-line companies for exploratory and development activities, 1939–48

1939	$4,058,000
1940	5,150,000
1941	5,283,000
1942	5,847,000
1943	6,513,000
1944	7,129,000
1945	7,606,000
1946	6,945,000
1947	7,682,000
1948	8,103,000
Total for 10 years	64,316,000

These sums under regulation by the Federal Power Commission have been allowed as an operating item to be recovered through rates.

(Source: Statistics of Natural-Gas Companies, 1948, Federal Power Commission.)

Mr. DOUGLAS. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD a telegram sent by me on March 27, 1950, to the Federal Power Commission, in reference to dry holes drilled last year, together with the reply of Nelson Lee Smith, Chairman of the Federal Power Commission, under date of March 28, 1950, stating that 139 dry holes were drilled last year alone by the regulated companies, although the statement has been made and repeated in this debate that in the last 10 years a total of only 100 holes of an exploratory nature have been drilled by all regulated companies.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

MARCH 27, 1950.

FEDERAL POWER COMMISSION,
Washington, D. C.:

Please advise whether pipe-line companies owning producing properties have added to their gas acreage since 1938 and furnish statistics comparing 1939 and 1948 if available. Please furnish number of dry holes drilled by pipe-line companies in 1948.

PAUL H. DOUGLAS,
United States Senator.

FEDERAL POWER COMMISSION,
Washington, March 28, 1950.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: The Commission has considered your telegram of March 27 requesting to be advised as to whether pipeline companies owning producing properties have added to their gas acreage since 1938 with statistics comparing 1939 and 1948, and also requesting information as to the number of dry holes drilled by pipe-line companies in 1948.

The information concerning gas acreage controlled by pipe-line companies in 1938 and 1939 is not readily available from the annual reports filed by pipe-line companies for those years. It is believed, however, that such information for the years 1940 and 1948 can be compiled from reports and our staff are now engaged in an endeavor to assemble the pertinent information.

An examination of the annual reports for 1948, filed with this Commission by natural gas pipe-line companies owning producing properties, discloses that 139 dry holes were drilled at a cost of $1,667,930. However, several companies reported the cost of drilling dry holes without showing the number of dry wells involved. The latter costs amounted to $1,796,302 in 1948.

As soon as the staff has compiled the acreage data referred to above for the years 1940 and 1948, the data will be promptly transmitted to you.

Sincerely yours,

NELSON LEE SMITH,
Chairman.

Mr. DOUGLAS. Mr. President, in the light of the preceding table showing total exploration and development costs, and in view of this letter from the Chairman of the Commission listing 139 dry holes alone last year, it is obvious that many times more than the 100 exploratory wells mentioned by the junior Senator from Oklahoma [Mr. KERR] were actually drilled by the regulated companies in this 10-year period.

Mr. President, I ask unanimous consent that a Federal Power Commission release dated Sunday, March 12, concerning the great expansion of natural-gas-transmission facilities which has occurred in the last few years, be inserted at this point in the RECORD. The release shows that, under regulation, the natural-gas-transmission companies have greatly expanded their facilities.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

NATURAL GAS TRANSMISSION FACILITIES ESTIMATED TO COST $195,587,700 AND INVOLVING OVER 2,600 MILES OF LINE AUTHORIZED BY FPC DURING LAST HALF OF 1949

WASHINGTON, D. C., March 11, 1950.—Natural gas transmission facilities designed to add more than 1,000,000,000 cubic feet of daily delivery capacity to the Nation's individual pipe line systems were authorized by the Federal Power Commission during the 6-month period ending December 31, 1949, it was announced today by Chairman Nelson Lee Smith.

The authorized facilities involve 2,637 miles of pipe line and have an estimated total construction cost of $195,587,697.

Approximately $186,278,900 of the total construction cost was for major projects estimated to cost $700,000 or more. The major projects are expected to benefit 68 cities of 50,000 population or more in 19 States and the District of Columbia, as well as numerous smaller communities.

These larger projects will increase capacities of the individual pipe line systems involved by at least 1,057,500,000 cubic feet of natural gas per day, and involve construction of approximately 2,460 miles of new pipe lines and installation of compressor facilities aggregating 124,625 horsepower.

Largest single authorization during the 6-month period was for Tennessee Gas Transmission Co. to construct a main transmission line from Kentucky to Buffalo, N. Y., and additional loop lines and compressor units on its main Texas-to-Kentucky line. This project involves 1,032 miles of pipe line and 73,000 horsepower in additional compressor units, and is estimated to cost $76,116,585. The facilities are designed to deliver 169,000,000 cubic feet of gas per day to new markets along the route of the Kentucky-Buffalo extension and to meet increasing requirements of Tennessee's present customers on its existing system.

These facilities were the remaining part of Tennessee's larger over-all project which involved 1,703 miles of pipe line and 104,400 horsepower in compressor units. The complete project, estimated to cost $138,975,804, will deliver 340,000,000 cubic feet of natural gas per day. The other facilities were authorized in December 1948, and May 1949.

During the calendar year ending December 31, 1949, the Commission authorized construction of a total of 7,571 miles of pipe line and installation of compressor units aggregating 499,800 horsepower at a total estimated cost of $615,249,100. The major projects costing $700,000 or more authorized during the calendar year involved a total estimated construction cost of $538,012,400 and included 7,100 miles of pipe lines and installation of 488,000 horsepower in compressor units.

Since February 7, 1942 (the date when the present certificate provisions of the Natural Gas Act became effective), the Commission has authorized a total of more than 30,100 miles of pipe line and 1,904,000 horsepower in compressor units at a total estimated cost of $1,824,089,000.

Although the construction authorized during the last 6 months will increase capacity of the individual systems by over 1,000,000,000 cubic feet, the amount of additional natural gas actually to be delivered to the Nation's markets will be somewhat lower. This is because in some cases the same gas will be transported through the new facilities of two different utility companies, or through separate projects built on the system of one company.

Cities of 50,000 population or more which will benefit as a result of FPC authorizations during the 6-month period include:

Alabama—Birmingham and Montgomery.
Arkansas—Little Rock.
Colorado—Denver and Pueblo.
District of Columbia—Washington.
Georgia—Atlanta, Columbus, and Macon.
Illinois—Chicago, Cicero, Evanston, Oak Park, East St. Louis, and Decatur.
Indiana—Evansville, East Chicago, Hammond, Gary, and South Bend.
Kentucky—Covington and Lexington.
Maryland—Baltimore.
Michigan, Detroit, Dearborn, Hamtramck, Highland Park, Grand Rapids, Lansing, Flint, Jackson, Kalamazoo, Pontiac, and Saginaw.
Mississippi—Jackson.
Missouri—St. Louis.
Nebraska—Lincoln.
New York—Binghamton, Syracuse, Rochester, New York City, and Buffalo.
Ohio—Columbus, Springfield, Dayton, Toledo, Hamilton, Cincinnati, Akron, Canton, Cleveland, Cleveland Heights, Lakewood, and Youngstown.
Pennsylvania—Pittsburgh, York, Erie, Altoona, Johnstown, and McKeesport.
Tennessee—Knoxville and Nashville.
Virginia—Arlington County.
West Virginia—Charleston, Huntington, and Wheeling.
Wisconsin—Racine, Madison, and Milwaukee.

Summary of certificates of public convenience and necessity authorizing construction and operation of natural-gas facilities issued by the Federal Power Commission between Feb. 7, 1942, and Dec. 31, 1949

	Number of certificates	Total miles of lines	Total additional compressor horsepower	Estimated cost
Feb. 7 to June 30, 1942	1	20		$86,800
July 1, 1942, to June 30, 1943	4	51	3,560	1,642,509
July 1, 1943, to June 30, 1944	25	2,373	108,490	106,082,485
July 1, 1944, to June 30, 1945	43	1,181	66,610	34,170,760
July 1, 1945, to June 30, 1946	52	2,994	184,275	127,189,731
July 1, 1946, to June 30, 1947	132	5,369	360,349	273,190,302
July 1, 1947, to June 30, 1948	98	8,468	531,455	519,945,633
July 1, 1948, to June 30, 1949	91	7,045	518,074	566,203,116
July 1, 1949, to Dec. 31, 1949	57	2,637	132,025	[1] 195,587,697

[1] During this 6-month period projects costing $700,000 or more each accounted for the following: Certificates, 19; miles, 2,459; additional compressor horsepower, 124,225; estimated cost, $186,278,884.

Basic facts concerning Federal Power Commission certificates of public convenience and necessity granted between July 1, 1949, and Dec. 30, 1949, and authorizing estimated construction of $700,000 or more per project

FPC Docket No.	Applicant	Description of construction	Purpose	Estimated cost	Communities benefited (50,000 or more population)
G-1212, certificate issued July 27, 1949.	Chicago District Pipe Line Co.	Construction and operation of facilities for liquefaction, storage and regasification of natural gas near Chicago, Ill., including a 5,500-horsepower compressor station.	Facilities to enable applicant to provide liquefied natural gas storage capacity for emergency and peak day delivery to customers in Chicago and vicinity and northern Indiana.	$6,000,000	Illinois: Chicago, Cicero, Evanston, and Oak Park. Indiana: East Chicago, Hammond, Gary, and South Bend.
G-962, certificate issued July 29, 1949.	Tennessee Gas Transmission Co.	Construction and operation of 294 miles of 24-inch, 26-inch, and 30-inch loop pipe lines on main line of system, 395 miles of 26-inch main transmission pipe line from a point on main line in northeastern Kentucky to the vicinity of Buffalo, N. Y., 343 miles of 6-inch to 16-inch field supply and lateral pipe lines and additions to compressor facilities aggregating 73,000 horsepower. These facilities were that part of the facilities remaining of the original application filed in this docket, the construction and operation of the other facilities having been authorized on Dec. 8, 1948, and May 3, 1949.	Facilities to increase the system capacity by 169,000 M cubic feet of natural gas a day to serve gas at wholesale in Ohio, Pennsylvania, and western New York, as well as to sell additional volumes of gas along the existing main pipe-line system extending from Texas to West Virginia.	76,116,585	District of Columbia: Washington. Indiana: Evansville. Kentucky: Covington and Lexington. Maryland: Baltimore. New York: Binghampton, Syracuse, Rochester, and Buffalo. Ohio: Columbus, Springfield, Dayton, Toledo, Hamilton, Cincinnati, Akron, Canton, Cleveland, Cleveland Heights, Lakewood and Youngstown. Pennsylvania: Pittsburgh, York, Erie, Altoona, Johnstown, and McKeesport. Tennessee: Nashville. Virginia: Arlington County. West Virginia: Charleston, Huntington, and Wheeling.
G-1070, certificate issued July 29, 1949.	-----do-----	Construction and operation of 156 miles of 30-inch loop pipe lines on the main system pipe line and additions to existing compressor facilities aggregating 6,800 horsepower.	Facilities to enable applicant to increase system capacity by 60,000 M cubic feet of natural gas a day.	13,887,895	Same as listed above under Docket No. G-962.
G-1180, certificate issued July 29, 1949.	Kansas-Nebraska Natural Gas Co., Inc.	Construction and operation of 306 miles of various length of lateral, loop, and replacement pipe lines ranging in size from 2½ inches to 12 inches and additions to compressor facilities aggregating 3,725 horsepower in Kansas and Nebraska.	Facilities to rearrange system for more efficient operation and increase system capacity by 17,000 M cubic feet of natural gas a day to enable applicant to meet the increased demands of existing markets and to provide service to several small communities in Kansas and Nebraska not heretofore served natural gas.	2,339,457	Nebraska: Lincoln.
G-1156, certificate issued Aug. 2, 1949; modified Dec. 21, 1949.	Michigan-Wisconsin Pipeline Co. and Michigan Consolidated Gas Co.	Construction and operation of additions to compressor facilities aggregating 14,000 horsepower on main pipe line from Texas to Michigan, 6,000 horsepower in Austin, Michigan, storage field and miscellaneous small laterals. Order also modified order of Nov. 30, 1946 in Docket No. G-669 to authorize the use of 24-inch pipe instead of 26-inch pipe on main line from Kansas to Illinois.	Facilities to increase the system capacity by 25,000 M cubic feet of natural gas a day.	7,078,000	Michigan: Detroit, Dearborn, Hamtramck, Highland Park, Grand Rapids, Lansing, Flint, Jackson, Kalamazoo, Pontiac, and Saginaw. Wisconsin: Racine, Madison, and Milwaukee.
G-1215, certificate issued Aug. 31, 1949.	Iroquois Gas Corp.----	Construction and operation of 15 miles of 20-inch and 22-inch loop pipe lines in Erie County, N. Y., and 21 miles of 6-inch and 8-inch storage connecting lines in Zoar, Collins, Quaker, and Lawtons storage fields in New York.	Facilities to enable applicant to provide an additional peak-day capacity of 26,500 M cubic feet to its transmission and storage system to meet increased peak-day demands of existing customers in New York State.	1,556,000	New York: Buffalo.
G-1223, certificate issued Aug. 31, 1949.	Southern Natural Gas Co.	Construction and operation of 46 miles of various loop pipe lines ranging in size from 4-inch to 12-inch on laterals in Alabama and Mississippi.	Facilities to provide applicant with a greater operating flexibility and increase capacity of various lateral pipe lines to meet increasing requirements of existing customers without, however, increasing the general system delivery capacity.	1,226,070	Alabama: Birmingham and Montgomery. Georgia: Atlanta, Columbus, and Macon. Mississippi: Jackson.
G-1226, certificate issued Aug. 31, 1949.	Tennessee Gas Transmission Co.	Construction and operation of approximately 6 miles of dual 16-inch line submerged crossings of the Mississippi River near Greenville, Miss.	Facilities to enable applicant to provide more adequate transmission capacity for the volumes of gas to be transported across the Mississippi River.	758,387	Same as listed above under Docket No. G-962.
G-1203, certificate issued Sept. 13, 1949.	Colorado Interstate Gas Co.	Construction and operation of 38 miles of 20-inch loop pipe lines on the western end of applicant's Lakin-Denver line in Colorado and compressor station additions in Kansas and Colorado aggregating 12,000 horsepower.	Facilities to enable applicant to increase system capacity by 62,000 M cubic feet of natural gas a day from the Hugoton, Kans., gas field to meet increasing demands of existing customers, particularly in Denver and vicinity.	4,328,930	Colorado: Denver and Pueblo.
G-1193, certificate issued Sept. 15, 1949.	Arkansas-Louisiana Gas Co.	Construction and operation of 163 miles of 20-inch transmission pipe lines from Waskom Gas Field, Tex., to Hot Springs County, Ark., and 5 miles of small lateral lines.	Facilities to enable applicant to deliver 140,000 M cubic feet of natural gas a day from a new source of supply to its existing system to augment service in Arkansas.	7,618,500	Arkansas: Little Rock.
G-1219, certificate issued Sept. 28, 1949.	The Ohio Fuel Gas Co.	Construction and operation of 60 miles of 3-inch to 12-inch high-pressure storage pipe lines in applicant's Weaver, Wellington, and Benton storage pools in Ohio.	Facilities to enable applicant to convert producing pools to storage pools for receipt of gas from other pipe line companies to meet growth of existing markets and to replace declining natural gas production in local gas fields.	1,090,975	Ohio: Columbus, Springfield, Dayton, Toledo, Hamilton, and Cincinnati.
G-1228, certificate issued Sept. 28, 1949.	Jersey Central Power & Light Co.	Construction and operation of 39 miles of 10-inch pipe line from a point of connection with Texas Eastern Transmission Corp. to applicant's facilities in New Jersey.	Facilities to enable applicant to transport 5,000 M cubic feet of natural gas a day purchased from Texas Eastern to be used by applicant to enrich and reform manufactured gas for service to existing customers in Monmouth and Ocean Counties, N. J., being served with manufactured gas.	1,208,200	
G-1237, certificate issued Oct. 26, 1949.	United Gas Pipe Line Co.	Construction and operation of 26 miles of 16-inch pipe line to connect the Mud Lake, East Mud Lake, Holly Beach, and Cameron Meadows gas fields in Louisiana to applicant's system near Port Arthur, Tex.	Facilities to enable applicant to receive an additional 112,000 M cubic feet of natural gas a day into its system from a new source of supply.	1,792,000	

Basic facts concerning Federal Power Commission certificates of public convenience and necessity granted between July 1, 1949, and Dec. 30, 1949, and authorizing estimated construction of $700,000 or more per project—Continued

FPC Docket No.	Applicant	Description of construction	Purpose	Estimated cost	Communities benefited (50,000 or more population)
G-1167, certificate issued Oct. 31, 1949.	Consolidated Edison Co. of New York, Inc.	Construction and operation of 23 miles of 16-inch to 30-inch transmission pipe line in New York City to connect applicant's system with facilities of the Transcontinental Gas Pipe Line Corp.	Facilities to enable applicant to transport 194,500 M cubic feet of natural gas a day received from Transcontinental for delivery to customers in the metropolitan New York City area.	$9,307,000	New York: New York City, all boroughs.
G-1171, certificate issued Oct. 31, 1949.	The Brooklyn Union Gas Co.	Construction and operation of 12 miles of 10-inch to 24-inch transmission pipe line to connect applicant's system with Consolidated Edison Co. of New York, Inc., in New York City.	Facilities to enable applicant to transport 74,500 M cubic feet of natural gas a day from Transcontinental Gas Pipe Line Corp. through the facilities of Consolidated Edison Co. of New York for delivery to customers in Brooklyn.	2,916,000	Do.
G-1272, certificate issued Nov. 16, 1949.	East Tennessee Natural Gas Co.	Construction and operation of 18 miles of 16-inch tie-over pipe line from a point of connection on applicant's 22-inch pipe line at Oak Ridge, Tenn., to applicant's 12¾-inch Chattanooga-Knoxville, Tenn., pipe line.	Facilities to enable applicant to expedite service to Knoxville, Marysville, Alcoa, and Rockford, Tenn., previously authorized to be served from applicant's Lobelville, Knoxville pipe line not yet constructed, by delivery of gas to these communities from applicant's Oak Ridge pipe line. Facilities covered herein will also eventually tie together Oak Ridge pipe line with Lobelville-Knoxville pipe line.	875,900	Tennessee: Knoxville.
G-1257, certificate issued Nov. 30, 1949.	Central Hudson Gas & Electric Corp.	Construction and operation of 40 miles of 10-inch pipe line from a connection with Home Gas Co. near Tuxedo, N. Y., to applicant's manufactured-gas plant in Poughkeepsie, N. Y., and 2 miles of 8-inch lateral to Newburgh, N. Y.	Facilities to enable applicant to receive 15,000 M cubic feet of natural gas a day and convert its system from manufactured- to natural-gas distribution for service in Poughkeepsie and vicinity not heretofore served with natural gas.	1,700,000	
G-1229, certificate issued Dec. 1, 1949.	Montana-Dakota Utilities Co. and Montana-Wyoming Gas Pipe Line Co.	Construction by Montana-Wyoming of a 3,200 horsepower compressor station, 340 miles of 12-inch transmission pipe line from Worland Field, Wyo., to facilities of Montana-Dakota in Montana, and by Montana-Dakota 5 miles of 3-inch and 8-inch laterals. Facilities to be leased by Montana-Dakota and operated as an integral part of its existing pipe-line system	Facilities to enable Montana-Dakota Utilities Co. to increase gas supply by 35,000 M cubic feet of natural gas a day for service to existing customers in Montana, North Dakota, and South Dakota and new service to Forsyth, Mont.	9,132,085	
G-1252, certificate issued Dec. 22, 1949.	United Gas Pipe Line Co.	Construction and operation of 106 miles of 20-inch loop pipe line on applicant's existing 24-inch Carthage-Sterlington line in Louisiana.	Facilities to enable applicant to increase deliveries by 122,000 M cubic feet of natural gas a day to the Mississippi River Fuel Corp.	5,113,300	Illinois: East St. Louis and Decatur. Missouri: St. Louis.

Mr. DOUGLAS. Mr. President, in view of the fact that the proceedings before the Federal Power Commission in the matter of Phillips Petroleum Co. have been frequently referred to, and it having been the first exercise of authority by the Federal Power Commission over nontransporting gatherers and producers, I ask unanimous consent that the text of their order, which specifies the issues and fixes the date of the hearing, be inserted in the body of the RECORD at this point.

There being no objection, the text of the order was ordered to be printed in the RECORD, as follows:

ORDER SPECIFYING ISSUES AND FIXING DATE OF HEARING

The Federal Trade Commission, acting pursuant to its authority under the Natural Gas Act, by order of October 28, 1948, instituted an investigation of the natural gas operations of Phillips Petroleum Co. (Phillips) to determine:

(i) Whether it is a "natural-gas company" within the meaning of the Natural Gas Act; and

(ii) Whether, in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, any rates, charges, or classifications demanded, observed, charged, or collected, or any rules, regulations, practices or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory, or preferential.

By letter complaint under date of January 16, 1950, the corporation counsel for the city of Detroit made reference to the investigation instituted by the Commission in this docket and, among other allegations, recited that—

"Based upon the estimated deliveries to Detroit for the year 1953 by Michigan Consolidated Gas Co of 94,510,000,000 cubic feet (Exhibit I–A1, Docket No. G–1156) and assuming that Panhandle Eastern Pipe Line Co. will supply 43,848,000,000 cubic feet the deliveries by Michigan-Wisconsin to Michigan Consolidated will be approximately 50,626,000,000 cubic feet. It appears, therefore, that the increase in the price charged Michigan-Wisconsin by Phillips from the approximately 5 cent (16.4 pounds) specified in the original contract of December 11, 1945, to the approximately 8½-cent (16.4 pounds) minimum will increase the cost of gas to the city of Detroit by approximately $1,770,000 in the year 1953 as a minimum.

"It is the position of the city of Detroit, which receives its natural gas supply from the Michigan Consolidated Gas Co., buyer of gas sold by the Michigan-Wisconsin Pipe Line Co., that the rate proposed in the so-called interim tariff, designed to become effective February 1, 1950, may, because of the increase in the rates of Phillips Petroleum Co. for such gas, as above set forth, prove to be unjust, unreasonable and excessive to the ultimate prejudice of the gas consumers of the city of Detroit."

The Public Service Commission of Wisconsin, in a complaint filed on January 19, 1950, respecting FPC gas tariff, original volume No. 1, of Michigan-Wisconsin Pipe Line Co., filed pursuant to the requirements of paragraph (D) of the Commission's order dated July 26, 1949, in Docket No. G–1156, alleges:

"3. That the sole supplier of natural gas to Michigan-Wisconsin Pipe Line Co. has been and is Phillips Petroleum Co., and no satisfactory basis has been established for the frequent and large increases in price paid for said gas which have taken place since the pipe line was projected and before substantial deliveries of gas had even commenced. That Michigan-Wisconsin Pipe Line Co. was given a certificate of public convenience and necessity by the Federal Power Commission on the basis of a contract with Phillips Petroleum under which the latter agreed to furnish up to 343,000,000 cubic feet of natural gas daily at an initial price of 5 cents per thousand cubic feet, subject to an escalator clause. That the Wisconsin Public Service Commission considers that said escalator clause was highly undesirable and prejudicial to the consumer and was not warranted by conditions affecting the supplier. That since the date of the initial contract, several supplementary contracts have been entered into between Michigan-Wisconsin and Phillips Petroleum which not only provide for additional gas supplies (to make up for deficiencies in Phillips Petroleum original contract commitment) at higher prices but also provide for repricing upward the initial gas commitments. That under the supplementary contracts, the priority requirements of the various sources of supply have been so rearranged that Phillips Petroleum may draw increasing quantities of gas from the higher priced sources. That the effect of these various supplemental agreements has been to increase the cost of gas approximately 100 percent over the initial arrangement; this before anything more than a token amount of gas had been delivered and long before reaching the maximum amount to be delivered under the original commitment. The Wisconsin Public Service Commission asserts that the purchase rate for said gas is grossly excessive. That a restoration of the initial contract price would permit a reduction in the resale rate from 5 to 7 cents per thousand cubic feet."

* * * * *

"2. In view of the several consecutive increases in price for natural gas sold by Phillips Petroleum Co. to Michigan-Wisconsin

Pipe Line Co., which aggregate an increase of over 100 percent resulting in higher rates to distributing companies and to the ultimate consumers, investigate into the contract or contracts or arrangements between Michigan-Wisconsin Pipe Line Co. and Phillips Petroleum Co., and take such action with respect thereto as may be appropriate and proper and which will result in a fair and just rate to distributing companies and ultimate consumers of natural gas in Wisconsin and States similarly situated."

Field investigations by the staff of the Commission, pursuant to the order of investigation in this docket, disclose that Phillips is engaged in extensive natural gas operations, including (1) the production, purchase, gathering, and processing of natural gas produced in the States of Arkansas, Kansas, New Mexico, Oklahoma, and Texas, (2) the transportation of natural gas produced in the State of Oklahoma to its Hansford gasoline plant in Hansford County, Tex., and (3) the sale of natural gas produced in the States named in (1) above to numerous natural-gas pipe-line companies, which are each a natural-gas company, for transportation by such pipe-line companies across State lines to points in other States where the gas is resold for ultimate public consumption.

Interstate sales of natural gas during 1948 by Phillips to natural-gas pipe-line companies for interstate transportation and resale, and for which it received $5,350,064.92, in revenue, were as follows:

Name of natural gas company, purchaser	States of production and sale	States of consumption	Thousand cubic feet sold
Arkansas-Louisiana Gas Co	Texas, Louisiana	Louisiana, Texas, Arkansas	1,412,867
Cities Service Gas Co	Oklahoma	Oklahoma, Kansas, Missouri.	14,418,512
Consolidated Gas Utilities Co	do	do	3,175,904
El Paso Natural Gas Co	New Mexico, Texas	Texas, New Mexico, Arizona, California.	41,381,486
Independent Natural Gas Co. (a wholly owned subsidiary of Phillips).	Texas	Texas, Louisiana, Arkansas, Oklahoma, Kansas, Nebraska, Iowa, Minnesota, South Dakota.	14,143,777
Kansas-Nebraska Natural Gas Co	Kansas	Kansas, Nebraska	354,321
Lone Star Gas Co	Oklahoma	Texas	418,884
Panhandle Eastern Pipe Line Co	Texas, Oklahoma	Texas, Oklahoma, Kansas, Missouri, Illinois, Indiana, Kentucky, Michigan, Ohio.	70,941,381
Southern Natural Gas Co	Louisiana	Mississippi, Alabama, Georgia.	120,265
Southwestern Public Service Co	Texas	Oklahoma	9,638
United Gas Pipe Line Co	do	Oklahoma, Louisiana	2,795,865
Total			149,172,902

In addition to such interstate sales of natural gas, Phillips entered into a contract on December 11, 1945, for the sale of natural gas to Michigan-Wisconsin Pipe Line Co. (Michigan-Wisconsin) under which Phillips is obligated to supply the entire gas requirements of Michigan-Wisconsin, but not to exceed 323,000,000 cubic feet per day. The contract provides that such gas requirements are to be produced from certain dedicated acreage in Sherman and Hansford Counties, Tex., and in Texas County, Okla., and are to be delivered to Michigan-Wisconsin at a point in Hansford County, Tex. The gas to be sold under the contract is in part to be produced by Phillips from its own wells and in part to be purchased from other producers and resold to Michigan-Wisconsin.

Under certificates of public convenience and necessity issued by the Commission (Docket Nos. G-609 and G-1156), Michigan-Wisconsin has been authorized to construct and operate facilities to provide an average annual sales capacity of 56,575,000,000 cubic feet of natural gas. A further application is pending before the Commission (Docket No. G-1302) for authority to increase its facilities to provide pipe-line capacity of 125,195,000,000 cubic feet annually, equal to that originally contemplated for the ultimate project in Docket No. G-669.

Michigan-Wisconsin is a natural-gas company under the Natural Gas Act and is engaged in the transportation of natural gas in interstate commerce and the sale thereof for resale for ultimate public consumption in the States of Missouri, Iowa, Wisconsin, and Michigan. Phillips began deliveries of natural gas to Michigan-Wisconsin for resale on or about October 15, 1949.

The contract of December 11, 1945, has been amended by supplemental agreements dated September 11, 1946, October 16, 1946, August 9, 1948, and December 1, 1949. Furthermore, on December 1, 1949, Phillips and Michigan-Wisconsin entered into two additional contracts for the purchase of gas from the Stratford Dome acreage in the Hugoton gas field of Texas and from the below-sea-level formation underlying the so-called Kathryn acreage, also in the Hugoton field. The volume to be supplied under each of the two latter contracts is dependent upon Phillips' development program respecting the acreage committed by each contract to the supplying of the gas requirements of Michigan-Wisconsin and the gas supplied under the December 11, 1945, contract, as amended, so that the total deliveries under the three contracts will equal Michigan-Wisconsin's estimated daily requirements of 323,000,000 cubic feet.

The contract of December 11, 1945, as amended, and the contracts of December 1, 1949, provide for certain base prices to be paid by Michigan-Wisconsin. These prices increase at 5-year intervals with adjustments based upon the Bureau of Labor Statistics' Annual Index of Wholesale Prices of All Commodities, the resale price of natural gas by Michigan-Wisconsin, and the prevailing field prices of gas in the Hugoton and Panhandle gas fields.

As stated above, the present annual sales capacity of 56,575,000,000 cubic feet is proposed to be increased to 125,195,000,000 cubic feet and it appears from staff estimates that the annual cost to Michigan-Wisconsin of 125,195,000,000 cubic feet of natural gas which Phillips will supply to Michigan-Wisconsin under the contract of December 11, 1945, as amended, and the two new contracts of December 1, 1949, would be increased approximately $5,000,000 annually over the cost under the original contract. Furthermore, such contracts contain other provisions which, upon becoming operative in the future, may result in further substantial increases in the cost of gas to be supplied Michigan-Wisconsin.

Phillips has contracted to sell and is selling large volumes of natural gas from the Panhandle and Hugoton gas fields to Panhandle Eastern Pipe Line Co., Northern Natural Gas Co., Independent Natural Gas Co., and El Paso Natural Gas Co. at various prices substantially lower than the base prices specified in its contracts with Michigan-Wisconsin.

Wherefore, it appears to the Commission that—

It is necessary and desirable in the public interest that a public hearing be held to determine all relevant facts and circumstances surrounding the natural gas operations of Phillips Petroleum Co. to enable the Commission to determine—

(a) Whether Phillips Petroleum Co. is a "natural-gas company" within the meaning of the Natural Gas Act;

(b) Whether in connection with any transportation or sale of natural gas subject to the jurisdiction of the Commission, including sales to Michigan-Wisconsin Pipe Line Co., any rates, charges, or classifications demanded, observed, charged, or collected by Phillips Petroleum Co., or any rules, regulations, practices, or contracts affecting such rates, charges, or classifications are unjust, unreasonable, unduly discriminatory, or preferential.

The Commission orders:

(A) A public hearing be held commencing at 10 a. m., c. s. t., on March 20, 1950, in the Federal Court Room, United States Post Office Building, Bartlesville, Okla., respecting all matters and issues set forth in this order and the Commission's order of investigation under date of October 28, 1948.

(B) Interested State commissions may participate as provided by sections 8 and 37 (f) (18 C. F. R. 1.8 and 1.37 (f)) of the Commission's Rules of Practice and Procedure.

By the Commission:

LEON M. FUQUAY,
Secretary.

Date of issuance, February 9, 1950.

Mr. JOHNSON of Colorado. Mr. President, I yield 10 minutes to the junior Senator from California [Mr. KNOWLAND].

The VICE PRESIDENT. The Senator from California is recognized for 10 minutes.

BRITISH ASSISTANCE TO COMMUNISM IN ASIA

Mr. KNOWLAND. Mr. President, prior to the action by the Congress on ECA and arms-implementation legislation and appropriations, it is important that the Congress and the Nation be advised that the British Government is continuing its program of assistance to communism in Asia.

I state this, Mr. President, on my responsibility as a United States Senator, as much in sorrow as in anger. I served overseas during the wartime period, and a part of the time was in England. I have a great admiration for the British people, for what they went through, both in World War I and in World War II, the terrific damage that they sustained from enemy bombing attacks and the blitz of London. I may say without any mental reservation whatever that in a difficult situation I should desire to have the British on our team. Nevertheless, Mr. President, I think that we must face the realities of the situation as they exist today. On our Associated Press printer, a short time ago, the following dispatch came in, dated Hong Kong:

HONG KONG.—The Hong Kong Supreme Court rejected a second bid by former United States Maj. Gen. Claire L. Chennault to take over 71 former Chinese Nationalist transport planes.

The court previously awarded the planes to the Chinese Communists. Chennault asked for an injunction to immobilize the planes in Hong Kong until his appeal could be heard. The court rejected his application today.

Chennault declared that his civil air line purchased the planes from the Nationalists. The court's original decision said, however, that the aircraft are in the physical possession of Chinese Communist officials and the court cannot interfere with the sovereign immunity of the Communist Government.

The Nationalists have said they will shoot down the planes if they are flown out of Hong Kong.

Mr. President, the story is a long one. On November 9, of last year, a group of the employees of the air lines in question defected to the Communists. There is no doubt about it that the air lines in question, CNAC and CATC were owned by the National Government of China, then recognized by the British Government and still recognized by the Government of the United States. The only exception was that a 20-percent interest in one of the lines was owned by the Pan American. As the Communist advance continued in China, these air lines moved their equipment and moved their supplies back to Hong Kong, feeling that under British law and under the general situation in that area of the world, they would be safe there. A group of the employees, as I said, on November 9 defected. The Chinese Government, the owner of those lines, promptly put new managers in charge. However, they were not permitted to take possession of the planes and property of the air lines in question. The matter got into litigation. I will put information relative to the same into the RECORD for the information of the Senate.

The fact of the matter is, Mr. President, I have personally seen these planes. Some of them are new equipment, Convairs; others are C–47's, and there are some C–54's, I believe. The total number at the Kai Tak Airport, as of the time we are meeting here today, is I am informed 71. I have been informed by what I believe to be reliable sources, that these planes, in addition to furnishing commercial air transport for the Chinese Communists which they otherwise will not have if they do not get possession of these planes, would also be of tremendous value to them from a military point of view. I have been informed that if used for that purpose, they could transport 20,000 armed troops a day, once an airport had been captured. They could be used against the island of Formosa or against the island of Hainan. They could be used against Indochina. They could be used against Burma or Siam. Only recently the Chinese Communists regime under Mao Tze-tung and his associates has entered into a 30-year alliance with the Soviet Union. There is reason to believe that there are secret protocols to that alliance which may provide air bases in China for the use of the Soviet Union, should the cold war become hot. These planes could also be used for the same purpose I have outlined against the American forces now stationed in Japan under General MacArthur, against the American base at Okinawa, against our position in the Philippines, and against the Philippine Government itself, if international communism determined to use them for such a purpose. But that is not the entire story.

I want to read from a dispatch from the Hong Kong Standard of March 15, under the heading "Plane parts being sent to Red China," as follows:

PLANE PARTS BEING SENT TO RED CHINA

One thousand tons of valuable airplane parts and engines belonging to the now Communist-controlled China National Aviation Corp. were moved out of Hong Kong by ship for North China last night, the Standard was informed by a reliable source.

Virtually all of these parts and engines are items on the list of goods whose export to Asia had recently been prohibited by the State Department of the United States.

According to the source, the shipment—the largest known from Hong Kong since the Supreme Court action made the CNAC and CATC assets available to the Chinese Communists—left on the steamship *Empire Dirk*, which sailed at about 7 p. m. yesterday, with Inchon, Korea, as the announced destination.

It was believed, however, the valuable cargo will be landed at either Tientsin or Tsingtao—presumably the former, since it is farther away from the Nationalist blockade and air bases in Tinghai and Formosa. Tsingtao had been frequently raided by Nationalist planes and warships, while Tientsin up to now had been almost immune.

The airplane parts, engines, and other equipment of the CNAC were understood to have been taken from the air line's huge stock pile at Bailey Dockyard, which is leased by the Pan-American World Airways. However, PAWA has no longer any interest in CNAC, since it has sold its 20-percent share in the air line to the Nationalist Government, which in turn is claimed to have sold the entire corporation, together with CATC, to Maj. Gen. Claire L. Chennault's Civil Air Transport, Inc.

Rumors last night that "at least two planes" of CNAC and CATC had "sneaked away" from Kai Tak Airport to Red China were found to be groundless.

Officials of the Red-controlled air lines were unable to say when their fleet of planes would be airborne and ready to resume flights to and from Red China. The Communist government in Peking had earlier indicated that two air lines would be immediately inaugurated—one from Peking to Canton via Hankow and Hengyang and the other from Hankow to Lanchow via Sian.

Mr. President, the Government of the United States recognized the fact that this was a bona fide sale to the American company C. A. T. C., Inc., of Delaware, of which General Chennault, retired, is one of the principal owners. When title was transferred, the necessary notations were made by the Civil Aeronautics Administration in this country, and they sent a representative to Hong Kong, who applied in the proper order to the British authorities in that Crown colony for permission to put the American registration numbers on these planes. I have a copy of a letter, on the letterhead of the Department of Civil Aviation, Statue Square, Hong Kong, dated January 5, 1950, from Mr. Max Oxford, the acting director of Civil Aviation for the Hong Kong Government, directed to Mr. C. C. Asher, Esq., United States Civil Aeronautics Administration, in care of the Air Liaison Officer, American Consulate General, Hong Kong Bank Building, Hong Kong, reading, as follows:

DEPARTMENT OF CIVIL AVIATION,
Hong Kong, January 5, 1950.

C. C. ASHER, Esq.,
United States Civil Aeronautics Administration, care of Liaison Officer, American Consulate General, Hong Kong.

DEAR SIR: With reference to your visit yesterday afternoon, and your application to inspect the aircraft, the subject of a transfer to United States of America registry, I am to state, as follows:

You are at liberty to enter Hong Kong Airport, Kai Tak, and if you will send me two passport photographs of yourself and Mr. Carpenter, I will have passes made out at once.

Mr. O. F. Hamilton of my staff will be pleased to accompany you. Contact can be made with him at the airport manager's office, telephone No. 57561.

I regret that as the aeroplanes in question are the subject of litigation before the supreme court no permission can, for the present, be given to enter in or in any way tamper or interfere with them.

Yours faithfully,

MAX OXFORD,
Acting Director of Civil Aviation.

Mr. President, so far as my information goes, the American Civil Aeronautics Authority has never been permitted to put the American registration numbers on these planes.

I also wish to insert as a part of the RECORD a letter I received from Mr. William Foster, Deputy Administrator of the ECA, enclosing a memorandum dealing with this matter of the planes, in which that agency of the Government, as well as the State Department, clearly recognizes that they had been sold to an American company.

There being no objection, the letter, together with the accompanying memorandum, was ordered to be printed in the RECORD, as follows:

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., January 6, 1950.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: In accordance with our telephone conversation of January 4, I am sending you the enclosed memorandum.

Sincerely yours,

WILLIAM FOSTER,
Deputy Administrator.

MEMORANDUM

SUBJECT: CNAC AND CATC PLANES PURCHASED BY GENERAL CHENNAULT

On November 9, 1949, a part of the staffs of the China National Aviation Co. and of Central Air Transport Corp., two of the three Chinese civil air lines, defected to the Communists taking with them a number of planes.

A total of 94 planes belong to these 2 air lines, however, were either in Nationalist territory or in Hong Kong. Sixty-seven of these planes were in Hong Kong. The Chinese Nationalist Government in December sold the assets of both air lines and its interest in them to General Chennault and his partner, Whiting Willauer. On December 30, 1949, Pan American, which held a 20-percent interest in CNAC, sold its interest to the Chinese Government. This interest has now passed to Chennault and Willauer.

Before the sale to Chennault and Willauer, the Nationalist Government had brought suit in Hong Kong for an injunction to prevent

any further removal of the planes from Hong Kong by the defecting staff. Representatives of the defecting staff then brought a countersuit and obtained an injunction preventing the Nationalists from removing the planes. These suits, in which Chennault and Willauer have intervened, are still before the courts in Hong Kong.

The 94 planes have now been placed under United States registry with the Civil Aeronautics Board.

We are informed that the State Department, the Embassy in London, and the Consulate General in Hong Kong are aware of the situation, and are cooperating in every appropriate way for the protection of American interests.

JANUARY 6, 1950.

The VICE PRESIDENT. The Senator's time has expired.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield to me further?

Mr. JOHNSON of Colorado. I yield 1 minute.

Mr. KNOWLAND. Could the Senator yield 5 minutes, in order that I may finish putting these matters in the RECORD?

Mr. JOHNSON of Colorado. I yield 5 minutes more to the Senator from California.

Mr. KNOWLAND. I thank the Senator.

Mr. President, I also wish to have printed as a part of my remarks a letter signed by Mr. William J. Donovan, who was one of the firm of attorneys which represents the American company addressed to His Excellency, the Governor of Hong Kong.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HONG KONG, *January 6, 1950.*

His Excellency, the GOVERNOR,
Hong Kong.

YOUR EXCELLENCY: This is written on behalf of my client the Civil Air Transport Inc., an American corporation organised under the laws of the State of Delaware.

I respectfully urge that the attention of Your Excellency be directed to the setting up of more comprehensive and effective measures for the protection of that company's planes and property.

Mr. Willauer tells me that the defectionists have been removing vital parts and other equipment. It appears that they are the more easily able to do this because they hold passes issued by the Director to enter Kai Tak airfield. Request was made that these passes be withdrawn since the defectionists severed their employment and could have no lawful purpose at the air field.

In order to avoid the danger of breaches of peace and of riots and to give adequate protection to the property, our client asks that you give consideration to the following:

(a) Declare the airport a military area.

(b) Withdraw the passes now in the hands of the defectionists.

(c) Issue passes only to those who establish the right of entry for lawful purposes.

Respectfully yours,

WILLIAM J. DONOVAN.

Mr. KNOWLAND. I also ask to have printed as a part of my remarks a letter addressed to Messrs. Markby, Stewart & Wadesons, of London, from the firm of Wilkinson & Grist, who are associated with the legal matters pertaining to this case, which I think gives a rather complete review of the whole situation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 4, 1950.

Messrs. MARKY, STEWART & WADESONS,
5 Bishopsgate, London E. C. 2.

DEAR SIRS: We are engaged in heavy litigation arising out of the assets in Hong Kong of CNAC and CATC, which were deposited in Hong Kong by the officers of those corporations who had been appointed by the National Government of the Republic of China. The assets consisted of—

(a) Seventy-one aeroplanes.

(b) Large quantities of engines, spare parts, tools, and equipment for aeroplanes.

(c) Debts due to the corporations.

(d) Deposits in banks.

(e) Moneys in safe-deposit boxes in banks of Hong Kong.

(f) The right as cestui que trust of a large area in Kowloon known as Bailey's Yard which had been purchased by Pan American Airways, Inc. with moneys provided by CNAC.

(g) Offices, godowns, documents, etc.

On or about the 12th of November last there was a defection of the staff of both corporations from the Chinese National Government and Colonel Liu, the then managing director of CNAC, and Col. C. N. Chen, the then managing director of CATC, flew to Communist China with a number of aeroplanes. The defectionists remained in Hong Kong and continued to occupy the portion of Kai Tak Airfield upon which the 71 planes remaining after the defection were placed, the workshops, the godowns, Bailey's Yard, the offices, etc., and prevented the new appointees made by the National Government from taking possession of tne various assets. As a precaution, the defectionists withdrew from the CATC and CNAC bank accounts large sums of money which they deposited in safe-deposit boxes with certain signatories as authorized to open such boxes and deal with the contents.

The result was that the new officials appointed (regularly, as the Chinese National Government maintains) to take over the management of the two corporations were unable to obtain possession of any of the assets.

They consulted us and upon our advice they brought executive pressure to bear and the Foreign Secretary (Mr. George Yeh) of the Nationalist Government came over from Taipeh and interviewed the Governor of Hong Kong. As a result of this interview, we were instructed to institute such proceedings as we thought advisable in order that the courts could give support to the new officials and obtain possession of the various assets.

The writer interviewed the governor, the colonial secretary, the attorney general, the commissioner of police, and the director of civil aviation, asking for assistance in obtaining possession of the assets. The attorney general, in the presence of the commissioner of police, stated most definitely that the representatives of the Chinese National Government must take no steps that were likely to cause a breach of the peace, but that if orders of court be obtained the court would implement the terms of such orders.

Our clients were in a difficulty in that there were probably 2,500 defectionists and they only knew by name the heads of the various departments and the principal mechanics. We therefore issued writs against the various defectionists whose names were known for trespass and claiming an injunction and damages.

Two writs were issued—one on behalf of CNAC and one on behalf of CATC. Firms of solicitors accepted service of the two writs on behalf of all named defendants.

On the 25th of November we applied ex parte on behalf of the plaintiffs for interim injunctions restraining the defendants from entering upon the premises named in the writs or from tampering with the assets. On the next day the defendants applied for orders under section 265 of the Code of Civil Procedure in Hong Kong (0.50. r. 1) restraining the plaintiffs from moving the assets from their then positions. This latter order was granted, although, in our opinion, the same should have been refused. The theoretical effect was that, although the assets were frozen, the plaintiffs were permitted to take possession of and maintain the assets, but were not allowed to remove them and the defendants were not permitted to have access to the assets. But, in practice, the remaining 2,000 and more defectionists swarmed over the assets and prevented the plaintiffs' representatives from obtaining possession.

We again conferred with the attorney general and asked him for assistance in two ways:

One, that he should permit the bailiff with proper police protection to enter upon the various premises and read out the injunctions and warn any persons on the premises that if they remained there they would be in contempt of court.

Two that he would instruct the director of civil aviation to withdraw from the defectionists the passes that they had to enter the Kai Tak Airfield where the airplanes and workshops were situated.

The attorney general refused to grant this assistance which came as a great surprise to us in view of our previous conversation with him and the assurance given by the governor to Mr. George Yeh that if orders of the court were obtained, the assistance would be given to implement such orders.

We were further informed that if the plaintiffs attempted to obtain possession by strong-arm methods, the police would take drastic steps against them.

The result was that our clients could not obtain possession.

On the 1st of December, the defectionists who had been suspended from duty by our clients, published in the newspapers under their individual names the fact that they had severed their connections with CNAC and CATC and now regarded themselves as being employed by the People's Government of China. In spite of this the director of civil aviation would not assist in the withdrawal of the passes.

On December 12, 1949, and without any consultation with us the Chinese Government sold all the assets and shares in CNAC and CATC to Maj. Gen. Claire Lee Chennault and his partner, Mr. Whiting Willauer. This was in the form of a letter signed by the then Premier of the National Government of China at Taipeh confirming an offer to purchase, dated December 5 that General Chennault and Mr. Willauer had sent to the Chinese Government.

On December 18, Chennault and Willauer executed a bill of sale of the assets of CNAC and CATC to Civil Air Transport, Inc., a company registered in the State of Delaware in the United States of America.

The Foreign Secretary of the National Government of China through the ambassadors in London, Washington, and other countries interested informed the respective governments that the sale of the assets to Chennault and Willauer was in order according to Chinese law. Certificates to this effect were handed to the respective governments. On the strength of these certificates, the American Government on the application of Civil Air Transport, Inc., placed the airplanes on the American register and notified the Hong Kong Government that this had been done.

There was another action that we had instituted on behalf of the China National Resources Commission, a department of state claiming damages for trespass and injunctions against defectionists; the plaintiffs had obtained an interim injunction and the defendants had obtained a stop order against the plaintiffs as in the above-mentioned actions.

As the National Resources Commission was admittedly a department of state, we made application for the revocation of the stop order on the ground of immunity but the Chief Justice stated that he could not come to a decision on so important a matter upon affidavit evidence in an interlocutory application, but would deal with the matter at the trial of the action.

On January 6, 1950, the British Government recognized the People's Government of China and severed their relationship with the Chinese Nationalist Government. The National Resources Commission automatically turned over to the People's Government.

On January 5, 1950 we, on behalf of Civil Air Transport, Inc., commenced two actions against Chennault and Willauer claiming possession of the various assets of CNAC and CATC and in those actions, we applied for the appointment of receivers but these ex parte applications were refused.

Chennault and Willauer added the defendants in the previous actions as third parties on the ground that Chennault and Willauer had been unable to give possession of the assets because the third parties by their agents had prevented them from taking possession of such assets. We then applied inter partes for the appointment of a receiver and the Chief Justice after going very carefully into all the facts as disclosed by what he stated to be most incomplete affidavits, accepted the position that CNAC and CATC were departments of state and that as those departments had possession of the assets through their agents who had remained on the premises were entitled to claim the assets and immunity from jurisdiction of the Court. He also refused the receivership on further grounds as follows:

(a) Nonjoinder of CNAC in the one case and nonpoinder of CATC in the other.

(b) Hardship ensuing from granting the application.

(c) That the title so far established was not sufficiently strong for him to interfere by granting the application.

It will be observed that this decision was entirely opposed to the judgment that he had given in the National Resources case.

Immediately after this judgment had been delivered, application was made by the defendants in the earlier actions for the withdrawal of the injunction and stop order. The effect therefore, is that the People's Government of China are now making preparations to remove from Kai Tak the aeroplanes in question.

The Government of the United States has taken a very strong view upon the proceedings in Hong Kong and is taking up the matter diplomatically in London and we understand that the Attorney General has flown home to explain the position to the Foreign Office.

We have not yet described the constitution of CNAC and CATC.

CNAC is a corporation registered under the company laws of China and by an agreement the shareholders were the Government of the Republic of China holding 80 percent and Pan American Airways, Inc., holding 20 percent of the shares.

The Chinese National Government has purported to sell to Chennault and Willauer the whole of the shares in CNAC and by a subsequent deal (particulars of which are in court) the Pan American Airways, Inc., purported to sell to the Chinese National Government their 20 percent of the shares.

We are informed that in fact, CAT, Inc., paid to Pan American Airways, Inc., a sum of money in New York and the transfer of the shares was made direct to CAT, Inc., but this has not been brought before the court.

So far as we are aware no transfers of shares have been registered in the office of the CNAC because all the registers and books are in Shanghai.

CATC was formed by the Chinese Government during World War II. There was an air line managed and principally owned by German interests called Eurasia. This line was taken over by the Chinese Government who with the assistance of the American Government, purchased more planes and extended the system and called it Central Air Transport Corp. It was originally the intention of the Chinese Government to incorporate the undertaking under the Chinese company law, but this was never done and although the management of the concern was in the hands of directors, yet, in fact, it was a department of state owned directly by the Chinese Government.

We have conferred with counsel here with a view to appealing against the decision of the chief justice on the interlocutory application for a receiver but have been advised by them it would be useless to appeal largely because the granting or refusal of the application was a discretionary matter and would not be interfered with on appeal. They suggested, therefore, that we should proceed to the trial of the action after joining the CNAC and CATC as parties. This we proceeded to do, but having regard to the matters upon which the Chief Justice gave his decision in the interlocutory application it is likely that our clients will wish to appeal to full court here and from thence to the privy council.

Our clients have stated that they are determined to fight the case to that extent and at present there seems no likelihood of them withdrawing those instructions.

We will prepare a case with the accompanying documents for submission to counsel in London and will forward them at an early date.

It is understood by our clients that the application to the privy council will be comparatively nugatory because the airplanes and movable equipment will have by then been removed from the jurisdiction of Hong Kong.

The reason for this present letter is to instruct you to retain on behalf of Civil Air Transport, Inc., the best leading and junior counsel that you can advise to give an opinion to assist counsel in Hong Kong in the conduct of the trial and to act eventually when these proceedings are taken to the privy council. The case is one involving complicated questions of international law and the counsel to be retained should be experts in that field.

Yours faithfully,

WILKINSON & GRIST.

Mr. KNOWLAND. I also wish to have printed as a part of my remarks a statement which was issued over the Communist radio from Moscow, on December 27, entitled "Stalin Foresaw and Designed the China Victory" of the Communists. I think that should be interesting as a part of the over-all record.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STALIN FORESAW, DESIGNED CHINA VICTORY

(Talk by Yurev)

In its long road—reaction at home the Chinese people have won a great historic victory as a result of which the Chinese People's Republic has been set up. The main source of inspiration in this struggle has been the heroic Communist Party of China, armed with the teachings of Lenin and Stalin. Mao Tse-tung in his article on the dictatorship of the People's Democracy indicated that the Chinese have accepted Marxism as a result of its application by the Russians.

Before the October revolution the Chinese were not only ignorant of Lenin and Stalin, they were also ignorant of Marx and Engels. The broadside of the October revolution carried to us Marxism-Leninism.

In their classics Lenin and Stalin showed that the national colonial question is a part of the question of the proletarian revolution and the dictatorship of the proletariat. Stalin teaches us that colonial and dependent * * * from a reserve of the imperialist bourgeoisie into a reserve of the revolutionary proletariat. This statement is fully confirmed by the entire experience of the struggle of the oppressed peoples for their emancipation. Stalin gave particular attention to the Chinese antifeudal and antiimperialist revolution.

STALIN AID SURPASSED ANGLO-UNITED STATES ARMS

In his historic works written in 1925 and 1927, exclusively, on the subject of the revolution in China, Stalin created a well-reasoned theory concerning the Chinese revolution. The entire world armed the Chinese proletariat and its vanguard the Communist Party with a mighty weapon immeasurably stronger than guns or aircraft with which the American and British imperialists armed their Chinese puppets. Stalin revealed the main laws governing the victory in China. He gave important advice to the Chinese revolutionaries, transmitted to them the wealth of experience of the All-Union Bolshevik Party.

Stalin rendered invaluable aid to the Chinese Communists in their struggle against the right-wing and left-wing opportunists seeking to cause the Chinese Communist Party to deviate from the Lenin path.

The greatest service of the nucleus of the Communist Party of China which rallied itself around Mao Tse-tung is the fact that it defeated opportunism and headed the struggle of the Chinese proletariat for the victory of the people's revolution.

Stalin revealed the characteristic of China as a semicolonial country which the capitalist hierarchy combined with the domination of the remnants of feudalism. Stalin showed the links between imperialist domination and the maintenance of the oppression of the feudal remnants.

Stalin indicated the peculiarity of the combination of the domination of feudal remnants with the existence of commercial capital in the Chinese countryside with the simultaneous maintenance of feudal medieval methods of exploitation and oppression of the peasants. Stalin moreover noted that the oppression by the feudal remnants * * * by that of military * * * bureaucracy while imperialism maintains and strengthens this feudal bureaucratic machine. Stalin exposed the American, British, and Japanese imperialists as the organizers of the intervention in China showing that intervention is by no means confined to troops and that the introduction of troops by no means forms the main characteristic of an intervention.

INTERVENTION IN FORM OF CIVIL WAR

As early as 1926 Stalin emphasized that under present-day conditions imperialism prefers to carry out intervention by organizing a civil war in the dependent countries, financing counter-revolutionary forces and giving moral and financial support of the Chinese agents against the revolution. Stalin noted that the Chinese revolution is the union of two streams of the revolutionary movement: the movement against the feudal remnants and the movement against imperialism. Stalin indicated that the Chinese Communists must take into account national peculiarities and make use of the smallest opportunities to provide the proletariat with

a mass ally, even if temporary and unreliable, and to be guided by the axiom that for political upbringing propaganda and agitation alone are insufficient, that the masses own political experience is essential for this.

Stalin showed that the Chinese proletariat and its Communist Party can and must establish a stable union with the bulk of the peasant masses, can and must pursue joint activity with the national bourgeoisie and the small urban bourgeoisie while these classes oppose the capitalist and feudalist domination. It was on this basis that the national united front was formed in 1924.

STRUGGLE WITHIN UNITED FRONT

At the same time Stalin pointed out that inside this united front there will be a struggle for * * * in the revolution between the proletariat and the national bourgeoisie. Stalin predicted two ways of development of the Chinese revolution: Either the national bourgeoisie will smash the proletariat by making a deal with imperialism and together with it will make an attack against the revolution so as to end it by establishing capitalist domination; or the proletariat will sweep away the national bourgeoisie, strengthen its hegemony, and lead in its wake the millions of workers of town and country so as to overcome the resistance of the national bourgeoisie, achieve complete victory of the bourgeois democratic revolution, and then gradually lead it onto the road of a Socialist revolution with all the inherent consequences.

1927 BOURGEOIS-IMPERIALIST DEAL

As is known, in 1927 the Chinese national bourgeoisie made a deal with imperialism. The revolution suffered a temporary defeat, the united forces of imperialism and domestic reaction proved for a time stronger than those of the Chinese revolution. The Trotskyite and Zinovyevist enemies of the people despaired at the temporary defeat of the Chinese revolution.

Stalin gave a devastating reply to these agents of imperialism arming the Chinese revolutionaries with the prospects of further struggle for the liberation of the Chinese people. In the political report of the central party committee to the fifteenth congress of the All-Union Bolshevik Party Stalin pointed out: "The fact that the Chinese revolution has not yet brought about a complete victory over imperialism is of no decisive importance to the ultimate prospects of the revolution. Generally, great popular revolutions never triumph fully in the first round. They grow and strengthen in a series of ebbing and flowing tides. This principle has always applied, including in Russia, and this is what will happen in China."

This prediction was entirely borne out by history in the heroic struggle of the Chinese people. Emerging from the severe test of the civil war between the years 1928–36, the anti-Japanese war of 1936–45, and finally the liberation war against both the American imperialism and the Kuomintang reaction, the great Chinese people achieved its historic victory. The people's revolution proved itself to be immeasurably stronger than the reactionary bloc of Chinese feudalists and American imperialists.

NEW UNITED FRONT DIFFERENT

Under the new conditions which arose in China following the Second World War and the intervention of American imperialism, the vanguard of the Chinese proletariat contrived once more to establish a united democratic front. This front includes not only the peasant masses, but also the small urban bourgeoisie and the national bourgeoisie. The difference, however, between the present united front and that of 1924–27 lies in the fact that at present the question of its hegemony has been finally solved. The proletariat, around which have rallied the bulk of the masses of the Chinese peasants, has assumed undivided leadership in the victorious struggle of the Chinese people against imperialism, feudalism, and capitalist bureaucracy.

As early as 1926 Stalin showed clearly the inevitability of the establishment of the hegemony of the proletariat in the Chinese revolution. If the main sections of industry are concentrated in the hands of foreign imperialists, said Stalin, the big national bourgeoisie of China cannot but be weak and backward. It follows from this, however, that the role of the initiators and leaders of the Chinese revolution, the role of leader of the Chinese peasantry must inevitably go to the Chinese proletariat and its party.

The Chinese revolutionaries are successfully putting into being Stalin's statements that the proletariat must win over to its side mass allies even if they are unstable.

There is no doubt that the united democratic front formed and * * * by the Chinese Communist Party is one of the chief factors in the historic victory of the Chinese people. The most notable thing about the Chinese revolution is the fact that China borders on the Soviet Union, whose revolutionary activity and whose assistance cannot fail to facilitate the struggle of the Chinese proletariat against imperialism and against the medieval feudal remnants in China.

The Soviet people, led by the great Stalin, has shown solidarity toward the Chinese people in all the stages of its many years of struggle for national and social freedom. The Soviet Union's defeat of Hitler's Germany and imperialist Japan created decisive conditions for a rapid development and strengthening of the democratic forces of China.

Mao Tse-tung emphasizes the importance of this factor for the victory of the Chinese people saying: "If the Soviet Union did not exist, had there been no victory in the anti-Fascist war, had, and this is of particular importance to us, Japanese imperialism not been defeated, had the people's democracies not arisen in Europe, then the pressure of the international reactionary forces would of course have been a great deal stronger than now. Could we have sustained our victory under those circumstances? Of course not. Equally, victory could not have been consolidated after its achievement."

Comrade Stalin's works emphasize the leading role of the military factor in the Chinese revolution. In his historic speech on the prospects of the revolution in China, Stalin indicated: "The revolutionary army of China is a supreme factor in the struggle of the Chinese workers and peasants for their liberation. In China it is not a defenseless people that is resisting the armies of the old Government but an armed people as represented by its revolutionary army. In China the armed revolution is fighting an armed counterrevolution. This is one of the peculiarities and one of the advantages of the Chinese revolution. In this also lies the particular importance of China's revolutionary army."

The Chinese Communists (basing) themselves on this splendid analysis of Stalin, in two decades created and trained the Chinese people's army numbering millions. The Chinese liberation army has grown into a mighty force which has smashed the troops of the Kuomintang reaction buttressed by American imperialism. At the head of this army stands the experienced leaders, Mao Tse-tung, Chu Teh, Chou En-lai, and other stalwart revolutionaries.

IMPORTANCE OF MILITARY SCIENCE

They have carried out Stalin's indication that Chinese revolutionaries, including the Communists, must take to heart the matter of studying military science, that they must not regard military science as being of secondary nature.

At the same time Stalin warned the revolutionaries that it is impossible to vanquish the imperialists and the Chinese feudalists by military force (only). Victory over the enemy can only be achieved with the help of the agrarian revolution under the leadership of the proletariat. As is known the Chinese Communists fulfilled this indication too.

Stalin also defined the nature of the future revolutionary rule in China, emphasizing in 1926 that this would be a transitory administration toward a noncapitalist China, or more correctly, a Socialist development of China. It is precisely an administration of this kind that the dictatorship of the popular democracy represents.

Speaking about the successes which the Chinese Communist Party achieved in the revolutionary period of 1925–27, Stalin said that these were among other things due to the fact that the party followed the teaching of Lenin. After the 1925–27 revolution the Chinese Communist Party achieved more successes and managed to bring the Chinese people to victory over imperialism and reaction at home. During the years of the Chinese revolution, Stalin said that the revolutionaries' (capacity) is inexhaustible, it has not yet shown itself to the full; this will show itself in the future. The rulers of the east and west who do not see this will suffer.

Mr. KNOWLAND. Mr. President, anything which strengthens international communism is detrimental to the best interests of the North Atlantic powers and to the defense of this country, and we cannot contribute to the strengthening of communism in Asia without weakening the free nations of Europe and the Far East.

If the cold war should become hot, it will not be isolated in western Europe alone, but will be global in character.

There is not a witness from the National Defense Establishment appearing before the Appropriations Committee, who, when questioned, does not agree with this obvious fact.

It seems to me, Mr. President, that it is high time the British Government decides whether it is actually interested in stopping communism from engulfing the world. The time has long since past when Great Britain can call upon the United States of America for economic aid under ECA or military assistance under the arms implementation pact and under the North Atlantic Pact and, while at the same time, that nation strengthens the hands of communism in Asia. This is only one of three instances.

First, the British went off on their own, recognized the Communist regime in China, and thereby drove a wedge between the United States and the British Government. The foreign secretaries of the North Atlantic Pact nations should have consulted on this vital question before Great Britain "jumped the gun."

Second, they have set in motion the giving of 71 planes which will materially strengthen the Communist position in China from both an economic and military point of view.

Third, within the past 10 days or 2 weeks their representatives on the United Nations have been trying to unseat the legal government of China recognized by this Government and most of the other UN nations and to seat the Chinese Communist regime.

I wish to state in conclusion, Mr. President, that, in my judgment, they cannot for long expect the cooperation of the American Government and the

American people to help save them from being engulfed by communism in Europe while they are playing "footsie" with communism in Asia.

REGULATION OF NATURAL GAS

The Senate resumed the consideration of the bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended.

Mr. JOHNSON of Colorado. Mr. President, I yield 30 minutes to the senior Senator from Louisiana [Mr. ELLENDER].

The VICE PRESIDENT. The senior Senator from Louisiana is recognized for 30 minutes.

Mr. ELLENDER. Mr. President, by way of emphasis, I should like to add a few words to what has already been said regarding the pending measure. As a Member of the Senate from one of the largest gas-producing States in the Nation, I am deeply concerned with the outcome of this bill. I have a direct and immediate interest in any legislation affecting the natural resources of my State, and because of the size and extent of Louisiana's gas reserves, I have given serious consideration to the enactment of Senate bill 1498.

Aside, however, from any chauvinism of which I may be guilty, I feel that this measure warrants the most critical attention of all Senators. I feel that the measure has wider significance than has been indicated in this debate. But first let us examine briefly the bill in the setting of its legislative history.

When the Seventy-fifth Congress enacted Public Law 688, "An act to regulate the transportation and sale of natural gas in interstate commerce and for other purposes," it specifically limited the scope of that act. I quote again, for the benefit of Senators who may not have heard the quotation before, directly from Public Law 688:

> The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale—

I should like to emphasize this—

> but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

I invite attention particularly to the concluding sentence, the provisions of this act "shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

Can there be any doubt that the Seventy-fifth Congress expressed thereby its clear and unequivocal intent to exempt from regulation what is termed "production" or "gathering" of natural gas?

The bill we now have before us does not purport to take from the appropriate administrative agency any authority or jurisdiction it has ever exercised over any phase of natural-gas production, nor does it purport to take from any administrative body any authority or jurisdiction that it presently exercises. We all should recognize that although the administrative agency concerned, the Federal Power Commission, has conducted investigations, it has never, in its history, exercised control over so-called arm's-length sales by independent producers and gatherers.

The pending measure is designed only as a safeguard to prevent the threatened exercise of what I believe to be unwarranted and unjustifiable authority by the Commission. And what has brought about this situation with which we are now confronted? The Federal Power Commission itself.

For 11 years, since the enactment of the Natural Gas Act in 1938, the Commission has taken the stand that it has no jurisdiction under the act to regulate arm's-length sales by independent producers and gatherers. And why, may I ask? Simply because the Commission correctly interpreted the law. To my way of thinking it is subject to no other interpretation. But today, on the basis of the Supreme Court's decision in the Interstate Natural Gas Co. case handed down in 1947, and by reason of changes in personnel among FPC Board members, the picture is confused. The Board, prior to the recent appointment by the President of a new member, was divided 2 to 2 on the question. According to information presented to the Senate a few days ago by the distinguished senior Senator from Colorado [Mr. JOHNSON], the new Commissioner, who holds the balance of power, is looking to the Congress to make its intentions clear and thus put an end, once and for all, to the uncertainty that exists today. Senate bill 1498 has been drawn to restate the intent of the Seventy-fifth Congress when it approved the Natural Gas Act of 1938. As the junior Senator from Illinois [Mr. DOUGLAS] so clearly and precisely put the question during debate, a vote against the Kerr amendment will be a vote for Federal regulation of all natural gas that moves into interstate commerce, even though it is produced by the smallest independent companies, to the same extent as if produced by Nationwide gas companies.

I should now like to read from the bill. By section 1, it exempts from regulation under the Natural Gas Act—

> Any arm's-length sale of natural gas made by one producer or gatherer to another producer or gatherer or made at or prior to the point of delivery of such gas into interstate transmission facilities (of a natural-gas company) or to incidental transportation of natural gas necessary for delivery of such gas to such other producer or gatherer or into interstate transmission facilities (of a natural-gas company): *Provided*, That such arm's-length sale and incidental transportation are by a producer or gatherer not otherwise engaged in and not controlled by or controlling a person otherwise engaged in the transportation or sale of natural gas for resale in interstate commerce.

In section 3 it defines an arm's-length sale as follows:

> "Arm's-length sale" means a sale (1) not determined as now provided by law to be in violation of sections 1 or 2 of the act of July 2, 1890, as amended (15 U. S. C., 1 and 2); and (2) by a person not being in such relation to the buyer by reason of voting-stock interest, common officers or directors, or other evidence of affiliation, that there is liable to be such an absence of independent bargaining in transactions between them as to be contrary to the public interest.

The bill has a limited purpose and a limited effect; that is, it is a restatement of the intention of Congress when it passed the 1938 act, so as to continue the orderly administration—of 11 years' standing—of that act by the Federal Power Commission. I am definitely in favor of the bill. I can see no reason why a policy in effect since 1938 should now be changed by the Federal Power Commission without authority of Congress. Were we confronted by grievous abuse of local regulatory power over the past 11 years, or if gas rates not now regulated by the Federal Power Commission had soared, there might be some just basis for complaint, some valid argument against this bill. But such has not been the case, and I repeat, we are seeking now only to reaffirm with clarity what has been our understanding of the law enacted by the Seventy-fifth Congress.

I might say, parenthetically, at this point that if this bill were to be defeated after having gone this far, our action could be construed as an implied repeal of part of the Natural Gas Act, and still greater confusion would result. In the end we would have to delve further into this matter and after more hearings and reports we would again have to take steps to amend the 1938 act.

But in addition to these considerations, I feel, as I mentioned a moment ago, that the defeat of the bill would have far wider significance than first meets the eye. As is known, I have, in company with several other Senators, fought for the separation of powers between our State and Federal governments. I have long maintained that we should "Render therefore unto Caesar the things which are Caesar's," and likewise keep in our States the powers which our Constitution specifically reserved to the States. I am convinced that S. 1498 would in a small part preserve the intent of the makers of our Constitution and the Bill of Rights.

At this point I am prompted to inquire, Is there no end to which advocates for an overriding centralized government will strive? I confess I can see none. Let us not miss the forest for the trees; if the interests combatting the measure we are now considering should be able to secure its defeat, it would mean simply that the Federal Government might, by fixing prices, not only control the production of gas at the well but establish allowables and quotas, and police all phases of the gas industry from exploration to ultimate use, usurping directly or indirectly even those phases now administered wholly by the States.

Both the proponents and the opponents of the bill we are now considering will concede that much confusion has been thrown into the natural-gas business by the dictum appearing in the Supreme Court decision of 1947, in the Interstate Gas Company case. In that case, the petitioner transported gas to Mis-

sissippi then back into Louisiana for distribution and sale. It also produced and gathered some of its gas from its own wells and bought some from local companies. After commingling its own produced gas and that which it bought, Interstate sold the commingled gas to companies distributing it in other States. One of the companies to which petitioner sold gas was its affiliate.

The Court determined first that the gas was properly in interstate commerce at the time of the sale to the companies taking it to other States. I have noted that the Court did not delineate when the gas became a part of interstate commerce, but rather determined that, for the sale in question, its status was indisputable. This, I might say, seems to have been a somewhat backhanded and unnecessary intimation as to the constitutionality of the Natural Gas Act insofar as the transactions examined were concerned.

The Court then goes on to rule that not only were the transactions considered in interstate commerce, but that they were not contemplated by the exemption set forth in section 1 (b) of the Natural Gas Act, which I have just read to the Senate. In other words, the Court ruled that the sales were not, as petitioner claimed, embraced within the act's terms "production and gathering." These terms are not limited by definition in the decision of the Interstate case; the Court merely states that the sales under consideration were not a part of production and gathering.

The basis on the Court's decision on this point is the intent of the Seventy-fifth Congress in drafting the Natural Gas Act. I believe that the Court's basis is an incorrect one—and that when we passed the act 12 years ago we had no intention of permitting Federal regulation—price fixing—of transactions of the sort the Interstate Gas Co. had engaged in. I further believe that the testimony of hearings conducted at that time shows that arm's length sales by independents were not contemplated by the committees and the Congress in 1938. But this, of course, is subject to interpretation, and the Court interpreted the act as designed to encompass arm's length sales.

That is why confusion has arisen; the Interstate case turned solely on congressional intent. If the case is wrong, S. 1498 will not only clarify it, it will furnish a sound basis for future decisions. If the case is right, I believe the time has come for the Congress to take speedy action to rectify the situation and change the law.

If the Congress should, by failing to enact this bill, prevent State control over what has been up until now a matter for State regulation, it is apparent as to what is in store for us. Next will come oil—oil and gas are so closely interrelated that the step is insignificant—and the whole petroleum industry will be engulfed by the sprawling tentacles of an octopus national government. The very leasing of land for exploration will be regulated no longer by State law, no longer by the rule of the situs, but by Federal rule.

And why should these advocates of strong centralized Government stop with petroleum? The utilization of natural resources might be a more flexible basis for extending controls into the fields of coal, wheat, cotton, or anything else affected, however remotely, with the so-called national interest. A prime subject for Federal regulation would be steel. No commodity is more entwined with our industrial economy than steel. Should we take steps to regulate the price of steel in interstate commerce, and analogically enact legislation that will regulate the price of steel sold at the furnaces and at the mills? Under the guise of interstate commerce we could as well control every phase of interstate steel pricing as we might of natural gas. The one is as vital to our economy as the other. If we will permit the free flow of steel products in our competitive markets without Government price control, we should as well permit the flow of natural gas from the well to the transporter, unhindered by the confining web of bureaucratic control and Government price dictatorship.

Well we might ask of ourselves: Are we so far down the road to socialism and welfareism that we are willing to concede that the States are no longer political entities, with rights and powers of their own, but, instead, are geographical designations made for the convenience of a limitlessly expanding central government; and is private business so sick that it is unable to exist without the all-embracing support of an overpowering bureaucracy? In company with most Senators, I hope most fervently that we are not, for such a course can spell only the doom of our country, our system of government, and our way of life.

But let us again return to the more narrow issues confronting us in the bill before the Senate. The charge has been made that enactment of this legislation would open the door for wholesale price increases of natural gas throughout the industry. I fail to see the logic of that, for two reasons. First, S. 1498 would relax no controls presently in effect, either legal regulatory controls or economic controls. It would only, as I have pointed out, clarify and reaffirm the present status of the law regarding gathering and production. Unlike the rise of prices after abandonment of OPA, natural-gas producers would receive no liberation but would continue as they have over the past 11 years under the Natural Gas Act. Second, there are large producers and small producers in the gas industry and competition between them is guided by economic stress and strain. In a competitive system, one producer cannot raise his prices without suffering generally from the loss of customers to his competitors. With the increased use of gas throughout the country, competition between producers has been increasingly keen, and it appears to me unlikely at this point that natural-gas prices at the well will rise in the foreseeable future.

In connection with Federal regulation of gas at the well, and, of course, Federal price fixing of gas, I should like again to remind you that the gas-production industry is a speculative one, and that the risks attendant upon it do not make for sure profit from every operation. If the National Government were to impose rigid controls on sales by independent producers, the incentive to explore and prospect would be dimmed, perhaps to extinction, and not only would our gas resources be not developed to the fullest, but also incidental mineral discoveries made by gas prospectors would no longer be provided as a valuable adjunct to our national economy. I now refer to such advantages as that turned up by the development of the Monroe gas field in my home State. Only by the thorough investigation of the existing gas field were adjoining oil strata revealed. In the event that exploration had been stagnated by oppressive governmental regulation, this oil might never have become available for our national needs.

One further point in this connection: Gas fields are owned in the main by many small landowners, each holding a royalty interest in the production from the field or from his block. If Federal price controls should be imposed, production curtailed, and operators hamstrung by Federal edict, thousands of small farmers and landowners would be deprived of what has come to be part of their livelihood. The royalty income that farm owners now receive from natural gas production, which in effect represents the price at which they sell their minerals—their own private property—would no longer be fixed by the law of supply and demand, but, instead, by an all-powerful Federal bureau. Should this bill be defeated, the door would be opened for Government regulation of sales of privately owned real property rights, mineral leases, royalties, mineral rights, and even the minerals themselves. In one section of Louisiana there are more than 1,500 people who own mineral rights in a single gas-producing unit.

Unless and until the Congress is ready to put natural gas in the restricted category of a utility, even though the gas is independently produced and sold at arm's length from the well, and to regard the natural gas industry as a monopoly in the public interest, such as is done with telephone and telegraph companies, I cannot justify to myself any other course but to support the bill we are now debating.

As Senators doubtless know, legislation on this subject has already passed the House, a Senate Interstate and Commerce Subcommittee has unanimously recommended S. 1498, and the full committee has reported it favorably. I commend it as being in the best interest of all concerned.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. KERR. Is it a fact that among all the commodities being used generally by the people of America, gas, insofar as what the consumer pays, is the only one which has not gone up in price considerably in the last few years?

Mr. ELLENDER. The Senator is eminently correct.

Mr. KERR. Is it not also true that the price of gas to the consumer in the past 12 years has gone down on the average of about 1 percent a year?

Mr. ELLENDER. It has gone down. I do not know the figure percentagewise, but I do know that the price of gas has gone down.

Mr. KERR. Is it not strange that if persons wanted to regulate the price of some commodity to the consumer they would pick out the one commodity which, among all others, has gone down in price to the consumer, instead of having gone up in price?

Mr. ELLENDER. There is something fishy about it, Mr. President. What it is I do not know. But, as I pointed out a while ago, it seems that some of the bureaucrats want a little more power than they now exercise. They do not seem to want to follow the spirit of the law after Congress enacts it.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. ELLENDER. Yes.

Mr. KERR. Is the Senator aware of the physical conditions that exist in a producing gas field?

Mr. ELLENDER. Yes; to some extent.

Mr. KERR. The Senator knows, does he not, that there may be 10 or 100 wells in a field, and that usually they are in the hands of many operators or owners?

Mr. ELLENDER. Yes.

Mr. KERR. And that as a usual thing in the sale of the gas someone foreign to the producer makes a deal with one or more producers to buy their gas, runs a line to the producers' wells, and takes the producers' gas at the wells?

Mr. ELLENDER. Yes.

Mr. KERR. Is it a fact that at that point the transaction, insofar as the producer is concerned, is closed?

Mr. ELLENDER. Yes.

Mr. KERR. The gas may be taken by the purchaser, who is referred to locally as a gatherer?

Mr. ELLENDER. As a gatherer, yes. I may say the reason for that is very simple. There may be an order for a large supply of gas, more than one small independent gas owner could furnish. So, usually better trades are made if the gas is taken from his well and from various other wells, centered in one place, and then distributed to consumers.

Mr. KERR. The gatherer who buys it from one or more producers and pays them for it at the well has many uses, does he, to which he may put that gas?

Mr. ELLENDER. He has.

Mr. KERR. It may be processed into carbon black.

Mr. ELLENDER. Yes. And he can withdraw some kind of oil from the gas.

Mr. KERR. Natural gasoline?

Mr. ELLENDER. Yes.

Mr. KERR. Butane?

Mr. ELLENDER. Yes.

Mr. KERR. Propane?

Mr. ELLENDER. Yes. And then after the extraction of those byproducts, he sells the gas as a fuel.

Mr. KERR. Or even then he may sell it to a local fertilizer plant to make fertilizer. Does the Senator remember the explosion at Texas City?

Mr. ELLENDER. Yes.

Mr. KERR. Gas may be sold to a local fertilizer plant to make ammonium nitrate.

Mr. ELLENDER. Yes.

Mr. KERR. Is it not a fact that the explosion referred to was of fertilizer made at a local plant out of natural gas?

Mr. ELLENDER. Yes.

Mr. KERR. The Senator, I believe, quoted the Natural Gas Act, section 1 (b).

Mr. ELLENDER. I did. I am familiar with it.

Mr. KERR. Section 1 (b), as I recall, says that—

> The provisions of this act * * * shall not apply to * * * the production or gathering of natural gas.

Mr. ELLENDER. There is no question about that. I emphasized that as much as I could in the short speech I made a while ago. I personally cannot see how the Commission can bypass that specific language.

Mr. KERR. If the provisions of the act not only do not apply at the production level, but do not even apply at the gathering level or phase, does it not seem to the Senator to be ridiculous for anyone to say that a Federal agency, acting under that act, which say it does not even apply, not only to the production level, but to the level beyond it, could go through both of them and go down to the production level and fix the price of the gas at which the producer sells it?

Mr. ELLENDER. It does not sound reasonable.

Mr. KERR. I thank the Senator from Louisiana.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had insisted upon its amendment to the bill (S. 247) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PRIEST, Mr. BIEMILLER, Mr. WILSON of Oklahoma, Mr. HINSHAW, and Mr. O'HARA of Minnesota were appointed managers on the part of the House at the conference.

The message also announced that the House had insisted upon its amendment to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. HAYS of Arkansas, Mr. WOLCOTT, Mr. GAMBLE, and Mr. TALLE were appointed managers on the part of the House at the conference.

ADJOURNMENT

Mr. JOHNSON of Colorado. I move that the Senate adjourn.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. If the Senate adjourns now rather than recesses, I understand that, except for moving into another legislative day, the entire unanimous-consent agreement will be in precisely the same situation as if the Senate should recess. In other words, I want to be sure that there will be no morning hour to cut down the time for debate under the unanimous-consent agreement.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator is correct.

The question is on the motion of the Senator from Colorado that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 18 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, March 29, 1950, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 28, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the guiding spirit in the life of men and of nations, we rejoice that we have the testimony of a countless number of yesterdays that where Thou dost lead Thou wilt also provide.

Grant that with courage and confidence we may choose the paths which Thou hast marked out for us, for he who followeth Thee shall not walk in darkness but shall have the light of life.

We pray that all who hold positions of leadership in the affairs of government may be the honored servants of the Lord in directing our Nation in the ways of righteousness and peace.

Hear us in the name of the Christ who proclaimed Himself to be the way, the truth, and the life. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 2246) entitled "An act to amend the National Housing Act, as amended, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. BRICKER to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 247) entitled "An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Utah, Mr. MURRAY, Mr. LEHMAN, Mr. TAFT, and Mr. SMITH of New Jersey to be the conferees on the part of the Senate.

HOUSING ACT OF 1950

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2246) to

amend the National Housing Act, as amended, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, HAYS of Arkansas, WOLCOTT, GAMBLE, and TALLE.

NATIONAL SCIENCE FOUNDATION ACT

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 247) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PRIEST, BIEMILLER, WILSON of Oklahoma, HINSHAW, and O'HARA of Minnesota.

COMMITTEE ON EDUCATION AND LABOR

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Education and Labor be permitted to sit this week during general debate or when the House is not in session.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, what bill is the subcommittee considering?

Mr. LESINSKI. It is H. R. 1551, a construction bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend by remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Speaker, my constituents are asking about the restriction on television service in western Pennsylvania. It is not an isolated case, inasmuch as many of my colleagues have similar situations in their own districts, and I believe we should make some effort to have this condition resolved to the satisfaction of those citizens who are being deprived of many of the wonders of television.

Although there are seven applications from greater Pittsburgh in the Federal Communications Commission files, there is just one TV outlet in that area—the very area that produced the world's pioneer radio broadcasting station.

The FCC has frozen licenses until further studies on television are completed. I do not question the sincerity of the Commission in its ruling, which to all intents and purposes is to protect the consumer from investing in apparatus that may soon become obsolete. But I do take issue with the reasoning behind the ruling.

Certainly, there is going to be rapid progress in television. The more than 4,500,000 sets now in American homes will be considered old models a few years hence. So will there be considerable progress in the manufacture of automobiles, but would anyone who can afford it want to do without a car merely because remarkable improvements are expected later?

Television receivers have gradually been reduced in price to a point where many families of moderate income can afford them. The TV phenomenon is becoming an effective medium of keeping the family circle intact in the evenings, and this in itself is a high tribute to the infant industry. It is my belief that we should encourage the growth of this industry in every way rather than impair it as we are now doing through the freeze on new stations.

LET US GET REAL ECONOMY IN GOVERNMENT

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I often wonder what would happen to the families of the United States if the housewives ran their homes in the same manner as the executive department manages the Government.

A good example of what I mean was given by Jess Larson, the General Services Administrator, in his recent testimony before a House Appropriations Subcommittee. Mr. Larson said his men had found in a single warehouse of a single unidentified Government agency a supply of fluorescent light tubes that would last for 93 years, a supply of ruled filler paper that would last 168 years, a supply of tracing cloth that would last 9 years, and a supply of loose-leaf binders that would last 247 years.

We have a good-size kitchen in our home, and I have tried to visualize a 247-year supply of bean soup—the same kind that is served here in the Capitol. I just cannot do it. When I try to picture the number of cans of bean soup that would last our family 247 years I am overwhelmed. I see cans of bean soup stacked up to the ceiling of the kitchen. I see our dining room out of commission because it is jammed to the rafters with bean soup. I see our living room overflowing with bean soup and I see bean soup lapping at the top stairs to our second floor. I see bean soup driving us from our home and hearthside.

But are these incredible overstocks rare in the Government? Not at all. Mr. Larson told the subcommittee:

This situation is general throughout the Government in a lot of instances.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I just sent the President the following telegram:

MARCH 28, 1950.

The PRESIDENT,
Winter White House,
Key West, Fla.:

I am sending you under separate cover a potato. I hope it will serve as a vivid reminder that you have taken no action to this time to remedy the outrageous situation arising from the lack of any constructive program as to the disposal of surplus potatoes and other food commodities. I realize this is a cold potato, but I can assure you that the issue is a very hot one. I beg that you take some action under existing law immediately. Total loss to date on storage of these food commodities alone is $3,300,000.

JOHN W. HESELTON,
Member of Congress.

I am delighted to report that yesterday I was advised that a meeting of representatives of CARE and the Friends' Society resulted in approval of H. R. 7137 and the companion bills. However, they wish to have consideration given to the possibility of paying freight overseas in certain instances and suggest waiving the requirement of confining transportation costs to the equivalent of 6 months' storage charges.

This morning I received the welcome further message from the National Grange that a policy meeting was held yesterday afternoon and that the decision was made to support these bills and that representatives stand ready to appear at a hearing before the Committee on Agriculture.

It is inevitable that if the full facts become known to the American people and their outstanding charitable and civic organizations they will launch an avalanche of demands for prompt action to end this appalling waste of both food and money.

SOCIAL SECURITY FOR WIDOWS AND ORPHANS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, on March 15 the gentleman from Nebraska [Mr. CURTIS] on the floor of the House shed a lot of crocodile tears about the poor widows and orphans who were not covered under the Federal old-age and survivors insurance program because the widows' husband died before the social-security law was enacted. The gentleman from Nebraska [Mr. CURTIS] neglects to point out that, if the Republicans would have had their way, there would be no widows or orphans at all receiving insurance benefits today. In 1935, when

the insurance program was first considered in Congress, the Republican members of the Ways and Means Committee opposed the establishment of the insurance program. It was called socialistic. The Republicans at that time favored providing assistance to widows and orphans only on the basis of relief.

The gentleman from Nebraska [Mr. CURTIS] is a member of the Ways and Means Committee, but when social security was being considered last year did he make any motion or offer any amendment in committee or on the floor to bring in all widows and orphans for benefits, or has he introduced any bill since that time to do so? Now he is shedding crocodile tears for the widows and orphans. The question I would like him to answer is, Did you lift a finger to remedy the situation at the time the legislation was being considered?

This is the usual Republican line: To criticize, but never do anything constructive to try to improve our social-security legislation.

EXTENSION OF REMARKS

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks.

Mr. LANE asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. EVINS asked and was given permission to extend his remarks in two instances and include an editorial and a brief speech by the Assistant Secretary of the Air Force.

Mr. BARTLETT asked and was given permission to extend his remarks and include an editorial.

Mr. PRICE asked and was given permission to extend his remarks in four instances and include in three an editorial and in the fourth a letter.

Mr. ZABLOCKI asked and was given permission to extend his remarks and include an editorial.

Mr. HOWELL asked and was given permission to extend his remarks and include a speech.

Mr. JACOBS asked and was given permission to extend his remarks in six instances and in each to include extraneous matter.

Mr. REDDEN asked and was given permission to extend his remarks and include an editorial.

Mr. WOODRUFF asked and was given permission to extend his remarks and include an article by Representative MASON which appeared in Reader's Digest.

Mr. McGREGOR asked and was given permission to extend his remarks in three instances and in each to include newspaper articles.

Mr. HESELTON asked and was given permission to extend his remarks and to include a newspaper editorial.

Mr. MILLER of Maryland asked and was given permission to extend his remarks and include an editorial from the Washington Post.

Mr. WADSWORTH asked and was given permission to extend his remarks and include a letter written by Mr. Henry L. Stimson, former Secretary of War, as published in the New York Times of March 27.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks and include the text of an address made by him at Madison, Wis., on Saturday.

Mr. LOVRE asked and was given permission to extend his remarks and include a letter.

Mr. PATTERSON asked and was given permission to extend his remarks and include a letter written to the editor of the Washington Post.

Mr. HILL asked and was given permission to extend his remarks and include an article.

Mr. MACY asked and was given permission to extend his remarks and include a statement.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances and in each to include extraneous matter.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 120]

Barden	Harden	Potter
Baring	Havenner	Powell
Bennett, Mich.	Hébert	Reed, N. Y.
Boggs, La.	Herter	Ribicoff
Buckley, Ill.	Hoffman, Ill.	Rivers
Bulwinkle	Jackson, Calif.	Sabath
Burdick	Jackson, Wash.	Sadowski
Burke	Jenison	Scott, Hardie
Carroll	Judd	Sheppard
Chatham	Kearney	Smathers
Cole, Kans.	Kennedy	Smith, Ohio
Crawford	Kruse	Staggers
Dague	Kunkel	Stanley
Dawson	Lyle	Tackett
Dingell	Miles	Taylor
Douglas	Monroney	Wheeler
Durham	Morrison	Whitaker
Fellows	Murphy	White, Idaho
Fenton	Nelson	Widnall
Gilmer	Nicholson	Wilson, Ind.
Gore	Nixon	Withrow
Gossett	Norblad	Wolcott
Grant	Norton	Woodhouse
Hall, Edwin Arthur	Patman	Worley
Hand	Patten	
	Plumley	

The SPEAKER. On this roll call 356 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MEMORIAL SERVICES

Mr. REGAN. Mr. Speaker, I offer a resolution (H. Res. 521) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That on Wednesday, the 17th day of May 1950, immediately after the approval of the Journal, the House shall stand in recess for the purpose of holding memorial services as arranged by the Committee on House Administration under the provisions of clause (1) (j) (2) (C) of rule XI of the Rules of the House of Representatives. The order of exercises and proceedings of the service shall be printed in the CONGRESSIONAL RECORD on the life, character, and public service of deceased Members. At the conclusion of the proceedings, the Speaker shall call the House to order and then as a further mark of respect to the memories of the deceased he shall declare the House adjourned. The necessary expenses connected with such memorial services shall be paid out of the contingent fund of the House upon vouchers signed by the chairman of the Committee on House Administration and approved by such committee.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN ECONOMIC ASSISTANCE

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7797) to provide foreign economic assistance.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H. R. 7797, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from West Virginia [Mr. KEE] had 28 minutes remaining and the gentleman from Ohio [Mr. VORYS] had 43 minutes remaining.

Mr. KEE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am availing myself of this opportunity this morning to read to the Members a letter which I received last Sunday from the President of the United States. I believe, if the Members of the House would read this letter they would recognize the great interest which the President of our country has in the bill which you now have under consideration. The letter is as follows:

UNITED STATES NAVAL STATION,
Key West, Fla., March 25, 1950.

MY DEAR MR. CHAIRMAN: I understand that the House of Representatives will soon consider the Foreign Assistance Act of 1950. I believe the Congress of the United States has an opportunity to strike a major blow for peace on behalf of people everywhere by taking rapid and favorable action on this legislation.

Approval of this measure will give renewed hope and vigor to people everywhere who are working to achieve their economic independence and maintain their political freedom. Passage of this act will strengthen all nations threatened with intimidation, subversion, or direct aggression.

It is in the interest of each American that there be a far greater measure of well-being in other lands. Other countries must be able to produce and procure from us and each other those things which will enable their people to have the food, health, and housing necessary to maintain economic and political stability.

Poverty, misery, and insecurity are the conditions on which communism thrives. Freedom-loving peoples can eliminate these conditions only by joining their knowledge and resources in a great cooperative effort.

The Foreign Assistance Act will authorize continued economic aid to the Marshall plan countries in Europe and to the Republic of Korea to enable them, through their own efforts, to establish self-supporting economies. It will authorize aid where needed to those free countries in the general area of China whose survival is threatened by the imminent danger of Communist infiltration. This act will provide authority for a major effort to assist the peoples of southeast Asia.

It will provide for participation in the United Nations effort to solve the serious

problem of the Palestine refugees. Satisfactory solution of this problem is fundamental to permanent peace in the Near East.

The act will authorize the carrying forward of the vital program of technical and other assistance to underdeveloped countries which was the fourth point in my inaugural address. This will provide the peoples in underdeveloped areas of Asia, the Middle East, and other parts of the world the hope and the tools they need to achieve and maintain real freedom for themselves.

The program called for by this act is the minimum consistent with the interest of the United States and our efforts to achieve a peaceful world. Failure to enact it in its full amount would do irreparable damage. We cannot live isolated in relative wealth and abundance. We cannot ignore the urgent problems of other peoples or threats to their independence.

These measures are not acts of charity. Neither are they a waste of the resources of the United States. They are, indeed, the keystone of our protection against the destruction of another war and against the terrible weapons of this atomic age. Our armed forces can afford us a measure of defense, but real security for our Nation and all the rest of mankind can come only from building the kind of world where men can live together in peace.

The United States turned its back upon the rest of the world after the First World War. Some 20 years later, we found that we had to fight another world war. We cannot afford to follow that course again. We will save nothing if we ignore the needs of other nations now only to find that the result is world war III.

Passage of this act will enable us in company with other nations to move a long step forward in our offensive for freedom and for peace. It will bring appreciably nearer the goal all freedom-loving peoples seek—a peace where all nations live in equality and mutual respect. It will be tangible evidence of our determination to achieve this kind of peace—evidence which will be understood by every nation in the world.

Sincerely yours,

HARRY S. TRUMAN.

Hon. JOHN KEE,
Chairman, Committee on Foreign Affairs,
House of Representatives,
Washington, D. C.

I am proud that our President wrote that letter.

Mr. VORYS. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, the pending measure authorizes the appropriation of vast sums of money to implement the so-called Marshall plan and to implement the foreign policy of our State Department. The actions and attitudes of the State Department are interwoven in all of the activities that are covered in the pending bill. Speech after speech has been made upon this floor by members of the House Foreign Affairs Committee, indicating that one of the fundamental purposes of this legislation is to carry on the cold war against Russia, and to save free peoples in Europe and Asia from falling under the domination of communistic philosophy. Thus, vast stores of treasure of the American people are being placed in the hands of ECA and the State Department in carrying on this fight against the never-ending encroachments of communism. It is of supreme importance, therefore, that we Americans know that the men charged with the responsibility of spending these funds and directing the foreign policy of the United States shall be above reproach and shall be unqualifiedly dedicated to the preservation of our system of government. In my humble opinion there are plenty of men and women in this country in whose background there does not lurk the spectre of association and close affiliation with Communist infiltration and penetration who could be chosen to perform these tasks. If we are to be successful in our efforts to contain and stop the spread of communism, we must constantly and forever be alert and vigilant to see that those charged with the responsibility of carrying out our program are above reproach.

One individual highly placed in the State Department, to wit, Mr. Philip C. Jessup, whose official designation is ambassador at large, has recently been in the public eye because of his alleged sympathies with Communist infiltration and penetration. Mr. Jessup flew back to this country from Europe in order to appear before the subcommittee of the Senate Foreign Relations Committee, and on March 20 delivered a prepared statement in answer to accusations that had been hurled at him. Among other things, he said he was "proud of his close association with the American Council, Institute of Pacific Relations." Here are his exact words taken from his carefully prepared statement:

> From 1933 to 1946 I was closely associated with the Institute of Pacific Relations. I am proud of my association with that organization which was founded by a group of leading businessmen and scholars in Honolulu some time in the mid-twenties for the purpose of increasing knowledge and friendship among the peoples of the Pacific area. Despite the controversy which has occasionally surrounded it, it has continued to discharge the functions for which it was created. Although there is still much to be done in increasing the knowledge of the American people about countries of the Pacific area, the institute has made a real contribution to the advance which has been made in this field during the last 25 years. * * *
>
> Many of the leading figures whom I have since met in the United Nations I first met through my connection with the Institute of Pacific Relations, including Mrs. Pandit, presently Indian Ambassador to the United States, and Dr. Hu Shih, the great Chinese philosopher, who was former Chinese Ambassador in Washington. * * *
>
> I was a member of the board of trustees of the American Council from about 1933 until my resignation because of health and the pressure of other work in 1946. I was chairman of the board of trustees during 1939 and 1940. I was chairman of the Pacific Council from 1939 to 1942.

Thus, in a statement of carefully prepared self-serving declarations, Mr. Jessup proudly proclaimed the fact that he was not a Communist, had never been a Communist, and was not in sympathy with the communistic philosophy. I would not expect him to have done otherwise. But the fact is that he was for years a moving spirit in the American Council, Institute of Pacific Relations. The House Committee on Un-American Activities in its report of December 18, 1948, entitled "Citations," lists the American Council, Institute of Pacific Relations, as a Communist-front organization. It cited the fact that this organization received funds from the American People's Fund, another Communist-front organization cited as such by the House Committee on Un-American Activities. This organization was organized and directed by one Frederick V. Field as a repository for funds to be distributed to Communist enterprises. The committee described the American People's Fund as an organization "directed by Frederick Vanderbilt Field as a repository for funds to be distributed to Communist enterprises." This Communist financial organization has paid out large sums of money to Communists and Communist-front organizations such as National Council of American-Soviet Friendship, Allied Labor News, and American Russian Institute. Frederick Field is national secretary of the American Peace Mobilization cited by Attorney General Tom Clark as subversive and Communist.

Thus we see that the organization headed and directed for years by Philip C. Jessup was the beneficiary of funds supplied by the American People's Fund, which is and was a notorious Communist organization.

Mr. Chairman, in spite of Ambassador Jessup's bold boast regarding his close association with the American Council, Institute of Pacific Relations, a Communist-front organization, the Washington Post and certain commentators described his statement before the subcommittee of the Senate Foreign Relations Committee as a "complete vindication" of the charges which had been leveled against him. I wonder, Mr. Speaker, how pink an individual has to be in order to be recognized for what he really is. Is it necessary that we must have in charge of a large portion of the program provided under the pending bill, men who for years have been identified with and actively operating and directing Communist-front organizations. Good, sound, patriotic Americans who believe in the American system were not members of such groups. It will not do for Mr. Jessup to say that he was not aware that the Institute of Pacific Relations developed into a Communist-front organization. It will not do for him to say that he did not know that funds which were being poured into that organization came from the American People's Fund, a notorious Communist organization that acted as the paymaster for Communists and Communist-front organizations in this country. If he is to proclaim ignorance, then I doubt his capacity because of the obvious gullibility that would be involved in such a confession.

Mr. Chairman, it seems to me that if we are to authorize the appropriations of the huge sums provided in the pending bill, we should be assured that the administration and expenditure of those funds would be in the hands of men and women whose past records are not interwoven and associated with Communist-front organizations.

Mr. KEE. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, we are entering the third day of debate on the Foreign Economic Assistance Act of 1950 and desire to call attention to the

committee that of all the Members who have debated and expressed their views and opinions on the European recovery program—all have agreed that the program was a success or admitted that it appeared to be successful with the exception of the gentleman from New York. And in his condemnation he limited his debate to conditions in a particular country--to conditions, that are being rectified. I am sure that the gentleman from New York and his argument have convinced more Members of the desirability and need for continuing ECA than anything I can say.

However, Mr. Chairman, as a member of the Foreign Affairs Committee, I had the good fortune of spending 6 weeks in western Europe and the Near East, studying the conditions and the progress of the European recovery program. These 6 weeks have not made me an authority but, on the basis of my observations, it is my humble opinion that the European recovery program must under no circumstances be abandoned now, and that it should not be discontinued before 1952. Further, serious thought and consideration must be given to plans for our participation in European affairs after the closing of our current program.

There is no doubt that a good portion of Members who have personally studied the conditions in Europe will concur in this opinion. Too much is dependent upon our support and cooperation in the European recovery, to abandon it for the sake of political expediency.

The report, which the Honorable JOSEPH L. PFEIFER submitted as chairman in the name of our subcommittee, contains a factual and clear presentation of conditions existing today in Europe. Conclusions drawn from these factors indicate the necessity of continuing assistance to England, France, and Italy. Similar situations exist with regard to the other friendly free nations of western Europe.

Briefly, I would like to review the prominent economic and political problems found in that area, to substantiate my above-expressed convictions. England, like many European countries, is overpopulated, and her own resources are not sufficient to meet the needs of her people. Consequently, she is dependent for existence on her overseas assets, on export production, and her economy is closely tied up with the economies of many other areas.

During the past quarter of a century, England has been losing her overseas assets and increasing her debt. Both world wars have left deep and permanent scars on her economy. Even though the conditions in England have improved during the past 2 years, the general outlook is still not very bright.

Many lines of consumer goods are restricted for export, and other goods are rationed. This is not a desirable feature. Reserving goods for exports decreases domestic availability, deprives the worker of incentive goods, and results in lower productivity. The British worker is more interested in security than in increasing his standard of living. Another contributing factor is the lag in machinery and methods in British industry as compared with American.

There is still a big lag in the trade. This has a serious effect on British economy, especially since the most noticeable gap is in the dollar areas. British exporters sell in the sterling area, where the risk is minimized, profits assured, and competition not as strenuous as in the protected dollar areas. To close this dollar gap, Britain will have to triple her exports to the dollar area.

Despite this situation, the British economy is busy. Her production has been increased considerably over the prewar level. Her people have been working longer hours at much less pay than our people. They have been consuming less goods, exporting more, and allowing themselves only a limited amount of daily necessities. Their achievements, and the effort expanded to attain them, cannot fail to inspire those who have witnessed it.

The British need our help to continue this work of reconstruction. Without our assistance, I doubt whether they will be able to succeed in their endeavors. And since her economy, being tied up to the economies of so many other countries, will continue to be one of the vital factors in the free world, it is imperative that it be advanced on the way to full recovery.

In France, whose strategic importance to the security of western Europe cannot be underestimated, our assistance is indispensable to political and social stability.

It is an obvious fact that the danger of communism is still very eminent in France. Although during the past 2 years of recovery some degree of stability has been reached, French labor, the majority of which still belongs to the reputedly Communist-dominated General Confederation of Labor, may at any time upset this delicate balance.

The attitude and the actions of French labor will be determined as much by the continued recovery of that country, which will be seriously impeded if we discontinue our assistance, as by the much-needed domestic reforms. French system of taxation is more than inefficient—the burden of taxes is unequitably distributed, major portion of it falling on the shoulders of labor. Reform will have to be accomplished at an early date, lest serious difficulties should occur. In order to be able to effect such reforms, the French Government will have to have popular support which will not be secured unless there will be some assurance that the recovery program will continue to produce results. It will be extremely difficult to obtain such assurance if our assistance is withdrawn.

In Italy, the Communist tide in the political arena and in the trade-union movement has temporarily subsided. Whether this retreat will be permanent will depend on Italy's success in achieving full recovery. Here again, just as in France and England, this recovery is dependent in large measure upon our assistance and cooperation.

Through our strenuous efforts in Italy, our cause has gained considerable headway in that country. Yet the balance is precarious, and we stand to lose all that Italy has gained if we decide to retreat from our current course of action. The vacuum which will be created by our departure will be immediately filled in from the east—the democratic elements are still too weak and economically dependent on outside help to prevent the influx of communism if our backing is withdrawn.

It is very true that, as in France, substantial domestic reforms will have to be effected in Italy at the earliest opportunity. The most pressing among these are land and tax reforms. Both the Communists and the democratic elements are endeavoring to effect these reforms—each in its own way—and I am convinced that our policy with regard to Italy will determine which side will succeed and gain the undivided support of the Italian people.

In western Germany the recovery has been speedy and efficient. Although her cities are devastated, they are being cleared rapidly and her industrial production is continuing at a brisk pace. The rural areas, which furnish food for the western Republic, show but surface scars of the last war. In this one instance, western Germany is in a much better position than Italy or France.

The heart of the German problem, however, is not concerned with the supply of agricultural produce. Germany has been the industrial heart of Europe, and, as such, her main problem is of an industrial nature. It concerns the Ruhr Valley, and the question in the minds of all German people—and all western European people—is: "What is going to happen to the Ruhr Valley?"

So far we have ignored this problem, and we have failed to produce any consistent, constant policy with regard to the utilization of the industrial potential of the Ruhr Valley for peaceful purposes. This shortcoming will have to be corrected. Unless we formulate a definite policy with regard to this problem, and see to it that it is carried out, the German people will not be very contented, and will be apt to pay more heed to the Russians. The Russians claim to have a solution to this problem: In return to coming under the Communist "protection" the German people, they are told, will be given the Ruhr Valley without any strings attached. The bait is tempting; so much more since we seem to ignore the problem.

There is yet another problem facing us in western Germany. The ideologies and the principles of the German people will have to be straightened out if these people are to fit into the pattern of economic and political integration of western Europe—the pattern that we have been endeavoring to realize. We must realize, however, that the German people will not become converted to democracy overnight; it will take a long time to accomplish this. Consequently the problem of a long-range educational program for western Germany ranks with the problem of utilization and control of the Ruhr Valley industrial potential.

These are some of the problems confronting the nations of western Europe.

Outside influence and assistance will play an important part in the process of resolving them. And it is very clear that unless we decide to continue to play the role of helping to resolve these problems Russia will be very happy to oblige.

There may be a considerable number of us who realize that the case for our continued assistance to various western European nations is clear. This case of furnishing aid to the individual nations does not, however, present the proper perspective; we must gain an over-all picture of the entire western world, and judge the case in support of our foreign assistance on those bases. It is our failure to see the entire picture, and our determined concentration on the indeterminate fractions of the whole, that lies at the root of our misunderstanding, our short-sighted attitude towards the program of foreign assistance.

We must, once and for all, extend our vision beyond the barriers of national divisions, and, by noticing the profound changes effected in the make-up of the Western World during the past quarter of a century, become acquainted with, and reconciled to, reality: the reality that the supremacy of Europe is gone, that the leadership of the Western World has shifted to our shoulders, and that, consequently, we can no longer ignore Europe's problems.

Although the international pattern of the nineteenth century has disintegrated, it is at times difficult to realize, and often practically impossible to convince others, that the protection formerly afforded us by the oceans can no longer be counted upon, and that the shifting of the leadership in the Western World demands our intelligent concern with the affairs of Europe.

Since the leadership of Europe in the economic and political affairs of the world has disintegrated, Europe is today the middle ground between two opposite spheres of power: the United States and Russia. Economically dependent, politically unstable, western Europe offers excellent ground for the extension of either the Communist or the democratic influence. So far, because of our participation in the European recovery program, we have managed to establish the predominance of democratic thinking in western Europe. If, however, we should at this point withdraw from that area, a vacuum will be created, and undoubtedly it will be promptly filled in from the east. Communism will replace free governments, the ruble may replace the dollar.

The consequence of such action is clear: I do not believe that anyone of us is presently convinced that the Communist advance will be ended as soon as it attains the mastery of Europe. There will be then but one area remaining outside of the Communist zone: an area consisting of the Americas. Everything indicates that the subsequent step will consist of an attempt to secure Communist domination over our territory.

The alternative to the continuance of our present program of foreign assistance is the rapid development of our defensive strength. I believe that such an undertaking would be ruinous and extremely risky. We do not desire an armaments race. Our democratic institution would bog down under the cost and the regulations of a militaristic state.

Therefore, I firmly believe that we should continue our present policy toward western Europe and other free areas; further, that we should aid the recovery of Europe and assure the repayment of our investment through a program of development of economically underdeveloped areas embodied in the point 4 legislation—title III of the bill presently under consideration.

The point 4 program is intended to supplant and augment our current, time-limited policies directed primarily at the needy areas of western Europe. Through the development of world resources, located within the dominions of the free nations, we will place European recovery on a more permanent basis and also gain long-range benefits for our own economy.

The point 4 program, like our current foreign-assistance legislation, is not a give-away program. Point 4, to be conducted under the auspices of the United Nations Organization, calls for financial and working participation of all nations concerned. It would provide a new and promising outlet for our private-capital investment, give other people the benefit of our advanced technological know-how, result in better economic integration of the Western World, and bring about the development of new markets and a higher standard of living for countless millions of people.

If we view our foreign cooperation policies as an investment in the future, and regard the Western World as an ideological, economic, and political unit, the case is clear. The necessity for continuing our program and for placing it on a long-range, consistent basis becomes obvious.

I believe we should look upon the economic conditions of Europe as an infirmity, an anemic illness, an ailment that we have some years ago analyzed and diagnosed and for which we prescribed the European recovery program. The remedy to be given in determined doses over a period of a given number of years. Today with the patient admittedly responding to our treatment some of us reason that the remedial aid be stopped. I wonder what we would think of a doctor who would discontinue treatment just because his patient is recovering. We would consider it sheer folly to curtail or abandon a cure during the recovery period of a patient or to deny remedies during the convalescing period.

Likewise in our European recovery program, it would be unsound logic and stupid economy to undo the good by abandoning the aid because the patient has thus far responded to our remedial treatment.

A statement was made, the other day, that certain countries who have received the least recovered the most. I am sure we are aware of the fact that those countries who have received the least aid and recovered proportionately the most, are countries who suffered the least devastation during the war. Their economy was least disturbed. Naturally, the amount of remedy depends on the infliction, and illness, and the recovery is predicated on the state of affairs. These particular countries were in less need and in better condition to respond to our aid.

In closing I would like to call to the attention of my colleagues the words of wisdom contained in a prayer attributed to St. Francis of Assisi, 1226 A. D.:

Lord, make me an instrument of your peace.

Where there is hatred let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; where there is sadness, joy.

O Divine Master, grant that I may not so much seek to be consoled as to console; to be undersood as to understand; to be loved as to love; for it is in giving that we receive; it is in pardoning that we are pardoned; it is in dying that we are born to eternal life.

Mr. VORYS. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Sometimes, Mr. Chairman, I wonder if we are not playing into the hands of Soviet Russia. We have fought and won two World Wars in our generation. We won the first one at a tremendous cost in blood and treasure. We fought to make the world safe for democracy, only to see democracy die all over this world. As a Missourian, who has to be shown, I saw it die, in Italy when Mussolini had his black shirts, in Germany when Hitler, this poor paperhanger, Adolf Schickelgruber, came along with his brown shirts, and then when Uncle Joe Stalin, following the Kerensky and Lenin governments, set up one-party rule and one-man government.

That war left us with many graveyards all over the world. We got deep debts and high taxes, and a prolonged and paralyzing depression. We did not make the world safe for democracy. So on that fateful Sunday morning, the 7th of December 1941, we were rudely and suddenly awakened for the second time in your brief life and mine to see ourselves engulfed in a catastrophic cataclysm that almost annihilated civilization.

Oh, we won the war, but at a cost of $350,000,000,000. We spent $50,000,000,000 in lend-lease in addition to that—a total more than the total assessed valuation of this Nation. We came out of it with 258 thousand million dollars of debt upon our backs. The interest on that debt alone—$5,500,000,000—is almost as much as it cost to run this Government before 1940.

We got 1,061,000 casualties. It has been my sad but necessary mission to visit our hospitals and asylums. I have seen men with their arms blown off and their legs gone and their eyes out, hope dead in their chests, and light gone from their brains, many of them neurotics who will spend the remainder of their days in psychopathic cells, mere shadows of the men they once were or might have been.

We fought this last global conflict to respect the territorial integrity of the little countries, to guarantee the little peoples in the small nations the right to

choose for themselves the kind of governments they wanted, yet before Germany surrendered one of our erstwhile allies had gobbled up all the Baltic and the Balkans, with the exception of Greece, Lithuania, Bessarabia, Estonia, Latvia, East Prussia. You know what has happened since, pointing a gun at the heart of Turkey and Iran, Russia threatens to take over the Middle East. Then, after our fighting and winning almost single-handedly the war in the Pacific, she comes in at the eleventh hour, 3 days before the capitulation of Japan, to take half of Sakalin, all of the Kuriles, all of Korea north of the thirty-eighth parallel, and to rape and rob Manchuria and Outer Mongolia.

We knocked Adolf down and we raised Uncle Joe up. It is hard to keep from becoming victim to pessimism, cynicism, and despair. Yet, I think we are going through one of the world's death throes in this age of transition. Perhaps it is birth pangs of a new and better world. Let us hope so. But if we continue to bleed ourselves white, siphon off the wealth, skim the cream, and give our substance to every other nation, then I say Russia will strike in her own good time.

She will be the one who will determine the hour. We will not do it. You cannot fight two world wars—pump our oil wells dry, dig out the lead and zinc in my State and the copper in Arizona, Utah, and Montana, and the iron ore on the Mesabi Range, chop down our forests—we are consuming lumber 10 times as fast as we can produce it—you cannot do that without rendering yourself weak and impotent. You cannot continue to do that in order for us to continue to ship it abroad and expect to remain strong. No; as Lincoln said, "if this country is ever destroyed it will not be from without, but from within."

I am not fearing the attack of any foreign power, but if we render ourselves weak and helpless, if we bleed ourselves white, then the Russian bear will move in and she has been moving in through psychological penetration and infiltration of subversive elements to consume and devour us.

The first line of defense—much as I have fought for a large Army, Navy, and Air Force—the first line of defense of any nation is the financial solvency of the country and a sound economy. America is God's last chance to make a world, and if we go under, who, in the name of common sense, will come to our rescue? No one, because they are not able to. We shall nobly save or meanly lose this last best hope of earth.

I do not want to see anyone suffer, let alone starve and die, but I think charity begins at home and God knows we have enough problems to center our attention and our minds upon; enough grave domestic issues without having to gad about all over the globe trying to save people who can neither understand nor appreciate us.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, section 3 of this bill provides for an authorization of the first $25,000,000 to promote the world PWA idea as embodied in President Truman's widely publicized point 4 program. No doubt this bill will be enacted, but I shall vote to strike out section 3 and if it is retained I shall vote against the entire bill.

We all must have the intelligence to know that this $25,000,000 requested in section 3 will not be the last of the money the Fair Dealers will spend on the point 4 program. It will be merely getting the nose of the camel under the tent. Billions of dollars will be spent on this program once it is started.

Let us consider, briefly, this so-called point-4 program. On close analysis, it turns out to be just another program of imperialism, camouflaged with high and noble phrasing. It is a program for the poor taxpayers of America—and most taxpayers are poor, the statistics prove clearly—to enrich the huge exporting industries of America. In effect, it is a subsidy for the big interests who specialize in selling to so-called backward nations.

England's Hudson's Bay Company, subsidized by the British Crown, was the same thing as Truman's point 4. Two small groups benefited from the Hudson's Bay Company—those who owned stock in the company or managed it, and those who supplied the company. But millions of Britishers paid the taxes and millions of backward people paid the profits by means of which a small clique in Britain enriched themselves.

The Hudson's Bay Company had one advantage over the Fair Deal's point 4. It ran into some natives who wanted to better themselves and would pay the price in work and sweat to do so. Also, the subsidies it enjoyed were small, compared to the billions contemplated by the Fair Dealers to be spent under point 4.

Never worry, Mr. Speaker, the people of other nations know that dollar diplomacy, called point 4 or any other point, or any other high-sounding phrase, is nothing but dollar diplomacy. We who have to pay the taxes to put up these dollars, we who have to pay the wages of soldiers and sailors who protect these investments abroad, we who see the rich international businesses get richer while the domestic industries languish through the competition of coolie labor—we ought to learn some time that it is not possible for the people, as distinguished from a few of the extremely rich, to benefit from imperialism.

Every college boy can give you the arguments against imperialism. Just apply those arguments to point 4, and you will understand me when I say that we have embarked on a program that will cost us untold billions in money, uncounted lives lost, and unpredictable results in the future. Great Britain tried imperialism and today it is living like a poor relative—"on the cuff" of friends of other years. Despite our strength, if we travel the same trail, we will come to the same end.

Point 4 should be labeled the "point for the 400." But it is pointless as far as the average taxpayer in America is concerned. It just means the construction of a new world WPA, for the benefit of international traders and freebooters.

Mr. KEE. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Chairman, it is impossible to discuss in 4 minutes many ramifications of this legislation. We have followed for a long time now a policy of reducing our own tariffs to permit foreign goods to come into the United States and at the same time with American money build up industry in foreign countries.

I want to point out just a few facts which I think the Members of the House should consider not only in connection with this bill but as a future policy for the preservation of many industries in the United States. I represent a district with many types of industry, but the largest of these perhaps is the production of pottery and glassware. It gives us great concern, as it does many other sections of the United States, to know that in 1949 more than 12,000,000 pieces of glassware came into the United States. In 1948, 63,000,000 pieces of pottery came into the United States. One year later, in 1949, we imported 153,000,000 pieces of pottery—a gain of 250 percent—in direct competition in our home market with these industries which many of us are concerned about today.

In Japan, where much of this comes from, wages are 7 cents an hour. In Czechoslovakia, from which comes much glassware, wages are 22 cents an hour. In my own district wages for these two industries average $1.47 an hour.

It is not a question of competition. It is a question of how much pottery and glassware Japan can produce, because at 7 cents an hour they can send every bit of it into the United States with the kind of protection we have today.

Before the war Japan produced no binoculars. She produced none in 1946, but in 1949, just 3 years later, 44 percent of all the binoculars sold in the United States were made in Japan, and one-sixth of all the medical microscopes sold in the United States were made in Japan. Those are two industries vital to the national safety of America in time of war, and if we are going to be able to defend ourselves we must find some way to protect those industries essential to our national defense.

Eight hundred thousand barrels of oil come into the United States from foreign lands every day. Foreign watches are destroying another vital industry in the United States of America. Russian furs are destroying the commercial fur industry in this country, and canned sea foods are rapidly destroying the fisheries in the United States.

As I see it, there are only three possible things that we as a Congress could do. Certainly, in my opinion, we should do one of them. In the first place, we might raise the tariffs, but that would be more difficult, because they could lower wages in other countries to overcome the tariff increases.

Second, we could adopt the peril-point amendment, which would provide that the Tariff Commission could raise tariffs and exclude, to the extent necessary, products that were destroying or threatening to destroy any segment of American industry.

The third thing we could do, and the thing I think we should do in this Congress, is to provide that foreign imports should be limited to a percentage of domestic consumption. That was tried in the Senate with respect to oil last year, where they wanted to limit the imports of oil to 5 percent of our consumption, and that almost carried in the Senate. It was lost by only a few votes.

I think we can, equitably to ourselves and to foreign nations, adopt this plan of limiting the percentage of imports.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. SECREST] has expired.

Mr. VORYS. Mr. Chairman, I yield such time as he may require to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, the gentleman from Ohio [Mr. SECREST] has made a very fine Republican speech. I congratulate him, and I hope he keeps up the good work. It is a Republican policy today, but it has been subverted so that it will not work as it was originally intended.

The Republican doctrine, briefly, is that we should grant reciprocal concessions to foreign countries that will in turn reciprocate with us. Foreign trade is a great and important subject, but it is neither as great or as important as our own domestic trade. We should not discriminate against our own interests to the advantage of foreign countries. The Republican policy would require that all these important trade questions should be studied by an impartial and highly competent board so that the interests of our country can be protected. There is such a board known as the Tariff Commission. Under the Republican policy this board would have to be consulted by the President before he could reduce any tariff rates. Under the New Deal theory, which is the law now, the President can reduce or increase the tariff rates without consulting the Tariff Commission or anyone else. This is not right from a standpoint of policy or from the standpoint of economics. I am sorry that I do not have the time to develop this matter further but can safely say that there is a strong revulsion developing all over the country against the manner in which our foreign trade agreements are now being entered into and against the methods employed by those who make these agreements. I am making a study of this tremendous opposition and I hope that we may be able to present some plan that can bring relief to the many thousands of our people who must face the crushing opposition of shamefully cheap foreign labor.

In addition to the glass-and-pottery industry there are a number of other important industries that are suffering as the result of foreign competition. Some of these are the watch industry, the shoe industry, the chinaware industry, and the fisheries on both the Atlantic and Pacific coasts.

Something must be done, and to be successfully done, the New Deal methods that have proven their inefficiency must be abandoned and the Republican policies must be adopted. They have proved their worth.

The gentleman is absolutely right in all he says, and he deserves great credit for making the speech. As he says he is reflecting the sentiment of an important segment of the industry of his district. The gentleman represents a district that joins the district which I have the honor to represent, and our people and our industries are very much alike. The conditions against which he complains are directly the result of the free-trade policies of the Roosevelt and the Truman administrations. I have every reason to believe that at heart the gentleman does not support the policies that have so dangerously threatened the pottery-and-glass industry of his district. Many members of the Democratic Party never did wholeheartedly endorse the Cordell Hull and Henry Wallace policies as they are effectuated under the so-called reciprocal trade-agreement laws.

Reciprocity in foreign trade has from the beginning been a Republican doctrine.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Chairman, as we assemble to take action on these several segments of our foreign policy, the great challenge which confronts the American people is still the issue of war and peace. Surely, on this matter, involving as it does the great question of life and death, partisanship can play no part. Yet surely also national unity in the face of a common danger does not require unanimity on every detail of these grave and difficult problems. The American people are entitled to a variety of opinions. Certainly this is the issue to which all other issues are subordinate. For if we do not succeed in preserving peace all that we are trying to do for our own people will come to nought. Accordingly, it must be clear that in order to avoid war we must win the cold war.

We know that the health of the American economy is a vital—nay, an indispensable factor in our ability to meet the aggressive threat of communism. We know that great nations have fallen from attacks by the enemies from within as the gentleman from Missouri [Mr. SHORT] has eloquently pointed out. We must keep an ever watchful eye on our own domestic affairs and have a prudent regard for our national resources. Yet it will avail us little to reach out for new prosperities and comforts for the people of America if while we are diverted in this fashion our self-styled enemies are closing in for the kill.

I say to you, my colleagues, that, although our people enjoy the highest standard of living of any country in the history of the world, although we are truly a people blessed by God, the state of our Union is bad. I say this not because of rising unemployment or because of high taxes or because of waste and extravagance in the executive branch or because of the tendency toward centralization of our affairs in Washington or even because of Communist infiltration both inside and outside of our Government, although it is certain that these conditions contain ominous portents for the vital opportunities which so many of us regard as inherent in our free society.

I say it because we are losing the cold war. I say it because while we go about our daily lives there broods over all the free people of this planet the somber threat of Communist aggression. It behooves us, therefore, to reexamine this threat in the light of the remorseless realities with which we are faced.

We meet during an election year. Many pressures are being brought to bear upon each of us to take this or that attitude in connection with a vast variety of matters. Yet, in sober truth, the great, the overriding pressure to which some day soon we must give a definitive answer is the pressure of the Communist aggressors who, while we are arguing and thrashing about, are bearing relentlessly down upon us from every corner of the globe. There is deep unrest and apprehension in Great Britain where, as a result of the last election, the government is in a delicate and tenuous state of balance. In western Europe there is a renewal of Communist violence; there are strikes in Belgium, France, and Italy. In Berlin our predicament grows more ominous with each passing day. The Communists in the east German puppet state are planning a great march into the western zone of Berlin. They have harnessed to their chariot wheels Nazis and thugs and bandits of all kinds with the avowed objective of making our position in Berlin untenable. They are assisted in this by our ineptitude with respect to the question of reparations and dismantling, by the insufficiency of our propaganda effort, and by the lack of agreement among the western allies. In southeast Asia the situation grows more dangerous by the hour. There is at least a glimmer of hope and light in the will to fight shown by the anti-Communists on Formosa, illustrated recently by the successful foray which they made on the continent of China at Sungmen. But in Indo-China the position of Bao-Dei and the French forces is fraught with peril and if Indo-China should be drawn behind the iron curtain the whole of southeast Asia might well be swallowed up in the gaping and godless maw of communism.

In the face of these dire happenings speeches and agreements will not suffice. As the Secretary of State has said, agreements with the Russians are valid only when they record an existing situation of strength.

We cannot, I am convinced, win this epochal struggle with the present policy of containment. No war was ever won by holding and we are in a war.

Wars, whether hot or cold, are won by pressing forward with patience, with imagination, and with courage. We shall not safeguard America merely by a policy of rebuttal. We must have a policy of attack. Neither shall we preserve our freedom by attempts to bait and bribe the Russian people to disarm. Such shallow schemes do not reach the ears of the Russian people but they might well convince the Kremlin that we are leading from weakness. We cannot buy our way out of all our troubles. There is no easy solution to the great dilemma with which we are faced.

There are no pat answers to these problems. There is no open sesame by which we can suddenly emerge from the dark clouds of oppression which are crowding down upon us and into the bright sunlight of a secure freedom. There is no sudden deed of excellence which will guarantee for us overnight the peace for which we recently sacrified so much. We are inextricably involved in a conflict of titanic proportions, and it will take all the energies, all the stern resolve, all the balanced judgment and all the spiritual fervor and spirit of sacrifice of which we are capable to surmount our difficulties. We cannot afford to grow tired and impatient at this time.

Certainly it must be clear that in this year 1950 peace is a product of strength, war is a derivative of weakness and appeasement, whether by bribes or concessions to violence merely multiplies the hazards of war.

The legislation which we have before us is an attempt to bolster the forces of freedom in order to prevent the spread of communism. It is in great part a national defense measure.

Under the Marshall Plan production in Europe has increased but integration is still in a most formative stage and to date has been somewhat disappointing. Yet this is no reason to discontinue Marshall aid. This is no reason for us to give up an experiment which has proved its essential validity. It is a reason for us to take the leadership in order to induce the Marshall-Plan countries to do those things which are in their own interests in order to achieve in Europe a free market for 270,000,000 Europeans.

For it remains urgently true that if the western European nations do not federate freely and voluntarily they will have a federation of slavery forced upon them.

I believe that there must be not only a reduction of internal trade barriers but also encouragement for the free movement of persons, particularly into the dependent overseas territories, into the British, Dutch, Belgian, French, and Portuguese possessions. This is important especially with respect to the great problem of overpopulation in Italy, which is not only a matter for the concern of the Italian Government but is also of direct concern to the other nations of western Europe and indeed to the United States. This question of overpopulation is a cause of political unrest, bears down heavily upon the Italian economy and compels the Government of Italy to resort to means which, while they are necessary, result in increasing costs of production. Employers are compelled to employ more workers than they need. Accordingly, it is more difficult for them to sell their products for dollars and thus the burden on the American taxpayer is increased. Surely there must be a cooperative integrated attempt to deal with this problem. It must be dealt with by the Economic Cooperation Administration, by the Council of Europe, by the Manpower Commission of the OEEC, by the Economic and Social Council of the United Nations, and by the International Labor Organization. It must be dealt with by our own Government.

A WORD ABOUT THE DOLLAR GAP

There is no reason why, in our attempts to relieve the dollar shortage in Europe, any particular industries or segments of our economy should bear the brunt. This is a national effort and the burden of it should not fall on just a few of our citizens. It is manifestly unjust that goods from the iron curtain slave-labor countries should compete with goods produced by free American workers. This is not the way to win the cold war. It does raise a grave question as to the elimination of the peril-point amendment to the Reciprocal Trade Agreements Act by the Eighty-first Congress. I hope that the Tariff Commission and the Committee on Reciprocity Information of the State Department will take immediate action to remedy this distressing situation. Certainly we cannot resist the onward tide of communism by allowing them to put our citizens out of business. Surely also no ECA aid should go to the Kremlin satellites. Nevertheless it must also be borne in mind that if as a result of the reduction of our aid to our friends in Europe, they can no longer buy American products, American industries will suffer and there will be corresponding unemployment.

Now, Mr. Chairman, it is vital that the Marshall Plan should be an increasing federalizing force in the western European complex of nations. It is essential that our representatives in Europe should be most persuasive in their attempts to win these countries away from suicidal nationalism and harmful isolationism at a time when strength and unity are called for. It is important that the ECA should receive from us this extension of its authority. I am delighted that aid to China is included in this legislation.

Along with the Marshall Plan we have in this bill the point 4 program. Here I may say that it has been my belief that the stress should be on the bilateral rather than multilateral aspects of this effort. I regret that this emphasis is not contained in the legislation although I would point out that on page 19 of the bill in section 304 (b) the authorization to the President to contribute to the United Nations for technical cooperation programs is dependent upon the finding that such a contribution will accomplish the purposes of the legislation "as effectively as would participation in comparable programs on a bilateral basis."

I think it is vital that none of these dollars should be spent in any iron-curtain area or dependency, and I call your attention to section 311 (a) on page 26 which provides that our contribution to these programs shall be discontinued by the President if it is found that their continuance is "not consistent with the foreign policy of the United States."

I believe that the program will succeed in the measure that it represents private rather than Government investments and I believe also that the free movement of persons, to which I referred earlier, can provide the manpower necessary for the implementation of many projects which may be contemplated under the point 4 program.

The point 4 program, as the gentleman from Massachusetts [Mr. HERTER] has ably pointed out, does not represent a new idea. It was included in the Smith-Mundt Act which was passed by the much maligned Eightieth Congress. It is a concept which is the basis for the activities of the Joint Committee on Rural Reconstruction in China. It has been acted on in the countries of South America. It has received implementation in the ECA program. It is not a new thought. But it has a valid purpose. It is a part of our effort to create conditions in certain countries favorable for the development of a free society.

In addition we must recognize that the world crisis cannot be solved solely in terms of dollars and commodities, military equipment, and personnel, plans and agreements. It is also most emphatically a question of moral leadership. In fulfilling this exacting role we must bear in mind that although men and women the world over yearn for safety from war and from want they are also interested in how and why they are living. We who take sharp issue with the Marxian theory that man lives by bread alone must realize that the problem is not simply one of matériel. It is not just a battle of industrial potential, of things. It is also a battle of ideas. Surely we must step up our effort in this vital field.

As one of those who participated in the drafting of the Smith-Mundt legislation I have repeatedly advocated using the Voice of America and its related activities in the realm of psychological warfare. I have made several reports to the Congress on this subject.

As one who has encouraged the activities of the United States Information Service I applaud the efforts being made by some to increase its appropriations and to invigorate its efforts. Certainly we can do much to guard our own security if we will unleash our immense abilities to propagate ideas. Americans make successful use of these abilities in selling all manner of things to other Americans. It might be asked why should not the State Department demonstrate the same ability in spreading the timeless tenets of freedom outside our own borders? The Voice of America still has a frog in its throat. In order to win the war of ideas we must be heard. We must speak loud and with conviction. We must be frank partisans of freedom. We must, of course, provide our Information Service with sufficient funds. But we must also, I think, revise our basic concept of the real function of this program. Its true objective, it seems to me, is not only to state the facts about America but, above all, to tell the truth in such eloquent and persuasive terms that Communist lies and falsifications will disintegrate. This program is a vital implement of American foreign policy. The Voice of America, the Marshall Plan, and the North Atlantic treaty, operating on a concurrent front, have as their joint coordinated purpose the creation in Europe of a political, economic, and strategic climate propitious for the preservation and the spread of freedom.

We used flame throwers in World War II. In this period of diplomatic, political, and economic conflict, at this time of subversive war, we should light the flames of an American propaganda con-

ceived in strategy, founded on fact, buttressed by truth, and dedicated to the honorable and peaceful purpose of igniting the faith of the freedom-loving peoples of the world. Only in this way can we block the godless fanaticism of those who are determined to enslave the world in a nightmare of Communist oppression. Only by this means can we spread the beneficent contagion of our own free system to the far corners of this troubled world where desperate people are languishing under the bestial boot of Communist barbarism.

Yes, we must continue the Marshall Plan. We must continue military aid to the Atlantic Treaty nations. We should give military aid to the French forces in Indo-China and to the anti-Communist forces on Formosa.

We should render technical assistance and encourage private investments for certain undeveloped areas on a limited basis. We should revitalize and magnify our propaganda effort. But all this is not enough.

I feel sure that you share with me a deep apprehension regarding what George Washington referred to as our military posture. Surely General Eisenhower's measured words must be heeded. Certainly his dispassionate, disinterested appraisal of our military strength is cause for alarm. And while the elimination of fat is healthy for our Government the dissipation of our military muscle is fraught with the gravest danger. Let us not engage in any false economies. Surely our experience in World Wars I and II bolster the proposition that a strong America can be a decisive deterrent of war.

Nor is this all. The war in which we are engaged today is not being fought by military forces. It is an economic war; it is a political war; it is a war of ideas and it is a war in which the presence of military forces can exert tremendous external pressure and bring about internal collapse. But it is also a subversive war. We must fight that war as it exists. We must meet this challenge as it is presented to us. We must launch a vastly enlarged clandestine effort. The Soviets have been and are using subversive warfare on a massive scale. For several years now I have expressed the conviction that we cannot meet the challenge of the cold war merely with military preparedness, military and economic aid, and an information service.

There is a twilight zone in which we can act cheaply and effectively.

This is an area in which, with the expenditure of four or five hundred million dollars, we could work some significant improvements in the international picture. We could even, with care, imagination, and resourcefulness, break the deadlock and thus precipitate reliable agreements with the Kremlin in many critical areas of the world.

It is my deep conviction that, engaged as we are in a conflict for survival, faced as we are with the proposition that if we lose the cold war the result may be slavery or death, we have not only the right but the solemn duty to fight the battle of freedom on the front of internal aggressions as valiantly and as resourcefully as did our fighting men on the front of external aggression. Equity looks to the substance. "The letter killeth and the spirit giveth life." We must prevent the spread of the Communist terror. The Communists are waging this conflict by every means short of what we recognize as war. We must do likewise. We must shake off the myths and superstitions with which we have shackled ourselves and which deprive us of the freedom of action which we need to protect freedom and to extend it into the dismal dungeons of Communist despotism. This involves no sacrifice of freedom on our part. On the contrary, it enhances our freedom. Such a step in no way diminishes the moral quality of our leadership. It enables us to deal effectively with the challenge. The new postwar cold war weapon is not the atom bomb or the hydrogen bomb, of which no use has been made, but internal force which the Russians have used with terrible effect. There is a slogan which has some currency in America that you cannot destroy an idea with force. But neither can you destroy a bad idea backed by force with a good idea which has inadequate force behind it. It was not because of the attractiveness of an idea that communism took over in Hungary, in Poland, and in Czechoslovakia. These people are overwhelmingly in favor of freedom. It was because of external and internal force that these and other countries were enslaved. It was not an idea which terrorized the citizens of Greece. It is not an ideology unsupported by force which has clamped the Communist chains of bondage on hundreds of millions of Chinese.

We must not only contain but roll back the iron curtain by bringing all these elements of our power into focus. This legislation is a part of that great effort. There is no time to lose. We must do this now. In that task, we shall be assisted by the people of other lands. We shall be assisted by these people because to a great extent their destiny is a part of our destiny.

If we do not take action their fate will be our fate.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, H. R. 7797 is cited as the Foreign Economic Assistance Act of 1950, which is an extension of the Economic Cooperation Act, to provide billions of dollars of aid and assistance to the various foreign countries throughout the world.

I fully realize the importance of continuing our assistance to the program of rehabilitating and strengthening our foreign friends in order to stop the communistic tide which is sweeping over so much of the world. I believe much has been done to bolster the morale of the countries in western Europe, and has been of some assistance to recipient countries of the Pacific. However, I do not believe that we have attained the results commensurate with the money thus far expended. I do not believe that it is necessary to expend the vast amount called for in this bill, and that the maximum results could be attained by a much smaller expenditure, particularly the millions of dollars contemplated to send emissaries out of our country and to bring others in to learn the know-how of American production is not in the best interests of our American economy and will prove detrimental to our workingmen.

Over 70 percent of imports coming into our country are duty-free. This is made up of raw material and noncompetitive commodities. The fallacy of the present administration in the elimination of the peril point is causing an importation influx which is ruining a great amount of American industry and I feel is responsible for a good part of the 5,000,000 men now out of employment. We are importing hops from Czechoslovakia from behind the iron curtain, which is detrimental to the hop growers of our country. We are also permitting the importation of canned crab from Russia, which is demoralizing the fishing industry on the Pacific coast, and by our agreement with Russia at the termination of the war, turning over to them Japanese fishing waters of the Pacific has further aggravated the rehabilitation of Japan.

I have introduced a bill to restore the peril point in our reciprocal trade agreements. This, I feel is highly essential and should be enacted during this session of Congress. When I see these vast amounts of money being appropriated for building public works projects, highways, colleges, and so forth, in foreign countries, I wonder where our thinking is taking us. Just last week, the Appropriations Committee met and made certain slashes in the appropriation bill. Last year I introduced a bill providing for school facilities for the Hoopa Indian Reservation in California. The present buildings are of cheap wooden construction and over 50 years old. They are old, and modern conveniences are not established.

The bill to provide these buildings passed both Houses of Congress without a dissenting vote and was signed by the President on October 6, 1949. This bill had the full support of the Bureau of Indian Affairs and the Bureau of the Budget and was contained in the budget bill. The Appropriations Committee struck out this amount in its entirety, using the lame excuse that California has assumed the responsibility of educating all the children of the State. This is true, but there is no provision in the California law to give any assistance in the construction of school facilities. This property is entirely within an Indian reservation and there is no taxable property within miles of this school.

Where does this leave us, the Congress of the United States, in abandoning the policy long established by our country in giving to the American Indian a slight amount of consideration and, by contrast, throwing billions of dollars to people who have been at one time or another our enemies.

I cannot go along with this logic, and appeal to the Congress to assist me in reinstating this small appropriation, and in so doing, help to fulfill an American obligation.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, as a member of the committee of conference between the House and the Senate on the original stock-pile legislation of our Nation in 1939, I think I should examine this program especially as to its bearing on the acquisition of our stock piles of strategic and critical materials.

When Great Britain owed us heavily in 1935, Cordell Hull relates that he could not get tin from them when they controlled that tin, and it was not until 1939, just at the outbreak of World War II that they were willing to trade tin and rubber for what we could give them further in the way of cotton, and so on. Sir Ronald Lindsey's statements at that time as quoted in Cordell Hull's Memoirs are rather revealing.

As I watched the development of the Marshall plan, I listened carefully to the President's statement on it before Congress and I read the pronouncements of the Department of State building up to that plan. I have reread those statements and I have reread the reports of the House Select Committee on Foreign Aid of the Harriman Commission.

Just prior to World War II the British Empire, U. S. S. R., and the United States were responsible for more than two-thirds of the world's total mineral output. Russia, of course, is now out of the picture as a source of strategic and critical materials for us today. The British Empire stands in quite different relationship to us but the Memoirs of Cordell Hull, chapter 10, presented graphically the story of our inability to secure strategic and critical materials from the British to apply on Britain's indebtedness to this Government. In 1935, British Ambassador Sir Ronald Lindsey presented to his Government Cordell Hull's request for tin which was under the control of British capital. The answer from London was a complete refusal and it was not until 4 years later and just 3 months before the outbreak of the European war that we were able to negotiate an agreement with Britain whereby through exchanging cotton for rubber and tin we began to create reserves of strategic materials.

I will not attempt to review here our own inadequate approach to our stockpiling problems in the years from 1937 to 1939, nor our extending power to the Reconstruction Finance Corporation in 1940 to take over the large-scale handling of strategic materials needed so desperately in our war program. At the end of the war our stock-pile legislation was revised as Public Law 520 of the Seventy-ninth Congress. In that Act we set up what we intended to be a 5-year program starting in 1946. We intended to create a stock pile of approximately $3,300,000,000 value at prices then current and Congress intended to have a sizable portion of that stock pile transferred to the Munitions Board by other Government agencies including Reconstruction Finance Corporation.

I found in January 1948 that the Reconstruction Finance Corporation had disposed of more than $11,000,000,000 of strategic and critical materials and that only $410,000,000 of that supply had been channeled to our national-defense stock pile and the total transfer of materials from all Government agencies up to January 23 of this year amounted to $451,000,000. By that time also it had become apparent that our acquisition of our stock pile through purchases was moving at a snail's pace. Consequently many of us were desperate in our search for ways to build up our stock pile of strategic and critical materials from any available source just at the time the Marshall plan was before Congress in 1947 and 1948.

I noted with great interest the treatment of strategic materials by the House Select Committee on Foreign Aid in 1947 and by the Harriman commission in its report of November 7, 1947. I observed also with great interest the President's reference to our possible acquisition of needed materials in his statement to Congress December 18, 1947, and the discussion of the State Department of the possibility of our securing strategic and critical materials through the Marshall plan in their treaties of December 19, 1947. These statements were followed by committee action in the development of the Foreign Aid Act of 1948, Public Law 472 of the Eightieth Congress, which was approved by the President, April 3, 1948.

In one of the committee reports reference is made to the fact that lend-lease and the second World War cut deeply into available stocks of natural resources and created the necessity of increased imports of strategic materials. Sections 111 (c), 115 (b) (5), 115 (b) (9) and 117 (a) of the Foreign Assistance Act of 1948 treated specifically with the matter of including and encouraging the acquisition of strategic and critical materials with ECA funds. Quite naturally I have followed the progress made under the Foreign Assistance Act of 1948 with great interest. Because of the state of our relations with Russia and because of Britain's tremendous need for her own supplies of strategic and critical materials, I was not too optimistic of the results to be expected from ECA's venture into this particular field. My doubts have been substantiated by the record when we find in the annual report of the munitions board dated January 23, 1950, a total of $31,500,000 has been acquired in our stock pile through ECA and that no strategic materials have yet been acquired under point 4.

While the total direct purchases up to January 1, 1950, were $48,300,000,000 from ECA and additional commitments for projects abroad amounted to $6,100,000,000, the purchases planned for the fiscal year 1951 will be $20,000,000 and investment in projects is estimated at nearly $29,000,000. It will take considerable time for the investment in projects abroad to produce any appreciable increase in the amount of strategic materials we can expect from the ECA program. Several serious limiting factors must be faced. There is a paucity of good mines within the area covered by ECA, ocean transportation is a problem, the shortage of trained personnel in our own forces, together with unstable monetary conditions in ECA countries and necessarily the complex commercial negotiations with foreign cartels, and the great need for the very materials in the countries that control their production abroad, all lead me to predict we will not be able to use ECA extensively in building our stockpiles within the time they should be built.

In my opinion, it is illogical for Congress to expend large sums to promote an increase in the production of strategic materials abroad through exploration and development when Congress only a few days ago declined to enact into law S. 2105 which had for its purpose the encouragement and promotion of exploration and development within our own country.

The Harriman report based Marshall-plan aid on four principal factors, economic, political, humanitarian, and strategic. If the strategic factor is an important factor in Marshall-plan aid, I think Congress should give some consideration to the greater strategic value to the production of these materials within our own land rather than such exploration and development in foreign lands far removed from the control of our own mothball fleet, 12 divisions, and 48 air groups.

In my opinion, the successful future defense of America can be built more solidly on the development of our own resources within our own territory and for that reason I do not consider the inclusion of provision for acquiring strategic and critical materials through ECA an efficient and effective program of national defense. I consider it far too expensive to be used as a justification for continued extravagant spending of the ECA program.

Revisions and additions to our stockpile program have increased the size of the planned cost of our stockpile program to $3,773,000,000. At the rate of acquisition of these materials during the past year and a half it would require 188 years for us to acquire our entire stockpile from that source.

We have expended approximately $10,000,000,000 to date in Marshall-plan aid and this program has produced $31,000,000 of strategic and critical materials now in our stockpile. In other words we have spent $322 in Marshall-plan aid for each dollar we have received in strategic and critical materials to date. At that rate if we should plan to acquire our entire stockpile of strategic and critical materials in the value of $3,773,000,000 it would necessitate our spending in Marshall-plan assistance to the world the sum of $1,214,000,000,000. My conclusion is that we should not try to justify ECA expenditures on the ground that this program will give us our stockpile of strategic and critical materials.

Mr. VORYS. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, before we get into the amendments and details of this bill, let us take a bird's-eye view of it.

I am for foreign economic aid, for our own security in world war III.

I am for economy. We owe it to the free people of the world, as well as to ourselves, to remain strong. Therefore,

I am not only for foreign economic aid, but for economical foreign aid. The amendments and suggestions I have made or will make are for that purpose, to provide effective, economical foreign aid; to avoid paralyzing the aid program or our own economy; to make foreign aid work on a basis we can afford.

I am frankly worried about a killing war that may start any time. The experts, diplomatic and military, who are saying this will not happen are in the same high places as those who guessed wrong 9 years ago. I am also worried about the kind of war we are having now, the struggle between opposing economic, spiritual, and physical forces. We still have the overwhelming balance of power on the economic front. This bill is an effort to hold, and advance, on that front while conserving sufficient reserves for a long struggle.

We have done rather well on that front since this program was launched in the Eightieth Congress. In 1948 I told you that our package bill authorized $6,205,000,000, but that the total for that year for foreign activities would be $9,300,000,000, of which about $7,500,000,000 was for foreign economic aid of various sorts. In our committee in 1948 I offered to put in military aid, but the administration disapproved, and that had to come later. In the last 2 years Europe has forged ahead in recovery and so has Japan, Korea, and the Philippines. Greece and Turkey are stronger. We lost China, but not because Congress failed to furnish aid.

We have had our disappointments. The nations of Europe have not gotten together as they said they would, and Britain, the biggest recipient, has made the most trouble. It has become the style to laugh at Paul Hoffman and the efforts he has made to encourage unification in Europe as provided by congressional act. Your committee still thinks that the 17 nations of Europe have no chance to survive, in peace or war, unless they get together. Isolationism in Europe, especially in Britain, is causing more trouble for Europe than isolationism in America.

This bill is only for economic aid. None of it is new. All three titles are follow-up measures, ECA, aid for Korea and China, support for Palestine refugees, point 4—all of this is old stuff. For instance, there is $65,280,482 in technical assistance in this bill. Only $31,600,000 in title III is new. All of this is to consolidate gains already made in the economic warfare between the free people and the Kremlin.

On the ideological front, the political front, the diplomatic front, on what we ought to call the moral front, things have not gone so well. Our policies have been vague and vacillating and inconsistent and unsuccessful. Stalin's policy has been Frank Buck's "Bring 'em back alive. Don't kill them or hurt them, at least not too much; just capture them, and after that we will train them, our way." Stalin has done that from the Baltic around to the China Sea. How did that happen while we were pouring out our resources for postwar relief and recovery? We are told that there are no spies or Communists now in the State Department. I do not know about that. I know there are many good men up there. What worries me is this: During the last 5 years our Government has done things that benefited the U. S. S. R. just as much as if they had been dictated by the Kremlin. If all this came from spies and Communists inside our Government, it could be cleaned up by a loyalty probe. I fear the problem is not that simple. Such a probe would not reach the loyal dupes and dopes who just did not know any better. I can only say this: The break-down in public confidence came from things that happened inside this administration; any build-up to restore confidence will have to come from inside. Neither a wrecking crew nor a whitewash brigade can repair the State Department from the outside. I have one suggestion: Congress would have more confidence in the State Department if they would at least conceal their lack of confidence in Congress. Their idea of a bipartisan foreign policy is that Congress unanimously jumps through the hoop every time some flunkey runs up here with a bill that has been cleared by the Department. If they know as little of the facts of life in other countries as they do about Capitol Hill, it is no wonder we are in a mess. Before we try total diplomacy abroad, we might practice a little common-sense diplomacy here in Washington in the cold war between Foggy Bottom and the Hill.

I am not recommending any of this legislation just because the State Department approves it. I think a lot of some of the people in the Department and Paul Hoffman and his staff, but I have made my own independent audit of this program, through a number of other sources. Each of us must do something like that. We have a terrible responsibility here. We cannot hide behind the people back home. They are relying on us to do what is right, to get both economy and security for them. They are relying on us to protect them and their homes. How this can best be done is our responsibility, not theirs, not the State Department's.

None of the provisions in this bill is sacred. The amounts are educated guesses by our officials. This does not mean that they are all wrong, or that they are all too high. ECA is roughly a 25-percent cut from last year's appropriation. To prune it too much will delay Europe's dollar-earning recovery and could possibly wreck it. The committee bill brings to the floor an authorization for the full amout requested in each case. ECA gets all it asks for in American resources and money. The committee bill is not sacred, but please remember that we spent much more time on it than you will. We cannot pass a law that will guarantee success. In this struggle free people cannot be forced to help themselves or each other or to help us. Even with this mutual-aid program, we take a chance with our friends. We must keep them able, we hope they will be willing, to help themselves and each other and us. If we pull out, I think we take a greater chance with our enemies.

There is talk now of getting up a new Marshall plan. I think we had better learn more about how this one works out before we do that. I think such talk right now will injure the chances of success for the present plan on both sides of the Atlantic.

Remember, this is only an authorization bill. Appropriations under it will come later. I hope we can end up with a program that furnishes effective foreign economic aid, and also economical foreign aid, for on that depends our own security and that of the other free people who want peace.

Mr. KEE. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, my good friend from Missouri [Mr. SHORT] during his remarks of a few minutes ago said in part:

> I think we are going through one of the world's death throes.

I agree with my friend in that statement.

He also said that Russia would determine the hour, that we would not do it. I cannot agree with that statement unless America fails to do the things that our country ought to do in our own national interest.

My good friend also said:

> I am not fearing the attack of any foreign power.

My answer to that is that I do not want to put my country in the position where practically the entire world will be arrayed against us. I have confidence in the people of America, but I do not want to see my country isolated in this world with all of the peoples of the world with the possible exception of the Western Hemisphere, and some doubt about that, arrayed against us, with not only the people of the world but the natural resources of the other countries and the productive capacities of the other countries capable of being used against us.

My friend also said:

> America is God's last chance to make a world.

I agree with my friend in that statement, but I do not agree that we should retreat and thereby that America would be "God's last chance to make a world." I do not believe by negative action that that is going to be accomplished; that America is going to perform its mission not only to itself but to the future and carry out its rendezvous with destiny. We are not living in the world of 75 years ago or 50 years ago when the Atlantic and the Pacific were our first line of defense, when it would take weeks for any nation capable of attacking us on the sea first to have to destroy the American Navy before they could undertake an invasion of America. Those days have gone by. Attack now is in the air, a matter of hours. The whole situation from the angle of warfare has changed as a result of World War I and particularly as a result of World War II. I submit that if "America is God's last chance to make a world," it is going to be done by affirmative action on the part of the United States and not by negative action.

The stakes are high. The stakes are high for the Soviet Union and its anti-God ideology. The stakes are high for you and I and the peoples of other countries whose way of life comes from God Himself. This is not a sermon. We are here because of our belief in God. This assembly could not exist in the Soviet Union. These people could not be seated in the gallery and you and I could not meet our constituents, as we do, in our office or at home if it were not that we are citizens of and believers in the spiritual government that democracy stands for.

I have made statements before and they have fallen on deaf ears. A lot of words of mine have fallen on deaf ears before by people who regretted it afterward, not that I have any omnipotence of ability to see things developing or things that will occur in the future, but, applying the common sense that God gave me, I say it is either a world of anti-God or it is a world of God that we are going to live in.

The gentleman from Ohio [Mr. HAYS] made a great speech yesterday. It was the speech of a man not only of courage but of a man with the mind of a statesman who recognizes the basic issue that is involved.

A year and a half ago, on the floor of this House—and I have made speeches repeatedly along the same line—I stated that the Soviet Union was aiming its attack at the United States. It took no remarkable ability on my part to form that opinion. The newsboy on the street knows it. You do not have to be a statesman to know that. One only has to have the courage to express it. I stated at that time it was using the ideology of communism to deceive people in different countries, with the enemies within those countries, the Communists having the backing of the forces of the Soviet Union, taking over country after country, taking them out of the western civilization and subjecting them to the civilization of anti-God, making them satellites of the Kremlin. As the communistic ideology advanced, Russia imperialistically stepped in and took over. I stated at that time that the ultimate drive was at the United States of America.

After all is said and done, America is the citadel of the strength of free men and free women. There is strength elsewhere, but the main strength is here. There are also countless millions of men and women behind the so-called iron curtain who want to live as free men and women, but who cannot do so because of the vicious force imposed upon them as a result of the thoughts that run through the minds of their Communist masters.

Let us not forget the fact that the immediate objective of the Soviet Union—the immediate objective, I repeat—as Walter Lippmann said in an article this morning, is "to drive the United States out of Europe and Asia back into the Western Hemisphere." That is what the argument of my friend from Missouri [Mr. SHORT] amounts to, the very thing that the Communists want. He does not want it, I know that. But the very thing that they want will result unless the power of America is used effectively and affirmatively.

This talk of destroying and dissipating our own strength is not relevant today. We are living in a world with a group of gangsters who have no scruples and no conscience. We have to use the power of our country, our own powers individually, the moral strength of our country, over and above all, the moral strength of the world, particularly the free world, to continue to affirmatively meet this challenge, not of any particular country, but a challenge that seeks to destroy our way of life, because as they control our way of life, Government falls with it.

I am not fearful that they will succeed. I do not want any of my utterances to be misunderstood. We are going through, as the gentleman from Missouri well said, "one of the world's worst death throes"; I agree with that. But, I have confidence, and I am not approaching it with any defeatist attitude. I am approaching it affirmatively, confident of ultimate victory, because the forces of freemen and freewomen, having their origin in God Himself, are irresistible, and those forces, implemented by governments believing in that way of life, and contributing to the maximum extent possible, will bring about the ultimate result that causes confidence to be instilled in my mind. I know that if we constantly retreat and retreat and retreat, that the victory of which I am confident will become slimmer and slimmer. We stepped into Europe, into Italy, France, and other countries, and as the result of stepping in the economic power of America, with the moral forces of those countries aroused as they were by their spiritual leaders of all creeds, for instance as in Italy by Pope Pius XII, we were able to prevent Italy going Communist as well as stopping the Communist forces taking over in France. If either of those countries had gone communistic, all Europe would have gone as well.

In conclusion, let me ask you this question: Do you think that if Europe does go communistic, that it will be for the national interest of the United States? Do you think it would be for our best interest? Our productive strength is a little over three to one compared to the Soviet Union. If the Communists gain control of western Europe it will be about three to two and a half. They are trying to drive us out of Europe and Asia, in order to get control of the productive capacity of western Europe and turn and use it against us, and in southeastern Asia to get control of the raw materials, tin, rubber, and other resources, which the Soviet Union are so lacking in today. This bill is a step toward affirmatively and effectively meeting this world challenge.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Foreign Economic Assistance Act of 1950."

TITLE I

SEC. 101. This title may be cited as the "Economic Cooperation Act of 1950."

SEC. 102. The Economic Cooperation Act of 1948, as amended, is hereby further amended as follows:

(a) Revising section 102 in the following particulars:

(1) Substituting the phrase "barriers to trade or to the free movement of persons," for the phrase "trade barriers" in the fourth sentence of subsection (a) and substituting the phrase "economic unification and political federation" for the word "unification" in the fifth sentence of the same subsection.

(2) Inserting a comma and the words "increased productivity, maximum employment, and freedom from restrictive business practices" after the word "production" in paragraph (1) of subsection (b).

(b) Revising section 111 in the following particulars:

(1) Altering paragraph (3) of subsection (b) as follows:

(i) Striking out the words "includes the furnishing of capital-goods items and related services, for use in connection with projects approved by the Administrator, pursuant to a contract providing for payment in whole or in part after June 30, 1950" in subparagraph (iv) and inserting in lieu thereof the following: "means any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of a loan or loans to any enterprise to be conducted within a participating country and approved by the Administrator as in furtherance of the purposes of this act, the purchase of a share of ownership in any such enterprise, or participation in royalties, earnings, or profits of any such enterprise."

(ii) Altering subparagraph (v) to read as follows:

"(v) the guaranty to any person shall be limited to assuring the following: (1) The transfer into United States dollars of other currencies, or credits in such currencies received by such person, as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof; and (2) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the Administrator to have been lost to such person by reason of one or more of the following causes: (a) Seizure, confiscation, or destruction by any government; (b) destruction by revolution or war; (c) any law, ordinance, regulation, decree, or administrative action (other than measures affecting the conversion of currency), which in the opinion of the Administrator prevents the further transaction of the business for which the guaranty was issued. When any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, asset, or investment on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim, or cause of action existing in connection therewith."

(iii) Striking out the word between the second and last provisos and inserting in lieu thereof: "It being the intent of the Congress that the guaranty herein authorized should be used to the maximum practicable extent and so administered as to increase the participation of private enterprise in achieving the purposes of this act, the Administrator is authorized to issue guaranties up to a total of $3C0,000,000."

(2) Striking out "$150,000,000" in paragraph (2) of subsection (c) and inserting in lieu thereof "$300,0C0,000."

(3) Adding the following new subsection:

"(d) (1) The Administrator is authorized to transfer funds directly to any central institution or other organization formed to further the purposes of this act by two or more participating countries, or to any participating country or countries in connection with the operations of such institution or organization, to be used on terms and conditions specified by the Administrator and designed to promote multilateral intra-European trade, to facilitate the transferability of European currencies, and progressively to eliminate the existing systems of bilateral trade and to liberalize trade among participating countries and between them and other countries.

"(2) The Administrator shall apply the terms set forth in paragraph (1) of subsection (c) of section 111 and paragraph (6) of subsection (b) of section 115 with respect to funds transferred under paragraph (1) above to the extent that such funds are not made repayable to any central institution or other organization described in paragraph (1) above. With respect to such funds transferred under paragraph (1) above as may be repayable to such institution or organization, the Administrator may establish such other terms and conditions as he may find appropriate in the circumstances after consultation with the National Advisory Council on International Monetary and Financial Problems."

(c) Revising section 112 in the following particulars:

(1) Striking out subsections (b) and (c).

(2) Renumbering subsection (d) as (b) and revising it as follows:

(i) Inserting after the word "States" in the first sentence a comma and the following: "heretofore or hereafter acquired by the Commodity Credit Corporation in the administration of its price-support programs or."

(ii) Striking out the second sentence down to the beginning of paragraph (1) and inserting in lieu thereof the following: "Whenever the Administrator determines that any such agricultural commodity is required by participating countries, procurement during the fiscal year 1951 for transfer to participating countries shall be in accordance with the following:

"(1) Notwithstanding the provisions of any other law, such commodities heretofore or hereafter acquired by the Commodity Credit Corporation shall be made available by the Commodity Credit Corporation at such time and place as shall be designated by the Administrator without reimbursement from any appropriation for transfer to participating countries in an amount not to exceed $1,000,000,000 in value calculated on the actual gross cost to the Commodity Credit Corporation as determined by the Secretary of Agriculture at the time and place of delivery of such commodities; but in no event shall such cost be higher than the domestic market price at the time and place of delivery as determined by the Secretary of Agriculture: *Provided*, That where commodities are furnished in accordance with the terms of an international commodity agreement, the cost of such commodities shall be that provided in such agreements."

(iii) Renumbering paragraph (1) as (2); inserting, after the word "commodity" the first time it occurs, the words "as defined herein" and, after the word "States", the words "and then only when the commodity required is not available under the provisions of paragraph (1) above"; and striking out the period at the end and inserting in lieu thereof a colon and the following: *"Provided further*, That wherever wheat or wheat flour is procured under this title for transfer to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchases thereunder, the President, acting through the Commodity Credit Corporation, is authorized to make available or cause to be made available such wheat or wheat flour at the applicable price provided in that agreement."

(iv) Renumbering paragraph (2) as (3).

(3) Striking out subsection (e).

(4) Renumbering subsection (f) as (c) and striking out the period at the end of the last sentence thereof and inserting in lieu thereof a colon and the following: *"Provided, however*, That the authority to make payments under this subsection shall not be applicable to transfers of commodities in accordance with the provisions of paragraph (1) of subsection (b) above."

(5) Renumbering subsections (g), (h), (i), (j), and (k) as (d), (e), (f), (g), and (h), respectively.

(6) Renumbering subsection (l) as (i) and striking out the following therefrom: "(other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price-support programs required by law)."

(d) Striking out the first word "The" in subsection (a) of section 113 and inserting in lieu thereof the following: "Except as otherwise provided in subsection (b) of section 112, the."

(e) Revising section 114 in the following particulars:

(1) Altering subsection (c) as follows:

(i) Striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: *"Provided further*, That in addition to the amount heretofore authorized and appropriated, there is hereby authorized to be appropriated for carrying out the provisions and accomplishing the purposes of this title not to exceed $1,950,000,000 for the fiscal year ending June 30, 1951, of which sum $600,000,000 shall be available only for the purposes set forth in subsection (d) of section 111: *Provided further*, That, in addition to the foregoing, any balance, unobligated as of June 30, 1950, or subsequently released from obligation, of funds appropriated for carrying out and accomplishing the purposes of this title for any period ending on or prior to that date is hereby authorized to be made available for obligations through the fiscal year ending June 30, 1951, and to be transferred to and consolidated with any appropriations for carrying out and accomplishing the purposes of this title for said fiscal year."

(ii) Striking out the date "June 30, 1950" in the last sentence and inserting in lieu thereof "June 30, 1951."

(2) Adding the following new subsections:

"(h) The President is authorized to transfer to any department or agency any portion of the funds allocated for assistance to Germany from appropriations authorized by subsection (c). This portion may be used for expenses, not otherwise provided for, necessary to meet responsibilities of the United States related to the rehabilitation of occupied areas of Germany, including the furnishing of minimum civilian supplies to prevent starvation, disease, and unrest prejudicial to the objectives of the occupation. This portion may be expended under authority of this subsection or any provisions of law, not inconsistent herewith, applicable to such department or agency and without regard to such provisions of this title as the President may specify as inapplicable.

"(i) As agreed upon by the Secretary of State and the Administrator, a part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany, or any supplementary or succeeding agreement, shall be deposited into the GARIOA (Government and Relief in Occupied Areas) special account under the terms of article V of the said bilateral agreement. In quantities and under conditions determined by the Secretary of State after consultation with the Administrator, the currency so deposited shall be available for meeting the responsibilities of the United States in the occupation of Germany."

(f) Revising section 115 in the following particulars:

(1) Revising paragraph (6) of subsection (b) as follows:

(i) Striking out the period and the next word "Such" after the word "rates" and inserting in lieu thereof a colon and the following: *"Provided further*, That such."

(ii) Inserting after "(Public Law 389, 80th Cong.)," the following: "shall be used in furtherance of any central institution or other organization formed by two or more participating countries to further the purposes set forth in paragraph (1) of subsection (d) of section 111 or otherwise."

(iii) Striking out the words "for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and the Public Advisory Board provided for in subsection (a) of section 107."

(iv) Striking out the words "operations under this title and under agreement that" and inserting in lieu thereof the following: "operations under this title: *Provided further*, That the use of such special account shall be subject to agreement between such country and the Administrator, who shall act in this connection after consultation with the National Advisory Council on International Monetary and Financial Problems and the Public Advisory Board provided for in subsection (c) of section 107: *And provided further*, That."

(2) Adding the following new sentence to subsection (e): "The Administrator shall also encourage emigration from participating countries having permanent surplus manpower to areas, particularly underdeveloped and dependent areas, where such manpower can be effectively utilized."

(3) Adding the following new subsection:

"(j) The Administrator shall utilize such amounts of the local currency allocated pursuant to subsection (h) as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer."

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 5, line 15, insert a period after the letter "(b)" and delete the remainder of page 5, all of pages 6 and 7, and extending through line 3 on page 8, and insert in lieu thereof the following:

"(3) Renumbering subsections (e), (f), (g), (h), (i), (j), and (k), as (c), (d), (e), (f), (g), (h), and (i), respectively.

"(4) Adding a new subsection (j) to read as follows: 'Notwithstanding any other provision of law wherever wheat or wheat flour is procured under this title for transfer to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchase thereunder, the President, acting through the Commodity Credit Corporation, is authorized to make available, or cause to be made available, such wheat or wheat flour at the applicable price provided in that agreement.'

"(5) Renumbering subsection (l) as (k) and striking out the following therefrom: '(other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price-support programs required by law)'."

Page 8, line 4 redesignate subsection (e) as (d).

Page 8, line 12 strike out "$1,950,000,000" and insert in lieu thereof "$2,950,000,000."

Page 10, line 4 redesignate subsection (f) as (e).

Mr. FULTON. Mr. Chairman, I am offering an amendment jointly with the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, for the purpose of striking from the present bill, that is, the bill reported by the committee, the amendment known as the Vorys amendment.

If you will look on page 5 of line 15 of the bill, it is an amendment to section 101 of the bill. It begins on line 15, where the Vorys amendment would cut the amount in this bill from $2,950,000,000 to $1,950,000,000 and have surplus commodities used. This amendment puts back the original figure of $2,950,000,000 and gives it to the ECA in cash, and restores the bill generally to the way the bill first came up to the Hill and the way it was first put in the Foreign Affairs Committee.

The problem is, shall the United States start under the ECA program to earmark certain of these funds which will be allocated either to agricultural or industrial products and set aside a sum of money by legislation, saying that it shall be spent only for that purpose. Or shall we in the alternative say, in the first instance, that the ECA program comes first, the foreign policy comes first, and that therefore we must give the money to the ECA Administrator to do the spending and let him allocate it so that it is for the best interests of these various countries involved?

Or shall we take the ECA bill in its present form, and thus say it is much more important to eliminate our surpluses of agricultural products which are already piled up and already purchased.

I would like to yield to the gentleman from North Carolina [Mr. COOLEY] at this time if he cares to explain the effect of this amendment on the farmers and the agricultural program.

I have been explaining the effect of this amendment on the ECA program, that it will allocate a certain amount of the funds and separate them to buy current surpluses. I ask the gentleman from North Carolina [Mr. COOLEY], if he will comment on the effect of this current year's program on the Commodity Credit Corporation.

Mr. COOLEY. I have not had the opportunity to compare the gentleman's amendment with the amendment which I had at the Clerk's desk, but I assume they are identical.

Mr. FULTON. Yes, they are practically identical.

Mr. COOLEY. I appreciate the gentleman giving me this chance to further comment with regard to this. This is the amendment which I stated yesterday I would offer. The effect of it is to restore the billion dollars to the appropriation of the ECA and to strike out what I referred to yesterday as the Vorys amendment. I realize that it is not actually the Vorys amendment, but it is the Vorys part of the bill. It was put in in committee, but I do not think the committee had a full appreciation of the implications involved. The effect of it is plain and simple. What they are trying to do is to take away from the Commodity Credit Corporation $1,000,000,000 of valuable assets and use them in connection with the ECA program.

That is calculated to impair the assets of the Commodity Credit Corporation to the extent of $1,000,000,000 and is further calculated to bring the farm program into greater disrepute.

Mr. FULTON. Will it not make the farm program look that much worse and as if there is that much more loss in the farm program?

Mr. COOLEY. Certainly. That is true.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. VORYS. Would the cosponsors of this amendment tell me whether it does anything at all with our three or four billions of surpluses, or does it just leave them there to rot?

Mr. COOLEY. It does not leave them there to rot at all. The gentleman calculated to leave the impression with the people of this country that the assets of the Commodity Credit Corporation are all calculated to deteriorate and rot. That is not true.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. SUTTON. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. JAVITS. I was one of those who opposed this amendment in committee, and I would like to state why, because I think that is the nub of this, as far as city people are concerned.

Mr. FULTON. Which amendment do you mean?

Mr. JAVITS. The amendment which has been called the Vorys amendment. The reason I opposed it in committee and the reason I oppose it now, and I hope the House will strike it out and then work its will, is this: If we permit the Commodity Credit Corporation to do this buying, then they are buying at 90 percent of parity, or whatever the high farm parity prices provide, and hence the agricultural prices are therefore further maintained. However, if ECA goes into the open market and buys, it buys at what I call flexible parity, market price, and hence the farm prices are permitted, to the extent of that $1,000,000,000, to seek their normal level, and that benefits the city dwellers. If it could be said that this billion dollars in surplus is being taken out of Commodity Credit Corporation stores, I point out that all it does is pile it up in the farmers' warehouses, and the Commodity Credit Corporation goes out and acquires it, so that I do not think that is any valid argument at all. Hence I believe that in the interest of the city dweller this should be stricken, and the House should work its will, whatever that may be.

Mr. FULTON. May I point out as a farmer myself, that if the Vorys amendment stays in, it will mean that the surpluses will be used by ECA abroad from past crops, and that the current crops will therefore not be bought by ECA or foreign countries.

Secondly, may I also point out that, if the Vorys amendment stays in, the farmers of this country will then have their surpluses dumped abroad in large quantities—a billion dollars' worth—and it is done on the Government level rather than on private trade, through the regular channels of trade and industry.

Third, anyone on the Republican or Democratic side who is interested in private trade doing the handling of the ECA program as much as possible, should vote for the Cooley-Fulton amendment in order to have regular channels do the purchasing, and have current crops purchased, rather than having current surplus dumped abroad.

Fourth, one of the real criticisms of the ECA program by the Soviet countries has been that they have said to the Marshall-plan countries: "This is simply a method of the United States of America dumping abroad its surpluses." Therefore, if the House adopts the Vorys amendment, we are confirming that great propaganda value item of the Soviets that "this is just what the American people have been doing all along anyway, and that their concern for you in trying to help you develop and come up to the level of decent living is not a fact."

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. DONDERO. If we do not use these surpluses by sending them abroad, how will you dispose of them? You would not advocate destroying them?

Mr. FULTON. May I answer that by saying that the disposal of American surpluses should not be hooked into a foreign-policy bill. If you will remember, under the WPA program, when they tried to put politics into WPA, the whole thing caved in. Keep the foreign-aid program and the agricultural surplus problem separate, and dispose of each on its merits.

From my own point of view, in answer to the gentleman, the foreign policy should be stated in an ECA bill that comes from the Committee on Foreign Affairs. The Committee on Agriculture should, in a separate bill, take up the disposal of agricultural surpluses to determine what should be done with them as a national problem and not as an international problem.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. COOLEY. I should like to say to the gentleman from Michigan that the

Vorys amendment seems to be predicated on the idea that all of the CCC commodities are likely to deteriorate.

Mr. FULTON. That is correct, and the position is untenable.

Mr. COOLEY. The fact is, however, that most of the money now invested is invested in loans or supports in the purchase of storable agricultural commodities which will keep indefinitely and to a time when the farmers can reduce their production in this country. We can consume every bit of it right here in this country if it is not wanted abroad. There never will be a time when the CCC will be able to furnish the quantities and the qualities and the grades and the staples which will be required by the ECA countries of any particular article.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes to answer questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. JOHNSON. I should like to have the gentleman explain this further. I know that many crops, like dried fruits, can be carried over for several years. Some, of course, are perishable; most of them are not. Under this amendment which we call the Vorys amendment, is it intended that we would take out of the surplus the CCC has goods indiscriminately and just dump them over in the laps of these European countries and say, "Here is some food from America; you are required to take this as part of the ECA commitments?"

Mr. FULTON. There was a question as to whether this provision should be mandatory or discretionary, and it was decided that it should be mandatory, that a billion dollars of the amount should be set aside for the purchase of surplus commodities. Up to the amount of a billion dollars it is an actual reduction in the remainder of the program, because this has been isolated. It was decided not to make this provision discretionary; but I understand the gentleman's implication is that it should be.

Mr. JOHNSON. In other words, that we should simply pick out a billion dollars worth of beans, prunes, pears, and other things and dump them over there whether they wanted them or not. Is that correct?

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. VORYS. This is not a dumping proposition. The language in the committee bill which this combination amendment strikes out provides that these commodities must be required by the participating countries. I call attention to page 5. The ECA approves of having it required rather than making it a dumping proposition as happened in the past. It also does.

It also does not, as farmer JAVITS said, require that it be acquired at high prices. In the committee bill on page 6, lines 13 to 15, this will be stricken out. It states:

> In no event shall such cost be higher than the domestic market price at the time and place of delivery as determined by the Secretary of Agriculture.

So there is no dumping. You will find on page 38 of the committee report the list of the needs of ECA set forth by the ECA that can be met out of surpluses we now already own.

Mr. FULTON. May I comment on that by saying that the billion dollars is taken out of the other part of the program and set aside. If the funds cannot be used by the Administrator for the transfer of these Commodity Credit Corporation items, then they are not used at all. In one way, therefore, it is a reduction in the program.

Mr. JOHNSON. But if their needs for these agricultural products did not approximate a billion dollars then they would be out of pocket the rest of the billion, or unable to use it.

Mr. FULTON. That is right.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, let us not misunderstand the proposition made by the gentleman from Pennsylvania and the gentleman from North Carolina. It seems that the gentleman from North Carolina has been selected by somebody to ride the white horse in this charge. He was probably selected because he is the very able chairman of the powerful Agricultural Committee of the House. He has done a great service as chairman of that committee. But I warn you, Mr. Chairman, do not swallow everything he said in his two or three speeches on yesterday and last Friday on this subject. The committee bill including the Vorys amendment is not as bad as he would have you believe.

Mr. Chairman, do not forget that the Foreign Affairs Committee under the distinguished chairmanship of the gentleman from West Virginia has a tough and a thankless job. I do not think the gentleman who is chairman of the Committee on Agriculture envies the gentleman from West Virginia. It is comparatively easy to come in here and ask for an appropriation for the Commodity Credit Corporation because it is something aimed at protecting the livelihood of the American farmer, and Lord knows his rights need to be protected. For years and years he was not protected. He bought on a protected and sold on an unprotected market.

We members of the Committee on Foreign Affairs are up against a tougher proposition—getting an authorization to spend money abroad. To start with, we were up against a fed-up House and a critical public opinion. We have tried to shape this bill up so that it would do justice not only to the people of Europe but to the people of the United States who pay the taxes.

Our committee has in this bill made three major changes in the ECA set-up as originally enacted into law. One of the changes is that we urge and suggest that $300,000,000 be used for guaranties to help encourage American business in making investments abroad, thus speeding the recovery program.

Another thing we put in this bill was that $600,000,000 would be earmarked to guarantee over there a European Payments Union. Mr. Hoffman when he came before us said that there would be no permanent recovery in Europe until they had a payments union over there so that they could enjoy some of the trade advantages we have here in the United States where 48 different States or countries, as it were, trade with each other without barriers. Europe has been promising to unify economically but they have not done so up to this time. In this bill we have earmarked $600,000,000 and said: "You cannot get those dollars until you pull together."

Now we come to the Vorys proposal which was adopted by the committee. I do not care whether one has the Phi Beta Kappa key or only went through the sixth grade in school, he understands what the proposal means.

While the vast majority of Americans appreciate the progress the Marshall plan has made, while they realize what it has done to turn back the tide of communism, they also realize at the same time that it is in the interest of the American farmer and the American taxpayer to get rid of the surpluses in this country.

Regardless of what the gentleman from Pennsylvania may tell you or what the gentleman from North Carolina may tell you, I believe that the average farmer knows that the surpluses that hang over his production is a drug on the market and that it is desirable to get rid of some of those surpluses.

All that is provided in this bill in regard to surpluses is that ECA use a billion dollars worth of our farm surpluses needed in the program, instead of a cash outlay of that many dollars.

Now, the American farmer cannot lose on that deal; he cannot lose. The gentleman from North Carolina yesterday said that you cannot saddle ECA on the back of the farm program. Nobody wants to do that. We want to help Europe and help solve our farm problems at the same time.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Montana.

Mr. MANSFIELD. I want to say to the gentleman from South Carolina that

I agree wholeheartedly with his argument as to the validity of the so-called Vory's amendment. As a matter of fact, the money comes out of the same pocket, no matter how you go about it, and it is used to achieve the same objective; is that not correct?

Mr. RICHARDS. That is correct.

Mr. MANSFIELD. Furthermore, did not the ECA come before us and say that they would need something like $1,600,000,000 to buy certain selected commodities in this country, most of which are being held in surplus at the present time by the Commodity Credit Corporation?

Mr. RICHARDS. That is correct.

Mr. MANSFIELD. And is it not true that the committee gave very serious consideration to the Vory's proposal, and after due deliberation decided that it was the best thing which could be offered at that time? Now, I think that the trouble with the Vory's amendment is that it is so simple that it is hard for some of these people to understand.

Mr. RICHARDS. The gentleman from Montana has put his finger on the key to the whole situation. It is a thing that the farmer in the field can understand; it is a thing that the little-business man on the street can understand. You cannot fool the farmer of this country. He knows what surpluses are doing to him. He knows that the Government is putting up money to keep his prices up; he appreciates that fact; and he knows that the one fundamental thing that has got to be done before anything else is done to relieve permanently the situation is to get rid of these surpluses.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Texas.

Mr. POAGE. If I understood the gentleman, he said a moment ago that all we are going to do is to take $1,000,000,000 of this and use it to buy surplus commodities.

Mr. RICHARDS. I did not mean to say that.

Mr. POAGE. Well, I think those were the gentleman's words, and I think that that shows the very fallacy of the last argument, when the gentleman said it was so simple, that the gentleman draws no distinction between giving away $1,000,000,000, with no compensation to Commodity Credit Corporation, and in taking $1,000,000,000, and paying the Commodity Credit Corporation. The gentleman makes no distinction in his own argument. His reasoning is confused, and I think he will find the reasoning of every Member who advocates this Vorys amendment is equally confused.

Mr. RICHARDS. If the gentleman wants to get on the white horse with the gentleman from North Carolina, he can ride along with him. But I don't believe that the people of this country will be fooled.

Mr. MANSFIELD. Mr. Chairman, if the gentleman will yield further, I will say that the gentleman is correct. There has been a rumor going around that as soon as we on the Committee on Foreign Affairs found out that $2,000,000,000 were going to be appropriated to the Commodity Credit Corporation that we immediately accepted this amendment. As a matter of fact, this amendment was accepted before there was any idea that there was going to be before this House a request for $2,000,000,000 for the Commodity Credit Corporation. This is a good amendment and it gives everything to the ECA that it has asked for before the committee.

Mr. RICHARDS. That is correct. Let me say this: I do not claim that the committee proposal is going to save $1,000,000,000 for the taxpayers of this country; I do not claim that. I hope that it may. We do not know what kind of crops we are going to have next year. Mr. Brannan, in requesting the Commodity Credit Corporation extension of $2,000,000,000, said he did not know how much was going to be needed. We do not know what 1950 crop conditions are going to be. The CCC may be forced to take over additional farm commodities, and it may not.

It may be that we will not have to come before this Congress to ask for additional funds for the Commodity Credit Corporation again. I do not know. But we cannot lose, the farmers cannot lose, and the taxpayers of this country cannot lose through the Vorys amendment.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. McCARTHY. Will the gentleman tell the Committee just what the effect of this amendment will be? I have been told that the ECA is going to buy a billion dollars' worth of farm commodities anyway. What will be the effect? What difference does it make whether we adopt the Vorys amendment or not?

Mr. RICHARDS. Did the gentleman say dumping farm commodities?

Mr. McCARTHY. No; I said I was told that the ECA would buy farm commodities. What difference will that make?

Mr. RICHARDS. We do not know for sure how much the Commodity Credit Corporation will buy, and we do not know how much the ECA will buy; we can only estimate.

Mr. McCARTHY. The gentleman from Montana says they will buy over a billion.

Mr. RICHARDS. They estimate over a billion dollars.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MANSFIELD. May I say to the gentleman from Minnesota it will not make a particle of difference because the articles have been enumerated before the committee. They include such items as cotton, wheat, rye, coarse grains, soybeans, flaxseed, linseed oil, and so forth, all of which are in supply with the Commodity Credit Corporation at the present time, and all of which are products that ECA said will be needed in the next fiscal year. It seems to me there is no difference. You are getting it from the same source.

One more thing: The ECA law provides that products can be bought from the Commodity Credit Corporation, but on the basis of about $2,500,000,000 spent so far for agricultural commodities and products the Secretary of Agriculture has certified only $115,000,000 worth out of the Commodity Credit Corporation.

Mr. RICHARDS. That is correct.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from California.

Mr. JOHNSON. What we are doing is taking stored agricultural items in the Commodity Credit Corporation warehouses for which the farmers have been paid and giving them to the European countries per their own demands and their own selection.

Mr. RICHARDS. We are sending them to the European countries.

Mr. JOHNSON. Yes, but they are selecting them, too.

Mr. RICHARDS. That is correct. In so doing we are doing away with the necessity of paying a lot of storage and we are leaving room to place more commodities there if we have to buy them.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Illinois.

Mr. YATES. What difference does it make fundamentally whether or not you have either amendment? Why not just give the money to ECA and let it purchase the farm products in the event it has to purchase them anyway?

Mr. RICHARDS. I am arguing against the gentleman's amendment.

Mr. YATES. Would it not be better insofar as the ECA program is concerned if they were permitted to buy?

Mr. RICHARDS. No. I think not.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I am not willing to believe the gentleman from South Carolina is confused, but in his remaining time I would invite him to point out to the House the fallacies of the arguments I have submitted in opposition to the Vorys amendment.

Mr. RICHARDS. I have been trying to do that.

Mr. COOLEY. I have been listening in the front row to find them out.

Mr. RICHARDS. If the gentleman had been listening he would have known what I am talking about. The gentleman from North Carolina has introduced two very confusing amendments. Let the issue stand clear.

Mr. COOLEY. I have not introduced any yet.

Mr. RICHARDS. No matter how confusing his amendments are, remember that the issue is simple. The Vorys

amendment was adopted in the Committee on Foreign Affairs by a vote of 11 to 7. According to my recollection, the gentleman from Pennsylvania did not propose his amendment at that time, nor did he oppose the Vorys amendment.

The Vorys amendment proposes to do this very simple thing: Take $1,000,000,000 of our surplus commodities and convert them to the use of ECA, thereby cutting the immediate cash outlay $1,000,000,000, thus carrying on the Marshall program, and reducing the surpluses in this country at the present time.

Mr. FLOOD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FLOOD. Mr. Chairman, has the gentleman from North Carolina introduced an amendment which is now being debated?

The CHAIRMAN. The amendment now being debated and which is pending is the amendment offered by the gentleman from Pennsylvania, a member of the committee.

Mr. COOLEY. Mr. Chairman, I offer an amendment, which is almost if not identical with the amendment offered by the gentleman from Pennsylvania [Mr. FULTON], as a substitute amendment, and ask unanimous consent that the amendment be considered as read, since it is almost identical with the amendment offered by the gentleman from Pennsylvania.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. KEE. Mr. Chairman, reserving the right to object, I have not seen the substitute amendment.

Mr. VORYS. Mr. Chairman, I am constrained to object.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY as a substitute for the amendment offered by Mr. FULTON:

Page 5, line 15, insert a period after the letter "(b)" and delete the remainder of page 5, all of pages 6 and 7, and extending through line 3 on page 8, and insert in lieu thereof the following:

"(3) Renumbering subsections (e), (f), (g), (h), (i), (j), and (k), as (c), (d), (e), (f), (g), (h), and (i), respectively.

"(4) Adding a new subsection (j) to read as follows: 'Notwithstanding any other provision of law wherever wheat or wheat flour is procured under this title for transfer to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchases from the United States thereunder, the President, acting through the Commodity Credit Corporation, is authorized to make available, or cause to be made available, such wheat or wheat flour at the applicable price provided in that agreement.'

"(5) Renumbering subsection (l) as (k) and striking out the following therefrom: '(other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price-support programs required by law)'."

Page 8, line 12, strike out "$1,950,000,000" and insert in lieu thereof "$2,950,000,000."

Page 8, line 4, redesignate subsection (e) as (d).

Page 10, line 4, redesignate subsection (f) as (e).

Mr. FULTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. Mr. Chairman, as I read the amendment offered by the gentleman from North Carolina [Mr. COOLEY], it is my amendment exactly, with a slight switch. Where I had on page 8, line 4, to redesignate subsection (e) as the first subsection, and secondly on page 8, line 12, to strike out "$1,950,000,000" and insert in lieu thereof "$2,950,000,000," the Cooley amendment merely reverses those two particular provisions.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to withdraw my amendment in view of the explanation.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I regret very much that I am not able to ride that white horse through the Chamber at this very moment. I also regret very much that the gentleman from South Carolina did not take a little of his time to explain and point out the fallacies in the argument which I submitted to the House yesterday. The argument which I submitted to the House yesterday was largely in the form of communications to which I invited the attention of Members, communications from every farm organization in America. Now, I understand even the National Association of Manufacturers objects. I think, generally speaking, the businessmen of America will object to the provisions which are referred to as the Vorys amendment because they are calculated to put the Government of the United States in business on a gigantic scale. It will make the Government of the United States the largest purchaser of agricultural commodities that has ever existed in the tide of time.

It will do away with business transactions between businessmen in this country and abroad. The Government will be buying through the Commodity Credit Corporation possibly a billion dollars' worth of farm commodities which it cannot sell to private businessmen abroad, but which it will have to sell at the Government level to governments abroad.

The gentleman from South Carolina [Mr. RICHARDS] said to the gentleman from Pennsylvania [Mr. FULTON] that under the Vorys amendment commodities would be taken away from the Commodity Credit Corporation and sold abroad. Did the gentleman make that statement?

Mr. RICHARDS. The gentleman knows the way ECA operates.

Mr. COOLEY. I know the way it is now, that we make money in the form of dollars available to foreign governments, and foreign governments allocate those dollars to private-business men to do business with businessmen in this country and not with the Government of America.

At any rate, I will not go into a discussion of the philosophy of ECA, but the gentleman knows this program does not contemplate the purchase of agricultural commodities by foreign governments abroad, except by this Vorys amendment.

I should like to suggest one thing which it seems to me should nail this thing to the cross once and forever. Last year when this bill was here my colleague from Texas [Mr. WORLEY] offered an amendment the effect of which would be to require ECA to buy beef which we had in cans, which we had stored in Mexico, which we acquired in connection with the hoof-and-mouth disease program. This committee opposed Mr. WORLEY's amendment and defeated it. Senator MCCLELLAN, from Arkansas, offered almost a similar amendment, broader in scope, and that was defeated in the Senate. Now, lo and behold, we come here and find, under the leadership of the distinguished gentleman from Ohio [Mr. VORYS], the Foreign Affairs Committee has embraced this proposition, lock, stock, and barrel, and now they undertake to saddle one-third of the foreign-aid program on the back of the agricultural program.

Mr. VORYS. Mr. Chairman, will the gentleman yield for a question?

Mr. COOLEY. If it is a question, yes.

Mr. VORYS. The gentleman yesterday had a very long letter which misstated a number of things and which was signed by "blank." It appears to be an anonymous letter.

Mr. COOLEY. The gentleman has reference to a letter that was addressed to the Speaker of the House, I suppose, which the gentleman knows I submitted a copy of. The original is in the Speaker's office, and it is signed by the Secretary. I am sure the Speaker will permit the gentleman to see the letter, if he desires to see it.

Mr. VORYS. Secretary of what?

Mr. COOLEY. The Secretary of Agriculture.

Mr. VORYS. I did not know.

Mr. COOLEY. I am sorry the gentleman did not know.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BURLESON. I asked the gentleman yesterday if he would not be good enough to explain to the House the actual operation of Commodity Credit Corporation and the meaning of surpluses. I think that is the key to this whole discussion, and as a friend of the court, between the gentleman from North Carolina [Mr. COOLEY] and the gentleman from South Carolina [Mr. RICHARDS], I think it would help considerably if the

gentleman would give us that explanation.

Mr. COOLEY. As I said a moment ago, the ECA communication, which I inserted in the RECORD, indicates that seldom, if ever, will the Commodity Credit Corporation have on hand the quantity and kind of commodity which will be desired. Therefore, the countries desiring to acquire certain quantities of agricultural commodities place their orders, and they go into the private market place and they deal with private businessmen in acquiring the things that they want. For instance, the Stabilization Corporation has perhaps a hundred million pounds of tobacco, but tobacco today is not a surplus commodity. Supply must reach a certain level before it is considered in surplus supply. But if you want to go on record as trying to nail down a billion dollars and set it aside for agricultural commodities, wait until we adopt the pending amendment, then vote for the Burleson amendment which will be introduced by the gentleman from Texas [Mr. BURLESON], who is a member of this committee, which will tie down a billion dollars in American fashion, and will make it available only for the purchase of agricultural commodities in continental United States, its possessions or territories; but let us not resort to this subterfuge of reaching into one pocket and taking out a billion dollars and putting it into another pocket and then go home and say, "Look what we did. We killed a great big bear. We saved a billion dollars."

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. PACE. I would like to be distinctly understood by everyone.

There is not one word that can be found in the amendment offered by the the gentleman from Ohio that applies to surplus commodities. The commodity does not have to be in surplus for this provision to operate. It reads:

> Commodities heretofore or hereafter acquired by the Commodity Credit Corporation—

There is no requirement that they must be in surplus, and there is no telling what damage this language in this amendment would do to the American people. You could use this amendment in creating scarcities in this country.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PACE. Let me first read to the gentleman his own words:

> Notwithstanding the provisions of any other law, such commodities heretofore or hereafter acquired by the Commodity Credit Corporation shall be made available—

Not one word which states that it has to be in surplus. It is not confined to surplus commodities, and I challenge the gentleman now to show that we have a surplus supply of wheat on hand considering the condition of the crops in the field. You do not know what you are doing if you go ahead and ship out all of the wheat; you may be creating a condition of scarcity that might be frightful.

Mr. VORYS. The gentleman has challenged me. Now I should like an opportunity to answer.

Mr. COOLEY. I yield to the gentleman briefly.

Mr. VORYS. Both gentlemen in the last couple of days have made a rather vicious attack on my amendment and now I have been challenged. I ask the opportunity of answering the gentleman's question.

The Vorys plan does not interfere with the definition of "surplus" already in section 112 of the ECA Act, and on page 7 of the original committee report under the Ramseyer Act here is the definition of "surplus agricultural commodity." I will read it:

> (d) The term "surplus agricultural commodity" as used in this section is defined as any agricultural commodity, or product thereof, or class, type, or specification thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements.

There is exactly the law; I have not disturbed the definition at all except to add an additional class, that acquired by the Surplus Commodity Corporation. I have left the agricultural section of the ECA law alone as much as I could. There are a number of things in there that I happen to disapprove of. There are a number of things that are not strictly in surplus. But the gentleman challenged me as if there were no definition of "surplus" in here when it is in here and the gentleman knows where to find it, and he knows it is there just as I have read it.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for seven additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. PACE. In all kindness, I do not want to be unfair to the gentleman from Ohio. Had he used the phrase "surplus commodities" what he is saying would be true; there is a definition of "surplus commodities." But in the gentleman's amendment, page 6, line 4 of the bill, he does not say "surplus commodities," he says "commodities heretofore or hereafter acquired by the Commodity Credit Corporation."

Mr. VORYS. The language reads "such commodities." What in the world can the adjective "such" refer to except the words right above, the surplus commodities definition written in by agricultural experts? The gentleman leaves out the word "such" when "such" can refer to nothing except the surplus commodities definition I have already given the House. I must insist that the word "such" applies to commodities heretofore or hereafter acquired.

Mr. COOLEY. By the Commodity Credit Corporation.

Mr. PACE. Such commodities heretofore or hereafter acquired.

Mr. COOLEY. Mr. Chairman, in answer to the gentleman from South Carolina as to who put me on this white charger to come out here and offer this amendment, may I say that when the Vorys amendment was made public last week I conferred with members of my committee. I called a special meeting of the House Committee on Agriculture, composed of 27 men who are Members of this House, all of whom are devoted to the cause of agriculture and most of whom are devoted to the cause of ECA. We discussed this matter pro and con in committee, and I think every member of that committee is opposed to this Vorys amendment. I may say further that I was authorized by the House Committee on Agriculture to offer this amendment as its chairman.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. The gentleman is aware of the fact that a committee in the other body rejected this plan. Does the gentleman know—I have not heard anyone on the committee make any statement about it—as to whether or not Mr. Hoffman and the ECA officials are agreeable to this amendment? I am talking about the committee amendment.

Mr. COOLEY. I put in the RECORD yesterday something that had not been put in before, a communication from ECA in which it bitterly objects to this Vorys provision. I put in the RECORD a letter which the Secretary of Agriculture addressed to the Speaker in opposition to it. I put in a communication from every outstanding farm organization in America in opposition to it.

Mr. BOGGS of Louisiana. Will the gentleman be good enough to summarize for the Members of the House the position taken by ECA?

Mr. COOLEY. The ECA takes the same position taken by these other people who have communicated with me in regard to the Vorys amendment.

I want to pause long enough to say to the gentleman from Ohio [Mr. VORYS], that yesterday when I used the words "hoax" and "humbug" I meant no personal reference to my very dear friend the gentleman from Ohio [Mr. VORYS]. I hold him in very high esteem. As I pointed out in my remarks, having been a member of the Herter committee, as he and the distinguished gentleman from South Carolina were, both of them ought to know better than to saddle a part of their burden on the backs of the farm program of this Nation.

Mr. BOGGS of Louisiana. I want to try to understand this. I am certain that the Members would like to understand the effect of the amendment offered by the gentleman from North Carolina and the gentleman from Pennsylvania.

Mr. COOLEY. The effect of the amendment which the gentleman from Pennsylvania [Mr. FULTON] and I have introduced, will add back the billion dollars to the ECA appropriation which the Foreign Affairs Committee took away from it.

Mr. BOGGS of Louisiana. Does the gentleman's amendment permit the ECA to purchase farm products?

Mr. COOLEY. It will strike out the Vorys amendment so that ECA will operate just as it has been operating and in its operation it has already projected a plan which contemplates the purchase of not a billion dollars but $1,600,000,000 worth of commodities in this country through private trade channels. The gentleman from Montana a moment ago had a list totaling up to $1,122,000,000.

Mr. BOGGS of Louisiana. So that under the gentleman's amendment the purchases will be made through private enterprise and also through the Commodity Credit Corporation?

Mr. COOLEY. That is right. Let me say this before I yield further. I would like to know whether anybody from the Department of Agriculture, the Commodity Credit Corporation, or the office of the Secretary of Agriculture was invited before the committee to testify with regard to the effect of this amendment? Did you invite the farm leaders who have fought so hard for this farm program to come before the committee? Did you invite anybody from this House and give them the opportunity to discuss the implications of this provision? No, you did not. When I called my committee together I got in touch with the five leading farm organizations and every one of them, to a man, went on record as opposed to this thing, and every one of them at the same time was in favor of an expanded ECA program.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Montana.

Mr. MANSFIELD. I was interested in the statement of the gentleman from Louisiana in which he asked Mr. Hoffman's opinion and if we had been informed of it. We all have a high respect for Mr. Hoffman, but may I say that when the Committee on Foreign Affairs brings legislation in here just as it is presented to us we are criticized and when we try to do a good job in committee you still find fault with it.

Mr. COOLEY. Let me ask the gentleman a question. Did he invite anybody interested in American agriculture, from farm organizations or from the Department of Agriculture, before his committee? Did he hold any hearings on this proposition?

Mr. MANSFIELD. Let me say to the gentleman that we have minds of our own and we tried to use our best judgment.

Mr. COOLEY. The gentleman gives us the mind of the Committee on Foreign Affairs as a basis for this fundamental change in the philosophy of ECA which all of you have fought for in the past, and that is not to hamstring this money which is going to be used by foreign countries. Why did you not, if you wanted the true facts, get the books of the Commodity Credit Corporation? I challenge you now to tell us what they have invested and what it is invested in. Why did you not give them a chance?

Mr. MANSFIELD. I want to say that anyone who wanted to could have appeared before our committee.

Mr. COOLEY. Oh, that is a different proposition.

Mr. MANSFIELD. Let me finish. There was no change in the philosophy of this amendment as it affects the Commodity Credit Corporation because the money comes from the same source and is used for the same objective.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. I could talk about this thing for 5 hours. This Committee on Foreign Affairs brings this matter here as if it had received great consideration in the committee. Why, I dare say that no Member of this House knew anything about this proposal of the gentleman from Ohio until it appeared in the press, and then the committee was in executive session writing the bill, they were not hearing witnesses.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. The statement has been made that the amendment also changes the philosophy of the ECA; is that correct?

Mr. COOLEY. Here is the situation. My amendment—well, I will refer to it as the Fulton amendment—will restore this $1,000,000,000 to ECA; it will strike out the Vorys amendment, and if that is done, then the gentleman from Texas [Mr. BURLESON] will give the House, and the friends of the Vorys amendment, an opportunity to express themselves on tying down the $1,000,000,000. The gentleman from Texas [Mr. BURLESON] will offer an amendment that will tie down this $1,000,000,000, which will keep the money in American trade channels, and that money will be used only in the acquisition of crops which the Secretary of Agriculture has determined to be in ample supply, or not in inadequate supply.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. You first vote for the amendment that is now up, that is, the amendment that is put in by the two of us, and then if you want to tie it down for purchases in this country, the gentleman from Texas [Mr. BURLESON] has an amendment that you can put in, and you can then adopt that.

Mr. COOLEY. Our amendment puts back the money and strikes out the Vorys amendment, and stops there, and that is where a lot of the Members of this House want it to stop.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. COX. I would like to say to the gentleman that I think I favor the adoption of his amendment, but for entirely different reasons than those which he has assigned. Up to this point it would seem to me that the advocates of the Vorys proposal have the better of the argument. I want to ask the gentleman if he thinks or contends that keeping the Vorys proposal in the bill would tend to bankrupt the Commodity Credit Corporation.

Mr. COOLEY. Why, of course it will, Judge. It will take away from them $1,000,000,000 of their assets and impair the efficiency and the stability of the Commodity Credit Corporation and makes us come back here and ask for an act of Congress to replenish the funds of the corporation.

Mr. COX. Has not the gentleman confidence in the House to believe that if this $1,000,000,000 of commodities were furnished by the Commodity Credit Corporation, that the Congress would reimburse the Commodity Credit Corporation?

Mr. COOLEY. Well, let us face the thing forthright. Let us give the ECA the $1,000,000,000 that is needed and let ECA go and buy the commodities and pay for them, and then we will not have to come back next year.

Mr. COX. Here is the point made by the gentleman which is not impressive, and that is that what the Vorys proposal has kept in the bill will operate against the best interests of the farmers of this country, when the gentleman and other Members of the House must know that the motivating cause of the gentleman from Ohio offering this proposal was to relieve the agricultural surplus situation and thereby improve the conditions of the farmers of this country. In other words, I think we might be fair to the gentleman who sponsored it.

Mr. COOLEY. I will be fair to him, and credit him with a high degree of sincerity. I have no purpose in mind to impugn his motives. I just think the gentleman and those members of his committee who voted with him are confused about this situation. We ought to deal honestly and fairly with both the farm program and the ECA program. I venture to say that the ECA program has no better friend in Congress than I am.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Is it not a fact that the result of the Fulton and Cooley amendments, both of them taken together, plus the proposed Burleson amendment, will be that you will still earmark $1,000,000,000, no matter who gets it, for farm products?

Mr. COOLEY. If you approve the Burleson amendment remember that you are keeping the money within normal trade channels.

Mr. FLOOD. But you are doing this expressly for the purpose of buying farm products.

Mr. COOLEY. I am not offering the Burleson amendment.

Mr. FLOOD. I know, but if and when that is done, that will be the result; is not that so?

Mr. COOLEY. But ECA would be buying the commodities with its own money.

I have been interrupted so much that I am very much afraid that I have not made the propositions now under consideration very clear. In conclusion I hope that I might be able to clear up such confusion as may exist.

We have referred to the Vorys amendment. As a matter of fact, no Vorys amendment is now before the House. The Vorys amendment was adopted in committee and became a part of the bill. I propose to strike out the provisions of this bill which were offered by the gentleman from Ohio [Mr. VORYS] in committee, the purpose and intent of which were clearly to lead the country to believe that by the adoption of such provisions we would be saving the taxpayers a billion dollars and at the same time disposing of deteriorating, perishable agricultural commodities, which the Government had already purchased at great cost. If the Vorys provisions are stricken out, I would then restore the billion dollars to ECA funds. This would enable ECA to continue in the next year just as it has operated in the past year. Right there I stop. I have stated, however, that a member of the committee, the gentleman from Texas [Mr. BURLESON], would hereafter offer an amendment, in the event my amendment prevails. The effect of the Burleson amendment would be to give to the House an opportunity to work its will on the suggestion that $1,000,000,000 of ECA funds be tied down and earmarked for the purchase of commodities which the Commodity Credit Corporation now owns or may hereafter acquire or which the Secretary has not determined to be in inadequate supply. The Burleson amendment would, likewise, restore the $1,000,000,000 to the ECA authorization.

I, therefore, hope that the House will adopt the amendment which I proposed on yesterday and which today has been offered by the gentleman from Pennsylvania [Mr. FULTON], and which I also offered, but withdrew when it appeared that the amendments were identical. After the ECA authorization has been increased and the Vorys provisions have been stricken out, as provided for in the pending amendment, then the House can vote on the amendment which will be offered by the gentleman from Texas [Mr. BURLESON] and can then decide what should be done with this suggestion that we earmark a part of ECA funds for the purchase of agricultural commodities. Certainly, the Committee on Foreign Affairs which has handled this legislation, has never heretofore favored such earmarking. I urge the adoption of the pending amendment.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a lot of people are confused here but I am not a bit confused and you had better not be confused. There is going to be a division of this combination. You are going to vote, first, do you want to use a billion dollars of surpluses that are the exact things needed under the Marshall plan out of stocks that the taxpayer already owns because he has paid for them, or not? Then the other part of the amendment is, do you want to raise the ante for foreign aid a billion dollars more, or not?

If those motions prevail in the Committee of the Whole, then you are going to have an opportunity to vote on a roll call so that the people of the country and of your districts will know, are you in favor of using agricultural surpluses we now own to take care of an obligation in Europe, or not, and do you want to raise the ante for foreign aid a billion new dollars, or not? That is what the vote is going to be about.

We have about $4,000,000,000 worth of these commodities. They are not very valuable assets because we have not been able to sell them, and they do not even want us to give them away in this country because that might interfere with their markets. The proposal, therefore, is to take these commodities, that are not only valueless but are costing $25,000 a day for storage, and $80,000,000 more for storage construction, and get rid of some of the storage costs, not by dumping these commodities, but by furnishing the people in Europe exactly what they need.

You will find listed on page 37 of the committee report, and the reports are in plentiful supply at the committee tables, just exactly what the ECA listed they were going to acquire for European requirements and opposite that just how much is now in surplus.

Fortunately, or unfortunately, tobacco is not listed there. My beloved friend from North Carolina may be particularly concerned because the tobacco folks do not handle their product through the Commodity Credit Corporation, but the one hundred and forty to one hundred and forty-five million dollars' worth of it, which is now under loan, is handled through an outside organization. Unfortunately for him, tobacco would not be one of the surplus commodities which would go under the Vorys plan.

However, under the ECA program they are going to spend a total of $1,395,000,000 on food and agricultural products. Perhaps the gentleman could get some of those dollars for his tobacco and then he might feel more comfortable about this problem of taking care of the surpluses. You see, in the handling of ECA and tobacco, it is always listed, if possible, under "and other products," because there are many people who feel bad about our furnishing free tobacco over there.

It is said that the big city dweller should be for this Fulton-Cooley proposition because it would prevent dumping at high prices. Well, as I have pointed out, in the bill, in the part which the Cooley amendment would strike out, the provision is that this transfer of the $1,000,000,000 of surplus shall be charged at a cost that shall in no event be higher than the domestic market price for the same commodities.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for a correction?

Mr. VORYS. I yield.

Mr. JAVITS. Just to pin point the argument, my argument is not what the CCC will sell it for to the ECA—the gentleman is right about that—they will sell them at the market—my argument is what the Commodity Credit Corporation must go out in the open market and buy these surpluses at. No doubt they must buy them at not less than 90 percent of parity. That is my point. Therefore, I say it has a tendency to keep the prices high instead of as under the ECA buying, which has a tendency to keep the prices lower.

Mr. VORYS. I see; the gentleman agrees with those who think we are going to go on and on forever piling up surpluses and doing nothing with them. Well, I do not think so. However, the gentleman fell into the error of saying that the ECA would buy these from the Commodity Credit Corporation. No; they will not. Under the committee plan, which is attempted to be stricken out, these surpluses will simply be made available and will be turned over. If the CCC and Agriculture cannot find anything to do with them, we will find something to do with them. It is going to help the farmer by taking that great surplus threat off of the market. We transfer them to the ECA and when they are sold—and there is where the attempt was made to make confusion about what my colleague from South Carolina said—they are not given away when they get to Europe under the Marshall plan, but when they get over there, the agricultural products and other commodities are sold to the people of Europe for their own currencies. Those currencies are deposited in what is called the counterpart funds. It is only when those counterpart funds are disposed of for the recovery of Europe that there could conceivably be what could be called a gift.

So that while these are sold by these recipient countries and the counterpart fund deposited in this joint account, they are not sold by the CCC over there. What does the CCC do with them? Why, they charge them off. In a letter by Assistant Budget Director Lawton, in February 1949, he pointed out that the Commodity Credit Corporation had sus-

tained a net loss since its organization up to then of $3,890,891,170. But that they were able to show a surplus in their statement by including as income the appropriations received from the Congress.

Now, what is going to happen—remember, the people own the Commodity Credit Corporation. It is all taxpayer's money. But what is going to happen is that the people who have bought these surpluses and cannot find anything to do with them, are going to turn them over to this worthy purpose that will help the farmer, and then when the charge-off comes it will be charged off by the Commodity Credit Corporation, because they could not sell it and did not dare to give it away in this country.

Now, this is all very simple. It is not confusing. You are going to vote whether you want to use the surpluses we own in Europe or not; and you are going to vote whether you want to add a billion dollars to the whole thing or not, and if the vote is successful in Committee of the Whole, there will be a record vote to inform the public just how we stand.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. VORYS. Now I yield.

Mr. COOLEY. Why does the gentleman object to letting the books of the Government agencies and corporations reflect the truth? Why do you object to letting the ECA pay for this and charge it up to ECA, instead of charging it up to the Commodity Credit Corporation? What is your explanation?

Mr. VORYS. Now I am going to answer. Because the ECA is just the American people. The Commodity Credit Corporation is just the American people. If the American people have already bought a billion dollars worth of stuff, we are not, through a bookkeeping fiction by the Commodity Credit Corporation which I have just described, going to attempt to charge the American people twice for the same stuff. The expense of this transaction is going to stay right where it is now, in that pocket of the taxpayer's suit. The Commodity Credit Corporation attempted to support prices; it had to take in these surpluses; it spent over $4,000,000,000. They got $2,000,000,000 more last week. They are going to have to show that that is what the price-support program costs.

Mr. COOLEY. Does not the gentleman admit that his amendment is nothing but a bookkeeping transaction?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. VORYS] has again expired.

Mr. KEE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. KEE. Mr. Chairman, I am doubtful of my ability to get order out of chaos or out of the confusion which the House is in with reference to the pending amendment.

I want to explain my position in this matter, not only as chairman of the Foreign Affairs Committee but also as a Member of Congress deeply interested in the welfare of the Nation and of the people I represent.

I opposed the Vorys amendment in committee. I opposed the amendment not merely because ECA was in opposition to it, although that is the position of the ECA. They want to proceed in that same orderly manner, as they have been proceeding for the last 2 years in the operation of their program.

For 2 years the ECA has been buying agricultural commodities in the open market. The ECA is not a purchasing agent, however, because in many instances money allocated to make these purchases in the open market is allotted to the countries participating in the programs for the purchase of commodities in this country. A number of the countries have their own private purchasing agencies here who procure in the open market, with the money thus supplied to them, these agricultural commodities; and for the past 2 years the ECA has been purchasing in the open market through their agencies, agricultural commodities to an amount in excess of a billion dollars. The ECA now proposes in its plans for the ensuing year to purchase about one-billion-three-hundred - and - some - odd-million dollars' worth of agricultural commodities.

If the $1,000,000,000 cut out of this bill by the Vorys amendment had been left intact, the ECA would have gone into the open market, as it has done for the past 2 years and purchased these commodities; and, as I have stated, during the coming year, about one-billion-three-hundred-and- some - odd - million dollars would have been spent for agricultural commodities. In purchases in the past 2 years the Administrator has not had in mind a support of the farm program, because that was not an objective of ECA. But as a natural result of ECA being in the market and buying these commodities it has lent great aid to what we call the farm price-support program.

If the Vorys amendment remains in the bill it will not save to the country a single dollar. The gentleman from Ohio [Mr. VORYS], himself, has said that ECA is working with the people's money and CCC is using the people's money, and that what is spent by both agencies comes out of the taxpayer's pocket. There is no question, however, about the fact that every dollar the ECA has spent during the past 2 years for its program has aided the farm price-support program. If the $1,000,000,000 had been left in the bill, every dollar of that billion-and-three-hundred-and-some - odd million more would have gone to help, directly or indirectly, the farm price-support program. If the ECA has to take those commodities out of the surplus now in the hands of the CCC, then for every dollar's worth of commodities it takes out of the surplus that dollar will have to be supplied by the CCC in further support of the price program. It is not a question of saving the country anything; it is a question of whether the CCC gets another appropriation or whether they do not; it is a question of whether they can get the help of this billion dollars for the price-support program or whether they will not be able to.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. BOGGS of Louisiana. I wonder if the distinguished chairman would express himself on the amendment offered by the gentleman from North Carolina?

Mr. KEE. I am in favor of the amendment offered by the gentleman from North Carolina, and that is the way I voted in the committee. I favor it because of the fact that I want the ECA to have the $1,000,000,000 to spend in the open market. We were not considering the farm price-support program, and so far as I was concerned, I was looking to the interests of the ECA and its great program of recovery.

Mr. BOGGS of Louisiana. The argument made by the gentleman from Ohio that his amendment would save a $1,000,000,000 is a fallacious one, is it not?

Mr. KEE. I would not call it fallacious. I do not like that word. It certainly does not save the taxpayers anything.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from New York.

Mr. KEATING. Would the gentleman state his position regarding the Burleson amendment which is to follow and which is a part of the Cooley proposition now before us.

Mr. KEE. I do not consider that a part of the Cooley proposition at all. I am opposed to the Burleson amendment because it would tie the hands of the ECA and in case of certain eventualities it would result in the ECA losing half of its appropriation.

Mr. KEATING. The gentleman has stated, I believe correctly, that the ECA Administrator is opposed to the Vorys plan?

Mr. KEE. That is correct.

Mr. KEATING. The Administrator is even more strenuously opposed to that plan plus the Burleson plan?

Mr. KEE. The Burleson plan was never submitted to this committee.

Mr. KEATING. We have had the principle here before us on other occasions in dealing with ECA as to whether the hands of the Administrator should be tied and he be forced to purchase farm products which, as I understand it, is the purpose of the Burleson amendment.

Mr. KEE. I understand the purpose of the Burleson amendment is to force the Administrator to buy all of the $1,000,000,000 worth of farm products in the American markets. He is doing that anyhow and will continue to do that; but in the event there are certain products that cannot be secured, or if they get in short supply in America, to that extent the Administrator would not be permitted under the Burleson plan to buy them anywhere else, and would therefore lose so much of the appropriation as would be the value of the commodities he could not obtain in the United States.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I say that the Vorys amendment prompted the proposition which will be submitted to the House by the gentleman from Texas [Mr. BURLESON]. As between the two propositions, the one taking the assets of the Commodity Credit Corporation, as proposed in the Vorys amendment, and the other tying down a $1,000,000,000 to be spent for surplus commodities in the American free market, the Burleson amendment would be preferable, but I understand the gentleman is opposed to that?

Mr. KEE. Yes.

Mr. COOLEY. And also the Vorys proposal?

Mr. KEE. Yes.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I point out that the Burleson amendment is not up for consideration and while I am for the Cooley-Fulton amendment, I am against the Burleson amendment, but that has no bearing whatever on the present question.

Mr. KEE. I agree with the gentleman.

Mr. FULTON. The Burleson amendment has not been offered and it is very peculiar, may I say, that if this does so much for the farmers and is so good for them, every farm organization in the country is against the Vorys amendment and we from the industrial States know it is taking it out of the hands of private enterprise and putting it in the hands of the Government and we of the industrial areas are against it also.

Mr. KEE. I want to make it clear also that I do not believe the Vorys amendment would destroy the ECA program. In my opinion, it is a crippling amendment to the ECA program. I am wholeheartedly in favor of the bill with or without the Vorys amendment. I prefer it, however, without the Vorys amendment.

Mr. COOLEY. Does the gentleman believe the Vorys amendment will impair the ECA program?

Mr. KEE. It will impair the efficiency of the ECA program because it will interfere with that orderly method of doing business they have followed for the past 2 years. It will put them in a new line of business and will very likely lose for them a considerable amount of their appropriation.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the Fulton amendment and the Burleson amendment have been discussed together here, and perhaps to a certain degree they should be considered together because there are some Members, I understand, who favor the Vorys amendment principally because they think it ties down a certain amount of money for the purchase of agricultural products. Now, to those who might be supporting the Vorys amendment on that course, offers the same opportunity to make sure that the money is spent for agricultural products, but the two are not connected up in any other way as I see it.

I want to refer to two or three matters here which I think are quite simple and quite clear; in fact, I think this whole question is a rather simple one. But before doing that I want to put myself on record in the very beginning by saying that I certainly have the highest respect for the gentleman from Ohio [Mr. VORYS] and others who are supporting his amendment. I do not agree with them, but I am sure that their purpose is to provide a solution of what they regard as a very serious problem, and that is the matter of agricultural surpluses.

But, I do want to call attention to the fact that the Vorys amendment is not going to do anything whatever toward doing away with agricultural surpluses, because whether you keep the Vorys amendment or not, you are going to have just as many bushels of wheat in this country, just as many bales of cotton, and just as many bushels of corn at any given period after the amendment goes into operation as you had before. If the ECA is going to purchase 200,000,000 bushels of wheat it is not going to make a bit of difference whether it is purchased from the Commodity Credit Corporation or purchased on the open market as far as its effect on the surplus is concerned. There will be 200,000,000 bushels less wheat in the country in either case and the surplus will be diminished by that amount. The same thing is true of every other surplus commodity.

My principal objection to the Vorys amendment is that it goes counter both to the agricultural program of this country and to the ECA program. Now, there may be a misapprehension on the part of some that the farm program is based upon the purchase of commodities and storage of the same by the Federal Government. It is not based on that idea at all. It is based upon a fair price for farm commodities in the market place and the purpose of the price support loans and purchases is solely to bring about these fair prices on commodities which move through the normal channels of trade. In other words the loans and Government purchases are just an incident to the program and not the objective of it. The success of the program is in direct ratio to the smallness of the Government operation.

Now, what is going to happen if we adopt the Vorys amendment is that ECA will take these commodities from the Commodity Credit Corporation instead of going on the open market to purchase them. Let us again take wheat as an example. Suppose in the aggregate ECA countries purchase 200,000,000 bushels. Without the Vorys amendment this could be purchased either on the open market through normal channels or by taking it from Commodity Credit. Under the general provisions of the ECA bill it would be purchased through normal channels. Let us assume the purchases are made through normal channels. That means that here is 200,000,000 bushels of wheat the price of which will never have to be supported by Commodity Credit. But under the Vorys amendment this wheat could not be taken off the market by ECA purchases. It would be purchased from Commodity Credit. Consequently this 200,000,000 bushels of wheat would have to come under the price-support program and eventually get in the hands of the CCC to take the place of the wheat purchased through ECA. And if we had the Vorys amendment another year the same process would have to be followed. That is exactly the opposite of what we say we want to do in both the farm program and the ECA program.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman talks as if it were perfectly automatic that we are going to continue to grow and store and grow and store. On March 1st the Secretary of Agriculture, Mr. Brannan, said this before the Committee on Banking and Currency when he asked for $2,000,000,000 more for the Commodity Credit Corporation:

> Bear in mind that we are discussing needs in connection with 1950 crops which have not yet been planted. A variation in any one of the several factors will result in changes in fund needs.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Is it not true that if the farmers of the country would look at all of this and not go ahead and plant so much of just exactly the kind of things the Commodity Credit Corporation has to buy, it is possible that we could save a little money on having the Government buy up surpluses? Is not what Mr. Brannan says true?

Mr. HOPE. What effect does the gentlemen think his amendment will have upon the production of agricultural commodities and upon the carrying out by

the Commodity Credit Corporation of the duties which are imposed upon it by law?

Mr. VORYS. As I understand, there are no vast quantities of these commodities coming into the market right now from the 1949 crop. That is cleaned up. The planting has not started for the "big three" for 1950. I am not a farmer, and I am asking for information.

Mr. HOPE. The planting is going on and farmers have long since made their plans. They will undoubtedly carry them out as they have made them irrespective of what we do here with the gentleman's amendment. It is not going to have any effect whatever, as I see it, upon the plans of the farmers of this country in planting and harvesting their crops, nor is it going to have any effect upon the Commodity Credit Corporation in making loans upon those crops as it is required to do by law.

Mr. VORYS. I am getting educated here. The gentleman means that the farmers of this country and the farm organizations all plan to go right ahead and plant the way they please regardless of whether they think they can sell these commodities?

Mr. HOPE. No. In the case of a number of commodities acreage allotments are in effect. In the case of others there are marketing quotas which are imposed for the purpose of reducing the amount of the commodity which will be produced and sold during this coming year. But that is entirely independent of the ECA program. It is entirely independent of anything we do here, and will not be affected by anything we do here.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. SMITH of Wisconsin. I am seeking light, and I know the gentleman is an expert in this field. If ECA takes these commodities out of storage, assuming, again, that there are none left, just how does the gentleman arrive at his statement that this would upset the normal channels of trade? How would they go about replenishing what they have on hand now?

Mr. HOPE. The normal channels of trade for the disposition of any agricultural commodity are to sell it through the agencies that deal with that commodity. Without the Vorys amendment, countries buying under ECA program would go into the market and purchase the commodities, or at least arrange for the purchase of the commodities, which were desired to be sent to the countries operating under this program. That will be handled through the normal channels of trade.

If, instead, ECA purchasers are compelled to go to the Commodity Credit Corporation and take over its stocks, that will mean there will be less demand for the commodities which are produced this year and which will come on the market. It will mean that the Commodity Credit Corporation in carrying out its price support program and making loans on these commodities will be compelled to take over that portion of the commodities which normally would be purchased by the ECA.

Does that answer the gentleman's question?

Mr. SMITH of Wisconsin. Yes; but it does seem to me you are still operating in the normal way.

Mr. HOPE. You are not operating in the normal way, in my opinion, when a good part of your commodity goes through the Commodity Credit Corporation, a Government agency. You are operating in a normal way, when it goes through the ordinary channels of trade.

Mr. SMITH of Wisconsin. Well, what are we going to do with these huge surpluses in storage? Are we going to leave them there and let them continue to deteriorate?

Mr. HOPE. No. Most of these commodities owned by CCC are storable. The quantity is not, in the case of most of the commodities, nearly as great as it was in 1941 and 1942. We suffered no loss at that time, and, as a matter of fact, it was most fortunate that we had these stocks with the world in its present unsettled state; we are again fortunate to have ample supplies.

For instance, in the case of wheat the carry-over this year will probably be something like 400,000,000 bushels, but we had 631,000,000 bushels in 1942. We will absorb these surpluses as it becomes necessary by our program of reducing the acreage and production. I do not think there is anything wrong in having sizable surpluses of storable agricultural commodities. I think they are a source of strength, and a great resource to the Nation. But, of course, we do not want to let them get out of hand.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas may proceed for two additional minutes.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 4 o'clock.

Mr. MASON. Mr. Chairman, I object.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 4:15 o'clock.

Mr. MASON. Mr. Chairman, I object.

Mr. KEE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close at 4:25 o'clock.

The question was taken; and on a division (demanded by Mr. MASON) there were—ayes 91, noes 80.

So the motion was agreed to.

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. Will there be a division of time? Under the rule, every man recognized will be recognized for 5 minutes.

The CHAIRMAN. The Chair was about to announce that, without objection, those who were standing at the time the motion was agreed to would be recognized, and the time would be divided between them.

Mr. FULTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. Before the motion was made I had asked unanimous consent that the gentleman from Kansas [Mr. HOPE] be allowed to proceed for two additional minutes.

The CHAIRMAN. That request was not put.

Mr. HOPE. Mr. Chairman, in view of the number who desire to speak and the limitation of time, I do not desire to take any further time.

Mr. SMITH of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Wisconsin. I have an amendment to the amendment. Is that covered by the time that has been allotted?

The CHAIRMAN. The motion covered the pending amendment and all amendments thereto. The gentleman will be recognized if he was standing seeking recognition.

Mr. FULTON. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. Because the question will come up on the amount in this bill if the Cooley-Fulton amendment is adopted, is there any way that Members who want to change the amount, for example the gentleman from Wisconsin [Mr. SMITH], may offer an amendment not subject to the limitation of being required to put it in as an amendment to the Cooley-Fulton amendment?

The CHAIRMAN. The gentleman of course would have the right to propose his amendment to the pending amendment.

Mr. FULTON. Then the gentleman from Wisconsin should not be within the time limit, because it would seem to me that the final amount of the bill should have more discussion than just 2 minutes.

The CHAIRMAN. The Chair does not believe that is a parliamentary inquiry.

Mr. MANSFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANSFIELD. Am I correct in assuming that under the motion adopted by the committee all debate on this amendment and all amendments thereto will end at 4:25 p. m.?

The CHAIRMAN. The gentleman is correct.

The Chair recognizes the gentleman from Wisconsin [Mr. SMITH].

(Mr. MARTIN of Massachusetts and Mr. KEATING asked and were given permission to yield the time allotted them to Mr. SMITH of Wisconsin.)

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin to the amendment offered by Mr. FULTON: On page 8, line 12, strike out the sum "$2,950,000,000" and insert in lieu thereof "$2,450,000,000."

Mr. JOHNSON. Mr. Chairman, I ask unanimous consent that I may extend my remarks following those of the gentleman from Wisconsin [Mr. SMITH], and also that I may yield the time allotted me to the gentleman from Wisconsin [Mr. SMITH].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Chairman, my amendment proposes to cut the amount under the Fulton amendment by $500,000,000. It reduces the amount to $2,450,000,000.

As I see it, there is nothing sacred about the amount that has been suggested in this bill. We are operating under a dollar balance proposition, and all it amounts to is that these nations which are recipients of aid will figure out what they think they will be short in dollars, advise the ECA accordingly, and the amount is then set up in accordance with their request.

There were some of us who felt that that approach beginning the third year of the program was wrong. I want to read just a paragraph or two from a report that was made in the other body on this matter of dollar balances:

The two previous appropriations of ECA have been estimated on the anticipated dollar deficit of the participating countries for the fiscal year. This basis is inherently unsatisfactory because it connects the amount of United States aid received by a country to its deficit rather than to a program of positive action.

With all of the wishing and all of the hoping we have had as to what this program would do from the standpoint of political economy and integration we are still not getting it, and we are about to enter the third year. I read further from this same report:

The allocations to each country should be linked to specific constructive courses of action, political as well as economic. United States dollars should go to countries which are making basic structural changes in their economy, which are taking costly steps toward international stability or which incur losses to carry out a program of international cooperation. Aid should be given in such manner that the standard of living and general well-being of the country are primarily the responsibility of its government and not of the United States.

This program which we are now considering places the responsibility upon the American taxpayer. I say that when we consider our own appropriations—and we shall soon have an appropriation bill to consider—I am advised that the cuts in domestic appropriations will range from 15 to 25 percent. What percentage does my cut indicate? I am proposing a reduction of approximately 16 percent in this amount. Do you believe that the ECA program is going to be jeopardized by cutting this huge sum 16 percent?

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. KEEFE. If I understand the gentlemans' amendment, it proposes to cut $500,000,000 off the authorization that is provided for in this legislation. Is that true?

Mr. SMITH of Wisconsin. That is true.

Mr. KEEFE. Am I correct in the assumption—and I should like to have the indulgence of the Members of the House to get this fact. To those who desire to cut this authorization, may I say this is the only time you will have an opportunity to vote on that question. This raises for the first time and the final time the right to determine whether or not you are going to cut this authorization below the amount of $2,900,000,000 which is set out in this proposed bill. Does the gentleman so understand?

Mr. SMITH of Wisconsin. That is exactly true.

Mr. KEEFE. If the Fulton-Cooley amendment carries without the amendment offered by the gentleman from Wisconsin, there will be no subsequent time later on to reduce the total amount of this authorization?

Mr. SMITH of Wisconsin. That is exactly right and I am glad the gentleman from Wisconsin has called that matter to the attention of the committee. It is now or never for those of you who feel that this authorization can be and should be cut without injuring the program.

Mr. JOHNSON. Mr. Chairman, it seems to me that the Vorys plan is a sensible way to help the people of Europe and still not require the taxpayers of our country to have to dig down in their pockets and pay $1,000,000,000.

As I see it the plan is about as follows: Out of stocks now in the hands of the Commodity Credit Corporation are vast stocks of goods. These have been bought by the CCC. On hand are such things as wheat, cotton, cheese, peanuts, dried fruit, and so forth. These goods were bought and paid for by the CCC. They belong to the people of the United States, because the CCC is owned by the United States Government. From these stocks the various peoples in Europe whom we wish to help can make selections of what they can most profitably use up to the extent of $1,000,000,000. It has been stated that there would be a demand among the various nations adequate to absorb the entire $1,000,000,000. If that is true, it means that not one cent of taxes need be levied against the people of the United States to raise this amount, in the event we should pay it in cash, as some think we should. Certainly if the ECA were given $1,000,000,000 in case they would go into the market and buy these same goods, then the stocks would remain in the warehouses of the CCC. They undoubtedly would be held so long that much of the goods might become spoiled.

This is not an attack on the CCC. We just raised their authorization by $2,000,000,000. I was glad to vote for this. If the taking of this large part of the stocks now on hand in the CCC warehouses would deplete their financial strength so as to cripple their operations I am sure that the Congress would give them additional authority to handle any situation necessary.

We must find some way to prevent waste and destruction of crops that are taken in by the support program. Otherwise the support of agriculture will suffer, which I do not want to see. Here is a way to use some surpluses to the advantage of the taxpayers, who finally pay the bills created by the support-buying program of the CCC.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I ask unanimous consent that the time allotted me be given to the gentleman from California [Mr. WHITE].

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, I do not think it has been made clear to the House yet regarding the issue about private enterprise in this matter. As the gentleman on the left of the aisle will recall, the other day when we were voting on the so-called Cole amendment to the CCC bill, many of them defended private enterprise in its effort to handle the grain, cotton, and other commodities going to the Commodity Credit Corporation. We on the right-hand side of the aisle opposed that successfully. But now we are faced with the issue of taking the products out of the Commodity Credit Corporation. I may say to you that the thing I had in mind at the time I opposed the Cole amendment was it was not depriving free enterprise, the cotton and grain trades of the United States, of anything so long as we allowed them to handle the commodities out of the Commodity Credit Corporation.

Mr. Chairman, the so-called Vorys amendment would circumvent the private grain and cotton trades of the United States in the handling of these commodities and would do that for no good reason. Also, it would not save a penny for the taxpayers. On the other hand, it would cost the taxpayers some additional money, and I will tell you why.

We have to look at this surplus proposition from the point of view of the time that these products will be shipped, which will be about next fall. At that time the surplus will be available from two sources, from the current crops and from those supplies already in the warehouses of the Commodity Credit Corporation. If the private trade is going to handle it like they have in past years they will handle it from the current crop direct to Europe. But if you are going to take the present stored surpluses out of the warehouses and give them to Europe, as the Vorys plan would do, then, obviously, you will have killed that demand for the current crop and you will send a portion of the current crop right back into the CCC warehouses to replace

the products just shipped out to Europe. You do not save a nickel. The Vorys plan would cost the American taxpayers millions of dollars in extra handling. It would serve no useful purpose. It would simply circumvent private trade.

We have had telegrams—I have had dozens of telegrams—from private traders in this country, cotton, grain, and every other commodity, asking us to vote against the Vorys plan for those reasons I have just stated.

I should like to pose a question. Since when has it became a sign of weakness to have a sufficient amount of commodities on hand in a nation? Was not that the thing that won the last war? Do we want to give them all away now and have no supply on hand in case Russia attacks? A five-million-bale carry-over of cotton is a normal carry-over. Nearly every cotton mill requires a different kind of cotton, and the qualities produced each year almost never fit the demand exactly. Therefore, it takes a supply of five to eight million bales in excess of the normal annual consumption of cotton in order to have a plentiful supply of cotton.

Also, in regard to wheat, suppose we give away all our wheat to Europe and then have a short wheat crop, and assume further that the Russians should attack us when our commodity shelves are bare. It is a good thing we had 11,000,000 bales of cotton on hand when we entered World War II. Our shelves were nearly bare of cotton in early 1948. Let us not consider our agricultural products a curse. We can make them a blessing if we will not listen to the organized drive now in progress to knock out this Nation's farm stabilization plan.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. FULTON. Mr. Chairman, if the gentleman will yield, I ask unanimous consent that the time allotted to me be yielded to the gentleman from New York [Mr. JAVITS].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JAVITS. Mr. Chairman, I think the debate on the Vorys amendment has been sufficiently comprehensive so that the Members understand clearly what the issues are, and I would just like to restate them by way of summary. The issues, as I see them, are not whether the Commodity Credit Corporation shall be entitled to pile up surpluses or not, for the Commodity Credit Corporation will indeed, under the farm product parity price law as it stands, have to go out and buy any farm surpluses in the covered commodities that the ECA does not acquire. The issue is simply whether the acquisition shall be through the Commodity Credit Corporation or whether the acquisition shall be directly in the open market by ECA, and I think that for this once the city dwellers and the farmers are of one mind.

As to the question posed by my colleague, the gentleman from Wisconsin [Mr. SMITH], with respect to the cut of $500,000,000, I think that is a much fairer way to get at the issue as to whether or not this amount should or should not be cut, but I believe that the amount should not be cut, and I am opposed to the cut at this time for this reason. If the Members will look at page 33 of the report they will find after screening through the organization of European Economic Cooperation, and through the offices of Mr. Harriman in Paris, and through Mr. Paul Hoffman in this country, the amount arrived at is $2,925,000,000, and that is a reduction from the amount which was appropriated last year by about 25 percent. Also, there is a carry-over this year; in other words, ECA is not just an agency that is spending its money, but it has a carry-over.

The whole thing involved in this cut is a vote of confidence in Mr. Paul Hoffman, and that is what I would like to impress on the Members. He is doing a very outstanding job in this whole program, and I think we owe him a vote of confidence in this appropriation when he has come in with a 25-percent cut, and when he has worked for a carry-over of approximately $150,000,000.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Minnesota.

Mr. JUDD. I want to concur in the statement the gentleman made in opposition to the amendment offered by our good friend from Wisconsin to cut the ECA authorization by half a billion dollars. If I thought that that would save the taxpayers of America half a billion dollars, I would vote for it, but I am convinced it would not save them anything and might, indeed, cost them a lot. In fact, I am convinced that the Marshall plan has not actually cost the American taxpayers one dime. If we had not adopted it, we would be deeper in debt and going further in the red in this year's budget than we are, because unquestionably we would have had to increase our defense expenditures by an amount larger than the cost of this program. If we had not adopted ERP, Italy and France would have been under the Soviets 2 years ago; the Mediterranean would have been a Russian lake and the Reds would be on the English Channel. What would that have done to our security and to our defense budget? Well, it would have been at least twenty billion a year and probably twenty-five billion—an increase of five to ten billion over our present expenditures for defense. If we look at its hardheadedly, we must conclude that the success of the Marshall plan thus far has saved the American taxpayer money. Is it good sense to take any chance with its continued success? I am not willing to accept such a responsibility. I would rather authorize more than is needed than less. It is not just short-sighted economy, it is not economy at all to cut this authorization below the amount specified in the bill. If it is not all needed, then the Committee on Appropriations can cut down such items as the facts may justify later, should crops in Europe prove good, other conditions favorable, and no crises develop that might require some additional funds in a hurry at a time when Congress might not be in session. I hope the full $2,950,000,000 authorization will be retained; whether or not it is all in dollars, or partly in surplus commodities under the Vorys amendment, this has always been and still is, first of all, a national-security proposition.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

(Mr. ABERNETHY, Mr. McCARTHY, Mr. LYLE, and Mr. HORAN asked and were given permission to yield the time allotted them to Mr. PACE.)

Mr. PACE. Mr. Chairman, I have some misgivings that I might be able to contribute anything worthwhile to this discussion, but I think it would be most unfortunate if the so-called Vorys amendment should remain in the bill. I earnestly hope that the amendment offered by the gentleman from Pennsylvania [Mr. FULTON], jointly with the gentleman from North Carolina [Mr. COOLEY], will be adopted. I say that, Mr. Chairman, for these reasons:

First, I think if the Vorys amendment became law, it would contribute in good measure to the utter destruction of the farm program. You all know, we are in trouble now with some losses, and as soon as the press begins to blow up the loss of this additional $1,000,000,000 I think the farmers of the Nation will be in great distress.

Secondly, Mr. Chairman, if we are going to have an ECA program, let it be that and not a farm dumping program. I for one resent the efforts being made to try to use ECA or any other program for the purpose of dumping surplus agricultural commodities.

Mr. Chairman, it should be remembered by every Member of this House whose commodities are not now supported by the Commodity Credit Corporation, that you get no benefit under the Vorys amendment. There can be enormous surpluses of agricultural commodities that are not given the benefit of any support price. The Commodity Credit Corporation is not required to take over such commodities. And under this Vorys amendment there is no obligation to buy one single pound of those commodities. Under the Vorys amendment the only commodities which can be purchased are those which have been acquired by the Commodity Credit Corporation under the support price program. Certainly States like California, Washington, and Oregon, which have at times enormous surpluses, should have the right to be considered in the purchases made by Mr. Hoffman under the ECA program.

Mr. Chairman, what really is at stake here? I think everybody should understand. Go look at the list of proposed purchases by ECA. There is a little of this and that, some soybeans and peanuts and cheese and eggs and resin and turpentine, totaling 40, 50, or 60 million dollars, but what are we really talking about here now? We are talking about cotton and wheat. Those commodities are substantially the subject matter under discussion now.

You may say, "Well, Mr. PACE, you represent a cotton section. Why are you not for the Vorys amendment?" I will tell you why. You contribute through that amendment to the destruction of the market for our cotton. A mill in France, a mill in Italy, a mill in Belgium, have a product to process. They need a particular type of cotton to do the job. But no, they do not get it under the Vorys amendment. If they get anything they must take those particular grades and staples which the Commodity Credit Corporation happens to have on hand.

Now what goes on? Under ECA and under the procedure in the cotton business of this country the buyers for the mills go into the market and buy the particular grades and staples the mills need. If the cotton is under loan they pay off the loan. The Commodity Credit Corporation then takes over or acquires the grades and staples not wanted at the time.

We hope to ship Japan 750,000 bales of cotton this year, but not under the Vorys amendment. They could probably use these off grades and short staples, but no, under the Vorys amendment, since the Commodity Credit Corporation now owns about 3,000,000 bales, regardless of what the mills of Italy, France, Belgium, Germany, and elsewhere might want, these mills must take only what the Commodity Credit Corporation has acquired.

I ask you not to do that to the cotton farmers of this Nation. We are hoping that one result of the ECA will be, after it is over, we will have made friends with the businessmen in Europe and that by cooperating with them, in the years to come they will be willing to come here and buy American cotton from the American cotton producers. What would be the consequences if this amendment should be adopted? We would be forcing them to take a grade and staple of cotton for which they have no need and with which they cannot produce a suitable commodity.

No better argument has been made here than that by the gentleman from Kansas [Mr. HOPE], who said, and I repeat, that the Vorys amendment will not contribute in any respect to the disposition of the surplus agricultural commodities of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the time alloted to me may be given to the gentleman from Iowa [Mr. JENSEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JENSEN. Mr. Chairman, when I first read this Vorys amendment I was very much inclined to feel it was a good amendment. I am not so sure now. There are a few questions I would like to ask, and one question especially which I would like to have answered to the satisfaction of the Members of the House. I have talked with the gentleman from Washington [Mr. HORAN] who knows something about this matter. He is on the subcommittee on agriculture of the Committee on Appropriations.

May I ask him, will the Vorys amendment save a billion dollars, or will it save anything?

Mr. HORAN. Not if we maintain the integrity of the capital structure of the Commodity Credit Corporation. Because in the bill we will have on the floor later this week we have an item of $171,000,000 which we are requiring in order to maintain the present authorized capital structure of the Commodity Credit Corporation. We have increased that by $2,000,000,000 by the action of the House.

But if we maintain the integrity of the Government toward this accepted policy for the maintenance of price supports, we will be required next year to bring in an item in the appropriations bill for the Department of Agriculture to the extent that the capital structure of the Commodity Credit Corporation is now or may be impaired by our action.

Mr. JENSEN. Do you mean that if we take a billion dollars' worth of commodities which are now held by the Commodity Credit Corporation and send those commodities abroad, that will deplete the capital structure of the Commodity Credit Corporation to the extent of $1,000,000,000 and hence it will be necessary, in order to get that billion dollars back in the capital structure, that the Congress appropriate the billion dollars?

Mr. HORAN. We will have to repair the amount of the impairment in the capital structure of the Commodity Credit Corporation. If we give $1,000,000,000 worth of farm products away, there is no income to the Commodity Credit Corporation by such action; therefore, we would be required to repair it by an appropriation on the part of our committee in the ensuing year.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr H. CARL ANDERSEN. I believe the gentleman from Washington [Mr. HORAN], is entirely correct.

Mr. JENSEN. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, just 1 year ago this House had before it a bill similar to the one now under consideration. On April 11, 1949, the House was considering what was known as the Worley amendment to require the transfer to the ECA of certain canned meat which the Government held in Mexico. To that amendment the gentleman from Iowa [Mr. HOEVEN] offered an amendment relating to corn products. These proposals did not go nearly so far in the direction of dumping American agriculture surpluses as does the pending Vorys proposal. In the course of that debate the gentleman representing the Foreign Affairs Committee [Mr. VORYS] stated:

> We must not make this European recovery plan a form of disguised subsidy for American agriculture in any form. It may be that we need a subsidy program, but let us not put it in this bill. The fact is, as to meat, that the only meat that goes from the United States is horse meat under this program. This meat that is referred to, that the Commodity Corporation has, is about 100,000,000 pounds of canned meat that costs about 50 percent more than the raw meat which the Europeans like to eat. They do not like canned meat.
>
> The same thing is true on the corn amendment. Eighty percent of the corn goes over there as feed; and if we are going to have corn flakes and corn products made out of corn, we simply add thereby to the cost of the program as a hidden subsidy for American agriculture and the milling industry.
>
> Remember, in this program we are supporting the recovery of enterprises in agriculture and in industry in Europe that may be competitive with us.
>
> If we start to gut this program for recovery in Europe by making it into a hidden subsidy program for business or agriculture in this country, we will do one of two things: We will make its cost completely prohibitive or we will cut down the amount of aid.

The proposals to which the gentleman from Ohio [Mr. VORYS] objected last year were not nearly so far-reaching in the way of dumping and in the way of making this a hidden subsidy as is the present proposal by the gentleman from Ohio [Mr. VORYS], which makes this bill an outright, known, open subsidy. And yet the gentleman says that he has not retreated from last year's position. If dumping was bad last year, I doubt that it is good this year. Let us, therefore, keep an honest set of books and let our farm products move in the markets of the world through the channels of private trade, rather than to restore the government-with-government type of trading in which Hitler engaged.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, as the gentleman from Iowa [Mr. JENSEN] and the gentleman from Washington [Mr. HORAN] so well brought out a few minutes ago, this House should not adopt the Vorys amendment. They showed beyond doubt that it impairs the capital of Commodity Credit Corporation by $1,000,000,000 and permanently reduces the borrowing power of the Corporation by $1,000,000,000, in that it denies to the Corporation any method of ever getting its capital impairment restored; second, it charges as cost of the farm program the cost of those commodities supplied pursuant to the act, regardless of whether those commodities could be carried and subsequently disposed of without loss or at any slight loss; and third, it allows the Administrator to acquire in private-trade channels only those commodities which the Commodity Credit Corporation may not have in its stocks or which the Administrator needs in excess of the billion-dollar limitation.

Then there is another thing that it will do. It will add a billion dollars to the propaganda machine in these United States. We have a propaganda machine in the United States that is grinding out articles against any support price for agriculture, against any farm program. It will give them a chance to say that the support program has cost an extra billion dollars to the taxpayers of

the United States. While that would not be literally true, it would take a monstrous lot of explaining to show the people that it was not true. Therefore, I am in opposition to it.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, I would like to bring this debate back to the Committee with reference to the ECA bill and the Foreign Affairs Committee. If there was a short wave length connection between this House and the Kremlin, with the exception of the fact that this is a free and open debate, the Politburo and every member would be slapping their backs in glee. Do you not remember that during the campaigns in France and Italy, and still today, the chief argument being used by Russia against the Marshall plan? Do you forget that is what we are talking about? We are talking about the Marshall plan, in case you have forgotten. The chief argument against the Marshall plan has been that it is nothing but an instrument for America to dump surplus agricultural products into Europe, the Vorys amendment is a dumping action.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, I shall support the Vorys plan which has been so extensively discussed throughout the days of this debate. Suffice it to say that I know of nothing new I can add pro or con so far as this proposal is concerned. Within the next few minutes, the vote will come. I have supported ECA in the past. I did this because I felt I was acting in the best interests of my country. Together with all informed persons, I knew there was no guarantee of success. On the other hand, I shudder to think of what might happen if this effort to establish peace throughout the world fails.

We must all now concede that ECA has rendered a splendid service to humanity, to peace, and to our own country. To finance this agency, our people have sacrificed. We have gone without many desirable things that could have been purchased for our comfort and enjoyment had we not felt our responsibility to the world, to our own country, and to the generations yet to come. No one realizes more than I do that there is an insistent demand on the part of all thinking people that the Congress cut out waste, useless expenses, and extravagance. We cannot support the world, to the extent we have since the war, without ruining our own economy and bankrupting our country. This must not happen, but it is difficult to say just when, where and how we can best withdraw from the foreign-spending field.

When this program was authorized by law, moral and legal commitments followed. ECA must not be a continuing program; however, we must keep faith with those to whom we have legally and morally obligated ourselves pursuant to this law. I shall, therefore, vote to continue ECA for the time and in the amounts promised. Be it remembered that we are not committed to any specific number of dollars. We are to be the judges of the amount of money to be authorized to carry out this peace objective.

Mr. Chairman, the bill before us does just that thing. The pending amendment, known as the Vorys plan, will furnish food and fiber instead of cash. These food products have already been purchased in the farm support program. They are in storage in possession of our Government. If we can fulfill our obligations under ECA by turning over a billion dollars worth of these foodstuffs, why in the name of common sense should we be called upon to assess the taxpayers another billion dollars to buy like foodstuffs?

My colleagues know what my position has been so far as help to agriculture is concerned. I believe the farmer will tell you that he has had no better friend in the Congress. I have not always voted 100 percent with the views of the farm organizations. I have supported their views when I thought they were right. ECA is one thing and farm support prices are another thing. The two should not be confused or mixed up. The one should not be dependent upon the other. Let us settle ECA on its merits and, by the same token, let us settle the farm subsidy program on its merits. Let us place all the cards on the table face up in each instance, and that is what I propose to do.

In this connection, I want to read an editorial from the Monroe Evening News, of Monroe, Mich., one of the leading daily papers in my home State. The editor is Mr. J. S. Gray. He is not an isolationist; he has, I think, supported the bipartisan foreign policy 100 percent, and I do not believe, would do anything to interfere with the carrying out of that policy. I am convinced that this editorial expresses the sentiment of a majority of the people in my district so far as the Vorys plan and this appropriation are concerned. The editorial reads as follows:

A USE FOR SURPLUS

The following somewhat confusing sequence of news stories has appeared in the papers since the beginning of the week:

Representative JOHN M. VORYS, Republican, Ohio, proposed that $1,000,000,000 be cut from next year's Marshall-plan appropriations and this amount be supplied to European countries out of American surpluses of food and cotton, purchased under the price-support program.

Monroe County schools were notified that beginning April 1 Federal aid for hot-lunch programs would be cut drastically. And in Lansing, Superintendent of Public Instruction Lee Thurston urged Michigan Congressmen to support additional appropriations for school lunches.

The Commodity Credit Corporation sold $40,000,000 worth of surplus dried eggs to Great Britain for $7,000,000. Of this amount the British paid $1,000,000, the Economic Cooperation Administration $3,000,000, and the United States Department of Agriculture $3,000,000.

Representative W. R. POAGE, Democrat, Texas, proposed that all surplus dried milk in United States storage be turned over to the United Nations International Children's Emergency Fund, which now has run out of money while European children still desperately need supplemental food.

We don't blame anyone if this picture resembles something out of Alice in Wonderland. We have piled up millions of dollars worth of surplus foods in the effort to bolster farm prices, and most of this food is kept in storage at a tremendous cost to United States taxpayers. Meanwhile, American youngsters will have to go without school lunches, or eat less, unless Congress appropriates more of the taxpayers' money.

We spend $6,000,000 of our own money to get rid of surplus dried eggs in England. We try to persuade the UN to take surplus dried milk off our hands in order to feed starving youngsters in Europe.

Yet, if the ECA gets its wish, Congress will appropriate for next year's Marshall plan $1,650,000,000 for the purchase of American food products from the farm to ship to Europe.

No wonder Representative VORYS' proposal met with the prompt response of the House Foreign Affairs Committee. Why not take $1,000,000,000 worth of existing surplus farm products, which we have already paid for, and send it to Europe, instead of spending an additional $1,650,000,000 to buy such products on the open market?

Why not apply more of these surplus foods to the school-lunch program, instead of appropriating additional funds to buy more food at supported prices? Why not give as much surplus dried milk as can be used to the UN children's relief program?

The answer to all these questions, from the standpoint of the American taxpayer, is a resounding "Yes." Yet every bureaucrat in Washington is busy thinking up reasons why these sensible ways of getting rid of surplus foods and getting them into the stomachs of people who are hungry are not feasible. ECA argues that such a plan would put it in a strait jacket. Farm Congressmen argue that disposal of the surplus in this manner would hamstring the price-support program.

We think it is time that common sense was applied to the surplus problem, and that Representative VORYS is on the right track.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. LODGE. I would like to point out that there has been some misunderstanding as to the figures. The $1,396,000,000 applies to purchases from all sources. It is only $1,122,900,000 from the United States, and therefore that gives a leeway of only $122,900,000 to play with if the Vorys amendment is allowed to remain in.

Mr. MICHENER. I appreciate the gentleman's question. I hope the words "to play with" are not significant.

Mr. ABBITT. Mr. Chairman, I rise in support of H. R. 7797, commonly known as the Foreign Economic Assistance Act. I desire at this time to express my approval and appreciation of the fine work that is being carried on by Administrator Paul G. Hoffman and his efficient agency in carrying out the purpose of the Congress in rendering assistance under this program. Much progress has been accomplished and, in my opinion, much more can be accomplished if the proper steps are taken and assistance rendered the foreign countries now being assisted.

I desire to say in regard to the pending amendment that I very strongly favor the Cooley-Fulton amendment. I think it would be very detrimental if the Vorys proposal, which is now in the bill, were carried through. To fail to adopt the Cooley amendment would be very crippling; it would be very damaging; it

would be necessary for the Congress to do something at the next session, if not sooner. The purchasing of the necessary material has gone on in a manner that speaks well for their planning. To come along now and tie their hands, so to speak, and compel them to take certain commodities from the Government rather than to go into the open market would be very detrimental. What the gentleman from Missouri [Mr. CHRISTOPHER] and the gentleman from Michigan [Mr. FORD] have said is to the point.

The bill deals with three types of assistance:

Title 1 embodies the ECA program, the principle phase of which is the European recovery program. The second phase is a program of economic assistance to non-Communist areas of China and other countries in the general area of China. The third phase is a program of economic assistance to the Republic of Korea and an effort to set up a joint organization of the free countries and free people of the Far East to protect their security and independence.

Title 2 embodies United Nations Palestine Refugees Aid Act and permits a contribution to United Nations program of work relief for Palestinian Arabs who are refugees as a result of hostilities between Israel and surrounding Arab countries.

Title 3 of the bill embodies the act for international development, known generally as the point 4 program of President Truman of technical assistance to undeveloped areas.

This bill, insofar as the ECA program is concerned, is certainly an investment in security. We may all have different points of view as to the success of that program and as to the amount that should still be contributed to carry it on, but I do not think there can be any argument about the fact that the initial purpose of the bill, or rather the initial purpose of the Marshall plan, was to bring about the security of the United States by keeping the nations of western Europe from falling into eventual chaos that would have resulted because of the Communist growth in those countries and the great degree of war destruction that had affected all of their economy.

Insofar as title 2 of the bill is concerned, there seems to be very little opposition to it. The situation of the Arabs outside of Palestine and on the border of Palestine is very distressing. It is much more than a humanitarian measure as these people occupy a most strategic place in the world economically, particularly in view of the resources of this section.

The ECA program is, in effect, an investment in insurance for the American people. Its purpose is to help the democratic countries help themselves recover economically.

Since April 2, 1948, this program has been in effect. At the time the program was instigated, economically, western Europe was bankrupt. The question was whether or not the democratic countries would be able to survive economically. They were on the brink of collapse internally. Since that time much progress has been made to date toward European recovery. Agricultural and industrial production has been steadily rising, living conditions have been improving and morale is higher now than at any time since the war ended. Despite these favorable aspects, inadequate progress has been demonstrated in certain features of the program. The aid being extended by the United States is a relatively small but vital factor in the aggregate of what must be produced and accomplished for Europe to become self-supporting by June 30, 1952. The progress made toward recovery up to now is largely attributable to the efforts made by Europeans themselves, and the success or failure to achieve adequate recovery by 1952 will also depend principally upon the efforts made in Europe. Continued aid in declining volume by the United States will, however, be an indispensable factor. In other words, due to the progress that has been made by the western democracies, in Europe, it is now possible to reduce the amount of our aid, but aid is a vital and necessary factor in the continuing recovery of Europe.

It is necessary to have an expansion of production, consumption, and trade in Europe and throughout the world during the period of the European Recovery Program, and after it has ended, if the objectives of the program are to be realized. It is most important that care be exercised that any tendencies on the part of participating countries to indulge in uneconomic self-sufficiency are not implemented by the investment of aid funds, or funds contributing to requirements for aid. It is conceded by all people familiar with the program that it has done a wonderful job, that the administration of the plan has been carried out in a businesslike and highly efficient manner and speaks well for Administrator Hoffman and his staff.

The main fight over the bill is on the so-called Vorys proposal, which reduced the money allotment to the ECA program $1,000,000,000 but provided that a billion dollars' worth of surplus agricultural commodities now owned by the Commodity Credit Corporation should be turned over to the ECA countries. There are no savings in this proposal.

This proposal is not good business nor is it sound economically for several reasons. First, the Commodity Credit Corporation was set up to help carry out the farm program with a limited amount of capital. The surplus commodities held by the Commodity Credit Corporation represent in most instances an investment. Second, if the surplus commodities held by the CCC are dumped in the lap of the ECA countries we will be doing exactly what Russia predicted when the Marshall plan was first instigated, nor would the removal of this surplus commodity help the agricultural program in this country. It is much better for the ECA countries to come on the open market under free enterprise and purchase the goods they need than it is to force them to take surplus commodities.

The Commodity Credit Corporation has lost very little money since it has been created on the basic storable commodities. I think our people should realize and understand this once and for all. As a matter of fact, except for the potato loss the total loss by payment of subsidies amounts to only a little over $133,000,000. The potato program caused a loss of over $350,000,000. Potatoes, of course, are not a basic, storable commodity and Government supports on them should be cut off entirely unless the growers are willing to come under strict acreage allotments and marketing quotas. I want to reiterate that the losses of the Commodity Credit Corporation in all of its dealings, leaving out the potato program, which is a nonstorable, nonbasic commodity, has been only a little over $133,000,000. These commodities now in storage by the Commodity Credit can be gradually absorbed by the consumers, provided they are put on the market in an orderly manner and at the proper time. These commodities are mainly corn, wheat, tobacco, and cotton, and to take a billion dollars worth of these commodities from the Commodity Credit Corporation, dump them on the European market without cost will depress farm prices and in no wise help relieve the surplus, because the Commodity Credit will have to come along and buy up the current surpluses on the market and will have a billion dollars less capital to work on.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the child that you have been kicking around all the afternoon is the offspring of the Committee on Banking and Currency, and I would feel recreant to my parental duties if I did not say a few words on the subject.

The Commodity Credit Corporation was organized in 1933 under the laws of the State of Delaware; it was afterward reorganized under the Federal Corporation Control Act. It was organized for certain specific purposes. It was not to be an eleemosynary institution. Since its inception it has rendered a great service to the agricultural interests of America. If you loot this Corporation in this fashion you reduce its assets by a billion dollars, and whenever it comes before the Committee on Banking and Currency in the future it will have to show that loss every time it presents its statement. Not only that, but it would set a precedent for further looting of the Corporation.

What greater authorization is there for taking away the assets of this Corporation which are in grain, than for taking away the assets of any other Government corporation, which are in dollars?

I hope the Fulton-Cooley amendment will be adopted. The Banking and Currency Committee of the House takes pride in this Corporation and its accomplishments and hopes nothing may be done to impair its usefulness.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, this is one city farmer who wants to pay a slight debt to those farmers who came

to the aid of the city folk, although unsuccessfully, in trying to give us some cooperative housing legislation. I am supporting the CCC program. I do not want to see it crippled by the Vorys plan in this bill. If the Vorys plan should prevail, it would take $1,000,000,000 from the revolving fund of the CCC. To the extent that its revolving fund is depleted, to that extent its hands are tied. Last week you gave them an additional $2,000,000,000 authorization. This week you will be taking back $1,000,000,000 of it if you let the Vorys plan prevail.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to my very good friend from Georgia.

Mr. BROWN of Georgia. Does the gentleman recall that when we had up the question of revising the charter of the Commodity Credit Corporation last year I introduced an amendment whereby the Commodity Credit Corporation could exchange surplus commodities for critical war materials? Then, of course, the Commodity Credit Corporation would get credit for the surplus commodities they sold because they would sell the critical material to stock-piling agencies. That is different.

I do not believe that the Vorys amendment is going to accomplish anything except reduce the authority of the Commodity Credit Corporation by a billion dollars. I believe, therefore, that the Vorys plan should be eliminated from this bill.

Mr. MULTER. The very distinguished and able gentleman from Georgia is absolutely correct. I agree with him completely and thank him for his contribution.

The Vorys plan simply takes a billion dollars out of the Commodity Credit Corporation in commodities, dumps them on Europe and does not even permit CCC to replenish its stores with similar or any other kind of goods.

The language of the bill which we seek to delete by the Fulton-Cooley amendment reads "without reimbursement."

That means that you create a billion-dollar deficit for CCC and cripple its future operations.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, the question is still very simple. Are you in favor or using the surpluses we own for foreign aid or not? Are you in favor of appropriating a billion dollars more than we need for foreign aid or not? Are you in favor of cutting the ECA appropriation a billion dollars and then using surpluses?

We can talk all we please, but we have found that ECA has been carrying a load for the farmers that it should not carry, and now the taxpayers are being asked to carry a double load.

The question is going to be mighty simple. Do you want to use these bulging surpluses or not? If we decide here that we want to use them, then we save a billion dollars in foreign aid, after which the Committee on Agriculture and the Committee on Banking and Currency, if it is necessary for those committees to do something about fixing up their price-support scheme, can do so, but we will not charge it to foreign aid when it belongs to a domestic price-support proposition.

The question before you, as I said in the beginning and as the gentleman from South Carolina said, is very simple. The only way in which anyone can say the Vorys plan will never save anything is that our support of farm prices must be permanent, and I do not think it is going to be.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. KEE] to close the debate.

Mr. KEE. Mr. Chairman, I am going to confine my remarks to the amendment offered by the gentleman from Wisconsin [Mr. SMITH]. I beg of you, I beg of every one of you, not to support any cut in the amount of the authorization. We have gone into this matter, we have screened every item in the request. We have had witnesses before our committee, including the mission chiefs from all over Europe who are working with Mr. Hoffman. We have had evidence before us that this amount is absolutely necessary.

If you do not believe that this bill and the appropriation it authorizes is for our national interest, do not vote for the bill. If you believe it is for our national interest, vote for the entire appropriation and do not cripple it.

In this connection I want to express my appreciation for the tremendous help given me by the supporters of this bill on the Republican side. We have some nonpartisan men over there who are the finest sort of Members. At this time I want to read to you an extract from a letter from another magnificent supporter of the ECA, who is a Member of the other body. I read from a letter written to Mr. Hoffman by the Honorable ARTHUR H. VANDENBERG, United States Senator, and I could not close my remarks with a more eloquent or persuasive plea:

> The ECA smoked out Soviet Russia's sinister plan for world domination—always aimed finally at us. It set up a new type of peaceful cooperation between independent peoples seeking not conquest but honorable survival for liberty under law and for the aspirations by which free men live.
>
> It built peaceful sinews into the precious hopes of the United Nations and of the subsequent North Atlantic community and the peaceful dedications of America.
>
> In all candor can it be successfully denied that ECA has been substantially responsible for reversing the corroding gloom which threatened western civilization 2 years ago, and which might have brought the iron curtain to the very rims of the Atlantic but for this brave adventure? How much is that worth, in liberties and lives and dollars, to our United States? How much?

The CHAIRMAN. The time of the gentleman from West Virginia has expired. All time has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent that both the Smith of Wisconsin amendment and the Fulton-Cooley amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk again read the Smith of Wisconsin amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH] to the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 118, noes 137.

Mr. SMITH of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SMITH of Wisconsin and Mr. KEE.

The Committee again divided; and tellers reported that there were—ayes 137, noes 152.

So the amendment to the amendment was rejected.

Mr. CASE of South Dakota. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. CASE of South Dakota moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. CASE of South Dakota. Mr. Chairman, I do not intend to use the 5 minutes but I think everyone should understand just where we are. We may have no further opportunity to effect a reduction in this authorization unless we do it at this point. I anticipate my present motion will not prevail. Immediately following its disposition, I shall offer an amendment to change the dollar figure, in an attempt to save $250,000,000.

The Fulton amendment now pending proposes to restore the figure of $2,950,000,000. The Smith amendment to the Fulton amendment, just rejected, proposed to reduce that total figure by $500,000,000, making it $2,450,000,000. The amendment which I intend to offer will reduce the figure from $2,950,000,000 to $2,700,000,000. In other words, it proposes to reduce the authorization by $250,000,000. This is a quarter of a billion dollars, which is something less than 10 percent of the proposed authorization.

The general appropriation bill reported to the House of Representatives carries a chapter on civil functions wherein your flood control and rivers and harbors projects are reduced by 25 percent. That is the bill reported by the Committee on Appropriations to come up when this ECA bill is over. If you fail at least to make this little token reduction reducing the estimates on this foreign aid authorization by a scant 10 percent, how would you justify a 25 percent reduction on these domestic estimates? Here we are only proposing a reduction of $250,000,000 on the $2,950,000,000. If it were a full 10 percent reduction it would amount to $295,000,000. I am only making it an even $250,000,000 reduction; the larger cut has failed.

Keep in mind one other thing that $150,000,000 of the authorization for the

current year is being carried over so that of this $250,000,000 you might say $150,000,000 is a carry-over from the current year.

If this bill cannot stand a reduction of $250,000,000—less than 10 percent—how then will you explain to your people that you are voting to give the estimates on this foreign-aid bill and yet are going to vote a 25-percent reduction on your domestic appropriations?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. COOLEY. Is the gentleman assuming that the pending amendment will be adopted in making his proposition to the House, or is the gentleman in favor of reducing the appropriation, even though it should remain at $1,950,000,000?

Mr. CASE of South Dakota. No. I am assuming that the Fulton-Cooley amendment will be adopted and that we will then be left with $2,950,000,000, and the figure in this paragraph will then have been acted upon and there will be no further opportunity to amend it. This is your last chance to reduce the authorization. If the Fulton amendment is adopted, the dollar amount is acted upon and no further amendment will be in order to the figure.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. VORYS. If the gentleman's amendment is adopted, that will reduce the authorization $250,000,000.

Mr. CASE of South Dakota. That is correct.

Mr. VORYS. Then if the Cooley amendment as then amended were defeated, the money part of the authorization would remain as the bill was reported but we would use surplus. That is, if the gentleman's amendment were adopted, it is merely an amendment to the Cooley amendment.

Mr. CASE of South Dakota. It is merely an amendment to the $2,950,000,000. It is an amendment to the Fulton-Cooley amendment.

Mr. VORYS. If it were adopted, if the Fulton amendment itself were then defeated, we would be back where we started?

Mr. CASE of South Dakota. We would be back where we started, with no further amendment before us to effect any reduction.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. McCORMACK. Assuming your amendment is adopted and the Burleson amendment is later adopted, then this reduces the $1,950,000,000 by $250,000,000?

Mr. CASE of South Dakota. I do not know what the Burleson amendment is, but if it is an amendment to the figure in this paragraph it would be ruled out of order, because the figure will have been acted upon.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent to withdraw the preferential motion, and then I wish to offer an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

Mr. McCORMACK. I object, Mr. Chairman, and rise in opposition to the preferential motion.

Mr. Chairman, my purpose in rising is simply to call attention to the result that will follow if the amendment offered by the gentleman is adopted. Assuming the Fulton amendment is adopted, that authorizes an appropriation of money in the amount of $2,950,000,000. Concerning the Burleson amendment, which I understand is an amendment to another section of the bill, the gentleman's statement is correct if it is applied to this particular part that we are now considering but, as I understand it, it relates to another part of the bill later on. Assuming that is adopted with the $1,000,000,000 allocation therein in relation to agricultural products, then we are in fact reducing the authorization from $1,950,000,000 to $1,700,000,000. If the amendment of the gentleman is adopted, the only way you can keep the $1,950,000,000 money authorization would be by the Burleson amendment limiting it to $750,000,000. But the Burleson amendment provides for a billion dollars, and if that is adopted, then, as a result of both amendments being adopted, in effect it would reduce the authorized appropriation, as far as money is concerned, from $1,950,000,000 to $1,700,000,000.

Now, if I am mistaken, I would like to be corrected.

Mr. CASE of South Dakota. I am afraid the gentleman is mistaken.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York. While we often disagree, there is no one I have greater respect for than the gentleman from New York.

Mr. TABER. As I understand the parliamentary situation it is this: If the amendment proposed to be offered by the gentleman from South Dakota is adopted and then we go ahead and adopt the Cooley amendment, the total amount provided would be $2,700,000,000.

Mr. McCORMACK. Yes.

Mr. TABER. If we fail to adopt the Cooley-Fulton amendment, then the bill will stand just as it was introduced.

Mr. McCORMACK. The gentleman is correct.

Mr. TABER. And we can pass on whatever there is in the Burleson amendment afterwards; the Case amendment is out of the window from that angle.

Mr. McCORMACK. The gentleman from New York agrees with me, then, according to his statement, that if the Case amendment to the Fulton-Cooley amendment is adopted the effect is to make the entire dollar authorization, $2,700,000,000. Then if the Burleson amendment, which will be offered, is adopted, it brings the amount down to $1,700,000,000, reducing the amount authorized. Is that correct?

Mr. COOLEY. The gentleman is correct, because the Burleson amendment will have the effect of tying down $1,000,000,000 of this appropriation.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield. My purpose is to explain the situation.

Mr. RICHARDS. Much has been said about the so-called Burleson amendment; as a matter of fact, the Burleson amendment is not before the House at this time and is not properly in the discussion at this time.

Mr. McCORMACK. The gentleman is correct.

Mr. RICHARDS. So that the only question before the committee now is the Case amendment and the Fulton amendment.

Mr. McCORMACK. I am only trying to present the picture to the House so that the membership will understand the situation.

If the Case amendment is adopted that means that the total amount authorized is $2,700,000,000.

Mr. CASE of South Dakota. As a total.

Mr. RICHARDS. That is what I understand.

Mr. McCORMACK. Then, if the Burleson amendment is adopted——

Mr. RICHARDS. We do not know about that.

Mr. McCORMACK. Yes, we know it will be offered, and we know that the net effect of it, if adopted, would be to tie down another billion and make the authorization $1,700,000,000.

Mr. RICHARDS. I do not know what the effect of the Burleson amendment might be.

Mr. COOLEY. Is it not proposed to spend more than a billion dollars over here on agricultural products anyway?

Mr. McCORMACK. I am simply discussing the situation as it now exists. If the Case amendment is adopted the effect is to reduce the authorization $250,000,000.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent to withdraw my preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota to the amendment offered by Mr. FULTON: On page 8, line 12, strike out "$2,950,000,000" and insert "$2,700,000,000."

The CHAIRMAN. The question is on the amendment to the amendment.

The question was taken; and on a division (demanded by Mr. CASE of South Dakota) there were—ayes 155, noes 141.

Mr. KEE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KEE and Mr. CASE of South Dakota.

The Committee again divided; and the tellers reported that there were—ayes 165, noes 163.

So the amendment to the amendment was agreed to.

Mr. VORYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. May I ask what the total now is in the part of the Fulton amendment that has been amended?

The CHAIRMAN. The amount is now $2,700,000,000.

Mr. VORYS. Mr. Chairman, I had previously asked for a division of the amendment. I am trying to decide whether a division would be helpful or not. If there were no division, then the entire Fulton amendment striking out the $1,000,000,000 for surplus but raising the total from $1,950,000,000 to $2,700,000,000 would be the issue before the House?

The CHAIRMAN. The gentleman is correct.

Mr. VORYS. I withdraw my request for a division then, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON] as amended.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 178, noes 87.

So the amendment was agreed to.

Mr. BURLESON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURLESON: Page 8, line 13, insert after the word "sum" the following: "a. Not less than $750,000,000 shall be available solely for the procurement of agricultural commodities and products thereof produced in the United States, its Territories and possessions: *Provided,* That no part of such funds shall be available for the procurement of any agricultural commodity or product thereof in the United States, its Territories and possessions, with respect to which the Secretary of Agriculture determines that the supply thereof is inadequate to meet the needs of American consumers: *And provided further,* That this subsection shall not prohibit the authorization of any such funds for the procurement of canned agricultural products acquired by the United States in connection with the program for the control and eradication of foot-and-mouth disease conducted pursuant to the provisions of Public Law 8, Eightieth Congress, and b."

Mr. VELDE. Mr. Chairman, I am opposed to the $3,000,000,000 appropriation for ECA in its entirety. The reason is simple and fundamental—our Federal Government is on the verge of bankruptcy as a result of the foolish economic policies we have followed during the last 20 years. We have spent more money than we have taken in—we have increased our debts consistently until we now approach the astronomical figure of $260,000,000,000 in the red. The insignificant growth on our body politic heretofore diagnosed as inflation has developed malignancy and we are rapidly approaching the final stages of cancer which must now be diagnosed as socialism. Permit me to illustrate my thoughts on this bill with a simple analogy.

You, Mr. Average American, play the simple role of a father with a family of many children. You have borrowed money each year for the past 20 years, and during each of those 20 years you have spent more than you have made. Your own children and your wife need new shoes and clothes and beg you to buy these items for them. You refuse and say, "No, my funds are exhausted and I cannot borrow any more. If I do, I will be bankrupt." Then next day along comes your neighbor who has a large family of children and they likewise need shoes and clothing. He begs you for money to buy his family these needed items. He admits that his financial condition is worse than yours, but excuses his family on the grounds that he himself has taught them that they could always depend upon charity from other people to provide the necessities of life. Just what kind of a fool would you be, Mr. Average American, if you went down to the bank and asked for an additional loan of money and told your banker it would be given to your indolent neighbor for the support of him and his family? Any man who would even consider doing that would be a good prospect for confinement in the dangerous ward of a mental institution. Yet, that is exactly what our Federal Government is doing in this legislation.

Uncle Sam, having operated in the red for the past 20 years and now having accumulated an unheard of debt will, if this bill is passed, go out and try to borrow more money from the famous taxpayer bank to give to his neighbor European countries. I have no grudge against any European or Asiatic countries, nor any country in the world as far as that is concerned including Russia and her satellites. If our Federal Government could afford it I would be the first to support this program in its entirety, but how can any Member of Congress who says that he is interested in the economical operation of our Federal Government, balancing the budget and putting a stop to further deficit financing vote for this bill or any part of it?

The international do-gooders originally made some haphazard statements about stopping the spread of communism in Europe and said that the original ERP was the only answer to the threat of communism in Europe. Perhaps the expenditure of $28,000,000,000 since the end of World War II in these European countries has done a great deal to bolster the courage of many European governments in their fight against the treacherous arm of Communist dictatorship; but while the ECA was fighting communism in these European countries, socialism was stepping in at the back door in England and we were helping to finance that scheme of government too. Further than that we paid no heed to the approaching envelopment of China by Communist forces—so actually has the original purpose of the ECA, that of preventing the spread of communism, been effective?

We learn, much to our sorrow and regret, that French Communists are almost ready to take over the French Government—and all the while Uncle Sam has helped to carry on the fight against communism in foreign countries what has he done at home for his own children? He has hidden Communist subversives and fellow-travelers in the strong executive department of his own Government; allowed them to infiltrate and operate freely, with the silent blessing of our law-enforcement agencies, into our schools, labor unions, and other heretofore free institutions.

This hypocritical attitude toward communism cannot and will not, I am sure, be further condoned by the American people.

It has been a matter of some concern to me that I have received very few letters, telegrams, or opinions pro and con regarding this ECA bill. I was anxious to know the attitude of the NAM and United States Chamber of Commerce toward this bill since they are vigorously supporting Government economy and opposing increased taxation and deficit spending. The ECA has in the past, and will in the future, make it necessary to continue the policy of deficit spending. Three billion dollars could very well spell the difference between a balanced budget for this fiscal year or our continued operation in the red.

I took it upon myself to find out concerning the recommendation of the NAM and the United States Chamber of Commerce regarding ECA. It surprised me greatly to learn that both these organizations, labeled as "special interests" by many of you left-wingers, are supporting this legislation in its entirety. Like all other bodies of this type, they realize there is a possibility for a profit for the members of their associations, both big and small industry and business. The profit motive is a good motive and I thoroughly believe in it, and I believe in the free-enterprise system of economy which has made this country the leader of nations, but I cannot condone the attitude of these organizations on this ECA bill in the light of their determined opposition to further deficit spending and increased taxation.

How can any Member of Congress refuse to support legislation for public-works projects in this country, for aid to schools and for the dozens of other expenditures which would promote the general welfare of our country, and then vote for this immense amount of aid to a few so-called friendly European countries? How can we Members of Congress go back and face our people and explain to them such a hypocritical policy?

The American people are beginning to sit up and take notice of our increasing Federal expenditures. They are becoming increasingly aware that our Federal Government is spending itself into bankruptcy by leaps and bounds. They are becoming aware that either their taxes will be increased or their money will be worth less as we approach the precipice of bankruptcy. Stalin has often said that our American democracy would spend itself into bankruptcy and then would be easily taken over by the Communist forces already at work within our continental boundaries. I can see Uncle Joe laughing up his sleeve now as we pass this bill. Not only will it enable him to

take advantage of all the supplies we have sent to Europe and all the factories we have already built in the so-called free European countries, but it will enable him to establish a Communist dictatorship over our own United States of America in time to come.

I will admit that the $28,000,000,000 actual cash that has been spent in foreign countries since the war has done a great deal of good for these few countries who are recipients of our generosity, but it has also made the people of those countries ever more dependent upon us for relief and support. These European countries have already taught their people, with the aid of Uncle Sam, that they can always depend upon some generous and kindhearted donor for support and keep. To continue this program further would only foster that feeling of dependence in our neighbors of Europe as well as other recipient nations. Conversely, it would tend to lessen their spirit for their God-given freedoms of initiative and enterprise.

What should our financial policy be then with reference to foreign nations? I firmly believe that the best way of promoting a democracy in Europe and other countries of the world, as far as that is concerned, is by setting the best example of that type of Government here in the United States itself. We could take this $3,000,000,000 and divide it equally between the 435 congressional districts in the United States and each congressional district would have nearly $7,000,000. Think how many beautiful new post offices and other Government buildings this could provide in your own congressional district. Think of the bridges, the good roads, and other public projects which could be paid for by this huge sum. Think of the employment that could be created right here in our own country with this amount of money. This $3,000,000,000 would provide each and every American citizen over the age of 65 with $265. It would reduce each American taxpayer's tax bill by $57. It would provide each and every American child of school age with $150 for his education. Surely if we stop and think and consider the consequences of the passage of this bill, we, who conscientiously believe in the American constitutional system of government and the free-enterprise system of economy, will vote against this bill.

Mr. KEE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7797) to provide foreign economic assistance, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include a newspaper article.

Mr. KLEIN asked and was given permission to extend his remarks in five instances and include extraneous matter.

Mr. DOYLE asked and was given permission to extend his remarks in two instances and include some extraneous matter.

Mr. CLEMENTE asked and was given permission to extend his remarks and include an editorial.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in two instances.

Mr. CELLER asked and was given permission to extend his remarks in three instances.

Mr. PHILBIN asked and was given permission to extend his remarks in two instances.

Mr. FURCOLO asked and was given permission to extend his remarks in two instances and in one to include a resolution.

Mr. MULTER asked and was given permission to extend his remarks in five instances and include extraneous matter.

Mr. BUCHANAN asked and was given permission to extend his remarks and include extraneous matter, notwithstanding the fact that the cost is estimated by the Public Printer to be $635.50.

Mr. SHEPPARD asked and was given permission to extend his remarks and include the remarks by Secretary Snyder at the unveiling of a portrait of J. F. T. O'Connor.

Mr. RANKIN asked and was given permission to extend his remarks and include a list of projects showing the 1951 budget estimates and the House appropriation allowances, by congressional districts.

Mr. POULSON asked and was given permission to extend his remarks in two instances and include an editorial.

Mr. LICHTENWALTER asked and was given permission to extend his remarks and include an editorial.

Mr. CASE of South Dakota asked and was given permission to extend the remarks he made on the resolution for funds for the Committee on Un-American Activities.

Mr. CASE of South Dakota asked and was given permission to extend his remarks and include an article by Walter Lippmann, notwithstanding the fact that the cost is estimated by the Public Printer to be $134.

Mr. PLUMLEY asked and was given permission to extend his remarks in two instances and include extraneous material.

Mr. SHAFER asked and was given permission to extend his remarks in three instances and in two to include extraneous matter.

Mr. McCORMACK (at the request of Mr. HOLIFIELD) was given permission to extend his remarks and include an address by Admiral Louis Denfeld.

Mr. HOLIFIELD asked and was given permission to extend his remarks today, tomorrow, and the next day and include three different addresses.

Mr. BROOKS asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. BENNETT of Florida asked and was given permission to extend his remarks and include an editorial.

Mr. MICHENER asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include an editorial.

SPECIAL ORDERS GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 3 minutes following the legislative program of the day, and to revise and extend her remarks and include certain letters and editorials regarding importations from Czechoslovakia and Japan.

Mr. PHILLIPS of California asked and was given permission to address the House for 3 minutes following the address of Mrs. ROGERS of Massachusetts.

COACHELLA VALLEY PROJECT

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a report made by the investigating staff of the House Committee on Appropriations relative to the Coachella project in California.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, the report of the investigating staff of the House Committee on Appropriations for the Bureau of Reclamation, Department of the Interior, is as follows:

REPORT OF THE INVESTIGATIVE STAFF, HOUSE COMMITTEE ON APPROPRIATIONS—BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR

On December 22, 1947, a contract was entered into between the Bureau of Reclamation of the Department of the Interior (referred to herein as the Bureau) and the Coachella Valley County Water District, Coachella, Calif. (referred to herein as the district). Briefly, this contract provided for the construction by the Bureau of a water distribution system and for the repayment by the district of the construction costs, not to exceed $13,500,000. By directive dated January 31, 1950, the committee requested that an inquiry be made regarding differences between the Bureau and the district with respect to the contract. Specifically, the questions which the committee desired to be explored are as follows:

1. Whether under the contract the Government is obligated to construct certain designated facilities for a sum not exceeding $13,500,000, if appropriated, or merely to furnish such facilities as the Government is able to construct for not to exceed said sum, if appropriated.

2. Whether or not the Bureau of Reclamation has charged in its accounts construction and other costs not properly chargeable against the limit of $13,500,000.

CONCLUSIONS

Question 1. The terms of the contract purport to obligate the United States to construct the described facilities in full, if necessary funds are appropriated, whether or not the actual cost shall exceed the maximum limit of $13,500,000 reimbursable by the district.

The applicable statutes permit the Secretary of the Interior to enter into such an undertaking.

Consequently, it is concluded that the contract obligates the United States to construct the facilities, if funds are appropriated, even though the cost should exceed $13,500,000, which is the maximum reimbursement that the United States is entitled to receive from the district under this contract.

Question 2. This question raises a legal problem as to the extent to which the Bureau's charges against this project may be

challenged by the district. It is concluded that the district is chargeable only with costs actually incurred at this project or specifically incurred for this project in a nonproject office outside the District of Columbia; that the district may challenge the Bureau's determination as to whether particular costs are of such character as to be so chargeable; and may question whether the expenditures were actually made. The district is not entitled to question the wisdom of particular expenditures or the manner of conducting the project.

The district has protested the inclusion of certain expenditures incurred by the Bureau as a part of the cost applicable to the contract in question. These protests appear to be well-founded. While the Bureau endeavored to justify the inclusion of the various questioned items of cost on the basis that such costs benefited the distribution system, the fact remains that many of the charges have been allocated to the contract on an arbitrary basis, and in most instances such costs do not specifically relate to the subject matter of the contract. A summary of costs which have been charged which do not appear to be properly allocated to this contract is as follows:

Cost of houses completed in 1945 from funds appropriated from different project	$109,000.00
Early cost incurred in preliminary project development, not related to construction	55,000.00
Cost of survey which were of no direct benefit to this project	47,836.72
Land use and settlement, not related to construction	40,000.00
Reserve for annual leave	73,406.61
Cost of soil survey for Coachella Canal	38,763.00
Denver office expense incorrectly charged to this project	29,630.23
Moving and modification of Denver office	15,418.86
Total	409,055.42

A detailed discussion of each of the cost items in the foregoing tabulation will appear subsequently in this report.

In addition to the charges above outlined which appear to have been improperly made to the present contract, it will be noted at this point that the Bureau has charged against this contract depreciation expenses on its automotive equipment at a highly accelerated rate. Numerous automobiles were observed at Coachella which had been fully depreciated even though they had been driven less than 27,000 miles.

The Bureau estimates that completion of the entire distribution system will cost $16,210,041, or $2,710,041 more than the amount now provided for by the repayment contract. However, in estimating the cost of work yet to be performed, unrealistic and exorbitant estimates were made by the Bureau for certain costs. The Bureau has based its figures for pipe to be used in the construction work on the prices charged on completed units although the construction engineer of the Coachella Division of the Bureau now estimates that present-day pipe costs have decreased approximately 10 percent, which would effect a corresponding reduction in the amount requested by the Bureau to complete the project. In addition, estimated costs to complete the project include a substantially higher percentage than previously used for administrative and overhead costs.

The reduction which can be effected in the Bureau's estimate of costs to be incurred in completing the distribution system amounts to $570,363, overhead expenses being allowed on a basis of 15 percent of the direct costs.

From the foregoing it would appear that, in the event funds necessary to complete the distribution system are to be provided, an amount of $1,730,622.58 will be necessary above the total of $13,500,000 already provided for. The following tabulation reflects the manner of arriving at this additional cost:

Presently estimated total cost of construction	$16,210,041.00
Cost initially estimated and provided for	13,500,000.00
Additional funds required according to Bureau	2,710,041.00
Less: Expenses improperly charged to this project, $409,055.42; reduction in estimated cost of completion, $570,363	979,418.42
Additional funds required	1,730,622.58

Question 1. Whether under the contract the Government is obligated to construct certain designated facilities for a sum not exceeding $13,500,000, if appropriated, or merely to furnish such facilities as the Government is able to construct for not to exceed said sum if appropriated?

A. The contract on its face purports to obligate the Government, if necessary appropriations are made, to construct the designated facilities at a cost to the district not to exceed $13,500,000.

The contract provides that the United States will construct the facilities described in exhibit A thereto.[1] It reserves to the Secretary of the Interior the power to make changes in the plans and specifications, but that cannot be understood as reserving a right to stop work short of completion where such stoppage is not part of a bona fide change in the plans for the project.

The contract provides that "The ultimate cost to the district of the work herein agreed to be performed by the United States shall in no event exceed the aggregate sum of $13,500,000."[2] It contains no corresponding limitation on the cost to the United States.

The contract provides that "The district agrees to pay to the United States the actual cost, not exceeding $13,500,000, incurred by the United States on account of work herein agreed to be performed by the United States."[3] The sum of $13,500,000 is stated as a limitation on the cost to be repaid by the district, not as a limitation on the cost to be incurred by the United States or the work to be done by it.

The contract provides that the United States may terminate work if necessary appropriations are refused for two consecutive years.[4] It contains no such provision for termination of work merely because $13,500,000 has been spent.

In view of the foregoing affirmative provisions and significant omissions, it is clear that the contract purports on its face to obligate the United States to construct the described facilities (subject to modifications of the plans by the Secretary of the Interior and to withholding of appropriations by Congress), whether or not the cost exceeds the $13,500,000 limit on the amount to be repaid by the district.

In arguing for a contrary construction of the contract, the Bureau relies on the provisions excusing performance if appropriations are not made. While those provisions do show that the obligation of the United States is not absolute, they do not show that it is subject to any qualification other than the one there expressed. On the contrary, express mention of one qualification implies that no others were intended.[5]

[1] Art. 9 (a); see appendix, pp. 18–19.
[2] Art. 9 (c); see appendix, p. 19.
[3] Art. 12 (a); see appendix, p. 19.
[4] Art. 12 (b); see appendix, p. 19.
[5] *Guaranty Trust Co. of New York* v. *Minneapolis & St. Louis R. Co.* (36 F. (2) 747, 757, (C. C. A. 8, 1929.)).

The Bureau has also suggested that when this contract was executed the district was on notice of the Bureau's construction of its terms, since identical provisions were included in the 1934 contract between the same parties (referred to in art. 2 of the present contract) and the same question was then in dispute between the parties as to the effect of that contract. However, that circumstance does not show that the present contract was understood by the parties as embodying the Bureau's construction of its meaning. The district could with equal force point out that when this contract was executed the Bureau was on notice of the contrary construction put on it by the district.

B. The applicable statutes authorized the Secretary of the Interior to execute such a contract.

The obligations of any Government contract are, of course, limited by the authority of the officer who executed it. The principal reliance of the Bureau seems to be on its contention that under the applicable statutes the Secretary of the Interior lacked authority to obligate the United States to spend more money (if appropriated) than was to be reimbursable by the district under the contract. For this purpose, the Bureau makes reference to three statutes: the Boulder Canyon Project Act, the Reclamation Project Act of 1939, and the act of May 25, 1926, for the adjustment of water-right charges on Federal irrigation projects. A discussion of the effect of these statutes follows:

Boulder Canyon Project Act:[6] The reimbursement requirements of the Boulder Canyon Project Act do not appear to be applicable to the Coachella distribution and flood-control project. The only reimbursement requirements made by that act relate to the Hoover Dam and power plant (plainly irrelevant here) and to the "main (i. e., All-American) canal and appurtenant structures."[7] It is true that the Coachella project was formerly designated as "appurtenant to the main canal",[8] and as such it was subject to the reimbursement requirements of the Boulder Canyon Act. However, by the act of June 26, 1947,[9] the appropriation acts covering this project were amended so as not to designate it as appurtenant to the main canal. This was done for the specific purpose of freeing it from the requirements of the Boulder Canyon Act applicable to such appurtenances, so that the Secretary of the Interior could allocate part of the cost to flood control, as allowed by the general reclamation law. The text of the act merely makes the change in designation of the project, without stating the reason for so doing; but the purpose is fully explained in the committee reports which accompanied the bill,[10] and also appears from the title of the act: "An act to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella Division of the All-American Canal irrigation project, California." The Secretary of the Interior has in fact allocated $4,500,000 of the construction cost to flood control as permitted under the Reclamation Project Act of 1939.[11] Plainly, this project has been taken out of the scope of the reimbursement requirements of the Boulder Canyon Project Act relating to appurtenances to the main canal.

[6] See appendix, p. 20.
[7] Secs. 1, 4; 43 U. S. C. secs. 617, 617c.
[8] Act of July 1, 1946, c. 529, 60 Stat. 348, 368; 79th Cong., 2d sess., H. R. 6335, Public, No. 478.
[9] See appendix, p. 20.
[10] 80th Cong., 1st sess., H. Rept. No. 404, S. Rept. No. 256.
[11] H. Doc. No. 415, 80th Cong., 1st sess.

Act of May 25, 1926: [12] The 1926 act is also inapplicable. It provided that no water should be delivered on new projects or parts of projects until the Secretary had secured reimbursement contracts covering the cost of construction. Although not in terms repealed, it has necessarily been superseded by section 9 (d) of the Reclamation Project Act of 1939, at least as to projects, divisions of projects, and supplemental works begun after passage of the 1939 act. As to these, the 1939 act provides that some construction costs must be reimbursed but that others need not be. Consequently, the requirement of the 1926 act that all construction costs be reimbursed has been abrogated, and it is necessary to look to the 1939 act to determine the extent to which reimbursement is now required.

Reclamation Project Act of 1939: [13] The 1939 act requires [14] that before water is delivered in connection with any new project, division of a project, or supplemental works, the Secretary of the Interior shall secure a contract with an organization such as an irrigation district for repayment of that part of the construction cost allocated by the Secretary to irrigation.

The Bureau contends that this provision refers to actual cost, that it gives the Secretary the continuing authority and duty to make revised estimates of costs as the work progresses, and to allocate such newly estimated costs and actual costs to irrigation to the extent that he deems proper, and that it requires him to secure contracts for reimbursement of such additional costs so allocated. That is at least a tenable interpretation of the statute, and does conform to the Government's general policy of maintaining the reclamation funds by assuring reimbursement of expenditures so far as possible. However, the statute is also susceptible of a contrary interpretation which is believed to be the correct one.

The only allocation which the statute expressly directs or authorizes the Secretary to make is the allocation of estimated costs as a prerequisite to authorization of the project.[15] Thus, the requirement of contracts for reimbursement of "the part of the construction costs allocated by the Secretary to irrigation" may refer simply to the costs allocated by him to irrigation in his original estimate. If this is true, the present contract, calling for reimbursement of the $13,500,000 which the Secretary allocated to irrigation in his original estimate, is all that the statute requires. In fact, the contract provision that "the ultimate cost to the district of the work herein agreed to be performed by the United States shall in no event exceed the aggregate sum of" $13,500,000 may be viewed as an undertaking by the Secretary not to allocate a greater portion of cost to irrigation. It cannot fairly be said that the statute prevents him from making such a contract. As already stated, the only allocation for which it makes express provision is as a prerequisite to authorization of the project. Even if the statute be assumed to permit further allocations after the project is authorized, still it seems a violent form of statutory construction to conclude that the statute compels the Secretary to make such further allocations, about which it says not a word. Moreover, if such further allocation were to be made (none has yet been in the instant case), it would apparently have the effect of nullifying the present contract in its entirety, since it would then cease to be a contract for reimbursement of the entire cost allocated to irrigation—the only kind of reimbursement contract which the act authorizes the Secretary to make.[16] Thus the district would be relieved of its entire repayment obligation, and maintenance of the reclamation fund would be jeopardized rather than promoted.

While the Boulder Canyon Project Act is not applicable here, for the reasons set forth above, it does contain provisions which tend to corroborate this construction of the 1939 act. The Boulder Canyon Act provides that before any money is appropriated for construction of the main canal and appurtenant constructions, or any construction work done on the canal or contracted for, the Secretary must provide by contract or otherwise for revenues "adequate in his judgment to insure payment of all expenses of construction in the manner provided by the reclamation law." [17] Since those reimbursement contracts are to be made before work is done or contracted for, they are necessarily based on estimates only. This is further indicated by the fact that they are only required to provide revenues adequate in the judgment of the Secretary, not necessarily revenues adequate in fact, to pay the costs of construction. The reference to the reclamation law apparently indicates a congressional view that its reimbursement provisions are to the same effect—that is, that the reclamation law does not require absolute reimbursement, but only requires reimbursement of the costs anticipated by the Secretary at the time of entering into the contracts.

Such procedure, providing for reimbursement only of estimated and not of the actual costs, would not be an innovation in Federal reclamation law. The original Reclamation Act of June 17, 1902,[18] provided "The construction charges [on homestead land] * * * shall be determined with a view of returning to the reclamation fund the estimated cost of construction." Of that provision, it has been said that "it is the 'estimated' rather than the 'actual' cost which is to be returned to the reclamation fund" [19] and "The extent to which the [reclamation] fund will be preserved, obviously, will depend upon the accuracy of the estimate." [20] Moreover, the 1939 act itself specifically contemplates that there may be projects part of the cost of which will not be allocable to navigation, flood control, nor any reimbursable purpose. It provides that where that situation is recognized at the outset, such projects shall not be undertaken except by specific congressional authorization.[21]

So far as the 1902 act is concerned, this aspect may have been changed by the act of March 3, 1915 (ch. 75, 38 Stat. 861), which provided sec. 1, 43 U. S. C., sec. 470) that no work should be undertaken or expenditure made which in the opinion of the Secretary would increase the cost of construction above a charge previously fixed, without reimbursement contracts being first secured. However, the legislative history of that provision shows that as requested by the Bureau of Reclamation and originally introduced, it referred only to the doing of additional work beyond what was included in the original estimate. It was reworded on the floor of the House to meet certain technical objections, but no suggestion was made that it should be broadened to include situations where there would be excess costs in doing the work originally contracted for. If the language finally adopted had that effect, it was apparently inadvertent. (See 52 CONGRESSIONAL RECORD, pt. 4, pp. 3673–75; 3757–58.)

The decisive question, then, is the construction to be given to the 1939 act: Whether it requires the Secretary, when work proves more expensive than originally estimated, to allocate some or all of the additional expense to irrigation charges and to secure further reimbursement contracts for the additional costs so allocated; or whether on the other hand that act either does not give him power to make such further allocation or at least does give him power to provide in a reimbursement contract that no further allocation to irrigation will be made for that particular work.

Neither the terms of the 1939 act, its legislative history, nor decisions under it are of any direct help in answering this question. When the act was passed, no consideration was given to the possibility of additional costs, except as an incident of additional work (i. e., a new project, new division of a project, or new supplemental works on a project). A decision as to what the act requires when additional costs arise in connection with the original work depends on inferences that are somewhat tenuous. The conflicting views are supported by considerations that can only be weighed against one another, and perhaps no two observers will agree as to the precise weight to be given to each. Ordinarily, administrative interpretation is entitled to great weight; and the Bureau states that it has continuously construed the 1939 act as not permitting it to undertake to build projects in return for fixed or minimum payments and without reimbursement for excess costs incurred. However, the Bureau has apparently entered into many contracts, like the present one, which purport to embody such an undertaking. In these circumstances the administrative construction of the act is too equivocal to be of help.

The considerations above set forth somewhat preponderate in favor of construing the 1939 act as not requiring the Secretary to secure reimbursement for costs in excess of his original estimate; it is believed that a substantial number, probably a majority, of courts would reach the same conclusion. Under that view, the present contract does obligate the United States, as it purports to do, to complete the Coachella distribution and flood-control project, if money is appropriated therefor, at a cost to the district of not over $13,500,000.

Question 2. Whether or not the Bureau of Reclamation has charged in its accounts construction and other cost not properly chargeable against the limit of $13,500,000.

A. The determination of the Secretary of the Interior as to what costs are attributable to the project is subject to review, but his decisions as to the manner of operation and the wisdom or necessity of particular expenditures is not so reviewable.

The most pertinent judicial discussion of this problem is found in the case of *Payette-Boise Water Users' Association* v. *Cole* (263 Fed. 734,740,745 (Idaho 1919)). That case arose under the Reclamation Act of 1902, which contemplated firm contracts for reimbursement of estimated costs only; but in

[12] See appendix, p. 21.

[13] See appendix, pp. 21, 22.

[14] See sec. 9 (d), appendix, p. 22.

[15] See sec. 9 (a), appendix pp. 21, 22, as referred to by footnote 13.

[16] Sec. 9 (d) of the 1939 act requires execution of "a contract" for reimbursement of the costs allocated to irrigation. It is to be contracted in this respect with sec. 46 of the 1926 act, which required "a contract or contracts." If the 1939 act thus authorizes only a contract that will cover all costs allocated to irrigation, that must mean that no further costs are subsequently to be so allocated; for it was a recognized fact that most irrigation districts are organized (as the Coachella District is) under statutes which forbid their entering into repayment contracts that do not provide for a fixed maximum obligation. See, e. g., California Water Code, sec. 23,223.

[17] See sec. 4 of act, appendix, p. 20, as referred to in footnote 6.

[18] Ch. 1093, 32 Stat. 390, sec. 4, 32 Stat. 389; 43 U. S. C., sec. 461.

[19] *Payette-Boise Water Users* v. *Cole* (263 Fed. 734, 737 (Idaho, 1919)).

[20] *Yuma Water Assn.* v. *Schlecht*, (262 U. S. 138, 143 (1923)).

[21] Sec. 9 (a). 53 Stat. 1193–94; 43 U. S. C., sec. 485h (a).

that particular case the Secretary had entered into contracts for reimbursement of actual costs as they might develop. Under those circumstances, the court held that the settlers who were obligated to reimburse the construction costs were entitled to challenge the Secretary's determination as to which expenditures were in fact costs of the particular project, but were not entitled to question the wisdom or reasonableness of expenditures actually made in good faith and attributable to the project. The manner of proceeding with the project was entrusted wholly to the discretion of the Secretary. The same principles should govern in the present case; here, as there, the obligation is only to pay actual costs (not in excess of $13,500,000) and not to pay a fixed sum. The presence here of a maximum limit on the amount to be repaid does not prevent the district from challenging charges made within that limit.

The contract itself recognizes that the district may challenge the propriety of charges made, since it provides that officials of the district shall have access to books and records kept for the project.[22] Such access would serve no purpose unless the district were entitled to challenge the propriety of the charges shown by those books and records.

B. The project is not chargeable with costs of the Office of the Commissioner in the District of Columbia, nor with costs of nonproject offices not incurred for this specific project.

The extent to which construction costs are to be charged to a project for purposes of reimbursement under the general reclamation law is governed by the act of April 19, 1945,[23] which provides: "The cost and expense after June 30, 1945, of the Office of the Commissioner in the District of Columbia, and, except for such cost and expense as are incurred on behalf of specific projects, of general investigations and of nonproject offices outside the District of Columbia, shall be charged to the reclamation fund and shall not be charged as a part of the reimbursable construction or operation and maintenance cost."

That act was an amendment of the Fact Finders Act of December 5, 1924,[24] which had been substantially the same except that it contained no reference to nonproject offices outside the District of Columbia. The amendment was made necessary by the fact that administrative functions of the Bureau of Reclamation were being decentralized by the setting up of nonproject offices outside the District of Columbia, and it was not desired that water users should be required to repay administrative costs of those offices, not incurred for their specific project.

The committee report accompanying the amendment[25] indicates the kinds of expenses that were to be chargeable to projects and those that were not. That is most fully shown by a letter from Abe Fortas, Acting Secretary of the Interior, included in the report. In explaining the purpose of the amendment, he said, in part:

"I am satisfied that no part of the costs of the necessary administration performed by or for the Washington office of the Commissioner of Reclamation should be reimbursable by the water users under the project. * * * I am satisfied also that the costs of area-wide, State-wide, and basin-wide general investigations authorized by the Secretary, such, for instance, as the investigations in the Missouri River Basin * * * ought no longer to be wholly reimbursable. * * *

"On the other hand, this proposed and thoroughly equitable provision ought not to lead to the nonassessment of charges properly allocable to construction or operation and maintenance of projects, as the case may be. For instance, in the Denver branch offices there is carried on design and other work directly related to the construction of particular projects. These costs should, of course, be assessed as a part of the construction cost of the projects to which they relate. In the other nonproject offices, there are carried on certain functions which are properly described as field functions relating to the construction or the operation and maintenance of particular projects. The actual costs pertinent to these functions should be assessed, as has been the practice in the past, to the construction or operation and maintenance of the project affected."

From the foregoing, it appears that the District is chargeable only for actual costs incurred at this project or specifically incurred for it in a nonproject office outside the District of Columbia; that it is entitled to challenge the Secretary's determination as to whether particular costs are of such character as to be so chargeable; and is entitled to question whether the expenditures were actually made. It is not entitled to question the wisdom of expenditures or the manner of conducting the project.

C. Accounting investigation: The Coachella Division of the Bureau was opened in May 1946 and until December 1948, maintained certain costs records with respect to expenditures falling under its jurisdiction. This office operated as a division of the Bureau office at Yuma, Ariz., where other accounts relating to the All-American Canal project were maintained. Commencing January 1, 1949, general books of account were established at Coachella and the accounts relating to the project were transferred from the Yuma office.

In maintaining and reporting the cost incurred under the $13,500,000 contract the Bureau maintains a separate record for each of nine distribution or lateral units comprising the entire distribution system which, for purposes of the accounting records, are identified as units 1 through 9. Units 2, 3, and 4, however, were constructed at the same time and costs relating to those units have been grouped together in the Bureau's records. As of January 31, 1950, units 1 through 5 had been completed and are presently being operated by the district.

The principal charges to the distribution system comprise payments made to subcontractors engaged by the Bureau to construct the waterways and minor structures for each of the lateral units. Also included is the designing, engineering, and inspection by the Bureau. The other charges, except those of the Denver and Boulder City offices, pertain largely to general and supervisory work, costs of auxiliary equipment, and services performed by the Coachella office. These latter expenditures are for the most part allocated to the various lateral units on the basis of direct construction cost.

The field headquarters of the Bureau is located at Denver and insofar as the distribution system is concerned has engaged primarily in the preparation or review of subcontract specifications, project drawings, and related administrative matters.

The office at Boulder City is the headquarters of region III. The functions of this office include supervisory work, technical or administrative, in the various branches, as well as project servicing activities which include professional, technical or administrative, and related services for all projects, offices and activities within the region. Charges incurred by the Boulder City office have been allocated for the most part to various branches on the basis of each project's estimated cost program to the total of all projects within the region.

The greater part of the cost applied against the distribution system consists of direct costs which include labor and materials utilized in connection with the construction of the lateral units. The district has not protested any of these direct costs except the provision set up on the books of the Coachella office for payment of accrued annual leave earned by employees. Direct cost estimates on units that have not been started (units 8 and 9) where the amount of the subcontract for the construction work is not known will be discussed elsewhere in this report.

1. Cost items inconsistent with contract provisions

(a) Government houses ---------- $109,000

In May 1945, the Bureau completed the erection of 25 houses to accommodate employees assigned to the project office during construction of the Coachella portion of the All-American Canal. The cost of these houses amounted to approximately $218,000 and was charged to and paid for from funds appropriated under the 1934 contract for construction of the All-American Canal system. Since commencement of construction under the contract of December 22, 1947, the Bureau transferred 50 percent of the total cost of the houses to the distribution system, the remaining 50 percent being charged to the flood-protection works and the Coachella Canal on a pro rata basis of total contract cost.

The district has taken the position that since the entire cost of the Government houses was included in the accounts under the 1934 repayment contract the Government consequently would be reimbursed for the cost of the houses, and to shift a part of the charges for the housing project from the 1934 to the 1947 contract would not change or enhance the Government's position.

The Bureau, on the other hand, takes the position that since the houses have been and are being used to house personnel engaged in the construction of the distribution system the 1947 contract should bear a portion of the costs; moreover, that while some sort of camp facilities would probably have been built prior to construction of the lower portion of the Coachella Canal only (1934 contract) it was reasonably assumed at the time the houses were built that a distribution system was to be built and the houses were planned on the basis of this contemplated usage. The rentals received on these houses are slightly in excess of the operating expenses, the excess being deducted from the total construction costs of the distribution system.

It is significant to point out that the limit of $38,500,000 called for in the 1934 contract was actually overexpended by more than $600,000 according to figures supplied by the Bureau's regional finance officer, and that by effecting a transfer of any portion of the charges originally made against this contract to some other repayment contract the overexpended figure would be correspondingly reduced and, therefore, would tend to reflect a more favorable Bureau position insofar as the 1934 contract is concerned. The inclusion of this cost as part of the 1947 contract reduces the amount available for the purchase of pipe to be used in the construction of the lateral units. Such inclusion, without any offsetting reduction of the district's repayment obligation under the 1934 contract, appears inequitable.

(b) Project development---------- $55,000

The original estimate of costs upon which the total contract amount of $13,500,000 was based did not include this item which was later added as a part of the revised estimate. The district has taken exception to this item not only because no provision was made for

[22] Art. 21; see appendix.

[23] C. 80, 59 Stat. 54, 43 U. S. C. sec. 2377 (79th Cong., 1st sess., H. R. 1534, Public, No. 35).

[24] C. 4, 43 Stat. 672, 704, subsec. O.

[25] H. Rept. No. 153, 79th Cong., 1st sess.

its inclusion in the 1947 contract but because the amount allocated to the distribution system totaling $55,000 was expended during the period from 1934 to 1945 and had no direct relationship to the distribution system.

The Bureau has advised that this item represents the amount allocated to the distribution system as its equitable share of the earlier costs in 1934 and for some time thereafter of surveying, planning, and developing the All-American Canal project as a whole. These costs consisted of such items as experimental investigation, hydrometry, reconnaissance, soil survey, topograph, right-of-way survey, project subdivision, level control, and necessary preliminary designs and related office expenses of the Denver office.

The Bureau has taken the position that while the project development costs were incurred prior to the execution of the 1947 contract the distribution system actually benefited from the work performed. No explanation was furnished as to why these earlier costs were not allocated to projects in existence during the period such costs were incurred. However, the Bureau points out that these costs were held on its Denver office books until 1946 when a transfer was made to the regional projects in order that an allocation could be made to the All-American Canal system of which the distribution system is considered a part. This transfer was made in July 1946 by the Denver office to the Boulder City regional office and in turn to the project office at Yuma, Ariz., where the records relating to the All-American Canal project were maintained. However, the allocation to the distribution system was made subsequent to the execution of the 1947 contract after it had been determined by the Bureau that the $13,500,000 original estimate was inadequate, and a revision of such estimate would have to be made if the distribution system was to be completed.

Since the charge of $55,000 covers a pro rata share of expenses incurred during the period from 1934 through June 1946, and such expenditures were made irrespective or whether or not a distribution system would ever have been constructed, and since the initial estimates of cost upon which the $13,500,000 was determined did not include this item it should not be treated as a charge attributable to the 1947 contract.

(c) Preconstruction surveys----- $47,836.72

According to the Bureau the amount of $47,836.72 was expended prior to January 1945 for making surveys for open laterals on the east side of Coachella Valley to determine whether an open lateral canal system might be more feasible than a pipe system. The Bureau has stated that this work has no direct benefit to the distribution system under its present construction plan, but that such work was necessary to determine the best means of providing the works desired. Moreover, that all of the surveys were made on the basis that a repayment contract for construction of a lateral system would be made. The major portion of these costs relate to estimates, trial lines, location, engineering, surveys and general expenses.

The district has taken exception to the inclusion of this charge for the same reasons as explained in the preceding section concerning project development costs.

In view of the Bureau's explanation that the work represented by this cost did not inure directly to the benefit of the distribution system, such costs having been incurred at least 3 years before the execution of the contract covering the construction of the distribution system, this item is not considered to be a proper charge against the 1947 contract.

(d) Land use and settlement------ $40,000

This item covers the estimated cost to survey, plot and subdivide the greater part of approximately 1,500 acres of public lands included in the area to be served by the distribution system presently under construction. It is contemplated by the Bureau that these lands, which are being subdivided into farm units, will be awarded to veterans for the purpose of homesteading. The Bureau has taken the view, in its justification for including this cost as a part of the cost attributable to the 1947 contract that these 1,500 acres of land in the Coachella Valley will become a part of the district and will help to support the district as taxpaying lands, and that the cost of bringing land into use for settlement purposes is a necessary part of the costs of the distribution system.

The district, on the other hand, takes the position that such charges were not the subject of discussion in its contractual negotiations with the Government and since the valley lands to be served under the contract are largely in private hands, any charge for land use and settlement is inappropriate not only insofar as the provisions of the 1947 contract are concerned but also from the standpoint of benefits to be derived.

Since the provisions of the contract specifically relate to the construction of a distribution system, it quite naturally follows that the cost of any activity carried on by the Bureau which has no direct relationship to the subject matter of the contract should be excluded irrespective of the fact that the lands happen to be situated in the area to be served by the distribution system. This item, therefore, is being excluded as a charge against the project.

(e) Provisions for employees' accrued annual leave---------- $73,406.61

This item covers the total annual leave earned but not taken by employees since the date they entered on duty in the Government service, the majority of the personnel being classified under Civil Service. This provision, though charged to the distribution system as a cost was just recorded on the books at Coachella in September 1949, when it became apparent that the project could not be completed at the amount agreed upon in the 1947 contract. This provision is a departure from the accounting practice previously followed and was undertaken to assure the reservation of funds sufficient to pay any leave, regardless when it was earned, in the event leave was taken by employees at the completion of the project.

In calculating the amount charged against the project and set up as a reserve in the accrued leave account which as of January 30, 1950, amounted to $73,406.61, the Bureau took the number of hours leave which each employee had to his credit and multiplied that figure by the employee's rate of pay on an hourly basis. No deduction was made for that portion of the leave which was earned and accrued by the employee as of the date he was transferred from some other project to the distribution system. The leave, therefore, which the employee had accrued to his credit as of the date the reserve was set up does not represent the amount earned while he was working on this project but includes all leave accrued by him prior thereto. It is also pointed out that the employees, by reason of their civil-service status, will undoubtedly be transferred by the Bureau to another project and will take with them at that time whatever leave has been accrued to their credit. In the past any employees holding a civil-service status have been transferred from one project to another as the exigencies of the service may require.

The district contends that employees of the Bureau have progressively taken their vacation leave while working on the project and that whatever leave has been accumulated to the employee's credit as of the date he leaves the distribution system project will in most cases be offset by the leave credit which he had at the time he began his assignment to the project.

From a strictly cost-accounting viewpoint, assuming some provision might be made to cover the item of accrued annual leave, it is believed that the only amount which justifiably could be reserved for the payment of such leave is that portion which has been earned by the employees during the period of their actual assignment to the project which was not taken by them prior to their transfer to some other project or resignation from the service whichever the case may be. Actually, when it is considered that the employees under Civil Service who have accumulated leave which is transferred with them from one assignment to the next, it is believed that the amount of leave to their credit at the beginning and the end of such assignment tends to offset one another. Exception to this view would exist when conditions are such as would preclude an employee the opportunity to take whatever leave he has earned while on a project, such as during the war period when management permitted only a minimum amount of leave to be taken. Only under such conditions would there be some justification for establishing a reserve to cover payment of accrued leave not taken by an employee while engaged on a particular project.

(f) Land classification---------- $38,763

This cost represents expeditures made by the Bureau prior to June 30, 1947, and relates to a soil survey of the entire Coachella Valley to determine which land was suitable for irrigation. The District maintains that representatives of the Bureau commenced this survey in 1940, and that the findings were considered in deciding whether the canal should be built.

The District has expressed belief that land classification costs are in the nature of project planning because the project could not be approved or plans drawn on a comprehensive basis without knowledge as to what lands were to be served. The district takes the position that since this is fundamentally a planning cost, adequate provision has been made to expend funds from some other appropriation for project planning work. The Bureau, in its justification for including this item as a cost attributable to the distribution system has taken the position that this work was not only vitally necessary to permit the proper design of the distribution system but has proved to be a distinct service to the landowners and prospective land owners in Coachella Valley.

Inasmuch as this cost was incurred in connection with the All-American Canal project in determining whether the Canal should be built, and was not incurred specifically for the distribution system it is concluded that land classification cost is not a proper charge against the 1947 contract.

(g) Denver office charge-------- $45,049.09

The Denver office is an adjunct to the Office of the Commissioner of Reclamation in Washington and is referred to as the headquarter's office of the Bureau. It is understood that its work is primarily of an administrative and supervisory nature with the detailed work in the field of engineering, design, and inspection being handled for the most part at the office where a particular project is located.

In order that preliminary and working plans, together with construction drawings, specifically relating to the distribution system could be handled near the site of the project, an office was opened at Banning, Calif., which is located approximately 5 miles from Coachella. Practically all design and related work for the distribution system has been accomplished by person-

nel at the Banning office and the costs of the operations of that office have been charged directly to the distribution system.

Since the vouchers on file at the Coachella office covering charges against the distribution system which were incurred by the Denver office contain for the most part very meager descriptive data as to the nature of the charges, the Denver office was requested to furnish a detailed analysis and description of these charges to and including January 31, 1950, and to include applicable information as to the basis used in the distribution of each expenditure between various projects.

Information furnished in response to this request was inadequate to permit any detailed evaluation. However, among the charges by the Denver office there appeared charges totaling $29,630.23 identified as "engineer studies and designs, Coachella Canal, lateral system." Portions of these charges appear on other Bureau accounting documents as charges to the canal. They are therefore being considered as not applicable to the distribution system, as it appears that their inclusion therein was in error.

Voucher TVE No. 21, dated December 30, 1947, in the total amount of $36,042.87 included an item of $28,084.80 as the cost incurred by the Denver office for "Moving and modification of Denver Federal Center, and plant and equipment used in the operation of all Denver offices." The voucher was prepared by the Denver office to transfer a total of $36,042.87 from the Denver office accounts to the All-American Canal. Actually, however, the total was not charged to the canal proper since the distribution system was ultimately charged with $15,418.86.

Since no portion of the cost of moving and modification of the Denver office is directly applicable to the distribution system this charge is being excluded from the costs attributable to the 1947 contract.

(h) Depreciation taken on automotive equipment: The automotive equipment presently available at the Coachella office for use in connection with the distribution system project consists of 5 ½-ton pick-ups, 31 station wagons, 3 large trucks, 3 sedans, and 1 jeep. All of this equipment was purchased in the period August 1946 to October 1949, the total cost amounting to approximately $70,000. Of this total approximately $52,000 or about 75 percent represents the amount of depreciation taken to date on the equipment. A further analysis of the depreciation account reflects that 17 of the vehicles have been depreciated 100 percent and 9 of these have been driven less than 27,000 miles as shown by the following tabulation:

Type	Date purchased	Cost	Mileage
Dodge carry-all	December 1947	$1,010.00	20,869
Dodge carrier	August 1946	750.73	22,341
Dodge pick-up	October 1946	602.19	24,127
Do	do	563.85	24,428
Dodge carry-all	do	798.13	24,891
Pontiac station wagon	April 1948	2,048.28	25,652
Dodge carry-all	December 1947	871.00	26,366
Ford pick-up	August 1948	1,350.00	26,371
Ford station wagon	September 1947	1,740.91	26,414

While it is apparent that an accelerated rate of depreciation has been taken and charged against the distribution system no adjustment is recommended for the reason that the equipment will in all probability continue to be used during the construction period and any adjustment if made at this time would necessarily require the adoption of an arbitrary rate and an arbitrary estimate of the salvage value at the time the project is completed.

2. Excessive estimate of probable cost to complete this project

The Coachella Office of the Bureau furnished a statement of the costs incurred to date as well as costs to be incurred to complete the construction of the distribution system including drainage investigations. The statement reflects that this project is estimated to cost $16,210,041, which total is based on the premise that construction of lateral units Nos. 8 and 9 will proceed at an early date thereby permitting completion of the distribution system during the first quarter of fiscal year 1952.

By reason of a reduction in pipe costs of approximately 10 percent, the Coachella office estimates that the cost of unit No. 8 will be $31,265 less than previously estimated and a reduction of $539,098 can be effected in the estimated cost for unit No. 9. The revised figure for both units takes into account amounts already expended and charged as well as provision for overhead applied on a basis of 15 percent of direct costs. The overhead charges applied to units already completed has been within 15 percent of the direct costs; however, in arriving at the total cost of $16,210,041 the Bureau has used a higher rate of overhead which has been reduced to the 15-percent rate.

APPENDIX

There are set forth below various sections of the contract in question as well as portions of statutes referred to earlier in this report:

Footnote 1: Article 9. (a) In addition to the construction of the works agreed to be constructed by the United States for the use and benefit of the District under the provisions of the aforesaid contract of date October 15, 1934, as amended by article 8 of this contract, the United States will also, subject to the provisions of articles 12 and 32 hereof, construct for use in connection therewith:

(i) A distribution system at the approximate locations indicated on the map marked exhibit A, attached hereto and by this reference made a part hereof. Said distribution system shall consist generally of open, concrete-lined or asphaltic-lined canals and concrete pipe laid underground, with capacities as indicated in said exhibit A, pumping plants as indicated in said exhibit and such other appurtenant and auxiliary structures as the Secretary may conclusively determine to be necessary or advisable upon engineering or economic considerations to accomplish the ends contemplated by such distribution system; provided, however, that changes in capacities, locations, lengths, and alinements of said distribution system works may be made during the progress of the work and after consultation with the District, as may in the opinion of the Secretary, whose opinion thereof shall be final and binding upon the parties hereto, be expedient, economical, necessary, or advisable; and

(ii) A system of protective works designed to protect the Coachella Main Canal, the distribution system herein provided for and lands and other properties below the canal from overflow or other damage by storm waters or surface waters. Said protective works shall consist of, but need not be limited to, such dams, dikes, levees, embankments, catchment basins, bridges, causeways, roads, culverts, flumes, waterways, evacuation and dispersion channels, and other works, as indicated in said exhibit A, as the Secretary may conclusively determine to be necessary or advisable upon engineering or economic considerations to accomplish the ends contemplated by such system of protective works; provided, that changes in capacities, locations, lengths, and alinements of said protective works or structures may be made during the progress of the work and after consultation with the District, as may in the opinion of the Secretary, whose opinion thereof shall be final and binding upon the parties hereto be expedient, economical, necessary, or advisable.

Footnote 2: Article 9. (c) The ultimate cost to the District of the work herein agreed to be performed by the United States shall in no event exceed the aggregate sum of $13,500,000. Such cost shall include all expenses of whatsoever kind or nature heretofore or hereafter incurred by the United States from the reclamation fund, the Colorado River Dam fund, or otherwise, in connection with, growing out of, or resulting from the work herein agreed to be performed by the United States, including but not limited to the cost of labor, materials, equipment, engineering, legal work, superintendence, administration, overhead, any and all costs arising from operation and maintenance of works to be constructed by the United States under the terms hereof prior to the time said operation and maintenance costs are assumed by the District, damage of all kinds and character, and the costs of rights-of-way and destroyed improvements, as hereinafter provided.

Footnote 3: Article 12. (a) The District agrees to pay to the United States the actual cost, not to exceed $13,500,000, incurred by the United States on account of work herein agreed to be performed by the United States. In addition, the District hereby agrees to repay to the United States all expenditures incurred on account of any and all damages due to the existence, operation, and maintenance of the works herein agreed to be constructed by the United States, the incurrence of which increases expenditures by the United States beyond the sum of $13,500,000. The total of all such costs and expenditures described in article 9 and in this subdivision 12 (a) shall constitute, is hereby designated, and is hereinafter referred to as "the general repayment obligation of the District."

Footnote 4: Article 12. (b) Should Congress or other governmental financing authorities fail to make necessary appropriations or allocations of money to complete the work herein provided for, then the Secretary may, at such reasonable time as he may consider advisable after Congress and such other governmental financing authorities shall have failed for two consecutive years to make the necessary appropriations or allocations which shall have been annually requested by the Secretary, give the District notice of the termination of work by the United States, and furnish the District with a statement of the amount actually expended by the United States thereon, exclusive of the amounts theretofore covered by notices given under article 15 of this contract, and the amount set out in such statement shall be paid by the District in the manner set out in article 15 of this contract.

Footnote 5: Boulder Canyon Project Act (act of December 21, 1928, ch. 42, 45 Stat. 1057 (H. R. 5773, Public No. 642, 70th Con., 2d sess.) 43 U. S. C., secs. 617–617t):

"*Be it enacted, etc.*, That the Secretary of the Interior * * * is hereby authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon * * * and a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam * * * with the Imperial and Coachella Valleys in California, the expenditures for said main canal and appurtenant structures to be reimbursable, as provided in the reclamation law. * * *

"SEC. 4. (b) Before any money is appropriated for the construction of said dam or power plant, or any construction work done or

contracted for, the Secretary of the Interior shall make provision for revenues by contract, in accordance with the provisions of this act, adequate in his judgment to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within 50 years from the date of the completion of said works, of all amounts advanced to the fund under subdivision (b) of section 2 for such works, together with interest thereon made reimbursable under this act.

"Before any money is appropriated for the construction of said main canal and appurtenant structures to connect the Laguna Dam with the Imperial and Coachella Valleys in California, or any construction work is done upon said canal or contracted for, the Secretary of the Interior shall make provision for revenues, by contract or otherwise, adequate in his judgment to insure payment of all expenses of construction, operation, and maintenance of said main canal and appurtenant structures in the manner provided in the reclamation law."

Footnote 9: Act of June 26, 1947 (ch. 153, 61 Stat. 183, 80th Cong., 1st sess., H. R. 3348, Public, No. 121):

"An act to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella Division of the All-American Canal irrigation project, California

"*Be it enacted, etc.*, That the language in the appropriation act of July 1, 1946, of the Department of the Interior for the fiscal year ending June 30, 1947 (Public Law 478, 79th Cong.), for the Bureau of Reclamation under the caption:

"'Boulder Canyon project (All-American Canal): For continuation of construction of a diversion dam, and main canal (and appurtenant structures, including distribution and drainage systems) located entirely within the United States, connecting the diversion dam with the Imperial and Coachella Valleys in California'; is hereby revised to read:

"'Boulder Canyon project (All-American Canal): For continuation of construction of a diversion dam, and main canal (and appurtenant structures) located entirely within the United States, connecting the diversion dam with the Imperial and Coachella Valleys in California, and distribution and drainage systems'; and this revision shall apply with equal force to all prior appropriation acts for the Department of the Interior and to the act for the fiscal year 1948 in which this same language appears for the Bureau of Reclamation."

Footnote 12: Act of May 25, 1926 (ch. 383, 44 Stat. 636 (H. R. 10429, Public, No. 284, 69th Cong., 1st sess.)):

"SEC. 46. No water shall be delivered upon the completion of any new project or new division of a project until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or irrigation districts organized under State law providing for payment by the district or districts of the cost of constructing, operating, and maintaining the works during the time they are in control of the United States, such cost of constructing to be repaid within such terms of years as the Secretary may find to be necessary, in any event not more than 40 years from the date of public notice hereinafter referred to, and the execution of said contract or contracts shall have been confirmed by a decree of a court of competent jurisdiction. * * * (43 U. S. C., sec. 423c)."

Footnote 13: Reclamation Project Act of 1939 (act of August 4, 1939, ch. 418, 53 Stat. 1187, 43 U. S. C. sec. 485–485k (H. R. 6984; Public, No. 260, 76th Cong., 1st sess.));

"SEC. 9. (a) No expenditures for the construction of any new project, new division of a project, or new supplemental works on a project shall be made, nor shall estimates be submitted therefor, by the Secretary until after he has made an investigation thereof and has submitted to the President and to the Congress his report and findings on—

"(1) the engineering feasibility of the proposed construction;

"(2) the estimated cost of the proposed construction;

"(3) the part of the estimated cost which can properly be allocated to irrigation and probably be repaid by the water users;

"(4) the part of the estimated cost which can properly be allocated to power and probably be returned to the United States in net power revenues;

"(5) the part of the estimated cost which can properly be allocated to municipal water supply or other miscellaneous purposes and probably be returned to the United States.

"If the proposed construction is found by the Secretary to have engineering feasibility and if the repayable and returnable allocations to irrigation, power, and municipal water supply or other miscellaneous purposes found by the Secretary to be proper, together with any allocation to flood control or navigation made under subsection (b) of this section, equal the total estimated cost of construction as determined by the Secretary, then the new project, new division of a project, or supplemental works on a project, covered by his findings, shall be deemed authorized and may be undertaken by the Secretary only after provision therefor has been made by act of Congress enacted after the Secretary has submitted to the President and the Congress the report and findings involved.

"(b) In connection with any new project, new division of a project, or supplemental works on a project there may be allocated to flood control or navigation the part of said total estimated cost which the Secretary may find to be proper. Items for any such allotions made in connection with projects which may be undertaken pursuant to subsection (a) of this section shall be included in the estimates of appropriations submitted by the Secretary for such projects, and funds for such portions of the projects shall not become available except as directly appropriated or allotted to the Department of the Interior."

Footnote 14:

"(d) No water may be delivered for irrigation of lands in connection with any new project, new division of a project, or supplemental works on a project until an organization, satisfactory in form and powers to the Secretary, has entered into a repayment contract with the United States, in a form satisfactory to the Secretary, providing among other things—

"(2) That the part of the construction costs allocated by the Secretary to irrigation shall be included in a general repayment obligation of the organization; * * * (43 U. S. C. sec. 485H)."

Footnote 22: Article 21. The officials or designated representatives of the District shall have full and free access to the books and records of the United States, as far as they relate to the matters covered by this contract, with the right at any time during office hours to make copies of or from the same; and the Secretary shall have the same right in respect of the books and records of the District.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MARCH 28, 1950.

HON. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith tender my resignation as a member of the Committee on Agriculture.

Respectfully,

EUGENE WORLEY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 3 minutes.

SUFFERING CAUSED BY CUTS IN VETERANS' ADMINISTRATION PERSONNEL

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have asked the chairman of the Committee on Veterans' Affairs to call before our committee General Gray, Mr. Magnuson, and other persons in the Veterans' Administration who are responsible for the cuts in the personnel all over the country, cuts in veterans' hospital facilities. These cuts are causing great suffering. One of the medical men of the Veterans' Administration told me today that 2,000 nervous and mental cases would be out walking the streets if this cut actually takes place. The cut has been ordered to go into effect on the 15th of April. It apparently is not the fault of the medical section but is the fault of General Gray. I understand it is not the fault of the Appropriations Committees of Congress. It has given all that General Gray asked for.

A terrible error has been made in ordering these cuts, and great suffering will take place if the cuts are not rescinded.

I have asked the chairman of the Committee on Veterans' Affairs [Mr. RANKIN] to call these men before our committee, because we are concerned primarily with legislation for the welfare of the veterans. This is not a Massachusetts matter alone, although there will be suffering and hardship among the veterans in Massachusetts; it is a national tragedy.

COMPETITION FROM CZECHOSLOVAK SHOES

Mrs. ROGERS of Massachusetts. Mr. Speaker, recently Czechoslovakia has been dumping great quantities of rubber shoes and canvas shoes in this country at ruinous prices, and our canvas and rubber shoe industries are being very badly hurt. If this uncontrolled dumping is not stopped they will be driven cut of business.

Members may remember the fight I made some years ago against the importation of Czechoslovak shoes and against the Czechoslovak enterprise, the Jan Bata Co., which was manufacturing shoes in Belcamp, Md., under practically slave conditions, using child labor. That shop, I believe, was finally closed and the industry went to Brazil.

I have taken up with the State Department and Tariff Commission the matter of this dumping of Czechoslovak canvas and rubber shoes, and I hope other Members will take it up not only with the State Department but also with the Tariff Commission. Why should we support other countries, Mr. Speaker, to the ruination of our own industries, and take work away from our own people. My fight against Japanese competition in many commodities will be remembered, also the protest against the shipments of materials of war to Japan which was

later used against the United States. Will we never learn.

Under permission heretofore granted, I include as part of my remarks the following letters and correspondence with the Tyer Rubber Co., of Andover, Mass.; from Tomassian & Woodbury of Watertown, Mass.; and the following editorials and articles from newspapers:

TYER RUBBER CO.,
Andover, Mass., February 13, 1950.

The Honorable EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSWOMAN: The employees and management of this company are much disturbed over the threat of imported tennis shoes and rubber footwear from Japan and Czechoslovakia respectively.

The canvas-topped tennis shoes from Japan are being displayed in New York now at prices which, even with the present 35 percent duty on the price of a comparable United States item, are a third or more under our prices, and the rubber footwear products apparently from Czechoslovakia with the present 12½-percent duty on the price of comparable United States items are about one-half our prices. Furthermore, the offerings indicate that the volume is on the increase to an extent which distinctly affects our whole domestic market.

The 1947 action which reduced the previous 25-percent rate of duty on rubber footwear to 12½ percent on the price of a comparable United States item has resulted in a most serious threat to our industry, and we understand there is a probability of similar action being taken to reduce by 50 percent the duty on imported tennis shoes, if not to completely change the import tariff to a lower percentage ad valorem on both tennis and waterproof footwear. If the latter action should be taken and the American selling price principle should be eliminated, then unemployment in our industry and financial difficulties for the companies in it would be disastrous.

The majority of our business is in the two types of products mentioned above; we employ normally about 1,000 in Andover, a town having a population of approximately 13,000, and we assure you that our situation is serious.

We have suffered two full winters now without normal snowfall; our employment is down about one-third, and the prospect of waiting another 8 months for the rubber footwear season is bleak enough without the added threat of ruinous competition from imported products.

Foreign competition from countries with much lower wage levels is particularly injurious in our industry where the percentage of factory wages and salaries is about 47 percent of total cost. The difficulties of competing with cheap labor increase as the importance of the labor cost increases in relation to total cost, and there are few if any industries in which labor plays a more important part relatively than in the rubber and canvas footwear industry.

We urge that you use your influence to forestall any further reduction in tariff on these products and also to restore the rate of tariff on waterproof footwear to the 25 percent which was established in 1932, reaffirmed in 1937, and maintained until 1947 when it was cut in half.

Respectfully yours,

TYER RUBBER CO.,
W. E. BRIMM,
Treasurer.

WATERTOWN, MASS., *March 23, 1950.*

Hon. EDITH N. ROGERS,
House Office Building,
Washington, D. C.

MY DEAR MRS. ROGERS: I wish to be recorded as being strongly opposed to the introduction of any bill or bills which might tend to jeopardize any of our industries in this country and, most particularly, any bill which might tend to adversely affect the business of the Hood Rubber Co. in Watertown.

Because of your interest in the business of this community, I know you will realize what it would mean to increase the competition the Hood Rubber has to face now by allowing the competition of goods of foreign manufacture.

I trust that you will strongly oppose the tariff-reduction bill.

Very truly yours,

TOMASSIAN & WOODBURY,
MARTIN V. TOMASSIAN.

TYER RUBBER CO.,
Andover, Mass., March 23, 1950.

The Honorable EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

MY DEAR MRS. ROGERS: We appreciate your having taken up with the Department of State our protest against any further reduction in the tariff on rubber and canvas footwear, and we have read with interest the State Department's letter of March 16. Senator LODGE and Senator SALTONSTALL forwarded to us similar letters which they received from Mr. McFall.

It seems to us that, without sufficient justification, Mr. McFall intended his letter to quiet our fears of unfavorable action, whereas there is actual danger that the tariff will be negotiated downward as was stated by Representative PATTERSON of Connecticut in the CONGRESSIONAL RECORD about March 13.

We recognize that the Havana Charter does not require an actual reduction in the amount of duty to be paid on imports, but it does require the elimination of the American selling-price principle and it seems unlikely that the tariff rates would be sufficiently raised to compensate for the reduction in the basis of value.

* * * * *

The fact that domestic distributors of rubber footwear know that some unknown quantity of imported merchandise is available at prices 25 percent or more under the lowest prices we can afford to meet (with our high wage level), is resulting in at least a postponement of the placing of orders, which in turn results in injury to the companies and unemployment for their workers.

We are as much disturbed as ever and feel confident that your further forceful intercession will be necessary in order to help prevent a ruinous reduction in tariff on our products. We hope you will keep in touch with developments on this problem.

Respectfully yours,

TYER RUBBER CO.,
W. E. BRIMER, *Treasurer.*

DEPARTMENT OF STATE,
Washington, March 16, 1950.

The Honorable EDITH NOURSE ROGERS,
House of Representatives.

MY DEAR MRS. ROGERS: Reference is made to your communication of March 9, 1950, forwarding a letter dated February 13, 1950, from Mr. W. E. Brimer, treasurer, Tyer Rubber Co., Andover, Mass., regarding the importation into the United States of tennis shoes and rubber footwear.

In stating that there is a possibility of reducing by 50 percent the duty on imported tennis shoes, Mr. Brimer no doubt has in mind the announcement on November 10 by the Department of State that the United States will participate in tariff negotiations under the framework of the general agreement on tariffs and trade, beginning in September 1950. Up to the present time, however, no decision has been reached with respect either to the countries with which the United States proposes to negotiate at the next tariff conference, or to the items to be listed for possible negotiations. The negotiations at this conference will be conducted in accordance with the Trade Agreements Act. Before entering into negotiations, a notice of intention to negotiate will be published, together with a list of articles which it is proposed should be considered in such negotiations. It should be emphasized that interested parties will be given ample opportunity to express their views regarding these negotiations, both by submitting formal statements to the Committee for Reciprocity Information, and by testifying in oral hearings conducted by that Committee. The views so expressed will be taken into consideration by the Interdepartmental Committee on Trade Agreements before making its recommendations to the President regarding the concessions to be granted and requested in the negotiations. At the present time the membership of the Trade Agreements Committee includes representatives from the Departments of State, Commerce, Agriculture, Treasury, Defense, and Labor, the United States Tariff Commission, and the Economic Cooperation Administration.

It is expected that the public notice mentioned above regarding the negotiations will be issued within the next several weeks. The Tyer Rubber Co. is being placed on the appropriate mailing list for the receipt of announcements concerning the negotiations.

In mentioning the possibility of a change in the "American selling price" principle, Mr. Brimer no doubt is referring to a provision in the Habana Charter for an International Trade Organization which would require the abolition of the use of American selling price as a basis for determining the dutiable value of imported merchandise. The charter would require that dutiable value be based on the actual value of the imported merchandise and not on the value of domestic merchandise. However, it must be kept in mind that the charter would not require a change in the protective incidence of the duties presently based on American selling price but only in the basis of value used. The proposal to eliminate the use of American selling price, which is presently used as a basis for dutiable value in only a few classes of merchandise, is being considered in connection with possible legislation to simplify customs procedures which it is expected will be submitted to the Congress by the Treasury Department.

Mr. Brimer requested that you use your influence to restore the tariff rate on waterproof footwear. The only way that this can be done without violating our commitments under the general agreement on tariffs and trade would be through a successful action under article XIX—the escape clause—of the general agreement. All of the tariff concessions in the general agreement are subject to this article which permits a contracting party to withdraw or modify any concession, if, as a result of unforeseen developments and of the concession, increased imports threaten or cause serious injury to domestic industry. If Mr. Brimer believes that his company has a good case for such action he may address a request for consideration of his case to the United States Tariff Commission, Washington, D. C.

In order that the views expressed by Mr. Brimer may be made known to the various Government agencies concerned with trade-agreement negotiations, a copy of his letter is being sent to the Interdepartmental Committee for Reciprocity Information, which in turn will bring it to the attention of interested officers in those agencies.

Sincerely yours,

JACK K. MCFALL,
Assistant Secretary
(For the Secretary of State).

[From the Lowell (Mass.) Sun]

REPRESENTATIVE ROGERS TOLD SHOE FIRMS MAY APPEAL HARMFUL TARIFFS—STATE DEPARTMENT OFFICIAL SAYS TARIFF COULD BE RAISED ON FOOTWEAR IMPORTS UNDER TREATY

WASHINGTON, D. C., March 24.—Assistant Secretary of State Jack McFall today told Representative EDITH NOURSE ROGERS, Republican, Massachusetts, that Massachusetts waterproof footwear firms fearing ruinous competition from abroad can request relief by asking the Tariff Commission to consider their case under the "escape clause" provisions of the general trade treaty.

Several Bay State firms had asked Representative ROGERS' help in restoring the 25-percent tariff on waterproof footwear. The rate was cut in half 3 years ago. McFall said the only way this could be done without violating United States commitments under the general agreement on tariffs and trade would be through a successful action under the "escape clause" section.

MAY GET MODIFICATION

All tariff concessions in the general agreement are subject to the clause which permits a contracting party to modify any concession if, as a result of unforeseen developments or the concession, itself, increased imports threaten or cause serious injury to domestic industries. If the Massachuetts firms think they have a good case, McFall said, they can ask that it be considered by the Tariff Commission.

Rubber and canvas footwear firms in Massachusetts recently wrote Representative ROGERS expressing concern over threatening competition from Japan and Czechoslovakia. Representative ROGERS was told that canvas-topped tennis shoes from Japan, recently displayed in New York, could sell here at prices one-third under those of domestic manufacturers, and certain types of Czechoslovakian footwear at one-half domestic prices. The domestic industry urged Representative ROGERS to use her influence to forestall any further cuts in the tariff on these products.

RENEGOTIATION SOON

Assistant Secretary of State McFall, commenting on these appeals, explained that this country will participate in tariff negotiations beginning in September. At this time, however, he said no decision has been reached on the countries with which the United States will negotiate at the next tariff conference or the items to be listed for possible negotiations. Before entering into negotiations, a notice will be published, listing articles involved. This, McFall indicated, will be forthcoming in the next several weeks.

The State Department official emphasized that interested parties will have a chance to express their views regarding these negotiations both by submitting formal statements and by oral testimony before the Committing for Reciprocity Information. The views expressed to this committee, he said, will be considered by the Interdepartmental Committee on Trade Agreements before making its recommendations to President Truman regarding concessions to be granted and requested in the negotiations.

[From the Lowell (Mass.) Sun of March 24, 1950]

SHOES FROM OVERSEAS

New England shoe manufacturers are bitterly opposed to what they term "dumping" of Czechoslovakian shoes in the United States, where these foreign-made products compete with American goods, and because of price ranges, are beginning to make a serious inroad into normal shoe business.

The manufacturers claim that in January of this year alone there were more shoes imported from Czechoslovakia than in the entire year of 1949. They are fearful that the imports will increase and they don't like to think of what the consequences may be.

This practice of letting cheap foreign-made shoes slip through to the American public is not new. The abuse was current some years before the war, and at that time there was loud opposition raised.

It may well be imagined what would happen to the American standard of living if the Government continues to follow a careless attitude toward such dumping practices.

American labor has been elevated to a position where it is second to none throughout the entire world. But it cannot maintain this position for any length of time if foreign products, manufactured in sweatshops before and behind the iron curtain, are permitted to flow in without serious restrictions. Yes; they are cheaper products in many ways—and it is a good guess that they are not only lower in price but much lower in quality.

If shoes start to arrive in great volume from Czechoslovakia, then it won't be long before some other foreign land starts to send some of its products across our boundaries to compete purely on the price standard.

The American market, as well as business and labor, must be protected against such inroads. The report that 43,000 pairs of shoes came into this country from Europe in January simply means that the Americans who would normally help to manufacture those shoes had so much less work. It means, in the long run, that American workers will be temporarily laid off or possibly permanently dismissed.

We have learned our lesson in the past. There is no excuse for being fooled twice, and the voice of the New England shoe manufacturers that has been raised should be heeded by Congress and other high officials in Washington. Let's stick to that American-made label—there is no better.

[From the Watertown (Mass.) Sun of March 23, 1950]

TIME FOR ACTION

The best time to avert trouble is before it happens.

There is evidence that a serious local problem is shaping up in Washington, and immediate action by Watertown citizens is necessary to protect the community's interests.

We urge you to write now to Senator LEVERETT SALTONSTALL, Senator HENRY CABOT LODGE, and Representative EDITH NOURSE ROGERS, reminding them that a tariff reduction on foreign made rubber and canvas footwear can hamstring our largest employer of labor and largest taxpayer, hurt our merchants, and boost taxes.

Don't delay.

[From the Watertown (Mass.) Sun of March 23, 1950]

PROPOSED REDUCTION IN TARIFF PRESENTS SERIOUS THREAT TO HOOD RUBBER CO.'S FUTURE

The Sun has learned that a bill is now being prepared in Washington to be presented to Congress, which will recommend a drastic reduction in the tariff on foreign-made rubber and canvas footwear.

Reduction in the present tariff would bring such merchandise into this country at a price so low, that similar goods produced in the United States could not compete. A tariff reduction would practically turn over the production of rubber and canvas footwear to the low-wage manufacturers of Japan and Czechoslovakia. When interviewed, executives of the Hood Rubber Co. were unanimous in saying, "It is doubtful if the company could maintain even one-half of its present employment, and certainly could not operate profitably."

This serious situation calls for immediate action by the citizens of Watertown. Any proposed reduction in the present tariff which applies to rubber and canvas footwear is a definite threat to our biggest local industry and largest taxpayer.

Letting down the bars to foreign competition would have a disastrous effect on local business firms, would increase welfare costs in taking care of additional thousands of unemployed, and would raise taxes to meet such extra expense. When informed of the proposed reduction in tariff which would curtail the local production of millions of pairs of rubber and canvas footwear, H. Herbert Applin, chairman of the board of selectmen, said, "If this bill should be passed by Congress, its effect would be immediately felt by every Watertown citizen. More unemployed people to be cared for will greatly increase local welfare costs, and that would naturally mean higher taxes."

Here's how a tariff reduction would affect Watertown business. The Hood Rubber Co. now employs in excess of 5,000 people. The annual pay roll runs into million of dollars, providing money which employees spend in this area for family necessities and comforts. Actually, the money spent locally by Hood employees helps to provide many jobs for store clerks and others who render various services in the community.

Elimination of this large employment and pay roll through lowering of the tariff, would be a damaging blow to all local business. James J. Clifford, manager of Otis Bros. Clothing Store, said, "I sell wearing apparel to the families of the workers at Hood. If they lost their jobs, the effect on my store wou'd be disastrous."

"Hood employees spend plenty of money in my store. If they had no jobs, no money to spend, you know what would happen to my business," said H. T. Sahagin, White's Market, Mt. Auburn Street.

When he heard what a tariff reduction would mean to the Hood Rubber Co., Peter Toomasian, owner of the Coolidge Square Gas Station remarked, "My station is near the Hood plant. A large share of my business comes from the employees, and I'd be lost without it."

Charles Batchelder, owner of the Pontiac agency on Arsenal Street, analyzed the situation in this manner, "If we couldn't sell cars to Hood employees and if we lost the service work we do for them, it would be practically impossible to replace that tremendous loss."

Alden C. Brett, treasurer of the local concern, explained the proposed tariff action in this way: "To boil down the threat to our industry through actions going on in Washington, there is a bill being prepared, the purpose of which is to eliminate the use of the American selling price as the basis for applying the tariff on imported goods. There are only three industries in this country where this American selling price is used, and one of the industries is rubber footwear, including vulcanized rubber-soled canvas footwear.

"This basis of applying the tariff was established in 1932, after a thorough study by the Tariff Commission of the damage being done to our industry by importations of waterproof footwear from Czechoslovakia, and rubber-soled canvas footwear from Japan. This study determined that the only way our industry could be protected from low-wage foreign competition was to use the American selling price as the basis for applying the tariff, because the importers' stated price was so low that the tariff had absolutely no effect.

"Therefore, this proposed bill is directly aimed at the rubber footwear industry and the Hood Rubber Co. Its purpose must be to turn over to Czechoslovakia and Japan the major portion of our business to low-wage manufacturers in those countries. From the experience we had in 1930, 1931 and 1932 it is doubtful if the Hood Rubber Co. could

maintain one-half of its present employment if this bill were to go through Congress and be approved by the President. Besides eliminating at least half of our job opportunities, it is certain that it would be impossible to operate the company profitably."

Prompt action is necessary. A flood of protests from Watertown citizens sent directly to our congressional Representatives in Washington can help to kill this bill before it has a chance to even be presented to Congress.

Definite plans are under way at Hood. A committee consisting of J. S. Barrie, vice president in charge of distribution; Alden C. Brett, treasurer; Al Percoco, business agent, Rubber Workers' Union, Local 21914, A. F. of L.; Charles L. Sheldon manager of purchasing; Harold Leland, manager, industrial relations and Paul N. Swaffield, manager of advertising, has been formed to organize the employees into action to protect their jobs.

Posters on factory bulletin boards, and pamphlets in pay envelopes explain the proposed dangerous tariff reduction proposal. Each employee will receive a postcard to sign, which will be mailed to our Representatives in Washington in protest. It is planned to collect the cards in large mail bags to be shipped to Washington to impress our Representatives with the serious effect of such proposed action on Hood employees, their families and the businessmen in this community.

[From the Watertown (Mass.) Sun of March 23, 1950]

SERIOUS SITUATION THREATENS—LOCAL EMPLOYMENT, LOCAL PAY ROLLS, LOCAL BUSINESS, LOCAL TAXES

Because—

1. A bill is being prepared in Washington, D. C., to be presented to Congress, which will recommend a drastic reduction in the tariff on imported rubber and canvas footwear.

2. The proposed tariff reduction would bring foreign-made merchandise into this country at such low prices that domestic manufacturers could not compete.

3. Such reduction in the present tariff would practically turn over the production of rubber and canvas footwear to low-wage manufacturers in Japan and Czechoslovakia.

4. It is doubtful if the Hood Rubber Co.—largest taxpayer in town—could maintain even one-half its present employment and certainly could not operate profitably under proposed tariff reductions.

READ WHAT THIS MEANS TO WATERTOWN

Al Percoco, business agent, Rubber Workers Union, Local No. 21914, AFL, states: "This proposal to reduce the tariff in the rubber footwear industry without a question of doubt would be inviting unfair competition, which would reduce our production demands, idle our workers, and even close our plants. Our livelihood depends on a thriving footwear industry in Watertown. Our labor and living standards must be maintained. Let us join hands and fight any move which would jeopardize our jobs."

H. Herbert Applin, chairman, board of selectmen, stated: "More unemployed people increase local welfare costs and that means higher taxes."

Mr. Joseph Di Benedetto, manager east Watertown branch, Union Market National Bank, says: "Watertown business needs the patronage of its people who are employed in industry. It would be a serious blow to our business should the Hood pay roll be cut to any major extent."

Mr. H. T. Sahagian, Whites Market, says: "Hood employees spend plenty of money in my store. If they had no jobs, no money to spend, you know what would happen to my store."

Mr. Batchelder, owner Batchelder-Pontiac Co., says: "If we couldn't sell cars to Hood employees and if we lost the service work we do for them, it would be practically impossible to replace that tremendous loss."

Mr. Pete Toomasian, owner Coolidge Square gas station, says: "My station is near the Hood Rubber Co. A large share of my business comes from the employees and I'd be lost without it."

Mr. James Clifford, manager, Otis Bros., stated: "I sell wearing apparel to the families of the workers at Hood. If they lost their jobs, the effect on my store would be disastrous."

This situation vitally concerns every citizen.

Here's how you can help: Tear off this coupon, paste on the back of a post card, and mail this protest to Senator LEVERETT SALTONSTALL, or Senator HENRY CABOT LODGE, JR., or Congresswoman EDITH NOURSE ROGERS, address, Washington, D. C. Do it today. It's important. You'll help save jobs, business, and the community.

Tariff reduction on rubber and canvas footwear

Any proposed reduction in present tariff which applies to rubber and canvas footwear is a serious threat to the economic stability of this entire community.

I am opposed to any such action which would endanger my own security and that of my neighbors.

Name_____

Address_____

Sponsored by Rubber Workers Union, Local 21914, A. F. of L.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. PHILLIPS] is recognized for 5 minutes.

ORANGES FROM THE PARENT NAVEL ORANGE TREE

Mr. PHILLIPS of California. Mr. Speaker, this morning I received 4 boxes of oranges from my home county of Riverside. This in itself is not an unusual occurrence, for my friends at home frequently send me commodities grown in my district. But these particular oranges are something special and because a good many of my friends here in Washington have eaten California navel oranges, I thought you might like to know where this variety originated and how it developed in this country.

The original navel orange tree was introduced in Riverside, Calif., in 1873. It was sent to Mrs. Eliza Tibbets by William Suanders, who was at that time horticulturist in charge of buildings and grounds here in Washington, having been brought from Bahia, Brazil, in 1871. This, and a sister tree received at the same time, are the parents of more than 10,000,000 navel orange trees in California and in several foreign countries. The sister tree died some years ago, but the present surviving tree still thrives in Riverside, where it is nursed and guarded by our local horticulturists headed by the dean of them all, Mr. Archie D. Shamel. The tree itself has become almost a shrine to citrus growers and to the people of Riverside.

These oranges which I received today are from that parent tree. They are delicious, and they are special because they are almost literally grown by hand, but they are particularly significant because they are from the most important and interesting fruit tree in the entire world, not only from a historical, but from a horticultural standpoint. They are also a symbol of one of our greatest western industries which have benefited growers, handlers, and consumers alike.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. NICHOLSON (at the request of Mr. GOODWIN), for an indefinite period, on account of illness.

To Mr. WIDNALL (at the request of Mr. TOWE), on account of illness in family.

ADJOURNMENT

Mr. MILLER of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 29, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1342. Under clause 2 of rule XXIV, a letter from the Secretary of the Interior, transmitting additional material on proposed improvements in the Columbia River Basin for the development of the Pacific Northwest (H. Doc. No. 473, pt. 2), was taken from the Speaker's table, referred to the Committee on Public Lands, and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Expenditures in the Executive Departments. House Resolution 516. Resolution rejecting Reorganization Plan No. 12 of 1950; without amendment (Rept. No. 1852). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY (by request):

H. R. 7881. A bill to amend sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia; to the Committee on the District of Columbia.

By Mr. ANDERSON of California:

H. R. 7882. A bill to amend the Career Compensation Act of 1949; to the Committee on Armed Services.

By Mr. HESELTON:

H. R. 7883. A bill to permit civil officers and employees of the United States to hold certain municipal positions; to the Committee on Post Office and Civil Service.

H. R. 7884. A bill to permit postmasters, officers, and employees of the Post Office Department to hold certain municipal positions; to the Committee on Post Office and Civil Service.

By Mr. McCORMACK:

H. R. 7885. A bill to amend section 1404 of title 28, United States Code, with respect to the transfer of certain civil actions from one district to another; to the Committee on the Judiciary.

By Mr. STEED:

H. R. 7886. A bill to enable the States to make more adequate provision for special services required for the education of physically handicapped children of school age, and for other purposes; to the Committee on Education and Labor.

By Mr. THOMPSON:

H. R. 7887. A bill granting the consent and approval of Congress to an amendment to the Atlantic States marine fisheries compact, and repealing the limitation on the life of such compact; to the Committee on Merchant Marine and Fisheries.

By Mr. MURRAY of Tennessee:

H. R. 7888. A bill to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal; to the Committee on Post Office and Civil Service.

H. R. 7889. A bill to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System; to the Committee on Post Office and Civil Service.

By Mr. BENTSEN:

H. R. 7890. A bill to amend the act entitled "An act to provide for cooperation with Central American Republics in the construction of the Inter-American Highway," approved December 26, 1941; to the Committee on Foreign Affairs.

By Mr. DOUGHTON:

H. R. 7891. A bill to amend section 3224 (b) of the Internal Revenue Code, relating to the transportation of narcotic drugs; to the Committee on Ways and Means.

H. R. 7892. A bill relating to the definition, in the case of narcotic drugs, of the term "contraband article" as used in the act of August 9, 1939; to the Committee on Ways and Means.

By Mr. PATTEN:

H. R. 7893. A bill to amend section 1404 of title 28, United States Code, with respect to the transfer of certain civil actions from one district to another; to the Committee on the Judiciary.

By Mr. SPENCE:

H. R. 7894. A bill to amend section 14 (b) of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

H. R. 7895. A bill to amend section 10 of the Federal Reserve Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. SPENCE (by request):

H. R. 7896. A bill to amend section 5219 of the Revised Statutes of the United States, as amended, relating to State taxation of national banks; to the Committee on Banking and Currency.

By Mr. WHITE of Idaho:

H. R. 7897. A bill to establish the Coeur d'Alene Indian Agency on the Coeur d'Alene Indian Reservation, Idaho, in order to provide for the expansion of services for the Coeur d'Alene, Kalispell, and Kootnai Tribes of Indians; to the Committee on Public Lands.

By Mr. HALE:

H. J. Res. 444. Joint resolution declaring that the Yalta agreement is no longer binding on the United States; to the Committee on Foreign Affairs.

By Mr. DONDERO:

H. J. Res. 445. Joint resolution to provide for the printing and distribution to schools of a million copies of the Constitution of the United States as It Is; to the Committee on House Administration.

By Mr. LUCAS:

H. Res. 522. Resolution rejecting Reorganization Plan No. 6 of 1950; to the Committee on Expenditures in the Executive Departments.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California dealing with the inequitable distribution of Veterans' Administration offices throughout the United States; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Massachusetts, requesting the enactment of legislation for the distribution of surplus foods to the several States and the political subdivisions thereof in proportion to their population and per capita income; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 7898. A bill authorizing the issuance of a patent in fee to Elizabeth Marshall Young; to the Committee on Public Lands.

By Mr. COLE of Kansas:

H. R. 7899. A bill for the relief of Mrs. Michiko Nogami Cotter and Katsumi Cotter; to the Committee on the Judiciary.

By Mr. DAVIES of New York:

H. R. 7900. A bill for the relief of certain manufacturers on the Oswego River, N. Y.; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 7901. A bill for the relief of Miss Emilia Barpi; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 7902. A bill for the relief of Isabelle F. Story; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 7903. A bill to fix the seniority rights and service of Albert O. Raeder as sergeant in the District of Columbia Fire Department; to the Committee on the District of Columbia.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2021. By Mr. BROWN of Ohio: Petition, containing 2,000 signatures, from various towns and cities in Ohio, requesting Congress to support and enact the legislation embodying the recommendations of the Hoover Commission report; to the Committee on Expenditures in the Executive Departments.

2022. By Mr. FORAND: Resolution passed by the General Assembly of the State of Rhode Island, requesting the Senators and Representatives from Rhode Island in Congress to enter protest immediately against the directive to close historic Fort Adams, in Newport, R. I.; to the Committee on Armed Services.

2023. Also, resolution passed by the General Assembly of the State of Rhode Island, requesting the Senators and Representatives from Rhode Island in Congress to use every effort to effectuate the termination of partition in Ireland; to the Committee on Foreign Affairs.

2024. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, requesting Congress to enact legislation for the distribution of surplus foods to the several States and the political subdivisions thereof in proportion to their population and per capita income; to the Committee on Agriculture.

2025. By Mr. RICH: Petition of the Lycoming County division, Associated Petroleum Industries of Pennsylvania, urging the repeal of Federal excise levies on gasoline and lubricating oils; to the Committee on Ways and Means.

2026. By the SPEAKER: Petition of Bert W. Kellogg and others, St. Cloud, Fla., requesting passage of House bill 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2027. By Mr. MURDOCK: Memorial of the House of Representatives of the Arizona Legislature, relating to proposed dismemberment of the Veterans' Administration; to the Committee on Veterans' Affairs.

2028. By the SPEAKER: Petition of Mrs. Zeta M. S. Smith, Winter Haven, Fla., relative to certain court rulings which protect our national economic and financial structure; to the Committee on the Judiciary.

2029. Also, petition of the president, Federation of Citizens Associations of the District of Columbia, Washington, D. C., requesting the discharge from committee of Senate bill 1527, the Kefauver bill for home rule in the District of Columbia; to the Committee on the District of Columbia.